



# FY15 results as at 30 June 2015



MEDIOBANCA

Milan, 5 August 2015

# Agenda

**Section 1. FY15 Results - Mediobanca Group**

**Section 2. FY15 Results - Segmental reporting**

**Section 3. First step in MAAM set up - Cairn Capital acquisition**

**Section 4. 3YBP Where we are**

## Annexes

- 1. Quarterly segmental reporting tables**
- 2. Asset quality details by business as at June 2015**
- 3. Principal investing: main equity investments as at June 2015**

# Mediobanca: a growth story both annually ...

FY15 results as at 30 June 2015 - MB Group

Section 1

In last 12m Mediobanca has successfully achieved:

**Growth in loan book**

associated with **improved asset quality** and **higher coverage ratios**

**Growth in top line**

coupled with **enhanced geographical** and **business diversification**

**Further equity disposals**

**Growth in net profit and profitability**

along with **higher capital ratios** and **dividend**

Revenues up 12% to €2,045m, first time >€2bn

Net profit up 27% to €590m, ROE up to 7.3%

Banking ROAC up to 7.6%

CET1 phase-in up to 12%

Dividend up 67% to €0.25 per share

Loans up 8%, NPLs coverage up to 53%

€290m AFS equity disposals, €120m capital gains

## ... and quarterly

FY15 results as at 30 June 2015 - MB Group

Section 1

In last quarter Mediobanca has successfully achieved:

**Growth in loan book**

coupled with **declining NPLs and Bad Loans**, both in stocks and as % of loans

**Growth in NII**

with the **highest-ever level** driven by **widening net assets spread**

**Good trading result**

**Growth in fees**

driven by **CIB and CheBanca!**

**Total revenues up 6% to €530m**

**NII up 4% to €303m, the highest-ever level**

**Fees up 10% to €111m**

**NPLs: gross and net down 2%, coverage at 53%**

**Gross Bad Loans down 9%, 1.7% of Group loans**

**Net Bad Loans down to €260m (0.8%)**

**Loans up 2%, driven by all segments**

# Revenues up 12% to over €2bn, net profit up 27% to €590m

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P&L - €m	12M June15	12M June14	Δ YoY	12M June13
<b>Total income</b>	<b>2,045</b>	<b>1,819</b>	<b>12%</b>	<b>1,628</b>
Net interest income	1,143	1,087	5%	1,028
Fee income	472	424	11%	410
Net treasury income	207	45		200
Equity accounted co.	224	264	-15%	-10
<b>Total costs</b>	<b>(847)</b>	<b>(791)</b>	<b>7%</b>	<b>(752)</b>
Labour costs	(419)	(379)	11%	(380)
Administrative expenses	(428)	(412)	4%	(373)
<b>Gross operating profit</b>	<b>1,198</b>	<b>1,028</b>	<b>17%</b>	<b>876</b>
LLPs	(533)	(736)	-28%	(507)
<b>Operating profit</b>	<b>666</b>	<b>292</b>	<b>128%</b>	<b>370</b>
Impairments, disposals	92	209	-56%	(392)
Taxes & minorities	(167)	(36)		(153)
<b>Net result</b>	<b>590</b>	<b>465</b>	<b>27%</b>	<b>(176)</b>
Cost/income ratio	41%	43%	-2pp	46%
Cost of risk (bps)	168	230	-62bps	145
NPLs coverage ratio	53%	50%	+3pp	45%
ROAC banking (%)	7.6%	1.1%	+6.5pp	6.8%
ROE (%)	7.3%	6.4%	+90bps	neg

# A&L optimized to cope with a low yield scenario

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A&L - €bn	June15	June14	Δ YoY	June13
<b>Funding</b>	<b>42.7</b>	<b>45.8</b>	<b>-7%</b>	<b>51.3</b>
Bonds	19.7	22.6	-13%	25.9
Retail direct deposits	9.6	11.5	-16%	11.9
ECB	5.5	5.5	0%	7.5
Others	7.9	6.2	27%	6.1
<b>Loans to customers</b>	<b>32.9</b>	<b>30.6</b>	<b>8%</b>	<b>33.5</b>
Wholesale	13.7	12.5	10%	15.5
Private banking	0.9	0.8	14%	0.8
Consumer	10.9	9.9	10%	9.4
Mortgage	4.6	4.4	5%	4.3
Leasing	2.8	3.0	-8%	3.5
<b>Treasury+AFS+HTM+LR</b>	<b>14.8</b>	<b>19.8</b>	<b>-25%</b>	<b>21.7</b>
RWAs	59.6	58.7	1%	52.4
Loans/Funding ratio	77%	67%	+10pp	65%
CET1 ratio: phase-in / fully phased* (%)	12.0 / 13.2	11.1 / 12.5	+90 / +70 bps	
TC ratio: phase-in / fully phased* (%)	14.9 / 15.6	13.8 / 14.7	+110 / +90 bps	

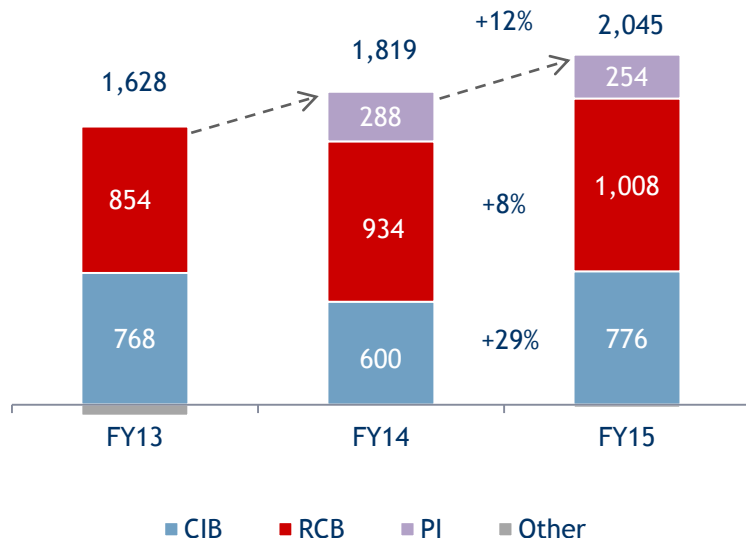
\*Basel 3 CRR/CRDIV phased-in and fully phased with AG weighted 370% from June 2014

# Top line (NII and fees) up in corporate & retail

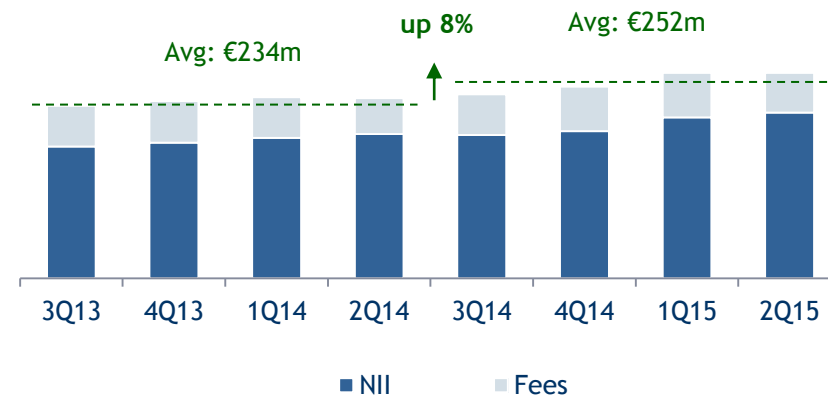
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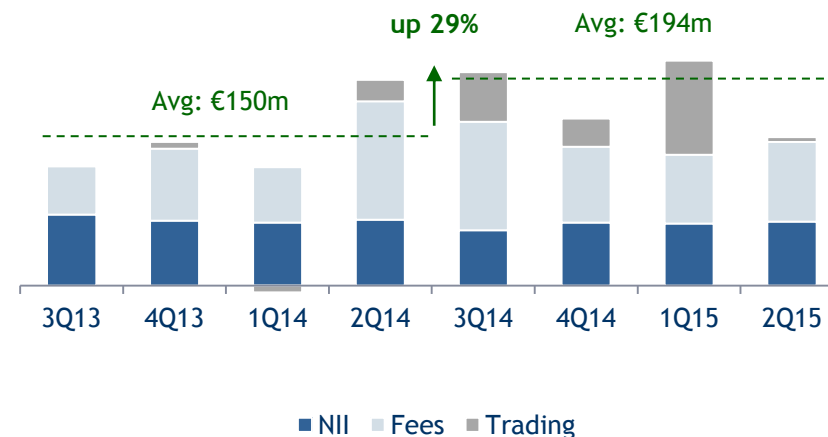
## Group revenues (€m)



## RCB revenues by quarter (€m)



## CIB revenues by quarter (€m)



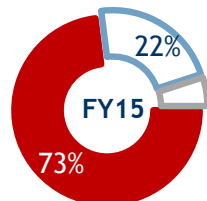
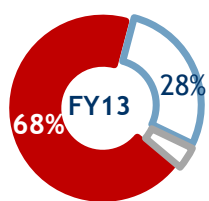
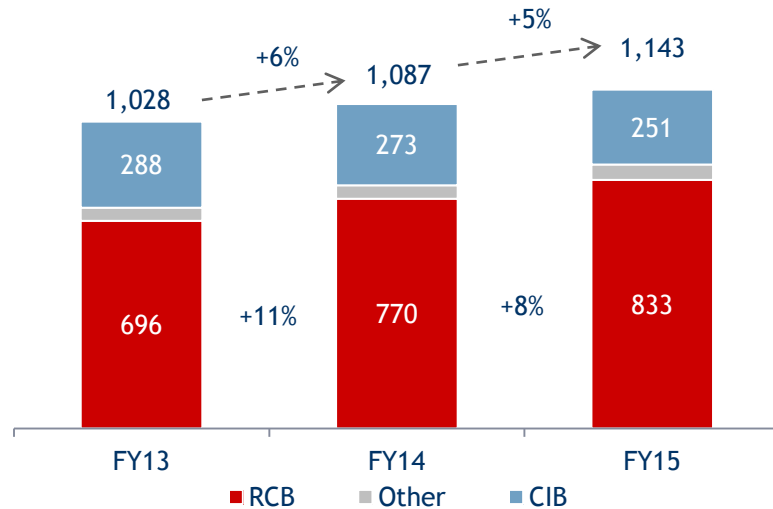
- ◆ Material revenues growth (up 12% to over €2.0bn) driven by banking: CIB up 29% (to €776m), RCB up 8% (to €1,008m); lower AG contribution
- ◆ RCB: steady and progressive growth continuing
- ◆ CIB: fees and NII bottoming out on a long-term cycle prospective, trading volatile

# NII up for the third year in a row, driven by A&L remix and ...

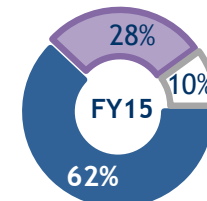
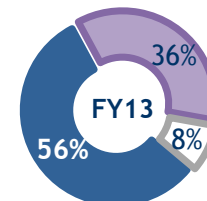
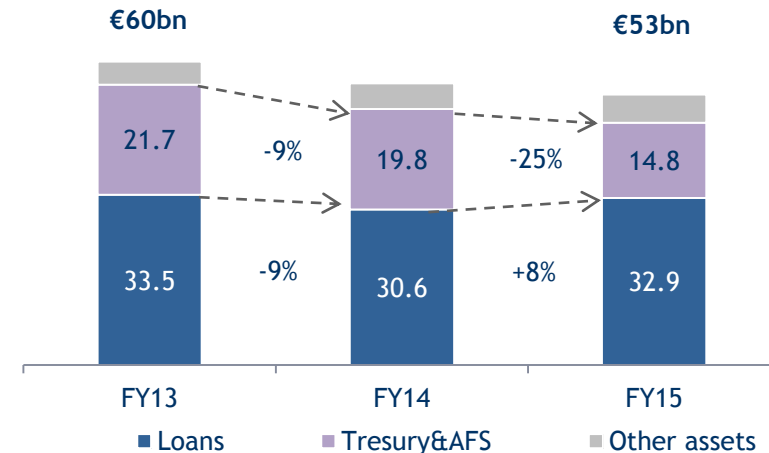
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## Net interest income (€m)



## Total asset mix (€m)



- ◆ Asset remix: loans up (10% in CIB, 9% in RCB) at 62% of total assets, treasury and bond portfolio optimized
- ◆ NII steady mid-single digit growth, driven by consumer lending (up 4% QoQ and 10% YoY), with CIB catching up
- ◆ Avg. cost of funding reduction: CIB now ready to start benefiting, reduction still ongoing in RCB

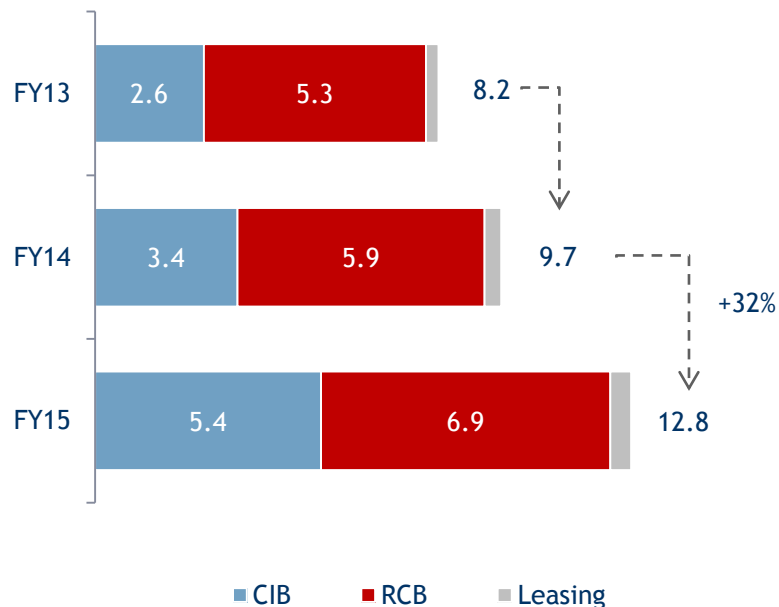


# ... growth in loan book, both corporate and retail

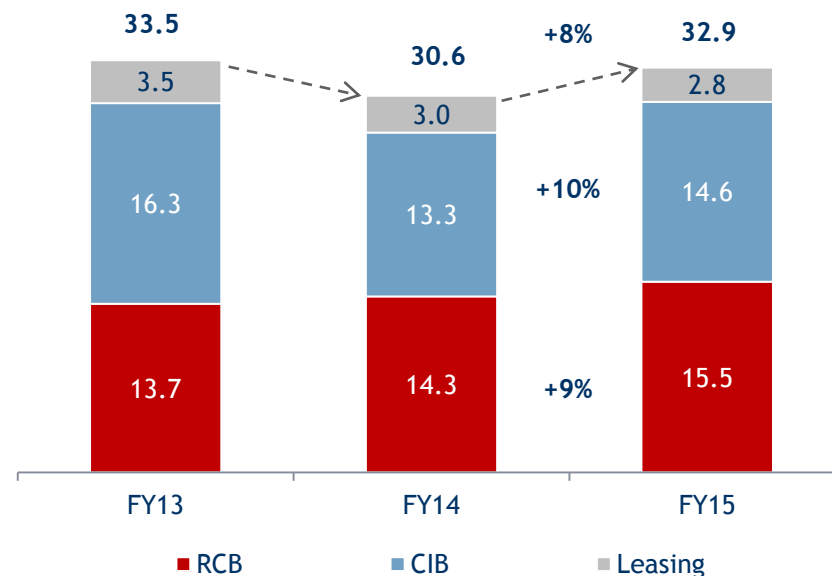
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## New loans trend (€bn)



## Loan book trend (€bn)



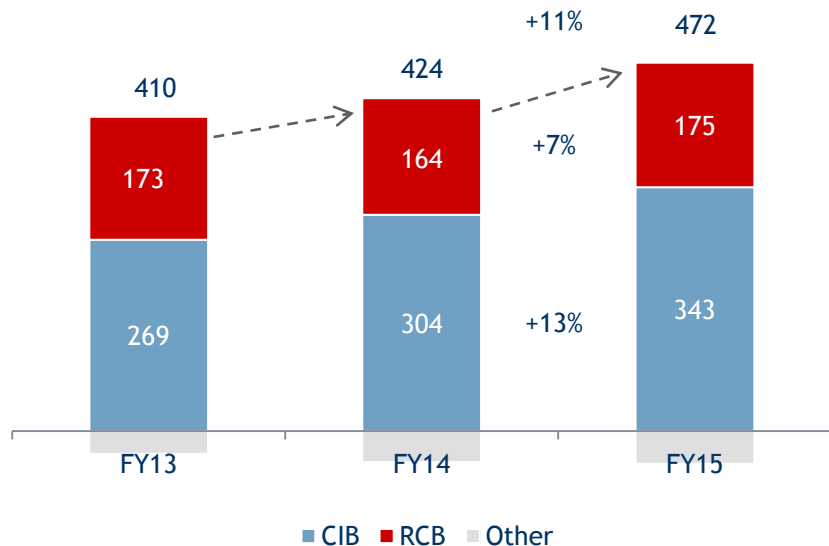
- ◆ Group loan book up 8% to €32.9bn as result of substantial new lending activity (€12.8bn up 32% YoY):
  - ◆ €5.4bn in CIB (up 60%) with reduced concentration (€35m avg.ticket) and wider geographical scope
  - ◆ €6.9bn in RCB (up 16%) driven by consumer (€6.2bn up 14%) and revamped mortgages (€0.7bn up 40%)

# Building up fee income stream

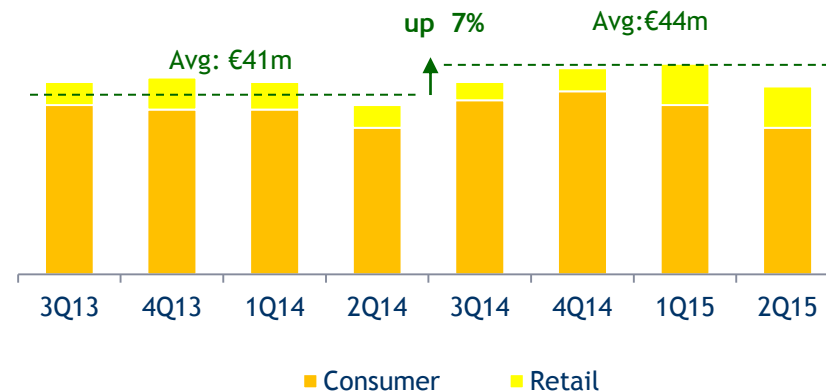
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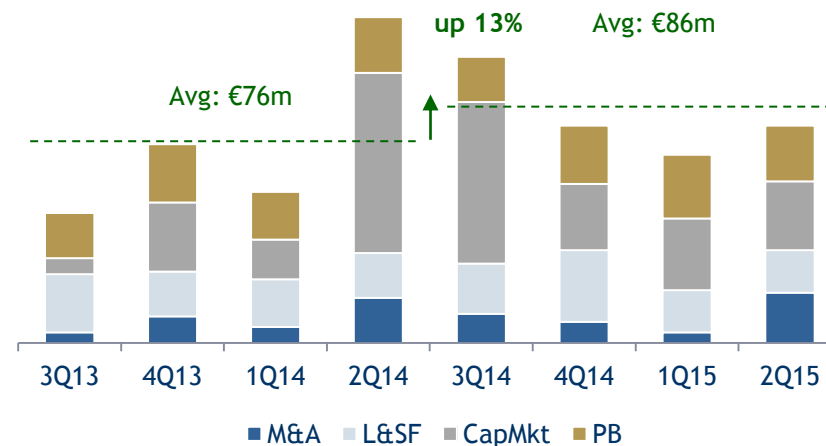
## Group fee income (€m)



## RCB fees by quarter (€m)



## CIB fees by quarter (€m)



- ◆ Group fees up 11% YoY, grown both in CIB and RCB
- ◆ CIB: sound underlying activity in all segments, after an exceptionally strong 2Q14 and 3Q14 for CapMkts; pipeline building up
- ◆ RCB: fees up 7%, driven by CheBanca!, whose fees are now recurrent (driven by AUM and transactional products not only MB bond placements)

