



BNP Paribas

Italy : a New Home Market in Europe

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June 9th 2006

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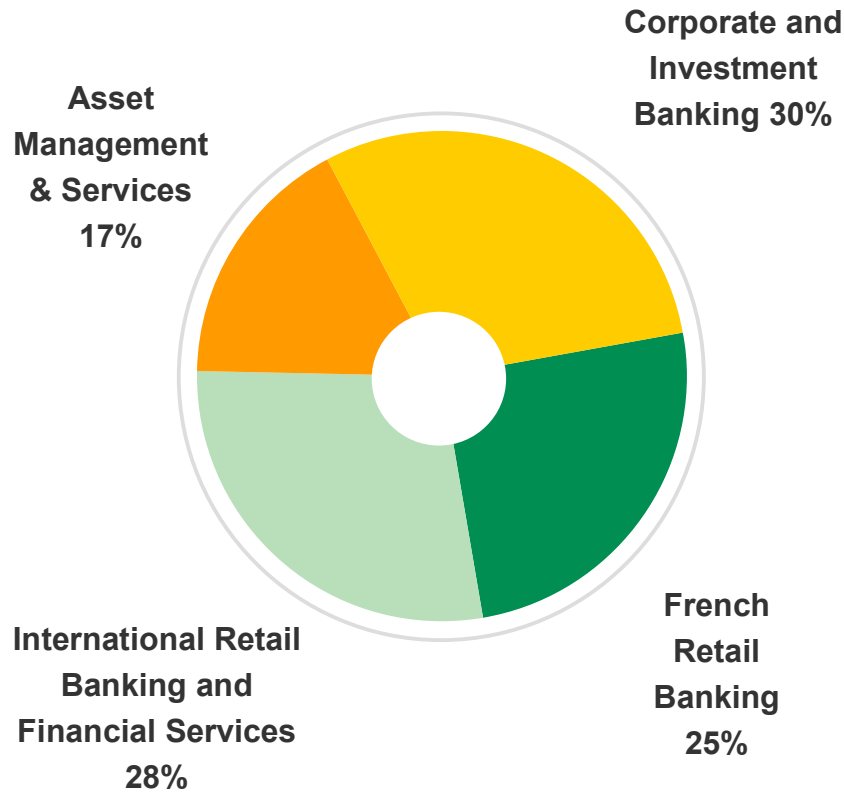
Acquisition in Line with Group Policy

Strong Potential

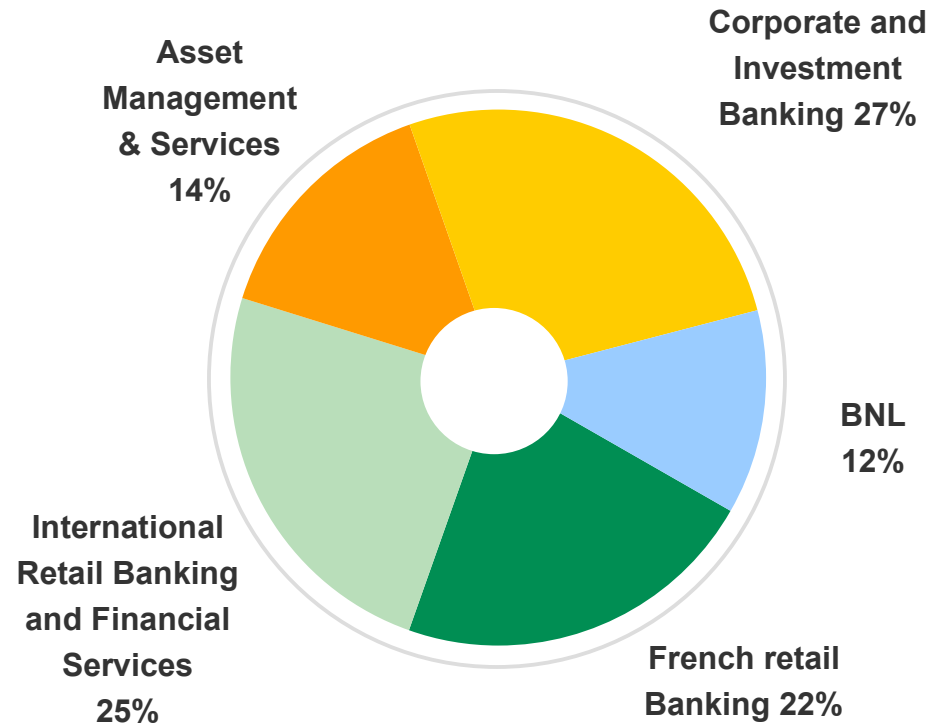
Additional Impetus for IRFS, AMS, and CIB

Conclusion

**BNP Paribas
2005 Net Banking Income**



**BNP Paribas + BNL
2005 Pro Forma Net Banking Income**



Retail banking franchise and European presence reinforced

Transactions

- Control of BNL obtained on April 5th through an agreement with 13 shareholders and in-market share purchases
- 97% ownership reached on May 16th following the success of the public offer on BNL and further in-market share purchases

