

MEDIOBANCA

LIMITED COMPANY
SHARE CAPITAL €444.515.142,5
HEAD OFFICE: PIAZZETTA ENRICO CUCCIA 1, MILAN, ITALY

REGISTERED AS A BANK.
PARENT COMPANY OF THE MEDIOBANCA BANKING GROUP.
REGISTERED AS A BANKING GROUP



**DISTRIBUTION BY MEDIOBANCA S.P.A. OF AN INTERIM
DIVIDEND FOR FY 2023-24 PURSUANT TO ARTICLE 2433-bis OF
THE ITALIAN CIVIL CODE**

The future projections and estimates provided in this document are based on the information available to Mediobanca as at the date on which this document was approved. Such projections and estimates entail risks and uncertainties that could impact significantly on the results expected, which could therefore differ materially from (and be more negative than) those expected or otherwise implicit in the estimates. Mediobanca accepts no obligation to publicly update and revise the projections and estimates as a result of new information becoming available, of future events or for other reasons, save in compliance with the applicable laws.

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BOARD OF DIRECTORS

		Term of office expires
Renato Pagliaro	Chairman	2026
Sabrina Pucci	Deputy Chair	2026
Vittorio Pignatti Morano	Deputy Chair	2026
Alberto Nagel	Chief Executive Officer	2026
Francesco Saverio Vinci	Group General Manager	2026
Mana Abedi*	Director	2026
Virginie Banet	Director	2026
Laura Cioli*	Director	2026
Angela Gamba	Director and Lead Independent Director	2026
Marco Giorgino*	Director	2026
Valérie Hortefeux*	Director	2026
Maximo Ibarra*	Director	2026
Sandro Panizza	Director	2026
Laura Penna	Director	2026
Angel Vilà Boix	Director	2026

STATUTORY AUDIT COMMITTEE

Mario Matteo Busso	Chairman	2026
Elena Pagnoni	Standing Auditor	2026
Ambrogio Virgilio	Standing Auditor	2026
Angelo Rocco Bonissoni	Alternate Auditor	2026
Anna Rita de Mauro	Alternate Auditor	2026
Vieri Chimenti	Alternate Auditor	2026

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Massimo Bertolini	Secretary to the Board of Directors
Emanuele Flappini	Head of company financial reporting

Directors' report on distribution of an interim dividend pursuant to Article 2433-*bis* of the Italian Civil Code

Considerations on the distribution of an interim dividend

At the Annual General Meeting held on 28 October 2023, shareholders adopted a resolution introducing the right for the Board of Directors to distribute interim dividends.

As part of the Bank's shareholder remuneration policy provided for in the 2023-26 Strategic Plan, the Board of Directors intends to avail itself of the right provided for in the Articles of Association (Article 33(3)) to approve the payment of an interim dividend by Mediobanca S.p.A. in the course of FY 2023-24.

The regulations (Italian Civil Code Article 2433-*bis*) stipulate that:

- Only companies whose financial statements are subject by law to external audit can distribute interim dividends (paragraph 1);
- Provision for the distribution of interim dividends must be made in the company's Articles of Association, and a resolution is adopted by the Directors after the audit firm engaged to audit the company's accounts has issued a positive opinion on the financial statements for the previous year and after their approval (paragraph 2);
- No interim dividend may be distributed when the financial statements for the previous year or years reflected losses (paragraph 3);
- The amount paid by way of interim dividend may not exceed the lower of the amount of profit earned at the end of the previous financial year minus the shares to be allocated to the legal or statutory reserves, and the amount of the available reserves (paragraph 4);
- The Directors adopt the resolution approving the distribution of an interim dividend based on financial statements and a report that demonstrate that the company's capital, earnings and financial situation is such as to permit such distribution. The opinion of the audit firm engaged to audit the company's accounts on these documents must be obtained (paragraph 5).

In view of the foregoing, the financial statements of Mediobanca S.p.A. As at 30 June 2023:

- Do not reflect any losses for the financial year concerned or for previous financial years;
- Have been audited by E.Y. S.p.A. which issued a positive opinion on them on 29 September 2023;
- Were approved by shareholders at the Annual General Meeting held on 28 October 2023.

At a Board meeting held on 8 February 2024, the Directors approved the Group's consolidated financial statements for the six months ended 31 December 2023, confirmed a payout ratio of 70% of the consolidated results, and established the distribution of an interim dividend payable on 22 May 2024.

As at 31 December 2023, the Group's interim financial statements reflected a net profit of €611.2m (70% of which is €427.8m, whereas Mediobanca S.p.A. reported a net profit of **€540,208,051**, which, based on the provisions of the Articles of Association in force, would be allocated as follows:

Dex	Amount (€/1000)
Half-yearly net profit	540.208,1
<i>Legal reserve</i>	<i>69,1</i>
<i>Statutory reserve</i>	<i>53.951,7</i>
Available net profit	486.187,3
Available reserves	3.359.701,0
Distributable amount (paragraph 4, Italian Civil Code, article 2433-bis)	486.187,3
<i>Interim Dividend</i>	<i>421.150,3</i>
<i>dividend per share</i>	<i>0,51</i>

It should also be noted that on 29 February 2024, the share buyback programme approved by shareholders at the Annual General Meeting held on 28 October 2023 and authorized by the European Central Bank, ended with the acquisition of 17,000,000 treasury shares for an outlay of €198m; the total number of treasury shares now owned is 24,163,890.

In view of the foregoing, an interim dividend from the FY 2023-24 results will therefore be allocated to each of the 825,784,934 ordinary shares in issue having regard to the treasury shares owned by the Bank.

As previously stated, the distribution of the interim dividend has been established on the basis of the financial statements of Mediobanca S.p.A. as at 31 December 2023, prepared for the purposes stipulated in Article 2433-*bis*, paragraph 5 of the Italian Civil Code in accordance with the accounting and valuation criteria established by the International Accounting Standards/International Financial Reporting Standards ratified by the European Union (IFRS-EU) and used to compile the individual financial statements for the twelve months ended 30 June 2023, to which reference is made for a fuller disclosure. It should be noted that the updates to the accounting policies used for the interim consolidated financial statements for the six month ended 31 December 2023, which incorporate the new IFRS 17 “Insurance Contracts” that have come into force, do not apply to the individual financial statements of Mediobanca S.p.A., as the Bank does not perform insurance activities itself.

The financial statements consist of: Balance sheet as at 31 December 2023, Profit and loss account for the six months ended 31 December 2023, and the Statement of comprehensive income, the Statement of changes to consolidated net equity, and the Cashflow statement for the same period. The figures shown are compared with the equivalent figures for the previous period, with the exception of the balance sheet, for which the figures are compared with the balance sheet as at 30 June 2023.

It should be noted that with the approval of the profit allocation for the year FY 2022-23, the shareholders gathered in Annual General Meeting on 28 October 2023 adopted a resolution, pursuant to Article 26 of Italian Decree Law no. 104/2023, as amended by Italian Law 136/2023, to establish a non-distributable reserve in an amount of €210m rather than pay the windfall tax due on banks’ profits.

