



# MB GROUP LONG TERM RESULTS

August 2024



MEDIOBANCA

# DOUBLING OUR REVENUES ...

## GROWTH DELIVERED IN ALL MACRO SCENARIOS AND DESPITE CRISIS

Long term results

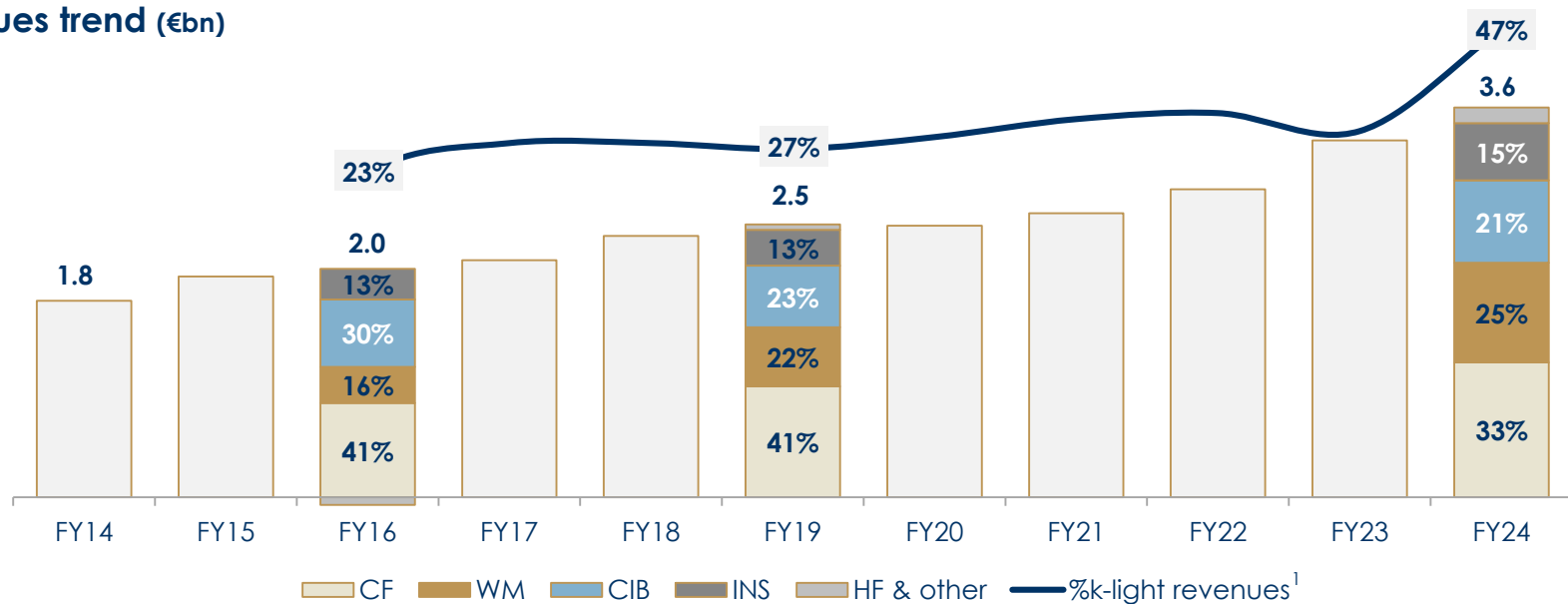
Section 1

End of Sovereign crisis  
Quantitative Easing  
Negative interest rates

Covid-19  
Pandemic

Ukraine War  
Monetary tightening  
Positive interest rates

Revenues trend (€bn)



- ◆ In the last decade we have doubled our revenues to €3.6bn, consistently achieving our targets
- ◆ All business segments have been enlarged, contributing positively to growth and profitability
- ◆ Revenue quality enhanced by broader diversification and growing contribution from capital-light activities

