



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

## **Mediobanca Board of Directors' meeting**

**Milan, 28 October 2010**



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## Financial statements for three months ended 30 September 2010 approved

**Best quarter in the last 12 months: net profit €127.6m**

**Revenues up, provisions reducing**

- ◆ **The Mediobanca Group's results for the three months show:**
  - ◆ **Total income: up 19% Q.o.Q<sup>1</sup>, to €499m, driven by recovering net trading income and ongoing growth in net interest income. Y.o.Y<sup>2</sup> comparison is not meaningful, as September 2009 was the best quarter in the last two years for trading income, fees and gains on disposals of AFS securities.**
  - ◆ **Costs: up 2% Q.o.Q., up 3% Y.o.Y. Cost/income ratio: 38%.**
  - ◆ **Gross operating profit up 33%Q.o.Q, to €311m.**
  - ◆ **Loan loss adjustments: down 10% Q.o.Q and down 20% Y.o.Y.; cost of risk 130 bps (30/6/10: 145 bps; 30/9/09: 160 bps).**
  - ◆ **Provisions for AFS securities: not material, for the first time after two years affected by impairment.**
  - ◆ **Net profit: €128m, the best result in the past 12 months.**
- ◆ **Significant trends for the individual segments were as follows:**
  - ◆ **CIB:**
    - ◆ **Net margins continue to improve: net interest income up 13% Y.o.Y., loan loss adjustments halved, from 85 bps one year previously to 45 bps.**
    - ◆ **First signs of recovery in lending volumes, up 3% since 30 June 2010.**
  - ◆ **Consumer credit:**
    - ◆ **New loans: 16% Y.o.Y., with market share continuing to strengthen**
    - ◆ **Net margins gradually increasing: net interest income up 12% Y.o.Y.; loan loss adjustments down 9% Y.o.Y., from 425 bps to 390bps.**
    - ◆ **Cost/income ratio: 35%, lowest level for the past 2 years.**
  - ◆ **CheBanca!:**
    - ◆ **Funding: €10.1bn (up €570m in the three months, some 30% of the annual funding budget).**
    - ◆ **Net loss gradually reducing (to -€5m).**
    - ◆ **Product offering being expanded.**

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1) Q.o.Q.: quarter July-September 2010 vs quarter April-June 2010.

2) Y.o.Y.: quarter July-September 2010 vs quarter July-September 2009.



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

### **Consolidated results**

In the first three months the Mediobanca Group earned a net profit of €127.6m, a significant increase on the results for the previous three quarters, when profits of €69.5m, €84.3m and €46.4m respectively were earned. This confirms the recovery in the Group's profitability, with all divisions posting improved results and all profitable for the first time in 18 months.

The year-on-year comparison is not meaningful (30/9/09: net profit of €200.6m), as this result was boosted by higher gains on disposal of AFS securities (€103.4m, compared with €7.7m), and dealing profits of €162.9m (as against €72m this year), due to a very favourable market environment.

Total income generated by the Group reached €498.7m, the highest level achieved in the last twelve months. The main items performed as follows:

- ◆ net interest income was up 22.5% Y.o.Y and up 2.5% Q.o.Q. to reach €262.1m, confirming its position as the Group's primary revenue source; the trend reflects widening net margins in corporate finance, and the reduced cost of funding against higher lending volumes in retail financial services.
- ◆ trading returned to positive territory, with a net result of €79.7m following the €29.2m loss in Q4 following the sovereign debt crisis, and includes €72m in dealing profits plus €7.7m in gains on disposal of AFS securities. Both sides contributed to the performance, with fixed-income trading adding €54.9m, and equity trading €17.1m.
- ◆ net fee and commission income declined by 5.1% Q.o.Q, from €119.2m to €113.1m, due solely to a reduced contribution from corporate and investment banking (down 11.2%, from €71.5m to €63.5m), reflecting the market's reaction to the sovereign debt crisis; fees in Retail and Private Banking were up slightly, by 5% Q.o.Q. The decline in fee income is higher from a year-on-year-standpoint, down 21.8% Y.o.Y due to the unfavourable comparison with Q1 last year, which showed the best fee performance in the last two years.
- ◆ the aggregate profit earned by the equity-accounted companies declined to €43.8 m (30/9/09: €53.3m, 30/6/10: €72.2m), due to a €9.2m loss incurred by Pirelli (in connection with the one-off loss reported in connection with the Prelios spinoff) and a reduced contribution from



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Assicurazioni Generali of €46.3m (30/9/09: €58.9m; 30/6/10: €71m), partly offset by RCS MediaGroup returning to profit (€3m).

