MEDIOBANCA

Banca di Credito Finanziario S.p.A.

Full year 2005 results

2006-2008 business plan

September 2005

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June 2005 results: earnings quality improved

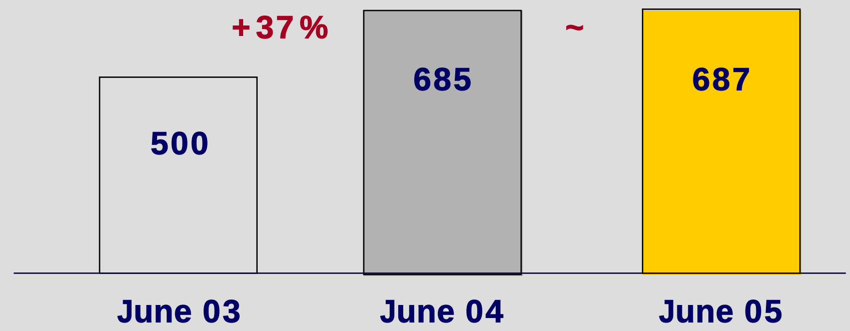
Achievements

- Strong 2004 results confirmed despite:
  - weak macro scenario
  - lower contribution from more volatile revenue streams
- Income growth from well-balanced mix of sources
- All businesses:
  - strong performance in terms of top line and GOP
  - efficiency and asset quality preserved
  - target ROAC delivered
- Leadership in WB strengthened
- Contribution from RFS and PB up to 44% of revenues and 32% of GOP

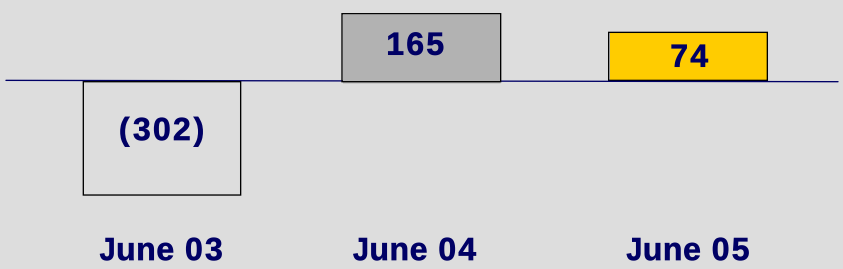
Mediobanca group: 2005 highlights

- Good top-line performance (up 5%)
- Strong NII result (up 13%), due to RFS growth (up 22%) and well-defended WB margin (up 2%)
- NAV up € 1bn, to € 7bn

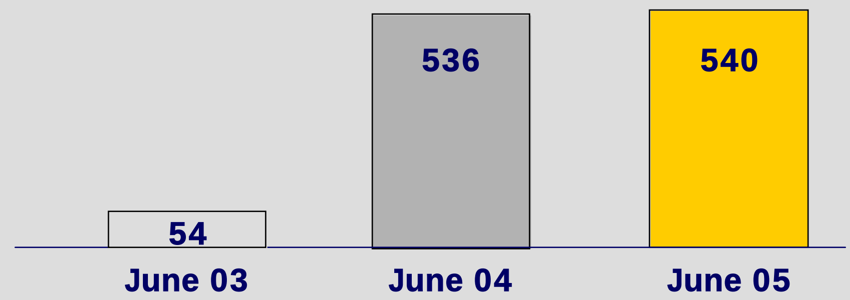
Gross operating profit (€m)



Net portfolio result (€m)

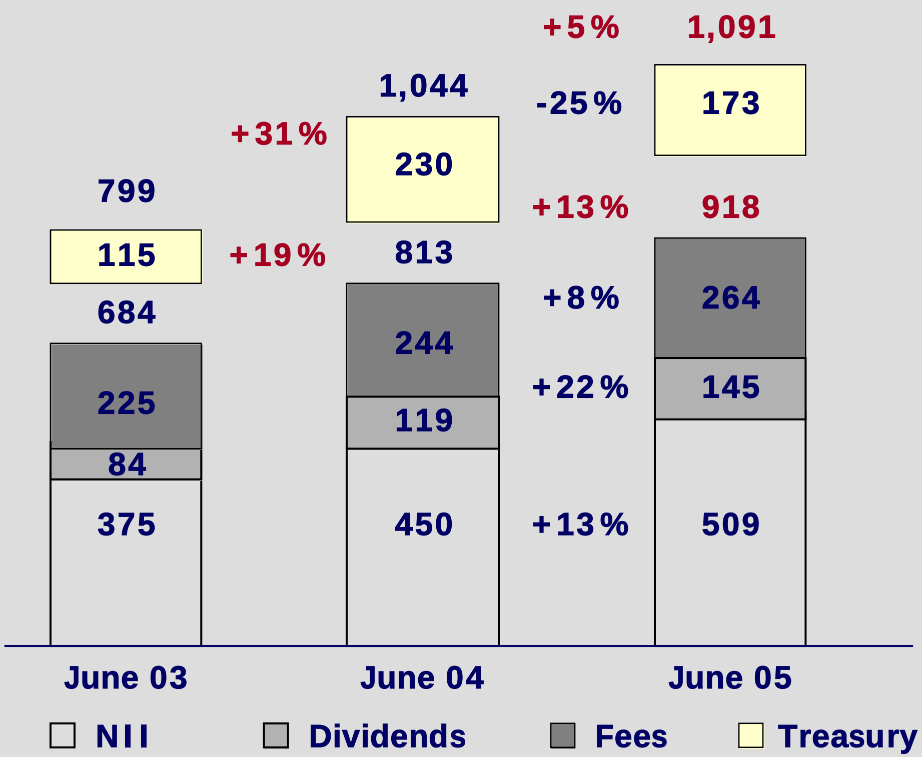


Net profit (€m)

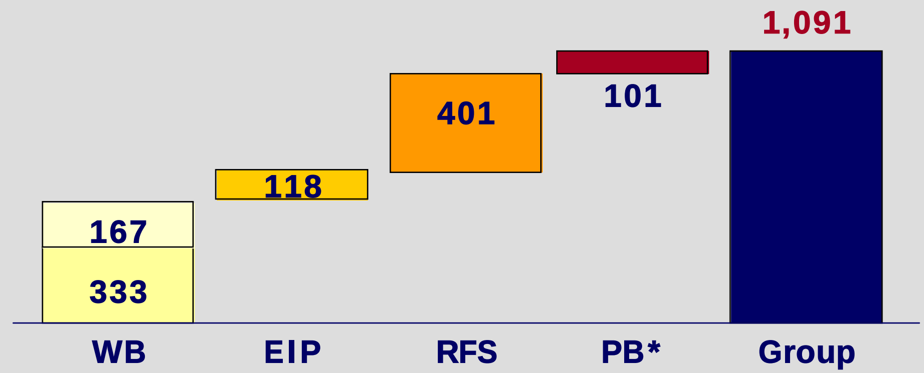


Revenues: enhanced quality and growth by all sources and businesses

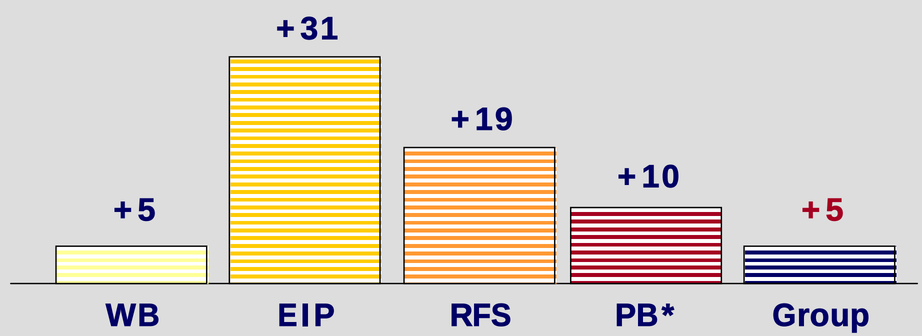
Revenues trend (€ m)



June 2005 breakdown (€m)



Y.o.Y. trend (%)



** Banca Esperia booked pro-rata*

Group

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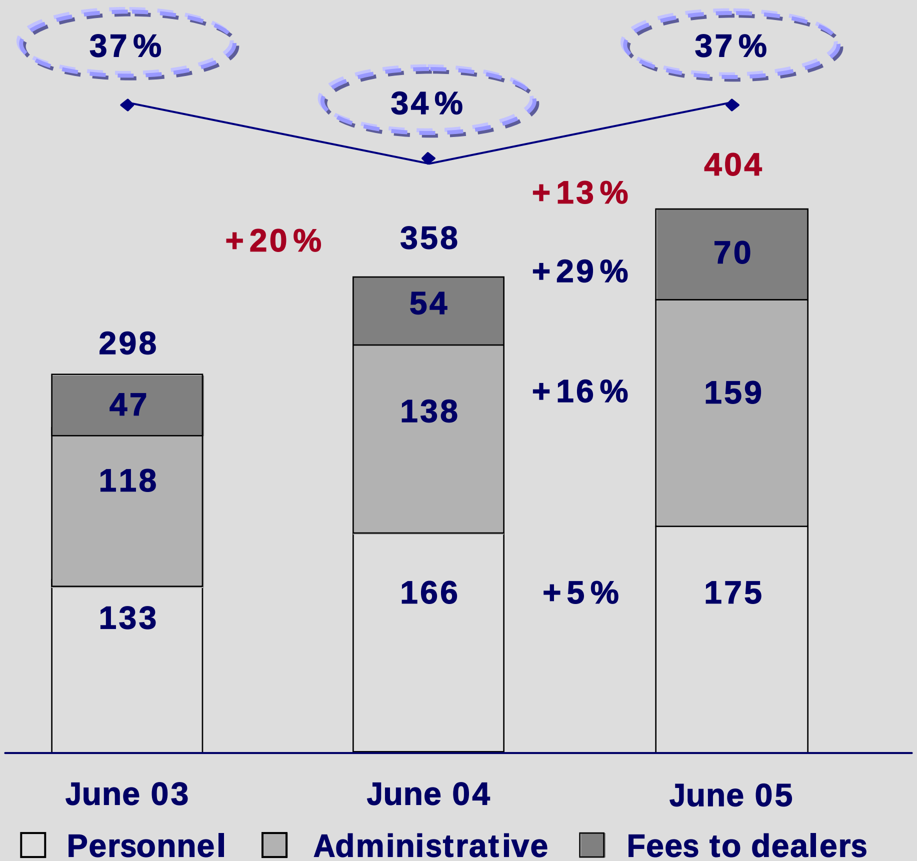
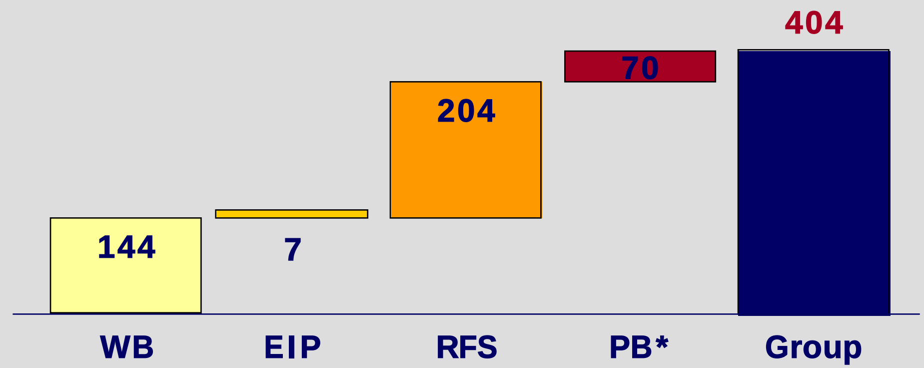
Cost growth driven by RFS and PB expansion

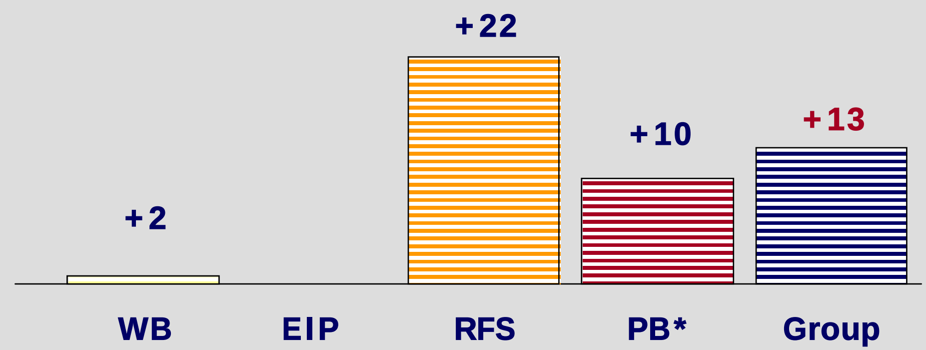
Costs trend (€ m)



