Press Release

Consolidated results at 31 December 2006

Revenue growth, strict risk control and capital strengthening

Confirmation of preliminary results announced on 9 February

Growth in revenues
- Banking income +8% on December 2005
- Net interest income +4% on December 2005

Stronger capital ratios
- Tier 1 ratio at 7% (+0.3 p.p. compared to year-end 2005)
- Total risk ratio at 10.5% (+1.0 p.p. on year-end 2005)

Credit risk coverage above national standards
- Non-performing loans coverage at 69%
- Coverage of substandard, past due over 90 days and restructured loans at 37%

Net profitability affected by adjustments for restructuring costs envisaged by the three-year plan 2007-09 and by the harmonization of valuation criteria at group level
- Net profit equal to 44 euro million

Ordinary Shareholders' Meeting called for 27 April at first calling and 11 May at second calling

Rome 23rd March 2007. The Board of Directors of BNL, meeting today chaired by Luigi Abete, has approved the consolidated financial statements and the draft financial statements of BNL SpA as of 31st December 2006, with results in line with those previewed on 9 February 2007.

The draft financial statements for 2006 will be submitted for the approval of the Shareholders' Meeting called for 27 April and 11 May, at first and second calling respectively.

Results for the year confirm the positive trend in overall revenues and in ordinary profitability, whilst being impacted by the following one-off items, as already announced:

- adjustments for restructuring costs for an overall impact of 381 euro million before tax deriving from the three-year plan 2007-09 and mostly related to the plan for voluntary early retirement of personnel;
- effects related to changes in valuation criteria, already largely included in the semi-annual and 9 months results for the year, with an overall impact of 538 euro million before tax.

The consolidated **net profit** for 2006 thus comes to 44 euro million (532 million the net profit for 2005). Net of the said non-recurrent items, the net profit would have amounted to 655 euro million (+23% compared to 2005).

Results as of 31st December 2006

Consolidated financial statements

Banking income contributes to the result with 3,102 euro million, growing by 7.8% on 2005. Within this aggregate, **net interest income** (1,744 million) marks an increase of 4.2% on the previous year whilst **net commissions** show a slight reduction (-1.1% compared to 2005), totalling 1,007 euro million.
Other revenues total 351 euro million (185 million in 2005) and include a positive net contribution of 135 euro million from non-recurrent operations.

Net value adjustments for impairment of loans and other activities amount to 643 euro million (111 million at December 2005) and include 403 euro million related to the impact of the application of group policies in terms of credit risk coverage.

Administrative expenses, which total 2,254 euro million, mark an increase on 2005 basically due to provisions for the three-year restructuring costs deriving from the 2007-09 plan pertaining to personnel's voluntary early retirement agreed with the unions. Net of this impact, **personnel expenses** amounting to 1,589 euro million (1,215 million in 2005) show an increase of 0.7%. **Other administrative expenses** remain unchanged on the previous year.
Net provisions on risks and contingencies come to 150 euro million and include 94 euro million of net charges relating to agreements reached on the Parmalat case in Italy and in the United States.
Net write-downs on tangible and intangible assets amount to 246 euro million and comprise 101 euro million deriving from the faster amortization criteria implemented at group level.

The consolidated results include 106 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.

Consolidated balance sheet

Consolidated **net equity** at 31 December 2006, inclusive of net profit for the period, amounts to 5,070 euro million (+0.8% on 2005). Both capital ratios mark a significant improvement: the **Tier 1 ratio** reaches 7% (6.7% at December 2005) and the **Total risk ratio** comes to 10.5% (9.5% at year-end 2005), the latter boosted by the *Lower Tier 2* subordinated loan received in two tranches by the controlling company BNP Paribas in the second part of the year for overall 1,000 euro million.

Cash loans to customers show a growth of 1.5% reaching 65,261 euro million (64,288 million at year-end 2005) and is coupled with a marked improvement in asset quality coverage levels compared to December 2005. Net **impaired loans** have been reduced to 1,989 euro million (2,350 million at year-end 2005) with coverage increased from 53.6% to above 60%. In this context net **non-performing loans** stand at 1,096 euro million (1,004 million at December 2005) with a level of coverage of 69% (68% in 2005) whilst the aggregate of net substandard, past due over 180 days and restructured loans totals 893 euro million (1,346 million at year-end 2005) with a coverage level of 37% (30% at year-end 2005). The coverage of past due loans between 90 and 180 days is also at 37%.

