

MEDIOBANCA

Interim Report

for the six months ended 31st December 2001

(as required under Articles 81 and 82 of
Consob Regulation 11971/99 as amended)

MEDIOBANCA

LIMITED COMPANY

SHARE CAPITAL € 389,264,707.50 FULLY PAID UP - RESERVES € 3,188.7 million

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

The Group's consolidated accounts for the six months ended 31 December 2001 reflect a margin before tax of € 272m (31/12/00: € 200.2m). Over the period under review shareholders' equity rose to € 4,716.7m, up from € 4,277.6m as at 30 June 2001. In both cases these amounts are attributable to the Parent Company, which accounts for approx. 75% of the aggregate figures.

At € 185.3m, profit from ordinary operations during the six months was almost unchanged from the same period in 2000 (€ 184.4m). The economic slowdown brought about a sharp reduction in investment banking business, which was compounded by a sharp fall in interest rates in the fourth quarter. Nonetheless, our interest margin rose by some 9% to € 219.8m (€ 201.8m), despite a lower contribution from dividends, which were down by € 7.8m (but which in any case are now concentrated in the second half of our financial year). This performance reflects the fact that lendings in the financial services sector are relatively less rate-sensitive, and enabled us to offset a fall of € 11.8m in our fee income and an increase of € 5.3m in general expenses.

In addition to ordinary business, net gains on disposals of investment securities amounted to € 462m (€ 27m). These contrasted with interim net losses due to the market downturn of € 319.3m, based on average prices in December in the case of trading securities and average prices for the half-year in the case of investment securities, as against net gains of € 28m during the equivalent period in 2000. Bad debt writeoffs as usual involved only consumer credit and factoring, and to a very small extent the Group's leasing activities.

The merger of Euralux into Mediobanca was completed in December 2001, resulting in 48.9m Generali shares being transferred to your Bank's accounts at a book value of € 230.3m, with 136.2m new ordinary Mediobanca shares being issued and a surplus of € 177.1m arising on the merger. This transaction contributed to your Bank's market capitalization rising to almost € 10bn at 31 December 2001, as against € 8bn at 30 June 2001.

A consolidated financial statement and profit and loss account are set out below in the usual restated format:

CONSOLIDATED FINANCIAL STATEMENT

	31/12/00	30/6/01	31/12/01
	€m	€m	€m
Assets			
Treasury funds employed	2,715.9	4,601.7	4,366.3
Loans and advances	17,184.6	16,998.1	16,974.9
Investment securities	3,523.7	3,333.7	3,111.6
Intangible assets	1.9	1.5	1.5
Net fixed assets	68.3	67.2	128.8
Other assets	1,606.2	1,648.4	1,710.2
Total assets	<u>25,100.6</u>	<u>26,650.6</u>	<u>26,293.3</u>
Liabilities			
Deposits and loans	18,130.8	19,170.9	18,485.2
Provision for liabilities and charges	394.0	375.5	297.9
Consolidated provision for future liabilities and charges	6.2	6.8	6.7
Other liabilities	2,036.6	2,460.2	2,448.3
Credit risks provisions	13.4	13.4	13.4
Shareholders' equity attributable to minorities	47.4	49.0	53.1
Shareholders' equity	4,272.0	4,277.6	4,716.7
Profit	200.2 ⁽¹⁾	297.2	272.0 ⁽¹⁾
Total liabilities	<u>25,100.6</u>	<u>26,650.6</u>	<u>26,293.3</u>

(1) Pre-tax profit.

CONSOLIDATED PROFIT AND LOSS ACCOUNT

	6 months to 31/12/00	12 months to 30/6/01	6 months to 31/12/01
	€m	€m	€m
INTEREST MARGIN	201.8	530.1	219.8
<i>of which: dividends</i>	<i>8.1</i>	<i>152.1</i>	<i>0.3</i>
Commissions received and other income	112.2	219.0	100.4
General expenses	(129.6)	(266.8)	(134.9)
GROSS MARGIN FROM ORDINARY OPERATIONS	184.4	482.3	185.3
Net gain (loss) on sale of investment securities	27.0	101.7	462.0
Writebacks (writedowns) in securities and investments	28.0 (A)	(109.0)	(319.3) (A)
Net gain (loss) on exchange and derivative transactions	(9.7)	14.4	(20.9)
Bad debts written off	(18.3)	(42.7)	(19.7)
Gain (loss) on investments stated on equity basis	—	0.2	—
MARGIN BEFORE TAXATION AND PROVISIONS	211.4	446.9	287.4
Provision for risks and charges	(4.6) (A)	(12.5)	(7.6) (A)
Extraordinary provisions	—	—	—
Accelerated depreciation and amortisation ..	(1.6) (A)	(4.7)	(1.3) (A)
(Profit) loss attributable to minority interests	(5.0)	(6.3)	(6.5)
PROFIT BEFORE TAX ATTRIBUTABLE TO THE PARENT COMPANY	200.2	423.4	272.0
Transfers to provision for income taxes	—	(126.2)	—
NET PROFIT	—	297.2	—

(A) Interim provisions.

Key indices and financial ratios were as follows:

	31/12/00	30/6/01	31/12/01
	€m	€m	€m
Regulatory capital (€ m)	5,109.0	5,410.2	6,048.9
Risk-weighted assets as % of regulatory capital	22.46	20.83	24.31
Gross gain per share on listed investment securities (€)	8.30	7.25	6.08
Market capitalisation (€ m)	7,826.7	8,032.2	9,854.6
Mediobanca share price (€)	12.19	12.51	12.66
Average number of employees	1,222	1,214	1,205

* * *

The following is a review of trends in major asset headings during the period under review:

Funding – This fell during the six-month period by € 685.7m, or 3.6%, due to a repayment of temporary balances relating to lending transactions and a reduction in certificates of deposit, bonds, notes and reverse convertibles. Mediobanca International’s contribution to aggregate funding was € 2,223.8m (30/6/01: € 3,104.5m).

Customer loans – These amounted to € 16,974.9m, in line with the total recorded at 30 June 2001. At 31 December 2001, 69% of the Group’s loan book consisted of customer lendings and structured finance, 18% leasing transactions and 13% consumer credit and mortgage finance. At the year-end, significant exposures in terms of loan concentration according to the permitted risk weightings (i.e. in excess of 10% of consolidated net equity as determined under Bank of Italy regulations) totalled € 9,778.8m, or 20.2% of the aggregate limit of € 48,391.4m. The funds concerned have been lent to nine “groups of connected clients”, exposure to none of which exceeds the currently permitted individual threshold.

Investment securities – These fell by € 222.1m after net interim write-backs of € 303.4m. The net surplus of market price over book value, based on average prices in the six months ended 31 December 2001, was € 5,062.9m. Based on market prices and holdings as at 15 March 2002, this surplus amounts to € 4,358m, after net interim writedowns charged on 31 December 2001.

Liquid assets – At 31 December these stood at € 4,366.3m, down from € 4,601.7m compared with 30 June 2001, showing a decline of € 235.4m. The total includes forward transactions and has been written down by € 15.9m on a net interim basis.

* * *

A review of the main developments in Group companies is given below, with particular reference to the Parent Company's operations.

MEDIOBANCA

HIGHLIGHTS

Net profit for the six months ended 31 December 2001 was € 169.4m (31/12/00: € 145m), after charging € 40m (€ 41.3m) to *Credit Risks Provision* and € 26.1m to cover the substantial initial instalment on the leasing contract for the premises acquired in Via Filodrammatici opposite our Head Office building. The period under review also saw gains of € 456.3m from the disposal of investment securities, primarily *Montedison* and *Consortium*, while net writedowns in securities and investments in subsidiaries and associated companies (based on our usual principles) totalled € 318.8m, as against net writebacks of € 37.6m.

Earnings from ordinary operations were € 113.5m, roughly 15% lower than at 31 December 2000, or just under 10% excluding dividends, almost all of which are now received in the second half of our financial year. Leaving aside the trend in fee income which was described under Group operations above, the interest margin, which reflects market conditions more directly in terms of both rates and share prices, closed a modest 4% up on last year, again net of dividends. The increase in general expenses was largely due to the increased headcount and to regular payments for the lease of the new premises in Via Filodrammatici.

Funding at the year-end amounted to € 15,689.2m, down € 244.6m on the figure recorded at 30 June 2001. At € 14,315.1m (€ 14,229.6m), loans showed a slight increase of € 85.5m, whereas the reduction in the invest-

ment portfolio from € 3,025.6m to € 2,728.6m more or less coincides with interim net writedowns of € 302.9m. Taking into account forward transactions and changes in other assets and liabilities, liquid assets rose by € 153.3m.

Turning to investment banking, your Bank lead managed deals worth a total of more than € 60bn.

Our financial highlights have been condensed and compared on a like-for-like basis with the figures at 31 December 2000 and 30 June 2001. They are as follows:

Balance Sheet

	31/12/00	30/6/01	31/12/01
	€m	€m	€m
Assets			
Treasury funds employed	1,890.9	3,885.9	4,039.2
Loans and advances	14,771.3	14,229.6	14,315.1
Investment securities	3,263.6	3,025.6	2,728.6
Net fixed assets	12.4	12.1	11.7
Other assets	1,431.9	1,491.4	1,554.3
Total assets	<u>21,370.1</u>	<u>22,644.6</u>	<u>22,648.9</u>
Liabilities			
Funding	15,140.3	15,933.8	15,689.2
Deposits and loans	263.0	272.1	208.1
Other liabilities	1,725.5	2,212.2	2,170.6
Shareholders' equity	4,096.3	4,075.2	4,411.6
Profit for the year	145.0 ⁽¹⁾	151.3	169.4 ⁽¹⁾
Total liabilities	<u>21,370.1</u>	<u>22,644.6</u>	<u>22,648.9</u>

⁽¹⁾ Pre-tax profit.

Profit and Loss Account

	6 months to 31/12/00	12 months to 30/6/01	6 months to 31/12/01
	€m	€m	€m
Interest margin	108.6	340.1	104.8
<i>of which: dividends</i>	8.1	146.8	0.3
Commissions received and other income	82.8	173.2	75.0
General expenses	(58.1)	(133.0)	(66.3)
GROSS MARGIN FROM ORDINARY OPERATIONS	133.3	380.3	113.5
Net gain (loss) on sale of securities held ...	27.0	31.8	456.3
Writebacks /writedowns in securities and investments	37.6 (A)	(88.1)	(318.8) (A)
Net gain (loss) on exchange and derivative transactions	(10.0)	4.1	(14.2)
Extraordinary charges substantial (initial leasing instalment)	—	—	(26.1)
MARGIN BEFORE TAXATION AND PROVISIONS	187.9	328.1	210.7
Transfers to credit risks	(41.3) (A)	(82.6)	(40.0) (A)
Accelerated depreciation and amortisation	(1.6) (A)	(4.7)	(1.3) (A)
PRE-TAX PROFIT	145.0	240.8	169.4
Provision for income taxes	—	(89.5)	—
NET PROFIT	—	151.3	—

(A) Interim provisions.

CORPORATE FINANCE

Lendings

These comprise:

	31/12/00	30/6/01	31/12/01
	€m	€m	€m
Loans	14,648.9	14,143.6	14,253.4
Advances	122.4	86.0	61.7
	14,771.3	14,229.6	14,315.1

New loans of € 6,588.9m were contracted during the six-month period under review (31/12/00: € 6,831.1m), while disbursements totalled € 6,912m (€ 5,879.4m) and repayments € 6,826.5m (€ 5,872.7m).

Total outstandings included:

- a) a single non-performing item in an amount of € 193,000 covered by SACE credit insurance, for which legal proceedings have been initiated to settle our claim;
- b) overdue instalments amounting to € 3.4m, € 2.8m of which has been collected since the year-end (notice has been given that the balance will be paid by 31 March 2002);
- c) loans and advances to *Subsidiaries*, amounting to € 3,137.6m, broken down as follows:

	€m
<i>SelmaBipiemme Leasing</i>	889.5
<i>MB Finstrutture - Intersomer</i>	521.3
<i>Teleleasing</i>	497.6
<i>Palladio Leasing</i>	366.1
<i>Compass</i>	361.6
<i>Sade Finanziaria</i>	357.2
<i>Micos Banca</i>	141.2
<i>Seteci</i>	2.8
<i>R. & S.</i>	0.3
	3,137.6
	3,137.6

Loans and advances outstanding by maturity and amount lent were as follows at the balance sheet date:

	€m
<i>By maturity</i>	
Amounts due within 18 months	6,960.0
Amounts due between 18 and 60 months	5,906.1
Amounts due after 60 months	1,449.0
	14,315.1
	14,315.1

	€m
<i>By amount lent per borrower</i>	
Up to € 2.5m	48.8
From € 2.5m to € 7.5m	200.4
From € 7.5m to € 25m	716.5
From € 25m to € 50m	772.9
From € 50m to € 150m	1,831.7
From € 150m to € 250m	1,522.4
Over € 250m	9,222.4
	14,315.1
	14,315.1

The average interest rate paid over the six-month period by borrowers of facilities not linked to back-to-back funding was 4.92% (2000-01: 5.25%).

Capital Markets

Your Bank lead-managed three underwriting and placing syndicates for equities and convertible bonds totalling € 4,552m (€ 914m), including two rights issues of € 4,006m. We also led three selling groups which placed € 200m of debt securities, as against € 3,615m, and co-managed a further three selling groups for foreign issuers of debt securities totalling € 122m (€ 54m). We also arranged six syndicated loans in a total amount of € 15,047m (€ 28,990m).

Mergers and Acquisitions

MEDIOBANCA acted as financial advisor for M&A deals (some of which involved takeover bids) worth € 40bn (31/12/00: € 15.8bn) during the six months under review.

Trading for clients' accounts

During the six-month period such trading involved a total of € 5,224.4m, of which € 4,619.7m related to equities and € 604.7m to fixed-income securities. These transactions included 17m MEDIOBANCA shares worth a total of € 213.5m.

FUNDING AND TREASURY

Funding

This heading covers:

	31/12/00	30/6/01	31/12/01
	€m	€m	€m
Time deposits and current accounts	1,750.0	1,625.8	1,413.5
Debt securities	10,716.7	10,890.9	11,213.6
Loans from banks	2,673.6	3,417.1	3,062.1
	<u>15,140.3</u>	<u>15,933.8</u>	<u>15,689.2</u>

Time deposits and current accounts fell by € 212.3m, € 120.1m of which was attributable to certificates of deposit. The average gross rate paid to customers during the half-year ended 31 December 2001 was 3.52% (2000-01: 3.98%).

The € 322.7m increase in *debt securities in issue* is due to new issues of € 869.8m and interest accruals of € 55.3m, as against conversions and redemptions of € 589.8m and exchange adjustments of € 12.6m. Of the new issues, € 776.8m were bonds linked to market indicators, while € 90m involved credit-linked bonds. The average interest rate paid on our bonds, excluding those issued in respect of back-to-back loans, was 4.11% over the six-month period, as against 4.64% in the previous financial year. Debt securities in issue at 31 December 2001 are listed in Table I.

Loans from banks comprise interbank facilities amounting to € 2,499.4m (of which € 2,188m was raised through *Mediobanca International*) and *EIB funds* of € 562.7m.

Funding by maturity as at 31 December 2001 was as follows:

Maturity	Time deposits and current accounts	Debt securities	EIB and bank funding	Total
	€m	€m	€m	€m
Up to 18 months	1,213.9	2,004.9	889.2	4,108.0
18-60 months	199.6	6,458.3	1,847.4	8,505.3
Over 60 months	—	2,750.4	325.5	3,075.9
	<u>1,413.5</u>	<u>11,213.6</u>	<u>3,062.1</u>	<u>15,689.2</u>

Treasury securities

This heading covers:

	31/12/00	30/6/01	31/12/01
	€m	€m	€m
Cash and bank balances	711.7	1,209.1	607.5
Fixed-interest securities	2,249.2	3,016.0	3,872.0
Equities	71.6	169.3	202.9
Forward transactions less securities lending transactions and technical shortfall	(1,141.6)	(508.5)	(643.2)
	<u>1,890.9</u>	<u>3,885.9</u>	<u>4,039.2</u>

Cash and bank balances decreased by € 601.6m. This item includes € 415m in short-term deposits and € 31.6m constituting our compulsory reserve at the Bank of Italy.

Fixed-interest securities increased by € 856m. As at 31 December 2001, 67.4% of the portfolio consisted of Italian Government securities, 6.2% Mediobanca debt securities and the balance of sundry other securi-

ties denominated in euros and other currencies. Bonds due for redemption within twelve months represented 21.1% of the total and 32.4% of our fixed-interest portfolio. A breakdown of the portfolio and movements therein is given in Table II, which shows unrealised gains over book value totalling € 13.5m based on average market prices in December 2001, as against net losses of € 7.4m which have been written down on an interim basis. Movements during the period under review involved a total amount of € 293bn, of which € 147bn related to purchases and subscriptions and € 146bn to sales and redemptions. The figures include purchases and sales of € 137bn involving forward investment and funding transactions. The overall yield on treasury transactions (net of writedowns and excluding gains accumulated during the period under review) was 4.96% compared with 5.95% last year.

Trading in *equities* involved purchases of € 3,170.4m and sales (at cost) of € 3,127.3m. At € 202.9m, holdings at the year-end showed a gain of € 3.5m after net interim writedowns of € 8.5m and downward exchange adjustments of € 1m.

Trading in repos involved lending transactions of € 860.5m and borrowings of € 956.8m. Our counterparties in the lending transactions were banks as to € 788.1m and financial companies as to € 72.4m. Those involved in the borrowings were banks as to € 846.4m, financial companies as to € 71.2m and customers as to € 39.2m. This item includes stock lending of € 528.3m and technical shortfalls of € 547m.

INVESTMENT SECURITIES

These consist of:

	31/12/00	30/6/01	31/12/01
	€m	€m	€m
Debt securities	10.1	24.1	108.7
Other investments	3,143.8	2,898.9	2,501.9
Investments in Group undertakings	109.7	102.5	118.0
Total investment securities	<u>3,263.6</u>	<u>3,025.5</u>	<u>2,728.6</u>

The composition of our portfolio and movements therein during the period under review are given in Table III. This shows a surplus of market price over book value of € 5,090.1m based on average prices in the six months ended 31 December 2001, or € 4,434.4m based on quotations as at 15 March 2002, after net interim writedowns charged on 31 December 2001.

In addition to the transfer of Generali shares resulting from the Euralux merger, movements during the half-year involved purchases and subscriptions of € 357.2m and divestments of € 581.5m. Details are as follows:

Amounts bought and subscribed

Assicurazioni Generali: as a result of the Euralux merger, 48.9m Generali shares were acquired and transferred to the Bank's accounts at a book value of € 230.3m. As at 31 December 2001, Mediobanca's holding of 159,212,892 Generali shares, carried at a book value of € 662.7m, represented 12.48% of the company's share capital. At the same date, our subsidiaries *Compass*, *Sade Finanziaria* and *Spafid* together held a further 1.12% in *Generali*, taking the Group's holding to a total of 13.6%.

Commerzbank: we purchased 2.3m shares for an outlay of € 63m.

Olivetti: we increased our holding by 97.4m shares, involving an outlay of € 153.2m. We also subscribed for a principal amount of € 63.5m in 2010 convertible bonds, which involved an outlay of € 56.9m.

Dieci/Burgo: we acquired stock worth a nominal € 12.5m in *Dieci S.r.l.* involving an outlay of € 18.8m. In December 2001 *Dieci* merged with *Burgo*, took on the latter's name and became a public limited company.

Athena Private Equity: the book value of our holding of 2.7m shares was increased by € 13.7m as a result of a capital call.

Sade Finanziaria: we paid a capital call of € 15.5m.

Disposals

Montedison: we tendered our entire holding under the terms of *Italenergia*'s takeover bid, involving a divestment of € 403.1m and yielding a gain of € 831.7m.

Consortium: we sold our entire shareholding, involving a divestment of € 144.4m and yielding a gain of € 171.7m.

Interim adjustments were made to the stocks listed below as follows:

Writedowns

	€m
<i>Olivetti</i>	69.4
<i>Commerzbank</i>	57.3
<i>Banca Intesa</i> ordinary	54.5
<i>Banca di Roma</i>	46.2
<i>Mediolanum</i>	38.2
<i>Finmeccanica</i>	18.6
<i>Gemina</i>	13.5
<i>Banca Esperia</i>	2.5
<i>Others</i>	5.0
	<u>305.2</u>

Writebacks

	€m
<i>Olivetti</i> 2010 convertible bonds	1.8
<i>AMB</i>	0.5
	<u>2.3</u>

Since the year-end, the main movements in our investments have involved:

- *Olivetti*: we purchased 27.5m shares for an outlay of € 41.6m;
- *FIAT*: we subscribed for 1.4m shares with warrants for an outlay of € 22m.

