

1H results as at December 2015



MEDIOBANCA

Milan, 11 February 2016

Agenda

Section 1. 1H16 Group results

Section 2. Segmental reporting, highlights on recent acquisitions

Section 3. Closing remarks

Annexes

- 1. Principal investing: main equity investments as at Dec15**
- 2. Quarterly segmental reporting tables**
- 3. Asset quality details by segment**

Mediobanca: sustainable growth and diversification...

6M results as at 31 Dec 2015 - MB Group

Section 1

In the last 6m Mediobanca has successfully achieved:

Growth in banking profitability with an effective diversification

Enhancement of CheBanca! business model, size doubled,
with the acquisition of a selected perimeter of Italian retail business of Barclays

Effective start in MAAM

with the closing of the acquisition of credit manager Cairn Capital

Visibility in AUM world

Confirmation of low-risk profile

~€300m of equity sold, €1.4bn since the start of the Plan

ROTE up to 8.0%

Group AUM doubled to €40bn

SREP down to 8.75%

CET1 up to 12.4%

NPLs down 12%, as % of Ls down to 3.3%

Coverage ratio up to 53%

...reflected in sound 1H/2Q results

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Section 1

Growth in NII, driven by Consumer Lending

Growth in fees due to CIB and CheBanca!

Selective growth in loan book

Reduction of NPLs (for the fourth Q in a row), higher coverage ratios

Growth in funding, higher diversification

Growth in net profit and ROTE

YoY trend (6M Dec.15 vs 6M Dec.14)

- ◆ NII up 10% to €604m despite severe scenario
- ◆ NPLs down 12% YoY (to €1,075m), 53% covered
- ◆ LLPs down 25%, CoR down to 136bps
- ◆ GOP risk adjusted up 16% to €372m
- ◆ Net profit up 23% to €321m, ROTE up to 8.0%

QoQ trend (3M Dec.15 vs 3M Sept.15)

- ◆ Fee up 37% driven by M&A and Capmkt
- ◆ LLPs down 6% to €109m and NPLs/Ls down to 3.3%
- ◆ €92m gain on equity disposals (with €295m of divestment) largely offset by SRF contribution (approx. €70m) for rescue of four Italian banks

CIB: Corporate & Investment Banking

RCB: Retail & Consumer Banking, alias CheBanca! & Compass



Sound A&L trends; CET1 at 12.4% (up 40bps HoH, up 140bps YoY)

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€bn	Dec15	Sept15	June15	Dec14	△ HoH ¹	△ YoY ¹
Funding	44.3	44.2	42.7	43.0	+4%	+3%
Bonds & other debt securities	20.8	20.6	19.7	20.2	+6%	+3%
Retail direct deposits	10.4	10.5	9.6	10.9	+8%	-4%
ECB	5.5	5.5	5.5	5.1	+0%	+8%
Others	7.6	7.6	7.9	6.8	-4%	+12%
Loans to customers	33.0	32.5	32.9	31.8	+0%	+4%
Wholesale	13.2	13.1	13.7	13.2	-4%	+0%
Private banking	1.0	0.9	0.9	0.8	+4%	+13%
Consumer	11.4	11.1	10.9	10.5	+5%	+9%
Mortgage	4.8	4.7	4.6	4.4	+5%	+9%
Leasing	2.6	2.7	2.8	2.9	-4%	-9%
Treasury+AFS+HTM+LR	16.0	16.7	14.8	15.4	+8%	+4%
RWAs	58.8	59.0	59.6	59.2	-1%	-1%
Loans/Funding ratio	75%	74%	77%	74%		
CET1 ratio: phase-in / fully phased² (%)	12.4 / 13.4	12.5 / 13.3	12.0 / 13.2	11.0 / 12.7	+40bps	+140bps
TC ratio: phase-in / fully phased² (%)	16.1 / 16.6	15.3 / 15.8	14.9 / 15.6	13.9 / 15.1		

¹ HoH = Dec15/June15; YoY= Dec15/Dec14

² Basel 3 CRR/CRDIV phased-in and fully phased with AG weighted 370%



GOP growth (up 8% HoH and 16% YoY) driven by RCB and PI

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€m	2H Dec15	4Q15 Oct-Dec	3Q15 July-Sept	Δ QoQ ¹	1H June15	2H Dec14	Δ YoY ¹
Total income	1,016	509	507	-	1,031	1,014	0%
Net interest income	604	302	303	-	595	548	10%
Fee income	227	132	96	37%	212	260	-13%
Net treasury income	46	20	26	-25%	124	83	
Equity accounted co.	139	56	83	-32%	101	123	13%
Total costs	(420)	(223)	(197)	13%	(455)	(392)	7%
Labour costs	(210)	(112)	(98)	14%	(226)	(193)	9%
Administrative expenses	(210)	(111)	(99)	13%	(228)	(200)	5%
Loan loss provisions	(224)	(109)	(115)	-6%	(232)	(301)	-25%
Operating profit	372	177	195	-9%	344	321	16%
Impairments, disposals	80	(5)	85		101	5	
Non recurring (SRF contribution)	(72)	(72)	0		(14)	0	
Income taxes & minorities	(59)	(24)	(36)		(102)	(65)	
Net result	321	77	244	-69%	329	261	23%
Cost/income ratio (%)	41	44	39		44	39	+2pp
Cost of risk (bps)	136	133	141		143	193	-57bps
ROTE (%)	8.0					7.2	+0.8pp

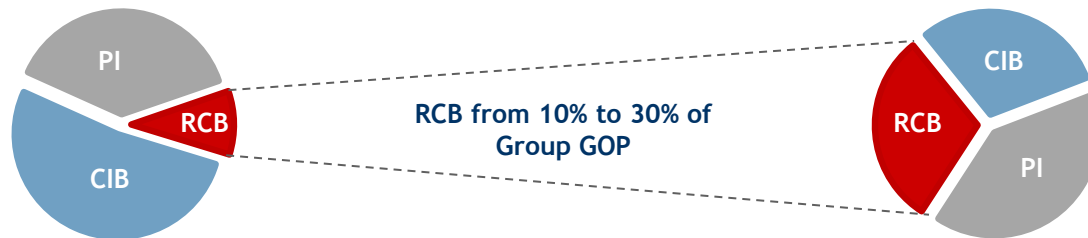
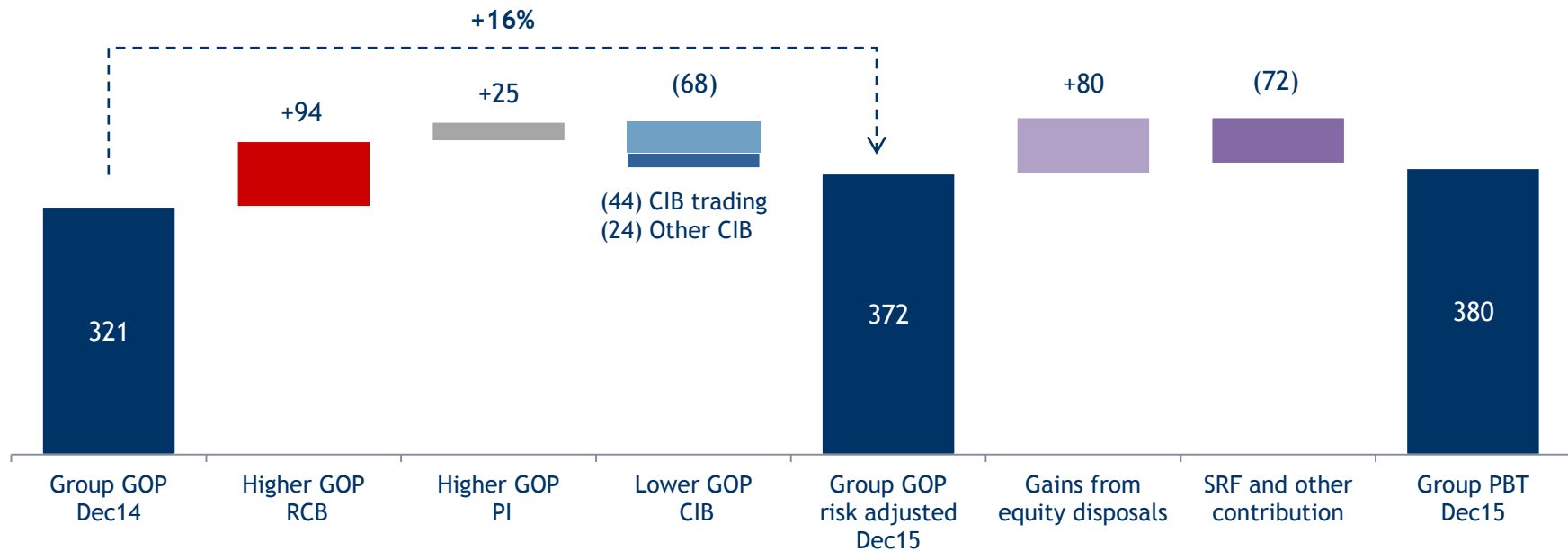
¹QoQ = 3MDec15/3MSept15; YoY= 6MDec15/6MDec14

GOP up 16%, well diversified among CIB, RCB and PI (1/3 each)

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MB Group GOP risk adjusted¹ and PBT trend (€bn)



¹GOP risk adjusted = GOP - LLPs

Banking profitability: ratios materially improved

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		6M Dec15 annualized	12M June15 FY15	6M Dec14 annualized
GROUP	ROTE	8.0%	7.6%	7.2%
	CET1	12.4%	12.0%	11.0%
CIB	ROAC ¹	5.9%	8.2%	9.0%
RCB	ROAC ¹	16.2%	10.8%	10.0%
ow Consumer lending	ROAC ¹	17.9%	14.5%	13.9%
ow Retail banking	ROAC ¹	6.8%	neg	neg
PI	ROAC ¹	30.8%	21.6%	28.5%

¹ Calculated on average allocated K = 8% RWAs . RWAs are 100% calculated with STD

Gains/losses from AFS disposals, impairments and positive/negative one-off items excluded, normalized tax rate = 33%

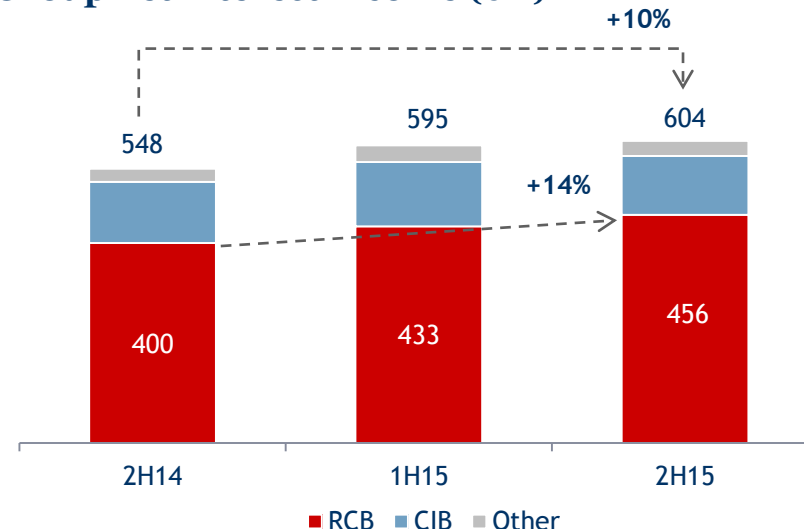
NII up 10% driven by RCB, selective margin-oriented lending

6M results as at 31 Dec 2015 - MB Group

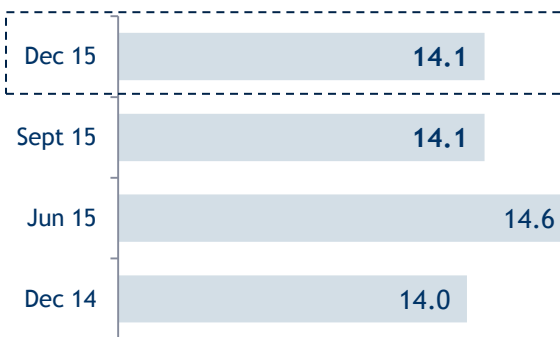
Section 1

- ◆ **Group NII up** (10% YoY and 2% HoH) driven by healthy and sound growth in Retail & Consumer banking
- ◆ **Consumer (Compass) NII:** material and steady growth (up 14% YoY and 6% HoH) with margin-oriented, selective lending approach (Compass new business up 5% YoY vs 14% of market)
- ◆ **Retail (CheBanca!) NII:** growth obtained (14% YoY and 4% HoH) with mortgages rebounding (new business doubled, in line with market) and cost of funding reduction
- ◆ **CIB:** lower NII for selective lending, asset repricing and still high cost of funding (being 47% of MB funding in bonds, big part of cost reduction to come)

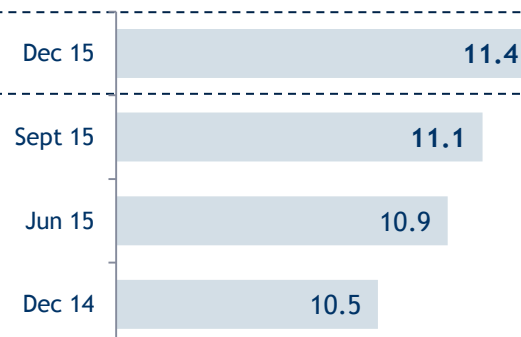
Group net interest income (€m)



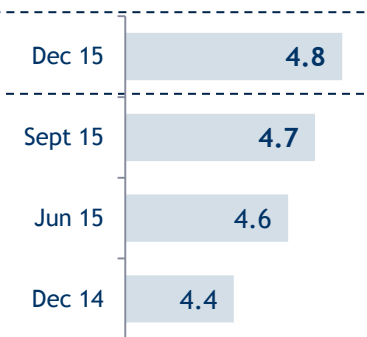
Corporate loans stock (€bn)



Consumer loans stock (€bn)



Mortgages stock (€bn)

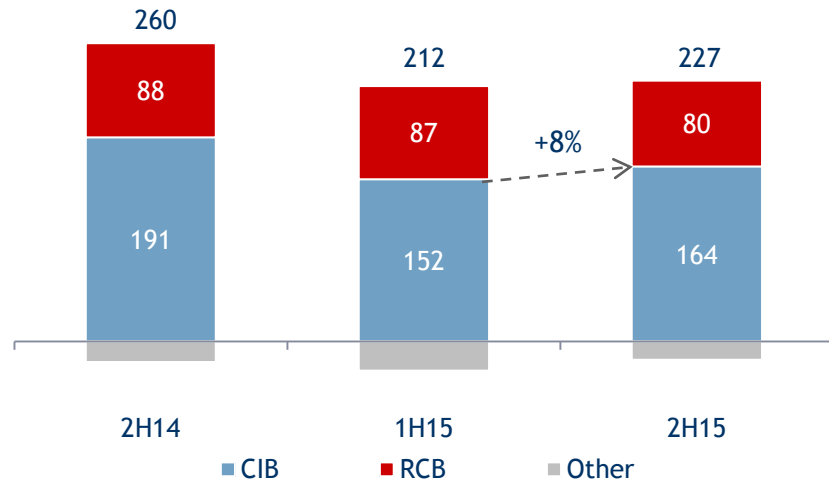


Fees back to growth driven by IB and retail

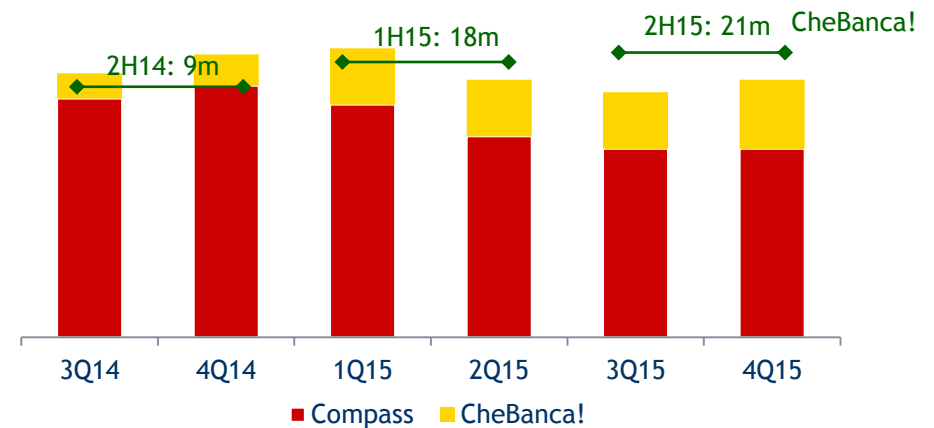
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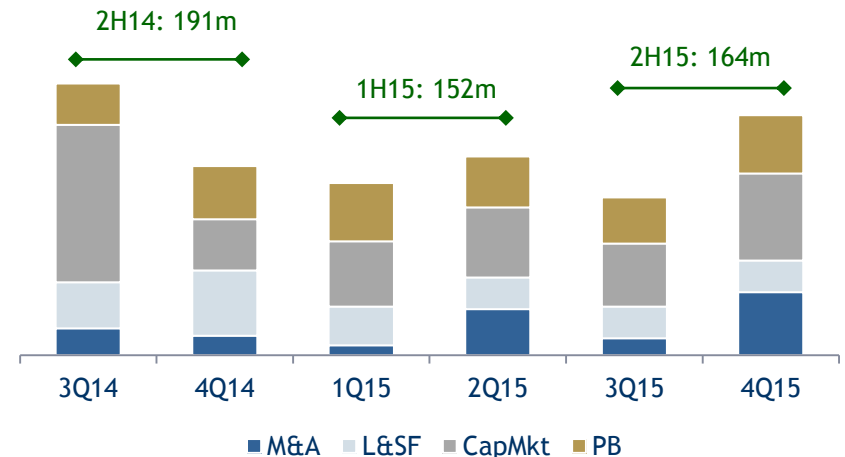
Group fee income (€m)



