



MEDIOBANCA
Banca di Credito Finanziario S.p.A.

Board of Directors' meeting

Milan, 18 September 2009



Draft financial statements for year to 30 June 2009 approved

Profitability from banking activity preserved Capital strengthening to support growth

- ◆ **Despite the global economic and financial crisis, at its worst during the financial year under review, banking activities¹ show:**
 - ◆ **Total income up 13% (to € 1,612m), recovering strongly in 1H09 (€ 948m, up 43% vs 2H08); the driver of this growth was CIB, with total income up 32% (to € 905m), € 601m of which was generated in 1H09 (up 98% vs 2H08)**
 - ◆ **Ordinary costs up 3% (to € 574m), with a declining C/I ratio in CIB (28%) and consumer credit (37%)**
 - ◆ **Risk provisioning strengthened (loan loss provisions up from 80 bps to 140 bps) to maintain low NPLs/total loans ratio (0.4%) and high NPL coverage ratios (80%)**
 - ◆ **Profitability (measured as gross profit/risk-weighted assets) back up to 1.4% in 1H09, despite higher risk provisioning, helped by revenues growth and optimizing risk-weighted assets**
- ◆ **Group net profit down from € 1,013m to € 2m, reflecting negative contribution from investment portfolio, with income down by € 507m (€ 488m of which in respect of PI) and writedowns totalling € 452m.**
- ◆ **Growth in the main balance-sheet aggregates; improved asset and liability composition:**
 - ◆ **loans and advances up 2% (to € 35.2bn)**
 - ◆ **increased liquidity: loans/deposits = 0.66; treasury funds up 24% (to € 12.7bn)**
 - ◆ **sources of funding diversified: retail deposits of € 6.2bn equal to 12% of total**
 - ◆ **solidity preserved: Core Tier 1 ratio: 10.3%, tangible net equity/total assets: 9%**
- ◆ **Shareholder remuneration and capital strengthening: scrip issue of shares and warrants:**
 - ◆ **1 scrip share: 20 shares held**
 - ◆ **1 warrant : 1 share held; warrants may be exercised on the basis of 1 new share : 7 warrants at a price of € 9.0, resulting in an increase in net equity of approx. € 1bn**

¹ Excluding net contribution from AFS portfolio (minus €35m (vs positive €195m), representing the balance between income of €175m (€195m) and writedowns €210m (€0)) and costs incurred by CheBanca! (€156m, vs €80m).



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

Consolidated results

Mediobanca confirmed its solidity during the twelve months under review, against the backdrop of the severe economic and financial crisis, the worst effects of which coincided with the year under review. Banking activities, which improved their positioning in the course of the year, delivered positive results, in the second half (1H 2009) in particular. However, the crisis strongly affected the equity investment portfolio, which contributed around € 1bn less than last year, with equity-accounted companies going from a profit of € 477.8m to income of minus € 18m, plus hefty writedowns of € 451.4m due in part to IAS impairment charges. Accordingly, the Group's net profit for the year totalled € 2.4m (€ 1,013.4m).

Income from banking activity² totalled € 1,612m, up 13%, picking up strongly during 1H09 when revenues of € 948m were posted (43% higher than in 2H08). Profitability from these activities, measured as gross profit as a percentage of risk-weighted assets, was stable over the year at 1.1%, with the higher loan loss provisions offset by growth in income, and in 1H09 recovered to 2008 levels (approx. 1.4%). The main profit and loss items performed as follows:

- ◆ Net interest income rose by 2.2%, from € 842.3m to € 861.2m, reflecting 13.3% growth in wholesale business, from € 334.2m to € 378.5m, which absorbed the 5.3% reduction in income from the retail segment, from € 522.5m to € 494.9m, due to the launch in operations by CheBanca! and the rise in the cost of funding from October to March;
- ◆ Dealing profits rose from € 73m to € 229.5m, concentrated in 1H09, reflecting a healthy performance in fixed-income trading;
- ◆ Net fee and commission income grew by 4.8%, from € 488.3m to € 511.5m, showing a marked acceleration in 1H09 (€ 286m, up 26% on the figure recorded for 2H08), in particular in the corporate division (up 46% on 2H08). The performance by the retail segment was more consistent, with € 239m in fees generated, vs € 240m;
- ◆ Costs (net of the € 156m attributable to CheBanca!) were up 2.6%, reflecting the growth in headcount at Mediobanca and its international branches. Including CheBanca! the headcount rose by 225 staff, and the Group's cost/income ratio stood at 41%;
- ◆ Provisioning has been stepped up to cover the widespread deterioration in the risk profile of businesses and households. Loan loss provisions were increased from € 273.7m to € 503.8m (or from 80 bps to 140 bps), € 324.7m (€ 237.9m) in retail financial services, € 134.9m (€ 22.8m) in

² Excluding net contribution from AFS portfolio (minus €35m (vs €195m), representing the balance between income of €175m (€195m) and writedowns €210m (€0)) and costs incurred by CheBanca! (€156m, vs €80m).



wholesale banking, and € 44.2m (€ 13.2m) in leasing. Net NPLs remained stable as a percentage of total loans, at 0.4%, while the coverage rate for NPLs is still over 80%.

