



MEDIOBANCA

**Mediobanca
Board of Directors' Meeting**

Milan, 27 October 2015



Financial statements for three months ended 30/9/15 approved

Net profit €244m, best quarterly result for the past five years

Net interest income up 13%, cost of risk down

CET1 ratio up 50 bps in three months to 12.5%

Gains on equity stake disposals totalling €88m

- ◆ **The Mediobanca Group earned a net profit of €244m, representing a sharp increase on the €160m reported at the same stage last year:**
 - ◆ Net interest income rose 13.3%, to €303m, reflecting growth in all segments and in particular the RCB division (for which net interest income was up 14%, to €226m) due to higher loan volumes (up 9% to €15.8bn) alongside increased net profitability
 - ◆ Total revenues: down slightly, by 3% to €507m, due to a weak performance by fees and treasury income only in part offset by the higher contribution from Assicurazioni Generali
 - ◆ Cost of risk down from 157 bps to 141 bps, due to the healthy asset quality trend for all divisions
 - ◆ Gross operating profit: €195m, down year-on-year (€220m) but up quarter-on-quarter (€164m) and near the best levels seen in recent years
 - ◆ Gains on disposal: €88m, after the Group's entire stake in Pirelli was tendered under the terms of the PTO
 - ◆ Net profit: €244m
- ◆ **Corporate & Investment Banking: result impacted by summer market volatility, positive outlook confirmed**
 - ◆ Revenues down 33%, to €148m, despite 8% increase in net interest income (to €61m), due to lower contribution from trading impacted by the pronounced volatility on financial markets; positive mid-term outlook confirmed
 - ◆ Reductions in cost of risk (down to 31 bps) and NPLs (down 2% in the three months)
 - ◆ Net profit: €25m
- ◆ **Retail & Consumer Banking: Compass still the growth driver, CheBanca! profitable**
 - ◆ Consumer: net interest income up 14%, customer loans up 10%, cost of risk down from 385 bps to 353 bps (with NPLs down 5% for the quarter). Growth is geared towards sustainable profitability, as reflected in net profit of €40m (30/9/14: €28m)
 - ◆ Retail: indirect funding up from €2.9bn to €3.1bn in the three months, and direct funding up from €9.6bn to €10.5bn. CheBanca! earned a net profit of €2m, on 27% growth in revenues (to €48m) and a 26% reduction in loan loss provisions (to €4m).
- ◆ **Capital solidity and asset quality strengthened further**
 - ◆ CET1 ratio: 12.5% phased-in, 13.3% fully phased (including profit for the quarter)
 - ◆ Total capital ratio: 15.3% phased-in, 15.8% fully phased
 - ◆ Leverage ratio: 11.1% phased-in, 11.9% fully phased
 - ◆ NPLs down 2% in the three months, with coverage ratios stable at 53%.



With Renato PAGLIARO in the chair, the Directors of Mediobanca approved the Group's financial statements for the three months ended 30 September 2015, as illustrated by Chief Executive Officer Alberto NAGEL.

Consolidated results

The Mediobanca Group earned a net profit of €244.3m in the three months under review, representing a sharp increase on the €160m reported at the same stage last year, as a result of the €87.7m gain made on tendering the Pirelli investment under the terms of the public tender offer.

Gross operating profit totalled €195m, down year-on-year (€220m) but up quarter-on-quarter (€164m) and near the best levels seen in recent years, helped by business diversification which mitigated the impact of the weak markets in the last quarter. The main income items performed as follows:

- ◆ net interest income rose 13.3%, from €267.1m to €302.5m, reflecting growth in all segments and in particular the RCB division (for which net interest income was up 14%, to €226.1m), on higher lending volumes (up 9%, to €15.8bn), alongside increased net profitability;
- ◆ net treasury income amounted to €26.2m (€55.6m), reflecting the less positive market performance in general, and also the absence of substantial gains on foreign currencies (€5.6m, compared with €33.1m last year);
- ◆ net fee and commission income totalled €95.8m, also down on the €147.2m reported twelve months previously, due to the lower contribution from capital market activities which were impacted by the pronounced volatility on financial markets and the delayed closure of certain M&A transactions;
- ◆ the higher profits earned by Assicurazioni Generali drove the contribution from the equity-accounted companies up from €55.5m to €82.6m.