Financial accounts with Group undertakings and other ‘related parties’ as at 31 December 2001 are summarized below:

	Companies controlled directly and indirectly by the Bank	Other ‘related parties’ ⁽¹⁾
	€m	€m
Accounts receivable	3,141.2	2,029.5
Accounts payable	2,234.0	10.2
Guarantees given and commitments ...	5,937.9	500.5
Interest received	67.3	65.4
Interest paid	46.8	11.2
Fee income	(1.6)	0.6
Other expenses	1.1	0.1

⁽¹⁾ Mainly companies in which Mediobanca has a stake of over 10%.

All such accounts are maintained on an arm’s length basis. No ‘atypical’ or ‘unusual’ transactions have been entered into with these companies. There are no shareholders in your Bank in a ‘controlling position’.

OTHER INFORMATION

Provisions consist of:

- The *Provision for taxation* amounting to € 195.8m;
- The *Staff termination indemnity provision* amounting to € 12.3m, which covers all indemnities due to our staff as at 31 December 2001.

Shareholders' equity comprises:

- *Share capital* amounting to € 389.3m, which reflects an increase of € 57.5m as a result of:
 - the share capital being rounded down on its conversion into euros, with the resulting surplus of € 10.6m being credited to *Legal reserve*;
 - the issue of 136.2m new shares worth a nominal € 68.1m when Euralux was merged into Mediobanca, and a further 172,500 new shares upon exercising a like number of stock options;
- *Reserves and retained earnings* amounting to € 3,188.8m, an increase of € 238.8m. This heading comprises the following items:
 - the *Legal reserve* amounting to € 77.9m, and the *Statutory Reserve*, which now stands at € 1,033.3m. These reserves increased by € 16.1m and € 44.4m respectively as a result of the changes to the Bank's share capital mentioned earlier and the profit appropriations approved at the Bank's Annual General Meeting held on 29 October 2001;
 - the *Share premium reserve* amounting to € 1,807m. This reflects an increase of € 1.2m due to the exercise of stock options;
 - a *merger surplus* of € 262.9m, showing an increase of € 177.1m arising from the Euralux merger;
 - *Revaluation reserves under Laws 72/83 and 413/91* totalling € 7.6m;
 - *Retained earnings* of € 99,000.
- *The general banking risks provision* amounting to € 638.9m.
- *Credit risks provisions* amounting to € 194.6m, after an interim provision of € 40m.

Derivatives

Your Bank makes use of derivatives on a highly conservative basis, principally to hedge market risks involving our assets and liabilities. As usual, Table V shows all our open positions at the balance sheet date together with information on their credit quality in accordance with the criteria set out in the Bank of Italy regulations. This reflects a potential risk for our counterparties (which are all highly rated banks and financial companies) of € 231.6m (30/06/01: € 158.2m) and a market risk of € 613.6m (€ 396.6m). Our current exposure is € 181m (€ 187.4m), taking into account deposits made by our counterparties. There has been an increase in all areas, with our exposure to equity and equity index contracts rising from 0.8% to 1.2% of the notional principal amount, exposure to interest rate swaps from 1.41% to 2.83%, and that to foreign exchange rates from 0.33% to 0.37%.

PROFIT AND LOSS ACCOUNT

Interest margin

	31/12/00	30/6/01	31/12/01
	€m	€m	€m
Loan interest	367.4	717.7	313.2
Interest and other income from treasury transactions	68.4	143.5	111.8
Dividends and tax credits thereon (*)	8.1	146.8	0.3
	<u>443.9</u>	<u>1,008.0</u>	<u>425.3</u>
Less Cost of funding	<u>(335.3)</u>	<u>(667.9)</u>	<u>(320.5)</u>
	<u>108.6</u>	<u>340.1</u>	<u>104.8</u>

(*) Includes € 1.7m, € 46.2m and € 43,000 respectively in tax credits on dividends.

The interest margin is substantially unchanged from that recorded in the same period last year, with a modest fall in the spread virtually offsetting an increase in volumes traded.

	6 months to 31/12/00		12 months to 30/6/01		6 months to 31/12/01	
	Average balance (€m)	Rate (*) %	Average balance (€m)	Rate (*) %	Average balance (€m)	Rate (*) %
<i>Interest-earning assets</i>	19,878.0	5.11	19,770.4	5.09	21,350.7	4.58
Interest-bearing liabilities ...	15,987.2	4.31	15,831.6	4.32	16,828.7	3.88
Non-interest bearing funds ...	3,890.8	—	3,938.8	—	4,522.0	—
<i>Total sources of funds</i>	19,878.0	3.47	19,770.4	3.46	21,350.7	3.06
Margin on rates		0.80		0.77		0.70
Gross effective margin on interest-earning assets		1.64		1.63		1.52

(*) Excludes gains on securities, derivative contracts and bank commissions. Dividends for the half-year periods have been calculated on a pro-rata basis.

Commissions received and general expenses

The main items under the heading of *commissions and other income received* were securities placing fees of € 28.7m (31/12/00: € 18.5m), commissions on guarantees of € 21.9m (€ 33.7m), fees earned from corporate advisory services of € 16.2m (€ 25.1m) and securities trading commissions of € 4.4m (€ 2.4m) received from clients. This item also includes extraordinary gains of € 0.7m, € 1.6m in rent received and € 1.5m in expenses recovered from clients.

The main items under the heading of *general expenses* were:

- *bank charges* of € 10.7m (€ 14.6m) consisting almost entirely of commissions on funding instruments;

- *labour costs* of € 25m (€ 21.9m), reflecting an increase in the headcount;
- *sundry expenses* of € 30.6m (€ 21.5m), of which € 3.2m represent charges relating to the regular lease on the premises acquired in Via Filodrammatici (to which should be added the substantial initial instalment of € 26.1m which has been accounted for separately), and € 1.3m in interest paid on instalments of our substitutive tax liability arising from the franking of the *Credit risks provision*.

* * *

A brief review of the performance of Mediobanca's main subsidiaries during the period is given below.

THE COMPASS GROUP

Compass is the parent company of all Mediobanca's financial service subsidiaries. The Compass group's consolidated highlights as at 31 December 2001 reflect lendings totalling € 5,359m (30/6/01: € 5,066m), 60% of which derives from leasing and 40% from consumer credit and mortgage loans. Earnings from ordinary operations amounted to € 57.5m (€ 38.3m), representing a net profit attributable to your Bank of € 20.8m after writedowns and provisions totalling € 27.1m (as against € 10.3m and € 23m as at 31 December 2000) and interim losses on listed securities of € 5.3m. The period under review saw growth in all the financial service businesses compared with the previous financial year, with total funds of € 1,286.9m being disbursed as against € 1,146.8m at 31 December 2000, representing an increase of 12.2%. A review of the individual companies' results follows.

- *COMPASS S.p.A.*: profit before tax was € 12.7m (31/12/00: € 6.6m), after losses on listed securities of € 5.3m. Loans outstanding at the year-end totalled € 1,720.3m, compared with € 1,658.1m at 30 June 2001. At the end of December Compass acquired 100% of Creditech S.p.A., a credit servicing company.

- *COFACTOR S.p.A.*: Cofactor recorded a profit of € 1.7m, as against a loss of € 10,000 in the second half of 2000. At the year-end receivables under management totalled € 361m, carried at a book value of € 31.8m (compared with € 348.4m at 30 June 2001 carried at a book value of € 32.6m).
- *MICOS BANCA SpA*: Micos Banca's profit before tax was € 573,000 as against € 119,000 in the six months ended 31 December 2000. Loans outstanding at 31 December 2001 amounted to € 435m (30/06/01: € 360m).
- *SELMABIPIEMME LEASING S.p.A.*: a pre-tax profit of € 8.8m (31/12/00: € 3.8m) was earned during the period. At the year-end the net value of goods on or pending lease was € 1,503.6m, as against € 1,479.7m at 30 June 2001.
- *PALLADIO LEASING S.p.A.*: a pre-tax profit of € 5.1m (31/12/00: € 5.9m) was earned in the first half of the financial year. At the year-end the net value of goods on or pending lease was € 653.2m (30/06/01: € 585.8m).
- *TELELEASING S.p.A.*: a pre-tax profit of € 7.2m was earned (31/12/00: € 169,000). At the year-end the net value of goods on or pending lease was € 811.1m as against € 790.5m at 30 June 2001.

The performance of Mediobanca's other main subsidiaries is briefly reviewed below:

- *SPAFID - Società per Amministrazioni Fiduciarie S.p.A.*, Milan (100% owned): Spafid recorded a pre-tax profit of € 268,000 for the half-year, compared with € 2.5m in the six months ended 31 December 2000, after writedowns of € 594,000 in securities held.
- *MB FINSTRUTTURE - INTERSOMER S.p.A.*, Milan (100% owned): this company, which provides structured financings, recorded a profit before tax of € 2,000 in the six months ended 31 December 2001 (31/12/00: € 66,000) after transferring € 1.2m to its credit risks provision. Its lendings amounted to € 512.2m at the year-end, down from € 535.6m at 30 June 2001.

- *SAD E FINANZIARIA S.p.A.*, Milan (100% owned): this company's accounts for the half-year reflect a profit of € 1.8m, as against a loss of € 7.7m at 31 December 2000.
- *TECHNOSTART S.p.A.*, Milan (69% owned): the company's accounts for the six months ended 31 December 2001 reflect a loss of € 26,000 (31/12/00: € 15,000).
- *MEDIOBANCA INTERNATIONAL LIMITED*, Grand Cayman (100% owned): Mediobanca International earned a profit of USD 1.7m, compared with USD 3.5m in the six months ended 31 December 2000. Total deposits amounted to USD 2bn, as against USD 2.6bn at 30 June 2001.
- *TRADEVCO - The Liberian Trading and Development Bank Ltd.*, Monrovia (Liberia) (60% owned, with the remaining 40% held by *Tradevco* in the form of treasury shares): pre-tax profit for the six months under review was LRD 1.7m. Compared to 30 June 2001, lendings fell from LRD 176.3m to LRD 152.6m, while deposits were down from LRD 436.5m to LRD 324.8m.

* * *

Prospects

In the second half of our financial year the interest margin is likely to show a similar trend to the first half, barring any impact from the economic downturn on our leasing and consumer credit businesses. The adverse stock market trend will continue to reduce volume in our investment banking business considerably, as well as affecting the extent of writedowns in our securities portfolio.

* * *

Reconciliation of shareholders' equity and profit

	Shareholders' equity (€m)	Profit for the half-years (€m)
Balance as at 31 December 2001 as per interim accounts of Mediobanca S.p.A.	4,217.0 ⁽¹⁾	169.4
Net surplus over book value of consolidated companies	84.6	26.7
Exchange differences arising from translation of accounts denominated in currencies other than the Euro	14.0	—
Other adjustments and reclassifications on consolidation, including those made to comply with group accounting policies	401.1	78.3
Dividends received during the period from consolidated companies	—	(2.4)
Total	4,716.7 ⁽²⁾	272.0

⁽¹⁾ Excluding € 194.6m relating to credit risks provision.

⁽²⁾ Excluding € 13.4m relating to subsidiaries' taxed credit risk provisions.

Milan, 18 March 2002

THE BOARD OF DIRECTORS

INTERIM CONSOLIDATED ACCOUNTS

BALANCE SHEET

Assets		31/12/01	31/12/00	30/6/01
		€ '000	€ '000	€ '000
10.	CASH AND DEPOSITS WITH CENTRAL BANKS AND POST OFFICES	10,536	7,222	6,639
20.	GOVERNMENT AND QUASI-GOVERNMENT SECURITIES ELIGIBLE FOR REFINANCING AT CENTRAL BANKS	2,026,381 ⁽¹⁾	399,177	998,830
30.	AMOUNTS DUE FROM BANKS:	2,410,011	1,648,570	2,984,005
	a) deposits and loans repayable on demand	170,911	629,653	1,126,003
	b) other accounts	2,239,100	1,018,917	1,858,002
40.	AMOUNTS DUE FROM CUSTOMERS	16,640,355	16,929,218	16,915,830
	<i>of which:</i>			
	• <i>loans using funds managed for third parties</i>	—	—	—
50.	BONDS AND OTHER DEBT SECURITIES ISSUED BY:	2,243,480 ⁽²⁾	2,215,374	2,320,615
	a) government and public agencies	753,670	954,587	1,069,014
	b) banks	382,911	406,316	366,984
	<i>of which:</i>			
	• <i>own bonds</i>	71,098	23,322	22,453
	c) financial companies	595,180	487,873	519,051
	<i>of which:</i>			
	• <i>own bonds</i>	—	—	—
	d) other issuers	511,719	366,598	365,566
60.	EQUITIES, PARTICIPATING INTERESTS AND OTHER CAPITAL SECURITIES	210,654 ⁽³⁾	88,982	177,366
70.	EQUITY INVESTMENTS:	2,993,995 ⁽⁴⁾	3,505,503	3,300,913
	a) stated on net equity basis	186,639	26,438	186,641
	b) other equity investments	2,807,356	3,479,065	3,114,272
80.	INVESTMENTS IN GROUP UNDERTAKINGS:	941	103	103
	a) consolidated on net equity basis	941	103	103
	b) other investments in group undertakings	—	—	—
110.	INTANGIBLE ASSETS	1,469	1,842	1,485
	<i>of which:</i>			
	• <i>installation costs</i>	240	495	295
	• <i>goodwill</i>	—	—	—
120.	TANGIBLE FIXED ASSETS	128,723	68,299	67,243
140.	OWN SHARES	1,216	1,216	1,216
150.	OTHER ASSETS	557,952	594,893	590,519
160.	ACCRUED INCOME AND PREPAID EXPENSES:	1,100,858	979,413	1,046,695
	a) accrued income	952,271	830,199	895,332
	b) prepaid expenses	148,587	149,214	151,363
	<i>of which:</i>			
	• <i>discounts on bonds issued</i>	7,138	17,796	14,069
		28,326,571	26,439,812	28,411,459

GUARANTEES AND COMMITMENTS

		31/12/01	31/12/00	30/6/01
		€ '000	€ '000	€ '000
10.	GUARANTEES GIVEN	1,122,393	7,130,475	2,252,290
	<i>of which:</i>			
	• <i>acceptances</i>	—	—	—
	• <i>other guarantees</i>	1,122,393	7,130,475	2,252,290
20.	COMMITMENTS	7,862,195	7,025,209	8,521,381
	<i>of which:</i>			
	• <i>assets sold under repurchase agreements</i>	—	—	—
30.	CREDIT DERIVATIVES	10,000	455,000	455,000

Liabilities and shareholders' equity		31/12/01	31/12/00	30/6/01
		€ '000	€ '000	€ '000
10.	AMOUNTS DUE TO BANKS:	5,976,349	4,994,514	6,379,739
	a) repayable on demand	333,773	283,812	389,256
	b) term deposits, deposits under notice and loans	5,642,576	4,710,702	5,990,483
20.	AMOUNTS DUE TO CUSTOMERS:	435,419	884,663	891,764
	a) repayable on demand	71,012	436,774	354,768
	b) term deposits and deposits under notice	364,407	447,889	536,996
30.	DEBT SECURITIES IN ISSUE:	13,955,637	13,589,990	14,224,455
	a) bonds	11,916,326	10,139,904	10,616,570
	b) certificates of deposit	919,905	1,261,963	1,040,035
	c) other debt securities	1,119,406	2,188,123	2,567,850
50.	OTHER LIABILITIES	1,622,543	1,097,749	1,006,445
60.	ACCRUED EXPENSES AND DEFERRED INCOME:	975,640	938,542	888,335
	a) accrued expenses	719,205	689,089	621,618
	b) deferred income	256,435	249,453	266,717
70.	PROVISION FOR STAFF TERMINATION INDEMNITIES	28,341	28,260	28,573
80.	PROVISIONS FOR LIABILITIES AND CHARGES:	276,178	371,875	353,681
	a) post-retirement and similar benefits	—	—	—
	b) provision for taxation	235,962	233,542	316,813
	c) consolidated provision for future liabilities and charges	6,676	6,191	6,797
	d) other provisions	33,540	132,142	30,071
90.	CREDIT RISKS PROVISION	13,428	13,428	13,428
100.	PROVISION FOR GENERAL BANKING RISKS	317,430	317,430	317,430
110.	SUBORDINATED LIABILITIES	—	—	—
120.	SURPLUS ON CONSOLIDATION	84,568	85,058	84,568
140.	NET EQUITY ATTRIBUTABLE TO MINORITY SHAREHOLDERS	53,137	47,429	49,032
150.	SHARE CAPITAL	389,262	331,650	331,650
160.	SHARE PREMIUM RESERVE	1,806,949	1,805,791	1,805,791
170.	RESERVES:	2,106,058	1,720,507	1,725,786
	a) legal reserves	77,852	61,784	61,784
	b) reserve for purchase of own shares and participating interests	1,216	1,216	1,216
	c) statutory reserves	1,033,329	1,051,371	988,914
	d) other reserves	993,661	606,136	673,872
180.	REVALUATION RESERVES	13,514	12,699	13,514
190.	RETAINED EARNINGS (ACCUMULATED LOSSES)	99	42	42
200.	PROFIT (LOSS) FOR THE PERIOD	272,019 ⁽⁵⁾	200,185 ⁽⁵⁾	297,226
		28,326,571	26,439,812	28,411,459

⁽¹⁾ Net of interim adjustments amounting to € 2,618,000, including interim writebacks of € 1,064,000.

⁽²⁾ Net of interim adjustments amounting to € 8,875,000, including interim writebacks of € 3,095,000.

⁽³⁾ Net of interim adjustments amounting to € 11,915,000, including interim writebacks of € 2,795,000.

⁽⁴⁾ Net of interim adjustments amounting to € 304,887,000, including interim writebacks of € 456,000.

⁽⁵⁾ Including provision for income taxes.

PROFIT AND LOSS ACCOUNT

	6 months to 31/12/01	6 months to 31/12/00	12 months to 30/6/01
	€ '000	€ '000	€ '000
10. INTEREST RECEIVABLE AND SIMILAR INCOME	668,800	626,384	1,295,264
<i>of which:</i>			
• <i>loans and advances to customers</i>	495,986	497,313	1,011,772
• <i>debt securities</i>	83,454	72,456	151,627
20. INTEREST PAYABLE AND SIMILAR EXPENSES	(475,744)	(464,192)	(961,785)
<i>of which:</i>			
• <i>customer deposits</i>	(16,478)	(12,825)	(29,608)
• <i>securities issued</i>	(342,557)	(350,849)	(695,445)
30. DIVIDENDS FROM AND OTHER INCOME ON:	350	8,055	152,131
a) equities, participating interests and other capital securities	—	733	5,118
b) equity investments	350	7,322	147,013
c) investments in Group undertakings	—	—	—
40. COMMISSIONS RECEIVABLE	81,304	88,883	186,573
50. COMMISSIONS PAYABLE	(26,185)	(22,753)	(56,617)
60. GAINS (LOSSES) ON DEALING TRANSACTIONS	(20,963)	2,250	20,932
70. OTHER INCOME FROM OPERATIONS	119,488	74,480	204,810
80. ADMINISTRATIVE EXPENSES:	(100,334)	(90,167)	(195,617)
a) personnel costs	(48,747)	(46,549)	(96,740)
<i>of which:</i>			
• <i>wages and salaries</i>	(35,743)	(32,539)	(68,038)
• <i>social security contributions</i>	(9,861)	(9,960)	(20,185)
• <i>transfer to termination indemnity provision</i>	(2,506)	(2,357)	(5,700)
• <i>post-retirement and similar benefits</i>	(637)	(1,693)	(2,817)
b) other administrative expenses	(51,587)	(43,618)	(98,877)
90. ADJUSTMENTS TO INTANGIBLE AND TANGIBLE FIXED ASSETS	(4,826)	(5,041)	(11,635)
100. TRANSFER TO PROVISIONS FOR LIABILITIES AND CHARGES	(7,562)	(4,623)	(12,494)
110. OTHER OPERATING EXPENSES	(96,740)	(53,445)	(161,910)
120. ADJUSTMENTS TO LOANS AND PROVISIONS FOR GUARANTEES AND COMMITMENTS	(21,081)	(19,880)	(45,546)
130. WRITEBACKS OF LOANS AND PROVISIONS FOR GUARANTEES AND COMMITMENTS	1,389	1,531	2,825
140. TRANSFERS TO CREDIT RISKS PROVISION	—	—	—
150. ADJUSTMENTS TO FINANCIAL ASSETS	(305,722)	(26,402)	(159,761)
160. WRITEBACKS TO FINANCIAL ASSETS	2,250	58,416	52,900
170. PROFIT (LOSS) ON INVESTMENTS STATED ON NET EQUITY BASIS	—	—	126
180. PROFIT (LOSS) ON ORDINARY ACTIVITIES	(185,576)	173,496	310,196
190. EXTRAORDINARY INCOME	467,359	88,708	398,192
200. EXTRAORDINARY EXPENDITURE	(3,281)	(57,034)	(278,715)
210. EXTRAORDINARY PROFIT (LOSS)	464,078	31,674	119,477
230. CHANGE IN PROVISION FOR GENERAL BANKING RISKS	—	—	—
240. INCOME TAXES	—	—	(126,172)
250. PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE TO MINORITY INTERESTS	(6,483)	(4,985)	(6,275)
260. PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP	272,019 ⁽¹⁾	200,185 ⁽¹⁾	297,226

⁽¹⁾ Including transfer to provision for income taxes.

