MEDIOBANCA

Quarterly Report

for the period ended 31 March 2009

MEDIOBANCA

LIMITED COMPANY

SHARE CAPITAL € 410,027,832.50

HEAD OFFICE: PIAZZETTA ENRICO CUCCIA 1, MILAN, ITALY

Registered as a Bank. Parent Company of the Mediobanca Banking Group

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REVIEW OF GROUP OPERATIONS

In a scenario that continues to be challenging, the Mediobanca Group's results for the nine months under review bear out the trends witnessed in the first half of the year. Revenues from banking activity (total income minus the contribution from equity-accounted companies) reflect pleasing growth, up 2.9%, due to increases in net interest income from corporate banking, fees and commissions, and net trading income. However, this must be set against a substantial, €367.4m reduction in the contribution from the equity-accounted companies, €358.9m in provisions for financial assets reflecting the adverse market conditions at end-March 2009, and €329.5m in loan loss provisions. Accordingly, total income was down from €1,607.2m to €1,276.7m, and net profit from €783.3m to €39.3m. The main income sources performed as follows:

- net interest income grew by 4.7%, from €622.6m to €651.9m, boosted by wholesale activity, up 17%, while the 1.5% reduction in income from retail operations again reflects the higher cost of funding;
- net trading income rose by 2%, from €263m to €268.3m, due to dealing profits, up 33.2%, from €74m to €98.6m, €91.4m of which in the third quarter, which offset reduced income from the AFS portfolio, down from €189.2m to €169.6m;
- net fee and commission income remained stable at €378.1m (31/3/08: €375.8m), due to a 16% increase in retail operations, with corporate and investment banking business holding up well (down just 4%) and only private banking slowing significantly (down 25%);
- equity-accounted companies contributed a €21.6m loss, compared with income of €345.8m at the same stage last year, due to the €809m net loss booked by Assicurazioni Generali in the fourth quarter of 2008.

Costs were up 15%, from €448.3m to €515.7m, in line with the trend in the first six months, and once again reflecting both the launch of CheBanca! and international expansion by Mediobanca, which together amounted to €117m. Net of these items, there would have been a 4% reduction in costs.

Provisions for financial assets of €358.9m include €207.2m in writedowns to the Group's equity investments charged for the first six months (in particular Telco/Telecom Italia and RCS MediaGroup), plus €151.8m in adjustments to shares in the AFS portfolio, more than half of which for the third quarter. The AFS portfolio also shows a €654.5m downward adjustment (€159.7m of which accruing in the third quarter) which was taken to net equity reserves.

Loan loss provisions were up from €190.5m to €329.5m, reflecting the worsening customer risk profile, with €225.2m (€171.3m) attributable to consumer finance, €74m (€10m) to wholesale banking, and €30.2m (€9.2m) to leasing.

Tax of €32.2m was boosted by approx. €46m linked to goodwill booked upon the acquisition of Linea being exempt from taxation.

Looking at the results by business area, total income from corporate and investment banking held up well, up 3.6%, from €723.9m to €750.2m, mostly due to a good performance in net interest income, up 13.9% from €242.3m to €276m, as did retail and private banking, at €568.6m, compared with €576.8m, due to healthy fee income of €173.8m. Principal investing ended the nine months showing a €207.2m loss, compared with a €335.9m profit at the same stage last year, due to the writedowns charged to the investments in Telco/Telecom Italia and RCS MediaGroup referred to above, plus the loss incurred by Assicurazioni Generali attributable to the Group (€118.8m for the quarter).

On the balance-sheet side, there was further improvement in the Group's liquidity position during the quarter, with growth of 7.2% in funding for the three months, from €48.3bn to €51.7bn, €4.3bn of which was raised by CheBanca! This financed the 15.4% rise in treasury fund applications, from €10.2bn to €11.7bn, and growth in AFS securities, up from €3bn to €5bn (largely in the fixed-income segment). Loans and advances to customers were largely stable at €36.3bn, versus €36.6bn, and equity investments were down slightly, from €2.6bn to €2.4bn.

* * *

Significant events during the period under review included subscription for €347.3m in convertible and subordinated hybrid equity-linked securities ("CASHES") issued by UniCredit and assigned to the AFS portfolio, as part of a €3bn deal aimed at strengthening the group's capital structure. Mediobanca acted as advisor on the offering and underwrote the capital increase. As a result of the transaction, as deposit bank for the securities used for the CASHES issued Mediobanca now holds 967.6 million UniCredit shares (equal to 6.75% of the group's share capital), which are booked to the memorandum accounts given that all rights and obligations in respect of these shares are assigned to third parties on a pass-through basis.

CONSOLIDATED FINANCIAL STATEMENTS*

The consolidated profit and loss account and balance sheet have been restated – including by business area – in order to provide the most accurate reflection of the Group's operations. The results are also presented in the format recommended by the Bank of Italy as an annex, along with further details on how the various items have been restated.

RESTATED PROFIT AND LOSS ACCOUNT

	9 mths to 31/3/08 pro-forma	6 mths to 31/12/08	9 mths to 31/3/09	Y.o.Y. chg.
	€m	€m	€m	%
Net interest income	622.6	425.7	651.9	+4.7
Net trading income	263.0	172.7	268.3	+2.0
Net fee and commission income	375.8	225.8	378.1	+0.6
Share in profits earned by equity-accounted companies	345.8	115.1	(21.6)	n.m.
TOTAL INCOME	**1,607.2**	**939.3**	**1,276.7**	**–20.6**
Labour costs	(228.2)	(169.1)	(250.3)	+9.7
Administrative expenses	(220.1)	(170.0)	(265.4)	+20.6
OPERATING COSTS	**(448.3)**	**(339.1)**	**(515.7)**	**+15.0**
Loan loss provisions	(190.5)	(207.1)	(329.5)	+73.0
Provisions for financial assets	(4.2)	(281.2)	(358.9)	n.m.
PROFIT BEFORE TAX	**964.2**	**111.9**	**72.6**	**–92.5**
Income tax for the period	(173.2)	(12.1)	(32.2)	–81.4
Minority interest	(7.7)	0.5	(1.1)	–85.7
NET PROFIT	**783.3**	**100.3**	**39.3**	**–95.0**

* For methods by which data have been restated, see section entitled "Significant accounting policies".

RESTATED BALANCE SHEET

	30/6/08	31/12/08	31/3/09
	€m	€m	€m
Assets			
Treasury funds	10,247.1	10,174.4	11,738.1
AFS securities	3,778.7	2,985.6	4,973.4
of which: fixed-income	*1,725.6*	*1,770.8*	*3,419.6*
equities	*1,588.3*	*1,120.5*	*1,219.1*
Financial assets held to maturity	578.1	582.7	578.6
Loans and advances to customers	34,590.8	36,604.5	36,332.5
Equity investments	2,845.7	2,642.3	2,432.7
Tangible and intangible assets	753.2	767.1	765.9
Other assets	1,021.4	1,562.1	1,684.7
of which:tax assets	*548.0*	*696.4*	*768.4*
Total assets	53,815.0	55,318.7	58,505.9
Liabilities			
Funding	45,553.5	48,254.6	51,705.0
of which: debt securities in issue	*32,192.9*	*34,457.7*	*36,605.6*
Other liabilities	1,187.6	1,198.1	1,236.4
of which: tax liabilities	*720.9*	*527.9*	*549.3*
Provisions	210.1	203.5	196.3
Net equity	5,849.0	5,562.2	5,328.9
of which: share capital	*410.0*	*410.0*	*410.0*
reserves	*5,319.1*	*5,046.8*	*4,815.6*
minority interest	*119.9*	*105.4*	*103.3*
Profit for the period	1,014.8	100.3	39.3
Total liabilities	53,815.0	55,318.7	58,505.9

PROFIT-AND-LOSS FIGURES AND BALANCE-SHEET DATA BY DIVISION

31 MARCH 2009	Corporate & investment banking	Principal investing	Retail & private banking	Group
	€m	€m	€m	€m
Profit-and-loss figures				
Net interest income (expense)	276.0	(8.6)	384.6	651.9
Net trading income	261.3	0.2	10.4	268.3
Net fee and commission income	227.2	—	173.8	378.1
Share in profits earned by equity-accounted companies	(14.3)	(6.5)	(0.2)	(21.6)
TOTAL INCOME	**750.2**	**(14.9)**	**568.6**	**1.276.7**
Labour costs	(134.7)	(3.9)	(117.7)	(250.3)
Administrative expenses	(70.3)	(1.8)	(213.5)	(265.4)
OPERATING COSTS	**(205.0)**	**(5.7)**	**(331.2)**	**(515.7)**
Loan loss provisions	(104.2)	—	(225.2)	(329.5)
Provisions for financial assets	(144.8)	(207.6)	(6.4)	(358.9)
PROFIT BEFORE TAX	**296.2**	**(228.2)**	**5.8**	**72.6**
Income tax for the period	(91.7)	21.0	37.6	(32.2)
Minority interest	(1.1)	—	—	(1.1)
NET PROFIT	**203.4**	**(207.2)**	**43.4**	**39.3**
Cost/income ratio (%)	27.3	n.m.	58.2	40.4
Balance-sheet data				
Treasury funds	11,577.6	—	2,873.2	11,738.1
AFS securities	2,802.9	115.9	3,292.7	4,973.4
Equity investments	86.3	2,292.2	0.6	2,432.7
Loans and advances to customers	28,159.6	—	12,135.6	36,332.5
of which: to Group companies	*3,952.6*	—	—	—
Funding	(41,759.9)	(259.8)	(17,502.4)	(51,705.0)
No. of staff	862	—	2,339*	3,099

* Includes 102 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 investments in 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 48.5% of Banca Esperia pro-forma (private banking).

