



MEDIOBANCA

**Mediobanca  
Board of Directors' Meeting**

Milan, 27 October 2012



## Financial statements for three months ended 30/9/12 approved

Net profit €109m

Revenues stable, costs and provisions decreasing

- ◆ Net profit for the three months totalled €109m (ROTE 7%), a major improvement on the results posted last year (30/9/11: €57m), and last quarter (30/6/12: €24m net loss).
- ◆ The following performances contributed to this result:
  - ◆ revenues flat at €453m (unchanged Q.o.Q., down 5% Y.o.Y.): the positive contribution from trading (up from €4m to €63m) offset the reduction in net interest income (down 8% Y.o.Y.), fees (down 11% Y.o.Y.) and profits from equity-accounted companies (down from €73m to €28m)
  - ◆ reduction in costs, to €174m (down 12% Y.o.Y.): both labour costs and administrative expenses have been strongly reduced (down 7% and 17% Y.o.Y. respectively)
  - ◆ absence of substantial writedowns or losses on securities (€6m, vs €168m at end-June 2012, and €86m at end-September 2011)
  - ◆ lower loan loss provisioning (€111m, down 21% Q.o.Q., up 8% Y.o.Y.), on improving coverage ratios for both NPLs ("sofferenze", up from 61% as at 30/6/12 to 66%) and total bad loans (from 39% to 40%)
- ◆ The balance-sheet trends reflect:
  - ◆ the planned reduction in loans (€35bn, down 4% Q.o.Q. and down 7% Y.o.Y.), on stable funding (€55bn) and higher liquid assets (€23.2bn)
  - ◆ Core Tier1 ratio stable at 11.5%
- ◆ Performance by sector:
  - ◆ CIB: net profit €62m, due to positive market performance and disciplined control of both operating costs and risk; planned reduction in lending ongoing
  - ◆ Consumer credit: revenues stable, net profit €18m
  - ◆ Retail banking: loss reduced to €3m due to strict cost control
  - ◆ Principal investing: revenues declining, no value adjustments to securities



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

## Consolidated results

The Mediobanca Group earned a net profit of €109m, substantially higher than the €56.8m recorded at the same stage last year, and €24m loss reported last quarter. This result was achieved on the back of resilient revenues, reducing costs, the absence of major charges to the securities portfolio, and the cost of risk under control with coverage ratios improving, in terms both of NPLs ("sofferenze") and total bad loans. Looking at the results in more detail:

- ◆ total revenues of €453.4m were near the same level as last quarter (€452.2m), helped by a healthy performance from trading activities (€62.5m, compared with €21.2m), which offset the reduced profitability of the equity-accounted companies, whose contribution declined from €76.6m to €28.1m due to the reduction in profits earned by Assicurazioni Generali and the losses incurred by RCS MediaGroup. However, year-on-year total revenues were down 4.7%, as a result of the performances at the level of both net interest and fee income: net interest income was down 8.1%, from €281.8m to €259m, due to the corporate and investment banking segment (where net interest income fell from €110m to €86.3m) which was hit by the progressive rise in the cost of funding, the reduction in lending volumes, and the decline in treasury yields (as a result of the adoption of prudent asset investment policies); while fees fell from €117.1m to €103.8m, due to low volumes in both investment banking and consumer credit business;
- ◆ operating costs fell sharply, by 11.6% Y.o.Y., to reach €173.7m, due to lower labour costs (€94m, down 6.7% Y.o.Y.) and administrative expenses (€79.7m, down 16.8% Y.o.Y.). Compared to the previous quarter, the reduction in administrative expenses in the retail segment was substantial (down 21.5% Q.o.Q.), due to increased efficiency and seasonal factors;
- ◆ loan loss provisions - despite an 8.4% increase since end-September 2011 (from €102.8m to €111.4m) - showed a sharp, 21.3% fall from the €141.5m at end-June of this year, with an improvement in the coverage ratios at the level of both NPLs ("sofferenze"; from 61% to 66%, with such accounts stable at 0.6% of total loans) and total bad loans (from 39% to 40%); the cost of risk stood at 124 bps, down from the 156 bps in the last quarter, and in line with last year's average of 130 bps;
- ◆ adjustments and net losses on the securities portfolio totalled €6.5m, including €5.1m in net losses and impairment charges totalling €1.4m.

