



Gruppo Bancario
CREDITO EMILIANO – CREDEM

COMUNICATO STAMPA

Reggio Emilia, 19 gennaio 2005

Si informa che, in data odierna, Fitch Ratings ha confermato al gruppo Credem i seguenti rating:

- **long term "A"**
- **short term "F1"**
- **outlook "stable"**
- **individual "B/C"**
- **support "3"**

Si allega, qui di seguito, il testo integrale del comunicato stampa diramato dall'Agenzia.

Fitch Affirms Italy's Credem [Ratings](#)

19 Jan 2005 5:45 AM (EST)

Fitch Ratings-London/Milan-19 January 2005: Fitch Ratings, the international rating agency, has today affirmed Italy-based Credito Emiliano's ("Credem") ratings at Long-term 'A', Short-term 'F1', Individual 'B/C' and Support '3'. The Outlook remains Stable.

The Long-term, Short-term and Individual ratings reflect Credem's good revenue generation and profitability, healthy asset quality, the recent reduction in its loan book concentration levels, adequate capital base, as well as good management and controls. They also take into account of Credem's heavy costs, stemming from previous acquisitions and branch openings, which absorb much of the income generated, and acceptable market risk.

For the period 2004-2006, Credem plans to increase income by concentrating on traditional banking business and by allocating resources to small business, mid-corporate, mortgage and personal lending activities. In doing so the bank aims to achieve a better balance between income and costs. In addition, a new cost governance policy should allow better control of expenses and assist planning. Thanks to the restructuring at its subsidiary Abaxbank, the investment bank's risk appetite has been reviewed and is more in line with Credem's strategy. In addition, costs at Abaxbank have been effectively reduced.

For the first three quarters of 2004, slower growth in average customer loans, reflecting the bank's recent strategy of reducing large corporate business in favour of small business and mid-corporate clients, contributed to a limited rise in net interest revenue. Stronger net commission income was derived from sales of savings products as well as from traditional banking. However, smaller dividend income and higher costs caused pre-provision operating profit to fall. Good asset quality generated small loan loss provisions.

Credem's asset quality is good and concentration levels in its loan book have clearly improved since the adoption of the new credit policy for large corporate clients aimed at reducing the exposure towards this segment.

After a dip in 2003, capital adequacy is back to comfortable levels as lending growth slowed and the bank retained earnings. At end-June 2004 Credem reported a Tier 1 ratio of 7.2%.

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Note to Editors: Fitch Ratings' Support and Individual Ratings for Banks
Fitch's Individual ratings assess how a bank would be viewed if it were entirely independent and could not rely on external support. Its Support ratings deal with the question of whether a bank would receive support from its owners or from the state if it were to get into difficulty. These ratings are not debt ratings but rather, respectively, an assessment of the intrinsic strength of a bank and of any level of outside support that may, or may not, be available to it.

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CREDITO EMILIANO S.p.A.
Il Presidente
(Dott. Giorgio Ferrari)