



1Q14 results as at 30 September 2013



MEDIOBANCA

Milan, 28 October 2013

Business plan delivery ongoing

1Q14 results as at September 2013

MB Group

Equity sell off

- ◆ Telco: stake reduced from 11.62% to 7.34%, with a gain of €59m
- ◆ €139m of other stakes sold, with a gain of €21m
- ◆ Current NAV: €5.1bn (up 20% in last Q)

MB free float enlarged

- ◆ MB shareholders' agreement renewed for next two years (until Dec.15)
- ◆ Syndicated shares down to 30.05% (42% as at June 13)

Funding enhanced

Deleveraging complete

- ◆ Funding up 7% to €55bn driven by bonds (up 6% to €27.4bn) and retail direct deposit growth (up 14% to €13.6bn)
- ◆ Loan book flat at €33bn, but new loans €1.1 in CIB¹ and €1.3bn in RCB
- ◆ CT1 ratio 11.5%

1Q14 results Effective diversification

- ◆ NII up 2% QoQ, up 5% YoY
- ◆ Asset quality resilient (cost of risk at 154 bps)
- ◆ GOP up 40% to €119m
- ◆ Net profit up to €170m

*Drawn and undrawn

2014 funding programme already complete, new loans up

1Q14 results as at September 2013

MB Group

€bn	Sept13	June13	Sept12	Δ QoQ*	Δ YoY*
Funding	54.7	51.3	55.0	+7%	-1%
Bonds	27.4	25.9	29.4	+6%	-7%
Retail direct deposits	13.6	11.9	11.6	+14%	+17%
ECB	7.5	7.5	7.5	-	-
Others	6.2	6.1	6.5	+2%	-5%
Loans to customers	33.3	33.5	34.9	-1%	-5%
Wholesale	15.4	15.5	16.8	-1%	-8%
Private banking	0.8	0.8	0.8	-	-
Consumer	9.4	9.4	9.1	-	+3%
Mortgage	4.3	4.3	4.3	-	-
Leasing	3.4	3.5	3.9	-3%	-13%
Treasury+AFS+HTM+LR	25.5	21.7	23.2	+17%	+10%
RWAs	53.2	52.4	54.7	+2%	-3%
Core tier 1 ratio	11.5%¹	11.7%	11.5%¹	-20bps	+20bp

*QoQ = Sept13/June13; YoY= Sept13/Sept12

¹ Net profit for the period not included

GOP up 40% with NII recovering; gain from equity stake disposals

1Q14 results as at September 2013

MB Group

€m	3Q13 Sept13	2Q13 June13	1Q13 March13	4Q12 Dec12	3Q12 Sept 12	Δ QoQ*	Δ YoY*
Total income	416	424	263	458	453	-2%	-8%
Net interest income	271	265	245	259	259	+2%	+5%
Fee income	84	110	99	97	104	-24%	-19%
Trading income	(3)	(12)	74	44	62		
Equity accounted co.	64	61	(157)	58	28	+5%	
Total costs	(169)	(195)	(186)	(202)	(174)	-13%	-3%
Labour costs	(85)	(92)	(97)	(100)	(94)	-8%	-10%
Administrative expenses	(84)	(103)	(89)	(102)	(80)	-18%	+5%
Loan loss provisions	(129)	(143)	(131)	(121)	(111)	-10%	+16%
GOP	119	85	(54)	134	168	+40%	-29%
Impairments, disposals	84	(287)	20	(87)	(7)		
Net result	171	(217)	(87)	15	109		+57%
Cost/income ratio (%)	40%	46%	71%	44%	38%	-6pp	+2pp
Cost of risk (bps)	154	170	154	141	125	-16bps	+29bps

