



Press Release

BNP Paribas Investor Day in Rome "Italy: developing our second home market"

- *Integration plan implemented at a fast pace*
- *Synergies of 480 million euros, increased by 20% from initial estimates*
- *Overall balance sheet adjustments and restructuring costs confirmed*

Rome, 1st December 2006. Following the acquisition of BNL by BNP Paribas earlier this year, the senior management of the BNP Paribas Group and the management of BNL are hosting today in Rome an Investor Conference chaired by Baudouin Prot, CEO of BNP Paribas. During this event they will jointly present the new strategies and main initiatives to develop the Group in Italy, its second home market in Europe.

Following the conclusion of comprehensive analytical work involving around 800 people from BNP Paribas and BNL in all business lines and functions, initial estimates on cost and revenue synergies are increased from 400 million to 480 million euros (+20%) by 2009. Contributions to synergy generation stem from all business areas of the Group in Italy.

The total 480 million euros synergy target are split into 270 million costs synergies and 210 million net revenue synergies.

The cost synergy objective of 270 million euros by 2009 is raised from 250 million euros initially announced. Cost synergies have been quantified in deduction from a cost baseline growing over the period at a normalised CAGR (Compounded Annual Growth Rate). The cost baseline growth assumption used has been 2.3%, with reference to market analysts' projections (IBES consensus) as publicly available at the time of the acquisition of BNL by BNP Paribas.

The timing of cost synergies achievements has been brought forward compared to initial projections, with 14% being achieved already in 2006, a cumulative total of 37% by 2007, 69% by 2008 and the full 100% by 2009.

The net revenue synergy target is raised to 210 million euros from an initial estimate of 150 million euros (+40%). It results from a gross revenue synergy target of 380 million euros, from which 170 million euros of additional marginal costs should be deducted. Revenue synergies are to be added to a revenue baseline growing over the period at a normalised CAGR, for which an assumption of 5.8% has been used on the basis of the IBES consensus.

Net revenue synergies are targeted to materialize with the following timing: 9% in 2007, a cumulative total of 52% by 2008 and the full 100% by 2009.

Total restructuring costs announced at the time of acquisition have been revised down to 410 million euros from the initial 450 million euros as a result of a more detailed assessment and are expected to be incurred for 37% in 2006, 31% in 2007 and the remainder by the end of 2008. On the other hand, balance sheet adjustments, initially estimated at 800 million euros, have been revised upwards to 850 million euros. This shift is mainly due to higher than expected contingent liabilities on BNL's existing early retirement schemes.

Following a redistribution of Italian activities amongst the different core businesses of the BNP Paribas Group, most of BNL's activities shall be represented from 2007 onwards as a new core business, defined as *BNL banca commerciale* (BNL bc), comprising BNL's retail, private and corporate banking activities.

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Baudouin Prot, CEO of BNP Paribas said:

"With the integration of BNL, we have added a strong Italian franchise and distribution capacity with ample potential for growth to BNP Paribas' leading European platforms. Italy is our second home market. Italy and France are geographically and culturally close, thus offering the opportunity to transfer our know-how quickly and efficiently.

We have moved early and we are proceeding at a fast pace. Our whole staff in Italy is highly motivated by the new opportunities arising from our focus on growth and we are confident we shall build the BNP Paribas Group into a key player in Italy"

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Follow our Investor Day LIVE on December 1, 2006 starting at 11.15 CET. at <http://invest.bnpparibas.com/>. A live web cast with synchronised slides will be available in English and in Italian along with dedicated materials.

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