Informazione Regolamentata n. 0187-159-2025	Data/Ora Inizio Diffusione 27 Giugno 2025 07:00:05	Euronext Milan

Societa'	:	MEDIOBANCA
Identificativo Informazione Regolamentata	:	207389
Utenza - referente	:	MEDIOBANCAN08 - Tassone
Tipologia	:	REGEM
Data/Ora Ricezione	:	27 Giugno 2025 07:00:05
Data/Ora Inizio Diffusione	:	27 Giugno 2025 07:00:05
Oggetto	:	Update to 2028 of the "One Brand - One Culture" Plan approved

Testo del comunicato

Vedi allegato

MEDIOBANCA

UPDATE TO 2028 OF THE "ONE BRAND - ONE CULTURE" PLAN APPROVED

GROUP STRATEGIC GUIDELINES CONFIRMED

With a holistic and synergistic Private & Investment Banking model, anchored in responsible banking values, Mediobanca aims to be the reference bank for corporates and entrepreneurs, a partner for its employees and clients, and a valuable investment for its shareholders

FURTHER ROBUST GROWTH EXPECTED IN REVENUE, PROFITABILITY AND REMUNERATION

GROWTH

Revenue above €4.4 bn (+20% in three years[1], CAGR +6%[2])

Net profit of €1.9 bn (+45%[1] over the three-year period), EPS at €2.4 (CAGR +14%[2])

Ordinary net profit of €1.7 bn (+30%[1] over the three years period), EPS at €2.1 (CAGR +9%[2])

PROFITABILITY AND SOLIDITY

ROTE[3] at 20%, ordinary at 17% (+3 pp[1] from 14%)

CET1 of 14%, T1 of 15.5%

SHAREHOLDER REMUNERATION

€4.9 bn over 3 years,[4] of which €4.5 bn cash

Payout: 100% of ordinary profit, entirely in cash

DPS over the three years: €1.12[5] in FY25, +50% in FY26, doubling to €2.1 in FY28

Cumulative yield above 30%

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[1] June 28 v June 25
[2] Compound annual growth rate for the period June 25 - June 28
[3] AT1 planned to be issued in the three years, excluded
[4] Including the third tranche (around €0.4 bn) of the share buyback planned for FY25/26 under the 23/26 Plan, totalling €1 bn (€0.2 bn executed in FY23/24, €0.4 bn in FY24/25), to be determined in July 2025 and subject to approval by the Shareholders' Meeting and the ECB.
[5] Interim dividend paid in May 2025 (€0.56) annualised.

MEDIOBANCA

THE GROUP'S POSITIVE INDUSTRIAL AND FINANCIAL TRAJECTORY WILL BE FURTHER STRENGTHENED BY THE PUBLIC EXCHANGE OFFER FOR BANCA GENERALI

THE COMPARISON WITH THE MPS PUBLIC EXCHANGE OFFER SHOWS A LACK OF INDUSTRIAL AND FINANCIAL RATIONALE AND HIGH EXECUTION RISKS

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Alberto Nagel, Chief Executive Officer of Mediobanca, said: "*The extension of the 'ONE BRAND - ONE CULTURE' Plan to 2028 demonstrates* ***Mediobanca's ability to achieve further solid growth in revenue, profit and profitability****, even in a complex macroeconomic environment,* ***with the aim of delivering industry-leading returns, a low risk and execution profile and a significant increase in shareholder remuneration. This exciting stand-alone growth trajectory*** *– pursued while remaining anchored to the 'responsible banking school' embedded in the Bank's DNA –* ***will be further enhanced by the combination with Banca Generali****, a transaction that will create a European leader in Wealth Management in terms of scale, growth capacity and shareholder returns, with closing expected in October.*

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DISCLAIMER

The economic and financial projections for 2025-2028 have been prepared on a stand-alone basis and do not reflect the effects of the acquisition of Banca Generali, announced on 28 April 2025 and expected to close in October.
Moreover, the projections do not take into account external or currently unforeseeable events, including potential negative impacts from the public exchange offer made by MPS for MB, a transaction that, as already communicated, lacks any industrial logic, does not create value for Mediobanca shareholders and undermines the Bank's strategy of profitable, sustainable growth.
Following the acquisition of Banca Generali is completed, the Group will prepare a 3Y Plan for the combined entity, reflecting the new configuration and the consolidated objectives of the resulting scope.

