



MEDIOBANCA
Banca di Credito Finanziario S.p.A.

Mediobanca Board of Directors' Meeting

Milan, 28 October 2009



Quarterly review as at 30 September 2009 approved

Net profit of €200.6m

Positive contribution from equity investment portfolio

- ◆ **In a quarter where markets performed favourably but the real economy was still weak, banking activities¹ show:**
 - ◆ **€553m total income, up 63% Y.o.Y. (vs 3Q08) and up 13% Q.o.Q. (vs 2Q09). CIB and financial markets in particular were confirmed as the main drivers of this growth, with total income more than doubling Y.o.Y. to €355m, up 15% Q.o.Q.**
 - ◆ **costs up 14% Y.o.Y., to €182m, due to growth in domestic and international activities**
 - ◆ **cost of risk down vs 2Q09, from 200 bps to 160 bps, but consistent with an economic scenario which continues to be difficult**

- ◆ **Contribution from equity investments portfolio positive again after three negative quarters, despite residual writedowns to AFS securities totalling €74m:**
 - ◆ **profits from PI companies reached €52m (30/9/08: €85m)**
 - ◆ **gains on disposals of AFS securities totalled €65m (€158m)**

- ◆ **Net profit of €201m (after three negative quarters), despite higher tax burden due to higher proportion of profits coming from banking and to loan loss provisions not being fully tax-deductible**

- ◆ **Trends in main balance-sheet aggregates reflect weak demand from corporates and households, but also Mediobanca's healthy liquidity and solidity:**
 - ◆ **loans and advances to customers down 2% (to €34.6bn);**
 - ◆ **loans/deposits ratio stable at 0.66, as are treasury funds (at €12.6bn)**
 - ◆ **retail deposits up €1.1bn in the three months (now totalling €7.3bn, or 14% of Group funding)**
 - ◆ **consolidated net equity up 5% (to approx. €6bn)**

¹ Net of contribution of PI and AFS portfolios (apart from CheBanca! AFS portfolio), amounting to €52m in 3Q09, €255m in 3Q08, and minus €85m in 2Q09, representing the balance between income (of €125m in 3Q09, €255m in 3Q08, and €8m in 2Q09), and writedowns (totalling €74m, €0 and €93m respectively).



At a Board meeting held today with Cesare GERONZI in the chair, the Directors of Mediobanca approved the Group's financial statements for the three months ended 30 September 2009, as illustrated by Chief Executive Officer Alberto NAGEL and General Manager Renato PAGLIARO.

Consolidated results

In a quarter where financial markets performed well but the real economy continued to be weak, the Mediobanca Group earned a net profit of €200.6m. The upturn in banking activities² that began in the second part of the last financial year continued during the three months under review, with pre-tax profit doubling to €235m, driven by Corporate & Investment Banking ("CIB"). The contribution from the equity investment portfolio was also back in positive territory, even though the net profit delivered was still small (€52m, compared with €255m), due to reduced profits generated by the investee companies, and residual writedowns to AFS securities in an amount of €74m.

Banking activities³ generated total income of €553m, up 63% Y.o.Y., and up 13% on the figure reported in 2Q09. CIB and in particular financial markets were confirmed as the drivers of this growth, with total income doubling Y.o.Y. to €355m, and up 15% Q.o.Q. As for the individual items:

- ◆ net interest income declined by 4% Y.o.Y., from €222.7m to €213.9m, representing the balance between an 8.9% increase in CIB and a 10.1% reduction in retail and private banking ("RPB"), the latter due to the start-up phase of CheBanca! plus a reduced contribution from CMB; compared to 2Q09, net interest income was up 2% (from €209.3m), as the stability from CIB and consumer credit operations was matched by the upturn at CheBanca!, which earned net interest income of €2.6m (compared with net interest expense of €7.5m one quarter previously).
- ◆ net trading income reflects the healthier conditions on financial market, rising from €0.9m to €62.9m, more than 80% of which was concentrated in the fixed-income component; here too the performance showed a quarter-on-quarter improvement, up 27% on the result posted in the three months to 30 June 2009.
- ◆ net fee and commission income rose by 30.3% Y.o.Y., from €11m to €44.6m, and by 8% Q.o.Q., due entirely to CIB activity; the 24% growth in CIB fees for the quarter more than offset the 12% reduction in consumer credit fees, partly due to seasonal factors.
- ◆ operating costs continued the trend seen last year, with an increase of 14.1%, up from €59.3m to €81.8m, reflecting growth by CheBanca! and Mediobanca's international expansion. The reduction in costs in the three months since the balance-sheet date is not meaningful, as it is entirely due to seasonal factors in CIB and at CheBanca!.
- ◆ the cost of risk remained high at 160 bps (despite loan loss provisions falling 20% from 2Q09 when they reached 200 bps), in view of the widespread deterioration in the risk profile of

² Cf. note 1.