Direct deposits from customers amount to 65,294 euro million (63,228 million in 2005), with an increase of 3.3%.

BNL SpA's results

The Bank's accounts close with a net loss of 29 euro million and with a net equity – inclusive of the said loss – of 4,448 euro million (4,459 million at the end of December 2005).

This result is due, as in the case of the consolidated, to the impact deriving for the Bank from adjustments for restructuring costs envisaged by the three-year plan (371 euro million the relevant share of the Parent Company) and from the harmonization of valuation criteria (450 euro million for the Parent Company).

Segment information

In terms of banking income, all business segments mark an improvement compared to the 2005 performance. In particular, the Retail segment shows a growth in revenues of 4.9% while Corporate segment revenues show a progress of 2.1%.

At net interest income level, the 4.2% improvement on the previous year is largely attributable to the positive commercial trend of the Retail segment (+17%) which reflects the growth in average volumes and the improvement in mark-down.

The positive contribution of other revenues (+13% overall) is mainly due to the Corporate Center segment, which benefits from non-recurrent net income.

Significant events subsequent to year-end

The following are amongst significant events which occurred after year-end 2006:

- in January 2007 BNL SpA bought from third parties 5% of BNL Fondi Immobiliari SGR pA's share capital at a price of 4 euro million. As a result of this purchase, BNL now owns 100% of BNL Fondi Immobiliari SGR pA's capital;

- also in January - in the context of integrating BNL SpA's operations with BNP Paribas SA, following the approval of the relevant Swiss local authorities - the entire capital of Lavoro Bank AG – Zurich was sold to BNP Paribas (Suisse) SA at a price of 58 euro million with a capital gain of 14 euro million. Therefore, as of 26 January 2007, the said company is no longer part of BNL Group's consolidation perimeter;

- on 15 February 2007, always within the context of integrating BNL SpA and BNP Paribas SA's activities, the total capital of BNL International SA Luxembourg, owned by BNL International Investments SA- Luxembourg, was sold to BNP Paribas SA Luxembourg. The sale price was agreed at 38 euro million with a capital gain of 7 euro million. As a result, from this date, the company sold is no longer included in BNL Group's consolidation perimeter;

- the reorganisation project of BNL SpA's operations, mainly non-Italian ones, with BNP Paribas counterparts, analysed in preliminary terms by the Board of Directors on 30th January 2007, was approved at the following Board meeting of 9th February.

  The merger project - whose completion will require, among others, receipt of all necessary authorisations by the Bank of Italy with regard to supervisory and regulatory aspects – provides for the contribution of BNL commercial banking operations to a new Italian subsidiary, that will adopt the corporate name "Banca Nazionale del Lavoro Spa", and the merger of the post-contribution BNL into BNP Paribas. The operations that will be integrated into BNP Paribas as a result of the merger include, for example, the foreign branches of New York, London, Madrid and Hong Kong, as well as some equity investments.

  At the meeting of the respective Board of Directors held in March 2007, BNP Paribas SA and BNL SpA approved the merger of BNL into BNP Paribas. The objective is to conclude the conferral and merger process in the last quarter of the year and in any case by 31st December 2007.

BNL
Gruppo BNP PARIBAS

Outlook for 2007

In a market context expected to confirm recent signs of recovery of the domestic economy, 2007 is going to represent for BNL Group the first year entirely dedicated to the attainment of the integration targets within BNP Paribas Group, along the terms and guidelines of the development plan to 2009 presented to the financial community on 1st December 2006.

In order to achieve the targeted cost and revenue synergies, the plan's guidelines identify as a top priority the constant maximisation of opportunities for cross-selling and development of commercial banking activities in Italy.

To this purpose the announced reorganisation of the lay-out and group perimeter aims at the integration of such activities within BNP Paribas Group's organisational model, and particularly at making commercial banking activity its central and distinguishing feature:

- by increasing centralisation of its control structures, in order to intensify the operating focus on the improvement of offering models, levels of production and quality of customer service;
- by laying the grounds, through such centralisation, for an improvement of the operating efficiency;
- by ensuring the enhancement of product and service quality, leveraging on the integration of businesses relating to asset management, specialised financial services and cross-border activities with BNP Paribas Group's platforms and international operating structures.

In view of the said guidelines, in 2007 BNL expects to confirm an adequate increase of the net result, supported by the growth of banking income and the improvement of the cost/income ratio, concurrently with the reinforcement of credit risk control policies, already significantly strengthened in the course of 2006. Credit quality could also be enhanced by a sale of problem loans to be assessed according to a strict cost-benefit approach.

