



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

## **1H results as at December 2006**

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**March 2007**

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# **Group results**

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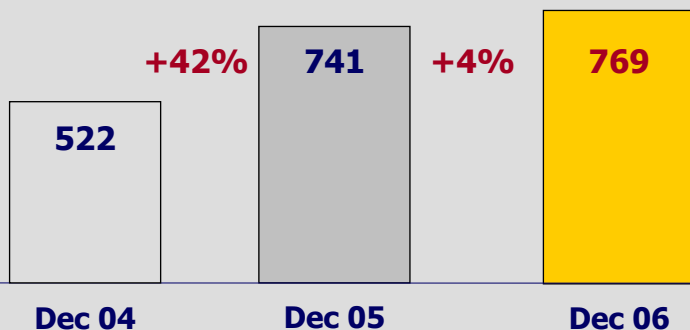
## **Section I**

# Last year's excellent performance confirmed by 1H 07 results...

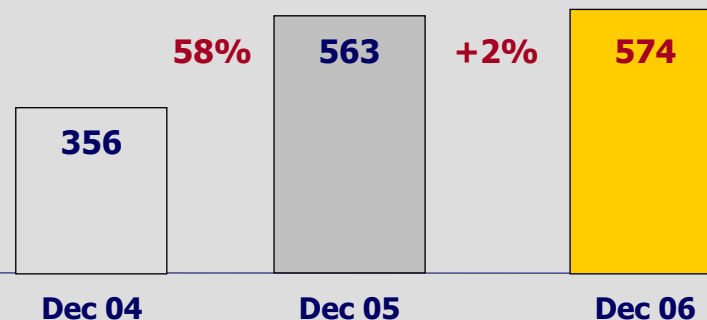
Section I

Group results

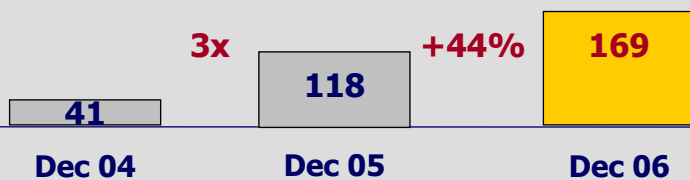
## Revenues (€m)



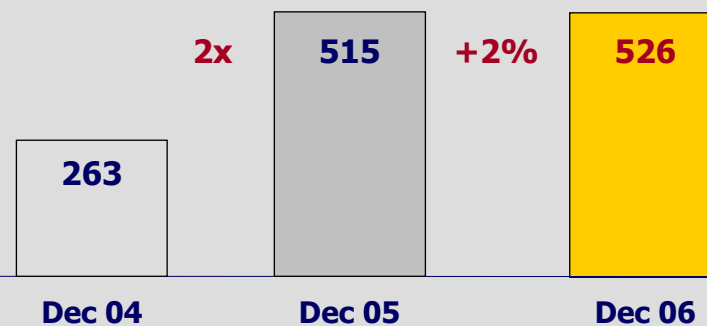
## Gross operating profit (€m)



