Press Release

Consolidated results as of 30th June 2006

Capital strengthening reduction of risk profile and growth in commercial activities

Growth in revenues
- Banking income +7% on June 2005
- Net interest income +6.6% on June 2005

Growth in volumes transacted and stronger capital ratios
- Loans to customers at 65,996 euro million (+2.7% on 31st December 2005)
- Direct deposits from customers at 66,959 euro million (+5.9% on 31st December 2005)
- Tier1 ratio at 6.9% (+20 b.p. on December 2005)

Recurrent operating costs under control
- Administrative expenses +0.4% compared to June 2005

Non-recurrent valuation adjustments resulting from the integration in BNP Paribas group
- Write-downs and other charges for 574 euro million, of which 24 million impacting directly net equity

Significant improvement in risk profile
- Non-performing loans coverage at 68%
- Coverage of substandard, past due over 90 days and restructured loans at 36%
- Net unsecured loans to countries at risk reduced to 10 euro million (from 305 euro million at December 2005)

Net profitability sizeably affected by non-recurrent write-downs and valuation adjustments
- Net profit at 70 euro million

Rome, 8th September 2006. The Board of Directors of BNL, meeting today chaired by Luigi Abete, has approved the Group semi-annual report as of 30th June 2006[1], showing results in line with those previewed on 27th July 2006.

In the first half 2006 BNL has continued the expansion process of its commercial activities in the reference markets, attaining a satisfactory increase in volumes transacted, which resulted in an adequate growth in overall revenues and in ordinary profitability. The results of the period were then affected by the impact of a number of extraordinary changes in valuation criteria in view of the integration of BNL Group within BNP Paribas Group, resulting from the need to harmonise certain valuation methodologies in the consolidation process of BNL's results into the Parent Company's. The alignment of the valuation practices to those implemented internationally by the French group also implies a more significant level of coverage than the prevailing practice in Italy of the exposure to credit, market and operating risks. The first semester 2006 thus closes with a **net profit**

[1] The auditing process by the external auditors is currently under way.

of 70 euro million, comprising the above-mentioned non-recurrent impacts (275 euro million the net profit as of 30th June 2005).

Banking income contributes to the result with 1,531 euro million, marking a growth of **7%** on June 2005. Within the aggregate **net interest income** comes to 872 euro million showing a 6.6% improvement on the previous year.

In terms of costs the good control of **administrative expenses** is confirmed, amounting overall to 900 euro million (+0.4% on June 2005). The remaining cost components on the other hand mark a significant increase, mostly resulting from non-recurrent charges totalling 122 euro million included in the previously mentioned valuation adjustments.

Particularly impacted by this effect are **net value adjustments**, totalling 416 euro million of which 340 euro million related to valuation adjustments (87 euro million the net value adjustments at June 2005).

The overall amount of write-downs and other charges impacting the income statement as at 30th June 2006 related to these harmonisation activities amounts to 550 euro million before tax.

In terms of balance sheet, there is a further improvement in the **Tier 1** ratio which reaches 6.9% from 6.7% at year-end 2005. Volumes transacted show an increase with **direct deposits from customers**, amounting to 66,959 euro million, up 5.9% on December 2005 and **cash loans to customers**, totalling 65,996 euro million, growing by 2.7%.

Noticeable progress has been achieved in terms of asset quality; the aggregate of **net impaired loans** comes to 2,114 euro million and shows a 10% contraction compared to year-end 2005. Within this aggregate there has been a significant reduction in the **past due over 180 days** exposure (now amounting to 210 euro million net of write-downs and with a coverage of 36%), and in restructured loans (80 euro million net, also covered approximately 36%). Furthermore the exposure of **unsecured loans to countries at risk** has been essentially eliminated (amounting to 10 euro million net of write-downs compared to 305 euro million at December 2005) following the sale of the Iraqi notes in the portfolio.

The Parent Company BNL SpA has achieved in the semester a net profit of 49 euro million (298 euro million at June 2005).

