



MEDIOBANCA

**9M results as at
31 March 2018**

Milan, 11 May 2018



MEDIOBANCA

AGENDA

1. **Group results**
2. **Divisional results**
3. **Closing remarks**

Annexes

1. Quarterly segmental reporting tables
2. Glossary



MEDIOBANCA

HEALTHY GROWTH AND SUSTAINABILITY: THE HEART OF MB'S BUSINESS MODEL

Once again best-ever results by revenues, GOP and net profit

Revenues up 9% to €1.8bn, diversified by income sources, fuelled by organic growth and M&A

CoR stably at low level (59bps), asset quality confirmed excellent (Texas ratio @13%)

GOP after LLPs up 19% to €813m

Net profit up 11% to €682m

ROTE adj. at 10%

Robust franchise developing – NNM in 9M over €3bn

WM: scaling up with a sustainable revenue mix (FAs network tripled >200, strong organic growth, RAM acquisition closed)

Consumer: excellent results as the “new normal” (quarterly net profit stabilized at record ~€80m, with 30% ROAC)

CIB: fees at their highs (higher productivity and diversification)

HF: A&L optimized, NII loss halved

High capital generation

CET1 up 100bps to 13.9%, after AIRB validation (+140bps) and RAM acquisition (-30bps)

HEALTHY GROWTH

Fees up 14% to €457m

NII up 6% to €1.014m

EXCELLENT ASSET QUALITY

NPLs to loans : gross 4.8%, net 2.2%

BadLs to loans: gross 1.3%, net 0.4%

STRONG CAPITAL

CET1 at 13.9%¹

Leverage ratio at 8.6%

1) Managerial calculation as at March 18 differs from that stated in the Common Reporting (COREP), as it includes the result for the period (not subject to authorization pursuant to Article 26 CRR), which accounts for approx. 30bps of CET1

LAST 3M

STRONG ACCELERATION IN WM DEVELOPMENT

SOUND INDUSTRIAL PERFORMANCE

Strong acceleration in WM development

- ◆ **€1.5bn NNM in the quarter, 50%:50% by affluent:private segment**
- ◆ **AUM/AUA up by €4.7bn to €36.5bn**, now 58% of total TFA, **driven by organic growth and M&A** (RAM)
- ◆ **Affluent:**
 - ◆ **organic growth resumed (NNM by €0.7bn)** after one year spent working on Barclays migration/integration
 - ◆ **46 additional FAs, network now at 203** (tripled in 9M)
- ◆ **Private&AM:**
 - ◆ **organic growth continuing (NNM by €0.8bn)**, driven by Cairn and MBPB
 - ◆ **RAM acquisition closed** (€4.2bn AUM)

Healthy growth in P&L

- ◆ **NII at highest-ever level** (€342m)
- ◆ **Fees at highest-ever level*** (€156m) **with basically equal contribution from WM and CIB**
- ◆ **CoR confirmed at lowest-ever level** (60bps)
- ◆ **Net profit at €206m**
 - ◆ **even without gains from disposals**
 - ◆ **despite provisions to SRF** (€26m)

Optimization and strength in A&L

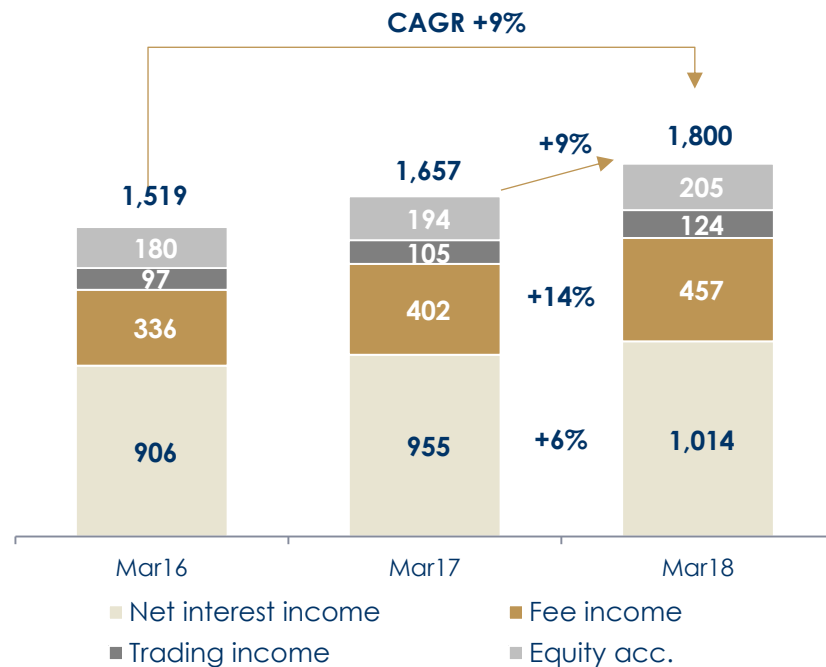
- ◆ **CET1 at 13.9% after**
 - ◆ **AIRB validation** (up 140bps) **on large corporate loans**
 - ◆ **RAM acquisition** (down 30bps)
- ◆ **LCR optimized at 160%** (down 30pp QoQ, down 130pp YoY)
- ◆ **Loan/Deposit ratio at 83% with**
 - ◆ **loans growing** at €40bn (up 1% QoQ, up 8% YoY)
 - ◆ **deposits stabilized** at €48bn (up 2% QoQ, down 2% YoY)

FRANCHISE DEVELOPMENT DELIVERING BEST NII AND FEES

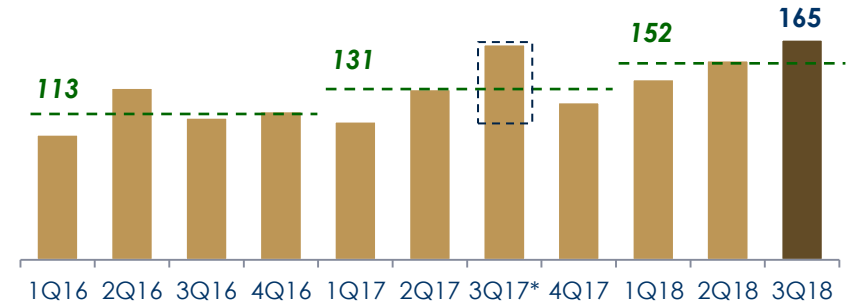
9M results as at March 2018 - Group results

Section 1

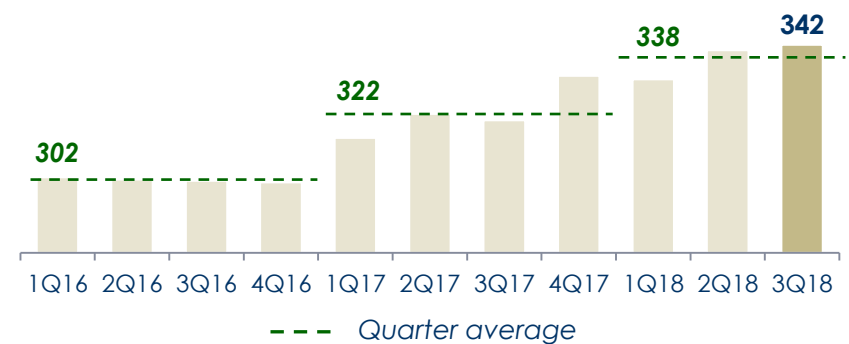
Group revenues (€m, 9M)



Fees by quarter (€m, 3M)



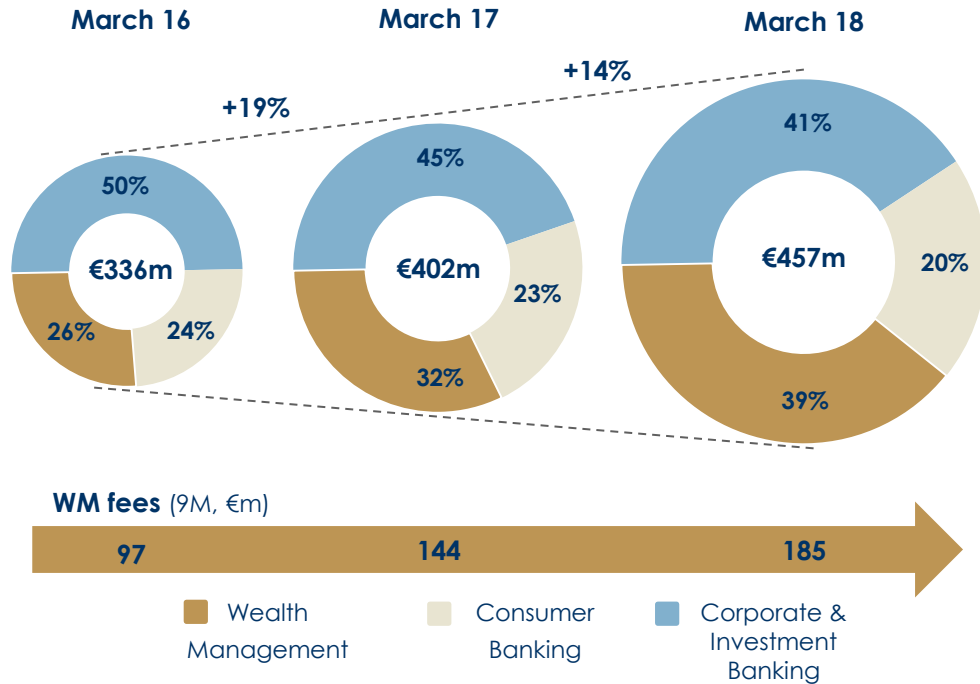
NII by quarter (€m, 3M)



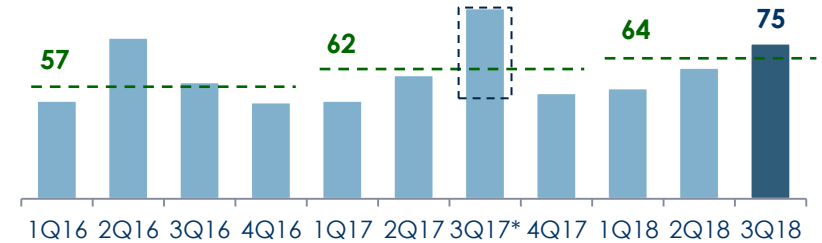
- ◆ **9M revenues up 9%** following a positive **long-term scale-up path** driven by all sources. **In 3Q:**
 - ◆ **Fees recording highest ever level (€165m)**, due to **WM** and **CIB** development
 - ◆ **NII consolidating solid growth (€342m)** due to **Consumer** growth and **Holding Functions** optimization
 - ◆ **Positive trading result (€39m)**, despite tough markets in 3Q, due to strong CMS activity

FEES SCALING UP IN SIZE AND SUSTAINABILITY DRIVEN BY WM & CIB

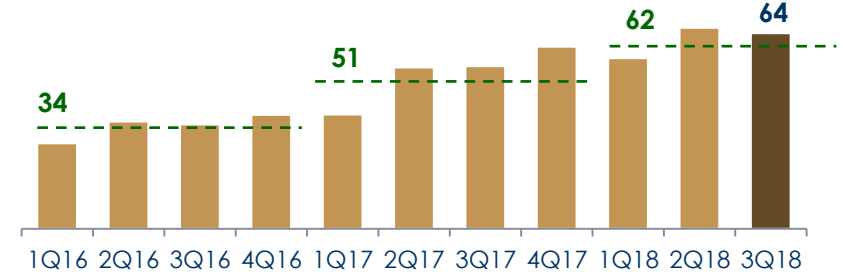
Group Fees by business¹ (9M, €m)



CIB fees by quarter (€m, 3m)



WM fees by quarter (€m, 3m)



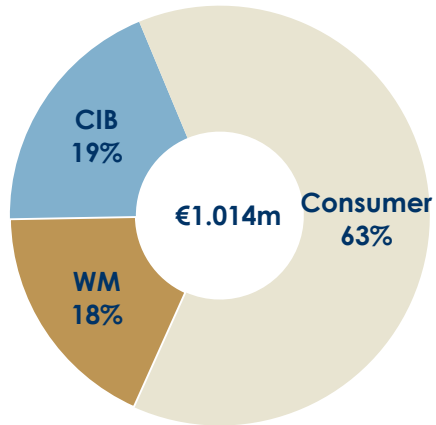
WM fees (9M, €m)



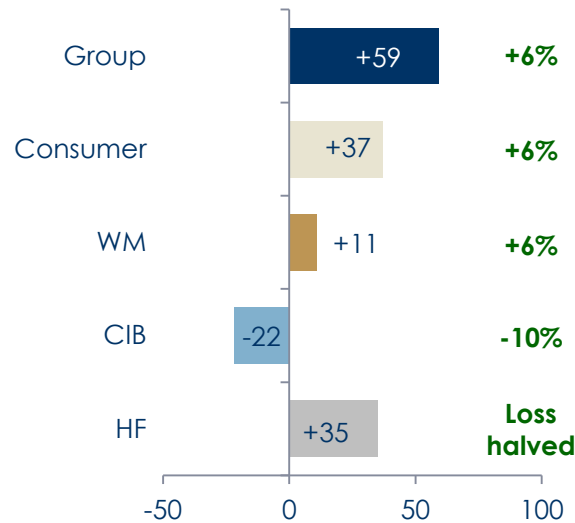
- ◆ **Growth:** fee up 14% YoY to €457m, with 3Q record quarter at €165m
- ◆ **Higher quality and sustainability:** 39% of fee income now from WM (mainly management fees), 41% from CIB
 - ◆ **CIB: fees at their highs due to higher productivity and diversification** (SF, DCM and CF offsetting ECM)
 - ◆ **WM: scaling up for organic growth and enlarged area of consolidation** (Esperia and RAM)

