

Bit Market Services

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Oggetto : Financial statements for three months
ended 30/9/16 approved

Testo del comunicato

Vedi allegato.



MEDIOBANCA

MEDIOBANCA
BOARD OF DIRECTORS' MEETING

Milan, 28 October 2016



Financial statements for three months ended 30/9/16 approved

Net profit up 11% to €271m, best quarterly result since 2008

Growth in banking activities (GOP up 16%)

Net interest income up 4%, loan loss provisions down 25%

Consolidation of WM acquisitions (Cairn Capital and Barclays Italy)

Equity stake disposals continue

- ◆ **For the three months under review, the Mediobanca Group delivered an 11% increase in net profit, from €244.3m to €270.7m, reflecting the growth in gross operating profit (up 16%, from €194.9m to €226.9m), driven by the increase in revenues from banking operations and the lower cost of risk in all business lines. Compared to last year the results include the contribution of Cairn Capital, and also, since 26 August 2016, Barclays' Italian retail operations which were acquired by CheBanca!. The main income items performed as follows:**
 - ◆ **Consolidated revenues were up 4%** at €526m, €11m of which was generated by the new acquisitions (revenues rose 2% on a like-for-like basis);
 - ◆ **Net interest income rose by 4%** to €314m (up 2% like-for-like, both Y.o.Y. and Q.o.Q.). Such growth was driven by the RCB division (net interest income up 6% to €255m), which includes an impressive performance by consumer credit in particular (net interest income up 14% Y.o.Y. and up 4% Q.o.Q.), and reflects the increase in lending volumes (up 16% to €19.6bn) as a result of consolidating Barclays' €2.5bn mortgages;
 - ◆ **The cost of risk fell from 141 bps to 98 bps** (pre-crisis levels), on the back of a good performance in asset quality at all divisions (the cost of risk was wiped out in WB and fell from 353 bps to 284 bps in consumer credit) and consolidation of the Barclays loan book which is free of bad debts; the coverage ratio for NPLs was stable at 54% and for bad debts rose to 69%, while the Texas ratio too was stable at 16%;
 - ◆ **Gains on disposal totalled €112m** and refer chiefly to the disposal of roughly half the stake owned in Atlantia;
 - ◆ **Net profit climbed 11% to reach €271m;**
 - ◆ **The capital ratios remained stable**, despite the consolidation of an additional €0.9bn in RWAs from the Barclays' loan book, due to the ongoing reduction in the CIB (market risk):
 - CET1: 12.1% phased-in, 12.5% fully-phased, including the profit for the three months;



- Total capital: 15.7% phased-in, 16.3% fully phased.

As from this quarter, Mediobanca will publish a quarterly review of operations press release on a voluntary basis for Q1 and Q3 each year, to ensure continuity with the previous quarterly reporting.

With Renato PAGLIARO in the Chair, the Directors of Mediobanca approved the Group's financial statements for the three months ended 30 September 2016, as illustrated by Chief Executive Officer Alberto NAGEL.

Consolidated Results

The Mediobanca Group delivered a net profit of €270.7m in the three months, an improvement on the €244.3m posted last year, driven by 4% growth in revenues, to €526.3m, a 25% reduction in loan loss provisions (to €86.8m), and a €110.4m gain on disposal of the Atlantia shares. Some €11m in revenues were contributed by Cairn Capital and the Barclays business unit, the latter having been acquired by CheBanca! and consolidated as from 26 August 2016 (hence its contribution to the balance sheet and earnings represents one month of operations).

Gross operating profit totalled €226.9m, 16% higher than last year (30/9/15: €194.9m) and up 27% quarter-on-quarter (30/6/16: €178.3m), a result which was driven by ongoing growth in the Consumer division and which ranks at the highest levels seen in recent years. The main income items performed as follows:

- ◆ Net interest income rose by 3.9%, from €302.5m to €314.2m, driven by Consumer Banking (€251.4m, as against €217.5m) which more than offset the decline in Wholesale Banking caused by asset repricing;
- ◆ Net treasury income increased from €26.2m to €31.8m, in particular due to the higher contribution from equity segment (€12.1m versus €4.5m);
- ◆ Net fee and commission income totalled €102.2m, up slightly on the €95.8m recorded last year, due to the contribution of Cairn Capital Ltd (€3.6m) and the new Barclays business segment (€2.1m);
- ◆ Gains from equity-accounted companies fell from €82.6m to €78.1m, in line with the lower earnings reported by Assicurazioni Generali.

