Mediobanca
Board of Directors' Meeting

Milan, 9 February 2015

Interim financial statements as at 31/12/14 approved

In line with Business Plan estimates,

MB Group is back to growth in all banking divisions

Loans up 4%, revenues up 16% to €1,014m

Operating profit up 58% to €321m

- **Mediobanca Group reported a net profit of €261m for the six months, driven by the strong recovery in banking activities:**
  - **Revenues up 16% to €1,014m, on growth in fees (up 36% to €260m), trading (up from €17m to €83m) and net interest income (up 2% to €548m), helped also by higher lending volumes (up 4% in the six months)**
  - **Operating profit:[1] up 58%, to €321m, driven by the recovery in banking activities (profit up three times to €198m, despite €40m in one-off LLPs taken in respect of Compass performing loans)**
  - **Net profit €260m (31/12/13: €305m), due to lower gains on equity investment disposals of €16m (€153m)**
  - **ROE up to 7%**
- **Corporate & Investment Banking: strong rebound, with volumes, revenues and net profit all returning to growth; ROAC[2] 9%**
  - **Loans and advances to customers up 6% for the six months, to €14bn, on 52% growth in new business Y.o.Y. to €3.2bn, with good diversification in terms of geographies and risk; funding and treasury optimization now complete**
  - **Revenues up 44%, to €392m driven by fee income, up 54% to €191m, and a positive performance in trading (up from €8m to €79m); net interest income stabilizing following negative impact of repayment of hybrid insurance loans last year**
  - **Operating profit more than four times higher at €171m**
- **Retail & Consumer Banking: ROAC 10%**
  - **Consumer finance: continuing growth in lendings (up 10% Y.o.Y.) and net interest income (up 9%); asset quality progressively improving, ROAC up to 14%**
  - **Retail banking: total deposits stable at €13bn, with indirect deposits growing to €2.1bn (30/6/14: €1.5bn); loss down from €10m to €8m, in part due to lower cost of funding**
  - **Normalized operating profit up 34% to €70m**
- **Principal Investing: disposal of stakes continuing**
  - **Contribution from Assicurazioni Generali down slightly, from €131m to €123m**

---

[1] *Net of cost of risk.*
[2] *ROAC: normalized net profit/average allocated capital (8% of risk-weighted assets).*

MEDIOBANCA

- **After €840m of disposals in FY 2013-14 (yielding €240m in gains), sales worth €80m completed during the six months under review, yielding €15m; further disposals are expected during the second half**

- **Solid capital ratios confirmed[3]**
    - **CET1: 11% phased-in, 12.7% fully phased**
    - **Leverage ratio: 10.2% phased-in, 11.6% fully phased**
    - **NPLs stable vs 30 June 2014, as percentage of total loan book (3.8%) and in terms of coverage ratio (51%)**

****

With Renato PAGLIARO in the chair, the Directors of Mediobanca approved the Group's financial statements for the six months ended 31 December 2014, as illustrated by Chief Executive Officer Alberto NAGEL.

Consolidated results

The Mediobanca Group reported a 15.9% increase in revenues during the six months under review, from €875m to €1,014.2m, due to the good performance posted by banking activity, which delivered pre-tax profit nearly three times higher than at the same time last year (up from €72m to 198m). The banking business's profitability also returned to satisfactory levels, with ROAC of 9% in CIB and 10% in RCB, in line with the strategic plan estimates.

The increase reflects growth in loans of 4.2%, from €30.6bn to €31.8bn, involving both the corporate segment (up 5.6%, from €12.5bn to €13.2bn) and the retail segment (up 4.7%, from €14.3bn to €14.9bn), with a related, 2.4% increase in net interest income; and also a positive contribution from treasury operations (€82.8m), plus higher net fee and commission income (up from €192.1m to €260.3m).

Net profit declined from €304.7m to €260.6m, due to the reduced contribution from principal investing which added €127m, as opposed to €245.4m last year on the back of higher profits realized on disposals (€151.2m, versus €15.3m this half-year). The main income items performed as follows:

- net interest income showed a 2.4% increase, from €535.1m to €547.9m, attributable to consumer business, up 9.1%, from €306.1m to €333.9m, due to higher volumes (up 6%) with margins preserved; wholesale banking declined again, from €118.2m to €104.4m, but recovered in the second quarter due to the increase in lending and the gradual reduction in the cost of funding;

- net treasury income increased sharply, from €16.7m to €82.8m, driven by positive trends on the forex market and the contribution from fixed-income trading;

---

[3] *Includes profit for the period net of estimated dividend; pending authorization from the ECB.*

- net fee and commission income was up 35.5%, from €192.1m to €260.3m, on a good performance by wholesale banking (up 78.2%), the capital markets segment in particular (which saw its profits almost treble from €26m to €74.8m); consumer fees were also up. by 7.6%, whereas fees earned from private banking operations remained stable at €39.3m;

- the contribution from equity-accounted companies fell from €131.1m to €123.2m, due to the reduced contribution from Assicurazioni Generali;

- operating costs were up 6.1%, from €370m to €392.4m, in line with the expansion of the business in terms of volumes and geographies; the increase affected labour costs in particular, due to strengthening the workforce in the consumer and wholesale areas.

