PRESS RELEASE

CREDEM: THE BOARD OF DIRECTORS APPROVES FULL YEAR 2009 GROUP'S CONSOLIDATED RESULTS

- *Strong capital ratios:* ***Core Tier 1*** *8.05%,* ***Total Capital Ratio*** *11%;*
- *remarkable increase (+31.2%) in* ***AuM volumes*** *that exceed €15 billion at year end (+€3.6 billion compared to previous year);*
- ***Customers' Deposits*** *+7,7% at € 58,278 milion;*
- ***Residential Mortgages new inflows*** *at almost one billion euro;*
- ***Net NPLs Ratio*** *0.8% as a confirmation of the asset quality;*
- ***Net Consolidated Profit*** *€88.8 milion;*
- ***proposed dividend*** *€0.08 per share in line with the strategy aimed at preserving a strong capital position for the group in the medium term.*

Credem's Board of Directors, chaired by Giorgio Ferrari, approved, yesterday, FY09 individual and consolidated results, which will be submitted to the shareholders' meeting called for 30 April 2010. General Manager, **Adolfo Bizzocchi**, will present today FY2009 results during a conference call at 11.00 CET.

FY2009 results confirm the **solid capital position** of the Group with a core Tier 1 ratio at 8.05% and a **credit quality** among the best in the industry with Net NPLs standing at 0.8% of total loans**.**
The **dividend** which will be proposed at the shareholders' meeting is €0.08 per share, that will be payable as from 20 May 2010, with shares going ex-div on 17 May 2010.
The total amount of dividends is €26.6 million.

The Group is currently implementing its recently presented 2010-2012 business plan whose strategic guidelines are: focus on core business intended as modern commercial banking; increase of market shares; asset management development and strong support to SMEs and retail customers; value extraction from recent acquisitions; preservation of excellent credit quality and solid capital ratios; strong cost control. Plan also include a forecast of €100 million investments, half of which in IT aimed at supporting the business as well as improving efficiency and a new corporate identity project.

Consolidated Income Statement[1]

Total Income comes at €948.6 million, compared to €916.1 million in 2008 (+3.5%).

In particular, **Net Interest Income[2]** comes at €430.8 million vs. €562.8 million at the end of 2008 (-23.5%). The reduction is mostly due to the spreads contraction.

Net Non Interest Income[3] comes at €517.8 million, up 46.6% if compared to €353.3 million at the end of December 2008. The aggregate is growing because of improved markets' conditions and because an overall better performance of banking and asset management fees.

[1] 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.
[2] Comprehensive of dividends from financials assets available for sale (non qualified participations) and gain/losses from consolidated participations calculated with net equity method.
[3] Comprehensive of the entire total income of Abaxbank and Credemvita and the item "other operating income/charges" net of extraordinary income/charges.

Operating Costs are €661.8 million, +4.1% compared to the €635.6 million in 2008. In particular, Administrative Expenses equal €237.2 million (-2.7% compared to previous year). Payroll Costs come at €424.6 million (+8.3%), negatively impacted by the acquisition of branches realized in 2008, Abaxbank restructuring charges, network rationalization actions and the latest update of the national contract for banking workers.

Cost/income[4] comes in at 69.8% vs. 69.4% in 2008.

Gross Operating Profit comes at €286.8 million compared to €280.5 million in 2008 (+2.2%). **Depreciation and Amortization** equal €29.5 million vs. €36.9 million in 2008 (-20.1%).

Net Operating Profit is €257.3 million compared to the €243.6 million in 2008 (+5.6%).

Net Provisions for Risk and Charges equal €0.4 million (€4.3 million in 2008). **Net Loans Write-downs** are €108.5 million (€58.1 million in 2008, +86.7%) reflecting the worsening of the macro environment. The figure is also a result of the alignment process at Group's prudential credit policies of acquired branches' lending activity. Further write downs on performing loans come from a perceived higher risk associated to the portfolio as a whole.

Net Extraordinary Income/Expenses impact for €14.4 million (negative for €0.4 million in 2008).