³ Cf. note 1.



businesses and households. Loan loss provisions rose from €75.9m one year previously to €140.9m (from 90 bps to 160 bps). Of this total, €92.9m (€69.9m) involved the RPB division, €40.2m (€2.2m) wholesale banking, and €7.8m (€3.8m) leasing.

Having been strongly impacted by the financial crisis in the previous three quarters, the equity investment portfolio's contribution returned to positive territory:

- ◆ the contribution from companies in the Principal Investing ("PI") portfolio was €50m, compared with a negligible or negative contribution in the previous three quarters, and compared with a net profit of €86m reported in 3Q 2009; this reflects €58.9m in profits earned by Assicurazioni Generali attributable to Mediobanca.
- ◆ provisions for financial assets totalled €74m and are entirely attributable to residual charges to the AFS equities portfolio due to the automatic effects of the accounting standards adopted. Following these provisions, and partly as a result of the upturn in stock market prices, at 30 September 2009 the net equity valuation reserve had returned to positive territory for both the equity component (€133.1m) and the bond and other securities component (€39.9m).

A net profit of €201m was earned (after three negative quarters), after the loan loss provisions referred to above, and higher taxation (up from €46.6m to €85.6m) due to changes in revenue composition (with a higher proportion of the profits coming from banking) and the loan loss provisions not being fully deductible for IRAP purposes.

The main balance-sheet aggregates reflect the weak demand for credit from corporates and households, but also Mediobanca's healthy liquidity and solidity:

- ◆ loans and advances to customers fell slightly, by 2% to €34.6bn, with similar reductions in both the corporate and retail segments, of 2.3% and 0.7% respectively, partly due to a prudent lending policy. Total assets were stable at €60.6bn, following an increase in AFS securities facilitated by the high funding levels achieved by CheBanca! (€7.3bn for the year);
- ◆ funding was virtually stable, at €52.8bn (30/6/08: €53.4bn), and is more diversified, with 14% of the total raised through the retail channel (as compared with 12% at the balance-sheet date);
- ◆ total loans/deposits and tangible net equity/assets ratios are among the best in the industry, at 0.66x and 9% respectively, confirming the Group's solidity;
- ◆ net equity rose from €5.7bn at 30 June 2009 to €6.0bn;
- ◆ following the scrip issue (cf. below), the company's share capital increased to €430.5m, and now consists of 861,058,448 par value €0.50 shares.

Divisional results



Corporate & Investment Banking (“CIB”)

◆ Banking activities⁴ show:

- ◆ **total income €356m up 15% Q.o.Q. (and more than doubled Y.o.Y.), driven by net fee and trading income, both up over 20%**
- ◆ **pre-tax profit up 65% Q.o.Q. to €230m, partly due to reductions of:**
 - **21% in costs, due to seasonal factors;**
 - **36% in loan loss provisions**

◆ Upturn in contribution from equity investment portfolio: after three negative quarters in succession, impact neutral (vs €170m contribution in 3Q08), with gains on disposals offsetting residual, €73m AFS writedowns.

This division posted significant year-on-year growth in all the main income items: net interest income was up 8.9%, from €93.9m to €102.3m, net fee and commission income up 67.7%, from €55.5m to €93.1m, and net trading income up 43.5%, from €162.7m to €233.5m, (zero and €163.5m respectively in dealing profits); both fee and trading income were up over 20% Q.o.Q., while net interest income held up well.

Operating costs rose by 6.7% Y.o.Y., from €71.5m to €76.3m, solely as a result of the rise in labour costs (up 10.4%, from €50.2m to €55.4m) due to international expansion, but fell 21% Q.o.Q. due to seasonal factors, with the majority of the variable remuneration component being included in the second quarter of the calendar year.