Loan loss provisions declined from €302m to €300.7m, €49m (€82.3m) of which in corporate and private banking, €243.2m (€200.5m) in retail and consumer finance, and €8.9m (€19.7m) in leasing. The increase in provisioning on the consumer side includes €40m in non-recurring adjustments to the portfolio of performing assets, the coverage ratio for which has been prudentially increased from 0.8% to 1.2%. The coverage ratio for NPLs at the consolidated was flat versus June 2014 levels at 51% (50%).

Securities portfolio management yielded gains of €15.9m (€152.5m), plus writedowns totalling €11.3m (€23.3m) to reflect fair value levels as at end-December 2014.

Turning to the balance-sheet aggregates, corporate lending volumes resumed growth, while the funding and treasury optimization process was completed and the high capital and asset quality levels were confirmed:

- loans and advances to customers were up 4.2%, with growth in all segments: wholesale banking (up 5.6%), consumer finance (up 6.3%), mortgage lending (up 1.1%), and private banking (up 5%). Net NPLs represented 3.8% of the total loan book (flat in percentage terms relative to 30 June 2014), with a slightly improved coverage ratio (up from 50% to 51%);

- funding fell from €45.8bn to €43bn, as a result of debt securities maturing (€4bn), only partly offset by new issuance (€1.7bn), lower CheBanca! retail funding (down from €11.5bn to €10.9bn), and the €1bn repayment on the LTRO granted by the ECB, in part offset by the first T-LTRO tranche (€578m);

- liquid assets (treasury, AFS securities) fell from €19.8bn to €15.4bn, almost reaching the strategic plan targets

- the Group's capital ratios remain at high levels:[4]

    - phased-in: CET1 ratio 11% (30/6/14: 11.08%), total capital ratio 13.94% (13.76%), leverage ratio 10.16% (8.52%).

    - Fully-phased: CET1 ratio 12.65% (12.50%), total capital ratio 15.06% (14.70%), leverage ratio 11.57% (9.542%)

---

[4] *Includes profit for the period net of estimated dividend; pending authorization from the ECB.*

Divisional results

Wholesale banking: strong rebound, with both business volumes and revenues back to growth (up 6% and 57% respectively); net profit €98.6m (31/12/13: €0.6m), ROAC 8%

The growth posted by this division reflects higher revenues (€325.1m, versus €207.3m) and lower loan loss provisions (€48.4m, versus €84.9m). In particular:

- net interest income, despite falling 11.7% for the six months, from €118.2m to €104.4m, due to the lower average volumes compared to last year, in part because of the repayment of the hybrid insurance loans, and the reduction in interest rates, recovered strongly in the second quarter, to post a 21% increase, linked to the growth in corporate lending;

- net trading income showed a profit of €69.4m (€4.2m), due to a positive contribution from forex trading positions (€52.4m) and the banking book component (€41.2m);

- net fee and commission income nearly doubled from €84.9m to €151.3m, driven by capital market activity (up from €26m to €74.8m); there was also notable growth in advisory business, from €14m to €19.4m;

- the 13.5% increase in operating costs, from €110.3m to €125.2m, is equally split between labour costs (up €7.6m) and operating expenses (up €7.3m) due to development of the CIB platform, and to strengthening of the structure and control procedures;

- loan loss provisions almost halved, from €84.9m to €48.4m, returning to levels seen two years ago despite maintaining the same coverage ratios on non-performing items (49%).

The balance-sheet aggregates show a resumption in lending activity since 30 June 2014, up 5.6% to €13.2bn, on €3.2bn in new loans (up 52% on last year), well diversified in terms of geographies and risk. There was again, however, a significant amount of early repayments (approx. €700m). The reductions in net treasury assets (from €9.9bn to €5.6bn) and in banking book securities (from €11.1bn to €9.7bn) offset the repayments in funding (which declined from €40.6bn to €37.2bn), in connection with the asset optimization process provided for in the 2014/16 strategic plan.

Private banking: stable revenues and AUM

Private banking delivered a net profit of €18.8m (31/12/13: €27.5m), with revenues up 2.2%, from €65m to €66.4m, in part offset by an 11.7% rise in costs, from €41.2m to €46m, most of which non-recurring (€2.1m in transfers to the provision for risks and charges), and lower gains on disposals of AFS securities totalling €1m (€5.3m). The increase in net treasury income (from €3.6m to €9.9m) offset the reduction in net interest income (down from €22.2m to €17.2m), on stable fee income of €39.3m. Assets under management on a discretionary and/or non-discretionary basis at the reporting date totalled €15.2bn (30/6/14: €15bn), of which €7.2bn (€7.3bn) for CMB and €8bn (€7.7bn) for Banca Esperia.

