



# MEDIOBANCA GROUP

## Long term results

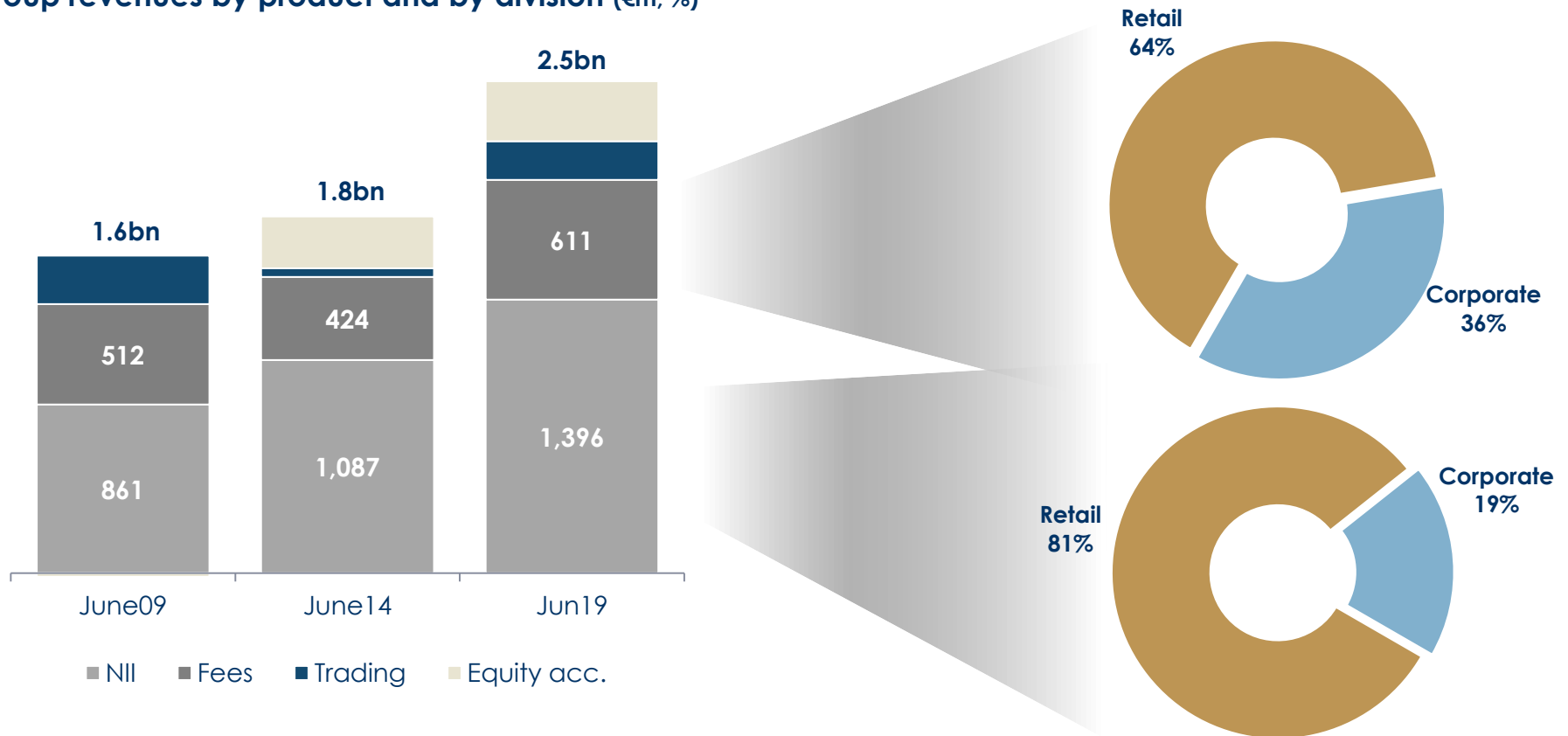
30 June 2019



MEDIOBANCA

# REVENUES ENLARGED AND MORE DIVERSIFIED

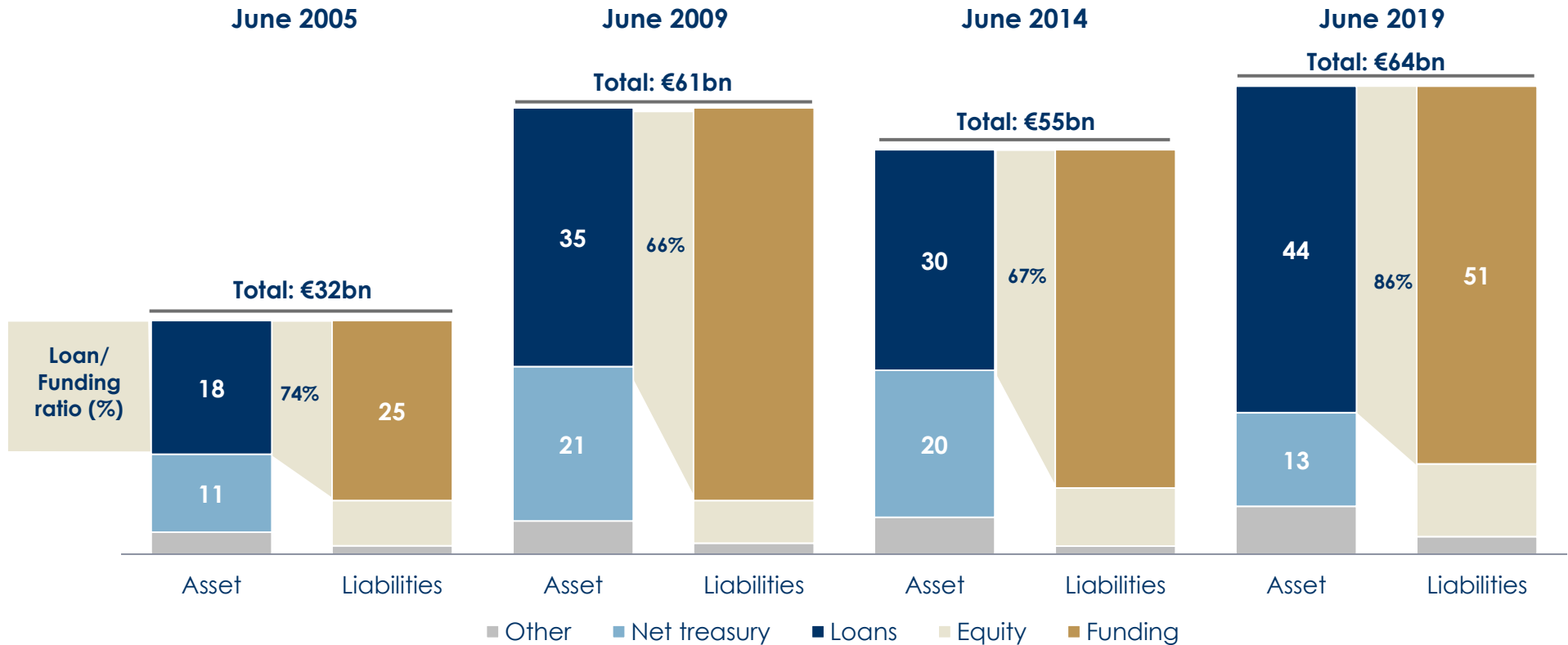
Group revenues by product and by division (€m, %)



- ◆ Corporate / Retail diversification substantially improved: retail business up from 40% to over 70% of Group revenues
- ◆ Net interest income, stably grown and diversified in last decade, representing ~55% of total income, fee income ~25%, principal investing (AG) and trading ~10%
- ◆ Due to recent acquisitions Retail has gained importance both in fees (~65% of Group) and NII (~80% of Group) contribution