31 MARCH 2008	Corporate & investment banking	Principal investing	Retail & private banking	Group
	€m	€m	€m	€m
Profit-and-loss figures				
Net interest income (expense)	242.3	(8.6)	390.6	622.6
Net trading income	254.7	—	12.9	263.0
Net fee and commission income	236.6	—	173.3	375.8
Share in profits earned by equity-accounted companies	(9.7)	349.4	—	345.8
TOTAL INCOME	**723.9**	**340.8**	**576.8**	**1.607.2**
Labour costs	(120.5)	(4.4)	(115.3)	(228.2)
Administrative expenses	(73.3)	(2.0)	(156.9)	(220.1)
OPERATING COSTS	**(193.8)**	**(6.4)**	**(272.2)**	**(448.3)**
Loan loss provisions	(19.2)	—	(171.3)	(190.5)
Provisions for financial assets	(4.2)	—	—	(4.2)
PROFIT BEFORE TAX	**506.7**	**334.4**	**133.3**	**964.2**
Income tax for the period	(115.3)	1.5	(64.5)	(173.2)
Minority interest	(7.8)	—	—	(7.7)
NET PROFIT	**383.6**	**335.9**	**68.8**	**783.3**
Cost/income ratio (%)	26.8	1.9	47.2	27.9
Balance-sheet data[1]				
Treasury funds	8,442.5	—	1,526.7	9,788.8
AFS securities	3,588.9	50.1	772.5	4,297.6
Equity investments	133.7	2,516.7	0.1	2,705.4
Loans and advances to customers	26,440.8	—	7,264.8	30,205.4
of which: to Group companies	*3,408.8*	—	—	—
Funding	(34,889.7)	(259.8)	(8,784.1)	(40,195.4)
No. of staff	811	—	2,369*	3,083

[1] Not including Linea.

* Includes 97 staff employed by the Esperia group pro-forma, not included in the Group total.

BALANCE SHEET

The main balance-sheet items, of which Mediobanca contributed just under three-quarters, showed the following trends for the three months (comparative data as at 31 December 2008):

Funding — the growth recorded in the first half-year continued, with total funds rising another 7.2%, from €48,254.6m to €51,705m, helped by €4.3bn in retail funding from CheBanca!, a net rise of €1.9bn in bond issuance, from €33,161.1m to €35,060.8m, and a €248.2m increase in other short-term funding (Euro CDs and commercial paper), from €1,296.6m to €1,544.8m. The other items (current accounts and borrowings) fell, due to reduced dependence on funding from banks (down from €6bn to €5.7bn).

Loans and advances to customers — this item was virtually flat, at €36,332.5m compared with €36,604.5m three months previously, with the retail segment improving slightly, up from €12,116.7m to €12,125.6m, not quite offsetting the slowdown in corporate lending (down from €24,487.8m to €24,206.9m).

	31/12/08	31/3/09	Change
	€m	€m	%
Corporate and investment banking	24,487.8	24,206.9	–1.1
– of which: leasing	*4,876.7*	*4,833.7*	*–0.9*
Retail and private banking	12,116.7	12,125.6	+0.1
– of which: consumer credit	*8,317.0*	*8,338.3*	*+0.3*
mortgage lending	*3,011.8*	*3,053.0*	*+1.4*
private banking	*787.9*	*734.3*	*–6.8*
TOTAL LOANS AND ADVANCES TO CUSTOMERS	36,604.5	36,332.5	–0.7

Equity investments — these fell from €2,642.3m to €2,432.7m, €136.7m of which was due to negative earnings contributions from the investee companies, and €73m to downward asset adjustments occasioned by the valuation reserves. With the exception of RCS MediaGroup, which recorded a pro-rata profit of €2.6m for the period, all the other investments showed a loss for the three months: in particular Assicurazioni Generali

(€118.8m), Burgo Group (€14.3m) and Athena (€4m). Book values were also affected by the reduction in the investee companies' asset reserves, involving in particular Assicurazioni Generali (€46.8m), Telco (€8m) and Burgo Group (€10.7m). Based on share prices as at 31 March 2009, the portfolio reflects a surplus of €736.1m (compared with €1,908.5m at 31 December 2008), which rises to €1,414.8m based on current prices.

	Percentage shareholding*	Book value	Share prices as at 31/3/09	Surplus
	€m	€m	€m	€m
LISTED INVESTMENTS				
Assicurazioni Generali	14.05	1,648.4	2,556.4	908.0
RCS MediaGroup. *ordinary*	14.36	245.1	73.2	(171.9)
		1,893.5	2,629.6	736.1
OTHER INVESTMENTS				
Telco	10.64	368.5		
Banca Esperia	48.50	53.5		
Burgo Group	22.13	86.3		
Athena Private Equity class A	24.47	28.3		
Fidia	25.00	1.5		
Other minor investments		1.1		
		539.2		
		2,432.7		

* Percentage of entire share capital held.

Financial assets held to maturity — these were virtually stable at €578.6m (€582.7m), after €3.7m in downward adjustments to amortized cost. Based on prices at end-March 2009, the portfolio showed an unrealized loss of €95.2m (€80.1m). There are currently no critical situations among issuers that would require impairment charges to be recognized.

AFS securities — this portfolio is made up of debt securities worth €3,419.6m (€1,770.8m), equities amounting to €1,219.1m (€1,120.5m), and other securities totalling €334.7m (€94.2m), €84.1m of which are represented by stock units in funds held by Compagnie Monégasque de Banque, and €250.6m by the UniCredit CASHES held by Mediobanca and recognized at fair value. The €1,648.8m increase in the debt securities component was largely to finance the €1,429.4m in fund applications by CheBanca! On the equity side, movements include investments of €180.3m – largely calls on capital by Sintonia S.A. (€166.8m) and investments in the new Clessidra fund (€4.5m, out of a €70m commitment) – and writedowns at the reporting date of €71.7m due to share prices being significantly (or for a prolonged period of time) below their initial recognition values. Overall, adjustments of €145.8m were made for the period, plus adjustments to fair value of €430.8m which were taken directly to net equity (€67.7m of which in the third quarter).

	Percentage shareholding*	Book value at 31/3/09	Adjustments to fair value	Impairment charges taken to profit and loss account	Aggregate AFS reserve
Fiat	1.02 – 0.87	58.8	(57.3)	—	(5.1)
Gemina	12.56 – 12.53	54.0	(89.5)	—	(158.3)
Pirelli	4.61 – 4.49	42.4	(63.1)	—	(98.8)
Italmobiliare	9.5 – 5.47	41.5	(63.8)	—	6.9
Others, listed		297.4	(121.6)	(137.1)	(202.2)
Sintonia S.A.	1.00	308.2	(3.6)	—	(3.6)
Delmi	6.00	110.0	(8.4)	—	—
Others, unlisted		725.0	(35.5)	(8.7)	22.5
TOTAL, EQUITIES		1.219.1	(430.8)	(145.8)	(435.0)

* First figure refers to percentage of shares held in respective category; second figure refers to percentage of total share capital held.

The valuation reserve for the portfolio as a whole continues to be in negative territory, at minus €730.5m (€571.6m), €435m (€424.8m) of which is due to equities and €295.5m (€146.8m) to other securities.

Hedge transactions involving the equity portfolio (in the form of forward contracts) show a surplus of €66.2m, which has been taken to the reserves.

Treasury funds — this item rose from €10,174.4m to €11,738.1m, and consists of €677.1m (€835.1m) in cash and cash equivalents, €9,214.2m (€8,900.6m) in fixed-income securities, €1,029.4m (€993.5m) in equities, €357.5m (€157.3m) in positive valuations on derivatives contracts, and €459.9m in net short-term applications of funds (i.e. repos, interbank deposits etc.), compared with net funding of €712.1m three months previously. Movements during the period and marking the portfolio (including derivatives) to market as at 31 March 2009 led to a net gain of €98.6m. The ABS portfolio, including securities reclassified from loans and receivables, closed at €537.4m (€583.1m), reflecting adjustments for the period amounting to €5.6m.

Tangible and intangible assets — these fell from €767.1m to €765.9m, due to amortization for the period (€9.3m).

Provisions — this item consists of the provision for liabilities and charges amounting to €167.5m (€173.5m), plus the staff severance indemnity provision of €28.8m (€29.9m).

Net equity — this fell by €231.2m, from €5,456.8m to €5,225.6m, due to a €161.5m reduction in the Group's valuation reserves, plus the effect of equity-accounting investee companies, which removed a further €72.8m. The negative valuation reserve for the AFS portfolio came to minus €617m (€507.8m) net of the tax effect, due to value adjustments of €66.9m for the UniCredit CASHES and of €38.2m for bonds, with the change in equity positions, a downward adjustment of €66.6m to reflect fair value, being almost entirely offset by €57m in impairment charges taken to the profit and loss account. The cash flow hedge reserve also continues to be in negative territory, declining from minus €47.6m to minus €99.9m, following adjustments to derivatives held in the portfolio.

PROFIT AND LOSS ACCOUNT

Net interest income — this rose by 4.7%, from €622.6m to €651.9m, reflecting 13.9% growth in corporate and investment banking, which was boosted by higher lendings (up 5.1%), as well as higher income from the securities portfolio (up 18.9%); while the retail component, despite improving since end-December (down 1.5%, as opposed to 2%), reflects the reduction in consumer credit loans (down 4% year-on-year, to €8.3bn) and the higher cost of bank funding; the 3% growth in net interest income from mortgage lending, despite the higher cost of funding, reflects a 20% increase in volumes.

Net trading income — this heading reflects €98.6m (31/3/08: €74m) in net trading income, €159.9m (€173.8m) in gains on disposals of AFS securities, and €9.8m (€15.4m) in dividends. The healthy result posted by trading activity for the three months was boosted by the fixed-income area (which delivered dealing profits of €89.3m) and by equity trading returning to profitability (with profits of €9.3m).

