



MEDIOBANCA

FY18 results as at 30 June 2018

GROWTH AND SUSTAINABILITY THE MEDIOBANCA GROUP DNA

Milan, 31 July 2018



MEDIOBANCA

AGENDA

1. **FY18 results – Executive summary**
2. **Group performance**
3. **Divisional results**
4. **Closing remarks**

Annexes

1. Quarterly segmental reporting tables
2. Glossary



MEDIOBANCA

BEST EVER REVENUES, GOP AND PROFITABILITY

MB TOP PERFORMER IN EU FOR REVENUES GROWTH & PROFITABILITY

Best ever results fuelled by enhanced distribution and strong commercial efforts

NNM totalling €5bn – TFA up 7% to €64bn

New loans up 28% (to €16bn), loan book up 8% to €41bn

Revenues up 10% to €2.4bn, driven by strong Consumer performance and increased WM size

CoR down to 62bps, asset quality improved further

GOP up 24% to over €1bn, achieving BP19 target 1Y early

Net profit up 15% to €864m, CET1 ratio up to 14.2%¹

ROTE at 10%, among the highest in European landscape

2018 strategic roadmap fully achieved

WM: size and brand awareness scaled up, Group fee pool enlarged and diversified

Consumer: all time-high earnings level achieved with value management approach

CIB: EU positioning and K-lighter businesses enhanced, improved return

HF: excess liquidity optimized, loss reduced

PI: stakes reduced further

Shareholders remuneration significantly increased

DPS up 27% to €0.47 with payout @ 48%

Buyback programme up to 3% of share capital

Revenues up 10% to €2.4bn

GOP up 24% to €1bn

Net profit up 15% to €864m

NNM up to €5bn

AUM/AUA up 24% to €37bn

TFA up 7% to €64bn

NPLs/Ls : gross 5%, net 2%

BadLs/Ls: gross 1%, net 0%

Coverage: 57% NPLs, 73% BadLs

EPS up 14% to €0.97

DPS up 27% to €0.47

BVPS up 4% to €10.4

LAST 3M – 4Q CONFIRMS MEDIOBANCA'S OUTSTANDING SUSTAINABILITY & ABILITY TO GROW IN ANY SCENARIO

FY18 – Executive summary

Section 1

GROWTH: no negative impact from recent market turmoil in 4Q

Loan book up 2% QoQ (to €41.2bn): corporate and retail divisions growing at the same pace

NNM up 5% QoQ (to €1.5bn) driven by Affluent division

Funding up 1% QoQ (to €48.9bn): retail deposits growing fast,

effective access to bond market: in July18 issued €715m out of €3.5bn expiring in FY18/19

CoF higher, but still lower cost of bonds expiring (July placements at @105bps vs. @160bps of bonds expiring in FY18/19)

CET1 up 30bps QoQ (to 14.2%) despite higher payout and wider spread due to negligible CET1 sensitivity to spread volatility (-8bps every +100bps in spread) - No indirect exposure through AG as the stake is almost entirely deducted

RESILIENCE: strong business performance

Net interest income confirmed at €345m (up 1% QoQ and up 4% YoY), fed by Consumer Banking

Fee income at €166m, with WM contributing more than CIB for the first time ever (43% the former, 37% the latter)

Fee income flat QoQ with RAM first 3M consolidation (~€12m)

Good trading result (€33m vs €39m in 3Q)

Costs at €302m, up 8% QoQ including 3M costs of RAM (€6m) for the first time

CoR up to 72bps (60bps) given absence of writebacks in WB, but **asset quality improves further**

(NPLs down 1% gross, 3% net, incidence to loans down to 4,6% gross, coverage up to 57%)

One-off provisions: €10m of additional provisions to Italian resolution fund for banks' rescue of 2017, **€8m** of restructuring costs

PLAYING OUR 2018 BUSINESS STRATEGIC ROADMAP...

FY18 – Executive summary

Section 1

WEALTH MGT	Affluent & Premier: CBI	<ul style="list-style-type: none"> ◆ Barclays integration completed ◆ AUM growth resumed (up €1.4bn) due both to FA hirings (from 65 to 226) and wealth advisors
	Private Banking: MBPB	<ul style="list-style-type: none"> ◆ BE merger complete, rebranded as MBPB <ul style="list-style-type: none"> ◆ network empowering, AUM growing (up €0.7bn) ◆ mid caps./private double-coverage set and already effective
	Private Banking: CMB	<ul style="list-style-type: none"> ◆ Organic growth, strong IT investments
	Asset Management	<ul style="list-style-type: none"> ◆ Cairn: new CLOs launched ◆ RAM acquisition closed (up €4bn AUM) ◆ MBSGR set up (fund selection, asset allocation)
CONSUMER		<ul style="list-style-type: none"> ◆ Impressive performance with value-mgt. approach and strong new lending ◆ Margin resilience, CoR at historically low levels ◆ Direct distribution network enhancement
CIB	Wholesale Banking	<ul style="list-style-type: none"> ◆ New organization and responsibilities ◆ Higher productivity/less concentration ◆ AIRB validation (~€5bn RWA savings)
	Specialty Finance	<ul style="list-style-type: none"> ◆ Visibility, positioning and size empowered ◆ Figures now material for Group P&L
PI		<ul style="list-style-type: none"> ◆ Atlantia stake sold ◆ Seed K provided to MAAM
HF	Treasury & other functions	<ul style="list-style-type: none"> ◆ Treasury optimization, CoF reduction
	Leasing	<ul style="list-style-type: none"> ◆ Selective profitable leasing business, NPL reduction

... WITH INCREASING CSR APPROACH ...

CSR: shaping the already sustainable approach to business of Mediobanca Group with competences, best practice and corporate culture...

FY17: Governance set up

FY18: first Consolidated Non Financial Statement and Targets

CSR Targets disclosure

Group Sustainability Unit
Group CSR Committee
Group Sustainability Policy
Materiality matrix
First Group sustainability reporting

Responsible investing directive approved
(according to the Group Sustainability Policy)
Materiality matrix updated
(via a multi - stakeholder forum)
Signatory to UN Global Compact
First Consolidated Non-Financial Statement

To assess
our
commitment

... to satisfy all the stakeholders with our recognized ethical approach

SHAREHOLDERS



Solid profitability
Dividend distribution
Outstanding capital ratios

OUR PEOPLE



4,717 employees
57% men 43% women
51,131 hours of training

ENVIRONMENT



6,425 CO₂ Ton avoided
100% of electricity in Italy from certified renewable sources

COMMUNITY



2,5 millions community investment in 3 areas:

- Environment and territory
- Culture, research and innovation
- Social inclusion

CUSTOMERS



Retail customers

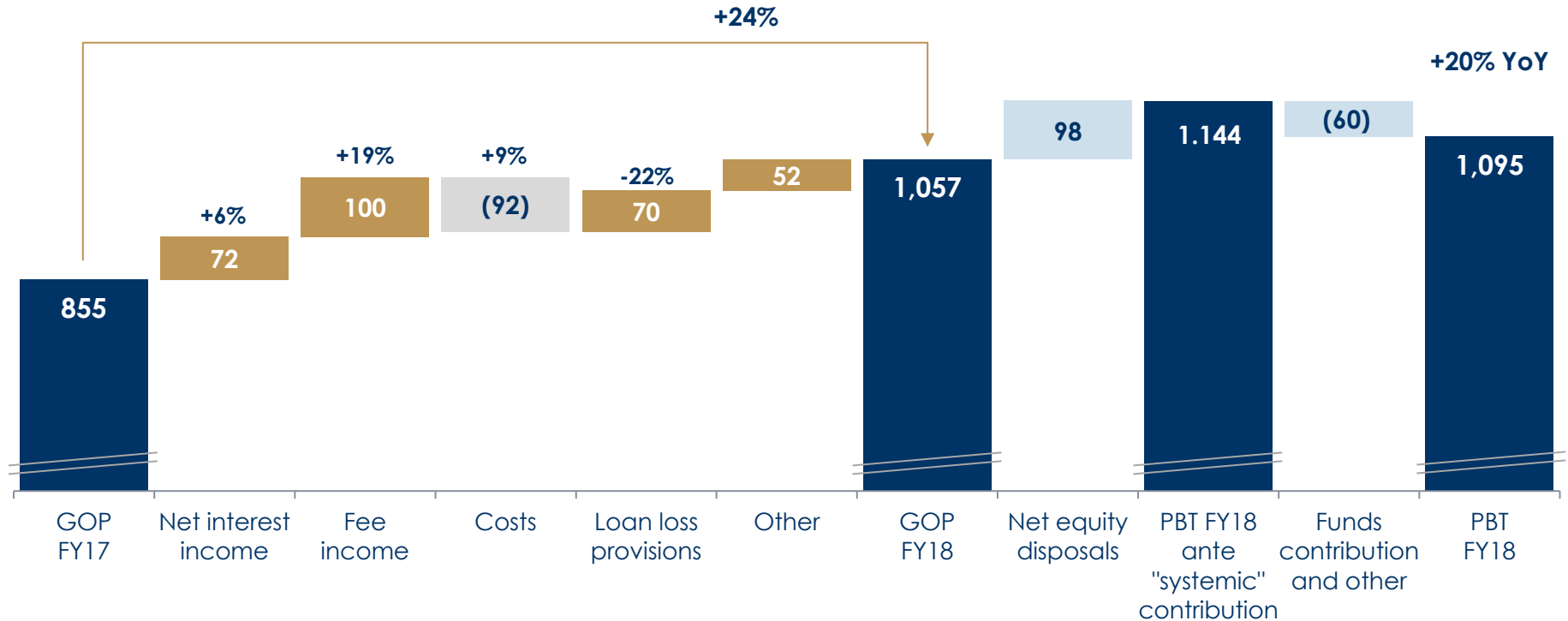
- Compass – 2,268,534
- CheBanca! - 807,000

...WE HAVE ENLARGED OUR GOP AND PROFIT...

FY18 – Executive summary

Section 1

MB Group FY18 risk-adjusted operating profit (€m)



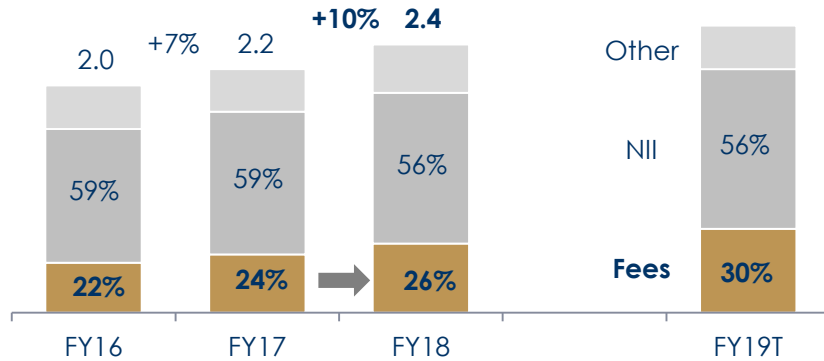
- ◆ **GOP up 24% YoY exceeding BP target (€1bn) 1Y in advance, with platform enhancement** driving higher client revenues and lower loan loss provisions
- ◆ **Benefits from acquisitions** - visible in Group size, revenue potential and synergies - **becoming more evident**
- ◆ **Group PBT close to €1.1bn** after gains from AFS stakes disposals (€98m) and ~€50m of "systemic costs" (contribution to Single Resolution Fund, Deposit Guarantee Scheme, etc.)

... WE HAVE ENLARGED OUR FEE POOL ...

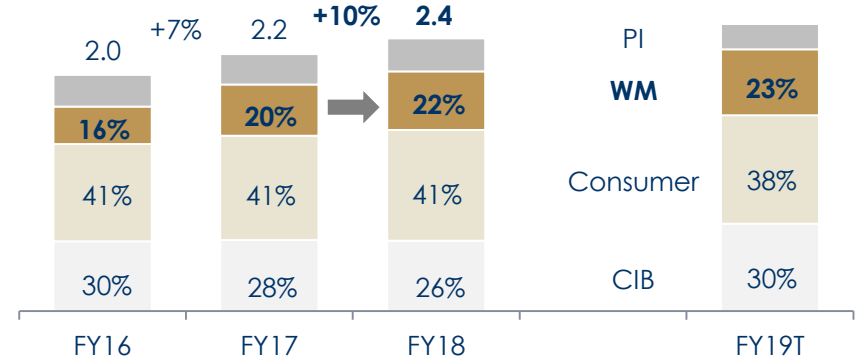
FY18 – Executive summary

Section 1

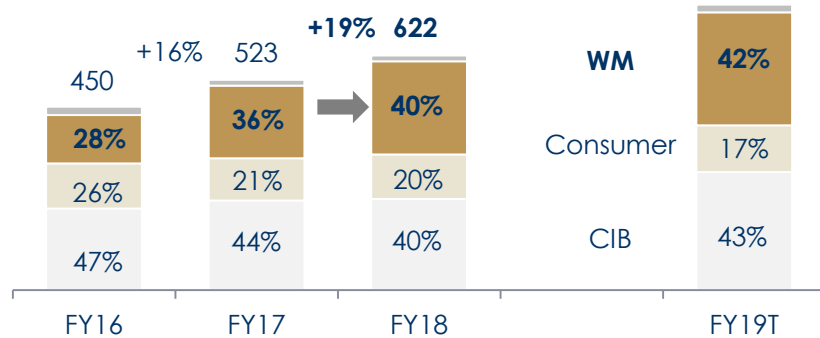
Revenues by sources - Fees up to 26% of total



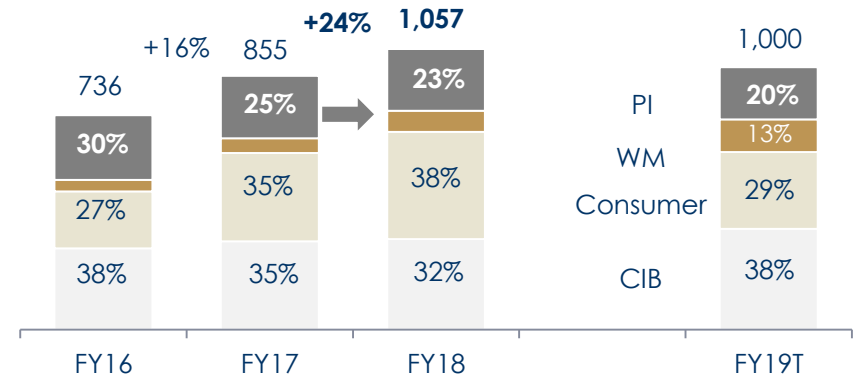
Revenues by division - WM up to 22% of total¹



Fees by division - WM up to 40% of total¹



GOP by division – PI down to 23%¹

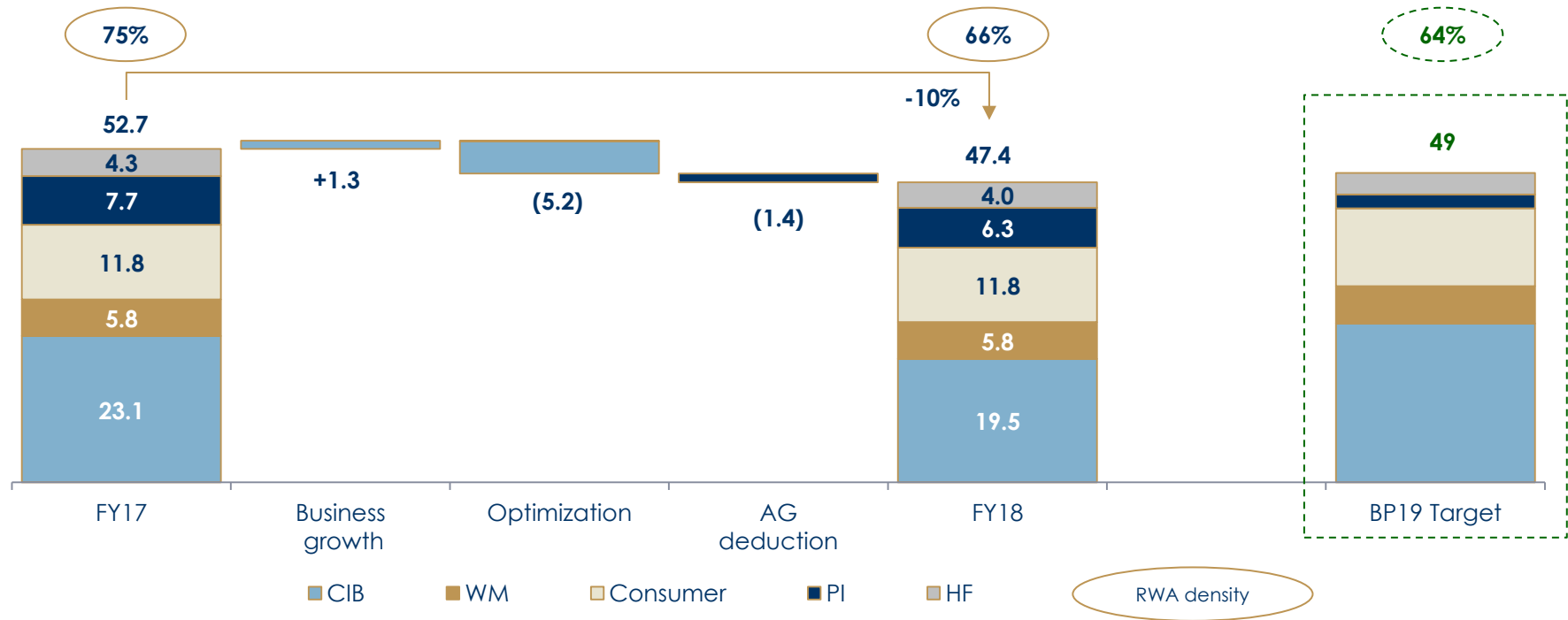


...WE ARE MORE EFFICIENT IN RWA MANAGEMENT...

FY18 – Executive summary

Section 1

RWA YoY trend (€bn)



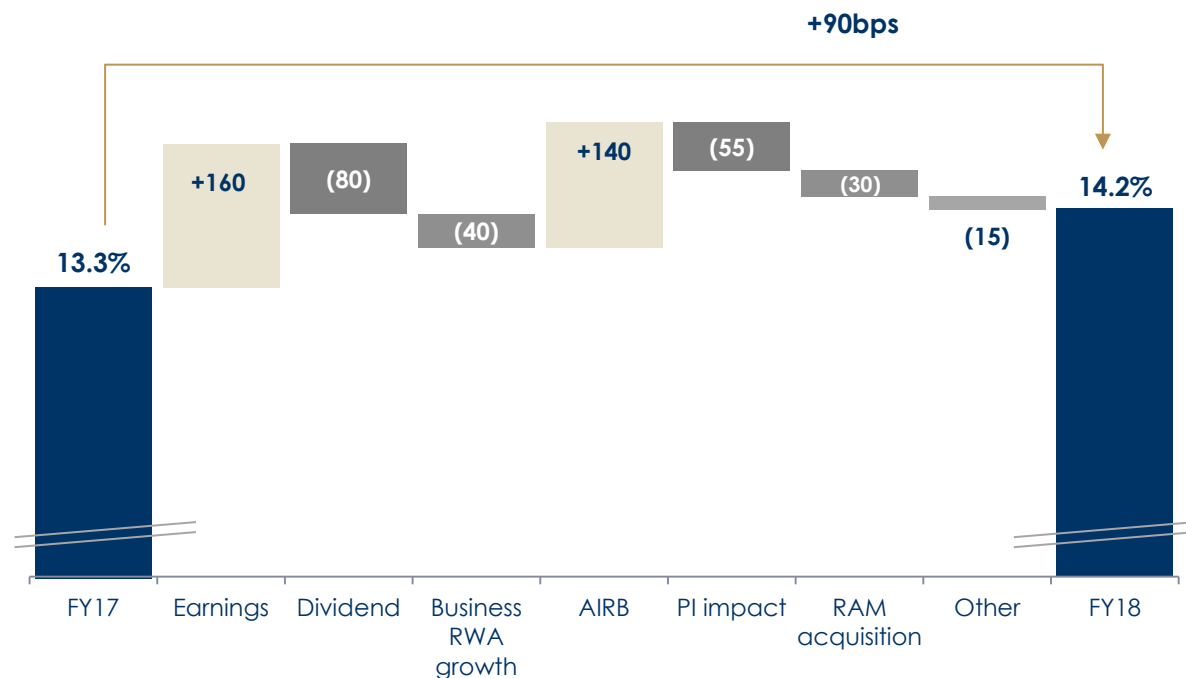
◆ **FY18: RWAs down 10% to €47bn** (already below BP target of €49bn) **driven by optimization in CIB** (down €5bn due to adoption of the AIRB model for the corporate portfolio) **and lower AG RWAs** (due to higher capital deductions) offsetting business growth (up >€1bn)

...STRONGER IN CAPITAL CREATION...

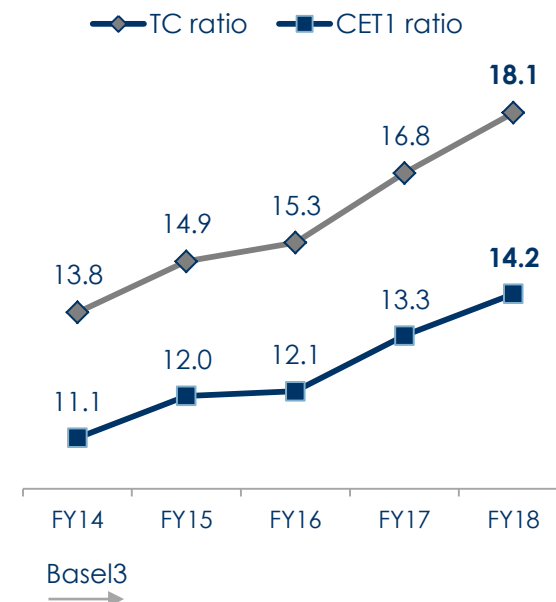
FY18 – Executive summary

Section 1

CET1 trend by sources
(% and bps, phase-in)



Capital ratios trend
(phase-in,%)



- ◆ **CET1 up to 14.2%** due to strong earnings generation (up 80bps after dividend) and benefits from AIRB adoption (up 140bps) offsetting business growth (-40bps), RAM acquisitions (-30bps) and AG stake deductions (due to concentration limit)
- ◆ **CET1 and TC ratios steadily growing due exclusively to organic capital generation**
- ◆ FY18 ratios without Danish Compromise: CET1 @ 13.1%; Total Capital @ 17.3%

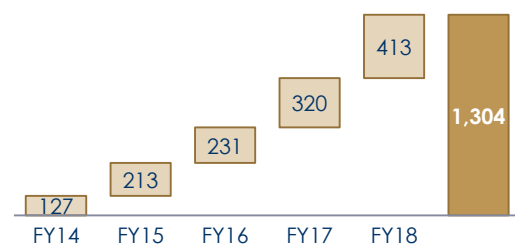
...STRONGER IN SHAREHOLDERS' REMUNERATION...