The available reserves stated in the accounting situation as at 31 December 2023, updated to reflect the acquisitions of treasury shares made until 31 March 2024, amounted to €3,359.7m, whereas the profit for the period totalled €486.2m.

In view of the foregoing (cf. also the following sections), the conditions stipulated by paragraphs 1-3 of Article 2433-*bis* of the Italian Civil Code have been met, and accordingly the Board of Directors has decided to approve the distribution of an interim dividend in an amount of €421.2m, equal to an amount of 0.51 cents per ordinary share in issue, net of the treasury shares bought back, payable for value

date 22 May 2024 (with the shares trading ex-rights as from 20 May 2024 and record date 21 May 2024).

As a result of the distribution of the interim dividend, the Mediobanca Group's capital ratios as estimated for the end of the financial year remain comfortably above the minimum requirements set by the supervisory regulations in force, in particular the Common Equity Tier 1 Ratio, above the minimum level of 14.5% which the Group has committed to maintaining in the 2023-26 Strategic Plan recently launched. Furthermore, no recommendations have been made by the regulators regarding the capital ratios applicable to Mediobanca that would prevent the distribution of the interim dividend.

MEDIOBANCA EARNINGS AND FINANCIAL DATA AS AT 31 DECEMBER 2023

Summary of Review of Operations for 1H FY 2023-24

Mediobanca S.p.A., the parent company of the Mediobanca Group, posted a net profit for the six months of €540.2m, more than twice the result reported last year (€230.1m), because of the substantial contribution from dividends paid by the Group Legal Entities that totalled €419.4m (31/12/22: €117.4m), coupled with an improvement in the Bank's core business (from €179m to €206m).

Net interest income climbed by 74.1%, from €121m to €210.7m, driven by the higher return on assets with a less pronounced increase in the cost of funding. Net treasury income totalled €97.5m (€155.6m), on lower contributions from client trading (down from €61m to €47m) and proprietary trading. Net fee and commission income came in at €150.9m (€200.5m), on a markedly lower contribution from Wholesale Banking (down from €146m to €75m), in Investment Banking in particular (where fees halved to €44.2m), which was only in part mitigated by the increase in Private Banking fees (up from €54.5m to €64.9m). Growth of 5% in operating costs, from €241.6m to €253.8m, mainly refers to the trend in administrative expenses in relation to IT costs to support project activities.

The Bank's total assets amounted to €83.2bn, on lower customer loans of €39.9bn (down from €41.4bn), with funding virtually stable at €55.5bn.

* * *

EARNINGS AND FINANCIAL DATA

The profit and loss account and balance sheet have been restated to provide the most accurate reflection of the Bank's operations. The results are also presented in the format recommended by the Bank of Italy in its circular no. 262/2005 in the annex.

RESTATED PROFIT AND LOSS ACCOUNT

	31/12/23	31/12/22	Chg. (%)
			(€m)
Profit-and-loss data			
Net interest income	210,7	121,0	74,1%
Net treasury income	97,5	155,6	-37,3%
Net fee and commission income	150,9	200,5	-24,7%
Dividends on investments	419,4	117,4	n.m.
Total income	878,5	594,5	47,8%
Labour costs	(145,2)	(147,3)	-1,4%
Administrative expenses	(108,6)	(94,3)	15,2%
Operating costs	(253,8)	(241,6)	5,0%
Loan loss provisions	(3,4)	(35,5)	-90,4%
Provisions for other financial assets	4,4	(20,5)	n.m.
Other income (losses)	(0,5)	(0,8)	-37,5%
Profit before tax	625,2	296,1	n.m.
Income tax for the period	(85,0)	(66,0)	28,8%
Net profit	540,2	230,1	n.m.

RESTATED BALANCE SHEET

	(€m)	
	31/12/23	30/6/23
Assets		
Financial assets held for trading	11.280,2	10.509,4
Treasury financial assets	14.645,5	12.790,5
Banking book debt securities	11.114,4	11.118,7
Customer loans	39.931,8	41.446,9
Equity Investments	4.847,4	4.542,9
Tangible and intangible assets	169,5	169,3
Other assets	1.165,1	690,2
Total assets	83.153,9	81.267,9
Liabilities and net equity		
Funding	55.487,5	55.893,-
Treasury financial liabilities	10.799,5	6.585,1
Financial liabilities held for trading	9.582,7	10.592,2
Other liabilities	2.317,1	3.041,4
Provisions	92,2	102,8
Net equity	4.334,7	4.446,9
Profit of the period	540,2	606,5
Total liabilities and net equity	83.153,9	81.267,9

Balance sheet

	31/12/23		30/6/23		Chg.
	(€ m)	%	(€ m)	%	
Debt securities	21.372,9	39%	20.025,7	36%	6,7%
Interbank funding	6.977,2	12%	6.458,0	11%	8,0%
ECB (T-LTRO / LTRO)	3.364,2	6%	5.586,2	10%	-39,8%
Other funding	23.773,2	43%	23.823,1	43%	-0,2%
- of which: <i>CheBancal</i> intercompany	16.800,1	30%	17.407,8	31%	-3,5%
- of which: private banking	5.118,0	9%	5.247,0	9%	-2,5%
Total funding	55.487,5	100%	55.893,0	100%	-0,7%

Funding decreased only marginally, from €55,9bn to €55.5bn, despite the partial repayment of the T-LTRO facilities (€2.2bn) due to the strong primary market debt securities issuance activity, with €2.6bn placed in six months (against redemptions totalling €1.3bn), taking the stock from €20bn to €21.4bn, and the increase in interbank funding (from €6.5bn to €7bn).

	31/12/23		30/6/23		Chg.
	(€ m)	%	(€ m)	%	
Corporate customers	13.373,3	34%	13.591,5	33%	-1,6%
Private customers	1.513,8	3%	1.507,9	3%	0,4%
Group companies	25.044,7	63%	26.347,5	64%	-4,9%
Total loans and advances to customers	39.931,8	100%	41.446,9	100%	-3,7%
- of which: <i>impaired assets</i>	7,6		18,9		-59,8%

Customer loans decreased from €41.4bn to €39.9bn, €13.4bn of which regards corporate lending (€13.6bn), €1.5bn loans to Private Banking customers (unchanged), and €25bn to other Group Legal Entities (€26bn).

Non-performing loans (NPLs) on a gross basis decreased significantly, from €118.3m to €17.8m, following the sale (at NAV) of two positions in an amount of €104m, which absorbed the only new addition for the period (a €5m position in Private Banking, which is adequately guaranteed). Meanwhile, net NPLs totalled €7.6m (almost entirely attributable to Private Banking clients), with a coverage ratio of 57% which reflects the good collateralization level. Stage 2 exposures totalled €697.8m (30/6/23: €179.5m), following the inclusion of six large corporate exposures reflecting the automatic mechanisms which reclassify positions to Watch List status.

Investment holdings — this item includes controlling interests and investments in associates, plus any equity instruments issued by Group Legal Entities, shares held as part of the banking book (FVOCI) and holdings in funds, which, under IFRS 9, must be recognized at fair value through profit and loss.

