



MEDIOBANCA
1Q17/3M results as at
30 September 2016

Milan, 28 October 2016



MEDIOBANCA

AGENDA

Section 1. Group results as at September 2016

Annexes

1. Principal Investing: main equity investments as at September 2016
2. Quarterly segmental reporting tables



IQ17 KEY TAKEAWAYS

3M results as at September 2016

Section 1

Strong organic growth ...

Net interest income
growing continuously

Asset quality
improving further

GOP risk adj.
building at
double-digit rate

... and consolidation of acquired entities (Barclays and Cairn Capital)

Disciplined acquisitions: KPIs

Revenue-accretive

Improve Group fee income
in size and mix

De-risk balance sheet
in term of asset quality and business mix

Preserve MB Group capital ratios

NEW BUSINESS CONSOLIDATED ON THE BACK OF STRONG 1Q RESULTS

3M results as at September 2016

Section 1

Loan book at the highest-ever level (€36.6bn, up 6% QoQ)
due to Barclays consolidation at end-August (€2.5bn)

Growth in NII (up 4% QoQ, 3% PF¹)
with resilient credit margins and unchanged highly selective approach

Growth in GOP (up 16% YoY, 27% QoQ)
entirely organic

Superior asset quality improved further
(NPLs /Ls stable at 2.9%, CoR down to 98 bps)

RWAs kept flat
with further optimization process offsetting Barclays' new RWAs (€0.9bn)

Net profit at €271m
up 11% YoY, 67% QoQ

Further equity disposal
€110m capital gain on 1.3% Atlantia disposal

Further improvement of business mix
retail contribution up to 56% in A&L

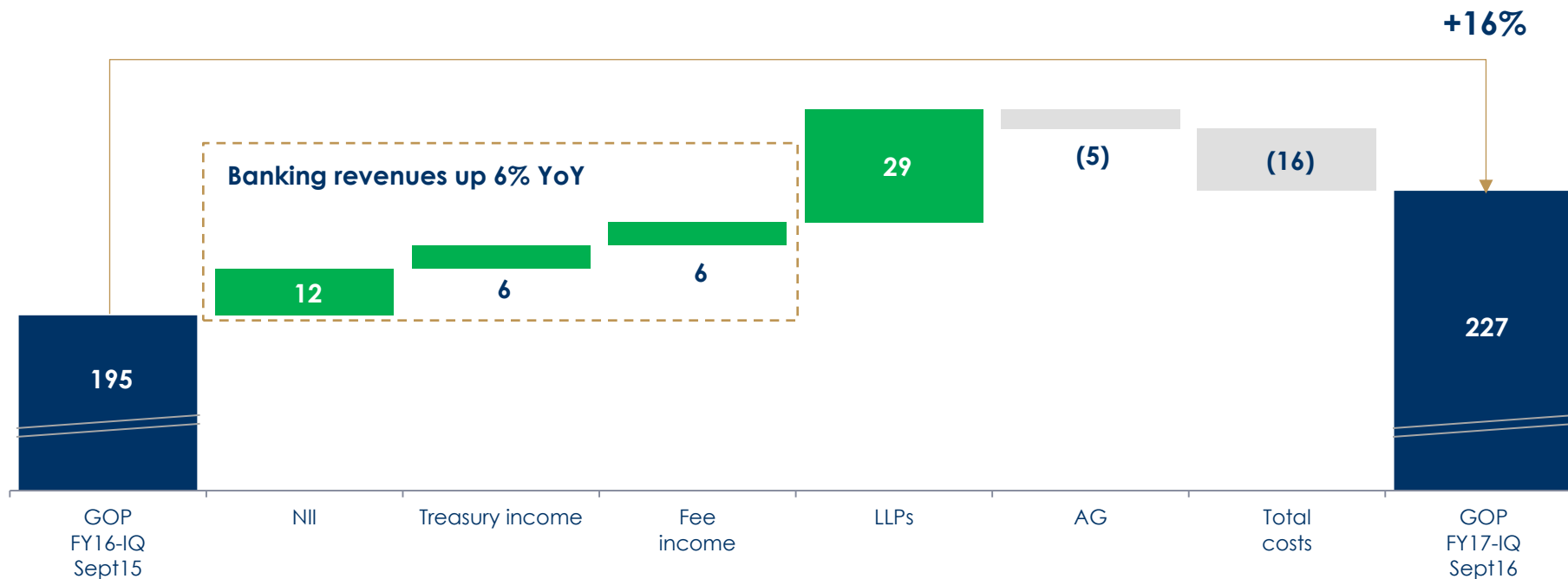
CET1 stable at 12.1%

GOP UP 16% YOY AND 27% QOQ DRIVEN BY...

3M results as at September 2016

Section 1

MB Group IQ17 operating profit¹ by source (€m)