The contribution from equity investment was negative having been hit strongly by the crisis, with reduced income and higher writedowns. In particular:

- ◆ Companies accounted for on an equity basis contributed minus € 18.8m, compared with income at the same stage last year of € 477.8m, largely due to the reduced contribution from Assicurazioni Generali, down from € 455.7m to € 8m, and significant reductions in the profitability of the other investee companies as well.
- ◆ Provisions for financial assets totalled € 451m, € 241m of which in respect of Principal Investing (€ 144m for Telco/Telecom Italia and € 93.8m for RCS MediaGroup) and € 210m for CIB.

Tax shows a one-off gain of approx. € 46m, linked to the amount of goodwill booked in connection with the merger of Linea and Equilon into Compass being released from taxation, as permitted by Article 15, paragraph 10 of Italian Legislative Decree 185/08. Gross tax of € 134.7m reflects the fact that the provisions for equities and loan loss provisions are not tax deductible (the latter being deductible with respect only to IRAP).

On the balance-sheet side, all the main aggregates increased, and asset and liability composition improved:

- ◆ Loans and advances increased by 2% in both the corporate and retail segments; net assets rose by 13% overall, following the increase in AFS securities and treasury funds, helped by deposits raised by CheBanca! which totalled € 6.2bn for the year;
- ◆ Funding increased by 17.3%, to € 53.4bn, and is more diversified, with 12% coming from the retail channel;
- ◆ 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;
- ◆ The main capital ratios have remained at basically the same levels recorded one year previously, with the core Tier 1 ratio at 10.3% and the total capital ratio at 11.8%..

Divisional results

Corporate & Investment Banking ("CIB")

Banking activities³ show:

- ◆ **Total income up 32%, to € 905m, € 601m of which generated in 1H09 (up 98% vs 2H08). Trading income performed well, up from € 58m to € 224m, and consistent**

³ Excluding net contribution of AFS portfolio.



performances from all other income sources: net interest income up 13%, to € 379m; and net fee and commission income up 3% (to € 302m), € 179m of which generated in 1H09 (up 45% on 2H08)

- ◆ **Revenues from non-domestic customers up sharply, by 70%, to approx. € 150m, equal to 20% of total CIB net interest and fee income**
- ◆ **Cost/income ratio 28% (vs 32%), despite increase in headcount**
- ◆ **Risk provisioning increased: loan loss provisions 75 bps, 65% of which in respect of performing items; NPLs 0.1% of total loans**
- ◆ **Gross profitability⁴ up to 1.0% (vs 0.8%), partly due to optimizing risk-weighted assets (down 7% to € 40bn)**
- ◆ **Net profit, down from € 464m to € 230m, reflecting writedowns to the AFS and equity investment portfolios totalling € 203m.**

Lending and Structured Finance — growth, albeit modest, in lending to corporates has continued in what has been a period of great uncertainty, rising 1.6%, from € 17,985.8m to € 18,274m. Around 30% of the total exposure is to companies resident outside Italy, in particular in France (9% of total lendings), Spain (8.2%) and Germany (5.8%). In loan syndication, where Mediobanca acts as book-runner and arranges club deals, transactions worth a total of € 15.4bn (€ 9.5bn) were arranged during the period, in line with market trends. This area generated over 27% of the Group's CIB revenues between net interest and fee and commission income, the latter up 30%, from € 78m to € 101m.

M&A and Capital Market — in a market which has contracted sharply, Mediobanca has strengthened its domestic leadership position and grown internationally in the countries where it has branches. Capital market fees climbed 20%, from € 89m to € 107m, while M&A fees declined from € 107m to € 78m, in line with market trends. This area generated approx. 17% of the Group's total income from CIB activities.

Treasury accounts rose by 50%, from € 8,954m to € 13,418m, partly due to higher funding, which grew 19.5% during the period, from € 36,180m to € 43,250m. The contribution from trading activity was significant, at € 224.2m (€ 130m of which in the fourth quarter), helping this area to contribute approximately one-third of the total income generated by CIB activities.

Leasing — this activity showed a small profit for the period, of € 0.6m, compared with € 9.6m last year, after adjustments to receivables totalling € 44.2m (€ 13.2m), € 19.5m of which in connection with one restructured exposure in particular. Total income improved, from € 80.7m to € 85.1m, on 6.3% growth in net interest income (from € 74.8m to € 79.5m). Amounts leased to customers rose from € 4,770.2m to € 4,833.8m, on new leases for the period under review totalling € 1,413.7m (€

⁴ Gross profit/risk-weighted assets.



1,812m), which reflects the widespread contraction in the leasing market which has been measured at approx. 20% for the twelve months to 31 December 2008, and 40% for the first six months of 2009 (source: Assilea).