FY18 – Executive summary

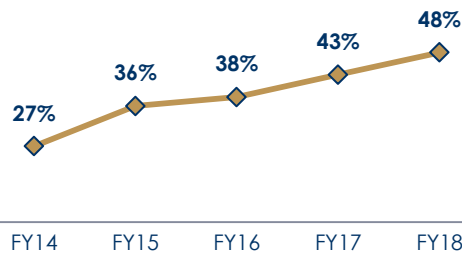
Section 1

€	FY14	FY15	FY16	FY17	FY18	Δ 18/17
EPS	0.54	0.68	0.69	0.85	0.97	+14%
DPS	0.15	0.25	0.27	0.37	0.47	+27%
BVPS	9.0	9.9	9.9	10.0	10.4	+4%
Group net profit	465m	590m	605m	750m	864m	+15%
Shares number	861m	867m	871m	881m	887m	+1%
Total dividend paid	127m	213m	231m	320m	413m	+29%
Retained earnings	338m	377m	374m	430m	451m	+5%
Stated payout	27%	36%	38%	43%	48%	+4pp
Price ¹ €	6.1	8.9	5.7	8.8	8.2	-7%
Yield	2.5%	2.8%	4.7%	4.0%	5.7%	-

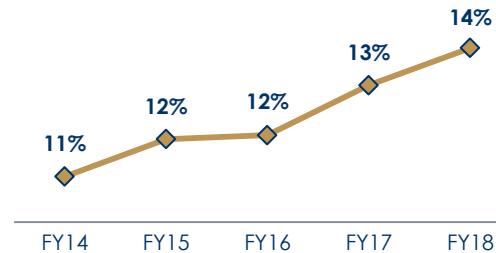
€1.3bn cumulated dividend paid



Payout ratio growth



CET1 ratio growth



...WITH ROOM FOR CAPITAL MANAGEMENT: 3% BUYBACK

BUYBACK DETAILS

- ◆ The Board of Directors of Mediobanca adopted a resolution **to propose authorizing a share buyback** and subsequent disposal of treasury shares **to the approval of shareholders in the annual general meeting to be held on 27 October 2018**
- ◆ **The purposes of the buyback are**
 - ◆ **to build up a “war chest” of securities** to be used for possible M&A transactions and for future and existing share-based compensation schemes
 - ◆ **to provide investors with management view of the intrinsic value of MB stock**
- ◆ **The proposal involves the acquisition, in one or more tranches, of up to 3% of the company’s share capital – maximum limit given by CRR - for an amount equivalent as at today’s date of up to 26,611,288 Mediobanca shares**
- ◆ **The buyback scheme shall have a maximum duration of 18 months**, starting from the date on which the European Central Bank releases the required authorization
- ◆ **The minimum purchase price** for the shares may not be lower than the stock’s nominal value, i.e. €0.50, while the **maximum purchase price** may not be more than 5% higher than the reference price recorded for the shares in the stock market session prior to completion of each individual purchase.

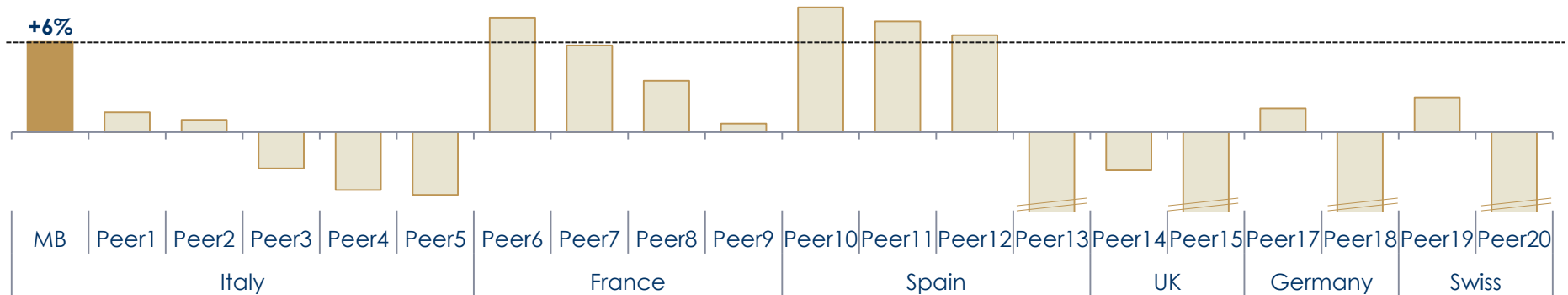
MB WELL POSITIONED IN EU FOR REVENUE GROWTH...

FY18 – Executive summary

Section 1

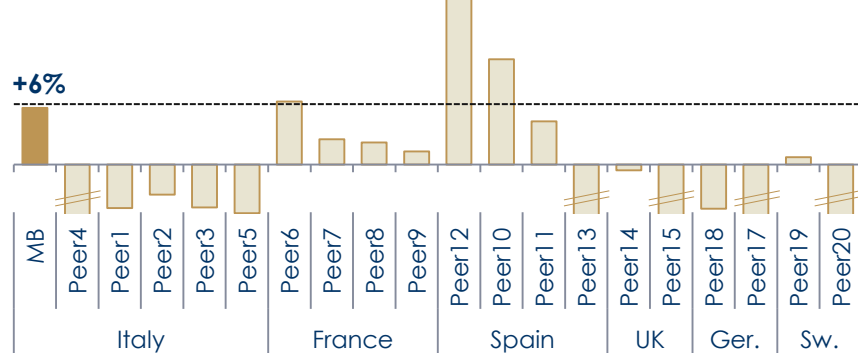
In last 3Y MB top performer in Europe for revenue growth¹ (3Y CAGR: +6%), both in ...

Revenues 3Y growth (%)



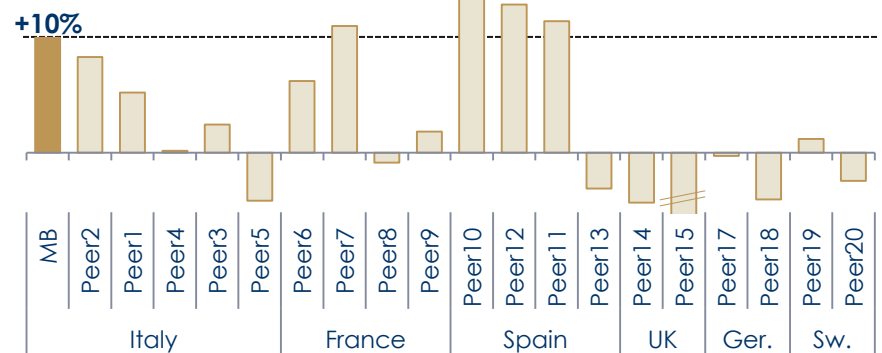
... NII (3Y CAGR +6%, unique ITA bank growing) ...

NII 3Y growth (%)



... and fees (3Y CAGR +10%)

Fees 3Y growth (%)

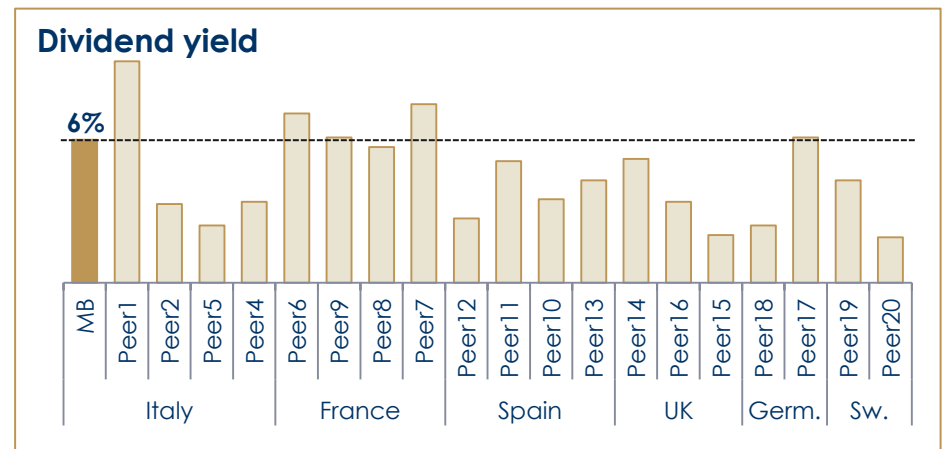
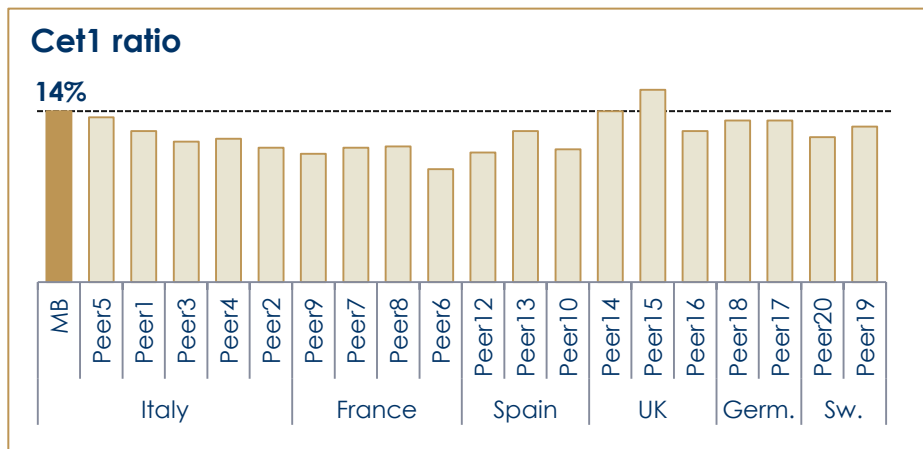
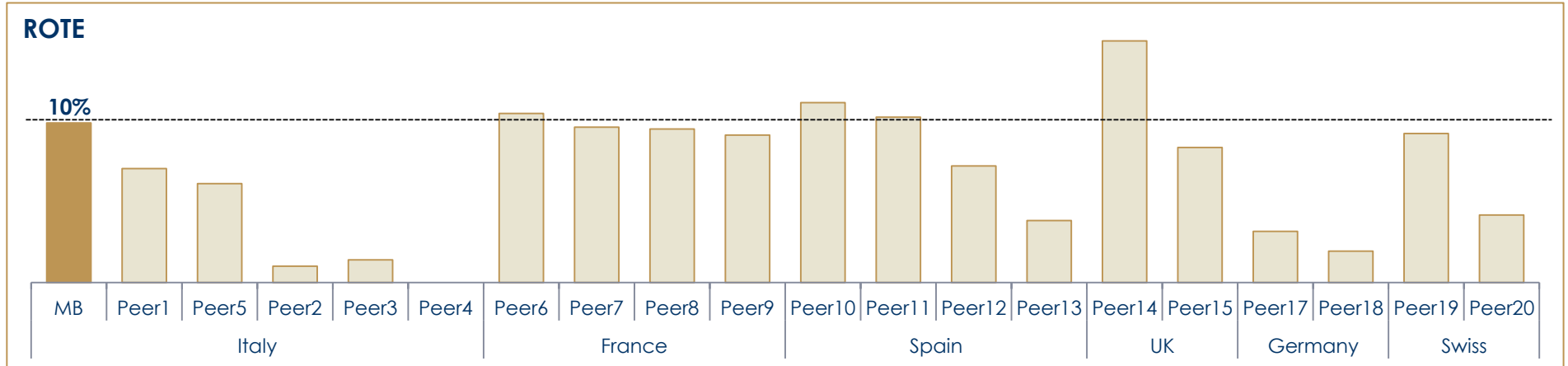


1. Source: MB Securities. MB revenues on FY, peers revenue 2018E.



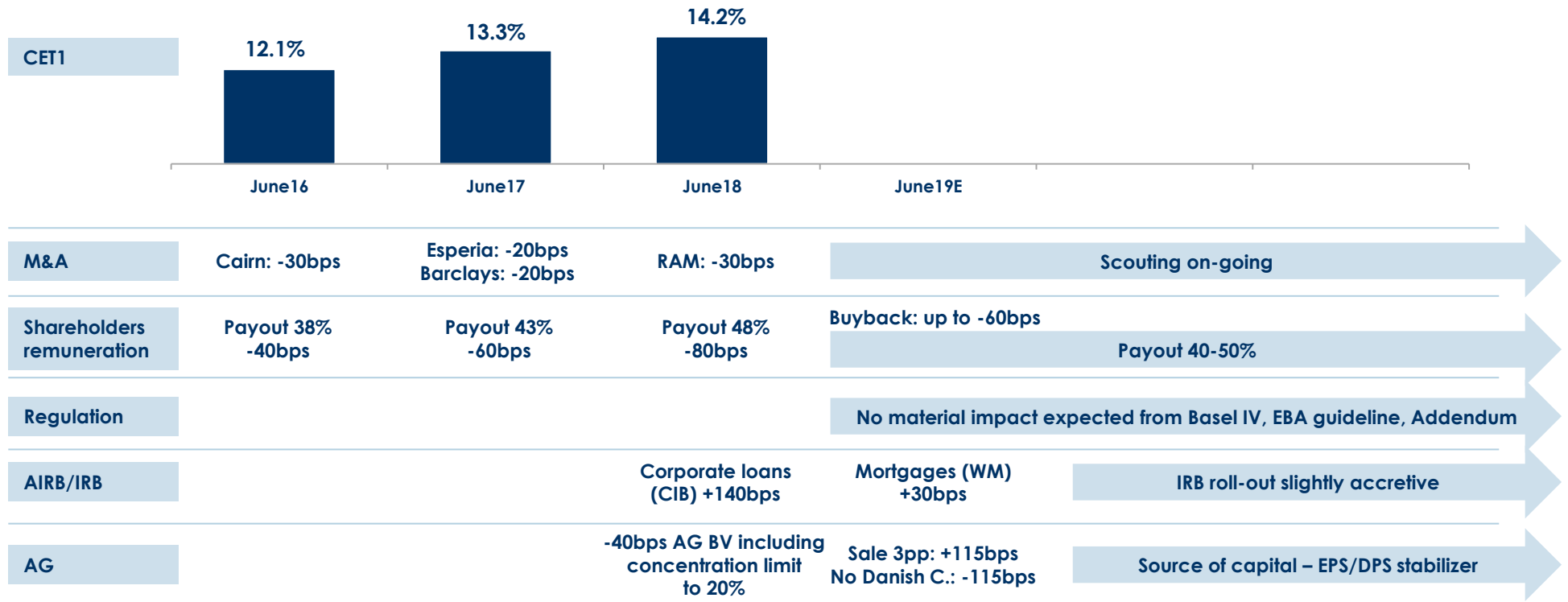
...CAPITALIZATION AND PROFITABILITY

MB best in class for profitability (ROTE¹ at 10%) and capital ratio (CET1>14%) allowing satisfactory shareholders remuneration (dividend yield 6%).



1. MB FY18 ROTE adj. vs peers FY18E. Source: MB Securities.

CAPITAL STRENGTH TO FOSTER GROWTH - ORGANIC AND VIA M&A – AND SHAREHOLDER REMUNERATION

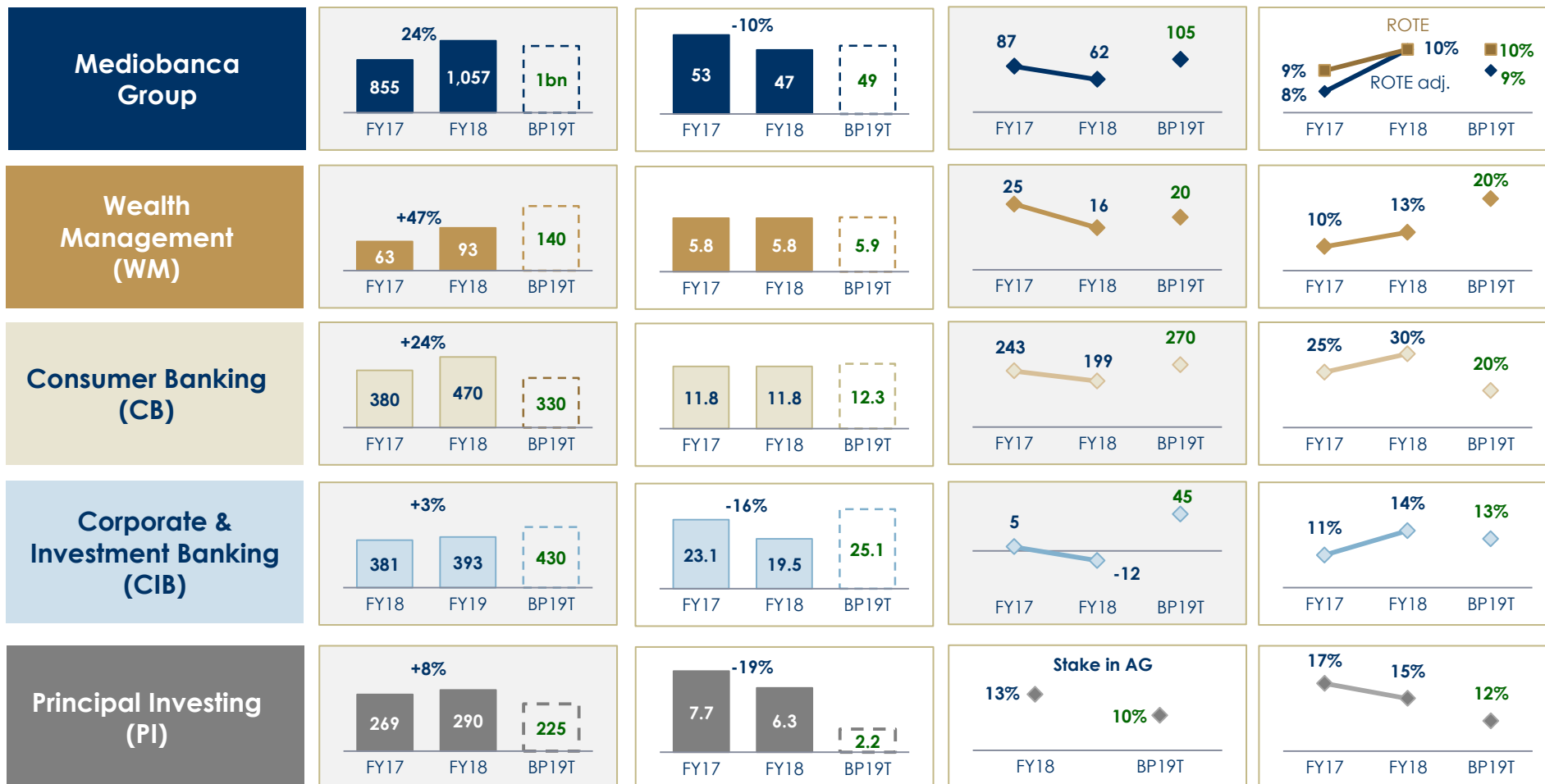


- ◆ **MB capital generation stably high** due to organic creation, absence of impact from regulation, advanced model validation
- ◆ **Redeployment of capital ongoing:** since 2016 100bps in M&A, additional expected in FY19 and beyond

WELL ON TRACK ON BP19 TRAJECTORY

FY18 – Executive summary

Section 1



1) ROAC adjusted: based on average allocated K = 9% RWAs. RWAs are calculated with STD, apart from CIB corporate portfolio calculated with AIRB in FY18. Gains/losses from AFS disposals, impairments and positive/negative one-off items excluded, normalized tax rate = 33% , 25% for PB



AGENDA

1. FY18 results – Executive summary
2. Group performance
3. Divisional results
4. Closing remarks

Annexes

1. Quarterly segmental reporting tables
2. Glossary



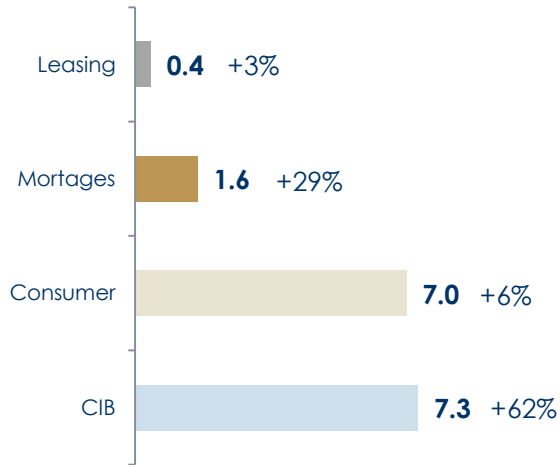
MEDIOBANCA

STEADY GROWTH BY EARNINGS-GENERATING ASSETS ...