On the balance-sheet side, the process of reducing assets continues, in particular in CIB, with the aim of maintaining high levels of liquidity, funding and capital:

- ◆ loans and advances to customers fell to €34.9bn (30/6/12: €36.3bn; 30/9/11: €37.4bn), reflecting the reduction in corporate loans (down 6.5% Q.o.Q. and down 11.7% Y.o.Y., to €16.8bn), the planned reduction in leasing business (down 4.4% Q.o.Q. and down 8.2% Y.o.Y., to €3.9bn), and stable retail assets (consumer credit €9.1bn, mortgage loans €4.3bn);
- ◆ funding of €55bn was unchanged from end-June 2012, with all constituent items stable: debt securities €29.4bn (vs €30bn), and CheBanca! retail deposits confirmed at €11.6bn;
- ◆ liquid financial assets (treasury, AFS, HTM and LR) grew to €23.2bn (30/6/12: €22.2bn), still marked by a prudent asset investment policy;



- ◆ capital ratios stable: core tier 1 ratio 11.5% (30/6/12: 11.5%), total capital ratio 14.1% (14.2%).

## Divisional results

### **CIB: net profit €62m, due to positive market performance and disciplined control of both operating costs and risk; planned reduction in lending ongoing**

This division reported a net profit of €61.7m, compared to the €25.9m loss recorded at the same stage last year, and the €68.8m loss reported last quarter, due to:

- ◆ the positive market performance, which translated to higher net trading income of €59.2m (30/6/12: €19.3m; 30/9/11: €3.9m), and the lack of substantial adjustments and net losses on securities and equity investments (€7.8m, compared with €85.5m at end-September 2011 and €139.3m at end-June 2012)
- ◆ the reduction in operating costs (to €72.9m, down 10.1% Y.o.Y. and down 1% Q.o.Q.), shared between labour costs and administrative expenses
- ◆ the improved trend in loan loss provisions, which, despite increasing year-on-year from €23.2m to €25.2m, were down from end-June 2012 when they had totalled €43.2m; the cost of risk for the quarter stood at 45 bps (30/6/12: 85 bps, compared to an average of 60 bps for last year).

Conversely, net interest income declined year-on-year, by 21.5%, from €110m to €86.3m, hit by the higher cost of funding and lower volumes (corporate loans were down 11.7%, to €16,751m, while leasing volumes were down 8.2%, to reach €3,938m); as did fees, down 12.8% (from €64.8m to €56.5m).

Asset quality remains at high levels, in corporate banking particularly, where total bad loans represent 1.4% of the loan book and there are no non-performing items ("sofferenze"); in leasing net impaired items make up 5.6% of the total loans, with NPLs equal to 1.4%.

### **Consumer credit: revenues stable, net profit €18m**

The adverse trends currently in progress in the consumer credit market, a segment which has shown a contraction for several quarters, have caused Compass to adopt an even more prudential lending policy, which led to a 12% downturn in new loans (totalling €1,117m), i.e. lower than both the previous quarter (€1,248m) and the equivalent stage last year (€1,267m). Loans and advances to customers therefore stabilized at €9.1bn, across both time horizons. Revenues for the three months were also stable at €169.7m, down 1.3% Q.o.Q. and 2.4% Y.o.Y., despite reflecting lower fees (which fell from €43.7m to €37.3m, down 1.8% Q.o.Q. and 14.6% Y.o.Y.), hit by the lower lending volumes and stricter regulations regarding the sale of insurance products.

Loan loss provisions fell 8.6% quarter-on-quarter, from €88.6m to €81.0m, but were up 8.6% year-on-year, from €74.6m, reflecting the increasing difficulties facing households. The cost of risk stood at 356 bps (30/6/12: 389 bps, 30/9/11: 342 bps). Asset quality remains good, with the NPLs/loans ratio standing at 0.8%, and the total bad loans/loans ratio at 3.7%.

Net profit came in at €17.8m, down from the €25m reported last year.

