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## Management Board

Milan, 24 September 2007

### Draft financial statements as at 30 June 2007 approved

- /// Net profit up 11% to €953m after 36% growth in 2006
- /// Results ahead of 2008 business plan objectives<sup>1</sup>
- /// Major growth in banking RWAs, up 26% to €48.4bn, chiefly due to corporate lending activity, with profitability levels unchanged (RORWA 1.9%).
- /// Double-digit growth in all the main income items: net interest income up 12% to €667m, net fee and commission income up 23% to €371m, share in profits earned by equity-accounted companies up 25%, to €419m; reduced contribution from trading income of €83m, vs €216m
- /// Efficiency maintained (cost/income ratio: 27%) despite major investment in distribution structures
- /// Asset quality unaltered
- /// *Wholesale banking*
  - corporate loans up 31% to €16bn<sup>2</sup>
  - net interest income up 11% to €200m, net fee and commission income up 31% to €282m
  - net profit stable at €460m, due to reduced contribution from trading income (down from €205m to €70m)
  - ROAC: 17% (21%)
- /// *Equity investment portfolio (AG and RCS)*
  - NAV: €6.3bn (vs €5.5bn, up 15%)
  - total income up 25%, to €388m
  - net profit up 35% to €364m, and ROAC up from 13% to 16%
- /// *Retail financial services*
  - new loans €4.8bn, with consumer credit up 5% and mortgages up 20%
  - loans and advances to customers up 15% to €10bn
  - total income up 14% to €501m
  - net profit up 2%, to €80m, and ROAC 15% (17%)

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<sup>1</sup> 2005/2008 business plan approved in September 2005.

<sup>2</sup> Excluding loans to Group companies.



/// **Private banking<sup>3</sup>**

- total income up 13%, to €130m
- net profit up 18%, to €55m; ROAC 44% (42%)
- AUM: €13.9bn (up 24%)

/// **Proposals to shareholders in general meeting:**

- **Proposed dividend: €0.65 per share, up 12% from €0.58, i.e. 75% of cashed consolidated profit**
- **Buy-back of up to 2% of share capital**

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At a meeting held today with Renato PAGLIARO in the chair, the Management Board of Mediobanca approved the Group's consolidated financial statements and the parent company's draft statutory accounts for the twelve months to 30 June 2007, as illustrated by Managing Director Alberto NAGEL.

### **Consolidated results**

Following the 36% growth recorded in 2006, to €858.4m, in the twelve months ended 30 June 2007 the Mediobanca Group posted a further increase in net profit to €953.2m, far ahead of the €750m annual target set in the 2005-2008 business plan.

Despite a reduced contribution from net trading income, which stood at €82.8m, as opposed to €215.7m, total income increased by 6.6%, from €1,511.7m to €1,611.5m, driven by double-digit growth by all the other main items, which were as follows:

- net interest income rose 12.4%, from €593m to €666.8m, on the strength of higher lendings in corporate banking, up 30.6%, from €12.3bn to €16bn, and higher volumes in retail financial services, where loans and advances were up 15% to €10bn, and new loans up 4.3% to €4.8bn;
- net fee and commission income increased by 22.7%, from €302.7m to €371.3m, following a good contribution from wholesale banking, which accounts for some three-quarters of the total;
- income from companies accounted for on an equity basis posted a 24.9% increase, from €335.3m to €418.9m, reflecting a healthy earnings performance by the Assicurazioni Generali group in particular;
- dividends on available for sale (AFS) securities rose by 10.3%, from €65m to €71.7m.

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<sup>3</sup> Includes Compagnie Monégasque de Banque plus the Group's 48.5% pro-forma share in the profits of Banca Esperia.

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The 9.4% increase in operating costs, from €393.4m to €430.4m, is due in part to non-recurring costs, but also to strengthening in all areas of the Group's activity: 55 more staff have been taken on in wholesale banking, an increase of 13% over last year, and the Group's presence outside Italy was bolstered by opening two new branch offices, in Frankfurt and Madrid; the programme of extending geographical coverage in retail financial services has also continued, with a total of 22 new branches opened during the year, representing growth of 16%.

Profit from ordinary activities rose by 5.6%, from €1,118.3m to €1,181.1m.

Bad debt writeoffs grew by 38.2%, from €119.4m to €165m, due chiefly to retail financial services, and are the result of acquiring customers with higher risk profiles, in line with market trends and against a backdrop of fierce competition. Part of this item is attributable to wholesale banking, where a lump sum provision of €5.2m has been set aside on a prudential basis in order to cover the sharp growth in lendings.

Gains on disposals of securities totalled €175.4m (30/6/06: €87.8m), and are chiefly the result of disposal of the Group's holding in Ferrari, completed during the first quarter of the financial year under review.

