



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

## **UBS Global Financial Services Conference**

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New York, May 2010

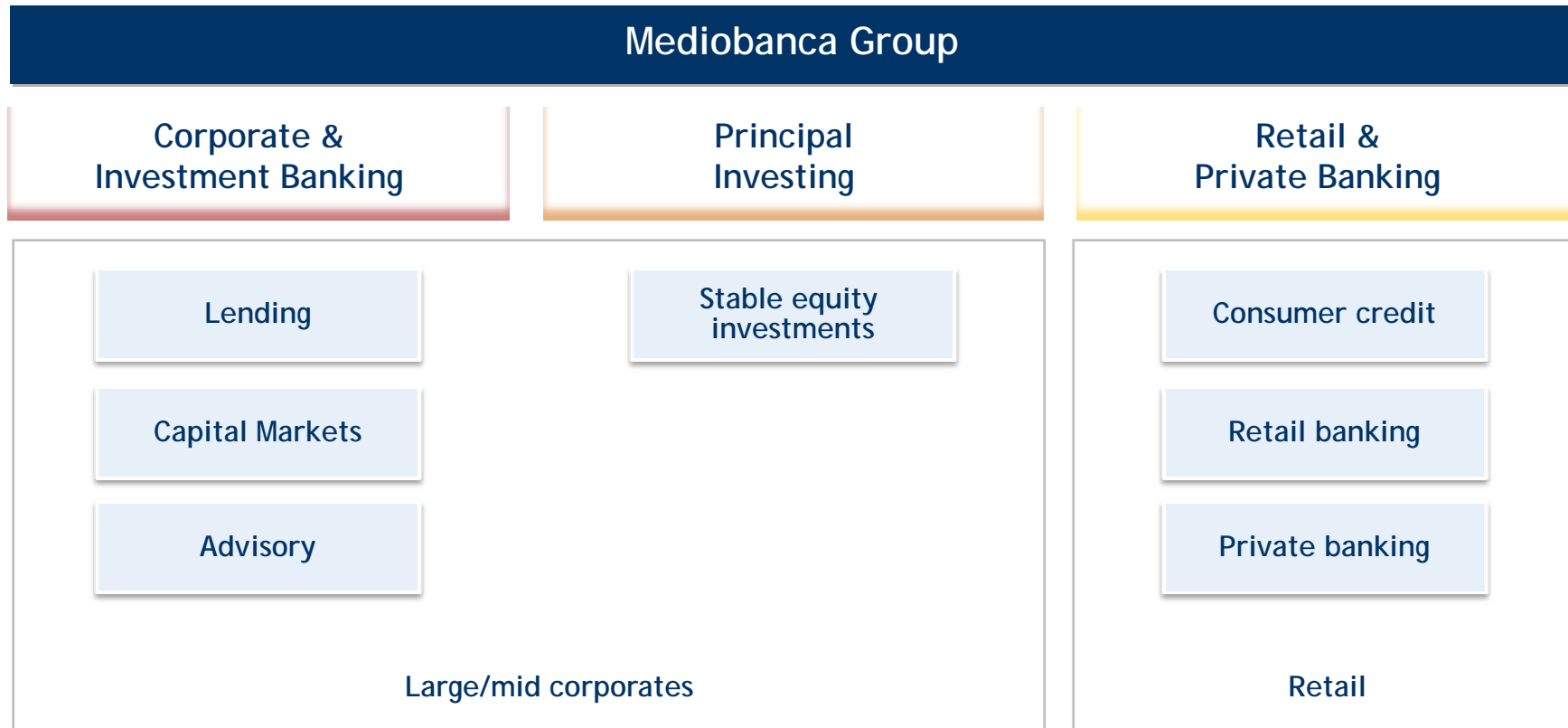
# Mediobanca well positioned in the “new world”

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- ◆ **Mediobanca business model has proved sound and efficient during the crisis**
  - ◆ **No deleveraging, public or private funds, ECB financing needed**
  - ◆ **High liquidity and solidity consistently assured, high resilience of income**
  - ◆ **Market positioning and distribution strengthened in all businesses**
- ◆ **Competitive landscape expected to change profoundly**
  - ◆ **Macro economic and financial scenario still fragile**
  - ◆ **Regulators expected to reshape the market**
- ◆ **Mediobanca extremely well positioned in the “new world”**
  - ◆ **High reputation and capital base**
  - ◆ **Business model already compliant with new rules**
  - ◆ **Room for growth in top line and profitability at all businesses**