### **Retail banking: deposits €11.6bn, strict cost control**

CheBanca! cut its loss for the period to €2.8m (30/9/11: €7.4m), due to a 29.4% reduction in operating costs, from €43.6m to €30.8m, partly for seasonal reasons. Year-on-year, the substantial, 16.3% increase in deposits (from €10,015m at end-September 2011 to €11,643m) was not matched by the performance in revenues, which fell 9.9% to €35.6m, as a result of the higher cost of funding and prudent asset investment policy. Loans and advances were stable at €4,287.8m.



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### Private banking: AUM and profits increasing

Private banking reported a net profit of €12.2m, up on the €2.2m posted this time last year, due to a healthy performance from CMB (whose net profit increased from €2.5m to €11.2m), and Banca Esperia returning to profitability with a bottom line of €0.7m (compared with a €0.5m loss last year). Revenues increased from €22.2m to €31.1m, due to net interest income and net trading income both doubling, from €5.3m to €10.9m and from €1.4m to €3.8m respectively. Assets under management on a discretionary/non-discretionary basis increased during the three months under review, helped by the market effect, to reach €13.1bn, €6.3bn (30/6/12: €6bn) of which for CMB and €6.8bn (€6.6bn) for Banca Esperia.

### Principal investing: lower revenues, no writedowns

The share of the investee companies' profits attributable to the Group halved, from €67.6m at end-September 2011 to €23m, due to the reduced contribution from Assicurazioni Generali (down from €63.3m to €36.7m) and the operating loss incurred by RCS MediaGroup (€13.6m). Accordingly, the net profit posted by this division declined from €64.1m to €19.1m. The book value of the investments (€2.6bn) was €56.1m lower than at end-June 2012, due to a reduction in the valuation reserves (€79.1m, virtually all of which was attributable to Assicurazioni Generali).

Milan, 27 October 2012

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## Restated profit and loss account

Mediobanca Group (€m)	3 mths	3 mths	Y.o.Y. chg. %
	30/9/11	30/9/12	
Net interest income	281.8	259.0	-8.1%
Net trading income	3.8	62.5	n.m.
Net fee and commission income	117.1	103.8	-11.4%
Equity-accounted companies	73.0	28.1	-61.5%
<b>Total income</b>	<b>475.7</b>	<b>453.4</b>	<b>-4.7%</b>
Labour costs	(100.8)	(94.0)	-6.7%
Administrative expenses	(95.8)	(79.7)	-16.8%
<b>Operating costs</b>	<b>(196.6)</b>	<b>(173.7)</b>	<b>-11.6%</b>
Gains (losses) on AFS, HTM & LR	(15.8)	(5.1)	-67.7%
Loan loss provisions	(102.8)	(111.4)	8.4%
Provisions for other financial assets	(70.2)	(1.4)	n.m.
Other income (losses)	0.0	0.0	n.m.
<b>Profit before tax</b>	<b>90.3</b>	<b>161.8</b>	<b>79.2%</b>
Income tax for the period	(32.3)	(53.3)	65.0%
Minority interest	(1.2)	0.5	n.m.
<b>Net profit</b>	<b>56.8</b>	<b>109.0</b>	<b>91.9%</b>

## Quarterly profit and loss accounts

Mediobanca Group (€m)	FY 11/12				FY 12/13
	I Q	II Q	III Q	IV Q	I Q
	30/9/11	31/12/11	31/3/12	30/6/12	30/9/12
Net interest income	281.8	272.8	258.7	256.5	259.0
Net trading income	3.8	108.7	133.1	21.2	62.5
Net commission income	117.1	117.3	151.2	97.9	103.8
Equity-accounted companies	73.0	-1.2	21.1	76.6	28.1
<b>Total income</b>	<b>475.7</b>	<b>497.6</b>	<b>564.1</b>	<b>452.2</b>	<b>453.4</b>
Labour costs	(100.8)	(100.5)	(99.6)	(92.4)	(94.0)
Administrative expenses	(95.8)	(102.1)	(96.3)	(101.5)	(79.7)
<b>Operating costs</b>	<b>(196.6)</b>	<b>(202.6)</b>	<b>(195.9)</b>	<b>(193.9)</b>	<b>(173.7)</b>
Gains (losses) on AFS/ HTM/LR	(15.8)	(22.0)	(18.3)	88.5	(5.1)
Loan loss provisions	(102.8)	(109.5)	(114.5)	(141.5)	(111.4)
Provisions for other fin. assets	(70.2)	(160.9)	(116.9)	(256.0)	(1.4)
Other income (losses)	0.0	43.7	1.5	0.0	0.0
<b>Profit before tax</b>	<b>90.3</b>	<b>46.3</b>	<b>120.0</b>	<b>(50.7)</b>	<b>161.8</b>
Income tax for the period	(32.3)	(39.1)	(80.1)	26.0	(53.3)
Minority interest	(1.2)	(0.6)	1.6	0.7	0.5
<b>Net profit</b>	<b>56.8</b>	<b>6.6</b>	<b>41.5</b>	<b>(24.0)</b>	<b>109.0</b>



