



MEDIOBANCA

**Mediobanca
Board of Directors' Meeting**

Milan, 10 February 2016



Interim financial statements at 31/12/15 approved

Net profit up 23%, to €321m, ROTE up 1 pp to 8%

Growth in net interest income (up 10% to €604m) and fees (up 37% Q.o.Q.)

CET1 12.4%, SREP down to 8.75%

Mediobanca among the top-performing European banks for asset quality:

NPLs down for fourth quarter running (down 12% Y.o.Y, to €1.1bn), accounting for minimal percentage of CET1 (15%), with high coverage ratio (53%)

Business model enhanced: higher retail contribution, lower equity exposure

Foundations for growth broadened with acquisitions of Cairn and Barclays Italy¹

- ◆ The Mediobanca Group delivered an improved profit for the six months on the back of effective business diversification and high asset/liability quality. In particular:
 - ◆ Net interest income was up 10% to €604m, split equally between Q1 and Q2, driven by the RCB division in particular (NII up 14% to €456m) on higher volumes and margins
 - ◆ Fee income rebounded by 37% in Q2, driven by IB activity
 - ◆ Loan loss provisions fell by 25% to €224m, with the cost of risk down to 136 bps as a result of the continuing improvement in asset quality, with NPLs falling for the fourth quarter running (from €1,220m at end-Dec. 2014 to €1,075m at end-Dec. 2015), and down also as a percentage of total loans (to 3.3%) with the coverage ratio rising to 53%
 - ◆ Gross operating profit² rose 16% to €372m, despite the 7% rise in costs (to €420m) due to investments in distribution capacity and the launch of numerous projects, including the advanced internal rating-based (AIRB) model validation process
 - ◆ Net profit was up 23% to €321m (31/12/14: €261m), with the €93m gains on disposals of equity stakes worth €295m absorbed almost entirely by non-recurring charges totalling some €72m, chiefly attributable to contributions to the Bank Resolution Fund (€63m)
 - ◆ ROTE up from 7% to 8%
 - ◆ Capital ratios³ reflect further strengthening and are stable at the very best sector levels:
 - CET1: 12.4% phased-in, 13.4% fully phased
 - Total capital: 16.1% phased-in, 16.6% fully phased
 - Leverage ratio: 11.0% phased-in, 11.8% fully phased

¹Acquisition of a selected perimeter of Barclays Bank plc retail business in Italy (cf. press release issued on 3 December 2015).

²Net of cost of risk.

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



- ◆ **RCB: up from 10% to 30% of Group pre-tax profit, ROAC increasing from 10% to 16%**
 - ◆ Consumer credit: net profit doubled to €66m and ROAC up to 18%. Lending volumes continue to grow (up 9% Y.o.Y.), as does net interest income (up 14%); asset quality continually improving, cost of risk down more than 100 bps (to 341 bps)
 - ◆ Retail banking: net profit of €5m (as compared with €8m loss at end-Dec. 2014), and ROAC 7%. Total funding up to €14bn, €3.6bn of which indirect funding (31/12/14: €2.1bn; 30/6/15: €2.9bn); fee income doubled to €21m

- ◆ **CIB: low asset/liability risk profile confirmed, healthy IB deal pipeline**
 - ◆ Net profit down from €117m to €75m, following reduced contributions from net interest and trading income. Asset quality remains excellent (bad loans nil), with the cost of risk declining to 26 bps
 - ◆ Q2 also reflects a recovery in fee income, up 53% to €99m, driven by M&A and capital market business. Although the weak markets mean some deals might be postponed, the IB deal pipeline for the coming quarters continues to look healthy, as a result of the Group's versatile business model and geographical diversification

- ◆ **PI: revenues growing and further equity stake disposals totalling €295m**
 - ◆ Increased contribution from Assicurazioni Generali (up from €123m to €138m)
 - ◆ Stakes worth €295m sold (making a total of approx. €1.4bn since the 2014-16 Strategic Plan was approved), yielding gains on disposal of €93m

- ◆ **Group business model bolstered by recent acquisitions of Cairn Capital and Barclays Italy**
 - ◆ Cairn Capital: acquisition of 51% of the asset manager specializing in institutional credit mandates was completed on 31 December 2015 and at present the company is consolidated only at the balance-sheet aggregate level, adding AUM of €13.6bn. Cairn Capital is the first step in the creation of the MAAM platform, a project which is synergistic with CIB, reflects low capital absorption and high growth potential
 - ◆ Barclays Italy: the acquisition of a selected perimeter of Barclays Bank plc retail business in Italy was announced on 3 December 2015. It represents an acceleration in the growth of CheBanca! and confirms the validity of its innovative, multi-channel business model
 - ◆ With these two acquisitions Mediobanca has gained increased visibility in the asset management industry, doubling the Group's AUM/AUA to approx. €40bn



With Renato PAGLIARO in the chair, the Directors of Mediobanca approved the Group's financial statements for the six months ended 31 December 2015, as illustrated by Chief Executive Officer Alberto NAGEL.

Consolidated results

The Mediobanca Group reported a net profit of €321.1m in the six months and a gross operating profit of €372.1m, both results representing significant improvements compared to last year (23% and 16% higher respectively), helped by effective revenue diversification and asset quality which is above sector average and has improved continuously in recent quarters.

