



MEDIOBANCA
Banca di Credito Finanziario S.p.A.

Banking & Insurance CEO Conference

“Competing in the age of austerity”

London, 28 September 2010

Mediobanca well positioned in the “new world”

- **Mediobanca business model has proved sound and efficient during the crisis**
 - No deleveraging, public or private funds, ECB financing needed
 - High liquidity and solidity consistently assured, high resilience of income
 - Market positioning and distribution strengthened in all businesses
- **Competitive landscape expected to change profoundly**
 - Macro economic and financial scenario still fragile
 - Regulators expected to reshape the market
- **Mediobanca well positioned in the “new world”**
 - High reputation and capital base
 - Business model already compliant with new rules
 - Revenues enhancement equity story

Diversified business

MB Group

KPIs

- Banking activities represent 85% of total income and 60% of net profit
- Banking activities well diversified by corporate and retail, respectively 50%:35% of total income or 65%:35% of loan book
- Income well diversified by sources: net interest income (40%), fee income (25%) and securities income (35%)
- Funding sources diversifying: no retail contribution only 18 months ago, 18% today

Group KPIs by division

	CIB	RPB	PI	TOT
Total income (5Y avg.)	50%	35%	15%	
<i>of which</i>				
NII	35%	68%	-	40%
Fees	35%	28%	-	25%
Securities	35%	4%	-	20%
Net profit from PI*	-	-	100%	15%
RWA (€m)	75%	20%	5%	
Loan book (€bn)	65%	35%		
Funding (€bn)	82%	18%		

* PI companies are equity-accounted; net profit included in MB total income pro rata

Business model already compliant with new rules

MB Group

KPIs

- Basel III: no issues on
 - Leverage Ratio
 - Liquidity Ratio
 - Funding Ratio
 - Capital Ratio (no systemic bank)
- Low cost/income ratio
- Low compensation ratio
- Conservative approach to asset quality
- Well diversified income
- Profitability recovering

Group annual KPIs trend

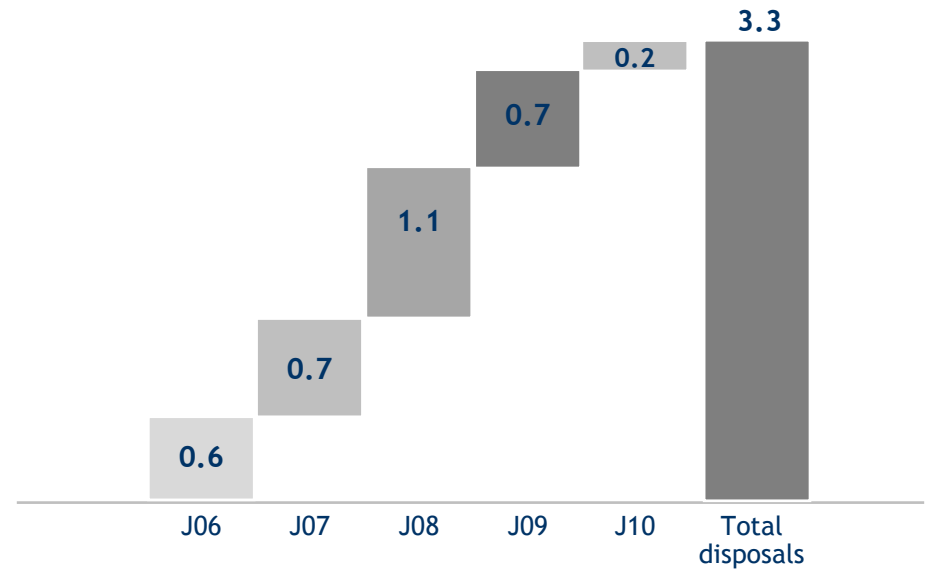
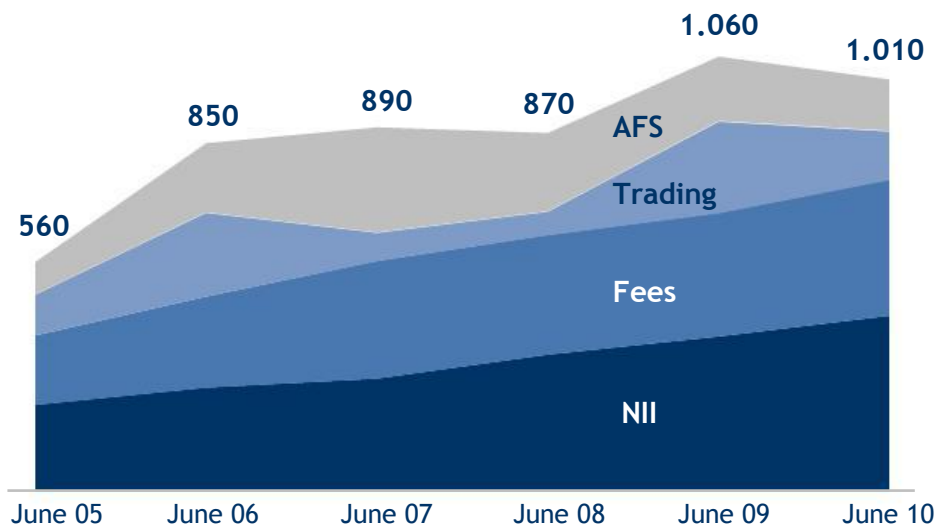
	June 08	June 09	June 10
Total income (€m)	2,098	1,776	2,018
Net profit (€m)	1,013	2	401
RWAs (€bn)	55	53	53
Tangible BV/Asset	10%	9%	10%
Loans/deposits ratio	0.7x	0.7x	0.6x
Core Tier 1 ratio	10%	10%	11%
Rating S&P	AA-	AA-	A+
Cost/income ratio	31%	41%	38%
Compensation ratio	20%	20%	19%
Net NPLs/Ls	0.3%	0.3%	0.4%
ROTE	17%	0%	7%
Gross RORWA	2.1%	0.2%	1.1%