Funding

- Aggregate consideration of €9.0bn⁽¹⁾
- New deal-related issues to date
 - Rights issue: €5.5bn
 - Hybrid issue: €1.4bn
- Tier one capital ratio maintained above 7% ⁽²⁾

Leverage optimised in accordance with group capital management objectives

(1) Based on the number of outstanding ordinary shares, savings shares and stock-options in the money

(2) Proforma Tier one capital ratio: 7.2% as at March 31st, including the acquisitions of BNL and UkrSibbank and hybrid debt issues

Price

- P/E 2006E: 18.3x⁽¹⁾
- P/BV 2006E: 1.9x⁽¹⁾ including a pre tax allowance for balance sheet adjustments of up to €800m
- Estimated €450m restructuring charges

Synergies

- Cost synergies of €250m pre-tax
- Revenue synergies resulting in pre-tax profits of €150m
- Fully achieved in 2009

Value Creation

- Accretive as early as 2008
- Return on Invested Equity > cost of capital from 2008 onwards

Group financial criteria respected

(1) based on Ibes figures as at March 31st 2006

Implementation Process

- Agreed to acquire a 48% stake in BNL **2nd February**
- BNP Paribas completes capital increase **7th to 20th March**
- The Bank of Italy approves the acquisition **20th March**
- All regulatory approvals secured **29th March**
- BNP Paribas files prospectus for public offer for BNL **3rd April**
- BNP Paribas has a majority stake in BNL **5th April**
- New Board Members elected **28th April**
Appointment of an Executive Director
- Public Offer **21st April to 16th May**
- Full integration process launched **May**

Acquisition Process Swiftly Implemented

- Friendly operation
- Positive management reaction
- Successful acquisition track record
- Deep knowledge of Italian market
 - All business lines already present in Italy
 - More than €750m* of revenues in Italy in 2005
 - Over 3,700** employees in Italy
- Roll-out in Italy of a tested and proven business model

Limited execution risk

**Estimated on the basis of management accounts; ** Including 100% of Findomestic employees*



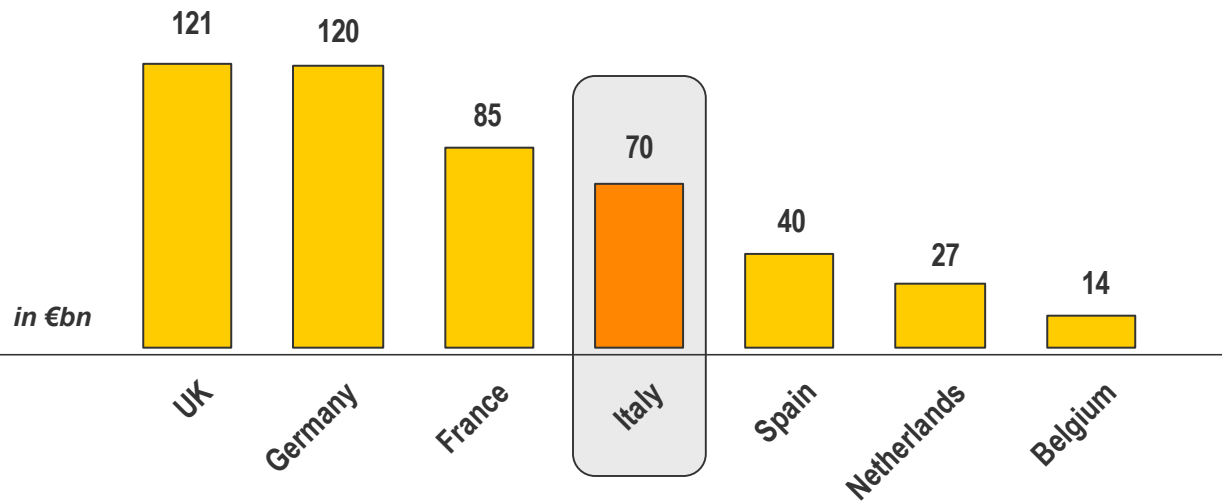
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Home Market in Europe



