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Testo del comunicato

Vedi allegato

MEDIOBANCA

MEDIOBANCA BOARD OF DIRECTORS' MEETING

Results for six months ended 31 December 2024 approved

Milan, 10 February 2025

MEDIOBANCA

RECORD 6M RESULTS: REVENUES €1.8BN, NET PROFIT €660M, ROTE 14%

ACCELERATION IN 2Q RESULTS, ON OUTSTANDING PERFORMANCE IN REVENUES (~€1BN) AND OPERATING INCOME DRIVEN BY WM AND CIB

TARGETS FOR 2026 REVISED UPWARDS:

REVENUES: ~€4BN (FROM €3.8BN)

NET PROFIT: >€1.4BN

3Y CUMULATIVE DISTRIBUTION 2024-26*: >€4BN (VS €3.7BN)

BEST-EVER RESULTS CONFIRM FURTHER GROWTH TRAJECTORY

In 6M:

Group revenues totalled €1,848m in 6M (up 7%[1]), with impressive growth in all businesses:
WM up 5%[1] (to €480m), **CIB up 32%[1]** (to €451m), **CF up 8%[1]** (to €629m), **INS up 9%[1]** (to €243m)

Cost/income ratio 42%

Cost of risk declining to 50 bps (down 1pp)[1]

6M net profit €660m (up 8%[1]), EPS 6M €0.79 (up 10%[1]), ROTE 14% (up 60 bps[1])

In 3M: STRONG ACCELERATION

Group revenues totalled €983m in 2Q (up 14%[2]), driven by WM and CIB
WM up 10%[2] (to €252m), **CIB up 46%[2]** (to €268m), **CF up 3%[2]** (to €319m), **INS up 11%[2]** (to €128m)

NII back to growth (€494m in 2Q, up 2%[2]),
helped by the recovery in volumes and resilience of asset yields

Record performance in fee income (€316m in 2Q, up 36%[2]),
following excellent results in IB advisory business and growth in WM

Cost of risk decreasing in CF (175 bps)

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[1] YoY chg.: 6M to end-December 2024 vs 6M to end-December 2023.
[2] QoQ chg.: 3M to end-December 2024 vs 3M to end-September 2024.
(*) FY 2023-24, FY 2024-25 and FY 2025-26

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HIGH CAPITAL GENERATION AND SHAREHOLDER REMUNERATION

CET1 ratio 15.2%[3]

Interim dividend (May + Nov.) + €385m SBB[4] under execution (61% already completed)

DIVISIONS POSITIONED TOP IN THEIR RESPECTIVE MARKETS

WM: NNM[5] of €4.8bn in 6M, ranked in top 5 in Italy[6], leadership position in PIB
(NNM equal to 10% of TFAs annualized)

CIB: ranked first in IB league tables in Italy[7] and market leader in Southern Europe
(2Q fee income €150m)

CF: €4.3bn new loans in 6M (up 11%[1]), profitable and above-sector average growth
(2Q NIII €282m)

FY 2024-25 GUIDANCE CONFIRMED

Growth in TFAs: €9-10bn in NNM

Net interest income resilient

Growth in fee income (low double-digit)

Earnings per share (EPS) up 6-8%[8] YoY

High distribution with low execution risk: cash payout at 70% + share buyback[9]

TARGETS FOR 2026 REVISED UPWARDS

Revenues up from €3.8bn to ~€4bn (FY 2025-26)

Net profit: >€1.4bn (FY 2025-26)

Pay-out: ~100% (FY 2025-26)

Total 3Y cumulative distribution 2024-26: > €4bn (vs €3.7bn)
Cash + share buyback[9]

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3 CET1 fully loaded, pro forma, considering the Danish Compromise as permanent (benefit of ~100 bps) and including approx. 50 bps of retained earnings for 6M, net of the dividend payout of 70%. CET1 Corep 14.8% without earnings, in line with ECB indication for banks when distribution policies with share buybacks are in progress, with amounts not fully defined.
4 Approved by ECB and by shareholders at the October 2024 AGM for a maximum amount of €385m, launched on 12 November 2024.
5 NNM: Net New Money, net inflows of customer TFAs.
6 MBWM positioning in Assoreti ranking in Jan-Dec. 2024 period.
7 Source: Dealogic (Jan. 2025): M&A deals announced by investment banks, excluding self-originated deals.
8 Includes cancellation of the shares to be acquired as part of the €385m buyback to be implemented in FY 2024-25.
9 Amount set at end of financial year in accordance with the regulations in force; cumulative distribution amount for FY 2023-24, FY 2024-25, FY 2025-26.

WM: EFFECTIVENESS OF PIB MODEL GROWTH AND MB PREMIER REPOSITIONING DRIVE SOLID GROWTH

Growth of distinctive, fee-driven Private and Investment Banking platform a priority for Mediobanca

The growth of Mediobanca Wealth Management is facilitated by the Bank's distinctive positioning in Italy as a Private & Investment Bank, an especially differentiating feature with the economic cycle favouring liquidity events originated by Investment Banking. The division's growth will outperform the system, on the back of an enhanced product offering within the Mediobanca ecosystem plus the continued strengthening of the network, which already ranked first in Italy measured by productivity ratios

In 6M:

Development of PIB model (€0.8bn intercepted from liquidity events); Private Markets platform continues to expand

Positive launch of Mediobanca Premier: in 1Y new recruits (bankers/FAs), assets transferred and high-end clients acquired all up 2x

TFAs up €13bn in last 12M to €107bn, with €4.8bn in NNM in 6M (representing best sector levels), with a market share of approx. 9% in the Premier segment

Revenues up 5%[1] to €480m, reaching €252m in 2Q (up 10% QoQ)
Fee income €270m (up 13%[1]), €146m of which in 2Q (up 17% QoQ)

Net profit €111m (up 10%[1]), €58m of which in 2Q (up 9% QoQ)
RORWA up 20 bps[1] to 3.8%

CIB: SIGNIFICANT ACCELERATION IN CAPITAL-LIGHT FEE INCOME DUE TO QUALITY OF BANKERS AND ENHANCED INTERNATIONAL COVERAGE ENABLING MARKET UPTURN TO BE LEVERAGED

European, capital-light/fee-driven platform, in synergy with development of WM

Growth in CIB has been helped by the reduction in interest rates and the strong recovery in corporate activity. Mediobanca ha a competitive advantage in this macro scenario, as a result of its traditional leadership position in Italy and Southern Europe, with areas of excellence in specialist segments, its strong roots in the mid-corporate space, and the growing activities realized in synergy with WM The new initiatives unveiled in the 2023-26 Strategic Plan have helped the business increase in profitability, with RORWA now up to 1.9%

In 6M:

Recovery in IB confirmed (56 deals announced in 1H FY 2024-25, up 27% YoY[10]) to be helped in the coming months also by the reduction in interest rates

Record results posted in tech/digital advisory services by Arma Partners, strong business levels in Energy Transition, mid-cap franchise in Frankfurt and BTP Specialist operations launched

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[10] On a like-for-like basis.

Revenues up 32%[1] to €451m, with fee income up 75% to €234m, driven by the advisory component doubling, rising to ~75% of total fees

Strong increase in fee income in 2Q to €150m (up 79% QoQ), on the back of major deals executed both in Italy and internationally

RWAs down 6% YoY (€15.1bn), up almost €1bn in 3M due to the recovery in new loans

Net profit up 31%[1] to €142m, €85m of which in 2Q
RORWA up 70 bps[1] to 1.9%

CF: RECORD RESULTS DUE TO GROWTH IN VOLUMES AND MARGINS, COST OF RISK REDUCING

CF has confirmed its position as source of diversification and NII growth driver for the Mediobanca Group

Mediobanca, through Compass, is one of the leaders in consumer credit in Italy, a business which has appealing growth rates due to the demographical and behavioural changes being shown by Italians. In a scenario where interest rates are declining, loan book turnover (fixed rate) enables advantage to be taken of the increasing returns, which obviously benefits NII. Against this backdrop, Compass has a competitive advantage due to its leadership position in digital/BNPL channels, to 80% of its new business in personal loans being generated through the proprietary network, and having developed sophisticated pricing and scoring systems in over 60 years of business, across all economic cycles.

In 6M:

New loans totalled €4.3bn in 6M, accelerating to €2.2bn in 2Q

Above market average growth rate in new loans[11] and focus on most profitable segments (personal loans and direct distribution)

NII continues to grow, up 9%[1] to €557m (2Q €282m,up +3% QoQ), with yields expected to rise in the coming quarters in a declining interest rate scenario

CoR 176 bps (175 bps in 2Q) with underlying risk improving in 2Q[12]

Net profit at record level of: €203m (up 5%[1]), €102m of which in 2Q
RoRWA up 10 bps[1] to 2.8%

INSURANCE

High contribution decorrelated from other businesses

The contribution of the Group's investment in Assicurazioni Generali is positive, because of the stability and visibility of the company's earnings; the high return on the investment is also boosted by the favourable treatment introduced by the Danish Compromise

[11] Compass new loans increased in 12M 2024 by 8.3% vs Assofin average of 7.5%.
[12] Management cost of risk effectively observed net of overlays, without factoring in provisions due exclusively to revision of the IFRS 9 model (PD and LGD unchanged). Management CoR 187 bps in 2Q FY 2024-25, down approx. 10 bps QoQ.

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In 6M:

Revenues up 9%[1] to €243m, €128m of which in 2Q

Net profit up 8% to €241m

RORWA up 20 bps[1] to 3.4%

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With Renato PAGLIARO in the Chair, the Directors of Mediobanca approved the individual and consolidated financial statements for the six months ended 31 December 2024, as illustrated by Chief Executive Officer Alberto NAGEL and Group General Manager Francesco Saverio VINCI.

