MEDIOBANCA
Banca di Credito Finanziario S.p.A.

Mediobanca Board of Directors' Meeting

Milan, 21 September 2010

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Financial statements for period ended 30 June 2010 approved

Revenues up 14% to €2,018m, net profit €401m

Dividend: €0.17 per share, core Tier 1 ratio 11.1%

- **The Mediobanca Group's results for the twelve months show:**
  - **total income up 14% to €2,018m, despite a 16% reduction in net trading income due to the sovereign market crisis witnessed during the fourth quarter; the drivers of this top-line growth were, for all divisions, net interest income (up 6%) and fee income (up 4%), along with the recovery in Principal Investing which reported revenues of €204m**
  - **costs slowing gradually (up 6% to €773m), with the cost/income ratio down from 41% last year to 38%**
  - **loan loss provisions stable at high levels, up 3% to €517m, with an increase for the year from 140 bps to 150 bps, thus preserving asset quality (NPLs = 0.4%, coverage ratio 77%)**
  - **provisions for AFS securities down, albeit still at high levels (€150m, vs €451m last year), due to automatic impairment provisioning in connection with particular stock market weakness during 4Q**
  - **net profit of €401m (30/6/09: €2m)**
- **Significant trends for the individual segments were as follows:**
  - **CIB: robust growth in net interest income (up 13% for the twelve months and up 17% for the fourth quarter) and fee income (up 10%), which partly offset the negative mark-to-market of the securities portfolio in the fourth quarter; improved asset quality in the large corporate segment**
  - **Consumer credit: ongoing growth in new loans (up 7% in the twelve months, with market share up to approx. 8%) and net interest income (up 8%); cost/income ratio stable at 38% (30/6/09: 37%); asset quality under control, with NPLs/total loans stable at 0.8% and a coverage ratio of 85%**
  - **CheBanca!: deposits totalling €9.6bn; net inflows of €3.4bn during the year, total income doubled at €98m, cost trend normalizing.**
- **Capital solidity reinforced, liquidity enhanced, funding sources diversified:**
  - **Core Tier 1 ratio: 11.1% (30/6/09: 10.3%)**
  - **Liquid assets: treasury assets up 17.4%, from €12.8bn to €15bn**
  - **Funding stable overall at €54bn, up 1%, with the contribution from retail operations €9.6bn (up 54% in the twelve months), to 18% of total group funding (30/6/09: 12%)**
- **Proposed dividend: €0.17 per share, with a cash payout of 55%**

With Renato PAGLIARO in the chair, the Board of Directors of Mediobanca approved the Group's financial statements for the twelve months ended 30 June 2010, as illustrated by Chief Executive Officer Alberto NAGEL.

Consolidated results

The Group's results for the twelve months under review show a net profit of €400.8m (30/6/09: €2.4m), driven by the positive performance of revenues for the period, with total income up 13.6% from €1.8bn to €2bn despite the sovereign market crisis during the fourth quarter, and by the reduction in writedowns to AFS securities (albeit still hefty at €150m, compared with €451.4m). The main items performed as follows:

- net interest income showed an increase of 6.5%, from €861.2m to €917m, involving all business areas, in particular corporate and investment banking (up 13.3% for the year and up 17% in the fourth quarter) due to higher gross returns and treasury assets, and the household finance segment, up 9% as a result of reduced funding costs;
- net trading income declined from €421.7m to €353.8m, reflecting a reduction in treasury activity (from €229.5m to €138m) which was impacted by the adverse market performance in the fourth quarter, when a €46.3m reduction was recorded; conversely, gains on disposals of AFS securities rose from €192m to €198.9m, as a result of increased gains realized in the debt security segment (up from €32.9m to €101.3m);
- net fee and commission income rose by 4.3%, from €511.5m to €533.5m, on a good performance by corporate and investment banking, which was up 10.1% despite the weak reference market. Private banking also posted an improved performance, up from €34m to €37.2m, on the back of higher AUM;
- companies accounted for on an equity basis returned to profit, generating income of €213.5m (compared to an €18.8m loss this time last year), driven by the contribution of Assicurazioni Generali, which grew from €8m to €231m.

As for the other profit-and-loss items:

- costs showed an upward trend, rising by 5.9%, from €729.6m to €772.9m, having slowed from the 14% growth reported last year despite the ongoing development of CheBanca! and Mediobanca's international expansion (with 137 staff added during the period, up 4%, 37 in wholesale and 100 in retail banking).