June 2005 breakdown (€m)



Y.o.Y. trend (%)



** Banca Esperia booked pro-rata*

Group

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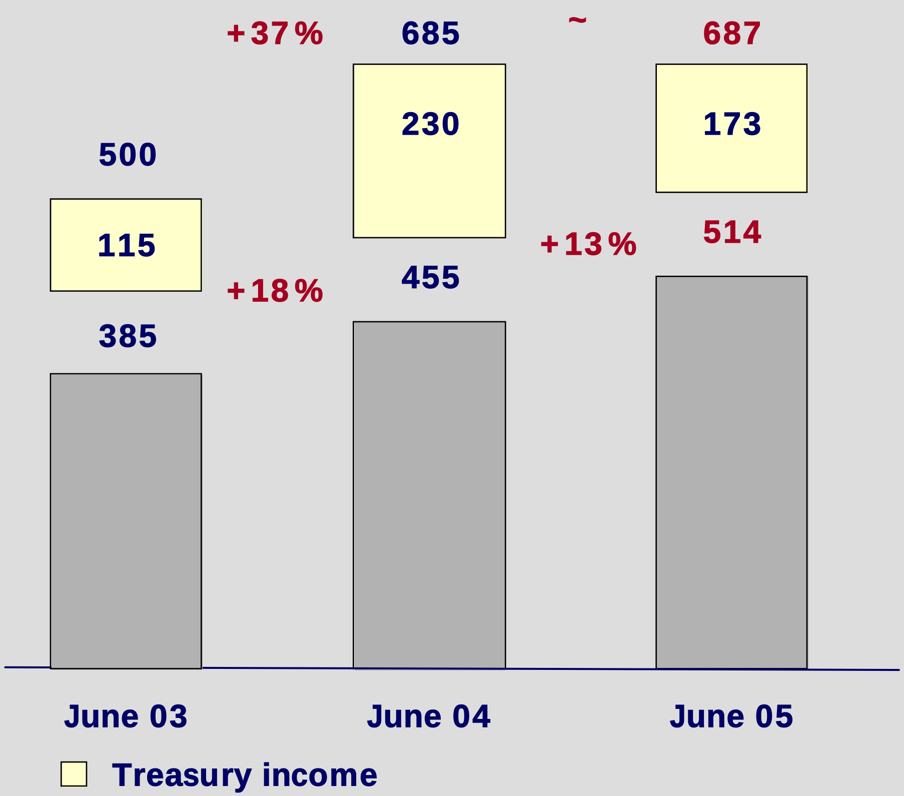
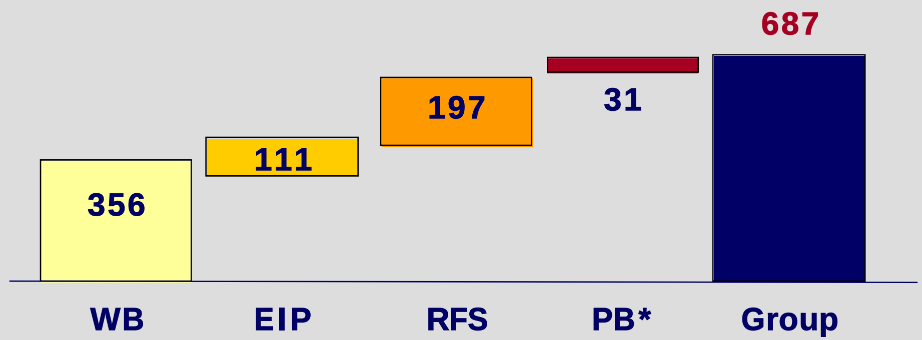
GOP mix improved

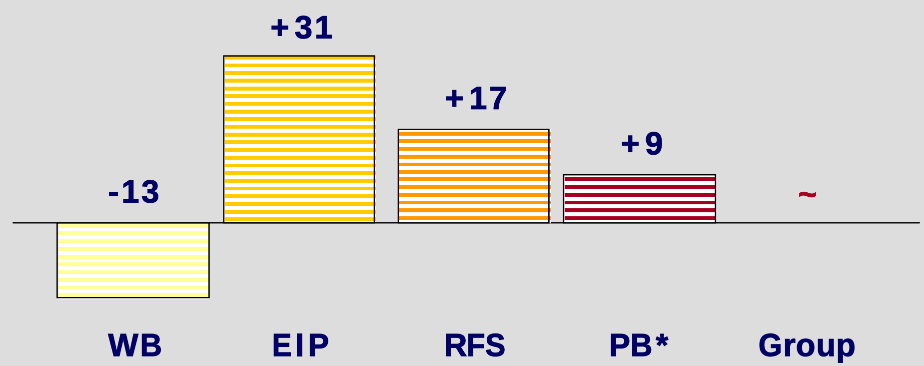
GOP trend (€ m)



June 2005 breakdown (€m)



Y.o.Y. trend (%)



** Banca Esperia booked pro-rata*

Group

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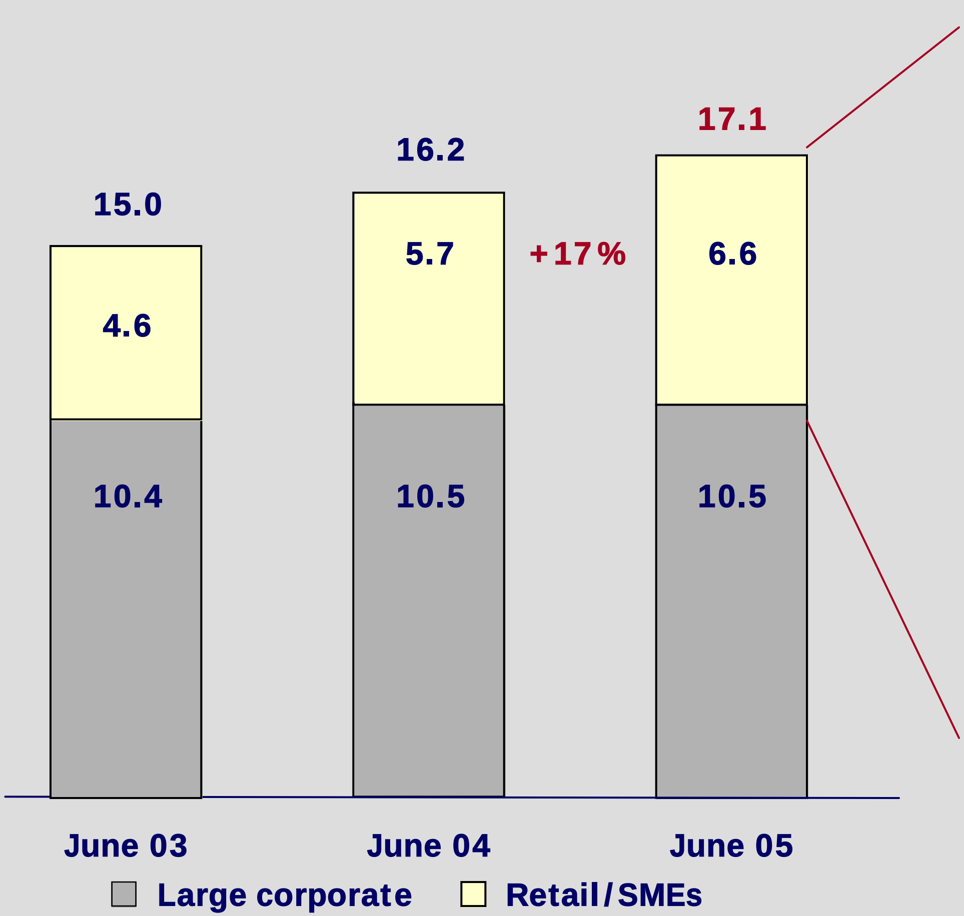
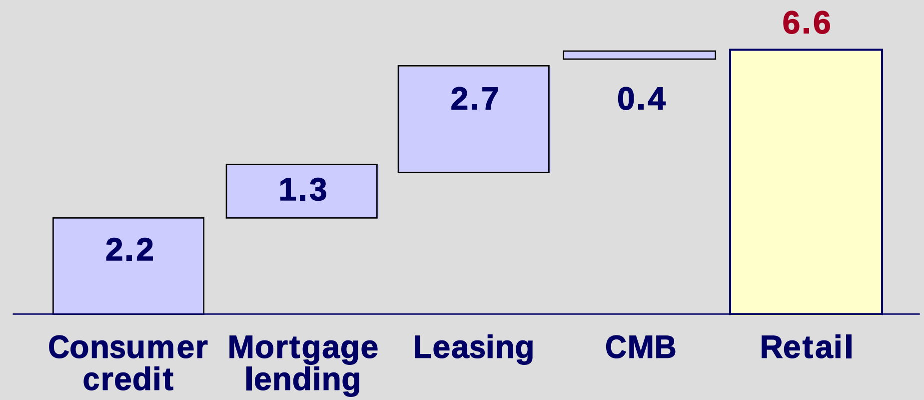
Contribution from retail/SMEs to loan book up to 40%, strong PFS growth

June 2005 results

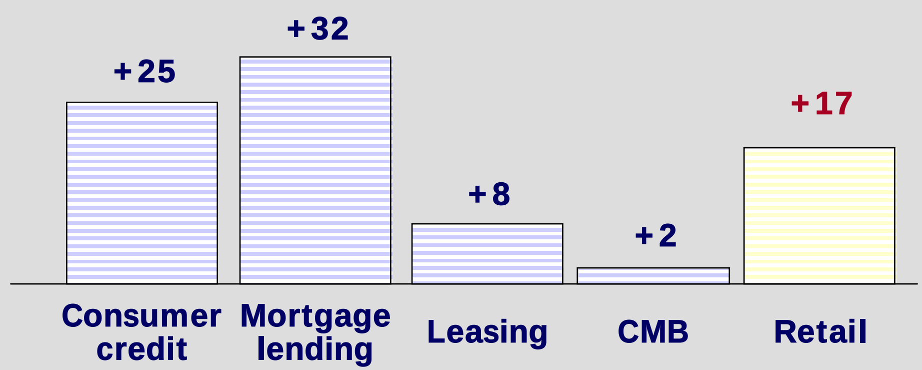
Loan book trend (€ bn)



June 2005 breakdown (€ bn)



Y.o.Y. trend (%)



Wholesale banking ⇒ improved earnings quality

June 2005 results

Key facts and achievements

- Net interest income up 2% and asset quality preserved despite persistently unfavourable scenario, driven by selective lending policy and enhanced product portfolio
- Fees up 9%, strong ECM performance
- Tight cost control preserved (C/I ratio 29%)
- French business strengthened, profitable in less than 12 months
- Profitability target delivered: ROAC 14%

Key financial data

€ m	June 04	June 05	YOY
Net interest income	143	146	2%
Earnings from trading and dividends	253	185	-27%
Commission and other revenues	154	168	9%
Total income	**550**	**500**	**-9%**
Total costs	**(142)**	**(144)**	**2%**
Gross operating profit	**408**	**356**	**-13%**
Net result	**278**	**240**	**-14%**
Cost / Income	**26%**	**29%**	
Bad loans / loans	**0%**	**0%**	
Allocated capital	**1,614**	**1,773**	**10%**
ROAC	**17%**	**14%**	

WB EIP RFS PB

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Equity investment portfolio ⇒ generating value

Key facts and achievements

- **Strategic portfolio: NAV up 25% and dividend stream up 34%**
- **Non-strategic portfolio reduced by € 220m (20%); gains on disposal of € 39m**
- **Unrealized gains up approx. € 1bn, from € 3bn to € 4bn**
- **RONAV up from 11% to 16%**

Key financial data

€ m	June 04	June 05	YOY
Dividends	100	127	27%
Cost of funding	(10)	(9)	
Interest income	**90**	**118**	**31%**
Costs	(6)	(7)	33%
Gross operating profit	**85**	**111**	**31%**
Net result from disposals	40	39	
Writebacks/downs	132	56	
Net result	**198**	**210**	**6%**
Book Value	**3,135**	**3,260**	**4%**
Strategic	2,045	2,392	17%
Non strategic	1,090	868	-20%
Unrealized gains	**2,963**	**3,798**	**28%**
Strategic	2,803	3,648	30%
Non strategic	160	150	-6%
NAV	**6,098**	**7,058**	**16%**
Strategic	4,848	6,040	25%
Non strategic	1,250	1,018	-19%
RONAV	**11%**	**16%**	

Retail financial services ⇒ sound growth coupled with major distribution investment