Consolidated results as of 30th June 2006

Income statement

Net interest income in the first half 2006 comes to 872 euro million, with an increase of 6.6% compared to 30th June 2005. The improvement is due both to an increase in commercial volumes in the period, related to retail and corporate customers, and to a widening of interest rate spreads (especially in terms of deposits). In the second quarter 2006 the figure comes to 436 euro million (432 in the same period of 2005).

Net commissions (505 euro million in the six months) mark a slight contraction compared to the same period of 2005 (-1.4%), affected especially by the reduced contribution of the asset management component. Other commissions, resulting from traditional banking activity, show a marginal growth (+1% approximately). The second quarter has generated commissions amounting to 247 euro million.

The **net result and dividends from trading, hedging and fair value option** shows a loss of 58 euro million compared to a profit of 51 euro million at 30th June 2005, due to one-off value adjustments on specific structured securities which have become illiquid in the course of the period (109 euro million in the six months), in addition to 50 euro million related to the harmonisation with the valuation methodologies of the Parent Company BNP Paribas of the fair value of specific trading activities.

Profit from the sale and purchase of financial assets amounts to 203 euro million (41 euro million in the first half 2005) and is largely due to the profit of 130 euro million deriving from the sale of Iraqi notes and the profit of 62.4 euro million derived from the sale of Fiat shares resulting from the loan conversion.

As a result, **banking income** comes to 1,531 euro million, growing by 7% on the same period of 2005. The second quarter shows a banking income of 715 euro million.

Net value adjustments total 416 euro million, mainly deriving from the process of harmonisation of valuation criteria for loans and guarantees and other financial assets to BNP Paribas' standards. Excluding this one-off component, net value adjustments in the first quarter of 2006 amount to 76 euro million, marking a decrease on 87 euro million of the same period 2005. In particular, **net value adjustments for impairment of loans** come to 378 euro million, (of which 300 euro million related to the harmonisation of valuation criteria[2]). **Net value**

2 Of which:
- 170 euro million of increased write-downs on performing loans portfolio, including coverage at 36% of past due over 90 days up to 180 days;
- 130 euro million of write-downs on impaired loans which also raise coverage to 36% aligning that of past due over 180 days to substandard loans.

adjustments for impairment of other financial assets amount to 38 euro million (+1 euro million the net balance in 2005) and include 40 euro million of provisions on guarantees related to the process of harmonisation of valuation practices to Group standards.

Administrative expenses, overall amounting to 900 euro million, are virtually stable at the level of the previous year (896 euro million in 2005, +0.4%), with **personnel expenses** (586 euro million) growing by 2.3% due to the full impact of the renewed National Labour Contract and to a slight increase in headcount (+1.1%), and with **other administrative expenses** (314 euro million) decreasing by 2.8% on June 2005 thanks mainly to cost savings on consultancies. On the other hand, **net provisions on risks and contingencies,** amounting to 106 euro million (60 of which non-recurrent) – (4 euro million provisions in 2005) – and **other operating income/expenses** (positive by 54 euro million compared to a positive contribution of 77 euro million in the first half 2005). **Net write-downs on tangible and intangible assets** (141 euro million; 74 euro million at June 2005) include a non-recurrent portion of 62 euro million deriving from harmonisation with BNP Paribas' standards of the estimate of software's useful life.

Taxes for the period amount to 56 euro million (184 euro million at 30th June 2005). The figure is impacted by the cancellation of 32 euro million of pre-paid taxes, in accordance with recent directives from the Tax Authority ("Agenzia delle Entrate").

Lastly, the net profit includes 103 euro million of **profit after tax from non-current assets held for sale** deriving from the sale of Argentinean activities.

<u>Balance sheet</u>

In terms of balance sheet, the improvement in **net equity** continues (5,145 euro million at June 2006, rising by 2.3% compared to 5.029 euro million at 31st December 2005). The **Tier 1** ratio increases to 6.9% (6.7% at the end of 2005).

Total direct deposits show a strong expansion (66,959 euro million), and 5.9% higher compared to the amount at year-end 2005, boosted by the growth of sight deposits and short-term components (current accounts and deposits +3.7% at 32,957 euro million, and REPOs at 3,683 euro million, +70%). Also **indirect deposits** mark an overall improvement (75,631 euro million; +1%) showing a re-composition towards securities under custody (46,679 euro million), grown by 2.7% in the six months, while assets under management (28,952 euro million) mark a reduction of 1.5%.