Operating costs were up 8%, from €196.8m to €212.6m, comprising roughly €12m from the new entities, on a like-for-like basis the increase would have been 2%.

Loan loss provisions fell by 24.8%, from €115.4m to €86.8m, with a cost of risk (98 bps) which returned to the levels seen in Q1 2008-09. NPLs rose from €1,016.7m to €1,046.5m for the quarter, as a result of the addition of the Barclays mortgages (€32m in accounts classed as unlikely to pay), while remaining flat as a percentage of the total loan book (at 2.9%), with the coverage ratios also stable (at 54%).

Gains on the securities portfolio consist almost entirely of the sale of the Atlantia stake (€110.4m).



Turning now to the balance-sheet data, total assets grew from €56.4bn to €60.4bn, again as a result of the Barclays consolidation. In particular:

- ◆ Loans and advances to customers rose by 6%, from €34.6bn to €36.6bn, as a result of the Barclays mortgages acquired (€2.5bn), net of which the reduction in Wholesale Banking (from €14.1bn to €13.5bn) would have been only in part offset by the growth in Consumer Banking;
- ◆ Funding rose from €45.9bn to €49.5bn, due to the addition of the Barclays current accounts (€2.9bn) and new issuance of €650m in the three months (approx. €300m of which were subordinated tier 2 bonds);
- ◆ Cash and cash equivalents and the securities portfolio rose from €16.3bn to €18bn, and include liquid assets deriving from Barclays in an amount of €0.7bn;
- ◆ AUM and AUA at Group level stood at €35.7bn (€31.5bn), split between CMB with €8.2bn (€8.1bn), Banca Esperia with €8.7bn (€8.4bn), Cairn with €8.1bn (flat), Spafid with €3.8bn (€3bn), and CheBanca! with €6.9bn (€3.9bn);
- ◆ The capital ratios at 30 September 2016, including the profit for the three months, reflected further improvement:
 - ◆ Phase-in: CET1 ratio 12.09% (30/6/16: 12.08%), total capital ratio 15.70% (15.27%)
 - ◆ Fully-phased: CET1 ratio 12.53% (12.57%), total capital ratio 16.27% (15.87%).

CheBanca! completed its acquisition of Barclays' Italian retail operations on 26 August 2016. The acquisition involves 220,000 customers, 85 branches, 562 commercial retail staff, 68 financial advisors, €2.5bn in residential mortgages (with no bad loans and €32m of unlikely to pay loans), €0.7bn in cash, €2.9bn in direct funding and €2.8bn in indirect funding, €2bn of which in assets under management.

Under the terms of the deal, Barclays paid CheBanca! €240m in respect of the business unit with balanced assets and liabilities. This amount has temporarily been allocated among Other liabilities, pending completion of the Purchase Price Allocation process to cover the extraordinary and restructuring costs ("contingent liabilities") and the fair value of the assets and liabilities. The results of this process will be included in the interim report for the six months ending 31 December 2016.

The outlook for the rest of the financial year continues to be dependent on a macro-economic scenario which remains weak, compounded by political uncertainties in the reference markets. Against this backdrop the Group expects resilient net interest income driven by Consumer and Retail Banking, and an improvement in the cost of risk. Operating costs are expected to rise in line with the projects that have been planned.



Divisional results

Wholesale banking: net profit increasing on lower cost of risk; client revenues stable, net interest income impacted by reduced contribution from treasury assets

Wholesale banking delivered a net profit for the quarter of €22.2m, 32.1% higher than last year despite an 11.5% reduction in revenues and a 2.7% increase in costs, both of which were more than offset by the absence of loan loss provisions. The main income items performed as follows:

- ◆ Net interest income fell 34.5%, from €52.2m to €34.2m, but was flat Q.o.Q., on a reduced contribution from securities trading and despite the stable lending margins;
- ◆ Net trading income rose from €18.3m to €28.6m, despite an especially impressive performance in equity trading (up from €5.5m to €12.2m);
- ◆ Net fee and commission decreased from €45.9m to €40.2m, mainly because of the slowdown in capital market activity due to the uncertain climate following Brexit;
- ◆ The 2.7% rise in operating costs reflects the expense of IT projects relating to the Risk Management area;
- ◆ Provisions for financial assets (loans and other securities in particular) fell from €12.4m to €0.1m, following writebacks resulting from repayment of non-performing items with the quality of the portfolio remaining stable.