Consumer credit: in the year ended 31/12/14, Compass confirmed its position as the first Italian player as measured by new business flows, with a market share of 12.3%. Such growth, which has been enhanced in recent months through the signing of new commercial agreements, has proved to be solid in terms of volumes (new business up 17%) and profitability (ROAC 14%)

New loans disbursed in the six months in the consumer credit segment totalled €2,940.7m, up 17.1% on the previous half (€2,511.7m), and were concentrated in the car segment (up 9.2%) and personal loans (up 20.7%). The loan stock thus grew by 6.3%, from €9,876.9m to €10,495.6m, including €157m in respect of the recently-launched factoring business.

On the earnings side, in the six months under review revenues were up 8.8%, from €378.9m to €412.3m. The 9.1% increase in net interest income, from €306.1m to €333.9m, derives from higher volumes (which were up 6%) and resilient returns; net fee and commission income rose by 7.6%. The rise in operating costs, from €132.8m to €139.4m, reflects the growth in activity; while the increase in loan loss provisions, from €186m to €232.8m, is largely attributable to the €40m increase in provisioning for performing assets. Excluding the latter, the cost of risk would decline from 461 bps (for the twelve months ended 30 June 2014) to 379 bps, against an increase in the coverage ratios for the non-performing items (from 64% to 67%) and a reduction in NPLs themselves (net NPLs declining from 3.5% of total loans to 3% during the six months). In terms of bad debts, there was a significant slowdown in additions to problematic loans (loans with 30 days' arrears for the first time) starting from the months of last summer. Net profit totalled €31m (€50m), the reduction attributable to the non-recurring provisions; net of which the divisional ROAC would have been 14%.

Retail banking: CheBanca! doubles indirect funding amount to €2.1bn, conversion rate quicker than expected

CheBanca! continued in its process of transformation from pure deposit-gatherer focused on deposit accounts to multi-channel "first" bank. To this end, considerable attention was focused in the six months on:

- sale of transactional products (up from €1bn to €1.5bn)
- reduction in the cost of funding, and conversion of direct funding (which declined from €11.6bn to €10.9bn) to indirect funding (which climbed from €1.5bn to €2.1bn), with a particular emphasis on insurance products (over 500 million placed in the six months).

The six months under review showed a slight reduction in the net loss incurred by the Group's retail banking operations, from €10.3m to €8.1m. The 8.2% decline in revenues was offset by reductions in both operating costs (which were down from €75.9m to €75.1m) and the cost of risk (down from €14.5m to €10.4m). The top line in particular reflects the reduced contribution from net interest income (which is linked to the trend in volumes) and the fact that commissions from placement of Mediobanca bonds were almost non-existent (having last year contributed €6.8m at the divisional level, subject to elision at Group level). Conversely, there was growth in commissions on asset management, insured and non-discretionary products (from €0.7m to €4.3m), reflecting an increase in the indirect funding stock.

Loans and advances to customers had risen slightly since the balance-sheet date, from €4,392m to €4,438.9m, with new loans up from €222.6m to €265.5m and non-performing items flat at €146.2m (€145.2m).

Principal investing: stake disposal process continues, to be stepped up in 2H

This division delivered a profit of €127m (31/12/13: €245.4m), due to the reduced contribution from Assicurazioni Generali (down from €130.8m to €122.9m) and a sharp reduction in gains on disposals to just €15.3m (compared with €151.2m last year), in part offset by lower writedowns of €11.7m (€21.7m). The equity exposure reduction plan continued, with the sale of the 9.9% stake in Santé SA for a consideration of €38.4m and a gain of €7.6m, and other market disposals totalling €30.6m. Further disposals are anticipated in the second quarter.

Mediobanca S.p.A.

For the six months ended 31 December 2014, Mediobanca reported a net profit of €80.2m, down on the €101.1m reported last year. The following performances were reported:

- net interest income was down 16.8%, from €105.6m to €87.9m chiefly due to the lower volumes and to the cost of funding, which continues to reflect previous expenses;

- net treasury income (which includes dividends on AFS shares and profits on AFS and HTM debt securities) returned to previous years' levels at €78.2m (€9.1m);
- net fee and commission income almost doubled, from €83.5m last year to €149.9m;
- operating costs were up 11.5%, from €126.8m to €141.4m, reflecting the strengthening of the CIB platform;
- loan loss adjustments stood at €48.2m, substantially lower than the €82.6m reported last year. The coverage ratio for non-performing items was unchanged at 47%.

