



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

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

**Milan, 24 February 2010**



## **Financial statements for six months ended 31 December 2009 approved**

**Sound, 22% growth in revenues, to €1,145m**

**Net profit tripled, to €270m**

**Core Tier 1 ratio 11%**

- ◆ **In a scenario of ongoing weakness in the real economy with interest rates still at an all-time low, the Mediobanca Group delivered solid top-line growth of 22%, to €1,145m, with:**
    - ◆ net interest income up 4% year-on-year and 6% quarter-on-quarter, with improvements reported by all divisions. CIB confirmed its position as the main driver of this growth, with a Y.o.Y. increase of 21% and Q.o.Q. growth of 12%;
    - ◆ net fee and commission income remaining at high level reported last quarter, up 26% Y.o.Y.
    - ◆ high net trading income of €313m, despite a slowdown in 4Q 2009 (€47m).
    - ◆ equity-accounted companies added €106m (31/12/08: €115m).
  
  - ◆ **Net profit tripled, from €100m to €270m; profitability improved despite:**
    - ◆ 16% Y.o.Y. growth in costs, to €394m, a trend which reflects the ongoing enhancement of the Bank's domestic and international distribution structure; the seasonal effect was more pronounced in 4Q 2009, in retail banking particularly. Cost /income: 34%.
    - ◆ reduction in lending volumes, down 5% on the balance-sheet date, due to weak demand for credit by corporate.
    - ◆ cost of risk still high, at 150 bps, but shows first signs of improvement (30/6/09: 200bps), especially in the corporate segment;
    - ◆ provisions for financial assets totalling approx. €90m.
  
  - ◆ **Liquidity and solidity strengthened further:**
    - ◆ retail deposits up €1.6bn for the period, to €7.9bn (15% of total Group funding).
    - ◆ loans/deposits ratio at 0.63, treasury funds totalling €13.5bn.
    - ◆ consolidated net equity up 9% (to €6.2bn).
    - ◆ Core Tier 1 ratio: 11.0% (30/6/09: 10.3%).
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At a Board meeting held today with Cesare GERONZI in the chair, the Directors of Mediobanca approved the Group's interim financial statements for the six months ended 31 December 2009, as illustrated by Chief Executive Officer Alberto NAGEL and General Manager Renato PAGLIARO.

### **Consolidated results**

In a scenario of ongoing weakness in the real economy with interest rates still at an all-time low, the Mediobanca Group delivered solid growth, at both the top-line (up 21.9%, to €1,145m) and bottom-line levels (net profit tripled to reach €270.1m, banking RORWA 125 bps).

The main income items performed as follows:

- ◆ net interest income increased by 3.8% year-on-year and 6.5% quarter-on-quarter, with improvements reported by all divisions. Corporate and investment banking (CIB) confirmed its position as the main driver of this growth, with a Y.o.Y. increase of 21% and Q.o.Q. growth of 12%;
- ◆ net fee and commission income remained at the high levels reported for the last quarter, up 25.9% Y.o.Y., chiefly reflecting higher contributions from all areas of CIB;
- ◆ net trading income rose from €172.7m to €313m, on growth in treasury activity (up from €7.2m in the six months ended 31 December 2008 to €173.3m, €162.9m of which generated in the first quarter), which more than offset the reduced gains on disposals of AFS securities (€131.1m, down from €158.8m last year); however, 4Q 2009 shows a sharp slowdown in revenues due to a reduced contribution from the fixed-income segment;
- ◆ contribution from equity-accounted companies more or less in line with last year, at €106.3m (€115.1m), with the profit earned by Assicurazioni Generali absorbing the losses reported by RCS MediaGroup and Telco.

