



Mediobanca BoD

1Q16/3M results as at 30 September 2015



MEDIOBANCA

Milan, 28 October 2015

Agenda

Section 1. Group results as at September 2015

Annexes

1. Principal Investing: main equity investments as at September 2015
2. Quarterly segmental reporting tables

Solid results, growth path ahead

3M results as at September 2015

Section 1

Mediobanca Group as at 30 September 2015

Strong
top and bottom lines

Solidity further
enhanced

Equity stakes disposals

Governance upgrade

- ◆ Despite difficult markets, revenues at €507m and GOP at €195m, in line with best quarters achieved in the last few years. Positive outlook ahead
- ◆ Net profit up to €244m driven by strong NII, lower cost of risk, profit from equity stake disposals
- ◆ NPLs down, CET1 up
- ◆ €0.2bn AFS equity disposals in last 3M, with €88m of capital gains (Pirelli)
- ◆ €1.3bn equity disposal since J13, with €450m capital gains
- ◆ Articles of Association revised with increased number of independent directors
- ◆ Institutional investors up to approx. 40% of share capital
- ◆ Shareholders' agreement renewed for two years (31% of share capital)

YoY trend (3M Sept.15 vs 3M Sept.14)

- ◆ Resilient revenues, NII up 13% to €303m
- ◆ Loans up 5%, cost of risk down to 141 bps
- ◆ Net profit up 53% to €244m

QoQ trend (3M Sept.15 vs 3M Jun.15)

- ◆ Selective lending growth focused on value
- ◆ Cost/income ratio down to 39%
- ◆ NPLs down 2%, CET1 up to 12.5% (up 50 bps)

Net profit up to €244m: GOP up 19%, gains from disposals

3M results as at September 2015

Section 1

€m	3Q Sept15	2Q June15	1Q Mar15	4Q Dec14	3Q Sept14	Δ QoQ ¹	Δ YoY ¹
Total banking income	507	530	501	489	525	-4%	-3%
Net interest income	303	303	292	281	267	0%	+13%
Fee income	96	111	101	113	147	-14%	-35%
Net treasury income	26	26	99	27	56	+2%	-53%
Equity accounted co.	83	91	10	68	56	-9%	+49%
Total costs	(197)	(243)	(212)	(207)	(185)	-19%	+6%
Labour costs	(98)	(120)	(107)	(101)	(92)	-18%	+6%
Administrative expenses	(99)	(124)	(105)	(106)	(93)	-20%	+6%
Loan loss provisions	(115)	(123)	(109)	(180)	(121)	-6%	-4%
GOP risk adjusted	195	164	181	102	220	19%	-11%
Impairments, disposals	85	(13)	100	7	(2)		
Income taxes & minorities	(36)	(27)	(75)	(8)	(57)	+32%	-38%
Net result	244	124	205	101	160	+97%	+53%
Cost/income ratio (%)	39%	46%	42%	42%	35%	-7pp	+4pp
Cost of risk (bps)	141	151	136	229	157	-10bps	-16bps

1) YoY= Sept15/Sept14 QoQ= Sept15/June15

Selective lending; CET1 up 50 bps to 12.5%

3M results as at September 2015

Section 1

€bn	Sept15	June15	Sept14	Δ QoQ ¹	Δ YoY ¹
Funding	44.2	42.7	44.0	+4%	+1%
Bonds	20.6	19.7	21.1	+5%	-2%
Retail direct deposits	10.5	9.6	11.3	+9%	-6%
ECB	5.5	5.5	5.1	+0%	+8%
Others	7.6	7.9	6.5	-4%	+17%
Loans to customers	32.5	32.9	31.0	-1%	+5%
Wholesale	13.1	13.7	12.8	-4%	+2%
Private banking	0.9	0.9	0.8	+4%	+22%
Consumer	11.1	10.9	10.1	+1%	+10%
Mortgage	4.7	4.6	4.4	+3%	+7%
Leasing	2.7	2.8	2.9	-2%	-8%
Treasury+AFS+HTM+LR	16.7	14.8	17.4	+13%	-4%
RWA	59.0	59.6	59.0	-1%	-
CET1 ratio: phase-in / fully phased² (%)	12.5 / 13.3	12.0 / 13.2	11.0 / 12.6		
TC ratio: phase-in / fully phased² (%)	15.3 / 15.8	14.9 / 15.6	13.9 / 14.9		

1) YoY= Sept15/Sept14 QoQ= Sept15/June15

2) Basel 3 CRR/CRDIV phased-in and fully phased with AG weighted 370% 5



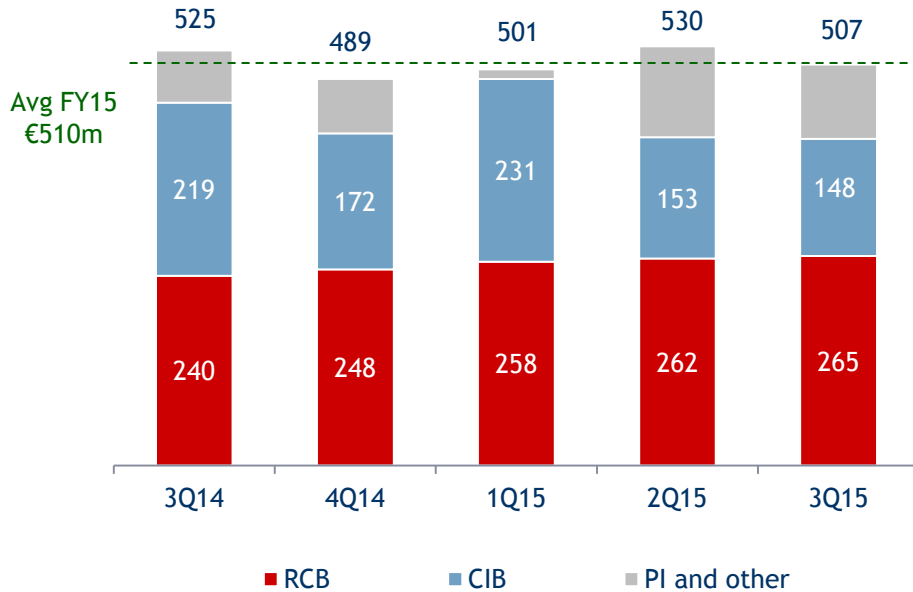
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High top line confirmed due to higher weight of RCB

