BNP PARIBAS Group

Press Release

Consolidated results as of 30th September 2006

Capital strengthening, strict risk control, growth in overall revenues and in ordinary profitability

Growth in revenues
- Banking income +8.3% on September 2005
- Net interest income +6.7% on September 2005

Stronger capital ratios
- Net equity +4.2% on December 2005
- Tier1 ratio at 7.3% (+60 b.p. on December 2005)

Credit risk coverage confirmed at levels above national standards
- Non-performing loans coverage at 68%
- Coverage of substandard, past due over 90 days and restructured loans at 36%

Operating costs under control
- Administrative expenses -1.9% compared to September 2005

Net profitability sizeably affected by non-recurrent write-downs and valuation adjustments
- Net profit as of 30th September 2006 equal to 179 euro million

Rome, 14th November 2006. The Board of Directors of BNL, meeting today chaired by Luigi Abete, has approved the consolidated quarterly report as of 30th September 2006.

In the first nine months of the year BNL Group has continued to operate effectively in its reference markets, confirming an adequate growth in overall revenues and in ordinary profitability. The results of the period continue to be affected by the impact of a number of extraordinary changes in valuation criteria in view of the integration within BNP Paribas Group. The consolidated **net profit** for the first nine months 2006, comprising the above-mentioned non-recurrent impacts, comes to 179 euro million (413 euro million the net profit in the corresponding period 2005). The Parent Company BNL SpA generated a net profit in the period of 126 euro million (380 euro million in 2005).

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Income statement results as of 30th September 2006

Banking income contributes to the result with 2,305 euro million, growing by 8.3% on the same period of 2005. Within this aggregate, **net interest income** (1,313 euro million) continues to be an important growth driver, with an increase of 6.7% on the nine months of the previous year. Substantially stable instead the contribution from **net commissions**, amounting to 750 euro million (-0.5% on the corresponding period of 2005).
Other revenues, which include **net result and dividends from trading, hedging and fair value option** and **profit from the sale of financial assets**, total 242 euro million, with a positive net contribution of 87 euro million deriving from non-recurrent operations. In the first nine months 2005 the aggregate amounted to 144 euro million.
Net value adjustments total 485 euro million, of which 340 euro million already implemented by June 2006 within the process of harmonisation of valuation criteria for loans and guarantees to BNP Paribas' standards. At September 2005 net value adjustments amounted to 75 euro million which included extraordinary write-backs for 64 euro million. Excluding one-off components from both reference periods, the resulting amounts are virtually in line (145 euro million in 2006 and 139 euro million in 2005).

Control of **administrative expenses**, which total 1,362 euro million, is confirmed showing a contraction of 1.9% on 2005. Contributing to this improvement are both **personnel expenses** (892 euro million) which fall 2.4% and **other administrative expenses** (470 euro million) decreasing by 0.8%. In particular, in the case of personnel expenses the reduction is attributable to lower early retirement charges (22 euro million compared to 63 euro million in the nine months 2005), partially offset by the full impact of the labour contract renewal and a slight increase in headcount.
Net provisions on risks and contingencies, amounting to 131 euro million, include 60 euro million of non-recurrent provisions implemented at June 2006 (18 euro million the net figure at September 2005).
Net write-downs on tangible and intangible assets come to 191 euro million (112 euro million at September 2005) and include a non-recurrent portion of 62 euro million incurred in the first semester for the harmonisation with BNP Paribas' standards of the estimate of software's useful life.

Taxes for the period amount to 149 euro million (270 euro million at September 2005) and are negatively impacted by the cancellation in the first semester of 32 euro million of pre-paid taxes in accordance with changes in directives from the Tax Authority in terms of IRAP tax on credits.

Lastly, the net profit for the nine months includes 103 euro million of **profit after tax from non-current assets held for sale** deriving from the sale of Argentinean activities, realised in the first half of the year.