Strong Potential

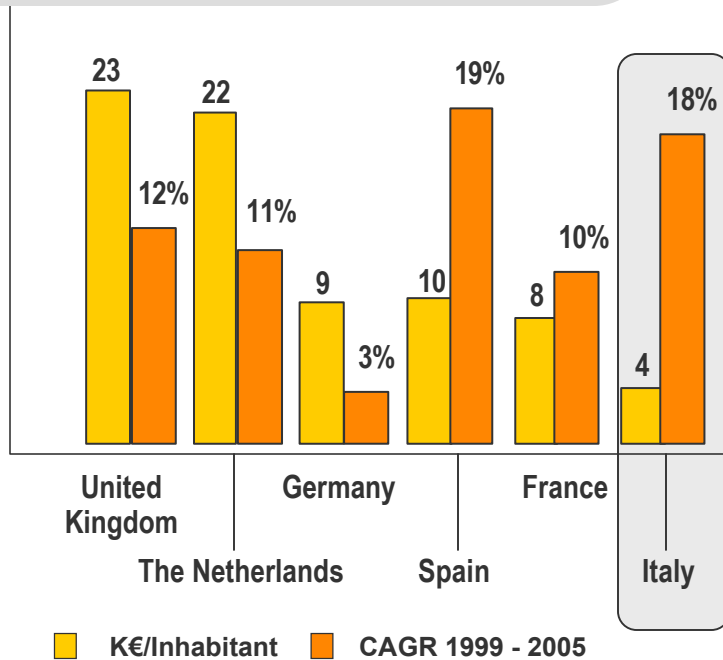
Total revenues (2004)



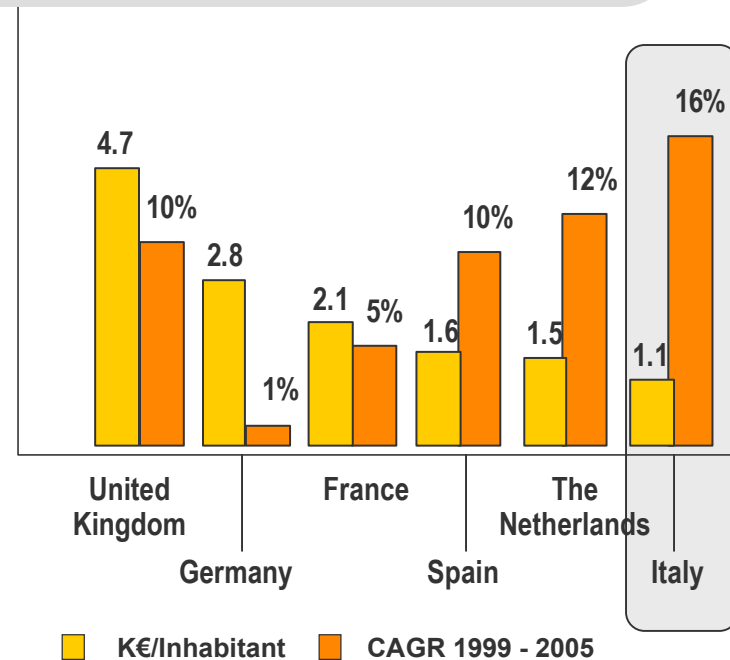
4th largest European banking market with a revenue pool of €70bn

Source: National statistics

Mortgage loans
Penetration level and growth rates



Consumer loans
Penetration levels and growth rates



BNP Paribas' European Retail Franchise shifts in favour of a market with a higher underlying growth rate

Source: Observatoire de l'épargne européenne

Recognised Nation-wide Retail Franchise

Brand Name and Network

- A strong nation-wide brand name awareness
- 801 branches covering all major Italian urban areas
- 6th largest bank (loans, deposits)