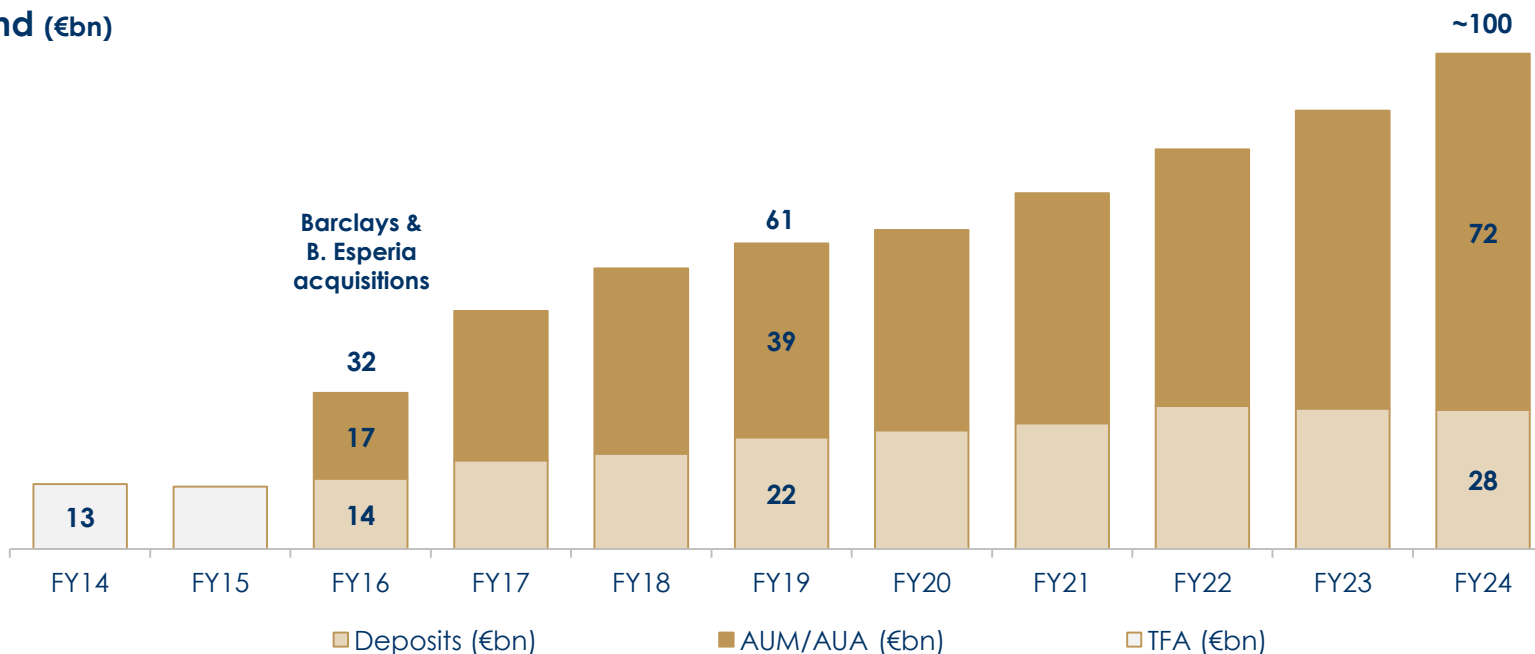
1) WM revenues (excl. trading income), CIB fees (excl. Lending and Specialty Finance) and Insurance

# BACKED BY AN INCREASING FOCUS ON K-LIGHT BUSINESSES...

Long term results

Section 1

TFA trend (€bn)