Total assets rose by almost €5bn equally distributed between higher loans and advance to Group companies (including refinancing of the Barclays mortgages) and net treasury income. Funding also increased, from €38.8m to €42.6m, due mainly to CheBanca! (up from €8.5bn to €11.3bn). Loans and advances to customers declined from €14.1bn to €13.5bn due in part to prepayments (approx. €400m).

Private banking: AUM up 4% to €19.3bn, AUA up 9% to €9.7bn

Private banking delivered a profit of €8.1m for the three months, an improvement on the €7.7m reported last year, following an 18.6% increase in revenues; Cairn Capital's contribution to the results reflects a slight, €0.9m loss, on revenues of €3.6m and costs of €4.8m.

Revenues increased from €31.2m to €37m, on higher fees (up from €18.8m to €24.7m, or €21.2m excluding Cairn). Costs increased by 19.5%, from €23.1m to €27.6m, (€22.8m excluding Cairn).

Assets under management at the period-end grew to €19.3bn (30/6/16: €18.6bn), split between CMB (€8.2bn versus €8.1bn), Banca Esperia (€8.7bn versus €8.4bn) and Cairn (€2.3bn). Assets under administration climbed from €8.9bn to €9.6bn, due to growth by Spafid (from €3bn to €3.8bn) and Cairn Capital (€5.8bn).



Consumer credit: net profit for the quarter up 65% to €65m, the best result ever

A growing focus on sustainable profitability is reflected in the €65.4m net profit earned in the three months (30/9/15: €39.6m), the best quarterly result ever delivered.

Revenues increased from €217.5m to €251.4m (up 15.6% compared with last year), on higher net interest income of €213.6m (€187.8m, up 13.7%), helped by higher volumes and resilient margins.

The 15.8% increase in administrative expenses was due to the higher recovery expenses.

Loan loss provisions decreased from €96.8m to €84.9m, on 9% growth in the loan book compared to last year, with **the cost of risk dropping from 353 bps to 284 bps**. In the three months the coverage ratio on non-performing items rose from 72% to 73%, and the ratio for performing loans from 2% to 2.2%. NPLs were stable at 2.2% of the total loan book.

The growth in loans and advances to customers continued, which in the three months exceeded €12bn, on new loans totalling €1,566m (€1,490.8m).

Retail banking: Barclays' Italian business unit consolidated

This business reported a profit of €2.8m in the first quarter, marked by the merger of the Barclays business unit on 26 August 2016. This result constituted an improvement on last year's €2.2m; the recent transaction's contribution to net profit was virtually nil (revenues of €7.1m, in line with costs of €7m).

In more detail, revenues rose by 13.9%, reflecting an increase in net interest income of 8.1%, and in net fee and commission income of 38%, comprehensive of Barclays apportion (€5.0m of net interest income and €2.1m of fee). Overheads grew by 15% (but were down 2.8% net of Barclays), while the cost of risk remained stable at €4.5m (€4.3m).

In the last three months retail funding has increased from €10,724m to €13,780.4m, due in particular to the Barclays acquisition (€2,925.7m) almost totally attributable to current accounts, which rose from €3,298.7m to €6,467m.

Indirect funding grew from €3,938m to €6,886.3m (with Barclays contributing €2,848.8m), as well as the organic growth achieved despite the complex market scenario.

Loans increased from €5,026.9m to €7,507.2m, including €2,459.6m in former Barclays' accounts.

Non-performing items increased from €148.5m to €182.5m, €32m of which in former Barclays unlikely to pay accounts (this figure has been calculated before the PPA adjustments). New loans for the three months amounted to €232.5m (€248.8m).

Principal investing: stake disposals continue

The net profit of €177m (30/9/15: €180.6m) reflected the lower contribution from Assicurazioni Generali (down from €82.8m to €76.7m) and dividends received (€1.4m versus €5.8m), as well



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as the disposal of Atlantia shares mentioned above (€110.4m, versus €87.7m last year), in connection with the Pirelli takeover bid.