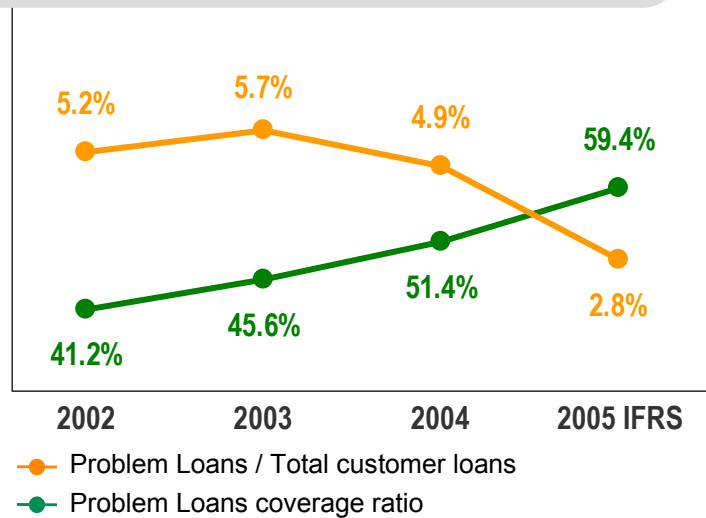
A Nation-wide Coverage



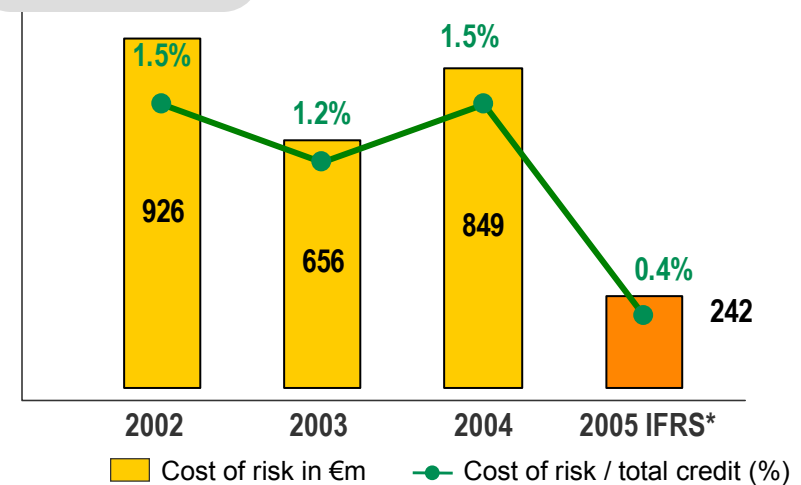
Close to 3 million retail customers

A franchise with a critical mass

Problem Loans ⁽¹⁾ and coverage ratio



Cost of risk



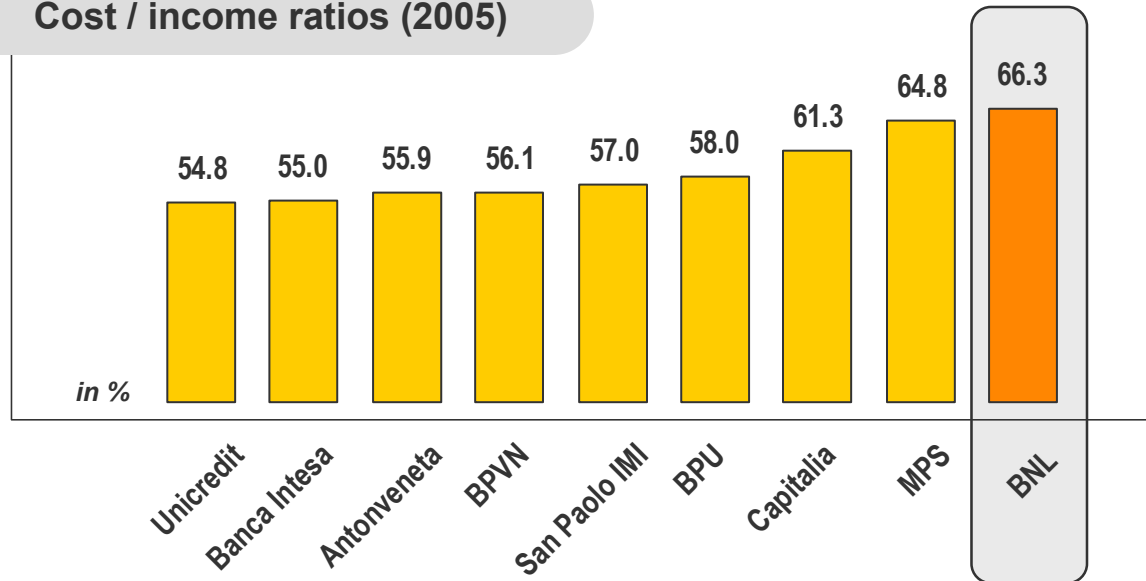
- Improved coverage of Problem Loans
- Reduced cost of risk
- Restored solvency ratios
 - €1.2bn capital increase in December 2004
 - 6.7% Tier 1 ratio as of December 31 2005 compared to 5.0% at year-end 2002
- Upgraded ratings (S&P, Fitch on a stand alone basis)

A recovery already underway

(1) Substandard and doubtful loans * Restated figures excluding the release of time value reserves

Efficiency : Room to Improve

Cost / income ratios (2005)



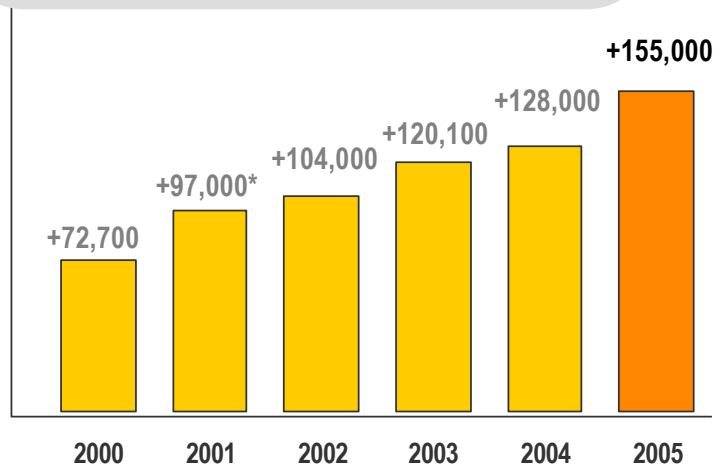
- Rationalise central and regional organisations
- Optimise IT and back-office organisations
- Transfer BNP Paribas' process optimisation know-how
- Reduce Procurement costs