Principal Investing (“PI”)

- ◆ **Loss of € 236m (30/6/08: € 487m profit) due to:**
 - ◆ **Reduced earnings contributions from investee companies, down € 488m (Assicurazioni Generali in particular contributed € 8m, compared with € 456m in 2008)**
 - ◆ **Writedowns totalling € 241m (€ 144m of which for Telco and € 94m for RCS)**
- ◆ **Market value of investments € 3.1bn (30/6/08: € 5.1bn); this rises to € 3.6bn based on current prices**

Retail & Private Banking (“RPB”)

- ◆ **Total income in line with last year (down 2% to € 766m): good performance from consumer credit (up 2%, to € 605m); retail banking down 5%, to € 47m, and private banking down 19%, to € 114m.**

Consumer credit

- ◆ **Gross profit down 26%, to € 86m, due to higher cost of funding and increased credit risk**
- ◆ **Net interest income recovering gradually in last quarters**
- ◆ **Loan loss provisions up from 270 bps to 360 bps; net NPLs stable at 1.2%; NPL coverage rate 85%**
- ◆ **Major synergies deriving from Compass-Linea merger: costs down 4%, to € 222m, cost/income ratio down to 37%.**

Consumer credit shows total income up from € 592.1m to € 605.3m, due chiefly to higher net income (up from € 149.6m to € 168.8m), mostly insurance products, with net interest income holding up well at € 436.6m (compared with € 438.5m). Operating costs were down from € 231.7m to € 221.8m, on the back of savings achieved from the Compass/Linea integration (with a reduction in headcount of 240 staff). Net profit came in at € 84.7m (€ 31.6m), after higher loan loss provisions of € 297.7m (€ 224.2m) were partly offset by the one-off tax effect of € 45.9m referred to earlier.

New loans disbursed in the twelve months totalled € 3,794.1m (down 26% from the € 5,162m recorded last year including the Linea group's assets), reflecting the market slowdown as well as the group's gradual repositioning post-integration of Linea. Total loans of € 8,108.4m were down 3.2% on last year (€ 8,373m).



Retail Banking

Outstanding commercial results achieved in first year of operations by CheBanca!, with growth ahead of expectations:

- ◆ **€ 6.2bn in funding, equal to 12% of Group deposits**
- ◆ **Over 165,000 customers**
- ◆ **Over 200,000 products sold**

Retail banking shows a net loss of € 99.9m (€ 29.6m), after deferred tax assets of € 36m (€ 15m) were recognized due to costs of € 155.5m (€ 80.4m) which include development expenses in connection with the launch of the new initiative. Total income remained flat at € 46.6m, compared with € 49.1m, with the reduction in net interest income (from € 44.8m to € 23.6m) being almost entirely offset by gains of € 17.1m on the securities portfolio, and an improvement in net fee and commission income, up from € 4.3m to € 5.9m. Mortgage lending showed growth of 2.6% in new loans (from € 819m to € 840.3m) and of 19.3% in total loans (from € 2,706.6m to € 3,227.9m). Retail funding was above € 6bn, with the portion in excess of the division's day-to-day requirements being transferred to Mediobanca S.p.A.

Private Banking

- ◆ **AUM totalling € 12.4bn, virtually stable vs December 2008 (€ 12.7bn)**
- ◆ **Net profit down 54%, to € 26m, due to drop in fee income**

Private banking was hit by the crisis, in terms of reduced commission income (€ 65.1m, compared with € 86.3m) and trading income (€ 14.5m, versus € 15m). Accordingly, total income reported by Compagnie Monégasque de Banque fell from € 92.1m to € 82.1m, as did that posted by Banca Esperia, from € 41.6m to € 25.9m, the latter being more exposed to performance fees. The net profit earned from this activity reduced from € 56.9m to € 26.2m, due to operating costs rising from € 75m to € 80.1m, and adjustments to the AFS portfolio totalling € 7.5m. Assets under management on a discretionary and non-discretionary basis amounted to € 12.4bn (as opposed to € 13.5bn as at end-June 2008), € 8.1bn (€ 8.2bn) of which was attributable to Compagnie Monégasque de Banque, and € 4.3bn (€ 5.3bn) to Banca Esperia. The Group's shareholding in Banca Esperia rose from 48.5% to 50% during the year under review, Mediobanca and Mediolanum both acquiring 1.5% stakes respectively from the other shareholder.

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Mediobanca S.p.A.

