MEDIOBANCA

Banca di Credito Finanziario S.p.A.

1H results, December 2010

Milan, 25 February 2011

Banking trends: positive stance and outlook

- Positive banking trends ongoing for several quarters confirmed in 4Q10
- Revenues: additional sources consolidating, mix quality improving
- Profitability improving driven by upturn in RPB
- Low refinancing needs, high liquidity and high capitalization confirmed

4Q10: a good quarter in a tough environment

1H11 results

€m	4Q10 Dec10	3Q10 Sept10	2Q10 June10	1Q10 March10	4Q09 Dec09	3Q09 Sept09	Δ Q.o.Q*
Total income	535	499	418	455	467	678	+7%
Net interest income	269	262	256	220	228	214	+3%
Fee income	153	113	119	130	140	145	+35%
Securities	47	80	(29)	70	47	266	-41%
Equity-acc.co.	66	44	72	35	53	53	+52%
Total costs	(219)	(188)	(185)	(194)	(213)	(182)	+17%
Loan loss provisions	(107)	(112)	(125)	(122)	(130)	(141)	-5%
Securities provisions	(19)	(1)	(45)	(15)	(17)	(74)	nm
Net profit	135	128	46	84	70	201	+6%
Cost/income ratio	41%	38%	44%	43%	46%	27%	
LLPs/Ls (bps)	125	130	145	145	150	160	

*Q.o.Q. = 4Q10/3Q10

1H11: quality mix and profitability improving

1H11 results

€m	2H10 Dec10	1H10 June10	2H09 Dec09	1H09 June 09	Δ H.o.H*	Δ Y.o.Y*
Total income	1,034	873	1,145	836	+19%	-10%
Net interest income	532	475	442	436	+12%	+20%
Fee income	266	249	284	286	+7%	-6%
Securities	126	41	313	249	+3x	-60%
Equity-acc.co.	110	107	106	(134)	+3%	+4%
Total costs	(407)	(379)	(394)	(391)	+8%	+3%
Loan loss provisions	(219)	(246)	(270)	(297)	-11%	-19%
Securities provisions	(20)	(60)	(90)	(170)	-67%	-78%
Net profit	263	131	270	(98)	+2x	-3%
Cost/income ratio	39%	43%	34%	47%		
LLPs/Ls (bps)	130	145	160	165		
ROE (annualized)	8%	4%	9%	neg		

*H.o.H. = 2H10/1H10; Y.o.Y.= 2H10/2H09

Funding stable, loans return to growth

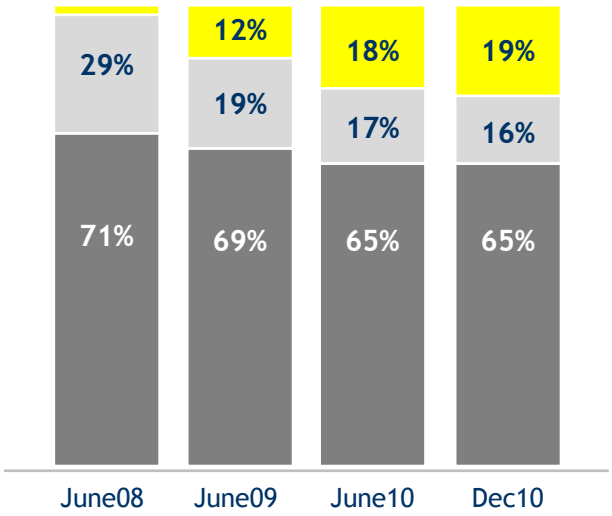
€bn	2H10 Dec10	1H10 June10	2H09 Dec09	1H09 June 09	Δ H.o.H*	Δ Y.o.Y*
Funding	52.9	53.9	52.9	53.4	-2%	~
Bonds	34.6	35.2	36.0	36.9	-2%	-4%
Retail	10.0	9.6	7.9	6.2	+4%	+27%
Interbank	8.4	9.1	9.1	10.3	-8%	-8%
Loans to customers	35.1	33.7	33.5	35.2	+4%	+5%
of which						
Corporate	22.2	21.1	21.4	23.1	+5%	+4%
Consumer	8.5	8.3	8.0	8.1	+2%	+5%
Mortgage	3.7	3.5	3.4	3.2	+4%	+8%
Treasury + AFS	18.7	21.8	21.3	19.4	-14%	-12%
Core Tier 1 ratio	11.1%	11.1%	11.0%	10.3%		
Total Capital ratio	14.2%	13.0%	12.9%	11.8%		