	9 mths to 31/3/08	9 mths to 31/3/09
	€m	€m
Dealing profits (losses)	160.3	56.0
Mark-to-market as at reporting date	(120.9)	38.1
Dividends	34.6	4.5
TOTAL, net trading income	74.0	98.6

Net fee and commission income — this item rose from €375.8m to €378.1m, due to an upturn in capital market activity generating revenues of €71m, compared with €66m in the same period last year, and which contributed over €50m in the third quarter alone, and in M&A (which produced income of €64m, roughly half of which in the third quarter). These performances helped fees and commissions from corporate and investment banking in particular to record a result substantially in line with the one posted this time last year, delivering income of €227.2m, compared with €236.6m in the nine months to 31 March 2008. The flow of fee income from consumer credit operations also continued, up from €104.9m to €121m, while fees earned by Compagnie Monégasque de Banque declined from €32.5m to €26.1m.

Operating costs — the 15% rise in this item, from €448.3m to €515.7m, is chiefly in connection with the Group's operating and geographical expansion and the related growth in employee headcount (with the number of staff rising from 3,083 to 3,099). Net of CheBanca! and the international development of Mediobanca, this item would show a 4% reduction. The various components performed as follows:

— labour costs rose from €228.2m to €250.3m; this reflects the aforementioned increase in the CIB division's headcount (with 51 more staff on the books than at this time last year), plus €8m (€7.8m) in emoluments paid to directors, and €9.9m (€6.8m) in notional expenses due to stock option schemes;

— sundry costs and expenses amounting to €265.4m (€220.1m) include €25m (€14.7m) in ordinary depreciation and amortization charges, more than €5m of which in connection with intangibles booked as a result of acquisitions (Linea, and UniCredit's activities in Monaco), plus administrative expenses totalling €239.1m (€201.6m), made up as follows:

	9 mths to 31/3/08 pro-forma	9 mths to 31/3/09
	€m	€m
Advertising	30.0	56.8
EDP and financial information subscriptions	32.0	34.1
Outside services and consultancy fees	31.9	29.4
Rent, equipment leasing and maintenance charges	22.6	26.1
Stationery, publication costs and utilities	17.2	16.8
Bank charges	11.1	14.9
Travel, transport and entertainment	13.5	12.2
Outsourcing	8.4	13.3
Other staff-related expenses	9.9	10.8
Bad debts and legal fees recovered	5.2	8.5
Others	19.8	16.2
TOTAL	201.6	239.1

This performance is due on the one hand to a reduction in costs at both Mediobanca and Compass (€6.7m and €10.6m respectively) and a rise in expenses incurred by CheBanca! on the other, totalling €50.3m,

€31.3m of which in respect of advertising, €5.2m for services outsourced, €4.8m for rent, leasing and refurbishment of premises, and €3.2m for consultancy fees.

Loan loss provisions — the increase in this item, from €190.5m to €329.5m, reflects the general deterioration in the risk profile of households, with provisions for bad debts in this segment rising from €171.3m to €225.2m, and the collective provision for the corporate loan book (€104.2m) which include adjustments to certain potential problem or restructured exposures (amounting to €57.3m, up €14.2m for the three months under review).

Provisions for financial assets — this item regards equity investments and shares owned as part of the AFS portfolio; the €358.9m provision reflects a €77.7m for the three months, due to the fair value of the investments continuing to be significantly lower than their original cost of recognition.

Divisional results

A review of the Group's performance in its main areas of operation is provided below, according to the new divisional segmentation.

Corporate and investment banking (wholesale banking and leasing)

	9 mths to 31/3/08	6 mths to 31/12/08	9 mths to 31/3/09	Y.o.Y. chg.
	€m	€m	€m	%
Profit-and-loss figures				
Net interest income	242.3	177.8	276.0	+13.9
Net trading income	254.7	168.4	261.3	+2.6
Net fee and commission income	236.6	122.6	227.2	–4.0
Share in profits (losses) earned (incurred) by equity-accounted companies	(9.7)	—	(14.3)	+47.4
TOTAL INCOME	**723.9**	**468.8**	**750.2**	**+3.6**
Labour costs	(120.5)	(92.8)	(134.7)	+11.8
Administrative expenses	(73.3)	(47.6)	(70.3)	–4.1
OPERATING COSTS	**(193.8)**	**(140.4)**	**(205.0)**	**+5.8**
Loan loss provisions	(19.2)	(66.9)	(104.2)	n.m.
Provisions for other financial assets	(4.2)	(73.6)	(144.8)	n.m.
PROFIT BEFORE TAX	**506.7**	**187.9**	**296.2**	**–41.5**
Income tax for the period	(115.3)	(47.2)	(91.7)	–20.5
Minority interest	(7.8)	0.5	(1.1)	n.m.
NET PROFIT	**383.6**	**141.2**	**203.4**	**–47.0**
Cost/income ratio (%)	26.8	29.9	27.3	

	30/6/08	31/12/08	31/3/09	Movements during period
	€m	€m	€m	%
Treasury funds	8,954.3	9,316.7	11,577.6	+24.3
AFS securities	2,786.0	2,325.0	2,802.9	+20.6
Equity investments	119.2	111.3	86.3	–22.5
Loans and advances to customers	26,936.0	29,589.4	28,159.6	–4.8
of which to Group companies	*4,180.2*	*5,101.6*	*3,952.6*	*–22.5*
Funding	(36,180.0)	(40,323.1)	(41,759.9)	+3.6

Corporate and investment banking 31 March 2009	Wholesale	Leasing	Total
	€m	€m	€m
Net interest income	218.2	57.8	276.0
Net trading income	261.3	—	261.3
Net fee and commission income	222.6	4.6	227.2
Share in profits (losses) earned (incurred) by equity-accounted companies	(14.3)	—	(14.3)
TOTAL INCOME	**687.8**	**62.4**	**750.2**
Labour costs	(119.9)	(14.8)	(134.7)
Administrative expenses	(58.6)	(11.7)	(70.3)
OPERATING COSTS	**(178.5)**	**(26.5)**	**(205.0)**
Loan loss provisions	(74.0)	(30.2)	(104.2)
Provisions for other financial assets	(144.8)	—	(144.8)
PROFIT BEFORE TAX	**290.5**	**5.7**	**296.2**
Income tax for the period	(86.6)	(5.1)	(91.7)
Minority interest	—	(1.1)	(1.1)
NET PROFIT	**203.9**	**(0.5)**	**203.4**
Cost/income ratio (%)	26.0	42.5	27.3

Other financial assets	14,409.2	57.6	14,466.8
Loans and advances to customers	23,325.9	4,833.7	28,159.6
of which to Group companies	*3,952.6*	—	*3,952.6*
New loans	N/A	1,105.1	N/A
No. of branches	—	12	—
No. of staff	634	228	862

Corporate and investment banking 31 March 2008	Wholesale	Leasing	Total
	€m	€m	€m
Net interest income	185.8	56.5	242.3
Net trading income (expense)	254.9	(0.2)	254.7
Net fee and commission income	232.5	4.1	236.6
Share in profits (losses) earned (incurred) by equity-accounted companies	(9.7)	—	(9.7)
TOTAL INCOME	**663.5**	**60.4**	**723.9**
Labour costs	(105.8)	(14.7)	(120.5)
Administrative expenses	(63.3)	(10.0)	(73.3)
OPERATING COSTS	**(169.1)**	**(24.7)**	**(193.8)**
Loan loss provisions	(10.0)	(9.2)	(19.2)
Provisions for other financial assets	(4.2)	—	(4.2)
PROFIT BEFORE TAX	**480.2**	**26.5**	**506.7**
Income tax for the period	(104.7)	(10.6)	(115.3)
Minority interest	0.1	(7.9)	(7.8)
NET PROFIT	**375.6**	**8.0**	**383.6**
Cost/income ratio (%)	25.5	40.9	26.8
Other financial assets	12,050.2	114.9	12,165.1
Loans and advances to customers	21,889.4	4,551.4	26,440.8
of which to Group companies	*3,408.8*	—	*3,408.8*
New loans	N/A	1,281.8	N/A
No. of branches	—	14	—
No. of staff	580	231	811

Following a particularly healthy quarter in terms of revenue generation, total income of €750.2m for the nine months was recorded, up 3.6% on the €723.9m posted one year previously. Higher net interest income, up 13.9% from €242.3m to €276m, and net trading income, up 39.5% from €66.5m to €92.8m, almost €90m of which was generated in the third quarter, offset the reduced gains on the AFS securities portfolio, down from €188.6m to €168.4m. Despite the market crisis, net fee and commission income was stable at €227.2m (€236.6m), contributing over €100m in the last three months. Operating costs rose from €193.8m to €205m, due to an 11.8% increase in labour costs, from €120.5m to €134.7m, linked to growth in the headcount, with a total of 51 more staff on the books than this time last year, 38 of whom at the Bank's non-Italian branches.

The economic and financial market crisis is reflected above all in loan loss provisions of €104.2m, and provisions for AFS equities of €144.8m (€71.2m of which in the third quarter).

Net profit amounted to €203.4m (€383.6m), all of which is attributable to the wholesale banking area, as leasing basically broke even in the nine months.

On the balance-sheet side, there was growth during the quarter in funding, which rose from €40,323.1m to €41,759.9m, and financed treasury transactions of €11,577.6m (€9,316.7m). The AFS portfolio increased too, totalling €2,802.9m (€2,325m), loans and advances to customers having fallen, from €29,589.4m to €28,159.6m (with the wholesale loan book – net of intra-Group accounts – in particular down from €19,611.1m to €19,373.3m).

