MEDIOBANCA

Banca di Credito Finanziario S.p.A.

1H results as at December 09

Milan, 24 February 2010

Steady growth delivered in top line and profitability

- **Solid progression in revenues (up 22%), despite still weak economic and financial scenario**
  - NII up 4% YoY and 6% QoQ, driven by all divisions, in particular CIB (NII up 21% YoY and up 12% QoQ)
  - Fee income up 26% YoY, resilient at high levels reported last quarter
  - Income from securities up 81% YoY

- **Net income tripled to €270m and profitability recovering despite:**
  - Costs up 16% due to ongoing enhancement of distribution platform, C/I ratio 34%
  - Loan book down 9% YoY due to weak demand and different asset allocation
  - Cost of risk still high (150 bps in 4Q09), albeit reducing in last two quarters
  - €90m writedowns to equities

- **Liquidity and solidity improving further**
  - Retail deposits: €1.6bn net inflows in last six months to reach €7.9bn (15% of group funding)
  - Loans/deposits ratio to 0.63; tangible loan book up 15% (to €5.9bn), representing 10% of total assets
  - Core Tier1 ratio up to 11.0%

Steady growth delivered in top line and net profit

1H10 results

Main trends

- YoY.: banking revenues up hugely due to NII (up 4%), fees (up 26%) and trading; top-line growth offset higher costs and loan loss provisions; PBT four times higher than last year at €396m; net profit tripled, to reach €270m
- QoQ.: strong quarter for NII (up 6%, with growth in both corporate and retail) and fees (resilient at high levels), lower contribution from trading. As expected costs up to normalized levels; appreciable reduction in LLPs, especially in wholesale banking (down 25%)

Group KPIs (€m)

	Dec09 6m	Dec08 6m	Δ YoY	4Q09 3m	3Q09 3m
Total income	1,145	939	+22%	467	678
NII + fees	725	652	+11%	367	358
Trading + AFS + PI	420	287	+46%	100	320
Total costs	(394)	(339)	+16%	(213)	(182)
Provisions to loans	(270)	(207)	+31%	(130)	(140)
Writedowns	(90)	(281)	-68%	(17)	(74)
Profit before taxes	396	112	+4x	108	287
Net profit	270	100*	+3x	69	201

* Includes €46m one-off tax gain

Balance sheet: solid and liquid

1H10 results

Main trends

- Liquidity enhanced
  - loan/deposit ratio at 0.63
  - treasury +AFS up 62%
- Solidity improved
  - tangible book up 15% to €5.9bn
  - core Tier1 ratio up to 11%
  - tangible BV = 10% assets
- **Funding diversified:** retail deposits now represent 15% of Group funding
- Loans reduced
  - CIB down 13%
  - Consumer credit down 3%
  - Mortgage lending up 14%

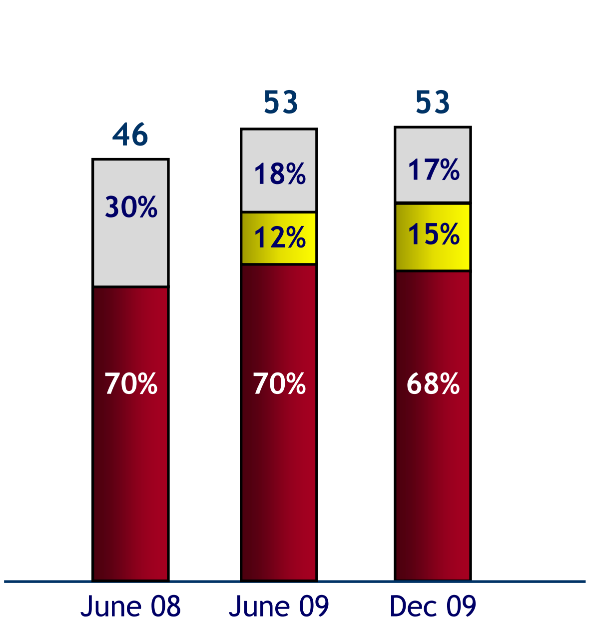
Group KPIs (€bn)

	Dec 09	June 09	Dec 08	Δ YoY
Funding	52.9	53.4	48.3	+10%
of which retail	7.9	6.2	0.6	nm
Loans to customers	33.5	35.2	36.6	-9%
Treasury + AFS	21.3	19.4	13.2	+62%
Tangible book	5.9	5.4	5.1	+15%
Total assets	60.9	60.7	55.3	+10%
RWA	52.4	52.7	51.5	+2%
Core Tier1 ratio	11.0%	10.3%	10.2%	+0.8pp

Increased and diversified funding, more liquid assets

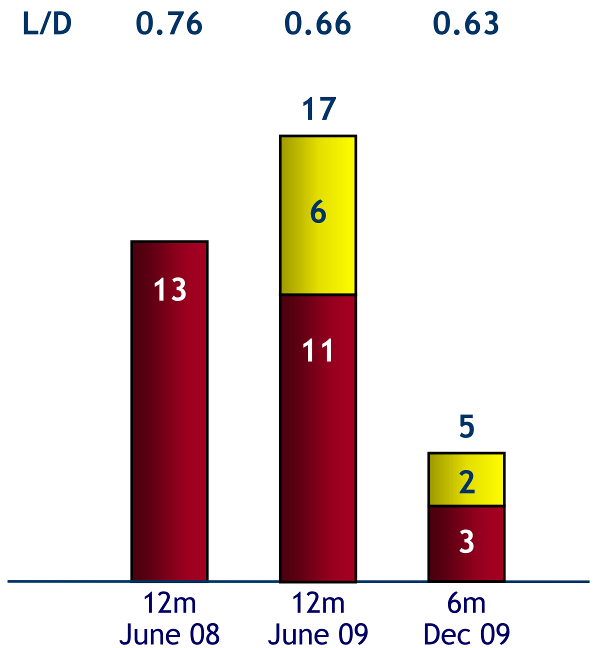
1H10 results

MB Group funding (€bn)



