



**MEDIOBANCA**  
*Banca di Credito Finanziario S.p.A.*

## **Mediobanca Board of Directors' Meeting**

**Milan, 10 May 2010**



## **Renato Pagliaro appointed Chairman**

## **Francesco Saverio Vinci appointed General Manager**

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## **Financial statements for period ended 31 March 2010 approved**

**Ongoing growth in revenues, up 25% to €1,600m**

**Solid performance in CIB, positive signs in RPB**

**Core tier 1 ratio above 11%**

- ◆ **Despite the weak economic scenario and financial markets continuing to be very fragile, for the nine months the MB Group reported:**
    - ◆ **solid top-line growth, with revenues up 25%, to €1,600m, and all business areas contributing: CIB up 16%, RPB up 10%, PI showing revenues of €134m (vs minus €15m at 31 March 2009)**
    - ◆ **reduction in cost of risk (to 140 bps in the third quarter), driven by wholesale banking, along with a gradual improvement in consumer credit; high asset quality preserved**
    - ◆ **adjustments to AFS securities reducing but still sizeable at €105m, linked to automatic provisioning triggered by impairment regulations**
    - ◆ **net profit of €354m (31/3/09: €39m)**
  
  - ◆ **Significant trends in the third quarter:**
    - ◆ **CIB: lendings stabilized (2% lower than at end-December 2009), and revenues consolidating at previous quarters' levels; temporary decline in net interest income**
    - ◆ **consumer credit: acceleration in growth, with Compass's market share rising by 1 percentage point (to 8.1%), and net interest income up 7%**
    - ◆ **CheBanca!: deposits worth €9.1bn, with net inflows of €1.3bn for the three months; cost trend gradually levelling off (up 28% year on year, down 21% quarter on quarter).**
  
  - ◆ **High asset solidity and liquidity confirmed:**
    - ◆ **tangible net equity equal to €6.0bn (10% of net assets)**
    - ◆ **core tier 1 ratio above 11% (31/12/09: 11.0%)**
    - ◆ **loans/deposits ratio: 0.6x**
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At a Board meeting held today, the Board of Directors of Mediobanca appointed Renato PAGLIARO as Chairman of Mediobanca, serving as a non-independent and non-executive Director.

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With Renato PAGLIARO in the chair, the Directors of Mediobanca approved the Group's financial statements for the period ended 31 March 2010, as illustrated by Chief Executive Officer Alberto NAGEL.

### **Consolidated results**

In a scenario of ongoing weakness in the real economy, the Mediobanca Group's results for the nine months show solid growth at both top-line level, with revenues up 25% to €1,599.9m, and bottom-line level, with net profit rising from €39.3m one year ago to €354.4m at end-March 2010. All business areas contributed to the revenue growth, with CIB up 16%, RPB improving by 10%, and PI delivering revenues of €133.7m (compared with minus €14.9m as at 31 March 2009).

The main income items performed as follows:

- ◆ net interest income continued to increase slightly over the nine months, rising by 1.4%, from €651.9m to €661.3m, driven by corporate and investment banking (up 13.7%). In the third quarter the driver was consumer credit, up 5.7%, due to a recovery in new loans and the reduced cost of funding; CIB showed a temporary reduction of 13.6%, due to lower returns on treasury activity;
- ◆ net fee and commission income rose by 9.6% in the nine months, from €378.1m to €414.3m, reflecting the positive trend in CIB (up 14.8%) and in particular in capital market activity (up 38%). In the three months CIB maintained the high level witnessed the previous quarter, while the 20% reduction in private banking reflects market conditions that are still challenging. The 8% fall in consumer credit fees is largely due to seasonal factors;
- ◆ net trading income rose from €268.3m to €383m in the nine months, with approx. €70m added in the third quarter, shared equally between CIB and RPB and deriving largely from disposals of AFS securities;
- ◆ equity-accounted companies contributed €141.3m, compared with minus €21.6m last year which was heavily impacted by the €809m loss reported by Assicurazioni Generali in the fourth quarter of FY 2008.

