



BNP PARIBAS | The bank for a changing world

BNP Paribas: Further Growth in Italy

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BNP Paribas in Italy

Successful Integration of BNL

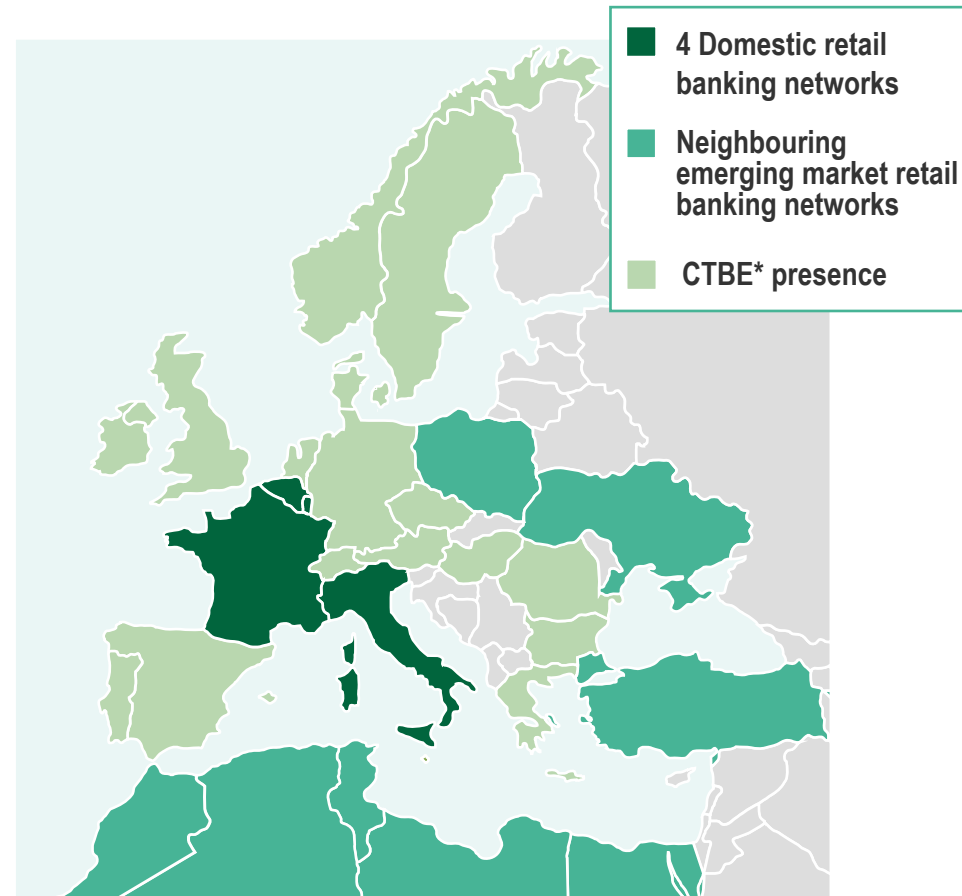
Further Steps Forward

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BNP Paribas' Second Domestic Market

- One of 4 domestic markets
- Attractive for Retail banking
 - High GDP per capita
 - High savings rate
 - Low household indebtedness
- Well connected
 - To the other domestic markets: France, Belgium, Luxembourg
 - To other European countries via the CTBE* network
 - To neighbouring emerging markets



At the core of the strategy for Europe and the Mediterranean



BNP Paribas in Italy (1/2)

- Full range of products and services
 - **Retail Banking:** branch banking, consumer finance, leasing, full service leasing for company cars
 - **Investment Solutions:** asset management, private banking, life insurance, real estate services, securities services
 - **CIB:** fixed income and equity products, specialised financing, corporate finance
- Well-recognised brandnames
 - BNL, Findomestic, BNP Paribas

