



MEDIOBANCA

**Mediobanca
Board of Directors' Meeting**

Milan, 26 February 2013



Financial statements for six months ended 31/12/12 approved

Net profit doubled to reach €124m

Core tier 1 ratio 11.8%

- ◆ Net profit for the six months totalled €124m, almost twice the €63m reported last year, but still impacted by impairment charges (€95m in respect of Telco)
- ◆ The result reflects, on the one hand, the marked slowdown in the economic scenario and in business levels towards households and companies, and, on the other, the Group's prudent lending policy and its ongoing commitment to cost discipline and to maintaining high asset quality ratios. The following performances contributed to the above result:
 - ◆ revenues were down 6% Y.o.Y. to €911m: the contribution from trading activity was stable, at €106m, compared with €112m; and the higher profits from equity investments (up from €72m to €86m) partly offset the declines in net interest income (down 7% Y.o.Y.) and net fee and commission income (down 14% Y.o.Y.);
 - ◆ operating costs were down 6% Y.o.Y. to €376m, due to a 3% reduction in labour costs and an 8% decrease in administrative expenses;
 - ◆ the coverage ratios of doubtful loans showed improvement (NPLs from 61% to 68% and bad loans generally from 39% to 43%), and the cost of risk was stable at 129 bps;
 - ◆ the core tier 1 ratio grew from 11.5% at end-September 2012 to reach 11.8%;
 - ◆ ordinary ROTE stood at 7%.
- ◆ Divisional results reflect the following performances:
 - ◆ good diversification between corporate and retail: net interest income was stable at the Group level over the past six months, with growth on the retail side offsetting the reduction in corporate business; costs progressively declining, driven by the reduction in administrative expenses in retail banking and falling labour costs on the corporate side;
 - ◆ ongoing risk profile reduction in CIB: conservative treasury asset investment policy, significant reduction in customer lendings (down 17% Y.o.Y. to reach €16.1bn);
 - ◆ high profitability in consumer credit business despite the recession scenario, with revenues and asset quality stable and ROAC at 10%;
 - ◆ strong cost discipline and growth in deposits by CheBanca! (up 15% Y.o.Y. to reach €12.3bn);
 - ◆ net loss incurred by the Principal Investing division of €52m, on account of a 12% Y.o.Y. reduction in revenues as well as the Telco impairment charge.



With Renato PAGLIARO in the chair, the Directors of Mediobanca approved the Group's financial statements for the six months ended 31 December 2012, as illustrated by Chief Executive Officer Alberto NAGEL.

Consolidated results

The Mediobanca Group earned a net profit of €123.8m in the six months, almost twice the €63.4m recorded at the same time last year, but still impacted by writedowns to the securities and investment portfolios, with €95m in impairment charges in respect of Telco, to reflect a net present value for the Telecom Italia stake of €1.20 per share.

The result reflects, on the one hand, the marked slowdown in the economic scenario and in business levels towards households and companies, and, on the other, the Group's prudent lending policy and its ongoing commitment to cost discipline and to maintaining high asset quality ratios.

Looking at the results in more detail, total revenues were down 6.4%, from €973.3m to €911m, with the various items reflecting the following performances:

- ◆ net interest income fell by 6.7%, from €554.6m to €517.7m; this reduction was due to the corporate and investment banking segment, where net interest income was down from €204.5m to €157.4m reflecting the 15.8% Y.o.Y. reduction in lending volumes and falling returns on treasury assets;
- ◆ net trading income matched last year's healthy result at €106.5m (€112.5m), helped mostly by the reduction in the spread on sovereign debt securities;
- ◆ net fee and commission income shows a 14.2% decrease to €201m (€234.4m), due to the slowdown in corporate and investment banking activity in particular;
- ◆ the contribution from the equity-accounted companies rose from €71.8m to €85.8m, due to the largely non-recurrent contribution of Gemina (€27.2m), which offset the operating losses incurred by RCS MediaGroup (€18.7m). The contribution from Assicurazioni Generali also increased, from €65.9m to €75.6m.