Alberto Nagel, CEO of Mediobanca, said: "*After posting its best-ever set of results in the last financial year, in 1H FY 2024-25 Mediobanca has* ***again reported growth in all its divisions****, consolidating* ***the main initiatives launched in the 2023-26 Strategic Plan.*** *All physical and digital platforms have been enhanced, by attracting the best talents: the service offering has been expanded and repositioned increasingly to reflect the Private and Investment Banking model, which has been well received by clients in their investment, lending, and ordinary and extraordinary advisory decisions.* ***The sustainable growth of our business is firmly underway and proceeding at a pace which is consistently faster than previously. Mediobanca is concentrating on execution of its "One brand-One culture" Strategic Plan", which is positioning it as an operator increasingly focused on Wealth Management strongly integrated with synergic and diversified Corporate and Investment Banking. Shareholder remuneration and value creation see Mediobanca positioned at best sector levels, in a decreasing interest rate scenario"***.

Consolidated results

The Group posted healthy results for the first half of the new financial year, **delivering a net profit of €659.7m, on revenues of €1,847.7m (up 6.8%[1]), the cost/income ratio declining to 42%, and the cost of risk low at 50 bps (down 1 bp[1]). ROTE stands at 14% (up 60 bps[1]), RORWA at 2.8% (up 20 bps[1]).**

Highlights for the six months were as follows:

- **The commercial performance was robust** by all divisions:
  - **TFAs were up 14%[1] with €13bn added, reaching €106.8bn** (up €3.7bn QoQ), with NNM at best sector levels (€4.8bn in 6M, €2.3bn of which in 2Q), and AUM/AUA totalling €79bn (up 19.4% YoY, up 5% QoQ). During the six months, inflows of approx. **€0.8bn generated from liquidity events** were recorded, with an **improvement in the mix, with two-thirds now in the form of AUM**;
  - **New loans in consumer credit reached €4.3m (€2.2bn in 2Q)**, 80% of which personal loans deriving from direct new business and higher spreads on lendings;
  - **Investment Banking activity was again buoyant,** with a 27% increase in the number of deals announced,[1] in both the Large and Mid-Corporate segments; the final months of 2024 saw strong **corporate finance activity levels (investment banking and debt divisions), with an increase in the number of non-domestic transactions (Arma Partners in particular delivered a record performance)**. **Corporate loan volumes also saw a recovery,** after several months of reductions. It should also be noted in this connection

that Mediobanca has opened a branch office in Frankfurt, with the objective of increasing its mid-corporate presence outside the domestic market;

- **Risk-weighted assets (RWAs) have reduced by approx. 3% YoY** (to €47.6bn), as a result of the focused asset optimization/lending policy, albeit increasing again marginally in 2Q **as a result of the improved trend in lendings, in the corporate segment especially.**

- **Consolidated revenues rose by 7%[1] to €1,847.7m compared to last year, with double-digit growth in net fees (up 30%), on growth in all business divisions (WM up 5%[1]** (to €480m), **CIB up 32%[1]** (to €451m), **CF up 8%[1]** (to €629m), **INS up 9%[1]** (to €243m); the main income items performed as follows:

  - **Net interest income was solid at €978.9m**, effectively at last year's levels (€996.5m), **with a recovery in 2Q (from €485m to €493.9m)** deriving from the growth delivered by Consumer Finance (up 8.6% YoY; up 2.7% QoQ), plus the higher contribution from CIB volumes and the banking book. The CoF in WM is starting to reduce (down from 1.93% to 1.81%). Assets reflect the reduction in market interest rates (Euribor 3M: Down 67 bps) which was offset by the higher volumes (up €1.4bn). In more detail, the net interest income earned by the Consumer Finance division rose from €512.7m to €556.9m, primarily due to the higher lending volumes; CIB was stable at €152.6m, Wealth Management (down from €213m to €204.2m) reflects the weak trend in mortgage lending volumes, accentuated by early repayments; while Treasury operations, where the majority of the sensitivity is located, saw NII halve (from €85m to €35.8m) due to the reduction in interest rates and the stickiness of the costs of deposits;

  - **Net fees and commissions climbed to €546.7m (up 29.5% YoY; up 36.5% QoQ), posting a new 3M record of €315.5m**; the fee income earned by the Wealth Management Division totalled €270.4m (up 12.5% YoY; up 17.4% QoQ), driven by recurring fees (management and upfront) earned by the Premier and Private Banking franchises (up 10% to €260m, €138.7m of which in 2Q, up 14% QoQ); Corporate and Investment Banking posted a sharp increase in fees to €233.7m (up 75,2% YoY; €150m in 2Q, up 79.2% QoQ), due to advisory fees doubling (from €79m to €178.5m) in the large corporate segment, 60% of which generated from outside Italy, with a major contribution from Arma Partners (fees of €80.8m in 6M); Consumer fees totalled €72.2m (€70.9m; up 7.5% QoQ);

  - **Net treasury income totalled €91.8m,** at last year's levels (€93.4m), with €52.6m added in 3M helped by the recovery in the CIB proprietary trading book's performance (which posted €15.2m in 2Q and €20.1m in 1H; compared with €7.3m last year) which offset the lower performance by the Holding Functions' banking book (which posted €5.6m in 6M, compared with €23.1m last year), impacted by the reductions in market yields, which, however, drove an improvement in the OCI reserve (which rose by €42.8m in 6M). Markets activities largely repeated last year's performance, declining marginally from €48.4m to €43.9m, €21.8m of which in 2Q);

  - **The contribution from Assicurazioni Generali, accounted for using the equity method, totalled €226.7m**, higher than last year (up 5.4%, from €215.1m), with a 2Q contribution of €121.3m buoyed by a positive performance in all segments (Life, Non-Life, Asset & Wealth Management); while the other IAS 28 investments contributed €3.6m (€3.5m).

- **Efficiency has been preserved, with the cost/income ratio reducing slightly to 42.2% (vs 42.5%),** even including the significant investments made in distribution, innovation and enhancement of the Group's IT systems and security measures. **Operating costs totalled €780.1m**, €411.1m of which in 2Q: labour costs (rose by 9.7%, from €382.2m to €419.1m, €219m of which in 3M), reflecting the increase in headcount (FTEs: up 2,6%, from 5,369 to 5,510), concentrated in the business areas, and alignment of variable remuneration to the performances achieved; administrative expenses rose by 2.2% (from €353.2m to €361m,

€192.1m of which in 2Q), the majority of which accounted for by the technology component (up 2.5% YoY, to €127.2m), followed by back office/operations costs (up 5%, to €103m) driven by volumes, and credit recovery expenses (up 5%, to a net €21m).

- **Loan loss provisions were stable at €133.4m** (31/12/23: €132.9m), and reflect provisions of €66.2m for the quarter; similarly the CoR stood at 50 bps (vs 51 bps last year). The total at Group level effectively regards the contribution of Consumer Finance (up 11.8%, from €121.3m to €135.6m, €67.7m of which for 2Q), reflecting the gradual normalization of default rates to pre-Covid levels, plus the different mix in terms of products and channels (CoR up from 166 bps to 176 bps in 12M; 175 bps in 2Q). The other areas show significant improvements, with provisions down to just €1m in WM (versus €6.3m last year), and writebacks credited in both CIB (€0.5m) and Leasing operations (€2.3m). The stock of overlays decreased slightly, from €221.6m to €201m, with part of the change attributable to Consumer Finance, mostly linked to their being absorbed into the IFRS 9 model.
- **Net profit totalled €659.7m** (up 7.9% YoY), with **6M EPS €0.79 (up 10% YoY), ROTE adj. 14% (up 60 bps YoY)**, and **RORWA adj. 2.8%** (up 20 bps YoY), including:
  - Upward adjustments to holdings in investment funds held as part of the banking book, totalling €8.4m, while €2.3m in writebacks were credited for the banking book securities;
  - Non-recurring expenses of €13.6m, €6m of which refer to the provisions for earn-out mechanisms (in particular the earn-out share for Arma Partners), €3.6m in transfers to the provisions for risks in relation to litigation and €4m in other non-recurring costs;
  - Tax for the period totalled €231.4m (at a tax rate of 24.8%).

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On the balance-sheet side, at 31 December 2024 **total assets showed a slight increase for the six months, from €99.2bn to €99.9bn**, with the main items reflecting the following performances:

- **Customer loans increased from €52.4bn to €53.9bn**, due to the recovery in Corporate and Investment Banking (up from €19bn to €19.9bn), concentrated in the Large Corporate segment (where loans rose by 7%, from €16bn to €17.2bn), with a slight reduction in factoring business (down 8.3%, from €3bn to €2.7bn), which was impacted by the slowdown in the automotive sector. Consumer Finance confirmed the upward quarterly trend, with customer loans growing by 2.4% (from €15.2bn to €15.6bn), and also those in Wealth Management (up 1.4%, from €16.9bn to €17.1bn) helped by the recovery of CMB (up 4.4.%, from €2.9bn to €3bn), but reflecting the stability of mortgage loans (€12.6bn), due to the resumption of early repayments;
- **New loans in Consumer Finance in 6M posted double-digit growth (up 10.5%, from €3,927.4m to €4,340m)**, with all products performing positively: personal loans (up 9.2%, from €1,815m to €1,982.3m), automotive finance (up 4,9%, from €671.3m to €703.9m), and special purpose loans (up 4.3%, from €582m to €607.1m); while the HeyLight/BNPL channel reported growth of 51% (from €207.1m to €312.7m). Corporate and Investment Banking was boosted by the recovery in Lending and Structured Finance (new business of €4.2bn, vs repayments of €3.2bn), which absorbed the lower turnover in Factoring business (down from €6.2bn to €4.9bn). In WM new mortgages worth €652.3m were reported, an increase of 36%, offsetting the repayments totalling €618m;
- **Gross NPLs stood at €1,379m** (up 3.2% HoH; down 1% QoQ), and **account for 2.5% of total loans, with a coverage ratio of 69.4%.** The share attributable to Consumer Finance, which rose to €1,050m (up 7.4% in 6M; up 1.3% QoQ), was absorbed by the reductions in Corporate and Investment Banking (gross NPLs stock €33.2m, only €6.7m of which in the Large Corporate

segment), Wealth Management (€225.7m, €148.1m of which attributable to Mediobanca Premier), and Leasing (€70.1m);

- **Stage 2 positions remained at €2,352.5m** (4.4% of net loans), with slightly increases in Consumer Finance (from €1,234m to €1,263.5m), Wealth Management (from €744.9m to €757m), and Leasing (from €65.8m to €81m), most of which absorbed by the reduction in Corporate and Investment Banking (from €277.1m to €251.1m);

- **Banking book securities rose from €11.3bn to €12bn**, €5.2bn of which in the HTC portfolio, and €6.4bn in the HTC&S portfolio, with €0.4bn recognized at fair value (FVO); the position in Italian government securities rose from €5.4bn to €6.1bn with the duration unchanged (approx. 2 years). The portfolio reflects the OCI reserve, in positive territory at €42.8m, plus unrealized gains on the Hold-to-Collect securities (€7.9m);

- **Net treasury assets decreased by €1.8bn to €4.6bn**, due to the withdrawal of much of the liquidity held on deposit held with the ECB (which reduced by €1.5bn) to meet the T-LTRO repayment; at the same time there was an increase in the use of deposits for stock lending. Financial assets held for trading remained at their previous levels while reflecting a different mix (the reductions in equities and bonds offset the increase in the EUA certificates share);

- **Total funding increased from €63.7bn to €64.2bn**, with the debt security component totalling €28.7bn, following issues of €3.1bn and repayments totalling €2bn; Wealth Management deposits rose to €28.2bn. Interbank funding totalled €7.3bn.

