Press Release

The Board of Directors has examined preliminary results as of 31 December 2006

Approval of the restructuring and integration project of BNL operations with BNP Paribas counterparts

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)

Considerable levels of credit risk coverage
- 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

Approval of the restructuring and integration project of BNL operations, mostly international, with those of BNP Paribas

Rome 9th February 2007. The Board of Directors of BNL, meeting today chaired by Luigi Abete, has viewed the preliminary consolidated results as of 31st December 2006.

Results for the year – which have not yet been audited – confirm the positive trend in overall revenues and in ordinary profitability.

However, results for the period are impacted by the following one-off items:
- adjustments for restructuring costs for an overall impact of approximately 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 approximately 538 euro million before tax.

The consolidated **net profit** for 2006, inclusive of the above mentioned non-recurrent items, 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.

The consolidated Group accounts and the draft financial statements of BNL SpA for 2006 shall be approved by the Board of Directors at the meeting scheduled for 23rd March 2007.

BNL group's preliminary income statement results

Banking income contributes to the result with 3,102 euro million, growing by approximately 8% on 2005. Within this aggregate, **net interest income** (1,744 million) marks an increase of about 4% on the previous year. On the other hand, **net commissions** mark a slight reduction, coming to 1,007 euro million (approximately -1% compared to 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 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. **Personnel expenses** thus amount to 1,589 euro million (1,215 million in 2005) and increase by 0.7% net of the said restructuring charges. **Other administrative expenses** remain unchanged on the previous year (665 euro million).
Net provisions on risks and contingencies come to 150 euro million and include 94 euro million of net charges relating to recent 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.

Lastly, 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.

BNL group's balance sheet at 31 December 2006

Consolidated **net equity** amounts to 5,070 euro million (almost +1% on 2005). 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 subordinated loans for overall 1,000 euro million received by the controlling company BNP Paribas in the second part of the year.

Cash loans to customers show a growth of 1.5% reaching 65,261 euro million (64,288 million at year-end 2005). Furthermore, asset quality coverage levels show a marked improvement 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% on 2005.

BNL SpA's preliminary 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).

Approval of the restructuring and integration project of BNL operations with those of BNP Paribas

Moreover, the Board of Directors approved the restructuring and integration project of the Bank's operations, mainly non-Italian ones, with those of BNP Paribas corresponding units, already analysed in preliminary terms by the Board on 30th January 2007.

The above-mentioned project requires, among others, all necessary authorisations of the Bank of Italy with regard to supervisory and regulatory aspects. It would provide for the contribution of BNL commercial banking operations to a new Italian subsidiary, that would adopt the corporate name "Banca Nazionale del Lavoro Spa", and the merger of the post-contribution BNL into BNP Paribas. The operations that would be integrated into BNP Paribas as a

result of the merger include the foreign branches of New York, London, Madrid and Hong Kong as well as some shareholdings in subsidiaries.
The Board of Directors of the Bank, following the approval of the project, intends to examine in future meetings all corporate actions necessary to the implementation of the project.

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