



MEDIOBANCA

**Mediobanca
Board of Directors' Meeting**

Milan, 20 September 2012



Financial statements for period ended 30 June 2012 approved

11.5% Core Tier1, 9% ROTE adj.

Normalized PBT¹ up 6% to €563m

Proposed dividend:² €0.05 per share

- ◆ In an extremely difficult operating scenario, the Mediobanca Group's results for the twelve months reflect stronger financials and a positive performance in banking activities:
 - ◆ Core Tier1 ratio up to 11.5%; NSFR³ well above 100%
 - ◆ Reduction in riskiness of assets:
 - ◆ exposure to equity reduced by €2bn
 - ◆ risk profile of some corporate exposures substantially improved
 - ◆ government bond portfolio increased, with shorter duration
 - ◆ Normalized PBT¹ up 6% to €563m, despite the strong pressure on revenues and the increase in the cost of risk in the second half of the year especially. The main items performed as follows:
 - ◆ revenues flat at €1,990m (€1,983m), with net interest income stable at €1,070m; trading was strongly positive (up 41% to €267m), offsetting the reduction in fee income (down 7% to €483m);
 - ◆ operating costs down 4% to €789m, with personnel expenses down 6% (employee headcount stable at 3,500); cost/income ratio down 2 points, to 40%;
 - ◆ cost of risk up 10 bps, to 130 bps; asset quality remained good (NPLs/loans=0.6%; total bad loans/loans=2.4%)
- ◆ Contribution from securities and equity investments heavily negative, at minus €402m (minus €53m), representing the balance between:
 - ◆ profits from investments: €170m (€203m), due to lower contribution from AG
 - ◆ writedowns to PI stakes: €191m (€113m Telco, €78m RCS)
 - ◆ writedowns/net losses on AFS securities: €382m
- ◆ Group net profit: €81m (€369m)
- ◆ ROTE adj. confirmed at 9%
- ◆ Proposed dividend: €0.05 per share, corresponding to a payout of 52%

¹ Normalized net profit: excl. PI contribution and before writedowns to securities and investments.

² To be taken from the Bank's reserves.

³ NSFR= net stable funding ratio.



With Renato PAGLIARO in the chair, the Directors of Mediobanca approved the Group's financial statements for the twelve months ended 30 June 2012, as illustrated by Chief Executive Officer Alberto NAGEL.

Consolidated results

The twelve months under review were marked by the sovereign debt crisis which affected the countries of southern Europe, causing sharp price reductions in all related asset classes and securities, and making it impossible for banks to refinance their liabilities normally on reasonable terms. Taking place against a weak economic backdrop, these events caused the economies themselves to slow further, which impacted negatively on households' and corporates' abilities to pay back their debts as well as on business volumes (in corporate and investment banking in particular).

In such difficult operating conditions, which tested banks' financial solidity and operating models profoundly, the Mediobanca Group strengthened its balance sheet and achieved positive results from its banking operations, its domestic and international competitive position remaining unchanged.

On the balance-sheet side, where management was based on sustainability over the medium and long term, there was selective growth in assets associated with significant improvements in capital, funding and liquidity. This allowed the Group to achieve:

- ◆ Core Tier1 ratio of 11.5% (11.2%)
- ◆ Net Stable Funding Ratio comfortably above 100%
- ◆ reduction in riskiness of assets:
 - ◆ exposure to equity reduced by €2bn
 - ◆ risk profile of some corporate exposures substantially improved
 - ◆ government bond portfolio increased, with shorter duration

In spite of the difficult operating conditions and the limits set by such balance-sheet discipline, banking activities delivered positive results, made possible by the increased diversification of the Group's income sources, each of which showed a different correlation to market trends:

- ◆ normalized profit before tax was up 6% to €562.8m (€531.8m), reflecting good contributions from both components: corporate and investment banking (up from €472.7m to €466.3m) and retail and private banking (€119.2m, compared with €79.9m last year).

The main income items performed as follows:

- ◆ net interest income was flat at €1,069.8m (€1,070.3m), helped by the business diversification (RPB up 7.1% from €660.5m to €707.2m, CIB down 11.1% from €429.3m to €381.6m), and the cost of funding being kept down as a result of the ECB financing;
- ◆ net trading income rose significantly, from €189.2m to €266.8m, despite the high volatility in spreads on Italian government securities;
- ◆ net fees and commissions fell slightly, from €520.3m to €483.5m, due to the slowdown in corporate and investment banking activity.



Operating costs fell by 4.2%, from €823.9m to €789m, helped by the reduction in labour costs (down 6.1%) linked to the reduction in the variable remuneration component and effective control of other administrative expense items (down 2.3%), and despite the increase in operations (in retail and consumer banking especially), with the headcount increasing slightly (staff numbers rose from 3,452 to 3,506).

In a recession scenario loan loss provisions were up 34.1%, from €349.1m to €468.3m; this reduces to 10.4% excluding the single, one-off reversal in an amount of €75m made last year. The €10.6m rise in provisioning for households, from €323.5m to €333.3m, also reflects the increase in volumes of personal loans. After the higher provisions, the percentage of total loans accounted for by non performing loans ("sofferenze") and total impaired loans remained stable, at 0.6% (0.5%) and 2.4% (unchanged) respectively.