Key figures*	
Customers	~5mn
<i>o/w BNL bc</i>	<i>2.6mn</i>
Employees	>19,500
<i>o/w BNL bc</i>	<i>14,400</i>
Points of sale	~990
<i>o/w BNL bc group</i>	<i>934</i>
<i>(incl. BNL bc branches: 810)</i>	
Assets under management	€55bn
Loans	€94bn
<i>o/w BNL bc group</i>	<i>€63bn</i>
Deposits (BNL bc only)	€32bn

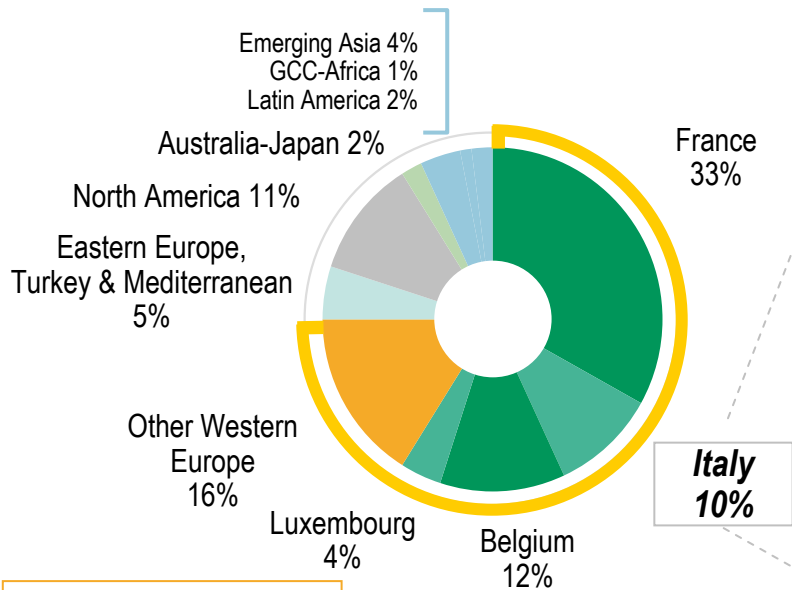
> **A leading banking group in Italy**

* Financials as at 30.09.09 (end of period), customers and staff as at 30.06.09, points of sale for Findomestic and for BNL (Retail & Private and Corporate) budgeted as at end 2009



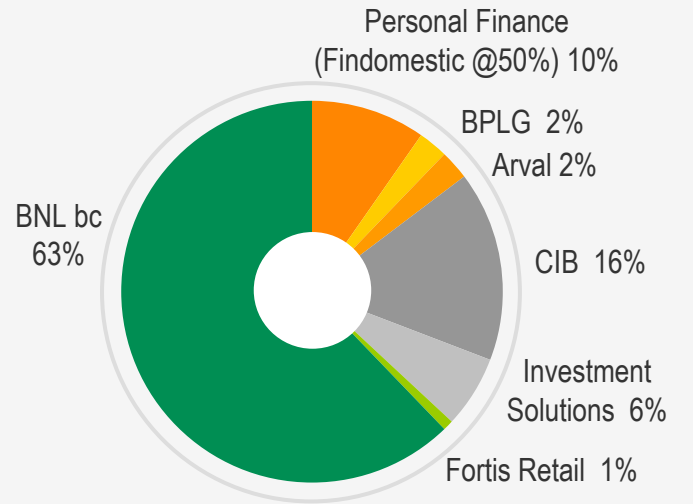
BNP Paribas in Italy (2/2)

Group revenues: €33.1bn*
9M09 including Fortis (pro forma)



75% Western Europe

Group revenues in Italy: €3.3bn*
9M09 including Fortis Italia (pro forma)



78% Retail banking

BNP Paribas now top 5 banking group in Italy by revenues

* Total revenues include « Other activities », split by geography based only on operating divisions revenues