*H.o.H. = 2H10/1H10; Y.o.Y.= 2H10/2H09

No refinancing issues, high liquidity

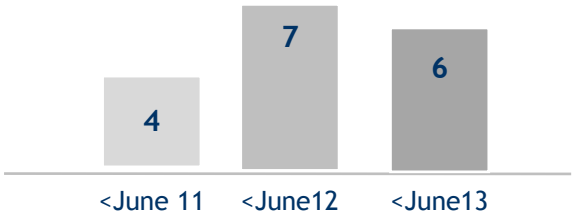
1H11 results

Funding (€bn)



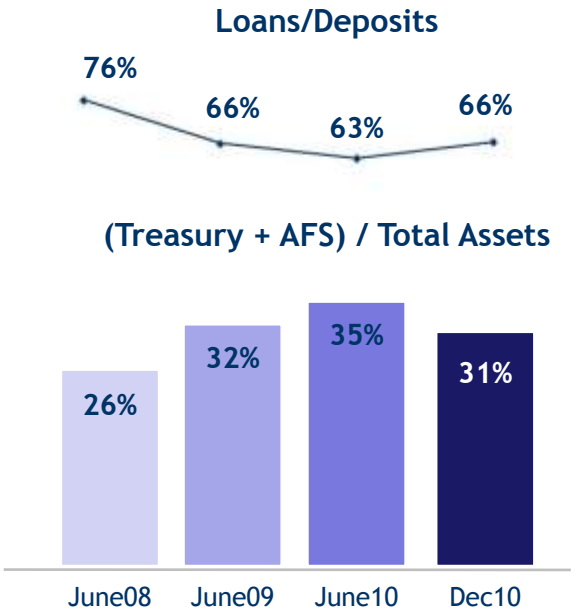
- Mix reshaped, sources diversified

MB bonds expiring (€bn)



- No major refinancing issues in short/mid-term

Leverage and liquidity ratios

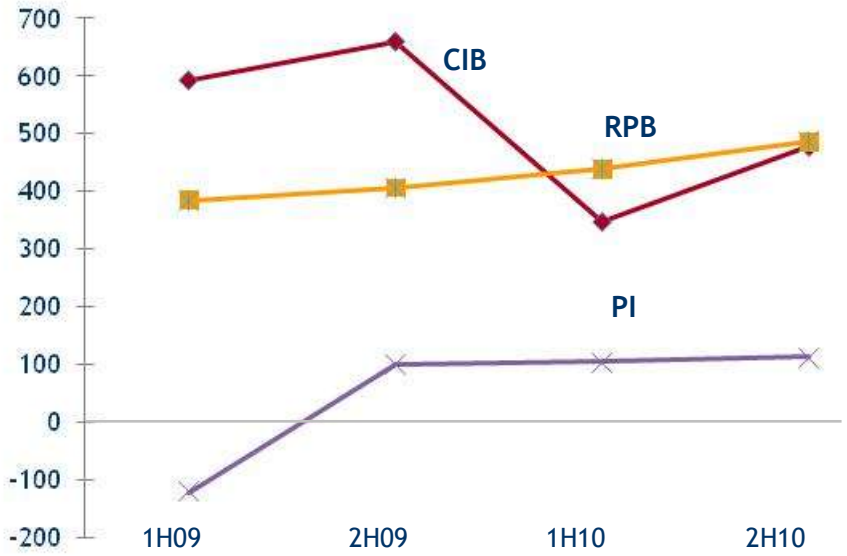


- Low leverage, high liquidity

MB bonds Interbank Retail deposits

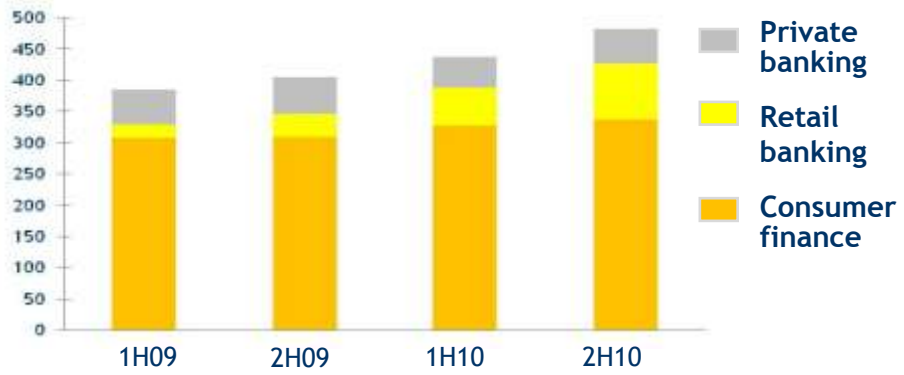
Revenues: additional sources, mix improving

Group revenues trend by business (€m)