NII CONTINUING ITS 5Y GROWTH DRIVEN BY CONSUMER AND ALM OPTIMIZATION

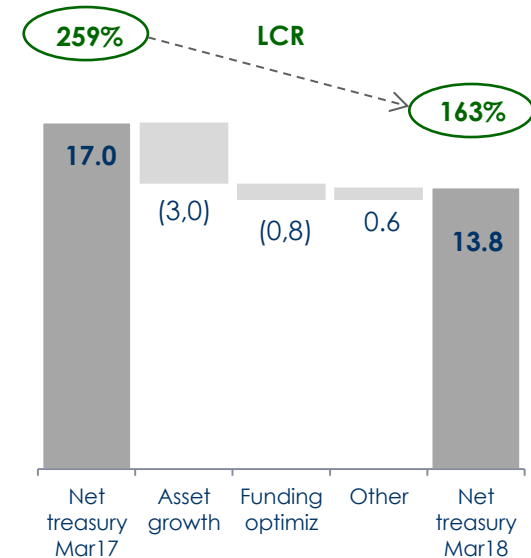
Group NII by business¹ (9M, €m)



Group NII 9M change (€m, % YoY)



Treasury trend (€bn)



◆ **NII has continued its last 5Y growth driven by Consumer and HF optimization**

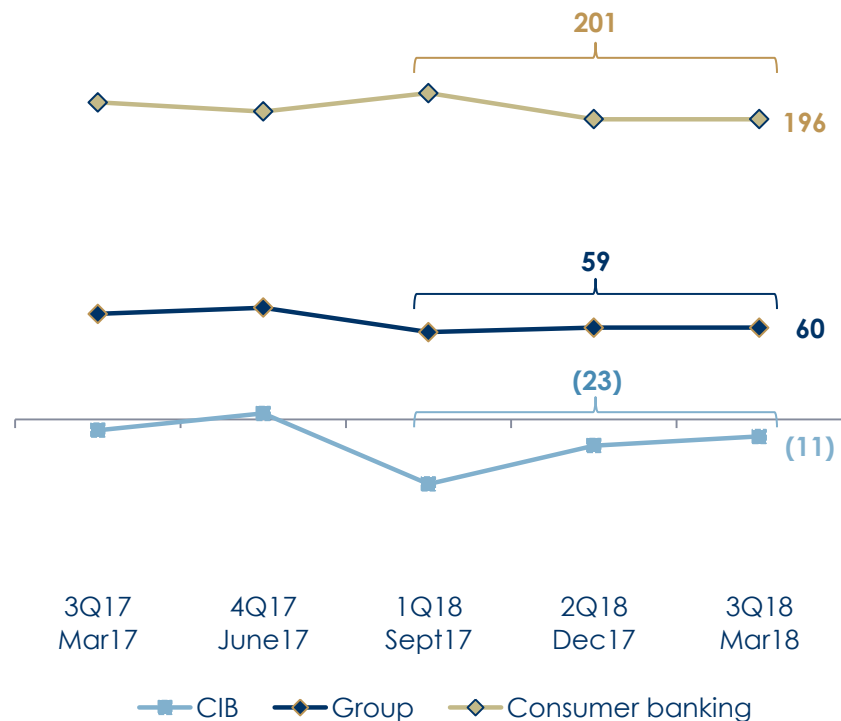
- ◆ **Consumer up 6%** due to 6% loan growth and margin resilience
- ◆ **HF loss halved due to A&L optimization** (reduced excess liquidity, TLTRO 1 reimbursed, lower CoF)
- ◆ **WM up 6%** on resilient deposit base and lower CoF
- ◆ **CIB down 10%** due to higher-ratings new business and margin pressure

ASSET QUALITY : WHEN NO NEWS IS GOOD NEWS ...

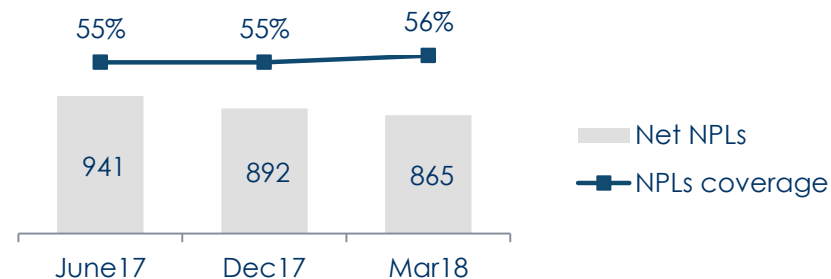
9M results as at March 2018 - Group results

Section 1

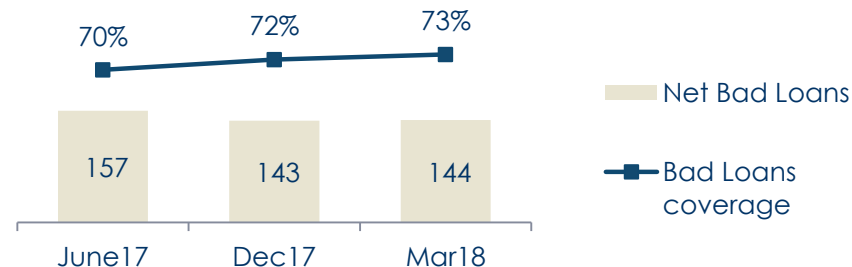
Cost of risk by division (bps)



NPLs ("deteriorate", €m) and coverage (%)



Bad loans ("sofferenze", €m) and coverage (%)

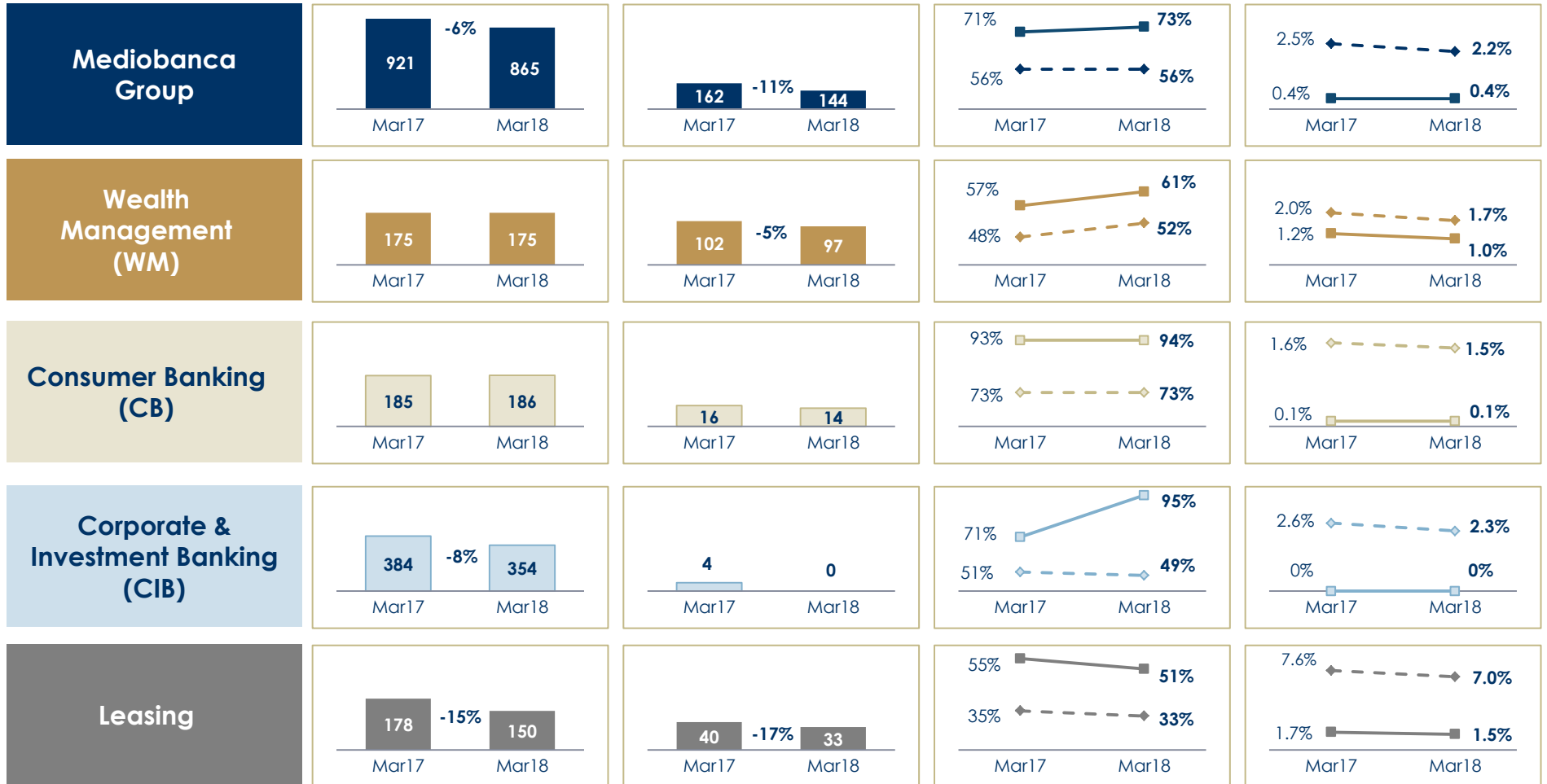


- ◆ **NPLs constantly decreasing** (well below €0.9bn), **both as stock** (5% gross and 6% net YoY) **and as % of loans** (gross 4.8%, net 2.2%); **coverage up at 56%**
- ◆ **BadLs at €144m, down as stock** (6% gross and 11% net YoY) **and stable as % of loans** (to 0.4%); **coverage up to 73%**
- ◆ Group CoR stable at 60bps, with writebacks again in WB and Consumer below 200bps; **Texas ratio at 13%**

... AT ALL DIVISIONAL LEVELS

9M results as at March 2018 - Group results

Section 1

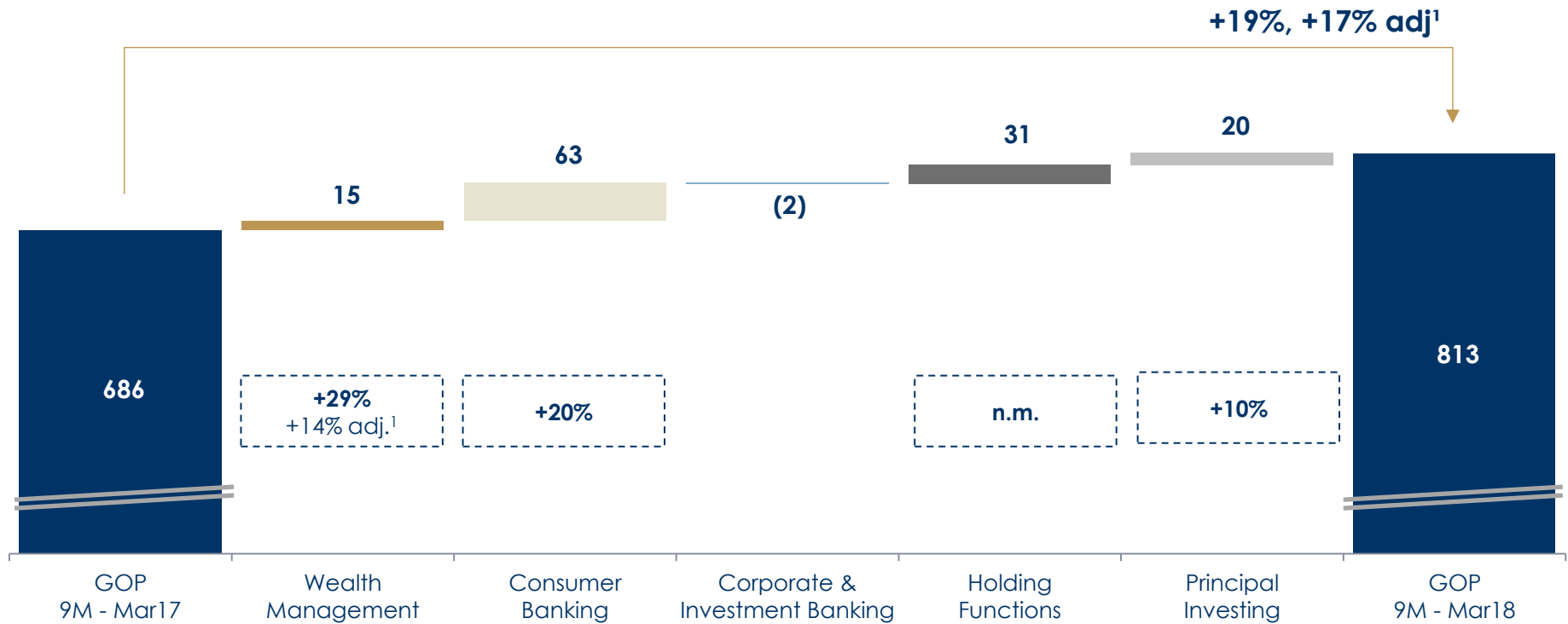


GOP UP 19% TO OVER €0.8BN

9M results as at March 2018 - Group results

Section 1

MB Group GOP by division (9M, €m)