BNP Paribas in Italy

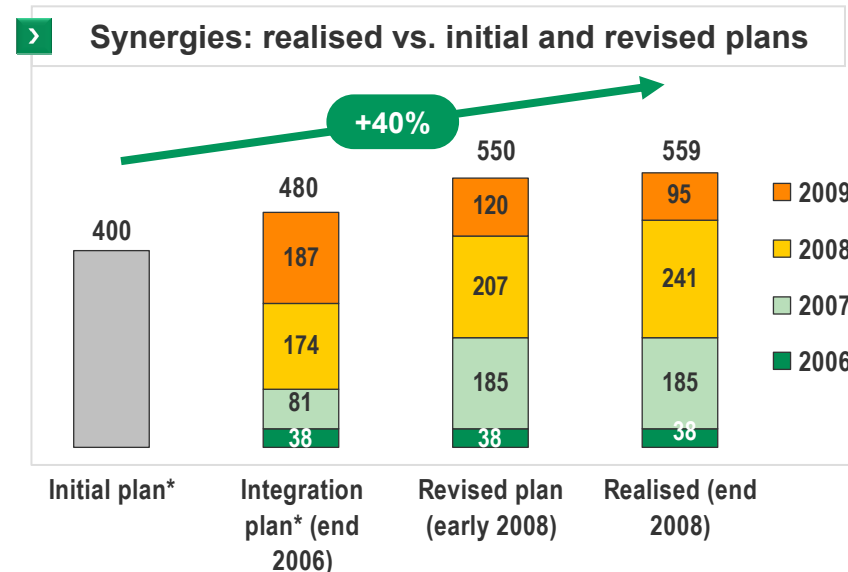
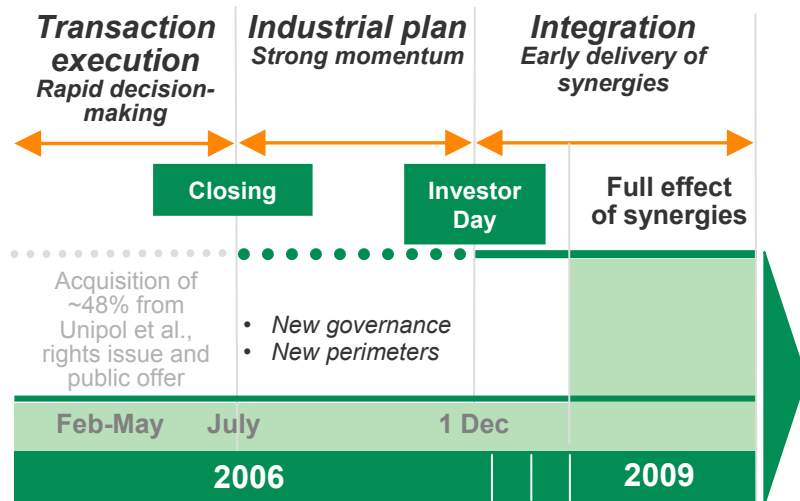
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Acquisition & Integration of BNL



- Strong acquisition track-record
 - Rapid decision-making on the deal
 - Quick implementation of the governance principles and integration plan
 - Transparency with the market: in-depth investor day, quarterly updates on synergy delivery
- €559mn realised as at end 2008, more than the revised plan
 - Revenue synergies: €179mn, 77% of revised plan
 - Cost synergies: €380mn, 119% of revised plan
 - Retail banking: 77% of synergies

> 40% more synergies than initially planned



* The initial, top down plan of €400mn had been revised up to €480mn (+20%) with the bottom-up integration plan

BNL bc: Management For Sustainable Growth

- Transforming BNL bc into a strong retail franchise
 - Cultural evolution and successful integration in the Group
 - In-depth changes in management, from Comex down to branches
 - Significant investments in people (hirings, training)
 - Complete re-thinking of governance
- Setting the scene for sound, sustainable growth
 - Conservative ALM to protect interest margins
 - Pure retail franchise: no market positions
 - Long term pricing policy: low proportion of upfront fees
- Aiming to become the “Reference bank” for each client