On the balance-sheet side, loans and advances to customers grew by 25%, from €21.4bn to €26.8bn, and funding rose by 18%, from €29.1bn to €34.2bn.

Net equity stood at €6,829.6m, up from €5,886.8m, net of profit for the period. ROE stood at 15%.

## **Divisional results**

**Wholesale banking:** which accounts for around 40% of Group income and roughly half of consolidated net profit, confirmed the results posted during the previous twelve-month period, which themselves were superior to the end-plan estimates, recording a net profit of €459.6m (30/6/06: €467.2m). The sharp downturn in income from trading, which slowed to €69.6m as compared with €205.3m the previous year (€40.8m of which, however, was non-recurring income generated by disposal of the Group's shareholding in Ciments Français), was more than offset by the growth recorded by other income sources, which increased by 20%. from €476.5m to €572.1m, and reflect:

- an 11% increase in net interest income, up from €180.6m to €200.5m, driven by higher lendings, which rose 28.1%, from €15.9bn to €20.3bn
- 31% growth in net fee and commission income, from €215.2m to €281.9m, driven by advisory business (up 52.5%, from €67.2m to €102.5m), capital market activities (up 20.8%, from €79.9m to €96.5m), and lending (up 21.7%, from €68.1m to €82.9m);



- higher dividends received on AFS securities, up 10.3%, from €65m to €71.7m
- income from equity-accounted companies totalling €18m (30/6/06: €15.7m), reflecting the Burgo group's contribution in particular, which, however, was boosted one-off items linked to disposals of AFS securities.

The 15.4% rise in operating costs, from €176m to €203.2m, reflects the geographical and headcount expansion referred to previously.

Net profit of €459.6m (€467.2m) also includes €166.7m in gains on disposals of AFS securities, €4.2m in writedowns to shares in the same portfolio, and general provisions of €5.2m in respect of performing loans.

ROAC declined from 21% to 17%, reflecting the sharp growth in risk-weighted assets, which, in line with the strategy of optimizing capital ratios, grew by 29% to €39bn, largely due to the rise in corporate finance, up 31%, from €12.3bn to €16bn. Growth in volumes was achieved while maintaining asset quality unchanged.

Earnings from the Group's **Equity investment portfolio**, which includes the investments in Assicurazioni Generali (14.09%) and RCS MediaGroup (13.94%), rose 24.9%, from €310.5m to €387.7m<sup>4</sup>, €359.2m (€287.6m) of which was attributable to Generali and €28.4m (€22.9m) to RCS. The book value of the two holdings, in view of the above valuation, rose from €2,173.4m at 30 June 2006 to €2,407.4m, €2,099.7m attributable to Assicurazioni Generali and €307.7m to RCS MediaGroup. Based on current prices and holdings, the portfolio reflects a surplus of €3,947m (30/6/07: €3,929m).

**Retail financial services:** which account for over 30% of total income and 8% of consolidated net profit, posted revenue growth of 13.6%, from €440.8m to €500.8m, which translated to a slight increase in the bottom line, from €78.6m to €80.3m, reflecting the higher costs linked to geographical expansion as well as growth in bad debt writeoffs. Income growth was driven by consumer credit, up 17%, from €359m to €420.2m, against a largely stable performance in leasing, where total income of €80.6m was recorded, compared with €81.8m one year previously. The 6.7% increase in costs, from €166.4m to €177.6m, is largely due to geographical expansion by Compass, with a total of 15 new branches added in the period, and growth projects implemented by Micos, driving a 31.1% increase in costs incurred by this company, from €18.3m to €24m, chiefly in connection with the launch of business in France, with five new branches being opened in addition to the two new branches opened in Italy. The increase in profit before tax from ordinary activities, up 17.8% from €274.4m to €323.2m, was swallowed up by the higher cost of risk, almost entirely attributable to consumer credit, with an increase of €44.6m in bad debt writeoffs, from €115.2m to €159.8m, during the period.

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<sup>4</sup> Refers to period from April 2006-March 2007.



ROAC fell from 17% to 15%.

As for the individual segments:

- consumer credit, which accounts for one-third of total lendings and around two-third of net profit, posted 14% growth in new loans, to € 3.7bn, and 4% growth in net profit, to €59.2m;
- mortgage lending recorded 27% growth in new loans, to €0.6bn, and net profit down from €7.8m to €5.6m, after costs of €5.4m incurred in connection with new ventures;
- leasing, against stable volumes of new loans, at €1.7bn, profits rose 13%, from €13.7m to €15.5m, which reflect efforts to contain administrative expenses and keep the cost of risk under control.