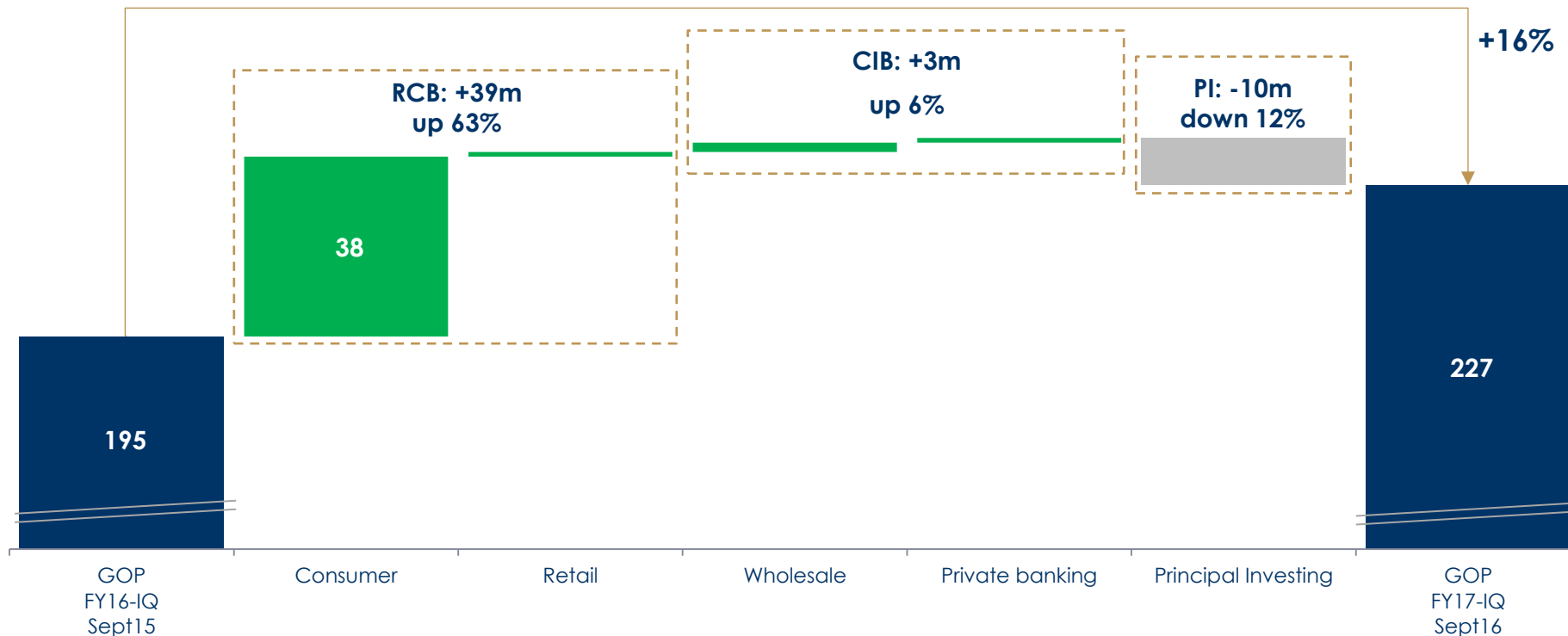
- ◆ GOP risk adjusted at €227m, up 16% YoY and 27% QoQ, driven by revenue growth and LLPs reduction
- ◆ LLPs down 25% YoY, below the €100m threshold for the second time this year
- ◆ Costs up 8% YoY due to enlarged perimeter, up 2% net of Cairn Capital and Barclays

... AN OUTSTANDING CONSUMER PERFORMANCE

3M results as at September 2016

Section 1

MB Group IQ17 operating profit¹ by division (€m)



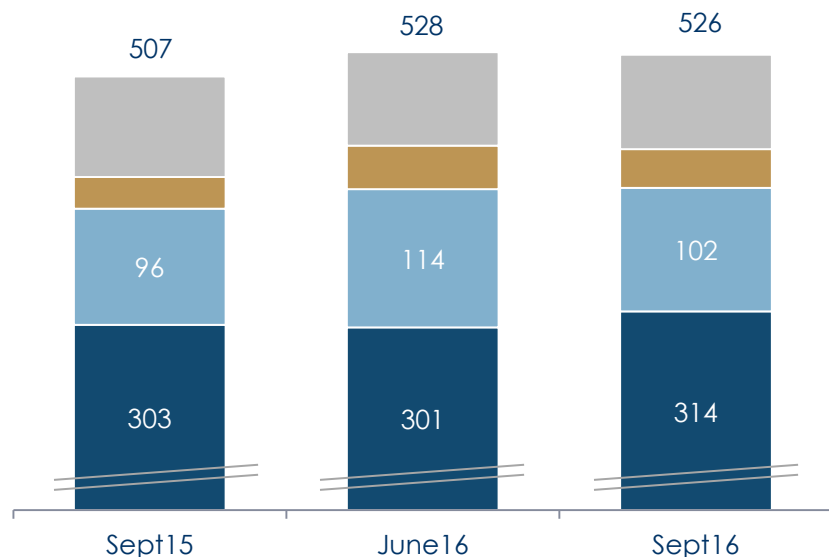
- ◆ Quarterly GOP growth driven by all banking businesses: Consumer credit (up 66%YoY), Private banking (up 15% YoY), Retail (up 13% YoY) and CIB (up 5% YoY)
- ◆ PI down 12% due to lower AG contribution

TOP LINE RESILIENT DUE TO INCREASED RETAIL CONTRIBUTION

3M results as at September 2016

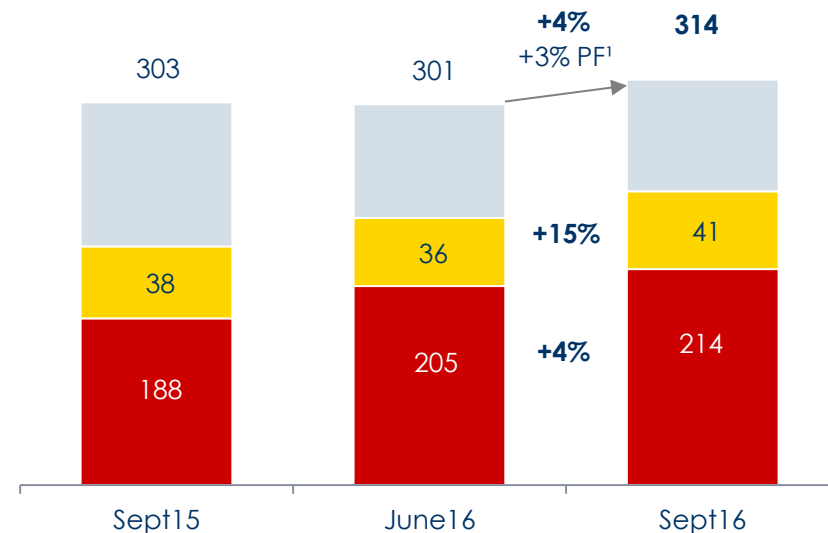
Section 1

Group revenues by quarter (€m)