Loan loss provisions totalled €48m, significantly higher than the €8m booked last year, due to the deterioration in the earnings profile of corporate, but down 36% Q.o.Q., with no new impaired items recorded during the period. Provisions for other financial assets reflect the €73.2m charges to the AFS portfolio referred to earlier, despite the upturn on stock markets.

As for the balance-sheet aggregates, the AFS securities portfolio grew from €4.2bn to €4.9bn, while the other items remained more or less stable: loans and advances to customers declined from €26.3bn to €26bn, and funding reduced from €43.3bn to €43.1bn, while treasury funds were unchanged at €3.4bn.

Principal Investing (“PI”)

- ◆ **net contribution back in positive territory, at €50m, having been neutral or negative in the previous three quarters;**
- ◆ **market value of investments recovering since end-March 2009: value based on current prices €4.1bn (vs €3.9bn at 30 September 2009 and €3.0bn at 30 June 2009)**

⁴ Cf. note 1.



The share of the investee companies' profits for the period attributable to the Group fell by 38.1%, from €88m to €54.5m, representing the balance between profits of €58.9m earned by Generali (€80.6m) and a loss of €3.5m incurred by RCS MediaGroup (compared with an €8m profit this time last year).

Retail & Private Banking ("RPB")

- ◆ **total income was up 5% Q.o.Q., to €207m, due to an increased contribution from retail operations (nearly three times higher, at €29m), which offset the seasonal weakness in consumer credit (down 5% to €152m) and virtually stable revenues from private banking (€26m)**
- ◆ **bottom line positive again, with a net profit of €3m earned despite higher tax burden**
- ◆ **Group companies' bank exposure reduced due to funding raised by CheBanca!, which now makes up 14% of Group total**

This division earned a profit of €3.3m during the three months, considerably less than the €24.7m reported last year, due to higher loan loss provisions of €92.9m (€69.9m), costs incurred by CheBanca! (up from €23.6m to €38.7m), and a reduced contribution from private banking totalling €11.8m (€17.6m). However, despite a higher tax burden, the three months under review showed a clear recovery compared to the previous two quarters, when net losses of €18m and €32m were made. Total income was up 5%, boosted by an upturn in net interest income and €26.m in gains on disposals of securities held by CheBanca!, which offset the weakness in consumer credit fees.

The 10%, quarter-on-quarter reduction in costs (which were up 20% Y.o.Y.) is not significant, because it is attributable to seasonal effects of costs at CheBanca! and cost-cutting measures in private banking; consumer credit costs were stable, as the reduction in labour costs made possible as a result of merger synergies was offset by increased credit recovery expenses.

Loan loss provisions were significantly higher than last year, up 32.9% Y.o.Y., from €69.9m to €92.9m, but down slightly quarter-on-quarter; the scenario is expected to remain difficult.

As for the balance-sheet aggregates, loans and advances to customers declined in the three months from €12.1bn to €12bn, €8bn of which from consumer credit and €3.3bn from mortgage lending; CheBanca! customer deposits rose from €6.2bn to €7.3bn; and assets under management on a discretionary/non-discretionary basis increased to €13.1bn, €8.1bn (€8.1bn) of which for CMB and €5bn (€4.3bn) for Banca Esperia.

Consumer credit

- ◆ **new loans down 15% Y.o.Y., due to weak demand and more conservative lending policies, but stabilizing in the last three quarters**



- ◆ total income up 2% Y.o.Y. (net interest income up 4%), but down 5% Q.o.q. due to seasonal commissions
- ◆ stringent provisioning policy: cost of risk high (420 bps) but down this quarter (440 bps in 2Q09); scenario expected to remain difficult
- ◆ net profit of €3m impacted by higher tax burden, due to loan loss provisions not being deductible for IRAP purposes

Retail banking

- ◆ CheBanca! deposits up €1.1bn in the three months, to €7.3bn
- ◆ total income three times higher for the quarter, at €29m, due to:
 - ◆ initial recovery of net interest income, to €3m
 - ◆ net trading income of €25m deriving from investment of liquidity
 - ◆ costs down 20% Q.o.Q., solely as a result of seasonal factors
- ◆ net loss of €12m reported, in line with the figure for 3Q08
- ◆ new products being developed

