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Testo del comunicato

Vedi allegato

MEDIOBANCA

MEDIOBANCA BOARD OF DIRECTORS' MEETING

Results for FY 2023-24 approved

Milan, 31 July 2024

MEDIOBANCA

IMPRESSIVE RESULTS FOR 12M ENDED 30/6/24
STRATEGIC PLAN 2023-26 TRAJECTORY CONFIRMED
AND POSITIVE START TO MAIN INITIATIVES
HIGH STAKEHOLDER REMUNERATION

HIGH CAPITAL-LIGHT GROWTH

Record revenues of €3.6bn in 12M (up 9% YoY[1]), driven by K-light components[2] (up 17%), with TFAs ~€100mld (up 13%)

RWAs optimized, down over 7% to €47.6bn

**Positive contribution from all revenue streams:
Net interest income up 10% to €1,985m,
Fees up 11% to ~€940m, Insurance high at €510m**

Operating profit €1,813m (up 12%), with cost/income ratio stable at 43%, cost of risk down 4 bps to 48 bps, and good asset quality confirmed (Net NPLs 0.8% of total loans, substantial overlays of ~€220m)

Record net profit of €1,273m (up 24%), EPS €1.53 (up 27%)

TBVPS stable at €11.6 - ROTE[3] 14% (up 1pp), RORWA 2.7% (up 30 bps)

CET1 16.1%[4] (up 20 bps YoY, up 90 bps QoQ)

APPEALING STAKEHOLDER REMUNERATION

FY 2023-24 €1.1bn distributed (10% of market cap), up ~50% YoY, €885m dividends and ~€200m share buyback already implemented[5]

Total cash DPS €1.07, up 26% YoY: €0.51 ps interim dividend paid in May 2024, €0.56 ps final balance to be paid in November 2024

Proposed new share buyback in an amount of ~€385m, with share cancellation, scheduled for FY 2024-25, fully deducted from CET1 as at end-June 2024

Good start to Strategic Plan Sustainability and Responsible Banking pathway

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1 YoY: 12M to end-June 2024 vs 12M to end-June 2023; QoQ chg.: 3M to end-June 2024 vs 3M end-March 2024.
2 K-light activities: WM, CIB (excluding Lending, Markets and Specialty Finance), INS (considering Danish Compromise).
3 Normalized ROTE and RORWA calculated based on net profit adjusted for non-operating/non-recurring items.
4 CET1 FL fully-phased pro forma, with Danish Compromise permanent (benefit approx. 100 bps), and excluding ~90 bps negative impact due to full deduction of second share buyback scheme to be implemented in FY 2024-25, subject to authorization by the ECB and by shareholders in Annual General Meeting. CET1 including full deduction of new proposed buyback: 15.2%.
5 Share buyback in an amount of €198m approved by shareholders at the Annual General Meeting held on 28 October 2023 and completed in February 2024, with a total of 17 million shares (or 2% of the company's share capital) cancelled in June 2024 with no reduction in share capital.

MEDIOBANCA

OUTSTANDING 4Q WITH ~€330M NET PROFIT

Total revenues ~€980m (up 11% YoY and up 9% QoQ)

NII solid at €492m

Record fee income of €279m (up 51% YoY and up 17% QoQ), **driven by CIB recovery** (€136m, up 49% QoQ) **with growing WM contribution**

TFAs approx. €100bn, with €3.3bn in NNM in 4Q

Cost of risk 43 bps (down 5 bps QoQ, with just €14m in overlays used)

Net profit €327m, up 39% YoY, down 2% QoQ due to non-operating items (€65m charge) incl. prepayment of final ~€25m DGS contribution paid in July 2024

STRATEGIC PLAN 2023-26 "ONE BRAND-ONE CULTURE": GROWTH IN ALL DIVISIONS

Prioritized growth in Wealth Management (WM), with "One Brand-One Culture" approach a distinctive feature, and unique Private & Investment Banking model (PIB)

PIB model developed effectively, with €1bn in liquidity events intercepted, and 9 Mid-Cap deals co-originated with CIB

Private Markets Platform expanded with €1bn new funds committed, for a total of €4bn

Mediobanca Premier launched in January 2024, accelerating recruitment (110 new FAs/bankers, 2/3 of whom in last 6M) and client repositioning (3K HNWI added, 40K fewer mass clients)

TFAs up 13% to ~€100bn, with €8.4bn in NNM, ~€5bn in last 6M, above market average

Revenues up 13% ~ €925m, fees ~€490m (52% of Group fee income), and net profit up 29% to ~€210m

RORWA up 50 bps to 3.6%

Corporate & Investment Banking (CIB): Creation of a European, capital-light/fee-driven platform, in synergy with development of WM

Investment Banking recovery in last 6M confirmed

Leadership position in advisory business strengthened by Arma Partners partnership, BTP specialist status obtained, Mid Corp platform enhanced with the opening of the Frankfurt branch office

Revenues up 7% to €763m, international component rising from 40% to 55%[6]

RWAs down 23% (€15bn), risk density down from 61% to 38%, total revenues/RWAs up from 3.6% to 4.5%

Net profit up 8% to €244m, RORWA up 20 bps to 1.4%

Consumer Finance (CF): leader in Italy, now also in digital; creation of a resilient and highly profitable multi-channel platform

Record new loans of €8.4bn, with personal loans focused on direct distribution (~80%), digital business (~35%) and BNPL development (flows of ~€500m)

Revenues up 6% to €1,189m, with margins resilient; strong NII growth driver

CoR 168 bps, with high overlays (€175m), increase due to different mix and normalization at pre-Covid levels

Net profit at record level of ~€383m

RORWA 2.7% (down 20 bps) post-AIRB

Insurance (INS): contribution high and decorrelated vs other businesses

Revenues up 14% to €530m, net profit up 19% to €522m

RORWA 3.8%

Holding Functions (HF): ALM functional to the Group's development and to growth in NII over the Strategic Plan time horizon

Deposits stable in FY 2023-24 at high levels (€28bn)

Record bond issuance levels with spreads declining

Group net interest income up 10% YoY, solid in 4Q

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6 Percentage calculated based on managerial revenues and excluding proprietary trading.

With Renato PAGLIARO in the Chair, the Directors of Mediobanca approved the individual and consolidated financial statements for the twelve months ended 30 June 2024, as illustrated by Chief Executive Officer Alberto NAGEL and Group General Manager Francesco Saverio Vinci.

Alberto Nagel, CEO of Mediobanca, said: "*The Group has delivered its* ***best-ever results*** *in FY 2023-24, in terms of revenues (€3.6bn), net profit (almost €1.3bn), profitability (ROTE 14%), and shareholder distribution (~€1.1bn in dividends and share buybacks),* ***successfully launching the main initiatives contained in the 2023-26 Strategic Plan****. The scenario for the coming months looks uncertain, due to the geopolitical and macro trends, and will require banks* ***to be able to turn the expected volatile environment into opportunities****. Mediobanca is in a* ***privileged position on the back of its specialized business model, responsible approach to banking, differentiating product capabilities, and its positioning versus entrepreneurial families which is unique in the Italian landscape.*** *With these distinguishing features, and through* ***increasingly efficient management of both assets and capital****, we have started the second year of the "One Brand–One Culture" Strategic Plan, with the objective of being* ***one of the best growth and remuneration stories for all our stakeholders***".

Consolidated results

The Group has continued on its path towards growth, posting results for the twelve months that are **at record levels: revenues of €3,606.8m (up 9% YoY), net profit €1,273.4m (up 24% YoY), EPS 12M €1.53 (up 27% YoY), ROTE 14% (up 1 pp), RORWA 2.7% (up 30 bps YoY), and DPS €1.07 (up 26% YoY).**

The results for the twelve months represent an impressive start to the "One Brand-One Culture" Strategic Plan, bearing out the objectives (EPS €1.80, ROTE 15%), vision and trajectory, based on:

- **Priority growth in WM**

  WM has reached almost €100bn TFAs, €925m revenues, and €490m fees, contributing 30% of the Group's banking revenues and 52% of its fee income. With a net profit of almost €210m, and NNM of over €8bn, Mediobanca WM is now a recognized player delivering above-average growth rates on the back of the synergic approach with CIB (liquidity events of approx. €1bn in 12M) plus the acceleration in recruiting of FAs/bankers and acquisition of HNWI clients following the launch of Mediobanca Premier.

- **CIB increasingly K-light, international and synergic with WM**

  CIB RWAs have been trimmed by 23.0% (to €14.9bn) and now make up less than one-third of the Group total, with risk density[7] decreasing from 61% to 38%. The push on products that absorb less capital plus the enhancement of the PIB model has increased revenue efficiency (total revenues/RWAs up from 3.6% to 4.5%), with the international component increasing from 40% to 55%, helped by the acquisition of Arma Partners in October 2023.

- **High, sustainable contributions from both CF and INS**

  CF revenues ~€1.2bn (up 6% YoY) – INS revenues €530m (up 14% YoY).

- **Shareholder remuneration and value creation at best sector levels**

  Some €1.1bn is being distributed to shareholders in FY 2023-24 (up ~50% YoY, ~€885m of which dividends and €200m share buybacks and cancellation), with DPS up 26% to €1.07 (€0.56 of which payable in November 2024), EPS up 27% to €1.53, and TBVPS €11.6.

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7 CIB density calculated as: CIB RWAs/CIB total assets.

Highlights of FY 2023-24 include the following:

- **The commercial performance was robust, geared towards increasingly selective growth in assets, and driven by value and lower capital absorption:**

  - **TFAs climbed by 13% YoY with an additional €11bn to reach €99.4bn** (up €2.9bn QoQ), driven by inflows of AUM/AUA (NNM €8.6bn) which totalled €71.5bn (up 20% YoY, up 2% QoQ). In 4Q approx. **€1bn of liquidity events were intercepted,** and **approx. €1bn was committed by Mediobanca Private Banking clients to new Private Markets initiatives (TEC 2)**;

  - **RWAs decreased by over €3.8bn in 12M** (to €47.6bn, down 7.4% YoY) **due to the trend towards greater selectivity in lending (CIB down 3% YoY, WM stable, CF up 5%)** and to the **launch of risk mitigation measures in CIB (CIB RWAs totalled €14.9bn, down 23.0% YoY). The Group's risk density (RWAs/total assets) declined from 56.1% to 48%, while the same indicator for CIB decreased from 60.8% to 38.1%. In 4Q there was an over €1bn reduction in RWAs** due primarily to the execution of the first ABS/SRT transaction in CF (generating savings of €500m in RWAs, which in part offset the €900m burden due to the AIRB models being introduced in 1Q) and to repayments in CIB.

- **Total revenues climbed to €3,606.8m (up 9.2% YoY), with €978.6m added in 4Q alone (up 9% QoQ), reflecting growth by all divisions** (WM up 13% to €923.6m, CIB up 7% to €762.6m, CF up 6% to €1,188.9m, INS up 14% to €530.2m, and HF up 1% to €223.5m), **with revenues from the capital-light components in particular growing by 17%** (WM, CIB advisory/DCM, and Assicurazioni Generali especially).