On the cost side, the trends were as follows:

- ◆ operating costs up 14% Y.o.Y. due to the ongoing strengthening of the Group's domestic and international distribution structure. The 8.9% reduction in the third quarter is due to seasonal factors in the cost of labour and the gradual levelling off of the operating expenses by CheBanca!;
- ◆ loan loss provisions, up 19.1% for the nine months (to €392.3m), have in fact fallen for the third quarter in succession, and show a reduction in wholesale banking and gradual improvement in



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RPB. At Group level the cost of risk fell to 140bps (from 200 bps at end-June 2009), for CIB to 60 bps (from 130 bps at end-June 2009) and for RPB to 290 bps (from 195 bps at end-June 2009). Asset quality remains high: net non-performing items, which were stable at 0.5% of loans and advances to customers, still have a coverage ratio of 80%;

- ◆ provisions for financial assets of €105.5m (31/3/09: €358.9m). Despite the market recovery, the provisions reflect the fact that the loss of value for AFS equity investments has now exceeded 18 months, thus triggering automatic provisioning. However, following these provisions the net equity valuation reserve at 31 March 2010 was still in positive territory for both the equity component (€99.1m) and the bond and other debt securities component (€46.6m);

The Group continues to have a highly solid and liquid balance sheet, while signs have emerged of lending volumes stabilizing in corporate finance and new loans recovering in consumer credit:

- ◆ Group loans and advances to customers totalled €33.3bn, down 8.4% on one year ago, but stabilizing compared to the level reported at end-December 2009 (down just 1%). In the last three months CIB loan book has basically stopped declining (down just 1.7% vs end-December 2009), while new loans in consumer credit have increased significantly (by 9%);
- ◆ net assets grew from €60.8bn at 31 December 2009 to €62.9bn, due to the increase in treasury operations, which was funded by part of the CheBanca! deposits (which totalled €9.1bn at 31 March 2010, with a net inflow of approx. €1.3bn in the three months);
- ◆ funding was virtually stable at €54.6bn (30/6/09: €53.4bn), boosted in the nine months by over €2.9bn in new CheBanca! deposits, which now account for 17% of Group funding (vs 12% at the balance-sheet date);
- ◆ the loans/deposits ratio (0.6x) and net tangible equity/total assets ratio (10%) bear out the Group's high liquidity and solidity;
- ◆ net equity rose from €5.7bn at the balance-sheet date to €6.4bn, and the core tier 1 ratio was above 11% (vs 10.3% at 30 June 2009 and 11.0% at 31 December 2009);

## **Divisional results**

### **Corporate & Investment Banking ("CIB")**

- ◆ **Total income up 16% in the nine months (to €870m), with net interest income up 14%, net fee and commission income up 15%, and net trading income up 13%**
  - ◆ **Temporary decline in net interest income after four quarters' consecutive growth; fees held up well at high levels, with significant contributions from capital markets and lending activities**
  - ◆ **Lending volumes stabilized at €21bn**
  - ◆ **Costs up 14% in the nine months, due to ongoing reinforcement of the international structure and operating systems; seasonal, 6% reduction in third quarter**
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- ◆ **Loan loss provisions down for the third quarter running, with the cost of risk down from 130 bps at end-June 2009 to 60 bps, and no new potential problem items in wholesale banking**
  - ◆ **Net profit up 27% for the nine months, to €259m**

This division reported a net profit of €258.9m for the nine months, up approx. 30% on the €203.4m recorded at the same stage last year. Significant growth in total income was delivered (up 15.9%, from €750.2m to €869.8m), with all the main items contributing: net interest income rose by 13.7%, from €276m to €313.9m; net trading income grew 12.9%, from €261.3m to €295m (€174.2m of which in dealing profits); and net fee and commission income climbed 14.8%, from €227.2m to €260.9m. The performance in the third quarter shows a temporary decline in net interest income, which was down 13.6% as a result of the reduction in returns on treasury operations. The other income items continued at the high levels seen for the preceding quarter.

Operating costs rose from €205m to €234.3m, on higher labour costs (up 21.2%, from €134.7m to €163.2m) due to the strengthening of the headcount, in particular at the Bank's international branches and operating systems. The 6% reduction in costs in the third quarter is due to seasonal factors.

Loan loss provisions of €121.8m were higher than the €104.2m reported last year but gradually reduced in the course of the financial year (€48.5m for the three months ended 30 September 2009, €39.7m for the three months ended 31 December 2009, and €34.1m for the three months ended 31 March 2010). Writedowns to AFS shares totalling €96.5m involve equity holdings whose stock market value has been below the original cost of acquisition for a period of over 18 months; the €13.9m increase in the last three months reflects the reduction in stock market prices of shares already subject to adjustments for impairment.