Private banking

- ◆ AUM totalling €13.1bn, up 6% on the balance-sheet date:
 - ◆ Banca Esperia up 16% to €5.0bn, approx. €0.5bn of which in net deposits
 - ◆ CMB stable at €8.1bn
- ◆ total income flat quarter-on-quarter, at €26m (down 28% Y.o.Y.), due to more conservative asset allocation and reduced net interest income by CMB
- ◆ costs down 12% Q.o.Q.
- ◆ net profit €12m (€18m)

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The quarterly review of operations as at 30 September 2009 is available at the Bank's head office and the offices of Borsa Italiana for anyone wishing to read it, and may also be found on the Bank's website at www.mediobanca.it, as from today.

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Restated profit and loss account

€m	3 mths to 30/9/08	3 mths to 30/9/09	Y.o.Y chg
Net interest income	222.7	213.9	-4.0%
Net trading income	163.8	266.3	62.6%
Net fee and commission income	111.0	144.6	30.3%
Equity-accounted companies	96.2	53.3	-44.6%
TOTAL INCOME	593.7	678.1	14.2%
Labour costs	(87.5)	(96.0)	9.7%
Administrative expenses	(71.8)	(85.8)	19.5%
OPERATING COSTS	(159.3)	(181.8)	14.1%
Loan loss provisions	(75.9)	(140.9)	85.6%
Provisions for other financial assets	0.0	(73.5)	n.m.
Other income/losses	0.0	5.4	n.m.
PROFIT BEFORE TAX	358.5	287.3	-19.9%
Income tax for the period	(46.6)	(85.6)	83.7%
Minority interest	(2.0)	(1.1)	-45.0%
NET PROFIT	309.9	200.6	-35.3%

Quarterly consolidated profit and loss accounts

€m	FY 08-09				FY 09-10
	3Q 08	4Q 08	1Q 09	2Q 09	3Q 09
Net interest income	223	203	226	209	214
Net trading income	164	9	96	153	266
Net fee and commission income	111	115	152	133	145
Equity-accounted companies	96	19	(137)	3	53
TOTAL INCOME	594	346	337	499	678
Labour costs	(88)	(82)	(81)	(110)	(96)
Administrative expenses	(72)	(98)	(95)	(104)	(86)
OPERATING COSTS	(159)	(180)	(177)	(214)	(182)
Loan loss provisions	(76)	(131)	(122)	(174)	(141)
Provisions for other financial assets	0	(281)	(78)	(93)	(74)
Other income/losses	0	0	0	0	5
RISULTATO LORDO	359	(247)	(39)	18	287
Income tax for the period	(47)	35	(20)	(56)	(86)
Minority interest	(2)	3	(2)	1	(1)
NET PROFIT	310	(210)	(61)	(37)	201



Restated consolidated balance sheet

€m	30/9/08	30/6/09	30/9/09
Assets			
Treasury funds	10,818.8	12,753.5	12,611.3
AFS securities	3,330.4	6,653.4	7,341.6
<i>of which: fixed-income equities</i>	<i>1,493.8</i>	<i>4,997.6</i>	<i>5,598.3</i>
	<i>1,342.7</i>	<i>1,247.1</i>	<i>1,329.7</i>
Financial assets held to maturity	973.1	1,557.5	1,534.1
Loans and advances to customers	35,704.5	35,233.2	34,615.8
Equity investments	2,810.1	2,638.5	2,749.0
Property, plant and equipment	752.5	764.2	760.7
Other assets	1,078.1	1,101.5	1,025.3
<i>of which: tax assets</i>	<i>546.6</i>	<i>830.1</i>	<i>803.1</i>
TOTAL ASSETS	55,467.5	60,701.8	60,637.8
Liabilities			
Funding	47,273.5	53,411.8	52,814.1
<i>of which debt securities in issue</i>	<i>33,955.8</i>	<i>36,867.8</i>	<i>35,993.9</i>
<i>retail deposits</i>	<i>162.6</i>	<i>6,212.6</i>	<i>7,295.0</i>
Other liabilities	1,740.0	1,292.4	1,377.1
<i>of which: tax liabilities</i>	<i>732.8</i>	<i>653.7</i>	<i>755.1</i>
Provisions	208.6	188.3	182.8
Net equity	5,935.5	5,806.9	6,063.2
<i>of which: share capital</i>	<i>410.0</i>	<i>410.0</i>	<i>430.5</i>
<i>reserves</i>	<i>5,409.4</i>	<i>5,293.6</i>	<i>5,529.0</i>
<i>minority interest</i>	<i>116.1</i>	<i>103.3</i>	<i>103.7</i>
Profit for the period	309.9	2.4	200.6
TOTAL LIABILITIES	55,467.5	60,701.8	60,637.8
<i>No. of shares in issue (millions)</i>	<i>820.1</i>	<i>820.1</i>	<i>860.1</i>