  - **Net interest income totalled €1,984.8m (up 10.2% YoY)** with the trend stable in 4Q (€492.4m). The growth is the result of loan repricing (from 4.26% to 5.88%[8]), helped also by the different mix in terms of volumes, which exceeded the increases in the cost of funding (from 1.35% to 2.41%[8]), the banking book securities portfolio, in terms of both volumes (up €550m) and yields (up from 2.56% to 2.92%[8]), and the contribution from the trading desks (Proprietary Trading and Markets). The trend in yields also drove an increase in the margin from Treasury management (up from €98.1m to €146.9m) and those of the other divisions: Consumer Finance €1,043.9m (up 6% YoY), Wealth Management €425m (up 17.6% YoY), and CIB €307m (up 6.6% YoY); 4Q reflects a stable trend, in line with the trend in market interest rates, the effect of the promotions launched in April on the cost of the deposits, the replacement of various swap deals expiring in Consumer Finance, and repayments on Large Corporate loans;

  - **Net fee and commission income rose by 11.5%, to €939.4m, with a record quarterly performance in 4Q (fees of €279.2m, up 17.3% QoQ), driven by an impressive performance in CIB (fees of €135.8m),** confirming the Investment Banking recovery and the Group's strong positioning in the main domestic and international deals. At the individual divisional level, Wealth Management has confirmed its growth trend, with fees of €489.4m (up 8.9% YoY, up 2.6% QoQ), with a stable increase in management fees (€344m, up 4% YoY and up 3% QoQ) and upfront fees (€97m, up 25% YoY; up 8% QoQ), with banking fees (€104.6m, up 10% YoY) and performance fees (€14.8m, up 75% YoY) soaring in 1H in particular; Corporate and Investment Banking posted an increase (€360.6m; up 24.6% YoY), on growth in the K-light component (in particular advisory business, which generated fees of €228m, up 59% YoY, and DCM, fees of €24m, up 39% YoY) and in international business (€66.9m of which from the consolidation of Arma Partners); Consumer Finance reported fee income of €145.1m (up 5.7% YoY; down

8 Excluding hedging.

10.7% QoQ), helped by the growth in Buy Now Pay Later operations, with the 4Q reduction due to the higher commercial *rappel* fees;

- **Net treasury income totalled €172.2m (down 16.3% YoY, from €205.7m),** with €38.6m contributed in 4Q, lower than the previous quarters; the gap compared to last year is concentrated in proprietary trading (down 69%, from €62.1m to €19.5m, €5.3m of which in 4Q), which, however, still contributed healthily to net interest income; banking book management repeated last year's levels, generating €39.1m (€42.8m), on gains of approx. €10m in banking book securities where the HTC&S portfolio instruments recovered. Markets activity with clients improved by 4%, from €72.7m to €75.6m, €12m of which in 4Q. Dividends and other income from Principal Investing/Insurance business rose from €16m to €26.6m, €14.6m of which in 4Q on the back of certain extraordinary items;

- **The contribution from Assicurazioni Generali, which is equity-accounted, totalled €503m, much higher than last year (€442.8m)** due to the growth reported in all business segments, reflecting the resilience and diversification of the group's income sources despite the higher claims for damages due to catastrophic events; the investee company's results were also boosted by non-recurring gains on the disposals of TUA Assicurazioni S.p.A. and Generali Deutschland Pensionskasse (approx. €45m pro rata), plus financial effects linked to the introduction of the new IFRS 17 and IFRS 9.

- **Cost/income ratio stable at 43%**, including the ongoing investments in distribution, innovation and talent, despite the impact of inflation.

  - **Operating costs totalled €1,542.2m (up 9.1% YoY, up 7.6% QoQ), with labour costs accounting for €804.5m (up 10.5% YoY, up 6.3% QoQ) and administrative expenses for €737.7m (up 7.7% YoY, up 9.1% QoQ).** The strong growth in headcount, with 216 staff recruited (FTEs up from 5,227 to 5,443), plus the effects of the national collective contract renewal, are reflected in the higher fixed remuneration component (up 12% YoY), compounded by an increase in the variable component (up 8% YoY), reflecting the favourable trend in revenues in 4Q, in Corporate and Investment Banking in particular (up 15% YoY). The trend in administrative expenses, as in the previous 3Q, is again attributable to IT spending (up 8.7%, from €276m to €309m), including a strong project component (up 25%, to €68m) linked to initiatives both at Group level (technology resilience plan, migration to cloud-based solutions, development of ESG platform) and by the individual divisions (WM: mobile collaboration, digitalized reporting, enhancement of core systems; CF: Pagolight platforms, customer experience improvement, multi-channel approach; CIB: BTP specialist platform). There were also increases in marketing expenses (up 8%), in Wealth Management particularly (up 18%) supporting the CheBanca! rebranding, and in travel and entertainment expenses. At the individual divisional level: total costs in Wealth Management amounted to €613.5m (up 10.5% YoY; up 1.1% QoQ); in Consumer Finance to €369.5m (up 6.4% YoY; up 1.6% QoQ); in Corporate and Investment Banking to €379.9m (up 16.1% YoY; up 19.4% QoQ), with Arma Partners contributing €25.5m (up 8% YoY net of Arma); the Holding Functions' performance, meanwhile, reflects the disposal of Revalea, with costs totalling €192.3m (up 11% YoY net of Revalea).

- **The Group's cost of risk remains low at 48 bps (43 bps in 4Q),** with the increase in CF (from 143 bps to 168 bps mitigated by the trend in CIB, where writebacks amounting to 5 bps were credited. **Asset quality remains excellent, with high overlays** (€222m, with €47m used in 12M (€34m of which in CF), €14m of which in 4Q).

  - **Loan loss provisions decreased by 6.7% to €252.1m (30/6/23: €270.1m), translating to a cost of risk of 48bps (down 4 bps YoY).** Corporate and Investment Banking posted net writebacks of €10.6m, compared with €32.3m in writedowns last year; while the higher provisioning in Consumer Finance (from €203.9m to €249.7m) reflects both a slight increase in default and non-payment rates (which are now effectively realigned to pre-Covid levels), plus the loan mix being geared towards direct personal loans; against this backdrop, the CoR rose from 145 bps to 168bps, including €33.6m in use of overlays. The Holding Functions' contribution (which, since Revalea was sold, refers only to leasing operations) decreased to €5.6m, while provisioning in Wealth Management totalled €7.4m, €6.7m of which in mortgage lending. The stock of overlays totalled €221.6m (30/6/23: €268m), with the uses made during the twelve months reflecting the fine-tuning of the ECL risk parameters in Consumer Finance, plus the reduced impact of inflation in Corporate business.

- **Net profit increased to €1,273.4m** (up 24.1% YoY), with **EPS 1.53 (up 27% YoY), ROTE adj. 14% (up 1pp)**, and **RORWA adj 2.7%** (up 30 bps YoY), with a record performance in 4Q (€327.3m), despite the increased impact of non-recurring components:

  - €50.7m in payments to the resolution funds, most of which regarded the ordinary contribution (€23.9m, taken in 2Q), and the early booking of the final payment due under the Deposit Guarantee Scheme (€24.2m, due on 2 July 2024 but taken in 4Q FY 2023-24).

  - €31.7m in impairment charges for the RAM AI brand, taken in 4Q;

  - Other net items totalling €6.1m, representing the balance between the valuation effects for the banking book (adjustments to securities and for the fair value of holdings in investment funds), which added €13.9m, and other non-recurring costs of €7.8m, including charges for early amortization of software (€6.8m).

- **In view of the above results, the Board of Directors has approved a resolution to submit the following proposal, subject to authorization from the ECB, to shareholders at the next Annual General Meeting:**

  - **Distribution of an annual dividend of €1.07 per share** (payout 70%), with, given the interim dividend paid in May 2024 (€0.51 per share), **the balance of €0.56 per share to be paid in November 2024.** The dividend will be payable from 20 November 2024, with record date **19 November 2024 and the shares going ex-rights on 18 November 2024;**

  - **Launch of a share buyback and cancellation scheme (the second during the 2023-26 Strategic Plan time horizon),** for a total amount **of approx. €385m, which, based on current share prices, corresponds to approx. 3.1% of the share capital. The number of shares** covered by the scheme, to be submitted to the approval of shareholders in Annual General Meeting, **will be set when the financial statements are approved in September 2024. Up to 80% of the shares bought may be cancelled**

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On the balance-sheet side, **total assets rose from €91.6bn to €99.2bn,** mostly due to the increase in treasury management activity matched by short-term liabilities, with the main items reflecting the following trends**:**

- **Customer loans were stable at €52.4bn,** with a positive trend in Consumer Finance (up 5.1%, from €14.5bn to €15.2bn), offsetting the reduction in Corporate and Investment Banking, where customer loans decreased from €19.6bn to €19bn despite the resilience of factoring operations (up 3.1%, to €2.9bn); customer loans in Wealth Management were unchanged at €16.8bn, while the Holding Functions' performance was impacted by the sale of Revalea (and its customer loans of €238.8m) and the downturn in leasing operations (customer loans down 11.1%, from €1.4bn to €1.2bn);

- **Gross NPLs totalled €1,336.7m**, basically stable compared to last year (€1,339.7m), **and account for 2.5% of total loans (coverage ratio 69%).** Corporate and Investment Banking more than halved its gross NPLs which declined from €135.7m to €51.2m, following certain repayments and disposals of single-name Large Corporate Items. Leasing operations reported gross NPLs of €79.8m, representing a further reduction from last year (€107.8m). Provisioning in Consumer Finance was raised from €878m to €978m, as a result of the expected increase in default rates that have returned to their pre-Covid levels, with gross NPLs representing 5.93% of total loans (5.59%). In Wealth Management gross NPLs increased by around €10.1m following the entry of certain Private Banking positions which are adequately counter-guaranteed;

- **Net Stage 2 positions decreased from €2,491.6m to €2,331.5m (4.4% of net loans),** primarily due to the reduction in this category reported by Consumer Finance (down from €1,364.2m to €1,234m);

- The coverage ratio for the Group's performing loans was stable at 1.31% (1.34% last year), whereas in Consumer Finance it declined slightly (from 3.75% to 3.67%). **The stock of overlays stands at approx. €222m, €175m of which in Consumer Finance, a slight reduction compared to last year (€268m and €209m respectively);**

- **Banking book securities rose from €10.5bn to €11.3bn** (€4.6bn of which in the HTC portfolio, and €6.6bn of which in the HTC&S portfolio), and reflect the acquisition of government bonds totalling €4.9bn, only one-third of which Italian; the favourable market trend improved the OCI reserve from minus €73.2m to minus €9.2m, reducing the unrealized losses on the HTC portfolio from minus €85.4m to minus €44.2m;

- **Net treasury assets increased from €5bn to €6.4bn**: the T-LTRO prepayment (€4.3bn; outstanding stock €1.3bn) was met through the increased use of treasury funding (up €5bn); conversely, the growth in equity and bond investments (to €3.9bn and €3.5bn respectively) to leverage market opportunities and to improve the result was matched by repo and secured financing transactions (up €6.3bn). Cash and liquid assets deposited with the European Central Bank fell from €3.5bn to €2.6bn;

- **Funding rose by €3.2bn, to €63.7bn,** due to an increase in debt security funding (from €22.3bn to €27.6bn) which reflects the record new issuance (€8.2bn), against redemptions totalling €2.9bn. The effective strategy in terms of tapping the market and broad customer diversification (institutional/own networks/third-party networks) has enabled the cost of the funding stock to be reduced to 129 bps (vs 132 bps last year), despite the higher equity instrument funding (Tier2 €300m, SNP €1bn, equal to 80% of the total amount envisaged in the 2023-26 Strategic Plan); Wealth Management deposits were basically flat at €27.9bn, even following the promotional activities and the liquidity events. Interbank funding also increased, from €4.5bn to €6.8bn, and at competitive spreads (11 bps lower than last year);

- **TFAs rose by 13% YoY, with €11.4bn added, for a total of almost €100bn** (€99.4bn, up €3.0bn QoQ), **driven by AUM/AUA inflows (NNM €8.6bn)** with deposits stable at last year's high levels. In 4Q NNM totalled €3.3bn, with inflows of approx. €1.5bn in deposits, helped by the promotional campaigns and the liquidity events intercepted in Private Banking. There was also a positive market effect of €3.0bn (virtually nil in 4Q). The stock of AUM/AUA totalled €71.5bn (up 19.5% YoY and up 2% QoQ), split between Private Banking (€33.8bn, up 22.7% YoY; up 1.4% QoQ) Premier Banking (€24.9bn, up 21.2% YoY; up 4.4% QoQ), and Asset Management (€28.2bn, up 9%, €15.5bn of which placed by the Group's networks). The stock of deposits remains close to last year's levels (€27.9bn), split between Mediobanca Premier (€16.9bn), Mediobanca Private Banking (€5.9bn), and CMB Monaco (€5.1bn).