## Restated consolidated balance sheet

Mediobanca Group (€m)	30/9/11	30/6/12	30/9/12
<b>Assets</b>			
Treasury funds	7,029.4	9,330.4	9,856.5
AFS securities	7,213.0	10,552.1	11,018.3
<i>of which: fixed income</i>	5,773.2	9,447.1	9,927.9
<i>equities</i>	1,427.4	1,090.8	1,076.1
Fixed assets (HTM & LR)	2,407.5	2,328.1	2,314.1
Loans and advances to customers	37,411.1	36,309.5	34,926.1
Equity investments	3,210.3	3,165.5	3,116.3
Tangible and intangible assets	763.5	718.1	718.6
Other assets	1,330.7	1,355.6	1,249.4
<i>of which: tax assets</i>	1,063.9	1,036.1	968.0
<b>Total assets</b>	<b>59,365.5</b>	<b>63,759.3</b>	<b>63,199.3</b>
<b>Liabilities</b>			
Funding	51,118.5	55,788.0	55,014.4
<i>of which: debt securities in issue</i>	33,866.4	30,004.2	29,374.7
<i>retail deposits</i>	10,014.8	11,634.1	11,643.0
Other liabilities	1,490.7	1,177.2	1,206.0
<i>of which: tax liabilities</i>	565.9	494.1	583.3
Provisions	181.6	185.1	186.5
Net equity	6,517.9	6,528.1	6,683.4
<i>of which: share capital</i>	430.6	430.6	430.6
<i>reserves</i>	5,974.8	5,988.1	6,144.2
<i>minority interest</i>	112.5	109.4	108.6
Profit for the period	56.8	80.9	109.0
<b>Total liabilities</b>	<b>59,365.5</b>	<b>63,759.3</b>	<b>63,199.3</b>
Core tier 1 capital	6,153.2	6,338.9	6,290.8
Total capital	7,796.2	7,810.0	7,725.4
RWAs	55,293.2	55,164.0	54,724.7

## Ratios (%) and per share data (€)

Mediobanca Group (€m)	30/9/11	30/6/12	30/9/12
Total assets/net equity	9.1	9.8	9.5
Loans/deposits	0.7	0.7	0.6
Core tier 1 ratio	11.1	11.5	11.5
Regulatory capital/RWAs	14.1	14.2	14.1
S&P rating	A	BBB+	BBB+
Cost/income ratio	41.3	39.7	38.3
NPLs/loans*	0.5	0.6	0.6
RORWA gross	0.7	0.4	1.2
RORWA net	0.4	0.1	0.8
EPS (€)	0.07	0.09	0.13
BVPS (€)	7.4	7.5	7.6
DPS (€)		0.05	
No. of shares outstanding (millions)	861.1	861.1	861.1

\* Not including Cofactor third party accounts.