Revenues were stable at €1,016.3m, reflecting opposing trends between the divisions (increasing for Retail & Consumer Banking and Principal Investing, decreasing for Corporate & Private Banking), with the main income items performing as follows:

- ◆ net interest income showed a 10.3% increase, from €547.9m to €604.3m, driven by consumer business which was up 14% (from €334m to €380.6m), reflecting increasing profitability on account of the reduced cost of funding; wholesale banking, which accounts for just 16% of Group net interest income, showed a reduction in this item from €104.4m to €99.4m, due to the lower returns on assets;
- ◆ net fee and commission income reflects the recovery in CIB business in Q2, when fees were up 53% to €99m, and growth by CheBanca! (from €9.4m to €20.5m) on an increase in indirect funding (from €2,143m to €3,604m); for the six months the €227.4m in fees posted was lower than the €260.3m recorded last year, the latter having been boosted by a favourable capital market trend which added €74.8m (as opposed to €41.1m this year);
- ◆ the contribution from equity-accounted companies increased from €123.2m to €138.8m due to the higher profits earned by Assicurazioni Generali;
- ◆ net treasury income of €45.8m (€82.8m) reflects the less favourable market performance and lower gains on forex positions of €17.5m (€54.5m last year).

Gross operating profit net of the cost of risk climbed 16% year-on-year to reach €372.1m, on account of the cost of risk declining in all segments which offset the planned increase in operating costs:

- ◆ operating costs rose by 7%, from €392.4m to €419.8m, due to strengthening of the operating structure on both the wholesale and consumer banking sides following expansion of the Bank's activities in terms of volumes and geographies. The Bank also launched a series of new projects in areas such as treasury operations, risk management and asset management with a view to achieving improved operational and regulatory efficiency, including the advanced internal rating-based (AIRB) model validation process;
- ◆ loan loss provisions fell by 25.4%, from €300.7m to €224.4m, in all areas of activity: €18.8m (€49m) corporate and private banking, €198.1m (€243.2m) retail and consumer finance, and €7.8m (€8.9m) leasing. The reduction in the cost of risk, from 167 bps to 136 bps, did not affect the coverage ratio for NPLs which remained at the same levels as at end-June 2015 (53%; flat vs end-June 2015, and higher than the 51% recorded at end-Dec. 2014).

The non-recurring income items for the six months largely cancelled each other out: gains realized on disposals totalling €92.5m were offset almost entirely by contributions to the Bank Resolution Fund of €63.2m, virtually all of which were one-off) and provisions of €12.8m in respect of financial assets:



- ◆ net gains of €92.5m (€15.9m) on the securities portfolio include the gain realized on tendering the Bank's investment in Pirelli in connection with the public tender offer for the company (€87.7m), whereas writedowns to AFS securities of €11.6m (€11.3m) chiefly involve the RCS MediaGroup stake to being adjusted to reflect its fair value (€10.2m);
- ◆ other provisions and charges of €71.5m consist of the €57.3m one-off contribution to the Bank Resolution Fund for the action taken in respect of Banca delle Marche, Banca Popolare dell'Etruria e del Lazio, Cassa di Risparmio di Chieti and Cassa di Risparmio di Ferrara; €5.9m by way of the ordinary Bank Resolution Fund contribution for 2015 (in addition to the €13.5m already set aside last year); and €3.2m in respect of the Italian interbank deposit guarantee fund for 2H 2015.

Tax for the period declined from €64.1m to €57.2m, despite the higher pre-tax profit of €380.3m (€325.7m), as the component subject to reduced taxation (principal investing) was higher.

The balance-sheet aggregates reflect selective lending activity, growth in funding and liquidity, and additional strengthening in capital and asset quality:

- ◆ loans and advances to customers remained stable at €33bn, with growth in consumer lending (of 4.5%) and retail mortgage loans (of 4.7%) offset by slight reductions in wholesale banking (3.8%) and leasing (4.2%). New business in all segments was focused on defending net profitability against a backdrop of persistent pressure on margins. Gross NPLs were down 11.8%, from €2,399m to €2,223m, whereas net NPLs fell by 6.7%, from €1,152.3m to €1,075.4m, following improvements in all areas. Non-performing loans accounted for 3.3% of the total loan book (3.5%) with the coverage ratio unchanged at 53%. Bad debts totalled €258.1m (€258.9m), and account for 0.78% (0.79%) of the total loan book;
- ◆ funding rose from €42.7bn to €44.3bn, due to new debt security issuance and to the increase in retail funding by CheBanca! (from €9.6bn to €10.4bn). Higher debt securities of €20.8bn (€19.7bn) reflect new bond issuance totalling €2.3bn (€0.5bn of which in the form of subordinate Lower Tier 2 bonds and approx. €0.7bn in covered bonds), redemptions of €1.9bn and new commercial paper totalling €0.7bn;
- ◆ liquid assets and the securities portfolio showed an increase from €14.8bn to €16.0bn, due to the growth in funding, and continue to reflect cautious asset allocation;
- ◆ the Group's capital ratios as at 31 December 2015 reflect further improvement:⁴
 - ◆ phased-in: CET1 ratio 12.40% (30/6/15: 11.98%), total capital ratio 16.06% (14.91%), and leverage ratio 11.0% (10.9%)
 - ◆ fully-phased (i.e. full application of CRR/CRDIV - in particular the right to include the whole AFS reserve in the calculation of CET1 - and the Assicurazioni Generali investment weighted at 370%): CET1 ratio 13.36% (13.19%), total capital ratio 16.56% (15.62%) and leverage ratio 11.8% (12.0%).

