



SPAFID CONNECT

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Oggetto : Financial statements for nine months
ended 31/3/17 approved

Testo del comunicato

Vedi allegato.



MEDIOBANCA

MEDIOBANCA
BOARD OF DIRECTORS' MEETING

Milan, 10 May 2017



MEDIOBANCA

Financial statements for nine months ended 31/3/17 approved

**Mediobanca Group business model reshaping process continues,
refocusing on highly-specialized and profitable banking activities,
with revenues, profits and ROAC up in all divisions**

**9M performance reflects 9% growth in revenues to €1,657m (highest ever),
net profit of €614m (up 39% Y.o.Y.), and
ROTE of 10%**

**3M results show revenues of €584m, up 7% Q.o.Q., and
net profit of €196m (up 33% Q.o.Q.)**

**Cost of risk down to 92 bps (33 bps lower),
with coverage ratios higher; Texas ratio 15%**

**Capital ratios improving strongly: CET 13.1%, total capital 16.8%
Highest values since Basel III adopted,
achieved solely through organic growth,
with recent acquisitions/deductions all expensed,¹
and calculating RWAs using standard method**

**Strong growth posted by Wealth Management division
Integration of four recently-acquired companies ongoing
TFA up 25% Y.o.Y. to €52bn
AUM/AUA up €1.5bn in Q3**

¹ Capital ratios as at 31 March 2017 include the effects of the Cairn Capital and Barclays acquisitions, and the deduction of €1.2bn of the Assicurazioni Generali investment in order to comply with the concentration limits.



- ◆ **The Mediobanca Group's results for the first nine months of its financial year show growth at the level of net profit (up 39% from €442m to €614m) and gross operating profit (up 23%, from €558m to €686m), driven by a healthy performance by revenues and the ongoing reduction in the cost of risk for all business lines. The main items performed as follows:**
 - ◆ **Revenues rose 9% to €1,657m**, with all the main items growing. **Net interest income was up 5%**, to €955m, reflecting the **broad diversification in terms of sources** (ranging from the substantial growth in consumer credit for the nine months, to the increased size of the Wealth Management division, to the recovery in treasury operations in Q3); **fee income was up 19%**, to €402m, due to the **recovery in CIB fee-based activities** (up 10% to €199m for the nine months and up 45% in Q3), and the enhanced contribution from **Wealth Management** (up 47% to €144m); this division, including the recently-acquired companies (Barclays, Cairn Capital and also – as from Q4 – 100% of Banca Esperia), **generates nearly 40% of the Group's fee income**;
 - ◆ **Loan loss provisions were down 22%**, from €319m to €248m, and the **cost of risk now stands at 92 bps** (125 bps), **below the targets set in the Strategic Plan**; the trend in asset quality is positive in all divisions, in particular WB (cost of risk now almost zero) and Consumer Credit (cost of risk down from 339 bps to 259 bps); **while the coverage ratio was up for NPLs** (to 56%), **bad debts** (to 71%), and **performing loans** (to 1.1% for the Group as a whole and to 2.5% for Consumer Credit); **Texas ratio²** now below 15%;
 - ◆ **GOP net of the cost of risk³ was up 23%**, from €558m to €686m;
 - ◆ **Net profit climbed 39% to €614m**, reflecting:
 - €142m in gains realized on disposal/writedowns to AFS shares, referring chiefly to the **disposal of half the shares owned in Atlantia** (€110m) **and a 5% stake in Koenig & Bauer** (€28m);
 - **€50m one-off contribution to the Single Resolution Fund**, as well as **€24m in ordinary contributions**;
 - **€23m** in other net income, €21m of which deriving from the Barclays' acquisition PPA process;
 - ◆ **ROTE⁴ for the Mediobanca Group rose from 7% to 10%**. **All the divisions reflect improving profitability levels**, with the single exception of the Holding Functions, which despite showing a recovery in Q3, posted a loss of €179m for the nine months (€142m), due to the higher liquid assets in a negative interest rate scenario:
 - **CIB**: net profit up 16% to €218m – **ROAC⁵** up from 10% to **13%**
 - **Consumer Banking**: net profit doubled to €198m – **ROAC** up from 17% to **25%**
 - **Wealth Management**: TFA increasing to €52bn (up 20% on end-June 2016), net profit up 69% (from €32m to €55m) – **ROAC** up from 9% to **10%**
 - **Principal Investing**: net profit up 19% to €320m – **ROAC 15%**

² Texas ratio: net NPLs/Common Equity Capital (CET1).

³ GOP net of cost of risk: revenues minus operating costs minus loan loss provisions.

⁴ ROTE: net profit/average tangible equity (K1). K1= Net equity less goodwill less other intangible assets.

⁵ ROAC: net profit adjusted for non-recurring items/capital allocated (K). K= 9% * RWAs plus deductions from CET1.



- ◆ **Capital ratios** at 31 March 2017 reflect further strengthening and are now at their **highest levels since 2008. Mediobanca is positioned as one of the best banks in Europe, without having implemented capital increases in the past twenty years, and without yet having adopted the advanced models. The 9M ratio also reflects full recovery of the negative effect of the Assicurazioni Generali deduction⁶ in order to comply with the concentration limits:**
 - **CET1:⁷ 13.1% phased-in, 13.4% fully phased**
 - **Total capital: 16.8% phased-in, 17.0% fully phased**

- ◆ In the course of the nine months, the **Mediobanca Group has laid the foundations for the development of the Wealth Management platform, in accordance with the Strategic Plan guidelines:**
 - CheBanca!: Barclays' branches harmonized, integration underway, IT migration due to take place this month
 - Banca Esperia: acquisition completed on 4 April, integration underway, new products launched
 - Spafid/CMB: minor acquisitions to increase critical mass and fee base
 - Cairn: launch of three new funds (RE, Subfin, Loans) and two new CLOs