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

3 mths to 30/9/12 (€m)	Corporate & Investment Banking	Principal Investing	Retail & Private Banking	Group
Net interest income	86.3	(2.1)	176.1	259.0
Net trading income	59.2	0.0	3.6	62.5
Net fee and commission income	56.5	0.0	56.7	103.8
Equity-accounted companies	4.4	23.0	0.0	28.1
<b>Total income</b>	<b>206.4</b>	<b>20.9</b>	<b>236.4</b>	<b>453.4</b>
Labour costs	(48.9)	(1.2)	(47.4)	(94.0)
Administrative expenses	(24.0)	(0.9)	(63.1)	(79.7)
<b>Operating costs</b>	<b>(72.9)</b>	<b>(2.1)</b>	<b>(110.5)</b>	<b>(173.7)</b>
Gains (losses) on AFS, HTM & LR	(6.4)	0.0	5.2	(5.1)
Loan loss provisions	(25.2)	0.0	(86.2)	(111.4)
Provisions for other financial assets	(1.4)	0.0	(3.5)	(1.4)
Other income (losses)	0.0	0.0	0.2	0.0
<b>Profit before tax</b>	<b>100.5</b>	<b>18.8</b>	<b>41.6</b>	<b>161.8</b>
Income tax for the period	(39.3)	0.3	(14.4)	(53.3)
Minority interest	0.5	0.0	0.0	0.5
<b>Net profit</b>	<b>61.7</b>	<b>19.1</b>	<b>27.2</b>	<b>109.0</b>
Treasury funds	11,249.6	0.0	8,555.4	9,856.5
AFS securities	9,639.0	144.8	1,773.0	11,018.3
Fixed assets (HTM & LR)	3,999.3	0.0	2,762.9	2,314.1
Equity investments	387.9	2,640.3	0.0	3,116.3
Loans and advances to customers	29,034.4	0.0	14,658.1	34,926.1
<i>of which to Group companies</i>	8,347.7	n.m.	n.m.	8,347.7
Funding	(51,766.5)	(259.8)	(26,306.4)	(55,014.4)
RWAs	39,673.1	2,934.2	12,088.5	54,724.7
No. of staff	962	0.0	2,664*	3,494

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





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3 mths to 30/9/12 (€m)	Corporate & Investment Banking	Principal Investing	Retail & Private Banking	Group
Net interest income	110.0	(1.9)	172.6	281.8
Net trading income	3.9	0.0	1.6	3.8
Net fee and commission income	64.8	0.0	61.4	117.1
Equity-accounted companies	5.9	67.6	0.0	73.0
<b>Total income</b>	<b>184.6</b>	<b>65.7</b>	<b>235.6</b>	<b>475.7</b>
Labour costs	(55.8)	(1.4)	(46.5)	(100.8)
Administrative expenses	(25.3)	(0.7)	(77.2)	(95.8)
<b>Operating costs</b>	<b>(81.1)</b>	<b>(2.1)</b>	<b>(123.7)</b>	<b>(196.6)</b>
Gains (losses) on AFS, HTM & LR	(15.7)	0.0	0.9	(15.8)
Loan loss provisions	(23.2)	0.0	(79.6)	(102.8)
Provisions for other financial assets	(69.8)	(0.1)	(0.3)	(70.2)
Other income (losses)	0.0	0.0	0.0	0.0
<b>Profit before tax</b>	<b>(5.2)</b>	<b>63.5</b>	<b>32.9</b>	<b>90.3</b>
Income tax for the period	(19.5)	0.6	(13.1)	(32.3)
Minority interest	(1.2)	0.0	0.0	(1.2)
<b>Net profit</b>	<b>(25.9)</b>	<b>64.1</b>	<b>19.8</b>	<b>56.8</b>
Treasury funds	9,155.5	0.0	3,108.3	7,029.4
AFS securities	6,041.5	130.9	1,528.2	7,213.0
Fixed assets (HTM & LR)	4,100.1	0.0	4,128.8	2,407.5
Equity investments	366.8	2,770.7	0.0	3,210.3
Loans and advances to customers	28,488.8	0.0	14,152.7	37,411.1
<i>of which to Group companies</i>	5,223.3	0.0	0.0	5,223.3
Funding	(45,145.1)	(259.8)	(22,313.3)	(51,118.5)
RWAs	40,483.6	3,217.7	11,567.5	55,293.2
No. of staff	989	0,0	2.637*	3,491

\* Includes 135 staff employed by Banca Esperia pro-forma, not included in the Group total.