****

Information on criteria adopted in the Asset Quality Review (requested by Consob on 30 January 2015 pursuant to Article 114, para. 5, of Italian Legislative Decree 58/98)

1. The credit file review (CFR) carried out as part of the Asset Quality Review resulted in a €351.3m increase in the provisioning with reference to 31 December 2013, due chiefly to twelve positions (two in corporate lending and ten in leasing) being reclassified as non-performing exposures (NPEs), covering an aggregate exposure of €542m. As at 31 December 2014, provisions had been set aside in respect of such items amounting to €320m, that is, more than 90% of the shortfall. The difference is chiefly due to a single corporate loan, the provisioning for which as at end-December differed from the provisioning which emerged in the AQR as a result of subsequent action.

2. The impact of the projection of findings (PF) from the CFR is negligible, at €0.4m, hence no observations have been made on it by the ECB.

3. The results of the collective provisions analysis (CPA) have led, since the balance-sheet date, to refinements in the consumer finance models (Compass), to incorporate new parameter calibrations and point-in-time estimates to calculate the LGD[5] (reducing the observation period to 5 years) and the PDs[6] (calculated over a six-month time horizon), in line with the internal statistical evidence) applied to the entire portfolio; thus the coverage ratios for Compass were increased from 58% (as at 31 December 2013) to 67% (as at 31 December 2014) for the non-performing items, and from 0.2% (as at 31 December 2013) to 1.2% for the performing items, in line with the results of the AQR. Furthermore, as from 30 June 2014 the accounting model used to calculate the provisioning for the performing leasing portfolio has been updated based on the internal probability of default and LGD readings, without, however, any significant impact in P&L.

4. As for Level 3 assets, the only differences (which amounted to €1.1m) involved refinements to the pricing models for certain derivatives, which were incorporated into the accounts at the balance-sheet date (€0.6m); no other differences emerged from the analysis carried out (i.e. unlisted AFS equities and credit value adjustment – CVA – for derivatives).

---

[5] *Loss Given Default: the share of an asset which is lost when a borrower defaults.*
[6] *Probability of Default.*

Areas for improvement which emerged during the Process, Policies and Accounting Review carried out as part of the AQR involved procedures and electronic storage of loans presenting evidence of forbearance, standardization of credit policies at the leasing companies, and more specific rules for collateral valuation. The credit policies of all Group companies were revised in the course of 2014, with a focus on monitoring the evidence of forbearance, and for the leasing companies, on implementing standardized policies for monitoring and provisioning credit (including the performing portfolio) and the measurement of related collateral, in line with best practices. New operating processes will be introduced once the leasing IT systems have been integrated into a single platform.

Finally, the new IT platform for monitoring CVA/DVA will be fully operative as from March 2015. This will allow further refinements and/or calibrations to be made to the model; and the respective operating processes will be formalized soon afterwards.

All above mentioned has been communicated to ECB.

Milan, 10 February 2015

Investor Relations	**Media Relations**
Tel. no.: (0039) 02-8829.860/647	Tel. no.: (0039) 02-8829.627/319
jessica.spina@mediobanca.com	lorenza.pigozzi@mediobanca.com
luisa.demaria@mediobanca.com	stefano.tassone@mediobanca.com
matteo.carotta@mediobanca.com	paola.salvatori@mediobanca.com

MEDIOBANCA

Restated consolidated profit and loss accounts

Mediobanca Group (€m)	6 mths 31/12/13	6 mths 31/12/14	Y.o.Y. chg. %
Net interest income	535.1	547.9	2.4%
Net treasury income	16.7	82.8	n.m.
Net fee and commission income	192.1	260.3	35.5%
Equity-accounted companies	131.1	123.2	-6.0%
Total income	**875.0**	**1,014.2**	**15.9%**
Labour costs	(179.0)	(192.9)	7.8%
Administrative expenses	(191.0)	(199.5)	4.5%
Operating costs	**(370.0)**	**(392.4)**	**6.1%**
Gains (losses) on AFS, HTM & LR	152.5	15.9	-89.6%
Loan loss provisions	(302.0)	(300.7)	-0.4%
Provisions for other financial assets	(23.3)	(11.3)	-51.5%
Other income (losses)	0.0	0.0	n.m.
Profit before tax	**332.2**	**325.7**	**-2.0%**
Income tax for the period	(30.3)	(64.1)	n.m.
Minority interest	2.8	(1.0)	n.m.
Net profit	**304.7**	**260.6**	**-14.5%**