CIB. Income doubled in 5Y driven by NII and Fees

Corporate & Investment Banking

Total income trend (€m) and breakdown

AFS stakes disposed (book value, €bn)



- NII and Fees steadily growing YoY since 2005, with 15% 5YCAGR, now account for 75% of total income
- Coherently with strategy announced, AFS portfolio largely reduced

CIB 2010 results : strong 2009 results confirmed

Corporate & Investment Banking

Main trends

- **CIB key 2010 trends:**
 - **Improved margins:** despite 8% reduction in loan book, NII up 13%, driven by asset re-pricing and treasury yield enhancement; fees up 10%
 - **Asset quality preserved:** cost of risk at 70bps, back down to June 2009 levels; gross bad loans reducing in corporate; NPL/Ls at 0.2%
 - **Front office and control staff enhanced:** staff employed outside Italy up 27% (to 94), staff to support corporate activity up 3%; cost/income ratio 30%
- **Improved banking results** (NII + fees up 12%, coupled with 13% LLPs reduction) allowed net profit to grow (6%, to €243m), offsetting weak securities performance: lower trading income (negative in 2Q10, reflecting sovereign debt crisis), and reduced but still material (€136m) equity writedowns

KPIs (€m)

	June10 12m	June 09 12m	Δ 09/10	June 08 12m
Total revenues	1,006	1,061	-5%	874
NII + Fees	761	680	+12%	626
Trading +AFS	245	381	-36%	248
Total costs	(303)	(302)	-	(277)
Loan provisions	(156)	(179)	-13%	(36)
AFS writedowns	(136)	(203)	-33%	0
Net profit	243	230	+6%	464
Cost/income	30%	28%		32%
LLPs/Ls (bps)	70	75		16
Loans (€bn)	21.1	23.1	-8%	22.7
Employees (no.)	882	850	+4	788