- ◆ **3M results for quarter ended 31 March 2017 reflect increases in net profit (up 33% Q.o.Q., from €148m to €196m) and GOP (up 31% Q.o.Q., from €198m to €261m), driven by the healthy trend in revenues (up 7% Q.o.Q., from €546m to €584m) and the ongoing reduction in the cost of risk (to 69 bps, 35 bps below the 104 bps for the previous quarter), with all divisions contributing positively. The main income items performed as follows:**
 - ◆ **Revenues rose by 7%, to €584m, with all the main items contributing positively:** net interest income stable at €320m, fees up 23% to €165m, net trading income up 30% to €42m, equity-accounted companies' contribution stable at €58m;
 - ◆ **Loan loss provisions decreased by 34%, to €64m (from €97m); at the same time NPLs ("deteriorate") reduced by 2% Q.o.Q., to €921m, declining also in relative terms to just 2.48% of the total loan book, with the coverage ratio 1 pp higher at 56%; bad loans ("sofferenze") were down 3% Q.o.Q., to €162m, now representing 0.4% of the total loan book, with the coverage ratio 2 pp higher at 71%;**
 - ◆ **AUM/AUA increased by €1.5bn and now total €22.8bn**
 - ◆ **Capital ratios show strong Q.o.Q. improvement:**
 - CET1: phase-in up 80 bps Q.o.Q., to 13.1%; fully-phased up 60 bps, to 13.4%
 - Total capital: phase-in up 110 bps Q.o.Q., to 16.8%; fully-phased up 60 bps to 17.0%

⁶ Since 30 June 2016, €1.1bn deducted from CET1 and €1.2bn from total capital.

⁷ Internal calculation which differs from the one included in the Common Reporting (COREP) as it includes the result for the period (not subject to authorization pursuant to Article 26 of the CRR), which represents approx. 31 bps of CET1. Full application of the CRR rules – in particular the right to include the entire AFS reserve in the calculation of CET1 – and the Assicurazioni Generali investment being weighted at 370%.



With Renato PAGLIARO in the Chair, the Directors of Mediobanca approved the Group's financial statements for the period ended 31 March 2017, as illustrated by Chief Executive Officer Alberto NAGEL.

Consolidated results

The Mediobanca Group delivered a 39% increase in net profit for the nine months, from €442m to €614m, and 23% growth in gross operating profit⁸ (from €558m to €686m). This healthy performance was driven by strong growth in revenues and the ongoing decrease in the cost of risk for all businesses. The positive trend witnessed in the first six months, when net profit was up 30.2%, has thus continued in the third quarter.

Group revenues climbed 9.1%, from €1,519m to €1,656.8m, in the first nine months, and were up 7% in Q3; organic diversification and growth due to acquisitions of fee-generating businesses offsetting the ongoing reduction in margins on assets. The main income items performed as follows:

- ◆ **Net interest income was up 5.5%**, from €905.7m to €955.1m, reflecting the increases posted by Consumer Banking (up 11.3%, from €551m to €613.3m) and Wealth Management (up 27.1%, from €140.4m to €178.4m, around one-quarter of which is due to the consolidation of the former Barclays' operations for seven months), more than offsetting the reduction by the Holding Functions (from minus €17.6m to minus €65.4m), which were penalized by the higher liquid assets in a negative interest rate scenario; net interest income generated by the Holding Functions recovered in Q3, demonstrating the diversification of the growth sources;
- ◆ **Net treasury income grew** from €97.4m to €105.4m, with CIB businesses contributing €32.2m in Q3;
- ◆ **Net fee and commission income increased by 19.5%**, from €336.4m to €401.9m, due to the upturn in capital markets activity, which takes Wholesale Banking up to last year's levels (€167.3m, €80.5m of which in the last quarter), and the contributions of Cairn Capital (€23.2m, compared with €3.4m last year) and CheBanca! (up from €30.6m to €50.3m, including €15.8m relating to the former Barclays' activities); fees earned by the Wealth Management division now represent some 40% of the Group total;
- ◆ **Profits earned by the equity-accounted companies rose** from €179.5m to €194.4m, and reflect a positive Q3 contribution by Assicurazioni Generali of €58m (compared with €41m last year).

Operating costs rose by 12.5%, from €642.7m to €722.9m, some €70m in respect of the newly-consolidated entities; on a like-for-like basis the increase would have been just 2%.

The declining trend in loan loss provisions continued, down 22.2%, from €318.8m to €248.1m, in all business segments; provisioning in Q3 totalled just €64m, with consumer credit recording its lowest-ever total of €59m, and the cost of risk decreasing from 339 bps to 259 bps, helped by €9.4m in writebacks in Wholesale Banking. **The cost of risk at Group level fell from 125 bps (as at end-March 2016) to 92 bps, on a higher coverage ratio for both non-performing (from 54% to 56%) and performing items (from 0.9% to 1.1%).**

⁸ Profit from ordinary activities net of the cost of risk: revenues – operating costs – loan loss provisions.



Net gains on the securities portfolio totalled €141.5m (31/3/16: €98m), and include chiefly the gain booked in the first six months of the year on the stake in **Atlantia (€110.4m)** and the disposal of 5.1% of the investment in **Koening & Bauer (€28.1m)**. Provisions in respect of other financial assets reduced in the nine months, from €18.5m to €6.1m, €1.9m of which for AFS shares.

Other items totalled €55.9m (€91.3m), which includes a €50m one-off contribution to the Single Resolution Fund for new measures in favour of Banca Marche, Popolare Etruria, Casse di Risparmio di Chieti e Ferrara, plus €23.8m in ordinary contributions to the other resolution and deposit protection funds (€28.5m last year); conversely, there was other income of €23.4m, €21.4m of which related to the Barclays' acquisition.

Turning now to the **balance-sheet aggregates**, total assets were up slightly on the €70.2bn posted at end-March 2016, at €72.7bn, performing as follows:

- ◆ **Loans and advances to customers increased from €34.9bn to €37.2bn** due to the acquisition of the former Barclays' mortgages, which added €2.5bn, and the growth in Consumer Banking (€0.7bn) and Specialty Finance (€0.3bn). In Q3 the aggregate fell by €0.4bn, chiefly due to early repayments in wholesale banking of approx. €700m;
- ◆ **Funding rose from €46.1bn to €49.2bn** as a result of consolidating the former Barclays' deposits (up €2.9bn), but declined slightly in Q3 (by €0.5bn) due to the reshuffling of ECB facilities (€2bn of TLTRO1 repaid and €1.5bn of TLTRO2 drawn); while bonds issued and retail deposits were both stable at end-December levels (€19.6bn and €13.7bn respectively);
- ◆ **Cash and liquid assets remain high, albeit improving in Q3:** banking book bonds fell from €10.1bn to €8.4bn, to the benefit of net treasury funds, which increased from €4.5bn to €7.8bn, €2.1bn of which with the ECB. The process of optimizing the surplus cash has been launched (LCR down from 370% at end-December to 260% at end-March);
- ◆ **Total financial assets** in Wealth Management, including direct deposits, **grew from €41.2bn to €51.7bn. AUM/AUA reached €22.8bn, and were up approx. €1.5bn in Q3** (€15.7bn of which in Private banking and €7.1bn in Affluent & Premier).
- ◆ **The Group's capital ratios**,⁹ taking into account the phase-in effect as at 1 January 2017, **were strengthened as a result of retained earnings** (profit for the period net of the estimated 40% pay-out), and **the reduction in risk-weighted assets (RWAs)** (from €60bn at end-March 2016 to €53.8bn at end December 2016, and €52.2bn at end-March 2017), on lower CIB volumes and a reduction in market risks:
 - ◆ Phase-in: **CET1 ratio 13.12%** (31/12/16: 12.27%) and **total capital ratio 16.75%** (15.74%)
 - ◆ Fully-phased:¹⁰ **CET1 ratio 13.35%** (31/12/16: 12.82%) and **total capital ratio 17.03%** (16.41%).