The growth trend in **cash loans to customers**, amounting to 65,996 euro million (+2.7% on December 2005), has continued in the semester. The progress results from both corporate clients, with higher loan volumes in short and in medium/long-term, and retail clients, where residential mortgages and personal loans remain leading products.

Asset quality coverage shows an additional significant improvement; total **impaired loans** mark a 10% decrease on year-end 2005 in terms of net balances (2,114 euro million at June 2006; gross balances show a 2.1% reduction to 4,964 euro million at June 2006). In this context **non-performing loans** (3,302 euro million and 1,047 euro million the gross and net balances at June 2006 with an increase of 4.9% and 4.3% respectively) show an unchanged level of coverage (68%) compared to year-end 2005 their and their weight on total loans to customers (1.6%) remains stable. **Substandard loans** (1,211 euro million gross and 777 euro million net) fall by 2.2% in gross terms and are essentially stable in net terms (+0.4%). **Restructured** loans net of write-downs decrease by 38% and come to 80 euro million; their coverage has been raised to 35%. **Past due over 180** days have been practically halved, with a 52.6% contraction in net balances and 41% in gross balances (210 euro million and 328 euro million respectively at June 2006); their level of coverage, previously at 20%, has been brought to 36%. In addition, the exposure of unsecured loans to countries at risk has been essentially eliminated (10 euro million the net balance at June 2006 compared to 305 euro million at year-end 2005).

Segment information

The table in the Appendix summarises the income and balance sheet results as of 30th June 2006 by Business Area.

Retail

Positive results achieved in the six months in the Retail area, with revenues improving by 8.3% compared to the first half 2005, mostly resulting from the significant increase in net interest income, grown by 12.7%. The result is driven by higher average volumes transacted, both in terms of loans (essentially in the medium/long-term components) and of deposits (current accounts). Deposits contribution has also benefited from a widening of the spread due to the trend in market interest rates.
The rectified cost/income ratio comes to 69.2% improving by 2.3 percentage points.

Corporate

Markedly positive result generated by the corporate sector, where banking income has grown by 11% compared to the same period 2005. Also in this case net interest income contributes to the performance with a robust growth (+13.3%), achieved through higher volumes transacted. In addition, there has been an increase in net commissions' contribution (+6.8%) amongst which particularly noteworthy have been those deriving from investment banking activities, which have shown a significant development, and those related to brokerage. Leasing and factoring activities have also positively contributed both in terms of net interest income and of net commissions.

The rectified cost/income ratio comes to 31.6% improving by 1.4 percentage points.

Corporate Centre

The Corporate Centre area reflects the impacts of the previously mentioned valuation adjustments, thus making the comparison with the previous year scarcely significant.

Significant events subsequent to the end of the semester

On 21st July 2006 the international rating agency Fitch Ratings has upgraded BNL's short-term rating to F1+ from F1. The outlook is stable.

Following the sales in the first part of the year, the sale of the Iraqi notes held in portfolio has been completed, generating an additional capital gain of 14 euro million.

On 31st July 2006 the 50% stake in Advera SpA, company operating in the consumer credit sector, has been sold to a company of BBVA Group, generating a capital gain of 4.5 euro million.

The compulsory residual public offer promoted by BNP Paribas in accordance with art. 108 of Law Decree n. 58/1998 on all BNL SpA's ordinary shares still in circulation ended on 20th July 2006. On 25th July 2006 BNP Paribas informed that shared tendered to the residual offer amounted to n. 46,423,306, equivalent to 1.51% of the ordinary share capital and 1.50% of the total share capital. Including the stake already acquired, and additional shares purchased outside the offer, BNP Paribas' participation has reached 99.14% of the ordinary share capital and 98.4% of the total share capital. Borsa Italiana SpA has proceeded with the delisting of BNL ordinary shares effective from 26th July 2006. BNP Paribas has also informed that, having exceeded the level of 98% of the ordinary shares, it will exercise, within four months from the close of the residual offer, the right to purchase ordinary shares still in circulation.

