



BNP Paribas

Investor Day

Italy: Developing our Second Home Market

Baudouin Prot
Chief Executive Officer



Rome, December 1st 2006



BNP Paribas Strategy in Italy

Jean-Laurent Bonnafé
BNL Chief Executive Officer



Rome, December 1st 2006

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The English version prevails





Presentation Overview

Strategy in Italy

Progress to Date

Next Steps



Growing Profitably in Italy



Invest for Growth

Revitalise BNL's strong national franchise



Boost BNP Paribas' existing activities

Add a powerful distribution network to world-class product factories



Control costs

Optimise efficiency of Italian corporate centre and operations



Three mutually reinforcing levers



BNL A Nation-wide Franchise



● Personnel headcount	17,000
● Branches	895
■ Retail branches	703
■ Private centres	18
■ Corporate and P.A.* centres	80
■ Specialised subs. centres	94
● Client base	2.7mn
■ Individuals	2.5mn
■ Private Banking	11,000
■ Small Business	112,000
■ Corporate and P.A.*	55,000

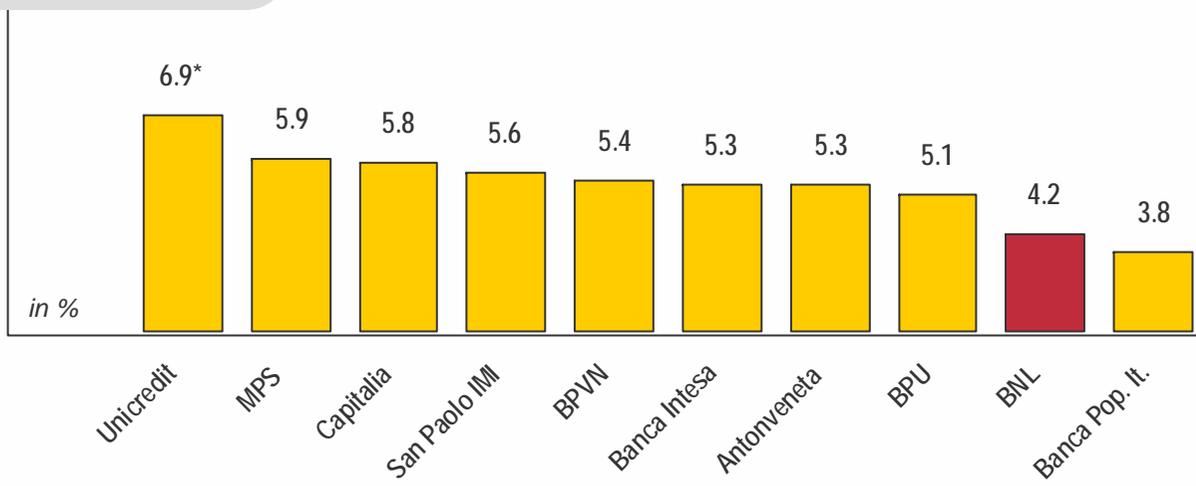
* Public Administrations

A unique opportunity in the Italian market

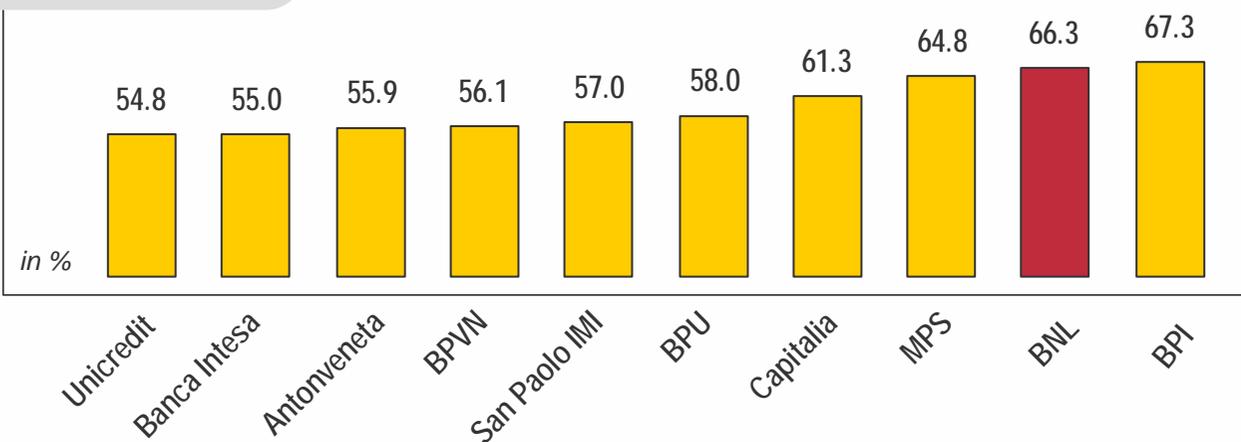


BNL A Strong Upside Potential

Revenues / RWA



Cost / income



(Source: 2005 company reports)



BNP Paribas in Italy before BNL



A full range of powerful platforms with significant market positions



After BNL's Acquisition Our Ambitions for Italy

- Develop BNP Paribas second domestic market in Europe
- Become leader in Investment Banking in Italy
- Strengthen our already significant market share in Asset Management and Specialised Financial Services
- Improve profitability by optimising quality of service, cost efficiency and risk management

**A new key player
in the Italian banking market**



Retail & Private Focus on Innovation and Quality

Strengthen sales forces by introducing **new tools, techniques and supports**

Set up real **multi-channel distribution**

Dedicate sales forces through **advanced segmentation**

Revamp and reinforce the network through **branch renewals and openings**

A unique combination among Italian banks



Corporate Clients Leverage on BNL's Important Client base

Revamping of
the **Corporate
Centres**

Enhance
**relationship
intensity** through
best practice
**marketing
monitoring**

**Dedicate
coverage** to
Mid-Corporate
and
Public
Administration

Cross-selling with
CIB and IRFS of
**specialised
business lines**

**An enhanced platform
to address corporate clients needs**

Large Corporates and Institutionals Roll-out Product Offer to a Larger Customer Base



Strengthen Coverage

CIB coverage extended to all large Corporates and Institutionals

Numerous cross selling opportunities with Retail and Corporate Divisions



Reinforce Local Teams to Enhance Product Delivery

Top-notch financial solutions (Capital Markets, Corporate Finance,...) to support the development of Italian customers



Provide Global Access

Full access to CIB global platforms
Unparalleled global reach (presence in 85 countries)

**The only CIB European leader
with a strong local presence in Italy**



AMS and IRFS

A Larger Client Base for Successful Product Factories

Unit Linked 4WD



- Developed by BNP PAM
- Distributed by BNL
- €600mn in 3 weeks

Early example of marketing success with AMS



Improved Efficiency

Corporate Functions

ALM already fully integrated within BNP Paribas framework

Credit control and risk management to be aligned on BNP Paribas practices

Procurement gains

Central Platforms

IT development methods improved to focus on business support

Merge BNL CIB activities into BNP Paribas platforms

Rationalisation of headquarters structure

Network

Restructuring of commercial branch organisation

Back Office organisation redesign



Human Resources

2,200 staff departures* combined with 900 hires over 3 years

Full training programs and HR support in place

Agreement reached with trade unions on the basis of BNL constructive long-term relationship





Presentation Overview

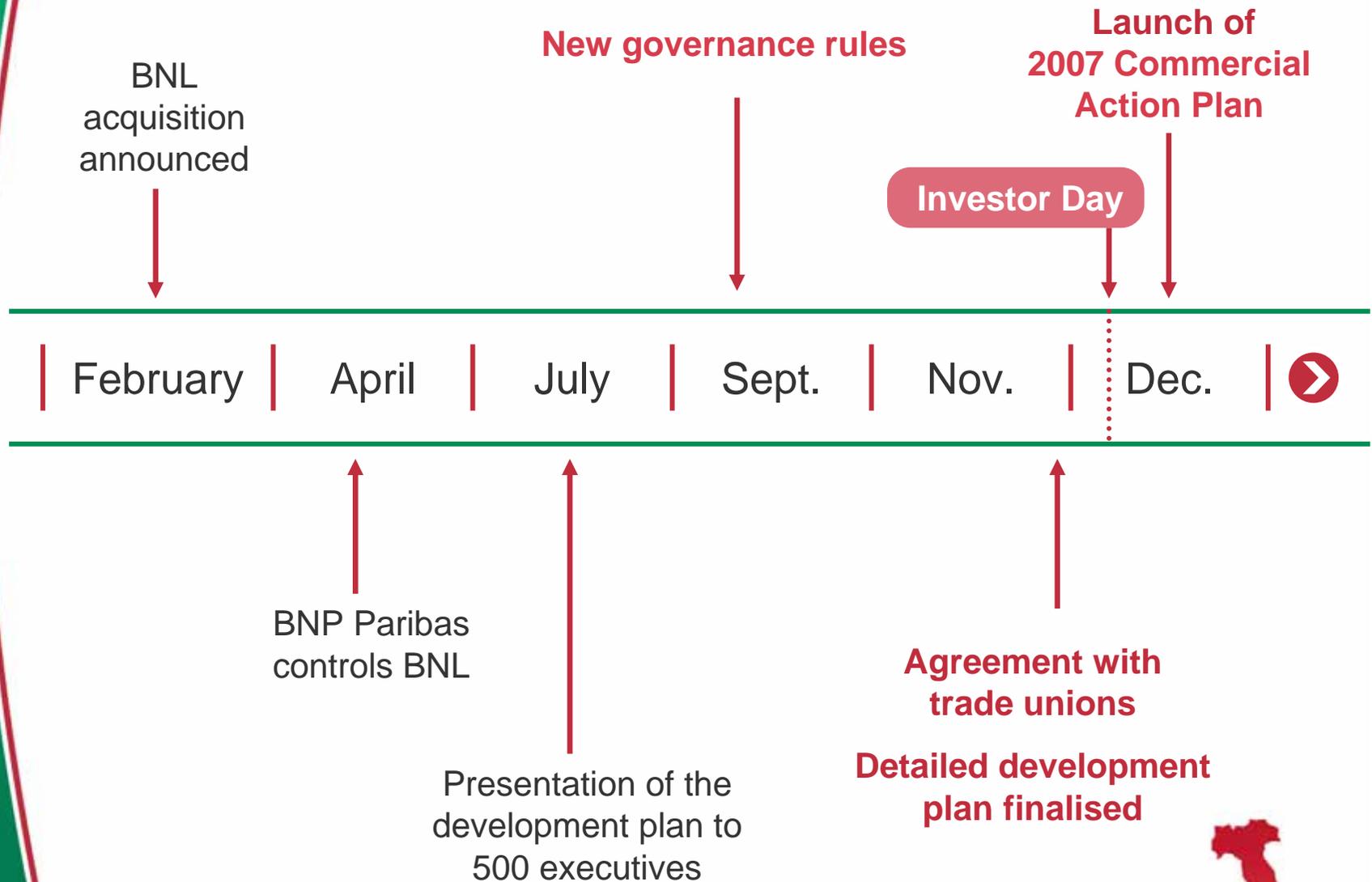
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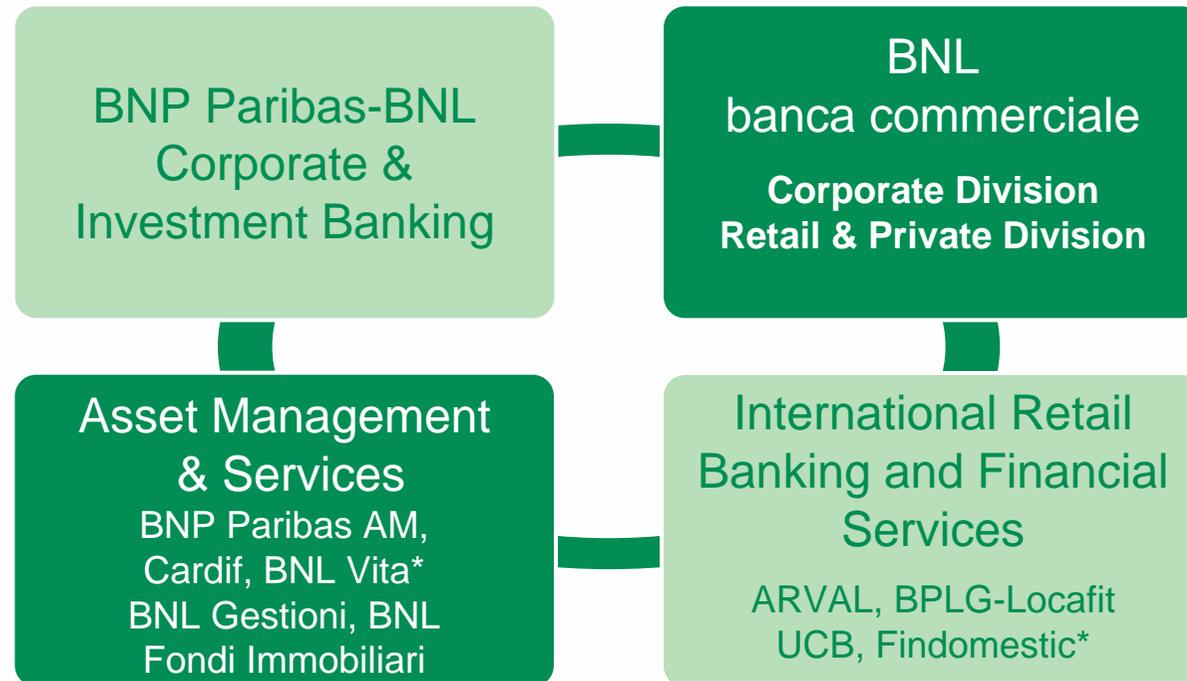
Next Steps



Strong Momentum



New Business Organisation



BNP Paribas in working order in Italy

* Findomestic : 50/50 JV with Cassa di Risparmio di Firenze; BNL Vita 50/50 JV with Unipol

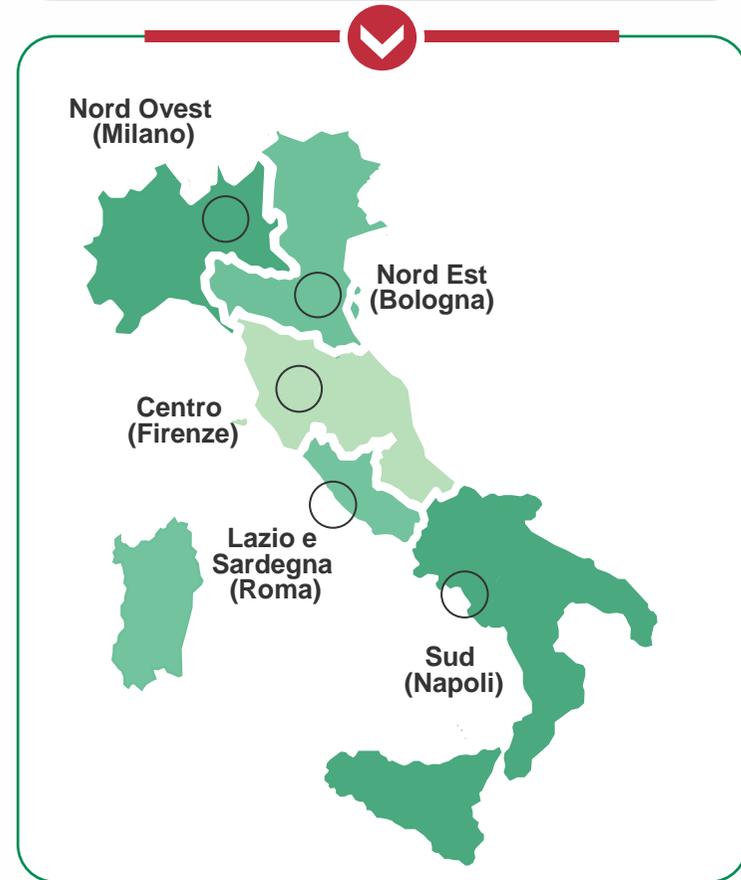


New Business Organization A More Efficient Territorial Set-up

Current: 12 "Aree Territoriale"



Target: 5 Regions



Give the regions more autonomy and initiative

All main Appointments Made and Know-How Transfer Underway



Appointment of 1st / 2nd line of management in June/July:

**New appointment:
N. D'Anselmo
as head of
BNP Paribas-BNL CIB**



2nd wave of appointments in September/December

**New entrance:
S. Calderano
as new head of
Retail & Private**



Around 800 people from BNL and from BNP Paribas involved in integration working groups

Ca. 30 professionals from BNP Paribas and 30 from BCG integrated in BNL



Management and staff heading for growth



Streamlining day to day Management

- Alignment within BNP Paribas' governance rules
- Empowerment of the line managers
 - Full powers given to the Management by the Board
- Simplified and more business-oriented managerial approach
 - Example: request and treatment of bottom up indication of bottlenecks in the Retail network

A more flexible and responsive organisation



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The Steps Ahead

**Commercial Action Plan
for 2007 for each
business area**



**Kick off 11-12
December
in line managers'
conventions**

**Launch pilots
(Retail, Corporate, Back
Offices)**



**First regions
reorganized by March
2007**

**Implement further
quick wins**



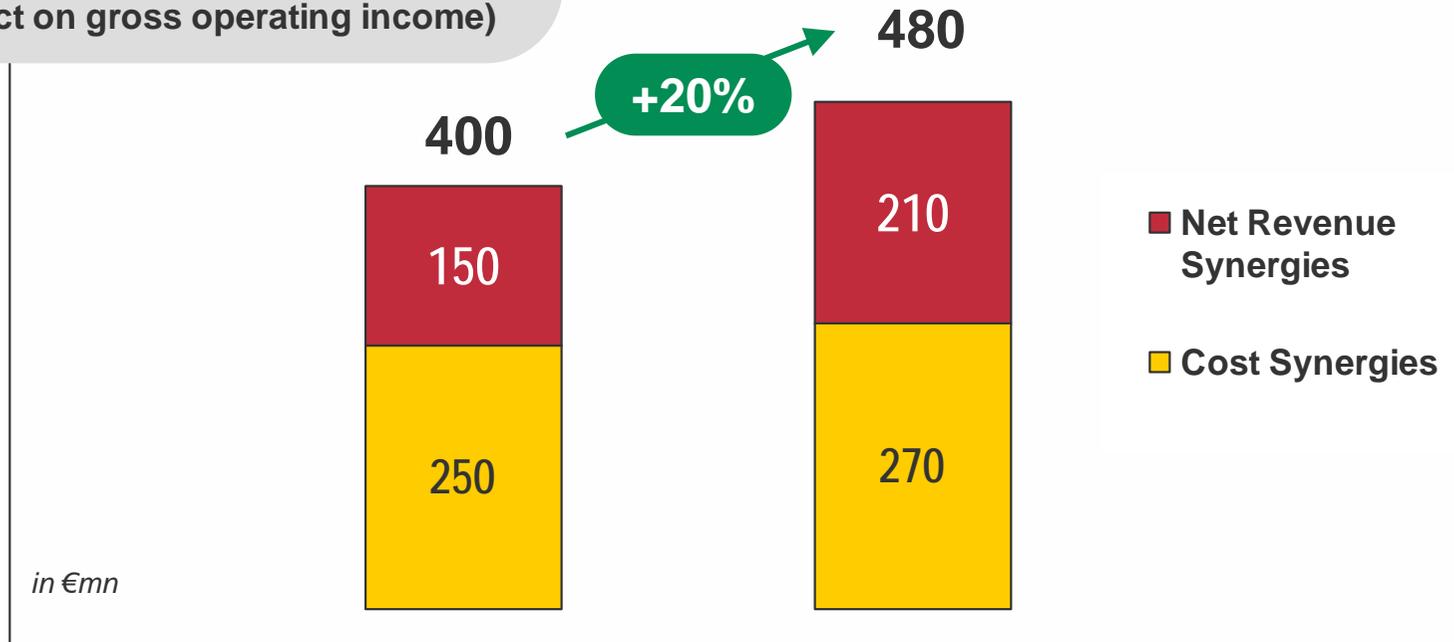
Before mid-2007

**Shifting from planning to execution:
from 170 working groups to 450 projects**



Synergies Reviewed Upwards

Total synergies 2009
(impact on gross operating income)



**More ambitious targets
on the basis of the bottom-up analysis**



Successful Integration Underway

Integration proceeding at a fast pace

Motivated teams committed to deliver ambitious targets

2007 commercial plan ready to go





BNP Paribas

Strategy in Italy

Financial Elements

Angelo Novati
BNL Chief Financial Officer



Rome, December 1st 2006



Presentation Overview

Introduction

From Gruppo BNL to BNL bc

Restructuring Costs and Balance Sheet Adjustments

Details on Synergies

Conclusion



A Powerful Process

**Combine
BNP Paribas
and BNL
teams and
figures**

- P&L harmonisation
- Headcounts and P&L figures provided to each workgroup

**Apply base
line growth
scenario**

- Assumptions based on BNL IBES consensus
 - +5.8% revenue base line CAGR
 - +2.3% costs base line CAGR

**Quantify
revenue and
cost
synergies**

- €270mn Cost synergies
- €210mn Net Revenues synergies

Implement

- Monitoring of achievements by project
- Synergies by core business to be reported on a quarterly basis

Phase 1 (May-July)

- 45 taskforces, 250 people involved

Phase 2 (Sep-Dec)

- 170 workgroups, about 800 people involved





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From Gruppo BNL to BNL Group Contribution

BNL 9M06

In €mn

Revenues

Costs

Gross Op. Income

Cost of risk

Operating Income

Pre-Tax Income

**Group
contribution**
incl 1Q06 proforma

2,233

(1,400)

833

(245)

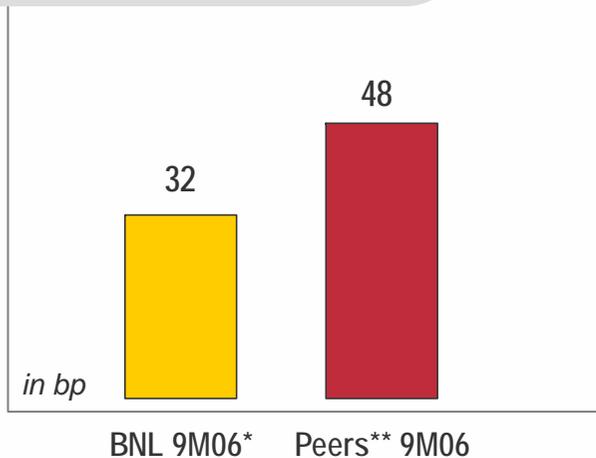
588

579

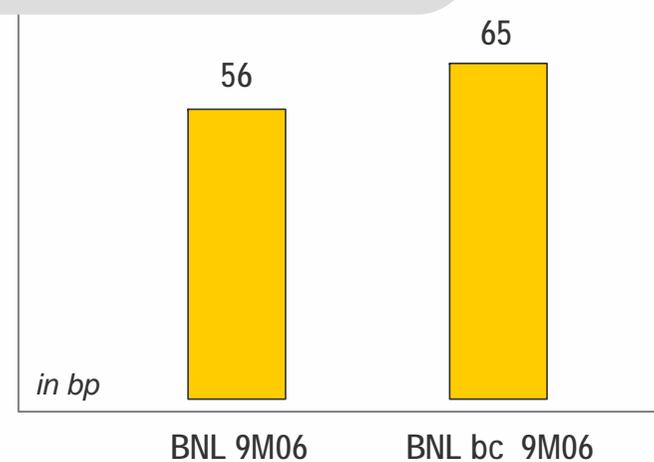
- Not comparable with BNL published accounts
 - Detailed reconciliation in appendix
- Costs: 9M usually understates the yearly trend
 - “Seasonal” effect
- Cost of risk: higher in Group contribution than under Italian practices
 - Provisions time value for money: reducing cost of risk under Italian practices vs. increasing revenues under BNP Paribas practices
 - Provisions for credit-related litigations: in costs under Italian practices vs. in cost of risk under BNP Paribas practices

Cost of Risk A Different Benchmark

Cost of risk
Italian practices



Cost of risk
Group contribution



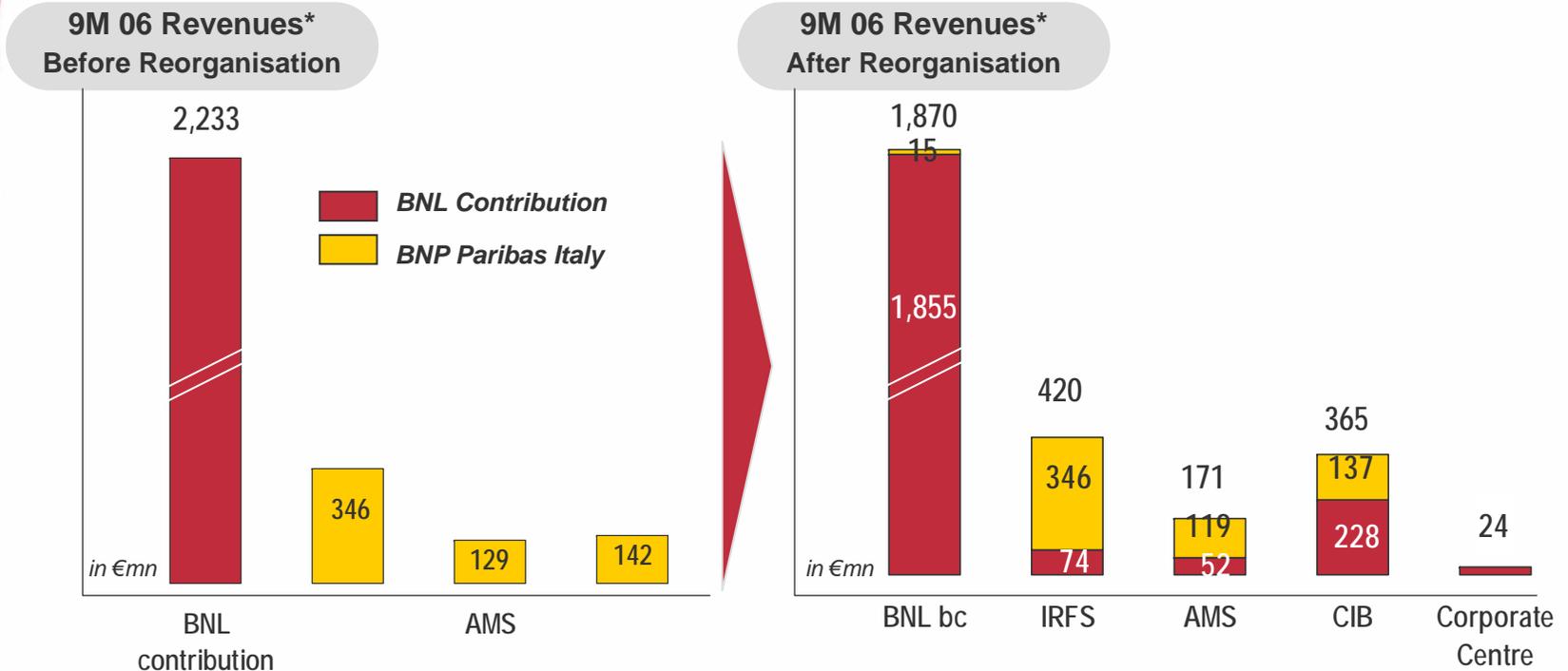
- Under Italian practices, BNL cost of risk lower than peers
 - Due to high level of write-backs since 2005
- Group contribution not comparable with Italian peers
- 9M06 BNL cost of risk to be broken down between
 - Low cost of risk in activities to be transferred to CIB and IFRS
 - 65 bp in retail and commercial banking (BNL bc)

Cost of risk optically higher than under Italian practices

* excluding the one off impact of alignment to BNP Paribas balance sheet adjustments (€378mn)