Quarterly profit and loss accounts

Mediobanca Group	FY13/14				FY14/15	
(€m)	I Q 30/9/13	II Q 31/12/13	III Q 31/3/14	IV Q 30/6/14	I Q. 30/9/14	II Q 31/12/14
Net interest income	270.5	264.6	274.1	277.7	267.1	280.8
Net treasury income	2.9	13.8	(7.2)	35.6	55.6	27.2
Net fee and commission income	84.4	107.7	82.9	148.9	147.2	113.1
Equity-accounted companies	64.1	67.0	43.6	88.8	55.5	67.7
Total income	**421.9**	**453.1**	**393.4**	**551.0**	**525.4**	**488.8**
Labour costs	(85.1)	(93.9)	(94.6)	(105.4)	(92.3)	(100.6)
Administrative expenses	(83.5)	(107.5)	(98.4)	(123.0)	(93.1)	(106.4)
Operating costs	**(168.6)**	**(201.4)**	**(193.0)**	**(228.4)**	**(185.4)**	**(207.0)**
Gains (losses) on AFS, HTM & LR	79.8	72.7	68.8	21.2	4.5	11.4
Loan loss provisions	(128.9)	(173.1)	(158.2)	(275.8)	(120.5)	(180.2)
Provisions for other financial assets	(0.9)	(22.4)	(2.9)	(4.4)	(6.6)	(4.7)
Other income (losses)	0.0	0.0	(3.2)	0.3	0.0	0.0
Profit before tax	**203.3**	**128.9**	**104.9**	**63.9**	**217.4**	**108.3**
Income tax for the period	(32.0)	1.7	(14.6)	5.3	(56.9)	(7.2)
Minority interest	(0.1)	2.9	0.3	0.3	(0.5)	(0.5)
Net profit	**171.2**	**133.5**	**90.6**	**69.5**	**160.0**	**100.6**

MEDIOBANCA

Restated balance sheet

Mediobanca Group (€m))	31/12/13	30/6/14	31/12/14
Assets			
Treasury funds	13,346.0	9,323.8	6,543.7
AFS securities	9,672.7	8,418.5	6,859.7
of which: fixed income	*8,259.6*	*7,152.9*	*5,767.6*
equities	*1,401.9*	*1,254.6*	*1,080.7*
Fixed assets (HTM & LR)	2,137.1	2,046.3	2,000.4
Loans and advances to customers	32,272.0	30,552.1	31,847.3
Equity investments	2,649.2	2,871.4	3,071.0
Tangible and intangible assets	703.2	715.4	716.5
Other assets	1,214.8	1,493.4	1,311.9
of which: tax assets	*856.5*	*1,069.9*	*1,028.8*
Total assets	**61,995.0**	**55,420.9**	**52,350.5**
Liabilities			
Funding	53,262.3	45,834.0	42,968.7
of which: debt securities in issue	*26,842.3*	*22,617.7*	*20,243.4*
retail deposits	*13,288.4*	*11,481.6*	*10,866.9*
Other liabilities	1,125.7	1,449.2	1,110.8
of which: tax liabilities	*476.1*	*596.2*	*488.2*
Provisions	189.9	195.0	195.1
Net equity	7,112.4	7,477.9	7,815.3
of which: share capital	430.6	430.7	431.8
reserves	6,576.0	6,942.7	7,278.6
minority interest	105.8	104.5	104.9
Profit for the period	304.7	464.8	260.6
Total liabilities	**61,995.0**	**55,420.9**	**52,350.5**
Core tier 1 capital*	6,319.6	6,506.7	6,513.4
Total capital*	8,436.1	8,082.9	8,250.3
RWAs*	52,919.2	58,744.1	59,189.2

Ratios (%) and per share data (€)

Mediobanca Group	31/12/13	30/6/14	31/12/14
Total assets/net equity	8.7	7.4	6.7
Loans/deposits	0.6	0.7	0.7
Core tier 1 ratio*	11.9	11.1	11.0
Regulatory capital/RWAs*	15.9	13.8	13.9
S&P rating	BBB	BBB	BBB-
Cost/income ratio	42.3	43.5	38.7
Bad loans (*sofferenze*) /loans	0.9	0.9	0.9
EPS (€)	0.35	0.54	0.30
BVPS (€)	8.1	8.6	8.9
DPS (€)		0.15	
No. of shares outstanding (millions)	861.1	861.4	863.7

* *Data calculated in accordance with CRR/CRDIV (i.e. Basel III, phased-in, AG weighted at 370%) since 30/6/14.*