Operating costs fell by 5.9%, from €399.2m to €375.6m, due to reduced labour costs (down 3.4%) and administrative expenses (down 8.4%).

Loan loss provisions, in a recession scenario, grew by 9.7%, from €212.3m to €232.8m, largely due to the household segment where provisioning rose from €149.2m to €162.8m. The cost of risk, with loan volumes down 10% Y.o.Y., nonetheless remained stable at last year's average levels (129 bps) and the coverage ratios showed improvement (for bad loans generally from 39% to 43% and for NPLs from 61% to 68%).

Writedowns to the securities and equity investments portfolios include the impairment charges to the Telco investment referred to above, €12.2m in writebacks to Greek government securities, and other charges in respect of unlisted AFS shares totalling €6.7m.

The balance-sheet aggregates show the effects of the asset reduction process, in CIB in particular, associated with the need to keep liquidity, funding and capital at high levels. The individual items performed as follows:

- ◆ loans and advances to customers fell from €37.8bn as at 31 December 2011 and from €36.3bn at end-June 2012 to reach €34.1bn, as a result of the decrease in corporate lending (down 17% Y.o.Y. to €16.1bn), the planned reduction in leasing business (down 12% Y.o.Y. to €3.8bn), and stable retail activities (consumer credit lending totalled €9.2bn, mortgage lending €4.3bn);



- ◆ funding levels declined slightly from end-June 2012, from €55.8bn to €54bn, due to the reduction in debt securities in issue (down from €30bn to €28.1bn), partly offset by growth in retail deposits by CheBanca!, which were up 5.4% (from €11.6bn to €12.3bn);
- ◆ liquid financial assets (treasury, AFS, HTM and LR) grew to €23.2bn (30/6/12: €22.2bn), still characterized by a prudent asset investment policy;
- ◆ the capitalization ratios reflect an improvement: core tier 1 ratio 11.8% (30/6/12: 11.5%), total capital ratio 14.8% (14.2%), including as a result of writebacks to the AFS securities valuation reserve, which went from minus €236m to approx. €100m.

Divisional results

CIB: net profit €124m, due to positive market effect and disciplined control of both operating costs and risk.

This division showed a net profit of €124.2m for the six months, compared with a €37.4m loss at the same time last year, due to lower net provisions for financial assets (€175.4m in provisions last year, as against €9.1m in writebacks this year). Revenues fell 13.1%, from €448.2m to €389.6m, reflecting the following performances by the individual items:

- ◆ net interest income fell from €204.5m to €157.4m, reflecting the reduction in the risk profile; the contribution from leasing business fell from €33.3m to €23.5m;
- ◆ net trading income showed resilience, closing at €100.3m (€107.5m), due to a good performance from the fixed-income segment (€76.9m);
- ◆ net fee and commission income declined from €125.9m to €101.2m, chiefly as a result of the reduction in lending activity.

The fall in operating costs, which were down 7% (from €161.8m to €150.5m), was due to both labour costs (down from €107.5m to €98.2m) and administrative expenses (from €54.3m to €52.3m).

Loan loss provisions of €58.2m reflect a slight increase compared to the same time last year (€54m), in particular in the wholesale banking segment, where provisions were up from €40.1m to €46.5m.

The securities portfolio showed a profit of €2.7m, compared with a loss of €222.1m at the same time last year, representing the combined effect of net losses on AFS securities (€6.4m), writebacks in respect of Greek sovereign debt instruments (€12.2m), and writedowns to holdings in unlisted equities (€3.1m).

On the balance-sheet side, there was a 17% Y.o.Y. reduction in corporate loans, to €16.1bn, as well as the planned reduction in leasing business (which fell 12% Y.o.Y. to €3.8bn).

Asset quality remains at high levels, in corporate banking especially, where total bad loans represent 1.6% of the loan book and there are no non-performing items (“sofferenze”); in leasing net impaired items make up 6.2% of the total loans, with NPLs equal to 1.3%.