**Private banking.** The aggregate figures for this division reflect an increase of 18.4% in net profit, from €46.2m to €54.7m, on a 12.5% rise in total income, from €115.6m to €130.1m, partly due to the contribution of net fee and commission income, which grew from €82.8m to €91.9m, and net trading income, up from €10.7m to €14.6m. Against a modest, 2.7% increase in costs, from €66.1m to €67.9m, profit from ordinary activities grew by 25.7%, from €49.5m to €62.2m. In November 2006, CMB acquired ABN Amro's private banking activities in Monaco, which led to a 13.2% rise in CMB's assets under discretionary and non-discretionary management, from €7.1bn to €8.1bn. During the same period Banca Esperia recorded growth of 41.9% in AUM, from €4.1bn to €5.8bn.

### **Mediobanca S.p.A.<sup>5</sup>**

In the twelve months ended 30 June 2007, Mediobanca earned a net profit of €561.1m (30/6/06: €545.5m), after gains on disposals of AFS securities totalling €166.7m (€85.9m), and net adjustments to receivables and securities amounting to €9.4m (€4.5m). Profit from ordinary activities declined from €576.8m to €531.1m, on lower trading income of €65.7m, down from €200.8m, net of which there would have been a 21.5% increase reflecting: higher net interest income, up 9% from €176.9m to €192.9m, 28.5% growth in net fee and commission income to €61.1m, and higher dividends received, up from €169.8m to €213.5m

The main balance-sheet items all posted double-digit increases: loans and advances rose from €15.9bn to €20.3bn, treasury funds were up from €5.6bn to €6.4bn, and AFS securities grew from €4bn to €4.8bn. Funding also rose during the period, from €22bn to €27.1bn, with €5.3bn in new issuance over the twelve months.

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<sup>5</sup> *Accounts drawn up on a IAS/IFRS-compliant basis for the first time; data as at 30 June 2006 has been restated pro-forma to establish a base for like-for-like comparison.*



In response to the requests made by Consob in a letter dated 20 August regarding banks' exposure to subprime mortgages, the Mediobanca Group has no exposure to such products.

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### **Proposals to shareholders in general meeting**

The Management Board resolved to submit the following proposals to shareholders in the annual general meeting scheduled to be held on 27 October 2007 in the first instance, and on 29 October 2007 thereafter if adjourned:

- payment of a dividend of €0.65 per share, up 12% on the €0.58 per share dividend paid last year. The shares will go ex-rights on 19 November 2007 and the dividend shall be payable as from 22 November 2007;
- authorization to purchase treasury shares up to 2% of the Bank's share capital, amounting to 16.4 million shares, over a period of 18 months. This proposal forms part of a programme aimed at managing the composition and cost of capital more effectively while maintaining the overall capital stability of the Bank and the Group unchanged, in compliance with the provisions established by supervisory regulations in this respect. Such authorization is also being sought for the purpose of providing Mediobanca with an important instrument offering strategic and operative flexibility, that will enable the Bank to have treasury shares available in view of possible acquisitions/alliances. The proposal does not reflect purchases aimed at reduction of the company's share capital.

At the same general meetings, shareholders will also be invited to adopt a stock option scheme to operate against the increase in the company's share capital approved by shareholders in general meeting on 27 June 2007.

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The draft financial statements approved today by the Management Board shall be submitted to the approval of the Supervisory Board at its meeting to be held on 10 October 2007.

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The Management Board and Supervisory Board also approved their respective regulations.

24 September 2007

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## Consolidated Profit And Loss Account

|  | 12 mths to<br>30/6/06 | 12 mths to<br>30/6/07 | Y.o.Y.<br>change |
|--|-----------------------|-----------------------|------------------|
|  | €m                    | €m                    | %                |
| Net interest income .....                                      | 593.0                 | 666.8                 | +12.4            |
| Net trading income .....                                       | 215.7                 | 82.8                  | -61.6            |
| Net fee and commission income .....                            | 302.7                 | 371.3                 | +22.7            |
| Dividends on AFS securities .....                              | 65.0                  | 71.7                  | +10.3            |
| Share of profits earned by equity-accounted<br>companies ..... | 335.3                 | 418.9                 | +24.9            |
| <b>TOTAL INCOME</b> .....                                      | <b>1,511.7</b>        | <b>1,611.5</b>        | <b>+6.6</b>      |
| Labour costs .....   | (208.7)               | (236.4)               | +13.3            |
| Other administrative expenses .....                            | (184.7)               | (194.0)               | +5.0             |
| <b>OPERATING COSTS</b> .....                                   | <b>(393.4)</b>        | <b>(430.4)</b>        | <b>+9.4</b>      |
| <b>PROFIT FROM ORDINARY ACTIVITIES</b> .....                   | <b>1,118.3</b>        | <b>1,181.1</b>        | <b>+5.6</b>      |
| Gain (loss) on disposal of AFS securities .....                | 87.8                  | 175.4                 | +99.8            |
| Gain (loss) on disposal of other securities .....              | 2.6                   | (0.1)                 | n.m.             |
| Bad debt writeoffs .....                                       | (119.4)               | (165.0)               | +38.2            |
| Net value adjustments to investment securities ..              | —                     | (4.2)                 | n.m.             |
| One-off provisions .....                                       | —                     | (6.0)                 | n.m.             |
| <b>PROFIT BEFORE TAX</b> .....                                 | <b>1,089.3</b>        | <b>1,181.2</b>        | <b>+8.4</b>      |
| Income tax for the period .....                                | (221.5)               | (215.2)               | -2.8             |
| Minority interest .....  | (9.4)                 | (12.8)                | +36.2            |
| <b>NET PROFIT</b> .....  | <b>858.4</b>          | <b>953.2</b>          | <b>+11.0</b>     |
| <i>of which: from banking activity</i> .....                   | <i>589.6</i>          | <i>590.2</i>          | <i>+0.1</i>      |
| <i>from equity investment portfolio</i> ..                     | <i>268.8</i>          | <i>363.0</i>          | <i>+35.0</i>     |