# Business model

MB Group



# Diversified business

MB Group

## KPIs

- ◆ **Banking activities represent 85% of total income and 60% of net profit**
- ◆ **Banking activities well diversified by corporate and retail, respectively 50%:35% of total income or 65%:35% of loan book**
- ◆ **Income well diversified by sources: net interest income (40%), fee income (25%) and securities income (35%)**
- ◆ **Funding sources diversifying: no retail contribution only 18 months ago, 17% today**

## Group KPIs by division

	CIB	RPB	PI	TOT
Total income (5Y avg.)	50%	35%	15%	
<i>of which</i>				
NII	35%	68%	-	40%
Fees	35%	28%	-	25%
Securities	35%	4%	-	20%
Net profit from PI*	-	-	100%	15%
RWA (€m)	75%	20%	5%	
Loan book (€bn)	65%	35%		
Funding (€bn)	83%	17%		

\* PI companies are equity-accounted; net profit included in MB total income pro rata

# Business model already compliant with new rules

MB Group

KPIs

- ◆ **High resilience of total income**
- ◆ **Well diversified income**
- ◆ **Low leverage**
- ◆ **High liquidity**
- ◆ **Solid capital position**
- ◆ **Low cost/income ratio**
- ◆ **Low compensation ratio**
- ◆ **Conservative approach to asset quality**
- ◆ **Profitability recovering**

Group annual KPIs trend

	June 08	June 09	March10-9M
Total income (€m)	2,098	1,776	1,600
Net profit (€m)	1,013	2	354
RWA (€bn)	55	53	53
Tangible BV/Asset	10%	9%	10%
Loans/deposits ratio	0.7x	0.7x	0.6x
Core Tier 1 ratio	10%	10%	>11%
Rating S&P	AA-	AA-	A+
Cost/income ratio	31%	41%	37%
Compensation ratio	20%	20%	18%
NPLs/Ls	0.4%	0.4%	0.4%
ROE	15%	0%	7%
Gross RORWA	2.1%	0.2%	1.3%

# Banking activities

MB Group

## Corporate & Investment Banking



Integrated approach

March 10 (€ - 9m)			
Income	870 m	Cost/income	27%
PBT	417 m	LLPs/Ls	75bps
Net profit	259 m	NPLs/Ls	0.2%
Loans	24 bn	RORWA gross	1.4%
Funding	46 bn	RORWA net	0.9%
RWA	39 bn	No. employees	865

## Retail & Private Banking



Specialized offering

March 10 (€ - 9m)			
Income	627 m	Cost/income	61%
PBT	-20 m	LLPs/Ls	300bps
Net profit	-27 m	NPLs/Ls	0.8%
Loans	12 bn	RORWA gross	neg
Funding	20 bn	RORWA net	neg
RWA	10 bn	No. employees	2,457

# Corporate & Investment Banking

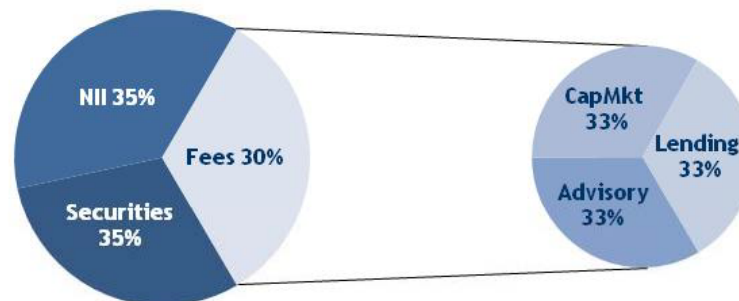
## CIB KPIs

- ◆ **MB top ranked in Italian market**
- ◆ **International diversification boosted since 2007:**
  - ◆ **international branches now representing ~20% of revenues and ~30% of lending volumes**
  - ◆ **MB recognized player in France, Germany, Spain**
- ◆ **Integrated approach by product (lending, advisory and capmkts) and by geographies**
- ◆ **Customers: focus on large-caps**
- ◆ **Well diversified income**
- ◆ **Low leverage**
- ◆ **Efficient structure (cost/income ratio 27%)**
- ◆ **Good asset quality: NPLs/Ls = 0.2%**  
**NPLs coverage >50%**