Milan, 28 October 2016

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Restated consolidated profit and loss accounts

Mediobanca Group (€ m)	3 mths	3 mths	Y.o.Y. chg. %
	30/09/2015	30/09/2016	
Net interest income	302.5	314.2	3.9%
Net treasury income	26.2	31.8	21.4%
Net fee and commission income	95.8	102.2	6.7%
Equity-accounted companies	82.6	78.1	-5.4%
Total income	507.1	526.3	3.8%
Labour costs	(98.1)	(107.3)	9.4%
Administrative expenses	(98.7)	(105.3)	6.7%
Operating costs	(196.8)	(212.6)	8.0%
Gains (losses) on AFS, HTM & LR	88.5	112.0	26.6%
Loan loss provisions	(115.4)	(86.8)	-24.8%
Provisions for other financial assets	(3.5)	(5.9)	68.6%
Other income (losses)	0.0	(4.8)	n.s.
Profit before tax	279.9	328.2	17.3%
Income tax for the period	(34.5)	(56.7)	64.3%
Minority interest	(1.1)	(0.8)	-27.3%
Net profit	244.3	270.7	10.8%

Quarterly profit and loss accounts

Mediobanca Group (€ m)	FY 15/16				FY 16/17
	I Q	II Q	III Q	IV Q	I Q
	30/09/2015	31/12/2015	31/03/2016	30/06/2016	30/09/2016
Net interest income	302.5	301.8	301.4	301.0	314.2
Net treasury income	26.2	19.6	51.6	35.7	31.8
Net commission income	95.8	131.6	109.0	113.7	102.2
Equity-accounted companies	82.6	56.2	40.7	77.2	78.1
Total income	507.1	509.2	502.7	527.6	526.3
Labour costs	(98.1)	(111.6)	(110.1)	(121.0)	(107.3)
Administrative expenses	(98.7)	(111.4)	(112.8)	(128.2)	(105.3)
Operating costs	(196.8)	(223.0)	(222.9)	(249.2)	(212.6)
Gains (losses) on AFS equity	88.5	4.0	5.5	26.2	112.0
Loan loss provisions	(115.4)	(109.0)	(94.4)	(100.1)	(86.8)
Provisions for other fin. assets	(3.5)	(9.3)	(5.7)	(0.9)	(5.9)
Other income (losses)	0.0	(71.5)	(19.8)	(13.0)	(4.8)
Profit before tax	279.9	100.4	165.4	190.6	328.2
Income tax for the period	(34.5)	(22.7)	(42.9)	(28.6)	(56.7)
Minority interest	(1.1)	(0.9)	(1.2)	0.1	(0.8)
Net profit	244.3	76.8	121.3	162.1	270.7



Restated balance sheet

Mediobanca Group (€ m)	30/09/2015	30/06/2016	30/09/2016
Assets			
Treasury funds	7,186.2	5,517.1	8,260.3
AFS securities	7,750.5	8,639.4	7,651.9
<i>of which: fixed income</i>	6,767.4	7,725.1	6,958.4
<i>equities</i>	935.1	859.3	646.7
Fixed assets (HTM & LR)	1,788.7	2,165.2	2,118.1
Loans and advances to customers	32,546.9	34,592.7	36,623.1
Equity investments	3,163.5	3,193.3	3,294.0
Tangible and intangible assets	714.9	757.8	754.0
Other assets	1,346.3	1,484.6	1,674.8
<i>of which: tax assets</i>	932.8	988.7	933.7
Total assets	54,497.0	56,350.1	60,376.2
Liabilities			
Funding	44,216.1	45,933.8	49,501.6
<i>of which: debt securities in issue</i>	20,560.7	21,088.4	21,406.0
<i>retail deposits</i>	10,542.1	10,724.0	13,780.4
Other liabilities	1,520.9	1,314.2	1,770.3
<i>of which: tax liabilities</i>	647.6	573.0	569.1
Provisions	182.0	180.3	183.1
Net equity	8,333.7	8,317.3	8,650.5
<i>of which: share capital</i>	433.7	435.5	435.5
<i>reserves</i>	7,791.0	7,792.6	8,124.8
<i>minority interest</i>	109.0	89.2	90.2
Profit for the period	244.3	604.5	270.7
Total liabilities	54,497.0	56,350.1	60,376.2
Core tier 1 capital	7,346.0	6,504.8	6,561.2
Total capital	9,029.0	8,227.2	8,515.4
RWAs	59,003.5	53,861.6	54,247.3

Ratios (%) and per share data (€)