** Peers' average includes Banca Intesa, Capitalia (as published), Unicredit, San Paolo IMI, MPS (BNL estimates)

From BNL Group Contribution to BNL bc - A New Revenue Split



- Creation of a new *BNL banca commerciale* core business (BNL bc) dedicated to Retail and Corporate activities
- Re-allocation of revenues, costs, cost of risk and allocated capital of the other BNL activities to relevant BNP Paribas core businesses

*including proforma 1Q06 figures

From BNL Group Contribution to BNL bc - Future Disclosure

9M06

	BNL contribution	In €mn	BNL bc
Revenues	2,233		1,870
Costs	(1,400)		(1,247)
Gross Op. Income	833		623
Cost of risk	(245)		(228)
Operating Income	588		395
Pre-Tax Income	579		386
Cost/Income ratio	62.7%		66.7%
RWA (9M average)	€66.3bn		€47.1bn

- BNL bc will become the standard for reporting starting January 1st 2007





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From Gruppo BNL to BNL bc

Restructuring Costs and Balance Sheet Adjustments

Details on Synergies

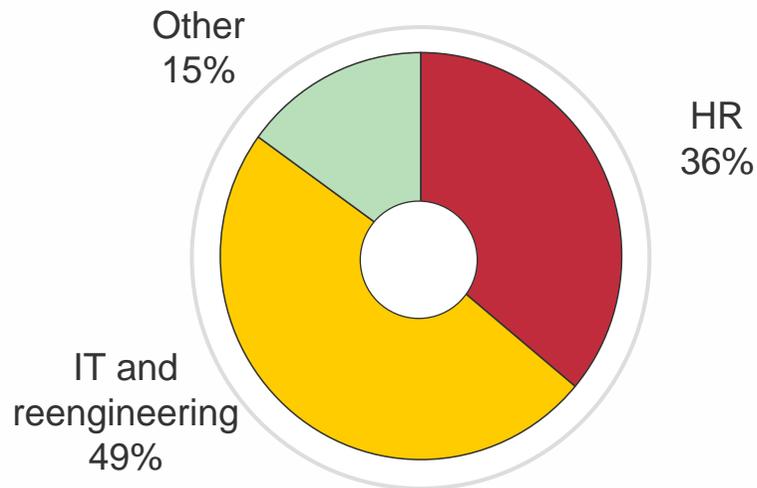
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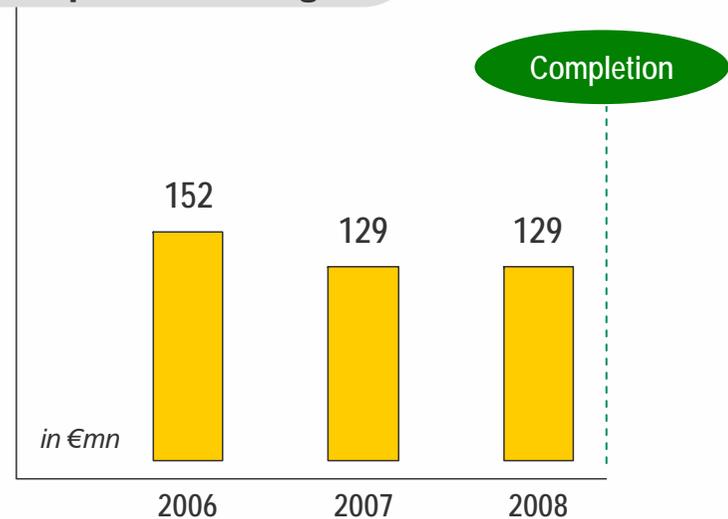
Restructuring Costs

Restructuring Costs by 2009

€410mn

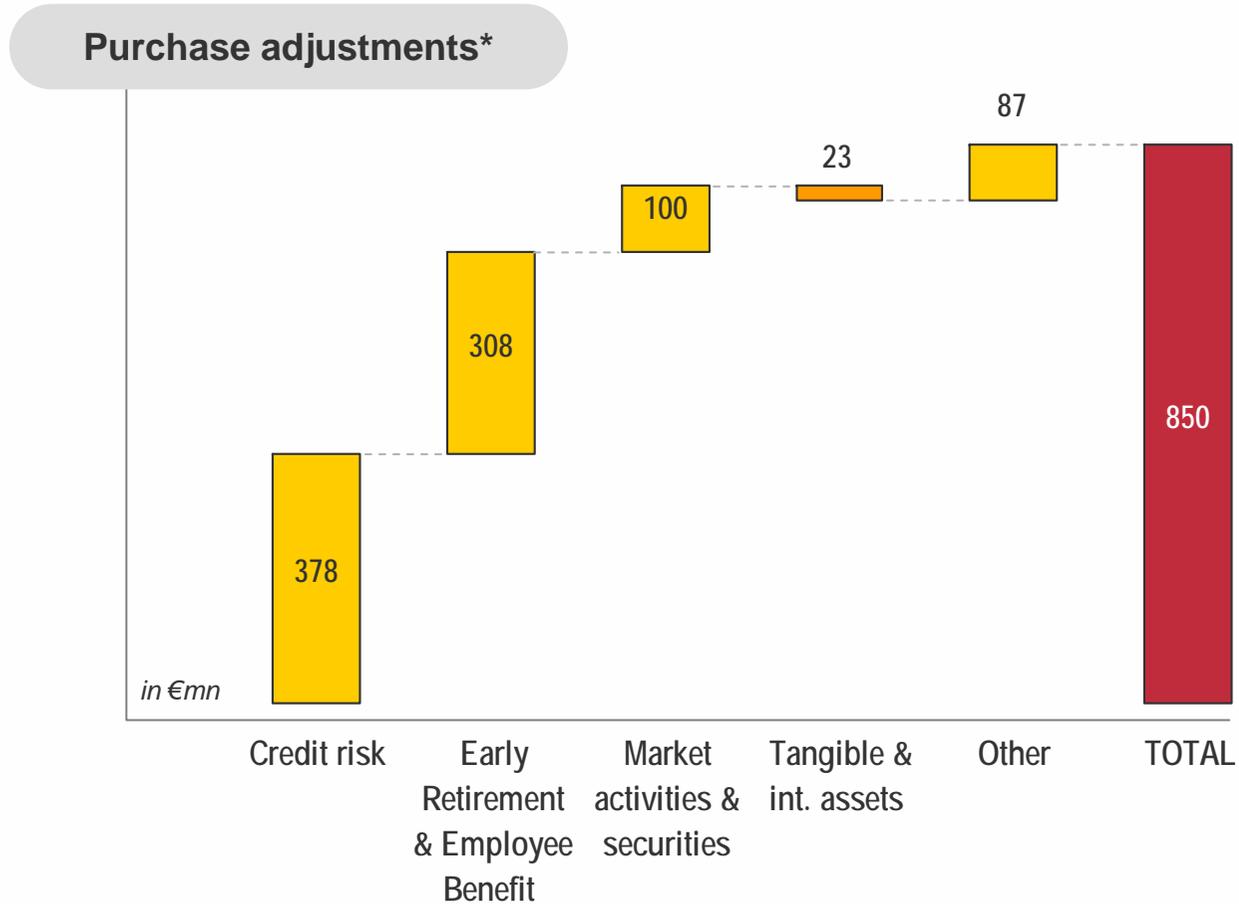


Restructuring Costs Expected Timing



- Total restructuring costs revised to €410mn down from €450mn
 - Lower than expected HR restructuring costs
 - Reduction impacting 2006 exclusively
- Actual amounts charged will be disclosed quarterly in the BNP Paribas Corporate Centre as operating expenses

Balance Sheet Adjustments



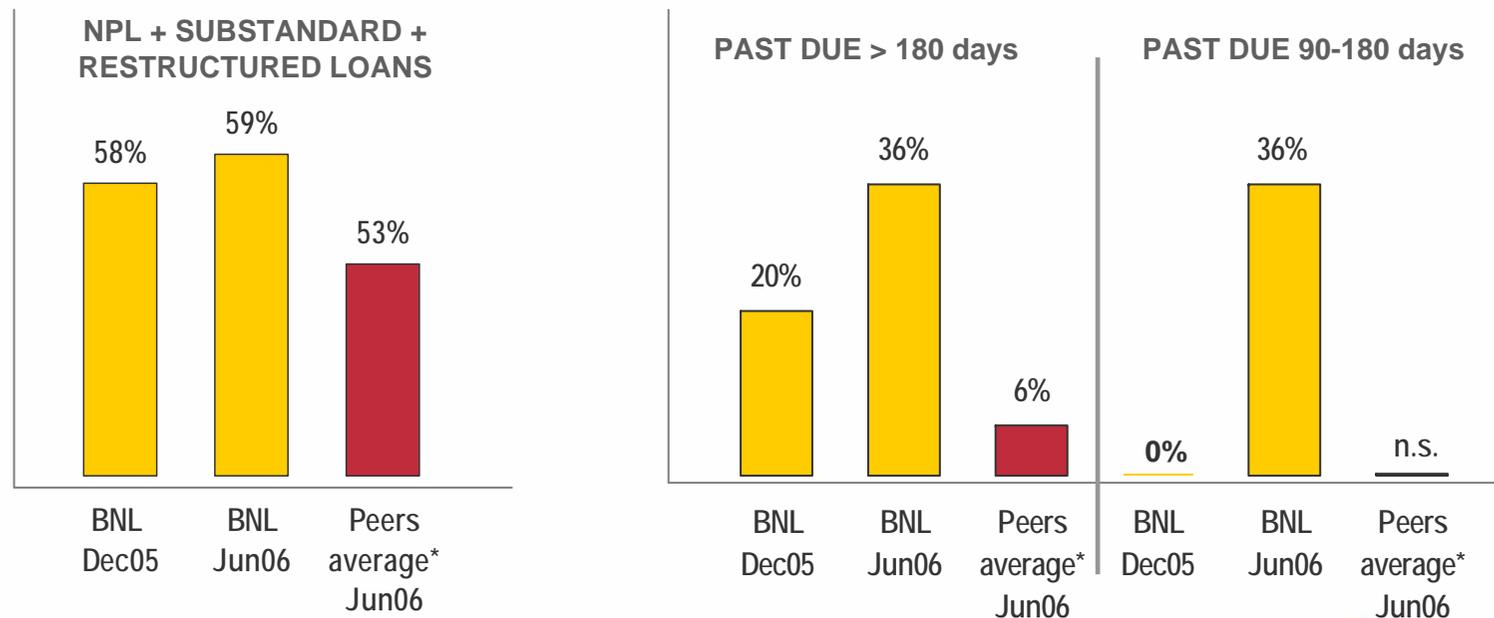
- Balance sheet adjustments revised upwards from €800mn to €850mn
 - Due to higher contingent liabilities on BNL existing early retirements schemes
- Post tax impact €607mn



*Unaudited figures

Impaired Loan Coverage Best Practice in Italy

- BNP Paribas risk assessment methods applied to BNL
 - Limited need for new specific provisions
 - Widened scope of doubtful loans: integration of past due amounts over 90 days
 - Coverage of both past due categories at 36% whilst negligible for peers
 - Enforcement of the BNP Paribas portfolio provisioning method
- BNL coverage ratio already high in Italy and further increased



*Peers' average includes Banca Intesa, Unicredit, San Paolo IMI, Capitalia, MPS





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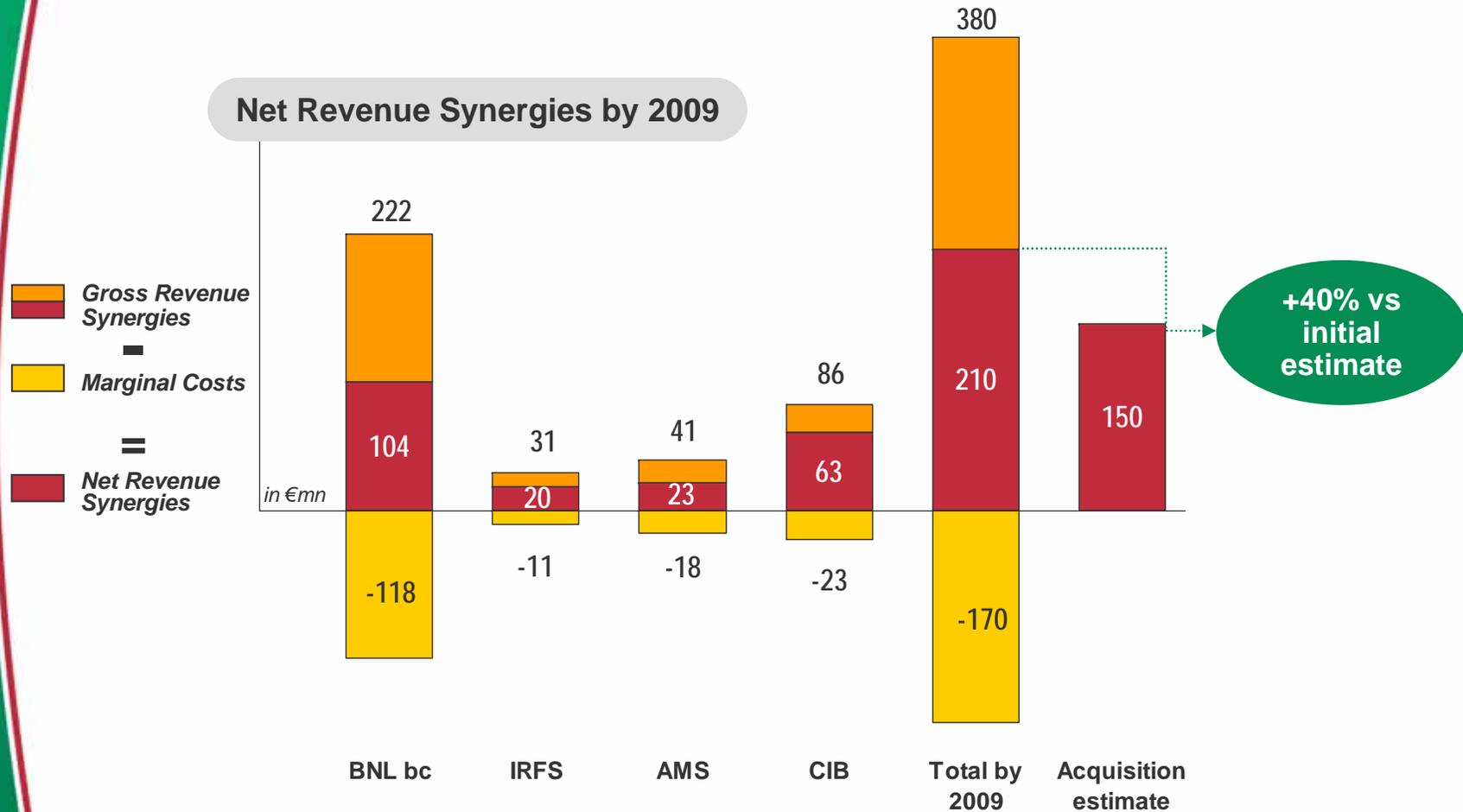
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Revenue Synergies Split by Business Line

Net Revenue Synergies by 2009



Main revenue synergies generated by BNL bc and CIB



Revenue Synergies Revised Timing

Cumulative Revenue Synergies 2007-2009

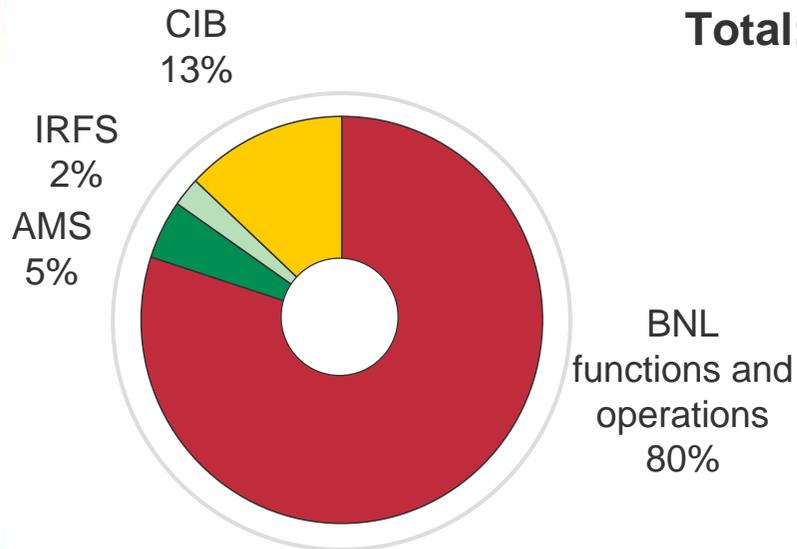


- To be added to cost and revenue baselines
- First wave of revenue synergies to be achieved by 2009
 - 2007: include negative revenue synergies (€24mn in CIB)
 - 2008: in line with initial forecasts; 2009: ahead
- Marginal costs include “Piano Sportelli” net implementation costs
 - “Piano Sportelli”: 100 new branches by end 2009
 - Expected revenues to fuel a second wave of revenue generation beyond 2009



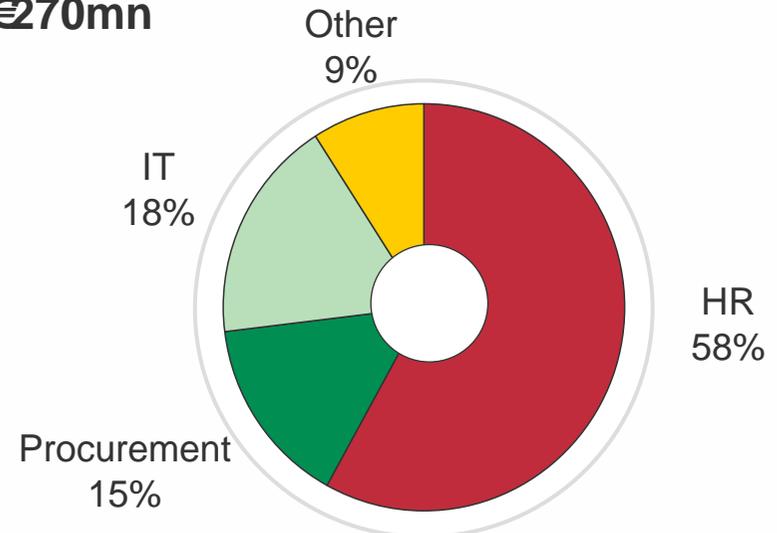
Increased Cost Synergies

Total Cost Synergies by 2009
(by Business)



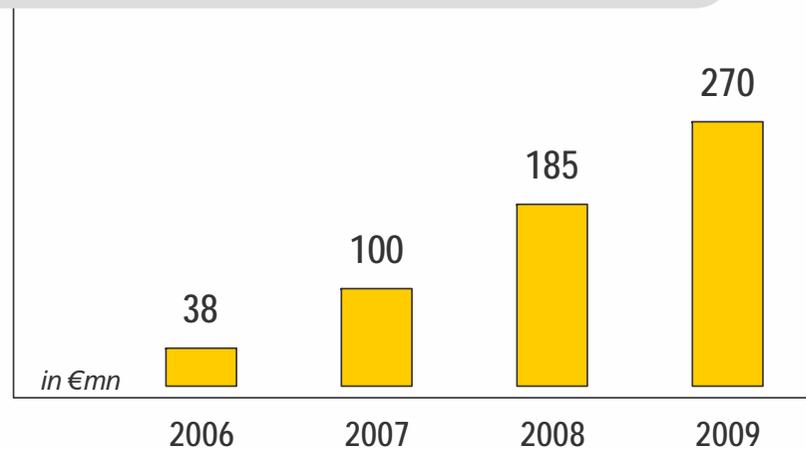
Total: €270mn

Total Cost Synergies by 2009
(by Nature)



- Total cost synergies raised to €270mn compared to €250mn announced at the time of acquisition
- Agreement signed with the unions
 - 2,200 staff departures over the period

Cost Synergies Progression



- Initial timing forecast exceeded due to effectiveness of actions already implemented
 - €38mn cost synergies in 2006 representing quick wins in procurement and recruitments
- Synergies to be deducted from cost baseline progression

Main Cost Efficiency Projects & Initiatives (1/2)

Organisation redesign



- Integrating investment banking activities under CIB core business
- Integrating major affiliates and foreign branches into BNP Paribas' operating structure
- Rationalising headquarter functions and reviewing reporting structure to allow local management to be more business-focused
- Reviewing and simplifying branch network organisation

HR synergies



- Trade union negotiations finalised for BNL SpA
- HR plan shared and agreed in details with trade unions
- Contained repercussions on staff as shared objective with trade unions
- Redundancies on a voluntary base with contribution by BNL utilising "Fondo ABI"
- Training programme for staff involved in functional mobility
- Creation of HR co-ordination units within the 5 regions

Improved flexibility and efficiency

Main Cost Efficiency Projects & Initiatives (2/2)

Procurement synergies



Consolidating Group purchasing volumes in Italy and leveraging global BNP Paribas' contracts/scale

- Technology (hardware and software, telecom, other systems)
- Bank services (ATMs, mail, payment systems)
- Professional services
- Information services

Efficiency improvement initiatives



- **IT:** upgrading quality of information systems and reducing development activities, leveraging on proven BNP Paribas' platforms
- **Real estate:** optimising headquarter and international network sites

Optimised functions



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**Cost and revenue synergies revised upwards
as a result of a comprehensive analytical work**

Overall balance sheet and restructuring costs confirmed

New disclosure framework defined



BNP Paribas

Retail Banking in Italy

Stefano Calderano
Head of BNL Retail and Private Division



Rome, December 1st 2006

A New Challenge

BNL

A nationwide recognised brand name

+

BNP PARIBAS

A European leader willing to develop a new domestic market



A new success story on the Italian retail market



Customers



- 2.6mn customers, of which
- 2.5mn Individuals customers
 - 112,000 Small Business customers
 - 11,000 Private Banking clients

Sales points



- 703 Branches
- 18 Private banking centres (+ 13 "Presidi")
- 1,270 ATMs

People



- 7,134 total resources, of which 5,243 in direct customer contact roles
- 2,200 Individual customer RMs
 - 400 Small Business managers
 - 150 Private Bankers



Key Opportunities in the Italian Market (1/2)

1

Underdeveloped product segments

- Mortgage penetration 15% in Italy v.s. 40% European Average (EA)
- Consumer Credit product penetration 5% v.s. 15% EA
- Life insurance and pension funds penetration 25% v.s. 45% EA

Sources: Bank of Italy, European Central Banks, BNL studies

2

Customer satisfaction as key driver for growth

- Low level of customer satisfaction compared to European average
- Service level as one of main driver of dissatisfaction
- High potential for a player with European best practices



Key Opportunities in the Italian Market (2/2)

3 A large Small Business market not always well served

- 5mn companies, €200bn of lending, high revenues per customer
- Limited management skill for a number of them
- Undifferentiated product offer, lack of specific focus, complex credit process

4 A still fragmented market

- Market focus on consolidation (Banca Intesa-Sanpaolo, BPVN-BPI, BPU-BL, ...)

High potential and good timing



A Client Centric Response

Know our clients better
Segmentation

Adapting to our clients' expectations
Offering

Getting closer to our clients
Multi-channel Service model



Increase customer satisfaction





Presentation Overview

Segmentation: Know your Customer Better

Offering: Adapt to Client Expectations

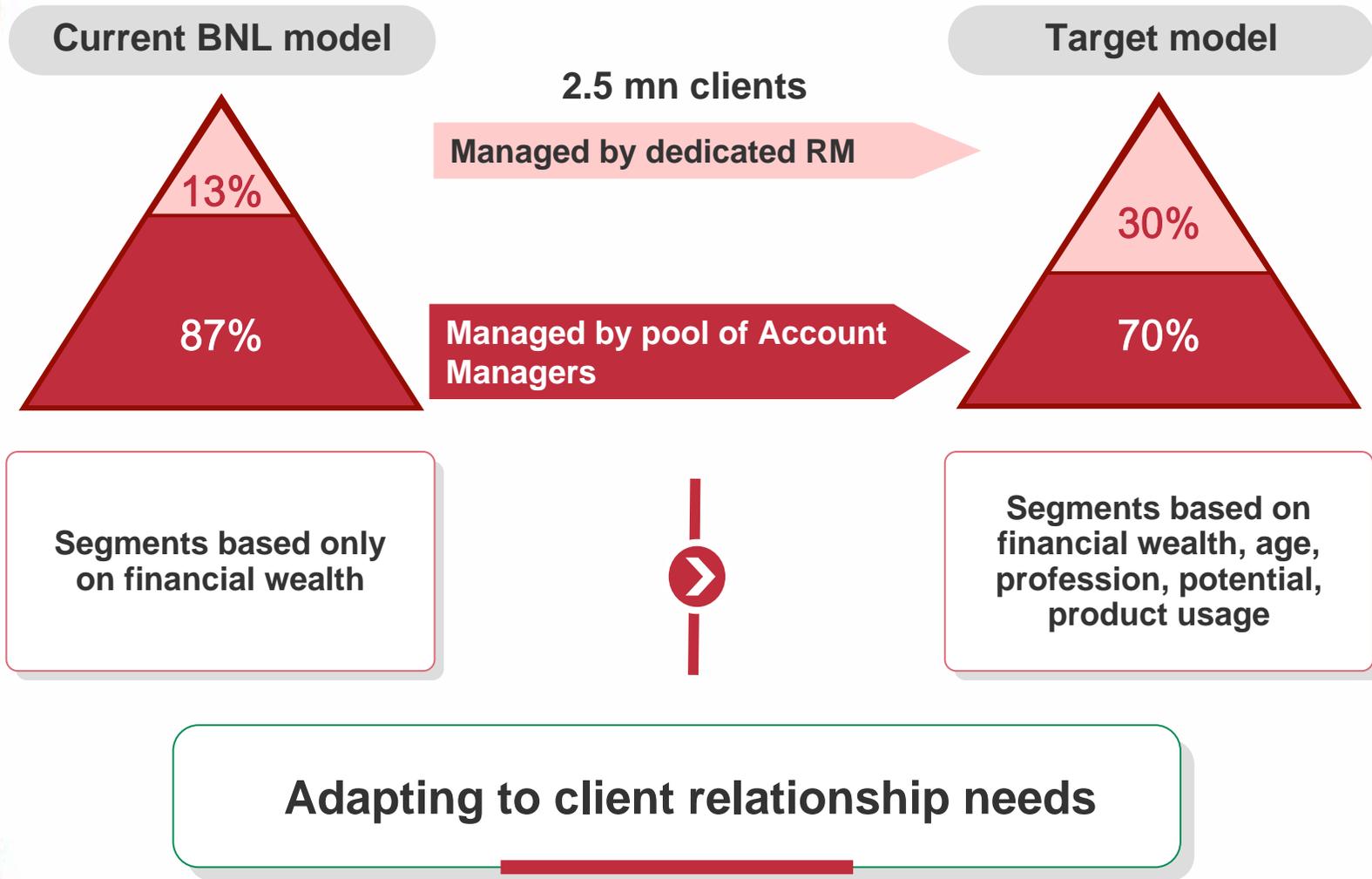
A new Service Model: Getting Closer to our Clients