Consumer credit: revenues and asset quality stable, ROAC 10%

The adverse trends in the consumer credit market currently in progress, with new loans down 12% in 2012, have caused Compass to adopt an even more prudential lending policy, which led to a 5% decrease in new loans that totalled €2,339m, with loans and advances to customers stabilizing at



€9.2bn. Despite the slowdown in growth, Compass confirmed its position as the second-ranking operator in Italy, with a market share of 10% (14% in personal loans).

Revenues of €346.9m for the six months show resilience, down 4% Y.o.Y., reflecting a 16.7% Y.o.Y. reduction in fee income, from €91.6m to €76.3m, impacted by the fall in new loans and the stricter regulations regarding the sale of insurance products. Net interest income, by contrast, was stable at €270m.

Net profit for the six months totalled €33.8m (ROAC 10%), on slightly higher operating costs (up 3%, from €125.5m to €129.3m) with the cost of risk under control (356 bps at end-Dec. 2012, 389 bps at end-June 2012, 340 bps at end-Dec. 2011).

Asset quality remains good, with the NPLs/loans ratio standing at 0.9%, and the total bad loans/loans ratio at 3.7%, with coverage ratios for bad loans improving (from 46% to 54%).

Retail banking: deposits up 15% to reach €12.3bn, major cost control effort

CheBanca! reduced its loss for the six months to €7.6m (31/12/11: €14.6m), on the back of a major, 19% reduction in operating costs (from €89.1m to €72.2m). On an annualized basis the 15% increase in deposits to €12,258m was not reflected at the level of revenues, which declined 3.8% to €78.5m, as a result of the higher cost of funding and prudent asset investment policy. Loans and advances were stable at €4,273m.

Private banking: AUM and profits increasing

Private banking reported a net profit of €23.2m, up on the €52m posted this time last year (which included a €44m gain on disposal of a property in Monaco), due to a healthy performance from CMB (whose normalized net profit doubled to €21m), and Banca Esperia returning to profitability with a bottom line of €0.7m. Revenues increased by 31% Y.o.Y., from €50.6m to €66.5m, due to higher net interest income (up 51%, from €14m to €21m), and net fee income (up 17%, from €32.8m to €38.3m). Assets under management on a discretionary/non-discretionary basis increased during the six months under review, from €12.6bn to €13.5bn, €6.6bn (30/6/12: €6bn) of which for CMB and €6.9bn (€6.6bn) for Banca Esperia.

Principal investing: lower revenues, €95m writedown charge to Telco investment

This division's results for the six months show a loss of €52m, following the writedown to the Telco investment (€95m) and the reduced contribution from the equity-accounted companies (€54.4m, compared with €61.5m), reflecting in particular the operating losses incurred by RCS MediaGroup (€18.7m). The contribution from Assicurazioni Generali was up slightly, from €65.9m to €75.6m). The book value of the investments increased from €2,696.4m to €2,779.5m, due to asset differences arising from application of the equity method (€123.7m).

Mediobanca S.p.A.

For the six months ended 31 December 2012, Mediobanca reported to net loss of €21.2m, compared with €124.3m last year, reflecting the writedown to the Telco investment (€99.5m) and the reduction in total income, from €374.9m to €320.3m, with the main items performing as follows:

- ◆ net interest income fell by 21%, from €150.9m to €119.2m, due to decreasing returns;
- ◆ net trading income (profits from trading activities and dividends) was virtually unchanged at €102.7m (€104.1m);
- ◆ net fee and commission income fell by 17.9%, to reach €98.4m (down from €119.9m last year), as a result of the reduced contribution from lending activity.



MEDIOBANCA

The 7.2% decrease in operating costs, from €150.9m to €140.1m, reflects an €8.9m reduction in labour costs due to a gradual scaling down of the variable remuneration component, and a €1.9m reduction in other administrative expenses.

Movements in the fixed investments and AFS securities portfolios generated losses totalling €6.4m, representing an improvement on the €38m loss reported last year.