Net profit for the six months tripled, from €100.3m to €270.1m, despite:

- ◆ 16.3% Y.o.Y. growth in costs, a trend which reflects the ongoing enhancement of the Bank's domestic and international distribution structure;
- ◆ lending volumes being negatively impacted by weak demand for credit (loans and advances to customers were down 5% on the balance-sheet date, from €35.2bn to €33.5bn);
- ◆ a cost of risk which, while showing a reduction for the last two quarters, remains high at 150 bps (compared with 200 bps at 30 June 2009 and 150 bps at 31 December 2008). Loan loss provisions increased from €207.1m to €270.4m, €182.7m (€140.2m) in respect of households, €70.5m (€44.8m) wholesale banking, and €17.2m (€22.1m) leasing. However, the last two quarters have shown a gradual reduction in loan loss provisions, in the corporate segment and residential mortgages particularly. Non-performing loans make up just 0.5% of total loans and



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advances to customers, and are covered as to 80%. Total impaired assets, which represent 2.3% of total loans, have a coverage rate of over 50%;

- ◆ provisions for financial assets of €90.4m. Despite the market recovery in these months, provisioning reflects the fact that the loss of value for AFS equity investments has now exceeded 18 months, thus triggering automatic provisioning. However, following these provisions, at 31 December 2009 the valuation reserve had returned to positive territory, for both the equity component (€105.8m) and the bond and other debt securities component (€49.2m);
- ◆ a high tax burden, due to loan loss provisions only being partly deductible for tax purposes. It should also be noted that results for the six months ended 31 December 2008 were boosted by a one-off tax gain amounting to €45.9m.

The main balance-sheet aggregates reflect a repositioning in favour of more liquid asset classes as well as the Bank's high solidity:

- ◆ loans and advances fell by 5% during the six months, to €33.5bn, with the reduction being most pronounced in CIB (down 7.5%); in RPB, lendings were stable in consumer credit (down just 0.9%) and up 5.9% in mortgage business;
- ◆ net assets were stable at €60.8bn, following the increase in treasury accounts and AFS securities, with part of the CheBanca! funding (€7.9bn in deposits at December 2009) invested in the latter asset category;
- ◆ funding was virtually stable at €52.9bn (30/6/09: €53.4bn) boosted by a net increase of over €1.6bn in new funds raised by CheBanca!; retail deposits account for 15% of Group funding (versus 12% at the balance-sheet date);
- ◆ total loans/deposits and tangible net equity/assets ratios bear out the Group's high liquidity and solidity, at 0.63 and 9.7% respectively;
- ◆ capitalization has improved, with net equity rising from €5.7bn at 30 June 2009 to €6.2bn, and the Core Tier 1 ratio rising from 10.3% at the balance-sheet date to reach 11.0%;
- ◆ following the scrip issue in September, the company's share capital has increased to €430.5m, made up of 861,058,448 par value €0.50 ordinary shares.

## **Divisional results**

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

- ◆ **Outstanding performances by net interest income, up 21% on the same period last year and up 12% Q.o.Q., and net fee and commission income, remaining at high level reported last quarter.**



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- ◆ **Net trading income high, despite natural slowdown in 4Q 2009.**
  - ◆ **Costs up 12% Y.o.Y, and up 7% Q.o.Q, due to ongoing enhancement of the Bank's international operations and systems.**
  - ◆ **Loan loss provisions down 17% in Q4 2009 (with cost of risk falling to 70 bps).**

This division reported a net profit of €208.4m for the six months, up sharply (47.6%) on the €141.2m recorded at the same stage last year, driven by substantial growth in total income (up 40.7%, from €468.8m to €659.7m) with all the main items contributing:

- ◆ net interest income rose by 21.4%, from €177.8m to €215.8m, due solely to the contribution from wholesale banking activity (which increased from €141.2m to €178.8m), on 4.4% growth in business volumes; net interest income from leasing was stable at €37m (compared with €36.6m); the improvement in net interest income in Q4 2009 was also impressive (up 12%);
- ◆ net trading income posted an increase of over €95m, from €168.5m to €263.9m, representing the balance between higher dealing profits (up from €3.2m to €170.8m) and reduced gains on disposals from the AFS portfolio which virtually halved, from €158.4m to €84.6m; however, Q4 2009 saw an 87% decrease in net trading income, due to the lack of disposals of AFS securities and more stable market conditions;
- ◆ net fee and commission income continued the good performance posted in the first quarter, rising from €122.6m to €178.5m, with all the main business areas contributing (capital markets, advisory services and corporate lending).