Pre-tax Profit equals €162.8 million vs. €180.8 million in 2008 (-10.0%).

Income Taxes come in at €73.9 million (€25.0 million in 2008).

Net Profit, comes at €88.8 million (€155.8 million in 2008, -43%), affected by the negative macroeconomic scenario as well as a worse tax rate.

Roe in 2009 is 5.3% (10.5% in 2008).

Consolidated Balance Sheet

Group Customers Funding comes at €58,278 million at the end of December 2009, vs. €54,136 million at the end of December 2008 (+7.7%), including a remarkable contribution coming from the repatriation of assets ("tax shield").

Direct Deposits and Bonds, net of repos, are €17,928 million vs. €18,572 million at the end of December 2008 (-3.5%). Direct deposits, including repurchase, agreements have reached €18,086 million compared to €20,788 million at 31 December 2008 (-13%). In detail, deposits are €14,080 million (€13,719 million at the end of December 2008). Bonds are €3,848 million (€4,848 million at the end of December 2008); repos are €158 million vs. €2,216 million at the end of December 2008.

Insurance Reserves growth is 28.9% to €2,312 million vs. €1,794 million at the end of December 2008.

Indirect Funding equals €37,880 million compared to €31,554 million at the end of December 2008 (+20.0%). **Assets Under Management** equals at €15,051 million compared to €11,476 million at the end of December 2008 (+31.2%). Within this aggregate, discretionary accounts are at €4,301 million, mutual funds and Sicav are at €9,032 million. **Assets Under Custody** equal €22,829 million compared to €20,078 million at the end of December 2008 (+13.7%).

[4] Calculated as operative costs on total income

Net Cash Loans to customers come at €17,536 million, almost stable if compared with €17,621 million at 31 December 2008, and showing a remarkable growing trend during 4Q09. The difficult macro picture impacted particularly on short term lending to enterprises and small business (-7% compared to 2008 year end). At the same time, medium and long term lending developed, especially to retail customers (+6% compared to 2008 year end). **Residential Mortgage Loans** are €5,534 million (+4.9%) at the end of December 2009 and inflows come at €948 million (+9.5%).

Net NPL ratio comes in at 0.8% of total loans (0.5% at 31 December 2008). **Coverage ratio** is 61.7% (62.0% at the end of December 2008). **Net Total Impaired Loans** equal €466.4 million (€274.0 million at the end of December 2008) and represent 2.66% of total loans. This aggregate grew also because of the application of new rules set by Banca d'Italia about the recognition of "Incagli Oggettivi" among impaired loans.

Shareholders equity, including net profit, is up to €1,823.1 million (€1,748.4 million at 2008 year end).

Core Tier 1 ratio is 8.05%. **Total Capital ratio** equals 11%.

As at 31 December 2009 Credem's distribution network consists of 575 branches, 43 corporate centres, 50 financial stores with 5,740 employees and 1,006 financial advisors with mandate.

Credem's General Manager, Adolfo Bizzocchi, will present, today, FY2009 Consolidated Results during a conference call starting at 11 am Cet. To participate in Italian and English, attendees can call, 10 minutes before the start time, following numbers: +39 0236269665 (from Italy and other internationals), +44 203 003 2666 (from UK) and +1 646 843 4608 (from USA).

Other Information

The Board of Directors has also assessed independence requirements for its members.
According to the documentation presented by members, the Board has validated:

- the independence requirements for directors Vincenzo Calandra Buonaura, Ugo Medici and Giovanni Viani, as per Article 148 sub-section 3 of the consolidated Law on Finance (TUF);
- the independence requirements for directors Vincenzo Calandra Buonaura and Giovanni Viani, in accordance to the Article 3 of the Self-discipline Code.

***

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.

As of today the independent auditors have not completed the auditing Group's Annual Operating Report.

