

**MEDIOBANCA - BANCA DI CREDITO FINANZIARIO S.P.A.**

*(incorporated with limited liability in the Republic of Italy)*

**MEDIOBANCA INTERNATIONAL (LUXEMBOURG) S.A.**

*(incorporated with limited liability in Luxembourg)*

**Euro 40,000,000,000**

**Euro Medium Term Note Programme**

**guaranteed in the case of Notes issued by Mediobanca International (Luxembourg) S.A.**

**by**

**MEDIOBANCA - BANCA DI CREDITO FINANZIARIO S.P.A.**



This supplement (the "**Supplement**") is supplemental to, forms part of and must be read and construed in conjunction with, the base prospectus dated 22 December 2016 (the "**Base Prospectus**") prepared by Mediobanca - Banca di Credito Finanziario S.p.A. ("**Mediobanca**") and Mediobanca International (Luxembourg) S.A. ("**Mediobanca International**") (each an "**Issuer**" and together the "**Issuers**") in connection with the Euro Medium Term Note Programme (the "**Programme**") for the issuance of up to EUR 40,000,000,000 in aggregate principal amount of notes ("**Notes**"). Terms given a defined meaning in the Base Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

The purpose of the publication of this Supplement is to update certain information contained in the Base Prospectus, in particular:

- (i) the section "Summary of the Programme" at elements B.12 and B.17;
- (ii) the risk factor "Risks in connection with the exposure of the Group to the Eurozone sovereign debt";
- (iii) the section "Documents Incorporated by Reference" to incorporate by reference (a) the audited consolidated annual financial statements of Mediobanca as at and for the year ended on 30 June 2017 and (b) the audited non-consolidated annual financial statements of Mediobanca International as at and for the year ended on 30 June 2017;
- (iv) the section "Information on Mediobanca – Banca di Credito Finanziario S.p.A.";
- (v) the section "Information on Mediobanca International (Luxembourg) S.A."; and
- (vi) the section "General Information".

This Supplement has been approved by the Central Bank of Ireland (the "**Central Bank**"), which is the competent authority in Ireland for the purpose of Directive 2003/71/EC as amended (the "**Prospectus Directive**") and relevant implementing measures in Ireland, as a base prospectus supplement issued in compliance with Article 16 of the Prospectus Directive and relevant implementing measures in Ireland.

Copies of this Supplement are available on the website of the Irish Stock Exchange ([www.ise.ie](http://www.ise.ie)) and copies of this Supplement and the documents incorporated by reference in this Supplement can be obtained, without charge, at the specified office of the Fiscal Agent in Luxembourg (as per page 209 of the Base Prospectus) and are available on the websites of Mediobanca ([www.mediobanca.com](http://www.mediobanca.com)) and Mediobanca International ([www.mediobancaint.lu](http://www.mediobancaint.lu)) as applicable.

Each Issuer accepts responsibility for the information contained in this Supplement and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Supplement is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Base Prospectus by this Supplement and (b) any other statement in, or incorporated by reference into, the Base Prospectus, the statements in (a) above will prevail.

The language of this Supplement is English. Any foreign language text that is included with or within this Supplement has been included for convenience purposes only and does not form part of this Supplement.

Save as disclosed in this Supplement, no significant new fact, material mistake or inaccuracy relating to the information included in the Base Prospectus which is capable of affecting the assessment of the Notes issued under the Programme has arisen or been noted, as the case may be, since publication of the Base Prospectus.

This Supplement may only be used for the purposes for which it has been published.

The date of this Supplement is 10 November 2017.

## **AMENDMENTS AND ADDITIONS TO THE BASE PROSPECTUS**

With effect from the date of this Supplement the information appearing in, or incorporated by reference into, the Base Prospectus shall be amended and/or supplemented in the manner described in each section below.

## CONTENTS

	Page
AMENDMENTS AND ADDITIONS TO THE BASE PROSPECTUS .....	ii
SUMMARY OF THE PROGRAMME .....	1
RISK FACTORS .....	25
DOCUMENTS INCORPORATED BY REFERENCE .....	26
INFORMATION ON MEDIOBANCA — BANCA DI CREDITO FINANZIARIO S.P.A. ....	27
FINANCIAL INFORMATION OF MEDIOBANCA — BANCA DI CREDITO FINANZIARIO S.P.A. ....	48
INFORMATION ON MEDIOBANCA INTERNATIONAL (LUXEMBOURG) S.A. ....	49
FINANCIAL INFORMATION OF MEDIOBANCA INTERNATIONAL (LUXEMBOURG) S.A. ....	54
GENERAL INFORMATION .....	55

## SUMMARY OF THE PROGRAMME

*Summaries are made up of disclosure requirements known as "Elements". These elements are numbered in Sections A – E (A.1 – E.7).*

*This summary contains all the Elements required to be included in a summary for this type of notes and Issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.*

*Even though an Element may be required to be inserted in the summary due to the type of notes and Issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of "not applicable".*

*[Certain provisions of this summary appear in brackets. Such information will be completed or, where not relevant, deleted, in relation to a particular Series of Notes and the completed summary in relation to such Series of Notes shall be appended to the relevant Final Terms. This paragraph is an instruction paragraph which will be deleted for the summary relating to a particular Series of Notes.]*

### Section A – Introduction and warnings

Element	Description of Element	Disclosure requirement
A.1	Warnings	<p>This summary must be read as an introduction to the Base Prospectus and any decision to invest in the Notes should be based on a consideration of the Base Prospectus as a whole, including any information incorporated by reference.</p> <p>Following the implementation of the Prospectus Directive (Directive 2003/71/EC) in each Member State of the European Economic Area, no civil liability will attach to the Responsible Persons in any such Member State solely on the basis of this summary including any translation thereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Base Prospectus, including any information incorporated by reference, or it does not provide, when read together with the other parts of this Base Prospectus, key information in order to aid investors when considering whether to invest in the Notes.</p> <p>Where a claim relating to the information contained in the Base Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the Base Prospectus before the legal proceedings are initiated.</p>
A.2	Consent to the use of the Base Prospectus	<p>[The Issuer[s] consent[s] to the use of the Base Prospectus in [Italy] [and] [or] [Ireland] [and] [or] [Grand Duchy of Luxembourg] for subsequent resale or final placement of the Notes by all [Dealers] [and] [financial intermediaries] (general consent).]</p> <p>[The Issuer[s] consent[s] to the use of the Base Prospectus for subsequent resale or final placement of the Notes in [Italy] [and] [or] [Ireland] [and] [or] [Grand Duchy of Luxembourg] by the following [Dealers] [and] [financial intermediaries] (individual consent): <i>[insert name[s] and address[es]].</i>]</p> <p>The subsequent resale or final placement of Notes by [Dealers] [and] [financial intermediaries] can be made [as long as this Base Prospectus is valid in accordance with Article 9 of the Prospectus Directive] <i>[insert period]</i>.</p>
		<p>[The Issuer[s]'s consent to the use of the Base Prospectus by each [Dealers] [and] [financial intermediary] is subject to the condition that such [Dealer] [and] [financial intermediary] complies with the applicable selling restrictions as well as the terms and conditions of the offer.]</p> <p>[Such Issuer[s]'s consent to the use of the Base Prospectus is also subject to and given under the condition that the [Dealers] [and] [financial intermediaries] using the Base Prospectus commit[s] [themselves] [itself] towards [their][its] customers to a</p>

Element	Description of Element	Disclosure requirement
		<p>responsible distribution of the Notes. This commitment is made by the publication of the [Dealers] [and] [financial intermediaries] on [their] [its] website stating that the prospectus is used with the consent of the Issuer and subject to the conditions set forth with the consent]. [Beside, such consent is not subject to and given under any condition.]</p> <p><b>In case of an offer being made by a [Dealer] [or] [financial intermediary], such [Dealer] [or] [financial intermediary] will provide information to investors on the terms and conditions of the offer at the time the offer is made.</b></p> <p>[Not applicable. No consent is given.]</p>

## Section B – Issuers and Guarantor

Element	Description of Element	Disclosure requirement
<b>B.1</b>	<b>Legal and Commercial Name of the Issuer</b>	<p><b>[Mediobanca]</b></p> <p>Mediobanca – Banca di Credito Finanziario S.p.A. ("<b>Mediobanca</b>")</p> <p><b>[Mediobanca International]</b></p> <p>Mediobanca International (Luxembourg) S.A. ("<b>Mediobanca International</b>")</p>
<b>B.2</b>	<b>Domicile/Legal Form/Legislation /Country of Incorporation</b>	<p><b>[Mediobanca]</b></p> <p>Mediobanca was established in Italy.</p> <p>Mediobanca is a company limited by shares under Italian law with registered office at Piazzetta E. Cuccia 1, 20121 Milan, Italy.</p> <p>Mediobanca holds a banking licence from the Bank of Italy authorising it to carry on all permitted types of banking activities in Italy.</p> <p>Mediobanca is a bank organised and existing under the laws of Italy, carrying out a wide range of banking, financial and related activities throughout Italy.]</p> <p><b>[Mediobanca International]</b></p> <p>Mediobanca International was established in Luxembourg.</p>
		<p>Mediobanca International is a <i>société anonyme</i> subject to Luxembourg law and having its place of registration in Luxembourg.</p> <p>Mediobanca International's registered office is at 4, Boulevard Joseph II, L-1840 Luxembourg, Luxembourg.]</p>
<b>B.4b</b>	<b>Description of trends</b>	<p><b>[Mediobanca]</b></p> <p>Not applicable. As at the date of the Base Prospectus Mediobanca is not aware of any trends affecting itself and the industries in which it operates.]</p> <p><b>[Mediobanca International]</b></p> <p>[Not applicable. As at the date of the Base Prospectus Mediobanca International is not aware of any trends affecting itself and the industries in which it operates.]</p>

Element	Description of Element	Disclosure requirement																												
B.5	Description of the group of the Issuer	<p><b>[Mediobanca]</b></p> <p>Mediobanca is the parent company of the Mediobanca Group.</p> <p>The Mediobanca Group is registered as a banking group in the register instituted by the Bank of Italy.]</p> <p><b>[Mediobanca International]</b></p> <p>Mediobanca International is part of the Mediobanca Group.</p> <p>The Mediobanca Group is registered as a banking group in the register instituted by the Bank of Italy.]</p>																												
B.9	Profit forecast/estimate	<p><b>[Mediobanca]</b></p> <p>Not Applicable. No forecast or estimates of profits are contained in the Base Prospectus.]</p> <p><b>[Mediobanca International]</b></p> <p>Not Applicable. No forecast or estimates of profits are contained in the Base Prospectus.]</p>																												
B.10	Qualifications in the audit report	<p><b>[Mediobanca]</b></p> <p>Not Applicable. There are no qualifications in the audit report.]</p> <p><b>[Mediobanca International]</b></p> <p>Not Applicable. There are no qualifications in the audit report.]</p>																												
B.12 <sup>1</sup>	Selected historical key information/no material adverse change/significant changes	<p><b>Mediobanca</b></p> <p><b>Selected annual financial information.</b> The following tables show certain selected audited financial information of Mediobanca as at 30 June 2017, along with comparative data for the year ended 30 June 2016, plus a series of key financial indicators.</p> <p><b>Regulatory capital and solvency margins</b></p> <table><tr><th>Indicators and own funds (regulations in force since 1/1/14)</th><th>30/6/17 (€m) or %</th><th>30/6/16 (€m) or %</th><th>Minimum levels set by law**</th></tr><tr><td>Common Equity Tier 1 – CET1</td><td>7,017.3</td><td>6,504.8</td><td></td></tr><tr><td>Additional Tier 1 – AT1</td><td>-</td><td></td><td></td></tr><tr><td>Tier 2 – T2</td><td>1,861.7</td><td>1,722.4</td><td></td></tr><tr><td>Own funds</td><td>8,879</td><td>8,227.2</td><td></td></tr><tr><td>RWAs*</td><td>52,708.2</td><td>53,861.5</td><td></td></tr><tr><td>Common Equity Tier 1 ratio – CET1 ratio</td><td>13.31%</td><td>12.08%</td><td>7%</td></tr></table>	Indicators and own funds (regulations in force since 1/1/14)	30/6/17 (€m) or %	30/6/16 (€m) or %	Minimum levels set by law**	Common Equity Tier 1 – CET1	7,017.3	6,504.8		Additional Tier 1 – AT1	-			Tier 2 – T2	1,861.7	1,722.4		Own funds	8,879	8,227.2		RWAs*	52,708.2	53,861.5		Common Equity Tier 1 ratio – CET1 ratio	13.31%	12.08%	7%
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<sup>1</sup> By virtue of the Supplement dated 10 November 2017, "Selected historical key information/no material adverse change/significant changes" has been updated and integrated with the annual financial information as at 30 June 2017 of both Mediobanca and Mediobanca International.

		<table><tr><td>Tier 1 ratio – T1 ratio</td><td>13.31%</td><td>12.08%</td><td>8%</td></tr><tr><td>Total capital ratio</td><td>16.85%</td><td>15.27%</td><td>10.5%</td></tr><tr><td>Risk – weighted assets/Total assets</td><td>74.8%</td><td>77.1%</td><td></td></tr><tr><td>Leverage ratio*** (temporary)</td><td>9.5%</td><td>9.5%</td><td></td></tr></table> <p>*Risk –weighted assets (RWAs) have been calculated using the standardised methodology for credit and market risks and the base methodology for operational risks.</p> <p>** Limits include the capital conservation buffer (2.5%) for the minimum levels set by the regulations.</p> <p>***The leverage ratio is the Group's regulatory and tier 1 capital expressed as a percentage of its total exposure (i.e. the sum of its assets and off-balance-sheet exposures). This indicator was introduced by the Basel Committee to keep down debt and contain excessive use of financial leverage in the banking sector.</p> <table><tr><td><b>CREDIT RISK INDICATORS*</b></td><td><b>30/6/16</b> <b>(%)</b></td><td><b>Banking</b> <b>system</b> <b>data as at</b> <b>30/12/15</b> <b>(%)**</b></td><td><b>30/6/17</b> <b>(%)</b></td><td><b>Banking</b> <b>system</b> <b>data as at</b> <b>31/12/16</b> <b>(%)**</b></td></tr><tr><td>Gross bad loans/gross loans</td><td>1.7%</td><td>9.5%</td><td>1.6%</td><td>10.9%</td></tr><tr><td>Net bad loans/net loans</td><td>0.7%</td><td>4.8% ***</td><td>0.7%</td><td>4.4% ***</td></tr><tr><td>Gross irregular items/gross loans</td><td>5.9%</td><td>17.7%</td><td>5.5%</td><td>17.6%</td></tr><tr><td>Net irregular items/loans</td><td>2.9%</td><td>10.8% ** *</td><td>2.8%</td><td>9.4% ***</td></tr><tr><td>Bad loans coverage ratio</td><td>66.6%</td><td>58.6%</td><td>70.02%</td><td>63.1%</td></tr><tr><td>NPL (<i>non-performing loans</i>) coverage ratio</td><td>54.3%</td><td>43.4%</td><td>51.3%</td><td>51.7%</td></tr><tr><td>Net bad loans/net equity</td><td>3.1%</td><td>-</td><td>3.5%</td><td>4.4%</td></tr><tr><td>Cost of risk****</td><td>1.2%</td><td>-</td><td>0.8%</td><td>-</td></tr></table> <p>* Data taken from information shown in part B and part E of the notes to the accounts and refer to the entire prudential consolidation area.</p> <p>** Data taken from reports of financial stability no.1 April 2017, table 2.1, p.21, and no. 1 of April 2016, table 4.1, page 34 and refer to figures for significant banks.</p> <p>*** Data taken from annex to Bank of Italy annual reports for 2015 and 2016 and refer to figures for the total system as at 31 December 2015 and 31 December 2016, respectively</p> <p>****The cost of risk is obtained from the ratio between total net loan loss provisions for the period and average net customer loans.</p> <table><tr><td><b>COMPOSITION OF THE IMPAIRED LOANS</b></td><td><b>30/6/16</b></td><td><b>30/6/17</b></td></tr><tr><td></td><td><b>€m</b></td><td><b>€m</b></td></tr><tr><td>Bad loans</td><td>255.02</td><td>291.60</td></tr><tr><td>Sub-standard</td><td>710.65</td><td>727.69</td></tr></table>	Tier 1 ratio – T1 ratio	13.31%	12.08%	8%	Total capital ratio	16.85%	15.27%	10.5%	Risk – weighted assets/Total assets	74.8%	77.1%		Leverage ratio*** (temporary)	9.5%	9.5%		<b>CREDIT RISK INDICATORS*</b>	<b>30/6/16</b> <b>(%)</b>	<b>Banking</b> <b>system</b> <b>data as at</b> <b>30/12/15</b> <b>(%)**</b>	<b>30/6/17</b> <b>(%)</b>	<b>Banking</b> <b>system</b> <b>data as at</b> <b>31/12/16</b> <b>(%)**</b>	Gross bad loans/gross loans	1.7%	9.5%	1.6%	10.9%	Net bad loans/net loans	0.7%	4.8% ***	0.7%	4.4% ***	Gross irregular items/gross loans	5.9%	17.7%	5.5%	17.6%	Net irregular items/loans	2.9%	10.8% ** *	2.8%	9.4% ***	Bad loans coverage ratio	66.6%	58.6%	70.02%	63.1%	NPL ( <i>non-performing loans</i> ) coverage ratio	54.3%	43.4%	51.3%	51.7%	Net bad loans/net equity	3.1%	-	3.5%	4.4%	Cost of risk****	1.2%	-	0.8%	-	<b>COMPOSITION OF THE IMPAIRED LOANS</b>	<b>30/6/16</b>	<b>30/6/17</b>		<b>€m</b>	<b>€m</b>	Bad loans	255.02	291.60	Sub-standard	710.65	727.69
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		Overdue impaired	51.03	56.03
		<b>TOTAL NPLs (non-performing loans)</b>	<b>1,016.70</b>	<b>1,075.32</b>
		<b>MAIN CONSOLIDATED BALANCE SHEET ITEMS</b>	<b>30/6/17</b>	<b>30/6/16</b>
				<b>CHANGES</b>
				<b>2017/2016</b>
				<b>%</b>
			<b>€m</b>	<b>€m</b>
		<b>Assets</b>		
		Due from banks	7,959.9	5,386.6
		Due from clients	38,763.1	37,881.5
		Financial assets*	16,626.8	20,120.1
		Total Assets	<b>70,445.6</b>	<b>69,818.6</b>
		<b>Liabilities</b>		
		Debt securities in issue	20,108.7	21,813.1
		Financial liabilities**	18,951.3	19,421.7
		Direct funding (from customers)***	20,366.0	18,164.5
		Net interbank position****	4,729.7	6,553.70
		Net equity	9,191.7	8,921.9
		of which: share capital	457.2	452.1
		<p>* Includes financial assets held for trading, AFS securities, financial assets held to maturity and the hedge derivatives.</p> <p>** Includes amounts due to banks, trading liabilities and the hedge derivatives.</p> <p>*** Includes amounts due to clients, and financial liabilities recognised at fair value.</p> <p>**** Net balance between amounts due to banks and amounts due from banks.</p>		
		<b>MAIN CONSOLIDATED PROFIT AND LOSS ACCOUNT ITEMS</b>	<b>30/6/17</b>	<b>30/6/16</b>
				<b>CHANGES</b>
				<b>2017/2016</b>
				<b>%</b>
			<b>€m</b>	<b>€m</b>
		<b>Net interest income*</b>	1,277.5	1,200.5
		<b>Net fee and commission income</b>	377.9	322.7
		<b>Total income*</b>	1,943.3	1,747.0