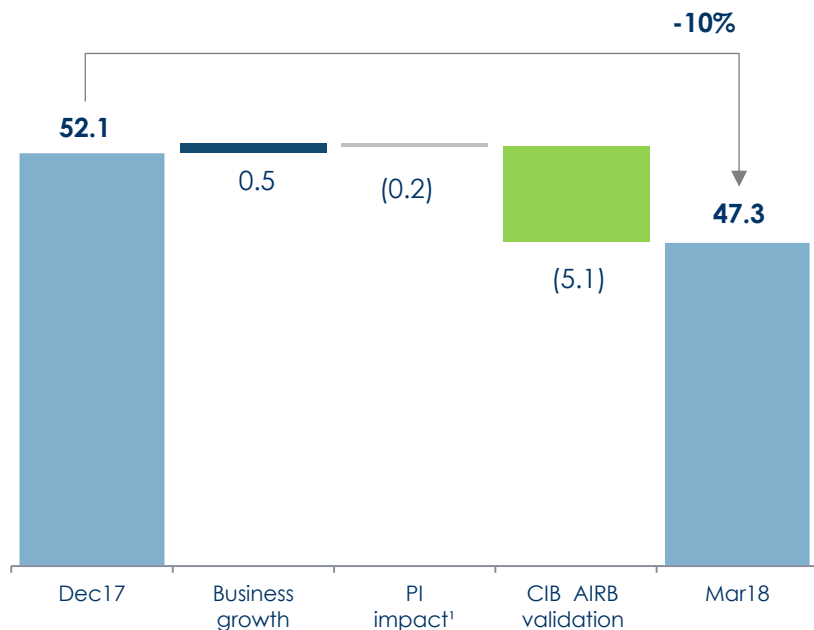
- ◆ **Divisions achieved positive GOP trend** on revenues growth, cost control, and loan loss provision reductions
- ◆ Efficiency preserved, with **Group cost/income ratio at 45%**

CET1 RATIO AT 14%, STRONG CAPITAL GENERATION

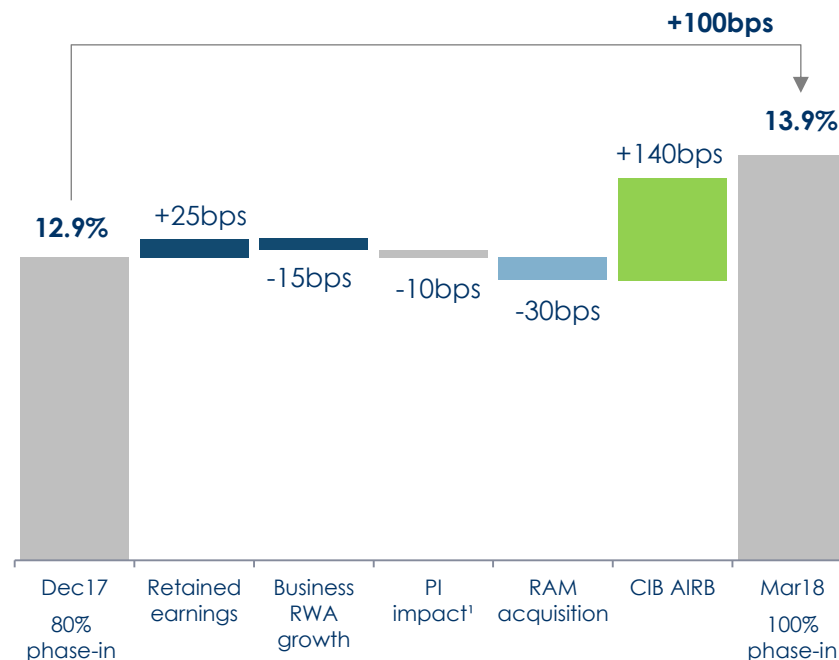
9M results as at March 2018 - Group results

Section 1

RWA trend (€bn)



CET1 trend (bps)



◆ **CET1 up 100 bps to 13.9%**, including

- ◆ 10bps organic growth (retained earnings financing business development with RWA up €0.5bn)
- ◆ 140bps in AIRB benefits on corporate portfolio. AIRB savings consistent with Basel IV – FIRB world
- ◆ 30bps accounted for by RAM acquisition
- ◆ 10bps absorbed by higher AG deduction (to be recovered after AG dividend payment)

1. PI impact related to increased AG deductions (from €1.5bn at Dec17 to €1.7bn at March18) due to higher AG book value (from €3,146m at Dec.17 to €3,259m) and fully phased rules (deduction from March18 is entirely from CET1).



AGENDA

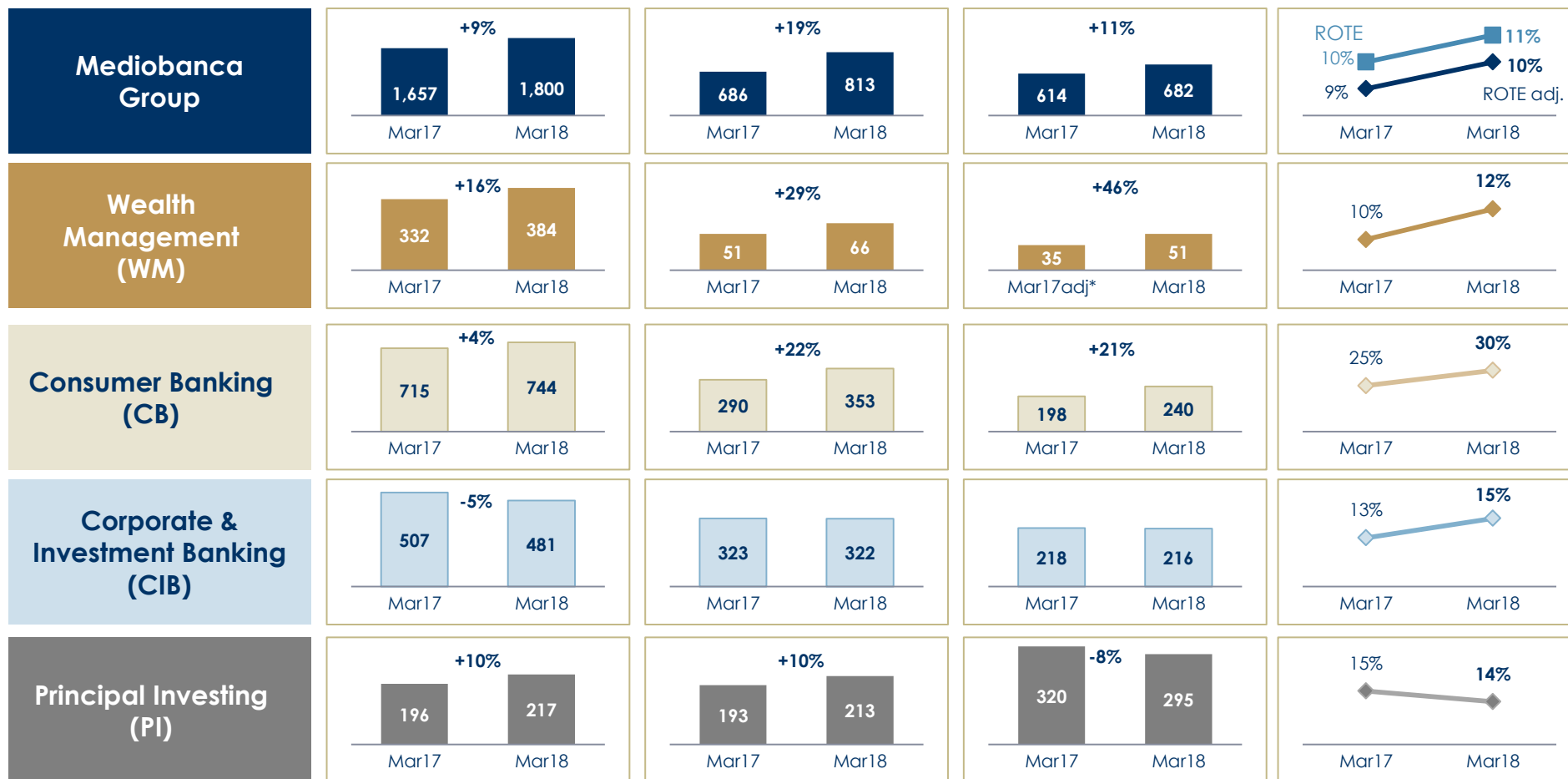
1. **Group results**
2. **Divisional results**
 - 2A. **Wealth Management**
 - 2B. **Consumer Banking**
 - 2C. **Corporate & Investment Banking**
 - 2D. **Principal Investing**
 - 2E. **Holding Functions**
3. **Closing remarks**



9M18 RESULTS AT A GLANCE

9M results as at March 18 - Divisional results

Section 2



WEALTH MANAGEMENT

Wealth Management (WM)

Affluent & Premier

CheBanca!

Private & HNWI

MB Private Banking

CMB, Spafid

Mediobanca AM

MB SGR, CMG

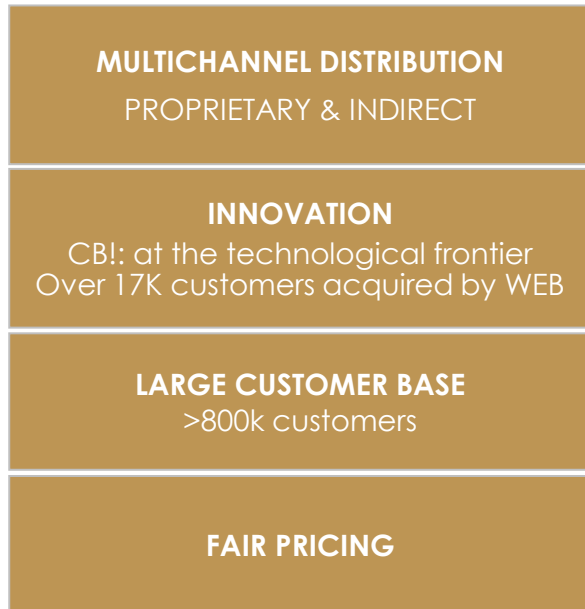
Cairn, RAM

WM – HEALTHY GROWTH AND SUSTAINABILITY

9M results as at March 18 - Divisional results

Section 2

Strengths & Achievements



**Strong acceleration
in fostering distribution**

**Roboust growth...
Organic and by hirings**

**..and sustainability
Innovation, fair pricing,
multichannel distribution**

Targets & Opportunities

LEVERAGE GROWTH

- ◆ **Affluent:** enhance distribution, especially indirect
- ◆ **Private & HNW & AM:**
 - ◆ leveraging high attractiveness/potential of MB brand
 - ◆ increase Group cross-selling