Loan loss provisions totalled €46.5m, compared to €39.7m twelve months previously, whereas provisions for financial assets, as well as the charge taken on Telco, reflect net writebacks totalling €6.1m, boosted by the decision to participate in the Greek public debt buyback (€12.2m).

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Restated consolidated balance sheet

Mediobanca Group (€m)	6 mths	6 mths	Y.o.Y. chg. %
	31/12/11	31/12/12	
Net interest income	554.6	517.7	-6.7%
Net trading income	112.5	106.5	-5.3%
Net fee and commission income	234.4	201.0	-14.2%
Equity-accounted companies	71.8	85.8	19.5%
Total income	973.3	911.0	-6.4%
Labour costs	(201.3)	(194.4)	-3.4%
Administrative expenses	(197.9)	(181.2)	-8.4%
Operating costs	(399.2)	(375.6)	-5.9%
Gains (losses) on AFS, HTM & LR	(37.8)	(4.6)	-87.8%
Loan loss provisions	(212.3)	(232.8)	9.7%
Provisions for other financial assets	(231.1)	(89.5)	-61.3%
Other income (losses)	43.7	0.0	n.m.
Profit before tax	136.6	208.5	52.6%
Income tax for the period	(71.4)	(85.7)	20.0%
Minority interest	(1.8)	1.0	n.m.
Net profit	63.4	123.8	n.m.

Quarterly profit and loss accounts

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



Restated balance sheet

Mediobanca Group (€m)	31/12/11	30/6/12	31/12/12
Assets			
Treasury funds	9,391.1	9,330.4	9,105.2
AFS securities	6,859.6	10,552.1	11,735.6
<i>of which: fixed income</i>	5,534.8	9,447.1	10,639.9
<i>equities</i>	1,312.6	1,090.8	1,082.2
Fixed assets (HTM & LR)	2,412.6	2,328.1	2,366.3
Loans and advances to customers	37,833.5	36,309.5	34,142.0
Equity investments	2,976.9	3,165.5	3,284.0
Tangible and intangible assets	728.4	718.1	715.0
Other assets	1,270.6	1,355.6	1,142.4
<i>of which: tax assets</i>	1,003.0	1,036.1	869.3
Total assets	61,472.7	63,759.3	62,490.5
Liabilities			
Funding	54,028.8	55,788.0	53,970.5
<i>of which: debt securities in issue</i>	32,422.8	30,004.2	28,070.8
<i>retail deposits</i>	10,671.3	11,634.1	12,258.6
Other liabilities	1,036.1	1,177.2	1,177.9
<i>of which: tax liabilities</i>	430.7	494.1	538.5
Provisions	182.0	185.1	187.6
Net equity	6,162.4	6,528.1	7,030.7
<i>of which: share capital</i>	430.6	430.6	430.6
<i>reserves</i>	5,619.3	5,988.1	6,491.7
<i>minority interest</i>	112.5	109.4	108.4
Profit for the period	63.4	80.9	123.8
Total liabilities	61,472.7	63,759.3	62,490.5
Core tier 1 capital	6,127.3	6,338.9	6,472.5
Total capital	7,499.8	7,810.0	8,066.7
RWAs	55,638.8	55,164.0	54,666.7

Ratios (%) and per share data (€)

Mediobanca Group (€m)	31/12/11	30/6/12	31/12/12
Total assets/net equity	10.0	9.8	8.9
Loans/deposits	0.7	0.7	0.6
Core tier 1 ratio	11.0	11.5	11.8
Regulatory capital/RWAs	13.5	14.2	14.8
S&P rating	A	BBB+	BBB+
Cost/income ratio	41.0	39.7	41.2
NPLs/loans*	0.5	0.6	0.6
RORWA gross	0.5	0.4	0.8
RORWA net	0.2	0.1	0.5
EPS (€)	0.07	0.09	0.14
BVPS (€)	7.0	7.5	8.0
DPS (€)		0.05	
No. of shares outstanding (millions)	861.1	861.1	861.1

* Not including Cofactor third party accounts.