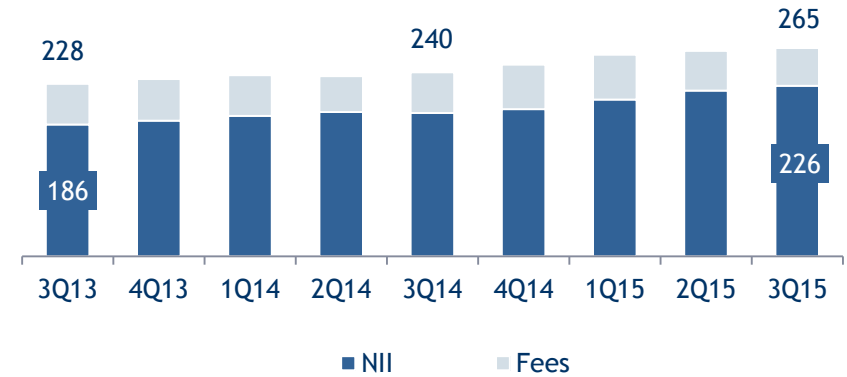
3M results as at September 2015

Section 1

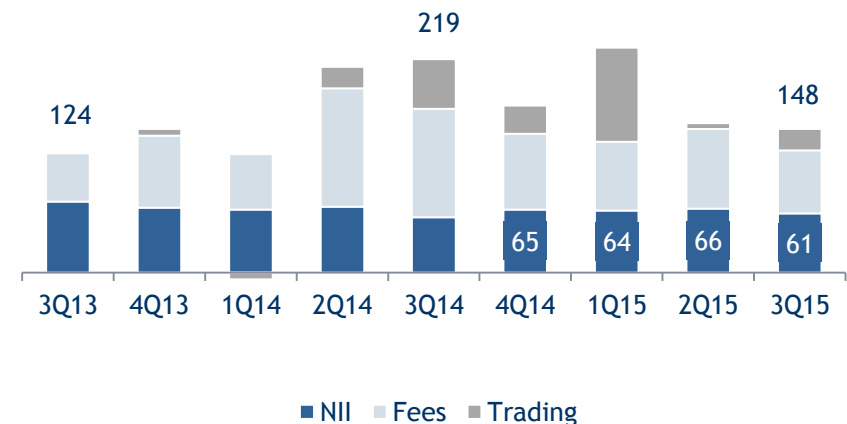
Group revenues (€m)



RCB revenues by quarter (€m)



CIB revenues by quarter (€m)



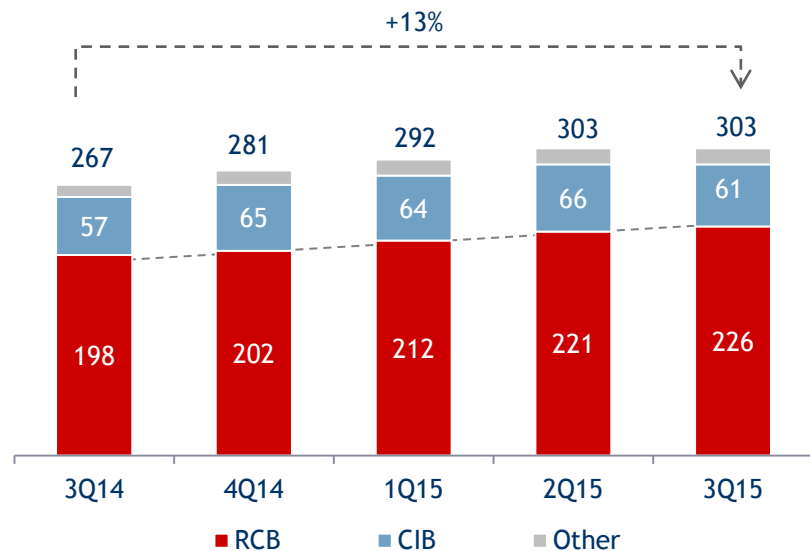
- ◆ Despite difficult markets, top line confirmed above €500m
- ◆ RCB: steady and progressive growth continuing
- ◆ CIB: NII stabilized, fees volatile as impacted by weak markets and deal closing mainly concentrated in coming quarters.