Operating costs rose 6.1%, from €185.4m to €196.8m, split equally between labour costs (up 6.3%) and overheads (up 6%), reflecting full implementation of the new operational structure. The quarter-on-quarter reduction in costs, from €243m to €197m, is due to the seasonal nature of some cost items and to staff variable remuneration.

Loan loss provisions fell by 4.2%, from €120.5m to €115.4m, with the cost of risk at 141 bps, returning to 2012/13 levels. In the last quarter the stock of NPLs declined from €1,152.3m to €1,132.9m, while remaining flat at 3.5%, with the coverage ratio also stable at 53%.

Gains on securities portfolio management chiefly derived from sale of the stake in Pirelli (€87.7m). Writedowns of €3.5m for the period (€6.6m) represent adjustments to reflect current fair value.

Turning now to the individual business areas, lending activity was selective, with funding and liquidity expanding and capital and asset quality strengthening further:

- ◆ there was a slight, 1% reduction in customer lendings, which chiefly involved loans in wholesale banking, which were down 4.3%, as a result of the approx. €1bn in early redemptions. Conversely, both consumer finance and mortgage lending showed increases, the former up 1.4% and the latter up 2.6%. New business was focused in all segments on defending net profitability in a market scenario showing persistent pressure on margins;
- ◆ funding rose from €42.7bn to €44.2bn, due to new issuance up €1.1bn (€317m of which in the form of subordinated lower tier 2 bonds) and a €907.2m increase in CheBanca! retail deposits, boosted by the recent promotion for six-month tied deposits that closed in August;



- ◆ liquid assets and the securities portfolio rose from €14.8bn to €16.7bn, due to a temporary reduction in lendings;
- ◆ the Group's capital ratios as at 30 September 2015, including the profit for the quarter, reflect further improvement:
 - ◆ Phase-in: CET1 ratio 12.45% (30/6/15: 11.98%), total capital ratio 15.30% (14.91%), leverage ratio 11.1% (10.9%)
 - ◆ Fully-phased with full application of CRR/CRD IV - in particular the right to include the whole AFS reserve in the CET1 calculation - and the Assicurazioni Generali investment weighted at 370%: CET1 ratio 13.34% (13.19%), total capital ratio 15.77% (15.62%), leverage ratio 11.9% (12.0%).

Divisional results

Wholesale banking: quarterly results impacted by market volatility; positive mid-term outlook confirmed

Wholesale banking returned a €16.8m profit for the quarter, impacted by the pronounced market volatility seen during the summer months. In particular:

- ◆ net interest income rose 10.4%, from €47.3m to €52.2m, boosted by the recovery in business volumes which began in the second half of last year; the quarter-on-quarter reduction (down from €57m) was due to the increased repricing of assets;
- ◆ net trading income of €18.3m was down on the €46m reported last year, reflecting the unfavourable market trend, and also the reduced foreign currencies exposures and banking book positions (AFS and HTM);
- ◆ net fee and commission income halved from €95.3m to €45.9m, on a reduced contribution from capital market deals; the outlook for the coming quarters remains positive;
- ◆ the 8.5% rise in operating costs, from €58.6m to €63.6m, reflects the higher headcount compared to last year and non-recurring costs linked to specific projects;
- ◆ loan loss provisions fell from €14.5m to €11.2m, on account of the lack of new non-performing items, with the quality of the performing loan book stable; the coverage ratio for wholesale banking operations fell from 54% to 47%, solely as a result of the writeoff of the share of the Burgo loan which was converted into equity (€130.4m).

Total assets rose by almost €2bn: in particular most of the increase in funding (from €35.9bn to €37.5bn), which itself came mostly from CheBanca! (€8.5bn, compared with €6.7bn); corporate loans were down from €13.7bn to €13.1bn.



Private banking: AUM of €15.8bn

Private banking delivered a profit of €7.7m (30/9/14: €10.7m), with the growth in operating costs (from €20.8m to €23.1m) marginally outstripping that in revenues (from €30.7m to €31.2m) which were impacted by the reduction in net interest income (from €9.2m to €9m) and net treasury income (from €4.5m to €3.4m). Assets under management on a discretionary and/or non-discretionary basis at the reporting date had fallen from €16.6bn to €15.8bn, solely as a result of the market effect, €7.5bn (€7.8bn) of which for CMB and €8.3bn (€8.8bn) for Banca Esperia.