⁹ Managerial calculation as at March 2017, which differs from the one included in the Common Reporting (COREP) as it includes the result for the period (not subject to authorization pursuant to Article 26 of the CRR), which represents approx. 31 bps of CET1.

¹⁰ Full application of the CRR rules – in particular the right to include the entire AFS reserve in the calculation of CET1 – and the Assicurazioni Generali investment being weighted at 370%.



Divisional results

With the new three-year strategic plan, the Group has been segmented into five divisions:

- ◆ **Corporate & Investment Banking (CIB):** this division brings together all services provided to corporate clients in **Wholesale Banking** (lending, advisory, capital markets activity and proprietary trading) and **Specialty Finance** (factoring and credit management, including the NPLs portfolios);
- ◆ **Consumer Banking (CB):** this division provides retail clients with the full range of consumer credit products, from personal loans to salary-backed finance (Compass and Futuro);
- ◆ **Wealth Management (WM):** this division brings together services offered to **Private & High Net Worth Individual** (Compagnie Monégasque de Banque, Banca Esperia and Spafid) and asset management activities for **Affluent & Premier** clients (CheBanca!); the division also includes Cairn Capital (**Alternative AM**);
- ◆ **Principal Investing (PI):** this division brings together the Group's portfolio of equity investments (Assicurazioni Generali) and other equity holdings;
- ◆ **Holding Functions** (formerly the Corporate Centre): this division houses the Group's Treasury and ALM units (previously part of the CIB division), and all costs relating to Group staffing and management functions, most of which were also previously allocated to CIB; and continues to include the leasing operations.

1. **Corporate & Investment banking: net profit up 16% to €218m, ROAC up from 10% to 13%**

Corporate and Investment Banking delivered a net profit up from €186.9m to €217.6m, due to the upturn in fee income, higher revenues generated by Specialty Finance and the reduction in loan loss provisions.

1.1. **Wholesale Banking: net profit up 13% to €200m, ROAC 12%**

Wholesale Banking saw net profit up 13% for the nine months, from €177.2m to €200.2m, helped by writebacks to loans and securities totalling €9.4m (against €17.6m in writedowns last year). Revenues, although down year-on-year (by 1.9%, from €451.1m to €442.7m), reflect a significant Q3 recovery in fee income, and a healthy performance in trading. The main income items performed as follows:

- ◆ Net interest income was down 5.7%, from €200.8m to €189.3m, due to the combined effect of lower volumes and lower margins;
- ◆ Net trading income was up 3.4%, from €83.3m to €86.1m, on the back of a good performance in Q3 which added €32.2m, in both segments (fixed-income and equity);
- ◆ Net fee and commission income returned to last year's levels, at €167.3m (€167m), due to the 45% recovery in Q3 (€92m) driven by equity capital market activity.

Operating costs remained stable at €152.6m (€152.2m): the increase in spending on projects was offset by the lower labour costs.



Provisions for financial assets (loans and receivables and held to maturity assets) reflect net writebacks of €9.4m, representing the balance between writebacks of €11.1m on the loan book (€9m of which accrued in Q3) and €1.7m in writedowns to securities.

Loans and advances to customers fell from €14.2bn to €13.5bn in the three months, reflecting some €700m in early repayments; NPLs remained unchanged at €371.9m, or 2.8% of the loan book, with a coverage ratio of 50.1% (31/3/17: 48%).

1.2. Specialty Finance: net profit doubled to €17m, ROAC 22%

This division delivered a net profit for the nine months that was virtually twice last year's levels, up from €9.7m to €17.4m, due to higher business volumes which drove a 54.3% increase in revenues from €41.8m to €64.5m, in both components:

- ◆ Net interest income climbed 20.4%, driven by factoring business;
- ◆ Net fee and commission income more than doubled, driven by the credit recovery business and by collections on the NPLs portfolio being higher than the models.

At the same time, operating costs rose by 32.6%, from €18.7m to €24.8m, on higher volumes plus an increase in recovery costs associated with the NPLs portfolio. Loan loss provisions rose from €8.8m to €17.5m, and include €3.3m in one-off adjustments to performing items in the factoring business, to align them with the new model parameters (time horizon twelve months).

Loans and advances were up 28% year-on-year, from €905m to €1,158.8m, split between factoring (€1,082.9m, versus €843m) and NPLs (€75.9m, versus €62m). Net non-performing items totalled €87.6m, €11.7m of which in factoring.

2. Consumer credit: net profit doubled to €198m, best result ever; ROAC 25%

Compass delivered an outstanding set of results for the nine months:

- ◆ Revenues up 12%, from €637.7m to €714.5m
- ◆ Cost/income ratio down to 29%
- ◆ Loan loss provisions down 19.1%
- ◆ Net profit virtually twice as high, at €198.1m, with ROAC up to 25%.

Revenues were boosted by higher volumes, with margins resilient, reflected in higher net interest income (up 11.3%, from €551m to €613.3m) and fee income (up 16.7%); while costs were up 6.1%, from €194.8m to €206.7m. Loan loss provisions decreased by 19.1% (from €269.1m to €217.8m), and reflect a widespread improvement in the risk profile on the loan book, in line with the trend seen in previous quarters; the cost of risk reduced further, from 286 bps at end-December 2016 (six months) to 259 bps at end-March 2017 (nine months), with the coverage ratio stable at 73% for the non-performing items and 2.5% for the performing items.

The growth in loans and advances to customers continued during Q3, rising from €11,244.9m to €11,464.5m, on new loans of €4,832.2m for the nine months (up 7.1% on last year). NPLs



grew from €176.3m to €184.7m (1.6% of total loans), due to lower market disposals which take place mainly on a six-monthly basis.

