



MEDIOBANCA
6M results as at
31 December 2017

Milan, 9 February 2018



MEDIOBANCA

AGENDA

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

Annexes

1. Last 3M takeaways
2. Quarterly segmental reporting tables
3. Glossary



MEDIOBANCA

GROWTH – QUALITY – SUSTAINABILITY

6M results as at Dec 2017 - Group results

Section 1

Best-ever half results by revenues, GOP and net profit

Growth and profitability at the best level in EU

Revenues up 9% to €1.2bn, with growing NII (up 6%) and fees (up 23%),

Net profit up 14% to €476m

ROTE up to 11%

Growth in loans and AUM, A&L optimized

Retail loans up 11% to €22bn, CIB loans up 1% to €15bn

AUM/AUA up €1.5bn to €31.5bn

LCR down to 190%, L/D ratio up to 84%

Effective business mix: growth while reshaping

WM: gaining momentum & visibility - Consumer: the biggest contributor

CIB: more K-light-fee based - PI: continue disposing - HF: effective optimization

MB different “quality” fostering capital creation and growth opportunities

SREP minimum CET1 confirmed at 7.6% - Gross NPLs <5%, Texas ratio at 13%

AIRB model for corporate approved: 140bps additional CET1 (to 14,3%¹), with benefits sustainable over time

CET1 ratio: no impact from regulation expected in foreseeable future

Payout guidance revised up to 40-50% (from 40%)

HIGHEST-EVER REVENUES AND GOP

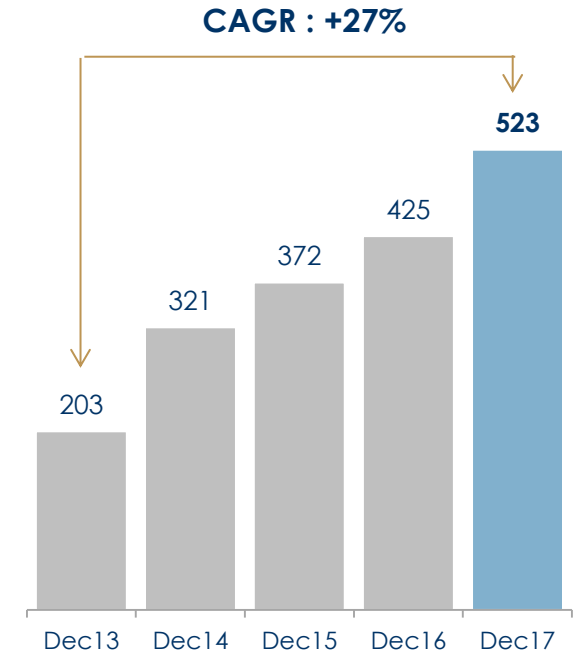
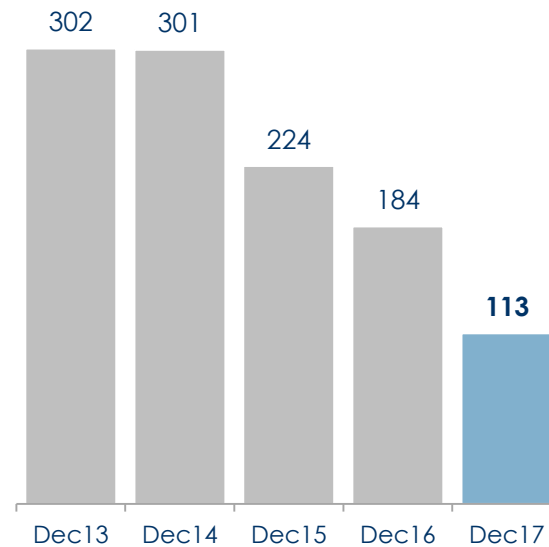
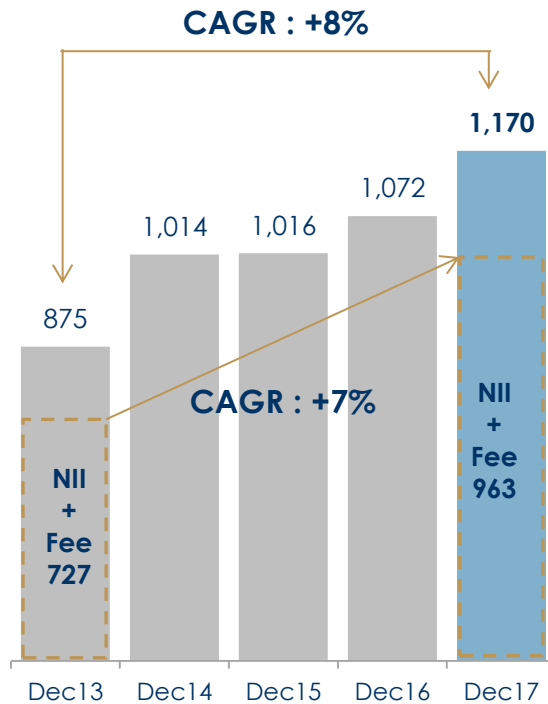
6M results as at Dec 2017 - Group results

Section 1

Total revenues (€m, 6m)

Loan loss provisions (€m, 6m)

GOP after LLPs (€m, 6m)



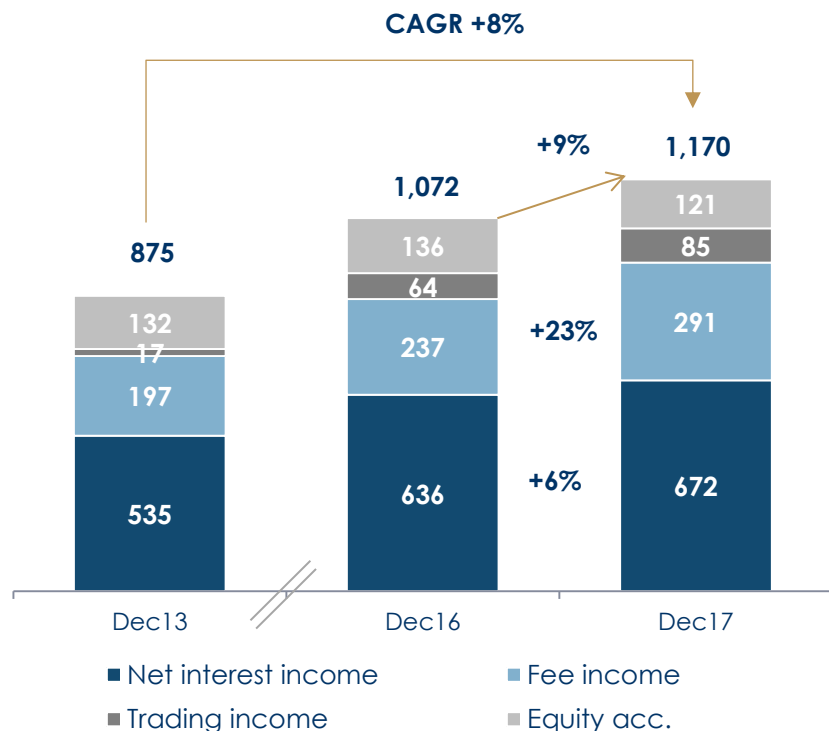
- ◆ Revenues steadily growing, up to €1.2bn (4YCAGR + 8%) driven by NII and fees (4YCAGR+7%)
- ◆ LLPs down to pre-crisis level due to superior and steadily improving asset quality
- ◆ GOP growing fast (3Y CAGR +27%), more than doubled versus Dec.13

REVENUES GROWTH DRIVEN BY EFFECTIVE DIVERSIFICATION ...

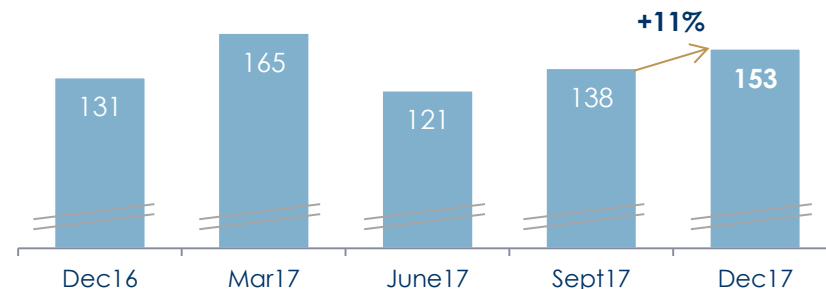
6M results as at Dec 2017 - MB Group

Section 1

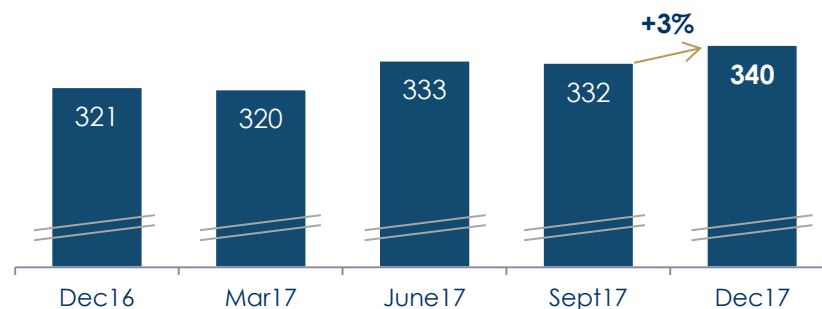
Group revenues (€m, 6M)



Fees by quarter (€m, 3M)



NII by quarter (€m, 3M)



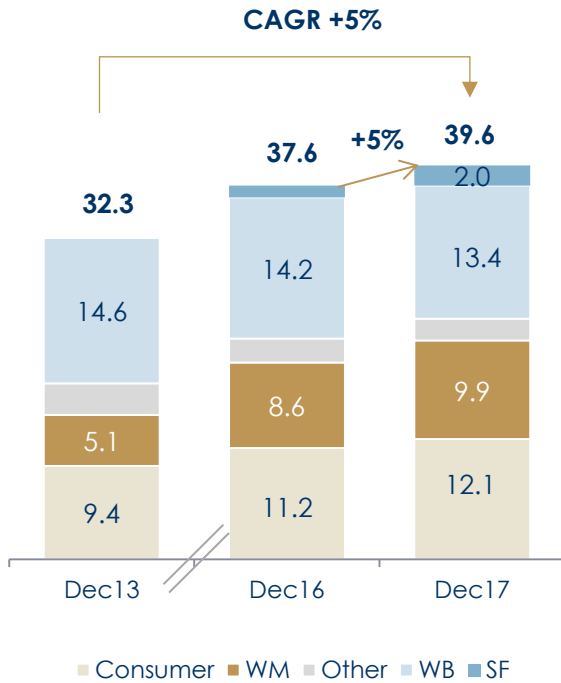
- ◆ 1H18 revenues up 9% following a long-term positive path (+8% CAGR13-17) driven by all income sources/ segments:
 - ◆ NII: up 6% YoY driven by Consumer (up €24m, or 6%) and HF (up €22m)
 - ◆ Fees: up 23% YoY driven by WM (up €52m, or 35%) and CIB (up €10m, or 9%)

...A&L OPTIMIZATION...

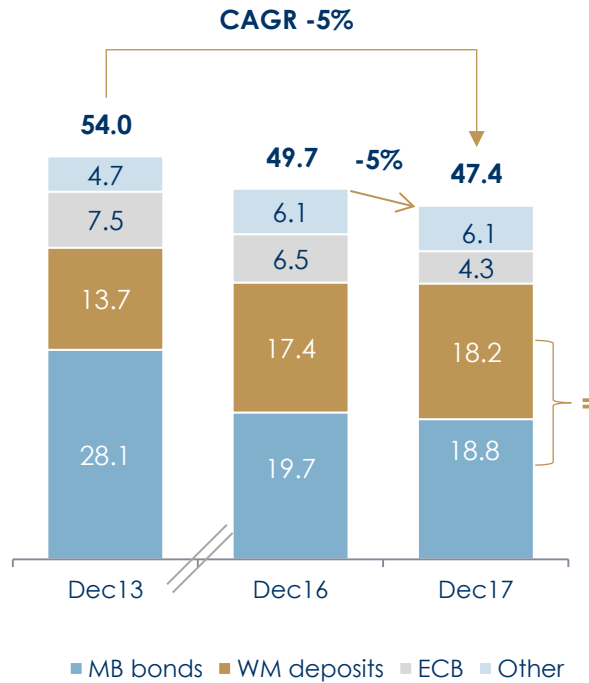
6M results as at Dec 2017 - Group results

Section 1

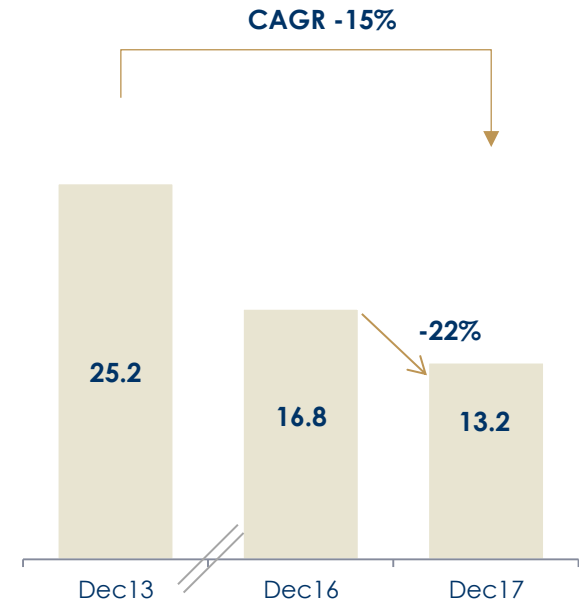
Loans by division (€bn)



Group funding (€bn)



Group treasury (€bn)



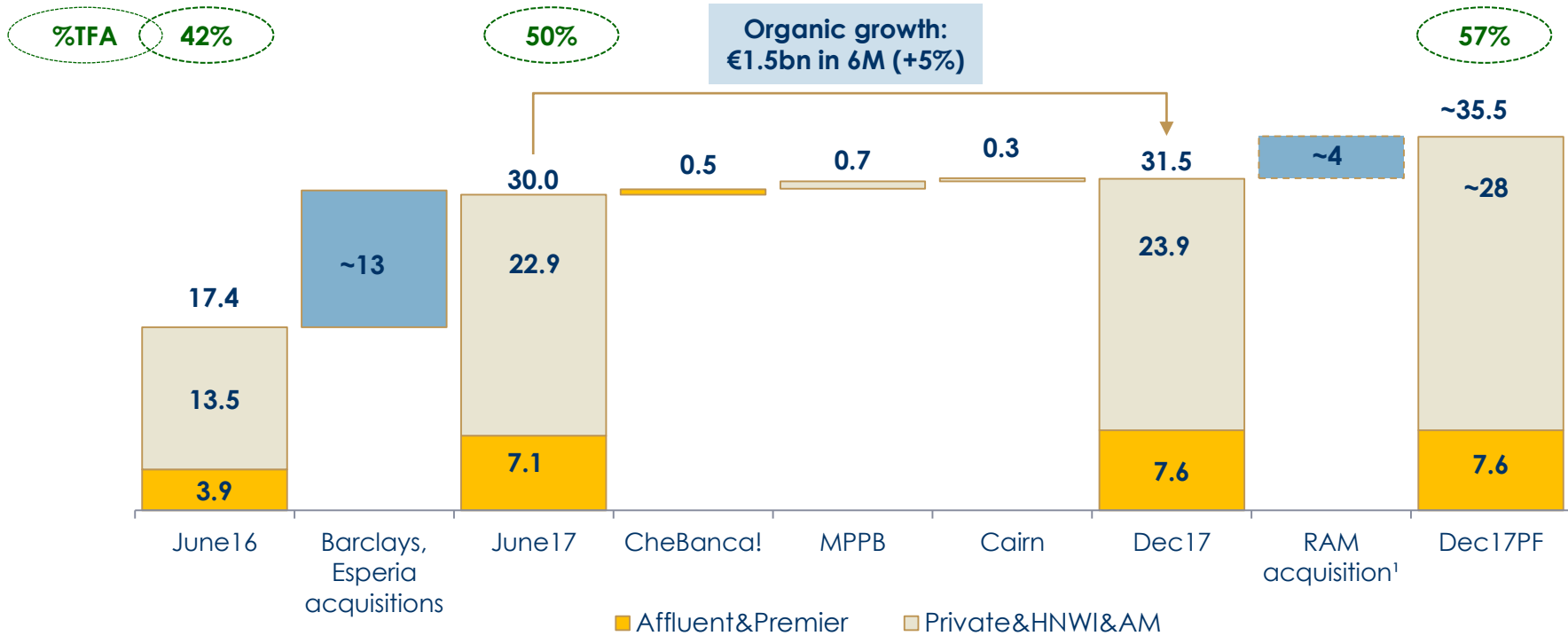
- ◆ **Loan book up 5%** driven by WM (up 14%) and Consumer (up 8%)
 - ◆ **Funding reduced** by 5% driven by TLTROI reimbursement
 - ◆ **Wholesale and Retail funding now equal in size** (approx. €18bn each)
 - ◆ **Treasury optimized** (down 22% YoY to €13.2bn) through excess liquidity reduction: LCR ratio down to 190%
- Loan to funding ratio up to 84% (from 76%)

... AND STRONG SHIFT TOWARDS WM (ORGANIC AND M&A)

6M results as at Dec 2017 - Group results

Section 1

Group AUM/AUA trend (€bn)



- ◆ **AUM/AUA development continuing fuelled by organic growth** (€1.5bn in last 6M, up 5%) **and M&A** (€13bn added in 12M ending June 17, additional €4bn coming in next months with RAM consolidation)
- ◆ **Growth concentrated in managed assets**, now 57% of TFA (50% as at June 17, 42% as at June 16)
- ◆ **All segments growing**: Affluent&Premier (CheBanca!) up €0.5bn - Private&HNWI&AM up roughly €1bn

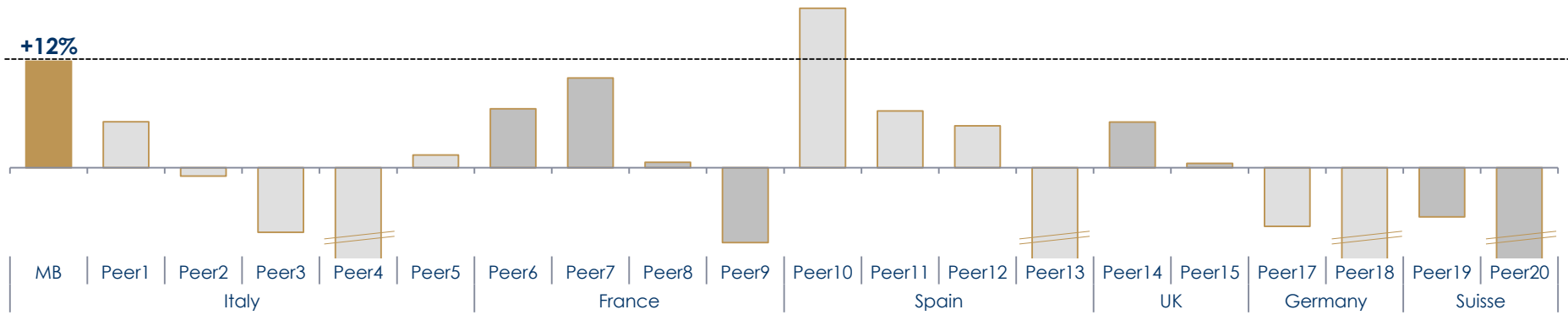
MB WELL POSITIONED IN EU FOR REVENUE GROWTH

6M results as at Dec 2017 - Group results

Section 1

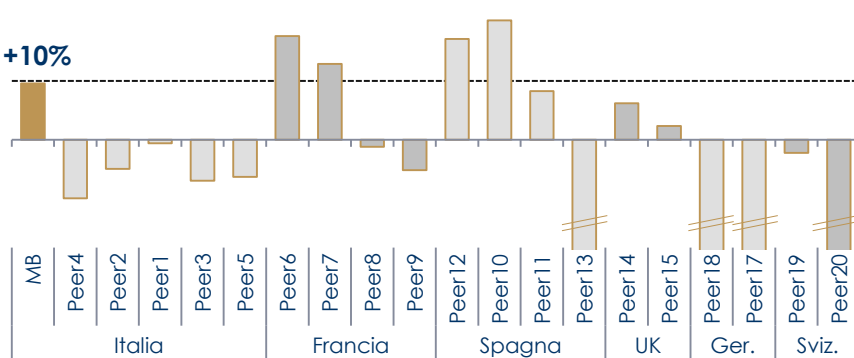
In last 2Y MB top performer for revenue growth¹ (up 12%) in European landscape, both in ...