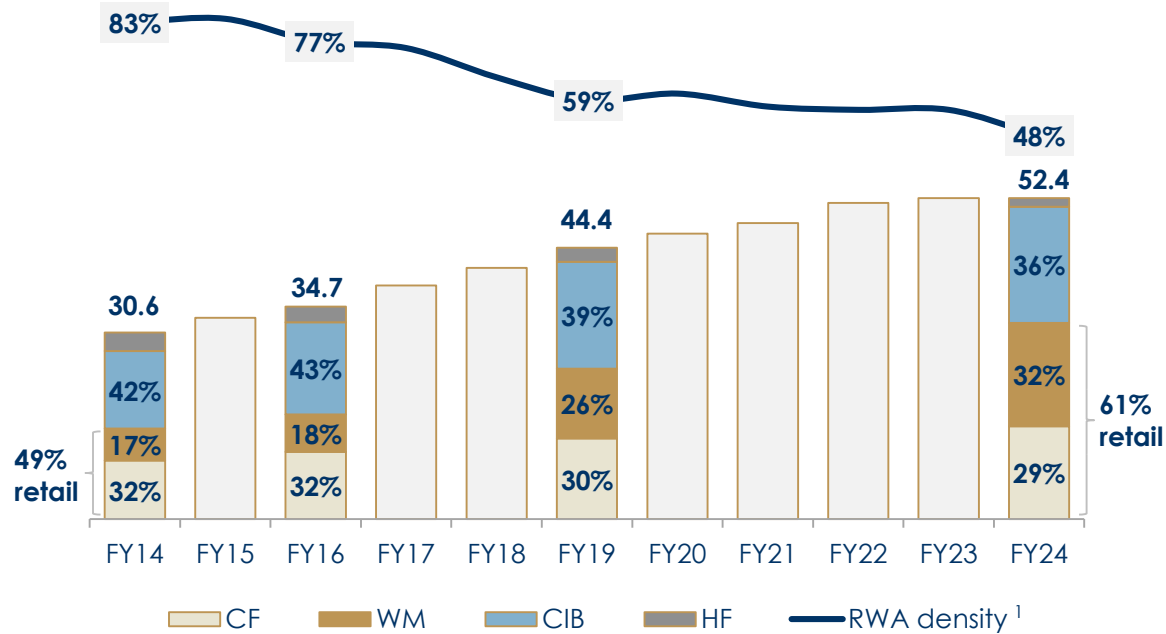
◆ Since 2016, when Mediobanca effectively entered in the WM business, TFAs have tripled (to approx. €100bn) due to MB Private-Investment Banking model adoption, and significant investment in distribution and acquisitions

# VALUE-DRIVEN ASSET GROWTH...

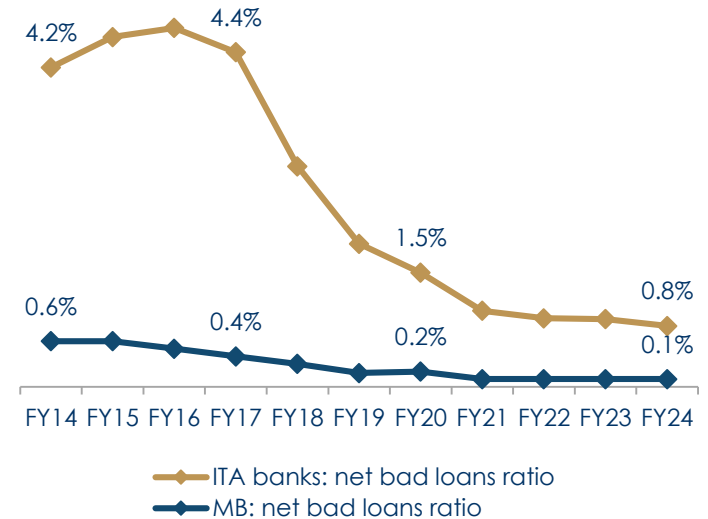
Long term results

Section 1

Loan book trend (€bn)