Mediobanca Group

The Board of Directors has approved the update of the 2025-2028 economic and financial projections for the "One Brand - One Culture" Plan. The **strategic vision** was confirmed, with **Wealth Management ("WM") as the primary segment of development, Corporate & Investment Banking ("CIB") supporting it synergistically in a Private & Investment Banking ("PIB") model that is the only one of its kind in Italy and Consumer Finance ("CF") serving as a macro/counterparty risk diversification segment with high sustainable profitability**.

In a complex and challenging geopolitical, economic and regulatory environment for the financial sector as a whole, promising growth opportunities are emerging for players that – by virtue of their specialisation, sound business model and corporate culture – can turn challenges into long-term growth potential.

Within this framework, the Group aims to achieve positive development across all operating segments, leveraging its key traits: **a responsible business approach, strong brand, focus and distinctive positioning in high-margin, specialised areas driven by structural long-term trends, a robust capital base and ongoing investment in talent and innovation.**

The Group will pursue **sustained growth** in revenue, net profit, shareholder remuneration and **stakeholder satisfaction**, while maintaining one of the best risk/return profiles in Europe. In detail:

- **Strengthening of the franchise and offering across all business segments**: approximately 330 new sales professionals will be added to WM (mainly in the Financial Advisors segment), the CF direct network will expand further (from 335 to 373 branches) with continued investment in the digital channel, new geographies and products will be added to CIB.

- **Growth in interest-earning assets**: total financial assets ("TFA") will rise to €143 billion (+9%[2]), customer loans to €63 billion (+5%[2]), and RWAs to €50 billion (+3%[2]). This growth will be achieved with the usual focus on capital usage and improving asset profitability (revenue/RWA from 8% to 9%[1]).

- **Revenue growth to more than €4.4 billion (+20%[1] in three years, +6%[2])**, with solid contributions from all segments. WM will record the largest increase (more than €0.2 billion over the period to €1.2 billion), becoming the first contributor to the Group's revenue growth as well of fees, alongside CIB, whose revenue growth is expected to be more than €0.1 billion[1] to €1.0 billion. CF will continue to drive Group net interest income with revenue growth of €0.2 billion[1] (to around €1.5 billion). The Insurance segment ("INS") will continue to contribute positively to the Group, with revenue growth of €0.2 billion[1] (to approximately €0.7 billion).[6]

- **Profit growth to €1.9 billion (+45% over three years,[1] +14%[2]) and earnings per share to €2.4 (+14%[2])**, reflecting solid **growth in ordinary profit to €1.7 billion (+30%[1] or +9%[2])** and profit from the progressive value creation of the **real estate project in Monaco**,[7] with cumulative gross contribution of €500 mn in the three years (30% in FY27 and 70% in FY28).

- **Increase in profitability at the Group level (ROTE at 20%) – adjusted for non-recurring profit to 17%** (from 14%) – and **at the divisional level**: WM is expected to record the largest improvement in profitability (RORWA), going from 4.0% to 5.2%. CIB is expected to improve to 2.2% (from 1.9%), while CF will remain stable at 2.9%.

- **Increase in shareholder remuneration to €4.9 bn over three years,[1] of which €4.5 bn in dividends and €0.4 bn via completion of the share buyback and cancellation plan** included in the BP26 presented in May 2023. The increase in distributions is supported by **higher capital generation (~280 bps annually, +30% from 220 bps)**, driven by strong profitability and the absence of negative regulatory impacts in the coming years.

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[6] Assicurazioni Generali revenue: pro-rata consensus (Nasdaq IR Insight) prudentially weighted 95%

[7] CMB Monaco will complete its new headquarters by 2028, bringing together all of its Private Banking operations. The project includes a residential component, which will be placed on sale starting from the first half of 2026. The project comprises 24 above-ground floors for a total of approximately 17,400 m² (net surface area, including terraces) and 8 underground levels. The proceeds will be booked under the Holding Functions division.