NII up 13%, selective lending activity focused on margins

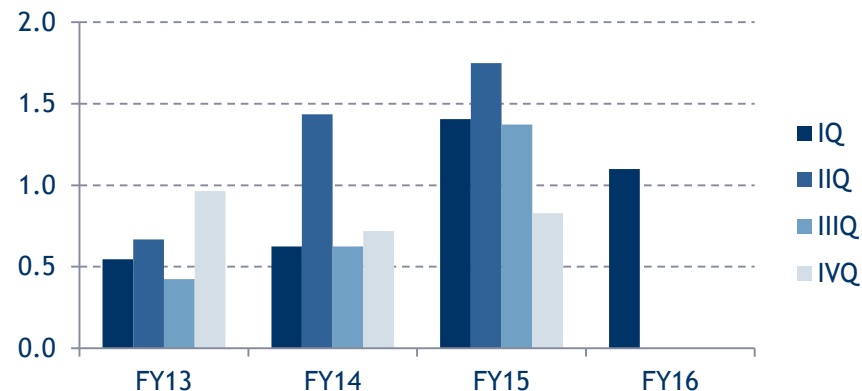
3M results as at September 2015

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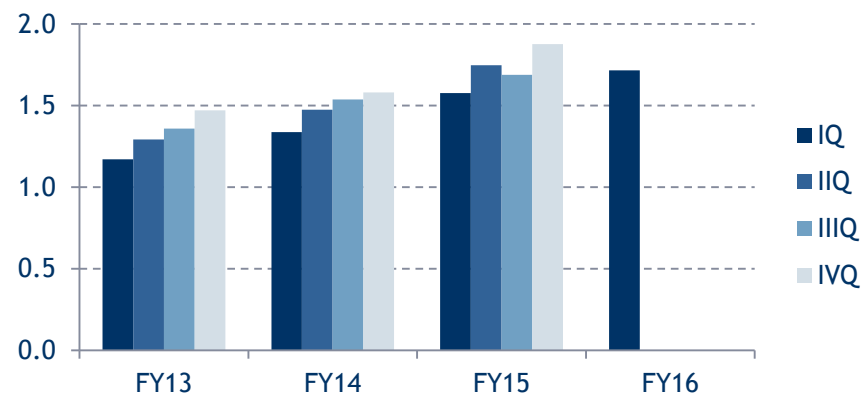
Net interest income (€m)



WB new loans by quarter (€bn)



RCB new loans by quarter (€bn)



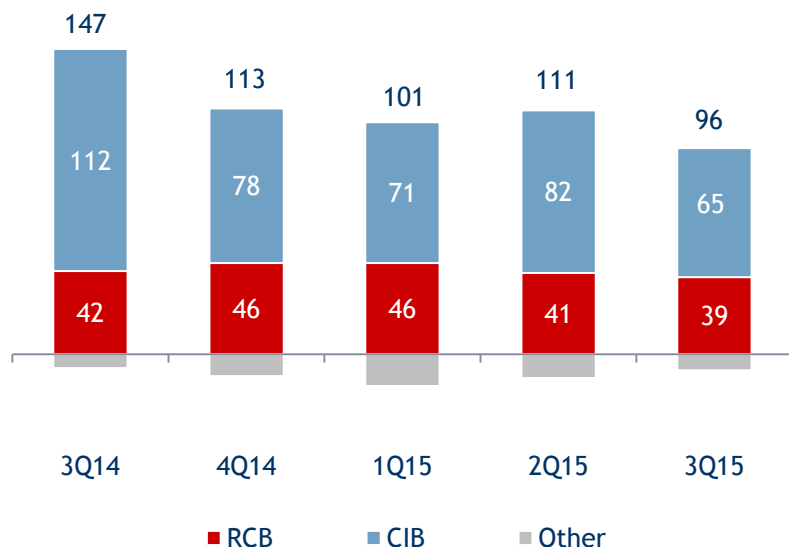
- ◆ NII up steadily, driven by consumer lending (up 2% QoQ and 14% YoY) and CheBanca! (up 3% QoQ and 15% YoY), stabilizing in CIB
- ◆ CIB: event-driven lending and cross-selling activity to balance margin pressure
- ◆ RCB: consumer lending focusing on risk-adj. margins, CheBanca! mortgages rebounding

Fees: positive pipeline ahead

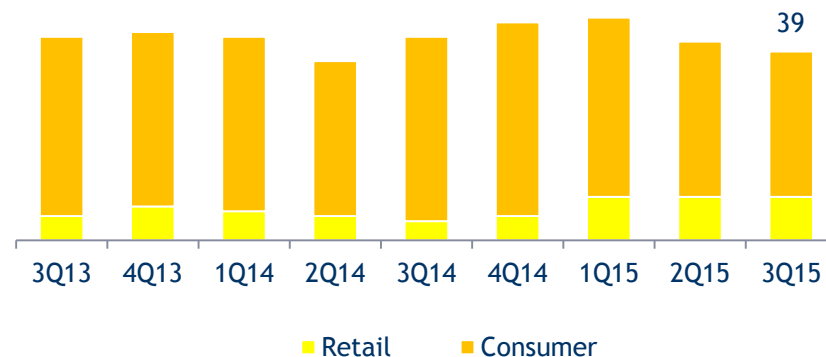
3M results as at September 2015

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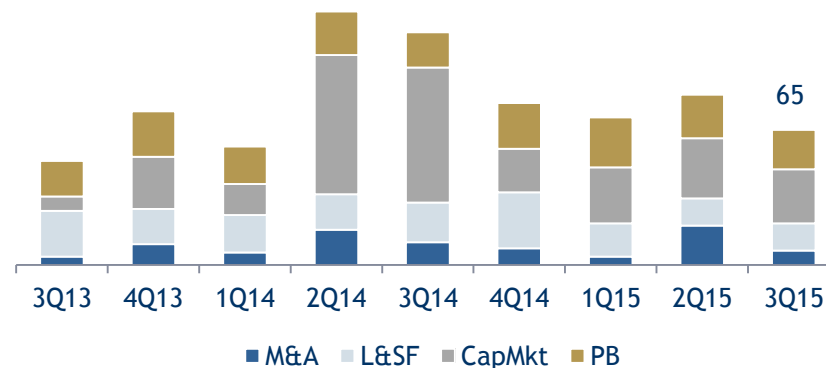
Group fee income (€m)



RCB fees (€m)



CIB fees (€m)



- ◆ Group fees down due to seasonal factors, weak financial markets and IB deal closing being concentrated mainly in the coming quarters
- ◆ Fees ahead supported by:
 - ◆ M&A and ECM broad pipeline, lending moving to event-driven model
 - ◆ AUM placement by CheBanca!, helped also by the launch of new digital advisory platform