## Italian market positioning (12m as at June)

M&A - 2009 (TF - Announced deals - €m)		ECM - 2009 (TF - €m)		Syndicate loans - 2009 (TF - Bookrunners - €m)	
Bank	Volume	Bank	Volume	Bank	Volume
Mediobanca	21,054	Mediobanca	2,576	BNP Paribas	3,081
Morgan Stanley	17,116	Intesa SanPaolo	1,988	Intesa SanPaolo	2,893
Intesa SanPaolo	16,811	JP Morgan	1,829	<b>Mediobanca</b>	<b>1,822</b>
JP Morgan	16,724	Morgan Stanley	642	Mitsubishi UFJ	1,442
Goldman Sachs	15,024	UBS	521	BBVA	1,442

## CIB total income and fees breakdown (average last 5Y)



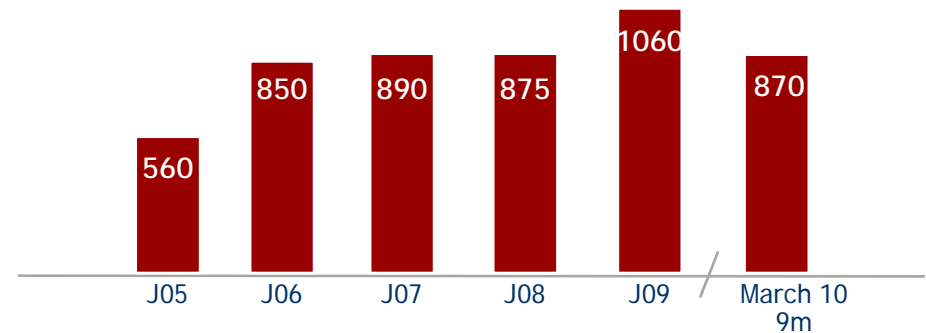
# CIB: a driver for future growth

Corporate & Investment Banking

## Main trends

- ◆ **High resilience of top line**
- ◆ **High liquidity and low leverage have consistently enabled pro-active asset allocation**
- ◆ **CIB as a driver of future growth too, due to:**
  - ◆ **new ventures being fully exploited**
  - ◆ **growth in loan book**
  - ◆ **cost of risk returning to normalized levels**

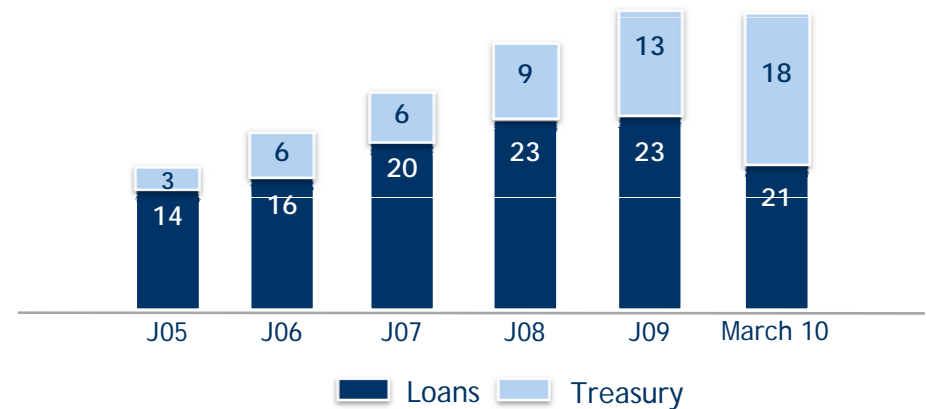
## Total income (€m-12m as at June)



