



MEDIOBANCA

**Mediobanca
Board of Directors' Meeting**

Milan, 28 October 2013



Financial statements for three months ended 30/9/13 approved

In line with plan objectives

equity stake sales started, yielding gains of €80m

Net profit for the quarter up 57% Y.o.Y., to €171m

- ◆ Implementation of 2014-16 Strategic Plan guidelines continued this quarter, as follows:
 - ◆ Telco: stake reduced from 11.6% to 7.3%, with gains of €59m
 - ◆ sale of other equity investments worth a total of €139m, yielding gains of €21m
 - ◆ strengthening of the capital structure
 - ◆ funding up over €3bn during the quarter, following €1.7bn in new bond issuance, and an increase in CheBanca! deposits (from €11.9bn to €13.6bn); including the covered bond (€750m issued in October), the annual funding programme is now largely complete
 - ◆ customer loans stable at €33bn; new business: €1.1bn¹ Corporate, €1.3bn Retail & Consumer (up 12% Y.o.Y.²)
 - ◆ CT1 11.5%³ (30/6/13: 11.7%)
 - ◆ current market value of equity investments up from €4.3bn as at 30 June 2013 to €5.1bn, with unrealized gain of over €1bn
- ◆ Group net profit totalled €171m for the three months (30/9/12: €109m), reflecting:
 - ◆ effective diversification of business activities:
 - ◆ higher contribution from Principal Investing (gross profit up from €20m to €141m), due to upturn in Assicurazioni Generali earnings (from €37m to €64m) and gains on disposals referred to above (€80m)
 - ◆ growth in Retail & Consumer Banking (revenues up 11% Y.o.Y. to €228m), driven by net interest income, up 4% Q.o.Q. and up 13% Y.o.Y., on resilient margins and higher business volumes
 - ◆ Corporate & Investment Banking revenues down 15% Q.o.Q., to €118m, due to absence of trading income and weak investment banking fees; net interest income resilient at last quarter's level
 - ◆ constant cost control (down 3%, to €169m)
 - ◆ prudent risk management: coverage ratios stable at June 2013 levels (45% for bad debts and 66% for NPLs), with a cost of risk of 154 bps, higher than last year's average of 145 bps but lower than the 170 bps for Q4
- ◆ The Mediobanca shareholders' agreement was renewed on 30 September 2013 for a further two years (expiring December 2015), with the number of shares syndicated down from 42% in June 2013 to 30.05%

¹ Drawn and undrawn credit lines

² Y.o.Y.: Sept. 2013/Sept. 2012; Q.o.Q.: Sept. 2013/June 2013.

³ Quarterly capital ratios do not include profit for the period.



With Renato PAGLIARO in the chair, the Directors of Mediobanca approved the Group's financial statements for the three months ended 30 September 2013, as illustrated by Chief Executive Officer Alberto NAGEL.

Consolidated results

The Mediobanca Group continued implementation of the 2014-16 Strategic Plan guidelines during the three months, as follows:

- ◆ the Telco stake was reduced from 11.62% to 7.34% (and, on a look-through basis, the investment in Telecom Italia from 2.6% to 1.6%), with a €35m share in the Telco shareholders' loan (book value) sold to Telefonica in exchange for shares in this company worth €94.9m; gain €58.8m;
- ◆ the other equity stakes were reduced by €139m (yielding gains on disposals totalling €20.7m);
- ◆ the capital structure was strengthened, as follows:
 - ◆ funding grew by over €3bn during the quarter, following €1.7bn in new bond issuance, and an increase in CheBanca! deposits (from €11.9bn to €13.6bn); including the covered bond (€750m issued in October), the annual funding programme is now largely complete;
 - ◆ customer loans remain stable at €33bn; new loans totalling €1.3bn disbursed in Retail & Consumer (up 12% Y.o.Y.), €1.1bn executed in Corporate lending
 - ◆ CT1 ratio (which does not include earnings for the quarter): 11.5% (30/6/13: 11.7%);

The Mediobanca Group earned a net profit of €171.2m in the three months, considerably higher than the €109m reported last year, due to the still effective diversification of income between the divisions, constant cost control and prudent risk management.