In the twelve months ended 30 June 2009, Mediobanca earned a net profit of € 20.8m, down sharply on the € 622.6m reported at the same time last year, with writedowns of over € 550m charged to reflect the adverse trends in share markets and the real economy. Total income was virtually stable at



€ 980m (30/6/08: € 979.9m), with the growth in trading profits (from € 55.3m to € 227.5m), net interest income (up 8.4%, from € 246.7m to € 267.5m) and net fee and commission income (from € 275.9m to € 283.3m) offsetting the reductions in dividends collected from investments (which totalled € 27.5m, compared with € 187m last year; see below) and gains on disposals of AFS securities (down from € 171.8m to € 157.1m). The increase in operating costs, which were up 7.6%, from € 254.9m to € 274.3m, reflect both the increase in headcount, with 26 more staff on the books (mostly at the Bank's international branches), and a reduction in operating expenses, which fell from € 94.9m to € 88.1m. Loan loss provisions were made as follows: € 134.9m in respect of the loan book; € 179.1m to cover AFS shareholdings with a fair value significantly below that of original cost; and € 236.8m for the Bank's equity investments (in particular Telco, RCS MediaGroup and Pirelli & C.) to reflect their value in use. Tax increased from € 72.1m to € 134m despite gross operating profit falling, due to the fact that the aforementioned writedowns were largely non-tax-deductible. It should be noted that in purely formal adherence to the accounting standards adopted, the dividend distributed by Assicurazioni Generali, which consisted of 7.3 million shares being awarded along with payment of withholding tax, has not been included in the results. These shares have a value of € 115.2m, which, if included, would increase dividends on equity investments to € 142.7m, total income to € 1,095.2m, and net profit to € 136m. The main balance-sheet aggregates show rises in treasury funds (from € 8.8bn to € 13.1bn), equity investments (from € 2.7bn to € 2.8bn, partly due to certain items in the AFS portfolio being reclassified), investments in AFS debt securities and fixed assets (from € 1.9bn to € 4.3bn), and funding (from € 33.7bn to € 40.2bn). Conversely, AFS equities fell from € 1.6bn to € 1.2bn, chiefly as a result of reclassifications, as did loans and advances to customers, albeit only slightly (from € 24.2bn to € 23.3bn).

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Capital strengthening

Scrip issue of share and warrants

Rather than paying a cash dividend to shareholders, the Board of Directors proposed to grant them:

- ◆ 1 new share for every 20 shares held;
- ◆ 1 warrant for every share held prior to the issue of the new shares, which will entitle the holders to subscribe for 1 new share for every 7 warrants held at a price of € 9.0 starting from 1 January 2010 by and no later than 18 March 2011. In the event of full exercise, the rights issue would raise approx. € 1bn.

The rationale for the proposed deal is based in particular on:

- ◆ The desire to reward shareholders by assigning them a dividend "in kind" (in the form of bonus shares and warrants), in a year when as a result of the Group's earnings performance and in view of capital requirements, it was decided not to pay a cash dividend;



- ◆ The significant growth in terms of Group size and operations: in the past four years, the assets on the Group's books have grown by 90%, from € 32bn in 2005 to € 61bn in 2009, with loans and advances to customers up 95%, from € 18bn to € 35bn, total funding up 120%, from € 24bn to € 53bn, and total income up 50%, from € 1.2bn to € 1.8bn. Such growth has been funded from net equity and/or self-financed. The last rights issue implemented by Mediobanca was for a total of approx. € 1bn (between shares and warrants) in 1998;
- ◆ The need to provide the Group with the funds required to support the growth initiatives recently launched, such as expansion of corporate and investment banking activities on international markets and retail banking in Italy;
- ◆ The changed international financial scenario, which has meant that in order to weather the current crisis, banks have had to strengthen their capital considerably (this having reached € 240bn in Europe, concentrated for the most part in the United Kingdom and Germany), and approx. \$400bn in the United States. In this scenario, the central banking authorities have already announced that regulatory capital requirements for banks will be increased as from 2011;
- ◆ In other words, the objective of ensuring Mediobanca stays among the ranks of the most solid and well capitalized banks in the domestic and international banking system.

The Board of Directors adopted the following resolutions in particular:

- ◆ To increase the company's share capital, by means of a scrip issue as authorized pursuant to Article 2443 of the Italian Civil Code by shareholders in a general meeting held on 27 June 2007, by a nominal amount of € 20,501,391.50 via the issue of 41,002,783 new par value € 0.50 shares, ranking for dividends *pari passu*, to be awarded to shareholders on the basis of 1 new share for every 20 shares held. The increase in capital will be made by withdrawing the corresponding amount from the share premium reserve as per the Bank's financial statements for the year ended 30 June 2008 and taking it to capital. Mediobanca will seek to promote resolution of any fractions of rights deriving from the scrip issue;
- ◆ To issue a total of 803,855,665 warrants to be assigned to shareholders free of charge on the basis of one warrant for each of the 803,855,665 shares in issue other than the treasury shares, and prior to the issue of the shares referred to above. The warrants shall (i) entitle their holders to apply to subscribe — as from 1 January 2010 and by and no later than 18 March 2011 — for new shares to be issued as part of a capital increase as authorized pursuant to Article 2443 of the Italian Civil Code by shareholders in a general meeting held on 27 June 2007 in a nominal amount of € 57,418,261.50, via the issue of up to 114,836,523 new par value € 0.50 shares, ranking for dividends *pari passu*, to be reserved for use in connection with the exercise of warrants, on the basis of 1 new share for every 7 warrants exercised at a price of € 9.0 (€ 8.5 of which by way of share premium). An application will be made subsequent to the warrants' issue for them to be listed on the stock market and the relevant listing prospectus published.



