



MEDIOBANCA

**Mediobanca
Board of Directors' Meeting**

Milan, 9 May 2013



Financial statements for period ended 31 March 2013 approved

Financial solidity and asset quality strengthened further

Net profit €37m

- ◆ In a particularly weak operating scenario, the Mediobanca Group's efforts have been chiefly directed towards further strengthening its financial structure:
 - ◆ core tier 1 ratio up to 12.0% (31/12/12: 11.8%; 31/3/12: 11.1%)
 - ◆ further improvement in loan coverage ratios: 70% for NPLs (31/3/12: 59%), 47% for bad debts (31/3/12: 37%)
 - ◆ completion of corporate loan deleveraging process (corporate loans down from €18.6bn to €15.8bn in the twelve months) and reduction in risk profile
 - ◆ optimization of funding and treasury management: €1.5bn MB bond buyback, €1.8bn in new issues, retail deposits up 6% Y.o.Y. to €12.2bn
- ◆ The Group's net profit for the nine months fell from €105m to €37m, mostly due to the loss reported by the Principal Investing (minus €212m, almost doubled Y.o.Y); the third quarter in particular reflects losses linked to Assicurazioni Generali's relaunch and asset review plan, with this company's contribution for the quarter minus €139m
- ◆ As for banking activity, which was hampered by the economic slowdown and the trend in interest rates, efforts continued in the areas of diversifying revenues between corporate and retail, reducing costs and constantly monitoring asset quality. In particular:
 - ◆ revenues were down 14% Y.o.Y. to €1,245m: the stability of the retail segment (RPB revenues resilient at €736m), which accounts for 60% of the Group's top line, offset the higher structural volatility of the corporate segment (CIB revenues were down 26% Y.o.Y. to €572m) which was penalized by the reduction in assets and declining returns
 - ◆ operating costs were down 6% Y.o.Y. to €562m, due to a 3% reduction in labour costs and an 8% decrease in administrative expenses
 - ◆ loan loss provisions were up 11% Y.o.Y. to €364m, following an increase in the coverage ratios on both the corporate and retail sides
 - ◆ recurrent profit before taxes from banking activities was down 39%, to €319m



With Renato PAGLIARO in the chair, the Directors of Mediobanca approved the Group's financial statements for the period ended 31 March 2013, as illustrated by Chief Executive Officer Alberto NAGEL.

Consolidated results

In a particularly weak operating scenario, the Mediobanca Group's efforts have been chiefly directed towards further strengthening its financial structure; the Group's results for the nine months show profit down from €104.9m to €37.2m, on account of the losses incurred by the Principal Investing division, which at €211.5m were almost twice as high as last year, and the contraction in banking activity, which was hampered by the economic slowdown and the trend in interest rates.

On the balance-sheet side we see:

- ◆ improving capital ratios: the core tier 1 ratio was up from 11.1% twelve months ago to 12.0%, and the total capital ratio up from 13.7% to 15.2%, due to the reduction in risk-weighted assets (down 2% to €54bn) and the recovery in the valuation reserves;
- ◆ completion of the corporate loan deleveraging process, with corporate loans down in the space of one year from €18.6bn to €15.8bn, and a reduction in the risk profile; the reduction in leasing continued (down 15% Y.o.Y., to €3.6bn), whereas retail loans remained stable (with consumer credit at €9.2bn, and residential mortgages at €4.3bn);
- ◆ further improvement in loan coverage ratios: 70% for NPLs (31/3/12: 59%), 47% for bad debts (31/3/12: 37%). Bad debts (NPLs, potential problem, restructured and overdue items) rose from €840m last year to €955m, but were down from end-December 2012, and still represent just 2.8% of lendings (roughly one-third of the ratio presented by the banking system as a whole);
- ◆ optimization of funding and treasury management in the nine months: €1.8bn in new issues, €1.5bn MB bond buyback (in April), retail deposits up 6% Y.o.Y. to €12.2bn.

