

STANDARD & POOR'S ALZA I RATING DI BNL AD 'AA-/A-1+'

Roma, 17 maggio 2006. La Banca Nazionale del Lavoro informa che, in data odierna, la società di rating internazionale Standard & Poor's Ratings Services ha alzato il rating a lungo termine di BNL ad 'AA-' e quello a breve termine ad 'A-1+'. Le prospettive sui rating sono positive.

In allegato la nota di Standard & Poor's

STANDARD & POOR'S RAISES BNL'S RATINGS TO 'AA-/A-1+'

Rome, 17th May 2006. Banca Nazionale del Lavoro informs that today the international rating agency Standard & Poor's Ratings Services has raised BNL's long-and short-term counterparty credit ratings to 'AA-' and 'A-1+' respectively. The outlook is positive.

Standard & Poor's note attached.

Please note that the original Press Release is in Italian. In case of doubt the Italian version prevails.

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Banca Nazionale del Lavoro SpA Upgraded To 'AA-/A-1+'; Off Watch Positive; Outlook Positive

Rationale

On May 17, 2006, Standard & Poor's Ratings Services raised its long- and short-term counterparty credit ratings on Italian bank Banca Nazionale del Lavoro SpA (BNL) to 'AA-/A-1+' from 'A/A-1'. The outlook is positive. At the same time, the ratings were removed from CreditWatch, where they were originally placed with positive implications on Feb. 6, 2006.

The upgrade reflects potential support from the Italian bank's new majority shareholder, French bank BNP Paribas (AA/Stable/A-1+), following successful completion of its public offering for BNL shares. Standard & Poor's deems BNL to be a strategically important entity within the French banking group. The long-term rating therefore factors in support of three notches.

Now that the public offering is completed, BNP Paribas owns 97% of BNL's shares and voting rights, and is set to launch a residual offer to achieve full ownership.

On a stand-alone basis, the ratings on BNL reflect an adequate domestic franchise and an adequate financial profile with significantly enhanced bottom-line profitability and asset quality. These improvements have resulted from a clear strategy that has been consistently executed over the past two years, focused on risk reduction and advancing the bank's domestic retail market position. The ratings remain constrained, however, by the bank's still-mediocre revenue generation, capital adequacy, and asset quality, which—though much improved—remain below the average for main peers.

BNL is the sixth-largest banking group in Italy with total assets of €89 billion at March 31, 2006.

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We believe that BNL will benefit from being part of one of the largest banking groups in Europe, for which Italy is a key market. BNP Paribas will likely be able to expand the bank's franchise and accelerate healthy earnings growth in the medium term by improving efficiency, widening the product range, and enhancing cross selling.

We expect BNP Paribas to closely integrate the enlarged group's activities in Italy. BNP Paribas plans to centralize some of BNL's funding at parent level, streamline the international network of the Italian bank, and align its risk management and credit policy with the French group's standards. Although the cross-border acquisition entails some execution risks, we believe that BNP Paribas will manage the integration process well, in line with its successful track record.

Although historically a corporate bank with a significant international presence and a widespread domestic branch network, BNL enjoys a balanced business profile with a fairly large retail-banking business.

Outlook

The positive outlook reflects the possibility that we could raise the long-term rating on BNL to 'AA' and equalize it with that on BNP Paribas in the medium term, if the French banking group achieves targeted acquisition-related synergies and demonstrates that integration is proceeding as planned.

Conversely, the outlook could be revised to stable if BNP Paribas proves unable to reach synergy and integration targets or if BNL's financial profile deteriorates meaningfully, which could result primarily from an unexpected worsening of asset quality.

Ratings List

To	From
Counterparty credit rating	
AA-/Positive/A-1+	A/Watch Pos/A-1
CDs	
AA-/A-1+	A/Watch Pos/A-1

NB: This list does not include all ratings affected.

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