## Restated Balance Sheet

|  | 30/6/06         | 30/6/07         |
|--|-----------------|-----------------|
|  | €m              | €m              |
| <b>Assets</b>  |                 |                 |
| Treasury funds .....                                 | 6,320.6         | 6,993.0         |
| AFS securities .....                                 | 5,502.7         | 5,573.2         |
| <i>of which: fixed -income</i>                       | <i>2,833.9</i>  | <i>1,622.4</i>  |
| <i>equities</i>                                      | <i>2,423.0</i>  | <i>3,335.7</i>  |
| Financial assets held to maturity .....              | 626.5           | 622.5           |
| Loans and advances to customers .....                | 21,388.1        | 26,811.6        |
| Equity investments .....                             | 2,354.9         | 2,632.7         |
| Tangible and intangible assets .....                 | 305.7           | 310.5           |
| Other assets .....                                   | 510.2           | 588.6           |
| <i>of which: tax assets</i> .....                    | <i>321.5</i>    | <i>372.0</i>    |
| Total assets .....                                   | <u>37,008.7</u> | <u>43,532.1</u> |
| <b>Liabilities</b>                                   |                 |                 |
| Funding .....  | 29,067.7        | 34,227.7        |
| <i>of which: debt securities in issue</i>            | <i>21,118.0</i> | <i>25,702.6</i> |
| Other liabilities .....                              | 915.3           | 1,227.9         |
| <i>of which: tax liabilities</i>                     | <i>645.6</i>    | <i>787.1</i>    |
| Total liabilities .....                              | 191.3           | 185.4           |
| Net equity .....                                     | 5,976.0         | 6,937.9         |
| <i>of which: share capital</i>                       | <i>406.0</i>    | <i>408.8</i>    |
| <i>reserves</i>                                      | <i>5,480.8</i>  | <i>6,420.9</i>  |
| <i>minority interests</i>                            | <i>89.2</i>     | <i>108.3</i>    |
| Profit for the period .....                          | 858.4           | 953.2           |
| Total liabilities .....                              | <u>37,008.7</u> | <u>43,532.1</u> |
| <i>Tier 1 capital</i> .....                          | <i>5,743.7</i>  | <i>6,202.2</i>  |
| <i>Regulatory capital</i> .....                      | <i>6,954.2</i>  | <i>8,106.1</i>  |
| <i>Tier 1 capital/risk-weighted assets</i> .....     | <i>14.07%</i>   | <i>12.28%</i>   |
| <i>Regulatory capital/risk-weighted assets</i> ..... | <i>17.24%</i>   | <i>16.18%</i>   |
| <i>No. of shares in issue (millions)</i> .....       | <i>812</i>      | <i>817.6</i>    |