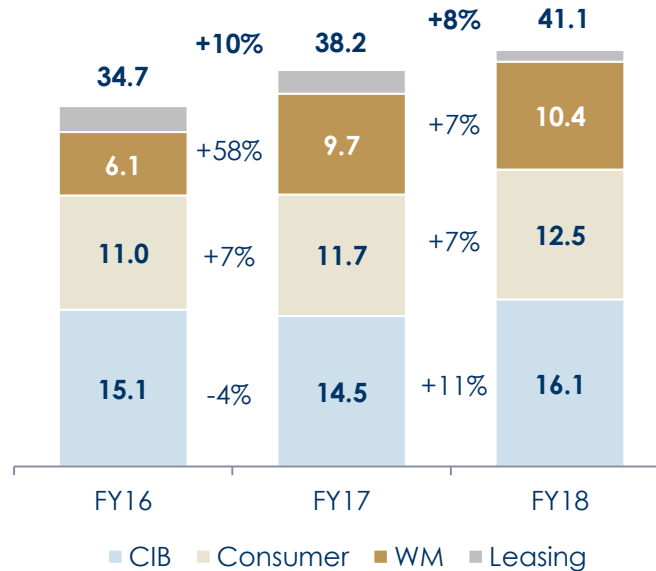
FY18 – Group performance

Section 2

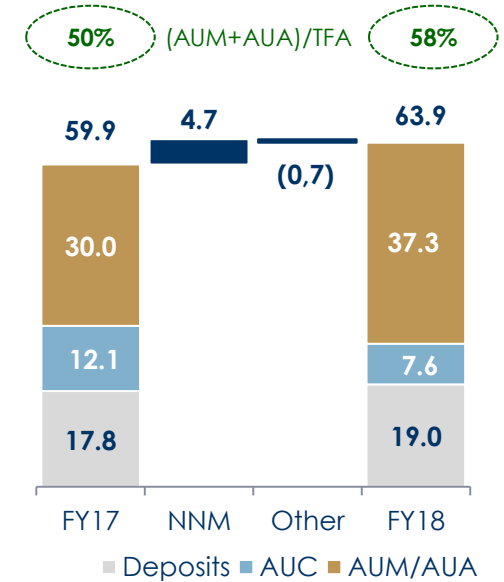
New loan by division
12M 2018, €bn, var% YoY



Group loans trend by division (€bn)



Group TFA trend (€bn)



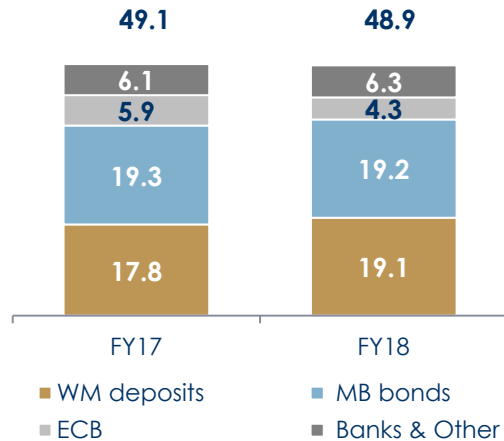
- ◆ **New loan production up 28% to €16bn, all segments contributing soundly**
- ◆ **Loan book up 8% to €41bn, with retail now at 55% of total loan book**
 - ◆ WM up 7% to €10.4bn, mainly due to mortgage growth (up 8% to €8.1bn) driven by new business
 - ◆ Consumer business above €12bn (up 7%), preserving margins and profitability
 - ◆ CIB: up 11% with WB up 9% to €14bn and Specialty Finance up 30% (to €2.1bn)
- ◆ **TFA up €4bn (up 7% YoY) to €64bn, driven by strong NNM (roughly €5bn). Mix enhanced with 58% of TFA related to AUM/AUA (50% last year), partly due to acquisitions (€4bn AUM from RAM), offsetting reduction in less profitable segment (AUC down almost €5bn)**

...WITH ALM OPTIMIZED, RETAIL FUNDING ENLARGED, COF REDUCED

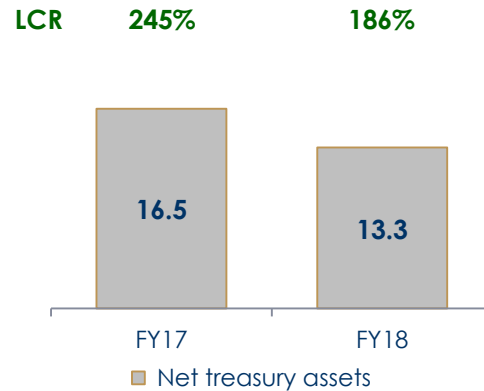
FY18 – Group performance

Section 2

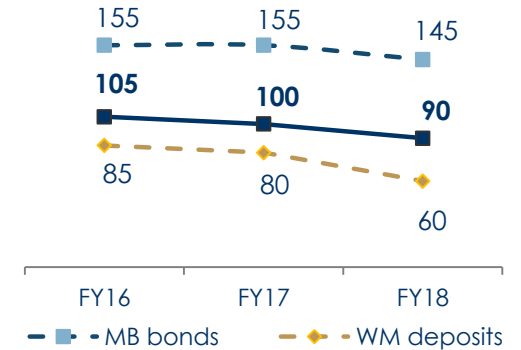
Funding trend (€bn)



Treasury trend (€bn)

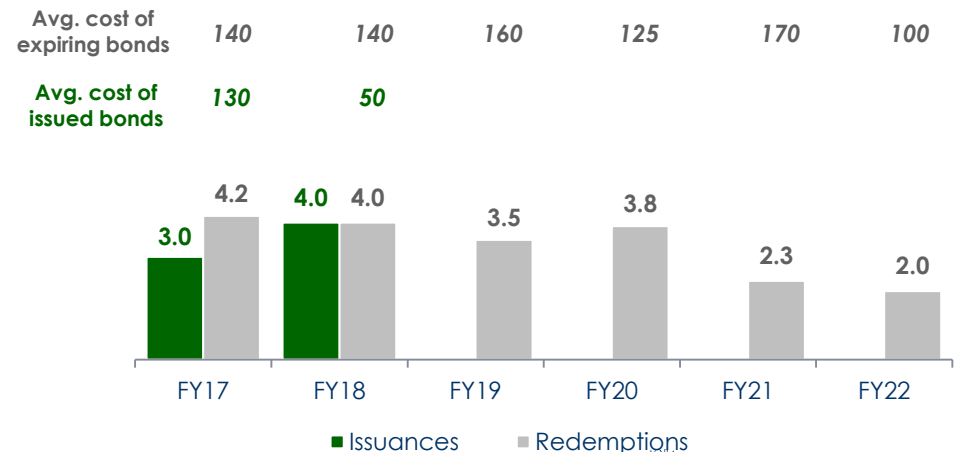


Average stock CoF (bps vs Euribor 3M)



- ◆ **Treasury optimized** (down from €16.5bn to €13.3bn)
- ◆ **Group funding stable at €49bn** with **increasing wealth deposits** (up €1.3bn to over €19bn) at lower CoF (60bps)
- ◆ **Group avg. CoF reduced to 90bps in FY18**, with both corporate and retail CoF reducing (to 145bps and 60bps respectively)
- ◆ **CoF of bonds expiring still above the current avg issuance costs** (€715m bond placed at 105bps in J18)

Bond issues & redemptions (€bn, CoF bps vs Euribor3M)

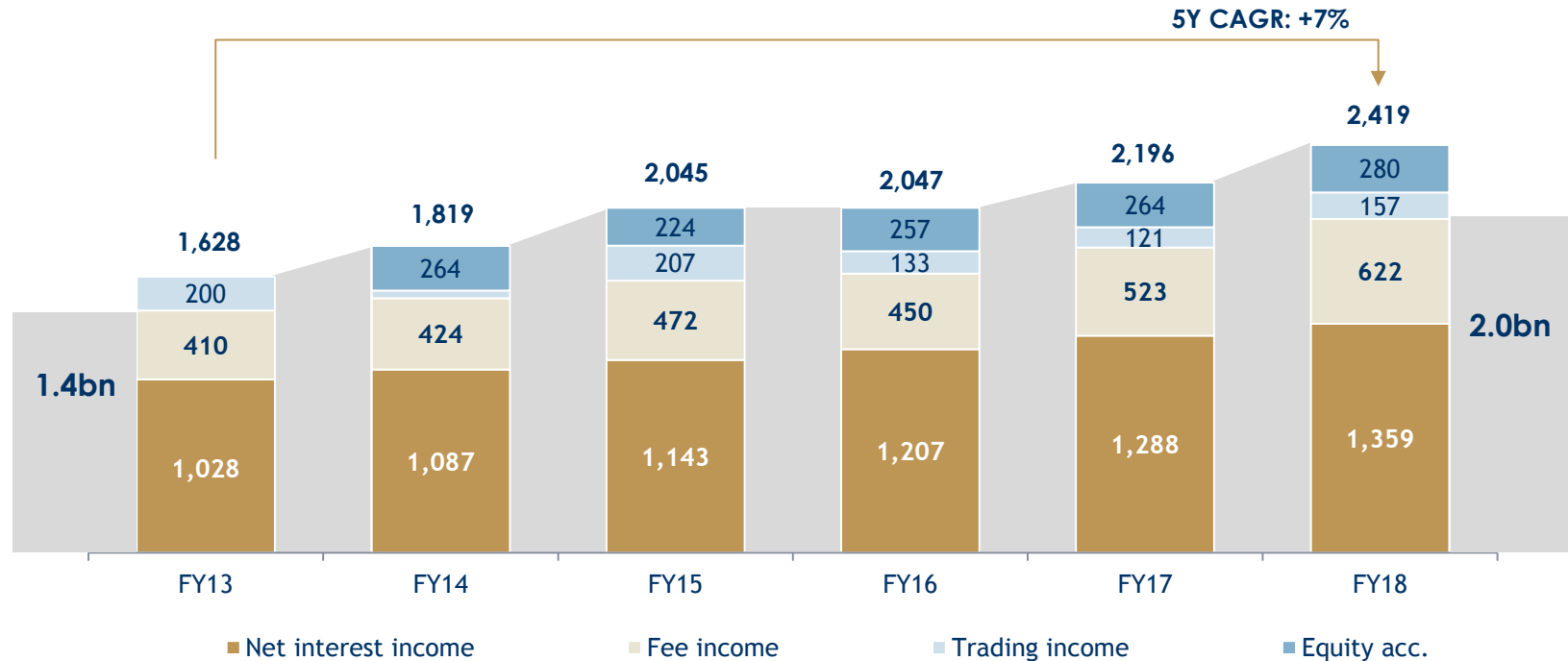


... ENSURED FIFTH CONSECUTIVE YEAR OF GROWTH

FY18 – Group performance

Section 2

Group revenues trend and details (€m)



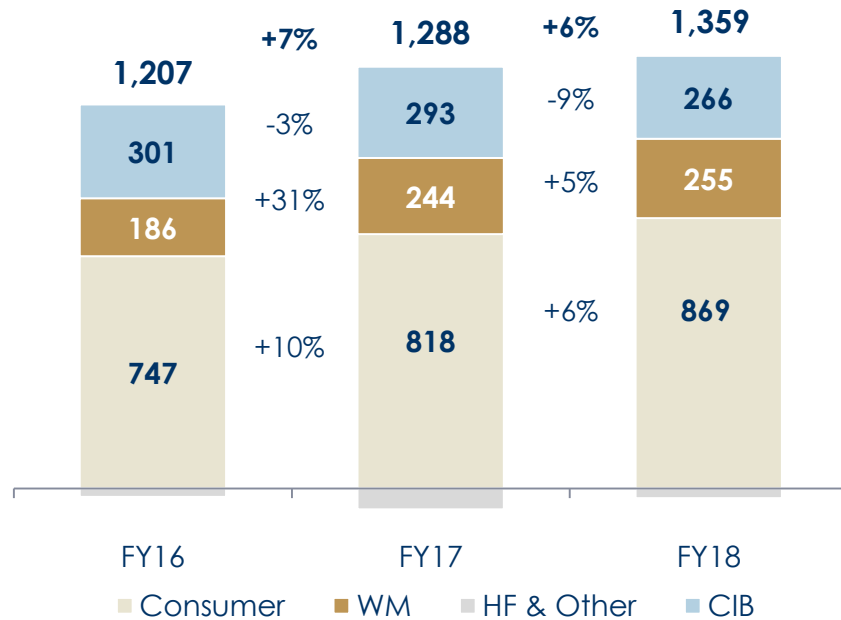
- ◆ **FY18 highest-ever top line: €2.4bn**
- ◆ **Fee and net interest income continuing to grow, now at €2bn (last 5Y CAGR: +7%)**
- ◆ **Top-line increase achieved through effective diversification**

NII UP 6% (FIFTH YEAR OF GROWTH IN A ROW)

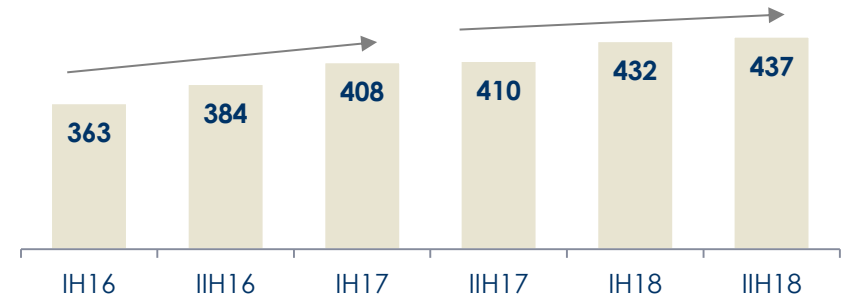
FY18 – Group performance

Section 2

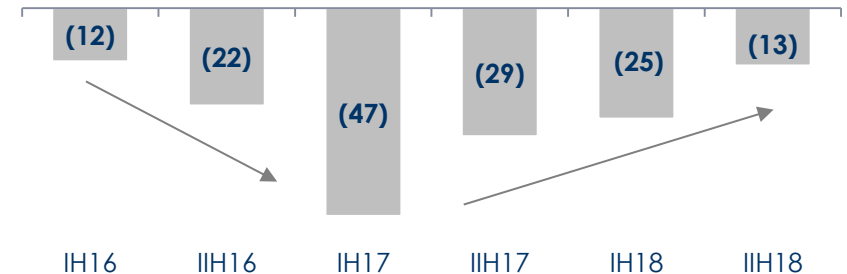
Group net interest income (€m)



Consumer NII trend (€m, 6m)



Holding Function NII trend (€m, 6m)



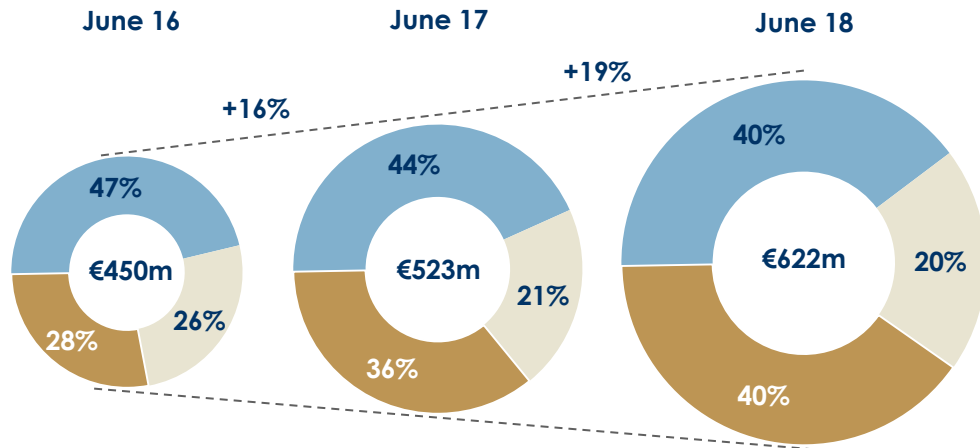
- ◆ **NII up 6%** driven again by Consumer Banking growth (up 6%), Specialty Finance (up 54%) and WM (up 5%)
- ◆ **Holding Function NII loss halved** driven by ALM optimization: loan book up 8%, treasury down 19% (from €16.5bn to €13.3bn) with funding almost stable (loans/funding ratio up from 78% to 84%)

FEES SCALING UP IN SIZE & SUSTAINABILITY DRIVEN BY WM & CIB

FY18 – Group performance

Section 2

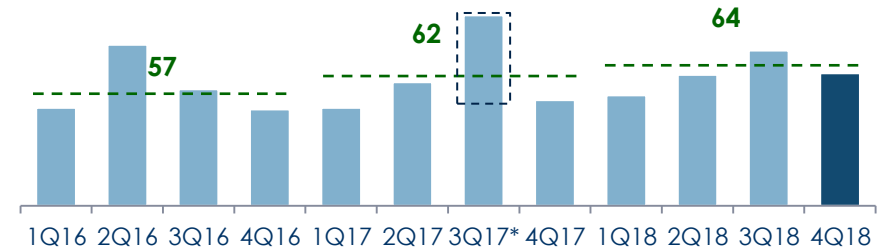
Group Fees by business¹ (12M, €m)



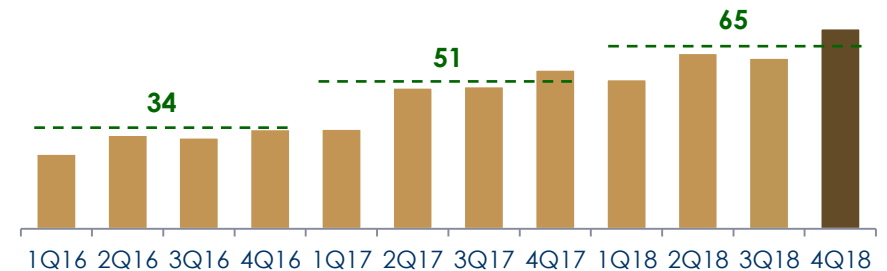
WM fees (12M, €m)



CIB fees by quarter (€m, 3m)



WM fees by quarter (€m, 3m)



- ◆ **Growth:** fee up 19% YoY to €622m (up €100m YoY)
- ◆ **Higher quality and sustainability:** 40% of fee income now from WM (mainly management fees), 40% from CIB
 - ◆ **CIB: average quarterly fees up due to higher productivity and diversification** (SF, DCM and CF offsetting ECM)
 - ◆ **WM: scaling up for organic growth and M&A:** 4Q18 fees at the highest (up 15% to €73m)

1. Calculated as % excluding HF
 * 3Q17 Fees: €47m linked to one large capital market deal

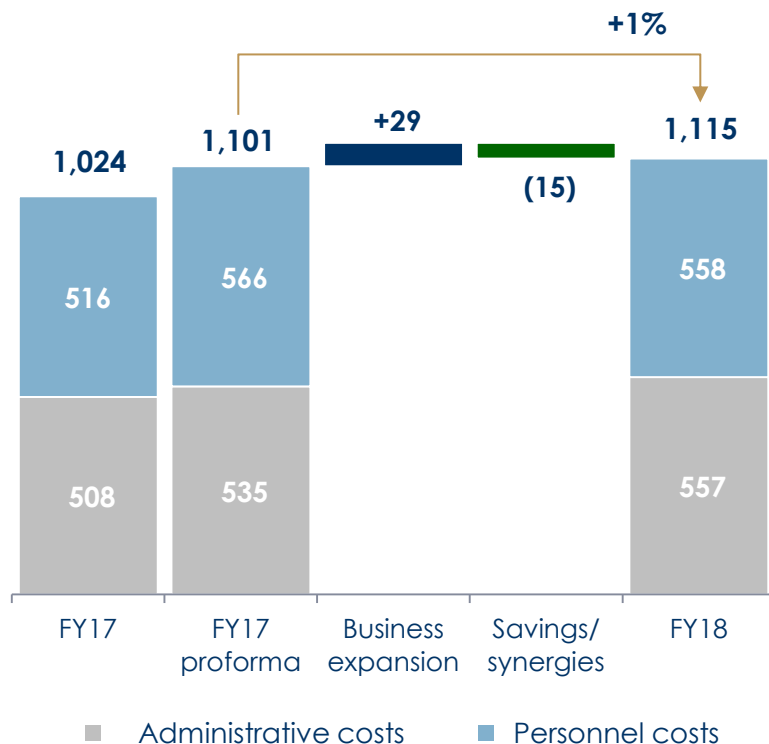


COST BASE UP MAINLY DUE TO ENLARGED CONSOLIDATION AREA

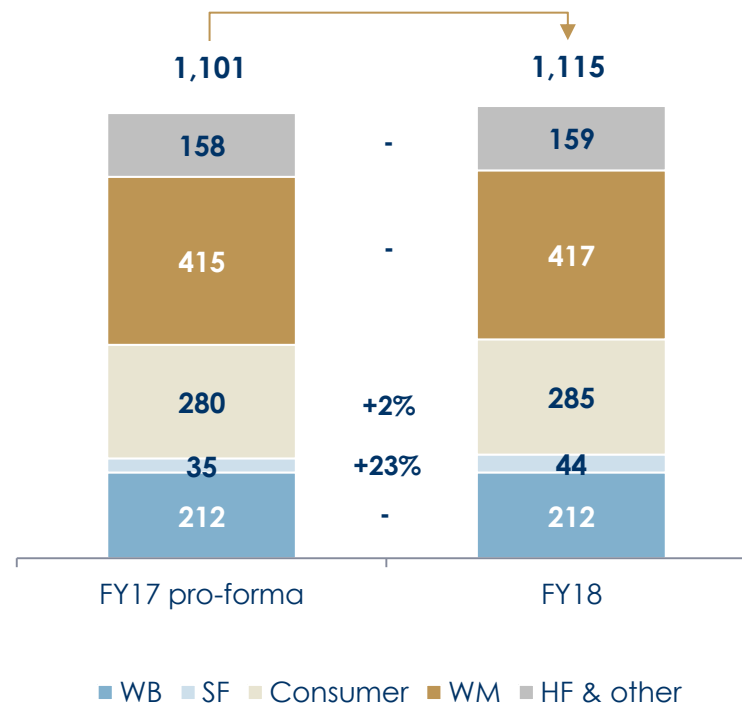
FY18 – Group performance

Section 2

MB Group cost base (€m)



Costs by divisions (€m, pro-forma for acquisitions)



