



CREDEM, THE BOARD OF DIRECTORS APPROVES FIRST QUARTER 2009 CONSOLIDATED RESULTS

Strategic guidelines confirmed: strong capital position, focus on traditional banking and value extraction from investments realized

- *Strong capital position, core **Tier 1 capital ratio** 7.5%; strong liquidity position;*
- *Positive performance of traditional banking: **direct deposits +3.6%**;*
- ***Consolidated net profit** at €11.8 million, down by 75.1% from €47.4 million in 1Q08 and recovering from last quarter 2008;*
- ***Abaxbank** (investment banking) controlled company reorganization continues, in line with the Group's 2008-2010 business plan;*
- ***Assets quality: Net NPL ratio** at 0.58% (0.30% in 1Q2008);*

Credem's Board of Directors, chaired by Giorgio Ferrari, approved, today, 1Q09 individual and consolidated results.

1Q2009 results confirm the strong capital position of the Group with a core Tier 1 ratio at 7.5% and the focalization on the strong traditional banking activity highlighted by direct funding growing by 3.6% and lending.

The group has a strong liquidity position and continues on value extraction from the investments made in 2008 through the integration of the company's line of business acquired (72 branches) and the development of the commercial potential of the over 70 new branches opened in the last triennium.

Consolidated income statement as at 31 March, 2009¹

Net profit, which was negatively affected by financial markets turmoil, comes at €11.8 million (-75.1%) versus €47.4 as at 1Q08, recovering from last quarter 2008.

Total income comes at €222.3 million, compared to €237.3 million at 31 March 2008 (-6.3%). In particular, **Net interest income**² is down by 16.7% at €119.4 million vs. €143.4 million as at the end of March 2008. The negative trend was mainly affected by spreads reduction; volumes increase (+5.9% on March 2008) only offset fifty per cent of this effect. Spreads to clientele vs. FY2008 are contracting.

¹ Figures as at 31 March 2009 include the effects of the acquisitions of 67 branches e 2 corporate centers finalized by Credem in the second half of 2008 from Banco Popolare e Unicredit Groups, beside the acquisition of 5 branches from Citibank started in May 2008 from Banca Euromobiliare (private bank of Credem Group). As at 31 March 2009 total fundings and lendings connected to quoted deals affect respectively, for the 6% and 7% total outstanding, while impact on total lending equals 5%.

²Comprehensive of dividends of financials activities held for sale (non qualified participations) and gain/losses from consolidated participations calculated with the 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.

⁴ Calculated as operative costs on total income.

Net non interest income³ is up by 9.6% at €102.9 million (€93.9 million in the same period of 2008). Asset management & brokerage fees continues to decline, on discretionary accounts (-22.8%), on mutual funds and Sicav's (-42.0% and -28.0% respectively), while insurance products placement is recovering. Securities brokerage fees on behalf of third parties are back to growth (+11.0%) while remains stable the contribution of commissions on banking services. Positive contribution of trading inverts 2008 last quarters trend. Abaxbank's total income still suffering.

Operating costs equal, in the first quarter 2009, €165.0 million compared to the €160,5 million in the first quarter 2008 (+2.8%). Personnel expenses were €103.2 (+3.3%), administrative expenses are at €61.8 million (+2%). Personnel expenses figures show the impact by the new branches acquired by Unicredit, Banco Popolare, Citibank.

Cost/income⁴ comes in at 74.2% vs. 67.6% as at 31 March 2008.

EBITDA is down by 25.4% to €57.3 million compared to €76.8 million at the end of March 2008. Amortization and depreciation equal €10.8 million up by 33.3% (€8.1 million in March 2008) mostly due to the distribution network expansion.

EBIT is down by 32.3% to €46.5 million compared to the €68.7 million at the end of March 2008.

Provisions for risk and expenses equal, in 1Q2009, €1.4 million (the same figure was positive for €4.4 million in the first quarter 2008). **Net loan write-downs** are €25.9 million in first quarter 2009 (€10.0 million in the same period of 2008). The item growth is mainly due to economic downturn but still represents the 0.15 % of total lending.

Pre-tax profit equals € 19.8 million (-68.5%) versus €62.9 million at the end of March 2008.

Income taxes come in at €8.0 million (€15.5 million as at 31 March 2008).

Consolidated balance sheet as at 31 March, 2009

Group customers fundings come at €52,333 million vs. €54,882 million in the same period of 2008 (-4.6%).

Direct deposits, including repos, are up by +3.6% to €18,174 million vs. €17,546 million as at 31 March 2008. Direct deposits, net of repurchase agreements, equal €16,945 million down by 0.5% compared with 17,022 million at the end of March 2008. In detail, deposits have climbed by 8.2% to €12,904 million (€11,921 million in the same period of 2008). Bonds are down by 20.8% to €4,041million (€5,101 million as at 31 March 2008). Repurchase agreements are at €1,229 million vs. €524.0 million at 31 March 2008.