Mediobanca Group	30/09/2015	30/06/2016	30/09/2016
Total assets/net equity	6.5	6.8	7.0
Loans/deposits	0.7	0.8	0.7
Core tier 1 ratio	12.5	12.1	12.1
Regulatory capital/RWAs	15.3	15.3	15.7
S&P rating	BBB-	BBB-	BBB-
Rating Fitch	BBB+	BBB+	BBB+
Cost/income ratio	38.8	43.6	40.4
Bad loans (<i>sofferenze</i>) /loans	0.8	0.7	0.7
EPS (€)	0.28	0.69	0.31
BVPS (€)	9.5	9.4	9.8
DPS (€)		0.27	
No. of shares outstanding (millions)	867.4	871.0	871.0



Balance sheet details

Funding (€m)	30/06/2016	30/09/2016	Q.o.Q. chg. %
Debt securities	21,088.4	21,406.0	1.5%
CheBanca! Retail funding	10,724.0	13,780.4	28.5%
Interbank funds	4,393.6	4,011.2	-8.7%
T-LTRO / LTRO	5,011.0	5,511.0	10.0%
Other funds	4,716.8	4,793.0	1.6%
Total funding	45,933.8	49,501.6	7.8%

Loans and advances to customers (€m)	30/06/2016	30/09/2016	Q.o.Q. chg. %
Wholesale Banking	14,134.3	13,527.4	-4.3%
Private Banking	1,072.6	1,058.3	-1.3%
Consumer	11,866.2	12,080.7	1.8%
<i>of which: Creditech</i>	871.0	1,011.9	16.2%
Retail Banking	5,025.4	7,505.6	49.4%
Leasing	2,494.2	2,451.1	-1.7%
Total loans and advances to customers	34,592.7	36,623.1	5.9%

Treasury assets (€ m)	30/06/2016	30/09/2016	Q.o.Q. chg. %
Wholesale Banking	1,192.2	1,025.7	-14.0%
Private Banking	1,528.1	1,883.0	23.2%
Consumer	(371.7)	(483.0)	29.9%
<i>of which: Creditech</i>	561.0	453.6	-19.1%
Retail Banking	2,607.5	5,381.0	n.s.
Treasury assets	5,517.1	8,260.3	49.7%

Net equity (€ m)	30/06/2016	30/09/2016	Q.o.Q. chg. %
Share capital	435.5	435.5	0.0%
Other reserves	6,647.6	7,038.6	5.9%
Valuation reserves	1,145.0	1,086.2	-5.1%
- <i>of which: AFS securities</i>	382.9	324.3	-15.3%
<i>cash flow hedge</i>	(16.4)	(21.5)	31.1%
equity investments	779.2	786.6	0.9%
Profit for the period	604.5	270.7	-55.2%
Total Group net equity	8,832.6	8,831.0	0.0%



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

3 mths to 30/09/16 (€m)	Corporate & Private Banking	Principal Investing	Retail & Consumer Banking	Corporate Center	Group
Net interest income	42.9	0.0	255.0	12.1	314.2
Net treasury income	32.2	1.3	0.0	0.1	31.8
Net fee and commission income	64.9	0.0	50.5	2.6	102.2
Equity-accounted companies	0.0	76.7	0.0	0.0	78.1
Total income	140.0	78.0	305.5	14.8	526.3
Labour costs	(53.7)	(1.9)	(45.0)	(5.3)	(107.3)
Administrative expenses	(39.2)	(0.4)	(70.8)	(8.8)	(105.3)
Operating costs	(92.9)	(2.3)	(115.8)	(14.1)	(212.6)
Gains (losses) on AFS equity	1.6	110.4	0.0	0.0	112.0
Loan loss provisions	5.7	0.0	(89.4)	(3.3)	(86.8)
Provisions for other financial assets	(6.1)	(0.1)	0.0	0.0	(5.9)
Other income (losses)	0.0	0.0	0.0	(4.8)	(4.8)
Profit before tax	48.3	186.0	100.3	(7.4)	328.2
Income tax for the period	(18.0)	(9.0)	(32.1)	2.6	(56.7)
Minority interest	0.0	0.0	0.0	(0.8)	(0.8)
Net profit	30.3	177.0	68.2	(5.6)	270.7
Treasury funds	10,046.0	0.0	12,163.9	5.4	8,260.3
AFS securities	7,129.7	635.7	292.9	0.0	7,651.9
Fixed assets (HTM & LR)	4,901.7	0.0	0.6	0.0	2,118.1
Equity investments	0.0	3,196.1	0.0	0.0	3,294.0
Loans and advances to customers	27,393.8	0.0	19,587.9	2,451.5	36,623.1
<i>of which to Group companies</i>	<i>12,330.2</i>	<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>
Funding	(46,480.8)	0.0	(25,524.7)	(2,392.1)	(49,501.6)
RWAs	30,604.0	6,490.7	14,952.5	2,200.1	54,247.3
No. of staff	1,113 *	0	3,140	465	4,578