## PBT and gross RORWA (€m, % -12m as at June)



## Customer Loans and Treasury (€bn)





# Consumer credit: Compass

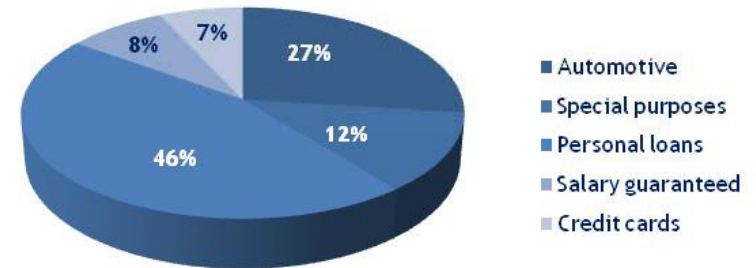
Consumer credit

## Compass KPIs

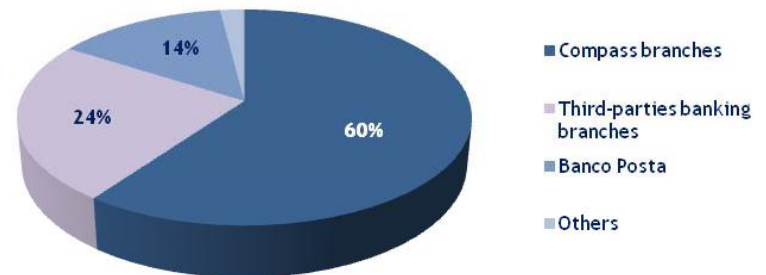
- ◆ Specialist operator since 1960s
- ◆ Top ranked in Italy (4th, 3rd in personal loans)
- ◆ Positioning strengthened in 2008 with Linea merger, integration now completed
- ◆ Wide product portfolio, focused on profitable segments
- ◆ Effective and diversified distribution network
- ◆ Valuable and increasing customer base (1.8 million)
- ◆ Advanced proprietary know-how both in terms of lending and credit recovery
- ◆ Efficient structure (cost/income ratio <40%)
- ◆ No concerns on asset quality: -NPLs/Ls=0.8%

NPLs coverage=90%

## Product range (9m new loans as at March10)



## Personal loans by channel



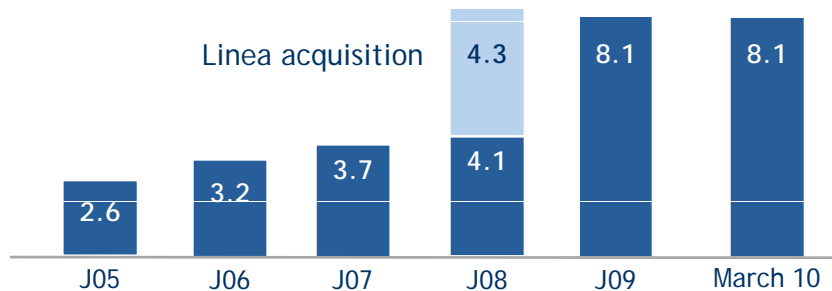
# Compass: well positioned to leverage growth

Consumer credit

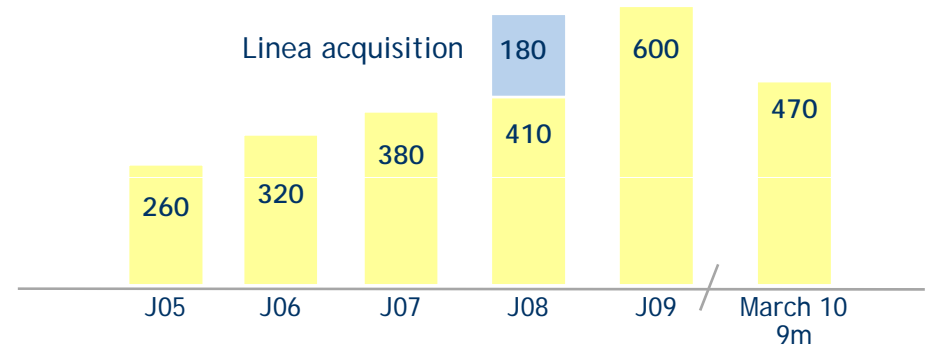
## Main trends

- ◆ **Crisis has dampened some of the previous market excesses**
- ◆ **Margins expected to gradually improve as:**
  - ◆ **Compass has resumed growth in a still stagnant market, gaining market share and customers**
  - ◆ **cost of funding reducing**
  - ◆ **cost of risk reducing**

