



MEDIOBANCA

MEDIOBANCA

LIMITED COMPANY
SHARE CAPITAL FULLY PAID UP: €443.640.006,50
REGISTERED OFFICE: PIAZZETTA ENRICO CUCCIA 1, MILAN, ITALY
REGISTERED IN THE MILAN COMPANIES' REGISTER UNDER TAX IDENTIFICATION CODE 00714490158
VAT NUMBER 10536040966
REGISTERED AS A BANK AND A BANKING GROUP UNDER REGISTRATION NO. 10631.0.
PARENT COMPANY OF THE MEDIOBANCA S.P.A. BANKING GROUP

Registration document for the twelve months ended 30 June 2021

This document constitutes a registration document (the "Registration Document") for purposes of Regulation (EU) 2017/1129 (the "Prospectus Regulation") and drawn up in accordance with Consob resolution no. 11971 issued on 14 May 1999 as amended, and with Article 7 and Annex 6 of Commission Delegated Regulation (EU) 2019/980 of 14 March 2019, supplementing the Prospectus Regulation

Issuer

MEDIOBANCA - Banca di Credito Finanziario S.p.A.

Registration Document filed with Consob on 2 December 2021 following approval as notified by memo no. 1507954/21 issued on on 2 December 2021.

The Registration Document is valid for twelve months from the date of approval and is available both on the Bank's website in the following section: <https://www.mediobanca.com/en/products-issued/documents/framework-documentation.html>.

In order to have full disclosure on the Bank and its offerings and/or prices for financial instruments, the Registration Document should be read in conjunction with the Prospectus or Base Prospectus (including the Definitive Terms and Conditions) and the Executive Summary for each individual offering and/or listing, and any Supplements and Additional Notices, and the documentation incorporated via reference as amended.

The investor is also invited to read carefully the section entitled "Risk factors" contained within the Registration Document and the individual Information Reports and Summaries approved from time to time, for a review of the risk factors that must be taken into consideration with reference to the Issuer and the relevant types of financial instrument.

Publication of the Registration Document does not entail any judgement by Consob on the advisability of the investments proposed and the merits of the data and information relating thereto.



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1. PART I

2. RISK FACTORS

This section presents a description of the risk factors facing the Issuer and the Group only. Accordingly, this section, as stated under Article 16 of the Prospectus Regulation, describes only the risks that the Issuer considers to be specific to the Issuer itself and which are material for taking an informed investment decision.

Before taking any investment decision, investors are invited to read this section carefully in order to understand the specific risks associated with the Issuer and the Group and in order to appreciate better the Issuer's ability to meet its obligations in relation to the Financial Instruments that it may issue, as described from time to time in the Information Notice regarding such instruments. The Mediobanca Group believes that the following factors could influence the Issuer's ability to meet its own obligations deriving from the Financial Instruments issued by it versus investors.

Investors are also invited to assess the specific risk factors related to the financial instruments. It therefore follows that these risk factors should be read in conjunction with the other information contained in the Registration Document, and the risk factors related to the Financial Instruments as described in the relevant Information Notice.

A. RISKS RELATED TO THE BUSINESS OF THE ISSUER AND THE MEDIOBANCA GROUP AND TO THE SECTOR IN WHICH THEY OPERATE

A.1. SYSTEM RISKS RELATED TO THE ECONOMIC/FINANCIAL CRISIS, UNCERTAINTIES IN THE MACROECONOMIC SCENARIO, AND THE RELATED IMPACT DERIVING FROM THE COVID-19 PANDEMIC

There is a risk that future developments in the macroeconomic scenario could impact negatively on the capital, earnings and financial situation of the Issuer and/or the Mediobanca Group.

Adverse changes to the factors described below could lead the Issuer and/or the Mediobanca Group to incur losses, increases in the cost of financing, reductions in the value of the assets owns, with a potentially negative impact on the liquidity, profitability and capital solidity of the Issuer and/or the Mediobanca Group. It should also be noted that with reference to the economic, social and financial consequences generated by the Covid-19 pandemic, a deterioration in the medical situation due to the Covid-19 pandemic could impact further on the economic, social and financial situation in Italy and hence on the credit quality, capitalization and earnings of the Issuer which operates primarily on the national market.

Based on the considerations set out below, Mediobanca believes that the system risks related to the economic/financial crisis, uncertainties in the macroeconomic scenario, and the related impact deriving from the Covid-19 pandemic are of medium importance.



It should be noted that the operations, earnings capacity and the stability of the sector of both the Issuer and the Mediobanca Group may be influenced by its/their credit standing, the general economic situation of the country of Italy and the entire Eurozone, trends on financial markets and the economic, social and financial consequences generated by the Covid-19 pandemic. With reference to financial markets in particular, the solidity and growth prospects of the economies of the country or countries in which the Issuer operates will be especially important.

The macroeconomic scenario is currently marked by considerable uncertainty in relation to the following: (a) the crisis generated by the pandemic, as described in more detail in the following sections; (b) trends in the real economy, with reference in particular to the probability of recession, both domestic and global; (c) future developments in monetary policy by the ECB for the Eurozone, the Federal Reserve for the dollar area, and the policies adopted by various countries to promote devaluations in favour of their own currencies; (d) the unstable climate in terms of the trust of holders of Italian sovereign debt due to the budget policies being implemented; and (e) the possibility of inflation spiralling, as a result of increases in raw materials, resulting in a possible reduction in funds available to households for spending.

In relation to point (a) above, a deterioration in the medical situation with regard to the Covid-19 pandemic, the removal of the government-approved support measures, plus the development of new variants of the coronavirus, could all impact further on the economic, social and financial situation of Italy and thus indirectly on the credit quality, capitalization and profitability of the Issuer which operates primarily on the Italian domestic market. As at 30 June 2021, loan loss provisions totalled €248.8m (compared with €374.9m as at 30 June 2020), while the Group's cost of risk stood at 52 bps. Moreover, as at 30 June 2021 additional provisions, known as overlays, of some €300m had been set aside, €85m of which in 4Q. These overlays have been provided: (i) for sectors particularly exposed to the risks posed by the pandemic scenario (i.e. corporate finance, leasing and factoring) and application of exceptions to contracts or moratoria on mortgage loans and corporate and leasing exposures; and (ii) for the corporate, leasing and factoring loan books to mitigate the reversals deriving from the improvement in the macroeconomic scenario factored into the models in the second half of the last financial year.

For further information on the measures introduced to deal with the impact deriving from the Covid-19 pandemic, please refer to section 4, "Information on the Issuer".

A.2. CREDIT AND COUNTERPARTY RISK

As at 30 June 2021 Mediobanca had a gross NPL ratio (i.e. gross non-performing loans as a percentage of gross total customer loans) of 3.2%, whereas one year previously the same ratio had been 4.1%. A deterioration in the medical situation due to the Covid-19 pandemic could impact further on the economic, social and financial situation in Italy and hence on the credit quality, capitalization and earnings of the Issuer which operates primarily on the national Italian market.

Based on the considerations set out below, Mediobanca believes that credit, counterparty and concentration risk are of medium importance.

The business activities of both the Issuer and the Group and their earnings and financial solidity depend also on the credit standing of their respective clients and counterparties.



The Issuer is exposed to the risks traditionally associated with credit activity. Accordingly, breach by its customers of contracts entered into and their own obligations, or the possible failure to provide information or the provisions of incorrect information by them regarding their respective financial and credit situation, could impact negatively on the earnings, capital and/or financial situation of the Issuer.

As at 30 June 2021, gross non-performing loans totalled €1,597.1m (down from €1,954.2m one year previously), and represent 3.2% of total loans. The 4.1% reduction year-on-year reflects the Group's highest non-performing exposure (Burgo) returning to performing status, taking corporate NPLs to just 1.2% of total loans, and the reduction in non-performing exposures in Consumer Banking (from €1,015.7m to €971.5m, equal to 6.86% of total loans). Net NPLs totalled €560.2m (compared with €874.2m one year previously), just 1.2% of total loans due to an increase in the coverage ratio (from 55.3% to 64.9%); while net bad debts continue to reflect very low levels (€72m, just over 0.15% of the total loan book). Non-performing loans do not include the NPLs acquired by MBCredit Solutions as part of its business, which during the last financial year increased from €358.6m to €383.7m following new investments totalling €78.2m (worth a nominal €700.8m).

With regard to loan concentration, as at 30 June 2021, aggregate exposures (including equity investments and those deriving from market risks) to a total of nine positions were in excess of 10% of the regulatory capital, for a gross exposure of €9.9bn, and represent approx. 12% of total assets. In more detail, the book value of these large exposures as at 30 June 2021 totalled €9,925,906m, while the weighted value was €8,519,056m.

As at 30 June 2021, moratoria outstanding – recording including those which expired at the end of the financial year but for which repayment resumed in the following months – involved loans in a total amount of approx. €721.4m (or 1.4% of the total loan book), representing approx. 30% of the total amount granted during the pandemic (€2.5bn). This amount includes moratoria granted under the Group's own private initiatives, in addition to those granted under initiatives introduced by law or category associations (i.e. regardless of whether or not they qualify officially as "EBA compliant"¹). Some 60% of the moratoria outstanding are concentrated in leasing, and involve a total gross amount of €426.6m, while approx. 30% refer to mortgage lending (€210.6m) and the other 10% to Consumer Banking (€78.6m).

¹ Compared to the original version of the EBA Guidelines of 2 April 2020, the changes made in the version issued on 2 December 2020 extended the period beyond which moratoria qualifying as "EBA compliant" could be originated until 31 March 2021, but also introduced exclusions in cases where clients ended up benefiting from a total of nine months or more of suspended payments. Of the combined €721.4m in moratoria still outstanding at 30 June 2021 only €84.8m qualify officially as EBA-compliant, while the others are excluded from the prudential definition; of these (€636.6m): 51% involve suspensions granted under legal initiatives introduced by Article 56 (42%) and Article 54 (9%) with durations of over nine months or granted since 31 March 2021; 33% involve suspensions granted under Article 54 and Article 56, with ABI/Assofin moratoria excluded due to the use of a different convention to define "expired" (the definition used by the Mediobanca Group is more conservative than the EBA convention, as the moratoria are considered to have expired only once the repayment schedule has been resumed); 16% refer to support programmes for customers launched as private initiatives by CheBancal, SelmaBipiemme and Compass which do not meet the requisites set by the legislative decree ("Heal Italy" decree, Articles 54 and 56) or the category association initiatives (ABI/Assofin).



RISK FACTORS

It should also be noted that as at end-June 2021, new loans granted via the public guarantee mechanisms totalled €236.7m, the majority of which involving the parent company Mediobanca S.p.A. (a total of seven deals with SACE backing granted under the terms of the "Liquidity" decree for a total exposure of €202.7m).

For a more detailed description of the EU initiatives on non-performing loans, please refer to section 4.1.4, "Issuer's residence and legal status, legislation under which it operates, country of incorporation, address and telephone number of registered office and website".

For further information on "Credit and counterparty risk" reference is made to Part E of the Notes to the Accounts of the Consolidated Financial Statements for the year ended 30 June 2021 – included in the Registration Document by reference.

For further information on the initiatives taken to address the impact of the Covid-19 pandemic, please refer to section 4, "Information on the Issuer".

A.3. RISKS RELATED TO THE 2019-23 STRATEGIC PLAN

As at the date of the Registration Document there is no certainty that the actions contained in the Strategic Plan will be implemented in full, or that the actions contained in the Strategic Plan will produce the expected benefits described therein. Deterioration in the medical situation resulting from the Covid-19 pandemic could have a further impact on the economic situation in Italy, and hence, indirectly, on the practical feasibility of the actions contained in the Strategic Plan. If the benefits expected from the implementation of the objectives contained in the Strategic Plan summarized below fail to materialize, the Issuer's estimated results could differ even significantly from those included in the Strategic Plan.

Based on the considerations described below, Mediobanca believes that the risks related to 2019–23 strategic plan are of medium-low relevance.

On 12 November 2019, the Issuer's Board of Directors approved its 2019-23 Strategic Plan (the "**Strategic Plan**") – and unveiled it to the financial community on the same date – based on progress in terms of growth in revenues, earnings and shareholder remuneration, to the satisfaction of all the Bank's stakeholders.

The Strategic Plan contains given objectives to be reached by end-June 2023 (the "**Plan Objectives**") based on growth in high-profitability banking activities, more specifically the growth and development of all the Group's divisions (Wealth Management, Consumer Banking and Corporate & Investment Banking). The Issuer's capability to implement the actions and to meet the Plan Objectives depends on a number of circumstances, some of which are beyond the Issuer's control, including, but not limited to, the macroeconomic scenario, which could be compromised by the consequences of the Covid-19 pandemic, changes in the regulatory framework, and the effects of specific actions or concerning future events which the Issuer is only partially able to influence.

On 30 June 2021, Mediobanca gave notice that the Plan Objectives and strategic guidelines were confirmed.



RISK FACTORS

Mediobanca resumed payment of dividends for FY 2020-21 following the removal of the ECB's ban on distribution. A dividend per share of €0.66 per share was approved, translating to a payout ratio of 70% of earnings in FY 2020-21. The Board of Directors has also confirmed the same dividend policy for FY 2021-22 and the same payout ratio, and in addition has approved a new buyback scheme involving up to 3% of the company's share capital still pending approval from the ECB.

For further information on the operating outlook and implementation of the Strategic Plan, reference is made to section 7.2, "Information on trends, uncertainties, requests, commitments or known facts which could reasonably be expected to have material repercussions on the Issuer's prospects for at least the current financial year", and to section 14, "Available documents" of this Registration Document.