Already Started

Conclusion



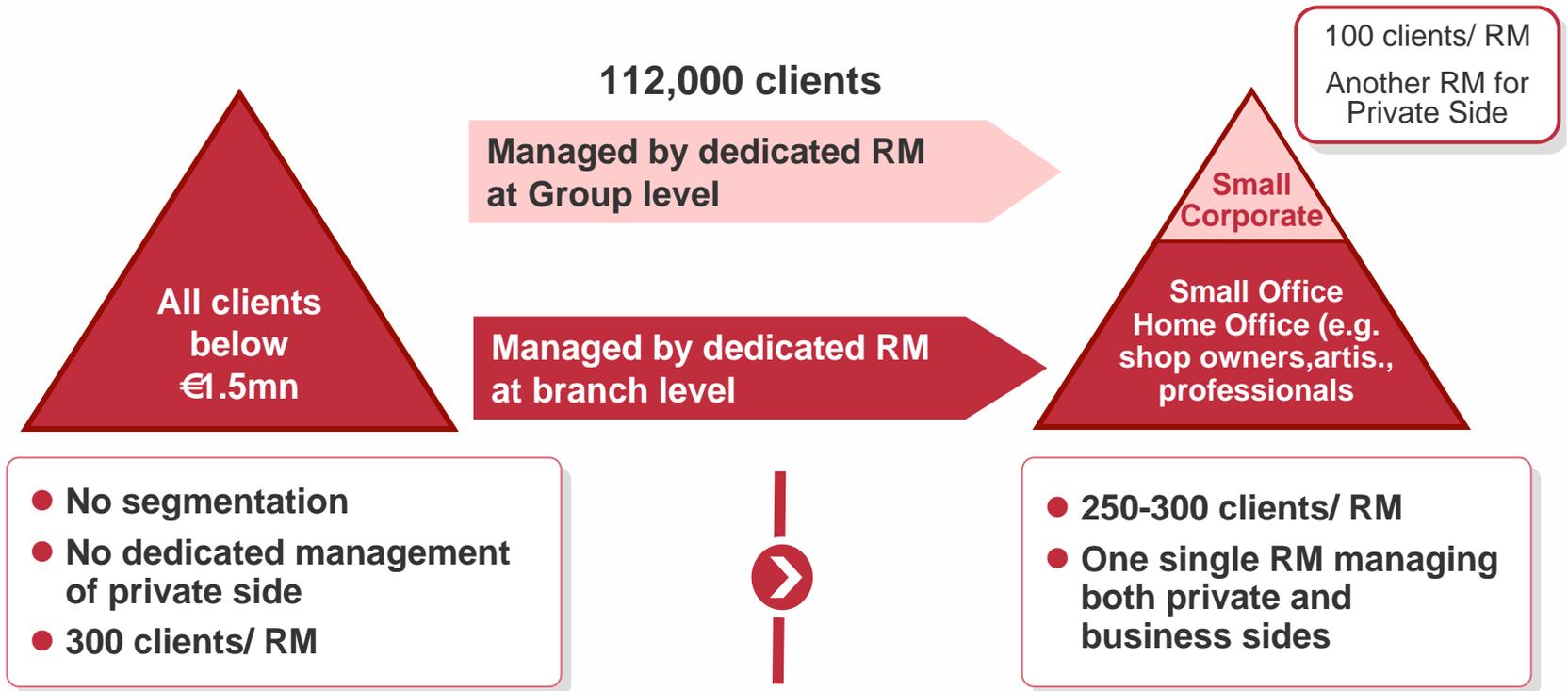
Individual Customers More Dedicated and Specialised Client Management



Small Business Adapt to Customers' Profile

Current BNL model

Target model

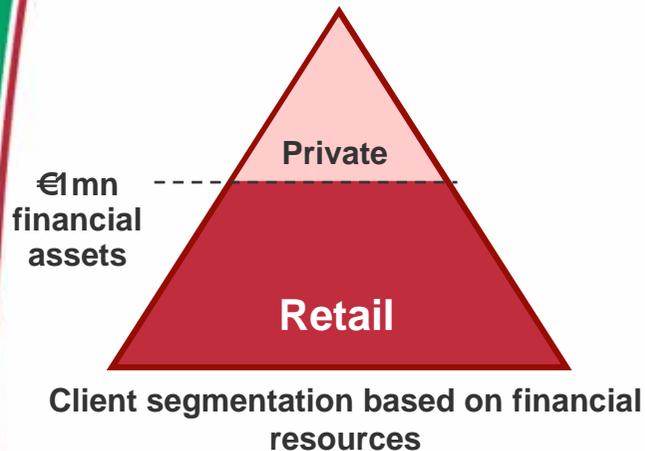


Better serve clients with increasing needs



Private Banking Better Serve Existing Clients, Attract New Ones

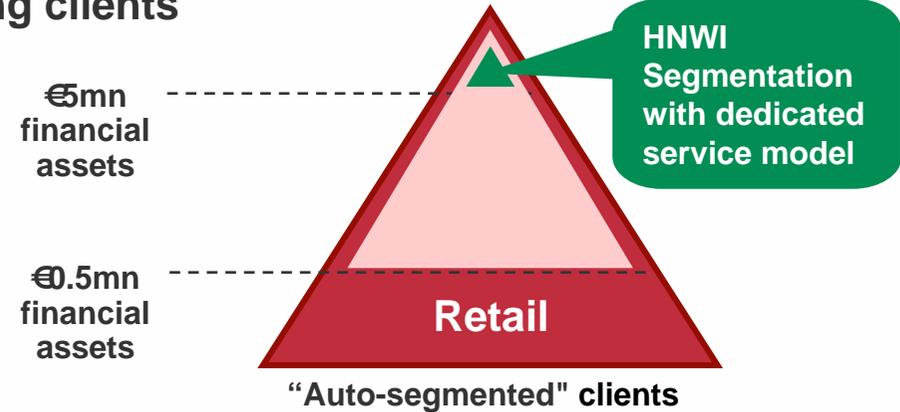
Current BNL model



- Limited differentiation between Private and Retail offers

11,000 Private banking clients

Target model



- Segmentation based on financial assets and upside potential
- Comprehensive offering distinct from the standard Retail one

Develop referrals with Retail, Small Business, Corporate and CIB





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Individuals

Specialised and Innovative Product Offering

Current accounts

- New multichannel current account
- New product for young customers
- Revision of packaged accounts

Personal loans

- Adapt amount and duration to client profile

Mortgages

- Extend duration
- Relaunch variable rate fixed payment mortgage

Savings

- Revamped product offering

Full access to leading edge Group product innovation



Small Business New Product Offering

Fleet management

- New Company car fleet management (Arval)

Leasing

- Leasing: Enhanced leasing process and tools (Locafit/ BNP Paribas Lease Group)

Current Account

- Modular Current Account: Increased customization and flexibility through tailor made banking and extra-banking services

Credit

- Flexible/hybrid short term credit lines
- Packaged medium term loans

Other specific products

- Purchasing cards

Better serve client needs

Private Banking Completely Renewed Service and Product Offering

Client Relationship



- Global wealth management
 - Fiduciary services
 - Tax and legal counseling
 - Real estate and art advisory
 - International Private banking

Product Offering



- Investment products
 - Sicav / hedge funds
 - Structured products
 - Unit linked, Index linked
 - Credit (leverage)

Service Offering



- Portfolio management approaches
 - Discretionary management
 - Advisory service/ fee based





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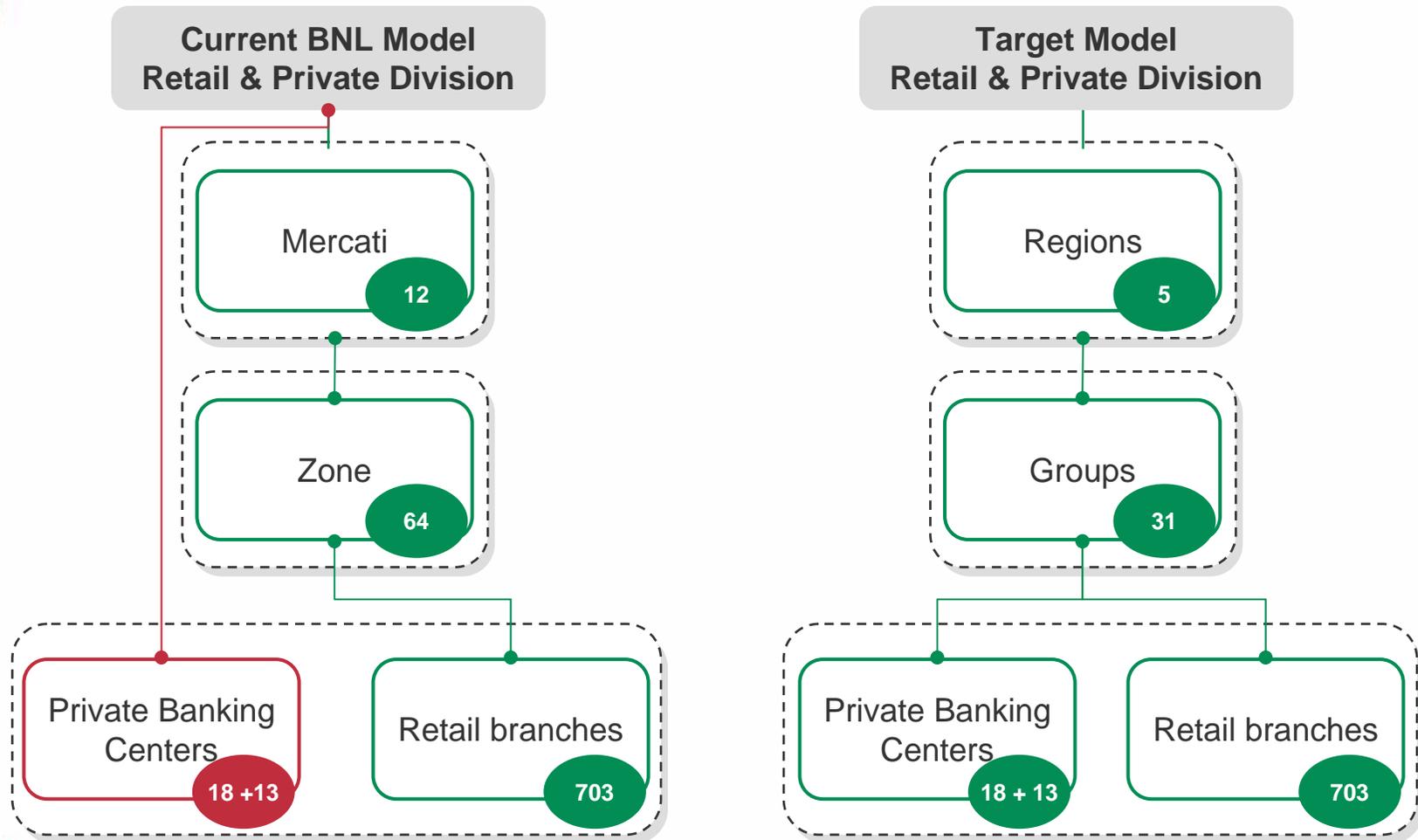
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Conclusion



A More Effective and Accountable Structure

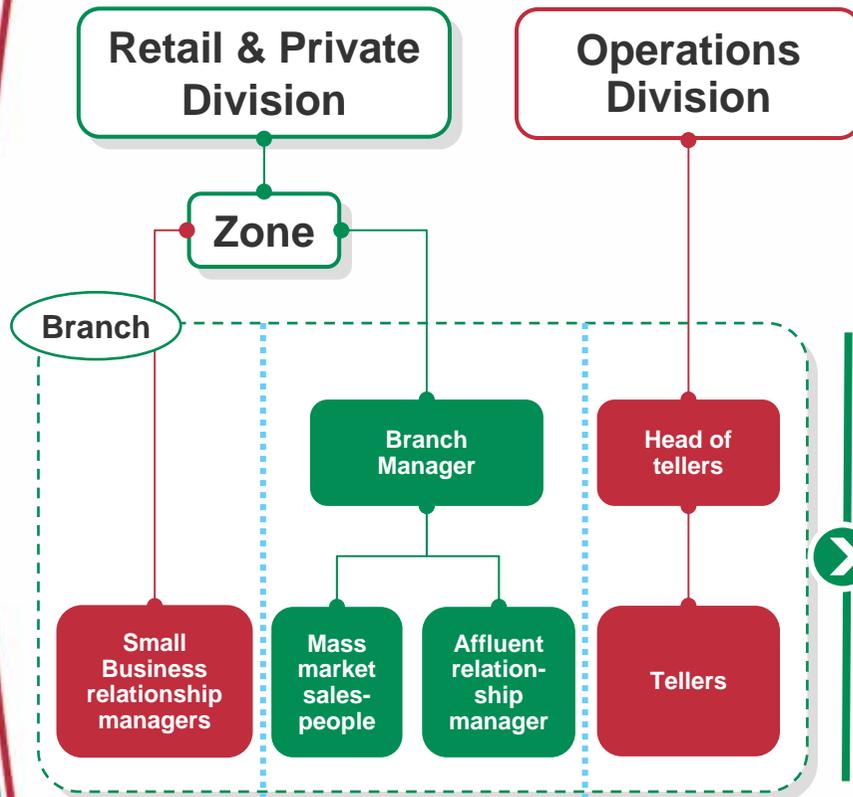


Reinforced territorial responsibilities

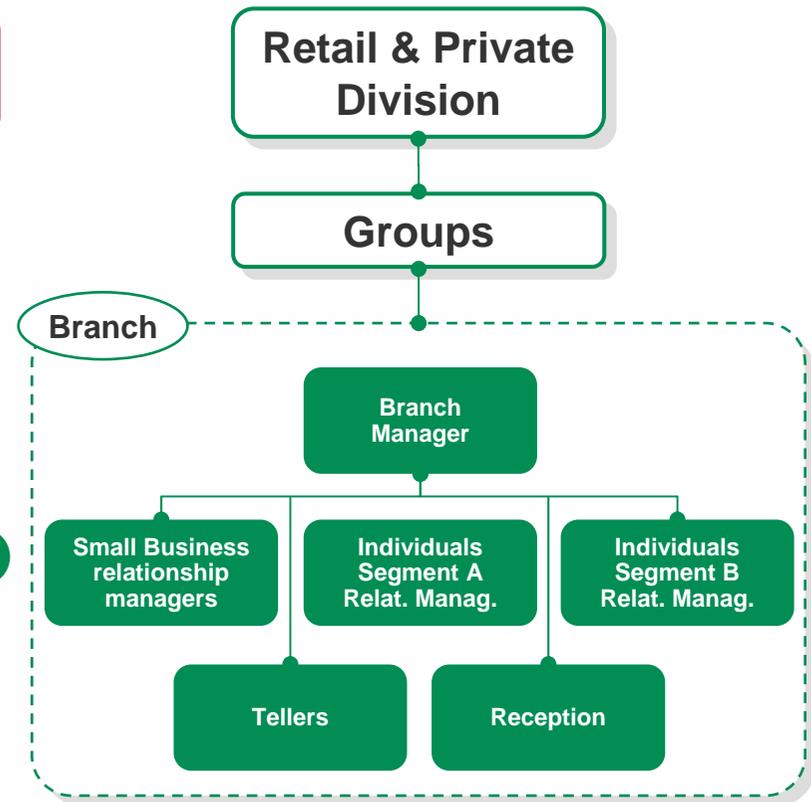


Refocused and Reintegrated Branch Model

Current BNL Model



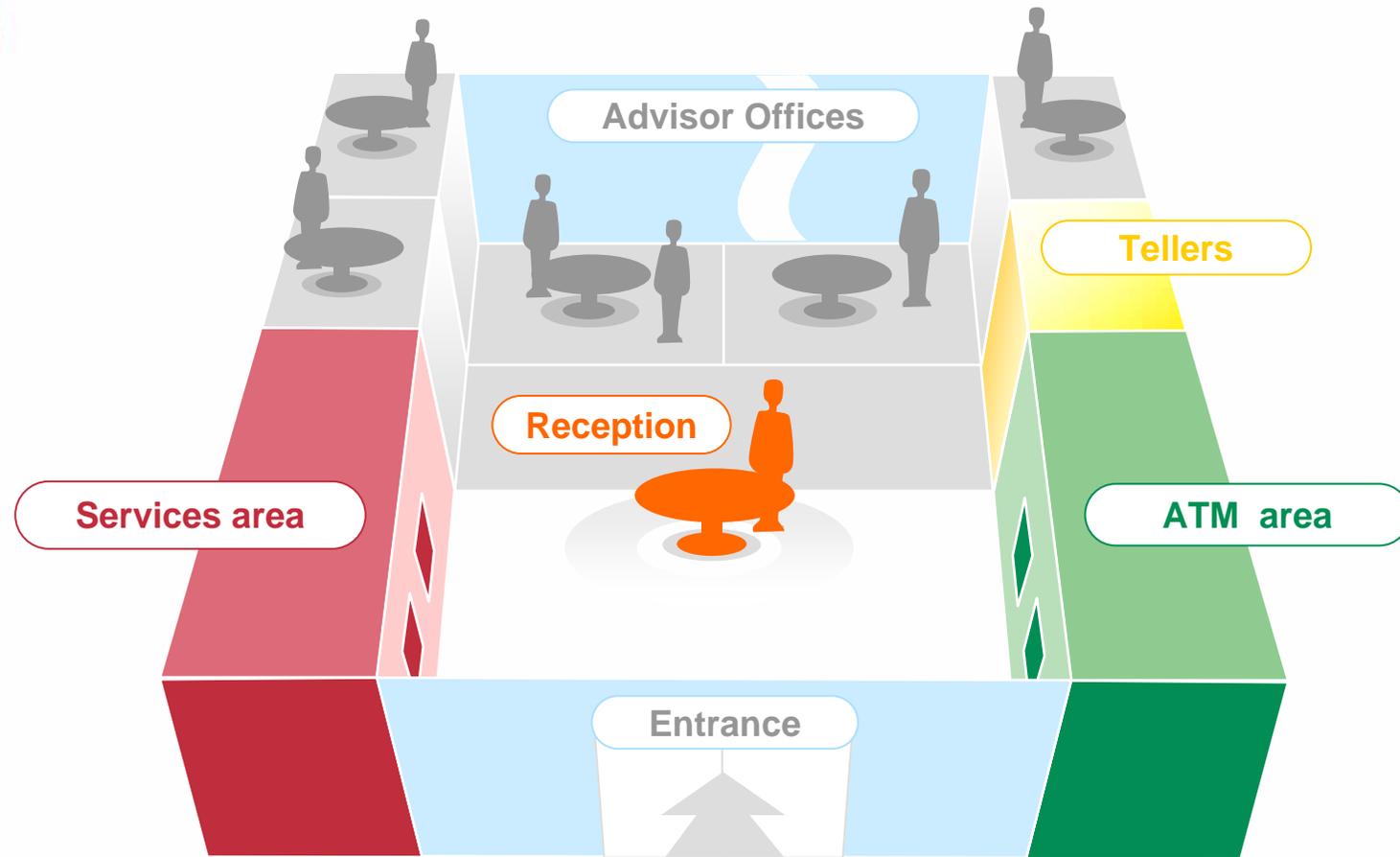
Target Model



Strengthen the role of Branch Manager
Develop an integrated team culture within the branch



A new Branch Layout to Improve the Service to Clients



- 250 existing branches to be renovated in 3 years
- All new openings will be done according to new branch lay-out
- All network to be restyled by 2009

"Piano Sportelli" to Generate Medium Term Organic Growth

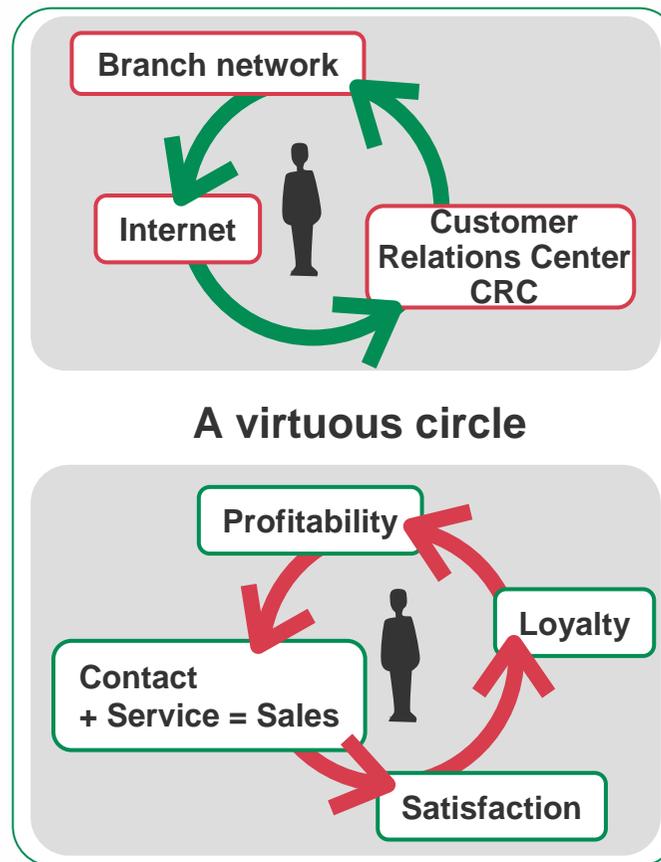
- Base expansion on geomarketing rationale
 - Focus on urban, high-end customers
 - Focus on areas with good BNL footprint
- Deepen territorial coverage
 - 100 new branches by 2009
 - Full income generation capacity from 2011
- Limited start up costs
 - Fully posted by 2009
 - Cost/Income by 2011: 45%

**Preparing a second wave of
revenue growth**

Get Closer to the Client Anytime : the Integrated Multi-Channel System

From a bank with multiple forms
of access...

... to an integrated multi-channel
banking



Leveraging BNP Paribas know-how and skills



Presentation Overview

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Already Started

Conclusion



Actions Already Undertaken and Quick Wins

- Simplified sales contracts already delivered to the network
- Marketing campaigns already launched
- Intragroup referrals started
- Commercial action plan for 2007 launched by mid December
- Rebranding campaign about to start

First Achievements

Index Linked Life Insurance

€400mn in 1 month

Product

Index Linked Life Insurance

Placement period

19 August – 29 September 2006

Length

5 years

Unit Linked 4WD

€600mn in 3 weeks instead of €450mn in 8 weeks

Product

Guaranteed Unit Linked

Placement period

9 October – 12 December 2006

Underlying fund

Parworld Absolute Return 100
Guaranteed 2012

Length

6 years

Guarantee

100%



**A promising success
evidencing strong staff commitment**





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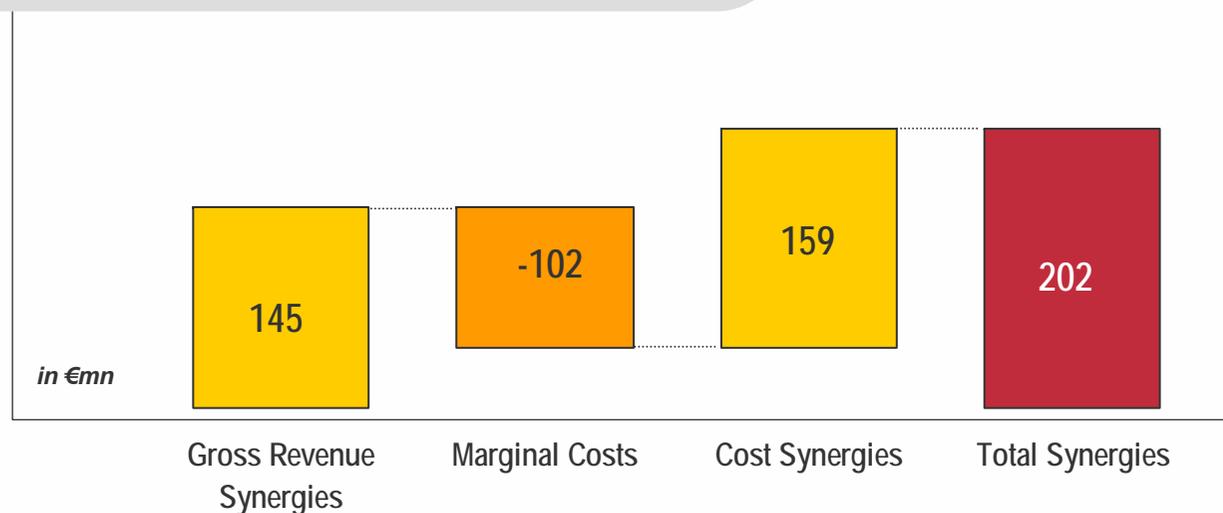
Already Started

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Committed to Delivering the Synergies

Total 2009 BNL bc Retail & Private Banking Division Synergies



**90 projects aimed at delivering
€202mn synergies**



**Offer a differentiated banking experience
to our clients**

**Intensive change management program
to reshape the network and commercial set-up**

**Leverage on BNP Paribas' experience
and expertise**



BNP Paribas

Asset Management and Services in Italy

Alain Papiasse
Head of Asset Management and Services

Isabella Fumagalli
Head of Cardif Italy

Rome, December 1st 2006





Presentation Overview

AMS Overview

Strategy in Italy

Development Plan

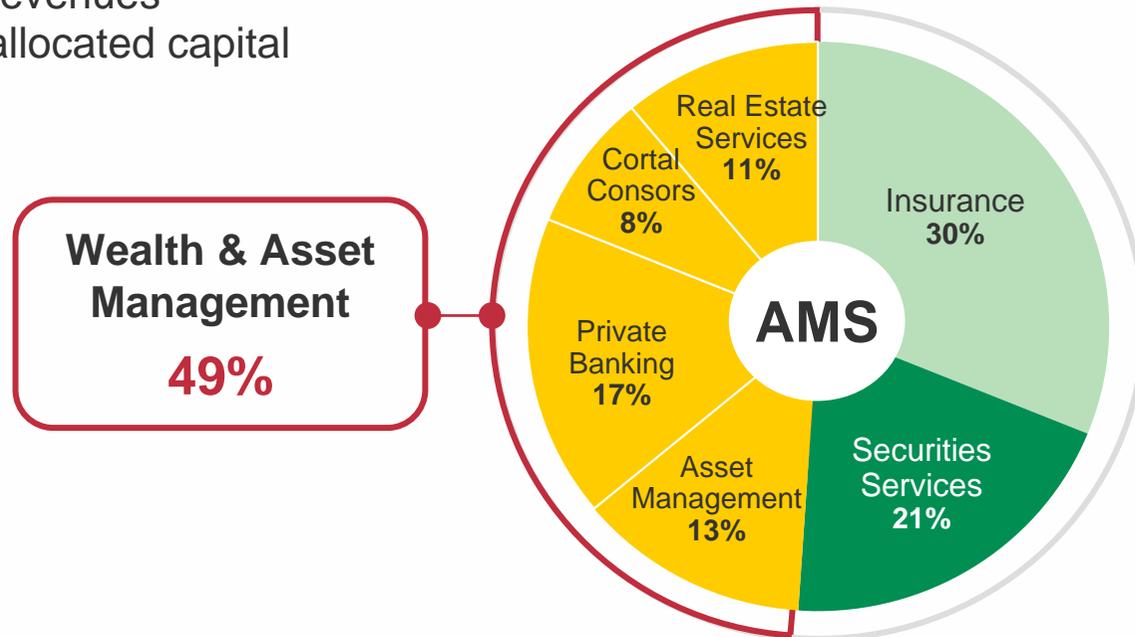
Conclusion



A Major Asset for BNP Paribas

- A substantial part of the Group*
 - 16% of revenues
 - 15% of allocated capital

Revenues 9M06: €3.2bn



- A major presence in the asset gathering and management business

■ Assets under management	€476bn	+15% / 30.09.05
■ Assets under custody	€3,430bn	+19% / 30.09.05
■ Assets under administration	€569bn	+18% / 30.09.05

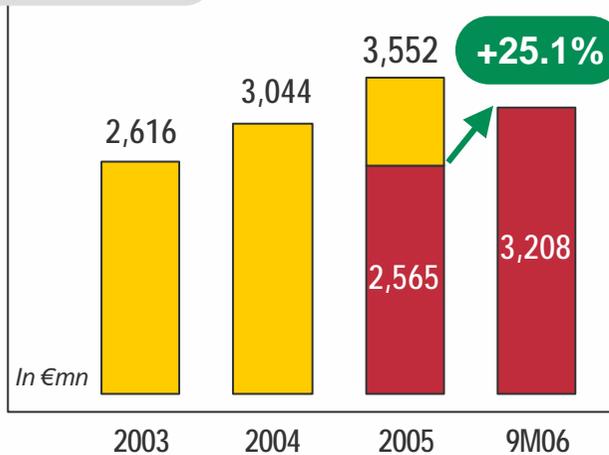
* Excluding BNP Paribas Capital and other activities