Divisional results

Wholesale banking: fee income recovering and low risk profile

Wholesale banking delivered a lower net profit of €56.7m for the six months, with last year's €98.7m having been boosted by a more helpful market scenario and the concentration of several major equity capital market deals in the accounting period.

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



The Group has retained its position of domestic leadership in the M&A and ECM segments in the course of 2015, while increasing the share of its fee income deriving from non-domestic business (from approx. one-third to 43%). Although market volatility may result in some deals being postponed, the mid-term prospects continue to look healthy.

Indeed, in Q2 net profit doubled quarter-on-quarter, from €16.8m to €39.9m, on a recovery in fees earned from investment banking and the reduction in loan loss provisions as a result of the low risk profile of the loan book.

The main income items performed as follows:

- ◆ net interest income fell by 4.8%, from €104.4m to €99.4m, despite stable volumes and a lower cost of funding, which were absorbed by the consistent repricing of assets; the second quarter showed a further reduction of 9.6%, from €52.2m to €47.2m;
- ◆ net trading income fell from €69.4m to €29.7m, due to forex positions being lower than last year at €15.6m (versus €52.4m) and banking book securities (€8.8m, versus €41.2m);
- ◆ net fee and commission income declined to €121.4m, following last year's particularly impressive result of €151.3m; lower fees from equity capital market activities (down from €74.8m to €41.1m) and lending (down from €45.6m to €25.6m) were only in part offset by growth in commissions from M&A (from €19.4m to €34m), market trading and sales (from €7.3m to €9.5m); fee income recovered in Q2, rising 64% quarter-on-quarter to reach €76m, due to a recovery in both the M&A and capital market segments.

Operating costs climbed 12.2%, from €125.2m to €140.5m, split between labour costs (up €6.5m) and other administrative expenses (up €8.8m), reflecting the growth in size and non-recurring costs due to specific projects.

Conversely, the downward trend in loan loss provisions continued, more than halving from €48.4m to €18.5m, due to the absence of new non-performing items.

Total assets rose by approx. €1.5bn: the increase in treasury assets, from €3.5bn to €5bn, reflects higher funding (up from €35.9bn to €36.9bn) from all sources, retail and institutional; loans and advances to customers fell from €13.7bn to €13.2bn, with new loans for the six months totalling €2.9bn, on repayments of €3.4bn, €1.7bn of which were early repayments. Some 53% of the loan book is generated from the domestic market, and 25% from countries where the Bank has its own branch offices. Non-performing items amount to €403m (€426.8m), net of provisions totalling €354.4m (€492m): they account for 3.1% of the total loan book (unchanged). Withdrawals from provisions were made in an amount of €156m in the six months to cover write-offs for the period, reducing the coverage ratio from 54% to 47%: net of these writeoffs the coverage ratio would have risen to 56%.

Private banking: AUM/AUA of €33bn with the consolidation of Cairn Capital

Private banking delivered a net profit of €17.9m (€18.8m), with revenues basically unchanged at €66.8m (€66.4m); the 8.4% increase in fee income and the 7% rise in net interest income were largely absorbed by the reduction in treasury income (which declined from €9.9m to €5.8m). Operating costs were up 5.2%, administrative expenses in particular (up 10.8%). Assets under management on a discretionary and/or non-discretionary basis at the reporting date totalled €16.4bn (30/6/15: €16.6bn), €7.8bn for CMB (unchanged) and €8.6bn (€8.8bn) for Banca Esperia. The acquisition of Cairn Capital was completed on 31 December 2015. Cairn manages credit funds worth approx. €2bn subscribed for by institutional clients, and has assets under long-term advice and legacy worth €11.6bn. In the interim financial statements Cairn has only been consolidated at the balance-sheet aggregate level.



Consumer credit: profit doubled to €66m, ROAC 18%

Compass's objective of growth aimed at sustainable value creation translated to a net profit of €66.1m for the six months, more than twice the €31m recorded last year and the best result posted by the company to date.

In the twelve months of 2015, Compass has retained its position near the top of the league tables for new business, while prioritizing sustainable profitability for the business, rather than simply growing volumes which in this period was facilitated by the abundant market liquidity (market share down from 12.3% to 11.4%, down from first to second place in the Assofin league table for new loans).

The increase in net profit reflects 6.8% growth in revenues, from €412.3m to €440.5m, and an 18.3% reduction in loan loss provisions (from €232.8m to €190.1m), despite non-recurring charges of €23m in connection with the settlement of a tax dispute. Net interest income climbed 14%, from €334m to €380.6m, boosted by the lower cost of funding on stable returns on lending. The 7.4% increase in labour costs reflects the new staff recruited last year, and was more than offset by the 17.9% reduction in overheads, marketing and advertising expenses in particular. The reduction in loan loss provisions reflects the decrease in additions to non-performing status, along with a positive performance in the area of credit recovery; the cost of risk declined from 457 bps to 341 bps, with the NPL coverage ratio increasing from 68% to 74%, and the performing loans coverage ratio stable at 1.3%.

