

## **CheBanca! Board of Directors' Meeting Financial statements for 31 March 2021 approved**

**Record 9M results in terms of assets (€31.4bn, up 19% YoY),  
revenues (€264m, up 11%), of which €93m in fees (up 22%)  
and net profit (€36m, up 42%)**

**Strengthening of new brand identity “Alza la tua visione” continues,  
along with product offering for premier clients  
and distribution network**

**TFAs increase to €31.4bn (up 19.5% YoY; up 5% in 3Q),  
on NNM of €2.8bn (up 71% YoY), €1.2bn of which in 3Q (up 55% QoQ)**

**AUM/AUA up to €14.6bn (up 30.5% YoY; up 5.1% in 3Q)**

**Customer loans totalling €10.9bn (up 8.2% YoY; up 1.9% in 3Q), with new loans in residential  
mortgages of €1.7bn (down 6.5% YoY), €0.6bn in 3Q (vs. €0.7bn in 2Q)**

**Distribution network has resumed significant growth following Covid-related slowdown  
in 2020, and now consists of 926 professionals and 201 POS**

*Relationship managers now total 479 (12 added in 3Q; up 25 YoY), responsible for €0.7bn of AUM/AUA in 9m*

*Financial advisors now total 447 (18 added in 3Q; up 38 YoY), responsible for €0.6bn of AUM/AUA in 9m*

**Revenues, GOP and net profit all improving materially**

**Strong year-on-year increase in revenues, up 11.5% to €264.1m**

**driven by ongoing and material growth in fee income (up 22.2% to €92.6m, mostly recurring)**

**Costs up 5.1% to €195m, due to expansion in operations and distribution**

**Asset quality remains excellent, including in relation to management of moratoria**

**Strong increases in both GOP (up 40.5% to €54.8m) and net profit (up 42.2% to €36.4m)**

**3Q FY 2020-21: revenues €90.8m (up 1% QoQ), net profit €13.7m (up 1% QoQ)**

# CheBanca!

*The CheBanca! investment programme has continued during the third quarter, in line with the priorities of the Mediobanca Group 2019-23 Strategic Plan, with an unchanging commitment to digital innovation, gradual brand repositioning, and product offering geared increasingly towards the premier client bracket.*

*In accordance with the measures still required in order to address the ongoing medical emergency, operations at the branches and the FAs' offices continue to be by appointment only, leveraging on the use of remote collaboration instruments where possible, guaranteeing continuous and ongoing coverage or relations with clients.*

## OPERATIONS AND PRODUCT PORTFOLIO DEVELOPMENT

- **Continuation of the brand programme launched in 4Q 2020 with the “Alza la tua visione” campaign (“Raise your vision”)**, allied with ongoing investments in various Italian cities in order to align CheBanca! branch offices with a new concept combining elegance, transparency, confidentiality and concern for the environment.
- The increase in investments has been flanked by a highly effective **portfolio requalification process, leading to broad portfolio diversification.**
- **Placement of the Mediobanca SGR Mediobanca Diversified Credit Portfolio 2026 Target Maturity Fund** has been successfully completed, raising subscriptions of €112m.
- **Enhancement of distribution structure:** overall the distribution network now consists of 479 and premier relationship managers (vs 454 at end-March 2020) and 447 FAs (vs 409 at end-March 2020), working at 201 branches and POS (vs 190 at end-March 2020).

## GROWTH IN BUSINESS VOLUMES

**TFAs UP 19.5% TO €31.4BN, CUSTOMER LOANS UP 8.2% TO €10.9bn**

- **Total Financial Assets (“TFAs”)** reached €31.4bn, up 19.5% YoY, with a **30.5% YoY increase in AUM/AUA**, to €14.6bn.
- **Net New Money (“NNM”)** in 3Q totalled €1.2bn (vs €0.9bn in 3Q 2019-20 and €0.8bn in 2Q 2020-21), reflecting substantial growth in direct funding, helped by the recent promotion for deposit accounts, but also in AUM/AUA (€0.4bn).