Asset quality improving further; cost of risk down in all divisions

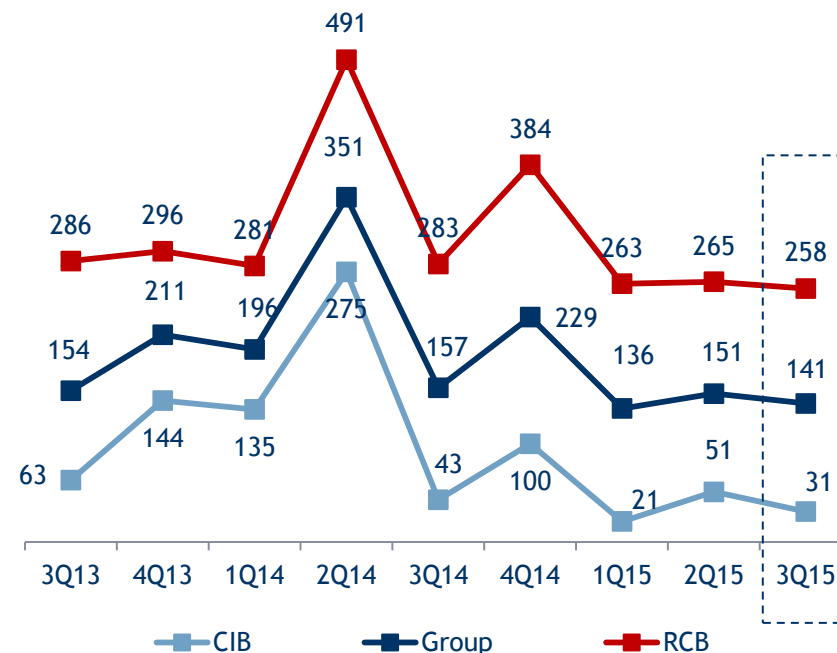
3M results as at September 2015

Section 1

NPLs (“deteriorate”) and bad loans (“sofferenze”)

	Dec14	June15	Sept15
Net NPLs (€m)	1,220	1,152	1,133
o/w CIB	477	430	422
o/w Consumer	312	302	288
o/w Retail	146	150	155
Net NPLs/CT1	19%	16%	15%
Net NPLs /loans	3.8%	3.5%	3.5%
NPLs coverage ¹	51%	53%	53%
o/w CIB	49%	54%	47%
o/w Consumer ¹	67%	68%	71%
o/w Retail	47%	48%	48%
Net Bad Ls (€m)	271	259	259
Net Bad Ls/loans	0.85%	0.79%	0.80%
Bad Ls coverage ¹	66%	66%	68%

Cost of risk by segment (bps)



- ◆ NPLs: €1,133m (down 2% QoQ), reduction in all business lines
- ◆ Bad loans: stock flat (€259m), with higher coverage (68%)
- ◆ CIB: no new entries, coverage ratio down to 47% exclusively due to Burgo restructuring agreement (loan partly converted into equity, the latter written off entirely)

1) Net of Creditech NPL acquisitions

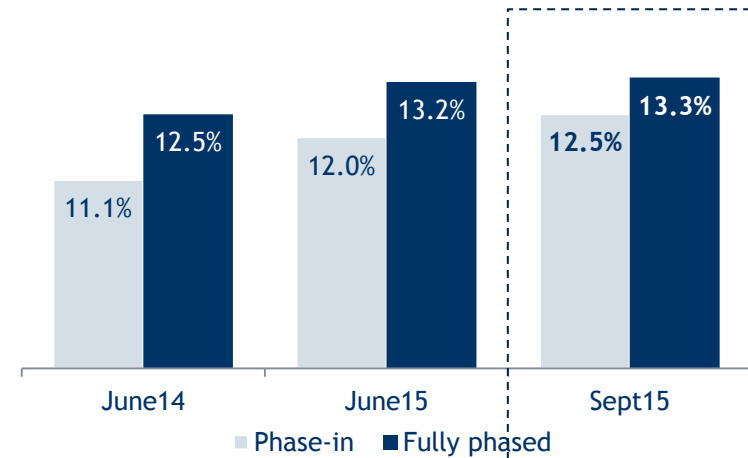
CET1 up 50bps to 12.5%

3M results as at September 2015

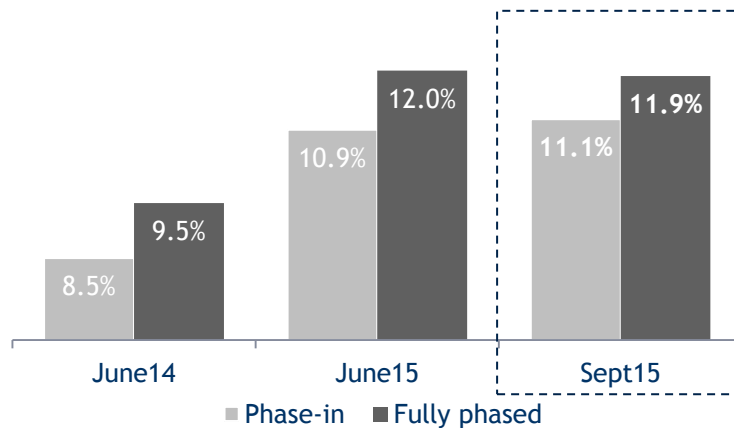
- ◆ CET1 phase-in up 50 bps in last 3m to 12.5% due to internal capital generation, RWA and equity exposure reduction
- ◆ Total capital ratios comfortable over 15%, both phase-in and fully phased
- ◆ Sound leverage ratios