Asset quality trend



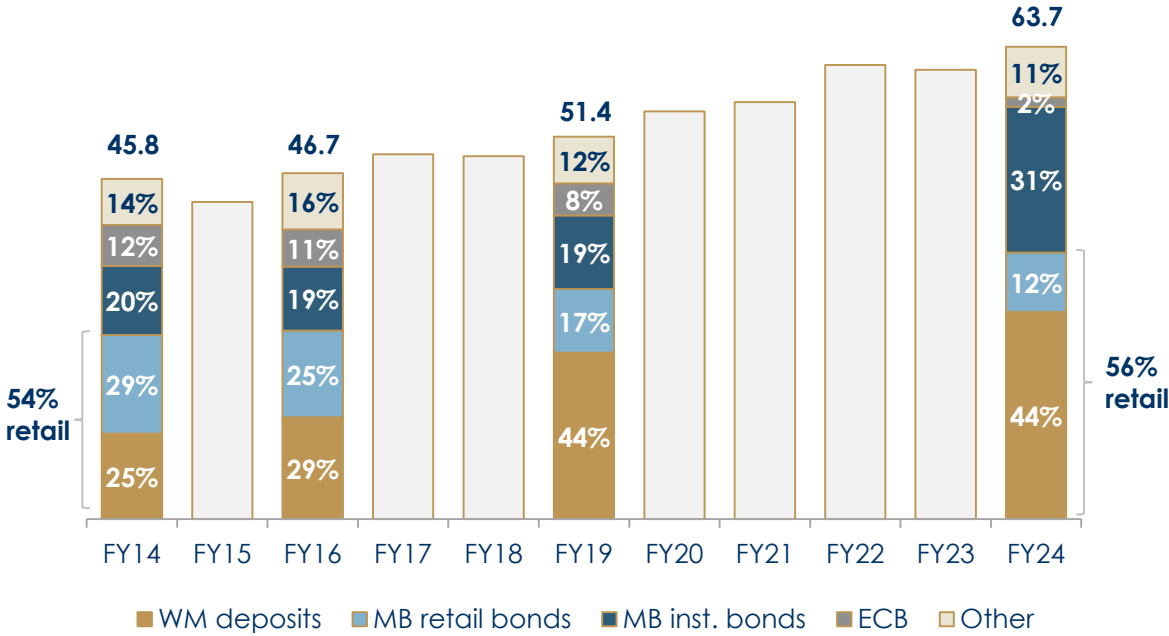
- ◆ In the last 10Y MB loan book increased by more than €20bn to €52bn, becoming more diversified with a higher retail share from 49% to 61% (increased mainly in WM)
- ◆ RWA density reduced from 83% to 48% due to ongoing capital absorption optimization mainly in CIB
- ◆ The selective and value-driven approach that has always characterized our loan origination policy allowed to maintain a healthy and best-in-class asset quality, without recurring to any large NPL disposal

# AND AMPLE AND DIVERSIFIED FUNDING...

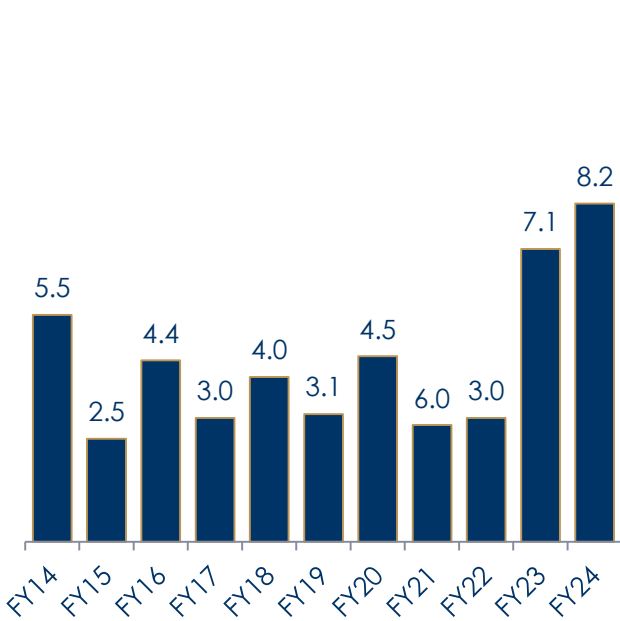
Long term results

Section 1

Funding trend (€bn)