Consumer credit: Compass

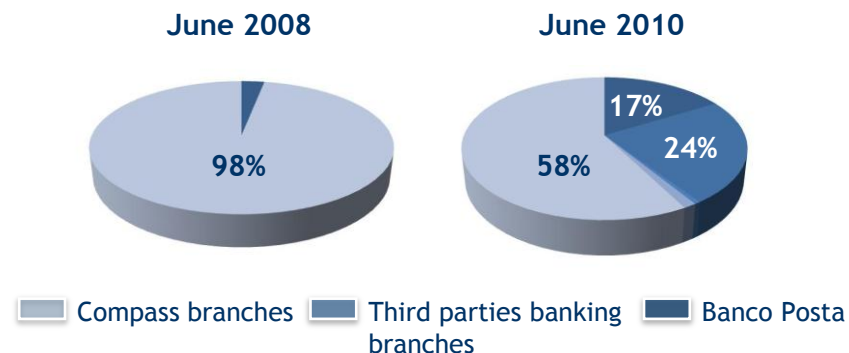
Compass KPIs

- Specialist operator since 1960s
- Top ranked in Italy (3th)
- Positioning strengthened in 2008 with Linea merger, integration now completed
- Wide product portfolio, focused on profitable segments
- Effective and diversified distribution network
- Valuable and increasing customer base (1.9m)
- Advanced proprietary know-how both in terms of lending and credit recovery
- Efficient structure (cost/income ratio 38%)
- No concerns on asset quality: -NPLs/Ls=0.8%

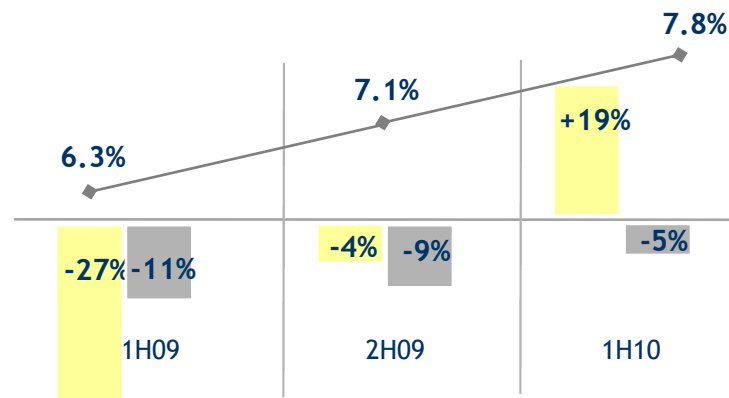
-NPLs coverage=85%

Consumer credit

Compass distribution by channel (personal loans)



New loans (Δ % YoY, Compass market share)



Consumer lending: sustainable growth confirmed

Consumer credit

Main trends

- Income up 6% driven by NII on resumed growth in volumes and margins (lower cost of funding)
- Cost up 12% exclusively due to doubled collection costs, net of which costs would have been flat and cost/income ratio 31%.
- Loans provisions up 13% YoY, but quarterly cost of risk reducing progressively since 2Q09
- Asset quality preserved

KPIs (€m)

	June 10 12m	June 09 12m	Δ 09/10	June 08 12m
Total income	638	605	+6%	592
Total costs	(240)	(222)	+12%	(232)
Loan provisions	(337)	(298)	+13%	(224)
Net profit	22	39*	-30%	32
Cost/income	38%	37%		39%
LLPs/Ls (bps)	410	360		370
New loans (€bn)	4.1	3.8	+7%	5.2
Loans (€bn)	8.3	8.1	+2%	8.4