RCB fees (€m)



CIB fees (€m)



- ◆ Group fees back to growth in last Q driven by M&A, capital markets and asset management sales
- ◆ Despite difficult markets, fee growth sustainable also in next quarters due to:
 - ◆ strong M&A and ECM pipeline, while lending moving to an event-driven model
 - ◆ AUM placement by CheBanca!, helped also by launch of new digital advisory platform
 - ◆ Consolidation of Cairn

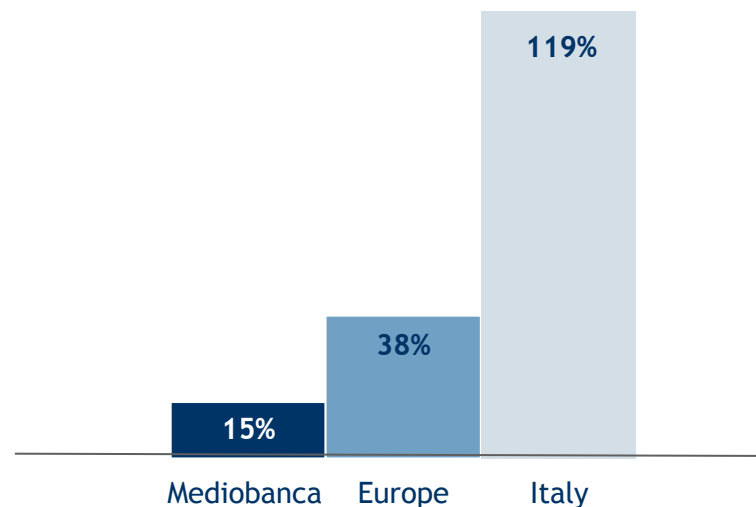
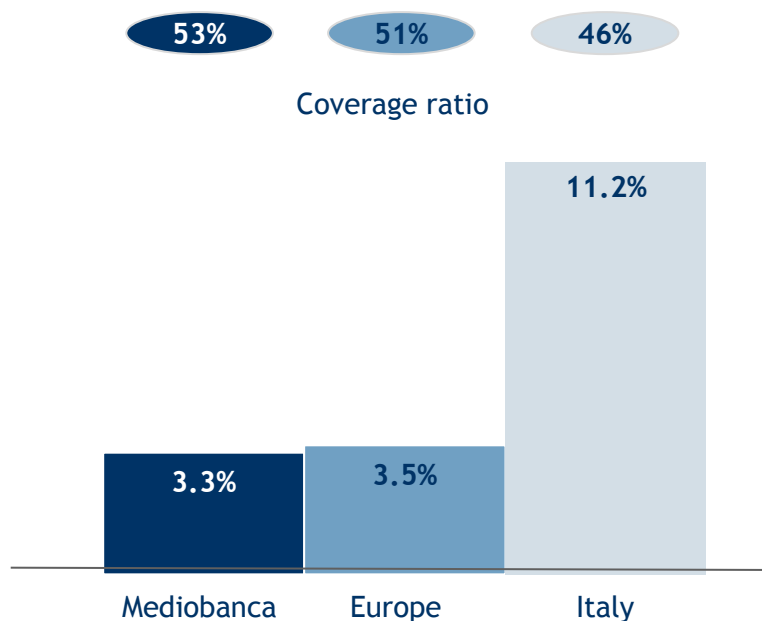
MB well positioned among European banks on asset quality

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

Net NPLs (“deteriorate”) as % of CET1



	NPLs / CET1	NPLs / Loans	Coverage
◆ Mediobanca	15%	3.3%	53%
◆ European banks	38%	3.5%	51%
◆ Italian banks	119%	11.2%	46%

Source: Mediobanca figures as at Dec15; European and Italian Banks (MB securities coverage, data as at June 15)



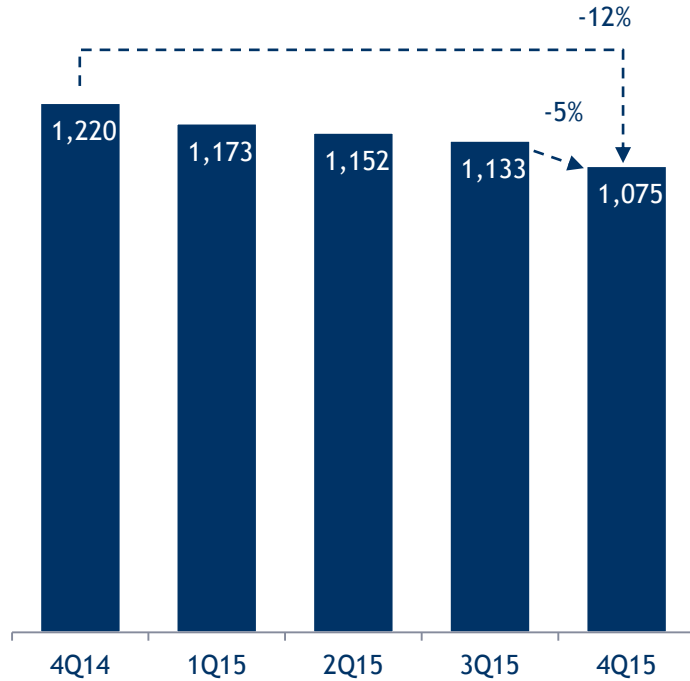
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Reduction of NPLs and cost of risk in all segments...

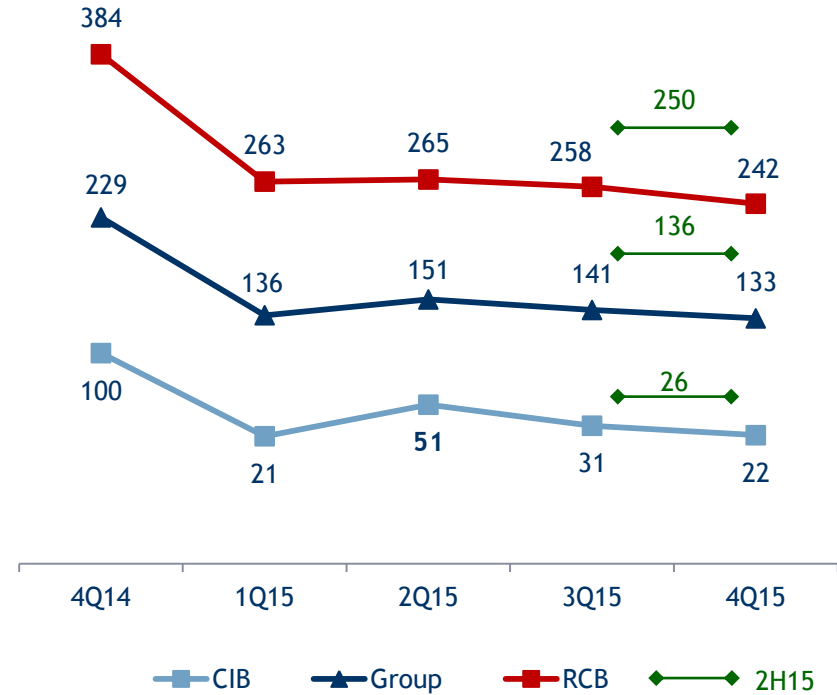
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Net NPLs (€m, %)



Cost of risk trend (bps)



- ◆ NPLs down for the fourth quarter in a row: gross down 7% YoY (to €2,223m), net down 12% YoY (to €1,075m)
- ◆ Group cost of risk in 2H15 down to 136 bps, on positive trend in all divisions

...coupled with increasing coverage ratios

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NPLs details (“deteriorate”)

Group and segmental figures	Dec14	June 15	Dec15
Net NPLs (€m)	1,220	1,152	1,075 ↓
Net NPLs/loans	3.8%	3.5%	3.3% ↓
NPLs coverage ¹	51%	53%	53% ↑ 56% adj. ²
-- ow Wholesale	49%	54%	47% ↑ 56% adj. ²
-- ow Consumer ¹	67%	68%	74% ↑
-- ow Mortgage	47%	48%	49% ↑
-- ow Leasing	29%	30%	30% =

Bad loans details (“sofferenze”)

Group and segmental figures	Dec14	June 15	Dec15
Net bad loans (€m)	270	259	258 ↓
Net bad loans/loans	0.8%	0.8%	0.8% =
Bad loans coverage ¹	66%	66%	66% =
-- ow Wholesale	100%	100%	100% =
-- ow Consumer ¹	89%	88%	90% ↑
-- ow Mortgage	52%	53%	54% ↑
-- ow Leasing	48%	49%	47% ↓

- ◆ NPLs down 12% YoY (to €1,075m) representing 3.3% of loan book (3.8% as at Dec14)
- ◆ Coverage ratio: stable to 0.8% for PLs, 53% for NPLs, 66% for Bad loans
- ◆ Increasing NPLs coverage ratios in RCB: consumer from 67% to 74%, mortgages from 47% to 49%

¹ Net of Creditech

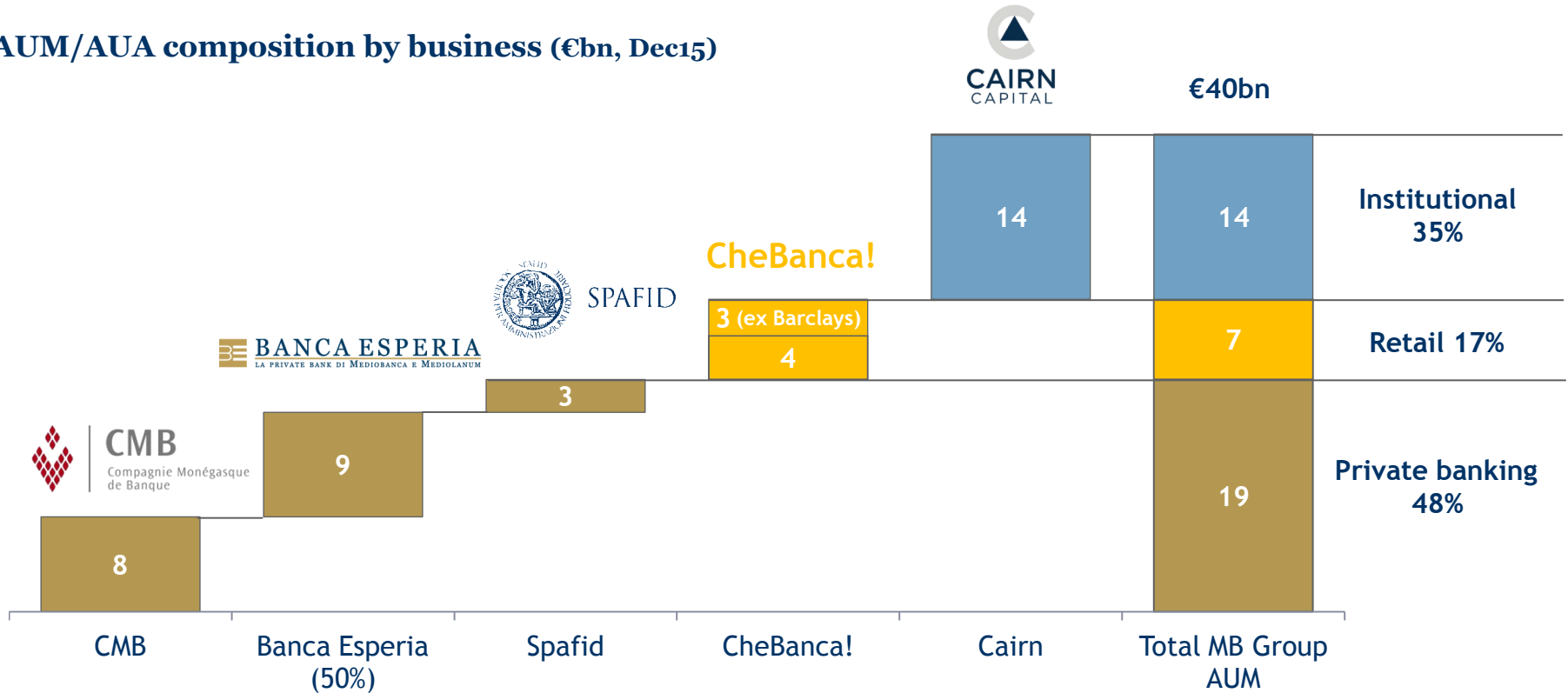
² The WB coverage ratio fell to 47% due to the writeoff of positions totalling €156m; net of these positions the coverage ratio would rise to 56%. According to the same calculation the Group coverage ratio would rise to 56%.

AuM doubled to €40bn

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MB AUM/AUA composition by business (€bn, Dec15)



- ◆ MB gathering roughly €40bn AUM - doubled YoY - with different brands, customers, distribution and products:
 - ◆ ~ €19bn related to private banking customers of Compagnie Monégasque de Banque, Spafid and Banca Esperia
 - ◆ ~ €7bn related to mass/affluent customers of CheBanca!/Barclays
 - ◆ ~ €14bn related to institutional mandates of Cairn Capital (asset management and advisory)

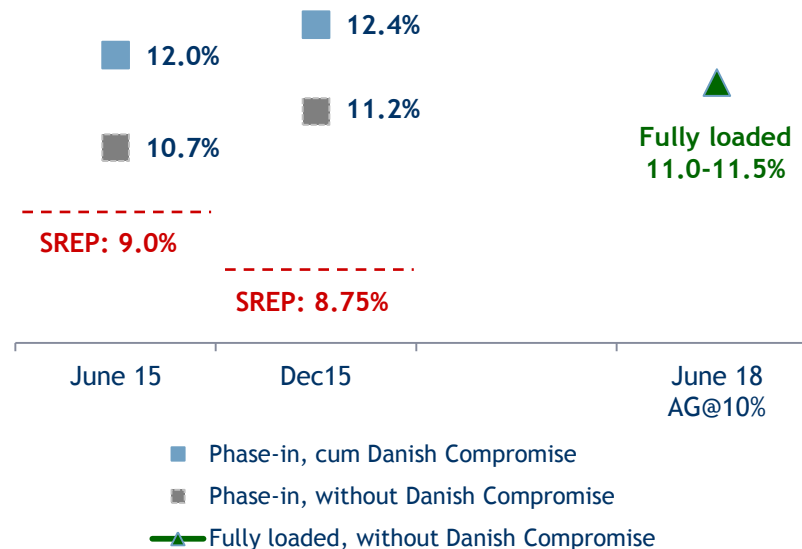
Sound capital ratios in all scenarios

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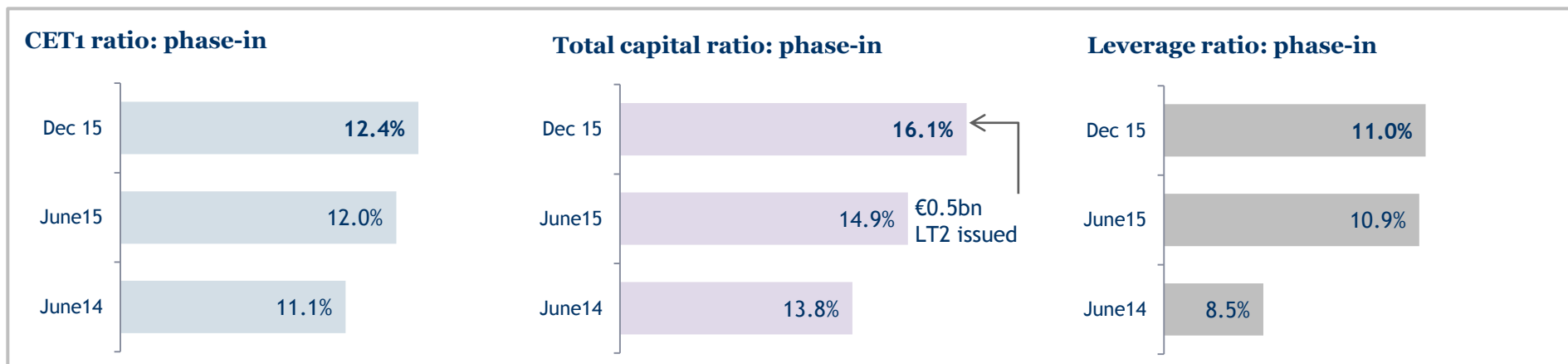
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- ◆ CET1 and Total Capital growing over the past two years due to retained earnings, RWAs control and equity exposure reduction
- ◆ Commitment to sell 3 pp of AG stake confirmed in line with BP strategic guidelines, flexibility on timing
- ◆ Capital ratios remain comfortable
 - ◆ keeping payout at 40%
 - ◆ consolidating Barclays and Cairn acquisition