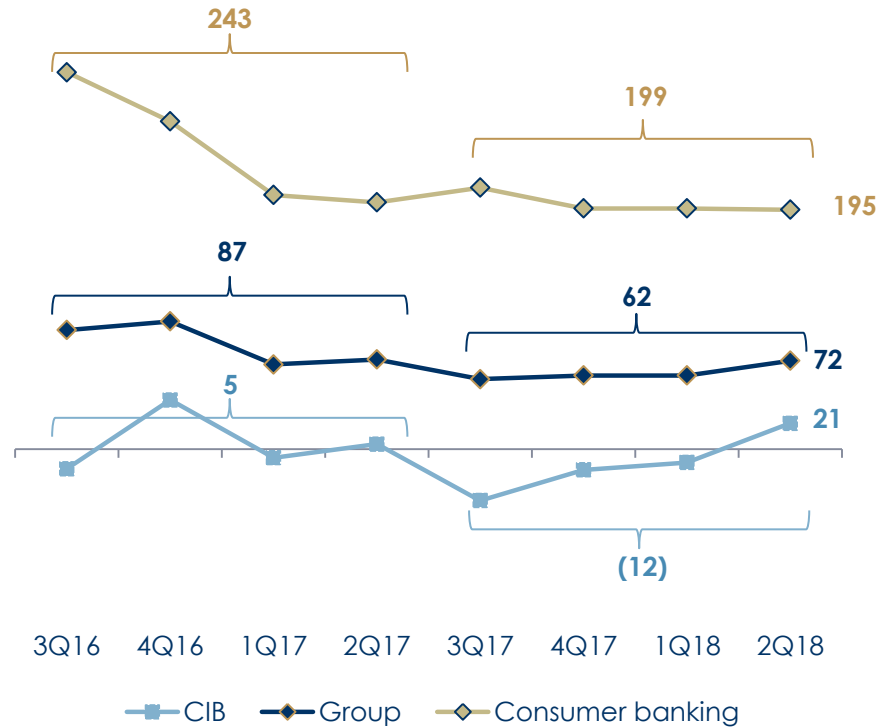
- ◆ **FY18 costs at €1,1bn**, up 9% but **almost stable on like-for like basis**, still including investments in IT/infrastructure upgrade and regulation
- ◆ **Cost base up due to business expansion** (especially in WM, SF and Consumer) **partially offset by savings achieved in WM** (total WM costs stable)

COR DEFLATED, COVERAGE RATIOS UP

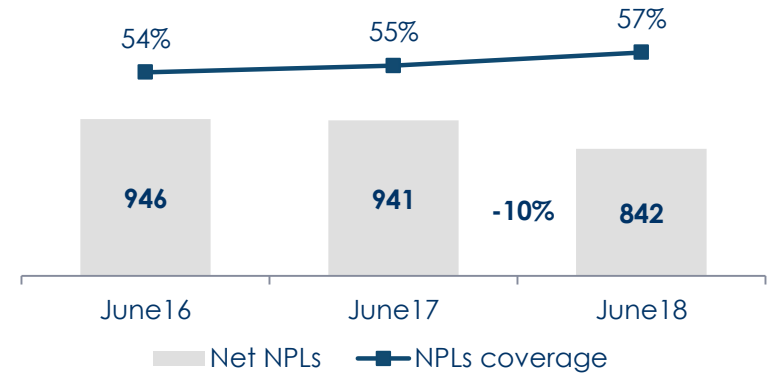
FY18 – Group performance

Section 2

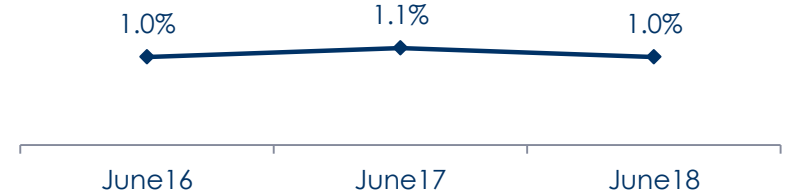
Cost of risk by division (bps)



NPLs ("deteriorate", €m) and coverage (%)



Performing loans coverage (%)



- ◆ **Group cost of risk down to 62 bps**, the lowest level in the last 12Y, **well below BP estimates** (105 bps at June 19)
- ◆ **Consumer** (below 200bps in FY18 and 195 bps in 4Q) **and CIB** (-12bps in FY18) **at their lowest-ever levels**
- ◆ **Gross NPLs down 6%** to €1.9bn (**with incidence of loans** from 5.2% to 4.6%), **coverage ratio up to 57%**

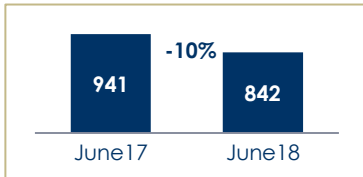
SUPERIOR ASSET QUALITY IMPROVED FURTHER

FY18 – Group performance

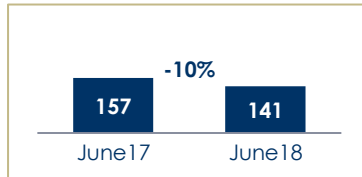
Section 2

Mediobanca Group

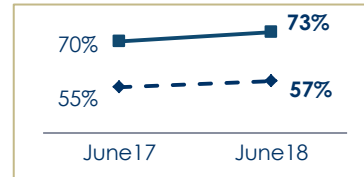
NPLs
("deteriorate")



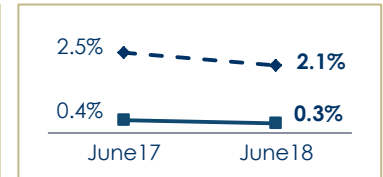
Bad loans
("sofferenze")



Coverage

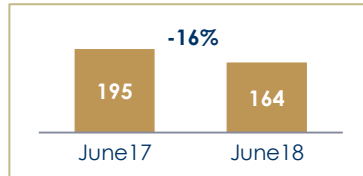


As % of loans

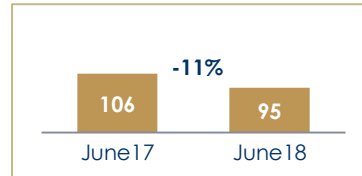


Wealth Management (WM)

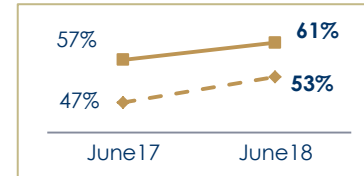
NPLs
("deteriorate")



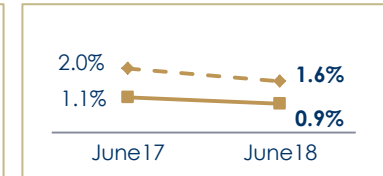
Bad loans
("sofferenze")



Coverage

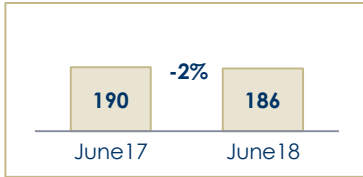


As % of loans



Consumer Banking (CB)

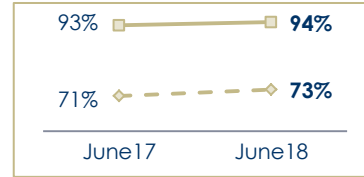
NPLs
("deteriorate")



Bad loans
("sofferenze")



Coverage

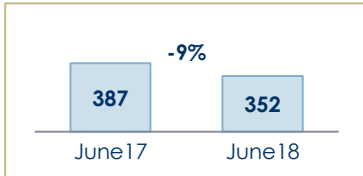


As % of loans

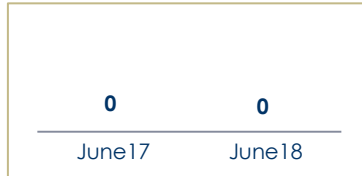


Corporate & Investment Banking (CIB)

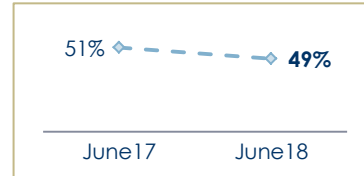
NPLs
("deteriorate")



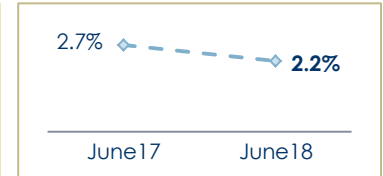
Bad loans
("sofferenze")



Coverage

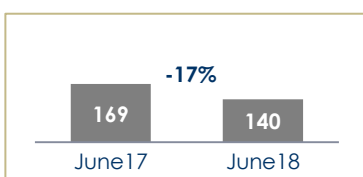


As % of loans

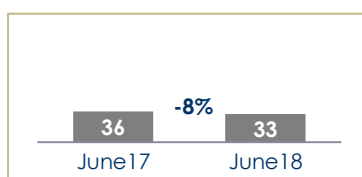


Leasing

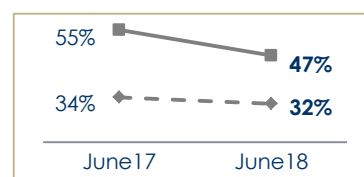
NPLs
("deteriorate")



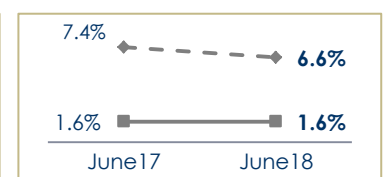
Bad loans
("sofferenze")



Coverage



As % of loans



AGENDA

1. FY18 results – Executive summary
2. Group performance
3. Divisional results
4. Closing remarks

Annexes

1. Quarterly segmental reporting tables
2. Glossary

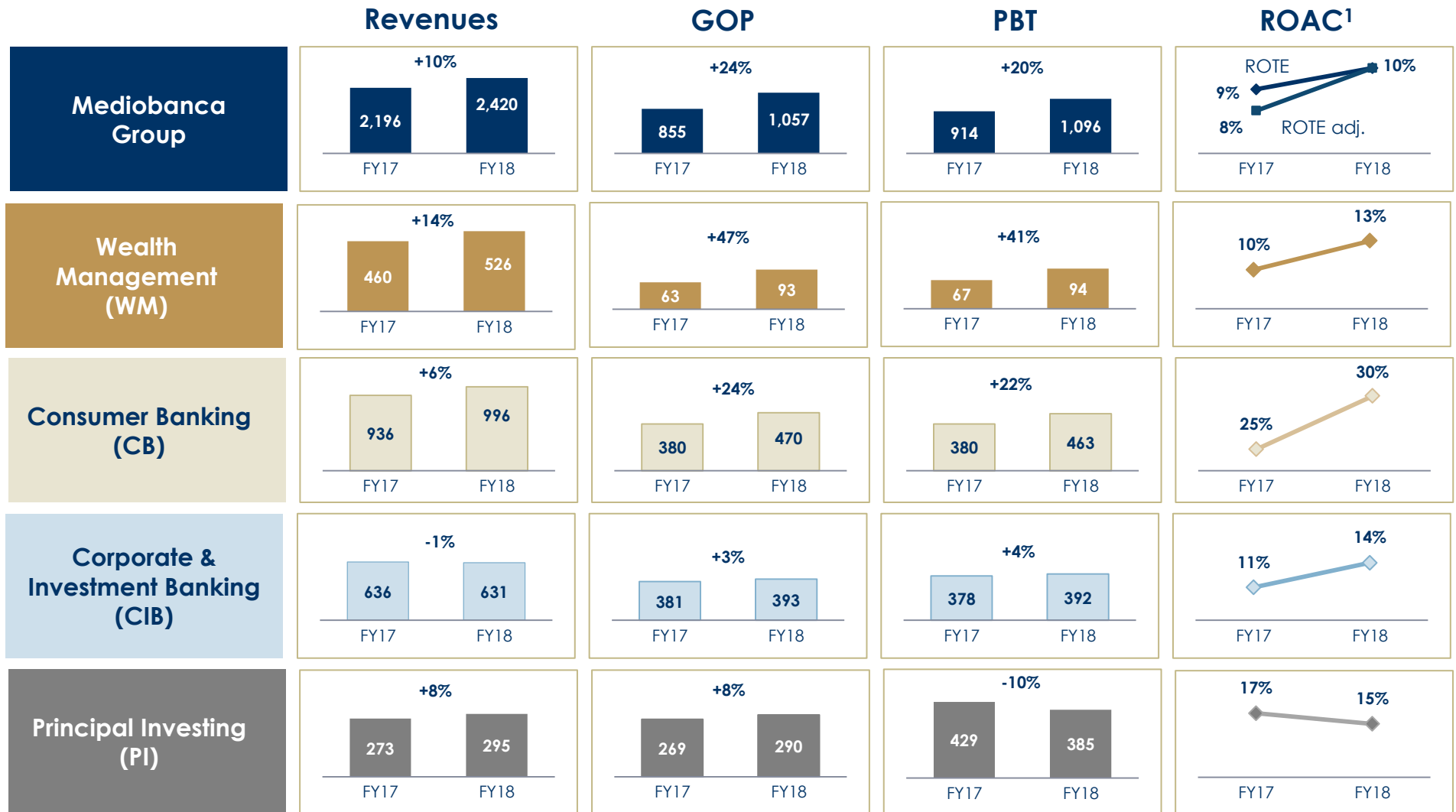


MEDIOBANCA

PROFITABILITY ENHANCED IN ALL DIVISIONS

FY18 – Divisional results

Section 3



1) ROAC adjusted: based on average allocated K = 9% RWAs. RWAs are calculated with STD, apart from CIB corporate portfolio calculated with AIRB in FY18. Gains/losses from AFS disposals, impairments and positive/negative one-off items excluded, normalized tax rate = 33% , 25% for PB



WEALTH MANAGEMENT

Wealth Management (WM)

Affluent & Premier

CheBanca!

Private & HNWI

MB PB

CMB, Spafid

Mediobanca AM

MB SGR, CMG

Cairn, RAM

BP 16/19 MISSION: PRIORITIZE THE DEVELOPMENT OF A SIZEABLE WM PLATFORM INVESTING CAPITAL ORGANICALLY AND THROUGH M&A

FY18 – Divisional results

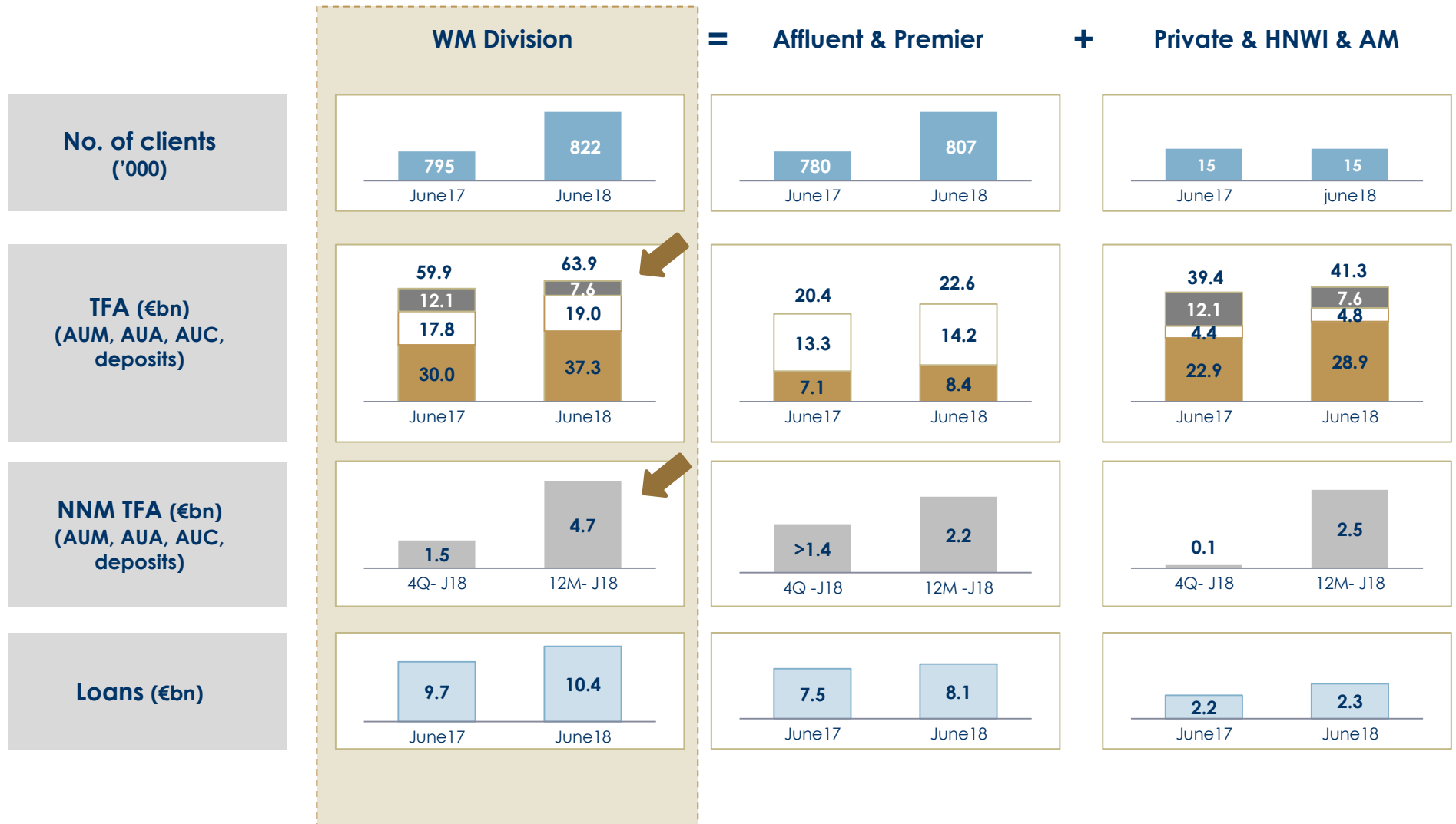
Section 3

	Affluent & Premier	Private & HNWI	Asset management
	CheBanca! EXPLOIT OPTION VALUE	A DEFINITELY DIFFERENT OFFERING	SET UP A SPECIALIZED GROUP AM FACTORY
OBJECTIVES	<ul style="list-style-type: none"> ◆ Innovative offering ◆ Significant earnings growth (g) with low volatility ◆ Visible at MB Group level: obtain scale, also through M&A 	<ul style="list-style-type: none"> ◆ Italy: build up Mediobanca Private Banking brand/offering ◆ Principality of Monaco: leverage CMB ◆ Extract synergies with CIB & AM 	<ul style="list-style-type: none"> ◆ Leverage on MB brand & skills ◆ Serve retail/ institutional MB Group sales network ◆ Increase AUM and WM return
ACTIONS	<ul style="list-style-type: none"> ◆ Confirm digital leadership ◆ Execute Barclays integration, exploit synergies ◆ Build a wealth sales force 	<ul style="list-style-type: none"> ◆ MBPB: integrate and rebrand Esperia, introduce and leverage dual IB-PB coverage ◆ CMB: local consolidator, more closely integrated into MB AM platform 	<ul style="list-style-type: none"> ◆ Upgrade existing factories ◆ Invest in new capabilities/asset classes ◆ Attract talent and managers

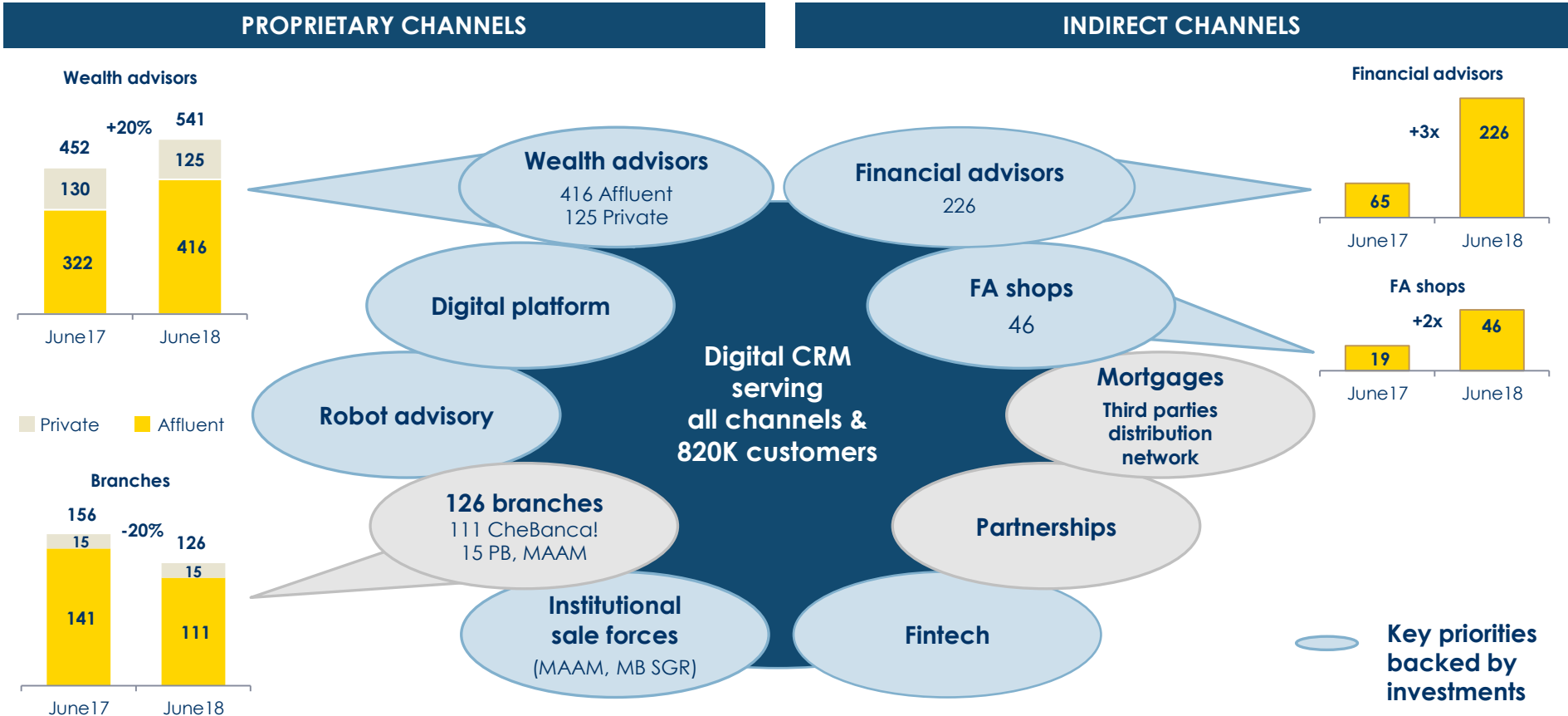
WM: GROWTH DELIVERED IN ALL BUSINESS METRICS

FY18 – Divisional results

Section 3



ENHANCED OMNI-CHANNEL DISTRIBUTION...