Bond issuances (12M, €bn)



- ◆ In the last decade Group funding increased by almost €20bn to €64bn, backed by solid WM deposits growth whose contribution to Group funding almost doubled from 25% to 44%
- ◆ Access to bond market has always been wide even during crisis periods, with a mix that has evolved over time in favour of the institutional component
- ◆ Reliance on ECB funding has always been contained and reduced to 2% of Group funding as at June 2024

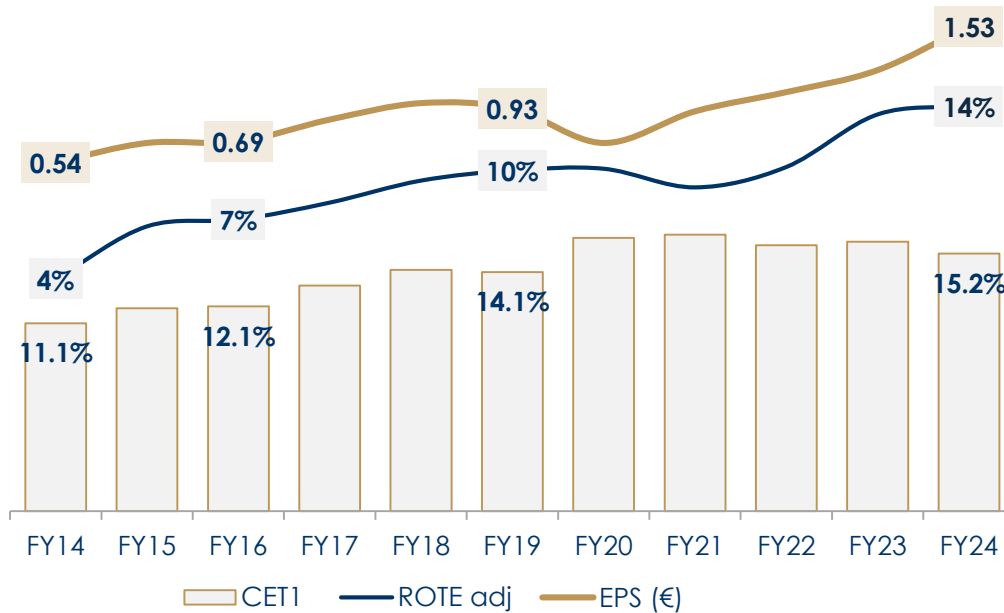


# INCREASING OUR EARNINGS, PROFITABILITY AND CAPITAL ...

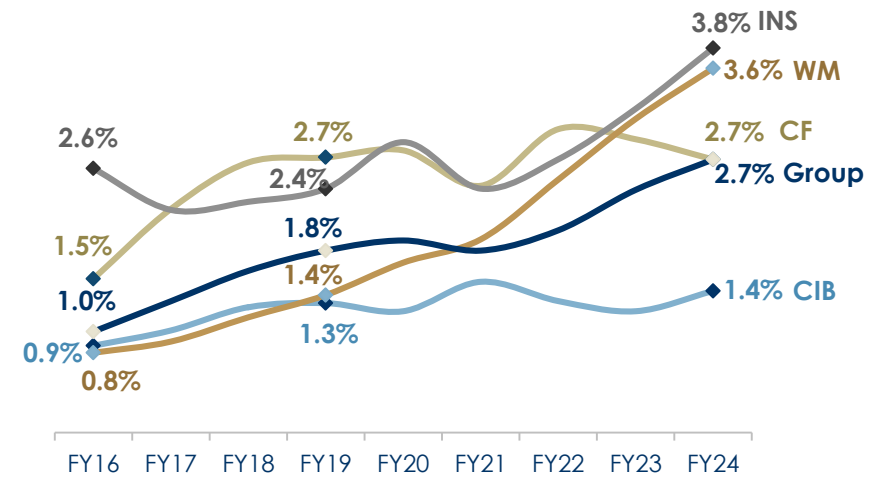
Long term results

Section 1

CET1 ratios, ROTE and EPS trend (% , €)