Loans and advances to customers outstanding as at 31 December 2015 rose by 4.5%, from €10,906.3m to €11,399.9m (of which factoring contributed €415.1m), with new loans basically flat compared with six months previously, at €3,071.7m. Non-performing loans reduced further, from €302.4m to €252.2m, partly as a result of sales for the period (€131.6m).

Retail banking: net profit €5m, ROAC 7%. Agreement to acquire selected perimeter of Barclays's Italian retail business

The commercial activity of CheBanca! for the six months included the promotion on the six-month tied deposit product which closed on 31 August 2015, which was intended to grow direct funding to be converted in due course to asset management.

Retail funding therefore grew in the period from €9.6bn to €10.4bn, with a sizeable increase in current accounts (from €2.0bn to €2.9bn), whereas deposit accounts remained stable at €7.5bn. In the same period CheBanca! continued to grow its indirect funding, which reached €3.6bn (30/6/15: €2.9bn; 31/12/14: €2.1bn), reflecting an increase in the asset management segment in particular (€2.7bn, vs €1.9bn at end-June 2015 and €1.1bn at end-Dec. 2014) concentrated on insurance products (46% of the total) and funds (28%).

Customer loans increased from €4,605.8m to €4,825.1m, with new mortgage loans in particular almost doubling from €265.5m to €513.6m.

CheBanca! posted a net profit of €5.3m for the six months, driven by a 26.7% rise in revenues. Net interest income in particular rose from €66.5m to €75.7m, due to lower funding costs on basically flat volume levels (total assets for the twelve months up from €13.3bn to €13.8bn), whereas net fee and commission income climbed from €9.4m to €20.5m, driven by higher discretionary/non-discretionary asset management fees.

Operating costs were up 6.8% (with labour costs in particular up 12%), due to strengthening of the distribution structure. Loan loss provisions declined from €10.4m to €8m, with the cost of risk at 34 bps (versus 47 bps last year) and a coverage ratio of 49% (30/6/15: 48%).

It should be recalled that on 3 December 2015, an agreement was signed with Barclays Bank plc for CheBanca! to acquire a selected perimeter of its retail Italian business. The deal, to be closed by 30 June 2016, will allow CheBanca! to significantly speed up its growth process, with indirect funding to double from €3.1bn to €6.2bn, and the client base to increase by 40% to 770,000. Strengthening the Mediobanca Group's role in the asset management segment via CheBanca! is one of the key points of the Group's strategic plan, which is focused on allocating an increasing share of capital to low capital absorption, high fee-generating banking activities. The acquisition, which has a strong



industrial rationale, confirms the validity of the CheBanca! business model as a specialist sector operator with integrated and innovative multi-channel distribution and a simple and transparent product offering.

Principal investing: growing revenues and further stake disposals totalling €295m

This division delivered a net profit of €228.2m, including the gain on the Pirelli stake (€87.7m) and a higher contribution from Assicurazioni Generali (up from €122.9m to €138.4m). Writedowns of €11.9m (€11.7m) involved virtually only the RCS MediaGroup stake (€10.3m). The equity exposure reduction programme continued during six months under review with the sale of stakes worth a total of €295m, including Pirelli (€215.4m), Edipower (€55.1m) and other minor stakes (€5.6m); investments in private equity funds generated net proceeds of €7.7m. There were also forward sales of shares in Atlantia (for a consideration of €63.4m) and Assicurazioni Generali (€59.8m, for value date May 2016).

Mediobanca S.p.A.

A net profit of €72.4m was earned in the six months, lower than the €80.2m recorded last year, reflecting in particular the €63.7m in contributions to the Bank Resolution Fund, the majority of which were one-off, absorbing most of the gains realized on equity stake disposals (€91.5m). Revenues declined by 23.4%, from €316m to €242.1m, with the various items performing as follows:

- ◆ net interest income was down 3.6%, from €87.9m to €84.7m, despite growing volumes and a lower cost of funding which, however, was eroded by the continual repricing of assets;
- ◆ net treasury income fell from €78.2m to €35.3m, due to lower gains on exchange rates totalling €15.4m (compared to €53.5m) and the banking book of €8.8m (compared with €41.5m);
- ◆ net fee and commission income decreased from €149.9m to €122.1m, due in particular to the reduced contribution from capital market activity.

The 12.1% increase in operating costs, from €141.4m to €158.5m, reflects growth in labour costs (which were up €5.5m) and other administrative expenses (up €11.6m), due to strengthening of the CIB operational structure.

Loan loss provisions totalled €18.2m, a substantial reduction from last year (€48.2m); the coverage ratio for non-performing items as unchanged versus end-December 2014 at 47%.

Management of the AFS shares portfolio generated gains of €91.5m (€15.3m), €87.7m of which in respect of Pirelli and €11.9m (€11.4m) by way of adjustments to reflect stock market prices at the reporting date.

