

Mediobanca Board of Directors' Meeting

Milan, 9 May 2012



MEDIOBANCA

Financial statements for period ended 31 March 2012 approved

Normalized PBT¹ up 14% to €523m

Funding and liquidity improving

Capital and asset quality preserved

Operations launched in Turkey

- ◆ In a still very difficult operating scenario, the Mediobanca Group delivered a positive set of results for the nine months, driven by the recovery in CIB business in the third quarter
 - ◆ Revenues were stable at €1,537m (31/3/11: €1,554m), despite the PI contribution halving from €166m to €73m, with banking activities showing top-line growth of 4% Y.o.Y.² (to €1,445m) and 9% Q.o.Q. (to €543m); in further detail:
 - ◆ net interest income was still up Y.o.Y. (2%, €813m), although down 5% Q.o.Q. (to €259m), due to the higher cost of funding;
 - ◆ fee income up 29% Q.o.Q., to €151m, due to the contribution from CIB; although the Y.o.Y. decline still stands (down 5% to €386m):
 - ◆ trading positive: up 32% Y.o.Y. to €245m, and up 22% Q.o.Q. to €133m
 - ◆ Operating costs down 3% to €595m, with personnel expenses down 5% Y.o.Y.; cost/income ratio 39%
 - ◆ Cost of risk under control at 120bps (31/12/11: 115bps; 30/6/11: 120bps)
 - ◆ Adjusted PBT up 14% to €523m, €233m of which in the third quarter, the best result since the start of the financial crisis
 - ◆ Net profit €105m (vs €419m last year), after €404m (€8m) in adjustments to securities, as follows:
 - ◆ €235m on AFS securities, €130m of which on Greek sovereign debt (now at 26% of nominal value)
 - ◆ €169m on PI stakes (€55m for RCS in 2Q, €113m for Telco in 3Q)
 - ◆ Funding and liquidity increasing
 - ◆ Funding: €57bn (30/6/11: €52bn), due to 3Y ECB financing (€7.5bn) and increase in CheBanca! deposits (up from €10bn to €11.5bn, €0.8bn of which in Q3)
 - ◆ Liquid financial assets: €23bn (31/12/11:€19bn)
 - ◆ Core tier 1 ratio 11.1% (31/12/11: 11.0%)
- ◆ MB Corporate and Investment Banking presence launched in Turkey, with the opening of an office in Istanbul

¹ Normalized net profit: excl. PI contribution and before writedowns to securities and investments.

² Y.o.Y.: 9m at end-March 2012 vs 9m as at end-March 2011; Q.o.Q. 3m as at end-March 2012 vs 3m as at end-March 2011.



With Renato PAGLIARO in the chair, the Directors of Mediobanca approved the Group's financial statements for the period ended 31 March 2012, as illustrated by Chief Executive Officer Alberto NAGEL.

Consolidated results

In an operating environment that remains extremely testing despite the temporary relief provided by the upturn in financial markets during the third quarter, the Mediobanca Group delivered positive results and showed improved liquidity and funding levels.

Total income for the whole nine months amounted to €1,537.4m, near last year's levels (31/3/11: €1,554.3m), despite the contribution from Principal Investing (PI) halving, from €166.3m to €73.1m. Banking activities showed top-line growth of 3.9% Y.o.Y. (to €1,444.5m) and of 8.9% Q.o.Q. (to €543m), driven in the third quarter by the upturn in Corporate and Investment Banking (CIB).

Adjusted profit before tax¹ was up 14.4%, to €522.6m - €232.6m of which during the third quarter - including as a result of effective cost cutting measures (costs down 2.9%, to €595.1m).

By contrast, the Group's net profit for the nine months fell, from €418.9m to €104.9m, due to higher provisioning for securities and investments (€404.1m, compared with €8.1m last year) which were up €135.2m in the third quarter (€113.3m of which in respect of Telco).

The main income items performed as follows for the nine months:

- ◆ net interest income rose slightly, from €799.8m to €813.3m (up 1.7%), driven by the retail and private banking (RPB) division, where net interest income rose from €484m to €532.1m, partly offset by the reduction in such income recorded in CIB (down from €325m to €295.5m); in the third quarter net interest income was down 5.2%, to €258.7m, due to the increased cost of funding;
- ◆ net trading income increased from €185.6m to €245.6m, boosted in particular by the temporary reduction in spreads on Italian government securities during the third quarter; trading was up quarter-on-quarter as well, by 22.4%, to €133.1m;
- ◆ net fee and commission income in the nine months declined from €405.3m to €385.6m, but showed a recovery in Q3 (up 28.9%, to €151.2m), which was attributable to CIB (€99.4m);
- ◆ the amount added by the equity-accounted companies fell from €163.6m last year to €92.9m, due to lower profits earned by Assicurazioni Generali (€70.1m, compared with €157.2m)

Operating costs fell by 2.9%, from €613.1m to €595.1m, due primarily to the reduction in labour costs (down 5.4%).