Principal investing

	9 mths to 31/3/08	6 mths to 31/12/08	9 mths to 31/3/09
	€m	€m	€m
Profit-and-loss figures			
Net interest income (expense)	(8.6)	(6.0)	(8.6)
Net trading income	—	—	0.2
Share in profit (loss) earned (incurred) by equity-accounted companies	349.4	115.5	(6.5)
TOTAL INCOME	**340.8**	**109.5**	**(14.9)**
Labour costs	(4.4)	(2.6)	(3.9)
Administrative expenses	(2.0)	(1.2)	(1.8)
OPERATING COSTS	**(6.4)**	**(3.8)**	**(5.7)**
Provisions for other financial assets	—	(207.6)	(207.6)
PROFIT BEFORE TAX	**334.4**	**(101.9)**	**(228.2)**
Income tax for the period	1.5	4.2	21.0
NET PROFIT	**335.9**	**(97.7)**	**(207.2)**

	30/6/08	31/12/08	31/3/09
	€m	€m	€m
AFS securities	60.7	113.5	115.9
Equity investments	2,670.0	2,463.4	2,292.2

The first nine months reflect a loss of €207.2m, due to writedowns to the Group's investments in Telco (€144m) and RCS MediaGroup (€63m) charged in the first half of year, and the slowdown in earnings from investee companies, with a loss of €6.5m recorded. In particular, the contribution from Assicurazioni Generali for the nine months was negative, at minus €7.3m, due to the €118.8m loss booked for the third quarter, compared with a positive contribution of €321.6m one year earlier.

Retail and private banking

	9 mths to 31/3/08 pro-forma	6 mths to 31/12/08	9 mths to 31/3/09	Y.o.Y. chg.
	€m	€m	€m	%
Profit-and-loss figures				
Net interest income	390.6	256.1	384.6	–1.5
Net trading income	12.9	4.4	10.4	–19.4
Net fee and commission income	173.3	120.7	173.8	+0.3
Share in profits (losses) earned (incurred) by equity-accounted companies	—	—	(0.2)	n.m.
TOTAL INCOME	**576.8**	**381.2**	**568.6**	**–1.4**
Labour costs	(115.3)	(78.3)	(117.7)	+2.1
Administrative expenses	(156.9)	(133.4)	(213.5)	+36.1
OPERATING COSTS	**(272.2)**	**(211.7)**	**(331.2)**	**+21.7**
Loan loss provisions	(171.3)	(140.2)	(225.2)	+31.5
Provisions for other financial assets	—	0.1	(6.4)	n.m.
PROFIT BEFORE TAX	**133.3**	**29.4**	**5.8**	**–95.6**
Income tax for the period	(64.5)	31.6	37.6	n.m.
NET PROFIT	**68.8**	**61.0**	**43.4**	**–36.9**
Cost/income ratio (%)	47.2	55.5	58.2	

	30/6/08	31/3/08	31/3/09	Movements during period
	€m	€m	€m	%
Treasury funds	1,591.2	2,215.1	2,873.2	+29.7
AFS securities	1,050.6	606.7	3,292.7	n.m.
Equity investments	0.4	0.9	0.6	–33.3
Loans and advances to customers	11,937.4	12,196.8	12,135.6	–0.5
Funding	(13,736.3)	(14,193.9)	(17,502.4)	+23.3

Total income for the first nine months was stable, at €568.6m, versus €576.8m last year, and shows trends in line with those reported in the results for the first six months:

— net interest income held up well, at €384.6m, compared with €390.6m, despite the higher cost of funding;

— net fee and commission income from consumer credit operations rose, from €104.9m to €121m;

— income from private banking fell, from €103.6m to €87.2m, this segment having been hit hard by the financial market crisis.

The increase in operating costs, from €272.2m to €331.2m, was driven by CheBanca!, where costs were up from €41.1m to €107m. Net of this item, operating costs would have fallen by 3%.

The ongoing economic crisis is impacting on the cost of risk, with a €53.9m increase in loan loss provisions, from €171.3m to €225.2m, and on CMB's AFS securities portfolio, in respect of which provisions amounting to €6.4m have been made.

Net profit of €43.4m (€68.8m) is boosted by the €45.9m extraordinary tax effect due to amounts booked as goodwill when Linea and Equilon were merged into Compass being exempt from taxation.

A breakdown of this division's results by business segment is provided below:

Retail and private banking 31 March 2009	Consumer credit	Retail banking	Private banking	Total
	€m	€m	€m	€m
Net interest income	325.0	31.1	28.5	384.6
Net trading income	0.2	0.4	9.8	10.4
Net fee and commission income	121.0	3.9	48.9	173.8
Share in profits (losses) earned (incurred) by equity-accounted companies	(0.2)	—	—	(0.2)
TOTAL INCOME	**446.0**	**35.4**	**87.2**	**568.6**
Labour costs	(57.4)	(27.4)	(32.9)	(117.7)
Administrative expenses	(109.1)	(79.6)	(24.8)	(213.5)
OPERATING COSTS	**(166.5)**	**(107.0)**	**(57.7)**	**(331.2)**
Loan loss provisions	(206.9)	(18.2)	(0.1)	(225.2)
Provisions for other financial assets	—	—	(6.4)	(6.4)
PROFIT BEFORE TAX	**72.6**	**(89.8)**	**23.0**	**5.8**
Income tax for the period	13.0	24.1	0.5	37.6
NET PROFIT	**85.6**	**(65.7)**	**23.5**	**43.4**
Cost/income ratio (%)	37.3	n.m.	66.2	58.2
Loans and advances to customers	8,338.2	3,053.0	744.4	12,135.6
New loans	2,840.0	540.0	—	3,380.0
No. of branches	146	44	—	190
No. of staff	1,319	672	348	2,339

Retail and private banking 31 March 2008 (pro-forma)	Consumer credit	Retail banking	Private banking	Total
	€m	€m	€m	€m
Net interest income	333.2	30.6	26.8	390.6
Net trading income	1.6	—	11.3	12.9
Net fee and commission income	104.9	2.9	65.5	173.3
Share in profits (losses) earned (incurred) by equity-accounted companies	—	—	—	—
TOTAL INCOME	**439.7**	**33.5**	**103.6**	**576.8**
Labour costs	(64.0)	(15.4)	(35.9)	(115.3)
Administrative expenses	(110.4)	(25.7)	(20.8)	(156.9)
OPERATING COSTS	**(174.4)**	**(41.1)**	**(56.7)**	**(272.2)**
Loan loss provisions	(164.9)	(6.0)	(0.4)	(171.3)
PROFIT BEFORE TAX	**100.4**	**(13.6)**	**46.5**	**133.3**
Income tax for the period	(64.2)	3.9	(4.2)	(64.5)
NET PROFIT	**36,2**	**(9,7)**	**42,3**	**68,8**
Cost/income ratio (%)	39.7	n.m.	54.7	47.2
Loans and advances to customers[1]	3,945.6	2,547.4	771.8	7,264.8
New loans	3,856.0	598.0	—	4,545.0
No. of branches	167	29	—	196
No. of staff	1,547	418	404	2,369

[1] Excluding loans contributed by Linea group.

Consumer credit shows total income up from €439.7m to €446m, driven by higher net fee and commission income, up from €104.9m to €121m, which more than offset the fall in net interest income, from €333.2m to €325m, which was hit by the higher cost of bank funding. Net profit stood at €85.6m (€36.2m), reflecting the one-off tax effect referred to earlier (€45.9m), and also higher loan loss provisions (up from €164.9m to €206.9m).

Retail activity recorded a net loss of €65.7m (€9.7m) for the nine months, after operating costs of €107m (€89.4m of which was directly attributable to the launch of the new banking operations) and higher loan loss provisions (up from €6m to €18.2m). Deposits by CheBanca! exceeded €4.3bn, and financed the company's traditional mortgage lending business (€3bn), with the remainder being covered by a portfolio of AFS bonds (€2.6bn) allowing net interest income to be stabilized.

Private banking was hit by the financial market crisis, in terms of lower net fee and commission income (€48.9m, compared with €65.5m) and net trading income (€9.8m, compared with €11.3m). Thus total income reported by both CMB and Banca Esperia was down, the former from €67m to €64.2m, and the latter virtually halved, from €31.6m to €18.7m, due to its higher exposure to variable income sources in the shape of performance fees. Net profit fell from €42.3m to €23.5m, after operating costs rose from €56.7m to €57.7m, and following provisions to the AFS portfolio amounting to €6.4m. Assets managed on a discretionary/non-discretionary basis for the nine months totalled €12.6bn (compared with €12.7bn at end-December 2008), €7.9bn (€8bn) of which by CMB and €4.7bn (unchanged) by Banca Esperia.