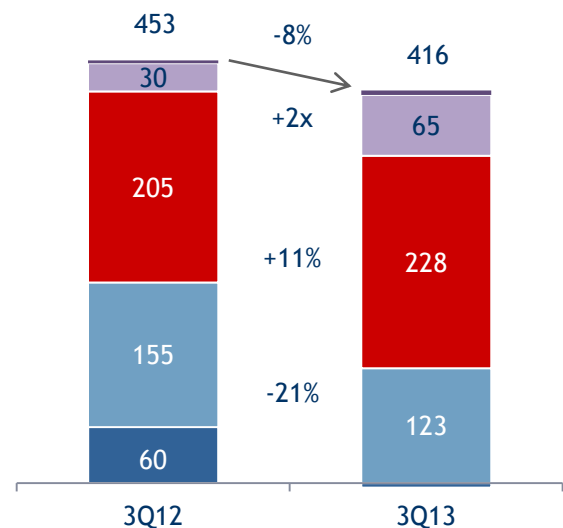
*QoQ = Sept13/June13; YoY= Sept13/Sept12

Revenues: diversification paying off

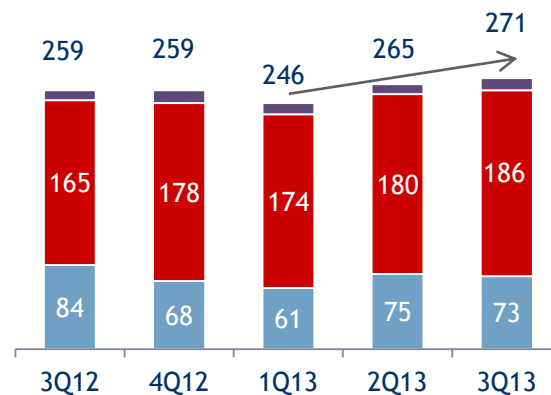
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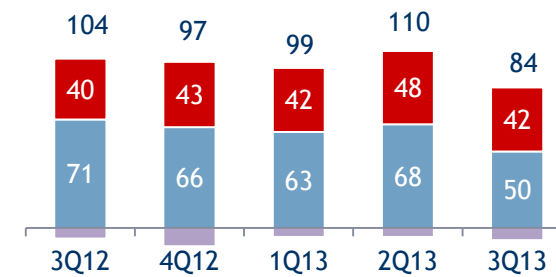
Revenues (€m)



NII (€m)



Fees (€m)



■ Trading ■ CIB ex trading ■ RCB ■ PI ■ Other

■ CIB ■ RCB ■ Other

■ CIB ■ RCB ■ Other

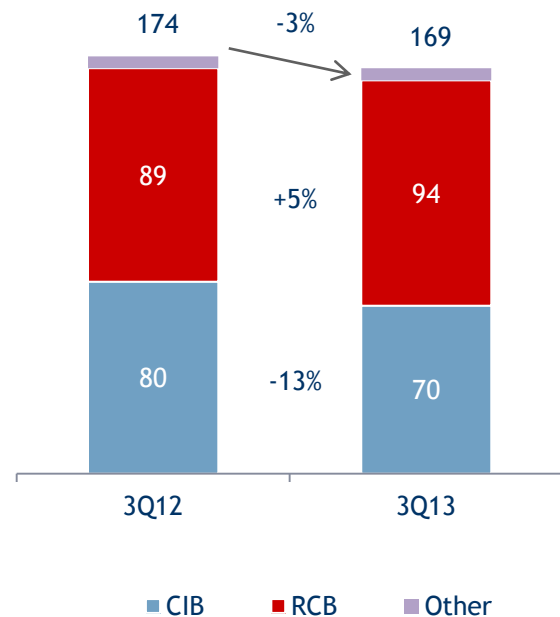
- ◆ Total revenues down 8%, with growth in RCB (up 11%) and PI (doubled) partly offsetting CIB decrease (down 45%)
- ◆ CIB weakness due to poor advisory/capmkt revenues and negative trading results
- ◆ NII rebounded in last two quarters, driven especially by Consumer lending (up 4% QoQ and 13% YoY)