## Corporate & Investment Banking

CIB (€m)	3 mths	3 mths	Y.o.Y. chg. %
	30/9/11	30/9/12	
Net interest income	110.0	86.3	-21.5%
Net trading income	3.9	59.2	n.m.
Net fee and commission income	64.8	56.5	-12.8%
Equity-accounted companies	5.9	4.4	-25.4%
<b>Total income</b>	<b>184.6</b>	<b>206.4</b>	<b>11.8%</b>
Labour costs	(55.8)	(48.9)	-12.4%
Administrative expenses	(25.3)	(24.0)	-5.1%
<b>Operating costs</b>	<b>(81.1)</b>	<b>(72.9)</b>	<b>-10.1%</b>
Gains (losses) on AFS, HTM & LR	(15.7)	(6.4)	-59.2%
Loan loss provisions	(23.2)	(25.2)	8.6%
Provisions for other financial assets	(69.8)	(1.4)	n.m.
Other income (losses)	0.0	0.0	n.m.
<b>Profit before tax</b>	<b>(5.2)</b>	<b>100.5</b>	<b>n.m.</b>
Income tax for the period	(19.5)	(39.3)	n.m.
Minority interest	(1.2)	0.5	n.m.
<b>Net profit</b>	<b>(25.9)</b>	<b>61.7</b>	<b>n.m.</b>
Treasury funds	9,155.5	11,249.6	22.9%
AFS securities	6,041.5	9,639.0	59.5%
Fixed assets (HTM & LR)	4,100.1	3,999.3	-2.5%
Equity investments	366.8	387.9	5.8%
Loans and advances to customers	28,488.8	29,034.4	1.9%
<i>of which to Group companies</i>	5,223.3	8,347.7	59.8%
Funding	(45,145.1)	(51,766.5)	14.7%
RWAs	40,483.6	39,673.1	-2.0%
No. of staff	989	962	-2.7%
Cost/income ratio (%)	43.9	35.3	
NPLs/loans (%)	0.2	n.a.	
RORWA gross (annualized) (%)	n.m.	1.0	



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CIB by segment - 3 mths to 30/9/12 (€m)	Wholesale	Leasing	Total CIB
Net interest income	74.8	11.5	86.3
Net trading income	59.3	(0.1)	59.2
Net fee and commission income	55.9	0.6	56.5
Equity-accounted companies	4.4	0.0	4.4
<b>Total income</b>	<b>194.4</b>	<b>12.0</b>	<b>206.4</b>
Labour costs	(44.8)	(4.1)	(48.9)
Administrative expenses	(20.7)	(3.3)	(24.0)
<b>Operating costs</b>	<b>(65.5)</b>	<b>(7.4)</b>	<b>(72.9)</b>
Gains (losses) on AFS, HTM & LR	(6.4)	0.0	(6.4)
Loan loss provisions	(19.9)	(5.3)	(25.2)
Provisions for other financial assets	(1.4)	0.0	(1.4)
Other income (losses)	0.0	0.0	0.0
<b>Profit before tax</b>	<b>101.2</b>	<b>(0.7)</b>	<b>100.5</b>
Income tax for the period	(39.0)	(0.3)	(39.3)
Minority interest	0.0	0.5	0.5
<b>Net profit</b>	<b>62.2</b>	<b>(0.5)</b>	<b>61.7</b>
Loans and advances to customers	25,096.7	3,937.7	29,034.4
<i>of which to Group companies</i>	8,347.7	0.0	8,347.7
RWA	36,105.6	3,567.5	39,673.1
New loans	n.m.	60.9	n.m.
No. of staff	784	178	962
No. of branches	n.m.	12	n.m.
Cost/income ratio (%)	33.7	61.7	35.3
NPLs/loans (%)	n.a.	n.a.	n.a.
RORWA gross (annualized) (%)	1.1	(0.1)	1.0



# MEDIOBANCA

CIB by segment - 3 mths to 30/9/11 (€m)	Wholesale	Leasing	Total CIB
Net interest income	93.2	16.8	110.0
Net trading income	4.1	(0.2)	3.9
Net fee and commission income	63.9	0.9	64.8
Equity-accounted companies	5.9	0.0	5.9
<b>Total income</b>	<b>167.1</b>	<b>17.5</b>	<b>184.6</b>
Labour costs	(51.5)	(4.3)	(55.8)
Administrative expenses	(22.5)	(2.8)	(25.3)
<b>Operating costs</b>	<b>(74.0)</b>	<b>(7.1)</b>	<b>(81.1)</b>
Gains (losses) on AFS, HTM & LR	(15.8)	0.1	(15.7)
Loan loss provisions	(17.9)	(5.3)	(23.2)
Provisions for other financial assets	(69.8)	0.0	(69.8)
Other income (losses)	0.0	0.0	0.0
<b>Profit before tax</b>	<b>(10.4)</b>	<b>5.2</b>	<b>(5.2)</b>
Income tax for the period	(17.2)	(2.3)	(19.5)
Minority interest	0.0	(1.2)	(1.2)
<b>Net profit</b>	<b>(27.6)</b>	<b>1.7</b>	<b>(25.9)</b>
Loans and advances to customers	24,100.3	4,388.5	28,488.8
<i>of which to Group companies</i>	5,223.3	0.0	5,223.3
RWA	36,716.1	3,767.5	40,483.6
New loans	n.m.	284.8	n.m.
No. of staff	782	207	989
No. of branches	n.m.	12	n.m.
Cost/income ratio (%)	44.3	40.6	43.9
NPLs/loans (%)	n.a.	n.a.	n.a.
RORWA gross (annualized) (%)	n.m.	0.6	n.m.