MEDIOBANCA

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

6 mths to 31/12/14 (€m)	Corporate & Private Banking	Principal Investing	Retail & Consumer Banking	Corporate Centre	Group
Net interest income	121.6	0.0	400.4	25.8	547.9
Net treasury income	79.3	7.1	0.0	0.0	82.8
Net fee and commission income	190.6	0.0	87.7	3.6	260.3
Equity-accounted companies	0.0	122.9	0.0	0.0	123.2
Total income	**391.5**	**130.0**	**488.1**	**29.4**	**1,014.2**
Labour costs	(101.6)	(4.5)	(76.3)	(15.5)	(192.9)
Administrative expenses	(69.6)	(1.4)	(138.2)	(11.5)	(199.5)
Operating costs	**(171.2)**	**(5.9)**	**(214.5)**	**(27.0)**	**(392.4)**
Gains (losses) on AFS equity	1.0	15.3	0.0	0.0	15.9
Loan loss provisions	(49.0)	0.0	(243.2)	(8.9)	(300.7)
Provisions for other financial assets	0.2	(11.7)	0.0	0.0	(11.3)
Other income (losses)	0.0	0.0	0.0	0.0	0.0
Profit before tax	**172.5**	**127.7**	**30.4**	**(6.5)**	**325.7**
Income tax for the period	(55.1)	(0.7)	(7.6)	(0.5)	(64.1)
Minority interest	0.0	0.0	0.0	(1.0)	(1.0)
Net profit	**117.4**	**127.0**	**22.8**	**(8.0)**	**260.6**
Treasury funds	6,807.0	0,0	8,475,8	127,9	6,543.7
AFS securities	5,369.1	1,070,1	693,6	0,0	6,859.7
Fixed assets (HTM & LR)	4,967.5	0,0	1,247,5	0,0	2,000.4
Equity investments	0.0	2,975,2	0,0	0,0	3,071.0
Loans and advances to customers	25,158.4	0,0	14,934,5	2,892,0	31,847.3
of which to Group companies	10,679.3	n.m.	n.m.	n.m.	n.m.
Funding	(39,918.3)	0,0	(24,446,5)	(2,921,0)	(42,968,7)
RWAs	33,968.9	11,234,0	11,501,6	2,484,7	59,189,2
No. of staff	982*	0	2,386	378	3,612

* *Includes 134 staff employed by Banca Esperia pro-forma, not included in the Group total.*

6 mths to 31/12/13 (€m)	Corporate & Private Banking	Principal Investing	Retail & Consumer Banking	Corporate Centre	Group
Net interest income	140.4	0.0	376.5	22.5	535.1
Net treasury income	7.8	4.6	0.4	0.0	16.7
Net fee and commission income	124.1	0.0	84.7	2.9	192.1
Equity-accounted companies	0.0	128.2	0.0	0.0	131.1
Total income	**272.3**	**132.8**	**461.6**	**25.4**	**875.0**
Labour costs	(91.5)	(4.4)	(73.7)	(15.8)	(179.0)
Administrative expenses	(60.0)	(0.8)	(135.0)	(11.2)	(191.0)
Operating costs	**(151.5)**	**(5.2)**	**(208.7)**	**(27.0)**	**(370.0)**
Gains (losses) on AFS equity	5.3	151.2	0.0	0.0	152.5
Loan loss provisions	(82.3)	0.0	(200.5)	(19.7)	(302.0)
Provisions for other financial assets	(2.2)	(21.7)	0.0	0.0	(23.3)
Other income (losses)	0.0	0.0	(2.0)	2.1	0.0
Profit before tax	**41.6**	**257.1**	**50.4**	**(19.2)**	**332.2**
Income tax for the period	(13.5)	(11.7)	(10.6)	4.4	(30.3)
Minority interest	0.0	0.0	0.0	2.8	2.8
Net profit	**28.1**	**245.4**	**39.8**	**(12.0)**	**304.7**
Treasury funds	14,707.1	0.0	10,392.8	135.9	13,346.0
AFS securities	7,914.0	1,388.8	691.5	0.0	9,672.7
Fixed assets (HTM & LR)	5,104.9	0.0	1,772.0	0.0	2,137.1
Equity investments	0.0	2,556.8	0.0	0.0	2,649.2
Loans and advances to customers	24,534.2	0.0	13,902.3	3,201.2	32,272.0
of which to Group companies	8,898.1	n.m.	n.m.	n.m.	n.m.
Funding	(50320.8)	0.0	(25,824.5)	(3,241.6)	(53,262.3)
RWAs	35,092.9	4,149.5	10,758.7	2,918.1	52,919.2
No. of staff	979*	0	2,358	300	3,513

** Includes 124 staff employed by Banca Esperia pro-forma, not included in the Group total.*

MEDIOBANCA

Corporate & Private Banking

CIB (€m)	6 mths	6 mths	Y.o.Y. chg. %
	31/12/13	31/12/14	
Net interest income	140.4	121.6	-13.4%
Net trading income	7.8	79.3	n.m.
Net fee and commission income	124.1	190.6	53.6%
Equity-accounted companies	0.0	0.0	n.m.
Total income	**272.3**	**391.5**	**43.8%**
Labour costs	(91.5)	(101.6)	11.0%
Administrative expenses	(60.0)	(69.6)	16.0%
Operating costs	**(151.5)**	**(171.2)**	**13.0%**
Gains (losses) on AFS, HTM & LR	5.3	1.0	-81.1%
Loan loss provisions	(82.3)	(49.0)	-40.5%
Provisions for other financial assets	(2.2)	0.2	n.m.
Other income (losses)	0.0	0.0	n.m.
Profit before tax	**41.6**	**172.5**	**n.m.**
Income tax for the period	(13.5)	(55.1)	n.m.
Minority interest	0.0	0.0	n.m.
Net profit	**28.1**	**117.4**	**n.m.**
Treasury funds	14,707.1	6,807.0	-53.7%
AFS securities	7,914.0	5,369.1	-32.2%
Fixed assets (HTM & LR)	5,104.9	4,967.5	-2.7%
Equity investments	0.0	0.0	n.m.
Loans and advances to customers	24,534.2	25,158.4	2.5%
of which to Group companies	8,898.1	10,679.3	20.0%
Funding	(50,320.8)	(39,918.3)	-20.7%
RWAs	35,092.9	33,971.3	-3.1%
No. of staff	979	982	0.3%
Cost/income ratio (%)	55.6	36.2	
Bad loans (*sofferenze*)/loans ratio (%)	0.0	0.0	