The positive contribution from Principal Investing (gross profit up from €20m to €141m) and growth in Retail & Consumer Banking (revenues up 11% to €228m) offset the reduction in Corporate and Investment Banking revenues (-45%, to €118m), due to the absence of trading profits and a weak fee income.

The main items performed as follows:

- ◆ net interest income showed an improvement on last year, up 4.4% (from €259m to €270.5m), continuing the trend seen in Q4 last year (€265m), with margins on consumer loans rising and a lower cost of retail funding;
- ◆ net trading income was negative, as was the case in the final quarter of last year, at minus €4.6m (€10.9m), as a result of the fixed-income segment being penalized by the low volatility and low interest-rate levels;
- ◆ net fee and commission income fell from €103.8m to €84.4m, due to the ongoing weakness in investment banking business;
- ◆ conversely, the contribution from the equity-accounted companies increased, from €28.1m to €64.1m, due to the good performance posted by Assicurazioni Generali (up from €36.7m to €63.9m).



Operating costs fell 2.9%, from €173.7m to €168.6m, due to the reduction in labour costs (which were down 9.5%), while the 4.8% increase in other administrative costs reflects the new growth initiatives implemented by the Consumer and Retail Banking division.

Loan loss provisions were 15.7% higher than this time last year, up from €111.4m to €128.9m, at levels slightly below those recorded for Q3 and Q4 last year (€142.8m and €130.9m respectively). The annualized cost of risk rose from 128 bps to 154 bps, and is higher than last year's 145 bps average, in accordance with the Group's prudent risk management policy.

Movements in the securities portfolio generating net gains of €85.5m for the quarter, due to the disposals in the equity investment portfolio (gains of €20.7m on disposals totalling €139m), and the gains realized as a result of the Telco deal (amounting to €58.8m), following the disposal of €90m of the shareholders' loan (total held €203m) at nominal value.

On the balance-sheet side, assets were largely stable, with an acceleration in funding activity which entailed an increase in liquid assets:

- ◆ customer loans remained stable at €33.3bn, with slight increases in Consumer & Retail lending (0.4% and 0.1% respectively) offsetting repayments in the Corporate segment (down 0.4%). Bad debts were flat at end-June 2013 levels, representing 3.1% of the loan book, as indeed was the coverage ratio (45%). NPLs remain at low levels (€283m), representing just 0.8% of the total loan book;
- ◆ funding rose by 7% (from €51.3bn to €54.7bn) as a result of new bond issuance (€1.7bn during the quarter), and growth in CheBanca! deposits (up from €11.9bn to €13.6bn); approx. 60% of the bond funding is held by retail investors;
- ◆ Core Tier 1 ratio (does not include earnings for the period): 11.5% (30/6/13: 11.7%), Total Capital ratio 15.4% (15.6%).

Divisional results

Wholesale Banking: weak operating environment, loan book stabilized

The three months under review reflect the ongoing weak investment banking environment, on the Italian market in particular, and the Bank's decision to continue with a prudent asset allocation policy. A gross operating profit of €18m was reported (€11.9m in the fourth quarter last year, following a 19% reduction in revenues (from €109.2m to €88.4m), partly mitigated by a 19.7% reduction in operating costs, from €62.5m to €50.2m), while continuing to adopt a cautious risk valuation (cost of risk 67 bps). The various income sources performed as follows:

- ◆ net interest income declined by 13.5% year-on-year, from €72.7m to €62.9m, at levels in line with those seen in the fourth quarter last year (€64.4m), continuing to reflect the negative differential on the margin between lending and funding rates;
- ◆ trading activity showed a €6.9m loss (in line with the previous quarter), representing the balance between a good equity trading performance (generating revenues of €20m) offset by the losses recorded in fixed-income trading (€26.9m), which reflect the widespread difficulties on the bond market and, moreover does not include the €5.6m gains realized on disposals in the AFS segment;
- ◆ net fee and commission income reduced from €51.9m to €32.4m, due to the absence of significant advisory and capital market transactions.