AMS: a Fast Growing Platform

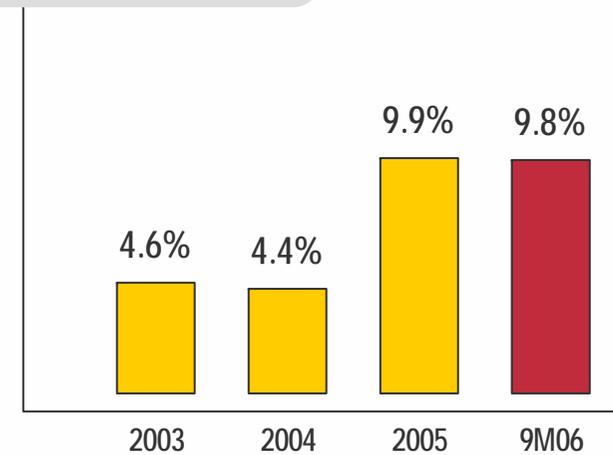
- A high capacity to generate revenues

- A strong inflow generation

Revenues



Asset inflow rate*

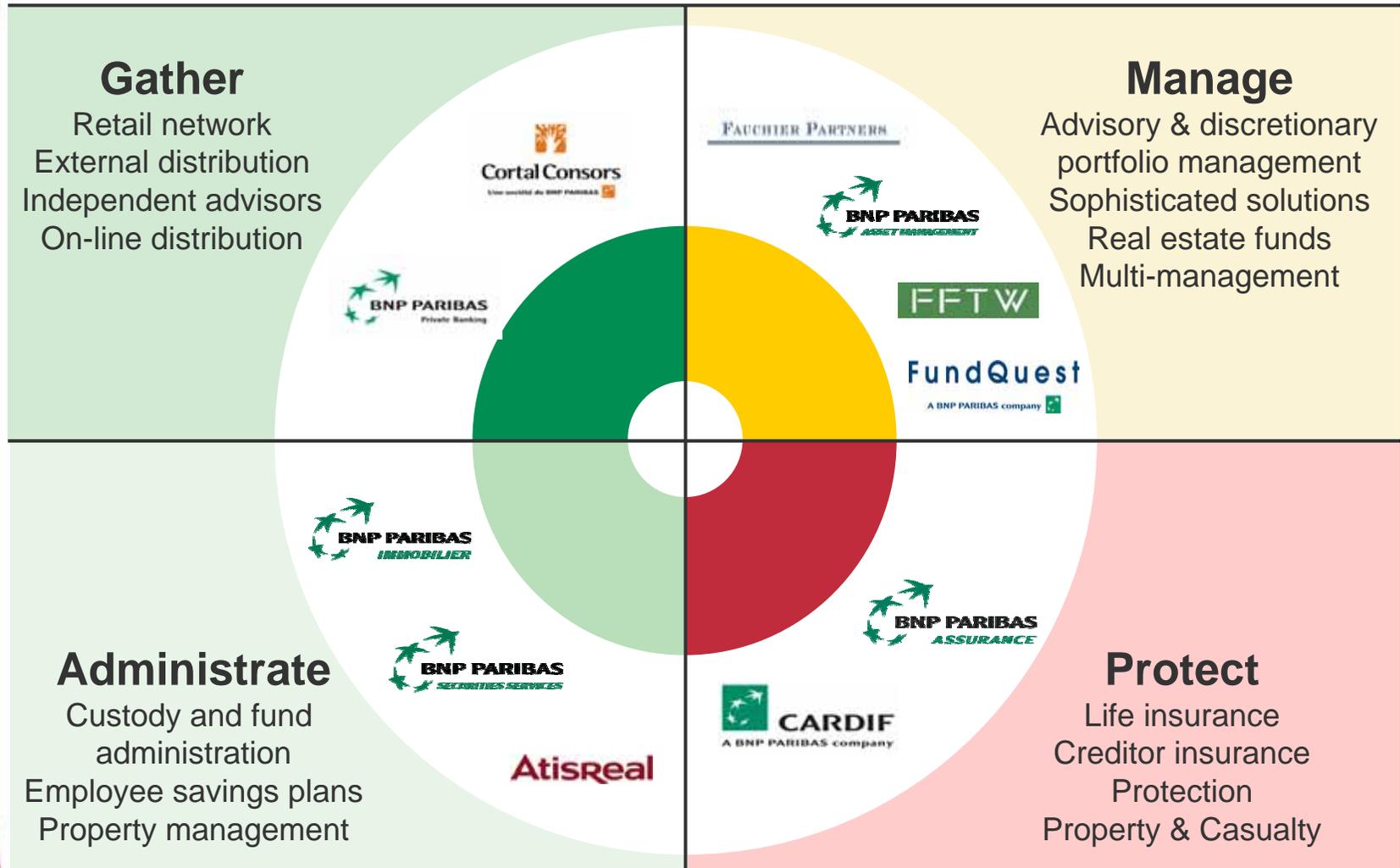


*Annualised rate as a % of AuM

A major growth engine for BNP Paribas



Covering the Entire Investment Cycle



Businesses Leaders in their Markets

Global

- #2 in mutual fund promotion in France
- Leader in multi-management in Europe

Asset Management

- #1 in France
- #3 in Western Europe
- #7 in Asia and Latin America

Private Banking

- Leader in Real Estate Services in Continental Europe

Real Estate Services

- #4 in life insurance in France
- #2 in creditor insurance world-wide

Insurance

- #1 in Europe
- #5 world-wide

Securities Services

In Italy before BNL

- One of the foreign asset manager leaders in external distribution

- One of the top foreign private banks operating in Italy

- Recent acquisitions by BNP Paribas

- Leader in creditor insurance for financial institutions

- #3 in Italy
- Top rated in Italy (*Global Custodian*)



Presentation Overview

AMS Overview

Strategy in Italy

Development Plan

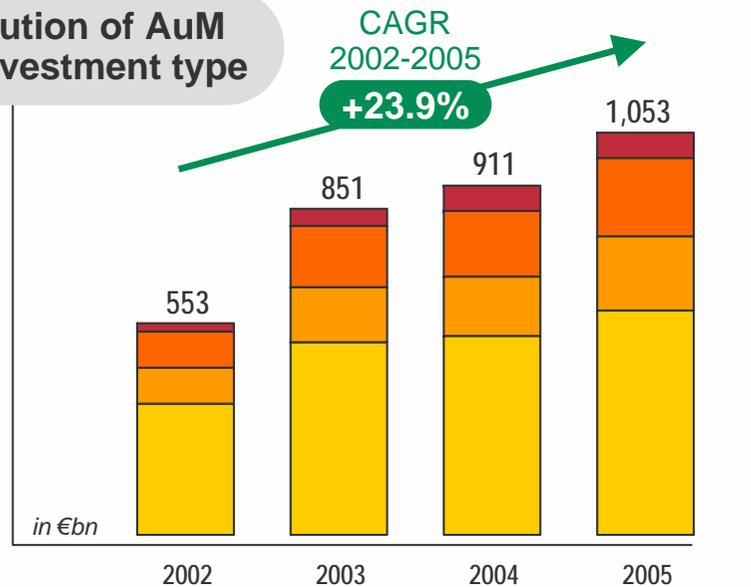
Conclusion



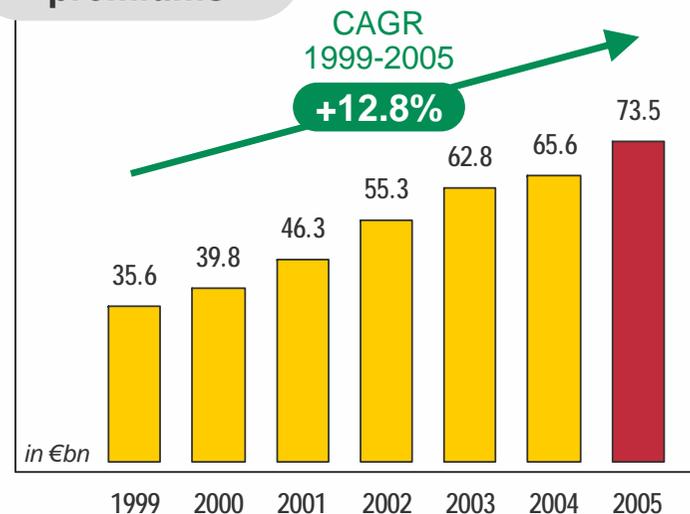
Italy: Growing Asset Gathering Market

- Large and attractive Asset Management market
 - Second retail market in Europe, getting more sophisticated
 - Institutionals are moving from conservative asset allocation to performance products
- Lower life insurance penetration compared to other European countries
 - Positive impact on life insurance expected from future reforms on pensions & retirement services and tax inheritance

Evolution of AuM per investment type



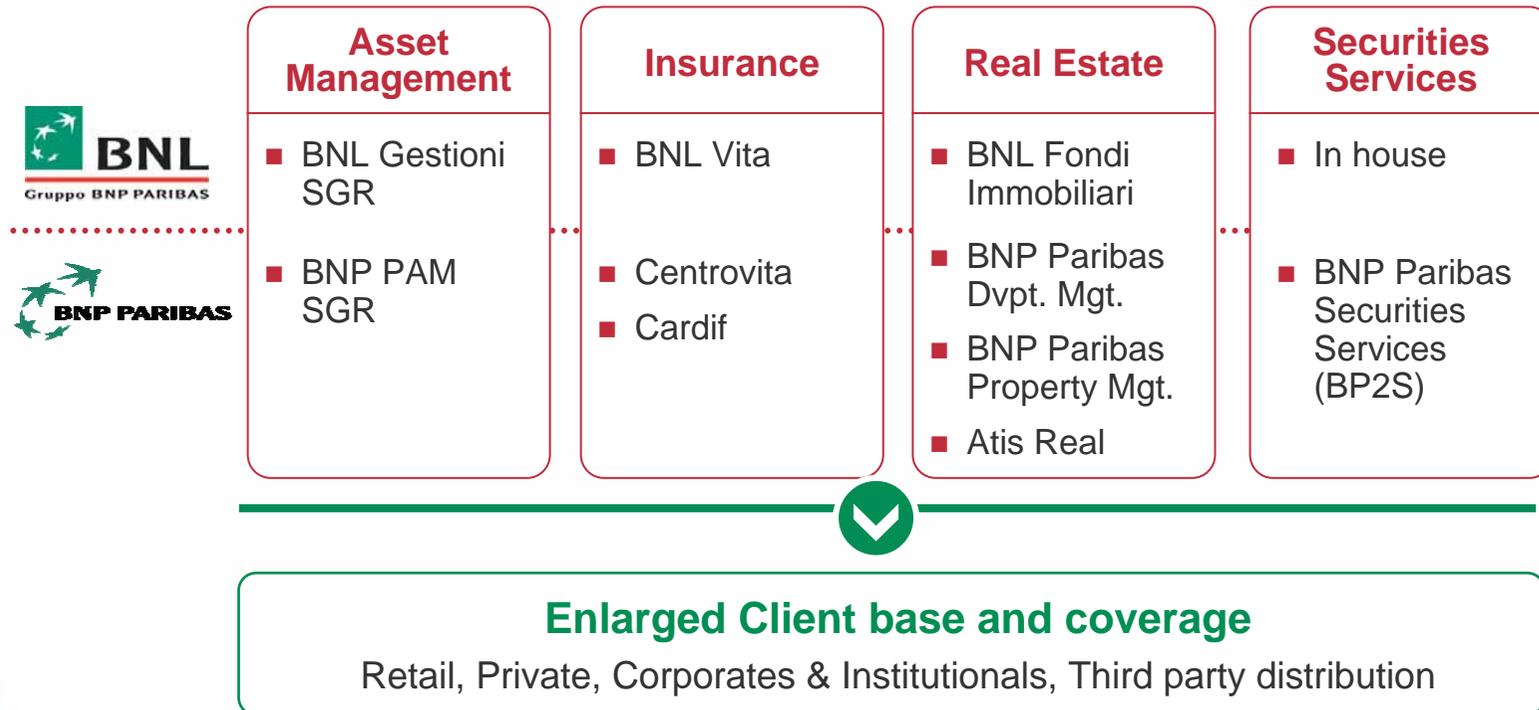
Life insurance premiums



Sources : Assogestioni, ANIA

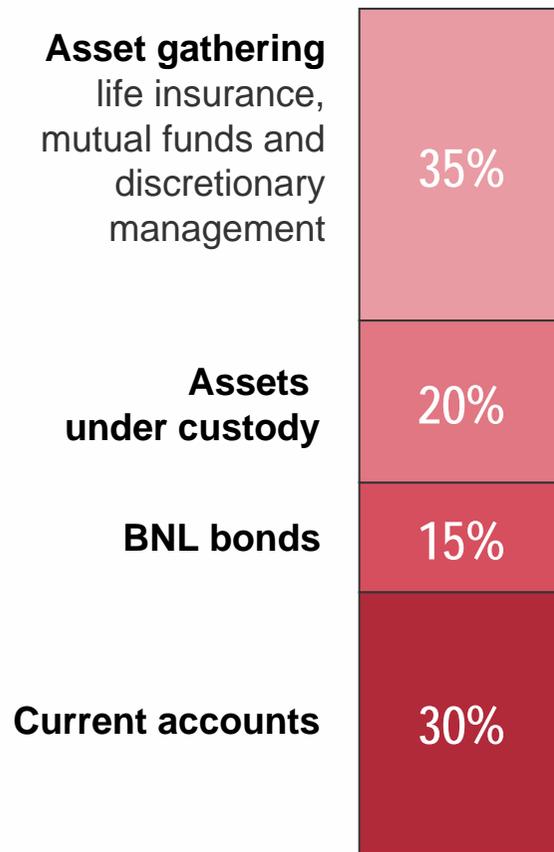
The New Face of Asset Management & Services in Italy

- A significant contribution for the group
 - Assets under management: €60bn
 - Assets under custody: €346bn
- A combination of production and distribution platforms:



BNL: Large Potential for Asset Gathering

BNL client assets

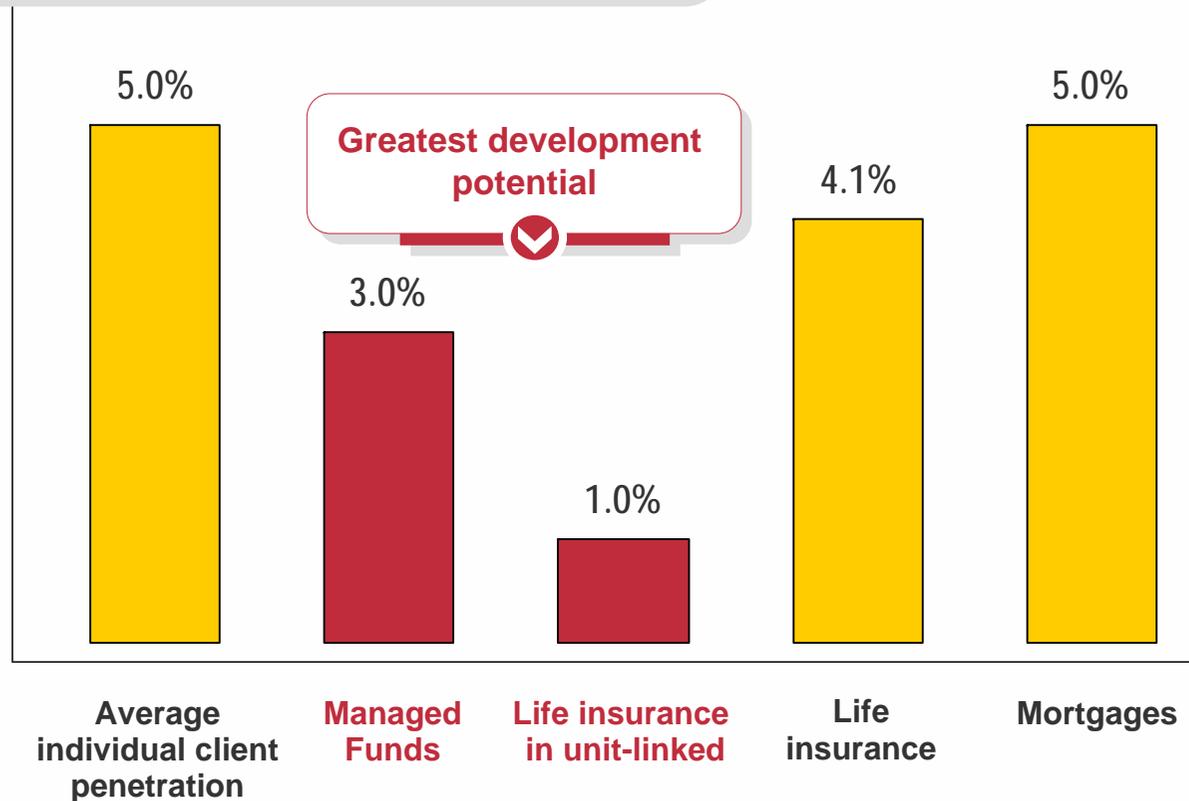


- Give access to BNL clients to more sophisticated products adapted to their needs and risk return profile
 - Transform assets under custody into asset gathering
 - Progressively transform BNL bonds into asset gathering demand

Source: BNL estimates as of 31 December 2005



BNL's Individuals market share per product



Increase asset gathering market share

Source : GFK Eurisco, Assogestioni, Assofin, ANIA, latest data available



- Differentiated « asset gathering » offering for each client segment
 - 2.6mn current retail and private clients to be leveraged
- New product range of mutual funds and discretionary portfolio management
 - Rationalised range of funds for each client segment
 - Structured funds
 - Dynamised interaction between the network and the asset gathering producers
- Innovative range of life and creditor insurance products
 - Leverage on BNP Paribas Assurance expertise in France and leading position world-wide on creditor insurance
 - Coordinated and best-in class offering: BNL Vita and Cardif product range

International Private Clients

- BNP Paribas Private Bank expertise and products & services offering to develop BNL Italian and international private client franchise

WEALTH MANAGEMENT



Tax & Estate Planning

Fiduciary Services

Diversification
(real estate, property, art)

Life Insurance

INVESTMENT SERVICES



Discretionary Management

Active Advisory

Advisory Mandate

Execution

INVESTMENT PRODUCTS



Money Market

Securities

Mutual Funds

Structured Products
& Derivatives

Alternative Investments

Credit



Institutional and Corporate Clients

- Leverage on BNL's clientele to propose AMS' enhanced capabilities
- Asset Management
 - Among BNL's current 1,500 institutional clients, identify those with potential to increase AuM
 - Among BNL's 52,000 corporate and public administration clients, select those with high potential
- Securities Services
 - Custody, fund administration and other securities services for BNL and external clients
- Real Estate Services
 - Extended range of real estate services through BNP Paribas Real Estate Services recent acquisitions in Italy and BNL Fondi Immobiliari offers

Third Party Distribution

- Enhanced platforms to gain more external and third party clients
- Securities Services
 - Develop new client relationships and partnerships with BNL institutional clients
- Asset Management
 - Extended platform in Italy to propose a wider range of products to existing and new partners
 - Provide BNL and third parties clients with fund management and selection by the development of FundQuest Italy
- Insurance
 - Through BNL Vita and Cardif, extended capabilities on insurance to serve new clients and partners

A leading investment platform for external distribution and partners



Presentation Overview

AMS Overview

Strategy in Italy

Development Plan

Conclusion



New Organisation to Coordinate Business Development

- A new organisation in order to support the asset gathering platforms and sales force vis a vis the client network

AMS Italy

Marketing

Optimise workflows within producers and distributors: best-in-class asset gathering offering

Sales Management

Promotion and training for the network sale force in order to achieve business action plan

Economic Management

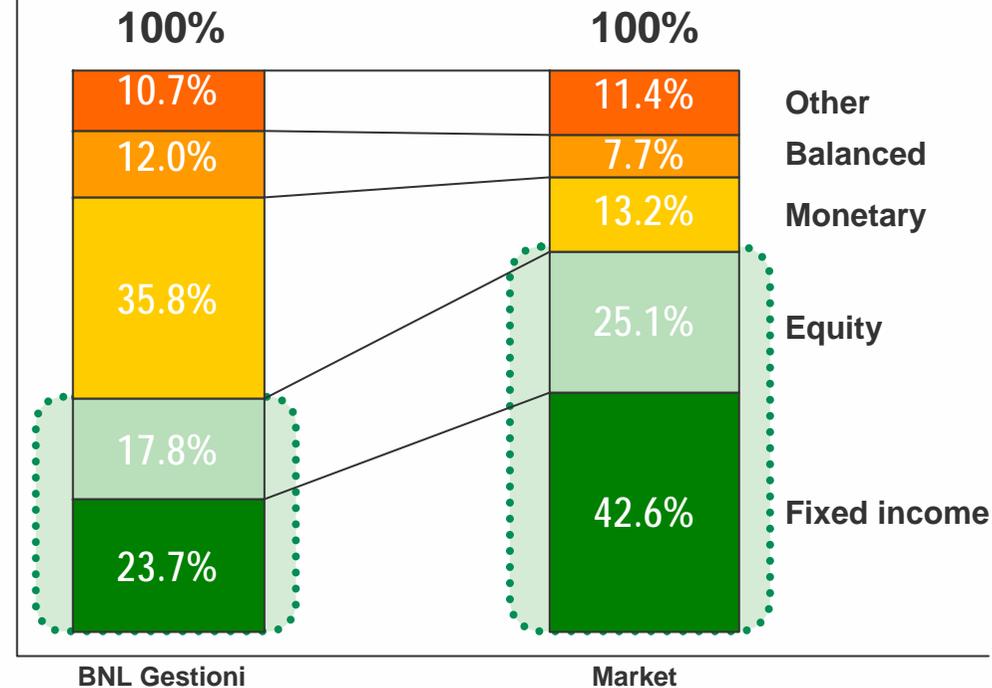
Budget and results monitoring

- Transform progressively BNL's asset base into asset gathering products according with client risk profile
- Optimise product range and create different offering for each client segment
- Develop training and support for the BNL network
- Cross-sell with the AMS business lines in Italy and abroad



- Merged BNP Paribas Private Banking activities in Italy with BNL
- Extended best-in-class products to BNL Private Banking in Italy based on BNP Paribas Private Bank expertise
- BNL Private Banking entities merged with BNP Paribas in Switzerland and in Luxembourg

AuM distribution per asset classes

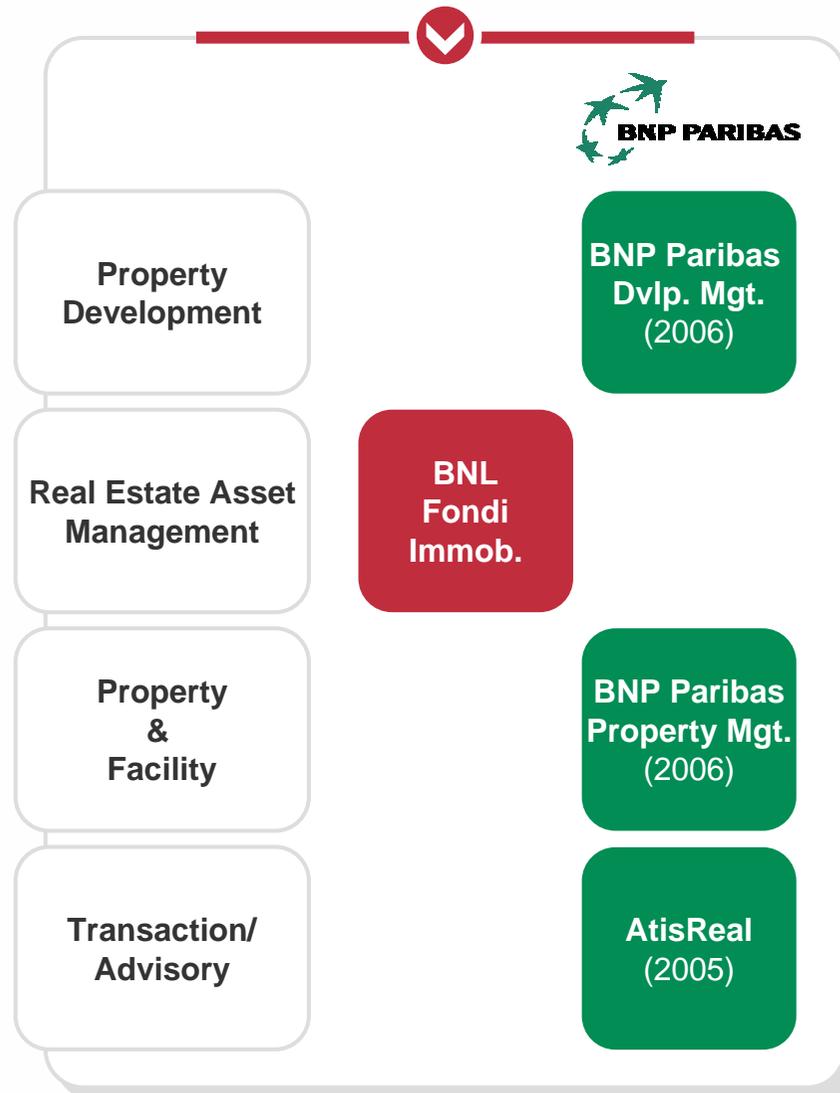


Source : BNL, BCG

- Boost the most profitable assets: equity, fixed income and alternative
 - Rationalised fund range (divided by 2)
 - Segmented discretionary mandate offering
 - Enhanced network interactions & marketing and sales support (retail and private banking) driven by AMS
 - Merged BNL Gestioni and BNP Paribas AM operations in Milan



Development Plan Real Estate Services



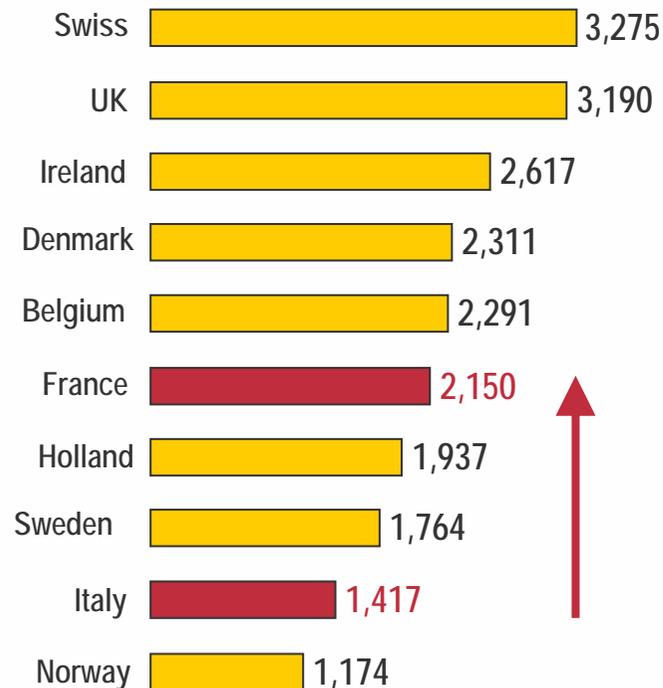
- Vertical integration of BNL Fondi Immobiliari 2nd in Italy with BNP Paribas Real Estate Services' Italian entities
- Insourcing of Property development, facility management, transactions to leverage BNP Paribas recent acquisitions in Italy
- Valorisation of BNL non strategic real estate