3. Wealth Management: net profit doubled to €54m, ROAC 10%

Wealth Management saw net profit rise from €32.3m to €54.6m, with all segments improving: Affluent & Premier, Private Banking and Alternative Asset management.

Total financial assets (TFA¹¹) rose from €41.2bn to €51.7bn. AUM/AUA reached €22.8bn, and climbed around €1.5bn in Q3 (€15.7bn of which in Private banking and €7.1bn in the Affluent & Premier segment).

The ROAC posted by the division as a whole, adjusted for non-recurring items, rose from 9% to 10%.

3.1. Affluent & Premier (CheBanca!): process of integrating Barclays' Italian operations launched. AUM up to €21bn, net profit increased to €23m

CheBanca! posted a net profit for the nine months of €23.2m (€7.1m), up sharply on last year due to the Barclays' business unit acquisition: revenues were up 40.2% (from €143.5m to €201.2m, €69.5m of which in Q3), the new business unit contributing €65.6m; operating costs rose by 43%, from €120.4m to €172.2m (€61.3m of which in Q3), with the former Barclays' operations contributing €53.2m. Provisions for financial assets rose from €12.5m to €15.7m, and include a one-off charge of €1.1m in respect of the 1.5% stake in CariCesena acquired as a result of the voluntary contribution made to the Deposit Guarantee Fund. The income deriving from the purchase price allocation process for the Barclays' business unit decreased in Q3, from €29.4m to €21.4m as a result of the integration costs incurred.

The direct funding conversion process continued during Q3, declining from €13,841.8m to €13,742.2m as a result, with indirect funding up from €6,934.2m to €7,108m. Mortgage loans remained basically stable at €7,421.1m, despite higher new loans of €841.4m (€767.3m for the nine months), due to the continuing subrogations. Non-performing assets declined slightly, from €176.5m to €172.3m, with a coverage ratio of 48.4% (31/12/16: 49.2%).

3.2. Private Banking: revenues, profits and AUM all up, ROAC 18%

Private banking delivered a net profit of €31.4m for the nine months, higher than the €25.2m posted last year. The 26.5% increase in revenues, from €103.1m to €130.4m, reflects higher fees (up from €66.7m to €93.2m) and a slight, 1.1% rise in net interest income. Operating costs were up 21.2%, from €76.8m to €93.1m (€76.2m on a like-for-like basis).

All companies showed improvements:

- ◆ CMB posted a net profit of €24.9m, on revenues of €64.7m, €2.8m in gains on the AFS portfolio, and tax of €4.4m;
- ◆ Banca Esperia contributed a pro rata net profit of €0.2m (after one-off provisions totalling €1.2m), with revenues up 8.8% to €33.4m;
- ◆ Cairn Capital reported a net profit of €5.2m, on revenues of €23.7m (€3m last year) and costs totalling €16.9m;

¹¹ TFA= Total Financial Assets: deposits + AUM + AUA + assets held under custody.



- ◆ Spafid posted revenues of €8.7m and a net profit of €1.1m.

AUM/AUA rose from €14.4bn to €15.7bn in the quarter, split between CMB with €6.4bn (€6bn), Banca Esperia with €6.7bn (€6.4bn), and Cairn with €2.5bn (€2bn). Securities held under custody were virtually unchanged at €11.3bn (€11.4bn), due to growth by Spafid (€4.4bn, vs €4bn) and Banca Esperia (€2.1bn, vs €1.8bn), despite the reduction in assets under long-term advice by Cairn (€4.6bn, vs €5.3bn).

The acquisition of the other 50% of Banca Esperia not already owned by Mediobanca from Mediolanum was completed on 4 April 2017, for a consideration of €141m. The acquisition fits with the Mediobanca Group's strategy to grow its presence in private banking (WM) and the mid cap segment (CIB) which represent two of the main priorities of the new Strategic Plan. The integration of Banca Esperia will enable the Mediobanca Group to deliver major cost synergies and to reshape its private banking services offering in Italy. The mid-corporate clients' services platform will also be enhanced, as will the Group's asset management product factory.

4. Principal Investing: net profit up 19% to €320m, ROAC 15%, disposals continue

The €320m net profit earned by this division (31/3/16: €268.6m) includes gains on disposals of AFS shares totalling €138.6m (€110.4m of which in respect of the Atlantia stake sold in Q1, and €28.1m for the 5.1% holding in Koenig & Bauer), plus the Assicurazioni Generali investment contribution (up from €178.6m to €194.1m).

The book value of the Assicurazioni Generali investment declined in the three months from €3,346.1m to €3,188.1m, representing the balance of the profit for the period (€59.4m) and the negative asset reserves (€217.4m), chiefly due to the trend in the valuation reserves in Q4 2016.

AFS equities increased from €640.4m to €678m, following share sales and private equity fund redemptions totalling €47.5m, new investments in Cairn seed capital projects of €26.1m, and adjustments to fair value totalling €72.1m.

During the three months the forward sale of Atlantia shares was completed, involving €11.2m in securities for delivery in Q3 2017.

5. Holding functions: €179m loss due to high liquidity levels in a negative interest rate scenario, but recovering in Q3

The €178.8m loss incurred by this division (31/3/16: €141.8m) reflects net interest expense of €65.4m (vs €17.6m last year), despite an improvement in the third quarter (22% better than in Q2), reflecting treasury management charges (repricing of securities held and higher short-term liquidity). Operating costs were virtually unchanged at €114.4m (€115.5m), as were extraordinary charges, at €80.2m (compared with €85.8m), which involved the contributions to the Single Resolution Fund and Deposit Guarantee Fund (including the estimated full ordinary Single Resolution Fund ordinary contribution for 2017 of €23.8m).

This division houses the Group's treasury and ALM unit, which posted a loss of €84.2m (€24.7m in Q3), and the leasing operations, which reflect lower profits of €3.8m (€4.9m) due to lower business volumes.



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The Board of Directors has approved plans to merge Banca Esperia into Mediobanca. The project fits with the new 2016-19 Strategic Plan approved in November 2016, in particular the **strategy to grow its presence in private banking** (Wealth Management division, "WM") **and the mid cap segment** (Corporate & Investment Banking division, "CIB").