M&A SCOUTING ONGOING

- ◆ Distribution
- ◆ Alternative AM platforms

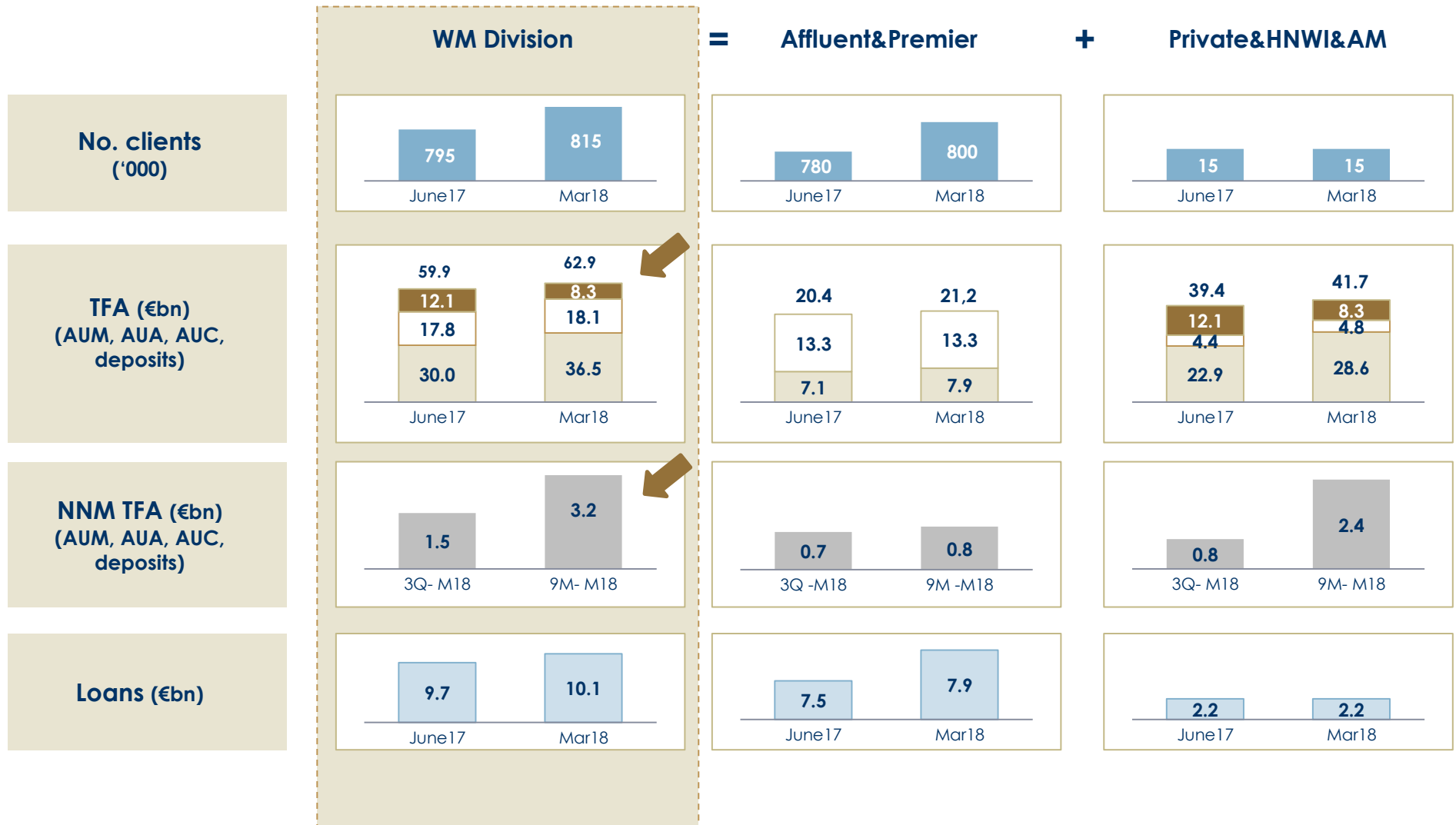
Last 3M/9M takeaways

- ◆ **GAINING SCALE:** revenues up 16% YOY to €384m (~25% of Group on an annual basis), €63bn TFA, net profit €51m, ROAC 12%
- ◆ **AUM UP by €6.5bn** (up 22% to €36.5bn) in 9M fuelled by organic growth (€3bn NNM in last 9M) and M&A (RAM)
- ◆ **AFFLUENT:** FA network tripled in last 9M to >200 (46 added in last 3M), TFA up to €21bn, €0.6bn of which in last 3M
- ◆ **PRIVATE & AM:** organic growth resumed (AUM up €1.5bn, of which €0.5bn in 3Q), new product launched (new CLOs in Cairn, new L/S on RAM, asset allocation products in MB SGR), building up advisory deal pipeline on mid caps

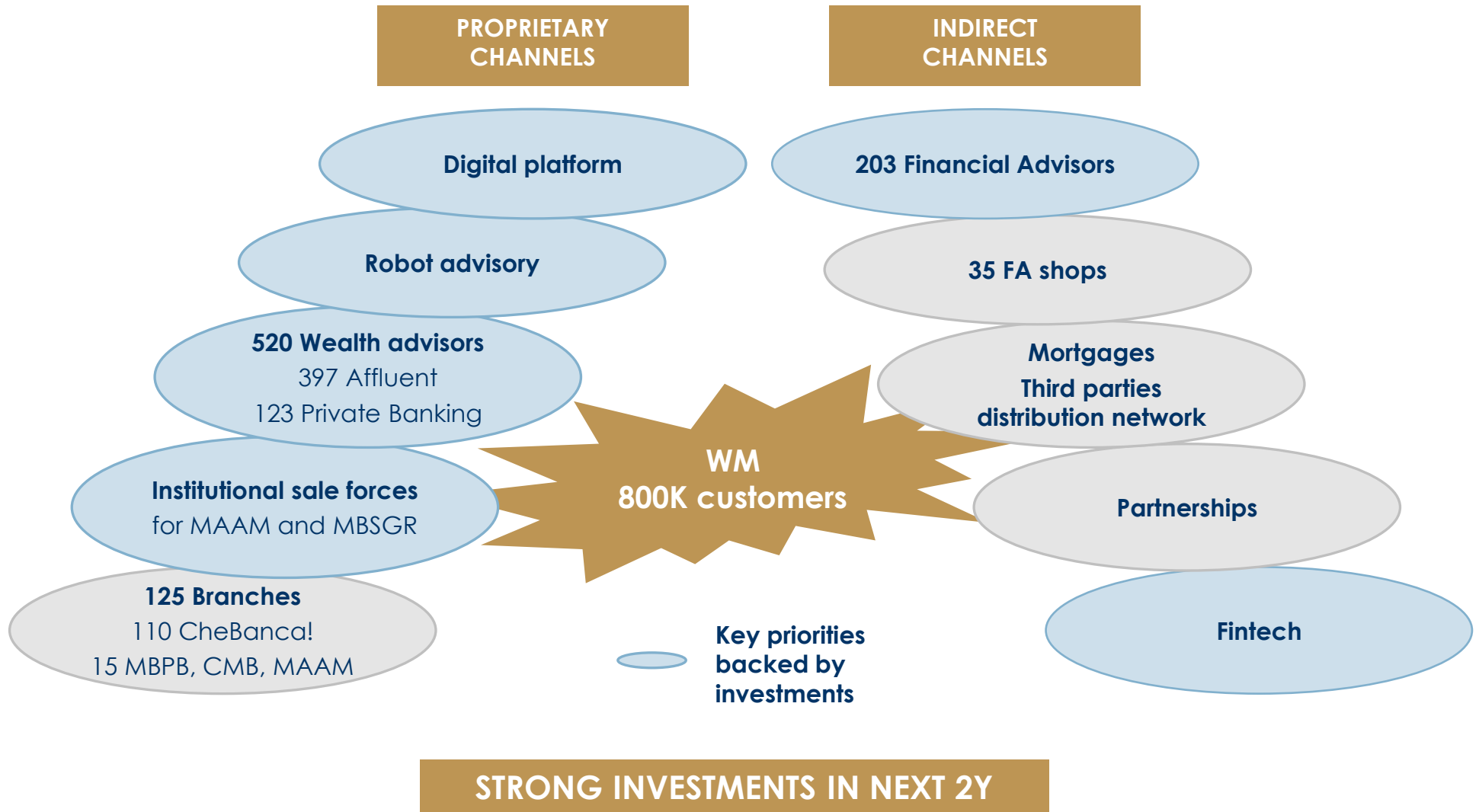
WM: GROWTH IN ALL BUSINESS METRICS

9M results as at March 18 - Divisional results

Section 2



EFFECTIVE MULTICHANNEL DISTRIBUTION...

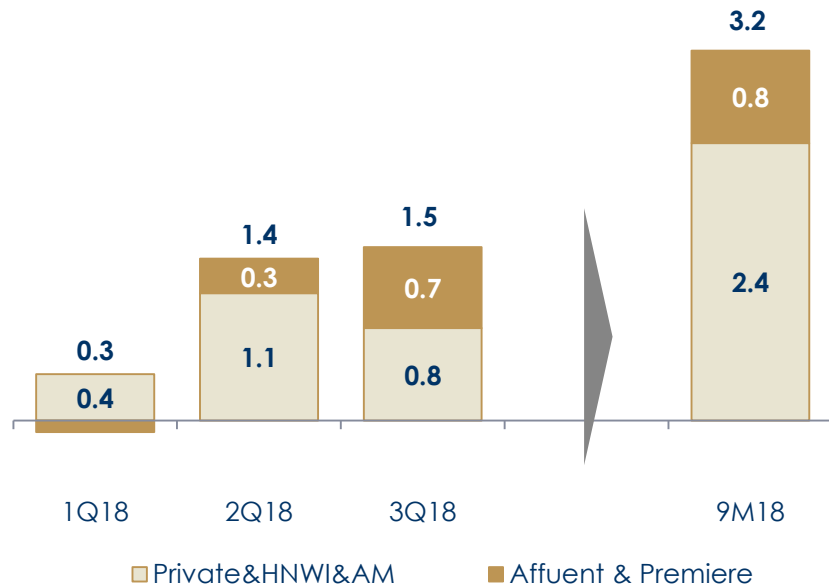


...FOSTERING NET NEW MONEY. IN LAST 9M > €3BN

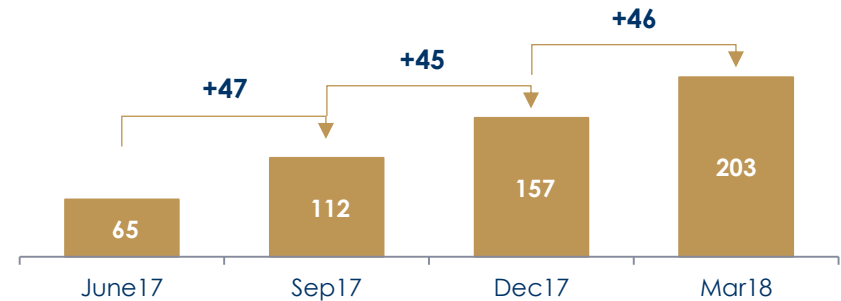
9M results as at March 18 - Divisional results

Section 2

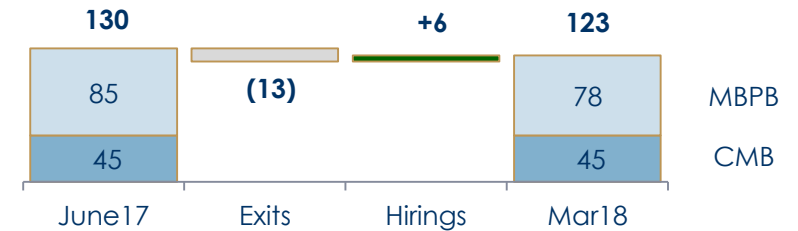
Group Net New Money trend (€bn, TFAs)



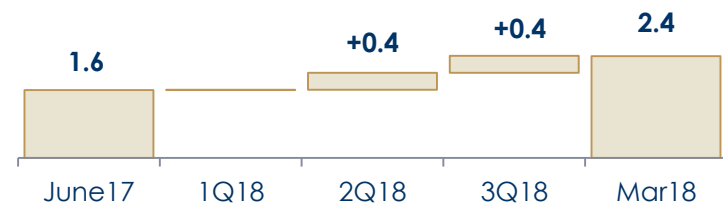
Number of FAs at CheBanca!



Number of bankers at MBPB and CMB



Cairn CLOs outstanding (€bn)



◆ **€3bn NNM in last 9M driven by enhanced distribution**

- ◆ CheBanca!: FAs recruitment (65% of AUM/AUA) and proprietary sale force enhancement(35%)
- ◆ MBPB: strong hiring pipeline of bankers
- ◆ Cairn: new CLOs launched

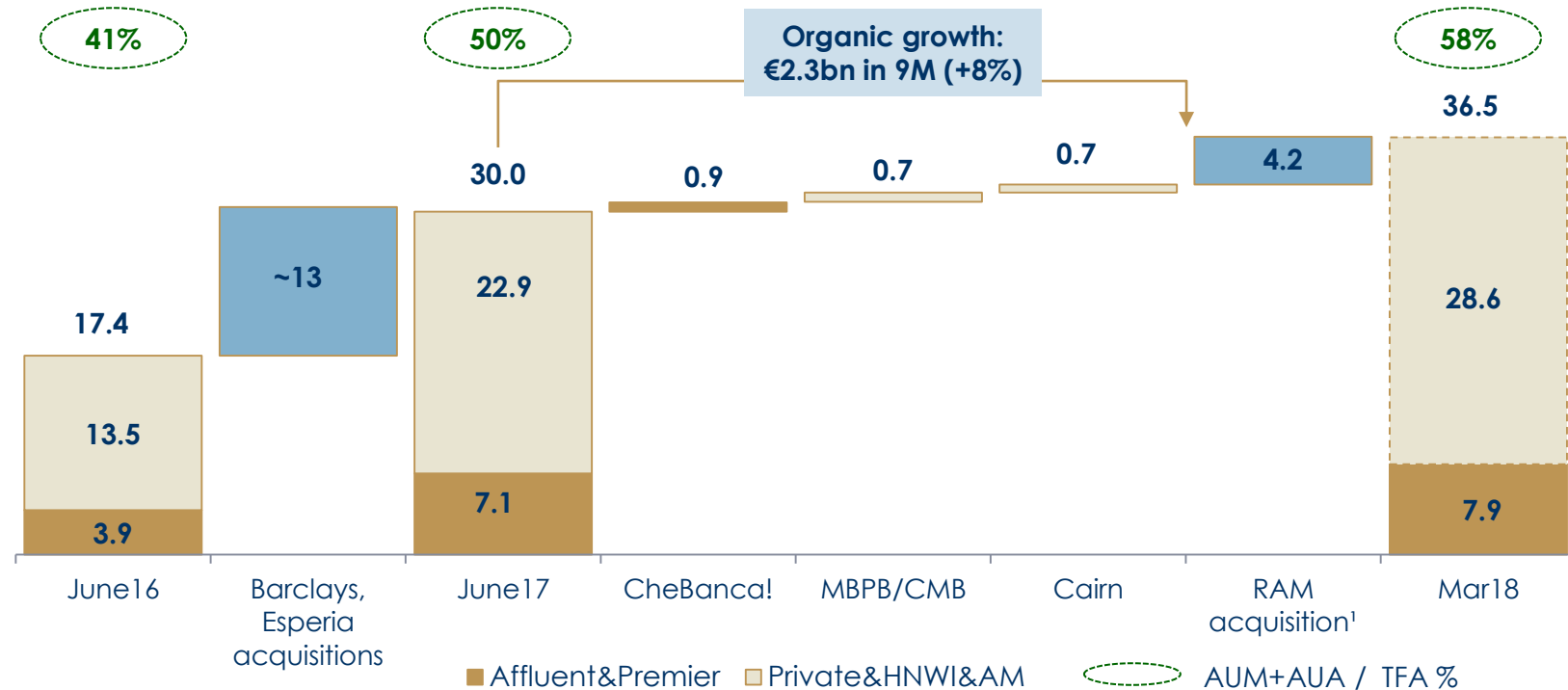


AUM/AUA UP 20% TO >€36BN

9M results as at March 18 - Divisional results

Section 2

Group AUM/AUA trend (€bn)