## Principal Investing

PI (€m)	3 mths	3 mths	Y.o.Y. chg. %
	30/9/11	30/9/12	
Net interest income	(1.9)	(2.1)	10.5%
Net trading income	0.0	0.0	n.m.
Net fee and commission income	0.0	0.0	n.m.
Equity-accounted companies	67.6	23.0	-66.0%
<b>Total income</b>	<b>65.7</b>	<b>20.9</b>	<b>-68.2%</b>
Labour costs	(1.4)	(1.2)	-14.3%
Administrative expenses	(0.7)	(0.9)	28.6%
<b>Operating costs</b>	<b>(2.1)</b>	<b>(2.1)</b>	<b>0.0%</b>
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	(0.1)	0.0	n.m.
Other income (losses)	0.0	0.0	n.m.
<b>Profit before tax</b>	<b>63.5</b>	<b>18.8</b>	<b>-70.4%</b>
Income tax for the period	0.6	0.3	-50.0%
Minority interest	0.0	0.0	n.m.
<b>Net profit</b>	<b>64.1</b>	<b>19.1</b>	<b>-70.4%</b>
AFS securities	130.9	144.8	10.6%
Equity investments	2,770.7	2,640.3	-4.7%
RWAs	3,217.7	2,934.2	-8.8%



## Retail & Private Banking

RPB (€m)	3 mths	3 mths	Y.o.Y. chg. %
	30/9/11	30/9/12	
Net interest income	172.6	176.1	2.0%
Net trading income	1.6	3.6	n.m.
Net fee and commission income	61.4	56.7	-7.7%
Equity-accounted companies	0.0	0.0	n.m.
<b>Total income</b>	<b>235.6</b>	<b>236.4</b>	<b>0.3%</b>
Labour costs	(46.5)	(47.4)	1.9%
Administrative expenses	(77.2)	(63.1)	-18.3%
<b>Operating costs</b>	<b>(123.7)</b>	<b>(110.5)</b>	<b>-10.7%</b>
Gains (losses) on AFS, HTM & LR	0.9	5.2	n.m.
Loan loss provisions	(79.6)	(86.2)	8.3%
Provisions for other financial assets	(0.3)	(3.5)	n.m.
Other income (losses)	0.0	0.2	n.m.
<b>Profit before tax</b>	<b>32.9</b>	<b>41.6</b>	<b>26.4%</b>
Income tax for the period	(13.1)	(14.4)	9.9%
Minority interest	0.0	0.0	n.m.
<b>Net profit</b>	<b>19.8</b>	<b>27.2</b>	<b>37.4%</b>
Treasury funds	3,108.3	8,555.4	n.m.
AFS securities	1,528.2	1,773.0	16.0%
Fixed assets (HTM & LR)	4,128.8	2,762.9	-33.1%
Equity investments	0.0	0.0	n.m.
Loans and advances to customers	14,152.7	14,658.1	3.6%
Funding	(22,313.3)	(26,306.4)	n.m.
RWAs	11,567.5	12,088.5	4.5%
No. of staff	2,637	2,664	1.0%
No. of branches	190	202	6.3%
Cost/income ratio (%)	52.5	46.7	
NPLs/loans* (%)	n.a.	n.a.	
RORWA gross (annualized) (%)	1.1	1.4	