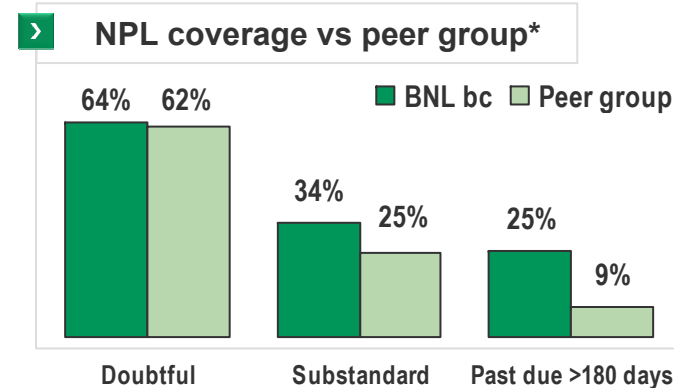
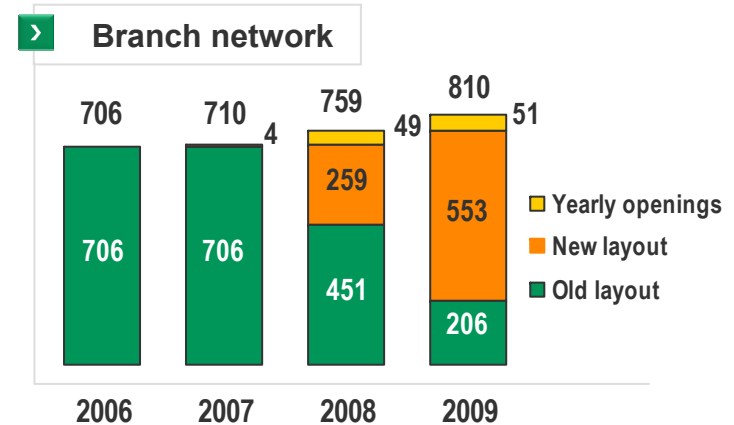


Thorough transformation of the franchise



Roll-out of BNP Paribas Business Model to Italy

- Deployed multichannel banking
 - Bank-initiated contacts: x5 since 2007
 - Best-in-class CRM and enhanced client segmentation
- Invested to revitalise and empower the network
 - Branch openings and refurbishings
 - Specialisation of salesforces
 - Product innovation
- Improved cost efficiency
 - Back-offices: specialisation and streamlining
 - IT: France and Italy now operate on the same platform
- Enhanced risk management
 - Full implementation of BNP Paribas risk management policy, organisation and systems
 - Appropriate coverage of risks



Source: companies

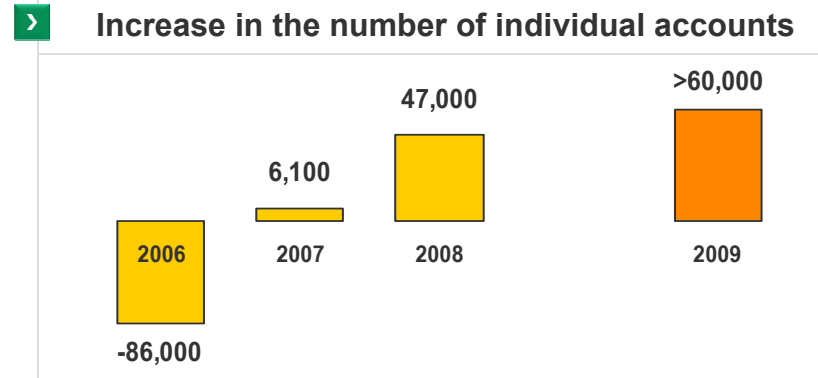
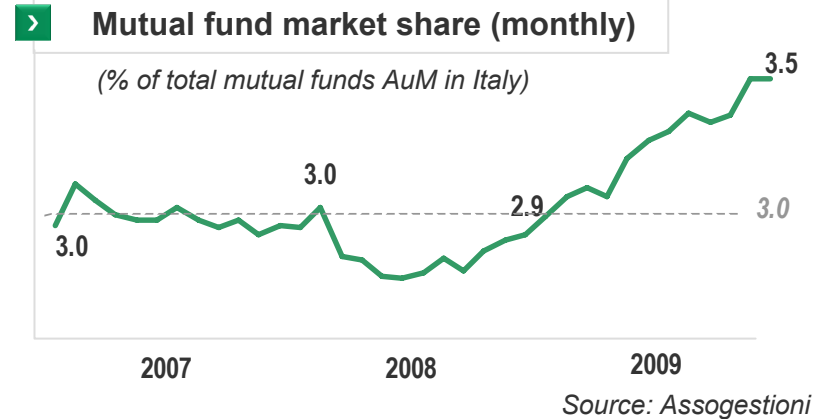
> **Full and successful roll-out**