- ◆ **Digital platform and CRM continuously empowered**
- ◆ **Wealth advisors up 20%** to 541, driven by CheBanca! enhancement (up 94) and MBPB reshuffle
- ◆ **Financial advisors more than tripled** to 226, FA shops doubled to 46
- ◆ **Rationalization in WM staff, lowered in number** (to 1,888, **down 9%**, RAM 41 employees excl.), **front component increased**
- ◆ **Rationalization in branches:** CheBanca! down by 20% to current 111, PB flat at 15

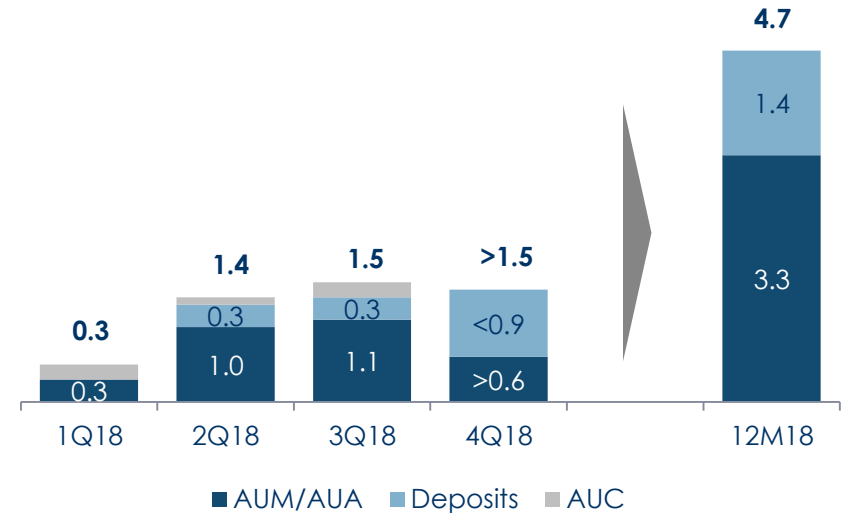
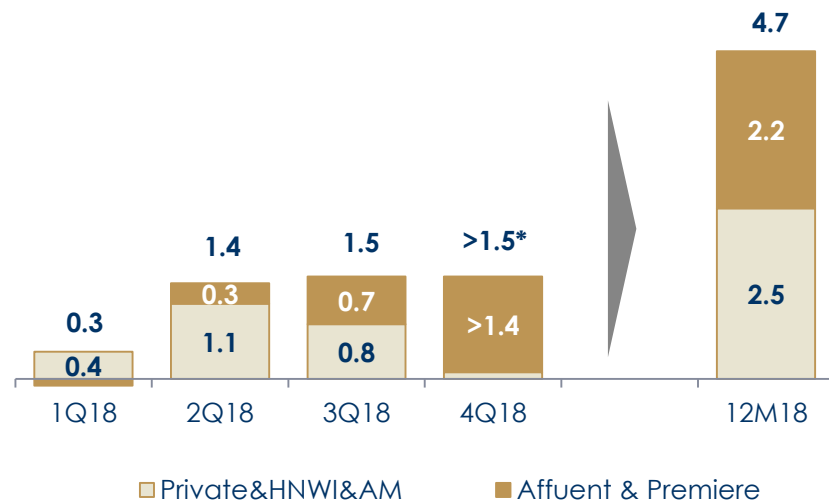
...FOSTERED €5BN IN HIGH-QUALITY NNM BOTH AFFLUENT AND PRIVATE CUSTOMER SEGMENTS UP BOTH AUM/DEPOSITS MATERIALLY INCREASED

FY18 - Divisional results

Section 3

Group TFAs NNM by customer segment (€bn)

Group TFAs NNM by product (€bn)



- ◆ **€4.7bn NNM driven by both Affluent/Private segments**
 - ◆ **CheBanca!: €2.2bn**, 60% due to FAs network and 40% to proprietary sale force enhancement
 - ◆ **MBPB: €1.6bn**, due to rebranding, synergies with IB and hiring of bankers. Last Q NNM impacted by the closure of some institutional mandates at MB SGR
 - ◆ **MAAM: new CLOs launched by Cairn (~€1bn)**

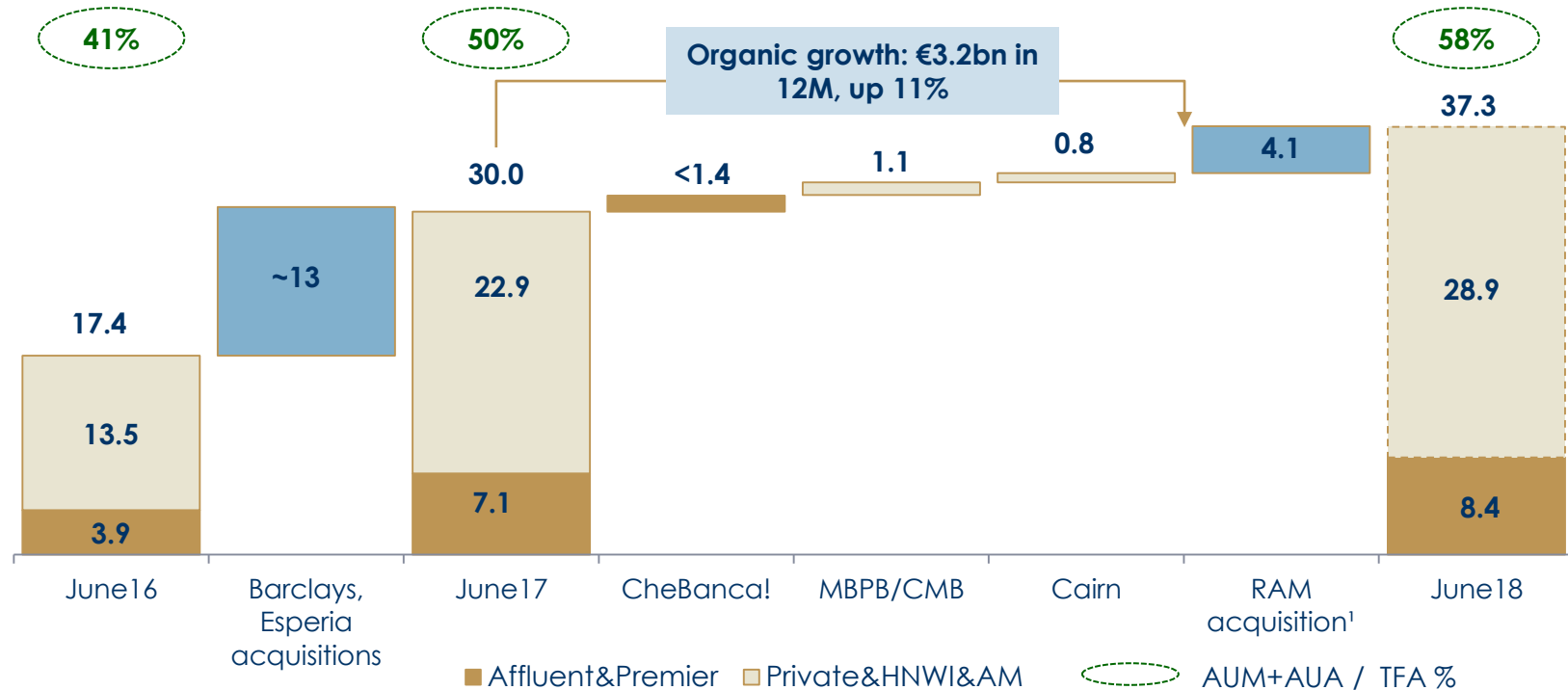
- ◆ **NNM well diversified between AUM and deposits**
 - ◆ AUA/AUM: €3.3bn
 - ◆ Deposits: €1.4bn

AUM/AUA UP 25% TO >€37BN

FY18 - Divisional results

Section 3

Group AUM/AUA trend (€bn)



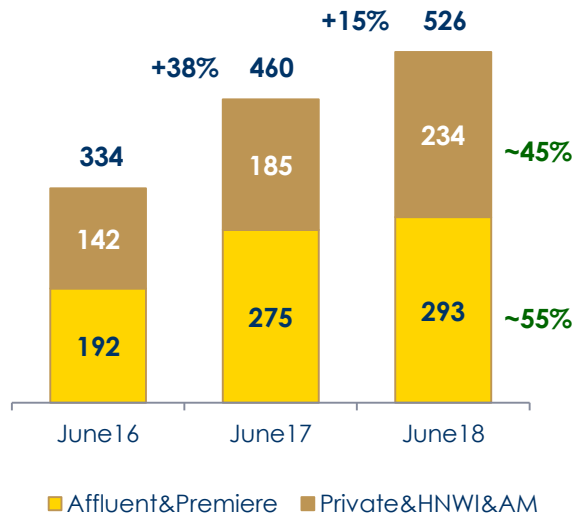
- ◆ **AUM/AUA development continuing fuelled by organic growth** (€3.2bn in last 12M, up 11%) **and M&A** (€4bn RAM)
- ◆ **Growth concentrated in managed assets, now 58% of TFAs** (50% as at June 17, 41% as at June 16)
- ◆ **All segments growing:** Affluent & Premier (CheBanca!) up €1.4bn – Private & HNWI & AM up almost €2bn

REVENUES & GOP SCALING UP WITH SUSTAINABLE MIX

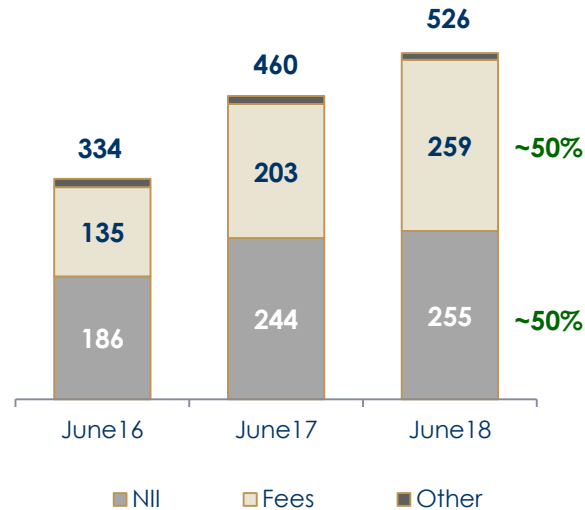
FY18 - Divisional results

Section 3

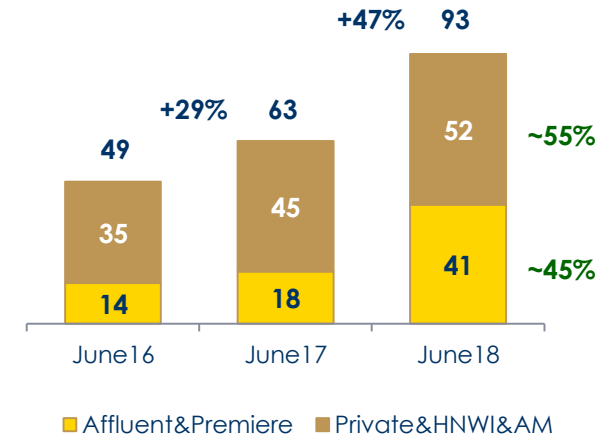
WM revenues by customer segment (12M, €m)



WM revenues by source (12M, €m)



WM GOP by customer segment (12M, €m)



- ◆ **Fast growing income (up 15% YoY to €526m), well diversified**
 - ◆ **by customer segment:** 45% Affluent (€234m) & 55% Private (€293m)
 - ◆ **by income sources:** 50% NII (€255m) & 50% fees (€260m)
- ◆ **Fee income: 80% recurrent (banking and management fees)**
- ◆ **Fair pricing**

- ◆ **GOP becoming material (up 47% to €93m), driven by revenues growth**
- ◆ **GOP well diversified**
 - ◆ 45% Affluent (€41m)
 - ◆ 55% Private (€52m)

WM: €64BN TFA, >€500M REVENUES, 13% ROAC

FY18 – Divisional results

Section 3

Wealth Management (WM)

- ◆ **WM: increasingly visible and valuable**
 - ◆ €526m in revenues, 21% of MB Group
 - ◆ €259m in fees, 40% of MB Group
 - ◆ €64bn of TFAs, €10bn of loans
 - ◆ €69m net profit
 - ◆ **ROAC 13%**
- ◆ **Strong organic growth coupled with M&A** (RAM acquired in March18, €4,1bn AUM)

Affluent & Premier

CheBanca!

- ◆ **CheBanca!: growth resumed**
 - ◆ €2.2bn NNM, evenly split between proprietary network (€0.9bn) and FAs (€1.3bn)
 - ◆ TFAs up 10% to €22.6bn
 - ◆ Mortgages up 8% to €8.1bn
- ◆ **Solid progression in profitability**
 - ◆ Revenues up 7% to €293m
 - ◆ GOP doubled to €41m
 - ◆ Net profit at €28m double FY17 adj. (€15m positive one-off)
- ◆ **ROAC up to 8%**

Private banking – AM – MAAM

MBPB – MBSGR – MAAM

- ◆ **Growth driven by the reshaped distribution model:**
 - ◆ **€2.5bn NNM**, €1.6bn related to HNWI and €0.9bn to MAAM
 - ◆ **TFAs up 5%** to €41.3bn
 - ◆ €33.7bn ~ HNWI
 - ◆ €7.6bn ~ MAAM
 - ◆ **Revenues up 26% to €234m, GOP up 16% to €52m**
 - ◆ **Net profit up 48% to €42m**
 - ◆ **ROAC up to 20%**

WM - €m	June17	June18	Δ
Revenues	460	526	+15%
GOP risk adj.	63	93	+47%
Net profit	55	69	+26%
TFA bn	59.9	63.9	+7%
Loans bn	9.7	10.4	+7%
RWA bn	5.8	5.8	-1%
ROAC	10%	13%	+3pp

Affluent - €m	June17	June18	Δ
Revenues	275	293	+7%
GOP risk adj.	18	41	+2x
Net profit	27	28	+3%
TFA bn	20.4	22.6	+10%
Mortgages bn	7.5	8.1	+8%
RWA bn	3.5	3.7	+6%
ROAC	5%	8%	+3pp

Private B. - €m	June17	June18	Δ
Revenues	185	234	+26%
GOP risk adj.	45	52	+16%
Net profit	28	42	+48%
TFA bn	39.4	41.3	+5%
Loans bn	2.2	2.3	+4%
RWA bn	2.3	2.0	-11%
ROAC	18%	20%	+2pp

CONSUMER BANKING

**Consumer Banking
(CB)**

**Consumer Banking
Compass**



CONSUMER BP 16/19 MISSION - KEEP GROWING LEVERAGING ON STRENGTHS AND MARKET OPPORTUNITIES

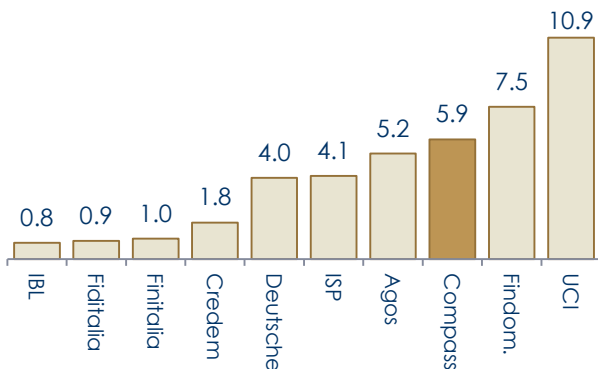
FY18 – Divisional results

Section 3

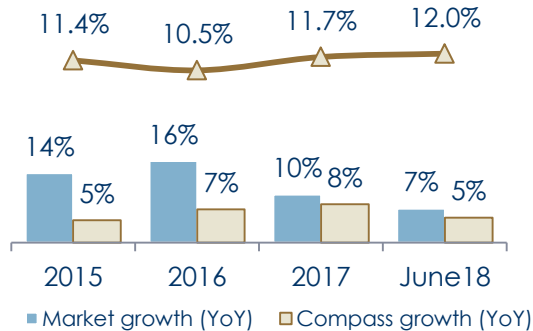
OBJECTIVES	ACTIONS	IMPROVE PROFITABILITY	CONSOLIDATE POSITIONING	EXPLOIT NEW OPPORTUNITIES
		Value management the sole guide	Delivery empower distribution	Innovation in product and channels

In FY18 Compass has achieved record revenues (€1bn), net profit (€315m) and ROAC (30%) driven by strong new loan production, unique integrated distribution, superior credit scoring/pricing capabilities
Always one of the top three Italian operators

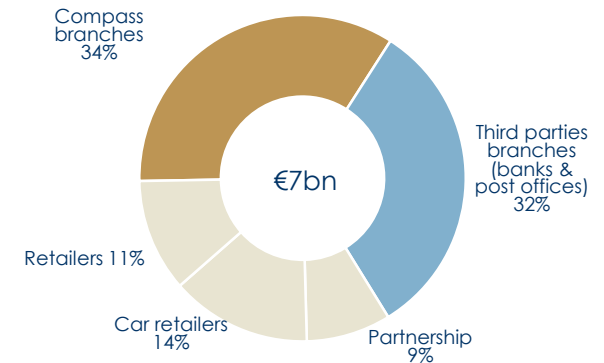
2017 Consumer credit market ranking¹
(new business, €bn)



Compass market shares



Compass distribution²
(% on 2018 new production)



1) Source: Assofin. The new statistics do not include vehicle credit.
2) 170 proprietary Compass branches + indirect distribution (>7,000 third-parties banking branches + 14,000 Bancoposta offices + 17,000 retailers, partnerships)

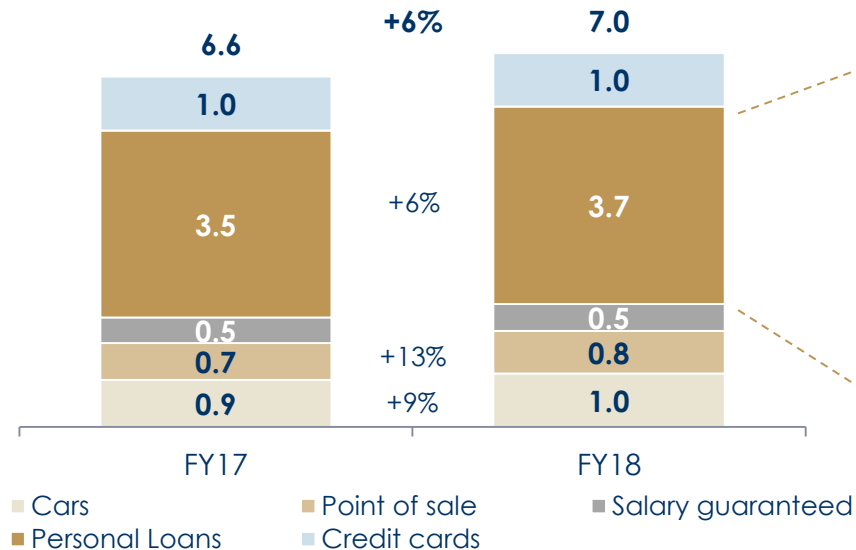


NEW BUSINESS THROUGH ALL DISTRIBUTION CHANNELS

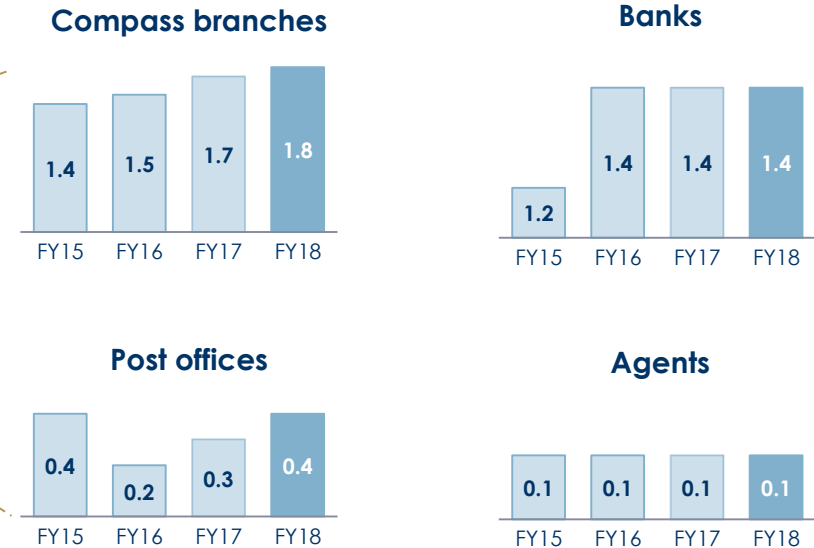
FY18 – Divisional results

Section 3

Compass new business by product (€bn)



Personal loans new business by channel¹ (€m)



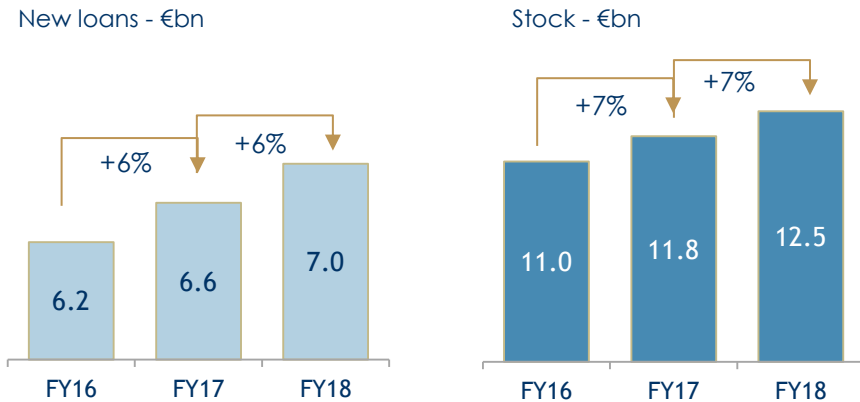
- ◆ **Distribution, the key driver for growth, further enhanced with**
 - ◆ Larger direct distribution: 17 branches opened in last 24m (of which n.7 light), effective and profitable
 - ◆ Several distribution agreements renewal
 - ◆ Digital platform
- ◆ **New business growing (up 6% YoY to €7.0bn) and rebalancing in line with Business Plan guidelines**
 - ◆ **More** personal loans sold through **direct channel** to increase the hold-back value of each loan
 - ◆ **Preserve bank channel** (stable at €1.4bn of new business per year)
 - ◆ Strong performance of Point of sale key for the future repeat business

RECORD REVENUES (€1BN), NET PROFIT (€315M) , ROAC (30%) ACHIEVED

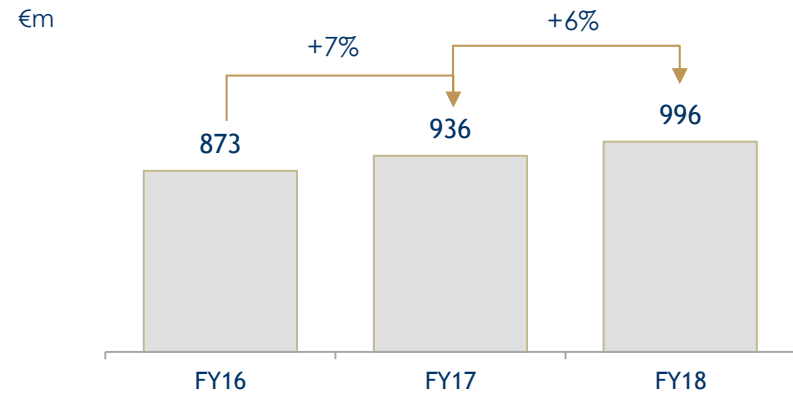
FY18 – Divisional results

Section 3

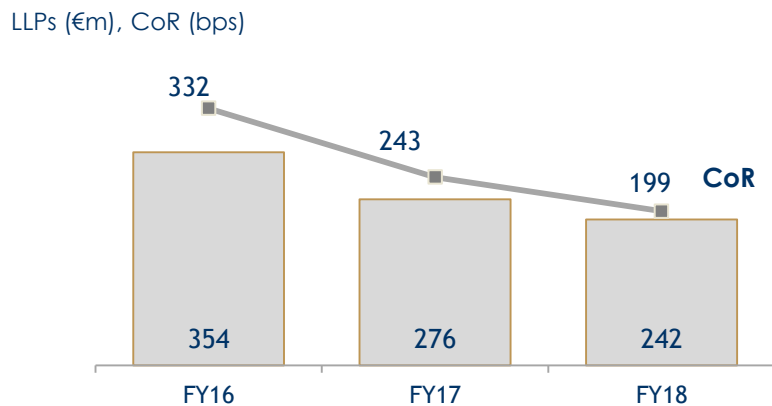
New loans reverted to high single-digit stock growth...