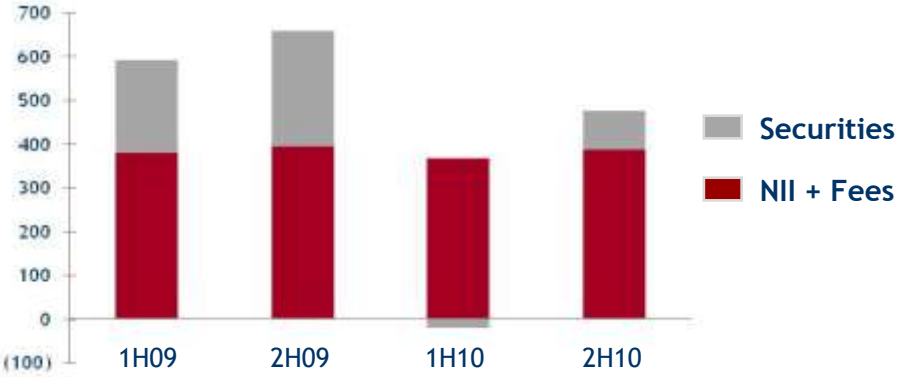


- CIB/RPB contributions to Group total equal
- RPB - Consumer finance growing steadily
  - Retail banking becoming material
- CIB - Increasing contribution from NII and fees
  - International operations growing in importance

RPB revenues breakdown (€m)



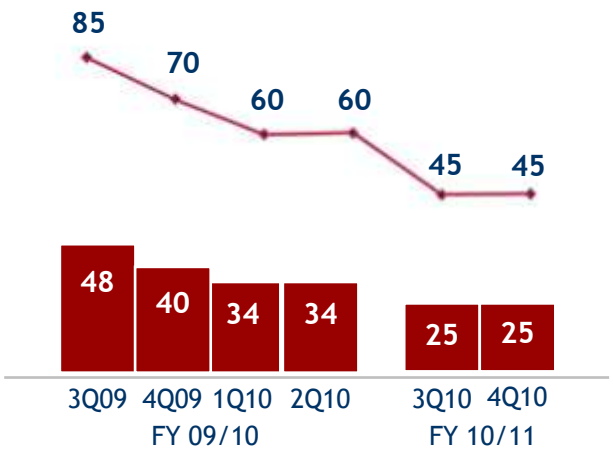
CIB revenues breakdown (€m)



Cost of risk reducing

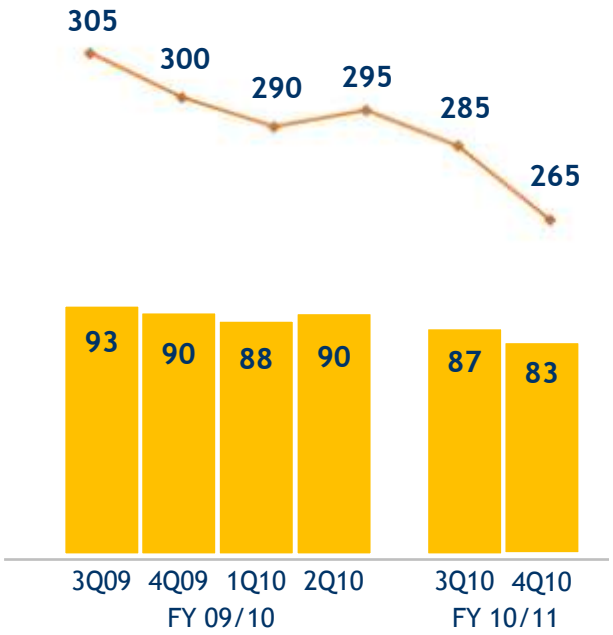
1H11 results

CIB LLPs (€m and bps)



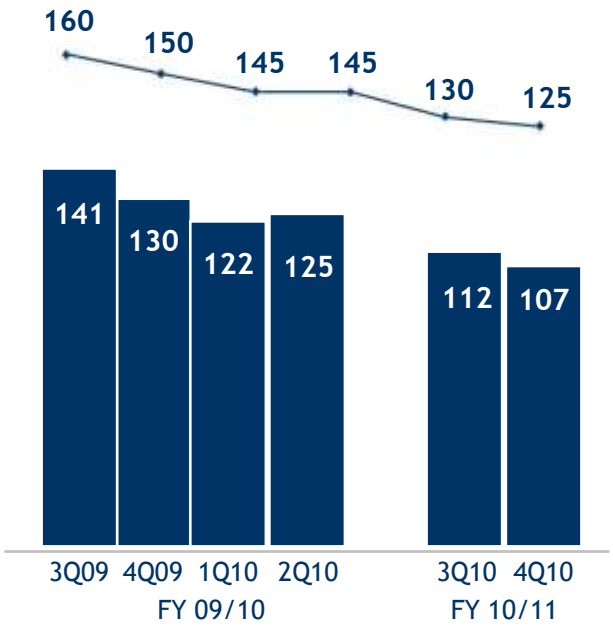
- Material improvement in large corporate segment, leasing still weak