The Banca Esperia merger will generate higher revenues from capital-light and fee-driven businesses through:

- ◆ Enhanced coverage of AUM/AUA held by Banca Esperia, as a result of the direct legal relationship;
- ◆ More effective co-ordination mechanisms between private and investment banking;
- ◆ Use of the Mediobanca brand in the private banking segment.

The merger will also generate cost synergies from the optimization of joint services and staffing areas, and as a result of the legal entity ceasing to exist.

As the company is 100%-owned by Mediobanca, the transaction will not entail the issuance of any new shares or give rise to any right of withdrawal by shareholders. It also qualifies for exemption under the terms of the Procedure in respect of Transactions with Related Parties. The draft merger plans and related annexes shall be published within the term and by the means set by law. The merger will be completed once authorization has been received from the European Central Bank.

Milan, 10 May 2017

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Restated consolidated profit and loss accounts

Mediobanca Group (€m)	9 mths	9 mths	Chg. (%)
	31/03/2016	31/03/2017	
Net interest income	905.7	955.1	5.5%
Net treasury income	97.4	105.4	8.2%
Net fee and commission income	336.4	401.9	19.5%
Equity-accounted companies	179.5	194.4	8.3%
Total income	1,519.0	1,656.8	9.1%
Labour costs	(319.8)	(363.6)	13.7%
Administrative expenses	(322.9)	(359.3)	11.3%
Operating costs	(642.7)	(722.9)	12.5%
Gains (losses) on AFS, HTM & LR	98.0	141.5	44.4%
Loan loss provisions	(318.8)	(248.1)	-22.2%
Provisions for other financial assets	(18.5)	(6.1)	-67.0%
Other income (losses)	(91.3)	(55.9)	n.m.
Profit before tax	545.7	765.3	40.2%
Income tax for the period	(100.1)	(148.9)	48.8%
Minority interest	(3.2)	(2.5)	-21.9%
Net profit	442.4	613.9	38.8%

Quarterly profit and loss accounts

Mediobanca Group (€m)	FY15/16				FY16/17		
	I Q	II Q	III Q	IV Q	I Q	II Q	III Q
	30/09/15	31/12/15	31/03/16	30/06/16	30/09/16	31/12/16	31/03/17
Net interest income	302.5	301.8	301.4	301.0	314.2	321.4	319.5
Net treasury income	26.2	19.6	51.6	35.7	31.8	32.0	41.6
Net commission income	95.8	131.6	109.0	113.7	102.2	134.6	165.1
Equity-accounted companies	82.6	56.2	40.7	77.2	78.1	58.1	58.2
Total income	507.1	509.2	502.7	527.6	526.3	546.1	584.4
Labour costs	(98.1)	(111.6)	(110.1)	(121.0)	(107.3)	(123.8)	(132.5)
Administrative expenses	(98.7)	(111.4)	(112.8)	(128.2)	(105.3)	(127.1)	(126.9)
Operating costs	(196.8)	(223.0)	(222.9)	(249.2)	(212.6)	(250.9)	(259.4)
Gains (losses) on AFS equity	88.5	4.0	5.5	26.2	112.0	9.7	19.8
Loan loss provisions	(115.4)	(109.0)	(94.4)	(100.1)	(86.8)	(96.9)	(64.4)
Provisions for other fin. assets	(3.5)	(9.3)	(5.7)	(0.9)	(5.9)	(2.0)	1.8
Other income (losses)	0.0	(71.5)	(19.8)	(13.0)	(4.8)	(21.4)	(29.7)
Profit before tax	279.9	100.4	165.4	190.6	328.2	184.6	252.5
Income tax for the period	(34.5)	(22.7)	(42.9)	(28.6)	(56.7)	(36.2)	(56.0)
Minority interest	(1.1)	(0.9)	(1.2)	0.1	(0.8)	(0.9)	(0.8)
Net profit	244.3	76.8	121.3	162.1	270.7	147.5	195.7



1. Restated balance sheet

Mediobanca Group (€m)	31/03/2016	30/06/2016	31/12/2016	31/03/2017
Assets				
Financial assets held for trading	10,139.6	9,505.3	10,335.7	10,235.8
Treasury financial assets	7,933.7	8,407.9	10,236.1	9,968.7
AFS equities	933.3	914.3	697.6	734.7
Banking book securities	10,091.9	9,890.3	8,272.7	8,441.7
Customer loans	34,943.5	34,738.7	37,598.3	37,153.0
<i>Corporate</i>	14,792.5	14,254.1	14,207.8	13,505.3
<i>Specialty Finance</i>	904.5	871.0	1,150.0	1,158.8
<i>Consumer credit</i>	10,779.2	10,995.2	11,244.9	11,464.5
<i>Mortgages</i>	4,913.9	5,051.3	7,441.5	7,421.1
<i>Private banking</i>	971.8	1,072.6	1,191.9	1,265.0
<i>Leasing</i>	2,581.6	2,494.5	2,362.2	2,338.3
Equity investments	3,219.6	3,193.3	3,441.1	3,318.6
Tangible and intangible assets	759.1	757.8	787.8	797.6
Other assets	2,189.5	2,411.0	2,105.6	2,006.3
Total assets	70,210.2	69,818.6	73,474.9	72,656.4
Liabilities				
Funding	46,106.3	46,658.4	49,665.3	49,178.9
<i>MB bonds</i>	20,178.7	20,310.7	19,666.8	19,636.2
<i>Retail deposits</i>	10,388.9	10,724.1	13,841.8	13,742.2
<i>Private Banking deposits</i>	2,528.4	3,002.8	3,557.1	3,523.7
<i>ECB</i>	5,480.0	5,011.0	6,511.0	6,008.0
<i>Banks and other</i>	7,530.3	7,609.7	6,088.6	6,268.8
Treasury financial liabilities	6,282.1	5,254.7	5,337.4	5,440.2
Financial liabilities held for trading	7,294.7	7,141.5	7,413.3	6,919.5
Other liabilities	1,607.9	1,661.9	1,654.1	1,701.1
Provisions	183.1	180.3	261.8	259.9
Net equity	8,736.1	8,921.8	9,143.0	9,156.8
<i>Minority interest</i>	89.4	89.2	91.8	92.9
<i>Profit for the period</i>	442.4	604.5	418.2	613.9
Total liabilities	70,210.2	69,818.6	73,474.9	72,656.4
CET 1 capital ¹	7,490.8	6,504.8	6,602.8	6,853.4
Total capital ¹	9,425.8	8,227.2	8,468.9	8,748.3
RWA ¹	60,025.5	53,861.6	53,791.5	52,239.9