RoRWA trend (%)



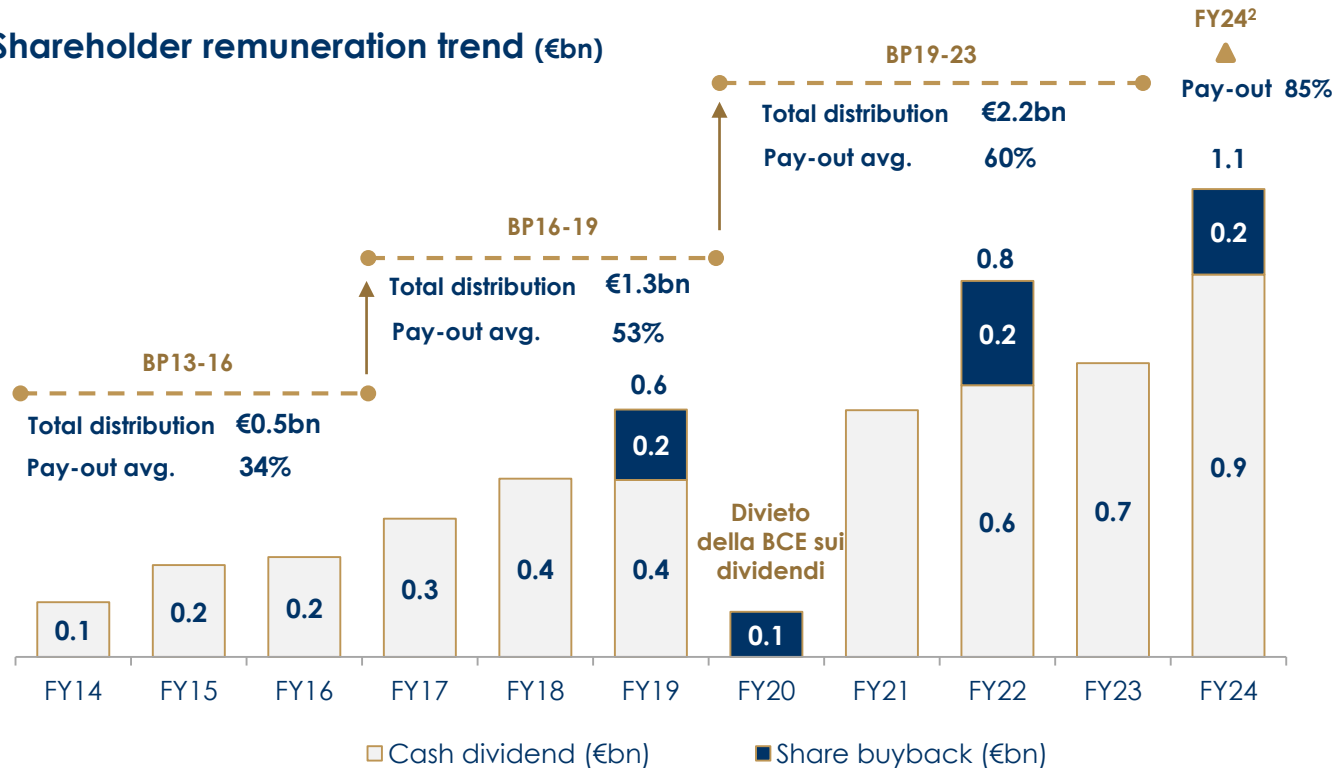
- ◆ Capital generation has enabled solid CET1 ratios, without capital increases
- ◆ Earnings per share increased steadily due to a combination of organic growth, acquisitions and share buybacks
- ◆ Profitability ramped up sustainably, mainly driven by WM