In a scenario which remains highly critical, loan loss provisions were virtually stable, at €326.8m (€320.9m). The improvement in consumer finance, where provisioning was down from €228.5m to €222.7m, and retail banking (down from €19m to €11.1m), offset the deterioration in wholesale banking, where provisions rose from €53.2m to €68.9m, and leasing (up from €19.7m to €22.1m).

Provisions for other financial assets include: adjustment of €129.8m for the Greek government securities held (€15.3m charged in the third quarter) to reflect the market value of the bonds received in exchange under the international restructuring agreements; impairment charges of €55.2m for the RCS MediaGroup investment (corresponding to a net present value of €1.23 per share) and of €113.3m for the stake owned in Telco (corresponding to a net present value of €1.5 per share for the Telecom Italia investment, compared with €1.8 per share previously); and €62.9m in writedowns to AFS equities, €34m of which in respect of the Delmi investment (in connection with the Edison stake being swapped for that in Edipower).

There was also a €44.3m gain realized on disposal of a non-core property owned by Compagnie Monégasque de Banque in Monaco.

On the balance-sheet side, the Group showed an improvement in funding and liquidity, while its capital strength was unchanged:

- ◆ funding increased to €57bn (from €52bn at end-June 2011, and from €54bn at end-December 2011), as a result of the European Central Bank (ECB) facilities disbursed in December and February (€4bn and €3.5bn respectively), which offset the reduction in debt securities (from €34.5bn to €31bn). CheBanca! deposits rose from €10bn to €11.5bn, approx. €0.8bn of which was gathered during Q3;
- ◆ liquid financial assets (treasury, AFS, HTM and LR) climbed to €23bn - having fallen to €16.7bn in September 2011 - and were boosted by application of part of the ECB funding; sovereign bonds in particular rose from €5.4bn at end-June 2011 to €10.3bn, and consist chiefly of Italian government securities;
- ◆ loans and advances to customers, despite falling slightly since end-2011 (from €37.8bn to €37.1bn), were up 2.5% since the balance-sheet date, due to positive trends in corporate finance (up 3.2%), mortgage lending (up 4.8%) and consumer credit (up 2.5%), while leasing was down 4.3%;
- ◆ bad loans (non-performing, sub-standard, restructured and overdue items) rose by 25.8%, from €694.7m at end-December 2011 to €873.6m, exclusively as a result of the new regulatory classification, which, as from 1 January 2012, include accounts that are more than 90 days overdue (as opposed to 180 days previously). On a like-for-like basis such assets would reduce by around 2% (from €890.4m to €873.6m). The coverage rates therefore also change, with 44% coverage for consumer credit (70%), 46% for mortgage lending (45%), and 36% for corporate finance (36%). Asset quality remains good, with a slight increase in the percentage of total loans accounted for by impaired items in all customer segments: 0.94% for large corporates (0.93%), 5.1% in leasing (compared with 5.4% if the figure at 31/12 is restated on a like-for-like basis), 3.45% in consumer credit (3.44%), and 2.4% in mortgage lending (2.4%). The slight increase in non-performing items (0.65% of total loans, as compared with 0.63%) is concentrated in the real estate segment (mortgage lending and leasing);
- ◆ net equity increased from €6.0bn at end-December 2011 to €6.3bn, due to the increase in the Group's valuation reserves, while core tier 1 capital was stable at €6.1bn. The Group's main capital ratios remain at adequate levels, with the core tier 1 ratio at 11.1% (31/12/11: 11.0%; 30/6/11: 11.2%), and the total capital ratio at 13.7% (13.5% and 14.4% respectively).

Divisional results

CIB: best quarter since the start of the crisis, adjusted PBT¹ €213m

- ◆ Revenues up 5% Y.o.Y., trading and fee income recovering in the third quarter
- ◆ Costs down 7% Y.o.Y. to €240m, with staff expenses down 13%
- ◆ Cost of risk up to 54 bps in the nine months (31/3/11: 45 bps)
- ◆ Adjusted PBT¹ €446m, €213m of which in the third quarter
- ◆ Net profit €88m, following €242m in adjustments/losses to AFS securities portfolio, including €130m in writedowns/losses to Greek sovereign debt