- **The capital base remains solid, with a CET1 ratio[9] of 16.1% (15.2% net of the proposed new share buyback to be completed during FY 2024-25) and a leverage ratio of 7.1%.** In particular:
    - **CET1 ratio 16.1% (30/6/23: 15.9%; 31/3/24: 15.2%).** The substantial earnings generation plus the risk mitigation measures implemented (generating a combined 290 bps) have enabled the shareholder remuneration to be financed and some negative impacts (mainly in 1H) to be absorbed, such as the introduction of the AIRB models in Consumer Finance and the M&A activity (minus 50 bps, primarily in relation to the Arma Partners acquisition, and set to reduce to minus 30 bps in the coming years due to the use of treasury shares to complete the acquisition). The increase during the fourth quarter is due to the further reduction in RWAs in CIB, to the SRT securitization (which added 15 bps) made in CF, and to Assicurazioni Generali dividend collected in the month of May (which added 25 bps). **The effect of the new share buyback** to be implemented during FY 2024-25 and subject to authorization from both the ECB and from shareholders in AGM, **equal to 90 bps, has been deducted in full from the ratio as at end-June 2024, which is why it has decreased from 16.1% to 15.2%;**
    - **Total capital ratio 18.6% (17.7% including the new share buyback deduction)**, slightly higher than last year, due to the new €300m subordinated issue made in January 2024;
    - Maximum Distributable Amount **(MDA) buffer[10] of approx. 510 bps**, against an Overall Capital Requirement[11] of 8.24%;
    - **Leverage ratio stable at 7.1%,** significantly higher than the 3% minimum requirement;
    - **The MREL indicator, i.e. 43.5% of RWAs and 20.3% of LREs,** is again comfortably above the minimum requirements set for 2024, which were 23.57% of RWAs and 5.91% of LREs.

Divisional results

1. <u>Wealth Management:</u>[12] prioritized and distinctive growth launched for WM, by leveraging on the Private Investment Banking model, rebranding and repositioning Mediobanca Premier, and enhancement of the product offering. Double-digit growth of revenues (~€925m) and net profit (~€210m), with TFAs up 13% YoY to ~€100bn, on inflows of AUM/AUA of just under €9bn in 12M, at best sector levels. RORWA up to 3.6%.

The division posted record results and double-digit growth for the twelve months. Net profit for totalled €208.5m (up 28.8% YoY, up 4.7% QoQ), on revenues of €923.6m (up 12.6% YoY, up 0.5%

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9 CET1 fully loaded, considering the Danish Compromise as permanent as approved by the European Parliament on 24 April 2024 (benefit of ~100 bps).
10 Maximum Distributable Amount (MDA): minimum level of CET1 required, which includes the shortfall on AT1 and Tier 2 capital.
11 The Overall Capital Requirement for CET1 includes 56.25% of the P2R requirement updated following the most recent SREP (1.75%), the Conservation Capital Buffer (2.50%), the Counter-Cyclical Buffer, and the new O-SII requirement introduced for Mediobanca starting from 2024 equal to 0.125% (as from 2025, fully-loaded, this will rise to 0.25%). The requirements do not include the new system risk buffer recently introduced by the Bank of Italy, of 1% by end-June 2025 (phase-in 0.5% by end-December 2024).
12 Includes the Premier segment (Mediobanca Premier), Private Banking (MBPB, CMB), Asset Management (MB SGR and MB Management Company, Polus Capital, and RAM AI), and the activities of Spafid.

QoQ), with a cost/income ratio of 66.4% (67.7% last year) and the CoR declining at 4 bps; **RORWA for the division stood at 3.6% (3.1% last year).** These are impressive results given the challenging market environment, with strong demand for AUA products, and strong competition for deposits, in part offset by the solid performances posted by the leading asset classes. **NNM in the last 6M totalled €4.6bn, positioning the Mediobanca Group near to best sector levels.**[13]

The growth pathway launched with the **2023-26 Strategic Plan "One Brand-One Culture"** has continued successfully, with:

- **Prioritized growth in Wealth Management: the division's revenues and net profit both show double-digit growth**, of 12.6% and 28.8% respectively. At Group level, **the WM Division is the second contributor to results by revenues and the first in terms of fee income** (contributing more than half of the Group's total fees);

- **Leveraging the distinctive Private Investment Banking model:** Mediobanca's unique positioning versus entrepreneurial families, based on PB-IB dual coverage, has allowed a total of **9 mid-cap IB deals** to be generated in 12M, and **approx. €1bn in liquidity events to be intercepted, approx. €250m of which through cross-selling with the CIB Division.** The Group's distinctive offering of **Private Markets** products has been expanded, which have now achieved a total commitment of €4.2bn, half of which invested;

- **"One Brand-One Culture" approach: the repositioning and renaming of CheBanca! as Mediobanca Premier,** which took place in January 2024, is the most important and iconic initiative, because **it has significantly repositioned the Mediobanca brand versus Premier clients, which is the largest and most attractive segment of the domestic Wealth Management market. Since the rebranding there has been a significant acceleration in recruitment** of bankers and financial advisors with larger-sized portfolios, and an i**ncrease in higher-end clients** (3K HNWI clients added, 40K fewer mass market clients). The "One Brand-One Culture" approach has also been seen in the **closer interaction between the Group's distributors and product factories**, with the aim of presenting a distinctive proprietary commercial offering which includes CIB advisory services plus also the possibility of drawing on the research capabilities of Mediobanca Securities and the Mediobanca Research Area from a one-stop shop perspective;

- **Expansion of the distribution structure**, which has been revamped with the launch of Mediobanca Premier: **70 new professionals added (from 1,236 to 1,306), 1,151 of which in Premier Banking, split between bankers (536, an increase of 14) and FAs (615, an increase of 50), working out of 102 branches and 107 points of sale. The number of bankers in Private Banking has also risen to 155 (six added);**

The commercial initiatives developed in the course of the twelve months include the following:

- **Mediobanca Private Banking**: **expansion of the product offering continues, both public market products** (four new wealth management strategies have been introduced, and the first two certificates with active management have been launched) **and private market products** (new evergreen initiatives with leading operators such as Apollo, KKR and Partners Group). Both **the closed-end private equity fund promoted in conjunction with Investindustrial and the international real estate initiative implemented in partnership with UBS Asset Management are now at the placement stage.** The BlackRock programme investment activity has continued, with four new deals launched, taking the total investment to over €500m. As regards club deals with Italian SMEs as the target, the first

[13] During the same period (January-June 2024) Banca Mediolanum gathered €5.7bn, Fineco €5.0bn, and Banca Generali €3.6bn.

€500m investment programme (TEC) has now ended, and **the funding for the commitment of the second round (TEC 2) has also been completed, with a total of €900m committed**; the first investment has been made in a company operating in the tourism/hospitality sector;

- **Mediobanca Premier:** the high interest rates have encourage the placement of **different types of bond issues, by duration and currency, and the recourse to new direct funding promotions to promote growth and asset conversions.** As for investment products, **securities worth a total amount of €1.4bn have been placed, almost €250m of which in certificates. The range of delegated management funds has also been expanded, with the addition of two new strategies**, in partnership leading international asset managers (Mediobanca Pictet New Consumer Trend, Mediobanca Schroders Diversified Income Bond), for a total amount of €129m; meanwhile, the placement of the strategies already featured in the portfolio also continues (Mediobanca Morgan Stanley Step In Global Balanced ESG Allocation, Mediobanca Fidelity World Fund, Mediobanca MFS Prudent Capital, Mediobanca Nordea World Climate Engagement), which involve a total of €141m. In addition, again with a view to taking maximum advantage of the favourable market interest rates and to satisfy client demand for bond products, **a total of four new Target Maturity bond funds have been placed**: MB Selezione Cedola Italia 2026 and 2029 (for a combined total of €278m), MB ESG Credit Opportunities 2029 (€60m), and MB ESG Credit Opportunities 2030 (€27m), for which the placement window ends after the end of the financial year. Both the MB ESG Credit Opportunities funds qualify as SFRD Article 8 funds;

- **In Asset Management**, Polus has consolidated its growth, with AUM now totalling €8.7bn. In **CLO** operations, activity in Europe has seen two deals closed (CLO XVI and XVII) raising a total of approx. €800m. The **Master Fund** and the closed-end **Special Situations fund** have experienced positive inflows. Meanwhile, RAM AI has continued with its turnaround process, focusing on its core businesses.

Assets managed on behalf of clients **(TFAs) totalled €99.4bn** (30/6/23: €88bn; 31/3/24: €96.5bn), **with €71.5bn in AUM/AUA** (30/6/23: €59.8bn) and deposits of €27.9bn (€28.2bn); the Premier segment contributed TFAs of €41.8bn (up 11.4% YoY and up 3.2% QoQ), €24.9bn of which AUM/AUA (up 21.2% YoY, and up 4.4% QoQ) and €16.9bn deposits; Private Banking reported TFAs of €44.9bn (up 15.7% YoY and up 4% QoQ), AUM/AUA of €33.8bn (up 22.7% YoY and 1.4% QoQ), and deposits of €11bn (approx. 35% of which in time deposits); and Asset Management €28.2bn (up 9% YoY and stable QoQ), €15.5bn of which placed internally within the Group.

The division's revenues have grown by 12.6%, from €820.5m to €923.6m, with the 4Q contribution (€233.5m) virtually stable QoQ (up 0.5%). The main income items reflect the following performances:

- **Net interest income** rose by 17.6% YoY, from €361.5m to €425m, with the contribution for 4Q contribution stable at €105.1m; the increase in the yields on loans (with volumes unchanged) offset the rise in the cost of funding, due to the promotion launched to attract new clients and maintain asset levels becoming fully operative (€27.9bn deposits; NII contributed by Private Banking totalled €151.2m (up 29.8% YoY; down 3.9% QoQ); and by Premier Banking €273.8m (up 11.8% YoY; flat QoQ), growth which remains more moderate due to the different ALM and interest rate risk structure;

- **Net fee and commission income grew by 8.9%**, from €449.6m to €489.4m, with the 4Q contribution totalling €126.1m (up 2.6% QoQ); compared to last year there was growth in upfront fees (from €77.1m to €96.6m; up 25% YoY) attributable to the substantial placement of fixed-income products (sovereign debt securities, bonds and certificates/CLN), in Private Markets instruments (the TEC2 deal in 4Q), and in banking fees (from €95.1m to €104.6m; up 10% YoY), while the increase in management fees was more moderate (from €329.6m to €344.4m; up 4% YoY), reflecting the performance in wealth management, the recovery in which was concentrated in 2H; while performance fees doubled (from €8.4m to €14.8m; €8.7m of which were recorded during 1H).