Subject to all the necessary formalities being completed, it is intended to implement the scrip issue of shares and warrants on 28 September 2009, from which date the shares will trade ex-rights. Accordingly, from this date the company's share capital, fully subscribed for and paid up, shall be € 430,529,224, made up of 861,058,448 par value € 0.50 shares.

The information required under Article 34-ter, para. 1, letter (l) and Article 57, para. 1, letter (e) of Consob's regulations for issuers is contained in the minutes of the Board of Directors meeting drawn up in pursuance with the provisions of Article 2443 of the Italian Civil Code. The minutes will be deposited at the company's head office and Borsa Italiana and published on the Bank's website www.mediobanca.it within the term stipulated under regulations in force.

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Staff remuneration policies

The Board of Directors also approved a document on staff remuneration policies which will be submitted to the approval of shareholders at the next general meeting. The document was drawn up in accordance with the "Supervisory Regulations in respect of Banks' Organization and Corporate Governance" issued by the Bank of Italy. It will also be made available on the Bank's website.

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The Board also:

- ◆ Called an annual general meeting of shareholders to be held on 28 October 2009 in the first instance (or on 29 October 2009 thereafter if adjourned) to adopt the Group's financial statements for the year ended 30 June 2009 and approve its staff remuneration policies;
- ◆ Reviewed the ongoing 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 system and its adherence to the Code of Conduct for Listed Companies. This report will as usual be included in the Bank's annual report.

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Restated profit and loss account

€ m	12 mths to 30/6/08	12 mths to 30/6/09	Y.o.Y. chg.
Net interest income	842.3	861.2	2.2%
Net trading income	289.1	421.7	45.9%
Net fee and commission income	488.3	511.5	4.8%
Share in profits earned by equity-accounted companies	477.8	-18.8	n.m.
TOTAL INCOME	2,097.5	1,775.6	-15.3%
Labour costs	(320.8)	(360.1)	12.3%
Administrative expenses	(319.0)	(369.5)	15.8%
OPERATING COSTS	(639.8)	(729.6)	14.0%
Loan loss provisions	(273.7)	(503.8)	84.1%
Provisions for other financial assets	(7.5)	(451.4)	n.m.
Other income/losses	(22.7)	(0.1)	n.m.
PROFIT BEFORE TAX	1,153.8	90.7	n.m.
Income tax for the period	(130.9)	(88.8)	-32.2%
Minority interest	(9.5)	0.5	n.m.
NET PROFIT	1,013.4	2.4	n.m.

Quarterly consolidated profit and loss accounts

€ m	FY 07/08				FY 08/09			
	3Q 07	4Q 07	1Q 08	2Q 08	3Q 08	4Q 08	1Q 09	2Q 09
Net interest income	208	204	210	220	223	203	226	209
Net trading income	187	73	4	26	164	9	96	153
Net fee and commission income	120	155	101	113	111	115	152	133
Equity-accounted companies	171	91	84	132	96	19	(137)	3
TOTAL INCOME	685	524	399	490	594	346	337	499
Labour costs	(72)	(76)	(80)	(93)	(88)	(82)	(81)	(110)
Administrative expenses	(55)	(92)	(73)	(99)	(72)	(98)	(95)	(104)
OPERATING COSTS	(127)	(168)	(154)	(192)	(159)	(180)	(177)	(214)
Loan loss provisions	(62)	(67)	(61)	(83)	(76)	(131)	(122)	(174)
Provisions for other financial assets & other	0	(4)	0	(26)	0	(281)	(78)	(93)
PROFIT BEFORE TAX	496	285	184	190	359	(247)	(39)	18
Income tax for the period	(103)	(32)	(38)	42	(47)	35	(20)	(56)
Minority interest	(3)	(3)	(2)	(2)	(2)	3	(2)	1
NET PROFIT	390	250	143	230	310	(210)	(61)	(37)