Reduce BNL's cost/income ratio

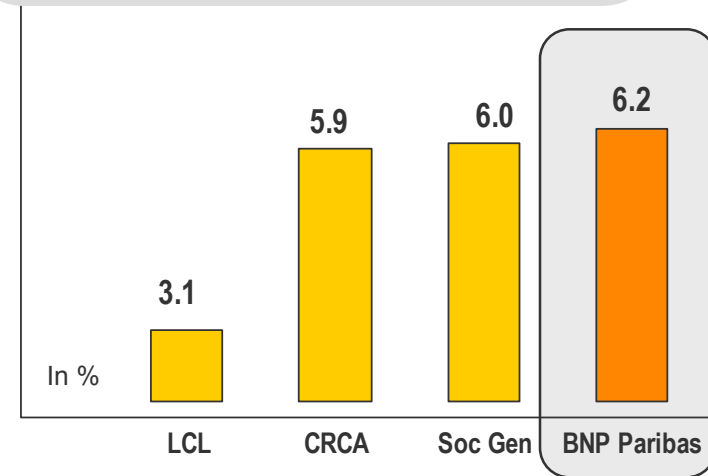
Source: Annual reports,

BNP Paribas in the French Retail Market : A Successful Model

Rise in the number of individual cheque and deposit accounts



French Retail Banking revenue growth rate 2005/2004



- Success of French Retail Banking linked to
 - Success of multi-channel banking
 - Sales teams and distribution infrastructure dedicated to specific customer segments
 - Wide range of products
 - Increased cross selling

French retail market outperformance in 2005

** plus 30,000 customers transferred from the Treasury network ** BNP Paribas estimate*

Roll-out in Italy of Successful Model (1/2)

Develop commercial culture and client service

- Expand product offering
- Develop management tools
- Install incentives driven by customer satisfaction measurements
- Launch branch renovation program

Enhance customer loyalty and cross-selling

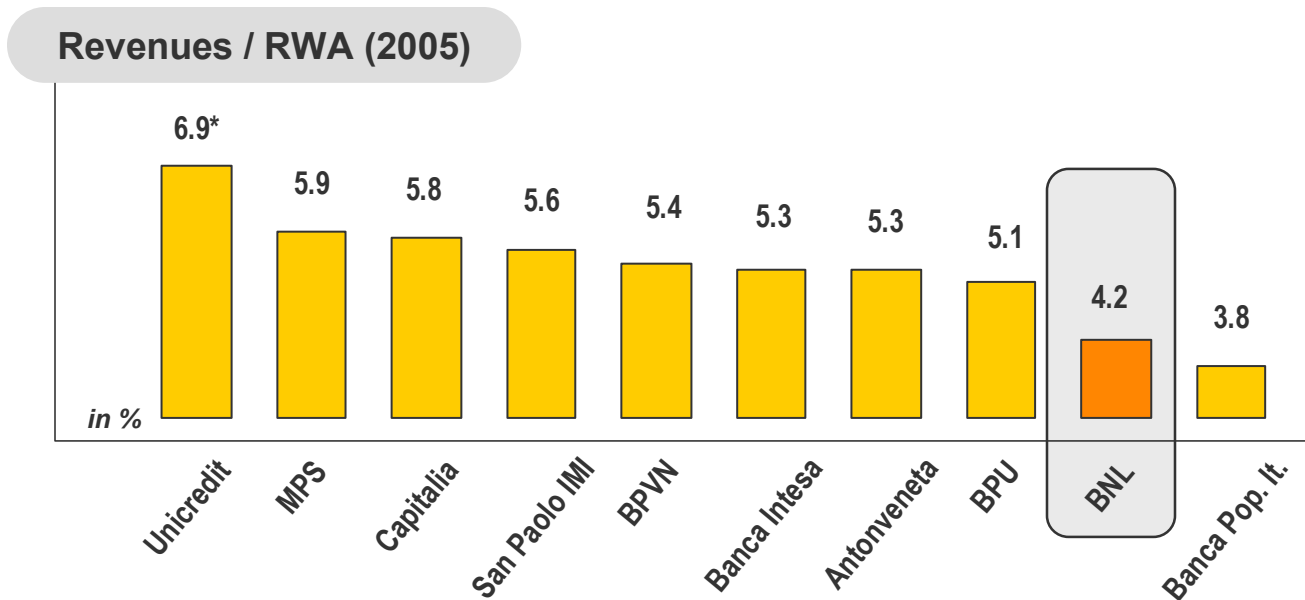
- Develop CRM tools
- Integrate multi-channel management of customer relationships
- Promote cross-selling driven sales management tools and incentives

Increase market share

- Open and selectively redeploy branches in key areas
- Focus on client acquisition strategies
- Invest in and capitalising on BNL brand name

Realise full growth potential of BNL's retail franchise

Roll-out in Italy of Successful Model (2/2)



- Revenues / RWA ratio at 4.2% in 2005
 - Lower than peer group average
- BNP Paribas' French Retail Banking revenues/RWA ratio 6.2%