For additional information about Credem and the other companies in the Group, please visit Credem website www.credem.it

Reggio Emilia, 31 March 2010

CREDITO EMILIANO SPA
(The Chairman)
Giorgio Ferrari

Contacts:
Media Relations Credem
0522 582075
rel@credem.it

Investor Relations Credem
0522 583029-2785
investor@credem.it

www.credem.it

CREDEM - CONSOLIDATED BALANCE SHEET (€,000)

	Assets	31 Dec 2009	31 Dec 2008
10.	Cash and balances with central banks	140,298	1,257,081
20.	Financial assets held for trading	1,255,886	4,509,994
30.	Financial assets at fair value	1,084,300	1,402,947
40.	Financial assets available for sale	3,757,714	2,024,986
60.	Loans and advances to banks	1,170,809	1,472,926
70.	Loans and advances to customers	17,535,701	17,620,513
80.	Hedging derivatives	34,231	301,579
90.	Net adjustment due to fair value hedge option on financial assets	37,917	27,156
100.	Equity investments	14,040	20,107
110.	Technical reserves attributable to reinsurers	397	57
120.	Tangible assets	333,283	333,576
130.	Intangible assets	360,851	363,602
	of which: goodwill	285,945	290,747
140.	Tax assets	184,329	188,031
	a) current	76,284	88,989
	b) prepaid	108,045	99,042
150.	Non-current assets and groups of assets being disposed	1,047	2,784
160.	Other assets	528,238	610,756
	Total Assets	**26,439,041**	**30,136,095**
	Liabilities	**31 Dec 2009**	**31 Dec 2008**
10.	Due from banks	2,394,643	2,836,608
20.	Due to customers	12,691,347	13,668,480
30.	Outstanding securities	5,000,157	6,808,472
40.	Financial liabilities held for trading	521,388	1,524,398
50.	Financial liabilities valued at fair value	1,488,745	1,364,940
60.	Hedging derivatives	222,129	171,091
70.	Net adjustment due to fair value hedge option on financial liabilities	1,237	-
80.	Tax liabilities	127,423	116,444
	a) current	69,488	64,868
	b) deferred	57,935	51,576
100.	Other liabilities	747,509	948,245
110.	Staff termination indemnity	90,909	97,450
120.	Provisions for risks and charges	85,499	106,562
	a) pensions and similar	2,007	2,219
	b) other	83,492	104,343
130.	Technical reserves	1,218,044	740,202
140.	Valuation reserves	-16,560	-27,948
170.	Reserves	1,161,956	1,009,654
180.	Share premium	283,052	283,105
190.	Share capital	332,392	332,392
210.	Minority interests	343	226
220.	Profit /(Loss) for the period	88,828	155,774
	Total Liabilities	**26,439,041**	**30,136,095**

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.

CREDEM - CONSOLIDATED INCOME STATEMENT (€,000)

	Voci	2009	2008
10.	Interests income and similar revenues	973,425	1,563,993
20.	Interest expense and similar charges	(343,446)	(847,715)
30.	**Interest Margin**	**629,979**	**716,278**
40.	Commission income	426,091	378,532
50.	Commission expense	(87,682)	(82,649)
60.	**Net Commissions**	**338,409**	**295,883**
70.	Dividend and similar revenues	1,762	340,731
80.	Net result from trading activities	(83,869)	(501,611)
90.	Net result from hedging activities	3,659	2,417
100.	Profit (loss) from sale or repurchase of:	55,125	3,245
	a) loans	(6,104)	(10)
	b) available for sale financial assets	43,270	541
	d) financial liabilities	17,959	2,714
110.	Net result from financial assets and liabilities valued at fair value	(24,658)	21,280
120.	**Operating Income**	**920,407**	**878,223**
130.	Net value adjustments/write-backs due to impairment of:	(108,500)	(58,089)
	a) loans	(108,184)	(58,633)
	b) available for sale financial assets		
	d) other financial transactions	(316)	544
140.	**Net Income from Banking Activities**	**811,907**	**820,134**
150.	Net premiums	516,172	145,695
160.	Other income/expenses from insurance activities	(523,984)	(170,562)
170.	**Net Income from Banking and Insurance Activities**	**804,095**	**795,267**
180.	Administrative costs:	(661,831)	(635,684)
	a) personnel costs	(424,593)	(391,887)
	b) other administrative costs	(237,238)	(243,797)
190.	Net provisions for risks and charges	(449)	(4,277)
200.	Net value adjustments/write-backs to tangible assets	(15,675)	(18,873)
210.	Net value adjustments/write-backs to intangible assets	(13,839)	(18,056)
220.	Other operating income/charges	52,599	60,687
230.	**Operating Costs**	**(639,195)**	**(616,203)**
240.	Profit/(loss) from equity investments	(2,148)	1,251
270.	Profit /(loss) from disposal of investments	44	419
280.	**Profit (loss) before tax from continuing operations**	**162,796**	**180,734**
290.	Taxes on income from continuing operations	(73,859)	(24,946)
300.	**Profit (loss) after-tax from continuing operations**	**88,937**	**155,788**
310.	Profit (loss) for the period		
320.	**Profit (loss) attributable to minority interests**	**88,937**	**155,788**
330.	Profit (loss) attributable to the parent company	(109)	(14)
340.	**Net provisions for risks and charges**	**88,828**	**155,774**