* As at 30.09.09; Bank of Italy classification; peer group: Unicredito, Intesa, MPS, Banco Popolare, UBI Banca



Business Development

- Succeeded in cross-selling between BNL bc and other businesses in Italy
 - **Mutual funds:** highest net inflows in 2009 in Italy (+€2.4bn vs. -€3.0bn for the industry)
 - **Life insurance:** rising market share on gross asset inflows (8.0% in 9M09 vs 5.9% in 2008, source ANIA)
 - **Private banking:** very strong net inflows thanks to successful model (JV with network)
 - **Corporate clients:** increased cross-selling with CIB, international desks*
- Reverted trends in client acquisition and gained market shares
 - While maintaining a balanced pricing policy
- Improved client and employee satisfaction
 - Client satisfaction has caught up with peers
 - Up 5 points /2006 for individual customers and 4 points /2006 for corporates and entrepreneurs
 - BNL bc is the 7th Employer of Choice in Italy**



> **Strong commercial drive thanks to cross-selling**



Focus on CIB Italy

- 250 professionals in Milan and Rome
- More than 30 marketers in London and Paris, covering Italian clients
- In-depth cross-selling with BNL bc

CIB Ranking in Italy (2009)

#1	Debt Capital Markets - Corporates ⁽¹⁾
#2	Debt Capital Markets - Financial Institutions ⁽¹⁾
#3	Loan Syndication ⁽²⁾
Top 5	M&A ⁽³⁾

(1) Dealogic, as of 11/12/09

(2) Dealogic, as of 31/12/09

(3) Thomson Financial, as of 31/12/09. Ranking by value and by number of announced deals excluding Enel / Endesa transaction

Global Equity and Commodity Derivatives Awards in Italy

- **Risk Italy**
 - #1 for Structured Products
 - #2 for Equity Derivatives
- **Italian Certificate Awards**
 - Issuer of the year : #1
 - Best Investment Certificate Issuer : #1



