



Innovation Award: BNL Mutuo 2in1

BNL won an Innovation Award in the 'Products and Services' category for BNL Mutuo 2in1, a mixed rate financing product. To talk about it, we are joined today by Chiara Bima, Head of Mortgage Lending for the Retail and Private Division at BNL. Chiara Bima, hello!

Would you start by presenting BNL to us?

BNL is one of the main banking groups in Italy, with almost 3 million retail customers and 900 branches. BNL has an historical presence in the Italian mortgage market, with a 5% market share.

Could you describe the 'BNL Mutuo 2in1' project?

BNL 2in1 is a mortgage that represents our answer to the typical question every customer asks when approaching this product: should I take a variable rate or a fixed rate mortgage? Well, it depends nowadays. Low short-term interest rates are making a variable rate mortgage particularly appealing, but variable rates bring with them all the inconvenience of an uncertain future monthly debt.

Fixed rates are 'secure' but the monthly instalment today is much higher than the variable one. Thanks to BNL 2in1 our customer can get all the benefits of today's rate scenario and grant at the same time the sustainability of his debt in the future. He buys a fix rate, and can get all the convenience of low variable rates for the first 2 years of his mortgage.

What are the benefits for the customers and for BNP Paribas?

BN 2in1 is a win-win product of course because it responds to the needs we have been talking about but as well as selling fix rates as an obvious upside for BNL: when customers can plan their debt, default rates are proved to stay lower.

This product allowed BNL to face increasing demand for variable rates keeping risk under control and good interest margins.

* Award received in 2010