On the balance-sheet side, there was growth during the quarter in funding, from €43,068.8m to €46,197.6m (due to short-term funding), which financed the increase in treasury transactions (€17,692.5m, as against with €14,496.8m), and AFS securities (€5,507.9m, versus €5,187m), loans and advances to customers having stabilized at €24.4 bn.

### **Principal Investing ("PI")**

- ◆ **Net contribution for the nine months positive, at €121m (31/3/09: minus €207m).**
- ◆ **Book value of investments up to €2.8bn (30/6/09: €2.1bn).**
- ◆ **Market value of investments: €3.8bn (30/6/09: €3.0bn).**

This division reported a net profit of €121.4m (compared with a loss of €207.2m at the same time last year), chiefly due to the positive contribution from Assicurazioni Generali, which earned a €161.2m profit (compared with a €7.3m loss) and to reduced provisioning (down from €207.6m to €7.5m).

The book value of the investments rose in the three months to €229.4m. The highest contribution to this increase came from the Assicurazioni Generali investment, the value of which rose from €1,975.6m

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to €2,208.2m, on profits for the period totalling €44.8m, and an increase in the equity reserves of €187.8m.

The Group's shareholding in Assicurazioni Generali fell from 14.6% of the company's share capital to 13.2% as a result Alleanza Assicurazioni being merged into Generali.

### **Retail & Private Banking ("RPB")**

- ◆ **Revenues recovered during the nine months, up 10% to €627m, driven by higher contributions from retail banking (up from €35m to €71m) and consumer credit (up 6%, to €471m), which offset the slight reduction in total income generated by private banking (down 3%, to €85m)**
- ◆ **In the last six months, recovery in new loans in consumer credit and improvement in Compass market share**
- ◆ **Net loss of €28m due to CheBanca! costs (approx. 120 staff and 24 branches added in the past year), and higher loan loss provisions than in March 2009 (although new provisions have reduced for three consecutive quarters)**
- ◆ **CheBanca! deposits at €9.1bn, accounting for 17% of total Group funding**

This division showed a top-line improvement of 10.2% for the nine months, from €568.6m to €626.7m, driven by higher net trading income (up from €10.4m to €68.3m – chiefly due to the CheBanca! trading book) and net fee and commission income (up from €173.8m to €184.2m); net interest income was stable at €374.3m (compared with €384.6m), but showed significant growth in consumer credit (from €325m to €347.2m). The increase in operating costs (from €331.2m to €380.1m) was driven by the operating and geographical expansion of CheBanca! (with deposits of €9.1bn and 68 branches, compared with €4.4bn and 44 branches last year), and higher credit recovery expenses for Compass. Loan loss provisions totalled €270.6m (compared with €225.2m at the same stage last year), up €87.9m in the third quarter. Overall, a net loss of €27.5m was reported by this division for the nine months, compared with a €43.4m profit during the same period last year, which, however, was boosted by a one-off €45.9m tax effect due to goodwill arising on the Linea acquisition being released from taxation).

As for the balance-sheet data, loans and advances to customers were stable for the three months at €12.2bn, €8.1bn of which came from consumer credit and €3.5bn from mortgage lending; CheBanca! customer deposits increased from €6.2bn to €9.1bn; assets under management totalled €11.4bn (€10.9bn), €5.4bn at CMB and €6.0bn for Banca Esperia.

### **Consumer credit**

- ◆ **New loans recovering, with overall market share increasing by one percentage point (to 8%), and share in the personal loans segment up 2 points to 11%**



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- ◆ Total income gradually improving, driven by net interest income (up 6.8% in the nine months and 5.7% in the third quarter), boosted by the lower cost of funding and the recovery in new business
  - ◆ Costs up 8% for the nine months, due solely to the increased credit recovery costs which offset synergies generated from the Compass-Linea merger
  - ◆ Cost of risk under control and reducing slightly in the third quarter (to 400 bps)

#### **Retail banking: CheBanca!**

- ◆ Deposits: up from €6.2bn to €9.1bn, with a net inflow of €1.3bn, despite the lower return
- ◆ Branches: 12 branch openings in the nine months, bringing the total to 68; 26% growth in headcount for the period, to reach 850
- ◆ Total income doubled, to €71m
- ◆ Net loss of €61m, in line with budget

#### **Private banking**

- ◆ AUM totalling €11.4bn, up 15% in the last year:
  - ◆ Banca Esperia: up 46% to €6.0bn, €0.4bn of which in the last quarter
  - ◆ CMB: down 8% to €5.4bn, €0.1bn of which in the last quarter

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The financial statements for the period ended 31 March 2010 is available as from 11 May 2010 at the Bank's head office and the offices of Borsa Italiana for anyone wishing to consult them, and may also be found on the Bank's website at [www.mediobanca.it](http://www.mediobanca.it).