Development Plan Securities Services

- Insourced BNL institutional custody & depositary bank
- Insourced BNL Gestioni SGR fund administration and transfer agent
- Strong Securities Services offering and service provider for BNL institutional clients
- Optimised BNL retail custody by using BNP Paribas Securities Services global custody network

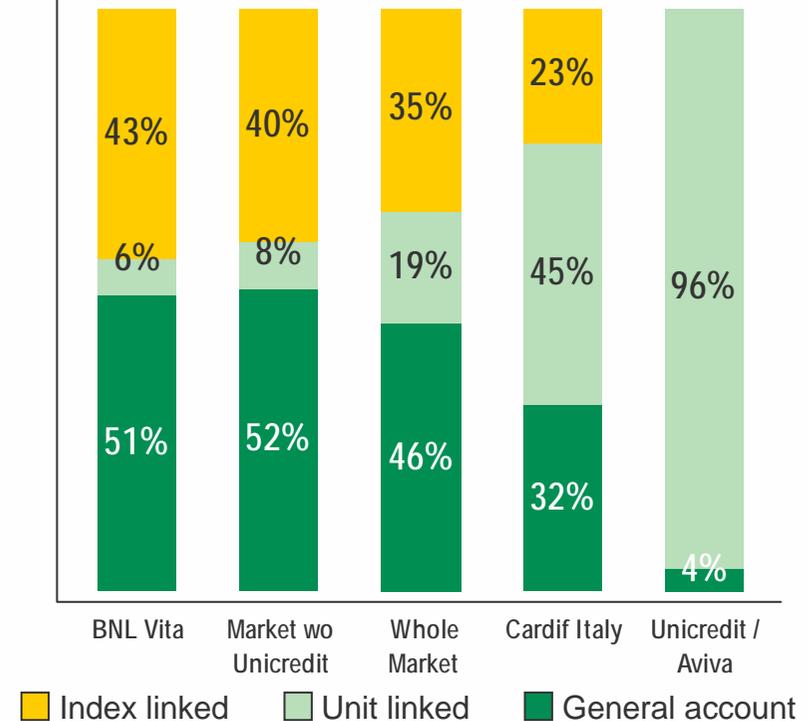
Life Insurance penetration (€ per capita)



Sources: SIGMA, BNL Vita, Cardif, IAMA, 2004

Share of premium

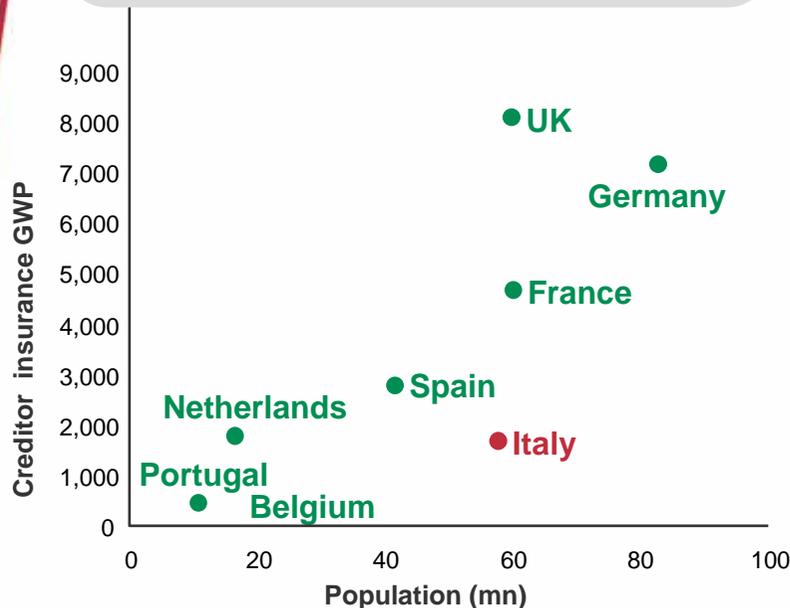
Distribution of 2005 life-insurance products



- Revamped BNL Vita offering with optimised life insurance product range unit-linked oriented
- Enhanced network interactions / sales support

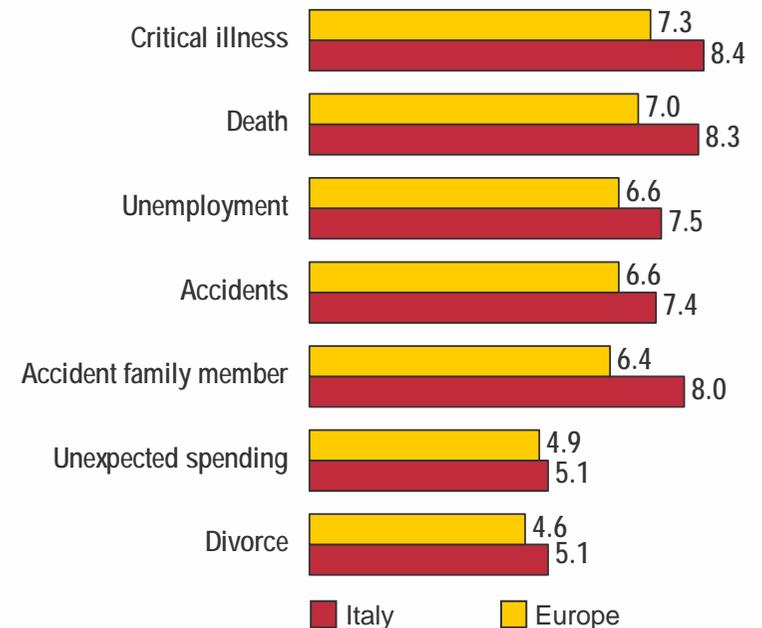


Lower penetration of creditor insurance



Sources: Finaccord / Sigma, BNP Paribas Assurance, 2004

Higher risk client perception (1 low – 10 high)



Sources: TNS Sofres - 2005

- Capitalise on Cardif unique expertise on credit protection insurance
- Increasing market potential
- Enlarged Cardif creditor insurance offering for BNL clients
 - Leverage BNL potential in “creditor insurance” on mortgages, personal loans and credit cards
- Development of individual protection offering





Presentation Overview

AMS Overview

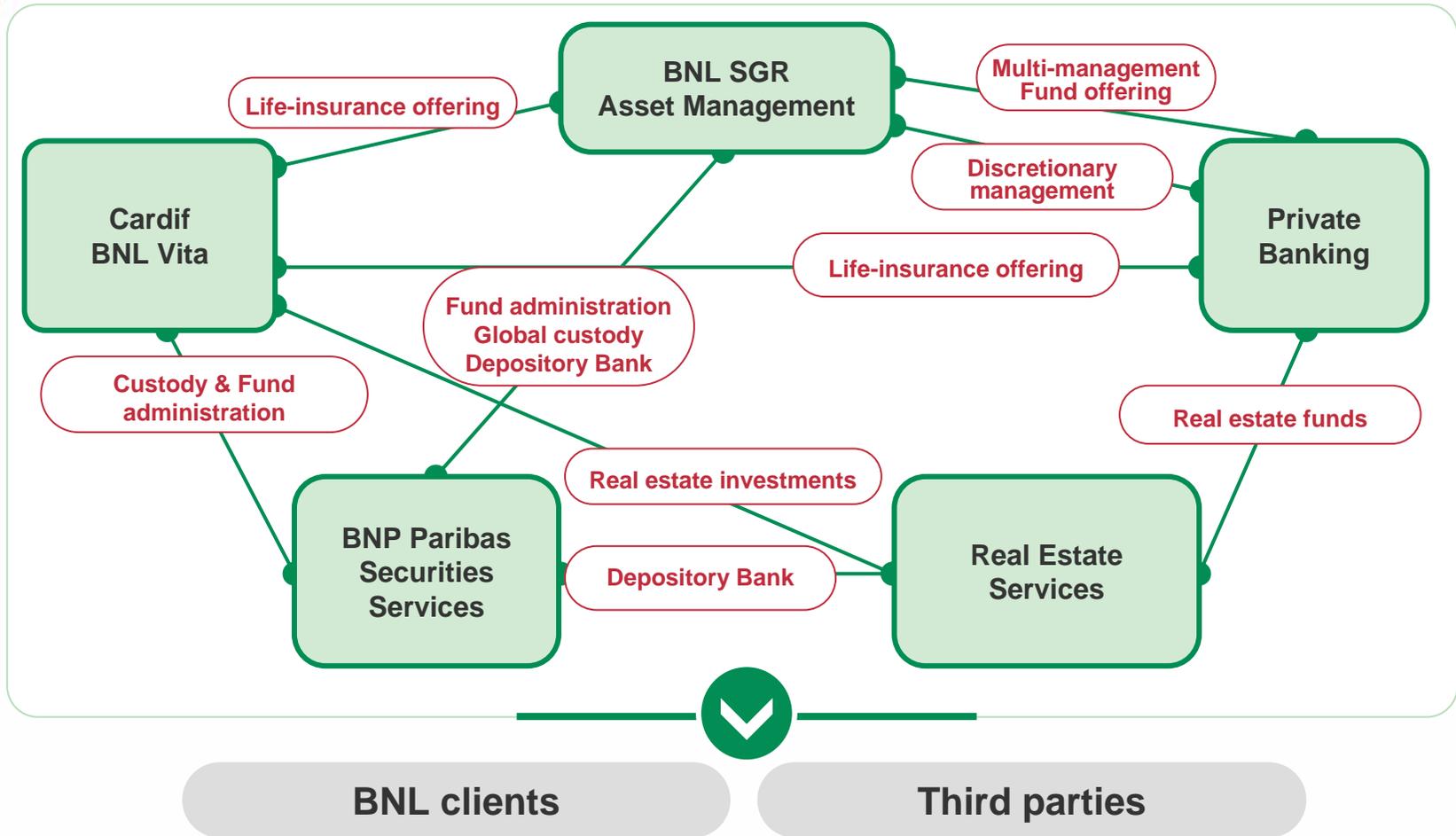
Strategy in Italy

Development Plan

Conclusion



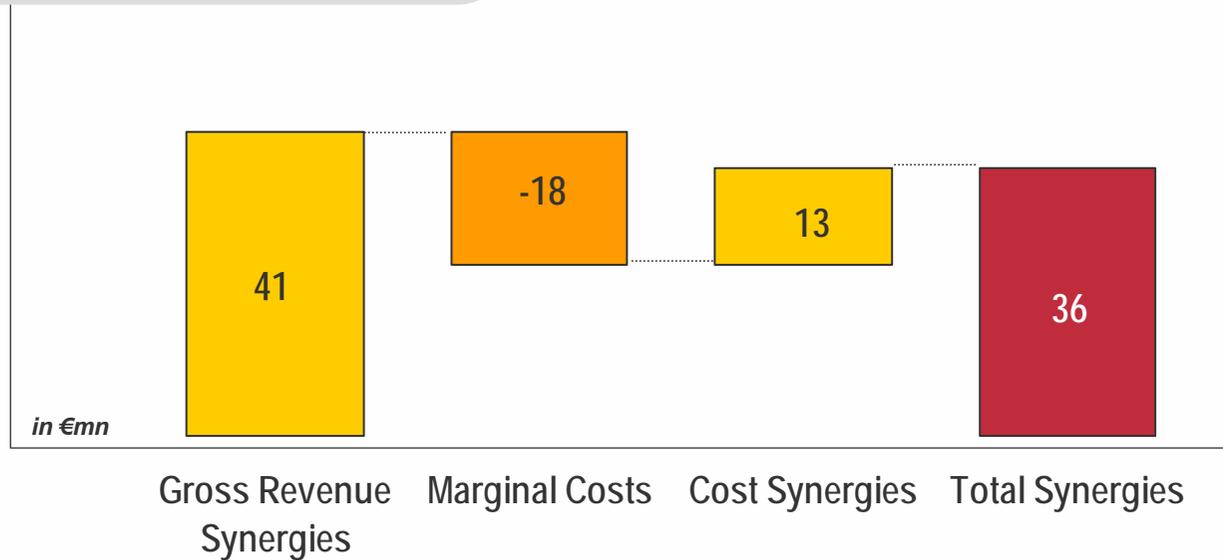
Strong Business Complementarities within AMS



Revenue synergies: enhanced capability to answer more sophisticated client needs

Committed to Delivering the Synergies

Total 2009 AMS Synergies



**75 projects aimed at delivering
€36mn synergies**



**Extended range of investment's products and services
in Italy and abroad, for Italian clients**

Diversified client base with high potential

**A second domestic market to boost AMS
growth and profitability**



BNP Paribas

International Retail Banking and Financial Services (IRFS) in Italy

Pierre Mariani
Head of IRFS

Denis Delespaul
Head of Leasing Italy

Rome, December 1st 2006





Presentation Overview

Strong Brands and Leadership Positions

BNL: a Unique Opportunity for IRFS

Creating a Leader in Italian Leasing

Conclusion



INTERNATIONAL RETAIL BANKING AND FINANCIAL SERVICES

52,000 employees in 56 countries

Retail Banking
in the
United States



BANCWEST
A BNP PARIBAS company

- #7 commercial bank in the Western US
- 742 branches

Retail Banking
in Emerging
Markets



BMCI
Groupe BNP PARIBAS

TEB

УКРСИББАНК
BNP PARIBAS Group

- 1,650 branches in 32 territories

Consumer
Finance



Cetelem
A BNP PARIBAS company

- #1 in Continental Europe

Private
Mortgage



UCB
Une société de BNP PARIBAS

- #3 in France among specialist players

Equipment
Solutions



BNP PARIBAS
LEASE GROUP

- #3 in Europe

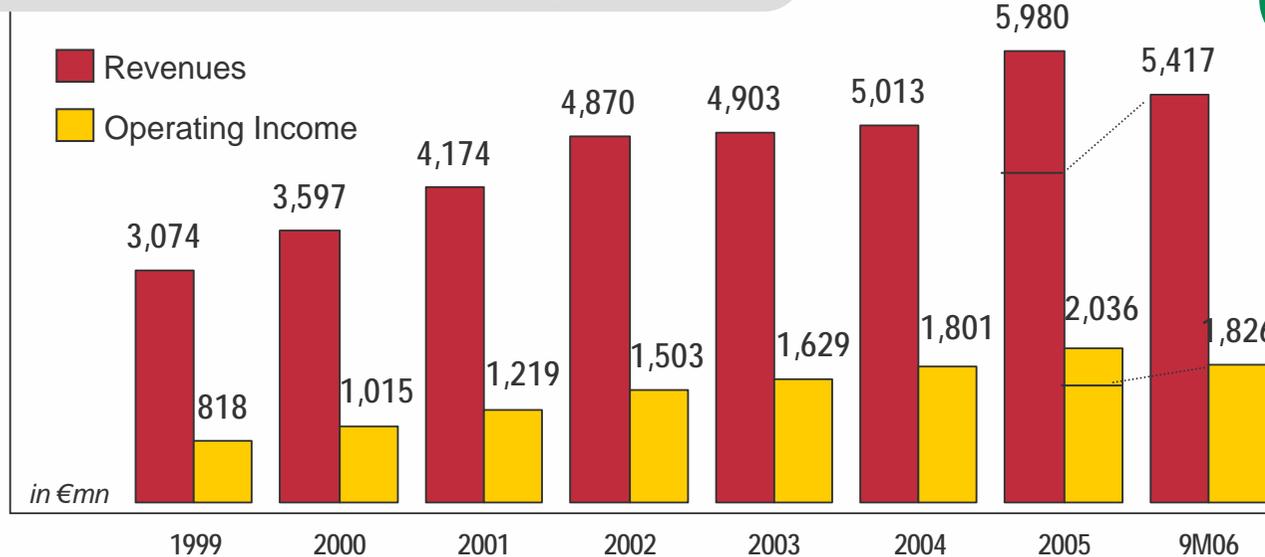
ARVAL
Une société de BNP PARIBAS

- #2 in Europe



Sustained Growth and Increased Profitability

IRFS Revenues & Operating Income



1999-2005
CAGR

+11%

+16%

Pre-Tax ROE

25%



37%

Pre-Tax Income

18%



23%

Percentage of
Group Pre-tax
Income

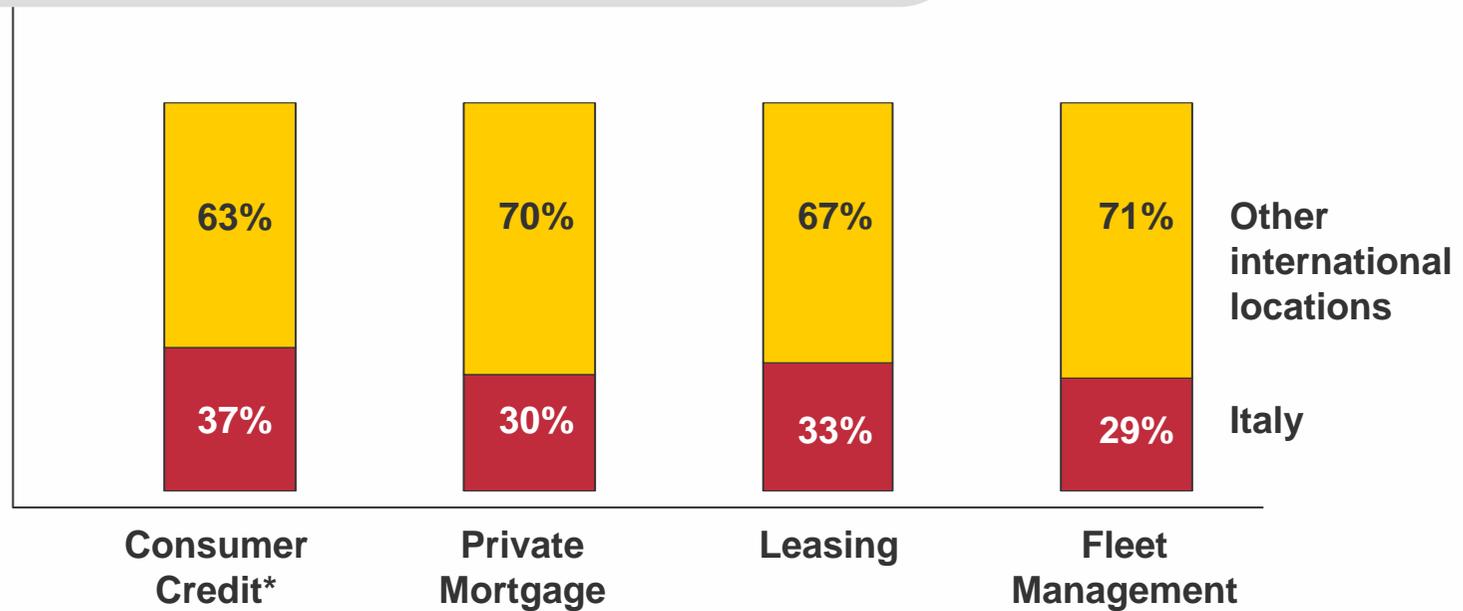
A growing contribution to Group results



Italy a Significant Market for IRFS

Geographic split of IRFS 2005 Pre-Tax Profit

International activities (excluding France)



Italy : the largest international presence for Specialised Financial Services prior to the acquisition of BNL

* Findomestic 50/50 JV with Cassa di Risparmio di Firenze



Italy

Strong Brands and Leadership Positions

Start-up

Employees

Ranking

Market Share

Before BNL Acquisition



Consumer Finance*

1984

>2,000

#1

12%



Mortgages

1989

250

#3

10%

Among specialist players



Leasing

1990

170

#1

14%

*On small-ticket segment***



Fleet Management

1995

560

#1

20%

Over 20 years of success in Italy

* 50/50 JV with Cassa di Risparmio di Firenze

** Leasing of equipment goods < €50,000



Italy A Growth Driver for IRFS

	2005 Outstanding Loans €mn	2002-05 New Loans Growth CAGR, %	2005 Pre-Tax ROE %
Findomestic *	8,362	11.1	42
UCB BANCA <small>Una società di BNP PARIBAS</small>	2,242	32.9	31
BNP PARIBAS LEASE GROUP	1,114	16.0	41
ARVAL <small>A BNP PARIBAS company</small>	91,760 <i>vehicles</i>	14.6 **	67

* Findomestic 50/50 JV with Cassa di Risparmio di Firenze ** Number of vehicles





Presentation Overview

Strong Brands and Leadership Positions

BNL: a Unique Opportunity for IRFS

Creating a Leader in Italian Leasing

Conclusion



Combine IRFS' Product Factories and BNL's Distribution Channel

Product factories



Distribution channels

Existing channels
(direct distribution/
partnerships/ etc.)



- IRFS subsidiaries' clients



- BNL Corporate clients
- BNL Retail clients

A unique opportunity outside France to combine specialised financial services subsidiaries and a banking network



Significant Benefits

Leverage BNL's client base

- Distribute BNP Paribas' products through BNL's Corporate and Retail distribution channels

Revenue Synergies

Contribute to the development of BNL's client base

- Incentivise the cross-selling of BNL products to the clients of IRFS' Italian subsidiaries
- Offer higher-quality services to BNL clients

Revenue Synergies

Develop large-scale industrial projects

- Combine operating platforms in specialised financial services
- Develop stronger integration of IRFS' product factories and BNL

Cost and Revenue Synergies

Building on experience of partnerships between product factories and banking networks



Leverage BNL's Client Base

Examples

- Arval: cross-selling to BNL customers
 - A unique opportunity for Arval to extend its market leadership by growing in the attractive SME and mid-corp clients segments
 - BNL to refer Corporate and Small Business clients to Arval
 - Arval to set up a salesforce dedicated to BNL (relationship managers and call-centre)
- UCB International Buyers: mortgage loan offering for BNL customers buying a house abroad
 - Dedicated process for BNL Affluent and Private Banking clients buying a house abroad with a mortgage loan issued by UCB

Several high-potential projects being launched



Contribute to the Development of BNL's Client Base

Examples

- Banca UCB: contribute to BNL's client acquisition effort
 - Discount on mortgage loan rate for Banca UCB new customers opening a current account at BNL
- Retail banking in Emerging Markets: strong growth in coverage to boost ability to serve BNL clients abroad
 - Doubling of existing branches in the Mediterranean and Gulf areas over the 2005-07 period to reach 650 branches by 2007
 - Italian relationship managers transferred to Emerging Markets locations to serve and develop Italian clients
 - Initial focus on Tunisia and Turkey

Leverage on our experience and international network



Develop Large-scale Industrial Projects

- In progress
 - Leasing: merger of BNP Paribas Lease Group and Locafit to create a leader in the Italian leasing market
- Under assessment
 - Mortgage loans: migration of Banca UCB and BNL to common IT platform
 - Consumer finance: co-operation opportunities between Findomestic* and BNL in revolving cards, personal loans and salary loans

Industrial projects offering significant potential for revenue and efficiency gains



Presentation Overview

Strong Brands and Leadership Positions

BNL: a Unique Opportunity for IRFS

Creating a Leader in Italian Leasing

Conclusion



BNP Paribas' Leasing Activities in Italy

Scope of the Leasing integration project



- 100% owned by BNP Paribas
- Leader on small-ticket equipment leasing market



- 100% owned by BNL
- #6 player in Italian leasing market



- 100% owned by Locafit
- Niche player focused on operating leasing of equipment and medical goods for public administration clients



- 43.5% owned by BNP Paribas *
- #9 player in Italian leasing market

Create a leader in Italian leasing

* Jointly controlled with Cassa di Risparmio di Firenze (43.5%)



BPLG + Locafit Already a Leader in the Italian Market



New Loans	€2.8bn (2006E)
Clients	80,000
Ranking	#1 for small ticket leasing #3 for equipment leasing #6 for real-estate leasing
Nation-wide presence	17 branches + agents
Employees	460

Pro-forma



Strong Complementarity and Unique Positioning



Client segments

Focus on **small-ticket** equipment leasing

Focus on **real-estate** and **medium/big ticket** leasing

➤ **A comprehensive and complementary offering**

Distribution channels

Leader in **Vendor and Manufacturer** channels

Strong **banking** (BNL) and **third-party** channels (brokers)

➤ **4 highly complementary distribution channels**

Operations

Industrial process and platform allowing efficient management of the small ticket business

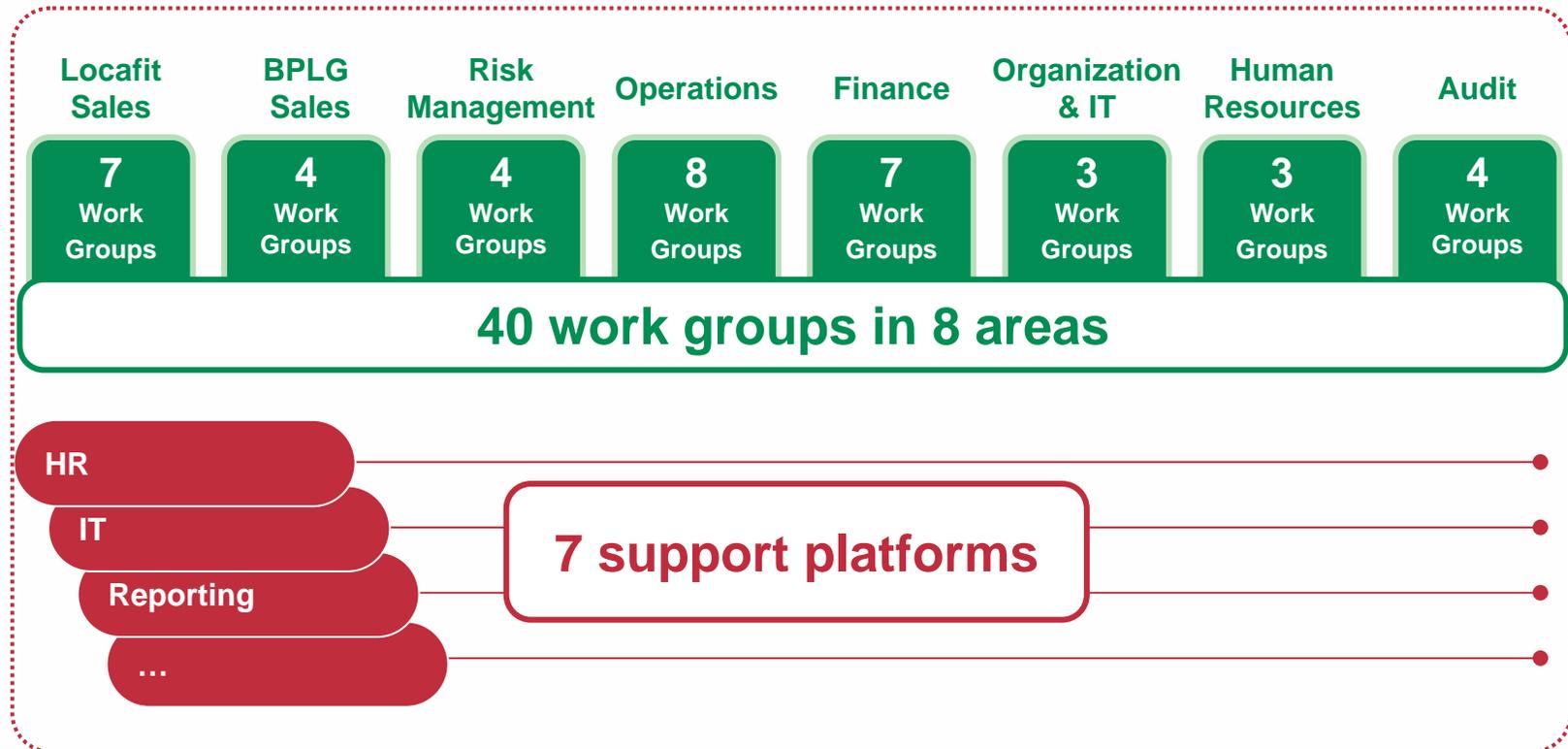
Know-how to manage **real estate / structured business**