# LOAN BOOK AND FUNDING DOUBLED ...

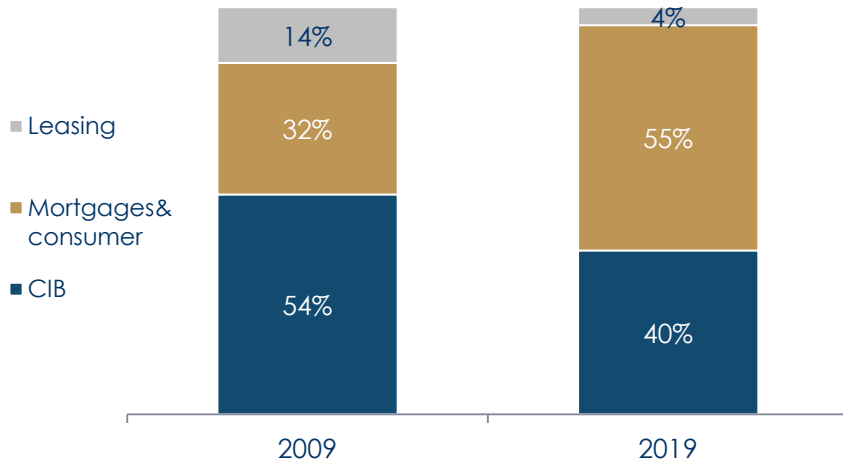
Group asset and liabilities structure and loan/funding ratio trend (€bn, %)



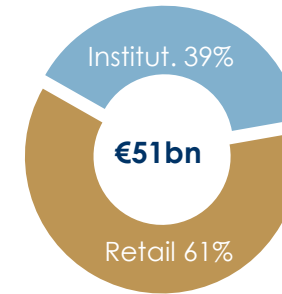
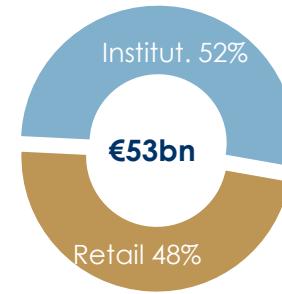
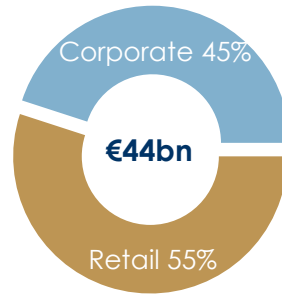
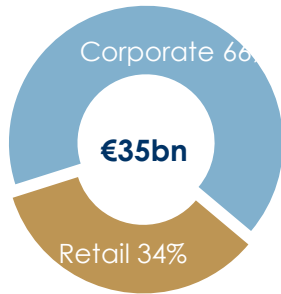
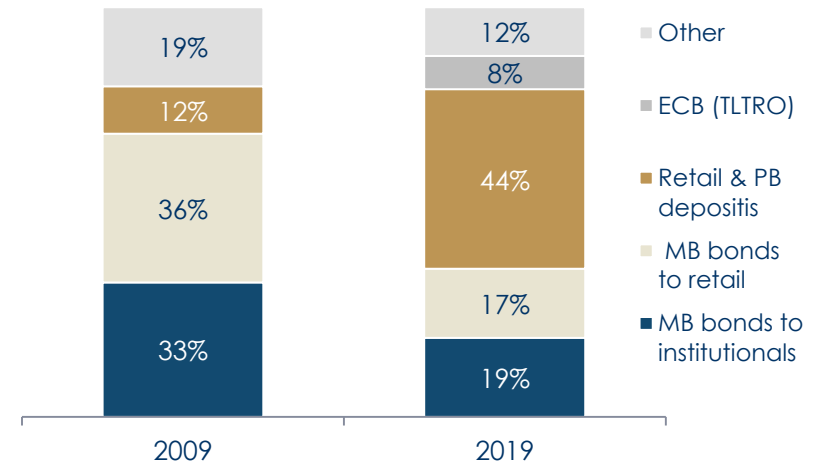
- ◆ Loans up at highest level ever to €44bn, driven by corporate (€16bn), consumer (>€13bn) and mortgages (€9bn)
- ◆ Funding optimized to €51bn with MB bonds (€19bn, 53% of which retail), retail deposits and private banking deposits (€22bn), ECB funds (€4bn TLTRO)
- ◆ NSFR well above 100%, LR fully-phased at 8.4%