Operating costs increased from €555.1m to €613.5m (up 10.5%) on higher labour costs (up 10.5%, from €294.2m to €325.1m) reflecting the strengthening of the workforce (with 62 new staff added), adjustments due to the new national collective bargaining contract, and the increased cost of indemnities payable in relation to recruitment; administrative expenses rose by 10.5% (from €260.9m to €288.4m), due chiefly to IT expenses (up 9% to €99m), plus investments to refurbish branch offices and premises (up 13% to €49m) connected, among other things, with the launch of Mediobanca Premier.

Loan loss provisions totalled €7.4m (30/6/23: €10.5m), with virtually no use of overlays (which total €12m), confirming the good asset quality, with a very small proportion of non-performing items helped by clients' low exposure to rising interest rates through the constant/protected instalment formula.

Customer loans were basically unchanged, totalling €16.9bn, €12.6bn of which were residential mortgages (stable despite new business halving from €2.2bn to €1.1bn, impacted by the reduced demand and by strong competition from the commercial banks), and €4.3bn of which were customer loans in Private Banking (€2.9bn of which attributable to CMB Monaco).

Gross NPLs increased from €218.2m to €227.7m (equal to 1.3% of total loans), and mainly regard Mediobanca Premier mortgage loans (€156m, or 1.2% of the stock). The coverage ratio was 42.9% (73.5% for bad debts). Gross NPLs in Private Banking totalled €72m (1.7% of the stock, €57.7m of which attributable to CMB Monaco). Net NPLs totalled €130m (0.77% of net total loans), €67.9m of which are Mediobanca Premier mortgage loans; net bad debts totalled €24m, all of which were attributable to Mediobanca Premier products.

2. **Corporate & Investment Banking: significant recovery in revenues to over €760m (up 7% YoY), driven by the K-light component (up from 27% to 35%), by the acceleration in Investment Banking, the higher contribution from international activities (up from 40% to 55%), and the synergistic approach with WM. Net profit €244m (up 8% YoY), with RORWA 1.4% (up 20 bps), helped by asset optimization activities (RWAs €14.9bn, down 23.5% YoY). Good start to the main Strategic Plan initiatives (Energy Transition team established, international Mid-Corp activities strengthened with the opening of the Frankfurt branch, BTP specialist status obtained).**

In FY 2023-24 the Corporate & Investment Banking of Mediobanca posted its **highest ever revenues, which totalled €762.6m (up 7% YoY)**, driven by the gradual recovery in Investment Banking activities in the last 6M, the consolidation of Arma Partners, and the increasingly selective trend in lending, **reflecting a major acceleration in 4Q (revenues of €226.7m, up 17.1% QoQ). A net profit of €243.5m was earned in the twelve months,** up 8.1% YoY, **which translates to a 20 bps increase in RORWA to 1.4%.**

The "One Brand-One Culture" Strategic Plan has outlined a **growth path for the Corporate and Investment Banking division**, based on which **it will become increasingly capital-light, international and synergistic with Wealth Management.** The results achieved in the first year of the Plan have confirmed this trajectory, reflecting:

- A major shift in the direction of **capital-light businesses and products,[14] and increased discipline in the deployment of capital in K-intensive products**, reflected in the increased revenue efficiency (revenues/RWAs ratio up from 3.6% to 4.5%);
  - **The share of revenues generated from K-light businesses has increased to 35%** (vs 27% last year), driven by Advisory business, which now accounts for around 30% of total revenues and has benefited from both the acquisition of Arma Partners and the growing partnership with WM, and by DCM activities;
  - **RWAs have been reduced by approx. €4.6bn (down 23.5% YoY),** with the risk density declining from 61% to 38.1%, as a result of the more selective lending criteria being applied, in order to improve the margins on capital absorbed, and the use of specific risk mitigation measures;
- **An increase in the share of revenues generated from international operations, from 40% to 55%[6]**, helped by the Arma Partners acquisition.

The good results posted have been achieved on the back of the **positive start made to the main initiatives, envisaged by the 2023-26 Strategic Plan, launched in 12M**, some of the effects of which will materialize more fully in the coming years:

- **The Group has strengthened its leadership position in the Advisory Tech/Digital segment with the acquisition of Arma Partners,** which, in the nine months for which it has been consolidated, has closed a total of sixteen deals (including the Visma capital increase by HG, the largest recapitalization of a software company by a private equity investor, the sale of Civica to Blackstone, and the acquisition of Ellis Group by Apax Partners), and has contributed **€68m to the division's revenues;**
- **The Mid-Cap platform has been strengthened**, not only in Italy through the effective partnership with the Private Banking division, but also in Germany, with the opening of the Frankfurt branch office on 1 July 2024;
- **A dedicated Energy Transition team has been set up**, which has been involved in some major transactions in Italy and Spain during the twelve months, and **coverage of Private Capital has been strengthened;**
- **BTP Specialist status has been acquired** (in June 2024), and both CO_2 trading and the Certificates platform in Switzerland have been launched.

The European M&A market started 2024 strongly, with a 45% increase in volumes of deals announced compared to the same period the previous year, with a growing number of large-sized deals, and a reduction in the number of medium-/small-sized transactions. The Italian market, which saw announced deals volumes 4x higher than in 1H 2023, outperformed the European average, as did United Kingdom and Spain, whereas the French and German markets recorded lower growth rates.

In this market scenario, **Mediobanca has confirmed its position as advisor of choice in Italy, taking part in the most important deals announced, and completing a total of thirty-five deals over the course of the six months.**

Some of the main deals completed in Italy include the reserved capital increase for Eni Plenitude by Energy Infrastructure Partners, the joint venture between Italiana Petroli and

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[14] CIB capital light revenues include fee income, with the exception of fees earned from Lending and Specialty Finance operations.

Macquarie, and the sale of a 49% stake in Enel Libra Flexsys by Enel to Sosteneo in the Energy Transition sector, the acquisition of SKS365 by Lottomatica in the TMT sector, plus certain deals in the Mid-Cap segment, including the acquisition of Autry International by Style Capital and the sale of Magister Group to W-Group.

Mediobanca has acted as **advisor** in some major M&A deals at European level, including the voluntary public tender offer for Greenvolt by KKR, and the sale of Enerfín to Statkraft by Elecnor, while on the French market, through Messier et Associés, the Group took part in the acquisition of Bolloré Logistics by CMA-CGM in the Infrastructure sector, and in the acquisition of Micropole by Talan in the TMT sector.

In **Debt Capital Markets**, an area which has seen very strong activity, Mediobanca has taken part of some of the largest senior and subordinated bond issues both in Italy (including Ferrari, IMA, UnipolSai, Snam, Stellantis and Terna), and in some of its other core markets (such as Raiffeisen Bank, Swisscom, Flutter Entertainment, Santander and Telefonica), with a growing footprint in the ESG space.

In **Equity Capital Markets**, still impacted by investors' selectivity with regards to IPOs in particular, Mediobanca acted as Joint Global Coordinator and Joint Bookrunner in both the two deals managed for Campari, the placement of an approx. 6% stake of its share capital through an ABB process and the issue of a convertible bond, and also in the sale of 25% of Monte dei Paschi di Siena, also by means of an ABB, for the Italian Ministry for the Economy.

In **Lending**, a market scenario marked by limited volumes, in the acquisition financing segment in particular, the Bank has assisted its clients in raising finance to support both their ordinary activities (including Enel, Eni, Pirelli, INWIT and CK Hutchison) and extraordinary activities, including underwriting the financing to support the acquisition by KKR of the TIM fixed telephony network, the financing package granted to doValue for its acquisition of Gardant, and the financing to Swisscom in its acquisition of 100% of Vodafone Italy. Various debt advisory mandates have also been completed, such as the one for IPlanet. The Bank has also strengthened its franchise in the Energy Transition sector.

Markets activity offset the reduction in business with institutional clients by strengthening activities with private and professional clients.

Revenues were up 7% YoY, from €712.4m to €762.6m, with the 4Q contribution of 226.7m reflecting strong acceleration (up 17.1% QoQ): the contribution from Wholesale Banking totalled €686.8m (up 7% YoY, €208m of which in the last 3M), while Specialty Finance revenues totalled €75.8m (up 7.4% YoY, with €18.7m contributed in 4Q).

- **Net interest income rose to €307m (up 6.6% YoY)**, with €73.8m added during the month, down 7.9% QoQ, due to repayments of certain Large Corporate positions; the contribution from Lending operations was more or less aligned with last year's performance (€157m, down 0.6% YoY), with the positive impact from the higher interest rates being offset by the lower lending volumes, while Specialty Finance, Markets and proprietary trading reflecting improved performances, the former up 6% YoY to €42.6m, and the latter up 18.6% YoY to €106.6m due to the revenue mix (high coupon flows taken as NII due to interest rates being higher, offset by the reduction in trading income due to valuations being lower);

- **Net fee and commission income rose by 24.6% YoY to €360.6m**, driven mainly by significant growth in Advisory business (up 58.7% YoY, to €228.2m), buoyed by the gradual recovery in Investment Banking, the continued resilience of the Mid Corporate segment (fees up from €26m to €35m), and the consolidation of Arma Partners (which added €66.9m in fees during the first nine months in which it was consolidated). This was boosted by healthy DCM activity (fees up from €17m to €24m) and a solid performance in Specialty Finance (fees up 9.5%

YoY to €33.3m). By contrast, ECM, with fees of €5.8m, continues to reflect the weak conditions on the reference market, and Lending business the lower demand for structured finance (fees down from €67.2m to €63.1m). In 4Q a particularly outstanding performance was recorded in the Spanish and French large caps M&A segment, with fees of €135.8m (up 48.6% QoQ);

- **Net treasury income totalled €95m (versus €135m last year),** with €17.1m added in 4Q.

Operating costs grew by 16.1% YoY, from €327.3m to €379.9m, reflecting a 4Q contribution of €113.4m, roughly half of which attributable to the consolidation of Arma Partners (€25.5m, €19.3m of which in labour costs). Labour costs, net of the Arma Partners effect, rose from €183m to €193m, due to the higher fixed costs which reflect the retention measures implemented to retain key function holders, and also due to the higher variable component, in view of the excellent 4Q performance especially. The 14.3% YoY rise in administrative expenses reflects the upgrade in technology and the project initiatives to develop the Markets Division's products and for management of the AIRB Corporate models, plus higher costs related to the support and control units, the growing commercial activity, and marketing and communications expenses. **The division's cost/income ratio stood at 49.8%.**

Net writebacks of €10.6m were credited for 12M, compared with net provisions of €32.3m last year, after approx. €13m in overlays were released, **confirming the high quality of the corporate portfolio.**

Alignment to fair value of holdings in funds entailed charges in the region of €3.4m being taken, lower than last year (when charges of €10.1m were taken).