The Group's overall results were hit strongly by the securities and investments portfolios, which together took charges amounting to €402m, reflecting the balance between:

- ◆ the contribution from equity-accounted companies falling from €203m to €169.5m, due to lower earnings posted by Assicurazioni Generali (€145.9m, compared with €201.6m last year);
- ◆ writedowns of €191m charged to the PI investments, €113.3m of which in respect of Telco (reflecting a net present value for the Telecom Italia shares owned of €1.5 per share) and €77.7m of RCS (reflecting a net present value of €1 per share);
- ◆ writedowns/net losses on AFS securities totalling €382m, €141.1m in Greek sovereign debt writedowns, €132.7m in respect of the UniCredit CASHES, €34m of Delmi (in connection with the Edison stake being swapped for the holding in Edipower), and €28.8m for 9.92% of Santé. During the twelve months under review, movements in the AFS portfolio generated net gains of €32.4m, including €91m on disposal of the 8.5% stake in Autostrade Sud America.

Other items worthy of note include a one-off gain on disposals of a non-core property owned by Compagnie Monégasque de Banque (yielding proceeds of €44.3m).

The Group's net profit of €80.9m thus reflects a substantial reduction on the €368.6m posted last year.

Turning now to the balance-sheet aggregates:

- ◆ RWAs and loans and advances to customers were stable, at €55.1bn and €36.3bn respectively, reflecting a selective approach to corporate lending (down 1%), the planned reduction in the leasing segment (down 7%), and a modest increase in retail activity (of 3% in consumer credit and 5% in residential mortgage lending);
- ◆ Tier1 capital rose from €6.1bn to €6.3bn, due to higher valuation reserves. The Core Tier 1 ratio rose from 11.2% to 11.5%;
- ◆ funding rose from €51.7bn to €55.8bn, boosted by the increase in CheBanca! retail deposits (from €10bn to €11.6bn) and the three-year, €7.5bn European Central Bank loan, which offset the reduction in debt securities (from €34.5bn to €30bn) on account of the difficulties involved in coming to market; despite this, the Bank still managed to issue €2.1bn in new bonds during the twelve months;
- ◆ liquid financial assets (treasury, AFS, HTM and LR) rose from €18.6bn to €22.2bn, benefiting from part of the ECB funding being used in prudent asset classes; in particular government securities increased from €5.4bn to €9.2bn, and consist chiefly of Italian paper with an average remaining maturity of around three years; liquid assets rose from €1.9bn to €4.5bn, while equities halved, from €3.9bn to €1.9bn;



- ◆ bad loans (non-performing, sub-standard, restructured and overdue items) grew by 27.4%, from €709.9m to €904.4m, solely as a result of the new regulatory classification which has meant that since 1 January 2012 this category has included items overdue by more than 90 days (as opposed to 180 days); on a like-for-like basis the increase would have been 0.7% (from €898.4m to €904.4m). Coverage ratios remain high: 46% (53%) for consumer finance, 47% (45%) for mortgage lending, and 35% (34%) for corporate lendings. Asset quality too continues to be satisfactory, with bad loans as a percentage of total loans virtually unchanged in all three segments (restated as at 30 June 2012 on a like-for-like basis): 1.11% (1.01%) in the large corporate segment, 5.12% (5.37%) in leasing, 3.58% (3.7%) in consumer credit, and 2.42% (2.41%) in mortgage lending.

Divisional results

CIB: normalized PBT⁴ up 3% to €486m, despite the difficult macro-scenario depressing revenues and generating a rise in the cost of risk

- ◆ Selective reduction in assets, dictated by increased cost of funding:
 - ◆ corporate lending: down 1%,
 - ◆ leasing: down 7% (new business down 24%),
 - ◆ RWAs: down 1%.
- ◆ Revenues up 2%: the growth in trading income offsetting the reductions in net interest and fee income
- ◆ Costs down 8% to €313m, labour costs down 14%
- ◆ Cost of risk up to 60bps (30/6/11: 50bps), due to the economic downturn and the downgrade of Italian debt
- ◆ Net profit €20m, after €382m in adjustments/losses to the AFS securities portfolio

This division reported normalized profit before tax up 3%, from €472m to €486m, on higher revenues (up 2.3%, from €912.4m to €933.3m) and lower costs (down 8.1%, from €340.6m to €313.1m), which offset the higher provisions for loan losses (up 34%, from €100.3m to €134.2m). The net profit of €19.7m, down sharply on the €242.2m reported last year, reflects the higher provisions for securities (up from €150.4m to €405.5m). The main items performed as follows:

- ◆ net interest income fell 11.1% from €429.3m to €381.6m, due to the widespread increase in the cost of funding, plus the planned reduction in leasing business (the contribution from which fell from €73.3m to €57.4m);
- ◆ net trading income increased from €169.2m to €256.4m, due to a good performance by the fixed-income segment in the second and third quarters especially (€103.6m and €129.6m earned respectively);
- ◆ fees and commissions fell 12.5% from €315.1m to €275.6m, a reduction which was felt in all segments (capital markets, advisory and lending);
- ◆ labour costs were down 13.7%, from €234.4m to €202.2m, due to the reduction in the variable remuneration component referred to above;
- ◆ administrative expenses rose 4.4%, from €106.2m to €110.9m, due to higher IT and financial information subscription charges;

⁴ Profit before tax and writedowns to securities and investments.