The 12.3% increase in costs, from €140.4m to €157.7m, reflects higher labour costs (€111.3m, up from €92.8m) due to the strengthening of the headcount, in particular at the Bank's international branches; the other administrative expense items were more or less stable at €46.4m (compared with €47.6m).

Loan loss provisions of €87.7m were higher than the €66.9m reported last year, due entirely to the corporate segment (€70.5m, against €44.8m), where however, risk has diminished gradually in the course of the first half, with the provisions falling to €40.5m as at 30 September and €30m as at December 2009. Indeed, there have been no new potential problem accounts. Writedowns of €82.6m to AFS equities involved holdings for which the fair value has been below the original acquisition cost for a period of over 18 months.

As for the balance-sheet aggregates, the AFS securities portfolio grew from €4.2bn to €5.2bn, as did treasury funds, from €13.4bn to €14.5bn, while loans and advances to customers declined, due to both weak demand and prudent lending policies (down from €23.1bn to €21.4bn). Funding remained virtually stable, declining just from €43.3bn to €43.1bn.



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### **Principal Investing (“PI”)**

- ◆ **Net contribution positive, at €87m.**
- ◆ **Book value of investments up to €2.6bn (30/6/09: €2.1bn).**
- ◆ **Market value of investments: €4.0bn (30/6/09: €3.0bn).**

This activity returned to profit during the six months under review, posting a bottom line of €87m (compared with a loss of €97.7m), chiefly due to the sharp reduction in provisioning, from €207.6m to €6.6m. The contribution from equity-accounted investments declined slightly, from €115.5m to €105.6m, representing the balance between improved performance by the Generali investment (up from €111.5m to €116.4m) and losses on all the other equity investments, in particular RCS MediaGroup (€4.7m) and Telco €4.2m). The book value of the investments increased by €389.8m. The most significant contribution was by Assicurazioni Generali, with the value of this investment increasing from €1,576.2m to €1,975.6m on profit for the period totalling €116.4m and the valuation reserve returning to positive territory (€283m), in line with the upward market trend for the quarter.

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

- ◆ **Total income up 6.5% for the period, to €406m, driven by an improved contribution from retail banking, up from €25m to €37m, offsetting stable consumer credit and private banking revenues of €310m and €59m respectively.**
- ◆ **The net loss of €26m reflects costs incurred in connection with the ongoing enhancement of the distribution structure (with approx. 130 staff and 22 branches added during the last year); the year-on-year increase in loan loss provisions is due to the slowdown in consumer credit (although provisions have been stable in the last two quarters).**
- ◆ **Group companies’ exposure to banks reduced further as a result of higher deposits raised by CheBanca!, which now make up 15% of Group funding.**

This division showed a top-line improvement of 6.5% for the six months, from €381.3m to €406m, driven by higher net trading income (up from €4.5m to €37.2m, chiefly due to the CheBanca! trading book which hedges part of the deposits) and net fee and commission income (up from €120.7m to €125.7m). Operating costs also increased by 20.2%, from €211.7m to €254.5m, largely due to the operating and geographical expansion of CheBanca! (which had customer deposits of €7.9bn and 65 branches, compared with €6.2bn and 55 branches at June 2009, as did loan loss provisions, by 30.3% (from €140.2m to €182.7m), almost entirely due to consumer credit operations (up 34%, from €128.6m to €172.3m, albeit stable for three quarters). Overall, a net loss of €26.2m was reported by this division for the six months under review, compared with a €61m profit during the corresponding



period last year, which, however, was boosted by a one-off €45.9m tax effect linked goodwill on the Linea acquisition being released from taxation.

As for the balance-sheet aggregates, loans and advances to customers were stable during the sixth months at €12.1bn, €8bn of which from consumer credit and €3.4bn from mortgage lending; CheBanca! customer deposits rose from €6.2bn to €7.9bn; and assets under management on a discretionary/non-discretionary basis increased to €10.9bn, €5.3bn (€6bn) of which for CMB and €5.6bn (€4.3bn) per Banca Esperia. The outflow of assets from CMB due to the tax “amnesty” was more or less offset by net deposits raised by Banca Esperia and by fiduciary activities (Spafid).