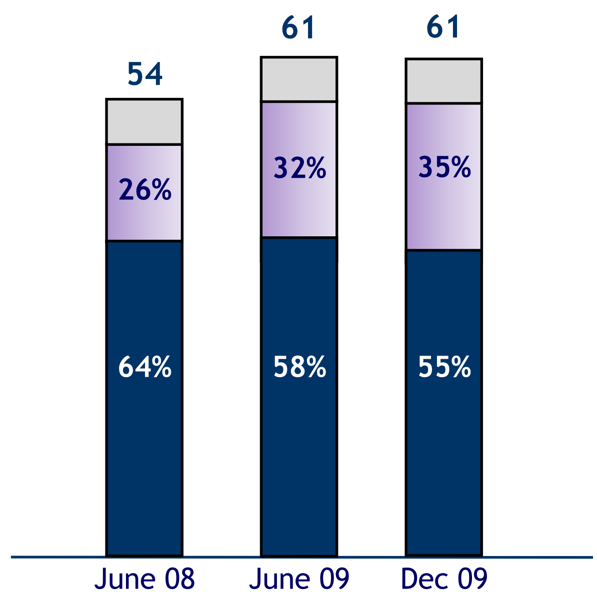
- Funding diversifying: 15% retail
- Interbank funds reducing

New funds raised (€bn)



- Retail deposits 40% of new funds
- Liquidity improved: L/D = 0.63

Total assets (€bn)



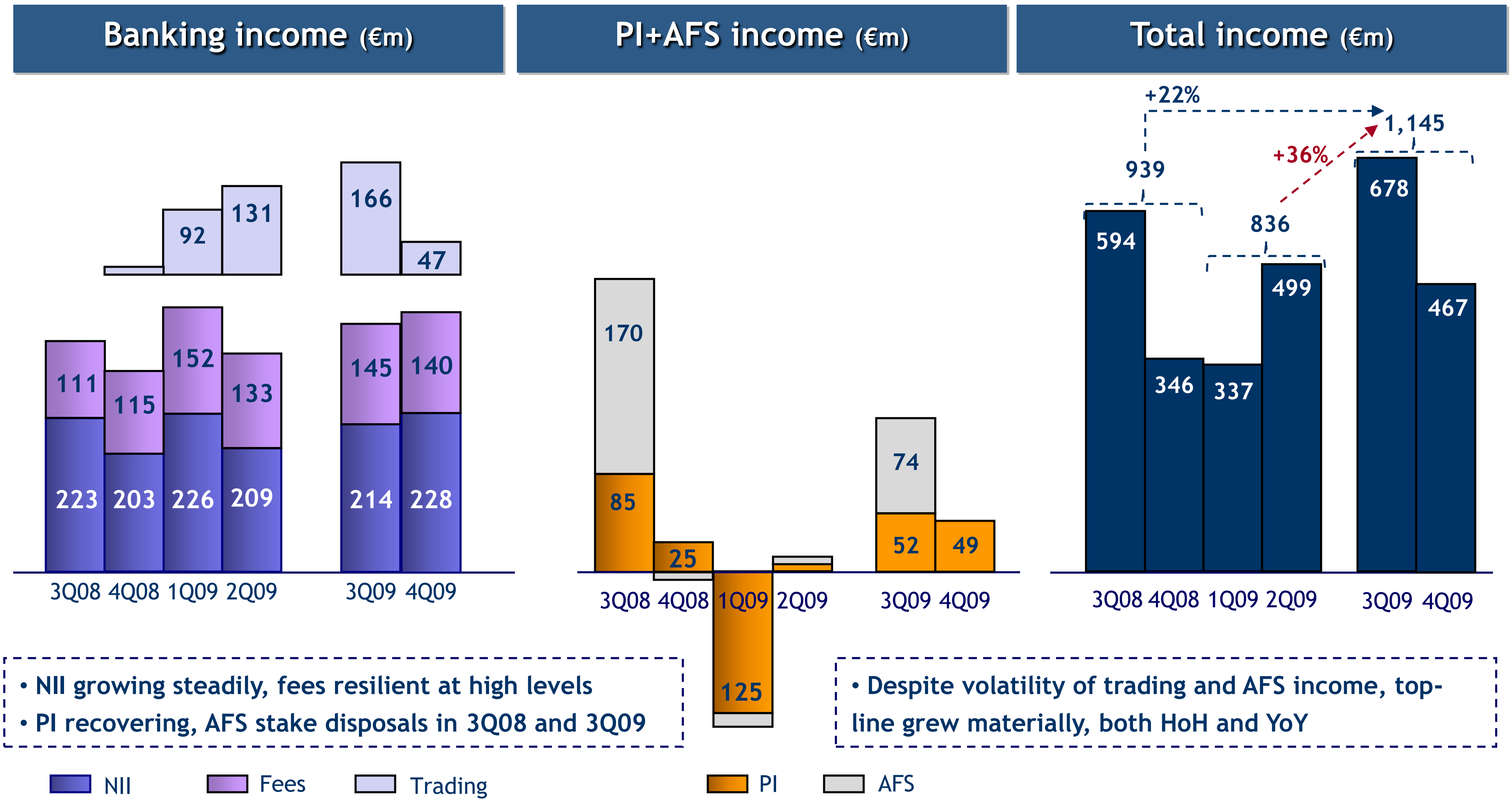
- Assets growth driven by AFS and Treasury

Interbank/others MB bonds Retail deposits

Loans AFS and Treasury

Steady growth in top line

1H10 results



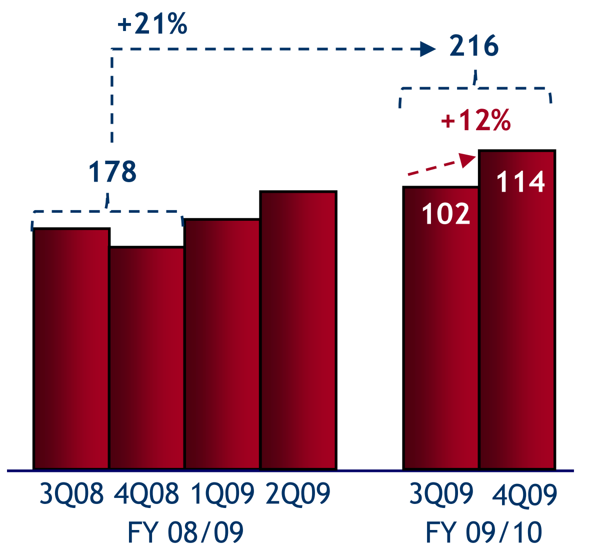
- NII growing steadily, fees resilient at high levels
- PI recovering, AFS stake disposals in 3Q08 and 3Q09