Indirect fundings equal €32,268 million compared to €35,247 million at the end of 2008 (-8.5%). **Assets under management** equal €12,002 million compared to €12,860 million in the same period of 2008 (-6.7%) and in particular discretionary accounts are at 3,623 (-12.2%), mutual funds are down by 20,5% to €3,634 million and Sicav's are down by 3.1% to €3,716 million. **Assets under custody** are down by -9.5% to €20,266 million compared to €22,387million in the same period of 2008.

Net cash loans to customers, net of repurchase agreements, rose by 7.2% to €17,236 million (€16,083 million at the end of March 2008), while the increase, including repurchase agreements, is of 5.9% (€17,236 million in 1Q09 versus €16,275 million in the same period of 2008). In particular, **total mortgage loans** register consistencies for €5,313 million (+12.5%) and disbursements for €202.2 million (+25.7%). Always important medium term component's trend (+12.0% vs. March 2008) although stable compared to the end of 2008. Essentially stable short term component (+0.7% in March 2008) which represent c.a 42% of total loans.

Net NPL ratio comes in, as at 31 March 2009, at 0.58% of total loans (0.30% in the same period of 2008). **Coverage ratio** is 61.0% (64.1% at 31 March 2008). **Total net problem loans** equal €305,5 million (€161,4 million in 2008) and represents 1.77% of total loans.

Shareholders equity, as at 31 March 2009, including net profit, is up to €1,728.7 (€1,468 million at the end of March 2008).

Core Tier 1 capital ratio is 7.5%. The **total capital ratio** equals 10.0%.

As at 31 March 2009 Credem's distribution network consists of 588 branches, 43 corporate centres, 58 financial stores with 5,945 employees and 1,021 financial advisors with mandate.

Coherently with the business plan presented in September 2008, controlled company Abaxbank reorganization process started at the end of March 2009, finalized to a strong cost and risk level control. This plan comes with a rationalization project, started in November 2008, on Euromobiliare Alternative Investments Sgr which aims to simplify the offer range and cost and scale economies to be realized throughout the integration of the company in Euromobiliare Asset Management Sgr.

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

Attached please find 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

Group's website at: www.credem.it

Reggio Emilia, 14 May 2009

CREDITO EMILIANO SPA
(Chairman)
Giorgio Ferrari

Contacts:
Investor Relations Credem
Tel. +39 0522 583029-2351
Fax +39 0522 582087
e-mail: investor@credem.it
www.credem.it

Consolidated Balance Sheet (€/000)

	Assets	3.31.2009	12.31.2008
10	Cash and balances with central banks	104,412	1,257,081
20	Financial assets held for trading	3,380,958	4,509,994
30	Financial assets at fair value	1,243,460	1,402,947
40	Financial assets available for sale	2,262,628	2,024,986
60	Loans and advances to banks	2,044,782	1,472,926
70	Loans and advances to customers	17,235,561	17,620,513
80	Hedging derivatives	115,252	301,579
90	Adjustment	59,198	27,156
100	Equity investments	19,171	20,107
110	Technical reserves	49	57
120	Property, plant and equipment	329,447	333,576
130	Intangible assets	358,801	353,178
	of which:		
	goodwill	318,062	325,864
140	Tax assets	251,235	249,384
	<i>a)</i> current	138,077	150,342
	<i>b)</i> prepaid	113,158	99,042
150	Non-current assets held for sale	2,947	2,784
160	Other assets	544,528	549,404
	Total assets	27,952,429	30,125,672

	Liabilities	3.31.2009	12.31.2008
10	Deposits from banks	3,537,078	2,836,608
20	Deposits from customers	12,441,224	13,668,480
30	Debt securities in issue	5,456,881	6,808,472
40	Financial liabilities held for trading	1,130,376	1,524,398
50	Financial liabilities at fair value	1,319,431	1,364,940
60	Hedging derivatives	332,897	171,091
80	Tax liabilities	128,565	113,110
	a) current	76,068	67,505
	<i>b) deferred</i>	52,497	45,605
100	Other liabilities	844,007	945,712
110	Provision for severance indemnities	94,598	97,450
120	Provisions for risks and charges:	93,431	106,562
	a) pensions and similar liabilities	2,217	2,219
	<i>b) other</i>	91,214	104,343
130	Technical reserves	845,018	740,202
140	Revaluation reserves	-60,528	-25,479
170	Reserves	1,161,875	1,001,395
180	Share premium	283,105	283,105
190	Share capital	332,392	332,392
210	Minority interests	236	226
220	Net profit (loss) for the period	11,843	157,008
	Total equity and liabilities	27,952,429	30,125,672

CONSOLIDATED INCOME STATEMENT (€/000)