RPB LLPs (€m and bps)



- Consumer: steady improvement
- Retail: under control

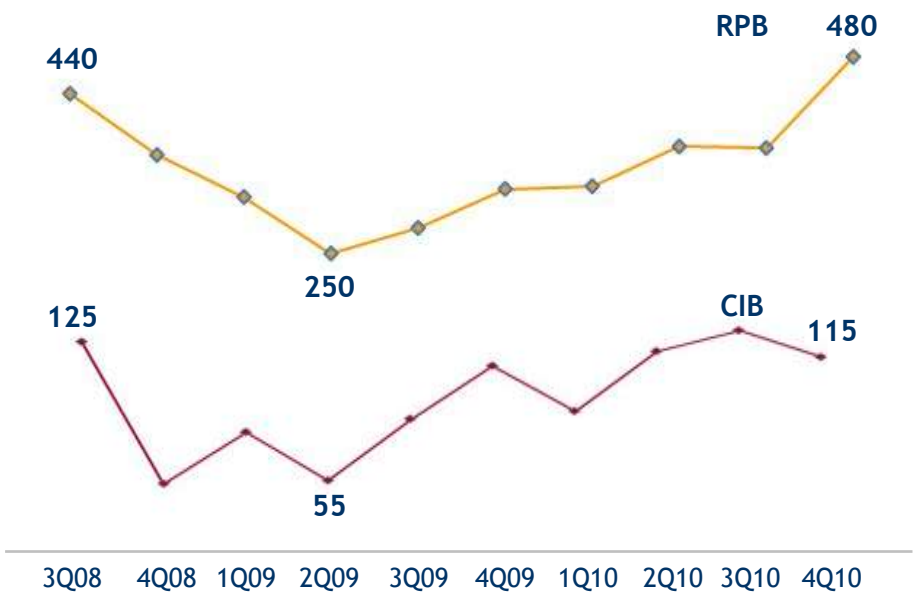
Group LLPs (€m and bps)



- Cost of risk gradually returning to normalized levels

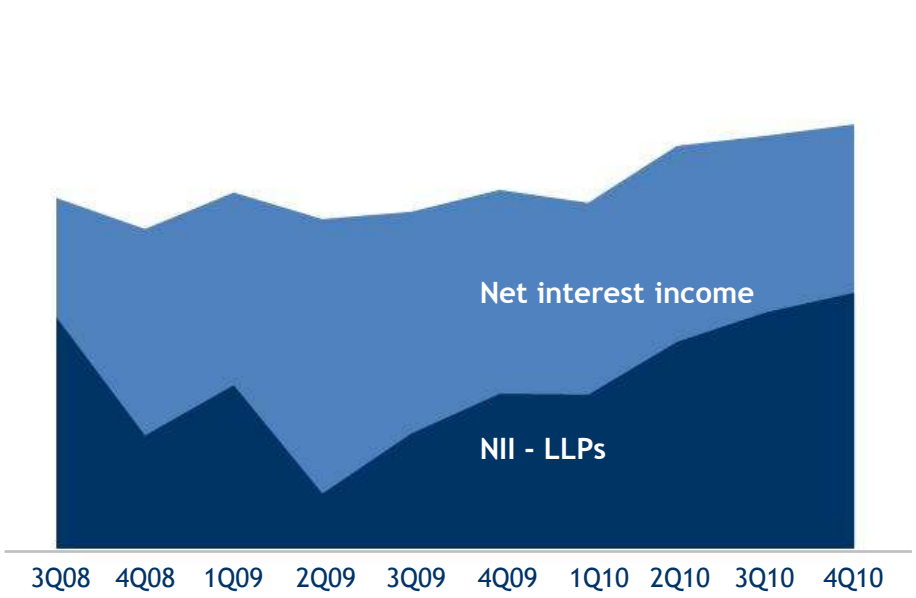
Net margins: RPB fast growing

CIB and RPB net margins*(bps)



- RPB: net margin growing fast
- CIB: net margin consolidating at high levels

Group NII and NII net of LLPs (€m)