Consumer credit: net profit for the quarter up 42% to €40m

The objective of growth geared towards sustainable profitability translated to a net profit for Compass of €39.6m (30/9/2014: €28m), the best result in the past two years.

Revenues were up 7.1% on last year, from €203m to €217.5m, driven by net interest income of €187.8m (€164.9m) which was boosted by the lower cost of funding with the return on loans stable.

The 7.2% increase in labour costs reflects the full effects of last year's recruitment and was more than offset by the 10.7% reduction in overheads.

Loan loss provisions remained stable, with the loan book 10% higher than twelve months previously, hence the cost of risk fell from 385 bps to 353 bps and a coverage ratio for non-performing items up from 68% to 71%. NPLs decreased both in absolute terms (by 4.6%, to €288m) and in relative terms (from 2.8% to 2.6%).

The growth in customer lending continued, exceeding €11bn during the three months, on new loans totalling €1,490.8m (€1,439.9m).

Retail banking: profitable for the first time, on growing AuM and lendings

CheBanca! concentrated its commercial efforts in the quarter on a promotional campaign for six-month tied deposits which ended on 31 August 2015, with the aim of increasing direct funding for conversion at a later stage to assets under management.

Retail funding for the three months grew from €9.6bn to €10.5bn: current accounts increased from €2.0bn to €2.1bn, while deposit accounts rose from €7.6bn to €8.5bn. In the same period CheBanca! continued to increase its indirect funding, which reached €3.1bn, as against €2.9bn at end-June and €1.8bn twelve months previously, with the insurance component growing in particular.

Loans and advances outstanding grew from €4,605.8m to €4,727m, with mortgage finance disbursed almost doubling, from €137.1m to €248.8m.

CheBanca! made a net profit for the first time, of €2.2m, on 27% growth in revenues, with net interest income up 15.4% and fees doubling from €4.1m to €9.2m due to higher assets under management on a discretionary and non-discretionary basis.

Operating costs were up 7.7%, with labour costs in particular up 16.4% due to enhancement of the distribution structure. Loan loss provisions declined, from €5.8m to €4.3m, with the cost of risk at 37 bps (53 bps last year) and a coverage ratio of 48% (unchanged).

Principal investing: disposal of Pirelli stake

This division delivered a profit for the three months of €180.6m (30/9/14: €53.3m), reflecting the €87.7m gain on the Pirelli disposal, plus the increased contribution from Assicurazioni Generali (up from €55m to €82.8m). The writedowns chiefly involved the RCS MediaGroup investment being aligned to market prices (€1.3m).



MEDIOBANCA

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Restated consolidated profit and loss accounts

Mediobanca Group (€ m)	3 mths	3 mths	Y.o.Y. chg. %
	30/9/14	30/9/15	
Net interest income	267.1	302.5	13.3%
Net treasury income	55.6	26.2	-52.9%
Net fee and commission income	147.2	95.8	-34.9%
Equity-accounted companies	55.5	82.6	48.8%
Total income	525.4	507.1	-3.5%
Labour costs	(92.3)	(98.1)	6.3%
Administrative expenses	(93.1)	(98.7)	6.0%
Operating costs	(185.4)	(196.8)	6.1%
Gains (losses) on AFS, HTM & LR	4.5	88.5	n.m.
Loan loss provisions	(120.5)	(115.4)	-4.2%
Provisions for other financial assets	(6.6)	(3.5)	-47.0%
Other income (losses)	0.0	0.0	N.m.
Profit before tax	217.4	279.9	28.7%
Income tax for the period	(56.9)	(34.5)	-39.4%
Minority interest	(0.5)	(1.1)	n.m.
Net profit	160.0	244.3	52.7%