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Income statement results for the third quarter 2006

Net interest income in the third quarter, amounting to 441 euro million, shows a 6.8% growth on the corresponding period of 2005 and a 1.1% improvement on the previous quarter 2006, driven by continuing growth in average volumes transacted and a widening of the spread on the liabilities side. On the other hand, **net commissions**, amounting to 245 euro million, are essentially stable (242 euro million in the third quarter 2005 and 247 euro million in the second quarter 2006). In particular, the quarter highlighted a satisfactory recovery in commissions from bancassurance (31 euro million compared to 18 euro million in 3Q 2005 and 15 euro million in 2Q 2006). The new production in the quarter amounted to 843 euro million, with a cumulative figure for the first nine months 2006 of 2,211 euro million, marking a growth of approximately 8% on the corresponding period of 2005.
The remaining revenues total 88 euro million, of which 46 euro million of a non-recurrent nature, mostly included in the **profit from the sale of financial assets**. In the third quarter 2005 the aggregate equalled 21 euro million.
Net value adjustments amount to 69 euro million (+12 euro million the balance in 3Q 2005, which however included non-recurrent write-backs for 45 euro million).
The aggregate of **operating costs**, totalling 506 euro million, falls by 2.3% compared to 3Q 2005. **Profit before tax from continuing operations** amounts to 203 euro million (up 2% on 3Q 2005) while **net profit** comes to 109 euro million (138 euro million in 3Q 2005).

Balance sheet at 30th September 2006

BNL Group's balance sheet improvement continues in the period. In fact **net equity** reaches 5,242 euro million at 30th September 2006, with a 4.2% growth compared to 31st December 2005. This leads to a considerable improvement in capital ratios: the **Tier 1 ratio** stands at 7.3% (6.9% at June 2006 and 6.7% at December 2005) and the **total risk ratio** comes to 10.6% (9.5% at the end of 2005), the latter strengthened, besides the contribution of retained earnings in the period, also by the subordinated loan of 700 euro million received by the controlling company BNP Paribas.

Cash loans to customers amount to 65,003 euro million (64,288 euro million at 31st December 2005). Within this aggregate, medium/long-term lending remains dynamic, with retail products (mortgages and personal loans) maintaining still attractive growth rates, though decelerating.

Asset quality coverage remains stable at the excellent levels reached in the first half of the year, with coverage ratios virtually unchanged compared to June 2006 and showing a significant improvement on December 2005. The same can be observed in general regarding problem loans outstandings. Total **impaired loans** amount to 2,153 euro million with a 58% coverage (2,350 euro million at December 2005 with a 54% coverage). In this context net **non-performing loans**, with a 68% coverage, stand at 1,114 euro million (1,004 euro million at

31st December 2005 with the same coverage ratio). Net **substandard loans** amount to 717 euro million (774 euro million at December 2005) with a 36% coverage (37% at December 2005). Past due over 180 days stand at 245 euro million (443 euro million at December 2005) and show a 36% coverage (20% at December 2005).

Direct deposits from customers amount to 63,400 euro million (63,228 euro million at year-end 2005), and **indirect deposits** reach 75,562 euro million (74,857 euro million at December 2005), with securities under custody (46,348 euro million), growing by nearly 2% on December 2005, while assets under management (29,214 euro million) mark a reduction of 0.6% on the same period.

Segment information

The table in the Appendix summarises the banking income results by business area as of 30th September 2006.

Retail

Positive results achieved in the period in the retail area. Revenues have improved by 8.4% compared to the first 9 months of 2005, mostly resulting from the significant increase in net interest income, grown by 14.1% compared to September 2005. The growth is driven essentially by the deposit side, with higher average volumes transacted in the short-term components coupled with a widening of the spread.
Other net revenues grow by almost 2% on September 2005; particularly noteworthy the positive evolution of bancassurance new production.

Corporate

Equally positive result generated by the corporate sector, where banking income has grown by 7% compared to the same period 2005. Net interest income has increased by 7.3%, through higher volumes transacted in terms of loans and higher spreads on the liabilities side. Other net revenues mark a 6.3% progress on September 2005, with an increased contribution from high value-added products (derivatives and corporate finance). Positive contribution also in terms of banking income from leasing (+26% on September 2005) and factoring activities (+4.1% on September 2005).

Corporate Centre

The corporate centre area reflects the impacts of the previously mentioned valuation adjustments, thus making the comparison with September 2005 scarcely significant.

Significant events subsequent to the end of the quarter

On 6th October 2006 BNP Paribas has exercised the purchase right (in accordance with art. 111 D.Lgs 58/1998) on the residual BNL ordinary shares in circulation.
On 9th October BNP Paribas has purchased through blocks trading ("*mercato dei blocchi*") 7,932,579 BNL savings shares at a price of 3.75 euro per share, thus reaching 72.11% of the savings share capital.