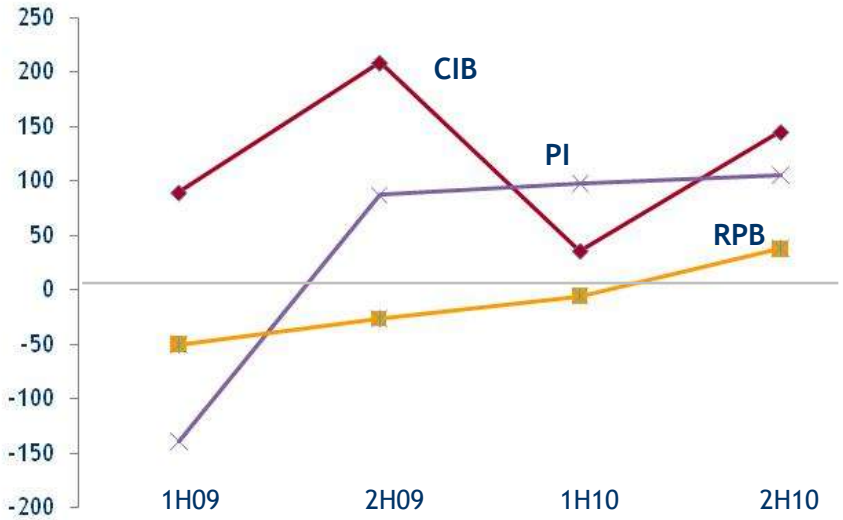
- Steady quarterly growth in NII; amount left after provisioning (NII less LLPs) growing even faster

* CIB net margin = (NII + lending fees - LLPs)/(loans + treasury)

* RPB net margin = (total income – LLPs)/loans

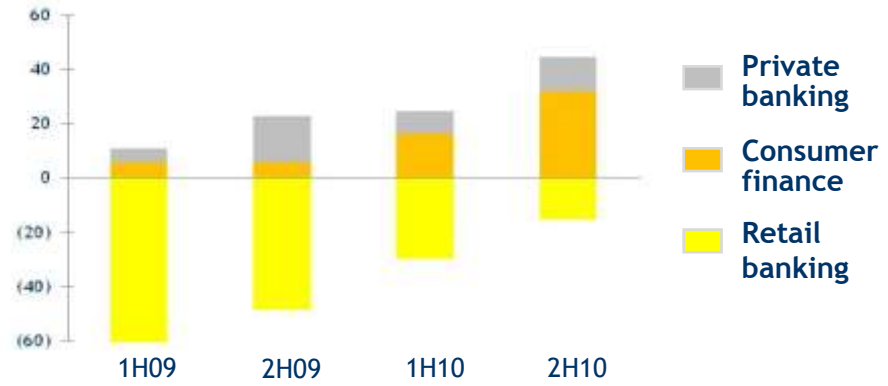
Net profit growth driven by upturn in RPB

Group net profit trend by business (€m)

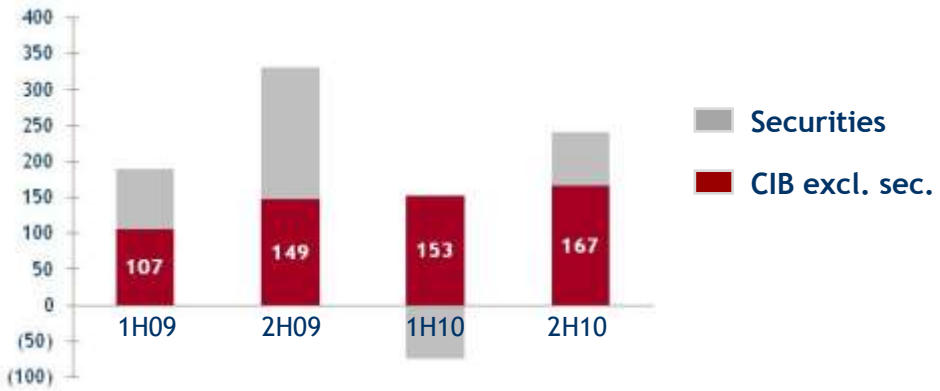


- RPB returned to positive territory
  - Retail: losses reducing
  - Consumer: profitability increasing
- CIB: business ramping up, securities volatile

RPB net profit breakdown (€m)



CIB: PBT breakdown (€m)



Profitability increasing in all businesses

1H11 results

	2H10 Dec10	1H10 June10	2H09 Dec09	1H09 June 09	Δ H.o.H*	Δ Y.o.Y*
Core Tier 1 ratio	11.1%	11.1%	11.0%	10.3%		
Total Capital ratio	14.2%	13.0%	12.9%	11.8%		
Group RWA (€bn)	55	53	52	53	+3%	+5%
of which CIB	41	40	39	40	+3%	+4%
RPB	11	11	10	10	+1%	+5%
ROTE (%**)	8.8	4.7	10.0	neg		
ROE (%**)	8.1	4.2	9.1	neg		
RORWA (%** gross)	1.4	0.7	1.5	neg		
of which CIB	1.2	0.4	1.7	0.9		
RPB	1.2	0.2	(0.5)	(1.0)		
- Consumer lending	*1.8*	*1.1*	*0.6*	*0.7*		
- Retail banking	*(1.7)*	*(4.4)*	*(6.5)*	*(8.8)*		