At the same time costs fell by 19.7%, from €62.5m to €50.2m, due to the estimated variable labour cost component and to the lower operating costs.



Loan loss adjustments rose year-on-year, from €19.9m to €25.8m, but were still below the levels reported in the last three quarters (on average €33.4m); the coverage ratio rose slightly, from 39% to 40%.

Net profit stood at €7.2m.

On the balance-sheet side, there was an increase in funding (from €46.6bn to €49.1bn), both the debt security component (from €27.7bn to €29bn) and CheBanca! retail deposits (from €9.7bn to €10.7bn). The Group decided to leverage the favourable market conditions to bring forward the FY 2013-14 funding programme to the first part of the year. Accordingly, treasury assets rose from €9.3bn to €13.1bn, on stable customer lendings and banking book securities.

Asset quality is confirmed: net bad debts account for 1.5% of the loan book (30/6/13: 1.6%), and non-performing items represent just 0.1% of the total.

Private banking: higher AUM (up 9%) and fees (up 6%)

Private banking recorded a €10m profit, down on the €12.2m reported last year, due to lower trading income of €2m (€3.8m) and a reduced contribution from the securities portfolio of €1.1m (€1.7m), which offset the 6.1% rise in fee income (from €16.4m to €17.4m) and lower operating costs (down from €20.2m to €19.8m). Assets under management on a discretionary and non-discretionary basis in the three months under review rose to €14.3bn, €6.8bn of which with CMB (30/6/13: €6.7bn) and €7.5bn (€7.1bn) with Banca Esperia.

Consumer credit: net profit up 14%

Consumer credit showed an increase in profits from €18.8m to €21.5m, on higher net interest income (up 13.7%, from €132.4m to €150.5m), with fee income stable at €37m.

The increase in costs was kept to 2.9% (from €58.1m to €59.8m): the 2.4% reduction in labour costs, from €20.5m to €20m, offsetting the 5.9% increase in administrative expenses (from €37.6m to €39.8m) linked to the launch of new products (Compass Pay) and the higher credit collection costs. The cost/income ratio thus fell to 32% (as compared with an average of 36% last year).

As expected, the cost of risk increased from 353 bps to 385 bps, with loan loss provisions up from €81m to €90.9m (in line with the fourth quarter last year).

During the three months under review loans and advances to customers were up slightly, from €9,427.7m to €9,469.3m, with new loans recovering from €1,117m to €1,226.6m. Loan book quality remains satisfactory, with net bad loans representing 3.7% of the total (3.6%) and the coverage ratio rising from 56% to 57%; NPLs account for 1.2% of total loans (stable) and are covered as to almost 90%.

Retail banking: total deposits €14.4bn (up 21%), revenues up 15%

CheBanca! reduced its loss for the first quarter from €2.9m to €2.6m, helped by higher net interest income (up 9.1%, from €32.8m to €35.8m, due chiefly to the increase in volumes) and higher securities placement fees (up from €3m to €5m). Growth in revenues of 14.6%, from €35.6m to €40.8m, thus offset the rise in operating costs (from €31m to €34.1m) and loan loss provisions (€7.2m, compared with €5.2m), the latter still lower than for the fourth quarter last year (€8.8m).

In the three months under review, retail deposits rose from €11.9bn to €13.6bn, as a result of the summer promotional campaign; loans and advances to customers remained stable at €4.3bn. Indirect funding increased from €718m to €796m.



MEDIOBANCA

Principal investing: €137m profit, current market value of equity investment portfolio up to €5.1bn (up 19% since June 2013)

In accordance with the guidelines contained in the 2014-16 Strategic Plan, this division now brings together all the Group's equity investments classified as available for sale and marked to market, plus those which are equity-accounted (including Assicurazioni Generali and Burgo).

Principal investing recorded a profit of €137.2m (€19.3m), due to the higher profits reported by Assicurazioni Generali (up from €36.7m to €63.9m) and the gains realized on disposals already referred to (€79.5m).