Significant upside potential

Source: Annual reports; * 2004 figures for Unicredit

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**Additional Impetus
for IRFS, AMS and CIB**

BNL

- 18.1% market share in factoring
 - #1 player
- 6.2% market share in leasing
 - #3 player

BNP Paribas

- Over 12% market share in consumer credit
 - #1 player through Findomestic
- Approximately 20% market share in fleet management
 - #1 player

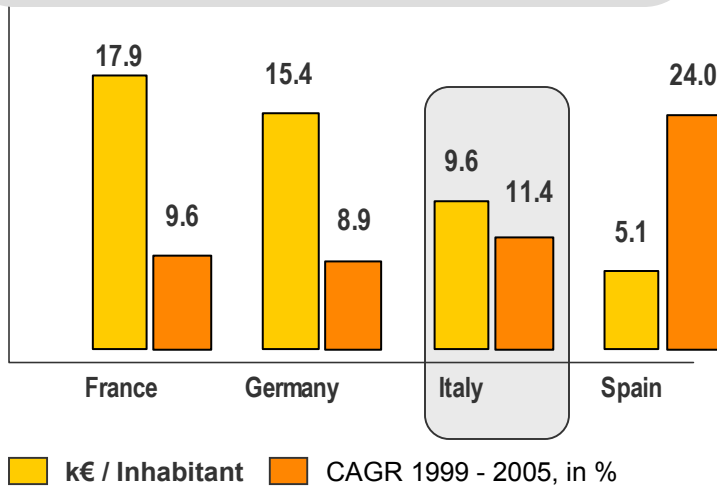
Multiple leading market positions

- Capitalise on Findomestic scale and know-how to develop BNL's consumer finance operations
- Combine, share or leverage platforms:
 - In leasing to create a leading leasing franchise active in all segments
 - In fleet management to strengthen Arval
- Leverage BNL's leadership in factoring

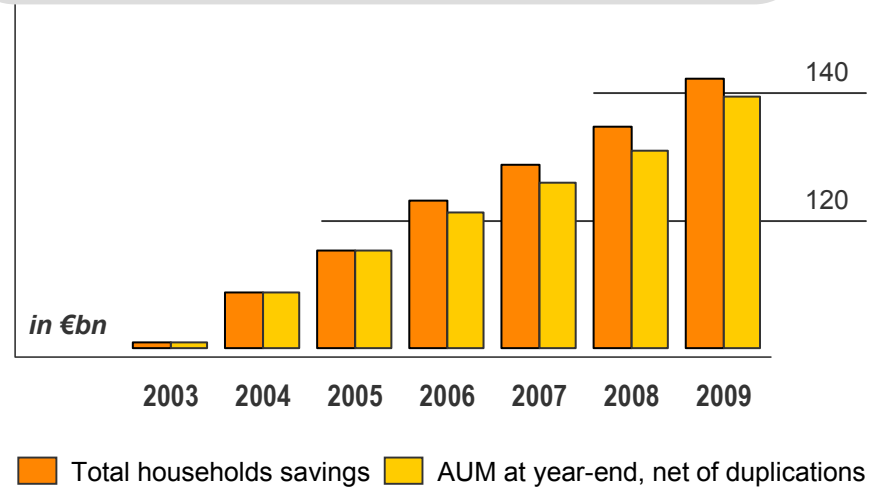
**Further strengthen status of leading provider of
Retail Financial Services in Italy**

Asset Management and Services

Penetration and growth rate of life insurance (2005)*



Evolution of households savings 2003-09
(base 100: 2003)**



- BNP Paribas
 - All AMS businesses already present in Italy
- BNL
 - #5 in life bancassurance with €9.6bn of technical reserves
 - #9 in asset management with €29.4bn AUM

Well positioned to benefit from a promising savings market

* Source: Observatoire de l'épargne européenne ** Source: Prometeia Research Institute

- Private Banking
 - Expand the product offering and implement the French Private Banking model
- Asset Management
 - Integrate platforms and share best practices
- BNP Paribas Securities
 - Leverage BNP Paribas Securities Services platforms and expertise
- Life-Insurance
 - Develop business in partnership with Unipol
- Creditor Protection Insurance
 - Deploy creditor protection insurance and individual protection