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

6 mths to 31/12/12 (€ m)	Corporate & Investment Banking	Principal Investing	Retail & Private Banking	Group
Net interest income	157.4	(3.9)	364.2	517.7
Net trading income	100.3	0.0	6.6	106.5
Net fee and commission income	101.2	0.0	121.1	201.0
Equity-accounted companies	30.7	54.4	0.0	85.8
Total income	389.6	50.5	491.9	911.0
Labour costs	(98.2)	(2.4)	(102.8)	(194.4)
Administrative expenses	(52.3)	(1.7)	(143.6)	(181.2)
Operating costs	(150.5)	(4.1)	(246.4)	(375.6)
Gains (losses) on AFS, HTM & LR	(6.4)	0.0	8.7	(4.6)
Loan loss provisions	(58.2)	0.0	(174.6)	(232.8)
Provisions for other financial assets	9.1	(98.1)	(3.6)	(89.5)
Other income (losses)	0.0	0.0	(1.1)	0.0
Profit before tax	183.6	(51.7)	74.9	208.5
Income tax for the period	(60.4)	(0.3)	(25.5)	(85.7)
Minority interest	1.0	0.0	0.0	1.0
Net profit	124.2	(52.0)	49.4	123.8
Treasury funds	10,593.3	0.0	9,885.2	9,105.2
AFS securities	10,384.1	144.8	1,598.1	11,735.6
Fixed assets (HTM & LR)	4,050.4	0.0	2,096.4	2,366.3
Equity investments	414.2	2,779.5	0.0	3,284.0
Loans and advances to customers	27,955.9	0.0	14,703.5	34,142.0
<i>of which to Group companies</i>	8,104.4	n.m.	n.m.	n.m.
Funding	(50,780.9)	(259.8)	(26,616.8)	(53,970.5)
RWAs	39,442.9	2,995.6	12,197.3	54,666.7
No. of staff	955	n.s.	2,665*	3,493

* Includes 127 staff employed by Banca Esperia pro-forma, not included in the Group total.



6 mths to 31/12/11 (€ m)	Corporate & Investment Banking	Principal Investing	Retail & Private Banking	Group
Net interest income	204.5	(3.9)	361.5	554.6
Net trading income	107.5	0.0	4.0	112.5
Net fee and commission income	125.9	0.0	128.0	234.4
Equity-accounted companies	10.3	61.5	0.0	71.8
Total income	448.2	57.6	493.5	973.3
Labour costs	(107.5)	(2.8)	(97.9)	(201.3)
Administrative expenses	(54.3)	(1.4)	(157.2)	(197.9)
Operating costs	(161.8)	(4.2)	(255.1)	(399.2)
Gains (losses) on AFS, HTM & LR	(46.7)	0.0	0.5	(37.8)
Loan loss provisions	(54.0)	0.0	(157.5)	(212.3)
Provisions for other financial assets	(175.4)	(55.3)	(0.5)	(231.1)
Other income (losses)	0.0	0.0	45.5	43.7
Profit before tax	10.3	(1.9)	126.4	136.6
Income tax for the period	(45.9)	4.4	(30.6)	(71.4)
Minority interest	(1.8)	0.0	0.0	(1.8)
Net profit	(37.4)	2.5	95.8	63.4
Treasury funds	10,593.8	0.0	3,738.0	9,391.1
AFS securities	5,658.0	137.8	1,443.2	6,859.6
Fixed assets (HTM & LR)	4,101.1	0.0	3,671.1	2,412.6
Equity investments	384.2	2,511.2	0.0	2,976.9
Loans and advances to customers	29,182.8	0.0	14,606.9	37,833.5
<i>of which to Group companies</i>	5,606.5	-	-	-
Funding	(47,851.9)	(259.8)	(22,354.5)	(54,028.8)
RWAs	40,821.7	3,032.6	11,757.7	55,638.8
No. of staff	998	0.0	2,657*	3,520

* Includes 135 staff employed by Banca Esperia pro-forma, not included in the Group total.