This division reported total income up 4.9% for the nine months, from €740.1m to €776.3m, on higher net trading income (up from €168.8m to €237.1m), with the equity-accounted companies

returning to profit (€18.4m, compared with a €3.6m net loss last year). This offset the reductions in net interest income, of 9.1%, from €325m to €295.5m, and net fee and commission income (down 9.8%, from €249.9m to €225.3m), although this last item was boosted by an impressive performance in the third quarter (which saw €99.4m in fees earned). Operating costs declined by 7.1%, from €257.7m to €239.5m, due to the reduction in the variable component of labour costs. Loan loss provisions of €91m were up from the €72.9m reported at the same stage last year, reflecting the deterioration in the economic scenario. A total loss of €242.4m (€16.1m) on the securities portfolio was recorded, made up as follows: €129.8m in respect of Greek sovereign debt, upon completion of the restructuring; €46.9m on disposals (chiefly shares), €16m in automatic adjustments triggered for listed shares, and €45.6m in adjustments to holdings in unlisted investments (unchanged since end-December 2011). A net profit of €88.5m for the nine months was recorded, the bottom line for this division thus returning to profit on the back of an impressive performance during the third quarter (€125.9m).

At the Board meeting held today, the Directors of Mediobanca approved a resolution to start up operations in Turkey by opening an office in Istanbul, with the intention of leveraging attractive investment banking opportunities.

Consumer credit: revenues up 5%, net profit up 50%

- ◆ Revenues up 5% to €541m (31/3/11: €518m)
- ◆ Cost/income ratio stable at 35% despite strengthening (headcount up 5% to 1,385 staff; 11 new branches opened, for a total of 157)
- ◆ Cost of risk declining to 320 bps (31/12/11: 340 bps; 30/6/11: 345 bps), bad loans down 2%
- ◆ Net profit up 50%, to €87m (31/3/11: €58m)

Consumer credit reported a net profit of €87.1m, up on the €58.1m posted at the same stage last year, as a result of higher net interest income (up from €390.7m to €406.6m) and fees and commissions (up from €126.7m to €133.9m), and despite a slight increase in costs (from €183m to €190.8m) which also reflect significant expansion to the Compass group's distribution capacity (with 11 branches opened during the period under review, for a total of 157; and staff up 5%, to 1,385). Lendings remained stable in the third quarter at €9,154.1m (€9,131.4m), with the cost of risk still under control (loan loss provisions decreased from €228.5m to €222.7m).

Retail banking: deposits growing strongly

- ◆ Deposits up 16%, from €10bn at end-June 2011 to €11.5bn, €0.8bn of which in Q3
- ◆ Net interest income up 40% (from €72m to €101m), declining in the third quarter (from €41m to €24m) due to the increase in the average cost of funding
- ◆ Net loss €30m, stable Y.o.Y. despite the lack of gains on disposal of AFS securities (31/3/11: €39m), due to operating costs being kept under control (down 5%) and the cost of risk halving, from 70 bps to 35 bps

CheBanca! showed a net loss of €30.1m for the nine months, in line with the €28m loss reported last year. Higher net interest income of €101.4m (€72.2m) offset the lack of gains on the AFS portfolio (€38.6m last year). Operating costs were down, from €135.9m to €129.1m, as were loan loss provisions (from €19m to €11.1m). As at end-March 2012 retail deposits amounted to €11.5bn, up €0.9bn in the three months, with loans flat at €4.3bn.

Private banking: AUM up 3% to €13bn

- ◆ AUM up from €12.6bn at end-2011 to €13bn:
 - ◆ Banca Esperia: €6.8bn (31/12/11: €6.4bn), chiefly due to the market effect
 - ◆ CMB: €6.2bn (flat vs end-December 2011)
- ◆ Net profit €63m, due to non-recurring items (€47m); normalized net profit €16m (31/3/11: €20m)

Private banking showed a profit of €63.4m, boosted by the real estate gain realized by CMB (€44.3m). Total revenues for the nine months increased from €81.9m to €82.4m, on higher net interest income (up from €21.1m to €24.1m) and despite the reduction in fees and commissions (down from €23.2m to €22.4m for Banca Esperia, and from €26.2m to €24.4m for CMB). Assets under management on a discretionary/non-discretionary basis increased by 3.1% during the three months, and now stand at €13bn, €6.2bn of which for CMB and €6.8bn Banca Esperia.

Principal investing (PI): reduced revenues, higher writedowns

- ◆ Net loss of €107m (31/3/11: €154m profit) due to reduced contribution to revenues from Assicurazioni Generali (down from €157m to €70m) and writedowns to RCS (€55m) and Telco (€113m)
- ◆ Market value of equity investments: €2.4bn

This division reported a loss of €107.2m for the nine months, due to the writedowns charged to the Telco and RCS MediaGroup investments, of €113.3m and €55.2m respectively, both of which were adjusted to reflect the changes in net present value (€1.5 per share for Telecom Italia and €1.23 per share for RCS MediaGroup). The contribution from Assicurazioni Generali to revenues also declined, from €157.2m to €70.1m, with just €4.1m added in the last quarter, as against €52.1m in the equivalent period last year.