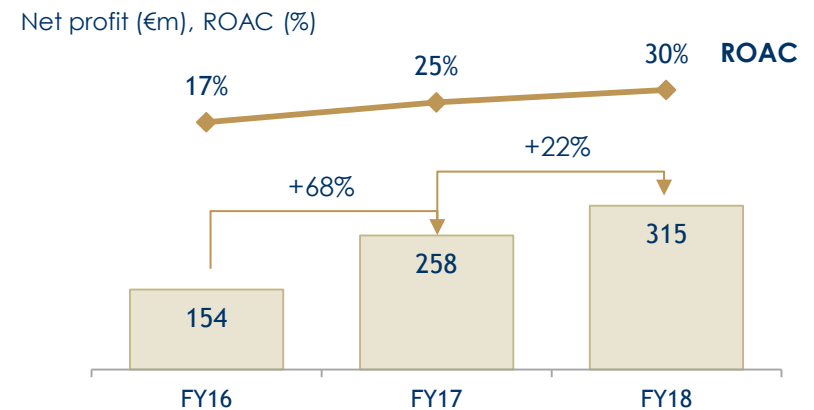
... fostering revenues growth ...



... and substantial CoR reduction...

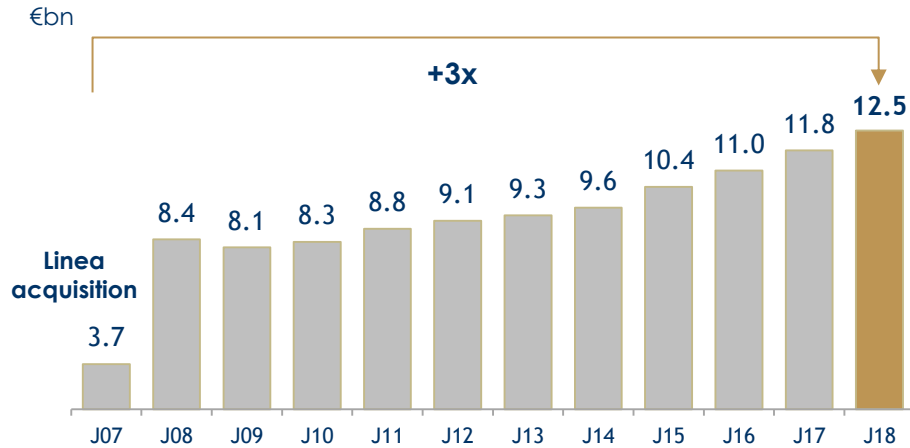


... driving net profit and ROAC to new highs

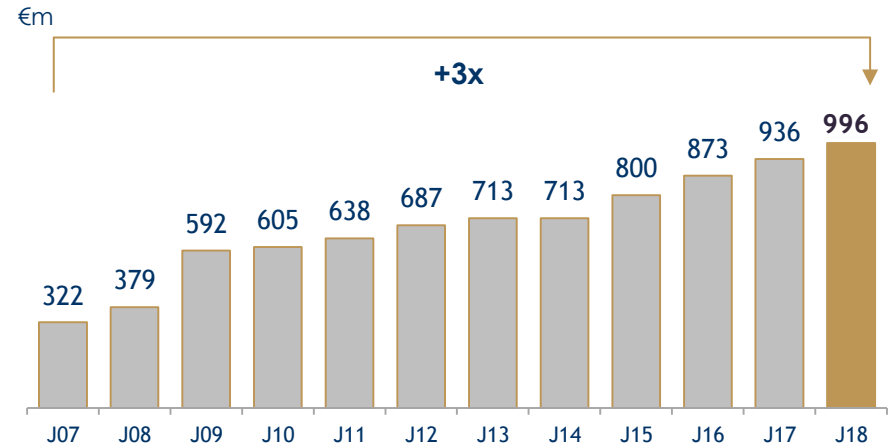


IN LAST 10Y IMPRESSIVE RESULTS DELIVERED OVER THE WHOLE CYCLE THROUGH ORGANIC GROWTH AND M&A

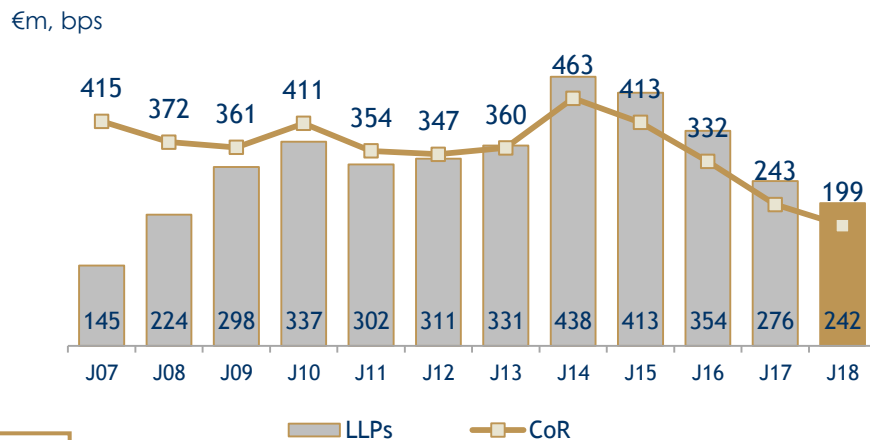
In the last 10Y, Compass's loan book tripled...



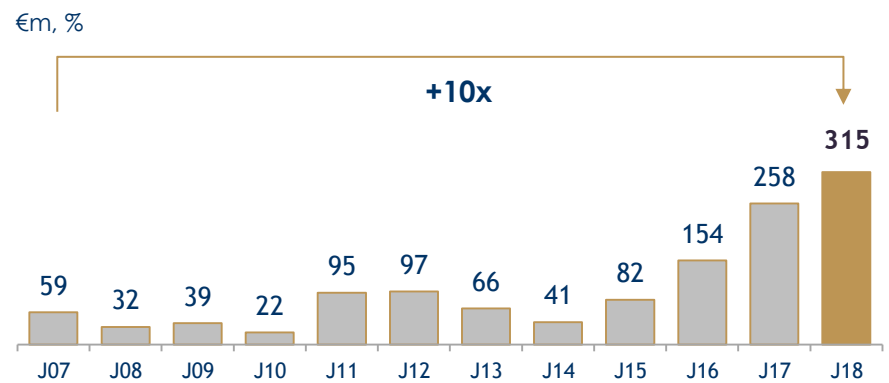
... as did its revenues ...



... while accurate risk assessment shrunk CoR...



...with net profit up 10x to record levels



CORPORATE & INVESTMENT BANKING

**Corporate & Investment
Banking (CIB)**

**Corporate & Investment
Banking**

Specialty Finance

CIB BP 2016/19 MISSION - INCREASE PROFITABILITY LEVERAGING ON STRENGTHS AND MARKET OPPORTUNITIES

FY18 – Divisional results

Section 3

	Wholesale Banking	Factoring	Credit Management
	IMPROVE PROFITABILITY FURTHER	BECOME A TOP 10 OPERATOR	LEVERAGE LONG-STANDING SKILLS
OBJECTIVES	<ul style="list-style-type: none"> ◆ Strengthen MB positioning in Italy- Southern EU ◆ Exploit market opportunities ◆ Reduce RWA density 	<ul style="list-style-type: none"> ◆ From ancillary to valuable business, increasing in size ◆ Seize new opportunities (clients/distribution/M&A) 	<ul style="list-style-type: none"> ◆ Exploit long wave of ITA NPLs ◆ Enhance effectiveness ◆ Grow business with M&A
ACTIONS	<ul style="list-style-type: none"> ◆ Empower client coverage ◆ Strengthen MidCap platform, including through closer integration with SF-PB Group companies ◆ RWA optimization/AIRB adoption 	<ul style="list-style-type: none"> ◆ Enlarge distribution (third parties, banks) ◆ Enlarge customer base (Mid-PA) ◆ Full integration with MB lending product offering 	<ul style="list-style-type: none"> ◆ Enter corporate/ secured mkt ◆ Optimize collection practices ◆ Keep discipline and selective growth in NPLs acquisition

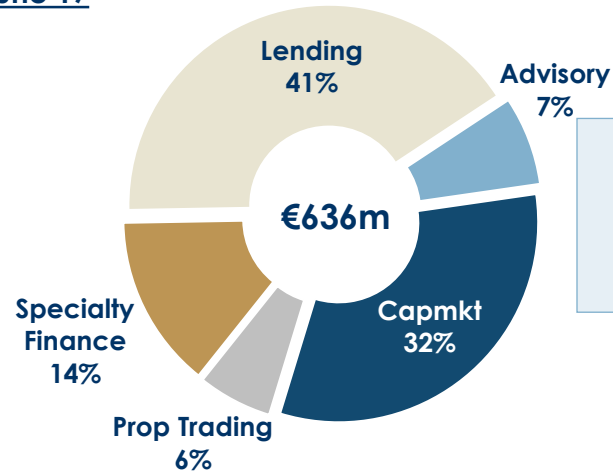
REVENUES RESILIENT DUE TO STRONGER M&A AND SPECIALTY FINANCE

FY18 - Divisional results

Section 3

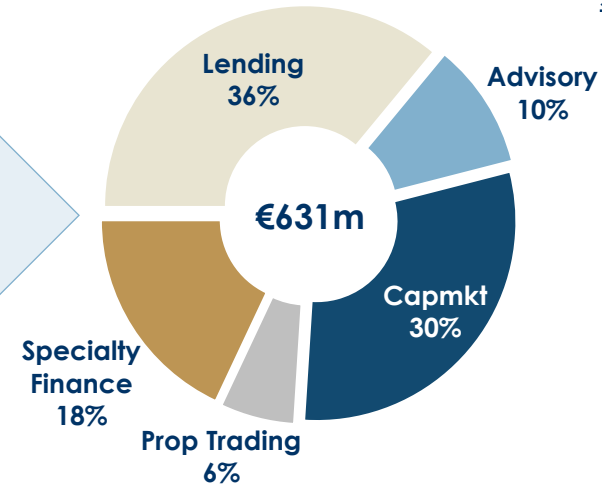
CIB revenues YoY trend (€m, 12M)

June 17



~55% Financing
~40% IB (M&A+Capmkt)
~5% Trading

June 18



◆ **12M revenues resilient at over €630m, with:**

- ◆ **Steady contribution of IB business (M&A and Capmkt) which represents ~40% of CIB revenues (~€250m):** in the last 12M DCM, CMS and Advisory activities have increased, offsetting the reduction in ECM. MidCap segment to become soon a visible revenue generator
- ◆ **Steady contribution of financing activity which represents ~55% of CIB revenues:** in last 12M Specialty finance growth offset large corporate NII reduction, due to margin pressure and higher-rating new business
- ◆ **Positive but low contribution from Prop Trading business which represents ~5% CIB revenues**

LEADING POSITION IN M&A ...

FY18 – Divisional results

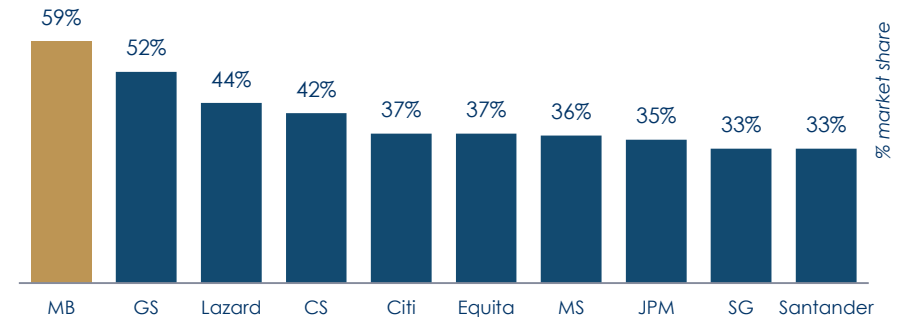
Section 3

- ◆ **Involved in all industry-shaping deals of 2017-18**, including F2i and Mediaset tender offer for EI Towers, the acquisition of Abertis by Atlantia, the reorganization of Enel LatAm, Prysmian's acquisition of General Cable, the strategic partnership between ISP and Intrum and the MPS restructuring plan and loan disposal, GOP acquisition of NTV
- ◆ **Strong ties with all other IB departments** guarantee a complete product offering to the customer

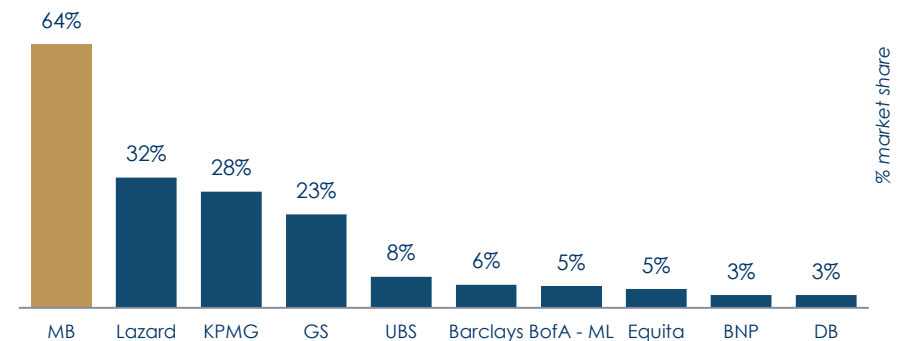
Largest M&A Transactions since July 2017

<p>Announced – July 2018</p> <p>EI TOWERS</p> <p>F2i MEDIASET</p> <p>€1.9bn</p> <p>F2i and Mediaset to launch a Voluntary Tender Offer on EI Towers</p> <p>Financial Advisor to F2i and Mediaset</p>	<p>May 2018</p> <p>CREDIT AGRICOLE</p> <p>Undisclosed Acquisition of</p> <p>BANCA LEONARDO</p> <p>Buy Side advisor</p>	<p>April 2018</p> <p>cellnex</p> <p>driving telecom connectivity</p> <p>€1.5bn</p> <p>Disposal of 29.9% of Cellnex from Atlantia to Edizione</p> <p>Financial advisor to Atlantia</p>	<p>Announced – April 2018</p> <p>intrum</p> <p>€3.6bn</p> <p>reached an agreement with INTESA SANPAOLO to form a strategic partnership involving the establishment of the NPLs servicing platform servicing c. €40bn and the acquisition of a €10.8bn GBV NPLs portfolio</p> <p>Financial Advisor to Intrum</p>
<p>Announced – April 2018</p> <p>ATHORA</p> <p>€540m</p> <p>Acquisition of</p> <p>GENERALI</p> <p>Financial Advisor to Athora</p>	<p>March 2018</p> <p>enel</p> <p>Chile enel Generación Chile</p> <p>USD5.0bn</p> <p>Merger of Enel Chile with Enel Green Power in Chile and tender offer for 100% of Enel Generación Chile</p> <p>Financial Advisor to Enel</p>	<p>Announced – February 2018</p> <p>BNP PARIBAS SECURITIES SERVICES</p> <p>€200m</p> <p>Acquisition of</p> <p>BANCO BPM</p> <p>Depository banking business</p> <p>Financial Advisor to Banco BPM</p>	<p>Announced – February 2018</p> <p>italo</p> <p>GLOBAL INFRASTRUCTURE PARTNERS</p> <p>€2.5bn</p> <p>Acquisition of 100% of Italo – Nuovo Trasporto Viaggiatori</p> <p>Financial Advisor to Global Infrastructure Partners</p>
<p>Announced – January 2018</p> <p>YOOX NET-A-PORTER GROUP</p> <p>€5.3bn</p> <p>Richemont to launch a Voluntary Tender Offer on all the ordinary shares of YNAP</p> <p>Financial Advisor to YNAP</p>	<p>Announced – December 2017</p> <p>General Cable Prysmian</p> <p>Group</p> <p>\$3.0bn</p> <p>Acquisition of 100% in General Cable by Prysmian</p> <p>Financial Advisor to Prysmian</p>	<p>December 2017</p> <p>ANIMA</p> <p>€820m</p> <p>Acquisition of ALETTI GESTIELLE SGR</p> <p>And the transfer of delegated portfolio management activities from</p> <p>BANCO BPM</p> <p>Buy-side Advisor</p>	<p>Announced – July 2017</p> <p>MONTE DEI PASCHI DI SIENA</p> <p>€8.1bn</p> <p>Precautionary recapitalization of BMPS</p> <p>€28.6bn</p> <p>Disposal of GBV bad loans</p> <p>Financial Advisor to MPS</p>

M&A CF Italy – Announced deals (July 2017 – June 2018)



M&A FIG Italy – Announced deals (July 2017 – June 2018)



... EQUITY CAPITAL MARKETS AND CASH EQUITY

FY18 – Divisional results

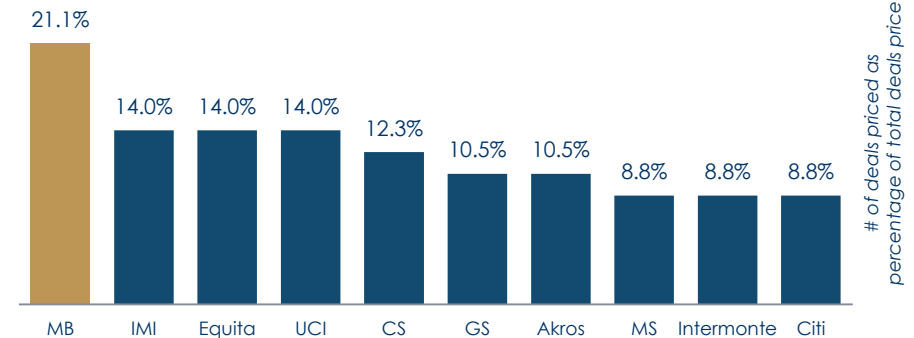
Section 3

- ◆ **Mediobanca boasts an unrivalled track record in Italian ECM transactions**, managing virtually all the largest deals as Global Co-ordinator
- ◆ **Growing leadership in Southern European markets**, as the second-ranking bank by market share in the last financial year
- ◆ Cash equity: **Mediobanca Securities (MBS) the best equity brokerage house in Italy confirmed for the fourth year in a row** (Extel Survey*)

 BPER: Banca €74m Reverse ABB Joint Bookrunner	 CAREL €290m IPO Joint Global Coordinator, Joint Bookrunner & Sponsor	 cellnex driving telecom connectivity €213m ABB Sole Bookrunner	 ANIMA €300m Rights Issue Joint Global Coordinator & Joint Bookrunner	 Credito Valtellinese €700m Rights Issue Sole Global Coordinator & Joint Bookrunner	 BANCA FARMAFACTORING €99m ABB Joint Global Coordinator & Joint Bookrunner
 ALPI €100m IPO Sole Global Coordinator & Joint Bookrunner	 BRUNELLO CUCINELLI €106m ABB Sole Global Coordinator & Bookrunner	 EQUITA €45m IPO Sole Global Coordinator, Bookrunner & Nomad	 Liberbank €500m Rights Issue Joint Bookrunner	 PIRELLI €2,385m IPO Joint Bookrunner	 GIMATT €424m IPO Joint Global Coordinator & Joint Bookrunner
 SPACTIV €90m IPO Joint Global Coordinator & Joint Bookrunner	 unieuro €56m ABB Joint Global Coordinator & Joint Bookrunner	 Santander €7,072m Rights Issue Joint Bookrunner	 EPS €150m IPO Joint Bookrunner		