The book value of the equity investments thus rose from €4bn to €4.1bn, despite the disposals, due to the increase in the market value of the stakes held as part of the AFS portfolio. By contrast, the book value of the Assicurazioni Generali stake remained stable, at €2.5bn. The current market value of the securities portfolio is equal to €5.1bn (30/6/13: €4.3bn), with unrealized gains of over €1bn on Assicurazioni Generali.

Milan, 28 October 2013

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Restated consolidated profit and loss accounts

Mediobanca Group (€ m)	3 mths	3 mths	Y.o.Y. chg. %
	30/9/12	30/9/13	
Net interest income	259.0	270.5	4.4%
Net trading income	62.5	-2.7	n.m.
Net fee and commission income	103.8	84.4	-18.7%
Equity-accounted companies	28.1	64.1	n.m.
Total income	453.4	416.3	-8.2%
Labour costs	(94.0)	(85.1)	-9.5%
Administrative expenses	(79.7)	(83.5)	4.8%
Operating costs	(173.7)	(168.6)	-2.9%
Gains (losses) on AFS, HTM & LR	(5.1)	85.5	n.m.
Loan loss provisions	(111.4)	(128.9)	15.7%
Provisions for other financial assets	(1.4)	(1.0)	-28.6%
Other income (losses)	0.0	0.0	n.m.
Profit before tax	161.8	203.3	25.6%
Income tax for the period	(53.3)	(32.0)	-40.0%
Minority interest	0.5	(0.1)	n.m.
Net profit	109.0	171.2	57.1%

Quarterly profit and loss accounts

Mediobanca Group (€ m)	FY12/13				FY13/14
	I Q	II Q	III Q	IV Q	I Q
	30/9/12	31/12/12	31/3/13	30/6/13	30/9/13
Net interest income	259.0	258.7	245.7	264.6	270.5
Net trading income	62.5	44.0	74.4	(12.0)	(2.7)
Net commission income	103.8	97.2	99.2	109.5	84.4
Equity-accounted companies	28.1	57.7	(156.8)	61.5	64.1
Total income	453.4	457.6	262.5	423.6	416.3
Labour costs	(94.0)	(100.4)	(97.2)	(92.4)	(85.1)
Administrative expenses	(79.7)	(101.5)	(88.7)	(103.0)	(83.5)
Operating costs	(173.7)	(201.9)	(185.9)	(195.4)	(168.6)
Gains (losses) on AFS/ HTM/LR	(5.1)	0.5	19.4	33.2	85.5
Loan loss provisions	(111.4)	(121.4)	(130.9)	(142.8)	(128.9)
Provisions for other fin. assets	(1.4)	(88.1)	0.7	(315.4)	(1.0)
Other income (losses)	0.0	0.0	0.0	(4.8)	0.0
Profit before tax	161.8	46.7	(34.2)	(201.6)	203.3
Income tax for the period	(53.3)	(32.4)	(53.2)	(17.9)	(32.0)
Minority interest	0.5	0.5	0.8	2.5	(0.1)
Net profit	109.0	14.8	(86.6)	(217.0)	171.2



Restated balance sheet

Mediobanca Group (€ m)	30/9/12	30/6/13	30/9/13
Assets			
Treasury funds	9,856.5	8,199.7	12,714.9
AFS securities	11,018.3	11,489.8	10,683.9
<i>of which: fixed income</i>	9,927.9	9,967.1	9,071.0
<i>equities</i>	1,076.1	1,507.8	1,601.7
Fixed assets (HTM & LR)	2,314.1	2,053.5	2,115.2
Loans and advances to customers	34,926.1	33,455.4	33,338.5
Equity investments	3,116.3	2,586.9	2,585.0
Tangible and intangible assets	718.6	707.7	702.9
Other assets	1,249.4	1,247.3	1,155.6
<i>of which: tax assets</i>	968.0	896.1	869.3
Total assets	63,199.3	59,740.3	63,296.0
Liabilities			
Funding	55,014.4	51,287.8	54,698.5
<i>of which: debt securities in issue</i>	29,374.7	25,856.4	27,336.4
<i>retail deposits</i>	11,643.0	11,874.2	13,631.4
Other liabilities	1,206.0	1,312.1	1,241.4
<i>of which: tax liabilities</i>	583.3	608.0	633.7
Provisions	186.5	192.2	192.3
Net equity	6,683.4	7,128.0	6,992.6
<i>of which: share capital</i>	430.6	430.6	430.6
<i>reserves</i>	6,144.2	6,589.9	6,453.9
<i>minority interest</i>	108.6	107.5	108.1
Profit for the period	109.0	(179.8)	171.2
Total liabilities	63,199.3	59,740.3	63,296.0
Core tier 1 capital	6,290.8	6,153.2	6,145.4
Total capital	7,725.4	8,155.4	8,195.5
RWAs	54,724.7	52,372.1	53,237.8