- **Total Financial Assets (TFAs) increased to €106.8bn** (up 14% HoH; up 3.6% QoQ), with the growth in NNM (€4.5bn) complemented by a positive market effect of €2.5bn. AUM rose to €48.2bn, up €4.9bn in 6M and €7.4bn higher than twelve months previously; AUA were stable at €30.4bn, while deposits increased to €28.2bn, €17.9bn of which in Mediobanca Premier. Indirect funding in Private Banking totalled €36.8bn, with €3bn added in 6M (€1.9bn of which NNM), in Premier Banking €26.9bn (up €2b, €1.2bn of which NNM), with the share of AUM now €16.9bn; in Asset Management €31.7bn, €16.8bn of which placed by the Group networks.

- **Capital ratios (CET1: 15.2%;[3] Total capital: 17.6%),** confirming the high buffers relative to the Maximum Amount (buffer of approx. 420 bps)[13] and the Overall Capital Requirement[14] of 8.65%;

  - **The CET1 ratio at end-December 2024 was near the levels seen at the start of the financial year**, the 20 bps in 3Q reflects the increase in the loan stock and trading (RWA: up €300m), the impact of the prudential deductions (chiefly Assicurazioni Generali, down 25 bps) and the marginal reduction in the FVOCI reserve (down 5 bps). The profit for the six months net of the dividend payout (70%) added a benefit of approx. 50 bps;

  - **The Corep CET1 ratio was 14.8%, not including profits for the period**. This metric reflects the ECB guidance to banks not to include profits in their CET ratio when distribution policies with share buybacks are in progress, with amounts not fully defined. It is also consistent with delivery of the Strategic Plan 2023-26 share buyback targets (cumulative total of €1bn to be bought back over the three years of the Strategic Plan);

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[13] Maximum Distributable Amount (MDA): minimum level of CET1 required, which includes the shortfall on AT1 and Tier 2 capital (as at 31 December 2024, 1.83% and 0.04% respectively).
[14] The Overall Capital Requirement for CET1 includes 56.25% of the P2R requirement for 2024 which is equal to 1.75%, the Conservation Capital Buffer (2.50%), the Counter-Cyclical Buffer as of 31 December 2024 (0.14%), the O-SII requirement introduced for Mediobanca starting from 2024 equal to 0.125% (0.25% fully-loaded as from 2025), and the new system risk buffer recently introduced by the Bank of Italy which at 31 December 2024 was equal to 0.4% (1% of relevant exposures once fully-loaded, by end-June 2025).

- **The total capital ratio stood at 17.6%**. The leverage ratio remained stable at 7.4%, and the MREL indicator stood at 42.7% of RWAs and 20.7% of LREs (above the minimum requirements set for 2024, which were 23.57% of RWAs and 5.91% of LREs).

- **Mediobanca has launched the €385m share buyback programme** approved by the European Central Bank on 7 October and by shareholders in Annual General Meeting on 28 October 2024. **The programme will be completed by end-June 2025,** and will entail the cancellation of the treasury shares acquired through the buyback. **As at 7 February 2025, a total of 16 million shares had been acquired, equal to 1.9% of the share capital and to 61% of the buyback programme's total value.**

Divisional results

1. **<u>Wealth Management:</u>[15] impressive commercial results, with NNM at best sector levels (€4.8bn) and reflecting an improved mix (two-thirds AUM), confirming that the annual NNM targets of €9-10bn are achievable. Revenues up 5% and net profit up 10% YoY, driven by double-digit growth in fee income, with TFAs climbing to approx. €107bn (up 14% YoY), despite the reduction in NII. RORWA high at 3.8%.**

The division posted a net profit of €110.6m for 1H FY 2024-25 (up 10.4% YoY), **on revenues totalling €480.1m** (up 4.9% YoY), driven by higher fees (up 12.5% YoY), with the cost/income ratio stable at 66%, and the cost of risk declining strongly. **RORWA remained high at 3.8%.** The division posted impressive commercial results, with **NNM of €4.8bn (up 30%, and equal to 10% of TFAs on an annualized basis), at highest sector levels with a market share of approx. 9%.**[16]

During the six months under review, the Division confirmed its distinctive positioning in Private and Investment Banking, enhancing its franchise versus higher-bracket clients in particular, and accelerating the recruitment of senior commercial figures with the launch of Mediobanca Premier. The operating structure has been adapted to the expanded product offering to support future growth and profitability. This has been done to continue implementing the strategic pathway envisaged by the 2023-26 Strategic Plan "One Brand-One Culture":

- **Net New Money (NNM) totalled €4.8bn, with a significant improvement in the mix** (two-thirds AUM) **and a major share accounted for by inhouse products** (approx. 44% of the network's inflows); Polus Capital also contributed €1.1bn, €780m of which from CLOs. Deposit inflows were also positive at €313m, driven by the **promotional campaign** launched by Mediobanca Premier during 1Q with the aim of gathering funds **to support growth and future conversion;**

- **The Private and Investment Banking model has been strengthened,** with approx. €0.8bn in liquidity events intercepted in 6M, €0.7bn of which in conjunction with CIB;

- **The distribution structure has been expanded, with the addition of more than 130 new professionals in 12M, 31 of whom in 2Q (28 FAs, two Premier bankers and three senior private bankers).** Overall, since the launch of Mediobanca Premier, staff recruitment has increased by 30%, and average portfolio sizes have doubled (to approx. €29m per banker). **The HNWI client bracket (assets >€500k) has seen 4.6k clients added, at virtually double the speed seen last year.** Throughout the WM Division, the programme for developing talented young

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[15] Includes the Premier Banking segment (Mediobanca Premier), Private Banking (MBPB, CMB), Asset Management (MB SGR and MB Management Company, Polus Capital, and RAM AI), plus the activities of Spafid.
[16] Source Assoreti (Jan-Dec. 2024), excluding Fideuram Intesa Sanpaolo Private Banking.

staff as part of the Mediobanca Academy programme has also continued. As at end-December 2024, the network consisted of 1,337 professionals (up 84 YoY; up 16 QoQ), 156 of whom in Private Banking (stable YoY) and 1,181 in Premier Banking, split between bankers (538, up 14 YoY) and FAs (643, up 70 YoY), working out of 100 branch offices and 108 points of sale;

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

- **Mediobanca Private banking has continued with the expansion of its Private Markets product offering**, with the capital raising phase of Group Global Value, a global private equity fund, and the Apollo European Private Credit fund, focused on direct loans to European companies, alongside Apollo Aligned Alternatives and KKR; all evergreen products that allow clients to subscribe for private equity strategies but with increased capital liquidity (a total of €132m in capital has been raised). At end-November 2024 the placement of Mediobanca UBS Global Real Estate Co-Investment Opportunities ended; the international real estate co-investment programme has raised a soft commitment of €480m. At the same time, the placement of closed-end fund Investindustrial VIII (approx. €30m) ended, and another two new funds were launched: Three Hills Impact Fund, a preferred capital themed fund, and Polus Special Situations Fund, a private credit fund. As regards club deals with high-potential Italian SMEs as their target, following the completion of the soft commitment raising process for TEC2, the first two investments were made, for a combined total of approx. €190m (€100m in 6M), against a total amount of €900m;

- **Mediobanca Premier has continued its repositioning versus a more sophisticated client base** which offers increased opportunities for leveraging the Group's integrated product and services offering. The placement of delegated management funds in partnership with leading international asset managers has continued (Mediobanca Morgan Stanley Step In Global Balanced ESG Allocation, Mediobanca Fidelity World Fund, Mediobanca MFS Prudent Capital, Mediobanca Nordea World Climate Engagement, Mediobanca Pictet New Consumer Trend, Mediobanca Schroders Diversified Income Bond, and Mediobanca Candriam Global High Yield), for a total of approx. €340m. Two new Target Maturity bond funds have also been placed during the period: MB Selezione Cedola Italia 2030, and MB Credit Opportunities 2030 (for a combined total of approx. €215m). During the six months securities were placed for a total of approx. €400m, approx. €110m of which in certifications, and approx. €170m of which in bonds issued by the Group;

- **In Asset Management**, a further increase in AUM was recorded by Polus Capital, which now has €10bn under management following the closure of CLO XVIII and CLO I US – the US platform's first deal – which raised a total of approx. €780m. In the distressed segment, a major commitment (of up to €1bn) was recorded in the Special Situations strategy by a company owned by the Abu Dhabi Investment Authority. RAM AI has continued with its turnaround process, focusing on its core businesses, which has resulted in some good market performances;

- **Assets managed on behalf of clients (TFAs) totalled €106.8bn** (€13bn higher than one year ago, and €7.4bn higher than six months ago), reflecting a market effect of €2.6bn which helped to increase the stock of AUM/AUA (from €71.5bn to €78.6bn); AUM totalled €48.2bn (up 18.2% YoY and up 6.1% QoQ). Private Banking reported TFAs of €47.2bn (up 12.4% YoY and up 2.4% QoQ), of which AUM/AUA of €36.8bn (up 17.8% YoY and up 4% QoQ), and deposits of €10.3bn (down €308m QoQ), while Mediobanca Premier reported TFAs of €44.8bn (up 14.1% YoY and up 3.4% QoQ), of which AUM/AUA of €26.9bn (up 20.7% YoY and up 4.2% QoQ) and €17.9bn in deposits (up €381m QoQ). TFAs in Asset Management increased to €31.7bn (up 17.5% YoY and up 6% QoQ), €16.9bn of which placed internally within the Group.