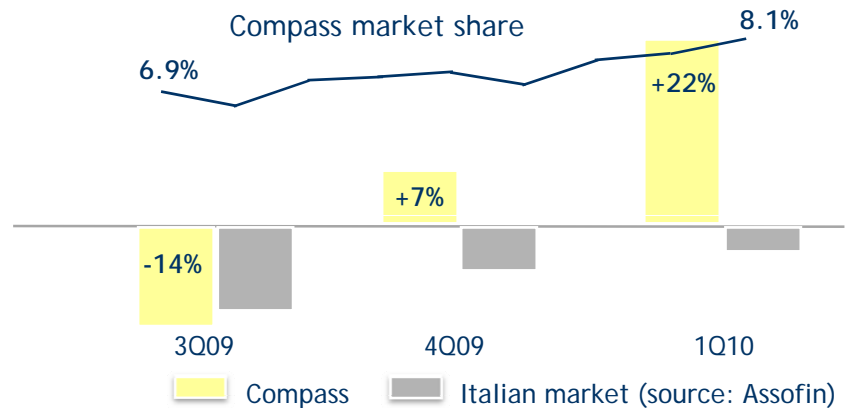
## Loan book (€m)



## Total income (€m-12m as at June)



## New loans (Δ YoY, Compass monthly market share)

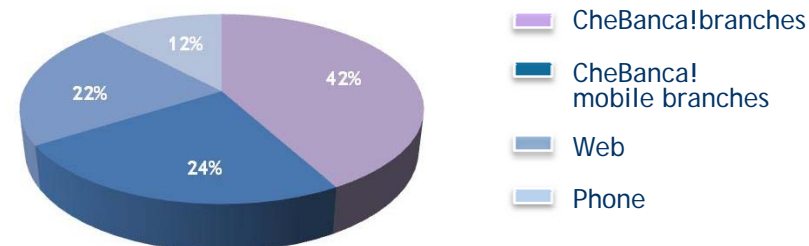


# Retail banking: successful business model

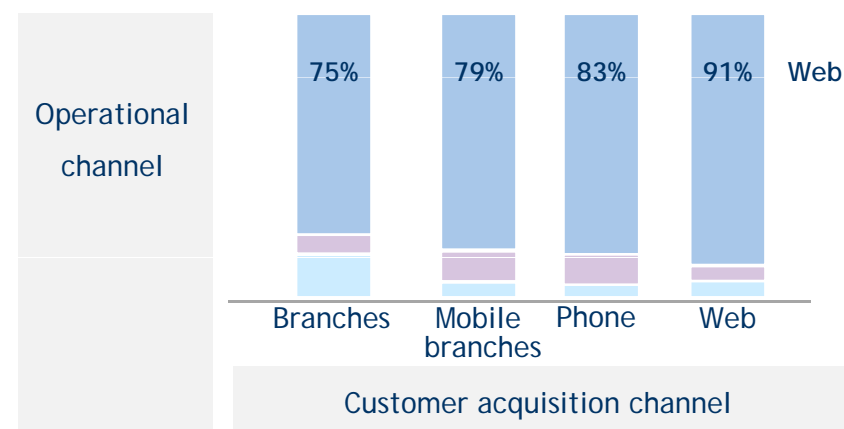
## CheBanca! KPIs

- ◆ **CheBanca!: innovative specialist banking retail operator launched in May 2008**
- ◆ **Two years since its launch, CheBanca! has achieved a distinctive position in the market**
- ◆ **High brand awareness**
- ◆ **Innovative multichannel distribution network**
- ◆ **Scalable and efficient operating platform**
- ◆ **Affluent and stable customers base**
- ◆ **Cost-effective and transparent but not most remunerative products**
- ◆ **Strong commercial results**
  - ◆ **€9.1bn deposits, €4.0bn loan book**
  - ◆ **400,000 product sold, 300,000 customers**