June 2005 results

Key facts and achievements

- Distribution bolstered: PFS, 23 new branches opened (+25%)
- Strong volumes growth:
  - RFS: new and outstanding loans up 20%
  - PFS: new and outstanding loans up 30%
- Excellent net profit growth: up 20%
- Tight cost control maintained (C/I ratio 35%)
- Asset quality preserved (NPLs/L 0.8%)
- Profitability target beaten: ROAC 26%

Key financial data

€ m	June 04	June 05	YOY
Total income	**336**	**401**	**19%**
Total costs	**(167)**	**(204)**	**22%**
Gross operating profit	**169**	**197**	**17%**
Loan losses & provisions	(87)	(98)	13%
Net result	**47**	**57**	**20%**
Cost/Income	**36%**	**35%**	
Bad loans/loans	**0,8%**	**0,8%**	
Allocated capital	**189**	**242**	
ROAC	**25%**	**26%**	
Outstanding loans	**5.301**	**6.259**	**18%**
PFS	2.732	3.495	28%
Leasing	2.569	2.764	8%
New loans	**3.081**	**3.783**	**23%**
PFS	1.815	2.327	28%
Leasing	1.266	1.456	15%

Private banking ⇒ earnings doubled

June 2005 results

Key facts and achievements

- Net result doubled to € 34m
- AUM: € 11bn (up 15%)
- Contribution to consolidated figures starting to become significant (7% of revenues)
- CMB 100% owned (ROI 12.5%)
- BE: 1st in Italy for new net inflows and hedge fund products
- Vibrant growth: BE GOP up 34%, CMB GOP up 9%
- Profitability improved: ROAC from 6% to 10%

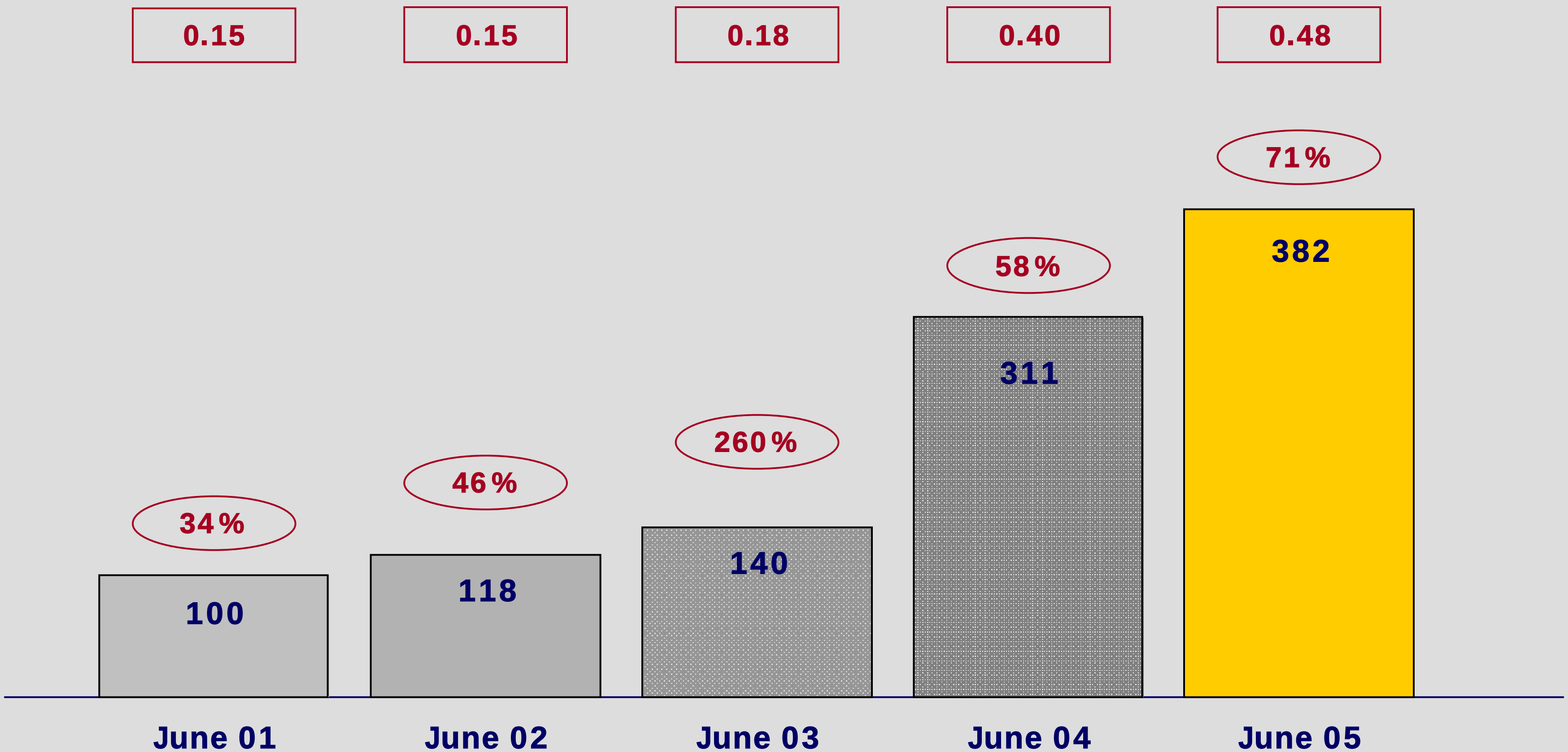
Key financial data

€ m	June 04	June 05	YOY
Total income	91	101	10%
Total cost	(63)	(70)	10%
Gross operating profit	28	31	9%
Net result	17	34	100%
AUM	9,379	10,782	15%
Allocated capital	303	397	31%
ROAC	6%	10%	

** Banca Esperia booked pro-rata*

Dividend proposal: DPS 20% up, payout increased significantly

Dividend per share (€), total dividend (€ m) and payout trend (%)



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Profitability boosted

		June 2002	3Y CAGR (%)	June 2005
€ m	Revenues	708	16	1,091
	GOP	445	16	687
	Net profit	255	28	540
€	EPS	0.3	28	0.7
	DPS	0.15	47	0.48
%	C / I	37		37
	ROE	5		11
	NPL / L	0		0

MB group repositioning

2003-2005 review

WB ⇒ leadership strengthened

- Integrated offering of advisory, lending and capital market products
- Market-oriented approach, customer network consolidated
- Lending activity rebalanced towards structured finance
- Proprietary activity empowered
- Equity distribution significantly increased
- Paris office set up and developed

	June 02	3Y CAGR	June 05
Revenues	377	10	500
PBT	196	19	328
ROAC	12		14
C/I	33		29

EIP ⇒ new focus on value

- Segmentation of portfolio into strategic and non-strategic stakes
- Stakes actively managed
- Emphasis on profitability and dividend stream
- Network of cross-shareholdings reduced
- Strategic ptf NAV up € 1.2bn to € 6.0bn
- Non-strategic ptf halved to € 0.9bn

	June 02	3Y CAGR	June 05
Revenues	79	15	118
PBT	neg.		207
RONAV	n.m.		16

MB group repositioning

2003-2005 review

RFS ⇒ healthy pace set

- Consumer credit:
  - market trend fully exploited
  - new loans CAGR 20%, outstanding loans doubled to € 2.1bn
- Mortgage lending: new loans CAGR 30%, outstanding loans tripled to € 1.3bn
- Leasing: real estate and shipping segment boosted, new agreements with BPV and PRE in past year, new leases CAGR 8%

	June 02	3Y CAGR	June 05
Revenues	252	17	401
PBT	47	26	94
ROAC	17		26
C/I	42		35

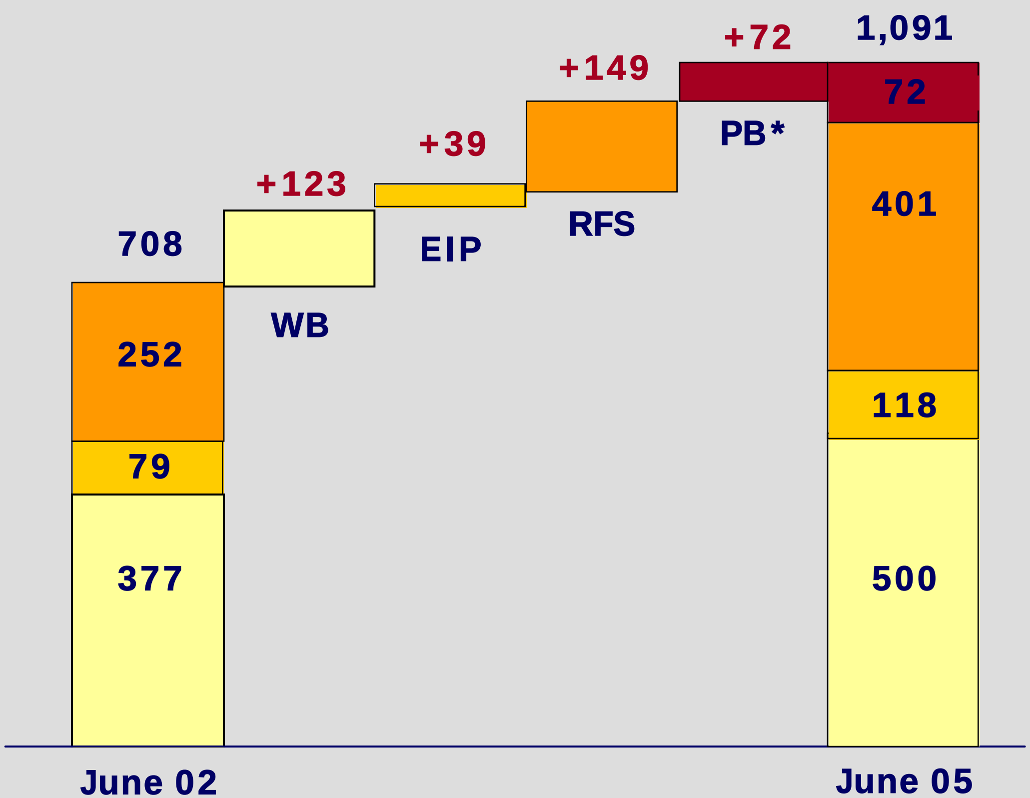
PB ⇒ business set up

- Banca Esperia (onshore)
  - built up swiftly to reach AUM of € 7.7 bn, 8 branches and more than 2,000 customers
  - ROE up to 19%
- Compagnie Monégasque de Banque (offshore)
  - fully owned since 2004
  - AUM over € 7bn, over 12,000 customers
  - ROE up to 13%

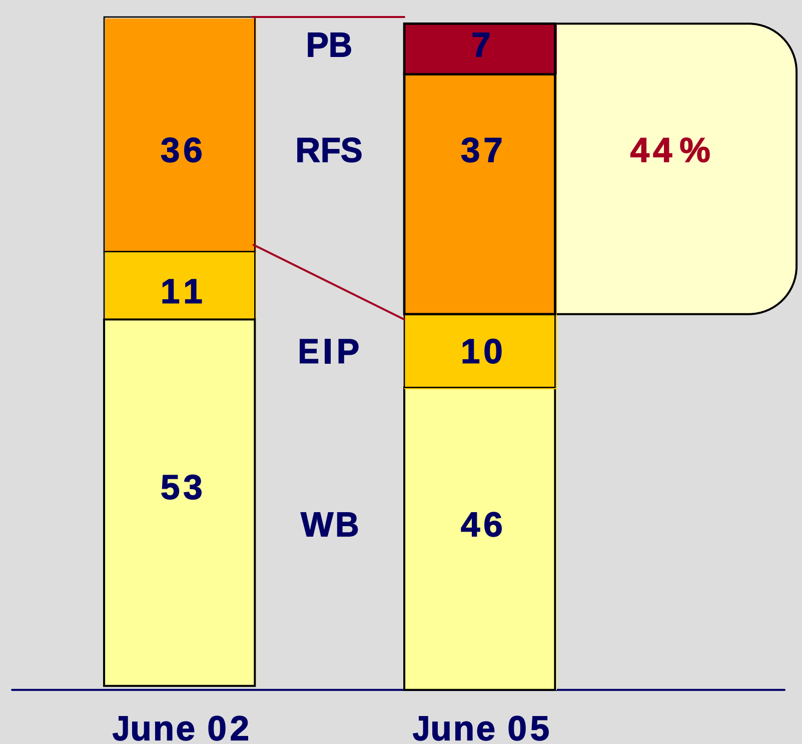
	June 02	3Y CAGR	June 05
Revenues			101
PBT			37
AUM € bn			10.8
ROAC			10

Revenue mix ⇒ RFS and PB up from 36% to 44%

Revenues trend (€ m)