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The Board of Directors, at the Chief Executive Officer's proposal, also appointed Francesco Saverio Vinci, non-independent executive Director, as General Manager and Deputy Chairman of the Executive Committee of Mediobanca with responsibility for the Operations division (which includes the Accounting and Financial Reporting and Integrated Services units) and the Banking Group's equity investments. Mr Vinci shall also remain head of the Financial Markets area of the Corporate and Investment Banking division, which shall continue to be directly responsible to the Chief Executive Officer.

Furthermore, at the Chief Executive Officer's proposal, the Board also resolved to appoint Clemente Rebecchini, central manager, as head of the Principal Investing division (which includes all the Group's stable equity investments, as well as stakes held as part of merchant banking and private equity activities and taken in connection with advisory services), a role previously occupied by Mr Pagliaro. Mr Rebecchini shall report to the Chief Executive Officer.



Finally, the Board also altered the composition of the Executive, Appointments and Remunerations Committee accordingly, with Mr Pagliaro becoming Chairman of the latter.

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### Restated consolidated profit and loss account

Mediobanca Group (€ m)	9 mths to 31/12/09	9 mths to 31/12/10	Y.o.Y. chg.
Net interest income	651.9	661.3	1.4%
Net trading income	268.3	383.0	42.8%
Net fee and commission income	378.1	414.3	9.6%
Equity-accounted companies	(21.6)	141.3	n.m.
<b>Total income</b>	<b>1,276.7</b>	<b>1,599.9</b>	<b>25.3%</b>
Labour costs	(250.3)	(292.6)	16.9%
Administrative expenses	(265.4)	(295.4)	11.3%
<b>Operating costs</b>	<b>(515.7)</b>	<b>(588.0)</b>	<b>14.0%</b>
Loan loss provisions	(329.5)	(392.3)	19.1%
Provisions for other financial assets	(358.9)	(105.5)	-70.6%
Other income (losses)	—	5.5	n.m.
<b>Profit before tax</b>	<b>72.6</b>	<b>519.6</b>	<b>n.m.</b>
Income tax for the period	(32.2)	(162.9)	n.m.
Minority interest	(1.1)	(2.3)	n.m.
<b>Net profit</b>	<b>39.3</b>	<b>354.4</b>	<b>n.m.</b>

### Quarterly consolidated profit and loss accounts

Mediobanca Group (€ m)	FY 08-09				FY 09-10		
	I Q	II Q	III Q	IV Q	I Q	II Q	III Q
	30/9/08	31/12/08	31/3/09	30/6/09	30/9/09	31/12/09	31/3/10
Net interest income	223	203	226	209	214	228	219
Net trading income	164	9	96	153	266	47	70
Net fee and commission income	111	115	152	133	145	139	130
Equity-accounted companies	96	19	(137)	3	53	53	35
<b>Total income</b>	<b>594</b>	<b>346</b>	<b>337</b>	<b>499</b>	<b>678</b>	<b>467</b>	<b>455</b>
Labour costs	(88)	(82)	(81)	(110)	(96)	(104)	(93)
Administrative expenses	(72)	(98)	(95)	(104)	(86)	(109)	(100)
<b>Operating costs</b>	<b>(159)</b>	<b>(180)</b>	<b>(177)</b>	<b>(214)</b>	<b>(182)</b>	<b>(213)</b>	<b>(193)</b>
Loan loss provisions	(76)	(131)	(122)	(174)	(141)	(129)	(122)
Provisions for other financial assets	0	(281)	(78)	(93)	(74)	(17)	(15)
Other income (losses)	0	0	0	0	5	0	(1)
<b>Profit before tax</b>	<b>359</b>	<b>(247)</b>	<b>(39)</b>	<b>18</b>	<b>287</b>	<b>108</b>	<b>124</b>
Income tax for the period	(47)	35	(20)	(56)	(86)	(39)	(38)
Minority interest	(2)	3	(2)	1	(1)	0	(1)
<b>Net profit</b>	<b>310</b>	<b>(210)</b>	<b>(61)</b>	<b>(37)</b>	<b>201</b>	<b>69</b>	<b>84</b>