Corporate & Investment Banking

CIB (€m)	6 mths	6 mths	Y.o.Y. chg. %
	31/12/11	31/12/12	
Net interest income	204.5	157.4	-23.0%
Net trading income	107.5	100.3	-6.7%
Net fee and commission income	125.9	101.2	-19.6%
Equity-accounted companies	10.3	30.7	n.m.
Total income	448.2	389.6	-13.1%
Labour costs	(107.5)	(98.2)	-8.7%
Administrative expenses	(54.3)	(52.3)	-3.7%
Operating costs	(161.8)	(150.5)	-7.0%
Gains (losses) on AFS, HTM & LR	(46.7)	(6.4)	-86.3%
Loan loss provisions	(54.0)	(58.2)	7.8%
Provisions for other financial assets	(175.4)	9.1	n.m.
Other income (losses)	0.0	0.0	n.m.
Profit before tax	10.3	183.6	n.m.
Income tax for the period	(45.9)	(60.4)	31.6%
Minority interest	(1.8)	1.0	n.m.
Net profit	(37.4)	124.2	n.m.
Treasury funds	10,593.8	10,593.3	0.0%
AFS securities	5,658.0	10,384.1	83.5%
Fixed assets (HTM & LR)	4,101.1	4,050.4	-1.2%
Equity investments	384.2	414.2	7.8%
Loans and advances to customers	29,182.8	27,955.9	-4.2%
<i>of which to Group companies</i>	5,606.5	8,104.4	44.6%
Funding	(47,851.9)	(50,780.9)	6.1%
RWAs	40,821.7	39,442.9	-3.4%
No. of staff	998	955	-4.3%
Cost/income ratio (%)	36.1	38.6	
NPLs/loans (%)	0.2	0.3	
RORWA gross (annualized) (%)	0.1	0.9	



CIB by segment - 6 mths to 31/12/12 (€m)	Wholesale	Leasing	Total CIB
Net interest income	133.9	23.5	157.4
Net trading income	100.6	(0.3)	100.3
Net fee and commission income	100.4	0.8	101.2
Equity-accounted companies	30.7	0.0	30.7
Total income	365.6	24.0	389.6
Labour costs	(89.3)	(8.9)	(98.2)
Administrative expenses	(45.8)	(6.5)	(52.3)
Operating costs	(135.1)	(15.4)	(150.5)
Gains (losses) on AFS, HTM & LR	(6.4)	0.0	(6.4)
Loan loss provisions	(46.5)	(11.7)	(58.2)
Provisions for other financial assets	9.1	0.0	9.1
Other income (losses)	0.0	0.0	0.0
Profit before tax	186.7	(3.1)	183.6
Income tax for the period	(60.7)	0.3	(60.4)
Minority interest	0.0	1.0	1.0
Net profit	126.0	(1.8)	124.2
Loans and advances to customers	24,175.1	3,780.8	27,955.9
<i>of which to Group companies</i>	8,104.4	0.0	8,104.4
RWA	35,955.9	3,486.9	39,442.9
New loans	n.m.	126.2	n.m.
No. of staff	786	169	955
No. of branches	n.m.	12	n.m.
Cost/income ratio (%)	37.0	64.2	38.6
NPLs/loans (%)	0.0	1.3	0.3
RORWA gross (annualized) (%)	1.0	(0.2)	0.9