- Despite volatility of trading and AFS income, top-line grew materially, both HoH and YoY

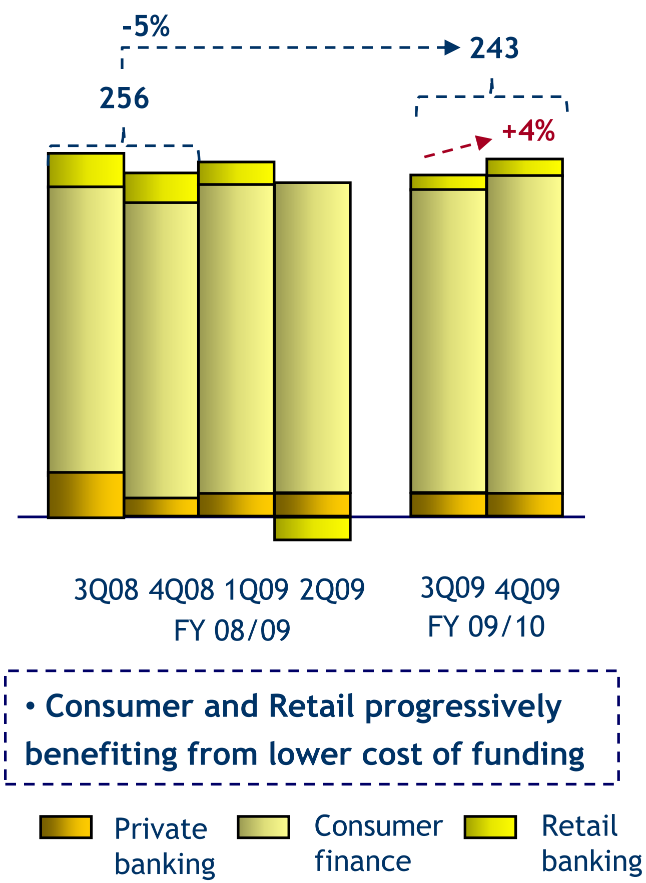
NII growing in corporate & retail

1H10 results

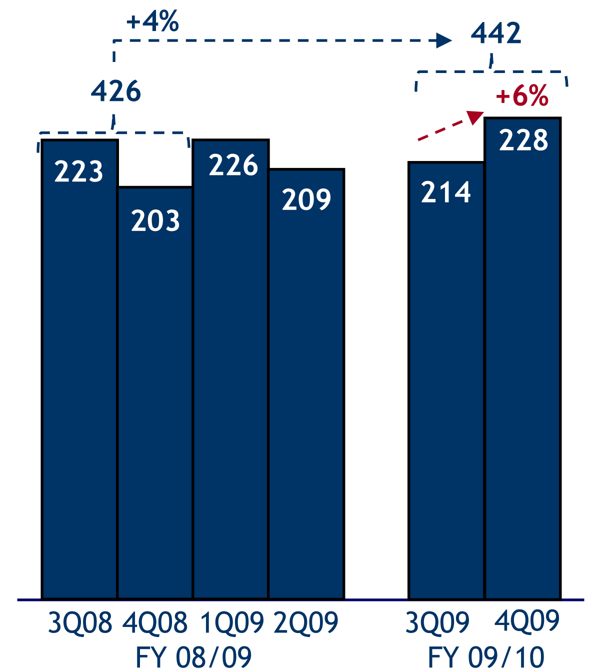
CIB NII (€m)



RPB NII (€m)



Group NII (€m)*



- NII driven by loan book re-pricing and higher treasury volumes

- Consumer and Retail progressively benefiting from lower cost of funding

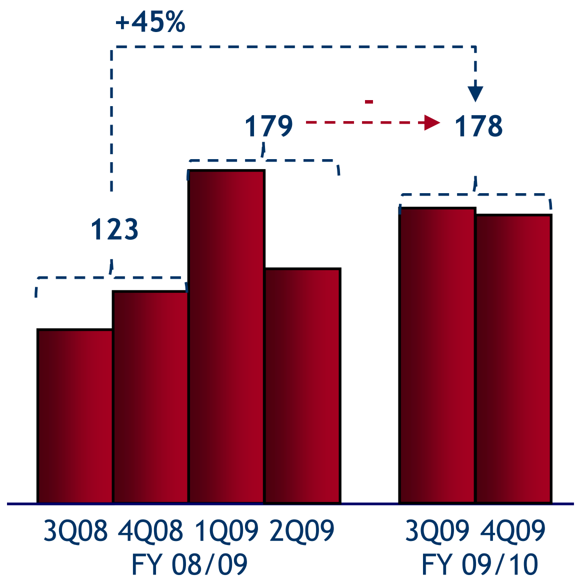
- NII growth in all divisions

*Group figures differ from the sum of CIB and RPB, as B.Esperia is equity-acc. as opposed to being accounted for pro-rata as in RPB division