Quarterly profit and loss accounts

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



Restated balance sheet

Mediobanca Group (€ m)	30/9/14	30/6/15	30/9/15
Assets			
Treasury funds	8,076.1	4,920.3	7,186.2
AFS securities	7,290.9	8,063.1	7,750.5
<i>of which: fixed income</i>	6,119.8	6,950.5	6,767.4
<i>equities</i>	1,159.9	1,081.1	935.1
Fixed assets (HTM & LR)	2,075.2	1,793.9	1,788.7
Loans and advances to customers	31,025.6	32,889.6	32,546.9
Equity investments	3,017.4	3,411.4	3,163.5
Tangible and intangible assets	717.8	718.9	714.9
Other assets	1,378.0	1,411.9	1,346.3
<i>of which: tax assets</i>	1,063.4	954.2	932.8
Total assets	53,581.0	53,209.1	54,497.0
Liabilities			
Funding	43,967.2	42,711.3	44,216.1
<i>of which: debt securities in issue</i>	21,082.6	19,671.1	20,560.7
<i>retail deposits</i>	11,272.3	9,634.8	10,542.1
Other liabilities	1,394.2	1,446.1	1,520.9
<i>of which: tax liabilities</i>	610.1	625.0	647.6
Provisions	196.6	184.6	182.0
Net equity	7,863.0	8,277.3	8,333.7
<i>of which: share capital</i>	430.8	433.6	433.7
<i>reserves</i>	7,326.3	7,735.7	7,791.0
<i>minority interest</i>	104.6	108.0	109.0
Profit for the period	160.0	589.8	244.3
Total liabilities	53,581.0	53,209.1	54,497.0
CET 1 capital*	6,485.4	7,137.5	7,346.0
Total capital*	8,174.1	8,882.6	9,029.0
RWAs*	58,985.0	59,577.1	59,003.5

Ratios (%) and per share data (€)

Mediobanca Group	30/9/14	30/6/15	30/9/15
Total assets/net equity	6.8	6.4	6.5
Loans/deposits	0.7	0.8	0.7
Core tier 1 ratio*	11.0	12.0	12.5
Regulatory capital/RWAs*	13.9	14.9	15.3
S&P rating	BBB	BBB-	BBB-
Fitch rating		BBB+	BBB+
Cost/income ratio	35.3	41.4	38.8
Bad loans (<i>sofferenze</i>) /loans	0.9	0.8	0.8
EPS (€)	0.19	0.68	0.28
BVPS (€)	9.0	9.4	9.5
DPS (€)		0.25	
No. of shares outstanding (millions)	861.5	867.2	867.4

* Data calculated in accordance with CRR/CRDIV (i.e. Basel III, phased-in, AG weighted at 370%)



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

3 mths to 30/09/15 (€m)	Corporate & Private Banking	Principal Investing	Retail & Consumer Banking	Corporate Centre	Group
Net interest income	61.2	0.0	226.1	13.9	302.5
Net treasury income	21.7	5.8	0.0	0.0	26.2
Net fee and commission income	64.7	0.0	38.9	1.7	95.8
Equity-accounted companies	0.0	82.8	0.0	0.0	82.6
Total income	147.6	88.6	265.0	15.6	507.1
Labour costs	(50.3)	(1.9)	(40.1)	(7.4)	(98.1)
Administrative expenses	(36.4)	(0.4)	(62.3)	(7.6)	(98.7)
Operating costs	(86.7)	(2.3)	(102.4)	(15.0)	(196.8)
Gains (losses) on AFS equity	0.3	88.2	0.0	0.0	88.5
Loan loss provisions	(11.2)	0.0	(101.1)	(3.1)	(115.4)
Provisions for other financial assets	(1.4)	(2.2)	0.0	0.0	(3.5)
Other income (losses)	0.0	0.0	0.0	0.0	0.0
Profit before tax	48.6	172.3	61.5	(2.5)	279.9
Income tax for the period	(24.1)	8.3	(19.7)	0.7	(34.5)
Minority interest	0.0	0.0	0.0	(1.1)	(1.1)
Net profit	24.5	180.6	41.8	(2.9)	244.3
Treasury funds	7,665.3	0.6	8,743.6	128.2	7,186.2
AFS securities	6,421.7	925.7	645.0	0.0	7,750.5
Fixed assets (HTM & LR)	5,123.4	0.0	367.3	0.0	1,788.7
Equity investments	0.0	3,068.9	0.0	0.0	3,163.5
Loans and advances to customers	24,569.6	0.0	15,783.2	2,709.6	32,546.9
<i>of which to Group companies</i>	10,014.5	n.m.	n.m.	n.m.	n.m.
Funding	(40,676.9)	0.0	(24,460.7)	(2,739.1)	(44,216.1)
RWAs	33,032.5	11,337.6	12,277.0	2,356.4	59,003.5
No. of staff	1,052 *	0	2,506	420	3,844

* Includes 134 staff employed by Banca Esperia pro-forma, not included in the Group total.