Element	Description of Element	Disclosure requirement			
		Net profit from financial and insurance operations	1,687.5	1,360.8	24.0%
		Operating costs	-1,035.7	-901.2	14.9%
		Profit before Tax	914.0	736.3	24.1%
		Net Profit	750.2	604.5	24.1%
		*Restated data (cfr. Page. 24 of the consolidated financial statements as at 30 June 2016). Total income not restated comes to a total of 1,746,951 as at 30 June 2016 and to 1,776,681 as at 30 June 2015 (cfr. Page 68 of the consolidated financial statements as at 30 June 2016).			
		<b>[Mediobanca International]</b>  <b>Selected annual financial information.</b> The following tables show certain selected audited financial information of Mediobanca International as at and for the year ended 30 June 2017, along with comparative data as at and for the year ended 30 June 2016.]			
		MAIN STATEMENT OF FINANCIAL POSITION ITEMS	30/6/17	30/6/16	CHANGES 2017/2016 %
			€m	€m	
		<b>Assets</b>			
		Loan and advances to credit institutions	1,290.1	1,801.7	-28.4%
		Loan and advances to customers	3,299.9	3,404.3	-3.1%
		Financial assets*	582.7	1,061.3	-45.1%
		<b>Total Assets</b>	<b>5,191.7</b>	<b>6,281.9</b>	<b>-17.4%</b>
		<b>Liabilities</b>			
		Debt securities in issue	1,317.4	2,200.4	-40.1%
		Amounts due to credit institutions	2,248.9	1,928.2	16.6%
		Amounts due to customers	962.5	1,275.0	-24.5%
		Trading liabilities	319.2	559.6	-43.0%
		Net equity**	307.8	288.7	6.6%
		of which: share capital	10.0	10.0	0.0%
		Profit/Loss of the period	20.8	19.0	9.5%

<b>Total liabilities</b>	<b>5,191.7</b>	<b>6,281.9</b>	<b>-17.4%</b>
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\* Includes financial assets held for trading, financial assets held to maturity and the hedging derivatives.

\*\* Includes reserves and share capital.

<b>MAIN STATEMENT OF COMPREHENSIVE INCOME ITEMS</b>	<b>30/6/17</b>	<b>30/6/16</b>	<b>CHANGES 2017/2016 %</b>
	<b>€m</b>	<b>€m</b>	
Net interest income	38.6	30.3	27.4%
Net fee and commission income	1.0	0.8	25.0%
Total income	36.2	33.7	7.4%
Net profit from banking activities	37.0	34.7	6.6%
Administrative expenses	-8.5	-7.7	10.4%
<b>Profit of the ordinary activity before tax</b>	<b>28.5</b>	<b>27.0</b>	<b>5.6%</b>
<b>Profit for the year</b>	<b>20.8</b>	<b>19.0</b>	<b>9.5%</b>

<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>Year ended 30 June</b>	
	<b>2017</b>	<b>2016</b>
	<i>(Euro thousands)</i>	
Operating activities	81,740	11,214
Cash generated/(absorbed) by financial assets	580,864	-1,117,162
Cash (generated)/absorbed by financial liabilities	-663,951	919,212
Net cash flow (outflow) from operating activities	-1,347	-186,736
<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Net cash flow (outflow) from investment activities	-	194,989

Element	Description of Element	Disclosure requirement		
		<b>FUNDING ACTIVITIES</b>		
		Net cash flow (outflow) from funding activities	-	-
		<b>NET CASH FLOW (OUTFLOW) DURING YEAR/PERIOD</b>	<b>-1,347</b>	<b>8,253</b>
		<p><b>Mediobanca</b></p> <p><b>Mediobanca</b></p> <p><i>Material adverse change</i></p> <p>Since 30 June 2017 with respect to Mediobanca there has been no material adverse change in the prospects of either Mediobanca or the Group headed up by it.</p> <p><i>Significant changes</i></p> <p>Not applicable. There has been no significant change in the financial or trading position of Mediobanca or the other companies forming part of the Group since the most recent financial information available, which was disclosed in the consolidated annual financial statements for the year ended 30 June 2017.</p> <p><b>[Mediobanca International]</b></p> <p><i>Material adverse change</i></p> <p>Since 30 June 2017 with respect to Mediobanca International there has been no material adverse change in the prospects of Mediobanca International.</p> <p><i>Significant changes</i></p> <p>Not applicable. There has been no significant change in the financial or trading position of Mediobanca International since the most recent financial information available, which was disclosed in the non-consolidated annual financial statements as at and for the year ended 30 June 2017.]</p>		
<b>B.13</b>	<b>Recent events</b>	<b>[Mediobanca</b>		
		Neither Mediobanca nor any company in the Group have carried out transactions that have materially affected or that might be reasonably expected to materially affect, the Mediobanca Group or Mediobanca's ability to meet its obligations.]		
		<b>[Mediobanca International</b>		
		[Mediobanca International has not carried out transactions that have materially affected or that might be reasonably expected to materially affect, Mediobanca International's ability to meet its obligations.]		
<b>B.14</b>	<b>Issuer dependent upon other entities within the group</b>	<p><b>Mediobanca</b></p> <p>Not applicable. Mediobanca is the parent company of the Mediobanca Group and is not dependent upon other entities within the Mediobanca Group.</p>		

Element	Description of Element	Disclosure requirement
		See also item B.5 above.]
		<b>[Mediobanca International</b>
		Mediobanca International is part of the Mediobanca Group and is a wholly owned subsidiary of the Mediobanca Group, operating autonomously within the Group and subject to coordination and support of Mediobanca.
		See also item B.5 above.]
<b>B.15</b>	<b>Principal activities</b>	<p><b>[Mediobanca</b></p> <p>As stated in Article 3 of its Articles of Association, Mediobanca's purpose is to raise funds and provide credit in any of the forms permitted especially medium- and long-term credit to corporates.</p> <p>Within the limits laid down by current regulations, Mediobanca may execute all banking, financial and intermediation-related operations and services, and carry out any transaction deemed to be instrumental to or otherwise connected with the achievement of Mediobanca's purpose.]</p> <p><b>[Mediobanca International</b></p> <p>Mediobanca International may carry out, either within or outside the Grand Duchy of Luxembourg, any banking or financial operations authorised by the law relating to the financial sector.</p> <p>Mediobanca International's principal activity consists of raising funds on international markets, by issues of bonds chiefly under a short and medium term notes programme guaranteed by Mediobanca. Mediobanca International is also engaged in corporate lending operations.]</p>
<b>B.16</b>	<b>Control of Issuer</b>	<b>Mediobanca</b>
		Not applicable. No individual or entity controls Mediobanca within the meaning of Article 93 of the Italian Legislative Decree 58/98.
		<b>[Mediobanca International</b>
		Mediobanca International is 99% owned by Mediobanca.]
<b>B.17<sup>2</sup></b>	<b>Credit ratings</b>	<p><b>[Mediobanca</b></p> <p>As at 10 November 2017, (i) Standard &amp; Poor's Credit Market Services Italy S.r.l. ("<b>S&amp;P</b>") rated Mediobanca A-2 (short-term debt), BBB (long-term debt) and stable (outlook) and (ii) Fitch Italia S.p.A. ("<b>Fitch</b>") rated Mediobanca F2 (short-term debt), BBB+ (long-term debt) and negative (outlook).]</p> <p>[Standard &amp; Poor's Credit Market Services Italy S.r.l. and Fitch Italia S.p.A. are credit rating agencies which are established in the European Community and have been registered in accordance with Regulation 1060/2009/EC (as amended by Regulation 513/2011/EU and by Regulation 462/2013/EU) (the "<b>CRA Regulation</b>"). As such, S&amp;P and Fitch are included in the latest list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA – see <a href="http://www.esma.europa.eu/page/List-registered-and-certified-CRAs">www.esma.europa.eu/page/List-registered-and-certified-CRAs</a>.]</p>

<sup>2</sup> By virtue of the Supplement dated 10 November 2017, "Credit ratings" has been updated.

Element	Description of Element	Disclosure requirement
		<p><b>[Mediobanca International]</b></p> <p>[Not applicable. Mediobanca International is not rated.]]</p> <p><b>The Notes</b></p> <p>The Notes are [unrated] [rated by [S&amp;P entity] [Fitch entity] [•]].</p> <p>[[S&amp;P entity][Fitch entity] is established in the European Union and registered under Regulation (EC) No 1060/2009 on credit rating agencies.] [The rating of the Notes will be treated as having been issued by a credit rating agency established in the European Union and registered under Regulation (EC) No 1060/2009 on credit rating agencies (the "<b>CRA Regulation</b>").] [[•] [is]/[are] established in the European Union and [has]/[have each] applied for registration under Regulation (EC) No 1060/2009, although the result of such application has not yet been determined.] [[•] [is]/[are] not established in the European Union and [has]/[have] not applied for registration under Regulation (EC) No 1060/2009.]</p>
<b>B.18</b>	<b>Guarantee</b>	Under the Deed of Guarantee, and in accordance with its terms and subject to the limitations thereof, Mediobanca (the " <b>Guarantor</b> ") unconditionally and irrevocably guarantees payment of all amounts due in respect of Senior Notes issued by Mediobanca International.
		The payment obligations of the Guarantor under the Deed of Guarantee constitute – in accordance with the terms and subject to the limitations thereof – direct, unconditional, unsubordinated and unsecured obligations of the Guarantor which will rank at all times at least pari passu without any preference among themselves and equally with all other present and future unsecured and unsubordinated obligations of the Guarantor, save for certain mandatory exceptions of applicable law. In particular, pursuant to the Deed of Guarantee, to the extent under the applicable law in force at the relevant time, a cap to the maximum amount to be guaranteed is required, the Guarantor shall only be liable up to an amount which is the aggregate of 110 per cent. of the aggregate principal amount of any Tranche of the Notes and 110 per cent. of the interest on such Notes accrued but not paid as at any date on which the Guarantor's liability falls to be determined. In addition, pursuant to the Deed of Guarantee, the Guarantor has also undertaken to issue an additional guarantee in an amount equal to any liability exceeding the maximum amount mentioned above in relation to any Tranche.
<b>B.19</b>	<b>Information on the Guarantor</b>	[Not applicable.] [Information with respect to Mediobanca is included in this Section B above.]

#### Section C – Notes

Element	Description of Element	Disclosure requirement
<b>C.1</b>	<b>Type and class of notes being offered</b>	<p>The Notes are [Fixed Rate Notes] [Floating Rate Notes] [Zero Coupon Notes].</p> <p>The Notes have ISIN [•] [and Common Code [•]].</p>
<b>C.2</b>	<b>Currency</b>	Subject to compliance with all relevant laws, regulations and directives, the Notes are issued in [•].
<b>C.5</b>	<b>Restrictions on free transferability</b>	The Notes may not be transferred prior to the Issue Date. Selling restrictions apply to offers, sales or transfers of the Notes under the applicable laws in various jurisdictions and, amongst others, the United States, the European Economic Area (including the United Kingdom and Italy) and Japan.