On the banking side, efforts continued in the areas of revenue diversification between corporate and retail, cost reduction and constant monitoring of asset quality.

Revenues were down 13.8% Y.o.Y. to €1,244.5m: the stability of the retail segment (RPB revenues totalled €736m), which now accounts for 60% of the Group's top line, offset the higher structural volatility of the corporate segment (CIB revenues were down 26% Y.o.Y. to €572m) which was penalized by the reduction in assets and declining returns. The various items reflecting the following performances:

- ◆ net interest income fell by 6.1%, from €813.3m to €763.4m, the reduction being chiefly due to the corporate and investment banking segment, where net interest income was down from €295.5m to €222.9m. The result reflects the Bank's liquidity levels, with sharply declining market interest rates, a growing average cost of funding and ongoing asset repricing;
- ◆ net trading income was down 26.3% at €180.9m (€245.6m), despite a good performance for the third quarter (with €74.4m added), because the March 2012 figure used for comparison was boosted by a sharp, albeit short-lived, reduction in spreads on Italian government securities (net trading income of €133.1m was recorded in the third quarter last year);
- ◆ net fee and commission income fell by 22.1%, from €385.6m to €300.2m, due largely to the reduced contribution from corporate and investment banking and stricter regulations in the consumer finance segment.

Operating costs fell by 5.6%, from €595.1m to €561.5m, due to reductions in both labour costs (down 3.1%) and administrative expenses (down 8.3%).



Loan loss provisions were up 11.3%, from €326.8m to €363.7m, reflecting the increasing difficulties being encountered by both corporates and households, and the related increase in the coverage ratios in all business segments. Provisioning for households rose from €235m to €263.4m, and for large corporates from €68.9m to €82.5m. The cost of risk, with loans and advances down 9%, rose from 120 bps to 137 bps.

The recurrent profit before taxes from banking activities for the nine months was down 39%, to €319m.

The Principal Investing division reported a loss of €211.5m for the nine months, as a result of the €95m impairment charge to the Telco investment (adjusted to reflect a net present value for the Telecom Italia shares of €1.20 per share) and the operating losses recorded by Assicurazioni Generali and RCS MediaGroup (an aggregate of €101.5m for the nine months), with both companies affected by relaunch and asset review plans.

In the AFS segment there were writebacks totalling €19m to Greek government securities, other charges in respect of unlisted AFS shares totalling €12.8m, and net gains on the banking book amounting to €14.8m.

Divisional results

CIB: weak operating scenario, good asset quality

This division showed a net profit of €176m for the nine months, compared with €88.5m at the same stage last year. The lower net provisions for financial assets (€177.6m in provisions last year, compared with €12.9m in writebacks this year) partly offset the 26.3% reduction in total income, which reflected the following performances by the individual items:

- ◆ net interest income fell from €295.5m to €222.9m, as a result of the reduction in risk profile reflected in the ample provision of treasury assets and the related declining returns;
- ◆ net trading income declined from €237.1m to €167.6m, despite a healthy performance in the third quarter when €67.3m was added, compared with the strong performance last year, when profits for the third quarter totalled €129.6m;
- ◆ net fee and commission income decreased from €225.3m to €150m, due to reduced lending activity and the slowdown in M&A and capital market business. In the last year¹ M&A volumes were down 24% in the aggregate of Mediobanca's reference markets (Italy, France, Germany and Spain), while ECM activity shrank by 35%.

The fall in operating costs, which were down 6.5%, from €239.5m to €223.9m, was due to both labour costs (which fell from €159m to €146.9m) and administrative expenses (down from €80.5m to €77m).

Loan loss provisions of €100.6m were higher than last year (€91m), but still represent a very low percentage of the total loan book.

The securities portfolio showed a positive balance of €24.4m, representing the combined effect of net gains on AFS securities (€11.5m), writebacks in respect of Greek sovereign debt instruments (€19m), and writedowns to holdings in unlisted equities (€6.1m).