A.4. MARKET RISK

The issuer is subject to market risk, defined as the risk of the loss of value of the financial instruments, including sovereign debt securities, held by the Issuer as a result of movements in market variables (including, but not limited, interest rates, stock market prices and/or exchange rates) or other factors that could trigger a deterioration in the capital solidity of the Issuer and/or the Group. The Issuer calculates the Value at Risk (VaR) on a daily basis. VaR is a measurement of the market risk associated with a financial asset, of the positions held in its trading book, assuming a disposal period of a single trading day and a confidence level of 99%. The other sensitivities measured (known as the "Greeks") are to risk factors such as interest rates, share prices, Exchange rates, credit spreads, inflation and volatility. Stress testing is also carried out versus the main risk factors is also carried out, in order to pick up the impact which significant movements in the main market variables might have; and ad hoc indicators are compiled, to capture risks not measured by VaR.

Based on the considerations described below, Mediobanca believes that market risk is of medium-low relevance.

Such fluctuations may be caused by political, economic and market considerations, the availability and cost of capital, the level and volatility of share and bond prices, the price of commodities, interest rates, credit spreads, the value of currencies and other market indicators, innovations and developments in the field of technology, the availability and cost of credit, inflation, and investors' perception of and confidence in financial markets.

The twelve months under review saw a reduction in volatility for all asset classes, following the highs recorded in spring 2020 following the outbreak of the Covid-19 pandemic. The aggregate value-at-risk on the trading book ranged from a low of €2.7m at end-September 2020 to a high of €6.4m at the start of the financial year, with the average reading almost unchanged versus last year (at approx. €4.2m). The point-in-time reading for VaR as at 30 June 2021 was €4.8m (30/6/20: €5.8m).

For further information, reference is made to Part E of the Notes to the Accounts of the Consolidated Financial Statements for the year ended 30 June 2021 – included in the Registration Document by reference.



A.5. OPERATIONAL RISK

The Issuer is exposed to many kinds of operational risk as part of its operations, including: (i) the risk of fraud on the part of staff or externals; and (ii) IT risk regarding unauthorized transactions or operational errors, including those due to flaws or malfunctions in the computer or telecommunications systems. The possible materialization of one or more such risks could impact negatively on the Issuer's activities, operating results, and earnings, capital and/or financial situation.

Based on the considerations described below, Mediobanca believes that operational risk is of low relevance.

Operating risk is the risk of incurring losses as a result of the inadequacy or malfunctioning of procedures, staff and IT systems, human error or external events.

Operational risk does not include compliance risk – identified by the issuer as a relevant risk and included in the section on "Other risks" on p. 330 of the consolidated financial statements as at 30 June 2021, including by reference – strategic risk or reputational risk. The operating losses recorded in the twelve months were very low and impacted only marginally on total income (around 1%). Although no significant losses have been generated, there has been an increase in certain instances (classes) of operational risk in particular, such as IT and cyber risk, outsourcing risk and conduct risk.

Mediobanca has adopted the Basic Indicator Approach ("**BIA**") in order to calculate the capital requirement for covering operating risk, applying a margin of 15% to the three-year average for the relevant indicator. Based on this method of calculation, the capital requirement as at 30 June 2021 was €329.8m (30/6/20: €323m).

Finally, it should be noted that unpredictable events or events otherwise beyond the control of the Issuer could occur, which could impact negatively on the Issuer's and the Group's operating results, activities and earnings, capital and/or financial situation, as well as on its reputation.

For further information reference is made to Part E of the Notes to the Accounts of the Consolidated Financial Statements for the year ended 30 June 2021 – included in the Registration Document by reference.

A.6. RISKS RELATED TO CLIMATE/ENVIRONMENTAL CHANGES

The Issuer and its Group are exposed to risks related to climate and environmental change, which includes two main risk factors, referred to as physical risk and transition risk. Physical risk can have an adverse effect on both the Group's assets (e.g. properties being damaged following severe weather events) and on those of its clients, with potential repercussions on, for example, assets used as collateral for loans granted. Transition risk can generate possible adverse repercussions on the performances of clients impacted by the transition to a low carbon emission-based and more sustainable economy.

Based on the following considerations, Mediobanca believes that the risk related to climate/environmental changes is of low relevance.



RISK FACTORS

In view of the increasing importance of environmental, social and governance (ESG) issues for its own stakeholders – starting from FY 2018-19 the Group launched a process for defining a risk assessment and reporting framework for ESG and climate change risks, followed by analysis of the reference scenario, in order to identify the risks that were potentially material for the Group, based on the approach proposed by the Task Force on Climate-related Financial Disclosures (TCFD). Against the backdrop of a strongly and quickly changing regulatory scenario and the adoption by the European Commission of an ambitious package of measures to encourage the flow of capital towards sustainable activities throughout the European Union, the Mediobanca Group has since launched a programme of ESG risk integration, disclosure and financial sustainability of products, plus alignment to the European taxonomy regulation. The “ESG Programme” provides for gradual adaptation of the Group’s operations to the new regulations in the ESG area, to continue in FY 2021-22 as well. Three main strands have identified for project activities: Proprietary, Clients and Markets, and Non-Financial Disclosure.

During the twelve months ended 30 June 2021, the Group has refined the process for identifying climate/environmental risk factors and their respective components.

The Mediobanca Group, in accordance with the climate change objectives included in its Strategic Plan, has defined a new ESG Policy, which includes detailed sector guidelines introducing restrictions on operators which impact adversely on climate.

With a view to creating value over the long term in order to finance sustainable growth without having to forego profit, the Mediobanca Group recognizes the importance of a balanced distribution of the value created from the activities it carries out versus its own stakeholders, value which the stakeholders themselves have directly or indirectly contributed towards creating; for this reason it has decided to publish the economic value it has generated and distributed, calculated in accordance with the Italian Banking Association’s instructions by restating the various items of the consolidated profit and loss account (cf. section 7.1, Economic value generated and distributed, of the Consolidated Non-Financial Statement, or CNFS).

For further information, reference is made to pp. 331-32 of the consolidated financial statements as at 30 June 2021 incorporated by reference into this document, to the Consolidated Non-Financial Statement for FY 2020-21 available at https://www.mediobanca.com/static/upload_new/non/non_financial_statement_2020-21.pdf, and to the Group ESG Policy, available at https://www.mediobanca.com/static/upload_new/pol/politica-esg_eng.pdf.



B. RISKS RELATED TO THE FINANCIAL SITUATION OF THE ISSUER AND OF THE MEDIOBANCA GROUP

B.1. ISSUER LIQUIDITY RISK

The occurrence of particular events such as those described below and/or changes in the EU regulations in this area which would require the Bank's liquidity situation to be aligned with new prudential requisites could have material adverse effects on the Issuer's activities and its earnings, financial and capital situation.

The Group's participation in the targeted longer-term refinancing operations ("T-LTRO" with the European Central Bank (the "ECB") as at 30 June 2021 amounted to approx. €7.4bn.

Based on the considerations described below, Mediobanca believes that liquidity risk is of medium/low relevance.

Liquidity risk is defined as the risk of the Bank not being able to meet its own payment obligations as and when they fall due, as a result of an inability to raise the necessary funds on the market (funding liquidity risk), or to difficulties in selling its own assets to meet them except by making a loss on them (market liquidity risk).

The Issuer's liquidity may be affected by: (i) volatility on domestic and International markets that has occurred in the recent past; (ii) adverse changes in the general economic scenario; (iii) market situations, such as it being temporarily impossible to access the market by issuing shares; and (iv) changes in the Bank's credit rating, i.e. its degree of earnings/financial reliability, which affects market liquidity risk as described above. All these circumstances could arise as a result of causes independent of the Issuer, such as market turbulence, impacting negatively on its risk profile.

The Liquidity Coverage Ratio – "**LCR**" – as at 30 June 2021 was 158%, i.e. well above the minimum requirement of 100% set by the regulators as of 1 January 2018. The Net Stable Funding Ratio – "**NSFR**" – as at 30 June 2021 stood at 116%, i.e. higher than the minimum requirement of 100% introduced starting from 2021.

The LCR and NSFR are liquidity indicators. The LCR serves to maintain a liquidity buffer that will enable the Bank to survive for a period of thirty days in the event of exceptionally stressful circumstances, while the NSFR records structural liquidity, ensuring that assets and liabilities retain a sustainable structure in terms of maturities. The Issuer also reports additional liquidity monitoring metrics ("**ALMM**"), which the Mediobanca Group has compiled since April 2016.

With reference to the Group's participation in TLTROs (i.e. operations whereby credit institutions in the Eurozone can receive finance for up to four years on advantageous terms, in order to improve credit market conditions and stimulate the real economy) with the ECB as at 30 September 2021, the Mediobanca Group's total exposure amounted to €8.4bn.

For further information reference is made to Part E of the Notes to the Accounts of the Consolidated Financial Statements for the year ended 30 June 2021 – included in the Registration Document by reference.



B.2. SOVEREIGN EXPOSURE RISK

The Mediobanca Group as at 30 June 2020 held an aggregate exposure to sovereign states amounting to €3.87bn. At the same date, the aggregate exposure to Italian government securities totalled €3.50bn, accounting for 20.3% of the Bank's total financial assets and for 4% of its total assets (unchanged versus end-June 2020). The average duration of these instruments is approx. 3 years.

Tensions on the sovereign debt market and the volatility of the instruments themselves, plus the reductions in the Italian Republic's credit rating, or estimates that such a reduction might be made, could impact negatively on the Issuer's activities, earnings, capital and/or financial situation, operating results and prospects.

Based on the considerations described below, Mediobanca believes that sovereign exposure risk is of low relevance.

Mediobanca is exposed to movements in government securities, in particular to Italian sovereign debt securities.

The aggregate exposure to sovereign states held by Mediobanca as at 30 June 2021 referred to above (€3.87bn) refers to the instruments' book value, of which €2.09bn is recognized at fair value and €1.78bn at amortized cost, with €0.2bn in securities held by other banks in the Mediobanca Group. As at 30 June 2020, the same exposure reflected a book value of €3.28bn (€1.14bn recognized at fair value and €2.13bn at amortized cost).

As at 30 June 2021 the net reserve for sovereign debt securities amounted to €27m, virtually all of which was attributable to Italy (30/6/20: €1.5m, this too attributable to Italy).

As at 30 June 2021, the aggregate figures were €0.6bn higher than at year-end 2020. By country, sovereign exposure risk is concentrated primarily on Italy (€3.5bn). As at 30 June 2021, the aggregate exposure to debt securities represented approx. 22.5% of total financial assets and 5% of total assets. As at 30 June 2020, the aggregate exposure to sovereign debt instruments accounted for 24.8% of total financial assets and 4% of total assets.

Tensions in sovereign debt securities, with reference in particular to any deterioration in the spread on Italian government securities relative to those of other European member states, and any combined actions by the leading rating agencies that would result in the rating for Italian sovereign debt being downgraded to below investment grade level, may impact negatively on the Bank's portfolio, its capital ratios and liquidity position.

For further information, reference is made to Part E of the Notes to the Accounts of the Consolidated Financial Statements for the year ended 30 June 2021 – included in the Registration Document by reference.



B.3. RISK RELATED TO COURT AND ARBITRATION PROCEEDINGS

As at 30 June 2021, the main legal proceedings pending that involve Mediobanca include two claims for damages plus a total of twenty tax disputes. As a result, there remains a residual reputational risk.

Based on the considerations described below, Mediobanca believes that the risk related to court and arbitration proceedings is of low relevance.

The risk deriving from court and arbitration proceedings for Mediobanca consists of a reputational risk, i.e. the damages that Mediobanca could incur if one or more of the rulings in the court and arbitration proceedings in which the Issuer is involved generates a negative perception of Mediobanca and/or the Group on the part of clients, counterparties, shareholders, investors or the supervisory authorities.

As at the date hereof, Mediobanca and its Group companies are not, or have not been, involved in proceedings initiated by the public authorities, legal disputes or arbitrations which could have or which have, in the recent past, had significant consequences for the Issuer's or the Group's financial position or profitability.

It is believed that the provision for risks and charges (which as at 30 June 2021 amounted to €144.2m), is sufficient to cover any charges relating to the cases that have been brought against Mediobanca and the other Group companies, and to cover other contingent liabilities (as at 30 June 2021 the provision included €113m for litigation and other contingent liabilities).

For further information, please refer to section 11.4 "Court and arbitration proceedings" of this Registration Document.

2.1 C. RISKS RELATED TO LEGAL AND REGULATORY SCENARIO

C.1. RISKS RELATED TO CHANGES IN BANKING SECTOR REGULATION

The Issuer is subject to extensive and stringent EU and Italian regulation, which concerns and comprises supervisory activity by the competent authorities (i.e. the ECB, Bank of Italy and Consob). Such regulations, and this also applies to the supervisory activity, are subject to ongoing revisions and changes in practice. The applicable regulations govern the sectors in which banks may operate, in order to safeguard their stability and solidity, limiting the exposure to risk. In particular, the Issuer and the banking companies which form part of the Issuer's group are bound to comply with the capital adequacy requirements instituted by the EU regulations and by Italian law. Furthermore, as a listed issuer, Mediobanca is also required to comply with the regulations issued by Consob in this area on subjects such as, inter alia, anti-money-laundering, usury and protection of consumer rights.

Any changes to the regulations and/or the means by which they are interpreted and/or applied by the competent authorities, could result in additional charges and obligations to be fulfilled by the Issuer, which could impact negatively on the Issuer's operating results and its earnings, capital and financial situation.

Based on the considerations described below, Mediobanca believes that the risk related to changes in banking sector regulation is of low relevance.



Basel III

As from 1 January 2014, part of the supervisory regulations have been amended based on the guidelines emerging from the Basel III agreements, with a view chiefly to strengthening the minimum capital requirements, controlling the degree of financial leverage, and introducing policies and quantitative rules to mitigate liquidity risk among banking institutions.

As far as regards the capital requirements, the Basel III agreements require banks starting from 2019 to have: (i) a Common Equity Tier 1 ratio ("**CET1**") of at least 7% of their risk-weighted assets; (ii) a Tier 1 Capital ratio of at least 8.5%; and (iii) a Total Capital ratio equal to at least 10.5% of the same risk-weighted assets (these minimum requisites include the capital conservation buffer).