¹ Net of €46m of one-off tax benefit linked to goodwill amortization

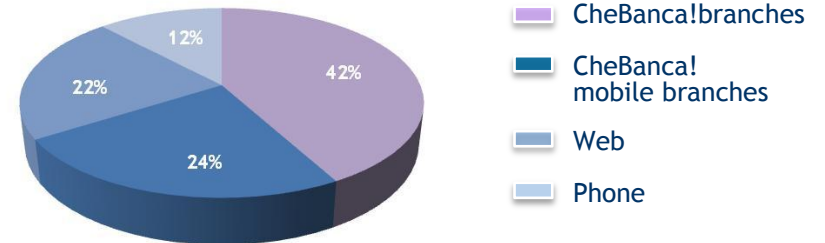
Retail banking: funding arm

Retail Banking

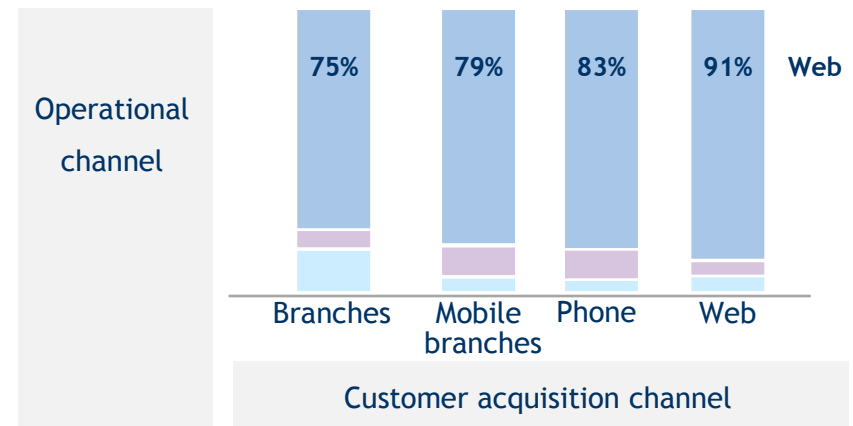
CheBanca! KPIs

- CheBanca!: innovative specialist banking retail operator launched in May 2008
- Two years since its launch, CheBanca! has achieved a distinctive position in the market
- High brand awareness
- Innovative multichannel distribution network
- Scalable and efficient operating platform
- Affluent and stable customers base
- Cost-effective and transparent but not most remunerative products
- Strong commercial results
 - €9.6bn deposits, €3.5bn loan book
 - 440,000 product sold, 340,000 customers

Product sold by channel



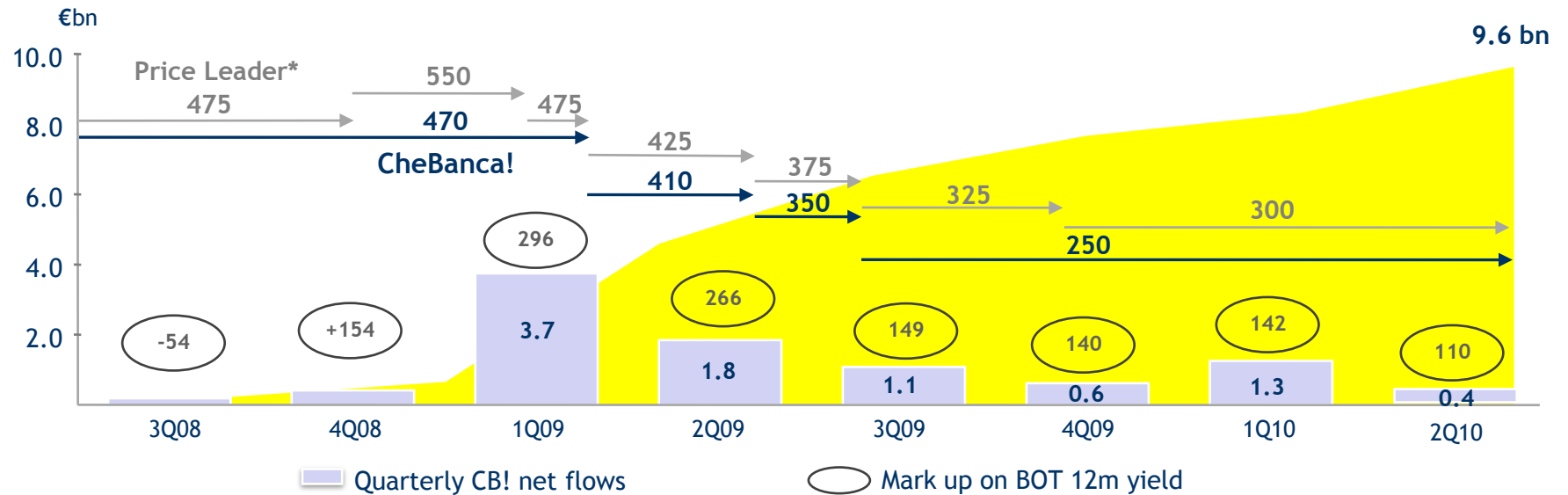
Customer acquisition/operations by channel



CheBanca! deposits scaling up at reducing cost

Retail Banking

Funding stock and pricing for 12m tied deposits (€bn, bps)