The division's revenues grew from €457.8m to €480.1m (up 4.9% YoY), higher also than in 1Q (up 10.2% QoQ) which was affected by the customary seasonal factors. The main income items reflect the following performances:

- **Net interest income totalled €204.2m (down 4.1% YoY),** due to lower returns on loans, in line with the reduction in market interest rates, compounded by weak volumes;

- **Net fee and commission income grew from €240.4m to €270.4m** (up 12.5% YoY), with the franchise recurring component (management, banking and placement fees) rising from €235.6m to €260.3m, and ROA stable at 99 bps. Management fees, which rose by 14% YoY, from €139m to €158m, were boosted by the growth in average TFAs , while upfront fees were also higher than last year (up 10% YoY, from €45.5m to €50m); banking fees were stable at €50m (€51m), and €16m in performance fees were recorded (€10m last year), mostly attributable to asset management.

Operating costs rose from €301.6m to €315.1m (up 4.5% YoY); labour costs rose to €167.5m (up 5.1% YoY), reflecting the increase in headcount (with a net total of 50 more staff than twelve months ago) which primarily regards the Mediobanca Premier and Private Banking distribution networks. The moderate increase in administrative expenses, from €142.2m to €147.6m (up +3.8% YoY) reflects stability in the IT component, with an increase in operations costs.

Loan loss adjustments reduced to €1m (from €6.3m last year), bearing out the good asset quality, with the stock of overlays standing at €12m.

Net profit for the division totalled €110.6m (up 10.4% YoY), reflecting €4m in non-recurring expenses.

Customer loans totalled €17.1bn, largely unchanged since end-June 2024, with the mortgage loan share stable at €12.6bn, on new business for 6M of €0.6bn.

Loan loss provisions totalled €225.7m, a reduction of €2m, and in relative terms were stable at 1.3% of total loans; the coverage rate was 42.1%, against a net stock of €130.8m (0.8% of net total loans).

2. <u>Corporate & Investment Banking</u>: double-digit growth in revenues to €451m, with a record performance in fees in 2Q, driven by advisory business. RoRWA increasing to 1.9%, ahead of the Strategic Plan objective, after net profit increased to €142m, with RWAs under strict control (down 6% YoY).

The Corporate and Investment Banking Division posted **revenues of €451.4m in 6M (up 32% YoY), after major acceleration in 2Q (revenues of €268m, up 46% YoY)**, in fee income in particular (up 79% QoQ), buoyed by strong advisory activity. The three months under review also saw the first signs of recovery in Corporate Lending volumes, even though spreads are still low. **The division posted a net profit of €141.5m for the six months (up 31% YoY)**, reflecting a low cos/income ratio (of 44%), with limited writebacks to loans. **RoRWA rose to 1.9%**, ahead of the Strategic Plan objective (1.6% by end-June 2026).

The impressive results for the six months, and the second quarter in particular, **reflect the main drivers contained in the 2023-26 Strategic Plan "One Brand-One Culture"**, which envisaged the Corporate and Investment Banking division evolving progressively towards **an increasingly advisory-driven/capital light, international platform operating in synergy with Wealth Management**;

- **Arma Partners has strengthened its leadership position in the Digital/Tech segment**, with more than €58bn in deals announced in 2024, the best result since the company's inception; during the six months a total of sixteen deals were completed (some of the most important of which include the sale of Aareon to TPG and CDPQ by Advent International and Aareal Bank, the acquisition of Zellis Group by Apax Partners, the acquisition of Copperleaf Technologies by IFS, and the investment in team.blue by CPP Investments and Sofina). **In the six months Arma Partners has contributed more than €80m in revenues, almost €60m of which in 2Q;**

- **The dedicated Energy Transition team**, set up last year, continues to support clients in their energy transition strategies, with **four major deals announced in Italy in 6M;**

- **The excellent results achieved from the synergic co-operation with Mediobanca Private Banking** to develop operations in the Mid-Cap segment **are reflected in the M&A league tables in Italy, where Mediobanca ranks first by number of deals** (45 in 2024); the Mid-Cap platform has also been further strengthened with the opening of the Frankfurt branch office in July 2024;

- BTP specialist activities also continue, fully operative after specialist status was obtained in June 2024, with placement of certificates in Switzerland;

- **RWAs, down 6% YoY** as a result of the selective approach to lending, were up in 2Q because of the upturn in Corporate lending and seasonal issues affecting factoring.

The European M&A market closed 2024 with announced deal volumes up 13% on 2023. The upturn in business, driven by the expectations of a reduction in interest rates, even though the macroeconomic scenario continues to reflect several areas of uncertainty, has been fuelled primarily by strategic activity from corporates and increased activity levels from private equity players. At the same time, there has also been moderate growth in the number of transactions announced, up 4%, driven by large deals. The Italian market has seen the positive trend of recent quarters continue with an increase of 31% in deals announced versus 2023. Above-average volumes increases in the European market have also been recorded in the United Kingdom, whereas the growth has been more moderate in Spain and Germany; in France, the level has remained unchanged from the previous year.

In this market scenario, **the Bank has confirmed its position as advisor of choice in Italy, taking part in the most important deals announced, and completing a total of 57 deals over the course of the six months.**

Some of the main deals completed in Italy include KKR's acquisition of assets belonging to the TIM fixed-line network in the TMT sector, the sale of Acqua & Sapone to TDR Capital by H.I.G. In the Retail sector, the acquisition of Grandi Stazioni Retail by OMERS Infrastructure and DWS Infrastructure in the Infrastructure sector, and the public tender offer launched by S.G.G. Holding for SAES Getters ordinary shares in the Industrials sector, plus certain deals in the mid-cap segment, including the acquisition of Marval by Azzurra Capital, the acquisition of Vista Vision by Ardian, and the acquisition of a majority stake in Relatech by Bregal.

As regards Advisory business at the European level, in addition to the deals covered by Arma Partners referred to earlier, the Bank was also involved in the voluntary public tender offer for Greenvolt launched by KKR, and the acquisition of a majority share in Terna Energy by Masdar in the Energy Transition sector, the sale of OnTower Austria by Cellnex Telecom to a consortium of investors consisting of Vauban Infrastructure Partners, EDF Invest and MEAG in the TMT sector, , while on the French market, the acquisition of 48% of the share capital of Santos Brasil by CMA CGM, plus the subsequent launch of a public tender offer for the remaining shares, in the Infrastructure sector was worthy of note.

In **Equity Capital Markets**, investors continue to be highly selective with regard to IPOs in particular; against this backdrop, the Bank has taken part in some of the largest deals completed on the domestic market, acting as Joint Global Co-ordinator in the rights issue launched by Fincantieri, and the rights issue implemented by doValue.

In **Debt Capital Markets**, the Bank has managed the placement of new Green, Social and Sustainability-Linked bonds, including a dual-tranche sustainability-linked bond issued by Snam. At the same time, in the six months Mediobanca has also taken part in some of the largest senior and subordinated bond issues for both corporates and financial institutions in Italy (including Assicurazioni Generali, Banca Monte Paschi di Siena, BPER Banca, Prysmian, Recordati and UniCredit) and in its other core markets (including BNP Paribas, Commerzbank, Criteria Caixa, Swisscom, Tatra banka and TDF Infrastructure).

In Lending, the growing trend in ESG loans granted by the Bank has continued, with Mediobanca participating in a sustainability-linked revolving credit line for Snam. Furthermore, in a market scenario marked by limited lending volumes, in the acquisition financing segment in particular, the Bank has confirmed its position as market leader in Italy while at the same time strengthening its European footprint by assisting its clients in their ordinary operations, by raising finance and in refinancing operations (including ACS, Bolloré, CDP Reti, Garofalo Health Care, Monaco Telecom and Verallia), and in their extraordinary operations (including Recordati as part of its acquisition of the global rights for Enjaymo from Sanofi, KKR in its voluntary public tender offer for Greenvolt, and the consortium comprising OMERS Infrastructure and DWS Infrastructure in the acquisition of Grandi Stazioni Retail). **This segment also reflects the more selective lending criteria adopted in recent quarters in order to protect the profit margins on the capital absorbed and safeguard the high quality of the loan book in the current scenario.**

Revenues increased to €451.4m, up 31.9% YoY, with a record result achieved in 2Q (€268m, up 46%), due to numerous deals closing, with the contribution from Wholesale Banking totalled €412.9m (up 35.5% YoY, up 51.6% QoQ), while Specialty Finance revenues totalled €38.5m (up 2.7% YoY):

- **Net interest income was in line with last year, at €152.6m,** with the highest contribution coming from the Markets division, helped by the performance of the fixed-income segment, offset by lower contributions from Lending business, despite its recovery in 2Q;

- **Net fee and commission income was up 75% (up 58% on a like-for-like basis[17]) to €233.7m, posting a quarterly record in 2Q (€150m, up 79% QoQ);** Advisory business in particular saw its fees leap from €79m to €177.4m, due to an impressive contribution from Arma Partners (€82m, €58m of which in 2Q), backed by an excellent performance in the Large Corporate segment and a solid contribution from the Mid-Corporate segment (€26m). The contribution from ECM activity was again limited, generating fees of €4.5m in line with the market, while there were increases in fees earned from Lending (from €24.9m to €31m) and DCM operations (from €10.4m to €12.2m); while the performance by Specialty Finance was basically in line with last year (€17m);

- **Net treasury income totalled €65.1m, 16.7% higher than last year,** with a good performance in 2Q (€37.3m, vs €27.8m); the growth was concentrated in trading, with client activity by the Markets Division stable.

