

## **CheBanca! Board of Directors' Meeting Financial statements for 1H 2021-22 approved**

### **Record results by growth and profitability**

**TFAs<sup>1</sup> up 15%,<sup>2</sup> now over €34bn  
driven by material growth in AUM/AUA (net inflows up 51%, to €1.3bn, stock up  
24% to €17bn)  
for the first time equal to deposits (€17bn, up 6%)**

**Revenues grew by 13% (to €195m) and fee income by 24% (to €75m)  
Net profit up 37% (to €31m),  
despite continuing investments in people, technology and products**

**Growth in salesforce continues: network now consists of 996 professionals  
(25 added in 2Q, 100 in 2021) and 204 POS**

*Premier Relationship Managers now total 503 (8 added in 2Q; 36 more than last year),  
responsible for NNM (AUM/AUA) of €0.7bn in 6M*

*Financial Advisors now total 493 (17 added in 2Q; 64 more than last year),  
responsible for NNM (AUM/AUA) of €0.7bn in 6M*

**Ongoing enhancement in advisory activity, investment product and  
discretionary mandate offering, and digital innovation**

**New mobile banking app launched**

**Growth accelerating in 2Q:  
NNM totalled €0.6bn, with the managed component contributing €0.7bn  
Revenues totalling €100m (up 5% QoQ) and net profit €16m (up 9% QoQ)**

1) Total Financial Assets: AUM + AUA + deposits.

2) Unless specified otherwise, growth rates are annual: 6m Dec21 vs 6m Dec20.

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## OPERATIONS AND PRODUCT PORTFOLIO DEVELOPMENT

- **Strategic repositioning:** the communications programme launched in 2020, with the “Alza la tua visione” (“Raise your vision”) advertising campaign, has continued, with ongoing investments in various Italian cities to develop the branch network in line with the new concept that combines elegance, transparency, confidentiality and sensitivity to the environment.
- **Digital innovation:** the **new mobile banking app** was launched in November 2021, to offer higher performance standards, improve user experience, and expand the range of functions and services. Work also continued on enhancing new electronic money digital services.
- **Advisory activities enhancement:** work has continued on **revising and diversifying the investments portfolio**, and placement of the Mediobanca SGR Target Maturity Mediobanca Diversified Credit Portfolio 2028 fund has also been launched. Distribution of the first Mediobanca SGR fund sub-delegated to MFS has continued, as has the Mediobanca Portfolio Management service for CheBanca!
- **Distribution structure enhancement:** overall the network now consists of 503 Premier Relationship Managers (versus 467 at end-December 2020) and 493 FAs (vs 429 at end-December 2020), working at 204 branches and POS (vs 200 at end-December 2020).

## GROWTH IN BUSINESS VOLUMES

**TFAs UP 14.5% YoY TO €34.2bn, CUSTOMER LOANS UP 5.2% YoY TO €11.3bn**

**Total Financial Assets (“TFAs”)** reached **€34.2bn**, up **14.5% YoY** and up **2.4% QoQ** (vs end-September 2021), with the **AUM/AUA component up 23.7% YoY, to €17.2bn** (up 5.8% QoQ vs end-September 2021).

**Net New Money (“NNM”) in 6M totalled €1.5bn**, with **inflows in 2Q of €0.6bn** (2Q FY 2020-21: €0.8bn; 1Q FY 2021-22: €0.9bn). **The inflows were concentrated in the AUM/AUA component, which reflects growth of €0.7bn in 2Q** (2Q FY 2020-21: €0.5bn; 1Q FY 2021-22: €0.6bn). Direct funding, without the benefit of the promotion on deposit accounts which boosted the performance in 1Q, was basically flat (down €0.1bn).