Costs down 3% despite investment in RCB

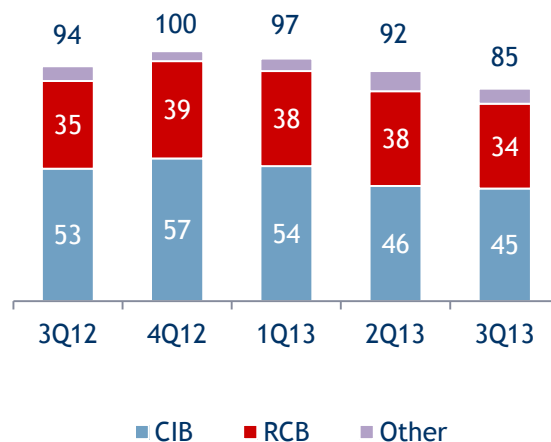
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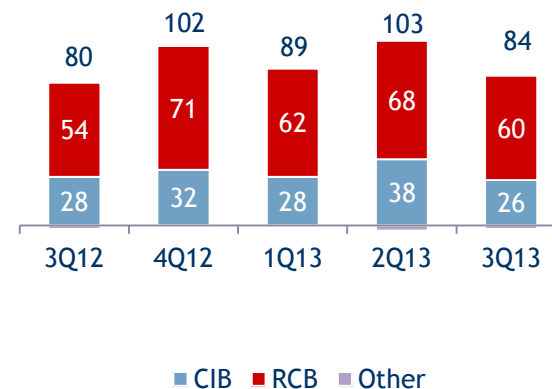
Total costs (€m)



Personnel costs (€m)



Administrative expenses (€m)



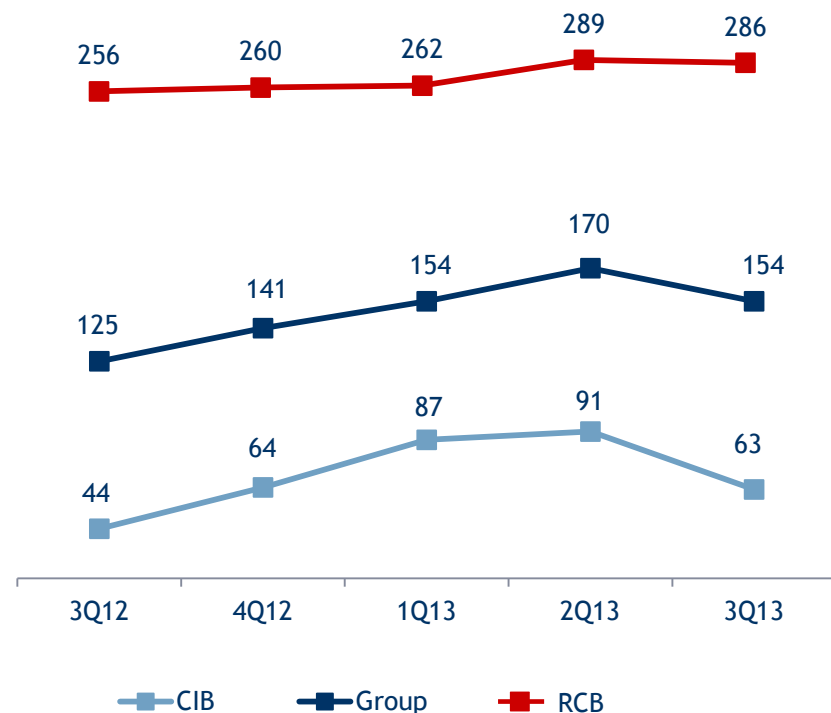
- ◆ Group costs down 3%, with 13% decrease in CIB offset by 5% rise in Retail and Consumer
- ◆ CIB costs reduction driven by lower staff costs (down 13%) and savings in G&A (down 8%)
- ◆ Retail & Consumer cost trend reflecting investment in new initiatives (Compass Pay, new CheBanca! products)

Asset quality resilient

1Q14 results as at September 2013

MB Group

Cost of risk by segment (bps)



