

PRESS RELEASE

CREDEM, THE BOARD OF DIRECTORS APPROVES FULL YEAR 2007 CONSOLIDATED RESULTS¹: NET PROFIT at €249,4 MILLION (+18.7), ROE at 18.3%, DIVIDEND €0.36 EURO PER SHARE.

- **Consolidated net profit**(1) +18.7% at €249.4 million (€210.1 million in 2006)
- **Roe to 18.3%** (17.5% in 2006)
- **Customers lending** (net of repos) +8.3% at €15,569 million (vs. €14,375 million in 2006);
- **Customers fundings** +0.8% equal to €59,161 million versus €58,715 million in 2006 (**direct deposits**, net of repos, are 14.4% at €16,530 million vs. €14,451 million in 2006)
- **EBIT** -5.6% at €354.1 million, versus €375.2 million in 2006;
- **Total Income** +0.7% at €1,000.0 million (versus €993.5 million in 2006)
- **NPL ratio** come in at 0.28% of total loans (0.22% in the same period of 2006) confirming the excellent credit quality;
- **Proposed dividend** €0.36 per share (€0.35 per share the ordinary dividend in 2006);
- **Tier 1 capital ratio** 8.1%, **total capital ratio** at 9.3%;
- **Cost/income**² to 61.5% (59.5% in 2006);
- *34 Branches opened in 2007;*
- *Euromobiliare Sim disposal finalized;*
- *Enhanced presence in insurance business and closed a bancassurance agreement (for general insurance) with Reale Mutua Assicurazioni (March 2008);*
- *Strengthening the private banking throughout the acquisition of five branches from Citibank International Plc.*

Credem's Board of Directors, chaired by Giorgio Ferrari, approved today FY07 individual and consolidated results, which will be submitted to the shareholding meeting called for April the 29th. The proposed **dividend** of 0.36 euros per share will be payable as from May the 22nd 2008, with the shares going ex-div on May the 19th, 2008. The total amount of dividends is €101.6 million.

FULL YEAR 2007 RESULTS

Consolidated income statement at 31 December, 2007

At the end of 2007 Credem presents a consolidated net profit increased by 18.7% to €249.4 million (€210.1 million in 2006).

¹ During 2007 Euromobiliare Sim was disposed. Concerning the 2007 consolidated accounts representation, Euromobiliare Sim has been consolidated proportionally, line by line, on the base of the quarterly results as at 30 September 2007. For a correct and homogeneous comparison, also, both 2006 and 2007 income statements exclude the company contribution.

² Calculated as operating costs on total income;

Consolidated **Roe** at the end of **2007** equals **18.3%** (17.5% in 2006).

Total income grew by 0.7% to €1,000.0 million, compared to €993.5 million in 2006. In particular, **Net interest income**³ is up by 20.3% at €538.1 million vs. €447.3 million in 2006 due to the overall increase in spreads and volumes.

Net non interest income⁴ is down by 15.4% at €461.9 million (€546.2 million in 2006).

Trading contribution reflects the difficulties linked to instabilities still characterizing financial markets. Prop trading was affected as well as trading on behalf of clientele, who preferred to privilege traditional and fixed income products. Banking services were stable while asset management brokerage decreased, in particular the drop characterized custodian services (-16.7%), following the similar trend in Group managed mutual funds, asset management (-8%), while relatively milder was the downturn of negotiation fees on behalf of third parties (-4.7%).

Operating costs equal €615.2 million (+3.8%) compared to the €592.6 million in 2006. In particular, personnel expenses are €382.3 million (+3.3%), while administrative expenses were €232.9 million (+4.6%). This increase is attributable to the higher pace of branch openings. Personnel expenses were positively impacted by the change in accounting the severance indemnity provision as the result of recent pension reform, and negatively, by on higher provisions for a new medium term incentive plan linked to Group's performances.

Cost/income comes in at 61.5% vs. 59.5% at 2006.

EBITDA is down by 4% to €384.8 million compared to €400.9 million in 2006 . Amortization and depreciation equal €30.7 million up by 19,3% vs. €25.7 million from 2006.

EBIT is down by 5.6% to €354,1 million compared to the €375.2 million in 2006.

Provisions for risk and expenses equal, in 2007, €20.6 million. **Net loan writedowns** are €53.2 million in 2007 (€25.6 million in 2006).

Net extraordinary items impact 2007 for a total of €41.4 million (€6.6 million in 2006). In particular, positive extraordinary items (for an aggregate amount of €45.9 million), mainly represented by capital gains from the sale of the stakes in Euromobiliare Sim, SIA, Parmalat, and the revaluation of the stake in Borsa Italiana after its merge with the London Stock Exchange.

Pre-tax profit equals €321.8 million (-7.5%) versus €347.7 million in 2006.