Revenues 2Y growth (%)



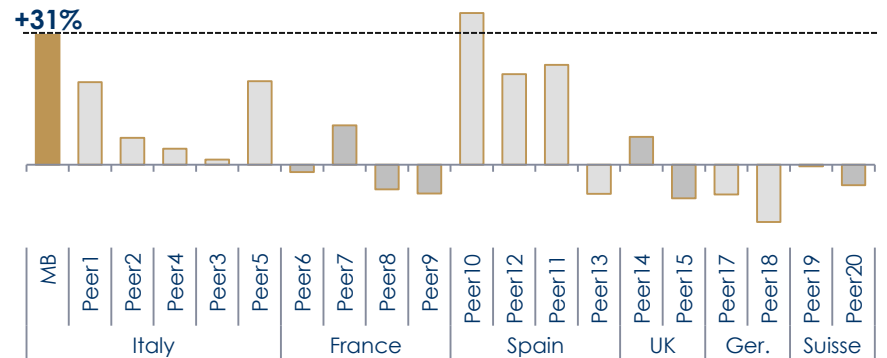
... NII (up 10%, the only ITA bank growing) ...

NII 2Y growth (%)



and fees (up 31%)

Fees 2Y growth (%)



1. Source: MB Securities. Growth calculated as % variation on the period 2015-2017E. MB revenues calculated on calendar year (not FY).

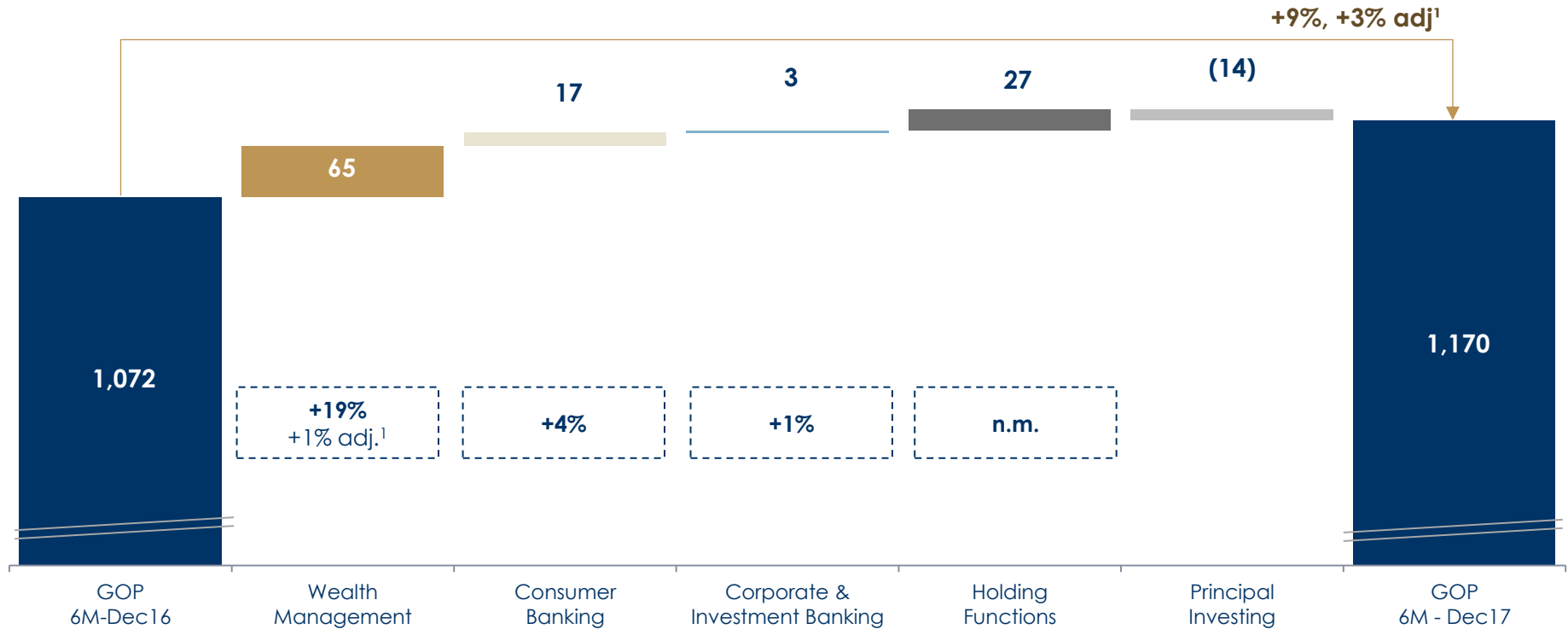


ALL BUSINESSES SHOWING ENHANCED REVENUES...

6M results as at Dec 2017 - Group results

Section 1

MB Group revenues by division (6M, €m)



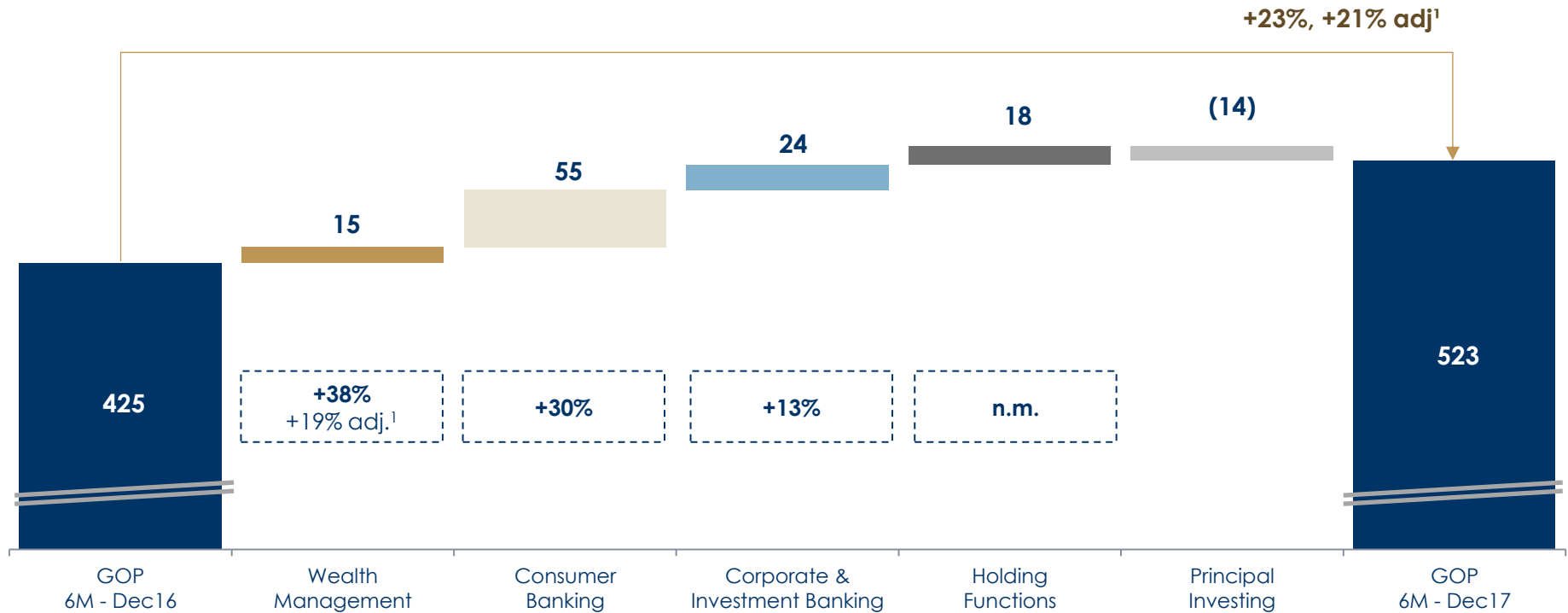
- ◆ 6M revenues growth driven by all divisions: WM (up 19%), HF (plus €27m), CB (up 4%), CIB (up 1%)
- ◆ PI impacted by AG writedowns

...AND SUBSTANTIAL GOP GROWTH

6M results as at Dec 2017 - Group results

Section 1

MB Group operating profit after LLPs by division (6M, €m)



- ◆ All divisions achieved revenues growth, cost control, loan provisions reductions
- ◆ 6M GOP growth driven by Consumer (up 30%), CIB (up 13%), WM (up 38%), HF

FEE-BASED AND K-LIGHTER MODEL ALREADY IN PLACE

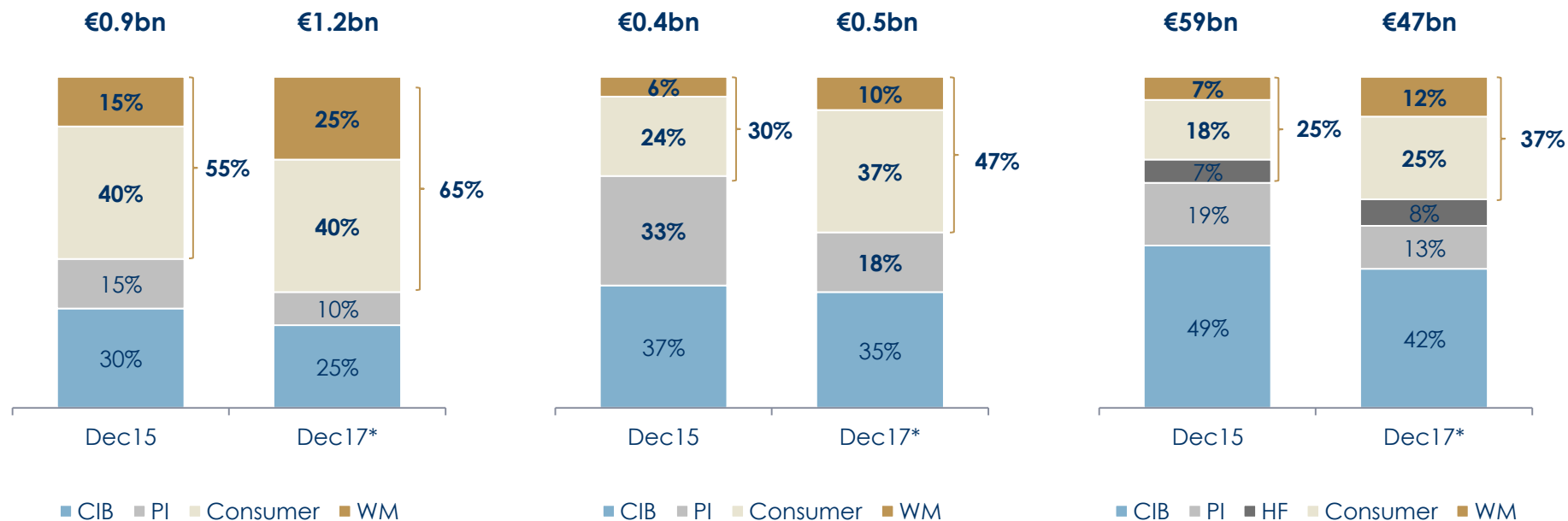
6M results as at Dec 2017 - Group results

Section 1

Group revenues by division

Group GOP by division

Group RWA by division



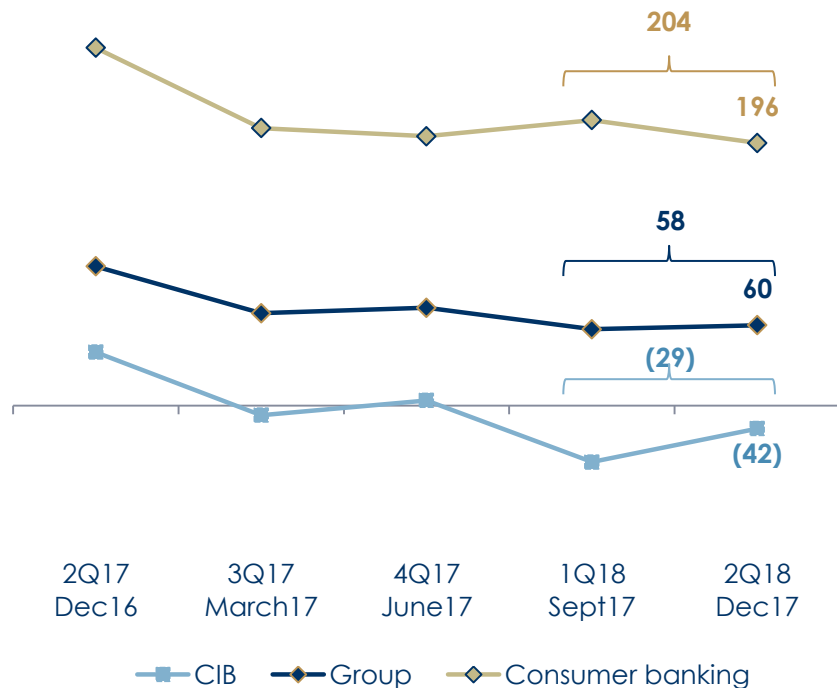
- ◆ **More capital-light / retail businesses** (WM and Consumer) **now producing 2/3 of revenues and 50% of GOP**
- ◆ **PI contribution to GOP basically halved**
- ◆ **CIB contribution stable**

ASSET QUALITY IMPROVED FURTHER FOR THE GROUP...

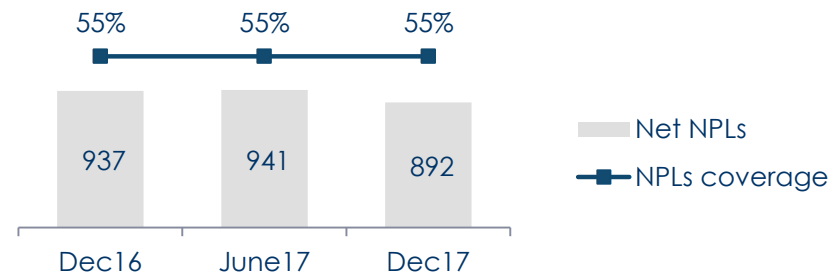
6M results as at Dec 2017 - Group results

Section 1

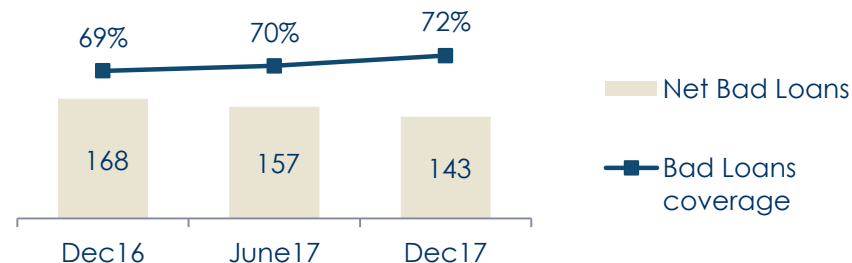
Cost of risk by division (bps)



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



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

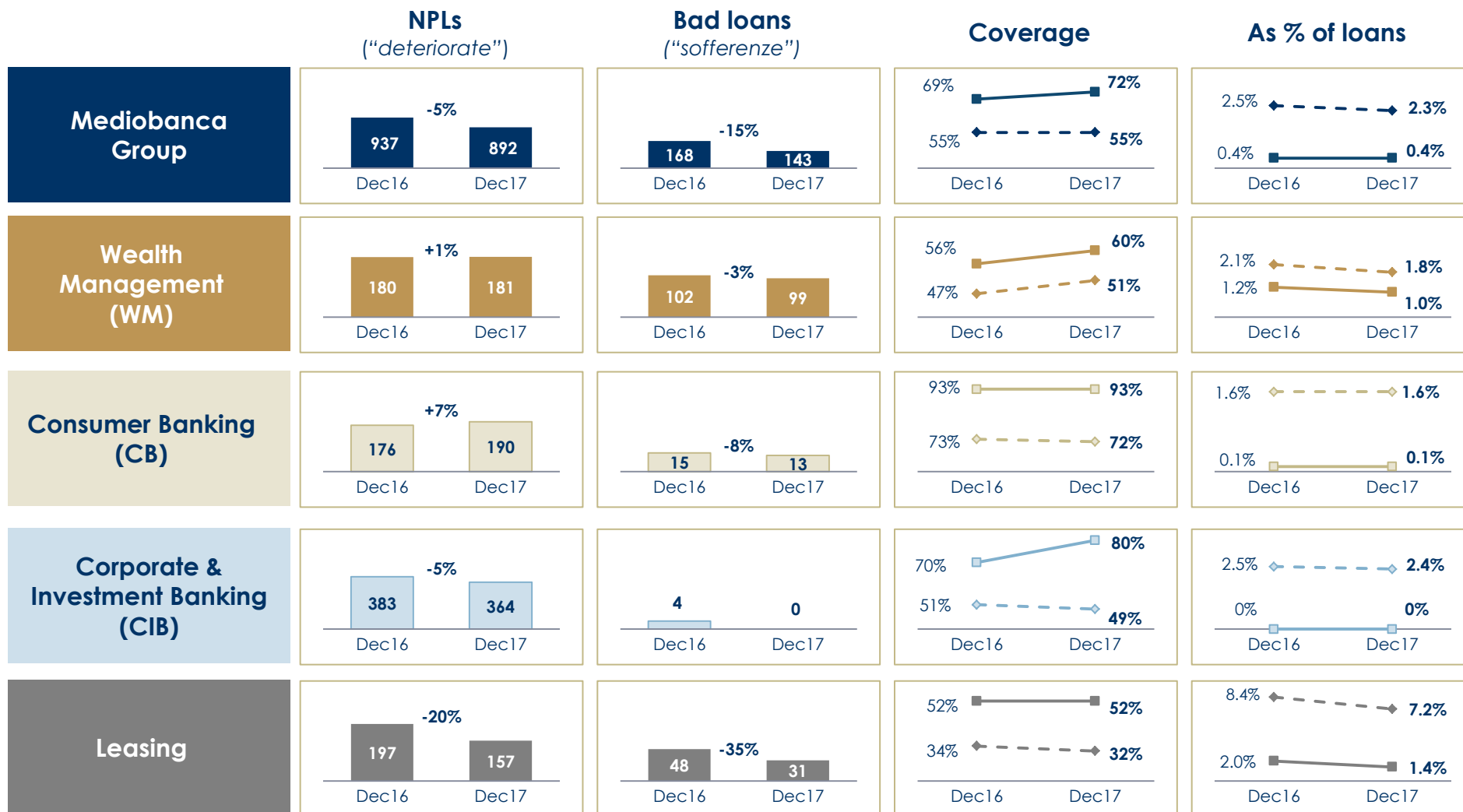


- ◆ **NPLs below €0.9bn** (for the first time since FY13), **down both as stock** (4% gross and 5% net YoY) **and as % of loans** (gross 4.8%, net 2.3%); **coverage stable at 55%**. **Visible improvements in NPLs components**
- ◆ **BadLs at €143m, down as stock** (5% gross and 15% net YoY) **and stable as % of loans** (to 0.4%); coverage up to 72%
- ◆ Group CoR at 60bps, with writebacks in WB and Consumer below 200bps for the first time; **Texas ratio at 13%**