As is well known, Mediobanca is subject to the ECB's supervision; as part of the SSM and following the Supervisory Review and Evaluation Process ("**SREP**"), the ECB once a year issues its final decision on the minimum capital ratio that Mediobanca is required to maintain at consolidated level (the "SREP Decision").

For the years 2020 and 2021, the Issuer received the SREP Decision on 25 November 2019 and 17 November 2020 respectively, with minimum requirements for the following indicators:

• Minimum requirement (CRR Article 92)	8.00%
— of which CET1	4.50%
— of which T1	6.00%
— of which Total capital	8.00%
• P2R (SREP Decision)	1.25%
— of which CET1 (75%)	0.94%
— of which T1 (75%)	0.94%
— of which Total capital	1.25%
• Capital conservation buffer (CRD IV)	2.50%
• Minimum total CET1 requisite	7.94%
• Minimum total Tier 1 requisite	9.44%
• Minimum total capital requisite	11.75%

As for the issuer's ratios, it should be noted that on 30 June 2020 the CET 1 ratio was 16.13%, the T1 ratio 16.13%, and the total capital ratio 18.82%, while at 30 June 2021 the same ratios were 16.31%, 16.31% and 18.91% respectively.



RISK FACTORS

For 2022, no definitive communication has yet been received. The activities performed in 2021 in connection with the Supervisory Review and Evaluation Process should in any case entail a small increase in the capital requirement for Mediobanca imposed by the ECB, in view of the future uncertainties and the fact that the requirement has remained unchanged for the past two years now.

The regulations in force also provide for the liquidity ratios that Mediobanca is required to measure and comply with, in respect of which reference is made to the "Issuer liquidity risk" risk factor of this Registration Document.

Furthermore, under the Basel III agreements banks are required to monitor their leverage ratios, i.e. the ratio between their tier 1 capital and overall exposure, pursuant to Article 429 of EU regulation 575/13 (the "CRR"). The objective of this ratio is to limit the amount of debt on banks' balance sheet. Until 30 June 2021, the ratio is subject to a minimum regulatory limit of 3%. In a notice issued on 18 June 2021, the ECB confirmed that for the Eurosystem banks it supervises, the exceptional macroeconomic circumstances due to the coronavirus pandemic continue, hence the banks themselves may continue to exclude certain central bank exposures from calculation of the leverage ratio to ensure harmonized application of monetary policy in all Member States. Accordingly, the Bank of Italy has established and declared that such exclusion applies until 31 March 2022. From 30 June 2021 and with CRR II coming into force, the leverage ratio has become a requirement with the minimum level set at 3%.

The Mediobanca Group's leverage ratio, calculated without excluding exposures to central banks, declined from 9.7% as at 30 June 2020 to 9.1% as at 30 June 2021 as an effect of the increased in guaranteed exposures, in secured financing transactions in particular.

As at 30 June 2021, Risk-Weighted Assets ("RWA"s)² totalled €47,159.3m, lower than the €48,030.5m reported last year as a result of the new concentration limit which drove an increase in the share deducted from the Assicurazioni Generali investment leading to lower RWAs (down €1.2bn) (for further details please refer to section 4.1.4 and the sub-section entitled "CRR II, CRD V and CRR Quick-Fix").

As at 30 June 2021, the Common Equity Tier 1 (CET1) and Tier 2 totalled €7,689.4m and €1,229.8m; the CET1 ratio stood at 16.31% (versus 16.13% at 30 June 2020). The ratio fully loaded without applying the Danish Compromise, i.e. with the Assicurazioni Generali deducted in full, and the IFRS 9 also fully applied, would be 15.08% (14.5%), while the Total Capital ratio would increase from 18.82% to 18.91% (17.94% fully loaded).

Any deterioration in the above prudential requisites could impact, even significantly, on the integrity and operating performance of the Issuer.

² Risk Weighted Assets (RWAs) are calculated using the standard and IRB methods for credit risk; the standard method for market risk, and the basic method for operational risks.



Other material EU regulations

Other material regulations that could entail a risk related to changes in the regulatory scenario are as follows:

(i) Directive 2014/49/EU (the Deposit Guarantee Schemes Directive) of 16 April 2014 and Regulation (EU) no. 806/2014 of the European Parliament and of the Council of 15 July 2014 (the Single Resolution Mechanism Regulation, or the "**SRMR**"): these regulations could have a material impact on the Bank's and the Group's earnings and capital position, as they introduce the obligation for specific funds to be established using financial resources to be provided through contributions payable by credit institutions;

(ii) Directive 2014/59/EU issued by the European Parliament and Council (the "Bank Recovery and Resolution Directive", or "**BRRD**" for short, recently revised by Directive 879/2019/EU, "**BRRD II**"), on the recovery and resolution of banks and investment companies. The BRRD also introduced the minimum requirement for own funds and eligible liabilities ("MREL"), i.e. own funds and liabilities that can be converted to equity via the bail-in mechanism so that if the resolution instrument is applied, the bank concerned will have sufficient liabilities to absorb the losses and ensure that the capital requirements for a bank to be authorized to perform its business are met. At the start of 2021, the Bank of Italy, based on a proposal by the Single Resolution Board ("**SRB**"), updated the Group's MREL requirement to 21.85% of its RWAs and to 5.91% of its exposures for leverage ratio purposes ("**LRE**");

(iii) Regulation 2019/876/EU of the European Parliament and of the Council, amending Regulation 575/2013/EU ("**CRR II**"), Directive (EU) 2019/878 of the European Parliament and of the Council, amending Directive 2013/36/EU ("**CRD V**"), and Regulation (EU) 2020/873 (the "**CRR Quick-Fix**") of the European Parliament and of the Council of 19 June 2020, regarding the leverage ratio, the net stable funding ratio, the MREL requisites, counterparty risk, market risk, exposures to central counterparties, exposures to UCITS, large exposures, reporting requirements and disclosures required of credit institutions.

For a detailed description of the European and Italian initiatives to regulate the banking sector, please refer to section 4.1.4 "Issuer's residence and legal status, legislation under which it operates, country of incorporation, address and telephone number of registered office and website".

C.2. RISKS RELATED TO CHANGES IN THE REGULATIONS ON NON-PERFORMING LOANS

Mediobanca, in its capacity as Issuer, is bound to comply and align itself with changes in the regulation on non-performing exposures (NPEs), at both national and supranational levels. Despite undertaking to meet the deadlines for alignment and comply with the new obligations introduced, the ongoing changes in the regulations and/or ways in which they are interpreted and/or applied by the competent authorities, could give rise to new charges and obligations on the part of the Issuer, with a potentially negative impact on the Issuer's operating results and its earnings, capital and financial situation. In particular fresh regulatory capital may be absorbed, resulting in changes to the capital ratios.



RISK FACTORS

Based on the considerations described below, Mediobanca believes that the risk related to changes in the regulations on non-performing loans is of low relevance.

The general efforts to keep stocks of NPEs on European banks' balance sheets down include a series of regulatory measures in which the common denominator is the objective of ensuring that NPEs are prudently managed, at the same time preventing the excessive accumulation of non-performing loans of long standing and with scarce collateral on banks' balance sheets. In particular, these are initiatives intended to define the prudential regulations in more detail, and to govern their implementation in practice, including clearer definition of the scenarios in which the regulations will be applied.

For a review of the most significant sector regulations in this area and a more detailed discussion of the EU and Italian initiatives on the subject of non-performing exposures, reference is made to section 4.1.4 "Issuer's residence and legal status, legislation under which it operates, country of incorporation, address and telephone number of registered office and website".



PART II

1. PERSONS RESPONSIBLE, INFORMATION FROM THIRD PARTIES, REPORTS BY EXPERTS AND APPROVAL BY COMPETENT AUTHORITIES

1.1 PERSONS RESPONSIBLE

Mediobanca – Banca di Credito Finanziario S.p.A. ("**Mediobanca**", the "**Issuer**" or the "**Company**"), with its registered office in Piazzetta Enrico Cuccia 1, Milan, in the persons of its representatives-at-law Emanuele Flappini (Head of Company Financial Reporting) and Stefano Vincenzi (General Counsel), is responsible for the information provided in this Registration Document (the "**Persons Responsible**").

1.2 DECLARATION OF RESPONSIBILITY

The Persons Responsible hereby state that so far as they are aware, the information contained in the Registration Document conforms to the facts and does not present any omissions such as would affect its meaning.

1.3 REPORTS AND OPINIONS BY EXPERTS

No reports or opinions by experts have been issued for purposes of the Registration Document.

1.4 INFORMATION FROM THIRD PARTIES

The Registration Document does not contain information from third parties apart from that referred to in section 4.1.6. below.

The Issuer confirms that this information has been faithfully reproduced and that insofar as the Issuer is aware and is able to ascertain based on the information published by Standard & Poor's, Moody's and Fitch Ratings, no facts have been omitted that could render the information inaccurate or misleading.

1.5 DECLARATION BY THE ISSUER

The Issuer hereby declares that:

- a) The Registration Document has been approved by Consob as the competent authority under the Prospectus Regulation;
- b) Consob approves the Registration Document only insofar as the latter meets the requirements in terms of being exhaustive, comprehensible and coherent as required by the Prospectus Regulation;
- c) Such approval should not be construed as support for the Issuer forming the subject of the Registration Document.



2. AUDITORS OF THE FINANCIAL STATEMENTS

2.1 NAME AND ADDRESS OF THE ISSUER'S AUDITORS

At the annual general meeting held on 27 October 2012, PricewaterhouseCoopers S.p.A. was appointed to audit the statutory and consolidated full-year and interim financial statements, to perform other activities provided for under Article 155 of Italian Legislative Decree 58/98, and to sign off the "Unico" and "770" tax declarations for the years until the financial year ending 30 June 2021.

PricewaterhouseCoopers S.p.A. with registered offices in Piazza Tre Torri 2, Milan, Italy – registered as an auditor in the register instituted by the Italian Ministry of Economics and Finance pursuant to Article 1, para. 1, letter g) of Italian Legislative Decree no. 39/10 and Article 1 of Italian Ministerial Decree no. 144 issued on 20 June 2012 – audited the statutory and consolidated financial statements of Mediobanca as at 30 June 2021, and also the statutory and consolidated financial statements of Mediobanca as at 30 June 2020.

For further information on the opinions expressed by PricewaterhouseCoopers S.p.A., reference is made to section 11.3 of the Registration Document.

At the annual general meeting held on 28 October 2020, the shareholders of Mediobanca, at the Statutory Audit Committee's proposal, engaged audit firm Ernst & Young, with registered office in Via Lombardia 31 Rome, registered as an auditor in the register instituted by the Italian Ministry of Economics and Finance pursuant to Article 1, para. 1, letter g) of Italian Legislative Decree no. 39/10 and Article 1 of Italian Ministerial Decree no. 70945 of 20 June 2012, to audit the statutory and consolidated financial statements of Mediobanca for the financial year ending 30 June 2022 to the financial year ending 30 June 2030.

2.2 INFORMATION ON RELATIONS WITH THE AUDIT FIRM

In the twelve months ended 30 June 2021, no instances of withdrawal or termination by mutual consent of the audit engagement granted to PricewaterhouseCoopers S.p.A. occurred, nor did the audit firm tender its resignation under the terms of the engagement.



MEDIOBANCA

3. RISK FACTORS

For a description of the risk factors involving the Issuer and the Group, please refer to Part I – Risk Factors of this Registration Document.



4. INFORMATION ON THE ISSUER

In terms of revenues, the Mediobanca Group has returned to pre-Covid levels despite the ongoing pandemic, on the back of its diversified business model, enhanced growth initiatives and asset quality governance.

4.1 HISTORY AND DEVELOPMENT OF THE ISSUER

4.1.1 ISSUER LEGAL AND COMMERCIAL NAME

The issuer is named “Mediobanca – Banca di Credito Finanziario S.p.A.” and is incorporated as a limited company.

4.1.2 ISSUER NAME AND PLACE OF REGISTRATION AND LEGAL ENTITY IDENTIFIER (LEI CODE)

Mediobanca is registered in the Milan Companies' Register under registration no. 00714490158.

The Issuer's legal entity identification (LEI) code is: PSQL19R2RXX5U3QWHI44.

4.1.3 ISSUER'S DATE OF INCORPORATION AND DURATION

Mediobanca was set up on 10 April 1946 by virtue of a notarial deed drawn up by Notary public Arturo Lovato, file no. 3041/52378.

The duration of the Issuer is until 30 June 2050.

4.1.4 ISSUER'S RESIDENCE AND LEGAL STATUS, LEGISLATION UNDER WHICH IT OPERATES, COUNTRY OF INCORPORATION, ADDRESS AND TELEPHONE NUMBER OF REGISTERED OFFICE AND WEBSITE

Mediobanca is a company limited by shares under Italian law. The Issuer's registered office and administrative headquarters is in Piazzetta Cuccia Enrico Cuccia 1, 20121 Milan, Italy, tel. no.: (0039) 02-8829.1.

The Issuer's website is www.mediobanca.com. The information published on the website is not part of the Registration Document, unless it has been included in the Registration Document by reference.

Mediobanca operates under Italian law and is subject to the supervision of the ECB/Bank of Italy as part of the Single Supervisory Mechanism (SSM) and of Consob.

As the issuer of financial instruments held by the public and/or listed, the Issuer is bound to comply with the regulations issued by Consob, in addition to the primary and secondary supranational and national regulations in force in the area of banking and finance, as well as to the specific rules on, among other things, anti-money-laundering, usury and customer (consumer) protection.

Details are provided below on the set of EU regulations to which the Issuer's activity is subject.