- ◆ loan loss provisions of €134.2m were up on the €100.3m set aside last year due to higher provisions on the wholesale side, chiefly in respect of performing loans for which the internal ratings had deteriorated;
- ◆ provisions for financial assets totalled €381.7m (€150.2m) and involve: €141.1m in respect of Greek sovereign debt writedowns following completion of the restructuring agreements; €39.1m in net disposals (chiefly shares); €36.5m in “automatic” adjustments to listed equities, and €228m in adjustments to unlisted investments (€132.7m in respect of the UniCredit CASHES, €34m of Delmi, and €28.8m Santé).

On the balance-sheet side, there was a slight contraction in lending to customers (down 2%, from €22.5bn to €22.0bn), due to a slowdown in corporate activity which declined by 0.8% (from €18.1bn to €17.9bn) and the 6.8% reduction in leasing business (from €4.4bn to €4.1bn). Leasing operations also showed a 24% reduction in new business, down from €1.1bn to €0.8bn, in line with the decision to streamline this area.

Asset quality remained at high levels, in particular in corporate banking, where bad loans represented just 1.1% (1.0%) of total loans and there were no non-performing items; in leasing bad loans represented 5.1% (5.4%) of the total loan book, and non-performing items accounted for 1.4% (1.0%) of the aggregate.

Consumer credit: growth and high profitability continue, net profit €93m

- ◆ Loans and advances to customers: up 3%, new loans up 2%
- ◆ Revenues up 4% to €713m, with growth in all segments
- ◆ High efficiency levels confirmed, with cost/income ratio at 37% (30/6/11: 36%), despite geographical coverage being strengthened (employee headcount up 4% to 1,396; 12 new branches opened, for a total of 158)
- ◆ Cost of risk stable at 345bps (30/6/11: 350bps)
- ◆ Net profit: up 2%, to €93m

Consumer credit showed total income up 3.7%, from €687.3m to €712.7m, on the back of higher net interest income (from €520.2m to €540.4m) and fee income (from €166.8m to €171.9m). The increase in costs, from €249.8m to €260.3m, is attributable to the opening of twelve new branches during the year, and to higher credit recovery costs (up €2.3m). Net profit increased from €91.1m to €92.8m, despite the higher loan loss provisions (up from €302.3m to €311.3m). New loans for the twelve months totalled €4,918m, up 1.9% on the €4,827.7m posted one year previously; loans and advances to customers outstanding at 30 June 2012 were up 3%, from €8,926.9m to €9,197.7m. Bad loans were basically flat at €328.3m (€328.6m), and account for 3.6% (3.7%) of the total loan book. Non-performing items too were stable, at 0.8% of total loans.

Retail banking: deposits and net interest income growing strongly

- ◆ Deposits up 16% to €11.6bn (30/6/11: €10bn), despite the highly competitive environment
- ◆ Net interest income up 18%, from €112m to €133m
- ◆ Operating costs down 8%, due to containment of marketing and consultancy expenses
- ◆ Net loss: €42m, in line with last year (€39m) despite the absence of gains on disposals of AFS securities (30/6/11: €34m)



Retail banking showed a net loss of €42.1m, similar to the result posted last year (€38.8m), despite gains on disposals of AFS securities being virtually wiped out at €0.4m (€34.2m). The good performance was due to higher revenues (up from €123.3m to €140.9m) driven by an increase in net interest income, which climbed from €112.1m to €132.8m. Operating costs fell from €184m to €168.3m, due to reduced advertising expenses, while the cost of risk remained stable at €19.5m (€20.8m). Mortgage lending saw 5.1% growth, from €4,102.6m to €4,310.8m, despite a 45% reduction in new loans, from €1,019.8m to €561.8m; and bad loans increased from €98.7m to €104.4m, or 2.4% (2.4%) of the total loan book. Retail deposits stood at €11,634.1m, up 16% on the €9,960.3m reported at 30 June 2011. Investment activity was marked by particular prudence, in terms of both assets and duration.

Private banking: AUM and profits stable

- ◆ AUM stable at €12.6bn (30/6/11: €12.7bn):
 - ◆ Banca Esperia: €6.6bn (30/6/11: €6.9bn), due to reduction in institutional segment
 - ◆ CMB: €6bn (30/6/11: €5.8bn)
- ◆ Net profit €70m, due to one-off items (€47m); normalized profit unchanged at €26m

Private banking recorded a profit of €70.5m, boosted by the real estate gain booked by CMB (€44.3m) and other asset disposals by Banca Esperia (€3.1m). Revenues were virtually unchanged at €109.9m (€108.9m), the decline in fees (from €71.6m to €66.4m) being absorbed by the rise in net interest income (from €28.2m to €34m). Operating costs were stable at €82.4m (€82.3m), with labour costs slowing (from €53.1m to €51.6m), against rises in provisions for loan losses and securities (from €0.9m to €3.2m) attributable to CMB. Assets under management at the year-end amounted to €12.6bn (€12.7bn), €6bn (€5.8bn) of which for CMB and €6.6bn (€6.9bn) for Banca Esperia.