Restated consolidated balance sheet

Mediobanca Group (€ m)	30/6/09	31/12/09	31/3/10
<b>Assets</b>			
Treasury funds	12,753.5	13,502.7	15,853.3
AFS securities	6,653.4	7,807.1	7,359.5
<i>of which: fixed-income</i>	4,923.4	6,051.1	5,725.2
<i>equities</i>	1,247.1	1,263.9	1,160.1
Fixed assets (HTM & LR)	1,557.5	1,334.0	1,462.7
Loans and advances to customers	35,233.2	33,468.9	33,267.0
Equity investments	2,638.5	3,037.7	3,251.7
Property, plant and equipment	764.2	762.9	762.9
Other assets	1,101.5	934.5	926.7
<i>of which: tax assets</i>	830.1	700.3	720.0
<b>Total assets</b>	<b>60,701.8</b>	<b>60,847.8</b>	<b>62,883.8</b>
<b>Liabilities</b>			
Funding	53,411.8	52,904.1	54,597.2
<i>of which: debt securities in issue</i>	36,867.8	35,983.6	36,931.2
<i>retail deposits</i>	6,212.6	7,857.8	9,123.4
Other liabilities	1,292.4	1,183.4	1,286.8
<i>of which: tax liabilities</i>	653.7	541.4	594.5
Provisions	188.3	183.8	183.5
Net equity	5,806.9	6,306.4	6,461.9
<i>of which: share capital</i>	410.0	430.5	430.6
<i>reserves</i>	5,293.6	5,771.0	5,926.7
<i>minority interest</i>	103.3	104.9	104.6
Profit for the period	2.4	270.1	354.4
<b>Total liabilities</b>	<b>60,701.8</b>	<b>60,847.8</b>	<b>62,883.8</b>
Core Tier 1 capital	5,431.4	5,761.8	N/A
Total capital	6,231.9	6,736.9	N/A
RWAs	52,737.5	52,389.4	N/A
Core Tier 1 ratio	10.3	11.0	N/A
Total capital ratio	11.8	12.9	N/A
No. of shares in issue (m)	820.1	861.1	861.1



Profit-and-loss figures/balance-sheet data by division

Nine months to 31/3/10 (€m)	Corporate & Investment Banking	Principal Investing	Retail & Private Banking	Group
Net interest income	313.9	(7.4)	374.3	661.3
Net trading income	295.0	0.0	68.3	383.0
Net fee and commission income	260.9	0.0	184.2	414.3
Equity-accounted companies	0.0	141.1	(0.1)	141.3
<b>Total income</b>	<b>869.8</b>	<b>133.7</b>	<b>626.7</b>	<b>1,599.9</b>
Labour costs	(163.2)	(4.1)	(134.9)	(292.6)
Administrative expenses	(71.1)	(2.0)	(245.2)	(295.4)
<b>Operating costs</b>	<b>(234.3)</b>	<b>(6.1)</b>	<b>(380.1)</b>	<b>(588.0)</b>
Loan loss provisions	(121.8)	0.0	(270.6)	(392.3)
Provisions for other financial assets	(96.5)	(7.5)	(1.2)	(105.5)
Other income (losses)	0.0	0.0	5.5	5.5
<b>Profit before tax</b>	<b>417.2</b>	<b>120.1</b>	<b>(19.7)</b>	<b>519.6</b>
Income tax for the period	(156.0)	1.3	(7.8)	(162.9)
Minority interest	(2.3)	0.0	0.0	(2.3)
<b>Net profit</b>	<b>258.9</b>	<b>121.4</b>	<b>(27.5)</b>	<b>354.4</b>
Treasury funds	17,692.5	0.0	3,793.1	15,853.3
AFS securities	5,507.9	118.2	2,722.9	7,359.5
Fixed assets (HTM & LR)	1,461.9	0.0	2,489.2	1,462.7
Equity investments	397.7	2,794.7	1.4	3,251.7
Loans and advances to customers	24,434.9	0.0	12,267.9	33,267.0
<i>of which to Group companies</i>	<i>3,429.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>
Funding	46,197.6	259.8	20,576.6	54,597.2
RWAs	N/A	N/A	N/A	N/A
No. of staff	865	n.m.	2,457 *	3,211

\* Includes 111 staff employed by Banca Esperia pro-forma. not included in the Group total.