On the balance-sheet side, the corporate loan deleveraging process was completed, with corporate loans down 15% in the space of one year from €18.6bn to €15.8bn, while the reduction in leasing continued (down 15%, from €4.2bn to €3.6bn).

¹ April 2012 – March 2012, compared to the same period the previous year. Source: Dealogic.



Asset quality remains at high levels, in corporate banking in particular, where net impaired assets represent just 1.7% of total loans (Premafin representing 0.4%), with no non-performing items; the coverage ratios increased during the twelve months from 36% to 43%. In leasing business net impaired assets represent 6.2% of total lendings, with non-performing items accounting for 1.5% of the total.

Consumer credit: revenues stable, net profit €48m

Compass's prudent lending policy continues, with both new loans and loans and advances to customers flat at €3.6bn and €9.2bn respectively. Revenues of €527m also reflect stability, down just 2.6% Y.o.Y. despite a 15% reduction in fee income (from €134m to €115m), penalized by the stricter regulations on the sale of insurance products.

The cost/income ratio remained at low levels (37%), with a slight, 3% rise in operating costs linked to the start-up of new projects.

Loan loss provisions were up 10% Y.o.Y. to €246m, reflecting the difficulties being increasingly encountered by households. The cost of risk was 357 bps, slightly higher than last year (344 bps). Asset quality remains satisfactory (NPLs/total loans = 0.9%, impaired assets/total loans = 3.6%, coverage of impaired assets up from 44% to 59%).

A net profit of €47.9m was reported, lower than the €87.1m recorded last year.

Retail banking: deposits reach €12.2bn, cost/income ratio stably below 100%

CheBanca! cut its losses from €30.1m to €11.4m, despite the increased cost of risk (up from €11.1m to €16.3m), on higher revenues (up from €107.1m to €114.6m) and a substantial reduction in costs, which were down 17.3% (from €129.1m to €106.8m). The cost/income ratio has been stably below 100% for the last three quarters. Retail funding was up 6% year-on-year, to €12,176.5m, while loans and advances to customers were stable at €4,252.1m.

Private banking: AUM and profits increasing

Private banking showed a profit of €35m (31/3/12: €19.1m, net of the €44.3m real estate disposal gain), on higher total income (up 14.7%, from €82.4m to €94.5m) as well as gains realized on the AFS portfolio (€14.9m). Assets under management on a discretionary/non-discretionary basis as at 31 March 2013 totalled €13.9bn (31/12/12: €13.5bn), €6.7bn (€6.6bn) of which for CMB and €7.2bn (€6.9bn) for Banca Esperia.

Principal investing: in the red, due to AG losses linked to company relaunch plan

This division reported a loss of €211.5m for the nine months, as a result of the writedown to the Telco investment (€95m) and the operating losses recorded by Assicurazioni Generali (€63.9m for the nine months and €139.5m for the third quarter, linked to the relaunch and asset review plan) and RCS MediaGroup (€37.6m).

Milan, 9 May 2013



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Restated consolidated profit and loss accounts

Mediobanca Group (€m)	9 mths	9 mths	Y.o.Y. chg. %
	31/3/12	31/3/13	
Net interest income	813.3	763.4	-6.1%
Net trading income	245.6	180.9	-26.3%
Net fee and commission income	385.6	300.2	-22.1%
Equity-accounted companies	92.9	-71.0	n.m.
Total income	1.537.4	1.173.5	-23.7%
Labour costs	(300.9)	(291.6)	-3.1%
Administrative expenses	(294.2)	(269.9)	-8.3%
Operating costs	(595.1)	(561.5)	-5.6%
Gains (losses) on AFS, HTM & LR	(56.1)	14.8	n.m.
Loan loss provisions	(326.8)	(363.7)	11.3%
Provisions for other financial assets	(348.0)	(88.8)	-74.5%
Other income (losses)	45.2	0.0	n.m.
Profit before tax	256.6	174.3	-32.1%
Income tax for the period	(151.5)	(138.9)	-8.3%
Minority interest	(0.2)	1.8	n.m.
Net profit	104.9	37.2	-64.5%