Outlook for 2006

The acquisition by BNP Paribas opens new business development prospects to BNL, offering the opportunity to widen and diversify the offer of banking products and services. A stated objective of the integration is to make the Italian banking market the second reference market for BNP Paribas Group and to turn BNL into a more efficient and dynamic player, leader in Italy for commercial ability, reference point of the retail segment and of Italian companies, national leader in corporate and investment banking. The integration activity is under full implementation and the first joint initiatives will be finalised shortly. The offer of products and services will be strengthened in asset management (private banking and portfolio management accounts) and in consumer credit.

The strategic and commercial objectives shall be detailed in the 2007/2009 business plan, which shall be presented to the market in December.

Notwithstanding this, in the second semester of the year, based on a continuation of the macroeconomic trends currently prevailing, BNL Group should confirm the commercial development and positive ordinary profitability trend currently under way.

Net profitability could be impacted by further write-downs and valuation adjustments implemented in view of the integration into BNP Paribas Group in the second part of the year.

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)

	1 H 06	1 H 05	% change
Net interest income	872	818	+ 6,6
Net commissions	505	512	- 1,4
Banking income	1.531	1.431	+ 7,0
Net value adjustments for impairment of loans and receivables	(378)	(88)	+ 329,5
Operating costs	(1.093)	(897)	+ 21,9
Profit before tax from continuing operations	22	453	- 95,1
Net profit	70	275	- 74,5

Balance sheet

(euro million)

	30/06/2006	31/12/2005	% change
Loans to customers	65.996	64.288	+ 2,7
Financial assets held for trading, carried at fair value, available for sale and held to maturity	7.962	8.839	- 9,9
Total assets	90.187	89.090	+ 1,2
Direct deposits from customers (1)	66.959	63.228	+ 5,9
Indirect deposits	75.631	74.857	+ 1,0
Shareholders' equity (including minority interests)	5.145	5.029	+ 2,3
Shareholders' equity (excluding minority interests)	5.096	4.989	+ 2,1

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

Efficiency ratios

(% and '000s euro)

	1 H 06	1 H 05
Cost / income ratio (%)(1)	64,5	62,4
Adjusted cost / income ratio (%)(2)	62,1	59,5
Net commissions / personnel expenses (%)	86,2	89,4
Banking income / employee (3)	89,8	84,3
Banking income / distribution outlets	1.703	1.595

	30/06/2006	31/12/2005
Customers' financial assets / employee (3) (4)	8.360	8.160
Customers' financial assets / distribution outlets (4)	178.015	172.391

(1) Ratio between operating costs, excluding provisions for risks and contingencies, and banking income. The ratio takes into account the harmonization with the French parent company.

(2) Ratio between operating costs, excluding provisions for risks and contingencies, and banking income increased of the interest related to time value adjustments on impaired loans. The ratio takes into account the harmonization with the French parent company.

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

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

Attachment 2

Asset quality ratios

(%)

	30/06/2006	31/12/2005
As a percentage of loans to customers		
Non-performing loans / Loans to customers	1,6	1,6
Substandard loans / Loans to customers	1,2	1,2
Restructured loans / Loans to customers	0,1	0,2
Past due loans over 180 days / Loans to customers	0,3	0,7
Unsecured loans to countries at risk / Loans to customers	0,0	0,5
Coverage ratio		
Non-performing loans	68	68
Substandard loans	36	37
Restructured loans	35	-
Past due loans over 180 days	36	20
Unsecured loans to countries at risk	47	37
Performing loans	1	1

Capital ratios

(euro million and %)

	30/06/2006	31/12/2005
Risk weighted assets (RWA)	69.538	68.369
Tier 1 capital	4.798	4.605
Consolidated capital for supervisory purposes	6.446	6.333
Tier 3 subordinated loans	16	150
Tier 1 ratio	6,9	6,7
Total risk ratio(1)	9,3	9,5

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

Structural data

	30/06/2006	31/12/2005(1)
Number of employees at period-end	17.145	16.970
Average number of employees (2)	17.057	16.923
Number of distribution outlets	899	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	*94*	*94*

