



MEDIOBANCA  
*Banca di Credito Finanziario S.p.A.*

## **1Q results as at 30 September 2010**

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Milan, 28 October 2010

# Core revenues still growing, provisions still falling

1Q11 results

- ◆ **Revenues dynamic driven by recurring sources**
- ◆ **Further reduction in loan loss provisions**
- ◆ **No AFS writedowns**
- ◆ **Compass: sustainable growth confirmed**
- ◆ **CheBanca!: NII +4x, losses reducing**
- ◆ **Quarterly net profit €128m, the best quarter in the last 12m, up 3x Q.o.Q**

# 3Q10: best quarter in last 12m

1Q11 results

P&L Group KPIs (€m)

	3Q10 Sept10	2Q10 June10	1Q10 March10	4Q09 Dec09	3Q09 Sept09	Δ Q.o.Q*	Δ Y.o.Y*
Total income	499	418	455	467	678	+19%	-26%
Net interest income	262	256	220	228	214	+3%	+23%
Fee income	113	119	130	140	145	-5%	-22%
Securities	80	(29)	70	47	266	nm	-70%
Equity-acc.co.	44	72	35	53	53	-39%	-18%
Total costs	(188)	(185)	(194)	(213)	(182)	+2%	+3%
Loan loss provisions	(112)	(125)	(122)	(130)	(141)	-10%	-20%
Securities provisions	(1)	(45)	(15)	(17)	(74)	nm	nm
Net profit	128	46	84	70	201	+3x	-36%
Cost/income ratio	38%	44%	43%	46%	27%		
LLPs/Ls (bps)	130	145	145	150	160		

\* Q.o.Q. = 3Q10/2Q10; Y.o.Y. = 3Q10/3Q09

# Funding stable, loans return to growth

1Q11 results

A&L Group KPIs (€bn)

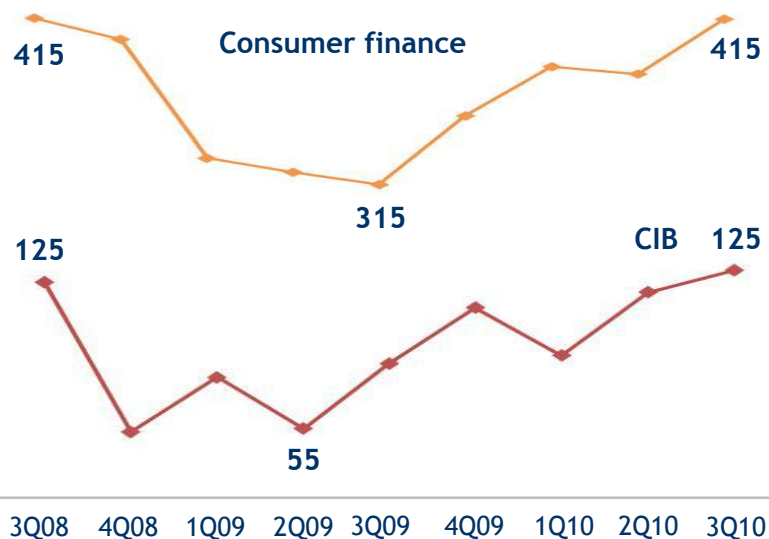
	Sept10	June10	March10	Dec09	Sept09	Δ Q.o.Q*	Δ Y.o.Y*
<b>Funding</b>	<b>53.4</b>	<b>53.8</b>	<b>54.5</b>	<b>52.9</b>	<b>52.8</b>	<b>-1%</b>	<b>+1%</b>
Bonds	34.3	35.2	36.9	36.0	36.0	-2%	-5%
Retail	10.1	9.6	9.1	7.9	7.3	+6%	+39%
Interbank	9.0	9.1	8.5	9.1	9.5	-1%	-6%
<b>Loans to customers</b>	<b>34.3</b>	<b>33.7</b>	<b>33.3</b>	<b>33.5</b>	<b>34.6</b>	<b>+2%</b>	<b>-1%</b>
Corporate	21.7	21.1	21.0	21.4	22.6	+3%	-4%
Consumer	8.4	8.3	8.1	8.0	8.0	+1%	+4%
Mortgage	3.6	3.5	3.5	3.4	3.3	+1%	+8%
<b>Treasury + AFS</b>	<b>20.8</b>	<b>21.8</b>	<b>23.2</b>	<b>21.3</b>	<b>20.0</b>	<b>-4%</b>	<b>+4%</b>
Shareholders' funds	6.6	6.3	6.4	6.2	6.0	+4%	+10%
<b>Core Tier 1 ratio</b>	<b>&gt;11%</b>	<b>11.1%</b>	<b>-</b>	<b>11.0%</b>	<b>-</b>		
Loans/deposits	64%	63%	61%	63%	66%		