Quarterly profit and loss accounts

Mediobanca Group (€m)	FY 11/12				FY 12/13		
	I Q	II Q	III Q	IV Q	I Q	II Q	III Q
	30/9/11	31/12/11	31/3/12	30/6/12	30/9/12	31/12/12	31/3/13
Net interest income	281.8	272.8	258.7	256.5	259.0	258.7	245.7
Net trading income	3.8	108.7	133.1	21.2	62.5	44.0	74.4
Net commission income	117.1	117.3	151.2	97.9	103.8	97.2	99.2
Equity-accounted companies	73.0	-1.2	21.1	76.6	28.1	57.7	-156.8
Total income	475.7	497.6	564.1	452.2	453.4	457.6	262.5
Labour costs	(100.8)	(100.5)	(99.6)	(92.4)	(94.0)	(100.4)	(97.2)
Administrative expenses	(95.8)	(102.1)	(96.3)	(101.5)	(79.7)	(101.5)	(88.7)
Operating costs	(196.6)	(202.6)	(195.9)	(193.9)	(173.7)	(201.9)	(185.9)
Gains (losses) on AFS/ HTM/LR	(15.8)	(22.0)	(18.3)	88.5	(5.1)	0.5	19.4
Loan loss provisions	(102.8)	(109.5)	(114.5)	(141.5)	(111.4)	(121.4)	(130.9)
Provisions for other fin. assets	(70.2)	(160.9)	(116.9)	(256.0)	(1.4)	(88.1)	0.7
Other income (losses)	0.0	43.7	1.5	0.0	0.0	0.0	0.0
Profit before tax	90.3	46.3	120.0	(50.7)	161.8	46.7	(34.2)
Income tax for the period	(32.3)	(39.1)	(80.1)	26.0	(53.3)	(32.4)	(53.2)
Minority interest	(1.2)	(0.6)	1.6	0.7	0.5	0.5	0.8
Net profit	56.8	6.6	41.5	(24.0)	109.0	14.8	(86.6)



Restated balance sheet

Mediobanca Group (€m)	30/6/12	31/12/12	31/3/13
Assets			
Treasury funds	9,330.4	9,105.2	10,700.1
AFS securities	10,552.1	11,735.6	10,750.7
<i>of which: fixed income</i>	9,447.1	10,639.9	9,630.6
<i>equities</i>	1,090.8	1,082.2	1,103.7
Fixed assets (HTM & LR)	2,328.1	2,366.3	2,238.0
Loans and advances to customers	36,309.5	34,142.0	33,701.2
Equity investments	3,165.5	3,284.0	3,336.8
Tangible and intangible assets	718.1	715.0	710.8
Other assets	1,355.6	1,142.4	1,156.7
<i>of which: tax assets</i>	1,036.1	869.3	867.4
Total assets	63,759.3	62,490.5	62,594.3
Liabilities			
Funding	55,788.0	53,970.5	53,803.0
<i>of which: debt securities in issue</i>	30,004.2	28,070.8	27,906.0
<i>retail deposits</i>	11,634.1	12,258.6	12,176.5
Other liabilities	1,177.2	1,177.9	1,299.9
<i>of which: tax liabilities</i>	494.1	538.5	598.5
Provisions	185.1	187.6	189.9
Net equity	6,528.1	7,030.7	7,264.3
<i>of which: share capital</i>	430.6	430.6	430.6
<i>reserves</i>	5,988.1	6,491.7	6,725.0
<i>minority interest</i>	109.4	108.4	108.7
Profit for the period	80.9	123.8	37.2
Total liabilities	63,759.3	62,490.5	62,594.3
Core tier 1 capital	6,338.9	6,472.5	6,460.1
Total capital	7,810.0	8,066.7	8,198.5
RWAs	55,164.0	54,666.7	53,971.8

Ratios (%) and per share data (€)