Element	Description of Element	Disclosure requirement
C.8	Description of rights, ranking and limitation of rights	<p>The Notes have terms and conditions relating to, among other matters:</p> <p><b>Rights</b></p> <p><i>Governing law</i></p> <p>The rights of the investors in connection with the Notes and any contractual or non-contractual obligations arising from or connected with the Notes are governed by, and shall be construed in accordance with, [English] [Italian] law [, except for the right of the investors in connection with the status of the Subordinated Notes issued by Mediobanca which shall be governed by, and construed in accordance with Italian law,].</p>
		<p><i>Prescription</i></p> <p>Claims against the Issuer for payment in respect of the Notes, Receipts and Coupons (which, for this purpose shall not include Talons) shall be prescribed and become void unless made within ten years (in the case of principal) or five years (in the case of interest) in respect thereof.</p> <p><i>Payments in respect of Global Notes</i></p> <p>All payments in respect of Notes represented by a Global Note will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of that Global Note to or to the order of the Fiscal Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose. A record of each payment so made will be endorsed on each Global Note, which endorsement will be <i>prima facie</i> evidence that such payment has been made in respect of the Notes.</p> <p><i>Payments in respect of Notes in definitive form</i></p> <p>Payments of principal and interest in respect of the Notes in definitive form shall be made against presentation and surrender of the relevant Notes at the specified office of any Paying Agent outside the United States by a cheque payable in the currency in which such payment is due drawn on, or, at the option of the holder, by transfer to an account denominated in that currency with a bank in the principal financial centre of that currency; <b>provided that</b> in the case of Euro, the transfer may be to a Euro account.</p> <p><i>Further issues and consolidation</i></p> <p>The Issuer may from time to time without the consent of the holders of Notes or Coupons create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the Issue Price, the Issue Date and/or the first payment of interest) and so that the same shall be consolidated and form a single series with such Notes. In addition, Notes of one series may be consolidated with Notes of another Series.</p> <p><i>Substitution</i></p> <p>Subject to the fulfilment of certain conditions, the Issuer and, in case of Notes issued by Mediobanca International, the Guarantor may at any time (subject to certain conditions as provided in the Terms and Conditions) without the consent of the holders of Notes or Coupons, substitute Mediobanca in place of Mediobanca International or Mediobanca International in place of Mediobanca.</p>

Element	Description of Element	Disclosure requirement
		<p><b>Status and ranking</b></p> <p>[The Notes are issued by Mediobanca on a [subordinated] [unsubordinated] basis.] [The Notes are issued by Mediobanca International on an unsubordinated basis.]</p> <p><i>[Insert if the Notes are Senior Notes:]</i></p> <p>The Senior Notes will constitute direct, unconditional, unsubordinated and unsecured obligations of the relevant Issuer and will rank at all times at least <i>pari passu</i> without any preference among themselves and equally with all other present and future unsecured and unsubordinated obligations of the relevant Issuer, save for certain mandatory exceptions of applicable law.]</p>
		<p><i>[Insert if the Notes are Subordinated Notes:]</i></p> <p>Subordinated Notes constitute direct, unsecured and subordinated obligations of Mediobanca.</p> <p>In the event of a winding up, dissolution, liquidation or bankruptcy (including, <i>inter alia</i>, <i>Liquidazione Coatta Amministrativa</i>) of Mediobanca, the payment obligations of Mediobanca under each Series of Subordinated Notes, and the relative Coupons as the case may be, will rank in right of payment (A) after unsubordinated creditors (including depositors and any holder of Senior Notes and their respective Coupons) of Mediobanca but (B) at least <i>pari passu</i> with all other present and future subordinated obligations of Mediobanca which do not rank or are not expressed by their terms to rank junior or senior to such Series of Subordinated Notes and (C) in priority to the claims of shareholders of Mediobanca.]</p> <p><b>Limitation of rights</b></p> <p><i>[Insert if the Notes are Senior Notes:]</i></p> <p><i>Events of Default of the Senior Notes</i></p> <p>The Senior Notes are subject to the following Events of Default:</p> <ul style="list-style-type: none"> <li>(a) default is made for a period of five Business Days or more in the payment of any principal on any of the Senior Notes or for a period of fifteen Business Days or more in the payment of any interest due in respect of the Senior Notes or any of them;</li> <li>(b) the Issuer or the Guarantor (where applicable) fails duly to perform any other obligation under or in respect of the Senior Notes, the Deed of Guarantee or the Issue and Paying Agency Agreement and such failure continues for more than 30 days after the service by a holder of a Senior Note of notice on the Issuer requiring the same to be remedied;</li> <li>(c) the Issuer or the Guarantor (where applicable) suspends its payments generally;</li> <li>(d) certain events relating to the bankruptcy, insolvency, winding-up, dissolution, or administration of the Issuer or the Guarantor (where applicable) occur;</li> <li>(e) a cross default in respect of indebtedness for borrowed money of the relevant Issuer or the Guarantor (where applicable) occurs;</li> </ul>

Element	Description of Element	Disclosure requirement
		<p>(f) in respect of Senior Notes issued by Mediobanca International, Mediobanca International ceases to be controlled by Mediobanca (except in the case of a reconstruction, amalgamation, reorganisation, merger, de-merger, consolidation or similar transaction by which Mediobanca assumes the payment obligations of Mediobanca International under the Senior Notes);</p> <p>(g) it is or will become unlawful for the Issuer or the Guarantor (where applicable) to perform or comply with any one or more of its obligations under any of the Senior Notes or the Deed of Guarantee (where applicable); and</p> <p>(h) certain events in relation to the Deed of Guarantee occur.]</p> <p><b><i>[Insert if the Notes are Subordinated Notes:</i></b></p> <p><i>Events of Default of the Subordinated Notes</i></p> <p>The Subordinated Notes are subject to the following Events of Default:</p> <p>(i) <i>Winding-up:</i> Mediobanca is wound up or dissolved, except for the purposes of, and pursuant to, or in connection with, a reconstruction, amalgamation, reorganisation, merger, de-merger, consolidation, deconsolidation or disposal of assets.]</p>
C.9	<b>Interest including yield/Redemption/Representation</b>	<p>See item C.8 above for information on certain of the rights attaching to the Notes.</p> <p><b>Interest and Interest Periods</b></p> <p>The Notes [are zero coupon Notes] [bear interest at a fixed rate from the Interest Commencement Date] [bear interest at a floating rate from the Issue Interest Commencement Date] [bear interest at a [fixed rate][floating rate] from the Interest Commencement Date to the Interest Rate Switch Date and shall thereafter bear interest at a [fixed rate][floating rate]] [at the applicable Interest Rate, such interest being payable in arrear on each specified Interest Payment Date] [to the Maturity Date].</p> <p><b><i>Interest Rate</i></b></p> <p><i>[Insert in the case of Fixed Rate Notes:</i></p> <p>The Interest Rate for the Notes [from the Interest Commencement Date] [Interest Rate Switch Date] to the [Interest Rate Switch Date][Maturity Date] is [•] per cent. per annum] [from the Interest Rate Switch Date to the Maturity Date is [•] per cent. per annum]. The yield in respect of the Notes is [•]. Yield is calculated as internal rate of return (IRR) on the basis of the Issue Price[, ] [and] the Fixed Coupon [and the Broken Amount]. It is not an indication of future yield.]</p> <p><i>[Insert in the case of Floating Rate Notes:</i></p> <p><i>[Insert in the case of "Screen Rate Determination":</i> The Interest Rate for each Interest Period [from the Interest Commencement Date] [Interest Rate Switch Date] to the [Interest Rate Switch Date][Maturity Date] shall be determined by reference to [•- week[s]] [•- month] [3-month] [6-month] [12-month] [GBP-][EUR-][USD-][CHF-] [•-] [EURIBOR] [EURIBOR] [LIBOR] [LIBID] [LIMEAN] [CMS] [BOT] appearing on [•]] [from the Interest Rate Switch Date to the Maturity Date shall be determined by reference to [•- month] [3-month] [6-month] [12-month] [GBP-][EUR-][USD-][CHF-] [•-] [EURIBOR] [LIBOR] [LIBID] [LIMEAN] [CMS] [relevant yield of Government securities] appearing on [•]] and if no such rate appears on the applicable page at the relevant time on the Interest Determination Date, the rate shall be determined by the Calculation Agent using certain fallback methods (the "<b>Reference Rate</b>"). The Interest</p>



Element	Description of Element	Disclosure requirement
		Rate will be determined as [the sum of a Margin of [•] and the Reference Rate so determined] [(i) the sum of a Margin of [•] and the Reference Rate so determined (ii) multiplied by a Multiplier of [•]] [the sum of (i) a Margin of [•] and (ii) the Reference Rate so determined multiplied by a Reference Rate Multiplier of [•]]. [In respect of any short or long Interest Period, the Calculation Agent will determine the Interest Rate using Linear Interpolation.] [For the avoidance of doubt the Interest Rate is a [sum of] [combination of] [one] [[•]] Reference Rate[s] [(plus any applicable Margin)].
		<p>[Insert in the case of "ISDA Determination": The Interest Rate for each Interest Period [from the Interest Commencement Date] [Interest Rate Switch Date] to the [Interest Rate Switch Date][Maturity Date]] [from the Interest Rate Switch Date to the Maturity Date] shall be the [the sum of a Margin of [•] and the ISDA Rate] [(i) the sum of a Margin of [•] and the ISDA Rate (ii) multiplied by a Multiplier of [•]] [the sum of (i) a Margin of [•] and (ii) the ISDA Rate multiplied by a Reference Rate Multiplier of [•]]where "<b>ISDA Rate</b>" in relation to any Interest Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:</p> <p>(a) the Floating Rate Option (as defined in the ISDA Definitions) is [GBP-][EUR-][USD-][CHF-] [•-] [EURIBOR-] [LIBOR-] [LIBID-] [LIMEAN-] [CMS-] [relevant yield of Government securities] [•-] [Reuters] [Bloomberg] [BBA] [•];</p> <p>(b) the Designated Maturity (as defined in the ISDA Definitions) is to [•- week[s]] [•- month] [3-month] [6-month] [12-month]; and</p> <p>(c) the relevant Reset Date (as defined in the ISDA Definitions) is [the first day of that Interest Period] [•].</p> <p>[In respect of any short or long Interest Period, the Calculation Agent will determine the Interest Rate using Linear Interpolation.] [For the avoidance of doubt the Interest Rate is a [sum of] [combination of] [one] [[•]] Reference Rate[s] [(plus any applicable Margin)].</p>
		" <b>Linear Interpolation</b> " means the straight-line interpolation by reference to two rates based on the Reference Rate or the ISDA Rate, as the case may be, one of which will be determined as if the Specified Duration were the period of time for which rates are available next shorter than the length of the affected Interest Period and the other of which will be determined as if the Specified Duration or the Designated Maturity, as the case may be, were the period of time for which rates are available next longer than the length of such Interest Period.
		<p>"<b>ISDA Definitions</b>" means the 2006 ISDA Definitions as amended and updated as at the date of issue of the Notes as published by the International Swaps and Derivatives Association, Inc., a copy of which is available on the website of the International Swaps and Derivatives Association, Inc. (www.isda.org) and can be obtained from the Issuer.]</p> <p>[Insert if Multiplier is applicable:</p> <p><i>Multiplier</i></p> <p>The Interest Rate [from the Issue Date to the Interest Rate Switch Date] [from the [Issue Date] [Interest Rate Switch Date] to the Maturity Date] will also be subject to a Multiplier of [•].]</p>

Element	Description of Element	Disclosure requirement
		<p><i>[Insert if Reference Rate Multiplier is applicable:</i></p> <p><i>Reference Rate Multiplier</i></p> <p>The Interest Rate [from the Issue Date to the Interest Rate Switch Date] [from the [Issue Date] [Interest Rate Switch Date] to the Maturity Date] will [also] be subject to a Reference Rate Multiplier of [•].]</p> <p><i>[Insert in the case of Zero Coupon Notes:</i></p> <p>The Notes will not bear interest.</p> <p><i>[Insert if Maximum Interest Rate and/or Minimum Interest Rate is applicable:</i></p> <p><i>[Maximum Interest Rate] [and] [Minimum Interest Rate]</i></p> <p>The Interest Rate [from the Interest Commencement Date to the [Interest Rate Switch Date][Maturity Date] will also be subject to a [[Maximum][Minimum] Interest Rate of [•]] [and] a [[Maximum][Minimum] Interest Rate of [•]] [and] [from the Interest Rate Switch Date to the Maturity Date will [also] be subject to a [[Maximum][Minimum] Interest Rate of [•]] [and] a [[Maximum][Minimum] Interest Rate of [•]].]</p> <p><i>Day Count Fraction</i></p> <p>The applicable Day Count Fraction for the calculation of the amount of interest due within an Interest Period will be [1/1] [Actual/Actual] [Actual/Actual (ISDA)] [Actual/Actual (ICMA)] [Actual/365 (Fixed)] [Actual/360] [30/360] [360/360] [Bond Basis] [30E/360] [Eurobond Basis] [30E/360 (ISDA)].</p>
		<i>Interest Periods</i>
		The Interest Periods are the periods commencing on (and including) the Interest Commencement Date to (but excluding) the first Interest Accrual Date and each period commencing on (and including) an Interest Accrual Date to (but excluding) the next following Interest Accrual Date.
		<i>Issue Date and Interest Payment Dates</i>
		<p>The Issue Date is [•]. The Interest Payment Dates will be [•].</p> <p><i>[Interest Determination Date]</i></p> <p>[The Interest Determination Date with respect to an Interest Period will be [the first day of each Interest Period] [the second day on which TARGET2 is open prior to the first day of each Interest Period] [the day falling two Banking Days prior to the first day of each Interest Period] [•].]</p> <p>["<b>TARGET 2</b>" means the Trans-European Automated Real-Time Gross Settlement Express Transfer System or any successor thereto.]</p> <p><i>Interest Accrual Dates</i></p>

Element	Description of Element	Disclosure requirement
		<p>The Interest Accrual Dates will be [•].</p> <p><i>[Insert if "Interest Rate Switch" is applicable:</i></p> <p><i>Interest Rate Switch Date</i></p> <p>The Interest Rate Switch Date for each Series of Notes will be [•].]</p> <p><b>Redemption</b></p> <p><b>Maturity</b></p> <p>Unless previously redeemed or purchased and cancelled, each Note will be redeemed by the Issuer by payment of the Final Redemption Amount on the Maturity Date which is [•].</p> <p><b>"Final Redemption Amount"</b> means [•] [the principal amount of the Note].</p> <p><i>[Insert if "Redemption by Instalments" is applicable:</i></p> <p><i>Redemption by Instalments</i></p> <p>Unless previously redeemed, purchased and cancelled, each Note will be partially redeemed on each Instalment Date at the Instalment Amount, whereupon the outstanding principal amount of such Note shall be reduced by the Instalment Amount for all purposes.</p> <p>The Instalment Amount per Note corresponding to the applicable Instalment Date is set out below:</p> <p>[•]]</p>
		<p><i>Early Redemption</i></p> <p>The Notes may be redeemed early if[:]</p> <p>[(a)] <i>Tax Redemption:</i> certain taxation events occur and, amongst others, if (i) based on certain qualified opinions, there is substantial risk that the Issuer (A) has or will become obliged to pay additional tax amounts or (B) has or will become subject to additional amount of national income taxes due to certain limitations and subject to certain conditions, in either case as a result of any change in the Italian laws or regulations, or in the relevant application or interpretation or the decisions of any judicial or administrative body or any change in the interpretation of such decisions, which change, amendment, etc becomes effective on or after the Issue Date, and (ii) such obligations/limitations under (A) and (B) above cannot be avoided by the Issuer taking reasonable measures available to it under certain specific conditions and <b>provided that</b> the occurrence of any of such events is communicated in a certain manner.</p> <p>[(b)] <i>[Events of Default:]</i> an Event of Default occurs (as described in item C.8 above).</p> <p>In such circumstances, the Issuer shall pay the Early Redemption Amount together with interest accrued to the date fixed for [redemption] [or payment] in respect of each Note.</p>

Element	Description of Element	Disclosure requirement
		<p><i>[Insert if "Call Option" is applicable:</i></p> <p><i>Call Option</i></p> <p>The Issuer may, on giving [•] Business Days prior notice, redeem [all or some] of the Notes on the Optional Redemption Date[s] and the Issuer shall pay the Optional Redemption Amount (<i>Call</i>) together with interest accrued to the date fixed for redemption in respect of each Note.</p> <p><i>[Insert if "Put Option" is applicable:</i></p> <p><i>Put Option</i></p> <p>The Issuer shall, on receiving [•] [Business Days] [Calendar Days] prior notice from the holder of a Note, redeem such Note on the Optional Redemption Date[s] at its Optional Redemption Amount (<i>Put</i>) together with interest accrued to the date fixed for redemption in respect of such Note.</p> <p><i>Optional Redemption Amount</i></p> <p>The Optional Redemption Amount due in respect of each Note pursuant to the exercise of the [Call Option] [Put Option] shall be [[•] per Calculation Amount per Note][the Optional Redemption Amount per Note corresponding to the applicable Optional Redemption Date on which the [Call Option] [Put Option] is exercised is as set out below:</p>
		[[•]
		<p><b>"Optional Redemption Amount"</b> means [•] [the principal amount of the Note].]</p> <p>[The Maximum Redemption Amount is [•] per Calculation Amount per Note].</p> <p>The Minimum Redemption Amount is [•] per Calculation Amount per Note].</p> <p><i>[Insert if "Redemption for taxation reasons" is applicable:</i></p> <p><i>[Tax Redemption</i></p> <p>The Notes may be redeemed early if certain taxation events occur with respect to the Notes, the Issuer or the Guarantor (where applicable).].]</p> <p><i>[Insert if "Total Repurchase Option/Partial Repurchase Option" is applicable:</i></p> <p><b>Purchases</b></p> <p>The Issuer, the Guarantor and any of the Guarantor's subsidiaries may at any time purchase [all (but not part of) of the Notes] [on one or more occasions, any portion of the Notes] in the open market or otherwise at any price <b>provided that</b> all unmatured Receipts and Coupons and unexchanged Talons appertaining thereto are attached or surrendered therewith.</p> <p>Such option to purchase all of the Notes can only be exercised by the Issuer on [•].</p>