- the increase in loan loss provisions was limited, at 2.6% (up from €503.8m to €516.8m), and driven by the continuing weakness in the risk profile of businesses and households. The year did show some partial signs of improvement: in the four quarters, loan loss provisions were down around 30% on the peak recorded during the previous financial year, in the corporate segment especially.
- provisions for financial assets of €150m reflect automatic provisioning triggered by the loss of value for certain investments having exceeded 18 months, plus the losses on AFS equity investments taken through the profit and loss account and additional adjustments to securities already subject to impairment, due to the negative stock market performance at end-June. After these adjustments, the net equity valuation reserve as at 30 June 2010 was positive for the equity component (€54.4m) but still negative for the bond and other securities components (€101.5m).
- a pre-tax profit of €583.3m was recorded, compared to €90.7m last year. The increase in taxation (up from €88.8m to €181.2m) reflects the fact that loan loss provisions are only tax deductible for IRAP purposes, as well as the benefit of an approx. €46m one-off gain booked last year in connection with goodwill arising on the Linea merger being released from taxation.

On the balance-sheet side, capital solidity improved, the liquidity position was enhanced and funding sources diversified; corporate finance volumes remained weak, while the recovery in consumer credit new loans continued:

- group loans and advances to customers totalled €33.7bn, down 4.3% for the twelve months due to the slowdown affecting businesses, but stable vs end-December 2009 (up 1%). In particular, the contraction of the CIB loan book came to an end in the second half of the financial year, while new loans in consumer credit grew 16%;
- group net assets increased to €62.3bn (30/6/09: €60.7bn), due to growth in treasury operations, from €12.8bn to €15bn, for which part of the CheBanca! deposits (which totalled €9.6bn at the reporting date) is destined;
- funding, virtually stable at €53.8bn (30/6/09: €53,4bn), benefited from a higher degree of diversification, with CheBanca! deposits accounting for approx. 18% (12%) of total Group funding;
- the loans/deposits and tangible net equity/assets ratios of 0.6x and 10% respectively confirm the Group's high liquidity and solidity levels;
- net equity rose to €6.3bn (€5.7bn) and core Tier 1 capital was over €5.9bn (€5.4bn). The capital adequacy indicators also improved, with the core Tier1 ratio up from 10.3% to 11.1%, and the total capital ratio up from 11.8% to 13%.

Divisional results

Corporate & Investment Banking ("CIB")

- **Strong increase in net interest income (up 13% in CIB and up 18% in corporate banking) and fee income (up 10%), which in part offset the 39% reduction in net trading income, affected by the turmoil on sovereign markets during the fourth quarter**
- **Costs stable; cost/income ratio 30%**
- **Loan loss provisions down 13%, with an improvement in the large corporate segment; cost of risk: 70 bps (30/6/09: 130 bps)**
- **Net profit up 6%, to €243m.**
- **Loans and advances to customers down 8% in the twelve months, but flat vs end-December 2009 at around €21bn**

This division reported a net profit of €243m for the twelve months, up 5.6% on the €230.2m recorded last year, with the main items performing as follows:

- net interest income rose 13.3%, from €378.5m to €428.9m, with a healthy contribution from the wholesale segment (up 18.2%, from €299m to €353.5m); net interest income earned from leasing operations was down slightly, from €79.5m to €75.4m;
- net trading income declined from €398.2m to €244.4m, with dealing profits down from €224.2m to €119.1m as a result of financial market turbulence during the fourth quarter. Gains on disposals of AFS securities also reduced, from €174m to €125.3m;
- net fee and commission income climbed 10.1%, from €301.8m to €332.4m, driven by healthy performances from all business areas, capital markets and lending in particular, despite the weak market conditions.

Costs were largely unchanged, rising just 0.5%, from €301.6m to €303.1m. This was helped by cost-cutting action taken in leasing business, which reported costs of €31.8m as compared with €36.4m last year. This performance offset the higher costs in wholesale banking, attributable to the labour component (up from €179.3m to €186.5m), as there were 37 more staff on the books than last year, employed in the Bank's international branches and with risk management duties.

Provisions for financial assets, while still at high levels, fell from €202.8m to €135.8m; loan loss provisions fell too, from €179.1m to €156m. Indeed, the twelve months show a 14.5% reduction in loan loss provisioning for the Bank's wholesale operations, from €134.9m to €115.4m; quarter-by-quarter provisioning amounted to €40.5m at 30 September 2009, €30m at 30 December 2009, €25.7m at 31

March 2010, and €19.2m at 30 June 2010. The provisions for financial assets mostly involve listed equities, due to the automatic accounting mechanisms in respect of fair value, for which writedowns are compulsory if the value of the securities has been below their original acquisition value for more than 18 months (€117m); further writedowns were also charged to equities already subject to impairment charges last year, in an amount of €9.5m; and the remainder of this item consisted of adjustments to unlisted shares (€9.2m).

Principal Investing ("PI")

- **Net contribution for the twelve months €185m (30/6/09: minus €236m)**
- **Book value of shareholdings up from €2.2bn to €2.9bn**
- **Market value of shareholdings: €3.0bn (same levels as last year)**

This division's results for the twelve months show a return to profit with a bottom line of €184.5m, compared with a €236.3m loss last year, due to the positive contribution of Assicurazioni Generali (€231.7m, as against €8m twelve months previously), and a sharp reduction in writedowns (from €241m – chiefly in respect of RCS MediaGroup and Telco – to €12.2m).