Ratios (%) and per share data (€)

Mediobanca Group (€ m)	30/9/12	30/6/13	30/9/13
Total assets/net equity	9.5	8.4	9.1
Loans/deposits	0.6	0.7	0.6
Core tier 1 ratio	11.5	11.7	11.5
Regulatory capital/RWAs	14.1	15.6	15.4
S&P rating	BBB+	BBB+	BBB
Cost/income ratio	38.3	47.4	40.5
NPLs/loans	0.7	0.8	0.9
EPS (€)	0.13	(0.21)	0.20
BVPS (€)	7.6	8.2	8.0
DPS (€)		0.00	
No. of shares outstanding (millions)	861.1	861.1	861.1



NEW DIVISIONAL DATA

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

3 mths to 30/9/13 (€m)	Corporate & Private Banking	Principal Investing	Retail & Consumer Banking	Corporate Centre	Group
Net interest income	73.0	0.0	186.3	12.1	270.5
Net trading income	(4.9)	1.9	0.0	0.0	(2.7)
Net fee and commission income	49.8	0.0	41.9	1.9	84.4
Equity-accounted companies	0.0	63.4	0.0	0.0	64.1
Total income	117.9	65.3	228.2	14.0	416.3
Labour costs	(44.5)	(2.2)	(34.0)	(7.4)	(85.1)
Administrative expenses	(25.5)	(0.4)	(59.9)	(5.3)	(83.5)
Operating costs	(70.0)	(2.6)	(93.9)	(12.7)	(168.6)
Gains (losses) on AFS, HTM & LR	6.7	79.5	0.0	0.0	85.5
Loan loss provisions	(25.8)	0.0	(98.1)	(5.0)	(128.9)
Provisions for other financial assets	0.0	(1.0)	0.0	0.0	(1.0)
Other income (losses)	0.0	0.0	0.0	0.0	0.0
Profit before tax	28.8	141.2	36.2	(3.7)	203.3
Income tax for the period	(11.6)	(4.0)	(17.3)	0.3	(32.0)
Minority interest	0.0	0.0	0.0	(0.1)	(0.1)
Net profit	17.2	137.2	18.9	(3.5)	171.2
Treasury funds	14,053.2	0.0	10,500.2	146.0	12,714.9
AFS securities	8,511.1	1,587.4	880.0	0.0	10,683.9
Fixed assets (HTM & LR)	5,082.7	0.0	1,759.6	0.0	2,115.2
Equity investments	0.0	2,497.0	0.0	0.0	2,585.0
Loans and advances to customers	25,514.6	0.0	13,739.6	3,321.7	33,338.5
<i>of which to Group companies</i>	8,758.4	n.m.	n.m.	n.m.	n.m.
Funding	(51,511.0)	0.0	(25,884.8)	(3,354.0)	(54,698.5)
RWAs	35,307.1	4,210.3	10,642.9	3,077.5	53,237.8
No. of staff	979*	n.m.	2,344	308	3,508

*Includes 123 staff employed by Banca Esperia pro-forma, not included in the Group total.