CIB by segment - 6 mths to 31/12/11 (€m)	Wholesale	Leasing	Total CIB
Net interest income	171.2	33.3	204.5
Net trading income	108.2	(0.7)	107.5
Net fee and commission income	123.0	2.9	125.9
Equity-accounted companies	10.3	0.0	10.3
Total income	412.7	35.5	448.2
Labour costs	(97.9)	(9.6)	(107.5)
Administrative expenses	(48.7)	(5.6)	(54.3)
Operating costs	(146.6)	(15.2)	(161.8)
Gains (losses) on AFS, HTM & LR	(46.7)	0.0	(46.7)
Loan loss provisions	(40.1)	(13.9)	(54.0)
Provisions for other financial assets	(175.4)	0.0	(175.4)
Other income (losses)	0.0	0.0	0.0
Profit before tax	3.9	6.4	10.3
Income tax for the period	(42.1)	(3.8)	(45.9)
Minority interest	0.0	(1.8)	(1.8)
Net profit	(38.2)	0.8	(37.4)
Loans and advances to customers	24,869.2	4,313.6	29,182.8
<i>of which to Group companies</i>	5,606.5	0.0	5,606.5
RWA	36,959.4	3,862.3	40,821.7
New loans	n.m.	494.9	n.m.
No. of staff	794	204	998
No. of branches	n.m.	12	n.m.
Cost/income ratio (%)	35.5	42.8	36.1
NPLs/loans (%)	0.0	1.1	0.2
RORWA gross (annualized) (%)	0.0	0.3	0.1



Principal Investing

PI (€m)	6 mths	6 mths	Y.o.Y. chg. %
	31/12/11	31/12/12	
Net interest income	(3.9)	(3.9)	n.m.
Net trading income	0.0	0.0	n.m.
Net fee and commission income	0.0	0.0	n.m.
Equity-accounted companies	61.5	54.4	-11.5%
Total income	57.6	50.5	-12.3%
Labour costs	(2.8)	(2.4)	-14.3%
Administrative expenses	(1.4)	(1.7)	21.4%
Operating costs	(4.2)	(4.1)	-2.4%
Gains (losses) on AFS, HTM & LR	0.0	0.0	n.m.
Loan loss provisions	0.0	0.0	n.m.
Provisions for other financial assets	(55.3)	(98.1)	77.4%
Other income (losses)	0.0	0.0	n.m.
Profit before tax	-1.9	(51.7)	n.m.
Income tax for the period	4.4	(0.3)	n.m.
Minority interest	0.0	0.0	n.m.
Net profit	2.5	(52.0)	n.m.
AFS securities	137.8	144.8	5.1%
Equity investments	2,511.2	2,779.5	10.7%
RWAs	3,032.6	2,995.6	-1.2%



Retail & Private Banking

RPB (€m)	6 mths	6 mths	Y.o.Y. chg. %
	31/12/11	31/12/12	
Net interest income	361.5	364.2	0.7%
Net trading income	4.0	6.6	65.0%
Net fee and commission income	128.0	121.1	-5.4%
Equity-accounted companies	0.0	0.0	n.m.
Total income	493.5	491.9	-0.3%
Labour costs	(97.9)	(102.8)	5.0%
Administrative expenses	(157.2)	(143.6)	-8.7%
Operating costs	(255.1)	(246.4)	-3.4%
Gains (losses) on AFS, HTM & LR	0.5	8.7	n.m.
Loan loss provisions	(157.5)	(174.6)	10.9%
Provisions for other financial assets	(0.5)	(3.6)	n.m.
Other income (losses)	45.5	(1.1)	n.m.
Profit before tax	126.4	74.9	-40.7%
Income tax for the period	(30.6)	(25.5)	-16.7%
Minority interest	0.0	0.0	n.m.
Net profit	95.8	49.4	-48.4%
Treasury funds	3,738.0	9,885.2	n.m.
AFS securities	1,443.2	1,598.1	10.7%
Fixed assets (HTM & LR)	3,671.1	2,096.4	-42.9%
Equity investments	0.0	0.0	0.0
Loans and advances to customers	14,606.9	14,703.5	0.7%
Funding	(22,354.5)	(26,616.8)	19.1%
RWAs	11,757.7	12,197.3	3.7%
No. of staff	2,657	2,665	0.3%
No. of branches	194	202	4.1%
Cost/income ratio (%)	51.7	50.1	
NPLs/loans* (%)	1.0	1.1	
RORWA gross (annualized) (%)	2.2	1.2	