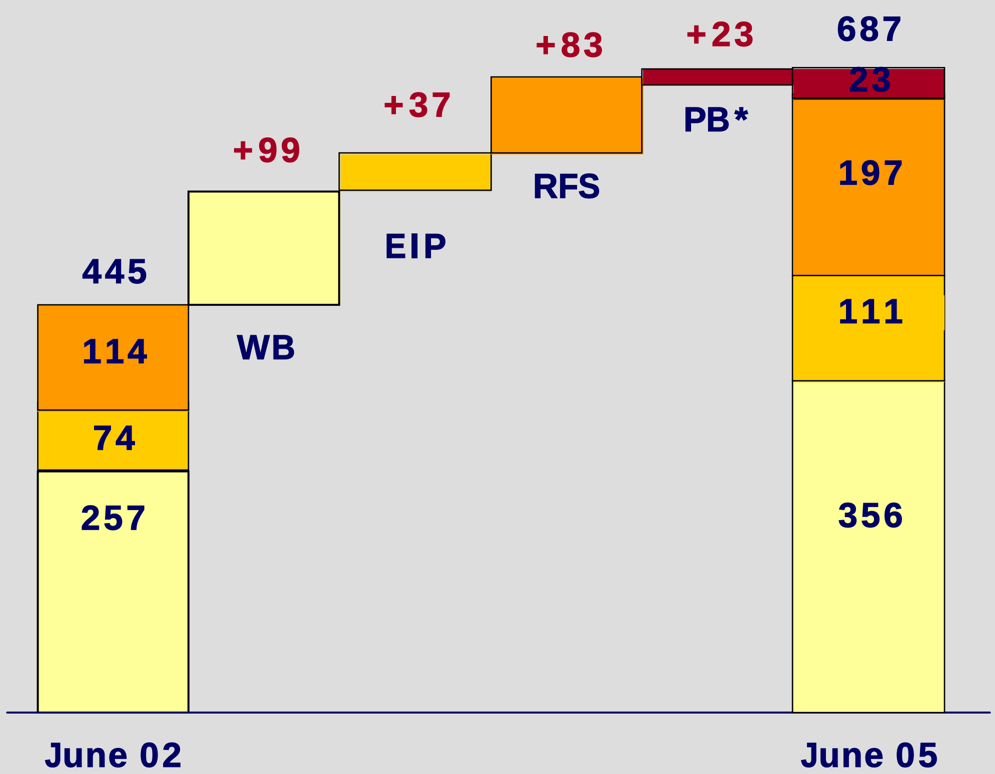
Revenues breakdown (%)



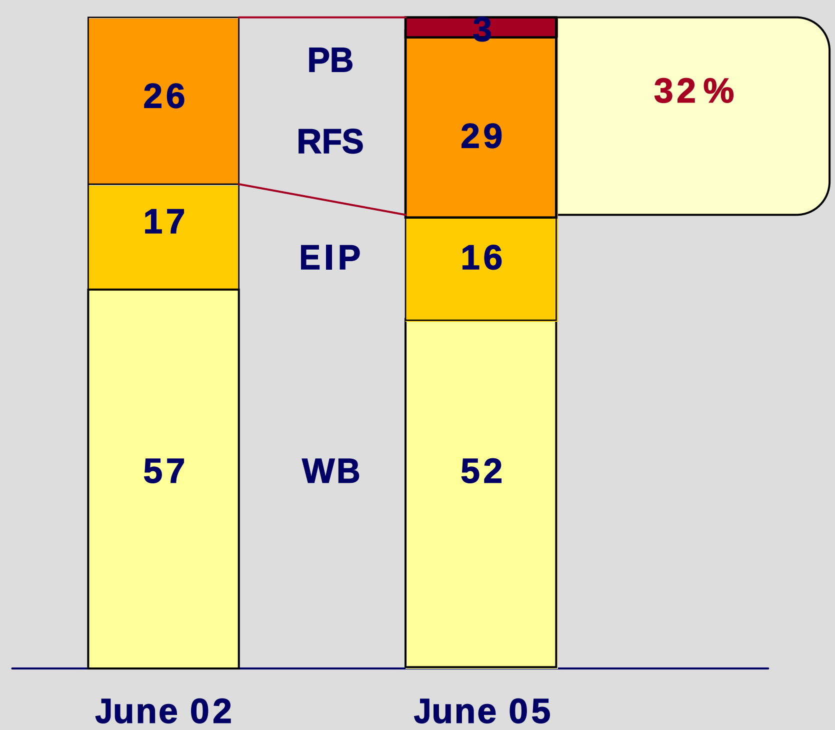
** Banca Esperia equity-accounted*

GOP mix ⇒ RFS and PB up from 26% to 32%

GOP trend (€ m)



GOP breakdown (%)



** Banca Esperia equity-accounted*

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Mission ⇒ transition from holding company to diversified banking group

2006-2008 business plan

Strategic guidelines	
Profitability and capital reallocation	Profit up 60%; capital from EIP to banking
Develop corporate banking	Increase risk-weighted assets, including through new asset classes
Strengthen investment banking	To support Italian industries' development
International reach	Larger non-Italian customer base
Principal investing	Complement WB business investing in selected equity stories
RFS and PB momentum	Strong RFS and PB growth, both organic and by acquisitions
Dividend policy	Attractive payouts

2008 Mediobanca group targets

2006-2008 business plan

	June 2005	June 05 IAS	3Y CAGR (%)	June 08 IAS
Revenues (€ bn)	1.1	1.1*	16	1.7*
GOP (€ bn)	0.7	0.7	19	1.2
Net profit (€ bn)	0.5	0.5	16	0.8
EPS (€)	0.7	0.7	15	1.0
C/I (%)	37	34		28
ROE (%)	11	10		14
RORWA (%)	1.7	1.7		2.2

(*) Revenues from equity-accounted companies included

Capital reallocation

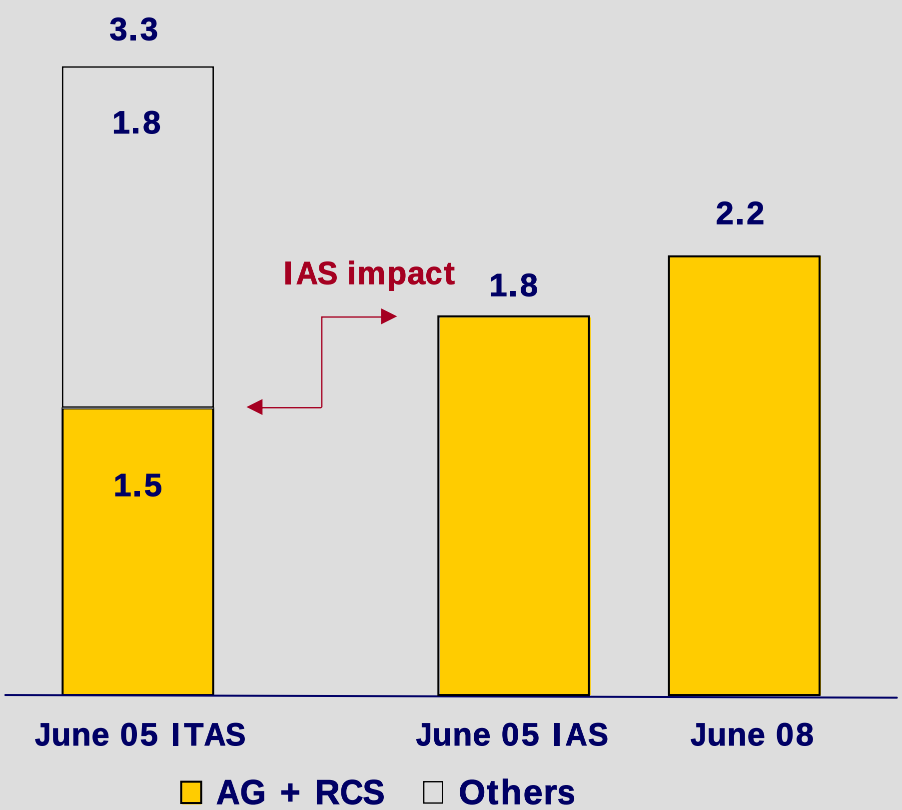
Capital restructuring

RATIO	IAS 28 (equity-accounted)	IAS 39 (market-valued)
	MB as active shareholder in governance Strong impact on MB P&L Re-rating potential	Involvement in equity asset class Participation in consolidation, growth, privatization and turnaround Strongly linked to WB activity
	EIP	WB
BV (€ bn)	AG and RCS = 1.5	1.8
NAV (€ bn)	AG and RCS = 5.0	2.0
Target	Maximize EPS and DPS	Maximize total return

EIP 2008 target ⇒ reduce allocated capital and focus on total return

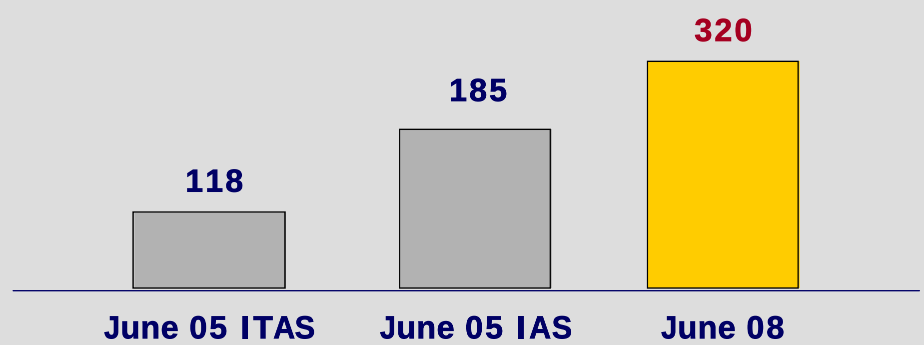
EIP 2006-2008 business plan

Book value trend (€ bn)



Shareholders' funds allocated to EIP (%)

Revenues trend (€ m)



WB EIP RFS PB

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Capital reallocation ⇒ EIP to release 1.1bn, banking to absorb 0.7bn

2006-2008 business plan

Allocated K (€bn)	WB	RFS	PB	Banking	EIP
	Banking				
June 05 old	1.8	0.2	0.4	2.4	3.3
June 05 new	1.8	0.4	0.1	2.3	1.8
3Y CAGR (%)	6	19	10	9	6
June 08	2.1	0.7	0.2	3.0	2.2

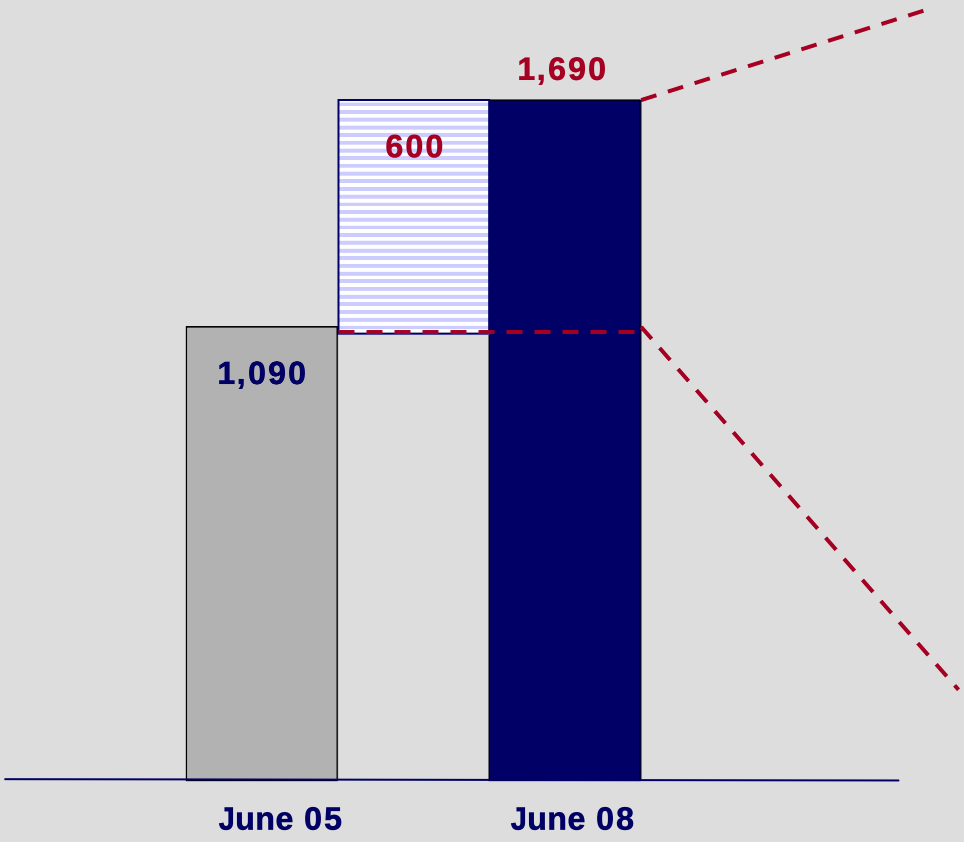
June 05 old criteria ⇒ WB = 8% RWA; RFS = shareholders' funds; EIP = 100% RWA; PB = invested capital