* * *

Furthermore, in the course of today's meeting, in relation to the exercise of the voluntary conversion of savings shares into ordinary shares and the sale option by holders of savings shares to BNL, the Board of Directors has resolved to proceed with both, following the shareholders' meetings called for 20th, 22nd and 23rd November 2006 (respectively at 1st, 2nd and 3rd calling) in a period to be agreed with Borsa Italiana and in any case by 31st December 2006.

Please note that the original Press Release is in Italian.
In case of doubt the Italian version prevails.

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Attachment 1

BNL GROUP: HIGHLIGHTS

Income statement

(euro million)

	9 M 06	9 M 05	% change
Net interest income	1.313	1.231	+ 6,7
Net commissions	750	754	- 0,5
Net interest and other banking income	2.305	2.129	+ 8,3
Net value adjustments for impairment of loans and receivables	(438)	(79)	+ 454,4
Operating costs	(1.599)	(1.415)	+ 13,0
Net profit	179	413	- 56,7

Balance sheet

(euro million)

	30/09/06	31/12/05	% change
Loans and receivables to customers	65.003	64.288	+ 1,1
Financial assets held for trading, carried at fair value, available for sale and held to maturity	5.287	8.839	- 40,2
Total assets	87.745	89.090	- 1,5
Direct deposits from customers (1)	63.400	63.229	+ 0,3
Indirect deposits	75.562	74.857	+ 0,9
Shareholders' equity (including minority interests)	5.242	5.029	+ 4,2
Shareholders' equity (excluding minority interests)	5.192	4.989	+ 4,1

(1) *Includes deposits from customers, securities issued and financial liabilities carried at fair value.*

Profitability and efficiency ratios

(% and '000s euro)

	9 M 06	9 M 05
Cost / income ratio (%)(1)	63,7	65,6
Adjusted cost / income ratio (%)(2)	61,4	62,6
Net commissions / personnel expenses (%)	84,1	82,5
Net interest and other banking income / employee (3)	135	126
Net interest and other banking income / distribution outlet	2.564	2.368

('000s euro)

	9 M 06	31/12/05
Customers' financial assets / employee (3) (4)	8.150	8.160
Customers' financial assets / distribution outlet (4)	173.486	172.392

(1) Ratio between operating costs, excluding provisions for risks and contingencies, and operating income.

(2) Ratio between operating costs, excluding provisions for risks and contingencies, and operating income, increased of the interest effect from time value adjustment on impaiment of loans .

(3) Ratio calculated on the average number of employees.

(4) Customers' financial assets comprise direct and indirect deposits from customers.

Attachment 2

Asset quality

(%)

	30/09/06	31/12/05
As a percentage of loans to customers		
Net non-performing loans / loans to customers	1,7	1,6
Substandard loans / loans to customers	1,1	1,2
Restructured loans / loans to customers	0,1	0,2
Past due loans over 180 days/ loans to customers	0,4	0,7
Coverage ratio		
Net non-performing loans	68	68
Substandard loans	36	37
Restructured loans	34	-
Past due loans over 180 days	36	20
Performing loans	1	1

Capital ratios

(euro million and %)

	30/09/06	31/12/05
Risk weighted assets (RWA)	67.656	68.369
Tier 1 capital	4.917	4.605
Consolidated capital for supervisory purposes	7.196	6.333
Tier 3 subordinated loans	0	150
Tier 1 ratio	7,3	6,7
Total risk ratio [(1)]	10,6	9,5

(1) Ratio between capital for supervisory purposes, increased of Tier 3 subordinated loans accountable for this purpose, and risk weighted assets.

Other data (1)

	30/09/06	31/12/05
Number of employees at period-end	17.132	16.970
Average number of employees	17.051	16.923
Number of distribution outlets	899	899
of which		
- BNL retail branches in Italy	*703*	*703*
- BNL specialized outlet	*98*	*98*
- BNL foreign branches	*4*	*4*
- Other BNL's Group distribution outlets	*94*	*94*

(1) Data exclude personnel and branches of Argentinean operations included in the report under "Non-current assets held for sale and discontinued operations" (IFRS 5) amounting respectively, as at 31st March 2006 to 2,030 employees and 91 branches and as at 31st December 2005 to 2,042 employees and 91 branches.