- ◆ Group cost of risk down to 154 bps (down 16 bps QoQ) due to CIB decrease; RCB flat
- ◆ Coverage ratios stable at high levels: 45% for bad loans and 66% for NPLs

Asset quality ratios trend

	Sept12	June 13	Sept13
Net bad loans (€m)	971	989	1,018
Net bad loans/loans	2.8%	3.0%	3.1%
Net bad loans/CT1	15%	16%	17%
Bad loans coverage*	40%	45%	45%
CIB	33%	39%	40%
Consumer *	50%	56%	57%
Mortgage	46%	47%	47%
Leasing	27%	29%	27%
Net NPLs (€m)	239	263	283
NPLs coverage*	66%	66%	66%
Net NPLs/loans	0.7%	0.8%	0.8%
CIB	0%	0%	0.1%
Consumer	1.1%	1.2%	1.2%
Mortgage	1.7%	2.0%	2.1%
Leasing	1.4%	1.6%	1.8%

* Net of Cofactor



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CIB: low level of business, loans stabilizing

1Q results as at September 2013

Corporate & Investment banking

€m	3Q13 Sept13	2Q13 June13	1Q13 March13	4Q12 Dec12	3Q12 Sept 12	Δ QoQ*	Δ YoY*
Total income	118	138	193	178	215	-14%	-45%
Net interest income	73	75	61	68	84	-2%	-13%
Fee income	50	68	63	66	71	-26%	-29%
Trading	(5)	(5)	68	44	60		
Total costs	(70)	(84)	(81)	(89)	(80)	-16%	-12%
Loan loss provisions	(26)	(38)	(36)	(28)	(20)	-32%	+30%
Ordinary PBT	22	16	75	61	115	+37%	-81%
One-offs	7	2	32	22	1		
Net result	17	0	67	59	77		-78%
Cost/income ratio	59	61	42	50	37	+2pp	+22pp
Cost of risk (bps)	63	91	87	64	44	-28bps	+19bps
Loans (€bn)	16.3	16.3	16.6	16.9	17.6	-	-7%
RWAs (€bn)	35.3	34.2	35.7	36.3	36.4	+3%	-3%

*QoQ = Sept13/June13; YoY= Sept13/Sept12

RCB: deposits up 14% in last quarter, GOP up 44%

1Q14 results as at September 2013

Retail & Consumer banking

€m	3Q13 Sept13	2Q13 June13	1Q13 March13	4Q12 Dec12	3Q12 Sept 12	Δ QoQ*	Δ YoY*
Total revenues	228	228	216	221	205	-	+11%
Net interest income	186	180	174	178	165	+3%	+13%
Fee income	42	48	42	43	40	-12%	+5%
Total costs	(94)	(105)	(100)	(110)	(89)	-10%	+6%
Loan provisions	(98)	(98)	(88)	(87)	(86)	-	14%
GOP	36	25	28	23	30	+44%	+20%
Net profit	19	4	11	12	16		+19%
Cost/income ratio	41%	46%	46%	50%	43%	-5pp	-2pp
LLPs/Ls (bps)	286	289	262	260	256	-3pp	+30pp
Total deposits (€bn)	14.4	12.6	12.7	12.7	11.9	+14%	+21%
Direct	13.6	11.9	12.2	12.3	11.6	+14%	+17%
Indirect	0.8	0.7	0.5	0.4	0.3	+14%	+2x
Loans (€bn)	13.7	13.7	13.5	13.4	13.4	-	+2%
RWAs (€bn)	10.6	10.6	10.4	10.3	10.3	-	+3%