ACCOUNTING POLICIES

Methods of consolidation and accounting policies

Scope of consolidation

The consolidated interim accounts comprise the results of MEDIOBANCA S.p.A. (the “Bank” or “Parent Company”) and those of its directly or indirectly controlled subsidiaries engaged in banking or financial services or solely or principally in activities of a substantially similar nature. The Bank’s other significant equity investments have been consolidated using the net equity method. During the past financial year an interest was acquired in *Banca Esperia*, giving Mediobanca joint control of this new entity, as defined in Article 35 of Decree Law 87/92. As the company is at the start-up stage, it has been included on the net equity basis until further notice.

All other equities, rights and participating interests are stated at book value determined on the same basis as in the Bank’s accounts. Exceptions to these principles are explained in detail in the review of the Bank’s operations and in its accompanying schedules.

Basis of consolidation

Group subsidiaries have been consolidated on the line-by-line basis, by combining their earnings, expenses, assets and liabilities, and by eliminating equity and intra-group accounts against the carrying value of the underlying investments.

Net differences arising when the accounts were first consolidated as at 30 June 1994, have been recorded in the item *Negative goodwill on consolidation* or *Consolidated provision for future liabilities and charges*. No positive goodwill on consolidation has been attributed to any assets.

The portion of net equity and share of profit for the period attributable to minority interests has been stated as *Net equity attributable to minority shareholders*.

Currency

Amounts are expressed in thousands of euros, unless otherwise indicated.

Accounts expressed in foreign currencies

Accounts of subsidiaries denominated in currencies other than the euro have been translated into euros at exchange rates ruling on 31 December. Exchange differences against net equity arising when the accounts were first consolidated as at 30 June 1994 have been taken to *Other reserves*.

Accounts used for consolidation

The consolidated accounts have been prepared from the financial statements of the individual subsidiaries as at 31 December, restated where appropriate on a basis consistent with the format adopted for the Parent Company's accounts, and also adjusted to eliminate amounts charged to the profit and loss account solely to achieve tax benefits.

Leasing companies have been consolidated on the basis of their accounts prepared according to the finance lease method as prescribed by IASC No. 17.

Loans and advances

Loans and advances are stated at their estimated realisable value. Where there is a reasonable probability of a loss being incurred, the item concerned is written down accordingly and charged to profit and loss account under *value adjustments*. If the loss does not eventually crystallise, the amount concerned is credited back to profit and loss account in a subsequent accounting period under *writebacks*.

All default interest accrued during the period under review is suspended in the relevant provision, and is credited to profit and loss account only when actually collected.

Fixed-interest securities

These are broken down as between:

- a) *non-investment securities*, held for use in treasury operations, and
- b) *investment securities*, which consist of convertible bonds and are accordingly held by the Bank on a long-term basis, being of the same nature as equity investments.

Listed securities and commitments to buy and sell such securities are stated at the lower of cost and market value, based on the average price in December in the case of non-investment securities, and on the average price in the six months ended 31 December in the case of investment securities.

Unlisted securities are stated at the lower of cost and estimated realization value based on specific criteria such as discounting future cash flows on the basis of expected returns, the issuer's degree of solvency, and market prices of similar listed shares.

Pursuant to Decree Law 250/95, an accrued "margin" is added to the cost of securities issued at below par value.

Exceptions to these principles are described in detail in the review of the Bank's operations and its accompanying schedules.

Writebacks in whole or in part of amounts written down in prior years are made only where the circumstances that gave rise to the original writedown no longer subsist.

On disposal, the proceeds of securities sold are credited to earnings using the weighted average cost method.

Non-investment equities

These are shares held for dealing purposes, which are stated at the lower of cost and market value on the basis of average prices in the month of December.

On disposal, the proceeds of securities sold are credited to earnings using the weighted average cost method.

Stock units held in SICAVs

These are investment units included under the item *Equities, Participating Interests and Other Capital Securities*. They are stated at the lower of cost and net asset value at the balance sheet date, consistent with this particular type of investment.

Equity investments

These comprise all equities, rights and participating interests the Bank has acquired over the years as long-term investments to safeguard its asset base in real terms and with the intention of contributing to a stable ownership structure in investee companies.

Equity investments are stated at cost ⁽¹⁾ adjusted, where appropriate, to reflect statutory monetary revaluations and writedowns (in the case of listed securities) to market value at the balance sheet date and (in the case of unlisted securities) to the net equity of the business concerned at that date. In the Bank's accounts for years up to and including that ended 30 June 1993, the market value taken for purposes of determining such writedowns was average middle market price in the fourth quarter of the period. Starting from the year ended 30 June 1994, market value has been based on average market price in the last half. Writebacks in whole or in part of amounts written down in prior years are made only where the circumstances that gave rise to the original writedown no longer subsist.

Exceptions to these principles are described in detail in the review of the Bank's operations and its accompanying schedules.

On disposal, the proceeds of equity investments sold are credited to earnings using the LIFO method.

Tangible and intangible assets

These are stated at cost.

Property values include statutory monetary revaluations and annual depreciation charges. The net book value of properties does not exceed their market value.

The capital cost of furniture, equipment and intangible assets is generally written off in the year of acquisition, since once acquired, their market value becomes insignificant. However, this principle does not apply in the case of some companies which, owing to the nature of their business, write down the capital cost of these items gradually on the basis of their remaining useful life.

⁽¹⁾ Additions are made to the cost of investments in venture capital companies as and when payments are made into the funds managed by such companies.

Debt

This is stated at face value, except in the case of zero coupon and one coupon bonds, the stated total value of which corresponds to the amount due at the balance sheet date.

Provision for liabilities and charges

Allocations covering current and deferred income taxes are made to the *Provision for taxation* under current tax regulations. Following the official introduction into Italian accounting practice of the principle of deferring advance tax, as sanctioned by the Bank of Italy on 3 August 1999, advance tax was recognised in your Bank's accounts as a deferred tax asset as from the year ended 30 June 2000 provided there is a reasonable certainty of it being recovered. On a prudential basis, such tax is so recognised where, according to budget projections, taxable income will be such as to enable the temporary differences that led to the advance payment to be fully reversed. Details of the items and amounts concerned can be found in Part B of the Notes to the Accounts.

Other provisions cover specific or likely risks, commitments and liabilities which could not be quantified at the year-end.

Guarantees and commitments

Guarantees and commitments which involve exposures are stated at the value of the underlying transactions using the same principles as accounts receivable.

Foreign currency translation

Assets and liabilities in non-EMU currencies are expressed in euros at rates of exchange ruling at the year-end, with the exception of:

- a) investments, which are stated at historic exchange rates, unless they have been written down since acquisition;
- b) the portion of term loans formally denominated in non-EMU currencies granted under intergovernmental agreements and special legislation is stated at its euro equivalent ruling on the date of disbursement, since all exchange risks are covered by Italian State credit insurance policies or contractual guarantees.

Off-balance sheet transactions, including derivatives, in non-EMU currencies are stated on the following basis:

- a) at the exchange rates ruling at the year-end, in the case of spot transactions pending settlement;
- b) at the price ruling at the year-end for maturities corresponding to those in the contract, in the case of forward contracts;
- c) in a manner consistent with the underlying on-and off-balance sheet assets and liabilities in the case of hedging transactions or deals related to them.

Off-balance sheet transactions

Off-balance sheet hedging transactions to cover off-and on-balance sheet assets and liabilities are stated on a basis consistent with the position hedged.

Other off-balance sheet transactions involving derivatives are stated at the lower of contract price and market value, with the proviso that all interlinked contracts are stated on a net basis.

Market value is defined as the present value of expected future cash flow, or replacement value, based on rates ruling at the balance sheet date for maturities corresponding to those in the contract, as recorded on information circuits in current international use.

Margins on swaps are accrued on a pro-rata basis.

Securities to be received or delivered under contracts pending settlement at the year-end are stated on the same basis as fixed-interest securities, equities held for trading purposes, stock held in SICAVs and investments in group companies, as the case may be.

Other Items

Commissions paid to agents and financial consultants in the Group's consumer credit and leasing businesses are charged to profit and loss account in the accounting period during which the underlying contracts are executed.

On a conservative basis, interest on securities arising from the restructuring of sovereign debt is taken to profit and loss account as and when received.

2. Tax adjustments and provisions

2.1. *Value adjustments made solely to comply with tax regulations*

No such adjustments have been made.

2.2. *Provisions made solely to comply with tax regulations*

No such provisions have been made.

NOTES TO THE CONSOLIDATED BALANCE SHEET

1. Segmental information

1.a *Loans and advances to customers by category of borrower (Asset heading 40)*

	31/12/01 € '000	31/12/00 € '000	30/6/01 € '000
a) Governments	300,283	329,853	315,264
b) Other public agencies	119,604	143,606	120,124
c) Non-financial undertakings	6,556,252	6,136,187	6,602,941
d) Financial companies	6,017,901	7,794,150	7,196,761
e) Insurance companies	6,873	1,165	—
f) Family firms	247,468	40,126	55,804
g) Other borrowers	3,391,974	2,484,131	2,624,936
	16,640,355	16,929,218	16,915,830

1.b *Loans and advances to domestic non-financial undertakings and family firms by industry (*)*

	31/12/01 € '000	31/12/00 € '000	30/6/01 € '000
a) Energy	1,048,596	1,071,493	1,200,944
b) Communications	927,567	627,944	139,283
c) Other services for sale	881,987	787,245	786,094
d) Ships, motor vehicles, aircraft and rolling stock	531,469	276,751	522,832
e) Minerals and non-ferrous mineral products	359,186	35,909	431,389
f) Other industries	2,155,198	2,955,299	2,810,398
	5,904,003	5,754,641	5,890,940

(*) Restated.

1.c *Guarantees given by category of counterparty (Heading 10 under Guarantees and Commitments)*

	31/12/01 € '000	31/12/00 € '000	30/6/01 € '000
a) Governments	—	—	—
b) Other public agencies	—	—	—
c) Banks	—	265	188
d) Non-financial undertakings	605,785	6,476,228	762,724
e) Financial companies	516,591	653,982	1,489,378
f) Family firms	—	—	—
g) Other borrowers	17	—	—
	1,122,393	7,130,475	2,252,290

2. Significant exposures

	31/12/01	31/12/00	30/6/01
a) Total risk-weighted amount (€ '000)	9,778,847	9,658,401	9,370,612
b) Exposures (No.)	9	10	10

3. Assets and liabilities by maturity

	Repayable									Perpetual	Total	
	On demand	Not more than 3 months	Over 3 months but not more than one year	Over 1 year but not more than 18 months		Over 18 months but not more than 5 years		Over 5 years				
				Fixed rate	Floating rate	Fixed rate	Floating rate	Fixed rate	Floating rate			
€ '000	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000	
1. ASSETS												
as at 31/12/01	600,280	9,841,643	10,336,879	781,627	1,771,849	5,623,687	6,533,292	4,438,956	2,645,594	202,524	42,776,331	
<i>as at 31/12/00</i>	<i>1,016,737</i>	<i>8,388,465</i>	<i>8,165,458</i>	<i>809,030</i>	<i>1,842,948</i>	<i>3,927,455</i>	<i>8,181,711</i>	<i>6,267,912</i>	<i>2,523,157</i>	<i>344,388</i>	<i>41,467,261</i>	
<i>as at 30/6/01</i>	<i>2,212,531</i>	<i>8,706,850</i>	<i>8,894,857</i>	<i>926,212</i>	<i>2,114,298</i>	<i>5,323,563</i>	<i>8,180,770</i>	<i>4,405,857</i>	<i>2,443,538</i>	<i>387,296</i>	<i>43,595,772</i>	
1.1 Government securities eligible for refinancing	311,617	34,698	295,165	—	145,381	544,820	155,960	181,092	357,648	—	2,026,381	
	—	<i>8,855</i>	<i>84,985</i>	<i>340</i>	<i>44,189</i>	<i>2,742</i>	<i>181,938</i>	<i>74,470</i>	<i>1,658</i>	—	<i>399,177</i>	
	10,010	34,200	209,928	—	84,688	167,378	390,051	100,917	1,658	—	998,830	
1.2 Amounts due from banks	170,911	1,832,467	204,676	2,888	44,991	19,290	72,722	28,043	—	34,023	2,410,011	
	<i>629,649</i>	<i>224,693</i>	<i>465,438</i>	<i>1,796</i>	<i>99,786</i>	<i>12,022</i>	<i>147,057</i>	<i>24,410</i>	—	<i>43,719</i>	<i>1,648,570</i>	
	1,126,003	532,940	1,093,851	2,478	82,367	16,068	66,336	26,979	—	36,983	2,984,005	
1.3 Amounts due from customers	106,392	2,627,074	3,046,443	645,939	1,100,507	2,766,834	4,230,297	394,021	1,554,347	168,501	16,640,355	
	<i>203,473</i>	<i>2,199,929</i>	<i>3,645,692</i>	<i>511,134</i>	<i>661,929</i>	<i>2,877,618</i>	<i>3,892,268</i>	<i>552,482</i>	<i>2,084,024</i>	<i>300,669</i>	<i>16,929,218</i>	
	86,208	2,327,792	3,073,085	763,783	872,534	2,826,215	4,200,878	510,083	1,904,939	350,313	16,915,830	
1.4 Bonds and other debt securities	11,360	29,899	134,856	117,800	970	431,933	390,836	627,275	498,551	—	2,243,480	
	—	<i>3,456</i>	<i>129,961</i>	<i>27,578</i>	<i>296,774</i>	<i>248,868</i>	<i>789,576</i>	<i>491,098</i>	<i>228,063</i>	—	<i>2,215,374</i>	
	—	157,305	474,981	4,951	157,640	433,670	385,965	489,919	216,184	—	2,320,615	
1.5 Off-balance sheet instruments ⁽¹⁾	—	5,317,505	6,655,739	15,000	480,000	1,860,810	1,683,477	3,208,525	235,048	—	19,456,104	
	<i>183,615</i>	<i>5,951,532</i>	<i>3,839,382</i>	<i>268,182</i>	<i>740,270</i>	<i>786,205</i>	<i>3,170,872</i>	<i>5,125,452</i>	<i>209,412</i>	—	<i>20,274,922</i>	
	990,310	5,654,613	4,043,012	155,000	917,069	1,880,232	3,137,540	3,277,959	320,757	—	20,376,492	
2. LIABILITIES												
as at 31/12/01	542,333	11,515,051	10,625,901	1,673,761	736,826	7,672,249	2,382,352	3,311,754	1,331,252	30	39,791,509	
<i>as at 31/12/00</i>	<i>1,536,454</i>	<i>11,707,973</i>	<i>10,991,785</i>	<i>914,769</i>	<i>1,520,273</i>	<i>5,081,755</i>	<i>2,664,474</i>	<i>4,421,863</i>	<i>829,653</i>	<i>9</i>	<i>39,669,008</i>	
<i>as at 30/6/01</i>	<i>2,043,297</i>	<i>11,273,632</i>	<i>11,336,108</i>	<i>1,176,510</i>	<i>975,074</i>	<i>8,066,410</i>	<i>2,822,244</i>	<i>2,694,680</i>	<i>1,452,285</i>	—	<i>41,840,240</i>	
2.1 Amounts due to banks	333,773	2,823,696	892,973	6,441	474,582	49,042	897,512	—	498,330	—	5,976,349	
	<i>283,801</i>	<i>2,711,803</i>	<i>604,527</i>	<i>10,191</i>	<i>386,137</i>	<i>163,966</i>	<i>524,169</i>	<i>97,990</i>	<i>211,930</i>	—	<i>4,994,514</i>	
	389,256	2,654,547	1,837,580	6,193	349,755	52,599	698,400	2,860	388,549	—	6,379,739	
2.2 Amounts due to customers	71,012	220,666	140,765	444	—	2,319	—	183	—	30	435,419	
	<i>447,530</i>	<i>236,834</i>	<i>114,037</i>	<i>750</i>	<i>67,823</i>	<i>2,095</i>	<i>15,494</i>	<i>91</i>	—	<i>9</i>	<i>884,663</i>	
	354,768	194,995	140,906	—	41,317	2,568	15,494	206	141,510	—	891,764	
2.3 Debt securities in issue:	137,548	860,758	1,354,938	1,085,843	172,244	6,654,303	1,068,703	1,790,895	830,405	—	13,955,637	
	<i>50,615</i>	<i>520,048</i>	<i>2,219,755</i>	<i>509,414</i>	<i>849,353</i>	<i>3,369,708</i>	<i>2,074,390</i>	<i>3,454,149</i>	<i>542,558</i>	—	<i>13,589,990</i>	
	83,933	682,007	2,167,227	392,167	547,799	5,664,575	1,719,057	2,425,133	542,557	—	14,224,455	
• bonds	268	539,735	1,017,705	256,506	171,000	6,273,482	1,036,330	1,790,895	830,405	—	11,916,326	
	<i>310</i>	<i>115,322</i>	<i>814,071</i>	<i>186,205</i>	<i>731,457</i>	<i>2,525,049</i>	<i>1,984,992</i>	<i>3,239,940</i>	<i>542,558</i>	—	<i>10,139,904</i>	
	40,268	391,950	967,894	78,821	546,457	4,224,444	1,614,218	2,209,961	542,557	—	10,616,570	
• certificates of deposit	40,491	153,560	332,068	192,914	1,244	198,242	1,386	—	—	—	919,905	
	<i>50,293</i>	<i>205,392</i>	<i>519,243</i>	<i>267,810</i>	<i>4,196</i>	<i>213,364</i>	<i>1,665</i>	—	—	—	<i>1,261,963</i>	
	43,499	149,842	436,547	207,958	1,342	199,241	1,606	—	—	—	1,040,035	
• other debt securities	96,789	167,463	5,165	636,423	—	182,579	30,987	—	—	—	1,119,406	
	<i>12</i>	<i>199,334</i>	<i>886,441</i>	<i>55,399</i>	<i>113,700</i>	<i>631,295</i>	<i>87,733</i>	<i>214,209</i>	—	—	<i>2,188,123</i>	
	166	140,215	762,786	105,388	—	1,240,890	103,233	215,172	—	—	2,567,850	
2.4 Subordinated liabilities	—	—	—	—	—	—	—	—	—	—	—	
	—	—	—	—	—	—	—	—	—	—	—	
	—	—	—	—	—	—	—	—	—	—	—	
2.5 Off-balance sheet instruments ⁽¹⁾	—	7,609,931	8,237,225	581,033	90,000	966,585	416,137	1,520,676	2,517	—	19,424,104	
	<i>754,508</i>	<i>8,239,288</i>	<i>8,053,466</i>	<i>394,414</i>	<i>216,960</i>	<i>1,545,986</i>	<i>50,421</i>	<i>869,633</i>	<i>75,165</i>	—	<i>20,199,841</i>	
	1,215,340	7,742,083	7,190,395	778,150	36,203	2,346,668	389,293	266,481	379,669	—	20,344,282	

⁽¹⁾ Mainly involving treasury transactions relating to securities and foreign currency dealing, and derivative contracts involving securities, interest rates and exchange rates.