## Net AFS portfolio result (€m)



## Net profit (€m)

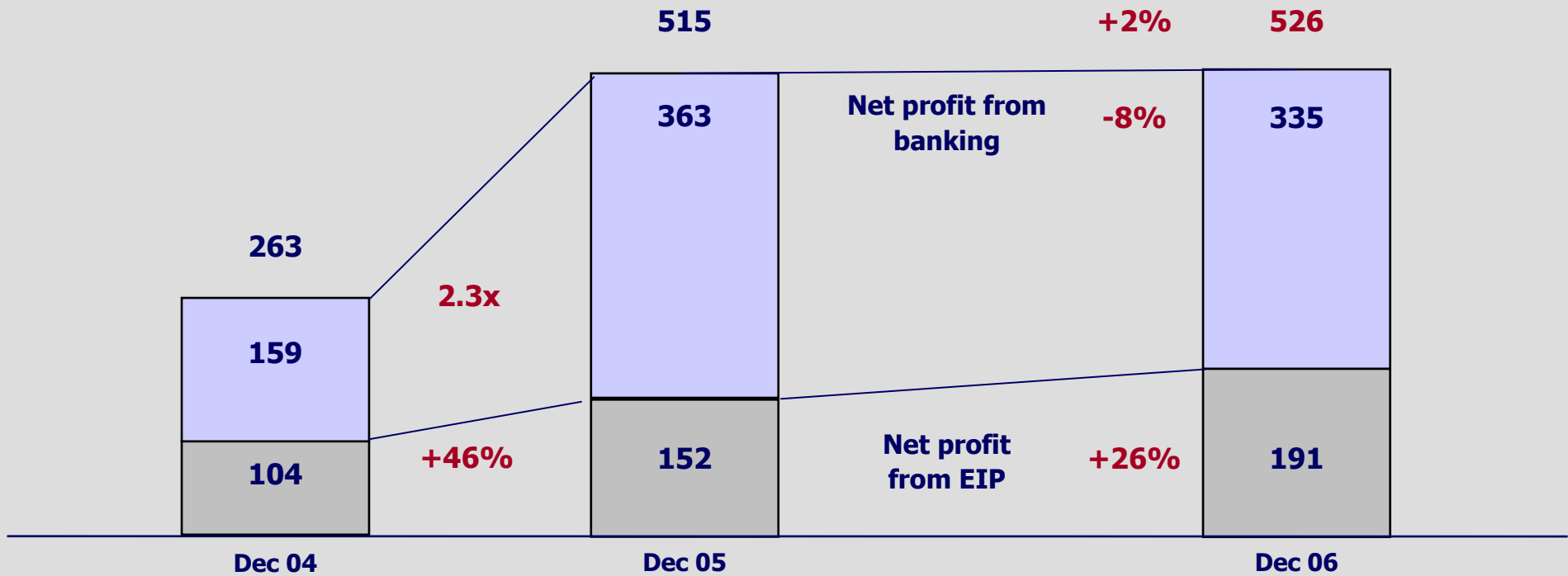


# ...in terms of both banking and EIP ...

Section I

Group results

## Net profit trends (€m)

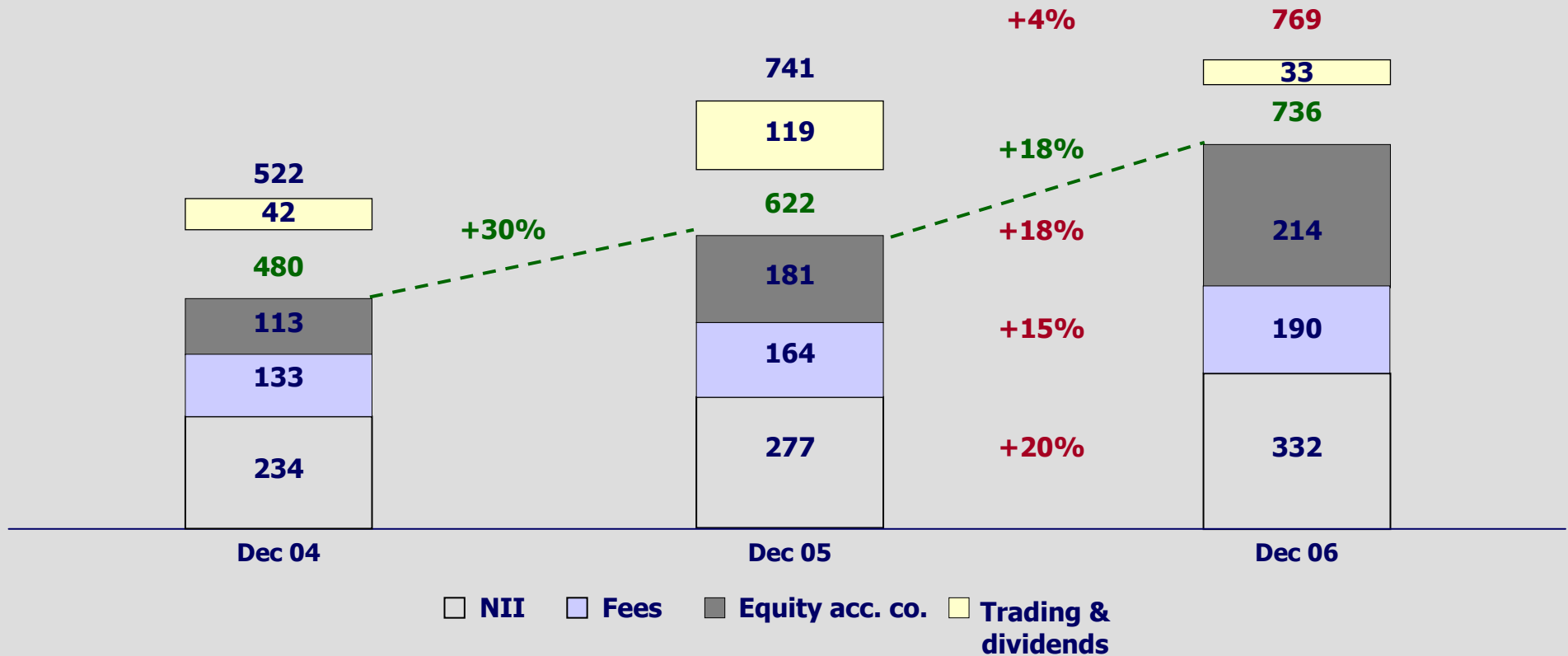


# ... with a lower contribution from more volatile components

Section I

Group results

## Revenues trend (€ m)

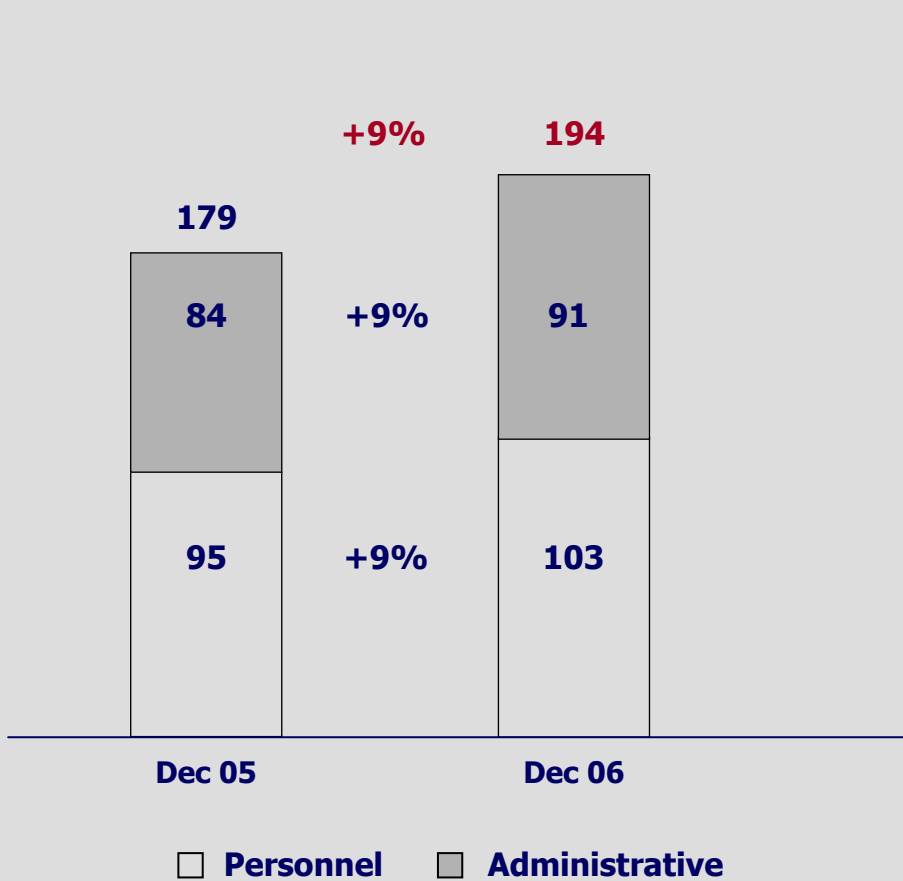


# Cost growth driven by development in WB and RFS

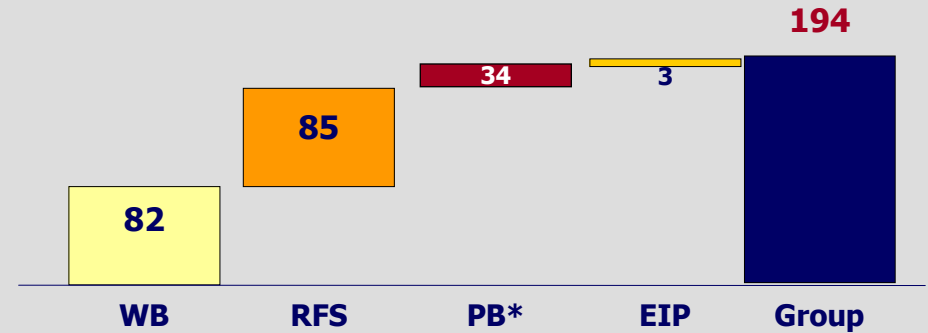
Section I

Group results

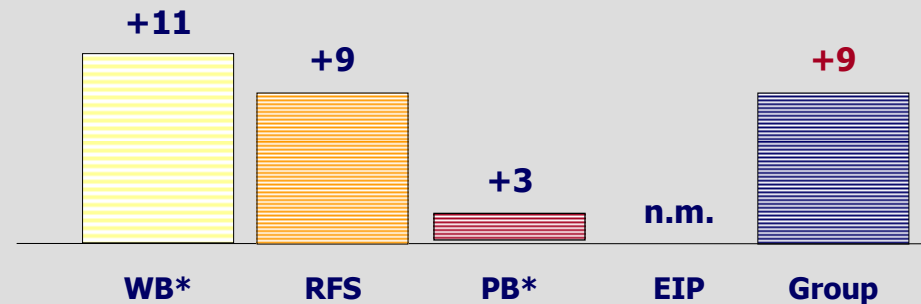
Costs trend (€ m)



Dec 2006 breakdown (€m)



Y.o.Y. trend (%)



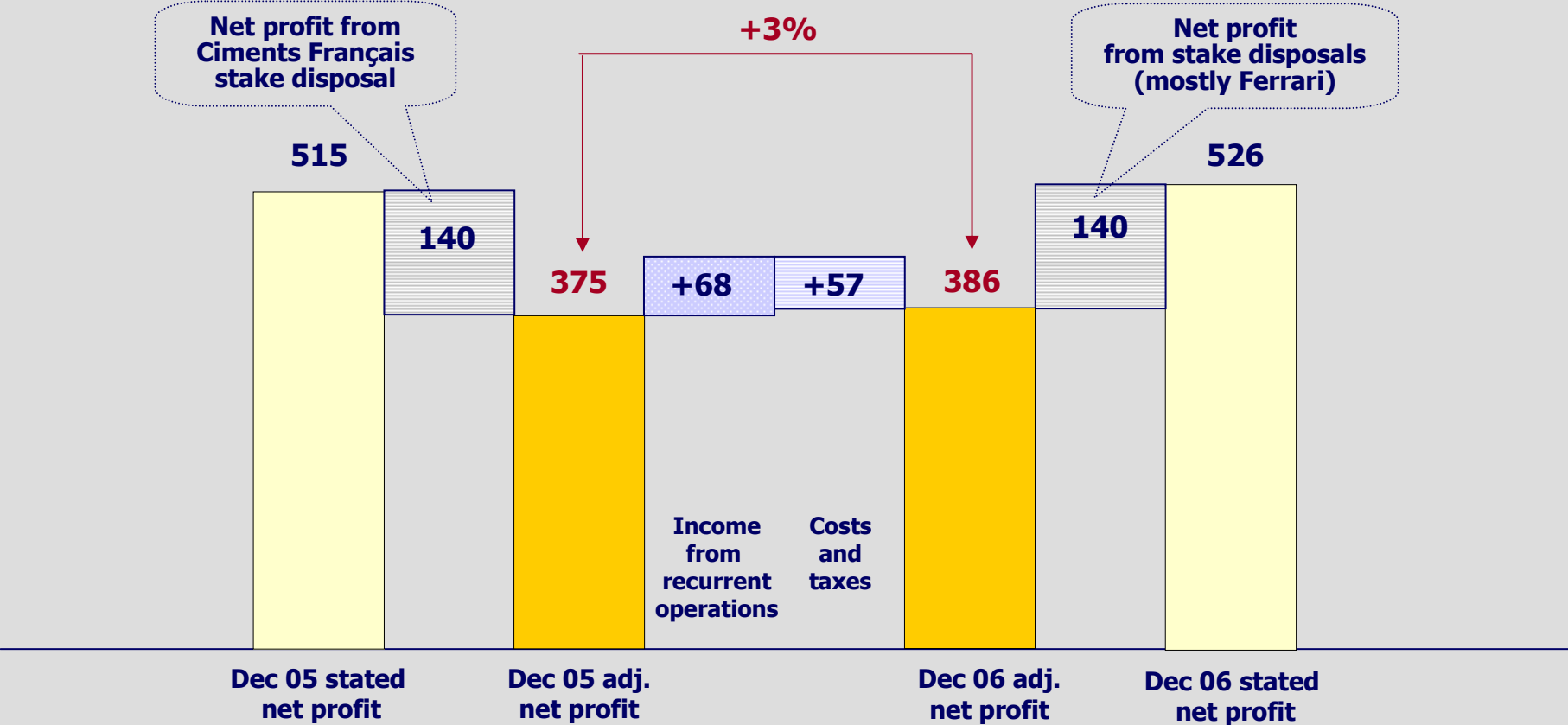
\* Banca Esperia booked pro-rata



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Banca di Credito Finanziario S.p.A.