Costs were largely stable, rising just 3.4% Y.o.Y and 1.7% Q.o.Q, to reach €188m.

Loan loss provisions were down 20% Y.o.Y and 10% Q.o.Q. since the balance-sheet date, to reach €112.3m, bearing out the improvement last year. The most marked reduction was in the corporate segment, to reach €19.4m (30/9/09: €40.2m, 30/6/10: €19.2m). There was also a reduction in provisions for losses on loans to households, which declined to €87.3m (30/9/09: €92.9m, 30/6/10: €90m).

Provisions for AFS equities were virtually non-existent, at €1.1m, due to the stock market recovery, which among other things led to a €36.2m increase in the valuation reserve, €20.4m of which in respect of securities subject to impairment in previous years.

Turning to the balance-sheet aggregates, the Group's capital solidity, its liquidity position and the diversification of its funding sources were all confirmed versus 30 June 2010. There was a reduction in treasury funds, from €15bn to €12.7bn, while AFS fixed-income securities rose, from €5.2bn to €6.5bn. Loans and advances to customers were up 1.8%, from €33.7bn to €34.3bn, with the first signs of recovery in the corporate segment (up 2.7%) and the growth in consumer credit and mortgage lending confirmed. Funding declined from €53.8bn to €53.4bn, €10.1bn of which from the CheBanca! retail banking channel (30/6/10: €9.6bn). Net equity was up 4% to €6.6bn. Assets under management in private banking rose slightly, from €11.7bn to €11.8bn.

## **Divisional results**

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

- ◆ **Growth in net interest income continued, up 13% Y.o.Y. and up 1% Q.o.Q., as did the reduction in loan loss adjustments, which halved Y.o.Y. and declined a further 27% Q.o.Q.; consequently there was an increase in the net profitability of assets.**
- ◆ **Fees down 11% Q.o.Q. and down 32% Y.o.Y. (September 2009 was the best quarterly performance in the past two years), due to the weak market conditions for advisory services and capital markets business.**
- ◆ **Net trading income back in positive territory, at €70m, after the loss in the last quarter due to the sovereign debt crisis, but down 60% on the €164m high recorded**



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**this time last year. Virtually no gains on disposals of AFS securities, at just €3m (30/9/09: €65m).**

- ◆ **Costs up 6% Y.o.Y.; cost/income ratio 33%.**
- ◆ **Cost of risk: 45 bps (30/9/09: 85 bps), asset quality improving.**
- ◆ **No provisions to financial assets, after two years affected by impairments**
- ◆ **Net profit of €79m, the best quarterly performance in the last twelve months.**
- ◆ **First signs of growth in lending volumes, 3% Q.o.Q. but down 4% Y.o.Y**

This division reported a net profit of €79.2m, lower than the €146.6m reported in September 2009 but a significant improvement on the following three quarters (respectively €61.8m, €50.5m in the third and a -€15.9m). Total income declined from €427.8m to €243.3m, due to the lower result from net trading already mentioned (€69.7m, as compared with €163.5m last year) and gains on disposals of AFS securities (€3.2m, compared with €70m), both of which suffered from an unfavourable comparison base, as the first quarter last year was boosted by a particularly good performance in fixed-income trading, due to the narrowing of spreads on the securities held (€163.5m, as compared with an average of roughly €40m in the last 3 years), and by the sale of the last shareholding in Fiat (€64.5m).