Restated consolidated balance sheet

€ m	30/6/08	31/12/08	30/6/09
Assets			
Treasury funds	1,0247.1	10,174.4	12,753.5
AFS securities	3,778.7	2,985.6	6,653.4
<i>of which: fixed-income</i>	<i>1,725.6</i>	<i>1,770.8</i>	<i>4,997.6</i>
<i>equities</i>	<i>1,588.3</i>	<i>1,120.5</i>	<i>1,247.1</i>
Financial assets held to maturity	619.9	582.7	1,557.5
Loans and advances to customers	34,590.8	36,604.5	35,233.2
Equity investments	2,845.7	2,642.3	2,638.5
Property, plant and equipment	753.2	767.1	764.2
Other assets	979.6	1,562.1	1,097.1
<i>of which: tax assets</i>	<i>548.0</i>	<i>696.4</i>	<i>825.8</i>
TOTAL ASSETS	53,815.0	55,318.7	60,697.4
Liabilities			
Funding	45,553.5	48,254.6	53,411.8
<i>of which debt securities in issue</i>	<i>32,192.9</i>	<i>34,457.7</i>	<i>36,867.8</i>
<i>retail deposits</i>	<i>51.2</i>	<i>624.7</i>	<i>6,212.6</i>
Other liabilities	1,187.6	1,198.1	1,288.0
<i>of which: tax liabilities</i>	<i>720.9</i>	<i>527.9</i>	<i>649.3</i>
Provisions	210.1	203.5	188.3
Net equity	5,849.0	5,562.2	5,806.9
<i>of which: share capital</i>	<i>410.0</i>	<i>410.0</i>	<i>410.0</i>
<i>reserves</i>	<i>5,319.1</i>	<i>5,046.8</i>	<i>5,293.6</i>
<i>minority interest</i>	<i>119.9</i>	<i>105.4</i>	<i>103.3</i>
Profit for the period	1,014.8	100.3	2.4
TOTAL LIABILITIES	53,815.0	55,318.7	60,697.4
<i>Tier 1 capital</i>	<i>5,669.8</i>	<i>5,245.1</i>	<i>5,431.4</i>
<i>Regulatory capital</i>	<i>6,536.0</i>	<i>6,061.8</i>	<i>6,231.9</i>
<i>Tier 1 capital/risk-weighted assets</i>	<i>10.29%</i>	<i>10.18%</i>	<i>10.30%</i>
<i>Regulatory capital/risk-weighted assets</i>	<i>11.87%</i>	<i>11.76%</i>	<i>11.82%</i>
<i>No. of shares in issue (millions)</i>	<i>820.1</i>	<i>820.1</i>	<i>820.1</i>



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

30 June 2009 (€ m)	Corporate & Investment Banking	Principal Investing	Retail & Private Banking	Group
Profit-and-loss figures				
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)	1,556.5	0.0	1,021.7	1,556.5
Equity Investments	405.1	2175.5	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	n.m.	n.m.	0.0
Funding	43,250.2	259.8	18,334.4	53,411.8
Staff	850	n.m.	2,359 ⁵	3,105

⁵ Includes 104 staff employed by Banca Esperia pro-forma, not included in the Group total.

Divisions comprise:

- *CIB (Corporate and investment banking): comprises corporate and investment banking, including leasing, plus the Group's trading investments. The companies which form part of this division are Mediobanca, Mediobanca International, MB Securities USA, Consortium, Prominvestment, SelmaBipiemme Leasing, Palladio Leasing and Teleleasing;*
- *Principal investing: comprises the Group's shareholdings in Assicurazioni Generali, RCS MediaGroup and Telco, plus stakes acquired as part of merchant banking activity and private equity funds;*
- *Retail and private banking: businesses targeting retail customers via consumer credit products, mortgages, deposit accounts, private banking and fiduciary activities. The companies which make up this division are: Compass, CheBanca!, Cofactor, Futuro and Creditech (consumer credit); and Compagnie Monégasque de Banque, Spafid and Prudentia Fiduciaria, plus 50% of Banca Esperia pro-forma (private banking).*



30 June 2008 (€ m)	Corporate & Investment Banking	Principal Investing	Retail & Private Banking	Group
Profit-and-loss figures				
Net interest income	334.2	(11.6)	522.5	842.3
Net trading income	269.6	3.1	19.0	289.1
Net fee and commission income	292.1	0.0	240.2	488.3
Equity-accounted companies	(21.5)	484.7	0.0	477.8
TOTAL INCOME	874.4	476.2	781.7	2,097.5
Labour costs	(172.2)	(5.8)	(155.7)	(320.8)
Administrative expenses	(104.5)	(2.6)	(231.4)	(319.0)
OPERATING COSTS	(276.7)	(8.4)	(387.1)	(639.8)
Loan loss provisions	(36.0)	0.0	(237.9)	(273.7)
Provisions for other financial assets	0.0	(7.5)	0.0	(7.5)
Other income/losses	0.0	0.0	(22.7)	(22.7)
PROFIT BEFORE TAX	561.7	460.3	134.0	1,153.8
Income tax for the period	(88.0)	26.8	(75.1)	(130.9)
Minority interest	(9.5)	0.0	0.0	(9.5)
NET PROFIT	464.2	487.1	58.9	1,013.4
Treasury funds	8,954.3	0.0	1,591.2	10,247.1
AFS securities	2,786.0	60.7	1,050.6	3,778.7
Fixed assets (HTM & LR)	619.2	0.0	0.7	619.9
Equity Investments	119.0	2670.4	0.4	2,845.7
Loans and advances to customers	26,936.0	0.0	11,937.4	34,590.8
of which to Group companies	4,180.2	n.m.	n.m.	0.0
Funding	36,180.0	259.8	13,736.6	45,553.5
No. of staff	834	n.m.	2,306 ⁶	3,046

⁶ Includes 101 staff employed by Banca Esperia pro-forma, not included in the Group total..