Customer loans decreased by 3.2% in 12M, from €19.6bn to €19bn; the reduction in the Wholesale Banking segment (down 4.3%, from €16.8bn to €16bn) was to some extent countered by the resilience of factoring business (customer loans up 3.1%, to nearly €3bn). New business in Lending and Structured Finance was slightly lower than twelve months previously, at €5.8bn (30/6/23: €6.9bn), €3.5bn of which in 2H, against repayments totalling €7.6bn (€3.9bn in 2H). Turnover in factoring business remained more or less stable at €12bn.

Gross NPLs decreased from €135.7m to €51.2m, following the sale of three Large Corporate positions plus the addition of three small exposures, the largest of which is backed by a state guarantee. The gross NPL ratio stood at 0.3% (30/6/23: 0.7%), while the coverage ratio decreased from 83.6% to 54.4%, due to the combined effect of the sale of positions with high coverage and the inclusion of a new guaranteed exposure.

3. **<u>Consumer Finance</u>: net profit totalled €383m (30/6/23: €374m), confirming the division's capability to make a high and sustainable contribution to the Group's earnings. Record commercial results (new loans €8.4bn) and resilient margins offset the normalization of the cost of risk, now back to pre-Covid levels (168 bps, vs 145 bps last year). Good start made on strategy to enhance direct and digital distribution, with rapidly increasing commercial penetration in BNPL segment. RORWA 2.7%.**

In 12M Compass delivered a net profit of €382.9m (up 2.5%) and revenues of €1,188.9m (up 6.0%), at record levels, with profitability remaining high (RORWA 2.7%). The results delivered in FY 2023-24 confirm the vision and trajectory of the "One Brand-One Culture" Strategic Plan (objectives: €1.3bn in revenues, on customer loans of over €16bn and a RORWA of 2.9%), based on:

- **Multi-channel approach targeting strong growth in direct and digital distribution in particular:**

  - **Expansion of the distribution network** (with fifteen new agencies opened in 12M), **with focus on enhancement of the proprietary network** (approx. 80% of new business in personal loans is now attributable to the proprietary channels) **and variable cost solutions**. At end-June 2024 Compass's distribution platform consisted of 327 points of sale (181 branches, 85 agencies, and 61 Compass Quinto-branded POS specializing in the sale of salary-backed finance products). Compass Link, an agent network focused on offering off-site products (project launched at end-2021), now has a total of over 220 collaborators.

  - **Enhancement of the digital channels, which increased their share of the volumes** in direct channel personal loans **in 12M to 35%** (vs 31% last year), **helped by the introduction of the new platform** (which has been renewed in terms of user experience), **speed of approval** (more than 80% of applications are approved in one hour), **and the introduction of new products such as "instant lending"** (900,000 Compass clients with a sound track record can now have a new loan approved in one minute). Also worth noting in this connection is the effective activity performed by the "**Digital Sales Hubs**", which support clients in initiating and managing applications made via the internet channel, with more than one-third of the digital channel's volumes completed in "full digital" mode, i.e. entirely online.

- **Valuable new business, in terms of risk profile and high/sustainable profitability:**

  - **The growth in customer loans (to over €15bn)** – driven by new business, which posted a new record performance of €8.4bn in 12M – and **their repricing have driven 6% growth in both revenues and net interest income;**

  - **Compass's proven track record in risk assessment has allowed it to keep the cost of risk under close control (168 bps),** and the first SRT (Significant Risk Transfer) securitization completed in June 2024 has enabled **savings of €500m in terms of RWAs, beneficial to both net profit (up 2%) and RORWA (2.7%).**

- **Development and growth of BNPL as consumer credit product, managed by leveraging on Compass's distinctive capabilities:** business has increased by almost 3x in 12M (to approx. €497m), and **the product is consistent with customers' new purchasing habits and is a powerful tool for acquiring new clients.** In preparation for the coming international expansion, t**he Pagolight platform will be renamed Heylight in the next few months, and will become a new ecosystem for credit solutions for both clients and merchants.** In the course of the financial year Compass's BNPL operations, on the back of **a significant increase in the number of merchant dealers** (up from 15,000 at end-June 2023 to over 26,000 at end-June 2024) **and the number of new contracts** (385,000 in 12M) **has become the division's most effective product in terms of generating new clients** (approx. 40% of the total number of new Compass clients each month comes through BNPL). The agreement with Nexi, launched in November 2023, will significantly increase Compass's capability in terms of acquiring new clients, leveraging on a broad selection of merchant dealers. The HeidiPay Switzerland acquisition has been consolidated, with turnover of €13.8m and 245 merchants.

The Italian consumer credit market posted flows of some €52bn during the 2023 calendar year, down 0.4% on 2022, while the first six months of 2024 show a recovery, with flows up 4.9%. In 2023, the positive commercial performance in special purpose loans (automotive up 5.5%, other special purpose finance up 5%) offset in part the reduction in personal loans (down 1.6%) and salary-backed finance (down 4.5%). The growth recorded during 1H 2024 was driven by personal loans (up 9.3%) and by automotive finance (up 3%), on a further reduction in salary-backed solutions (down 2.7%), with the other products largely stable.

In this scenario, and despite the more selective lending policies implemented in order to preserve asset quality, **Compass disbursed new loans worth approx. €8.4bn in the twelve months, up 6.6% YoY**, with over two million deals completed (up 13.4%). **The positive trend involved personal loans (up 11.5%, from €3,508m to €3,910m), helped by the growth of the direct channel (up 10.5%, from €2,774m to €3,033m),** and the recovery by the third-party channels (up 14.9%, from €763.8m to €877.3m), the banking channel in particular (up 15.1%, from €444.7m to €511.9m). New business in BNPL increased by almost 3x, as already mentioned, up from €190m to €497m. There were slight decreases in both automotive finance (down 11.7%, from €1,621m to €1,431m) and special purpose loans (down 2.2%, from €1,188m to €1,162m) and, whereas credit cards remained more or less stable (up 2.4%, from €933.8m to €955.9m), as did salary-backed finance (up 1.4%, from €408.3m to €414.1m).

The growth in revenues (up 6.0%, from €1,121.4m to €1,188.9m) was higher than the growth in average lending volumes (which rose by 5%). The main income items performed as follows:

- **Net interest income exceeded the figure of €1bn for the first time, at €1,043.9m (up 6%** on last year's €984.9m); the good performance reflects growth in lending which is increasingly focused on direct personal loans, the higher profitability of which has been preserved through intense repricing activity which offset the increase in the cost of funding;

- **Net fee and commission income rose from €137.3m to €145.1m (up 5.7%)**, with an increasing contribution from Buy Now Pay Later activities (€20m), offsetting the reduction in the component deriving from sales of insurance products (down from €40.4m to €29.6m).

Operating costs totalled €369.5m, higher than last year (€347.4m), primarily as a result of the investments to grow the division and the higher volumes. Labour costs rose by 6% (from €113.8m to €120.6m) due to growth in the headcount (with 43 new staff added during the period) and the renewal of the national collective labour contract; administrative expenses were up 6.5% (from €233.6m to €248.9m) due to the rising operating costs linked to volumes and to IT, the latter mainly in support of the new digital initiatives (BNPL in particular); **the cost/income ratio remains low at 31.1%.**

Loan loss provisions rose by 22.5%, from €203.9m to €249.7m, with the cost of risk realigning to pre-Covid levels as expected, at 168 bps (vs 145 bps last year), and a higher proportion of personal loans out of total new business. The coverage levels remain high (NPLs down from 77.3% to 75.3%; performing loans 3.67%), with overlays down from €209m to €175m.

Gross loan loss provisions totalled €978m (30/6/23: €878m), increasing in relative terms from 5.59% of total loans to 5.93%, due to the higher default rates. **The coverage levels remain excellent even despite the marginal decline** (from 77.3% to 75.3%) which is **attributable to the increasing portion of NPLs which reflect higher recovery potential. Net NPLs** of €241.4m continue to represent only a minor percentage of total loans (1.59%, compared with 1.38% last year). Net bad debts totalled €5m, reflecting a coverage ratio of 98.1%.

4. Insurance: high contribution to Group earnings (€522m) – RORWA 3.8%

The Insurance & PI division delivered a net profit of €522m for the twelve months, higher than last year (€439.5m), and contributing €169m in 4Q. RORWA for the division stood at 3.8% (30/6/23: 3.2%).

The division has confirmed its high and solid contribution, decoupled from the Group's other businesses (Investment Banking in particular), **in terms of dividend flows, as well as representing a value option, in the sense of ensuring the Group has funds available in the event of potential acquisitions.**

Application of the equity method to the Group's investments returned a profit of €510.7m, made up as follows: Assicurazioni Generali €503m; other IAS 28 investments (IEO, CLI Holdings II, Finanziaria Gruppo Bisazza) €7.7m.

Amounts collected by way of dividends and other income from holdings in funds and equities (accounted for as other revenues) amounted to €26.6m, roughly half of which represented by the Group's investments in seed capital; while upward adjustments to reflect the fair value of holdings in funds totalled €20m (compared with €2.4m last year).

The book value of the Assicurazioni Generali investment[15] increased by 6.5% in 12M, from €3,472.2m to €3,698m, despite decreasing during 4Q as is customary due to distribution of the dividend (€261.6m collected in May 2024). The Insurance Division contributed €503m to the Group's earnings for the twelve months, much higher than last year (€442.8m), on the back of a positive performance in all business segments, non-life insurance in particular, which benefited from lower claims, more than offsetting the (material) impact of natural catastrophes, plus certain non-recurring items such as the gains generated on the disposals of TUA Assicurazioni S.p.A. and Generali Deutschland Pensionkasse.

Once the new Basel III regulatory framework definition process was concluded, on 24 April 2024, the new version of the EU regulation CRR III was definitively approved, **which makes the treatment currently applied to the Assicurazioni Generali investment** (the "Danish Compromise"), which would have expired on 1 January 2025, **permanent for purposes of calculating the prudential requirements**.

The other banking book securities increased to €802.2m (30/6/23: €675.5m): holdings in funds rose from €435.4m to €546.7m, following approx. €95.3m in net investments, and upward adjustments to reflect fair value of €16m; the equity component rose to €255.5m (€240.1m), on investments totalling approx. €0.3m and upward adjustments to reflect fair value (taken through Other Comprehensive Income) totalling €15.7m, all of which in connection with listed instruments.

5. HF: strongly improving results, due to the interest rate scenario plus active treasury management. Comfortable and diversified funding position, with optimized CoF.

The net loss posted by the Holding Functions division reduced to €43.8m (compared to €95.3m last year); the division's performance reflects the sale of Revalea, effective from 1 October 2023 (with no impact in operational terms) plus the lower contributions to the resolution funds, of €50.7m (vs €70.4m last year), despite the prepayment for the final DGS contribution (which was paid in July 2024). Total revenues were stable relative to last year, at €223.5m (30/6/23: €220.4m, €43.5m of which in 4Q), reflecting the marked improvement in treasury operations (NII up €49m), which more than offset the reduction in revenues from NPL management (down €41m); conversely, the reduction in operating costs (from €202m to €192.3m) and loan loss provisions (from €21.6m to €9.7m) include the effects of the disposal, while on a like-for-like basis costs would have risen by 10.7% YoY, with the central costs share totalling €118m (up 10% YoY, representing approx. 7.7% of the Group total).

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15 The Group's shareholding fell from 13.25% to 13.17% as a result of the Assicurazioni Generali group's LTI plan for 2019.