June 05 new criteria ⇒ WB = 8% RWA; RFS = 7% RWA; EIP = 100% RWA; PB = 1% AUM

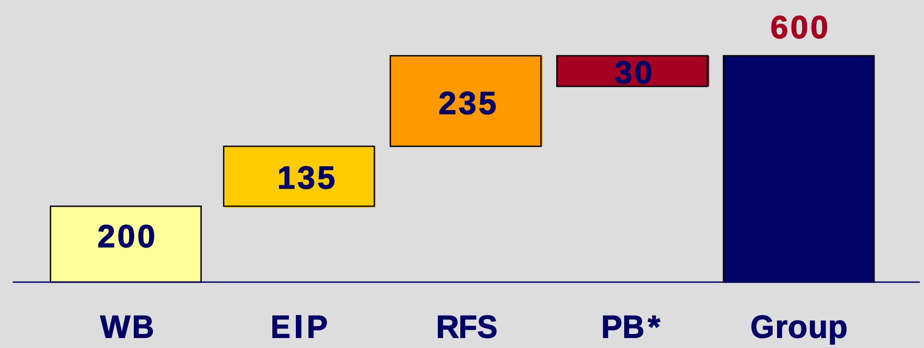
MB group revenues up 50%

2006-2008 business plan

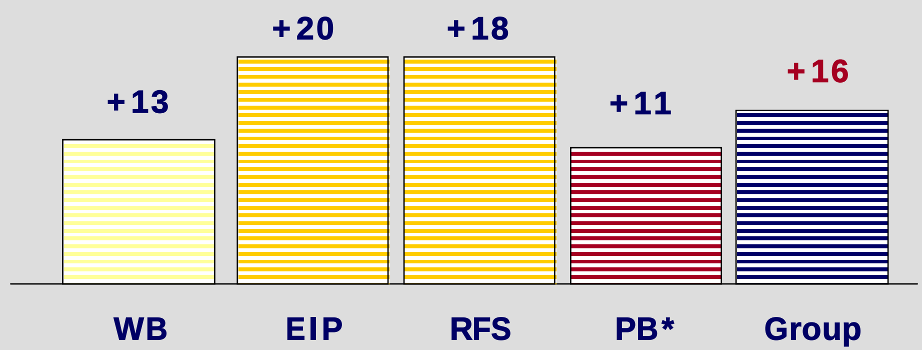
Revenues trend (€ m)



Segmental contribution (€m)



CAGR (%)



IAS compliant

Group

** Banca Esperia equity-accounted*

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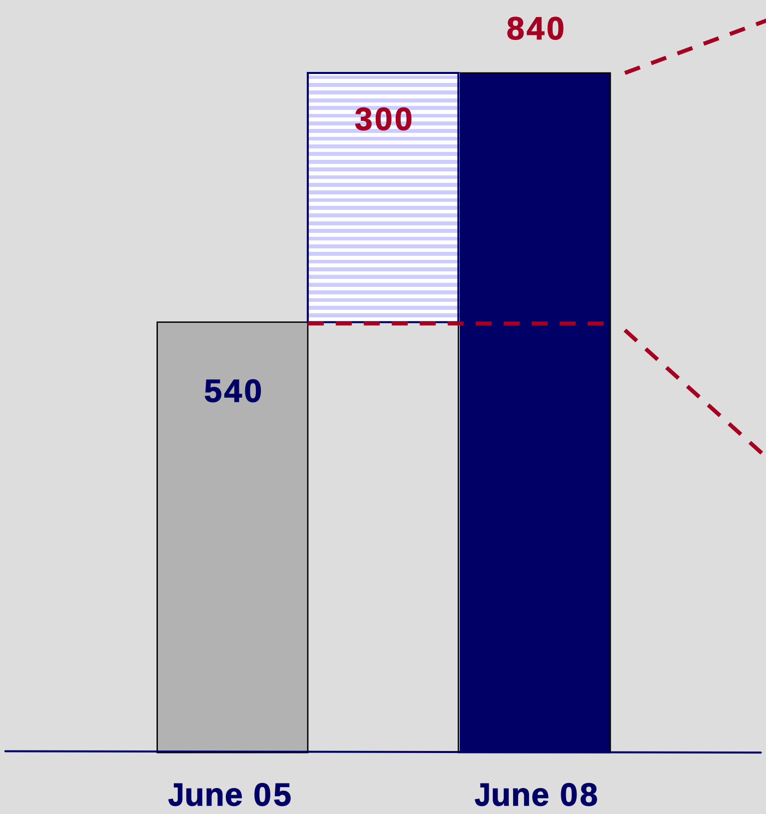
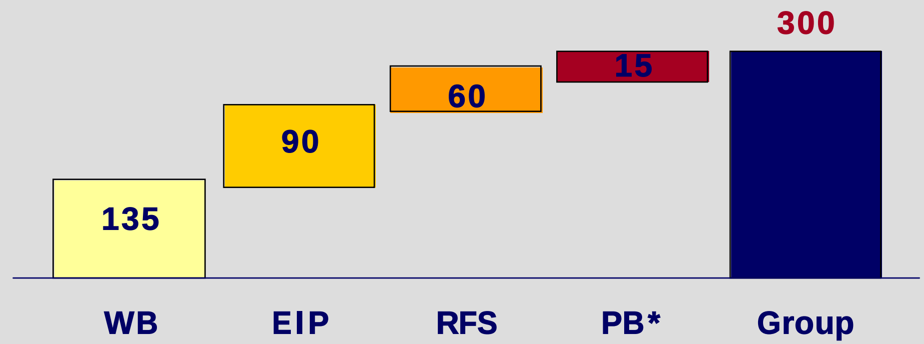
MB group net profit up 60%

2006-2008 business plan

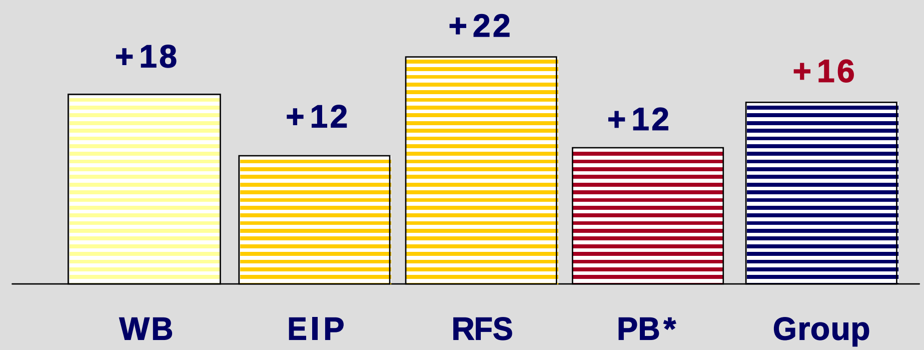
Net profit trend (€ m)



Segmental contribution (€m)



CAGR (%)



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Group

** Banca Esperia equity-accounted*

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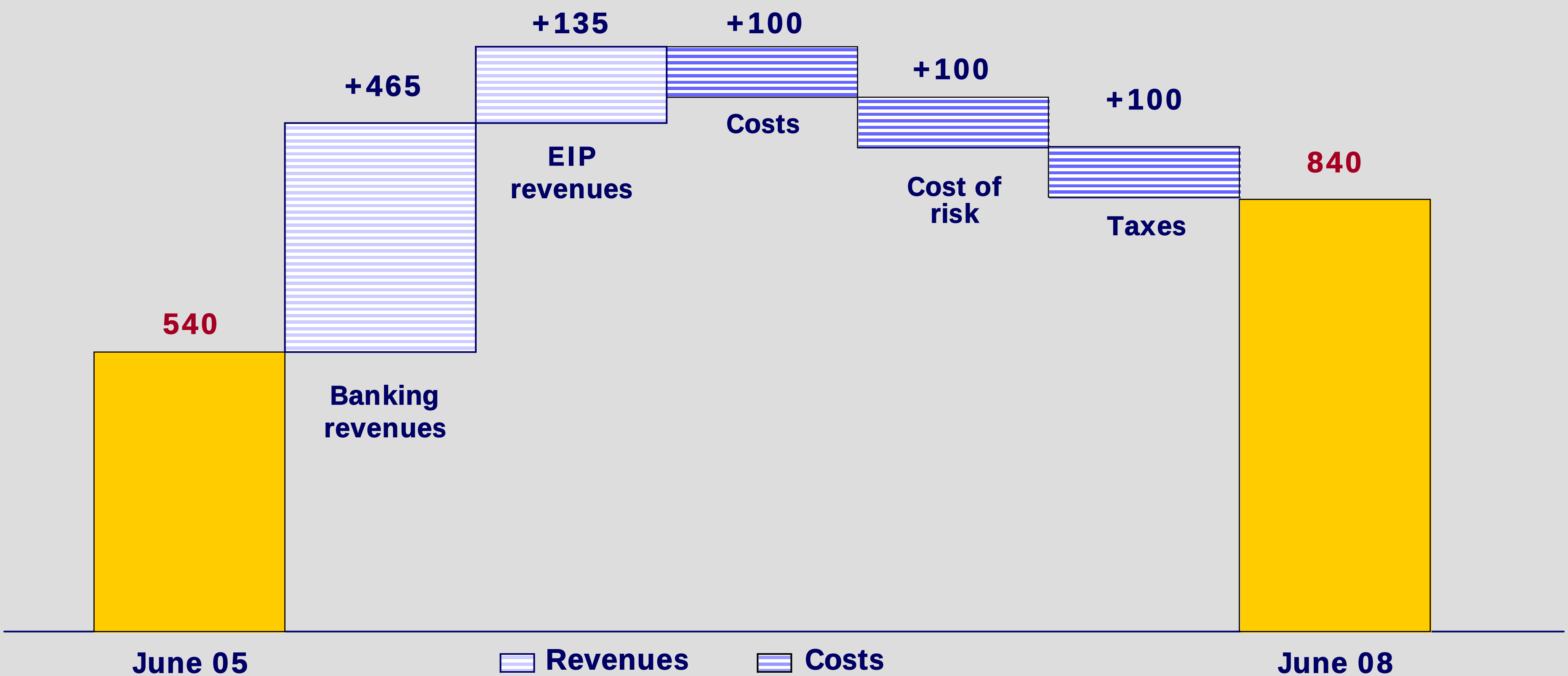
Group net profit trend

2006-2008 business plan

€ m



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Wholesale banking

Develop corporate banking ⇒ gearing up balance sheet

Enlarge customer base / RWA also increasing risk / return appetite

Origination	Strengthening lending origination desk Lending opportunities related to inv. banking wider scope
Products	Offer integrated lending-equity-advisory products leveraging on the customer relationships
International reach	To become the leading bank for cross-borders deals involving Italy further development of Paris branch start up operations in Spain initiate partnerships / alliances with US / UK operators
New asset class	Enter new asset classes via MB Int.: mezzanine, transition finance, specific situations , NPLs
Mid corporate	Develop synergies with leasing and PB Extending geographical reach and empowering coverage

Strengthen investment banking

Capital markets and prop. desk

- Increase treasury profitability via more sophisticated portfolio segmentation
- Develop desk products and risk management instruments
- Position MB as a derivatives house to serve selected customers
- Primary market: consolidate leadership in the equity sector

Advisory and M&A

- Provide full support to Italian industries transformations:
  - concentration within domestic and international companies
  - from family-owned to listed companies
  - optimization of capital and/or shareholdings structure
  - financial restructuring
  - solid mid corporate growth