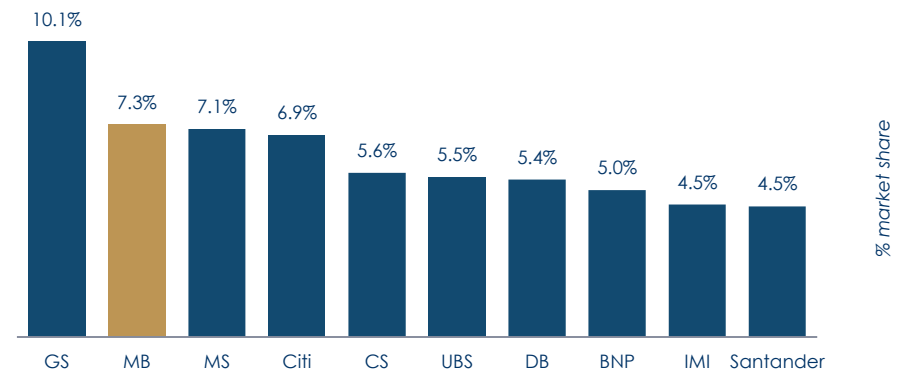
Bookrunner Italy ECM (exclud. convertibles)

(July17 - June18)



Bookrunner Southern Europe¹ ECM

(exclud. convertibles) (July17 - June18)

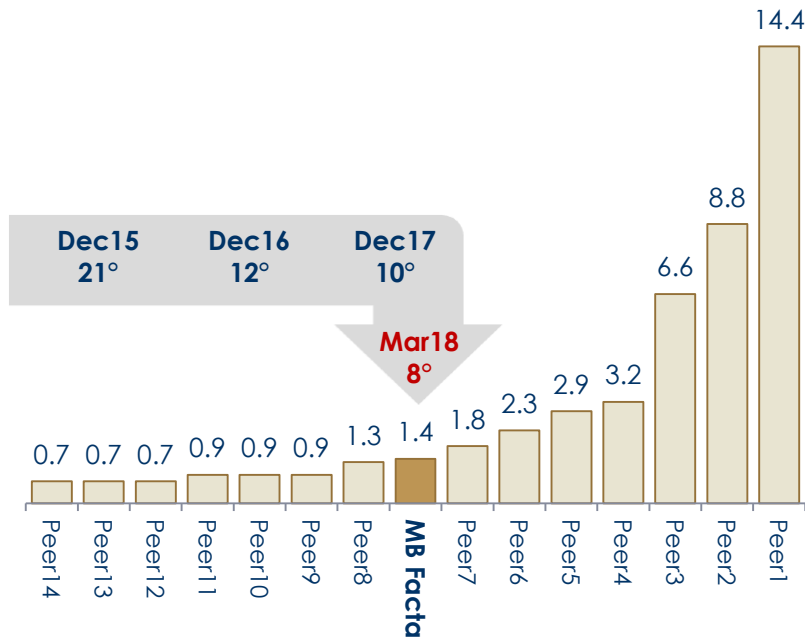


SPECIALTY FINANCE: INTENSE ACTIVITY SUPPORTING GROWTH

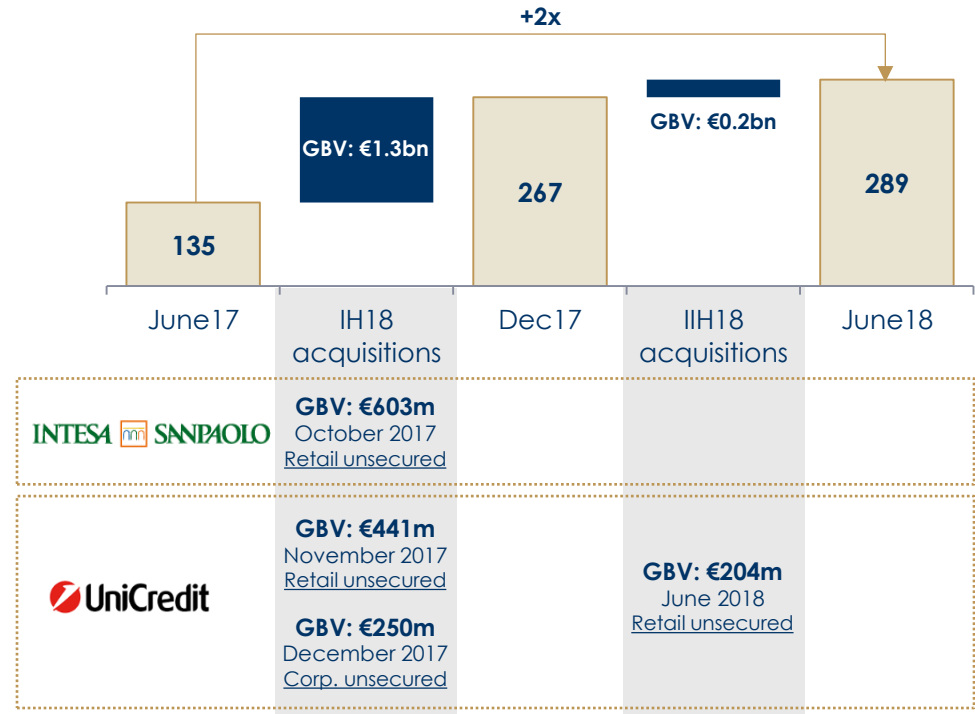
FY18 - Divisional results

Section 3

MBFacta market positioning (turnover as at Mar18, €bn, Assifact)



MBCredit Solution loan book trend (€m)



- ◆ **MBFacta: one of the top ten players in Italy** (eighth as at March 2018). Loan book up 23% YoY (from €1.5 to €1.8bn). In FY18 revenues up 22% to €43m (almost entirely due to NII)
- ◆ **MBCredit Solutions: significant presence on the market in the past 12m. Net loan book up 2x** (from €135m to €289m) after €1.5bn GBV portfolios acquired (reaching a total amount above €4bn). In FY18 revenues up 40% to €72m (60% fees, 40% NII)

CIB: ROAC UP TO 14%

FY18 – Divisional results

Section 3

Corporate & Investment Banking (CIB)

- ◆ **Net profit up 4% to €264m**
 - ◆ Revenues almost stable with product diversification offsetting NII weakness
 - ◆ Negative CoR due to writebacks
- ◆ **RWAs down 16%** on corporate portfolio AIRB validation
- ◆ **ROAC up to 14%**

CIB - €m	June17	June18	Δ
Revenues	636	631	-1%
ow Fees	250	254	+2%
GOP risk adj.	381	393	+3%
Net profit	254	264	+4%
RWA bn	23	20	-16%
CoR bps	5	-12	-17
ROAC	11%	14%	+3pp

Wholesale Banking (WB)

Fee-driven business
RWA optimized

- ◆ **K-light: strong fee contributor** (35% of total Group fees)
- ◆ **Asset-driven business: excellent asset quality but lending impacted by lower spreads**
- ◆ **RWA optimization:** down ~€5.1bn due to AIRB benefits, market risk optimized in previous Q
- ◆ **ROAC up to 13%**

WB - €m	June17	June18	Δ
Revenues	550	516	-6%
ow Fees	207	207	-
GOP risk adj.	353	347	-1%
Net profit	232	233	-
RWA bn	22	17	-19%
CoR bps	-11	-33	-22
ROAC	11%	13%	+2pp

Specialty Finance (SF)

Becoming visible
Diversified revenue mix

- ◆ **Revenue up 33%, now representing 18% of CIB income**
- ◆ **Revenue mix diversified**
 - ◆ NII up 54% driven by factoring and credit management
 - ◆ Fees up 11% driven by credit management
- ◆ **ROAC at 18%**

SF - €m	June17	June18	Δ
Revenues	86	115	+33%
ow Fees & oth.inc.	42	47	+11%
GOP risk adj.	28	46	+62%
Net profit	22	31	+42%
RWA bn	1.6	2.1	+34%
CoR bps	182	136	-46
ROAC	16%	18%	+2pp

PRINCIPAL INVESTING

**Principal Investing
(PI)**

Principal Investing

Ass. Generali

AFS stake ptf

BP16-19 MISSION IN PRINCIPAL INVESTING

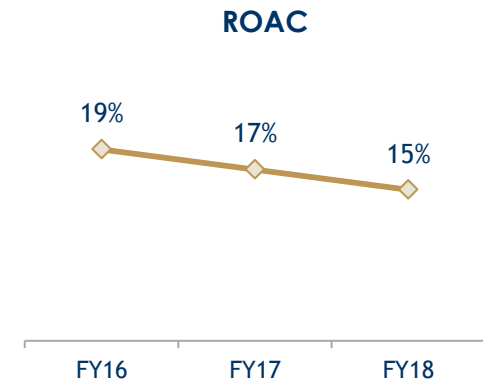
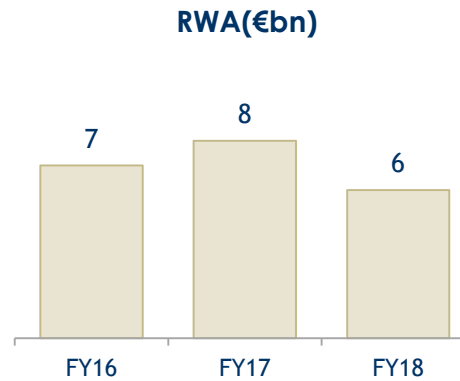
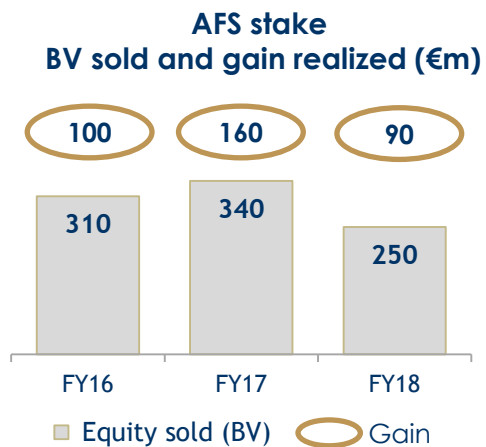
CONTINUE DELEVERAGING

FY18 – Divisional results

Section 3

OBJECTIVES	ACTIONS	Continue disposals	Optimize capital	Value management
		<ul style="list-style-type: none"> €1.3bn BV disposals - AG stake from 13% to 10% - €0.6bn AFS stake disposals 	<p>RWA reduction from €7bn to €2bn</p>	<p>Halve contribution to Group GOP (to 20%)</p> <p>ROAC > CoE despite regulations</p>

Disposals continued in FY18 (€250m) with €90m gains
 In last 2Y €0.6bn AFS equity sold, 2019 target already reached
 ROAC reduced as expected due to higher deductions (AG)



DELEVERAGING ONGOING – ROAC 15%

FY18 – Divisional results

Section 3

KPIs (€m)

PI - €m	June17	June18	Δ
Revenues	273	295	+8%
Gain from disposals/ impairments	162	96	-40%
Net profit	422	374	-11%
BV bn	3.7	4.0	+7%
NAV bn	3.6	3.7	+2%
RWA bn	7.7	6.3	-191%
ROAC	17	15	-2pp

Main equity investments as at June 2018 (€m)

Company	%	Book value €m	AFS reserve
Ass.Generali	13.0%	3,171	n.m. ¹
Italmobiliare	6.1%	61	37
RCS MediaGroup	6.6%	37	15
Seed capital		334	7
Private equity		71	23
Other listed equities		141	(1)
Other unlisted equities		142	11
Total		3,957	92

- ◆ **Revenues stably high** with higher dividend on AFS shares (up 31%) and higher AG contribution (up 6%)
- ◆ **FY18 equity disposals:** 1.4% of Atlantia (€250m BV with €89m gains in 1Q18).
- ◆ **ROAC at 15%** (from 17%) due to higher deductions related to Ass.Generali stake (higher BV, Concentration limit)

HOLDING FUNCTIONS

Holding Functions

Group ALM & Treasury

Leasing

BP16-19 MISSION IN HOLDING FUNCTIONS CONTINUE OPTIMIZING

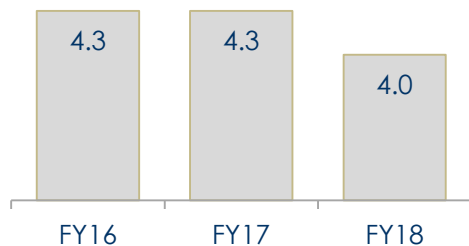
FY18 – Divisional results

Section 3

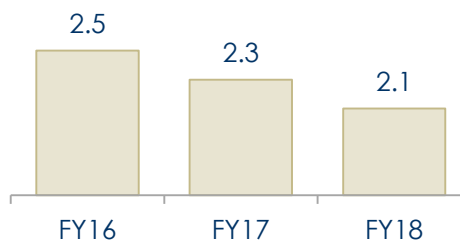
OBJECTIVES	ACTIONS	Treasury ALM	Leasing	Central costs
		Reduce K absorbed Improve NII	Ordered deleverage Support MidCaps platform	Reduce special project costs Synergies on acquisitions

The Holding Functions were created to support the Group's growth path more efficiently
In FY18 we have reduced loss, become more efficient in liquidity and RWA management,
and kept costs under control

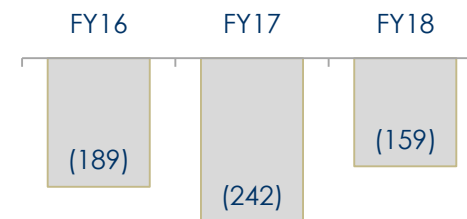
RWAs (€bn)



Leasing loans (€bn)



Total net loss (€m)

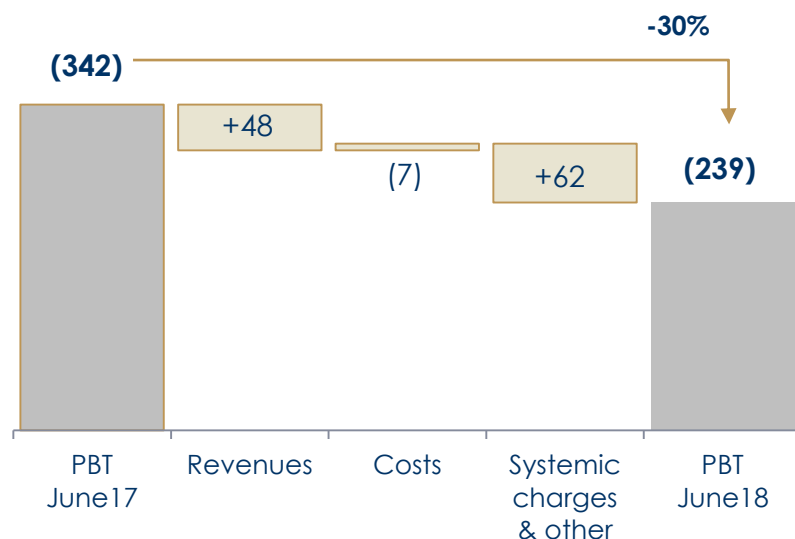


LOSS REDUCED, COST UNDER CONTROL

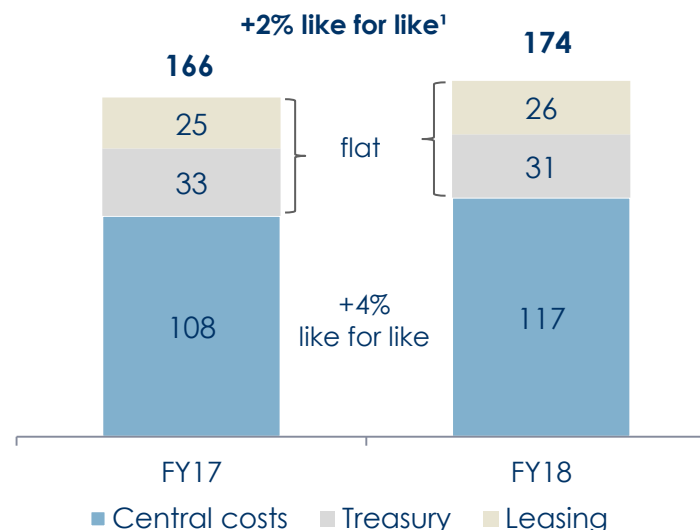
FY18 – Divisional results

Section 3

Loss trend (€m)



Cost trend (€m)



- ◆ **Loss reduced by ~€100m** (PBT from -€342m to -€239m) due to NII improvement, cost control and lower systemic charges (from €103m to €49m)
- ◆ **Subdued cost increase** (up 4%, **up 2% like for like** excluding the transfer of former B.Esperia central functions¹):
 - ◆ **Costs related to business** (leasing and treasury functions), representing ~1/3 of total, **flat with staff flat** (leasing at 142, Treasury at 32)
 - ◆ **Central costs² up 8%, up 4% like for like¹ - with staff decreasing by 5% to 565² - due to increasing costs for regulation and technological development**

1) Ex Esperia staff (62 as at June 18)

2) Central costs include/refer to: Board of Directors, Senior Management, Audit, Legal, HR, Organization, Risk Management, Corporate Affairs, Investors Relation, Communication, Sustainability, Compliance, Planning, Accounting and Reporting, Technology and Operations, R&S (Ricerche e Studi)

HOLDING FUNCTION: ALM OPTIMIZED, LOSS REDUCED

FY18 – Divisional results

Section 3

Holding Functions (HF)

- ◆ **Net loss reduced to €159m due to** Improved NII, lower provisions to DGS and FITD funds
- ◆ **RWA** down 4% to €4,1bn due to leasing loan book reduction

Treasury, ALM, central functions

Optimization

- ◆ **NII strongly improved**
- ◆ **Liquidity optimization:** treasury down 19% to €13.3bn with **LCR ratio down from 256% to 186%**, liquidity reduction coupled with loan growth (up 8% YoY)
- ◆ **Reduced CoF.** In FY18:
 - ◆ €4bn bond issued @~50bps vs €4bn maturities @140bps

Leasing

Ordered deleverage ongoing

- ◆ **Selective new business** matched with **old portfolio runoff**
- ◆ **Steady improvement** in asset quality: Net NPLs reduced by 17% to €140m
- ◆ **Net profit up to €5m**

HF - €m	June17	June18	Δ
Revenues	(57)	(9)	nm
GOP risk adj.	(235)	(190)	nm
Net profit	(242)	(159)	nm
Loans (€bn)	2.3	2.1	-7%
RWA (€bn)	4.3	4.0	-7%

ALM-Treasury-CF €m	June17	June18	Δ
Revenues	(104)	(57)	nm
GOP risk adj.	(245)	(204)	nm
Net profit	(230)	(163)	nm
RWA (€bn)	2.3	2.1	-6%

Leasing - €m	June17	June18	Δ
Revenues	48	48	-
GOP risk adj.	11	14	+36%
Net profit adj.¹	3	5	+60%
Loans (€bn)	2.3	2.1	-7%
RWA (€bn)	2.1	1.9	-9%



AGENDA

1. FY18 results – Executive summary
2. Group performance
3. Divisional results
4. Closing remarks

Annexes

1. Quarterly segmental reporting tables
2. Glossary



MEDIOBANCA

READY TO COPE WITH A MORE VOLATILE MACRO SCENARIO LEVERAGING ON A CONTAINED GROUP RISK PROFILE

Closing remarks – What's next

Section 4

Low and diversified bond exposure

- ◆ **MB has a low exposure to Italian Govies in banking book:** €2.7bn, corresponding to ~40% of CET1 vs ~90% average of Italian banks. Duration 2.6Y
- ◆ **No “indirect” exposure through Ass.Generali**
 - ◆ AG proprietary exposure almost fully hedged through CET1 deduction mechanism
 - ◆ Domestic govies exposure largely in customer products

Effective funding structure and high liquidity

- ◆ **Effective MB Group funding structure**, diversified by channels, customers and instruments
- ◆ **LCR ratio at a comfortable 186% level**
- ◆ **High free eligible assets** (over €10bn) representing more than two years bond maturities (€3bn/4bn per year)
- ◆ **MB bonds:** cost of new issues still expected lower than historical cost (@160bps) of €3.5bn bonds expiring in FY18/19

Strong asset quality

- ◆ **NPLs/Ls at 4.6% gross and 2.1% net, decreasing over time** (5.7% & 2.7% in FY16)
- ◆ **Texas ratio 13%**
- ◆ CoR FY18 down to ~62bps due to writeback in CIB and lowest-ever lever in Consumer Banking
- ◆ **CoR expected to stay low also in 2019** as
 - ◆ new loan business concentrated in “quality” segments
 - ◆ consumer CoR marginally up

High capital generation

- ◆ **High capital generation in the past:** CET1 FY18 at 14.2%¹ increasing 200bps over past 2Y (12.1% at June16)
- ◆ **Future capital generation expected to stay high** as
 - ◆ no regulatory impact on CET1 ahead
 - ◆ RWA savings expected from AIRB validation on mortgages
 - ◆ AG disposal offsetting Danish Compromise ending as from Jan19

PLAYING OUR 2019 STRATEGIC ROADMAP...