The main income items performed as follows:

- **Treasury**: the net contribution from treasury management increased from €62.4m to €84.2m, on a markedly improved performance in net interest income (up from €98.1m to €146.9m), helped by the positive sensitivity to interest rates and the contribution of the securities portfolio, which delivered higher yields and volumes (up 114 bps and €550m respectively) The 4Q performance remains excellent, at €32.7m (€29.2m), helped by the banking book's growing profitability, and the funding being not completely repriced. The MREL ratio (43.5%, compared with a requirement of 23.57%) and the COREP ratios (LCR: 159%; NSFR: 116.8%) were higher as a result of the new debt security issuance and the resilience of the WM funding, with no impact from the higher T-LTRO repayments; the cost of funding increased, with an annual average of 2.41%.

- **Leasing**: a net profit of €4.1m was earned from leasing operations in 12M, compared with €3.2m last year, on revenues totalling €32m (€35m; down 8.6% YoY; down 1.3% QoQ) and loan loss provisions of €2.7m (more than halved compared to last year); gross NPLs continued to reduce, while net NPLs totalled €18.8m.

Mediobanca S.p.A.

Mediobanca S.p.A., the parent company of the Mediobanca Group, posted a net profit for the twelve months of €1,244m, following a major contribution from dividends received from the Group Legal Entities (which almost doubled, from €527.3m to €1,041.2m), and organic growth by other revenues (up 8.5% YoY), roughly in line with the rise in costs (up 9.5% YoY); the positive contribution made by writebacks (€5m) and valuations of other financial assets (€12.3m) offset some of the impairment charges for equity investments (which accounted for €35.2m). Core revenues net of the dividends rose by 8.5%, from €860.6m to €934.1m, with the main items performing as follows:

- **Net interest income rose** from €333.2m to €401.7m, due to the increased profitability of the banking book which absorbed the higher cost of funding, while the reduced contribution from lending operations was more than offset by that of the trading desks;

- **Net fee and commission income improved,** from €319.9m to €364m, due to good performances from the Private Banking division (fees rose from €110.6m to €132.3m), and from Advisory/M&A (up from €100.1m to €119.4m), which easily offset the reduced contribution from Capital Markets business (fees down from €43.5m to €29.5m); while fees from Lending operations were basically stable, at €51.6m;

- **Net treasury income declined** from €207.5m to €168.4m, due to the lower result posted by the proprietary trading desk, of €19.5m (€62.1m), with client solutions activity basically stable at €70.6m.

Operating costs rose from €498.4m to €545.6m, with the labour costs component (up from €288.8m to €309.9m) reflecting renewal of the national collective labour contract, the increase in headcount and the higher variable remuneration component; the increase in administrative costs, from €209.6m to €235.7m, reflects the higher IT costs, including the substantial projects component.
Total assets increased from €81.3bn to €87.3bn, mainly due to higher uses of assets in securities trading, covered by short-term funding.
Customer loans decreased from €41.4bn to €40.3bn, €13.2bn of which regards corporate lending (€13.6bn), €1.4bn loans to Private Banking customers (€1.5bn), and €25.7bn to other Group Legal Entities (€26.3bn).

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Mediobanca has been admitted to the co-operative compliance programme instituted by the Italian revenue authority pursuant to Articles 3-7 of Italian Legislative Decree 128/2015. Notification of admission was received after review of the eligibility requirements provided by the regulations had been completed and the application duly processed. With admission to the regime, effective from FY 2022-23, Mediobanca has entered into a closer relationship of trust and co-operation with the Italian revenue authorities, which among other things will increase the level of certainty on important tax matters in complete transparency, through ongoing and prior dialogue regarding situations that could in theory generate tax risks.
As provided by the regulations in force, Mediobanca has been entered in the list of taxpayers operating in complete transparency and co-operation with the Italian revenue authority, published on the authority's own official website.
This major achievement has been delivered by meeting the authority's requirements, which are binding, and are based around putting in place an effective system for recording, measuring, managing and controlling tax risk (the "Tax Control Framework"), which risk is defined as the risk of operating in breach of the tax-related regulations or in conflict with the principles and objectives of the tax system. The achievement of this objective reinforces the strategic sustainability target in line with the 2023-26 Strategic Plan "One Brand-One-Culture" on ESG issues.

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Group Sustainability Roadmap

The Group is committed to placing sustainability at the centre of its strategy, pursuing an appropriate balance between economic growth, social welfare and preservation of the environment.

The Group has renewed its membership of some of the most important international protocols, such as the UN Global Compact, the Principles for Responsible Banking, and the Net-Zero Banking Alliance.
The Group's participation in initiatives such as these, coupled with the decision to factor in ESG criteria to all areas of its business, have contributed to **improve the Bank's position in certain ESG ratings**, including as follows: ISS (Institutional Shareholder Services), which has assigned Mediobanca its top score in all three ESG areas – Environmental, Social and Governance, and the CDP (Carbon Disclosure Project), which has improved the Bank's score from "C" to "B", in recognition of its commitment to addressing its impact on the environment.

All qualitative and quantitative ESG targets included in the Strategic Plan 2023-26 "One Brand-One Culture" are progressing in line with expectations, in particular as follows:

- **Environmental**

As part of the commitment entered into with membership of the Net-Zero Banking Alliance (NZBA), to reach carbon neutrality by 2050, **the interim targets for 2030 set for all high-emissions sectors will be published in September 2024**. Furthermore, the actions intended to ensure that climate issues are more fully integrated into the Group's strategy will be described for the first time in the Group's **Transition Plan.**

The **reduction in the carbon intensity of the CIB Division's loan book** is also proceeding in line with expectations, having been cut by 20%[16] (more than the 18% target for the whole plan time horizon).

The Group is continuing to make progress in reducing its direct impact, confirming the use of **100% electricity from renewable sources** and retaining **carbon neutrality for the Group's own emissions (Scope 1 and Scope 2 market-based).**

- **Social**

On **diversity and inclusion issues**, there has been an increase in all the target indicators included in the Strategic Plan, including as follows: 20.2% of the total number of management are now women (compared to 18.7% in FY 2022-23), and the rate of progress in terms of women being promoted has now reached 18% (as opposed to 14.7% in FY 2022-23). The progress envisaged by the Strategic Plan is also being met for the objective of providing **support to projects with environmental and social impact**, with more than €7m donated (2026 target: cumulative total of €20m). The objective regarding assessment of suppliers using ESG criteria has now reached 65% of global spending, relative to an objective of 70% by the end of the Plan. As regards sustainable finance, **the Group has already issued one of the two sustainable bonds contemplated over the time horizon of the Strategic Plan (the €500m Sustainability SNP issued in September 2023).**

In December 2023 Mediobanca obtained **gender parity certification**, in accordance with the UNI/PdR 125:2022 standards required by the National Recovery and Resilience Plan (NRRP).

Sensitivity to the needs of the community and the inclusion of socially vulnerable categories at risk of exclusion, especially among young people, is the focus of the numerous initiatives that have been launched, with more than €7m donated during 12M.

- **Governance**

A **Long-Term Incentive Plan 2023-26** has been launched, to align the remuneration of the Group's senior management with the results of the 2023-26 Strategic Plan.

The objective of launching an **Employee Share Ownership Plan** has also been delivered, to increase the Group staff's sense of ownership.

Another important target achieved, as already mentioned, is **the Bank's admission to the co-operative compliance regime instituted by the Italian revenue authority,** due to its effective system for recording, measuring, managing and controlling tax risk, in accordance with the tax compliance requirements set by the Bank of Italy and in line with the tax conduct principles recommended by the OECD.

- **Broad ESG product offering differentiated by business lines:**

    - **Wealth Management**: the percentage of ESG funds (SFDR Article 8/9 funds) represented in client portfolios has increased to 50%; and there has also been an increase in the number of ESG funds manufactured by the Group (seven new funds, vs a total of nine envisaged in the Strategic Plan). Market trends, which show a marked downturn in the demand for mortgages, have impacted on the green mortgages target, where new loans stand at 11.5% of the total new business (compared with a target of 19% by 2026);

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[16] Data as at 31 March 2024.

- **Consumer Finance**: with a CAGR +15% target increase in ESG new loans over the Plan time horizon, a 43% outperformance was delivered in FY 2023-24;

- **CIB**: the CIB Division has set up an advisory team focused on energy transition, which has advised on multiple climate-related deals. ESG bonds originated account for 46% of the total, and ESG new loans 38% of total loans, versus Plan objectives of 50% and 40% respectively.

- **Embedding an ESG culture:**

  - More than 84% of the Group's staff have received training in ESG issues, with the objective being to reach 100% by end-June 2026, including 100% of Financial Advisors; while 65% of the Wealth Management advisors have received EFPA certification (with an objective of 100% by the end of the Plan time horizon);

  - More than ten million emails on environmental and financial education issues have already been sent to Compass clients, out of a target of 35 million by end-June 2026.

In the area of technology, the Group has consistently monitored the most recent innovations, to improve its efficiency and our capability to serve its clients.

All the activities described thus far are illustrated in more detail in our sustainability reporting, the main component of which is the Consolidated Non-Financial Statement, complete with information on EU Taxonomy eligibility, accompanied by the Task Force on Climate Related Financial Disclosures (TCFD) Report, and the Principles for Responsible Banking (PRB) Report, which for the first time is subject to limited assurance. In addition to the above, further information on sustainability can be found in the Pillar III ESG and Green and Sustainability Bond Reports.

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Outlook

While the scenario for the next twelve months continues to be affected by uncertainties related to growing geopolitical risks, it also reflects weak growth by the leading European economies, along with a slowdown in inflationary pressures and more accommodative monetary policies, with the effects to be felt from the first half of 2025 in particular.

The Mediobanca Group confirms its strategic vision and the trajectory outlined in the 2023-26 Strategic Plan "One Brand-One Culture" based on:

- High and above-average growth due to the divisions' specialized and distinctive positioning;
- High capital generation;
- Distribution policy at best sector levels, with low execution risk.

Highlights of FY 2024-25 should include the following:

- The ongoing strengthening in distribution and the healthy commercial activity in Wealth Management will drive growth in TFAs, with **NNM expected to reach €9-10bn for the year**, while the selective asset growth and optimization activity will enable **RWAs to remain stable,** even with the introduction of the Basel IV system of regulations;

- **Revenues are expected to increase, on strong, low double-digit growth in fee income** driven by WM and the capital-light services offered by CIB, boosted further by the declining interest rates; while **net interest income will maintain an upward trajectory but with low single-digit growth**, helped by CF which is more resilient in a declining interest rate scenario;

- **The cost/income ratio should stand at 44%,** even with ambitious plans to invest in digital and in distribution (in WM in particular);

- **The cost of risk is expected to be ~55 bps**, leveraging on the substantial overlays set aside;

- **Earning per share (EPS) is expected to grow by 6-8%**[17];

- **With reference to shareholder remuneration, DPS is expected to grow,** with the cash **payout confirmed at 70%** (interim dividend to be paid in May 2025 and the balance in November 2025), **plus a new share buyback scheme to be implemented (approx. €385m).**[18]

Milan, 1 August 2024

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17 Including the cancellation of approx. 80% of the treasury shares to be acquired through the €385m share buyback to be implemented during FY 2024-25.
18 The second share buyback scheme envisaged in the 2023-26 Strategic Plan will be implemented in FY 2024-25, subject to authorization by the ECB and by shareholders in Annual General Meeting.