Wholesale Banking (€m)	6 mths	6 mths	Y.o.Y. chg. %
	31/12/13	31/12/14	
Net interest income	118.2	104.4	-11.7%
Net treasury income	4.2	69.4	n.m.
Net fee and commission income	84.9	151.3	78%
Equity-accounted companies	0.0	0.0	n.m.
Total income	**207.3**	**325.1**	**56.8%**
Labour costs	(66.6)	(74.2)	11.4%
Administrative expenses	(43.7)	(51.0)	16.7%
Operating costs	**(110.3)**	**(125.2)**	**13.5%**
Gains (losses) on AFS equity	0.0	0.0	n.m.
Loan loss provisions	(84.9)	(48.4)	-43.0%
Provisions for other financial assets	0.0	0.0	n.m.
Other income (losses)	0.0	0.3	n.m.
Profit before tax	**12.1**	**151.8**	**n.m.**
Income tax for the period	(11.5)	(53.2)	n.m.
Minority interest	0.0	0.0	n.m.
Net profit	**0.6**	**98.6**	**n.m.**
Loans and advances to customers	23,306.4	23,856.7	2.4%
of which to Group companies	8,898.1	10,679.3	20.0%
RWA	33,287.2	32,240.8	-3.1%
No. of staff	638	621	-2.7%
Cost/income ratio (%)	53.2	38.5	
Bad loans (*sofferenze*)/loans ratio (%)	0.0	0.0	

MEDIOBANCA

Private Banking (€m)	6 mths 31/12/13	6 mths 31/12/14	Y.o.Y. chg. %
Net interest income	22.2	17.2	-22.5%
Net treasury income	3.6	9.9	n.m.
Net fee and commission income	39.2	39.3	0.3%
Equity-accounted companies	0.0	0.0	n.m.
Total income	**65.0**	**66.4**	**2.2%**
Labour costs	(24.9)	(27.4)	10.0%
Administrative expenses	(16.3)	(18.6)	14.1%
Operating costs	**(41.2)**	**(46.0)**	**11.7%**
Gains (losses) on AFS equity	5.3	1.0	-81.1%
Loan loss provisions	2.6	(0.6)	n.m.
Provisions for other financial assets	(2.2)	(0.1)	n.m.
Other income (losses)	0.0	0.0	n.m.
Profit before tax	**29.5**	**20.7**	**-29.8%**
Income tax for the period	(2.0)	(1.9)	-5.0%
Minority interest	0.0	0.0	n.m.
Net profit	**27.5**	**18.8**	**-31.6%**
Loans and advances to customers	1,227.8	1,301.7	6.0%
RWA	1,805.7	1,730.5	-4.2%
AUM	14,641.0	15,185.6	3.7%
No. of staff	341	361	5.9%
Cost/income ratio (%)	63.4	69.3	
Bad loans (*sofferenze*)/loans ratio (%)	0.1	0.2	

MEDIOBANCA

Principal Investing

PI (€m)	6 mths 31/12/13	6 mths 31/12/14	Y.o.Y. chg. %
Net interest income	0.0	0.0	n.m.
Net treasury income	4.6	7.1	54.3%
Net fee and commission income	0.0	0.0	n.m.
Equity-accounted companies	128.2	122.9	-4.1%
Total income	**132.8**	**130.0**	**-2.1%**
Labour costs	(4.4)	(4.5)	2.3%
Administrative expenses	(0.8)	(1.4)	75.0%
Operating costs	**(5.2)**	**(5.9)**	**13.5%**
Gains (losses) on AFS equity	151.2	15.3	-89.9%
Loan loss provisions	0.0	0.0	n.m.
Provisions for other financial assets	(21.7)	(11.7)	-46.1%
Other income (losses)	0.0	0.0	n.m.
Profit before tax	**257.1**	**127.7**	**-50.3%**
Income tax for the period	(11.7)	(0.7)	-94.0%
Minority interest	0.0	0.0	n.m.
Net profit	**245.4**	**127.0**	**-48.2%**
AFS securities	1,388.8	1,070.1	-22.9%
Equity investments	2,556.8	2,975.2	16.4%
RWAs*	4,149.5	11,234.0	n.m.