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

30 September 2009 (€m)	Corporate & Investment Banking	Principal Investing	Retail & Private Banking	Group
Profit-and-loss figures				
Net interest income	102.3	(2.7)	119.4	213.9
Net trading income	233.5	0.0	28.2	266.3
Net fee and commission income	93.1	0.0	59.6	144.6
Equity-accounted companies	(1.1)	54.5	(0.1)	53.3
TOTAL INCOME	427.8	51.8	207.1	678.1
Labour costs	(55.4)	(1.4)	(41.8)	(96.0)
Administrative expenses	(20.9)	(0.7)	(70.8)	(85.8)
OPERATING COSTS	(76.3)	(2.1)	(112.6)	(181.8)
Loan loss provisions	(48.0)	0.0	(92.9)	(140.9)
Provisions for other financial assets	(73.2)	0.0	(0.3)	(73.5)
Other income/losses	0.0	0.0	5.5	5.4
PROFIT BEFORE TAX	230.3	49.7	6.8	287.3
Income tax for the period	(82.6)	(0.1)	(3.5)	(85.6)
Minority interest	(1.1)	0.0	0.0	(1.1)
NET PROFIT	146.6	49.6	3.3	200.6
Treasury funds	13,443.3	0.0	3,367.6	12,611.3
AFS securities	4,856.4	121.5	2,966.2	7,341.6
Fixed assets (HTM & LR)	1,533.3	0.0	1,021.6	1,534.1
Equity investments	408.8	2,282.6	0.5	2,749.0
Loans and advances to customers	26,003.4	0.0	12,048.2	34,615.8
of which to Group companies	3,427.4	0.0	0.0	0.0
Funding	43,097.2	259.8	18,620.8	52,814.1
Staff	853	n.m.	2,410	3,153



30 September 2008 (€m)	Corporate & Investment Banking	Principal Investing	Retail & Private Banking	Group
Profit-and-loss figures				
Net interest income	93.9	(3.1)	132.8	222.7
Net trading income	162.7	0.0	1.9	163.8
Net fee and commission income	55.5	0.0	63.5	111.0
Equity-accounted companies	7.6	88.0	0.1	96.2
TOTAL INCOME	319.7	84.9	198.3	593.7
Labour costs	(50.2)	(1.3)	(39.5)	(87.5)
Administrative expenses	(21.3)	(0.7)	(54.0)	(71.8)
OPERATING COSTS	(71.5)	(2.0)	(93.5)	(159.3)
Loan loss provisions	(6.0)	0.0	(69.9)	(75.9)
Provisions for other financial assets	0.0	0.0	0.0	0.0
Other income/losses	0.0	0.0	0.0	0.0
PROFIT BEFORE TAX	242.2	82.9	34.9	358.5
Income tax for the period	(40.0)	3.2	(10.2)	(46.6)
Minority interest	(2.0)	0.0	0.0	(2.0)
NET PROFIT	200.2	86.1	24.7	309.9
Treasury funds	9,443.9	0.0	1,598.1	10,818.8
AFS securities	2,221.5	62.2	1,115.6	3,330.4
Fixed assets (HTM & LR)	1,166.4	0.0	0.8	973.1
Equity investments	118.6	2,634.6	0.4	2,810.1
Loans and advances to customers	28,246.3	0.0	12,169.2	35,704.5
of which to Group companies	4,619.0	0.0	0.0	0.0
Funding	37,911.4	259.8	14,020.1	47,273.5
Staff	858	n.m.	2,272	3,030



