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MEDIOBANCA GROUP

PUBLIC FORWARD-LOOKING COMMENTS (as of 13 January 2025)

NOTABLE DATES – PAST

12 Nov. 2024	Mediobanca 3M/1Q FY25 results publication and CEO confcall Launch of share buyback programme for a max amount of €385m (8.2m shares or 1% capital acquired as at 31 December 2024)
15 Nov. 2024	Ass. Generali published its 3Q FY 2024 results
18/20 Nov. 2024	Ex-rights/Payment date of final dividend (€0.56 ps)
12 Dec. 2024	Publication of capital requirements for 2025: P2R confirmed at 1.75%
17 Dec. 2024	MSCI raises its ESG rating for Mediobanca to "AAA"

NOTABLE DATES - FUTURE

13 Jan. 2025	Publication of "Public forward-looking comments" on website
14-23 Jan. 2025	Collection of public estimates
24 Jan. 2025	Publication of consensus on website
24 Jan. 2025	Blackout period starts
10 Feb. 2025	6M/2Q FY25 results publication Press release and presentation – 4.30 pm CET
11 Feb. 2025	CEO confcall – 9 am CET

FORWARD-LOOKING COMMENTS since 3M/1Q25 FY25 results on 12 November 2024

<u>GUIDANCE ON FY 2024/25</u>: from 3M/1Q FY25 results press release (12 November) - "Outlook" section:

- *The ongoing strengthening of the distribution structure and the healthy commercial activity in Wealth Management (WM) will drive growth in TFAs, **with NNM expected to reach €9-10bn for the year**, while the selective asset growth and optimization activity will enable **RWAs to be reduced further**, even with the introduction of the CRR III framework;*
- ***Revenues from banking businesses are expected to grow moderately,** underpinned by the **strong, low double-digit growth in fees**, driven by WM and the CIB capital-light services; **net interest income will remain resilient, in the second half of the financial year in particular,** with the growth in Consumer Finance offsetting the lower yields on other assets;*
- ***The cost/income ratio should stand at 44%,** with the ambitious investment plan to deliver growth being implemented with increasing efficiency;*
- ***The cost of risk is expected to be around 55 bps,** also leveraging the substantial overlays set aside;*
- ***Earnings per share (EPS) are expected to increase by 6-8%;***[1]

[1] Including the cancellation of approx. 80% of the shares to be acquired as part of the €385m buyback to be implemented in FY 24-25.

- ***With reference to shareholder remuneration, DPS is expected to grow**, with the **cash payout confirmed at 70% (with an interim dividend to be paid in May 2025 and the balance in November 2025)**, plus the **new €385m share buyback scheme to be implemented.**[2]*
- ***Capital generation is expected to be high, able to take the CET1 ratio as at the year-end to 15.5%-16%.**[3]*

GUIDANCE ON 2Q FY 2024/25

NII: *[in 1Q FY2024/25] "we decided to […] push on the profitable value-generated lending, which is the Consumer one, and to invest to get more TFA in Wealth Management, so having more deposits which naturally have a cost. And on the other hand, to pause in the new loan production in CIB because of low demand and […] all time low marginality".*

"The cost of funding and the NII in Wealth Management is not going to improve much in the coming quarter because we want to go on with possible campaign. While the NII of the group is going to improve in the second half of the year thanks to the […] more important contribution […] of Compass and some new print of loans in corporate".

Fees: in 1Q FY2024/25 *"Management fees […] but also advisory fees and up-front fees were important, while performance fee in our network is a […] a much less important component. Important increase in fee in CIB where, compared to a year ago, we have had a jump, even excluding Arma consolidation, and we see this as a continuing […] supporting element. We see positive improvement in the quarter to come (i.e. 2Q FY24/25), compared to this quarter that has more seasonality".*

INSURANCE: **approx. €120m equity-**accounted income in 2Q25

- Ass. Generali published its 3Q FY 2024 results on 15 November, reporting a Group net profit of €909m.
- MB's pro rata income is around €120m, to be consolidated in 2Q FY 2024-25

Cost/Income: *"In terms of cost, as we are looking to maintain the same cost to income, we are having more discipline in all the items. But this doesn't mean that we are pausing in terms of recruitment or [initiatives] to upgrade/grow the business, because we will do a bit less in terms of number of initiatives, but the most important will be confirmed – in terms of, as I said, expanding the physical and the digital infrastructure of the group. This will lead to maintain this [FY25] guidance of 44%".*

COR: *"Cost of risk remains well within our guidance, 55 basis points. We are seeing a trend that we have expected, […] in terms of increase, slight increase in Consumer Finance driven mainly by the mix. We are producing much more personal loan have quite nicer and better profitability, but also they have an associated higher cost of risk compared to other to other products. Net-net, the profitability, as you have seen, is going up."*

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[2] Based on the share buyback scheme included in the Strategic Plan 2023-26, to be implemented in FY 2024-25, authorized by the ECB on 7 October 2024 and by shareholders at the Annual General Meeting held on 28 October 2024.

[3] Including the 70% dividend payout ratio and prior to additional share buybacks which will be disclosed annually, consistently with 3Y cumulated buyback target of €1bn set in the BP23-26 guidelines.

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ADDITIONAL INFORMATION

NET INTEREST INCOME:

- Volume recovery more geared towards the second half of the year
- Higher cost of deposits in first half of the year due to promotion to incentives on deposits / TFA growth
- Euribor 3M: 2.3% punctual at June 25 in NII guidance
- NII sensitivity (+/-50bps): approx. +/-€30m 3M average as at Sept.24 based on the following A&L structure:

As of 30 Sept. 2024:
- ~45% of deposits hedged[4]
- ~80% of bonds fixed rate, ow ~70% hedged
- ~80% of banking book fixed rate, ow ~35% hedged
- ~55% Group loans fixed rate, ow ~85% hedged
- average duration of loans after hedging: 0.3 years
- average duration of banking book after hedging: 1.2 years
- average duration of bond funding after hedging: 1.1 years

Marginality

COF (3M average at September 2024, excl. hedging):
- Total funding cost: 2.52%
- Deposit costs: 1.93%
- Spread of MB bond stock vs Eur3M: 127bps

Assets yield (3M average at September 2024, excl. hedging):
- Loans: 5.99%
- Banking book: 3.22%

Capital/Number of shares: The 2^SBB programme (up to €385m) commenced on 12 November 2024. As at 31 December 2024:

- Mediobanca acquired a total of 8.2m shares, equal to 1% of share capital, for a total outlay of approx. €117m.
- Number of shares was 833.3m of which 11.3m treasury shares
- Program expected to be concluded by June 25, with 80% share bought to be cancelled

Other information on capital:
- RWA: benefit of approx. €1.5bn from Jan. 2025 onwards, mainly due to Basel IV LGD parameter
- CET1 sensitivity to +/-100bps spread BPT-Bund: less than -/+10bps

ONE-OFFS: systemic funds contribution ended at June 24

[4] Percentage of hedges calculated considering DV01 starting from Sept24

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