Fee income at high level

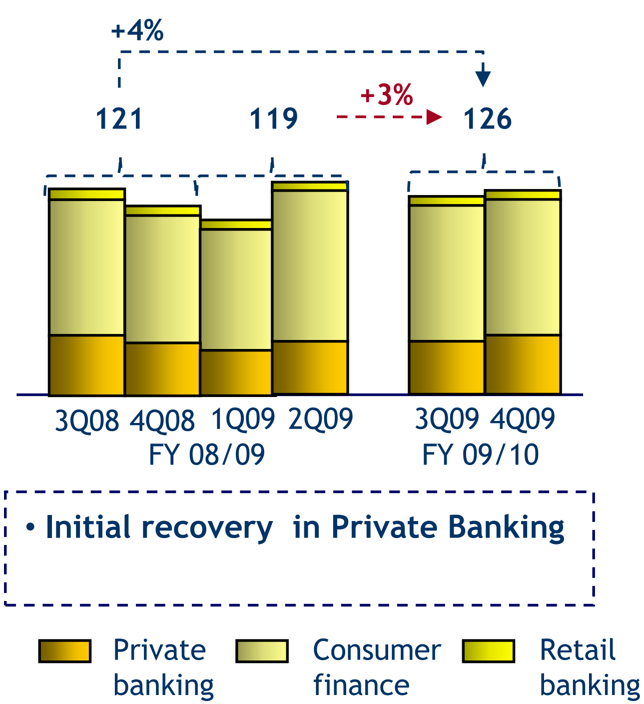
1H10 results

CIB fees (€m)



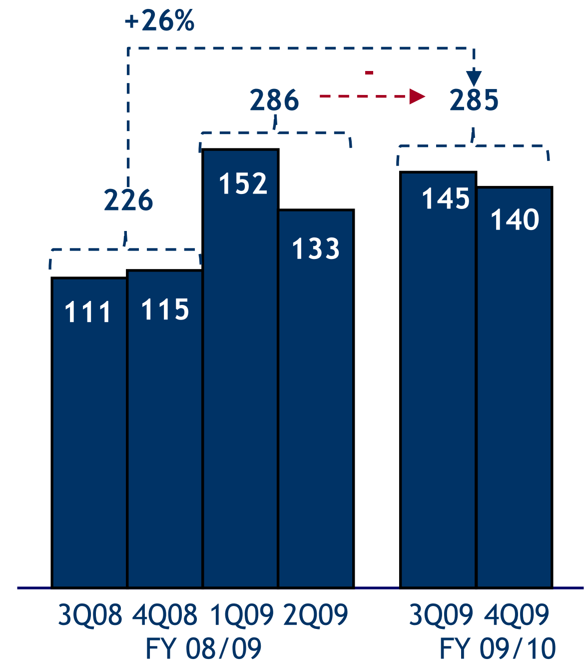
• Another solid quarter driven by CapMkt activities

RPB fees (€m)



• Initial recovery in Private Banking

Group fees (€m)*



• Fee income flat HoH, up 26% YoY

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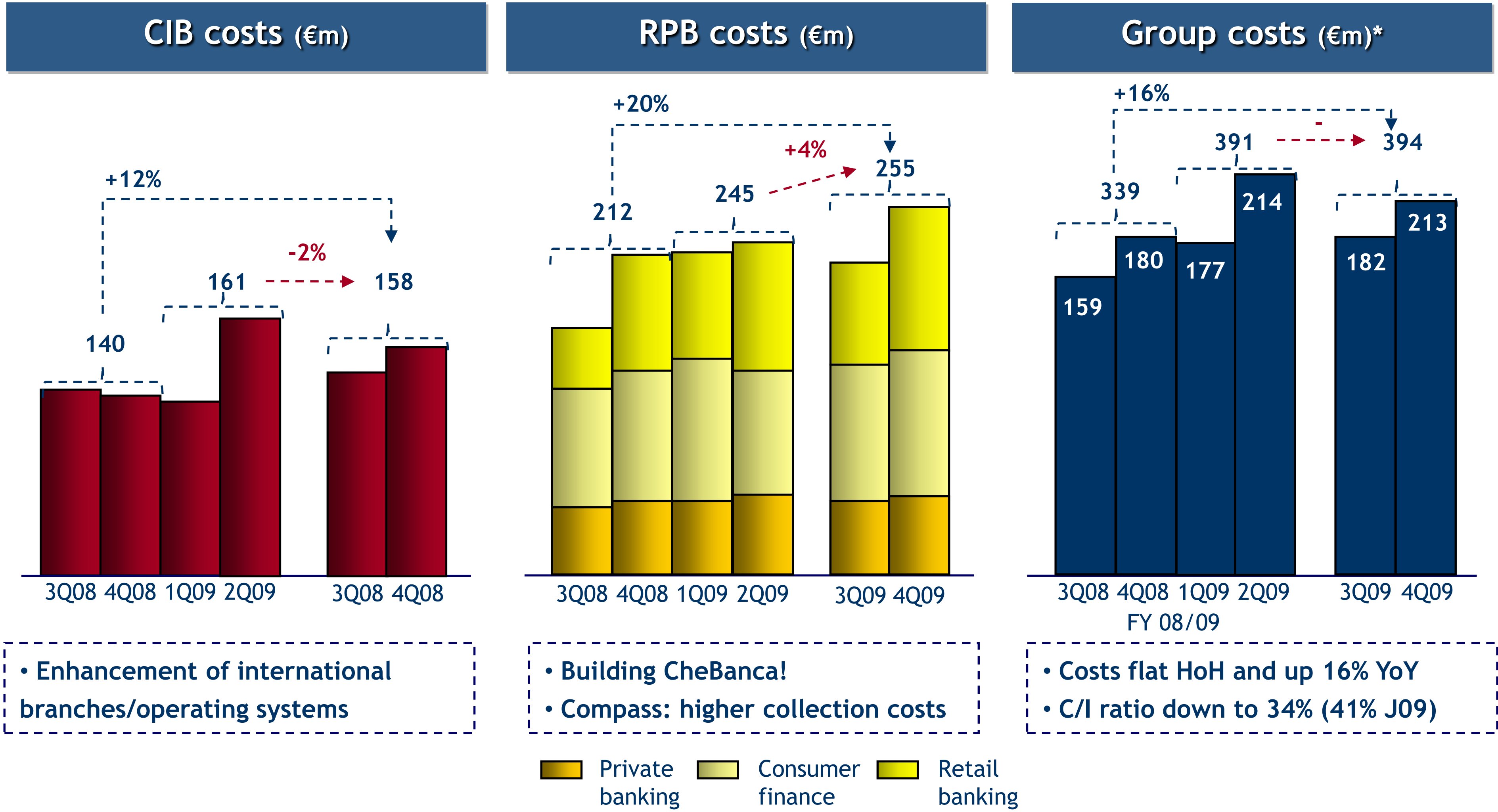
Costs driven by distribution enhancement; C/I ratio 34%