# Costs up for higher bonus pool, franchise upgrade and regulation

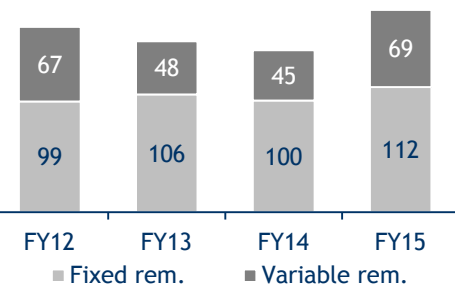
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## Higher bonus pool

- ◆ Bonus back to FY12 level, compensation ratio lower than in FY14

WB compensation ratio

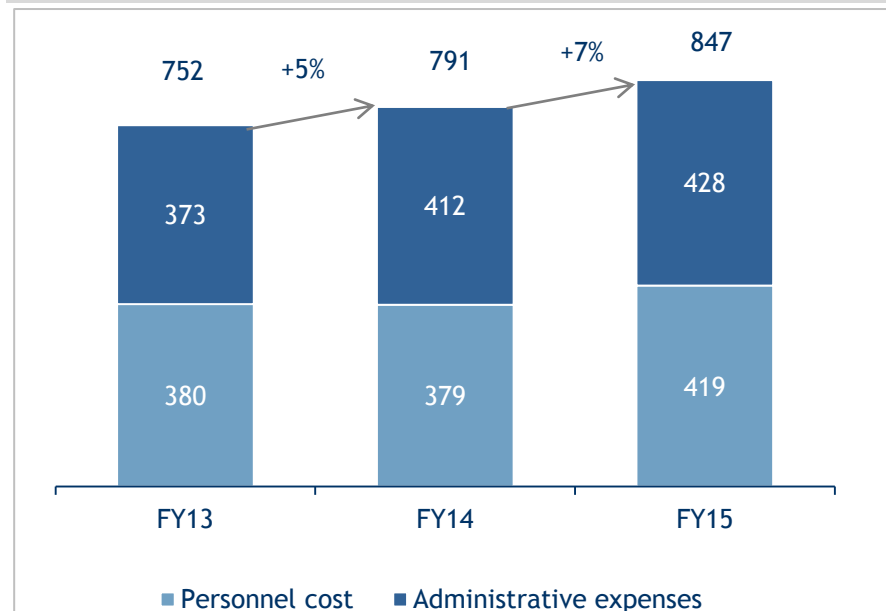


## Franchise upgrade

**WB: staff up 2% to 654**

- ◆ Non-domestic staff up to 183 (additional 42) mainly due Mexico opening, London and France enhancement

## Group total cost trend (€m)

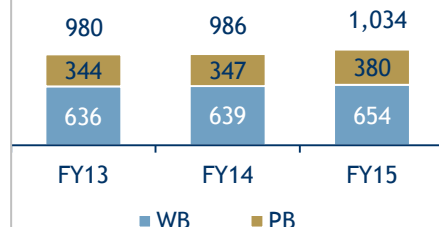


## Regulation, IT, operations

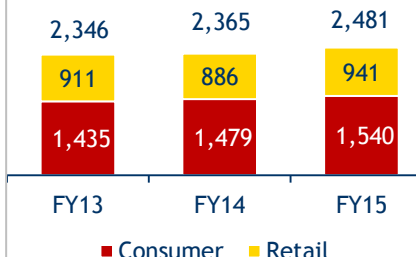
**CIB**

- ◆ Support staff hirings: 20 new staff in FY15, 40 expected in FY16 for Risk Management and Treasury enhancement
- ◆ Regulations costs charged such as for RAF, Recovery plan drawing up
- ◆ Some costs related to Advanced Model adoption already charged, but the big part from FY16 on

**CIB staff**



**RCB staff**



## Franchise upgrade

**RCB: staff up 5% to 2,481**

- ◆ CheBanca! more staff (additional 55) mainly in FO/advisory platform
- ◆ Compass: additional 61 mainly in distribution

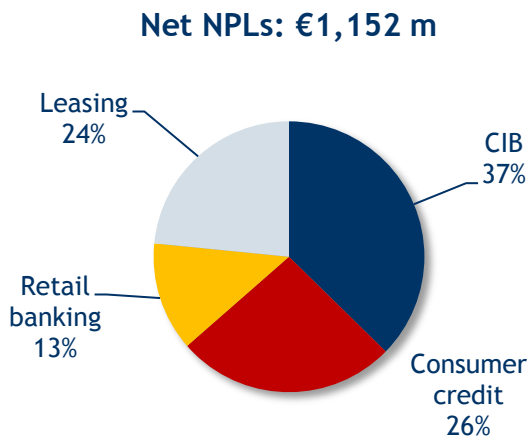


# Asset quality: increasing coverage and decreasing NPLs stocks ...

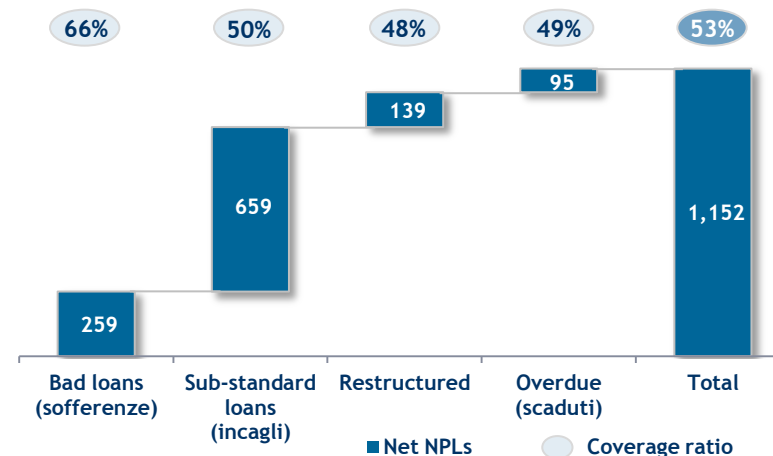
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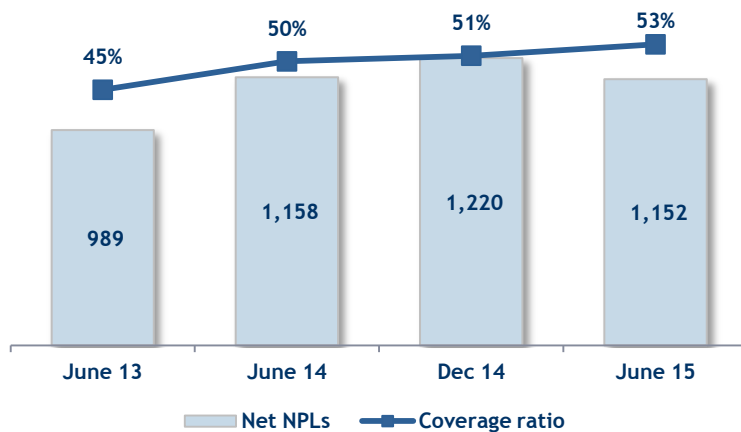
## Group net NPLs by segment (June 2015)



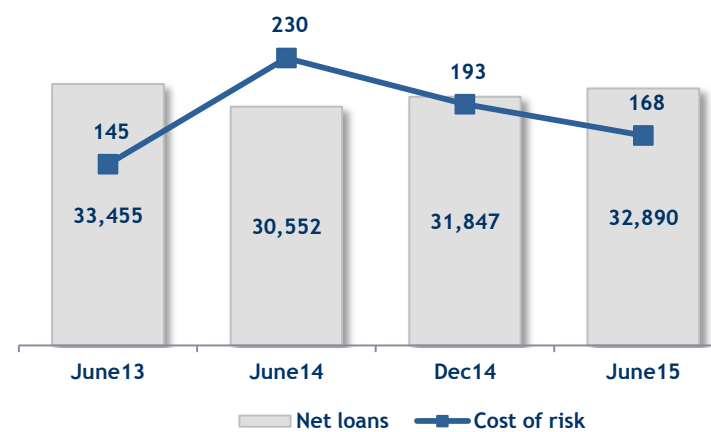
## Net NPLs and coverage by category (June 2015, €m, %)



## Group net NPLs and coverage ratio trend (€m, %)



## Group net loans and cost of risk trend (€m, bps)



# ... in all segments. Cost of risk back to normal levels

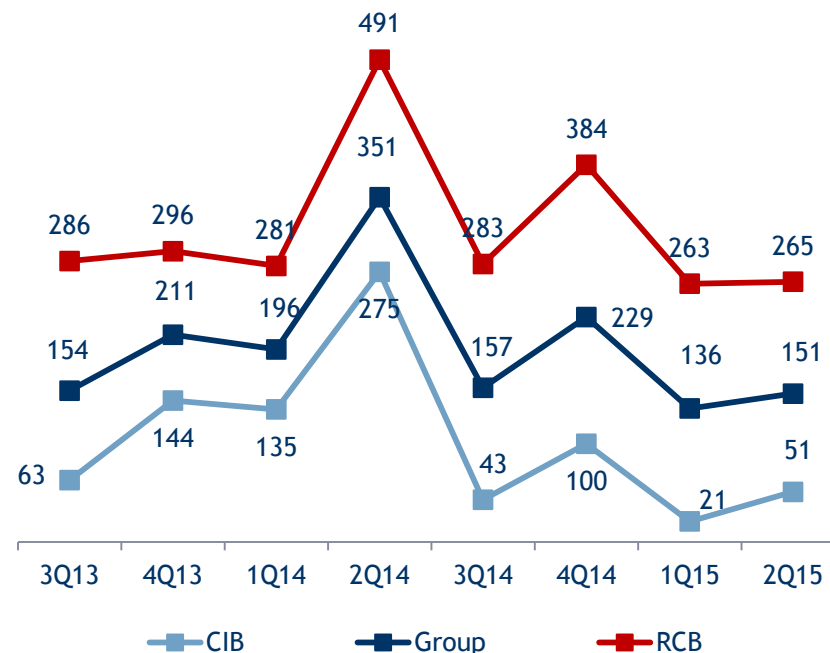
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## NPLs (“deteriorate”) and Bad Loans (“sofferenze”)

	June13	June14	Dec14	June15
Net NPLs (€m)	989	1,158	1,220	1,152 ↓
Net NPLs/CT1	16%	18%	19%	16% ↓
Net NPLs /loans	3.0%	3.8%	3.8%	3.5% ↓
o/w CIB	1.6%	3.1%	3.4%	2.9% ↓
o/w Consumer	3.9%	3.5%	3.0%	2.8% ↓
o/w Retail	2.9%	3.3%	3.3%	3.3% =
NPLs coverage <sup>1</sup>	45%	50%	51%	53% ↑
o/w CIB	39%	49%	49%	54% ↑
o/w Consumer <sup>1</sup>	56%	64%	67%	68% ↑
o/w Retail	47%	47%	47%	48% ↑
Net Bad Ls (€m)	263	271	271	259 ↓
Net Bad Ls/loans	0.79%	0.89%	0.85%	0.79% ↓
Bad Ls coverage <sup>1</sup>	66%	67%	66%	66% =

## Cost of risk by segment (bps)



- ◆ NPLs: €1,152m, down 6% HoH, decreasing as percentage of loans (at 3.5%) with increasing coverage (to 53%)
- ◆ Bad loans: €259m (down 4% YoY), decreasing as percentage of (at 0.8%) with stable coverage (66%)
- ◆ Cost of risk: stabilizing at normal levels (CIB helped by writebacks in 1Q15)

1) Net of Creditech

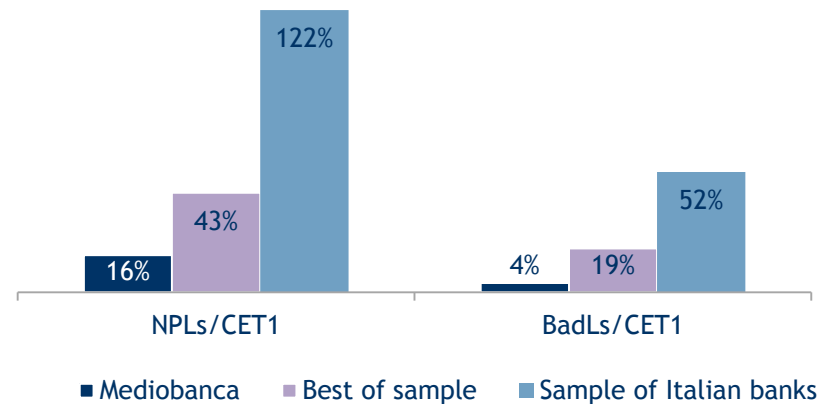
# MB well positioned among Italian banks on asset quality

FY15 results as at 30 June 2015 - MB Group

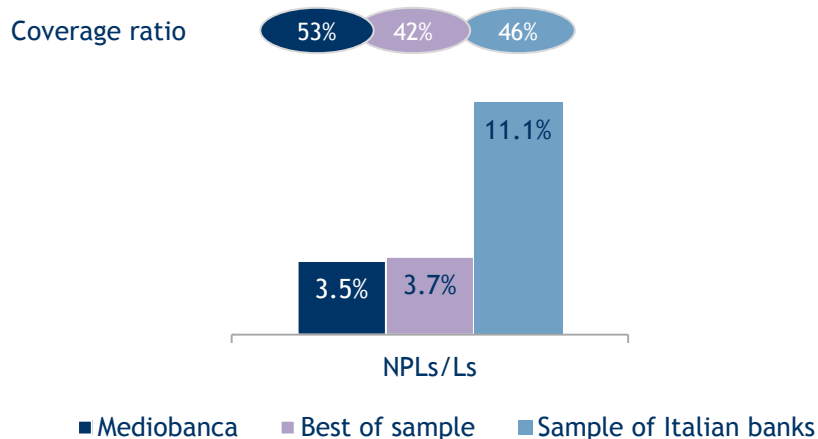
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- ◆ MB well positioned among Italian banks on asset quality:
  - ◆ NPLs incidence: 16% CET1, 3.5% loans (>120% and >11% respectively for IT banks)
  - ◆ Bad loans incidence: 4% CET1, 0.8% loans (>50% and ~5% respectively for IT banks)
  - ◆ Coverage ratio: 53% NPLs and 66% Bad Ls (46% and 60% respectively for IT banks)

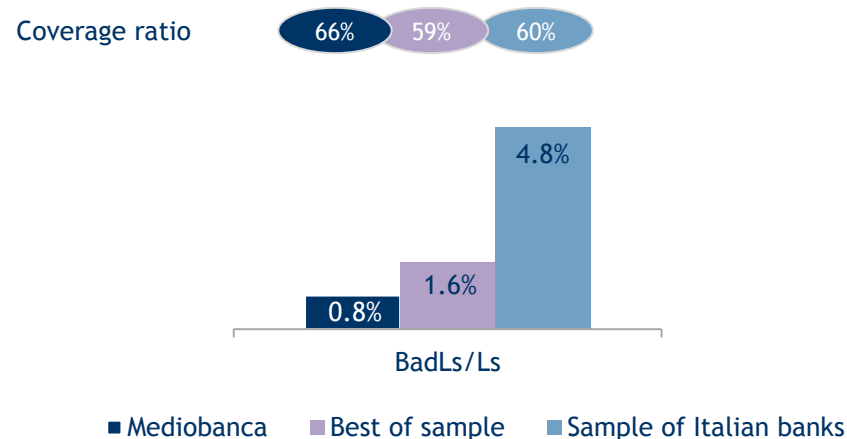
## NPLs (“deteriorate”) and BadLs (“sofferenze”) as % of CET1



## Net NPL: % of total loans and coverage ratio (%)



## Net BadLs: % of total loans and coverage ratio (%)



Source: MB Securities, 9 Italian banks - Figures as at June15 for Mediobanca, March15 for other banks



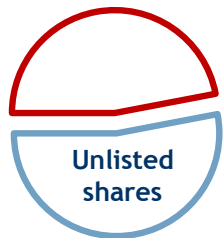
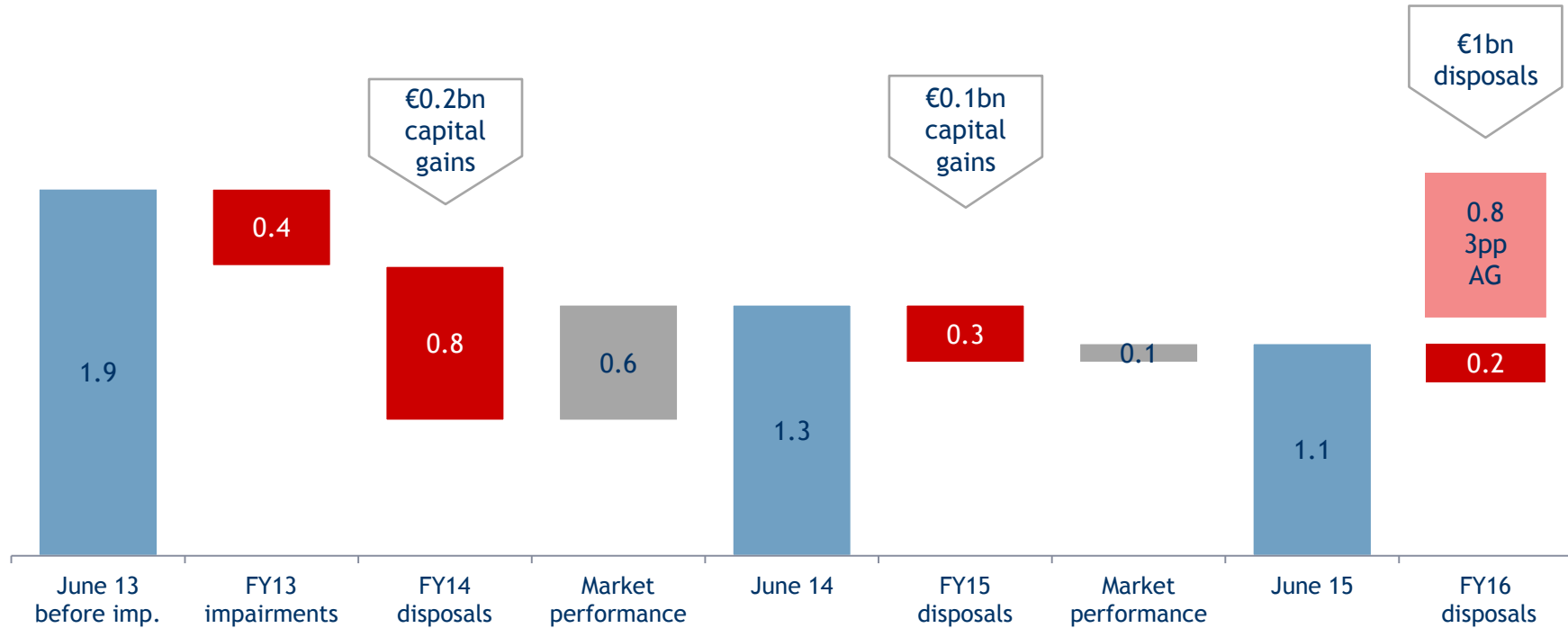
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# Disposals since FY13 totalling €1.1bn with €0.3bn cap gains

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AFS equities portfolio trend (€bn)



AFS equity portfolio reduced to €1.1bn  
Higher liquidity: listed equities from <50% to ~80%