# Recurrent net profit largely stable at high levels

Net profit trend (€ m)



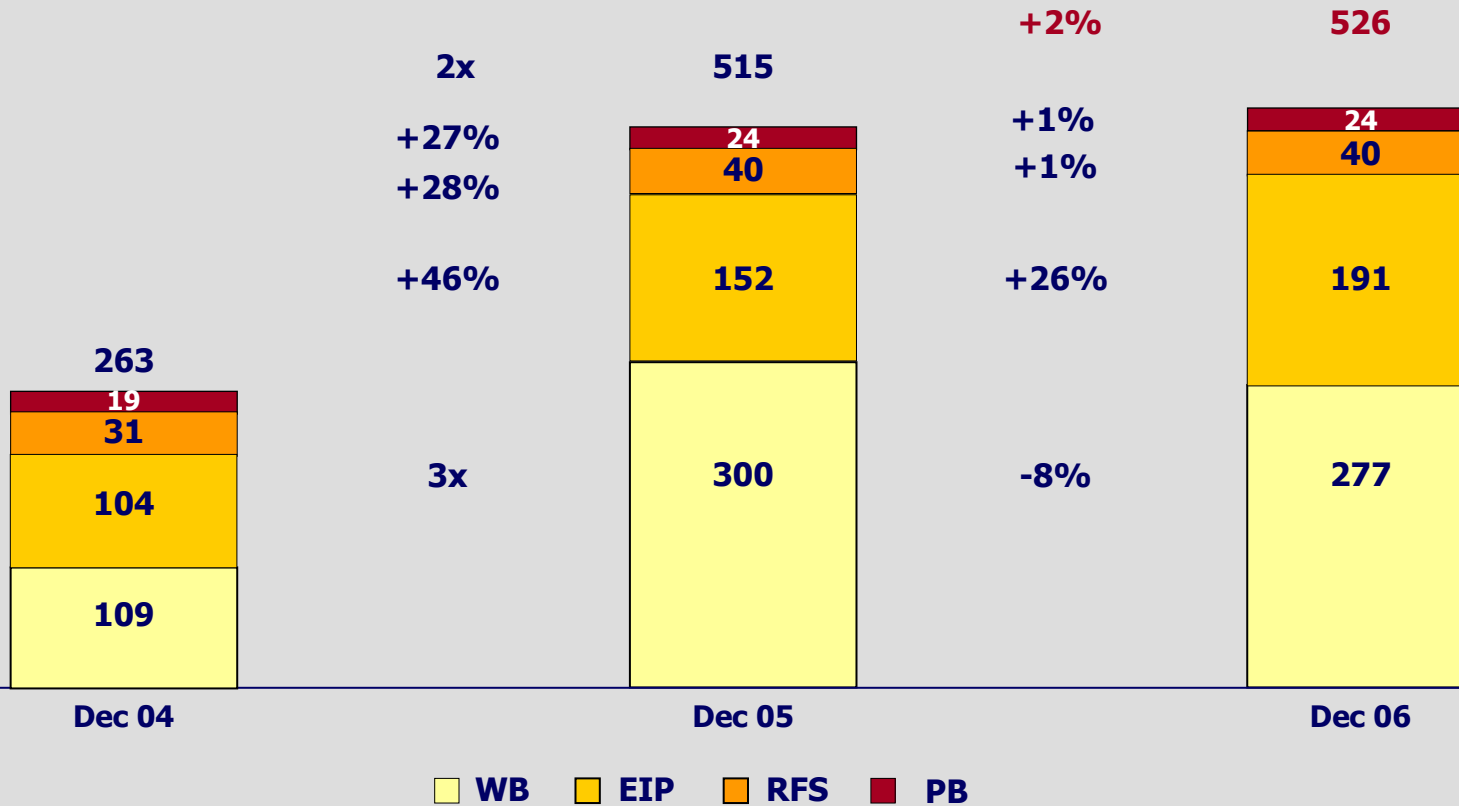


# Net profit trend by business area

Section I

Group results

Net profit trend (€ m)



# Capital allocation and ROAC

Section I

Group results

	Banking			Banking	EIP
	WB	RFS	PB		
Allocated K (€ bn)					
Dec 05	2.2	0.4	0.1	2.7	2.1
Dec 06	2.6	0.5	0.1	3.2	2.3
Y.O.Y.	17%	16%	12%	17%	7%
ROAC (%) annualized					
Dec 05	29*	18	42	28*	14
Dec 06	23*	16	41	22*	17

(\* ) Net profit from AFS stake disposals included

Criteria: WB = 8% RWA; RFS = 7% RWA; EIP = 100% BV; PB = 1% AUM



# **Halfway review: December 2006 results vs June 2008 targets**

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## **Section II**

# Halfway review: December 2006 results vs June 2008 targets

Section II

Halfway review

## First 18 m vs June 08 targets

**K allocation**

Faster reallocation to banking business

**WB**

Better revenue quality, due to higher NII and fee income

**RFS**

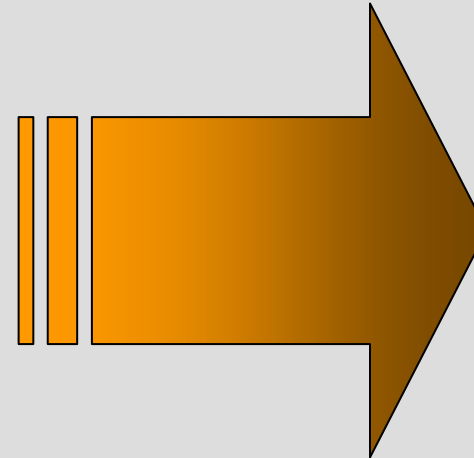
Consumer finance: slowdown in new loans due to increased competition and risk profile  
New potential for Micos  
Leasing: management changes

**PB**

Healthy growth as expected

**EIP**

Share of profits earned by AG > 20%



Group

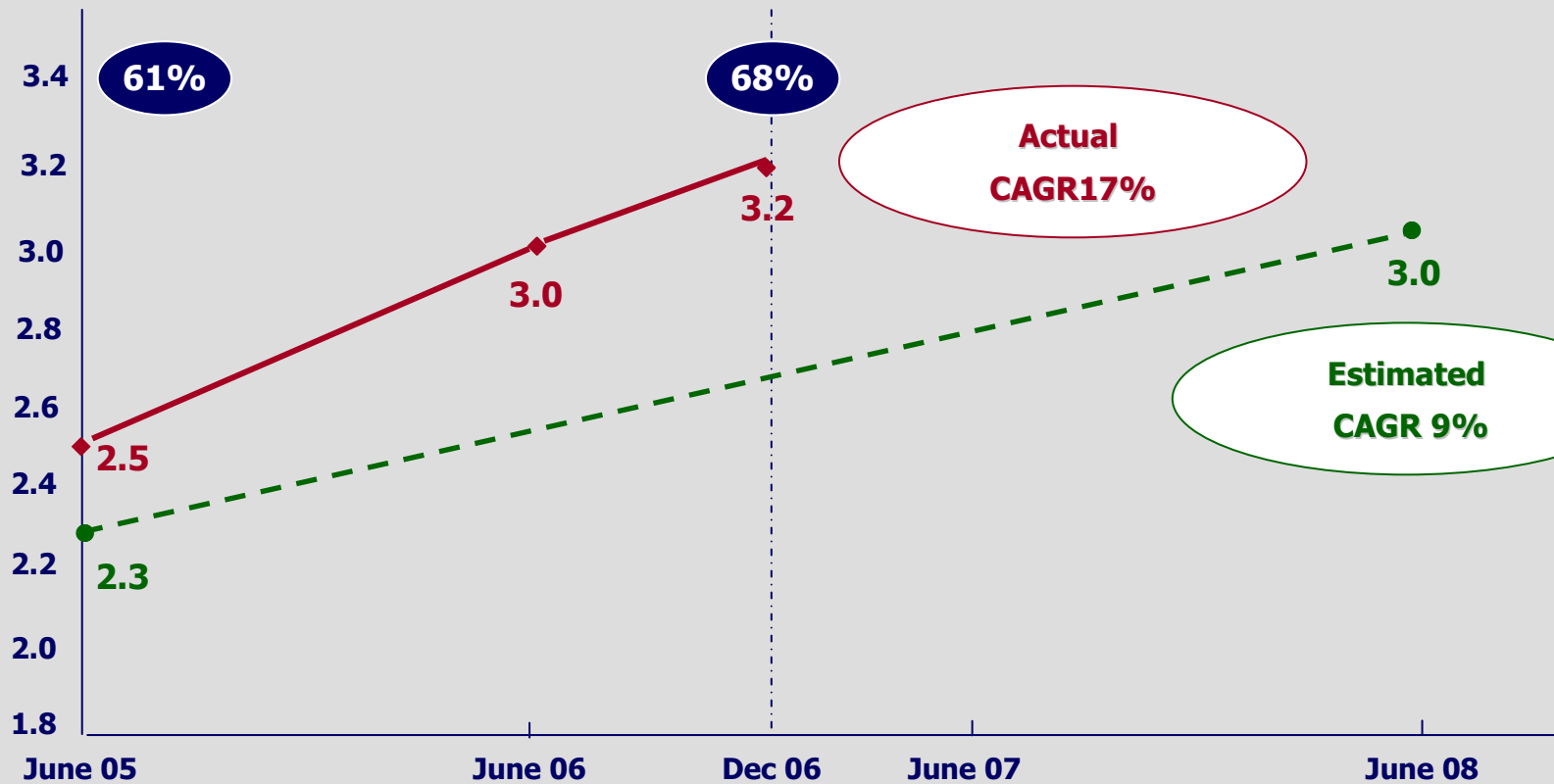


# Capital: faster reallocation to banking business

Section II

Halfway review

Capital allocated to banking business: actual vs BP 06/08 estimates (€bn)