## Balance-sheet data and profit-and-loss figures by division

| 30/6/07  | Wholesale<br>banking | Retail<br>financial<br>services | Private<br>banking | Equity<br>investment<br>portfolio | Group          |
|--|----------------------|---------------------------------|--------------------|-----------------------------------|----------------|
|  | €m                   | €m                              | €m                 | €m                                | €m             |
| <b>Profit-and-loss figures</b>                                 |                      |                                 |                    |                                   |                |
| Net interest income .....                                      | 200.5                | 455.2                           | 23.6               | (9.1)                             | 666.8          |
| Net trading income .....                                       | 69.6                 | —                               | 14.6               | —                                 | 82.8           |
| Net fee and commission income .....                            | 281.9                | 45.6                            | 91.9               | —                                 | 371.3          |
| AFS securities ...   | 71.7                 | —                               | —                  | —                                 | 71.7           |
| Share in profits earned by equity-accounted<br>companies ..... | 18.0                 | —                               | —                  | 387.7                             | 418.9          |
| <b>TOTAL INCOME</b> .....                                      | <b>641.7</b>         | <b>500.8</b>                    | <b>130.1</b>       | <b>378.6</b>                      | <b>1,611.5</b> |
| Labour costs .....   | (130.3)              | (70.0)                          | (42.3)             | (3.8)                             | (236.4)        |
| Administrative expenses .....                                  | (72.9)               | (107.6)                         | (25.6)             | (1.5)                             | (194.0)        |
| <b>OPERATING COSTS</b> .....                                   | <b>(203.2)</b>       | <b>(177.6)</b>                  | <b>(67.9)</b>      | <b>(5.3)</b>                      | <b>(430.4)</b> |
| <b>PROFIT FROM ORDINARY ACTIVITIES</b> .....                   | <b>438.5</b>         | <b>323.2</b>                    | <b>62.2</b>        | <b>373.3</b>                      | <b>1,181.1</b> |
| Gain (loss) on disposal of AFS securities ....                 | 166.7                | —                               | 8.8                | —                                 | 175.4          |
| Gain (loss) on disposal of equity investments                  | —                    | —                               | —                  | —                                 | —              |
| Gain (loss) on disposal of other assets .....                  | (0.1)                | —                               | —                  | —                                 | (0.1)          |
| One-off provisions .....                                       | —                    | —                               | (6.0)              | —                                 | (6.0)          |
| Bad debt writeoffs .....                                       | (5.2)                | (159.8)                         | (0.2)              | —                                 | (165.0)        |
| Net value adjustments to AFS securities ....                   | (4.2)                | —                               | —                  | —                                 | (4.2)          |
| <b>PROFIT BEFORE TAX</b> .....                                 | <b>595.7</b>         | <b>163.4</b>                    | <b>64.8</b>        | <b>373.3</b>                      | <b>1,181.2</b> |
| Income tax for the period .....                                | (136.1)              | (70.2)                          | (10.1)             | (9.5)                             | (215.2)        |
| Minority interests .....                                       | —                    | (12.9)                          | —                  | —                                 | (12.8)         |
| <b>NET PROFIT</b> .....  | <b>459.6</b>         | <b>80.3</b>                     | <b>54.7</b>        | <b>363.8</b>                      | <b>953.2</b>   |
| <b>Balance-sheet data</b>                                      |                      |                                 |                    |                                   |                |
| AFS securities .....   | 4.788,1              | —                               | 808.1              | —                                 | 5,573.2        |
| Equity investments .....                                       | 176,7                | —                               | 0.1                | 2,407.4                           | 2,632.7        |
| Loans and advances to customers .....                          | 20.313,9             | 10.122,9                        | 868.1              | —                                 | 26,811.6       |
| <i>of which: to Group companies.</i> .....                     | <i>4.318,9</i>       | —                               | —                  | —                                 | —              |
| Risk-weighted assets .....                                     | 39.033,7             | 8.190,8                         | 1.151,3            | 1.737,7                           | 50.113,5       |
| No. of staff .....   | 473                  | 1.072                           | 280 *              | —                                 | 1.783          |
| Cost/income ratio .....  | 32                   | 35                              | 52                 | 1                                 | 27             |

\* Includes 89 staff employed by the Esperia group pro-forma not included in the Group total.

Notes:

1) Divisions comprise:

- *wholesale banking*: Mediobanca S.p.A., Mediobanca International, MB Securities USA, Consortium and Prominvestment;
- *retail financial services*: Compass, Micos Banca, Cofactor and Creditech (consumer finance), SelmaBipiemme Leasing, Palladio Leasing and Teleleasing (leasing);
- *private banking*: Compagnie Monégasque de Banque, Spafid and Prudentia Fiduciaria, plus 48.5% of Banca Esperia pro-forma;
- *equity investment portfolio*: shareholdings owned by the Group in Assicurazioni Generali and RCS MediaGroup.