Element	Description of Element	Disclosure requirement
		<p>Upon exercise of such option, the holder(s) shall be obliged to sell to the Issuer (or any other entity indicated by the Issuer) all the Notes of the Series in relation to which such option is exercised.]</p> <p><b>Meetings</b></p> <p>The Notes contains provisions for convening meetings of Noteholders to consider matters affecting their interests generally with respect to the Notes. These provisions permit defined majorities to bind all holders, including holders who did not attend and vote at the relevant meeting and holders who voted in a manner contrary to the majority.</p>
C.10	Derivative component in the interest payment	<p>[Not applicable. The Notes do not have a derivative component in the interest payment.]</p> <p><i>[Insert if Maximum Interest Rate and/or Minimum Interest Rate is applicable: The Notes are characterised by a pure bond component and an implied derivative component [which is represented by [a put option on the minimum rate sold by the Issuer to the investors] [•] [and/or] [a call option on the maximum rate sold by the investor to the Issuer] [•].]</i></p>
		See item C.9 above for information on interest and redemption.
C.11	Trading of Notes	<p>The Central Bank of Ireland has approved this document as a base prospectus. Application has also been made for Notes issued under the Programme to be admitted to trading on the regulated market of the Irish Stock Exchange.</p> <p>[Application [has been] [will be] made for the Notes to be [listed] [or] [admitted to trading] on [the Luxembourg Stock Exchange] [the Italian Stock Exchange] [<i>specify relevant regulated market</i>] [<i>insert other or further stock exchanges or markets as may be agreed between the relevant Issuer, the Guarantor (where applicable) and the relevant Dealer in relation to the relevant Series</i>].</p>
		[The Notes are [neither] listed [nor] admitted to trading on any market.]
C.21	Markets where Notes will be traded	<p>[Not applicable.]</p> <p><i>[insert for Notes with a denomination of at least Euro 100,000 (or, where the Notes are denominated in a currency other than euro, the equivalent amount in such other currency)]</i></p> <p>[Any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC), as amended. See item C.11 above.]</p>
[•]	Description of Type and Class of Securities:	<p><i>Issuance in Series:</i> Notes will be issued in Series. Each Series may comprise one or more Tranches issued on different issue dates. The Notes of each Series will all be subject to identical terms, except that the issue date and the amount of the first payment of interest may be different in respect of different Tranches. The Notes of each Tranche will all be subject to identical terms in all respects save that a Tranche may comprise Notes of different denominations.</p> <p><b>Issue-specific summary</b></p> <p><i>[The Notes are issued as Series number [•], Tranche number [•].]</i></p> <p><i>[The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the [insert description of the Series] on [insert date/the Issue</i></p>

Element	Description of Element	Disclosure requirement
		<p><i>Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as specified in the relevant Final Terms.]</i></p> <p><b>Forms of Notes:</b> Notes may be issued in bearer form. Each Tranche of Notes in bearer form will initially be in the form of either a Temporary Global Note or a Permanent Global Note, in each case as specified in the relevant Final Terms. Each Global Note which is not intended to be issued in new global note form (a "<b>Classic Global Note</b>" or "<b>CGN</b>"), as specified in the relevant Final Terms, will be deposited on or around the relevant issue date with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and each Global Note which is intended to be issued in new global note form (a "<b>New Global Note</b>" or "<b>NGN</b>"), as specified in the relevant Final Terms, will be deposited on or around the relevant issue date with a common safekeeper for Euroclear and/or Clearstream, Luxembourg. Each Temporary Global Note will be exchangeable for a Permanent Global Note or, if so specified in the relevant Final Terms, for Definitive Notes. If the TEFRA D Rules are specified in the relevant Final Terms as applicable, certification as to non-U.S. beneficial ownership will be a condition precedent to any exchange of an interest in a Temporary Global Note or receipt of any payment of interest in respect of a Temporary Global Note. Each Permanent Global Note will be exchangeable for Definitive Notes in accordance with its terms. Definitive Notes will, if interest-bearing, have Coupons attached and, if appropriate, a Talon for further Coupons.</p>

#### Section D – Risks

Element	Description of Element	Disclosure requirement
<b>D.2</b>	<b>Key risks specific to the Issuer and Guarantor</b>	<p>There are certain factors that may affect each Issuer's ability to fulfil its obligations under Notes issued under the Programme. These include the following risk factors related to the Mediobanca Group, its operations and its industry:</p> <ul style="list-style-type: none"> <li>(i) The general economic conditions, the performance of financial markets, interest rate levels, currency exchange rates, changes in laws and regulation, changes in the policies of central banks, particularly the Bank of Italy and the European Central Bank, and competitive factors can change the level of demand for the Issuer's products and services, the credit quality of borrowers and counterparties, the interest rate margin of the Issuer between lending and borrowing costs and the value of each of the relevant Issuer's investment and trading portfolios</li> <li>(ii) The European sovereign debt crisis has adversely affected, and may continue to adversely affect, the Issuer's results of operations, business and financial conditions.</li> <li>(iii) The Mediobanca Group has exposure to Eurozone sovereign debt.</li> <li>(iv) Fluctuations in interest and exchange rates may affect the Issuer's results.</li> <li>(v) The results of the Issuer are affected by general economic, financial and other business conditions.</li> <li>(vi) The credit and capital markets have been experiencing extreme volatility and disruption in recent months.</li> </ul>

Element	Description of Element	Disclosure requirement
		<p>(vii) Each of the Issuer's investment banking revenues, in the form of financial advisory and debt and equity underwriting fees, are directly related to the number and size of the transactions in which the relevant Issuer participates and may be impacted by continued or further credit market dislocations or sustained market downturns.</p> <p>(viii) In some of each relevant Issuer's businesses, protracted adverse market movements, particularly asset price declines, can reduce the level of activity in the market or reduce market liquidity.</p> <p>(ix) In the event that the extreme volatility and disruption experienced by international and domestic markets in recent months continue in the future, the Issuer's liquidity can be adversely affected.</p>
		<p>(x) If the Issuer is unable to continue to respond to the competitive environment in Italy with attractive product and service offerings that are profitable for the Issuer, it may lose market share in important areas of its business or incur losses on some or all of its activities.</p> <p>(xi) If existing or potential customers believe that the Issuer's risk management policies and procedures are inadequate, the Issuer's reputation as well as its revenues and profits may be negatively affected.</p> <p>(xii) Each of the Issuers, like all financial institutions, is exposed to many types of operational risk, including the risk of fraud by employees and outsiders, unauthorised transactions by employees or operational errors, including errors resulting from faulty computer or telecommunication systems.</p> <p>(xiii) Systemic risk could adversely affect the Issuer's businesses.</p> <p>(xiv) The investors should note that the portfolio of the Issuer contains so- called "<i>over the counter</i>" (OTC) derivatives. If the financial condition of market counterparties or their perceived creditworthiness deteriorates further, the Group may record further credit valuation adjustments on the underlying instruments insured by such parties.</p> <p>(xv) A downgrade of Mediobanca's rating may limit Mediobanca's opportunities to extend mortgage loans and may have a particularly adverse effect on Mediobanca's image as a participant in the capital markets, as well as in the eyes of its clients.</p> <p>(xvi) Changes in the Italian and European regulatory framework could adversely affect the Issuer's business.</p> <p>(xvii) The guarantee given by the Guarantor is capped at 110 per cent. of the aggregate principal amount of any Tranche of the Notes and 110 per cent. of the interest on such Notes accrued but not paid.</p>
<b>D.3</b>	<b>Key risks specific to the Notes</b>	<p>In addition, there are certain factors which are material for the purpose of assessing the risks related to Notes issued under the Programme. The Notes may not be suitable for all investors. A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. These include the following:</p> <p>(i) The Notes may not be a suitable investment for all investors.</p> <p>(ii) Under EC Council Directive income 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU), each EU Member State is required to provide by automatic</p>

Element	Description of Element	Disclosure requirement
		exchange to the tax authorities of any other EU Member State information regarding taxable periods as from 1 January 2016 concerning Reportable Accounts held by a Reportable Person with a local Reporting Financial Institutions in which Notes may be held. Information to be reported include, among others, name, address, Member State(s) of residence, TIN(s) of each Reportable Person that is an account holder, the account number, the name and identifying number of the Reporting Financial Institution, the account balance or value as of the end of the calendar year, the total gross amount of interest dividends and other income generated with respect to the assets held in the account, including gross proceeds originating from the relevant sale or redemption.
		<p>(iii) The Issuer, the Guarantor and other financial institutions through which payments on the Notes are made may be required to withhold U.S. tax at a rate of 30% on all, or a portion of, payments made after 31 December 2016 in respect of (i) any Notes characterized as debt (or which are not otherwise characterized as equity and have a fixed term) for U.S. federal tax purposes that are issued after 31 December 2012 or are materially modified from that date and (ii) any Notes characterized as equity or which do not have a fixed term for U.S. federal tax purposes, whenever issued, pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code or similar law implementing an intergovernmental approach to FATCA.</p> <p><b>Risk related to the structure of a particular Issue of Notes</b></p> <p>(i) An optional redemption feature of Notes is likely to limit their market value.</p> <p>(ii) [In the event that the Issuer would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction, the Issuer may redeem all outstanding Notes in accordance with the Conditions].</p> <p>(iii) Notes with variable interest rates can be volatile investments.</p> <p>(iv) Fixed/Floating Rate Notes may bear interest at a rate that may convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate and any conversion, depending on market interest rates, may adversely affect the value of the Fixed/Floating Rate Notes.</p> <p>(v) [To the extent that the Issuer is required by law to withhold or deduct any present or future taxes of any kind imposed or levied by or on behalf of the Republic of Italy or the Grand Duchy of Luxembourg, as appropriate, the Issuer will not be under an obligation to pay any additional amounts to Noteholders.]</p> <p>(vi) [<i>Insert if a Multiplier or Reference Rate Multiplier applies in respect of the determination of the Interest Rate</i>] Any fluctuation of the underlying floating rate will be amplified by the [Multiplier] [and] [the] [Reference Rate Multiplier] such multiplier. This may adversely affect the return on the Notes.</p> <p>(vii) Potential investors should also consider that where the underlying interest rate does not rise above the level of the Minimum Interest Rate, comparable investments in notes which pay interest based on a fixed rate which is higher than the Minimum Interest Rate are likely to be more attractive to potential investors than an investment in the Notes. Under those conditions, investors in the Notes might find it difficult to sell their Notes on the secondary market (if any) or might only be able to realise the Notes at a price which may be substantially lower than the nominal amount. To the extent a Maximum Interest Rate applies, investors should be aware that the Interest Rate is capped at such Maximum Interest Rate level. Consequently, investors may not participate in any increase of market interest rates, which may also negatively affect the market value of the Notes.</p>



Element	Description of Element	Disclosure requirement
		<p>(viii) If Mediobanca is declared insolvent and a winding up is initiated, it will be required to pay the holders of senior debt and meet its obligations to all its other creditors (including unsecured creditors) in full before it can make any payments on the Subordinated Notes. If this occurs, Mediobanca may not have enough assets remaining after these payments to pay amounts due under the Subordinated Notes.</p> <p><b>Risk Factors related to the Notes generally:</b></p> <p>(i) [The Notes are governed by, and shall be construed in accordance with, English law.] [The Notes are governed by, and shall be construed in accordance with, Italian law.] No assurance can be given as to the impact of any possible judicial decision or change to [English law] [and/or] [Italian law] or administrative practice after the date of this Base Prospectus.</p> <p>(ii) ["Euroclear Bank S.A./N.V. ("<b>Euroclear</b>") and/or Clearstream Banking, <i>société anonyme</i>, Luxembourg ("<b>Clearstream, Luxembourg</b>") will maintain records of the beneficial interests in the Global Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes.]</p> <p>(iii) The Issuers and the Guarantor may, without the consent of Noteholders, correct (i) any manifest error in the Terms and Conditions of the Notes and/or in the Final Terms; (ii) any error of a formal, minor or technical nature in the Terms and Conditions of the Notes and/or in the Final Terms or (iii) any inconsistency in the Terms and Conditions of the Notes and/or in the Final Terms between the Terms and Conditions of the Notes and/or the Final Terms and any other documents prepared in connection with the issue and/or offer of a Series of Notes (provided such correction is not materially prejudicial to the holders of the relevant Series of Notes).</p> <p>(iv) Potential conflicts of interest may exist between Dealers, which may underwrite the Notes issued under the Programme and receive in consideration underwriting commissions and selling concessions, or Mediobanca, which may act as market maker or specialist or perform other similar roles in connection with the notes, on the one hand, and investors in the Notes on the other.</p> <p>(v) The Notes may be issued and withheld by the Issuer for the progressive sale on the market in accordance with investors' demand. In this context an investor who acquires the Notes does not know at the moment of purchase how much of the issued Notes effectively are publicly traded, with the consequence that the amount in circulation could be meagre and may not guarantee successively adequate liquidity in the Notes.</p>
		<p>(vi) In the event the Issuer decides to issue further Notes having the same terms and conditions as an already existing Series of Notes (or in all respects except for the Issue Price, the Issue Date and/or the first payment of interest) and so that the further Notes shall be consolidated and form a single series with the original Notes, the greater nominal amount in circulation could lead to greater liquidity in the secondary market with a consequent negative impact on the price of the relevant Series of the Notes.</p> <p><b>Risk Factors relating to the market generally:</b></p> <p>(i) Notes may have no established trading market when issued, and one may never develop. The Issuer has not any obligation to purchase the Notes from the Noteholders. However, should the Issuer decide to purchase the Notes, the secondary market pricing that the Issuer may provide on the Notes may reflect</p>

Element	Description of Element	Disclosure requirement
		<p>the unwinding cost of the hedging portfolio (if any) [and/or the loss of profit (<i>lucro cessante</i>) related to such hedging portfolio].</p> <p>(ii) <i>[Insert if Specific Buy Back Provisions apply to the Notes]</i> Investors should be aware that [Mediobanca] [and] [Mediobanca International] [has]/[have] issued the Notes also for the purpose of entering into, from time to time, in certain Underlying Transactions. In this respect, the value of the Notes shall reflect and shall be calculated on the basis of the Market Value of such Underlying Transactions. The composition of the Underlying Transactions will be made available to the investors in accordance with the method of publication indicated in the relevant Final Terms. The Underlying Transactions may have maturities and/or notional amounts longer and/or higher, respectively, than the Maturity Date and the principal amount of the relevant Notes. The Market Value of the Underlying Transactions, as determined by [Mediobanca] [and] [Mediobanca International], acting in [its]/[their] capacity as Calculation Agent, in a fair and commercially reasonable manner and with reference to the market, could adversely affect the repurchase price, if any, of the Notes, particularly where the Underlying Transactions have maturities and/or notional amounts longer and/or higher, respectively, than the Maturity Date and the principal amount of the relevant Notes. Therefore, in the event that an investor requests the Issuer[s] to repurchase the Notes held by [it]/[them] prior to their maturity, and the Issuer[s] accept[s] such repurchase, the price of the Notes (Buy Back Price) will be determined taking into consideration the Market Value of such Underlying Transactions. The Specific Buy Back Provisions shall apply only to Notes issued by [Mediobanca] [and] [Mediobanca International] and where Mediobanca and/or Mediobanca International act as Dealers.</p> <p>(iii) The Issuer will pay principal and interest on the Notes in the Relevant Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit other than the Relevant Currency.</p>
		<p>(iv) Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes.</p>
		<p>(v) One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes.</p> <p>(vi) The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers.</p> <p>(vii) Implicit fees (e.g. placement fees, direction fees, structuring fees) may be a component of the Issue/Offer Price of Notes, but such fees will not be taken into account for the purposes of determining the price of the relevant Notes in the secondary market.</p> <p>(viii) <i>[Insert if Notes are distributed by means of a public offer]</i> Under certain circumstances, the Issuer [and/or] <i>[specify any other entities indicated in the Final Terms]</i> may have the right to withdraw the offer, which in such circumstances will be deemed to be null and void according to the certain terms.</p> <p>(ix) It is not possible to predict the price at which Notes will trade in the secondary market or whether such market will be liquid or illiquid. The Issuer may, but is not obliged to, list or admit Notes to trading on a stock exchange or market. The</p>