● Capital allocated to banking business / (Shareholders' funds – EIP BV)

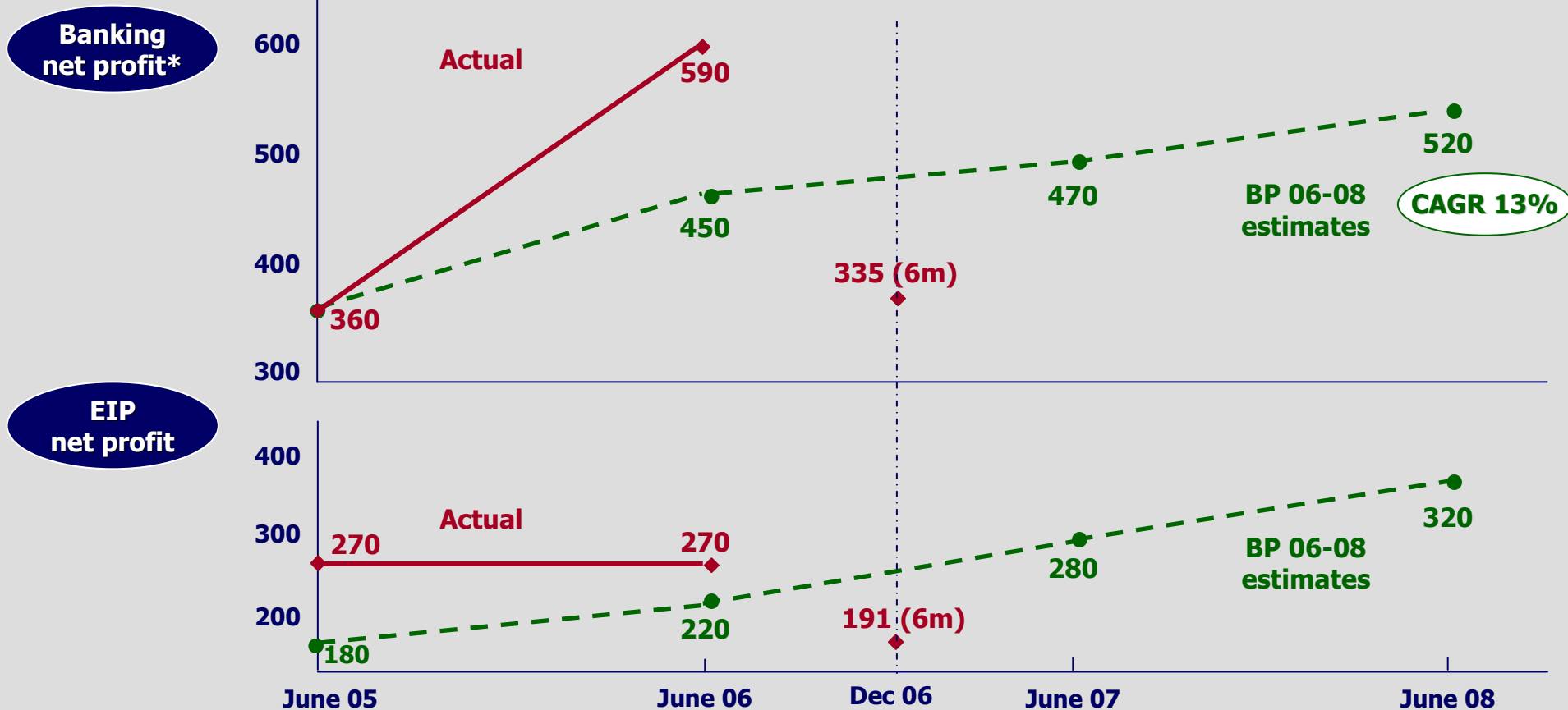


# Both banking and EIP targets beaten

Section II

Halfway review

## Net profit trend (€m)



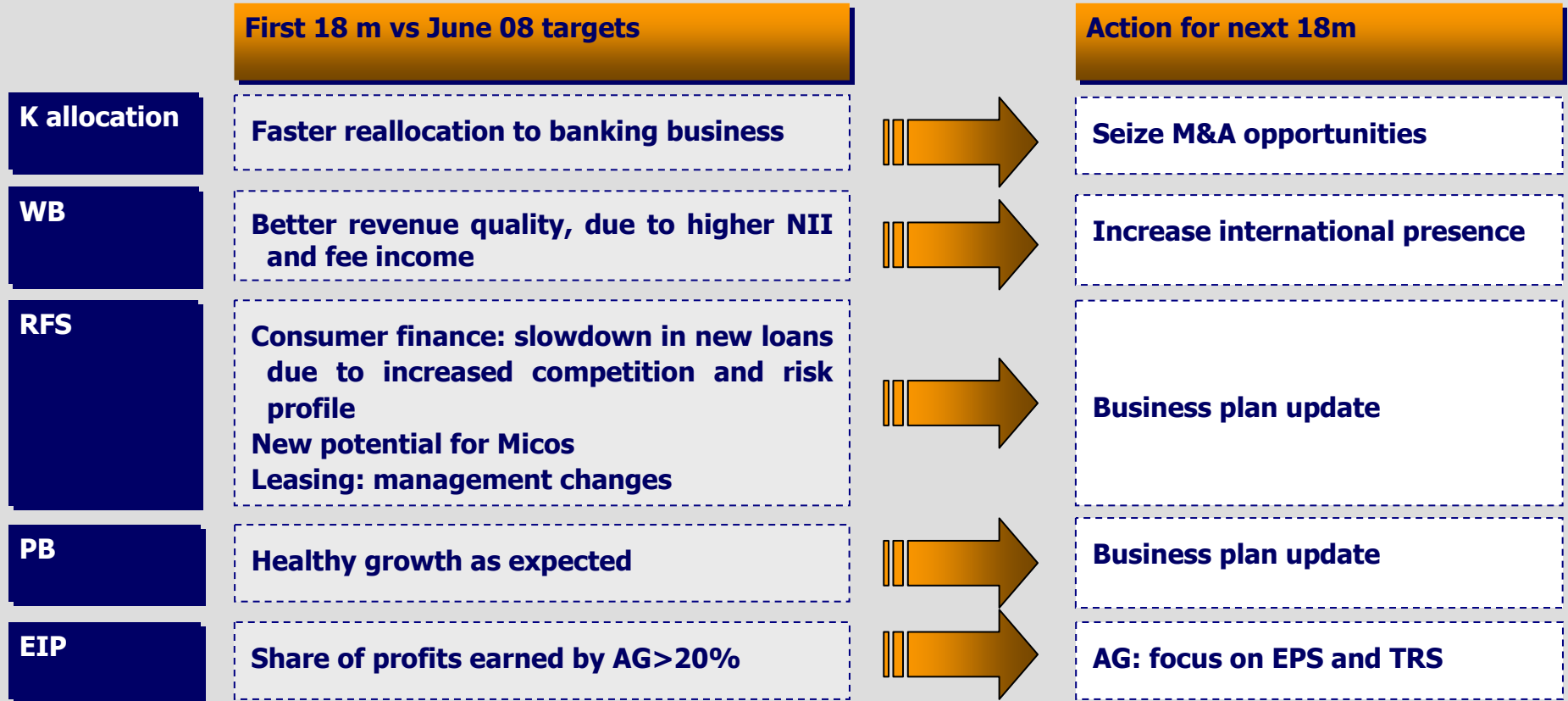
\* Net profit from disposals included



# Halfway review: December 2006 results vs June 2008 targets

Section II

Halfway review



# **Divisional Analysis**

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## **Section III**

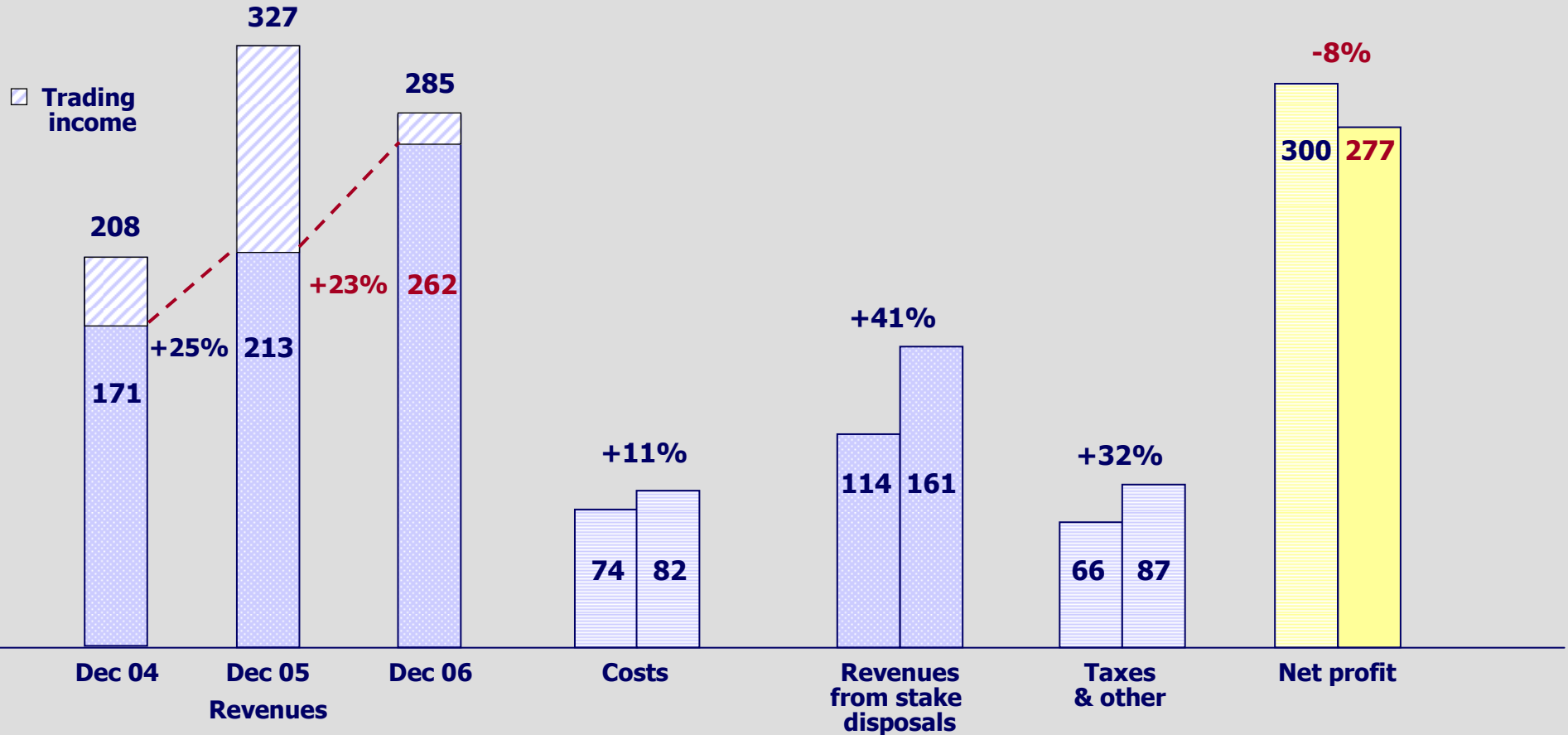


# Wholesale banking

## Section III

## Divisional analysis

1H 06/1H 07 trend (€ m)



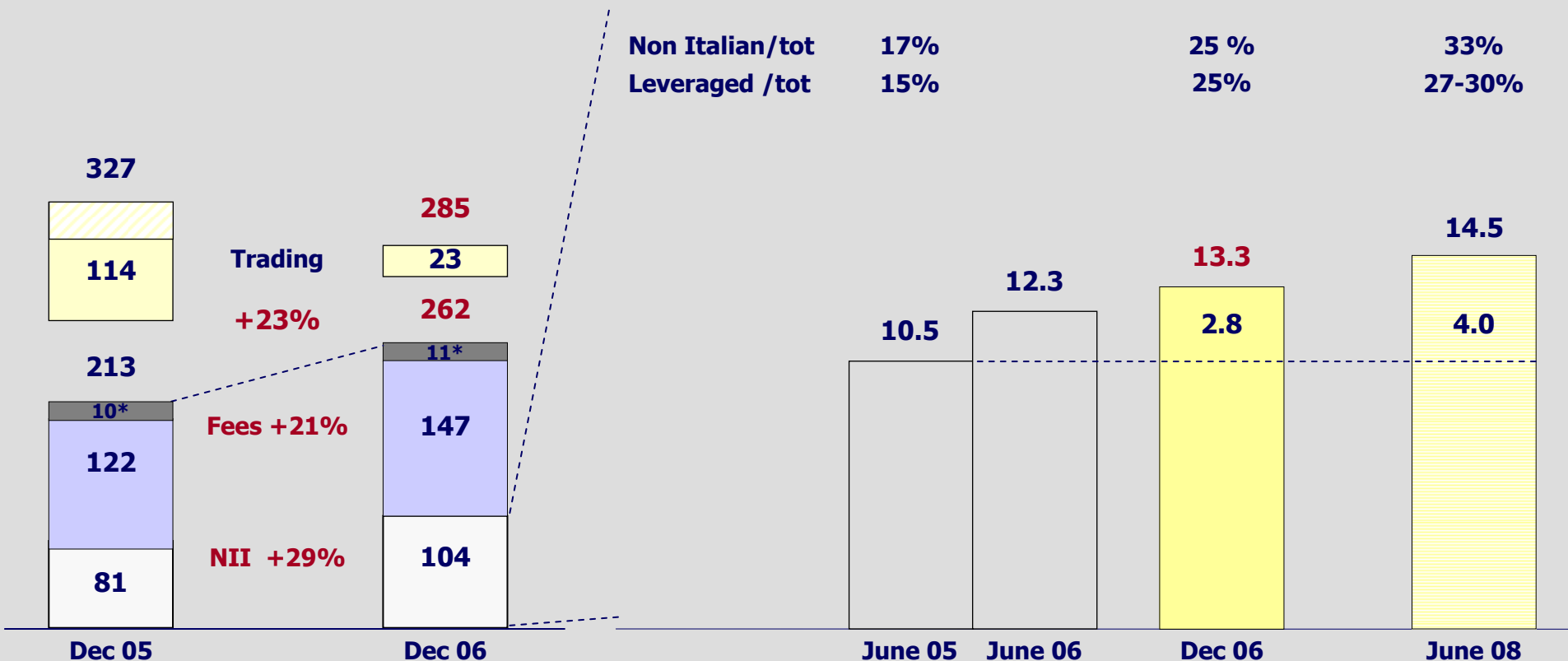
# Wholesale banking: robust NII and fees performance

Section III