➤ **Skills and expertise to successfully develop both real estate and equipment leasing**



A Full Integration Process Underway

BPLG – Locafit Integration Project Management Team



A structured and disciplined approach

Significant Synergy Potential

● Revenue synergies

- Develop cross-selling to BNL clients by offering better service to BNL clients and to the BNL network
- Develop operational leasing of office equipment goods
- Develop Vendor leasing by signing partnerships with BNL Corporate clients
- Increase penetration of insurance products

● Cost synergies

- Gain efficiency by migrating Locafit activities on BNP Paribas Lease Group's European IT platform
- Reduce costs by moving to common location
- Reduce cost of central functions

● Risk

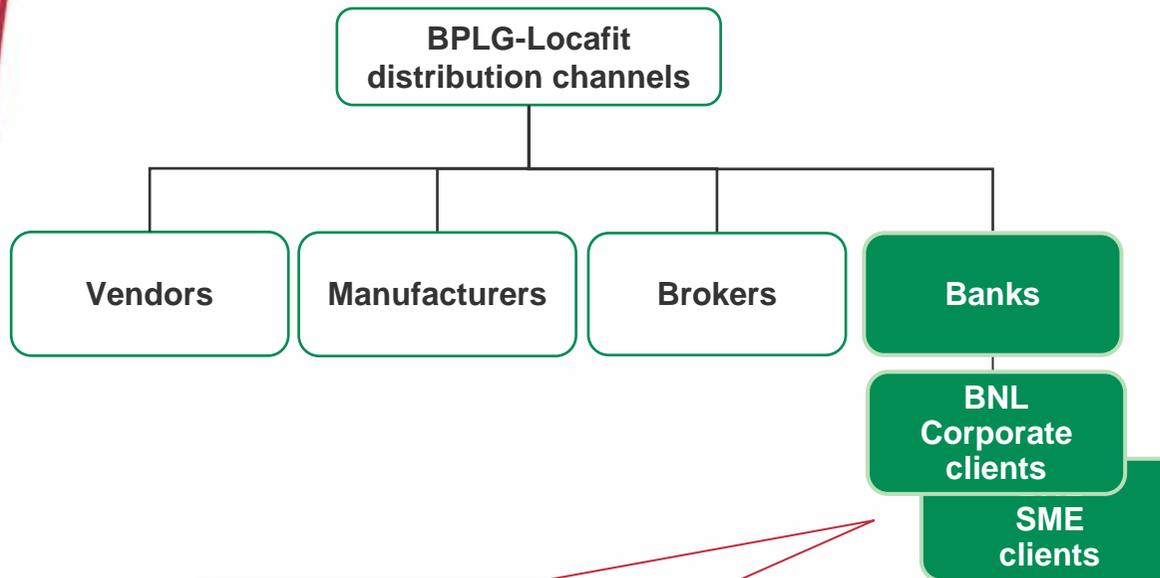
- Reduce cost of risk by implementing BNP Paribas expertise (scoring, workout ...) in Locafit

Numerous synergy opportunities identified and being implemented

Revenue Synergy Example: The New Organisation of Banking Channel

Commercial Organisation

Key benefits



- Creation of a dedicated division
- Specialisation of the Loacfit sales-force and organisation in two distinct, dedicated teams
 - BNL Corporate clients
 - BNL Small Business clients

- **Specialisation**
 - Higher availability
 - Higher professionalism

- **Rationalisation**
 - Higher efficiency
 - Higher profitability

- **Communication**
 - Higher motivation
 - Better marketing support

Developing a Common Culture of Success

OUR VISION

**“Our ambition is to become a model
for our shareholder
for our customers
for our employees”**



- 1 A leader**
 - Market share - ROE
- 2 A reference**
 - Quality of services - Ethics
- 3 A social model**
 - Values – Company climate

OUR OBJECTIVES

Ambition and balance



- 1 Top 3 in the market in terms
of volumes and profitability**
- 2 Cost / income < 40%**
- 3 Employee turn-over < 3%**



Presentation Overview

Strong Brands and Leadership Positions

BNL: a Unique Opportunity for IRFS

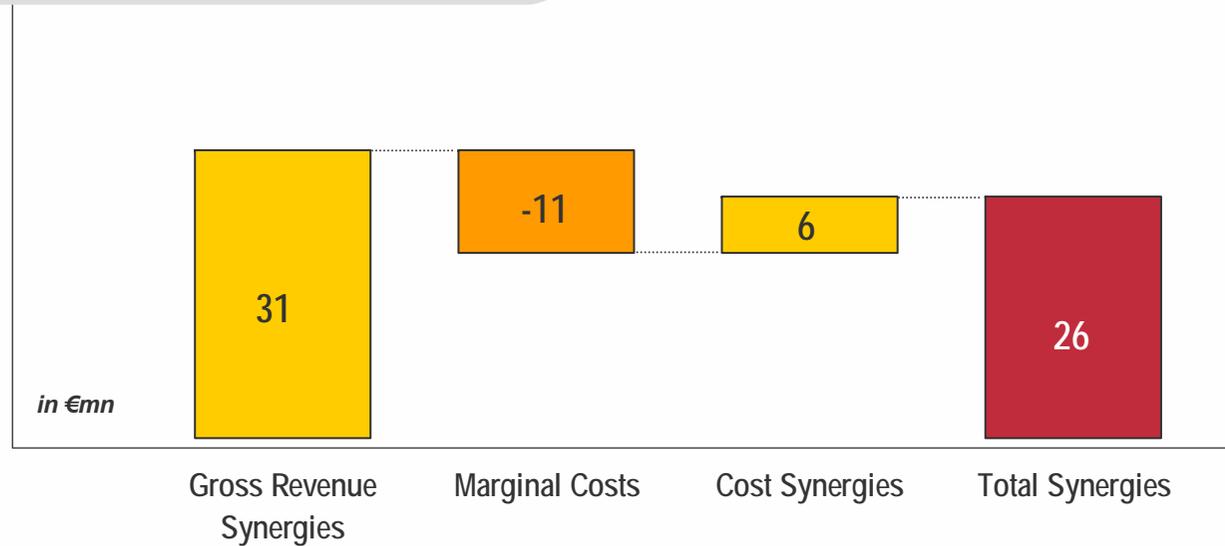
Creating a Leader in Italian Leasing

Conclusion



Committed to Delivering the Synergies

Total 2009 IRFS Synergies



**50 projects aimed at delivering
€26mn synergies**



A strong presence in all business lines in Italy

Now combined with a nation-wide banking network

Accelerated growth and enhanced profitability



BNP Paribas

Leveraging the Corporate Franchise

Riccardo Lupi
Head of BNL Corporate Division



Rome, December 1st 2006



Presentation Overview

Market Characteristics and Positioning

New Organisation and Segmentation

Enhanced Products and Services

Conclusion



Main Features of the Corporate Market (1/2)



Geographical specificities

Concentration
Performance
Specialisation



Mainly exporting to the EU

Growing importance of exports to BRIC* countries



Mostly small family owned mid caps

Multi-banked
6 to 8 banks/Co.
Large use of plain vanilla products



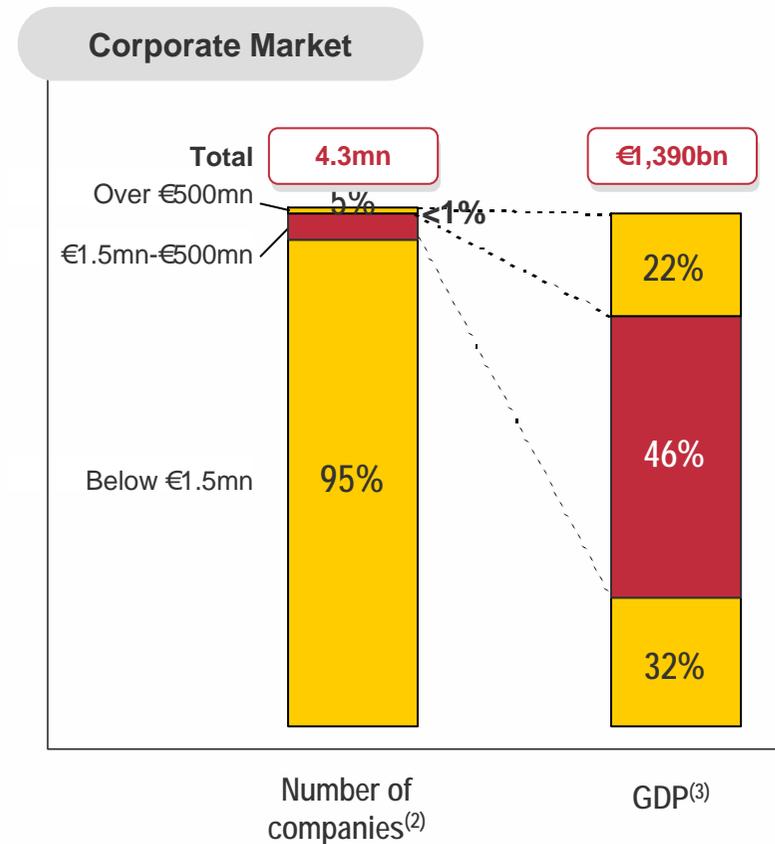
A sizable and still traditional market



Main Features of the Corporate Market (2/2)

- Revenues from plain vanilla products are predominant
 - 81% of total revenues vs. an EU average of 55%

- Margins and risk
 - Margins: 180bp average in Italy
 - Cost of risk: 66bp average⁽¹⁾ in Italy
 - Good risk return ratio



(1) 2005 estimate over total loans of DEXIA, BNP Paribas, Credit Agricole S.A., Societe Generale, Banca Intesa, Sanpaolo-IMI, Unicredito Italiano

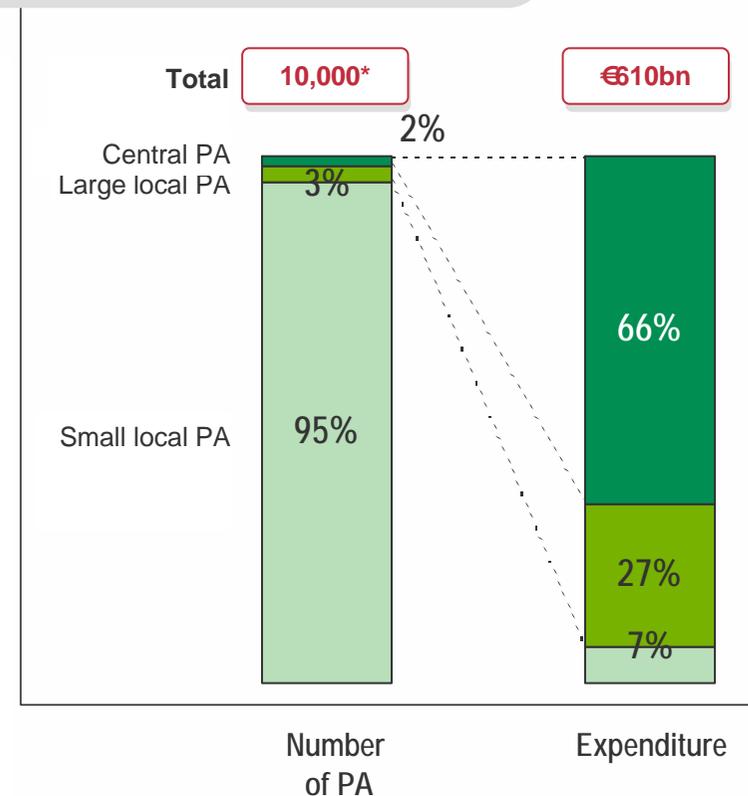
(2) Source: ISTAT – only active companies considered ; (3) Estimated from Added Value



Main Features of the Public Administration Market

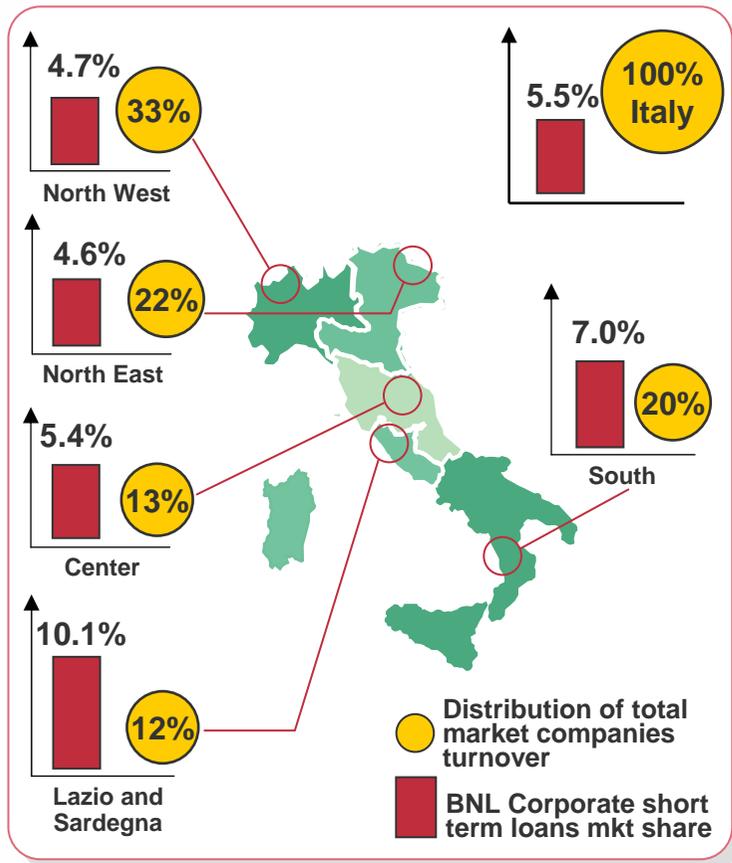
- Mostly mono-bank clients, bank selection via tender agreements
- High recourse to the banking system, mostly for treasury services and asset & liability management
- On-going devolution to local authorities for higher decisional and financial autonomy (namely on debt structure and cash management)
- Virtually no provisions

Public Administration Market

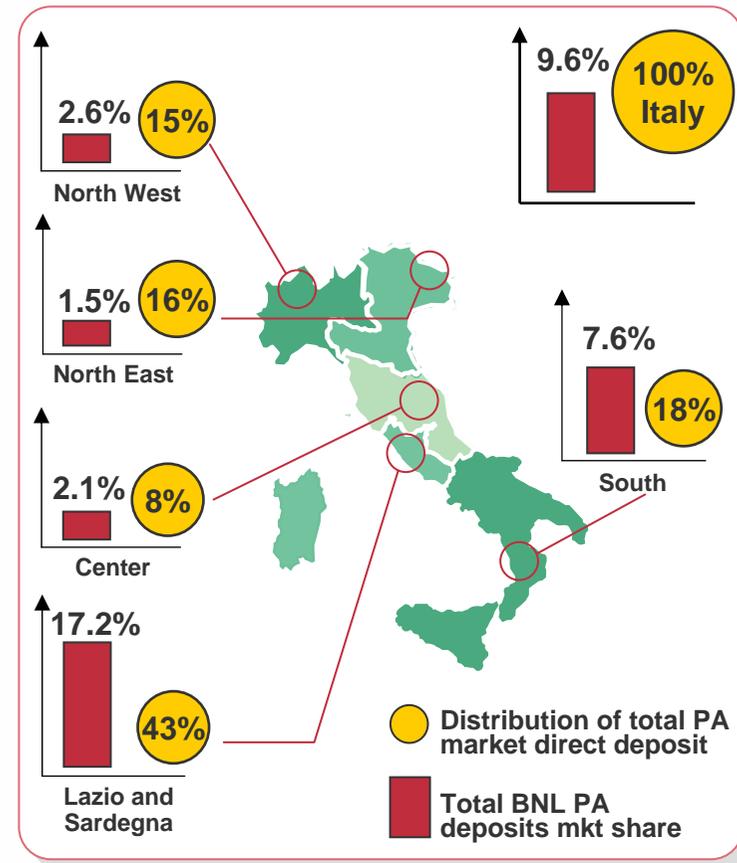


A Nationwide Coverage

Corporate Market



Public Admin. Market



A balanced presence throughout Italy



Implement a Global Strategy Adapted to Regional Requirements

Global strategy

- Increase market share
- Grow share of collections
- Leverage integrated platform of products and services
- Relation bank for PA
- Benchmark bank for Corporates

North East & North West

- Cash-management
- Focus over prospects
- Leverage on retail expansion
- Internationalisation
- Offer for Districts
- Religious organisations

Center

- Diversify client base
- Offer for Districts
- Public and Private Partnerships and prospects for Public Administration

Lazio – Sardegna

- Diversify client base (Service Public Companies)
- Consolidate position in PA market

South

- Consolidate market leader positions in PA with selected projects
- Liability management for PA
- Treasury





Presentation Overview

Market Characteristics and Positioning

New Organisation and Segmentation

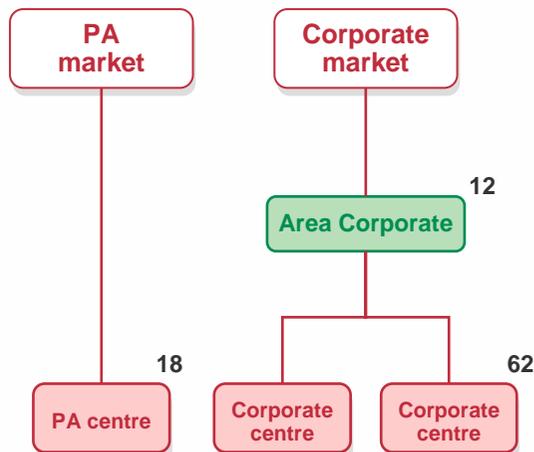
Enhanced Products and Services

Conclusion

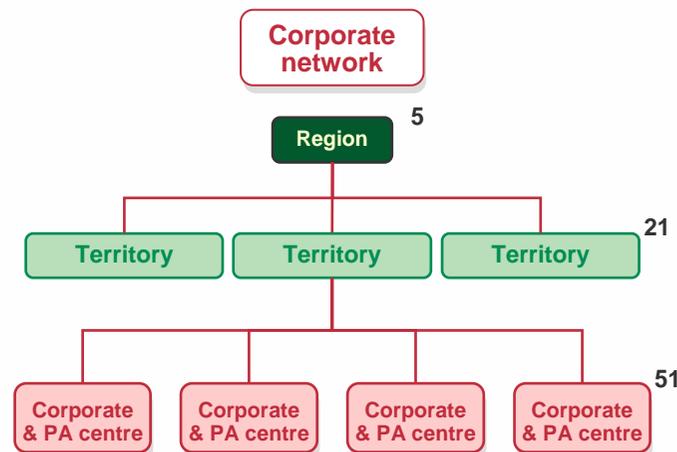


Reorganise the Network to Empower the Regions

Current BNL Model 12 Aree Territoriali



Target Model 5 Regions



- Delegate higher credit power to the network for a prompt answer to clients
- Increase commercial sales force by 123 FTE over 608 resources*

Enable regional growth strategies

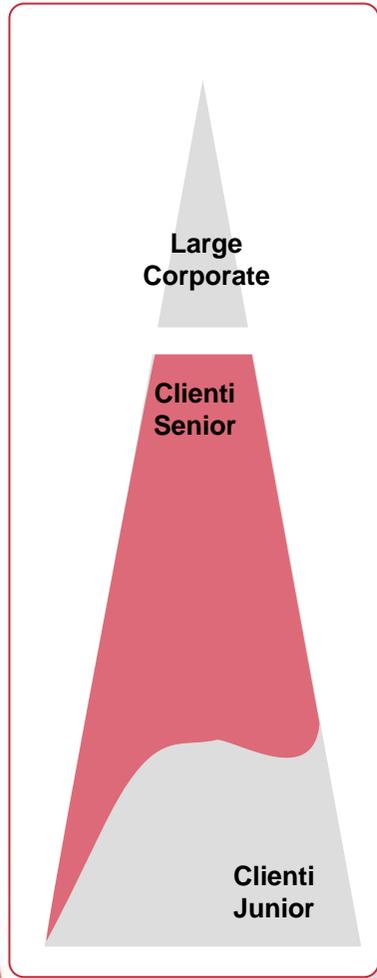
* including coverage and product specialist

Leveraging the Corporate Franchise

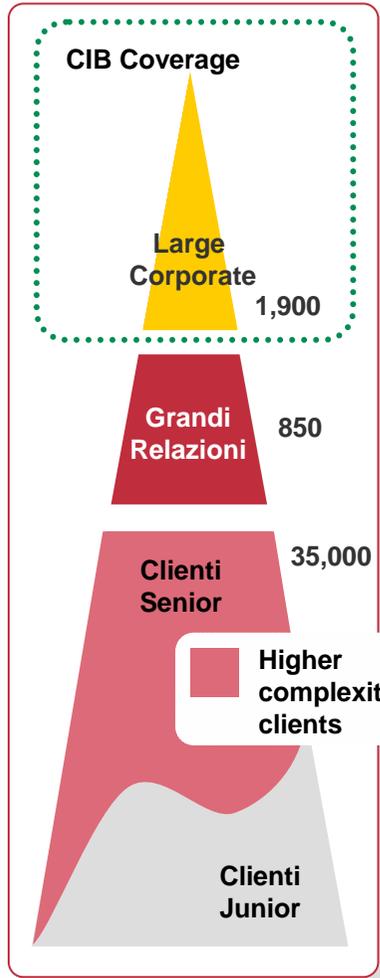


New Segmentation Aimed to Increase Service Level to Corporate Clients

Current BNL Model



Target Model



Client needs

- High quality of service and products
- Fast response
- Occasional high skills and tailored products

BNL response

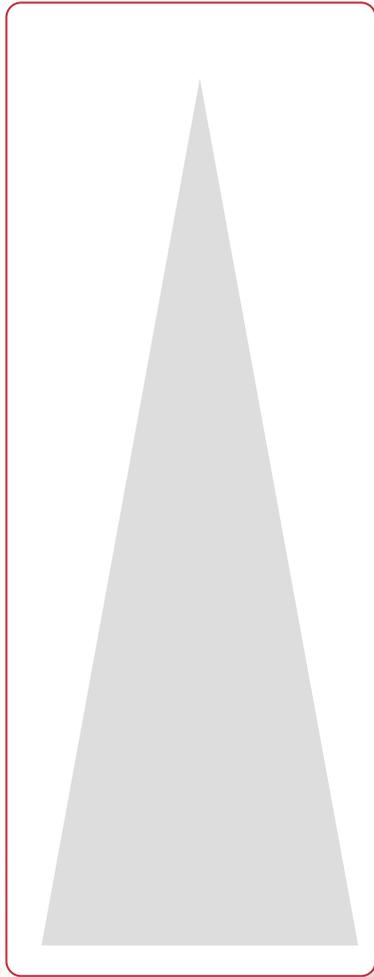
- Cross selling oriented structure
- Selected high skills RMs
- High local presence and high local delegation of power
- New network of external specialists for specific complex needs

Corporate clients with turnover from €1.5mn to €500mn

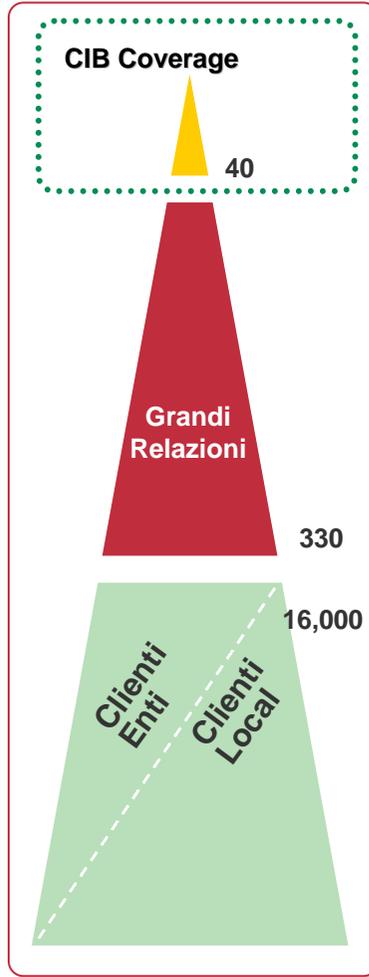


New Segmentation Aimed to Increase Service Level to Public Administration Clients*

Current BNL Model



Target Model



Client needs

- High quality of service and products
- Rather similar to medium and small corporate needs

BNL response

- Cross selling oriented structure
- Selected high skills RMs
- PA Relationship Managers included in a common structure with Corporate
- Functional link maintained with PA management

* Religious agencies, Local agencies, Central agencies, Provident institution, Welfare, Foreign offices, Non profit companies, Law courts, Military entities, Schools and Unions





Presentation Overview

Market Characteristics and Positioning

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Conclusion



Enhanced Products and Services

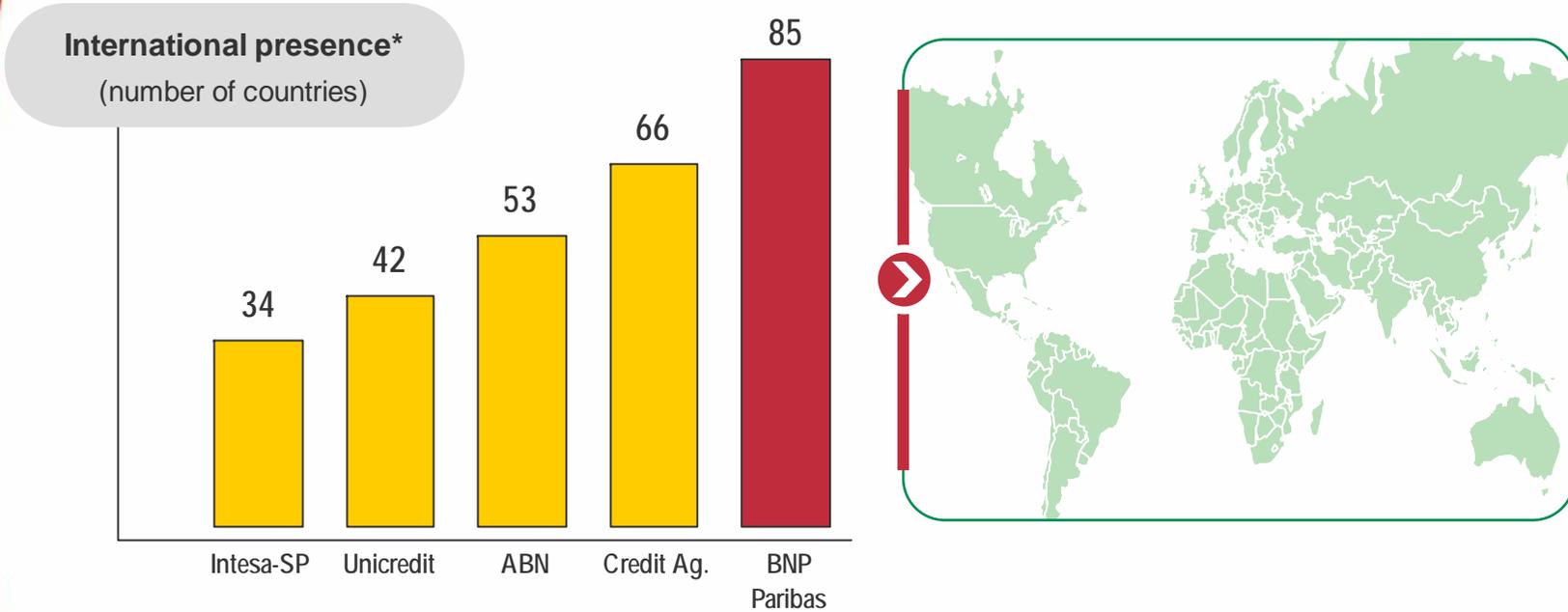
- Benefit from a worldwide network with a strong presence in the Mediterranean
- Expand cash management offer to best in class standards
- Increase specialised financial services product range
- Leverage on new specialist support