Element	Description of Element	Disclosure requirement
		<p>Issuer, or any of its Affiliates may, but is not obliged to, at any time purchase Notes at any price in the open market or by tender or private agreement.</p> <p>(x) <i>[Insert in respect of Notes which are to be listed on a stock exchange, market or quotation system]</i>, The Issuer shall use all reasonable endeavours to maintain listing on <i>[specify relevant stock exchange, market or quotation system]</i>, <b>provided that</b> if it becomes impracticable or unduly burdensome or unduly onerous to maintain such listing, then the Issuer may apply to de-list the relevant Notes, although in this case it will use all reasonable endeavours to obtain and maintain (as soon as reasonably practicable after the relevant de-listing) an alternative equivalent admission to listing, trading and/or quotation by a stock exchange, market or quotation system within or outside the European Union, as it may decide.</p> <p>For the risk factors relating to the Guarantor see item D.2 above.</p>

#### Section E – Offer

Element	Description of Element	Disclosure requirement
<b>E.2b</b>	<b>Reasons for the offer and use of proceeds</b>	The net proceeds of the issue of each Tranche of Notes will be used for the general corporate purposes of the relevant Issuer. If, in respect of any particular issue, there is a particular identified use of the proceeds, this will be stated in the applicable Final Terms.
<b>E.3</b>	<b>Terms and conditions of the offer</b>	<p>Notes may be issued at any price as specified in the relevant Final Terms. The price and amount of Notes to be issued under the Programme will be determined by the Issuer, the Guarantor and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions. The Terms and Conditions of any Authorised Offer shall be published by the relevant Authorised Offeror on its website at the relevant time.</p> <p>The offer to invest in the Notes is made from [•] to [•]. [The maximum and minimum amount of application is [•] and [•], respectively.] Payments by investors in respect of the purchase of the Notes shall be made by [•]. The results of the offer will be published in [•] on [•]. The Global Notes will be delivered to the relevant clearing system no later than on the Issue Date.</p>
<b>E.4</b>	<b>Material interests in the offer</b>	[Not applicable. There are no material interests with respect to the issue and/or offer of Notes (including any conflicting interests).] [The following constitute material interests with respect to the issue and/or offer of Notes: [•].]
<b>E.7</b>	<b>Estimated expenses charged to the investors</b>	[Not Applicable - No expenses will be specifically charged to purchasers of Notes by the Issuer.][A [•] fee of [•] shall be payable by purchasers of Notes to [•].] [•]

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## **RISK FACTORS**

The risk factor "*Risk in connection with the exposure of the Mediobanca Group to Eurozone sovereign debt*" on page 37 of the Base Prospectus shall be replaced in its entirety as follows:

***"Risks in connection with the exposure of the Group to Eurozone sovereign debt***

In carrying out its activities, the Group holds substantial volumes of public-sector bonds, including bonds issued by European countries. The Group's total exposure in this respect as at 30 June 2017 is set out in the tables A.1.2.a and A.1.2.b of Part E of the audited consolidated annual financial statements of Mediobanca as at and for the year ended 30 June 2017 incorporated by reference into this Base Prospectus. This could give rise to operational disruptions to the Group's business.

Furthermore, Mediobanca is affected by disruptions and volatility in the global financial markets. In particular, Mediobanca's credit ratings are potentially exposed to the risk of reductions in the sovereign credit rating of Italy. On the basis of the methodologies used by rating agencies, further downgrades of Italy's credit rating may have a potential knock-on effect on the credit rating of Italian issuers such as Mediobanca.

Thus, any negative developments in the Group's sovereign exposure could adversely affect its results of operations, business and financial condition."

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## DOCUMENTS INCORPORATED BY REFERENCE

The list of documents at page 59 of the Base Prospectus shall be amended by replacing the first two entries as follows:

"

- the audited consolidated annual financial statements as at and for the years ended 30 June 2017 and 2016 of Mediobanca;
- the audited non-consolidated annual financial statements as at and for the years ended 30 June 2017 and 2016 of Mediobanca International;"

The cross-reference list in respect of the Mediobanca and Mediobanca International financial statements shall be replaced in its entirety as follows:

### "Cross-reference list in respect of the Mediobanca and Mediobanca International financial statements

#### **Mediobanca - Consolidated annual financial statements**

Commission Regulation (EC) No. 809/2004, Annex XI,	2017	2016
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#### **Paragraph 11.1**

Balance sheet	Pages 76-77	Pages 66-67
Statement of income	Pages 78-79	Page 68-69
Statement of changes in equity	Pages 80-81	Page 70-71
Cash flow statement	Pages 82-83	Pages 72-73
Accounting policies and explanatory notes	Pages 85-277	Pages 78-258
Auditors' reports	Pages 65-75	Pages 62-63 (Pages 56-57 pdf document)

#### **Mediobanca International - Non-Consolidated annual financial statements**

Commission Regulation (EC) No. 809/2004, Annex XI,	2017	2016
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#### **Paragraph 11.1**

Statement of financial position	Page 32	Page 28
Statement of comprehensive income	Page 33	Page 29
Cash flow statement	Page 36	Page 32
Statement of changes in equity	Pages 34-35	Pages 30-31
Accounting policies and explanatory notes	Pages 37-152	Pages 34-150
Auditors' reports	Pages 23-29	Pages 24-25

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## INFORMATION ON MEDIOBANCA — BANCA DI CREDITO FINANZIARIO S.P.A.

The section "Information on Mediobanca – Banca di Credito Finanziario S.p.A." on pages 128-144 of the Base Prospectus shall be replaced in its entirety as follows:

### "INFORMATION ON MEDIOBANCA — BANCA DI CREDITO FINANZIARIO S.P.A.

*This section of the Base Prospectus reflects the contents of (i) certain paragraphs of the registration document published in Italian language by Mediobanca on 7 November 2016 and approved by CONSOB pursuant to CONSOB Regulation No. 11971 of 14 May 1999 (as amended) on 4 November 2016, report No. 98806/16 (the "Mediobanca Registration Document 2016"), of which the relevant English translation is incorporated by reference to this Base Prospectus and (ii) certain information contained in the audited consolidated annual financial statements of Mediobanca and the audited non-consolidated annual financial statements of Mediobanca International as at and for the years ended 30 June 2017 and 2016.*

#### History and development of Mediobanca

##### *Legal status and information*

Mediobanca – Banca di Credito Finanziario S.p.A. was set up on 10 April 1946 by virtue of a notarial deed drawn up by Notary public Arturo Lovato, file no. 3041/52378. Mediobanca is a joint stock company incorporated under Italian law registered in the Milan Companies' Register under Registration no. 00714490158 having its registered office and administrative headquarters in Piazzetta Enrico Cuccia 1, 20121 Milan, Italy, tel. No.: (0039) 02-88291. Mediobanca operates under Italian law, and the court of Milan has jurisdiction over any disputes arising against it.

##### *Important events in Mediobanca's recent history*

Since 30 June 2017 there have been no negative changes either to the financial position or prospects of either Mediobanca or the Group headed up by it.

Neither Mediobanca nor any company in the Group have carried out transactions that have materially affected or that might be reasonably expected to materially affect, Mediobanca's ability to meet its obligations towards third parties.

As at 28 October 2016 Fitch rated Mediobanca F2 (short-term debt), BBB+ (long-term debt) and negative (outlook) – see [www.mediobanca.it/it/investor-relations/rating.html](http://www.mediobanca.it/it/investor-relations/rating.html).

As at 31 October 2017 S&P rated Mediobanca A-2 (short-term debt), BBB (long-term debt) and stable (outlook) – see [www.mediobanca.it/it/investor-relations/rating.html](http://www.mediobanca.it/it/investor-relations/rating.html).

For an explanation of the rating given by S&P please see below the S&P rating scale:

LONG TERM obligations with an original maturity of more than one year	SHORT TERM obligations with an original maturity of no more than one year
Investment grade	Investment grade
AAA  The obligor's capacity to meet its financial commitment on the obligation is extremely strong.	A-1  The obligor's capacity to meet its financial commitment on the obligation is strong. Within this category, certain obligations are designated with a plus sign (+). This indicates that the obligor's capacity to meet its financial commitment on these obligations is extremely strong.
AA	A-2

<p>The obligor's capacity to meet its financial commitment on the obligation is very strong. An obligation rated 'AA' differs from the highest-rated obligations only to a small degree.</p> <p>A</p> <p>The obligation is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher-rated categories. However, the obligor's capacity to meet its financial commitment on the obligation is still strong.</p> <p>BBB</p> <p>The obligation exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitment on the obligation.</p>	<p>The obligation is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher rating categories. However, the obligor's capacity to meet its financial commitment on the obligation is satisfactory.</p> <p>A-3</p> <p>The obligation exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitment on the obligation.</p>
<p><b>Speculative grade</b></p> <p>BB</p> <p>The obligation is less vulnerable to non-payment than other speculative issues. However, it faces major ongoing uncertainties or exposure to adverse business, financial, or economic conditions which could lead to the obligor's inadequate capacity to meet its financial commitment on the obligation.</p> <p>B</p> <p>The obligation is more vulnerable to non-payment than obligations rated 'BB', but the obligor currently has the capacity to meet its financial commitment on the obligation. Adverse business, financial, or economic conditions will likely impair the obligor's capacity or willingness to meet its financial commitment on the obligation.</p> <p>CCC</p> <p>The obligation is currently vulnerable to non-payment, and is dependent upon favourable business, financial, and economic conditions for</p>	<p><b>Speculative grade</b></p> <p>B</p> <p>The obligation is regarded as having significant speculative characteristics. The obligor currently has the capacity to meet its financial commitment on the obligation; however, it faces major ongoing uncertainties which could lead to the obligor's inadequate capacity to meet its financial commitment on the obligation.</p> <p>B -1</p> <p>The obligation is regarded as having significant speculative characteristics, but the obligor has a relatively stronger capacity to meet its financial commitments over the short-term compared to other speculative-grade obligors.</p> <p>B -2</p>

<p>the obligor to meet its financial commitment on the obligation. In the event of adverse business, financial, or economic conditions, the obligor is not likely to have the capacity to meet its financial commitment on the obligation.</p> <p>CC</p> <p>The obligation is currently highly vulnerable to non-payment.</p> <p>C</p> <p>A 'C' rating is assigned to obligations that are currently highly vulnerable to non-payment, obligations that have payment arrearages allowed by the terms of the documents, or obligations of an issuer that is the subject of a bankruptcy petition or similar action which have not experienced a payment default.</p> <p>D</p> <p>The obligation is in payment default. The 'D' rating category is used when payments on an obligation, including a regulatory capital instrument, are not made on the date due even if the applicable grace period has not expired, unless Standard &amp; Poor's believes that such payments will be made during such grace period.</p>	<p>The obligation is regarded as having significant speculative characteristics, and the obligor has an average speculative-grade capacity to meet its financial commitments over the short-term compared to other speculative-grade obligors.</p> <p>B -3</p> <p>The obligation is regarded as having significant speculative characteristics, and the obligor has a relatively weaker capacity to meet its financial commitments over the short-term compared to other speculative-grade obligors.</p> <p>C</p> <p>The obligation is currently vulnerable to non-payment and is dependent upon favourable business, financial, and economic conditions for the obligor to meet its financial commitment on the obligation.</p> <p>D</p> <p>The obligation is in payment default. The 'D' rating category is used when payments on an obligation, including a regulatory capital instrument, are not made on the date due even if the applicable grace period has not expired, unless Standard &amp; Poor's believes that such payments will be made during such grace period</p>
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(Source: S&P)

NB: ratings from "AA" to "CCC" inclusive can be modified by adding the "+" or "-" minus sign to specify the position.

For an explanation of the rating given by Fitch please see below the Fitch rating scale:

LONG TERM	SHORT TERM
Obligations with an original maturity of more than one	Obligations with an original maturity of less than one



year	year
<p><b>Investment grade</b></p> <p>AAA</p> <p>Denote the lowest expectation of default risk. They are assigned only in cases of exceptionally strong capacity for payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events.</p> <p>AA</p> <p>Denote expectations of very low default risk. They indicate very strong capacity for payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.</p> <p>A</p> <p>Denote expectations of low default risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher.</p> <p>BBB</p> <p>Indicate that expectations of default risk are currently low. The capacity for payment of financial commitments is considered adequate but adverse business or economic conditions are more likely to impair capacity.</p>	<p><b>Investment grade</b></p> <p>F-1</p> <p>Indicates the strongest intrinsic capacity for timely payment of financial commitments; may have an added "+" to denote any exceptionally strong credit feature.</p> <p>F-2</p> <p>Good intrinsic capacity for timely payment of financial commitments.</p> <p>F-3</p> <p>The intrinsic capacity for timely payment of financial commitments is adequate.</p>
<p><b>Speculative grade</b></p> <p>BB</p> <p>Indicate an elevated vulnerability to default risk, particularly in the event of adverse changes in business or economic conditions over time; however, business or financial flexibility exists which supports the servicing of financial commitments.</p>	<p><b>Speculative grade</b></p> <p>B</p> <p>Minimal capacity for timely payment of financial commitments, plus heightened vulnerability to near term adverse changes in financial and economic conditions.</p>

<p><b>B</b></p> <p>Indicate that material default risk is present, but a limited margin of safety remains. Financial commitments are currently being met; however, capacity for continued payment is vulnerable to deterioration in the business and economic environment.</p>	<p><b>C</b></p> <p>Default is a real possibility.</p>
<p><b>CCC</b></p> <p>Default is a real possibility.</p>	<p><b>RD</b></p> <p>Indicates an entity that has defaulted on one or more of its financial commitments, although it continues to meet other financial obligations. Applicable to entity ratings only.</p>
<p><b>CC</b></p> <p>Default of some kind appears probable.</p>	<p><b>D</b></p> <p>Indicates a broad-based default event for an entity, or the default of a short-term obligation.</p>
<p><b>C</b></p> <p>Default is imminent or inevitable, or the issuer is in standstill.</p>	
<p><b>RD</b></p> <p>Indicate an issuer that in Fitch Ratings' opinion has entered into bankruptcy filings, administration, receivership, liquidation or other formal winding up procedure, or which has otherwise ceased business.</p>	

(Source: Fitch)

Standard & Poor's Credit Market Services Italy S.r.l. ("**S&P**") and Fitch Italia S.p.A. ("**Fitch**") are credit rating agencies which are established in the European Community and have been registered in accordance with Regulation (EC) No. 1060/2009 (as amended by Regulation 513/2011/EU and by Regulation 462/2013/EU) (the "**CRA**"). As such, S&P and Fitch are included in the latest list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA – see [www.esma.europa.eu/page/List-registered-and-certified -CRAs](http://www.esma.europa.eu/page/List-registered-and-certified-CRAs).

## Business Overview

The Group's operations are segmented as follows:

- **Corporate & Investment Banking (CIB):** this division brings together all services provided to corporate clients:
  - *Wholesale Banking:* Client Business (lending, advisory, capital markets activity) and proprietary trading;
  - *Specialty Finance*, which comprises factoring (MBFacta) and credit management (Creditech).
- **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 and Futuro);
- **Wealth Management (WM):** this new division brings together all asset management services offered to the following client segments:
  - *Affluent & Premier*, addressed by CheBanca!;
  - *Private & HNWI*, addressed in Italy by Banca Esperia (now 100%-owned) and Spafid, and in the Principality of Monaco by Compagnie Monégasque de Banque.

This division also comprises Mediobanca Asset Management, the product factory which Mediobanca intends to set up to serve the MB Group sale networks by leveraging on existing capabilities: Cairn Capital (alternative AM), Duemme SGR (formerly Esperia), and Compagnie Monégasque de Gestion (CMG, formerly CMB).

- **Principal Investing (PI):** this division brings together the Group's portfolio of equity investments and holdings, including the stake in Assicurazioni Generali
- **Holding Functions:** this division houses the Group's Treasury and ALM activities (which previously were included in the CIB division), with the objective of optimizing management of the funding and liquidity processes; it also includes all costs relating to Group staffing and management functions, most of which were also previously allocated to CIB; and continues to include the leasing operations.

This new segmentation, in force since 16 November 2016, was approved in conjunction with the guidelines for the 2016/19 strategic plan with a view to seizing opportunities deriving from the current competitive scenario and prioritizing development of the new Wealth Management division.

In addition, in the course of FY 2016/17 Mediobanca completed the acquisition of the other 50% of Banca Esperia which it did not already own from the Mediolanum group. The acquisition forms part of the Group's strategy to grow its presence in the private (WM) and MidCaps (CIB) segments, which represent the two main guidelines of the plan approved.