The three months under review confirmed the solidity of net interest income, which rose 13.3% Y.o.Y., from €102.3m to €115.9m, and by 1% Q.o.Q., driven by widening corporate spreads and higher average treasury volumes. There was a 31.8% reduction in net fee and commission income, from €93.1m to €63.5m Y.o.Y., and an 11% reduction Q.o.Q., reflecting the weak investment banking market conditions and primarily the slowdown in capital market business. Non-recurring losses of €9.2m were also incurred by the equity-accounted companies (due to the one-off loss recorded by Pirelli in connection with the Prelios spinoff). Operating costs were up 5.9% Y.o.Y., from €76.3m to €80.8m, once again linked to growth in business levels and developing the IT infrastructure in particular. Loan loss provisions amounted to €25m, €5.6m of which in respect of leasing (€7.8m) and €19.4m (€40.2m) on the corporate loan book, the latter having shown improvements for the last five quarters in a row. Provisions for other financial assets were virtually nil, at just €0.8m.

Turning to the balance-sheet aggregates, the AFS securities portfolio grew from €5.1bn to €6.5bn, and loans and advances to customers from €24.6bn to €25.2bn, financed by the reduction in treasury funds from €16.4bn to €14.1bn.



### **Principal Investing (“PI”)**

- ◆ **Positive net contribution for the three months €51m (in line with last year)**
- ◆ **Book value of shareholdings stable at €2.9bn**
- ◆ **Market value of shareholdings: €3.1bn (30/6/10: €3.0bn)**

The share of the investee companies' profits attributable to the Group was largely flat versus last year, at €50.6m (30/9/09: €49.6m), with all the investments contributing: Assicurazioni Generali contributed €46.3m (€58.9m), RCS MediaGroup €3m (minus €3.5m) and Telco €3.7m (€0.6m).

### **Retail & Private Banking (“RPB”)**

- ◆ **Net result for the division positive once again, with a €15m profit, after 18 months of losses due to the CheBanca! start-up phase.**
- ◆ **The main driver for the revenue growth was again net interest income, up 21% Y.o.Y., as a result of the reduced cost of funding and the resumption in new loan growth in consumer credit.**
- ◆ **Costs were under control, rising just 2% Y.o.Y, due to optimization of the CheBanca! project investments.**
- ◆ **Asset quality gradually improving in consumer credit; mortgage lending business still impacted by the French portfolio.**
- ◆ **CheBanca! deposits up 6% vs 30 June 2010, to reach €10.1bn.**
- ◆ **New loans up 16% Y.o.Y in consumer credit**
- ◆ **AUM up slightly, from €11.7bn at 30 June 2010 to €11.8bn.**

This division earned a profit of €15m during the three months, up appreciably on the €3.3m reported at the same stage last year, driven by 21.4% growth in net interest income, from €119.4m to €145m, as a result of the lower cost of funding. Loan loss provisions declined from €92.9m to €87.3m, bearing out the favourable trend which began last year.

Turning to the balance-sheet aggregates, loans and advances to customers were stable versus 30 June 2010, at €12.6bn, €8.4bn of which from consumer credit and €3.6bn from mortgage lending. CheBanca! customer deposits rose from €9.6bn to €10.1bn, while assets under management totalled €11.8bn (€11.7bn), €5.6bn (€5.7bn) of which for CMB and €6.2bn (€6bn) for Banca Esperia.

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## Consumer credit

- ◆ Growth in new business continued, up 16% Y.o.Y., and also in net interest income (up 12% Y.o.Y., and up 1% Q.o.Q.), the latter in part due to the lower cost of funding.
- ◆ Growth rate in costs now slowing (up 6% Y.o.Y), as credit recovery costs gradually stabilize. Cost/income ratio 35%, the lowest value seen in the last two years.
- ◆ Cost of risk down to approx. 390 bps, from 425 bps at 30 September 2009 and 405 bps at 30 June 2010
- ◆ Net profit €12.7m (30/9/09: €3m)

## Retail Banking: CheBanca!

- ◆ Deposits: further growth in the three months, from €9.6bn to €10.1bn (up 6%)
- ◆ Deposit account offer extended to corporate customers
- ◆ Net losses gradually reducing: €4.6m loss incurred, with revenues up 37% Y.o.Y. and costs down 3% Y.o.Y.