■ Net interest income ■ Fee income ■ Trading income ■ Equity acc.

NII by quarter (€m)



■ Consumer ■ Mortgages ■ CIB

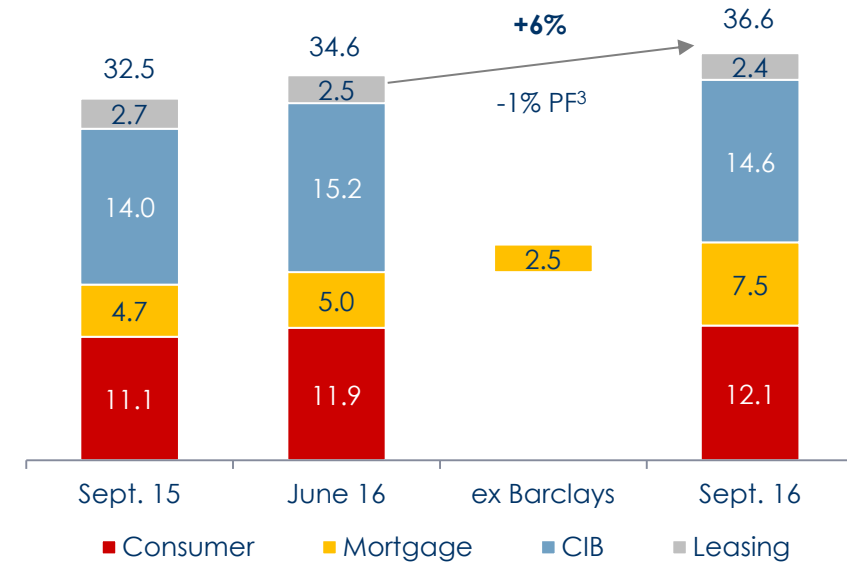
- ◆ Top line confirmed above €520m despite difficult market conditions (quarter following Brexit)
- ◆ NII up 4% QoQ to €314m (up 3% net of Barclays contribution), driven by consumer lending (up 14% YoY and 4% QoQ)
- ◆ CIB: impacted by weak markets and macros, stable lending business profitability

A&L GOING RETAIL: LOAN BOOK BACK TO PRE-CRISIS LEVEL

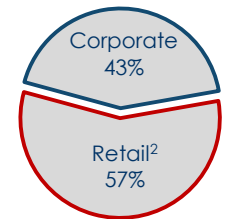
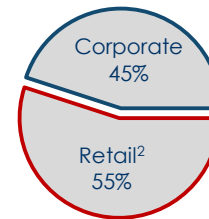
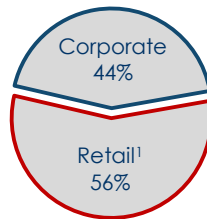
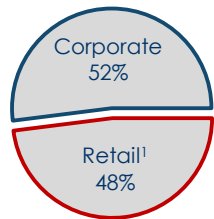
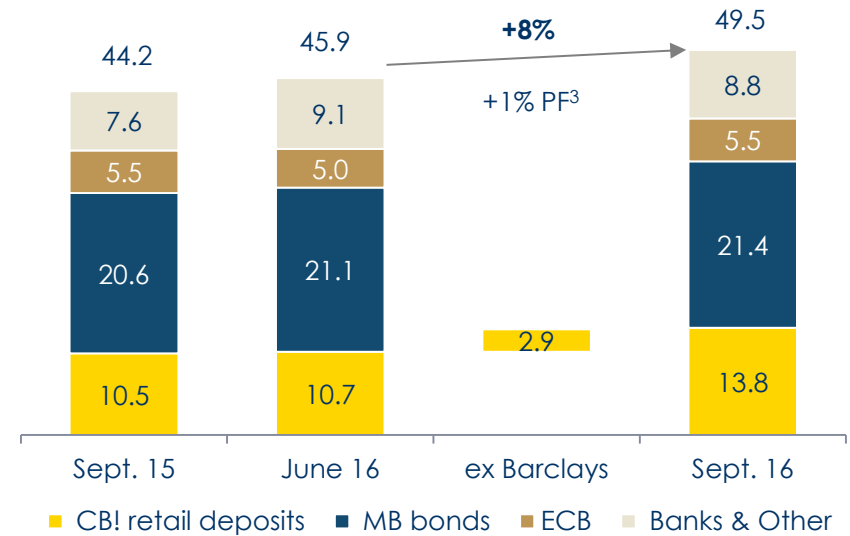
3M results as at September 2016

Section 1

Group loan book by division (€m)



Group funding by product (€m)



- ◆ Loan book up 6% to €36.6bn (the highest level ever) due to consolidation of Barclays activities (€2.5bn)
- ◆ Retail contribution to Group figures increasing to 56% of the loan book and 57% of funding

1) Retail loans include RCB loans (consumer credit and mortgages) and PB loans
 2) Retail funding includes MB bonds to retail, CB! deposits and PB deposits
 3) €2.5bn of loans and €2.9bn of funding ex Barclays excluded.