Principal Investing ("PI"): reduced revenues, higher writedowns

- ◆ Net loss of €64m (30/6/11: €69m profit), due to reduced contribution to revenues from Assicurazioni Generali (down from €202m to €146m) and writedowns to investments in Telco (€113m) and RCS (€78m)
- ◆ Market value of equity investments: €2.7bn

This division's results for the twelve months reflect a loss of €63.5m, due to writedowns to the investments in Telco (€113.3m) and RCS MediaGroup (€77.7m), in both cases to reflect the new net present values (€1.5 per share for the Telecom Italia investment, and €1.0 per share for RCS MediaGroup). The contribution by Assicurazioni Generali to revenues also fell, from €201.6m to €145.9m.

Mediobanca S.p.A.

In the twelve months ended 30 June 2012, Mediobanca made a net loss of €200.2m (compared with a €127.4m net profit last year), as a result of adjustments to the securities and equity investment portfolios. Indeed, at the operating level the Bank earned a profit of €398.4m, albeit lower than the €460.8m posted last year, on revenues down 4.1% (from €877.2m to €841.6m) and costs down 9.1% (from €317.8m to €289m). The main income items performed as follows:



- ◆ net interest income fell 10.6%, from €309.1m to €276.3m, due to the increased cost of funding linked to the widening spreads on government securities;
- ◆ net trading income (trading profits plus treasury dividends) rose from €171.5m to €253.1m, and reflect good performances in the second and third quarters particularly;
- ◆ net fee and commission income fell 11.1%, from €297.7m to €264.8m, due to the slowdown in corporate and investment banking activity;
- ◆ dividends on equity investments halved, from €98.9m to €47.4m, due to reduced contributions from Assicurazioni Generali of €40.9m (€85.8m) and Pirelli & C. of €5.9m (€13.1m);
- ◆ labour costs fell by 14.9%, from €221.8m to €188.7m, due to the reduction in the variable remuneration component;
- ◆ other administrative expenses rose 4.5%, from €96m to €100.3m, due to higher EDP and financial subscription charges.

Loan loss provisions reflect the widespread deterioration in the macro-economic scenario, totalling €106.8m, higher than last year (when in fact a €0.3m writeback was recorded, which, however, was boosted by a €75m one-off item).

Provisions for financial assets increased from €155.3m to €412.3m, €142.7m of which in respect of bonds (in particular Greek government securities) and €269.7m equities (€132.7m of which in respect of the UniCredit CASHES, €34m Delmi, €28.8m Santé, €17.9m InvAG and €10.8m Ferretti). Conversely, the AFS portfolio reflects net gains on disposals of €32.5m (€8.6m), boosted by the sale of the 8.5% stake in Autostrade Sud America (yielding gains of €91m).

This year too the result was penalized by substantial writedowns to equity investments (which rose from €158.6m to €198.4m), chiefly due to the impairment charges on Telco (€115.7m) and RCS MediaGroup (€82.3m).

The main balance-sheet headings show rises in loans and advances to Group companies (from €8.8bn to €12.4bn) and AFS bonds (from €5.1bn to €8.3bn), against increases in funding (from €41.8bn to €50.1bn, which was boosted by the three-year, €7.5bn European Central Bank financing), and CheBanca! funding deposited with Mediobanca (up from €3.6bn to €8.7bn).

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Ordinary and extraordinary general meetings called

The Board of Directors has called an annual general meeting of the company's shareholders, to take place on 27 October 2012 in the first instance, and on 29 October 2012 if adjourned, in order to:

- ◆ approve the financial statements for the year ended 30 June 2012;
- ◆ adopt the measures required under Article 15 of the company's Articles of Association, due to the terms of office of the directors co-opted during the course of the financial year expiring;
- ◆ appoint external auditors to audit the company's financial statements for the 2013-2021 financial years, given that the current auditor' mandate expires with approval of the financial statements for the year ended 30 June 2012;
- ◆ approve the staff remuneration policies.



At the same meeting, given that the existing powers expired on 27 June 2012, as extraordinary business, shareholders will also be called to approve a resolution authorizing the Board of Directors under Article 2443 of the Italian Civil Code, to increase the company's share capital by means of rights issues in a nominal amount of up to €40m, including via warrants, to be set aside for subscription by Italian and non-Italian professional investors with option rights excluded under and pursuant to the provisions of Article 2441, paragraph four, second sentence, of the Italian Civil Code. Certain other minor changes to the Articles of Association will also be submitted to the approval of shareholders on this occasion, chiefly reflecting the new requirements introduced by Italian law 120/11 on the subject of minimum gender representation in the composition of governing bodies. These proposals are subject to Bank of Italy approval.

The notice of meeting and documentation regarding the various items on the agenda will be made public according to the methods and in accordance with the terms stipulated by the regulations in force.

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Shareholders' remuneration

The Board of Directors has adopted a proposal to pay a "dividend" of €0.05 per share, to be taken from the Bank's reserves. The proposal will be submitted to the approval of shareholders, at the general meeting called to be held on 27 October 2012. The amount will be paid on 22 November 2012, with the shares going ex-rights on 19 November 2012, and will be subject to the tax regime applying to the distribution of dividends.