Integration of Banca Esperia will enable the Mediobanca Group to:

- Reshape its private banking service offering in Italy, by creating the new Mediobanca Private Banking brand;
- Empower its platform for services to Mid-Corporate clients as part of its CIB activities;
- Enhance the Group's integrated product offering: synergies to be achieved with Spafid in management of fiduciary services, with CheBanca! for traditional banking products, with Mediobanca AM in extending the services offered by Banca Esperia's product factory Duemme SGR to the whole Group;
- Deliver major cost synergies.

As at 30 June 2017, Mediobanca had a market capitalization of approx. €7.6bn.

#### Consolidated financial information as at 30/06/17

Profit and loss account (€m)	Corporate & Investment Banking	Consumer	Wealth Management	Principal investing	Holding Functions	Total
Net interest income	292.6	818.1	244.1	(7.1)	(76.3)	1,287.8
Total income	635.9	936.2	459.5	273.2	(56.5)	2,195.6
Profit before tax	377.5	380.1	66.8	429.3	(341.7)	914.0
Net profit	253.9	258.2	55.0	422.1	(241.8)	750.2

\* Source: Mediobanca audited consolidated annual financial statement as at and for the year ended on 30 June 2017

#### Wholesale Banking

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

The wholesale banking division comprises three different units: *Corporate finance, Lending and Structure Finance, Capital Markets*.

#### Corporate finance

Mediobanca is the leader in Italy and has an increasingly significant role in financial advisory services at the European level through its branches in London, Paris, Frankfurt, Madrid, Istanbul and Mexico City. 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 in order to provide greater focus.

Corporate finance involves 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 and regulatory authorities, principally CONSOB and Borsa Italiana.

#### Lending and structured finance

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

- 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 main products of the Lending and Structured Finance team 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 LBO/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; and
- *Factoring* (with and without recourse, maturity, and supply credit): sale and discount of trade receivables to help refinance companies' working capital. As well as the financial benefits, factoring can also provide insurance (guarantee against insolvency or delays in payments) and facilitate operations (credit management, accounting, collection and recovery).

### ***Capital Markets***

Mediobanca operates on both the primary and secondary markets, trading equities and fixed-income securities, foreign exchange products and credit risk, interest rate and exchange rate derivatives.

In the equity market (primary and secondary), activity is divided into the following areas:

- *Equity Capital Markets*: it 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;
- *Equity Finance (securities lending, equity repos, collateralized financing)*: the unit offers tailored securities lending solutions, which range from simple loans to hedge short-/medium-term positions, to equity repos, to upgrades and collateralized financing;
- *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 financial sector (banks and insurances); a dedicated team also offers corporate broking services.

In relation to the debt market, the activity is divided into the following areas of operation:

- *Debt Capital Markets*: this team originates, structures, executes and places corporate and financial bond issues, covered bonds and securitizations to meet its customers' financing needs.
- *CRAL solutions*: 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. An activity of

advisory and structuring of *ad hoc* solutions on alternative investments focusing on institutional investors.

- **Proprietary Funding:** this team is responsible for structuring, issuing and placing debt products, the revenues from which finance the Bank's own activities. Fund raising, supported by the Bank's high credit rating, takes place primarily through the issuance of securities, both plain vanilla and structured. Securities are placed with retail investors through public offers (executed using the proprietary networks of CheBanca!, through individual third banks – including that of BancoPosta – either on an exclusive basis or via groups of banks in syndicates) and direct sales are made over the screen-based bond market (MOT) operated by Borsa Italiana. Demand from institutional investors is met via public offers of securities on the Euromarket and private placements of products customized to meet the subscribers' specific needs.

### ***Specialty Finance***

Our Specialty Finance activities include managing and financing credit and working capital. We have operations in factoring with MBFacta and in the credit management sector with 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. The 2016-19 strategic plan envisages the company growing from niche operator to leading player in the credit management sector (servicing inter alia for third parties) and in the acquisition of non-performing loans (NPLs).
- **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.

### ***Consumer Credit - 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 10.5%.

Compass offers a wide range of products (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 some 166 own branches, distributing agreements with banking partners and retailers, and BancoPosta.

As at the balance-sheet date it had approx. €11.8bn in loans outstanding, plus a total of 1,405 staff on the books.

### ***Affluent & Premier - CheBanca!***

Mediobanca has been operative in retail banking through CheBanca!. This subsidiary, launched in 2008, effectively served as retail deposit gatherer for the Mediobanca Group throughout the financial crisis. In the last three years it has developed a distribution model which is innovative, transparent and with high technology content, while at the same time refocusing its mission from deposit gather to asset gatherer, raising €4bn in AUM (€7bn including the recent acquisition of Barclays' Italian retail activities<sup>3</sup>) and

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breaking even at the operating level.

Today CheBanca! is distinguished by its:

- High brand recognition;
- Effective, innovative multi-channel distribution (internet, 141 own branches, direct banking);
- Simple, transparent products;
- Substantial customer base (approx. 800,000 customers);
- Strong commercial results: €13.4bn in deposits, €7.1bn in assets under management, and €7.5bn in mortgages disbursed.

At 30 June 2017 the company employs a total of 1,401 staff.

In the past next years, CheBanca! will leverage on its competitive advantage as first mover to seal its definitive transformation to wealth manager focused on the affluent and premier client bracket. In detail the bank will seek to:

- Valorize the business acquired from Barclays in Italy, starting with the 220,000 clients acquired, optimizing the distribution network and using the €240m in badwill received to cover restructuring costs and relaunch commercial activities;
- Strengthen its proprietary distribution network while maintaining its unique market position (advisory approach integrated with cutting-edge technology infrastructure in distribution via digital channels);
- Construct a new network of financial advisors, destined to increase assets under management further in the medium term.

#### ***Private & HNWI***

The range of services offered to clients is split between.

- **Banca Esperia**, as from this year 100%-owned by the Group, will be merged into Mediobanca and will offer private banking services under the Mediobanca brand. The 75 bankers and eleven branches at the same time will work to develop their asset management activity and the mid-cap platform, acting as a bridge between corporate and private activities in conjunction with Spafid, the Mediobanca Group multi-family office. The Banca Esperia product offering for high net worth clients includes portfolio management, advisory and financing services. Independence, operational autonomy, focus on private banking activities, and excellence and quality of service, are the hallmarks of a bank which has approx. €19bn in assets under management at its branches in Bergamo, Bologna, Brescia, Cesena, Florence, Genoa, Milan, Padua, Parma, Rome, Turin and Treviso.
- **Compagnie Monégasque de Banque ("CMB")** is 100%-owned by Mediobanca. CMB is market leader in the Principality of Monaco, with total deposits of approx. €10bn. Its geographical position, indepth knowledge of markets and absolute independence make it a player of primary importance, able to provide exclusive services to its customers, ranging from loans to asset management.
- **Spafid**, 100%-owned by Mediobanca, this company provides fiduciary administration services in respect of equity investments, securities market investments and fiduciary services for issuers. Spafid currently has assets under administration worth some €4bn.

### ***MB Asset Management***

As part of the reorganization of the Wealth Management division, a new MB Asset Management product factory has been set up bringing together Cairn Capital, Duemme SGR (formerly Banca Esperia) and Compagnie Monégasque de Gestion (formerly CMB). In this division the individual companies' support units will be centralized (Human Resources, Legal and Compliance, etc.) and a dedicated sales force will be set up with responsibility for distribution of all product lines.

- Cairn Capital, a 51% stake having been acquired in this company in December 2015. Cairn Capital is the largest company in this division, and is an asset manager and advisor based in London specializing in credit products. Assets managed by the company total some €2.5bn, plus a further €3.9bn under long-term advice.

### ***Principal investing***

Mediobanca has an equity portfolio of investments made over time, consisting of minority stakes in leading Italian and international companies, most of which are listed. As a result of the recent introduction of tighter regulations on regulatory capital and the Bank's desire to concentrate more on highly-specialized banking activities, this portfolio of investments is in the process of being reduced. Disposals were completed during the course of FY 2016/17: stakes worth approx. €340m were sold, yielding gains of almost €160m. In view of the size of the investments and the role played by Mediobanca in the governance of the companies concerned, the shareholdings in Generali, RCS MediaGroup and Atlantia are assigned to the Principal investing division.

Company	Sector	% of share capital	Book value as at 30/6/17 €m
Assicurazioni Generali	Insurance	13.0%	2,997
RCS Mediagroup	Publishing – media	6.6%	42
Atlantia	Infrastructure	1.4%	276

### ***Leasing***

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

In the twelve months to 30 June 2017, the Group disbursed some €418m in leases, on leases outstanding totalling approx. €2.3bn.

### **Brief description of Mediobanca's principal activities, with an indication of the main categories of products sold and/or services provided**

As stated in Article 3 of Mediobanca's Articles of Association, Mediobanca's purpose 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, Mediobanca may execute all banking, financial and intermediation-related operations and services, and carry out any transaction deemed to be instrumental to or otherwise connected with the achievement of Mediobanca's purpose.

There are no significant new products and/or services that have been introduced and no development of new products and services has been disclosed.

### **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:

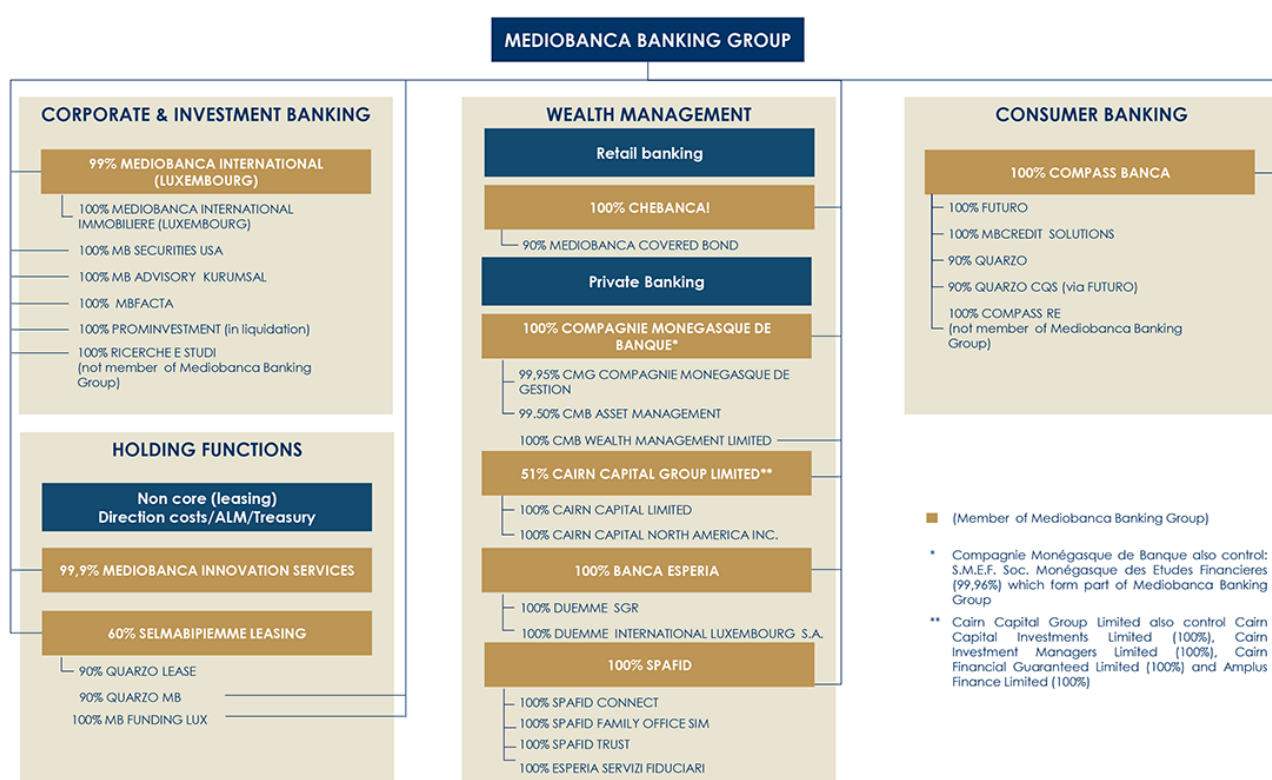
- Corporate & Investment Banking (CIB): half the revenues and loan book for this division is originated by the Italian market, the other half by other countries (notably France, Germany, Spain and the United Kingdom): the division employs some 590 staff, around 160 of whom are based outside Italy;
- Consumer banking: activities focus exclusively on the Italian market, and employ approx. 1,400 staff at more than 160 branches;
- 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) and Cairn Capital (which operates in the United Kingdom); and employs over 2,000 staff at over 140 branches;
- Leasing activities chiefly target the domestic market.

## ORGANIZATIONAL STRUCTURE

### Description of organizational structure of group headed up by Mediobanca

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 of this Base Prospectus.



## SUBSIDIARIES AND MAIN INVESTEE COMPANIES

Mediobanca is the parent company of the Mediobanca Banking Group. No individual or entity controls Mediobanca within the meaning of Article 93 of the Financial Services Act.

A list of the main Group companies included in the area of consolidation for the consolidated financial statements as at the date of this document is shown below:

Group companies			
COMPASS S.p.A.	Italy	100%	(dir)
CHEBANCA! S.p.A.	Italy	100%	(dir)
SELMABIPIEMME LEASING S.p.A.	Italy	60%	(dir)
Compagnie Monegasque de Banque S.A.M.	Principality of Monaco	100%	(dir)
MEDIOBANCA INTERNATIONAL (Luxembourg) S.A.	Luxembourg	99%	(dir)
SPAFID S.p.A.	Italy	100%	(dir)
SPAFID TRUST s.r.l.	Italy	100%	(indir)
ESPERIA SERVIZI FIDUCIARI S.p.A.	Italy	100%	(indir)
SPAFID CONNECT S.p.A.	Italy	100%	(indir)
MEDIOBANCA SECURITIES USA LLC	United States	100%	(dir)
BANCA ESPERIA S.p.A.	Italy	100%	(dir)
DUEMME SGR S.p.A.	Italy	100%	(indir)
DUEMME INTERNATIONAL (LUXEMBOURG) S.A.	Luxembourg	100%	(indir)
MBCREDIT SOLUTIONS S.p.A.	Italy	100%	(indir)
RICERCHE E STUDI S.p.A.	Italy	100%	(dir)
Mediobanca Innovation Services S.c.p.A	Italy	99.95%	(dir)
FUTURO S.p.A.	Italy	100%	(indir)
PROMINVESTMENT S.p.A. in liquidation	Italy	100%	(dir)
MBFACTA S.p.a.	Italy	100%	(dir)
QUARZO S.r.l.	Italy	90%	(indir)
MEDIOBANCA COVERED BOND S.r.l.	Italy	90%	(indir)
QUARZO LEASE S.r.l.	Italy	90%	(indir)
QUARZO CQS S.r.l.	Italy	90%	(indir)
C.M.B. ASSET MANAGEMENT S.A.M.	Principality of Monaco	99.30%	(indir)
C.M.G. COMP. MONEG. D.G. S.A.M.	Principality of Monaco	99.92%	(indir)
S.M.E.F. SOC. MONEG. DE ET.FIN. S.A.M.	Principality of Monaco	99.96%	(indir)
CMB WEALT MANAGEMENT	Principality of Monaco	100%	(dir)
QUARZO MB S.r.l.	Italy	90%	(dir)
COMPASS RE S.A.	Luxembourg	100%	(indir)

MB ADVISORY KURUMSAL DANISMANLIK HIZMETLERI A.S.	Turkey	100%	(dir)
MEDIOBANCA INTERNATIONAL IMMOBILIARE S.à r.l.	Luxembourg	100%	(indir)
CAIRN CAPITAL GROUP Ltd	United Kingdom	51%	(dir)
CAIRN CAPITAL Ltd	United Kingdom	100%	(indir)
CAIRN CAPITAL NORTH AMERICA Inc.	United States	100%	(indir)
CAIRN FINANCIAL GUARANTEE Ltd.	United Kingdom	100%	(indir)
CAIRN CAPITAL INVESTMENTS Ltd.	United Kingdom	100%	(indir)
CAIRN INVESTMENTS MANAGERS Ltd.	United Kingdom	100%	(indir)
AMPLUS FINANCE Ltd.	United Kingdom	100%	(indir)
MB FUNDING UX S.A.	Luxembourg	100%	(indir)
SPAFID FAMILY OFFICE SIM S.p.A.	Italy	100%	(indir)

In view of the size of the investment and the role played by the Bank in the companies' governance, as at the date of this document the values reflected by the investments in Assicurazioni Generali were as follows:

Company	Sector	% of share capital	Book value as at 30/6/17 €m
Assicurazioni Generali	Insurance	17%	3,080.5

## FORECASTS OR ESTIMATES OF PROFITS

No substantial adverse changes have taken place in Mediobanca's or the Group's prospects since 30 June 2017.