Section 1

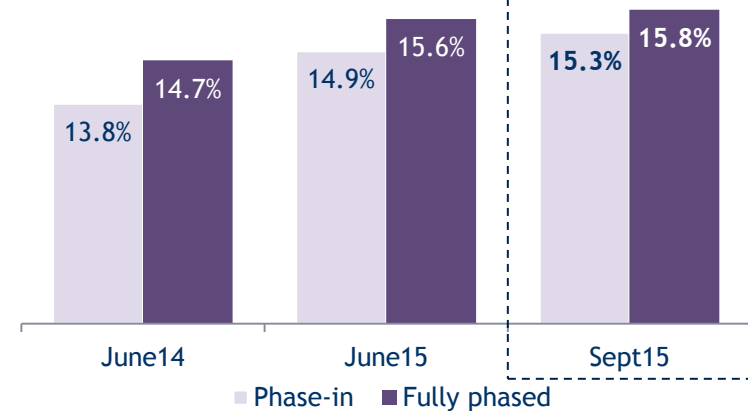
CET1 ratio: phase-in/fully phased



Leverage ratio: phase-in/fully phased



Total capital ratio: phase-in/fully phased



CIB: quarter impacted by market, moving towards higher returns

3M results as at September 2015

Section 1

Corporate and Private Banking

Wholesale Banking

GROWTH AHEAD

- ◆ Lending: event-driven activity, cross-selling and strengthening of OTD model to balance margin pressure and increase ROAC
- ◆ Positive IB pipeline
- ◆ Trading income and fee impacted by weak summer markets

Private Banking/
Asset management

- ◆ First step in MAAM with Cairn Capital acquisition in August, closing expected in early 2016, scouting ongoing
- ◆ Private banking AUM up 2% YoY (to €15.8bn), down 5% QoQ due to market impact

YoY trend (3M Sept. 15 vs 3M Sept. 14)

- ◆ NII up 8%, on loan growth resuming in FY15
- ◆ Fees down 42%, due to lower contribution of capital market
- ◆ Trading impacted by market volatility

QoQ trend (3M Sept. 15 vs 3M Jun. 15)

- ◆ Revenues down 4%
- ◆ Costs down 25% due to seasonality
- ◆ No new entries in NPLs, cost of risk down to 31 bps

RCB: steady and sustainable growth ongoing

3M results as at September 2015

Section 1

Retail and Consumer Banking

Compass
Consumer lending

**SUSTAINABLE GROWTH
CONFIRMED**

- ◆ Loans and revenues growing steadily (up 7% YoY), focusing on risk-adj. margins not on market share
- ◆ Cost of risk down to 353 bps; NPLs down to 2.6%, coverage up to 71%
- ◆ Net profit up 42% YoY to €40m

CheBanca!
Retail banking

BREAKEVEN

- ◆ Bottom line: first net profit achieved
- ◆ Revenues up 27% YoY (3% QoQ), with fees doubled and NII up 15% YoY
- ◆ Indirect deposits up to €3.1bn (up 75% YoY, 9% QoQ)

YoY trend (3M Sept. 15 vs 3M Sept. 14)

- ◆ Revenues up 10% to €265m, with NII up 14%
- ◆ Cost of risk normalizing (258 bps); NPLs down to 2.6%
- ◆ Net profit up 78% to €42m

QoQ trend (3M Sept. 15 vs 3M Jun. 15)

- ◆ Direct deposits up 9% to €10.5bn, driven by summer asset gathering promo. Indirect deposits up 9% to €3.1bn, driven by insurance
- ◆ Loans and NII up QoQ
- ◆ Net profit up 51% to €42m

Governance: further steps towards best international standards

3M results as at September 2015

Section 1

Main new BoD features

BoD size*:

- maximum of 15 directors
(vs 18 today and maximum allowed of 23)

Directors from minority slate*:

- from 1 out of 18
to 2 out of 15

MB managers in the BoD*:

- from 5 to 3

Executive committee*:

- BoD entitled, rather than obliged to appoint an Executive Committee (EC)
- From 28 Oct. 15 EC chaired by CEO

Independent directors*:

- New definition of independence, with no exemptions possible
- At least 1/3 (> limit set by regulator: 1/4)

Non-executive BoD chairman:

- Responsible for facilitating relations with executive directors, Statutory Audit Committee, internal committees

* Effective from the next BoD election (2017)

Remuneration: a balance mix of incentives

3M results as at September 2015

Section 1

Main remuneration features

Remuneration process reinforced:

- Increased remuneration committee number of meetings and attendance
- Units involved: HR, Audit, Accounting, Compliance, Risk Management
- Focus on alignment with long term performance

Incentives linked to long-term sustainable performance:

- 2:1 cap between variable and fixed remuneration
- 5Y deferral period for 60% of variable remuneration for executive directors and senior executives, 50:50 in shares and cash

Broader definition of identified staff:

- 76 people or 2% of Group staff (from 1.75%)

Severance policy instituted:

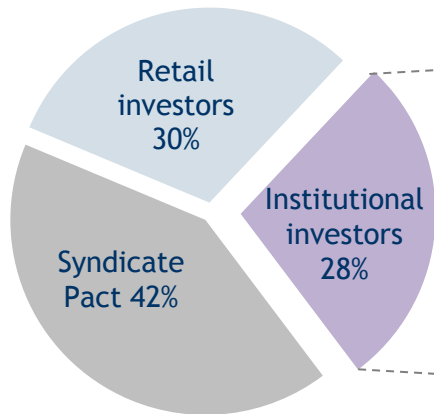
- 24m of total remuneration
- cap at €5m gross

MB shareholders' base: increasingly diversified

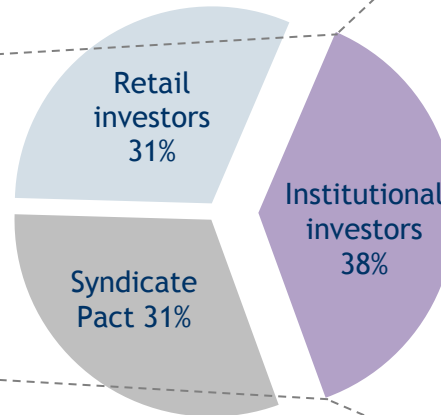
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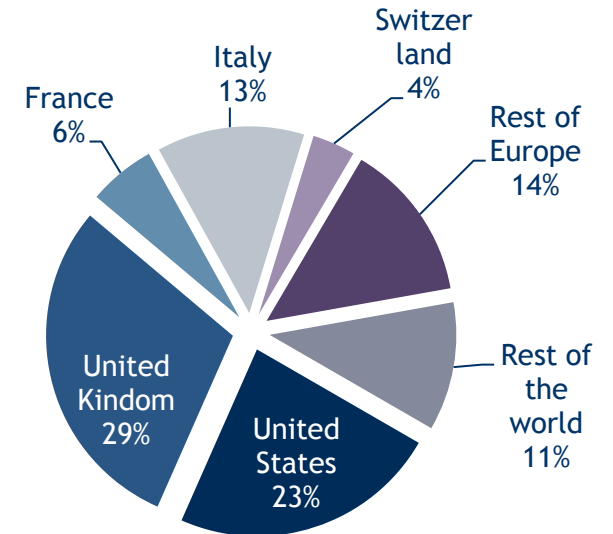
MB share ownership June13