Corporate & Investment banking

€m	3 mths to 30/9/08	3 mths to 30/9/09	Y.o.Y chg.
Profit-and-loss figures			
Net interest income	93.9	102.3	8.9%
Net trading income	162.7	233.5	43.5%
Net fee and commission income	55.5	93.1	67.7%
Equity-accounted companies	7.6	(1.1)	n.m.
TOTAL INCOME	319.7	427.8	33.8%
Labour costs	(50.2)	(55.4)	10.4%
Administrative expenses	(21.3)	(20.9)	-1.9%
OPERATING COSTS	(71.5)	(76.3)	6.7%
Loan loss provisions	(6.0)	(48.0)	n.m.
Provisions for other financial assets	0.0	(73.2)	n.m.
PROFIT BEFORE TAX	242.2	230.3	-4.9%
Income tax for the period	(40.0)	(82.6)	n.m.
Minority interest	(2.0)	(1.1)	-45.0%
NET PROFIT	200.2	146.6	-26.8%

€ m	30/06/09	30/9/09	% chg.
Treasury funds	13,418.3	13,443.3	0.2%
AFS securities	4,208.7	4,856.4	15.4%
Fixed assets (HTM & LR)	1,556.7	1,533.3	-1.5%
Equity investments	405.1	408.8	0.9%
Loans and advances to customers	26,315.0	26,008.3	-1.2%
of which to Group companies	3,207.2	3,427.4	6.9%
Funding	43,250.2	43,097.2	-0.4%



CIB by segment - 30 September 2009 (€m)	Wholesale	Leasing	Total CIB
Net interest income	83.7	18.6	102.3
Net trading income	233.5	0.0	233.5
Net fee and commission income	92.4	0.7	93.1
Equity-accounted companies	(1.1)	0.0	(1.1)
TOTAL INCOME	408.5	19.3	427.8
Labour costs	(51.3)	(4.1)	(55.4)
Administrative expenses	(17.9)	(3.0)	(20.9)
OPERATING COSTS	(69.2)	(7.1)	(76.3)
Loan loss provisions	(40.2)	(7.8)	(48.0)
Provisions for other financial assets	(73.2)	0.0	(73.2)
PROFIT BEFORE TAX	225.9	4.4	230.3
Income tax for the period	(80.4)	(2.2)	(82.6)
Minority interest	0.0	(1.1)	(1.1)
NET PROFIT	145.5	1.1	146.6
Loans and advances to customers	21,232.6	4,775.7	26,008.3
of which to Group companies	3,427.4	0.0	3,427.4
New loans	n.m.	294.2	n.m.
No. of staff	642	211	853
No. of branches	n.m.	12	n.m.

CIB by segment - 30 September 2008 (€m)	Wholesale	Leasing	Total CIB
Net interest income	76.3	17.6	93.9
Net trading income	162.7	0.0	162.7
Net fee and commission income	54.2	1.3	55.5
Equity-accounted companies	7.6	0.0	7.6
TOTAL INCOME	300.8	18.9	319.7
Labour costs	(45.5)	(4.7)	(50.2)
Administrative expenses	(18.3)	(3.0)	(21.3)
OPERATING COSTS	(63.8)	(7.7)	(71.5)
Loan loss provisions	(2.2)	(3.8)	(6.0)
Provisions for other financial assets	0.0	0.0	0.0
PROFIT BEFORE TAX	234.8	7.4	242.2
Income tax for the period	(36.4)	(3.6)	(40.0)
Minority interest	0.0	(2.0)	(2.0)
NET PROFIT	198.4	1.8	200.2
Loans and advances to customers	23,392.7	4,853.6	28,246.3
of which to Group companies	4,619.0	n.m.	4,619.0
New loans	n.m.	443.6	n.m.
No. of staff	622	236	858
No. of branches	n.m.	14	n.m.



Principal Investing

€m	3 mths to 30/9/08	3 mths to 30/9/09	Y.o.Y. Chg.
Profit-and-loss figures			
Net interest income	(3.1)	(2.7)	-12.9%
Net trading income	0.0	0.0	0.0%
Net fee and commission income	0.0	0.0	0.0%
Equity-accounted companies	88.0	54.5	-38.1%
TOTAL INCOME	84.9	51.8	-39.0%
Labour costs	(1.3)	(1.4)	7.7%
Administrative expenses	(0.7)	(0.7)	0.0%
OPERATING COSTS	(2.0)	(2.1)	5.0%
Provisions for other financial assets	0.0	0.0	0.0%
PROFIT BEFORE TAX	82.9	49.7	-40.0%
Income tax for the period	3.2	(0.1)	n.m.
NET PROFIT	86.1	49.6	-42.4%