**Become the benchmark bank
for Italian corporates**

**Confirm leadership position
for Italian public administration**



Benefit from a Worldwide Network (1/2)



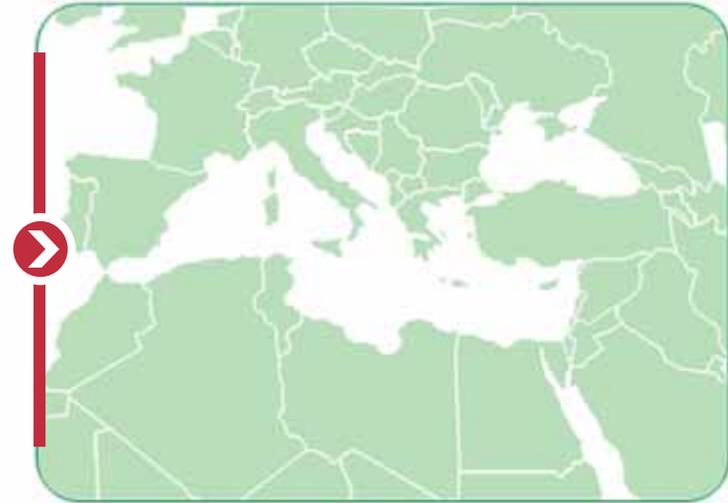
The largest international network offered to Italian customers

**Including Representative Offices;
Source: Company Reports, Analyst Presentations, Industrial Plans, Web Sites*



Benefit from a Worldwide Network (2/2)

- Mediterranean Basin and Gulf Region
 - 448 branches as at 30.06.06, and 200 more to be opened by end of 2007
- Far Eastern Europe
 - Over 1,000 branches in Ukraine (UkrSibbank) by 2007
 - 150 branches to be opened in Russia within 4 years



Italian Desks being opened in France, Turkey, Tunisia, Gulf Region

French Desks being opened in Italy (Italian export towards France: 12%)



Raise Cash Management Offer to Best in Class Standards

- BNP Paribas leading European transactional service for large corporates* with a penetration rate 14.2%
- 56% of the international cash management request for proposals received by BNP Paribas in 2006 included Italy
- BNL cash management capabilities to be integrated within and benefit from the global offer
 - Access to high technology products & services for large corporates
 - New Transalpina offer targeting Mid. Caps. to be launched early 2007
- Cash management mandates already won including Italian service offer
 - Roullier, Seb, CMA-CGM



Strongly improve BNL Cash Management offer

* Turnover > €1bn

Leveraging the Corporate Franchise



Add New Fleet Management Products to Strong Factoring and Leasing Offer

Factoring



Ifitalia #2
16% market share

- Integrate into Corporate Division
- Synergies with BNPP-Factor
- Launch "Easy factoring" products

Leasing



BPLG - Locafit #3
in Equipment
Leasing – 10%
market share

- Deploy comprehensive product range
- Leverage on highly complementary distribution channels
- Develop both real estate and equipment leasing

Car Fleet Management

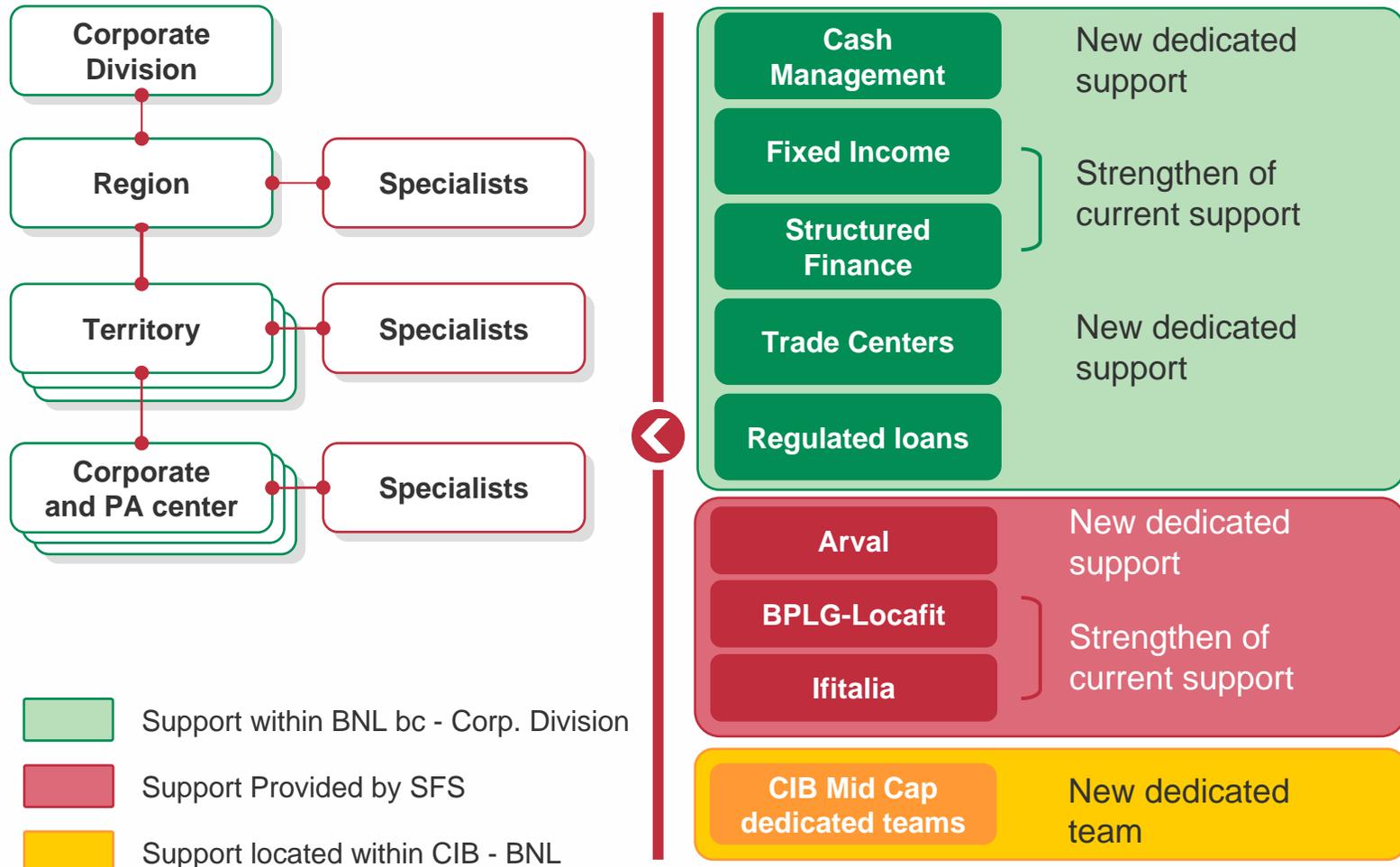


Arval #1
20% market share

- Refer Corporate and Small Business clients to Arval
- Set up a sales force dedicated to BNL
- Establish permanent interactions

**Wider and more competitive offer
now available for BNL clients**

Deploy Specialist Support at Regional and Local Level



**Expertise and Cross selling
at the heart of the organisation**





Presentation Overview

Market Characteristics and Positioning

New organization and segmentation

Enhanced Products and Services

Conclusion



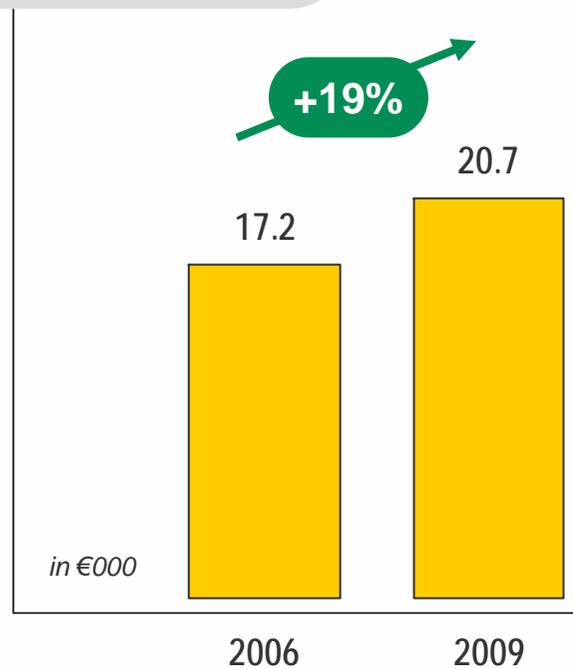
Evolution of BNL bc Corporate Division has Already Started

- New structure being implemented
 - Pilot project has started in the North East
 - Key Regional Managers and Relationship Managers already identified
- Special commercial initiatives launched
 - Cross border clients targeted for cash-management
 - Systematic target of companies with internationalization needs
- Italian desks being opened
 - Italian Desks in France, Turkey, Tunisia and Gulf Region
 - Further openings planned in Russia, India, China, Poland ...

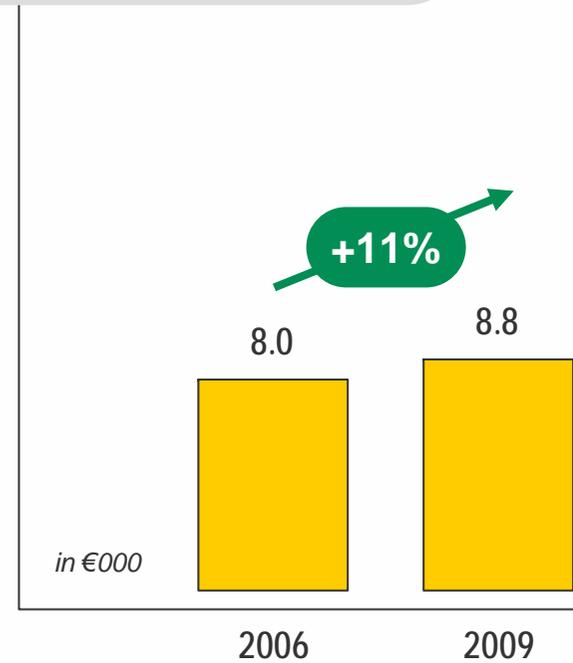


Ambitious 2009 Targets

Revenues per Corporate Client



Revenues per Public Administration Client

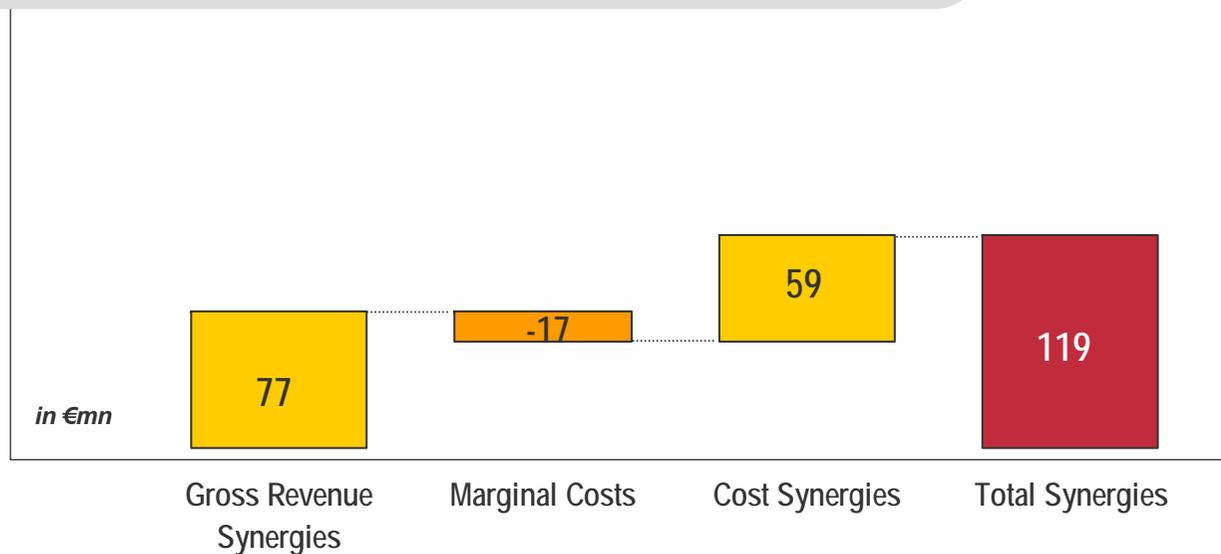


Significantly raise revenues per client



Committed to Delivering the Synergies

Total 2009 BNL bc Corporate Division Synergies



**50 projects aimed at delivering
€119mn synergies**



Fine tuned strategy

Unmatched offering

Act fast!

A large, semi-transparent red map of Italy is centered on the slide, serving as a background for the main text.

BNP Paribas

Corporate & Investment Banking in Italy

Nicola D'Anselmo
Head of CIB Italy



Rome, December 1st 2006



Presentation Overview

BNP Paribas CIB in Italy before BNL

New Perspectives for CIB

Implementing the Strategy

Conclusion



Full Product Range Offered in Italy

Equity Derivatives

- Management of market risks
- Optimised investments (capital / yield protected)
- Solutions for strategic equity stakes

Fixed Income

- Debt Capital Markets
- Interest rates, foreign exchange and credit markets
- Cash & derivatives products

Coverage Corporates

Coverage Financial Institutions

Corporate Finance

- Mergers & Acquisitions
- Equity Capital Markets

Energy Commodities Export Project

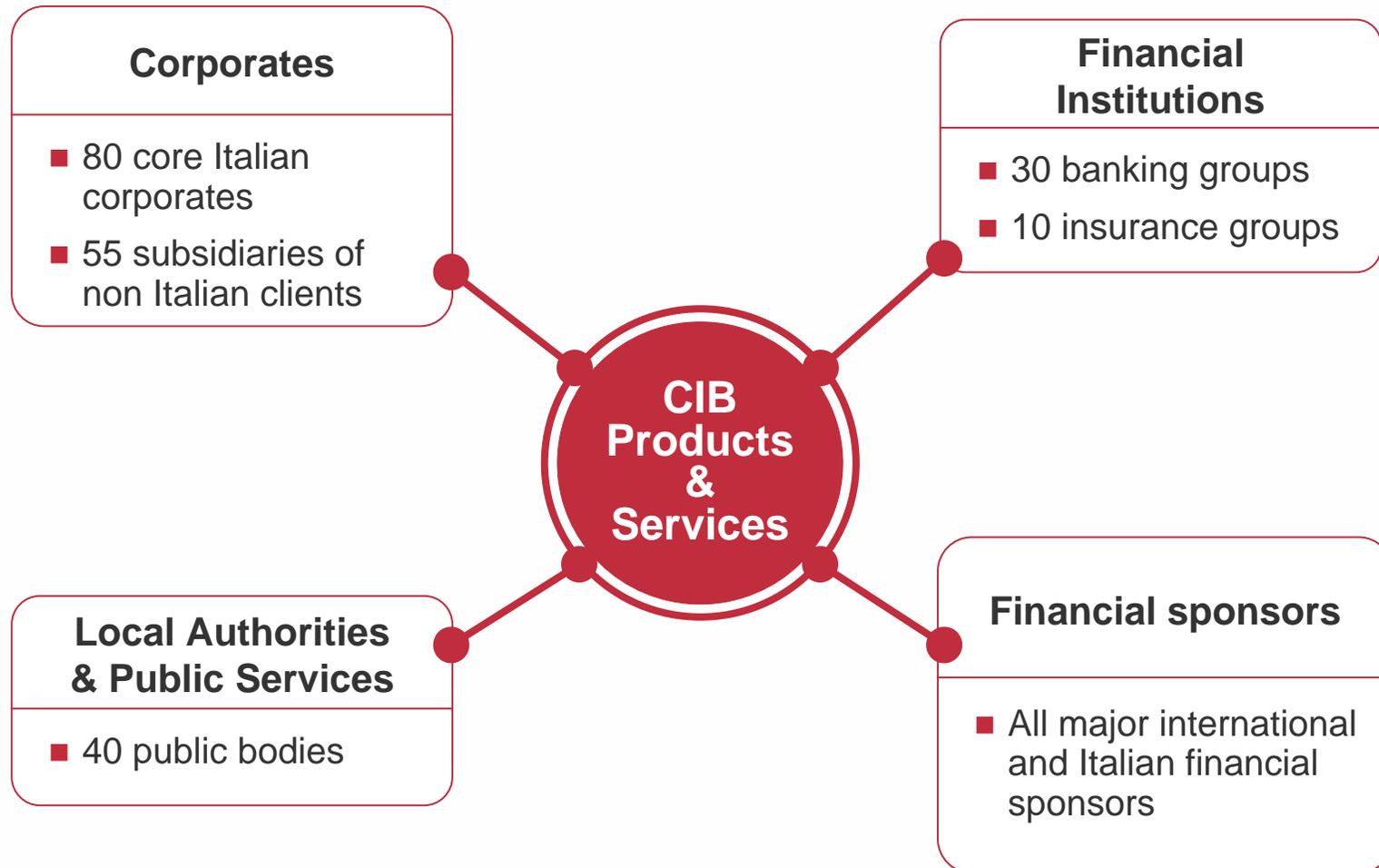
- Commodities finance
- Export finance
- Project finance
- Asset finance (Aviation/ Shipping)
- Trade services

Structured Finance

- Loan syndication
- Acquisition finance
- Leveraged finance
- Real Estate financing
- Media & Telecom financing



Major Clients



Top Tier Player in Corporate and Investment Banking

- Large and well-established franchises in Corporate and Investment banking in Italy
 - Over 100 front-line professionals delivering the full range of BNP Paribas' services
 - Capitalising on global franchises in Fixed Income, Equity Derivatives and Specialised Financing
- Leading positions in the Italian market
 - #1 bookrunner in 2005 financial sponsors driven deals (Leverage Finance) ⁽¹⁾
 - Market leader in Italian securitisation since 1992: #1 bookrunner in 10M06 for all asset classes ⁽²⁾
 - Top 3 player in Corporate Acquisition Finance
 - Top 5 player in Project Finance

(1) Source: Loanware (2) Source: Bondware





Presentation Overview

BNP Paribas CIB in Italy before BNL

New Perspectives for CIB

Implementing the Strategy

Conclusion



Mission Statement

- Successfully implement the global CIB business model in all business lines
- Sell CIB products and services to a broader base of CIB and BNL bc clients

**Become leader
in Corporate & Investment Banking in Italy**



Broadening the Customer Base

CIB products & services



Expanded CIB customer base

CIB coverage

- All large corporates (sales > €500mn) plus an extended list of corporates in specialised sectors (Energy & Commodities, Media & Telecom, Shipping, Aviation, Real Estate)
- All Financial sponsors
- 110 Financial Institutions
- 40 Local Authorities



New BNL bc customer segments

Corporate Division

- Corporates with sales < €500mn
- More than 500 Local Authorities

Retail & Private Division

- 703 branches and 18 Private Banking Centres
- 2.6mn customers



Significant Cross Selling Opportunities with BNL bc

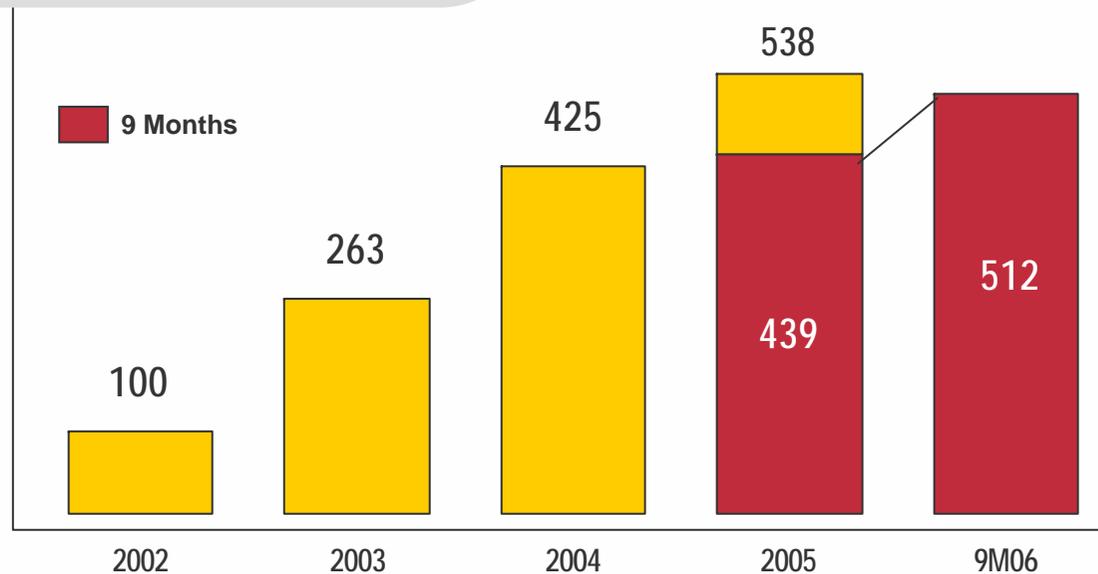
- Common platform for structuring and marketing Fixed Income products to Corporate Division clients
- Dedicated Fixed Income desk for Local Authorities
- Set-up of a specialised M&A team to serve small and mid-corporate clients
- Partnership with the Retail and Private network for the marketing of Equity Derivative products

**An international Investment Banking platform
with a Corporate and Retail coverage:
a unique business model in Italy**



Leveraging on French Experience

Revenues in FRB from cross selling
between CIB and FRB ⁽¹⁾
(100 reference in 2002)



A well proven cross-selling track record

(1) FRB: French Retail Banking





Presentation Overview

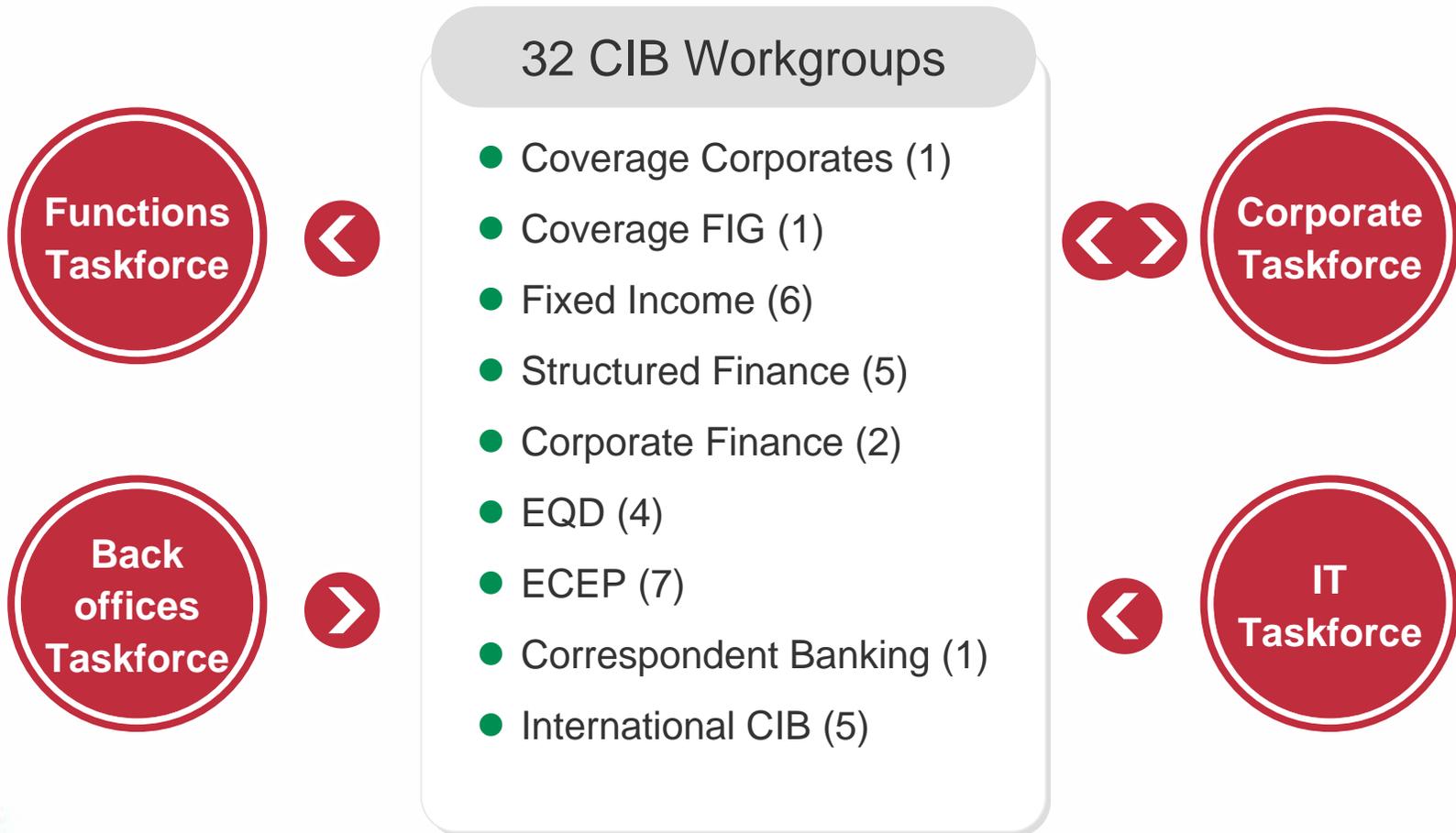
BNP Paribas CIB in Italy before BNL

New Perspectives for CIB

Implementing the Strategy

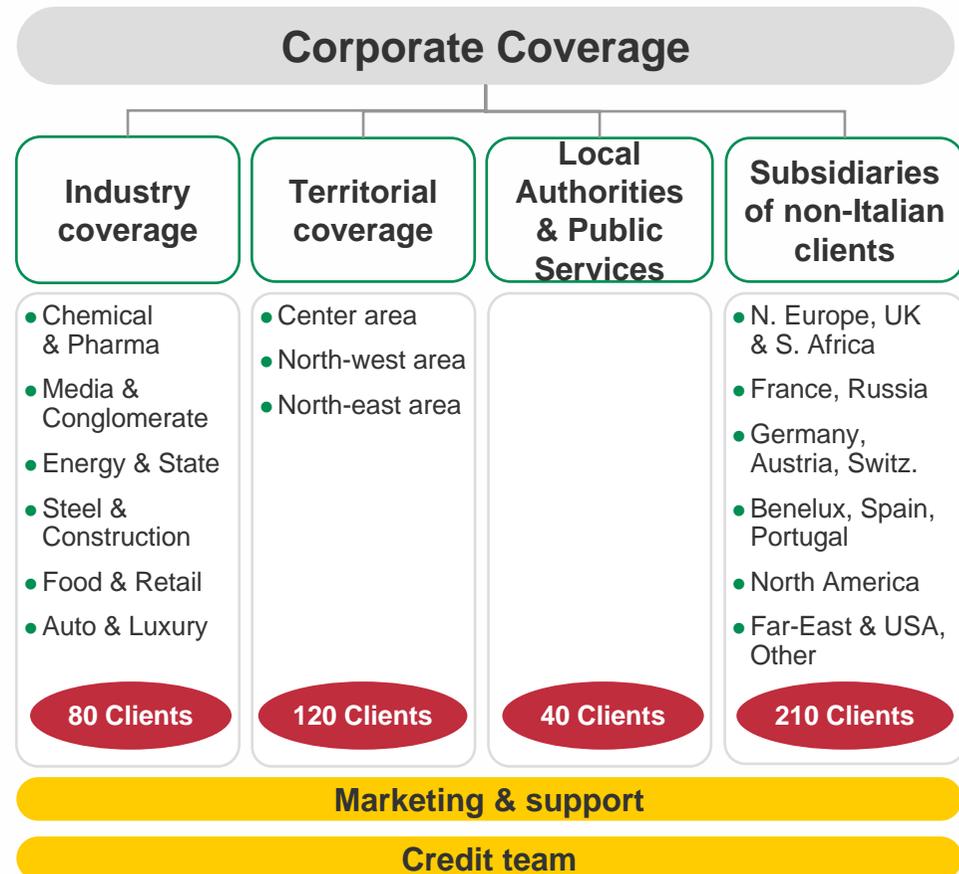
Conclusion





Corporate Coverage

- Reinforced coverage teams to serve a broader client base
 - Increased specialisation to improve client focus
- Offer first-class solutions to corporate clients by
 - Coordinating Business Lines
 - Cross selling with Corporate Division
 - Leveraging on BNP Paribas platform for cross-border transactions



