



**MEDIOBANCA**  
*Banca di Credito Finanziario S.p.A.*

**UBS**

**The Italian Financial Services Conference 2011**

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Milan, January 2011

# History and Mission



- ◆ Founded after World War II by Banca Commerciale Italiana, Credito Italiano and Banco di Roma, the three state-owned “banks of national interest”
- ◆ Mission: to support the rebuilding of the Italian industry through supply of medium/long-term financing and advisory services to enterprises

- ◆ 1950s: supporting growth of leading Italian groups
- ◆ 1956: listing on Milan stock market (the first banking group listed after the war)
- ◆ Trustee business via Spafid (1951), followed by consumer credit with Compass (1960) and leasing with Selma (1970)

- ◆ Key role in supporting Italian industry restructuring: MB became “house bank” for major Italian industrials
- ◆ By mid-1970s MB’s equity investment portfolio included Generali (4.5%), Fiat (2.5%), Montedison (2.5%), Olivetti (5%), Pirelli & C, (3.3%) and Fondiaria (10%)
- ◆ 1998: MB privatization and core shareholders’ agreement between banks (25%) and private enterprises (25%) set up

- ◆ Industrial restructuring in late 1990s was followed by a boom of privatization deals and IPOs, in which MB confirmed its leadership position
- ◆ MB International operating in international capital markets set up in 1990
- ◆ Residential mortgages business started up with Micos (1992)
- ◆ Increase in size of equity investment portfolio (Generali 14%)
- ◆ Private banking business entered with Banca Esperia (2001) and CMB (2003)

- ◆ New management team (2003) and strategy refocused on banking activities
- ◆ CIB activities internationalized with the opening of branches in Madrid (2004), New York (2006), Madrid (2007), Frankfurt (2007) and London (2008)
- ◆ Creation of a leading domestic operator in consumer lending (acquisition and merger of Linea, 2007)
- ◆ Retail banking started with CheBanca! (2008)