Contacts:
Media Relations
Francesco Chiurco
Piera Antinucci
Tel. +39 06 4702 7209-15
Fax +39 06 4702 7445
press.bnl@bnlmail.com

Attachment 1

BNL GROUP: HIGHLIGHTS

Income statement

(euro million)

	FY 2006	FY 2005	% change
Net interest income	1.744	1.674	+ 4,2
Net commissions	1.007	1.018	- 1,1
Banking income	3.102	2.877	+ 7,8
of which: accounting harmonization	*(11)*	-	n.s.
Net value adjustments for impairment of loans and other financial activities	(643)	(111)	+ 479,3
of which: accounting harmonization	*(403)*	-	n.s.
Operating costs	(2.566)	(1.942)	+ 32,1
of which: accounting harmonization	*(124)*	-	
of which: for reorganization	*(381)*	-	n.s.
Net profit before minority interests	44	533	- 91,7
Net profit	44	532	- 91,7

Balance sheet

(euro million)

	31/12/2006	31/12/2005	% change
Loans to customers	65.261	64.288	+ 1,5
Financial assets held for trading, carried at fair value, available for sale and held to maturity	3.829	8.839	- 56,7
Total assets	88.168	89.090	- 1,0
Direct deposits from customers [1]	65.294	63.228	+ 3,3
Indirect deposits	78.413	74.857	+ 4,8
Shareholders' equity (including minority interests)	5.070	5.029	+ 0,8
Shareholders' equity (excluding minority interests)	5.020	4.989	+ 0,6

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

Profitability and efficiency ratios

('000s euro)

	FY 2006	FY 2005
Operating income / employee [1]	183	170
Operating income / distribution outlet	3.454	3.200
Customers' financial liabilities / employee [1] [2]	8.464	8.160
Customers' financial liabilities / distribution outlet [2]	179.409	172.391

[1] *Calculated on the average number of employees.*

[2] *The aggregate comprises direct and indirect deposits from customers.*

Attachment 2

Asset quality

(%)

	31/12/2006	31/12/2005
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 >180 / loans to customers	0,2	0,7
Coverage ratio		
Net non-performing loans	69,4	68,1
Substandard loans	37,4	37,5
Restructured loans (*)	34,0	18,1
Past due loans >180	35,0	20,3
Performing loans	1,2	1,0

(*) Included in the loans net restructuring loss

Capital ratios

(euro million and %)

	31/12/2006 (*)	31/12/2005
Risk weighted assets (RWA)	68.515	68.369
Tier 1 capital	4.794	4.605
Consolidated capital for supervisory purposes	7.223	6.333
Tier 3 subordinated loans	0	150
Tier 1 ratio	7,0	6,7
Total risk ratio	10,5	9,5

(*) *Data not yet sent to Bank of Italy*

Other data

	31/12/2006	31/12/2005
Number of employees at year-end	16.986	16.970
Average number of employees	16.978	16.923
Number of distribution outlets	898	899
of which		
- BNL retail branches in Italy	*703*	*703*
- BNL specialized outlets	*98*	*98*
- BNL foreign branches	*4*	*4*
- Other BNL's Group distribution outlets	*93*	*94*

Attachment 3

Assets under management and securities under custody

(euro million)

	31/12/2006	31/12/2005	% change
Assets under management	**25.752**	**27.782**	**-7,3%**
- of which			
Mutual funds	*17.365*	*18.610*	-6,7%
Portfolio management	*7.790*	*8.567*	*-9,1%*
Funds under fiduciary management	*597*	*605*	*-1,3%*
Securities under custody	**52.661**	**47.075**	*11,9%*
Total indirect deposits	**78.413**	**74.857**	4,8%

BNL ratings

	S&P	Moody's	Fitch Ratings
Short-term	A1+	P1	F2
Long-term	AA-	Aa3	AA-
Outlook	Positive	Stable	Stable

Attachment 4

BNL GROUP: RECLASSIFIED BALANCE SHEET

(euro million)