- **Optimisation of the capital structure with CET1 at 14%** (from 15%) and issuance of AT1 instruments for €750 million, bringing **Tier 1 capital to 15.5%**. Note that the **integration project with Banca Generali is fully financed through the stake held in Generali**.

Regarding the economic projections for the next three years, the Group expects to achieve **profit of over €1.9 billion by June 2028, €1.7 billion in ordinary profit and €0.2 billion from non-recurring income from a real estate project in Monaco**. **This result is based on revenue of over €4.4 billion (+6%[2]), a 3% reduction in the cost/income ratio (from 43% to 40%) and gradual stabilisation of the cost of risk at around 60 bps (+10 bps[1]). Operating profit will rise from almost €1.9 to €2.3 billion (+7%[2]), ROTE will stand at 17% ordinary (+3 pp[1]), and 20% stated, recurring RORWA at 3.5% (+60 bps[1]).**

In detail, as regards revenue:

- **Net interest income is expected to increase from around €2.0 billion to over €2.2 billion (+4%[2])**, driven by volume growth (Group loans +5%[2]), with steady, strong growth of the net interest income from CF (+6%[2]). The interest rate environment – with a further decline in the first year followed by a moderate recovery – will lead to a rise in yields in the last two years that will outpace the increase in funding costs, resulting in a positive contribution from all divisions in FY27 and FY28.

- **Fees and other net income will rise from just under €1.1 billion to over €1.3 billion (+7%[2])**, driven by WM (+11%[2]), which will benefit from annual net new money of €10-11 billion, a slight increase in margins (+3 bps in management fees for distribution networks) and strong flows from placements of structured and private market products. CIB is expected to grow by 5%,[2] with a solid trend in the advisory segment following the record results of FY25 and growth in capital markets and lending. CF will see a reduction in fee income due to the different accounting treatment of BNPL (from fees to net interest income).

- **The equity method contribution from Assicurazioni Generali** is estimated to rise from over €0.5 billion to nearly €0.7 billion, based on consensus earnings.[6]

Costs are expected to increase by around €160 million (+3%[2]), including a €+100 million (+4%[2]) increase in personnel costs driven by increased headcount in sales and the need to attract high-quality talent in CIB (+5%[2]) and WM (+4%[2]). Administrative expenses will rise more moderately (+3%[2]), benefiting from the stabilisation of investment after two years of substantial business set-up/upgrade (Advisory and CMA platforms in WM, BNPL in CF, BTP specialist desk set-up and new CRM in CIB). Achievement of scale in WM will also support the trend (+1%[2]), together with targeted AI interventions supporting processes and a Consumer and Affluent distribution network increasingly focused on variable-cost structures.

The cost/income ratio will decline from 43% to 40%, driven by the reduction in the WM division (from 66% to 56% over the period, around half of the Group's total decrease) and in Consumer (from 31% to 30% over the period). CIB will remain stable (46%).

Loan loss provisions will rise by approximately €140 million (COR increasing from almost 50 to 60 bps), reflecting the expected normalisation of default rates to pre-COVID levels in CF, offset by the release of overlays over the three years (around €145 million expected by the end of June 2025). The cost of risk will remain low in CIB (approximately 5 bps) and in WM (around 2 bps).

The valuation of the real estate project in Monaco[8] will allow for the recognition of about €500 million in gross proceeds over the three-year period, with the majority realised in FY27 (around €150 million) and FY28 (about €325 million) and will be accounted for in the Holding Functions segment.

On the balance-sheet side:

- **Loans will rise from €54 to nearly €63 billion (+5%[2])**, reflecting growth across all business lines. CF will rise from €16 to €18 billion, with new loans up from €9.0 to €10.6 billion, CIB from €20 to €24 billion (which includes the transfer of Selma's leasing activities subsequent to the recently acquired control), WM from €17 to €21 billion.