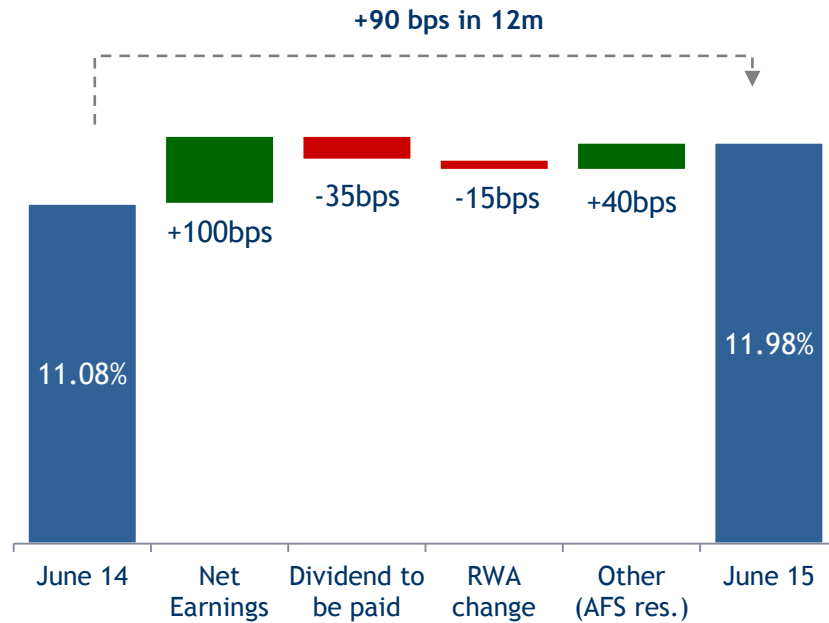


# Comfortable capital ratios in all scenarios

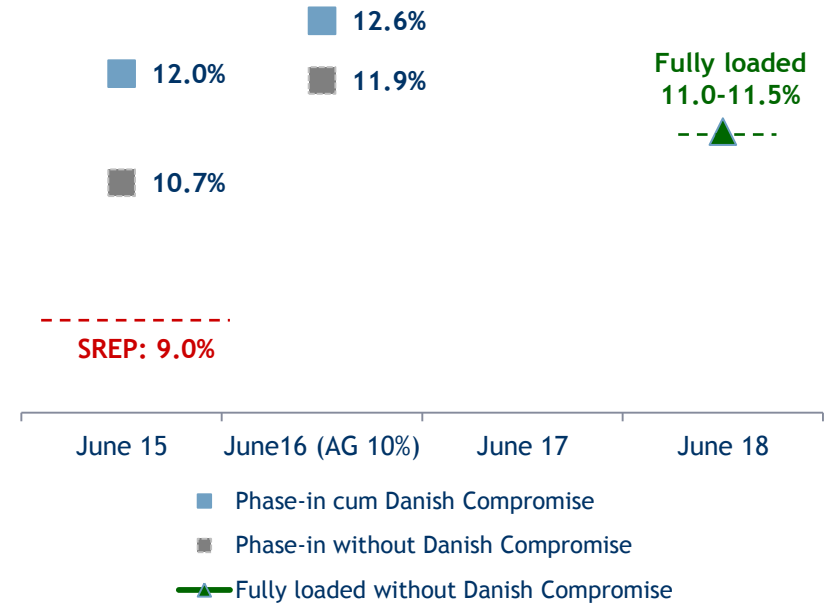
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CET1 ratio phase-in trend (bps)



CET1 ratios trend (%)



- ◆ In 12m ~90 bps in CET1 created, mainly from retained earnings/RWAs control
- ◆ Danish compromise benefit to CET1 phase-in equal to 130 bps in FY15, halving in FY16 with 3 pp AG disposal



# Banking profitability ratios materially improved

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		12m FY13	12m FY14	12m FY15	3YBP Target FY16**
GROUP	ROE	neg.	6.4%	7.3%	10-11%
	CET1- phase in	-	11.1%	12.0%	11-12%
CIB	ROAC*	7.9%	6.4%	8.2%	12-13%
RCB	ROAC*	5.3%	5.0%	10.8%	10-11%
ow Consumer lending	ROAC*	10.4%	8.9%	14.5%	13-14%
ow Retail banking	ROAC*	-20%	-16%	-9%	Break-even
PI	ROAC*	neg	24.4%	21.6%	

\*Calculated on average allocated K = 8% RWAs - Gains/ losses from AFS disposals, impairments and positive/negative one-off items excluded, normalized tax rate = 33%

\*\* Approved on June 2013

# Shareholders' remuneration: DPS at €0.25, up 67%

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€	12M June 13	12M June 14	12M June 15	Δ 15/14
EPS	Neg.	0.54	0.68	+26%
Cash DPS	0	0.15	0.25	+67%
Total dividend paid	0	127m	213m	+68%
Stated payout	0%	27%	36%	+9pp
Group net profit	-180m	465m	590m	+27%
Retained earnings		338m	377m	+12%
CET1 ratio*	11.7%	11.1%	12.0%	+90bps
CET1*	6.2bn	6.5bn	7.1bn	+10%
Yield	-	2.5%	2.8%	
Price** €	5.0	6.1	8.9	+46%

\*Basel 3 CRR/CRDIV phased-in, AG weighted 370% from June 14

\*\*Price: 30days ahead FY results approval

# Agenda

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Section 3. First step in MAAM set up - Cairn Capital acquisition

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# CIB : growth resumed in loans and top line

FY15 results as at 30 June 2015

Segmental reporting - CIB

## Corporate and Private Banking

Wholesale Banking

GROWTH RESUMED

- ◆ Top line growing
  - ◆ domestic and international, with more synergic approach among teams
  - ◆ fee-based products picking up, positive IB pipeline ahead
  - ◆ A&L optimized, NII starting to benefit from cost of funding reduction
- ◆ Asset quality improved, cost of risk normalizing

Private banking

AUM GROWTH

- ◆ Private banking AUM up 10% to €16.6bn

### 12M results

- ◆ Revenues up 29% YoY to €776m: strong trend in fees (up 13%) and trading (from €23m to €182m); NII stabilizing after capital management actions last year
- ◆ Cost of risk normalizing (53 bps)
- ◆ Net profit up to €193m, ROAC up to 8.2%

### Last 3M results

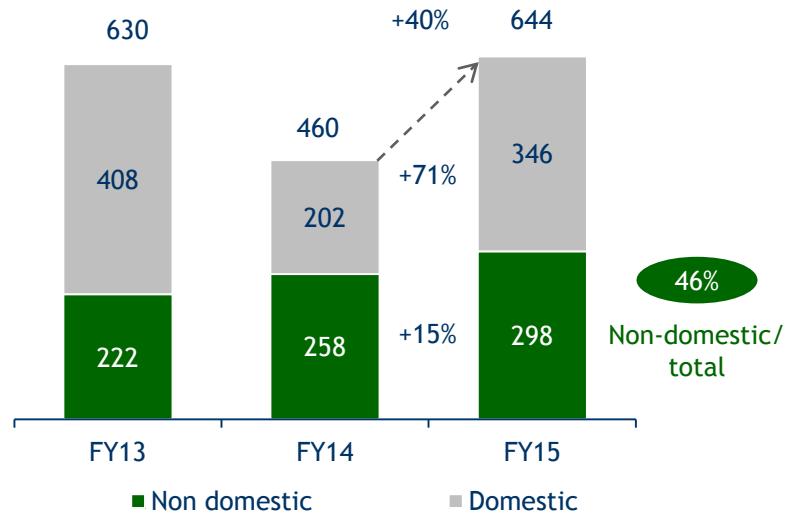
- ◆ €153m in revenues: strong NII (up 3% QoQ) and fees (up 16%), weak trading (from €97m to €6m)
- ◆ NPLs coverage ratio up to 54% (up 2 pp QoQ), bad loans confirmed at zero

# Top line growing, domestically and internationally

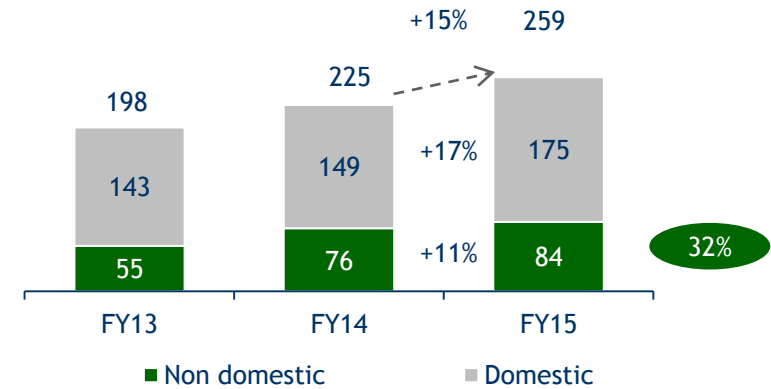
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Segmental reporting - CIB

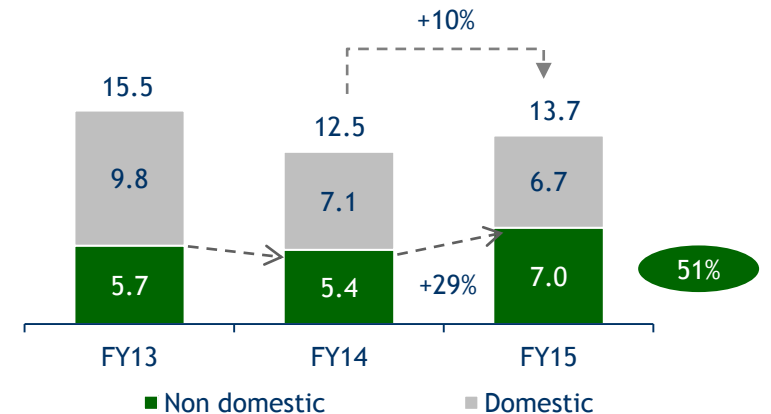
## WB total revenues trend by geography (€m)



## WB fees trend by geography (€m)



## WB loans by geography (June 2015, €m, %)



- ◆ Revenues up, both domestic and international
  - ◆ Domestic revenues up 71% (to €346m) on strong prop./ALM and CapMkt activities
  - ◆ Non-domestic income up 15% (to €298m revenues) driven by corporate lending recovery
- ◆ Wider geographical diversification: non-domestic activity representing 46% of total revenues, 32% of fees and 51% of loan book

# NII stabilized, now ready to benefit from cost of funding reduction

FY15 results as at 30 June 2015

Segmental reporting - CIB

## Net interest income

### Lending , Treasury & RWAs

- ◆ Balance sheet shifted from low yield treasury asset to corporate lending
- ◆ RWA flat despite volumes growth thanks to ongoing optimization

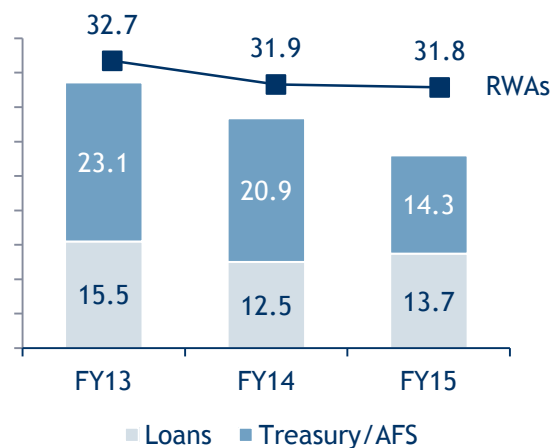
### Funding

- ◆ €5.5bn TLTRO primarily allocated to new corporate lending business
- ◆ FY15: avg. MB bond stock cost at ~170 bps, new issuance at ~100 bps
- ◆ Ready to benefit from spread reduction

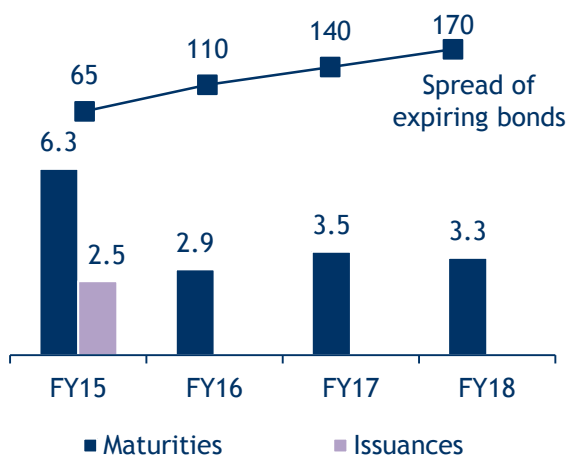
### P&L

- ◆ NII stabilized in the last 3Q
- ◆ NII down 7% YoY, but up 6% if adjusted by the cost of K-management actions taken in FY14 (€30m of NII linked to €1.2bn insurance hybrid loans reimbursed)

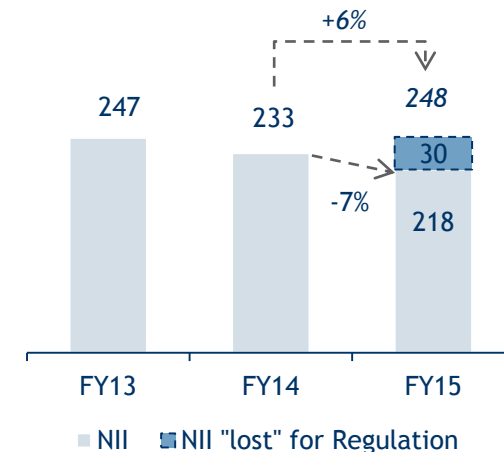
WB assets and RWAs (€bn)



MB bond flows and costs (€bn, bps over Euribor 3m)



NII trend (€m)



# WB fees up 15%: capmkt buoyant, IB activity up in all products

FY15 results as at 30 June 2015

Segmental reporting - CIB

## IB Fees

### Capital Markets

- ◆ Driver of fees in the last 2Y on strong performance of primary business (right issues, IPOs, debt capital market)
- ◆ FY15: €143m fees up 24%, now representing 55% of total WB fees

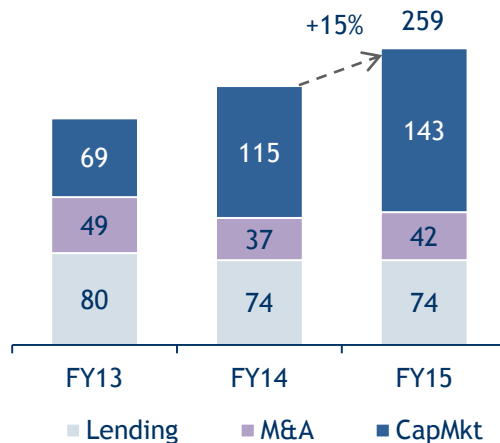
### M&A

- ◆ Activity has picked up but pressure on margins. Strong pipeline ahead
- ◆ Leading domestic positioning
- ◆ Visible positioning in EMEA

### Lending

- ◆ New business up 60% (to €5.4bn), driving 10% loan growth (at €13.7bn)
- ◆ Non-domestic new loans doubled
- ◆ Stock concentration reduced

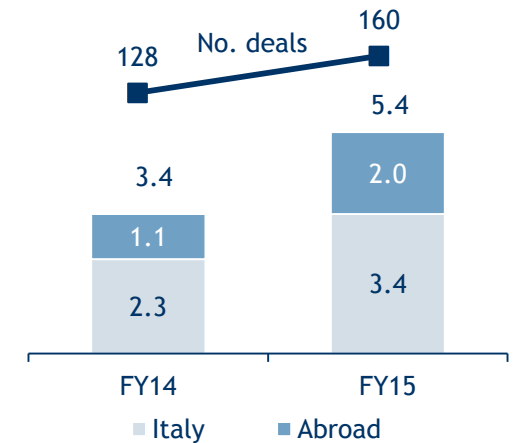
WB fees breakdown (€m)



M&A- league table (Jan-July 2015)<sup>1</sup>

	Value (\$bn)	Mkt share	No. Deals
MS	21.7	48.0%	8
<b>MB</b>	<b>21.7</b>	<b>47.9%</b>	<b>25</b>
Lazard	21.6	47.8%	11
GS	18.1	40.0%	10
Citi	17.5	38.6%	11
<b>Italy</b>	<b>45.2</b>	<b>100%</b>	<b>520</b>

New loans (€bn) and number of deals



1) Source: Thomson Reuters; any Italian and EMEA involvement announced, full amount

# More synergic approach between teams and geographies (1/2)

FY15 results as at 30 June 2015

Segmental reporting - CIB



Industry Expertise	✓	✓	✓	✓	✓	✓	✓	✓	✓
Corporate Finance	✓			✓	✓			✓	
Equity Capital Markets		✓	✓	✓	✓				✓
Debt Capital Markets	✓	✓					✓		
Lending and Structured Finance	✓	✓			✓	✓	✓	✓	✓
Capital Market Solutions			✓	✓					✓



# More synergic approach between teams and geographies (2/2)

FY15 results as at 30 June 2015

Segmental reporting - CIB

<p>Italy July 2015</p>  <p>EV € 6.8bn</p> <p>Acquisition of 45% of Italcementi by HeidelbergCement and public tender offer</p> <p>Financial Advisor to Italmobiliare</p>	<p>Italy June 2015</p>  <p>€ 850m</p> <p>Rights Issue (shares)</p> <p>Global Coordinator and Joint Bookrunner</p>	<p>Italy May 2015</p>  <p>€ 350m</p> <p>1.5% May 2020</p> <p>Global Coordinator and Joint Bookrunner</p>	<p>Spain March 2015</p>  <p>€ 1,250m</p> <p>Refinancing Facilities</p> <p>Mandated Lead Arranger and Bookrunner</p>	<p>Spain March 2015</p>  <p>€ 770m</p> <p>Acquisition of over 7,370 Wind Towers</p> <p>Financial Advisor to Abertis Telecom</p>	<p>Italy February 2015</p>  <p>€ 9,440m</p> <p>Revolving Credit Facility</p> <p>Sole Coordinator and Doc Agent</p>	<p>Italy February 2015</p>  <p>€ 2,160m</p> <p>ABO (shares)</p> <p>Joint Bookrunner</p>
<p>Italy February 2015</p>  <p>EUR/USD 5-tranche: \$ 600m 5.625% Feb 2020 \$ 1,500m 6.250% Feb 2022 \$ 1,100m 6.500% Feb 2025 € 700m 4.125% Feb 2020 € 850m 4.750% Feb 2023</p> <p>Issued amount: \$ 3,200m € 1,550m</p> <p>Joint Bookrunner</p>	<p>Italy June 2015</p>  <p>€ 310m</p> <p>Disposal of its entire shareholdings in Carige Vita Nuova S.p.A. and Carige Assicurazioni S.p.A. to Apollo</p> <p>Financial Advisor to Banca Carige</p>	<p>Italy November 2014</p>  <p>€ 280m</p> <p>IPO (shares)</p> <p>Joint Global Coordinator and Joint Bookrunner</p>	<p>Italy October 2014</p>  <p>€ 8.3bn</p> <p>Acquisition of 60.62% of Enersis by Enel</p> <p>Financial Advisor to Enel</p>	<p>Italy October 2014</p>  <p>Tender offer on: € 1,250m 4.625% June 2015 € 1,500m 4.000% Sept 2016 € 1,000m 4.125% July 2017 € 1,000m 3.625% Apr 2018 € 1,000m 5.750% Oct 2018</p> <p>Repurchased Amount: € 761,7m (13.5% ca.)</p> <p>Joint Dealer Manager</p>	<p>Italy September 2014</p>  <p>€ 314m</p> <p>Acquisition of an additional 21.1% indirect stake in Edel</p> <p>Financial Advisor to Enel Group</p>	<p>Italy August 2014</p>  <p>\$ 10,7bn</p> <p>Bridge Acquisition Financing</p> <p>Participant</p>
<p>Italy July 2014</p>  <p>Public tender offer on Ciments Français minorities (€ 480m) and Italcementi savings shares conversion (€ 505m)</p> <p>Financial Advisor to Italcementi</p>	<p>Italy June 2014</p>  <p>€ 450m</p> <p>Revolving Credit Facility</p> <p>Global Coordinator</p>	<p>Italy July 2014</p>  <p>€ 500m</p> <p>Rights issue (share)</p> <p>Global Coordinator and Joint Bookrunner</p>	<p>Spain November 2014</p>  <p>€ 346m</p> <p>ABO (shares)</p> <p>Joint Bookrunner</p>	<p>Italy June 2014</p>  <p>€ 800m</p> <p>Rights Issue (shares)</p> <p>Global Coordinator and Joint Bookrunner</p>	<p>Italy July 2014</p>  <p>€ 5,000m</p> <p>Rights issue (share)</p> <p>Co-Global Coordinator Joint Bookrunner</p>	

# RCB: material and sustainable growth

FY15 results as at 30 June 2015

Segmental reporting - RCB

## Retail and Consumer Banking

**Compass  
Consumer lending  
MANAGING VALUE**

- ◆ Growth in loans and margins
- ◆ Asset quality improving steadily and fast
- ◆ Net profit almost doubled at €94m, ROAC up to 14%

**CheBanca!  
Retail banking  
FOCUS ON SAVINGS  
and FEES**

- ◆ Faster than expected deposit remix, indirect deposits doubled to €2.9bn
- ◆ More and more a “first bank”: focus in fee-driven and transactional products
- ◆ Enhanced profitability due to halved cost of funding and increased fees

### 12M results

- ◆ Revenues up 8% first time >€1b, ~50% of Group
- ◆ Loans up 9% to €15.5bn, ~50% of Group
- ◆ ROAC doubled to 11%