# ... TOWARD A BALANCED CORPORATE/RETAIL MIX

Loan book by division (€bn, %)



Funding breakdown (€bn, %)

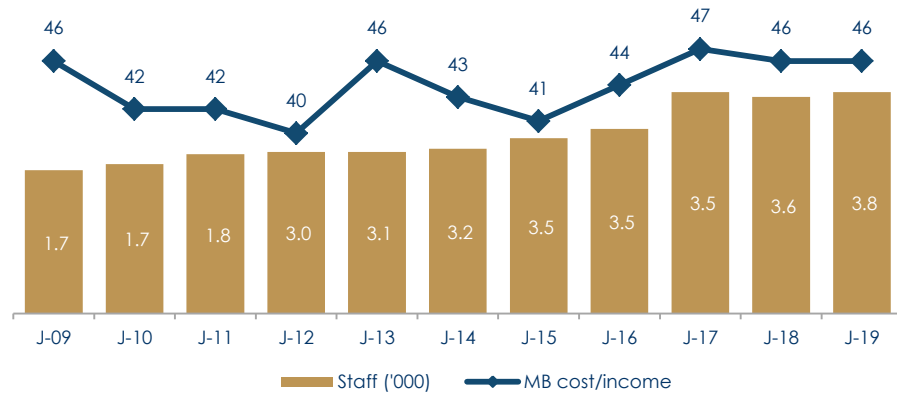


- ◆ Loan book: Corporate/retail representing now ~ 45%/ ~ 55%
- ◆ Consumer and retail loans have increased steadily, corporate lending stable due to high levels of market liquidity
- ◆ Funding retail contribution: 61% of funding from retail investors

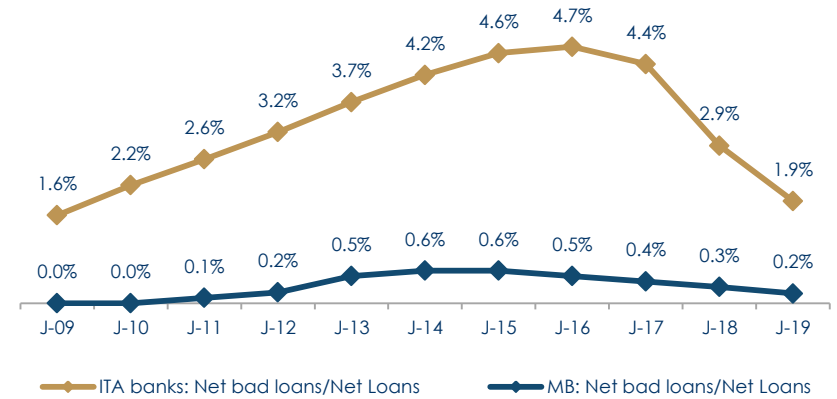


# RESILIENCY AND SOLIDITY OF ALL KEY INDICATORS

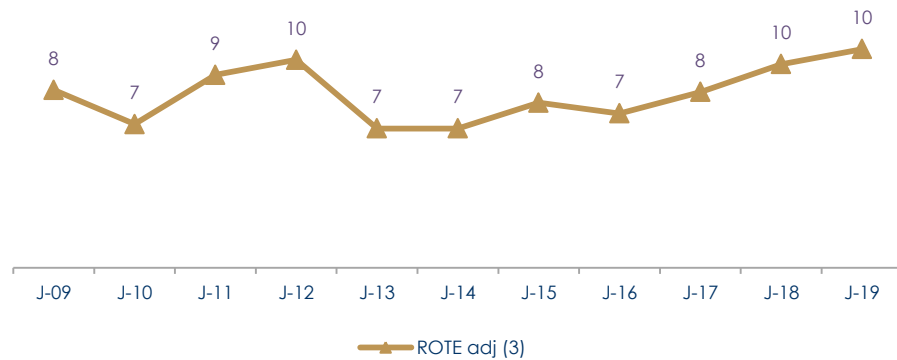
Stable cost/income despite material investments in recent years to empower all core businesses