Mediobanca S.p.A.

In the nine months ended 31 March 2012, Mediobanca posted a net loss of €140.9m, compared with a €207.5m net profit last year, after writedowns to investments totalling €172.9m (€115.7m of which in respect of Telco and €57.2m of RCS MediaGroup), losses on securities amounting to €235m (€17.1m), and €68.5m (€53.5m) in loan loss provisions. During the period under review total income rose slightly, from €655m to €663.9m, driven by higher net trading income (€234.6m, up from €170.5m last year, with €130.5m added in the third quarter alone), which was partly offset by the reduction in net interest income (from €240.7m to €212.5m) and fees and commissions (down from €234.3m to €216.2m). Operating costs declined from €241.9m to €223.1m, owing to the reduction in the variable labour cost component, whereas loan loss provisions rose by €28.8m in the third quarter, as a result of the difficult economic scenario.

With regard to the main balance-sheet items, funding was up in the third quarter, from €44.4bn to €47.6bn (due to the new tranche of the three-year ECB facility), as were AFS securities (up from €5.8bn to €11bn - only the bond component), while there were reductions in treasury assets (from €11bn to €10.2bn) and loans and advances to customers (from €25.3bn to €24.1bn).

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The Board of Directors also noted the resignation of Mr Pierre Lefèvre from his post as Director and Internal Control Committee member of Mediobanca, and at the Appointments Committee's proposal, co-opted:

- ◆ Pier Silvio Berlusconi, who qualifies as independent under Article 148, para. 3 of the Italian consolidated finance act;
- ◆ Vanessa Labérenne who becomes also a member of the Executive, Remunerations and Internal Control Committees, and who qualifies as independent under Article 148, para. 3 of the Italian consolidated finance act and the Code of conduct operated by Borsa Italiana in respect of listed companies.

The new directors' CVs are available on the Bank's website at www.mediobanca.it.

Milan, 9 May 2012

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Restated profit and loss account

Mediobanca Group (€ m)	9 mths	9 mths	Y.o.Y. chg. %
	31/3/11	31/3/12	
Net interest income	799.8	813.3	1.7%
Net trading income	185.6	245.6	32.3%
Net fee and commission income	405.3	385.6	-4.9%
Equity-accounted companies	163.6	92.9	-43.2%
Total income	1,554.3	1,537.4	-1.1%
Labour costs	(318.2)	(300.9)	-5.4%
Administrative expenses	(294.9)	(294.2)	-0.2%
Operating costs	(613.1)	(595.1)	-2.9%
Gains (losses) on AFS, HTM & LR	11.9	(56.1)	n.m.
Loan loss provisions	(320.9)	(326.8)	1.8%
Provisions for other financial assets	(20.0)	(348.0)	n.m.
Other income (losses)	0.1	45.2	n.m.
Profit before tax	612.3	256.6	-58.1%
Income tax for the period	(189.6)	(151.5)	-20.1%
Minority interest	(3.8)	(0.2)	n.m.
Net profit	418.9	104.9	-75.0%

Quarterly profit and loss accounts

Mediobanca Group (€ m)	FY 10/11				FY 11/12		
	I Q	II Q	III Q	IV Q	I Q	II Q	III Q
	30/9/10	31/12/10	31/3/11	30/6/11	30/9/11	31/12/11	31/3/12
Net interest income	262.1	269.4	268.3	270.5	281.8	272.8	258.7
Net trading income	77.9	33.4	74.3	3.6	3.8	108.7	133.1
Net fee and commission income	113.1	152.8	139.4	115.0	117.1	117.3	151.2
Equity-accounted companies	43.8	66.4	53.4	39.4	73.0	-1.2	21.1
Total income	496.9	522.0	535.4	428.5	475.7	497.6	564.1
Labour costs	(101.3)	(110.1)	(106.8)	(100.6)	(100.8)	(100.5)	-99.6
Administrative expenses	(86.7)	(109.1)	(99.1)	(110.2)	(95.8)	(102.1)	-96.3
Operating costs	(188.0)	(219.2)	(205.9)	(210.8)	(196.6)	(202.6)	(195.9)
Gains (losses) on AFS, HTM & LR	1.8	13.3	(3.2)	7.6	(15.8)	(22.0)	-18.3
Loan loss provisions	(112.3)	(107.1)	(101.5)	(27.9)	(102.8)	(109.5)	-114.5
Provisions for other financial assets	(1.1)	(18.8)	(0.1)	(255.5)	(70.2)	(160.9)	-116.9
Other income (losses)	0.0	0.1	0.0	0.0	0.0	43.7	1.5
Profit before tax	197.3	190.3	224.7	(58.1)	90.3	46.3	120.0
Income tax for the period	(68.1)	(54.1)	(67.4)	9.0	(32.3)	(39.1)	-80.1
Minority interest	(1.6)	(0.9)	(1.3)	(1.2)	(1.2)	(0.6)	1.6
Net profit	127.6	135.3	156.0	(50.3)	56.8	6.6	41.5