## Product sold by channel



## Customer acquisition/operations by channel

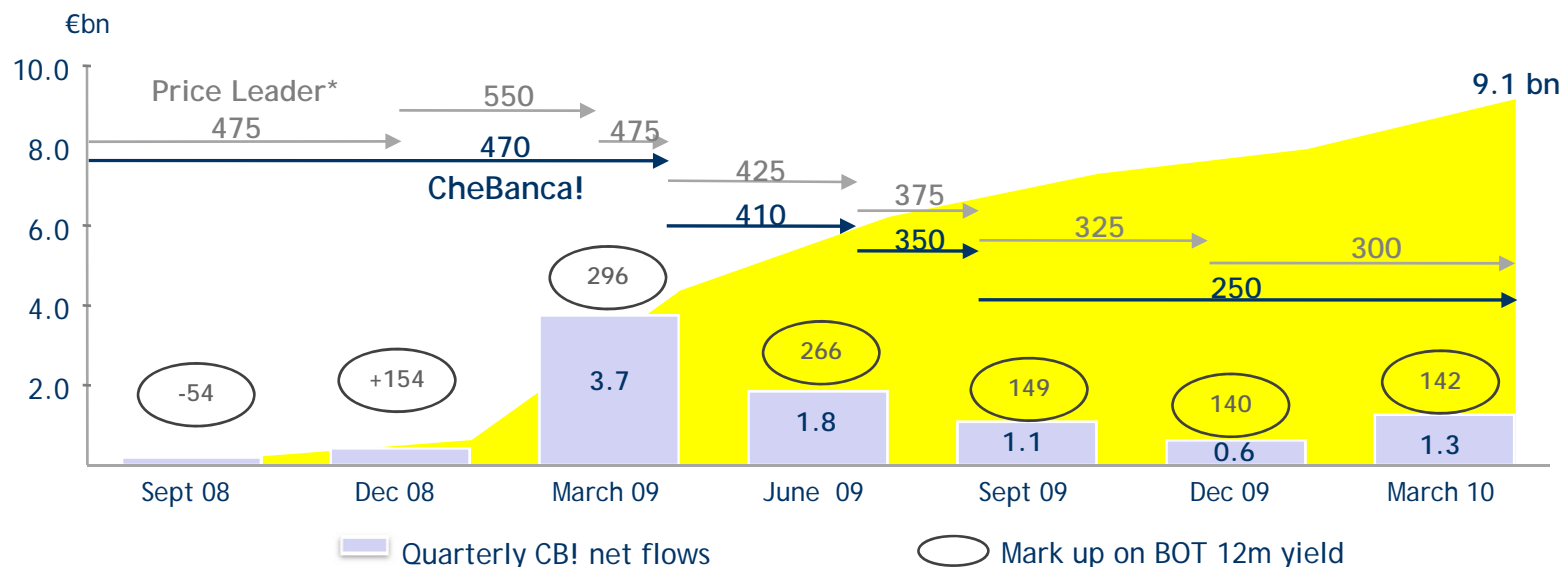


# Retail deposits steadily growing

## CheBanca! main trends

- ◆ **CheBanca! retail funding already represents 17% of MB group funding, expected to rise to 25% by end-2011**
- ◆ **Stable and affluent customer base: funding stock steadily growing despite lower mark-up and most remunerative 12m lock-up expiring (90% retention)**
- ◆ **CheBanca!: more revenues to come due to gradual introduction of more profitable new products, leveraging on valuable customer base, increasing cross selling, lowering cost of funding.**

Funding stock and pricing for 12m linked deposit (€bn, bps)



# Private banking: AUM stock rebuilding ongoing

Private Banking

## Banca Esperia: KPIs and main trends

- ◆ **Top ranked in Italy**
- ◆ **AUM up 50% to €6.0bn in last 12m**
- ◆ **70% of AUM growth due to net inflows (€1.3bn)**
- ◆ **50% of net inflow unrelated to tax amnesty**
- ◆ **Enhancing distribution network**

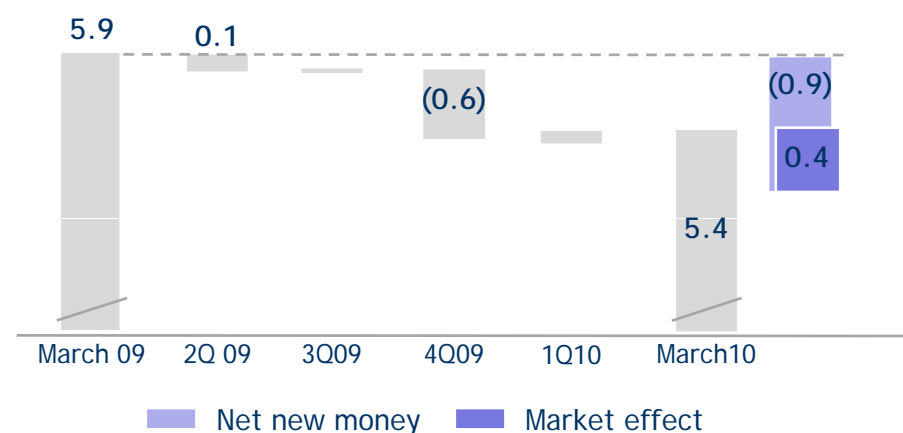
## Banca Esperia AUM (pro-rata, €bn)