Enhance growth potential through share of best practices and cross selling

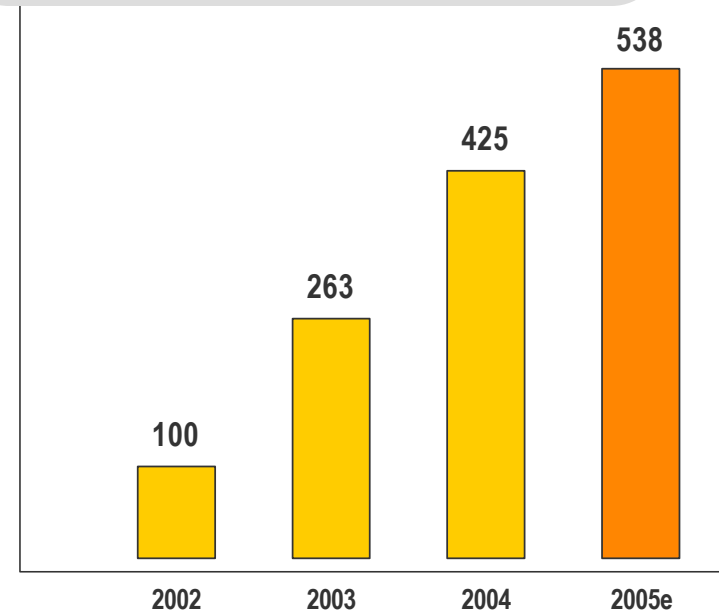
- Long standing corporate culture within BNL
 - 39,000 corporate customers
- Dedicated distribution network in Italy
 - 63 corporate centres
 - Country-wide coverage
- Strong presence amongst SMEs
- A credit centric relationship

**Existing access to a wide
corporate customer base**

Corporate and Investment Banking

- Maximise corporate franchise value through active cross-selling in all segments
 - Implement RAROC based cross-selling methodology and tools
 - Market tailored offering of innovative products to Italian SME and mid cap segment
 - Leverage BNP Paribas' global network vis-à-vis large Italian corporates
- Distribute BNP Paribas' best-in-class products through BNL network
 - Benefit from leading expertise in structured products

BNP Paribas CIB – FRB⁽¹⁾ cross-selling revenues (2002 = base 100)



Combine BNP Paribas' Corporate and Investment Banking leadership with BNL's deep relationships in Italy

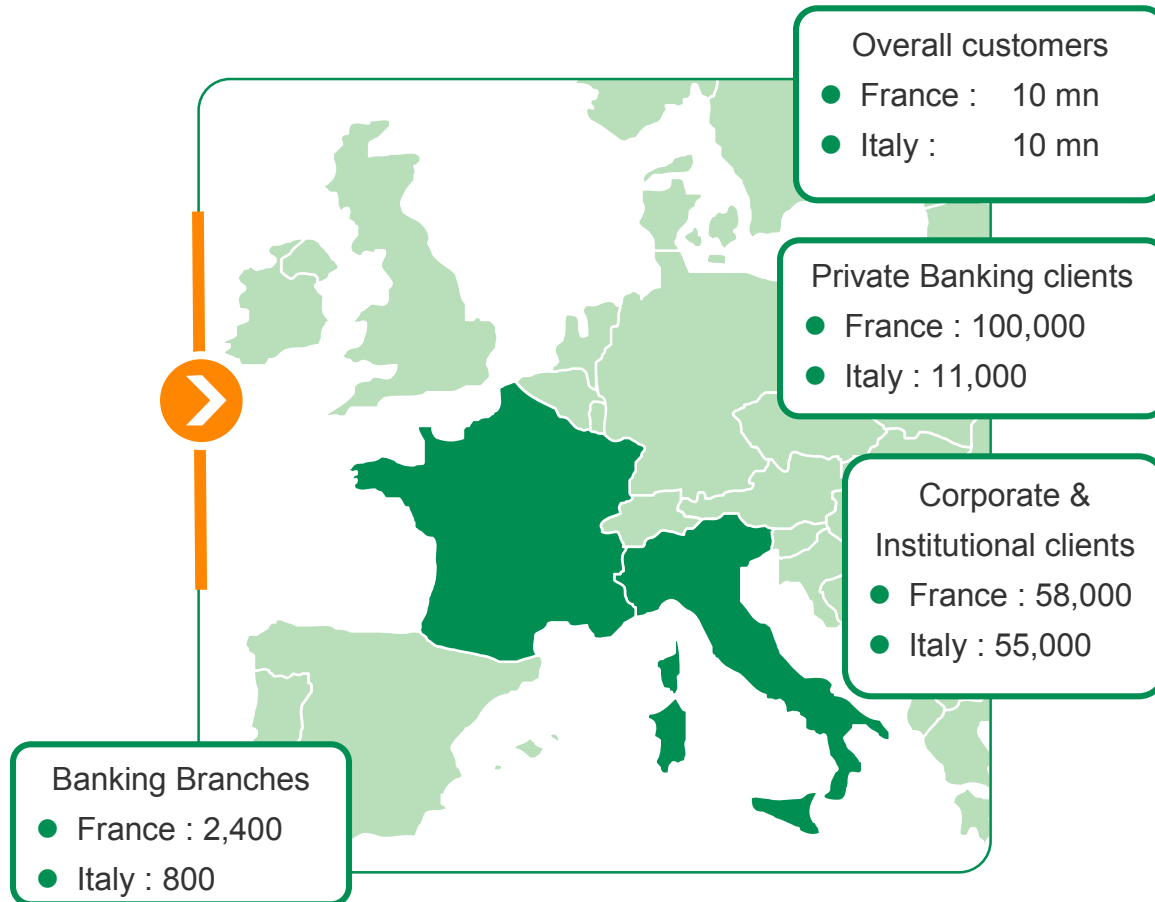
(1) CIB: Corporate and Investment Banking; FRB: French Retail Banking