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

## BODIES RESPONSIBLE FOR GOVERNANCE, MANAGEMENT AND SUPERVISION OF MEDIOBANCA

The Board of Directors appointed on 28 October 2015 for the 2015, 2016 and 2017 financial years consists of seventeen members (following the resignation of Ms Marina Natale effective as of 21 July 2017), eleven of whom qualified as independent under Article 148, paragraph 3 of Italian Financial Services Act, and among them ten qualified as independent under the voluntary code of corporate governance issued by Borsa Italiana S.p.A. (the "Code of Conduct") in respect of listed companies. Its composition also reflects the legal requirements in terms of gender balance.

### Board of Directors

Name	Post held	Place and date of birth	Term of office expires	Posts held in other companies
Renato Pagliaro	Chairman ***	Milan, 20/2/57	28/10/20	-
Maurizia Angelo Comneno*	Deputy Chairman	Rome, 18/6/48	28/10/20	-
Alberto Pecci	Deputy Chairman	Pistoia, 18/9/43	28/10/20	Chairman, Pecci Filati Chairman, Tosco-Fin Director, El.En.
Alberto Nagel*	Chief Executive Officer ***	Milan, 7/6/65	28/10/20	-
Francesco Saverio Vinci *	General Manager ***	Milan, 10/11/62	28/10/20	
Cesar Alierta	Director	Zaragoza (Spain), 5/5/45	28/10/20	Director, Telefónica Audiovisual Digital
Marie Bolloré	Director	Neully sur Seine, 8/5/88	28/10/20	Director, Bolloré Director, Financière de l'Odet Director, Bolloré Participations Director, Financière V Director, Omnium Bollor Director, Blue Solutions Director, Société Industrielle et Financière del l'Artois Member of Supervisory Committee, Sofibol
Maurizio Carfagna	Director	Milan, 13/11/47	28/10/20	Chief Executive Officer, H-Invest Director, Compagnia Immobiliare Azionaria Director, Futura Invest
Maurizio Costa	Director	Pavia, 29 October 1948	28/10/20	Director, Amplifon
Angela Gamba	Director	Palazzolo sull'Oglio (BS), 15/8/70	28/10/20	Director, Parmalat
Valérie	Director	Aulnay (France),	28/10/20	Director, Blue Solutions

Name	Post held	Place and date of birth	Term of office expires	Posts held in other companies
Hortefeux		14/12/67		Director, Ramsay – Generale de Santé
Alberto Lupoi	Director	Rome, 21/3/70	28/10/20	-
Elisabetta Magistretti	Director	Busto Arsizio, 21/7/47	28/10/20	Director, Luxottica Group Director, Smeg
Massimo Tononi	Director	Trento, 22/8/ 64	28/10/20	Chairman, Prysmian Chairman, Istituto Atesino di Sviluppo Director, Italmobiliare Director, Il Sole 24 Ore
Gabriele Villa*	Director	Milan, 18/6/64	28/10/20	Director, Space2 Chairman Board Statutory Auditors, Westfield Milan Standing Auditor, Edison Standing Auditor, Otis Servizi Standing Auditor, Transalpina di Energia

\* *Member of Executive Committee.*

\*\*\* *Member of Mediobanca senior management*

All Board members are in possession of the requisites to hold such office by law, in terms of fitness, professional qualifications and independence (in the latter case applicable only to the independent directors).

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 held	Name	Place and date of birth	Term expires	Principal outside activities
Chairman	Natale Freddi	Rho, 6/6/52	FY 28/10/20	None
Standing auditor	Francesco Di Carlo	Milan, 4/10/69	FY 28/10/20	Director, Pitagora Director, Milano Investment Partners SGR Chairman Board of Statutory Auditors, Italmobiliare

Post held	Name	Place and date of birth	Term expires	Principal outside activities
				Standing Auditor, Equita SIM Standing Auditor, Equita Group Standing Auditor, Clessidra SGR Standing Auditor, Cerved Master Service Standing Auditor, Lauro 48 Alternate Auditor, Generali Italia Alternate Auditor, Telecom Italia Alternate Auditor, Sace
Standing auditor	Laura Gualtieri	Reggio Emilia, 18/10/68	FY 28/10/20	Standing Auditor, Prysmian
Alternate auditor	Alessandro Trotter	Vimercate, 09/06/40	FY 28/10/20	-
Alternate auditor	Barbara Negri	Alessandria, 13/06/73	FY 28/10/20	-
Alternate auditor	Stefano Sarubbi	Milan, 6/12/65	FY 28/10/20	Chairman Board of Statutory Auditors, Coca Cola Italia Chairman Board of Statutory Auditors, Comfactor

All Statutory Audit Committee members are in possession of the requisites to hold such office by law, in terms of fitness, professional qualifications and independence; and are all registered as auditors.

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

#### **General Manager and senior management**

Renato Pagliaro Chairman, Alberto Nagel Chief Executive Officer, Francesco Saverio Vinci General Manager, Alexandra Young, Executive Director of Mediobanca and Emanuele Flappini, Head of Company Financial Reporting.

The address for the General Manager and the senior management for the duties they discharge is: Piazzetta E. Cuccia 1, Milan, Italy.

#### *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 conflict of interest, shall inform 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 Consolidated Banking Act for approval of transactions involving individuals who perform duties of management and control in other companies controlled by such parties.

Transactions with "related parties" are described in part H of the financial statements for the twelve months ended 30 June 2017.

The members of the Board of Directors and the Statutory Audit Committee of Mediobanca do not have any conflicts or potential conflicts of interest between their duties to Mediobanca and their private interests or other duties.

## **SHARE CAPITAL**

### *Amount of share capital issued*

As at the date of this Base Prospectus, Mediobanca's share capital, fully subscribed and paid up, totalled €440.617.579 made up of 881,235,158 par value €0.50 shares.

## **MAIN SHAREHOLDERS**

### **Information on ownership structure**

Individuals or entities who based on the shareholders' register and publicly available information own directly or indirectly financial instruments representing share capital with voting rights in excess of 3% of the company's share capital, directly or indirectly, are listed below:

	Shareholder	% of share capital
1	UniCredit group	8.56
2	Bolloré group	8.0
3	Mediolanum group	3.43

Mediobanca shareholders representing, as at 30 June 2017, 30.69% of the Bank's share capital entered into a shareholders' agreement in respect of Mediobanca's share capital expiring on 31 December 2017.

The general meeting held on 22 September 2017 duly noted the notice of withdrawal from the Shareholders Agreement that had been received from Pirelli S.p.A. (in respect of 15.8 million Mediobanca shares, or 1.79% of the company's share capital) and from Zannoni Group (in respect of 2.205.000 Mediobanca shares -0,25% syndicated to the Shareholders Agreement through Cinca S.A. -0,14%- and Arca S.p.A. -0,11%-), effective as of the date on which the Agreement expires, namely 31 December 2017. The deadline for sending notice of withdrawal was 30 September 2017.

Finally, the parties in general meeting adopted a resolution, in the event of renewal, allowing each Party to give advance notice of its intention to withdraw by 30 September 2018 with effect from 31 December 2018. In this case, the Shareholders Agreement shall remain in force until its final expiry date of 31 December 2019 by and between parties representing at least 25% of Mediobanca's share capital.

The Shareholders Agreement, which is filed with the Milan companies' register, is a block shareholders' agreement aimed at preserving a stable shareholder base combined with representative governing bodies to ensure consistent management objectives. In order to achieve these objectives, these shareholders, divided into three groups, concur in seeing the traditional system of corporate governance which leverages on the management and provides greater clarity in the roles of the various governing bodies within the company, as fundamental to safeguarding the characteristics, function and traditional independence of Mediobanca and to ensuring that consistent management objectives are pursued.

An excerpt from the Shareholder Agreement may be found on the Issuer's website at [www.mediobanca.it](http://www.mediobanca.it).

**Agreements the performance of which may result in a change of control subsequent to the date hereof**

Mediobanca is not aware of any agreements aimed at bringing about future changes regarding the ownership structure of Mediobanca.

**AUDITORS OF THE FINANCIAL STATEMENTS**

**External auditors and auditors responsible for auditing the financial statements**

At an annual general meeting held on 27 October 2012, the shareholders of Mediobanca appointed PricewaterhouseCoopers S.p.A. to audit the Bank's separate and consolidated full-year and interim financial statements up to and including the financial year ending 30 June 2021.

PricewaterhouseCoopers S.p.A. a company with its registered offices in via Monte Rosa 91, Milan, Italy, has audited the separate and consolidated financial statements of Mediobanca as at 30 June 2017 and 2016. PricewaterhouseCoopers S.p.A is registered under No. 119644 in the Register of Accounting Auditors (Registro dei Revisori Legali) maintained by MEF (Ministero dell'Economia e delle Finanze) in compliance with the provisions of Legislative Decree No. 39 of 27 January 2010 (the "Decree 39/2010").

**External supervisory bodies other than the external auditors**

There are no external supervisory bodies other than the external auditors.

**Information regarding resignations, dismissals or failures to renew the appointment of the external auditors or the auditors responsible for auditing the financial statements**

No resignations, dismissals or failures to renew the appointment of the external auditors have occurred during the period under review.

**LEGAL AND ARBITRATION PROCEEDINGS**

As at 30 June 2017, none of Mediobanca and its consolidated subsidiaries is or has been involved in any governmental, 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, and as far as Mediobanca is aware, no such litigation, arbitration or administrative proceedings has either been announced or is pending. A description of the main tax disputes and litigation pending is provided below, purely for information purposes:

**Litigation pending and Tax disputes**

The most significant litigation still pending against Mediobanca is as follows:

- For the alleged failure to launch a full takeover bid for La Fondiaria in 2002, a total of sixteen claims had been made against Mediobanca and UnipolSai. Of this total just two are still pending, with total damages claimed jointly from the defendants (known as the petitum in Italian law), of approx. €1m (plus interest and expenses); Mediobanca's share of this amount is approx. €300,000 (plus interest and expenses);

The state of proceedings in these two claims is as follows:

- For one, the date of the hearing at the Court of Cassation has still to be set. The appeal was submitted by a former shareholder of Fondiaria S.p.A. against the ruling issued by the Court of Appeal in Milan which partly revised the first degree ruling, reducing the amount of the damages to be refunded to the former shareholder; and



- For the other, the terms for submission of an appeal against the Court of Appeal in Milan's ruling against Mediobanca and Unipol to the Court of Cassation are still pending; but an agreement has now been reached with the plaintiff for out-of court settlement;
- Claim for damages by Monte dei Paschi di Siena ("FMPS") against – inter alia – Mediobanca, in respect of participation with criminal intent by virtue of an alleged non-contractual liability, jointly with the other twelve lender banks, for alleged damages to FMPS in connection with the 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) in a total amount of €286m. The case is currently pending with the court of Florence. At the first hearing, the judge upheld the objection made by the former members of the administrative body and the former superintendent regarding the failure to obtain the necessary authorization from the Italian Ministry for the Economy and Finance to take action against them, and set a deadline of 15 November 2017 for the said authorization to be obtained. The judge's decision regarding the preliminary objection to non-Italian arbitration raised by the defendant banks is also still pending. The next hearing has been set for 30 November 2017.

With reference to the disputes outstanding with the Italian revenue authorities, as at 30 June 2017 the Mediobanca Group had cases pending in respect of higher tax worth a notified amount of €24.5m, plus interest and fines, down sharply on the €43.2m reported last year with no new addition save in respect of those for the Esperia group companies which totalled €1.7m (against a provision for risks and charges totalling €1.5m).

During the twelve months under review SelmaBipiemme chose to avail itself of the simplified procedure introduced pursuant to Italian decree law 193/16 to shorten the timescales for tax litigation, in respect of the yacht leasing disputes in which the company has been unsuccessful at both stages of the proceedings. This decision has enabled the company, in return for a payment of €24.9m, €17.4m of which by way of tax, to settle its debts with the Italian revenue authority in respect of all the positions involved which amounted to a total risk (including fines, interest and collection charges) of €61.2m.

The Issuer audited consolidated annual financial statements in respect of the year ending on 30 June 2017 contains a more detailed description of the tax remain outstanding.

There is no other significant litigation pending as at the date of this Base Prospectus.

The provision for risks and charges amply covers any charges that may be payable as a result of the claims made against Mediobanca and the Group companies.

#### **SIGNIFICANT CHANGES IN THE ISSUER'S FINANCIAL POSITION**

There have been no significant changes to financial or commercial position of Mediobanca or the other companies forming part of the Group since the most recent financial information available was disclosed in the consolidated financial statements as at 30 June 2017

#### **MATERIAL AGREEMENTS**

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 in respect of the holders of financial instruments issued or to be issued.

#### **RECENT EVENTS**

Notice of call of Mediobanca ordinary shareholders' meeting

The Mediobanca ordinary shareholders' meeting was convened on 28 October 2017 and (i) approved Mediobanca separate financial statements as at and for the financial year ended 30 June 2017, together with the relevant reports, (ii) resolved upon the distribution of a gross dividend of €0.37 per share; (iii) appointed the Board of Directors; (iv) appointed the Board of Statutory Auditors; (v) approved the remuneration policies and (vi) increased the compensation payable to external auditors in respect of the audit of Mediobanca financial statements for the 2017-2021 period.

#### Appointment of Mediobanca Chief Financial Officer

On 15 September 2017, the Board of Directors appointed Mr Emanuele Flappini as Head of Company Financial Reporting with effect from 30 September 2017, subject to the Board of Statutory Auditors' favourable opinion. Mr Emanuele Flappini has worked for Mediobanca since 1998 and is currently head of Accounting and Financial Reporting. He will replace Massimo Bertolini who will take up the role of Head of Group Corporate Affairs and Group Treasury. Mr Emanuele Flappini does not own any shares of Mediobanca."

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**FINANCIAL INFORMATION OF MEDIOBANCA — BANCA DI CREDITO FINANZIARIO  
S.P.A.**

The section "Financial Information of Mediobanca – Banca di Credito Finanziario S.p.A." on page 145 of the Base Prospectus shall be replaced in its entirety as follows:

**"FINANCIAL INFORMATION OF MEDIOBANCA — BANCA DI CREDITO FINANZIARIO  
S.P.A.**

The consolidated annual financial statements of Mediobanca as at and for the years ended 30 June 2017 and 2016 were prepared in accordance with IFRS as adopted by the European Union.

The above consolidated annual financial statements, prepared in each case together with the notes thereto, are incorporated by reference in this Base Prospectus. See "*Documents Incorporated by Reference*".

Certain information in respect of the unaudited consolidated interim financial report for the three months ended 30 September 2016 of Mediobanca is incorporated by reference in this Base Prospectus by way of a press release dated 28 October 2016. See "*Documents Incorporated by Reference*".

The annual consolidated financial statements as at 30 June 2017 and 2016 have been audited by PricewaterhouseCoopers S.p.A., whose reports thereon are attached to such annual financial statements."

## INFORMATION ON MEDIOBANCA INTERNATIONAL (LUXEMBOURG) S.A.

The section "Information on Mediobanca International (Luxembourg) S.A." on pages 146-148 of the Base Prospectus shall be replaced in its entirety as follows:

### "INFORMATION ON MEDIOBANCA INTERNATIONAL (LUXEMBOURG) S.A.

#### General Information

Name:	Mediobanca International (Luxembourg) S.A. ( <b>"Mediobanca International"</b> ).
Date of Incorporation:	Mediobanca International was incorporated in 1990 and its registered office was transferred to Luxembourg by a resolution of the Shareholders before a notary on December 21, 2005 and the articles of incorporation were published in the <i>Memorial Recueil des Sociétés et Associations</i> number 567 on 17 March 2006. The articles of association have been amended on 5 October 2007 (and the amending deed has been published in the <i>Memorial Recueil des Sociétés et Associations</i> number 2995 on 24 December 2007) and on 30 January 2017 (and the amending deed has been published in the <i>Recueil électronique des sociétés et associations</i> (RESA) N° RESA_2017_042 on 16 February 2017).
Legislation:	Mediobanca International operates under Luxembourg law.
Registered Office and Telephone Number:	4, Boulevard Joseph II, L-1840 Luxembourg, Tel. no.: (00352) 267303-1.
Registration:	Registre de Commerce et des Sociétés Luxembourg number B 112885.
Financial Year:	Mediobanca International's financial year ends on 30th June of each year.
General Meetings:	General Meetings are held at least once a year.