3 mths to 30/9/12 (€m)	Corporate & Private Banking	Principal Investing	Retail & Consumer Banking	Corporate Centre	Group
Net interest income	83.6	0.0	165.2	11.4	259.0
Net trading income	60.4	2.7	(0.2)	(0.1)	62.5
Net fee and commission income	71.3	0.0	40.3	2.3	103.8
Equity-accounted companies	0.0	27.4	0.0	0.0	28.1
Total income	215.3	30.1	205.3	13.6	453.4
Labour costs	(52.8)	(2.4)	(34.8)	(7.6)	(94.0)
Administrative expenses	(27.6)	(0.4)	(54.3)	(5.8)	(79.7)
Operating costs	(80.4)	(2.8)	(89.1)	(13.4)	(173.7)
Gains (losses) on AFS, HTM & LR	5.2	(6.4)	0.0	0.0	(5.1)
Loan loss provisions	(19.9)	0.0	(86.2)	(5.3)	(111.4)
Provisions for other financial assets	(3.5)	(1.4)	0.0	0.0	(1.4)
Other income (losses)	0.2	0.0	0.0	0.0	0.0
Profit before tax	116.9	19.5	30.0	(5.1)	161.8
Income tax for the period	(40.1)	(0.2)	(14.1)	0.9	(53.3)
Minority interest	0.0	0.0	0.0	0.5	0.5
Net profit	76.8	19.3	15.9	(3.7)	109.0
Treasury funds	12,133.4	0.0	7,559.5	112.8	9,856.5
AFS securities	9,268.4	1,063.1	1,225.3	0.0	11,018.3
Fixed assets (HTM & LR)	4,009.2	0.0	2,753.0	0.0	2,314.1
Equity investments	0.0	3,028.2	0.0	0.0	3,116.3
Loans and advances to customers	28,220.5	0.0	13,432.4	3,937.7	34,926.1
<i>of which to Group companies</i>	10,245.8	n.m.	n.m.	n.m.	n.m.
Funding	(52,563.3)	0.0	(24,150.9)	(3,551.0)	(55,014.4)
RWAs	36,403.9	4,411.1	10,313.3	3,596.4	54,724.7
No. of staff	987*	n.m.	2,320	308	3,494

* Includes 132 staff employed by Banca Esperia pro-forma, not included in the Group total.



Corporate & Private Banking

CIB (€ m)	3 mths	3 mths	Y.o.Y. chg. %
	30/9/12	30/9/13	
Net interest income	83.6	73.0	-12.7%
Net trading income	60.4	(4.9)	n.m.
Net fee and commission income	71.3	49.8	-30.2%
Equity-accounted companies	0.0	0.0	n.m.
Total income	215.3	117.9	-45.2%
Labour costs	(52.8)	(44.5)	-15.7%
Administrative expenses	(27.6)	(25.5)	-7.6%
Operating costs	(80.4)	(70.0)	-12.9%
Gains (losses) on AFS, HTM & LR	5.2	6.7	28.8%
Loan loss provisions	(19.9)	(25.8)	29.6%
Provisions for other financial assets	(3.5)	0.0	n.m.
Other income (losses)	0.2	0.0	n.m.
Profit before tax	116.9	28.8	-75.4%
Income tax for the period	(40.1)	(11.6)	-71.1%
Minority interest	0.0	0.0	n.m.
Net profit	76.8	17.2	-77.6%
Treasury funds	12,133.4	14,053.2	15.8%
AFS securities	9,268.4	8,511.1	-8.2%
Fixed assets (HTM & LR)	4,009.2	5,082.7	26.8%
Equity investments	0.0	0.0	n.m.
Loans and advances to customers	28,220.5	25,514.6	-9.6%
<i>of which to Group companies</i>	10,245.8	8,758.4	-14.5%
Funding	(52,563.2)	(51,511.0)	-2.0%
RWAs	36,403.9	35,307.1	-3.0%
No. of staff	987	979	-0.8%
Cost/income ratio (%)	37.3	59.4	
NPLs/Ls ratio (%)	0.0	0.1	