2) Sum of divisional data differs from Group total due to:

- Banca Esperia being consolidated pro-rata (48.5%) rather than equity-accounted;
- adjustments/differences arising on consolidation between different business areas, which gave rise to a surplus of approx. €0.9m as at 30 June 2006 and of €2.5m as at 30/6/07;
- notional expenses attributable to Mediobanca in respect of stock option scheme operated by Banca Esperia, which amount to €7.8m (30/6/06: €3.3m).



| 30/6/06  | Wholesale<br>banking | Retail<br>financial<br>services | Private<br>banking | Equity<br>investment<br>portfolio | Group          |
|--|----------------------|---------------------------------|--------------------|-----------------------------------|----------------|
|  | €m                   | €m                              | €m                 | €m                                | €m             |
| <b>Profit-and-loss figures</b>                                 |                      |                                 |                    |                                   |                |
| Net interest income .....                                      | 180.6                | 398.3                           | 22.1               | (6.8)                             | 593.0          |
| Net trading income .....                                       | 205.3                | 1.4                             | 10.7               | —                                 | 215.7          |
| Net fee and commission income .....                            | 215.2                | 41.1                            | 82.8               | —                                 | 302.7          |
| AFS securities .....   | 65.0                 | —                               | —                  | —                                 | 65.0           |
| Share in profits earned by equity-accounted<br>companies ..... | 15.7                 | —                               | —                  | 310.5                             | 335.3          |
| <b>TOTAL INCOME .....</b>                                      | <b>681.8</b>         | <b>440.8</b>                    | <b>115.6</b>       | <b>303.7</b>                      | <b>1,511.7</b> |
| Labour costs .....   | (105.4)              | (66.2)                          | (41.8)             | (3.1)                             | (208.7)        |
| Administrative expenses .....                                  | (70.6)               | (100.2)                         | (24.3)             | (2.3)                             | (184.7)        |
| <b>OPERATING COSTS .....</b>                                   | <b>(176.0)</b>       | <b>(166.4)</b>                  | <b>(66.1)</b>      | <b>(5.4)</b>                      | <b>(393.4)</b> |
| <b>PROFIT FROM ORDINARY ACTIVITIES .....</b>                   | <b>505.8</b>         | <b>274.4</b>                    | <b>49.5</b>        | <b>298.3</b>                      | <b>1,118.3</b> |
| Gain (loss) on disposal of AFS securities ....                 | 85.9                 | —                               | 1.9                | —                                 | 87.8           |
| Gain (loss) on disposal of equity<br>investments .....         | 2.2                  | —                               | —                  | —                                 | 2.2            |
| Gain (loss) on disposal of other assets .....                  | (0.2)                | —                               | 0.6                | —                                 | 0.4            |
| Bad debt writeoffs .....                                       | (4.5)                | (115.2)                         | 0.2                | —                                 | (119.4)        |
| <b>PROFIT BEFORE TAX .....</b>                                 | <b>589.2</b>         | <b>159.2</b>                    | <b>52.2</b>        | <b>298.3</b>                      | <b>1,089.3</b> |
| Income tax for the period .....                                | (122.5)              | (69.8)                          | (6.0)              | (29.5)                            | (221.5)        |
| Minority interests .....                                       | 0.5                  | (10.8)                          | —                  | —                                 | (9.4)          |
| <b>NET PROFIT .....</b>  | <b>467.2</b>         | <b>78.6</b>                     | <b>46.2</b>        | <b>268.8</b>                      | <b>858.4</b>   |
| <b>Balance-sheet data</b>                                      |                      |                                 |                    |                                   |                |
| AFS securities .....   | 4,065.8              | —                               | 1,456.7            | —                                 | 5,502.7        |
| Equity investments .....                                       | 146.8                | —                               | —                  | 2,173.4                           | 2,354.9        |
| Loans and advances to customers .....                          | 15,855.8             | 8,799.4                         | 452.5              | —                                 | 21,388.1       |
| <i>of which: to Group companies .....</i>                      | <i>3,608.4</i>       | <i>—</i>                        | <i>—</i>           | <i>—</i>                          | <i>—</i>       |
| Risk-weighted assets .....                                     | 30,218.5             | 7,305.8                         | 831.1              | 1,973.9                           | 40,329.3       |
| No. of staff .....   | 418                  | 1,026                           | 274*               | —                                 | 1,684          |
| Cost/income ratio .....  | 26                   | 38                              | 57                 | 2                                 | 26             |

\* Includes 83 staff employed by the Esperia group pro-forma not included in the Group total.