# Shareholders

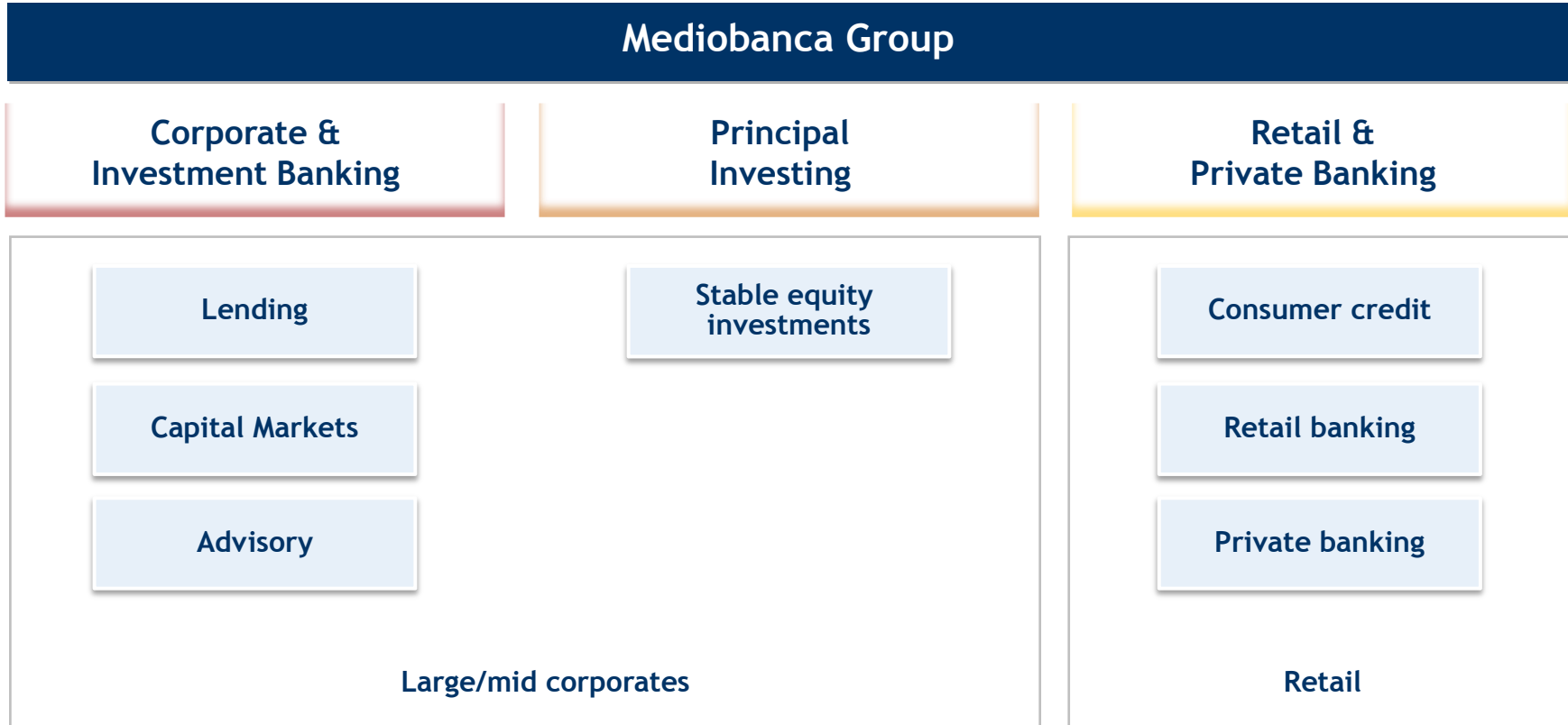
## KPIs

- Shareholders' agreement covering 44% of the capital
- Efforts made since 2003 to increase weight of institutional investors and free float
- Strong relations with Italian corporates: high-quality advisory and financial services offered
- Access to HNWI and households, often synergic with corporate business

## Mediobanca shareholders

Unicredit Group	8.7%
Mediolanum	3.4%
Commerzbank	1.7%
Sal. Oppenheim (Deutsche Bank)	1.7%
<b>Total Group A</b>	<b>15.5%</b>
Fondiaria - Sai	3.8%
Italmobiliare	2.6%
Edizione (Benetton)	2.2%
Assicurazioni Generali	2.0%
Pirelli & C.	1.8%
FIN.PRIV	1.7%
Fininvest	1.0%
Others <1%	3.8%
<b>Total Group B</b>	<b>18.9%</b>
Financière du Perquet (Bolloré Group)	5.0%
Groupama	3.1%
Santusa Holding (Santander Group)	1.8%
<b>Total Group C</b>	<b>9.9%</b>
<b>Total Syndicated</b>	<b>44.3%</b>
<b>Total Free Float</b>	<b>55.7%</b>

# Business model



# Diversified business

## KPIs

- Banking activities represent 85% of total income and 60% of net profit
- Banking activities well diversified by corporate and retail, respectively 50%:35% of total income or 65%:35% of loan book
- Income well diversified by sources: net interest income (40%), fee income (25%) and securities income (35%)
- Funding sources diversifying: no retail contribution only 2 years ago, 18% today

## Group KPIs by division

	CIB	RPB	PI	TOT
Total income (5Y avg.)	50%	35%	15%	
<i>of which</i>				
NII	35%	67%	-	40%
Fees	32%	28%	-	25%
Securities	33%	5%	-	20%
Net profit from PI*	-	-	100%	15%
RWA	75%	20%	5%	
Loan book	63%	37%		
Funding	82%	18%		

\* PI companies are equity-accounted; net profit included in MB total income pro rata

# Mediobanca Group KPIs

## KPIs

- High resilience of total income
- Well diversified income
- Low leverage
- High liquidity
- Solid capital position
- Low cost/income ratio
- Low compensation ratio
- Conservative approach to asset quality
- Profitability recovering

## Group annual KPIs trend

	June 08	June 09	June 10
Total income (€m)	2,098	1,776	2,018
Net profit (€m)	1,013	2	401
RWA (€bn)	55	53	53
Tangible BV/Asset	10%	9%	10%
Loans/deposits ratio	0.8x	0.7x	0.6x
Core Tier 1 ratio	10%	10%	11%
Rating S&P	AA-	AA-	A+
Cost/income ratio	31%	41%	38%
Compensation ratio	15%	20%	19%
NPLs/Ls	0.3%	0.3%	0.4%
ROTE	17%	0%	7%
Gross RORWA	2.1%	0.2%	1.1%

# Banking activities

## Corporate & Investment Banking

### Lending

- Lending
- Structured finance
- Export finance
- Leasing

### Capital markets

- Equities
- Fixed-income
- ALM& Treasury
- Brokerage

### Advisory

- Origination
- Advisory
- M&A
- Corporate restruct.