1H10 results



- Enhancement of international branches/operating systems

- Building CheBanca!
- Compass: higher collection costs

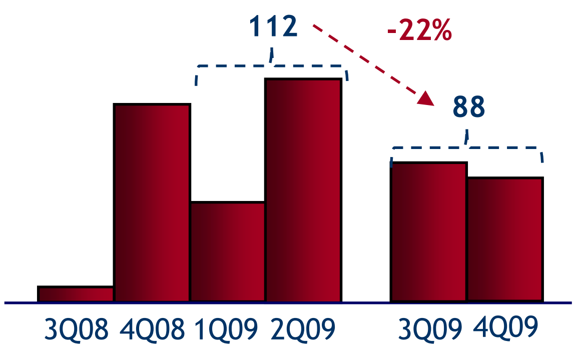
- Costs flat HoH and up 16% YoY
- C/I ratio down to 34% (41% J09)

*Group figures differ from the sum of CIB and RPB, as B.Esperia is equity-acc. as opposed to being accounted for pro-rata as in RPB division

Cost of risk reducing, but scenario still weak

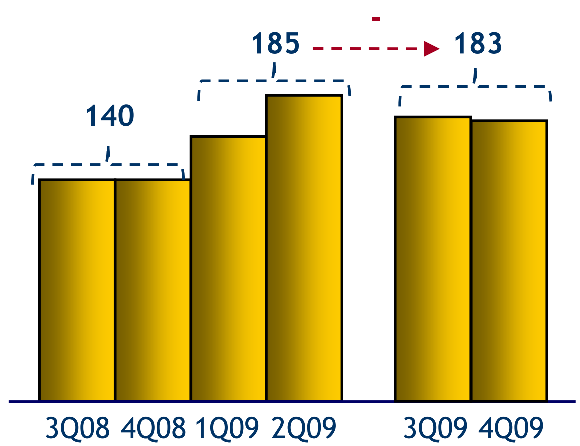
1H10 results

CIB LLPs (€m)



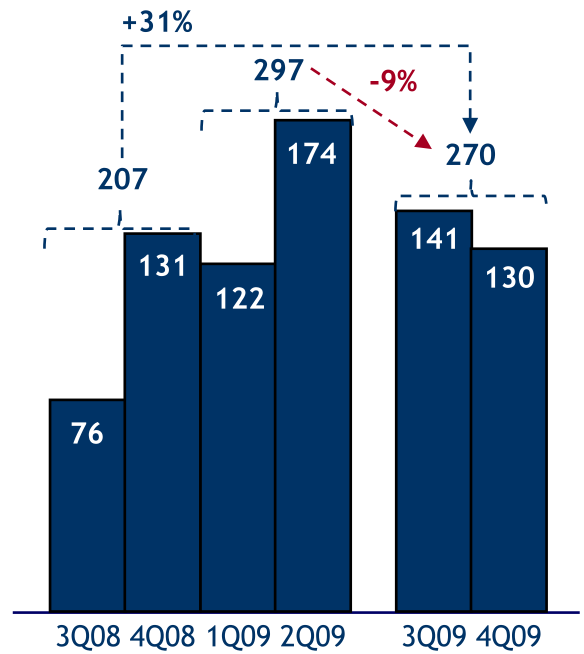
- Provisions reducing in last three Qs
- LLP/Ls = down to 70bps

RPB LLPs (€m)



- LLP/Ls = 300bps slightly reducing
- Retail = down to 40bps
- Consumer flat at 420bps

Group LLPs (€m)*

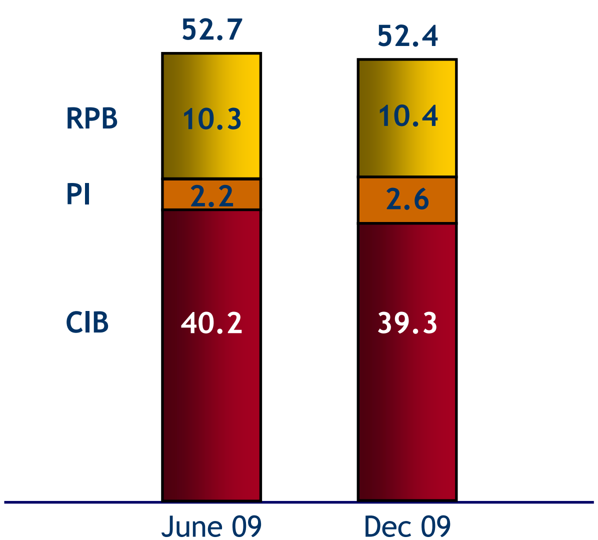


- LLP/Ls reducing in last 2Qs to 150bps
- NPLs coverage = 80%; NPLs/Ls = 0.5%
- Bad Ls coverage=50%; Bad Ls/Ls=2.3%

*Group figures differ from the sum of CIB and RPB, as B.Esperia is equity-acc. as opposed to being accounted for pro-rata as in RPB division

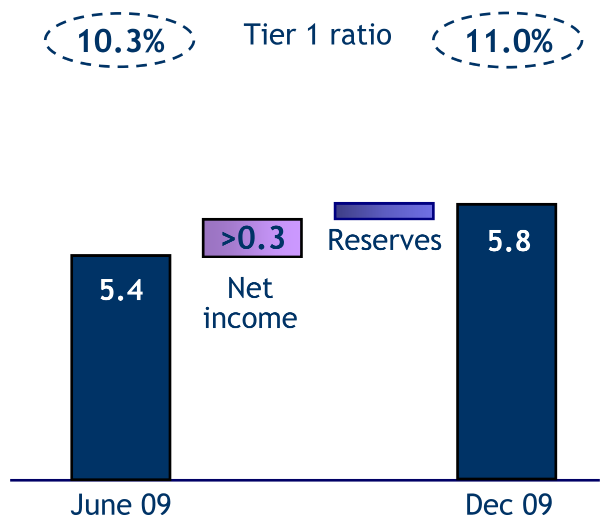
Core Tier 1 ratio = 11%, profitability recovering