MEDIOBANCA

1. Restated consolidated profit and loss accounts

Mediobanca Group (€m)	12 mths 30/06/2023	12 mths 30/06/2024	Chg. %
Net interest income	1,801.0	1,984.8	10.2%
Net treasury income	205.7	172.2	-16.3%
Net fee and commission income	842.8	939.4	11.5%
Equity-accounted companies	453.9	510.4	12.4%
Total income	**3,303.4**	**3,606.8**	**9.2%**
Labour costs	(728.3)	(804.5)	10.5%
Administrative expenses	(684.8)	(737.7)	7.7%
Operating costs	**(1,413.1)**	**(1,542.2)**	**9.1%**
Loan loss provisions	(270.1)	(252.1)	-6.7%
Provisions for other financial assets	(7.3)	13.9	n.m.
Other income (losses)	(185.8)	(90.2)	-51.5%
Profit before tax	**1,427.1**	**1,736.2**	**21.7%**
Income tax for the period	(394.4)	(436.7)	10.7%
Minority interest	(6.7)	(26.1)	n.m.
Net profit	**1,026.0**	**1,273.4**	**24.1%**

2. Quarterly profit and loss accounts

Mediobanca Group	FY 22/23				FY 23/24			
(€m)	I Q 30/09/22	II Q 31/12/22	III Q 31/03/23	IV Q 30/06/23	I Q 30/09/23	II Q 31/12/23	III Q 31/03/24	IIII Q 30/06/24
Net interest income	396.3	446.6	456.0	502.1	495.7	500.8	495.9	492.4
Net treasury income	64.6	83.5	24.2	33.4	47.5	45.9	40.2	38.6
Net commission income	210.2	262.5	185.4	184.7	179.8	242.3	238.1	279.2
Equity-accounted companies	86.2	109.2	94.0	164.5	140.7	77.9	123.4	168.4
Total income	**757.3**	**901.8**	**759.6**	**884.7**	**863.7**	**866.9**	**897.6**	**978.6**
Labour costs	(165.8)	(194.0)	(176.4)	(192.1)	(179.7)	(202.5)	(204.7)	(217.6)
Administrative expenses	(155.6)	(175.5)	(167.6)	(186.1)	(164.2)	(189.0)	(183.9)	(200.6)
Operating costs	**(321.4)**	**(369.5)**	**(344.0)**	**(378.2)**	**(343.9)**	**(391.5)**	**(388.6)**	**(418.2)**
Loan loss provisions	(62.6)	(93.8)	(53.1)	(60.6)	(60.0)	(72.9)	(62.8)	(56.4)
Provisions for other fin. assets	(17.0)	(5.7)	9.7	5.7	(0.4)	5.5	10.1	(1.3)
Other income (losses)	(2.6)	(35.5)	(57.9)	(89.8)	0.0	(25.2)	(0.9)	(64.1)
Profit before tax	**353.7**	**397.3**	**314.3**	**361.8**	**459.4**	**382.8**	**455.4**	**438.6**
Income tax for the period	(88.7)	(102.7)	(76.5)	(126.5)	(107.4)	(113.3)	(110.7)	(105.3)
Minority interest	(2.2)	(1.9)	(2.2)	(0.4)	(0.7)	(9.6)	(9.8)	(6.0)
Net profit	**262.8**	**292.7**	**235.6**	**234.9**	**351.3**	**259.9**	**334.9**	**327.3**

MEDIOBANCA

3. Restated balance sheet

Mediobanca Group (€m)	30/06/2023	31/03/2024	30/06/2024
Assets			
Financial assets held for trading	9,546.2	12,925.5	15,409.5
Treasury financial assets	10,378.5	9,484.7	11,102.6
Banking book securities	10,471.3	11,178.0	11,340.7
Customer loans	52,549.2	52,001.2	52,447.4
Corporate	*16,765.2*	*16,269.2*	*16,042.9*
Specialty Finance	*2,860.7*	*2,460.0*	*2,950.4*
Consumer credit	*14,465.0*	*14,961.6*	*15,197.6*
Mortgages	*12,384.1*	*12,560.8*	*12,568.0*
Private banking	*4,443.2*	*4,350.4*	*4,285.3*
Leasing & NPL	*1,631.0*	*1,399.2*	*1,403.3*
Equity investments	4,367.7	4,813.4	4,702.7
Tangible and intangible assets	1,327.6	1,653.7	1,595.0
Other assets	2,983.3	2,439.5	2,628.4
Total assets	**91,623.8**	**94,496.0**	**99,226.3**
Liabilities			
Funding	60,506.2	60,428.6	63,669.9
MB bonds	*22,282.8*	*26,192.5*	*27,619.2*
Retail deposits	*16,983.6*	*16,640.1*	*16,888.0*
Private Banking deposits	*11,194.6*	*9,772.9*	*11,010.6*
ECB	*5,586.2*	*2,088.6*	*1,313.2*
Banks and other	*4,459.0*	*5,734.5*	*6,838.9*
Treasury financial liabilities	5,470.0	8,796.9	10,584.1
Financial liabilities held for trading	9,436.7	9,367.7	9,504.7
Other liabilities	4,599.7	4,327.4	4,066.3
Provisions	182.6	174.4	158.1
Net equity	11,428.6	11,401.0	11,243.2
Minority interest	*104.1*	*97.6*	*86.1*
Profit for the period	*1,026.0*	*946.1*	*1,273.4*
Total liabilities	**91,623.8**	**94,496.0**	**99,226.3**
CET 1 capital	8,177.6	7,420.4	7,222.5
Total capital	9,217.0	8,685.1	8,438.0
RWA	51,431.5	48,773.8	47,622.0

4. Consolidated shareholders' equity

Net equity (€m)	30/06/2023	31/03/2024	30/06/2024
Share capital	444.2	444.5	444.5
Other reserves	9,793.2	9,911.1	9,929.0
Interim dividend	—	—	(421.2)
Valuation reserves	62.1	1.7	(68.6)
- of which: Other Comprehensive Income	*71.1*	*149.3*	*116.5*
cash flow hedge	*272.4*	*116.3*	*113.7*
equity investments	*(277.8)*	*(243.6)*	*(274.4)*
Minority interest	104.1	97.6	86.1
Profit for the period	1,026.0	946.1	(1,273.4)
Total Group net equity	**11,429.6**	**11,401.0**	**11,243.2**

MEDIOBANCA

5. Ratios (%) and per share data (€)

MB Group	Financial year 22/23	Financial year 23/24
	30/06/2023	30/06/2024
Ratios (%)		
Total assets / Net equity	8.0	8,8
Loans / Funding	0.87	0.82
RWA density (%)	56.1%	48.0%
CET1 ratio (%) phase-in	15.9%	15.2%
Total capital (%)phase-in	17.9%	17.7%
S&P Rating	BBB	BBB
Fitch Rating	BBB	BBB
Moody's Rating	Baa1	Baa1
Cost / Income	42.8	42.8
Gross NPLs/Loans ratio (%)	2.5	2.5
Net NPLs/Loans ratio (%)	0.7	0.8
EPS	1.21	1.53
EPS adj.	1.42	1.63
BVPS	12.5	12.3
TBVPS	11.6	11.6
DPS (annual, including interim from May 2024)	0.85	1.07
ROTE adj. (%)	12.7	13.9
RORWA adj. (%)	2.4	2.7
No. shares (m)	849.3	832.9

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

12m – June 24 (€m)	WM	CF	CIB	INS	Holding Functions	Group
Net interest income	425.0	1,043.9	307.0	(7.1)	178.0	1,984.8
Net treasury income	9.2	0.2	95.0	26.6	39.2	172.2
Net fee and commission income	489.4	145.1	360.6	—	6.3	939.4
Equity-accounted companies	—	(0.3)	—	510.7	—	510.4
Total income	**923.6**	**1,188.9**	**762.6**	**530.2**	**223.5**	**3,606.8**
Labour costs	(325.1)	(120.6)	(215.0)	(4.1)	(139.7)	(804.5)
Administrative expenses	(288.4)	(248.9)	(164.9)	(1.1)	(52.6)	(737.7)
Operating costs	**(613.5)**	**(369.5)**	**(379.9)**	**(5.2)**	**(192.3)**	**(1,542.2)**
Loan loss provisions	(7.4)	(249.7)	10.6	—	(5.6)	(252.1)
Provisions for other financial assets	1.4	—	(3.4)	20.0	(4.1)	13.9
Other income (losses)	(3.7)	0.1	(2.5)	—	(49.4)	(90.2)
Profit before tax	**300.4**	**569.8**	**387.4**	**545.0**	**(27.9)**	**1,736.2**
Income tax for the period	(91.0)	(186.9)	(121.0)	(23.0)	(13.2)	(436.7)
Minority interest	(0.9)	—	(22.9)	—	(2.7)	(26.1)
Net profit	**208.5**	**382.9**	**243.5**	**522.0**	**(43.8)**	**1,273.4**
Loans and advances to Customers	16,853.3	15,197.6	18,993.3	—	1,403.3	52,447.4
RWAs	6,051.5	14,493.2	14,857.6	8,066.5	4,153.2	47,622.0
No. of staff	2,259	1,563	732	9	880 (443*)	5,443

MEDIOBANCA

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

12m – June 23 (€m)	WM	CF	CIB	INS	Holding Functions	Group
Net interest income	361.5	984.9	288.0	(7.1)	145.1	1,801.0
Net treasury income	9.4	—	135.0	16.0	42.8	205.7
Net fee and commission income	449.6	137.3	289.4	—	32.5	842.8
Equity-accounted companies	—	(0.8)	—	454.7	—	453.9
Total income	**820.5**	**1,121.4**	**712.4**	**463.6**	**220.4**	**3,303.4**
Labour costs	(294.2)	(113.8)	(183.0)	(4.0)	(133.4)	(728.3)
Administrative expenses	(260.9)	(233.6)	(144.3)	(1.0)	(68.6)	(684.8)
Operating costs	**(555.1)**	**(347.4)**	**(327.3)**	**(5.0)**	**(202.0)**	**(1,413.1)**
Loan loss provisions	(10.5)	(203.9)	(32.3)	—	(23.4)	(270.1)
Provisions for other financial assets	(1.2)	—	(10.1)	2.4	1.8	(7.3)
Other income (losses)	(20.9)	(14.0)	—	—	(83.5)	(185.8)
Profit before tax	**232.8**	**556.1**	**342.7**	**461.0**	**(86.7)**	**1,427.1**
Income tax for the period	(70.0)	(182.6)	(113.8)	(21.5)	(6.5)	(394.4)
Minority interest	(0.9)	—	(3.7)	—	(2.1)	(6.7)
Net profit	**161.9**	**373.5**	**225.2**	**439.5**	**(95.3)**	**1,026.0**
Loans and advances to Customers	16,827.3	14,465.0	19,625.9	—	1,631.0	52,549.2
RWAs	5,959.4	13,516.9	19,410.2	8,713.9	3,831.2	51,431.5
No. of staff	2,197	1,520	648	9	853 (430*)	5,227

(*) HF staff (443 FTEs at 30/06/24, 430 FTEs at 30/06/23) excluding those who work for the support/control units whose cost is charged back to the business lines as "administrative expenses"; the FTEs properly attributable to the HF refer to Group Treasury/ ALM, Leasing and other non core activities, General Management, plus approx. 40% of the support/control units.