Milan, Frankfurt, London, Madrid, Paris

Integrated approach

June 10 (€)			
Income	1.006 m	Cost/income	30%
PBT	411 m	LLPs/Ls	70bps
Net profit	243 m	NPLs/Ls	0.2%
Loans	25 bn	RORWA gross	1.0%
Funding	45 bn	RORWA net	0.6%
RWA	40 bn	No. employees	882

## Retail & Private Banking

### Consumer credit

- Personal loans
- Automotive
- Special purposes
- Salary-backed

### Retail banking

- Current accounts
- Deposit acc./repos
- Pocket accounts
- Mortgage loans

### Private banking

- On-shore
- Off-shore

Italy

Specialized offering

June 10 (€)			
Income	845 m	Cost/income	60%
PBT	-18 m	LLPs/Ls	290bps
Net profit	-32 m	NPLs/Ls	0.9%
Loans	13 bn	RORWA gross	Neg
Funding	21 bn	RORWA net	Neg
RWA	11 bn	No. employees	2,478

# Corporate & Investment Banking

## Corporate & Investment Banking

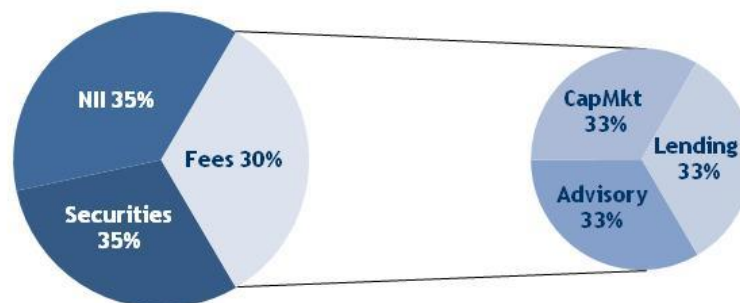
### CIB KPIs

- MB top ranked in Italian market
- International diversification boosted since 2007:
  - international branches now representing ~20% of revenues and ~30% of lending volumes
  - MB recognized player in France, Germany, Spain
- Integrated approach by product (lending, advisory and capmkts) and by geographies
- Customers: focus on large-caps
- Well diversified income
- Low leverage
- Efficient structure (cost/income ratio 30%)
- Good asset quality: NPLs/Ls = 0.2%  
NPLs coverage = 57%

### Italian market positioning (12m as at June)

M&A - 2010 (TF - Op. annunciate - €m)		ECM - 2010 (Dealogic - €m)		Syndicate loans - 2010 (Dealogic - Bookrunners - €m)	
Bank	Volume	Bank	Volume	Bank	Volume
Mediobanca	7.315	Mediobanca	3.235	Intesa SanPaolo	2.055
Intesa SanPaolo	5.947	UniCredit	1.474	UniCredit	1.713
Deutsche Bank	4.621	Goldman Sachs	1.125	BNP Paribas	1.448
Morgan Stanley	4.130	Bank of America	938	Mediobanca	789
Unicredit	3.212	Credit Suisse	685	Credi Agricole	779