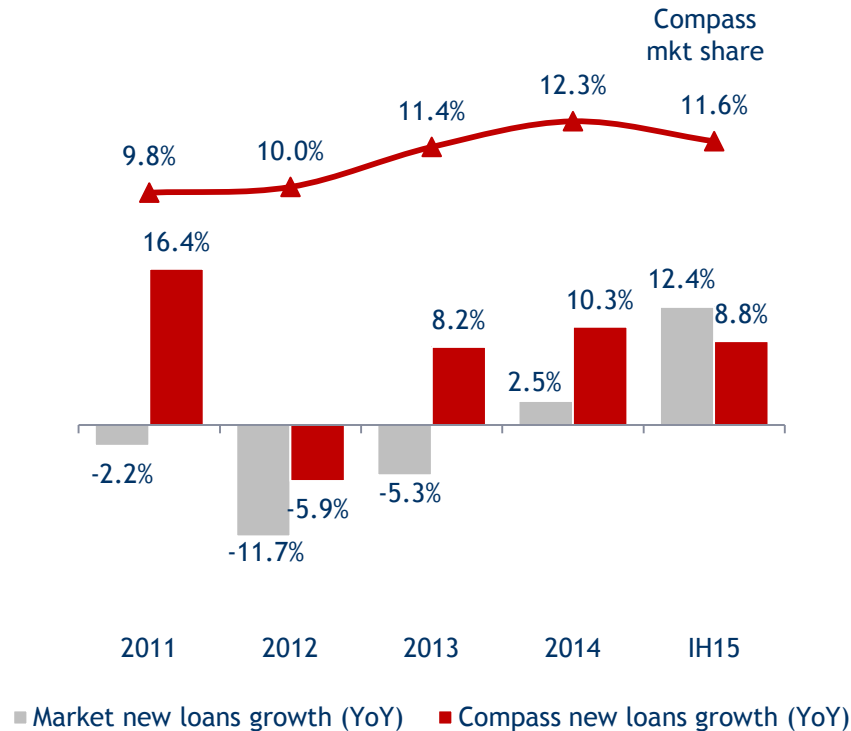
### Last 3M results

- ◆ Loans and NII continuing to grow (up 4%)
- ◆ Cost of risk continuing to fall (to 265 bps)
- ◆ €12.5bn total customer assets, indirect and transactional up to 40% of total

# Compass: profitable new lending activity ...

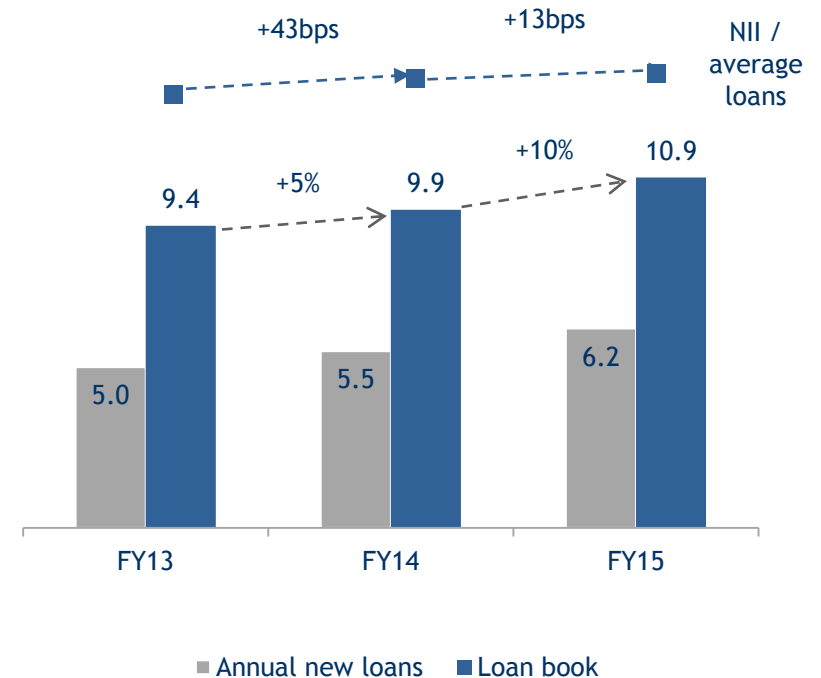
FY15 results as at 30 June 2015

## Compass vs Italian market\* (%)



Segmental reporting - Consumer lending

## Compass: new loans and loan book (€bn)



- ◆ Compass focused only on new production able to assure in the following 2Y (average loan book duration) a sound flow of revenues and earnings
- ◆ Modulating lending volumes by product and channel; market share not a target in its own right

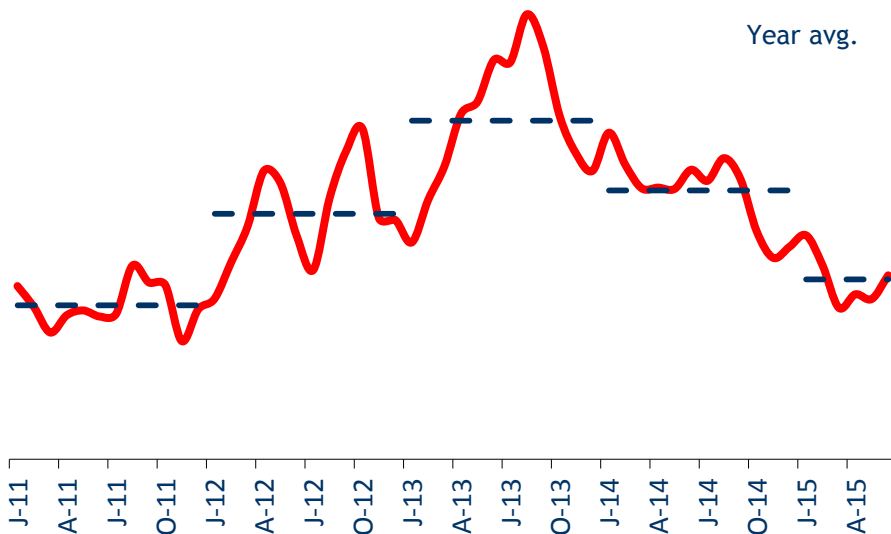
\* New Loans, source: Assofin

# ... along with asset quality improvement ...

FY15 results as at 30 June 2015

Segmental reporting - Consumer lending

## Loans with 30 days' arrears for the first time (3 months moving average and yearly average)



## Consumer NPLs ratio and coverage trend

Consumer	June13	June14	June15
NPLs (€m)	369	342	302
NPLs/loans	3.9%	3.5%	2.8%
NPLs coverage	56%	64%	68%
Bad Loans (€m)	117	112	97
Bad Loans/loans	1.2%	1.1%	0.9%
Bad Loans coverage	87%	88%	88%
Performing loans coverage	0.2%	0.8%	1.3%

- ◆ The first risk indicator (loans with 30 days' arrears for the first time) is moving downwards towards 2011 levels, a sign of the healthy new business levels reported in the past
- ◆ NPLs stock down 12% YoY, percentage of loans down to 2.8%
- ◆ NPLs coverage up to 68% (up 4 pp YoY), PLs coverage up to 1.3%

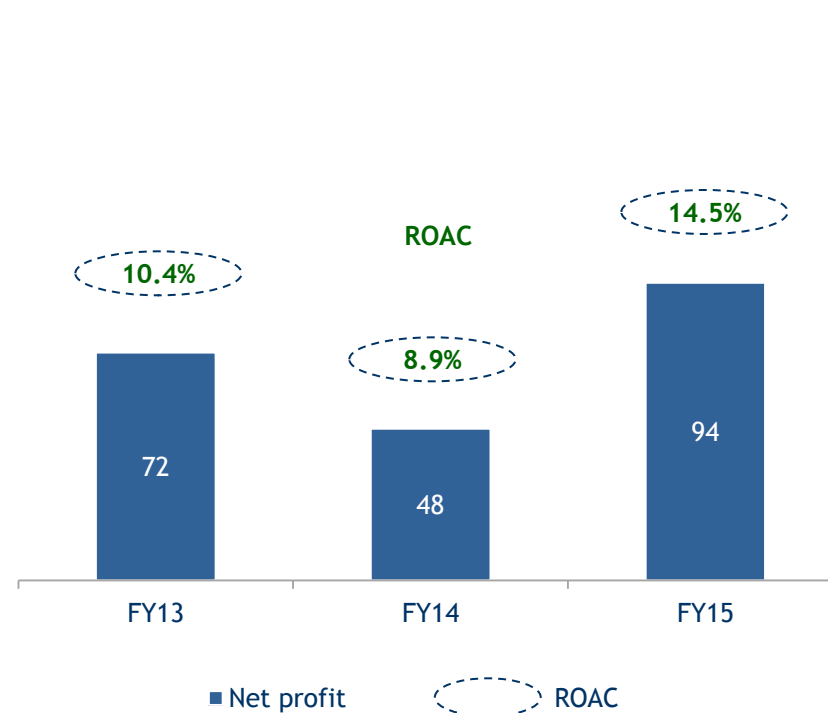
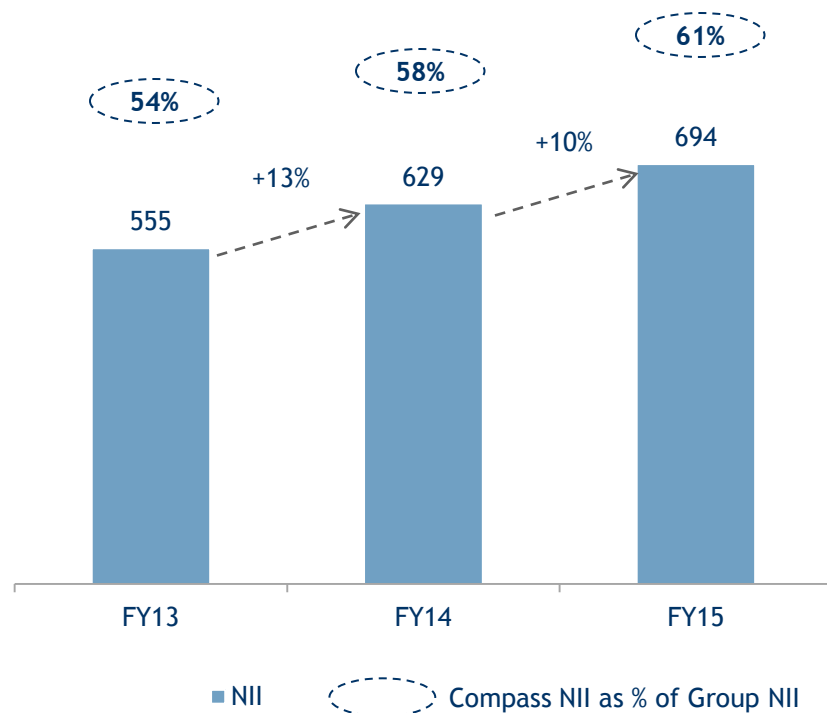
# ... ensuring NII, net profit and profitability growth

FY15 results as at 30 June 2015

Segmental reporting - Consumer lending

Compass NII, absolute and as % of Group NII (€m)

Compass net profit (€m) and profitability



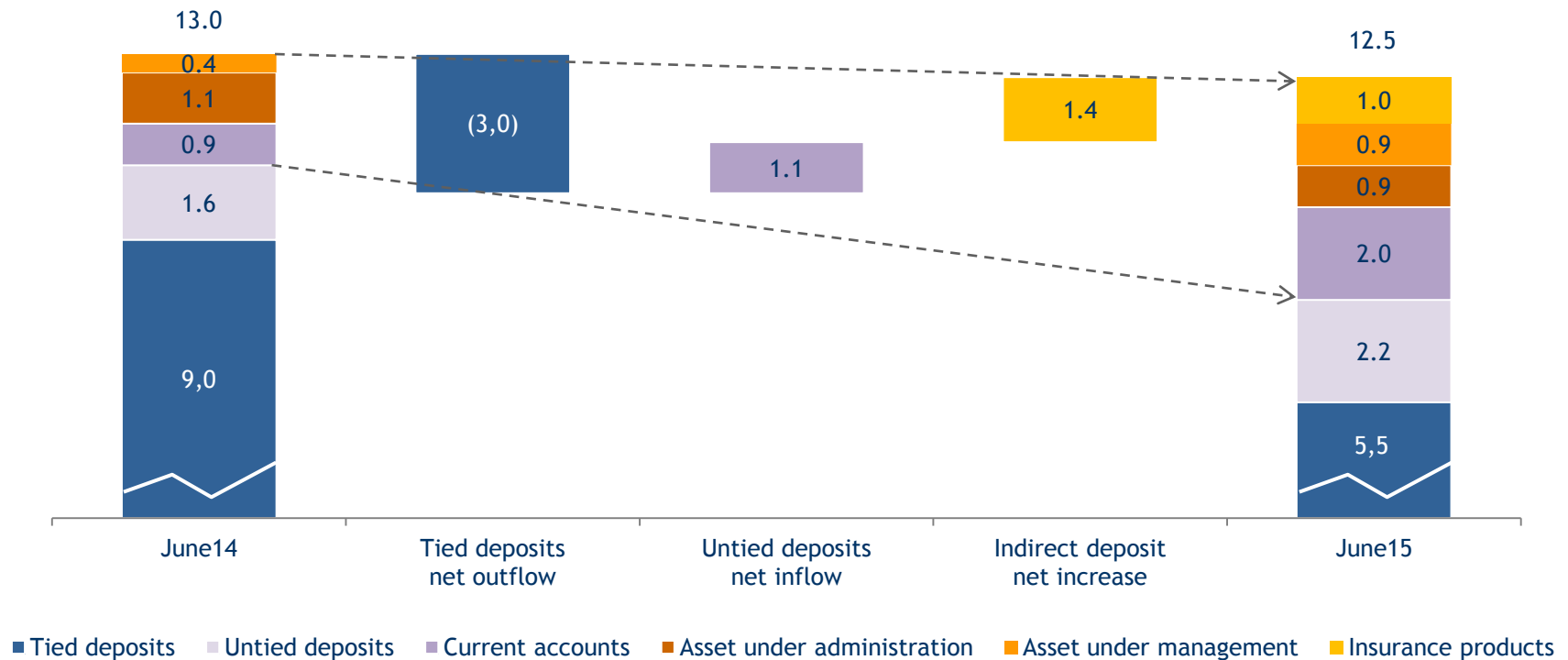
- ◆ Compass NII steadily delivering double-digit growth, now representing 61% of total Group NII
- ◆ ROAC 2015 up to 14.5% (FY 2014 included extra provisioning for performing loans driven by CA)

# CheBanca! deposit remix: higher focus on fee-driven products ...

FY15 results as at 30 June 2015

Segmental reporting - Retail banking

## CheBanca! deposits breakdown trend in FY15 (€bn)



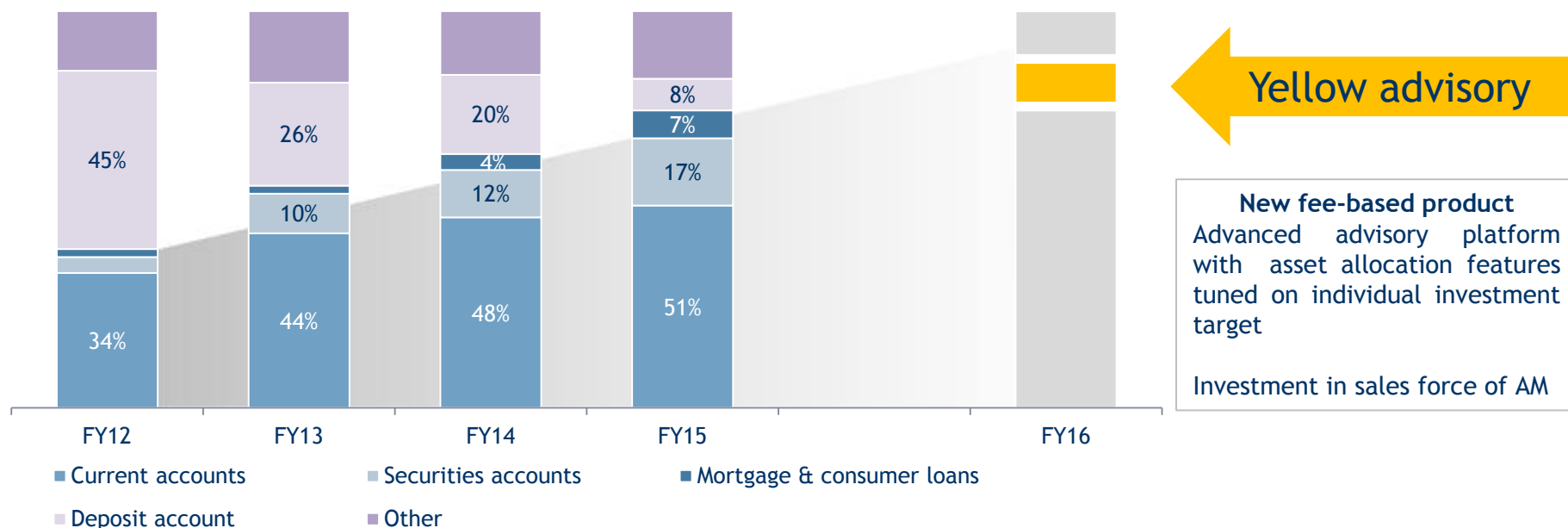
- ◆ Faster than expected deposits remix: indirect deposits and current accounts both doubled (to €2.9bn and €2.0bn)
- ◆ 85% asset conversion rate, increasing cross-selling index

# ... and “first bank” positioning enhancement ...

FY15 results as at 30 June 2015

Segmental reporting – Retail banking

## New products sold<sup>1</sup> by type (%)



### ◆ More “first bank” with loyal and lasting customers:

- ◆ new current and securities accounts up to 70% of total products sold in FY15 ( $\approx 2X$  FY12), while new deposit accounts down to 8% (from 45% in FY12)
- ◆ Medium-/long-term lending products (mortgages and consumer) up to 7% ( $\approx 3X$  FY12)
- ◆ next to come: Yellow Advisory and Home Banking 2.0 with new features and investment advisory services

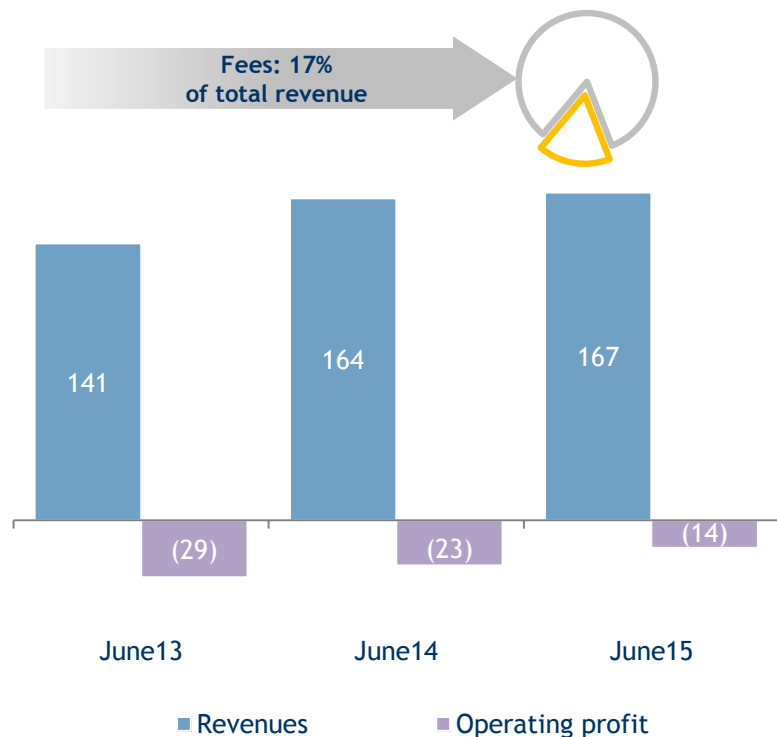
1) Credit cards excluded

# ... fostering profitability, along with cost of funding reduction

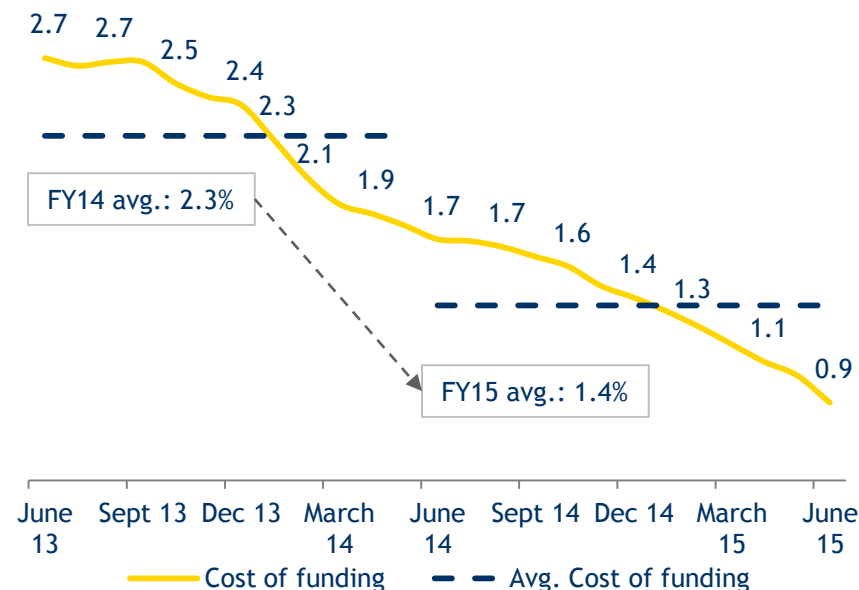
FY15 results as at 30 June 2015

Segmental reporting – Retail banking

## Revenues and operating profit trend (€m)



## CheBanca! average cost of funding (%)



### ◆ Operating profit on the way to breakeven due to:

- ◆ decreasing average cost of funding (from 2.3% in FY14 to 1.4% in FY15)
- ◆ fee revenues becoming material (now representing 17% of total revenues) on growing transactional and investment products



