

November 2019



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# 9M 2019 Group Results

## Incredibly solid 9M19 - Revenue Diversification progressing at full speed

**Operating Margin: +49%** thanks to more sustainable recurring revenue streams and tight cost control

**Net Commission Income: +26%** all contributors on the rise with major credit going to recurring components (Investment Mgmt Fees + strong recovery in Mgmt fees)

**Net Interest Income: +29%** thanks to continued expansion of credit book & front-loading of govies (€ 3 bn in Q1).  
Guidance remains +20% vs FY18

**G&A Expenses: +1%** adjusting our previous 2019 guidance down from +4% to +2-3% thanks to overall efficiencies despite an ongoing commitment to supporting growth

**Net Inflows: € 2.6 bn** stable YoY, with much higher quality mix compared to peers (85% in managed assets)

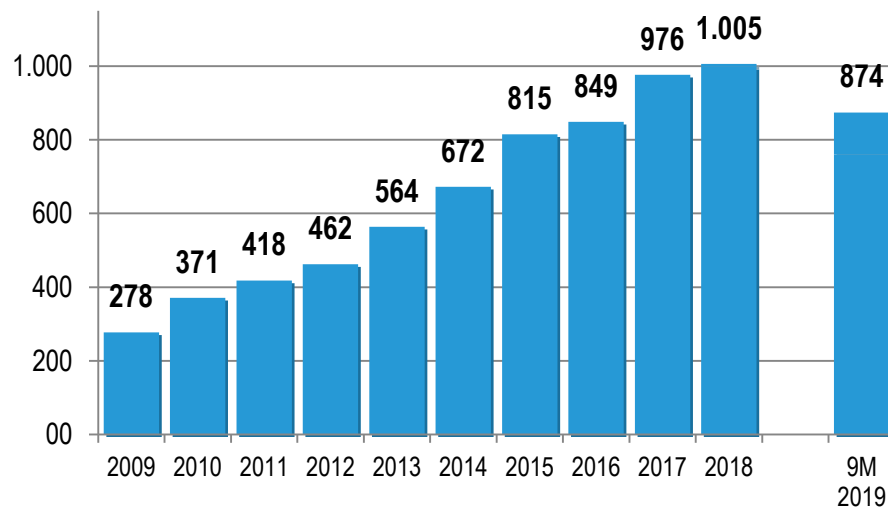
**Loans: € 1.8 bn** +23%, an increasingly significant revenue source. Credit Book now at €9.4 bn (+16%)

**General Insurance: € 72 mn** w/ New Business Stand-alone Policies +77%. Goal to increase new business stand-alone policies tenfold in five years

	9M19	9M18	Change
Entry fees	26.6	34.6	-23%
Management fees	760.2	754.5	+1%
Investment Management fees	113.5	5.4	n.s.
Net Insurance revenues ex U-L commissions	27.1	24.0	+13%
Banking service fees	105.2	69.5	+51%
Other fees	32.7	33.2	-1%
<b>Gross Commission income</b>	<b>1,065.3</b>	<b>921.3</b>	<b>+16%</b>
Acquisition costs	(392.4)	(383.9)	+2%
Other commission expenses	(60.9)	(52.4)	+16%
<b>Net Commission Income</b>	<b>612.0</b>	<b>484.9</b>	<b>+26%</b>
Net interest income	176.0	136.1	+29%
Equity contribution	21.5	21.0	+3%
Net income on other investments	(28.0)	11.3	n.s.
<i>o/w Impairment on loans</i>	(13.4)	(8.7)	+54%
Other revenues	19.2	25.2	-24%
<b>Contribution Margin</b>	<b>800.7</b>	<b>678.4</b>	<b>+18%</b>
G&A expenses	(396.5)	(392.6)	+1%
Regular Contributions to Banking Industry	(15.4)	(13.6)	+14%
Amortization & Depreciation	(27.1)	(27.8)	-2%
Provisions for risks & charges	(33.3)	(23.4)	+42%
<b>Operating Margin</b>	<b>328.3</b>	<b>220.9</b>	<b>+49%</b>
Performance fees	31.1	121.8	-74%
Net income on investments at fair value	(9.3)	(6.4)	+45%
<b>Market Effects</b>	<b>21.8</b>	<b>115.4</b>	<b>-81%</b>
<b>One-offs</b>	<b>(5.9)</b>	<b>(1.8)</b>	<b>+229%</b>
<b>PROFIT BEFORE TAX</b>	<b>344.2</b>	<b>334.5</b>	<b>+3%</b>
Income tax	(59.4)	(62.5)	-5%
<b>NET INCOME</b>	<b>284.8</b>	<b>272.1</b>	<b>+5%</b>