(1) *Data exclude personnel and branches of Argentinean operations sold in 2 Q 2006, amounting respectively to 2,042 employees and 91 branches as at 31st December 2005.*

(2) *Arithmetic average of the number of employees at the beginning and at the end of the period.*

Ratings (as at 21st July 2006)

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

Attachment 3

BNL GROUP: RECLASSIFIED BALANCE SHEET

ASSETS

(euro million)

Items of Bank of Italy's mandatory balance sheet (*)		30/06/2006	31/12/2005	Change Amount	%
10	Cash and cash equivalents	408	471	- 63	- 13,4
60	Loans and receivables to banks	9.622	8.131	+ 1.491	+ 18,3
70	Loans and receivables to customers	65.996	64.288	+ 1.708	+ 2,7
20, 30, 40, 50	Financial assets held for trading, carried at fair value, available for sale and held to maturity	7.962	8.839	- 877	- 9,9
80	Hedging derivatives	362	187	+ 175	+ 93,6
90	Change in value of financial assets recorded as part of a macrohedge	8	284	- 276	- 97,2
100	Equity investments	167	155	+ 12	+ 7,7
120, 130	Tangible and intangible assets	2.593	2.558	+ 35	+ 1,4
150	Non current assets held for sale and discontinued operations	-	1.279	- 1.279	- 100,0
140, 160	Tax and other assets	3.069	2.897	+ 172	+ 5,9
	Total assets	**90.187**	**89.090**	**+ 1.097**	**+ 1,2**

LIABILITIES AND SHAREHOLDERS' EQUITY

(euro million)

Items of Bank of Italy's mandatory balance sheet (*)		30/06/2006	31/12/2005	Change Amount	%
10	Deposits from banks	12.301	13.808	- 1.507	- 10,9
20, 30, 50	Direct deposits from customers and securities issued	66.959	63.228	+ 3.731	+ 5,9
40	Financial liabilities - held for trading	1.816	1.854	- 38	- 2,0
60	Hedging derivatives	389	393	- 4	- 1,0
70	Change in value of financial liabilities part of a macrohedge	(204)	(36)	- 168	n.s.
110, 120	Allowances for risks and contingencies and liabilities for retirement indemnities	1.227	1.128	+ 99	+ 8,8
90	Liabilities related to discontinued operations	-	1.180	- 1.180	- 100,0
80, 100	Tax and other liabilities	2.554	2.506	+ 48	+ 1,9
from: 140 to: 220	Shareholders' equity	5.145	5.029	+ 116	+ 2,3
	of which: - Parent Company	*5.096*	*4.989*	+ 107	+ 2,1
210	*- Minorities*	49	40	+ 9	+ 22,5
	Total liabilities and shareholders' equity	**90.187**	**89.090**	**+ 1.097**	**+ 1,2**

(*) This column shows the codes of the items of Bank of Italy's mandatory balance sheet schemes, that are reclassified in the present table (Consob n.DEM/6064293 issued on 28.07.2006).

Attachment 4

BNL GROUP: RECLASSIFIED INCOME STATEMENT

(euro million)