CET1 ratios trend (%)



CET1 ratios and leverage ratio evolution (%)



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3. Asset quality details by segment

CIB: focus on fee business, low risk

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Segmental reporting - CIB

Corporate and Private Banking

Wholesale Banking

- ◆ Low risk profile confirmed on both asset and liabilities side
- ◆ AIRB project in line with targeted adoption in 2017
- ◆ Leadership positioning in Italy confirmed, growing non-domestic business

Private Banking/ Asset Management

- ◆ Cairn acquisition closed
- ◆ Divisional AUM/AUA up to €33bn, split between Cairn Capital (€13.6bn), Banca Esperia (€8.6bn), CMB (€7.8bn), and Spafid (€2.7bn)
- ◆ Scouting further opportunities to grow

Positives

- ◆ Fees up 53% in 4Q15 driven by advisory and Capmkt; positive IB pipeline ahead
- ◆ Cost of risk down to 26 bps in 2H15, NPLs at 2.9% of loans
- ◆ Funding ahead of schedule: 80% of funding plan complete by end-January 2016

Negatives

- ◆ Lower NII for selective lending, asset repricing and still high cost of funding
- ◆ Cost up due to regulation and AIRB validation process

Low risk profile confirmed on both the asset side and...

6M results as at 31 Dec 2015

Segmental reporting - CIB

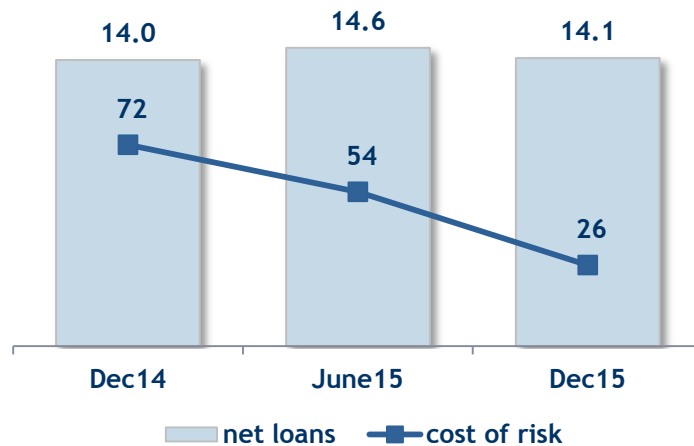
Lending (Dec.15)

- ◆ New business kept low, focus on selected markets (UK, US)
- ◆ Lending P&L: NII down but benefits on cost of risk, following positive trend in asset quality:
 - ◆ Zero bad loans
 - ◆ NPLs down (to €414m), coverage up
 - ◆ CoR down to 26 bps in last 6m (22 bps in last Q)

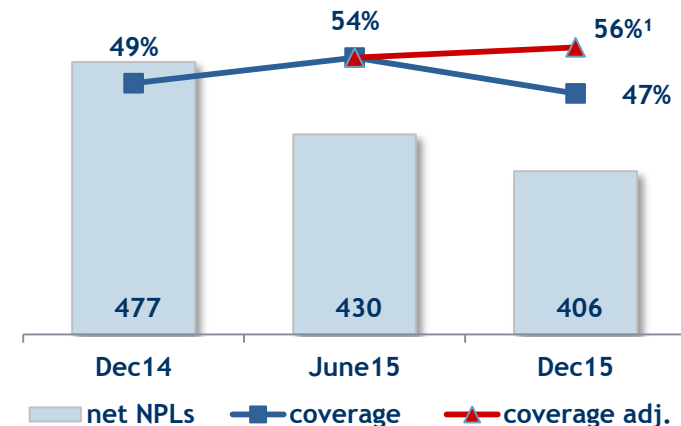
HTF, AFS and HTM Portfolios (Dec.15)

- ◆ High quality portfolio with conservative risk approach
- ◆ Govies stabilized at around €6bn (~80% Italian with 1.2y duration); excess liquidity reduced in order to address low interest rate scenario
- ◆ €10.6bn of ECB counterbalance capacity and further €3.5bn of marketable assets

CIB: loans and cost of risk trend (€m, bps)



CIB net NPLs and coverage ratio (€m, %)



¹ The WB coverage ratio fell to 46% due to the writeoff of positions totalling €156m; net of these positions the coverage ratio would rise to 56%.

...and liability side (funding)

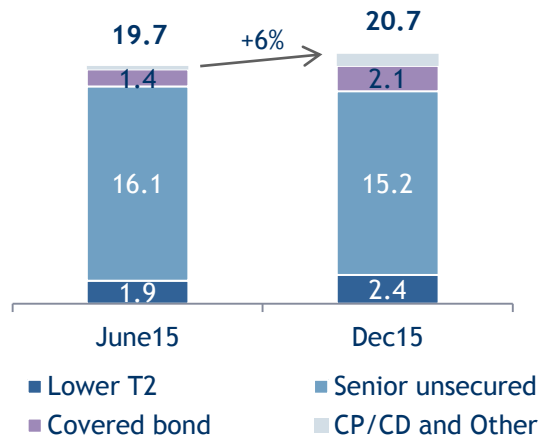
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Segmental reporting - CIB

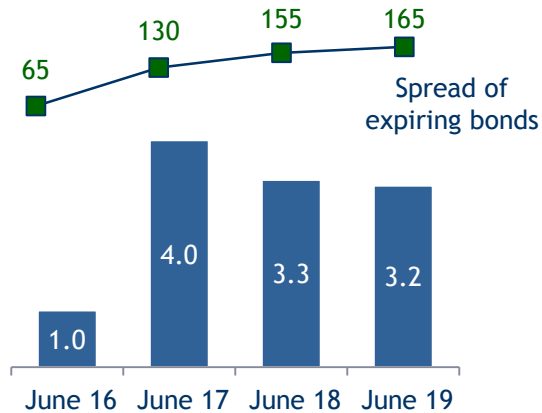
Funding

- ◆ Debt securities enlarged and well spread in terms of instruments, duration, channels and clients.
- ◆ In last six months €3bn debt securities issued and placed (vs 1.9bn redemptions) with an avg maturity of 6Y (€0.7bn covered bond to institutionals, €0.5bn LT2 on MOT, €1.1bn senior 60% institutional/40% retail, €0.7bn CP/CD to institutionals)
- ◆ Around 80% of funding plan for FY 2016 already completed by end-January
- ◆ Cost of funding: despite difficult markets, cost of new funding kept under control (avg 110 bps, 95 bps without subordinated loan) and below avg stock cost (150 bps)
- ◆ In next years more expensive bonds due to mature

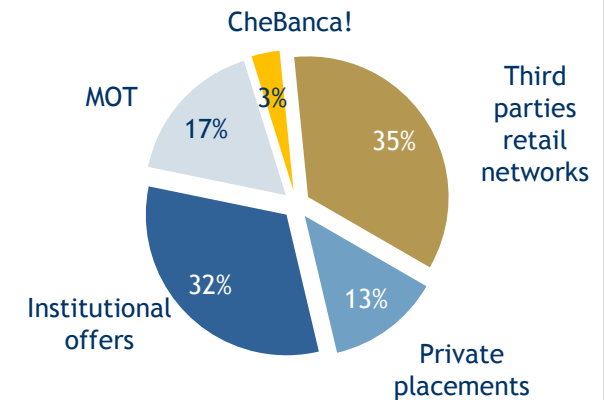
Bond and debt securities trend (€m)



MB expiring bonds; stock and cost (€bn, bps over Euribor 3m)



MB bond by channel/client (Dec15, %)

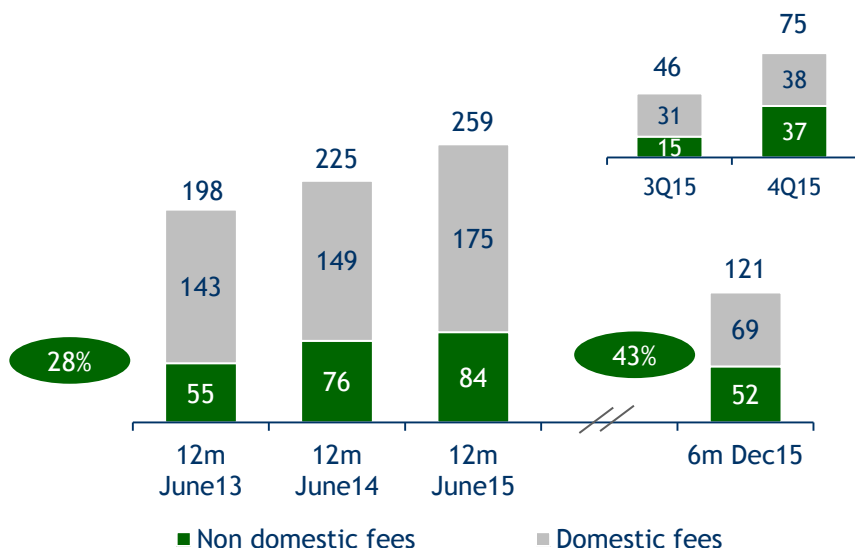


IB leadership in Italy confirmed, growing non-domestic business

6M results as at 31 Dec 2015

Segmental reporting - CIB

WB: growing non-domestic fee business (€m)



WB: top positioning in Italy (Thomson Reuters)

M&A- league table (Jan-Dec 2015)¹

	Value (\$bn)	Mkt share	No. Deals
MB	21.1	39.0%	28
GS	20.9	38.6%	12
IMI	18.4	33.9%	37
Citi	18.4	33.9%	15
Morgan Stanley	17.9	33.1%	9
Italy	54.1	100%	848

ECM- league table (Jan-Dec 2015)²

	Value (\$bn)	Mkt share	No. Deals
MB	6.9	43.0%	4
Citi	5.2	32.4%	2
IMI	4.6	28.9%	5
Unicredit	4.5	28.4%	5
UBS	3.8	24.1%	2
Italy	16.0	100%	41

- ◆ **Non-domestic fees up to 43% of total**, due to higher contribution of international capital market business
- ◆ League table confirming **top positioning in advisory and ECM in Italy**
- ◆ **Rebound of fees in last Q (from €46m to €75m) evenly split between domestic and non-domestic business and driven by M&A and capital markets**, for which the pipeline ahead remains positive.

¹ Any Italian involvement completed, full amount

² Ranking by global co-ordinator

Cairn Capital (acquisition closed) adding €13.6bn in AUM

6M results as at 31 Dec 2015

Segmental reporting - CIB

Cairn KPIs

- ◆ Acquisition closed in Dec. 15
- ◆ First step in MAAM set up, starting from credit asset class: good fit with MB DNA , high synergies with CIB business (sharing product capabilities, customer base, distribution)
- ◆ Set up in 2004, Cairn is an asset specialist with €13.6bn AUM/AUA: strong skills and experience across broad credit products spectrum
- ◆ Strong reputation and management team with robust institutional relationships and previous CIB experience
- ◆ Based in London, 60 employees; presence in Greenwich (US). Scalable operational infrastructure

Cairn Capital Platform (Dec.15)

Discretionary Asset Management	Legacy and L/T advisory	Real Estate Advisory Services
€2.0bn AUM	€11.6bn AUM / AUA	<ul style="list-style-type: none"> ◆ Real estate debt advisory and restructuring ◆ Real estate new financing

- ◆ **Growth acceleration** potential from MB institutional roof, brand and balance sheet capabilities. Senior management to maintain key roles
- ◆ **Material revenue synergy opportunity** from the combination of Cairn Capital with MB:
 - ◆ Seed capital and distribution
 - ◆ Sourcing and origination of new loans
 - ◆ Leveraging on MB CIB business, e.g. restructuring, real estate advisory, debt and solution business

CIB: focus on fee business, outstanding asset quality

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Segmental reporting: CIB

€m	2H Dec15	1H June15	2H Dec14	Δ YoY ¹	4Q Dec15	3Q Sept15	2Q June15	1Q Mar15
Total income	317	385	392	-19%	170	148	153	231
Net interest income	118	130	122	-3%	57	61	66	64
Fee income	164	152	191	-14%	99	65	82	71
Net treasury income	36	103	79	-55%	14	22	6	97
Total costs	(189)	(214)	(171)	+10%	(102)	(87)	(116)	(98)
Loan loss provisions	(19)	(26)	(49)	-62%	(8)	(11)	(18)	(8)
Operating profit	110	145	171	-36%	60	50	19	126
One-offs	0	(1)	1		1	(1)	1	(2)
Net result	75	75	117	-36%	50	25	8	67
Cost/income ratio (%)	60	56	44	+16pp	60	59	76	42
LLPs/Ls (bps)	26	36	72	-46bps	22	31	51	21
Loans (€bn)	14.1	14.6	14.0	+1%	14.1	14.1	14.6	14.3
Treasury & AFS (€bn)	18.4	16.8	17.1	+7%	18.4	19.2	16.8	16.8
AUM/AUA (€bn)	32.6	18.7	17.3	+89%	32.6	18.7	18.7	18.8
RWAs (€bn)	32.6	33.4	34.0	-4%	32.6	33.0	33.4	34.8
ROAC (%)	5.9		9.0	-3.1pp				

¹ YoY= Dec15/Dec14

PI: value management of Ass.Generali stake

6M results as at 31 Dec 2015

Segmental reporting: Principal investing

€m	2H Dec15	1H June15	2H Dec14	Δ HoH ¹	Δ YoY ¹
Total income	153	124	130	+24%	+18%
Gains from disposals	92	108	15		
Impairments	(12)	(9)	(12)		
Net result	228	208	127	+10%	+80%
Book value (€bn)	3.9	4.4	4.0		-4%
Ass. Generali (13.24%)	3.0	3.3	3.0	-9%	+1%
AFS stakes	0.9	1.1	1.1	-19%	-19%
Market value (€bn)	4.4	4.4	4.6		-5%
Ass. Generali	3.5	3.3	3.5	+5%	-0%
RWA (€bn)	11.1	11.7	11.2	-4%	-1%
ROAC (%)	30.8		28.5		

- ◆ Revenues to come from AG stake (13.24% as at Dec15) consolidation up to €153m in the 6M
- ◆ Gains of €92m in the 6M from €295m of equity disposals
- ◆ Commitment to dispose of 3 pp of AG stake confirmed in line with BP strategic guidelines, flexibility on timing for an effective stake value management.

¹ HoH = Dec15/June15; YoY= Dec15/Dec14

RCB moving fast, feeder of NII (Compass) and fees (CheBanca!)