Balance sheet's mandatory schemes codes (*)	ASSETS	31/12/2006	31/12/2005	% change amount	%
10	Cash and cash equivalents	369	471	- 102	- 21,7
60	Loans and receivables to banks	12.417	8.131	+ 4.286	+ 52,7
70	Loans and receivables to customers	65.261	64.288	+ 973	+ 1,5
20, 30, 40, 50	Financial assets held for trading, carried at fair value, available for sale and held to maturity	3.829	8.839	- 5.010	- 56,7
80	Hedging derivatives	308	187	+ 121	+ 64,7
90	Change in value of financial assets recorded as part of a macrohedge	64	284	- 220	- 77,5
100	Equity investments	180	155	+ 25	+ 16,1
120, 130	Tangible and intangible assets	2.510	2.558	- 48	- 1,9
150	Non current assets held for sale and discontinued operations	-	1.279	- 1.279	n.s.
140, 160	Tax and other assets	3.230	2.897	+ 333	+ 11,5
	Total assets	**88.168**	**89.090**	**- 922**	**- 1,0**

(*) The column shows the balance sheet mandatory schemes cdes whose amounts are indicated in the reclassified balance sheet.

(euro million)

Balance sheet's mandatory schemes codes (*)	LIABILITIES AND SHAREHOLDERS' EQUITY	31/12/2006	31/12/2005	% change amount	%
10	Deposits from banks	12.208	13.808	- 1.600	- 11,6
20, 30, 50	Deposits from customers	65.294	63.228	+ 2.066	+ 3,3
40	Financial liabilities - held for trading	1.700	1.854	- 154	- 8,3
60	Hedging derivatives	402	393	+ 9	+ 2,3
70	Change in value of financial liabilities part of a macrohedge	(167)	(36)	- 131	+ 363,9
110, 120	Allowances for risks and contingencies and liabilities for retirement indemnities	1.588	1.128	+ 460	+ 40,8
90	Liabilities related to discontinued operations	-	1.180	- 1.180	n.s.
80, 100	Tax and other liabilities	2.073	2.506	- 433	- 17,3
from: 140 to: 220	Shareholders' equity	5.070	5.029	+ 41	+ 0,8
	of which: - Parent Company	*5.020*	*4.989*	*+ 31*	*+ 0,6*
210	*- Minorities*	*50*	*40*	*+ 10*	*+ 24,0*
	Total liabilities and shareholders' equity	**88.168**	**89.090**	**- 922**	**- 1,0**

(*) The column shows the balance sheet mandatory schemes cdes whose amounts are indicated in the reclassified balance sheet.

BNL GROUP: RECLASSIFIED INCOME STATEMENT

(euro million)

Balance sheet's mandatory schemes codes (*)		2006	2005	% change amount	%
30	**Net interest income**	**1.744**	**1.674**	**+ 70**	**+ 4,2**
60	Net commissions	1.007	1.018	- 11	- 1,1
of which 70	Dividend on equity investments	13	14	- 1	- 7,1
o.w. 70, 80, 90,110	Net result and dividends from trading, hedging and fair value option	42	94	- 52	- 55,8
100 a, b	Profit (loss) on sale/purchase of loans and other financial assets	297	87	+ 210	+ 241,4
100 d	Profit (loss) on repurchase of other financial liabilities	(1) -	10	+ 9	- 90,4
120	**Banking income**	**3.102**	**2.877**	**+ 225**	**+ 7,8**
130 a	Net value adjustments for impairment of loans and receivables	(594)	(105)	+ 489	+ 465,7
130 b, d	Net value adjustments for impairment of other financial assets	(49)	(6)	+ 43	+ 716,7
140	**Net result of financial activities**	**2.459**	**2.766**	**- 307**	**- 11,1**
180	Administrative expenses	(2.254)	(1.880)	+ 374	+ 19,9
	a) personnel expenses	*(1.589)*	*(1.215)*	*+ 374*	*+ 30,8*
	b) other administrative expenses	*(665)*	*(665)*	*+ 0*	*+ 0,0*
190	Net provisions for risks and contingencies	(150)	(36)	+ 114	+ 316,7
200	Net write-downs/write-backs on tangible assets	(59)	(51)	+ 8	+ 15,7
210	Net write-downs/write-backs on intangible assets	(187)	(108)	+ 79	+ 73,1
220	Other operating income/expenses	84	133	- 49	- 36,8
230	**Operating costs**	**(2.566)**	**(1.942)**	**+ 624**	**+ 32,1**
240,260	Profit (loss) on equity investments	7	22	- 15	- 70,2
270	Profit (loss) from sale of investments and goodwill impairment	11	-	+ 11	n.s.
280	**Profit (loss) before tax from continuing operations**	**(90)**	**846**	**- 936**	**n.s.**
290	Tax for the period	28	(353)	- 381	**n.s.**
300	**Profit (loss) after tax from continuing operations**	**(62)**	**493**	**- 555**	**n.s.**
310	Net profit (loss) after tax of non-current assets held for sale	106	40	+ 66	+ 165,0
320	**Net profit (loss) before minority interests**	**44**	**533**	**- 489**	**- 91,7**
330	Net profit (loss) attributable to minority interests	-	(1)	- 1	n.s.
340	**Net profit (loss)**	**44**	**532**	**- 488**	**- 91,7**

(*) The column shows the balance sheet mandatory schemes codes whose amounts are indicated in the reclassified balance sheet.