(€ m)

	31/12/23		30/6/23	
	Book value	HTC&S reserve	Book value	HTC&S reserve
Associates and subsidiaries	3.803,9	n.m.	3.528,5	n.m.
Other listed shares	123,7	65,4	115,1	56,8
Other unlisted shares	130,5	90,2	125,1	90,1
Other unlisted shares	248,3	(15,7)	244,3	(19,7)
Seed capital	278,7	—	283,7	—
Private equity	158,1	—	138,2	—
Other funds	104,2	—	108,-	—
Total equities	4.847,4	139,9	4.542,9	127,2

The main segments reflect the following situations:

- Investments in associates totalled €1,214.6m, higher than at end-June 2023 (€1,185.5m) due primarily to the merger of subsidiary MB INVAG S.r.l, the company which owned 1,628,150 Assicurazioni Generali shares;
- The book value of the investments in the Group Legal Entities also increased, from €2.343m to €2,589.3m, as a result of the acquisition of UK-based Arma Partners LLP, the independent financial advisory firm which is a European leader in the Digital Economy sector, which added €259.7m.

	Percentage shareholding	31/12/23	30/6/23
Associates			
Assicurazioni Generali	13,1	1.123,6	1.096,3
Istituto Europeo di Oncologia	25,4	39,–	39,0
Finanziaria Gruppo Bisazza	22,7	6,9	6,9
CLI Holdings	42,7	43,3	43,3
MB SpeedUP	50,0	1,8	
Total associates		1.214,6	1.185,5
Total subsidiaries		2.589,3	2.343,0
Total equity investments		3.803,9	3.528,5

Banking book debt securities — this item includes both securities recognized at cost (Hold to collect – HTC) and securities recognized at FVOCI (Hold to Collect and Sell – HTC&S), as well as debt securities which have not passed the SPPI test required by IFRS 9, and so must be recognized at FVPL.

	31/12/23		30/6/23	
	(€m)	%	(€m)	%
Hold to Collect	4.913,9	44,2%	5.316,7	47,8%
Hold to Collect & Sell	6.086,7	54,8%	5.801,1	52,2%
Other (mandatorily measured at FV)	113,8	1,0%	0,9	0,0%
Total banking book securities	11.114,4	100%	11.118,7	100%

The heading reflects a total of €11.1bn, split between Hold to Collect (€4.9bn) and Hold to Collect & Sell (€6.1bn), with €7.7bn consisting of sovereign debt securities, €4.9bn of which Italian.

	(€m)					
	31/12/23			30/6/23		
	Book value		OCI reserve	Book value		OCI reserve
HTC	HTC&S	HTC		HTC&S		
Italian government securities	1.553,5	3.324,1	-5,3	1.767,3	3.020,0	-35,0
Other government securities	1.177,0	1.627,6	-0,3	1.012,3	1.528,3	-7,7
Bonds issued by financial institutions	2.089,8	908,7	9,5	2.433,3	1.016,3	-18,8
<i>of which: Consumer Banking ABS securities</i>	<i>938,0</i>	<i>146,8</i>	<i>0,9</i>	<i>1.282,1</i>	<i>186,6</i>	<i>-2,4</i>
Corporate bonds	93,6	226,3	-2,8	103,8	236,5	-11,8
Total banking book securities	4.913,9	6.086,7	1,1	5.316,7	5.801,1	-73,2

Net treasury assets — net treasury assets totalled €5.5bn, €0.6m lower than at end-June 2023 (€6.1bn), even after the €2.2bn reduction due to the planned T-LTRO

early repayment, driven by funding activity. With regard to the application of treasury assets, the market scenario has encouraged an increase in investments in equities and bonds, holdings in which rose by €1.5bn in the period.

	31/12/23	30/6/23	Chg.
	(€m)	(€m)	
Loan trading	4,1	4,1	0%
Derivatives contract valuations	(244,6)	(271,1)	-10%
Certificates	(2.001,5)	(2.285,0)	-12%
Equities	1.871,9	1.144,4	64%
Bond securities	2.067,6	1.324,8	56%
Financial instruments held for trading	1.697,5	-82,8	n.m.

	31/12/23	30/6/23	Chg.
	(€m)	(€m)	
Cash and current accounts	444,1	488,2	-9%
Cash available at BCE	3.809,5	3.273,8	16%
Deposits	(407,6)	2.443,4	n.m.
Net treasury	3.846,0	6.205,4	-38,0%

Tangible and intangible assets – these totalled €169.5m, basically unchanged from end-June 2023 (€169.3m).

	31/12/23		30/6/23		Chg.
	(€ m)	%	(€ m)	%	
Land and properties	127,5	74%	128,5	75%	-1%
- of which: core	86,0	51%	85,5	51%	1%
<i>land and properties IFRS16 value in use</i>	18,1	11%	19,6	12%	-8%
Other tangible assets	12,6	9%	11,1	7%	14%
- Of which: IFRS16 value in use	4,7	3%	4,1	2%	15%
Other intangible assets	29,4	17%	29,7	18%	-1%
- Of which: goodwill	12,5	7%	12,5	7%	0%
- Of which: brand	15,5	9%	15,5	9%	0%
Total tangible and intangible assets	169,5	100%	169,3	100%	0%

Provisions for liabilities – these amounted to €92.2m, lower than at end-June 2023 (€102.8m) due to the reduction in provisions for commitments to disburse loans and guarantees issued (down from €30.4m to €22.6m). The provision for statutory end-of-

service payments was stable at €5.2m (€5.1m). The other risk provisions totalled €64.4m, lower than the figure posted at end-June 2023 (€67.3m).

	31/12/23		30/6/23		Chg.
	(€ m)	%	(€ m)	%	
Commitments and financial guarantees given	22,6	25%	30,4	30%	-25,7%
Provisions for risks and charges	64,4	70%	67,3	65%	-4,3%
Staff severance provision	5,2	5%	5,1	5%	2,0%
<i>of which: staff severance provision discount</i>	<i>(0,1)</i>	—	<i>-0,3</i>	—	<i>-66,7%</i>
Total provisions	92,2	100%	102,8	100%	-10,3%

Net equity – the reduction in this item, from €5,053.4m to €4,874.9m, reflects the decrease in the other reserves following the withdrawals made from them to distribute the dividend paid in November 2023 (€715m), only in part offset by the increase in the valuation reserve.

	31/12/23		30/6/23		Chg.
	(€ m)		(€ m)		
Share capital	444,5		444,2		0,1%
Other reserves	3.774,8		3.943,5		-4,3%
Valuation reserves	115,4		59,2		n.m.
<i>-of which: OCI</i>	<i>117,9</i>		<i>57,4</i>		<i>n.m.</i>
Profit for the period	540,2		606,5		-10,9%
Total net equity	4.874,9		5.053,4		-3,5%

	31/12/23		30/6/23		Chg.
	(€ m)		(€ m)		
Equity shares	139,9		127,3		9,9%
Bonds	1,1		-73,2		n.m.
<i>of which: Italian government bonds</i>	<i>(5,3)</i>		<i>-35,0</i>		<i>-84,9%</i>
Tax effect	(23,1)		3,4		n.m.
Total OCI reserve	117,9		57,4		n.m.