... AND AT DIVISIONAL LEVEL

6M results as at Dec 2017 - Group results

Section 1



MB OUTSTANDING RISK PROFILE CONFIRMED AT EU LEVEL

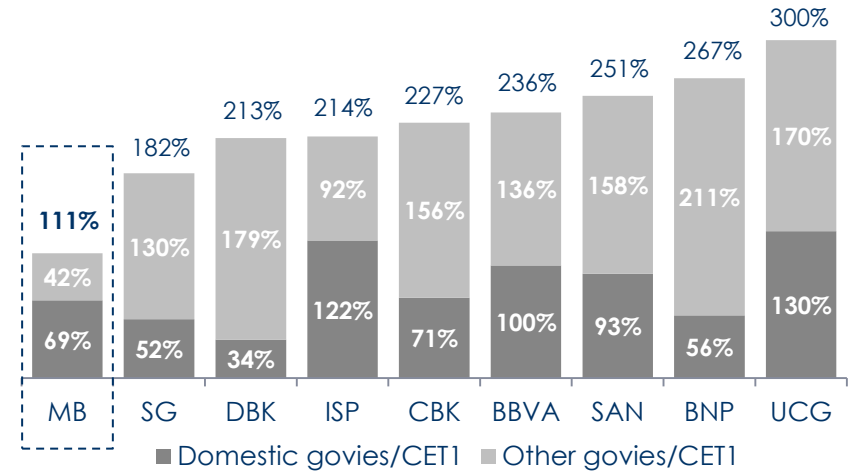
6M results as at Dec 2017 - Group results

Section 1

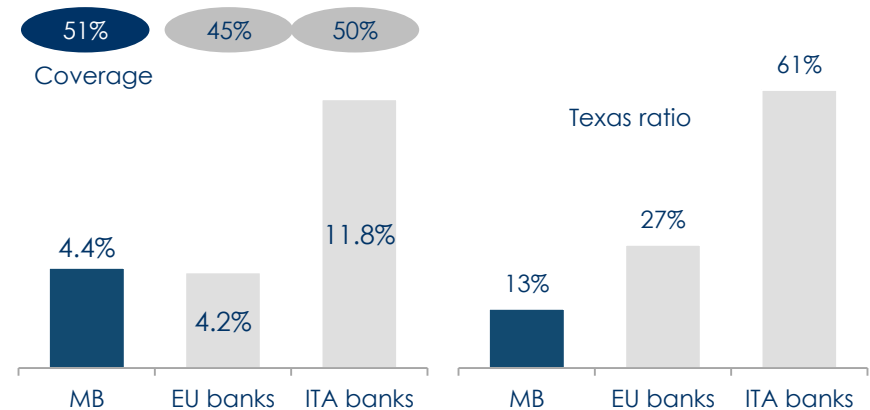
ECB SREP minimum requirements (phase-in)

Italian banks SREP disclosed	SREP CET1	SREP TC
Credem	7.4%	10.9%
Mediobanca	7.6%	11.1%
BPER	8.1%	11.6%
ISP	8.1%	11.6%
UBI	8.6%	12.1%
Banco BPM	8.9%	12.4%
UCG	9.2%	12.7%

Sovereign bond exposure (EBA transparency exercise 2017)



Gross NPLs/Ls¹ and Texas ratio²



- ◆ SREP Pillar 2 requirement confirmed for 2018 at 2017 low levels (125bps) a result of
 - ◆ Sound risk appetite/approach
 - ◆ Strong asset quality/liquidity indicators
 - ◆ Business model sustainability
 - ◆ Governance enhancements

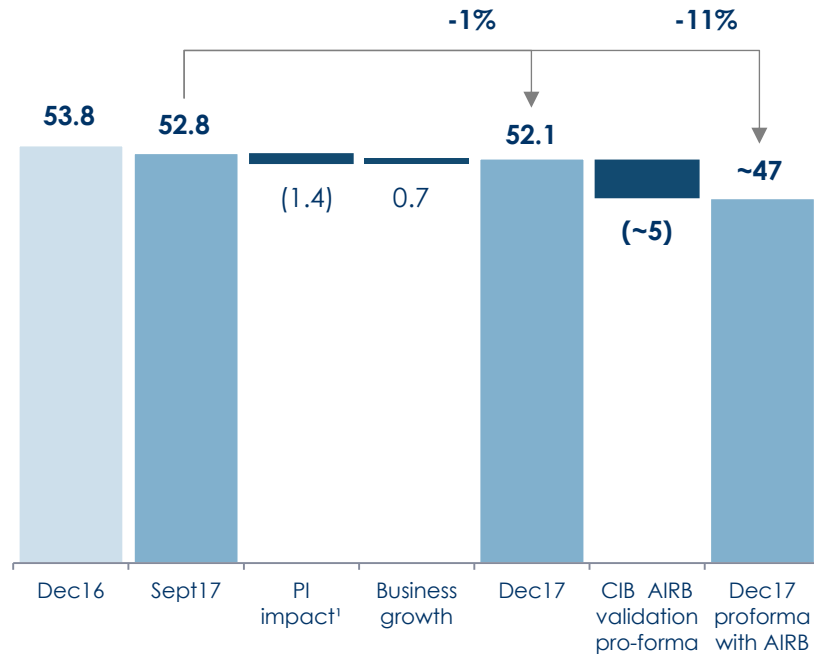


CET1 RATIO UP TO 14.3% ...

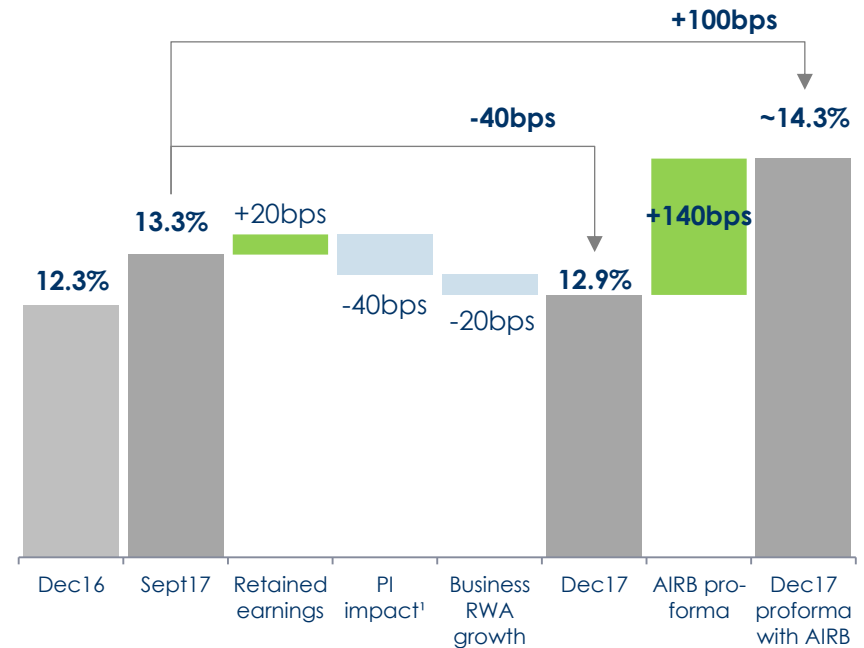
6M results as at Dec 2017 - Group results

Section 1

RWA trend (€bn)



CET1¹ phase-in trend (bps)



- ◆ Dec17: CET1 down to 12.9% as earning creation offset RWA growth due to business development, new concentration limit¹ led to higher AG deduction
- ◆ **Dec17 pro-forma: CET1 up to 14.3%**, including 140bps AIRB benefits on corporate portfolio
- ◆ **AIRB savings consistent with Basel IV – FIRB world**

1) PI impact related to increased AG deductions (from €1.1bn at Sept17 to €1.5bn at Dec17) due to concentration limit change (from 25% to 20% of total capital from Dec17). This deduction at Dec.17 is for €1.4bn from CET1 and for €0,1bn from T2.
 2) AIRB validation on corporate portfolio effective from March18

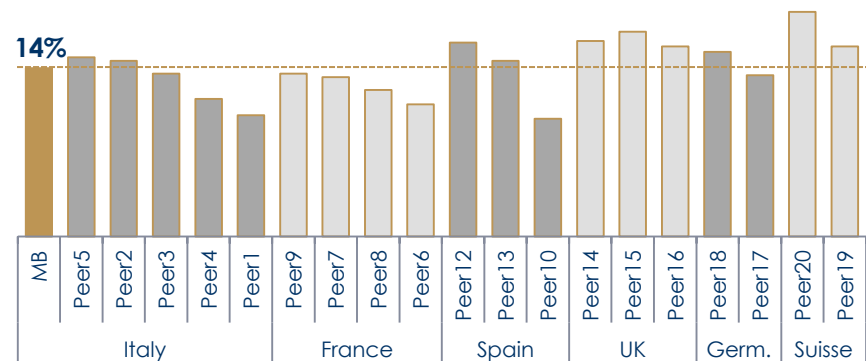


...CONFIRMING STRONG MB POSITIONING IN EU INDUSTRY

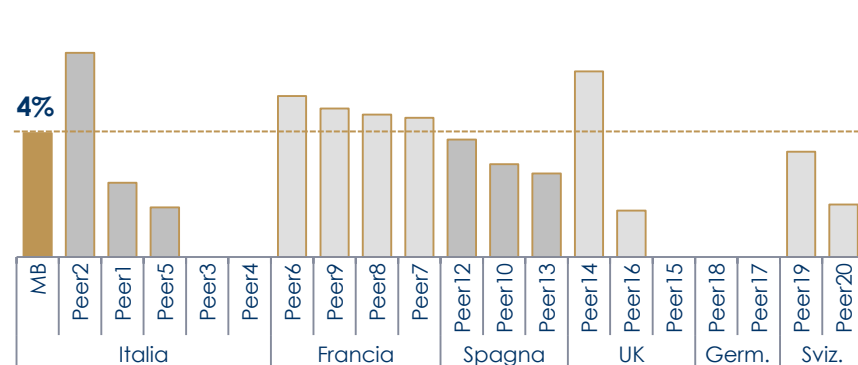
6M results as at Dec 2017 - MB results

Section 1

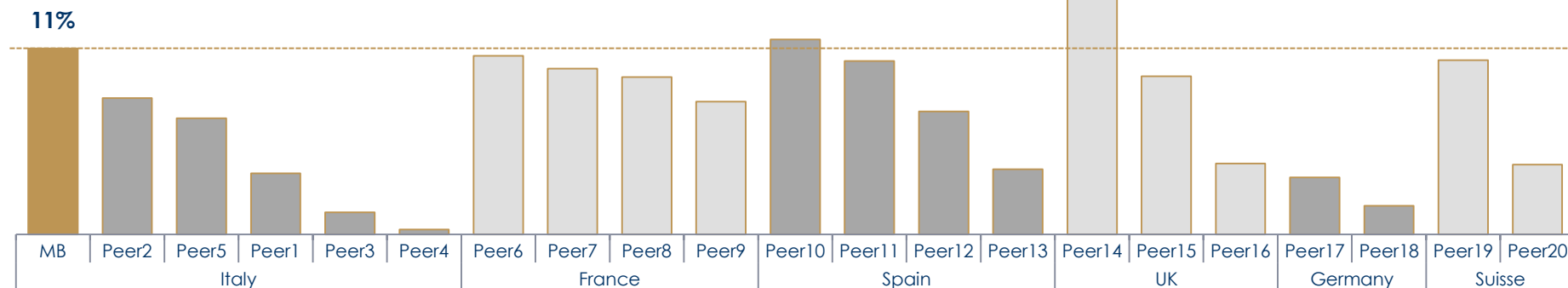
CET1 ratio



Dividend yield



ROTE



- ◆ MB capital position among the best in EU despite no capital increases in last 20Y and acquisitions completed
- ◆ MB best in class for profitability (ROTE1 at 11%), satisfactory shareholders remuneration

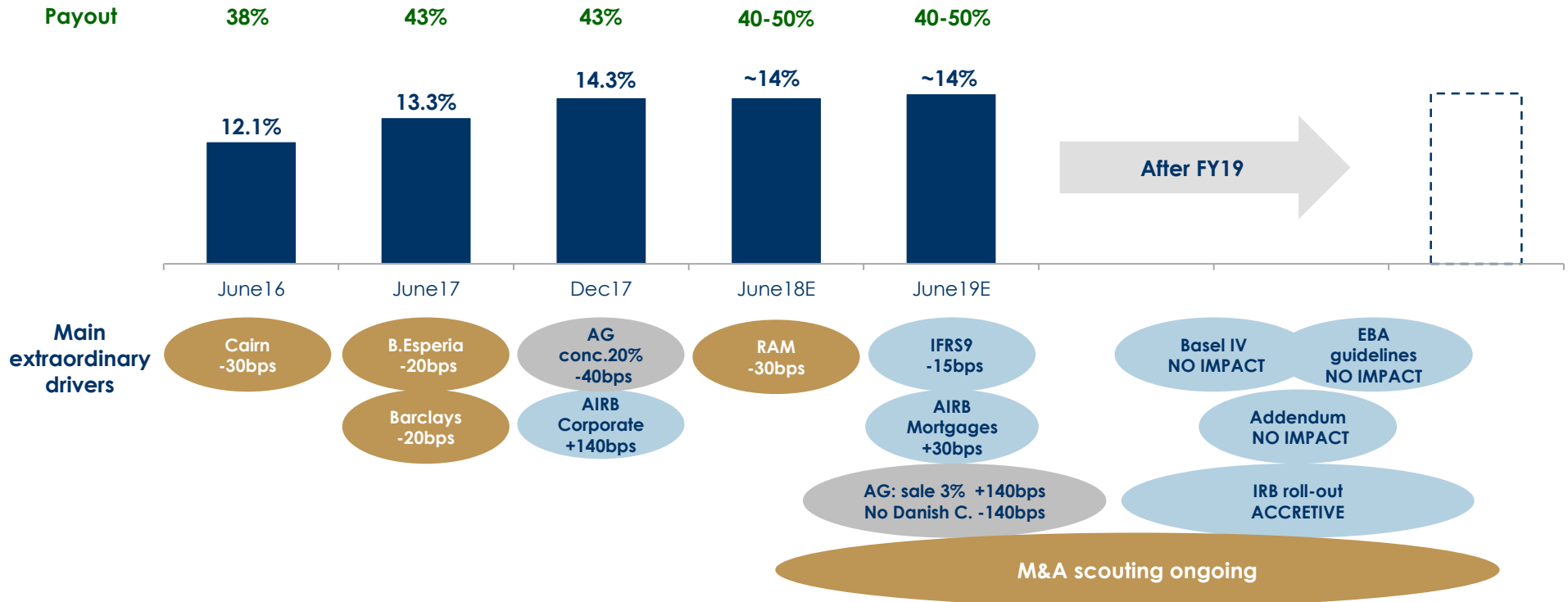


STRONG CAPITAL GENERATION FOSTERING M&A AND REMUNERATION

6M results as at Dec 2017 - MB results

Section 1

CET1 trend



- ◆ Mediobanca capital generation steadily strong
- ◆ No material impact from announced regulation
- ◆ Strong efforts in redeployment of capital trough M&A confirmed even after 2019
- ◆ **Future payout guidance revised up to 40-50% (from 40%)**

AGENDA

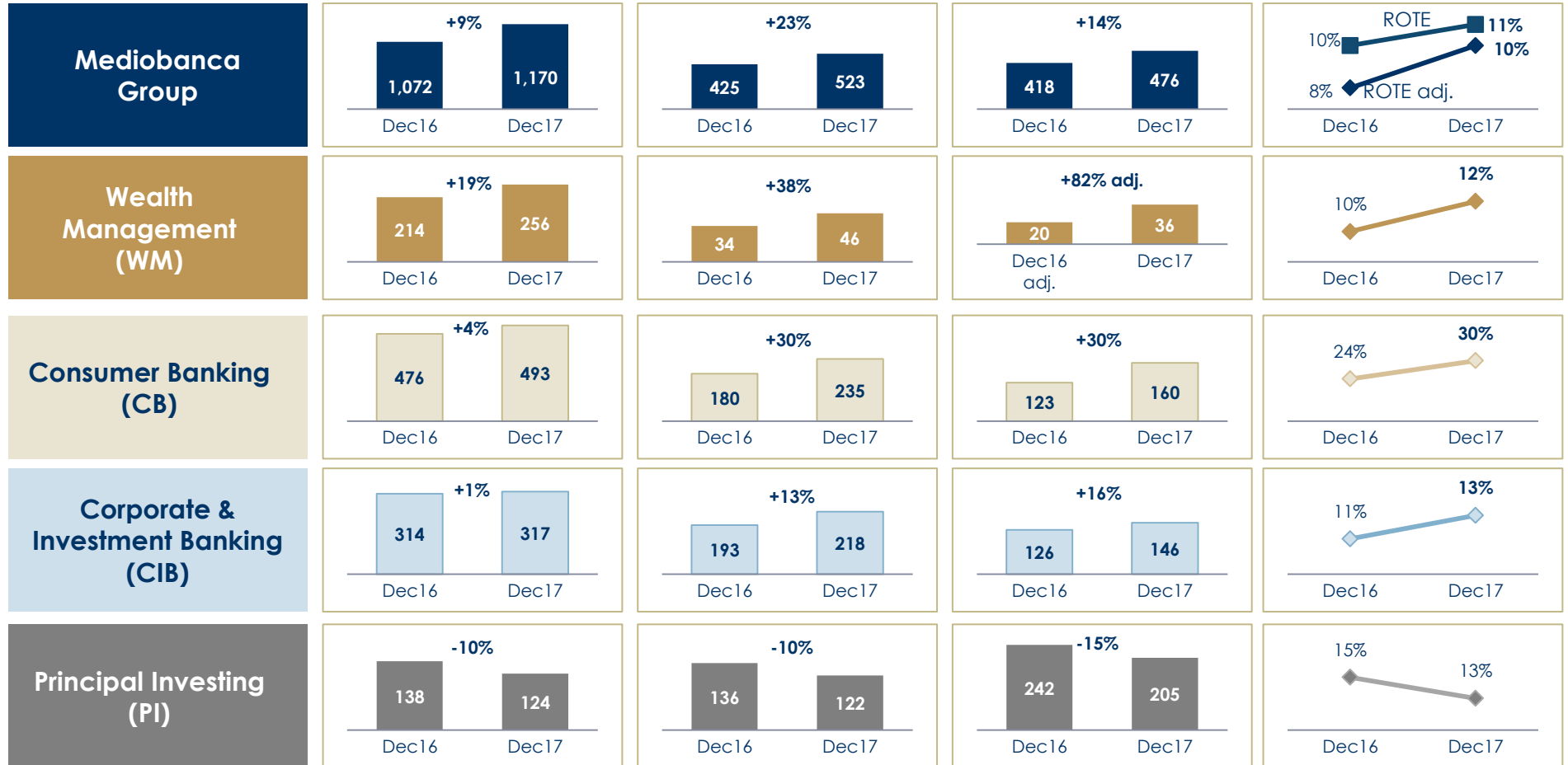
1. **Group results**
2. **Divisional results**
 - 2A. **Wealth Management**
 - 2B. **Consumer Banking**
 - 2C. **Corporate & Investment Banking**
 - 2D. **Principal Investing**
 - 2E. **Holding Functions**
3. **Closing remarks**