Milan, 20 September 2012

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Restated profit and loss account

Mediobanca Group (€ m)	12 mths	12 mths	Y.o.Y. chg. %
	30/6/11	30/6/12	
Net interest income	1,070.3	1,069.8	n.m.
Net trading income	189.2	266.8	41.0%
Net fee and commission income	520.3	483.5	-7.1%
Equity-accounted companies	203.0	169.5	-16.5%
Total income	1982.8	1989.6	0.3%
Labour costs	(418.8)	(393.3)	-6.1%
Administrative expenses	(405.1)	(395.7)	-2.3%
Operating costs	(823.9)	(789.0)	-4.2%
Gains (losses) on AFS, HTM & LR	19.5	32.4	66.2%
Loan loss provisions	(349.1)	(468.3)	34.1%
Provisions for other financial assets	(275.2)	(604.0)	n.m.
Other income (losses)	0.1	45.2	n.m.
Profit before tax	554.2	205.9	-62.8%
Income tax for the period	(180.6)	(125.5)	-30.5%
Minority interest	(5.0)	0.5	n.m.
Net profit	368.6	80.9	-78.1%

Quarterly profit and loss accounts

Mediobanca Group (€ m)	FY 10/11				FY 11/12			
	I Q	II Q	III Q	IV Q	I Q	II Q	III Q	IV Q
	30/9/10	31/12/10	31/3/11	30/6/11	30/9/11	31/12/11	31/3/12	30/6/12
Net interest income	262.1	269.4	268.3	270.5	281.8	272.8	258.7	256.5
Net trading income	77.9	33.4	74.3	3.6	3.8	108.7	133.1	21.2
Net commission income	113.1	152.8	139.4	115.0	117.1	117.3	151.2	97.9
Equity-accounted companies	43.8	66.4	53.4	39.4	73.0	-1.2	21.1	76.6
Total income	496.9	522.0	535.4	428.5	475.7	497.6	564.1	452.2
Labour costs	(101.3)	(110.1)	(106.8)	(100.6)	(100.8)	(100.5)	(99.6)	(92.4)
Administrative expenses	(86.7)	(109.1)	(99.1)	(110.2)	(95.8)	(102.1)	(96.3)	(101.5)
Operating costs	(188.0)	(219.2)	(205.9)	(210.8)	(196.6)	(202.6)	(195.9)	(193.9)
Gains (losses) on AFS/ HTM/LR	1.8	13.3	(3.2)	7.6	(15.8)	(22.0)	(18.3)	88.5
Loan loss provisions	(112.3)	(107.1)	(101.5)	(28.2)	(102.8)	(109.5)	(114.5)	(141.5)
Provisions for other fin. assets	(1.1)	(18.8)	(0.1)	(255.2)	(70.2)	(160.9)	(116.9)	(256.0)
Other income (losses)	0.0	0.1	0.0	0.0	0.0	43.7	1.5	0.0
Profit before tax	197.3	190.3	224.7	(58.1)	90.3	46.3	120.0	(50.7)
Income tax for the period	(68.1)	(54.1)	(67.4)	9.0	(32.3)	(39.1)	(80.1)	26.0
Minority interest	(1.6)	(0.9)	(1.3)	(1.2)	(1.2)	(0.6)	1.6	0.7
Net profit	127.6	135.3	156.0	(50.3)	56.8	6.6	41.5	(24.0)



Restated consolidated balance sheet

Mediobanca Group (€ m)	30/6/11	30/6/12
Assets		
Treasury funds	8,608.0	9,330.4
AFS securities	7,749.9	10,552.1
<i>of which: fixed income</i>	<i>6,092.3</i>	<i>9,447.1</i>
<i>equities</i>	<i>1,643.6</i>	<i>1,090.8</i>
Fixed assets (HTM & LR)	2,308.1	2,328.1
Loans and advances to customers	36,225.6	36,309.5
Equity investments	3,156.1	3,165.5
Tangible and intangible assets	757.8	718.1
Other assets	1,376.7	1,355.6
<i>of which: tax assets</i>	<i>967.0</i>	<i>1,036.1</i>
Total assets	60,182.2	63,759.3
Liabilities		
Funding	51,712.9	55,788.0
<i>of which: debt securities in issue</i>	<i>34,460.5</i>	<i>30,004.2</i>
<i>retail deposits</i>	<i>9,960.3</i>	<i>11,634.1</i>
Other liabilities	1,258.9	1,177.2
<i>of which: tax liabilities</i>	<i>565.8</i>	<i>494.1</i>
Provisions	182.6	185.1
Net equity	6,659.2	6,528.1
<i>of which: share capital</i>	<i>430.6</i>	<i>430.6</i>
<i>reserves</i>	<i>6,113.9</i>	<i>5,988.1</i>
<i>minority interest</i>	<i>114.7</i>	<i>109.4</i>
Profit for the period	368.6	80.9
Total liabilities	60,182.2	63,759.3
Core tier 1 capital	6,156.1	6,338.9
Total capital	7,899.1	7,810.0
RWAs	55,025.5	55,164.0

Ratios (%) and per share data (€)

Mediobanca Group (€ m)	30/6/11	30/6/12
Total assets/net equity	9.0	9.8
Loans/deposits	0.7	0.7
Core tier 1 ratio	11.2	11.5
Regulatory capital/RWAs	14.4	14.2
S&P rating	A+	BBB+
Cost/income ratio	41.6	39.7
NPLs/loans*	0.5	0.6
RORWA gross	1.0	0.5
RORWA net	0.7	0.2
EPS (€)	0.43	0.09
BVPS (€)	7.6	7.5
DPS (€)	0.17	0.05
No. of shares outstanding (millions)	861.1	861.1

* Not including Cofactor third party accounts.