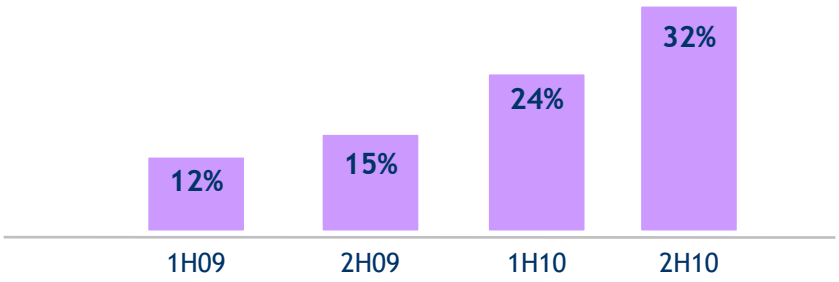
*H.o.H. = 2H10/1H10; Y.o.Y.= 2H10/2H09
** Annualized

CIB: strategic role of international operations

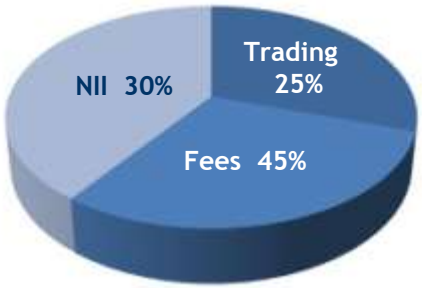
International branches key figures (Dec10 - 6 months)

Revenues	150m
PBT	80m
Loans	4.5bn
Cost/income	45%

International branches/CIB revenues



Revenues by product



Revenues by country

CIB: higher NII, lower securities income

1H11 results

€m	2H10 Dec10	1H10 June10	2H09 Dec09	Δ Y.o.Y *	4Q10 Dec10	3Q10 Sept10	2Q10 June10	1Q10 March10
Total revenues	477	346	660	-28%	234	243	137	210
Net interest income	224	213	216	+4%	108	116	115	98
Fee income	164	154	179	-8%	100	64	72	82
Securities	90	(20)	265	-63%	26	64	(50)	30
Total costs	(171)	(145)	(158)	+8%	(90)	(81)	(69)	(77)
Loan provisions	(50)	(68)	(88)	-44%	(25)	(25)	(34)	(34)
Securities provisions	(15)	(53)	(83)	-82%	(14)	(1)	(39)	(14)
Net profit	145	35	208	-31%	66	79	(15)	51
Loans (€bn)	22.2	21.1	21.4	+4%	22.2	21.7	21.1	21.0
RWA (€bn)	40.9	39.7	39.3	+3%	40.9		39.7	
Cost/income ratio	36%	42%	24%		39%	33%	50%	36%
LLPs/Ls (bps)	45	60	80		45	45	60	60
RORWA gross	1.2%	0.4%	1.7%					