Private banking 31 March 2009	CMB	Banca Esperia 48.5%	Others	Total PB
	€m	€m	€m	€m
Net interest income	25.5	2.7	0.3	28.5
Net trading income (expense)	12.6	(2.3)	(0.5)	9.8
Net fee and commission income	26.1	18.3	4.5	48.9
TOTAL INCOME	**64.2**	**18.7**	**4.3**	**87.2**
Labour costs	(19.8)	(10.5)	(2.6)	(32.9)
Administrative expenses	(15.0)	(8.8)	(1.0)	(24.8)
OPERATING COSTS	**(34.8)**	**(19.3)**	**(3.6)**	**(57.7)**
Loan loss provisions	(0.1)	—	—	(0.1)
Provisions for other financial assets	(6.4)	—	—	(6.4)
PROFIT BEFORE TAX	**22.9**	**(0.6)**	**0.7**	**23.0**
Income tax for the period	—	0.8	(0.3)	0.5
NET PROFIT	**22.9**	**0.2**	**0.4**	**23.5**
Assets under management	7,917.0	4,707.9	—	12,624.9
Securities held on a fiduciary basis	N/A	N/A	1,198.3	1,198.3

Private banking 31 March 2008	CMB	Banca Esperia 48.5%	Others	Total PB
	€m	€m	€m	€m
Net interest income	23.4	3.0	0.4	26.8
Net trading income (expense)	11.1	0.3	(0.1)	11.3
Net fee and commission income	32.5	28.3	4.7	65.5
TOTAL INCOME	**67.0**	**31.6**	**5.0**	**103.6**
Labour costs	(17.2)	(15.9)	(2.8)	(35.9)
Administrative expenses	(13.9)	(5.8)	(1.1)	(20.8)
OPERATING COSTS	**(31.1)**	**(21.7)**	**(3.9)**	**(56.7)**
Loan loss provisions	(0.3)	—	(0.1)	(0.4)
PROFIT BEFORE TAX	**35.6**	**9.9**	**1.0**	**46.5**
Income tax for the period	0.1	(4.0)	(0.3)	(4.2)
NET PROFIT	**35.7**	**5.9**	**0.7**	**42.3**
Assets under management	8,128.0	5,511.5	—	13,639.5
Securities held on a fiduciary basis	N/A	N/A	1,302.5	1,302.5

Review of performance by Group companies

Mediobanca

In the nine months ended 31 March 2009, Mediobanca made a net loss of €3m, compared with a net profit of €357.4m in the same period last year, thus making up virtually the entire, €58.2m loss reported at end-December. Total income held up well, at €650m, compared with €651.1m last year, boosted by €81m in net trading income for the quarter, and a 9.7% rise in net interest income. Growth in operating costs was limited, up from €180.6m to €186.3m, while provisions for AFS shares, equity investments and loan losses were higher, at €145.4m, €170.2m and €74.1m respectively. On the balance-sheet side, there was a reduction in loans and advances to customers, down from €27,315.3m to €24,549.4m, chiefly those to Group companies, which reduced from €11,668.9m to €9,201.7m, while treasury funds increased, from €9,078.4m to €11,180.9m, as did investments in AFS securities, from €2,438.5m to €2,918.8m, which include subscription to the UniCredit CASHES for €347.3m. Funding was virtually unchanged, at €38,146.1m, compared with €38,195.1m.

* * *

RESTATED PROFIT AND LOSS ACCOUNT

	9 mths to 31/3/08	6 mths 31/12/08	9 mths to 31/3/09	Y.o.Y. chg.
	€m	€m	€m	%
Net interest income	170.7	118.0	187.3	+9.7
Net trading income	256.2	169.2	254.0	–0.9
Net fee and commission income	224.2	109.2	208.7	–6.9
TOTAL INCOME	**651.1**	**396.4**	**650.0**	**–0.2**
Labour costs	(111.6)	(86.5)	(125.7)	+12.6
Administrative expenses	(69.0)	(42.0)	(60.6)	–12.2
OPERATING COSTS	**(180.6)**	**(128.5)**	**(186.3)**	**+3.2**
Loan loss provisions	(9.9)	(44.8)	(74.1)	n.m.
Provisions for financial assets	(4.2)	(74.1)	(145.4)	n.m.
Provisions for equity investments	-	(170.2)	(170.2)	n.m.
PROFIT BEFORE TAX	**456.4**	**(21.2)**	**74.0**	**–83.8**
Income tax for the period	(99.0)	(37.0)	(77.0)	–22.2
NET PROFIT	**357.4**	**(58.2)**	**(3.0)**	**n.m.**

RESTATED BALANCE SHEET

	30/6/08	31/12/08	31/3/09
	€m	€m	€m
Assets			
Treasury funds	8,845.4	9,078.4	11,180.9
AFS securities	2,846.7	2,438.5	2,918.8
Financial assets held to maturity	577.4	581.0	577.7
Loans and advances to customers	24,235.2	27,315.3	24,549.4
Equity investments	2,722.4	2,553.0	2,553.3
Tangible and intangible assets	121.6	122.2	122.3
Other assets	462.5	983.5	1,102.0
Total assets	39,811.2	43,071.9	43,004.4
Liabilities			
Funding	33,740.9	38,195.1	38,146.1
Other liabilities	658.8	528.2	571.4
Provisions	161.5	161.9	161.7
Net equity	4,627.4	4,244.9	4,128.2
Profit for the period	622.6	(58.2)	(3.0)
Total liabilities	39,811.2	43,071.9	43,004.4

* * *

A review of the other Group companies' performance is provided below:

— *Compass S.p.A.*, Milan *(consumer credit; 100%-owned by Mediobanca)*: this company's accounts for the nine months ended 31 March 2009 show a pre-tax profit of €63.4m (€90.4m), after loan loss provisions of €206.4m (€163.4m). The net profit of €80.7m (€30.9m) includes the €45.9m, extraordinary tax effect due to goodwill emerging upon the merger of Linea and Equilon being exempt from taxation; loans and advances outstanding as at the reporting date were virtually stable compared with 31 December 2008, at €7,880.3m versus €7,952.9m.

— *Futuro S.p.A.*, Milan *(salary-backed finance; 100%-owned by Compass)*: in the first nine months of the financial year, this company earned a profit of €1.9m (€2.8m), after tax of €1.1m (€1.8m). Loans and advances outstanding as at the reporting date were up 3.4% on the figure reported at 31 December 2008, from €468.9m to €484.8m.

— *Ducati Financial Services S.r.l.*, Milan *(50:50 joint venture between Compass and Ducati Motor Holding)*: in the first nine months of the year, this company incurred a loss of €387,000, compared with a profit of €26,000 earned in the same period last year. Loans and advances outstanding as at the reporting date were up 4.1% on the figure reported at 31 December 2008, from €56m to €58.3m.

— *CheBanca! S.p.A.*, Milan *(retail banking; 100%-owned by Compass)*: in the first nine months of the year, CheBanca! reported a net loss of €65.7m (€9.7m), after booking €24m in advance tax. The €71.5m loss reported at the operating level reflects €89.4m in costs linked to the new banking activity, and loan loss provisions for mortgages, up from €6m to €18.2m. As at 31 March 2009, lendings were up 1.4%, from €3,012.4m to €3,053.5m, and funding totalled €4.3bn.

— *SelmaBipiemme Leasing S.p.A.*, Milan *(leasing; 60%-owned by Compass)*: in the first nine months of the year, this company made a loss of €2m, compared with a loss of €8m, after dividends of €4.8m (unchanged), and loan loss provisions of €26.5m (€6.9m), €14.3m of which in connection with the partial writedown to a position being restructured; amounts on lease to clients at the reporting date were down slightly on the figure reported at 31 December 2008, from €2,808.3m to €2,770.1m.

— *Palladio Leasing S.p.A.*, Vicenza *(leasing; 95%-owned by SelmaBipiemme, the other shares being owned by Palladio itself)*: Palladio's accounts for the period under review reflect a net profit of €2m (€7.4m), after value adjustments of €3.2m (€2.2m) and tax of €1.7m (€3.5m); amounts on lease to clients at the reporting date were flat versus the figure reported at 31 December 2008, at €1,567.6m.

— *Teleleasing S.p.A.*, Milan *(leasing; 80%-owned by SelmaBipiemme)*: this company earned a net profit of €5.8m (€7m), after tax of €3.1m (€3.2m); amounts on lease to clients at the reporting date were more or less stable compared with the figure reported at 31 December 2008, at €573.9m, compared with €576.1m.

— *Cofactor S.p.A.*, Milan *(factoring; 100%-owned by Compass)*: Cofactor reported a net profit for the period of €573,000 (€24,000) and tax of €170,000 (€185,000). Accounts outstanding as at the reporting date were booked at a value of €79.8m (€76.1m at 31 December 2008).

— *Creditech S.p.A.*, Milan *(credit management; 100%-owned by Compass)*: this company reported a net profit for the period of €3m (€1.4m), after tax of €1.5m (€1m). Receivables under management for the period totalled €657m (€469m), €443m (€297m) of which deriving from parent company Compass.

— *Compagnie Monégasque de Banque*, Monaco *(100%-owned by Mediobanca)*: CMB posted a net profit of €4.7m (€12.2m) in the first quarter of its financial year, on management fees of €8.4m (€11.3m), and assets under management on a discretionary/non-discretionary basis worth €7.9bn (€8bn as at 31 December 2008).

— *Mediobanca International (Luxembourg) S.A.*, Luxembourg *(99%-owned by Mediobanca; 1%-owned by Compass)*: during the period under review, this company earned a net profit of €41.6m (€15.7m), on net interest income of €30.5m (€13.7m), and net fee and commission income from lending business amounting to €13m (€7.6m). Loans and advances to customers increased 9% during the period, from €3,689.7m to €4,020.2m.

* * *

Outlook

In an economic scenario that continues to be extremely difficult for both companies and households, the fourth quarter is expected to bear out the performance in terms of total income reported in the financial year-to-date. The size of loan loss provisions will continue to be linked to the deterioration in market conditions, while the recent upturn in share prices may mitigate the negative impact of the securities portfolio valuations.

Milan, 12 May 2009

THE BOARD OF DIRECTORS

ACCOUNTING POLICIES

Section 1

Statement of conformity with IAS/IFRS

The Mediobanca Group's consolidated financial statements for the period ended 31 March 2009 have, as required by Italian Legislative Decree 38/05, been drawn up in accordance with the International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS) issued by the International Accounting Standards Board (IASB). which were adopted by the European Commission in accordance with the procedure laid down in Article 6 of regulation CE 1606/02 issued by the European Parliament and Council on 19 July 2002. Adoption of the new accounting standards for financial reporting by banks was governed by Bank of Italy circular no. 262 issued on 22 December 2005; and these financial statements have been prepared in compliance with Consob resolution no. 11971/99 governing regulations for issuers.

Section 2

Area and methods of consolidation

Subsidiaries are consolidated on the line-by-line basis, whereas investments in associates and jointly-controlled operations are consolidated and accounted for using the equity method.