*QoQ = Sept13/June13; YoY= Sept13/Sept12

PI: income positive; gain from disposals; NAV up 24%

1Q14 results as at September 2013

Principal investing

€m	3Q13 Sept13	2Q13 June13	1Q13 March13	4Q12 Dec12	3Q12 Sept 12	Δ QoQ*	Δ YoY*
Total income	65	70	(150)	58	30	-7%	+116%
Gain from disposals	80	31	(1)	(7)	(6)		
Impairments	(1)	(315)	(6)	(100)	(1)		
Net result	137	(214)	(160)	(53)	19	nm	nm
Book value (€bn)	4.1	4.0	4.3	4.3	4.1	+2%	-
Ass. Generali (13.24%)	2.5	2.5	2.6	2.6	2.3	-	+9%
AFS stakes	1.6	1.5	1.0	1.1	1.1	+7%	+45%
Market value (€bn)	4.7	4.3	4.1	4.5	4.1	+9%	+15%
Ass. Generali (13.24%)	3.0	2.8	2.5	2.8	2.3	+7%	+30%
RWAs (€bn)	4.2	4.5	4.5	4.5	4.4	-7%	-5%

*QoQ = Sept13/June13; YoY= Sept13/Sept12



1Q results as at 30 September 2013



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Consumer lending: NII up, cost of risk up as expected

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Consumer lending - Compass

€m	3Q13 Sept13	2Q13 June13	1Q13 March13	4Q12 Dec12	3Q12 Sept 12	Δ QoQ*	Δ YoY*
Total income	187	186	180	177	170	+1%	+10%
Net interest income	150	142	142	138	133	+6%	+13%
Fee income	37	44	38	39	37	-16%	-
Total costs	(60)	(68)	(65)	(68)	(58)	-12%	+3%
Loan provisions	(91)	(89)	(83)	(82)	(81)	+2%	+12%
PBT	36	29	32	27	31	+24%	+16%
Net profit	21	20	15	17	19	+5%	+10%
Cost/income ratio	32%	36%	36%	39%	34%	-1pp	+1pp
LLPs/Ls (bps)	385	383	360	357	353	+2bps	+32bps
New loans (€bn)	1.2	1.4	1.3	1.2	1.1	-14%	+9%
Loans (€bn)	9.5	9.4	9.2	9.2	9.1	+1	+4%
RWAs (€bn)	8.9	8.9	8.6	8.5	8.5	-	+5%

*QoQ = Sept13/June13; YoY= Sept13/Sept12

Retail banking: total deposits up 14%. C/I ratio below 100%

1Q14 results as at September 2013

Retail banking – CheBanca!

€m	3Q13 Sept13	2Q13 June13	1Q13 March13	4Q12 Dec12	3Q12 Sept 12	Δ QoQ*	Δ YoY*
Total income	41	42	36	43	36	-2%	+14%
Net interest income	36	38	32	40	33	-5%	+9%
Trading & fee income	5	4	4	4	3	+25%	+67%
Total costs	(34)	(37)	(35)	(42)	(31)	-8%	+10%
Labour costs	(14)	(15)	(15)	(16)	(14)	-7%	-
Administrative expenses	(20)	(22)	(20)	(26)	(17)	-9%	+18%
Loan provisions	(7)	(9)	(6)	(6)	(5)	-22%	+40%
Net result	(3)	(16)	(4)	(5)	(3)	n.m.	-
Cost/income ratio	84%	89%	96%	97%	87%		
LLPs/Ls (bps)	67	83	52	52	48	-16bps	+19bps
Total deposits (€bn)	14.4	12.6	12.7	12.7	11.9	+14%	+21%
of which Direct	13.6	11.9	12.2	12.3	11.6	+14%	+17%
Loans (€bn)	4.3	4.3	4.3	4.3	4.3	-	-
RWAs (€bn)	1.7	1.6	1.8	1.8	1.8	+6%	-6%

*QoQ = Sept13/June13; YoY= Sept13/Sept12

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

Investor contacts

Mediobanca Group Investor Relations

Piazzetta Cuccia 1, 20121 Milan, Italy

Jessica S. Spina 0039 02 8829.860

Luisa Demaria 0039 02 8829647

Email: investor.relations@mediobanca.com

<http://www.mediobanca.com>