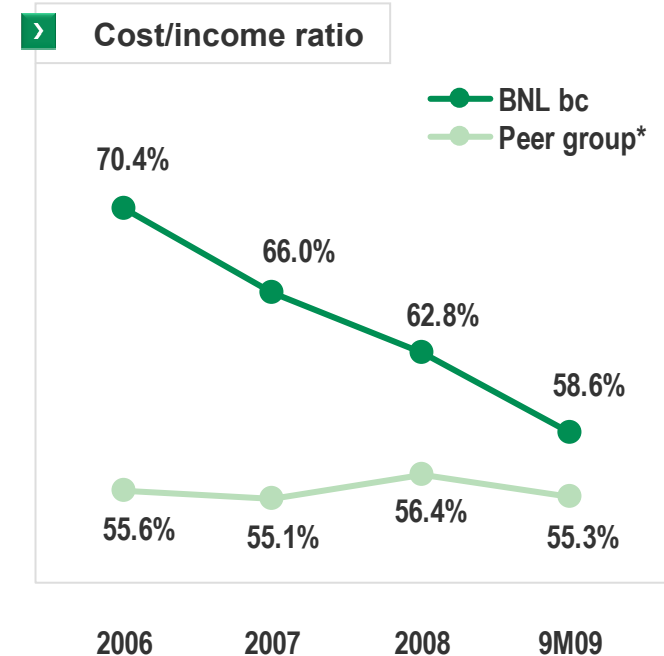
A leading player in the Italian market



BNP PARIBAS

BNL bc: Efficiency 2006-9M09

- Revenues: continued growth in spite of the environment
 - Revenue CAGR +5.7% over 2006-9M09 annualised
 - Positive effect of cross-selling and enhanced commercial productivity
- Costs: stable over the period thanks to synergies
 - In spite of large investments for sustainable growth: IT, branch openings and refurbishings, brand advertising
- Cost income ratio: decline by close to 12pts
 - 9M09 cost income ratio: 58.6% vs 55.3% for the peer group* and 60.1% for mid-sized peers**



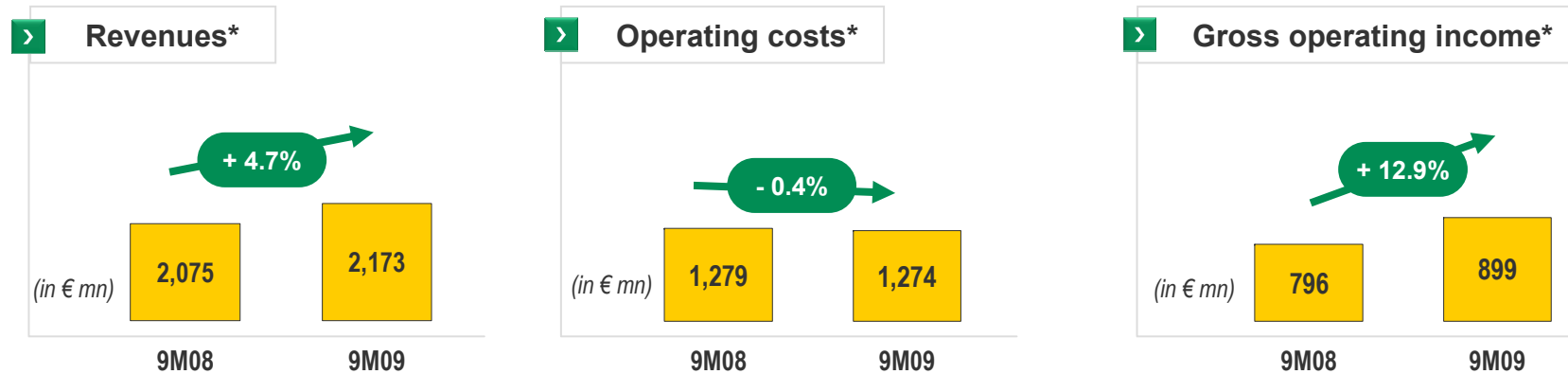
> **The efficiency gap with peers has been closed**

* Peer group: Unicredito, Intesa, MPS, Banco Popolare, UBI Banca

** mid-sized peers: BP Emilia Romagna, Cariparma (Crédit Agricole group), Carige, Credem



BNL bc Financial Highlights 9M09 (1/2)