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.

CREDEM - RECLASSIFIED CONSOLIDATED INCOME STATEMENT (€,million)

	1Q09	2Q09	3Q09	4Q09	FY09	FY08	Var%
Net Interest Income	119.4	94.9	112.9	103.6	430.8	562.8	(23.5)
Net Non Interest Income	102.9	131.4	149.6	133.9	517.8	353.3	46.6
Total Income	**222.3**	**226.3**	**262.5**	**237.5**	**948.6**	**916.1**	**3.5**
Payroll Costs	(103.2)	(103.2)	(112.4)	(105.8)	(424.6)	(391.9)	8.3
Administrative Expenses	(61.8)	(60.0)	(59.5)	(55.9)	(237.2)	(243.7)	(2.7)
Operating Costs	**(165.0)**	**(163.2)**	**(171.9)**	**(161.7)**	**(661.8)**	**(635.6)**	**4.1**
Gross Operating Profit	**57.3**	**63.1**	**90.6**	**75.8**	**286.8**	**280.5**	**2.2**
Depreciation and Amortization	(7.1)	(7.2)	(7.9)	(7.3)	(29.5)	(36.9)	(20.1)
Net Operating Profit	**50.2**	**55.9**	**82.7**	**68.5**	**257.3**	**243.6**	**5.6**
Net Provisions for Risks and Charges	(1.4)	(6.4)	10.2	(2.8)	(0.4)	(4.3)	(90.7)
Net Extraordinary Income/Expenses	0.6	8.6	1.3	3.8	14.4	(0.4)	n.s.
Net Loans Write-Downs	(25.9)	(35.0)	(14.3)	(33.3)	(108.5)	(58.1)	86.7
Pre-Tax Profit	**23.5**	**23.1**	**79.9**	**36.2**	**162.8**	**180.8**	**(10.0)**
Minority Interest	-	-	-	-	(0.1)	-	-
Income Taxes	(8.0)	(14.2)	(36.7)	(15.0)	(73.9)	(25.0)	195.6
Net Profit	**15.5**	**8.9**	**43.2**	**21.2**	**88.8**	**155.8**	**(43.0)**
EPS					**0.27**	**0.54**	**(50.0)**
Diluited EPS					**0.27**	**0.54**	**(50.0)**

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.

Income Statement reclassification has been prepared also on the base of data coming from the management accounting, that are not presented in the financial statements and in the explanatory notes.

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 2009)

Non Interest Income
+ Item 60 + Item 70 (only dividends from equity investments) + Item 80 + Item 90
+ Item 100 (excluding a) and excluding 17 million settlement on a watchlist loan in 2009 and 4.6 million capital gain on a minority stake sale)
+ 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 4.6 million capital gain on a minority stake sale)
+ Item 220 (only extraordinaries)
+ Item 270

Income Taxes
+ Item 290