	June 16	June 17	June 18	June 19
WEALTH MGT				
Affluent & Premier: CBI		<ul style="list-style-type: none"> ◆ Barclays integration completed ◆ AUM growth resumed (up €1.4bn) due both to FA hirings (160 up to 226) and proprietary advisors 		<ul style="list-style-type: none"> ◆ Growing up in size and ROAC leveraging distinctive DNA: the human-digital bank, with a genuine omni-channel approach, for the current/next wealth generation
Private Banking: MBPB		<ul style="list-style-type: none"> ◆ BE merger completed, rebranded as MBPB <ul style="list-style-type: none"> ◆ network empowering, AUM growing (up €0.8bn) ◆ mid caps./private double-coverage instituted 		<ul style="list-style-type: none"> ◆ Improve profitability, leverage new product offering, customer clustering ◆ Selective banker hirings, M&A scouting
Private Banking: CMB		<ul style="list-style-type: none"> ◆ Organic growth, strong IT investments 		<ul style="list-style-type: none"> ◆ Organic growth/possible local consolidator
Asset Management		<ul style="list-style-type: none"> ◆ Cairn: new CLOs launched ◆ RAM acquisition closed (AUM up €4bn) ◆ MBSGR set up (fund selection, asset allocation) 		<ul style="list-style-type: none"> ◆ Empower/top up distribution ◆ Exploit synergies within MB Group ◆ M&A scouting
CONSUMER		<ul style="list-style-type: none"> ◆ Impressive performance via value-mgt. approach ◆ Margin resilience, CoR at its lows ◆ Direct distribution network enhanced 		<ul style="list-style-type: none"> ◆ Consolidate all-time high profitability ◆ Further enhance proprietary distribution ◆ M&A scouting ongoing
CIB				
Wholesale Banking		<ul style="list-style-type: none"> ◆ New organization and responsibilities ◆ Higher productivity/less concentration ◆ AIRB validation (~€5bn RWA savings) 		<ul style="list-style-type: none"> ◆ Develop pipeline in k-light products ◆ Selective balance sheet use in lending/CMS ◆ Selective hirings/increase cross-selling within PB
Specialty Finance		<ul style="list-style-type: none"> ◆ Visibility, positioning and size empowered ◆ Figures now material for Group P&L 		<ul style="list-style-type: none"> ◆ Further growth and capabilities empowerment ◆ Enhance further positioning, including via M&A
PI		<ul style="list-style-type: none"> ◆ Atlantia stake sold, seed K provided to MAAM 		<ul style="list-style-type: none"> ◆ ~3pp AG stake disposal
HF		<ul style="list-style-type: none"> ◆ Treasury optimization, CoF reduction ◆ Selective profitable leasing business, NPL reduction 		<ul style="list-style-type: none"> ◆ Cautious asset allocation and ALM optimization ongoing ◆ Diversification of sources of funding (ABS, covered, SNP)

... WE'LL DELIVER FURTHER REVENUE GROWTH & HIGHER SHAREHOLDERS' REMUNERATION

Closing remarks – what's next

Section 4

Fee income growth

- ◆ In FY18 fees up 19%, growing for the fifth year in a row
- ◆ **Fee income 5Y CAGR (2013-18): +9%**
- ◆ **Fee income expected to grow also in 2019 driven by WM development**
- ◆ **Reshuffle expected to move forward**, with WM up to 48-50% of total fee income

NII growth

- ◆ In FY18 NII up 6%, growing for the sixth year in a row
- ◆ **NII 6Y CAGR (2012-2018): +6%**
- ◆ **NII expected to grow in 2019 as well**, despite low sensitivity to interest rates and IFRS9 impact (expected in -€10m) driven by:
 - ◆ lower but sustainable growth in Consumer lending
 - ◆ WM growth benefiting from volume development
 - ◆ HF/SF further improvement

AG stake disposal

- ◆ **Commitment to AG partial disposal confirmed**
- ◆ **Technicalities under review** to maximize value for MB shareholders
- ◆ **ROAC of AG investment to stay double-digit** (above CoE) despite full deduction (Danish Compromise ending as from Jan19)
- ◆ **Awareness of opportunities to create value by redeploying capital** from a profitable but financial investment to an industrial, k-light, fee-driven business

Capital management

- ◆ **Shareholder remuneration increased**
 - ◆ **through ordinary pay-out:** from 38% to 43% in 2017, to 48% in 2018
 - ◆ **through buyback:** up to 3% of share capital in 18m
- ◆ **Further capital to be allocated to M&A in 2019 and beyond**



MEDIOBANCA

FY18 results as at 30 June 2018

GROWTH AND SUSTAINABILITY THE MEDIOBANCA GROUP DNA

Milan, 31 July 2018



MEDIOBANCA

QUARTERLY SEGMENTAL REPORTING TABLES

Annex 1

GROUP P&L ACCOUNT

FY18 results – Quarterly segmental reporting tables

Annex 1

€m	FY18	FY17	Δ YoY ¹	2Q June18	1Q Mar18	4Q Dec17	3Q Sept17	2Q June17
Total income	2,419	2,196	+10%	619	630	572	598	539
Net interest income	1,359	1,288	+6%	345	342	340	332	333
Fee income	622	523	+19%	166	165	153	138	121
Net treasury income	157	121	+30%	33	39	47	39	16
Equity accounted co.	280	264	+6%	75	84	32	90	70
Total costs	(1,115)	(1,024)	+9%	(302)	(280)	(278)	(256)	(301)
Labour costs	(558)	(516)	+8%	(149)	(138)	(141)	(130)	(152)
Administrative expenses	(557)	(508)	+10%	(153)	(142)	(137)	(126)	(148)
Loan loss provisions	(247)	(317)	-22%	(74)	(60)	(59)	(55)	(69)
Operating profit	1,057	855	+24%	244	290	235	288	169
Impairments, disposals	97	161	-40%	1	2	6	88	25
Non recurring (SRF contribution)	(58)	(102)	-43%	(20)	(28)	(5)	(5)	(46)
PBT	1,096	914	+20%	225	264	236	371	149
Income Taxes & min.	(232)	(164)	+42%	(43)	(58)	(60)	(70)	(12)
Net result	864	750	+15%	182	206	175	301	136
Cost/income ratio (%)	46	47	-1pp	49	44	49	43	56
Cost of risk (bps)	62	87	-25bps	72	60	60	57	73
ROTE (%)	10	9	+1pp					

GROUP A&L

FY18 results – Quarterly segmental reporting tables

Annex 1

€bn	June18	Mar18	Dec17	Sept17	June17	Δ QoQ ¹	Δ YoY ¹
Funding	48.9	48.3	47.4	48.5	49.1	+1%	
Bonds	19.2	19.7	18.8	20.2	19.3	-3%	-1%
Direct deposits (retail&PB)	19.1	18.1	18.2	17.8	17.8	+6%	+7%
ECB	4.3	4.3	4.3	4.3	5.9	-0%	-26%
Others	6.3	6.2	6.1	6.2	6.1	+2%	+2%
Loans to customers	41.1	40.2	39.6	38.7	38.2	+2%	+8%
Wholesale	14.0	13.8	13.4	13.3	12.8	+2%	+9%
Specialty Finance	2.1	1.9	2.0	1.6	1.6	+12%	+30%
Consumer	12.5	12.3	12.1	11.9	11.8	+2%	+7%
Mortgage	8.1	7.9	7.7	7.6	7.5	+3%	+8%
Private banking	2.3	2.2	2.2	2.2	2.2	+3%	+4%
Leasing	2.1	2.1	2.2	2.2	2.3	-1%	-7%
Treasury+AFS+HTM+LR	13.3	13.8	13.2	15.3	16.5	-3%	-19%
RWAs	47.4	47.3	52.1	52.8	52.7	+0%	-10%
Loans/Funding ratio	84%	83%	84%	80%	78%		
CET1 ratio (%)	14.2	13.9	12.9	13.3	13.3		
TC ratio (%)	18.1	17.3	16.2	16.7	16.9		

CIB RESULTS

FY18 results – Quarterly segmental reporting tables

Annex 1

€m	FY18	FY17	Δ YoY ¹	2Q June18	1Q Mar18	4Q Dec17	3Q Sept17	2Q June17
Total income	631	636	-1%	150	164	164	153	129
Net interest income	266	293	-9%	66	64	67	69	70
Fee income	254	250	+2%	63	75	63	53	51
Net treasury income	111	93	+18%	20	26	34	31	7
Total costs	(256)	(247)	+3%	(70)	(64)	(64)	(57)	(70)
Loan loss provisions	18	(8)		(8)	4	6	16	(2)
GOP risk adjusted	393	381	+3%	71	104	107	111	57
Other	(1)	(3)		(2)	0	0	1	(1)
Income taxes	(128)	(124)		(21)	(35)	(35)	(37)	(20)
Net result	265	254	+4%	49	70	72	75	36
Cost/income ratio (%)	41	39	+2pp	47	39	39	38	54
LLPs/Ls (bps)	-12	5	-17bps	21	-11	-17	-42	4
Loans (€bn)	16.1	14.5	+11%	16.1	15.7	15.5	14.9	14.5
RWAs (€bn)	19.5	23.1	-16%	19.5	20.0	24.9	23.6	23.1
ROAC (%)	14	11	+3pp					

WB RESULTS

FY18 results – Quarterly segmental reporting tables

Annex 1

€m	FY18	FY17	Δ YoY ¹	2Q June18	1Q Mar18	4Q Dec17	3Q Sept17	2Q June17
Total income	516	550	-6%	119	136	133	127	107
Net interest income	199	249	-20%	47	46	52	54	59
Fee income	207	207		53	65	48	42	40
Net treasury income	111	94	+18%	20	26	34	31	7
Total costs	(212)	(212)		(58)	(53)	(53)	(49)	(59)
Loan loss provisions	44	15		(0)	8	15	22	4
GOP risk adjusted	348	353	-1%	61	91	95	100	51
Other	(1)	(3)		(2)	0	0	1	(1)
Income taxes	(113)	(117)		(17)	(30)	(32)	(34)	(18)
Net result	234	232		42	61	64	67	32
Cost/income ratio (%)	41	39	+2pp	48	39	40	38	56
LLPs/Ls (bps)	-33	-11	-22bps	1	-22	-44	-67	-12
Loans (€bn)	14.0	12.8	+9%	14.0	13.8	13.4	13.3	12.8
RWAs (€bn)	17.4	21.5	-19%	17.4	18.1	22.8	21.9	21.5
ROAC (%)	13	11	+2pp					

SPECIALTY FINANCE RESULTS

FY18 results – Quarterly segmental reporting tables

Annex 1

€m	FY18	FY17	Δ YoY ¹	2Q June18	1Q Mar18	4Q Dec17	3Q Sept17	2Q June17
Total income	115	86	+33%	30	28	31	26	22
Net interest income	68	44	+54%	20	18	15	15	11
Fee income and other income	47	42	+11%	11	10	15	11	11
Total costs	(44)	(36)	+23%	(12)	(12)	(11)	(9)	(11)
Loan loss provisions	(26)	(23)	+12%	(8)	(3)	(8)	(6)	(5)
GOP risk adjusted	46	28	+62%	10	13	11	11	6
Income taxes	(15)	(6)	+131%	(3)	(4)	(4)	(4)	(2)
Net result	31	22	+42%	7	9	8	7	4
Cost/income ratio (%)	38	41	-3pp	41	41	36	34	49
LLPs/Ls (bps)	136	182	-46bps	154	67	183	156	151
Loans (€bn)	2.1	1.6	+30%	2.1	1.9	2.0	1.6	1.6
of which factoring (€bn)	1.9	1.5	+23%	1.9	1.6	1.8	1.5	1.5
of which NPLs (€bn)	0.3	0.1	2X	0.3	0.3	0.3	0.1	0.1
RWAs (€bn)	2.1	1.6	+34%	2.1	2.0	2.0	1.6	1.6
ROAC (%)	18	16	+2pp					

CONSUMER BANKING: COMPASS RESULTS

FY18 results – Quarterly segmental reporting tables

Annex 1

€m	FY18	FY17	Δ YoY ¹	2Q June18	1Q Mar18	4Q Dec17	3Q Sept17	2Q June17
Total income	996	936	+6%	252	251	247	246	222
Net interest income	869	818	+6%	218	218	218	214	205
Fee income	127	118	+8%	34	32	29	32	17
Total costs	(285)	(280)	+2%	(75)	(72)	(73)	(65)	(73)
Loan provisions	(242)	(276)	-12%	(61)	(60)	(59)	(63)	(58)
GOP risk adjusted	470	380	+24%	117	119	116	119	90
Profit before taxes	463	380	+22%	110	119	116	119	90
Income taxes	(148)	(122)	+21%	(35)	(38)	(36)	(39)	(30)
Net result	315	258	+22%	76	80	79	80	60
Cost/income ratio (%)	29	30	-1pp	30	29	29	26	33
LLPs/Ls (bps)	199	243	-44bps	195	196	196	213	201
New loans (€bn)	7.0	6.6	+6%	1.9	1.8	1.7	1.6	1.8
Loans (€bn)	12.5	11.8	+7%	12.5	12.3	12.1	11.9	11.8
RWAs (€bn)	11.8	11.8		11.8	11.8	11.7	11.8	11.8
ROAC (%)	30	25	+5pp					

WEALTH MANAGEMENT RESULTS

FY18 results – Quarterly segmental reporting tables

Annex 1

€m	FY18	FY17	Δ YoY ¹	2Q June18	1Q Mar18	4Q Dec17	3Q Sept17	2Q June17
Total income	526	460	+14%	142	129	133	122	128
Net interest income	255	244	+5%	66	63	63	64	66
Fee income	259	203	+27%	73	64	66	56	60
Net treasury income	12	12	-2%	3	2	5	3	3
Total costs	(415)	(376)	+10%	(110)	(105)	(104)	(97)	(111)
Loan provisions	(16)	(20)	-18%	(4)	(4)	(4)	(5)	(5)
GOP risk adjusted	94	63	+49%	28	20	25	21	12
Other	1	4	-62%	(1)	1	0	0	8
Income taxes & min.	(25)	(12)		(8)	(6)	(5)	(6)	(31)
Net result	71	55	+29%	19	15	21	16	0
Cost/income ratio (%)	79	82	-3pp	77	82	78	79	87
LLPs/Ls (bps)	16	25	-9bps	15	16	15	20	21
Loans (€bn)	10.4	9.7	+7%	10.4	10.1	9.9	9.7	9.7
TFA (€bn)	63.9	59.9	+7%	64.1	62.9	58.4	57.2	59.9
of which AUM/AUA (€bn)	37,3	30,0	+24%	37,3	36,5	31,5	30,3	30,0
of which AUC (€bn)	7,6	12,1	-37%	7,6	8,3	8,9	9,1	12,1
of which deposits (€bn)	19,0	17,8	+7%	19,0	18,1	18,0	17,8	17,8
RWA (€bn)	5.8	5.8	-1%	5.8	5.8	5.7	5.9	5.8
ROAC (%)	13	10	+3pp					

CHEBANCA! RESULTS (AFFLUENT & PREMIERE)

FY18 results – Quarterly segmental reporting tables

Annex 1

€m	FY18	FY17	Δ YoY ¹	2Q June18	1Q Mar18	4Q Dec17	3Q Sept17	2Q June17
Total income	293	275	+7%	76	73	74	70	73
Net interest income	212	205	+3%	53	52	53	54	55
Fee income	80	69	+16%	23	20	21	16	19
Total costs	(235)	(237)	-1%	(62)	(59)	(58)	(57)	(65)
Labour costs	(103)	(102)	+1%	(28)	(26)	(24)	(25)	(27)
Administrative expenses	(133)	(136)	-2%	(34)	(34)	(34)	(31)	(38)
Loan provisions	(17)	(19)	-15%	(4)	(4)	(4)	(5)	(5)
GOP risk adjusted	41	18	2X	10	9	12	9	4
Other	0	15		0	0	0	0	(6)
Income Taxes	(13)	(7)		(5)	(3)	(2)	(3)	5
Net result	28	27	+3%	6	6	10	6	4
Cost/income ratio	80	86	-6pp	81	82	79	81	88
LLPs/Ls (bps)	21	31	-10bps	22	19	20	24	26
TFA (€bn)	22.6	20.4	+10%	22.6	21.2	20.6	20.3	20.4
of which AUM/AUA (€bn)	8.4	7.1	+19%	8.4	7.9	7.6	7.2	7.1
of which deposits (€bn)	14.1	13.4	+6%	14.1	13.3	13.1	13.2	13.4
Loans (€bn)	8.1	7.5	+8%	8.1	7.9	7.7	7.6	7.5
RWAs (€bn)	3.7	3.5	+6%	3.7	3.8	3.7	3.5	3.5
ROAC (%)	8	5	+3pp					

PRIVATE BANKING RESULTS

FY18 results – Quarterly segmental reporting tables

Annex 1

€m	FY18	FY17	Δ YoY ¹	2Q June18	1Q Mar18	4Q Dec17	3Q Sept17	2Q June17
Total income	234	185	+26%	65	56	59	53	55
Net interest income	43	39	+11%	12	11	10	10	11
Fee income	179	134	+33%	51	44	45	40	41
Net treasury income	11	12	-5%	3	2	4	2	3
Total costs	(182)	(139)	+30%	(49)	(46)	(46)	(40)	(46)
GOP risk adjusted	54	45	+19%	18	10	13	12	8
Other	1	(12)		(1)	1	0	0	(14)
Income taxes & minorities	(12)	(5)		(4)	(3)	(3)	(3)	3
Net result	43	28	+53%	14	9	11	10	(3)
Cost/income ratio (%)	78	75	+2pp	76	82	77	77	85
TFA (€bn)	41,3	39,4	+5%	41,3	41,6	37,8	36,8	39,4
CMB	10,0	9,8	+2%	10,0	10,0	10,1	9,8	9,8
MBPB	19,1	18,8	+2%	19,1	19,2	19,2	19,0	18,8
Cairn Capital	3,5	6,5	-45%	3,5	3,4	3,3	2,9	6,5
RAM	4,1	0,0		4,1	4,2	0,0	0,0	0,0
Spafid	4,5	4,4	+3%	4,5	4,8	5,2	5,1	4,4
ROAC (%)	21	18	+3pp					

PRINCIPAL INVESTING RESULTS

FY18 results – Quarterly segmental reporting tables

Annex 1

€m	FY18	FY17	Δ YoY ¹	2Q June18	1Q Mar18	4Q Dec17	3Q Sept17	2Q June17
Total income	295	273	+8%	78	93	33	91	77
Gains from disposals	96	162	-40%	2	0	5	89	23
Impairments	(2)	(1)		(1)	(0)	(0)	(0)	0
Net result	374	422	-11%	79	90	35	171	102
Book value (€bn)	4.0	3.7	+7%	4.0	3.8	3.6	3.5	3.7
Ass. Generali (13%)	3.2	3.0	+6%	3.2	3.3	3.1	3.1	3.0
AFS stakes	0.7	0.7	+13%	0.7	0.5	0.4	0.4	0.7
Market value (€bn)	3.7	3.6	+2%	3.7	3.7	3.6	3.6	3.6
Ass. Generali	2.9	2.9		2.9	3.2	3.1	3.2	2.9
RWA (€bn)	6.3	7.7	-19%	6.3	5.9	6.0	7.3	7.7
ROAC (%)	15	17	-2pp					

HOLDING FUNCTIONS RESULTS

FY18 results – Quarterly segmental reporting tables

Annex 1

€m	FY18	FY17	Δ YoY ¹	2Q June18	1Q Mar18	4Q Dec17	3Q Sept17	2Q June17
Total income	(9)	(57)	-84%	3	(1)	(3)	(8)	(10)
Net interest income	(38)	(76)	-51%	(7)	(6)	(9)	(16)	(11)
Net treasury income	13	3		6	3	3	2	(3)
Fee income	16	17	-6%	4	3	3	6	4
Total costs	(173)	(166)	+4%	(49)	(44)	(40)	(41)	(52)
Loan provisions	(8)	(12)	-38%	(2)	(1)	(3)	(2)	(3)
GOP risk adjusted	(190)	(235)	-19%	(48)	(45)	(45)	(52)	(65)
Other (incl. SRF/DGS contribution ¹)	(49)	(107)	-54%	(11)	(27)	(5)	(6)	(24)
Income taxes & minorities	80	100	-20%	20	22	18	20	26
Net result	(159)	(242)	-34%	(38)	(51)	(32)	(39)	(63)
LLPs/Ls (bps)	33	50	-17bps	30	15	46	43	50
Banking book (€bn)	6.5	7.6	-15%	6.5	6.5	6.5	6.8	7.6
New loans (€bn)	0.4	0.4	+3%	0.1	0.1	0.1	0.1	0.1
Loans (€bn)	2.1	2.3	-7%	2.1	2.1	2.2	2.2	2.3
RWA	4.0	4.3	-7%	4.0	3.9	3.9	4.3	4.3

GLOSSARY

Annex 3



GLOSSARY

MEDIOBANCA BUSINESS SEGMENT

CIB	Corporate and investment banking
WB	Wholesale banking
SF	Specialty finance
CB	Consumer banking
WM	Wealth management
PI	Principal investing
AG	Assicurazioni Generali
HF	Holding functions

PROFIT & LOSS (P&L) and BALANCE SHEET

AIRB	Advanced Internal Rating-Based
AFS	Available for sale
ALM	Asset and liabilities management
AUA	Asset under administration
AUC	Asset under custody
AUM	Asset under management
BVPS	Book value per share
C/I	Cost /Income
CET1	Common Tier Equity 1
CoF	Cost of funding
CoE	Cost of equity
CoR	Cost of risk
DGS	Deposit guarantee scheme
DPS	Dividend per share
EPS	Earning per share
FAs	Financial Advisors

PROFIT & LOSS (P&L) and BALANCE SHEET

GOP	Gross operating profit
Leverage ratio	CET1 / Total Assets (FINREP definition)
Ls	Loans
LLPs	Loan loss provisions
M&A	Merger and acquisitions
NAV	Net asset value
NII	Net Interest income
NP	Net profit
NPLs	Group NPLs net of NPLs purchased by MBCS
PBT	Profit before taxes
ROAC adj.	Adjusted return on allocated capital ¹
ROTE adj.	Adjusted return on tangible equity ²
RWA	Risk weighted asset
SRF	Single resolution fund
TC	Total capital
Texas ratio	NPLs/CET1
TFA	Total financial assets ³

Notes

- 1) Adjusted return on allocated capital: *average allocated K = 9% RWAs (for PI: 9% RWA + capital deducted from CET1). Gains/losses from AFS disposals, impairments and positive/negative one-off items excluded, normalized tax rate = 33%. For Private Banking normalized tax rate = 25%*
- 2) Return on tangible equity: *net profit excluding non-recurring items / Shareholders equity – goodwill*
- 3) *AUA + AUC + AUM + direct deposits*

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

Emanuele Flappini

INVESTOR CONTACTS

Mediobanca Group Investor Relations

Piazzetta Cuccia 1, 20121 Milan, Italy

Jessica Spina	Tel. no. (0039) 02-8829.860
Luisa Demaria	Tel. no. (0039) 02-8829.647
Matteo Carotta	Tel. no. (0039) 02-8829.290

Email: investor.relations@mediobanca.com

<http://www.mediobanca.com>