### **Consumer credit**

- ◆ New loans up 12% Q.o.Q.
- ◆ Total income continuing to increase, driven by net interest income (up 5% Q.o.Q.) which was boosted by the lower cost of funding.
- ◆ Costs up 9% Y.o.Y., solely due to increased credit recovery costs which offset synergies generated from the Compass-Linea merger.
- ◆ Stringent provisioning policy: cost of risk stable in 4Q 2009 at high Q3 levels (420 bps).

### **Retail Banking: CheBanca!**

- ◆ Deposits up 30%, or €1.6bn, in the six months to €7.9bn.
  - ◆ Customers: up 30% during the six months, to 270,000, and tripled for the year.
  - ◆ Products: up 50% during the six months, to 340,000, and tripled for the year.
  - ◆ Repo product launched.
  - ◆ Branches: 10 branch openings for the six months, bringing the total to 65; 15% growth in headcount for the period, to reach 842.
  - ◆ Total income: up 50% for the six months to €37m.
  - ◆ Net loss of €49m reported, in line with budget.
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### **Private Banking**

- ◆ AUM totalling €10.9bn, up 6% for the six months, with the negative effect of the tax amnesty on CMB offset by a healthy performance by Banca Esperia:
  - ◆ Banca Esperia: up 30%, to €5.6bn;
  - ◆ CMB: down 11%, to €5.3bn.
  
- ◆ Werner Peyer appointed as CEO of CMB as from 1 February 2010.

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The interim financial statements for the period ended 31 December 2009 are available as from 26 February 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).

#### **Jessica Spina**

*Investor Relations*

Tel. no.: (0039) 02-8829.860

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

#### **Lorenza Pigozzi**

*Media Relations*

Tel. no.: (0039) 02-8829.627

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





### Restated profit and loss account

€ m	6 mths to 31/12/2008	6 mths to 31/12/2009	Y.o.Y. Chg.
Net interest income	425.7	441.7	3.8%
Net trading income	172.7	313.0	81.2%
Net fee and commission income	225.8	284.3	25.9%
Equity-accounted companies	115.1	106.3	-7.6%
<b>Total income</b>	<b>939.3</b>	<b>1,145.3</b>	<b>21.9%</b>
Labour costs	(169.1)	(199.7)	18.1%
Administrative expenses	(170.0)	(194.7)	14.5%
<b>Operating costs</b>	<b>(339.1)</b>	<b>(394.4)</b>	<b>16.3%</b>
Loan loss provisions	(207.1)	(270.4)	30.6%
Provisions for other financial assets	(281.2)	(90.4)	-67.9%
Other income (losses)	0.0	5.6	n.m.
<b>Profit before tax</b>	<b>111.9</b>	<b>395.7</b>	<b>n.m.</b>
Income tax for the period	(12.1)	(124.6)	n.m.
Minority interest	0.5	(1.0)	n.m.
<b>Net profit</b>	<b>100.3</b>	<b>270.1</b>	<b>169.3%</b>