OCI reserve – this reflects a positive balance of €117.9m, higher than last year (€57.4m), due to the positive market trend which wiped out the deficit on the OCI reserve for debt securities.

Profit and loss account

Net interest income increased from €121m to €210.7m, driven by the higher return on assets, despite the reduction in lending volumes, which reflects the rapid repricing of the banking book securities (the contribution of which increased from €106m to €179m), the flow of dividend income from trading (up €24m), and the higher return on liquidity components (up €67m). The increase in the cost of funding was less pronounced, with interest expense increasing from €462m to €1,092m, in particular for the WM component, where the cost of funding was 2.1%.

	6 mths ended 31/12/23	6 mths ended 31/12/22	(€ m) Chg.
Interest income	1.371,4	597,9	n.m.
Interest expense	(1.160,7)	(476,9)	n.m.
Interest margin	210,7	121,0	74,1%

Net treasury income totalled €97.5m (€155.6m), on lower contributions from client trading (down from €61m to €47m) attributable primarily to the equity component (down from €43.6m to €17.9m) given the absence of bespoke deals compared to last year, only in part offset by the recovery in fixed-income trading (from €17m to €24.8m). The contribution from proprietary trading decreased to €7.3m, whereas management of the banking book returned a total of €22.8m, €8.8m of which in gains on disposals. Income from dividends amounted to €20.8m.

	6 mths ended 31/12/23	6 mths ended 31/12/22	(€ m) Chg.
Dividends	20,8	18,6	11,8%
Fixed-income trading profit	54,9	82,8	-33,7%
Equity trading profit	21,8	54,2	-59,8%
Net trading income	97,5	155,6	-37,4%

Net fee and commission income came in at €150.9m (€200.5m), on a markedly lower contribution from Wholesale Banking (down from €146m to €75m), concentrated in M&A (down from €75.4m to €39.6m), ECM (down from €21.1m to €4.6m) and Lending (down from €43.3m to €20.6m), whereas fees earned from DCM operations grew from €6.9m to €10.4m; in Private Banking, fees rose from €54.5m to €64.9m,

following a good performance in upfront fees from placements which totalled €23.6m (€20.7m) and the return of performance fees towards the year-end (which totalled €2.8m); the net fee components for markets, sales and other income all increased.

	(€m)		
	6 mths ended 31/12/23	6 mths ended 31/12/22	Chg.
Lending	20,6	43,3	-52,42%
Advisory M&A	39,6	75,4	-47,48%
Capital Market	15,0	28,0	-46,43%
Private Banking	64,9	54,5	19,08%
Markets, Sales and other income	10,8	-0,7	n.m.
Net fee and commission income	150,9	200,5	-24,7%

Dividends from investments amounted to €419.4m, €330m of which from Compass Banca, €33m from Mediobanca Premier, €18.4m from Mediobanca International, €14.2m from SelmaBipiemme, €11m from MBFACTA, €8m from Mediobanca SGR, and €4.6m from other minor investments.

Growth of 5% in **operating costs**, from €241.6m to €253.8m, mainly refers to the trend in administrative expenses (up 15.2%, from €94.3m to €108.6m) in relation to IT costs to support project activities; by contrast, labour costs decreased by 1.4%, from €147.3m to €145.2m, reflecting the lower variable remuneration component in line with the trend in ordinary revenues.

	(€ m)		
	6 mths ended 31/12/23	6 mths ended 31/12/22	Chg.
Labour costs	145,2	147,3	-1,4%
<i>of which: directors</i>	2,3	2,3	0,1%
<i>stock options and performance shares schemes</i>	4,0	3,5	13,1%
Sundry operating costs and expenses	108,6	94,3	15,2%
<i>of which: depreciations and amortizations</i>	5,1	4,8	6,9%
<i>administrative expenses</i>	103,5	89,0	16,3%
Operating costs	253,8	241,6	5,1%

The following table provides a breakdown of other administrative expenses by type:

	6 mths ended 31/12/23	6 mths ended 31/12/22	(€ m) Chg.
Legal, tax and professional services	5,7	4,7	21,3%
Other consultancy expenses	13,3	12,1	9,9%
Marketing and communication	3,5	2,6	34,6%
Rent and property maintenance	2,5	2,2	13,6%
EDP	42,8	38,8	10,3%
Financial information subscription	15,5	13,6	14,0%
Bank services, collection and payment commissions	0,5	0,7	-28,6%
Operating expenses	3,7	3,3	12,1%
Other labour costs	3,0	2,1	42,9%
Other costs	7,5	6,5	15,4%
Direct and indirect taxes (net of substitute tax)	5,5	2,4	n.m.
Total administrative expenses	103,5	89,0	16,3%

Provisions for financial assets (loans, banking book securities and holdings in funds) were wiped out and indeed net writebacks of around €1m were credited, compared to the €56m charges taken last year as a result of adjustment to changes in the macro scenario, which by contrast triggered the release of approx. €3.7m in overlays (which reduced accordingly, from €25.2m to €21.5m); alignment of holdings in funds to fair value as recorded at the period-end generated a gain of €6.8m (compared to a loss of €17.6m last year).

Income tax – tax charges totalled €85m (€66m), reflecting a tax rate of 13.6%, compared with 22.3% last year, because of the higher percentage of dividends taxed at a reduced rate.

* * *

OWN FUNDS AND SOLVENCY MARGINS

OWN FUNDS AND SOLVENCY RATIOS (€m)	31/12/23	30/6/23
Own funds and solvency ratios		
Own funds		
Primary equity tier 1 (CET1) after application of prudential filters	4.092,4	4.056,6
Additional tier 1 (AT1) after application of prudential filters	0,0	0,0
Tier 1	4.092,4	4.056,6
Tier 2 after application of regulatory filters	937,5	884,2
Total own funds	5.029,9	4.940,8
Risk-weighted assets		
Credit and counterparty risk	26.783,1	27.466,2
Market and settlement risk	1.905,3	2.092,8
Operating risks	2.179,4	2.179,8
Other specific risks (a)	0,0	0,0
RISK-WEIGHTED ASSETS	30.867,7	31.378,4
Solvency ratios %		
CET1 capital/risk-weighted assets (CET1 capital ratio)	13,26%	12,78%
Tier 1 capital/risk-weighted assets (Tier 1 capital ratio)	13,26%	12,78%
Total own funds/risk-weighted assets (total capital ratio)	16,29%	15,57%

As at 31 December 2023, own funds totalled €5,029.9m, while the Common Equity Tier 1 ratio stood at 13.26%, comfortably higher than the minimum requirement. The amounts already reflect the distribution of the interim dividend.

RISK GOVERNANCE

The qualitative and quantitative information on the means by which the Group governs the risks to which it is exposed is provided in “Part E – Information on risks and related hedging policies” of the Interim consolidated financial statements as at 31 December 2023 and the Consolidated financial statements as at 30 June 2023, to which reference is made.

No events have occurred since 31 December 2023 that would significantly alter the Bank’s and the Group's risk profile.

