



BNP PARIBAS

BNP Paribas in Italy

Developing Our Second Domestic Market

Jean Clamon

Chief Operating Officer

15 June 2007

This presentation includes forward-looking statements based on current beliefs and expectations about future events. Forward-looking statements include financial projections and estimates and their underlying assumptions, statements regarding plans, objectives and expectations with respect to future events, operations, products and services, and statements regarding future performance and synergies. Forward-looking statements are not guarantees of future performance and are subject to inherent risks, uncertainties and assumptions about BNP Paribas and its subsidiaries and investments, developments of BNP Paribas and its subsidiaries, banking industry trends, future capital expenditures and acquisitions, changes in economic conditions globally or in BNP Paribas' principal local markets, the competitive market and regulatory factors. Those events are uncertain; their outcome may differ from current expectations which may in turn significantly affect expected results. Actual results may differ materially from those projected or implied in these forward-looking statements. Any forward-looking statement contained in this presentation speaks as of the date of this presentation: BNP Paribas undertakes no obligation to publicly revise or update any forward-looking statements in light of new information or future events.

The information contained in this presentation as it relates to parties other than BNP Paribas or derived from external sources has not been independently verified and no representation or warranty expressed or implied is made as to, and no reliance should be placed on the fairness, accuracy, completeness or correctness of, the information or opinions contained herein. None of BNP Paribas or its representatives shall have any liability whatsoever in negligence or otherwise for any loss however arising from any use of this presentation or its contents or otherwise arising in connection with this presentation or any other information or material discussed.

Please note that 2003 and 2004 figures are based on French accounting standards, while 2005, 2006 and 2007 figures are based on IFRS accounting standards.