BRRD and SRMR

In the regulatory framework applicable to the Issuer, attention should be drawn in particular to Directive 2014/59/EU of the European Parliament and Council, enacted at national level through Italian Legislative Decree nos. 180 and 181 issued on 16 November 2015 (the Bank Recovery and Resolution Directive or "**BRRD**", or the "**Directive**") and to Regulation (EU) 806/2014 of the European Parliament and Council of 15 July 2014 (the Single Resolution Mechanism Regulation, or "**SRMR**"), which establish the framework for the recovery and resolution of crises at credit institutions and investment firms, granting powers to the national authorities responsible for banking crisis resolution (the "**Authorities**") to apply resolution instruments to banks failing or likely to fail, as an alternative to being forced into administration, as part of the attempt to define a Single Resolution Mechanism and a Single Resolution Fund (the "**SRM**").

The BRRD marks the transition from a crisis resolution system which is based on public resources (a bail-out system) to one in which losses are transferred to shareholders, to holders of subordinated debt securities, to holders of non-subordinated and unguaranteed debt securities, and finally to depositors for the share in excess of the guaranteed share, i.e. in excess of €100,000.00 ("bail-in").

In the event of the bail-in tool being applied, the Authorities must take a given ranking into account.

Furthermore, where they have grounds to do so, the authorities may request use of the Single Resolution Fund provided for in the SRMR, to be financed with grants paid in by banks at the national level.

With reference to the Minimum Requirement for own funds and Eligible Liabilities (MREL) set by the Bank of Italy for the Mediobanca Group, reference is made to the risk factor "Risks related to changes in banking sector regulation" in this Registration Document.

The MREL regulation were revised as part of the Banking Reform – Risk Reduction Measures Package, which came into force in June 2019 and comprises, among other things, the reform of the BRRD (Directive 879/2019/EU, "**BRRD II**") and the SRMR (Regulation 2019/877/EU, "**SRMR II**").

Mediobanca contributes to the Single Resolution Fund and the Deposit Guarantee Scheme ("**DGS**"), having made payments totalling €73.5m, as follows:

- €42.4m by way of ordinary contribution to the Single Resolution Fund;
- €17.9m to the DGS;
- €13.1m in extraordinary contributions.

CRR II, CRD V and CRR Quick-Fix

On 7 June 2019, the regulations that go to make up the Risk Reduction Measures Package for the banking sector were published in the *Official Journal* of the European Union. The package includes the reforms of the BRRD and the SRMR, plus Regulation (EU) 2019/876 of the European Parliament and of the Council ("**CRR II**"), amending Regulation (EU) 575/2013/UE (the "**CRR**") as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements, and Directive (EU) 2019/878 of the European Parliament and of the Council, amending Directive 2013/36/EU ("**CRD V**") as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures.



Some changes introduced by CRR II and CRD V were brought forward to 30 June 2020 – in response to the economic crisis triggered by the Covid-19 pandemic – with the approval of the CRR Quick-Fix (i.e. Regulation (EU) No. 873/2020).

The regulatory changes introduced by CRR II were applied in the course of FY 2020-21; some of those which impacted most on the Mediobanca Group are summarized as follows:

- Intangible assets in the form of software³ weighted at 100% if the amortization period does not exceed three years, rather than being deducted from CET1 as was previously the case;
- Introduction of a stricter concentration limit, in that the 25% limit is now calculated relative to CET1 rather than eligible capital, which for the Mediobanca Group was equivalent to total capital;
- Transition to stricter prudential treatment of exposures in Collective Investment Undertakings (CIUs, consisting of funds and SICAVs) based on the effective risks of the underlying investments (the so-called “look-through” approach), in accordance with the provisions of Articles 132ff of CRR II;
- Introduction of new rules for the calculation of the Exposure at Default (EAD) used to measure counterparty risk and to calculate the Credit Value Adjustment (CVA) for derivative financial instruments.

The transition period for Brexit whereby the countries that form part of the United Kingdom were treated as equivalent to EU Member States ended on 31 December 2020, including with reference to the prudential treatment of exposures to financial counterparties. Accordingly, the efficiency measures which Mediobanca completed in FY 2020-21 regard the calculation of the capital requirement for market risk and counterparty risk, in particular as follows:

- With reference to market risk, until last year Mediobanca calculated its own fund requirements for market risk in accordance with Articles 325ff of the CRR, using the so-called “standardized method for market risk”. In line with the changes in regulatory initiatives for market risk at global level (i.e. Basel III and FRTB, CRR II) – which provide for a new standardized approach (“Sensitivity- Based Approach” – “**SBA**”) – a project was launched in 2019 (the “RMK duration” project), in order to replace the standardized methodology for interest rate risk calculation and apply – in line with the provisions of the CRR – the “Duration-Based Approach” (DBA) referred to in Article 340 of the CRR. This methodology – which replaces the previous “Maturity-Based Approach (Article 339 of the CRR) – allows entities to use the concept of “duration” in order to capture the market risk generated for the trading book by interest rate fluctuations more effectively, and to allocate capital to the business units more correctly and efficiently as a result. Mediobanca has adopted this approach starting from December 2020, with a savings in terms of RWAs of approx. €500m compared to the previous methodology;
- To compensate for the burden introduced by the new methodology for calculating counterparty risk and the Credit Value Adjustment (“**CVA**”), the exemption from calculation of the CVA requirement for exposures to corporate counterparties provided by Article 382 of the CRR has been applied.

³ Prudential treatment in accordance with the provisions of Commission Delegated Regulation (EU) 2020/2176, published in the Official Journal of the European Union on 22 December 2020, which comes into force from the reporting for reference date 31 December 2020 (the new treatment had already been introduced in 2019 with the approval of CRR II, and was later also included in the “quick-fix” package).



With regard to the SREP Decision, reference is made to factor "Risks related to changes in banking sector regulation" in this Registration Document.

EU initiatives in provisioning for non-performing exposures

In the area of NPEs, a list of the most significant regulatory initiatives is provided below:

- 1) PILLAR I – Regulation (EU) 2019/630 was published in the *Official Journal* of the European Union on 25 April 2019. The Regulation, amending the CRR, regards minimum loss coverage for non-performing exposures. The new Regulation, which establishes the Pillar I prudential regulatory treatment for NPEs arising from loans as from 26 April 2019, requires that NPEs not sufficiently covered by provisions or other adjustments must be deducted from own funds.
- 2) PILLAR II – Prudential treatment of NPEs under the CRR (Pillar I) described under the previous point is complemented by the ECB's Pillar II approach, which in turn sets out the expectations in terms of minimum coverage for non-performing exposures. The ECB's Pillar II expectations are not binding in nature and are based on a three-tier approach: 1) they represent the starting point for dialogue between banks and their supervisors; 2) they depend on a case-by-case assessment following indepth discussions carried out in the course of the banks-supervisors dialogue (which includes analysis of the individual bank's specific circumstances); and 3) a Pillar II supervisory measure can be applied as part of the SREP. The Pillar II regulations include the ECB Guidelines published in March 2017, plus an Addendum published in March 2018 as partially amended by the ECB Communication of 22 August 2019.
- 3) The EBA Guidelines of 31 October 2018 on management of non-performing and forborne exposures aim to ensure that credit institutions have adequate prudential tools and frameworks in place to manage their non-performing exposures effectively. To this end, the Guidelines introduce a gross NPL ratio of 5%, over which specific strategies to reduce NPLs must be developed and governance and operational requirements applied to support them. For full disclosure purposes, it should be noted that as at the date of the Registration Document, the Issuer's gross NPL ratio is below the 5% threshold.
- 4) The EBA Opinion published on 23 October 2019 on the regulatory treatment of non-performing exposure securitizations, a document which recommends various amendments to the CRR and the Securitization Regulation (Regulation (EU) 2017/2401) based on the distinctive features of NPEs, removing certain identified restraints to the use of this type of asset in securitizations.



Principal measures adopted to address the impact of the Covid-19 virus on banks:

In relation to the government and regulatory measures adopted in response to the Covid-19 pandemic, reference is made to section 6 of Part E of the Notes to the Accounts of the consolidated financial statements as at 30 June 2021 – included by reference in this Registration Document.

For the measures and statements by the regulatory authorities on the most suitable methods by which to apply the financial reporting standards in 2021, reference is made to section A.1 –General Part, of the Notes to the Accounts of the consolidated financial statements as at 30 June 2021 – included by reference in this Registration Document.

4.1.5 RECENT EVENTS OF RELEVANCE TO THE ISSUER'S SOLVENCY

In the Issuer's existence, there has been no recent event that is material with reference to the assessment of its solvency.

4.1.6 RATINGS ATTRIBUTED TO THE ISSUER AT THE ISSUER'S REQUEST. BRIEF EXPLANATION OF MEANING OF RATING IF PUBLISHED PREVIOUSLY BY THE RATING AGENCY

As at the date of the Registration Document the Issuer had been assigned the following ratings:

Rating agency	Rating type	Short-term debt	Long-term debt	Outlook	Most recent rating action
S&P's	Issuer Credit Rating ("ICR")	A-2	BBB	Positive	23 November 2021
Fitch Ratings	Issuer Default Rating ("IDR")	F3	BBB-	Stable	4 February 2021
Moody's	Issuer Default Rating ("IDR")	P-2	Baa1	Stable	12 May 2021

On 23 November 2021, S&P Global Ratings upgraded the outlook assigned to Mediobanca from Stable to Positive, confirming the ratings assigned to the Issuer as "BBB" for the long term – aligned to the rating for Italian sovereign debt – and "A-2" for the short term. S&P believes that improving economic conditions in Italy could potentially enhance Mediobanca's projected profitability and capitalization. The positive outlook also mirrors that on Italy.

On 4 April 2021, Fitch Ratings affirmed the ratings assigned to the Issuer, in particular the Long-Term Issuer Default Rating of "BBB-" and the Short-Term Deposit Rating of "F3", also confirming the Stable outlook. The decision reflects the Bank's solid capitalization and diversified business model being able to absorb the pressures on asset quality and profitability stemming from the economic fallout from the coronavirus pandemic. Fitch believes that the Issuer remains exposed to downside risks arising from persisting uncertainty over the economic environment in Italy, should it prove worse than their expectation.

On 12 May 2021, Moody's upgraded the outlook of Mediobanca from Negative to Stable, affirming the ratings issued to the Issuer as "Baa1" for the long term and "P-2" for the short term. The rating action reflects Mediobanca's high capitalization, earnings and diversification.

Throughout the period in which the Registration Document is valid, Mediobanca will publish up-to-date information on its ratings on the website in the relevant section (<https://www.mediobanca.com/en/investor-relations/financing-rating/rating.html>) without prejudice to the obligations under Article 23 of the Prospectus Regulation regarding the need to draw up a supplement if any.



Rating agency Fitch Ratings, Moody's and S&P Global Ratings are based in the European Union and are registered under Regulation (EC) No. 1060/2009 on credit rating agencies.

The respective rating agencies' rating scales are summarized below.

STANDARD & POOR'S RATING SCALE:

Long-term Obligations with an original maturity of more than one year	Short-term Obligations with an original maturity of less than one year
Investment grade (AAA to BBB)	Investment grade (A-1 to A-3)
AAA	A-1
AA	A-2
A	Capacity to make payment at maturity satisfactory. However, the degree of certainty is less high than for securities rated as "A-1".
BBB	A-3
Capacity to meet commitments in terms of payment of interest and principal amount still sufficient. However, adverse economic conditions or changing circumstances are more likely to weaken the obligor's capacity to meet its financial commitments on the obligation.	
Speculative grade (BB to D)	Speculative grade (B to D)
BB	B
B	B -1
CCC	B -2
CC	B -3
C	C
D	D



FITCH RATINGS' RATING SCALE:

Long-term Debt securities with duration of over one year Investment grade (AAA to BBB)	Short-term Debt securities with duration of less than one year Investment grade (F1+ to F2)
AAA	F1+
AA+	F1
AA/AA-	F2
A+/A/A-	
BBB+/BBB/BBB-	
<p>Adequate capacity to meet financial obligations, although adverse economic conditions or changes in circumstances may lead to a reduced capacity to meet financial obligations.</p>	

Long-term Debt securities with duration of over one year Speculative grade (BB+ to NR)	Long-term Debt securities with duration of over one year Speculative grade (F3 to D)
BB+/BB/BB-	F3
B+/B/B-	<p>Fair quality, adequate intrinsic capacity for timely payment of financial commitments, although unforeseen circumstances could affect the borrower's repayment capabilities.</p>
CCC+/CCC/CCC-	
CC	B
C	C
D	D
NR (not rated)	



4.1.7. INFORMATION ON MATERIAL CHANGES TO THE STRUCTURE OF THE ISSUER'S LENDING AND BORROWING IN THE LAST FINANCIAL YEAR

Since the end of the last financial year to the present date, no material changes have occurred to the structure of the Issuer's lending and/or borrowing.

4.1.8. DESCRIPTION OF THE FINANCING REQUIRED BY THE ISSUER'S ACTIVITIES

The Mediobanca Group's funding is provided by via:

- (i) Deposits gathered by the Group's Wealth Management companies (CheBanca!, Mediobanca Private Banking and CMB Monaco) total €25.2bn, approx. 45% of the Group's total funding;*
- (ii) Interbank loans taken out directly or via the Group companies (both short-term and medium-/long-term maturities), and via debt security issues, secured and unsecured, over maturities of less than one year (chiefly via the issuance of commercial paper) or longer (ABS, covered bonds and unsecured senior and subordinated bonds) (€22.4bn*);
- (iii) Finance obtained through the European Central Bank (€7.4bn*), approx. 13.2% of the Group's total funding;
- (iv) Other forms of collateralized funding (€1.1bn*).

Consistent with the practice adopted in the previous financial year, funding via the issue of debt instruments, along with the other forms of funding, enables growth in assets to be financed in Treasury management, Corporate & Investment Banking and Private Banking, plus the activities of CheBanca! (residential mortgages), Compass (consumer credit), MBFACTA (factoring), MBCredit Solutions (acquisition of NPL portfolios), SelmaBipiemme (leasing).

* Figures as at 30 June 2021.