Restated consolidated balance sheet

Mediobanca Group (€ m)	30/6/11	31/12/11	31/3/12
Assets			
Treasury funds	8,608.0	9,391.1	8,551.5
AFS securities	7,749.9	6,859.6	12,161.3
<i>of which: fixed income equities</i>	<i>6,092.3</i>	<i>5,534.8</i>	<i>10,852.5</i>
<i>equities</i>	<i>1,643.6</i>	<i>1,312.6</i>	<i>1,295.1</i>
Fixed assets (HTM & LR)	2,308.1	2,412.6	2,287.8
Loans and advances to customers	36,225.6	37,833.5	37,133.4
Equity investments	3,156.1	2,976.9	2,834.9
Tangible and intangible assets	757.8	728.4	721.5
Other assets	1,376.7	1,270.6	1,206.3
<i>of which: tax assets</i>	<i>967.0</i>	<i>1,003.0</i>	<i>930.5</i>
Total assets	60,182.2	61,472.7	64,896.7
Liabilities			
Funding	51,712.9	54,028.8	57,021.2
<i>of which: debt securities in issue</i>	<i>34,460.5</i>	<i>32,422.8</i>	<i>31,045.2</i>
<i>retail deposits</i>	<i>9,960.3</i>	<i>10,671.3</i>	<i>11,530.2</i>
Other liabilities	1,258.9	1,036.1	1,159.5
<i>of which: tax liabilities</i>	<i>565.8</i>	<i>430.7</i>	<i>530.3</i>
Provisions	182.6	182.0	181.5
Net equity	6,659.2	6,162.4	6,429.6
<i>of which: share capital</i>	<i>430.6</i>	<i>430.6</i>	<i>430.6</i>
<i>reserves</i>	<i>6,113.9</i>	<i>5,619.3</i>	<i>5,888.4</i>
<i>minority interest</i>	<i>114.7</i>	<i>112.5</i>	<i>110.6</i>
Profit for the period	368.6	63.4	104.9
Total liabilities	60,182.2	61,472.7	64,896.7
Core tier 1 capital	6,156.1	6,127.3	6,142.5
Total capital	7,899.1	7,499.8	7,561.1
RWAs	55,025.5	55,638.8	55,346.4

Ratios (%) and per share data (€)

Mediobanca Group	30/6/11	31/12/11	31/3/12
Total assets/net equity	9.0	10.0	10.1
Loans/deposits	0.7	0.7	0.7
Core tier 1 ratio	11.2	11.0	11.1
Regulatory capital/RWAs	14.4	13.5	13.7
S&P rating	A+	A	BBB+
Cost/income ratio	41.6	41.0	38.7
NPLs/loans*	0.5	0.5	N/A
RORWA gross	1.0	0.5	0.6
RORWA net	0.7	0.2	0.3
EPS (€)	0.43	0.07	0.12
BVPS (€)	7.6	7.0	7.3
DPS (€)	0.17	-	-
No. of shares outstanding (millions)	861.1	861.1	861.1

* Not including Cofactor third party accounts.

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

9 mths to 31/3/12 (€ m)	Corporate & Investment Banking	Principal Investing	Retail & Private Banking	Group
Net interest income	295.5	(6.4)	532.1	813.3
Net trading income	237.1	0.0	7.7	245.6
Net fee and commission income	225.3	0.0	190.5	385.6
Equity-accounted companies	18.4	73.1	0.0	92.9
Total income	776.3	66.7	730.3	1,537.4
Labour costs	(159.0)	(4.2)	(148.4)	(300.9)
Administrative expenses	(80.5)	(2.1)	(232.9)	(294.2)
Operating costs	(239.5)	(6.3)	(381.3)	(595.1)
Gains (losses) on AFS, HTM & LR	(64.8)	0.0	0.4	(56.1)
Loan loss provisions	(91.0)	0.0	(235.0)	(326.8)
Provisions for other financial assets	(177.6)	(169.9)	(0.5)	(348.0)
Other income (losses)	0.0	0.0	46.9	45.2
Profit before tax	203.4	(109.5)	160.8	256.6
Income tax for the period	(114.7)	2.3	(40.4)	(151.5)
Minority interest	(0.2)	0.0	0.0	(0.2)
Net profit	88.5	(107.2)	120.4	104.9
Treasury funds	9,750.3	0.0	5,840.0	8,551.5
AFS securities	10,828.5	142.7	1,660.0	12,161.3
Fixed assets (HTM & LR)	3,975.5	0.0	2,702.1	2,287.8
Equity investments	390.6	2,359.2	0.0	2,834.9
Loans and advances to customers	27,835.9	0.0	14,308.8	37,133.4
<i>of which to Group companies</i>	<i>4,969.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>
Funding	(50,191.6)	(259.8)	(23,243.8)	(57,021.2)
RWAs	40,778.8	2,671.4	11,869.6	55,346.4
No. of staff	991	0.0	2,655*	3,517