BNP PARIBAS

Overview

A distinctive growth model

Applied to Italy

Strong momentum

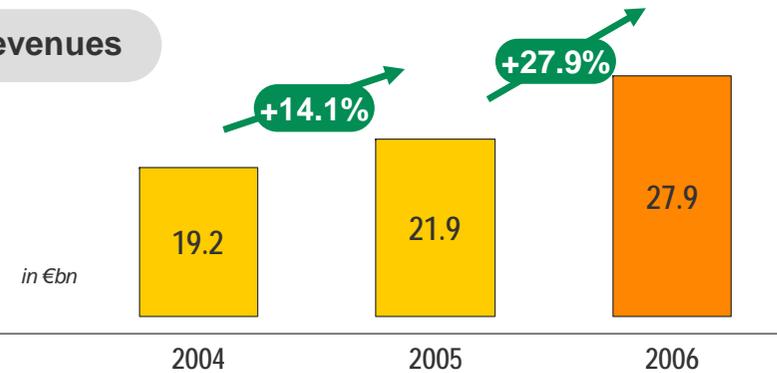
Already a success

Conclusion

BNP Paribas Accelerated Growth in 2006

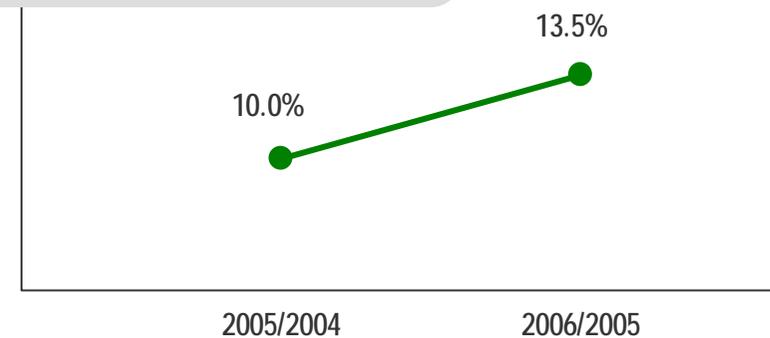
Accelerated growth

Revenues



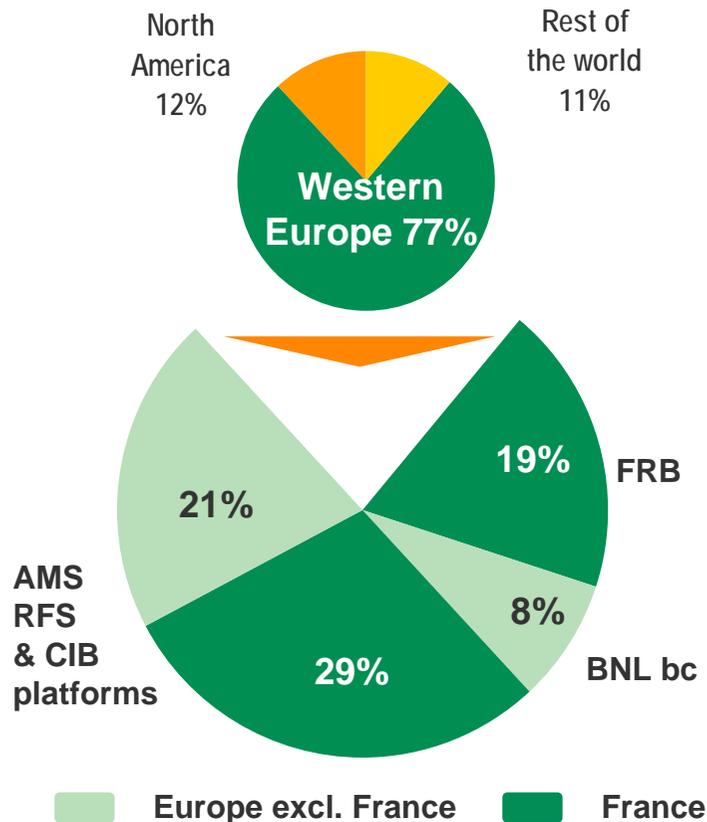
Powerful organic growth drive

Organic revenue growth



Developing a second domestic market

Core business revenues
1Q07

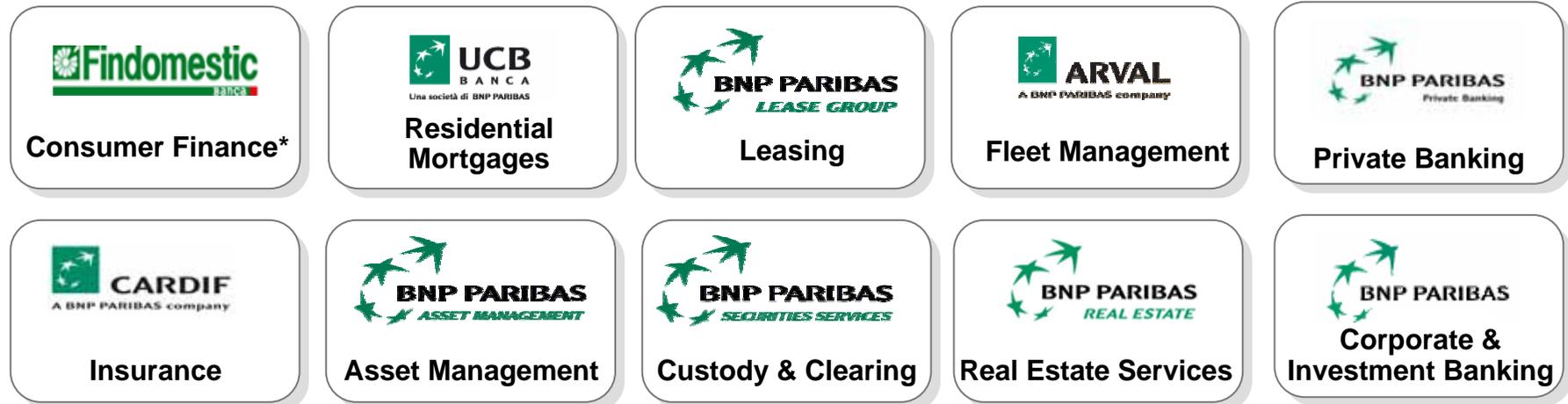


A growth model combining:

- Powerful pan European platforms
 - **RFS** : Cetelem (#1 in continental Europe) Arval & BPLG (top 3)...
 - **AMS** : Securities Services (#1 in Europe) Private Banking (#3 in Europe) Cortal Consors (#1 in Europe)...
 - **CIB** : leading positions in all products
- Key retail banking expertise with FRB
- Sound organic growth and disciplined acquisition strategy
- Proven integration know-how