5. OVERVIEW OF ACTIVITIES

5.1 PRINCIPAL ACTIVITIES

5.1.1 MEDIOBANCA GROUP PRINCIPAL ACTIVITIES

PRINCIPAL CATEGORIES OF PRODUCTS SOLD AND/OR SERVICES PROVIDED

As provided in Article 3 of the company's Articles of Association, the purpose of the company is to raise funds and provide credit in any of the forms permitted, especially medium- and long-term credit to corporates.

In complying with the regulatory provisions in force, the company may perform all banking, financial and brokerage operations and services, and any other operation instrumental or otherwise related to the achievement of its corporate purpose.

The Mediobanca Group's activities are segmented as follows:

- ◆ **Wealth Management (WM):** this division brings together all asset management activities provided to clients in the following segments:
 - ◆ Affluent & Premier, served by CheBanca!;
 - ◆ Private & HNWI, served in Italy by Mediobanca Private Banking, and in the Principality of Monaco by CMB Monaco, including fiduciary activities performed by Spafid, Spafid Family Office SIM and Spafid Trust;
 - ◆ Asset Management, the principal entities in which are the product factories Cairn Capital (Alternative AM), RAM Active Investments (Alternative AM), Mediobanca Management Company, Mediobanca SGR, and, since September 2021, also Bybrook Capital LLP, an alternative asset manager focused on the European distressed market.
- ◆ **Corporate & Investment Banking (CIB):** this division brings together all services provided to corporate clients:
 - ◆ Wholesale Banking (WB): Client Business (lending, advisory, and capital market activities) and proprietary trading; performed by Mediobanca, Mediobanca International, Mediobanca Securities and Messier & Associés;
 - ◆ Specialty Finance, which comprises factoring and credit management (including the acquisition and management of NPL portfolios) performed by MBFACTA, MBCredit Solutions, and the newly-established MBContact Solutions.
- ◆ **Consumer Banking (CB):** this division provides retail clients with the full range of consumer credit products, ranging from personal loans to salary-backed finance (Compass). This division also includes Compass RE, which reinsures the risks linked to insurance policies sold to clients, Compass Rent, which provides finance for hiring moveable assets (used cars in particular), and the newly-established Compass Link (network of agents);
- ◆ **Principal Investing (PI):** this division administers the Group's portfolio of equity investments and holdings, in particular the stake in Assicurazioni Generali;
- ◆ **Holding Functions:** this division comprises SelmaBipiemme Leasing, MIS, Spafid Connect and Ricerche e Studi, plus the share of the costs of the central Group functions such as



Group Treasury and ALM (with the aim of minimizing the cost of funding and optimizing liquidity management on a consolidated basis, including the securities held as part of the banking book⁴), and the cost of the central Group functions, including operations, support units (Planning and Financial Reporting, Corporate Affairs, Investor Relations, etc.), senior management and the control units (Risk Management, Group Audit and Compliance) not attributable to the business lines.

As at 30 June 2021, Mediobanca had a market capitalization of approx. €8.7bn.

Consolidated financial data as at 30/6/21

Profit and loss account (€m)	Wealth Management	Consumer Banking	Corporate & Investment Banking	Principal investing	Holding Functions	Group
Net interest income	281.1	878.8	286.9	-7.1	-47.4	1,415.0
Total income	627.3	1,001.8	698.2	295.3	-21.9	2,628.4
Profit before tax	142.6	414.8	434.3	342.5	-231.9	1,104.3
Net profit	100.2	278.9	284.5	308.6	-166.1	807.6

Affluent & Premier – CheBanca!

Mediobanca operates in wealth management with Affluent & Premier clients through its subsidiary CheBanca!. This subsidiary, launched in 2008, effectively served as retail deposit gatherer for the Mediobanca Group throughout the financial crisis. Since 2016 it has developed a distribution model based on strong investments in technology and innovation and an advisory-based approach which has enabled the company to become a recognized, high-growth operator in its reference market, with client TFAs which currently total €32.5bn.

Today CheBanca! is distinguished by its:

- ◆ High brand recognition;
- ◆ Effective, innovative multi-channel distribution (internet, 205 own branches/POS, 465 FAs and 486 relationship managers);
- ◆ Substantial customer base (approx. 895,000 clients);
- ◆ Strong commercial results: €16.9bn in deposits, €15.6bn in AUM, and a loan book of €11.1bn in mortgage lending.

At 30 June 2021, the company employed a total of 1,461 staff.

Private & HNWIs

The product/service offering to clients is split between:

- ◆ **MB Private Banking** offers private banking services through its 84 bankers and nine branch offices, working to help develop asset management activities in synergy with the mid-cap platform. The Mediobanca Private Banking product offering for high net worth clients includes portfolio management, advisory and financing services. Independence,

⁴ Group Treasury finances the individual business areas, applying funds transfer pricing rates (FTP curve) with different spreads depending on the expiry date for the various uses.



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operational autonomy, focus on private investment banking activities, and excellence and quality of service, are the hallmarks of a bank which has approx. €18bn in assets under management at its branches in Bergamo, Bologna, Brescia, Florence, Genoa, Milan, Padua, Rome, Turin and Treviso.

- ◆ **CMB Monaco ("CMB")** is 100%-owned by Mediobanca. CMB, a market leader in the private banking sector in the Principality of Monaco, has assets under management of approximately €12bn. Its geographical position, in-depth knowledge of markets and absolute independence make it a player of primary importance, able to provide exclusive services to its clientèle, ranging from loans to asset management.
- ◆ **Spafid**, 100%-owned by Mediobanca, this company provides fiduciary administration services for equity investments, stock market investments and fiduciary services for issuers.

MB Asset Management

The product factories forming part of the Wealth Management division include Cairn Capital, RAM, Mediobanca SGR and Bybrook Capital.

- ◆ **Cairn Capital**, a 51% stake in which was completed in December 2015 (the percentage stake currently owned is 85.1%), is an asset manager and advisor based in London, specializing in credit products. In September 2021 Cairn Capital expanded its product offering in the alternative credit segment through the acquisition of Bybrook Capital, an asset manager specializing in distressed credit based in London.
- ◆ **RAM AI**, a 69% stake in which was acquired in March 2018 (the percentage is now 94.7%), is one of the leading European systematic asset managers, offering a wide selection of alternative funds to a vast range of institutional and professional investors.
- ◆ **Mediobanca SGR**, set up in 2017 following the merger of Banca Esperia into Mediobanca S.p.A., plays a key role in defining investment strategies and developing innovative products for the Group's networks.

Consumer Credit – Compass Banca (Compass)

Mediobanca has operated in the consumer credit sector since the 1960s through its subsidiary Compass. Compass today is one of the leading consumer credit operators on the Italian market, with a market share of approx. 10%, a share that rises to 13% in the personal loans segment.

Compass offers products (including personal loans, special purpose loans for acquisition of consumer durable goods, credit cards and salary-backed finance), using a highly diversified distribution network consisting of 179 own branches, branches run by agents (52) and Compass Quinto branches (48), distribution agreements with banking partners and retailers (including BancoPosta).

In the financial year ended 30 June 2021, Compass reported a loan book of approx. €13bn and a headcount of 1,446 staff.

Wholesale Banking

Mediobanca seeks to provide its corporate clients with advisory services and financial services to help them grow and develop.



The Wholesale Banking Division is divided into Client Business and Proprietary Trading. Client Business includes three different areas: Investment Banking, Debt Division, and Market Division.

Investment Banking

Corporate finance

Mediobanca is a leader in Italy, and has an increasingly significant role at the European level in financial advisory services through its branch offices in London, Paris and Madrid, and through Messier & Associés, in which it holds an 83.1% stake. A client-based approach is adopted, backed by in-depth knowledge of the financial issues and a consolidated track record in executing deals. The operating unit is organized into different industry teams covering individual industries to provide more effective specialization.

Corporate finance is structured into the following activities:

- ◆ Defining strategic objectives for companies and identifying extraordinary financing transactions in order to help meet them;
- ◆ Extraordinary financing transactions: mergers and acquisitions, joint ventures and partnerships, disposals and spinoffs;
- ◆ Liability restructuring: earnings/financial analysis of companies/groups undergoing restructuring; working out financial rebalancing scenarios; negotiating with key creditors;
- ◆ Corporate restructuring: LBOs, MBOs, spinoffs and tax-/inheritance-related issues;
- ◆ Company valuations, on a standalone basis and for purposes of setting exchange ratios;
- ◆ Relations with authorities: assistance in handling relations with market authorities, primarily Consob and Borsa Italiana.

Messier & Associés

Founded at the end of 2010, Messier & Associés is now one of the three leading corporate finance boutiques in France, with a loyal client base at both national and international level.

Messiers & Associés specializes in M&A advisory services, which it provides to large and mid-cap clients, and in financial sponsors activity. The company also performs debt and capital advisory and debt restructuring activities. Headquartered in Paris, it has offices in New York and employs around 40 staff.

Equity capital markets

Mediobanca is the Italian leader and has a role of increasing importance internationally in structuring, co-ordinating and executing equity capital markets transactions, such as IPOs, rights issues, secondary offerings and ABOs, and bonds convertible into equity solutions (equity derivatives to manage investments and treasury shares): this unit structures and implements extraordinary financing transactions involving equity investments and treasury shares; using a dedicated trading platform, the team offers customers innovative, high value-added solutions, and also handles any legal, accounting, tax and regulatory issues.



Debt Division

Lending & Structured Finance

The Financing teams serve Mediobanca's Italian and international customers, through the branch offices located in Paris, London and Madrid, offering:

- ◆ Advice in evaluating possible capital structures and financing solutions available from among a vast series of debt products, including considering possible implications in terms of rating;
- ◆ Structuring and executing lending transactions;
- ◆ Access to the international syndicated loans market;
- ◆ Facility and security agent services for corporate and structured lending transactions.

The principal Lending & Structured Finance area products are:

- ◆ **Corporate lending** (bilateral loans, club deals and syndicated loans): corporate loans aimed at supporting customers' financial requirements generated by investments or related to their companies' growth; the financial solutions offered are aimed primarily at medium-/large-sized firms operating on domestic and international markets, in industrial and service-based sectors.
- ◆ **Structured finance** (acquisition finance, loans for LBOs/MBOs, project finance, infrastructure finance, real estate finance): financial support to corporate counterparties and institutional investors as part of leveraged transactions to acquire stakes in listed and unlisted companies; a wide range of lending transactions are developed, arranged, structured, underwritten and executed based on complex structures, and because of their size these are often syndicated on the international market. On the back of its solid track record in various sectors, customers are provided with advisory services covering the entire process of structuring deals to support investment and infrastructure or industrial projects, including offering strategies, selection of the most effective debt instruments, hedging strategies, financial modelling and structuring contracts.

Mediobanca International

Mediobanca International is mainly focused on lending operations to companies in the following forms: **corporate lending** (bilateral loans, club deals, and syndicated facilities) and **structured finance** (acquisition finance, LBO/MBO loans, project finance, infrastructure finance, real estate finance). These uses are financed from funding raised on international markets via specific programmes (Notes, Structured Notes, Certificates, Warrants, Euro Commercial Tradable Papers, Euro Commercial Papers), short- and medium-term, mostly guaranteed by parent company Mediobanca S.p.A.

Debt capital market

The debt capital market team manages the origination, structuring, execution and placement of bond issues (corporates and financials), covered bonds, and securitizations, seeking to meet its clients' needs for financing.



Market division

Mediobanca operates on the secondary markets, trading equities and fixed-income securities, foreign exchange products and credit risk, interest rate and exchange rate derivatives. The division's activities are divided into the following areas:

- ◆ **CMS:** this area structures solutions based on interest rates, credit and alternative products; it targets corporate clients, banks and institutional investors who need to restructure their investment portfolios, increase asset liquidity and diversify their sources of funding. Advisory services and structuring *ad hoc* solutions for alternative investments targets institutional investors;
- ◆ **Equity derivatives institutional marketing:** a range of equity-linked investments are offered to banks, insurances, asset managers and family offices, from synthetic replications of simple underlying assets to sophisticated protection mechanisms and solutions for increasing the return on portfolios, funded or unfunded;
- ◆ **MB Securities:** this is Mediobanca's equity brokerage division, offering global access to equity markets and research on the Italian market (over 100 companies are covered), plus a pan-European focus on the financials sector (banks and insurances); a dedicated team also offers corporate broking services.

Proprietary Trading

Proprietary trading is carried out by two units:

- ◆ **Trading portfolio (HFT Credit, HFT Fixed income, xVA, Global Macro):** responsible for trading bond portfolios and centralized management Cross Value Adjustments, providing support to both Strategic Portfolio & ALM and to the other Group legal entities;
- ◆ **Equity & Derivatives Trading:** responsible for the Bank's trading activities in various equity market products (equities and derivatives).

Specialty Finance

Specialty Finance activities include managing and financing credit and working capital. Factoring activities are managed by MBFACTA and credit management operations by MBCredit Solutions.

- ◆ **MBCredit Solutions** has for many years performed credit recovery activities (on behalf of the Group companies and third parties) and NPL portfolio acquisitions.
- ◆ **MBFACTA** provides trade receivables sale and discount services (with and without recourse, maturity, supply credit) to refinance corporate working capital. As well as the financial benefits, this service can also include an insurance component (guarantee against insolvency or delays in payments) and/or a management component (portfolio management, accounting, collection and recovery). The factoring platform's factoring offering will be tailored specifically to developing the Mid Corporate segment in synergy with the other services offered by CIB to this category of firm.

Principal investing

The Principal Investing division consists primarily of the Bank's investment in Assicurazioni Generali which is consolidated using the equity method. The value option which the



investment represents for the Group is in terms of available, liquid resources that can be activated in the event of growth acquisitions materializing.

Principal Investing also includes the funds invested by the Mediobanca Group in the seed capital of the alternative funds managed by the asset management companies.