7. Wealth Management

Wealth Management (€m)	12 mths 30/06/2023	12 mths 30/06/2024	Chg.%
Net interest income	361.5	425.0	17.6%
Net trading income	9.4	9.2	-2.1%
Net fee and commission income	449.6	489.4	8.9%
Total income	**820.5**	**923.6**	**12.6%**
Labour costs	(294.2)	(325.1)	10.5%
Administrative expenses	(260.9)	(288.4)	10.5%
Operating costs	**(555.1)**	**(613.5)**	**10.5%**
Loan loss provisions	(10.5)	(7.4)	-29.5%
Provisions for other financial assets	(1.2)	1.4	n.m.
Other income (losses)	(20.9)	(3.7)	-82.3%
Profit before tax	**232.8**	**300.4**	**29.0%**
Income tax for the period	(70.0)	(91.0)	30.0%
Minority interest	(0.9)	(0.9)	n.m.
Net profit	**161.9**	**208.5**	**28.8%**
Loans and advances to customers	16,827.3	16,853.2	0.2%
New loans (mortgages)	2,244.7	1,040.5	-53.6%
TFA (Stock, € bn)	88.0	99.4	12.9%
-AUM/AUA	59.8	71.5	19.5%
-Deposits	28.2	27.9	-1.0%
TFA (Net New Money, € bn)	7.3	8.4	14.8%
-AUM/AUA	7.9	8.6	9.8%
-Deposits	(0.6)	(0.3)	-52.3%
No. of staff	2,197	2,259	2.8%
RWAs	5,959.4	6,051.5	1.5%
Cost / income ratio (%)	67.7%	66.4%	
Gross NPL / Gross loans ratio (%)	1.3%	1.3%	
Net NPL / Net loans ratio1 (%)	0.7%	0.8%	
RORWA adj	3.1%	3.6%	

8. Corporate & Investment Banking

Corporate & Investment Banking (€m)	12 mths 30/06/2023	12 mths 30/06/2024	Chg.%
Net interest income	288.0	307.0	6.6%
Net treasury income	135.0	95.0	-29.6%
Net fee and commission income	289.4	360.6	24.6%
Total income	**712.4**	**762.6**	**7.0%**
Labour costs	(183.0)	(215.0)	17.5%
Administrative expenses	(144.3)	(164.9)	14.3%
Operating costs	**(327.3)**	**(379.9)**	**16.1%**
Loan loss provisions	(32.3)	10.6	n.m.
Provisions for other financial assets	(10.1)	(3.4)	-66.3%
Other income (losses)	—	(2.5)	n.m.
Profit before tax	**342.7**	**387.4**	**13.0%**
Income tax for the period	(113.8)	(121.0)	6.3%
Minority interest	(3.7)	(22.9)	n.m.
Net profit	**225.2**	**243.5**	**8.1%**
Loans and advances to customers	19,625.9	18,993.3	-3.2%
No. of staff	648	732	13.0%
RWAs	19,410.2	14,857.6	-23.5%
Cost / income ratio (%)	45.9%	49.8%	
Gross NPL / Gross loans ratio (%)	0.7%	0.3%	
Net NPL / Net loans ratio (%)	0.1%	0.1%	
RORWA adj	1.2%	1.4%	

9. Consumer Finance

Consumer Finance (€m)	12 mths 30/06/2023	12 mths 30/06/2024	Chg.%
Net interest income	984.9	1,043.9	6.0%
Net trading income	0.0	0.2	n.m.
Net fee and commission income	137.3	145.1	5.7%
Equity-accounted companies	(0.8)	(0.3)	-62.5%
Total income	**1,121.4**	**1,188.9**	**6.0%**
Labour costs	(113.8)	(120.6)	6.0%
Administrative expenses	(233.6)	(248.9)	6.5%
Operating costs	**(347.4)**	**(369.5)**	**6.4%**
Loan loss provisions	(203.9)	(249.7)	22.5%
Provisions for other financial assets	—	—	n.m.
Other income (losses)	(14.0)	0.1	n.m.
Profit before tax	**556.1**	**569.8**	**2.5%**
Income tax for the period	(182.6)	(186.9)	2.4%
Net profit	**373.5**	**382.9**	**2.5%**
Loans and advances to customers	14,465.0	15,197.6	5.1%
New loans	7,849.0	8,370.1	6.6%
No. of branches	181	181	—
No. of agencies	72	85	18.1%
No. of staff	1,520	1,563	2.8%
RWAs	13,516.9	14,493.2	7.2%
Cost / income ratio (%)	30.9%	31.1%	
Gross NPL / Gross loans ratio (%)	5.6%	5.9%	
Net NPL / Net loans ratio (%)	1.4%	1.6%	
RORWA adj	2.9%	2.7%	

10. Insurance

Insurance - PI (€m)	12 mths 30/06/2023	12 mths 30/06/2024	Chg. %
Net interest income	(7.1)	(7.1)	n.m.
Net treasury income	16.0	26.6	66.3%
Net fee and commission income	0.0	0.0	n.m.
Equity-accounted companies	454.7	510.7	12.3%
Total income	**463.6**	**530.2**	**14.4%**
Labour costs	(4.0)	(4.1)	2.5%
Administrative expenses	(1.0)	(1.1)	10.0%
Operating costs	**(5.0)**	**(5.2)**	**4.0%**
Loan loss provisions	—	—	n.m.
Provisions for other financial assets	2.4	20.0	n.m.
Other income (losses)	—	—	n.m.
Profit before tax	**461.0**	**545.0**	**18.2%**
Income tax for the period	(21.5)	(23.0)	7.0%
Minority interest	—	—	n.m.
Net profit	**439.5**	**522.0**	**18.8%**
Equity investments	3,557.1	3,780.7	6.3%
Other investments	675.6	803.1	18.9%
RWAs	8,713.9	8,066.5	-7.4%
RORWA adj	3.2%	3.8%	

11. Holding Functions

Holding Functions (€m)	12 mths 30/06/2023	12 mths 30/06/2024	Chg. %
Net interest income	145.1	178.0	22.7%
Net treasury income	42.8	39.2	-8.4%
Net fee and commission income	32.5	6.3	-80.6%
Total income	**220.4**	**223.5**	**1.4%**
Labour costs	(133.4)	(139.7)	4.7%
Administrative expenses	(68.6)	(52.6)	-23.3%
Operating costs	**(202.0)**	**(192.3)**	**-4.8%**
Loan loss provisions	(23.4)	(5.6)	-76.1%
Provisions for other financial assets	1.8	(4.1)	n.m.
Other income (losses)	(83.5)	(49.4)	-40.8%
Profit before tax	**(86.7)**	**(27.9)**	**-67.8%**
Income tax for the period	(6.5)	(13.2)	n.m.
Minority interest	(2.1)	(2.7)	28.6%
Net profit	**(95.3)**	**(43.8)**	**-54.0%**
Loans and advances to customers	1,631.0	1,403.3	-14.0%
Banking book securities	8,740.0	9,258.4	5.9%
RWAs	3,831.2	4,153.2	8.4%
No. of staff	853(430*)	880 (443*)	

(*) HF staff (443 FTEs at 30/06/24, 430 FTEs at 30/06/23) excluding those who work for the support/control units whose cost is charged back to the business lines as "administrative expenses"; the FTEs properly attributable to the HF refer to Group Treasury/ ALM, Leasing and other non core activities, General Management, plus approx. 40% of the support/control units.

12. Statement of comprehensive income

		12 mths 30/06/2023	12 mths 30/06/2024
10	**Gain (loss) for the period**	**1,029.020**	**1,276.519**
	Other income items net of tax without passing through profit and loss	59,373	(32,081)
20.	Equity instruments designated at fair value through other comprehensive income	18,906	10,438
30.	Financial liabilities designated at fair value through profit or loss (own creditworthiness changes)	(6,636)	(27,509)
40.	Hedge accounting of equity instruments designated at fair value through other comprehensive income	—	—
50.	Property. plant and equipment	—	—
60.	Intangible assets	—	—
70.	Defined-benefit plans	1,012	258
80.	Non-current assets and disposal groups classified as held for sale	—	—
90.	Portion of valuation reserves from investments valued at equity method	46,091	(15,268)
100.	Financial income or costs relating to insurance contracts issued	—	—
	Other income items net of tax passing through profit and loss	(367,686)	(90,705)
110.	Foreign investment hedges	319	—
120.	Exchange rate differences	1,172	6,515
130.	Cash flow hedges	96,448	(158,734)
140.	Hedging instruments (non-designated items)	—	—
150.	Financial assets (different from equity instruments) at fair value through other comprehensive Income	(8,210)	42,847
160.	Non-current assets and disposal groups classified as held for sale	—	—
170.	Part of valuation reserves from investments valued at equity method	(457,415)	18,667
180.	Financial income or costs relating to insurance contracts issued	—	—
190.	Income or costs of a financial nature relating to reinsurance disposals	—	—
200.	**Total other income items net of tax**	(308,313)	(122,786)
210.	**Comprehensive income (Item 10+200)**	**720,707**	**1,153.733**
220.	Minority interest in consolidated comprehensive income	3,628	3,118
230.	**Consolidated comprehensive inc. attributable to Mediobanca S.p.A.**	**717,079**	**1,150.615**

MEDIOBANCA

13. Parent company restated financial statements (P&L, balance sheet)

Mediobanca S.p.A. (€m)	12 mths 30/06/2023	12 mths 30/06/2024	Chg.%
Net interest income	333.2	401.7	20,6%
Net treasury income	207.5	168.4	-18,8%
Net fee and commission income	319.9	364.0	13,8%
Dividends on investments	527.3	1,041.2	n.m.
Total income	**1,387.9**	**1,975.3**	**42,3%**
Labour costs	(288.8)	(309.9)	7,3%
Administrative expenses	(209.6)	(235.7)	12,5%
Operating costs	**(498.4)**	**(545.6)**	**9,5%**
Loan loss provisions	(36.3)	5.0	n.m.
Provisions for other financial assets	(7.0)	12.3	n.m.
Impairment on investments	(54.3)	(35.2)	-35,2%
Other income (losses)	(50.4)	0.2	n.m.
Profit before tax	**741.5**	**1,412.0**	**90,4%**
Income tax for the period	(135.0)	(168.0)	24,4%
Net profit	**606.5**	**1,244.0**	**n.m.**

Mediobanca S.p.A. (€m)	30/06/2023	30/06/2024
Assets		
Financial assets held for trading	10,509.4	15,437.9
Treasury financial assets	12,790.5	13,949.5
Banking book securities	11,118.7	11,231.6
Customer loans	41,446.9	40,282.0
Equity Investments	4,542.9	4,836.2
Tangible and intangible assets	169.3	170.8
Other assets	690.2	1,387.3
Total assets	**81,267.9**	**87,295.3**
Liabilities and net equity		
Funding	55,893.0	58,292.2
Treasury financial liabilities	6,585.1	11,588.1
Financial liabilities held for trading	10,592.2	9,666.7
Other liabilities	3,041.4	2,637.1
Provisions	102.8	79.4
Net equity	4,446.9	3,787.8
Profit of the period	606.5	1,244.0
Total liabilities and net equity	**81,267.9**	**87,295.3**

As required by Article154-*bis*, paragraph 2 of Italian Legislative Decree 58/98, the undersigned hereby declares that the stated accounting information contained in the report conforms to the documents, account ledgers and book entries of the company.

Head of company financial reporting

Emanuele Flappini

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