The value of the equity investments was up sharply on this time last year, at €2,892.2m (€2,175.5m), due largely to the €575.5m writeback in respect of Assicurazioni Generali. The remainder of the portfolio, which consists of investments made as part of merchant banking activity and in private equity funds recognized in the AFS segment, was worth €114.8m (€122.2m) at the reporting date, after purchases totalling €3.5m, adjustments of €12.2m taken through the profit and loss account, and downward adjustments to reflect fair value totalling €0.9m.

It should be noted that the stake owned by the Group in Assicurazioni Generali fell from 13.2% of the company's share capital from 14.6% during the year as a result of the Alleanza merger.

Retail & Private Banking ("RPB")

- **Total income up 10% for the twelve months, to €845m (42% of Group total income), due to improved contribution from retail banking (with revenues doubling to €98m) and consumer credit (up 5% to €638m), which offset the 22% reduction in private banking to €108m**

- **Net loss of €32m reported, an improvement on June 2009, when a €46m one-off tax benefit was booked after goodwill arising on the Linea merger was released from taxation**
- **Recovery in consumer credit new loans, and improvement in Compass's market share (up to 8%) during the last nine months**
- **CheBanca! deposits up 54%, to €9.6bn (18% of Group funding)**
- **Loans and advances to customers up 4%, to €12.6bn**
- **AUM up 15%, to €11.4bn**

The year ended 30 June 2010 shows a net loss of €31.6m, compared with an €11m profit the previous year, which, however, was boosted by the one-off €45.9m tax effect mentioned earlier. The pre-tax result thus improved by around €6m, on the back of a strong performance by the retail area.

Total income was up 10.2%, from €766.2m to €844.6m, driven by higher net trading income (up from €31.7m to €79.2m), largely due to trading involving the CheBanca! securities portfolio which hedges part of the deposits, and higher net interest income(up 6.2%, from €494.9m to €525.7m) linked to higher volumes and a lower cost of funding; net fee and commission income remained at around €240m.

Operating costs increased by 10.3%, from €457.4m to €504.7m, chiefly as a result of higher administrative and commercial expenses incurred by CheBanca! (up from €155.5m to €179.7m) due to its operations and geographical expansion, and higher costs in consumer credit (up from €143.4m to €162.7m), solely due to credit recovery expenses.

Loan loss provisions were up 11.1% for the twelve months, from €324.7m to €360.8m, but despite the ongoing weakness in financial conditions for households, showed a stable trend for the fourth consecutive quarter.

Consumer credit

- New business recovering, with total market share up more than one percentage point (to 8%)
- Total income gradually improving, due to net interest income (up 7.5% in the twelve months), boosted by the lower cost of funding and the recovery in new loans
- Costs up 8.3% for the twelve months, solely due to credit recovery expenses which offset the savings made through the Compass-Linea integration

- Cost of risk under control, stable during the last six months (at approx. 400 bps) and reducing gradually

Retail Banking: CheBanca!

- Deposits: further growth, from €6.2bn to €9.6bn, with a net addition of €3.4bn in the twelve months
- Branches: 15 CheBanca! openings during the period, taking the total to 42; former Micos network rationalized; staff numbers up 16%, to 845
- Total income doubled to €98m, €61m of which in the last six months
- Net loss of €79m, in line with the budget

Private Banking

- AUM up 15% for the twelve months, to €11.7bn:
    - Banca Esperia: up 40% to €6.0bn (from €4.3bn last year)
    - CMB: down 5% to €5.7bn, with net deposits recovering in the last quarter

Mediobanca S.p.A.

In the twelve months ended 30 June 2010, Mediobanca earned a net profit of €244.1m, up strongly on the €20.8m reported last year, due mostly to lower provisions for loans and financial assets totalling €278.6m (compared with €550.9m at 30 June 2009). Total income was virtually stable, down just 3%, from €980m to €950.3m, with the main items performing as follows:

- net interest income was up 10.1%, from €267.5m to €294.6m, chiefly due to 7% growth in business volumes;
- net trading income decreased from €401.7m to €277m, reflecting the reduced contribution from treasury operations, which declined from €227.5m to €121.2m due to the turmoil on financial markets during the fourth quarter, and to lower gains on disposals of AFS securities of €138.8m (€157.1m);
- net fee and commission income grew by 8.9% to reach €308.5m (€283.3m), on the back of an improved contribution from all areas of the corporate and investment banking division;

- dividends on equity investments increased from €27.5m to €70.2m, chiefly due to the contribution of Assicurazioni Generali (€66.7m), which last year paid its dividend in shares (7.3 million) which was therefore not included in the earnings results.