- ◆ **AUM/AUA development continuing fuelled by organic growth** (€2.3bn in last 9M, up 8%) **and M&A** (€13bn added in 12M ending June 17, additional €4bn with RAM consolidation)
- ◆ **Growth concentrated in managed assets, now 58% of TFA** (50% as at June 17, 41% as at June 16)
- ◆ **All segments growing:** Affluent&Premier (CheBanca!) up €0.9bn - Private&HNWI&AM up roughly €1.5bn

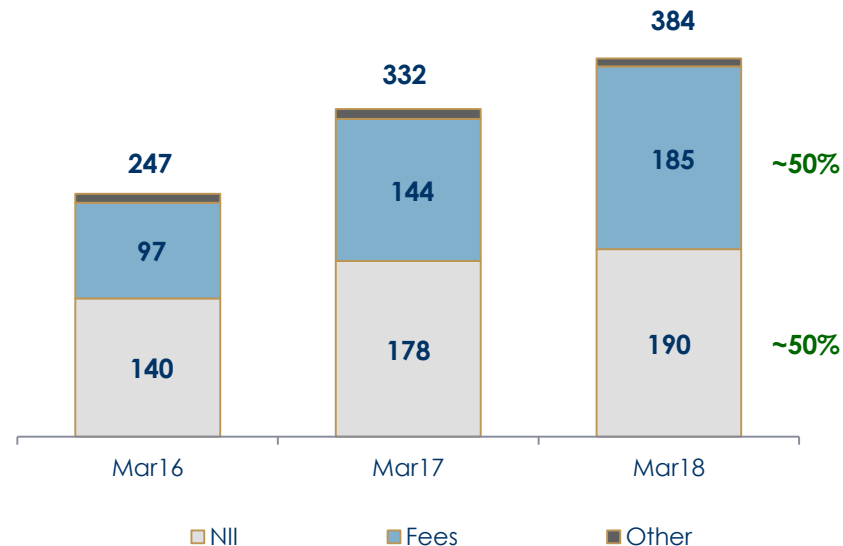
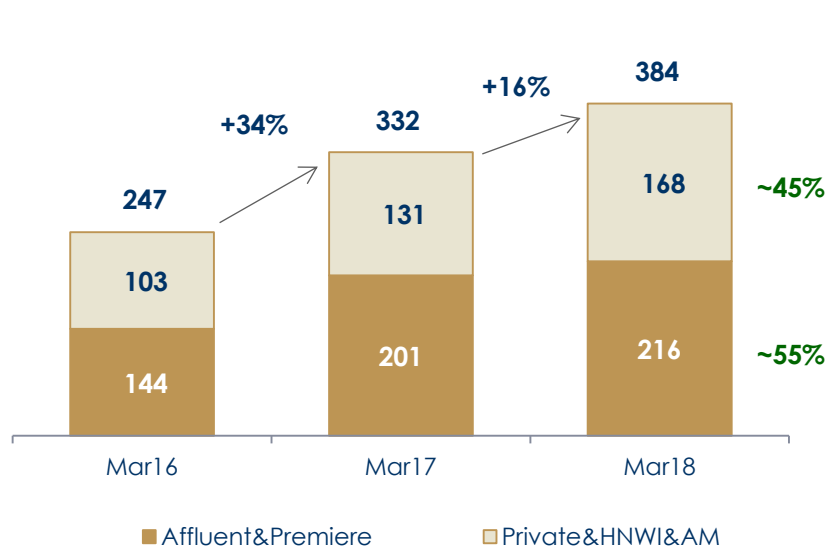
REVENUES SCALING UP WITH SUSTAINABLE MIX

9M results as at March 18 - Divisional results

Section 2

WM revenues by customer segment (9M, €m)

WM revenues by source (9M, €m)



- ◆ **Fast growing income (up 16% YoY to €384m), well diversified**
 - ◆ **by customer segment:** 50% affluent (€216m) & 50% private (€168m)
 - ◆ **by income sources:** 50% NII (€190m) & 50% fees (€185m)
- ◆ **Fee income: 90% recurrent (banking and management fees)**
- ◆ **Fair pricing**

CONSUMER BANKING

**Consumer Banking
(CB)**

**Consumer Banking
Compass**



CONSUMER BANKING – CONTINUE GROWTH BY FINE-TUNING KEY SUCCESS FACTORS

9M results as at March 18 - Divisional results

Section 2

Strengths & Achievements

LEADING POSITIONING

Top 3 in Italy, 12.4% market share

STRONG KPIS

Best in class profitability and long-term growth sustainability

LARGE CUSTOMER BASE

>2m

WIDE AND DIVERSIFIED DISTRIBUTION

174 branches¹ - third parties bank branches – retailers - agencies

Compass
top player
in domestic market
ready to seize
new opportunities

Targets & Opportunities

SELECTIVE M&A

leveraging best in class pricing/risk assessment capabilities

REGULATION OPPORTUNITIES No issue on incoming NPL rules

Compass ready to serve additional distribution agreements deriving from the new provisioning environment

DISTRIBUTION

direct, digital, commercial agreements

Last 3M/9M takeaways

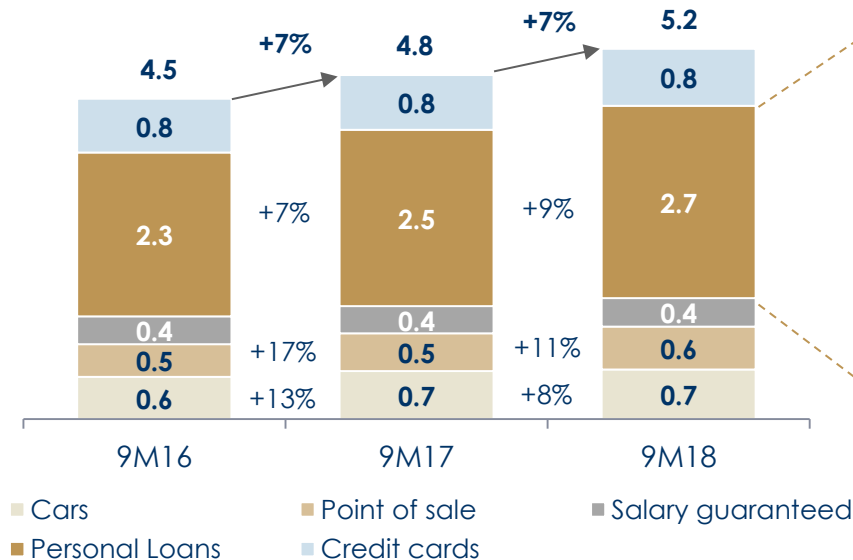
- ◆ **Record results (again) with €240m net profit in 9M (up 21% YoY)** fostered by stable revenue growth (up 4% YoY) and reduction in CoR (slightly above 200bps).
- ◆ **Distribution**, the key driver for growth, **further enhanced** with:
 - ◆ several **distribution agreements renewal**
 - ◆ **larger direct distribution** (10 branches opened in last 18m, effective and profitable; further 10 to be opened by June18)
 - ◆ **digital platform**
- ◆ Scouting **M&A opportunities** with traditional keen **value management approach**

NEW LOANS 7% UP, INCREASING ROLE OF DIRECT DISTRIBUTION

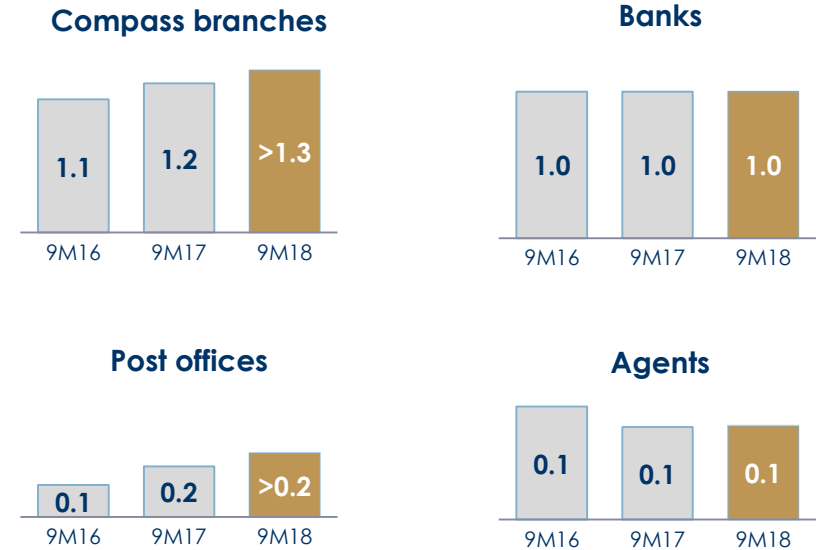
9M results as at March 18 - Divisional results

Section 2

Compass new business by product (€bn)



Personal loans new business by channel (€m)



- ◆ **New business growing (up 7% YoY to €5.2bn in 9M)** and rebalancing in line with Business Plan guidelines
 - ◆ **Direct channel distributed personal loans up to €1.3bn (up 9% YoY)** to retain the maximum value
 - ◆ **Bank/post offices channels preserved and stabilized at €1.2bn**
 - ◆ **Point of sale and car loans up respectively by 11% and 8% YoY** to increase the proportion of lower risk loans and increase the customer base for repeat business

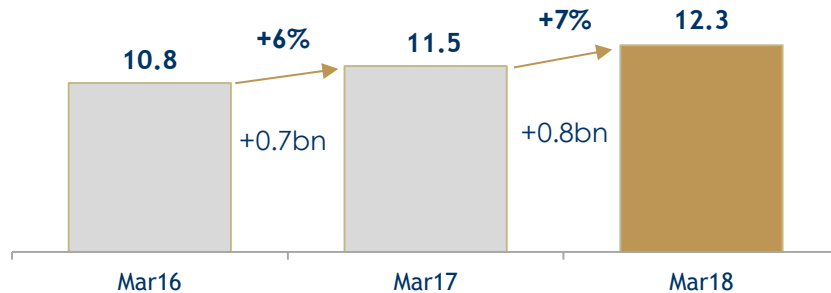
ROAC TO 30%

9M results as at March 18 - Divisional results

Section 2

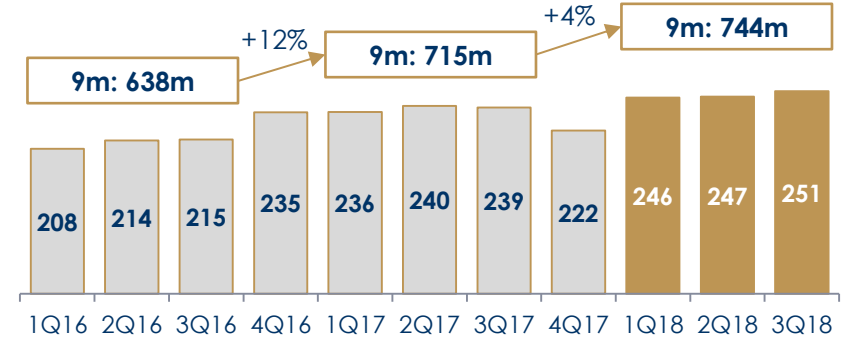
Loan book growing steadily, now above €12bn

€bn



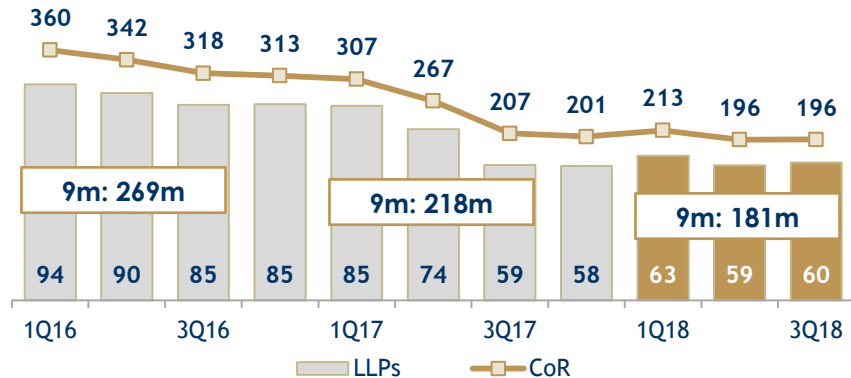
9M revenues up to €744m (up 4% YoY), quarterly revenues keep growing (mid/single digit YoY)