Divisional analysis

Revenues trend (€ m)

Loan book trend (€bn)



\* Share of profit earned by equity-acc. co. and dividends

□ € 40 m from Ciments Français derivatives



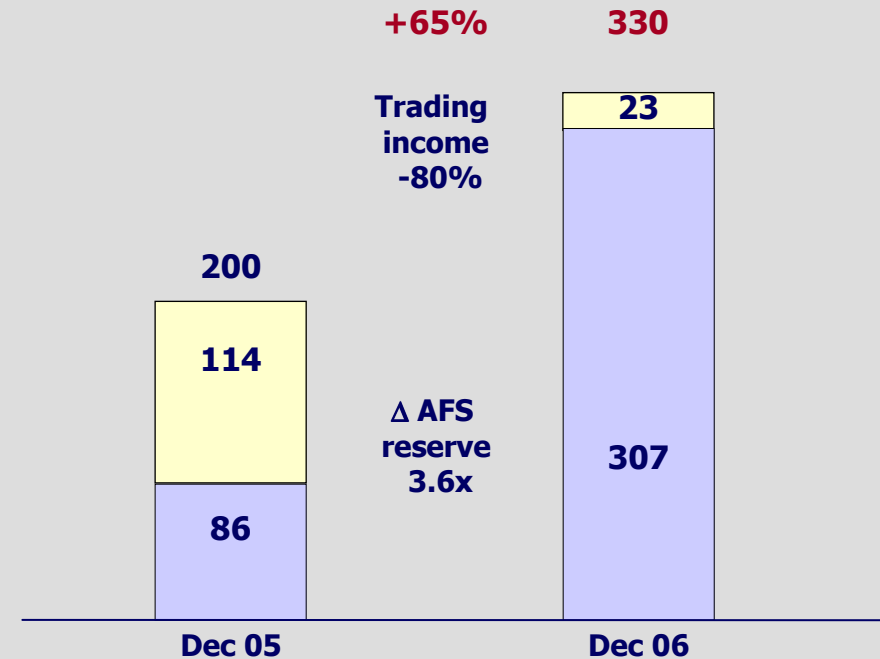
# Trading activity

## Section III

## Divisional analysis

- /// Given MB's exposure to equities, treasury management is geared towards fixed-income
- /// MB seeks to limit volatility in P&L through substantial use of the AFS category; hence a large portion of the group's trading activity is expressed in changes to the AFS reserve in net equity
- /// In December 2005, € 40m of trading income related to a one-off transaction (Ciments Français disposal)