**Both the main distribution channels made balanced contributions to the growth in AUM/AUA** for the six months:

- **50% Premier relationship managers:** €0.7bn in NNM in the AUM/AUA component. TFAs managed by the proprietary channel totalled €26.6bn, made up of €11.9bn in AUM/AUA and €14.8bn in deposits.
- **50% Financial Advisors:** €0.7bn in NNM in the AUM/AUA component. TFAs managed by the Financial Advisors channel totalled €7.6bn, made up of €5.3bn in AUM/AUA and €2.3bn in deposits.

**Per capita productivity levels** remain among the **highest in the sector**, with an average in the six months of **€1.24m per Relationship Manager/Financial Advisor**.

**Loans to households rose to €11.3bn (up 5.2% YoY)**, on **new loans of €0.9bn in 6M and €0.5bn in 2Q**. **Asset quality bears out the excellent levels recorded at end-June 2021**. **Gross NPLs declined in 6M (from €210.5m to €207m)**, and account for 1.8% of total loans (30/6/21: 1.9%). **Net NPLs also fell, from €112.5m to €107.9m**, and represent 1% of total loans, **with a coverage ratio of 47.9%, higher than the 46.6% at the start of the financial year**. **Net bad debts declined from €43.2m to €38.3m**, and represent 0.3% of net loans, with the **coverage ratio increasing from 60.3% to 63%**.

As far as regards the **impact of mortgage repayment suspensions** due to the Covid-19 pandemic, **€104.6m is still outstanding** (0.9% of total loans), down €106m in 6M and down €61m in 2Q. **All of these positions have been prudentially reclassified as stage 2 or stage 3** (stage 2: 91.5%; stage 3: 8.5%) in view of the

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ongoing pandemic situation and having regard to the ECB guidance in this area. **Of the moratoria that have expired, 88.6% have resumed regular repayments**, 2.4% have recorded instances of non-payment, while the other 9% have been granted further extensions to their expiries. More than 50% of the outstanding positions expire in the course of the next two months.

## RECORD PROFITABILITY OVER ALL TIME HORIZONS

The profit and loss account reflects a healthy performance compared to the first six months last year (YoY), **against a continually improving cost/income ratio (down from 74.1% to 72.2%)**:

- **Revenues increased**, by 12.8% (or €22.1m; from €173.3m to €195.4m), on the back of growth in net interest income, up 6.8% (or €7.6m; from €111.9m to €119.5m), and **in particular in fees, which again posted material growth**, of 24.0% (or €14.5m; from €60.5m to €75.0m), in the managed/insurance component especially, were fees rose from €43.5m to €57.3m. Margins continue to improve, including as a result of assets being converted to UCITS, discretionary mandates and multi-line insurance policies.
- **Operating costs rose by 9.8%** (or €12.6m; from €128.4m to €141.0m), chiefly due to labour costs, which increased by 6.7% (or €4.0m; from €60.0m to €64.0m), linked to the enhancement of the distribution structure, the increase in operations, and development of the franchise, plus also administrative expenses which rose by 12.6% (or €8.6m; from €68.4m to €77.0m).
- **Loan loss provisions decreased** by €2.8m (down 25.0%; from €11.2m to €8.4m), despite including prudential adjustments for moratoria and staging, including recourse to overlays. The cost of risk also declined, from 22 bps to 15 bps.
- **GOP totalled €46.7m, up 35.4%** on the €34.5m posted at end-December 2020.
- **Net profit climbed 37.4% to €31.2m** (from €22.7m), reflecting the trends described above.

The main profit-and-loss items performed as follows **compared to 1Q FY 2021-22 (QoQ)**

- **Revenues were up 4.8% (or €4.6m; from €95.4m to €100.0m)**. Of the revenue items, net interest income declined by 2.5% (or €1.5m; from €60.5m to €59.0m), whereas fee income rose by 17.4% (or €6.0m; from €34.5m to €40.5m), chiefly attributable to the higher indirect funding volumes. The contribution from the managed component increased to €30.2m.
- **Operating costs were up 3.8% (or €2.6m; from €69.2m to €71.8m)**, chiefly due to seasonal factors affecting operations and expansion;
- **Loan loss provisions were stable at €4.2m**, despite including prudential adjustments for moratoria and staging;
- **GOP delivered a quarterly record of €24.6m** (an increase of €2.5m, from €22.1m to €24.6m; up 11.3%).
- **Net profit rose by 9.4%** (from €14.9m to €16.3m; up €1.4m).