Attachment 6

BNL GROUP - RECLASSIFIED INCOME STATEMENT : QUARTERLY ANALYSIS

(euro million)

	FY 2006				FY 2005			
	Q 4	Q 3	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1
Net interest income	**431**	**441**	**436**	**436**	**443**	**413**	**432**	**386**
Net commissions	257	245	247	258	264	242	269	243
Dividend on equity investments	1	3	9		5		9	
Net result and dividends from trading, hedging and fair value option	55	45	(72)	14	3	40	14	37
Profit (loss) on sale/purchase of loans and other financial assets	53	39	97	108	34	6	13	34
Profit (loss) on repurchase of other financial liabilities				(1)	(1)	(3)	(3)	(3)
Banking income	**797**	**774**	**715**	**816**	**748**	**698**	**734**	**697**
Net value adjustments for impairment of loans and receivables	(156)	(60)	(308)	(70)	(27)	10	(56)	(32)
Net value adjustments for impairment of other financial assets	(2)	(9)	(38)		(9)	2	3	(2)
Net result of financial activities	**639**	**705**	**369**	**746**	**712**	**710**	**681**	**663**
Administrative expenses	(892)	(462)	(470)	(430)	(492)	(492)	(479)	(417)
a) personnel expenses	*(697)*	*(306)*	*(309)*	*(277)*	*(301)*	*(341)*	*(299)*	*(274)*
b) other administrative expenses	*(195)*	*(156)*	*(161)*	*(153)*	*(191)*	*(151)*	*(180)*	*(143)*
Net provisions for risks and contingencies	(19)	(25)	(76)	(30)	(18)	(14)	(4)	
Net write-downs/write-backs on tangible assets	(17)	(14)	(14)	(14)	(15)	(12)	(11)	(13)
Net write-downs/write-backs on intangible assets	(38)	(36)	(88)	(25)	(32)	(26)	(26)	(24)
Other operating income/expenses	(1)	31	29	25	30	26	31	46
Operating costs	**(967)**	**(506)**	**(619)**	**(474)**	**(527)**	**(518)**	**(489)**	**(408)**
Profit (loss) on equity investments	14	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	**(315)**	**203**	**(255)**	**277**	**194**	**199**	**197**	**256**
Tax for the period	177	(93)	50	(106)	(83)	(86)	(64)	(120)
Profit (loss) after tax from continuing operations	**(138)**	**110**	**(205)**	**171**	**111**	**113**	**133**	**136**
Net profit (loss) after tax of non-current assets held for sale	3		93	10	8	26	6	
Net profit (loss) before minority interests	**(135)**	**110**	**(112)**	**181**	**119**	**139**	**139**	**136**
Net profit (loss) attributable to minority interests		(1)	1			(1)		
Net profit (loss)	**(135)**	**109**	**(11)**	**181**	**119**	**138**	**139**	**136**

Attachment 7

BNL GROUP: SEGMENT REPORTING - FY2006

BALANCE SHEET

(euro million)

ASSETS	RETAIL	CORPORATE	CORPORATE CENTER	TOTAL
Financial assets	102	103	3.996	4.201
Loans to customers	25.490	38.419	1.352	65.261
Loans to banks	60	1.547	10.810	12.417
Total assets	**25.782**	**40.887**	**21.499**	**88.168**

(euro million)

LIABILITIES	RETAIL	CORPORATE	CORPORATE CENTER	TOTAL
Deposits from customers	(31.607)	(17.510)	(10.577)	(59.694)
Deposits from banks	(113)	(1.576)	(10.519)	(12.208)
Financial liabilities	(2)	(5.607)	(1.926)	(7.535)
Total liabilities	**(32.000)**	**(25.375)**	**(30.793)**	**(88.168)**

INCOME STATEMENT

(euro million)

	RETAIL	CORPORATE	CORPORATE CENTER	TOTAL
BANKING INCOME	**1.613**	**1.229**	**260**	**3.102**