MB share ownership August15



Institutional investors by geography



- ◆ Shareholders' agreement representing 31% of the capital renewed until December 2017
- ◆ Institutional investors' weight increased to around 40% of the capital, well spread among geographies
- ◆ Retail investors' contribution steady at around 30% in the last decade

Source: Shareholders' analysis, August 2015

Closing remarks

3M results as at September 2015

Section 1

3M as at Sept 2015

Sound results

Coming quarters

High uncertainty still anticipated

but

Mediobanca well equipped to grasp opportunities in the new macro environment

- ◆ Despite difficult market conditions, Mediobanca has been able to:
 - ◆ Consolidate loan book/top line growth
 - ◆ Increase net profit and capital ratios
 - ◆ Continue disposal process with significant capital gains/capital reallocation

- ◆ **CIB:** corporate investment and M&A cycle rebound, institutional reforms, new EU regulatory requirements (sector consolidation, privatizations, company recaps/IPOs)

- ◆ **Compass:** value-driven growth continuing, higher demand, lower penetration of consumer lending in Italy than elsewhere, asset quality improvement

- ◆ **CheBanca!:** low interest rate scenario favouring AUM, growing demand for mortgages, consolidation among retail banks

- ◆ **PI:** redeploying capital

- ◆ **MAAM:** delivery ongoing



3M results as at 30 September 2015



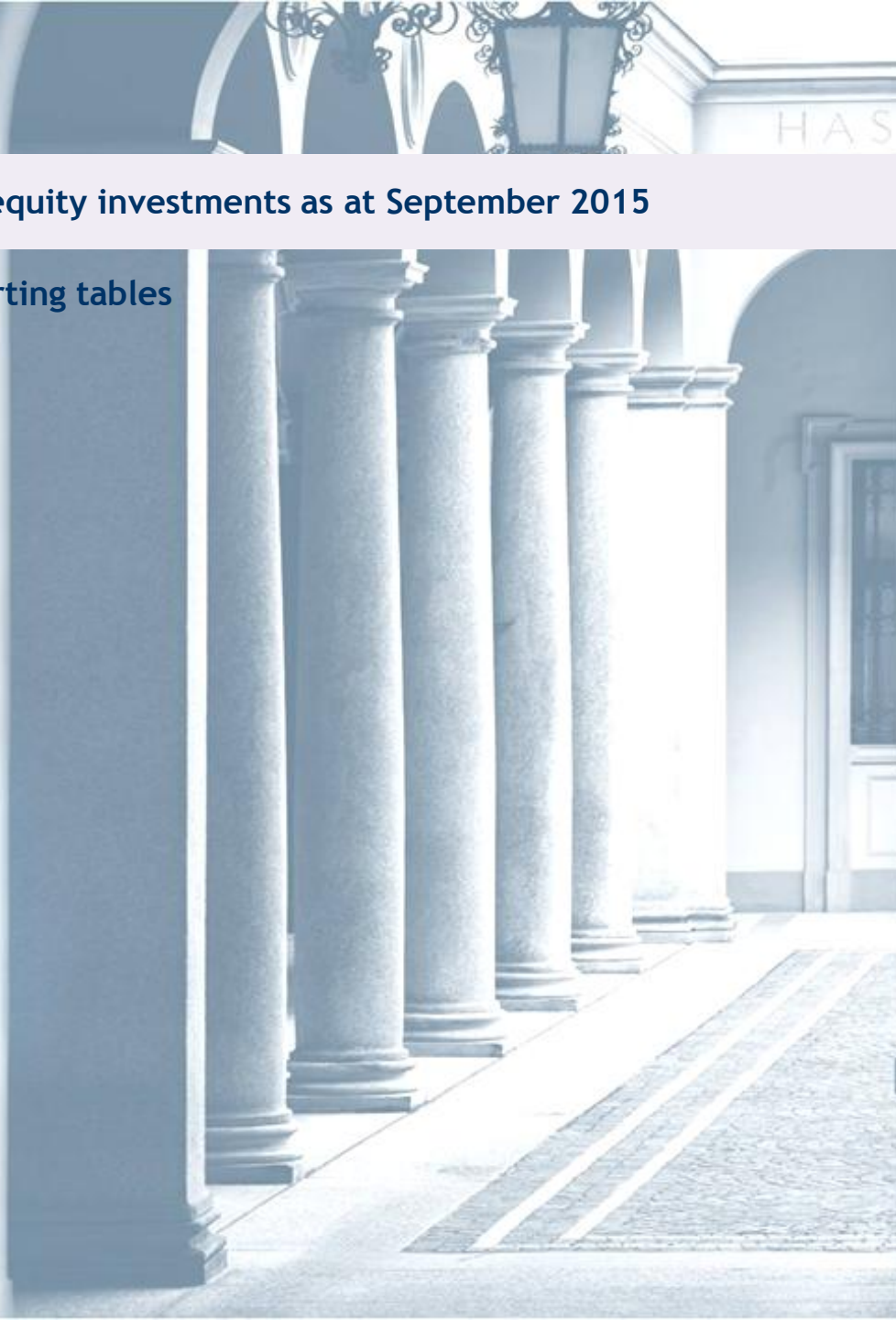
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Milan, 28 October 2015