**Growth in AUM/AUA reflects a balanced contribution from the leading distribution channels in the three months:**

- **50% Relationship Managers:** €0.2bn in NNM in the AUM/AUA component. TFAs managed by the proprietary channel totalled €25.2bn, split between €10.5bn in AUM/AUA and €14.6bn in deposits.
- **50% Financial Advisors:** €0.2bn in NNM in the AUM/AUA component. TFAs managed by the FAs channel totalled €6.2bn, split between €4.1bn in AUM/AUA and €2.1bn in deposits.

**Loans to households rose** to €10.9bn (up 8.2% YoY), on new mortgages of €1.7bn. **Asset quality remains at excellent levels.** Gross NPLs, despite increasing slightly year-on-year (from €186.8m at end-March 2020 to €199.9m), remain stable in relative terms, at 1.8% of total loans. Net NPLs were also basically flat versus last year (up from €102m to €106m), and represent 0.97% of total net loans, with a coverage ratio of 47% (higher

# CheBanca!

than the 45.2% at end-March 2020). Net bad debts total €46.5m (vs €44.2m at end-March 2020) and account for 0.43% of total net loans. The coverage ratio increased from 57.3% to 57.7%.

With regard to moratoria, **activities intended to support clients continued** during the nine months, granting moratoria (with applications worth €657.9m accepted since the start of the pandemic, over 80% of which under the Consap measures) and guaranteed credit lines under the Liquidity Decree (in a total amount of €25.5m). By 31 March 2021, moratoria involving some €405.8m had expired, **over 80% of which have resumed regular repayments**, hence the stock has reduced to €252.1m, **over 80% of which has been classified prudentially as Stage 2**, in view of the ECB guidelines, the ongoing pandemic situation, and careful analysis of the highest risk exposures, such as workers who have been laid off on redundancy schemes, who make up around 45% of the remainder.

Despite the prudential classifications, the gross amount of items classified in stage 2 remains low, at €859.1m, or 7.8% of total gross loans.

## PROFITABILITY IMPROVING ACROSS ALL TIME HORIZONS

The profit and loss account reflects a healthy performance year-on-year:

- **Revenues were up 11.5%** (from €236.9m to €264.1m), on a positive contribution from net interest income which was up 6.0% (from €160.2m to €169.8m) but **in particular to fee income which continues to grow materially** (up 22.2%; from €75.8m to €92.6m), especially the managed component which increased from €56.3m to €66.9m.
- **Operating costs rose by 5.1%** (or €9.5m; from €185.5m to €195.0m), due both to labour costs, which rose by €4.7m (from €85.6m to €90.3m) due to expansion of the distribution structure, the increase in operations and the development of the franchise, and also to administrative expenses, up by 4.8%, or €4.8m (from €99.9m to €104.7m).
- **Loan loss provisions rose**, by €4.0m (from €11.4m to €15.4m), due to reclassifications on prudential grounds in connection with loans still under moratoria arrangements. The cost of risk remains at low levels, aligned with last year.
- **GOP came in at €54.8m, up 40.5%** on the €39m reported in the same period last year.
- **Net profit climbed by 42.2% to reach €36.4m** (from €25.6m), reflecting the trends described above.

The main profit-and-loss items performed as follows quarter-on-quarter (i.e. **compared to 2Q 2020-21**):

- **Revenues were up 0.6%, or €0.5m (from €90.3m to €90.8m)**. Of the revenue items, net interest income rose by 2.7%, or €1.5m (from €56.4m to €57.9m), whereas fee income declined slightly, by 3.6%, or €1.2m (from €33.3m to €32.1m), chiefly due to seasonal factors affecting charges on transactional accounts. The contribution from the managed component was again substantial, at €23.4m (flat QoQ).
- **Operating costs were up 2.5%, or €1.6m (from €65m to €66.6m)**, chiefly due to seasonal factors affecting operations and expansion activities.
- **Loan loss provisions decreased by €1m, or 19.2% (from €5.2m to €4.2m)**, despite the same coverage ratio being maintained.
- **GOP decreased by €0.3m** (from €20.6m to €20.3m; a reduction of 1.5%).
- **Net profit increased by €0.2m** (from €13.5m to €13.7m; an increase of 1.5%).