### Realized and unrealized contribution (€ m)

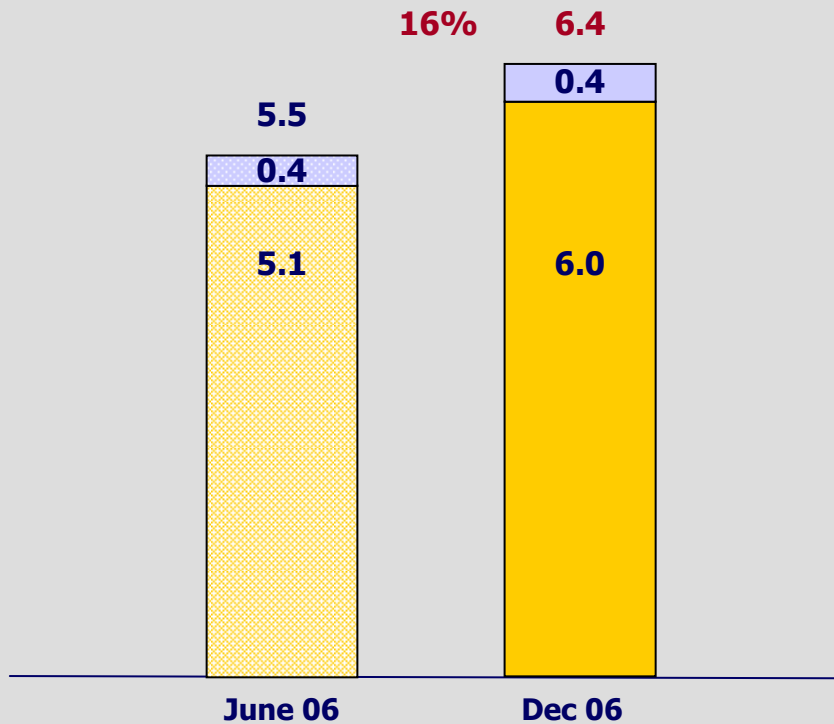


# Equity investment portfolio (AG and RCS)

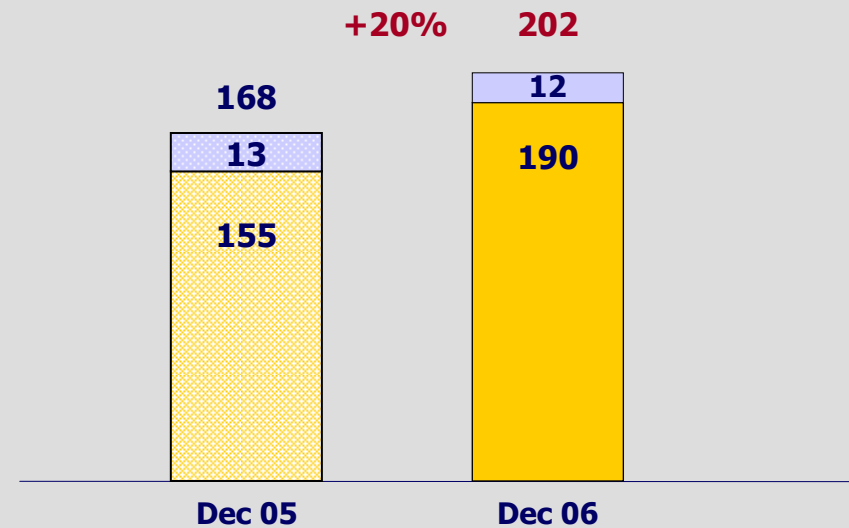
Section III

Divisional analysis

NAV trend (€ bn)



Revenues trend (€ m)



■ AG ■ RCS

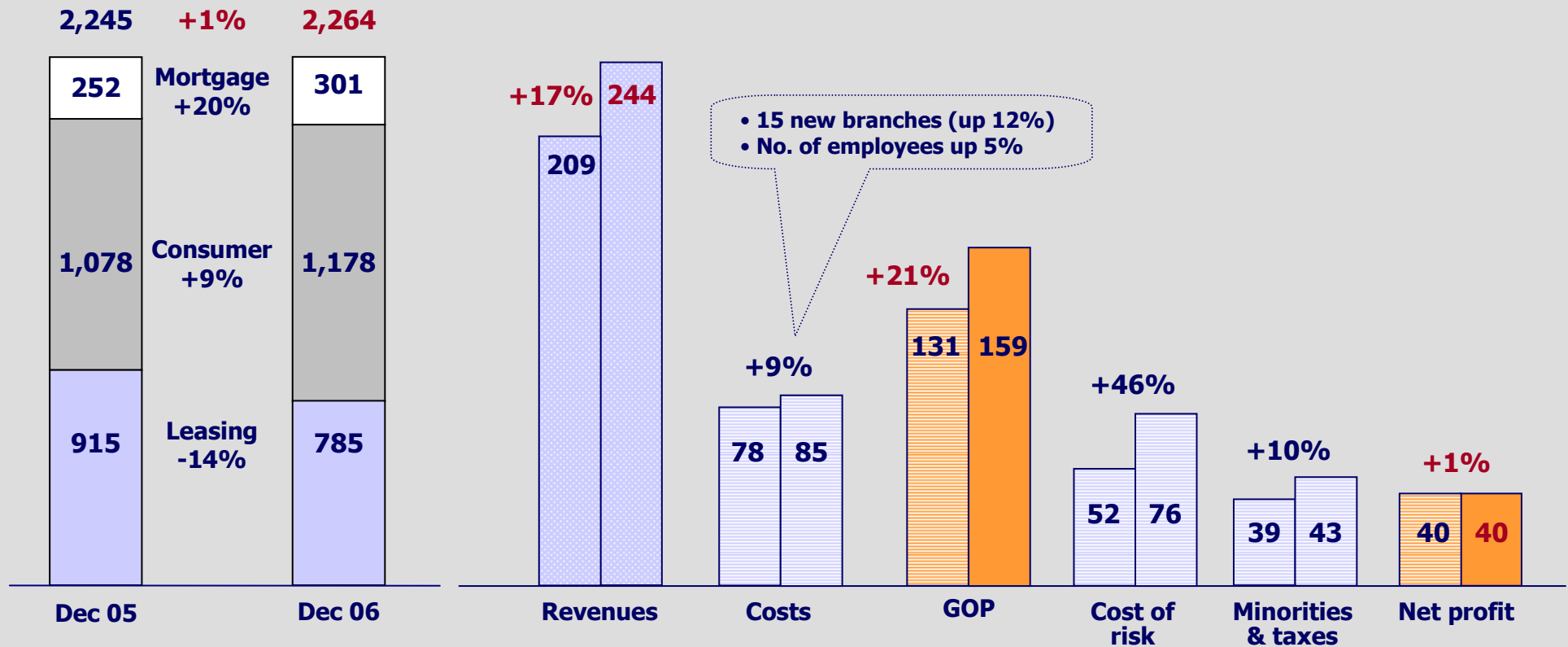
# Retail financial services: GOP up 21%

Section III

Divisional analysis

New loans trend (€ m)

1H 06/1H 07 trend (€ m)

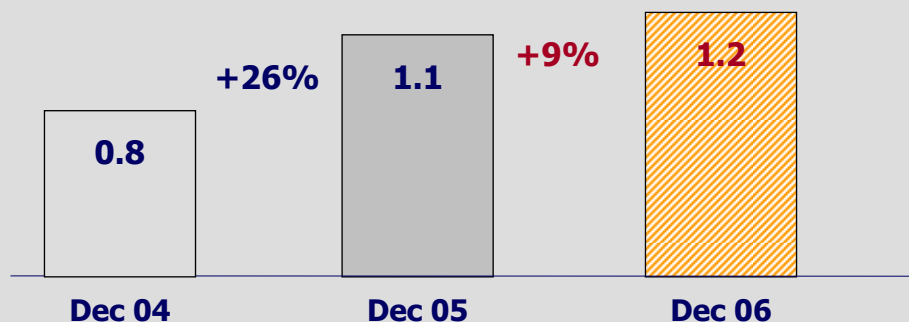


# Consumer finance: GOP up 29% (2/2)

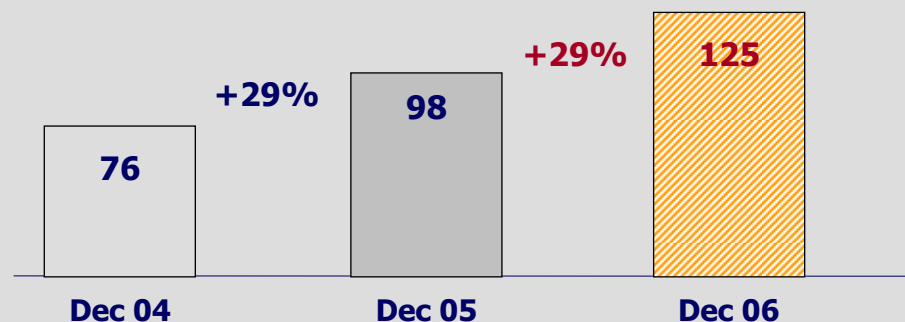
## Section III

## Divisional analysis

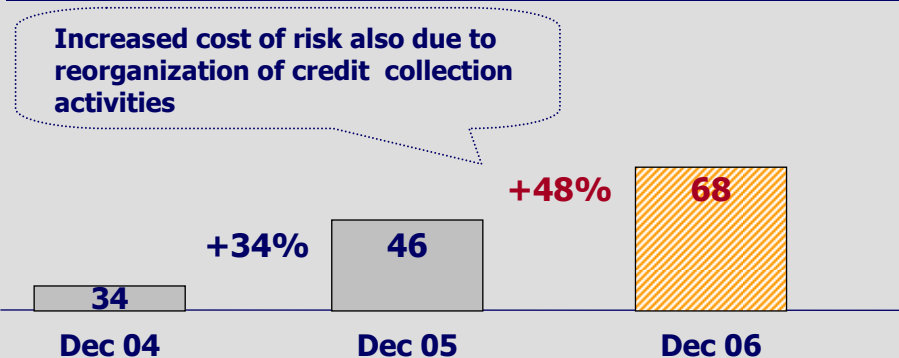
### New loans trend (€ bn)