When a subsidiary is fully consolidated, the carrying amount of the parent's investment is eliminated against its share of the subsidiary's equity after minorities, against the addition of that company's assets and liabilities, income and expenses to the parent company's totals. Any surplus arising following allocation of asset and liability items to the subsidiary is recorded as goodwill. Intra-group balances, Transactions, income and expenses are eliminated upon consolidation.

For equity-accounted companies, any differences in the carrying amount of the investment and investee company's net equity are reflected in the book value of the investment, the fairness of which is tested at the reporting date or when evidence emerges of possible impairment. The profit made or loss incurred by the investee company is recorded pro-rata in the profit and loss account under a specific heading.

1. *Subsidiaries and jointly-controlled companies (consolidated pro-rata)*

		Registered office	Type of relation-ship[1]	Shareholding		% voting rights[2]
				Investor company	% interest	
A.	COMPANIES INCLUDED IN AREA OF CONSOLIDATION					
A.1	*Line-by-line*					
1.	MEDIOBANCA - Banca di Credito Finanziario S.p.A.	Milan	1	—	—	—
2.	PROMINVESTMENT S.p.A. - in liquidation	Rome	1	A.1.1	100.00	100. 00
3.	PRUDENTIA FIDUCIARIA S.p.A.	Milan	1	A.1.1	100. 00	100. 00
4.	SETECI - Società per l'Elaborazione. Trasmissione dati. Engineering e Consulenza Informatica S.c.p.A.	Milan	1	A.1.1	99.99	99.99
5.	SPAFID S.p.A.	Milan	1	A.1.1	100. 00	100. 00
6.	TECHNOSTART S.p.A.	Milan	1	A.1.1	69. 00	69. 00
7.	COMPAGNIE MONEGASQUE DE BANQUE - CMB S.A.	Monte Carlo	1	A.1.1	100. 00	100. 00
8.	C.M.I. COMPAGNIE MONEGASQUE IMMOBILIERE SCI	Monte Carlo	1	A.1.7	99.94	99.94
				A.1.8	0.06	0.06
9.	C.M.G. COMPAGNIE MONEGASQUE DE GESTION S.A.M.	Monte Carlo	1	A.1.7	99.70	99.70
10.	SMEF SOCIETE MONEGASQUE DES ETUDES FINANCIERE S.A.M.	Monte Carlo	1	A.1.7	99.92	99.92
11.	CMB ASSET MANAGEMENT	Monte Carlo	1	A.1.7	99.40	99.40
12.	MONOECI SOCIETE CIVILE IMMOBILIERE	Monte Carlo	1	A.1.7	99. 00	99. 00
				A.1.9	1. 00	1. 00
13.	MOULINS 700 S.A.M.	Monte Carlo	1	A.1.8	99.80	99.80
14.	CMB BANQUE PRIVÉÉ (FORMERLY COMOBA) S.A.	Lugano	1	A.1.7	100. 00	100. 00
15.	MEDIOBANCA INTERNATIONAL (Luxembourg) S.A.	Luxembourg	1	A.1.1	99. 00	99. 00
			1	A.1.16	1. 00	1. 00
16.	COMPASS S.p.A.	Milan	1	A.1.1	100. 00	100. 00
17.	CHEBANCA! S.p.A.	Milan	1	A.1.16	100. 00	100. 00
18.	COFACTOR S.p.A.	Milan	1	A.1.16	100. 00	100. 00
19.	SELMABIPIEMME LEASING S.p.A.	Milan	1	A.1.16	60. 00	60. 00
20.	PALLADIO LEASING S.p.A.	Vicenza	1	A.1.19	95. 00	100. 00
				A.1.20	5. 00	
21.	TELELEASING S.p.A.	Milan	1	A.1.19	80. 00	80. 00
22.	SADE FINANZIARIA - INTERSOMER S.r.l.	Milan	1	A.1.1	100. 00	100. 00
23.	RICERCHE E STUDI S.p.A.	Milan	1	A.1.1	100. 00	100. 00
24.	CREDITECH S.p.A.	Milan	1	A.1.16	100. 00	100. 00
25.	MEDIOBANCA SECURITIES USA LLC	New York	1	A.1.1	100. 00	100. 00
26.	CONSORTIUM S.r.l.	Milan	1	A.1.1	100. 00	100. 00
27.	QUARZO S.r.l.	Milan	1	A.1.16	90. 00	90. 00
28.	QUARZO LEASE S.r.l.	Milan	1	A.1.19	90. 00	90. 00
29.	FUTURO S.P.A.	Milan	1	A.1.16	100. 00	100. 00
30.	MB COVERED BOND S.r.l.	Milan	1	A.1.17	90. 00	90. 00
31.	JUMP S.r.l.	Milan	4	A.1.16	—	—

Legend

[1] Type of relationship:
1 = majority of voting rights in ordinary AGMs.
2 = dominant influence in ordinary AGMs.
3 = agreements with other shareholders.
4 = other forms of control.
5 = unified management as defined in Article 26, paragraph 1 of Italian Legislative Decree 87/92.
6 = unified management as defined in Article 26, paragraph 2 of Italian Legislative Decree 87/92.
7 = joint control.

[2] Effective and potential voting rights in ordinary AGMs.

Section 3

Significant accounting policies

Financial assets held for trading

This category comprises debt securities, equities, and the positive value of derivatives held for trading including those embedded in complex instruments such as structured bonds (recorded separately).

At the settlement date for securities and subscription date for derivatives, such assets are recognized at fair value not including any transaction expenses or income directly attributable to the asset concerned, which are taken through the profit and loss account.

After initial recognition they continue to be measured at fair value, which for listed instruments is calculated on the basis of market prices ruling at the reporting date. If no market prices are available, valuation methods and models are used based on market-derived data, e.g. valuations of listed instruments with similar features, discounted cash flow analysis, option price calculation methods, or valuations used in comparable transactions. Equities and linked derivatives for which it is not possible to reliably determine fair value using the methods described above are stated at cost. If the assets suffer impairment, they are written down to their current value.

Gains and losses upon disposal and/or redemption and the positive and negative effects of changes in fair value over time are reflected in the profit and loss account under the heading *Net trading income*.

AFS securities

This category includes all financial assets apart from derivatives not booked under the headings *Financial assets held for trading*, *Financial assets held to maturity* or *Loans and receivables*.

AFS assets comprise equities held for non-trading purposes which do not qualify as controlling interests, investments in associates or jointly-controlled operations.

AFS assets are initially recognized at fair value as at the settlement date, which includes transaction costs and income directly attributable to them. Thereafter they continue to be measured at fair value. Changes are recognized in a separate equity reserve, which is then eliminated against the corresponding item in the profit and loss account as and when an asset is disposed of or impairment is recognized. Fair value is measured on the same principles as described for trading instruments. Equities for which it is not possible to reliably determine fair value are stated at cost. Debt securities included in this category are recognized at amortized cost, against the corresponding item in the profit and loss account.

Assets are subjected to impairment tests at annual and interim reporting dates. If there is evidence of a long-term reduction in the value of the asset concerned, this is recognized in the profit and loss account on the basis of market prices in the case of listed instruments, and of estimated future cash flows discounted according to the original effective interest rate in the case of unlisted securities. For equities in particular, the criteria used for recognizing impairment are a reduction of over one-third in fair value or which has continued for a period of more than 18 months compared to the value at which the investment was originally recorded. However, each investment is assessed individually before impairment is recognized in the profit and loss account, taking into account any unusually volatile or irregular market trends. If the reasons for which the loss was recorded subsequently cease to apply, the impairment is written back to the profit and loss account for debt securities and equity for shares.

Financial assets held to maturity

These comprise debt securities with fixed or otherwise determinable payments and fixed maturities which the Group's management has the positive intention and ability to hold to maturity.

Such assets are initially recognized at fair value, which is calculated as at the settlement date and includes any transaction costs or income directly attributable to them. Following their initial recognition they are measured at amortized cost using the effective interest method. Differences between the initial recognition value and the amount receivable at maturity are booked to the profit and loss account pro-rata.

Assets are tested for impairment at annual and interim reporting dates. If there is evidence of a long-term reduction in the value of the asset concerned, this is recognized in the profit and loss account on the basis of market prices in the case of listed instruments, and of estimated future cash flows discounted according to the original effective interest rate in the case of unlisted securities. If the reasons which brought about the loss of value subsequently cease to apply, the impairment is written back to the profit and loss account up to the value of amortized cost.

Loans and receivables

These comprise loans to customers and banks which provide for fixed or otherwise determinable payments that are not quoted in an active market and which therefore cannot be classified as available for sale. Repos and receivables due in respect of finance leasing transactions are also included.

Loans and receivables are booked on disbursement at a value equal to the amount drawn plus (less) any income (expenses) directly attributable to individual transactions and determinable from the outset despite being payable at a later date. The item does not, however, include costs subject to separate repayment by the borrower, or which may otherwise be accounted for as ordinary internal administrative costs. Repos and reverse repos are booked as funding or lending transactions for the spot amount received or paid. Non-performing loans acquired are booked at amortized cost on the basis of an internal rate of return calculated using estimates of expected recoverable amounts.

Loans and receivables are stated at amortized cost, i.e. initial values adjusted upwards or downwards to reflect: repayments of principal, amounts written down/back, and the difference between amounts drawn at disbursement and repayable at maturity amortized on the basis of the effective interest rate. The latter is defined as the rate of interest which makes the discounted value of future cash flows deriving from the loan or receivable by way of principal and interest equal to the initial recognition value of the loan or receivable.

Individual items are tested at annual and interim reporting dates to show whether or not there is evidence of impairment. Items reflecting such evidence are then subjected to analytical testing, and, if appropriate, adjusted to reflect the difference between their carrying amount at the time of the impairment test (amortized cost) and the present value of estimated future cash flows, discounted at the asset's original effective interest rate. Future cash flows are estimated to take account of anticipated collection times, the presumed value of receivables upon disposal of any collateral, and costs likely to be incurred in order to recover the exposure. Cash flows from loans expected to be recovered in the short term are not discounted.

