

CREDEM HOLDING

Capogruppo del Gruppo Bancario
"CREDITO EMILIANO – CREDEM"

The logo for CREDEM, featuring the word "CREDEM" in a bold, yellow, sans-serif font, centered within a dark green square.

PRESS RELEASE

CREDEM, THE GENERAL SHAREHOLDERS' MEETING APPROVES 2007 FINANCIAL STATEMENTS. DIVIDEND €0.36 EURO PER SHARE.

- Financial Statements as at 31 December 2007 approved;
- Dividend €0.36 per share (€0.35 per share was the dividend in 2006).

Credem's General Shareholders' Meeting, chaired by Giorgio Ferrari in its ordinary session, approved today 2007 financial statements. The Shareholders' Meeting approved a dividend of 0.36 euro per share (0.35 euro per share was dividend in 2006) payable as from 22 May 2008, with the shares going ex-div on May the 19th, 2008. The total amount of dividends is €101.6 million.

Consolidated Income Statement at 31 December 2007

At the end of 2007 Credem presents a **consolidated net profit**⁽¹⁾ increased by 18.7% to €249.4 million (€210.1 million in 2006).

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**⁽²⁾ 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 income⁽³⁾ 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⁽⁴⁾ 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 charges 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.

Consolidated Balance Sheet at 31 December 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 funding, 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.

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.

NOTES:

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

³ Comprehensive of the entire total income of Abaxbank and the line " other operating income/charges" net of extraordinary income/charges;

⁴ Calculated as operating costs on total income.

Credem's statutory and consolidated 2007 Annual Operating Reports are available on corporate website www.credem.it within the Investor Relations area.

On the website further information about Credem and other companies of the Group are also available.

Reggio Emilia, 29 April 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