IH18 RESULTS AT A GLANCE

6M results as at Dec 2017 - 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 – PRIORITIZE DEVELOPMENT

6M results as at Dec 2017 - Divisional results

Section 2

WEALTH MANAGEMENT Gaining traction and visibility ROAC up to 12%

- ◆ **Development fuelled by organic growth and M&A**
- ◆ **Gaining scale: now 25% of Group revenues** (on annual basis ~€550m revenues, ~€110m PBT)
- ◆ **CheBanca!: already with the right business model in term of asset diversification, distribution, products; growth only just beginning**
 - ◆ Head of FAs hired, FA network up to ~160 (+90 in last 6m)
 - ◆ Organic growth resumed: AUM up by €0.5bn (to €7.6bn)
 - ◆ First cost synergies (32 branches closed, 230 staff exited)
- ◆ **Private & HNWI: high attractiveness/potential**
 - ◆ Mediobanca Private Banking brand; project attractiveness increased for both customers and bankers
 - ◆ New products launched (EPIC)
 - ◆ Organic growth resumed: AUM up by €0.7bn (to €21bn)
- ◆ **AM factories: building up**
 - ◆ Head of MB SGR (Italian platform) hired
 - ◆ Head of MB Alternative AM platform hired
 - ◆ RAM acquired¹⁾: high product-distribution complementarities, boost in AUM (+€4bn), fees (+€50m), net profit (+€17m) – Cairn: AUM up by €0,3bn (to €2.8bn)
- ◆ **M&A scouting ongoing**
 - ◆ Distribution in Italy
 - ◆ Alternatives platform elsewhere
 - ◆ PB portfolios in Italy and Principality of Monaco

WM P&L GAINING SCALE: APPROX. €550M REVENUES, €110M GOP

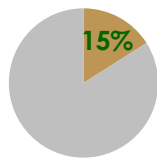
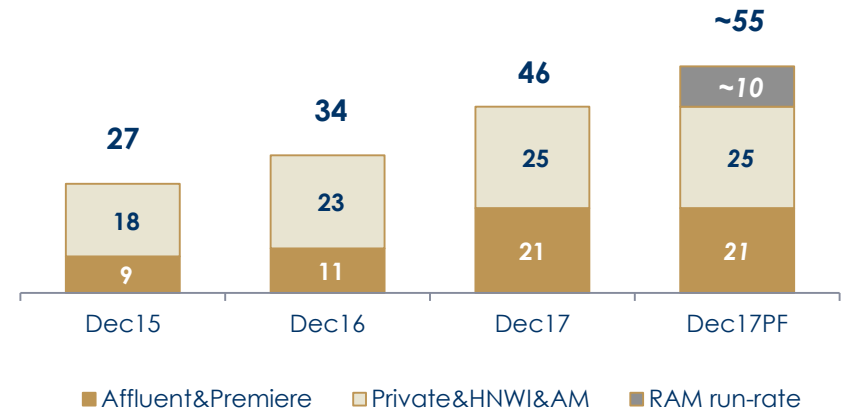
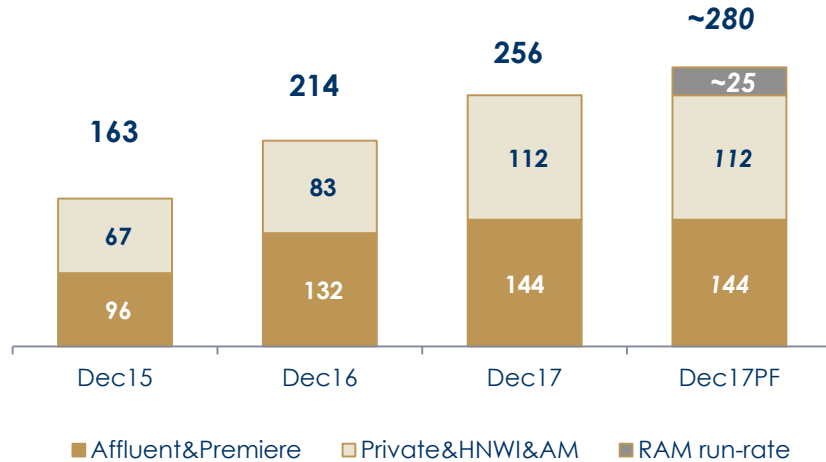
(ANNUAL BASIS)

6M results as at Dec 2017 – Divisional results

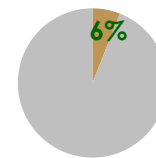
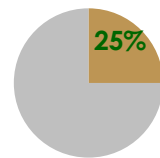
Section 2

WM¹ revenues by segment (6M, €m)

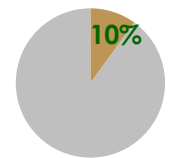
WM¹ GOP by segment (6M, €m)



Revenues: WM / Group



GOP: WM / Group



◆ WM revenues soared to over €550m on annual basis, representing now roughly 25% of Group revenues

◆ WM GOP jumped to around €110m on annual basis, representing 10% of Group GOP
 ◆ More to come, with revenues to be developed and cost synergies to be extracted

1) Dec17PF: including RAM run rate P&L figures and AUM data as at the deal announcement date
 Dec15 and Dec16 figures include 50% Banca Esperia line-by-line

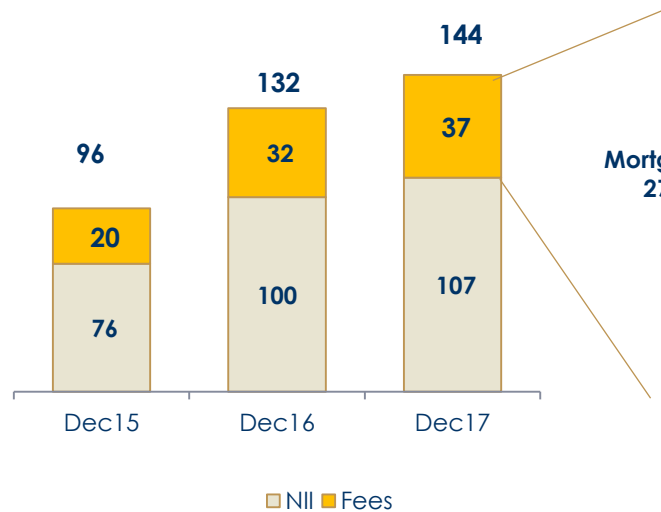


CHEBANCA!: MOVING FROM AN EXCELLENT SET UP...

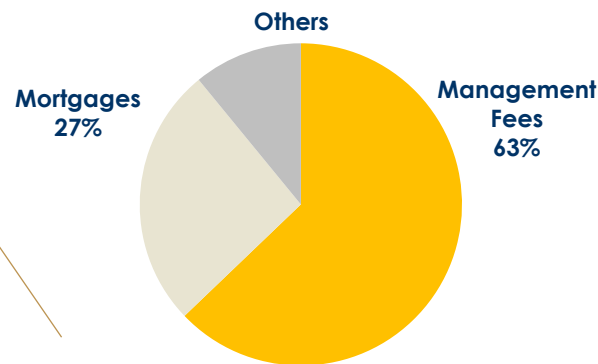
6M results as at Dec 2017 – Divisional results

Section 2

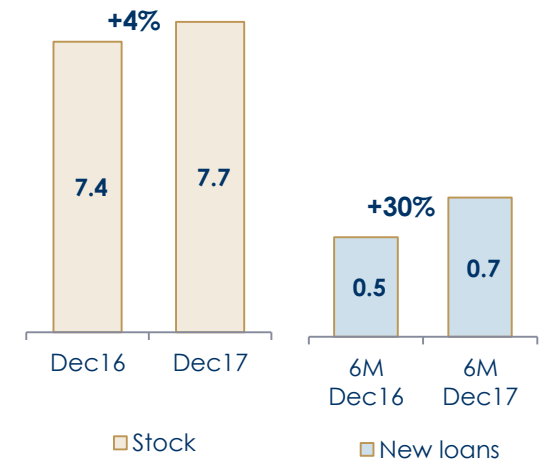
Revenues trend and breakdown
(6M, €m)



Fee breakdown
(6M, €m)



Mortgages - Stock and new loans
(€bn)



- ◆ **CheBanca! reshaping into a asset gathered moving from:**
 - ◆ **an already well diversified and growing revenue stream** (by NII and fee...)....
 - ◆ **...an already sustainable fee structure** (no performance fee, low entry fee)...
 - ◆ **...no legacy** in term of distribution and asset quality

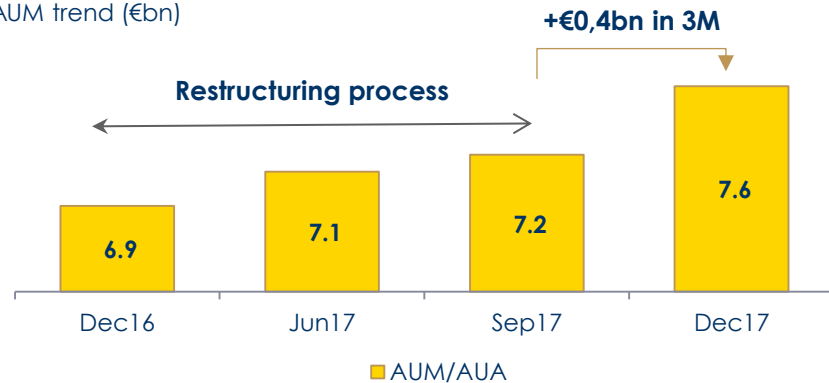
...AND EXPANDING WM-LIGHT DISTRIBUTION NETWORK...

6M results as at Dec 2017 – Divisional results

Section 2

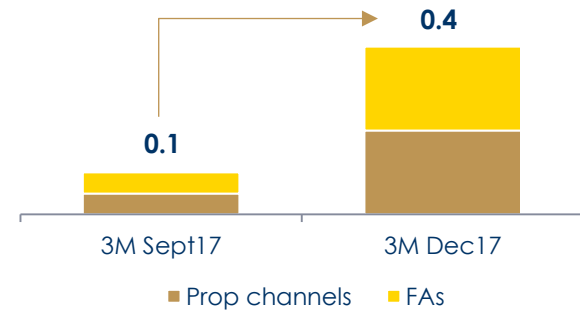
AUM growth resumed in last Q (up €0,5bn in last 6M)...

AUM trend (€bn)



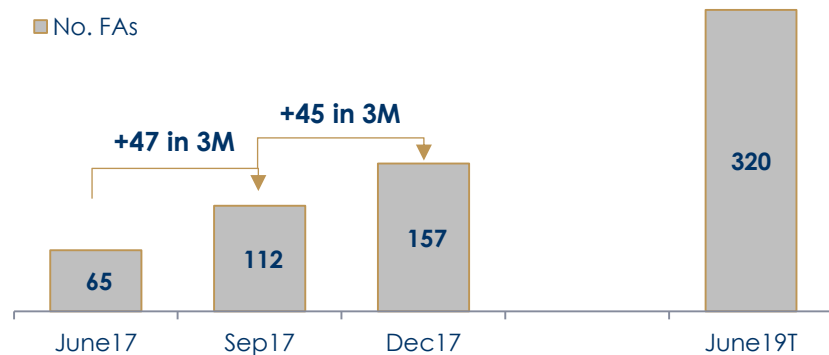
...even split between prop channels and FAs network

Quarterly AUM growth by channel (€bn)

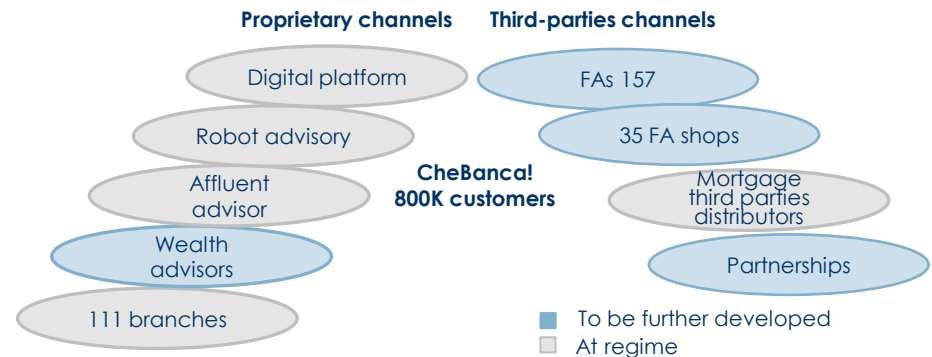


FAs network building up.... (~90 net additions in last 6M)

No. FAs



...to complete the already innovative and integrated distribution network

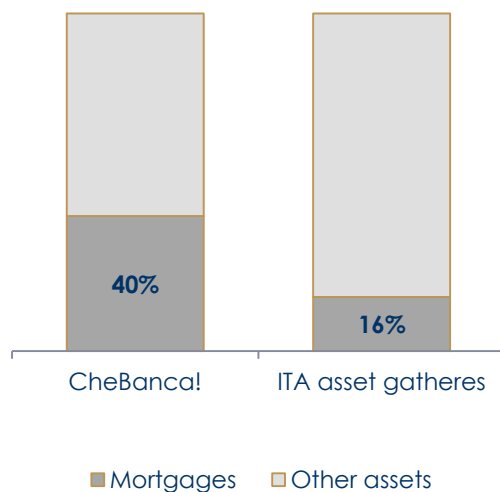


...TO BE BECOME A LEADING 2.0 ITALIAN ASSET GATHERER

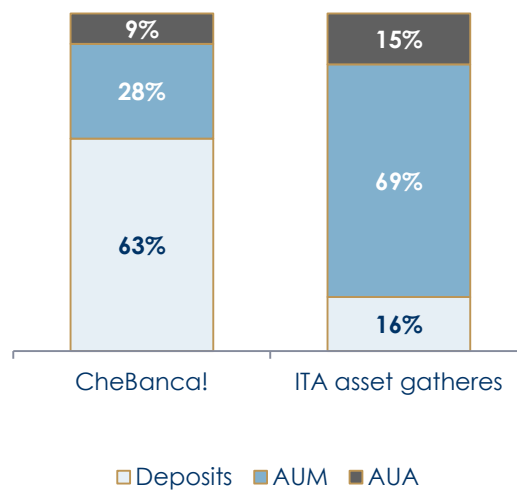
6M results as at Dec 2017 – Divisional results

Section 2

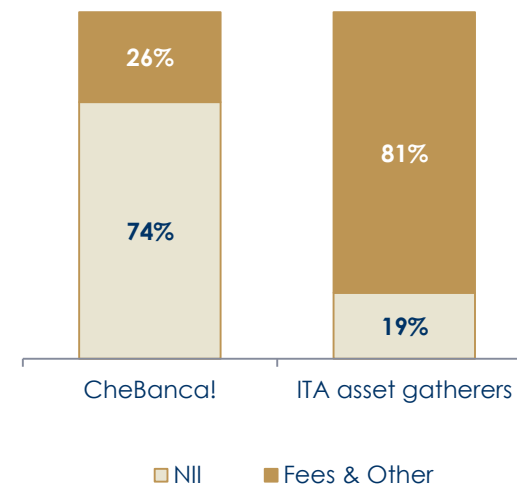
Asset breakdown¹



TFA breakdown¹



Revenue breakdown¹



- ◆ **CheBanca! assets** (mortgages 40% of assets) **and TFAs** (deposit 74% of TFA) **breakdown still reflect its first but still alive mission:** to be the MB group retail-deposit gatherer, with a strong asset content.
- ◆ CheBanca! **sound and healthy mortgage business** is key to attract customer and increase loyalty
- ◆ **Reshaping just started, more fees to come:** revenues will grow driven by progressive TFA/asset mix reshape
- ◆ **CheBanca! set to become a leading 2.0 Italian asset gatherer** leveraging on its already diversified business model, sustainable fee structure, and integrated-innovative distribution network

PB/AM: ORGANIC GROWTH COUPLED WITH M&A

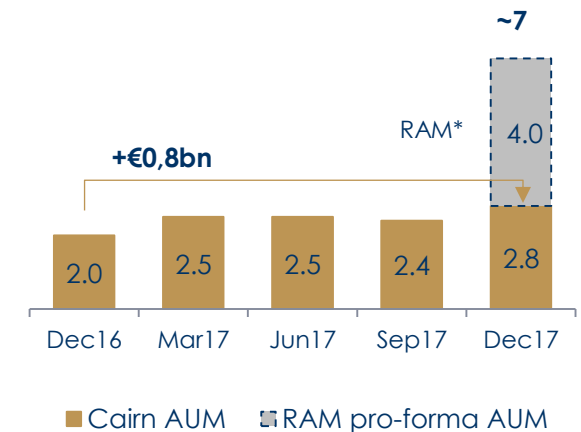
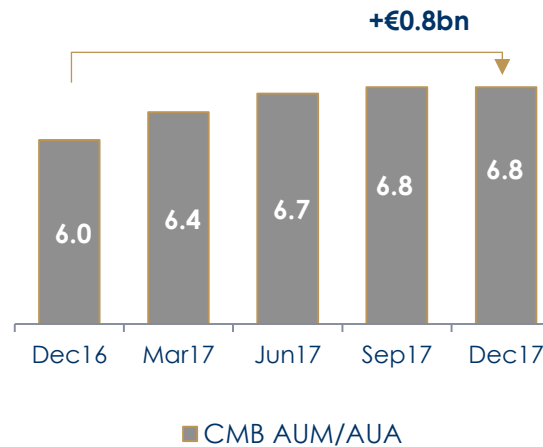
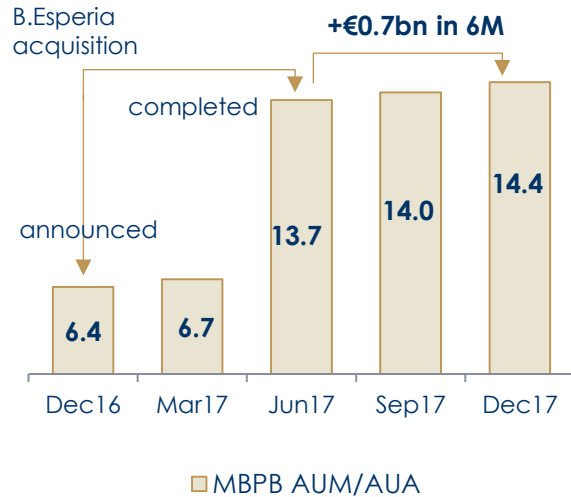
6M results as at Dec 2017 – Divisional results