- **Funding will increase from €69 to €82 billion**, driven by growth in deposits (from €30 to €33 billion, with the cost declining from 1.8% to 1.5%) and significant issuance activity (around €20 billion, after €18 billion in redemptions). Over €2 billion in capital instruments are expected to be issued during the three-year period, including €1 billion in senior non-preferred bonds, up to €750 million in AT1 and approximately €300 million in T2 instruments. The remainder will consist of institutional senior placements (around €8 billion), retail network placements (€4 billion) and secured debt (€3 billion in covered bonds and €3 billion in ABS/SRT). Overall, the cost of issuance will be about 110 bps vs Euribor 3M, lower than the cost of maturing debt (124 bps). Liquidity and funding indicators are expected to remain high (LCR at 150% and NSFR at approx. 120% in FY28)

- **Total Financial Assets (TFA) will rise from more than €110 to €143 billion (+9%[2])**, with the AUM/AUA component up by 11%.[2] Net new money (NNM) is expected to total €10-11 billion per year and will be supported by over €1 billion in expected liquidity events each year.

- **RWAs will rise from €46 to €50 billion**, with €3.6 billion attributable to growth in loan and Market volumes, and about €1 billion from the increase in the stake in Assicurazioni Generali. This growth will be partially offset by the implementation of the new PD model in the large corporate segment and by execution of a risk mitigation programme (SRT) covering the Consumer portfolio and other credit exposures of the Group (with expected savings of around €1.7 billion in RWA).

Capital ratios confirm substantial buffers above the Maximum Distributable Amount **(around 400 bps)**[9] and the Overall Capital Requirement[10] of 9.17%:

- **The CET1 ratio is expected to optimise from around 15% to 14%**, following annual capital generation of about 280 bps – up 30% from the 220 bps average in BP23-26 – absorbed by increased distributions totalling 315 bps (approximately €4.5 billion in dividends over the three-year period).

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[8] CMB Monaco will complete its new headquarters by 2028, bringing together all of its Private Banking operations. The project includes a residential component, which will be placed on sale starting from the first half of 2026. The project comprises 24 above-ground floors for a total of approximately 17,400 m² (net surface area, including terraces) and 8 underground levels.

[9] Maximum Distributable Amount - MDA: 9.92% minimum level of CET1 capital required which includes the shortfall of AT1 capital (reduced to 30bps at the end of 2028) and T2 (40bps at the end of 2028).

[10] The Overall Capital Requirement on CET1 includes 56.25% of the additional P2R requirement of 1.75%, the Capital Conservation Buffer (2.50%), the Countercyclical Buffer (0.14%), the O-SII requirement (0.25%) and the systemic risk requirement (0.8%).

- **The Tier 1 ratio will rise to 15.5%** (up 50 bps from June 2025) after €750 million in AT1 issues, planned in two tranches.

- **The Total Capital Ratio is expected to reach 17.5%** (from approximately 18%), including €300 million in T2 instruments issued at the end of the period.

- **Leverage ratio is expected to remain stable at approx.7%** for the three years, while **MREL increases 2pp to 47% of RWAs** (approximately 21% of LRE)

The distribution policy for the three years (FY26-28) will be entirely in cash, based on recurring profit, and will be accompanied in FY26 by completion of the share buyback programme envisaged in BP23-26:

- **Payout policy: 100% of recurring profit for FY26-28.**

- **DPS**: €1.12[5] in FY25, +50% in FY26, doubling to €2.1 in FY28

Total distribution: approximately €5 billion over the three years, equal to around 30% of market capitalisation,[11] consisting of:

- **Total dividend payout of around €4.5 billion.**

- **Completion of the €0.4 billion annual share buyback programme**[12] announced in BP23-26, with a total value of €1 billion (to be fully deducted from CET1 as at June 2025), 60% of which executed in FY23/24 and FY24/25.

Wealth Management (WM)

WM will benefit from the major investments made over the previous decade and from increased scale (cost/income ratio reduced to 56%, -10 pp). Combined with industry-leading growth capacity (NNM of €10-11 billion per year) supported by the PIB model, this will drive profit growth (to around €370 million, +17%[2]) and improved profitability (RORWA from 4% to 5.2%) over the three years.

Since 2016, when WM became a strategic priority for Mediobanca Group, the Bank has **tripled in size in terms of TFA** (>€110 billion), salesforce (1,300 professionals), revenue (nearly €1 billion) and **net profit** (over €225 million). It has become **the player of reference in Italy in Private Investment Banking** and, also thanks to the **repositioning of MB Premier** towards higher-end client segments that are more synergistic with the Group's potential, has **grown at a faster rate than the market** (TFA CAGR19-24 of 10% vs 7% for the AIPB benchmark).