\* Q.o.Q. = 3Q10/2Q10; Y.o.Y. = 3Q10/3Q09

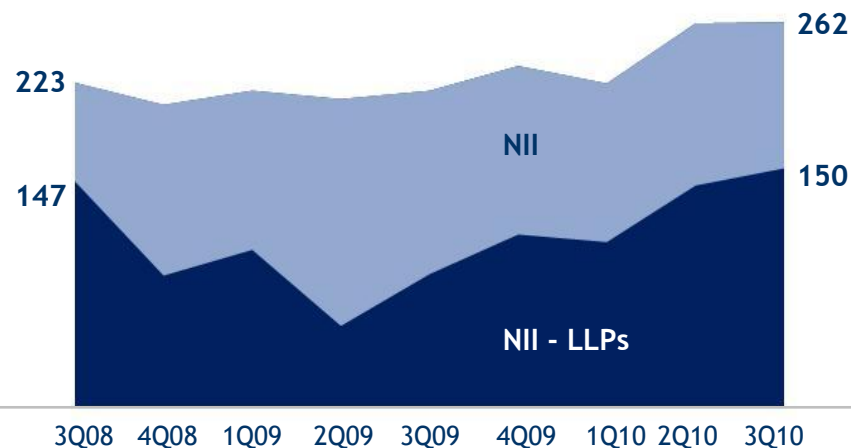
# Net margins: pre-crisis levels recovered

1Q11 results

CIB and consumer finance net margins\*(bps)



Group NII and NII net of LLPs (€m)



• For both CIB and consumer finance, net margins up driven by higher gross margins and reduced cost of risk

• Steady quarterly growth in NII; amount left after provisioning (NII less LLPs) growing even quicker

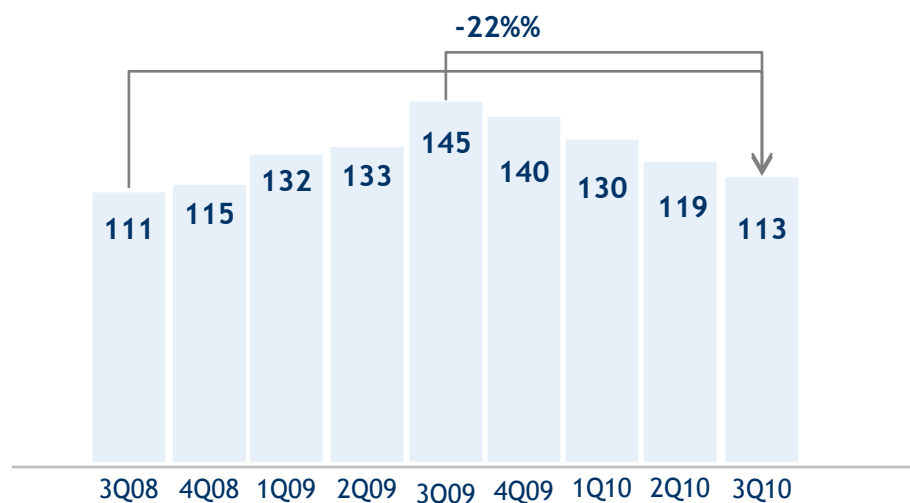
\* CIB net margin =  $(NII + \text{lending fees} - LLPs) / (\text{loans} + \text{treasury})$