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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 a zone with 120 mn inhabitants



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Creating a New
Home Market in Europe



Appendices

Asset Management and Services



Insurance

- Cardif Insurance (since 1993), 150 employees
 - CPI (Credit Protection Insurance) – market leader
 - Life Insurance (1% market share)
 - 3.2 bn EUR Technical Reserves (Est. 05)



Asset Management

- Asset Management (since 1995), 21 professionals
 - 2 main business lines:
 - External Distribution 4.7 bn AUM (240+ distributors)
 - Institutional 1.7 bn EUR AUM



Private banking

- Private Banking (since 1995)
 - 55 professionals in Milan and Rome
 - Client base of HNWI (750 K EUR +), 1.9 bn EUR AUM (1% m.s.)
 - Ranked #2 by Euromoney



Securities Services

Custody & clearing

- Securities services (since 1995)
 - 235 professionals
 - Main business lines: custody (€250bn AUC), International Investor Services, Global Issuer Services, Global Liquidity Mgt



Cortal Consors
A BNP PARIBAS company

FAs' network

- Direct brokerage and FAs' network
 - Cortal Consors has developed its business model of "Funds supermarket" in Italy since 2001
 - Over 1,500 products (45 brands) available through a network of 280 Independent Financial Advisors



Real Estate

- Klépierre⁽¹⁾ (since 1992)
 - Klépierre owns more than 30 commercial centers on all the Italian territory
 - Klépierre/Segece is also the first manager of commercial centers in Italy (through PSG, a JV with Finim)

(1) Not part of BNP Paribas' AMS business line



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Corporate &
Investment banking

- Corporate Finance
- Fixed Income
- ALM
- Project Finance
- Export Finance
- Trade Finance
- Acquisition Finance
- FIG
- Equities

- **One of the strongest franchises in Corporate and Investment banking in Italy**
 - ~100 front-line professionals delivering the full range of services
 - Access to major Italian corporates, Financial Institutions, Local Authorities and Public Utilities
 - Capitalising on global franchises in Fixed Income, Equity derivatives and specialised financing
- **Leading positions in the Italian market**
 - Market leader in Italian securitisation since 1992 : #1 book runner in 2005 all asset classes excl. treasuries
 - #1 book runner in 2005 financial sponsors driven deals (Leverage finance)
 - Top ranking position in Italian related export finance deals
 - Significant presence in Corporate Finance / Equities



Consumer Finance

- Consumer finance (50/50 JV with CR Firenze –since 1984), more than 2,000 employees
 - Italian leader in consumer finance, with a market share of over 12%
 - Distribution through commercial & financial partners, direct offices and internet
 - Production '05: 5.7BE; outstanding loans' 05: 8.5BE



Leasing

- Leasing (since 1990), 168 employees as of end 2005
 - Leader in small ticket leasing
 - Distribution through 19 partnerships and 4 regional branches
 - Production '05: 618ME; outst. loans '05: 1.1BE



Fleet management

- Fleet Management (since 1995), 562 employees as of end 2005
 - #2 player (approx. 20% m.s. and over 90.000 managed vehicles)
 - Distribution through 11 branches
 - More than 6,500 corporate clients; client acquisition now focused on small fleets
 - Production '05: 390ME; outstanding loans'05: 873ME



Residential mortgages

- Mortgage lending (since 1989), 247 employees as of end 2005
 - Distribution through 17 branches located in major Italian towns and a network of real-estate agents
 - Production '05: 570ME;
 - Outstanding loans '05: 2.3BE

- Will create in 2Q06 a special section including all BNL business operations
- Consolidation method
 - Full consolidation starting in 2Q06
 - Share of minority shareholders was 49.6% as at 5 April 2006, and reduced as additional shares were acquired and the amount of the offer was increased: 97% as at 16 May 2006
- Treatment of goodwill (IFRS 3)
 - The part related to the acquisition of a controlling block (50.4%) consolidated as goodwill listed as an asset in the consolidated balance sheet
 - The part related to the buyout of minority shareholders deducted from shareholders' equity
 - Due diligence currently under way
- Cost of funding of the acquisition
 - Included in "Other Activities" (in accordance with the Group's standard practice)
- Business plan
 - Updated for the 2nd quarter 2006 results reporting
 - Restructuring costs essentially starting in 3Q06

A large, stylized green star logo, composed of six points, is positioned in the center of the page. It is surrounded by several smaller, semi-transparent versions of the same star, creating a sense of motion and depth. The background features a dark green vertical band on the left with abstract, layered green shapes, and a white background with a subtle gradient.

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La banca per un mondo che cambia