4. Assets and liabilities by geographical area

	Italy € '000	Other EU member states € '000	Rest of the world € '000	Total € '000
1. ASSETS				
as at 31/12/01	20,388,808	2,244,035	898,038	23,530,881
<i>as at 31/12/00</i>	<i>22,782,207</i>	<i>1,688,295</i>	<i>316,425</i>	<i>24,786,927</i>
<i>as at 30/6/01</i>	<i>23,272,309</i>	<i>2,824,914</i>	<i>600,436</i>	<i>26,697,659</i>
1.1 Amounts due from banks	1,480,590	843,558	85,863	2,410,011
	<i>1,142,881</i>	<i>437,029</i>	<i>68,660</i>	<i>1,648,570</i>
	<i>2,055,917</i>	<i>864,183</i>	<i>63,905</i>	<i>2,984,005</i>
1.2 Amounts due from customers	15,257,412	836,504	546,439	16,640,355
	<i>15,962,993</i>	<i>812,613</i>	<i>153,612</i>	<i>16,929,218</i>
	<i>15,421,303</i>	<i>1,111,289</i>	<i>383,238</i>	<i>16,915,830</i>
1.3 Securities	3,650,806	563,973	265,736	4,480,515
	<i>5,676,333</i>	<i>438,653</i>	<i>94,153</i>	<i>6,209,139</i>
	<i>5,795,089</i>	<i>849,442</i>	<i>153,293</i>	<i>6,797,824</i>
2. LIABILITIES				
as at 31/12/01	17,072,949	1,226,869	2,067,587	20,367,405
<i>as at 31/12/00</i>	<i>16,304,659</i>	<i>807,049</i>	<i>2,357,459</i>	<i>19,469,167</i>
<i>as at 30/6/01</i>	<i>17,280,159</i>	<i>1,700,981</i>	<i>2,514,818</i>	<i>21,495,958</i>
2.1 Amounts due to banks	4,865,107	1,009,949	101,293	5,976,349
	<i>3,821,903</i>	<i>625,367</i>	<i>547,244</i>	<i>4,994,514</i>
	<i>4,763,863</i>	<i>1,504,981</i>	<i>110,895</i>	<i>6,379,739</i>
2.2 Amounts due to customers	164,802	216,920	53,697	435,419
	<i>646,747</i>	<i>181,569</i>	<i>56,347</i>	<i>884,663</i>
	<i>640,145</i>	<i>195,934</i>	<i>55,685</i>	<i>891,764</i>
2.3 Debt securities	12,043,040	—	1,912,597	13,955,637
	<i>11,836,009</i>	<i>113</i>	<i>1,753,868</i>	<i>13,589,990</i>
	<i>11,876,151</i>	<i>66</i>	<i>2,348,238</i>	<i>14,224,455</i>
2.4 Subordinated liabilities	—	—	—	—
	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>
	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>
3. GUARANTEES AND COMMITMENTS				
as at 31/12/01	5,234,301	1,345,611	2,414,676	8,994,588
<i>as at 31/12/00</i>	<i>10,846,058</i>	<i>2,038,139</i>	<i>1,726,487</i>	<i>14,610,684</i>
<i>as at 30/6/01</i>	<i>4,657,063</i>	<i>4,373,757</i>	<i>2,197,851</i>	<i>11,228,671</i>

5. Assets and liabilities denominated in currencies other than the euro

	31/12/01 € '000	31/12/00 € '000	30/6/01 € '000
a) ASSETS			
1. Amounts due from banks	50,794	56,779	282,950
2. Amounts due from customers	773,313	381,530	613,074
3. Securities	112,909	48,919	34,189
4. Equity investments	747	59	188
5. Other accounts	2,161	2,983	3,575
	939,924	490,270	933,976
b) LIABILITIES			
1. Amounts due to banks	463,394	123,886	322,861
2. Amounts due to customers	7,371	10,022	9,358
3. Debt securities in issue	475,356	473,178	514,500
4. Other accounts	—	—	—
	946,121	607,086	846,719

8. Analysis of amounts due from banks as at 31 December 2001

	Gross exposure € '000	Total adjustment € '000	Net exposure € '000
a) Doubtful debts	15,765	—	15,765
<i>a.1. Non-performing lendings ⁽¹⁾</i>	193	—	193
<i>a.2. Potential problem lendings</i>	—	—	—
<i>a.3. Debt in process of restructuring</i>	—	—	—
<i>a.4. Restructured debt</i>	15,048	—	15,048
<i>a.5. Unsecured credits to countries at risk</i>	524	—	524
b) Loans current as to payment of principal and interest	2,394,246	—	2,394,246
	2,410,011	—	2,410,011

(1) This is a single item fully covered by a SACE credit insurance policy.

Analysis of amounts due from banks as at 31 December 2000

	Gross exposure € '000	Total adjustment € '000	Net exposure € '000
a) Doubtful debts	15,351	—	15,351
<i>a.1. Non-performing lendings</i>	193	—	193
<i>a.2. Potential problem lendings</i>	—	—	—
<i>a.3. Debt in process of restructuring</i>	—	—	—
<i>a.4. Restructured debt</i>	15,078	—	15,078
<i>a.5. Unsecured credits to countries at risk</i>	80	—	80
b) Loans current as to payment of principal and interest	1,633,219	—	1,633,219
	1,648,570	—	1,648,570

Analysis of amounts due from banks as at 30 June 2001

	Gross exposure € '000	Total adjustment € '000	Net exposure € '000
a) Doubtful debts	16,101	—	16,101
<i>a.1. Non-performing lendings</i>	193	—	193
<i>a.2. Potential problem lendings</i>	—	—	—
<i>a.3. Debt in process of restructuring</i>	—	—	—
<i>a.4. Restructured debt</i>	15,610	—	15,610
<i>a.5. Unsecured credits to countries at risk</i>	298	—	298
b) Loans current as to payment of principal and interest	2,967,904	—	2,967,904
	2,984,005	—	2,984,005

8.2. Movements in Doubtful Debts

	Gross exposure € '000	Potential problem loans € '000	Debts in process of restructuring € '000	Restructured debts € '000	Unsecured credits to countries at risk € '000	Total gross doubtful debt € '000
a) Gross exposure as at 30/6/01	193	—	—	15,610	298	16,101
<i>a.1. of which: interest in suspense</i>	—	—	—	—	—	—
b) Additions	—	—	—	28	226	254
<i>b.1. Transfers from loans current as to payment of principal and interest</i>	—	—	—	—	—	—
<i>b.2. Interest in suspense</i>	—	—	—	—	—	—
<i>b.3. Transfers from other classes of doubtful debt</i>	—	—	—	—	—	—
<i>b.4. Other additions</i>	—	—	—	28	226	254
c) Reductions	—	—	—	590	—	590
<i>c.1. Transfers to loans current as to payment of principal and interest</i>	—	—	—	—	—	—
<i>c.2. Amounts written off</i>	—	—	—	—	—	—
<i>c.3. Amounts collected</i>	—	—	—	—	—	—
<i>c.4. Proceeds of debt sold</i>	—	—	—	—	—	—
<i>c.5. Transfers from other classes of doubtful debt</i>	—	—	—	—	—	—
<i>c.6. Other reductions</i>	—	—	—	590	—	590
d) Gross exposure as at 31/12/01	193	—	—	15,048	524	15,765
<i>d.1. of which: interest in suspense</i>	—	—	—	—	—	—

9. Amounts due from customers

9.1. Analysis of amounts due from customers as at 31 December 2001

	Gross exposure € '000	Total adjustment € '000	Net exposure € '000
a) Doubtful debts	181,044	105,941	75,103
<i>a.1. Non-performing lendings</i>	128,140	87,017	41,123
<i>a.2. Potential problem lendings</i>	35,398	18,532	16,866
<i>a.3. Debt in process of restructuring</i>	17,114	—	17,114
<i>a.4. Restructured debt</i>	—	—	—
<i>a.5. Unsecured credits to countries at risk</i>	392	392	—
b) Loans current as to payment of principal and interest	16,567,508	2,256	16,565,252
	16,748,552	108,197	16,640,355

Analysis of amounts due from customers as at 31 December 2000

	Gross exposure € '000	Total adjustment € '000	Net exposure € '000
a) Doubtful debts	168,544	109,855	58,689
<i>a.1. Non-performing lendings</i>	141,521	97,172	44,349
<i>a.2. Potential problem lendings</i>	27,023	12,683	14,340
<i>a.3. Debt in process of restructuring</i>	—	—	—
<i>a.4. Restructured debt</i>	—	—	—
<i>a.5. Unsecured credits to countries at risk</i>	—	—	—
b) Loans current as to payment of principal and interest	16,885,083	14,554	16,870,529
	17,053,627	124,409	16,929,218

Analysis of amounts due from customers as at 30 June 2001

	Gross exposure € '000	Total adjustment € '000	Net exposure € '000
a) Doubtful debts	171,981	101,907	70,074
<i>a.1. Non-performing lendings</i>	128,027	85,580	42,447
<i>a.2. Potential problem lendings</i>	31,117	15,920	15,197
<i>a.3. Debt in process of restructuring</i>	12,430	—	12,430
<i>a.4. Restructured debt</i>	—	—	—
<i>a.5. Unsecured credits to countries at risk</i>	407	407	—
b) Loans current as to payment of principal and interest	16,850,405	4,649	16,845,756
	17,022,386	106,556	16,915,830

9.2. Movements in doubtful debts

	Gross exposure € '000	Potential problem loans € '000	Debts in process of restructuring € '000	Restructured debts € '000	Unsecured credits to countries at risk € '000	Total gross doubtful debt € '000
a) Gross exposure as at 30/6/01	128,027	31,117	12,430	—	407	171,981
<i>a.1. of which: interest in suspense</i>	72,010	4,319	149	—	—	76,478
b) Additions	16,006	20,838	42,611	—	392	79,847
<i>b.1. Transfers from loans current as to payment of principal and interest</i>	1,643	11,194	38,943	—	—	51,780
<i>b.2. Interest in suspense</i>	6,995	487	6	—	—	7,488
<i>b.3. Transfers from other classes of doubtful debt</i>	2,900	7,804	983	—	—	11,687
<i>b.4. Other additions</i>	4,468	1,353	2,679	—	392	8,892
c) Reductions	15,893	16,557	37,927	—	407	70,784
<i>c.1. Transfers to loans current as to payment of principal and interest</i>	130	3,070	27,897	—	—	31,097
<i>c.2. Amounts written off</i>	10,862	1,601	30	—	—	12,493
<i>c.3. Amounts collected</i>	4,196	1,107	—	—	407	5,710
<i>c.4. Proceeds of debt sold</i>	—	—	—	—	—	—
<i>c.5. Transfers from other classes of doubtful debt</i>	—	3,824	7,863	—	—	11,687
<i>c.6. Other reductions</i>	705	6,955	2,137	—	—	9,797
d) Gross exposure as at 31/12/01	128,140	35,398	17,114	—	392	181,044
<i>d.1. of which: interest in suspense</i>	71,745	5,868	307	—	—	77,920

9.3. Movements in value adjustments

	Gross exposure	Potential problem loans	Debt in process of restructuring	Restructured debts	Unsecured credits to countries at risk	Loans current as to payment of principal and interest	Total adjustments
	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000
a) Total adjustments at 30/6/00	85,580	15,920	—	—	407	4,649	106,556
<i>a.1. of which: interest in suspense (*)</i>	72,007	4,319	—	—	—	2,006	78,332
b) Additions	17,866	16,354	—	—	392	2,830	37,442
<i>b.1. Value adjustments</i>	13,124	16,088	—	—	392	2,124	31,728
<i>b.1.1. of which: interest in suspense</i>	7,311	1,218	—	—	—	2,121	10,650
<i>b.2. Transfers from credit risk provision</i>	—	(9,761)	—	—	—	—	(9,761)
<i>b.3. Transfers from other classes of doubtful debt</i>	4,415	7,002	—	—	—	703	12,120
<i>b.4. Other additions</i>	327	3,025	—	—	—	3	3,355
c) Reductions	16,429	13,742	—	—	407	5,223	35,801
<i>c.1. Writebacks based on estimates</i>	389	90	—	—	—	795	1,274
<i>c.1.1. of which: interest in suspense</i>	—	—	—	—	—	795	795
<i>c.2. Writebacks of amounts collected</i>	760	384	—	—	—	—	1,144
<i>c.2.1. of which: interest in suspense</i>	157	77	—	—	—	—	234
<i>c.3. Amounts written off</i>	9,697	379	—	—	—	4	10,080
<i>c.4. Transfers to other classes of doubtful debt</i>	5,290	5,698	—	—	—	1,132	12,120
<i>c.5. Other reductions</i>	293	7,191	—	—	407	3,292	11,183
d) Total adjustments at 31/12/00	87,017	18,532	—	—	392	2,256	108,197
<i>d.1. of which: interest in suspense</i>	71,742	6,175	—	—	—	33	77,950

(*) Restated.

10. Secured loans to customers

	31/12/01 € '000	31/12/00 € '000	30/6/01 € '000
a) Loans secured by mortgages	448,886	626,671	689,178
b) Loans secured by pledges on:			
1. cash deposits	401,102	66,913	368,893
2. securities	1,436,387	2,107,953	1,990,391
3. other assets	64,703	109,675	1,154
c) Loans secured by guarantees given by:			
1. governments	573,267	627,755	599,090
2. public agencies	4,557	7,023	5,747
3. banks	1,378,313	2,327,450	1,747,138
4. others	4,014,148	3,461,549	5,134,746

11. Amounts due from central banks (included under asset heading 30)

	31/12/01 € '000	31/12/00 € '000	30/6/01 € '000
	50,966	43,526	52,400

12. Securities

12.a *Investment securities*

	Book value		
	31/12/01 € '000	31/12/00 € '000	30/6/01 € '000
1. DEBT SECURITIES	113,582 ^(†)	15,509	30,018
1.1 Government securities:	—	6,818	—
• listed	—	—	—
• unlisted	—	6,818	—
1.2 Other securities:	113,582	8,691	30,018
• listed	107,006	8,691	22,856
• unlisted	6,576	—	7,162
2. CAPITAL SECURITIES:	3,053	2,631	2,630
• listed	3,053	2,631	2,630
• unlisted	—	—	—
	116,635	18,140	32,648

(†) Net of interim adjustments of € 842,000 and interim writebacks at € 1,794,000.

12.b *Non-investment securities*

	Book value		
	31/12/01 € '000	31/12/00 € '000	30/6/01 € '000
1. DEBT SECURITIES	4,156,279 ^(†)	2,599,042	3,289,427
1.1 Government securities:	2,026,381	1,345,438	1,948,016
• listed	2,026,381	1,345,438	1,948,016
• unlisted	—	—	—
1.2 Other securities:	2,129,898	1,253,604	1,341,411
• listed	1,694,412	1,030,876	917,674
• unlisted	435,486	222,728	423,737
2. CAPITAL SECURITIES:	207,601	86,351	174,736
• listed	202,754	86,189	174,661
• unlisted	4,847	162	75
	4,363,880	2,685,393	3,464,163

(†) Net of interim adjustments of € 22,566,000 and interim writebacks of € 6,714,000.

12.c *Securities arising from debt securitizations*

Underlying asset	Credit quality	Book value			
		“Senior” securities	“Mezzanine” securities	“Junior” securities	Total
INVESTMENT SECURITIES					
• Residential mortgages	Current as to payment of principal and interest	—	—	—	—
• Credit cards	” ” ” ”	—	—	—	—
• Leasing	” ” ” ”	—	—	—	—
• Securities	” ” ” ”	—	—	—	—
• Sovereign loans guaranteed by SACE	—	—	—	—	—
• Health care receivables	Current as to payment of principal and interest	—	—	—	—
• Other debt	” ” ” ”	—	—	—	—
Total		—	—	—	—
NON INVESTMENT SECURITIES					
• Residential mortgages	Current as to payment of principal and interest	—	—	—	—
	Non-performing	—	—	—	—
• Commercial and industrial mortgages	Current as to payment of principal and interest	—	—	—	—
	Non-performing	—	—	—	—
• Leasing instalments	Current as to payment of principal and interest	14,456	22,194	—	36,650
• Other debt	” ” ” ”	—	—	—	—
	Non-performing	—	85,459	—	85,459
• Social security contributions	Potential problem	—	—	—	—
Total		14,456	107,653	—	122,109
TOTAL		14,456	107,653	—	122,109

13. Guarantees and commitments

13.1. Guarantees given (Heading 10 under Guarantees and Commitments)

	31/12/01			31/12/00			30/6/01		
	Residents € '000	Non-residents € '000	Total € '000	Residents € '000	Non-residents € '000	Total € '000	Residents € '000	Non-residents € '000	Total € '000
a) Bills backed or endorsed	—	—	—	—	251	251	—	156	156
b) Letters of guarantee	1,107,960	14,433	1,122,393	6,710,960	419,264	7,130,224	1,125,305	1,126,829	2,252,134
c) Assets pledged as collateral security	—	—	—	—	—	—	—	—	—
	1,107,960	14,433	1,122,393	6,710,960	419,515	7,130,475	1,125,305	1,126,985	2,252,290

13.2. Commitments (Heading 20 under Guarantees and Commitments)

	31/12/01			31/12/00			30/6/01		
	Residents € '000	Non-residents € '000	Total € '000	Residents € '000	Non-residents € '000	Total € '000	Residents € '000	Non-residents € '000	Total € '000
a) Commitments to lend specific funds:									
• securities to be received	1,012,461	402,845	1,415,306	1,780,110	691,084	2,471,194	1,220,563	1,140,476	2,361,039
• amounts undrawn under existing loan agreements	1,786,070	1,350,758	3,136,828	1,946,360	1,038,968	2,985,328	1,687,341	1,798,885	3,486,226
• other commitments and exposures	25,643	—	25,643	9,296	—	9,296	35,716	5,870	41,586
	2,824,174	1,753,603	4,577,777	3,735,766	1,730,052	5,465,818	2,943,620	2,945,231	5,888,851
b) Commitments to provide funds on a stand-by basis:									
• loans agreed on a conditional basis	434,588	1,739,510	2,174,098	316,022	1,082,966	1,398,988	232,442	1,771,807	2,004,249
• participations in underwriting syndicates	—	—	—	—	—	—	92,700	2,000	94,700
• other commitments and exposures	867,679	242,641	1,110,320	83,310	77,093	160,403	262,997	270,584	533,581
	1,302,267	1,982,151	3,284,418	399,332	1,160,059	1,559,391	588,139	2,044,391	2,632,530
	4,126,441	3,735,754	7,862,195	4,135,098	2,890,111	7,025,209	3,531,759	4,989,622	8,521,381

Credit derivatives (Heading 20 under Guarantees and Commitments)

	31/12/01			31/12/00			30/6/01		
	Residents € '000	Non-residents € '000	Total € '000	Residents € '000	Non-residents € '000	Total € '000	Residents € '000	Non-residents € '000	Total € '000
a) Protection sales in banking book:									
• with exchange of principal	—	—	—	—	405,000	405,000	—	405,000	405,000
• without exchange of principal	—	—	—	—	—	—	—	—	—
	—	—	—	—	405,000	405,000	—	405,000	405,000
b) Protection sales in trading book:									
• with exchange of principal	—	10,000	10,000	—	50,000	50,000	—	50,000	50,000
• without exchange of principal	—	—	—	—	—	—	—	—	—
	—	10,000	10,000	—	50,000	50,000	—	50,000	50,000
	—	10,000	10,000	—	455,000	455,000	—	455,000	455,000

15. Forward transactions

	31/12/01			31/12/00			30/6/01		
	Hedging transactions € '000	Trading transactions € '000	Other transactions € '000	Hedging transactions € '000	Trading transactions € '000	Other transactions € '000	Hedging transactions € '000	Trading transactions € '000	Other transactions € '000
1. DEALING	20,246	2,460,174	364,432	981	3,902,219	149,308	—	4,226,402	216,901
1.1 Securities:	20,246	2,460,174	364,432	981	3,902,219	—	—	4,226,402	216,901
• bought	20,246	1,395,060	—	981	2,470,213	—	—	2,361,039	—
• sold	—	1,065,114	364,432	—	1,432,006	149,308	—	1,865,363	216,901
1.2 Foreign currency: ⁽¹⁾	—	—	—	—	—	—	—	—	—
• currency bought/sold for currency	—	—	—	—	—	—	—	—	—
• currency bought for euros	—	—	—	—	—	—	—	—	—
• currency sold for euros	—	—	—	—	—	—	—	—	—
2. DEPOSITS AND LOANS	—	—	32,000	—	—	548,239	—	—	90,295
• pending disbursement	—	—	32,000	—	—	236,579	—	—	29,043
• pending receipt	—	—	—	—	—	311,660	—	—	61,252
3. DERIVATIVE CONTRACTS	13,769,032	7,335,769	8,394,925	13,886,566	5,414,834	7,869,069	14,919,485	5,040,790	8,136,081
3.1 With exchange of principal:	1,176,504	3,120,101	249,997	1,419,453	1,775,796	728,994	1,166,576	1,988,342	573,558
a) Securities:	54,378	2,860,652	249,997	249,638	1,419,210	728,994	62,178	1,448,837	573,558
• bought	—	886,340	134,997	—	457,108	442,126	—	556,900	299,678
• sold	54,378	1,974,312	115,000	249,638	962,102	286,868	62,178	891,937	273,880
b) Foreign currency: ⁽¹⁾	1,122,126	259,449	—	1,169,815	356,586	—	1,104,398	539,505	—
• currency bought/sold for currency	—	4,167	—	10,640	356,586	—	—	—	—
• currency bought for euros	561,063	222,415	—	546,218	—	—	558,036	290,684	—
• currency sold for euros	561,063	32,867	—	612,957	—	—	546,362	248,821	—
c) Other value items:	—	—	—	—	—	—	—	—	—
• bought	—	—	—	—	—	—	—	—	—
• sold	—	—	—	—	—	—	—	—	—
3.2 Without exchange of principal:	12,592,528	4,215,668	8,144,928	12,467,113	3,639,038	7,140,075	13,752,909	3,052,448	7,562,523
a) Foreign currency: ⁽¹⁾	—	—	—	—	—	—	—	—	—
• currency bought/sold for currency	—	—	—	—	—	—	—	—	—
• currency bought for euros	—	—	—	—	—	—	—	—	—
• currency sold for euros	—	—	—	—	—	—	—	—	—
b) Other value items:	12,592,528	4,215,668	8,144,928	12,467,113	3,639,038	7,140,075	13,752,909	3,052,448	7,562,523
• bought	8,863,165	1,891,661	2,818,843	8,692,601	1,419,481	2,696,247	9,725,573	1,534,006	2,678,604
• sold	3,729,363	2,324,007	5,326,085	3,774,512	2,219,557	4,443,828	4,027,336	1,518,442	4,883,919

⁽¹⁾ Excludes contracts which provide for the exchange of two floating exchange rates (basis swaps) in a nominal amount of € 1,500,589,000.