6M results as at 31 Dec 2015

Segmental reporting - RCB

Retail and Consumer Banking

Compass
Consumer lending
MANAGING VALUE

- ◆ Solid and continuing growth in loans and NII
- ◆ Asset quality improving steadily and fast
- ◆ Net profit up at €66m, ROAC up to 18%

CheBanca!
Retail banking
FOCUS ON SAVINGS
and FEES

- ◆ Total client assets €14bn, indirect deposits €3.6bn (+70% YoY)
- ◆ Breakeven achieved with €5m net profit (ROAC: 7%)
- ◆ CheBanca! business model enhanced with Barclays Italian retail business acquisition, size doubled

6M results

- ◆ Revenues of €537m: large (~50% of Group) and growing (up 10% YoY)
- ◆ NII up 14% to €456m, ~75% of Group NII
- ◆ ROAC up to 16.2% driven by
 - ◆ Consumer (ROAC 18%)
 - ◆ Very positive Retail performance (ROAC 7%)

Last 3M results

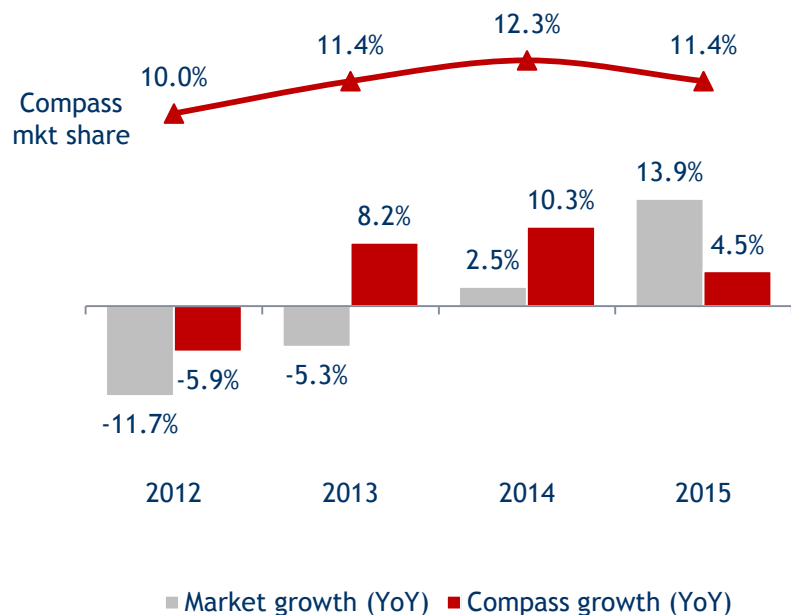
- ◆ Loans and revenues continuing to grow (up 3%)
- ◆ Cost of risk still falling (to 250 bps)
- ◆ €14.0bn total customer assets, of which 50% indirect and transactional
- ◆ CheBanca! growth path accelerated with Barclays deal

Compass: cautious approach to a sparkling market ...

6M results as at 31 Dec 2015

Segmental reporting: Consumer lending

New loans YoY trend¹, Compass market share



- ◆ Consumer market booming (up 14% YoY) fuelled by abundant liquidity
- ◆ Compass has deliberately slowed new business, losing market share in the process: cautious approach on quality and keen on profitability

Top 5 Italian players (12m15 Assofin)

Company	New loans (€bn)	Mkt share	Y.o.Y
Unicredit	6.8	13.1%	+33%
Compass	6.0	11.4%	+5%
Findomestic	5.9	11.3%	+15%
Agos Ducato	5.6	10.6%	+10%
Intesa	4.3	8.1%	+30%
Total market	52.3	100%	+14%

Top 5 Italian players (12m14 Assofin)

Company	New loans (€bn)	Mkt share	Y.o.Y
Compass	5.7	12.3%	+10%
Unicredit	5.2	11.1%	+20%
Findomestic	5.1	11.0%	+8%
Agos Ducato	5.1	10.9%	-3%
Deutsche Bank	3.5	7.5%	-5%
Total market	46.6	100%	+2%

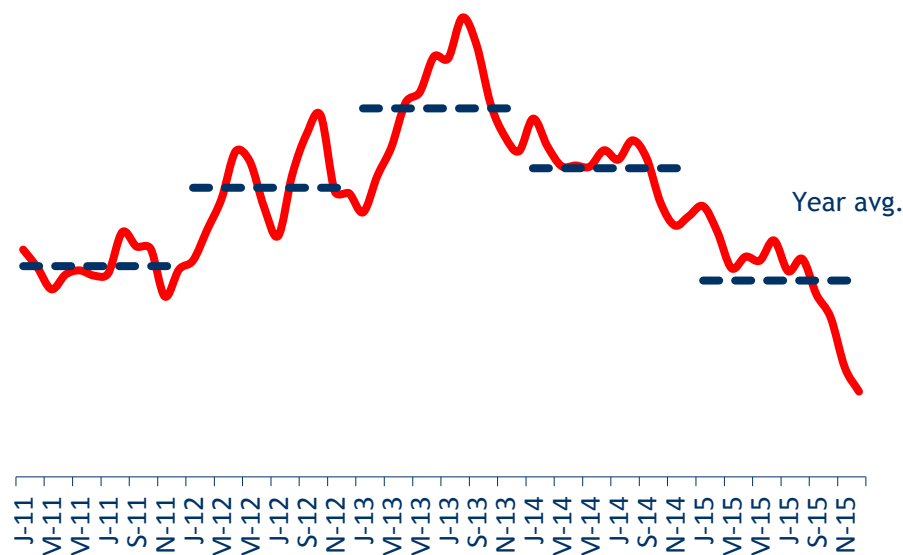
¹ Source: Assofin

... translates to strong results in terms of asset quality and...

6M results as at 31 Dec 2015

Segmental reporting: Consumer lending

Loans with 30 days arrears for the first time (3 months moving average and year average)



Consumer NPLs ratio and coverage trend

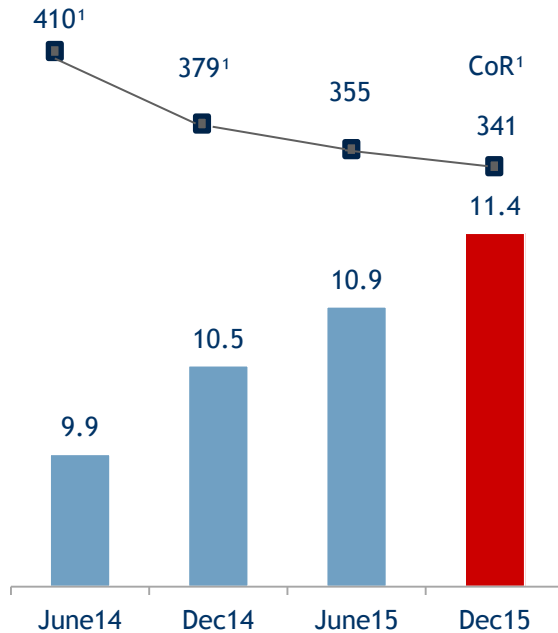
Consumer	Dec14	June 15	Dec15
NPLs (€m)	312	302	252 ↓
NPLs/loans	3.0%	2.8%	2.2% ↓
NPLs coverage	67%	68%	74% ↑
Bad Loans (€m)	103	97	89 ↓
Bad Loans/loans	1.0%	0.9%	0.8% ↓
Bad Loans coverage	89%	88%	90% ↑
Performing loans coverage	1.2%	1.3%	1.4% ↑

- ◆ The first risk indicator (loans with 30 days' arrears for the first time) is below 2011 levels, with growing loan book, proving the health of the new business previously generated
- ◆ NPLs down 19% YoY (from €312m to €252m), as a % of loans down to 2.2% (down 0.8 pp YoY)
- ◆ Substantial increase in coverage ratio: NPLs up to 74% (up 7 pp YoY), PLs coverage up to 1.4%

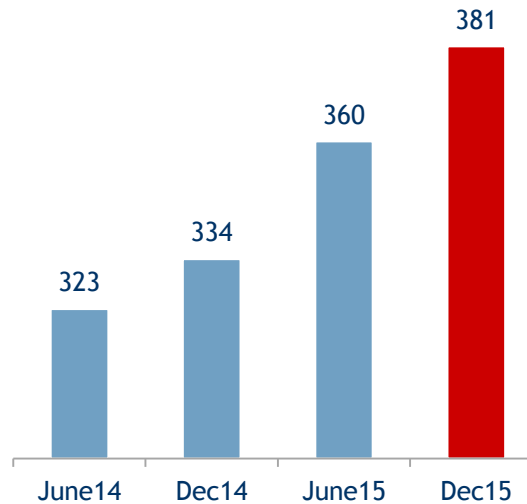
... secures margins and fast-growing NII, GOP and ROAC

6M results as at 31 Dec 2015

Compass: loans (€bn) and cost of risk (bps)

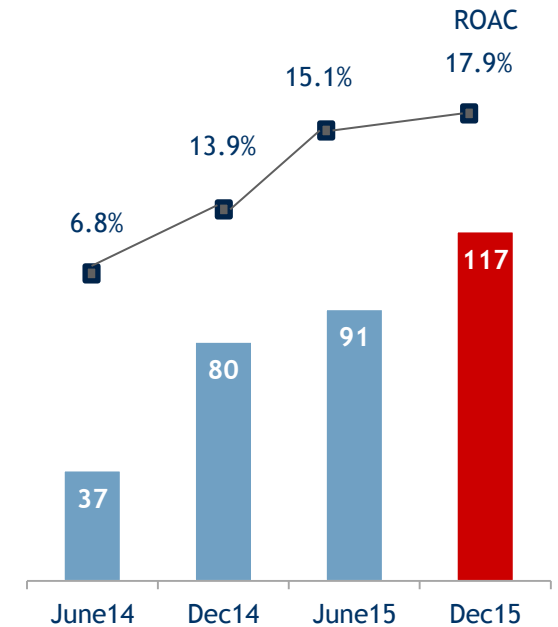


Compass: 6months NII (€m)



Segmental reporting - Consumer lending

Compass: 6m GOP risk adj² (€m), ROAC



- ◆ Compass has focused exclusively on new business able to ensure sound flows of revenues, earnings and risk-adjusted returns. NII: steadily delivering mid single-digit growth
- ◆ Strong pricing capabilities ensure reducing cost of risk: risk-adjusted GOP growing fast and steadily
- ◆ ROAC growing progressively and now close to 18%

¹ CoR = (LLPs - LLPs for AQR) / Avg. loans

² GOP risk adjusted = GOP - LLPs + LLPs for AQR

Consumer lending: solid growth, ROAC up to 18%

6M results as at 31 Dec 2015

Segmental reporting: Consumer lending

€m	2H Dec15	1H June15	2H Dec14	Δ YoY ¹	4Q Dec15	3Q Sept15	2Q June15	1Q Mar15
Total income	441	429	412	+7%	223	218	216	214
Net interest income	381	360	334	+14%	193	188	184	177
Fee income	60	69	78	-24%	30	30	32	37
Total costs	(134)	(148)	(139)	-4%	(71)	(63)	(77)	(72)
Loan provisions	(190)	(190)	(233)	-18%	(93)	(97)	(95)	(95)
Operating profit	117	91	40		59	58	44	47
Net profit	66	63	31	+114%	27	40	32	31
Cost/income ratio (%)	30	35	34	-4pp	32	29	35	34
LLPs/Ls (bps)	341	355	457	-116bps	332	353	354	359
New loans (€bn)	3.1	3.2	3.1	+0%	1.6	1.5	1.7	1.5
Loans (€bn)	11.4	10.9	10.5	+9%	11.4	11.1	10.9	10.6
RWAs (€bn)	10.7	10.2	9.8	+8%	10.7	10.4	10.2	9.9
ROAC (%)	17.9		13.9	+4.0pp				

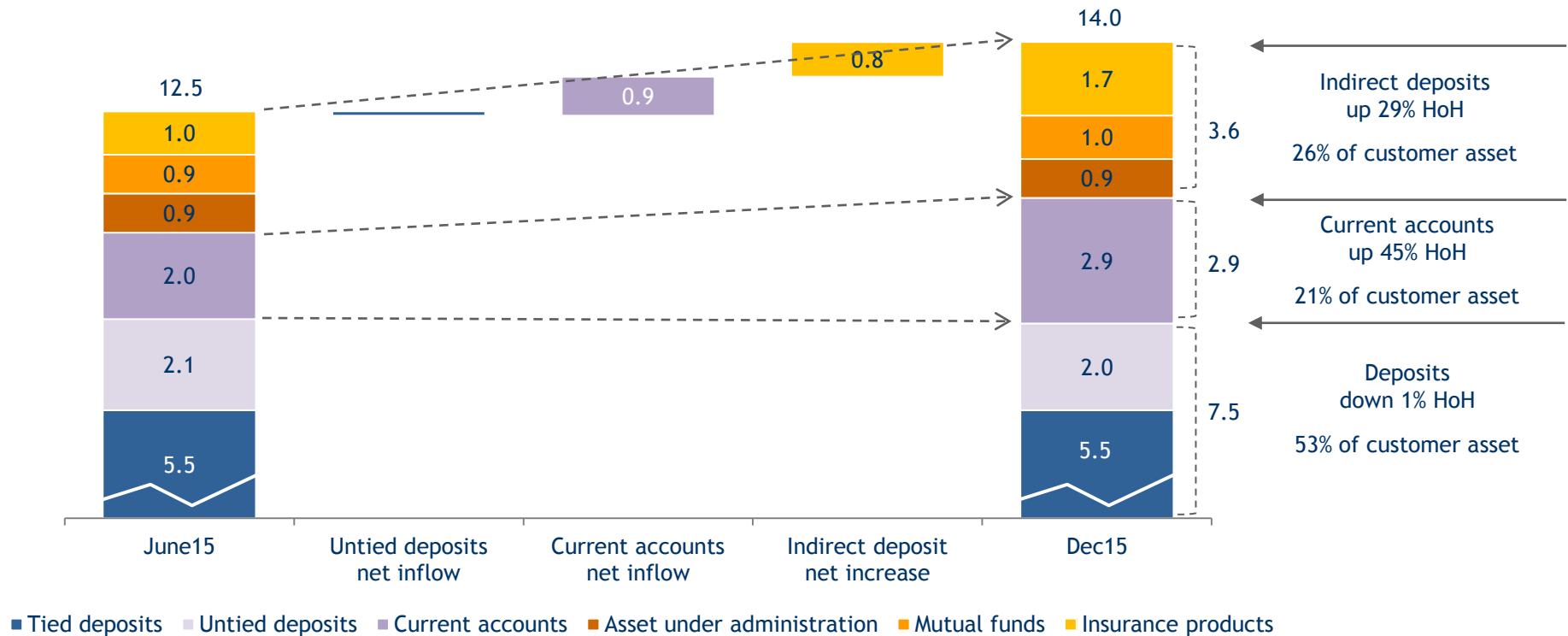
¹ YoY= Dec15/Dec14

CheBanca!: customer assets €14bn, one-quarter indirect deposits

6M results as at 31 Dec 2015

Segmental reporting - Retail banking

CheBanca! deposits breakdown trend in IHH15 (€bn)



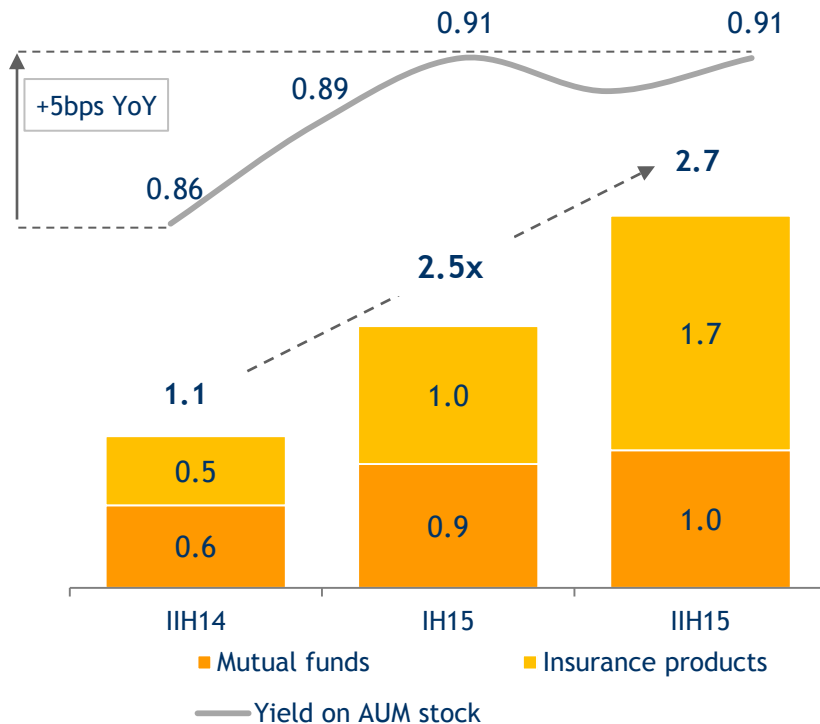
- ◆ Total deposits at €14.0bn (up 7% YoY), €10.4bn of which direct and €3.6bn indirect (up 70% YoY)
- ◆ Indirect deposits up 25% and current accounts up 45% (without drawing money from deposits)
- ◆ Deposits stable at €7.5bn, representing 53% of customer assets (lowest-ever level)

Material AUM and fees growth (up 2.5x YoY) make CheBanca!...