* Includes 140 staff employed by Banca Esperia pro-forma, not included in the Group total.



3 mths to 30/09/15 (€m)	Corporate & Private Banking	Principal Investing	Retail & Consumer Banking	Corporate Center	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>	<i>10,014.5</i>	<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>
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.



Corporate & Private Banking

Corporate & Private Banking (€ m)	3 mths	3 mths	Y.o.Y. chg. %
	30/09/2015	30/09/2016	
Net interest income	61.2	42.9	-29.9%
Net treasury income	21.7	32.2	48.4%
Net fee and commission income	64.7	64.9	0.3%
Equity-accounted companies	0.0	0.0	n.s.
Total income	147.6	140.0	-5.1%
Labour costs	(50.3)	(53.7)	6.8%
Administrative expenses	(36.4)	(39.2)	7.7%
Operating costs	(86.7)	(92.9)	7.2%
Gains (losses) on AFS equity	0.3	1.6	n.s.
Loan loss provisions	(11.2)	5.7	n.s.
Provisions for other financial assets	(1.4)	(6.1)	n.s.
Other income (losses)	0.0	0.0	n.s.
Profit before tax	48.6	48.3	-0.6%
Income tax for the period	(24.1)	(18.0)	-25.3%
Minority interest	0.0	0.0	n.s.
Net profit	24.5	30.3	23.7%
Treasury funds	7,665.3	10,046.0	31.1%
AFS securities	6,421.7	7,129.7	11.0%
Fixed assets (HTM & LR)	5,123.4	4,901.7	-4.3%
Loans and advances to customers	24,569.6	27,393.8	11.5%
<i>of which to Group companies</i>	<i>10,014.5</i>	<i>12,330.2</i>	<i>23.1%</i>
Funding	(40,676.9)	(46,480.8)	14.3%
RWAs	33,032.5	30,604.0	-7.4%
No. of staff	1,052	1,113	5.8%
Cost/income ratio (%)	58.7	66.4	
Bad loans (<i>sofferenze</i>)/loans ratio (%)	0.0	0.0	



Wholesale Banking (€ m)	3 mths	3 mths	Y.o.Y. chg. %
	30/09/2015	30/09/2016	
Net interest income	52.2	34.2	-34.5%
Net treasury income	18.3	28.6	56.3%
Net fee and commission income	45.9	40.2	-12.4%
Equity-accounted companies	0.0	0.0	n.s.
Total income	116.4	103.0	-11.5%
Labour costs	(36.6)	(37.6)	2.7%
Administrative expenses	(27.0)	(27.7)	2.6%
Operating costs	(63.6)	(65.3)	2.7%
Gains (losses) on AFS equity	0.0	0.0	n.s.
Loan loss provisions	(11.2)	5.8	n.s.
Provisions for other financial assets	(1.2)	(5.9)	n.s.
Other income (losses)	0.0	0.0	n.s.
Profit before tax	40.4	37.6	-6.9%
Income tax for the period	(23.6)	(15.4)	-34.7%
Minority interest	0.0	0.0	n.s.
Net profit	16.8	22.2	32.1%
Loans and advances to customers	23,124.1	25,857.6	11.8%
of which to Group companies	10,014.5	12,330.2	23.1%
RWA	31,445.1	28,662.5	-8.8%
No. of staff	668	676	1.2%
Cost/income ratio (%)	54.6	63.4	
Bad loans (<i>sofferenze</i>)/loans ratio (%)	0.0	0.0	