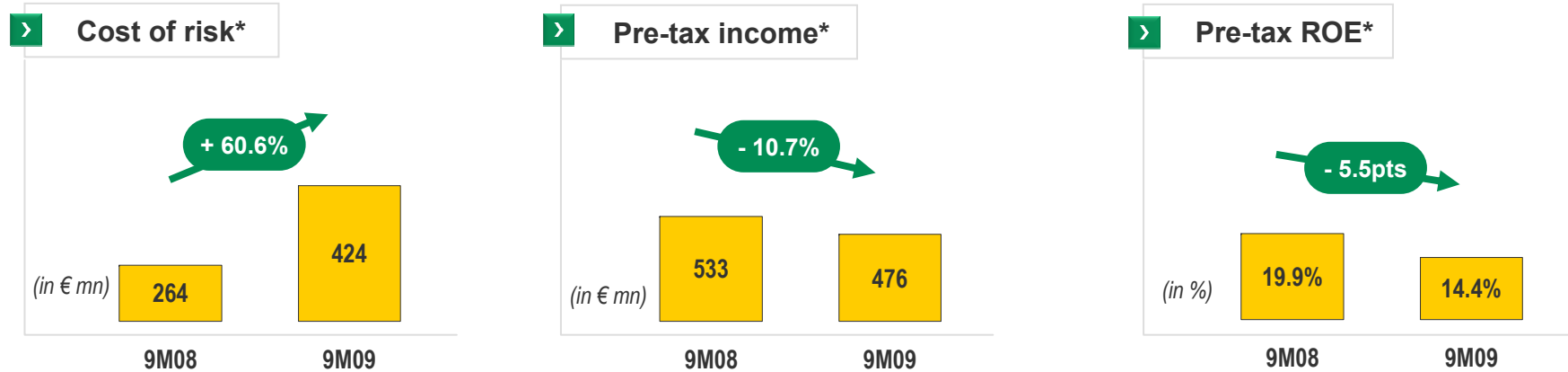
- Revenues: strong growth /9M08
 - Positive contribution from both retail and corporate businesses
 - Balanced growth in both net interest income and commissions
- Costs: brought down while safeguarding investments for growth
 - Cost income ratio: drop by -3.0pts /9M08 to 58.6%



Gross operating income up double digit...



BNL bc Financial Highlights 9M09 (2/2)



- Cost of risk: significant rise due to the economic crisis and conservative provisioning
- Pre-tax income: limited decline /9M08
- Pre-tax ROE 14.4%

> ... partially offset the rise in the cost of risk





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Further Steps Forward (2010-2012)

Retail Banking

- **Branch banking:** Network extension, further improvement of commercial efficiency
- **Consumer finance:** acquisition of the majority in Findomestic, enabling the business integration with BNL bc and Personal Finance
- **Specialised mortgages:** full integration of UCB into BNL bc
- **Corporate:** optimization of large clients' coverage between CIB and BNL bc, strengthened partnership with BNP Paribas Lease Group

Investment Solutions

- **Life:** right* to acquire the full control of BNL Vita by end 2011
- **Non life:** majority stake in UBI Assicurazioni, in partnership with Fortis Insurance International, and long term exclusive distribution partnership with UBI Banca, with access to 4mn UBI clients and 2.6mn BNL bc clients

CIB

- Further enhancement of coverage and cross-selling
- Strengthen the ranking as Top 3 Corporate Bank in Italy

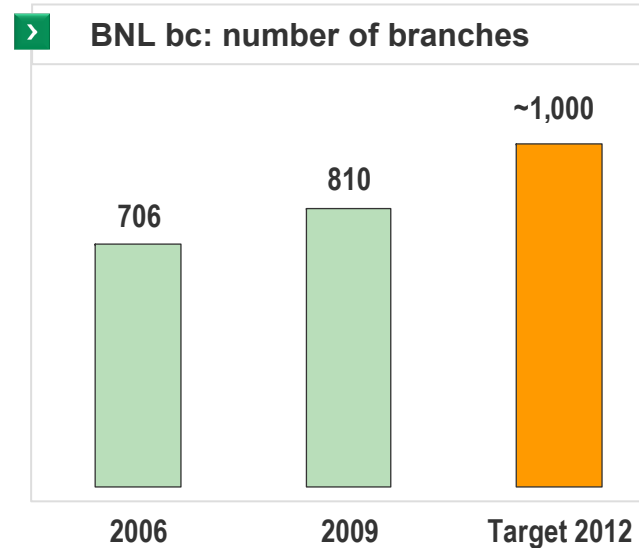
**Growth initiatives in all businesses,
representing €170mn in synergies by 2012**