# CheBanca!

## CHEBANCA!'S COMMITMENT

CheBanca!'s commitment to supporting the community in these difficult times has continued during the three months under review. Following the launch of two projects in 2020 (the first in conjunction with the “Hope” non-profit organization to acquire medical machinery and equipment to help the hospitals of Lombardy, the second with the Progetto Arca Onlus Foundation to support a thousand families in difficulty by regularly delivering food parcels and necessity goods to them), in January 2021 CheBanca! repeated the **solidarity initiative linked to the deposit account promotion**, with the Bank committing to use 1x1000 of the amounts tied in order to support charitable initiatives.

The bank also continues to support the **Academy of Woodwork**, a social craft business set up from the partnership between CheBanca! and the “Contrada degli Artigiani” social co-operative, to counter the phenomenon of young people leaving school early by facilitating the inclusion of young people with social economic and personal difficulties in the workplace.

Milan, 30 April 2021

### **Mediobanca Investor Relations**

Tel. no.: (0039) 02-8829.860/647

### **Mediobanca Media Relations**

Tel. no.: (0039) 02-8829.627/319

# CheBanca!

## 1. RESTATED PROFIT AND LOSS ACCOUNT (€M)

CheBanca!	9M FY 2019-20	9M FY 2020-21	Chg.	Chg.
	31/3/20	31/3/21	YoY%	YoY
Net interest income	160.2	169.8	6.0%	9.6
Treasury income	0.9	1.7	88.9%	0.8
Net fee and commission income	75.8	92.6	22.2%	16.8
<b>Total income</b>	<b>236.9</b>	<b>264.1</b>	<b>11.5%</b>	<b>27.2</b>
Labour costs	-85.6	-90.3	5.5%	4.7
Administrative expenses	-99.9	-104.7	4.8%	4.8
<b>Operating costs</b>	<b>-185.5</b>	<b>-195.0</b>	<b>5.1%</b>	<b>9.5</b>
Loan loss provisions	-11.4	-15.4	35.1%	4.0
<b>GOP</b>	<b>40.0</b>	<b>53.7</b>	<b>34.3%</b>	<b>13.7</b>
Other items	-1.0	1.1	n.m..	2.1
<b>Profit before taxes<sup>1</sup></b>	<b>39.0</b>	<b>54.8</b>	<b>40.5%</b>	<b>15.8</b>
Income taxes	-13.4	-18.4	37.3%	5.0
<b>Net profit</b>	<b>25.6</b>	<b>36.4</b>	<b>42.2%</b>	<b>10.8</b>

<sup>1</sup> Amount stated does not include €18.8m paid to DGS and €3.7m in adjustments to amounts receivable from parent company Mediobanca S.p.A. included in the statutory net profit.

## 2. QUARTERLY RESTATED PROFIT AND LOSS ACCOUNTS (€M)

CheBanca!	3M	3M	3M	3M
	31/3/20	30/9/20	31/12/20	31/3/21
Net interest income	51.6	55.5	56.4	57.9
Treasury income	0.4	0.3	0.6	0.8
Net fee and commission income	25.8	27.2	33.3	32.1
<b>Total income</b>	<b>77.8</b>	<b>83.0</b>	<b>90.3</b>	<b>90.8</b>
Labour costs	-28.5	-30.4	-29.6	-30.3
Administrative expenses	-33.9	-33.0	-35.4	-36.3
<b>Operating costs</b>	<b>-62.4</b>	<b>-63.4</b>	<b>-65.0</b>	<b>-66.6</b>
Loan loss provisions	-4.0	-6.0	-5.2	-4.2
<b>GOP</b>	<b>11.4</b>	<b>13.6</b>	<b>20.1</b>	<b>20.0</b>
Other items	-1.5	0.3	0.5	0.3
<b>Profit before taxes</b>	<b>9.9</b>	<b>13.9</b>	<b>20.6</b>	<b>20.3</b>
Income taxes	-3.3	-4.7	-7.1	-6.6
<b>Net profit</b>	<b>6.6</b>	<b>9.2</b>	<b>13.5</b>	<b>13.7</b>