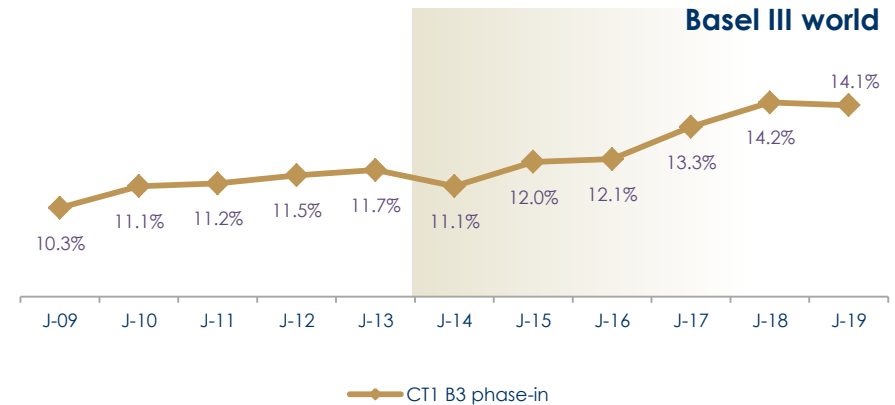
Net bad loans (sofferenze)/ net loans ratio<sup>1</sup>: MB just 1/10 of Italian Banks<sup>2</sup>



High single-digit normalized profitability



Solid capital ratios without K increases (last one in 1998) and more than €2bn returned to shareholders<sup>4</sup>

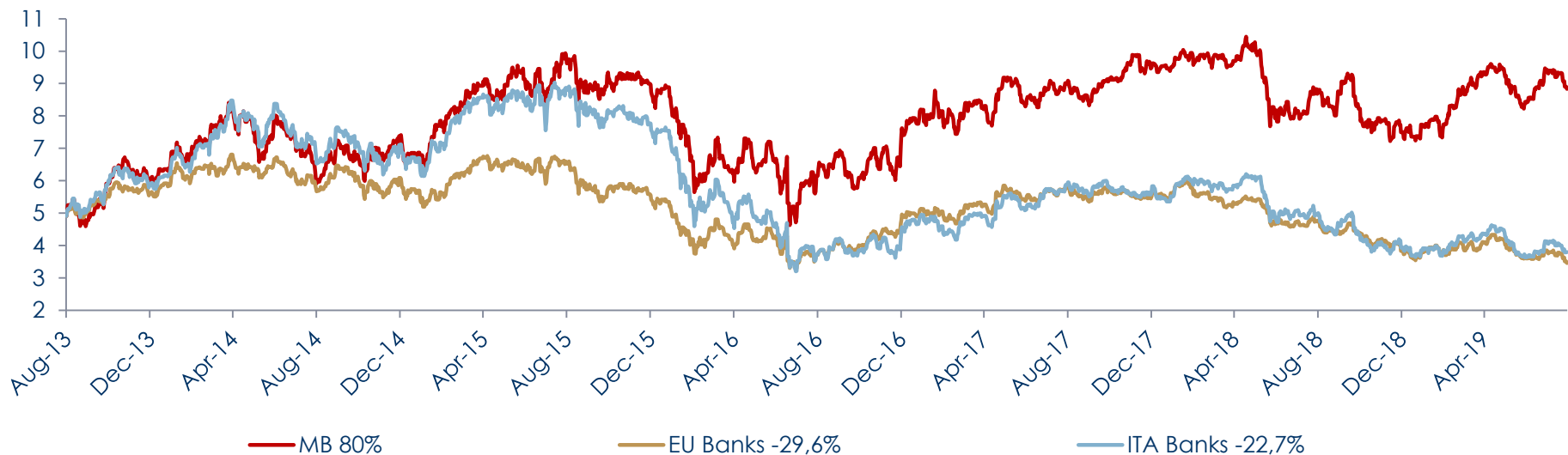


1) MB Group net bad loans/net loans ratio has been calculated excluding NPLs purchased by MBCredit Solutions  
 2) Source: Banca d'Italia, ABL.  
 3) Profit/losses from disposals of equity investments, impairments and positive one-off items excluded  
 4) Cash dividends and buy back since 2009 (including FY2019 dividend)