\* Not including Cofactor third-party accounts



# MEDIOBANCA

RPB by segment - 30/9/12 (€m)	Consumer credit	Retail banking	Private banking	Total RPB
Net interest income	132.4	32.8	10.9	176.1
Net trading income	0.0	(0.2)	3.8	3.6
Net fee and commission income	37.3	3.0	16.4	56.7
Equity-accounted companies	0.0	0.0	0.0	0.0
<b>Total income</b>	<b>169.7</b>	<b>35.6</b>	<b>31.1</b>	<b>236.4</b>
Labour costs	(21.2)	(14.1)	(12.1)	(47.4)
Administrative expenses	(38.3)	(16.7)	(8.1)	(63.1)
<b>Operating costs</b>	<b>(59.5)</b>	<b>(30.8)</b>	<b>(20.2)</b>	<b>(110.5)</b>
Gains (losses) on AFS, HTM & LR	0.0	0.0	5.2	5.2
Loan loss provisions	(81.0)	(5.2)	0.0	(86.2)
Provisions for other financial assets	0.0	0.0	(3.5)	(3.5)
Other income (losses)	0.0	0.0	0.2	0.2
<b>Profit before tax</b>	<b>29.2</b>	<b>(0.4)</b>	<b>12.8</b>	<b>41.6</b>
Income tax for the period	(11.4)	(2.4)	(0.6)	(14.4)
Minority interest	0.0	0.0	0.0	0.0
<b>Net profit</b>	<b>17.8</b>	<b>(2.8)</b>	<b>12.2</b>	<b>27.2</b>
Loans and advances to customers	9,144.5	4,287.9	1,225.7	14,658.1
RWA	8,463.3	1,850.0	1,775.2	12,088.5
New loans	1,117.0	54.9	0.0	1,171.9
AUM	n.m.	n.m.	13,097.0	n.m.
No. of staff	1,400	920	344	2,664
No. of branches	158	44	n.m.	202
Cost/income ratio (%)	35.1	n.m.	65.0	46.7
NPLs/loans* (%)	n.a.	n.a.	n.a.	n.a.
RORWA gross (annualized) (%)	1.4	n.m.	2.9	1.4

\* Not including Cofactor third-party accounts



# MEDIOBANCA

RPB by segment - 30/9/11 (€milioni)	Consumer credit	Retail banking	Private banking	Total RPB
Net interest income	130.0	37.3	5.3	172.6
Net trading income	0.2	0.0	1.4	1.6
Net fee and commission income	43.7	2.2	15.5	61.4
Equity-accounted companies	0.0	0.0	0.0	0.0
<b>Total income</b>	<b>173.9</b>	<b>39.5</b>	<b>22.2</b>	<b>235.6</b>
Labour costs	(19.4)	(14.4)	(12.7)	(46.5)
Administrative expenses	(40.8)	(29.2)	(7.2)	(77.2)
<b>Operating costs</b>	<b>(60.2)</b>	<b>(43.6)</b>	<b>(19.9)</b>	<b>(123.7)</b>
Gains (losses) on AFS, HTM & LR	0.0	0.7	0.2	0.9
Loan loss provisions	(74.6)	(5.0)	0.0	(79.6)
Provisions for other financial assets	0.0	0.0	(0.3)	(0.3)
Other income (losses)	0.0	0.0	0.0	0.0
<b>Profit before tax</b>	<b>39.1</b>	<b>(8.4)</b>	<b>2.2</b>	<b>32.9</b>
Income tax for the period	(14.1)	1.0	0.0	(13.1)
Minority interest	0.0	0.0	0.0	0.0
<b>Net profit</b>	<b>25.0</b>	<b>(7.4)</b>	<b>2.2</b>	<b>19.8</b>
Loans and advances to customers	9,084.4	4,307.7	760.6	14,152.7
RWA	8,104.4	1,912.6	1,550.5	11,567.5
New loans	1,266.6	296.4	0	1,563.0
AUM	n.m.	n.m.	12,365.9	n.m.
No. of staff	1,347	934	356	2,637
No. of branches	146	44	n.m.	190
Cost/income ratio (%)	34.6	n.m.	89.6	52.5
NPLs/loans* (%)	n.a.	n.a.	n.a.	n.a.
RORWA gross (annualized) (%)	1.9	n.m.	0.6	1.1

\* 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