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

12 mths to 30/6/12 (€ m)	Corporate & Investment Banking	Principal Investing	Retail & Private Banking	Group
Net interest income	381.6	(8.8)	707.2	1,069.8
Net trading income	256.4	0.0	9.9	266.8
Net fee and commission income	275.6	0.0	246.4	483.5
Equity-accounted companies	19.7	147.8	0.0	169.5
Total income	933.3	139.0	963.5	1,989.6
Labour costs	(202.2)	(5.6)	(199.4)	(393.3)
Administrative expenses	(110.9)	(2.8)	(311.6)	(395.7)
Operating costs	(313.1)	(8.4)	(511.0)	(789.0)
Gains (losses) on AFS, HTM & LR	23.8	0.0	1.5	32.4
Loan loss provisions	(134.2)	0.0	(333.3)	(468.3)
Provisions for other financial assets	(405.5)	(197.8)	(0.7)	(604.0)
Other income (losses)	0.0	0.0	47.5	45.2
Profit before tax	104.3	(67.2)	167.5	205.9
Income tax for the period	(85.1)	3.7	(46.3)	(125.5)
Minority interest	0.5	0.0	0.0	0.5
Net profit	19.7	(63.5)	121.2	80.9
Treasury funds	10,641.7	0.0	8,816.5	9,330.4
AFS securities	9,210.3	146.3	1,694.6	10,552.1
Fixed assets (HTM & LR)	4,013.4	0.0	2,731.4	2,328.1
Equity investments	385.8	2,696.4	0.0	3,165.5
Loans and advances to customers	30,519.7	0.0	14,661.0	36,309.5
<i>of which to Group companies</i>	8,493.3	n.m.	n.m.	n.m.
Funding	(52,552.8)	(259.8)	(26,574.1)	(55,788.0)
RWAs	39,939.6	3,093.7	12,103.7	55,164.0
No. of staff	973	0	2,665*	3,506

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



12 mths to 30/6/12 (€ m)	Corporate & Investment Banking	Principal Investing	Retail & Private Banking	Group
Net interest income	429.3	(7.5)	660.5	1,070.3
Net trading income	169.2	0.0	13.5	189.2
Net fee and commission income	315.1	0.0	245.5	520.3
Equity-accounted companies	(1.2)	203.6	0.0	203.0
Total income	912.4	196.1	919.5	1,982.8
Labour costs	(234.4)	(5.5)	(192.0)	(418.8)
Administrative expenses	(106.2)	(2.5)	(324.1)	(405.1)
Operating costs	(340.6)	(8.0)	(516.1)	(823.9)
Gains (losses) on AFS, HTM & LR	0.2	0.0	36.0	19.5
Loan loss provisions	(25.3)	0.0	(323.5)	(349.1)
Provisions for other financial assets	(150.4)	(124.6)	(0.5)	(275.2)
Other income (losses)	0.0	0.0	0.0	0.1
Profit before tax	396.3	63.5	115.4	554.2
Income tax for the period	(149.1)	5.8	(37.6)	(180.6)
Minority interest	(5.0)	0.0	0.0	(5.0)
Net profit	242.2	69.3	77.8	368.6
Treasury funds	9,469.5	0.0	4,000.7	8,608.0
AFS securities	6,550.5	134.1	1,762.0	7,749.9
Fixed assets (HTM & LR)	4,001.1	0.0	3,191.7	2,308.1
Equity investments	385.6	2,712.5	0.0	3,156.1
Loans and advances to customers	27,623.9	0.0	13,751.9	36,225.6
<i>of which to Group companies</i>	5,144.2	0.0	0.0	0.0
Funding	(44,908.2)	(259.8)	(22,082.7)	(51,712.9)
RWAs	40,349.1	3,162.3	11,498.5	55,025.5
No. of staff	964	0	2,619*	3,452

* Includes 131 staff employed by Banca Esperia pro-forma, not included in the Group total.



Corporate & Investment Banking

CIB (€ m)	12 mths	12 mths	Y.o.Y. chg. %
	30/6/11	30/6/12	
Net interest income	429.3	381.6	-11.1%
Net trading income	169.2	256.4	51.5%
Net fee and commission income	315.1	275.6	-12.5%
Equity-accounted companies	(1.2)	19.7	n.m.
Total income	912.4	933.3	2.3%
Labour costs	(234.4)	(202.2)	-13.7%
Administrative expenses	(106.2)	(110.9)	4.4%
Operating costs	(340.6)	(313.1)	-8.1%
Gains (losses) on AFS, HTM & LR	0.2	23.8	n.m.
Loan loss provisions	(25.3)	(134.2)	n.m.
Provisions for other financial assets	(150.4)	(405.5)	n.m.
Other income (losses)	0.0	0.0	n.m.
Profit before tax	396.3	104.3	-73.7%
Income tax for the period	(149.1)	(85.1)	-42.9%
Minority interest	(5.0)	0.5	n.m.
Net profit	242.2	19.7	n.m.
Treasury funds	9,469.5	10,641.7	12.4%
AFS securities	6,550.5	9,210.3	40.6%
Fixed assets (HTM & LR)	4,001.1	4,013.4	0.3%
Equity investments	385.6	385.8	0.1%
Loans and advances to customers	27,623.9	30,519.7	10.5%
<i>of which to Group companies</i>	5,144.2	8,493.3	65.1%
Funding	(44,908.2)	(52,552.8)	17.0%
RWAs	40,349.1	39,939.6	-1.0%
No. of staff	964	973	0.9%
Cost/income ratio (%)	37.3	33.5	
NPLs/loans (%)	0.2	0.3	
RORWA gross (annualized) (%)	1.0	0.3	