Operating costs grew from €171.5m to €200.3m. The higher labour costs (which were up 25%, to €117.6m) mostly reflect the three additional months in which Arma Partners has been consolidated compared to last year, plus the strengthening of the headcount, including the opening of the new mid-cap office in Frankfurt, plus higher accruals for variable remuneration in line with performance. Administrative expenses were up 7% YoY, from €77.1m to €82.7m.

[17] Excluding the contribution of Arma Partners for 2Q FY 2024-25.

Net writebacks of €0.5m were credited for 6M, compared with €0.4m last year, with no overlays released in the period, **confirming the high quality of the corporate portfolio.**

Customer loans increased from €19bn to €19.9bn, driven by Wholesale Banking (up from €16bn to €17.2bn, in 2Q especially), which more than offset the reduction in factoring (which reduced from €3.0m to €2.7m).

Gross NPLs decreased from €51.2m to €33.2m, after two Large Corporate positions ceased to be classified as such. The gross NPL ratio was again very low (at just 0.2% of the loan stock), while the coverage ratio increased to 76%.

3. <u>Consumer Finance</u>: record revenues, both 6M and 3M (€629m and €319m respectively), driven by a solid performance in net interest income (up 9% to €556.9m). Excellent commercial results (new loans €4.3bn, up 11% compared to last year), with the increase in profitability on loans more than offsetting the trend in the cost of risk, which stood at 176 bps (166 bps last year), improving in 2Q (to 175 bps). The strategy to enhance direct and digital distribution continues, with rapidly increasing commercial penetration in BNPL segment. RORWA 2.8%.

In 6M Compass delivered a net profit of €203.4m (up 4.8%) and revenues of €628.9m (up 7.7%), near record levels, with profitability remaining high (RORWA 2.8%). The increase in new business (€4.3bn) enabled growth also in customer loans, which are now above €15.5bn. **Net interest income was buoyed by the consolidation of the margins on new loans and higher average volumes**, and the growth in NII more than offset the increase in the cost base. The cost of risk rose from 166 bps last year to 176 bps, as a result of the different mix of the new business plus an increase in risk in line with the Strategic Plan expectations. The initiatives intended to realize the vision and trajectory outlined in the 2023-26 Strategic Plan "One Brand-One Culture" have continued, based on the following factors:

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

  - **Expansion of the distribution network** (with four new agencies opened in 6M, two in 3M), **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-December 2024, Compass's distribution platform consisted of 331 points of sale: 182 are branch offices, 88 are agencies, and 61 Compass Quinto-branded POS (specializing in the sale of salary-backed finance products). Compass Link, an agent in financial activities focused on offering off-site products, has a total of 220 collaborators (stable).

  - **Enhancement of the digital channels, which increased their share of personal loans through the direct channel to 40%** (vs 33% in FY 2023-24), **helped by the introduction of new easier methods for recording new clients** (including use of the SPID digital identity), **speed of approval** (more than 80% of applications are approved in one hour, and 90% in two hours), plus an "instant lending" product for clients with solid track records.

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

  - **Customer loans now exceed €15.5bn, reflecting yields which drove growth of 8% in both revenues and net interest income;**

  - **Cost of risk under close control** (176 bps), **on the back of Compass's proven risk assessment capability;**

- **RORWA 2.8%, due to the higher net profit and RWA discipline** (the first SRT securitization was completed in June 2024, enabling savings of €500m in terms of RWAs, with a further approx. €200m saving recorded in 1Q due to revision of the AIRB models in the last quarter).

- **Development and growth of BNPL as consumer credit product, managed by leveraging on Compass's distinctive capabilities:** September 2024 saw the launch of **HeyLight, the new integrated platform featuring innovative payment and credit services, which has evolved from Pagolight** (Compass's domestic Buy Now Pay Later solution) and from the merger of HeidiPay, the recently acquired company which is a reference player in the consumer financing market in Switzerland. HeyLight already has a wide base in terms of commercial agreements in Italy, with over 1,500 digital stores and more than 32,000 points of sale: a growing network, with a track record of almost 800 new merchants activated each month. In addition to these, more than 500 commercial agreements in Switzerland are in place with important distributors, luxury brands and technology operators, laying the foundations to develop an international product offering.

The Italian consumer credit market reported significant growth in flows financed in 2024, 7.5% higher than the previous year, for a total of €55.8bn financed. The sector's positive performance was driven by personal loans (up 12.2%, equal to more than 50% of the total volumes). Automotive finance (cars and motorbikes) also contributed, posting an increase of 4.4%. Credit cards, other special-purpose loans and salary-/pension-backed finance all reported approx. 2% increases. **Compass in the twelve months of the 2024 calendar year reported 8.3% growth, with a market share of 13.9%.**

In the six months under review, **Compass granted loans of €4.3bn (up 10.5% YoY)**, with all products contributing positively. **Personal loans rose by 9.2%, from €1,815m to €1,982m, helped by the growth of the direct channel (up 7.5%, from €1,445m to €1,553m),** There was robust growth in new loans both in BNPL (up 51%, from €207m to €313m) and salary-backed finance (up 44%, from €166m to €240m). Automotive finance also continues to grow, up 5% (from €671m to €704m), as do special-purpose loans (up 4%, from €582m to €607m).

The growth in revenues (up 7.7%, from €583.8m to €628.9m) was higher than the growth in average lending volumes (which rose by 6%). The main income items performed as follows:

- **Net interest income posted a record total of €556.9m, 8.6% higher than last year** (€512.7m); an excellent performance, which reflects the growth in lending which is increasingly focused on direct personal loans, the higher profitability of which has enabled the yield on loans to reverse the trend in market interest rates, thus absorbing the increase in the cost of funding;

- **Fee income was stable, rising from €70.9m to €72.2m (an increase of 1.8%)**, with an increasing contribution from Buy Now Pay Later activities (€10.7m, compared with €9.2m twelve months previously), and a good performance in revenues from credit recovery operations, which offset the reduction in fees from insurance activities and the increase in *rappel* fees.

Operating costs, which reflect the strong development activity in terms of products and channels, totalled €189.2m, higher than last year (€174.6m). **Of this increase, €4.4m is attributable to labour costs** (up 7.6%, from €57.6m to €62m), **due to the growth in headcount (with 39 new staff added, nine of whom in Switzerland)**, plus the new national collective labour contract coming into force. **Administrative expenses rose by €10.2m (from €117m to €127.2m) as a result of the growth in operating costs due to the higher volumes and IT expenses,** the latter of which primarily in order to support the resilience and security of the systems used to support digital sales (e.g. in BNPL). **The cost/income ratio was in line with last year, at 30.1%.**

Loan loss provisions rose by 11.8%, from €121.3m to €135.6m, most of which was attributable to the different product mix with a higher share of personal loans (which require a higher level of provisioning right from the point at which they are granted), **plus the risk indicators gradually realigning with pre-Covid levels as expected. The cost of risk stood at 176 bps (compared with 166 bps last year), decreasing to 175 bps in 2Q (compared with 178 bps in 1Q). Overlays in the six months amounted to €154m,** after reducing by €13m in 2Q due to €8m being reabsorbed by the recalibration of the internal models. The management cost of risk[18] decreased by approx. 10 bps in 2Q (to 187 bps).

Gross loan loss provisions totalled €1,050.0m (30/6/24: €978m), declining in relative terms from 5.93% of total loans to 6.21%. **The coverage level remains excellent** (the ratio declining only slightly, from 75.3% to 74.3%), and **net NPLs** (€269.7m) continue to be low in relative terms at just 1.7% of total loans (compared with 1.6% at end-June 2024). Net bad debts, virtually unchanged, totalled €5m, reflecting a coverage ratio of 98.1%. The coverage ratio for performing loans was basically stable, at 3.57%.

4. Insurance: high contribution to Group earnings (€241m) – RORWA 3.4%

This division delivered a net profit for the six months of €240.5m (€119.1m of which in 2Q), 7.7% higher than last year (€223.4m) due to equity method valuations of €230.9m, deriving primarily from Assicurazioni Generali, and upward adjustments to reflect current fair value for holdings in funds, which at €9.4m were basically in line with last year; RoRWA for the division rose from 3.2% to 3.4%.

The equity method result reflects an increase of 5.5% (from €218.8m to €230.9m), on a growing contribution from Assicurazioni Generali of €226.7m (up 5.4%, from €215.1m), following positive performances in all areas of the company's business: indeed, the trend in the Non-Life segment was healthy, despite the significant impact of catastrophic events, as were those in the Life and Asset & Wealth Management segments. The book value of the Assicurazioni Generali investment rose from €3,698m to €4,000.7m, due primarily to the profit for the period (which added €226.7m) and the increase in reserves (€76m).

The other banking book securities totalled €793.6m (30/6/24: €802.2m). Holdings in funds were basically unchanged, at €546m, while the equity component decreased slightly, from €255.5m to €247.5m.

5. Holding Functions: results declining due to the reduction in interest rates. Proactive funding and treasury management serves the growth of the business divisions.

The net loss posted by the Holding Functions division in the six months totalled €29.9m, impacted primarily by the decline in market interest rates (Euribor 3M: down 67 bps compared to twelve months previously, NII down approx. €55m) and the difference speeds in the repricing of assets and liabilities (sensitivity). Operating costs decreased from €93.8m to €83.5m, including the central cost component (€55m) which represents 7% of the Group's total costs.

The main income items performed as follows:

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[18] Management cost of risk effectively observed net of overlays, without factoring in provisions due exclusively to revisions of the IFRS model (PD and LGD unchanged.