Corporate & Investment Banking

€ m	30/6/08	30/6/09	Y.o.Y. chg.
Profit-and-loss figures			
Net interest income	334.2	378.5	13.3%
Net trading income	269.6	398.2	47.7%
Net fee and commission income	292.1	301.8	3.3%
Equity-accounted companies	(21.5)	(17.1)	-20.5%
TOTAL INCOME	874.4	1061.4	21.4%
Labour costs	(172.2)	(201.1)	16.8%
Administrative expenses	(104.5)	(100.5)	-3.8%
OPERATING COSTS	(276.7)	(301.6)	9.0%
Loan loss provisions	(36.0)	(179.1)	n.m.
Provisions for other financial assets	0.0	(202.8)	n.m.
PROFIT BEFORE TAX	561.7	377.9	-32.7%
Income tax for the period	(88.0)	(148.1)	68.3%
Minority interest	(9.5)	0.4	n.m.
NET PROFIT	464.2	230.2	-50.4%

€ m	30/6/08	30/6/09	Y.o.Y. chg.
Treasury funds	8,954.3	13,418.3	49.9%
AFS securities	2,786.0	4,208.7	51.1%
Fixed assets (HTM & LR)	619.2	1,556.7	n.m.
Equity investments	119.0	405.1	n.m.
Loans and advances to customers	26,936.0	26,315.0	-2.3%
of which to Group companies	4,180.2	3,207.2	-21.8%
Funding	36,180.0	43,250.2	19.5%



CIB by segment - 30 June 2009 (€ 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)
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	n.m.	3,207.2
New loans	n.m.	1,413.7	n.m.
No. of staff	636	214	850
No. of branches	n.m.	14	n.m.

CIB by segment - 30 June 2008 (€ m)	Wholesale	Leasing	Total CIB
Net interest income	259.4	74.8	334.2
Net trading income	269.8	(0.2)	269.6
Net fee and commission income	286.0	6.1	292.1
Equity-accounted companies	(21.5)	0.0	(21.5)
TOTAL INCOME	793.7	80.7	874.4
Labour costs	(152.3)	(19.9)	(172.2)
Administrative expenses	(90.6)	(13.9)	(104.5)
OPERATING COSTS	(242.9)	(33.8)	(276.7)
Loan loss provisions	(22.8)	(13.2)	(36.0)
Provisions for other financial assets	0.0	0.0	0.0
PROFIT BEFORE TAX	528.0	33.7	561.7
Income tax for the period	(73.9)	(14.1)	(88.0)
Minority interest	0.5	(10.0)	(9.5)
NET PROFIT	454.6	9.6	464.2
Loans and advances to customers	22,166.0	4,770.0	26,936.0
of which to Group companies	4,180.2	n.m.	4,180.2
New loans	n.m.	1,812.3	n.m.
No. of staff	601	233	834
No. of branches	n.m.	14	n.m.



Principal Investing

€ m	30/6/08	30/6/09
Profit-and-loss figures		
Net interest income	(11.6)	(11.1)
Net trading income	3.1	0.2
Net fee and commission income	0.0	0.0
Share in profits earned by equity-accounted companies	484.7	(0.9)
TOTAL INCOME	476.2	(11.8)
Labour costs	(5.8)	(4.6)
Administrative expenses	(2.6)	(2.2)
OPERATING COSTS	(8.4)	(6.8)
Provisions for other financial assets	(7.5)	(241.0)
PROFIT BEFORE TAX	460.3	(259.6)
Income tax for the period	26.8	23.3
NET PROFIT	487.1	(236.3)

€ m	30/6/08	30/6/09
AFS securities	60.7	122.2
Equity investments	2,670.4	2,175.5



Retail & Private Banking

€ m	30/6/08	30/6/09	Y.o.Y. chg.
Profit-and-loss figures			
Net interest income	522.5	494.9	-5.3%
Net trading income	19.0	31.7	66.8%
Net fee and commission income	240.2	239.8	-0.2%
Equity-accounted companies	0.0	(0.2)	n.m.
TOTAL INCOME	781.7	766.2	-2.0%
Labour costs	(155.7)	(163.0)	4.7%
Administrative expenses	(231.4)	(294.4)	27.2%
OPERATING COSTS	(387.1)	(457.4)	18.2%
Loan loss provisions	(237.9)	(324.7)	36.5%
Provisions for other financial assets	0.0	(7.5)	n.m.
Other income/losses	(22.7)	(0.1)	n.m.
PROFIT BEFORE TAX	134.0	(23.5)	n.m.
Income tax for the period	(75.1)	34.5	n.m.
NET PROFIT	58.9	11.0	-81.3%

€ m	30/6/08	30/6/09	Y.o.Y. chg.
Treasury funds	1,591.2	3,226.7	102.8%
AFS securities	1,050.6	2,732.5	160.1%
Fixed assets (HTM & LR)	0.7	1,021.7	n.m.
Equity investments	0.4	0.6	50.0%
Loans and advances to customers	11,937.4	12,140.0	1.7%
Funding	13,736.6	18,334.4	33.5%