Nine months to 31/3/09 (€ m)	Corporate & Investment Banking	Principal Investing	Retail & Private Banking	Group
Net interest income	276.0	(8.6)	384.6	651.9
Net trading income	261.3	0.2	10.4	268.3
Net fee and commission income	227.2	0.0	173.8	378.1
Equity-accounted companies	(14.3)	(6.5)	(0.2)	(21.6)
<b>Total income</b>	<b>750.2</b>	<b>(14.9)</b>	<b>568.6</b>	<b>1,276.7</b>
Labour costs	(134.7)	(3.9)	(117.7)	(250.3)
Administrative expenses	(70.3)	(1.8)	(213.5)	(265.4)
<b>Operating costs</b>	<b>(205.0)</b>	<b>(5.7)</b>	<b>(331.2)</b>	<b>(515.7)</b>
Loan loss provisions	(104.2)	0.0	(225.2)	(329.5)
Provisions for other financial assets	(144.8)	(207.6)	(6.4)	(358.9)
Other income (losses)	0.0	0.0	0.0	0.0
<b>Profit before tax</b>	<b>296.2</b>	<b>(228.2)</b>	<b>5.8</b>	<b>72.6</b>
Income tax for the period	(91.7)	21.0	37.6	(32.2)
Minority interest	(1.1)	0.0	0.0	(1.1)
<b>Net profit</b>	<b>203.4</b>	<b>(207.2)</b>	<b>43.4</b>	<b>39.3</b>
Treasury funds	11,577.6	0.0	2,873.2	11,738.1
AFS securities	2,802.9	115.9	3,292.7	4,973.4
Fixed assets (HTM & LR)	1,165.0	0.0	1.8	1,165.9
Equity investments	86.3	2,292.2	0.6	2,432.7
Loans and advances to customers	28,159.6	0.0	12,135.6	36,332.5
<i>of which to Group companies</i>	3,952.6	0.0	0.0	0.0
Funding	41,759.9	259.8	17,502.4	51,705.0
RWAs	N/A	N/A	N/A	N/A
No. of staff	862	n.m.	2,339 *	3,099

\* Includes 102 staff employed by Banca Esperia pro-forma. not included in the Group total.



### Corporate & Investment banking

CIB (€ m)	9 mths to 31/12/08	9 mths to 31/12/09	Y.o.Y. chg.
Net interest income	276.0	313.9	13.7%
Net trading income	261.3	295.0	12.9%
Net fee and commission income	227.2	260.9	14.8%
Equity-accounted companies	(14.3)	0.0	n.m.
<b>Total income</b>	<b>750.2</b>	<b>869.8</b>	<b>15.9%</b>
Labour costs	(134.7)	(163.2)	21.2%
Administrative expenses	(70.3)	(71.1)	1.1%
<b>Operating costs</b>	<b>(205.0)</b>	<b>(234.3)</b>	<b>14.3%</b>
Loan loss provisions	(104.2)	(121.8)	16.9%
Provisions for other financial assets	(144.8)	(96.5)	-33.4%
Other income (losses)	0.0	0.0	n.m.
<b>Profit before tax</b>	<b>296.2</b>	<b>417.2</b>	<b>40.9%</b>
Income tax for the period	(91.7)	(156.0)	70.1%
Minority interest	(1.1)	(2.3)	n.m.
<b>Net profit</b>	<b>203.4</b>	<b>258.9</b>	<b>27.3%</b>

CIB (€ m)	31/12/09	31/3/10	% chg.
Treasury funds	14,496.8	17,692.5	22.0%
AFS securities	5,187.0	5,507.9	6.2%
Fixed assets (HTM & LR)	1,333.3	1,461.9	9.6%
Equity investments	414.9	397.7	-4.1%
Loans and advances to customers	24,821.8	24,434.9	-1.6%
<i>of which to Group companies</i>	<i>3,427.4</i>	<i>3,429.0</i>	<i>0.0%</i>
Funding	43,068.8	46,197.6	7.3%