# CheBanca!

## 3. CUSTOMER TOTAL FINANCIAL ASSETS (TFAs, €M)

CheBanca!	31/3/20	30/6/20	30/9/20	31/12/20	31/3/21
AUM	8,795	9,622	10,029	10,818	11,402
AUA	2,422	2,882	2,916	3,102	3,234
Deposits	15,052	15,277	15,746	15,983	16,744
<b>Total TFAs</b>	<b>26,269</b>	<b>27,781</b>	<b>28,691</b>	<b>29,903</b>	<b>31,380</b>

## 4. CUSTOMER TFAs – FAs NETWORK (TFAs, €M)

CheBanca!	31/3/20	30/6/20	30/9/20	31/12/20	31/3/21
AUM	2,429	2,873	3,066	3,427	3,719
AUA	278	340	349	374	399
Deposits	1,803	1,861	1,964	2,025	2,104
<b>Total TFAs</b>	<b>4,511</b>	<b>5,074</b>	<b>5,379</b>	<b>5,826</b>	<b>6,222</b>

## 5. NET NEW MONEY (NNM, €M)

CheBanca!	3M 31/3/20	3M 30/6/20	3M 30/9/20	3M 31/12/20	3M 31/3/21
AUM	170	366	302	515	442
AUA	91	317	47	28	12
Deposits	592	225	469	238	761
<b>Total Net New Money (NNM)</b>	<b>853</b>	<b>909</b>	<b>818</b>	<b>782</b>	<b>1,215</b>

## 6. NET NEW MONEY – FAs NETWORK (€M)

CheBanca!	3M 31/3/20	3M 30/6/20	3M 30/9/20	3M 31/12/20	3M 31/3/21
AUM	191	219	141	224	236
AUA	37	45	13	4	7
Deposits	374	58	103	61	79
<b>Total Net New Money (NNM)</b>	<b>602</b>	<b>322</b>	<b>257</b>	<b>289</b>	<b>323</b>

## 7. OTHER ASSET INFORMATION (€M)

CheBanca!	31/3/20 9M	30/6/20 12M	30/9/20 3M	31/12/20 6M	31/3/21 9M
Mortgages (cumulative new loans)	1,791	2,173	416	1,070	1,674
Loans to customers (stock)	10,069	10,235	10,382	10,698	10,897

## 8.INDICATORS/RATIOS

CheBanca!	31/03/20	30/06/20	30/9/20	31/12/20	31/3/21
Customers loans/customer deposits	67%	67%	66%	67%	65%
NPLs/total loans	1.0%	1.1%	1.1%	1.0%	0.97%
Net bad debts/total loans	0.4%	0.5%	0.5%	0.5%	0.4%
Cost/income ratio	78.3%	78.7%	76.4%	74.1%	73.8%

## 9. STRUCTURAL DATA

CheBanca!	31/03/20	30/06/20	30/9/20	31/12/20	31/3/21
No. of staff	1,415	1,430	1,438	1,436	1,453
o/w premier relationship managers	454	454	472	467	479
No. of FAs	409	414	422	429	447
No. of branch offices	107	107	108	107	107
No. of FAs POS	83	85	91	93	94

*As required by Article 154-bis paragraph 2 of Italian Legislative Decree 58/98, the undersigned hereby declares that the stated accounting information contained in this document conforms to the documents, account ledgers and book entries of the company.*

*Head of Company Financial Reporting*

*Stefano Radice*