* Includes 129 staff employed by Banca Esperia pro-forma, not included in the Group total

9 mths to 31/3/11 (€ m)	Corporate & Investment Banking	Principal Investing	Retail & Private Banking	Group
Net interest income	325.0	(5.6)	484.0	799.8
Net trading income	168.8	0.0	11.5	185.6
Net fee and commission income	249.9	0.0	186.0	405.3
Equity-accounted companies	(3.6)	166.3	0.0	163.6
Total income	740.1	160.7	681.5	1,554.3
Labour costs	(182.4)	(4.1)	(142.3)	(318.2)
Administrative expenses	(75.3)	(1.9)	(238.1)	(294.9)
Operating costs	(257.7)	(6.0)	(380.4)	(613.1)
Gains (losses) on AFS, HTM & LR	(1.1)	0.0	40.2	11.9
Loan loss provisions	(72.9)	0.0	(247.9)	(320.9)
Provisions for other financial assets	(15.0)	(4.5)	(0.4)	(20.0)
Other income (losses)	0.0	0.0	0.0	0.1
Profit before tax	393.4	150.2	93.0	612.3
Income tax for the period	(151.2)	3.6	(43.3)	(189.6)
Minority interest	(3.8)	0.0	0.0	(3.8)
Net profit	238.4	153.8	49.7	418.9
Treasury funds	10,915.1	0.0	4,454.6	11,074.3
AFS securities	6,312.9	132.6	2,125.7	7,615.4
Fixed assets (HTM & LR)	3,781.5	0.0	2,568.5	2,089.3
Equity investments	385.1	2,920.2	0.0	3,363.5
Loans and advances to customers	26,683.2	0.0	13,185.5	35,248.8
<i>of which to Group companies</i>	<i>4,610.5</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>
Funding	(44,981.1)	(259.8)	(21,695.4)	(52,815.1)
RWAs	40,287.2	3,293.5	10,958.0	54,551.4
No. of staff	938	0.0	2,567*	3,377

* Includes 128 staff employed by Banca Esperia pro-forma, not included in the Group total

Corporate & Investment banking

CIB (€ m)	9 mths	9 mths	Y.o.Y. chg. %
	31/3/11	31/3/12	
Net interest income	325.0	295.5	-9.1%
Net trading income	168.8	237.1	40.5%
Net fee and commission income	249.9	225.3	-9.8%
Equity-accounted companies	(3.6)	18.4	n.m.
Total income	740.1	776.3	4.9%
Labour costs	(182.4)	(159.0)	-12.8%
Administrative expenses	(75.3)	(80.5)	6.9%
Operating costs	(257.7)	(239.5)	-7.1%
Gains (losses) on AFS, HTM & LR	(1.1)	(64.8)	n.m.
Loan loss provisions	(72.9)	(91.0)	24.8%
Provisions for other financial assets	(15.0)	(177.6)	n.m.
Other income (losses)	0.0	0.0	n.m.
Profit before tax	393.4	203.4	-48.3%
Income tax for the period	(151.2)	(114.7)	-24.1%
Minority interest	(3.8)	(0.2)	n.m.
Net profit	238.4	88.5	-62.9%
Treasury funds	10,915.1	9,750.3	-10.7%
AFS securities	6,312.9	10,828.5	71.5%
Fixed assets (HTM & LR)	3,781.5	3,975.5	5.1%
Equity investments	385.1	390.6	1.4%
Loans and advances to customers	26,683.2	27,835.9	4.3%
<i>of which to Group companies</i>	<i>4,610.5</i>	<i>4,969.0</i>	<i>7.8%</i>
Funding	(44,981.1)	(50,191.6)	11.6%
RWAs	40,287.2	40,778.8	1.2%
No. of staff	938	991	5.7%
Cost/income ratio (%)	34.8	30.9	
NPLs/loans (%)	N/A	N/A	
RORWA gross (annualized) (%)	1.3	0.7	