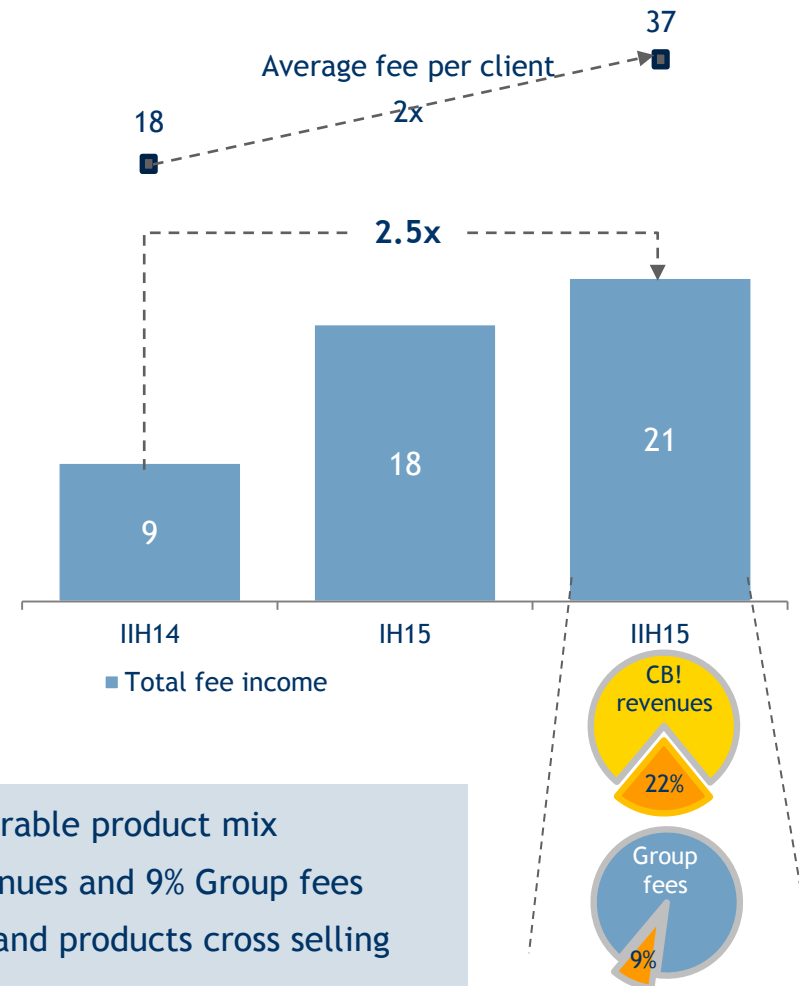
6M results as at 31 Dec 2015

Segmental reporting – Retail banking

AUM – stock and yield trend (€bn)



Trend in fee income and avg commissions per client (€m)



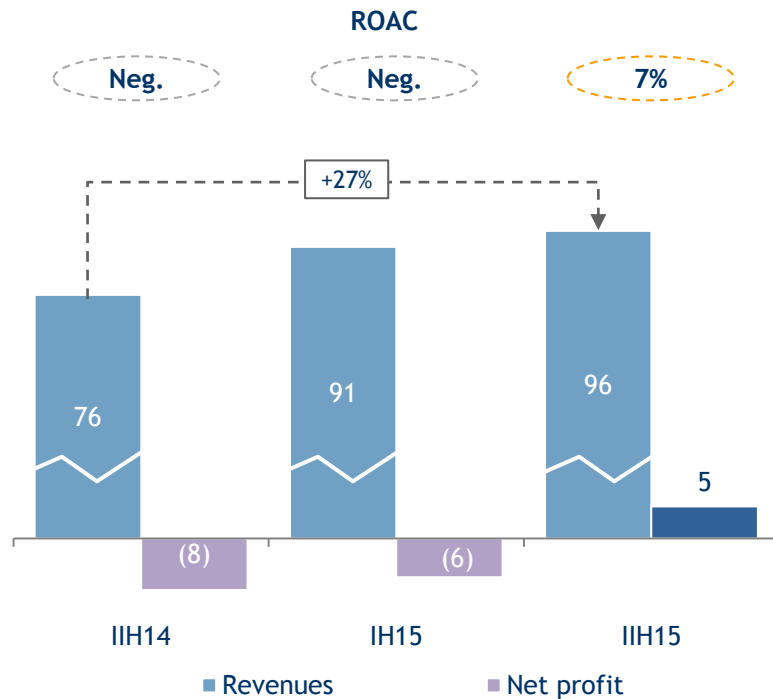
- ◆ AUM up 2.5X YoY with growing profitability due to more favourable product mix
- ◆ Fee income up 2.5X YoY to 21m, representing 22% of CB! revenues and 9% Group fees
- ◆ Avg. commission per client doubled YoY due to growing AUM and products cross selling

...definitively profitable: ROAC at 7%

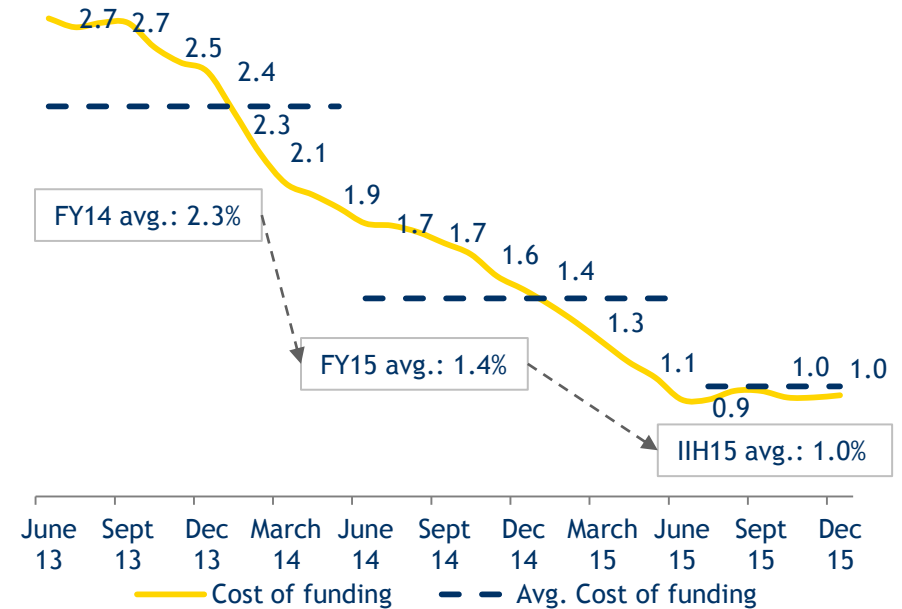
6M results as at 31 Dec 2015

Segmental reporting – Retail banking

Revenues and net profit trend (€m)



CheBanca! average cost of funding (%)



- ◆ Half-year results with net profit achieved for the first time: €5m net profit with 7% ROAC
- ◆ Significant contribution from NII (along with fee income growth): 14% YoY at €76m with mortgage loan book growth (up 9% YoY at €4.8bn) and decreasing average cost of funding (from 1.4% in FY15 to 1.0% in 1H15)

Acquisition of Barclays' Italian retail business

6M results as at 31 Dec 2015

Segmental reporting: Retail banking

MB Group

- ◆ Rationale: allocation of capital to low-K intensive, fee-based recurrent business
- ◆ Limited impact on MB financials
 - ◆ CET1: down 20 bps due exclusively to additional €1bn RWAs, recovered in following years
 - ◆ EPS: neutral the first year, then accretive due to “industrial-EPS” positive development plus “contribution” use

CheBanca!

- ◆ Rationale: speed-up of CheBanca! growth process while confirming the validity of its business model as a specialist sector operator with integrated and innovative multi-channel distribution and a simple and a transparent product offering
- ◆ The deal builds on the significant investment made by CheBanca! in the last 18m to develop a strongly innovative digital banking and customer relation platform

Barclays
perimeter
acquired

- ◆ 220,000 clients, over 50,000 of which in the premium bracket
- ◆ €2.9bn performing residential mortgage loans and aligned with CheBanca! quality standards
- ◆ €3.0bn direct funding
- ◆ €3.1bn indirect funding, €2.1bn of which in AuM
- ◆ 89 branches approx. 550 commercial staff and 70 financial promoters

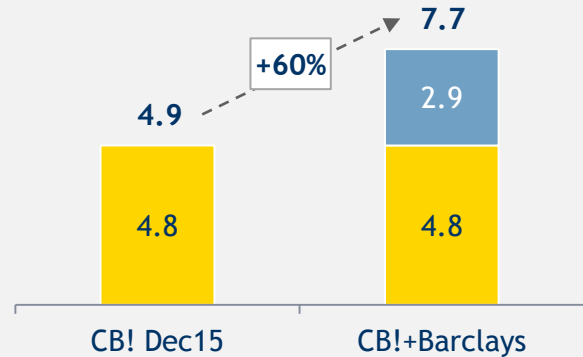
Strong industrial rationale

6M results as at 31 Dec 2015

Segmental reporting: Retail banking

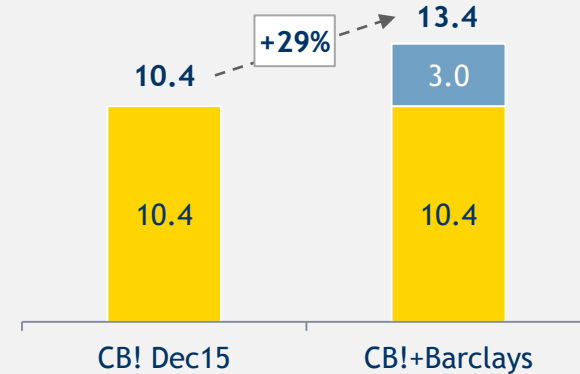
Loans

Mortgages up 60% to €7.7bn

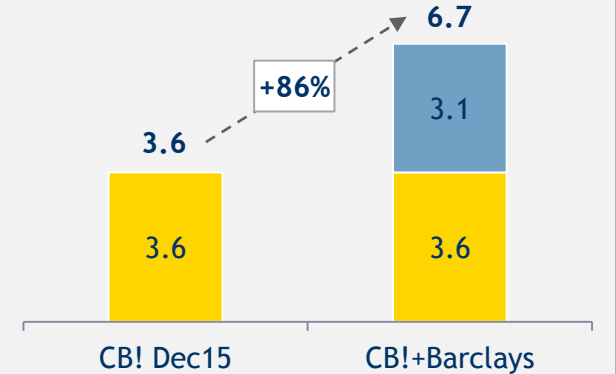


Customers assets

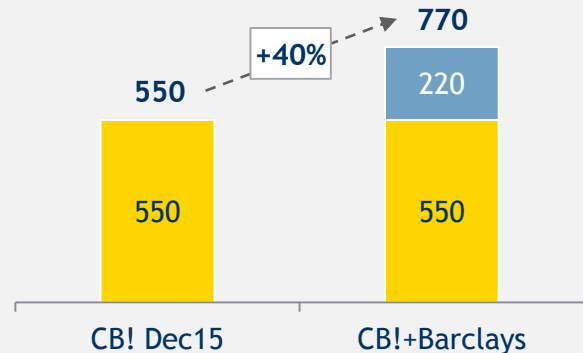
Direct deposits up 29% to €13.4bn



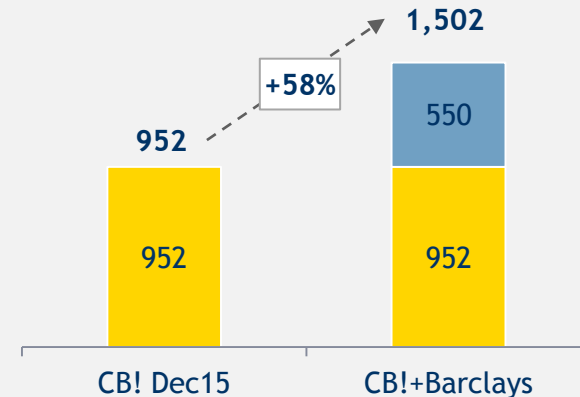
Indirect deposits up 86% to €6.7bn



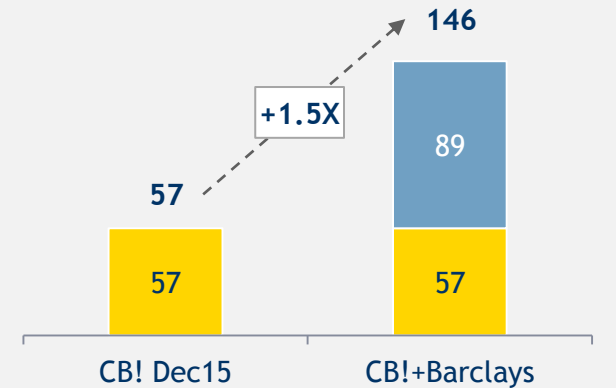
No. of clients up 40% to 770K



No. of employees up 58% to 1,502



No. of branches up 1.5X to 146



CheBanca!: revenues up 25% on loan growth of 10% and fees doubled

6M results as at 31 Dec 2015

Segmental reporting: Retail banking

€m	2H Dec15	1H June15	2H Dec14	Δ YoY ¹	4Q Dec15	3Q Sept15	2Q June15	1Q Mar15
Total income	96	91	76	27%	49	48	46	45
Net interest income	76	73	67	14%	37	38	37	36
Fee income	21	18	9	118%	11	9	9	9
Total costs	(80)	(86)	(75)	+7%	(41)	(39)	(45)	(40)
Labour costs	(33)	(32)	(29)	+12%	(16)	(16)	(17)	(15)
Administrative expenses	(48)	(54)	(46)	+3%	(25)	(23)	(29)	(25)
Loan provisions	(8)	(10)	(10)	-23%	(4)	(4)	(6)	(4)
Net result	5	(6)	(8)		3	2	(5)	(1)
Cost/income ratio	83	94	99	-16pp	84	83	98	90
LLPs/Ls (bps)	34	44	47	-13bps	31	37	54	35
Total deposits (€bn)	14.0	12.5	13.0	+7%	14.0	13.7	12.5	12.7
of which indirect	3.6	2.9	2.1	+68%	3.6	3.1	2.9	2.6
Loans (€bn)	4.8	4.6	4.4	+9%	4.8	4.7	4.6	4.5
RWAs (€bn)	2.0	1.9	1.7	+19%	2.0	1.9	1.9	1.7
ROAC (%)	6.8		neg.					