## Retail financial services

| Retail financial services<br>30/6/07         | Consumer<br>credit | Mortgage<br>lending | Total<br>consumer<br>finance | Leasing     | Total RFS    |
|--|--------------------|---------------------|------------------------------|-------------|--------------|
|  | €m                 | €m                  | €m                           | €m          | €m           |
| Total income .....                           | 378.7              | 41.5                | 420.2                        | 80.6        | 500.8        |
| Operating costs .....                        | (124.4)            | (24.0)              | (148.4)                      | (29.2)      | (177.6)      |
| <b>PROFIT FROM ORDINARY ACTIVITIES .....</b> | <b>254.3</b>       | <b>17.5</b>         | <b>271.8</b>                 | <b>51.4</b> | <b>323.2</b> |
| Provisions and bad debt writeoffs .....      | (144.5)            | (6.6)               | (151.1)                      | (8.7)       | (159.8)      |
| Profit attributable to minorities .....      | —                  | —                   | —                            | (12.9)      | (12.9)       |
| Income tax for the period .....              | (50.6)             | (5.3)               | (55.9)                       | (14.3)      | (70.2)       |
| <b>NET PROFIT .....</b>                      | <b>59.2</b>        | <b>5.6</b>          | <b>64.8</b>                  | <b>15.5</b> | <b>80.3</b>  |
| New loans .....                              | 2,448.2            | 619.1               | 3,067.3                      | 1,711.3     | 4,778.6      |
| Loans and advances to customers .....        | 3,721.9            | 2,138.0             | 5,859.9                      | 4,263.0     | 10,122.9     |
| No. of branches .....                        | 118                | 29                  | 147                          | 10          | 157          |
| No. of staff .....                           | 660                | 206                 | 866                          | 206         | 1,072        |

| Retail financial services<br>30/6/06         | Consumer<br>credit | Mortgage<br>lending | Total<br>consumer<br>finance | Leasing     | Total RFS    |
|--|--------------------|---------------------|------------------------------|-------------|--------------|
|  | €m                 | €m                  | €m                           | €m          | €m           |
| Total income .....                           | 321.9              | 37.1                | 359.0                        | 81.8        | 440.8        |
| Operating costs .....                        | (117.2)            | (18.3)              | (135.5)                      | (30.9)      | (166.4)      |
| <b>PROFIT FROM ORDINARY ACTIVITIES .....</b> | <b>204.7</b>       | <b>18.8</b>         | <b>223.5</b>                 | <b>50.9</b> | <b>274.4</b> |
| Provisions and bad debt writeoffs .....      | (101.9)            | (4.9)               | (106.8)                      | (8.4)       | (115.2)      |
| Profit attributable to minorities .....      | —                  | —                   | —                            | (10.8)      | (10.8)       |
| Income tax for the period .....              | (45.7)             | (6.1)               | (51.8)                       | (18.0)      | (69.8)       |
| <b>NET PROFIT .....</b>                      | <b>57.1</b>        | <b>7.8</b>          | <b>64.9</b>                  | <b>13.7</b> | <b>78.6</b>  |
| New loans .....                              | 2,324.2            | 517.8               | 2,842.0                      | 1,737.7     | 4,579.7      |
| Loans and advances to customers .....        | 3,277.2            | 1,683.4             | 4,960.6                      | 3,838.8     | 8,799.4      |
| No. of branches .....                        | 103                | 22                  | 125                          | 10          | 135          |
| No. of staff .....                           | 650                | 170                 | 820                          | 206         | 1,026        |



## Private banking

| Private banking<br>30/6/07                    | CMB         | Banca<br>Esperia<br>48.5% | Others     | Total PB    |
|---|-------------|---------------------------|------------|-------------|
|   | €m          | €m                        | €m         | €m          |
| Total income .....                            | 77.7        | 45.6                      | 6.8        | 130.1       |
| <i>of which net fee and commission income</i> | <i>44.5</i> | <i>40.9</i>               | <i>6.5</i> | <i>91.9</i> |
| Operating costs .....                         | (38.8)      | (23.7)                    | (5.4)      | (67.9)      |
| <b>PROFIT FROM ORDINARY ACTIVITIES .....</b>  | <b>38.9</b> | <b>21.9</b>               | <b>1.4</b> | <b>62.2</b> |
| Other operating income (expense) .....        | 2.8         | (0.2)                     | —          | 2.6         |
| Income tax for the period .....               | (0.2)       | (9.2)                     | (0.7)      | (10.1)      |
| <b>NET PROFIT .....</b>                       | <b>41.5</b> | <b>12.5</b>               | <b>0.7</b> | <b>54.7</b> |
| AUM .....                                     | 8,081.5     | 5,784.1                   | —          | 13,865.6    |

| Private banking<br>30/6/06                    | CMB         | Banca<br>Esperia<br>48.5% | Other        | Total PB    |
|---|-------------|---------------------------|--------------|-------------|
|   | €m          | €m                        | €m           | €m          |
| Total income .....                            | 75.0        | 34.2                      | 6.4          | 115.6       |
| <i>of which net fee and commission income</i> | <i>45.6</i> | <i>31.0</i>               | <i>6.2</i>   | <i>82.8</i> |
| Operating costs .....                         | (40.5)      | (19.5)                    | (6.1)        | (66.1)      |
| <b>PROFIT FROM ORDINARY ACTIVITIES .....</b>  | <b>34.5</b> | <b>14.7</b>               | <b>0.3</b>   | <b>49.5</b> |
| Other operating income (expense) .....        | 3.2         | (0.1)                     | (0.4)        | 2.7         |
| Income tax for the period .....               | —           | (5.7)                     | (0.3)        | (6.0)       |
| <b>NET PROFIT .....</b>                       | <b>37.7</b> | <b>8.9</b>                | <b>(0.4)</b> | <b>46.2</b> |
| AUM .....                                     | 7,140.0     | 4,076.9                   | —            | 11,216.9    |