The 2.2% increase in operating costs, from €274.3m to €280.4m, is entirely due to labour costs, which were up 3.9%, from €186.2m to €193.4m, and were chiefly linked to strengthening the Bank's activities outside Italy.

Loan loss provisions totalled €113.3m. The reduction in this item from the €134.9m total posted last year reflects an improving trend, with the amount provided reducing with each consecutive quarter (€40.2m for the first quarter ended 30 September 2009, €30m for the second quarter, €24.1m for the third quarter, and €19m for the fourth quarter ended 30 June 2010).

Provisions for financial assets were also lower than last year, at €165.3m (€416m): €117m of which in respect of AFS equities whose fair value has been below their original acquisition value for a period of over 18 months; €9.5m in adjustments to shares subject to impairment charges last year; and €38.8m in writedowns to unlisted shares (€17.4m of which in equities recognized at cost and adjusted pro-rata to net equity).

The main balance-sheet headings show rises in treasury funds (from €13.1bn to €16.2bn), AFS and longer-term bond investments (from €4.3bn to €5.2bn) and funding (from €40.2bn to €40.7bn). Conversely, AFS equities declined from €1.2bn to €1.1bn, as did loans and advances to customers (from €23.3bn to €20.2bn), chiefly due to the widespread reduction in demand.

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Shareholders' remuneration

The Board of Directors has adopted a proposal, to be submitted to the approval of shareholders at a general meeting on 28 October 2010, to pay a dividend of €0.17. The dividend per share will be paid on 25 November 2010, with the shares going ex-rights on 22 November 2010.

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Ordinary and extraordinary general meetings called

The Board also called ordinary and extraordinary general meetings to be held on 28 October 2010 in the first instance (and on 29 October 2010 if adjourned), to adopt the Group's financial statements as at 30 June 2010, the proposed profit allocation, and also the following items:

- staff remuneration policies drawn up in compliance with the supervisory regulations on banks' organization and corporate governance issued by the Bank of Italy;
- approval of a performance share scheme for staff and the following proposals:
  - to authorize the Board of Directors, pursuant to Article 2443 of the Italian Civil Code, to increase the company's share capital free of charge in a nominal amount of up to €10m, through the award, as permitted under Article 2349 of the Italian Civil Code, of an equivalent amount of profit or profit reserves as per the most recent financial statements approved from time to time, via the issue of up to 20 million ordinary par value €0.50 shares to be reserved to Mediobanca Group employees, in implementation of the above performance share scheme;
  - to amend the resolution approved by shareholders in general meeting on 27 October 2007 to use treasury shares also in connection with equity-based compensation schemes for Group staff.

Shareholders will also be invited to take the appropriate measures pursuant to Article 14 of the company's Articles of Association in respect of the resignations of two directors during the course of the year, and to approve amendments to the Articles of Association themselves to incorporate changes made pursuant to Italian Legislative Decree 27/10 on the subject of shareholders' rights.

Finally, the Board also:

- reviewed the continuing independence, as required by the Code of Conduct for Listed Companies, of the following directors: Tarak BEN AMMAR, Roberto BERTAZZONI, Angelo CASO', Fabrizio PALENZONA and Marco PARLANGELI;
- approved the annual report on the Bank's corporate governance and ownership structure, which as usual will be included in the annual report.

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Restated consolidated profit and loss account

Mediobanca Group (€ m)	12 months 30/6/09	12 months 30/6/10	Var.%
Net interest income	861.2	917.0	6.5%
Net trading income	421.7	353.8	-16.1%
Net fee and commission income	511.5	533.5	4.3%
Equity-accounted companies	(18.8)	213.5	n.m.
Total income	**1,775.6**	**2,017.8**	13.6%
Labour costs	(360.1)	(379.6)	5.4%
Administrative expenses	(369.5)	(393.3)	6.4%
Operating costs	**(729.6)**	**(772.9)**	5.9%
Loan loss provisions	(503.8)	(516.8)	2.6%
Provisions for other financial assets	(451.4)	(150.0)	-66.8%
Other income (losses)	(0.1)	5.2	n.m.
Profit before tax	**90.7**	**583.3**	n.m.
Income tax for the period	(88.8)	(181.2)	n.m.
Minority interest	0.5	(1.3)	n.m.
Net profit	**2.4**	**400.8**	n.m.