EVENTS SUBSEQUENT TO THE END OF 1H FY 2023-24 AND PROSPECTS FOR THE EARNINGS PERFORMANCE IN THE REST OF THE CURRENT FINANCIAL YEAR

No events have occurred since 31 December 2023 that would impact negatively on the earnings and financial situation represented in the financial statements of Mediobanca S.p.A. as at 31 December 2023 prepared in pursuance of Article 2433-bis of the Italian Civil Code and stated in the rest of this document.

On 9 May 2024, the Board of Directors approved the consolidated review of operations for the period ended 31 March 2024, which reflects a net profit for the nine months of €946m.

As far as regards Mediobanca S.p.A., the Bank posted a net profit for the nine months of €599m, almost three times the result reported last year (€238.4m), because of the substantial contribution from dividends paid by the Group Legal Entities that totalled €421.7m (31/3/23: €125.5m). Net profit for the three months totalled €58.8m.

Revenues increased (from €770.6m to €1,098.1bn) even net of the dividends referred to above (up 4.8% YoY, from €645m to €676m), due to the rise in net interest income (up from €202.4m to €308m, an increase of 52.2% YoY; down 9.9% QoQ) which offset the reductions in fee income (from €265.9m to €234.2m; down 11.9% YoY, down 1.7% QoQ) and net treasury income (from €176.8m to €134.2m).

Growth in operating costs, from €359.5m to €390.4m (up 8.6% YoY; basically stable QoQ, at €137m), refers to the trend in both administrative expenses (from €145.6m to €166.7m; up 14.5% YoY, down 2.2% QoQ) primarily in relation to IT costs (including info-providers) and labour costs (up from €213.9m to €223.7m; up 4.6% YoY, up 4.2% QoQ).

Loan loss provisions totalled €3.2m, down sharply on last year (€39.4m). The stock of overlays totalled €21.5m.

The Bank's total assets decreased in 3M from €83.2bn to €82.6bn, on higher customer loans (up from €39.9bn to €40.3bn, €38.8bn of which were Corporate loans), with funding of €56.1bn (€4.6bn of which Wealth Management deposits), down 10%.

AUM/AUA in Private Banking were up 6% in 3M, from €21.1bn to €22.5bn (AUM up 4% to €10.8bn and AUA up 9% to €11.7bn, on good flows of NNM (€893m) and a positive market effect of €441m.

In a macroeconomic scenario marked by uncertainty over the persistence of inflation, reflected in the prospects of a slowdown in financial conditions, the Group aims to match the solid results posted in in 9M for the full 2023-24 financial year.

In particular, revenues are expected to increase to €3.5bn, with net interest income up 10% YoY, and fee income rising progressively, by leveraging on the following factors:

- Wealth Management: buoyant commercial activity, and solid expansion of the distribution structure, product and service offering, and indirect funding flows;
- Consumer Finance: new loans of over €8bn with margins resilient;
- Corporate and Investment Banking: consolidation of the recovery in both domestic and international activities.

* * *

It should be noted that at the Board meeting held on 9 May 2024, after this document was approved, audit firm EY S.p.A. issued the opinion required by the regulations in force.

Mediobanca S.p.A.
Financial statements compiled in
accordance with Article 2433-*bis* of the
Italian Civil Code

31 December 2023

Mediobanca S.p.A. Balance Sheet

Assets	31/12/23	30/6/23
10. Cash and cash equivalents	5.099.538.675	4.426.851.422
20. Financial assets at fair value with impact taken to profit and loss	12.499.543.428	11.578.775.208
<i>a) Financial assets held for trading</i>	<i>11.280.180.673</i>	<i>10.509.409.892</i>
<i>b) Financial assets designated at fair value</i>	<i>677.710.441</i>	<i>538.590.262</i>
<i>c) Other financial assets mandatorily at fair value</i>	<i>541.652.314</i>	<i>530.775.054</i>
30. Financial assets at fair value with impact taken to comprehensive income	6.589.231.609	6.285.647.040
40. Financial assets at amortized cost	53.826.931.855	54.588.649.643
<i>a) Due from banks</i>	<i>29.738.488.758</i>	<i>30.114.592.653</i>
<i>b) Due from customers</i>	<i>24.088.443.097</i>	<i>24.474.056.990</i>
50. Hedging derivatives	548.477.254	245.954.010
60. Adjustment of hedging financial assets (+/-)	—	—
70. Equity investments	3.803.961.333	3.528.481.749
80. Property, plant and equipments ¹	140.145.023	139.642.079
90. Intangible assets	29.391.387	29.662.462
<i>of which:</i>		
<i>goodwill</i>	<i>12.514.145</i>	<i>12.514.145</i>
100. Tax assets	188.073.433	277.484.768
<i>a) current</i>	<i>120.031.498</i>	<i>182.106.141</i>
<i>b) deferred</i>	<i>68.041.935</i>	<i>95.378.627</i>
110. Assets classified as held for sale	—	—
120. Other assets	428.610.235	166.765.825
Total assets	83.153.904.232	81.267.914.206

Liabilities and net equity	31/12/23	30/6/23
10. Financial liabilities at amortized cost	63.025.028.154	60.979.649.706
<i>a) Due to banks</i>	33.272.617.476	34.324.113.115
<i>b) Due to customers</i>	11.191.148.371	8.770.681.018
<i>c) Debt securities in issue</i>	18.561.262.307	17.884.855.573
20. Trading financial liabilities	9.582.740.442	10.592.249.162
30. Financial liabilities designated at fair value	3.286.332.822	1.524.041.446
40. Hedging derivatives	1.430.593.953	2.116.466.694
50. Adjustment of hedging financial liabilities (+/-)	—	—
60. Tax liabilities	327.676.201	521.354.135
<i>a) current</i>	92.401.472	298.185.828
<i>b) deferred</i>	235.274.729	223.168.307
70. Liabilities included in disposal groups classified as held for sale	—	—
80. Other liabilities	534.432.410	377.990.584
90. Staff severance indemnity provision	5.204.835	5.049.967
100. Provisions	86.970.125	97.730.658
<i>a) commitments and financial guarantees</i>	22.617.393	30.405.631
<i>b) post-employment and similar benefits</i>	—	—
<i>c) other provisions</i>	64.352.732	67.325.027
110. Revaluation reserves	115.352.058	59.188.850
120. Redeemable shares repayable on demand	—	—
130. Equity instruments repayable on demand	—	—
140. Reserves	1.715.693.951	1.826.802.801
150. Share premium reserve	2.195.605.653	2.195.605.653
160. Share capital	444.509.681	444.169.468
170. Treasury share (-)	(136.444.104)	(78.875.697)
180. Profit/(loss) for the period (+/-)	540.208.051	606.490.779
Total liabilities and net equity	83.153.904.232	81.267.914.206