\* Consumer finance margin =  $(\text{total income} - LLPs) / \text{loans}$

# Fee income diversified and resilient

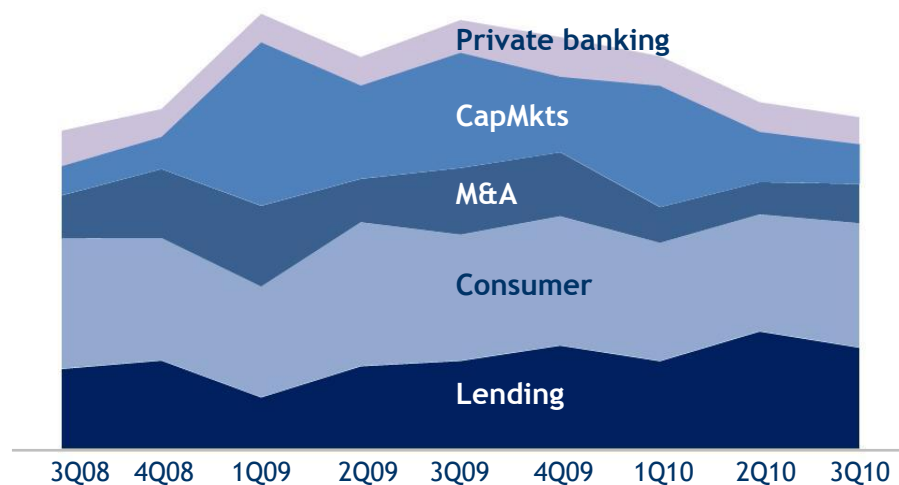
1Q11 results

Group fees by quarter (€m)



- Fees down 22% vs 3Q09, which was the best Q in last 2Y
- Even during the crisis fees resilient

Group fees by business segment (€m)

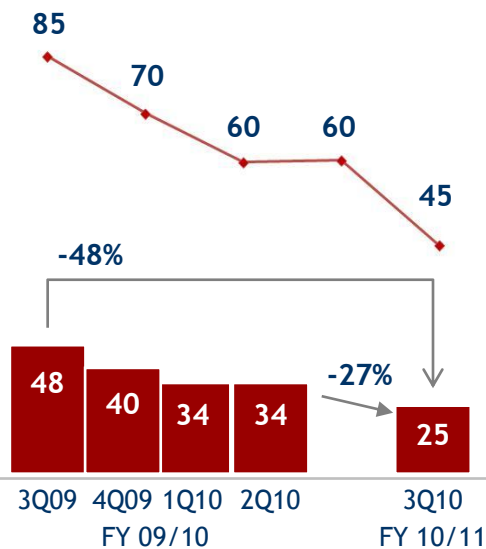


- Fees diversified; solid contribution from lending and consumer fin.; CapMkts and M&A weak in last Q due to deal postponement (Govies crisis, slow economic recovery)

# Cost of risk reducing

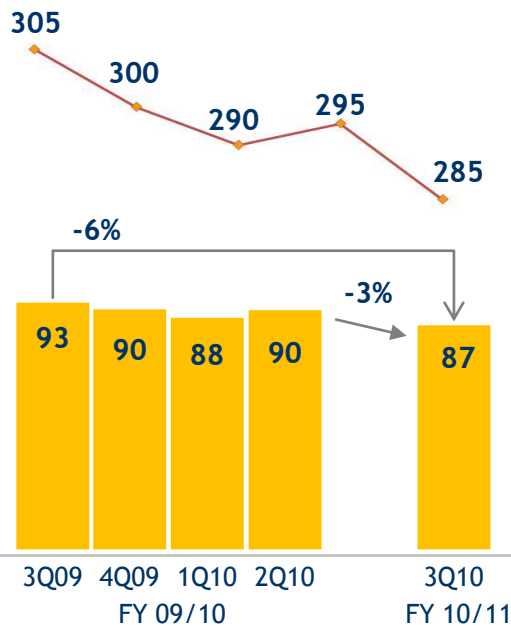
1Q11 results

CIB LLPs (€m and bps)