Private Banking (€ m)	3 mths	3 mths	Y.o.Y. chg. %
	30/09/2015	30/09/2016 ¹	
Net interest income	9.0	8.7	-3.3%
Net treasury income	3.4	3.6	5.9%
Net fee and commission income	18.8	24.7	31.4%
Equity-accounted companies	0.0	0.0	n.s.
Total income	31.2	37.0	18.6%
Labour costs	(13.7)	(16.1)	17.5%
Administrative expenses	(9.4)	(11.5)	22.3%
Operating costs	(23.1)	(27.6)	19.5%
Gains (losses) on AFS equity	0.3	1.6	n.s.
Loan loss provisions	0.0	(0.1)	n.s.
Provisions for other financial assets	(0.2)	(0.2)	0.0%
Other income (losses)	0.0	0.0	n.s.
Profit before tax	8.2	10.7	30.5%
Income tax for the period	(0.5)	(2.6)	n.s.
Minority interest	0.0	0.0	n.s.
Net profit	7.7	8.1	5.2%
Loans and advances to customers	1,445.5	1,536.2	6.3%
RWA	1,587.7	1,941.5	22.3%
AUM/AUA	18,682.8	28,860.4	54.5%
ow AUM private banking	15,819.8	19,274.4	21.8%
securities held on fiduciary basis	2,863.0	9,586.0	n.s.
No. of staff	384	437	13.8%
Cost/income ratio (%)	74.0	74.6	
Bad loans (<i>sofferenze</i>)/loans ratio (%)	0.2	0.0	

1) Cairn Capital consolidated since 31/12/15



Principal Investing

PI (€ m)	3 mths		Y.o.Y. chg. %
	30/09/2015	30/09/2016	
Net interest income	0.0	0.0	n.s.
Net treasury income	5.8	1.3	-77.6%
Net fee and commission income	0.0	0.0	n.s.
Equity-accounted companies	82.8	76.7	-7.4%
Total income	88.6	78.0	-12.0%
Labour costs	(1.9)	(1.9)	0.0%
Administrative expenses	(0.4)	(0.4)	0.0%
Operating costs	(2.3)	(2.3)	0.0%
Gains (losses) on AFS equity	88.2	110.4	25.2%
Loan loss provisions	0.0	0.0	n.s.
Provisions for other financial assets	(2.2)	(0.1)	n.s.
Other income (losses)	0.0	0.0	n.s.
Profit before tax	172.3	186.0	8.0%
Income tax for the period	8.3	(9.0)	n.s.
Minority interest	0.0	0.0	n.s.
Net profit	180.6	177.0	-2.0%
AFS securities	925.7	635.7	-31.3%
of which: Atlantia	559	252.7	-54.8%
RCS Mediagroup	29.1	30.6	5.2%
Italmobiliare	80.4	94.7	17.8%
Equity investments	3,068.9	3,196.1	4.1%
of which: Assicurazioni Generali	3,063.1	3,191.3	4.2%
Attività a rischio ponderate	11,337.6	6,490.7	-42.8%



Retail & Consumer Banking

RCB (€ m)	3 mths	3 mths	Y.o.Y. chg. %
	30/09/2015	30/09/2016	
Net interest income	226.1	255.0	12.8%
Net treasury income	0.0	0.0	n.s.
Net fee and commission income	38.9	50.5	29.8%
Equity-accounted companies	0.0	0.0	n.s.
Total income	265.0	305.5	15.3%
Labour costs	(40.1)	(45.0)	12.2%
Administrative expenses	(62.3)	(70.8)	13.6%
Operating costs	(102.4)	(115.8)	13.1%
Gains (losses) on AFS equity	0.0	0.0	n.s.
Loan loss provisions	(101.1)	(89.4)	-11.6%
Provisions for other financial assets	0.0	0.0	n.s.
Other income (losses)	0.0	0.0	n.s.
Profit before tax	61.5	100.3	63.1%
Income tax for the period	(19.7)	(32.1)	62.9%
Minority interest	0.0	0.0	n.s.
Net profit	41.8	68.2	63.2%
Treasury funds	8,743.6	12,163.9	39.1%
AFS securities	645.0	292.9	-54.6%
Fixed assets (HTM & LR)	367.3	0.6	n.s.
Loans and advances to customers	15,783.2	19,587.9	24.1%
Funding	(24,460.7)	(25,524.7)	4.3%
RWAs	12,277.0	14,952.5	21.8%
No. of staff	2,506	3,140.0	25.3%
No. of branches	221	307	38.9%
Cost/income ratio (%)	38.6	37.9	
Bad loans (<i>sofferenze</i>)/loans ratio (%)	1.3	1.0	