Section 2

MB Private Banking AUM(€bn)

Compagnie Monégasque de Banque AUM/AUA trend (€bn)

MAAM AUM/AUA trend (€bn)



- ◆ **MB Private Banking launched with focus on UHNWI/entrepreneurs**
 - ◆ **Positive market reaction/perception:** AUM up by €0.7bn immediately after the deal announcement, then **up €0.7bn in last 6M**
 - ◆ **Robust pipeline of mid-cap** IB transactions (dual coverage PB/CIB)
 - ◆ **Asset management factories** (MB SGR, CMG) **reshaping:** tailor-made services/products to customers in an open architecture framework.
 - ◆ **CMB AUM: up by €0.8bn YoY**, flat in last 6M but growing in deposits

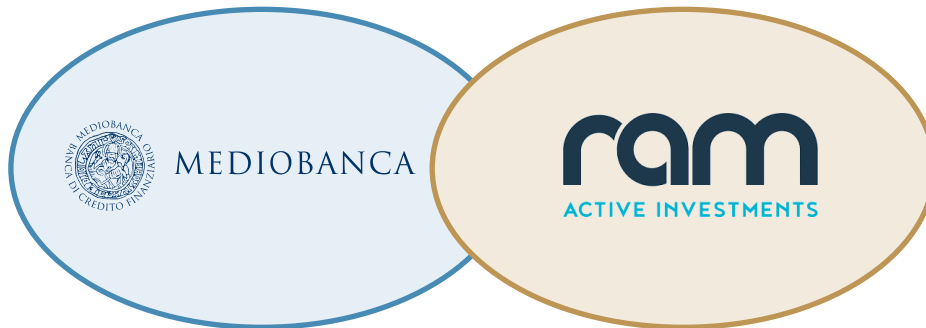
- ◆ **Cairn:** AUM up by €0.8bn YoY, of which half in last quarter with new CLOs launched
- ◆ **With RAM acquisition, MAAM platform enriched in size and profit** with complementary capabilities and client distribution

SIGNIFICANT STEP AHEAD TOWARDS MAAM DEVELOPMENT

6M results as at Dec 2017 – Divisional result

Section 2

On 23 November 2017 Mediobanca signed a strategic partnership agreement with RAM AI



KEY FACTS

- ◆ Founded in **2007** by **Thomas de Saint-Seine, Maxime Botti** and **Emmanuel Hauptmann**
- ◆ **AuM: CHF4.9bn** (or €4,3bn)
- ◆ **FTEs: 39**
- ◆ **10 years+ track record** across equities and liquid fixed-income strategies
- ◆ Footprint: **Geneva (headquarters)**, Zurich and Luxembourg

Transaction

- ◆ Mediobanca will acquire a **69% interest in RAM Active Investments** (closing expected by **end-1H 2018**)
- ◆ **RAM AI is a significant step ahead for Mediobanca in scaling up capital-light/fee-driven businesses:**
 - ◆ **Group fee income up roughly 10%** (RAM contribution ~€50m)
 - ◆ **Group AUM & AUA up >10%** (RAM contribution additional ~€4.3bn)
 - ◆ **Private & AM fee income up 30%**
 - ◆ CET1: -30 bps; EPS: slightly accretive (RAM net profit ~€17m)

Management

- ◆ **Founding partners will retain significant stakes** and each partner will also reinvest a meaningful part of their proceeds in RAM AI's funds
- ◆ **Partners will continue to lead the operations on a daily basis**, remaining committed to its development for a **minimum period of 10 years**
- ◆ **REYL Group**, as the historical seeder and institutional shareholder, **will retain a stake** and will continue to operate **as a preferred partner and anchor investor** in RAM AI's products

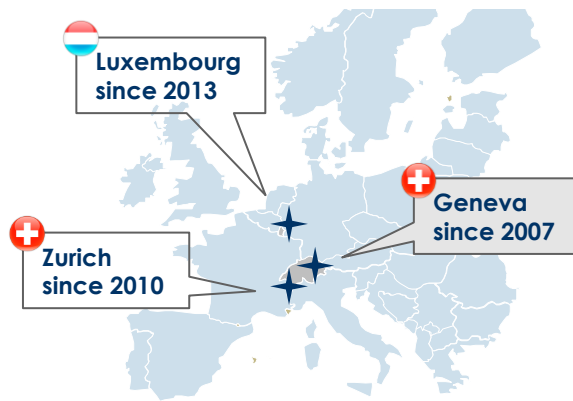
AN EXCELLENT PARTNERSHIP TO GROW IN THE AAM BUSINESS

6M results as at Dec 2017 – Divisional result

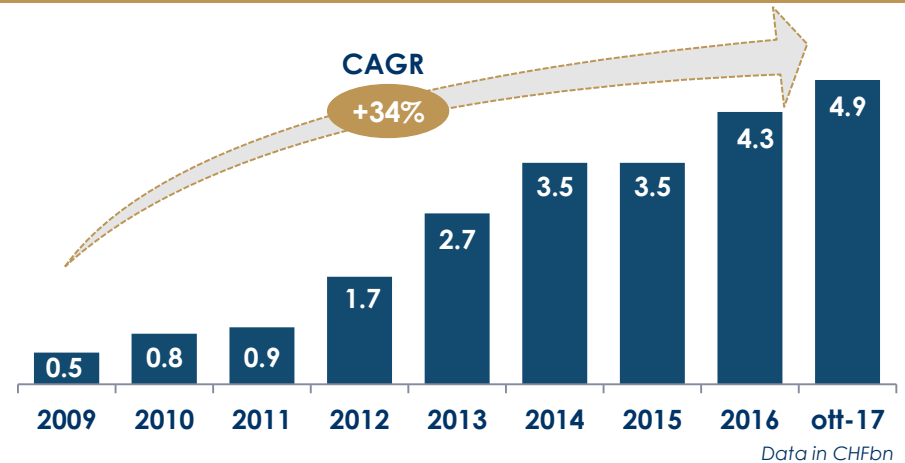
Section 2

HIGH ALPHA GENERATING SPECIALIST..

- ◆ **RAM Active Investments is one of Europe's leading systematic investment managers**, offering a range of actively managed and alternative systematic fundamental equity and tactical fixed-income funds to a wide array of institutional and professional investors
- ◆ **RAM AI currently manages CHF4.9bn** across diversified strategies with major focus on listed equities in UCITS format
- ◆ RAM AI's investment offerings include:
 - ◆ **RAM Systematic Funds:** quantitative and fundamentals based investment process focused on LO and L/S equity strategies
 - ◆ **RAM Tactical Funds:** discretionary management style focused on absolute return credit and convertible strategies
- ◆ RAM AI has a lean and efficient organization evenly spread among investment management, operations and sales
- ◆ Headquartered in Geneva, with offices in Zurich and Luxembourg



..WITH IMPRESSIVE AUM GROWTH SINCE INCEPTION



..MAINLY FOCUSED ON SYSTEMATIC STRATEGIES

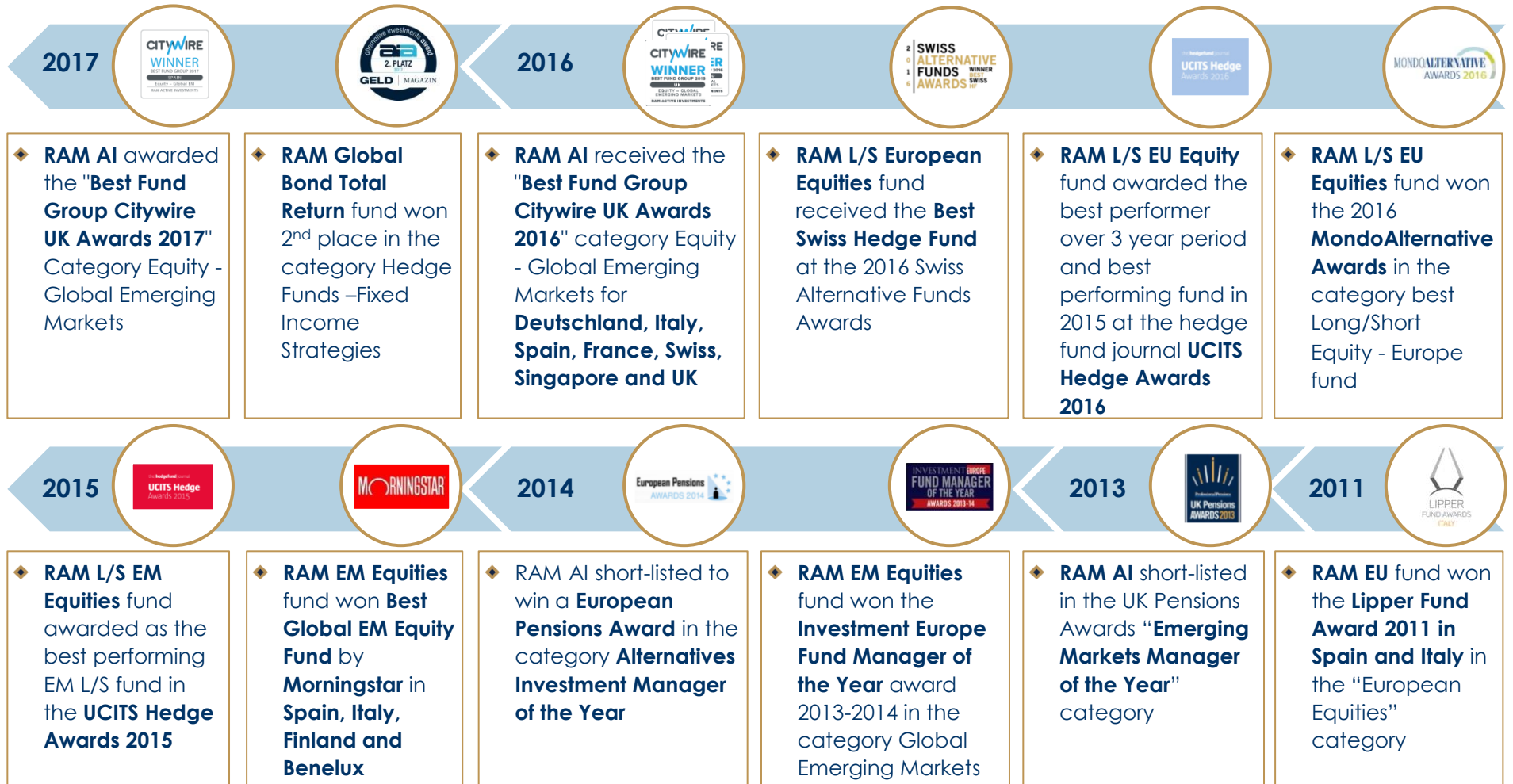
	ram SYSTEMATIC CHF 4.6bn	ram TACTICAL CHF 0.3bn
SYSTEMATIC FUNDS	Emerging Markets <ul style="list-style-type: none"> • 4 funds in 2 legal forms • 2 investment strategies 	Fixed income <ul style="list-style-type: none"> • 3 funds in 1 legal form • 1 strategy
	Equity <ul style="list-style-type: none"> • 6 funds in 2 legal forms • 2 investment strategies 	
	Other <ul style="list-style-type: none"> • 1 fund • 1 strategy 	
TACTICAL FUNDS		

STRONG TRACK RECORD RECOGNIZED IN THE INDUSTRY

6M results as at Dec 2017 – Divisional result

Section 2

INDUSTRY RECOGNITION



CONSUMER BANKING

**Consumer Banking
(CB)**

**Consumer Banking
Compass**



CONSUMER BANKING – CONTINUE GROWING

6M results as at Dec 2017 - Divisional results

Section 2

CONSUMER BANKING The biggest contributor ROAC up to 30%

◆ Record results (again) with €160m net profit in 6M

- ◆ stable revenue growth (up 4% YoY now close to €500m per H)
- ◆ reduction in CoR, now at the lowest level ever (<200bps in 2Q)
- ◆ net profit up 30% at €160m (doubled in last 2Y)
- ◆ leading position in Italian market confirmed (top 3 operator in Italy): total market share at ~12%

◆ Compass ready to seize and leverage new opportunities in:

◆ distribution - further enhancement with:

- ◆ several new distribution agreements renewed
- ◆ direct distribution (5 new branches opened already effective and profitable; 10 new branches by end-FY18)
- ◆ digital platform

◆ Regulation: no issues but opportunities from ECB addendum, Compass already compliant

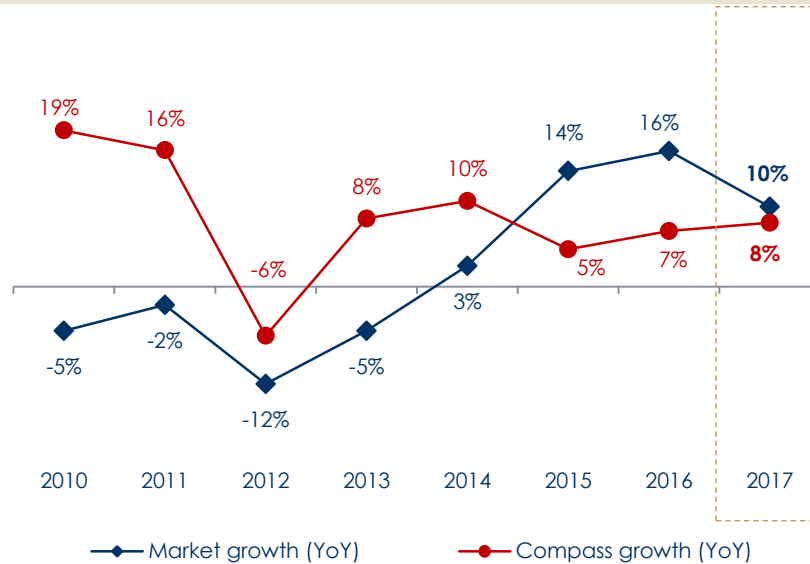
- ◆ all NPLs written down by 93% of their original value within twelve months and then sold
- ◆ new distribution agreements and origination opportunities could arise given the new provisioning rules

◆ Search for new growth opportunities ongoing

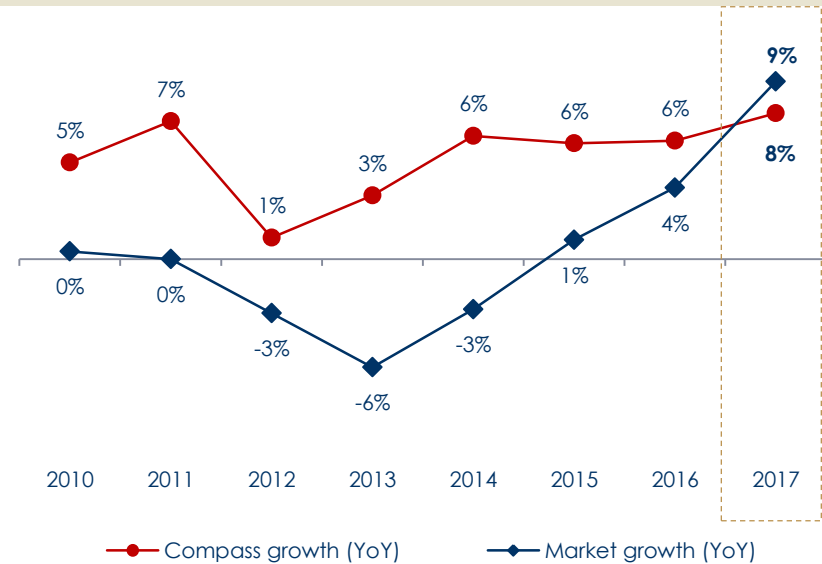
- ◆ Italian distribution empowerment continuing both direct/indirect and with traditional/digital platforms
- ◆ Selective M&A, leveraging primarily on excellent pricing/risk assessment capabilities

IN A NORMALIZING MARKET, COMPASS CONFIRMS ITS DISCIPLINED TRAJECTORY...