Annexes

Principal Investing: main equity investments as at September 2015

Quarterly segmental reporting tables



Principal Investing: main equity investments

3M results as at September 2015

Annexes

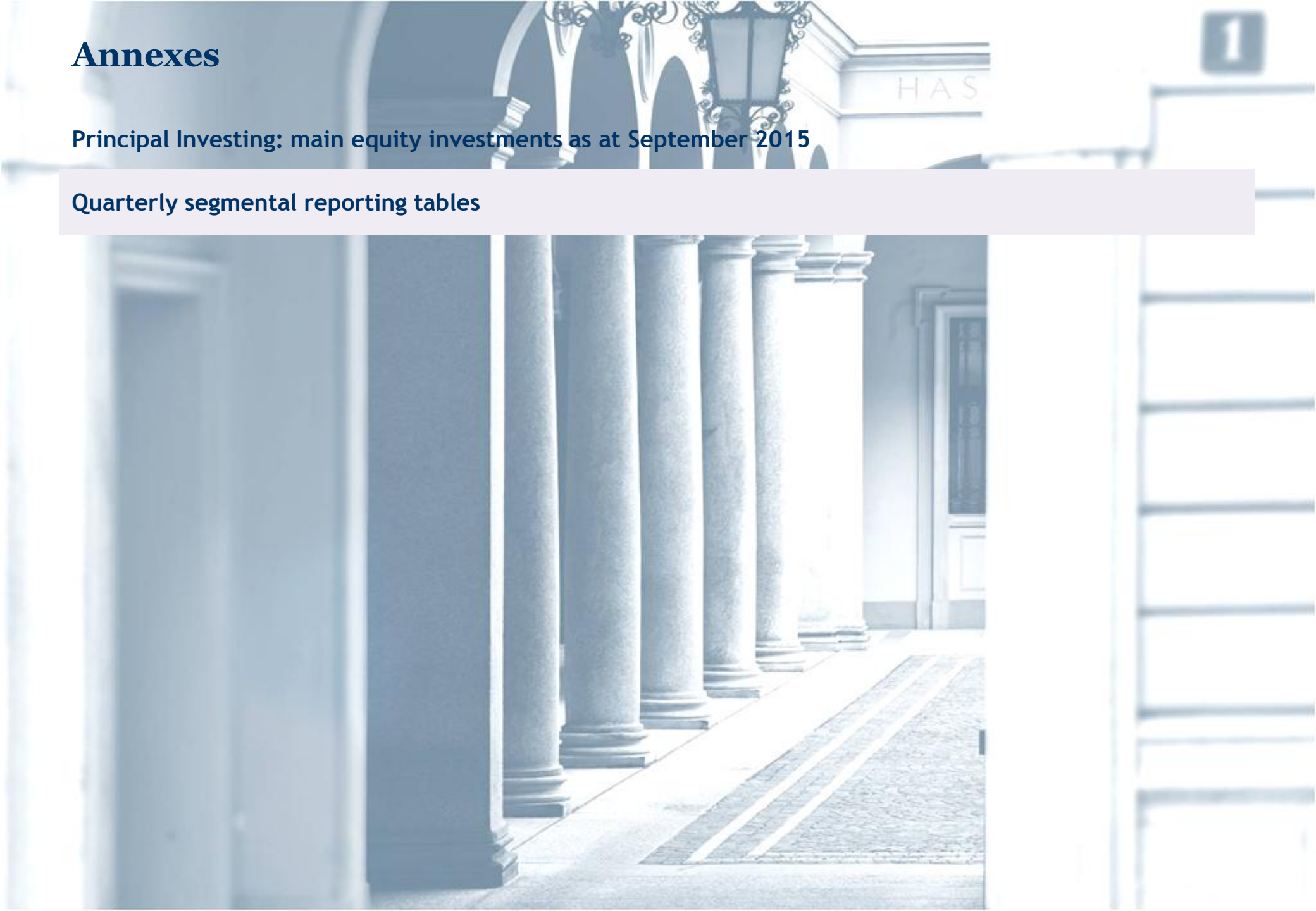
September 2015	% ordinary share of capital	Book value €m	AFS reserve
Assicurazioni Generali	13.24%	3,063	n.m. ¹
Pirelli &C.	-	-	-
Atlantia	2.71%	559	256
Italmobiliare	9.5%	80	46
Edipower	5.13%	55	-
RCS Mediagroup	6.2%	29	-
Others		208	50
Total		3,995	352

¹ Equity-accounted

Annexes

Principal Investing: main equity investments as at September 2015

Quarterly segmental reporting tables



CIB results

3M results as at September 2015

Annexes

€m	3Q Sept15	2Q June15	1Q Mar15	4Q Dec14	3Q Sept14	Δ QoQ ¹	Δ YoY ¹
Total income	148	153	231	172	219	-4%	-33%
Net interest income	61	66	64	65	57	-7%	8%
Fee income	65	82	71	78	112	-21%	-42%
Net treasury income	22	6	97	29	51		-57%
Total costs	(87)	(116)	(98)	(92)	(79)	-25%	9%
Loan loss provisions	(11)	(18)	(8)	(35)	(15)	-39%	-23%
GOP risk adj.	50	19	126	46	125		-60%
Other	(1)	1	(2)	1	0		
PBT	49	20	124	47	126		
Net result	25	8	67	33	84		
Cost/income ratio (%)	59%	76%	42%	53%	36%	-17pp	+23pp
Cost of risk (bps)	31	51	21	100	43	-20bps	-12bps
Loans (€bn)	14.1	14.6	14.3	14.0	13.6	-4%	+3%
Treasury & AFS (€bn)	19.2	16.8	16.8	17.1	19.0	+14%	+1%
AUM private banking (€bn)	15.8	16.6	16.7	15.2	15.4	-5%	+2%
RWAs (€bn)	33.0	33.4	34.8	34.0	33.9	-1%	-3%