Consumer lending (€m)	3 mths	3 mths	Y.o.Y. chg. %
	30/09/2015	30/09/2016	
Net interest income	187.8	213.6	13.7%
Net treasury income	0.0	0.0	n.s.
Net fee and commission income	29.7	37.8	27.3%
Equity-accounted companies	0.0	0.0	n.s.
Total income	217.5	251.4	15.6%
Labour costs	(23.8)	(25.1)	5.5%
Administrative expenses	(39.2)	(45.4)	15.8%
Operating costs	(63.0)	(70.5)	11.9%
Gains (losses) on AFS equity	0.0	0.0	n.s.
Loan loss provisions	(96.8)	(84.9)	-12.3%
Provisions for other financial assets	0.0	0.0	n.s.
Other income (losses)	0.0	0.0	n.s.
Profit before tax	57.7	96.0	66.4%
Income tax for the period	(18.1)	(30.6)	69.1%
Minority interest	0.0	0.0	n.s.
Net profit	39.6	65.4	65.2%
Loans and advances to customers	11,056.2	12,080.7	9.3%
RWAs	10,364.6	11,939.0	15.2%
New loans	1,490.8	1,566.0	5.0%
No. of staff	1,554	1,610.0	3.6%
No. of branches	164	164	0.0%
Cost/income ratio (%)	29.0	28.0	
Bad loans (<i>sofferenze</i>)/loans ratio (%)	0.9	0.7	



Retail Banking (€ m)	3 mths	3 mths	Y.o.Y. chg. %
	30/09/2015	30/09/2016	
Net interest income	38.3	41.4	8.1%
Net treasury income	0.0	0.0	n.s.
Net fee and commission income	9.2	12.7	38.0%
Equity-accounted companies	0.0	0.0	n.s.
Total income	47.5	54.1	13.9%
Labour costs	(16.3)	(19.9)	22.1%
Administrative expenses	(23.1)	(25.4)	10.0%
Operating costs	(39.4)	(45.3)	15.0%
Gains (losses) on AFS equity	0.0	0.0	n.s.
Loan loss provisions	(4.3)	(4.5)	4.7%
Provisions for other financial assets	0.0	0.0	n.s.
Other income (losses)	0.0	0.0	n.s.
Profit before tax	3.8	4.3	13.2%
Income tax for the period	(1.6)	(1.5)	-6.3%
Minority interest	0.0	0.0	n.s.
Net profit	2.2	2.8	27.3%
Direct deposits	10,542.1	13,780.4	30.7%
Indirect deposits	3,099.0	6,886.3	n.s.
Loans and advances to customers	4,727.0	7,507.2	58.8%
New loans	1,912.4	3,013.5	57.6%
RWAs	248.8	232.5	-6.6%
No. of staff	952	1,530	60.7%
No. of branches	57	143.0	n.s.
Cost/income ratio (%)	82.9	83.7	
Bad loans (<i>sofferenze</i>)/loans ratio (%)	2.2	1.4	



Consolidated Comprehensive Profit and Loss Account

		3 mths	3 mths
		30/09/2015	30/09/2016
10.	Gain (loss) for the period	271.5	245.4
	Other income items net of tax without passing through profit and loss	(31.1)	86.5
20.	Property, plant and equipment	0.0	0.0
30.	<i>Intangible assets</i>	0.0	0.0
40.	Defined benefit schemes	(1.2)	0.5
50.	Non-current assets being sold	0.0	0.0
60.	Share of valuation reserves for equity-accounted companies	(29.9)	86.0
	Other income items net of tax passing through profit and loss	(27.6)	(408.1)
70.	Foreign investment hedges	0.0	0.0
80.	Exchange rate differences	(1.3)	(0.3)
90.	Cash flow hedges	(5.0)	1.6
100.	AFS securities	(58.6)	3.4
110.	Non-current assets being sold	0.0	0.0
120.	Share of valuation reserves attributable to equity-accounted companies	37.3	(412.8)
130.	Total other income items net of tax	(58.7)	(321.6)
140.	Comprehensive income (Heading 10 + Heading 130)	212.8	(76.2)
150.	Minority interest in consolidated comprehensive income	1.0	0.9
160.	Consolidated comprehensive income attributable to Mediobanca S.p.A	211.8	(77.1)

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

Fine Comunicato n.0187-182

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