15.1 Credit derivatives

	31/12/01		31/12/00		30/6/01	
	Hedging transactions € '000	Trading transactions € '000	Hedging transactions € '000	Trading transactions € '000	Hedging transactions € '000	Trading transactions € '000
1. HEDGE BUYS	—	80,000	405,000	—	405,000	30,000
1.1 With exchange of principal	—	80,000	405,000	—	405,000	30,000
• <i>credit default</i>	—	80,000	405,000	—	405,000	30,000
• <i>credit linked notes</i>	—	—	—	—	—	—
• <i>credit spread option</i>	—	—	—	—	—	—
• <i>total rate of return swap</i>	—	—	—	—	—	—
1.2 Without exchange of principal	—	—	—	—	—	—
• <i>credit default</i>	—	—	—	—	—	—
• <i>credit linked notes</i>	—	—	—	—	—	—
• <i>credit spread option</i>	—	—	—	—	—	—
• <i>total rate of return swap</i>	—	—	—	—	—	—
2. HEDGE SALES	—	10,000	405,000	50,000	405,000	50,000
2.1 With exchange of principal	—	10,000	405,000	50,000	405,000	50,000
• <i>credit default</i>	—	10,000	405,000	50,000	405,000	50,000
• <i>credit linked notes</i>	—	—	—	—	—	—
• <i>credit spread option</i>	—	—	—	—	—	—
• <i>total rate of return swap</i>	—	—	—	—	—	—
2.2 Without exchange of principal	—	—	—	—	—	—
• <i>credit default</i>	—	—	—	—	—	—
• <i>credit linked notes</i>	—	—	—	—	—	—
• <i>credit spread option</i>	—	—	—	—	—	—
• <i>total rate of return swap</i>	—	—	—	—	—	—

16. Amounts due from and to group undertakings

	31/12/01 € '000	31/12/00 € '000	30/6/01 € '000
a) AMOUNTS DUE FROM GROUP UNDERTAKINGS	256	179	503
1. Amounts due from banks <i>of which: subordinated</i>	— —	— —	— —
2. Amounts due from financial companies <i>of which: subordinated</i>	— —	— —	— —
3. Amounts due from other customers <i>of which: subordinated</i>	256 —	179 —	503 —
4. Bonds and other debt securities <i>of which: subordinated</i>	— —	— —	— —
b) AMOUNTS DUE TO GROUP UNDERTAKINGS	1	1	1
1. Amounts due to banks	—	—	—
2. Amounts due to financial companies	—	—	—
3. Amounts due to other customers	1	1	1
4. Debt securities	—	—	—
5. Subordinated liabilities	—	—	—
c) GUARANTEES AND COMMITMENTS	261	348	13
1. Guarantees given	—	—	—
2. Commitments	261	348	13

17. Assets under management

	31/12/01 € '000	31/12/00 € '000	30/6/01 € '000
Securities under management for clients	—	1,144,727	—

Securities held for safekeeping and as collateral

	31/12/01 € '000	31/12/00 € '000	30/6/01 € '000
a) THIRD PARTY SECURITIES HELD:	5,487,555	5,875,124	6,242,587
<i>a/1) for safekeeping</i>	761,130	944,635	863,252
<i>a/2) as trustees</i>	2,054,337	2,352,939	2,288,255
<i>a/3) as collateral</i>	2,672,088	2,577,550	3,091,080
b) THIRD PARTY SECURITIES HELD BY THIRD PARTIES	4,739,587	6,703,090	5,615,887
c) OWN SECURITIES HELD BY THIRD PARTIES	5,039,832	3,411,840	4,210,375

18. Regulatory capital and capital adequacy requirements

	31/12/01 € '000	31/12/00 € '000	30/6/01 € '000
a) Regulatory capital			
a.1. Tier 1 capital	4,748,335	4,299,864	4,506,416
a.2. Tier 2 capital	1,444,349	1,303,204	1,366,302
a.3. Supervisory deductions	(143,756)	(494,079)	(462,532)
a.4. Regulatory capital	6,048,928	5,108,989	5,410,186
b) Capital adequacy requirements			
b.1. Credit risk	1,868,525	1,720,197	1,921,127
b.2. Market risk	122,346	99,641	157,010
• on non-investment securities	119,530	80,736	140,705
• on exchange rates	—	18,905	16,305
• on loan concentrations	2,816	—	—
b.3. Other capital adequacy requirements	—	—	—
b.4. Total capital adequacy requirements	1,990,871	1,819,838	2,078,137
c) Risk assets and capital adequacy ratios			
c.1. Weighted risk assets	24,885,888	22,747,975	25,976,713
c.2. Tier 1 capital as % of risk weighted assets	19.08%	18.90%	17.35%
c.3. Regulatory capital as % of risk weighted assets	24.31%	22.46%	20.83%

NOTES TO THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

1. Interest

1.1. Interest and similar income receivable (Heading 10)

	6 months to 31/12/01 € '000	6 months to 31/12/00 € '000	12 months to 30/6/01 € '000
a) Interest on amounts due from banks <i>of which: deposits with central banks</i>	53,739 601	18,466 1,032	61,039 1,949
b) Interest on amounts due from customers <i>of which: on loans made with third party funds under management</i>	495,986 —	497,313 —	1,011,772 —
c) Interest on debt securities	83,454	72,456	151,627
d) Other interest receivable	1,682	4,302	4,078
e) Surplus on hedging margins	33,939	33,847	66,748
	668,800	626,384	1,295,264

1.2. Interest and similar expense payable (Heading 20)

	6 months to 31/12/01 € '000	6 months to 31/12/00 € '000	12 months to 30/6/01 € '000
a) Interest on amounts due to banks	116,059	100,343	236,437
b) Interest on amounts due to customers	16,478	12,824	29,608
c) Interest on debt securities in issue <i>of which: certificates of deposit</i>	342,557 ^(†) 19,325 ^(†)	350,849 ^(†) 32,291 ^(†)	695,445 ^(†) 56,716 ^(†)
d) Interest on third parties' funds under management	—	—	—
e) Interest on subordinated liabilities	—	176	—
f) Shortfall on hedging margins	—	—	—
g) Other interest payable	650	—	295
	475,744	464,192	961,785

(†) Includes commission on deposits.

2. Non-euro interest

2.1. Non-euro interest and similar income receivable

	6 months to 31/12/01 € '000	6 months to 31/12/00 € '000	12 months to 30/6/01 € '000
On non-euro assets	22,151	12,822	31,981

2.2. Non-euro interest and similar expenses payable

	6 months to 31/12/01 € '000	6 months to 31/12/00 € '000	12 months to 30/6/01 € '000
On non-euro liabilities	19,239	16,791	35,311

3. Commission

3.1. Heading 40: *Commissions receivable*

	6 months to 31/12/01 € '000	6 months to 31/12/00 € '000	12 months to 30/6/01 € '000
a) Guarantees given	564	1,119	3,053
b) Collection and payment services	154	151	311
c) Management, trading and consulting services:	37,866	24,522	84,935
1. securities dealing	4,402	4,421	5,997
2. currency dealing	—	—	—
3. asset management	—	978	—
4. securities safekeeping and administration	348	362	714
5. securities placing	33,107	18,727	78,078
6. consultancy	—	—	—
7. door-to-door sales of securities, products and services	—	—	—
8. procurement of orders	9	34	146
d) Tax collection services	—	—	—
e) Other services:	42,720	63,091	98,274
• commissions on loans to customers	24,242	29,806	40,791
• customer advice and assistance	16,541	30,447	52,450
• other	1,937	2,838	5,033
	81,304	88,883	186,573

3.2. Heading 50: *Commissions payable*

	6 months to 31/12/01 € '000	6 months to 31/12/00 € '000	12 months to 30/6/01 € '000
a) Collection and payment services	62	69	134
b) Management and trading services:	4,890	3,351	10,396
1. securities dealing	181	2,752	3,270
2. currency dealing	—	—	3
3. asset management	1	199	3
4. securities safekeeping and administration	224	206	466
5. securities placing	4,484	194	6,654
6. door-to-door sales of securities, products and services	—	—	—
c) Other services:	21,233	19,333	46,087
• commissions on transactions with banks, the Bank of Italy and Ufficio Italiano Cambi	6,655	2,001	14,750
• commissions paid to brokers on treasury transactions	1,803	953	4,749
• commissions on loans and guarantees	498	165	501
• commissions on other services	12,277 ^(†)	16,214 ^(†)	26,087 ^(†)
	26,185	22,753	56,617

^(†) Mainly relating to leasing and consumer credit facilities.

4. Gains and losses on dealing transactions

4.1. Heading 60: *Gains (losses) on dealing transactions*

	6 months to 31/12/01				6 months to 31/12/00				12 months to 30/6/01			
	Securities transactions € '000	Currency transactions € '000	Other transactions € '000	Total € '000	Securities transactions € '000	Currency transactions € '000	Other transactions € '000	Total € '000	Securities transactions € '000	Currency transactions € '000	Other transactions € '000	Total € '000
A.1 Revaluations	5,479 ⁽¹⁾	—	1,584	7,063	3,167	—	48	3,215	5,866	—	48	5,914
A.2 Writedowns	(28,592) ⁽²⁾	—	(9,503)	(38,095)	(15,856)	—	(13,624)	(29,480)	(22,185)	—	(4,393)	(26,578)
B. Other gains (losses)	12,781 ⁽³⁾	(3,517)	805	10,069	27,770	(2,242)	2,987	28,515	38,750	9,504	(6,658)	41,596
	(10,332)	(3,517)	(7,114)	(20,963)	15,081	(2,242)	(10,589)	2,250	22,431	9,504	(11,003)	20,932
<i>of which:</i>												
1. Government securities	(4,875)				4,305				7,257			
2. Other debt securities	15,188				10,999				10,291			
3. Capital securities	(31,841)				4,691				(10,392)			
4. Security derivatives	11,196				(4,914)				15,275			

⁽¹⁾ Includes € 3,919,000 relating to treasury securities.

⁽²⁾ Includes € 10,568,000 relating to treasury securities.

⁽³⁾ Comprises net gains of € 17,052,000 on trading in treasury securities, less negative net margins of € 8,994,000 on futures contracts and net losses of € 9,463,000 on options.

5. Extraordinary items

5.1. Heading 190: *Extraordinary income*

	6 months to 31/12/01 € '000	6 months to 31/12/00 € '000	12 months to 30/6/01 € '000
Gain on sale of financial assets	464,885	58,651	248,945
Gain on sale of tangible fixed assets	—	—	2,479
Adjustments on consolidation	36	16	43
Overprovision for taxation	1,465	—	184
Overprovision for liabilities and charges credited back to earnings	—	22,096	127,037
Extraordinary losses on back-to-back transactions	—	5,940	5,940
Other extraordinary income	973	2,005	13,564
	467,359	88,708	398,192

5.2. Heading 200: *Extraordinary expenditure*

	6 months to 31/12/01 € '000	6 months to 31/12/00 € '000	12 months to 30/6/01 € '000
Loss on disposal of financial assets	26	47,959 ⁽¹⁾	271,231 ⁽¹⁾
Adjustments on consolidation	—	2,410	—
Loss on disposal of tangible assets	12	3	9
Extraordinary losses on back-to-back transactions	—	5,940	5,940
Other extraordinary expenditure	3,243	722	1,535
	3,281	57,034	278,715

⁽¹⁾ LIFO effect on movements in ASSICURAZIONI GENERALI shares.

OTHER INFORMATION

1. Average number of employees by category

	6 months to 31/12/01 No.	6 months to 31/12/00 No.	12 months to 30/6/01 No.
a) Senior executives	63	67	59
b) Managers	254	218	277
c) Other staff	888	937	878
	1,205	1,222	1,214

CONSOLIDATED COMPANIES

	Head office	Share capital € ⁽¹⁾	Par value per share €	Group interest		% voting shares at Ord. AGMs
				Held by	Equity interest %	
A. CONSOLIDATED COMPANIES						
<i>A.1 Companies consolidated on line-by-line basis</i>						
1. MEDIOBANCA - Banca di Credito Finanziario S.p.A.	Milan	389,262,457.50	0.50	—	—	—
2. MB FINSTRUTTURE - INTERSOMER S.p.A.	Milan	6,500,000	0.50	A.1.1	100.00	100.00
3. PRUDENTIA FIDUCIARIA S.p.A.	Milan	100,000	5	A.1.1	100.00	100.00
4. SADE FINANZIARIA S.p.A.	Milan	6,500,000	0.50	A.1.1	100.00	100.00
5. SETECI - Società per l'Elaborazione, Trasmissione Dati, Engineering e Consulenza Informatica S.p.A.	Milan	500,000	5	A.1.1	100.00	100.00
6. SPAFID S.p.A.	Milan	100,000	10	A.1.1	100.00	100.00
7. TECHNOSTART S.p.A.	Milan	1,000,000	0.50	A.1.1	69.00	69.00
8. MEDIOBANCA INTERNATIONAL Ltd.	Grand Cayman	USD 10m	USD 1	A.1.1	100.00	100.00
9. TRADEVCO Ltd.	Monrovia, Liberia	LRD 80m	LRD 16,000	A.1.1 A.1.9	60.00 40.00	100.00
10. COMPASS S.p.A.	Milan	87,500,000	5	A.1.1	100.00	100.00
11. MICOS BANCA SpA	Milan	16,500,000	0.50	A.1.10	100.00	100.00
12. COFACTOR S.p.A.	Milan	7,500,000	0.50	A.1.10	100.00	100.00
13. SELMABIPIEMME LEASING S.p.A.	Milan	40,200,000	0.50	A.1.10	61.65	61.65
14. PALLADIO LEASING S.p.A.	Vicenza	8,700,000	0.50	A.1.13 A.1.14	95.00 5.00	95.00
15. TELELEASING S.p.A.	Milan	9,500,000	1	A.1.13	80.00	80.00

⁽¹⁾ See number in extreme left-hand column for holder of Group interest.

cont.: Consolidated companies

	Head office	Share capital € ⁽¹⁾		Par value per share €		Group interest		% voting shares at Ord. AGMs
						Held by	Equity interest %	
B. COMPANIES CONSOLIDATED ON NET EQUITY BASIS								
1. BANCA ESPERIA S.p.A.	Milan	13,000,000		0.52		A.1.1	48.50	48.50
2. CREDITECH S.p.A.	Milan	250,000		1		A.1.10	100.00	100.00
3. RICERCHE E STUDI S.p.A.	Milan	100,000		5		A.1.1	100.00	100.00
4. MB VENTURE CAPITAL S.A.	Luxembourg	40,000		10		A.1.7	35.00	35.00
5. MB VENTURE CAPITAL FUND I PARTICIPATING COMPANY A N.V.	Amsterdam	50,000		1		A.1.1	45.00	45.00
6. FIDIA - Fondo Interbancario d'Investimento Azionario SGR S.p.A.	Milan	15,600,000		520		A.1.1	25.00	25.00
7. PROMINVESTMENT S.p.A.	Rome	520,000		0.52		A.1.1	50.00	50.00
C. OTHER SIGNIFICANT INVESTMENTS								
1. ATHENA PRIVATE EQUITY S.A.	Luxembourg	22,200,000		2		A.1.1	24.44	24.44
2. IRAN AND ITALY INDUSTRIAL PROMOTION COMPANY	Teheran	Rials	400m	Rials	100,000	A.1.1	50.00	50.00
3. SCOTOFIN S.A.	Luxembourg	Lit.	5m	Lit.	1m	A.1.4	20.00	20.00
4. ZAMBIA TANZANIA ROAD SERVICES Ltd. (in liquidation)	Lusaka	Kwacha	4m	Kwacha	200	A.1.2	23.33	23.33

(1) See number in extreme left-hand column for holder of Group interest.

INTERIM ACCOUNTS OF THE BANK

BALANCE SHEET

Assets		31/12/01	31/12/00	30/6/01
		€ '000	€ '000	€ '000
10.	CASH AND DEPOSITS WITH CENTRAL BANKS AND POST OFFICES	24	48	66
20.	GOVERNMENT AND QUASI-GOVERNMENT SECURITIES ELIGIBLE FOR REFINANCING AT CENTRAL BANKS	2,020,858 ⁽¹⁾	380,287	993,195
30.	AMOUNTS DUE FROM BANKS:	2,515,143	1,252,909	2,625,523
	a) deposits and loans repayable on demand	161,007	598,646	1,119,720
	b) other accounts	2,354,136	654,263	1,505,803
40.	AMOUNTS DUE FROM CUSTOMERS	13,847,663	14,458,333	14,075,395
	<i>of which:</i>			
	• <i>loans using funds managed for third parties</i>	—	—	—
50.	BONDS AND OTHER DEBT SECURITIES ISSUED BY:	1,956,854 ⁽²⁾	1,876,365	2,044,263
	a) government and public agencies	752,354	953,341	1,060,484
	b) banks	346,160	368,378	333,797
	<i>of which:</i>			
	• <i>own bonds</i>	199,842	148,862	149,768
	c) financial companies	383,068	245,789	307,056
	<i>of which:</i>			
	• <i>own bonds</i>	—	—	—
	d) other issuers	475,272	308,857	342,926
60.	EQUITIES, PARTICIPATING INTERESTS AND OTHER CAPITAL SECURITIES	205,943 ⁽³⁾	74,209	171,950
70.	EQUITY INVESTMENTS	2,501,865 ⁽⁴⁾	3,143,873	2,898,911
80.	INVESTMENTS IN GROUP UNDERTAKINGS	117,981 ⁽⁵⁾	109,692	102,506
90.	INTANGIBLE ASSETS	—	—	—
	<i>of which:</i>			
	• <i>installation costs</i>	—	—	—
	• <i>goodwill</i>	—	—	—
100.	TANGIBLE FIXED ASSETS	11,718	12,432	12,075
130.	OTHER ASSETS	418,930	442,692	466,038
140.	ACCRUED INCOME AND PREPAID EXPENSES:	1,083,972	957,333	1,014,246
	a) accrued income	946,426	830,621	883,681
	b) prepaid expenses	137,546	126,712	130,565
	<i>of which:</i>			
	• <i>discounts on bonds issued</i>	—	17	2
		24,680,951	22,708,173	24,404,168

GUARANTEES AND COMMITMENTS

		31/12/01	31/12/00	30/6/01
		€ '000	€ '000	€ '000
10.	GUARANTEES GIVEN	4,601,531	10,859,300	6,119,303
	<i>of which:</i>			
	• <i>acceptances</i>	—	—	—
	• <i>other guarantees</i>	4,601,531	10,859,300	6,119,303
20.	COMMITMENTS	9,695,071	7,645,048	10,278,696
	<i>of which:</i>			
	• <i>assets sold under repurchase agreements</i>	—	—	—
30.	CREDIT DERIVATIVES	10,000	50,000	50,000

	Liabilities and shareholders' equity	31/12/01	31/12/00	30/6/01
		€ '000	€ '000	€ '000
10.	AMOUNTS DUE TO BANKS:	5,262,206	3,929,774	5,691,212
	a) repayable on demand	37,737	60,712	40,597
	b) term deposits, deposits under notice and loans	5,224,469	3,869,062	5,650,615
20.	AMOUNTS DUE TO CUSTOMERS:	175,449	569,903	596,446
	a) repayable on demand	64,979	427,245	346,940
	b) term deposits and deposits under notice	110,470	142,658	249,506
30.	DEBT SECURITIES IN ISSUE:	12,133,825	11,978,953	11,971,244
	a) bonds	11,193,921	10,269,914	10,746,580
	b) certificates of deposit	919,905	1,261,963	1,040,035
	c) other debt securities	19,999	447,076	184,629
50.	OTHER LIABILITIES	1,414,190	862,212	835,230
60.	ACCRUED EXPENSES AND DEFERRED INCOME:	906,200	863,039	811,573
	a) accrued expenses	691,260	661,830	588,636
	b) deferred income	214,940	201,209	222,937
70.	PROVISION FOR STAFF TERMINATION INDEMNITIES	12,303	12,091	12,555
80.	PROVISIONS FOR LIABILITIES AND CHARGES:	195,784	250,899	259,490
	a) post-retirement and similar benefits	—	—	—
	b) provision for taxation	195,784	150,033	259,490
	c) other provisions	—	100,866	—
90.	CREDIT RISKS PROVISION	194,627	442,035	154,627
100.	PROVISION FOR GENERAL BANKING RISKS	638,935	310,210	638,935
120.	SHARE CAPITAL	389,262	331,650	331,650
130.	SHARE PREMIUM RESERVE	1,806,949	1,805,791	1,805,791
140.	RESERVES:	1,374,126	1,198,982	1,136,525
	a) legal reserves	77,852	61,784	61,784
	b) reserve for purchase of own shares and participating interests	—	—	—
	c) statutory reserves	1,033,329	1,051,371	988,914
	d) other reserves	262,945	85,827	85,827
150.	REVALUATION RESERVES	7,587	7,587	7,587
160.	RETAINED EARNINGS (ACCUMULATED LOSSES)	99	42	42
170.	PROFIT (LOSS) FOR THE PERIOD	169,409 ^(e)	145,005 ^(e)	151,261
		24,680,951	22,708,173	24,404,168

(1) Net of interim adjustments amounting to € 2,615,000, including interim writebacks of € 2,000.