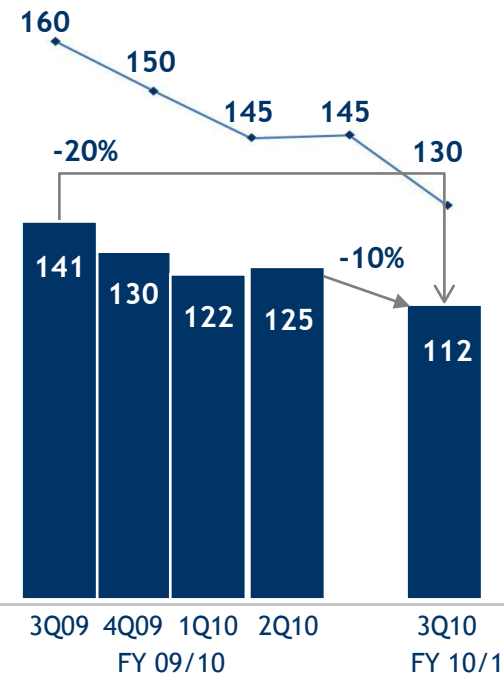
• Material improvement in large corporate segment, leasing still weak

RPB LLPs (€m and bps)



• Consumer: steady improvement  
• Retail segment under control

Group LLPs (€m and bps)

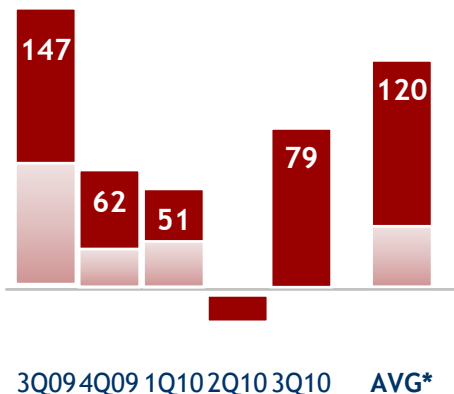


• Cost of risk progressively returning to normalized levels

# Income quality up - All divisions back to profit

1Q11 results

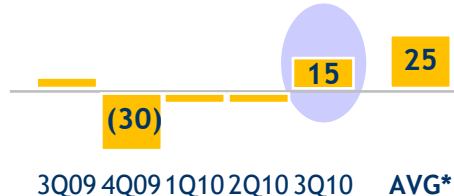
CIB net profit (€m)



• Profitability up even without AFS contribution

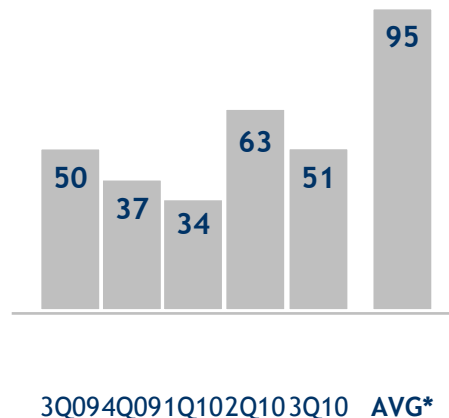
From AFS equity disposals

RPB net profit (€m)



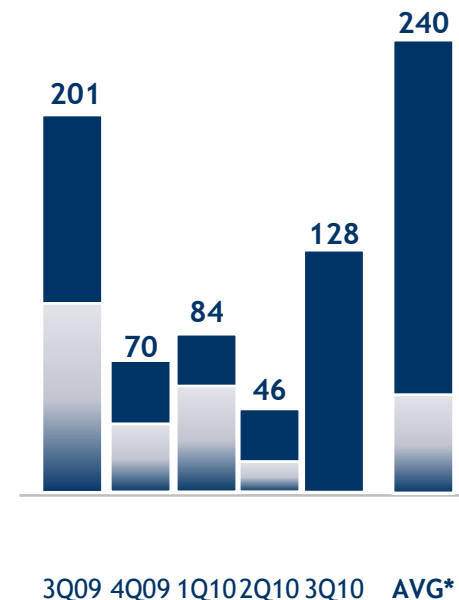
• Back to positive territory for the first time in 18m

PI net profit (€m)



• Positive contribution, lower than historical avg.