**A distinctive growth model
being applied to a second domestic market**

- More than € 750 mn revenues in 2005
- Over 3,700 staff



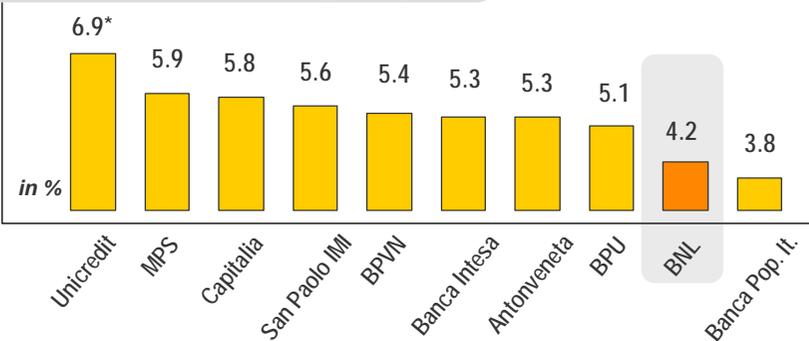
**A full range of powerful platforms
with significant market positions**

* 50/50 JV with Cassa di Risparmio di Firenze

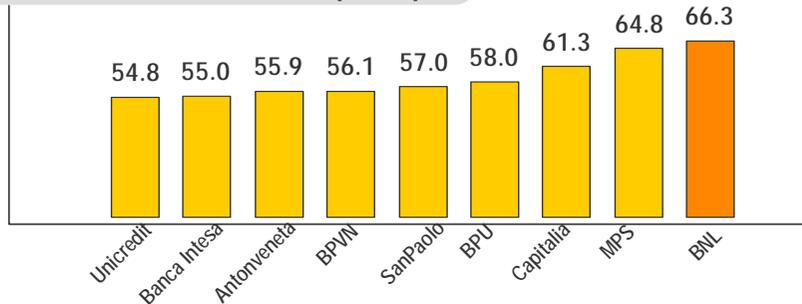


- A nation-wide franchise
- A significant upside potential

Revenues / RWA (2005)

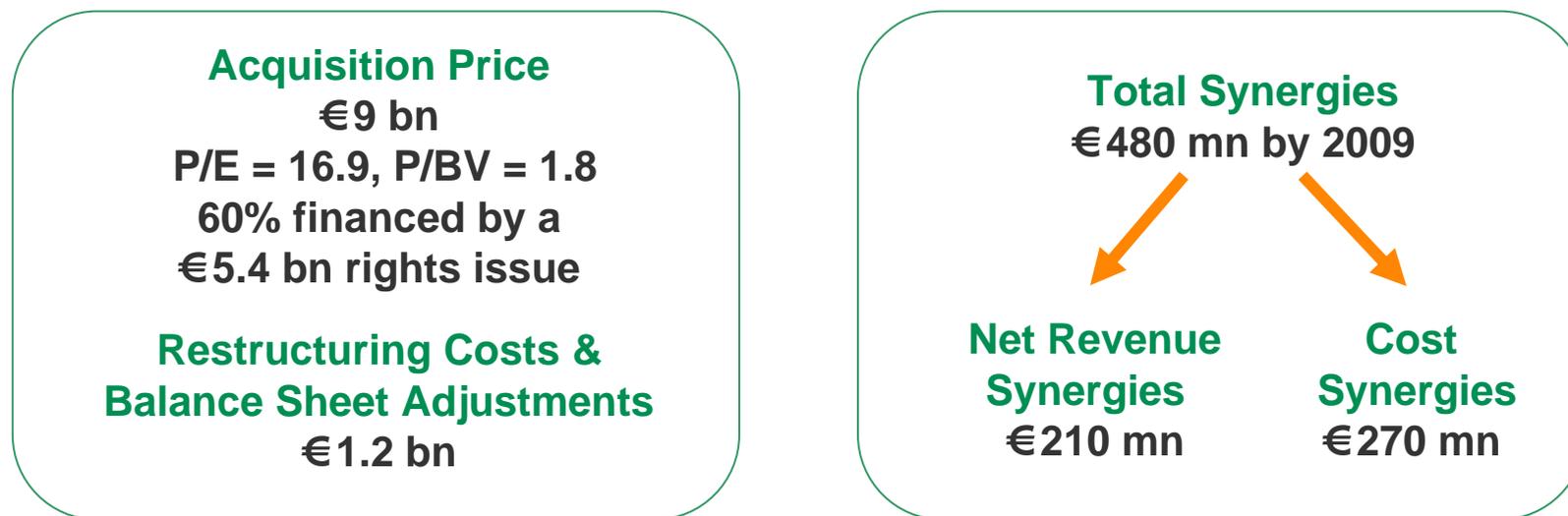


Cost / income ratios (2005)



- **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

A unique opportunity in the Italian market



Strong value creation potential:

- accretive by 2008
- return on invested equity > cost of capital from 2009 *



BNP PARIBAS

Overview

A distinctive growth model

Applied to Italy

Strong momentum

Already a success

Conclusion

- 
- Revitalise BNL's strong national franchise
 - Strengthen our already significant market share in Asset Management and Retail Financial Services
 - Become leader in Corporate & Investment Banking in Italy
 - Improve profitability by optimising quality of service, cost efficiency and risk management

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

- A new identity for BNL
 - New logo (since July 2006)
 - Successful advertising campaigns
- High motivation of staff
 - Transparent and dynamic communication
 - Cutting-edge products to meet client needs
 - Marketing campaigns
- New governance and management style
- Quality of execution



Early Start, Strong Momentum



BNP PARIBAS

Overview

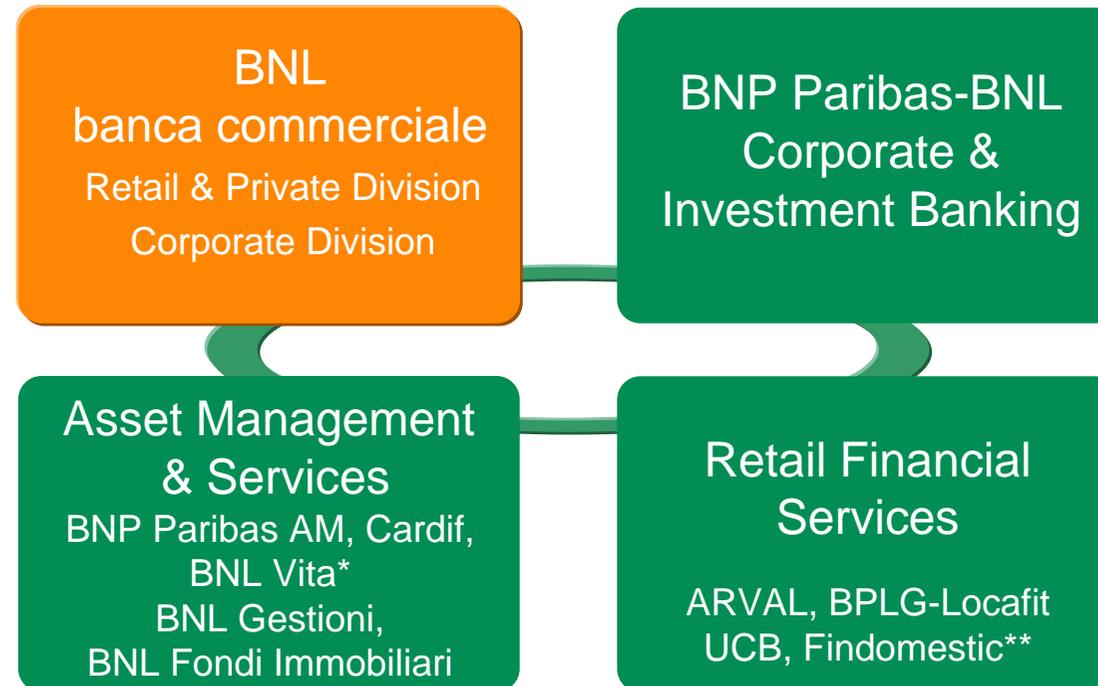
A distinctive growth model

Applied to Italy

Strong momentum

Already a success

Conclusion



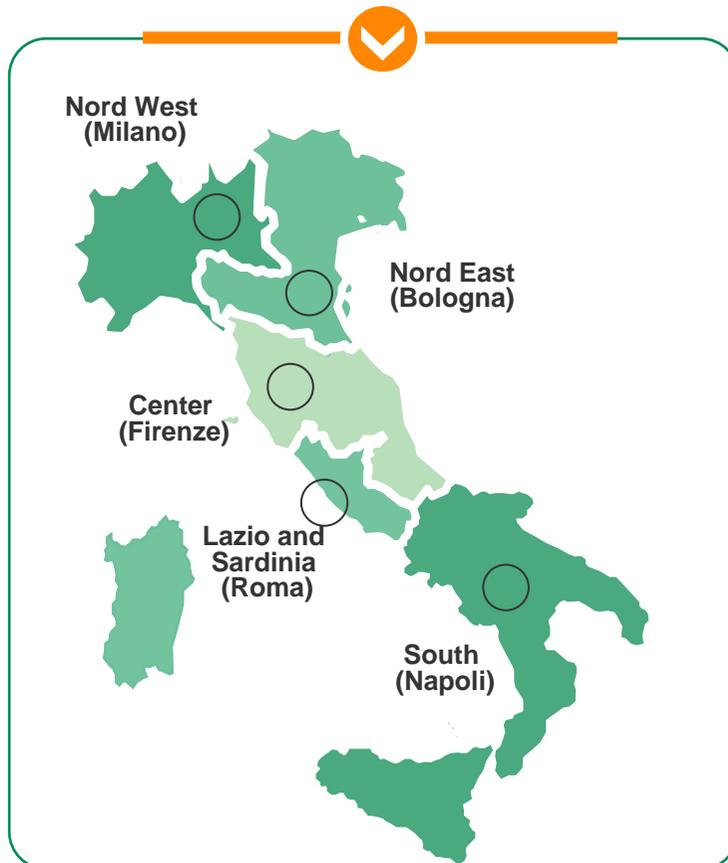
- Alignment of management reporting and disclosure
- Streamlining of the legal structure underway