Promoting Italian industries' leaders

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Principal investing

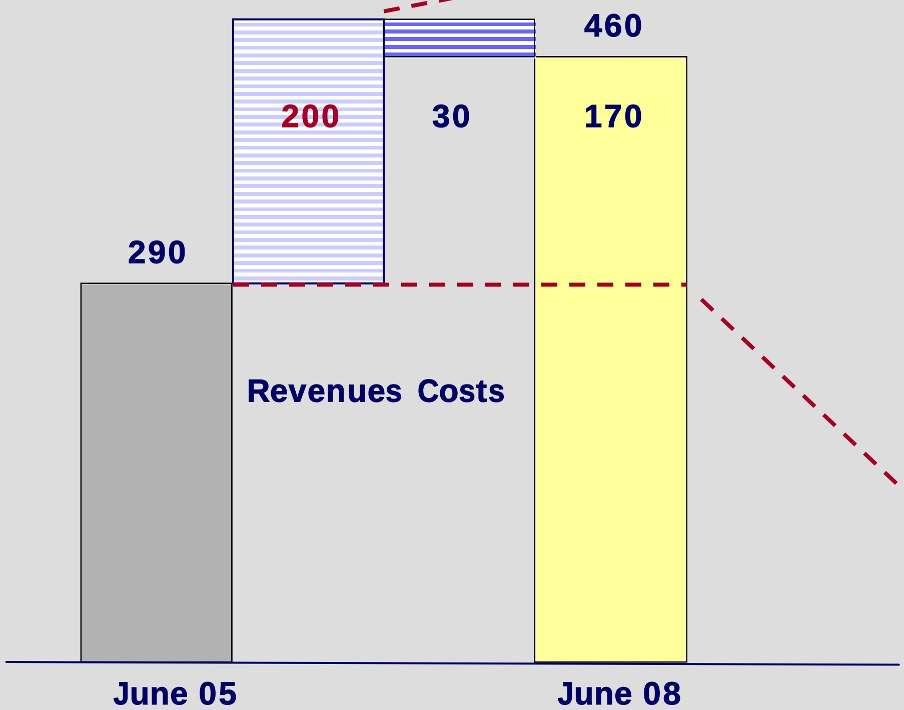
Synergic to WB activity

- Strictly consistent with WB strategy and aimed at supporting its profitability
- Complement and sustain:
  - concentration, restructuring and turnaround projects
  - growing equity stories
  - privatizations and regulated businesses liberalization
- Specific new initiative for mid-companies

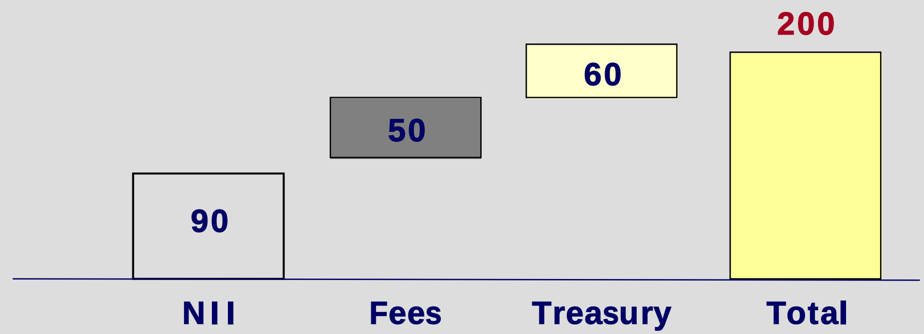
Wholesale banking 2008 target ⇒ GOP up 60%

WB 2006-2008 business plan

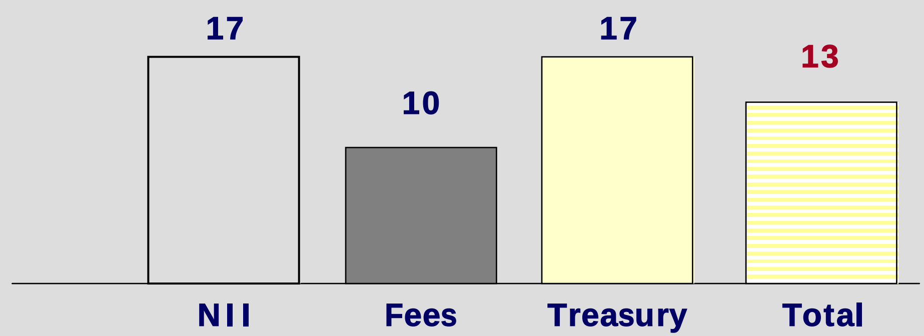
GOP trend (€ m)



Revenues by products (€m)



CAGR (%)



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WB EIP RFS PB

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Retail financial services

Consumer credit ⇒ doubling profits via major investment in organic growth coupled with sizable acquisitions

RFS 2006-2008 business plan

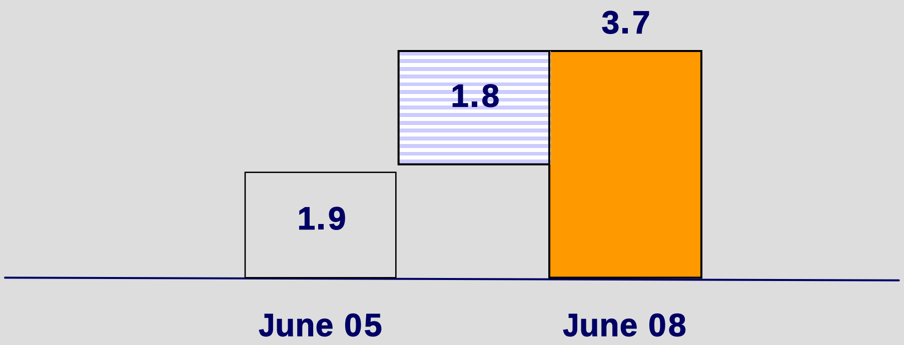
Objectives

- Boost profitability by increasing contribution of higher-margin products (personal and finalised loans, revolving credit cards)
- Expand network: 35 branches to be opened (40% increase on current network) in order to deliver superior service level both to dealers and to customers
- New commercial agreements with insurances and medium size banks
- Business and dealer base development in sectors with good growth potential (e.g. home equipment)
- Selective partnership development with large retail network in consumer electronics
- Selected co-branding agreements in credit cards
- Increase direct marketing activity for personal loans
- Marketing support: license agreement with the National soccer team; focus on high effectiveness media; new product development
- Credit management: very early solicitation procedures; more effective collection strategy
- Credit scoring: more effective scorecards (consumer loans and credit cards)

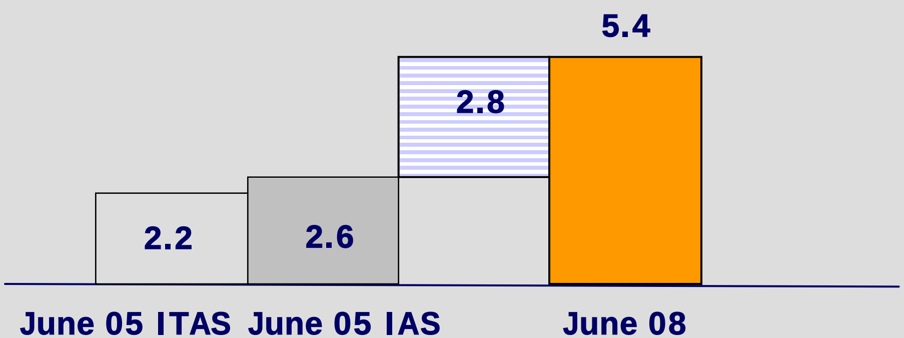
Consumer credit ⇒ doubling size

RFS 2006-2008 business plan

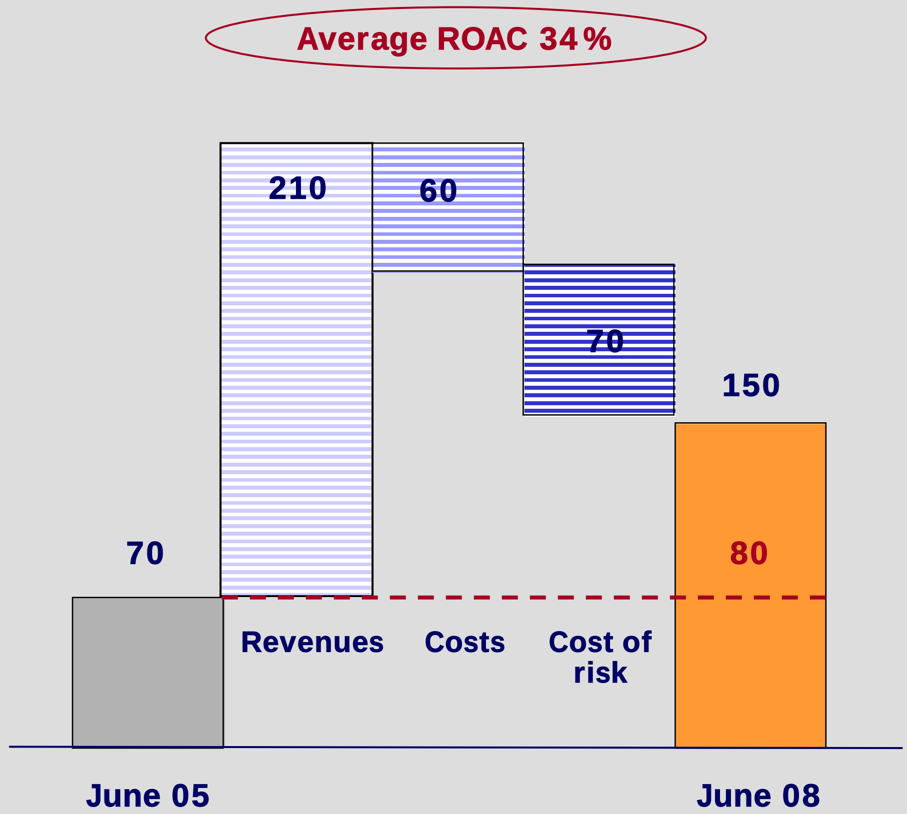
New loans (€ m)



Outstanding loans (€ m)



GOP trend (€ m)



IAS compliant

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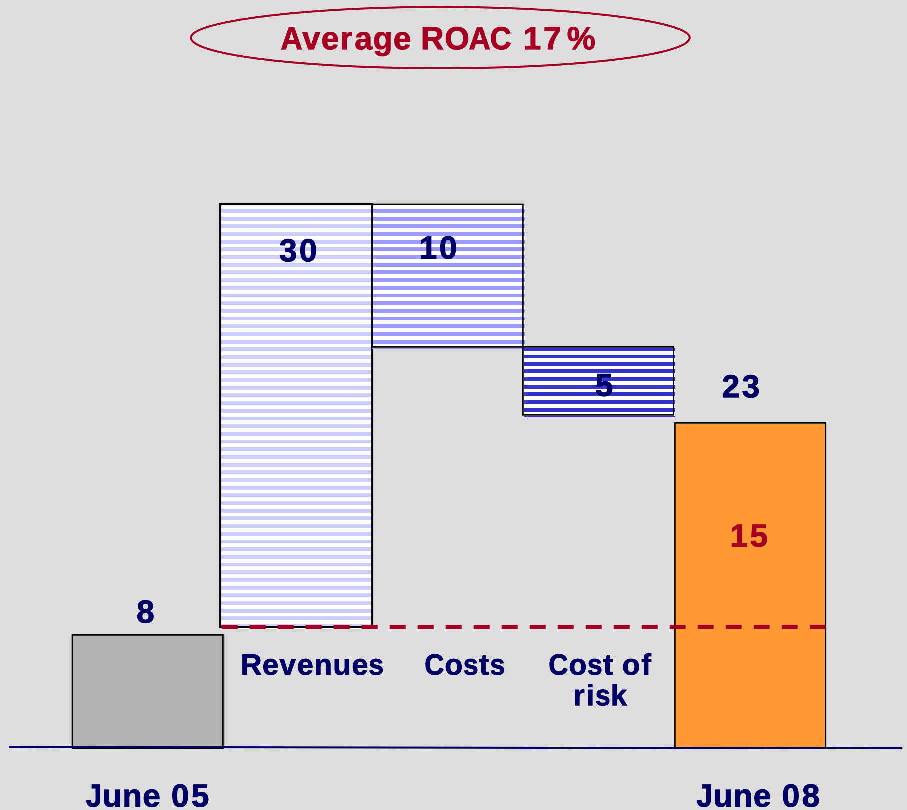
Mortgage lending ⇒ tripling GOP

Objectives

- To boost volumes in a favourable market scenario
- Improving distribution capacity by targeted new branch openings along with strengthening sales workforce at existing branches
- Closer relationships with estate agents and FAs (incl. networks)
- Enlarging product portfolio (new mortgages/ insurance products)
- Higher productivity, driven by more effective service, communication and brand awareness
- Launch of credit scoring to improve risk/ productivity

GOP trend (€ m)