## Private Banking

- ◆ AUM up 8% Y.o.Y. to €11.8bn:
  - ◆ Banca Esperia: up 25%, to €6.2bn
  - ◆ CMB: down 7%, to €5.6bn

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At the Chairman's proposal, the Board of Directors appointed Angelo Casò, independent and non-executive Director, as Chairman of the Remunerations Committee, the composition of which remains unchanged, as follows: Angelo Casò, Chairman, Renato Pagliaro, Tarak Ben Ammar, Roberto Bertazzoni, Vincent Bolloré, Jonella Ligresti and Carlo Pesenti.

### *Investor Relations*

Tel. no.: (0039) 02-8829.860/647

[jessica.spina@mediobanca.it](mailto:jessica.spina@mediobanca.it)

[luisa.demaria@mediobanca.it](mailto:luisa.demaria@mediobanca.it)

### *Media Relations*

Tel. no.: (0039) 02-8829.627/319

[lorenza.pigozzi@mediobanca.it](mailto:lorenza.pigozzi@mediobanca.it)

[stefano.tassone@mediobanca.it](mailto:stefano.tassone@mediobanca.it)



Restated consolidated profit and loss account

Mediobanca Group (€ m)	3 mths to	3 mths to	Y.o.Y. chg. %
	30/9/09	30/9/10	
Net interest income	213.9	262.1	22.5%
Net trading income	266.3	79.7	-70.1%
Net fee and commission income	144.6	113.1	-21.8%
Equity-accounted companies	53.3	43.8	-17.8%
<b>Total income</b>	<b>678.1</b>	<b>498.7</b>	<b>-26.5%</b>
Labour costs	(96.0)	(99.3)	3.4%
Administrative expenses	(85.8)	(88.7)	3.4%
<b>Operating costs</b>	<b>(181.8)</b>	<b>(188.0)</b>	<b>3.4%</b>
Loan loss provisions	(140.9)	(112.3)	-20.3%
Provisions for other financial assets	(73.5)	(1.1)	n.m.
Other income (losses)	5.4	0.0	n.m.
<b>Profit before tax</b>	<b>287.3</b>	<b>197.3</b>	<b>-31.3%</b>
Income tax for the period	(85.6)	(68.1)	-20.4%
Minority interest	(1.1)	(1.6)	45.5%
<b>Net profit</b>	<b>200.6</b>	<b>127.6</b>	<b>-36.4%</b>

Quarterly profit and loss accounts

€ m	FY2009/10				FY 2010/2011
	I Q	II Q	III Q	IV Q	I Q
	30/9/09	31/12/09	31/3/10	30/6/10	30/9/10
Net interest income	213.9	227.8	219.6	255.7	262.1
Net trading income	266.3	46.7	70.0	-29.2	79.7
Net fee and commission income	144.6	139.7	130.0	119.2	113.1
Equity-accounted companies	53.3	53.0	35.0	72.2	43.8
<b>Total income</b>	<b>678.1</b>	<b>467.2</b>	<b>454.6</b>	<b>417.9</b>	<b>498.7</b>
Labour costs	(96.0)	(103.7)	(92.9)	(87.0)	(99.3)
Administrative expenses	(85.8)	(108.9)	(100.7)	(97.9)	(88.7)
<b>Operating costs</b>	<b>(181.8)</b>	<b>(212.6)</b>	<b>(193.6)</b>	<b>(184.9)</b>	<b>(188.0)</b>
Loan loss provisions	(140.9)	(129.5)	(121.9)	(124.5)	(112.3)
Provisions for other financial assets	(73.5)	(16.9)	(15.1)	(44.5)	(1.1)
Other income (losses)	5.4	0.2	(0.1)	(0.3)	0.0
<b>Profit before tax</b>	<b>287.3</b>	<b>108.4</b>	<b>123.9</b>	<b>63.7</b>	<b>197.3</b>
Income tax for the period	(85.6)	(39.0)	(38.3)	(18.3)	(68.1)
Minority interest	(1.1)	0.1	(1.3)	1.0	(1.6)
<b>Net profit</b>	<b>200.6</b>	<b>69.5</b>	<b>84.3</b>	<b>46.4</b>	<b>127.6</b>