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	IV Q
	30/9/08	31/12/08	31/3/09	30/6/09	30/9/09	31/12/09	31/3/10	30/6/10
Net interest income	222.7	203.0	226.2	209.3	213.9	227.8	219.6	255.7
Net trading income	163.8	8.9	95.6	153.4	266.3	46.7	70.0	-29.2
Net fee and commission income	111.0	114.8	152.3	133.4	144.6	139.7	130.0	119.2
Equity-accounted companies	96.2	18.9	-136.7	2.8	53.3	53.0	35.0	72.2
Total income	**593.7**	**345.6**	**337.4**	**498.9**	**678.1**	**467.2**	**454.6**	**417.9**
Labour costs	(87.5)	(81.6)	(81.2)	(109.8)	(96.0)	(103.7)	(92.9)	(87.0)
Administrative expenses	(71.8)	(98.2)	(95.4)	(104.1)	(85.8)	(108.9)	(100.7)	(97.9)
Operating costs	**(159.3)**	**(179.8)**	**(176.6)**	**(213.9)**	**(181.8)**	**(212.6)**	**(193.6)**	**(184.9)**
Loan loss provisions	(75.9)	(131.2)	(122.4)	(174.3)	(140.9)	(129.5)	(121.9)	(124.5)
Provisions for other fin. assets	0.0	(281.2)	(77.7)	(92.5)	(73.5)	(16.9)	(15.1)	(44.5)
Other income (losses)	0.0	0.0	0.0	(0.1)	5.4	0.2	(0.1)	(0.3)
Profit before tax	**358.5**	**(246.6)**	**(39.3)**	**18.1**	**287.3**	**108.4**	**123.9**	**63.7**
Income tax for the period	(46.6)	34.5	(20.1)	(56.6)	(85.6)	(39.0)	(38.3)	(18.3)
Minority interest	(2.0)	2.5	(1.6)	1.6	(1.1)	0.1	(1.3)	1.0
Net profit	**309.9**	**(209.6)**	**(61.0)**	**(36.9)**	**200.6**	**69.5**	**84.3**	**46.4**

Restated consolidated balance sheet

Mediobanca Group (€ m)	30/6/09	30/6/10
Assets		
Treasury funds	12,753.5	14,976.0
AFS securities	6,653.4	6,825.7
of which: fixed-income	*4,923.4*	*5,248.6*
equities	*1,247.1*	*1,152.0*
Fixed assets (HTM & LR)	1,557.5	1,455.3
Loans and advances to customers	35,233.2	33,701.5
Equity investments	2,638.5	3,348.0
Property. plant and equipment	764.2	762.6
Other assets	1,101.5	1,188.4
of which: tax assets	*830.1*	*924.5*
Total assets	**60,701.8**	**62,257.5**
Liabilities		
Funding	53,411.8	53,852.3
of which: debt securities in issue	*36,867.8*	*35,193.3*
retail deposits	*6,212.6*	*9,561.1*
Other liabilities	1,292.4	1,387.2
of which: tax liabilities	*653.7*	*633.1*
Provisions	188.3	183.6
Net equity	5,806.9	6,433.6
of which: share capital	*410.0*	*430.5*
reserves	*5,293.6*	*5,899.8*
minority interest	*103.3*	*103.3*
Profit for the period	2.4	400.8
Total liabilities	**60,701.8**	**62,257.5**
Core Tier 1 capital	5,431.4	5,924.2
Total capital	6,231.9	6,927.9
RWAs	52,737.5	53,426.0

Ratios (%) e per share data (€)

Mediobanca Group (€ m)	30/6/09	30/6/10
Total assets / Net equity	10.5	9.7
Loans / Deposits	0.7	0.6
Core Tier 1 ratio	10.3	11.1
Total capital	11.8	13.0
Rating S&P	AA-	A+
Cost / Income	41.1	38.3
NPLs/Loans (*)	0.3	0.4
RORWA gross (annualized)	0.2	1.1
RORWA net (annualized)	0.0	0.8
EPS	0.00	0.47
BVPS	7.0	7.4
DPS	0.00	0.17
No. shares outstanding (m)	820.1	861.1

(*) not including Cofactor third party accounts

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

12 months to 30/6/10 (€ m)	Corporate & Investment Banking	Principal Investing	Retail & Private Banking	Group
Net interest income	428.9	(9.6)	525.7	917.0
Net trading income	244.4	0.0	79.2	353.8
Net fee and commission income	332.4	0.0	240.0	533.5
Equity-accounted companies	0.3	213.4	(0.3)	213.5
Total income	**1.006.0**	**203.8**	**844.6**	**2.017.8**
Labour costs	(205.1)	(5.5)	(182.5)	(379.6)
Administrative expenses	(98.0)	(2.6)	(322.2)	(393.3)
Operating costs	**(303.1)**	**(8.1)**	**(504.7)**	**(772.9)**
Loan loss provisions	(156.0)	0.0	(360.8)	(516.8)
Provisions for other financial assets	(135.8)	(12.2)	(1.9)	(150.0)
Other income (losses)	0.0	0.0	5.2	5.2
Profit before tax	**411.1**	**183.5**	**(17.6)**	**583.3**
Income tax for the period	(166.7)	1.0	(14.0)	(181.2)
Minority interest	(1.4)	0.0	0.0	(1.3)
Net profit	**243.0**	**184.5**	**(31.6)**	**400.8**
Treasury funds	16,362.2	0.0	4,086,8	14,976.0
AFS securities	5,122.4	114.8	2,571.8	6,825.7
Fixed assets (HTM & LR)	1,454.5	0.0	2,507.4	1,455.3
Equity investments	397.8	2,892.2	1.4	3,348.0
Loans and advances to customers	24,629.5	0.0	12,563.9	33,701.5
of which to Group companies	*3,485.2*	*0.0*	*0.0*	*0.0*
Funding	(44,921.7)	(259.8)	(20,999.9)	(53,852.3)
RWAs	39,681.7	2,928.8	10,808.1	53,426.0
No. of staff	882	0	2.478*	3,242