Company	Sector	% of share capital	Book value as at 30/6/21 €m
Assicurazioni Generali	Insurance	12.87%	3,663.1

Leasing

Mediobanca owns a direct 60% stake in SelmaBipiemme Leasing, with the other 40% held by the Banca Popolare di Milano. The group operates in financial leasing.

Treasury

The Group's Treasury and ALM units are centralized at parent company level with the objective of optimizing funding and liquidity management. The Group Funding unit is responsible for the Group's funding, raised in all technical forms ranging from deposits to debt securities to financing. With regard to the issuance of securities, the Group Funding Unit is responsible for structuring, issuing and placing debt products, the proceeds from which are used to finance the Bank's activities. Funding operations take the form primarily of the issuance of securities, both plain vanilla and structured. Securities are placed with retail investors through public offerings (implemented via the Wealth Management division companies' proprietary network), through individual third-party banking networks (either on an exclusive basis or via groups of banks operating as syndicates), and direct sales on the MOT bond market operated by Borsa Italiana. Demand from institutional investors is met via public offerings of securities on the Euromarket and by private placements of bespoke products tailored to meet the investor's specific requirements.

NEW PRODUCTS OR NEW ACTIVITIES

Without prejudice to the contents hereof (section 5.1), no significant new products and/or services have been introduced that are worth being recorded or disclosed publicly.

PRINCIPAL MARKETS

The Mediobanca Group's activities are principally focused on the domestic market (from a geographical standpoint Italy accounts for approx. 80% of the Group's loan book). In particular:

- ◆ Corporate & Investment Banking (CIB): in WB, half the revenues and loan book is originated by the Italian market, the other half by other countries (notably France, Spain and the United Kingdom); while Specialty Finance activities are focused on the domestic Italian market. The division employs some 635 staff, around 143 of whom are based outside Italy;
- ◆ Consumer Banking: activities focus exclusively on the Italian market, and employ approx. 1,446 staff at 279 branches/agencies;
- ◆ Wealth Management (WM): this division's activity is focused primarily on the Italian market, with the exception of CMB (which operates in the Principality of Monaco), RAM AI (which operates throughout Europe from its headquarters in Switzerland), and Cairn



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Capital (which operates in the United Kingdom); and employs 2,037 staff, with approx. 1,100 FAs/relationship managers, and 117 branches;

- ◆ Leasing activities chiefly target the domestic market.

The agreement on future relations between the United Kingdom and the European Union was signed on 30 December 2020, ratified by the European Parliament in April 2021, even though it had already been applied provisionally from 1 January 2021 as authorized by the European Council. For financial services, the agreement does not provide for any broader reciprocal access to markets than the agreements which the EU has entered into with other commercial partners. At end-March 2021, the EU and the United Kingdom executed a Memorandum of Understanding establishing a framework for Financial Services Regulatory Co-operation, which does not replace the banking and financial services passporting arrangements.

Mediobanca currently operates in the United Kingdom, both at its London branch office and cross-border, under the Temporary Permissions Regime (TPR) permitted by the Financial Conduct Authority (FCA), which allows the Bank to continue to perform its current activities as though it were formally authorized. The FCA has asked Mediobanca to start the formal process in order to receive its own authorization to operate in the United Kingdom as a third country branch from the Financial Conduct Authority by June 2022. Mediobanca has also undertaken a series of initiatives, in accordance with the ECB guidance, to address the issue of no longer being allowed to serve EU clients from the United Kingdom. These have included transferring some front office staff members (including some considered as key function holders) from the London branch offices to other offices located within the EU (15 in total in the course of 2020). There are still some areas of uncertainty, however, regarding the application of some of the market regulations (e.g. on shares/derivatives trading obligations), for which specific solutions have been adopted in order to ensure that the new rules are complied with. The total number of staff employed by the London branch, which was 89 as at 30 June 2020, had declined to 76 by 31 December 2020 and 73 at 30 June 2021. It should be emphasized that the Group's activities in the United Kingdom continue to be relatively minor (accounting for approx. 3% of its total revenues).

As far as regards UK-based Group company Cairn Capital ("Cairn"), the company has delegated management of its funds to an Ireland-based fund manager (Carne Global Fund Managers Ireland Limited), which in turn has sub-delegated management back to Cairn itself. Cairn will therefore continue to handle the investment strategies and portfolio management for the funds. The marketing activity for the funds, though, will be performed by a company in the process of being set up to be owned by Cairn.

5.2 5.2 BASIS OF ANY STATEMENT MADE BY THE ISSUER IN THE REGISTRATION DOCUMENT REGARDING ITS COMPETITIVE POSITION

The Registration Document contains no statement by the Issuer regarding its competitive position.



6. ORGANIZATIONAL STRUCTURE

6.1 DESCRIPTION OF GROUP HEADED UP BY THE ISSUER

Mediobanca S.p.A. is the parent company of the Mediobanca Banking Group.

The Mediobanca Group is registered as a banking group in the register instituted by the Bank of Italy.

The following diagram illustrates the structure of the Mediobanca Group as at the date hereof.





6.2 DESCRIPTION OF GROUP COMPANIES

A list of the Group companies as at the date of the Registration Document is provided below:

Group companies			
Company name	Headquarters	% ownership	Type of investment
COMPASS Banca S.p.A.	Italy	100%	(dir)
CHEBANCA! S.p.A.	Italy	100%	(dir)
SELMABIPIEMME LEASING S.p.A.	Italy	60%	(dir)
CMB Monaco S.A.	Principality of Monaco	99,998%	(dir)
MEDIOBANCA INTERNATIONAL (Luxembourg) S.A.**	Luxembourg	100%	(dir)
SPAFID S.p.A.	Italy	100%	(dir)
SPAFID TRUST S.r.l.	Italy	100%	(indir)
SPAFID CONNECT S.p.A.	Italy	100%	(indir)
MEDIOBANCA SECURITIES USA LLC	United States of America	100%	(dir)
Mediobanca SGR S.p.A.	Italy	100%	(dir)
Mediobanca Management Company S.A.	Luxembourg	100%	(dir)
MBCREDIT SOLUTIONS S.p.A.	Italy	100% ⁵	(indir)
Mediobanca Innovation Services S.c.p.A	Italy	99,9%	(dir)
MBFACTA S.p.A.	Italy	100%	(dir)
QUARZO S.r.l.	Italy	90% ⁵	(indir)
QUARZO CQS S.r.l.	Italy	90% ⁵	(indir)
Mediobanca COVERED BOND S.r.l.	Italy	90% ⁶	(indir)
C.M.B. ASSET MANAGEMENT S.A.M.	Principality of Monaco	99,402% ⁷	(indir)
C.M.G. COMP. MONEG. D.G. S.A.M.	Principality of Monaco	99,892% ⁷	(indir)
COMPASS RE S.A.**	Luxembourg	100% ⁵	(indir)
MEDIOBANCA INTERNATIONAL IMMOBILIARE S.à r.l.	Luxembourg	100% ⁸	(indir)
CAIRN CAPITAL GROUP Ltd.	United Kingdom	64,58% ^{9***}	(dir)
CAIRN CAPITAL Ltd.	United Kingdom	64,58% ^{9***}	(indir)
CAIRN CAPITAL NORTH AMERICA Inc. (inattiva)	United States of America	64,58% ^{9***}	(indir)
CAIRN FINANCIAL GUARANTEE Ltd. (inattiva)	United Kingdom	64,58% ^{9***}	(indir)
CAIRN CAPITAL INVESTMENTS Ltd. (inattiva)	United Kingdom	64,58% ^{9***}	(indir)
CAIRN INVESTMENTS MANAGERS Ltd. (inattiva)	United Kingdom	64,58% ^{9***}	(indir)
MB FUNDING LUX S.A.	Luxembourg	100%	(dir)
SPAFID FAMILY OFFICE SIM S.p.A.	Italy	100% ¹⁰	(indir)
RAM Active Investments S.A.	Switzerland	91,70% ^{11****}	(dir)
RAM ACTIVE INVESTMENTS (EUROPE)	Luxembourg	91,70% ^{11****}	(indir)
MESSIER & ASSOCIES S.A.S.	France	80,61% ^{12****}	(dir)
MESSIER & ASSOCIES LLC.	United States of America	40,305% ^{12*****}	(indir)
MBCONTACT SOLUTIONS S.r.l.**	Italy	100% ¹³	(indir)

⁵ Investment held by Compass Banca S.p.A.

⁶ Investment held by CheBanca! S.p.A.

⁷ Investment held by CMB S.A.

⁸ Investment held by Mediobanca International (Luxembourg) S.A.

⁹ Investment held by Cairn Capital Group Ltd.

¹⁰ Investment held by Spafid S.p.A.

¹¹ Investment held by RAM Active Investment S.A.

¹² Investment held by Messier & Associates S.A.S.

¹³ Investment held by MBCredit Solutions S.p.A.



COMPASS RENT S.r.l.**	Italy	100% ⁵	(indir)
COMPASS LINK s.r.l.	Italy	100% ⁵	(indir)
Bybrook Capital Management Limited	Grand Cayman	64,58% ⁹	(indir)
Bybrook Capital LLP.	United States of America	64,58% ¹⁴	(indir)
Bybrook Capital Services Limited	United Kingdom	64,58% ¹⁴	(indir)
Bybrook Capital Badminton Fund Limited	Grand Cayman	64,58% ¹⁴	(indir)
Bybrook Capital Burton Partnership Limited	Grand Cayman	64,58% ¹⁴	(indir)
Bybrook Capital Fund Limited	Grand Cayman	64,58% ¹⁴	(indir)
Bybrook Capital LLC.	United States of America	64,58% ¹⁴	(indir)
Bybrook Capital LP.	United States of America	64,58% ¹⁴	(indir)

* These companies do not form part of the Mediobanca Banking Group.

** Of which 1% owned by Compass.

*** Consolidated percentage rises to 89.07% including the put-and-call options taken out in conjunction with the acquisition.

**** Consolidated percentage rises to 98.3% including the put-and-call options taken out in conjunction with the acquisition.

***** Consolidated percentage rises to 100% including the put-and-call options taken out in conjunction with the acquisition.

¹⁴Investment held by Bybrook Capital Management Limited



7. INFORMATION ON PREDICTED TRENDS

7.1 TRENDS AND CHANGES

- a) No material adverse changes have taken place in Mediobanca's or the Group's prospects since the consolidated financial statements as at 30 June 2021;
- b) No material adverse changes have taken place in the financial results of Mediobanca and the Mediobanca Group since the most recent consolidated financial statements as at 30 June 2020 to the date of publication of the Registration Document.

7.2 INFORMATION ON TRENDS, UNCERTAINTIES, REQUESTS, COMMITMENTS OR KNOWN FACTS WHICH COULD REASONABLY BE EXPECTED TO HAVE MATERIAL REPERCUSSIONS ON THE ISSUER'S PROSPECTS FOR AT LEAST THE CURRENT FINANCIAL YEAR

Mediobanca is not aware of any information on trends, uncertainties, requests, commitments or facts known which could reasonably have significant repercussions on Mediobanca's prospects for the current financial year.

A deterioration in the medical situation due to the Covid-19 pandemic, the removal of the government-approved support measures, the ineffectiveness of the vaccination campaign, plus the development of new variants of the coronavirus, could impact further on the economic, social and financial situation in Italy and hence on the credit quality, capitalization and earnings of the Issuer which operates primarily on the Italian market.

Mediobanca is committed to executing the strategic and operating guidelines of its 2019-23 Strategic Plan, confirming the intention to optimize capital, with the objective of restoring the CET1 ratio to 13.5% by end-June 2023, including through share buybacks and acquisitions to strengthen the business lines.

For further information, reference is made to section 14, "Available Documents", of this Registration Document.



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8. PROFIT ESTIMATES OR PROJECTIONS

No forecast or estimates of profits are contained in the Registration Document.



9. BODIES RESPONSIBLE FOR GOVERNANCE, MANAGEMENT AND SUPERVISION

9.1 9.1. INFORMATION REGARDING BODIES RESPONSIBLE FOR GOVERNANCE, MANAGEMENT AND SUPERVISION

Information on the Bank's governing, management and supervisory bodies is provided below, as updated following the Issuer's Annual General Meeting held on 28 October 2020.

Changes in the composition of the governing bodies and other information related to them are published from time to time on the Issuer's website in the appropriate section (<https://www.mediobanca.com/en/corporate-governance/index.html>), without prejudice to the obligations under Article 23 of the Prospectus Regulation regarding the need to draw up a supplement if any.

Board of Directors

The Board of Directors, appointed on 28 October 2020 for the 2021, 2022 and 2023 financial years, as at the date hereof consists of fifteen members, twelve of whom qualify as independent under Article 148(3) of the Italian Finance Act, nine of which twelve also qualify as independent under Article 19 of the company's Articles of Association (the requisites for which definition are substantially aligned with those of the Corporate Governance Code for listed companies). Its composition also reflects the legal requirements in terms of gender balance.