Y.o.Y.= 2H10/2H09

Principal investing: higher contribution

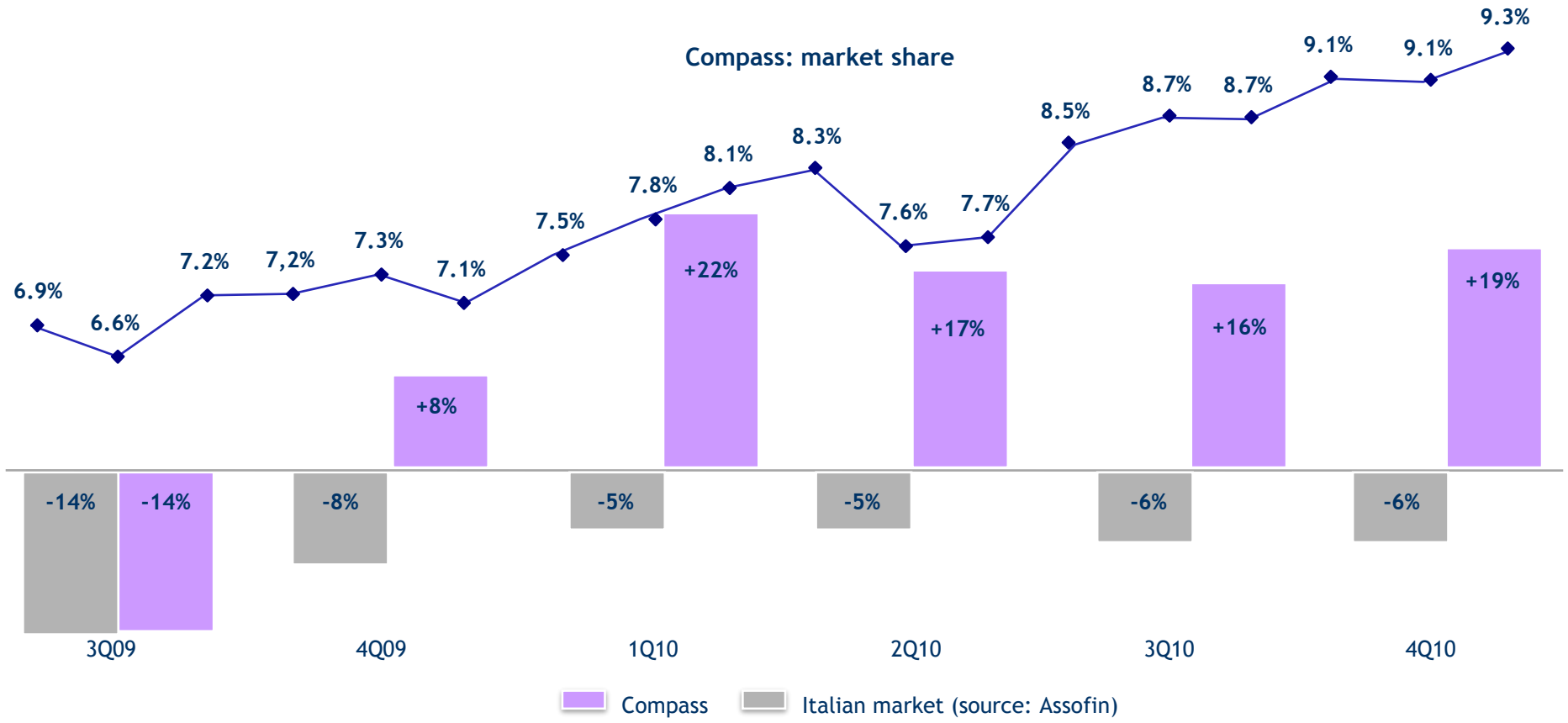
1H11 results

€m	2H10 Dec10	1H10 June10	2H09 Dec09	Δ Y.o.Y *	4Q10 Dec10	3Q10 Sept10	2Q10 June10	1Q10 March10
Total income	113	103	100	+12%	62	51	70	33
Assicurazioni Generali	105	116	116		59	46	71	45
RCS Media Group	5	(12)	(5)		2	3	(4)	(8)
Telco	7	2	(4)		4	4	3	(1)
Writedowns	(5)	(6)	(7)	nm	(5)	0	(5)	(1)
Net profit	105	98	87	+21%	55	51	63	34
NAV (€bn)	3.0	3.0	4.0	-25%	3.0	3.1	3.0	3.8
RWA (€bn)	3.4	2.9	2.6	+30%	3.4		2.9	

Y.o.Y.= 2H10/2H09

Consumer finance: growing share in shrinking market

Compass monthly market share and quarterly new loans (Δ YoY)