Net equity (€m)	31/12/2016	31/03/2017	Chg. (%)
Share capital	436.4	438.6	0.5%
Other reserves	7,034.2	7,037.7	0.0%
Valuation reserves	1,162.4	973.7	-16.2%
- of which: AFS securities	295.3	335.5	13.6%
<i>cash flow hedge</i>	(17.8)	(36.4)	n.m.
<i>equity investments</i>	886.8	676.1	-23.8%
Profit for the period	418.2	613.9	46.8%
Total Group net equity	9,051.2	9,063.9	0.1%



Ratios (%) and per share data (€)

Mediobanca Group	31/03/2016	30/06/2016	31/12/2016	31/03/2017
Total assets / Net equity	8.0	7.8	8.0	7.9
Loans / Funding	0.8	0.7	0.8	0.8
CET1 ratio ¹	12.5	12.1	12.3	13.1
Total capital ¹	15.7	15.3	15.7	16.8
S&P Rating	BBB-	BBB-	BBB-	BBB-
Fitch Rating	BBB+	BBB+	BBB+	BBB+
Cost / Income	42.3	43.6	43.2	43.6
Bad Loans (sofferenze)/Loans ratio ² (%)	0.5	0.5	0.4	0.4
EPS	0.51	0.69	0.48	0.70
BVPS	10.0	10.2	10.5	10.4
DPS		0.27		
No. shares	871.0	871.0	872.8	877.2

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

9m- Mar.17 (€m)	CIB	Consumer	WM	PI	Holding Functions	Group
Net interest income	222.3	613.3	178.4	(5.3)	(65.4)	955.1
Net treasury income	86.1	0.0	9.7	7.5	6.2	105.4
Net fee and commission income	198.8	101.2	143.5	0.0	12.9	401.9
Equity-accounted companies	0.0	0.0	0.0	194.1	0.0	194.4
Total income	507.2	714.5	331.6	196.3	(46.3)	1,656.8
Labour costs	(98.3)	(69.1)	(130.3)	(2.7)	(81.0)	(363.6)
Administrative expenses	(79.1)	(137.6)	(135.0)	(0.5)	(33.4)	(359.3)
Operating costs	(177.4)	(206.7)	(265.3)	(3.2)	(114.4)	(722.9)
Gains (losses) on disposal of AFS shares	0.0	0.0	3.4	138.6	0.0	141.5
Loan loss provisions	(6.4)	(217.8)	(15.2)	0.0	(9.1)	(248.1)
Provisions for other financial assets	(1.7)	0.0	(1.8)	(0.9)	(2.4)	(6.1)
Other income (losses)	0.0	0.0	21.3	0.0	(80.2)	(55.9)
Profit before tax	321.7	290.0	74.0	330.8	(252.4)	765.3
Income tax for the period	(104.1)	(91.9)	(19.4)	(10.8)	76.1	(148.9)
Minority interest	0.0	0.0	0.0	0.0	(2.5)	(2.5)
Net profit	217.6	198.1	54.6	320.0	(178.8)	613.9
Loans and advances to Customers	14,664.1	11,464.5	9,165.5	0.0	2,338.6	37,153.0
RWAs	23,441.1	11,411.1	5,516.5	7,602.8	4,268.4	52,239.9
No. of staff	577	1,398	1,905	11	777	4,523



9m- Mar.16 (€m)	CIB	Consumer	WM	PI	Holding Functions	Group
Net interest income	228.2	551.0	140.4	0.0	(17.6)	905.7
Net treasury income	83.3	0.0	8.9	15.9	(4.7)	97.4
Net fee and commission income	181.4	86.7	97.3	0.0	14.0	336.4
Equity-accounted companies	0.0	0.0	0.0	178.6	0.0	179.5
Total income	492.9	637.7	246.6	194.5	(8.3)	1,519.0
Labour costs	(98.6)	(66.3)	(93.1)	(3.4)	(57.2)	(319.8)
Administrative expenses	(72.3)	(128.5)	(104.1)	(1.1)	(58.3)	(322.9)
Operating costs	(170.9)	(194.8)	(197.2)	(4.5)	(115.5)	(642.7)
Gains (losses) on disposal of AFS shares	0.0	0.0	1.1	96.9	0.0	98.0
Loan loss provisions	(26.4)	(269.1)	(13.0)	0.0	(10.6)	(318.8)
Provisions for other financial assets	0.0	0.0	(0.1)	(17.0)	(1.4)	(18.5)
Other income (losses)	0.0	(5.6)	0.0	0.0	(85.8)	(91.3)
Profit before tax	295.6	168.2	37.4	269.9	(221.6)	545.7
Income tax for the period	(108.7)	(64.6)	(5.1)	(1.3)	83.0	(100.1)
Minority interest	0.0	0.0	0.0	0.0	(3.2)	(3.2)
Net profit	186.9	103.6	32.3	268.6	(141.8)	442.4
Loans and advances to Customers	15,697.0	10,779.2	6,392.6	0.0	2,581.6	34,943.5
RWAs	29,898.3	10,360.0	4,219.2	11,540.1	4,007.9	60,025.5
No. of staff	576	1,392	1,430	12	739	4,009

4. Corporate & Investment Banking

Corporate & Investment Banking (€m)	9 mths	9 mths	Chg. (%)
	31/03/2016	31/03/2017	
Net interest income	228.2	222.3	-2.6%
Net treasury income	83.3	86.1	3.4%
Net fee and commission income	181.4	198.8	9.6%
Equity-accounted companies	0.0	0.0	n.m.
Total income	492.9	507.2	2.9%
Labour costs	(98.6)	(98.3)	-0.3%
Administrative expenses	(72.2)	(79.1)	9.5%
Operating costs	(170.9)	(177.4)	3.8%
Gains (losses) on AFS equity	0.0	0.0	n.m.
Loan loss provisions	(26.4)	(6.4)	-75.8%
Provisions for other financial assets	0.0	(1.7)	n.m.
Other income (losses)	0.0	0.0	n.m.
Profit before tax	295.5	321.7	8.9%
Income tax for the period	(108.7)	(104.1)	-4.2%
Minority interest	0.0	0.0	n.m.
Net profit	186.9	217.6	16.4%
Loans and advances to customers	15,697.0	14,664.1	-6.6%
New loans	6,728.4	7,552.2	12.2%
No. of staff	576.0	577.0	0.2%
RWAs	29,898.3	23,441.1	-21.6%
Cost/income ratio (%)	34.7	35.0	
Bad loans (sofferenze)/loans ratio (%)	0	0	