3 mths to 30/09/14 (€m)	Corporate & Private Banking	Principal Investing	Retail & Consumer Banking	Corporate Centre	Group
Net interest income	56.5	0.0	198.1	12.3	267.1
Net treasury income	50.5	6.7	0.1	0.0	55.6
Net fee and commission income	112.3	0.0	42.2	1.5	147.2
Equity-accounted companies	0.0	55.0	0.0	0.0	55.5
Total income	219.3	61.7	240.4	13.8	525.4
Labour costs	(48.5)	(2.3)	(36.2)	(6.9)	(92.3)
Administrative expenses	(30.9)	(0.5)	(66.5)	(5.2)	(93.1)
Operating costs	(79.4)	(2.8)	(102.7)	(12.1)	(185.4)
Gains (losses) on AFS equity	0.8	4.0	0.0	0.0	4.5
Loan loss provisions	(14.5)	0.0	(101.8)	(4.3)	(120.5)
Provisions for other financial assets	(0.2)	(6.5)	0.0	0.0	(6.6)
Other income (losses)	0.0	0.0	0.0	0.0	0.0
Profit before tax	126.0	56.4	35.9	(2.6)	217.4
Income tax for the period	(41.8)	(3.1)	(12.4)	0.5	(56.9)
Minority interest	0.0	0.0	0.0	(0.5)	(0.5)
Net profit	84.2	53.3	23.5	(2.6)	160.0
Treasury funds	8,257.7	0.0	8,779.9	110.7	8,076.1
AFS securities	5,711.2	1,148.8	698.5	0.0	7,290.9
Fixed assets (HTM & LR)	5,042.3	0.0	1,238.7	0.0	2,075.2
Equity investments	0.0	2,920.7	0.0	0.0	3,017.4
Loans and advances to customers	24,359.5	0.0	14,490.2	2,939.8	31,025.6
<i>of which to Group companies</i>	10,290.0	n.m.	n.m.	n.m.	n.m.
Funding	(40,875.6)	0.0	(21,088.8)	(2,924.3)	(43,967.2)
RWAs	33,880.5	11,546.3	11,140.3	2,417.9	58,985.0
No. of staff	978 *	0	2,375	377	3,599

* Includes 131 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. %
	30/9/14	30/9/15	
Net interest income	56.5	61.2	8.3%
Net trading income	50.5	21.7	-57.0%
Net fee and commission income	112.3	64.7	-42.4%
Equity-accounted companies	0.0	0.0	n.m.
Total income	219.3	147.6	-32.7%
Labour costs	(48.5)	(50.3)	3.7%
Administrative expenses	(30.9)	(36.4)	17.8%
Operating costs	(79.4)	(86.7)	9.2%
Gains (losses) on AFS, HTM & LR	0.8	0.3	-62.5%
Loan loss provisions	(14.5)	(11.2)	-22.8%
Provisions for other financial assets	(0.2)	(1.4)	n.m.
Other income (losses)	0.0	0.0	n.m.
Profit before tax	126.0	48.6	-61.4%
Income tax for the period	(41.8)	(24.1)	-42.3%
Minority interest	0.0	0.0	n.m.
Net profit	84.2	24.5	-70.9%
Treasury funds	8,257.7	7,665.3	-7.2%
AFS securities	5,711.2	6,421.7	12.4%
Fixed assets (HTM & LR)	5,042.3	5,123.4	1.6%
Equity investments	0.0	0.0	n.m.
Loans and advances to customers	24,359.5	24,569.6	0.9%
<i>of which to Group companies</i>	10,290.0	10,014.5	-2.7%
Funding	(40,875.6)	(40,676.9)	-0.5%
RWAs	33,880.5	33,032.5	-2.5%
No. of staff	978	1,052	7.6%
Cost/income ratio (%)	36.2	58.7	
Bad loans (<i>sofferenze</i>)/loans ratio (%)	0.0	0.0	