## Mediobanca S.p.A. profit and loss account

|   | 12 mths to<br>30/7/06<br>(Italian GAAP) | 12 mths to<br>30/7/06<br>pro-forma * | 12 mths to<br>30/7/07 | Y.o.Y.<br>change |
|---|---|--------------------------------------|-----------------------|------------------|
|   | €m                                      | €m                                   | €m                    | %                |
| Net interest income .....                         | 180.4                                   | 176.9                                | 192.9                 | +9.0             |
| Net trading income .....                          | 26.0                                    | 200.8                                | 65.7                  | -67.3            |
| Net fee and commission income .....               | 208.3                                   | 214.5                                | 275.6                 | +28.5            |
| Dividends on AFS securities .....                 | 169.8                                   | 169.8                                | 213.5                 | +25.7            |
| <b>TOTAL INCOME .....</b>                         | <b>584.5</b>                            | <b>762.0</b>                         | <b>747.7</b>          | <b>-1.9</b>      |
| Labour costs .....                                | (98.1)                                  | (109.2)                              | (134.4)               | +23.1            |
| Other administrative expenses .....               | (82.2)                                  | (76.0)                               | (82.2)                | +8.2             |
| Operating costs .....                             | (180.3)                                 | (185.2)                              | (216.6)               | +17.0            |
| <b>PROFIT FROM ORDINARY ACTIVITIES .....</b>      | <b>404.2</b>                            | <b>576.8</b>                         | <b>531.1</b>          | <b>-7.9</b>      |
| Gain (loss) on disposal of AFS securities ..      | 106.6                                   | 85.9                                 | 166.7                 | +94.1            |
| Gain (loss) on disposal of other securities ..... | —                                       | 2.7                                  | (0.1)                 | n.m.             |
| Bad debt writeoffs and adjustments .....          | —                                       | (4.5)                                | (5.2)                 | +15.6            |
| Net value adjustments to AFS securities..         | 34.4                                    | —                                    | (4.2)                 | n.m.             |
| <b>PROFIT BEFORE TAX FOR THE PERIOD .....</b>     | <b>545.2</b>                            | <b>660.9</b>                         | <b>688.3</b>          | <b>+4.1</b>      |
| Income tax for the period .....                   | (50.9)                                  | (115.4)                              | (127.2)               | +10.1            |
| Minority interest .....                           | —                                       | —                                    | —                     | n.m.             |
| <b>NET PROFIT .....</b>                           | <b>494.3</b>                            | <b>545.5</b>                         | <b>561.1</b>          | <b>+2.9</b>      |
| Costi/income ratio .....                          | 30.8                                    | 24.3                                 | 29.0                  |                  |

\* Includes estimated impact of adopting IAS 39.



## Mediobanca S.p.A. balance sheet

|   | 30/6/06         | 30/6/07         |
|---|-----------------|-----------------|
|   | €m              |                 |
| <b>Assets</b>                           |                 |                 |
| Treasury funds .....                    | 5,580.6         | 6,379.4         |
| AFS securities .....                    | 4,043.0         | 4,788.0         |
| Financial assets held to maturity ..... | 625.5           | 621.6           |
| Loans and advances to customers .....   | 15,870.5        | 20,306.5        |
| Equity investments .....                | 1,677.0         | 1,680.8         |
| Tangible and intangible assets .....    | 122.9           | 121.3           |
| Other assets .....                      | 267.6           | 251.6           |
| Total assets .....                      | <u>28,187.1</u> | <u>34,149.2</u> |
| <b>Liabilities</b>                      |                 |                 |
| Funding .....                           | 22,003.1        | 27,105.1        |
| Provisions .....                        | 165.7           | 162.4           |
| Other liabilities .....                 | 538.9           | 782.8           |
| Net equity .....                        | 4,933.9         | 5,537.8         |
| Profit for the period .....             | 545.5           | 561.1           |
| Total liabilities .....                 | <u>28,187.1</u> | <u>34,149.2</u> |
| Memorandum accounts .....               | <u>73,415.1</u> | <u>43,168.3</u> |

\* \* \*

As required by Article 154-bis, paragraph 2 of Italian Legislative Decree 58/98, the undersigned hereby declares that the accounting information contained in this report conforms to the documents, account ledgers and book entries of the company.

Head of Company Financial Reporting  
*Massimo Bertolini*