# Agenda

Section 1. FY15 Results - Mediobanca Group

Section 2. FY15 Results - Segmental reporting

Section 3. First step in MAAM set up - Cairn Capital acquisition

Section 4. 3YBP Where we are

## Annexes

1. Quarterly segmental reporting tables
2. Asset quality details by business as at June 2015
3. Principal investing: main equity investments as at June 2015

# Setting up MAAM with Cairn Capital acquisition

First step in MAAM set up – Cairn Capital acquisition

Section 3

## MAAM rationale for MB Group

- ◆ Low capital intensive business, competence driven
- ◆ Fee-based recurrent business
- ◆ “Solutions/specialized” business (large scale not always needed), consistent with MB’s DNA
- ◆ To be set-up through acquisitions of small-size asset managers
  - ◆ focused on alternative asset classes (credit, equity, real assets)
  - ◆ serving institutional investors
  - ◆ with strong management teams and track records
  - ◆ with scalable operational infrastructure
  - ◆ aiming to foster growth along with MB’s “institutional roof”, distribution and seed capital

## WHY Credit first

- ◆ Key product in Alternative Asset Management, with historical strong fund raising
- ◆ Offering appealing yields in a low interest rate environment
- ◆ Fits with Mediobanca DNA (credit)
- ◆ Material revenue synergies to be exploited with MB (CIB primarily) sharing product capabilities, customer base, distribution

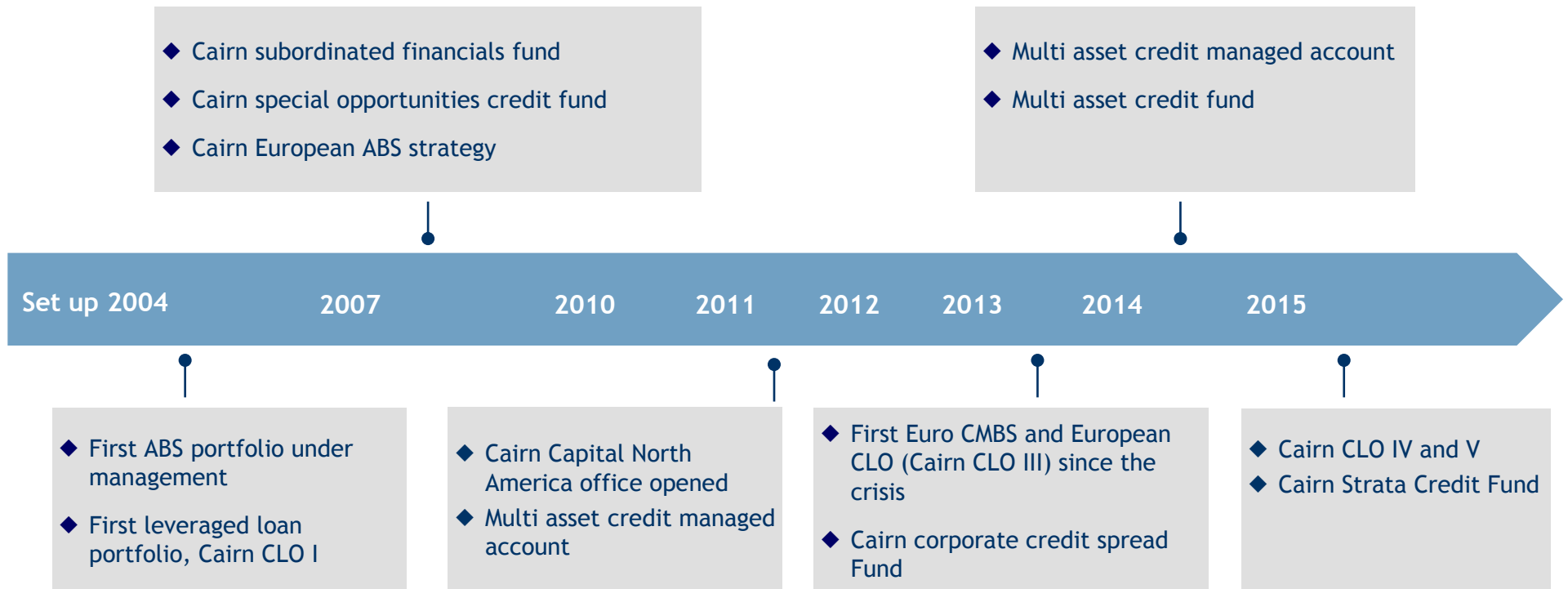
## WHY Cairn Capital

- ◆ **Asset specialist** with €13bn AUM and advisory: strong skills and experience across wide credit products spectrum
- ◆ **Strong reputation:** set up in 2004, with a group of professionals from Tier 1 investment banks including Tim Frost, now non-executive director of the BOE
- ◆ **Strong management team:** proved to be effective in addressing 2007 liquidity crisis, with robust institutional relationships and previous CIB experience
- ◆ **Based in UK,** the core country for AM in Europe, with strong institutional relationships
- ◆ **Scalable operational infrastructure**

# Cairn Capital: strong skills and track record in credit since 2004

First step in MAAM set up – Cairn Capital acquisition

Section 3



- ◆ Strong and established reputation as CLO manager, longstanding track record in credit space
- ◆ Positive cumulative returns with low volatility
- ◆ Recent traction with high quality investors

# Platform set for bigger size and scalability

First step in MAAM set up – Cairn Capital acquisition

Section 3

## Cairn Capital Platform<sup>1</sup>

Discretionary Asset Management	Legacy Asset Management	L/T Portfolio Advisory	Real Estate Advisory Services
<b>\$2.1bn AUM</b> <ul style="list-style-type: none"><li>◆ Pooled funds</li><li>◆ Management accounts</li><li>◆ Close-end CLO vehicles</li></ul>	<b>\$3.5bn AUM</b> <ul style="list-style-type: none"><li>◆ Replacement manager</li><li>◆ Disposal mandates</li><li>◆ Pre 2007 Cairn CDO</li></ul>	<b>\$9.1bn Advisory</b> <ul style="list-style-type: none"><li>◆ Long term portfolio advice</li><li>◆ Risk analysis</li><li>◆ Sensitivity analysis</li><li>◆ Valuation agent</li></ul>	<ul style="list-style-type: none"><li>◆ Real estate debt advisory and restructuring</li><li>◆ Real estate new financing</li></ul>

- ◆ Profitable business with average €40m annual revenues in last 3Y
- ◆ Staff and location: 60 people, head offices in London (UK), presence in Greenwich (US)
- ◆ Strong management team: Paul Campbell (CEO), Robert Pierce Jones (Head of Marketing), Andrew Jackson (CIO)

1) Figures as at June 15

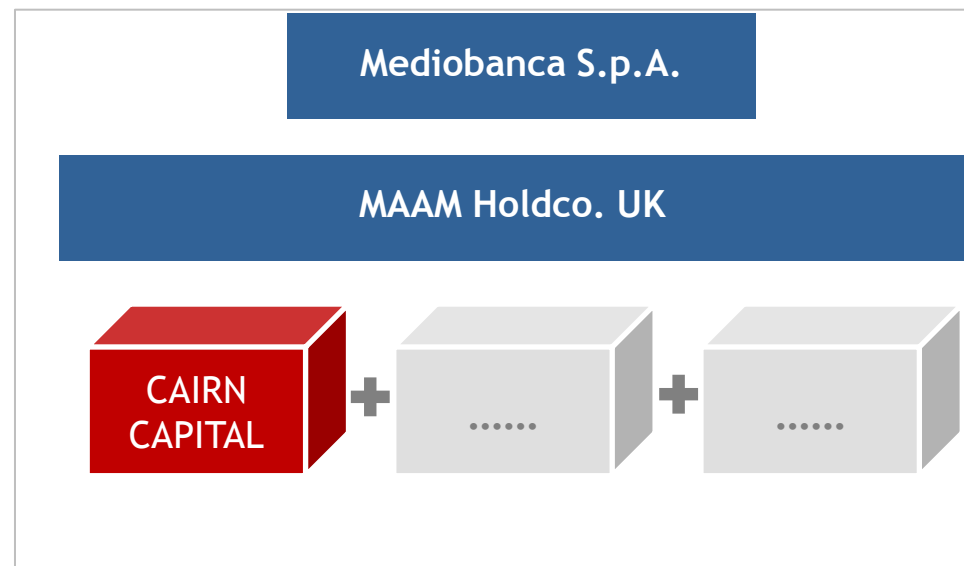
# Growth opportunities with MB Group

## First step in MAAM set up – Cairn Capital acquisition

Section 3

### Deal structure

- ◆ MB to acquire upfront majority 51% of Cairn Capital, management to retain equity
- ◆ Call option up to 100% after 3Y (MB shares)
- ◆ Final price subject to earn-out conditions
- ◆ Senior management to maintain key roles



### Growth opportunities with MB Group

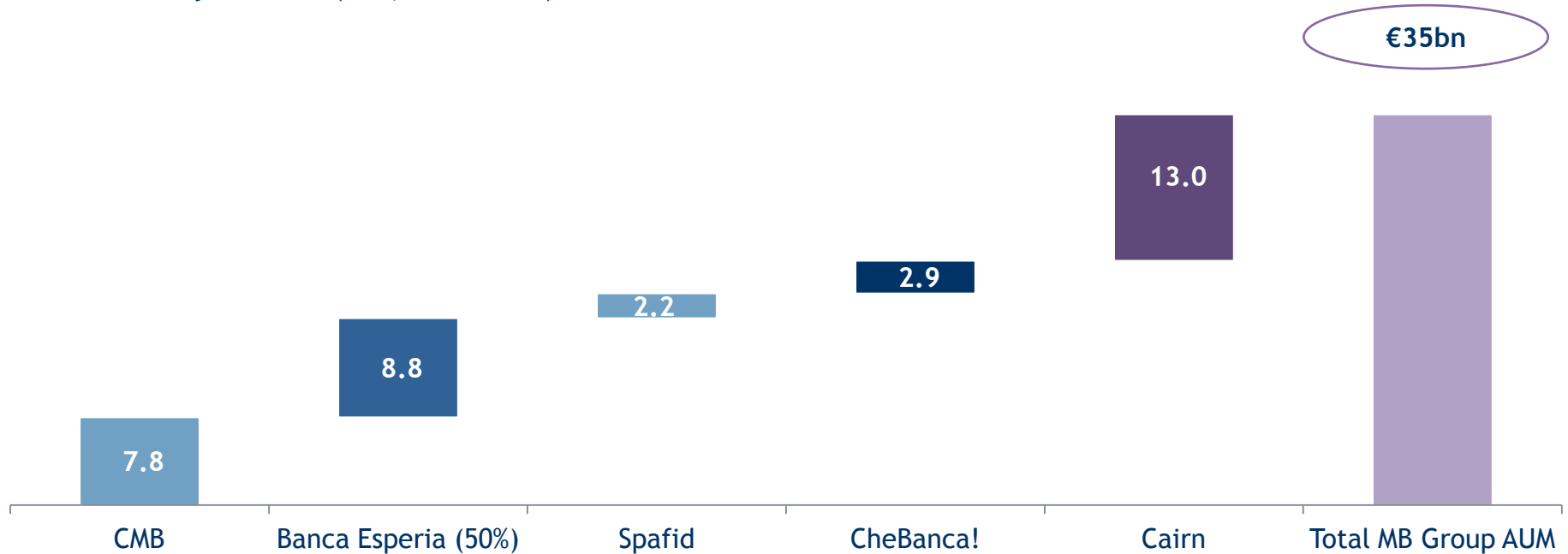
- ◆ GROWTH ACCELERATION potential from MB institutional roof, brand and balance sheet capabilities
- ◆ MATERIAL REVENUE SYNERGY OPPORTUNITY from the combination of Cairn Capital with MB:
  - ◆ Seed capital and distribution
  - ◆ Sourcing and origination of new loans
  - ◆ Leveraging on MB CIB business, e.g. restructuring, real estate advisory, debt and solution business

# Mediobanca gaining more visibility in AUM world

First step in MAAM set up – Cairn Capital acquisition

Section 3

MB AUM trend by business (€bn, June 2015)



- ◆ MB gathering roughly €35bn AUM, with different brands, customers, distribution and products:
  - ◆ ~ €19bn related to private banking customers of Compagnie Monégasque de Banque, Spafid and Banca Esperia
  - ◆ ~ €3bn related to mass/affluent customers of CheBanca!
  - ◆ ~ €13bn related to institutional mandates of Cairn Capital (asset management and advisory)

# To recap: acquisition rationale and strategic fit

First step in MAAM set up – Cairn Capital acquisition

Section 3

## MEDIOBANCA strategy

- ◆ 100% fee earnings business
- ◆ Light capital usage business
- ◆ 100% non-domestic fee revenues, minor but welcome contribution to currency exposure rebalance
- ◆ Good entry option with **negligible impact on CT1**



## MAAM strategy

- ◆ Reasonable **first step**: select niche opportunity without being a bold move
- ◆ **Appealing asset class**, within targeted segments and wider MB DNA (credit)
- ◆ Reputed management team with **strong product competencies and track**
- ◆ **International UK brand based**, at the heart of European AM industry
- ◆ **Platform with strong potential scalability**
- ◆ Possible origination **synergies** with MB business (debt solutions, institutional clients, etc.)



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# Business plan 2014/16: goals and actions

3Y Business plan: where we are after 2Y

Section 4

**Mediobanca** aims to be:

a **simpler**, more **valuable** banking group

**focused** on three **growing, highly specialized** banking businesses

delivering a **sustainable profitability** over the cycle

by:

- 1 **Reducing equity exposure** and **optimizing use of capital**
- 2 **Investing in banking businesses**, chiefly in fee-generating and capital-light ones
- 3 **Improving assets profitability**, maintaining risk and quality control

# 1 Principal Investing: reduce equity exposure....

3Y Business plan: where we are after 2Y

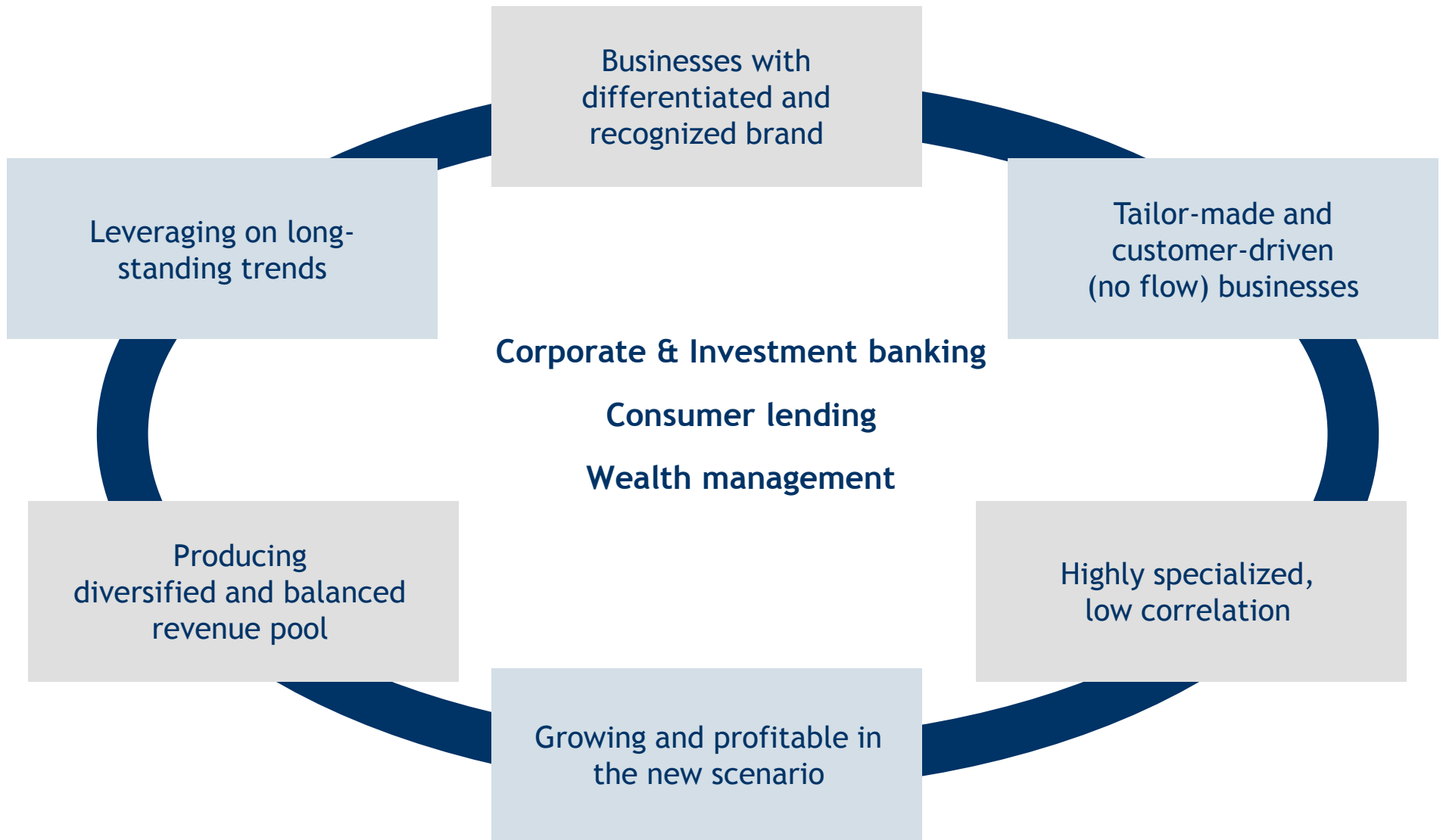
Section 4

Goals & actions	What we have done in last 24m	What to do in next 12m
<p><b>Equity</b> <b>Different focus</b></p>	<ul style="list-style-type: none"> <li>◆ All stakes reclassified as available for sale (“AFS”) and moved to Principal Investing (“PI”) division</li> <li>◆ All stakes marked-to-market</li> <li>◆ FY13: €0.4bn clean-up finished</li> </ul>	
<p><b>Recover full availability of shares</b></p>	<ul style="list-style-type: none"> <li>◆ All shareholders’ agreements exited (i.e. RCS, Pirelli, Sintonia, ...)</li> <li>◆ Availability of shares recovered through some complex deals (Telco spin-off)</li> </ul>	
<p><b>In 3Y €1.5bn equity stake disposals</b></p>	<ul style="list-style-type: none"> <li>◆ FY14: €840m disposals, €240m capital gains</li> <li>◆ FY15: €290m disposals, €120m capital gains</li> </ul>	<ul style="list-style-type: none"> <li>◆ AFS stakes: €200m disposals</li> <li>◆ Ass.Generali stake from 13% to 10%. Disposal of 3pp (~€750m BV)</li> </ul>