BNP Paribas in working order in Italy

* BNL Vita 50/50 JV with Unipol

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

From 12 “Aree Territoriali”
to 5 “Regioni”



- Transfer to Italy of the distribution model successfully adopted in France
- Critical mass reached by each Region to achieve greater economies of scale and commercial efficiency
- Pilot-projects completed successfully
- Roll-out of the new organisation underway

**A simpler network,
to ensure more autonomy and speed of initiatives**

Goals



- **Focus on client needs**
 - Innovative product offering
 - Leveraging on BNP Paribas platforms (bancassurance, EQD, ...)
 - Increase quality of service and customer satisfaction
- **Improve marketing efficiency**
 - New clients segmentation
 - Multi-channel distribution
 - Lower threshold for Private Banking
- **Renew branch concept and layout** (open 100 new branches)



First achievements



- **Success of new product campaigns:**
 - “Conto Revolution”
 - “Mutuo Revolution”,
 - “Prestito Revolution”,
 - “4WD” and “Total Return”
- **Turnaround in customer acquisition:** +2,000 net new accounts in 1Q07 (vs. -24,000 in 1Q06)
- **Multi-channel distribution for small-businesses:** 1Q07 Business Way new contracts totalling 4,300 (vs. 1,500 in 1Q06)
- **AMS net inflows in 1Q07:** x2.2/1Q06 thanks to the launch of Total Return life insurance

Commercial turnaround underway

Goals



- **New approach to client service**
 - Gathering product expertise to provide one-stop shop for corporate customers
- **Delivering leading-edge products**
 - Structured Finance and Derivatives
 - Leasing, Factoring and Fleet management
 - Cash-management
- **Leverage on BNPP international presence in over 90 countries**
 - Trade-Finance



First achievements



- **21 “Centri Affari”, for Corporate and Local Authorities**
 - Senior bankers appointed
 - Training on CIB products for relationship managers launched
 - Joint-clients visits with CIB started
- **Opening of Italian desks** in France, Tunisia, Turkey, Gulf Region
- **Commercial achievements in 1Q07:**
 - 670 new accounts opened
 - 60 structured finance mandates signed in, of which 32 executed
 - Growth in trade finance fees

**Leveraging BNL high penetration
in the corporate segment**

The integration of two players complementing each other



Over 100 front-line professionals connected to CIB Pan-European platforms, focusing on large-sized transactions



A leading player in the Italian corporate lending market for mid-sized deals



BNP PARIBAS - BNL
Corporate and Investment Banking

472 Italian based resources (241 Front Line and 231 Support)

- 
- Securitisation: market leader since 1992
 - LBO: Top 3 player with more than 20% market share
 - Project finance: Top 3 player with 13% market share

Expanded CIB customer base



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

Cross-sell with BNL bc (Retail & Private, Corporate)



- Common platform for marketing Fixed-Income products
- Dedicated Fixed-Income desk for Local Authorities
- Specialised M&A team to serve small and mid-corporate clients
- Distribution of EQD products to Retail & Private clients

**Leading-edge CIB platform
with a domestic Retail & Corporate franchise:
a unique business model in Italy**

- A significant contribution for the Group
 - Assets under management: €60bn
 - Assets under custody: €346bn

	Asset Management	Insurance	Real Estate	Securities Services	International Private Banking
			 NAZCA Atisreal		
		 			