Wholesale Banking (€m)	3 mths	3 mths	Y.o.Y. chg. %
	30/9/14	30/9/15	
Net interest income	47.3	52.2	10.4%
Net treasury income	46.0	18.3	-60.2%
Net fee and commission income	95.3	45.9	-51.8%
Equity-accounted companies	0.0	0.0	n.m.
Total income	188.6	116.4	-38.3%
Labour costs	(35.7)	(36.6)	2.5%
Administrative expenses	(22.9)	(27.0)	17.9%
Operating costs	(58.6)	(63.6)	8.5%
Gains (losses) on AFS equity	0.0	0.0	n.m.
Loan loss provisions	(14.5)	(11.2)	-22.8%
Provisions for other financial assets	(0.2)	(1.2)	n.m.
Other income (losses)	0.0	0.0	n.m.
Profit before tax	115.3	40.4	-65.0%
Income tax for the period	(41.8)	(23.6)	-43.5%
Minority interest	0.0	0.0	n.m.
Net profit	73.5	16.8	-77.1%
Loans and advances to customers	23,112.3	23,124.1	0.1%
<i>of which to Group companies</i>	10,290.0	10,014.5	-2.7%
RWA	32,025.7	31,444.8	-1.8%
No. of staff	620	668	7.7%
Cost/income ratio (%)	31.1	54.6	
Bad loans (<i>sofferenze</i>)/loans ratio (%)	0.0	0.0	



Private Banking (€m)	3 mths	3 mths	Y.o.Y. chg. %
	30/9/14	30/9/15	
Net interest income	9.2	9.0	-2.2%
Net treasury income	4.5	3.4	-24.4%
Net fee and commission income	17.0	18.8	10.6%
Equity-accounted companies	0.0	0.0	n.m.
Total income	30.7	31.2	1.6%
Labour costs	(12.8)	(13.7)	7.0%
Administrative expenses	(8.0)	(9.4)	17.5%
Operating costs	(20.8)	(23.1)	11.1%
Gains (losses) on AFS equity	0.8	0.3	-62.5%
Loan loss provisions	0.0	0.0	n.m.
Provisions for other financial assets	0.0	(0.2)	n.m.
Other income (losses)	0.0	0.0	n.m.
Profit before tax	10.7	8.2	-23.4%
Income tax for the period	0.0	(0.5)	n.m.
Minority interest	0.0	0.0	n.m.
Net profit	10.7	7.7	-28.0%
Loans and advances to customers	1,247.2	1,445.5	15.9%
RWA	1,854.8	1,587.7	-14.4%
AUM	15,443.1	15,819.8	2.4%
No. of staff	358	384	7.3%
Cost/income ratio (%)	67.8	74.0	
Bad loans (<i>sofferenze</i>)/loans ratio (%)	0.2	0.2	



Principal Investing

PI (€m)	3 mths		Y.o.Y. chg. %
	30/9/14	30/9/15	
Net interest income	0.0	0.0	n.m.
Net treasury income	6.7	5.8	-13.4%
Net fee and commission income	0.0	0.0	n.m.
Equity-accounted companies	55.0	82.8	50.5%
Total income	61.7	88.6	43.6%
Labour costs	(2.3)	(1.9)	-17.4%
Administrative expenses	(0.5)	(0.4)	-20.0%
Operating costs	(2.8)	(2.3)	-17.9%
Gains (losses) on AFS equity	4.0	88.2	n.m.
Loan loss provisions	0.0	0.0	n.m.
Provisions for other financial assets	(6.5)	(2.2)	-66.2%
Other income (losses)	0.0	0.0	n.m.
Profit before tax	56.4	172.3	n.m.
Income tax for the period	(3.1)	8.3	n.m.
Minority interest	0.0	0.0	n.m.
Net profit	53.3	180.6	n.m.
AFS securities	1,148.8	925.7	-19.4%
Equity investments	2,920.7	3,068.9	5.1%
RWAs*	11,546.3	11,337.6	-1.8%

* Data calculated in accordance with CRR/CRDIV (i.e. Basel III, phased-in, AG weighted at 370%)