#### Share Information

Authorised and Issued Capital:	EUR 10,000,000 divided into 1,000,000 ordinary shares of EUR 10.00 each.
Reserves:	EUR 297,773,199 as at 30 June 2017.
Controlling Shareholders:	Mediobanca - Banca di Credito Finanziario S.p.A.
Change of control:	Mediobanca International is not aware of any agreements aimed at bringing about future changes regarding the ownership structure of Mediobanca International.

#### Management

Board of Directors:	The Articles of Association provide for a Board of Directors consisting of at least three members elected by the general meeting of shareholders for a term of office not to exceed six years.
Directors:	The Board of Directors is responsible for setting authorisation levels, defining organisational structure, defining the system of internal control and reviewing it on a regular basis, and approving the bank's accounts and interim statements. The Board of Directors consists of the following eight

Directors:

<i>Director</i>	<i>Place and date of birth</i>	<i>Principal activities performed by the Directors outside Mediobanca International</i>
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Massimo Di Carlo	Rovereto on 25 June 1963	Director
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Stefano Biondi	Rome on 6 April 1977	Managing Director
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Peter Gerrard (Chairman)	New York on 21 October 1947	Chairman
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Piero Pezzati	Milan on 23 March 1953	Director
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Paola Schneider	Naples on 17 September 1961	Director
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Stéphane Bosi	Monticelli d'Ongina on 27 April 1953	Director
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Giovanni Mancuso	Turin on 5 December 1954	Director
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The business address of each of the directors is 4, Boulevard Joseph II, L-1840 Luxembourg, with the exception of Massimo Di Carlo whose business address is 1 Piazzetta E. Cuccia, 20121 Milan.

There are no significant conflicts of interests in relation to the update of the Programme between any of the Directors' duties to Mediobanca International and their private interests or other duties.

Authorised managers:

Day-to-day management is entrusted to two authorising managers: Edoardo Reitano (CFO) and Stefano Biondi (Managing Director and CEO). The "four-eyes-principle" is set out in article 7(2) of the Luxembourg law of 5 April 1993 on the financial sector (as amended) and requires at least two persons to be in charge of the management, with the power to effectively determine the direction of the activity, and having appropriate professional experience.

Approved independent auditors:

PricewaterhouseCoopers Luxembourg, a *société coopérative* incorporated under the laws of Luxembourg, with its registered office at 2, rue Gerhard Mercator, L-2182 Luxembourg, and registered with the Luxembourg Trade and Companies Register under number B.65477 ("**PwC Luxembourg**"), was designated, during the Board of Directors held on 11 September 2012, Mediobanca International's independent auditor (*réviseur d'entreprises agréé*).

PwC Luxembourg, has audited the non-consolidated annual financial statements of Mediobanca International as at and for the years ended 30 June 2016 and 30 June 2017.

PwC Luxembourg is a member of the Institute of Independent Auditors

(l'Institut des Réviseurs d'Enterprises) and is approved by the *Commission de Surveillance du Secteur Financier* ("CSSF") in the context of the law dated 23 July 2016 relating to the audit profession.

Corporate governance:

Mediobanca International is not subject to any compulsory corporate governance code of conduct or representative statutory legal provisions. The Luxembourg law dated 10 August 1915 on commercial companies, as amended, does not make the application of a corporate governance code mandatory to Mediobanca International. The Ten Principles of Corporate Governance of the Luxembourg Stock Exchange do not apply because the shares of Mediobanca International are not listed on a regulated market operated by the Luxembourg Stock Exchange.

## Object and General Business Policy

Business Operations:

Article 3 of Mediobanca International's Article of Association provides, among other things, that the sole object of Mediobanca International is to carry out, either within or outside the Grand Duchy of Luxembourg, any banking or financial operations authorised by the law relating to the financial sector.

Mediobanca International's principal activity consists of raising funds on international markets, by issues of bonds chiefly under a short and medium term notes programme guaranteed by Mediobanca. Mediobanca International is also engaged in corporate lending operations.

Risk Management:

All interest rate, currency, credit and other risks are managed within the Mediobanca Group.

Tax Treatment:

See "*Taxation - (B) Tax Regime for Mediobanca International issues - Luxembourg*".

## Main financial information of Mediobanca International

**Selected annual financial information.** The summary audited statement of financial position, statement of comprehensive income and cash flow statement of Mediobanca International as at and for the year ended 30 June 2017 are shown below, along with comparative data as at and for the year ended 30 June 2016.

MAIN STATEMENT OF FINANCIAL POSITION ITEMS	30/6/17	30/6/16	CHANGES 2017/2016 %
	€m	€m	
<b>Assets</b>			
Loans and advances to credit institutions	1,290.1	1,801.7	-28.4%
Loans and advances to customers	3,299.9	3,404.3	-3.1%
Financial assets*	582.7	1,061.3	-45.1%
<b>Total Assets</b>	<b>5,191.7</b>	<b>6,281.9</b>	<b>-17.4%</b>

<b>Liabilities</b>			
Debt securities in issue	1,317.4	2,200.4	-40.1%
Amounts due to credit institutions	2,248.9	1,928.2	16.6%
Amounts due to customers	962.5	1,275.0	-24.5%
Trading liabilities	319.2	559.6	-43.0%
Net equity**	307.8	288.7	6.6%
of which: share capital	10.0	10.0	0.0%
Profit for the period	20.8	19.0	9.5%
<b>Total Liabilities</b>	<b>5,191.7</b>	<b>6,281.9</b>	<b>-17.4%</b>

\* Includes Financial Assets held for trading, Financial Assets held to maturity and Hedging derivatives.

\*\* Includes reserves and share capital.

<b>MAIN STATEMENT OF COMPREHENSIVE INCOME ITEMS</b>	<b>30/6/17</b>	<b>30/6/16</b>	<b>CHANGES 2017/2016 %</b>
	<b>€m</b>	<b>€m</b>	
Net interest income	38.6	30.3	27.4%
Net fee and commission income	1.0	0.8	25.0%
Total income	36.2	33.7	7.4%
Net income from banking activities	37.0	34.7	6.6%
Administrative expenses	-8.5	-7.7	10.4%
<b>Profit of the ordinary activity before tax</b>	<b>28.5</b>	<b>27.0</b>	<b>5.6%</b>
<b>Profit for the year</b>	<b>20.8</b>	<b>19.0</b>	<b>9.5%</b>

<b>CASH FLOW STATEMENT</b>	<b>Year ended 30 June</b>	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>2017</b>	<b>2016</b>
	<i>(€ thousands)</i>	
Operating activities	81,740	11,214
Cash generated/(absorbed) by financial assets	580,864	-1,117,162
Cash (generated)/absorbed by financial liabilities	-663,951	919,212
Net cash flow (outflow) from operating activities	-1,347	-186,736

<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Net cash flow (outflow) from investment activities	-	194,989
<b>FUNDING ACTIVITIES</b>		
Net cash flow (outflow) from funding activities	-	-
<b>NET CASH FLOW (OUTFLOW) DURING YEAR/PERIOD</b>	<b>-1,347</b>	<b>8,253</b>

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**FINANCIAL INFORMATION OF MEDIOBANCA INTERNATIONAL (LUXEMBOURG) S.A.**

The section "Financial Information of Mediobanca International (Luxembourg) S.A." on page 149 of the Base Prospectus shall be replaced in its entirety as follows:

**"FINANCIAL INFORMATION OF MEDIOBANCA INTERNATIONAL (LUXEMBOURG) S.A.**

Mediobanca International only produces non-consolidated annual financial statements.

The non-consolidated annual financial statements of Mediobanca International as at and for the years ended 30 June 2017 and 2016, in each case together with the notes thereto, are incorporated by reference in this Base Prospectus. See "*Documents Incorporated by Reference*".

The non-consolidated annual financial statements of Mediobanca International as at and for the years ended 30 June 2017 and 2016 have been prepared in accordance with IFRS as adopted by the European Union.

The non-consolidated annual financial statements as at and for the year ended 30 June 2017 and 2016 have been audited by PricewaterhouseCoopers, *Société coopérative*, whose reports thereon are attached to such non-consolidated annual financial statements."

## GENERAL INFORMATION

The section "General Information" on pages 208-211 of the Base Prospectus shall be replaced in its entirety as follows:

### "GENERAL INFORMATION

#### 1. Listing and Admission to Trading

This Base Prospectus has been approved by the Central Bank of Ireland as competent authority under the Prospectus Directive. Application has also been made to the Irish Stock Exchange for Notes issued under the Programme to be listed on the Official List of the Irish Stock Exchange and admitted to trading on the regulated market of the Irish Stock Exchange. The Irish Stock Exchange's regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2004/39/EC).

However, Notes may be issued pursuant to the Programme which will not be listed or admitted to trading on the Irish Stock Exchange or any other stock exchange or which will be listed or admitted to trading on such stock exchange as the Issuers and the relevant Dealer(s) may agree.

The Central Bank of Ireland may, at the request of the relevant Issuer, send to the competent authority of another European Economic Area Member State: (i) a copy of this Base Prospectus; (ii) a Certificate of Approval of a Prospectus; and (iii) if so required by such competent authority, and in relation to Senior Notes only, a translation of the section of this Base Prospectus headed "*Summary of the Programme*".

2. Each Issuer and the Guarantor has obtained all necessary consents, approvals and authorisations in Ireland and the Republic of Italy in connection with the establishment and update of the Programme and the issue and performance of the Notes and the guarantee relating to the Senior Notes. The update of the Programme, including the giving of the Guarantee with respect to the Senior Notes issued by Mediobanca International, was authorised by a circular resolution of the Board of Directors of Mediobanca International passed on 14 December 2016, resolutions adopted by the Executive Committee of Mediobanca passed on 7 July 2016 and the decision (*determina*) assumed by the Managing Director (*Direttore Generale*) of Mediobanca on 15 December 2016.
3. The price and amount of Notes to be issued under the Programme will be determined by the relevant Issuer and the relevant Dealer at the time of issue in accordance with prevailing market conditions.
4. Save as disclosed in this Base Prospectus at page 172, Mediobanca International (where Mediobanca International is the Issuer) is not and none of Mediobanca and its consolidated subsidiaries (where Mediobanca is the Issuer or the Guarantor) is or has been involved in any governmental, legal or arbitration proceedings relating to claims or amounts of money which may have, or have had in the recent past, significant effects on each of the Issuers' financial position or profitability and, so far as Mediobanca or, as the case may be, Mediobanca International is aware, no such governmental, legal or arbitration proceedings are pending or threatened.
5. Neither Mediobanca nor Mediobanca International nor any of Mediobanca's subsidiaries has entered into any contracts in the last two years outside the ordinary course of business that have been or may reasonably be expected to be material to such Issuer's ability to meet its obligations to Noteholders.
6. In the case of Mediobanca, since 30 June 2017 (being the last day of the financial period in respect of which the most recent audited annual financial statements of Mediobanca have been prepared) there has been no material adverse change in the prospects of Mediobanca or its subsidiaries.
7. In the case of Mediobanca International, since 30 June 2017 (being the last day of the financial period in respect of which the most recent and available audited non-consolidated annual financial statements of Mediobanca International have been prepared) there has been no material adverse change in the prospects of Mediobanca International.

8. There have been no significant changes to the financial or trading position of Mediobanca or the other companies forming part of the Group since the most recent financial information available was disclosed in the consolidated financial statements as at 30 June 2017.
9. There have been no significant changes to the financial or trading position of Mediobanca International since the most recent financial information available was disclosed in the non-consolidated annual financial statements as at 30 June 2017.
10. Notes will be accepted for clearance through the Euroclear and Clearstream, Luxembourg systems. The Common Code and the International Securities Identification Number (ISIN) for each Series of Notes will be set out in the relevant Final Terms.
11. For so long as the Programme remains in effect or any Notes remain outstanding, the following documents will be available in electronic form (unless the investor requests physical copies), and in the case of paragraphs (vii), (viii), (ix), (x), (xi) and (xii) below, may be obtained free of charge during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection at the office of the Fiscal Agent and the Paying Agent:
  - (i) the Issue and Paying Agency Agreement;
  - (ii) the Deeds of Covenant;
  - (iii) the Deed of Guarantee;
  - (iv) the Programme Manual (being a manual signed for the purposes of identification by the Issuers and the Fiscal Agent, containing suggested forms and operating procedures for the Programme, including the forms of the Notes in global and definitive form);
  - (v) the By-laws (*Statuto*) of Mediobanca and articles of incorporation of Mediobanca International;
  - (vi) the Mediobanca Registration Document 2016;
  - (vii) the published non-consolidated annual financial statements of Mediobanca International as at and for the years ended 30 June 2017 and 2016;
  - (viii) the consolidated annual financial statements of Mediobanca as at and for the years ended 30 June 2017 and 2016;
  - (ix) the unaudited consolidated interim financial report for the three months ended 30 September 2016 of Mediobanca;
  - (x) Final Terms for Notes which are listed on the Official List of the Irish Stock Exchange or any other stock exchange;
  - (xi) a copy of this Base Prospectus together with any Supplement to this Base Prospectus or further Base Prospectus;
12. Physical copies of the latest annual consolidated financial statements of Mediobanca and annual financial statements of Mediobanca International may be obtained upon request at the specified office of the Paying Agent during normal business hours, so long as any of the Notes is outstanding.
13. The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The appropriate Common Code and ISIN for each Tranche of Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms.
14. The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg. The address of Monte Titoli S.p.A. is Piazza degli Affari 6, 20123 Milan, Italy.

15. Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, Mediobanca and their affiliates in the ordinary course of business. Certain of the Dealers and their affiliates may have positions, deal or make markets in the Notes issued under the Programme, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer and its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities. In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of Mediobanca or Mediobanca's affiliates. Certain of the Dealers or their affiliates that have a lending relationship with Mediobanca routinely hedge their credit exposure to Mediobanca consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments. For the purpose of this paragraph 15 the term "affiliates" includes also parent companies.
16. With respect to Article 3 (2) of the Prospectus Directive the Issuers consent, to the extent and under the conditions, if any, indicated in the Final Terms, to the use of the Base Prospectus as long as the Base Prospectus is valid in accordance with Article 9 of the Prospectus Directive and accepts responsibility for the content of the Base Prospectus also with respect to subsequent resale or final placement of the Notes by any Dealer and/or financial intermediary which was given consent to use the prospectus.

Such consent may be given to all (general consent) or only one or more (individual consent) specified Dealers and/or financial intermediaries and/or for a limited or indefinite period, as stated in the Final Terms, and for Italy, Ireland and/or Luxembourg as member states in which the Base Prospectus has been passported and which will be indicated in the relevant Final Terms.

Such consent by the Issuers is subject to each Dealer and/or financial intermediary complying with the terms and conditions described in this Base Prospectus and the relevant Final Terms as well as any applicable selling restrictions. The distribution of this Base Prospectus, any supplement to this Base Prospectus, if any, and the relevant Final Terms as well as the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law.

Each Dealer and/or each financial intermediary, if any, and/or each person into whose possession this Base Prospectus, any supplement to this Base Prospectus, if any, and the relevant Final Terms come are required to inform themselves about and observe any such restrictions. The Issuers reserve the right to withdraw its consent to the use of this Base Prospectus in relation to certain Dealers and/or each financial intermediary.

**In case of an offer being made by a Dealer or a financial intermediary, such Dealer or financial intermediary will provide information to investors on the terms and conditions of the offer at the time the offer is made.**

**If the Final Terms state that the consent to use the Base Prospectus is given to all Dealers or financial intermediaries (general consent), any Dealer or financial intermediary using the Base Prospectus is required to state on its website that it uses the Base Prospectus in accordance with the consent and the conditions attached thereto.**

**If the Final Terms state that the consent to use the prospectus is given to one or more specified Dealers or financial intermediaries (individual consent), any new information with respect to Dealers or financial intermediaries unknown at the time of the approval of the Base Prospectus or the filing of the Final Terms will be published on the website [www.mediobanca.it](http://www.mediobanca.it).**