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Restated consolidated profit and loss accounts

Mediobanca Group (€ m)	6 mths	6 mths	Y.o.Y. chg. %
	31/12/14	31/12/15	
Net interest income	547.9	604.3	10.3%
Net treasury income	82.8	45.8	-44.7%
Net fee and commission income	260.3	227.4	-12.6%
Equity-accounted companies	123.2	138.8	12.7%
Total income	1,014.2	1,016.3	0.2%
Labour costs	(192.9)	(209.7)	8.7%
Administrative expenses	(199.5)	(210.1)	5.3%
Operating costs	(392.4)	(419.8)	7.0%
Gains (losses) on AFS, HTM & LR	15.9	92.5	n.m.
Loan loss provisions	(300.7)	(224.4)	-25.4%
Provisions for other financial assets	(11.3)	(12.8)	13.3%
Other income (losses)	0.0	(71.5)	n.m.
Profit before tax	325.7	380.3	16.8%
Income tax for the period	(64.1)	(57.2)	-10.8%
Minority interest	(1.0)	(2.0)	n.m.
Net profit	260.6	321.1	23.2%

Quarterly profit and loss accounts

Mediobanca Group (€ m)	FY14/15				FY15/16	
	I Q	II Q	III Q	IV Q	I Q	II Q
	30/9/14	31/12/14	31/3/15	30/6/15	30/9/15	31/12/15
Net interest income	267.1	280.8	292.0	302.6	302.5	301.8
Net treasury income	55.6	27.2	98.6	25.7	26.2	19.6
Net fee and commission income	147.2	113.1	100.7	110.8	95.8	131.6
Equity-accounted companies	55.5	67.7	10.1	90.7	82.6	56.2
Total income	525.4	488.8	501.4	529.8	507.1	509.2
Labour costs	(92.3)	(100.6)	(106.6)	(119.8)	(98.1)	(111.6)
Administrative expenses	(93.1)	(106.4)	(104.9)	(123.5)	(98.7)	(111.4)
Operating costs	(185.4)	(207.0)	(211.5)	(243.3)	(196.8)	(223.0)
Gains (losses) on AFS, HTM & LR	4.5	11.4	101.6	8.1	88.5	4.0
Loan loss provisions	(120.5)	(180.2)	(109.3)	(122.7)	(115.4)	(109.0)
Provisions for other financial assets	(6.6)	(4.7)	(1.9)	(7.2)	(3.5)	(9.3)
Other income (losses)	0.0	0.0	0.0	(13.6)	0.0	(71.5)
Profit before tax	217.4	108.3	280.3	151.1	279.9	100.4
Income tax for the period	(56.9)	(7.2)	(74.2)	(25.9)	(34.5)	(22.7)
Minority interest	(0.5)	(0.5)	(1.1)	(1.0)	(1.1)	(0.9)
Net profit	160.0	100.6	205.0	124.2	244.3	76.8



Restated balance sheet

Mediobanca Group (€ m)	31/12/14	30/6/15	31/12/15
Assets			
Treasury funds	6,543.7	4,920.3	6,360.4
AFS securities	6,859.7	8,063.1	8,109.7
<i>of which: fixed income</i>	5,767.6	6,950.5	7,181.6
<i>equities</i>	1,080.7	1,081.1	877.9
Fixed assets (HTM & LR)	2,000.4	1,793.9	1,515.3
Loans and advances to customers	31,847.3	32,889.6	33,002.3
Equity investments	3,071.0	3,411.4	3,113.0
Tangible and intangible assets	716.5	718.9	765.2
Other assets	1,311.9	1,411.9	1,335.4
<i>of which: tax assets</i>	1,028.8	954.2	869.9
Total assets	52,350.5	53,209.1	54,201.3
Liabilities			
Funding	42,968.7	42,711.3	44,266.7
<i>of which: debt securities in issue</i>	20,243.4	19,671.1	20,763.6
<i>retail deposits</i>	10,866.9	9,634.8	10,402.2
Other liabilities	1,110.8	1,446.1	1,214.9
<i>of which: tax liabilities</i>	488.2	625.0	512.6
Provisions	195.1	184.6	181.2
Net equity	7,815.3	8,277.3	8,217.4
<i>of which: share capital</i>	431.8	433.6	435.2
<i>reserves</i>	7,278.6	7,735.7	7,693.6
<i>minority interest</i>	104.9	108.0	88.6
Profit for the period	260.6	589.8	321.1
Total liabilities	52,350.5	53,209.1	54,201.3
Core tier 1 capital*	6,513.4	7,137.5	7,288.1
Total capital*	8,250.3	8,882.6	9,437.2
RWAs*	59,189.2	59,577.1	58,770.4

Ratios (%) and per share data (€)

Mediobanca Group (€m)	31/12/14	30/6/15	31/12/15
Total assets/net equity	6.7	6.4	6.6
Loans/deposits	0.7	0.8	0.7
Core tier 1 ratio*	11.0	12.0	12.4
Regulatory capital/RWAs*	13.9	14.9	16.1
S&P rating	BBB-	BBB-	BBB-
Rating Fitch		BBB+	BBB+
Cost/income ratio	38.7	41.4	41.3
Bad loans (<i>sofferenze</i>) /loans	0.9	0.8	0.8
EPS (€)	0.3	0.7	0.4
BVPS (€)	8.9	9.4	9.3
DPS (€)	0.0	0.25	0.0
No. of shares outstanding (millions)	863.7	867.2	870.4