Market: new business double-digit growth...
(growth YoY, %)



... finally reflecting on loan stock as well
(growth YoY, %)



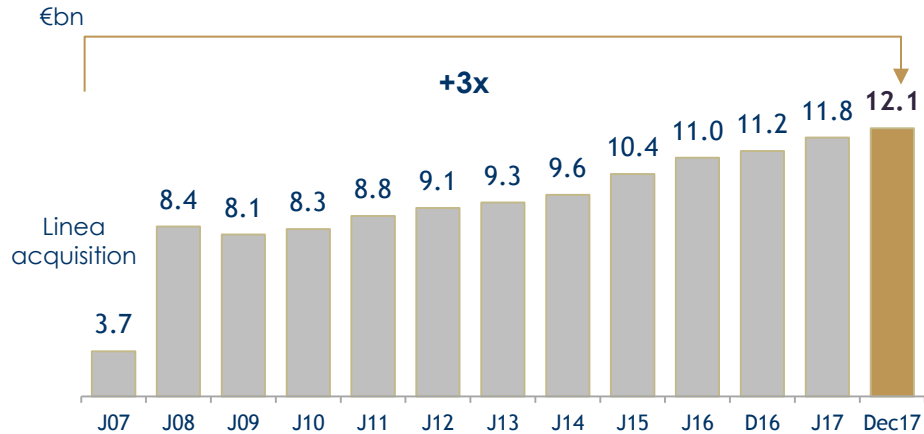
- ◆ **Consistent with its value management approach, Compass has always had a disciplined growth-road map**, delivering the same steady high single-digit new business when the market was booming (i.e. 2005-10) and when the market was shrinking (i.e. 2010-14). As result, **in the last 10Y Compass's market share has fluctuated between 9-12%, but loans and revenues tripled, net profit almost +10x.**
- ◆ In 2015-16 the market posted extremely high new business volumes (up 15%) not reflected in stock growth (down 2%) as the growth was due to the subrogation market; while Compass posted growth in both new loans and stock of 6%
- ◆ **In 2017 market started to normalize**, with new business growth (up 10%) reflected in stock growth (9%), both numbers similar to those of Compass

... DELIVERING IMPRESSIVE GROWTH & RESULTS OVER THE WHOLE CYCLE

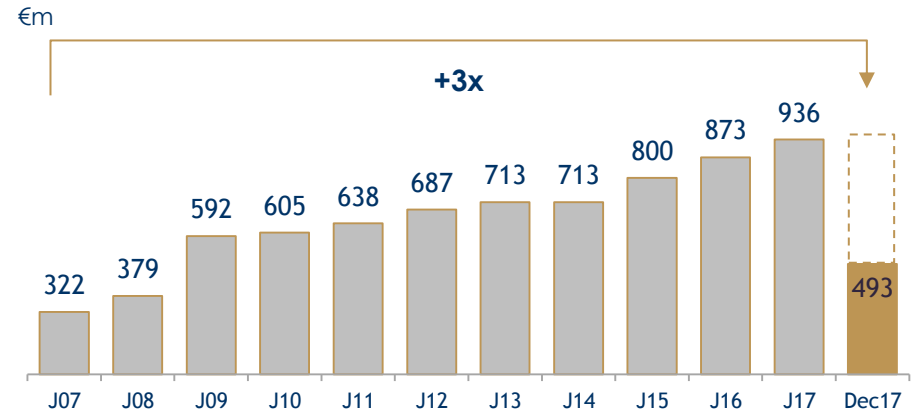
6M results as at Dec 2017 – Divisional results

Section 2

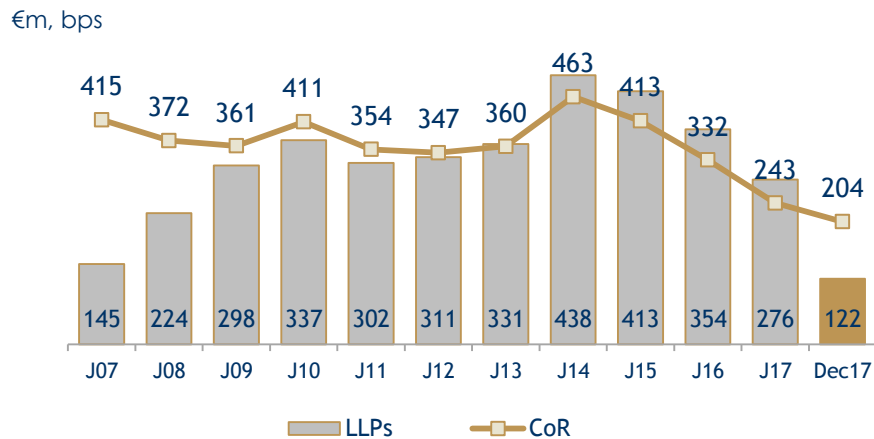
In the last 10Y Compass loan book tripled ...



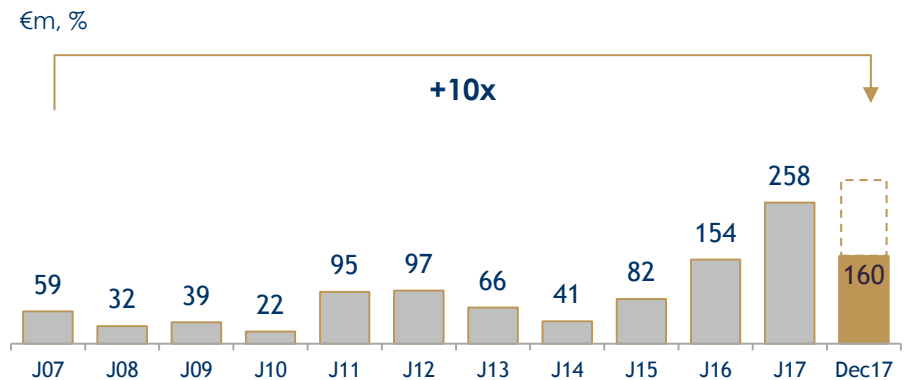
... as well as revenues ...



... while accurate risk assessment shrunk CoR...



...with net profit +10x.

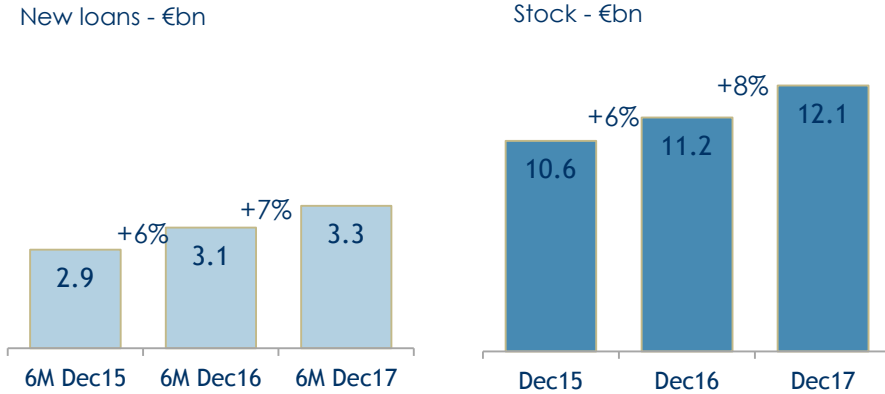


ROAC UP TO 30%

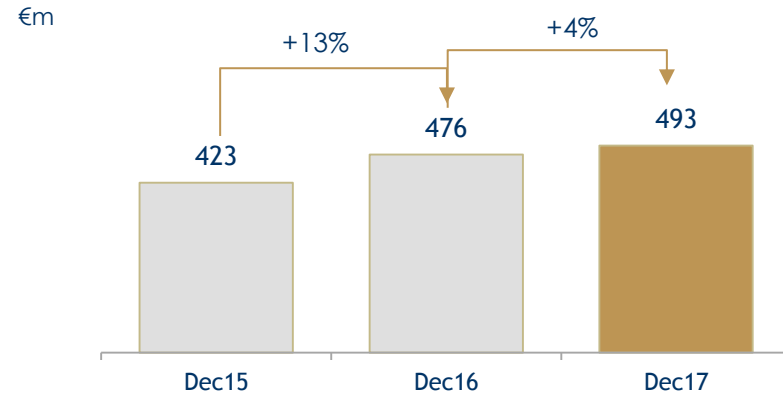
6M results as at Dec 2017 – Divisional results

Section 2

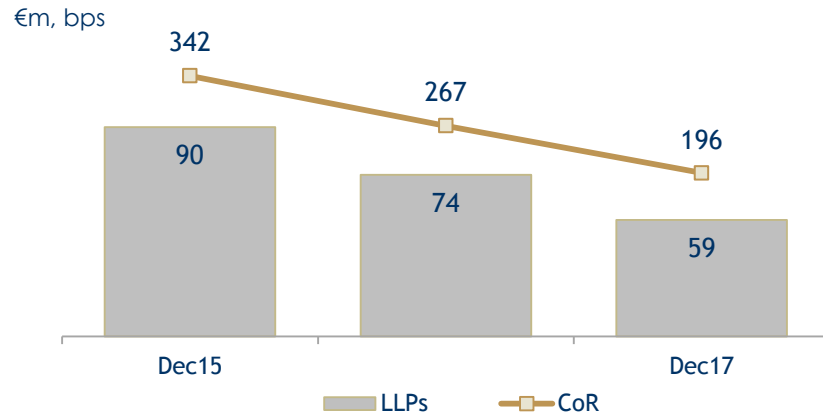
New loans growth reverted into high single-digit stock growth...



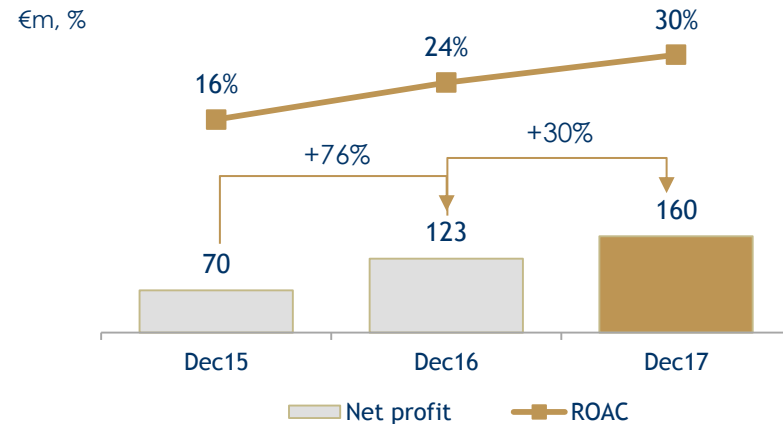
... fostering revenues growth ...



... and substantial CoR reduction...



... driving net profit and ROAC to new highs



CORPORATE & INVESTMENT BANKING

**Corporate & Investment
Banking (CIB)**

**Corporate & Investment
Banking**

Specialty Finance

CIB – INCREASE PROFITABILITY

6M results as at Dec 2017 - Divisional results

Section 2

CORPORATE & INVESTING BANKING

More K-light, fee based

ROAC up to 13% (15%¹)

- ◆ **Wholesale banking: net profit up 15% to €131m driven by fees (up 4%) and better asset quality**
 - ◆ Leading positioning in Italy and Southern EU in M&A, ECM, DCM, brokerage
 - ◆ Fees up 4% YoY to €90m, due to Capital Markets (less concentrated ECM and strong DCM); M&A down 10%, but solid pipeline ahead both on domestic and cross-border deals in many sectors
 - ◆ Strong trading result
 - ◆ Revamping loan origination especially in high-quality segments (loan book back to growth after FY17 decrease)
 - ◆ Asset quality improved further with writebacks in last six quarters (€37m in 6M), mainly linked to reimbursement of already covered positions
 - ◆ Ongoing margin pressure and lower NII (down 20% YoY)
- ◆ **AIRB validation for corporate portfolio obtained**
 - ◆ RWA density from ~100% to ~60%, €5bn RWA saved (WB RWA down 22%)
 - ◆ Superior asset quality recognized
- ◆ **Specialty Finance: significant CIB top-line contributor, diversified revenue mix**
 - ◆ Accelerated growth (loans up 2x) has given visibility to factoring and credit mgt. in:
 - ◆ Market positioning: MBCS attending all important auctions, MBFacta in top ten ranking
 - ◆ Revenues: €56m (up 35% YoY) in 6M, GOP: €22m (up 39% YoY) in 6M
 - ◆ MBCS: revenues up 59% YoY (to €37m) and GOP up 40% (to €13m) driven by ptf growth (trebled YoY to €267m NBV and €4bn GBV)
 - ◆ MBFacta: higher revenues (up 9% to €20m) and GOP (up 40% to €10m) driven by volumes (up 64% to €1.8bn)
- ◆ **M&A scouting ongoing in Specialty Finance**

CONSOLIDATED LEADING POSITION ACHIEVED IN ITALIAN M&A

6M results as at Dec 2017 – Divisional results

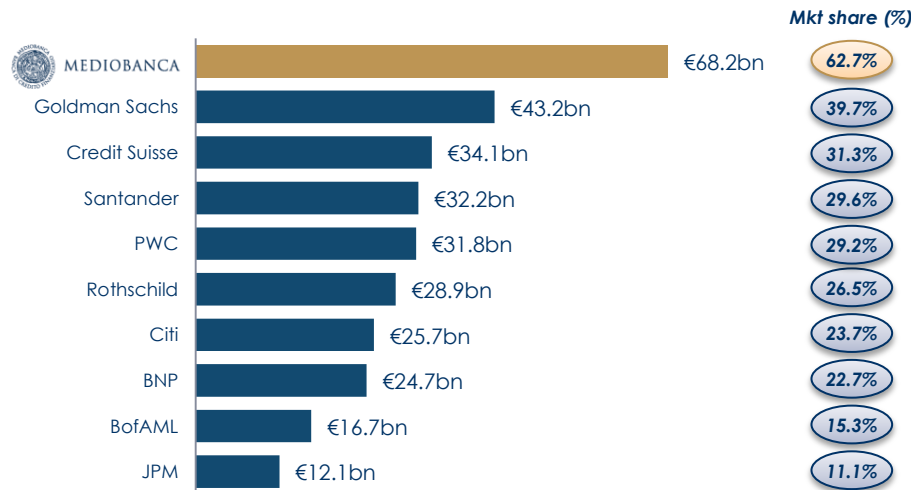
Section 2

- ◆ **Advised on all industry-shaping deals involving the Italian market in 2017**, including the Luxottica-Essilor combination, Atlantia's tender offer for Abertis, the MPS restructuring plan and loan disposal, Anima's acquisition of Aletti and Prysmian's acquisition of General Cable
- ◆ **Consolidated leading position in the Italian competitive landscape**, achieving first ranking, in line with last 10 years
- ◆ Established international recognition confirmed by **relevant positioning achieved in Europe (#13) and in other core markets (#12 France, #12 Spain)**
- ◆ **Strong development in joint Mid IB-PB mandates**

Most Relevant MB M&A Transactions of 2017

<p>Announced – Dec 2017</p>  <p>€3.1bn</p> <p>Acquisition of General Cable by Prysmian</p> <p>Financial Advisor to Prysmian</p>	<p>Announced – Nov 2017</p>  <p>Value undisclosed</p> <p>Acquisition of Banco Leonardo by Crédit Agricole Indosuez Wealth Management</p> <p>Financial Advisor to Indosuez WM/ Crédit Agricole</p>	<p>November 2017</p>  <p>ALETTI GESTIELLE SGR</p> <p>€700m</p> <p>Acquisition of Aletti Gestielle by Anima Holding</p> <p>Financial Advisor to Anima Holding</p>
<p>Announced – Oct 2017</p>  <p>€=223m</p> <p>Acquisition of Gas Natural Vendita Italia and of the Shah Deniz II Gas Contract by Edison</p> <p>Financial Advisor to Edison</p>	<p>September 2017</p>  <p>€ 1.2bn</p> <p>Public tender offer on Save by Agorà Investmenti</p> <p>Financial Advisor to Save</p>	<p>Announced – Aug 2017</p>  <p>€8.1bn</p> <p>Precautionary recapitalization of BMPS</p> <p>Disposal of GBV bad loans</p> <p>Financial Advisor to MPS</p>
<p>July 2017</p>   <p>€3.5bn</p> <p>Acquisition of 100% of Pioneer Investments</p> <p>Financial Advisor to Amundi</p>	<p>Announced – May 2017</p>  <p>abertis</p> <p>€ 16.3bn</p> <p>Atlantia Public Tender Offer on Abertis</p> <p>Financial Advisor to Atlantia</p>	<p>April 2017</p>  <p>€ 500m</p> <p>Boscolo Hotels acquisition by Vårde Partners</p> <p>Financial Advisor to Boscolo</p>
<p>February 2017</p>  <p>€700m</p> <p>Disposal of a 15% stake in HIT (Saner Group)</p> <p>Financial advisor to Caisse des Dépôts et Consignations</p>	<p>January 2017</p>  <p>€ 6.5bn (combined market cap)</p> <p>Merger between Banco Popolare and BPM</p> <p>Financial Advisor to Banco Popolare</p>	<p>Announced – Jan 2017</p>  <p>ESSILOR</p> <p>€ 47bn (combined market cap)</p> <p>Merger of Equals</p> <p>Financial Advisor to Delfin</p>

Ranking M&A Italy 2017 (Announced deals by value)



EQUITY CAPITAL MARKETS AND CASH EQUITY

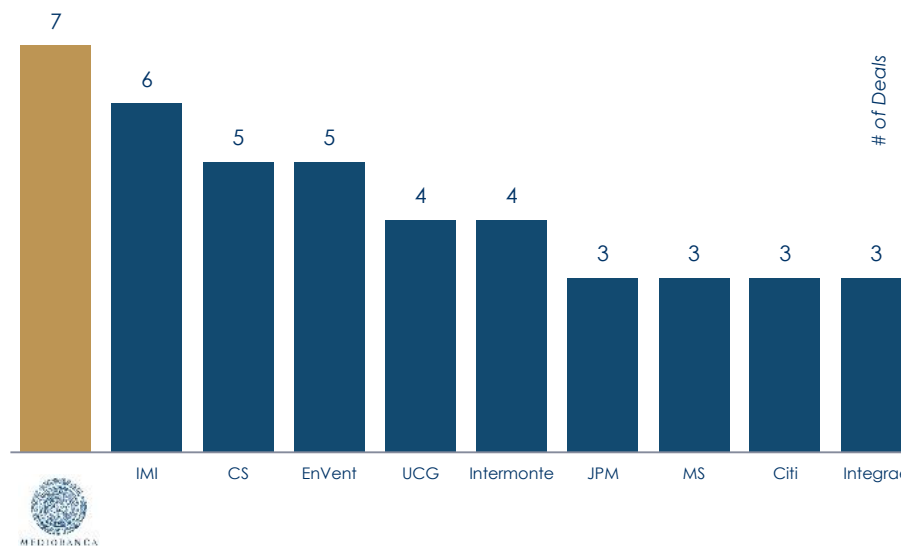
6M results as at Dec 2017 – Divisional results

Section 2

 Nov. 2017 €45m IPO Sole Global Coordinator, Bookrunner & Nomad	 Oct. 2017 €500m Rights Issue Joint Bookrunner	 Oct. 2017 €2,385m IPO Joint Bookrunner	 Oct. 2017 €424m IPO Joint Global Coordinator & Joint Bookrunner
 Sep. 2017 €90m IPO Joint Global Coordinator & Joint Bookrunner	 Sep. 2017 €56m ABB Joint Global Coordinator & Joint Bookrunner	 Jul. 2017 €150m IPO Joint Bookrunner	 Jul. 2017 €7,072m Rights Issue Joint Bookrunner
 Jun. 2017 €400m Rights Issue Co-Bookrunner	 May 2017 €110m ABB Sole Bookrunner	 May 2017 CHF4,247m Rights Issue Co-Lead Manager	 Mar. 2017 €8,009m Right Issue Joint Bookrunner
 Mar. 2017 €1,427m Right Issue Joint Bookrunner	 Mar. 2017 €4,018m Rights Issue Co-Bookrunner	 Feb. 2017 €13,000m Right Issue Joint Global Coordinator & Joint Bookrunner	 Jan. 2017 €1,332m Rights Issue Joint Bookrunner

- ◆ **Mediobanca boasts an unrivalled track record in Italian ECM transactions**, having managed virtually all the largest deals (14 deals managed in 2017 for a total amount of **approx. €17 bn**)
- ◆ **Growing leadership in Southern European markets**: 8 deals managed outside Italy for a total amount greater than €26 bn in 2017
- ◆ **Cash equity: leadership of Mediobanca Securities (MBS) as the best equity brokerage house in Italy confirmed for the third year in a row** (Extel Survey*)

Global Co-ordinator Italy ECM¹ (2017)