RWA (€bn)



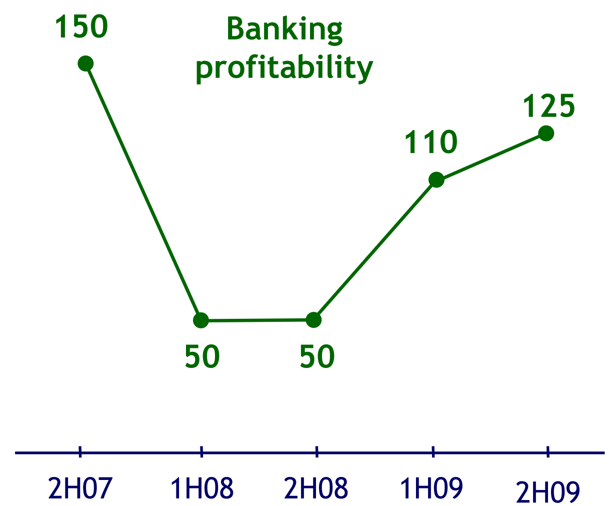
RWA flat: cautious approach in CIB, PI recovering, Retail growth offsets Consumer credit slowdown

Core Tier 1 (€bn)



Tier1 ratio 11%, driven by: net profit, AFS reserve no longer being deducted as now positive, PI reserve

Profitability (gross RORWA, bps)



Profitability recovering, even if so far driven only by CIB

CIB: top line and profitability up

Main trends

- YoY: top line up 41% driven by all income sources: NII up 21%, fees up 45% and income from securities up 57%. Growth offset higher LLPs (up 31%) and taxes (doubled). Net profit up 48% (to €208m). Profitability almost doubled (to 1.70%) in part due to RWA control (flat)
- QoQ: another strong quarter for NII (up 12%) and fees (resilient at high levels), while income from trading was significantly lower. Loan provisions down 17% (cost of risk down to 70bps) driven by wholesale improvement. Volumes still weak.

KPIs (€m)

	Dec 09 6m	Dec 08 6m	Δ YoY
Total revenues	660	469	+41%
NII + Fees	394	300	+31%
Trading +AFS	266	169	+58%
Net profit	208	141	+48%
Cost/income	24%	30%	
LLPs/loans	80 bps	55 bps	
Gross RORWA	1.7%	1.0%	
Loans (€bn)	21.4	24.5	-13%
RWA (€bn)	39.3	39.2	-

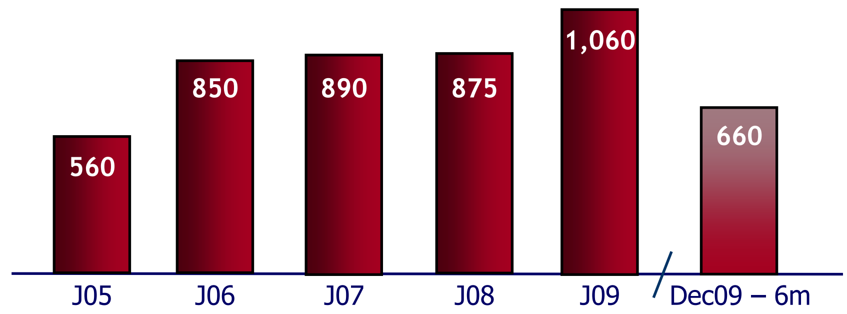
CIB: a driver for future growth

1H10 results

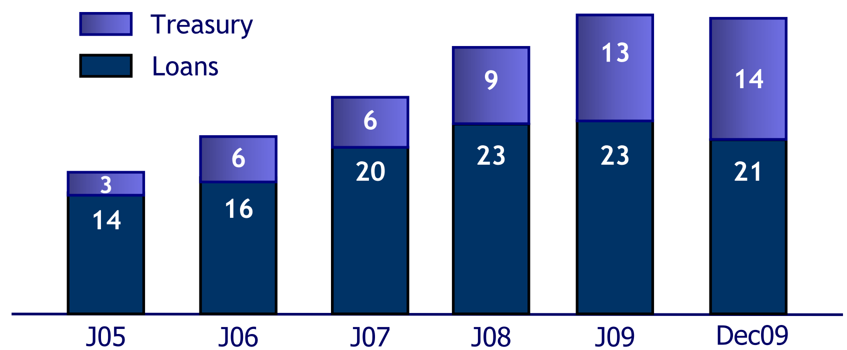
Main trends

- CIB top line showed resilience, even during the worst of the crisis
- High liquidity and low leverage have always enabled pro-active asset allocation: deleverage or ECB financing never needed
- CIB as a driver of future growth too, due to:
  - new ventures fully exploited
  - growth in loan book
  - cost of risk gradually returning to normalized levels

Total income (€m-12m as at June)



Customer loans and Treasury (€bn)



PI: positive contribution

1H10 results

Main trends

- PI now earnings-accretive again, as:
  - income from equity-acc. companies again positive (driven by AG)
  - no material writedowns
- NAV has been recovering since end-March 2009: current €4.0bn

KPIs (€m)

	Dec09 6m	Dec08 6m	Δ YoY
Total income	100	110	-9%
Ass.Generali	116	112	+4%
Writedowns	(7)	(208)	nm
Net profit	87	(98)	nm
NAV (€bn)	4.0	4.0	-

[1] Ass. Generali, RCS Media Group and Telco are equity-accounted in the MB Group consolidated financial statements with a one-quarter delay.