### Quarterly consolidated profit and loss accounts

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



Restated consolidated balance sheet

€ m	31/12/08	30/6/09	31/12/09
<b>Assets</b>			
Treasury funds	10,174.4	12,753.5	13,502.7
AFS securities	2,985.6	6,653.4	7,807.1
<i>of which: fixed-income</i>	1,770.8	4,923.4	6,051.1
<i>equities</i>	1,120.5	1,247.1	1,263.9
Fixed assets (HTM & LR)	1,172.9	1,557.5	1,334.0
Loans and advances to customers	36,604.5	35,233.2	33,468.9
Equity investments	2,642.3	2,638.5	3,037.7
Property, plant and equipment	767.1	764.2	762.9
Other assets	971.9	1,101.5	934.5
<i>of which: tax assets</i>	696.4	830.1	700.3
<b>Total assets</b>	<b>55,318.7</b>	<b>60,701.8</b>	<b>60,847.8</b>
<b>Liabilities</b>			
Funding	48,254.6	53,411.8	52,904.1
<i>Of which: debt securities in issue</i>	34,457.7	36,867.8	35,983.6
<i>retail deposits</i>	624.7	6,212.6	7,857.8
Other liabilities	1,198.1	1,292.4	1,183.4
<i>of which: tax liabilities</i>	527.9	653.7	541.4
Provisions	203.5	188.3	183.8
Net equity	5,562.2	5,806.9	6,306.4
<i>of which: share capital</i>	410.0	410.0	430.5
<i>reserves</i>	5,046.8	5,293.6	5,771.0
<i>minority interest</i>	105.4	103.3	104.9
Profit for the period	100.3	2.4	270.1
<b>Total liabilities</b>	<b>55,318.7</b>	<b>60,701.8</b>	<b>60,847.8</b>
Core Tier 1 capital	5,245.1	5,431.4	5,761.8
Total capital	6,061.8	6,231.9	6,736.9
RWAs	51,527.7	52,737.5	52,389.4
Core Tier 1 ratio	10.18%	10.30%	11.00%
Total capital ratio	11.76%	11.82%	12.86%
No. of shares in issue (m)	820.1	820.1	861.1



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

31/12/09 (€ m)	Corporate & Investment Banking	Principal Investing	Retail & Private Banking	Group
Net interest income	215.8	(5.2)	243.3	441.7
Net trading income	263.9	0.0	37.2	313.0
Net fee and commission income	178.5	0.0	125.7	284.3
Equity-accounted companies	1.5	105.6	(0.2)	106.3
<b>Total income</b>	<b>659.7</b>	<b>100.4</b>	<b>406.0</b>	<b>1,145.3</b>
Labour costs	(111.3)	(2.8)	(92.4)	(199.7)
Administrative expenses	(46.4)	(1.3)	(162.1)	(194.7)
<b>Operating costs</b>	<b>(157.7)</b>	<b>(4.1)</b>	<b>(254.5)</b>	<b>(394.4)</b>
Loan loss provisions	(87.7)	0.0	(182.7)	(270.4)
Provisions for other financial assets	(82.6)	(6.6)	(0.9)	(90.4)
Other income (losses)	0.0	0.0	5.6	5.6
<b>Profit before tax</b>	<b>331.7</b>	<b>89.7</b>	<b>(26.5)</b>	<b>395.7</b>
Income tax for the period	(122.2)	(2.7)	0.3	(124.6)
Minority interest	(1.1)	0.0	0.0	(1.0)
<b>Net profit</b>	<b>208.4</b>	<b>87.0</b>	<b>(26.2)</b>	<b>270.1</b>
Treasury funds	14,496.8	0.0	3,745.7	13,502.7
AFS securities	5,187.0	119.0	3,156.4	7,807.1
Fixed assets (HTM & LR)	1,333.3	0.0	1,021.7	1,334.0
Equity investments	414.9	2,565.3	0.5	3,037.7
Loans and advances to customers	24,821.8	0.0	12,104.3	33,468.9
of which to Group companies	3,427.4	0.0	0.0	n.m.
Funding	43,068.8	259.8	19,331.3	52,904.1
RWAs	39,343.3	2,608.7	10,431.3	52,389.4
No. of staff	853	n.m.	2,450 *	3,196

\* Includes 107 staff employed by Banca Esperia pro-forma, not included in the Group total.