4.1 Wholesale Banking

Wholesale banking (€m)	9 mths	9 mths	Chg. (%)
	31/03/2016	31/03/2017	
Net interest income	200.8	189.3	-5.7%
Net treasury income	83.3	86.1	3.4%
Net fee and commission income	167.0	167.3	0.2%
Equity-accounted companies	0.0	0.0	n.m.
Total income	451.1	442.7	-1.9%
Labour costs	(89.2)	(87.0)	-2.5%
Administrative expenses	(62.9)	(65.6)	4.2%
Operating costs	(152.2)	(152.6)	0.3%
Gains (losses) on AFS equity	0.0	0.0	n.m.
Loan loss provisions	(17.6)	11.1	n.m.
Provisions for other financial assets	0.0	(1.7)	n.m.
Other income (losses)	0.0	0.0	n.s.
Profit before tax	281.2	299.5	6.5%
Income tax for the period	(104.1)	(99.3)	-4.6%
Minority interest	0.0	0.0	n.m.
Net profit	177.2	200.2	13.0%
Loans and advances to customers	14,792.5	13,505.3	-8.7%
New loans	5,409.2	4,916.8	-9.1%
No. of staff	375	354	-5.6%
RWAs	28,966.7	22,316.0	-23.0%
Cost/income ratio (%)	33.7	34.5	0.9%
Bad loans (<i>sofferenze</i>)/loans ratio (%)	0	0	

4.2 Specialty Finance

Specialty Finance (€m)	9 mths	9 mths	Chg. (%)
	31/03/2016	31/03/2017	
Net interest income	27.4	33.0	20.4%
Net treasury income	0.0	0.0	n.m.
Net fee and commission income	14.4	31.5	118.8%
Equity-accounted companies	0.0	0.0	n.m.
Total income	41.8	64.5	54.3%
Labour costs	(9.4)	(11.3)	20.2%
Administrative expenses	(9.3)	(13.5)	45.2%
Operating costs	(18.7)	(24.8)	32.6%
Gains (losses) on AFS equity	0.0	0.0	n.m.
Loan loss provisions	(8.8)	(17.5)	98.9%
Provisions for other financial assets	0.0	0.0	n.m.
Other income (losses)	0.0	0.0	n.m.
Profit before tax	14.3	22.2	55.2%
Income tax for the period	(4.6)	(4.8)	4.3%
Minority interest	0.0	0.0	n.m.
Net profit	9.7	17.4	79.4%
Loans and advances to customers	904.5	1,158.8	28.1%
New loans	1,319.2	2,635.4	99.8%
No. of staff	201	223	10.9%
RWAs	931.6	1,125.1	20.8%
Cost/income ratio (%)	44.7	38.4	
Bad loans (<i>sofferenze</i>)/loans ratio (%)	0.2	0.3	



5. Consumer Banking

Consumer Banking (€m)	9 mths	9 mths	Chg. (%)
	31/03/2016	31/03/2017	
Net interest income	551.0	613.3	11.3%
Net treasury income	0.0	0.0	n.m.
Net fee and commission income	86.7	101.2	16.7%
Equity-accounted companies	0.0	0.0	n.m.
Total income	637.7	714.5	12.0%
Labour costs	(66.3)	(69.1)	4.3%
Administrative expenses	(128.5)	(137.6)	7.1%
Operating costs	(194.8)	(206.7)	6.1%
Gains (losses) on AFS equity	0.0	0.0	n.m.
Loan loss provisions	(269.1)	(217.8)	-19.1%
Provisions for other financial assets	0.0	0.0	n.m.
Other income (losses)	(5.6)	0.0	n.m.
Profit before tax	168.2	290.0	72.4%
Income tax for the period	(64.6)	(91.9)	42.3%
Minority interest	0.0	0.0	n.m.
Net profit	103.6	198.1	91.1%
Loans and advances to customers	10,779.2	11,464.5	6.4%
New loans	4,510.2	4,832.2	7.1%
No. of branches	164	164	0.0%
No. of staff	1,392	1,398	0.4%
RWAs	10,360.0	11,411.1	10.1%
Cost/income ratio (%)	30.5	28.9	
Bad loans (<i>sofferenze</i>)/loans ratio (%)	0.2	0.1	



6. Wealth Management

Wealth Management (€m)	9 mths	9 mths	Chg. (%)
	31/03/2016	31/03/2017	
Net interest income	140.4	178.4	27.1%
Net treasury income	8.9	9.7	9.0%
Net fee and commission income	97.3	143.5	47.5%
Equity-accounted companies	0.0	0.0	n.m.
Total income	246.6	331.6	34.5%
Labour costs	(93.1)	(130.3)	40.0%
Administrative expenses	(104.1)	(135.0)	29.7%
Operating costs	(197.2)	(265.3)	34.6%
Gains (losses) on AFS equity	1.1	3.4	n.m.
Loan loss provisions	(13.0)	(15.2)	16.9%
Provisions for other financial assets	(0.1)	(1.8)	n.m.
Other income (losses)	0.0	21.3	n.m.
Profit before tax	37.4	74.0	n.m.
Income tax for the period	(5.1)	(19.4)	n.m.
Minority interest	0.0	0.0	n.m.
Net profit	32.3	54.6	68.8%
Loans and advances to customers	6,392.6	9,165.5	43.4%
New loans	767.0	841.1	9.7%
Total Financial Assets (TFA)	41,257.1	51,735.4	25.4%
-AUM/AUA	16,869.3	22,780.6	35.0%
- Asset under custody	10,983.8	11,308.7	3.0%
-Deposits	13,403.9	17,646.1	31.6%
No. of staff	1,430	1,905	33.2%
RWAs	4,219.2	5,516.5	30.7%
Cost/income ratio (%)	80.0	80.0	
Bad loans (sofferenze)/loans ratio (%)	1.7	1.2	