* Data calculated in accordance with prudential regulations (CRR/CRD IV, i.e. Basel III, phase-in, AG stake weighted at 370%) as from 30/6/14



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

6 mths to 31/12/15 (€m)	Corporate & Private Banking	Principal Investing	Retail & Consumer Banking	Corporate Center	Group
Net interest income	117.8	0.0	456.3	27.7	604.3
Net treasury income	35.5	14.8	0.1	0.1	45.8
Net fee and commission income	164.0	0.0	80.3	5.8	227.4
Equity-accounted companies	0.0	138.4	0.0	0.0	138.8
Total income	317.3	153.2	536.7	33.6	1,016.3
Labour costs	(108.5)	(3.8)	(83.3)	(14.4)	(209.7)
Administrative expenses	(80.4)	(0.7)	(130.5)	(19.5)	(210.1)
Operating costs	(188.9)	(4.5)	(213.8)	(33.9)	(419.8)
Gains (losses) on AFS equity	1.1	91.5	0.0	0.0	92.5
Loan loss provisions	(18.8)	0.0	(198.1)	(7.8)	(224.4)
Provisions for other financial assets	(1.0)	(11.9)	0.0	0.0	(12.8)
Other income (losses)	0.0	0.0	(5.1)	(66.4)	(71.5)
Profit before tax	109.7	228.3	119.7	(74.5)	380.3
Income tax for the period	(35.1)	(0.1)	(48.3)	24.6	(57.2)
Minority interest	0.0	0.0	0.0	(2.0)	(2.0)
Net profit	74.6	228.2	71.4	(51.9)	321.1
Treasury funds	6,703.3	0.6	8,591.8	30.3	6,360.4
AFS securities	6,926.6	869.0	539.0	0.0	8,109.7
Fixed assets (HTM & LR)	4,781.5	0.0	368.9	0.0	1,515.3
Equity investments	0.0	3,017.2	0.0	0.0	3,113.0
Loans and advances to customers	24,493.1	0.0	16,225.0	2,646.2	33,002.3
<i>of which to Group companies</i>	9,852.2	n.m.	n.m.	n.m.	n.m.
Funding	(40,072.6)	0.0	(24,627.3)	(2,609.0)	(44,266.7)
RWAs	32,621.5	11,148.4	12,626.0	2,374.5	58,770.4
No. of staff	1,107 *	0	2,543	450	3,965

* Includes 135 staff employed by Banca Esperia pro-forma, not included in the Group total and 60 employees of Cairn Capital.



6 mths to 31/12/14 (€m)	Corporate & Private Banking	Principal Investing	Retail & Consumer Banking	Corporate Center	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
<i>of which to Group companies</i>	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.



Corporate & Private Banking

CIB (€m)	6 mths	6 mths	Y.o.Y. chg. %
	31/12/14	31/12/15	
Net interest income	121.6	117.8	-3.1%
Net trading income	79.3	35.5	-55.2%
Net fee and commission income	190.6	164.0	-14.0%
Equity-accounted companies	0.0	0.0	n.m.
Total income	391.5	317.3	-19.0%
Labour costs	(101.6)	(108.5)	6.8%
Administrative expenses	(69.6)	(80.4)	15.5%
Operating costs	(171.2)	(188.9)	10.3%
Gains (losses) on AFS, HTM & LR	1.0	1.1	10.0%
Loan loss provisions	(49.0)	(18.8)	-61.6%
Provisions for other financial assets	0.2	(1.0)	n.m.
Other income (losses)	0.0	0.0	n.m.
Profit before tax	172.5	109.7	-36.4%
Income tax for the period	(55.1)	(35.1)	-36.3%
Minority interest	0.0	0.0	n.m.
Net profit	117.4	74.6	-36.5%
Treasury funds	6,807.0	6,703.3	-1.5%
AFS securities	5,369.1	6,926.6	29.0%
Fixed assets (HTM & LR)	4,967.5	4,781.5	-3.7%
Equity investments	0.0	0.0	n,m.
Loans and advances to customers	25,158.4	24,493.1	-2.6%
<i>of which to Group companies</i>	10,679.3	9,852.2	-7.7%
Funding	(39,918.3)	(40,072.6)	0.4%
RWAs	33,971.3	32,621.5	-4.0%
No. of staff	982	1,107	12.7%
Cost/income ratio (%)	43.7	59.5	
Bad loans (<i>sofferenze</i>)/loans ratio (%)	0.0	0.0	