Consumer finance: good stance and outlook

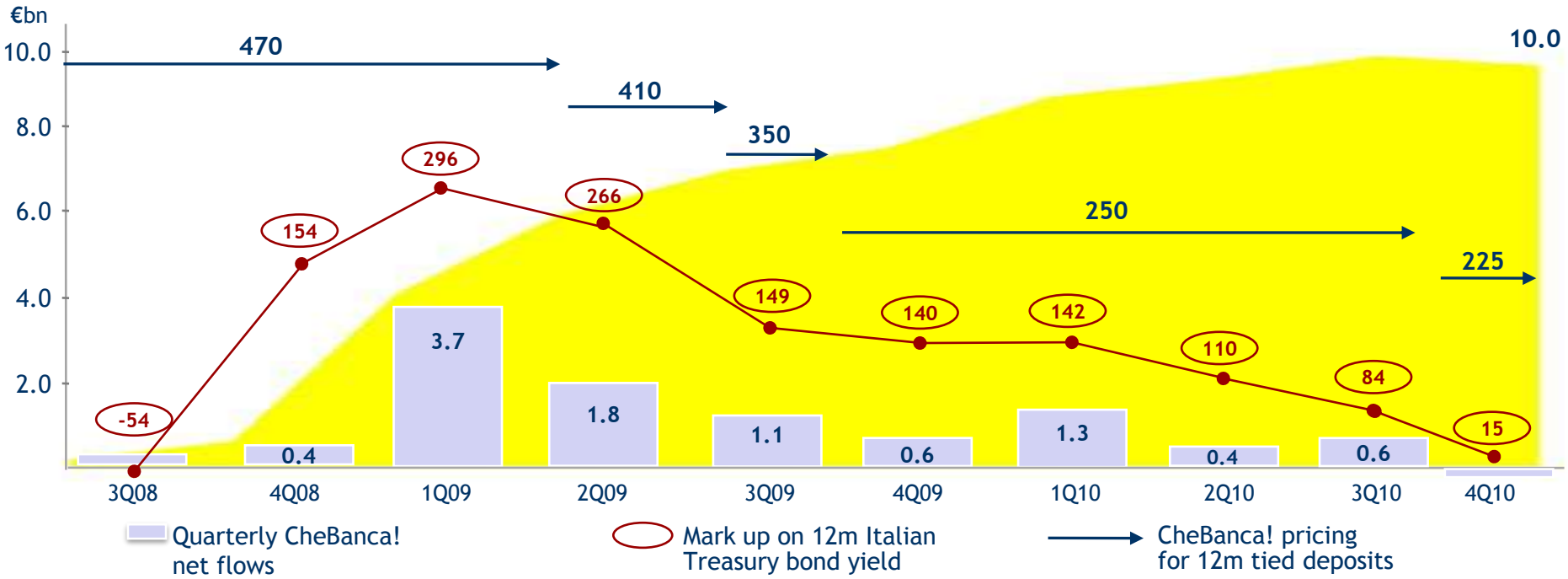
1H11 results

€m	2H10 Dec10	1H10 June10	2H09 Dec09	Δ Y.o.Y *	4Q10 Dec10	3Q10 Sept10	2Q10 June10	1Q10 March10
Total income	341	328	310	+10%	176	165	167	161
Total costs	(118)	(124)	(116)	+2%	(60)	(58)	(60)	(64)
Loan provisions	(155)	(164)	(172)	-10%	(75)	(80)	(83)	(81)
Net profit	40	16	6	+7x	27	13	12	4
New loans	2,205	2,181	1,873	+18%	1,179	1,026	1,105	1,075
Loans (€bn)	8.5	8.3	8.0	+5%	8.5	8.4	8.3	8.1
RWA (€bn)	7.5	7.4	7.0	+8%	7.5		7.4	
Cost/income ratio	35%	38%	37%		34%	35%	36%	40%
LLPs/Ls (bps)	375	400	420		365	390	405	400
RORWA gross	1.8%	1.1%	0.6%					

Y.o.Y.= 2H10/2H09

Retail banking: deposits consolidating at reducing cost

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



- Deposit stock consolidating at around €10bn despite lower mark-up
- Reducing cost of funding supporting growth in total income

Retail banking: revenues becoming material

1H11 results

€m	2H10 Dec10	1H10 June10	2H09 Dec09	Δ Y.o.Y *	4Q10 Dec10	3Q10 Sept10	2Q10 June10	1Q10 March10
Total income	90	61	37	+2x	50	40	27	34
Total costs	(90)	(86)	(93)	-3%	(53)	(38)	(43)	(43)
Loan provisions	(15)	(14)	(9)	+65%	(7)	(8)	(7)	(7)
Net result	(15)	(30)	(49)	-70%	(10)	(5)	(18)	(12)
Deposits (€bn)	10.0	9.6	7.9	+27%	10.0	10.1	9.6	9.1
Loans (€bn)	3.7	3.5	3.4	+8%	3.7	3.6	3.5	3.5
RWA (€bn)	1.8	1.8	2.0	-10%	1.8		1.8	
Cost/income ratio	100%	140%	250%					
LLPs/Ls (bps)	85	85	60		80	90	85	85
Customers (no./000)	385	340	270	+43%	385		340	
Products (no./000)	460	440	340	+36%	460		440	

Y.o.Y.= 2H10/2H09

Conclusions

- Good results for the first six months in a tough environment
- Some positive trends may be sustainable given the current market conditions, e.g.:
  - growing net margins in consumer and retail banking
  - loan growth in corporate/consumer finance
  - banking net profit growth driven by upturn in RPB
- Global macro environment still tough and unhelpful to banking businesses
- Mediobanca well-positioned in banking sector, due to its low refinancing requirements, high liquidity, sound core Tier 1 ratio and business model already Basel III-compliant

MEDIOBANCA

Banca di Credito Finanziario S.p.A.

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

Mediobanca Group

Investor Relations

Piazzetta Cuccia 1, 20121 Milan, Italy

Tel. no.: (0039) 02-8829.860 / 647

Fax no.: (0039) 02-8829.550

Email: investor.relations@mediobanca.it

http://www.mediobanca.it