COR <100 BPS, BACK TO 2008-PRE CRISIS LEVEL

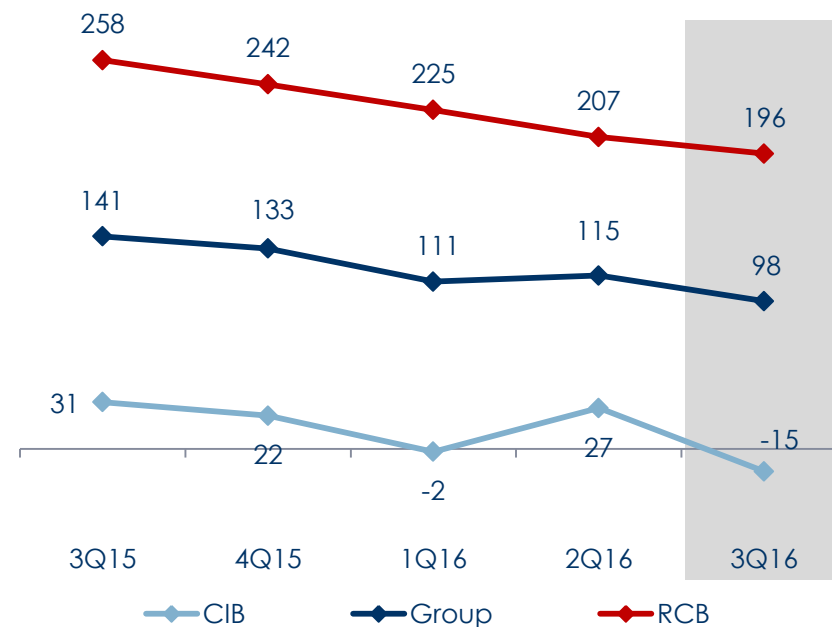
3M results as at September 2016

Section 1

NPLs (“deteriorate”), **Unlikely to pay** (“incagli e ristrutturati”),
Bad Ls (“sofferenze”)

Net stock - €m	Sept.15	June16	Sept.16
NPLs	1,133	1,017	1,047 =
NPLs/CT1 (Texas)	15%	16%	16%
NPLs /loans	3.5%	2.9%	2.9% =
NPLs coverage ¹	53%	54%	54% =
Bad Ls	259	255	250 ↓
-- ow Wholesale	-	-	-
-- ow Consumer	96	88	90
-- ow Mortgage	104	101	102
-- ow Leasing	57	66	58
Bad Ls/loans	0.8%	0.7%	0.7% =
Bad Ls coverage ¹	68%	67%	69% ↑
In Bonis Ls coverage	0.8%	1.0%	1.0% =

Cost of risk by division (bps)



- ◆ Group CoR: at 98 bps, the lowest level since Sept08
- ◆ CoR down 17 bps QoQ, one-quarter related to Barclays loan book consolidation, three-quarters organic
- ◆ NPLs grew to €1,047m, due exclusively to €32m of Barclays NPLs, stable coverage (at 54%) and as percentage of loans (2.9%)
- ◆ Bad loans down 3% YoY to €250m with higher coverage (up to 69%); performing loans coverage at 1.0%

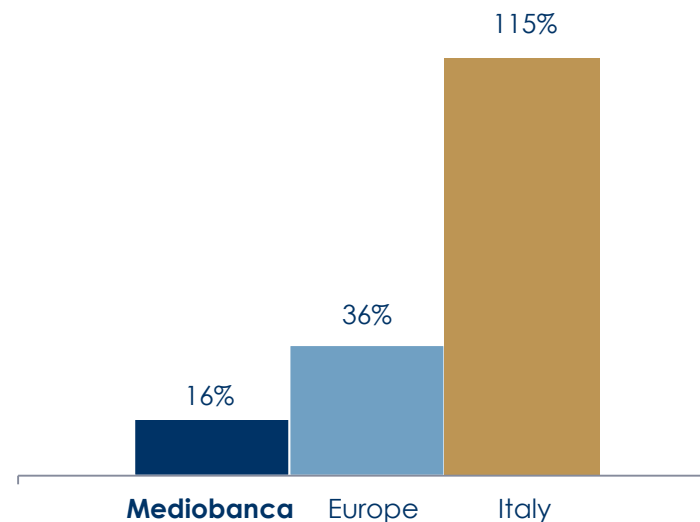
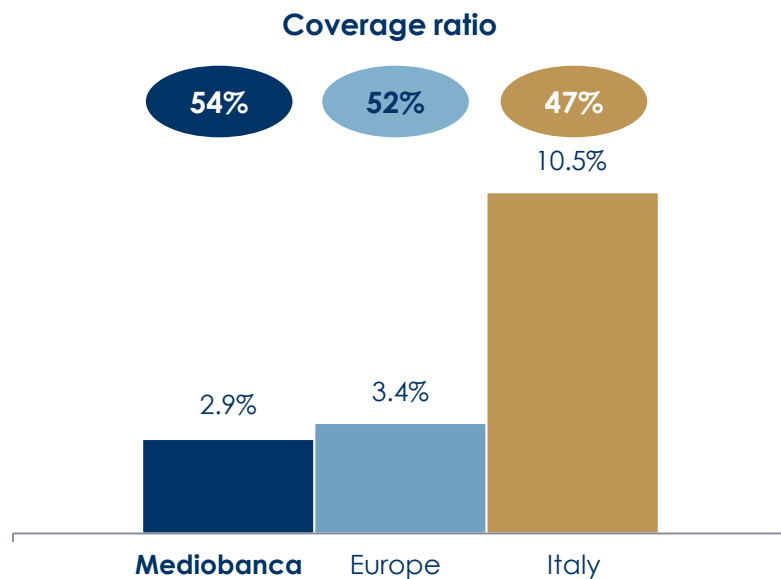
MB ASSET QUALITY: DISTINCTIVE BOTH IN ITA & EU LANDSCAPE