31/12/08 (€ m)	Corporate & Investment Banking	Principal Investing	Retail & Private Banking	Group
Net interest income	177.8	(6.0)	256.1	425.7
Net trading income	168.4	0.0	4.5	172.7
Net fee and commission income	122.6	0.0	120.7	225.8
Equity-accounted companies	0.0	115.5	0.0	115.1
<b>Total income</b>	<b>468.8</b>	<b>109.5</b>	<b>381.3</b>	<b>939.3</b>
Labour costs	(92.8)	(2.6)	(78.3)	(169.1)
Administrative expenses	(47.6)	(1.2)	(133.4)	(170.0)
<b>Operating costs</b>	<b>(140.4)</b>	<b>(3.8)</b>	<b>(211.7)</b>	<b>(339.1)</b>
Loan loss provisions	(66.9)	0.0	(140.2)	(207.1)
Provisions for other financial assets	(73.6)	(207.6)	0.0	(281.2)
Other income (losses)	0.0	0.0	0.0	0.0
<b>Profit before tax</b>	<b>187.9</b>	<b>(101.9)</b>	<b>29.4</b>	<b>111.9</b>
Income tax for the period	(47.2)	4.2	31.6	(12.1)
Minority interest	0.5	0.0	0.0	0.5
<b>Net profit</b>	<b>141.2</b>	<b>(97.7)</b>	<b>61.0</b>	<b>100.3</b>
Treasury funds	9,316.7	0.0	2,215.1	10,174.4
AFS securities	2,325.0	113.5	606.7	2,985.6
Fixed assets (HTM & LR)	1,171.2	0.0	2.0	1,172.9
Equity investments	111.3	2,463.4	0.9	2,642.3
Loans and advances to customers	29,589.4	0.0	12,196.8	36,604.5
of which to Group companies	5,101.6	0.0	0.0	n.m.
Funding	40,323.1	259.8	14,193.9	48,254.6
RWAs	39,171.5	2,470.1	9,880.0	51,527.7
No. of staff	868	n.m.	2,328 *	3,095

\* Includes 101 staff employed by Banca Esperia pro-forma, not included in the Group total.



**Corporate & Investment banking**

€ m	6 mths to 31/12/2008	6 mths to 31/12/2009	Y.o.Y. Chg.
Net interest income	177.8	215.8	21.4%
Net trading income	168.4	263.9	56.7%
Net fee and commission income	122.6	178.5	45.6%
Equity-accounted companies	0.0	1.5	n.m.
<b>Total income</b>	<b>468.8</b>	<b>659.7</b>	<b>40.7%</b>
Labour costs	(92.8)	(111.3)	19.9%
Administrative expenses	(47.6)	(46.4)	-2.5%
<b>Operating costs</b>	<b>(140.4)</b>	<b>(157.7)</b>	<b>12.3%</b>
Loan loss provisions	(66.9)	(87.7)	31.1%
Provisions for other financial assets	(73.6)	(82.6)	12.2%
Other income (losses)	0.0	0.0	n.m.
<b>Profit before tax</b>	<b>187.9</b>	<b>331.7</b>	<b>76.5%</b>
Income tax for the period	(47.2)	(122.2)	n.m.
Minority interest	0.5	(1.1)	n.m.
<b>Net profit</b>	<b>141.2</b>	<b>208.4</b>	<b>47.6%</b>

	30/6/09	31/12/09	% chg.
Treasury funds	13,418.3	14,496.8	8.0%
AFS securities	4,208.7	5,187.0	23.2%
Fixed assets (HTM & LR)	1,556.7	1,333.3	-14.4%
Equity investments	405.1	414.9	2.4%
Loans and advances to customers	26,315.0	24,821.8	-5.7%
of which to Group companies	3,207.2	3,427.4	6.9%
Funding	43,250.2	43,068.8	-0.4%



CIB by segment - 31/12/09 (€ m)	Wholesale	Leasing	Total CIB
Net interest income	178.8	37.0	215.8
Net trading income	263.9	0.0	263.9
Net fee and commission income	177.6	0.9	178.5
Equity-accounted companies	1.5	0.0	1.5
<b>Total income</b>	<b>621.8</b>	<b>37.9</b>	<b>659.7</b>
Labour costs	(102.6)	(8.7)	(111.3)
Administrative expenses	(39.6)	(6.8)	(46.4)
<b>Operating costs</b>	<b>(142.2)</b>	<b>(15.5)</b>	<b>(157.7)</b>
Loan loss provisions	(70.5)	(17.2)	(87.7)
Provisions for other financial assets	(82.6)	0.0	(82.6)
Other income (losses)	0.0	0.0	0.0
<b>Profit before tax</b>	<b>326.5</b>	<b>5.2</b>	<b>331.7</b>
Income tax for the period	(118.8)	(3.4)	(122.2)
Minority interest	0.0	(1.1)	(1.1)
<b>Net profit</b>	<b>207.7</b>	<b>0.7</b>	<b>208.4</b>
Loans and advances to customers	20,127.3	4,694.5	24,821.8
of which to Group companies	3,427.4	0.0	3,427.4
New loans	n.m.	576.5	n.m.
No. of staff	642	211	853
No. of branches	n.m.	12	n.m.

