

PRESS RELEASE

UNIPOL BANCA – APPROVED THE 2005 DRAFT ACCOUNTS

Net profit for the financial year at €20.4m (+ 12.9%).

BALANCE SHEET AND PROFIT AND LOSS ACCOUNT FIGURES (€/m)	31/12/05	31/12/04	Var %
Net interest income	105.8	73.1	+ 44.7%
Gross operating income	248.8	193.4	+ 28.6%
Net profit for the FY	20.4	18.1	+ 12.9 %
Customer deposits and funds	28,593	20,250	+ 41.6 %
Direct customer deposits	4,948	4,322	+ 14.5 %
Lending activities	3,177	2,609	+ 21.8 %

Bologna, 21 March 2006 – The Board of Directors of Unipol Banca, held yesterday under the Chairmanship of Maria Bettazzoni, approved the individual and consolidated 2005 Draft Accounts, which will be submitted to the Shareholders' Meeting of Wednesday, 26 April 2006.

Unipol Banca's key figures as regards balance sheet and profit and loss account grew over 2004. The 2005 financial year ended with a net profit of €20.4m (+ 12.9 %).

The increase is recorded in all the main sectors of the bank (lending activities +21.8 %, direct customer deposits +14.5% and customer funds +48.4%). At the same time, the careful policy for containing operating expenses went on, allowing to reduce their incidence on gross operating income (COST/INCOME ratio decreased from 64.5% to 63.9%), though the bank fosters its development strategy in the distribution network, which involves early investments in human resources and logistics.

Growth in gross operating income (+28.6%) went along with that of the intermediated assets. Especially, direct customer deposits as at 31 December 2005 were €4.9bn.

Customer funds were €23.6bn, +48.4% compared with the 2004 financial year.

As regards lending activities, at 2005 year-end volumes were €3.2bn, including securitization operations for €966m. The incidence of net bad and doubtful loans on loans to customers was 1.06%, confirming the good quality of the loans granted by Unipol Banca, whilst provisions coverage was over 58% of the gross bad and doubtful loans.

During the financial year the distribution network has been growing intensively. 29 new branches opened in Italy; therefore, at year-end the bank counted on 250 branches, 129 of which co-located with the Unipol Group's Insurance Agencies, according to the unique and peculiar conception of a co-located sale point implying Bank branch and Insurance agency in two bordering premises. The distribution network also included 45 financial counters and 200 insurance sale points authorized to distribute standard banking products.

The number of employees rose from 1,387 at 2004 year-end to 1,589 on 31 December 2005.

As regards shareholdings, Unipol Banca increased its controlling stake in Unipol Merchant - Banca per le Imprese, reaching 81.82% from the previous 62.27%.

TIER1 capital ratio stood at 11.01 (compared with 5.5 in 2004) and TOTAL CAPITAL RATIO was 13.56 (7.39 in 2004).

As far as rating is concerned, both Moody's and Fitch Ratings confirmed their 2004 assessments, i.e. Baa1 and BBB on long-term debt respectively.



On the basis of the achieved results, the Board of Directors of Unipol Banca resolved to propose the Shareholders' Meeting to pay dividends for a total of €17.4m.

"2005 was an important year for the Bank", Nicola Orazzini, General Manager of Unipol Banca, said. "We improved our profitability and efficiency also in the difficult context experienced by the Group at year-end. Our Shareholders and Customers' confidence allows us to look ahead and outline new targets with more determination. We want to provide Customers with useful and real answers, as the actions carried out in the first months of 2006 may substantiate. Cancellation of the costs to close current accounts, launch of *GiàGrande*, the zero-expenses account intended for pensioners, and a loan destined to less affluent categories are concrete expressions of this specific will to development."

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