Group net profit (€m)



• Net profit recovering, driven by banking activities

From AFS equity disposals

\* 2006/07/08 average



# CIB: net margin and loans up

1Q11 results

KPIs (€m)

	3Q10 Sept10	2Q10 June10	1Q10 March10	4Q09 Dec09	3Q09 Sept09	Δ Q.o.Q*	Δ Y.o.Y*
Total revenues	243	136	210	232	428	+78%	-43%
Net interest income	116	115	98	114	102	+1%	+13%
Fee income	64	72	82	85	93	-11%	-32%
Trading +AFS	64	(50)	29	33	233	nm	-4x
Total costs	(81)	(69)	(77)	(81)	(76)	+17%	+6%
Loan provisions	(25)	(34)	(34)	(40)	(48)	-27%	-48%
Securities provisions	(1)	(39)	(14)	(9)	(73)	nm	nm
Net profit	79	(15)	51	62	147	nm	-46%
Cost/income ratio	33%	50%	36%	35%	18%		
LLPs/Ls (bps)	45	60	60	70	85		
Loans (€bn)	21.7	21.1	21.0	21.4	22.6	+3%	-4%

\* Q.o.Q. = 3Q10/2Q10; Y.o.Y. = 3Q10/3Q09

# Principal investing

1Q11 results

KPIs (€m)

	3Q10 Sept10	2Q10 June10	1Q10 March10	4Q09 Dec09	3Q09 Sept09	Δ Q.o.Q*	Δ Y.o.Y*
Total income	51	70	33	49	52	-28%	-2%
Assicurazioni Generali	46	71	45	57	59	-35%	-21%
RCS Media Group	3	(4)	(8)	(2)	(4)	nm	nm
Telco	4	3	(1)	(5)	1	mn	mn
Writedowns	0	(5)	(1)	(7)	0	nm	nm
Net profit	51	63	34	37	50	-20%	+2%
NAV (€bn)	3.1	3.0	3.8	4.0	3.9	+3%	-19%

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

\* Q.o.Q. = 3Q10/2Q10; Y.o.Y. = 3Q10/3Q09

# Consumer lending: sustainable growth confirmed

1Q11 results

KPIs (€m)

	3Q10 Sept10	2Q10 June10	1Q10 March10	4Q09 Dec09	3Q09 Sept09	Δ Q.o.Q*	Δ Y.o.Y*
Total income	165	167	161	158	152	-1%	+9%
Total costs	(58)	(60)	(64)	(61)	(55)	-4%	+6%
Loan provisions	(80)	(83)	(81)	(85)	(87)	-4%	-9%
Net profit	13	12	4	3	3	+5%	+4x
Cost/income ratio	35%	36%	40%	39%	36%		
LLPs/Ls (bps)	390	405	400	415	425		
New loans	1,026	1,105	1,075	990	883	-7%	+16%
Loans (€bn)	8.4	8.3	8.1	8.0	8.0	+1%	+4%

\* Q.o.Q. = 3Q10/2Q10; Y.o.Y. = 3Q10/3Q09

# CheBanca! income growing, losses reducing

1Q11 results

KPIs (€m)

	3Q10 Sept10	2Q10 June10	1Q10 March10	4Q09 Dec09	3Q09 Sept09	Δ Q.o.Q*	Δ Y.o.Y *
Total income	40	27	34	8	29	+48%	+37%
Total costs	(38)	(43)	(43)	(55)	(39)	-13%	-3%
Loan provisions	(8)	(7)	(7)	(3)	(6)	+8%	+35%
Net profit (loss)	(5)	(18)	(12)	(37)	(12)	-74%	-60%
Deposits (€bn)	10.1	9.6	9.1	7.9	7.3	+6%	+39%
Loans (€bn)	3.6	3.6	3.5	3.4	3.3	+1%	+8%
Customers (no.)		340,000		270,000			

\* Q.o.Q. = 3Q10/2Q10; Y.o.Y. = 3Q10/3Q09

- ◆ **Mediobanca closed the first 3 months with its best quarter in the last year**
- ◆ **Some trends may be sustainable given the current market conditions, such as:**
  - ◆ **growing net margins in corporate and consumer lending**
  - ◆ **resumption in loan growth in corporate and consumer finance**
  - ◆ **CheBanca! asset spread optimizing**
- ◆ **Overall the Group expects to deliver a solid net profit for the full year**



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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.**

**Head of Company Financial Reporting**

**Massimo Bertolini**

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