CIB by segment - 31/12/08 (€ m)	Wholesale	Leasing	Total CIB
Net interest income	141.2	36.6	177.8
Net trading income	168.5	(0.1)	168.4
Net fee and commission income	120.3	2.3	122.6
Equity-accounted companies	0.0	0.0	0.0
<b>Total income</b>	<b>430.0</b>	<b>38.8</b>	<b>468.8</b>
Labour costs	(82.8)	(10.0)	(92.8)
Administrative expenses	(40.7)	(6.9)	(47.6)
<b>Operating costs</b>	<b>(123.5)</b>	<b>(16.9)</b>	<b>(140.4)</b>
Loan loss provisions	(44.8)	(22.1)	(66.9)
Provisions for other financial assets	(73.6)	0.0	(73.6)
Other income (losses)	0.0	0.0	0.0
<b>Profit before tax</b>	<b>188.1</b>	<b>(0.2)</b>	<b>187.9</b>
Income tax for the period	(44.9)	(2.3)	(47.2)
Minority interest	0.0	0.5	0.5
<b>Net profit</b>	<b>143.2</b>	<b>(2.0)</b>	<b>141.2</b>
Loans and advances to customers	24,712.7	4,876.7	29,589.4
of which to Group companies	5,101.6	0.0	5,101.6
New loans	n.m.	794.4	n.m.
No. of staff	635	233	868
No. of branches	n.m.	14	n.m.



### Principal investing

€ m	6 mths to 31/12/2008	6 mths to 31/12/2009	Y.o.Y. Chg.
Net interest income	(6.0)	(5.2)	-13.3%
Net trading income	0.0	0.0	n.m.
Net fee and commission income	0.0	0.0	n.m.
Equity-accounted companies	115.5	105.6	-8.6%
<b>Total income</b>	<b>109.5</b>	<b>100.4</b>	<b>-8.3%</b>
Labour costs	(2.6)	(2.8)	7.7%
Administrative expenses	(1.2)	(1.3)	8.3%
<b>Operating costs</b>	<b>(3.8)</b>	<b>(4.1)</b>	<b>7.9%</b>
Loan loss provisions	0.0	0.0	n.m.
Provisions for other financial assets	(207.6)	(6.6)	n.m.
Other income (losses)	0.0	0.0	n.m.
<b>Profit before tax</b>	<b>(101.9)</b>	<b>89.7</b>	<b>n.m.</b>
Income tax for the period	4.2	(2.7)	n.m.
Minority interest	0.0	0.0	n.m.
<b>Net profit</b>	<b>(97.7)</b>	<b>87.0</b>	<b>n.m.</b>

	30/6/09	31/12/09	% chg.
AFS securities	122.2	119.0	-2.6%
Equity investments	2,175.5	2,565.3	17.9%



### Retail & Private banking

€ m	6 mths to 31/12/2008	6 mths to 31/12/2009	Y.o.Y. Chg.
Net interest income	256.1	243.3	-5.0%
Net trading income	4.5	37.2	n.m.
Net fee and commission income	120.7	125.7	4.1%
Equity-accounted companies	0.0	(0.2)	n.m.
<b>Total income</b>	<b>381.3</b>	<b>406.0</b>	<b>6.5%</b>
Labour costs	(78.3)	(92.4)	18.0%
Administrative expenses	(133.4)	(162.1)	21.5%
<b>Operating costs</b>	<b>(211.7)</b>	<b>(254.5)</b>	<b>20.2%</b>
Loan loss provisions	(140.2)	(182.7)	30.3%
Provisions for other financial assets	0.0	(0.9)	n.m.
Other income (losses)	0.0	5.6	n.m.
<b>Profit before tax</b>	<b>29.4</b>	<b>(26.5)</b>	<b>n.m.</b>
Income tax for the period	31.6	0.3	n.m.
Minority interest	0.0	0.0	n.m.
<b>Net profit</b>	<b>61.0</b>	<b>(26.2)</b>	<b>n.m.</b>