Over the next three years, WM will:

- **Continue its repositioning of products** (liquid and illiquid, "in-house guided") **and services** (advisory platform including Investment Banking) for Premier and Private clients, leveraging Mediobanca's distinctive positioning.

- **Be able to generate around €10-11 billion in average annual net new money**, supported by substantial investments in distribution (330 new salesforce members, primarily in the financial advisor segment), technology and products. A distinctive feature in this respect

[11] As at 24 June 2025.
[12] Subject to approval by the Shareholders' Meeting and the ECB.

will be the ability to **capture over 1 billion liquidity events each year**, stemming from the solid interconnection Mediobanca maintains with more than 1,300 medium-sized enterprises in the most dynamic Italian industrial districts, often run or owned by entrepreneurial families that represent the backbone of Italian capitalism. Through the extensive and synergistic coverage of these relationships by private and investment bankers, combined with the availability of both Corporate and Wealth Management products, Mediobanca will be able to continue acting as a preferred partner, thereby supporting the operations of both WM and CIB.

- **It will become the leading contributor to Group revenue growth and the primary source of fee income.**

- **Profitability will rise significantly** (RORWA from 4% to 5.2%), while maintaining **high quality and sustainability of revenue**, also thanks to a notable **improvement in efficiency** (cost/income ratio from 66% to 56%), supported by the implementation of new technologies, including AI, which will enable the reallocation of resources from non-commercial functions, as part of a process to reorganise and streamline central functions in support of business growth.

Specifically:

- **Total financial assets (TFA) will grow by 9%[2] to €143 billion**, with further improvement in composition (AUM/AUA +11%[1] to ~€110 billion, accounting for over 75% of TFA). Credit assets (mortgages and Lombard loans) will also increase in parallel (from €17 to €21 bn). **Average annual net inflows are expected to be around €10-11 billion.**

- **Gross margin will increase slightly from 100 to 103 bps**. The upgrade of advisory services, internalisation of margins through the "in-house guided architecture" and a different asset allocation will offset margin pressure stemming from possible regulatory tightening and the progressive repositioning towards Premier/UHNWI clients.

- **Revenue growth (+8%[1] to over €1.2 bn) will be supported by double-digit growth in net fees (+11%[1])**, driven by management fees, while the flow of other fee income will offset the increase in commissions paid to financial advisors.

- **Cost control (cost/income ratio falling to 56%)** and strong oversight of risk costs will allow **net profit to rise by around 65% to around €370 million and significantly increase** profitability **(RORWA to 5.2%, +120 bps)**.

Corporate & Investment Banking (CIB)

CIB will benefit from the radical transformation undertaken over the past decade that has made it more synergistic with WM, more international and less capital-intensive, evolving into a client-focused advisory and solutions platform. Combined with its leadership in Italy and select European countries and a strong emphasis on asset quality, this will enable the division to generate diversified, sustainable and growing profits (around €330 million) and profitability (RORWA at 2.2%, +30 bps).

Over the past two years, Mediobanca's CIB division has recorded **revenue growth (to nearly €0.9 billion) and improving profitability (RORWA rising to 1.9%** from 1.2%) due to a strategic refocus on capital-light activities and attentive capital consumption in higher RWA-intensive areas. The platform has become more international (non-domestic M&A fees doubled to 60%)

and focused on advisory activities and solutions. The acquisition of Arma Partners in October 2023 also contributed to the result.

The business model is distinctive: traditional leadership in Italy is complemented by strong positioning in Spain and France and in the European tech sector, a client-centric Private & Investment Bank model also focused on mid-sized companies, and a high level of geographic and product diversification, with emphasis on products with low capital absorption and low volatility.