Composition, Board of Directors

Name	Post held	Place and date of birth	Term of office expires	Independence	Principal activities performed outside the Issuer as significant with respect to the Issuer
Renato Pagliaro ²	Chairman	Milan, 20/2/57	28/10/23		-
Maurizia Angelo Comneno ¹	Deputy Chair	Rome, 18/6/48	28/10/23	b)	-
Alberto Nagel ^{1, 2}	CEO	Milan, 7/6/65	28/10/23		-
Virginie Banet	Director	Neuilly sur Seine, 18/1/66	28/10/23	a) b)	Chair, Iolite Financial Consulting Director, Netgem Director, Vallourec
Francesco Saverio Vinci ^{1, 2}	Group General Manager	Milan, 10/11/62	28/10/23		-
Maurizio Carfagna	Director	Milan, 13/11/47	28/10/23	a) b)	Director, FingProg Italia Director, Futura Invest Director, Istituto Europeo di Oncologia
Laura Cioli	Director	Macerata 10/7/63	28/10/23	a) b)	Director, Brembo Director, Sofina Director, Autogrill



Name	Post held	Place and date of birth	Term of office expires	Independence	Principal activities performed outside the Issuer as significant with respect to the Issuer
Maurizio Costa	Director	Pavia, 29/10/48	28/10/23	a) b)	Director, Amplifon
Angela Gamba	Director	Palazzolo sull'Oglio (BS), 15/08/70	28/10/23	a) b)	Director, Edison Director, FPS Investments S.r.l. Director, Medical Technology and Devices SA
Valérie Hortefeux	Director	Aulnay (France), 14/12/67	28/10/23	a) b)	Director, Blue Solutions Director, Ramsay – Générale de Santé Director, Socfinasia Director, Financière de L'Odet
Maximo Ibarra	Director	Cali (Colombia), 13/12/68	28/10/23	a) b)	CEO, Engineering
Alberto Lupoi	Director	Rome, 29/3/70	28/10/23	a) b)	-
Elisabetta Magistretti	Director	Busto Arsizio, 21/7/47	28/10/23	b)	Director, Brembo Director, Smeg
Vittorio Pignatti-Morano	Director	Rome, 14/9/57	28/10/23	a) b)	Director, Trilantic Capital Management GP Director, Trilantic Capital Partners Management Director, Trilantic Capital Partners V Management Director, Ocean Ring Jersey Co Director, Ocean Trade Lux Co Director, ICS Maugeri Director, Edizione
Gabriele Villa ¹	Director	Milan, 18/6/64	28/10/23	b)	Standing Auditor, Edison Standing Auditor, Italmobiliare

¹ Member of Executive Committee.

² Member of Mediobanca senior management.

a) Qualifies as independent pursuant to Article 19 of the company's Articles of Association.

b) Qualifies as independent pursuant to Article 148(3) of the Italian Finance Act.

All Board members are in possession of the requisites to hold such office set by the regulations in force at the time.

The address for all members of the Board of Directors for the duties they discharge is: Piazzetta E. Cuccia 1, Milan, Italy.



Statutory Audit Committee

Composition of Statutory Audit Committee

Post	Name	Place and date of birth	Term expires	Principal activities performed outside the Issuer as significant with respect to the Issuer
Chair	Francesco Di Carlo	Milan, 4/10/69	28/10/23	Director, Milano Investment Partners SGR Standing Auditor, Italiaonline
Standing Auditor	Elena Pagnoni	Colleferro (Rome), 10/5/63	28/10/23	
Standing Auditor	Ambrogio Virgilio	Bari, 5/1/56	28/10/23	
Alternate Auditor	Marcella Caradonna	Stornara (Foggia), 22/5/59	28/10/23	Chair, Statutory Audit Committee, College of Auditors CTI, ATS Milano, Corneliani and OTS Standing Auditor, ENI Standing Auditor, Covercare and Nuova Corneliani Independent Director, Integrae SIM Director, FNM
Alternate Auditor	Roberto Moro	Milan, 4/3/55	28/10/23	Chair, Statutory Audit Committee, IRE Holding, Digital Value, DV Holding, ITD Solutions and Pirelli Tyre Standing Auditor, Antas, ASM Energia, Energean International, Energean Italy, Energean Sicilia, Energean Wave, Italware, Fidiger Standing Auditor, Compass Rent, Compass Link, MBContact Solutions, Quarzo, Spafid
Alternate Auditor	Stefano Sarubbi	Milan, 6/12/65	28/10/23	Chair, Statutory Audit Committee, Coca Cola Italy Chair, Statutory Audit Committee, Infrastrutture Wireless Italiane – Inwiit CEO, Sigmagest and Chair, Statutory Audit Committee, Acque Minerali Chair, Statutory Audit Committee, Destination Italia Director, Manifatture Sigaro Toscano

All Statutory Audit Committee members are in possession of the requisites to hold such office set by the regulations in force at the time, and are all registered as auditors in the list instituted by the Italian Ministry for the Economy and Finances.

The address for all members of the Statutory Audit Committee for the duties they discharge is: Piazzetta E. Cuccia 1, Milan, Italy.

9.2 CONFLICTS OF INTEREST AMONG BODIES RESPONSIBLE FOR GOVERNANCE, MANAGEMENT AND SUPERVISION

A ban was instituted pursuant Article 36 of Italian Decree Law 201/11, as converted into Italian Law 214/11, on representatives of banks, insurers and financial companies from holding positions in companies which operate in the same sectors. Each year the Board of Directors assesses the positions of the individual directors, which may have changed as a result of changes in the activities or size of the other companies in which they hold posts. To this end,



each director, including in order to avoid potential conflicts of interest from arising, informs the Board of any changes in the positions assumed by them in the course of their term of office.

Mediobanca also adopts the procedure recommended under Article 136 of the Italian Banking Act for approval of transactions involving individuals who perform duties of management and control in other companies controlled by such parties.

Members of the bodies responsible for governance, management and supervision are also required to comply with the following provisions:

- ◆ Article 53 of the Italian banking act and implementing regulations enacted by the Bank of Italy, in particular the supervisory provisions on links with related parties;
- ◆ Article 2391 of the Italian Civil Code (Directors' Interests);
- ◆ Article 2391-bis of the Italian Civil Code (Transactions with Related Parties) and the Consob implementing regulations, in particular the Regulations on Transactions with Related Parties approved under resolution no. 17221 of 12 March 2010.

Transactions with “related parties” are described in part H of the financial statements for the twelve months ended 30 June 2021.

Mediobanca and its governing bodies have adopted internal measures and procedures to ensure compliance with the provisions referred to above.



10. MAIN SHAREHOLDERS

10.1 10.1. INFORMATION ON OWNERSHIP STRUCTURE

No party controls Mediobanca according to the definition provided in Article 93 of the Italian Banking Act.

Individuals or entities who based on the shareholders' register and available information as at 28 October 2021, own directly or indirectly financial instruments representing share capital with voting rights in excess of 3% of the company's share capital (i.e. materiality threshold under Article 120 of the Italian Finance Act) are listed below:

SHAREHOLDER	NO. OF SHARES	% OF SHARE CAPITAL
Leonardo Del Vecchio ⁽¹⁾		18.90%
BlackRock group ⁽²⁾		3.98%
Mediolanum group		3.28%
Francesco Gaetano Caltagirone ⁽³⁾		3.04%

⁽¹⁾ Investment owned indirectly via Delfin SARL.

⁽²⁾ BlackRock Inc. (NY), via fifteen asset management subsidiaries (cf. form 120 b of 6 August 2020), 0.69% of which as potential investment and 0.13% in other long positions with settlement in cash.

⁽³⁾ Investment owned indirectly, plus an additional potential investment equal to approx. 1.95% of the Bank's share capital (Mod. 120 B of 20 August 2021 – put option expired on 17 September 2021).

For purposes of full disclosure, it should be noted that the Issuer owns treasury shares equal to 2.8% of the share capital.

The information on the Issuer's main shareholders is updated from time to time on its website in the relevant section (<https://www.mediobanca.com/en/corporate-governance/main-shareholders/main-shareholders.html>), without prejudice to the obligations under Article 23 of the Prospectus Regulation regarding the need to draw up a supplement if any.

10.2 DESCRIPTION OF ANY AGREEMENTS KNOWN TO THE ISSUER WHICH, IF IMPLEMENTED, MAY SUBSEQUENTLY GIVE RISE TO A CHANGE IN THE CONTROL OF THE ISSUER

On 20 December 2018, a consultation agreement was entered into between shareholders of Mediobanca S.p.A. (relevant under the terms of Article 122 of Italian Legislative Decree 58/98 and Consob resolution no. 11971 of 14 May 1999 as amended), which currently involves approx. 12.08% of the company's share capital and does not entail lockup arrangements or vetoes in respect of the shares represented. The main shareholders which are parties to the agreement include the Mediolanum group, Schematrentatre (Edizione),¹⁵ Fininvest, Fin.Priv., Monge & C. S.p.A., the Gavio group, and the Ferrero group, for a total of twenty shareholders. The agreement regulates the means by which the parties meet to discuss observations and considerations regarding the Group's performance, in a situation of parity of information relative to the market. The parties to the agreement acknowledge that the preferred practice is for the outgoing Board of Directors to submit its own list of candidates for the position of Director (as already proved by the company's Articles of Association). The agreement expires on 31 December 2024 and is renewed automatically for three-year periods among participants which have not given at least three months' notice ahead of the original expiry or extension date of their intention to withdraw from the agreement.

¹⁵ On 30 September 2021, Schematrentatre S.p.A. gave notice of its intention to withdraw from the Agreement effective from 1 January 2022. As a result of such withdrawal, and subject to further variations, the percentage syndicated to the Agreement will be approx. 10% of the company's share capital.



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The agreement is filed with the Milan companies' register, and an excerpt from it may be found on the Issuer's website in the relevant section at <https://www.mediobanca.com/en/corporate-governance/main-shareholders/shareholder-consultation-agreement.html>.



11. INFORMATION ON THE ISSUER'S ASSETS AND LIABILITIES, EARNINGS AND LOSSES

11.1 11.1. FINANCIAL INFORMATION FOR PREVIOUS YEARS

11.1.1 FINANCIAL INFORMATION FOR THE PAST TWO FINANCIAL YEARS PLUS THE AUDITOR'S REPORT FOR EACH OF THE TWO YEARS CONCERNED

At a Board meeting held on 23 September 2021, the Directors of Mediobanca approved the Group's consolidated financial statements as at 30 June 2021 (the results themselves were approved on 29 July 2021); the statutory financial statements for the year were adopted by shareholders at the annual general meeting held on 28 October 2021.

Some of the financial information contained in the consolidated financial statements as at 30 June 2021 is provided below, compared with the same as at 30 June 2020.

In the twelve months ended 30 June 2021, the Mediobanca Group earned a net profit of €807.6m, up 34.5% on the result recorded one year previously (€600.4m).

For further information, reference is made to section 11.1.6, "Consolidated financial statements" of this Registration Document.

Accounting policies and notes to the accounts

For the notes to the accounts, reference is made to the Note to the Accounts of the consolidated financial statements as at 30 June 2021 and as at 30 June 2020 which are incorporated into the Registration Document by reference and published on the Bank's website at www.mediobanca.com in the relevant section (<https://www.mediobanca.com/en/media-relations/press-releases/bod-mediobanca-financial-statements-for-three-months-ended-30-9-20-approved.html>).

For the auditor' report for the financial years ended on 30 June 2020 and 30 June 2021, reference is made to section 11.1.6. "Consolidated financial statements" below.

11.1.2 CHANGES IN REFERENCE ACCOUNTING DATE

The Issuer has not changed its reference accounting date during the period for which financial information for previous years is requested.

11.1.3 ACCOUNTING POLICIES

The financial information has been compiled in accordance with the International Financial Reporting Standards as transposed into the EU regulatory framework under Regulation (EC) 1606/2002.

11.1.4 CHANGES TO ACCOUNTING STANDARDS

The Mediobanca Group draws up the parent company's individual financial statements and the Group's consolidated financial statements in accordance with the international accounting standards in force.

The audited financial information contained in the annual financial statements for the year ended 30 June 2021 are compiled and presented in a form consistent with the accounting standards to be adopted for the Issuer's subsequent financial statements.



For the results for the three months ended 30 September 2021, the Mediobanca Group has issued only a press release along with the relevant balance sheet and profit and loss account.

11.1.5 FINANCIAL INFORMATION DRAWN UP IN ACCORDANCE WITH ITALIAN GAAP AND SUBJECT TO AUDIT

The Issuer does not prepare financial information in accordance with Italian GAAP.

11.1.6 CONSOLIDATED FINANCIAL STATEMENTS

The individual and consolidated financial statements as at and for the years ended 30 June 2021 and 30 June 2020 and the accompanying schedules, including the reports by the external auditors, and Mediobanca's interim accounts and reports, are made available to the public at the company's registered office and on the Issuer's website in the relevant section (<https://www.mediobanca.com/en/investor-relations/results-presentations/results-and-presentations.html>). Parts of the consolidated financial statements as at 30 June 2021 and as at 30 June 2020 are considered to be incorporated into this Registration Document by reference as permitted by Annex 6 of Commission Delegated Regulation (EU) 2019/980 of 14 March 2019, supplementing the Prospectus Regulation.

A list of the information deemed to be incorporated by reference into this Registration Document is provided in the following table:

	Balance sheet	Profit and loss account	Cash flow statement	Notes to the accounts	External auditors' report	Comprehensive income statement	Statement of changes to consolidated net equity
Consolidated financial statements for year ended 30/6/20	pp. 100-01	p. 102	pp. 106-7	pp. 110-364	pp. 88-97	p. 103	p. 104-5
Consolidated financial statements for year ended 30/6/21	pp. 94-95	p. 96	pp. 100-1	pp. 106-371	pp. 83-97	p. 97	pp. 98-99

11.1.7 DATE OF FINANCIAL INFORMATION

The date of the balance sheet for the most recent financial year for which financial information has been audited is 30 June 2021.

11.2 INTERIM AND OTHER FINANCIAL INFORMATION

Interim financial information, along with all Mediobanca's annual statements (statutory and consolidated), along with the auditors' reports where these have been prepared, may be consulted on the Issuer's website in the relevant section (<https://www.mediobanca.com/en/investor-relations/results-presentations/results-and-presentations.html>). This website is updated quarterly with the relevant financial information as approved from time to time, without prejudice to the obligations under Article 23 of the Prospectus Regulation regarding the need to draw up a supplement if any. Regarding the quarterly results, the Mediobanca Group issues only a press release along with the relevant balance sheet and profit and loss account, and the information published is not subject to full or limited assurance by the audit firm.



11.2.1 MEDIOBANCA GROUP INTERIM REVIEW OF OPERATIONS

Quarterly consolidated results for three months ended 30 September 2021

On 27 October 2021, the press release for the approval of the Group's quarterly results for the three months ended 30 September 2021 was published, included by reference in this Registration Documents. The press release confirms the following results among others:

- Growth by all divisions in 1Q FY 2021-22;
- Quarterly revenues up 13% to €706m;
- Cost of risk declining to 51 bps;
- Net profit totalling €262m;
- Mediobanca Group ESG profile continuing to improve.