* Not including Cofactor third-party accounts



RPB by segment - 31/12/12 (€ m)	Consumer credit	Retail banking	Private banking	Total RPB
Net interest income	270,6	72,3	21,3	364,2
Net trading income	0,0	(0,3)	6,9	6,6
Net fee and commission income	76,3	6,5	38,3	121,1
Equity-accounted companies	0,0	0,0	0,0	0,0
Total income	346,9	78,5	66,5	491,9
Labour costs	(44,8)	(29,8)	(28,2)	(102,8)
Administrative expenses	(84,5)	(42,4)	(16,7)	(143,6)
Operating costs	(129,3)	(72,2)	(44,9)	(246,4)
Gains (losses) on AFS, HTM & LR	0,0	0,0	8,7	8,7
Loan loss provisions	(162,8)	(10,8)	(1,0)	(174,6)
Provisions for other financial assets	0,0	0,0	(3,6)	(3,6)
Other income (losses)	0,0	0,0	(1,1)	(1,1)
Profit before tax	54,8	(4,5)	24,6	74,9
Income tax for the period	(21,0)	(3,1)	(1,4)	(25,5)
Minority interest	0,0	0,0	0,0	0,0
Net profit	33,8	(7,6)	23,2	49,4
Loans and advances to customers	9.174,2	4.273,0	1.256,3	14.703,5
RWA	8.523,2	1.814,6	1.859,5	12.197,3
New loans	2.338,6	126,0	0,0	2.464,6
AUM	n.m.	n.m.	13.465,1	n.m.
No. of staff	1.412	914	339	2.665
No. of branches	158	44	0,0	202
Cost/income ratio (%)	37,3	92,0	67,5	50,1
NPLs/loans* (%)	0,9	1,8	0,4	1,1
RORWA gross (annualized) (%)	1,3	n.s.	2,6	1,2

* Not including Cofactor third-party accounts



RPB by segment - 31/12/11 (€ m)	Consumer credit	Retail banking	Private banking	Total RPB
Net interest income	269,5	77,9	14,1	361,5
Net trading income	0,2	0,1	3,7	4,0
Net fee and commission income	91,6	3,6	32,8	128,0
Equity-accounted companies	0,0	0,0	0,0	0,0
Total income	361,3	81,6	50,6	493,5
Labour costs	(42,4)	(30,2)	(25,3)	(97,9)
Administrative expenses	(83,1)	(58,9)	(15,2)	(157,2)
Operating costs	(125,5)	(89,1)	(40,5)	(255,1)
Gains (losses) on AFS, HTM & LR	0,0	0,6	(0,1)	0,5
Loan loss provisions	(149,2)	(7,1)	(1,2)	(157,5)
Provisions for other financial assets	0,0	0,0	(0,5)	(0,5)
Other income (losses)	0,0	0,0	45,5	45,5
Profit before tax	86,6	(14,0)	53,8	126,4
Income tax for the period	(28,3)	(0,6)	(1,7)	(30,6)
Minority interest	0,0	0,0	0,0	0,0
Net profit	58,3	(14,6)	52,1	95,8
Loans and advances to customers	9.131,4	4.327,1	1.148,4	14.606,9
RWA	8.128,2	1.902,2	1.727,3	11.757,7
New loans	2.467,5	411,2	0	2.878,7
AUM	n.m.	n.m.	12.610,5	n.m.
No. of staff	1.364	938	355	2.657
No. of branches	150	44	0,0	194
Cost/income ratio (%)	34,7	n.m.	80,0	51,7
NPLs/loans* (%)	0,8	1,6	1,8	1,1
RORWA gross (annualized) (%)	2,1	n.m.	6,2	2,2

* Not including Cofactor third-party accounts

As required by Article 154-bis, paragraph 2 of Italian Legislative Decree 58/98, the undersigned hereby declares that the financial information contained in this document corresponds to that contained in the company's documents, account books and ledger entries.

Head of
Company Financial Reporting

Massimo Bertolini