CIB by segment - 12 mths to 30/6/12 (€ m)	Wholesale	Leasing	Total CIB
Net interest income	324.2	57.4	381.6
Net trading income	256.6	(0.2)	256.4
Net fee and commission income	270.1	5.5	275.6
Equity-accounted companies	19.7	0.0	19.7
Total income	870.6	62.7	933.3
Labour costs	(181.2)	(21.0)	(202.2)
Administrative expenses	(98.5)	(12.4)	(110.9)
Operating costs	(279.7)	(33.4)	(313.1)
Gains (losses) on AFS, HTM & LR	23.8	0.0	23.8
Loan loss provisions	(107.1)	(27.1)	(134.2)
Provisions for other financial assets	(405.5)	0.0	(405.5)
Other income (losses)	0.0	0.0	0.0
Profit before tax	102.1	2.2	104.3
Income tax for the period	(81.3)	(3.8)	(85.1)
Minority interest	0.0	0.5	0.5
Net profit	20.8	(1.1)	19.7
Loans and advances to customers	26,400.5	4,119.2	30,519.7
<i>of which to Group companies</i>	8,493.3	0.0	8,493.3
RWA	36,233.4	3,706.2	39,939.6
New loans	n.m.	800.9	n.m.
No. of staff	788	185	973
No. of branches	n.m.	12	n.m.
Cost/income ratio (%)	32.1	53.3	33.5
NPLs/loans (%)	0.0	1.4	0.3
RORWA gross (annualized) (%)	0.3	0.1	0.3



CIB by segment - 12 mths to 30/6/11 (€ m)	Wholesale	Leasing	Total CIB
Net interest income	356.0	73.3	429.3
Net trading income	169.2	0.0	169.2
Net fee and commission income	311.1	4.0	315.1
Equity-accounted companies	(1.2)	0.0	(1.2)
Total income	835.1	77.3	912.4
Labour costs	(214.2)	(20.2)	(234.4)
Administrative expenses	(94.4)	(11.8)	(106.2)
Operating costs	(308.6)	(32.0)	(340.6)
Gains (losses) on AFS, HTM & LR	0.2	0.0	0.2
Loan loss provisions	0.8	(26.1)	(25.3)
Provisions for other financial assets	(150.4)	0.0	(150.4)
Other income (losses)	0.0	0.0	0.0
Profit before tax	377.1	19.2	396.3
Income tax for the period	(140.1)	(9.0)	(149.1)
Minority interest	0.0	(5.0)	(5.0)
Net profit	237.0	5.2	242.2
Loans and advances to customers	23,206.3	4,417.6	27,623.9
<i>of which to Group companies</i>	5,144.2	0.0	5,144.2
RWA	36,563.8	3,785.2	40,349.1
New loans	n.m.	1,121.7	n.m.
No. of staff	757	207	964
No. of branches	n.m.	12	n.m.
Cost/income ratio (%)	37.0	41.4	37.3
NPLs/loans (%)	0.0	1.1	0.2
RORWA gross (annualized) (%)	1.0	0.5	1.0



Principal Investing

PI (€ m)	12 mths to	12 mths to	Y.o.Y. chg. %
	30/6/11	30/6/12	
Net interest income	(7.5)	(8.8)	17.3%
Net trading income	0.0	0.0	n.m.
Net fee and commission income	0.0	0.0	n.m.
Equity-accounted companies	203.6	147.8	-27.4%
Total income	196.1	139.0	-29.1%
Labour costs	(5.5)	(5.6)	1.8%
Administrative expenses	(2.5)	(2.8)	12.0%
Operating costs	(8.0)	(8.4)	5.0%
Gains (losses) on AFS, HTM & LR	0.0	0.0	n.m.
Loan loss provisions	0.0	0.0	n.m.
Provisions for other financial assets	(124.6)	(197.8)	58.7%
Other income (losses)	0.0	0.0	n.m.
Profit before tax	63.5	(67.2)	n.m.
Income tax for the period	5.8	3.7	-36.2%
Minority interest	0.0	0.0	n.m.
Net profit	69.3	(63.5)	n.m.
AFS securities	134.1	146.3	9.1%
Equity investments	2,712.5	2,696.4	-0.6%
RWAs	3,162.3	3,093.7	-2.2%