€m



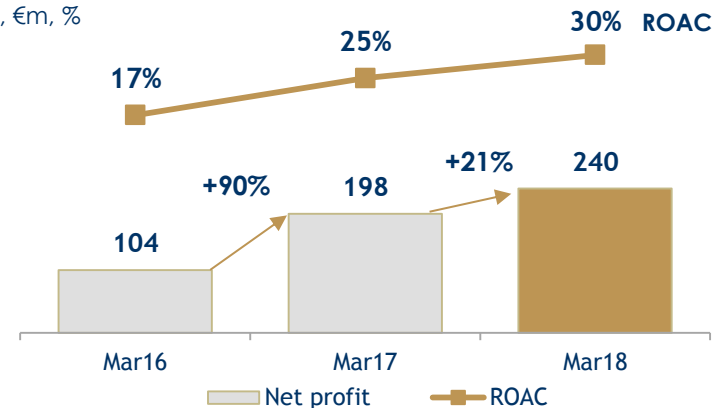
CoR stable at low level (now floating ~200bps)

€m, bps



Net profit and ROAC again at record level

9M18, €m, %



CORPORATE & INVESTMENT BANKING

**Corporate & Investment
Banking (CIB)**

**Corporate & Investment
Banking**

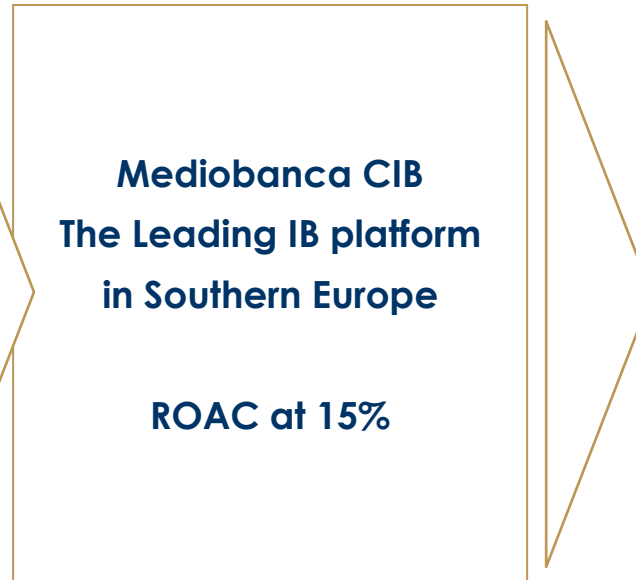
Specialty Finance

CIB – IMPROVED REVENUE DIVERSIFICATION, CAPITAL LIGHTER

9M results as at March 18 - Divisional results

Section 2

Strengths & Achievements



Targets & Opportunities



Last 3M/9M takeaways

- ◆ **Resilient revenues (at €481m) due to diversification: 50% from financing** (lending & specialty finance), **40% from IB, 10% trading**
- ◆ **Loan book up in high-quality corporate segments** (up 2% YoY and QoQ) **and in specialty finance** (up 64% YoY and stable QoQ)
- ◆ **Fees at €191m**, down 4% YOY **but up 25% on normalized trend¹** - **WB delivered strong quarterly fee income (€65m)**
- ◆ **Superior asset quality:** writebacks of €44m in 9M
- ◆ **AIRB validation for corporate portfolio obtained** (RWA density from ~100% to ~60%, €5bn RWA saved)

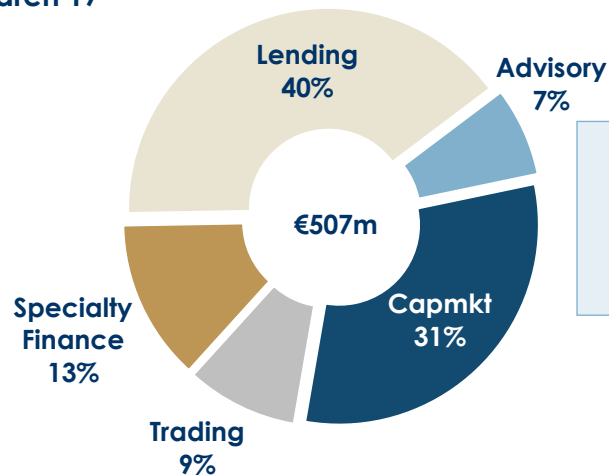
RESILIENT REVENUES DUE TO DIVERSIFICATION

9M results as at March 18 - Divisional results

Section 2

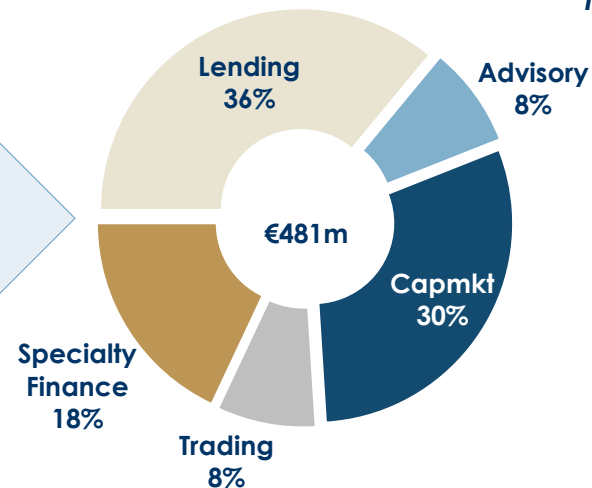
CIB revenues YoY trend (€m, 9M)

March 17



~50% Financing
~40% IB (M&A+Capmkt)
~10% Trading

March 18



◆ **9M revenues resilient at almost €500m, with:**

- ◆ **Steady contribution of IB business (M&A and Capmkt) which represents ~40% of CIB revenues (~€200m):** in last 9M increased DCM and Advisory activity offsetting lower ECM,
- ◆ **Steady contribution of financing activity which represents >50% of CIB revenues:** in last 9M Specialty finance growth offset large corporate NII reduction, due to margin pressure and higher-rating new business
- ◆ **Positive but low contribution from Prop Trading business which represents <10% CIB revenues**

KEY TRANSACTIONS IN CIB

9M results as at March 18 - Divisional results

Section 2

Main ECM transactions

<p>April 2018</p> <p>ANIMA</p> <p>€300m</p> <p>Rights Issue</p> <p>Joint Global Coordinator & Joint Bookrunner</p>	<p>March 2018</p> <p>Credito Valtellinese</p> <p>€700m</p> <p>Rights Issue</p> <p>Sole Global Coordinator & Joint Bookrunner</p>	<p>February 2018</p> <p>BANCA FARMAFACTORING</p> <p>€99m</p> <p>ABB</p> <p>Joint Global Coordinator & Joint Bookrunner</p>	<p>February 2018</p> <p>ALPI</p> <p>€100m</p> <p>IPO</p> <p>Sole Global Coordinator & Joint Bookrunner</p>
<p>January 2018</p> <p>BRUNELLO CUCINELLI</p> <p>€106m</p> <p>ABB</p> <p>Sole Global Coordinator & Bookrunner</p>	<p>November 2017</p> <p>EQUITA</p> <p>€45m</p> <p>IPO</p> <p>Sole Global Coordinator, Bookrunner & Nomad</p>	<p>October 2017</p> <p>Liberbank</p> <p>€500m</p> <p>Rights Issue</p> <p>Joint Bookrunner</p>	<p>October 2017</p> <p>PIRELLI</p> <p>€2,385m</p> <p>IPO</p> <p>Joint Bookrunner</p>
<p>October 2017</p> <p>GIMATT</p> <p>€424m</p> <p>IPO</p> <p>Joint Global Coordinator & Joint Bookrunner</p>	<p>September 2017</p> <p>SPACTIV</p> <p>€90m</p> <p>IPO</p> <p>Joint Global Coordinator & Joint Bookrunner</p>	<p>September 2017</p> <p>unieuro</p> <p>€56m</p> <p>ABB</p> <p>Joint Global Coordinator & Joint Bookrunner</p>	
<p>July 2017</p> <p>Santander</p> <p>€7,072m</p> <p>Rights Issue</p> <p>Joint Bookrunner</p>	<p>July 2017</p> <p>EPS</p> <p>€150m</p> <p>IPO</p> <p>Joint Bookrunner</p>		

Main M&A transactions

<p>April 2018</p> <p>gasNatural Vendita</p> <p>€223m</p> <p>Acquisition of Gas Natural Vendita Italia and of the Shah Deniz II Gas Contract by Edison (part of the EDF Group)</p> <p>Financial Advisor to Edison</p>	<p>April 2018</p> <p>cellnex</p> <p>€1.5bn</p> <p>Disposal of 29.9% of Cellnex from Atlantia to Edizione</p> <p>Financial advisor to Atlantia</p>	<p>Announced – April 2018</p> <p>intrum</p> <p>€ 3.6bn</p> <p>reached an agreement with INTESA SANPAOLO to form a strategic partnership involving the establishment of the NPLs servicing platform servicing c. €40bn and the acquisition of a €10.8bn GBV NPLs portfolio</p> <p>Financial Advisor to Intrum</p>	<p>March 2018</p> <p>enel</p> <p>USD5.0bn</p> <p>Merger of Enel Chile with Enel Green Power in Chile and tender offer for 100% of Enel Generación Chile</p> <p>Financial advisor to Enel</p>
<p>Announced – Feb 2018</p> <p>italo</p> <p>€2.5bn</p> <p>Acquisition of 100% of Italo – Nuova Trasporto Viaggiatori</p> <p>Financial Advisor to Global Infrastructure Partners</p>	<p>February 2018</p> <p>GSA</p> <p>€95m</p> <p>Acquisition of 68.5% stake in Gruppo Servizi Associati by Armonia Sgr</p> <p>Financial Advisor to the Seller</p>	<p>Announced – Jan 2018</p> <p>YOOX NET-A-PORTER GROUP</p> <p>€5.3bn</p> <p>Richemont to launch a Voluntary Tender Offer on all the ordinary shares of YNAP</p> <p>Financial Advisor to YNAP</p>	<p>Announced – Dec 2017</p> <p>General Cable Prysmian Group</p> <p>€ 3.1bn</p> <p>Acquisition of 100% in General Cable by Prysmian</p> <p>Financial Advisor to Prysmian</p>
<p>December 2017</p> <p>ANIMA</p> <p>€ 820m</p> <p>Acquisition of ALETTI GESTIELLE SGR</p> <p>And the transfer of delegated portfolio management activities from BANCO BPM</p> <p>Financial Advisor to Anima Holding</p>	<p>December 2017</p> <p>Di Fondi italiani per le infrastrutture</p> <p>€3.1bn</p> <p>Valorization of Fund I and launch of Fund III</p> <p>Financial Advisor to Fondi italiani per le infrastrutture</p>	<p>December 2017</p> <p>PERMIRA DEACAPITAL</p> <p>Value Undisclosed</p> <p>Acquisition of La Piadineria by Permira</p> <p>Financial Advisor to Permira</p>	<p>Announced – Nov 2017</p> <p>ANIMAPROVER CREDIT AGRICOLE</p> <p>Value undisclosed</p> <p>Acquisition of BANCA LEONARDO</p> <p>Financial Advisor to Indosuez WM / Crédit Agricole</p>
<p>November 2017</p> <p>Pavan GEA</p> <p>Value Undisclosed</p> <p>Acquisition by GEA Group from Alpha Private Equity and Idea Cinquanta Srl</p> <p>Financial Advisor to GEA</p>	<p>August 2017</p> <p>BOZZETTO GROUP</p> <p>Value undisclosed</p> <p>Acquisition of Bozzetto S.p.A. by Chequers Capital</p> <p>Financial Advisor to Chequers Capital</p>	<p>Announced – Aug 2017</p> <p>MONTE DEI PASCHI DI SIENA</p> <p>€8.1bn</p> <p>Precautionary recapitalization of BMPS</p> <p>€28.6bn</p> <p>Disposal of GBV bad loans</p> <p>Financial Advisor to MPS</p>	<p>July 2017</p> <p>Amundi</p> <p>€3.5bn</p> <p>Acquisition of 100% of PIONEER INVESTMENTS</p> <p>Financial Advisor to Amundi</p>

PRINCIPAL INVESTING

**Principal Investing
(PI)**

Principal Investing

Ass. Generali

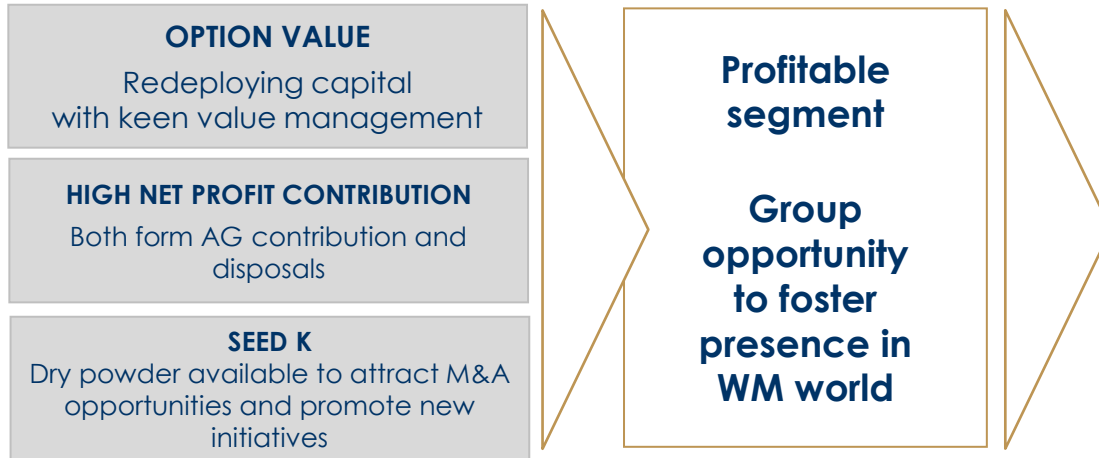
AFS stake ptf

PI – NAV UP 4% YOY, DISPOSAL ONGOING

9M results as at March 18 - Divisional results

Section 2

Strengths & Achievements



Portfolio breakdown €m	%	Book value	AFS reserve
Ass.Generali	13.0%	3.259	n.m. ¹
Ist. Europeo di Oncologia	25.4%	39	n.m. ¹
Italmobiliare	6.1%	66	42
RCS Mediagroup	6.6%	41	19
Other listed equities		15	5
Other unlisted equities		351	45
Total		3.771	111