Over the next three years, Mediobanca's ability to successfully seize market opportunities will hinge on:

- **A focus on a capital-light growth model**: emphasis on activities that generate fees, further RWA savings (new PD model, greater use of credit risk mitigation/transfer transactions) and increased cross-selling of lending with Markets, DCM and Debt Advisory areas.
- **Further strengthening of geographic and client coverage**: **advisory activities will be reinforced in key geographies**, with a particular focus on high-growth and innovative sectors such as Tech, Energy Transition and Healthcare; **the mid-cap platform will be extended abroad**, also leveraging the opening of the new Frankfurt branch. **New geographies will be considered for capital market solutions**, particularly the Middle East and United States. **The PIB model will be enhanced for large and mid-cap clients.**

- **Development of new products** – following the launch of BTP specialist and CO2 trading in the past two years – including Gold and Crypto trading within Markets, **Debt Advisory**, and new offerings to boost penetration among Private Capital clients (e.g. Continuation Funds, Private Credit partnerships).

Division revenue is expected to grow to €1 billion (CAGR 5%[2]), with fee income rising by 5%[2] after a FY25 marked by record advisory fees (driven by Arma's all-time high results). Growth will be balanced, with about half coming from advisory and half from capital markets and lending, which will also contribute to net interest income and trading.

The **rebound in volumes (about €4 billion in additional lending)** will be accompanied by modest **RWA growth (up €1 billion)** from €14 to more than €15 billion. Revenue growth, combined with continued cost controls (cost/income stable at 46%) and asset quality (COR 5 bps), will result in net profit of over €300 million and **profitability (RORWA) of 2.2% (+30 bps)**.

Consumer Finance (CF)

CF will benefit from the strengthening of its proprietary and digital distribution, which has made it an innovation leader in these products/channels. This, combined with its distinctive pricing and risk management capabilities, will enable Compass to grow profits (+3%[2]) and maintain profitability at the highest levels in the sector (RORWA stable at 2.9%), offsetting the natural increase in cost of risk (COR at 200 bps).

Compass has been active in consumer credit since 1960. For over 15 years it has ranked among the top three domestic players with **leadership in the most profitable products** (personal loans and special purpose loans). It is characterised by a **well-established customer base**, **a broad, diversified distribution network** (335 branches – including 152 agencies – plus ~250 field professionals, an effective digital platform, third-party bank branches, post offices, credit broker networks and numerous agreements in the automotive, telco and mass retail sectors), and a **value-oriented management approach** (ability to assess and monitor credit risk throughout the lifecycle, regular disposal of non-performing loans, strong recovery capabilities), making it the **most profitable operator in the market**.

In the past two years (2024-2025), in line with the One Brand - One Culture Plan, Compass has delivered strong results, confirming its ability to grow profitably in environments with both rising and falling interest rates. Revenue approached €1.3 bn, net profit grew to around €410 mn and RoRWA stood at 2.9%. Non-performing exposures rose only marginally (to 1.8% of loans), while coverage ratios remained solid (66% on NPLs, 3.5% on performing loans), with around €65 mn of overlays utilised over the two-year period. Consumer credit confirmed its role as the **Group's primary source of net interest income growth, with a function of countercyclical diversification**.

Over the next three years, Compass **will continue** on its **growth trajectory**, aiming to **consolidate its leadership** in the domestic market and **increase its strategic independence from third-party distribution networks**. Future investments will **target the selective expansion of the physical network and enhancement of digital distribution**, with the aim of **strengthening leadership in consumer credit, entering new markets and customer segments, and thus supporting volume and revenue growth while consolidating profits and profitability**.

Specifically:

- **Distribution** will be **reinforced** primarily through the **expansion of the proprietary branded network** managed by agents given its variable cost structure. The number of branches will increase by 11%, from 335 to around 373, of which 192 (today 152) will be managed by agents. The number of field professionals is expected to grow from the current 245 to around 300.

- The current **digital platform** (web and mobile) **for issuing personal loans online** already generates **40% of personal loans distributed through the direct channel, and is expected to exceed 45% penetration** thanks to developments planned over the next three years, including: **improved onboarding** (including the adoption of AI tools to verify information and income) **to reduce drop-offs and improve time to approval, optimised offers on the app to existing clients** (including refinancing) and **development of innovative instant lending solutions**.