Milan, 28 January 2022

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## 1. RESTATED PROFIT AND LOSS ACCOUNT (€)

CheBanca!	1H 2020-21	1H 2021-22	Chg.	Chg.
	31/12/20	31/12/21	YoY%	YoY
Net interest income	111.9	119.5	6.8%	7.6
Net treasury income	0.9	0.9	0.0%	0.0
Net fee, commission and other income	60.5	75.0	24.0%	14.5
<b>Total income</b>	<b>173.3</b>	<b>195.4</b>	<b>12.8%</b>	<b>22.1</b>
Labour costs	-60.0	-64.0	6.7%	4.0
Administrative expenses	-68.4	-77.0	12.6%	8.6
<b>Operating costs</b>	<b>-128.4</b>	<b>-141.0</b>	<b>9.8%</b>	<b>12.6</b>
Loan loss provisions/writebacks	-11.2	-8.4	-25.0%	-2.8
<b>GOP</b>	<b>33.7</b>	<b>46.0</b>	<b>36.5%</b>	<b>12.3</b>
Other items	0.8	0.7	n.m.	-0.1
<b>Profit before tax (1)</b>	<b>34.5</b>	<b>46.7</b>	<b>35.4%</b>	<b>12.2</b>
Income tax	-11.8	-15.5	31.4%	3.7
<b>Net profit</b>	<b>22.7</b>	<b>31.2</b>	<b>37.4%</b>	<b>8.5</b>

(1) Profit before tax does not include €21.4m paid to DGS and €1.2m in loan loss provisions vs Mediobanca S.p.A. included in the separate financial statements.

## 2. QUARTERLY RESTATED PROFIT AND LOSS ACCOUNTS (€M)

CheBanca!	3M	3M	3M	3M	3M
	31/12/20	31/3/21	30/6/21	30/9/21	31/12/21
Net interest income	56.4	57.9	59.5	60.5	59.0
Net treasury income	0.6	0.8	0.4	0.4	0.5
Net fee, commission and other income	33.3	32.1	34.0	34.5	40.5
<b>Total income</b>	<b>90.3</b>	<b>90.8</b>	<b>93.9</b>	<b>95.4</b>	<b>100.0</b>
Labour costs	-29.6	-30.3	-31.8	-31.9	-32.1
Administrative expenses	-35.4	-36.3	-41.0	-37.3	-39.7
<b>Operating costs</b>	<b>-65.0</b>	<b>-66.6</b>	<b>-72.8</b>	<b>-69.2</b>	<b>-71.8</b>
Loan loss provisions/writebacks	-5.2	-4.2	-3.2	-4.2	-4.2
<b>GOP</b>	<b>20.1</b>	<b>20.0</b>	<b>17.9</b>	<b>22.0</b>	<b>24.0</b>
Other items	0.5	0.3	0.3	0.1	0.6
<b>Profit before tax</b>	<b>20.6</b>	<b>20.3</b>	<b>18.2</b>	<b>22.1</b>	<b>24.6</b>
Income tax	-7.1	-6.6	-5.9	-7.2	-8.3
<b>Net profit</b>	<b>13.5</b>	<b>13.7</b>	<b>12.3</b>	<b>14.9</b>	<b>16.3</b>

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## 3. CUSTOMER TOTAL FINANCIAL ASSETS (TFAs, €M)

CheBanca!	31/12/20	31/3/21	30/6/21	30/9/21	31/12/21
AUM	10,818	11,402	12,208	12,818	13,604
AUA	3,102	3,234	3,421	3,461	3,611
Deposits	15,983	16,744	16,920	17,163	17,028
<b>Total TFAs</b>	<b>29,903</b>	<b>31,380</b>	<b>32,549</b>	<b>33,442</b>	<b>34,243</b>