Mediobanca Group (€m)	30/6/12	31/12/12	31/3/13
Total assets/net equity	9.8	8.9	8.6
Loans/deposits	0.7	0.6	0.6
Core tier 1 ratio	11.5	11.8	12.0
Regulatory capital/RWAs	14.2	14.8	15.2
S&P rating	BBB+	BBB+	BBB+
Cost/income ratio	39.7	41.2	47.8
NPLs/loans*	0.6	0.6	0.7
RORWA gross	0.4	0.8	0.6
RORWA net	0.1	0.5	0.1
EPS (€)	0.09	0.14	0.04
BVPS (€)	7.5	8.0	8.3
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

9 mths to 31/3/13 (€ m)	Corporate & Investment Banking	Principal Investing	Retail & Private Banking	Group
Net interest income	222.9	(5.6)	547.1	763.4
Net trading income	167.6	6.3	9.4	180.9
Net fee and commission income	150.0	0.0	179.2	300.2
Equity-accounted companies	31.8	(104.5)	0.0	(71.0)
Total income	572.3	(103.8)	735.7	1,173.5
Labour costs	(146.9)	(3.7)	(154.3)	(291.6)
Administrative expenses	(77.0)	(2.6)	(214.0)	(269.9)
Operating costs	(223.9)	(6.3)	(368.3)	(561.5)
Gains (losses) on AFS, HTM & LR	11.5	0.0	14.9	14.8
Loan loss provisions	(100.6)	0.0	(263.4)	(363.7)
Provisions for other financial assets	12.9	(101.1)	(3.7)	(88.8)
Other income (losses)	0.0	0.0	(1.2)	0.0
Profit before tax	272.2	(211.2)	114.0	174.3
Income tax for the period	(98.0)	(0.3)	(42.5)	(138.9)
Minority interest	1.8	0.0	0.0	1.8
Net profit	176.0	(211.5)	71.5	37.2
Treasury funds	13,609.3	0.0	8,646.9	10,700.1
AFS securities	9,419.4	144.8	1,607.7	10,750.7
Fixed assets (HTM & LR)	2,226.8	0.0	2,116.6	2,238.0
Equity investments	414.1	2,834.7	0.0	3,336.8
Loans and advances to customers	27,500.6	0.0	14,759.3	33,701.2
<i>of which to Group companies</i>	8,111.6	n.m.	n.m.	n.m.
Funding	(50,469.1)	(259.8)	(25,371.8)	(53,803.0)
RWAs	38,710.8	3,023.4	12,205.9	53,971.8
No. of staff	948	n.m.	2,672*	3,491

* Includes 129 staff employed by Banca Esperia pro-forma, not included in the Group total.



9 mths to 31/3/12 (€ m)	Corporate & Investment Banking	Principal Investing	Retail & Private Banking	Group
Net interest income	295.5	(6.4)	532.1	813.3
Net trading income	237.1	0.0	7.7	245.6
Net fee and commission income	225.3	0.0	190.5	385.6
Equity-accounted companies	18.4	73.1	0.0	92.9
Total income	776.3	66.7	730.3	1,537.4
Labour costs	(159.0)	(4.2)	(148.4)	(300.9)
Administrative expenses	(80.5)	(2.1)	(232.9)	(294.2)
Operating costs	(239.5)	(6.3)	(381.3)	(595.1)
Gains (losses) on AFS, HTM & LR	(64.8)	0.0	0.4	(56.1)
Loan loss provisions	(91.0)	0.0	(235.0)	(326.8)
Provisions for other financial assets	(177.6)	(169.9)	(0.5)	(348.0)
Other income (losses)	0.0	0.0	46.9	45.2
Profit before tax	203.4	(109.5)	160.8	256.6
Income tax for the period	(114.7)	2.3	(40.4)	(151.5)
Minority interest	(0.2)	0.0	0.0	(0.2)
Net profit	88.5	(107.2)	120.4	104.9
Treasury funds	9,750.3	0.0	5,840.0	8,551.5
AFS securities	10,828.5	142.7	1,660.0	12,161.3
Fixed assets (HTM & LR)	3,975.5	0.0	2,702.1	2,287.8
Equity investments	390.6	2,359.2	0.0	2,834.9
Loans and advances to customers	27,835.9	0.0	14,308.8	37,133.4
<i>of which to Group companies</i>	4,969.0	n.m.	n.m.	n.m.
Funding	(50,191.6)	(259.8)	(23,243.8)	(57,021.2)
RWAs	40,776.9	2,671.4	11,869.6	55,344.5
No. of staff	991	0.0	2,655*	3,517