## 2 ...and invest redeployed K into banking businesses

3Y Business plan: where we are after 2Y

Section 4



# CIB → Boost profitability also improving use of capital

3Y Business plan: where we are after 2Y

Section 4

Goals & actions	What we have done in last 24m	What to do in next 12m
<p><b>Enhance coverage, distribution and international reach</b></p>	<ul style="list-style-type: none"> <li>◆ Senior hiring: i.e. co-head of CIB, head of France, head of FIG, head of Lending</li> <li>◆ London: from capmkt platform to hub for IB coverage</li> <li>◆ Istanbul and Mexico branches opened</li> <li>◆ Branches: from "sum of parts" to "integrated" approach</li> <li>◆ Factoring launched</li> </ul>	<ul style="list-style-type: none"> <li>◆ Run new large/mid caps coverage model</li> <li>◆ Reinforce corporate finance</li> <li>◆ Leverage more on synergic approach</li> </ul>
<p><b>Reduce K needs and reshape lending</b></p>	<ul style="list-style-type: none"> <li>◆ €1.2bn financial hybrids reimbursed</li> <li>◆ New credit policy approved, concentration significantly reduced</li> <li>◆ Significant commercial efforts finally translating to loan book growth</li> </ul>	<ul style="list-style-type: none"> <li>◆ Reduce RWAs' density: advanced model adoption process ongoing</li> <li>◆ Lending: set up a model more based on asset rotation to improve returns</li> </ul>
<p><b>A&amp;L optimization</b></p>	<ul style="list-style-type: none"> <li>◆ Funding and treasury optimization completed, set to cope with low yield environment</li> </ul>	<ul style="list-style-type: none"> <li>◆ EBA "Transparency exercise"</li> <li>◆ Regular access to bond market, increasing securitization/covered bond</li> <li>◆ Leveraging on strong capitalization for lowering cost of funding</li> </ul>

# PB/WM/MAAM → Grow the AUM

3Y Business plan: where we are after 2Y

Section 4

Goals & actions	What we have done in first 24m	What to do in next 12m
<p><b>Wealth Management MAAM</b></p>	<ul style="list-style-type: none"> <li>◆ Several possible deals analysed, in US private equity market and UK credit funds market in particular</li> <li>◆ Cairn Capital acquisition announced</li> </ul>	<ul style="list-style-type: none"> <li>◆ Cairn Capital: foster growth with investments in distribution, seed capital ...</li> <li>◆ Cairn Capital/CIB synergies to be exploited</li> <li>◆ Scouting ongoing</li> </ul>
<p><b>Compagnie Monégasque de Banque</b></p>	<ul style="list-style-type: none"> <li>◆ New geographies entered (London)</li> <li>◆ Product offering enlarged (UCITS)</li> <li>◆ Ongoing focus on AML and compliance issues</li> <li>◆ AUM up 16% to €7.8bn, €34m net profit</li> </ul>	<ul style="list-style-type: none"> <li>◆ Consolidate domestic mkt share including through acquisitions</li> <li>◆ Exploit synergies with MB investment banking, in London in particular</li> <li>◆ Leverage on credit activity to increase AUM</li> </ul>
<p><b>Banca Esperia (50%)</b></p>	<ul style="list-style-type: none"> <li>◆ Enhancement of advisory service, bankers increasing in number, reshaping in mix</li> <li>◆ Cost management</li> <li>◆ AUM up 23% to €8.8m, at break-even</li> </ul>	<ul style="list-style-type: none"> <li>◆ Optimize ownership/governance structure</li> <li>◆ Improve the mix of product (home vs open architecture, access to Allfunds platform) and enlarge distribution</li> </ul>

# Compass Leverage on franchise to boost ROAC

3Y Business plan: where we are after 2Y

Section 4

Goals & actions	What we have done in first 24m	What to do in next 12m
<p><b>Manage leadership</b></p> <p><b>Focusing on value</b></p>	<ul style="list-style-type: none"> <li>◆ Leadership affirmed: Compass ranked 1<sup>st</sup> Italian consumer company with a 12.3% market share in 2014</li> <li>◆ Net loans marginality increased despite weak cycle due to strong pricing capabilities</li> <li>◆ Coverage of NPLs and PLs increased</li> </ul>	<ul style="list-style-type: none"> <li>◆ BP16 target for loan already achieved</li> <li>◆ More focus on margins than on market share: lower pace of new loans growth expected now to contain QE pressure</li> <li>◆ Cost of risk still lowering, consistent with healthy lending activity pursued/ing</li> </ul>
<p><b>Leverage on franchise</b></p>	<ul style="list-style-type: none"> <li>◆ First indirect branch network created (7K branches from 5K)</li> <li>◆ Customer base increased (to 2.3m)</li> </ul>	<ul style="list-style-type: none"> <li>◆ Improve proprietary network investing in front office and digital platform</li> <li>◆ Leverage further distribution agreements</li> </ul>
<p><b>Delivering strong ROAC</b></p>	<ul style="list-style-type: none"> <li>◆ Efficiency preserved, first cost synergies with CheBanca! achieved</li> <li>◆ ROAC up to 14%</li> <li>◆ Among the few Italian retail businesses able to repay cost of capital</li> </ul>	<ul style="list-style-type: none"> <li>◆ Asset return increasing for lowering cost of funding / risk</li> <li>◆ Exploit additional synergies with Group companies</li> <li>◆ Consolidate high profitability, confirming Group NII driver-role</li> </ul>

# CheBanca! Accelerate reshaping, definitively profitable

3Y Business plan: where we are after 2Y

Section 4

Goals & actions	What we have done in last 24m	What to do in next 12m
<p><b>From deposit to wealth gatherer</b></p>	<ul style="list-style-type: none"> <li>◆ Banking offer enlarged, AUM platform set</li> <li>◆ Customer portfolio rebalanced from yield-driven to transactional products</li> <li>◆ Indirect deposits quadrupled to €2.9bn</li> </ul>	<ul style="list-style-type: none"> <li>◆ Foster growth in indirect deposits</li> <li>◆ Direct deposits to be kept at around €10bn, upgradable if needed</li> <li>◆ Customer base/AUM-growth to be pursued through “accelerators” (some FAs hirings, small acquisitions...)</li> </ul>
<p><b>Growing digital, innovative offer</b></p>	<ul style="list-style-type: none"> <li>◆ Easier access to remote/online services</li> <li>◆ New digital AUM platform launched</li> </ul>	<ul style="list-style-type: none"> <li>◆ New home banking platform</li> <li>◆ Increase digital sales setting &amp; leveraging on really innovative CRM/Advisory models                             <ul style="list-style-type: none"> <li>◆ Yellow Academy (“internal” FAs)</li> <li>◆ Yellow Advisory (“remote” advisory)</li> </ul> </li> </ul>
<p><b>Break-even by FY16</b></p>	<ul style="list-style-type: none"> <li>◆ Cost of funding reduced</li> <li>◆ Focus on fee-income products</li> <li>◆ First cost/revenue synergies with Compass achieved</li> <li>◆ Net loss lowered</li> </ul>	<ul style="list-style-type: none"> <li>◆ NII fed by further reduction in cost of funding and mortgages growth</li> <li>◆ Fees to become visible and material for the Group</li> <li>◆ Further cost/revenues synergies to be exploited within Group companies</li> <li>◆ Break-even confirmed</li> </ul>

Goals & actions	What we have done in last 24m	What to do in next 12m
<p><b>Loans: growth, quality, diversification</b></p>	<ul style="list-style-type: none"> <li>◆ Corporate: growth resumed in last 12m (loan up 10%), concentration reduced</li> <li>◆ Consumer: loan grown by 16%</li> <li>◆ Retail: mortgages revamped (up 8%)</li> <li>◆ 50:50 corporate : retail achieved</li> <li>◆ Net NPL/Ls at the lowest-end: 3.5%</li> <li>◆ NPLs/CET1 at 16%</li> <li>◆ NPLs coverage at 53%</li> </ul>	<ul style="list-style-type: none"> <li>◆ Loan book: high-single digit growth</li> <li>◆ Cost of risk lowering to ~150 bps</li> </ul>
<p><b>Funding and treasury optimization</b></p>	<ul style="list-style-type: none"> <li>◆ Treasury and bond sizes squeezed and now optimized in size and mix to cope with a low yield environment</li> <li>◆ Recourse to LTROs/TLTROs to reduce cost</li> <li>◆ CBI: from direct to indirect deposits</li> <li>◆ L/D ratio up to 77% (ex 65% at FY13-end)</li> </ul>	<ul style="list-style-type: none"> <li>◆ L/D ratio further up</li> <li>◆ CIB: regular access to bond market and to TLTROs, cost of funding still to enjoy full reduction</li> <li>◆ CB!: ~€10bn direct deposits, cost of funding further down</li> </ul>
<p><b>Improve ROE Strong K ratios</b></p>	<ul style="list-style-type: none"> <li>◆ K management actions put in place</li> <li>◆ CET1 fully phased up to 13.2%</li> <li>◆ Strong LCR, NSFR, LR</li> </ul>	<ul style="list-style-type: none"> <li>◆ Payout ~ 40%</li> <li>◆ ROE to be further boost due to banking enhancement and AG disposal</li> </ul>





# FY15 results as at 30 June 2015



MEDIOBANCA

Milan, 4 August 2015

# Annexes

1. Quarterly segmental reporting tables
2. Asset quality details by business as at June 2015
3. Principal investing: main equity investments as at June 2015



# Mediobanca Group - Quarterly A&L

## Annex 1

A&L - €bn	June15	Mar15	Dec14	Sept14	June14	Δ QoQ	Δ YoY
<b>Funding</b>	<b>42.7</b>	<b>42.8</b>	<b>43.0</b>	<b>44.0</b>	<b>45.8</b>		<b>-7%</b>
Bonds	19.7	19.8	20.2	21.1	22.6		-13%
Retail direct deposits	9.6	10.1	10.9	11.3	11.5	-4%	-16%
ECB	5.5	5.1	5.1	5.1	5.5	+8%	
Others	7.9	7.9	6.8	6.5	6.2		+27%
<b>Loans to customers</b>	<b>32.9</b>	<b>32.3</b>	<b>31.8</b>	<b>31.0</b>	<b>30.6</b>	<b>+2%</b>	<b>+8%</b>
Wholesale	13.7	13.4	13.2	12.8	12.5	+2%	+10%
Private banking	0.9	0.9	0.8	0.8	0.8		+14%
Consumer	10.9	10.6	10.5	10.1	9.9	+3%	+10%
Mortgage	4.6	4.5	4.4	4.4	4.4	+2%	+5%
Leasing	2.8	2.8	2.9	2.9	3.0	-2%	-8%
<b>Treasury+AFS+HTM+LR</b>	<b>14.8</b>	<b>15.4</b>	<b>15.4</b>	<b>17.4</b>	<b>19.8</b>	<b>-4%</b>	<b>-25%</b>
RWAs	59.6	60.7	59.2	59.0	58.7		
CET1 ratio: phase-in (%)	12.0%	11.6%	11.0%	11.0%	11.1%		
TC ratio: phase-in (%)	14.9%	14.4%	13.9%	13.9%	13.8%		

# Mediobanca Group - Quarterly P&L

## Annex 1

P&L - €m	12M June15	12M June14	Δ YoY	2Q June15	1Q Mar15	4Q Dec14	3Q Sept14	2Q June14
<b>Total income</b>	<b>2,045</b>	<b>1,819</b>	<b>12%</b>	<b>530</b>	<b>501</b>	<b>489</b>	<b>525</b>	<b>551</b>
Net interest income	1,143	1,087	5%	303	292	281	267	278
Fee income	472	424	11%	111	101	113	147	149
Net treasury income	207	45		26	99	27	56	36
Equity accounted co.	224	264	-15%	91	10	68	56	89
<b>Total costs</b>	<b>(847)</b>	<b>(791)</b>	<b>7%</b>	<b>(243)</b>	<b>(212)</b>	<b>(207)</b>	<b>(185)</b>	<b>(228)</b>
Labour costs	(419)	(379)	11%	(120)	(107)	(101)	(92)	(105)
Administrative expenses	(428)	(412)	4%	(124)	(105)	(106)	(93)	(123)
<b>Gross operating profit</b>	<b>1,198</b>	<b>1,028</b>	<b>17%</b>	<b>287</b>	<b>290</b>	<b>282</b>	<b>340</b>	<b>323</b>
LLPs	(533)	(736)	-28%	(123)	(109)	(180)	(121)	(276)
<b>Operating profit</b>	<b>666</b>	<b>292</b>	<b>128%</b>	<b>164</b>	<b>181</b>	<b>102</b>	<b>220</b>	<b>47</b>
Impairments, disposals	92	209	-56%	(13)	100	7	(2)	17
Taxes & minorities	(167)	(36)		(27)	(75)	(8)	(57)	6
<b>Net result</b>	<b>590</b>	<b>465</b>	<b>27%</b>	<b>124</b>	<b>205</b>	<b>101</b>	<b>160</b>	<b>70</b>
Cost/income ratio	41%	43%	-2pp	46%	42%	42%	35%	41%
Cost of risk (bps)	168	230	-62bps	151	136	229	157	351
NPLs coverage ratio*	53%	50%	+3pp	53%	53%	51%	53%	50%
ROE (%)	7%	6%						

\*Net of Creditech (former Cofactor)

# Corporate & Investing banking (WB+PB)

## Annex 1

€m	12M June15	12M June14	Δ YoY	2Q June15	1Q Mar15	4Q Dec14	3Q Sept14	2Q June14
<b>Total income</b>	<b>776</b>	<b>600</b>	<b>29%</b>	<b>153</b>	<b>231</b>	<b>172</b>	<b>219</b>	<b>212</b>
Net interest income	251	273	-8%	66	64	65	57	68
Fee income	343	304	13%	82	71	78	112	122
Net treasury income	182	23		6	97	29	51	22
<b>Total costs</b>	<b>(385)</b>	<b>(333)</b>	<b>16%</b>	<b>(116)</b>	<b>(98)</b>	<b>(92)</b>	<b>(79)</b>	<b>(102)</b>
Labour costs	(230)	(196)	18%	(70)	(59)	(53)	(49)	(55)
Administrative expenses	(155)	(138)	12%	(47)	(39)	(39)	(31)	(47)
<b>Gross operating profit</b>	<b>391</b>	<b>266</b>	<b>47%</b>	<b>37</b>	<b>134</b>	<b>80</b>	<b>140</b>	<b>110</b>
Loan loss provisions	(75)	(231)	-68%	(18)	(8)	(35)	(15)	(98)
<b>Operating profit</b>	<b>316</b>	<b>35</b>		<b>19</b>	<b>126</b>	<b>46</b>	<b>125</b>	<b>13</b>
One-offs	0	(7)		1	(2)	1	0	(12)
<b>Net result</b>	<b>193</b>	<b>17</b>		<b>8</b>	<b>67</b>	<b>33</b>	<b>84</b>	<b>(1)</b>
Cost/income ratio	50%	56%	-6pp	76%	42%	53%	36%	48%
Cost of risk (bps)	53	156	-103bps	51	21	100	43	275
Loans (€bn)	14.6	13.3	10%	14.6	14.3	14.0	13.6	13.3
Treasury & AFS (€bn)	16.8	22.5	-25%	16.8	16.8	17.1	19.0	22.5
AUM private banking (€bn)	16.6	15.0	10%	16.6	16.7	15.2	15.4	15.0
RWAs (€bn)	33.4	33.8	-1%	33.4	34.8	34.0	33.9	33.8

# Wholesale banking

## Annex 1

€m	12M June15	12M June14	Δ YoY	2Q June15	1Q Mar15	4Q Dec14	3Q Sept14	2Q June14
<b>Total income</b>	<b>644</b>	<b>460</b>	<b>+40%</b>	<b>123</b>	<b>196</b>	<b>137</b>	<b>189</b>	<b>169</b>
Net interest income	218	233	-7%	58	56	57	47	58
Fee income	259	225	+15%	61	47	56	95	101
Net treasury income	167	1		4	93	23	46	9
<b>Total costs</b>	<b>(293)</b>	<b>(250)</b>	<b>+17%</b>	<b>(93)</b>	<b>(75)</b>	<b>(67)</b>	<b>(59)</b>	<b>(80)</b>
Labour costs	(174)	(145)	+20%	(54)	(45)	(39)	(36)	(41)
Administrative expenses	(120)	(105)	+14%	(39)	(30)	(28)	(23)	(38)
<b>Gross operating profit</b>	<b>351</b>	<b>210</b>	<b>67%</b>	<b>30</b>	<b>121</b>	<b>70</b>	<b>130</b>	<b>89</b>
Loan loss provisions	(74)	(233)		(18)	(7)	(34)	(15)	(97)
<b>Operating profit</b>	<b>277</b>	<b>(23)</b>		<b>11</b>	<b>114</b>	<b>36</b>	<b>116</b>	<b>(8)</b>
Other	1	(3)		(0)	0	1	(0)	(3)
<b>Net result</b>	<b>157</b>	<b>(34)</b>		<b>(1)</b>	<b>59</b>	<b>25</b>	<b>74</b>	<b>(13)</b>
Cost/income ratio	46%	54%	-8pp	76%	38%	49%	31%	47%
Cost of risk (bps)	57	167	-110bps	54	22	104	46	289
Loans (€bn)	13.7	12.5	10%	13.7	13.4	13.2	12.8	12.5
Treasury & AFS (€bn)	14.3	20.9	-32%	14.3	14.2	15.3	17.2	20.9
RWAs (€bn)	31.8	31.9		31.8	32.9	32.2	32.0	31.9

# Private banking

## Annex 1

€m	12M June15	12M June14	Δ YoY	2Q June15	1Q Mar15	4Q Dec14	3Q Sept14	2Q June14
<b>Total income</b>	<b>132</b>	<b>140</b>	<b>-6%</b>	<b>31</b>	<b>35</b>	<b>36</b>	<b>31</b>	<b>43</b>
Net interest income	34	40	-16%	8	8	8	9	9
Fee income	84	78	7%	21	24	22	17	21
Net treasury income	15	22	-31%	2	4	5	5	13
<b>Total costs</b>	<b>(92)</b>	<b>(84)</b>	<b>10%</b>	<b>(23)</b>	<b>(23)</b>	<b>(25)</b>	<b>(21)</b>	<b>(22)</b>
<b>Ordinary GOP</b>	<b>40</b>	<b>56</b>	<b>-28%</b>	<b>7</b>	<b>13</b>	<b>11</b>	<b>10</b>	<b>21</b>
Loan loss provisions	(1)	2		0	(0)	(1)	0	(1)
Other income, one-offs	(0)	(4)	-95%	1	0	0	1	(9)
<b>Net profit</b>	<b>36</b>	<b>51</b>	<b>-29%</b>	<b>9</b>	<b>8</b>	<b>8</b>	<b>11</b>	<b>12</b>
<i>of which CMB<sup>1</sup></i>	<i>34</i>	<i>47</i>	<i>-27%</i>	<i>7</i>	<i>9</i>	<i>7</i>	<i>11</i>	<i>10</i>
<b>Cost/income ratio</b>	<b>69%</b>	<b>60%</b>	<b>+9pp</b>	<b>76%</b>	<b>64%</b>	<b>71%</b>	<b>68%</b>	<b>51%</b>
<b>AUM (€bn)</b>	<b>16.6</b>	<b>15.0</b>	<b>+10%</b>	<b>16.6</b>	<b>16.7</b>	<b>15.2</b>	<b>15.4</b>	<b>15.0</b>
CMB	7.8	7.3	+7%	7.8	7.7	7.2	7.5	7.3
Banca Esperia (50%)	8.8	7.8	+14%	8.8	9.0	8.0	8.0	7.8