Restated consolidated balance sheet

Mediobanca Group (€ m)	30/9/09	30/6/10	30/9/10
<b>Assets</b>			
Treasury funds	12,611.3	14,976.0	12,729.7
AFS securities	7,341.6	6,825.7	8,117.8
<i>of which: fixed income</i>	<i>5,598.3</i>	<i>5,248.6</i>	<i>6,525.5</i>
<i>equities</i>	<i>1,329.7</i>	<i>1,152.0</i>	<i>1,557.0</i>
Fixed assets (HTM & LR)	1,534.1	1,455.3	1,455.8
Loans and advances to customers	34,615.8	33,701.5	34,313.9
Equity investments	2,749.0	3,348.0	3,313.1
Tangible and intangible assets	760.7	762.6	760.1
Other assets	1,025.3	1,188.4	1,299.3
<i>of which: tax assets</i>	<i>803.1</i>	<i>924.5</i>	<i>872.4</i>
<b>Total assets</b>	<b>60,637.8</b>	<b>62,257.5</b>	<b>61,989.7</b>
<b>Liabilities</b>			
Funding	52,814.1	53,852.3	53,427.2
<i>of which: debt securities in issue</i>	<i>35,993.9</i>	<i>35,193.3</i>	<i>34,331.0</i>
<i>retail deposits</i>	<i>7,295.0</i>	<i>9,561.1</i>	<i>10,131.2</i>
Other liabilities	1,377.1	1,387.2	1,561.2
<i>of which: tax liabilities</i>	<i>755.1</i>	<i>633.1</i>	<i>692.7</i>
Provisions	182.8	183.6	183.5
Net equity	6,063.2	6,433.6	6,690.2
<i>of which: share capital</i>	<i>430.5</i>	<i>430.5</i>	<i>430.6</i>
<i>reserves</i>	<i>5,529.0</i>	<i>5,899.8</i>	<i>6,154.0</i>
<i>minority interest</i>	<i>103.7</i>	<i>103.3</i>	<i>105.6</i>
Profit for the period	200.6	400.8	127.6
<b>Total liabilities</b>	<b>60,637.8</b>	<b>62,257.5</b>	<b>61,989.7</b>
Core Tier 1 capital	N/A	5,924.2	N/A
Total capital	N/A	6,927.9	N/A
RWAs	N/A	53,426.0	N/A



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

3 mths to 30/9/10 (€ m)	Corporate & Investment Banking	Principal Investing	Retail & Private Banking	Group
Net interest income	115.9	(2.1)	145.0	262.1
Net trading income	72.9	0.0	28.3	79.7
Net fee and commission income	63.5	0.0	58.6	113.1
Equity-accounted companies	(9.0)	52.9	0.0	43.8
<b>Total income</b>	<b>243.3</b>	<b>50.8</b>	<b>231.9</b>	<b>498.7</b>
Labour costs	(57.7)	(1.4)	(43.6)	(99.3)
Administrative expenses	(23.1)	(0.6)	(71.5)	(88.7)
<b>Operating costs</b>	<b>(80.8)</b>	<b>(2.0)</b>	<b>(115.1)</b>	<b>(188.0)</b>
Loan loss provisions	(25.0)	0.0	(87.3)	(112.3)
Provisions for other financial assets	(0.8)	0.0	(0.3)	(1.1)
Other income (losses)	0.0	0.0	0.0	0.0
<b>Profit before tax</b>	<b>136.7</b>	<b>48.8</b>	<b>29.2</b>	<b>197.3</b>
Income tax for the period	(55.9)	1.8	(14.2)	(68.1)
Minority interest	(1.6)	0.0	0.0	(1.6)
<b>Net profit</b>	<b>79.2</b>	<b>50.6</b>	<b>15.0</b>	<b>127.6</b>
Treasury funds	14,059.7	0.0	4,590.6	12,729.7
AFS securities	6,526.4	127.9	2,421.3	8,117.8
Fixed assets (HTM & LR)	1,455.1	0.0	2,693.7	1,455.8
Equity investments	386.2	2,869.9	0.0	3,313.1
Loans and advances to customers	25,206.1	0.0	12,603.6	34,313.9
<i>of which to Group companies</i>	3,488.2	0.0	0.0	0.0
Funding	44,448.6	259.8	21,633.4	53,427.2
RWAs	N/A	N/A	N/A	N/A
No. of staff	898	0	2,484	3,261

\* Includes 121 staff employed by Banca Esperia pro-forma, not included in the Group total.