¹ YoY= Dec15/Dec14

Agenda

Section 1. 1H16 Group results

Section 2. Segmental reporting, highlights on recent acquisitions

Section 3. Closing remarks

Annexes

1. Principal investing: main equity investments as at Dec15
2. Quarterly segmental reporting tables
3. Asset quality details by segment

Seeds of growth sown set to sprout in coming quarters

6M results as at December 2015

Closing remarks

6M as at Dec 2015

Sound results in ordinary business

Business model enhanced

Mediobanca in privileged position

Seeds of growth sown to sprout in coming quarters

- ◆ Despite difficult market conditions, **Mediobanca has been able to**
 - ◆ Consolidate loan book/top-line growth with effective diversification
 - ◆ Increase net profit, profitability and capital ratios
 - ◆ Derisk substantially the business model, enlarging the RCB and downsizing the equity exposure
- ◆ **Business model enhanced with two strategic acquisitions**
 - ◆ MAAM set up with Cairn Capital deal
 - ◆ CheBanca! growth accelerated with Barclays deal
- ◆ **Superior asset quality, sound capital ratios, strong funding and liquidity put Mediobanca in a privileged position**
- ◆ **Seeds of growth sown to sprout in coming quarters**
 - ◆ **CIB:** M&A cycle rebounding (consolidation, privatizations, recaps); with bear markets some deals could be delayed, but others could arise (restructuring)
 - ◆ **Cairn:** to be consolidated/leveraged in the Group, further external growth possible
 - ◆ **Compass:** value-driven growth continuing to feed up NII and profit
 - ◆ **CheBanca!:** extracting value from current/new AUM leveraging on new advisory platform as well (Robot advisory); Barclays activities to be integrated, consolidated and leveraged
 - ◆ **AG:** double-digit yield investment, redeployment of capital an opportunity, not an obligation

Annexes

1H results as at December 2015



MEDIOBANCA

Milan, 11 February 2016

Annexes

Principal investing: main equity investments as at Dec15

Quarterly segmental reporting tables

Asset quality details by segment



Principal Investing: main equity investments

6M results as at December 2015

Annexes

December 2015	% ordinary share of capital	Book value €m	AFS reserve
Assicurazioni Generali	13.24%	3,011	n.m. ¹
Pirelli &C.	-	-	-
Atlantia	2.71%	548	245
Italmobiliare	9.5%	89	54
Edipower	-	-	-
RCS Mediagroup	6.2%	20	-
Other listed equities		47	23
Other unlisted equities		171	30
Total		3,886	352

¹ Equity-accounted

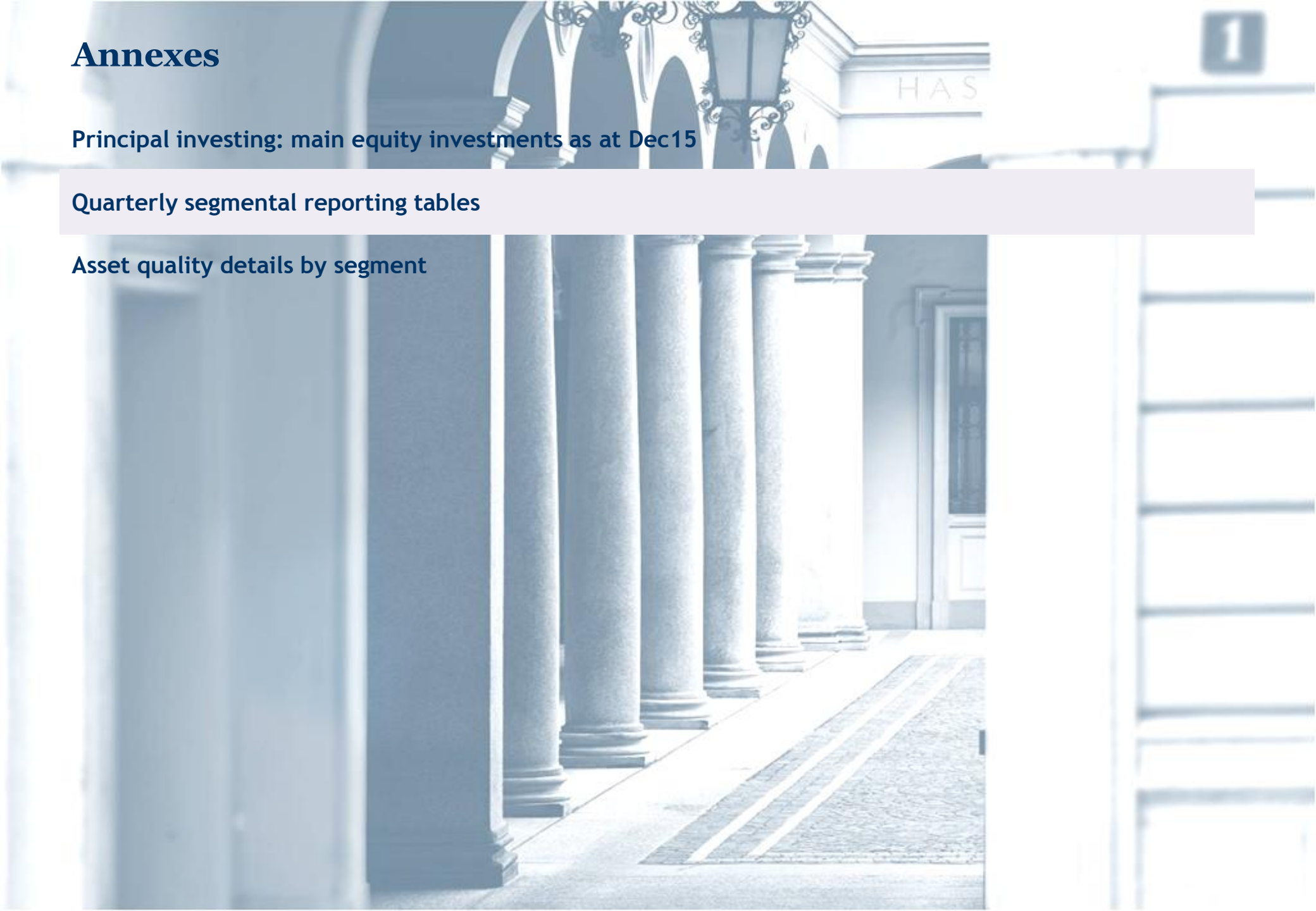
Annexes

Principal investing: main equity investments as at Dec15

Quarterly segmental reporting tables

Asset quality details by segment

HAS



CIB results

6M results as at December 2015

Annexes

€m	2H Dec15	1H June15	2H Dec14	Δ YoY ¹	4Q Dec15	3Q Sept15	2Q June15	1Q Mar15
Total income	317	385	392	-19%	170	148	153	231
Net interest income	118	130	122	-3%	57	61	66	64
Fee income	164	152	191	-14%	99	65	82	71
Net treasury income	36	103	79	-55%	14	22	6	97
Total costs	(189)	(214)	(171)	+10%	(102)	(87)	(116)	(98)
Loan loss provisions	(19)	(26)	(49)	-62%	(8)	(11)	(18)	(8)
Operating profit	110	145	171	-36%	60	50	19	126
One-offs	0	(1)	1		1	(1)	1	(2)
Net result	75	75	117	-36%	50	25	8	67
Cost/income ratio (%)	60	56	44	+16pp	60	59	76	42
LLPs/Ls (bps)	26	36	72	-46bps	22	31	51	21
Loans (€bn)	14.1	14.6	14.0	+1%	14.1	14.1	14.6	14.3
Treasury & AFS (€bn)	18.4	16.8	17.1	+7%	18.4	19.2	16.8	16.8
AUM/AUA (€bn)	32.6	18.7	17.3	+89%	32.6	18.7	18.7	18.8
RWAs (€bn)	32.6	33.4	34.0	-4%	32.6	33.0	33.4	34.8
ROAC (%)	5.9		9.0	-3.1pp				

¹ YoY= Dec15/Dec14

Wholesale Banking results

6M results as at December 2015

Annexes

€m	2H Dec15	1H June15	2H Dec14	Δ YoY ¹	4Q Dec15	3Q Sept15	2Q June15	1Q Mar15
Total income	251	319	325	-23%	134	116	123	196
Net interest income	99	113	104	-5%	47	52	58	56
Fee income	121	108	151	-20%	76	46	61	47
Net treasury income	30	97	69	-57%	11	18	4	93
Total costs	(141)	(168)	(125)	+12%	(77)	(64)	(93)	(75)
Loan loss provisions	(19)	(26)	(48)	-62%	(7)	(11)	(18)	(7)
Operating profit	91	125	152		50	42	11	114
One-offs	0	0	0		0	(1)	(0)	0
Net result	57	58	99		40	17	(1)	59
Cost/income ratio (%)	56	53	39	+17pp	57	55	76	38
LLPs/Ls (bps)	28	38	75	-47bps	22	33	54	22
Loans (€bn)	13.2	13.7	13.2	+0%	13.2	13.1	13.7	13.4
RWAs (€bn)	31.0	31.8	32.2	-4%	31.0	31.4	31.8	32.9
ROAC (%)	4.9		7.9	-3.0pp				

¹ YoY= Dec15/Dec14

Private Banking results

6M results as at December 2015

Annexes

€m	2H Dec15	1H June15	2H Dec14	Δ YoY ¹	4Q Dec15	3Q Sept15	2Q June15	1Q Mar15
Total income	67	66	66	+1%	36	31	31	35
Net interest income	18	17	17	+7%	9	9	8	8
Fee income	43	44	39	+8%	24	19	21	24
Net treasury income	6	5	10	-41%	2	3	2	4
Total costs	(48)	(46)	(46)	+5%	(25)	(23)	(23)	(23)
Operating profit	18	20	20	-9%	10	8	7	12
Net profit	18	17	19	-5%	10	8	9	8
<i>of which CMB¹</i>	<i>17</i>	<i>15</i>	<i>19</i>		<i>9</i>	<i>8</i>	<i>7</i>	<i>9</i>
Cost/income ratio (%)	72	70	69	+3pp	71	74	76	64
AUM /AUA (€bn)	32.6	18.7	17.3		32.6	18.7	18.7	18.8
CMB	7.8	7.8	7.2	+8%	7.8	7.5	7.8	7.7
Banca Esperia (50%)	8.6	8.8	8.0	+8%	8.6	8.3	8.8	9.0
Spafid	2.7	2.2	2.1	+29%	2.7	2.9	2.2	2.1
Cairn Capital	13.6				13.6			
ROAC (%)	25.8		29.3	-3.5pp				

¹ YoY= Dec15/Dec14

Principal Investing results

6M results as at December 2015

Annexes

€m	2H Dec15	1H June15	2H Dec14	Δ HoH ¹	Δ YoY ¹
Total income	153	124	130	+24%	+18%
Gains from disposals	92	108	15		
Impairments	(12)	(9)	(12)		
Net result	228	208	127	+10%	+80%
Book value (€bn)	3.9	4.4	4.0		-4%
Ass. Generali (13.24%)	3.0	3.3	3.0	-9%	+1%
AFS stakes	0.9	1.1	1.1	-19%	-19%
Market value (€bn)	4.4	4.4	4.6		-5%
Ass. Generali	3.5	3.3	3.5	+5%	-0%
RWA (€bn)	11.1	11.7	11.2	-4%	-1%
ROAC (%)	30.8		28.5		

¹ HoH = Dec15/June15; YoY= Dec15/Dec14

Retail and Consumer Banking results

6M results as at September 2015

Annexes

€m	2H Dec15	1H June15	2H Dec14	Δ YoY ¹	4Q Dec15	3Q Sept15	2Q June15	1Q Mar15
Total income	537	520	488	+10%	272	265	262	258
Net interest income	456	433	400	+14%	230	226	221	212
Fee income	80	87	88	-8%	41	39	41	46
Total costs	(214)	(234)	(215)	-0%	(111)	(102)	(122)	(112)
Loan provisions	(198)	(200)	(243)	-19%	(97)	(101)	(101)	(99)
Operating profit	125	86	30		63	62	39	48
Net profit	71	58	23		30	42	28	30
Cost/income ratio (%)	40	45	44	-4pp	41	39	47	43
LLPs/Ls (bps)	250	263	333	-83bps	242	258	265	263
Total deposits (€bn)	14.0	12.5	13.0	+7%	14.0	13.7	12.5	12.7
of which indirect	3.6	2.9	2.1	+68%	3.6	3.1	2.9	2.6
Loans (€bn)	16.2	15.5	14.9	+9%	16.2	15.8	15.5	15.1
RWA (€bn)	12.6	12.2	11.5	+10%	12.6	12.3	12.2	11.7
ROAC (%)	16.2		10.0	+6.2pp				

¹ YoY= Dec15/Dec14

Consumer banking: Compass results

6M results as at September 2015

Annexes

€m	2H Dec15	1H June15	2H Dec14	Δ YoY ¹	4Q Dec15	3Q Sept15	2Q June15	1Q Mar15
Total income	441	429	412	+7%	223	218	216	214
Net interest income	381	360	334	+14%	193	188	184	177
Fee income	60	69	78	-24%	30	30	32	37
Total costs	(134)	(148)	(139)	-4%	(71)	(63)	(77)	(72)
Loan provisions	(190)	(190)	(233)	-18%	(93)	(97)	(95)	(95)
Operating profit	117	91	40		59	58	44	47
Net profit	66	63	31	+114%	27	40	32	31
Cost/income ratio (%)	30	35	34	-4pp	32	29	35	34
LLPs/Ls (bps)	341	355	457	-116bps	332	353	354	359
New loans (€bn)	3.1	3.2	3.1	+0%	1.6	1.5	1.7	1.5
Loans (€bn)	11.4	10.9	10.5	+9%	11.4	11.1	10.9	10.6
RWAs (€bn)	10.7	10.2	9.8	+8%	10.7	10.4	10.2	9.9
ROAC (%)	17.9		13.9	+4.0pp				

¹ YoY= Dec15/Dec14

Retail banking: CheBanca! results

6M results as at September 2015

Annexes

€m	2H Dec15	1H June15	2H Dec14	Δ YoY ¹	4Q Dec15	3Q Sept15	2Q June15	1Q Mar15
Total income	96	91	76	27%	49	48	46	45
Net interest income	76	73	67	14%	37	38	37	36
Fee income	21	18	9	118%	11	9	9	9
Total costs	(80)	(86)	(75)	+7%	(41)	(39)	(45)	(40)
Labour costs	(33)	(32)	(29)	+12%	(16)	(16)	(17)	(15)
Administrative expenses	(48)	(54)	(46)	+3%	(25)	(23)	(29)	(25)
Loan provisions	(8)	(10)	(10)	-23%	(4)	(4)	(6)	(4)
Net result	5	(6)	(8)		3	2	(5)	(1)
Cost/income ratio	83	94	99	-16pp	84	83	98	90
LLPs/Ls (bps)	34	44	47	-13bps	31	37	54	35
Total deposits (€bn)	14.0	12.5	13.0	+7%	14.0	13.7	12.5	12.7
of which indirect	3.6	2.9	2.1	+68%	3.6	3.1	2.9	2.6
Loans (€bn)	4.8	4.6	4.4	+9%	4.8	4.7	4.6	4.5
RWAs (€bn)	2.0	1.9	1.7	+19%	2.0	1.9	1.9	1.7
ROAC (%)	6.8		neg.					