- Stable customer base and reducing cost of funding: deposit stock steadily growing despite lower mark-up
- High retention rate (93%)
- CheBanca! cost of funding comparable to MB 3Y bonds

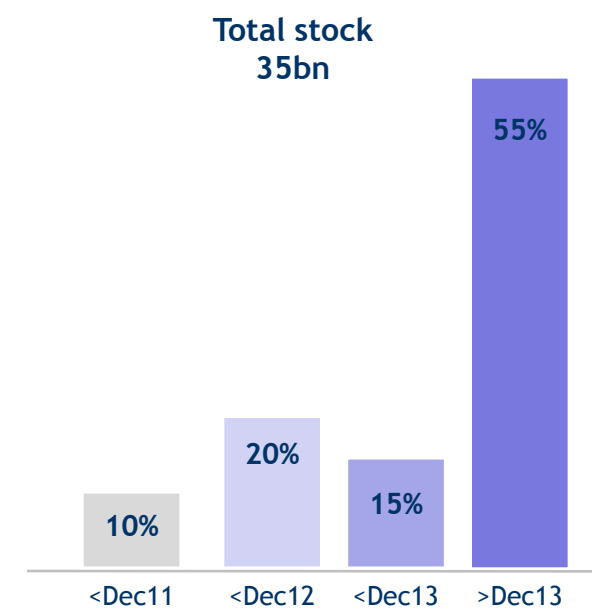
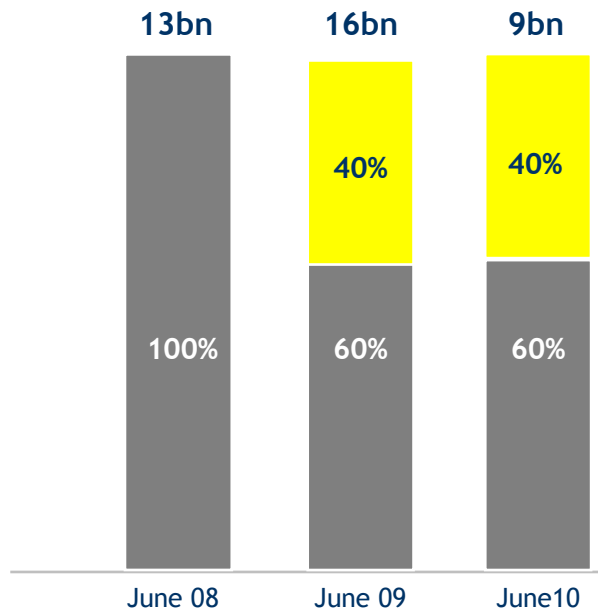
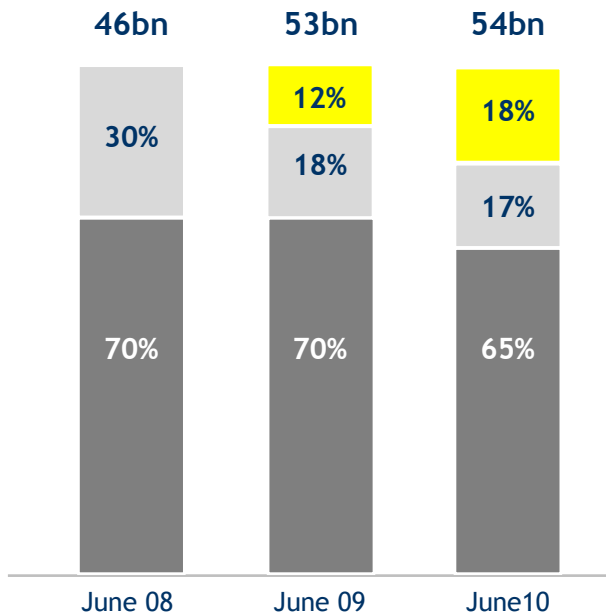
Reshaping funding mix

Retail Banking

Funding (€bn)

Funds raised (€bn)

MB bonds expiring (€bn)