# OFFERING STRONG RETURNS TO OUR SHAREHOLDERS ...

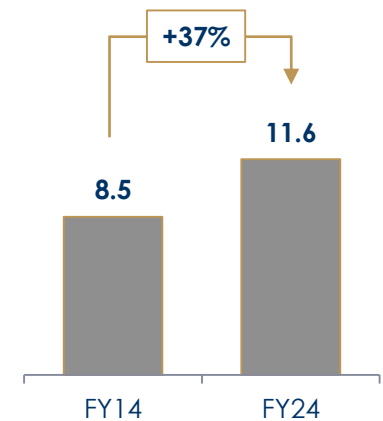
Long term results

Section 1

## Shareholder remuneration trend (€bn)



## TBVPS<sup>1</sup> trend (€)



- ◆ Shareholder remuneration increased to 85% total payout in FY24
- ◆ Over €5bn distributed in last 10Y, of which €1.1bn in the first year of BP23-26 (which envisages a cumulated distribution of €3.7bn in 3Y)
- ◆ In the last decade tangible book value per share has also increased by 37% to €11.6

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- 1) TBV= Shareholders' equity net of intangibles, dividend accrual for the period and minorities
- 2) BP23-26 shareholders' distribution target is €3.7bn over 3Y, o/w €2.7bn of cash dividend (equivalent to 70% cash payout) plus €1bn of share buyback



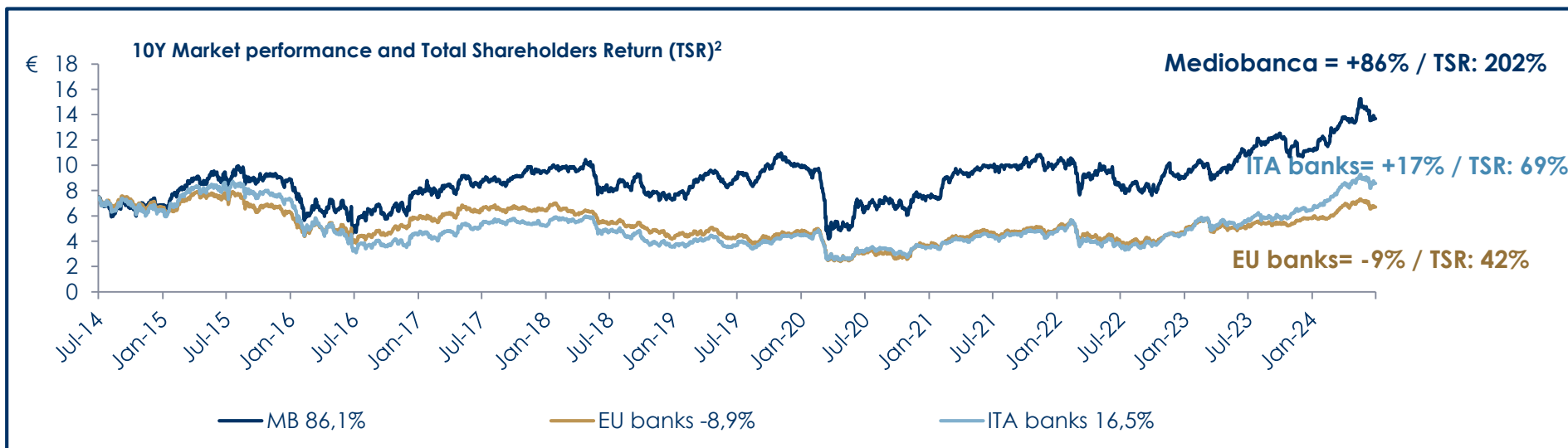
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# OUTPERFORMING THE SECTOR IN TERMS OF STOCK MARKET PERFORMANCE (TSR 202%)