¹ YoY= Dec15/Dec14

Corporate Center results

6M results as at September 2015

Annexes

€m	2H Dec15	1H June15	2H Dec14	Δ YoY ¹	4Q Dec15	3Q Sept15	2Q June15	1Q Mar15
Total income	34	34	29	+14%	18	16	17	18
Net interest income	28	29	26	+7%	14	14	15	14
Fee income	6	5	4	+61%	4	2	2	3
Total costs	(34)	(30)	(27)		(19)	(15)	(14)	(16)
Loan provisions	(8)	(6)	(9)	-12%	(5)	(3)	(3)	(4)
Operating profit	(0)	4	2		(1)	1	3	2
Net profit	(52)	(16)	(8)		(49)	(3)	(15)	(1)
Cost/income ratio	101	87	92	+9pp	105	96	85	90
LLPs/Ls (bps)	58	45	60	-2bps	70	45	42	49
New loans (€bn)	0.2	0.5	0.3	-27%	0.1	0.1	0.1	0.1
Loans (€bn)	2.6	2.8	2.9	-9%	2.6	2.7	2.8	2.8
RWA	2.4	2.4	2.5	-4%	2.4	2.4	2.4	2.4

¹ YoY= Dec15/Dec14

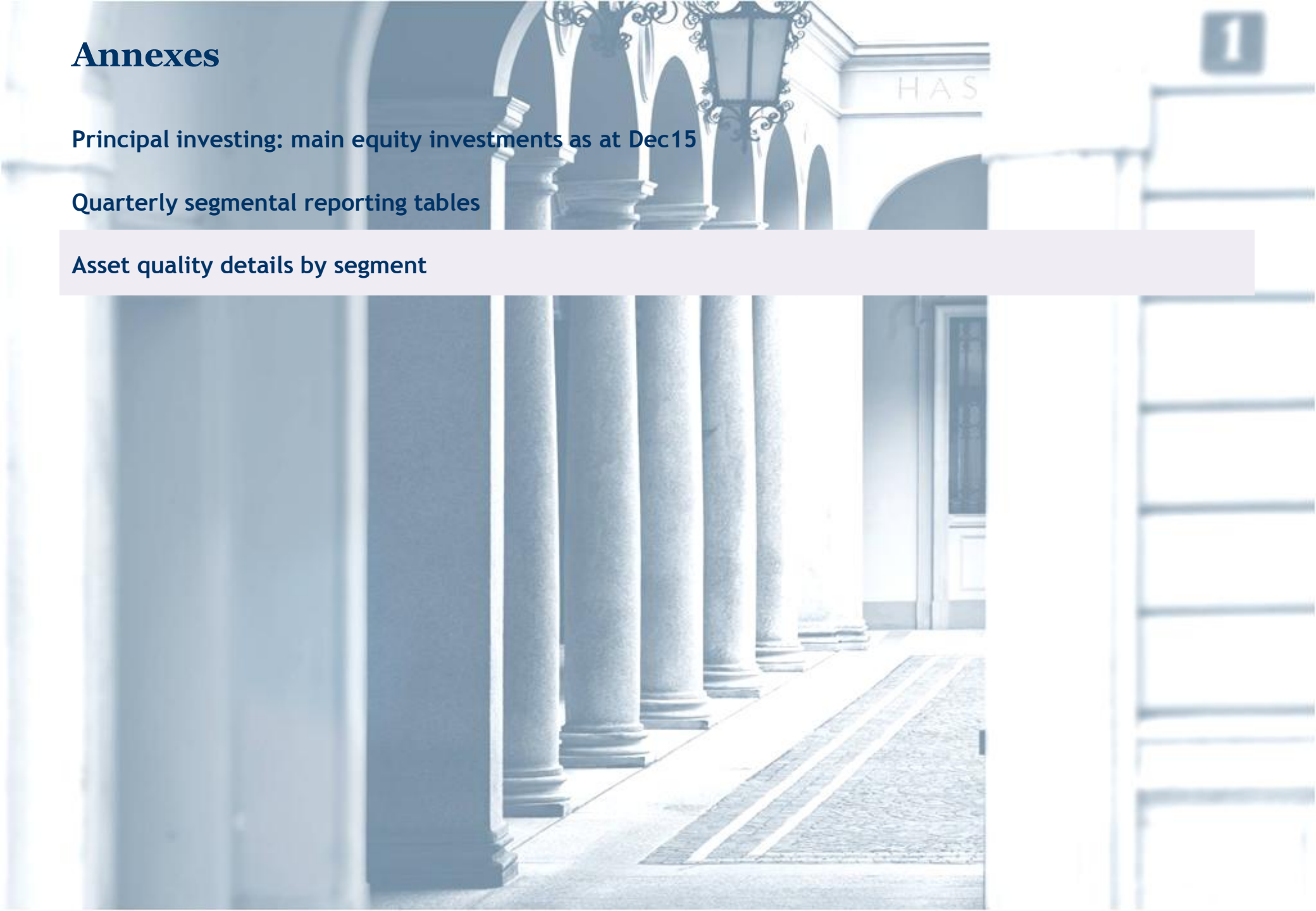
Annexes

Principal investing: main equity investments as at Dec15

Quarterly segmental reporting tables

Asset quality details by segment

HAS

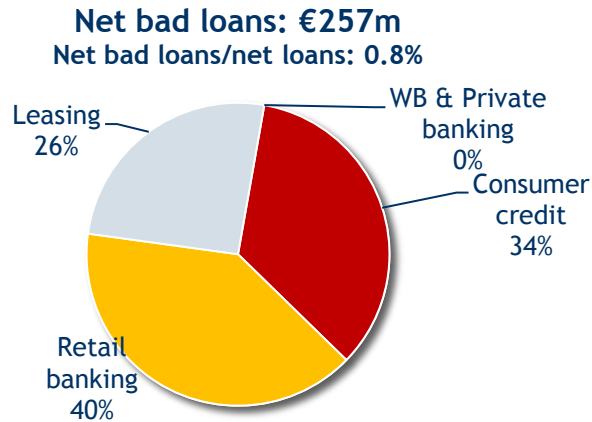


MB Group: Net bad loans

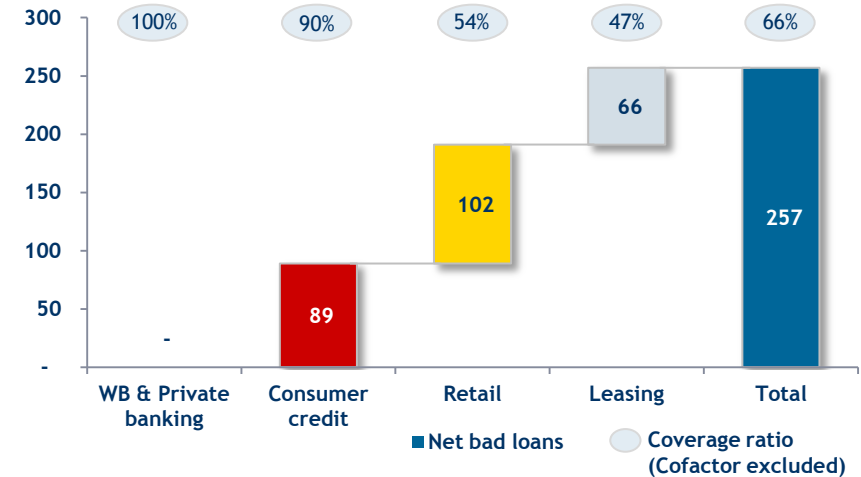
6M results as at December 2015

Annexes

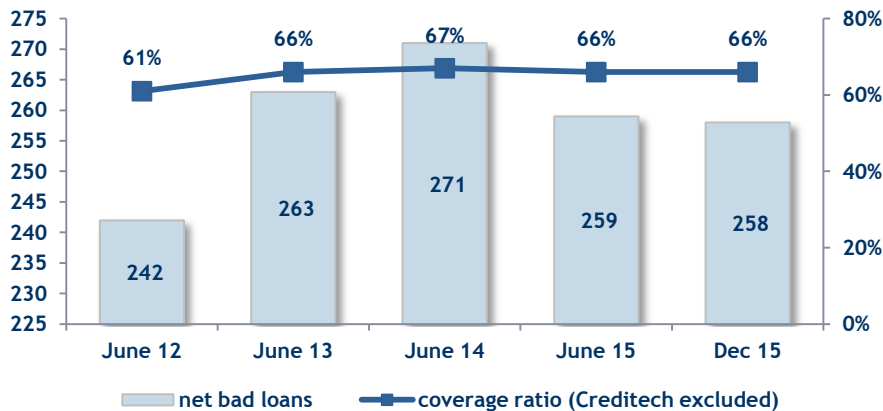
Group net bad loans by segment¹ (December 15)



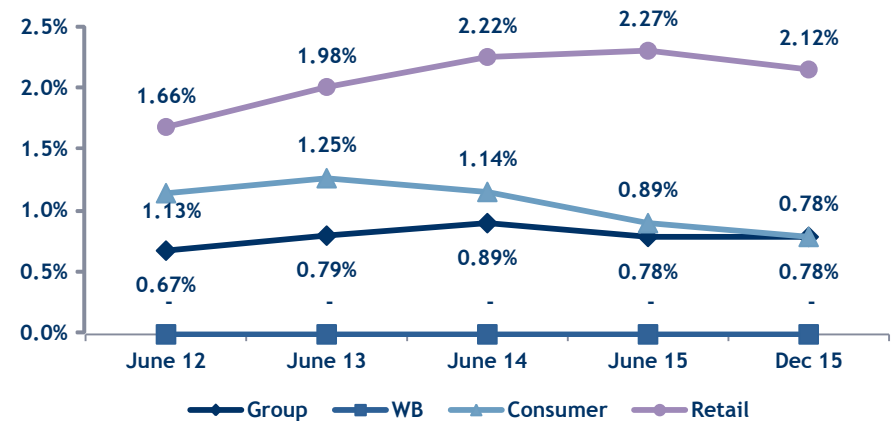
Group net bad loans and coverage by segment¹ (December 15, €m, %)



Group net bad loans and coverage ratio (€m, %)



Net bad loans / net loans (%)

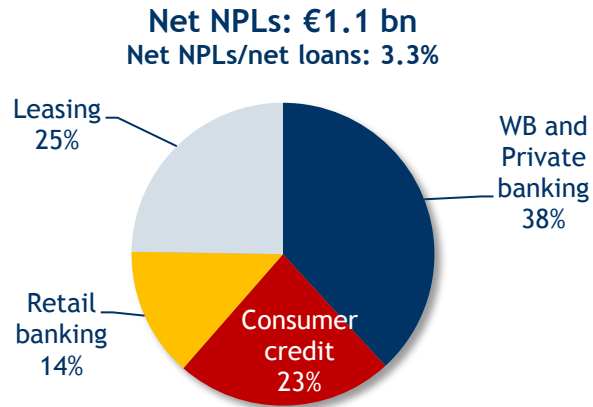


1) Private banking excluded (Bad loans: 1,5m)

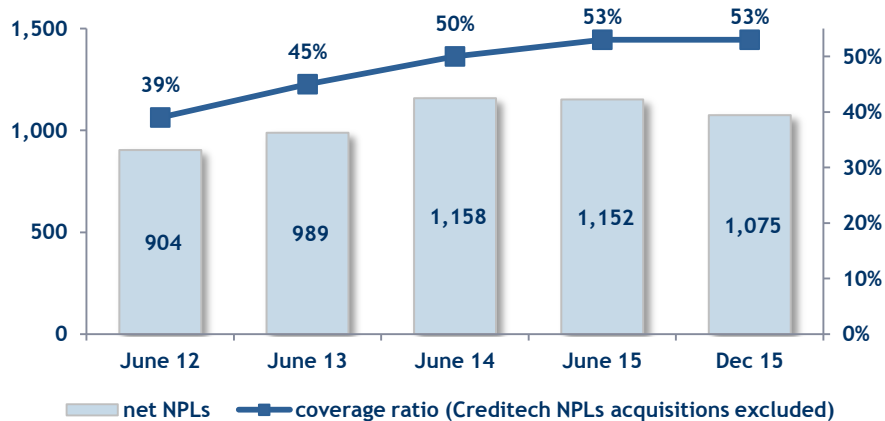
MB Group: NPLs

6M results as at December 2015

Group net NPLs by segment (December 15)

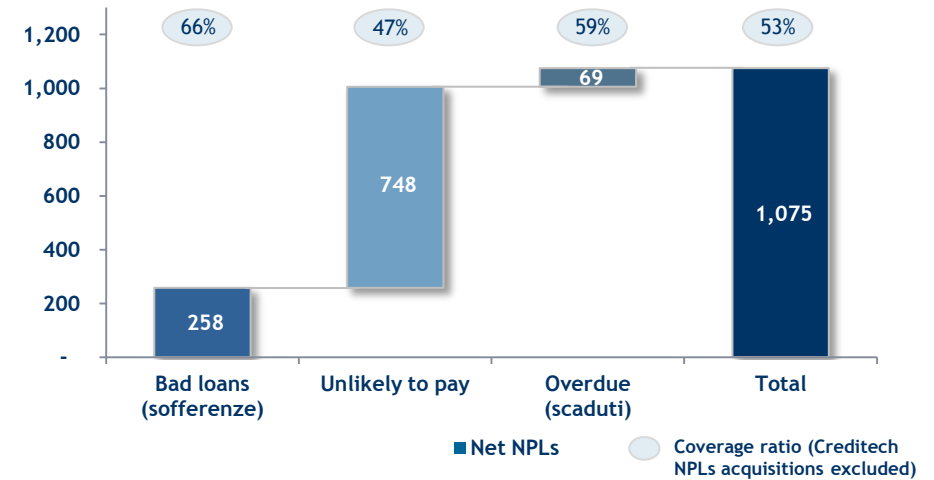


Group net NPLs and coverage ratio trend (€m, %)

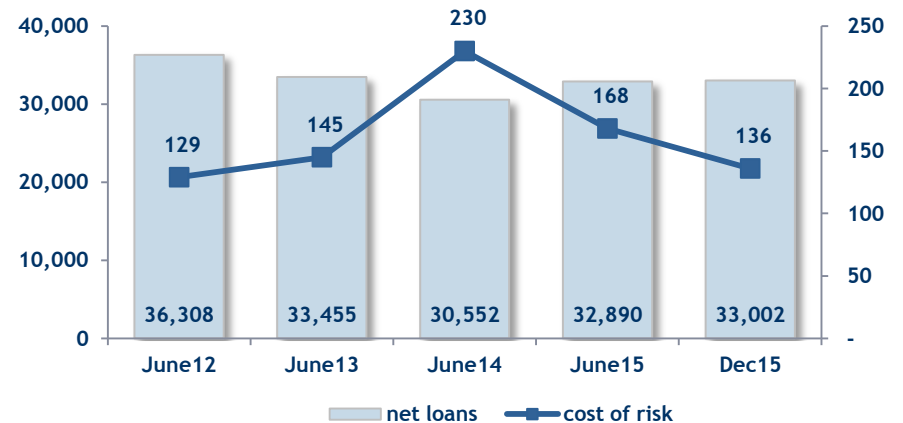


Annexes

Group net NPLs and coverage by category (December 15, €m, %)



Group net loans and cost of risk trend (€m, bps)

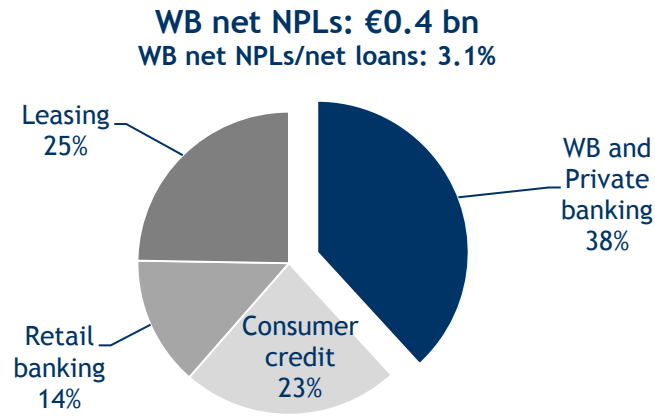


Wholesale: NPLs

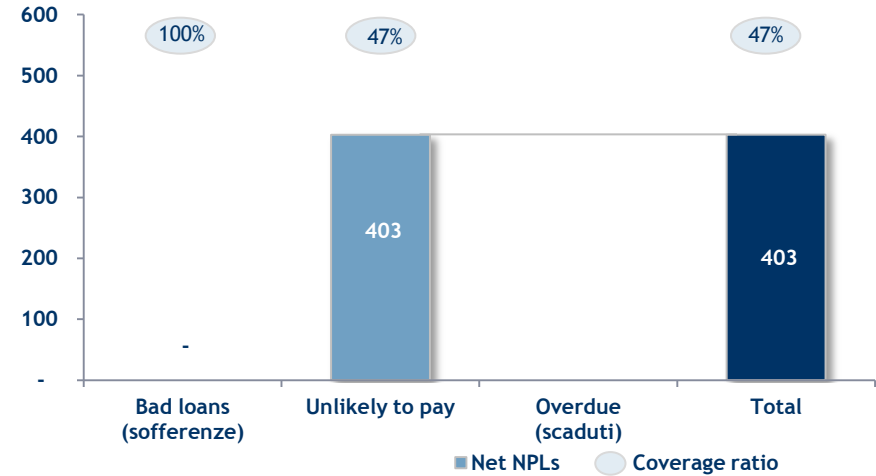
6M results as at December 2015

Annexes

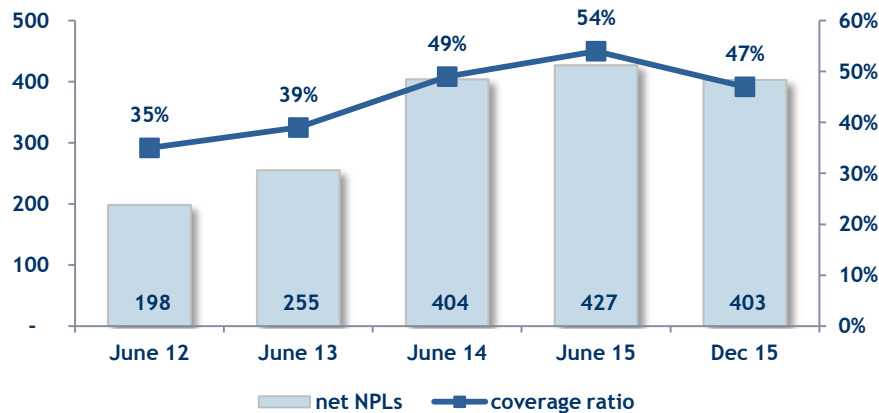
Group net NPLs by segment (December 15)