- **Heylight, Compass's proprietary Buy Now, Pay Later ("BNPL") solution** launched around three years ago, with FY25 volumes well above €600 million, is expected to reach **€1.1 billion by FY28**. Heylight has enabled Compass to **enter the Swiss market, where volumes are forecast to grow significantly** (from around €100 million in FY25 to €350 million in FY28), and to **start offering personal loans** via the digital channel. Heylight **has proven to be a profitable product (comparable to a point-of-sale loan, net of direct costs and risk), and is also the most effective tool for expanding the customer base and entering new geographies through technological, non-physical solutions**. **Heylight** was designed in full compliance with European regulations, which are expected to bring BNPL within the sphere of consumer credit.[13]

The above initiatives, combined with the proven effectiveness of Compass's pricing, credit management and recovery systems, will support **stable volume growth** (**new loans +6%[1]** to over €10 bn annually, with over €1 bn from BNPL), alongside sustained growth in personal loans issued through the physical and digital direct network. **Revenue will rise by 5%[1] (to around €1.5 bn)**, driven by lending (up 4%[1] to over €18 bn).

The above-mentioned revenue growth (+5%[1]), combined with strict cost controls (+3%[1]), driven by the strong expansion of the variable-cost network and the increasing push towards digital distribution, brings the C/I ratio to 30% by the end of 2028, down 1 point from the 31% reported in June 2025.

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[13] The new European Directive on Consumer Credit (so-called Consumer Credit Directive 2) will be applied from November 2026.

Compass will confirm its position as the Group's primary driver of net interest income growth, with a CAGR25-28 of 6% to €1.3 billion.

The platform's credit and operating efficiency will enable it to maintain **its current high profitability at best-in-class levels** (RORWA **at 2.9%**), even with a **cost of risk growing from 175 bps to 200 bps in FY25** (from ~190 bps in FY25 to ~215 bps in FY28, excluding overlays). The overlays (around €145 million as at end-June 2025) will be almost entirely absorbed during the three-year period. Profitability will also be supported by risk reduction and RWA optimisation measures (SRT for €0.8 bn in RWA).

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DIGITAL AGENDA

The rapid pace of technological evolution in recent years is presenting financial players with new challenges in terms of transformation and innovation. The Group has set itself the goal of seizing new opportunities and responding effectively to market expectations, embarking on the evolutionary journey outlined in the Digital Agenda, which forms a fundamental pillar of the strategic developments envisaged in the Plan. This has led to the launch of a structured transformation process capable of acting both vertically on business divisions and transversally across shared areas such as People and Technology Platforms, which form the foundation for consolidating the Group's distinctive positioning.

The initiatives launched in the three-year roadmap aim to **enhance the Group's technological ecosystem through the development of market-leading solutions and the transformation of existing systems**. **The adoption of innovative paradigms**, such as Artificial Intelligence and Cloud Computing, and **partnerships with leading national and international market players**, including bigtech and fintech, are central to the Group's IT strategy, **serving as levers to accelerate the processes of innovation that make up the Plan**.

The Group's strong digital acceleration is primarily aimed at **enhancing its offer to customers (products and channels)** through innovative solutions that enable a more effective and consistent customer journey across all channels. A significant share of investment has been allocated to the evolution of digital platforms supporting the salesforce and Operations functions.

The growing adoption of automation and Artificial Intelligence solutions is helping to **maximise commercial efficiency and scalability while reducing the cost to serve**. Examples include Copilot, Microsoft's AI assistant integrated into work applications (Word, Excel, Outlook, Teams), and specialised AI agents that enable intelligent automation and optimise operational processes.

Indeed, for the Wealth Division a **unified Group-wide Digital Platform is being finalised that, by adopting new technologies and disruptive approaches, will maximise divisional synergies and investment effectiveness**. This is in addition to the completion of the digitalisation project for the Private Banking business. In this context, the Group is also finalising the adoption of a CMA (Customised Management Account) platform to provide clients with a highly personalised wealth management service.

To effectively support the Group's strong digital acceleration, the Plan also outlines **Group-wide initiatives aimed on the one hand at accelerating systematic adoption of Cloud Computing, and on the other at strengthening defences and solutions supporting Cybersecurity**. Of particular relevance among the cross-cutting initiatives is the **One Data Platform programme**, which will evolve the Group's data architecture to maximise the value of business data and strengthen predictive and real-time analytics capabilities while also simplifying governance processes.