Mediobanca S.p.A. Profit and loss account

Items	31/12/23	31/12/22
10. Interest and similar income	1.371.677.950	599.732.778
<i>of which: interest income calculated according to the effective interest method</i>	<i>1.040.267.993</i>	<i>487.901.144</i>
20. Interest expense and similar charges	(1.167.113.193)	(483.111.862)
30. Net interest income	204.564.757	116.620.916
40. Fee and commission income	172.081.587	217.575.397
50. Fee and commission expense	(33.199.563)	(28.189.808)
60. Net fee and commission income	138.882.024	189.385.589
70. Dividends and similar income	460.029.678	153.679.250
80. Net trading income	32.060.884	106.731.599
90. Net hedging income (expense)	(2.735.965)	4.545.737
100. Gain (loss) on disposal/repurchase:	8.724.459	4.041.485
<i>a) financial assets measured at amortized cost</i>	<i>4.108.119</i>	<i>7.822.432</i>
<i>b) financial assets valued at fair value with impact taken to comprehensive income</i>	<i>4.401.872</i>	<i>(8.166.022)</i>
<i>c) financial liabilities</i>	<i>214.468</i>	<i>4.385.075</i>
110. Net result from other financial assets and liabilities measured at fair value with impact taken to profit and loss:	32.604.472	(7.638.637)
<i>a) financial assets and liabilities designated at fair value</i>	<i>25.579.857</i>	<i>9.789.677</i>
<i>b) other financial assets mandatorily valued at fair value</i>	<i>7.024.615</i>	<i>(17.428.314)</i>
120. Total income	874.130.309	567.365.939
130. Net write-offs (write-backs) for credit risk:	(12.908.561)	(38.446.981)
<i>a) financial assets measured at amortized cost</i>	<i>(10.903.875)</i>	<i>(39.178.566)</i>
<i>b) financial assets valued at fair value with impact taken to comprehensive income</i>	<i>(2.004.686)</i>	<i>731.586</i>
140. Gains (losses) from contractual modifications without derecognition	—	—
150. Net income from financial operations	861.221.748	528.918.958
160. Administrative expenses:	(261.134.554)	(245.259.131)
<i>a) personnel coss</i>	<i>(145.207.809)</i>	<i>(147.308.580)</i>
<i>b) other administrative expenses</i>	<i>(115.926.745)</i>	<i>(97.950.551)</i>
170. Net transfers to provisions:	7.092.441	(353.866)
<i>a) commitments and financial guarantees</i>	<i>7.092.441</i>	<i>146.134</i>
<i>b) other sums set aside (net)</i>	<i>—</i>	<i>(500.000)</i>
180. Net adjustments to tangible assets ¹	(4.764.688)	(4.476.988)
190. Net adjustments to intangible assets	(366.259)	(315.774)
200. Other operating income (expense)	23.159.365	17.597.061
210. Operating costs	(236.013.695)	(232.808.698)
220. Gain (loss) on equity investments	(2)	—
230. Net result from fair value valuation of tangible and intangible assets	—	—
240. Goodwill write-offs	—	—
250. Gain (loss) on disposal of investments	—	87
260. Profit (loss) on ordinary activity before tax	625.208.051	296.110.347
270. Income tax for the year on ordinary activities	(85.000.000)	(66.000.000)
280. Profit (loss) on ordinary activities after tax	540.208.051	230.110.347
290. Gain (loss) of ceded operating assets, net of tax	—	—
300. Net profit (loss) for the period	540.208.051	230.110.347

Mediobanca S.p.A. Comprehensive Income statement

	31/12/23	31/12/22
10. Profit (Loss) for the period	540.208.051	230.110.347
Other income items net of tax without passing through profit and loss	6.407.656	14.221.377
20. Equity securities designated at fair value with impact taken to comprehensive income	10.717.367	21.271.076
30. Financial liabilities at fair value with impact taken to profit and loss (variation of own credit risk)	(3.921.643)	(7.143.146)
40. Hedging of equity securities designated at fair value with impact taken to comprehensive income	—	—
50. Property, plant and equipments	—	—
60. Intangible assets	—	—
70. Defined benefit schemes	(388.068)	93.447
80. Non-current assets held for sale	—	—
90. Share of valuation reserves attributable to equity-accounted companies	—	—
Other income items net of tax passing through profit and loss	49.745.056	(15.389.137)
100. Foreign investments hedges	—	—
110. Exchange rate differences	—	—
120. Cash flow hedges	—	(462.516)
130. Hedging instruments (non-designated elements)	—	—
140. Financial assets (other than equity securities) valued at fair value with impact taken to comprehensive income	49.745.056	(14.876.621)
150. Non-current assets held for sale	—	—
160. Share of valuation reserves attributable to equity-accounted companies	—	—
170. Total other income items, net of tax	56.152.712	(1.117.760)
180. Comprehensive income (Heading 10 +170)	596.360.763	228.992.587

Statement of Changes to Mediobanca Net Equity as at 31 December 2023

	Previously reported balance at 30/6/23	Allocation of profit for previous period		Changes during the reference period							Overall consolidated profit for the 6 mths ended 31/12/23	Total net equity at 31/12/23
		Reserves	Dividends and other fund applications	Changes to reserves	Transactions involving net equity							
					New shares issued	Treasury shares acquired	Extra-ordinary dividend payouts	Changes to equity instruments	Treasury shares derivatives	Stock options ¹		
Share capital:	444.169.468	—	—	—	340.213	—	—	—	—	—	—	444.509.681
a) ordinary shares	444.169.468	—	—	—	340.213	—	—	—	—	—	—	444.509.681
b) other shares	—	—	—	—	—	—	—	—	—	—	—	—
Share premium reserve	2.195.605.653	—	—	—	—	—	—	—	—	—	—	2.195.605.653
Reserves:	1.826.802.801	606.490.779	(713.360.547)	1.840.477	(340.213)	(11.406.999)	—	—	—	5.667.653	—	1.715.693.951
a) retained earnings	1.981.087.691	606.490.779	(713.360.547)	14.286.293	(340.213)	—	—	—	—	—	—	1.888.164.003
b) others	(154.284.890)	—	—	(12.445.816)	—	(11.406.999)	—	—	—	5.667.653	—	(172.470.052)
Valuation reserves	59.188.850	—	—	10.496	—	—	—	—	—	—	56.152.712	115.352.058
Equity instruments	—	—	—	—	—	—	—	—	—	—	—	—
Treasury shares	(78.875.697)	—	—	—	—	(57.568.407)	—	—	—	—	—	(136.444.104)
Profit (loss) for the period	606.490.779	(606.490.779)	—	—	—	—	—	—	—	—	540.208.051	540.208.051
Total net equity	5.053.381.854	—	(713.360.547)	1.850.973	—	(68.975.406)	—	—	—	5.667.653	596.360.763	4.874.925.290