- Treasury: the net contribution from treasury management decreased to €15.5m (down approx. €40m YoY), reflecting the reduction in net interest income (from €85m to €35.8m). The Group's ALM position remains balanced, with regulatory indicators stable (MREL: 42.7%; LCR: 155%; NSFR: 115%);

- Leasing: a net profit of €2.2m was earned (vs €2m last year), reflecting the reduction in revenues (down 17.4%) which was offset by writebacks to assets (with €2.3m credited) in relation to the lower stock (which decreased from €1,238.1m to €1,172.7m); gross NPLs declined from €79.8m to €70.1m, with net NPLs totalling approx. €14m.

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Group Sustainability Roadmap

The Group, which has always assigned great importance to Environmental, Social and Governance (ESG) issues, has stepped up its efforts in the sustainability area.

This stance has been recognized by the leading ESG rating agencies, including: **MSCI, which has revised its ESG rating for ESG from "AA" to the maximum level of "AAA"**, assigned to just 7% of banks rated. **Standard & Poor's has also increased its rating for Mediobanca by nine points,** with the Bank scoring 69 out of 100, positioning it far above the sector average.

In the effort to address climate change, the Group has consolidated its progress towards decarbonization by confirming its commitment to use 100% energy from renewable sources, and offsetting its greenhouse gas emissions (Scope 1 and Scope 2, market-based).

Neutralization of the residual emissions for FY 2023-24 has been made possible by acquiring carbon credits certified according to VCS-Verra standards in connection with the Larimar Wind Farm energy project in the Dominican Republic.

In the social area, the Group has renewed its commitment to the community in which it operates by participating in charitable initiatives, which include "Orizzonti", Horizons, a project to facilitate the reintegration into society of young inmates held in a total of six institutions for juvenile offenders in Italy, in conjunction with Fondazione Francesca Rava.

Mediobanca has also held its first CSR Conference on the issue of migration and welcoming unaccompanied foreign minors in Italy.

With reference to the Strategic Plan targets, the ESG product and services offering as of 31 December 2024 comprises:

- **Lending activity reflects an ESG stock of some €5.6bn**, 74% of which attributable to CIB, 16% to WM, and 11% to CF;

- **DCM activity** has again seen Mediobanca confirm its position as one of the leading players in the ESG space, closing a total of 27 deals for nearly €17.2bn since January 2024;

- **The share of ESG funds** (SFDR Article 8 and 9 funds) in WM division clients' portfolios is equal to 49%.

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MEDIOBANCA

Mediobanca S.p.A.

Mediobanca S.p.A., the parent company of the Mediobanca Group, delivered a net profit of €594.2m for the six months, on revenues of €931.7m (up 6.1% YoY, from €878.5m), which include dividends from Group Legal Entities totalling €471.5m (up 12.4% YoY).

The anticipated reduction in net interest income (which decreased from €210.7m to €165.6m), reflecting the impact of the reduction in interest rates on asset yields, with the cost of funding resilient; was offset by the growth in fee income (up 31.5% YoY, from €150.9m to €198.3m), in Investment Banking activity in particular (up 87%), on the back of good performances in the Debt Division's activity (up 26%) and by Private Banking (up 13%); while net treasury income remained at €96.3m).

Operating costs rose from €253.8m to €269.8m (up 6.3% YoY; cost/income ratio 29%), with a higher labour cost component linked to the increase in headcount and performance.

The Bank's total assets increased in the six months from €87.3bn to €88.9bn, reflecting higher customer loans (up from €40.3bn to €42.5bn), with total funding also growing (from €69.9bn to €72.5bn).

AUM/AUA in Private Banking rose by 8%, from €22.9bn to €24.7bn, with the managed component performing well in particular (AUM up 8%, from €10.8bn to €11.7bn).

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Outlook

The European scenario for the coming months will continue to reflect the uncertainty driving from the geopolitical risks and the first initiatives implemented by the new US administration: the imposition of tariffs on international markets could further weaking the leading EU economies (Germany and France in particular), despite the accommodative monetary policies put in place by the ECB which, unlike the Fed, continued its interest rate-cutting trajectory in January 2025.

Against this backdrop, the Mediobanca Group will unlock value from the strategic vision outlined in its 2023-26 Strategic Plan "One Brand-One Culture", based on high growth due to the divisions' specialized and distinctive positioning, including in particular:

- **Growth in Wealth Management** as priority, a sector in which Mediobanca is now a leading player, with above-average growth rates;
- **Corporate & Investment Banking increasingly synergic with Wealth Management**, diversified and sustainable, but at the same time more international and focused on capital-light activities;
- **Consumer Finance continuing to grow** on the back of Compass's effective proprietary distribution network and well-established risk assessment capability;
- **Insurance as a source of revenues, strongly decorrelated from the core banking business;**
- **High capital generation and best-in-class distribution policy, with low execution risk.**

The Mediobanca Group, on the strength of the results delivered so far, the outstanding start made to the 2024-25 financial year, and the potential embedded in its business model, has revised the targets set in the 2023-26 Strategic Plan upwards.

For the current financial year (FY 2024-25):

- **NNM of €9-10bn**;
- **Revenues growing**, with fees set to grow at a low double-digit rate, and net interest income resilient (despite the anticipated reduction in interest rates) due to the strength of the Consumer Finance operations, which are able to absorb the reduction in yields on other assets;
- Cost/income ratio and CoR under control;
- **Growth in EPS of 6-8%;**[19]
- High shareholder remuneration, including completion of the share buyback currently in progress (€385m, 61% of which already complete), plus a 70% cash payout (with an interim dividend payable in May 2025 and the balance due in November 2025), as well as decisions on possible further buybacks which will be disclosed by end-June 2025.

For the next financial year (FY 2025-26):

- **Revenues of approx. €4bn,** above the original target set in the Strategic Plan, of €3.8bn;
- **Net profit of above €1.4bn;**
- **Payout ratio approx. 100%;**
- **Total cumulative amount distributed in 3Y of 2023-26 Strategic Plan: over €4bn,**[20] vs €3.7bn (original Plan target).

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MPS public exchange offer

Through a communication published on 24 January 2025 pursuant to Article 102 of Italian Legislative Decree no. 58 of 24 February 1998, and Article 37 of Consob regulation no. 11971 of 14 May 1999, Monte dei Paschi di Siena ("MPS") launched a voluntary public exchange offer for all Mediobanca ordinary shares. At a Board meeting held on 28 January 2025, the Directors of Mediobanca conducted a preliminary review of the communication, on which it will express its opinion with the timing, instruments and procedures provided for by the law.

The Board of Directors of Mediobanca found the Offer to be devoid of industrial and financial value, and therefore strongly destructive of value for the stakeholders of both Mediobanca and MPS.

The absence of an industrial rationale for Mediobanca and MPS is the result of:

[19] Including the cancellation of the treasury shares deriving from the €385m share buyback currently in progress.
[20] Including cash and share buybacks, subject to the regulations in force.

- **Significant weakening of the Mediobanca Group's business model,** which is based on growth in two specialized and synergic businesses, namely Investment Banking and Wealth Management, and of its **corporate culture**, which is very different from that of MPS;

- **Potential loss of clients, and therefore revenues,** in Wealth Management, in the high-end bracket (Premier/Private Banking) in particular, and in Investment Banking, if the independence of judgement and related absence of conflicts of interest traditionally associated with Mediobanca were to be affected;

- **Exit of the Group's most talented professionals,** to the benefit of its leading competitors;

- **The substantial absence of any real cost synergies,** in view of the lack of overlap between the two groups' commercial networks and different business models and related systems, and the presence of **substantial revenue dis-synergies** due to the likely loss of bankers and clients who do not see the MPS group as their "bank of choice".

It is also believed that the offer will destroy value for Mediobanca shareholders in view of the:

- **Negative impact on Mediobanca's earning profile**, whose profits on a standalone basis are expected to rise in accordance with the Strategic Plan currently being executed, in contrast to MPS, for which the consensus sees a reduction in earnings due to the falling interest rates and the progressive withdrawal of tax benefits;

- **Negative impact on credit rating**, already emphasized by all the ratings agencies, and underlying the Outlook downgrade already implemented by Moody's (rating Baa1, Outlook revised from Stable to Negative on 31 January 2025);

- **Likely dilution of Mediobanca's valuation multiples,** due to the change in strategic positioning and the estimated growth in revenues and earnings;

- **Strong discount implied by the Offer price** versus the intrinsic value of Mediobanca, its assets, investments, and prospects for growth and value.

Finally, it should be emphasized that the Offer reflects potential misalignments of interest between certain important shareholders with investments in Mediobanca, MPS and Assicurazioni Generali, and the other shareholders of both companies.