	Q118	Q218	Q318	Q418	Q119	Q219	Q319
Entry fees	14.1	11.6	9.0	10.0	8.8	9.0	8.8
Management fees	250.3	250.9	253.3	243.9	244.5	255.0	260.7
Investment Management fees	2.0	1.8	1.7	1.6	36.7	38.1	38.6
Net Insurance revenues ex U-L commissions	6.3	9.4	8.4	3.4	7.1	11.4	8.6
Banking service fees	24.0	23.1	22.4	40.6	36.4	32.8	36.0
Other fees	10.1	11.7	11.3	11.4	10.2	11.4	11.1
<b>Gross Commission income</b>	<b>306.8</b>	<b>308.4</b>	<b>306.1</b>	<b>311.0</b>	<b>343.7</b>	<b>357.7</b>	<b>363.8</b>
Acquisition costs	(128.6)	(129.4)	(125.9)	(132.6)	(128.8)	(131.1)	(132.5)
Other commission expenses	(16.1)	(17.7)	(18.6)	(17.5)	(19.0)	(20.7)	(21.2)
<b>Net Commission Income</b>	<b>162.0</b>	<b>161.4</b>	<b>161.5</b>	<b>160.9</b>	<b>196.0</b>	<b>205.9</b>	<b>210.1</b>
Net interest income	40.5	46.6	49.0	56.3	51.4	60.3	64.3
Equity contribution	0	6.8	14.2	7.1	0	5.9	15.6
Net income on other investments	3.7	10.3	(2.7)	(4.1)	(11.5)	(9.5)	(7.0)
o/w Impairment on loans	(6.1)	(1.0)	(1.6)	(2.1)	(7.2)	(6.4)	0.3
Other revenues	12.3	7.4	5.4	6.2	6.7	7.2	5.3
<b>Contribution Margin</b>	<b>218.5</b>	<b>232.5</b>	<b>227.5</b>	<b>226.3</b>	<b>242.5</b>	<b>269.9</b>	<b>288.3</b>
G&A expenses	(131.6)	(138.9)	(122.2)	(140.7)	(131.4)	(142.9)	(122.3)
Regular Contributions to Banking Industry	(5.2)	(0.7)	(7.7)	(2.5)	(5.0)	(0.1)	(10.4)
Amortization & Depreciation	(9.0)	(9.5)	(9.4)	(9.3)	(9.1)	(9.0)	(9.0)
Provisions for risks & charges	(10.4)	(6.6)	(6.4)	(6.7)	(8.2)	(10.6)	(14.5)
<b>Operating Margin</b>	<b>62.3</b>	<b>76.9</b>	<b>81.8</b>	<b>67.1</b>	<b>88.9</b>	<b>107.3</b>	<b>132.1</b>
Performance fees	21.5	63.1	37.2	18.5	7.2	13.1	10.8
Net income on investments at fair value	(3.0)	(6.3)	2.9	21.9	(2.7)	6.9	(13.5)
<b>Market Effects</b>	<b>18.5</b>	<b>56.8</b>	<b>40.1</b>	<b>40.5</b>	<b>4.5</b>	<b>20.0</b>	<b>(2.7)</b>
<b>One-offs</b>	<b>0</b>	<b>(1.8)</b>	<b>0</b>	<b>(109.0)</b>	<b>0</b>	<b>(6.3)</b>	<b>0.3</b>
<b>PROFIT BEFORE TAX</b>	<b>80.8</b>	<b>131.9</b>	<b>121.9</b>	<b>(1.4)</b>	<b>93.5</b>	<b>121.0</b>	<b>129.7</b>
Income tax	(21.3)	(16.1)	(25.1)	(15.0)	(21.3)	(21.8)	(16.3)
<b>NET INCOME</b>	<b>59.5</b>	<b>115.8</b>	<b>96.7</b>	<b>(16.4)</b>	<b>72.1</b>	<b>99.2</b>	<b>113.4</b>