(¹) Performance shares

Statement of Changes to Mediobanca Net Equity as at 31 December 2022

	Previously reported balance at 30/6/22	Allocation of profit for previous period		Changes during the reference period								Total net equity at 31/12/22	
		Reserves	Dividends and other fund applications	Changes to reserves	Transactions involving net equity						Overall consolidated profit for the 6 mths ended 31/12/22		
					New shares issued	Treasury shares acquired	Extra-ordinary dividend payouts	Changes to equity instruments	Treasury shares derivatives	Stock options ¹			
Share capital:	443.640.007	—	—	—	513.709	—	—	—	—	—	—	—	444.153.715
a) ordinary shares	443.640.007	—	—	—	513.709	—	—	—	—	—	—	—	444.153.715
b) other shares	—	—	—	—	—	—	—	—	—	—	—	—	—
Share premium reserve	2.195.605.653	—	—	—	—	—	—	—	—	—	—	—	2.195.605.653
Reserves:	2.032.800.953	513.087.171	(629.164.205)	37.612.610	(513.709)	(160.455.310)	—	—	—	4.772.753	—	—	1.798.140.263
a) retained earnings	2.102.513.639	513.087.171	(629.164.205)	—	(513.709)	—	—	—	—	—	—	—	1.985.922.897
b) others	(69.712.686)	—	—	37.612.610	—	(160.455.310)	—	—	—	4.772.753	—	—	(187.782.634)
Valuation reserves	118.414.457	—	—	(37.612.610)	—	—	—	—	—	—	(1.117.760)	—	79.684.087
Equity instruments	—	—	—	—	—	—	—	—	—	—	—	—	—
Treasury shares	(240.807.324)	—	—	—	—	160.455.310	—	—	—	—	—	—	(80.352.014)
Profit (loss) for the period	513.087.171	(513.087.171)	—	—	—	—	—	—	—	—	230.110.347	—	230.110.347
Total net equity	5.062.740.917	—	(629.164.205)	—	—	—	—	—	—	4.772.753	228.992.587	—	4.667.342.051

(¹) Performance shares

Mediobanca Cash Flow Statement Direct Method

	Amount	
	31/12/23	31/12/22
A. CASH FLOWS FROM OPERATING ACTIVITY		
1. Operating activity	(228.648.738)	(275.964.677)
- interest received	1.944.197.062	212.123.309
- interest paid	(1.799.023.173)	(259.699.807)
- dividends and similar income	40.607.951	34.303.341
- net fees and commission income	133.788.574	44.133.959
- cash payments to employees	(152.678.737)	(133.249.600)
- other expenses paid	(380.122.493)	(261.709.851)
- other income received	18.444.390	34.921.659
- income taxes paid	(33.862.312)	53.212.313
- expenses/income from group of assets being sold	—	—
2. Cash generated/absorbed by financial assets	726.898.516	(449.512.199)
- financial assets held for trading	(884.219.220)	1.438.135.710
- financial assets valued at fair value	(85.416.959)	20.460.000
- financial assets mandatorily valued at fair value	(4.030.378)	(22.475.904)
- financial assets valued at fair value with impact taken to profit and loss	(211.634.042)	(15.695.350)
- financial assets valued at amortized cost	1.124.112.342	(1.507.990.686)
- other assets	788.086.773	(361.945.969)
3. Cash generated/absorbed by financial liabilities	1.012.362.594	3.947.187.417
- financial liabilities valued at amortized cost	800.655.200	3.697.089.116
- financial liabilities held for trading	(357.751.188)	277.461.386
- financial liabilities designated at fair value	810.055.124	412.862.124
- other liabilities	(240.596.542)	(440.225.209)
Net cash flow (outflow) from operating activities	1.510.612.372	3.221.710.541
B. CASH FLOWS FROM INVESTMENT ACTIVITY		
1. Cash generated from:	209.421.777	117.692.103
- disposal of shareholdings	50	—
- dividends received in respect of equity investments	209.421.727	117.435.103
- disposals of tangible assets	—	257.000
- disposals of intangible assets	—	—
- disposals of subsidiaries or business units	—	—
2. Cash absorbed by:	(265.375.691)	(18.714.378)
- purchases of shareholdings	(261.797.691)	(15.562.378)
- purchases of tangible assets	(3.038.000)	(1.922.000)
- purchases of intangible assets	(540.000)	(1.230.000)
- purchases of subsidiaries or business units	—	—
Net cash flow (outflow) from investment activity	(55.953.914)	98.977.725
C. CASH FLOWS FROM FUNDING ACTIVITY	(781.971.205)	(618.223.397)
- issuance/acquisition of treasury shares	(68.975.406)	—
- issuance/acquisition of capital instruments	—	—
- distribution of dividends and other purposes	(712.995.799)	(618.223.397)
Net cash flow (outflow) from funding activities	(781.971.205)	(618.223.397)
NET CASH FLOW (OUTFLOW) DURING THE PERIOD	672.687.253	2.702.464.869

Reconciliation

Accounting items	Amount	
	31/12/23	31/12/22
Cash and cash equivalents: balance at start of period	4.426.851.422	7.783.484.100
Total cash flow (outflow) during the period	672.687.253	2.702.464.868
Cash and cash equivalents: exchange rate effect	—	—
Cash and cash equivalents: balance at end of period	5.099.538.675	10.485.948.968

NOTES–

Accounting principles and policies

This document contains the financial statements of Mediobanca S.p.A. for the period ended 31 December 2023, drawn up in accordance with the provisions of Article 2433-*bis* of the Italian Civil Code, consisting of the balance sheet, profit and loss account, statement of comprehensive income, statement of changes to consolidated net equity, and cashflow statement compiled using the direct method.

The financial statements are compiled from the data used in preparing the interim financial statements as at 31 December 2023. The accounting policies used in order to prepare these financial statements, for the stages of classifying, recording, valuing and cancelling the various asset and liability items, and the methods used for recognizing income and cost items, are unchanged from those used to compile the annual financial statements as at 30 June 2023, to which reference is made accordingly. The updates to the accounting policies used for the interim consolidated financial statements for the six month ended 31 December 2023, which incorporate the new IFRS 17 “Insurance Contracts” that have come into force, do not apply to the individual financial statements of Mediobanca S.p.A., as the Bank does not perform insurance activities itself.

Declaration by Head of company financial reporting

Emanuele Flappini, the head of company financial reporting, hereby declares, as required by Article 154-bis, paragraph 2 of Italian Legislative Decree 58/98, that the accounting information contained in the report conforms to the documents, account ledgers and book entries of the company.

Milan, 9 May 2024

Emanuele Flappini

Head of company financial reporting

A handwritten signature in black ink, appearing to be 'E. Flappini', written over the printed name and title.

ANNEXES

Individual financial statements

Comparison between restated balance sheet and template recommended by Bank of Italy circular no. 262/2005, VIII update

Balance sheet as at 31 December 2023 – Assets

(€m)

RESTATED BALANCE SHEET								
Assets	Financial assets held for trading	Treasury financial assets	Banking book securities	Customer loans	Equity Investments	Tangible and intangible assets	Other assets	Total assets
10. Cash and cash equivalents	—	4.002,9	—	1.096,6	—	—	—	5.099,5
20. Financial assets at fair value with impact taken to profit and loss	11.280,2	—	113,8	564,7	540,9	—	—	12.499,5
<i>a) Financial assets held for trading</i>	11.280,2	—	—	—	—	—	—	11.280,2
<i>b) Financial assets designated at fair value</i>	—	—	113,0	564,7	—	—	—	677,7
<i>c) Other financial assets mandatorily at fair value</i>	—	—	0,8	0,0	540,9	—	—	541,7
30. Financial assets at fair value with impact taken to comprehensive income	—	—	6.086,7	—	502,5	—	—	6.589,2
40. Financial assets at amortized cost	—	10.642,6	4.913,9	38.270,5	—	—	—	53.827,0
50. Hedging derivatives	—	—	—	—	—	—	548,5	548,5
60. Adjustment of hedging financial assets (+/-)	—	—	—	—	—	—	—	—
70. Equity investments	—	—	—	—	3.804,0	—	—	3.804,0
80. Property, plant and equipments	—	—	—	—	—	140,1	—	140,1
90. Intangible assets	—	—	—	—	—	29,4	—	29,4
100. Tax assets	—	—	—	—	—	—	188,1	188,1
110. Assets classified as held for sale	—	—	—	—	—	—	—	—
120. Other assets	—	—	—	—	—	—	428,6	428,6
Total assets	11.280,2	14.645,5	11.114,4	39.931,8	4.847,4	169,5	1.165,2	83.153,9