(2) Net of interim adjustments amounting to € 8,425,000, including interim writebacks of € 4,643,000.

(3) Net of interim adjustments amounting to € 11,294,000, including interim writebacks of € 2,795,000.

(4) Net of interim adjustments amounting to € 304,368,000, including interim writebacks of € 456,000.

(5) Net of interim adjustments amounting to € 18,000.

(6) Including transfer to provision for income taxes.

PROFIT AND LOSS ACCOUNT

	6 months to 31/12/01	6 months to 31/12/00	12 months to 30/6/01
	€ '000	€ '000	€ '000
10. INTEREST RECEIVABLE AND SIMILAR INCOME	493,389	470,867	956,012
<i>of which:</i>			
• <i>loans and advances to customers</i>	320,917	357,818	710,633
• <i>debt securities</i>	75,289	63,621	133,692
20. INTEREST PAYABLE AND SIMILAR EXPENSES	(406,664)	(401,215)	(812,729)
<i>of which:</i>			
• <i>customer deposits</i>	(9,866)	(5,706)	(14,118)
• <i>securities issued</i>	(303,792)	(325,343)	(642,606)
30. DIVIDENDS FROM AND OTHER INCOME ON:	350	8,055	146,848
a) equities, participating interests and other capital securities	—	733	5,093
b) equity investments	350	7,322	141,755
c) investments in group undertakings	—	—	—
40. COMMISSIONS RECEIVABLE	79,549	81,961	174,353
50. COMMISSIONS PAYABLE	(11,544)	(5,344)	(17,093)
60. GAINS (LOSSES) ON DEALING TRANSACTIONS	(22,946)	(3,389)	13,123
70. OTHER INCOME FROM OPERATIONS	86,478	44,079	143,661
80. ADMINISTRATIVE EXPENSES:	(48,373)	(40,299)	(96,197)
a) personnel costs	(25,014)	(21,896)	(48,608)
<i>of which:</i>			
• <i>wages and salaries</i>	(18,451)	(14,951)	(33,488)
• <i>social security contributions</i>	(5,016)	(4,422)	(9,893)
• <i>transfer to termination indemnity provision</i>	(924)	(861)	(2,464)
• <i>post-retirement and similar benefits</i>	(623)	(1,662)	(2,763)
b) other administrative expenses	(23,359)	(18,403)	(47,589)
90. ADJUSTMENTS TO INTANGIBLE AND TANGIBLE FIXED ASSETS	(1,709)	(1,962)	(5,432)
100. TRANSFER TO PROVISIONS FOR LIABILITIES AND CHARGES	—	—	—
110. OTHER OPERATING EXPENSES	(112,463)	(40,259)	(138,661)
140. TRANSFERS TO CREDIT RISKS PROVISION (*)	(40,000)	(41,317)	(82,633)
150. ADJUSTMENTS TO FINANCIAL ASSETS	(305,222)	(9,970)	(124,326)
160. WRITEBACKS TO FINANCIAL ASSETS	2,250	58,416	52,892
170. PROFIT (LOSS) ON ORDINARY ACTIVITIES	(286,905)	119,623	209,818
180. EXTRAORDINARY INCOME	459,405	79,482	666,991
190. EXTRAORDINARY EXPENDITURE	(3,091)	(54,100)	(307,295)
200. EXTRAORDINARY PROFIT (LOSS)	456,314	25,382	359,696
210. CHANGE IN PROVISION FOR GENERAL BANKING RISKS	—	—	(328,725)
220. INCOME TAXES	—	—	(89,528)
230. PROFIT (LOSS) FOR THE PERIOD	169,409 ⁽¹⁾	145,005 ⁽¹⁾	151,261

(*) Made solely to comply with tax regulations.

(¹) Before transfer to provision for income taxes.

AUDITORS' REPORT

AUDITORS' REPORT

To the Shareholders of
Mediobanca – Banca di Credito Finanziario SpA

- 1 We have audited the Interim Report of Mediobanca – Banca di Credito Finanziario SpA for the six months ended 31st December 2001, made up of the consolidated accounts (balance sheet and income statement) and notes thereto. The preparation of the Interim Report is the responsibility of the Directors of Mediobanca – Banca di Credito Finanziario SpA. Our responsibility is to express an opinion on the Interim Report based on our audit.
- 2 We conducted our audit in accordance with the auditing standards and criteria recommended by CONSOB. These standards and criteria require that we plan and perform the audit to ascertain whether the Interim Report is free of material misstatement and, taken as a whole, is presented fairly. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Interim Report. An audit also includes assessing the accounting principles used and significant estimates made by the directors. We believe that our audit provides a reasonable basis for our opinion.

The six-month figures of certain subsidiaries subject to considerable influence, which represent about 24% of Mediobanca's consolidated assets and about 12% of its consolidated interest income and similar revenues respectively, have been examined by other auditors who have supplied us with audit opinions thereon. The opinion we express in this report as to the accounts of the above companies is also based on audits performed by other auditors.

- 3 For an opinion on the consolidated financial statements and the Interim Report of the prior period reference is made to our reports dated 2nd October 2001 and 15th March 2001 respectively.

Sede legale: Milano 20124 Via Vittor Pisani 20 Tel. 0267831 Fax 0266981433 Cap. Soc. 3.754.400,00 Euro i.v., C.F. e P. IVA e Reg. Imp. Milano 12979880155 Iscritta all'Albo Consob – Altri uffici: **Ancona** 60123 Via Corridoni 2 Tel. 07136881 – **Bari** 70125 Viale della Repubblica 110 Tel. 0805429863 – **Bologna** 40122 Via delle Lame 111 Tel. 051526611 – **Brescia** 25124 Via Cefalonia 70 Tel. 0302219811 – **Firenze** 50129 Viale Milton 65 Tel. 0554627100 – **Genova** 16121 Piazza Dante 7 Tel. 01029041 – **Milano** 20122 Corso Europa 2 Tel. 0277851 – **Napoli** 80121 Piazza dei Martiri 30 Tel. 0817644441 – **Padova** 35137 Largo Europa 16 Tel. 0498762677 – **Palermo** 90141 Via Marchese Ugo 60 Tel. 091349737 – **Parma** 43100 V.le Tanara 20/A Tel. 0521242848 – **Roma** 00154 Largo Fochetti 29 Tel. 06570251 – **Torino** 10129 Corso Montevecchio 37 Tel. 011556771 – **Trento** 38100 Via Manzoni 16 Tel. 0461237004 – **Treviso** 31100 Piazza Crispi 8 Tel. 0422542726 – **Udine** 33100 Via Marononi 12 Tel. 043225789 – **Verona** 37122 Corso Porta Nuova 125 Tel. 0458002561



- 4 In our opinion, the consolidated accounts and notes thereto identified in paragraph 1 of this report present fairly the consolidated financial position and the consolidated results of operations of Mediobanca – Banca di Credito Finanziario SpA for the six months ended 31st December 2001, in accordance with the criteria set by CONSOB in its regulations covering the presentation of interim reports under article 81 of its Resolution No. 11971 of 14th May 1999 as amended (the “Regulations”).
- 5 Without qualifying our opinion, we wish to draw your attention to the fact that, as allowed by Article 81/7 of the Regulations, the Bank has presented the result for the period gross of income taxes.

Milan 28th March 2001

PricewaterhouseCoopers SpA

Antonio Taverna
(Partner)

This report has been translated from the original which was issued in accordance with Italian legislation. We have not checked the translation of the Interim Report.

**ACCOMPANYING SCHEDULES TO THE
ACCOUNTS OF THE BANK**

TABLE I

MEDIOBANCA DEBT SECURITIES IN ISSUE

	Outstanding at 30/6/01	Outstanding at 31/12/01
	€ '000	€ '000
OUTSTANDING		
13% 1991-2001 (*)	4,941	— ⁽¹⁾
1994-2002 floating rate	361,520	361,519 ⁽²⁾
1994-2004 floating rate	413,166	413,165 ⁽²⁾
11.2% 1995-2001 (*)	27,353	— ⁽¹⁾
1996-2003 floating rate (formerly 7% convertible)	103,291	103,291
6.4% 1997-2002	20,658	20,658
6.55% 1997-2003	20,658	20,658
6.7% 1997-2004	20,658	20,658
6.8% 1997-2005	20,658	20,658
6.95% 1997-2006	20,658	20,658
7.05% 1997-2007	10,329	10,329
7.25% 1997-2007 (*)	20,361	18,031 ⁽²⁾
1997-2004 floating rate	258,228	258,228
1997-2004 floating rate <i>Issue II</i>	51,646	51,646
1997-2007 floating rate	382,178	382,177 ⁽²⁾
1998-2008 convertible rate	671,394	671,393 ⁽²⁾
1999-2002 corridor floating rate	100,000	100,000
1999-2002 floating rate	40,000	40,000
1999-2009 floating rate	70,000	70,000
1999-2004 capped floating rate	75,000	75,000
2000-2003 floating rate	171,000	171,000
2001-2006 floating rate	60,000	60,000
4.69% 1998-2003	129,114	129,114
6.4% 1998-2008 Russia issue with guaranteed principal amount	387,343	387,342 ⁽²⁾
4% 1998-2005	51,646	51,646
3.25% 1999-2004 <i>Issue I</i>	20,000	20,000
3% 1999-2004	25,000	25,000
2.6% 1999-2002	25,000	25,000
5.02% 1999-2004 special series convertible into Banca di Legnano shares	5,000	5,000
4.9% 2000-2005	50,000	50,000
4.75% 2000-2003	50,000	50,000
5% 2000-2004	50,000	50,000
4.25% 2001-2004	50,000	50,000
5% 2001-2006	50,000	50,000
4.75% 2001-2004	50,000	50,000
6.15% 2001-2011	—	3,025
1997-2001 linked to European Telecoms	103,291	— ⁽¹⁾
1997-2001 linked to Italian blue chips <i>Issue II</i>	258,228	— ⁽¹⁾
1997-2002 linked to World Telecoms	516,457	516,456 ⁽²⁾

TABLE I (cont.)

	Outstanding at 30/6/01	Outstanding at 31/12/01
	€ '000	€ '000
1998-2002 linked to European media companies	51,646	51,646
1998-2002 linked to European pharmaceutical companies	51,646	51,646
1998-2002 linked to European utilities	51,646	51,646
1998-2001 linked to European pharmaceutical companies - <i>Issue II</i>	18,076	— ⁽¹⁾
1998-2006 callable linked to DJ EURO Stoxx 50 index..	90,380	90,380
1999-2014 stepdown linked to 10-year swap rate - <i>Issue I</i>	25,000	25,000
1999-2004 callable linked to MIB 30 index.....	175,000	175,000
1999-2004 USD linked to Nikkei 225 index	117,925	113,469 ^(a)
2.15% 1999-2007 linked to European equity basket - Banca Popolare dell'Etruria e del Lazio Special Series	20,000	20,000
1999-2003 USD callable linked to Dow Jones index ..	58,962	56,734 ^(b)
1999-2019 EURO stepdown linked to 30-year EURO swap rate	75,000	75,000
1999-2004 callable linked to Nikkei 225	110,000	110,000
1999-2004 EURO Best of Basket	75,000	75,000
1999-2004 EURO linked to basket of banks and insurance companies with inflation protected principal.....	30,000	30,000
3.15% 1998-2005 with redemption premium linked to European insurance companies	568,103	568,102 ^(c)
3.05% 1998-2005 with redemption premium linked to international blue chips	387,343	387,342 ^(c)
2% 1998-2005 with redemption premium linked to export-oriented Japanese equities - <i>UniCreditSIM</i> (formerly <i>Credit Consult</i>) Special Series	36,152	36,152
1.75% 1999-2006 with redemption premium linked to World Telecoms	130,000	130,000
1998-2018 callable reverse floater	258,228	258,228
1999-2008 callable stepdown <i>Issue I</i>	20,000	20,000
2000-2005 hi-tech basket with crash protection.....	575,000	575,000
2000-2002 linked to EURO/dollar exchange rate.....	75,000	75,000
2000-2005 Telecoms reverse cliquet	25,000	25,000
2000-2005 media & internet bonds	75,000	75,000
2000-2005 index - linked	25,000	25,000
2000-2004 Euro Best in Sector	50,000	50,000

TABLE I (cont.)

	Outstanding at 30/6/01	Outstanding at 31/12/01
	€ '000	€ '000
2000-2002 linked to Euro/dollar exchange rate <i>Issue II</i>	30,000	30,000
2001-2004 Geographic linked to Pioneer Funds	276,000	276,000
2001-2004 Geographic linked to Plurifond Funds	70,000	70,000
1.75% 2001-2006 Downside Protected Basket	50,000	50,000
2001-2005 linked to Nikkei 225 index	100,000	100,000
2% 2001-2006 exchangeable into ENI ordinary shares	115,000	115,000
2001-2004 Geographic linked to Pioneer Funds <i>Issue II</i>	22,000	22,000
2001-2006 Triple Option	—	726,800
0.50% 2001-2004 linked to Nikkei 225 index	—	50,000
5.12% 2001-2006 credit-linked notes	—	60,000
5.42% 2001-2008 credit-linked notes	—	30,000
1996-2002 9.45% zero coupon	8,112	8,112
1996-2006 9.9% zero coupon	966,340	966,339 ⁽³⁾
1996-2011 7.3% zero coupon	571,111	612,770 ⁽³⁾
1996-2006 5.91% zero coupon.....	126,781	134,274 ⁽⁴⁾
1997-2002 6.3% USD zero coupon.....	155,314	149,445 ⁽³⁾
1998-2008 4.1% one coupon with option	167,915	168,150 ⁽³⁾
6% 1995-2002 Special Series convertible into SAI savings shares.....	71,237	71,229 ⁽³⁾
5.5% 2000-2003 EURO <i>Tirrenia</i> Special Series	41,454	41,454
2% 1998-2002 with warrants to purchase <i>Antinori</i> <i>Brunello di Montalcino</i> wine	5,165	2,582 ⁽³⁾
2% 1998-2004 EURO with warrants to purchase <i>Castel</i> <i>Giocondo Frescobaldi Brunello di Montalcino</i> wine	10,000	7,500 ⁽³⁾
2000-2001 knock-in reverse convertible into ENEL S.p.A. shares - <i>Issue II</i>	10,208	— ⁽¹⁾
2000-2001 knock-in reverse convertible into ENI S.p.A. shares	10,076	— ⁽¹⁾
2000-2001 knock-in reverse convertible into Fiat S.p.A. shares - <i>Issue III</i>	10,045	— ⁽¹⁾
2000-2001 knock-in reverse convertible into Telecom Italia savings shares <i>Issue II</i>	53,000	— ⁽¹⁾
2000-2001 knock-in reverse convertible into Alleanza ordinary shares	10,000	— ⁽¹⁾
2000-2002 knock-in reverse convertible into Olivetti S.p.A. ordinary shares	19,999	19,999
2000-2001 knock-in reverse convertible into Telecom Italia Mobile S.p.A. ordinary shares - <i>Issue II</i>	20,001	— ⁽¹⁾
2000-2001 knock-in reverse convertible into Telecom Italia S.p.A. ordinary shares - <i>Issue III</i>	25,800	— ⁽¹⁾

TABLE I (cont.)

	Outstanding at 30/6/01	Outstanding at 31/12/01
	€ '000	€ '000
2000-2001 knock-in reverse convertible into ENI S.p.A. shares - <i>Issue II</i>	10,500	— ⁽¹⁾
2000-2001 knock-in reverse convertible into Telecom Italia Mobile S.p.A. - <i>Issue III</i>	15,000	— ⁽¹⁾
	<u>10,890,941</u>	<u>11,213,651</u>

(*) Under Law 64/86.

⁽¹⁾ Following redemption.

⁽²⁾ Reduction due to redemption.

⁽³⁾ Reduction due to conversion.

⁽⁴⁾ Increase due to capitalization of interest accrued and partial prepayment.

⁽⁵⁾ Reduction due to conversion to Euros.

^(a) Euro equivalent of USD 100,000,000 at exchange rate ruling on 28/12/01.

^(b) Euro equivalent of USD 50,000,000 at exchange rate ruling on 28/12/01.

^(c) Increase due to capitalisation of accrued interest. Principal amount at maturity € 1,239.5m.

^(d) Increase due to capitalisation of interest accrued. Principal amount at maturity € 178.9m.

^(e) Euro equivalent of USD 131.7m at exchange rate ruling on 28/12/01.