* Includes 129 staff employed by Banca Esperia pro-forma, not included in the Group total.



Corporate & Investment Banking

CIB (€m)	9 mths	9 mths	Y.o.Y. chg. %
	31/3/12	31/3/13	
Net interest income	295.5	222.9	-24.6%
Net trading income	237.1	167.6	-29.3%
Net fee and commission income	225.3	150.0	-33.4%
Equity-accounted companies	18.4	31.8	72.8%
Total income	776.3	572.3	-26.3%
Labour costs	(159.0)	(146.9)	-7.6%
Administrative expenses	(80.5)	(77.0)	-4.3%
Operating costs	(239.5)	(223.9)	-6.5%
Gains (losses) on AFS, HTM & LR	(64.8)	11.5	n.m.
Loan loss provisions	(91.0)	(100.6)	10.5%
Provisions for other financial assets	(177.6)	12.9	n.m.
Other income (losses)	0.0	0.0	
Profit before tax	203.4	272.2	33.8%
Income tax for the period	(114.7)	(98.0)	-14.6%
Minority interest	(0.2)	1.8	n.m.
Net profit	88.5	176.0	n.m.
Treasury funds	9,750.3	13,609.3	39.6%
AFS securities	10,828.5	9,419.4	-13.0%
Fixed assets (HTM & LR)	3,975.5	2,226.8	-44.0%
Equity investments	390.6	414.1	6.0%
Loans and advances to customers	27,835.9	27,500.6	-1.2%
<i>of which to Group companies</i>	4,969.0	8,111.6	63.2%
Funding	(50,191.6)	(50,469.1)	0.6%
RWAs	40,776.9	38,710.8	-5.1%
No. of staff	991	948	-4.3%
Cost/income ratio (%)	30.9	39.1	
NPLs/loans (%)	0.2	0.3	
RORWA gross (annualized) (%)	0.7	0.9	



CIB by segment - 9 mths to 31/3/13 (€m)	Wholesale	Leasing	Total CIB
Net interest income	187.4	35.5	222.9
Net trading income	167.7	(0.1)	167.6
Net fee and commission income	148.6	1.4	150.0
Equity-accounted companies	31.8	0.0	31.8
Total income	535.5	36.8	572.3
Labour costs	(133.9)	(13.0)	(146.9)
Administrative expenses	(67.3)	(9.7)	(77.0)
Operating costs	(201.2)	(22.7)	(223.9)
Gains (losses) on AFS, HTM & LR	11.5	0.0	11.5
Loan loss provisions	(82.5)	(18.1)	(100.6)
Provisions for other financial assets	12.9	0.0	12.9
Other income (losses)	0.0	0.0	0.0
Profit before tax	276.2	(4.0)	272.2
Income tax for the period	(98.4)	0.4	(98.0)
Minority interest	0.0	1.8	1.8
Net profit	177.8	(1.8)	176.0
Loans and advances to customers	23,893.7	3,606.9	27,500.6
<i>of which to Group companies</i>	8,111.6	0.0	8,111.6
RWA	35,372.0	3,338.8	38,710.8
New loans	-	179.3	
No. of staff	781	167	948
No. of branches	n.m.	12	n.m.
Cost/income ratio (%)	37.6	61.7	39.1
NPLs/loans (%)	0.0	1.5	0.3
RORWA gross (annualized) (%)	1.0	(0.2)	0.9