Milan, 10 February 2025

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1. Restated consolidated profit and loss accounts

Mediobanca Group (€m)	6 mths 31/12/2023	6 mths 31/12/2024	Chg. %
Net interest income	996.5	978.9	-1.8%
Net treasury income	93.4	91.8	-1.7%
Net fee and commission income	422.1	546.7	29.5%
Equity-accounted companies	218.6	230.3	5.4%
Total income	**1,730.6**	**1,847.7**	**6.8%**
Labour costs	(382.2)	(419.1)	9.7%
Administrative expenses	(353.2)	(361.0)	2.2%
Operating costs	**(735.4)**	**(780.1)**	**6.1%**
Loan loss provisions	(132.9)	(133.4)	0.4%
Provisions for other financial assets	5.1	10.7	n.m.
Other income (losses)	(25.2)	(13.6)	-46.0%
Profit before tax	**842.2**	**931.3**	**10.6%**
Income tax for the period	(220.7)	(231.4)	4.8%
Minority interest	(10.3)	(40.2)	n.m.
Net profit	**611.2**	**659.7**	**7.9%**

2. Quarterly profit and loss accounts

Mediobanca Group	FY 23/24				FY 24/25	
(€m)	I Q 30/09/23	II Q 31/12/23	III Q 31/03/24	IV Q 30/06/24	I Q 30/09/24	II Q 31/12/24
Net interest income	495.7	500.8	495.9	492.4	485.0	493.9
Net treasury income	47.5	45.9	40.2	38.6	39.2	52.6
Net commission income	179.8	242.3	238.1	279.2	231.2	315.5
Equity-accounted companies	140.7	77.9	123.4	168.4	109.2	121.1
Total income	**863.7**	**866.9**	**897.6**	**978.6**	**864.6**	**983.1**
Labour costs	(179.7)	(202.5)	(204.7)	(217.6)	(200.1)	(219.0)
Administrative expenses	(164.2)	(189.0)	(183.9)	(200.6)	(168.9)	(192.1)
Operating costs	**(343.9)**	**(391.5)**	**(388.6)**	**(418.2)**	**(369.0)**	**(411.1)**
Loan loss provisions	(60.0)	(72.9)	(62.8)	(56.4)	(67.2)	(66.2)
Provisions for other fin. assets	(0.4)	5.5	10.1	(1.3)	12.1	(1.4)
Other income (losses)	—	(25.2)	(0.9)	(64.1)	(2.3)	(11.3)
Profit before tax	**459.4**	**382.8**	**455.4**	**438.6**	**438.2**	**493.1**
Income tax for the period	(107.4)	(113.3)	(110.7)	(105.3)	(100.8)	(130.6)
Minority interest	(0.7)	(9.6)	(9.8)	(6.0)	(7.4)	(32.8)
Net profit	**351.3**	**259.9**	**334.9**	**327.3**	**330.0**	**329.7**

3. Restated balance sheet

Mediobanca Group (€m)	31/12/2023	30/06/2024	31/12/2024
Assets			
Financial assets held for trading	11,132.0	15,409.5	15,171.8
Treasury financial assets	12,440.8	11,102.6	10,386.4
Banking book securities	10,858.6	11,340.7	12,063.4
Customer loans	51,827.3	52,447.4	53,858.5
Corporate	*16,011.8*	*16,042.9*	*17,170.4*
Specialty Finance	*2,927.8*	*2,950.4*	*2,706.6*
Consumer credit	*14,701.5*	*15,197.6*	*15,563.7*
Mortgages	*12,539.7*	*12,568.0*	*12,615.2*
Private banking	*4,327.9*	*4,285.2*	*4,473.7*
Leasing	*1,318.6*	*1,403.3*	*1,328.9*
Equity investments	4,539.3	4,702.7	4,991.7
Tangible and intangible assets	1,646.2	1,595.0	1,639.2
Other assets	2,466.1	2,628.4	1,800.7
Total assets	**94,910.3**	**99,226.3**	**99,911.7**
Liabilities			
Funding	60,624.0	63,669.9	64,210.7
MB bonds	*23,925.0*	*27,619.2*	*28,727.7*
Retail deposits	*16,992.3*	*16,888.0*	*17,903.9*
Private Banking deposits	*10,704.1*	*11,010.6*	*10,292.1*
ECB	*3,364.2*	*1,313.2*	—
Banks and other	*5,638.4*	*6,838.9*	*7,287.0*
Treasury financial liabilities	9,657.7	10,584.1	11,840.5
Financial liabilities held for trading	9,349.0	9,504.7	9,095.4
Other liabilities	4,047.7	4,066.3	3,295.1
Provisions	177.8	158.1	148.8
Net equity	11,054.1	11,243.2	11,321.2
Minority interest	*96.3*	*86.1*	*86.2*
Profit for the period	*611.2*	*1,273.4*	*659.7*
Total liabilities	**94,910.3**	**99,226.3**	**99,911.7**
CET 1 capital	7,532.3	7,222.5	7,248.1
Total capital	8,546.3	8,438.0	8,380.8
RWA	49,088.4	47,622.0	47,561.2

4. Consolidated shareholders' equity

Net equity (€m)	31/12/2023	30/06/2024	31/12/2024
Share capital	444.5	444.5	444.7
Other reserves	10,017.0	9,929.0	10,282.9
Interim dividend		(421.2)	
Valuation reserves	(114.9)	(68.6)	(152.3)
- of which: Other Comprehensive Income	*128.9*	*116.5*	*143.8*
cash flow hedge	*99.6*	*113.7*	*(36.6)*
equity investments	*(334.5)*	*(274.4)*	*(247.0)*
Minority interest	96.3	86.1	86.2
Profit for the period	611.2	1,273.4	659.7
Total Group net equity	**11,054.1**	**11,243.2**	**11,321.2**

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5. Ratios (%) and per share data (€)

MB Group	Financial year 23/24		Financial year 24/25
	31/12/2023	30/06/2024	31/12/2024
Ratios (%)			
Total assets / Net equity	8.6	8.8	8.8
Loans / Funding	0.85	0.82	0.84
RWA density (%)	51.7%	48.0%	47.6%
CET1 ratio (%) phase-in	15.3%	15,2%	15.2%
Total capital (%) phase-in	17.4%	17.7%	17.6%
S&P Rating	BBB	BBB	BBB
Fitch Rating	BBB	BBB	BBB
Moody's Rating	Baa1	Baa1	Baa1
Cost / Income	42.5	42.8	42.2
Gross NPLs/Loans ratio (%)	2.4	2.5	2.5
Net NPLs/Loans ratio (%)	0.8	0.8	0.8
EPS	0.72	1.53	0.79
EPS adj.	0.76	1.64	0.81
BVPS	12.4	12.8	12.9
TBVPS	11.1	11.6	11.7
DPS	0.51*	1.07	
ROTE adj. (%) annualized	13.4	14.0	14.0
RORWA adj. (%)annualized	2.6	2.8	2.8
No. shares (m)	849.9	832.9	833.3

**interim DPS defined and paid in May 2024*

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

6m – Dec 24 (€m)	WM	CIB	CF	INS	Holding Functions	Group
Net interest income	204.2	152.6	556.9	(3.5)	48.1	978.9
Net treasury income	5.5	65.1	0.0	16.0	5.6	91.8
Net fee and commission income	270.4	233.7	72.2	(0.3)	2.7	546.7
Equity-accounted companies	—	—	(0.2)	230.9	(0.4)	230.3
Total income	**480.1**	**451.4**	**628.9**	**243.1**	**56.0**	**1,847.7**
Labour costs	(167.5)	(117.6)	(62.0)	(2.1)	(70.0)	(419.1)
Administrative expenses	(147.6)	(82.7)	(127.2)	(0.7)	(13.5)	(361.0)
Operating costs	**(315.1)**	**(200.3)**	**(189.2)**	**(2.8)**	**(83.5)**	**(780.1)**
Loan loss provisions	(1.0)	0.5	(135.6)	—	2.7	(133.4)
Provisions for other financial assets	0.1	(0.6)	—	9.4	1.8	10.7
Other income (losses)	(4.0)	(3.5)	—	—	(0.8)	(13.6)
Profit before tax	**160.1**	**247.5**	**304.1**	**249.7**	**(23.8)**	**931.3**
Income tax for the period	(48.5)	(68.3)	(100.7)	(9.2)	(4.7)	(231.4)
Minority interest	(1.0)	(37.7)	—	—	(1.4)	(40.2)
Net profit	**110.6**	**141.5**	**203.4**	**240.5**	**(29.9)**	**659.7**
Loans and advances to Customers	17,088.9	19,877.0	15,563.7	—	1,328.9	53,858.5
RWAs	6,201.2	15,018.9	14,409.3	8,079.9	3,851.9	47,561.2
No. of staff	2,283	764	1,581	9	873	5,510

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

6m – Dec 23 (€m)	WM	CIB	CF	INS	Holding Functions	Group
Net interest income	213.0	153.1	512.7	(3.6)	103.1	996.5
Net treasury income	4.4	55.8	0.4	7.8	23.1	93.4
Net fee and commission income	240.4	133.4	70.9	—	8.0	422.1
Equity-accounted companies	—	—	(0.2)	218.8	—	218.6
Total income	**457.8**	**342.3**	**583.8**	**223.0**	**134.2**	**1,730.6**
Labour costs	(159.4)	(94.4)	(57.6)	(2.0)	(68.6)	(382.2)
Administrative expenses	(142.2)	(77.1)	(117.0)	(0.6)	(25.2)	(353.2)
Operating costs	**(301.6)**	**(171.5)**	**(174.6)**	**(2.6)**	**(93.8)**	**(735.4)**
Loan loss provisions	(6.3)	0.4	(121.3)	—	(5.7)	(132.9)
Provisions for other financial assets	0.7	(2.9)	(0.1)	9.2	(1.8)	5.1
Other income (losses)	(2.9)	1.0	0.1	—	(23.7)	(25.2)
Profit before tax	**147.7**	**169.3**	**287.9**	**229.6**	**9.2**	**842.2**
Income tax for the period	(47.0)	(52.5)	(93.8)	(6.2)	(20.9)	(220.7)
Minority interest	(0.5)	(8.5)	—	—	(1.3)	(10.3)
Net profit	**100.2**	**108.3**	**194.1**	**223.4**	**(13.0)**	**611.2**
Loans and advances to Customers	16,867.6	18,939.6	14,701.5	—	1,318.6	51,827.3
RWAs	5,864.2	15,991.9	14,545.0	8,395.1	4,292.1	49,088.4
No. of staff	2,233	730	1,542	9	855	5,369

