

## Press Release

### The Shareholders' Meeting approves the 2006 financial statements

- *Renewed reserve for purchase of own shares*
- *Conferred mandate to Deloitte & Touche for auditing the accounts for the fiscal years 2007-2009*

Rome, 27 April 2007. The Ordinary and Extraordinary Shareholders' Meeting of BNL was held in Rome today, chaired by Luigi Abete.

In the Ordinary meeting, the Shareholders' Meeting has approved the 2006 financial statements, with results confirming the positive trend in overall revenues and in ordinary profitability, whilst being impacted, on a one-off basis, by adjustments for restructuring costs, deriving from the three-year plan 2007-09 and the effects related to the harmonization of valuation criteria at group level.

The consolidated net profit for 2006 thus comes to 44 euro million (compared to 532 euro million for 2005) which, net of non-recurrent items, would have amounted to 655 euro million (+23% compared to 2005).

The results achieved by BNL in 2006 show:

- ✂ a growth in revenues (banking income +8% on December 2005; net interest income +4% on December 2005),
- ✂ a strengthening of capital ratios with the Tier 1 ratio at 7% (+0.3 p.p. compared to year-end 2005) and the Total risk ratio at 10.5% (+1.0 p.p. on December 2005),
- ✂ an improvement in asset quality with credit risk coverage above national standards (non-performing loans coverage at 69%; coverage of substandard, past due over 90 days and restructured loans at 37%).

The Parent Company BNL SpA closes with a net loss of 29 euro million, which the Shareholders' Meeting has approved to compensate through the utilisation of the following capital reserves:

- ✂ revaluation reserve (ex lege n. 350/2003) for 7.5 euro million, and
- ✂ extraordinary reserve for 21.4 euro million.

Following the above-mentioned compensation, the reserve ex lege n. 350/2003 has been fully utilised.

The Shareholders' Meeting, in the Extraordinary part, has decided not to reintegrate the said reserve, in order to maintain a flexible management of the Bank's net equity.

The Ordinary Shareholders' Meeting has also approved the renewal of the reserve for the purchase of own shares for an amount of 75 euro million, as well as the related rules and regulations governing purchase and sale.

Lastly, in the Ordinary part, the Shareholders' Meeting has resolved to mandate Deloitte & Touche SpA for auditing the accounts from 2007 to 2009 in accordance with artt. 2409 *bis* and subsequent of the Civil Code, as further to the de-listing of the Bank's shares, artt. 155 to 165 *bis* of Law Decree 24 February 1998 are no longer applicable to BNL.

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