3 mths to a 30/9/09 (€ m)	Corporate & Investment Banking	Principal Investing	Retail & Private Banking	Group
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
<b>Total income</b>	<b>427.8</b>	<b>51.8</b>	<b>207.1</b>	<b>678.1</b>
Labour costs	(55.4)	(1.4)	(41.8)	(96.0)
Administrative expenses	(20.9)	(0.7)	(70.8)	(85.8)
<b>Operating costs</b>	<b>(76.3)</b>	<b>(2.1)</b>	<b>(112.6)</b>	<b>(181.8)</b>
(Rettifiche)/riprese di valore su crediti	(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
<b>Profit before tax</b>	<b>230.3</b>	<b>49.7</b>	<b>6.8</b>	<b>287.3</b>
Income tax for the period	(82.6)	(0.1)	(3.5)	(85.6)
Minority interest	(1.1)	0.0	0.0	(1.1)
<b>Net profit</b>	<b>146.6</b>	<b>49.6</b>	<b>3.3</b>	<b>200.6</b>
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	26,008.3	0.0	12,048.2	34,615.8
<i>of which to Group companies</i>	3,427.4	0.0	0.0	0.0
Funding	43,097.2	259.8	18,620.8	52,814.1
RWAs	N/A	N/A	N/A	N/A
No. of staff	853	0	2,410	3,153

\* Includes 110 staff employed by Banca Esperia pro-forma, not included in the Group total.



Corporate & Investment Banking

CIB (€ m)	3 mths to	3 mths to	Y.o.Y. chg. %
	30/9/09	30/9/10	
Net interest income	102.3	115.9	13.3%
Net trading income	233.5	72.9	-68.8%
Net fee and commission income	93.1	63.5	-31.8%
Equity-accounted companies	(1.1)	(9.0)	n.m.
<b>Total income</b>	<b>427.8</b>	<b>243.3</b>	<b>-43.1%</b>
Labour costs	(55.4)	(57.7)	4.2%
Administrative expenses	(20.9)	(23.1)	10.5%
<b>Operating costs</b>	<b>(76.3)</b>	<b>(80.8)</b>	<b>5.9%</b>
Loan loss provisions	(48.0)	(25.0)	-47.9%
Provisions for other financial assets	(73.2)	(0.8)	n.m.
Other income (losses)	0.0	0.0	n.m.
<b>Profit before tax</b>	<b>230.3</b>	<b>136.7</b>	<b>-40.6%</b>
Income tax for the period	(82.6)	(55.9)	-32.3%
Minority interest	(1.1)	(1.6)	45.5%
<b>Net profit</b>	<b>146.6</b>	<b>79.2</b>	<b>-46.0%</b>
Treasury funds	13,443.3	14,059.7	4.6%
AFS securities	4,856.4	6,526.4	34.4%
Fixed assets (HTM & LR)	1,533.3	1,455.1	-5.1%
Equity investments	408.8	386.2	-5.5%
Loans and advances to customers	26,008.3	25,206.1	-3.1%
<i>of which to Group companies</i>	<i>3,427.4</i>	<i>3,488.2</i>	<i>1.8%</i>
Funding	43,097.2	44,448.6	3.1%
RWAs	N/A	N/A	N/A
No. of staff	853	898	5.3%
Cost/income ratio	17.8	33.2	



CIB by segment- 3 mths to 30/9/10 (€ m)	Wholesale	Leasing	Total CIB
Net interest income	97.9	18.0	115.9
Net trading income	72.9	0.0	72.9
Net fee and commission income	62.9	0.6	63.5
Equity-accounted companies	(9.0)	0.0	(9.0)
<b>Total income</b>	<b>224.7</b>	<b>18.6</b>	<b>243.3</b>
Labour costs	(53.5)	(4.2)	(57.7)
Administrative expenses	(20.2)	(2.9)	(23.1)
<b>Operating costs</b>	<b>(73.7)</b>	<b>(7.1)</b>	<b>(80.8)</b>
Loan loss provisions	(19.4)	(5.6)	(25.0)
Provisions for other financial assets	(0.8)	0.0	(0.8)
Other income (losses)	0.0	5.9	5.9
<b>Profit before tax</b>	<b>130.8</b>	<b>5.9</b>	<b>136.7</b>
Income tax for the period	(53.3)	(2.6)	(55.9)
Minority interest	0.0	(1.6)	(1.6)
<b>Net profit</b>	<b>77.5</b>	<b>1.7</b>	<b>79.2</b>
Loans and advances to customers	20,736.2	4,469.9	25,206.1
<i>of which to Group companies</i>	<i>3,488.2</i>	<i>0.0</i>	<i>3,488.2</i>
RWA	N/A	N/A	N/A
New loans	n.m.	261.9	n.m.
No. of staff	691	207	898
No. of branches	n.m.	12	n.m.
Cost/income ratio	32.8	38.2	33.2