Income taxes comes in at €72.4 million (€137.5 million in 2006). The item was positively affected by deductions introduced by the 2007 Financial Law (cuneo fiscale) and by the variations of deferred fiscality coming from the change of tax rates in the 2008 Financial Law and negatively by the limitation in deducting interests expenses from Irap taxable income as non negative components of the characteristic activity.

³ comprehensive of dividends of financials activities held for sale (non qualified participations) and gain/losses from consolidated partecipations calculated with the net equity method.

⁴ Comprehensive of the entire total income of Abaxbank and the item "other operating income/charges" net of extraordinary income/charges.

Consolidated balance sheet at December the 31st , 2007

Group customers funding rose by 0.8% to €59,161 million in 2007, vs. €58,715 million in the same period of 2006.

Direct deposits, net of repos, are up by +14.4% to €16,530 million vs. €14,451 million in 2006 (direct deposits including repurchase agreements have reached €17,265 million compared with €15,529 million in 2006, +11.2%). In detail, deposits have climbed by 12.8% to €11,305 million (€10,020 million in 2006). Bonds grew by 17.9% to €5,225 million (€4,431 million in 2006); in particular, within the EMTN program Credem issued €1.5 billion to institutional investors. Repurchase agreements are at €735 million vs. €1,078 million in 2006.

Indirect funding equals €41,896 million compared to €43,186 million in 2006 (-3%).

Assets under management equals at €17,164 million compared to €17,220 million in 2006 (-0.3%) and in particular portfolio management are at 5,495 (-7.4%). Mutual Funds are down by 21% to €5,111 million and Sicav's strongly grew by 57% to €3,927 million.

Assets under custody is down by 4.7% to €24,732 million compared to €25,966 million in 2006. In detail asset under custody from retail clientele grows by 1.6%.

Net cash loans, net of repurchase agreements, to customers rise by 8.3% to €15,569 million (€14,375 million in 2006), while the increase, including repurchase agreements, was 9.6% (€15,763 million in 2007 versus €14,386 million in the same period of 2006).

As for as retail customers, medium-long term lending grew significantly in private sector (+9% on 2005) and small businesses (+24% on 2006); within this area, short term loans show an increase of 9%.

Total mortgage loans were €4.7 billion (+10.1%) and disbursement decreased to €982.5 billion (-27.5%). As far as corporate clientele, short and medium lending to "middle corporate" grew respectively by 6% and 7%.

Net NPL ratio comes in at 0.28% of total loans (0.22% in the same period of 2006) confirming the excellent credit quality.

Percentage estimates of bad debts on non performing loans is 63.6% (60.3% at the end of 2006). **Total net problem loans** equal €167.7 million (€111.6 million in 2006). The trend of doubtful loans and loans writedowns is a consequence of controlled repositioning of risk propensity toward specific clusters of retail lending.

Shareholders equity, including net profit, is up to €1,542.3 million (€1,380.0 million in 2006).

Tier 1 capital ratio is 8.1%. The **total capital ratio** equals 9.3%.

On 12/31/2007 Credem's distribution network consists of 501 branches, 42 corporate centres, 69 financial stores with 5,246 employees and 760 financial advisors with mandate.

Regarding the current profitability trend, 2008 first signals confirm the positive contribution of interest income and the difficulties of the asset management sector as well as prop trading.

Other informations:

- During 2007 sale of Euromobiliare was closed in order to find the best positioning of the investment banking activities of the Group. The deal, which has been closed for €120.9 million (considering the historical and prospective profitability of the company as well as

a remarkable goodwill represented by the value of the management), brought a €10.3 million positive effect in both income statements of the Bank (Credem) and the Group.

- In July 2007 Creacasa was constituted, (100% Credem), a company specialized in distribution of home mortgages and loans to families and insurance products mortgage-linked. Creacasa will develop a distribution network through agreements and partnerships, with real estate agencies, independent professionals, network of financial advisors. Creacasa network will explore all possible synergies with Credem group distribution network also throughout the creation of specific corners inside the most important Credem branches.
- In 2007 Credimmobili was merged with Credem, with fiscal effects starting as at 1 January 2007. The merge was realized in order to have a more efficient management of the real estates of the Group.
- In spite of a Group strategy aiming to enhance the presence in the insurance business, Credem closed an agreement for the acquisition of the 50% of Credemvita and 50% of Credeassicurazioni from Assurance Mutuelles de France a.m. (Group Azur-Gmf) reaching 100% of both the companies. Subsequently, during 2008 (14 March) Credem and Reale Mutua Assicurazioni signed an agreement in order to create a Bancassurance strategic partnership in the general insurance sector. The agreement provides that Reale Mutua Assicurazioni buy, for €18 million, the 50% of Credemassicurazioni which will be then jointly participated by both Groups and will represent the vehicle through which the bancassurance activity will be enhanced. This allows Credem to develop the offer of general insurance products to its clientele (retail and corporate).
- In February 2008 Credem signed an agreement, that will be finalized at the closing only after all required authorizations by competent bodies will have been obtained, to acquire Citibank International Plc Italian "Gestione Patrimoni" division (five branches) which will be integrated into Banca Euromobiliare distribution network.