TABLE II

TREASURY SECURITIES HELD AS AT 31 DECEMBER 2001

	Nominal Principal Amount (1) € '000	Book Value		Average price in December 2001 (3) %	Total value based on average price (2) € '000	Interim writebacks (writedowns) € '000 (4)	Gain € '000
		Per Bond %	Total (2) € '000				
			A		B	C	B — (A+C)
EUROZONE CURRENCIES							
<i>Lire</i>							
BONDS							
Banca di Roma 1995-2005 Series 257 subordinated floating rate ...	60,000	99.13	30,719	99.72	30,901	—	182
Italcementi 1997-2002 zero coupon	9,845	99.92	5,080	99.18	5,043	(37)	—
Mediobanca 1998-2002 2% with warrants to purchase <i>Antinori</i> <i>Brunello di Montalcino</i> wine	14	96.25	7	99.04	7	—	—
Mediobanca International 1997-2002 2% into exchangeable <i>Alleanza</i> <i>Assicurazioni</i> shares	40	182.11	38	168.45	35	(3)	—
Pirelli & C. ApA 1998-2003 2.50% convertibles	3,780	129.29	2,524	117.30	2,290	(234)	—
TOTAL LIRE	73,679		38,368		38,276	(274)	182
<i>Euro</i>							
GOVERNMENT SECURITIES							
BTOs due 15/3/02	35,000	99.14	34,698	99.45	34,808	—	110
BTOs due 15/5/02	2,500	98.98	2,474	98.92	2,473	(1)	—
BTOs due 31/5/02	50,000	98.68	49,342	98.75	49,375	—	33
BTOs due 14/6/02	92,000	98.14	90,288	98.68	90,786	—	498
BTOs due 15/7/02	197,500	97.78	193,125	98.42	194,380	—	1,255
BTOs due 15/8/02	7,500	98.05	7,353	98.11	7,358	—	5
BTOs due 16/9/02	430	97.29	418	97.84	421	—	3
BTOs due 15/10/02	10,000	97.48	9,748	97.61	9,761	—	13
BTOs due 15/11/02	10,000	97.28	9,728	97.31	9,731	—	3
BTOs due 16/12/02	25,000	96.98	24,246	97.10	24,275	—	29
12.00% BTPs due 1/1/02	302,500	99.70	301,605	99.98	302,440	—	835
6.25% BTPs due 1/1/02	10,000	101.06	10,106	100.12	10,012	(94)	—
6.25% BTPs due 15/5/02	15,000	101.41	15,212	101.18	15,177	(35)	—
3.75% BTPs due 1/9/02	10,050	100.37	10,087	100.45	10,095	—	8
5.25% BTPs due 15/10/03	100,000	102.96	102,960	102.87	102,869	(91)	—
4.50% BTPs due 1/7/04	15,000	101.91	15,286	101.78	15,267	(19)	—
4.75% BTPs due 1/7/05	95,000	102.72	97,586	102.13	97,023	(563)	—
5.25% BTPs due 15/12/05	160,000	103.22	165,147	103.73	165,968	—	821
4.50% BTPs due 1/3/07	170,000	100.88	171,491	100.44	170,748	(743)	—
6.00% BTPs due 1/5/31	7,500	107.85	8,089	108.72	8,154	2	63
CCTs due 1/2/03	142,500	100.73	143,543	100.57	143,312	(231)	—
CCTs due 1/5/05	44,000	100.60	44,262	100.67	44,295	—	33
CCTs due 1/10/05	370,000	100.62	372,276	100.70	372,590	—	314
CCTs due 1/8/07	95,000	100.69	95,651	100.68	95,646	(5)	—
CCTs due 1/4/08	105,000	100.41	105,430	100.61	105,641	—	211
CCTs due 1/9/08	355,146	100.64	357,415	100.72	357,703	—	288
CTZs due 15/9/03	185,000	94.22	174,307	94.25	174,363	—	56
4.125% Bundesobligationen due 27/8/04	5,000	101.08	5,054	101.02	5,051	(3)	—
4.25% Bundesobligationen due 18/2/05	16,000	101.83	16,294	101.05	16,168	(126)	—
5.00% Bundesobligationen due 17/2/06	23,500	103.86	24,407	101.02	23,740	(667)	—
4.50% Bundesobligationen due 28/8/06	26,000	101.16	26,301	101.02	26,266	(35)	—

TABLE II (cont.)

	Nominal Principal Amount ⁽¹⁾ € '000	Book Value		Average price in December 2001 ⁽³⁾ %	Total value based on average price ⁽²⁾ € '000	Interim writebacks (write-downs) € '000 ⁽⁴⁾	Gain € '000
		Per Bond %	Total ⁽⁵⁾ € '000				
5.25% Bundesleihen due 4/7/10	30,000	101.92	30,575	103.35	31,005	313	117
5.25% Bundesleihen due 4/1/11	10,000	103.42	10,342	103.62	10,362	—	20
	2,722,126		2,724,846		2,727,263	(2,298)	4,715
DEBT SECURITIES							
Agrisecurities 2001-2010 Series B floating rate	14,510	99.80	14,481	99.63	14,456	(25)	—
Agrisecurities 2001-2010 Series A floating rate	22,250	99.81	22,208	99.75	22,194	(14)	—
Alcatel SA 2001-2006 7%	324	99.70	323	101.21	328	—	5
Assicurazioni Generali 2000-2010 6.15%	61,737	103.00	63,588	105.59	65,188	485	1,115
Assicurazioni Generali 1999-2009 4.50% (formerly INA)	811	92.74	752	95.14	772	—	20
Assicurazioni Generali BV 2000-2022 subordinated floating rate ...	7,023	102.64	7,209	105.54	7,412	—	203
AT & T Corporation 2001-2006 6%	5,000	99.81	4,990	100.03	5,002	—	12
Autostrada Torino-Milano 2000-2005 floating rate	1,547	100.22	1,550	99.81	1,544	(6)	—
E.I.B. 1999-2004 turbo single coupon	6,479	97.39	6,310	100.59	6,517	—	207
Banca Agrileasing 1999-2004 floating rate	232	99.38	231	100.00	232	1	—
Banca del Salento 1998-2008 subordinated floating rate	5,165	100.00	5,165	101.22	5,228	—	63
Banca Lombarda 2001-2011 subordinated floating rate	1,000	99.46	995	99.46	995	—	—
Banca Lombarda Preferred Securities Trust subordinated	4,485	100.00	4,485	100.14	4,491	—	6
Banca Monte dei Paschi di Siena 2001-2004 floating rate	1,850	99.77	1,846	99.85	1,847	—	1
British Telecommunications PLC 2001-2006 floating rate	18,475	102.55	18,946	103.63	19,146	—	200
Bulgari 2000-2003 floating rate	734	99.72	732	98.49	723	(9)	—
Carraro International SA 2001-2006 7%	1,371	102.74	1,409	101.21	1,388	(21)	—
Cartiere Burgo 1999-2004 floating rate	9,704	96.92	9,405	98.14	9,524	—	119
Commerzbank AG 1999-2014 floating rate	17,150	92.10	15,795	93.33	16,006	211	—
Council of Europe Social Development Fund 1999-2019 floating rate	40,000	87.90	35,160	87.58	35,032	(128)	—
Daimlerchrysler North America Holding Corp. 2001-2003 4.375% ...	150	99.83	150	100.06	150	—	—
Deutsche Finance Netherlands BV 1999-2019 floating rate	5,000	88.92	4,446	90.14	4,507	61	—
Deutsche Telekom International Finance BV 2001-2006 5.875% ...	8,000	100.85	8,068	102.15	8,172	—	104
Ducati Motor Holding 2000-2005 6.50%	17,899	99.77	17,858	102.15	18,284	—	426
Edison 2000-2007 6.375%	54,304	102.38	55,599	103.13	56,004	—	405
ENEL 2000-2005 5.875%	466	104.54	487	104.51	487	—	—
ENEL 1999-2004 4.75%	2,860	102.03	2,918	101.53	2,904	(14)	—
ENEL Investment Holding BV 2001-2004 5%	13,095	101.98	13,355	101.92	13,346	(9)	—
Entasi 2001-2016 Floating Rate Notes - Series 1 ⁽⁶⁾	30,000	100.00	30,000	99.85	29,955	(45)	—
Fiat Finance and Trade Ltd. 2001-2006 5.75%	5,000	101.00	5,050	99.84	4,992	(58)	—
Fiat Finance and Trade Ltd. 2001-2011 6.75%	1,411	99.50	1,404	98.65	1,392	(12)	—
Fiat Finance and Trade Ltd. 2000-2010 6.25%	2,000	100.18	2,004	98.00	1,960	(44)	—
Fiat Finance and Trade Ltd. 2000-2005 6.125%	11,835	99.93	11,827	101.75	12,042	—	215
Fondiarria Nederland BV 2001-2004 0.875% convertible into Banca Monte dei Paschi di Siena shares	24,999	99.10	24,774	98.31	24,577	(197)	—
Fondiarria Nederland BV 2001-2004 0.875% convertible into Swiss Life shares	34,740	100.03	34,751	99.97	34,730	(21)	—
Fondiarria Nederland BV 2001-2004 1.125% convertible into As- sicurazioni Generali shares	3,000	101.19	3,036	99.47	2,984	(52)	—

TABLE II (cont.)

	Nominal Principal Amount ⁽¹⁾ € '000	Book Value		Average price in December 2001 ⁽³⁾ %	Total value based on average price ⁽²⁾ € '000	Interim writebacks (writedowns) € '000 ⁽⁴⁾	Gain € '000
		Per Bond %	Total ⁽²⁾ € '000				
			A		B	C	B — (A+C)
Fondiaria Nederland BV 2001-2004 1.125% convertible into Banca di Roma shares	19,001	98.51	18,719	98.48	18,712	(7)	—
Ford Motor Credit Co. 2001-2004 5.50%	15,000	99.80	14,969	100.05	15,008	—	39
France Telecom 2001-2005 5%	8,000	99.48	7,959	98.89	7,911	(48)	—
General Motors Acceptance Corporation 2001-2006 6%	10,000	99.86	9,986	100.63	10,063	—	77
Generali Finance BV 1999-2019 subordinated floating rate.....	23,262	92.25	21,460	94.60	22,006	—	546
Giochi Preziosi SA 2001-2004 6.375%	8,863	99.81	8,846	100.39	8,898	—	52
Goldman Sachs Group Inc. 2000-2005 floating rate	1,500	99.27	1,489	98.89	1,483	(6)	—
Gruppo Editoriale L'Espresso 2000-2005 6.50%	3,408	100.85	3,437	99.07	3,376	(61)	—
Inter American Development Bank 1999-2014 fixed reverse floater	30,958	73.00	22,598	73.56	22,773	—	175
International Finance Corp. 1999-2009 callable one shot coupon ...	33,462	67.38	22,546	70.01	23,427	881	—
Lucchini 2001-2006 6.75%	258	102.21	264	101.53	262	(2)	—
Lucchini 2001-2004 6.375%.....	289	101.03	292	101.53	293	—	1
Lucchini Holland BV 1999-2003 5.625%.....	1,114	100.35	1,118	100.43	1,119	—	1
Mediobanca 1997-2002 linked to World Telecoms ⁽⁶⁾	9,296	100.20	9,315	100.20	9,315	—	—
Mediobanca 1998-2005 2% with redemption premium linked to export-oriented Japanese equities	2,282	95.45	2,178	101.10	2,307	—	129
Mediobanca 1999-2002 corridor floating rate.....	103	98.50	101	100.32	103	—	2
Mediobanca 1999-2006 1.75% with redemption premium linked to world telecoms	5	86.50	4	87.87	4	—	—
Mediobanca 1994-2002 floating rate	11,362	100.00	11,362	99.98	11,360	(2)	—
Mediobanca 1996-2006 zero coupon	10,641	81.96	8,722	80.94	8,613	(109)	—
Mediobanca 1996-2011 zero coupon	12,768	58.43	7,460	57.21	7,304	(156)	—
Mediobanca 1997-2004 floating rate - Issue II.....	119	98.62	117	100.09	119	—	2
Mediobanca 1998-2002 linked to European utilities	3,440	99.25	3,414	100.00	3,440	—	26
Mediobanca 1998-2003 4.69%	21,038	98.23	20,665	101.18	21,286	—	621
Mediobanca 1998-2005 3.15% with redemption premium linked to European insurers.....	3,099	94.00	2,913	96.19	2,981	—	68
Mediobanca 1998-2005 4%	108	93.21	101	98.38	106	—	5
Mediobanca 1998-2008 6.40% Russia with guaranteed principal ...	13,232	67.92	8,987	70.28	9,299	—	312
Mediobanca 1998-2008 floating/fixed rate	4,234	92.94	3,935	97.15	4,114	—	179
Mediobanca 1998-2008 one coupon with option	43,867	106.21	46,592	108.27	47,495	—	903
Mediobanca 1999-2004 3%	82	92.88	76	97.52	80	—	4
Mediobanca 1999-2004 3.25% - Issue I	100	95.79	96	98.74	99	—	3
Mediobanca 1999-2004 capped floating rate	7,495	99.51	7,458	99.83	7,482	3	21
Mediobanca 1999-2004 Nikkei 225 - callable	7,073	87.96	6,221	88.88	6,286	65	—
Mediobanca 1999-2008 callable step down - Issue I	47	81.36	38	91.63	43	—	5
Mediobanca 1999-2014 step down linked to 10-year Euro swap rate - Issue I	67	76.19	51	85.10	57	—	6

TABLE II (cont.)

	Nominal Principal Amount ⁽¹⁾ € '000	Book Value		Average price in December 2001 ⁽³⁾ %	Total value based on average price ⁽²⁾ € '000	Interim writebacks (write-downs) € '000 ⁽⁴⁾	Gain € '000
		Per Bond %	Total ⁽²⁾ € '000				
Mediobanca 1999-2019 stepdown linked to 30-year Euro swap rate	18,347	72.16	13,238	74.00	13,577	127	212
Mediobanca 2000-2002 linked to Euro-Dollar exchange rate - Issue II	3,960	97.50	3,861	96.88	3,836	(25)	—
Mediobanca 2000-2002 knock-in reverse convertible into Olivetti S.p.A. ordinary shares	12,109	61.30	7,423	47.16	5,711	(1,712)	—
Mediobanca 2000-2003 4.75%	10,000	101.70	10,170	101.49	10,149	(21)	—
Mediobanca 2001-2004 4.25%	7,000	101.08	7,076	100.56	7,039	(37)	—
Mediobanca International 18/9/2001-2006 2%	5,000	100.18	5,009	100.83	5,042	—	33
Mediobanca International 28/6/2001-2006 2%	54,500	95.28	51,925	97.50	53,138	—	1,213
Mediobanca zero coupon 1996-2006 in DEM	1	79.66	1	79.07	1	—	—
Mediobanca Lock Coupon 2001-2006	1,000	100.00	1,000	99.50	995	(5)	—
Olivetti 2001-2004 1.5% convertible	5,096	97.83	4,985	98.77	5,033	—	48
Olivetti International Finance 1999-2004 floating rate	2,951	100.83	2,975	100.97	2,980	—	5
Olivetti International Finance 1999-2009 floating rate	6,707	97.38	6,531	97.72	6,554	—	23
Olivetti Finance NV 2000-2005 1% convertible into Telecom Italia (formerly Tecnost Int.) ordinary shares	30,325	99.52	30,178	101.09	30,656	477	1
Olivetti Finance NV 1999-2004 floating rate (formerly Tecnost Int.)	274	99.82	274	100.92	277	—	3
Pirelli & C. Luxembourg SA 1999-2009 5.125%	20,850	91.80	19,140	91.39	19,054	(86)	—
Pirelli S.p.A. 1998-2008 4.875%	68,691	90.28	62,012	90.96	62,481	—	469
Repsol International Finance BV 2001-2006 5.75%	8,000	100.10	8,008	99.04	7,923	(85)	—
Saint Gobain Nederland BV 1998-2008 5.125%	15,226	96.37	14,674	97.85	14,899	225	—
Sainternational SA 2001-2004 1% convertible into Assicurazioni Generali shares	62	99.16	61	98.55	61	—	—
Sainternational SA 2001-2004 1% convertible into Banca di Roma shares	78	94.24	73	93.83	73	—	—
Sainternational SA 2001-2004 1% convertible into IntesaBci shares	12,004	98.33	11,804	96.13	11,540	(264)	—
Sair Group Finance BV 1999-2006 4.375%	5,000	85.42	4,271	18.10	905	(3,366)	—
Sogerim SA 2001-2006 6.125%	1,717	101.97	1,751	102.28	1,756	—	5
Sogerim SA 2001-2011 7%	3,000	101.79	3,054	103.23	3,097	—	43
Trevi Finance No. 2 Class C 2000-2015 zero coupon ⁽⁵⁾	131,180	42.31	55,504	42.31	55,504	—	—
Vodafone Group PLC 2001-2006 4%	9,400	100.13	9,412	101.54	9,545	—	133
TOTAL IN €	1,172,657		1,039,206		1,043,561	(4,111)	8,466
TOTAL EUROZONE CURRENCIES			3,802,420		3,809,100	(6,683)	13,363
NON-EUROZONE CURRENCIES							
USD							
GOVERNMENT SECURITIES							
5% U.S. Treasury Notes due 15.08.2011	30,000	100.65	34,260	99.67	33,928	(332)	—
	30,000		34,260		33,928	(332)	—

TABLE II (cont.)

	Nominal Principal Amount ⁽¹⁾ € '000	Book Value		Average price in December 2001 ⁽³⁾ %	Total value based on average price ⁽²⁾ € '000	Interim writebacks (writedowns) € '000 ⁽⁴⁾	Gain € '000
		Per Bond %	Total ⁽²⁾ € '000				
			A		B	C	B — (A+C)
BONDS							
Ford Motor Credit Co. 2001-2007 6.5%	20,000	99.49	22,579	97.93	22,233	(346)	—
Mediobanca 1999-2003 callable linked to Dow Jones index	1,025	97.95	1,139	103.12	1,199	—	60
Mediobanca 1997-2002 zero coupon	16,956	98.67	18,984	99.02	19,051	—	67
TOTAL IN USD	37,981		42,702		42,483	(346)	127
TOTAL NON-EUROZONE CURRENCIES			76,962		76,411	(678)	127
GRAND TOTAL			3,879,382		3,885,511	(7,361)	13,490

⁽¹⁾ In millions of lire or thousands of other currencies.

⁽²⁾ Securities in non-Eurozone currencies have been translated into euros at the official exchange rates recorded by the ECB on 28/12/01.

⁽³⁾ Unlisted securities are stated at estimated value on realisation having regard to standard market indicators.

⁽⁴⁾ Based on average prices in December 2001.

⁽⁵⁾ Covered by put option with issues.

⁽⁶⁾ Part of asset swap deals.

MOVEMENTS IN TREASURY SECURITIES

	Holding at 30/6/01 € '000	Amounts bought and subscribed € '000	Sales and redemptions € '000	Gain/Loss ^(*) € '000	Exchange adjustments € '000	Writedowns € '000	Holding at 31/12/01 € '000
Euro-denominated Government securities	2,006,139	10,262,286	9,541,658	(1,921)	—	(2,298)	2,722,548
Government securities denominated in other currencies	—	34,120	41	—	181	(332)	33,928
Bonds denominated in other Eurozone currencies	981,272	1,406,714	1,322,985	12,573	—	(4,385)	1,073,189
Bonds denominated in other non-Eurozone currencies	28,559	41,481	26,614	414	(1,138)	(346)	42,356
	3,015,970	11,744,601	10,891,298	11,066	(957)	(7,361)	3,872,021
Non-investment securities	169,320	3,170,416	3,108,122	(19,266)	(966)	(8,492)	202,890
	3,185,290	14,915,017	13,999,420	(8,200)	(1,923)	(15,853)	4,074,911

^(*) Plus gains of € 8,994,000 deriving from futures contracts.