CIB by segment - 3 mths to 30/9/13 (€m)	Wholesale	Private Banking	Total CIB
Net interest income	62.9	10.1	73.0
Net trading income	(6.9)	2.0	(4.9)
Net fee and commission income	32.4	17.4	49.8
Equity-accounted companies	0.0	0.0	0.0
Total income	88.4	29.5	117.9
Labour costs	(32.5)	(12.0)	(44.5)
Administrative expenses	(17.7)	(7.8)	(25.5)
Operating costs	(50.2)	(19.8)	(70.0)
Gains (losses) on AFS, HTM & LR	5.6	1.1	6.7
Loan loss provisions	(25.8)	0.0	(25.8)
Provisions for other financial assets	0.0	0.0	0.0
Other income (losses)	0.0	0.0	0.0
Profit before tax	18.0	10.8	28.8
Income tax for the period	(10.8)	(0.8)	(11.6)
Minority interest	0.0	0.0	0.0
Net profit	7.2	10.0	17.2
Loans and advances to customers	24,194.6	1,320.0	25,514.6
<i>of which to Group companies</i>	8,758.4	0.0	8,758.4
AUM	-	14,337.5	14,337.5
RWA	33,415.2	1,891.9	35,307.1
No. of staff	638	341	979
Cost/income ratio (%)	56.8	67.1	59.4
NPLs/Ls ratio (%)	0.1	0.5	0.1



CIB by segment - 3 mths to 30/9/12 (€m)	Wholesale	Private Banking	Total CIB
Net interest income	72.7	10.9	83.6
Net trading income	56.6	3.8	60.4
Net fee and commission income	54.9	16.4	71.3
Equity-accounted companies	0.0	0.0	0.0
Total income	184.2	31.1	215.3
Labour costs	(40.7)	(12.1)	(52.8)
Administrative expenses	(19.5)	(8.1)	(27.6)
Operating costs	(60.2)	(20.2)	(80.4)
Gains (losses) on AFS, HTM & LR	0.0	5.2	5.2
Loan loss provisions	(19.9)	0.0	(19.9)
Provisions for other financial assets	0.0	(3.5)	(3.5)
Other income (losses)	0.0	0.2	0.2
Profit before tax	104.1	12.8	116.9
Income tax for the period	(39.5)	(0.6)	(40.1)
Minority interest	0.0	0.0	0.0
Net profit	64.6	12.2	76.8
Loans and advances to customers	26,994.8	1,225.7	28,220.5
<i>of which to Group companies</i>	10,245.8	0.0	10,245.8
AUM	-	13,097.0	13,097.0
RWA	34,628.7	1,775.2	36,403.9
No. of staff	643	344	987
Cost/income ratio (%)	32.7	65.0	37.3
NPLs/Ls ratio (%)	0.0	1.0	0.0



Principal Investing

PI (€ m)	3 mths	3 mths	Y.o.Y. chg. %
	30/9/12	30/9/13	
Net interest income	0.0	0.0	n.m.
Net trading income	2.7	1.9	-29.1%
Net fee and commission income	0.0	0.0	n.m.
Equity-accounted companies	27.4	63.4	n.m.
Total income	30.1	65.3	n.m.
Labour costs	(2.4)	(2.2)	-8.3%
Administrative expenses	(0.4)	(0.4)	0.0%
Operating costs	(2.8)	(2.6)	-7.1%
Gains (losses) on AFS, HTM & LR	(6.4)	79.5	n.m.
Loan loss provisions	0.0	0.0	n.m.
Provisions for other financial assets	(1.4)	(1.0)	-29.6%
Other income (losses)	0.0	0.0	n.m.
Profit before tax	19.5	141.2	n.m.
Income tax for the period	(0.2)	(4.0)	n.m.
Minority interest	0.0	0.0	n.m.
Net profit	19.3	137.2	n.m.
AFS securities	1,063.1	1,587.4	49.3%
Equity investments	3,028.2	2,497.0	-17.5%
RWAs	4,411.1	4,210.3	-4.6%