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.

Attached please find the consolidated balance sheet and income statement as well as the reclassified consolidated P&L and the reclassified proforma Euromobiliare Sim disposal 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, 27 March 2008

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	31.12.2007	31.12.2006
10	Cash and balances with central banks	152,071	126,524
20	Financial assets held for trading	4,690,986	4,901,710
30	Financial assets at fair value	467,257	0
40	Financial assets available for sale	283,711	83,910
60	Loans and advances to banks	3,637,378	3,575,988
70	Loans and advances to customers	15,763,047	14,386,083
80	Hedging derivatives	14,154	9,754
100	Equity investments	40,555	37,464
120	Property, plant and equipment	331,783	337,115
130	Intangible assets	56,559	54,619
	of which:		
	goodwill	31,187	31,187
140	Tax assets	155,374	168,157
	<i>a)</i> current	102,029	94,756
	<i>b)</i> prepaid	53,345	73,401
150	Non-current assets held for sale	2,026	0
160	Other assets	637,629	569,588
	Total assets	26,232,530	24,250,912

	Liabilities	31.12.2007	31.12.2006
10	Deposits from banks	4,735,665	4,494,247
20	Deposits from customers	11,239,911	10,917,324
30	Debt securities in issue	5,181,496	3,248,192
40	Financial liabilities held for trading	1,468,618	1,557,630
50	Financial liabilities at fair value	844,145	1,363,955
60	Hedging derivatives	19,453	6,171
80	Tax liabilities	247,959	281,704
	a) current	113,712	130,227
	<i>b) deferred</i>	134,247	151,477
100	Other liabilities	784,478	815,301
110	Provision for severance indemnities	87,894	101,586
120	Provisions for risks and charges:	80,811	63,647
	a) pensions and similar liabilities	1,544	1,503
	<i>b) other</i>	79,267	62,144
140	Revaluation reserves	69,086	74,673
170	Reserves	858,467	713,067
180	Share premium	83,051	78,728
190	Share capital	282,327	281,476
210	Minority interests	206	21,149
220	Net profit (loss) for the period	249,363	232,062
	Total equity and liabilities	26,232,530	24,250,912

CONSOLIDATED INCOME STATEMENT (€/000)

		31.12.2007	31.12.2006
10	Interests and similar incomes	1,299,955	971,608
20	Interest expenses and similar charges	-809,267	-552,350
30	Net interest income	490,688	419,258
40	Fee and commission income	469,906	510,626
50	Fee and commission expense	-92,525	-96,229
60	Net fee and commission income	377,381	414,397
70	Dividend and similar income	307,164	278,556
80	Net trading income	-216,802	-120,314
90	Hedging activity income	-21	-17
100	Gains (losses) on disposal or repurchase of:	36,809	7,662
	a) credits	0	-2
	b) financial assets available for sale	36,583	7,647
	c) financial assets held to maturity	0	0
	d) financial liabilities	226	17
110	Net change in value of financial a/l at fair value	9,313	-3,145
120	Total income	1,004,532	996,397
130	Net impairment adjustments on:	-53,551	-25,604
	a) loans and advances	-53,019	-26,973
	b) financial assets available for sale	-392	0
	c) financial assets held to maturity	0	0
	d) other financial assets	-140	1,369
140	Net income from financial activities	950,981	970,793
180	Administrative expenses:	-631,063	-618,742
	a) payroll	-393,924	-388,492
	b) other	-237,139	-230,250
190	Net increases in provisions for risks and	-20,559	-8,588
200	Net adjustments to property, plant and equipment	-19,183	-18,228
210	Net adjustments to intangible assets	-11,602	-7,641
220	Other operating income (charges)	57,492	69,173
230	Operating costs	-624,915	-584,026
240	Share of profit (loss) from equity stakes	7,567	1,627
270	Share of profit (loss) from sale of	-6,661	1,175
280	Profit (loss) from current operations before tax	326,972	389,569
290	Income taxes on current operations	-77,582	-147,911
300	Profit (loss) from current operations after tax	249,390	241,658
320	Net profit (loss) for the period	249,390	241,658
330	Minority interests	-27	-9,596
340	Net profit (loss) for the period attributable to the parent bank	249,363	232,062

Consolidated reclassified income statement (€/million)