MEDIOBANCA

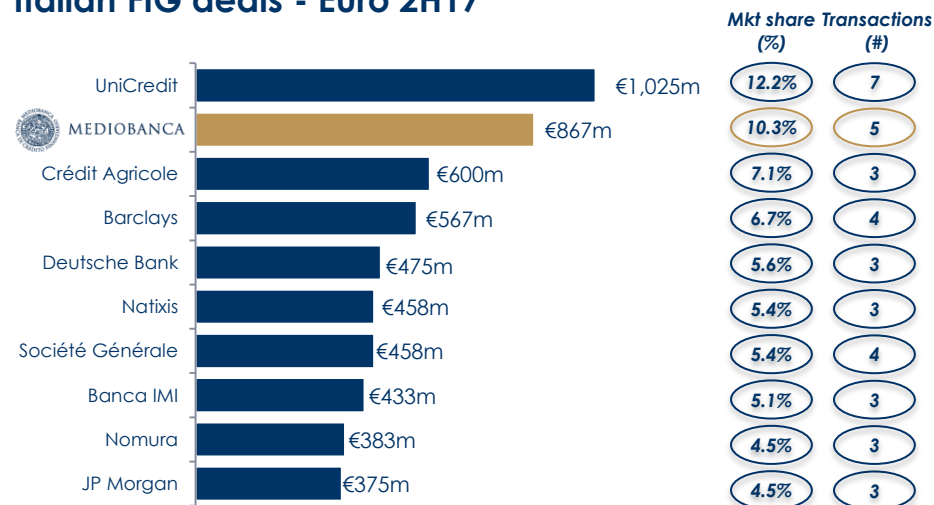
DEBT CAPITAL MARKETS

- ◆ **Involved in the main deals by Italian issuers in 2017**, both for corporates (including Esselunga debut issue, Wind Tre refinancing and Iren Green Bond) and financials (including Crédit Agricole Cariparma covered bond and BPER Tier 2)
- ◆ Active in the **private debt market** having concluded deals for both national and international investors
- ◆ **Strong international presence** (among others, Novo Banco tender offer and consent solicitation, Shop Direct debut GBP-issue and Vantiv cross-border M&A financing)

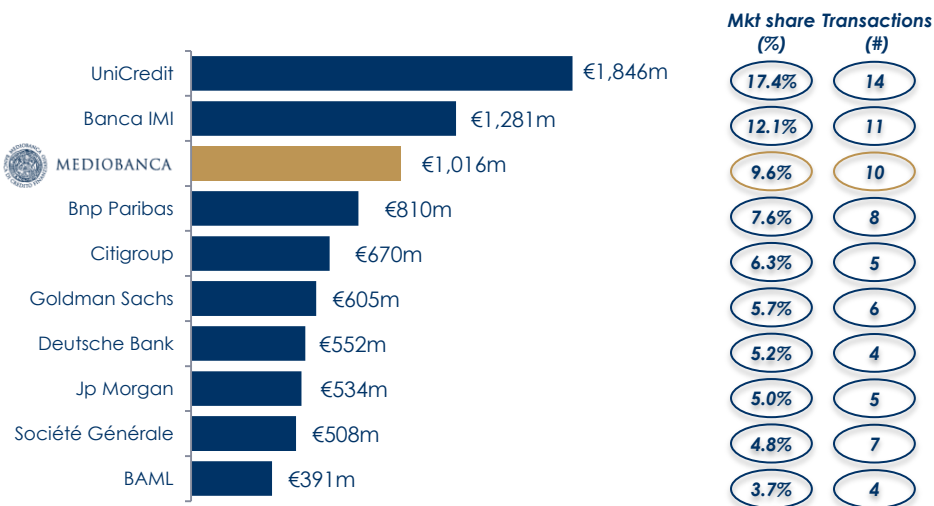
Most relevant DCM Transactions in 2017



Italian FIG deals - Euro 2H17



Italian Corporate IG/Unrated deals - Euro 2H17

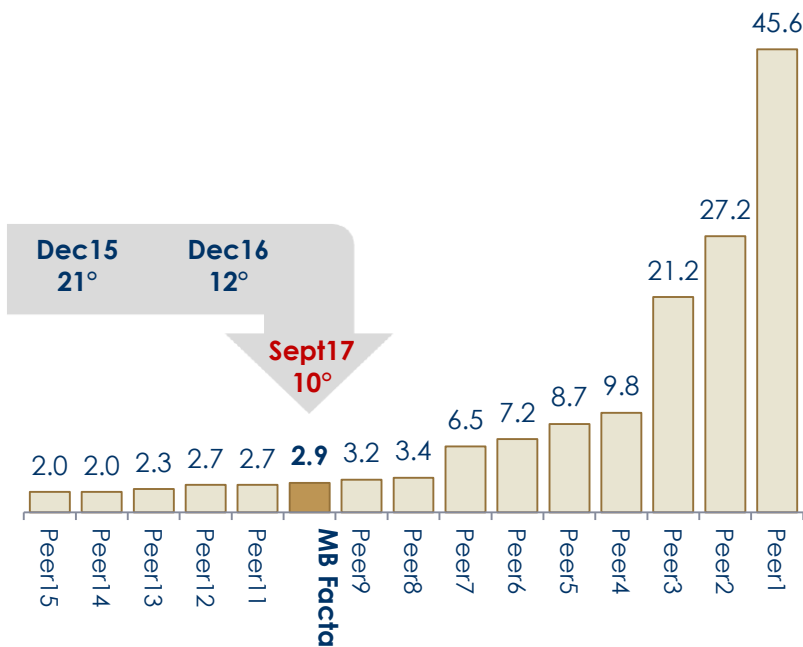


SPECIALTY FINANCE: INTENSE ACTIVITY SUPPORTING GROWTH ...

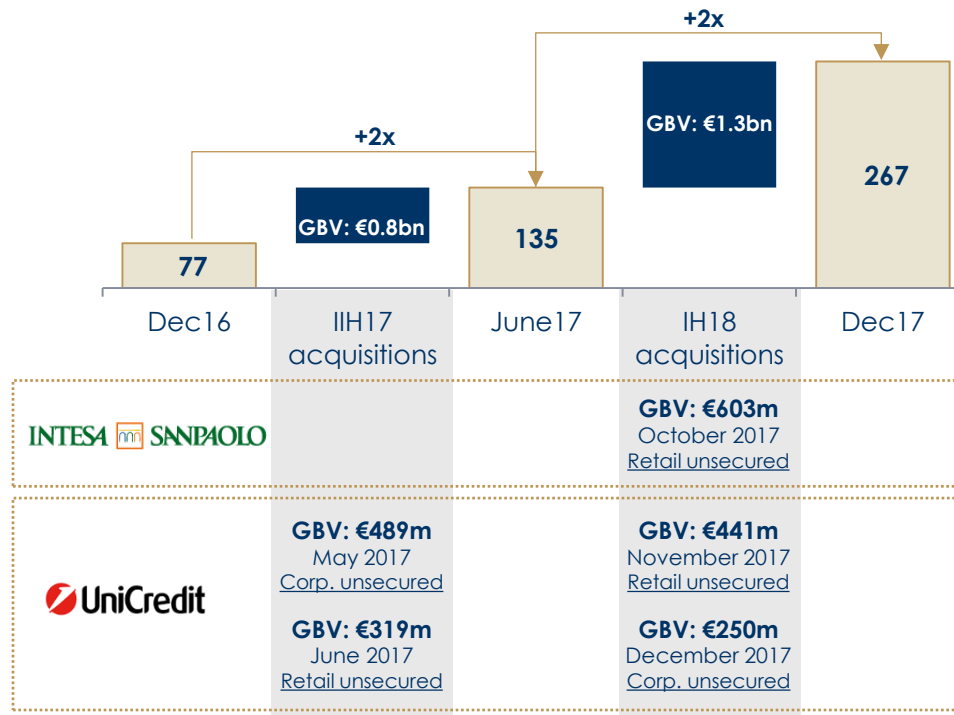
6M results as at Dec 2017 - Divisional results

Section 2

MBFacta market positioning
(turnover as at Sept17, €bn, Assifact)



MBCredit Solution loan book trend (€m)



- ◆ **MBFacta: now one of the top 10 players in Italy.** Loan book up 64% YoY (from €1.1 to €1.8bn).
- ◆ **MBCredit Solutions: significant presence on the market in the last 12m.** Net loan book up 3X YoY (from €77m to €267m) after €2.1bn GBV portfolios acquired (reaching a total amount above €4bn)

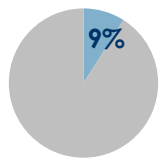
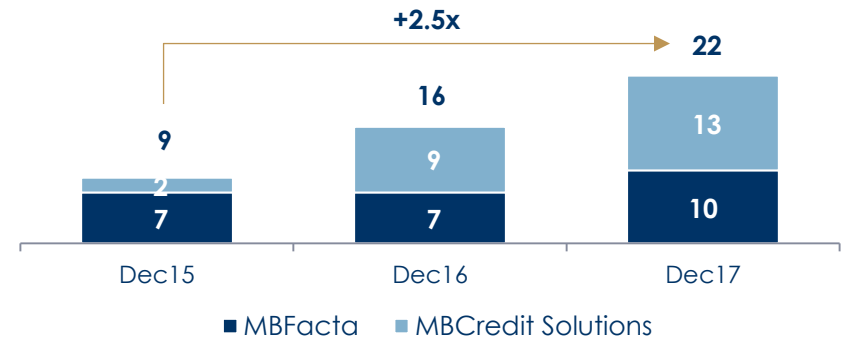
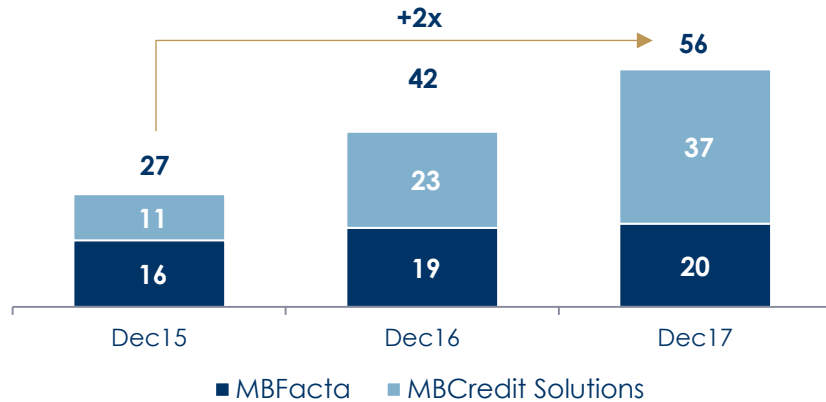
... AND INCREASING CONTRIBUTION TO CIB

6M results as at Dec 2017 - Divisional results

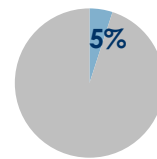
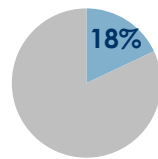
Section 2

Specialty Finance revenues by segment (6M, €m)

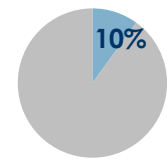
Specialty Finance GOP risk adj by segment (6M, €bn)



Revenues: SF / CIB



GOP: SF / CIB



- ◆ **Specialty Finance doubled in 2Y:** revenues from €27m to €56m and GOP from €9m to €22m, with significant contribution from the fast-growing NPLs business
- ◆ **Specialty Finance visible and material contributor to CIB,** representing today:
 - ◆ 18% of revenues (9% 2Y ago)
 - ◆ 10% of GOP (5% 2Y ago)

PRINCIPAL INVESTING

**Principal Investing
(PI)**

Principal Investing

Ass. Generali

AFS stake ptf

PRINCIPAL INVESTING: KEEP DISPOSING

6M results as at Dec 2017 - Divisional results

Section 2

PRINCIPAL INVESTING Continue disposing ROAC at 13%

- ◆ **Disposal ongoing:** €250m equity disposed in last 6M with €94m of capital gains
- ◆ **Increasing NAV:** up 2% to €3.6bn, up 7% at the end of January (€3.7bn)
- ◆ **AFS portfolio including ~€150m of seed capital** and ~€50m invested in private equity funds
- ◆ In last quarter deduction of AG stake from CET1 increased due to more stringent concentration limit
 - ◆ now roughly 2/3 of AG exposure already deducted
 - ◆ **AG stake disposal** (-3pp by June19) **confirmed, as evidence of value creation from capital redeployment into businesses even stronger**
- ◆ **Revenues down 10% due to lower AG contribution** (impacted by writedowns)
- ◆ **ROAC** decreasing due to higher deduction, but still **double-digit**

Portfolio breakdown €m	%	Book value	AFS reserve
Ass.Generali	13.0%	3.146	n.m. ¹
Atlantia	-	-	-
Italmobiliare	6.1%	69	45
RCS Mediagroup	6.6%	42	20
Other listed equities		12	5
Other unlisted equities		356	53
Total		3.625	123

Disposal of Atlantia completed, €89m capital gain

~€150m of seed capital

HOLDING FUNCTIONS

Holding Functions

Group ALM & Treasury

Leasing

HOLDING FUNCTIONS – CONTINUE OPTIMIZING

6M results as at Dec 2017 - Divisional results

Section 2

HOLDING FUNCTIONS Optimization ongoing Losses reduced by 43%

- ◆ **Treasury NII strongly improved due to**
 - ◆ **Liquidity optimization (treasury down 22% to €13bn)**
 - ◆ **LCR ratio** down from 256% to **190%**, liquidity reduction coupled with loan growth (up 5% YoY)
 - ◆ **Cost of funding reduction ongoing** (avg. stock CoF at 90bps, down 10bps)
 - ◆ TLTRO I repaid (€1.5bn at Sept17)
 - ◆ MB bonds: €2.3bn MB bond issued in last 6M@50bps vs €2.7bn bond expired @125bps
 - ◆ Retail CoF reduced by growing proportion of PB deposits and CheBanca! lower remuneration
- ◆ **Leasing profitable**
 - ◆ **Loan book down 8% YoY** due to old portfolio runoff partially offset by **selective and profitable new business**
 - ◆ **Positive NPL reduction workout:**
 - ◆ NPLs down 20% YoY (from €197m to €157m) with decreasing incidence to loans (from 8.4% to 7.2%)
 - ◆ Bad loans down 35% YoY (from €48m to €31m) with decreasing incidence to loans (from 2.0% to 1.4%)
- ◆ **Net loss reduced by 43%** (to 70m)
 - ◆ Improved NII
 - ◆ Lower provisions to DGS and FITD funds

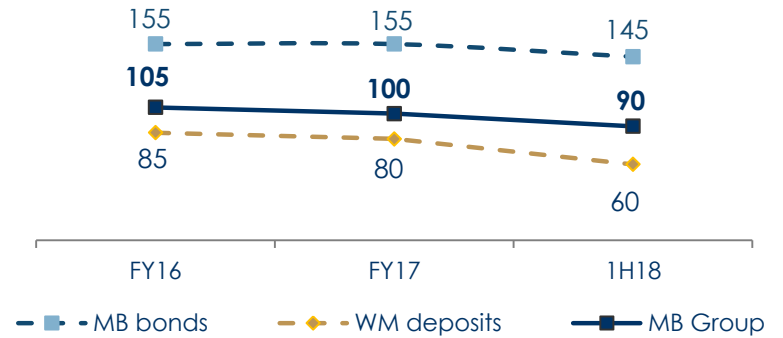
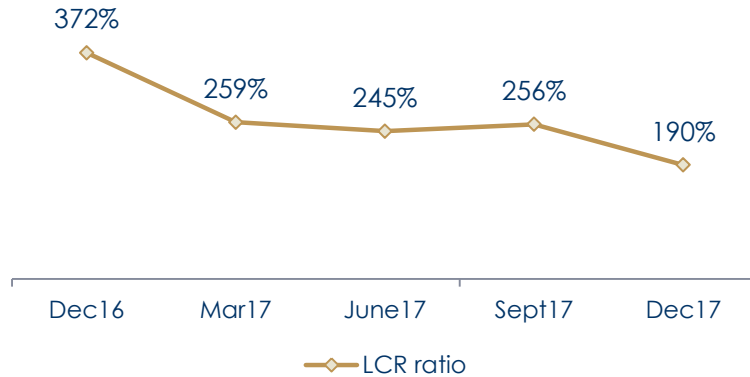
NII RECOVERING ON LCR & COF OPTIMIZATION

6M results as of Dec17 – Divisional results

Section 2

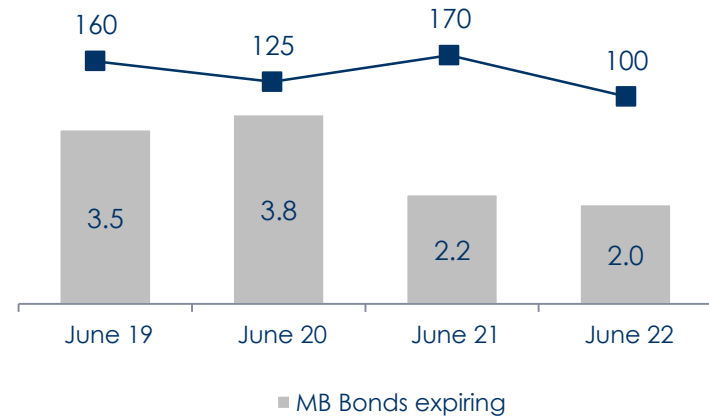
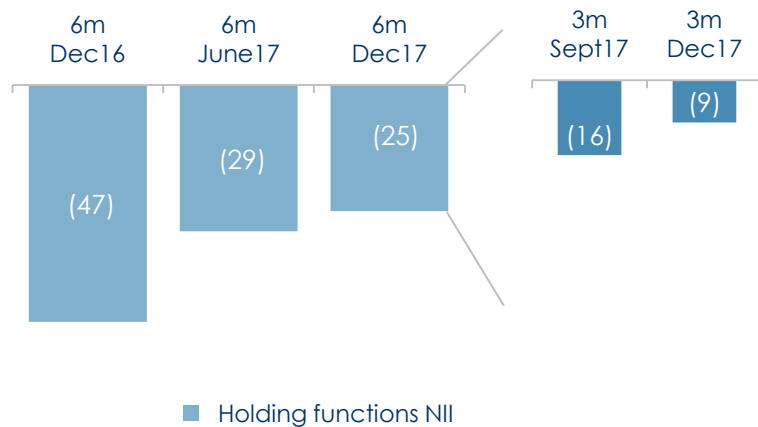
LCR optimization...