* *Data calculated in accordance with CRR/CRDIV (i.e. Basel III, phased-in, AG weighted at 370%) since 30/6/14.*

MEDIOBANCA

Retail & Consumer Banking

RCB (€m)	6 mths 31/12/13	6 mths 31/12/14	Y.o.Y. chg. %
Net interest income	376.5	400.4	6.3%
Net treasury income	0.4	0.0	n.m.
Net fee and commission income	84.7	87.7	3.5%
Equity-accounted companies	0.0	0.0	n.m.
Total income	**461.6**	**488.1**	**5.7%**
Labour costs	(73.7)	(76.3)	3.5%
Administrative expenses	(135.0)	(138.2)	2.4%
Operating costs	**(208.7)**	**(214.5)**	**2.8%**
Gains (losses) on AFS equity	0.0	0.0	n.m.
Loan loss provisions	(200.5)	(243.2)	21.3%
Provisions for other financial assets	0.0	0.0	n.m.
Other income (losses)	(2.0)	0.0	n.m.
Profit before tax	**50.4**	**30.4**	**-39.7%**
Income tax for the period	(10.6)	(7.6)	-28.3%
Minority interest	0.0	0.0	n.m.
Net profit	**39.8**	**22.8**	**-42.7%**
Treasury funds	10,392.8	8,475.8	-18.4%
AFS securities	691.5	693.6	0.3%
Fixed assets (HTM & LR)	1,772.0	1,247.5	-29.6%
Equity investments	0.0	0.0	n.m.
Loans and advances to customers	13,902.3	14,934.5	7.4%
Funding	(25,824.5)	(24,446.5)	-5.3%
RWAs	10,758.7	11,501.6	6.9%
No. of staff	2,358	2,476	5.0%
No. of branches	203	217	
Cost/income ratio (%)	45.2	43.9	
Bad loans (*sofferenze*)/loans ratio (%)	1.5	1.4	

Consumer lending (€m)	6 mths 31/12/13	6 mths 31/12/14	Y.o.Y. chg. %
Net interest income	306.1	333.9	9.1%
Net treasury income	0.0	0.0	n.m.
Net fee and commission income	72.8	78.3	7.6%
Equity-accounted companies	0.0	0.0	n.m.
Total income	**378.9**	**412.3**	**8.8%**
Labour costs	(44.1)	(47.2)	7.0%
Administrative expenses	(88.7)	(92.2)	3.9%
Operating costs	**(132.8)**	**(139.4)**	**5.0%**
Gains (losses) on AFS equity	0.0	0.0	n.m.
Loan loss provisions	(186.0)	(232.8)	25.2%
Provisions for other financial assets	0.0	0.0	n.m.
Other income (losses)	0.0	0.0	n.m.
Profit before tax	**60.1**	**40.1**	**-33.3%**
Income tax for the period	(10.0)	(9.1)	-9.0%
Minority interest	0.0	0.0	n.m.
Net profit	**50.1**	**31.0**	**-38.1%**
Loans and advances to customers	9,583.5	10,495.6	9.5%
New loans	9,004.5	9,845.7	9.3%
RWAs	2,511.7	2,940.7	17.1%
No. of staff	1,459	1,492	2.3%
No. of branches	158	160	
Cost/income ratio (%)	35.0	33.8	
Bad loans (*sofferenze*)/loans ratio (%)	1.3	1.0	

MEDIOBANCA

Retail Banking (€m)	6 mths 31/12/13	6 mths 31/12/14	Y.o.Y. chg. %
Net interest income	70.4	66.5	-5.5%
Net treasury income	0.4	0.0	n.m.
Net fee and commission income	11.9	9.4	-21.0%
Equity-accounted companies	0.0	0.0	n.m.
Total income	**82.7**	**75.9**	**-8.2%**
Labour costs	(29.6)	(29.1)	-1.7%
Administrative expenses	(46.3)	(46.0)	-0.6%
Operating costs	**(75.9)**	**(75.1)**	**-1.1%**
Gains (losses) on AFS equity	0.0	0.0	n.m.
Loan loss provisions	(14.5)	(10.4)	-28.3%
Provisions for other financial assets	0.0	0.0	n.m.
Other income (losses)	(2.0)	0.0	n.m.
Profit before tax	**(9.7)**	**(9.6)**	**-1.0%**
Income tax for the period	(0.6)	1.5	n.m.
Minority interest	0.0	0.0	n.m.
Net profit	**(10.3)**	**(8.1)**	**-21.4%**
Loans and advances to customers	4,318.8	4,438.9	2.8%
New loans	1,754.2	1,655.9	-5.6%
RWAs	222.6	265.5	19.3%
No. of staff	899	894	-0.6%
No. of branches	45	57	
Cost/income ratio (%)	91.8	98.9	
Bad loans (*sofferenze*)/loans ratio (%)	2.1	2.3	

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

Head of

Company Financial Reporting

Massimo Bertolini