## CMB: KPIs and main trends

- ◆ **Market leader in Principality of Monaco**
- ◆ **Tax amnesty impacted negatively in 2009, AUM has recovered slightly since 1Q10.**
- ◆ **New CEO to develop growth in Monaco and Switzerland**

## Compagnie Monégasque de Banque AUM (€bn)



# Principal Investing: KPIs

## PI KPIs

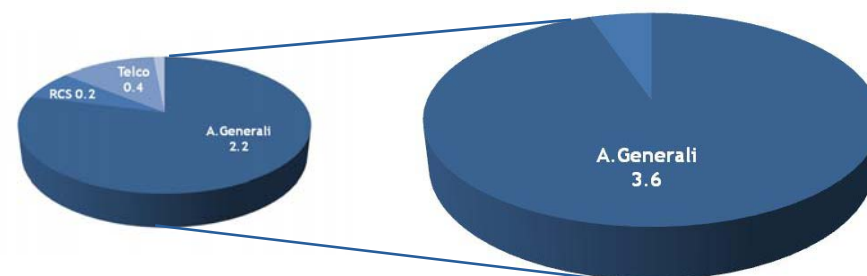
- ◆ **Three strategic stakes included**
  - ◆ **13.24% Assicurazioni Generali (insurance)**
  - ◆ **14.36% RCS Media Group (publishing)**
  - ◆ **11.62% Telco (telecommunications)**
  - ◆ **Merchant banking stakes**
- ◆ **Investee companies are market leaders in their own sectors**
- ◆ **Stakes built during 1990s: no further capital allocated in last 5Y**

## Principal Investing

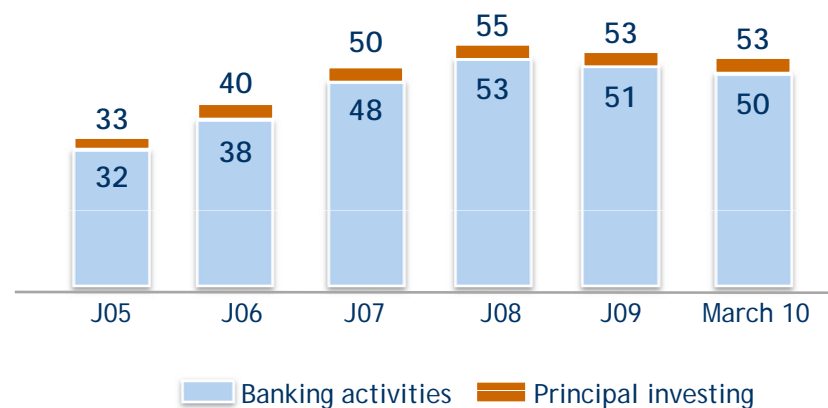
### Book value NAV of listed companies (€bn - March 10)

Book value €2.5bn

Market Value €3.8bn



### Risk weighted assets (€bn)



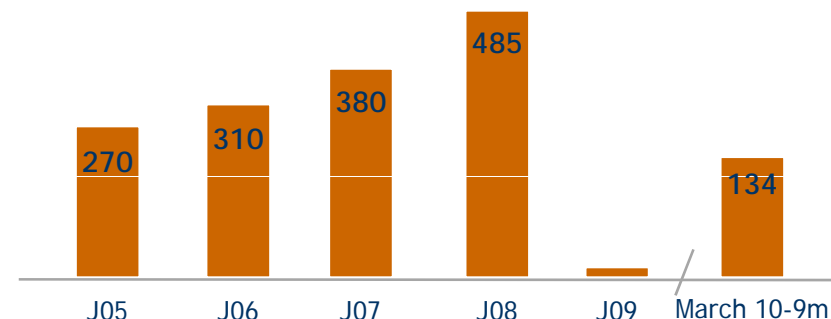
# PI: still far below historical average contribution