Retail & Consumer Banking

RCB (€ m)	3 mths	3 mths	Y.o.Y. chg. %
	30/9/12	30/9/13	
Net interest income	165.2	186.3	12.8%
Net trading income	(0.2)	0.0	n.m.
Net fee and commission income	40.3	41.9	4.0%
Equity-accounted companies	0.0	0.0	n.m.
Total income	205.3	228.2	11.2%
Labour costs	(34.8)	(34.0)	-2.3%
Administrative expenses	(54.3)	(59.9)	10.3%
Operating costs	(89.1)	(93.9)	5.4%
Gains (losses) on AFS, HTM & LR	0.0	0.0	n.m.
Loan loss provisions	(86.2)	(98.1)	13.8%
Provisions for other financial assets	0.0	0.0	n.m.
Other income (losses)	0.0	0.0	n.m.
Profit before tax	30.0	36.2	20.7%
Income tax for the period	(14.1)	(17.3)	22.7%
Minority interest	0.0	0.0	n.m.
Net profit	15.9	18.9	18.9%
Treasury funds	7,559.5	10,500.2	38.9%
AFS securities	1,225.3	880.0	-28.2%
Fixed assets (HTM & LR)	2,753.0	1,759.6	-36.1%
Equity investments	0.0	0.0	n.m.
Loans and advances to customers	13,432.4	13,739.6	2.3%
Funding	(24,150.9)	(25,884.8)	7.2%
RWAs	10,313.3	10,642.9	3.2%
No. of staff	2,320	2,344	1.0%
No. of branches	202	203	0.5%
Cost/income ratio (%)	43.4	41.1	
NPLs/loans (%)	1.3	1.5	



RCB by segment - 3 mths to 30/9/13 (€ m)	Consumer credit	Retail Banking	Total RCB
Net interest income	150.5	35.8	186.3
Net trading income	0.0	0.0	0.0
Net fee and commission income	36.9	5.0	41.9
Equity-accounted companies	0.0	0.0	0.0
Total income	187.4	40.8	228.2
Labour costs	(20.0)	(14.0)	(34.0)
Administrative expenses	(39.8)	(20.1)	(59.9)
Operating costs	(59.8)	(34.1)	(93.9)
Gains (losses) on AFS, HTM & LR	0.0	0.0	0.0
Loan loss provisions	(90.9)	(7.2)	(98.1)
Provisions for other financial assets	0.0	0.0	0.0
Other income (losses)	0.0	0.0	0.0
Profit before tax	36.7	(0.5)	36.2
Income tax for the period	(15.2)	(2.1)	(17.3)
Minority interest	0.0	0.0	0.0
Net profit	21.5	(2.6)	18.9
Loans and advances to customers	9,469.3	4,270.3	13,739.6
RWA	8,928.7	1,714.2	10,642.9
AUM	1,226.6	90.9	1,317.5
No. of staff	1,441	903	2,344
No. of branches	158	45	203
Cost/income ratio (%)	31.9	83.6	41.1
NPLs/loans (%)	1.2	2.1	1.5



RCB by segment - 3 mths to 30/9/12 (€ m)	Consumer credit	Retail Banking	Total RCB
Net interest income	132.4	32.8	165.2
Net trading income	0.0	(0.2)	(0.2)
Net fee and commission income	37.3	3.0	40.3
Equity-accounted companies	0.0	0.0	0.0
Total income	169.7	35.6	205.3
Labour costs	(20.5)	(14.3)	(34.8)
Administrative expenses	(37.6)	(16.7)	(54.3)
Operating costs	(58.1)	(31.0)	(89.1)
Gains (losses) on AFS, HTM & LR	0.0	0.0	0.0
Loan loss provisions	(81.0)	(5.2)	(86.2)
Provisions for other financial assets	0.0	0.0	0.0
Other income (losses)	0.0	0.0	0.0
Profit before tax	30.6	(0.6)	30.0
Income tax for the period	(11.8)	(2.3)	(14.1)
Minority interest	0.0	0.0	0.0
Net profit	18.8	(2.9)	15.9
Loans and advances to customers	9,144.5	4,287.9	13,432.4
RWA	8,463.3	1,850.0	10,313.3
AUM	1,117.0	54.9	1,171.9
No. of staff	1,400	920	2,320.0
No. of branches	158	44	202.0
Cost/income ratio (%)	34.2	87.1	43.4
NPLs/loans (%)	1.1	1.7	1.3

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