CIB by segment - 9 months to 31/03/10	Wholesale	Leasing	Total CIB
(€ m)			
Net interest income	257.8	56.1	313.9
Net trading income	295.2	(0.2)	295.0
Net fee and commission income	258.3	2.6	260.9
Equity-accounted companies	0.0	0.0	0.0
<b>Total income</b>	<b>811.3</b>	<b>58.5</b>	<b>869.8</b>
Labour costs	(149.9)	(13.3)	(163.2)
Administrative expenses	(61.9)	(9.2)	(71.1)
<b>Operating costs</b>	<b>(211.8)</b>	<b>(22.5)</b>	<b>(234.3)</b>
Loan loss provisions	(96.2)	(25.6)	(121.8)
Provisions for other financial assets	(96.5)	0.0	(96.5)
Other income (losses)	0.0	0.0	0.0
<b>Profit before tax</b>	<b>406.8</b>	<b>10.4</b>	<b>417.2</b>
Income tax for the period	(150.1)	(5.9)	(156.0)
Minority interest	0.0	(2.3)	(2.3)
<b>Net profit</b>	<b>256.7</b>	<b>2.2</b>	<b>258.9</b>
Loans and advances to customers	19,815.1	4,619.8	24,434.9
<i>of which to Group companies</i>	3,429.0	0.0	3,429.0
New loans	n.m.	835.7	n.m.
No. of staff	655	210	865
No. of branches	n.m.	12	n.m.

CIB by segment - 9 months to 31/03/09	Wholesale	Leasing	Total CIB
(€ m)			
Net interest income	218.2	57.8	276.0
Net trading income	261.3	0.0	261.3
Net fee and commission income	222.6	4.6	227.2
Equity-accounted companies	(14.3)	0.0	(14.3)
<b>Total income</b>	<b>687.8</b>	<b>62.4</b>	<b>750.2</b>
Labour costs	(119.9)	(14.8)	(134.7)
Administrative expenses	(58.6)	(11.7)	(70.3)
<b>Operating costs</b>	<b>(178.5)</b>	<b>(26.5)</b>	<b>(205.0)</b>
Loan loss provisions	(74.0)	(30.2)	(104.2)
Provisions for other financial assets	(144.8)	0.0	(144.8)
Other income (losses)	0.0	0.0	0.0
<b>Profit before tax</b>	<b>290.5</b>	<b>5.7</b>	<b>296.2</b>
Income tax for the period	(86.6)	(5.1)	(91.7)
Minority interest	0.0	(1.1)	(1.1)
<b>Net profit</b>	<b>203.9</b>	<b>(0.5)</b>	<b>203.4</b>
Loans and advances to customers	23,325.9	4,833.7	28,159.6
<i>of which to Group companies</i>	3,952.6	0.0	3,952.6
New loans	n.m.	1,105.1	n.m.
No. of staff	634	228	862
No. of branches	n.m.	12	n.m.



### Principal investing

PI (€ m)	9 mths to 31/03/09	9 mths to 31/03/10	Y.o.Y. Chg.
Net interest income	(8.6)	(7.4)	-14.0%
Net trading income	0.2	0.0	n.m.
Net fee and commission income	0.0	0.0	n.m.
Equity-accounted companies	(6.5)	141.1	n.m.
<b>Total income</b>	<b>(14.9)</b>	<b>133.7</b>	<b>n.m.</b>
Labour costs	(3.9)	(4.1)	5.1%
Administrative expenses	(1.8)	(2.0)	11.1%
<b>Operating costs</b>	<b>(5.7)</b>	<b>(6.1)</b>	<b>7.0%</b>
Loan loss provisions	0.0	0.0	n.m.
Provisions for other financial assets	(207.6)	(7.5)	n.m.
Other income (losses)	0.0	0.0	n.m.
<b>Profit before tax</b>	<b>(228.2)</b>	<b>120.1</b>	<b>n.m.</b>
Income tax for the period	21.0	1.3	n.m.
Minority interest	0.0	0.0	n.m.
<b>Net profit</b>	<b>(207.2)</b>	<b>121.4</b>	<b>n.m.</b>

PI (€ m)	31/12/09	31/3/10	% chg.
AFS securities	119.0	118.2	-0.7%
Equity investments	2,565.3	2,794.7	8.9%

### Retail & Private banking

RPB (€ m)	9 mths to 31/03/09	9 mths to 31/03/10	Y.o.Y. chg.
Net interest income	384.6	374.3	-2.7%
Net trading income	10.4	68.3	n.m.
Net fee and commission income	173.8	184.2	6.0%
Equity-accounted companies	(0.2)	(0.1)	50.0%
<b>Total income</b>	<b>568.6</b>	<b>626.7</b>	<b>10.2%</b>
Labour costs	(117.7)	(134.9)	14.6%
Administrative expenses	(213.5)	(245.2)	14.8%
<b>Operating costs</b>	<b>(331.2)</b>	<b>(380.1)</b>	<b>14.8%</b>
Loan loss provisions	(225.2)	(270.6)	20.2%
Provisions for other financial assets	(6.4)	(1.2)	n.m.
Other income (losses)	0.0	5.5	n.m.
<b>Profit before tax</b>	<b>5.8</b>	<b>(19.7)</b>	<b>n.m.</b>
Income tax for the period	37.6	(7.8)	n.m.
Minority interest	0.0	0.0	n.m.
<b>Net profit</b>	<b>43.4</b>	<b>(27.5)</b>	<b>n.m.</b>