The IT evolution plan comprises around 25 transformation programmes in total, encompassing more than 300 project initiatives, with **€260 million in investments over a three-year horizon.**

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2025-2028 ESG OBJECTIVES

The Group, which has always been committed to combining financial solidity and sustainable development, has defined a set of initiatives spanning all business areas, with the aim of making a concrete contribution to a fairer, more inclusive future with a low impact on the environment. The quantitative targets will be integrated into the strategic guidelines of the Plan and into performance evaluation and incentive systems across all staff, with a particular focus on top management.

The targets identified, which strengthen **the integration of ESG elements into the overall strategy**, are grouped into two main areas:

- Business: to support the transition towards a sustainable economy, the Group commits to:
  - Generate €5 billion in ESG finance by 2028 through the issuance of ESG loans and green mortgages by the various Group divisions, and by supporting the placement of sustainable bonds issued by clients.
  - Maintain a 50% share of ESG products (SFDR Articles 8 and 9 funds) in client portfolios.
  - Carry out at least three sustainable bond issuances by 2028.
- People and Community: the Group renews its commitment to people and the communities it operates in through tangible objectives:
  - Achieve at least 33% of women in managerial roles, promoting gender equality and the development of talent.
  - Increase average training hours per employee by 15%, supported by Mediobanca Academy programmes, to foster professional development and the spread of an ESG culture.
  - Allocate over €20 million by 2028 to projects with social and environmental impacts, reinforcing the Group's contribution to collective well-being.

The Group also reaffirms its goal of climate neutrality by 2050, in line with the objectives of the Net-Zero Banking Alliance, with an intermediate target of a 35% reduction in emissions by 2030. The Group will continue to integrate environmental factors into its risk, credit and investment management processes.

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The "One Brand - One Culture" Plan to 2028 is distinguished by the following attributes for Mediobanca shareholders:

- **Consolidation of the model of a specialised bank capable of generating high, sustainable growth and profitability with a low execution risk (revenue +6%,[2] EPS +14%[2]).**

- **Strong capital generation** through a capital-light business mix (280 bps annually).
- **High dividend distribution** (€4.5 bn in cash plus €0.4 bn under the share buyback plan,[14] with a DPS nearly doubling over the three-year period).

This virtuous path will be further strengthened by the offer for Banca Generali. The transaction, aimed at integrating Banca Generali into Mediobanca's WM division, gives **strong momentum to the Group's transformation and fulfils the objective of the "One Brand - One Culture" Plan** to establish the Group definitively as a Wealth Manager, distinctive for its positioning (Private & Investment Bank, "PIB"), brand, ability to attract professional talent and remunerate shareholders. The combination creates a **market leader**, second in Italy for total assets and distribution network (around 3,700 professionals), with the greatest potential for organic growth (over €15 bn in annual NNM) at the top end of the Italian asset management market. A common commitment to excellence and the highly complementary managerial and professional strengths of Mediobanca and Banca Generali lend further weight to the industrial rationale of the deal, with synergies that are clearly identifiable and low in execution risk.

By contrast, the MPS exchange offer lacks an industrial and financial rationale for Mediobanca shareholders and carries clear and significant execution risks considering:

- The combined entity would have the profile of a medium-sized **undifferentiated** commercial bank, with **high capital absorption**, highly **sensitive to the macroeconomic environment**, **without strengthening** any of Mediobanca's business segments and with the **risks inherent in MPS's financial statements remaining unchanged**.
- **Double-digit EPS dilution** due to limited funding synergies, the presence of significant revenue dis-synergies and a lack of real cost synergies. A significant retention cost is instead likely to emerge, linked to financial advisers and private & investment bankers.
- **Difficulty in estimating sustainable levels of ROTE, CET1 and hence pay-outs** for the new entity due to challenges in maintaining the franchise, non-recurring items in the MPS financials (tax and legal risks), high sensitivity to interest rates and credit risk especially for SMEs, difficulty in utilising DTAs in the assumed amounts and timeframe.
- The incomparability of the shareholder remuneration policy, which entails **low execution risk at Mediobanca and high risk at MPS** due to the above-mentioned difficulties of integration.
- The **significant implicit discount in the offer price compared with the intrinsic value of Mediobanca**, its businesses and its growth and prospects for value creation.

Milan, 27 June 2025

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[14] Subject to approval by the Shareholders' Meeting and the ECB.

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