Items of Bank of Italy's mandatory balance sheet (*)		1 H 06	1 H 05 (1)	Change Amount	%
30	**Net interest income**	**872**	**818**	**+ 54**	**6,6**
60	Net commissions	505	512	- 7	-1,4
of which 70	Dividends on equity investments	9	9	+ 0	0,0
of which 70, 80, 90,110	Net result and dividends from trading, hedging and fair value option	(58)	51	- 109	-213,7
100 a, b	Profit (loss) on sale/purchase of loans and other financial assets	204	47	+ 157	334,0
100 d	Profit (loss) on repurchase of other financial liabilities	(1)	(6)	+ 5	-83,3
120	**Banking income**	**1.531**	**1.431**	**+100**	**7,0**
130 a	Net value adjustments for impairment of loans and receivables	(378)	(88)	- 290	329,5
130 b, d	Net value adjustments for impairment of other financial assets	(38)	1	- 39	n.s.
140	**Net result of financial activities**	**1.115**	**1.344**	**-229**	**-17,0**
180	Administrative expenses	(900)	(896)	- 4	0,4
	a) personnel expenses	*(586)*	*(573)*	- 13	2,3
	b) other administrative expenses	*(314)*	*(323)*	+ 9	-2,8
190	Net provisions for risks and contingencies	(106)	(4)	- 102	n.s.
200	Net write-downs/write-backs on tangible assets	(28)	(24)	- 4	16,7
210	Net write-downs/write-backs on intangible assets	(113)	(50)	- 63	126,0
220	Other operating income/expenses	54	77	- 23	-29,9
230	**Operating costs**	**(1.093)**	**(897)**	**- 196**	**21,9**
240	Profit (loss) on equity investments and from sale of investments	(11)	6	- 17	-283,3
260, 270	Profit (loss) from sale of investments and goodwill impairment	11	-	-	n.s.
280	**Profit (loss) before tax from continuing operations**	**22**	**453**	**- 431**	**-95,1**
290	Tax for the period	(56)	(184)	+ 128	-69,6
300	**Profit (loss) after tax from continuing operations**	**(34)**	**269**	**- 303**	**-112,6**
310	Net profit (loss) after tax of non-current assets held for sale	103	6	+ 97	n.s.
320	**Net profit (loss) before minority interests**	**69**	**275**	**- 206**	**-74,9**
330	Net profit (loss) attributable to minority interests	1	-	1	n.s.
340	**Net profit (loss)**	**70**	**275**	**- 205**	**-74,5**
	EPS basic (euro)	**0,022**	**0,090**	**- 0,068**	**-75,7**
	EPS diluted (euro)	**0,022**	**0,090**	**- 0,068**	**-75,7**

(1) The figures, in comparison with the same data published in the 2005 half-year report, are calculated by retroactively applying, since the first time adoption of IAS/IFRS, the following principles: 1) amendments to International Accounting Principle (IAS 19 revised and fair value option); 2) Bank of Italy Circular No. 262, issued in December 2005; 3) interpretations of IAS/IFRS issued by "Organismo Italiano di Contabilità" (O.I.C.) and by the Italian Banking Association (ABI).

(*) This column shows the codes of the items of Bank of Italy's mandatory balance sheet schemes, that are reclassified in the present table (Consob n.DEM/6064293 issued on 28.07.2006). Please note that item No. 70 “Dividends“, totalling 259 euro million as at 30th June 2006, has been split into 9 euro million in the item “Dividend on equity investments” and 250 euro million in the item ”Net result and dividends from trading, hedging and fair value option” being dividends on trading shares.

Attachment 5

BNL GROUP: RECLASSIFIED QUARTERLY INCOME STATEMENT

(euro million)

	Year 2006		Year 2005			
	2 Q	1 Q	4 Q	3 Q [(1)]	2 Q [(1)]	1 Q [(1)]
Net interest income	**436**	**436**	**443**	**413**	**432**	**386**
Net commissions	247	258	264	242	269	243
Dividends on equity investments	9	-	5	-	9	-
Net result and dividends from trading, hedging and fair value option	(72)	14	3	40	14	37
Profit (loss) on sale/purchase of loans and other financial assets	97	108	34	6	13	34
Profit (loss) on repurchase of other financial liabilities		(1)	(1)	(3)	(3)	(3)
Banking income	**715**	**816**	**748**	**698**	**734**	**697**
Net value adjustments for impairment of loans and receivables	(308)	(70)	(27)	10	(56)	(32)
Net value adjustments for impairment of other financial assets	(38)	-	(9)	2	3	(2)
Net result of financial activities	**369**	**746**	**712**	**710**	**681**	**663**
Administrative expenses	(470)	(430)	(492)	(492)	(479)	(417)
a) personnel expenses	(309)	(277)	(301)	(341)	(299)	(274)
b) other administrative expenses	(161)	(153)	(191)	(151)	(180)	(143)
Net provisions for risks and contingencies	(76)	(30)	(18)	(14)	(4)	-
Net write-downs/write-backs on tangible assets	(14)	(14)	(15)	(12)	(11)	(13)
Net write-downs/write-backs on intangible assets	(88)	(25)	(32)	(26)	(26)	(24)
Other operating income/expenses	29	25	30	26	31	46
Operating costs	**(619)**	**(474)**	**(527)**	**(518)**	**(489)**	**(408)**
Profit (loss) on equity investments and from sale of investments	(16)	5	10	6	5	1
Profit (loss) from sale of investments and goodwill impairment	11	0	(1)	1		
Profit (loss) before tax from continuing operations	**(255)**	**277**	**194**	**199**	**197**	**256**
Tax for the period	50	(106)	(83)	(86)	(64)	(120)
Profit (loss) after tax from continuing operations	**(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	**(112)**	**181**	**119**	**139**	**139**	**136**
Net profit (loss) attributable to minority interests	1	-	-	(1)	-	-
Net profit (loss)	**(111)**	**181**	**119**	**138**	**139**	**136**