7. Wealth Management

Wealth Management (€m)	6 mths 31/12/2023	6 mths 31/12/2024	Chg.%
Net interest income	213.0	204.2	-4.1%
Net trading income	4.4	5.5	25.0%
Net fee and commission income	240.4	270.4	12.5%
Total income	**457.8**	**480.1**	**4.9%**
Labour costs	(159.4)	(167.5)	5.1%
Administrative expenses	(142.2)	(147.6)	3.8%
Operating costs	**(301.6)**	**(315.1)**	**4.5%**
Loan loss provisions	(6.3)	(1.0)	-84.1%
Provisions for other financial assets	0.7	0.1	-85.7%
Other income (losses)	(2.9)	(4.0)	37.9%
Profit before tax	**147.7**	**160.1**	**8.4%**
Income tax for the period	(47.0)	(48.5)	3.2%
Minority interest	(0.5)	(1.0)	n.m.
Net profit	**100.2**	**110.6**	**10.4%**
Loans and advances to customers	16,867.6	17,088.9	1.3%
New loans (mortgages)	479.8	652.3	35.9%
TFA (Stock, € bn)	93.6	106.8	14.1%
-AUM/AUA	65.9	78.6	19.3%
-Deposits	27.7	28.2	1.9%
TFA (Net New Money, € bn)	3.7	4.8	30.2%
-AUM/AUA	4.2	4.5	7.3%
-Deposits	(0.5)	0.3	n.m.
No. of staff	2,233	2,283	2.2%
RWAs	5,864.2	6201.2	5.7%
Cost / income ratio (%)	65.9%	65.6%	
Gross NPL / Gross loans ratio (%)	1.4%	1.3%	
Net NPL / Net loans ratio (%)	0.8%	0.8%	
RORWA adj annualized	3.6%	3.8%	

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8. Corporate & Investment Banking

Corporate & Investment Banking (€m)	6 mths 31/12/2023	6 mths 31/12/2024	Chg.%
Net interest income	153.1	152.6	-0.3%
Net treasury income	55.8	65.1	16.7%
Net fee and commission income	133.4	233.7	75.2%
Total income	**342.3**	**451.4**	**31.9%**
Labour costs	(94.4)	(117.6)	24.6%
Administrative expenses	(77.1)	(82.7)	7.3%
Operating costs	**(171.5)**	**(200.3)**	**16.8%**
Loan loss provisions	0.4	0.5	25.0%
Provisions for other financial assets	(2.9)	(0.6)	-79.3%
Other income (losses)	1.0	(3.5)	n.m.
Profit before tax	**169.3**	**247.5**	**46.2%**
Income tax for the period	(52.5)	(68.3)	30.1%
Minority interest	(8.5)	(37.7)	n.m.
Net profit	**108.3**	**141.5**	**30.7%**
Loans and advances to customers	18,939.6	19,877.0	4.9%
No. of staff	730	764	4.7%
RWAs	15,991.9	15,018.9	-6.1%
Cost / income ratio (%)	50.1%	44.4%	
Gross NPL / Gross loans ratio (%)	0.3%	0.2%	
Net NPL / Net loans ratio (%)	0.1%	0.04%	
RORWA adj annualized	1.2%	1.9%	

9. Consumer Finance

Consumer Finance (€m)	6 mths 31/12/2023	6 mths 31/12/2024	Chg.%
Net interest income	512.7	556.9	8.6%
Net trading income	0.4	—	n.m.
Net fee and commission income	70.9	72.2	1.8%
Equity-accounted companies	(0.2)	(0.2)	n.m.
Total income	**583.8**	**628.9**	**7.7%**
Labour costs	(57.6)	(62.0)	7.6%
Administrative expenses	(117.0)	(127.2)	8.7%
Operating costs	**(174.6)**	**(189.2)**	**8.4%**
Loan loss provisions	(121.3)	(135.6)	11.8%
Provisions for other financial assets	(0.1)	—	n.m.
Other income (losses)	0.1	—	n.m.
Profit before tax	**287.9**	**304.1**	**5.6%**
Income tax for the period	(93.8)	(100.7)	7.4%
Net profit	**194.1**	**203.4**	**4.8%**
Loans and advances to customers	14,701.5	15,563.7	5.9%
New loans	3,927.4	4,340.0	10.5%
No. of branches	181	182	0.6%
No. of agencies	78	88	12.8%
No. of staff	1,542	1,581	2.5%
RWAs	14,545.0	14,409.3	-0.9%
Cost / income ratio (%)	29.9%	30.1%	
Gross NPL / Gross loans ratio (%)	5.8%	6.2%	
Net NPL / Net loans ratio (%)	1.5%	1.7%	
RORWA adj annualized	2.7%	2.8%	

10. Insurance

Insurance - PI (€m)	6 mths 31/12/2023	6 mths 31/12/2024	Chg. %
Net interest income	(3.6)	(3.5)	-2.8%
Net treasury income	7.8	16.0	n.m.
Net fee and commission income	—	(0.3)	n.m.
Equity-accounted companies	218.8	230.9	5.5%
Total income	**223.0**	**243.1**	**9.0%**
Labour costs	(2.0)	(2.1)	5.0%
Administrative expenses	(0.6)	(0.7)	16.7%
Operating costs	**(2.6)**	**(2.8)**	**7.7%**
Loan loss provisions	—	—	n.m.
Provisions for other financial assets	9.2	9.4	2.2%
Other income (losses)	—	—	n.m.
Profit before tax	**229.6**	**249.7**	**8.8%**
Income tax for the period	(6.2)	(9.2)	48.4%
Minority interest	—	—	n.m.
Net profit	**223.4**	**240.5**	**7.7%**
Equity investments	3,683.6	4,081.8	10.8%
Other investments	737.6	793.6	7.6%
RWAs	8,395.1	8,079.9	-3.8%
RORWA adj annualized	3.2%	3.4%	
No. of staff	9	9	

11. Holding Functions

Holding Functions (€m)	6 mths 31/12/2023	6 mths 31/12/2024	Chg. %
Net interest income	103.1	48.1	-53.3%
Net treasury income	23.1	5.6	-75.8%
Net fee and commission income	8.0	2.7	-66.3%
Equity-accounted companies	—	(0.4)	n.m.
Total income	**134.2**	**56.0**	**-58.3%**
Labour costs	(68.6)	(70.0)	2.0%
Administrative expenses	(25.2)	(13.5)	-46.4%
Operating costs	**(93.8)**	**(83.5)**	**-11.0%**
Loan loss provisions	(5.7)	2.7	n.m.
Provisions for other financial assets	(1.8)	1.8	n.m.
Other income (losses)	(23.7)	(0.8)	n.m.
Profit before tax	**9.2**	**(23.8)**	**n.m.**
Income tax for the period	(20.9)	(4.7)	-77.5%
Minority interest	(1.3)	(1.4)	7.7%
Net profit	**(13.0)**	**(29.9)**	**n.m.**
Loans and advances to customers	1,318.6	1,328.9	0.8%
Banking book securities	8,950.6	9,201.6	2.8%
RWAs	4,292.1	3,851.9	-10.3%
No. of staff	855 (427**)	873 (441**)	

** HF staff 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

		6 mths	6 mths
		31/12/2023	31/12/2024
10	**Gain (loss) for the period**	**613.0**	**661.4**
	Other income items net of tax without passing through profit and loss	**11.9**	**(6.9)**
20.	Equity instruments designated at fair value through other comprehensive income	8.0	(6.0)
30.	Financial liabilities designated at fair value through profit or loss (own creditworthiness changes)	(4.5)	6.9
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	(0.9)	(1.2)
80.	Non-current assets and disposal groups classified as held for sale	—	—
90.	Portion of valuation reserves from investments valued at equity method	9.4	(6.6)
100.	Financial income or costs relating to insurance contracts issued	—	—
	Other income items net of tax passing through profit and loss	**(189.1)**	**(75.4)**
110.	Foreign investment hedges	—	—
120.	Exchange rate differences	0.1	6.2
130.	Cash flow hedges	(172.9)	(150.4)
140.	Hedging instruments (non-designated items)	—	—
150.	Financial assets (different from equity instruments) at fair value through other comprehensive Income	49.7	34.8
160.	Non-current assets and disposal groups classified as held for sale	—	—
170.	Part of valuation reserves from investments valued at equity method	(66.1)	33.9
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**	**(177.2)**	**(82.3)**
210.	**Comprehensive income (Item 10+200)**	**435.8**	**579.1**
220.	Minority interest in consolidated comprehensive income	1.7	1.6
230.	**Consolidated comprehensive inc. attributable to Mediobanca S.p.A.**	**434.1**	**577.5**

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

Mediobanca S.p.A. (€m)	6 mths 31/12/2023	6 mths 31/12/2024	Chg.%
Net interest income	210.7	165.6	-21.4%
Net treasury income	97.5	96.3	-1.2%
Net fee and commission income	150.9	198.3	31.5%
Dividends on investments	419.4	471.5	12.4%
Total income	**878.5**	**931.7**	**6.1%**
Labour costs	(145.2)	(160.1)	10.3%
Administrative expenses	(108.6)	(109.6)	0.9%
Operating costs	**(253.8)**	**(269.8)**	**6.3%**
Loan loss provisions	(3.4)	(0.2)	n.m.
Provisions for other financial assets	4.4	10.8	n.m.
Impairment on investments	—	—	n.m.
Other income (losses)	(0.5)	(3.4)	n.m.
Profit before tax	**625.2**	**669.2**	**7.0%**
Income tax for the period	(85.0)	(75.0)	-11.8%
Net profit	**540.2**	**594.2**	**10.0%**

Mediobanca S.p.A. (€m)	31/12/2023	30/06/2024	31/12/2024
Assets			
Financial assets held for trading	11,280.2	15.437,9	15,130.9
Treasury financial assets	14,645.5	13.949,5	13,285.1
Banking book securities	11,114.4	11.231,6	11,947.8
Customer loans	39,931.8	40.282,0	42,533.2
Equity Investments	4,847.4	4.836,2	4,905.4
Tangible and intangible assets	169.5	170,8	171.1
Other assets	1,165.2	1.387,1	912.3
Total assets	**83,153.9**	**87.295,3**	**88,885.7**
Liabilities and net equity			
Funding	55,487.5	58.292,2	58,874.0
Treasury financial liabilities	10,799.5	11.588,1	13,624.7
Financial liabilities held for trading	9,582.7	9.666,7	9,291.5
Other liabilities	2,317.1	2.637,2	1,899.2
Provisions	92.2	79,4	79.2
Net equity	4,334.7	3.787,8	4,522.8
Profit of the period	540.2	1.244,0	594.2
Total liabilities and net equity	**83,153.9**	**87.295,3**	**88,885.7**

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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