Retail & Private Banking

RPB (€ m)	12 mths to	12 mths to	Y.o.Y. chg. %
	30/6/11	30/6/12	
Net interest income	660.5	707.2	7.1%
Net trading income	13.5	9.9	-26.7%
Net fee and commission income	245.5	246.4	0.4%
Equity-accounted companies	0.0	0.0	n.m.
Total income	919.5	963.5	4.8%
Labour costs	(192.0)	(199.4)	3.9%
Administrative expenses	(324.1)	(311.6)	-3.9%
Operating costs	(516.1)	(511.0)	-1.0%
Gains (losses) on AFS, HTM & LR	36.0	1.5	n.m.
Loan loss provisions	(323.5)	(333.3)	3.0%
Provisions for other financial assets	(0.5)	(0.7)	40.0%
Other income (losses)	0.0	47.5	n.m.
Profit before tax	115.4	167.5	45.1%
Income tax for the period	(37.6)	(46.3)	23.1%
Minority interest	0.0	0.0	n.m.
Net profit	77.8	121.2	55.8%
Treasury funds	4,000.7	8,816.5	120.4%
AFS securities	1,762.0	1,694.6	-3.8%
Fixed assets (HTM & LR)	3,191.7	2,731.4	-14.4%
Equity investments	0.0	0.0	n.m.
Loans and advances to customers	13,751.9	14,661.0	6.6%
Funding	(22,082.7)	(26,574.1)	20.3%
RWAs	11,498.5	12,103.7	5.3%
No. of staff	2,619	2,665	1.8%
No. of branches	190	202	6.3%
Cost/income ratio (%)	56.1	53.0	
NPLs/loans* (%)	1.0	1.3	
RORWA gross (annualized) (%)	1.0	1.4	

* Not including Cofactor third-party accounts.



RPB by segment - 30/6/12 (€ m)	Consumer credit	Retail banking	Private banking	Total RPB
Net interest income	540.4	132.8	34.0	707.2
Net trading income	0.4	0.0	9.5	9.9
Net fee and commission income	171.9	8.1	66.4	246.4
Equity-accounted companies	0.0	0.0	0.0	0.0
Total income	712.7	140.9	109.9	963.5
Labour costs	(86.2)	(61.6)	(51.6)	(199.4)
Administrative expenses	(174.1)	(106.7)	(30.8)	(311.6)
Operating costs	(260.3)	(168.3)	(82.4)	(511.0)
Gains (losses) on AFS, HTM & LR	0.0	0.4	1.1	1.5
Loan loss provisions	(311.3)	(19.5)	(2.5)	(333.3)
Provisions for other financial assets	0.0	0.0	(0.7)	(0.7)
Other income (losses)	0.0	0.0	47.5	47.5
Profit before tax	141.1	(46.5)	72.9	167.5
Income tax for the period	(48.3)	4.4	(2.4)	(46.3)
Minority interest	0.0	0.0	0.0	0.0
Net profit	92.8	(42.1)	70.5	121.2
Loans and advances to customers	9,197.7	4,310.8	1,152.5	14,661.0
RWA	8,484.8	1,866.9	1,752.0	12,103.7
New loans	4,918.0	561.8	0.0	5,479.8
AUM	n.m.	n.m.	12,640.5	n.m.
No. of staff	1,396	927	342	2,665
No. of branches	158	44	n.m.	202
Cost/income ratio (%)	36.5	n.m.	75.0	53.0
NPLs/loans* (%)	0.8	1.7	1.1	1.3
RORWA gross (annualized) (%)	1.7	n.m.	4.2	1.4

* Not including Cofactor third-party accounts.



RPB by segment - 30/6/12 (€ m)	Consumer credit	Retail banking	Private banking	Total RPB
Net interest income	520.2	112.1	28.2	660.5
Net trading income	0.3	4.1	9.1	13.5
Net fee and commission income	166.8	7.1	71.6	245.5
Equity-accounted companies	0.0	0.0	0.0	0.0
Total income	687.3	123.3	108.9	919.5
Labour costs	(84.1)	(54.8)	(53.1)	(192.0)
Administrative expenses	(165.7)	(129.2)	(29.2)	(324.1)
Operating costs	(249.8)	(184.0)	(82.3)	(516.1)
Gains (losses) on AFS, HTM & LR	0.0	34.2	1.8	36.0
Loan loss provisions	(302.3)	(20.8)	(0.4)	(323.5)
Provisions for other financial assets	0.0	0.0	(0.5)	(0.5)
Other income (losses)	0.0	0.0	0.0	0.0
Profit before tax	135.2	(47.3)	27.5	115.4
Income tax for the period	(44.1)	8.5	(2.0)	(37.6)
Minority interest	0.0	0.0	0.0	0.0
Net profit	91.1	(38.8)	25.5	77.8
Loans and advances to customers	8,926.9	4,102.6	722.4	13,751.9
RWA	8,029.2	1,925.3	1,543.9	11,498.5
New loans	4,827.7	1,019.8	0	5,847.5
AUM	n.m.	n.m.	12,658.1	n.m.
No. of staff	1,341	923	355	2,619
No. of branches	146	44	n.m.	190
Cost/income ratio (%)	36.3	n.m.	75.6	56.1
NPLs/loans* (%)	0.8	1.5	0.2	1.2
RORWA gross (annualized) (%)	1.7	n.m.	1.8	1.0

* Not including Cofactor third-party accounts.

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