(1) The figures, in comparison with the same data published in the 2005 half-year report, are calculated by retroactively applying, since the first time adoption of IAS/IFRS, the following principles: 1) amendments to International Accounting Principle (IAS 19 revised and fair value option); 2) Bank of Italy Circular No. 262, issued in December 2005; 3) interpretations of IAS/IFRS issued by "Organismo Italiano di Contabilità" (O.I.C.) and by the Italian Banking Association (ABI).

Attachment 6

SEGMENT REPORTING

INCOME STATEMENT - 1 H 2006

(euro million)

	RETAIL	CORPORATE	CORPORATE CENTER	TOTAL
NET INTEREST INCOME	**433**	**411**	**28**	**872**
Net commissions and other net income	346	203	110	659
BANKING INCOME	**779**	**614**	**138**	**1.531**
Net value adjustments for impairment of loans and financial assets	(7)	(83)	(326)	(416)
Net provisions for risks and contingencies	(1)	(6)	(99)	(106)
Personnel Expenses (1)	(174)	(87)	(325)	(586)
Other Costs (1)	(390)	(114)	103	(401)
Goodwill impairment and Profit (loss) from sale of investments	16	1	(17)	0
PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	**223**	**325**	**(526)**	**22**
Tax for the period	(86)	(129)	159	(56)
Net profit (loss) after tax of non-current assets held for sale			103	103
Net profit (loss) attributable to minority interests	-	1	-	1
NET PROFIT (LOSS)	**137**	**197**	**(264)**	**70**
COST/INCOME	**72,4%**	**32,8%**	**n.s.**	**64,5%**
ADJUSTED COST/INCOME (2)	**69,2%**	**31,6%**	**n.s.**	**62,1%**
RISK WEIGHTED ASSETS (RWA)	**12.347**	**41.531**	**15.660**	**69.538**
CAPITAL ABSORBED	**856**	**2.878**	**1.085**	**4.819**
RORAC BEFORE TAX (3)	**52,1%**	**22,6%**	**n.s.**	**n.s.**

(1) Personnel Expenses and Other Costs include items No. 180 – 200 – 210 -220 of the consolidated income statement (Bank of Italy's scheme).

(2) Ratio between "Personnel Expenses and Other Costs" and "Banking income" increased of the interest related to time value adjustments on impaired loans.

(3) Return on Risk Adjusted Capital (Profit/Loss before tax from continuing operations of the Segment on Segment's Capital Absorbed).

BALANCE SHEET - 30TH JUNE 2006

(euro million)

	RETAIL	CORPORATE	CORPORATE CENTER	TOTAL
Financial assets	87	181	8.063	8.331
Loans to customers	24.430	41.084	482	65.996
Loans to banks	26	2.020	7.576	9.622
TOTAL ASSETS	**24.670**	**43.877**	**21.640**	**90.187**
Deposits from customers	(33.164)	(19.249)	(8.976)	(61.389)
Deposits from banks	(108)	(672)	(11.521)	(12.301)
Financial liabilities	(2)	(5.577)	(1.991)	(7.570)
TOTAL LIABILITIES	**(33.941)**	**(31.235)**	**(25.011)**	**(90.187)**