1) YoY= Sept15/Sept14 QoQ= Sept15/June15

Retail and Consumer Banking results

3M results as at September 2015

Annexes

€m	3Q Sept15	2Q June15	1Q Mar15	4Q Dec14	3Q Sept14	Δ QoQ ¹	Δ YoY ¹
Total income	265	262	258	248	240	+1%	+10%
Net interest income	226	221	212	202	198	+2%	+14%
Fee income	39	41	46	46	42	-4%	-8%
Total costs	(102)	(122)	(112)	(112)	(103)	-16%	-0%
Loan provisions	(101)	(101)	(99)	(141)	(102)	-0%	-1%
GOP risk adj.	62	39	48	(5)	36	+60%	+71%
PBT	62	39	48	(5)	36	+60%	+71%
Net profit	42	28	30	(1)	24	+51%	+78%
Cost/income ratio (%)	39%	47%	43%	45%	43%	-8pp	-4pp
Cost of risk (bps)	258	265	263	384	283	-7bps	-25bps
Total deposits (€bn)	13.6	12.5	12.7	13.0	13.1	+8%	+4%
of which indirect	3.1	2.9	2.6	2.1	1.8	+9%	+75%
Loans (€bn)	15.8	15.5	15.1	14.9	14.5	+2%	+9%
RWA (€bn)	12.3	12.2	11.7	11.5	11.1	+1%	+10%

1) YoY= Sept15/Sept14 QoQ= Sept15/June15

Consumer banking: Compass results

3M results as at September 2015

Annexes

€m	3Q Sept15	2Q June15	1Q Mar15	4Q Dec14	3Q Sept14	Δ QoQ ¹	Δ YoY ¹
Total income	218	216	214	209	203	+1%	+7%
Net interest income	188	184	177	169	165	+2%	+14%
Fee income	30	32	37	40	38	-7%	-22%
Total costs	(63)	(77)	(72)	(73)	(66)	-18%	-5%
Loan provisions	(97)	(95)	(95)	(137)	(96)	+2%	+1%
GOP risk adj.	58	44	47	(1)	41	+32%	+41%
PBT	58	44	47	(1)	41	+32%	+41%
Net profit	40	32	31	3	28	+23%	+42%
Cost/income ratio (%)	29%	35%	34%	35%	33%	-6pp	-4pp
Cost of risk (bps)	353	354	359	532	385	-1bps	-32bps
ROAC (%)	19	16	16	2	15	+3pp	+4pp
New loans (€bn)	1.5	1.7	1.5	1.6	1.4	-10%	+4%
Loans (€bn)	11.1	10.9	10.6	10.5	10.1	+1%	+10%
RWAs (€bn)	10.4	10.2	9.9	9.8	9.5	+1%	+9%

1) YoY= Sept15/Sept14 QoQ= Sept15/June15

Retail banking: CheBanca! results

3M results as at September 2015

Annexes

€m	3Q Sept15	2Q June15	1Q Mar15	4Q Dec14	3Q Sept14	Δ QoQ ¹	Δ YoY ¹
Total income	48	46	45	39	37	+3%	+27%
Net interest income	38	37	36	33	33	+3%	+15%
Fee income	9	9	9	5	4	+5%	+124%
Total costs	(39)	(45)	(40)	(39)	(37)	-13%	+8%
Labour costs	(16)	(17)	(15)	(15)	(14)	-2%	+16%
Administrative expenses	(23)	(29)	(25)	(23)	(23)	-19%	+2%
Loan provisions	(4)	(6)	(4)	(5)	(6)	-30%	-26%
GOP risk adj.	4	(5)	1	(5)	(5)		
Net result	2	(5)	(1)	(4)	(4)		
Cost/income ratio	83%	98%	90%	100%	98%	-15pp	-15pp
Cost of risk (bps)	37	54	35	42	53	-17bps	-16bps
Total deposits (€bn)	13.6	12.5	12.7	13.0	13.1	+8%	+4%
of which indirect	3.1	2.9	2.6	2.1	1.8	+9%	+75%
Loans (€bn)	4.7	4.6	4.5	4.4	4.4	+3%	+7%
RWAs (€bn)	1.9	1.9	1.7	1.7	1.6	-1%	+16%

1) YoY= Sept15/Sept14 QoQ= Sept15/June15

Principal Investing results

3M results as at September 2015

Annexes

€m	3Q Sept15	2Q June15	1Q Mar15	4Q Dec14	3Q Sept14	Δ QoQ ¹	Δ YoY ¹
Total income	89	109	14	68	62	-19%	+44%
Gains from disposals	88	7	101	11	4		
Impairments	(2)	(7)	(2)	(5)	(7)		
Net result	181	102	106	74	53	+77%	
Book value (€bn)	4.0	4.4	4.4	4.0	4.1		
Ass. Generali (13.24%)	3.1	3.3	3.1	3.0	2.9		
AFS stakes	0.9	1.1	1.3	1.1	1.1		
Market value (€bn)	4.3	4.4	5.1	4.6	4.6		
Ass. Generali	3.4	3.3	3.8	3.5	3.4		
RWA (€bn)	11.7	11.7	11.9	11.2	11.5		
Ass. Generali	10.6	10.7	10.5	10.4	10.3		

1) YoY= Sept15/Sept14 QoQ= Sept15/June15

Disclaimer

This presentation contains certain forward-looking statements, estimates and targets with respect to the operating results, financial condition and business of the Mediobanca Banking Group. Such statements and information, although based upon Mediobanca's best knowledge at present, are certainly subject to unforeseen risk and change. Future results or business performance could differ materially from those expressed or implied by such forward-looking statements and forecasts. The statements have been based upon a reference scenario drawing on economic forecasts and assumptions, including the regulatory environment.

Declaration by Head of Company Financial Reporting

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

Head of Company Financial Reporting

Massimo Bertolini

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