## 4. CUSTOMER TFAs – PROPRIETARY NETWORK (TFAs, €M)

CheBanca!	31/12/20	31/3/21	30/6/21	30/9/21	31/12/21
AUM	7,391	7,683	8,040	8,303	8,698
AUA	2,728	2,835	3,002	3,019	3,161
Deposits	13,959	14,640	14,742	14,924	14,771
<b>Total TFAs</b>	<b>24,078</b>	<b>25,158</b>	<b>25,784</b>	<b>26,246</b>	<b>26,630</b>

## 5. CUSTOMER TFAs – FAs NETWORK (TFAs, €M)

CheBanca!	31/12/20	31/3/21	30/6/21	30/9/21	31/12/21
AUM	3,427	3,719	4,168	4,515	4,906
AUA	374	399	419	442	450
Deposits	2,025	2,104	2,178	2,239	2,257
<b>Total TFAs</b>	<b>5,826</b>	<b>6,222</b>	<b>6,765</b>	<b>7,196</b>	<b>7,613</b>

## 6. NET NEW MONEY (NNM, €M)

CheBanca!	3M 31/12/20	3M 31/3/21	3M 30/6/21	3M 30/9/21	3M 31/12/21
AUM	515	442	561	609	603
AUA	28	12	153	15	122
Deposits	238	761	176	243	-135
<b>Total Net New Money (NNM)</b>	<b>782</b>	<b>1,215</b>	<b>889</b>	<b>866</b>	<b>590</b>

## 7. NET NEW MONEY – PROPRIETARY NETWORK (NNM, €M)

CheBanca!	3M 31/12/20	3M 31/3/21	3M 30/6/21	3M 30/9/21	3M 31/12/21
AUM	291	206	235	265	298
AUA	24	5	139	-6	117
Deposits	177	682	102	182	-153
<b>Total Net New Money (NNM)</b>	<b>493</b>	<b>892</b>	<b>476</b>	<b>441</b>	<b>263</b>

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## 8. NET NEW MONEY – FAs NETWORK (NNM, €M)

CheBanca!	3M 31/12/20	3M 31/3/21	3M 30/6/21	3M 30/9/21	3M 31/12/21
AUM	224	236	325	344	305
AUA	4	7	13	20	5
Deposits	61	79	74	62	18
<b>Total Net New Money (NNM)</b>	<b>289</b>	<b>323</b>	<b>413</b>	<b>426</b>	<b>327</b>

## 9. OTHER ASSET INFORMATION (€M)

CheBanca!	31/12/20 6M	31/3/21 9M	30/6/21 12M	30/9/21 3M	31/12/21 6M
Mortgages (cumulative new loans)	1,070	1,674	2,220	359	866
Loans to customers (stock)	10,698	10,897	11,063	11,096	11,253

## 10. INDICATORS/RATIOS

CheBanca!	31/12/20	31/3/21	30/6/21	30/9/21	31/12/21
Customers loans/customer deposits	67%	65%	65%	65%	66%
NPLs/total loans	1.0%	0.97%	1.02%	0.96%	0.96%
Net bad debts/total loans	0.5%	0.4%	0.4%	0.4%	0.3%
Cost/income ratio	74.1%	73.8%	74.8%	72.6%	72.2%

## 11. STRUCTURAL DATA

CheBanca!	31/12/20	31/3/21	30/6/21	30/9/21	31/12/21
N No, of staff	1,436	1,453	1,461	1,461	1,473
o/w affluent-premier relationship managers	467	479	486	495	503
No, of FAs	429	447	465	476	493
No, of branch offices	107	107	107	106	106
No, of FAs POS	93	94	98	98	98

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

Head of Company Financial Reporting

S. Radice