BNL ratings (as at 15th May 2006)

	S&P	Moody's	Fitch Ratings
Short-term	A1+	P1	F1 +
Long-term	AA -	Aa3	AA -
Outlook	Positive	Stable	Positive

Attachment 3

BNL GROUP: RECLASSIFIED BALANCE SHEET

(euro million)

ASSETS	30/09/06	31/12/05	% change amount	%
Cash and cash equivalents	405	471	- 66	- 14,0
Loans and receivables to banks	11.067	8.131	+ 2.936	+ 36,1
Loans and receivables to customers	65.003	64.288	+ 715	+ 1,1
Financial assets held for trading, carried at fair value, available for sale and held to maturity	5.287	8.839	- 3.552	- 40,2
Hedging derivatives	217	187	+ 30	+ 16,0
Change in value of financial assets recorded as part of a macrohedge	115	284	- 169	- 59,5
Equity investments	173	155	+ 18	+ 11,6
Tangible and intangible assets	2.559	2.558	+ 1	+ 0,0
Non current assets held for sale and discontinued operations		1.279	- 1.279	- 100,0
Tax and other assets	2.919	2.897	+ 22	+ 0,8
Total assets	**87.745**	**89.090**	**- 1.345**	**- 1,5**

(euro million)

LIABILITIES AND SHAREHOLDERS' EQUITY	30/09/06	31/12/05	% change amount	%
Deposits from banks	14.199	13.808	+ 391	+ 2,8
Deposits from customers and securities issued	63.400	63.229	+ 171	+ 0,3
Financial liabilities - held for trading	1.619	1.854	- 235	- 12,7
Hedging derivatives	334	393	- 59	- 15,0
Change in value of financial liabilities part of a macrohedge	(175)	(37)	- 138	+ 373,0
Allowances for risks and contingencies and liabilities for retirement indemnities	1.252	1.128	+ 124	+ 11,0
Liabilities related to discontinued operations		1.180	- 1.180	- 100,0
Tax and other liabilities	1.874	2.506	- 632	- 25,2
Shareholders' equity	5.242	5.029	+ 213	+ 4,2
of which: - Parent Company	*5.192*	*4.989*	*+ 203*	*+ 4,1*
- Minorities	*50*	*40*	*+ 10*	*+ 25,0*
Total liabilities and shareholders' equity	**87.745**	**89.090**	**- 1.345**	**- 1,5**

Attachment 4

BNL GROUP: RECLASSIFIED INCOME STATEMENT

(euro million)

	9 M 06	9 M 05	% change amount	%
Net interest income	**1.313**	**1.231**	**+ 82**	**+ 6,7**
Net commissions	750	754	- 4	- 0,5
Dividend on equity investments	12	9	+ 3	+ 33,3
Net result and dividends from trading, hedging and fair value option	(13)	91	- 104	- 114,3
Profit (loss) on sale/purchase of loans and other financial assets	244	53	+ 191	+ 360,4
Profit (loss) on repurchase of other financial liabilities	(1)	(9)	+ 8	- 88,9
Net interest and other banking income	**2.305**	**2.129**	**+ 176**	**+ 8,3**
Net value adjustments for impairment of loans and receivables	(438)	(79)	- 359	+ 454,4
Net value adjustments for impairment of other financial assets	(47)	4	- 51	n.s.
Net result of financial activities	**1.820**	**2.054**	**- 234**	**- 11,4**
Administrative expenses	(1.362)	(1.388)	+ 26	- 1,9
a) personnel expenses	*(892)*	*(914)*	*+ 22*	*- 2,4*
b) other administrative expenses	*(470)*	*(474)*	*+ 4*	*- 0,8*
Net provisions for risks and contingencies	(131)	(18)	- 113	+ 627,8
Net write-downs/write-backs on tangible assets	(42)	(36)	- 6	+ 16,7
Net write-downs/write-backs on intangible assets	(149)	(76)	- 73	+ 96,1
Other operating income/expenses	85	103	- 18	- 17,5
Operating costs	**(1.599)**	**(1.415)**	**- 184**	**+ 13,0**
Profit (loss) on equity investments	(7)	12	- 19	- 158,3
Profit (loss) from sale of investments and goodwill impairment	11	1	+ 10	n.s.
Profit (loss) before tax from continuing operations	**225**	**652**	**- 427**	**- 65,5**
Tax for the period	(149)	(270)	+ 121	**- 44,8**
Profit (loss) after tax from continuing operations	**76**	**382**	**- 306**	**- 80,1**
Net profit (loss) after tax of non-current assets held for sale	103	32	+ 71	+ 221,9
Net profit (loss) before minority interests	**179**	**414**	**- 235**	**- 56,8**
Net profit (loss) attributable to minority interests		(1)	+ 1	n.s.
Net profit (loss)	**179**	**413**	**- 234**	**- 56,7**