CIB by segment - 9 mths to 31/3/12 (€m)	Wholesale	Leasing	Total CIB
Net interest income	251.6	43.9	295.5
Net trading income	238.4	(1.3)	237.1
Net fee and commission income	220.4	4.9	225.3
Equity-accounted companies	18.4	0.0	18.4
Total income	728.8	47.5	776.3
Labour costs	(144.4)	(14.6)	(159.0)
Administrative expenses	(71.7)	(8.8)	(80.5)
Operating costs	(216.1)	(23.4)	(239.5)
Gains (losses) on AFS, HTM & LR	(64.8)	0.0	(64.8)
Loan loss provisions	(68.9)	(22.1)	(91.0)
Provisions for other financial assets	(177.6)	0.0	(177.6)
Other income (losses)	0.0	0.0	0.0
Profit before tax	201.4	2.0	203.4
Income tax for the period	(111.4)	(3.3)	(114.7)
Minority interest	0.0	(0.2)	(0.2)
Net profit	90.0	(1.5)	88.5
Loans and advances to customers	23,609.5	4,226.4	27,835.9
<i>of which to Group companies</i>	4,969.0	0.0	4,969.0
RWA	36,963.3	3,813.6	40,776.9
New loans	n.m.	668.7	-
No. of staff	792	199	991
No. of branches	n.m.	12	n.m.
Cost/income ratio (%)	29.7	49.3	30.9
NPLs/loans (%)	0.0	1.4	0.2
RORWA gross (annualized) (%)	0.7	0.1	0.7



Principal Investing

PI (€m)	9 mths	9 mths	Y.o.Y. chg. %
	31/3/12	31/3/13	
Net interest income	(6.4)	(5.6)	-12.5%
Net trading income	0.0	6.3	n.m.
Net fee and commission income	0.0	0.0	n.m.
Equity-accounted companies	73.1	(104.5)	n.m.
Total income	66.7	(103.8)	n.s.
Labour costs	(4.2)	(3.7)	-11.9%
Administrative expenses	(2.1)	(2.6)	23.8%
Operating costs	(6.3)	(6.3)	0.0%
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	(169.9)	(101.1)	-40.5%
Other income (losses)	0.0	0.0	n.m.
Profit before tax	(109.5)	(211.2)	n.m.
Income tax for the period	2.3	(0.3)	n.m.
Minority interest	0.0	0.0	n.m.
Net profit	(107.2)	(211.5)	n.m.
AFS securities	142.7	144.8	1.5%
Equity investments	2,359.2	2,834.7	20.2%
RWAs	2,671.4	3,023.4	13.2%



Retail & Private Banking

RPB (€m)	9 mths	9 mths	Y.o.Y. chg. %
	31/3/12	31/3/13	
Net interest income	532.1	547.1	2.8%
Net trading income	7.7	9.4	22.1%
Net fee and commission income	190.5	179.2	-5.9%
Equity-accounted companies	0.0	0.0	n.m.
Total income	730.3	735.7	0.7%
Labour costs	(148.4)	(154.3)	4.0%
Administrative expenses	(232.9)	(214.0)	-8.1%
Operating costs	(381.3)	(368.3)	-3.4%
Gains (losses) on AFS, HTM & LR	0.4	14.9	n.m.
Loan loss provisions	(235.0)	(263.4)	12.1%
Provisions for other financial assets	(0.5)	(3.7)	n.m.
Other income (losses)	46.9	(1.2)	n.m.
Profit before tax	160.8	114.0	n.m.
Income tax for the period	(40.4)	(42.5)	5.2%
Minority interest	0.0	0.0	n.m.
Net profit	120.4	71.5	-40.6%
Treasury funds	5,840.0	8,646.9	48.1%
AFS securities	1,660.0	1,607.7	-3.2%
Fixed assets (HTM & LR)	2,702.1	2,116.6	-21.7%
Equity investments	0.0	0.0	n.m.
Loans and advances to customers	14,308.8	14,759.3	3.1%
Funding	(23,243.8)	(25,371.8)	9.2%
RWAs	11,869.6	12,205.9	2.8%
No. of staff	2,655	2,672	0.6%
No. of branches	201	202	0.5%
Cost/income ratio (%)	52.2	50.1	
NPLs/loans* (%)	1.1	1.2	
RORWA gross (annualized) (%)	1.8	1.2	