* *Includes 118 staff employed by Banca Esperia pro-forma. not included in the Group total.*

12 months to 30/6/09 (€ mln)	Corporate & Investment Banking	Principal Investing	Retail & Private Banking	Group
Net interest income	378.5	(11.1)	494.9	861.2
Net trading income	398.2	0.2	31.7	421.7
Net fee and commission income	301.8	0.0	239.8	511.5
Equity-accounted companies	(17.1)	(0.9)	(0.2)	(18.8)
Total income	**1,061.4**	**(11.8)**	**766.2**	**1.775.6**
Labour costs	(201.1)	(4.6)	(163.0)	(360.1)
Administrative expenses	(100.5)	(2.2)	(294.4)	(369.5)
Operating costs	**(301.6)**	**(6.8)**	**(457.4)**	**(729.6)**
Loan loss provisions	(179.1)	0.0	(324.7)	(503.8)
Provisions for other financial assets	(202.8)	(241.0)	(7.5)	(451.4)
Other income (losses)	0.0	0.0	(0.1)	(0.1)
Profit before tax	**377.9**	**(259.6)**	**(23.5)**	**90.7**
Income tax for the period	(148.1)	23.3	34.5	(88.8)
Minority interest	0.4	0.0	0.0	0.5
Net profit	**230.2**	**(236.3)**	**11.0**	**2.4**
Treasury funds	13,418.3	0.0	3,226.7	12,753.5
AFS securities	4,208.7	122.2	2,732.5	6,653.4
Fixed assets (HTM & LR)	1,556.7	0.0	1,021.7	1,557.5
Equity investments	405.1	2,175.5	0.6	2,638.5
Loans and advances to customers	26,315.0	0.0	12,140.0	35,233.2
of which to Group companies	*3,207.2*	*0.0*	*0.0*	*0.0*
Funding	(43,250.2)	(259.8)	(18,334.4)	(53,411.8)
RWAs	40,227.3	2,220.2	10,285.2	52,737.5
No. of staff	850	0	2,359*	3,105

* *Includes 104 staff employed by Banca Esperia pro-forma. not included in the Group total.*

Corporate & Invesment banking

CIB (€ m)	12 months 30/6/09	12 months 30/6/10	Y.o.Y. chg
Net interest income	378.5	428.9	13.3%
Net trading income	398.2	244.4	-38.6%
Net fee and commission income	301.8	332.4	10.1%
Equity-accounted companies	(17.1)	0.3	n.m.
Total income	**1,061.4**	**1,006.0**	**-5.2%**
Labour costs	(201.1)	(205.1)	2.0%
Administrative expenses	(100.5)	(98.0)	-2.5%
Operating costs	**(301.6)**	**(303.1)**	**0.5%**
Loan loss provisions	(179.1)	(156.0)	-12.9%
Provisions for other financial assets	(202.8)	(135.8)	-33.0%
Other income (losses)	0.0	0.0	n.m.
Profit before tax	**377.9**	**411.1**	**8.8%**
Income tax for the period	(148.1)	(166.7)	12.6%
Minority interest	0.4	(1.4)	n.m.
Net profit	**230.2**	**243.0**	**5.6%**

Treasury funds	13,418.3	16,362.2	21.9%
AFS securities	4.208.7	5.122.4	21.7%
Fixed assets (HTM & LR)	1,556.7	1,454.5	-6.6%
Equity investments	405.1	397.8	1.8%
Loans and advances to customers	26,315.0	24,629.5	-6.4%
of which to Group companies	*3,207.2*	*3,485.2*	*8.7%*
Funding	43,250.2	44,921.7	3.9%
RWAs	40,227.3	39,681.7	-1.4%
No. of staff	850	882	3.8%
Cost / incoma ratio (%)	28.4	30.1	
NPLs/Loans ratio (%)	0.1	0.2	
RORWA gross (%, annualized)	0.9	1.0	