### CIB total income and fees breakdown (average last 5Y)





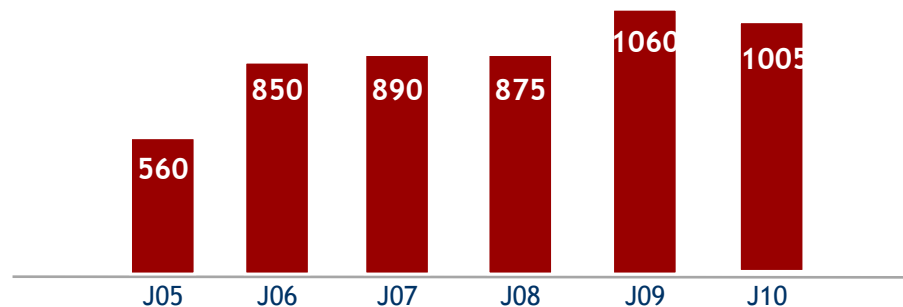
# CIB: consolidating excellent results

## Corporate & Investment Banking

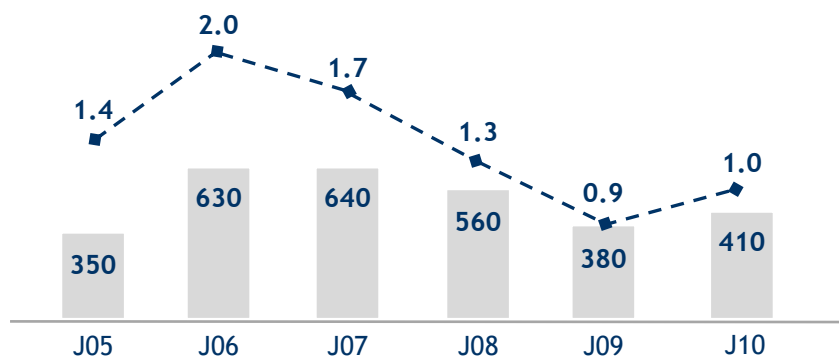
### Main trends

- High resilience of top line
- High liquidity and low leverage have consistently enabled pro-active asset allocation
- CIB profitability to remain high, due to:
  - new ventures being fully exploited
  - growth in loan book
  - cost of risk returning to normalized levels

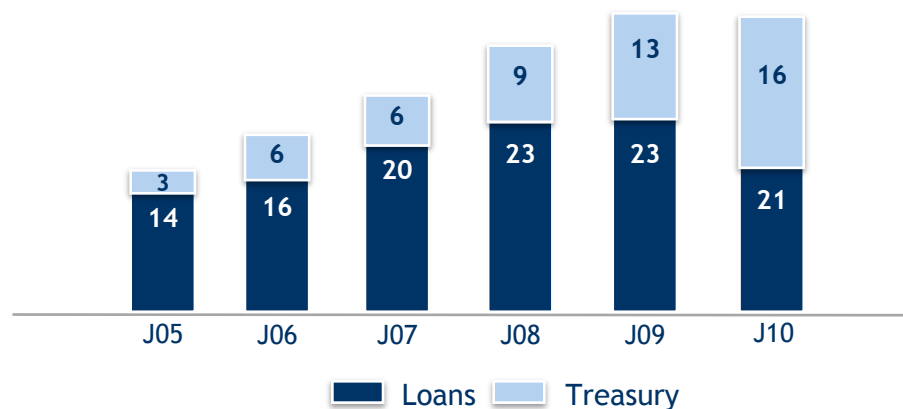
### Total income (€m-12m as at June)



