

Press Release

The Board approves a subordinated loan of 700 euro million issued by BNP Paribas in favour of BNL

The transaction will improve the total risk ratio of the Bank to above 10% bringing it in line with the best international standards

Rome, 29th September 2006. The Board of Directors of BNL, meeting in Rome today chaired by Luigi Abete, has approved the underwriting of a Lower Tier 2 subordinated loan issued by BNP Paribas for an amount of 700 euro million.

The transaction allows an improvement in BNL's Total Risk Ratio (ratio between Capital for Supervisory Purposes and Risk Weighted Assets) to above 10%, in line with the best international standards. The loan replaces previous transactions already expired or about to expire.

The loan, effective from 30th September, shall have a 10-year duration with a call on the 5th year, and shall bear interest based on 3-month Euribor plus a spread of 25 bp per year for the first 5 years. Should BNL not exercise the call, a step-up of 50 bp per year shall be applied.

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

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