CIB by segment- 3 mths to al 30/09/09 (€ 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)
<b>Total income</b>	<b>408.5</b>	<b>19.3</b>	<b>427.8</b>
Labour costs	(51.3)	(4.1)	(55.4)
Administrative expenses	(17.9)	(3.0)	(20.9)
<b>Operating costs</b>	<b>(69.2)</b>	<b>(7.1)</b>	<b>(76.3)</b>
Loan loss provisions	(40.2)	(7.8)	(48.0)
Provisions for other financial assets	(73.2)	0.0	(73.2)
Other income (losses)	0.0	0.0	0.0
<b>Profit before tax</b>	<b>225.9</b>	<b>4.4</b>	<b>230.3</b>
Income tax for the period	(80.4)	(2.2)	(82.6)
Minority interest	0.0	(1.1)	(1.1)
<b>Net profit</b>	<b>145.5</b>	<b>1.1</b>	<b>146.6</b>
Loans and advances to customers	21,232.6	4,775.7	26,008.3
<i>of which to Group companies</i>	3,427.4	0.0	3,427.4
RWA	N/A	N/A	N/A
New loans	n.m.	294.2	n.m.
No. of staff	642	211	853
No. of branches	n.m.	12	n.m.
Cost/income ratio	16.9	36.8	17.8



### Principal investing

PI (€ m)	3 mths to	3 mths to	Y.o.Y. chg. %
	30/9/09	30/9/10	
Net interest income	(2.7)	(2.1)	-22.2%
Net trading income	0.0	0.0	n.m.
Net fee and commission income	0.0	0.0	n.m.
Equity-accounted companies	54.5	52.9	-2.9%
<b>Total income</b>	<b>51.8</b>	<b>50.8</b>	<b>-1.9%</b>
Labour costs	(1.4)	(1.4)	0.0%
Administrative expenses	(0.7)	(0.6)	-14.3%
<b>Operating costs</b>	<b>(2.1)</b>	<b>(2.0)</b>	<b>-4.8%</b>
Loan loss provisions	0.0	0.0	n.m.
Provisions for other financial assets	0.0	0.0	n.m.
Other income (losses)	0.0	0.0	n.m.
<b>Profit before tax</b>	<b>49.7</b>	<b>48.8</b>	<b>-1.8%</b>
Income tax for the period	(0.1)	1.8	n.m.
Minority interest	0.0	0.0	n.m.
<b>Net profit</b>	<b>49.6</b>	<b>50.6</b>	<b>2.0%</b>
AFS securities	121.5	127.9	5.3%
Equity investments	2,282.6	2,869.9	25.7%
RWAs	N/A	N/A	