	1Q	2Q	3Q	4Q	FY07	FY06	change %y/y
Net interest income	124.9	124.4	136.8	148.5	534.6	440.3	21.4
Net commissions	149.7	172.7	104.6	76.9	503.9	620.6	(18.8)
Total income	274.6	297.1	241.4	225.4	1,038.5	1,060.9	(2.1)
Payroll expenses	(100.9)	(99.0)	(98.2)	(95.8)	(393.9)	(388.5)	1.4
Administrative expenses	(59.4)	(64.1)	(63.5)	(50.1)	(237.1)	(230.3)	3.0
Operating costs	(160.3)	(163.1)	(161.7)	(145.9)	(631)	(618.8)	2.0
EBITDA	114.3	134.0	79.7	79.5	407.5	442.1	(7.8)
Amortization and depreciation	(6.7)	(7.3)	(8.0)	(8.8)	(30.8)	(25.9)	18.9
EBIT	107.6	126.7	71.7	70.7	376.7	416.2	(9.5)
Net provisions for risks and expenses	(0.3)	(0.3)	0.8	(20.7)	(20.5)	(8.6)	138.4
Extraordinary income/expenses	2.0	0.7	7.1	14.6	24.4	7.6	221.1
Net write downs	(6.0)	(10.5)	(9.0)	(28.1)	(53.6)	(25.6)	109.4
Pre-tax profit	103.3	116.6	70.6	36.5	327.0	389.6	(16.1)
Minority interests	(2.0)	(3.3)	(2.2)	7.5	-	(9.6)	-100.0
Income taxes	(41.4)	(41.4)	(23.8)	29.0	(77.6)	(147.9)	(47.5)
Net profit	59.9	71.9	44.6	73.0	249.4	232.1	7.5
Earning per share	0.21	0.26	0.16	0.25	0.88	0.83	6.0
Diluted earning per share	0.21	0.25	0.16	0.26	0.88	0.82	7.3

Reclassification rules:

Net Interest income

+ Item 30 + Item 240 + Item 70 dividends and similar incomes (on stakes dividends) - Abaxbank total income

Non interest income

+ Item 60 + Item 70 (net of stake dividends)+ Item 80 + Item 110 + Item 220 (net of extraordinary components)+ Abaxbank total income

Total income

Net Interest income+ Non interest income

Operative costs

+ Item 180

Ebitda

(Total income – Operative costs)

Depreciation and admortization

+ Item 200+ Item 210

Ebit

(Ebitda – depreciation&admortization)

Net provisions for risk and charges

+ Item 190

Net adjustment on credits

+ Item 130 ("a" and "d")

Extraordinary income/losses

+ Item 100 + Item 130 ("b" and "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)

Proforma Reclassified Income Statement (€/million)

	1Q	2Q	3Q	4Q	FY07	FY06	change %y/y
Net interest income	126.1	127.6	137.5	146.9	538.1	447.3	20.3
Net commissions	129.9	148.9	89.4	93.7	461.9	546.2	-15.4
Total income	256.0	276.5	226.9	240.6	1,000.0	993.5	0.7
Payroll expenses	-95.5	-92.5	-93.4	-100.9	-382.3	-369.9	3.3
Administrative expenses	-57.2	-62.0	-61.7	-51.9	-232.9	-222.7	4.6
Operating costs	-152.7	-154.5	-155.1	-152.8	-615.2	-592.6	3.8
EBITDA	103.3	122.0	71.8	87.8	384.8	400.9	-4.0
Amortization and depreciation	-6.7	-7.3	-8.0	-8.8	-30.7	-25.7	19.3
EBIT	96.6	114.7	63.8	79.0	354.1	375.2	-5.6
Net provisions for risks and expenses	-0.3	-0.3	0.8	-20.8	-20.6	-8.6	139.9
Extraordinary income/expenses	2.0	0.7	5.8	33.0	41.5	6.8	n.s.
Net write downs	-6.0	-10.5	-9.0	-27.7	-53.2	-25.6	107.8
Pre-tax profit	92.3	104.6	61.4	63.5	321.8	347.7	-7.5
Minority interests	0.1	0.0	-0.1	0.0	0.0	-0.1	n.s.
Income taxes	-37.2	-40.3	-21.6	26.7	-72.4	-137.5	-47.3
Net profit	55.2	64.3	39.7	90.2	249.4	210.1	18.7
Earning per share	0.20	0.23	0.14	0.32	0.89	0.75	17.7
Diluted earning per share	0.20	0.23	0.14	0.32	0.88	0.75	18.4

Reclassification rules: see above

PROFORMA: During 2007 Euromobiliare Sim was disposed. Concerning the consolidated accounts representation above, both 2006 and 2007 income statements exclude the company contribution. The capital gain realized in 2007 by the disposal of the company has been posted in the item "extraordinary income and charges".