Retail & Consumer Banking

RCB (€m)	3 mths	3 mths	Y.o.Y. chg. %
	30/9/14	30/9/15	
Net interest income	198.1	226.1	14.1%
Net treasury income	0.1	0.0	n.m.
Net fee and commission income	42.2	38.9	-7.8%
Equity-accounted companies	0.0	0.0	n.m.
Total income	240.4	265.0	10.2%
Labour costs	(36.2)	(40.1)	10.8%
Administrative expenses	(66.5)	(62.3)	-6.3%
Operating costs	(102.7)	(102.4)	-0.3%
Gains (losses) on AFS equity	0.0	0.0	n.m.
Loan loss provisions	(101.8)	(101.1)	-0.7%
Provisions for other financial assets	0.0	0.0	n.m.
Other income (losses)	0.0	0.0	n.m.
Profit before tax	35.9	61.5	71.3%
Income tax for the period	(12.4)	(19.7)	58.9%
Minority interest	0.0	0.0	n.m.
Net profit	23.5	41.8	77.9%
Treasury funds	8,779.9	8,743.6	-0.4%
AFS securities	698.5	645.0	-7.7%
Fixed assets (HTM & LR)	1,238.7	367.3	-70.3%
Equity investments	0.0	0.0	n.m.
Loans and advances to customers	14,490.2	15,783.2	8.9%
Funding	(21,088.8)	(24,460.7)	16.0%
RWAs	11,140.3	12,277.0	10.2%
No. of staff	2,375	2,506	5.5%
No. of branches	216	221	
Cost/income ratio (%)	42.7	38.6	
Bad loans (<i>sofferenze</i>)/loans ratio (%)	1.5	1.3	



Consumer lending (€m)	3 mths	3 mths	Y.o.Y. chg. %
	30/9/14	30/9/15	
Net interest income	164.9	187.8	13.9%
Net treasury income	0.0	0.0	n.m.
Net fee and commission income	38.1	29.7	-22.0%
Equity-accounted companies	0.0	0.0	n.m.
Total income	203.0	217.5	7.1%
Labour costs	(22.2)	(23.8)	7.2%
Administrative expenses	(43.9)	(39.2)	-10.7%
Operating costs	(66.1)	(63.0)	-4.7%
Gains (losses) on AFS equity	0.0	0.0	n.m.
Loan loss provisions	(96.0)	(96.8)	0.8%
Provisions for other financial assets	0.0	0.0	n.m.
Other income (losses)	0.0	0.0	n.m.
Profit before tax	40.9	57.7	41.1%
Income tax for the period	(13.1)	(18.1)	38.2%
Minority interest	0.0	0.0	n.m.
Net profit	27.8	39.6	42.4%
Loans and advances to customers	10,082.6	11,056.2	9.7%
RWAs	9,491.2	10,364.6	9.2%
New loans	1,439.9	1,490.8	3.5%
No. of staff	1,488	1,554	4.4%
No. of branches	158	164	
Cost/income ratio (%)	32.6	29.0	
Bad loans (<i>sofferenze</i>)/loans ratio (%)	1.1	0.9	



Retail Banking (€m)	3 mths	3 mths	Y.o.Y. chg. %
	30/9/14	30/9/15	
Net interest income	33.2	38.3	15.4%
Net treasury income	0.1	0.0	n.m.
Net fee and commission income	4.1	9.2	n.m.
Equity-accounted companies	0.0	0.0	n.m.
Total income	37.4	47.5	27.3%
Labour costs	(14.0)	(16.3)	16.4%
Administrative expenses	(22.6)	(23.1)	2.2%
Operating costs	(36.6)	(39.4)	7.7%
Gains (losses) on AFS equity	0.0	0.0	n.m.
Loan loss provisions	(5.8)	(4.3)	-25.9%
Provisions for other financial assets	0.0	0.0	n.m.
Other income (losses)	0.0	0.0	n.m.
Profit before tax	(5.0)	3.8	n.m.
Income tax for the period	0.7	(1.6)	n.m.
Minority interest	0.0	0.0	n.m.
Net profit	(4.3)	2.2	n.m.
Direct deposits	11,272.3	10,542.1	-6.5%
Indirect deposits	1,770.0	3,099.0	75.1%
Loans and advances to customers	4,407.6	4,727.0	7.2%
RWAs	1,649.1	1,912.4	16.0%
New loans	137.1	248.8	81.5%
No. of staff	887	952	7.3%
No. of branches	58	57	
Cost/income ratio (%)	97.9	82.9	
Bad loans (<i>sofferenze</i>)/loans ratio (%)	2.3	2.2	

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