Retail & Private banking

RPB (€ m)	3 mths to	3 mths to	Y.o.Y. chg. %
	30/9/09	30/9/10	
Net interest income	119.4	145.0	21.4%
Net trading income	28.2	28.3	0.4%
Net fee and commission income	59.6	58.6	-1.7%
Equity-accounted companies	(0.1)	0.0	n.m.
<b>Total income</b>	<b>207.1</b>	<b>231.9</b>	<b>12.0%</b>
Labour costs	(41.8)	(43.6)	4.3%
Administrative expenses	(70.8)	(71.5)	1.0%
<b>Operating costs</b>	<b>(112.6)</b>	<b>(115.1)</b>	<b>2.2%</b>
Loan loss provisions	(92.9)	(87.3)	-6.0%
Provisions for other financial assets	(0.3)	(0.3)	0.0%
Other income (losses)	5.5	0.0	n.m.
<b>Profit before tax</b>	<b>6.8</b>	<b>29.2</b>	<b>n.m.</b>
Income tax for the period	(3.5)	(14.2)	n.m.
Minority interest	0.0	0.0	n.m.
<b>Net profit</b>	<b>3.3</b>	<b>15.0</b>	<b>n.m.</b>
Treasury funds	3,367.6	4,590.6	36.3%
AFS securities	2,966.2	2,421.3	-18.4%
Fixed assets (HTM & LR)	1,021.6	2,693.7	n.m.
Equity investments	0.5	0.0	n.m.
Loans and advances to customers	12,048.2	12,603.6	4.6%
Funding	18,620.8	21,633.4	16.2%
RWAs	N/A	N/A	N/A
No. of staff	2,410	2,484	3.1%
No. of branches	201	188	-6.5%
Cost/income ratio	54.4	49.6	





<b>RPB by segment - 30/9/10</b> (€ m)	<b>Consumer credit</b>	<b>Retail Banking</b>	<b>Private Banking</b>	<b>Total RPB</b>
Net interest income	123.6	14.1	7.3	145.0
Net trading income	0.2	24.1	4.0	28.3
Net fee and commission income	41.3	1.8	15.5	58.6
Equity-accounted companies	0.0	0.0	0.0	0.0
<b>Total income</b>	<b>165.1</b>	<b>40.0</b>	<b>26.8</b>	<b>231.9</b>
Labour costs	(19.7)	(11.6)	(12.3)	(43.6)
Administrative expenses	(38.4)	(25.9)	(7.2)	(71.5)
<b>Operating costs</b>	<b>(58.1)</b>	<b>(37.5)</b>	<b>(19.5)</b>	<b>(115.1)</b>
Loan loss provisions	(79.6)	(7.7)	0.0	(87.3)
Provisions for other financial assets	0.0	0.0	(0.3)	(0.3)
Other income (losses)	0.0	0.0	0.0	0.0
<b>Profit before tax</b>	<b>27.4</b>	<b>(5.2)</b>	<b>7.0</b>	<b>29.2</b>
Income tax for the period	(14.7)	0.6	(0.1)	(14.2)
Minority interest	0.0	0.0	0.0	0.0
<b>Net profit</b>	<b>12.7</b>	<b>(4.6)</b>	<b>6.9</b>	<b>15.0</b>
Loans and advances to customers	8,367.1	3,584.7	651.8	12,603.6
RWA	N/A	N/A	N/A	N/A
New loans	1,026.1	151.2	n.m.	1,177.3
AUM	n.m.	n.m.	11,771	n.m.
No. of staff	1,301	843	340	2,484
No. of branches	146	42	n.m.	188
Cost/income ratio	35.2	93.8	72.8	49.6



RPB by segment - 30/9/09 (€ 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)
<b>Total income</b>	<b>152.0</b>	<b>29.3</b>	<b>25.8</b>	<b>207.1</b>
Labour costs	(18.7)	(11.2)	(11.9)	(41.8)
Administrative expenses	(36.1)	(27.5)	(7.2)	(70.8)
<b>Operating costs</b>	<b>(54.8)</b>	<b>(38.7)</b>	<b>(19.1)</b>	<b>(112.6)</b>
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
<b>Profit before tax</b>	<b>10.0</b>	<b>(15.1)</b>	<b>11.9</b>	<b>6.8</b>
Income tax for the period	(7.0)	3.6	(0.1)	(3.5)
Minority interest	0.0	0.0	0.0	0.0
<b>Net profit</b>	<b>3.0</b>	<b>(11.5)</b>	<b>11.8</b>	<b>3.3</b>
Loans and advances to customers	8,047.3	3,320.3	680.6	12,048.2
RWA	N/A	N/A	N/A	N/A
New loans	883.2	213.7	n.m.	1,096.9
AUM	n.m.	n.m.	10,932.0	n.m.
No. of staff	1,283	783	344	2,410
No. of branches	146	55	n.m.	201
Cost/income ratio	36.1	n.m.	74.0	54.4

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