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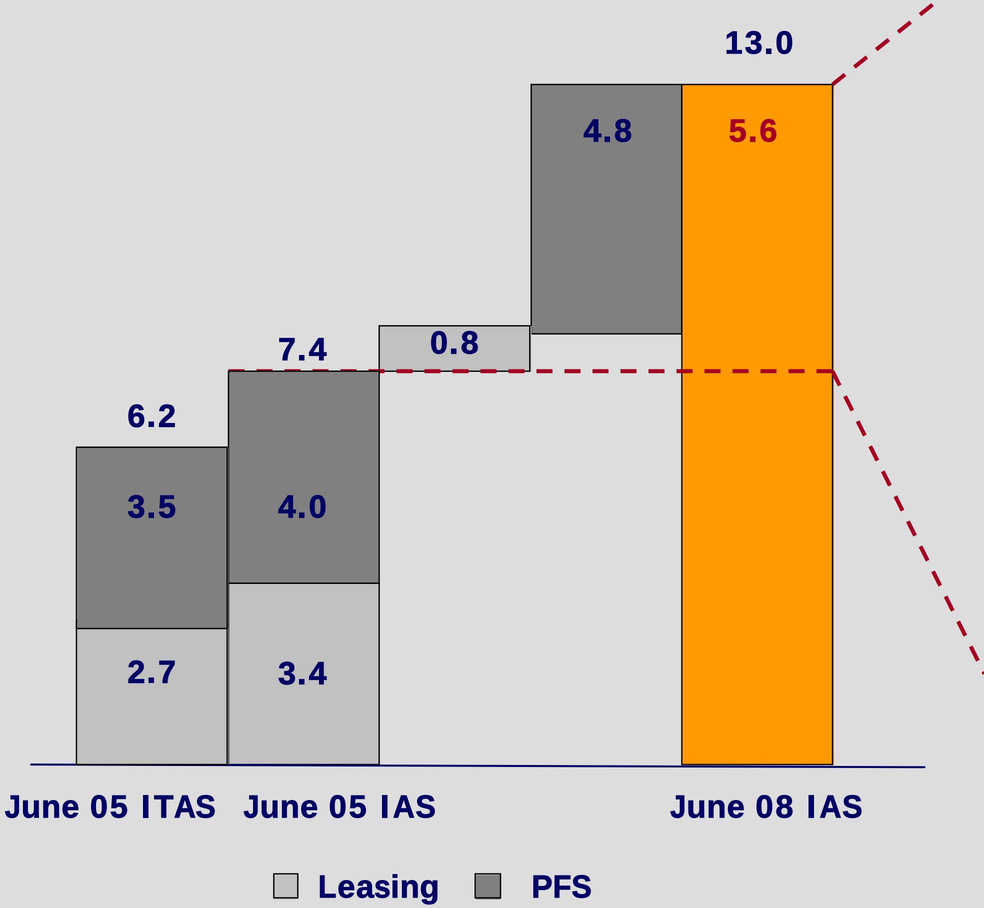
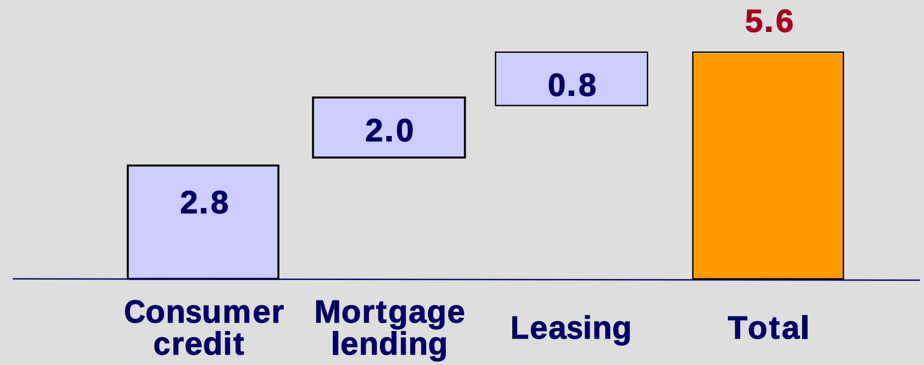
RFS 2008 target ⇒ doubling loan book

RFS 2006-2008 business plan

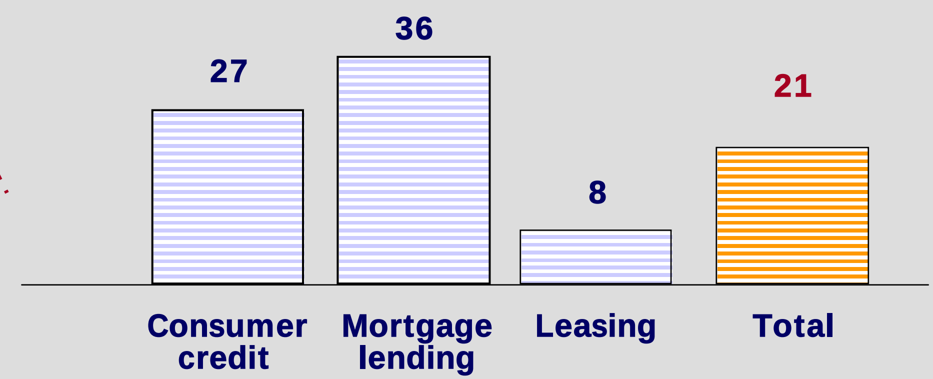
Outstanding loans trend (€ bn)



Loans by product (€ bn)



CAGR (%)



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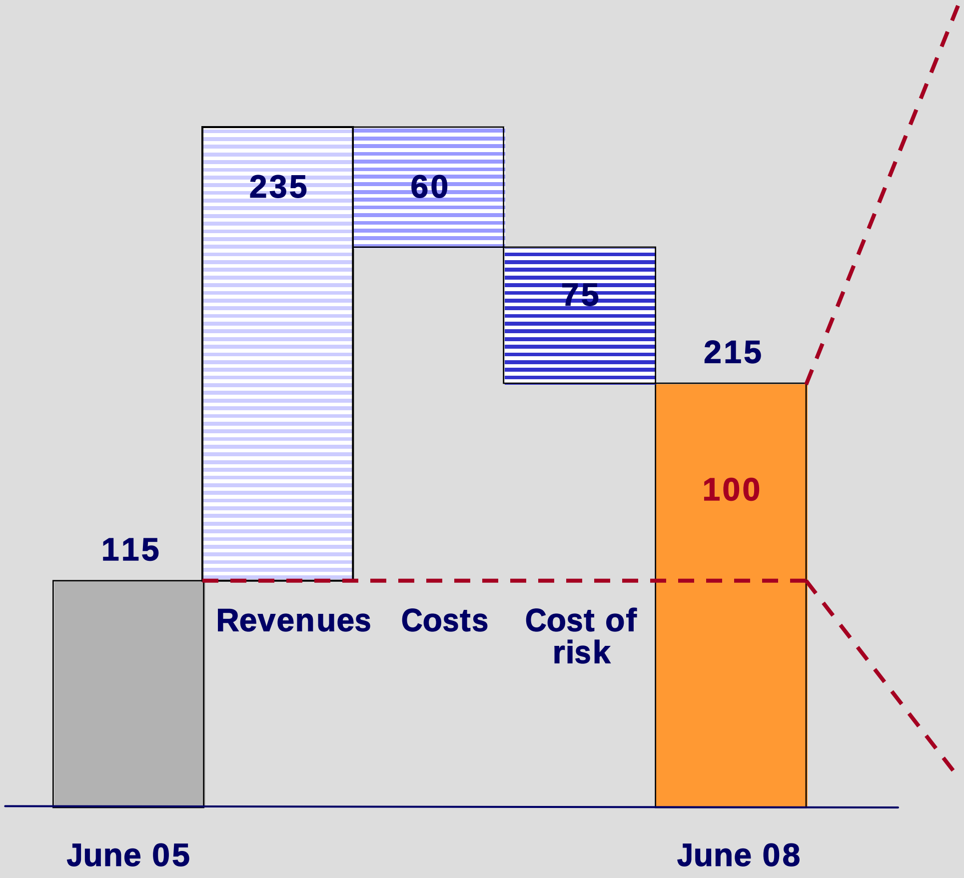
RFS 2008 target ⇒ doubling GOP

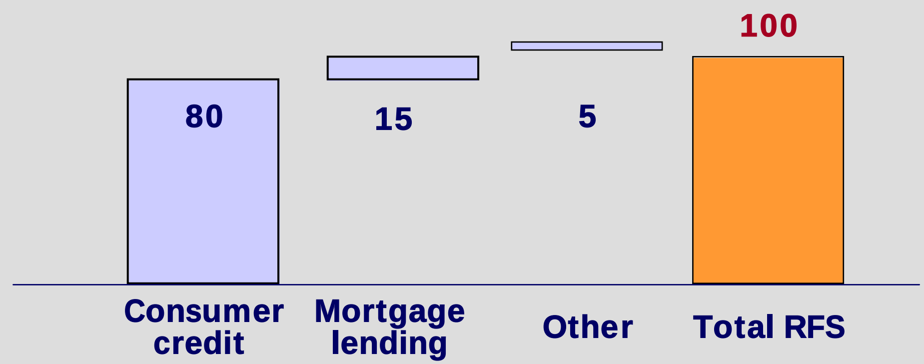
RFS 2006-2008 business plan

GOP trend (€ m)

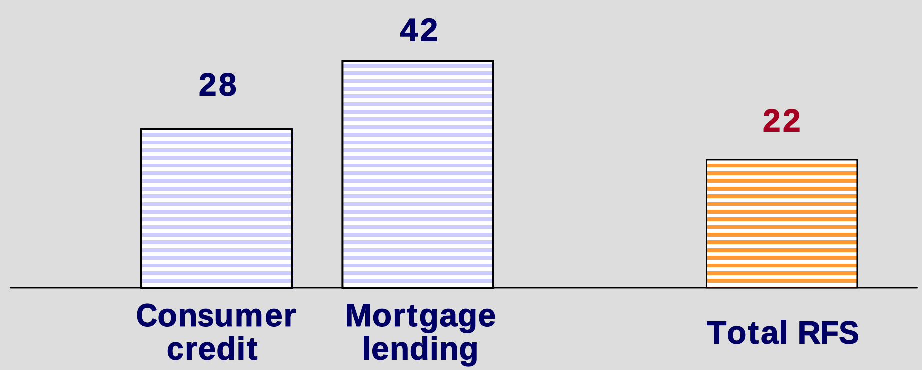


IAS compliant

GOP by products (€m)



CAGR (%)



WB EIP RFS PB

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Private banking

Compagnie Monégasque de Banque ⇒ maximize size and profitability

Strategic guidelines

- Leveraging on synergies with MB and BE
- Onshore activity in Monte Carlo, with key local customers as well as on Cote d’Azur, by targeting new “haut de gamme” clients
- Geographic expansion through hiring new “gestionnaires” specialized in individual markets, and/or start-up of new branches outside France
- Extension of product range (e.g. hedge products), incl. by leveraging on BE competences
- AUM up to around € 8bn by 2008
- AUM from 41% of total assets to 50%

Banca Esperia ⇒ the leading specialized private bank in Italy

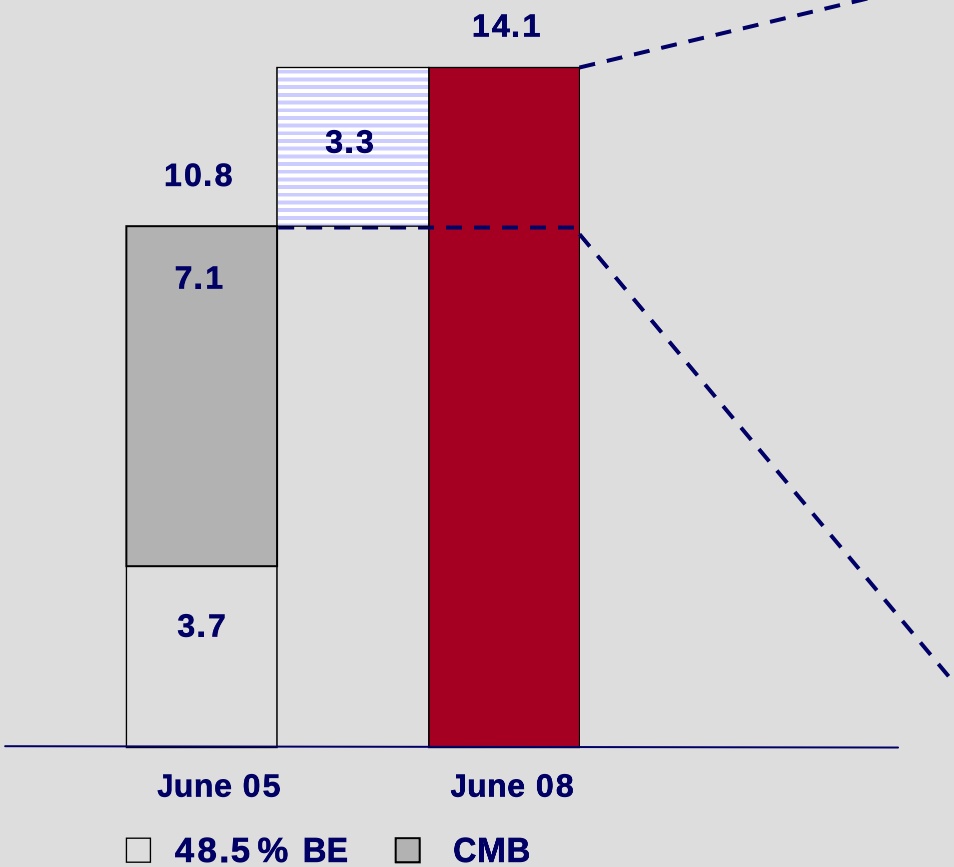
Strategic guidelines

- To grow and expand in UHNI market
  - increase AUM
  - increase customers' coverage and share of wallet
  - increase number of branches and senior bankers
  - focus on UHNI (to be the private bank of leading Italian families)
  - invest in tax and legal advisory service
- To create an "independent, private-label asset management machine"
  - improving both asset gathering and management capabilities
  - extending range of products offered: real estate funds, long-only total return funds; full control of hedge funds' "value chain" (internal advisory and independent single manager hedge fund practise)
  - increase products with high embedded value
  - maintain orientation to discretionary management (fee based model)
  - increase distribution through other network (private and white label)