Wholesale Banking (€ m)	6 mths	6 mths	Y.o.Y. chg. %
	31/12/14	31/12/15	
Net interest income	104.4	99.4	-4.8%
Net treasury income	69.4	29.7	-57.2%
Net fee and commission income	151.3	121.4	-19.8%
Equity-accounted companies	0.0	0.0	n.m.
Total income	325.1	250.5	-22.9%
Labour costs	(74.2)	(80.7)	8.8%
Administrative expenses	(51.0)	(59.8)	17.3%
Operating costs	(125.2)	(140.5)	12.2%
Gains (losses) on AFS equity	0.0	0.0	n.m.
Loan loss provisions	(48.4)	(18.5)	-61.8%
Provisions for other financial assets	0.3	(0.9)	n.m.
Other income (losses)	0.0	0.0	n.m.
Profit before tax	151.8	90.6	-40.3%
Income tax for the period	(53.2)	(33.9)	-36.3%
Minority interest	0.0	0.0	n.m.
Net profit	98.6	56.7	-42.5%
Loans and advances to customers	23,856.7	23,034.0	-3.4%
<i>of which to Group companies</i>	10,679.3	9,852.2	-7.7%
RWA	32,240.8	30,970.1	-3.9%
No. of staff	621	665	7.1%
Cost/income ratio (%)	38.5	56.1	
Bad loans (<i>sofferenze</i>)/loans ratio (%)	0.0	0.0	



Private Banking (€ m)	6 mths	6 mths	Y.o.Y. chg. %
	31/12/14	31/12/15	
Net interest income	17.2	18.4	7.0%
Net treasury income	9.9	5.8	-41.4%
Net fee and commission income	39.3	42.6	8.4%
Equity-accounted companies	0.0	0.0	n.m.
Total income	66.4	66.8	0.6%
Labour costs	(27.4)	(27.8)	1.5%
Administrative expenses	(18.6)	(20.6)	10.8%
Operating costs	(46.0)	(48.4)	5.2%
Gains (losses) on AFS equity	1.0	1.1	10.0%
Loan loss provisions	(0.6)	(0.3)	-50.0%
Provisions for other financial assets	(0.1)	(0.1)	0.0%
Other income (losses)	0.0	0.0	n.m.
Profit before tax	20.7	19.1	-7.7%
Income tax for the period	(1.9)	(1.2)	-36.8%
Minority interest	0.0	0.0	n.m.
Net profit	18.8	17.9	-4.8%
Loans and advances to customers	1,301.7	1,459.1	12.1%
RWA	1,730.5	1,651.4	-4.6%
AUM/AUA	17,279.6	32,654.0	89.0%
<i>ow AUM (CMB and Banca Esperia)</i>	<i>15,185.6</i>	<i>16,350.6</i>	<i>7.7%</i>
<i>Securities held on fiduciary basis (Spafid)</i>	<i>2,094.5</i>	<i>2,699.1</i>	<i>28.9%</i>
<i>Cairn AUM/AUA</i>	<i>0.0</i>	<i>13,604.3</i>	<i>n.m.</i>
No. of staff	361	442	22.4%
Cost/income ratio (%)	69.3	72.5	
Bad loans (<i>sofferenze</i>)/loans ratio (%)	0.2	0.2	



Principal Investing

PI (€ m)	6 mths	6 mths	Y.o.Y. chg. %
	31/12/14	31/12/15	
Net interest income	0.0	0.0	n.m.
Net treasury income	7.1	14.8	n.m.
Net fee and commission income	0.0	0.0	n.m.
Equity-accounted companies	122.9	138.4	12.6%
Total income	130.0	153.2	17.8%
Labour costs	(4.5)	(3.8)	-15.6%
Administrative expenses	(1.4)	(0.7)	-50.0%
Operating costs	(5.9)	(4.5)	-23.7%
Gains (losses) on AFS equity	15.3	91.5	n.m.
Loan loss provisions	0.0	0.0	n.m.
Provisions for other financial assets	(11.7)	(11.9)	1.7%
Other income (losses)	0.0	0.0	n.m.
Profit before tax	127.7	228.3	78.8%
Income tax for the period	(0.7)	(0.1)	-85.7%
Minority interest	0.0	0.0	n.m.
Net profit	127.0	228.2	79.7%
AFS securities	1,070.1	869.0	-18.8%
Equity investments	2,975.2	3,017.2	1.4%
RWAs*	11,234.0	11,148.4	-0.8%

* Calculated in accordance with CRR/CRDIV (i.e. Basilea III, phased in, AG weighting of 370%) from 30/06/2014



Retail & Consumer Banking

RCB (€ m)	6 mths	6 mths	Y.o.Y. chg. %
	31/12/14	31/12/15	
Net interest income	400.4	456.3	14.0%
Net treasury income	0.0	0.1	n.m.
Net fee and commission income	87.7	80.3	-8.4%
Equity-accounted companies	0.0	0.0	n.m.
Total income	488.1	536.7	10.0%
Labour costs	(76.3)	(83.3)	9.2%
Administrative expenses	(138.2)	(130.5)	-5.6%
Operating costs	(214.5)	(213.8)	-0.3%
Gains (losses) on AFS equity	0.0	0.0	n.m.
Loan loss provisions	(243.2)	(198.1)	-18.5%
Provisions for other financial assets	0.0	0.0	n.m.
Other income (losses)	0.0	(5.1)	n.m.
Profit before tax	30.4	119.7	n.m.
Income tax for the period	(7.6)	(48.3)	n.m.
Minority interest	0.0	0.0	n.m.
Net profit	22.8	71.4	n.m.
Treasury funds	8,475.8	8,591.8	1.4%
AFS securities	693.6	539.0	-22.3%
Fixed assets (HTM & LR)	1,247.5	368.9	-70.4%
Equity investments	0.0	0.0	n.m.
Loans and advances to customers	14,934.5	16,225.0	8.6%
Funding	(24,446.5)	(24,627.3)	0.7%
RWAs	11,501.6	12,626.0	9.8%
No. of staff	2,476	2,543.0	2.7%
No. of branches	217	221	1.8%
Cost/income ratio (%)	43.9	39.8	
Bad loans (<i>sofferenze</i>)/loans ratio (%)	1.4	1.2	