### PBT and gross RORWA (€m, % -12m as at June)



### Customer Loans and Treasury (€bn)



# Consumer Credit: Compass

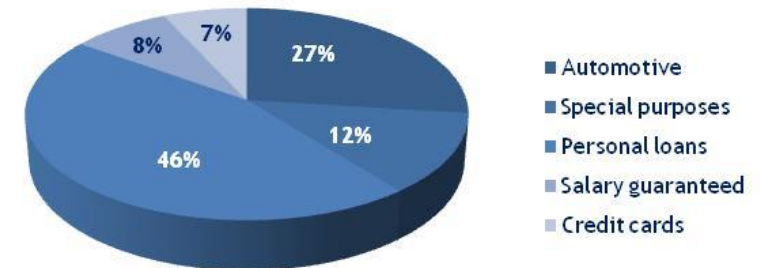
Consumer credit

## Compass KPIs

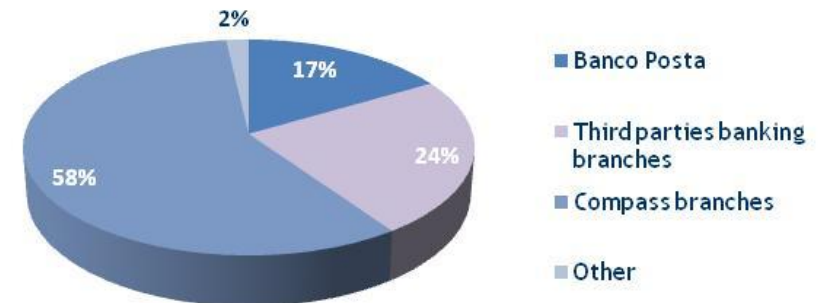
- Specialist operator since 1960s
- Top ranked in Italy (3rd operator)
- Positioning strengthened in 2008 with Linea merger, integration now completed
- Wide product portfolio, focused on profitable segments
- Effective and diversified distribution network
- Valuable and increasing customer base (1.9 million)
- Advanced proprietary know-how both in terms of lending and credit recovery
- Efficient structure (cost/income ratio = 38%)
- No concerns on asset quality: -NPLs/Ls = 0.8%

-NPLs coverage=85%

## Product range (12m new loans as at June10)



## Personal loans by channel



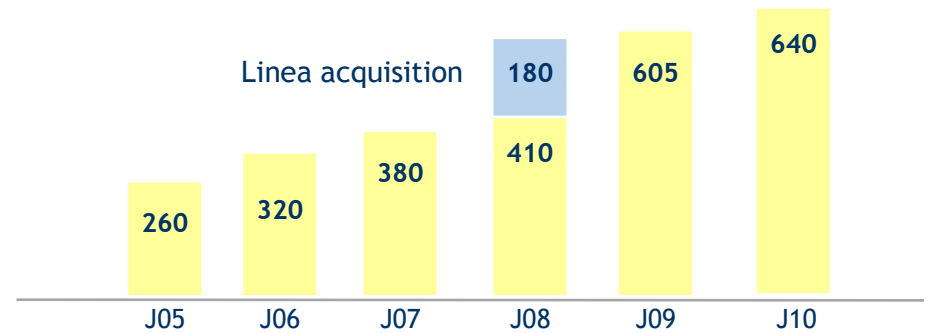
# Compass: well positioned to leverage growth

Consumer credit

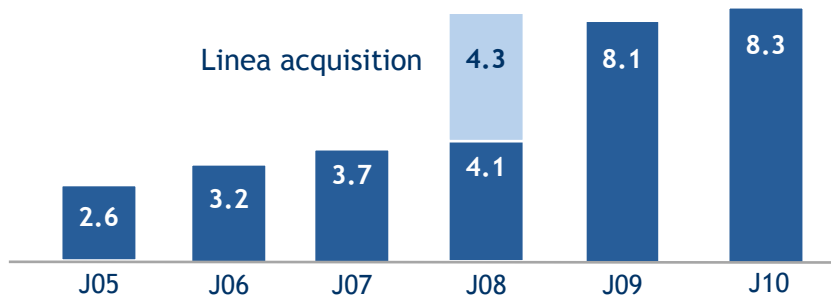
## Main trends

- Crisis has dampened some of the previous market excesses
- Margins expected to gradually improve as:
  - Compass has resumed growth in a still stagnant market, gaining market share and customers
  - cost of funding reducing
  - cost of risk reducing

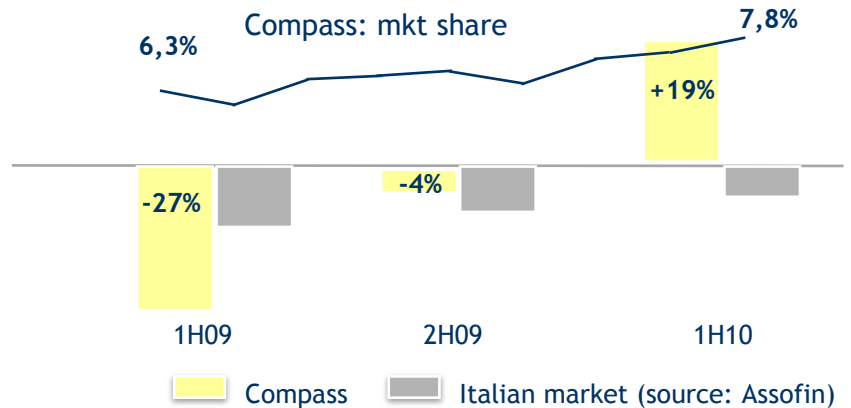
## Total income (€m-12m as at June)