Principal Investing

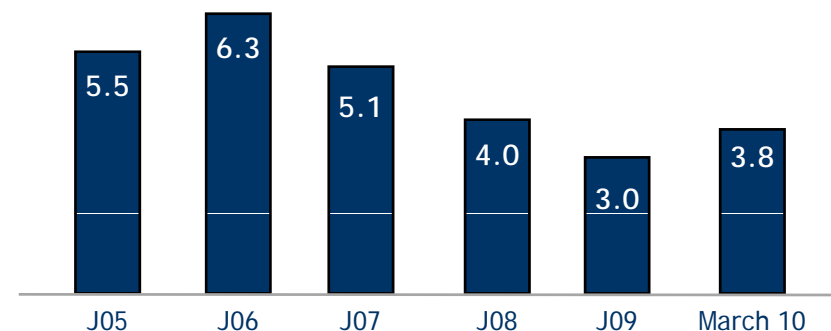
## Main trends

- ◆ **Stakes equity-accounted,\* making a highly contribution to MB total income and market capitalization**
- ◆ **Profitability recovering from lows, but still well below historical levels**
- ◆ **Market value of equity investments currently 30% lower than 2005-07 average**

Total income (€m-12m as at June)



Market value (€bn)



\*Equity-accounted: net profit included in MB total income pro rata; book value equal to pro-rata shareholders' equity

# Closing remarks

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MB Group

Solid reputation  
and capital base

Business model already  
compliant with new rules

Room for growth  
at all businesses

Mediobanca well positioned in the “new world”

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MEDIOBANCA

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# History and Mission

Annex



- ◆ Founded after World War II by Banca Commerciale Italiana, Credito Italiano and Banco di Roma, the three state-owned “banks of national interest”
- ◆ Mission: to support the rebuilding of the Italian industry through supply of medium/long-term financing and advisory services to enterprises

- ◆ 1950s: supporting growth of leading Italian groups
- ◆ 1956: listing on Milan stock market (the first banking group listed after the war)
- ◆ Trustee business via Spafid (1951), followed by consumer credit with Compass (1960) and leasing with Selma (1970)

- ◆ Key role in supporting Italian industry restructuring: MB became “house bank” for major Italian industrials
- ◆ By mid-1970s MB’s equity investment portfolio included Generali (4.5%), Fiat (2.5%), Montedison (2.5%), Olivetti (5%), Pirelli & C, (3.3%) and Fondiaria (10%)
- ◆ 1998: MB privatization and core shareholders’ agreement between banks (25%) and private enterprises (25%) set up

- ◆ Industrial restructuring in late 1990s was followed by a boom of privatization deals and IPOs, in which MB confirmed its leadership position
- ◆ MB International operating in international capital markets set up in 1990
- ◆ Residential mortgages business started up with Micos (1992)
- ◆ Increase in size of equity investment portfolio (Generali 14%)
- ◆ Private banking business entered with Banca Esperia (2001) and CMB (2003)

- ◆ New management team (2003) and strategy refocused on banking activities
- ◆ CIB activities internationalized with the opening of branches in Madrid (2004), New York (2006), Madrid (2007), Frankfurt (2007) and London (2008)
- ◆ Creation of a leading domestic operator in consumer lending (acquisition and merger of Linea, 2007)
- ◆ Retail banking started with CheBanca! (2008)

# Shareholders

Annex

## KPIs

- ◆ Shareholders' agreement covering 44% of the capital (reducing below 40% if 2011 warrants fully exercised)
- ◆ Efforts made since 2003 to increase weight of institutional investors and free float
- ◆ Strong relations with Italian corporates: high-quality advisory and financial services offered
- ◆ Access to HNWIs and households, often synergic with corporate business

## Mediobanca shareholders

Unicredit Group	8.7%
Mediolanum	3.4%
Commerzbank	1.7%
Sal.Oppenheim (Deutsche Bank)	1.7%
<b>Total Group A</b>	<b>15.5%</b>
Fondiaria - Sai	3.8%
Italmobiliare	2.6%
Edizione (Benetton)	2.2%
Assicurazioni Generali	2.0%
Pirelli & C.	1.8%
FIN.PRIV	1.7%
Fininvest	1.0%
Others <1%	3.8%
<b>Total Group B</b>	<b>18.9%</b>
Financière du Perquet (Bolloré Group)	5.0%
Groupama	3.1%
Santusa Holding (Santander Group)	1.8%
<b>Total Group C</b>	<b>9.9%</b>
<b>Total Syndicated</b>	<b>44.3%</b>
<b>Total Free Float</b>	<b>55.7%</b>



# Disclaimer

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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

# Investor contact details

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## Mediobanca Group

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