Consumer lending (€ m)	6 mths	6 mths	Y.o.Y. chg. %
	31/12/14	31/12/15	
Net interest income	334.0	380.6	14.0%
Net treasury income	0.0	0.1	n.m.
Net fee and commission income	78.3	59.8	-23.6%
Equity-accounted companies	0.0	0.0	n.m.
Total income	412.3	440.5	6.8%
Labour costs	(47.2)	(50.7)	7.4%
Administrative expenses	(92.2)	(82.9)	-10.1%
Operating costs	(139.4)	(133.6)	-4.2%
Gains (losses) on AFS equity	0.0	0.0	n.m.
Loan loss provisions	(232.8)	(190.1)	-18.3%
Provisions for other financial assets	0.0	0.0	n.m.
Other income (losses)	0.0	(5.1)	n.m.
Profit before tax	40.1	111.7	n.m.
Income tax for the period	(9.1)	(45.6)	n.m.
Minority interest	0.0	0.0	n.m.
Net profit	31.0	66.1	n.m.
Loans and advances to customers	10,495.6	11,399.9	8.6%
New loans	9,845.7	10,652.7	8.2%
RWAs	3,058.7	3,071.7	0.4%
No. of staff	1,492	1,572.0	5.4%
No. of branches	160	164	2.5%
Cost/income ratio (%)	33.8	30.3	
Bad loans (<i>sofferenze</i>)/loans ratio (%)	1.0	0.8	



Retail Banking (€ m)	6 mths	6 mths	Y.o.Y. chg. %
	31/12/14	31/12/15	
Net interest income	66.5	75.7	13.8%
Net treasury income	0.0	0.0	n.m.
Net fee and commission income	9.4	20.5	n.m.
Equity-accounted companies	0.0	0.0	n.m.
Total income	75.9	96.2	26.7%
Labour costs	(29.1)	(32.6)	12.0%
Administrative expenses	(46.0)	(47.6)	3.5%
Operating costs	(75.1)	(80.2)	6.8%
Gains (losses) on AFS equity	0.0	0.0	n.m.
Loan loss provisions	(10.4)	(8.0)	-23.1%
Provisions for other financial assets	0.0	0.0	n.m.
Other income (losses)	0.0	0.0	n.m.
Profit before tax	(9.6)	8.0	n.m.
Income tax for the period	1.5	(2.7)	n.m.
Minority interest	0.0	0.0	n.m.
Net profit	(8.1)	5.3	n.m.
Direct deposits	10,866.9	10,402.2	-4.3%
Indirect deposits	2,143.0	3,604.0	68.2%
Loans and advances to customers	4,438.9	4,825.1	8.7%
New loans	1,655.9	1,973.3	19.2%
RWAs	265.5	513.6	93.4%
No. of staff	894	971	8.6%
No. of branches	57	57	0.0%
Cost/income ratio (%)	98.9	83.4	
Bad loans (<i>sofferenze</i>)/loans ratio (%)	2.3	2.1	



Parent company P&L and balance sheet

Mediobanca S.p.A. (€m)	6 mths	6 mths	Y.o.Y. chg. %
	31/12/14	31/12/15	
Net interest income	87.9	84.7	-3,6%
Net trading income	78.2	35.3	-54,9%
Net fee and commission income	149.9	122.1	-18,5%
Dividends on investments	0.0	0.0	n.m.
Total income	316.0	242.1	-23,4%
Labour costs	(85.1)	(90.6)	6,5%
Administrative expenses	(56.3)	(67.9)	20,6%
Operating costs	(141.4)	(158.5)	12,1%
Gains (losses) on AFS, HTM & LR	15.3	91.5	n.m.
Loan loss provisions	(48.2)	(18.2)	-62,2%
Provisions for other financial assets	(11.4)	(12.8)	12,3%
Impairment on investments	(2.1)	0.0	n.m.
Other income (losses)	0.0	(63.7)	n.m.
Profit before tax	128.2	80.4	-37,3%
Income tax for the period	(48.0)	(8.0)	-83,3%
Net profit	80.2	72.4	-9,7%

Mediobanca S.p.A. (€m)	31/12/14	31/12/15
Assets		
Treasury funds	5,675.7	4,944.3
AFS securities	5,775.1	6,585.2
Fixed assets (HTM & LR)	4,958.0	4,638.2
Loans and advances to customers	22,533.0	21,553.8
Equity investments	2,671.7	3,191.9
Tangible and intangible assets	133.4	130.8
Other assets	352.1	394.2
Total assets	42,099.0	41,438.4
Liabilities		
Funding	36,532.7	35,674.7
Other liabilities	545.5	587.5
Provisions	161.8	147.3
Net equity	4,778.8	4,956.5
Profit for the period	80.2	72.4
Total liabilities	42,099.0	41,438.4

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