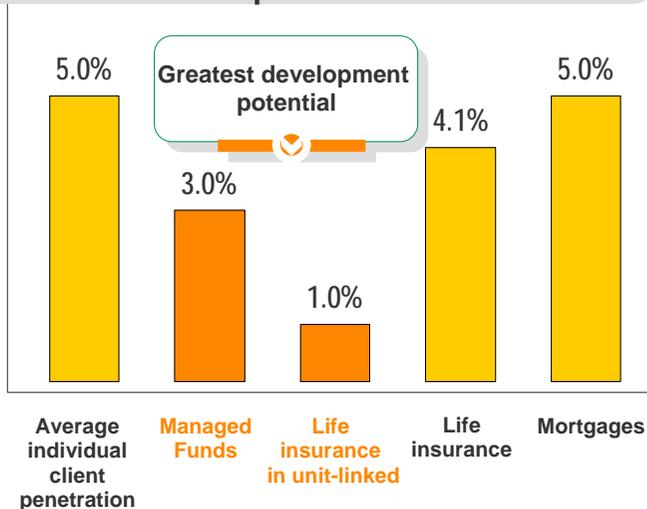
A unique combination of production and distribution platforms

(*) BNL Vita 50/50 JV with Unipol

Market Potential



BNL's Individuals market share per product



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

Response



- **New and diversified asset management product offering**
 - Optimisation of mutual fund range
 - Segmentation of the offer
- **New innovative life and creditor protection insurance products**
- **AMS specialists** located within each of the 29 retail areas
- **In 1Q07, strong net inflows in life insurance products** offset outflows in mutual funds

Increase asset gathering market share

Retail Financial Services in Italy: Strong Brands and Leadership

		Start-up	Employees	Ranking	Market Share
Consumer Finance*		1984	>2,000	#1	12%
Mortgages	 <small>Una società di BNP PARIBAS</small>	1989	250	#3 <i>Among specialist players</i>	10%
Leasing		1990	460	#1 <i>On small-ticket segment **</i>	14%
Fleet Management	 <small>A BNP PARIBAS company</small>	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

Leverage BNL's client base

- Distribute BNP Paribas' products through BNL's Corporate and Retail distribution channels
- Dedicate leasing and fleet management sales forces for BNL Corporate and Small Business Clients

**Revenue
Synergies**

Contribute to the development of BNL's client base

- Cross-sell BNL current accounts to UCB customers
- Offer higher-quality services to BNL clients

**Revenue
Synergies**

Develop large-scale industrial projects

- Develop stronger integration of IRFS' product factories and BNL
- Merge BNP Paribas Lease Group and Locafit
- Process initiated to control Findomestic

**Cost and
Revenue
Synergies**

**Building on experience of partnerships between
product factories and banking networks**



BNP PARIBAS

Overview

A distinctive growth model

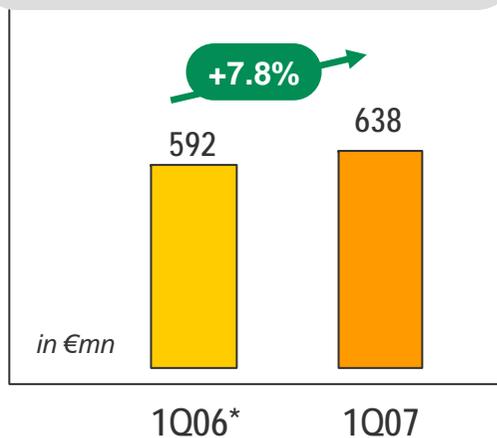
Applied to Italy

Strong momentum

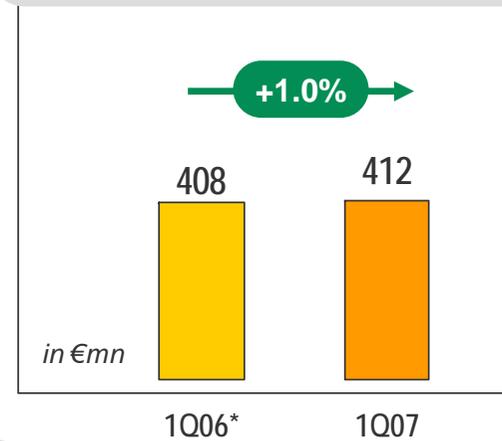
Already a success

Conclusion

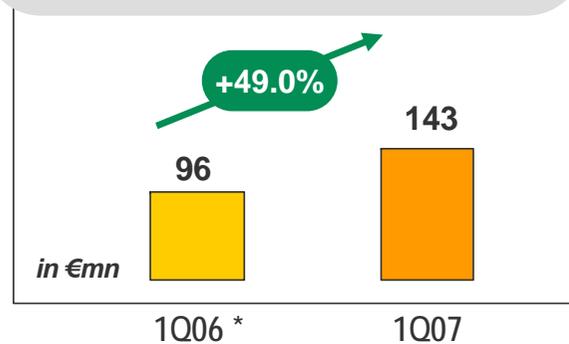
Revenues



Op. Expenses and Dep.