# Principal investing

## Annex 1

€m	12M June15	12M June14	Δ YoY	2Q June15	1Q Mar15	4Q Dec14	3Q Sept14	2Q June14
<b>Total income</b>	<b>254</b>	<b>288</b>		<b>109</b>	<b>14</b>	<b>68</b>	<b>62</b>	<b>110</b>
Gains from disposals	123	240		7	101	11	4	20
Impairments	(21)	(25)		(7)	(2)	(5)	(7)	(1)
<b>Net result</b>	<b>335</b>	<b>449</b>		<b>102</b>	<b>106</b>	<b>74</b>	<b>53</b>	<b>109</b>
<b>Book value (€bn)</b>	<b>4.4</b>	<b>4.0</b>	<b>9%</b>	<b>4.4</b>	<b>4.4</b>	<b>4.0</b>	<b>4.1</b>	<b>4.0</b>
Ass. Generali (13.24%)	3.3	2.8	20%	3.3	3.1	3.0	2.9	2.8
AFS stakes	1.1	1.2	-14%	1.1	1.3	1.1	1.1	1.2
<b>Market value (€bn)</b>	<b>4.4</b>	<b>4.6</b>		<b>4.6</b>	<b>5.1</b>	<b>4.6</b>	<b>4.6</b>	<b>4.6</b>
Ass. Generali	3.3	3.3		3.5	3.8	3.5	3.4	3.3
<b>RWA (€bn)</b>	<b>11.7</b>	<b>11.3</b>		<b>11.7</b>	<b>11.9</b>	<b>11.2</b>	<b>11.5</b>	<b>11.3</b>



# Retail & Consumer banking (Compass + CheBanca!)

## Annex 1

€m	12M June15	12M June14	Δ YoY	2Q June15	1Q Mar15	4Q Dec14	3Q Sept14	2Q June14
<b>Total income</b>	<b>1,008</b>	<b>934</b>	<b>8%</b>	<b>262</b>	<b>258</b>	<b>248</b>	<b>240</b>	<b>236</b>
Net interest income	833	770	8%	221	212	202	198	199
Fee income	175	164	7%	41	46	46	42	37
<b>Total costs</b>	<b>(448)</b>	<b>(436)</b>	<b>3%</b>	<b>(122)</b>	<b>(112)</b>	<b>(112)</b>	<b>(103)</b>	<b>(120)</b>
<b>Gross Operating Profit</b>	<b>560</b>	<b>498</b>	<b>12%</b>	<b>140</b>	<b>146</b>	<b>136</b>	<b>138</b>	<b>116</b>
Loan provisions	(443)	(473)	-6%	(101)	(99)	(141)	(102)	(174)
<b>Ordinary GOP</b>	<b>116</b>	<b>25</b>		<b>39</b>	<b>48</b>	<b>(5)</b>	<b>36</b>	<b>(58)</b>
PBT	116	20		39	48	(5)	36	(58)
<b>Net profit</b>	<b>80</b>	<b>23</b>		<b>28</b>	<b>30</b>	<b>(1)</b>	<b>24</b>	<b>(34)</b>
Cost/income ratio	44%	47%	-3pp	47%	43%	45%	43%	51%
Cost of risk (bps)	298	338	-40bps	265	263	384	283	491
<b>Total deposits (€bn)</b>	<b>12.5</b>	<b>13.0</b>	<b>-4%</b>	<b>12.5</b>	<b>12.7</b>	<b>13.0</b>	<b>13.1</b>	<b>13.0</b>
of which indirect	2.9	1.5	+95%	2.9	2.6	2.1	1.8	1.5
<b>Loans (€bn)</b>	<b>15.5</b>	<b>14.3</b>	<b>+9%</b>	<b>15.5</b>	<b>15.1</b>	<b>14.9</b>	<b>14.5</b>	<b>14.3</b>
<b>RWA (€bn)</b>	<b>12.2</b>	<b>11.2</b>	<b>+9%</b>	<b>12.2</b>	<b>11.7</b>	<b>11.5</b>	<b>11.1</b>	<b>11.2</b>

# Consumer banking - Compass

## Annex 1

€m	12M June15	12M June14	Δ YoY	2Q June15	1Q Mar15	4Q Dec14	3Q Sept14	2Q June14
<b>Total income</b>	<b>841</b>	<b>770</b>	<b>9%</b>	<b>216</b>	<b>214</b>	<b>209</b>	<b>203</b>	<b>195</b>
Net interest income	694	629	10%	184	177	169	165	163
Fee income	147	141	4%	32	37	40	38	32
<b>Total costs</b>	<b>(288)</b>	<b>(277)</b>	<b>4%</b>	<b>(77)</b>	<b>(72)</b>	<b>(73)</b>	<b>(66)</b>	<b>(78)</b>
<b>Gross Operating Profit</b>	<b>554</b>	<b>493</b>	<b>12%</b>	<b>139</b>	<b>142</b>	<b>136</b>	<b>137</b>	<b>118</b>
Loan provisions	(423)	(445)	-5%	(95)	(95)	(137)	(96)	(167)
<b>Operating Profit</b>	<b>131</b>	<b>47</b>		<b>44</b>	<b>47</b>	<b>(1)</b>	<b>41</b>	<b>(50)</b>
PBT	131	47		44	47	(1)	41	(50)
<b>Net profit</b>	<b>94</b>	<b>48</b>	<b>+94%</b>	<b>32</b>	<b>31</b>	<b>3</b>	<b>28</b>	<b>(27)</b>
Cost/income ratio	34%	36%	-2pp	35%	34%	35%	33%	40%
Cost of risk (bps)	407	461	-54bps	354	359	532	385	681
New loans (€bn)	<b>6.2</b>	<b>5.5</b>	<b>+14%</b>	<b>1.7</b>	<b>1.5</b>	<b>1.6</b>	<b>1.4</b>	<b>1.4</b>
Loans (€bn)	10.9	9.9	+10%	10.9	10.6	10.5	10.1	9.9
RWAs (€bn)	10.2	9.5	+8%	10.2	9.9	9.8	9.5	9.5

# Retail banking – CheBanca!

## Annex 1

€m	12M June15	12M June14	Δ YoY	2Q June15	1Q Mar15	4Q Dec14	3Q Sept14	2Q June14
<b>Total income</b>	<b>167</b>	<b>164</b>	<b>+2%</b>	<b>46</b>	<b>45</b>	<b>39</b>	<b>37</b>	<b>41</b>
Net interest income	139	141	-1%	37	36	33	33	35
Fee income	28	23	+22%	9	9	5	4	5
<b>Total costs</b>	<b>(161)</b>	<b>(159)</b>	<b>+1%</b>	<b>(45)</b>	<b>(40)</b>	<b>(39)</b>	<b>(37)</b>	<b>(42)</b>
Labour costs	(61)	(61)	+1%	(17)	(15)	(15)	(14)	(16)
Administrative expenses	(100)	(98)	+1%	(29)	(25)	(23)	(23)	(26)
<b>Gross Operating Profit</b>	<b>6</b>	<b>5</b>	<b>+17%</b>	<b>1</b>	<b>5</b>	<b>0</b>	<b>1</b>	<b>(2)</b>
<b>Loan provisions</b>	<b>(20)</b>	<b>(28)</b>	<b>-27%</b>	<b>(6)</b>	<b>(4)</b>	<b>(5)</b>	<b>(6)</b>	<b>(7)</b>
<b>Operating Profit</b>	<b>(14)</b>	<b>(23)</b>	<b>-37%</b>	<b>(5)</b>	<b>1</b>	<b>(5)</b>	<b>(5)</b>	<b>(9)</b>
PBT	(14)	(28)	-48%	(5)	1	(5)	(5)	(8)
<b>Net profit</b>	<b>(14)</b>	<b>(25)</b>	<b>-46%</b>	<b>(5)</b>	<b>(1)</b>	<b>(4)</b>	<b>(4)</b>	<b>(7)</b>
Cost/income ratio	96%	97%	-1pp	98%	90%	100%	98%	104%
Cost of risk (bps)	45	64	-19bps	54	35	42	53	63
<b>Total deposits (€bn)</b>	<b>12.5</b>	<b>13.0</b>	<b>-4%</b>	<b>12.5</b>	<b>12.7</b>	<b>13.0</b>	<b>13.1</b>	<b>13.0</b>
of which Direct	2.9	1.5	+95%	2.9	2.6	2.1	1.8	1.5
Loans (€bn)	4.6	4.4	+5%	4.6	4.5	4.4	4.4	4.4
RWAs (€bn)	1.9	1.7	+16%	1.9	1.7	1.7	1.6	1.7

# Corporate centre

## Annex 1

€m	12M June15	12M June14	Δ YoY	2Q June15	1Q Mar15	4Q Dec14	3Q Sept14	2Q June14
<b>Total income</b>	<b>64</b>	<b>53</b>	<b>20%</b>	<b>17</b>	<b>18</b>	<b>16</b>	<b>14</b>	<b>13</b>
Net interest income	55	47	18%	15	14	14	12	12
Fee income	9	6	38%	2	3	2	2	1
<b>Total costs</b>	<b>(57)</b>	<b>(56)</b>	<b>1%</b>	<b>(14)</b>	<b>(16)</b>	<b>(15)</b>	<b>(12)</b>	<b>(16)</b>
Loan provisions	(15)	(33)	-53%	(3)	(4)	(5)	(4)	(5)
<b>Net profit</b>	<b>(24)</b>	<b>(22)</b>	<b>11%</b>	<b>(15)</b>	<b>(1)</b>	<b>(5)</b>	<b>(3)</b>	<b>(5)</b>
Cost of risk (bps)	53	102	-49bps	42	49	63	58	60
New loans (€bn)	0.5	0.4	24%	0.1	0.1	0.2	0.1	0.1
Loans (€bn)	2.8	3.0	-8%	2.8	2.8	2.9	2.9	3.0
RWA	2.4	2.5	-4%	2.4	2.4	2.5	2.4	2.5

# Annexes

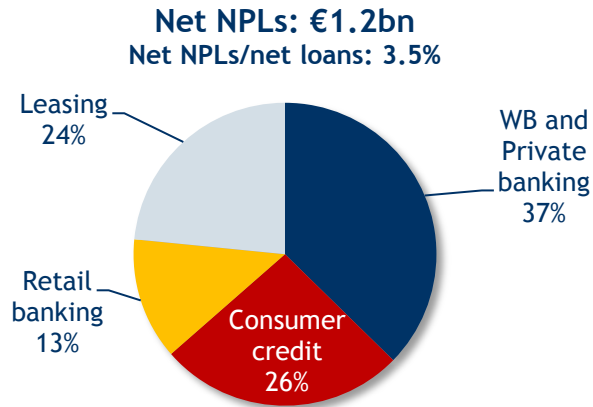
1. Quarterly segmental reporting tables
2. Asset quality details by business as at June 2015
3. Principal investing: main equity investments as at June 2015



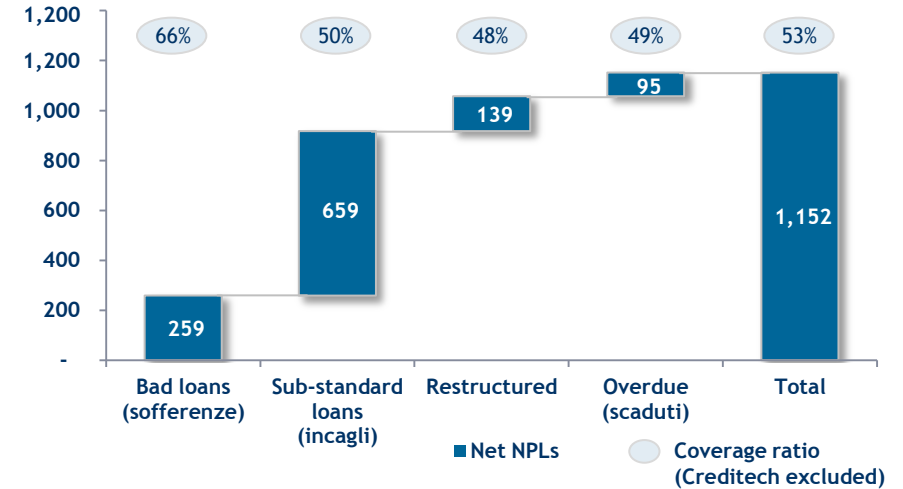
# MB Group asset quality

## Annex 2

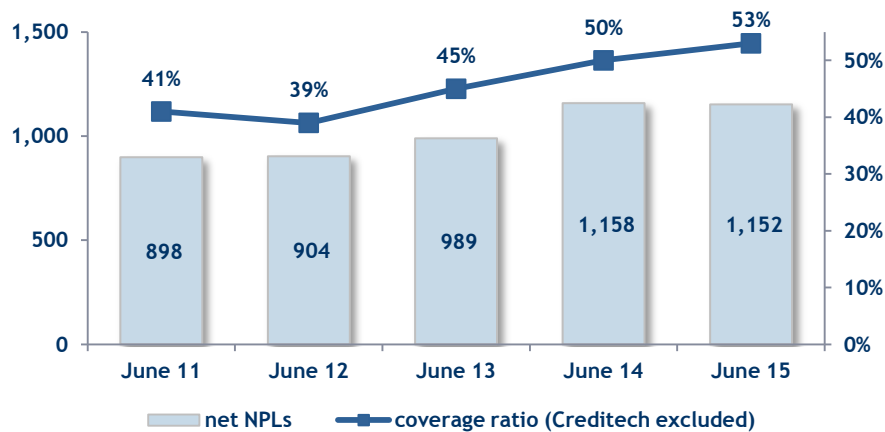
### Group net NPLs (“deteriorate”) by segment (June 2015)



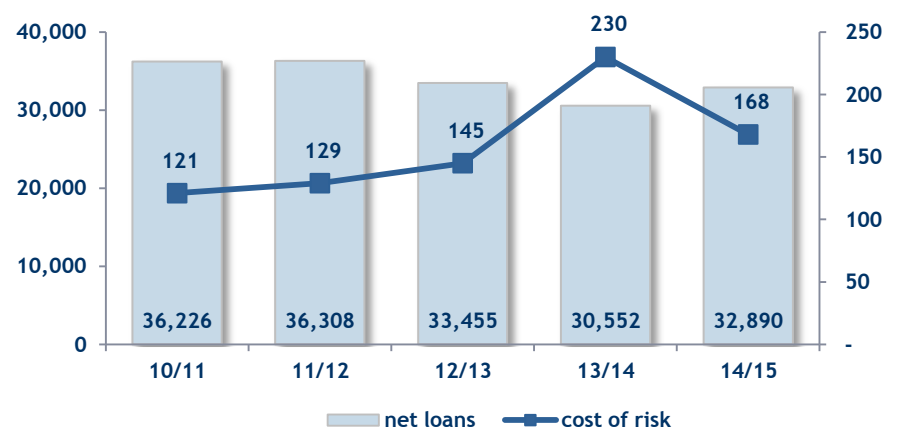
### Group net NPLs and coverage by category (June 2015, €m, %)



### Group net NPLs and coverage ratio trend (€m, %)



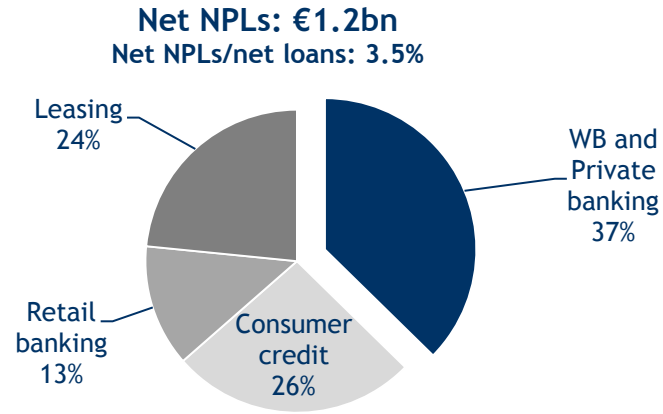
### Group net loans and cost of risk trend (€m, bps)



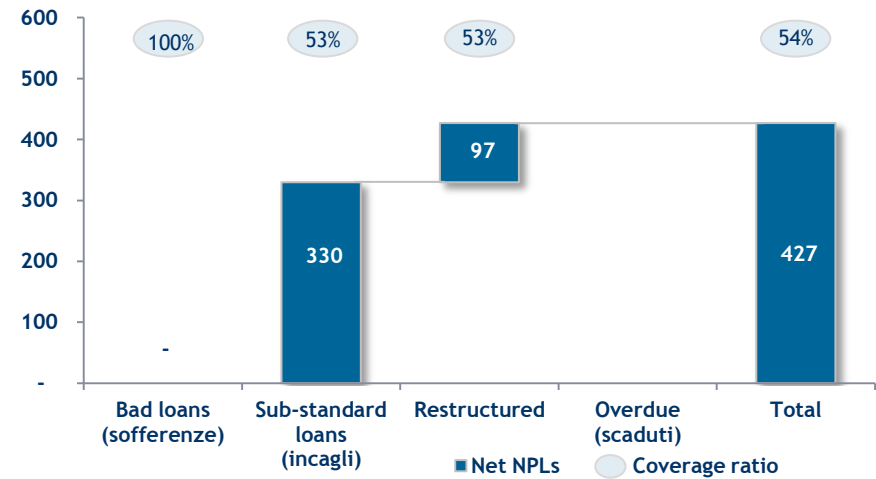
# Asset quality: wholesale

## Annex 2

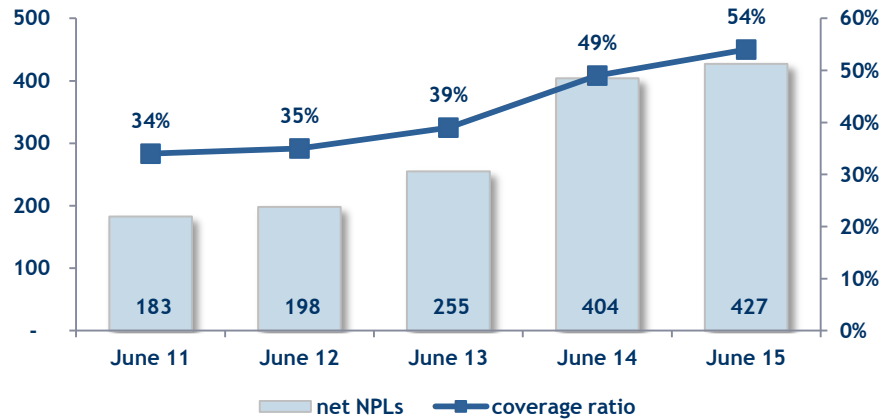
### Group net NPLs (“deteriorate”) by segment (June 15)



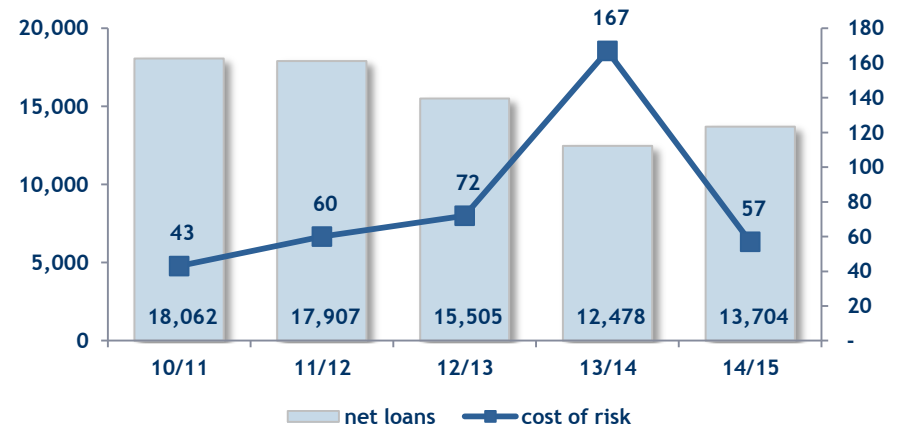
### WB<sup>1</sup> net NPLs and coverage by category (June 15, €m, %)



### WB<sup>1</sup> net NPLs and coverage ratio trend (€m, %)



### WB<sup>1</sup> net loans and cost of risk trend (€m, bps)

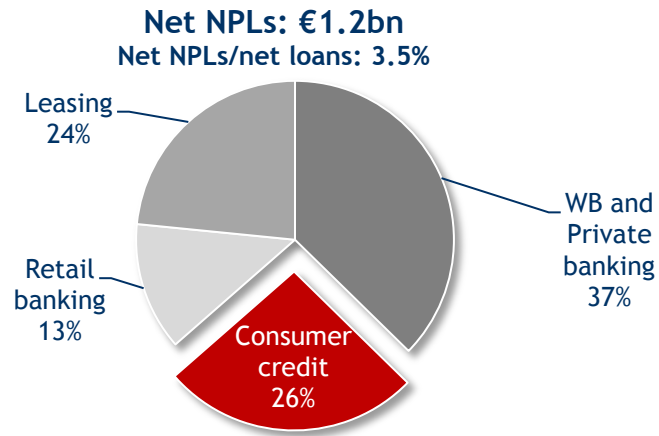


1) Private banking excluded (net NPL's as at June 2015: 3.2m)