Basic earnings per share	**0,04**	**0,14**	**- 0,10**	**(71,85)**
Diluted earnings per share	**0,04**	**0,14**	**- 0,10**	**(71,85)**

Attachment 5

SEGMENT REPORTING

(euro million)

INCOME STATEMENT - 9M 2006	RETAIL	CORPORATE	CORPORATE CENTER	TOTALE
Net Interest Income	**661**	**647**	**5**	**1.313**
Other net income	523	271	198	992
Banking Income	**1.184**	**918**	**203**	**2.305**

Attachment 6

BNL GROUP - RECLASSIFIED INCOME STATEMENT : QUARTERLY ANALYSIS

(euro million)

	FY 2006			FY 2005 [(1)]			
	Q 3	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1
Net interest income	**441**	**436**	**436**	**443**	**413**	**432**	**386**
Net commissions	245	247	258	264	242	269	243
Dividend on equity investments	3	9		5		9	
Net result and dividends from trading, hedging and fair value option	45	(72)	14	3	40	14	37
Profit (loss) on sale/purchase of loans and other financial assets	39	97	108	34	6	13	34
Profit (loss) on repurchase of other financial liabilities			(1)	(1)	(3)	(3)	(3)
Net interest and other banking income	**774**	**715**	**816**	**748**	**698**	**734**	**697**
Net value adjustments for impairment of loans and receivables	(60)	(308)	(70)	(27)	10	(56)	(33)
Net value adjustments for impairment of other financial assets	(9)	(38)		(9)	2	3	(1)
Net result of financial activities	**705**	**369**	**746**	**712**	**710**	**681**	**663**
Administrative expenses	(462)	(470)	(430)	(492)	(492)	(479)	(417)
a) personnel expenses	*(306)*	*(309)*	*(277)*	*(301)*	*(341)*	*(299)*	*(274)*
b) other administrative expenses	*(156)*	*(161)*	*(153)*	*(191)*	*(151)*	*(180)*	*(143)*
Net provisions for risks and contingencies	(25)	(76)	(30)	(18)	(14)	(4)	
Net write-downs/write-backs on tangible assets	(14)	(14)	(14)	(15)	(12)	(11)	(13)
Net write-downs/write-backs on intangible assets	(36)	(88)	(25)	(32)	(26)	(26)	(24)
Other operating income/expenses	31	29	25	30	26	31	46
Operating costs	**(506)**	**(619)**	**(474)**	**(527)**	**(518)**	**(489)**	**(408)**
Profit (loss) on equity investments	4	(16)	5	10	6	5	1
Profit (loss) from sale of investments and goodwill impairment		11		(1)	1		
Profit (loss) before tax from continuing operations	**203**	**(255)**	**277**	**194**	**199**	**197**	**256**
Tax for the period	(93)	50	(106)	(83)	(86)	(64)	(120)
Profit (loss) after tax from continuing operations	**110**	**(205)**	**171**	**111**	**113**	**133**	**136**
Net profit (loss) after tax of non-current assets held for sale		93	10	8	26	6	
Net profit (loss) before minority interests	**110**	**(112)**	**181**	**119**	**139**	**139**	**136**
Net profit (loss) attributable to minority interests	(1)	1			(1)		
Net profit (loss)	**109**	**(111)**	**181**	**119**	**138**	**139**	**136**

(1) Data compared to the respective Interim reports 2005 already published, they reflect the back-dated implementation to the transition date for IAS/IFRS of the following: 1) amendments to international accounting principles (IAS 19 revised and fair value option); 2) directives on reporting contents issued by Bank of Italy (Circ. 262 of December 2005); 3) different implementation guidelines on IAS/IFRS issued by the Italian Accounting Body ("Organismo Italiano di Contabilità") and by the Italian Banking Association (ABI).

(1) Data exclude the impact of IAS 32 and 39, effective from 1/01/2005.