	30/6/09	31/12/09	% chg.
Treasury funds	3,226.7	3,745.7	16.1%
AFS securities	2,732.5	3,156.4	15.5%
Fixed assets (HTM & LR)	1,021.7	1,021.7	0.0%
Equity investments	0.6	0.5	-16.7%
Loans and advances to customers	12,140.0	12,104.3	-0.3%
Funding	18,334.4	19,331.3	5.4%

RPB by segment - 31/12/09 (€ m)	Consumer credit	Retail Banking	Private Banking	Total RPB
Net interest income	225.4	5.4	12.5	243.3
Net trading income	0.0	29.2	8.0	37.2
Net fee and commission income	84.8	2.7	38.2	125.7
Equity-accounted companies	(0.2)	0.0	0.0	(0.2)
<b>Total income</b>	<b>310.0</b>	<b>37.3</b>	<b>58.7</b>	<b>406.0</b>
Labour costs	(37.6)	(27.5)	(27.3)	(92.4)
Administrative expenses	(78.3)	(65.8)	(18.0)	(162.1)
<b>Operating costs</b>	<b>(115.9)</b>	<b>(93.3)</b>	<b>(45.3)</b>	<b>(254.5)</b>
Loan loss provisions	(172.3)	(9.1)	(1.3)	(182.7)
Provisions for other financial assets	0.0	0.0	(0.9)	(0.9)
Other income (losses)	0.0	0.0	5.6	5.6
<b>Profit before tax</b>	<b>21.8</b>	<b>(65.1)</b>	<b>16.8</b>	<b>(26.5)</b>
Income tax for the period	(16.0)	16.3	0.0	0.3
Minority interest	0.0	0.0	0.0	0.0
<b>Net profit</b>	<b>5.8</b>	<b>(48.8)</b>	<b>16.8</b>	<b>(26.2)</b>

Loans and advances to customers	8,038.7	3,418.0	647.6	12,104.3
New loans	1,873.2	443.0	n.s.	2,316.2
AUM	n.m.	n.m.	10,864.0	n.m.
No. of staff	1,279	842	329	2,450
Branches	146	65	n.m.	211





RPB by segment - 31/12/08 (€ m)	Consumer credit	Retail Banking	Private Banking	Total RPB
Net interest income	213.2	22.8	20.1	256.1
Net trading income	0.2	0.0	4.3	4.5
Net fee and commission income	84.1	2.4	34.2	120.7
Equity-accounted companies	0.0	0.0	0.0	0.0
<b>Total income</b>	<b>297.5</b>	<b>25.2</b>	<b>58.6</b>	<b>381.3</b>
Labour costs	(39.0)	(17.7)	(21.6)	(78.3)
Administrative expenses	(67.7)	(49.4)	(16.3)	(133.4)
<b>Operating costs</b>	<b>(106.7)</b>	<b>(67.1)</b>	<b>(37.9)</b>	<b>(211.7)</b>
Loan loss provisions	(128.6)	(11.6)	0.0	(140.2)
Provisions for other financial assets	0.0	0.0	0.0	0.0
Other income (losses)	0.0	0.0	0.0	0.0
<b>Profit before tax</b>	<b>62.2</b>	<b>(53.5)</b>	<b>20.7</b>	<b>29.4</b>
Income tax for the period	16.8	14.3	0.5	31.6
Minority interest	0.0	0.0	0.0	0.0
<b>Net profit</b>	<b>79.0</b>	<b>(39.2)</b>	<b>21.2</b>	<b>61.0</b>
Loans and advances to customers	8,317.0	3,011.8	868.0	12,196.8
New loans	1,951.8	421.6	n.m.	2,373.4
AUM	n.m.	n.m.	9,871.0	n.m.
No. of staff	1,371	620	337	2,328
Branches	146	43	n.m.	189

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