3M results as at September 2016

Section 1

Net NPLs: % of total loans and coverage ratio (%)

Texas ratio (Net NPL/CET1, %)



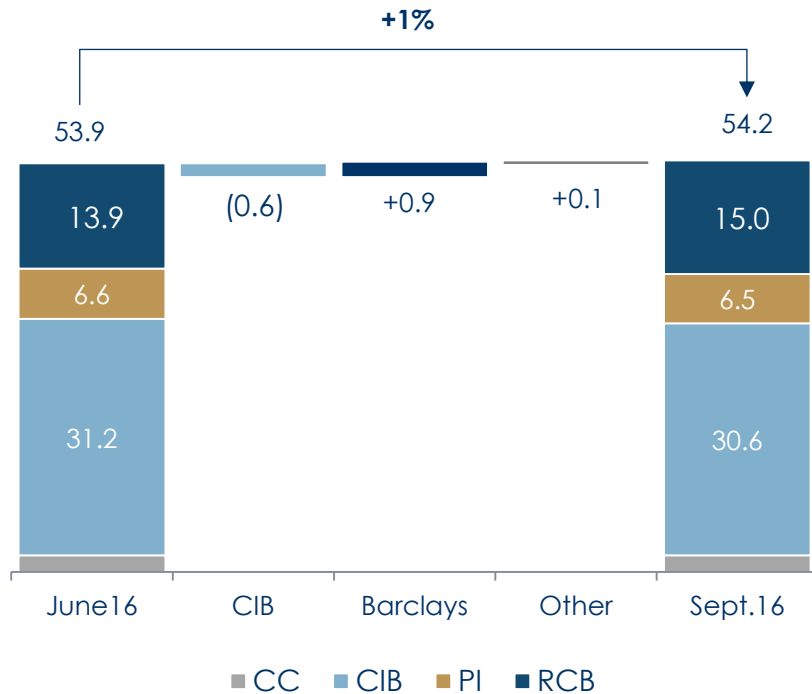
- ◆ Mediobanca best in class in Italy and well positioned in Europe due to very conscious risk appetite and business mix improvement:
 - ◆ Mortgages: low loan/value approach, increased contribution (low risk) to overall loan book
 - ◆ CIB: indepth knowledge of Italian entrepreneurial scenario, focus on mid-large caps, no exposure to small business
 - ◆ Consumer lending: strong pricing capabilities developed over 60 years of activity, proprietary scoring systems built up through the cycles

CET1 STABLE AT 12.1% ABSORBING €0.9BN NEW RWAS (BARCLAYS MORTGAGES)

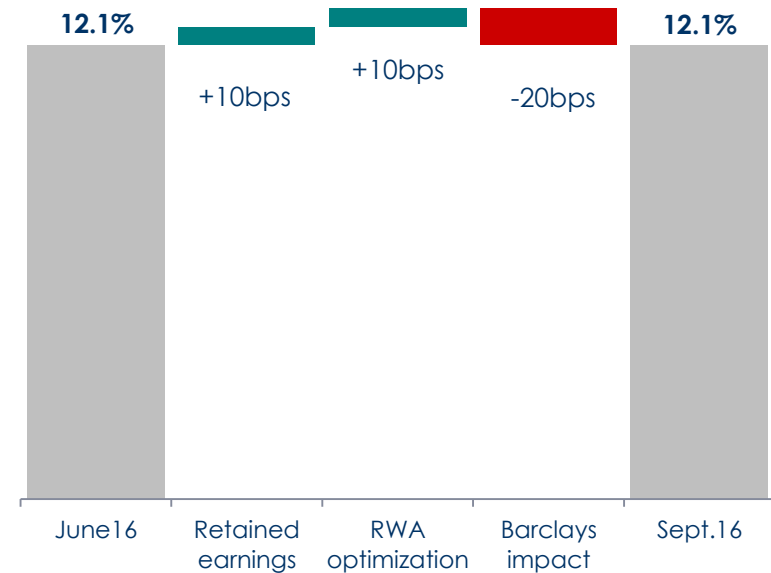
3M results as at September 2016

Section 1

RWA trend by division (€bn)



CET1 phase-in trend (bps)



- ◆ RWAs up 1% with loan book up 6%, further market risk reduction offsetting loan book growth impact
- ◆ CET1 stable at 12.1% due to strong earnings generation and RWA management capabilities

CIB: HEALTHY ASSET QUALITY AND C/I RATIOS

3M results as at September 2016

Section 1

Corporate and Private Banking

Wholesale Banking

Resilient client business

- ◆ Client revenues resilient YoY, lower contribution from treasury securities
- ◆ Loan book up 3% YoY with good new business matched by cautious risk appetite
- ◆ Fee income impacted by uncertainties related to macros and politics

Private Banking

AUM up, organically and by acquisitions

- ◆ Revenues up 19% to €37m, operating profit up 15% to €9m
- ◆ Private banking AUM/AUA up 5% QoQ (to €29bn), 54% YoY due to Cairn Capital consolidation in December 2015