** Call option on 51% by end 2011, Unipol has a right to sell the 51% to BNP Paribas by end 2011*



Steps Forward: BNL bc

- Open 185 new branches over the next 3 years to reach 1,000 by 2012
 - 50 to 70 openings planned per year
 - More value-creative than branch acquisitions
- Enhance commercial drive and efficiency
 - Accelerate the development in Private banking
 - Enlarge product offer and cross-selling with Findomestic, Investment Solutions and CIB
 - Support the customers' financial education (*Educare*)
- Corporates: optimise coverage and rationalise product offering
 - Focus on priority targets: large and upper mid caps, industrialise offer for other corporates
 - Focus on high value-added services: corporate finance, cash management, international transactions
 - Accelerate cross-selling with CIB and strengthen partnership with BNP Paribas Lease Group
- Fully integrate Fortis Italia



➤ **Fortis Italia**

1,900 corporate clients
€30mn in revenues in 2008
€17mn synergies per year from 2012

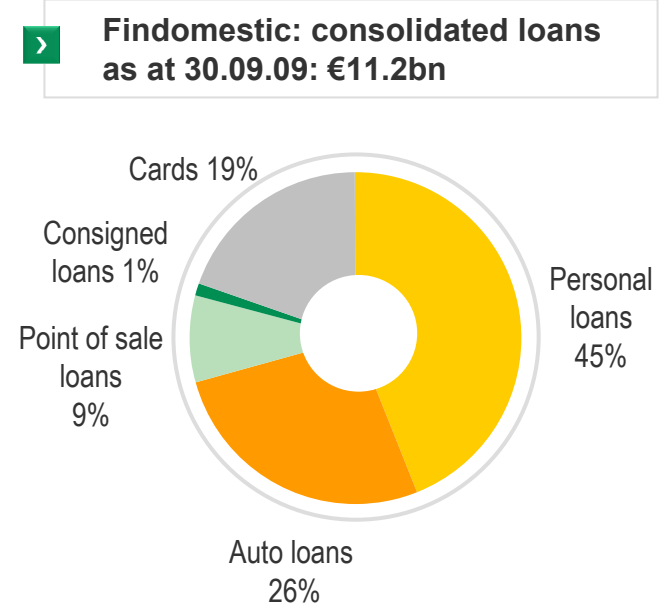


A reaffirmed growth strategy



Steps Forward: Personal Finance

- Findomestic: enhanced synergies with BNL bc and Personal Finance
 - Complete integration of Findomestic into Personal Finance: risk functions, IT, operating efficiency, etc., helping adapt to the new market environment
 - Revenue synergies between Findomestic and BNL bc: extension of a banking product offer to Findomestic clients, ramp-up of consumer credit in BNL bc network
 - Sharing of platforms in Italy: back offices, support functions, procurement
- UCB Italia (mortgages): full integration with BNL bc
 - Improved cost efficiency
 - Becoming the leader in mortgage partnerships



Taking full advantage of the Retail banking model





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**Successful integration of BNL,
leading positions in Italy,
the Group's second home market**



**New initiatives to bolster the sustainable
growth strategy engaged since 2006**



**Ambitious goals for network development,
cross-selling and efficiency enhancement**





BNP Paribas in Italy















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BNP Paribas presence in Italy

Banking	 BNL GRUPPO BNP PARIBAS	 ARTIGIANCASSA GRUPPO BNP PARIBAS
Personal Finance	 Findomestic BANCA	
Leasing / Fleet Management	 BNP PARIBAS LEASE GROUP	 ARVAL BNP PARIBAS GROUP
Factoring	 IFITALIA GRUPPO BNP PARIBAS	
Wealth Management	 BNP PARIBAS ASSET MANAGEMENT	 BNL-BNP PARIBAS PRIVATE BANKING
Insurance	 CARDIF GRUPPO BNP PARIBAS	 BNL VITA
Securities Services	 BNP PARIBAS SECURITIES SERVICES	 SERVIZIO ITALIA GRUPPO BNP PARIBAS
Real Estate	 BNP PARIBAS REAL ESTATE	
CIB	 BNP PARIBAS BNL CORPORATE & INVESTMENT BANKING	