## Loan book (€m)



## New loans (Δ YoY, Compass monthly market share)



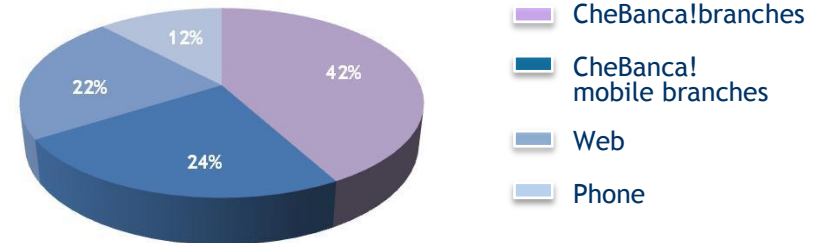
# Retail Banking: CheBanca!

Retail Banking

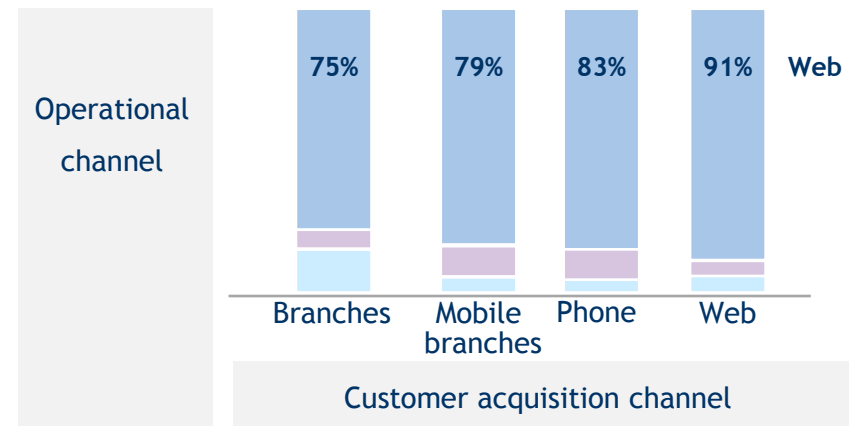
## CheBanca! KPIs

- CheBanca!: innovative specialist banking retail operator launched in May 2008
- Two years since its launch, CheBanca! has achieved a distinctive position in the market
- High brand awareness
- Innovative multichannel distribution network
- Scalable and efficient operating platform
- Affluent and stable customers base
- Cost-effective and transparent but not most remunerative products
- Strong commercial results
  - €9.6bn deposits, €3.5bn loan book
  - 440,000 product sold, 340,000 customers