The original effective interest rate for each loan remains unchanged in subsequent years, even if new terms are negotiated leading to a reduction to below market rates, including non-interest-bearing loans. The relevant value adjustment is taken through the profit and loss account.

If the reasons which brought about the loss of value cease to apply, the original value of the loan is recovered in the profit and loss account in subsequent accounting periods up to the value of amortized cost.

Accounts for which there is objective evidence of impairment, including those involving counterparties in countries deemed to be at risk, are subject to collective tests. Loans are grouped on the basis of similar credit risk characteristics, and the related loss percentages are estimated at the impairment date on the basis of historical series of internal and external data. Collective value adjustments are credited or charged to the profit and loss account, as appropriate. At each annual and interim reporting date, any writedowns or writebacks are measured again on a differentiated basis with respect to the entire portfolio of loans deemed to be performing at that date.

Leasing

IAS 17 defines finance leases as transactions whereby risks and benefits involved in owning the asset concerned are transferred to the lessee, and stipulates the criteria for identifying whether or not a lease is a finance or operating lease. All leases entered into by the Group qualify as finance leases under the terms of IAS 17. Accordingly, a receivable is booked at an amount equal to the net outlay involved in the finance lease transaction, plus any costs directly incurred in respect of negotiating and/or performing the contract.

Hedges

There are two types of hedge:

- fair value hedges, which are intended to offset the exposure of recognized assets and liabilities to changes in their fair value;
- cash flow hedges, which are intended to offset the exposure of recognized assets and liabilities to changes in future cash flows attributable to specific risks relating to the items concerned.

For the process to be effective, the item must be hedged with a counterparty from outside the Group.

Hedge derivatives are recognized at fair value as follows:

- changes in fair value of derivatives that are designated and qualify as fair value hedges are recorded in the profit and loss account together with any changes in the fair value of the hedged asset, where a difference between the two emerges as a result of the partial ineffectiveness of the hedge;
- the effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognized in equity, while the gain or loss deriving from the ineffective portion is recognized through

the profit and loss account only as and when, with reference to the hedged item, the change in cash flow to be offset crystallizes.

Hedge accounting is permitted for derivatives where the hedging relationship is formally designated and documented and provided that the hedge is effective at its inception and is expected to be so for its entire life.

A hedge is considered to be effective when the changes in fair value or cash flow of the hedging instrument offset those of the hedged item within a range of 80-125%. The effectiveness of a hedge is assessed both prospectively and retrospectively at annual and interim reporting dates, the former to show expectations regarding effectiveness, the latter to show the degree of effectiveness actually achieved by the hedge during the period concerned. If an instrument proves to be ineffective, hedge accounting is discontinued and the derivative concerned is accounted for under *Financial assets held for trading*.

Equity investments

This heading consists of investments in:

– associates, which are accounted for using the equity method. Associates are defined as companies in which at least 20% of the voting rights are held, and those in which the size of the investment (which may not be less than 10%) is sufficient to ensure an influence in the governance of the investee company;

– jointly-controlled companies, which are also recognized using the equity method;

– other investments of negligible value, which are stated at cost.

Where there is objective evidence that the value of an investment may be impaired, estimates are made of its current value using market prices where possible, and of the present value of estimated cash flows generated by the investment, including its terminal value. Where the value thus calculated is lower than the asset's carrying amount, the difference is taken through the profit and loss account.

Property, plant and equipment

This heading comprises land, core and investment properties, plant, furniture, fittings, equipment and assets used under the terms of finance leases, despite the fact that such assets remain the legal property of the lessor rather than the lessee.

Assets held for investment purposes refer to investments in real estate, if any (whether owned or acquired under finance leases), which are not core to the Group's main activities and/or are mostly leased out to third parties.

These are stated at historical cost, which in addition to the purchase price, includes any ancillary charges directly resulting from their acquisition and/or usage. Extraordinary maintenance charges are reflected by increasing the asset's value, while ordinary maintenance charges are recorded in the profit and loss account.

Fixed assets are depreciated over the length of their useful life on a straight-line basis, with the exception of land, which is not depreciated on the grounds that it has unlimited useful life. Properties built on land owned by the Group are recorded separately, on the basis of valuations prepared by independent experts.

At annual and interim reporting dates, where there is objective evidence that the value of an asset may be impaired, its carrying amount is compared to its current value, which is defined as the higher of its fair value net of any sales costs and its related value of use, and adjustments, if any, are recognized through the profit and loss account. If the reasons which gave rise to the loss in value cease to apply, the adjustment is written back on the proviso that the amount credited may not exceed the value which the asset would have had net of depreciation, which is calculated assuming no impairment took place.

Intangible assets

These chiefly comprise goodwill and long-term computer software applications.

Goodwill may be recognized where this is representative of the investee company's ability to generate future income. At annual and interim reporting dates assets are tested for impairment, which is calculated as the difference between the initial recognition value of the goodwill and its realizable value, the latter being equal to the higher of the fair value of the cash-generating unit concerned net of any sales costs and its assumed value of use. Any adjustments are taken through the profit and loss account.

Other intangible assets are recognized at cost, adjusted to reflect ancillary charges only where it is likely that future earnings will derive from the asset and the cost of the asset itself may be reliably determined. Otherwise the cost of the asset is booked to the profit and loss account in the year in which the expense was incurred.

The cost of intangible assets is amortized on the straight-line basis over the useful life of the asset concerned. If useful life is not determinable the cost of the asset is not amortized, but the value at which it is initially recognized is tested for impairment on a regular basis.

At annual and interim reporting dates, where there is evidence of impairment the realizable value of the asset is estimated, and the impairment is recognized in the profit and loss account as the difference between the carrying amount and the recoverable value of the asset concerned.

Derecognition of assets

Financial assets are derecognized as and when the Group is no longer entitled to receive cash flows deriving from them, or when they are sold and the related risks and benefits are transferred accordingly. Tangible and intangible assets are derecognized upon disposal, or when an asset is permanently retired from use and no further earnings are expected to derive from it.

Assets or groups of assets which are sold continue to be recognized if the risks and benefits associated with them continue to be attributable to the Group. A corresponding amount is then entered as a liability to offset any amounts received.

The main forms of activity currently carried out by the Group which do not require underlying assets to be derecognized are securitization of receivables, repo trading and securities lending.

Payables, debt securities in issue and subordinated liabilities

These include the items *Due to banks*, *Due to customers* and *Debt securities in issue* less any shares bought back. Amounts payable by the lessee under the terms of finance leasing transactions are also included.

Initial recognition takes place when funds raised are collected or debt securities are issued, and occurs at fair value, which is equal to the amount collected net of transaction costs incurred directly or indirectly in connection with the liability concerned. Thereafter liabilities are stated at amortized cost on the basis of the original effective interest rate, with the exception of short-term liabilities which continue to be stated at the original amount collected.

Derivatives embedded in structured bonds are stripped out from the underlying contract and recognized at fair value. Subsequent changes in fair value are recognized through the profit and loss account.

Financial liabilities are derecognized upon expiry or repayment, even if buybacks of previously issued bonds are involved. The difference between the liabilities' carrying value and the amount paid to repurchase them is recorded through the profit and loss account.

The sale of treasury shares over the market following a buyback is treated as a new issue. The new sale price is recorded as a liability without passing through the profit and loss account.

Trading liabilities

This item includes the negative value of trading derivatives and any derivatives embedded in complex instruments. Liabilities in respect of technical shortfalls deriving from securities trading activity are also included. All trading liabilities are recognized at fair value.

Staff severance indemnity provision

This is stated to reflect the actuarial value of the provision as calculated in line with regulations used for defined benefit schemes. Future obligations are estimated on the basis of historical statistical analysis (e.g. staff turnover, retirements, etc.) and demographic trends. These are then discounted to obtain their present value on the basis of market interest rates. The values thus obtained are booked under labour costs as the net amount of contributions paid, interest accrued, and actuarial gains and losses.

All actuarial profits and/or losses are included under labour costs.

Units accruing as from 1 January 2007 paid into complementary pension schemes or the Italian national insurance system are recorded on the basis of contributions accrued during the period.

Provisions

This heading comprises amounts set aside to cover risks not necessarily associated with defaults on loans or advances that could lead to future expenses. If the time effect is material, provisions are discounted using current market rates. Provisions are recognized in the profit and loss account.

Provisions are reviewed on a regular basis, and where the charges that gave rise to them are deemed unlikely to crystallize, the amounts involved are written back to the profit and loss account in part or in full.

Withdrawals are only made from provisions to cover the expenses for which the provision was originally intended.

Foreign currency transactions

Transactions in foreign currencies are recorded by applying the exchange rates ruling as at the date of the transaction to the amount in the foreign currency concerned.

Assets and liabilities denominated in currencies other than the Euro are translated into Euros using exchange rates ruling at the reference date. Differences on cash items due to translation are recorded through the profit and loss account, whereas those on non-cash items are recorded according to the valuation criteria used in respect of the category they belong to (i.e. at cost, through the profit and loss account or on an equity basis).

Tax assets and liabilities

Income taxes are recorded in the profit and loss account, with the exception of tax payable on items debited or credited directly to equity. Provisions for income tax are calculated on the basis of prudential estimates of current, advance and deferred obligations. Advance and deferred tax is calculated on the basis of temporary differences – without time limits – between the carrying amount of an asset or liability and its tax base.

Advance tax assets are recognized in the balance sheet based on the likelihood of their being recovered.

Deferred tax liabilities are recognized in the balance sheet with the exception of tax-suspended reserves, if the size of the reserves available already subjected to taxation is such that it may be reasonably assumed that no transactions will be carried out on the Group’s own initiative that might lead to their being taxed.