A more powerful platform to deliver value-added solutions to clients



Financial Institutions Coverage

- Consolidate our leading position with large financial institutions
- Develop sales with regional banking groups by leveraging on BNL existing relationships
- Enter the Italian Institutional Investors Market (banking foundations, pension funds) with tailor-made solutions

Expand number of clients and strengthen business relationships through cross-selling



Financial Institutions

A **dedicated sales team** to add BNP Paribas Fixed Income expertise to BNL strong existing relationships with mid and small regional banks

Large Corporates

Deploy BNP Paribas world-class expertise leveraging on BNL's commercial relationships

Local Authorities & Public Services

Combine BNL approach of very close client contacts through the network with a **group of product specialists** bringing BNPP expertise in derivatives and securitisation

Specific **focus on the largest organisations**

Mid-Corporates

Dedicated sales team (joint venture with Corporate Division)

- BNL providing origination, sales and direct client interaction through regional corporate sales teams
- BNP Paribas providing expertise in product structuring, pricing, trading and risk management techniques



Equity Derivatives

- Leverage on BNL Italian franchise and BNP Paribas global leadership in Equity Derivatives products

Develop sale of structured products through BNL retail network

Launch a covered warrants & certificate activity

Further penetrate the Italian institutional investor market

Develop Structured Products for retail clients

- Bring innovation to BNL clients
- Insurance wrappers (index-linked, unit-linked), structured notes, investment certificates

Develop Retail Listed Products offer through new issues

- Distribution through BNL retail network and online platform, external brokers and institutional coverage

Propose global investment solutions to Italian institutional investors

- Focus on entering new segments: pension funds (Casse Previdenziali), non-profit organisations and cooperatives



Structured Finance

- The integration of two leaders complementing each other



A truly Pan-European franchise with integrated advisory and debt platforms, leader in large sized transactions on the Italian market



A leading player in the Italian market for mid-sized structured deals with strong origination capabilities



BNP PARIBAS - BNL
Corporate and Investment Banking

- A leading force in the Italian leveraged loan market : 19 deals in 2006 YTD with underwritten debt in excess of €2.1bn
- Stronger combined position in Corporate Acquisition market
- A powerful syndication desk in Italy



Energy Commodities Export Project

- Energy and commodity derivatives present high potential with BNL's strong Mid. Cap. Italian client base
- Shipping: combine BNL's domestic client proximity with BNP Paribas' specialised industry coverage approach
- Example: BNP Paribas-BNL has just led a \$450mn facility for Navigazioni Montanari, the largest shipping transaction ever arranged in the Italian market by an international shipping bank

Build on ECEP's leading market expertise to offer high value added products to BNL corporate customer base



Corporate Finance

- A very attractive growth potential for Corporate Finance (CF)
 - Penetrate the large transaction segment of the market, i.e. deal size over €1bn
 - New focus on small-mid caps for M&A and ECM transactions
 - Increase ECM market share to that of the other major Italian banks
- Key actions identified to extract growth potential
 - Expansion of CF Italy current platform to ensure full coverage of CIB broader large cap customer base
 - Set-up of a team within CF Italy fully dedicated to small and mid caps covered by the Corporate Division of BNL, to transform pure lending relationships into CF relationships

**BNP Paribas - BNL to become a local operator
in the Italian Corporate Finance business**





Presentation Overview

BNP Paribas CIB in Italy before BNL

New Perspectives for CIB

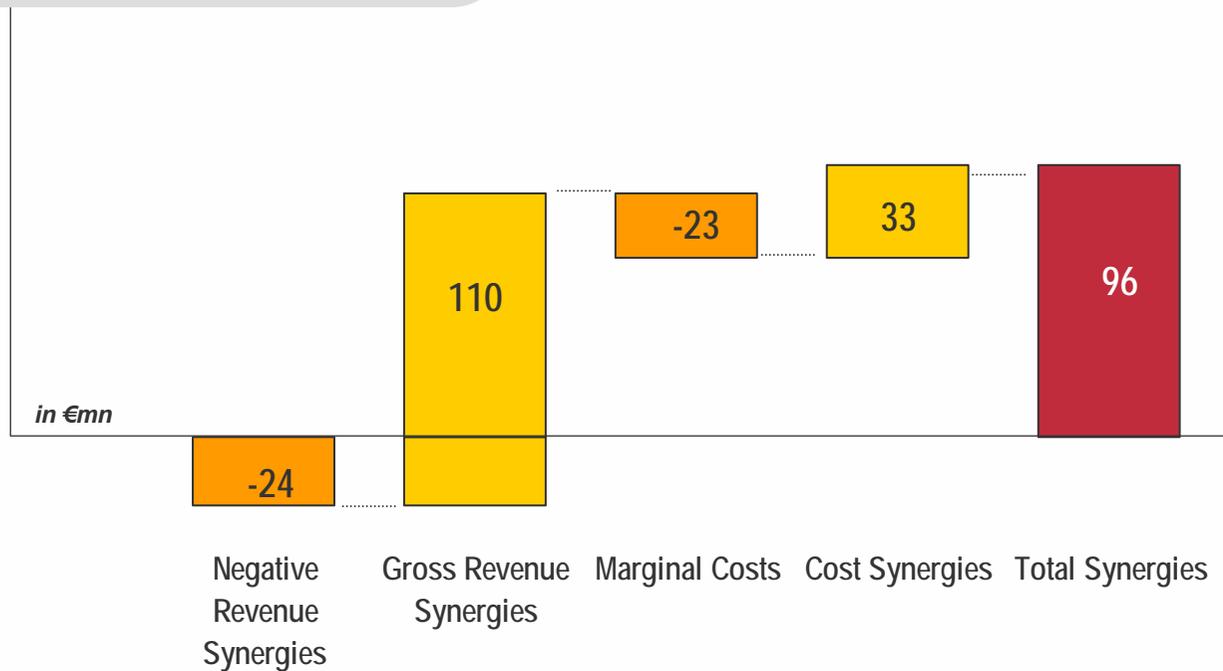
Implementing the Strategy

Conclusion



Committed to Delivering the Synergies

Total 2009 CIB Synergies



**90 projects aimed at delivering
€96mn synergies**



**A European leader with a strong local presence :
a unique combination in Italy**

**Wide range of cross selling opportunities
with other divisions in Italy**

**Become leader
in Corporate & Investment Banking in Italy**





BNP Paribas

Investor Day
Conclusion

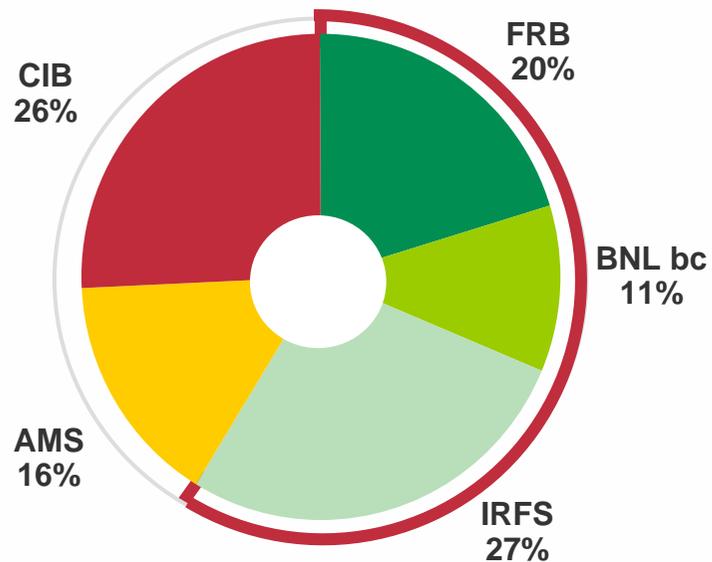
Baudouin Prot
Chief Executive Officer



Rome, December 1st 2006

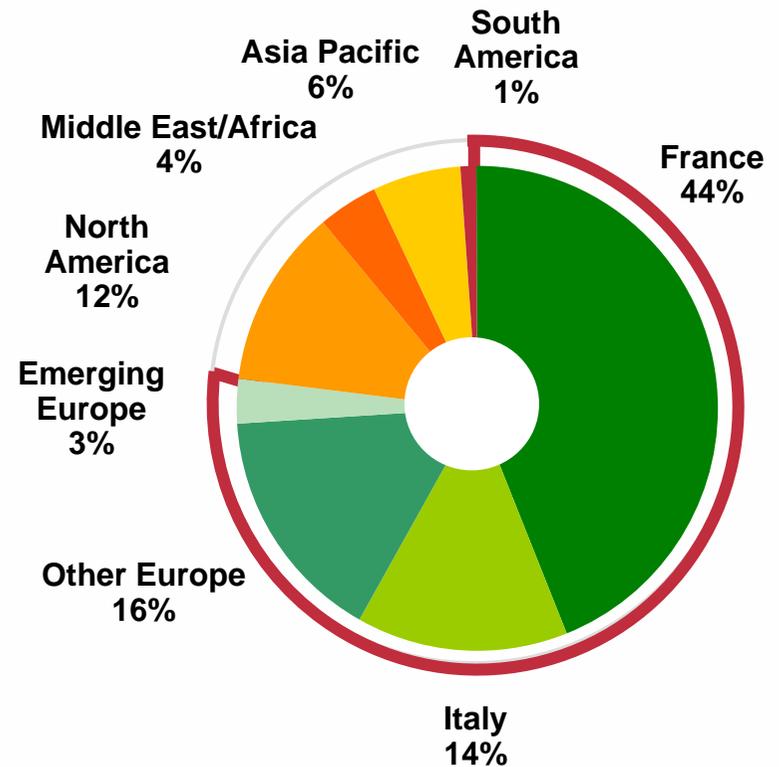
BNP Paribas A Well Balanced Business Mix

Businesses
3Q06 revenue split



**Strong retail banking base:
58% of revenues**

Geography
3Q06 revenue split



**Europe is the core market:
77% of revenues**



BNP Paribas

An Integrated Business Model

Individual
Customers

Corporate
Customers

Financial
Institutions

Retail Banking networks

- France
- Italy
- Western United-States
- Emerging Markets

Specialised Financial Services

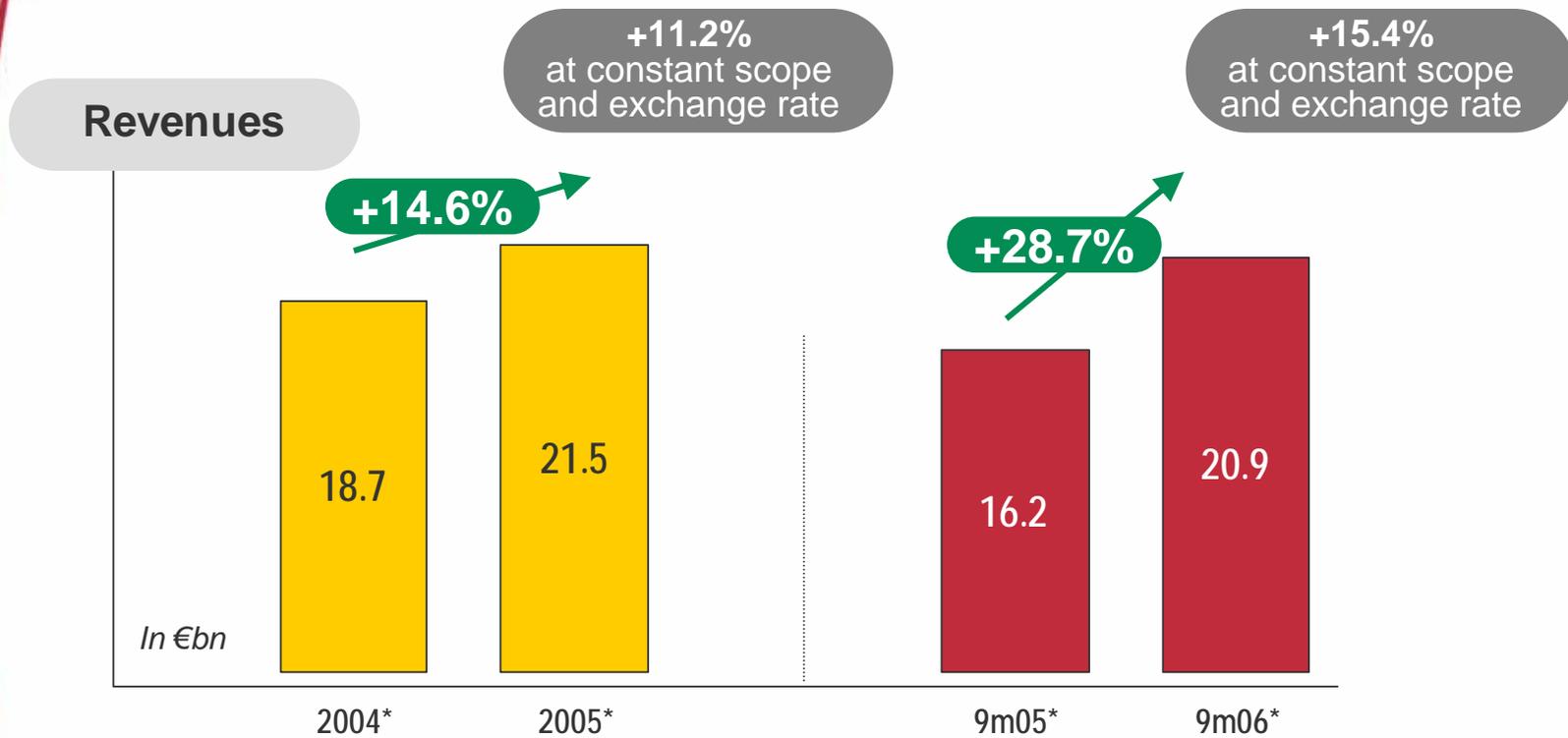
Asset Management and Services

Corporate and Investment Banking

Centred on client needs and cross selling



BNP Paribas A Strong Revenue Generation Capability

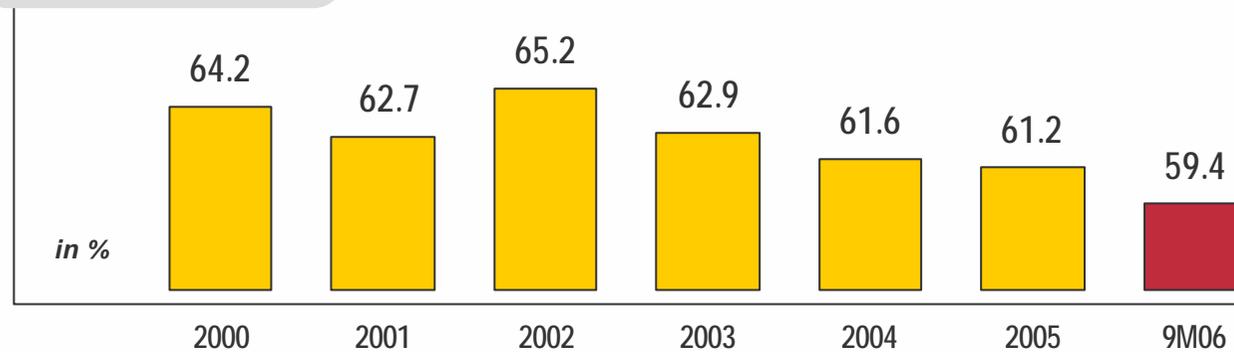


**Robust organic growth
further enhanced by a selective acquisition policy**

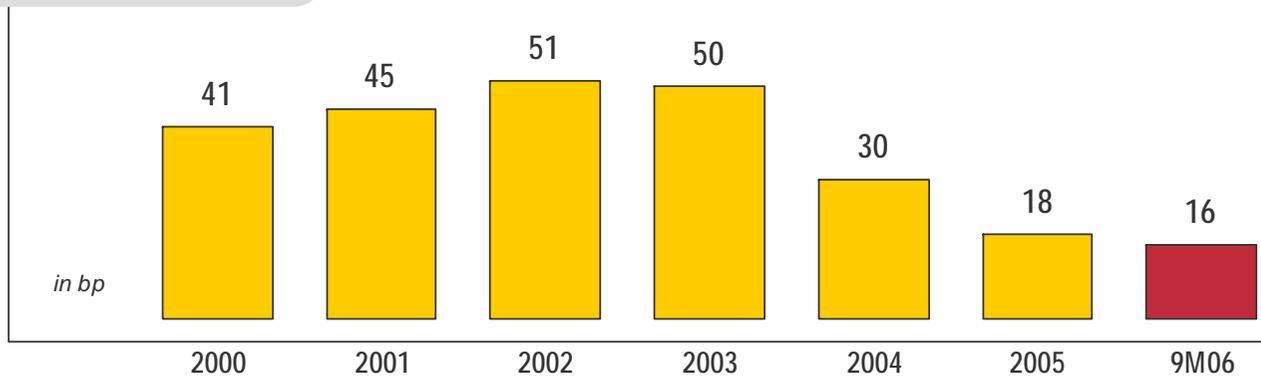


BNP Paribas Cost & Risk Discipline

Cost/income



Cost of Risk

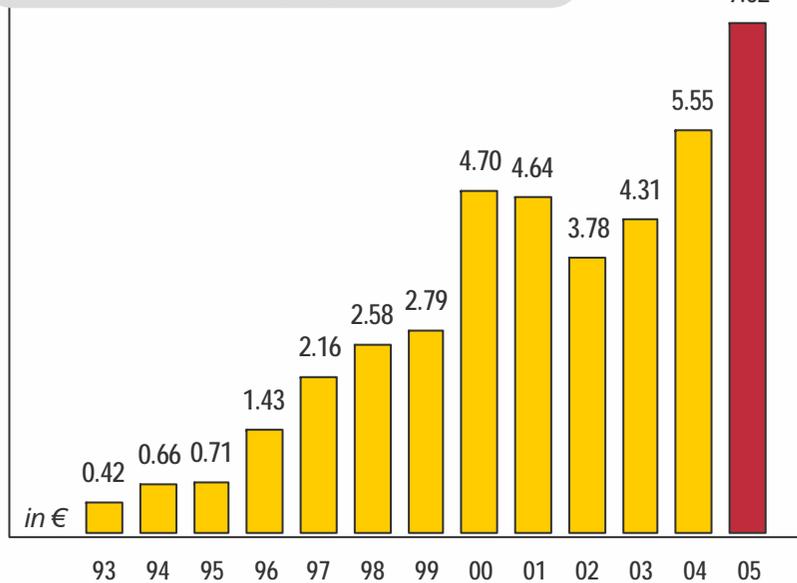


Strong culture of cost & risk management

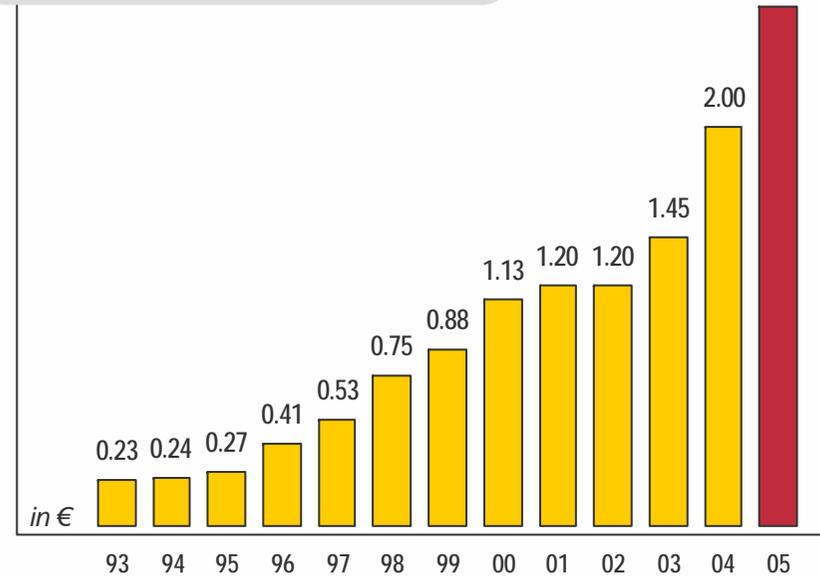


A Track Record of Growth and Value Creation

Net Earnings per Share



Dividend per Share



Undiluted EPS based on the average number of shares outstanding

**Net earnings per share
+26.5% per annum
(CAGR 93-05)**

**Dividend per share +22.4%
per annum
(CAGR 93-05)**



The Integrated Business Model Applied to Italy

- Full range of businesses deployed, with significant positions

	Retail banking	Consumer finance	Mortgage	Fleet Mgt	Leasing	Private banking	Insurance	Asset Mgt	Securities Services	Real Estate	CIB
	■	▲	■	■	■	■	■	■	■	■	■
	■	■	■	■	■	■	■	■	■	■	■

■ BNP Paribas in 2005
▲ Joint Venture 50%*
■ External growth since 2005

- New organization (BNL bc / CIB / AMS / SFS/ functions)
 - Share know-how & state-of-the-art products
 - Foster cross-selling
- Leverage local expertise with Group best practices
 - CRM, Risk management, ALM...

* Findomestic 50/50 JV with Cassa di Risparmio di Firenze

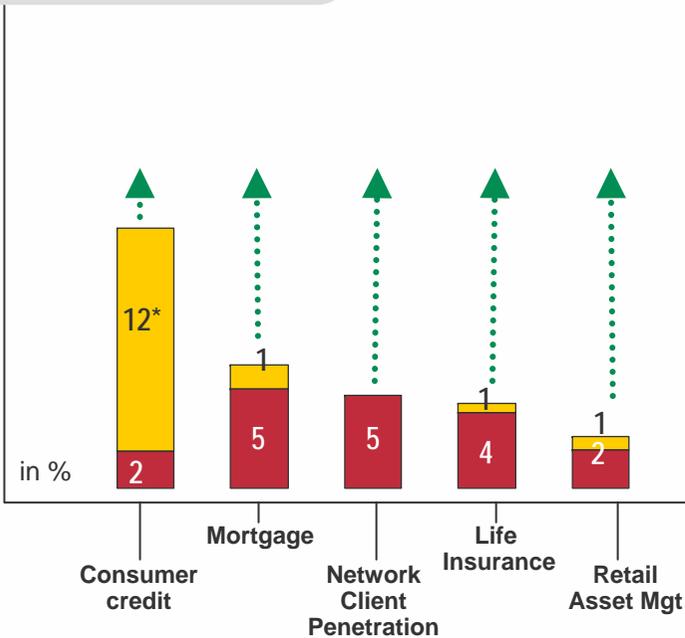
BNP Paribas Competitive Advantages in Italy

- Leading European positions in major product areas (consumer credit, leasing, CIB...)
- Proven commercial know-how distribution skills, relying on cross-selling and incentivised sales forces
- Strong brand policy, capitalising on BNL recognised franchise and BNP Paribas European leadership
- Worldwide presence, facilitating the international development of Italian clients
- Financial strength:
 - Tier One ratio at 7.8% by end 3Q06
 - Outstanding ratings: S&P = AA (positive outlook), Fitch = AA, Moody's = Aa2

A Solid Base from Which to Increase our Market Shares

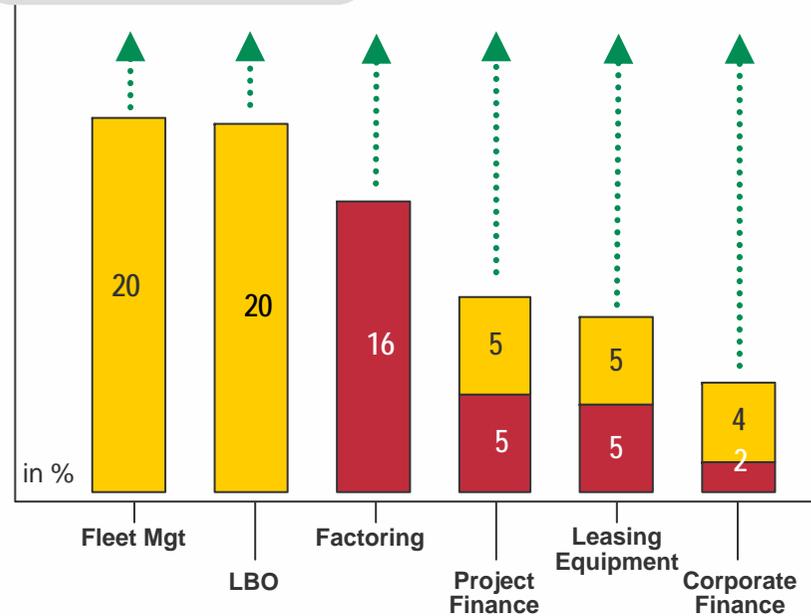
■ BNL Group market shares
■ BNP Paribas Italy market shares

Individuals



Sources : Banca di Italia, Assogestioni, Assofin, ANIA, GfK Eurisko. Latest data available.

Corporate



Sources : Loanware, Bondware, Dealogic, Assifact, Assofin leasing Latest data available

BNP Paribas has ample room to grow organically, by capitalising on its specialised businesses

* Findomestic 50/50 JV with Cassa di Risparmio di Firenze



Ingredients of an Italian Success Story in Place

- Highly skilled **top management**, with complementary background & experiences
- Responsive organisation & clear action plans, giving more power to the **line managers**
- **BNL staff** motivated by the new challenge
- **Full BNP Paribas support:** people and investments to develop the franchise

Early Start, Strong Momentum

Creating Value from BNL

- Synergies target (2009, pre-tax) revised upwards to €480mn
 - Cost: €270mn
 - Revenues: €210mn
- A value-adding transaction
 - Reasonable price paid for BNL, given the synergies and the subsequent transactions in the Italian market
 - EPS impact accretive as of 2008, even post restructuring costs
- A new impulse for all our businesses
 - BNL banca commerciale
 - Asset Management and Services
 - International Retail Banking and Financial Services
 - Corporate and Investment Banking
 - French Retail Banking

BNP Paribas a key player in Italy



BNP Paribas

Investor Day

Italy: Developing our Second Home Market

Baudouin Prot
Chief Executive Officer

Rome, December 1st 2006



Appendix

P&L Reclassifications Explained

BNL 9M06

	As published in Italy		Group contribution incl 1Q06 proforma
Revenues	2,305	3	2,233
Costs	(1,599)	4	(1,400)
Gross Op. Income	706	1	833
Cost of risk	(485)	2	(245)
Operating Income	221	5	588
Net Pre-Tax	225		579

in €mn

Reclassifications

Purchase Accounting

- 1 (€99mn) transferred from costs to cost of risk corresponding to provisions for credit related litigations
- 2 +€41mn provisions time value for money reducing cost of risk under Italian practices; increasing revenues under BNP Paribas practices
- 3 -€112mn as contribution does not include the results on BNL's AFS and trading portfolios revalued on purchase accounting
- 4 (€108mn) one-off costs in BNL published accounts corresponding to BNP Paribas balance sheet adjustments (depreciations, employee benefits)
- 5 (€378mn) one-off provisions in BNL published accounts corresponding to BNP Paribas balance sheet adjustments