* Not including Cofactor third-party accounts



RPB by segment - 9 mths to 31/3/13 (€ m)	Consumer credit	Retail banking	Private banking	Total RPB
Net interest income	412.1	104.5	30.5	547.1
Net trading income	0.0	(0.4)	9.8	9.4
Net fee and commission income	114.5	10.5	54.2	179.2
Equity-accounted companies	0.0	0.0	0.0	0.0
Total income	526.6	114.6	94.5	735.7
Labour costs	(67.6)	(44.9)	(41.8)	(154.3)
Administrative expenses	(128.1)	(61.9)	(24.0)	(214.0)
Operating costs	(195.7)	(106.8)	(65.8)	(368.3)
Gains (losses) on AFS, HTM & LR	0.0	0.0	14.9	14.9
Loan loss provisions	(245.7)	(16.3)	(1.4)	(263.4)
Provisions for other financial assets	0.0	0.0	(3.7)	(3.7)
Other income (losses)	0.0	0.0	(1.2)	(1.2)
Profit before tax	85.2	(8.5)	37.3	114.0
Income tax for the period	(37.3)	(2.9)	(2.3)	(42.5)
Minority interest	0.0	0.0	0.0	0.0
Net profit	47.9	(11.4)	35.0	71.5
Loans and advances to customers	9,245.0	4,252.1	1,262.2	14,759.3
RWA	8,600.0	1,812.7	1,793.2	12,205.9
New loans	3,637.3	186.5	0.0	3,823.8
AUM	n.m.	n.m.	13863.6	n.m.
No. of staff	1,418	912	342	2672
No. of branches	158	44	0.0	202
Cost/income ratio (%)	37.2	93.2	69.6	50.1
NPLs/loans* (%)	0.9	1.9	0.8	1.2
RORWA gross (annualized) (%)	1.3	-0.6	2.8	1.2

* Not including Cofactor third-party accounts



RPB by segment - 9 mths to 31/3/12 (€ m)	Consumer credit	Retail banking	Private banking	Total RPB
Net interest income	406.6	101.4	24.1	532.1
Net trading income	0.3	0.1	7.3	7.7
Net fee and commission income	133.9	5.6	51.0	190.5
Equity-accounted companies	0.0	0.0	0.0	0.0
Total income	540.8	107.1	82.4	730.3
Labour costs	(64.0)	(45.6)	(38.8)	(148.4)
Administrative expenses	(126.8)	(83.5)	(22.6)	(232.9)
Operating costs	(190.8)	(129.1)	(61.4)	(381.3)
Gains (losses) on AFS, HTM & LR	0.0	0.4	0.0	0.4
Loan loss provisions	(222.7)	(11.1)	(1.2)	(235.0)
Provisions for other financial assets	0.0	0.0	(0.5)	(0.5)
Other income (losses)	0.0	0.0	46.9	46.9
Profit before tax	127.3	(32.7)	66.2	160.8
Income tax for the period	(40.2)	2.6	(2.8)	(40.4)
Minority interest	0.0	0.0	0.0	0.0
Net profit	87.1	(30.1)	63.4	120.4
Loans and advances to customers	9,154.1	4,298.2	856.5	14,308.8
RWA	8,207.1	1,945.3	1,717.1	11,869.6
New loans	3,670.2	466.6	0	4,136.8
AUM	n.m.	n.m.	13,003.5	n.m.
No. of staff	1,385	934	336	2655
No. of branches	157	44	0.0	201
Cost/income ratio (%)	35.3	ns	74.5	52.2
NPLs/loans* (%)	0.8	1.6	1.5	1.1
RORWA gross (annualized) (%)	2.1	-2.2	5.1	1.8

* 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