Pre-tax income Incl. 2/3 of Private Banking in Italy

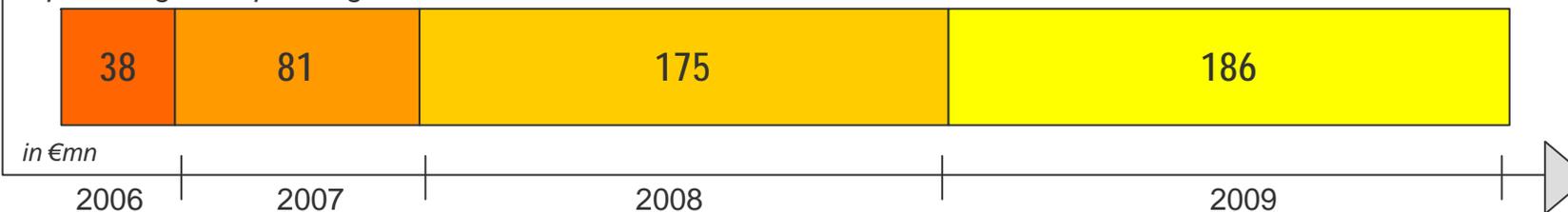


Integration of BNL: already a success

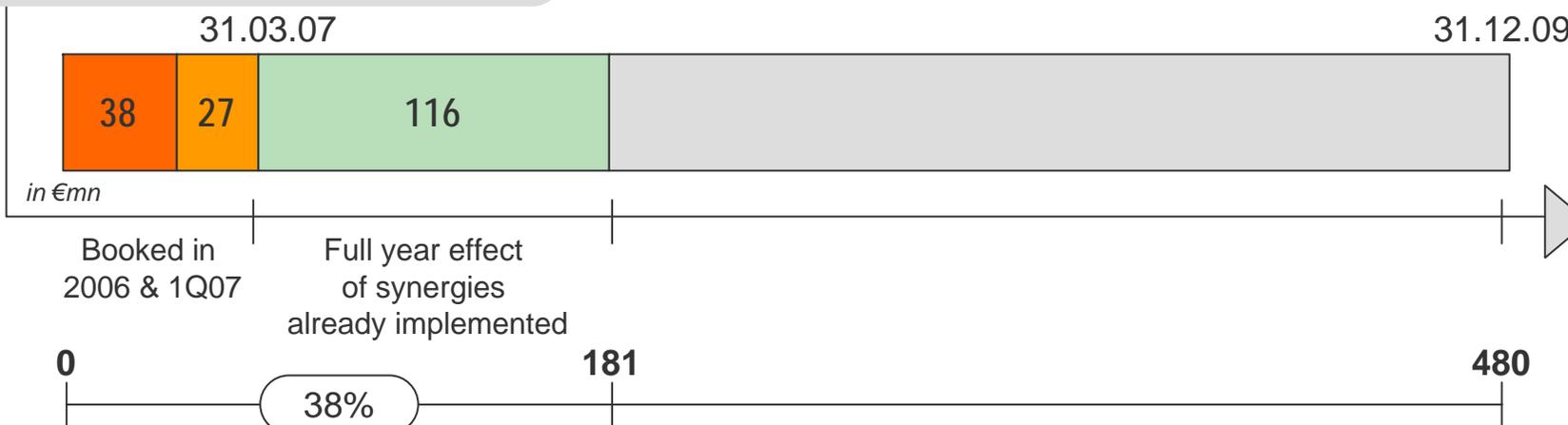
*1Q06 pro forma

Total planned synergies by 2009

Impact on gross operating income



Synergies progress report



**38% of total synergies projects
already implemented as of March 07**

Cost Efficiency Project & Initiatives

Organisation

- Investment banking activities integrated under CIB
- Major affiliates and foreign branches integrated into BNP Paribas
- Headquarter functions rationalised
- Branch network organisation simplified

Human Resources

- 2,200 staff departures and 900 hires over 3 years
- Trade union negotiations finalised for BNL SpA
- Redundancies settled on a voluntary base
 - with the contribution of "Fondo ABI"