CIB by segment - 30/06/10 (€m)	Wholesale	Leasing	Total CIB
Net interest income	353.5	75.4	428.9
Net trading income	244.7	(0.3)	244.4
Net fee and commission income	328.1	4.3	332.4
Equity-accounted companies	0.3	0.0	0.3
Total income	**926.6**	**79.4**	**1.006.0**
Labour costs	(186.5)	(18.6)	(205.1)
Administrative expenses	(84.8)	(13.2)	(98.0)
Operating costs	**(271.3)**	**(31.8)**	**(303.1)**
Loan loss provisions	(115.4)	(40.6)	(156.0)
Provisions for other financial assets	(135.8)	0.0	(135.8)
Other income (losses)	0.0	0.0	0.0
Profit before tax	**404.1**	**7.0**	**411.1**
Income tax for the period	(160.7)	(6.0)	(166.7)
Minority interest	0.0	(1.4)	(1.4)
Net profit	**243.4**	**(0.4)**	**243.0**
Loans and advances to customers	20,084.8	4,544.7	24,629.5
of which to Group companies	*3.485.2*	*0,0*	*3,485.2*
RWAs	35,882.2	3,799.5	39,681.7
New loans	n.m.	1,106.0	n.m.
Staff	673	209	882
Branches	n.m.	12	n.m.
Cost / income	29.3	40.1	30.1
NPLS/Ls	0.0	0.8	0.2
RORWA gross (annualized)	1.1	0.2	1.0

CIB by segment - 30/06/09 (€m)	Wholesale	Leasing	Total CIB
Net interest income	299.0	79.5	378.5
Net trading income	398.3	(0.1)	398.2
Net fee and commission income	296.1	5.7	301.8
Equity-accounted companies	(17.1)	0.0	(17.1)
Total income	**976.3**	**85.1**	**1.061.4**
Labour costs	(179.3)	(21.8)	(201.1)
Administrative expenses	(85.9)	(14.6)	(100.5)
Operating costs	**(265.2)**	**(36.4)**	**(301.6)**
Loan loss provisions	(134.9)	(44.2)	(179.1)
Provisions for other financial assets	(202.8)	0.0	(202.8)
Other income (losses)	0.0	0.0	0.0
Profit before tax	**373.4**	**4.5**	**377.9**
Income tax for the period	(143.8)	(4.3)	(148.1)
Minority interest	0.0	0.4	0.4
Net profit	**229.6**	**0.6**	**230.2**
Loans and advances to customers	21,481.2	4,833.8	26,315.0
of which to Group companies	*3,207.2*	*0.0*	*3,207.2*
RWAs	36,168.9	4,058.4	40,227.3
New loans	n.m.	1,413.7	n.m.
Staff	636	214	850
Branches	n.m.	14.0	n.m.
Cost / income	27.2	42.8	28.4
NPLS/Ls	0.0	0.4	0.1
RORWA gross (annualized)	1.0	0.1	0.9

MEDIOBANCA
Banca di Credito Finanziario S.p.A.

Principal investing

PI (€ m)	12 months 30/6/09	12 months 30/6/10	Y.o.Y. chg
Net interest income	(11.1)	(9.6)	-13.5%
Net trading income	0.2	0.0	n.m.
Net fee and commission income	0.0	0.0	n.m.
Equity-accounted companies	(0.9)	213.4	n.m.
Total income	**(11.8)**	**203.8**	**n.m.**
Labour costs	(4.6)	(5.5)	19.6%
Administrative expenses	(2.2)	(2.6)	18.2%
Operating costs	**(6.8)**	**(8.1)**	**19.1%**
Loan loss provisions	0.0	0.0	n.m.
Provisions for other financial assets	(241.0)	(12.2)	n.m.
Other income (losses)	0.0	0.0	n.m.
Profit before tax	**(259.6)**	**183.5**	**n.m.**
Income tax for the period	23.3	1.0	n.m.
Minority interest	0.0	0.0	n.m.
Net profit	**(236.3)**	**184.5**	**n.m.**
AFS securities	122.2	114.8	-6.1%
Equity investments (book value)	2,175.5	2,892.2	32.9%
RWAs	2,220.2	2,928.8	31.9%

MEDIOBANCA
Banca di Credito Finanziario S.p.A.