YoY trend (3M Sept.16 vs 3M Sept.15)

- ◆ Revenues down 5% with client business resilient
- ◆ Total costs up 7% (up 2% net of Cairn Capital consolidated in December 2015)
- ◆ Net result up 24% to €30m due to lower CoR

QoQ trend (3M Sept.16 vs 3M Jun.16)

- ◆ Revenues down 2%, costs down 20% due to seasonality
- ◆ Net result tripled QoQ
- ◆ Negative cost of risk (-15 bps) due to writebacks

RCB: STEADY AND SUSTAINABLE GROWTH ONGOING

3M results as at September 2016

Section 1

Retail and Consumer Banking

Compass

**Growth ongoing
driving up Group NII**

- ◆ Loans and revenues growing steadily (up 9% and 16% YoY), focusing on risk-adj. margins rather than on market share
- ◆ Asset quality improving further: cost of risk at 284 bps (down 69 bps YoY); NPLs down to 2.2%, coverage up to 73%
- ◆ Net profit up 65% YoY to €65m, best quarterly result ever

CheBanca!

AUM up to €7bn

- ◆ AUM ramping up boosted by internal growth (driven also by Yellow Advice) and Barclays consolidation¹
- ◆ Revenues up 14% YoY (11% QoQ), fees up 38% and NII up 8% YoY
- ◆ Indirect deposits up to near €7bn

YoY trend (3M Sept.16 vs 3M Sept.15)

- ◆ Revenues up 15% to €306m, with NII up 13% due to decreasing cost of funding
- ◆ CoR down to 196 bps; NPLs down to 2.3%
- ◆ Net profit €68m (up 63%)

QoQ trend (3M Sept.16 vs 3M Jun.16)

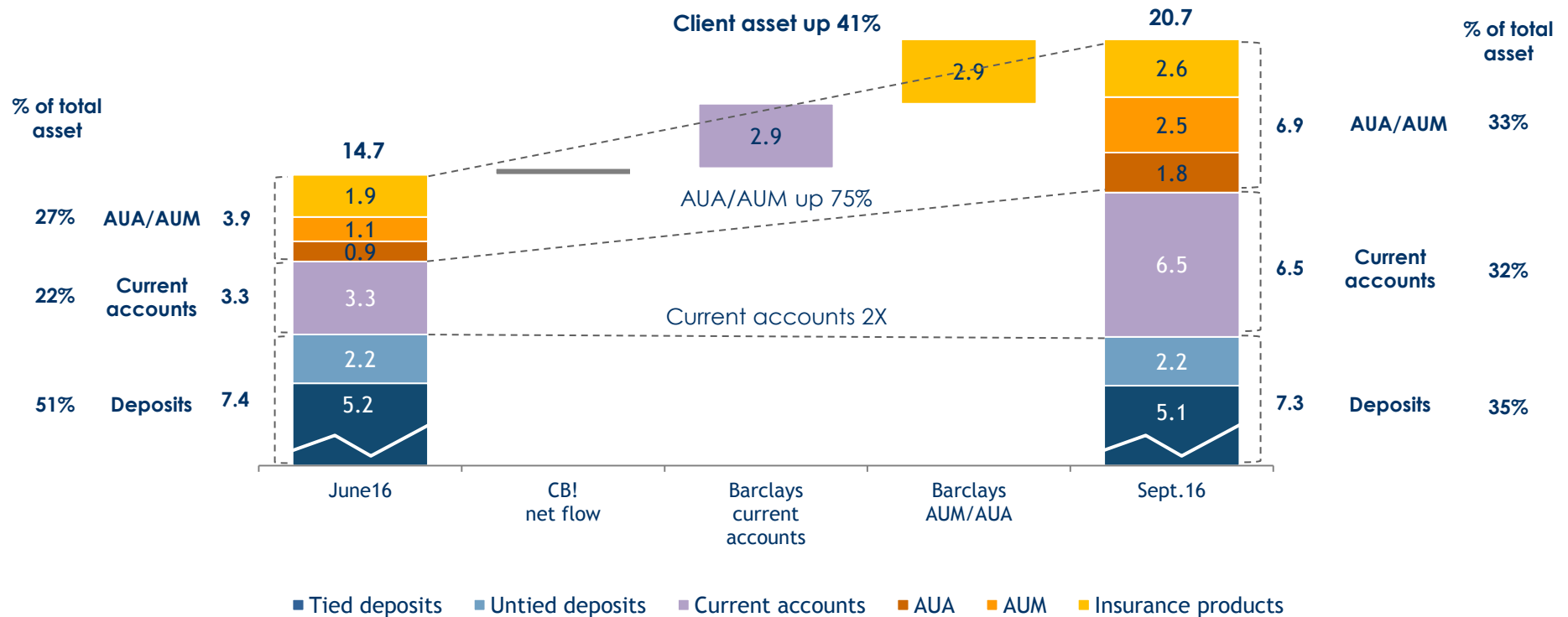
- ◆ Direct deposits up 28% to €13.8bn, indirect deposits up 75% to €6.9bn due to Barclays consolidation
- ◆ Loans and NII up QoQ
- ◆ Net profit up 16% to €68m

CHEBANCA! TOTAL ASSETS CLOSE TO €21BN, OF WHICH €7BN AUA/AUM

3M results as at September 2016

Section 1

CheBanca! customer assets breakdown trend (€bn)