... and gradual average cost of funding reduction... (bps vs Eur3M)



...led to NII recovery, especially in last Q (€m)

More to come in terms of cost of funding reduction (€bn, bps over Eur3M)



AGENDA

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

Annexes

1. Last 3M takeaways
2. Quarterly segmental reporting tables
3. Glossary



CLOSING REMARKS

MEDIOBANCA

Different DNA and growth capability

Reshaping continuing, paving the way to different valuation metric

- ◆ **6M as at Dec17: best-ever half results by revenues** (up 9% to €1.2bn), **GOP** (up 23% to €523m), **and net profit** (up 14% to €476m)
- ◆ **MB business model has proved to be effective, delivering outstanding growth**
In last 2Y MB top performer in European landscape for
 - ◆ Revenue growth, net interest income accretion, fee income increase
 - ◆ Organic capital generation
 - ◆ Profitability (ROTE 11%)
- ◆ **Mediobanca “DNA & quality” recently testified by**
 - ◆ Confirmation of SREP minimum CET1 ratio at lowest levels
 - ◆ Further improvement of asset quality ratios, already among the best in Europe
 - ◆ AIRB validation for corporate portfolio
 - ◆ No impact expected from regulation in foreseeable future
- ◆ **Good operating trend to be consolidated in the second half, improved shareholder remuneration**
 - ◆ WM: already at 25% of Group revenues, more growth to come driven by distribution enhancement/new projects
 - ◆ Consumer: continue growing, with no compromise on sustainability
 - ◆ CIB: leverage positive market trends
 - ◆ Payout ratio: improved guidance to 40-50% (from 40%)
 - ◆ M&A: continue to scout selected opportunities



MEDIOBANCA
6M results as at
31 December 2017

Milan, 9 February 2018



MEDIOBANCA

LAST 3M KEY TAKEAWAYS

6M results as at Dec 2017

Annex1

NII up 3% to €340m driven by Consumer and HF

- ◆ **Consumer** up 2% to €218m
- ◆ **HF** up 43% to -€9m
- ◆ **CIB** down 2% to €67m
- ◆ **WM** down 2% to €63m

Fees up 11% to €153m driven by CIB and WM

- ◆ **CIB** up 19% to €63m
- ◆ **WM** up 18% to €66m, **AUM up €1bn to €31.5bn**
- ◆ Consumer down 11% to €29m

Asset quality further improved CoR maintained at 60bps

- ◆ **CoR at 60bps, still extremely low, with**
 - ◆ CIB: writebacks again, for the sixth Q in a row
 - ◆ Consumer: CoR down to 196bps, for the first time ever below 200bps
- ◆ **NPLs: reduction in stock and incidence to loans**
 - ◆ Net NPLs below €0.9bn, down both as stock (4% gross and 5% net YoY) and as % of loans (gross 4.8%, net 2.3%); coverage stable at 55%
 - ◆ Bad Ls coverage up to 72%

Capital solidity further improved AIRB validation for corporate loans CET1 up to 14.3%

- ◆ Validation of AIRB for corporate portfolio obtained
- ◆ Mediobanca IRB roll-out plan authorized
- ◆ RWAs density on corporate ptf. from 100% to 62%
- ◆ RWAs savings: €5bn, WB RWA down by 22%
- ◆ Additional 140bps CET1
- ◆ Pro-forma CET1 ratio up to 14,3% despite additional 40bps AG deduction (more stringent concentration limit)

MEDIOBANCA GROUP P&L

6M results as at Dec 2017

Annex 2

€m	2H Dec17	1H June17	2H Dec16	Δ YoY ¹	4Q Dec17	3Q Sept17	2Q June17	1Q Mar17
Total income	1,170	1,123	1,072	9%	572	598	539	584
Net interest income	672	652	636	6%	340	332	333	320
Fee income	291	286	237	23%	153	138	121	165
Net treasury income	85	58	64	34%	47	39	16	42
Equity accounted co.	121	128	136	-11%	32	90	70	58
Total costs	(533)	(560)	(464)	15%	(278)	(256)	(301)	(259)
Labour costs	(271)	(285)	(231)	17%	(141)	(130)	(152)	(133)
Administrative expenses	(263)	(275)	(232)	13%	(137)	(126)	(148)	(127)
Loan loss provisions	(113)	(133)	(184)	-38%	(59)	(55)	(69)	(64)
GOP risk adjusted	523	430	425	23%	235	288	169	261
Impairments, disposals	94	47	114	-17%	6	88	25	22
Non recurring (SRF contribution)	(10)	(76)	(26)	-60%	(5)	(5)	(46)	(30)
Income taxes & minorities	(130)	(69)	(95)	38%	(60)	(70)	(12)	(57)
Net result	476	332	418	14%	175	301	136	196
Cost/income ratio (%)	46	50	43	+3pp	49	43	56	44
LLPs/Ls (bps)	58	70	102	-44bps	60	57	73	69
ROTE (%)	11	8	10	+1pp				

MEDIOBANCA GROUP A&L

6M results as at Dec 2017

Annex 2

€bn	Dec17	Sept17	June17	Dec16	Δ HoH ¹	Δ YoY ¹
Funding	47.4	48.5	49.1	49.7	-4%	-5%
Bonds	18.8	20.2	19.3	19.7	-3%	-4%
Direct deposits (Retail&PB)	18.2	17.8	17.8	17.4	+2%	+4%
ECB	4.3	4.3	5.9	6.5	-26%	-33%
Others	6.1	6.2	6.1	6.1	-1%	-0%
Loans to customers	39.6	38.7	38.2	37.6	+4%	+5%
Wholesale	13.4	13.3	12.8	14.2	+5%	-5%
Specialty Finance	2.0	1.6	1.6	1.2	+24%	+76%
Consumer	12.1	11.9	11.8	11.2	+3%	+8%
Mortgage	7.7	7.6	7.5	7.4	+3%	+4%
Private banking	2.2	2.2	2.2	1.2	-1%	+81%
Leasing	2.2	2.2	2.3	2.4	-4%	-8%
Treasury+AFS+HTM+LR	13.2	15.3	16.5	16.8	-20%	-22%
RWAs	52.1	52.8	52.7	53.8	-1%	-3%
Loans/Funding ratio	84%	80%	78%	76%		
CET1 ratio: phase-in / fully phased (%)	12.9 / 12.9	13.3 / 13.5	13.3 / 13.5	12.3 / 12.8		
TC ratio: phase-in / fully phased (%)	16.2 / 16.4	16.7 / 17.0	16.9 / 17.1	15.7 / 16.4		

CIB RESULTS

6M results as at Dec 2017

Annex 2

€m	2H Dec17	1H June17	2H Dec16	Δ YoY ¹	4Q Dec17	3Q Sept17	2Q June17	1Q Mar17
Total income	317	322	314	+1%	164	153	129	193
Net interest income	136	139	153	-11%	67	69	70	69
Net treasury income	65	39	54	+19%	34	31	7	32
Fee income	117	143	107	+9%	63	53	51	92
Total costs	(121)	(135)	(112)	+8%	(64)	(57)	(70)	(65)
Loan loss provisions	22	1	(9)		6	16	(2)	3
GOP risk adjusted	218	188	193	13%	107	111	57	130
Other	1	0	(3)		0	1	(1)	1
Income taxes	(72)	(60)	(64)		(35)	(37)	(20)	(40)
Net result	146	128	126	16%	72	75	36	91
Cost/income ratio (%)	38	42	36	+2pp	39	38	54	34
LLPs/Ls (bps)	(29)	(2)	12	-41bps	(17)	(42)	4	(7)
Loans (€bn)	15.5	14.5	15.4	+1%	15.5	14.9	14.5	14.7
RWAs (€bn)	24.9	23.1	24.8	0%	24.9	23.6	23.1	23.4
ROAC (%)	13	12	11	+2pp				

WB RESULTS

6M results as at Dec 2017

Annex 2

€m	2H Dec17	1H June17	2H Dec16	Δ YoY ¹	4Q Dec17	3Q Sept17	2Q June17	1Q Mar17
Total income	261	277	273	-4%	133	127	107	170
Net interest income	106	117	132	-20%	52	54	59	57
Net treasury income	65	40	54	20%	34	31	7	32
Fee income	90	121	87	4%	48	42	40	81
Total costs	(102)	(115)	(97)	5%	(53)	(49)	(59)	(56)
Loan loss provisions	37	13	2		15	22	4	10
Operating profit	195	175	177	10%	95	100	51	124
Other	1	0	(3)		0	1	(1)	1
Income taxes	(65)	(57)	(60)	8%	(32)	(34)	(18)	(39)
Net result	131	118	114	15%	64	67	32	86
Cost/income ratio (%)	39	42	36	+3pp	40	38	56	33
LLPs/Ls (bps)	(56)	(20)	(2)	-54bps	(44)	(67)	(12)	(27)
Loans (€bn)	13.4	12.8	14.2	-5%	13.4	13.3	12.8	13.5
RWAs (€bn)	22.8	21.5	23.7	-4%	22.8	21.9	21.5	22.3
ROAC (%)	13	12	11	+2pp				

SPECIALTY FINANCE RESULTS

6M results as at Dec 2017

Annex 2

€m	2H Dec17	1H June17	2H Dec16	Δ YoY ¹	4Q Dec17	3Q Sept17	2Q June17	1Q Mar17
Total income	56	45	42	35%	31	26	22	23
Net interest income	30	23	22	38%	15	15	11	12
Fee income and other income	27	22	20	31%	15	11	11	11
Total costs	(20)	(20)	(15)	29%	(11)	(9)	(11)	(10)
Loan loss provisions	(15)	(12)	(11)	36%	(8)	(6)	(5)	(7)
GOP risk adjusted	22	12	16	39%	11	11	6	6
Income taxes	(7)	(3)	(4)		(4)	(4)	(2)	(1)
Net profit	15	9	12	22%	8	7	4	5
Cost/income ratio (%)	35	45	36	-1pp	36	34	49	42
LLPs/Ls (bps)	159	175	212	-53bps	183	156	154	236
Loans (€bn)	2.0	1.6	1.2	+76%	2.0	1.6	1.6	1.2
of which factoring (€bn)	1.8	1.5	1.1	+64%	1.8	1.5	1.5	1.1
of which NPLs (€bn)	0.3	0.1	0.1	3X	0.3	0.1	0.1	0.1
RWAs (€bn)	2.0	1.6	1.1	+83%	2.0	1.6	1.6	1.1
ROAC (%)	18	20	23	-5pp				

CONSUMER BANKING: COMPASS RESULTS

6M results as at Dec 2017

Annex 2

€m	2H Dec17	1H June17	2H Dec16	Δ YoY ¹	4Q Dec17	3Q Sept17	2Q June17	1Q Mar17
Total income	493	461	476	+4%	247	246	222	239
Net interest income	432	410	408	+6%	218	214	205	205
Fee income	61	51	67	-10%	29	32	17	34
Total costs	(137)	(143)	(137)	+0%	(73)	(65)	(73)	(70)
Loan provisions	(122)	(117)	(159)	-24%	(59)	(63)	(58)	(59)
Operating profit	235	200	180	+30%	116	119	90	110
Income taxes	(75)	(65)	(57)	+31%	(36)	(39)	(30)	(35)
Net profit	160	135	123	+30%	79	80	60	75
Cost/income ratio (%)	28	31	29	-1pp	29	26	33	29
LLPs/Ls (bps)	204	204	286	-82bps	196	213	201	207
New loans (€bn)	3.3	3.5	3.1	+7%	1.7	1.6	1.8	1.7
Loans (€bn)	12.1	11.8	11.2	+8%	12.1	11.9	11.8	11.5
RWAs (€bn)	11.7	11.8	11.4	+2%	11.7	11.8	11.8	11.4
ROAC (%)	30	26	24	+6pp				

WEALTH MANAGEMENT RESULTS

6M results as at Dec 2017

Annex 2

€m	2H Dec17	1H June17	2H Dec16	Δ YoY ¹	4Q Dec17	3Q Sept17	2Q June17	1Q Mar17
Total income	256	245	214	+19%	133	122	128	117
Net interest income	127	127	117	+8%	63	64	66	61
Fee income	122	113	90	+35%	66	56	60	53
Net treasury income	7	6	7	+9%	5	3	3	3
Total costs	(201)	(206)	(171)	+18%	(104)	(97)	(111)	(95)
Loan provisions	(9)	(10)	(10)	-12%	(4)	(5)	(5)	(5)
Operating profit	46	29	34	+38%	25	21	12	17
Other	1	(26)	29		0	0	(19)	(6)
Income taxes	(11)	2	(14)	-24%	(5)	(6)	8	(5)
Net profit	36	6	49	-26%	21	16	0	6
Cost/income ratio (%)	79	84	80	-1pp	78	79	87	81
LLPs/Ls (bps)	18	22	27	-9bps	15	20	21	25
Loans (€bn)	9.9	9.7	8.6	+14%	9.9	9.7	9.7	8.7
TFA net of double counting (€bn)	58.4	59.9	50.6	+15%	58.4	57.2	59.9	51.7
of which AUM/AUA (€bn)	31.5	30.0	21.3	+48%	31.5	30.3	30.0	22.8
of which AUC (€bn)	8.9	12.1	11.4	-21%	8.9	9.1	12.1	11.3
of which deposits (€bn)	18.0	17.8	17.9	+0%	18.0	17.8	17.8	17.6
RWA (€bn)	5.7	5.8	5.4	+4%	5.7	5.9	5.8	5.5
ROAC (%)	12	8	10	+2pp				

CHEBANCA! RESULTS (AFFLUENT & PREMIERE)

6M results as at Dec 2017

Annex 2

€m	2H Dec17	1H June17	2H Dec16	Δ YoY ¹	4Q Dec17	3Q Sept17	2Q June17	1Q Mar17
Total income	144	143	132	+9%	74	70	73	70
Net interest income	107	105	100	+7%	53	54	55	51
Fee income	37	37	32	+17%	21	16	19	19
Total costs	(115)	(126)	(111)	+3%	(58)	(57)	(65)	(61)
Labour costs	(50)	(54)	(48)	+4%	(24)	(25)	(27)	(27)
Administrative expenses	(65)	(72)	(63)	+3%	(34)	(31)	(38)	(34)
Loan provisions	(8)	(10)	(9)	-11%	(4)	(5)	(5)	(5)
GOP risk adj.	21	7	11	+83%	12	9	4	3
Other	0	(13)	29		0	0	(5)	(8)
Income taxes	(5)	4	(11)		(2)	(3)	5	(1)
Net result	16	-2	29		10	6	4	-6
Cost/income ratio	80	88	84	-4pp	79	81	88	88
LLPs/Ls (bps)	22	27	30	-8bps	20	24	26	28
TFA (€bn)	20.6	20.4	20.8	-1%	20.6	20.3	20.4	20.9
of which AUM/AUA (€bn)	7.6	7.1	6.9	+9%	7.6	7.2	7.1	7.1
of which deposits (€bn)	13.1	13.4	13.8	-6%	13.1	13.2	13.4	13.7
Loans (€bn)	7.7	7.5	7.4	+4%	7.7	7.6	7.5	7.4
RWAs (€bn)	3.7	3.5	3.5	+5%	3.7	3.5	3.5	3.4
ROAC (%)	9	3	6	+3pp				

PRIVATE BANKING RESULTS

6M results as at Dec 2017

Annex 2

€m	2H Dec17	1H June17	2H Dec16	Δ YoY ¹	4Q Dec17	3Q Sept17	2Q June17	1Q Mar17
Total income	112	102	83	+35%	59	53	55	48
Net interest income	20	21	18	+15%	10	10	11	10
Fee income	85	76	59	+45%	45	40	41	35
Net treasury income	7	6	6	+6%	4	2	3	3
Total costs	(86)	(80)	(60)	+44%	(46)	(40)	(46)	(33)
GOP risk adjusted	26	22	23	+13%	13	12	8	14
Other	1	(12)	1		0	0	(14)	2
Income taxes	(6)	(2)	(4)		(3)	(3)	3	(4)
Net profit	20	8	20	+3%	11	10	-3	12
Cost/income ratio (%)	77	78	72	+5pp	77	77	85	70
TFA (€bn)	37.8	39.4	29.8	+27%	37.8	36.8	39.4	30.9
CMB	10.1	9.8	9.4	+8%	10.1	9.8	9.8	9.8
MB Private Banking	19.2	18.8	9.0	2X	19.2	19.0	18.8	9.6
Cairn Capital	3.3	6.5	7.4	-56%	3.3	2.9	6.5	7.1
Spafid	5.2	4.4	4.0	+30%	5.2	5.1	4.4	4.4
ROAC (%)	18	16	18					

PRINCIPAL INVESTING RESULTS

6M results as at Dec 2017

Annex 2

€m	2H Dec17	1H June17	2H Dec16	Δ YoY ¹	4Q Dec17	3Q Sept17	2Q June17	1Q Mar17
Total income	124	135	138	-10%	33	91	77	58
Gains from disposals	94	43	119	-21%	5	89	23	20
Impairments	(1)	0	(1)		(0)	(0)	0	0
Net result	205	180	242	-15%	35	171	102	78
Book value (€bn)	3.6	3.7	4.0	-9%	3.6	3.5	3.7	3.9
Ass. Generali (13%)	3.1	3.0	3.3	-6%	3.1	3.1	3.0	3.2
AFS stakes	0.5	0.7	0.6	-25%	0.5	0.4	0.7	0.7
Market value (€bn)	3.6	3.6	3.5	2%	3.6	3.6	3.6	3.6
Ass. Generali	3.1	2.9	2.9	8%	3.1	3.2	2.9	2.8
RWA (€bn)	6.0	7.7	7.2	-17%	6.0	7.3	7.7	7.6
ROAC (%)	13	16	15					

HOLDING FUNCTIONS RESULTS

6M results as at Dec 2017

Annex 2

€m	2H Dec17	1H June17	2H Dec16	Δ YoY ¹	4Q Dec17	3Q Sept17	2Q June17	1Q Mar17
Total income	(11)	(18)	(38)		(3)	(8)	(10)	(8)
Net interest income	(25)	(29)	(47)		(9)	(16)	(11)	(18)
Net treasury income	5	4	(0)		3	2	(3)	7
Fee income	9	7	9		3	6	4	4
Total costs	(81)	(96)	(71)	+15%	(40)	(41)	(52)	(44)
Loan provisions	(5)	(6)	(6)	-22%	(3)	(2)	(3)	(3)
Operating profit	(97)	(120)	(115)	-16%	(45)	(52)	(65)	(55)
Other (incl. SRF/DGS contribution ¹)	(11)	(48)	(59)	-81%	(5)	(6)	(24)	(23)
Income taxes & minorities	38	48	52	-27%	18	20	26	22
Net profit	(70)	(119)	(123)	-43%	(32)	(39)	(63)	(56)
LLPs/Ls (bps)	44	49	52	-8bps	46	43	50	48
Banking book (€bn)	6.5	7.6	6.9	-7%	6.5	6.8	7.6	7.1
New loans (€bn)	0.2	0.2	0.2	-10%	0.1	0.1	0.1	0.1
Loans (€bn)	2.2	2.3	2.4	-8%	2.2	2.2	2.3	2.3
RWA	3.9	4.3	4.9	-20%	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
Ls	Loans
LLPs	Loan loss provisions
M&A	Merger and acquisitions
NAV	Net asset value
NII	Net Interest income
NP	Net profit
NPLs	Group non performing loans net of NPLs purchased by MB Credit Solutions (€135m as at June17 – €71m as at June16)
PBT	Profit before taxes
ROAC adj	Adjusted return on allocated capital ¹
ROTE	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%)
- 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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