## Product sold by channel



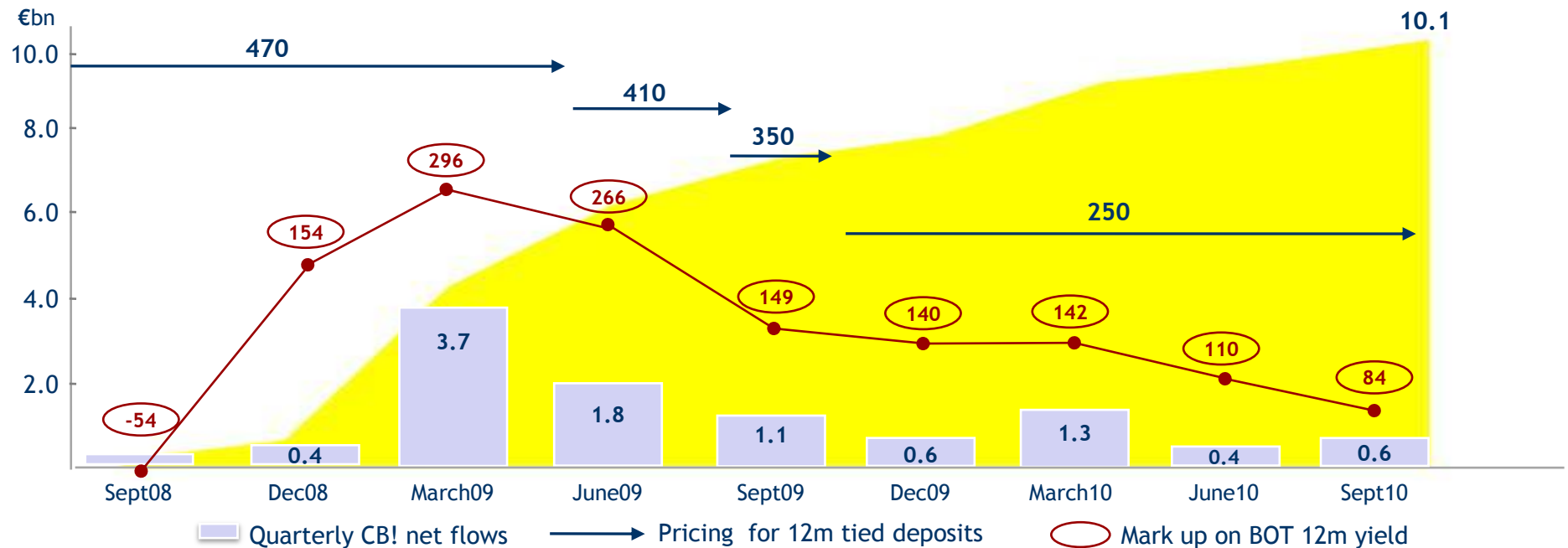
## Customer acquisition/operations by channel



# CheBanca! deposits consolidating at reducing cost

Retail Banking

Funding stock and pricing for 12m tied deposits (€bn, bps)



- Deposit stock consolidating around €10bn despite lower mark-up
- Reducing cost of funding supporting total income positive development

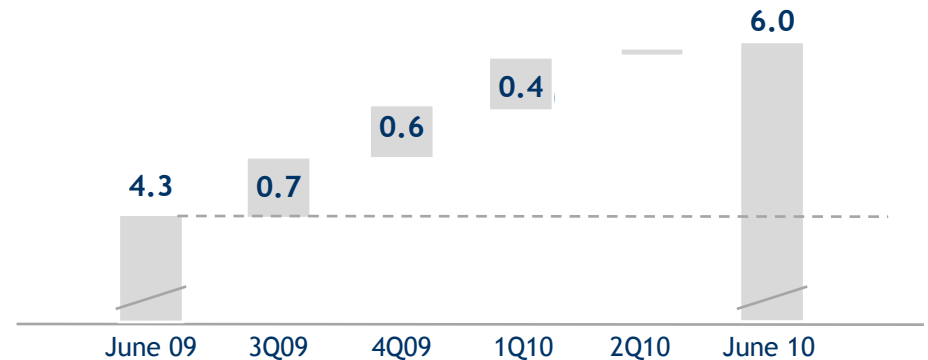
# Private Banking

Private Banking

## Banca Esperia: KPIs and main trends

- Top ranked in Italy
- AUM up 40% to €6.0bn in last 12m
- 80% of AUM growth due to net inflows (€1.4bn)
- >50% of net inflow unrelated to tax amnesty
- Enhancing distribution network

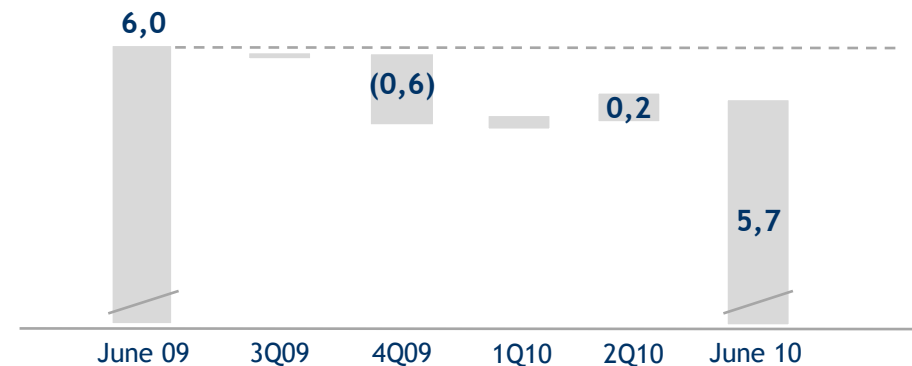
## Banca Esperia AUM (pro-rata, €bn)