- ◆ Barclays consolidation at end-August 2016:
 - ◆ total client assets up 41% (over €20bn)
 - ◆ AUM/AUA up 75% reaching €7bn (now representing one-third of client assets)
 - ◆ current accounts doubled to €6.5bn (one-third of total asset), deposits stable

CLOSING REMARKS

3M results as at September 2016

Section 1

3M as at Sept 2016

Sound results

- ◆ Despite general revenue pressure, **MB has delivered another quarter of strong organic growth** with increased operating and net profit
- ◆ The Group's "new entries" (Barclays & Cairn Capital) reflect **MB's attitude towards acquisitions**:
 - ◆ **revenue accretive** (fee income in particular)
 - ◆ **focused on development of wealth management platform**
 - ◆ **able to enhance diversification**

STRATEGIC GUIDELINES UPDATE

Conference call and audio webcast with synchronized slides

Speaker: Alberto Nagel - CEO

Thursday 17th November 2016

8.45 am CET

Save the date

PRINCIPAL INVESTING: MAIN EQUITY INVESTMENTS AS AT SEPTEMBER 2016

Annex 1

PRINCIPAL INVESTING: MAIN EQUITY INVESTMENTS

3M results as at September 2016

Annex 1

September 2016	% ordinary share of capital	Book value €m	AFS reserve
Assicurazioni Generali	13%	3,191	n.m. ¹
Atlantia	1.4%	253	102
Italmobiliare	9.5%	95	60
RCS Mediagroup	6.2%	31	10
Other listed equities		46	26
Other unlisted equities		216	26
Total		3,832	224

QUARTERLY SEGMENTAL REPORTING TABLES

Annex 2

NET PROFIT UP 11% TO €271M: GOP UP 16%, GAINS FROM DISPOSALS

3M results as at September 2016

Annex 2

€ m	3Q Sept16	2Q June16	1Q Mar16	4Q Dec15	3Q Sept15	Δ QoQ ¹	Δ YoY ¹
Total banking income	526	528	503	509	507	-0%	+4%
Net interest income	314	301	301	302	303	+4%	+4%
Fee income	102	114	109	132	96	-10%	+7%
Net treasury income	32	36	52	20	26	-11%	+21%
Equity accounted co.	78	77	41	56	83	+1%	-5%
Total costs	(213)	(249)	(223)	(223)	(197)	-15%	+8%
Labour costs	(107)	(121)	(110)	(112)	(98)	-11%	+9%
Administrative expenses	(105)	(128)	(113)	(111)	(99)	-18%	+7%
Loan loss provisions	(87)	(100)	(94)	(109)	(115)	-13%	-25%
GOP risk adjusted	227	178	185	177	195	27%	16%
Impairments, disposals	101	12	(20)	(77)	85	nm	
Income taxes & minorities	(58)	(29)	(44)	(24)	(36)	+102%	+62%
Net result	271	162	121	77	244	+67%	+11%
Cost/income ratio (%)	40%	47%	44%	44%	39%	-7pp	+1pp
Cost of risk (bps)	98	115	111	133	141	-17bps	-43bps

LOAN BOOK GROWTH IN ALL DIVISIONS, 6% LOAN GROWTH QOQ DUE TO BARCLAYS CONSOLIDATION

3M results as at September 2016

Annex 2

€ bn	Sept16	June16	Sept15	Δ QoQ ¹	Δ YoY ¹
Funding	49.5	45.9	44.2	+8%	+12%
Bonds	21.4	21.1	20.6	+2%	+4%
Retail direct deposits	13.8	10.7	10.5	+29%	+31%
ECB	5.5	5.0	5.5	+10%	+1%
Others	8.8	9.1	7.6	-3%	+15%
Loans to customers	36.6	34.6	32.5	+6%	+13%
Wholesale	13.5	14.1	13.1	-4%	+3%
Private banking	1.1	1.1	0.9	-1%	+12%
Consumer	12.1	11.9	11.1	+2%	+9%
Mortgage	7.5	5.0	4.7	+49%	+59%
Leasing	2.4	2.5	2.7	-6%	-13%
Treasury+AFS+HTM+LR	18.0	16.3	16.7	+10%	+8%
RWA	54.2	53.9	59.0	+1%	-8%
Loans/Deposits ratio	74%	77%	74%		
CET1 ratio: phase-in / fully phased (%)	12.1 / 12.5	12.1 / 12.6	12.5 / 13.3		
TC ratio: phase-in / fully phased (%)	15.7 / 16.3	15.3 / 15.9	15.3 / 15.8		

CIB RESULTS

3M results as at September 2016

Annex 2

€ m	3Q Sept16	2Q June16	1Q Mar16	4Q Dec15	3Q Sept15	Δ QoQ ¹	Δ YoY ¹
Total income	140	142	179	170	148	-2%	-5%
Net interest income	43	45	52	57	61	-5%	-30%
Fee income	65	71	75	99	65	-9%	0%
Net treasury income	32	26	52	14	22	26%	48%
Total costs	(93)	(116)	(103)	(102)	(87)	-20%	7%
Loan loss provisions	6	(10)	1	(8)	(11)	-155%	-151%
GOP risk adj.	53	16	77	60	50		6%
Other	(5)	(2)	(1)	1	(1)		
PBT	48	14	76	61	49		-1%
Net result	30	9	51	50	25		24%
Cost/income ratio (%)	66%	81%	58%	60%	59%	-15pp	+7pp
Cost of risk (bps)	-15	27	-2	22	31	-42bps	-46bps
ROAC ² (%)	6	2	8	6	5	+4pp	+1pp
Loans (€bn)	14.6	15.2	15.7	14.1	14.0	-4%	+5%
Treasury & AFS (€bn)	22.1	19.2	18.3	18.4	19.2	+15%	+15%
AUM private banking (€bn)	28.9	27.5	27.1	32.6	18.7	+5%	+54%
RWAs (€bn)	30.6	31.2	33.5	32.6	33.0	-2%	-7%