# SHAREHOLDER REMUNERATION

€	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19
Cash DPS	0	0.17	0.17	0.05	0	0.15	0.25	0.27	0.37	0.47	0.47
Total dividend paid	0	144m	144m	42m	0	127m	213m	231m	320m	413m	410m
Stated payout	0%	36%	39%	52%	0%	27%	36%	38%	43%	48%	50%
Share buyback	-	-	-	-	-	-	-	-	-	-	163m
Group net profit	2m	401m	369m	81m	(176m)	465m	590m	605m	750m	864m	823m
CET1(*)	10.3%	11.1%	11.2%	11.5%	11.7%	11.1%	12.0%	12.1%	13.3%	14.2%	14.1%
No.shares (m)	820	861	861	861	861	861	867	871	881	887	887

## Market performance (08/06/2013 – 05/08/2019)



# GROUP EVOLUTION IN THE LAST 10 YEARS

(€ m)	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19
Net interest income	861	917	1,070	1,070	1,028	1,087	1,143	1,207	1,288	1,359	1,396
Net treasury income	247	155	189	267	200	45	207	133	121	157	197
Net fee income	512	534	520	484	410	424	472	450	523	622	611
Equity-accounted companies	(19)	214	203	170	(10)	264	224	257	264	280	321
<b>Total income</b>	<b>1,601</b>	<b>1,819</b>	<b>1,983</b>	<b>1,990</b>	<b>1,628</b>	<b>1,819</b>	<b>2,045</b>	<b>2,047</b>	<b>2,196</b>	<b>2,419</b>	<b>2,525</b>
Operating costs	(730)	(773)	(824)	(789)	(752)	(791)	(847)	(892)	(1,024)	(1,115)	(1,162)
Loan loss provisions	(504)	(517)	(424)	(468)	(507)	(736)	(533)	(419)	(317)	(247)	(223)
<b>Operating profit</b>	<b>367</b>	<b>529</b>	<b>735</b>	<b>732</b>	<b>370</b>	<b>292</b>	<b>666</b>	<b>736</b>	<b>855</b>	<b>1,057</b>	<b>1,140</b>
Other income (losses)	(276)	54	(181)	(526)	(392)	209	92	1	59	39	(56)
<b>Profit before tax</b>	<b>91</b>	<b>583</b>	<b>554</b>	<b>206</b>	<b>(23)</b>	<b>501</b>	<b>757</b>	<b>736</b>	<b>914</b>	<b>1,096</b>	<b>1,084</b>
<b>Net profit</b>	<b>2</b>	<b>401</b>	<b>369</b>	<b>81</b>	<b>(176)</b>	<b>465</b>	<b>590</b>	<b>605</b>	<b>750</b>	<b>864</b>	<b>823</b>
Treasury, AFS and HTM	20,964	23,265	18,666	22,211	21,743	19,789	14,777	16,322	16,455	13,327	12,734
Equity investments	2,638	3,348	3,156	3,165	2,587	2,871	3,411	3,163	3,037	3,211	3,260
Loans to customers	35,233	33,702	36,226	36,310	33,455	30,552	32,890	34,739	38,191	41,128	44,394
Funding	53,412	53,852	51,713	55,788	51,288	45,834	42,711	46,658	49,121	48,893	51,393
Shareholders' equity	5,809	6,842	7,028	6,609	6,948	7,942	8,867	8,922	9,192	9,732	9,899
RWAs	52,733	53,418	55,032	55,161	52,373	58,744	59,577	53,862	52,709	47,363	46,310
No. of staff	3,105	3,242	3,452	3,506	3,505	3,570	3,790	4,036	4,798	4,717	4,805
CTI ratio (%)	10.3	11.1	11.2	11.5	11.7	11.1	12.0	12.1	13.3	14.2	14.1
Cost/income ratio (%)	46	42	42	40	46	43	41	44	47	46	46
Cost of risk (bps)	144	150	121	129	145	230	168	124	87	62	52