## Long term results

## Section 1

€	June 2014	June 2015	June 2016	June 2017	June 2018	June 2019	June 2020	June 2021	June 2022	June 2023	June 2024
Annual cash DPS <sup>1</sup>	0.15	0.25	0.27	0.37	0.47	0.47	0 <sup>1</sup>	0.66	0.75	0.85	1.07
Total dividend paid	127m	213m	231m	320m	413m	410m	0	571m	629m	715m	885m
Stated payout	27%	36%	38%	43%	48%	50%	0%	70%	70%	70%	85%
Share buyback	-	-	-	-	-	163m	106m	-	241m	-	198m
Group net profit	465m	590m	605m	750m	864m	823m	600ml	808m	907m	1,026m	1,273m
CET1 <sup>2</sup>	11.1%	12.0%	12.1%	13.3%	14.2%	14.1%	16.1%	16.3%	15.7%	15.9%	15.2%
No.shares (m)	861	867	871	881	887	887	887	887	865	849	833





# GROUP LAST 10Y EVOLUTION

## Long term results

## Section 1

(€ m)	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
Net interest income	1,087	1,143	1,207	1,288	1,359	1,396	1,442	1,415	1,479	1,801	1,985
Net treasury income	45	207	133	121	157	197	136	197	162	206	172
Net fee income	424	472	450	523	622	611	630	745	851	844	939
Equity-accounted companies	264	224	257	264	280	321	304	272	359	454	510
<b>Total income</b>	<b>1,819</b>	<b>2,045</b>	<b>2,047</b>	<b>2,196</b>	<b>2,419</b>	<b>2,525</b>	<b>2,513</b>	<b>2,628</b>	<b>2,851</b>	<b>3,305</b>	<b>3,607</b>
Operating costs	(791)	(847)	(892)	(1,024)	(1,115)	(1,162)	(1,189)	(1,238)	(1,312)	(1,413)	(1,542)
Loan loss provisions	(736)	(533)	(419)	(317)	(247)	(223)	(375)	(249)	(243)	(270)	(252)
<b>Operating profit</b>	<b>292</b>	<b>666</b>	<b>736</b>	<b>855</b>	<b>1,057</b>	<b>1,140</b>	<b>949</b>	<b>1,142</b>	<b>1,296</b>	<b>1,621</b>	<b>1,813</b>
Other income (losses)	209	92	1	59	39	(56)	(154)	(37)	(127)	(193)	(76)
<b>Profit before tax</b>	<b>501</b>	<b>757</b>	<b>736</b>	<b>914</b>	<b>1,096</b>	<b>1,084</b>	<b>795</b>	<b>1,104</b>	<b>1,169</b>	<b>1,428</b>	<b>1,736</b>
<b>Net profit</b>	<b>465</b>	<b>590</b>	<b>605</b>	<b>750</b>	<b>864</b>	<b>823</b>	<b>600</b>	<b>808</b>	<b>907</b>	<b>1,027</b>	<b>1,273</b>
Treasury, AFS and HTM	19,789	14,777	16,322	16,455	13,327	12,759	13,760	14,418	16,685	16,293	18,677
Equity investments	2,871	3,411	3,163	3,037	3,211	3,260	3,205	3,703	3,158	3,564	3,789
Loans to customers	30,552	32,890	34,739	38,191	41,128	44,394	46,685	48,414	51,701	52,549	52,447
Funding	45,834	42,711	46,658	49,121	48,893	51,393	54,917	56,156	61,169	60,506	63,670
Shareholders' equity	7,942	8,867	8,922	9,192	9,732	9,899	9,740	11,101	10,749	11,429	11,243
RWAs	58,744	59,577	53,862	52,709	47,363	46,310	48,030	47,159	50,378	51,432	47,622
No. of staff	3,570	3,790	4,036	4,798	4,717	4,805	4,920	4,921	5,016	5,227	5,443
CTI ratio (%)	11.1	12.0	12.1	13.3	14.2	14.1	16.1	16.3	15.7	15.9	15.2
Cost/income ratio (%)	43	41	44	47	46	46	47	47	46	43	43
Cost of risk (bps)	230	168	124	87	62	52	82	52	48	52	48