		3.31.2009	3.31.2008
10	Interests and similar incomes	387,963	337,504
20	Interest expenses and similar charges	(184,392)	(194,489)
30	Net interest income	203,571	143,015
40	Fee and commission income	88,421	97,775
50	Fee and commission expense	(17,628)	(18,532)
60	Net fee and commission income	70,793	79,243
70	Dividend and similar income	3	239
80	Net trading income	(33,186)	(7,236)
90	Hedging activity income	(3,093)	1,631
100	Gains (losses) on disposal or repurchase of:	(3,252)	416
	a) credits		
	b) financial assets available for sale	(3,687)	300
	c) financial assets held to maturity		
	d) financial liabilities	435	116
110	Net change in value of financial a/l at fair value	(28,685)	12,838
120	Total income	206,151	230,146
130	Net impairment adjustments on:	(25,858)	(10,072)
	a) loans and advances	(25,696)	(10,184)
	b) financials assets available for sale	30	
	c) financial assets held to maturity		
	d) other financial assets	(192)	112
140	Net income from the financial activities	180,293	220,074
150	Net premiums	121,185	9,407
160	Net income Net income of the insurance	(122,765)	(16,842)
170	Net income from financial and insurance	178,713	212,639
180	Administrative expenses:	(165,011)	(160,470)
	a) payroll	(103,181)	(99,925)
	b) other	(61,830)	(60,545)
190	Net increases in provisions for risks and	(1,400)	4,404
200	Net adjustments to property, plant and equipment	(4,904)	(4,392)
210	Net adjustments to intangible assets	(5,908)	(3,681)
220	Other operating income (charges)	18,406	14,316
230	Operating costs	(158,817)	(149,823)
240	Share of profit (loss) from equity stakes	(31)	202
270	Share of profit (loss) from sale of	14	(74)
280	Profit (loss) from current operations before tax	19,879	62,944
290	Income taxes on current operations	(8,026)	(15,588)
300	Profit (loss) from current operations after tax	11,853	47,356
320	Net profit (loss) for the period	11,853	47,356
330	Minority interests	(10)	(2)

340	Net profit (loss) for the period attributable to the parent bank	11,843	47,354
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Consolidated reclassified income statement (€/million)

	1Q09	1Q08	change %y/y	FY08
Net interest income	119,4	143,4	(16,7)	562,8
Net commissions	102,9	93,9	9,6	353,3
Total income	222,3	237,3	(6,3)	916,1
Payroll expenses	(103,2)	(99,9)	3,3	(391,9)
Administrative expenses	(61,8)	(60,6)	2,0	(243,7)
Operating costs	(165,0)	(160,5)	2,8	(635,6)
EBITDA	57,3	76,8	(25,4)	280,5
Amortization and depreciation	(10,8)	(8,1)	33,3	(35,1)
EBIT	46,5	68,7	(32,3)	245,4
Net provisions for risks and expenses	(1,4)	4,4	n.s.	(4,3)
Extraordinary income/expenses	0,6	(0,2)	n.s.	(0,4)
Net write downs	(25,9)	-10,0	159,0	(58,1)
Pre-tax profit	19,8	62,9	(68,5)	182,6
Income taxes	(8,0)	(15,5)	(48,4)	(25,6)
Net profit	11,8	47,4	(75,1)	157,0
ROE	0,7%	3,0%		
<i>Non interest income/ Total Income</i>	<i>46,4%</i>	<i>32,9%</i>		
<i>Operating costs/Total Income</i>	<i>74,2%</i>	<i>67,6%</i>		
<i>Tax rate</i>	<i>44,3%</i>	<i>21,4%</i>		

Reclassification rules:

Net Interest income

+ Item 30 + Item 240 + Item 70 dividends and similar incomes (on stakes dividends) - Abaxbank and Credemvita net interest income – extraordinary trading activities reclassification (-65.6 at March 09 and -2.0 at March 08)

Non interest income

+ Item 60 + Item 70 (net of stake dividends)+ Item 80 + Item90 + Item 100 (a/d)+Item 110 + Item 150+ Item 160 (income/charges from insurance activity balance)

Total Income

(Net Interest Income + Non Interest Income)

Operating Costs

+Item 180

Gross Operating profit

Total income- Operating costs

Depreciation and amortization

+ Item 200+ Item 210

Ebit

(Ebitda – depreciation & amortization)

Net provisions for risk and charges

+ Item 190

Net adjustment on credits

+ Item 130

Extraordinary income/losses

+ Item 100 + Item 130 ("a" + "b" + "c") + Item 220 (only extraordinary components) + Item 270 + Item 310

Pre-tax profit

(EBIT +/- Net provisions for risk and charges - Net loans adjustments +/- Extraordinary income/losses)

Roe

Net Profit/ (Net shareholders' equity for the period + Net shareholders' equity for FY2008)