CIB by segment - 9 mths to 31/3/12 (€ m)	Wholesale	Leasing	Total CIB
Net interest income	251.6	43.9	295.5
Net trading income	238.4	(1.3)	237.1
Net fee and commission income	220.4	4.9	225.3
Equity-accounted companies	18.4	0.0	18.4
Total income	728.8	47.5	776.3
Labour costs	(144.4)	(14.6)	(159.0)
Administrative expenses	(71.7)	(8.8)	(80.5)
Operating costs	(216.1)	(23.4)	(239.5)
Gains (losses) on AFS, HTM & LR	(64.8)	0.0	(64.8)
Loan loss provisions	(68.9)	(22.1)	(91.0)
Provisions for other financial assets	(177.6)	0.0	(177.6)
Other income (losses)	0.0	0.0	0.0
Profit before tax	201.4	2.0	203.4
Income tax for the period	(111.4)	(3.3)	(114.7)
Minority interest	0.0	(0.2)	(0.2)
Net profit	90.0	(1.5)	88.5
Loans and advances to customers	23,609.5	4,226.4	27,835.9
<i>of which to Group companies</i>	<i>4,969.0</i>	<i>0.0</i>	<i>4,969.0</i>
RWA	36,965.2	3,813.6	40,778.8
New loans	n.m.	668.7	n.m.
No. of staff	792	199	991
No. of branches	n.m.	12	n.m.
Cost/income ratio (%)	29.7	49.3	30.9
NPLs/loans (%)	N/A	N/A	N/A
RORWA gross (annualized) (%)	0.7	0.1	0.7

CIB by segment - 9 mths to 31/3/11 (€ m)	Wholesale	Leasing	Total CIB
Net interest income	270.8	54.2	325.0
Net trading income	168.0	0.8	168.8
Net fee and commission income	246.7	3.2	249.9
Equity-accounted companies	(3.6)	0.0	(3.6)
Total income	681.9	58.2	740.1
Labour costs	(168.4)	(14.0)	(182.4)
Administrative expenses	(66.7)	(8.6)	(75.3)
Operating costs	(235.1)	(22.6)	(257.7)
Gains (losses) on AFS, HTM & LR	(1.1)	0.0	(1.1)
Loan loss provisions	(53.2)	(19.7)	(72.9)
Provisions for other financial assets	(15.0)	0.0	(15.0)
Other income (losses)	0.0	0.0	0.0
Profit before tax	377.5	15.9	393.4
Income tax for the period	(144.2)	(7.0)	(151.2)
Minority interest	0.0	(3.8)	(3.8)
Net profit	233.3	5.1	238.4
Loans and advances to customers	22,281.8	4,401.4	26,683.2
<i>of which to Group companies</i>	<i>4,610.5</i>	<i>0.0</i>	<i>4,610.5</i>
RWA	36,676.7	3,610.5	40,287.2
New loans	n.m.	831.7	n.m.
No. of staff	731	207	938
No. of branches	n.m.	12	n.m.
Cost/income ratio (%)	34.5	38.8	34.8
NPLs/loans (%)	N/A	N/A	N/A
RORWA gross (annualized) (%)	1.4	0.6	1.3

Principal investing

PI (€ m)	9 mths to	9 mths to	Y.o.Y. chg. %
	31/3/11	31/3/12	
Net interest income	(5.6)	(6.4)	14.3%
Net trading income	0.0	0.0	n.m.
Net fee and commission income	0.0	0.0	n.m.
Equity-accounted companies	166.3	73.1	-56.0%
Total income	160.7	66.7	-58.5%
Labour costs	(4.1)	(4.2)	2.4%
Administrative expenses	(1.9)	(2.1)	10.5%
Operating costs	(6.0)	(6.3)	5.0%
Gains (losses) on AFS, HTM & LR	0.0	0.0	n.m.
Loan loss provisions	0.0	0.0	n.m.
Provisions for other financial assets	(4.5)	(169.9)	n.m.
Other income (losses)	0.0	0.0	n.m.
Profit before tax	150.2	(109.5)	n.m.
Income tax for the period	3.6	2.3	-36.1%
Minority interest	0.0	0.0	n.m.
Net profit	153.8	(107.2)	n.m.
AFS securities	132.6	142.7	7.6%
Equity investments	2,920.2	2,359.2	-19.2%
RWAs	3,293.5	2,671.4	-18.9%

Retail & Private banking

RPB (€ m)	9 mths to	9 mths to	Y.o.Y. chg. %
	31/3/11	31/3/12	
Net interest income	484.0	532.1	9.9%
Net trading income	11.5	7.7	-33.0%
Net fee and commission income	186.0	190.5	2.4%
Equity-accounted companies	0.0	0.0	n.m.
Total income	681.5	730.3	7.2%
Labour costs	(142.3)	(148.4)	4.3%
Administrative expenses	(238.1)	(232.9)	-2.2%
Operating costs	(380.4)	(381.3)	0.2%
Gains (losses) on AFS, HTM & LR	40.2	0.4	n.m.
Loan loss provisions	(247.9)	(235.0)	-5.2%
Provisions for other financial assets	(0.4)	(0.5)	25.0%
Other income (losses)	0.0	46.9	n.m.
Profit before tax	93.0	160.8	72.9%
Income tax for the period	(43.3)	(40.4)	-6.7%
Minority interest	0.0	0.0	n.m.
Net profit	49.7	120.4	n.m.
Treasury funds	4,454.6	5,840.0	31.1%
AFS securities	2,125.7	1,660.0	-21.9%
Fixed assets (HTM & LR)	2,568.5	2,702.1	5.2%
Equity investments	0.0	0.0	n.m.
Loans and advances to customers	13,185.5	14,308.8	8.5%
Funding	(21,695.4)	(23,243.8)	7.1%
RWAs	10,958.0	11,869.6	8.3%
No. of staff	2,567	2,655	3.4%
No. of branches	189	201	6.3%
Cost/income ratio (%)	55.8	52.2	
NPLs/loans* (%)	N/A	N/A	
RORWA gross (annualized) (%)	1.1	1.8	