RPB by segment - 30 June 2009 (€ m)	Consumer credit	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
Share in profits earned by 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)
PROFIT BEFORE TAX	85.8	(135.9)	26.6	(23.5)
Income tax for the period	(1.1)	36.0	(0.4)	34.5
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
New loans	3,794.1	840.3	0.0	4,634.4
No. of staff	1,284.0	730.0	345.0	2,359.0
No. of branches	146	55	n.m.	201

RPB by segment - 30 June 2008 (€ m)	Consumer credit	Retail banking	Private banking	Total RPB
Net interest income	438.5	44.8	39.2	522.5
Net trading income	4.0	0.0	15.0	19.0
Net fee and commission income	149.6	4.3	86.3	240.2
TOTAL INCOME	592.1	49.1	140.5	781.7
Labour costs	(87.0)	(22.8)	(45.9)	(155.7)
Administrative expenses	(144.7)	(57.6)	(29.1)	(231.4)
OPERATING COSTS	(231.7)	(80.4)	(75.0)	(387.1)
Loan loss provisions	(224.2)	(13.3)	(0.4)	(237.9)
Other income/losses	(20.0)	0.0	(2.7)	(22.7)
PROFIT BEFORE TAX	116.2	(44.6)	62.4	134.0
Income tax for the period	(84.6)	15.0	(5.5)	(75.1)
NET PROFIT	31.6	(29.6)	56.9	58.9
Loans and advances to customers	8,373.0	2,706.6	857.8	11,937.4
New loans	5,162.0	819.0	n.m.	5,981.0
No. of staff	1,522	470	314	2,306
No. of branches	173	38	n.m.	211

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



Press release

With reference to the resolutions adopted by the Directors of Mediobanca at the Board meeting held on 18 September 2009, in respect of which a press release was issued on the same date, which resolutions include the company's capital strengthening exercise, notice is hereby given (including with reference to calculation of the adjustment factor "K" to be applied to derivatives contracts with Mediobanca shares as their underlying asset) that, having adopted the draft financial statements as at 30 June 2009, the Board of Directors resolved:

- i) to propose to shareholders called together in annual general meeting to adopt the financial statements, not to pay a dividend taken from the profit from the year and/or reserves as recorded in the aforementioned financial statements;
- ii) to increase the company's share capital by means of a scrip issue, as authorized by Article 2443 of the Italian Civil Code, by taking reserves to capital, with 1 new share being assigned to shareholders on the basis of every 20 shares already held;
- iii) to award, again free of charge and as authorized by Article 2443 of the Italian Civil Code, 1 warrant for every share held prior to the scrip issue, exercisable on the basis of 1 new share for every 7 warrants held at a price of €9.0, resulting in shareholders' equity increasing by approx. €1bn.

Points 1), 2), 3) and 4) of the resolution adopted by the Board of Directors, which were disclosed in a press release published via the NIS circuit at 4.00 p.m. on 18 September 2009 are set forth below:

"The Board of Directors [...] unanimously resolved:

- 1) to increase the company's share capital, by means of a scrip issue as authorized pursuant to Article 2443 of the Italian Civil Code by shareholders in a general meeting held on 27 June 2007, by a nominal amount of €20,501,391.50 via the issue of 41,002,783 new par value €0.50 shares, ranking for dividends *pari passu*, to be awarded to shareholders with effect from 28 September 2009, on the basis of 1 new share for every 20 shares held, with said capital increase to be made by withdrawing the corresponding amount from the share premium reserve as per the Bank's financial statements for the year ended 30 June 2008 and taking it to capital, agreeing to Mediobanca, in its capacity as owner of treasury shares, waiving its allocation of new shares save for in respect of five of the shares owned;



- 2) to issue a total of 803,855,665 warrants to be assigned to shareholders free of charge (following assignment of the rights represented by the 16,200,000 treasury shares pro-rata to the other shares in issue as permitted under Article 2357-ter of the Italian Civil Code) on the basis of one warrant for each of the 803,855,665 shares in issue other than the treasury shares, and prior to the issue of the shares referred to under the foregoing point 1; said warrants shall (i) entitle their holders to subscribe for new shares to be issued as part of the rights issue described under point 3 below, and (ii) be governed by the terms and conditions attached to this resolution under Annex "A";
- 3) to increase the company's share capital in one or more tranches, as authorized pursuant to Article 2443 of the Italian Civil Code by shareholders in a general meeting held on 27 June 2007, by a nominal amount of €57,418,261.50, via the issue of up to 114,836,523 new par value €0.50 shares, ranking for dividends *pari passu*, to be reserved for use in connection with the exercise of warrants as referred to under the foregoing point 2, on the basis of 1 new share for every 7 warrants exercised;
- 4) to establish the exercise price of the warrants at €9.0, €8.5 of which by way of share premium, and accordingly also the issue price of the shares to be issued for use in connection with the warrants;
[...].

Milan, 20 September 2009