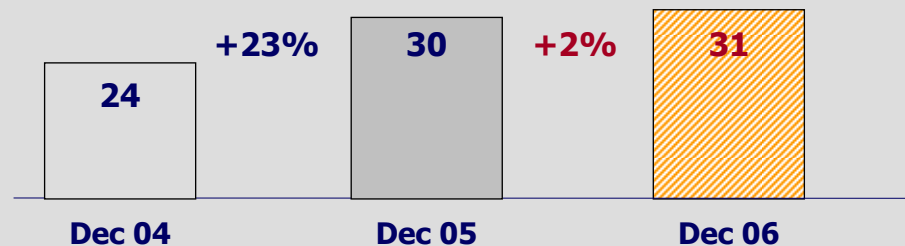
### Gross operating profit (€m)



### Cost of risk (€m)



### Net profit (€m)



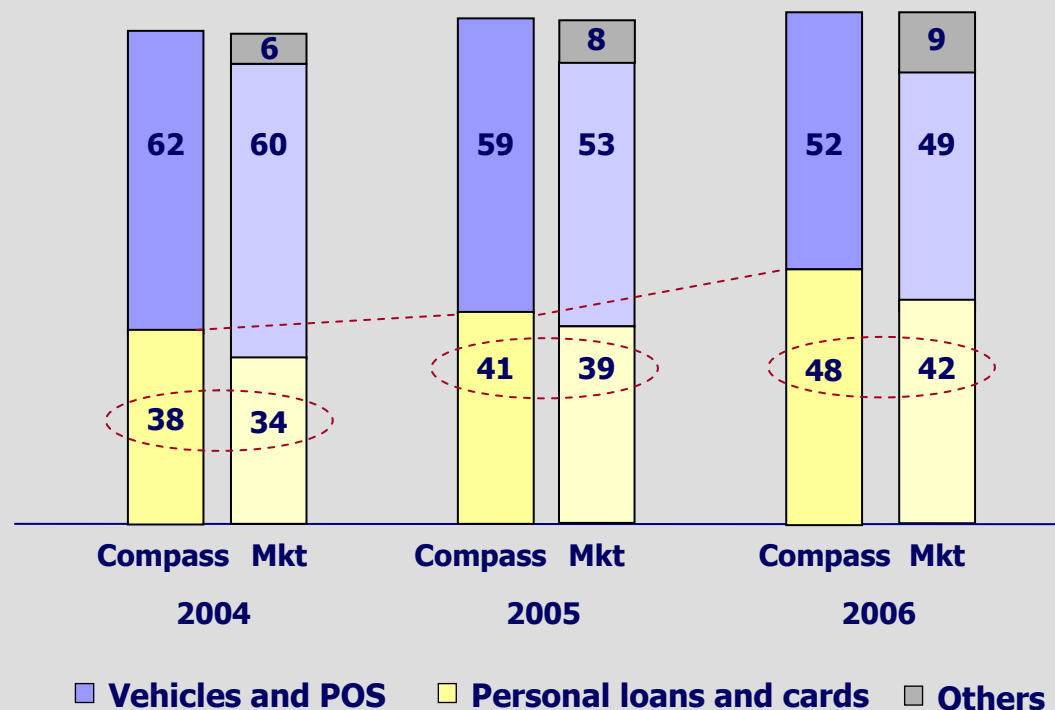
# Consumer finance: increasing share of more profitable/risky products (1/2)

## Section III

## Divisional analysis

- /// In the last 3Y Compass has outperformed the market (CAGR 03-05: 24% vs 18%), both in direct loans (49% vs 37%) and indirect loans (12% vs 7%)
- /// Compass's product mix shifted towards direct loans ahead of the market
- /// Direct loans are highly profitable/risky, partly due to increasing average durations and tickets
- /// As a result, Compass's loan book shows higher gross margins associated with higher cost of risk

Compass vs market: new loans breakdown (%)



12 m data (Jan-Dec)

Sources: Assofin, company data.

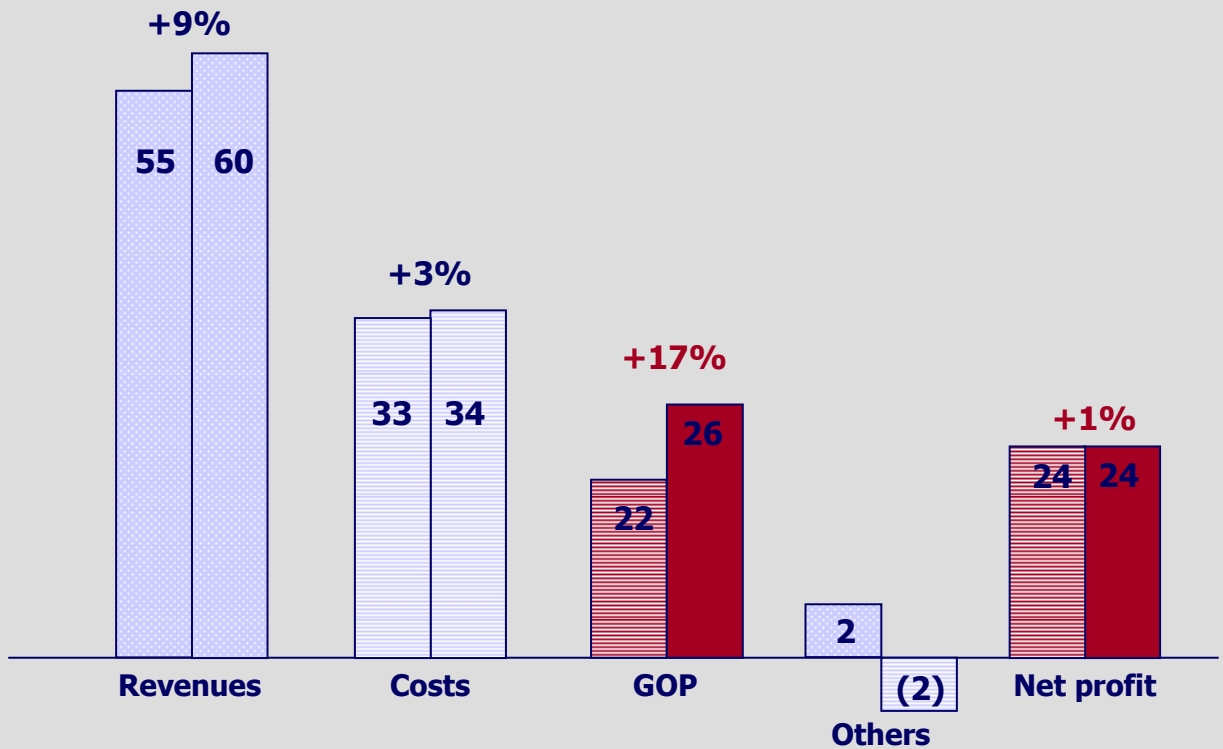
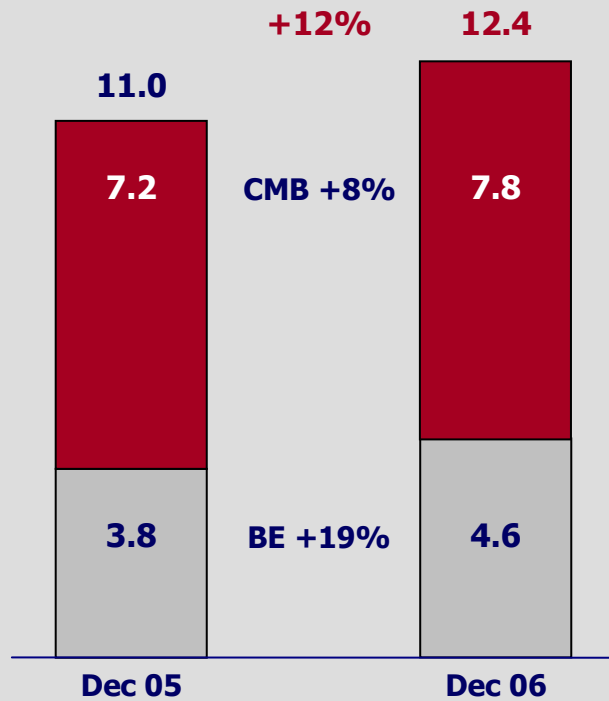
# Private banking: GOP up 17%

Section III

Divisional analysis

AUM trend (€ bn)

1H 06/1H 07 trend (€ m)