€m	30/6/09	30/9/09	% chg
AFS securities	122.2	121.5	-0.6%
Equity investments	2,175.5	2,282.6	4.9%



Retail & Private Banking

€m	3 mths to 30/9/08	3 mths to 30/9/09	Y.o.Y. Chg.
Profit-and-loss figures			
Net interest income	132.8	119.4	-10.1%
Net trading income	1.9	28.2	n.m.
Net fee and commission income	63.5	59.6	-6.1%
Equity-accounted companies	0.1	(0.1)	n.m.
TOTAL INCOME	198.3	207.1	4.4%
Labour costs	(39.5)	(41.8)	5.8%
Administrative expenses	(54.0)	(70.8)	31.1%
OPERATING COSTS	(93.5)	(112.6)	20.4%
Loan loss provisions	(69.9)	(92.9)	32.9%
Provisions for other financial assets	0.0	(0.3)	n.m.
Other income/losses	0.0	5.5	n.m.
PROFIT BEFORE TAX	34.9	6.8	-80.5%
Income tax for the period	(10.2)	(3.5)	-65.7%
NET PROFIT	24.7	3.3	-86.6%

€m	30/6/09	30/9/09	% chg.
Treasury funds	3,226.7	3,367.6	4.4%
AFS securities	2,732.5	2,966.2	8.6%
Fixed assets (HTM & LR)	1,021.7	1,021.6	0.0%
Equity investments	0.6	0.5	-16.7%
Loans and advances to customers	12,140.0	12,048.2	-0.8%
Funding	18,334.4	18,620.8	1.6%



RPB by segment - 30 September 2009 (€m)	Consumer credit	Retail banking	Private banking	Total RPB
Net interest income	110.2	2.6	6.6	119.4
Net trading income	0.0	25.2	3.0	28.2
Net fee and commission income	41.9	1.5	16.2	59.6
Equity-accounted companies	(0.1)	0.0	0.0	(0.1)
TOTAL INCOME	152.0	29.3	25.8	207.1
Labour costs	(18.7)	(11.2)	(11.9)	(41.8)
Administrative expenses	(36.1)	(27.5)	(7.2)	(70.8)
OPERATING COSTS	(54.8)	(38.7)	(19.1)	(112.6)
Loan loss provisions	(87.2)	(5.7)	0.0	(92.9)
Provisions for other financial assets	0.0	0.0	(0.3)	(0.3)
Other income/losses	0.0	0.0	5.5	5.5
PROFIT BEFORE TAX	10.0	(15.1)	11.9	6.8
Income tax for the period	(7.0)	3.6	(0.1)	(3.5)
NET PROFIT	3.0	(11.5)	11.8	3.3
Loans and advances to customers	8,047.3	3,320.3	680.6	12,048.2
New loans	883.2	213.7	n.m.	1,096.9
No. of staff	1,283	783	344	2,410
No. of branches	146	55	n.m.	201

RPB by segment - 30 September 2008 (€m)	Consumer credit	Retail banking	Private banking	Total RPB
Net interest income	106.1	12.0	14.7	132.8
Net trading income	(0.6)	0.0	2.5	1.9
Net fee and commission income	43.4	1.6	18.5	63.5
Equity-accounted companies	0.1	0.0	0.0	0.1
TOTAL INCOME	149.0	13.6	35.7	198.3
Labour costs	(20.3)	(8.2)	(11.0)	(39.5)
Administrative expenses	(32.0)	(15.4)	(6.6)	(54.0)
OPERATING COSTS	(52.3)	(23.6)	(17.6)	(93.5)
Loan loss provisions	(65.0)	(4.9)	0.0	(69.9)
PROFIT BEFORE TAX	31.7	(14.9)	18.1	34.9
Income tax for the period	(13.7)	4.0	(0.5)	(10.2)
NET PROFIT	18.0	(10.9)	17.6	24.7
Loans and advances to customers	8,413.0	2,868.0	888.0	12,169.2
New loans	1,028.1	216.2	n.m.	1,244.3
No. of staff	1,432	515	325	2,272
No. of branches	167	41	n.m.	208

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