## CMB: KPIs and main trends

- Market leader in Principality of Monaco
- Tax amnesty impacted negatively in 2009, AUM has recovered slightly since 1Q10.
- Enhancing growth in Monaco and Switzerland

## Compagnie Monégasque de Banque AUM (€bn)



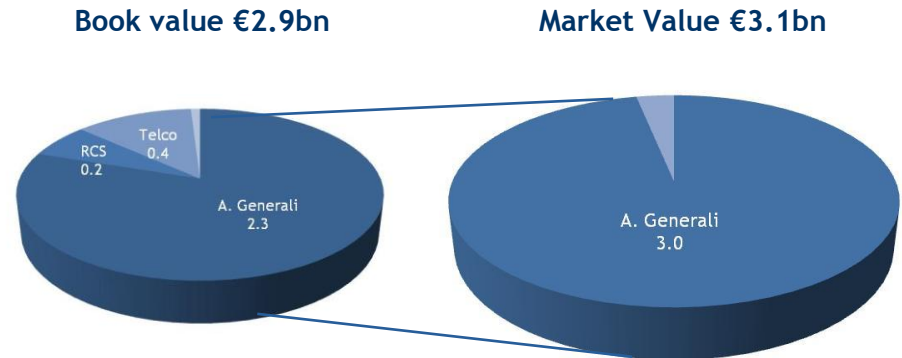
# Principal Investing

## PI KPIs

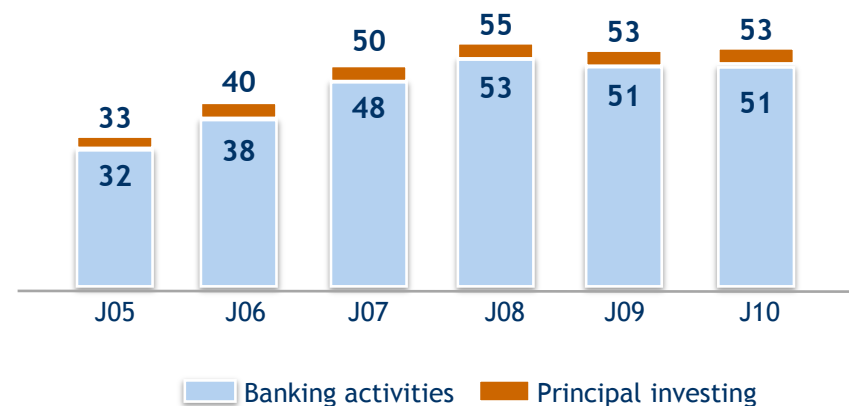
- Three stable stakes included
  - 13.24% Assicurazioni Generali (insurance)
  - 14.36% RCS Media Group (publishing)
  - 11.62% Telco (telecommunications)
  - Merchant banking stakes
- Investee companies are market leaders in their own sectors
- Stakes built during 1990s: no further capital allocated in last 5Y

## Principal Investing

### Book value NAV of listed companies (€bn - June 10)



### Risk weighted assets (€bn)



# Disclaimer

**This presentation contains certain forward-looking statements, estimates and targets with respect to the operating results, financial condition and business of the Mediobanca Banking Group. Such statements and information, although based upon Mediobanca's best knowledge at present, are certainly subject to unforeseen risk and change. Future results or business performance could differ materially from those expressed or implied by such forward-looking statements and forecasts. The statements have been based upon a reference scenario drawing on economic forecasts and assumptions, including the regulatory environment.**

## **Declaration by Head of Company Financial Reporting**

**As required by Article 154-bis, paragraph 2 of Italian Legislative Decree 58/98, the undersigned hereby declares that the stated accounting information contained in this report conforms to the documents, account ledgers and book entries of the company.**

**Head of Company Financial Reporting**

**Massimo Bertolini**



# Investor contacts

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