Deferred tax arising on business combinations is recognized when this is likely to result in a charge for one of the companies concerned.

Tax assets and liabilities are adjusted as and when changes occur in the regulatory framework or in applicable tax rates, *inter alia* to cover charges that might arise in connection with inspections by or disputes with the tax revenue authorities.

Stock options

The stock option scheme operated on behalf of Group staff members and Directors is treated as a component of labour costs. The fair value of the options is measured and recognized in equity at the grant date using an option pricing method adjusted to reflect historical series for previous financial years. The value thus determined is taken to the profit and loss account pro-rata to the vesting period for the individual awards.

Treasury shares

These are deducted from net equity, and any gains/losses realized on disposal are recognized in net equity.

Dividends and commissions

These are recognized as and when they are realized, provided there is reasonable likelihood that the future benefits will accrue.

Fees included in amortized cost for purposes of calculating the effective interest rate are not included, but instead are recorded under *Net interest income*.

CONSOLIDATED BALANCE SHEET (IAS/IFRS-compliant)*

	Assets	IAS-compliant 31/3/09	IAS-compliant 31/12/07	IAS-compliant 31/3/08
10.	Cash and cash equivalents	44.5	30.1	14.4
20.	Financial assets held for trading	14,060.6	12,734.8	11,271.4
40.	AFS securities	4,973.4	2,985.6	4,297.6
50.	Financial assets held to maturity	578.6	582.7	582.2
60.	Due from banks	6,103.6	6,494.1	8,795.1
	of which:			
	other trading items	*4,893.5*	*5,221.4*	*6,788.3*
	other items	*206.1*	*202.7*	*7.2*
70.	Due from customers	39,596.4	39,478.6	30,495.6
	of which:			
	other trading items	*3,723.8*	*3,457.9*	*2,195.5*
	other items	*77.6*	*457.6*	*43.3*
80.	Hedge derivatives	1,791.8	1,555.6	1,075.5
	of which:			
	funding hedge derivatives	*1,715.3*	*1,441.5*	*947.0*
	lending hedge derivatives	*1.1*	*20.5*	*2.2*
100.	Equity investments	2,432.7	2,642.3	2,705.4
120.	Property, plant and equipment	315.5	314.9	303.2
130.	Intangible assets	450.4	452.1	24.6
	of which:			
	goodwill	*365.9*	*365.9*	—
140.	Tax assets	768.4	696.4	325.3
	a) current	*203.4*	*218.8*	*152.8*
	b) advance	*564.9*	*477.6*	*172.5*
160.	Other assets	170.9	111.9	162.0
	of which:			
	other trading items	*4.5*	*0.1*	*30.0*
	TOTAL ASSETS	**71,286.8**	**68,079.1**	**60,052.3**

* **Figures in €m**

The balance sheet provided on page 9 reflects the following restatements:

— *Treasury funds* comprises asset headings 10 and 20 and liability heading 40, plus the "other trading items" shown under asset headings 60, 70 and 160 and liability headings 10, 20 and 100, which chiefly consist of repos, interbank accounts and margins on derivatives;

— *Funding* comprises the balances shown under liability headings 10 and 20 (net of trading items in respect of repos and interbank accounts), plus the relevant amounts in respect of hedge derivatives;

— *Loans and advances to customers* comprise asset headings 60 and 70 (excluding amounts restated as *Treasury funds*), the relevant amounts of asset heading 80 and liability heading 60 (hedge derivatives), plus the relevant share of liability heading 100.

	Liabilities and net equity	IAS-compliant 31/3/09	IAS-compliant 31/12/08	IAS-compliant 31/3/08
10.	Due to banks	12,574.7	13,889.1	11,002.1
	of which:			
	other trading items	*6,812.8*	*6,698.8*	*5,269.7*
	other liabilities	*0.3*	*12.8*	—
20.	Due to customers	10,061.3	8,528.6	5,013.9
	of which:			
	other trading items	*1,391.4*	*1,887.7*	*2,018.2*
	other liabilities	*7.2*	*21.6*	*7.7*
30.	Debt securities in issue	37,293.6	34,317.4	29,867.5
40.	Trading liabilities	3,459.4	2,683.4	3,278.8
60.	Hedge derivatives	1,254.7	1,799.4	1,974.2
	of which:			
	funding hedge derivatives	*1,027.3*	*1,581.9*	*1,939.1*
	lending hedge derivatives	*22.8*	*15.9*	*24.9*
80.	Tax liabilities	549.3	527.9	725.1
	a) current	*222.7*	*203.7*	*316.8*
	b) deferred	*326.6*	*324.2*	*408.3*
100.	Other liabilities	529.3	467.3	911.3
	of which:			
	other trading items	*0.4*	—	*560.1*
	other liabilities	—	*434.1*	—
110.	Staff severance indemnity provision	28.9	30.0	24.9
120.	Provisions	167.5	173.5	156.2
	a) post-retirement and similar benefits	—	—	—
	b) other provisions	*167.5*	*173.5*	*156.2*
140.	Valuation reserves	(703.5)	(541.9)	279.4
170.	Reserves	3,592.8	3,662.5	3,594.7
180.	Share premium reserve	2,140.0	2,140.0	2,131.1
190.	Share capital	410.0	410.0	409.5
200.	Treasury shares	(213.8)	(213.8)	(213.8)
210.	Net equity attributable to minorities	103.3	105.4	113.0
220.	Profit (loss) for the period	39.3	100.3	784.4
	TOTAL LIABILITIES AND NET EQUITY	**71,286.8**	**68,079.1**	**60,052.3**

CONSOLIDATED PROFIT AND LOSS ACCOUNT (IAS/IFRS-compliant)*

		9 mths to 31/3/09	6 mths to 31/12/08	9 mths to 31/3/08
10.	Interest and similar income	2,342.8	1,651.5	1,924.3
20.	Interest and similar expense	(1,716.0)	(1,243.2)	(1,419.1)
30.	**Net interest income**	**626.8**	**408.3**	**505.2**
40.	Fee and commission income	358.9	212.4	309.0
50.	Fee and commission expense	(42.3)	(28.2)	(36.4)
60.	**Net fee and commission income**	**316.6**	**184.2**	**272.6**
70.	Dividends and similar income	14.2	8.6	50.0
80.	Net trading income	101.2	19.0	66.1
90.	Net hedging income (expense)	6.1	(5.0)	(1.2)
100.	Gain (loss) on disposal of:	171.8	167.6	191.1
	a) loans and receivables	—	—	*0.6*
	b) AFS securities	*159.9*	*158.8*	*173.8*
	c) financial assets held to maturity	*0.2*	*0.1*	*(0.2)*
	d) financial liabilities	*11.8*	*8.7*	*16.9*
120.	**Total income**	**1,236.9**	**782.7**	**1,083.8**
130.	Value adjustments for impairment to	(481.3)	(281.2)	(142.6)
	a) loans and receivables	*(310.1)*	*(187.1)*	*(139.1)*
	b) AFS securities	*(151.8)*	*(74.1)*	*(4.2)*
	c) financial assets held to maturity	*0.7*	*0.1*	*0.7*
	d) other financial assets	*(20.1)*	*(20.1)*	—
140.	**Net income from financial operations**	**755.6**	**501.5**	**941.2**
150.	Net premium income	—	—	—
160.	Income less expense from insurance operations	—	—	—
170.	**Net income from financial and insurance operations**	**755.6**	**501.5**	**941.2**
180.	Administrative expenses:	(527.0)	(348.7)	(379.6)
	a) labour costs	*(250.4)*	*(169.2)*	*(197.8)*
	b) other administrative expenses	*(276.6)*	*(179.5)*	*(181.8)*
190.	Net transfers to provisions for risks and liabilities	(1.3)	(0.2)	(3.5)
200.	Net adjustments to property, plant and equipment	(11.1)	(7.4)	(7.9)
210.	Net adjustments to intangible assets	(13.9)	(8.3)	(3.8)
	of which: goodwill	—	—	—
220.	Other operating income (expense)	99.0	67.0	52.8
230.	**Operating costs**	**(454.3)**	**(297.6)**	**(342.0)**
240.	Profit (loss) on equity-accounted companies	(228.7)	(92.0)	345.8
270.	Profit (loss) on disposal of investments	—	—	—
280.	**Pre-tax profit (loss) on ordinary activities**	**72.6**	**111.9**	**945.0**
290.	Income tax for the period on ordinary activities	(32.2)	(12.1)	(152.9)
300.	**Profit (loss) after tax on ordinary activities**	**40.4**	**99.8**	**792.1**
310.	Gain (loss) after tax on current assets being sold	—	—	—
320.	**Net profit (loss) for the period**	**40.4**	**99.8**	**792.1**
330.	Profit (loss) for the period attributable to minorities	(1.1)	0.5	(7.7)
340.	**Net profit (loss) for the period attributable to Mediobanca**	**39.3**	**100.3**	**784.4**

* **Figures in €m**

The profit and loss account shown on page 8 reflects the following restatements:

— *Net interest income* includes the totals reported under Heading 90 and margins on swaps reported under Heading 80 amounting to €18.2m, €22m and €43.6m, net of interest expense on securities lending transactions amounting to €0.6m, €0.5m and €1.7m accounted for as *Net trading income*;

— Amounts reported under Heading 220 have been treated as *Net fee and commission income*, save for redemptions/amounts recovered totalling €37.1m, €25.4m and €20.2m respectively which net operating costs;

— *Net trading income* includes the totals reported under Headings 70, 80 and 100, net of or in addition to the items already stated.

— *Provisions for other financial assets* include writedowns to AFS securities, plus €207.1m in charges to equity investments as at 31 March 2009, unchanged from 31 December 2008.

Declaration by Head of Company Financial Reporting

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 report corresponds to that contained in the company's documents, account books and ledger entries.

Head of
Company Financial Reporting

Massimo Bertolini