Last 3M/9M takeaways

- ◆ **Disposal ongoing: €250m of equity disposed** (mainly relating to Atlantia stake in 1Q18) **with €94m of capital gains**
- ◆ **Increasing NAV: 4% YoY to €3.6bn, up 9% at end-April (€3.8bn)**
 - ◆ AFS portfolio including ~€225m of seed capital and ~€55m invested in private equity funds
 - ◆ AG stake stable at 13%, roughly 2/3 already deducted from CET1
- ◆ Revenues up 10% to €217m
- ◆ **ROAC decreasing** due to higher AG deduction, but still **double-digit (14%)**

HOLDING FUNCTIONS

Holding Functions

Group ALM & Treasury

Leasing

HF – LOSS REDUCED

9M results as at March 18 - Divisional results

Section 2

Strengths & Achievements



Last 3M/9M takeaways

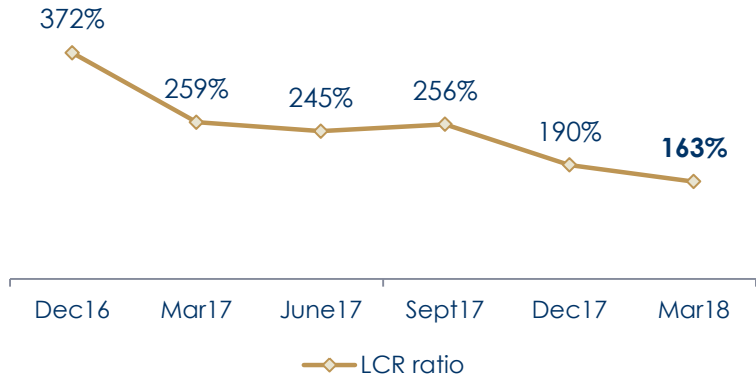
- ◆ **Net loss reduced by 32% (to €121m):** Improved NII, lower provisions to DGS and FITD funds
- ◆ **Treasury NII strongly improved due to liquidity optimization** (treasury down 19% to €13.8bn) **and reducing CoF**
 - ◆ **LCR ratio down from 256% to 163%**, liquidity reduction coupled with loan growth (up 8% YoY)
 - ◆ Funding: €4bn issued @~52bps vs €3.2bn maturities @140bps. **Avg. Group CoF at 90bps, down 10bps**
- ◆ **Leasing profitable**
 - ◆ Loan book down 8% YoY due to old portfolio runoff being partially offset by selective and profitable new business
 - ◆ Positive NPL reduction workout

LOSS REDUCED, NII RECOVERING

9M results as at March 18 - Divisional results

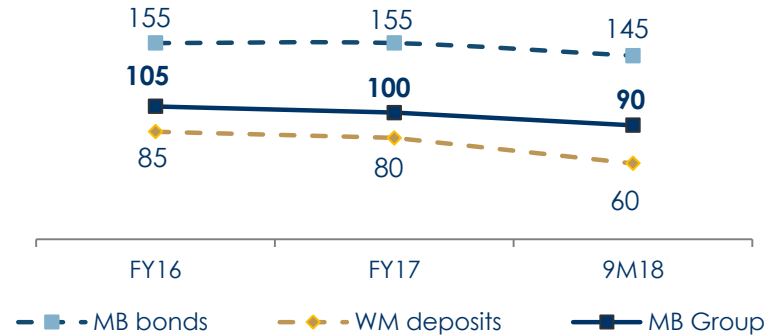
Section 2

LCR optimization...

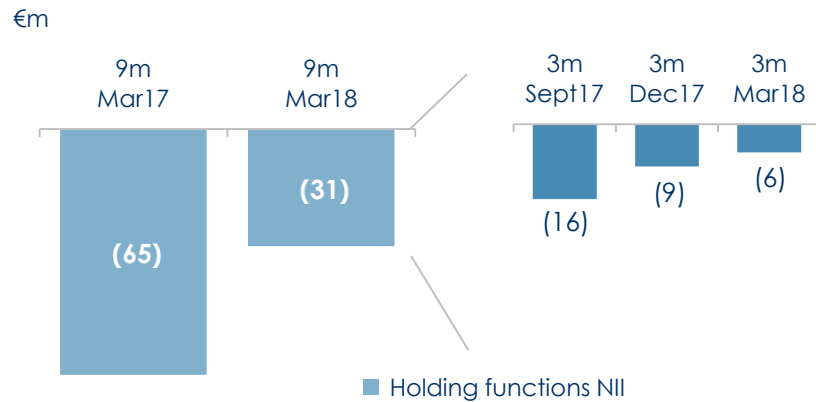


... and gradual average cost of funding reduction...

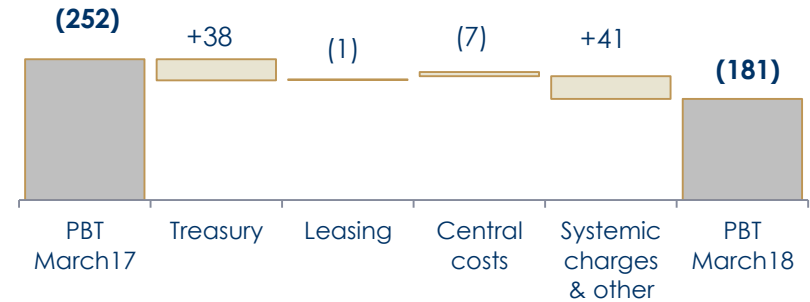
Bps vs EUR3M



...led to NII recovery, especially in last Q



Loss reduced due to higher Treasury NII & lower systemic charges, costs under control



AGENDA

1. **Group results**
2. **Divisional results**
3. **Closing remarks**

Annexes

1. Quarterly segmental reporting tables
2. Glossary



MEDIOBANCA

CLOSING REMARKS

9M results as at March 18 – Closing remarks

Section 3

MEDIOBANCA HEALTHY GROWTH AND SUSTAINABILITY THE PILLARS OF MB's BUSINESS MODEL

- ◆ **9M results as at March18: once again best-ever 9M results by:**
 - ◆ **Revenues up 9%** (to €1.8bn) **fed by fee growth** (up 14% YoY) especially deriving from WM (up 29% YoY with a ~40% contribution to Group fees equal to CIB) **and NII development** (up 6%)
 - ◆ **GOP up 19%** (to €813m)
 - ◆ **Net profit up 11%** (to €682m)
 - ◆ **ROTE at 10%**
- ◆ **All MB business platforms developing effectively in term or revenues and GOP growth, double-digit profitability**
- ◆ **Reshaping continuing, with WM scaling up in visibility and contribution**
- ◆ **For the first time Moody's has assigned Mediobanca a Baa1 long-term rating with stable outlook**, further evidence this year of Mediobanca's quality after SREP confirmation and AIRB validation for corporate portfolio
- ◆ **Good operating trend to be further consolidated in the last quarter**
 - ◆ WM: more growth to come driven by distribution enhancement/new projects
 - ◆ Consumer: continue growing, with no compromise on sustainability
 - ◆ CIB: leverage improved clients coverage
 - ◆ M&A: continue to scout selected opportunities to accelerate Group reshape



MEDIOBANCA

**9M results as at
31 March 2018**

Milan, 11 May 2018



MEDIOBANCA

MEDIOBANCA GROUP P&L

9M results as at March 2018

Annex 1

€m	9m Mar18	9m Mar17	Δ YoY ¹	3Q18 March18	2Q18 Dec17	1Q18 Sept17	4Q17 June17	3Q17 March17
Total income	1,800	1,657	9%	630	572	598	539	584
Net interest income	1,014	955	6%	342	340	332	333	320
Fee income	457	402	14%	165	153	138	121	165
Net treasury income	124	105	18%	39	47	39	16	42
Equity accounted co.	205	194	5%	84	32	90	70	58
Total costs	(813)	(723)	13%	(280)	(278)	(256)	(301)	(259)
Labour costs	(409)	(364)	12%	(138)	(141)	(130)	(152)	(133)
Administrative expenses	(404)	(359)	13%	(142)	(137)	(126)	(148)	(127)
Loan loss provisions	(174)	(248)	-30%	(60)	(59)	(55)	(69)	(64)
Operating profit	813	686	19%	290	235	288	169	261
Impairments, disposals	96	135	-29%	2	6	88	25	22
Non recurring (SRF contribution)	(39)	(56)	-31%	(28)	(5)	(5)	(46)	(30)
PBT	871	765	14%	264	236	371	149	253
Income taxes	(186)	(149)	25%	(58)	(60)	(69)	(23)	(56)
Net result	682	614	11%	206	175	301	136	196
Cost/income ratio (%)	45	44	+1pp	44	49	43	56	44
Cost of risk (bps)	59	92	-33bps	60	60	57	73	69
ROTE adj. (%)	10	9	+1pp					

MEDIOBANCA GROUP A&L

9M results as at March 2018

Annex 1

€bn	Mar18	Dec17	June17	Mar17	Δ QoQ ¹	Δ YoY ¹
Funding	48.3	47.4	49.1	49.2	+2%	-2%
Bonds	19.7	18.8	19.3	19.6	+5%	-
Direct deposits (retail&PB)	18.1	18.2	17.8	17.3	-	+5%
ECB	4.3	4.3	5.9	6.0	-	-28%
Others	6.2	6.1	6.1	6.3	+2%	-1%
Loans to customers	40.2	39.6	38.2	37.2	+1%	+8%
Wholesale	13.8	13.4	12.8	13.5	+2%	+2%
Specialty Finance	1.9	2.0	1.6	1.2	-6%	+64%
Consumer	12.3	12.1	11.8	11.5	+2%	+7%
Mortgage	7.9	7.7	7.5	7.4	+2%	+6%
Private banking	2.2	2.2	2.2	1.3	+1%	+73%
Leasing	2.1	2.2	2.3	2.3	-1%	-8%
Treasury+AFS+HTM+LR	13.8	13.2	16.5	17.0	+5%	-19%
RWAs	47.3	52.1	52.7	52.2	-9%	-9%
Loans/Funding ratio	83%	84%	78%	76%		
CET1 ratio: phase-in / fully phased (%)	13.9 / 13.9	12.9 / 12.9	13.3 / 13.5	13.1 / 13.4		
TC ratio: phase-in / fully phased (%)	17.3 / 17.3	16.2 / 16.4	16.9 / 17.1	16.8 / 17.0		

WEALTH MANAGEMENT RESULTS

9M results as at March 2018

Annex 1

€m	9m Mar18	9m Mar17	Δ YoY ¹	3Q18 March18	2Q18 Dec17	1Q18 Sept17	4Q17 June17	3Q17 March17
Total income	384	332	+16%	129	133	122	128	117
Net interest income	190	178	+6%	63	63	64	66	61
Fee income	185	144	+29%	64	66	56	60	53
Net treasury income	9	10		2	5	3	3	3
Total costs	(306)	(265)	+15%	(105)	(104)	(97)	(111)	(95)
Loan provisions	(13)	(15)	-18%	(4)	(4)	(5)	(5)	(5)
GOP risk adjusted	66	51	+29%	20	25	21	12	17
Other	2	23		1	0	0	(19)	(6)
Income taxes	(16)	(19)	-15%	(6)	(5)	(6)	8	(5)
Net profit	51	55	-6%	15	21	16	0	6
Cost/income ratio (%)	80	80	-	82	78	79	87	81
LLPs/Ls (bps)	17	27	-10bps	16	15	20	21	25
Loans (€bn)	10.1	9.2	+10%	10.1	9.9	9.7	9.7	9.2
TFA (€bn)	62.9	51.7	+22%	62.9	58.4	57.2	59.9	51.7
of which AUM/AUA (€bn)	36.5	22.8	+60%	36.5	31.5	30.3	30.0	22.8
of which AUC (€bn)	8.3	11.3	-27%	8.3	8.9	9.1	12.1	11.3
of which deposits (€bn)	18.1	17.6	+2%	18.1	18.0	17.8	17.8	17.6
RWA (€bn)	5.8	5.5	+4%	5.8	5.7	5.9	5.8	5.5
ROAC adj. (%)	12	10	+2pp					

CHEBANCA! RESULTS (AFFLUENT & PREMIER)