6.1 CheBanca!- Affluent/Premier

CheBanca! - Affluent/Première (€m)	9 mths	9 mths	Chg. (%)
	31/03/2016	31/03/2017	
Net interest income	112.9	150.6	33.4%
Net treasury income	0.0	0.3	5.6%
Net fee and commission income	30.6	50.3	64.4%
Equity-accounted companies	0.0	0.0	n.s.
Total income	143.5	201.2	40.2%
Labour costs	(48.4)	(74.5)	54.1%
Administrative expenses	(72.0)	(97.7)	35.7%
Operating costs	(120.4)	(172.2)	43.1%
Gains (losses) on AFS equity	0.0	0.0	n.m.
Loan loss provisions	(12.5)	(14.6)	16.8%
Provisions for other financial assets	0.0	(1.1)	n.m.
Other income (losses)	0.0	21.4	n.m.
Profit before tax	10.6	34.7	n.m.
Income tax for the period	(3.5)	(11.5)	n.m.
Minority interest	0.0	0.0	n.m.
Net profit	7.1	23.2	n.m.
Loans and advances to customers	4,913.9	7,421.1	51.0%
New loans	767.0	841.4	9.7%
Total Financial Assets (TFA)	14,185.0	20,850.4	47.0%
-AUM/AUA	3,796.0	7,108.2	87.3%
-Asset under custody	0.0	0.0	n.m.
-Deposits	10,389.0	13,742.2	32.3%
No. of branches	58	142	n.m.
No. of staff	975	1,421	45.7%
RWAs	2,443.2	3,441.3	40.9%
Cost/income ratio (%)	83.9	85.6	
Bad loans (<i>sofferenze</i>)/loans ratio (%)	2.1	1.4	



6.2 Private Banking

Private Banking (€m)	9 mths		Chg. (%)
	31/03/2016	31/03/2017	
Net interest income	27.5	27.8	1.1%
Net treasury income	8.9	9.4	5.6%
Net fee and commission income	66.7	93.2	39.7%
Equity-accounted companies	0.0	0.0	n.m.
Total income	103.1	130.4	26.5%
Labour costs	(44.7)	(55.8)	24.8%
Administrative expenses	(32.1)	(37.3)	16.2%
Operating costs	(76.8)	(93.1)	21.2%
Gains (losses) on AFS equity	1.1	3.4	n.m.
Loan loss provisions	(0.5)	(0.6)	20.0%
Provisions for other financial assets	(0.1)	(0.7)	n.m.
Other income (losses)	0.0	(0.1)	n.m.
Profit before tax	26.8	39.3	46.6%
Income tax for the period	(1.6)	(7.9)	n.m.
Minority interest	0.0	0.0	n.m.
Net profit	25.2	31.4	24.6%
Loans and advances to customers	1,478.7	1,744.4	18.0%
Total Financial Assets (TFA)	27,072.1	30,885.0	14.1%
-AUM/AUA	13,073.3	15,672.4	19.9%
- Asset under custody	10,983.8	11,308.7	3.0%
-Deposits	3,014.9	3,903.9	29.5%
No. of staff	455	484	6.4%
RWA	1,765.3	2,075.2	17.6%
Cost/income ratio (%)	74.5	71.4	
Bad loans (<i>sofferenze</i>)/loans ratio (%)	0.2	0	

7. Principal Investing

PI (€m)	9 mths		Chg. (%)
	31/03/2016	31/03/2017	
Net interest income	0.0	(5.3)	n.m.
Net treasury income	15.9	7.5	-52.8%
Net fee and commission income	0.0	0.0	n.m.
Equity-accounted companies	178.6	194.1	8.7%
Total income	194.5	196.3	0.9%
Labour costs	(3.4)	(2.7)	-21.5%
Administrative expenses	(1.1)	(0.5)	-54.5%
Operating costs	(4.5)	(3.2)	-29.5%
Gains (losses) on AFS equity	96.9	138.6	43.0%
Loan loss provisions	0.0	0.0	n.m.
Provisions for other financial assets	(17.0)	(0.9)	n.m.
Other income (losses)	0.0	0.0	n.m.
Profit before tax	269.9	330.8	22.6%
Income tax for the period	(1.3)	(10.8)	n.m.
Minority interest	0.0	0.0	n.m.
Net profit	268.6	320.0	19.2%
AFS securities	870.3	678.0	-22.1%
Equity investments	3,123.9	3,225.7	3.3%
RWA	11,517.3	7,602.8	-34.0%



8. Holding Functions

Holding Functions (€m)	9 mths	9 mths	Chg. (%)
	31/03/2016	31/03/2017	
Net interest income	(17.6)	(65.4)	n.m.
Net treasury income	(4.7)	6.2	n.m.
Net fee and commission income	14.0	12.9	-8.1%
Equity-accounted companies	0.0	0.0	n.m.
Total income	(8.3)	(46.3)	n.m.
Labour costs	(57.2)	(81.0)	n.m.
Administrative expenses	(58.3)	(33.4)	n.m.
Operating costs	(115.5)	(114.4)	-0.9%
Gains (losses) on AFS equity	0.0	0.0	n.s.
Loan loss provisions	(10.6)	(9.1)	-14.2%
Provisions for other financial assets	(1.4)	(2.4)	n.m.
Other income (losses)	(85.8)	(80.2)	-6.5%
Profit before tax	(221.6)	(252.4)	13.9%
Income tax for the period	83.0	76.1	-8.3%
Minority interest	(3.2)	(2.5)	n.m.
Net profit	(141.8)	(178.8)	26.1%
Loans and advances to customers	2,581.6	2,338.6	-9.4%
Banking book securities	9,214.7	7,141.6	-22.5%
RWA	4,007.9	4,268.4	6.5%
No. of staff	739.0	769.0	4.1%



Consolidated comprehensive profit and loss account

	€m	31/03/16	31/03/17
10.	Profit for the period	445.6	616.5
	Other comprehensive income after tax not to be recycled to income statement	109.6	0.6
20.	Property, plant and equipment	0.0	0.0
30.	Intangible assets	0.0	0.0
40.	Defined benefit plans	-1.1	0.4
50.	Non current assets classified as held for sale	0.0	0.0
60.	Valuation reserves from investments accounted for using the equity method	110.7	0.2
	Other comprehensive income after tax to be recycled to income statement	(420.1)	(170.7)
70.	Hedge of foreign investments	0.0	0.0
80.	Exchange differences	(2.4)	(1.5)
90.	Cash flow hedges	15.7	(18.8)
100.	AFS financial assets	0.1	(47.3)
110.	Non current assets classified as held for sale	0.0	0.0
120.	Valuation reserves from investments accounted for using the equity method	(433.6)	(103.1)
130.	Total of other comprehensive income after tax	(310.5)	(170.1)
140.	Comprehensive income (item 10+130)	135.2	446.3
150.	Comprehensive income attributable to minorities	2.7	3.7
160.	Consolidated comprehensive income attributable to Parent Company	132.4	442.7

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.0187-50

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