• Retail deposits up to 18% of funding stock

• Retail deposits 40% of new funds

• Low debt expiring in short/medium term

Interbank/others
 MB bonds
 CheBanca! deposits

CheBanca! 2010 results: total income doubled

Retail Banking

Main trends

- Losses peaked in June 2009, and are now being progressively absorbed
- Total income doubled, driven by reduction in cost of funding and yield on invested liquidity; costs up 15%, below budget, as better than expected branch coverage allowed for lower openings and hiring, maintaining excellent commercial results
- Net loss of €79m, 20% lower than 2009
- Increase in interest rates could speed up break-even

KPIs (€m)

	June 10 12m	June 09 12m	Δ 09/10	June 08 12m
Total income	98	47	+2x	49
Total costs	(180)	(156)	+15%	(80)
Loan provisions	(23)	(27)	-15%	(13)
Net result	(79)	(100)	-20%	(30)
Loan book (€bn)	3.5	3.2	+10%	2.7
Deposits (€bn)	9.6	6.2	+54%	0.1
Staff (no.)	845	730	+15%	470
Branches (no.)	42	55	-24%	38
Customers (no.)	340K	210K	+60%	47K
Product sold (no.)	440K	230K	+90%	35K

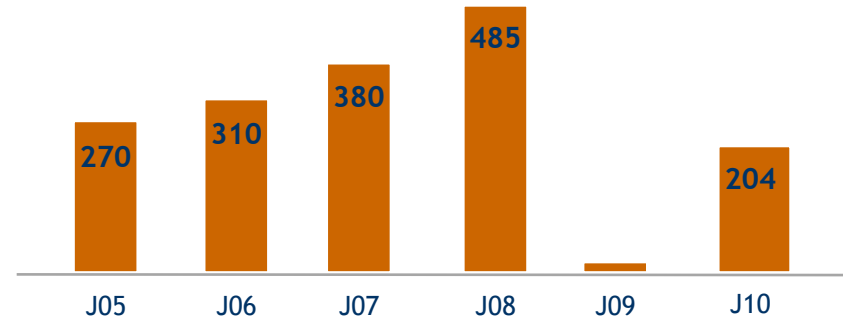
PI: still far below historical average contribution

Principal Investing

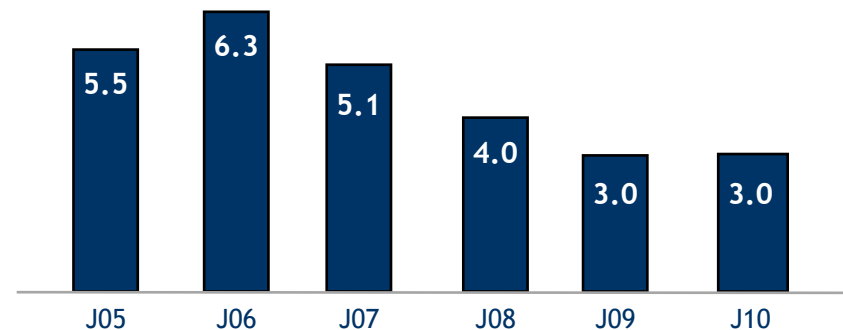
Main trends

- Investee companies are market leaders in their own sectors:
 - 13.24% Assicurazioni Generali (insurance)
 - 14.36% RCS Media Group (publishing)
 - 11.62% Telco (telecommunications)
 - Merchant banking stakes
- Stakes equity-accounted,* making a highly contribution to MB total income and market capitalization
- Profitability recovering from lows, but still well below historical levels
- Market value of equity investments currently 30% lower than 2005-07 average

Total income (€m-12m as at June)



Market value (€bn)



*Equity-accounted: net profit included in MB total income pro rata; book value equal to pro-rata shareholders' equity

2011 opportunities: further growth in banking business

MB Group

CIB: upgrading the platform

- Revenues growth driven by capital market platform, fully exploitation of French and German branches, resumed growth in corporate loans
- Well positioned in competitive landscape as no concerns on capital/liquidity, no change in business model needed (i.e. low prop.income, advanced model never adopted for market risk RWAs)

Consumer finance: leveraging growth

- Volumes: consolidating growth, also due to sector concentration
- Risk-adjusted margins recovery

Retail banking: upgrading to customers' first bank

- Increasing cross selling and product offering
- Improving profitability by optimizing asset spread



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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.

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Massimo Bertolini

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