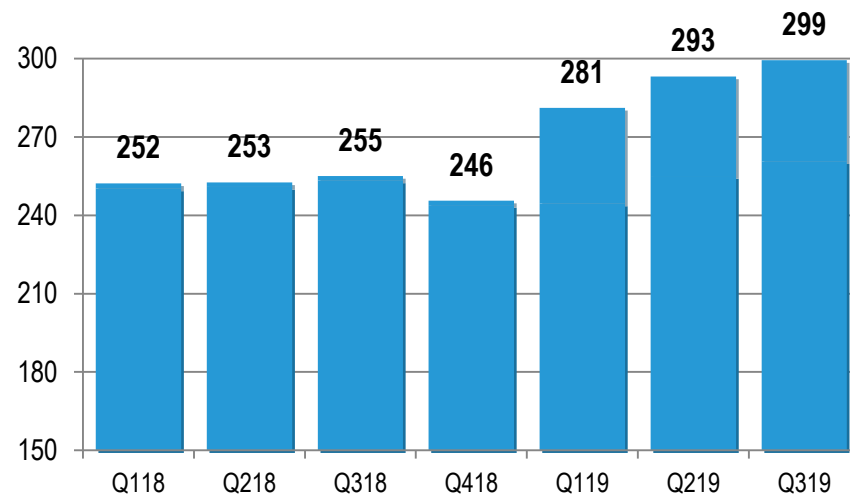
## YoY Trend



bps 194 198 200 200 202 199 200 198 195 187 210

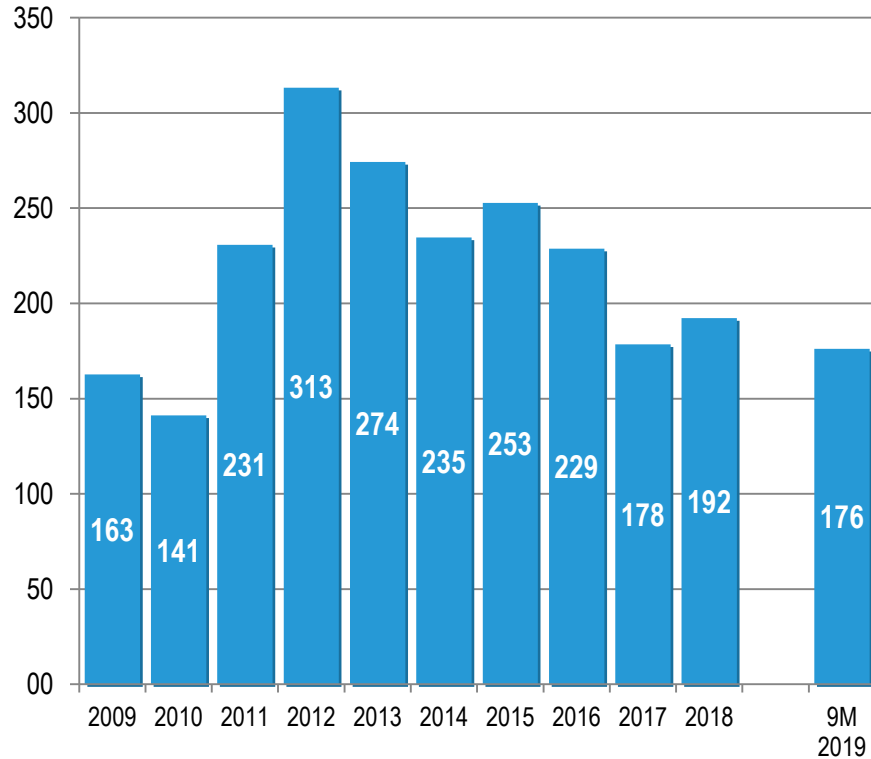
## Yearly bps on average assets

## QoQ Trend



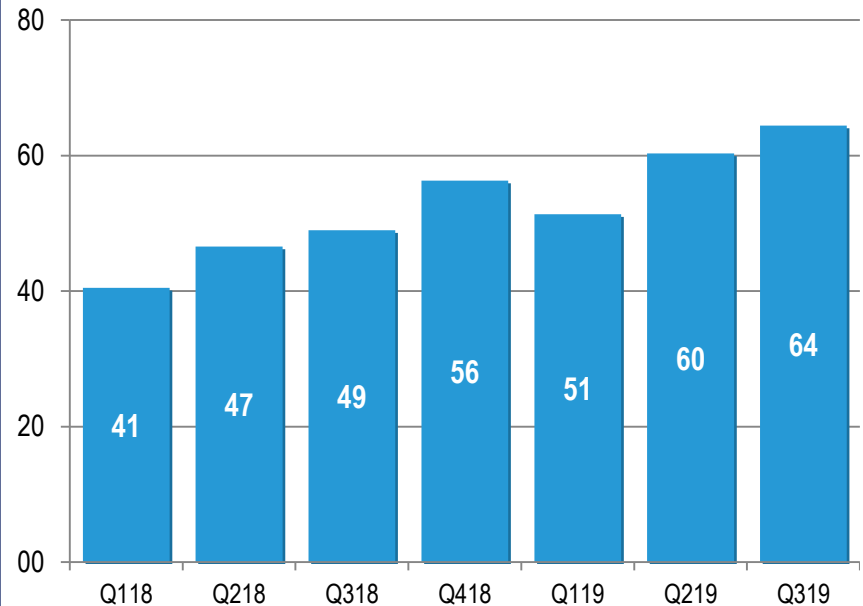
- 2019 impacted by IRL-based funds new pricing structure
- Mgmt Fees recuperated after avg. assets recovered from 2018 market drop

## YoY Trend



## QoQ Trend

- Q3 reflects stable income from Treasury as well as higher contribution from Retail Book