Procurement

- Consolidating Group purchasing volumes in Italy
- Leveraging BNPP global contracts/scale
 - technology
 - bank services,
 - professional services
 - Information services

Efficiency improvement

- **Multi-channel distribution:** replicate the French approach in Italy
- **IT:** upgrading information systems, leveraging on proven BNPP platforms
- **Real-estate:** optimising headquarter and international network sites
- **Back-office:** Re-engineering of activities underway

70% of projects launched



BNP PARIBAS

Overview

A distinctive growth model

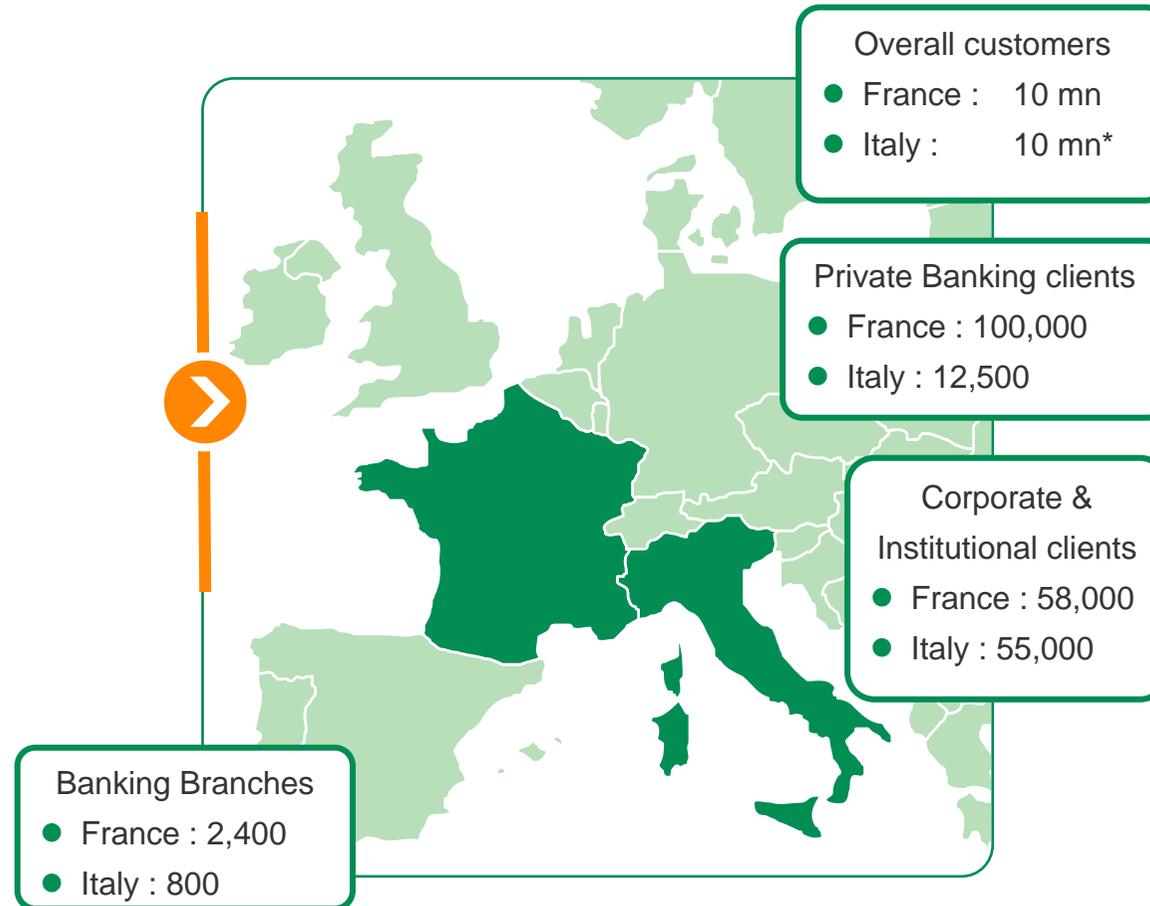
Applied to Italy

Strong momentum

Already a success

Conclusion

Deploy a Successful Universal Bank Model in a Promising Market



Benefit from the revenue pool and the economies of scale of a “home market” covering 120 mn inhabitants

Early mover in the European consolidation

Italy: a significant value creation driver

BNL Integration: already a success



BNP PARIBAS

BNP Paribas in Italy

Developing Our Second Domestic Market

Jean Clamon

Chief Operating Officer

15 June 2007