9M results as at March 2018

Annex 1

€m	9m Mar18	9m Mar17	Δ YoY ¹	3Q18 March18	2Q18 Dec17	1Q18 Sept17	4Q17 June17	3Q17 March17
Total income	216	201	+7%	73	74	70	73	70
Net interest income	159	151	+5%	52	53	54	55	51
Fee income	57	50	+13%	20	21	16	19	19
Total costs	(174)	(172)	+1%	(59)	(58)	(57)	(65)	(61)
Labour costs	(75)	(75)	+1%	(26)	(24)	(25)	(27)	(27)
Administrative expenses	(99)	(98)	+1%	(34)	(34)	(31)	(38)	(34)
Loan provisions	(12)	(15)	-17%	(4)	(4)	(5)	(5)	(5)
GOP risk adjusted	30	14	2X	9	12	9	4	3
Other	0	20		(0)	0	0	(5)	(8)
Income taxes	(8)	(12)		(3)	(2)	(3)	5	(1)
Net result	22	23	-4%	6	10	6	4	(6)
Cost/income ratio	80	86	-6pp	82	79	81	88	88
LLPs/Ls (bps)	21	31	-10bps	19	20	24	26	28
TFA (€bn)	21.2	20.9	+2%	21.2	20.6	20.3	20.4	20.9
of which deposits (€bn)	13.3	13.7	-3%	13.3	13.1	13.2	13.4	13.7
of which AUM/AUA (€bn)	7.9	7.1	+12%	7.9	7.6	7.2	7.1	7.1
Loans (€bn)	7.9	7.4	+6%	7.9	7.7	7.6	7.5	7.4
RWAs (€bn)	3.8	3.4	+10%	3.8	3.7	3.5	3.5	3.4
ROAC adj. (%)	8	4	+4pp					

PRIVATE BANKING RESULTS

9M results as at March 2018

Annex 1

€m	9m Mar18	9m Mar17	Δ YoY ¹	3Q18 March18	2Q18 Dec17	1Q18 Sept17	4Q17 June17	3Q17 March17
Total income	168	130	+29%	56	59	53	55	48
Net interest income	31	28	+12%	11	10	10	11	10
Fee income	129	93	+38%	44	45	40	41	35
Net treasury income	9	9	-7%	2	4	2	3	3
Total costs	(132)	(93)	+42%	(46)	(46)	(40)	(46)	(33)
GOP risk adjusted	36	37	-2%	10	13	12	8	14
Other	2	3		1	0	0	(14)	2
Income taxes	(8)	(8)		(3)	(3)	(3)	3	(4)
Net profit	29	31	-7%	9	11	10	(3)	12
Cost/income ratio (%)	79	71	+8pp	82	77	77	85	70
TFA (€bn)	41.6	30.9	+35%	41.6	37.8	36.8	39.4	30.9
CMB	10.0	9.8	+2%	10.0	10.1	9.8	9.8	9.8
Banca Esperia	19.2	9.6		19.2	19.2	19.0	18.8	9.6
Cairn Capital	3.4	7.1	-52%	3.4	3.3	2.9	6.5	7.1
RAM	4.2			4.2				
Spafid	4.8	4.4	+9%	4.8	5.2	5.1	4.4	4.4
RWA (€bn)	2.0	2.1		2.0	2.0	2.4	2.3	2.1
ROAC adj. (%)	19	20	-1pp					

CONSUMER BANKING: COMPASS RESULTS

9M results as at March 2018

Annex 1

€m	9m Mar18	9m Mar17	Δ YoY ¹	3Q18 March18	2Q18 Dec17	1Q18 Sept17	4Q17 June17	3Q17 March17
Total income	744	715	+4%	251	247	246	222	239
Net interest income	651	613	+6%	218	218	214	205	205
Fee income	93	101	-8%	32	29	32	17	34
Total costs	(209)	(207)	+1%	(72)	(73)	(65)	(73)	(70)
Loan provisions	(181)	(218)	-17%	(60)	(59)	(63)	(58)	(59)
GOP risk adjusted	353	290	+22%	119	116	119	90	110
Income taxes	(113)	(92)	+23%	(38)	(36)	(39)	(30)	(35)
Net profit	240	198	+21%	80	79	80	60	75
Cost/income ratio (%)	28	29	-1pp	29	29	26	33	29
LLPs/Ls (bps)	201	259	-58bps	196	196	213	201	207
New loans (€bn)	5.2	4.8	+7%	5.2	3.3	1.6	1.8	1.7
Loans (€bn)	12.3	11.5	+7%	12.3	12.1	11.9	11.8	11.5
RWAs (€bn)	11.8	11.4	+3%	11.8	11.7	11.8	11.8	11.4
ROAC adj. (%)	30	25	+5pp					

CIB RESULTS

9M results as at March 2018

Annex 1

€m	9m Mar18	9m Mar17	Δ YoY ¹	3Q18 March18	2Q18 Dec17	1Q18 Sept17	4Q17 June17	3Q17 March17
Total income	481	507	-5%	164	164	153	129	193
Net interest income	200	222	-10%	64	67	69	70	69
Fee income	191	199	-4%	75	63	53	51	92
Net treasury income	90	86	+5%	26	34	31	7	32
Total costs	(186)	(177)	+5%	(64)	(64)	(57)	(70)	(65)
Loan loss provisions	26	(6)		4	6	16	(2)	3
GOP risk adjusted	322	323		104	107	111	57	130
Other	1	(2)		0	0	1	(1)	1
Income taxes	(107)	(104)	+3%	(35)	(35)	(37)	(20)	(40)
Net result	216	218	-1%	70	72	75	36	91
Cost/income ratio (%)	39	35	+4pp	39	39	38	54	34
LLPs/Ls (bps)	-23	6	-29bps	-11	-17	-42	4	-7
Loans (€bn)	15.7	14.7	+7%	15.7	15.5	14.9	14.5	14.7
RWAs (€bn)	20.1	23.4	-14%	20.1	24.9	23.6	23.1	23.4
ROAC adj. (%)	15	13	+2pp					

WB RESULTS

9M results as at March 2018

Annex 1

€m	9m Mar18	9m Mar17	Δ YoY ¹	3Q18 March18	2Q18 Dec17	1Q18 Sept17	4Q17 June17	3Q17 March17
Total income	397	443	-10%	136	133	127	107	170
Net interest income	152	189	-20%	46	52	54	59	57
Fee income	155	167	-8%	65	48	42	40	81
Net treasury income	91	86	+5%	26	34	31	7	32
Total costs	(155)	(153)	+1%	(53)	(53)	(49)	(59)	(56)
Loan loss provisions	44	11		8	15	22	4	10
GOP risk adjusted	287	301	-5%	91	95	100	51	124
One-offs	1	(2)		0	0	1	(1)	1
Income taxes	(95)	(99)	-4%	(30)	(32)	(34)	(18)	(39)
Net result	192.0	200	-4%	61	64	67	32	86
Cost/income ratio (%)	39	34	+5pp	39	40	38	56	33
LLPs/Ls (bps)	-44	-11	-33bps	-22	-44	-67	-12	-27
Loans (€bn)	13.8	13.5	+2%	13.8	13.4	13.3	12.8	13.5
RWAs (€bn)	18.1	22.3	-19%	18.1	22.8	21.9	21.5	22.3
ROAC adj. (%)	14	12	+2pp					

SPECIALTY FINANCE RESULTS

9M results as at March 2018

Annex 1

€m	9m Mar18	9m Mar17	Δ YoY ¹	3Q18 March18	2Q18 Dec17	1Q18 Sept17	4Q17 June17	3Q17 March17
Total income	84	65	+31%	28	31	26	22	23
Net interest income	48	33	+45%	18	15	15	11	12
Fee income and other income	37	32	+16%	10	15	11	11	11
Total costs	(31)	(25)	+25%	(12)	(11)	(9)	(11)	(10)
Loan loss provisions	(18)	(18)	+2%	(3)	(8)	(6)	(5)	(7)
GOP risk adjusted	35	22	+60%	13	11	11	6	6
Income taxes	(12)	(5)		(4)	(4)	(4)	(2)	(1)
Net result	24	17	+37%	9	8	7	4	5
Cost/income ratio (%)	37	38	-1pp	41	36	34	49	42
LLPs/Ls (bps)	135	231	-96bps	67	183	156	151	239
Loans (€bn)	1.9	1.2	+64%	1.9	2.0	1.6	1.6	1.2
of which factoring (€bn)	1.6	1.1	+51%	1.6	1.8	1.5	1.5	1.1
of which NPLs (€bn)	0.3	0.1		0.3	0.3	0.1	0.1	0.1
RWAs (€bn)	2.0	1.1	+75%	2.0	2.0	1.6	1.6	1.1
ROAC adj. (%)	20	21	-1pp					

PRINCIPAL INVESTING RESULTS

9M results as at March 2018

Annex 1

€m	9m Mar18	9m Mar17	Δ YoY ¹	3Q18 March18	2Q18 Dec17	1Q18 Sept17	4Q17 June17	3Q17 March17
Total income	217	196	+10%	93	33	91	77	58
Gains from disposals	94	139	-32%	0	5	89	23	20
Impairments	(1)	(1)	-11%	0	0	0	0	0
Net result	295	320	-8%	90	35	171	102	78
Book value (€bn)	3.8	3.9	-3%	3.8	3.6	3.5	3.7	3.9
Ass. Generali (13%)	3.3	3.2	+2%	3.3	3.1	3.1	3.0	3.2
AFS stakes	0.5	0.7	-30%	0.5	0.4	0.4	0.7	0.7
Market value (€bn)	3.6	3.7	-2%	3.6	3.5	3.6	3.6	3.7
Ass. Generali	3.2	3.0	+5%	3.2	3.1	3.2	2.9	3.0
RWA (€bn)	5.9	7.6	-23%	5.9	6.0	7.3	7.7	7.6
ROAC adj. (%)	14	15	-1pp					

HOLDING FUNCTIONS RESULTS

9M results as at March 2018

Annex 1

€m	9m Mar18	9m Mar17	Δ YoY ¹	3Q18 March18	2Q18 Dec17	1Q18 Sept17	4Q17 June17	3Q17 March17
Total income	(12)	(46)	-75%	(1)	(3)	(8)	(10)	(8)
Net interest income	(31)	(65)	-53%	(6)	(9)	(16)	(11)	(18)
Net treasury income	8	6	+21%	3	3	2	(3)	7
Fee income	11	13	-12%	3	3	6	4	4
Total costs	(124)	(114)	+9%	(44)	(40)	(41)	(52)	(44)
Loan provisions	(6)	(9)	-36%	(1)	(3)	(2)	(3)	(3)
GOP risk adjusted	(142)	(170)	-16%	(45)	(45)	(52)	(65)	(55)
Other (incl. SRF/DGS contribution ¹)	(39)	(83)		(27)	(5)	(6)	(24)	(23)
Income taxes & minorities	60	74	-19%	22	18	20	26	22
Net profit	(121)	(179)	-32%	(51)	(32)	(39)	(63)	(56)
LLPs/Ls (bps)	34	50	-16bps	15	46	43	50	48
Banking book (€bn)	6.5	7.1	-9%	6.5	6.5	6.8	7.6	7.1
New loans (€bn)	0.3	0.3	-4%	0.1	0.1	0.1	0.1	0.1
Loans (€bn)	2.1	2.3	-8%	2.1	2.2	2.2	2.3	2.3
RWA (€bn)	3.9	4.3	-10%	3.9	3.9	4.3	4.3	4.3

GLOSSARY

MEDIOBANCA BUSINESS SEGMENT

CIB	Corporate and investment banking
WB	Wholesale banking
SF	Specialty finance
CB	Consumer banking
WM	Wealth management
PI	Principal investing
AG	Assicurazioni Generali
HF	Holding functions

PROFIT & LOSS (P&L) and BALANCE SHEET

AIRB	Advanced Internal Rating-Based
AFS	Available for sale
ALM	Asset and liabilities management
AUA	Asset under administration
AUC	Asset under custody
AUM	Asset under management
BVPS	Book value per share
C/I	Cost /Income
CET1	Common Tier Equity 1
CoF	Cost of funding
CoE	Cost of equity
CoR	Cost of risk
DGS	Deposit guarantee scheme
DPS	Dividend per share
EPS	Earning per share
FAs	Financial Advisors

PROFIT & LOSS (P&L) and BALANCE SHEET

GOP	Gross operating profit
Leverage ratio	CET1 / Total Assets (FINREP definition)
Ls	Loans
LLPs	Loan loss provisions
M&A	Merger and acquisitions
NAV	Net asset value
NII	Net Interest income
NP	Net profit
NPLs	Group NPLs net of NPLs purchased by MBCS
PBT	Profit before taxes
ROAC adj.	Adjusted return on allocated capital ¹
ROTE adj.	Adjusted return on tangible equity ²
RWA	Risk weighted asset
SRF	Single resolution fund
TC	Total capital
Texas ratio	NPLs/CET1
TFA	Total financial assets ³

Notes

- 1) Adjusted return on allocated capital: *average allocated K = 9% RWAs (for PI: 9% RWA + capital deducted from CET1). Gains/losses from AFS disposals, impairments and positive/negative one-off items excluded, normalized tax rate = 33%. For Private Banking normalized tax rate = 25%*
- 2) Return on tangible equity: *net profit excluding non-recurring items / Shareholders equity – goodwill*
- 3) *AUA + AUC + AUM + direct deposits*

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

Emanuele Flappini

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