RPB (€ m)	31/12/09	31/3/10	% chg.
Treasury funds	3,745.7	3,793.1	1.3%
AFS securities	3,156.4	2,722.9	-13.7%
Fixed assets (HTM & LR)	1,021.7	2,489.2	n.m.
Equity investments	0.5	1.4	n.m.
Loans and advances to customers	12,104.3	12,267.9	1.4%
Funding	19,331.3	20,576.6	6.4%

RPB by segment - 31/03/10 (€ m)	Consumer credit	Retail banking	Private banking	Total RPB
Net interest income	347.2	8.8	18.3	374.3
Net trading income	0.0	58.0	10.3	68.3
Net fee and commission income	124.1	4.4	55.7	184.2
Equity-accounted companies	(0.3)	0.0	0.2	(0.1)
<b>Total income</b>	<b>471.0</b>	<b>71.2</b>	<b>84.5</b>	<b>626.7</b>
Labour costs	(56.3)	(40.1)	(38.5)	(134.9)
Administrative expenses	(123.7)	(96.5)	(25.0)	(245.2)
<b>Operating costs</b>	<b>(180.0)</b>	<b>(136.6)</b>	<b>(63.5)</b>	<b>(380.1)</b>
Loan loss provisions	(253.7)	(15.9)	(1.0)	(270.6)
Provisions for other financial assets	0.0	0.0	(1.2)	(1.2)
Other income (losses)	0.0	0.0	5.5	5.5
<b>Profit before tax</b>	<b>37.3</b>	<b>(81.3)</b>	<b>24.3</b>	<b>(19.7)</b>
Income tax for the period	(27.5)	20.5	(0.8)	(7.8)
Minority interest	0.0	0.0	0.0	0.0
<b>Net profit</b>	<b>9.8</b>	<b>(60.8)</b>	<b>23.5</b>	<b>(27.5)</b>
Loans and advances to customers	8,141.4	3,461.7	664.8	12,267.9
New loans	2,948.3	599.3	n.m.	3,547.6
AUM	0.0	0.0	11,419.0	n.m.
No. of staff	1,275	850	332	2,457
No. of branches	146	68	n.m.	214





RPB by segment - 31/03/09	Consumer credit	Retail banking	Private banking	Total RPB
(€ m)				
Net interest income	325.0	31.1	28.5	384.6
Net trading income	0.2	0.4	9.8	10.4
Net fee and commission income	121.0	3.9	48.9	173.8
Equity-accounted companies	(0.2)	0.0	0.0	(0.2)
<b>Total income</b>	<b>446.0</b>	<b>35.4</b>	<b>87.2</b>	<b>568.6</b>
Labour costs	(57.4)	(27.4)	(32.9)	(117.7)
Administrative expenses	(109.1)	(79.6)	(24.8)	(213.5)
<b>Operating costs</b>	<b>(166.5)</b>	<b>(107.0)</b>	<b>(57.7)</b>	<b>(331.2)</b>
Loan loss provisions	(206.9)	(18.2)	(0.1)	(225.2)
Provisions for other financial assets	0.0	0.0	(6.4)	(6.4)
Other income (losses)	0.0	0.0	0.0	0.0
<b>Profit before tax</b>	<b>72.6</b>	<b>(89.8)</b>	<b>23.0</b>	<b>5.8</b>
Income tax for the period	13.0	24.1	0.5	37.6
Minority interest	0.0	0.0	0.0	0.0
<b>Net profit</b>	<b>85.6</b>	<b>(65.7)</b>	<b>23.5</b>	<b>43.4</b>
Loans and advances to customers	8,338.2	3,053.0	744.4	12,135.6
New loans	2,840.0	540.0	n.s	3,380.0
AUM	0.0	0.0	9,912.0	n.m.
No. of staff	1,319	672	348	2,339
No. of branches	146	44	n.m.	190

As required by Article 154-bis, paragraph 2 of Italian Legislative Decree 58/98, the undersigned hereby declares that the financial information contained in this document corresponds to that contained in the company's documents, account books and ledger entries.

Head of  
Company Financial Reporting

Massimo Bertolini