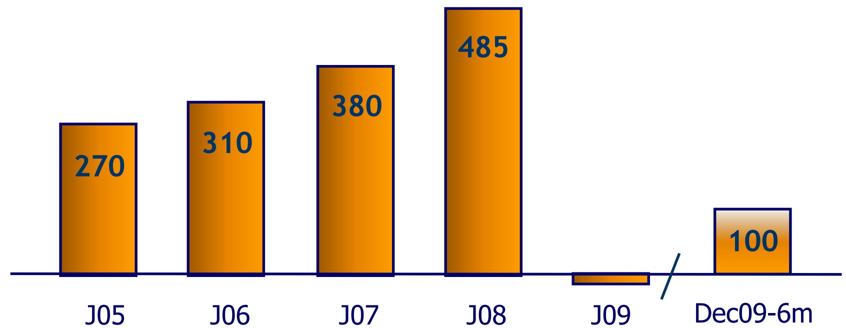
PI: still far below historical average contribution

1H10 results

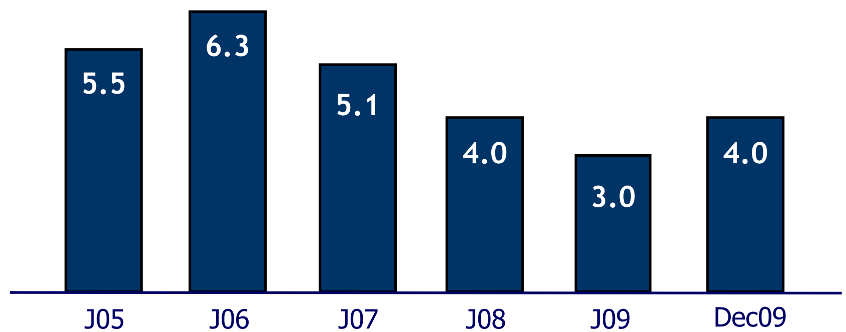
Main trends

- Profitability recovering from its low, but still well below historical levels
- Market value of equity investments currently 30% lower than 2005-07 average

Total income (€m-12m as at June)



Market value (€bn)



Consumer credit: new loans and NII recovering

Main trends

- New loans up 12% in last quarter
- Total income gradually improving, due to NII trend (up 5% QoQ, up 6% YoY) helped by lower cost of funding
- Cost growth (up 9% YoY), due solely to increased collection costs which offset integration synergies
- Cost of risk flat QoQ
- Distribution agreement renewed with BPVI (688 branches); new agreements with CreVal (505 branches) and Banca Marche (305 branches)
- Banking distribution network totaling now approx. 3,000 branches, in addition to Banco Posta network

KPIs (€m)

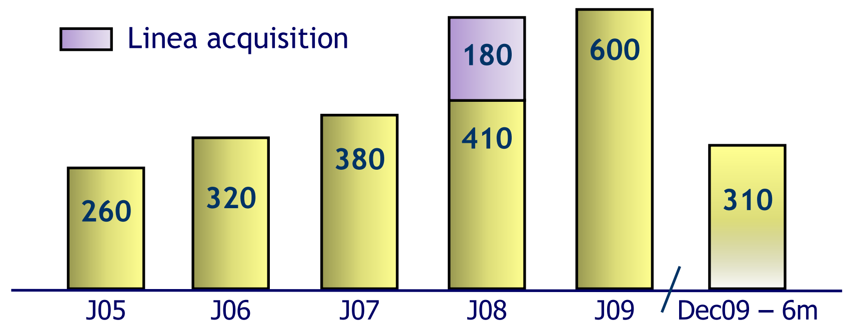
	Dec 09 6m	Dec 08 6m	Δ YoY
Total income	310	297	+4%
PBT	22	62	-65%
Cost/income	37%	36%	
LLPs/Ls	420bps	310bps	
Gross RORWA	0.6%	1.7%	
Loans (€bn)	8.0	8.3	-3%
New loans (€bn)	1.9	2.0	-4%

Consumer credit: asset profitability at all-time low

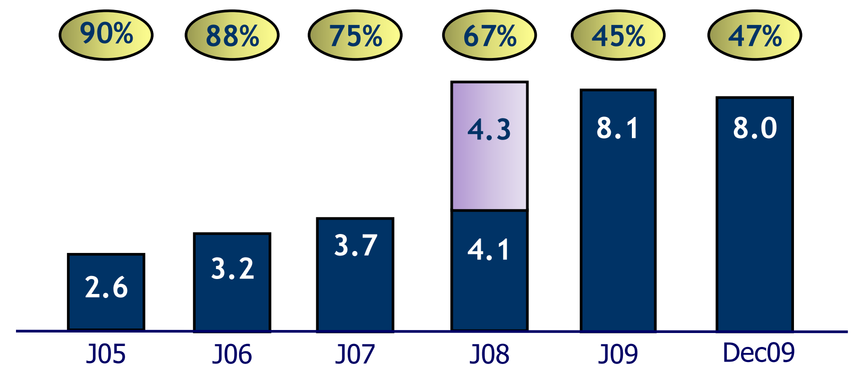
Main trends

- In the last 2Y margins have been under pressure due to:
  - strong competition (war on volumes), but the crisis has dampened some of the previous excesses
  - high cost of funding, now reducing
  - slowdown in new loans by Compass due to Linea repositioning, now ended
  - high cost of risk
- These issues are being normalized, which will lead to a gradual improvement in margins

Total income (€m-12m as at June)



Loans (€bn) and new business (new Ls/Ls - %)



Retail banking: excellent commercial results

1H10 results

Main trends

- Excellent commercial results:
  - 270K customers: tripled YoY, up 30% HoH
  - 340K product sold: tripled YoY, up 50% HoH
  - Deposits (€7.9bn) growing steadily QoQ and now make up 15% of funding stock, or 40% of new funds
- YoY: top line up 48% due to NII recover, yield on liquidity invested, and loan book growth (up 14%). Cost trend (in line with budget) linked to business developing, geographical footprint enhanced (65 branches, up 50%), headcount strengthened (staff levels up 35%)

KPIs (€m)

	Dec 09 6m	Dec 08 6m	Δ YoY
Total income	37	25	+48%
PBT	(65)	(53)	+22%
Net result	(49)	(39)	+25%
Loan book (€bn)	3.4	3.0	+14%
Deposits (€bn)	7.9	0.6	nm
Customers (n.)	270K	85K	+3x
Staff	842	620	+35%
Branches	65	43	+50%