MOVEMENTS IN INVESTMENT SECURITIES IN SIX MONTHS ENDED 31 DECEMBER 2001

	Opening Balance			Purchased and subscribed		Sold		Other movements (\$)			Balance at 31/12/01			Average price in 6 months to 31/12/01 (€) '000	Gain € '000
	Number	% (*)	Amount € '000	Number	Amount € '000	Number	Amount € '000	Number	Amount € '000	Interim (writedowns) writebacks € '000	Number	% (*)	Amount € '000		
BONDS (*) AND OTHER SECURITIES															
Olivetti 1.5% 2001-2004 convertibles	13,188	—	14,044	—	—	—	—	—	(562) (2)	(828)	13,188	—	12,654	12,654	—
Olivetti 1.5% 2001-2010 convertibles	—	—	—	83,487	83,487	20,000	26,613	—	26,924 (2)	1,794	63,487	—	85,592	89,675	4,083
Pirelli & C. 2.5% 1998-2003 convertibles	7,429	—	7,445	—	—	—	—	—	—	—	7,429	—	7,445	9,071	1,626
Compage Gruppo Mediobanca SICAV, Luxembourg	—	—	2,630	—	3,061	—	2,630	—	—	(8)	—	—	3,053	3,111	58
			<u>24,119</u>		<u>86,548</u>		<u>29,243</u>		<u>26,362</u>	<u>958</u>			<u>108,744</u>	<u>114,511</u>	<u>5,767</u>
EQUITY INTERESTS															
— SHARES LISTED IN ITALY															
Assicurazioni Generali	110,350,000	9.12	432,480	48,862,892 (3)	230,264	—	—	—	—	—	159,212,892	12.48	662,744	5,148,945	4,486,201
Banca di Roma	26,616,250	1.94	121,763	—	—	—	—	—	—	(46,173)	26,616,250	1.94	75,590	75,590	—
Banca Nazionale del Lavoro, ordinary	506,000	0.02 + 0.02	1,842	—	—	—	—	—	—	(445)	506,000	0.02 + 0.02	1,397	1,397	—
Cofide, ordinary	14,426,771	2.55 + 2.01	7,263	—	—	—	—	—	—	—	14,426,771	2.55 + 2.01	7,263	7,815	552
ENEL	1,300,000	0.01	4,763	—	—	—	—	(650,000) (4)	—	(338)	650,000	0.01	4,425	4,425	—
Fiat, ordinary	11,603,900	3.16 + 2.11	86,654	—	—	—	—	—	—	—	11,603,900	3.16 + 2.11	86,654	245,306	158,652
Finmeccanica	82,380,000	0.98	95,388	—	—	—	—	—	—	(18,651)	82,380,000	0.98	76,737	76,737	—
Gemina, ordinary	46,132,781	12.66 + 12.53	55,776	—	—	—	—	—	—	(13,504)	46,132,781	12.66 + 12.53	42,272	42,272	—
GIM, ordinary	4,154,832	2.79 + 2.56	4,457	—	—	—	—	—	—	(431)	4,154,832	2.79 + 2.56	4,026	4,026	—
HdP, ordinary	75,478,851	10.32 + 9.92	126,463	—	—	—	—	—	—	—	75,478,851	10.32 + 9.92	126,463	298,972	172,509
Immobiliare Lombarda 1999/2003, warrants	1,910,646	—	—	—	—	—	—	—	—	—	1,910,646	—	—	41	41
Intesa-BCL, ordinary	53,011,780 (5)	0.90 + 0.79	216,902	—	—	—	—	—	—	(54,527)	53,011,780	0.90 + 0.79	162,375	162,375	—
Intesa-BCL put warrants	1,540,577	—	2,019	—	—	1,540,577	2,019	—	—	—	—	—	—	—	—
Italmobiliare, ordinary	2,106,888	9.50 + 5.47	34,593	—	—	—	—	—	—	—	2,106,888	9.50 + 5.47	34,593	73,046	38,453
La Fondiaria Assicurazioni, ordinary	51,156,000	13.29 + 12.84	180,037	—	—	—	—	—	—	—	51,156,000	13.29 + 12.84	180,037	284,888	104,851
Mediolanum	14,273,900	1.97	182,593	26,100	162	—	—	—	—	(38,182)	14,300,000	1.97	144,573	144,573	—
Montedison (formerly Compart), ordinary	263,184,163	15.00 + 13.69	403,077	—	—	263,184,163	403,077	—	—	—	—	—	—	—	—
Olivetti	85,886,224	1.18	203,818	97,359,884	153,219	—	—	—	(26,362) (2)	(69,366)	183,246,108	2.09	261,309	261,309	—
Olivetti 2001-2002, warrants	23,010	—	9	—	—	—	—	—	—	(5)	23,010	—	4	4	—
Pininfarina, ordinary	121,000	1.33 } 3.41	879	65,800	1,157	300	3	131,125	952 (6)	—	317,625	3.43 + 3.41	2,985	6,499	3,514
Pininfarina, convertible savings	196,625	89.78 }	1,451	—	—	65,500	499	(131,125)	(952) (6)	—	—	—	—	—	—
Pirelli & C., ordinary	28,181,601	4.77 + 4.51	40,195	—	—	—	—	—	—	—	28,181,601	4.77 + 4.50	40,195	77,668	37,473
Ratti	2,860,000	9.17	3,984	—	—	—	—	—	—	(1,457)	2,860,000	9.17	2,527	2,527	—
SAL, ordinary	1,325,000	2.16 + 1.36	19,995	—	—	—	—	—	—	(723)	1,325,000	2.16 + 1.36	19,272	19,272	—
Stefanel, ordinary	2,458,000	2.27 + 2.27	3,179	10,000	16	10,000	16	(1,229,000) (4)	—	(808)	1,229,000	2.27 + 2.27	2,371	2,371	—
			<u>2,229,580</u>		<u>384,818</u>		<u>405,614</u>		<u>(26,362)</u>	<u>(244,610)</u>			<u>1,937,812</u>	<u>6,940,058</u>	<u>5,002,246</u>
— SHARES LISTED OUTSIDE ITALY															
Allianz AG, Munich	119,888	0.05	17,686	—	—	—	—	—	—	—	119,888	0.05	17,686	33,588	15,902
AMB Generali Holding, Aachen	96,100	0.18	10,924	—	—	—	—	—	—	456	96,100	0.18	11,380	11,380	—
Ciments Français, Paris	4,374,215 (7)	11.52	147,314	42,679	2,245	42,679	2,245	—	—	—	4,374,215	11.50	147,314	208,475	61,161
Commerzbank, Frankfurt	6,204,874	1.15	180,936	2,343,400	63,011	—	—	—	—	(57,253)	8,548,274	1.58	186,694	186,694	—
Koenig & Bauer Albert, Würzburg, ordinary	360,000	4.50 + 2.25	3,392	—	—	—	—	—	—	—	360,000	2.25	3,392	8,435	5,043
			<u>360,252</u>		<u>65,256</u>		<u>2,245</u>		<u>—</u>	<u>(56,797)</u>			<u>366,466</u>	<u>448,572</u>	<u>82,106</u>

TABLE III (cont.)

	Opening Balance			Purchased and subscribed		Sold		Other movements (§)		Interim (writedowns) writebacks € '000	Balance at 31/12/01			Average Price in 6 months to 31/12/01 (§) € '000	Gain € '000
	Number	% (*)	Amount € '000	Number	Amount € '000	Number	Amount € '000	Number	Amount € '000		Number	% (*)	Amount € '000		
– UNLISTED SHARES AND STOCK UNITS (†)															
Consortium	111,555	20.00	144,370	—	—	111,555	144,370	—	—	—	—	—	—	—	—
Banca Esperia	12,125,000	48.50	25,172	—	—	—	—	—	—	(2,505)	12,125,000	48.50	22,667	—	—
Cartiere Burgo (formerly Dieci)	23,241	15.00	23,241	12,514	18,771	—	—	33,476 (¶)	—	—	69,230,769	23.04	42,012	—	—
Fidia	7,500	25.00	3,873	—	—	—	—	—	—	—	7,500	25.00	3,873	—	—
Istituto Europeo di Oncologia	12,235	14.83	12,723	—	—	—	—	—	—	—	12,235	14.83	12,723	—	—
Lucchini	500,000	6.17	25,823	—	—	—	—	—	—	—	500,000	6.17	25,823	—	—
Nomisma	100,000	0.80	30	—	—	—	—	—	—	—	100,000	0.69	30	—	—
Prominvestment	250,000	25.00	129	250,000	219	—	—	—	—	—	500,000	50.00	348	—	—
Tirrenia di Navigazione	3,150,000	15.00	34,380	—	—	—	—	—	—	—	3,150,000	15.00	34,380	—	—
Zetesis	40,000	10.00	41	—	—	—	—	—	—	—	40,000	10.00	41	—	—
AliceLab Netherlands BV	—	—	—	10,550	1,511	—	—	—	—	—	10,550	8.19	1,511	—	—
Athena Private Equity, Luxembourg, Class A ...	2,711,399	24.44	8,554	—	13,659	—	—	—	—	—	2,711,399	24.44	22,213	—	—
Compagnie Monégasque de Banque, Monte Carlo	83,332	15.00	18,551	—	—	—	—	—	—	—	83,332	15.00	18,551	—	—
EuroQube SA, Brussels	9,387	5.95	2,347	10,591 (¶)	662	—	—	—	—	—	19,978	6.05	3,009	—	—
Iran & Italy Industrial Promotion Co., Tehran ...	2,000	50.00	29	—	—	—	—	—	—	—	2,000	50.00	29	—	—
MBCA Holdings Limited, Harare	785,717	2.25	31	—	—	—	—	—	—	—	785,717	2.25	31	—	—
MB Venture Capital Fund I Participating Company A NV B, Amsterdam	22,500	45.00	9,523	—	—	—	—	—	—	—	22,500	45.00	9,523	—	—
Saturn Venture Fund, New York in USD	114,366	5.35	128	503,156	559	—	—	—	—	—	617,522	5.64	687	—	—
Sadim, Monte Carlo, (in liquidation)	1,850	3.70	131	—	—	—	—	—	—	—	1,850	3.70	131	—	—
Satif, Monte Carlo	1,850	3.70	3	—	—	—	—	—	—	—	1,850	3.70	3	—	—
S.W.I.F.T.	—	—	—	1	2	—	—	—	—	—	1	—	2	—	—
			<u>309,079</u>		<u>35,383</u>		<u>144,370</u>		<u>—</u>	<u>(2,505)</u>			<u>197,587</u>		
– INVESTMENTS IN GROUP UNDERTAKINGS															
Sade Finanziaria	13,000,000	100.00	10,238	—	15,494	—	—	—	—	—	13,000,000	100.00	25,732	—	—
Technostart	1,380,000	69.00	519	—	—	—	—	—	—	(18)	1,380,000	69.00	501	—	—
Others (see Table IV)	40,653,000	—	91,748	—	—	—	—	—	—	—	40,653,000	—	91,748	—	—
			<u>102,505</u>		<u>15,494</u>		<u>—</u>		<u>—</u>	<u>(18)</u>			<u>117,981</u>		
GRAND TOTAL			<u>3,025,535</u>		<u>587,499</u>		<u>581,472</u>		<u>—</u>	<u>(302,972)</u>			<u>2,728,590</u>		

(§) Includes portfolio movements not generating cash flow.

(*) Where more than one category of share is in issue, the first percentage relates to proportion of the class concerned, while the second gives proportion of the entire share capital. Percentages include stock lent.

(¶) Based on average prices in six months ended 30/6/01. Shares in Compagnie Gruppo Mediobanca SICAV are stated at their price on 28/12/01.

(†) Nominal value in € '000.

(‡) Ex-rights to subscribe for convertible bonds under terms of rights issue.

(§) Increase following merger of Euralux completed on 17/12/01.

(¶) Reduction due to redenomination into Euros and/or consolidation.

(§) Includes 53,011,595 shares set aside for holders of Mediobanca International 2% 2001-2006 bonds convertible into Intesa-BCI shares.

(¶) Conversion at par savings shares into ordinary shares.

(§) Includes 4,374,190 shares set aside for holders of Mediobanca International 2% 2001-2006 bonds convertible into Ciments Français shares.

(¶) Company's Legal status changed from S.r.l. (limited liability company) to S.p.A. (joint stock company).

(§) Shares partly paid.

TABLE IV

INVESTMENTS IN GROUP UNDERTAKINGS
(figures in euros unless otherwise stated)

	Share Capital	Par Value per Share	No. of Shares held	Equity Interest %	Par Value '000	Book Value '000
(*) COMPASS S.p.A., Milan	€ 87,500,000	€ 5	17,500,000	100	€ 87,500	€ 77,985
(*) MB FINSTRUTTURE - INTERSOMER S.p.A., Milan	€ 6,500,000	€ 0.50	13,000,000	100	€ 6,500	€ 6,968
(*) MEDIOBANCA INTERNATIONAL LTD., Grand Cayman	USD 10,000,000	USD 1	10,000,000	100	USD 10,000	€ 6,002
(*) PRUDENTIA FIDUCIARIA S.p.A., Milan	€ 100,000	€ 5	20,000	100	€ 100	€ 103
RICERCHE E STUDI S.p.A., Milan	€ 100,000	€ 5	20,000	100	€ 100	€ 103
(*) SADE FINANZIARIA S.p.A., Milan	€ 6,500,000	€ 0.50	13,000,000	100	€ 6,500	€ 25,732
(*) SETECI - Società per l'Elaborazione, Trasmissione Dati, Engineering e Consulenza Informatica S.p.A., Milan	€ 500,000	€ 5	100,000	100	€ 500	€ 522
(*) SPAFID S.p.A., Milan	€ 100,000	€ 10	10,000	100	€ 100	€ 26
(*) TECHNOSTART S.p.A., Milan	€ 1,000,000	€ 0.50	1,380,000	69	€ 1,380	€ 501
(*) TRADEVCO LTD., Monrovia	LRD 80,000,000	LRD 16,000	3,000 ⁽¹⁾	60	LRD 48,000	€ 39
						<u>€ 117,981</u>

(*) Member of the Mediobanca Banking Group.

⁽¹⁾ The remaining shares are held by the company itself.

Parent Company	Share Capital	Par Value per Share	No. of Shares held	Equity Interest %	Par Value '000
INDIRECT INVESTMENTS HELD THROUGH SUBSIDIARIES					
(*) COFACTOR S.p.A., Milan	Compass S.p.A. € 7,500,000	€ 0.50	15,000,000	100	€ 7,500
CREDITECH S.p.A., Milan	Compass S.p.A. € 250,000	€ 1	250,000	100	€ 250
(*) MICOS BANCA SpA, Milan	Compass S.p.A. € 16,500,000	€ 0.50	32,920,000	100	€ 16,460
(*) PALLADIO LEASING S.p.A., Vicenza	SelmaBipiemme Leasing S.p.A. € 8,700,000	€ 0.50	16,482,500	95 ⁽¹⁾	€ 8,241
(*) SELMABIPIEMME LEASING S.p.A., Milan	Compass S.p.A. € 40,200,000	€ 0.50	49,564,777	61.65	€ 24,782
(*) TELELEASING S.p.A., Milan	SelmaBipiemme Leasing S.p.A. € 9,500,000	€ 1	7,600,000	80	€ 7,600

(*) Member of the Mediobanca Banking Group.

⁽¹⁾ The remaining shares are held by the company itself.

TABLE V

OPEN POSITIONS IN DERIVATIVES
AS AT 31 DECEMBER 2001

A. NOTIONAL PRINCIPAL AMOUNTS BY UNDERLYING EXPOSURE

	Interest rate contracts € '000	Foreign exchange contracts € '000	Index-linked contracts € '000	Total € '000
Over-the-counter (OTC) traded contracts				
<i>Forwards</i>	—	—	—	—
<i>Swaps</i>	12,204,949	1,381,575	—	13,586,524
<i>Options purchased</i>	761,394	75,000	5,457,283	6,293,677
<i>Options written</i>	1,523,270	75,000	5,717,329	7,315,599
Exchange traded contracts				
<i>Futures (long positions)</i>	680,000	—	73,200	753,200
<i>Futures (short positions)</i>	30,000	—	128,800	158,800
<i>Options purchased</i>	—	—	5,869	5,869
<i>Options written</i>	—	—	55,709	55,709
Total derivatives	15,199,613	1,531,575	11,438,190	28,169,378
<i>of which:</i>				
– <i>trading</i>	5,136,097	259,449	2,061,871	7,457,417

N.B. - Notional principal amounts are amounts corresponding to the assets and liabilities underlying contracts held for trading and hedging purposes. These amounts are given solely for reference purposes, since the Bank's effective exposure is limited to the net margins on individual transactions.

B. INFORMATION ON CREDIT QUALITY OF OTC CONTRACTS

Counterparty type	Gross positive market value ⁽¹⁾ € '000	Current credit exposure ⁽²⁾ € '000	Potential credit exposure ⁽³⁾ € '000	Credit equivalent amount ⁽⁴⁾ € '000
Banks	176,739	61,023	491,253	110,455
Other intermediaries	128,210	119,981	122,347	121,164
Total	304,949	181,004	613,600	231,619
<i>of which:</i>				
– <i>interest rate contracts</i>	173,216	97,463	79,075	53,987
– <i>exchange rate contracts</i>	46,486	45,473	60,585	43,270
– <i>equity and equity index- linked contracts</i>	85,247	38,068	473,940	134,362

⁽¹⁾ Represents the cost of replacing the contract in the event of a counterparty default.

⁽²⁾ Gross positive market value less reduction in credit exposure under netting arrangements.

⁽³⁾ Approximate valuation of the "add-on" risk inherent in market volatility.

⁽⁴⁾ Current credit exposure plus potential credit exposure, risk-weighted by counterparty category under Bank of Italy regulations.

TABLE VI

**SIGNIFICANT EQUITY INVESTMENTS AS DEFINED IN ARTICLE 120/3 OF
LEGISLATIVE DECREE 58/98 AND ARTICLE 126 OF CONSOB REGULATION 11971/99**

	Share Capital	Par Value per Share	No. of Shares held directly	Direct Interest % (*)	No. of Shares held indirectly	Indirect Interest % (*)	Shares held by
COMPASS S.p.A., Milan	€ 87,500,000	€ 5.00	17,500,000	100.00	—	—	—
MB FINSTRUTTURE - INTERSOMER S.p.A., Milan	€ 6,500,000	€ 0.50	13,000,000	100.00	—	—	—
MEDIOBANCA INTERNATIONAL LTD., Grand Cayman	\$ 10m	\$ 1.00	10,000,000	100.00	—	—	—
PRUDENTIA FIDUCIARIA S.p.A., Milan	€ 100,000	€ 5.00	20,000	100.00	—	—	—
RICERCHE E STUDI S.p.A., Milan	€ 100,000	€ 5.00	20,000	100.00	—	—	—
SADE FINANZIARIA S.p.A., Milan	€ 6,500,000	€ 0.50	13,000,000	100.00	—	—	—
SETECI - Società per l'Elaborazione, Trasmissione Dati, Engineering e Consulenza Informatica S.p.A., Milan	€ 500,000	€ 5.00	100,000	100.00	—	—	—
SPAFID S.p.A., Milan	€ 100,000	€ 10.00	10,000	100.00	—	—	—
TECHNOSTART S.p.A., Milan	€ 1,000,000	€ 0.50	1,380,000	69.00	—	—	—
TRADEVCO LTD., Monrovia	LRD 80m	LRD 16,000	3,000	60.00	2,000	40.00	Tradevco
INDIRECTLY CONTROLLED SUBSIDIARIES							
COFACTOR S.p.A., Milan	€ 7,500,000	€ 0.50	—	—	15,000,000	100.00	Compass
CREDITECH S.p.A., Milan	€ 250,000	€ 1.00	—	—	250,000	100.00	Compass
MICOS BANCA SpA, Milan	€ 16,500,000	€ 0.50	—	—	32,920,000	100.00	Compass
PALLADIO LEASING S.p.A., Vicenza	€ 8,700,000	€ 0.50	—	—	16,482,500 867,500	95.00 5.00	SelmaBipiemme Palladio Leasing
SELMABIPIEMME LEASING S.p.A., Milan	€ 40,200,000	€ 0.50	—	—	49,564,777	61.65	Compass
TELELEASING S.p.A., Milan	€ 9,500,000	€ 1.00	—	—	7,600,000	80.00	SelmaBipiemme

(*) Own shares.

TABLE VI (cont.)

	Share Capital	Par Value per Share	No. of Shares held directly	Direct Interest % (*)	No. of Shares held indirectly	Indirect Interest % (*)	Shares held by
OTHER SIGNIFICANT EQUITY INVESTMENTS							
ATHENA PRIVATE EQUITY S.A. - Luxembourg	€ 22,200,000	€ 2.00	2,711,399	24.44	—	—	—
CIMENTS FRANÇAIS S.A., Paris	€ 152,100,000	€ 4.00	4,374,215	11.50	—	—	—
COMPAGNIE MONEGASQUE DE BANQUE - Monte Carlo	€ 111,100,000	€ 200.00	83,332	15.00	—	—	—
CARTIERE BURGO S.p.A. (formerly Dieci), Verzuolo	€ 156,300,000	€ 0.52	69,230,769	23.04	—	—	—
BANCA ESPERIA S.p.A. - Milan	€ 13,000,000	€ 0.52	12,125,000	48.50	—	—	—
FIDIA - Fondo Interbancario d'Investimento Azionario SGR S.p.A., Milan	€ 15,600,000	€ 520.00	7,500	25.00	—	—	—
ISTITUTO EUROPEO DI ONCOLOGIA S.r.l., Milan	€ 82,500,000	—	1	14.83	—	—	—
IRAN AND ITALY INDUSTRIAL PROMOTION Co., Tehran	Rials 400,000,000	Rials 100,000	2,000	50.00	—	—	—
MB VENTURE CAPITAL FUND I PARTICIPATING Co. A N.V. - Amsterdam	€ 50,000	€ 1.00	22,500	45.00	—	—	—
PROMINVESTMENT S.p.A., Rome	€ 520,000	€ 0.52	500,000	50.00	—	—	—
TIRRENIA DI NAVIGAZIONE S.p.A. - Rome	€ 108,400,000	€ 5.16	3,150,000	15.00	—	—	—
MB VENTURE CAPITAL S.A. - Luxembourg	€ 40,000	€ 10.00	—	—	1,400	35.00	Technostart
SINTERAMA S.p.A. - Sandigliano	€ 72,800,000	€ 0.51	—	—	15,000,000	10.51	MB Finstrutture - Intersomer
SCONTOFIN S.A. - Luxembourg	Lit. 5,000m	Lit. 1m	—	—	1,000	20.00	Sade Finanziaria
ZAMBIA TANZANIA ROAD SERVICES Ltd., Lusaka (in liquidation)	Kwacha 4,000,000	Kwacha 200.00	—	—	4,667	23.33	MB Finstrutture - Intersomer

(*) Own shares.

OttavioCapriolo - Milan