11.3 AUDIT OF FINANCIAL INFORMATION FOR PREVIOUS FINANCIAL YEARS

11.3.1 AUDIT AND PREPARATION OF FINANCIAL INFORMATION

The financial information of the Issuer and of the Mediobanca Group for previous financial years included in the Registration Document has been audited by PricewaterhouseCoopers S.p.A.

The audit reports were drawn up in accordance with Directive 2014/56/EU and Regulation (EU) No. 537/2014.

It should be noted that:

- ◆ PricewaterhouseCoopers S.p.A., with headquarters in Milan, engaged to audit the statutory and consolidated financial statements of Mediobanca as at 30 June 2021, issued its report on the accounts with no observations made;
- ◆ PricewaterhouseCoopers S.p.A., for the statutory and consolidated financial statements of Mediobanca as at 30 June 2020 and the interim accounts, again issued the relevant reports with no observations made.

11.3.2. OTHER INFORMATION CONTAINED IN THE REGISTRATION DOCUMENT THAT HAS BEEN REVIEWED BY THE AUDITORS

With the exception of the consolidated financial statements for the financial years ended 30 June 2020 and 30 June 2021, no information reported in the Registration Document has been subject to review by the external auditors.

11.3.3. OTHER INFORMATION CONTAINED IN THE REGISTRATION DOCUMENT NOT TAKEN FROM THE ISSUER'S AUDITED FINANCIAL STATEMENTS

The financial information contained in this Registration Document has been taken from the Issuer's financial statements which have been audited externally, apart from the material taken from the press release for the Group's quarterly results as at 30 September 2021, which has not been subject to full or partial audit.



11.4 COURT AND ARBITRATION PROCEEDINGS

11.4.1 ADMINISTRATIVE, COURT OR ARBITRATION PROCEEDINGS FOR THE TWELVE MONTHS PRIOR TO THE REGISTRATION DOCUMENT THAT HAS HAD OR MAY HAVE SIGNIFICANT REPERCUSSIONS ON THE ISSUER'S AND/OR THE GROUP'S FINANCIAL OR EARNINGS SITUATION

As at the date hereof, none of Mediobanca and its consolidated subsidiaries is or has been involved, in proceedings brought by public authorities, legal, arbitration or administrative proceedings relating to claims or amounts of money which may have, or have had in the recent past, a material impact on the Group's financial position or profitability.

As at 30 June 2021, the heading "Other provisions" rose from €129.5m to €144.2m, due to commitments and guarantees component almost doubling, from €14m to €27.2m as a result of applying the IFRS 9 provisioning models. The company post-retirement benefit provision (which refers exclusively to Swiss subsidiary RAM AI) decreased from €2.6m to €1.4m, while there was a slight increase in the other provisions for liabilities and charges (up from €113m to €115.6m). Among the latter, Compass increased its provisioning (from €5.2m to €17.5m), to offset the potential indemnity payable to clients following the Lexitor ruling (out of the €15m set aside, a total of €3.5m has been used), offset by the reductions in the provisioning for Mediobanca (from €71.4m to €68.9m), CheBanca! (from €19.4m to €15.3m), SelmaBipiemme (from €10m to €9.2m), and CMB Monaco (from €3.8m to €1.2m).

A description of the main litigation and inspections pending is provided below, purely for information purposes:

Civil proceedings pending – claims for damages

Of the main items of litigation involving Mediobanca still pending, the following claims for damages should be noted, made by:

- ◆ **Fondazione Monte dei Paschi di Siena ("FMPS")**: against the former directors of FMPS and Mediobanca, jointly with thirteen other banks, involving a total amount of €286m. The liability with which the banks are charged is non-contractual, and consists of participation in the alleged damages caused by execution of the Term Facility Agreement on 4 June 2011 and the consequent breach of FMPS's Articles of Association (20% limit on debt/equity ratio). Judgement is still pending at the Court of Florence (at the preliminary phase);
- ◆ **Lucchini S.p.A. in extraordinary administration ("Lucchini")**: against twelve banks, including Mediobanca, for their alleged involvement in the financial disaster which affected the company on account of their having compiled and pursued a business and financial plan for Lucchini based on clearly unrealistic forecasts and figures and a restructuring plan under Article 182-bis for the Italian bankruptcy law which included guarantees that were too favourable to the banks themselves; these two facts led allegedly to the company being put into the extraordinary administration. In a ruling issued on 21 July 2020, the Court of Milan rejected Lucchini's claim, ordering the company to pay legal expenses. Lucchini has challenged this ruling, giving notice of its appeal on 28 September 2020. The next hearing, for clarification of the pleadings, is set for 12 January 2022.

Administrative proceedings – tax disputes

With reference to the disputes outstanding with the Italian revenue authorities, there have been no major changes compared to the situation last year.



With reference to the alleged non-application of transparency tax required by the regulations on Controlled Foreign Companies (CFC) to the income produced by CMB Monaco (previously called Compagnie Monégasque de Banque) and Compagnie Monégasque de Gestion in the 2013, 2014 and 2015 financial years, three disputes are currently pending with the revenue authority. In detail, the disputes refer to FY 2013-14 (on 2013 earnings, in an amount of €21.3m plus interest and fines), in which Mediobanca's appeal was upheld at the first degree, is now pending with the Lombardy regional tax tribunal, after the Italian revenue authority in turn appealed; the disputes referring to FY 2014-15 and FY 2015-16 (on 2014 and 2015 earnings respectively, for tax amounting to €16.1m and €16.4m, plus interest and fines) have yet to be heard at the first degree.

Regarding Mediobanca's alleged failure to apply withholding tax on interest payable as part of a secured financing transaction, as well as the dispute relating to 2014 (for tax in an amount of €2.3m, plus interest and fines), for which no date has yet been set for the first-degree hearing, notice of assessment has also been received for the year 2015 (for tax in an amount of €1.9m, plus interest and fines), which the Bank intends to challenge.

Regarding the three disputes over the revenue authority's failure to repay the interest accrued on VAT tax credits payable to SelmaBipiemme, which refer to different years (involving interest totalling €9.4m), on 14 June 2021 the Lombardy regional tax tribunal upheld SelmaBipiemme's appeal and ordered the Italian revenue authority to repay the interest for 2005 (equal to €6.8m). The terms for the revenue authority's appeal to the Court of Cassation are still pending. Against a contingent liability in respect of one charge that went against the company, a provision of €6m has been set aside.

Additional tax proceedings

Apart from those described above, a further eleven disputes remain outstanding, including:

- ◆ One involving the former Banca Esperia to report a money transfer outside Italy as part of the tax monitoring communications, for which fines of €5.9m were handed down. The company was found guilty at both the first- and second-degree hearings, and has paid the disputed amount; its appeal to the Court of Cassation is now pending;
- ◆ One dispute involving excess VAT paid SelmaBipiemme in relation to a shipping lease in the years 2004, 2005 and 2006 (a tax refund of €1.7m has been requested). The company has appealed the Italian revenue authority's failure to respond to the claim, and a date for the hearing is still pending;
- ◆ A total of nine disputes involving direct and indirect tax of minor amounts and at different stages of the ruling process, involving a total certified amount of €1.4m in tax.
- ◆ Mediobanca SGR was also charged in its capacity as fund manager of the "Marsupio" real estate fund for the alleged failure to pay withholding tax on three transactions, involving a higher amount of tax notified of €746,000 (payable by the fund). The company was found not guilty at the first-degree hearing but guilty at the second; and has now appealed to the Court of Cassation.

On 17 December 2020 Compass Banca was notified of two invitations to participate in enquiries regarding irregularities in the IRES and IRAP paid for FY 2015-16, involving income generated from insurance brokerage activity performed versus its own clients and regarding relations with its subsidiary Compass RE. The enquiries ended in March 2021, with a consensual agreement on funds transfer pricing and payment of €3.5m in additional tax, plus fines and interest totalling €1.6m. In June 2021 the company instigated a consensual agreement with the Italian revenue authority on income of the same kind generated in FY 2016-17 and FY 2017-18 as well. The process ended on 23 July 2021, with approx. €2.1m in additional tax being paid, plus fines and interest for a total of €0.4m, covering both financial years. The method agreed to by the revenue authority being extended to the transactions executed by



Compass and Compass RE in the following years should not result in any more income becoming receivable by the company.

Proceedings with the supervisory authorities

Mediobanca has no proceedings outstanding vis-à-vis the supervisory authorities.

The effects of the “Lexitor” ruling on operations in the retail segment are minor, and are limited to possible disputes regarding early repayment of consumer credit operations (in salary-backed finance in particular), made before 5 December 2019 (the date on which the Bank of Italy sent its letter to the market informing participants of the Lexitor ruling). Various complaints have been received in this respect, all of which are following the normal procedure. On 25 July 2021, Italian Law 106/21 came into force, converting Italian Decree Law 73/21 which provided for amendments to the wording of Article 125-sexies of the Italian Banking Act, and clarified that the effects of the Lexitor ruling apply only to contracts signed before the said law came into force. Accordingly, Compass has written back the €15m provision used as to just €3.5m.

Antitrust proceedings

At Group level, Compass, after proceedings were launched by the Italian antitrust authorities in relation to allegations of engaging in improper commercial practices in the distribution of insurance products bundled with loans, had two rulings pending with the Lazio regional court to overthrow the penalties handed down under the proceedings in question. Of the two rulings, the first has been rejected by the court to which the appeal was made (ruling published on 6 September 2021), whereas the latter is still pending before the Lazio regional court. In the meantime Compass will also consider whether or not to appeal the first measure to the Italian Council of State within the terms set by the law.

Inspections

As part of the ECB’s ordinary supervisory activities, in September 2019 an On-Site Inspection (OSI) was launched on the issue of market risk. The final report from the inspection was delivered on 22 March 2021; the Issuer is still waiting for the report to be adopted by the ECB’s Joint Supervisory Team (JST) and for the latter to make any recommendations it sees fit.

A further inspection was launched in November 2021 focused in particular on market risk relating to trading P&L calculation and monitoring, independent price verification fair value measurement for a select sample of deals.

11.5 SIGNIFICANT CHANGES IN THE ISSUER’S FINANCIAL POSITION

11.5.1 DECLARATION BY THE ISSUER

Since the most recent audited financial information (consolidated financial statements as at 30 June 2021), there have been no material changes in the financial situation of Mediobanca.



12. ADDITIONAL INFORMATION

12.1 SHARE CAPITAL

As at the date of the Registration Document, the Issuer's fully subscribed and paid up share capital amounted to €443,640,006.50, made up of 887,280,013 ordinary par value €0.50 shares.

Changes in the share capital are published from time to time on the Bank's website in the relevant section (<https://www.mediobanca.com/en/corporate-data-1.html>), without prejudice to the obligations under Article 23 of the Prospectus Regulation regarding the need to draw up a supplement if any.

12.2 MEMORANDUM OF INCORPORATION AND ARTICLES OF ASSOCIATION

The Mediobanca Group is registered as a banking group in the register instituted by the Bank of Italy.

Mediobanca is registered in the Companies' Register instituted at the Milan chamber of commerce under Registration no. 00714490158.

Under Article 3 of the company's Articles of Association, the corporate purpose of Mediobanca is to raise funds and provide credit in any of the forms permitted, especially medium- and long-term credit to corporates. Within the limits laid down by current regulations, the Company may execute all banking, financial and intermediation-related transactions and/or services and carry out any transaction deemed to be instrumental to or otherwise connected with achievement of the Company's purpose.

As part of its supervisory and co-ordinating activities in its capacity as parent company of the Mediobanca Banking Group within the meaning of Article 61, paragraph 4, of Legislative Decree No. 385 dated 1 September 1993, Mediobanca issues directives to member companies of the Group to comply with instructions given by the Bank of Italy in the interests of maintaining the Group's stability.



13. MATERIAL AGREEMENTS

13.1 DECLARATION BY THE ISSUER

Neither Mediobanca nor any of the companies controlled by Mediobanca has entered into or participates in agreements outside of their normal course of business which could result an obligation or entitlement for Group members that would impact significantly on the Issuer's ability to meet its obligations versus holders of financial instruments issued or to be issued.



14. AVAILABLE DOCUMENTS

14.1 DECLARATION BY THE ISSUER

For as long as the Registration Document is valid, the following documents may be consulted if necessary:

- a) Memorandum of Incorporation of 10 April 1946, file no. 3041/52378 – Notary Public Arturo Lovato, at the following link: https://archivistorico.mediobanca.com/wp-content/uploads/2021/01/atto_costitutivo_10-4-1946.pdf ;
- b) Articles of Association of the Issuer, at the following link: https://www.mediobanca.com/static/upload_new/art/articles-of-association5.pdf;
- c) Mediobanca Group Consolidated Financial Statements as at 30 June 2021, at the following link: https://www.mediobanca.com/static/upload_new/bil/bilancio-consolidato-gruppo-mediobanca_30-giu-21_eng.pdf;
- d) Press release on approval of the quarterly results for the three months ended 30 September 2021, at the following link: https://www.mediobanca.com/static/upload_new/pre/press-release-1q-2021-22-vf.pdf;
- e) Consolidated Non-Financial Statement (CNFS), at the following link: https://www.mediobanca.com/static/upload_new/non/non_financial_statement_2020-21.pdf;
- f) Group ESG Policy, at the following link: https://www.mediobanca.com/static/upload_new/pol/politica-esg_eng.pdf.

It should also be noted that more detailed information on the Group's 2019-23 Strategic Plan is available at the following link: <https://www.mediobanca.com/en/investor-relations/strategy/2019-23-business-plan/piano-strategico-2019-23.html> .

The website www.mediobanca.com is updated on an ongoing basis.