* Not including Cofactor third-party accounts.

RPB by segment - 31/3/12 (€ m)	Consumer credit	Retail banking	Private banking	Total RPB
Net interest income	406.6	101.4	24.1	532.1
Net trading income	0.3	0.1	7.3	7.7
Net fee and commission income	133.9	5.6	51.0	190.5
Equity-accounted companies	0.0	0.0	0.0	0.0
Total income	540.8	107.1	82.4	730.3
Labour costs	(64.0)	(45.6)	(38.8)	(148.4)
Administrative expenses	(126.8)	(83.5)	(22.6)	(232.9)
Operating costs	(190.8)	(129.1)	(61.4)	(381.3)
Gains (losses) on AFS, HTM & LR	0.0	0.4	0.0	0.4
Loan loss provisions	(222.7)	(11.1)	(1.2)	(235.0)
Provisions for other financial assets	0.0	0.0	(0.5)	(0.5)
Other income (losses)	0.0	0.0	46.9	46.9
Profit before tax	127.3	(32.7)	66.2	160.8
Income tax for the period	(40.2)	2.6	(2.8)	(40.4)
Minority interest	0.0	0.0	0.0	0.0
Net profit	87.1	(30.1)	63.4	120.4
Loans and advances to customers	9,154.1	4,298.2	856.5	14,308.8
RWA	8,207.2	1,945.3	1,717.1	11,869.6
New loans	3,670.2	466.6	0.0	4,136.8
AUM	n.m.	n.m.	13,003.5	n.m.
No. of staff	1,385	934	336	2,655
No. of branches	157	44	n.m.	201
Cost/income ratio (%)	35.3	n.m.	74.5	52.2
NPLs/loans* (%)	N/A	N/A	N/A	N/A
RORWA gross (annualized) (%)	2.1	n.m.	5.1	1.8

* Not including Cofactor third-party accounts.

RPB by segment - 31/3/11 (€ m)	Consumer credit	Retail banking	Private banking	Total RPB
Net interest income	390.7	72.2	21.1	484.0
Net trading income	0.2	4.6	6.7	11.5
Net fee and commission income	126.7	5.2	54.1	186.0
Equity-accounted companies	0.0	0.0	0.0	0.0
Total income	517.6	82.0	81.9	681.5
Labour costs	(61.0)	(41.0)	(40.3)	(142.3)
Administrative expenses	(122.0)	(94.9)	(21.2)	(238.1)
Operating costs	(183.0)	(135.9)	(61.5)	(380.4)
Gains (losses) on AFS, HTM & LR	0.0	38.6	1.6	40.2
Loan loss provisions	(228.5)	(19.0)	(0.4)	(247.9)
Provisions for other financial assets	0.0	0.0	(0.4)	(0.4)
Other income (losses)	0.0	0.0	0.0	0.0
Profit before tax	106.1	(34.3)	21.2	93.0
Income tax for the period	(48.0)	6.3	(1.6)	(43.3)
Minority interest	0.0	0.0	0.0	0.0
Net profit	58.1	(28.0)	19.6	49.7
Loans and advances to customers	8,642.4	3,825.7	717.4	13,185.5
RWA	7,622.9	1,852.0	1,483.1	10,958.0
New loans	3,443.8	627.6	0	4,071.4
AUM	n.m.	n.m.	12,112	n.m.
No. of staff	1,320	901	346	2,567
No. of branches	146	43	n.s.	189
Cost/income ratio (%)	35.4	n.m.	75.1	55.8
NPLs/loans* (%)	N/A	N/A	N/A	N/A
RORWA gross (annualized) (%)	1.9	n.m.	1.9	1.1

* Not including Cofactor third-party accounts.

As required by Article 154-bis, paragraph 2 of Italian Legislative Decree 58/98, the undersigned hereby declares that the financial information contained in this document corresponds to that contained in the company's documents, account books and ledger entries.

Head of
Company Financial Reporting

Massimo Bertolini