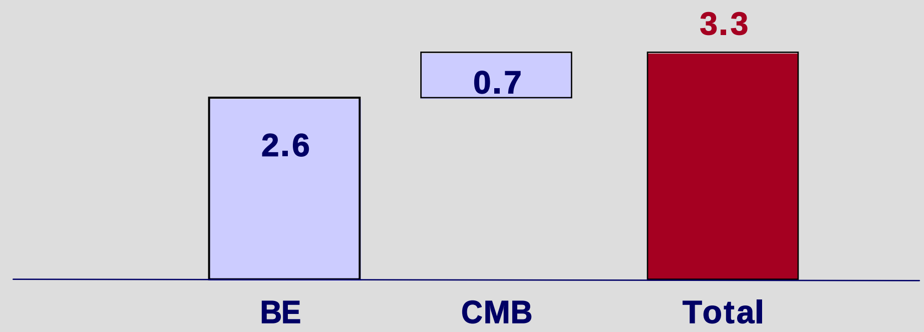
PB 2008 target ⇒ AUM up 30%

PB 2006-2008 business plan

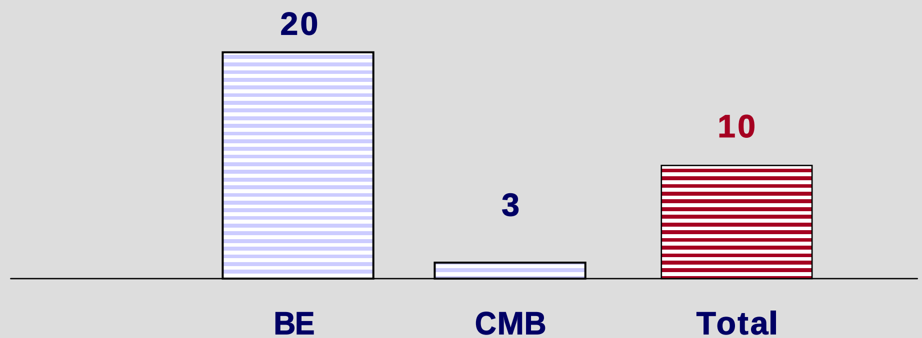
AUM trend (€ bn)



AUM by company (€ bn)



CAGR(%)

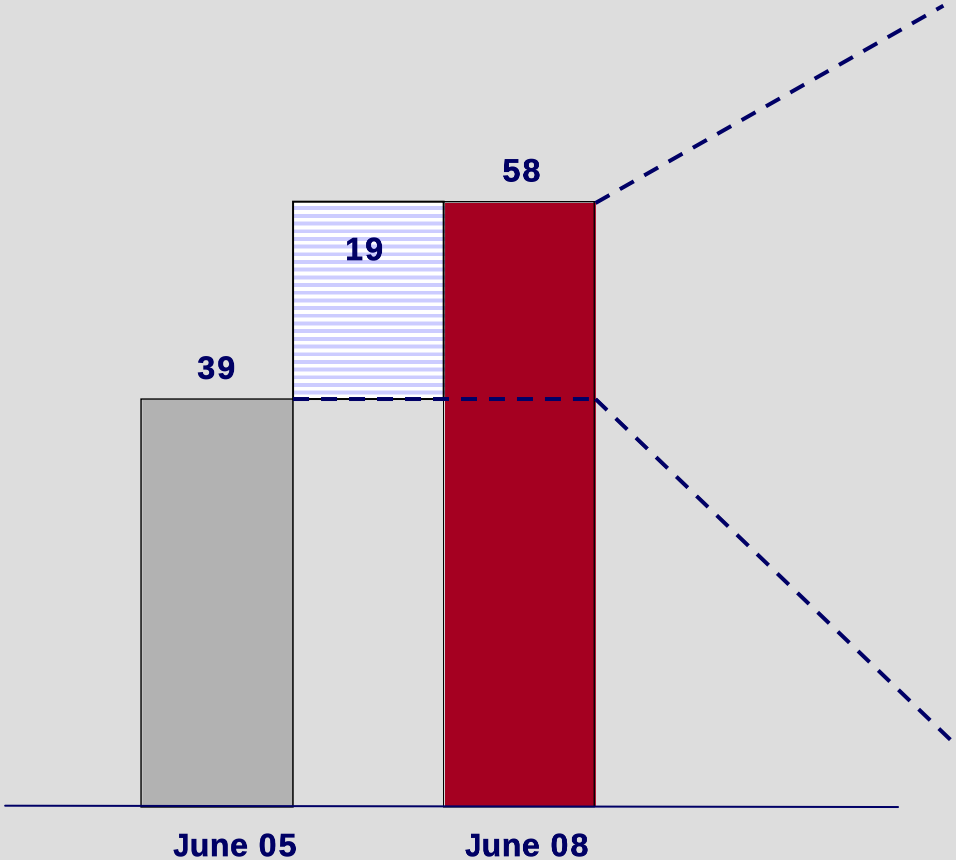


* *Banca Esperia booked pro-rata*

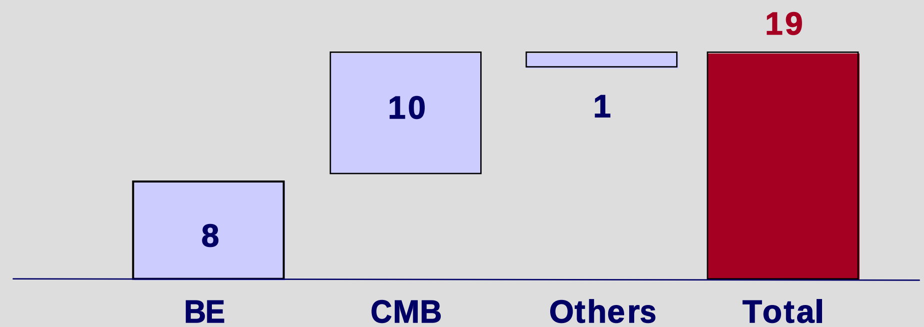
PB 2008 target ⇒ PBT up 50%

PB 2006-2008 business plan

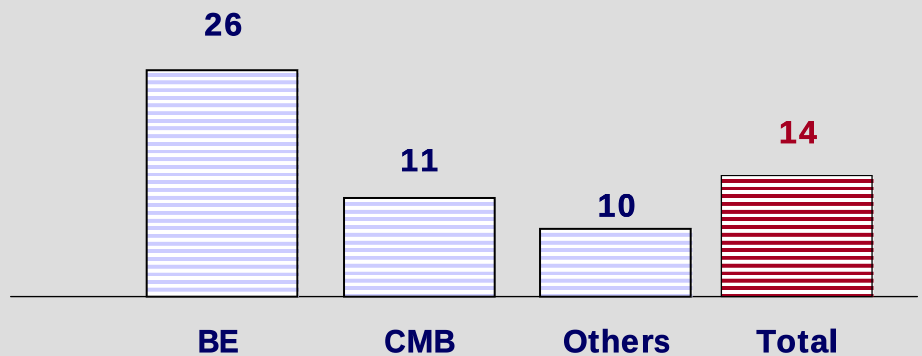
PBT trend (€ m)



PBT by companies (€ m)



CAGR (%)



IAS compliant

WB EIP RFS PB

** Banca Esperia booked pro-rata*

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2008 divisional targets

2006-2008 business plan

%	Banking				
	WB	RFS	PB	Banking	EIP
Revenues CAGR	13	18	12	15	20
GOP CAGR	16	22	22	19	20
C / I	29	36	58		
ROAC	16	20	40	18	15

IAS compliant

Attractive dividend policy

Criteria

- Medium term capital planning
- Peer group analysis of dividend payout ratio / yield
- Dividend policy linked to group operating and cash performance

Investment case

Keys

- Proven performance across cycles
- Strategy focused on high margin businesses
- Strong profitability, with balanced business mix
- Optimization of risk-return ratio
- Growth to be achieved by:
  - solid development of all four core businesses
  - capital restructuring
  - acquisitions option
- Competitive dividend policy

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Investor contacts

Mediobanca group

Investor relations

Jessica Spina

Piazzetta Cuccia, 1 – 20121 Milan

Tel: +39 02 8829 860

Fax: + 39 02 8829 500

E-mail: investor.relations@mediobanca.it

http://www.mediobanca.it

Annexes

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.

Mediobanca group activities

Mediobanca is a financial services group focused on corporate, investment and private banking activities, as well retail financial services and equity investment. With a market cap. of over € 12bn, Mediobanca is the 4th largest bank in Italy. The group is Italian leader in advisory services, ECM, syndicated lending and asset management. It is also the main Italian investing house, and among the best performers in personal financial services.

Wholesale banking
- Coverage and corporate finance
- Lending and structured finance
- Capital markets

Equity investment ptf
- Strategic holdings
- Non-strategic holdings

Retail financial services
- Consumer credit
- Mortgage lending
- Leasing

Private banking
- Asset management
- Trustee

Segmental reporting

Mediobanca Group

Wholesale banking	Equity investment portfolio	Retail financial services	Private banking
MB S.p.A. MB Finstrutture MB International Prominvestment (70%)	All group equity investments	PFS Compass Micos Banca Cofactor Leasing SelmaBPM (61.65%) Teleleasing (80%) Palladio	CMB Banca Esperia (48.5%) Spafid Prudentia

- Unless otherwise indicated, companies are 100% owned
- All companies are included in their own business units net of equity investments, which are all accounted for in EIP
- All central costs have been allocated between WB, RFS and EIP
- Differences between group and sum-of-parts figures due to: (i) consolidation entries (ii) Banca Esperia: equity-accounted in group figures; here booked pro-rata

Mediobanca's approach to IAS: reduce points of discontinuity

IAS impact

Equity investment	Reduce impact of market volatility on P&L by adopting AFS rather than trading method for valuing equity investments Keep FTA increase in book value to a minimum (equity method vs fair value)
Property	Measured at cost, rather than fair value
Hedge accounting / loan quality	No need for significant loan loss provisioning No impact on hedge accounting

IAS may increase banking business earnings volatility, but will also reveal Group's embedded value (2/2)

IAS impact

	A&L	P&L	Main impact
Treasury portfolio	€ 3.5bn from treasury to AFS MB bond writeoff (€ 300m)	All trading positions marked to market	Increase wholesale banking volatility
EIP	Generali, RCS, Burgo equity accounted Other stakes accounted for as AFS at fair value BV increase under FTA due to unrealized gains	14% of Generali and RCS net profits included in MB Group results AFS portfolio: fair value delta to equity, impairment to P&L	EIP results closely correlated to associate companies' net profit; equity volatility linked to AFS portfolio fair value
RFS	Securitizated loans booked into originator balance sheet (recognition)	Dealer fees amortized over life of facility, rather than booked in one go at disbursement	Revenues and costs down, GOP up. Outstanding loans up by € 1.1bn.

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IAS may increase banking business earnings volatility, but will also reveal Group's embedded value (1/2)

IAS impact

	A&L	P&L	Main impact
Stock options	Increase shareholders' funds when exercitated	Labour cost increase due to vesting period and stock options value	Correlation between benefits to company and P&L cost
Loan loss provisions	Analytical impairment: individual positions assessed Collective impairment: applied to groups of financial assets with similar credit risk. Collective impairment generates a provision with which to hedge future impairment	Impairment related to changes in loan portfolio risk profile	FTA impact: equity reduction covered by provision for general banking risks