FORMAT RECOMMENDED BY BANK OF ITALY CIRCULAR no. 262/05 7TH UPDATE

Balance sheet as at 31 December 2023 – Liabilities

(€m)

RESTATED BALANCE SHEET

Liabilities and net equity	Funding	Treasury financial liabilities	Financial liabilities held for trading	Other liabilities	Provisions	Net equity and minority interests	Total liabilities and net equity
10. Financial liabilities at amortized cost	52.201,2	10.799,5	—	24,4	—	—	63.025,1
<i>a) Due to banks</i>	27.141,5	6.131,1	—	0,0	—	—	33.272,6
<i>b) Due to customers</i>	6.498,6	4.668,4	—	24,2	—	—	11.191,2
<i>c) Debt securities in issue</i>	18.561,1	—	—	0,2	—	—	18.561,3
20. Trading financial liabilities	—	—	9.582,7	—	—	—	9.582,7
30. Financial liabilities designated at fair value	3.286,3	—	—	—	—	—	3.286,3
40. Hedging derivatives	—	—	—	1.430,6	—	—	1.430,6
50. Adjustment of hedging financial liabilities (+/-)	—	—	—	—	—	—	—
60. Tax liabilities	—	—	—	327,7	—	—	327,7
70. Liabilities included in disposal groups classified as held for sale	—	—	—	—	—	—	—
80. Other liabilities	—	—	—	534,4	—	—	534,4
90. Staff severance indemnity provision	—	—	—	—	5,2	—	5,2
100. Provisions	—	—	—	—	87,0	—	87,0
110. Revaluation reserves	—	—	—	—	—	115,3	115,3
120. Redeemable shares repayable on demand	—	—	—	—	—	—	—
130. Equity instruments repayable on demand	—	—	—	—	—	—	—
140. Reserves	—	—	—	—	—	1.715,7	1.715,7
150. Share premium reserve	—	—	—	—	—	2.195,6	2.195,6
160. Share capital	—	—	—	—	—	444,5	444,5
170. Treasury share (-)	—	—	—	—	—	(136,4)	(136,4)
180. Profit/(loss) for the period (+/-)	—	—	—	—	—	540,2	540,2
Total liabilities and net equity	55.487,5	10.799,5	9.582,7	2.317,1	92,2	4.874,9	83.153,9

FORMAT RECOMMENDED BY BANK OF ITALY CIRCULAR no. 262/05 TTH UPDATE

Comparison between restated profit and loss account and template recommended by Bank of Italy circular no. 262/2005, VIII update

Profit and loss account as at 31 December 2023

(€m)

Profit-and-loss account	RESTATED PROFIT & LOSS										
	Net interest income	Net treasury income	Net fee and commission income	Dividends on investments	Operating costs	Loan loss provisions	Provisions for other financial assets	Impairment on investments	Other income (losses)	Income tax for the period	Net profit
10. Interest and similar income	1,358,6	13,0	—	—	—	—	—	—	—	—	1,371,6
20. Interest expense and similar charges	(1,154,8)	(12,3)	—	—	—	—	—	—	—	—	(1,167,1)
30. Net interest income	203,8	0,7	—	—	—	—	—	—	—	—	204,5
40. Fee and commission income	3,3	2,8	166,0	—	—	—	—	—	—	—	172,1
50. Fee and commission expense	(5,3)	(1,6)	(26,3)	—	—	—	—	—	—	—	(33,2)
60. Net fee and commission income	(2,0)	1,2	139,7	—	—	—	—	—	—	—	138,9
70. Dividends and similar income	—	40,6	—	419,4	—	—	—	—	—	—	460,0
80. Net trading income	11,6	20,5	—	—	—	—	—	—	—	—	32,1
90. Net hedging income (expense)	(2,7)	—	—	—	—	—	—	—	—	—	-2,7
100. Gain (loss) on disposal/repurchase	—	8,7	—	—	—	—	—	—	—	—	8,7
110. Net result from other financial assets and liabilities measured at fair value with impact taken to profit and loss:	—	25,8	—	—	—	0,0	6,8	—	—	—	32,6
120. Total income	210,7	97,5	139,7	419,4	—	—	6,8	—	—	—	874,1
130. Net write-offs (write-backs) for credit risk	—	—	—	—	—	(10,5)	(2,4)	—	—	—	(12,9)
140. Gains (losses) from contractual modifications without derecognition	—	—	—	—	—	—	—	—	—	—	—
150. Net income from financial operations	210,7	97,5	139,7	419,4	—	(10,5)	4,4	—	—	—	861,2
160. Administrative expenses	—	—	—	—	(260,5)	—	—	—	(0,6)	—	(261,1)
170. Net transfers to provisions	—	—	—	—	—	7,1	—	—	—	—	7,1
180. Net adjustments to tangible assets	—	—	—	—	(4,8)	—	—	—	—	—	(4,8)
190. Net adjustments to intangible assets	—	—	—	—	(0,4)	—	—	—	—	—	(0,4)
200. Other operating income (expense)	—	—	11,2	—	11,9	—	—	—	0,1	—	23,2
210. Operating costs	—	—	11,2	—	(255,8)	7,1	—	—	(0,5)	—	(236,0)
220. Gain (loss) on equity investments	—	—	—	—	—	—	—	—	—	—	—
230. Net result from fair value valuation of tangible and intangible assets	—	—	—	—	—	—	—	—	—	—	—
240. Goodwill write-offs	—	—	—	—	—	—	—	—	—	—	—
250. Gain (loss) on disposal of investments	—	—	—	—	—	—	—	—	—	—	—
260. Profit (loss) on ordinary activity before tax	210,7	97,5	150,9	419,4	(255,8)	(3,4)	4,4	—	(0,5)	—	625,2
270. Income tax for the year on ordinary activities	—	—	—	—	—	—	—	—	—	(85,0)	(85,0)
280. Profit (loss) on ordinary activities after tax	210,7	97,5	150,9	419,4	(255,8)	(3,4)	4,4	—	(0,5)	(85,0)	540,2
290. Gain (loss) of ceded operating assets, net of tax	—	—	—	—	—	—	—	—	—	—	—
300. Net profit (loss) for the period	210,7	97,5	150,9	419,4	(255,8)	(3,4)	4,4	—	(0,5)	(85,0)	540,2