CheBanca! the right bank at the right time

1H10 results

Market issues	CheBanca!
Low interest rate environment	Light/innovative physical presence
Increasing attention to pricing	Web-based operations
Focus on transparency and efficiency	Transparent and innovative products
Lean distribution network	Increasing brand awareness
Strong marketing tools needed	High customer satisfaction
Focus on solidity	High rate of new customer acquisition

Strong growth expected

Private banking: repositioning ongoing

1H10 results

Main trends

- Compagnie Monégasque de Banque
  - New CEO appointed in Feb10 to drive new growth
  - Cost control plan approved
- Banca Esperia
  - New CEO appointed in Spring 2009
  - Customers: realigning ptf. size to UHNWIs
  - Products: empowering SGRs, family offices and advisory services launched
  - Organization: reinforcing internal control systems
- AUM up 10% YoY, flat QoQ
  - New inflows to BE from Jul.09 (€1.2bn)
  - "Scudo fiscale" (4Q09): €0.6bn net inflow in BE* offset CMB outflow

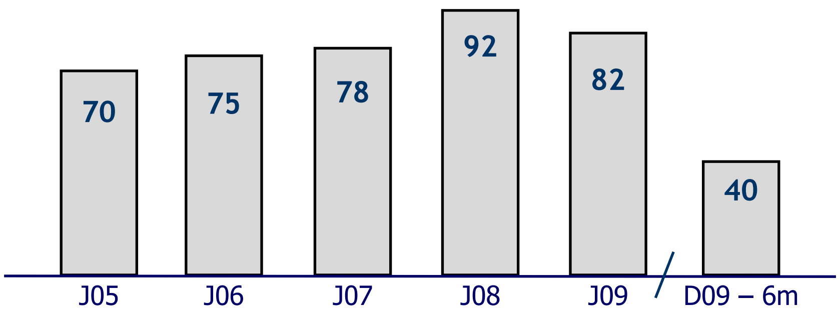
KPIs (€m)

	Dec 09 6m	Dec 08 6m	Δ YoY
Total income	59	59	-
GOP	14	21	-34%
Net result	17	21	-20%
AUM net (€bn)	10.9	9.9	+10%
- Banca Esperia*	5.6	4.0	+37%
- CMB	5.3	5.9	-11%

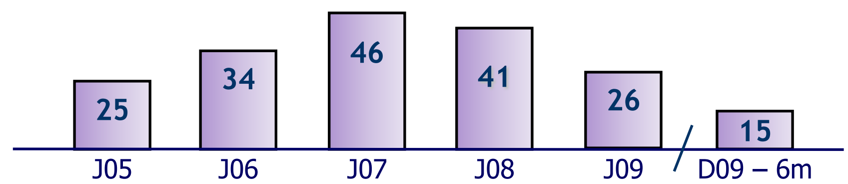
* Banca Esperia accounted pro-rata (50%)

Private banking: CMB resilient, Esperia at its low

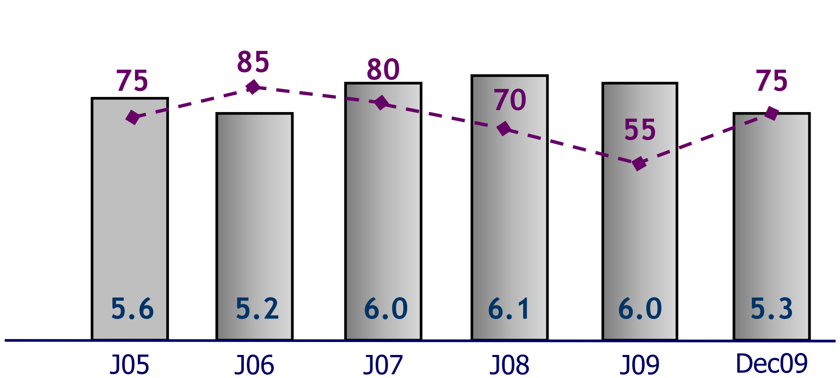
CMB - Total income (€m-12m as at June)



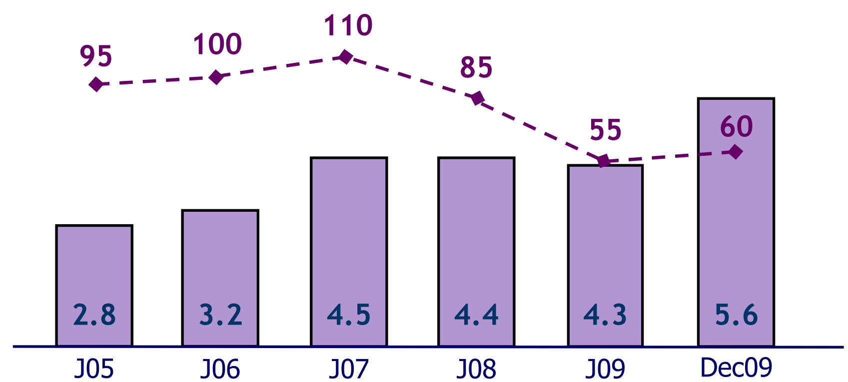
Esperia* - Total income (€m-12m as at June)



CMB - Net AUM (€bn) and fee margin (bps)



Esperia* - Net AUM (€bn) and fee margin (bps)



- In last 18m more conservative asset allocation, lower performance fees and portofolio rotation have compressed profitability
- CMB revenues more resilient due to traditional banking activity

* Banca Esperia accounted pro-rata (50%)

Closing remarks

- Economic and financial scenario still weak
- Basel III expected to reshape the market
- Mediobanca well positioned given
  - High capitalization
  - Direct access to retail deposits
  - Cost-efficient business model
  - Room for growth in top line and profitability at all businesses
    - CIB: new initiatives to be leveraged fully
    - Consumer finance: asset profitability at an all-time low
    - Retail banking (CheBanca!): costs to precede revenues
    - Private banking: repositioning ongoing
    - Principal investing: contribution bottoming out

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