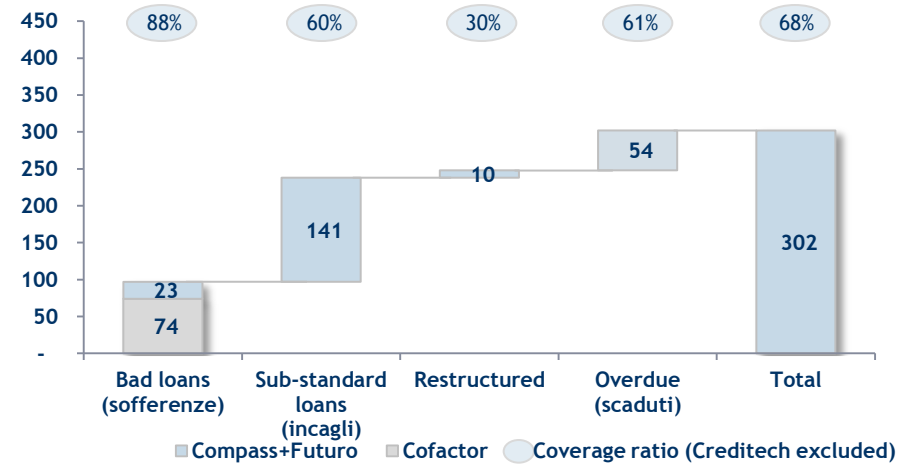
# Asset quality: consumer credit

## Annex 2

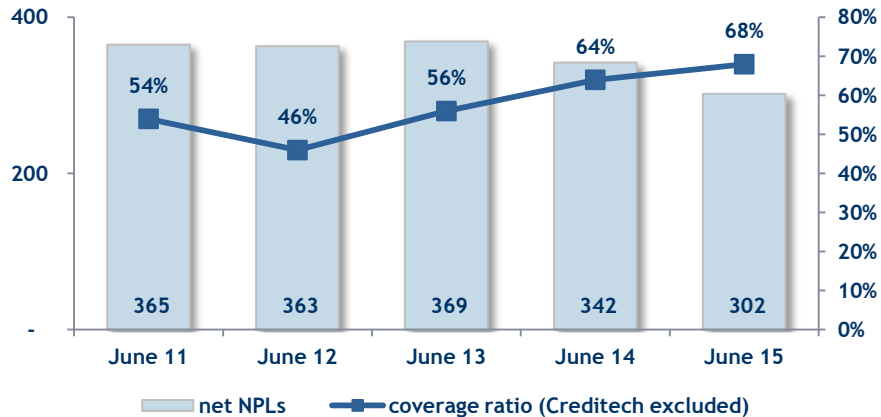
### Group net NPLs (“deteriorate”) by segment (June 15)



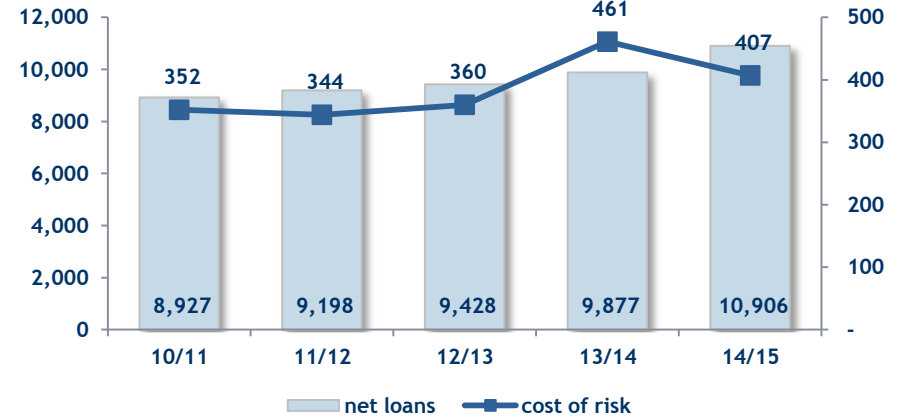
### Consumer net NPLs and coverage by category (June 15, €m, %)



### Consumer net NPLs and coverage ratio trend (€m, %)



### Consumer net loans and cost of risk trend (€m, bps)

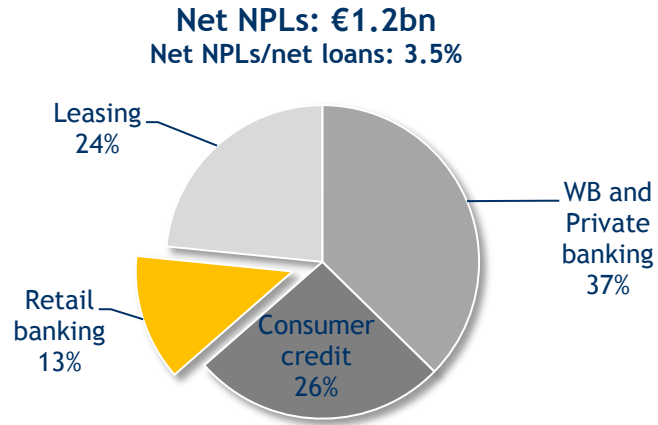




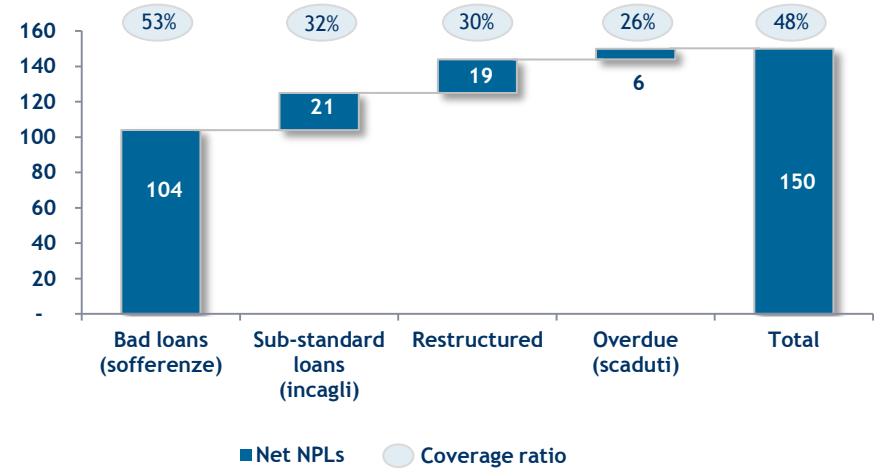
# Asset quality: retail banking

## Annex 2

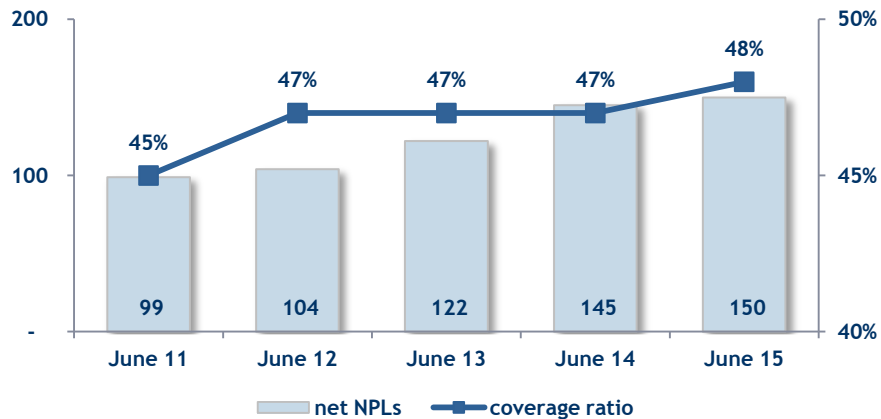
### Group net NPLs (“deteriorate”) by segment (June 15)



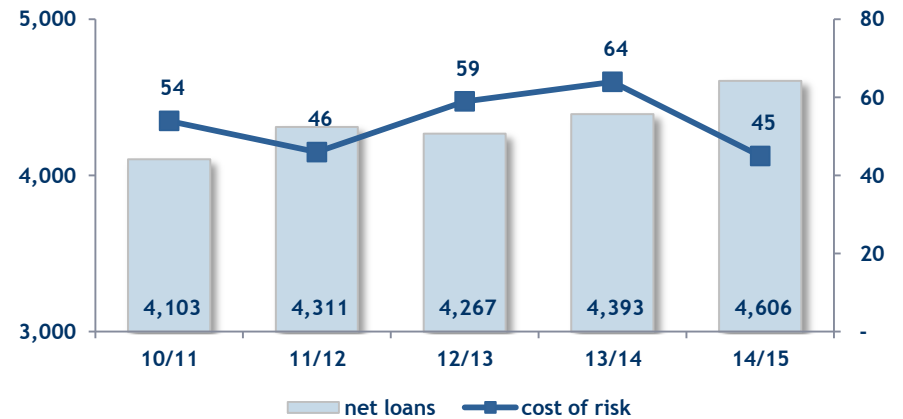
### Retail net NPLs and coverage by category (June 15, €m, %)



### Retail net NPLs and coverage ratio trend (€m, %)



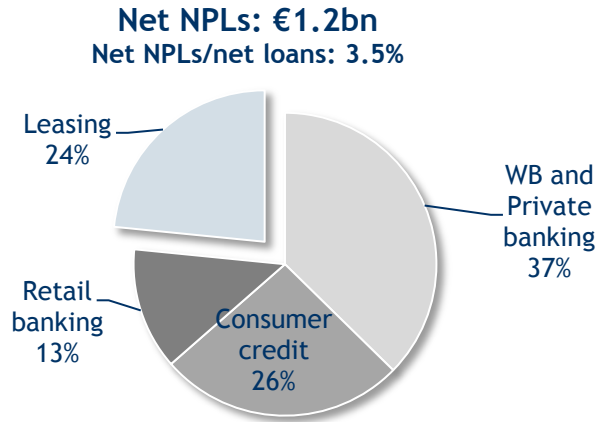
### Retail net loans and cost of risk trend (€m, bps)



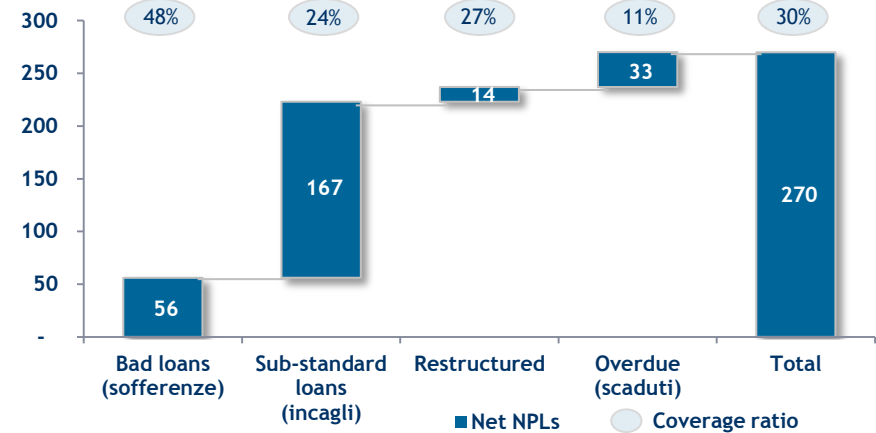
# Asset quality: leasing

## Annex 2

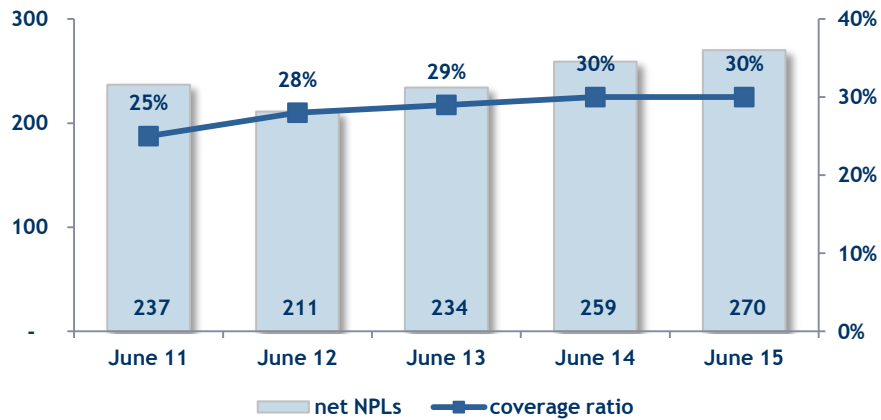
### Group net NPLs (“deteriorate”) by segment (June 15)



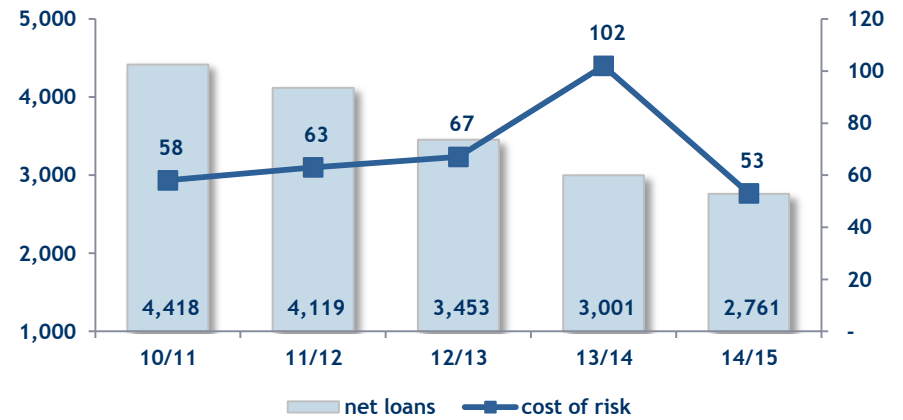
### Leasing net NPLs and coverage by category (June 14, €m, %)



### Leasing net NPLs and coverage ratio trend (€m, %)



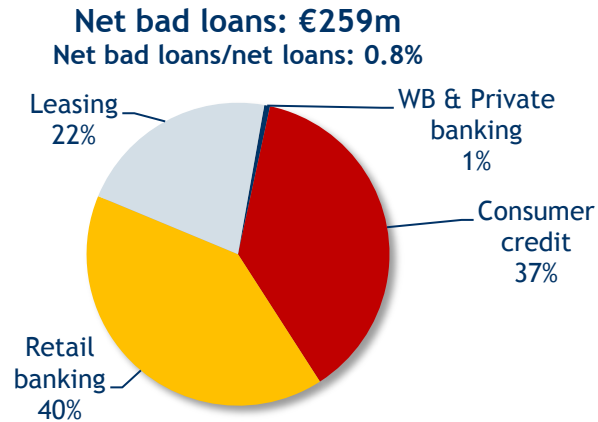
### Leasing net loans and cost of risk trend (€m, bps)



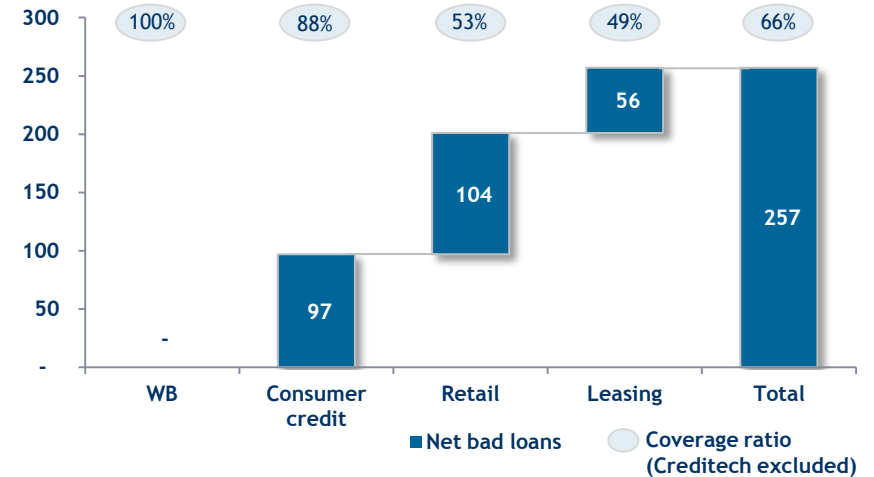
# MB Group asset quality

## Annex 2

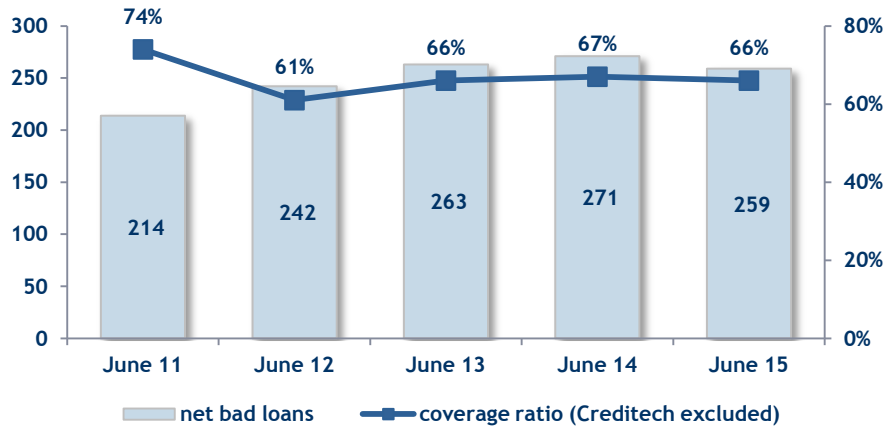
### Group net bad loans (“sofferenze”) by segment (June 15)



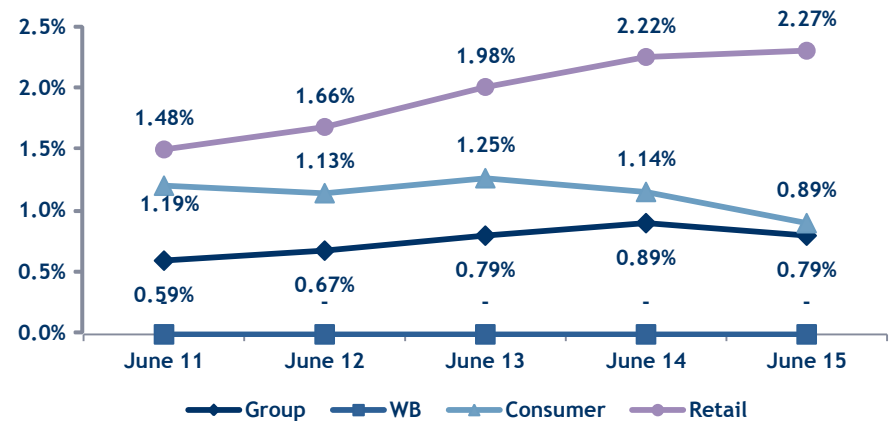
### Group net bad loans and coverage by segment<sup>1</sup> (June 15, €m, %)



### Group net bad loans and coverage ratio trend (€m, %)



### Net bad loans / net loans (%)



1) Private banking excluded (net bad loans as at June 2015: 1.6m)

# Annexes

1. Quarterly segmental reporting tables
2. Asset quality details by business as at June 2015
3. Principal investing: main equity investments as at June 2015

# Principal Investing: main equity investments

## Annex 3

June 2015	% ordinary share of capital	Book value €m	AFS reserve
Assicurazioni Generali	13.24%	3,312	n.s. <sup>1</sup>
Pirelli &C.	3.02%	217	90
RCS Mediagroup	6.2%	37	6
Italmobiliare	9.5%	54	19
Atlantia	2.71%	496	193
Others		38	11
<b>Total listed companies</b>		<b>4,154</b>	<b>319</b>
Banca Esperia	50.00%	93	n.s. <sup>1</sup>
Telco	-	-	-
Edipower	5.13%	55	-
Santè	-	-	-
Athena Private Equity	24.27%	6	n.s. <sup>1</sup>
Burgo Group	22.13%	-	n.s. <sup>1</sup>
Fidia	25.00%	1	n.s. <sup>1</sup>
Others		183	40
<b>Total unlisted companies</b>		<b>338</b>	<b>40</b>

1) Equity method accounted

# 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

Massimo Bertolini

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