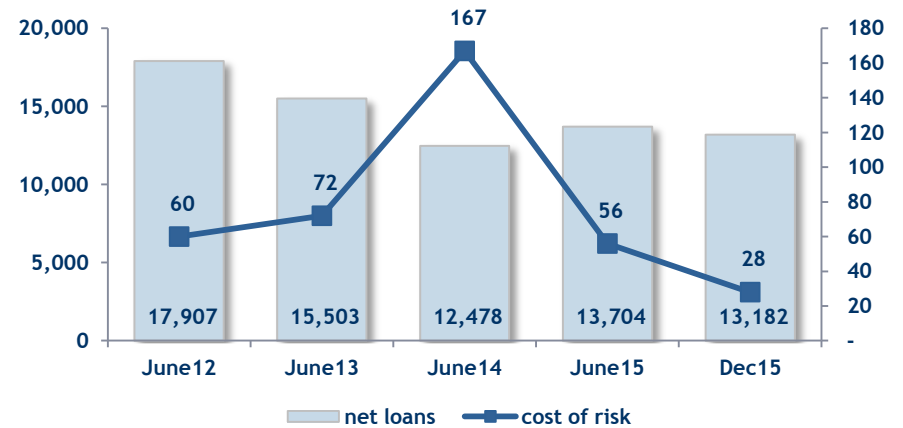
WB¹ net NPLs and coverage by category (December 15, €m, %)



WB¹ net NPLs and coverage ratio trend (€m, %)



WB¹ net loans and cost of risk trend (€m, bps)

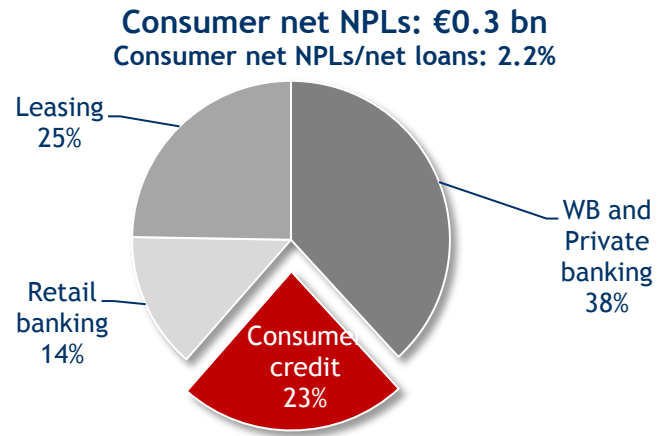


1) Private banking excluded (gross NPL's: 6,1m; net NPL's: 2,6m)

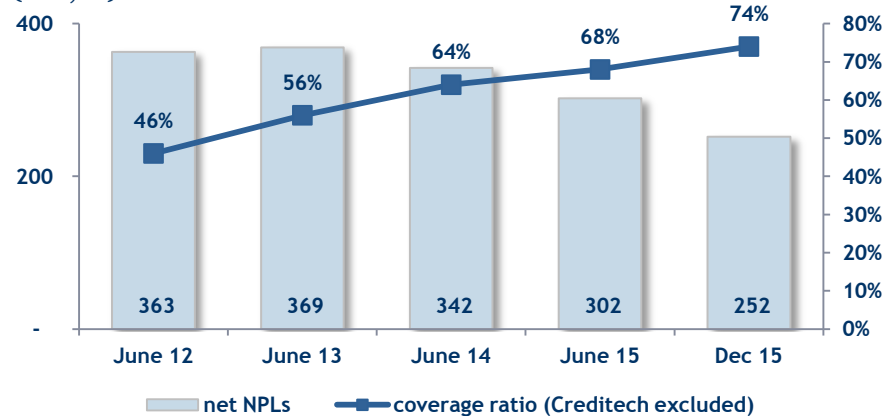
Consumer credit: NPLs

6M results as at December 2015

Group net NPLs by segment (December 15)

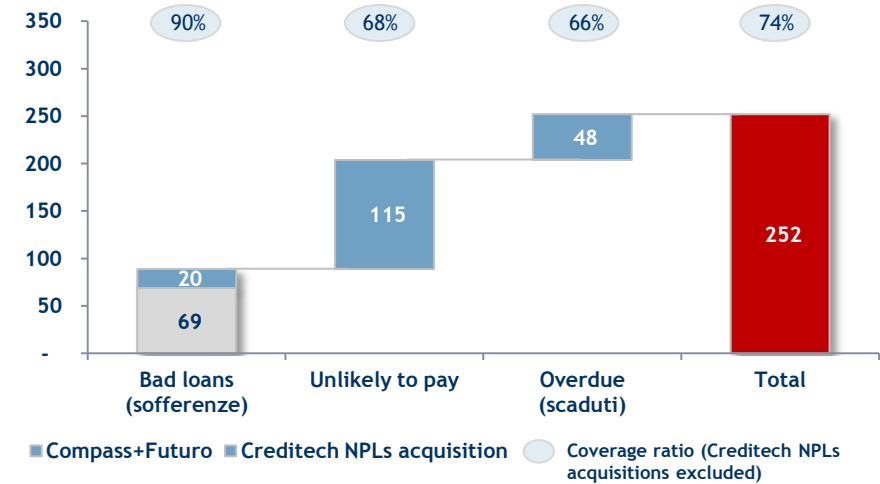


Consumer net NPLs and coverage ratio trend (€m, %)

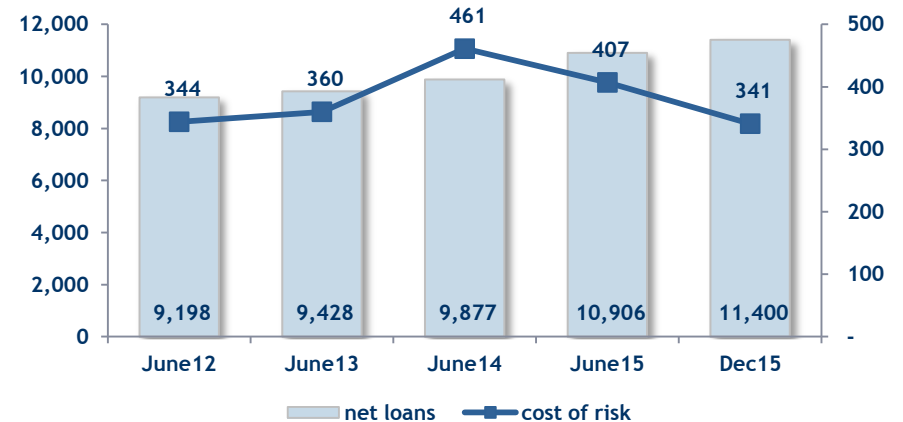


Annexes

Consumer net NPLs and coverage by category (December 15, €m, %)



Consumer net loans and cost of risk trend (€m, bps)

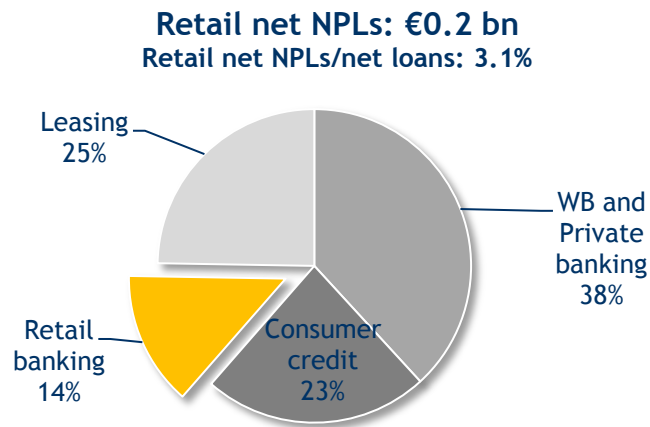


Retail banking: NPLs

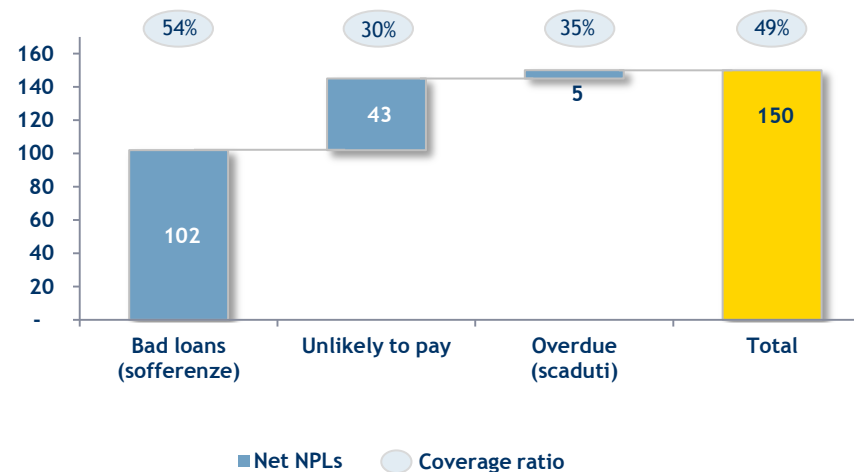
6M results as at December 2015

Annexes

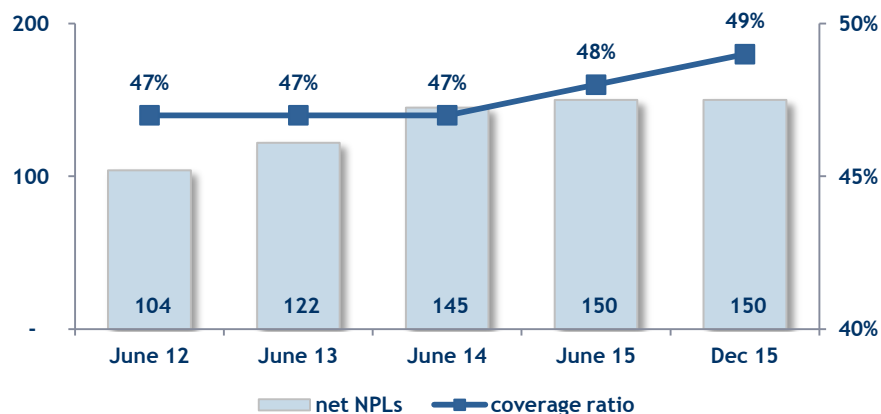
Group net NPLs by segment (December 15)



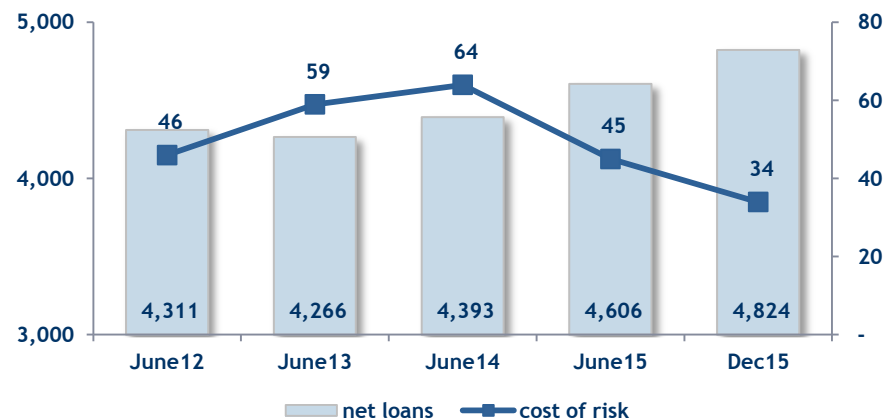
Retail net NPLs and coverage by category (December 15, €m, %)



Retail net NPLs and coverage ratio trend (€m, %)



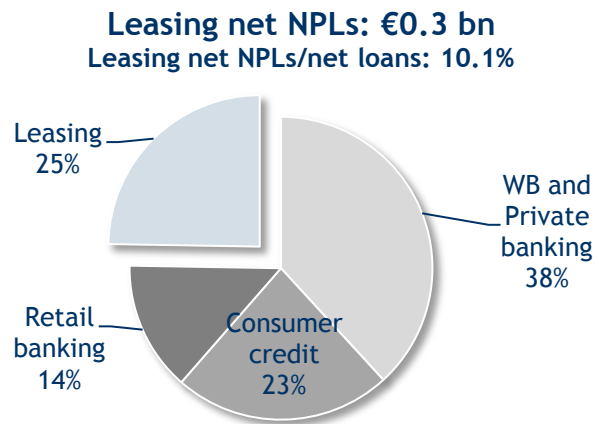
Retail net loans and cost of risk trend (€m, bps)



Leasing: NPLs

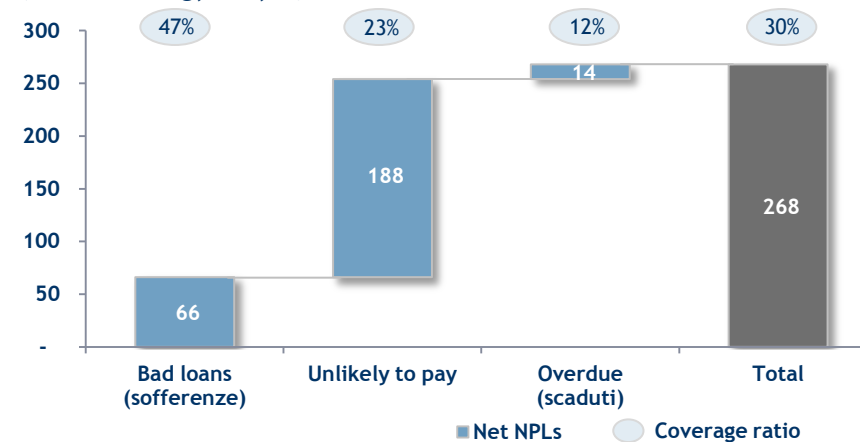
6M results as at December 2015

Group net NPLs by segment (December 15)

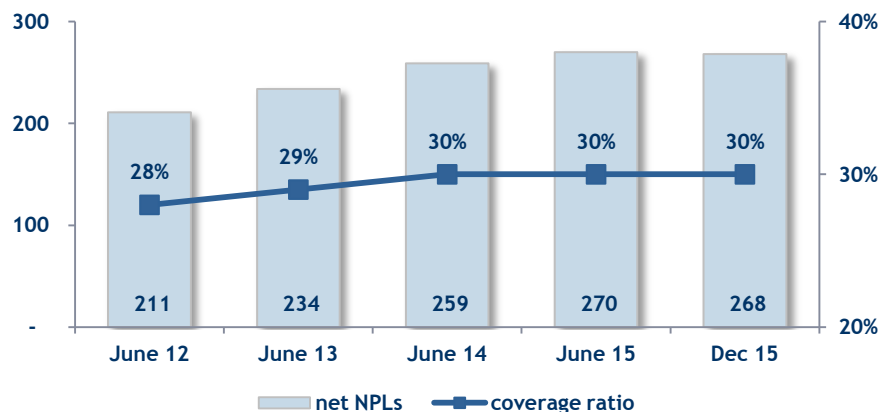


Annexes

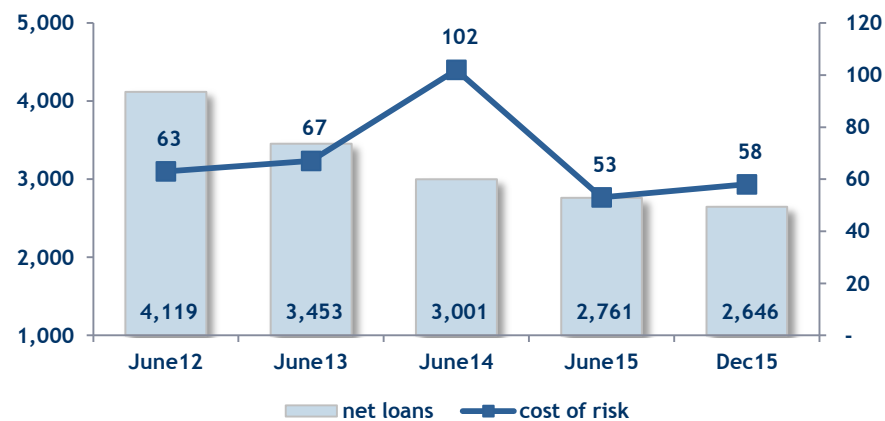
Leasing net NPLs and coverage by category (December 15, €m, %)



Leasing net NPLs and coverage ratio trend (€m, %)



Leasing net loans and cost of risk trend (€m, bps)



Disclaimer

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

Declaration by Head of Company Financial Reporting

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

Head of Company Financial Reporting

Massimo Bertolini

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