RETAIL AND CONSUMER BANKING RESULTS

3M results as at September 2016

Annex 2

€ m	3Q Sept16	2Q June16	1Q Mar16	4Q Dec15	3Q Sept15	Δ QoQ ¹	Δ YoY ¹
Total income	306	304	276	272	265	+1%	+15%
Net interest income	255	241	235	230	226	+6%	+13%
Fee income	51	62	42	41	39	-19%	+30%
Total costs	(116)	(134)	(112)	(111)	(102)	-14%	+13%
Loan provisions	(89)	(87)	(92)	(97)	(101)	+3%	-12%
GOP risk adj.	100	83	72	63	62	+21%	+63%
PBT	100	80	72	58	62	+25%	+63%
Net profit	68	59	48	30	42	+16%	+63%
Cost/income ratio (%)	38%	44%	40%	41%	39%	-6pp	-1pp
Cost of risk (bps)	196	207	225	242	258	-11bps	-62bps
ROAC ² (%)	23	20	19	16	17	+3pp	+6pp
Direct deposits (€bn)	13.8	10.7	10.4	10.4	10.6	+28%	+31%
AUM/AUA (€bn)	6.9	3.9	3.8	3.6	3.1	+75%	+122%
Loans (€bn)	19.6	16.9	16.6	16.2	15.8	+16%	+24%
RWA (€bn)	15.0	13.9	12.9	12.6	12.3	+8%	+22%

CONSUMER BANKING: COMPASS RESULTS

3M results as at September 2016

Annex 2

€ m	3Q Sept16	2Q June16	1Q Mar16	4Q Dec15	3Q Sept15	Δ QoQ ¹	Δ YoY ¹
Total income	251	255	229	223	218	-1%	+16%
Net interest income	214	205	198	193	188	+4%	+14%
Fee income	38	50	31	30	30	-24%	+27%
Total costs	(71)	(92)	(71)	(71)	(63)	-23%	+12%
Loan provisions	(85)	(82)	(88)	(93)	(97)	+3%	-12%
GOP risk adj.	96	81	71	59	58	+19%	+66%
PBT	96	78	70	54	58	+23%	+66%
Net profit	65	58	47	27	40	+13%	+65%
Cost/income ratio (%)	28%	36%	31%	32%	29%	-8pp	-1pp
Cost of risk (bps)	284	280	305	332	353	+4bps	-69bps
ROAC ² (%)	27	26	22	13	19	+1pp	+8pp
New loans (€bn)	1.6	1.7	1.6	1.6	1.5	-10%	+5%
Loans (€bn)	12.1	11.9	11.7	11.4	11.1	+2%	+9%
RWAs (€bn)	11.9	11.8	10.9	10.7	10.4	+1%	+15%

RETAIL BANKING: CHEBANCA! RESULTS

3M results as at September 2016

Annex 2

€ m	3Q Sept16	2Q June16	1Q Mar16	4Q Dec15	3Q Sept15	Δ QoQ ¹	Δ YoY ¹
Total income	54	49	47	49	48	+11%	+14%
Net interest income	41	36	37	37	38	+15%	+8%
Fee income	13	13	10	11	9	-1%	+38%
Total costs	(45)	(42)	(41)	(41)	(39)	+7%	+15%
Labour costs	(20)	(17)	(17)	(16)	(16)	+18%	+22%
Administrative expenses	(25)	(25)	(24)	(25)	(23)	+0%	+10%
Loan provisions	(5)	(4)	(5)	(4)	(4)	+10%	+5%
GOP risk adj.	4	3	2	4	4		
Net result	3	1	1	3	2		
Cost/income ratio	84%	86%	86%	84%	83%	-2pp	+1pp
Cost of risk (bps)	29	33	37	31	37	-4bps	-8bps
ROAC ² (%)	5	3	3	8	6	+2pp	-1pp
Direct deposits (€bn)	13.8	10.7	10.4	10.4	10.6	+28%	+31%
AUM/AUA (€bn)	6.9	3.9	3.8	3.6	3.1	+75%	+122%
Loans (€bn)	7.5	5.0	4.9	4.8	4.7	+49%	+59%
RWAs (€bn)	3.0	2.1	2.0	2.0	1.9	+42%	+58%

PRINCIPAL INVESTING RESULTS

3M results as at September 2016

Annex 2

€ m	3Q Sept16	2Q June16	1Q Mar16	4Q Dec15	3Q Sept15	Δ QoQ ¹	Δ YoY ¹
Total income	78	90	41	65	89	-13%	-12%
Gains from disposals	110	23	5	3	88		
Impairments	(0)	(1)	(5)	(10)	(2)		
Net result	177	104	38	48	181	+70%	
Book value (€bn)	3.8	3.9	4.0	3.9	4.0		
Ass. Generali (13.24%)	3.2	3.1	3.1	3.0	3.1		
AFS stakes	0.6	0.9	0.9	0.9	0.9		
Market value (€bn)	2.8	3.0	3.6	4.4	4.3		
Ass. Generali	2.2	2.1	2.7	3.5	3.4		
RWA (€bn)	6.5	6.6	11.4	11.1	11.3		
ROAC ² (%)	16.9	24.4	21.0	31.0	20.5		

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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