Retail & Private banking

RPB (€ m)	12 months 30/6/09	12 months 30/06/10	Y.o.Y. chg
Net interest income	494.9	525.7	6.2%
Net trading income	31.7	79.2	n.m.
Net fee and commission income	239.8	240.0	0.1%
Equity-accounted companies	(0.2)	(0.3)	n.m.
Total income	**766.2**	**844.6**	**10.2%**
Labour costs	(163.0)	(182.5)	12.0%
Administrative expenses	(294.4)	(322.2)	9.4%
Operating costs	**(457.4)**	**(504.7)**	**10.3%**
Loan loss provisions	(324.7)	(360.8)	11.1%
Provisions for other financial assets	(7.5)	(1.9)	n.m.
Other income (losses)	(0.1)	5.2	n.m.
Profit before tax	**(23.5)**	**(17.6)**	**-25.1%**
Income tax for the period	34.5	(14.0)	n.m.
Minority interest	0.0	0.0	n.m.
Net profit	**11.0**	**(31.6)**	n.m.
Treasury funds	3,226.7	4,086.8	26.7%
AFS securities	2,732.5	2,571.8	-5.9%
Fixed assets (HTM & LR)	1,021.7	2,507.4	n.m.
Equity investments	0.6	1.4	n.m.
Loans and advances to customers	12,140.0	12,563.9	3.5%
Funding	18,334.4	20,999.9	14.5%
RWAs	10,285.2	10,808.1	5.1%
No. of staff	2,359	2,478	5.0%
No. of branches	201	188	-6.5%
Cost / income ratio (%)	59.7	59.8	
NPLs/Loans ratio (%)(*)	0.7	0.9	
RORWA gross (%, annualized)	n.s.	n.s.	

(*) not including Cofactor third party accounts

RPB by segment - 30/06/10 (€ m)	Consumer Lending	Retail Banking	Private Banking	Total RPB
Net interest income	469.5	32.6	23.6	525.7
Net trading income	6.4	60.1	12.7	79.2
Net fee and commission income	162.9	5.6	71.5	240.0
Equity-accounted companies	(0.5)	0.0	0.2	(0.3)
Total income	**638.3**	**98.3**	**108.0**	**844.6**
Labour costs	(77.6)	(52.7)	(52.2)	(182.5)
Administrative expenses	(162.7)	(127.0)	(32.5)	(322.2)
Operating costs	**(240.3)**	**(179.7)**	**(84.7)**	**(504.7)**
Loan loss provisions	(336.5)	(23.0)	(1.3)	(360.8)
Provisions for other financial assets	0.0	0.0	(1.9)	(1.9)
Other income (losses)	0.0	0.0	5.2	5.2
Profit before tax	**61.5**	**(104.4)**	**25.3**	**(17.6)**
Income tax for the period	(39.6)	25.8	(0.2)	(14.0)
Minority interest	0.0	0.0	0.0	0.0
Net profit	**21.9**	**(78.6)**	**25.1**	**(31.6)**
Loans and advances to customers	8,271.0	3,545.8	747.1	12,563.9
RWAs	7,370.2	1,786.2	1,651.7	10,808.1
New loans	4,053.9	805.2	n.m.	n.m.
Asset under management	n.m.	0,0	11.688	n.m.
Staff	1,295	845	338	2,478
Branches	146	42.0	n.m.	188
Cost / incoma ratio (%)	37.6	n.m.	78.4	59.8
NPLs/Loans ratio (%) (*)	0.8	1.2	0.4	0.9
RORWA gross (%, annualized)	0.8	n.m.	1.5	n.m.

(*) not including Cofactor third party accounts

RPB by segment - 30/06/09 (€ m)	Consumer Lending	Retail Banking	Private Banking	Total RPB
Net interest income	436.6	23.6	34.7	494.9
Net trading income	0.1	17.1	14.5	31.7
Net fee and commission income	168.8	5.9	65.1	239.8
Equity-accounted companies	(0.2)	0.0	0.0	(0.2)
Total income	**605.3**	**46.6**	**114.3**	**766.2**
Labour costs	(78.4)	(38.2)	(46.4)	(163.0)
Administrative expenses	(143.4)	(117.3)	(33.7)	(294.4)
Operating costs	**(221.8)**	**(155.5)**	**(80.1)**	**(457.4)**
Loan loss provisions	(297.7)	(27.0)	0.0	(324.7)
Provisions for other financial assets	0.0	0.0	(7.5)	(7.5)
Other income (losses)	0.0	0.0	0.0	(0.1)
Profit before tax	**85.8**	**(135.9)**	**26.6**	**(23.5)**
Income tax for the period	(1.1)	36.0	(0.4)	34.5
Minority interest	0.0	0.0	0.0	0.0
Net profit	**84.7**	**(99.9)**	**26.2**	**11.0**
Loans and advances to customers	8,108.4	3,227.9	803.7	12,140.0
RWAs	6,892.9	1,870.7	1,521.6	10,285.2
New loans	3,794.1	840.3	n.m	n.m.
Asset under management	n.m.	n.m.	10,241.5	n.m.
Staff	1,284	730	345	2.359
Branches	146	55	n.m	201
Cost / incoma ratio (%)	36.6	n.m.	70.1	59.7
NPLs/Loans ratio (%) (*)	0.7	0.8	0.2	0,7
RORWA gross (%, annualized)	1.2	n.m.	1.7	n.m.

(*) not including Cofactor third party accounts

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