100% CMB + 48.5% Banca Esperia



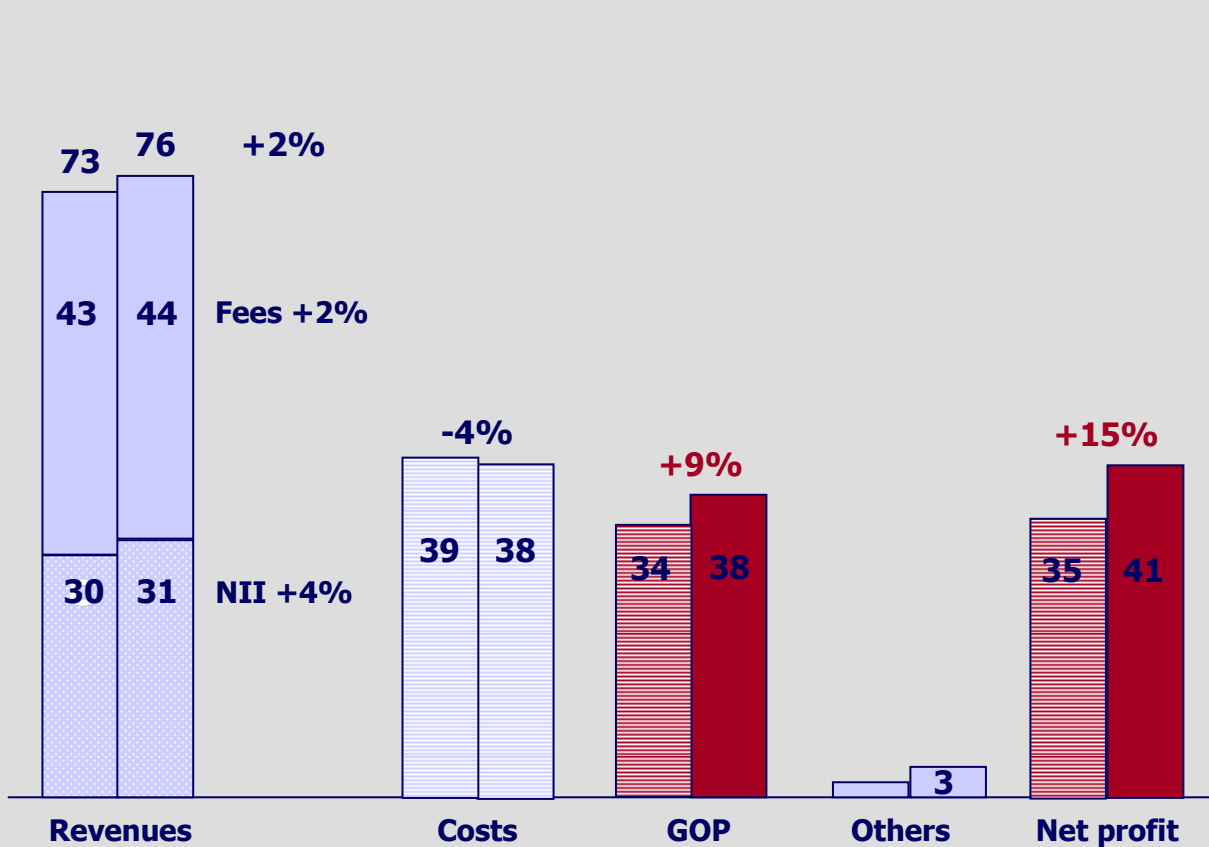


# Compagnie Monégasque de Banque

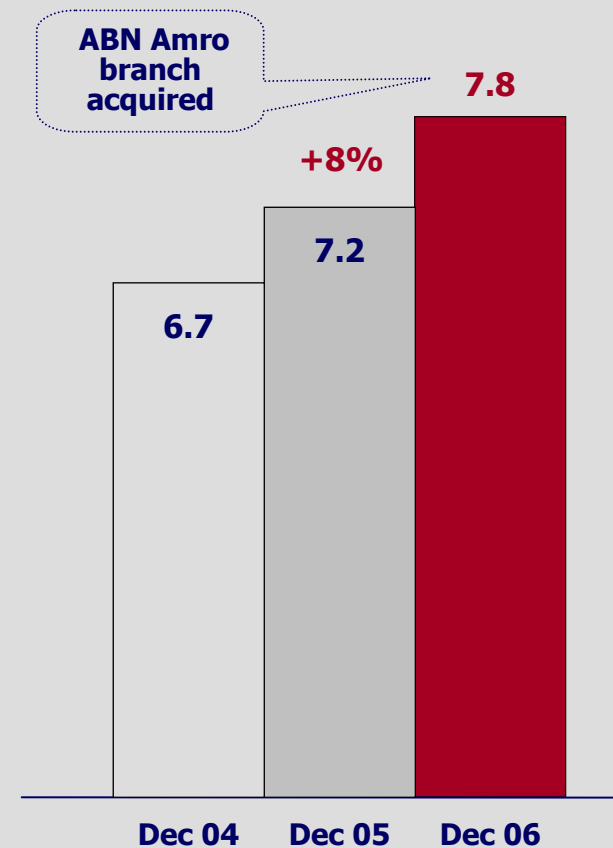
## Section III

## Divisional analysis

Full year results as at Dec 2006 \* (€ m) and Y.o.Y. trend (%)



AUM trend (€ bn)



\* Pre-closing Jan-Dec 06, 100% CMB



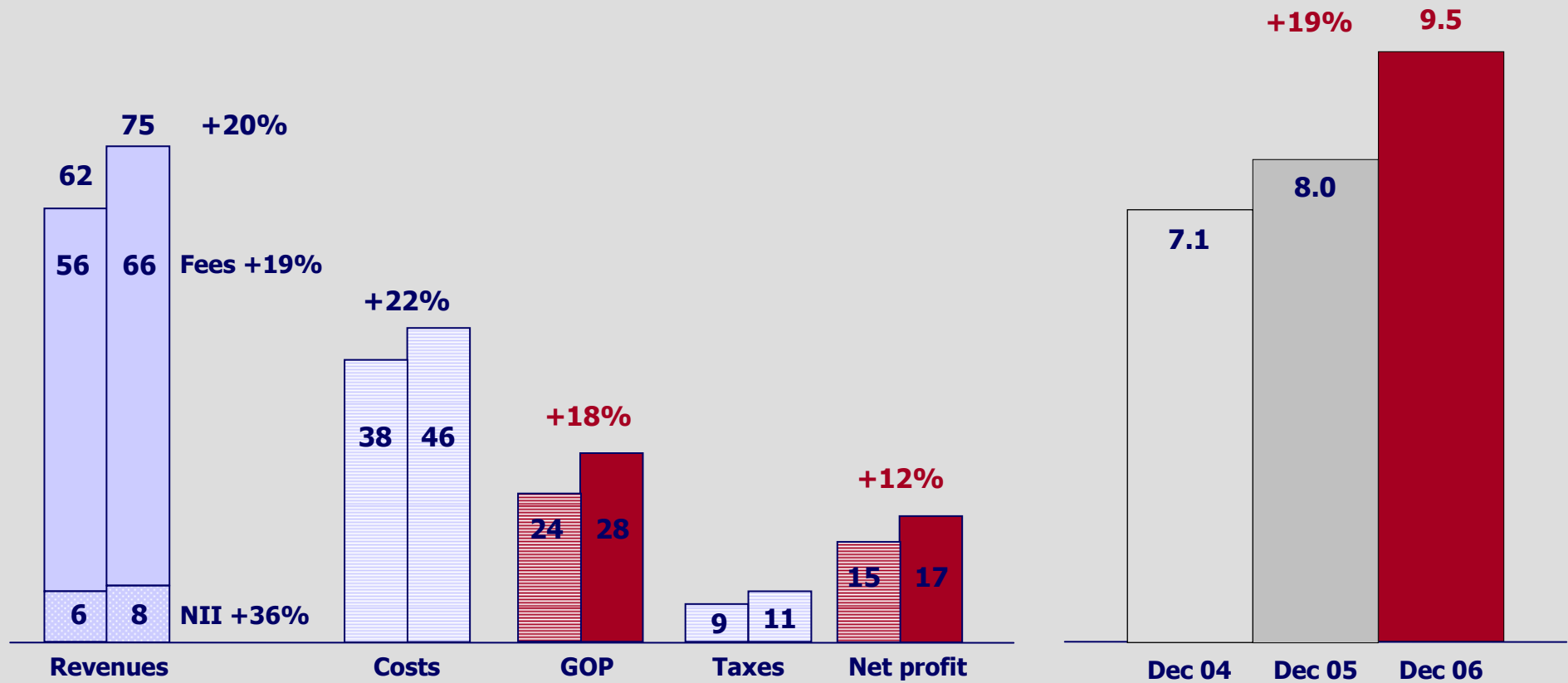
# Banca Esperia: AUM up 19%

Section III

Divisional analysis

Full year results as at Dec 2006\* (€ m) and Y.o.Y. trend (%)

AUM trend (€ bn)



\* Pre-closing, Jan-Dec 06, 100% BE





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## Mediobanca group

### Investor relations

**Jessica Spina**

**Piazzetta Cuccia, 1 – 20121 Milan**

**Tel: +39 02 8829 860**

**Fax: + 39 02 8829 550**

**E-mail: [investor.relations@mediobanca.it](mailto:investor.relations@mediobanca.it)**

**<http://www.mediobanca.it>**



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