€ bn - nominal values – as at 30/09/2019

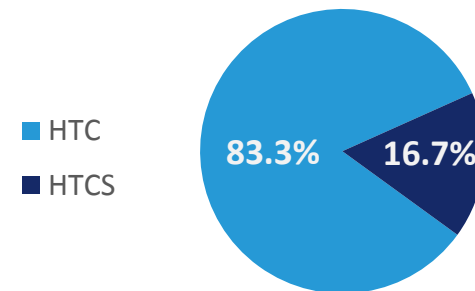
## Banking Book: € 16.77 bn (nom. values)

Low sensitivity to volatility of Italian govies

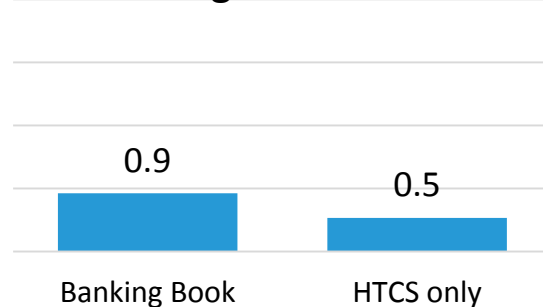
Limited weight of HTCS book

Prudent & flexible approach thanks to very short Avg. Duration (approx. 1 year)

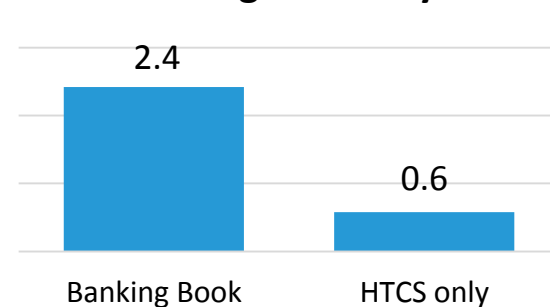
Sector	%
Government	99.4%
Financial	0.6%
Govies	%
Italy	97.0%
Spain	3.0%

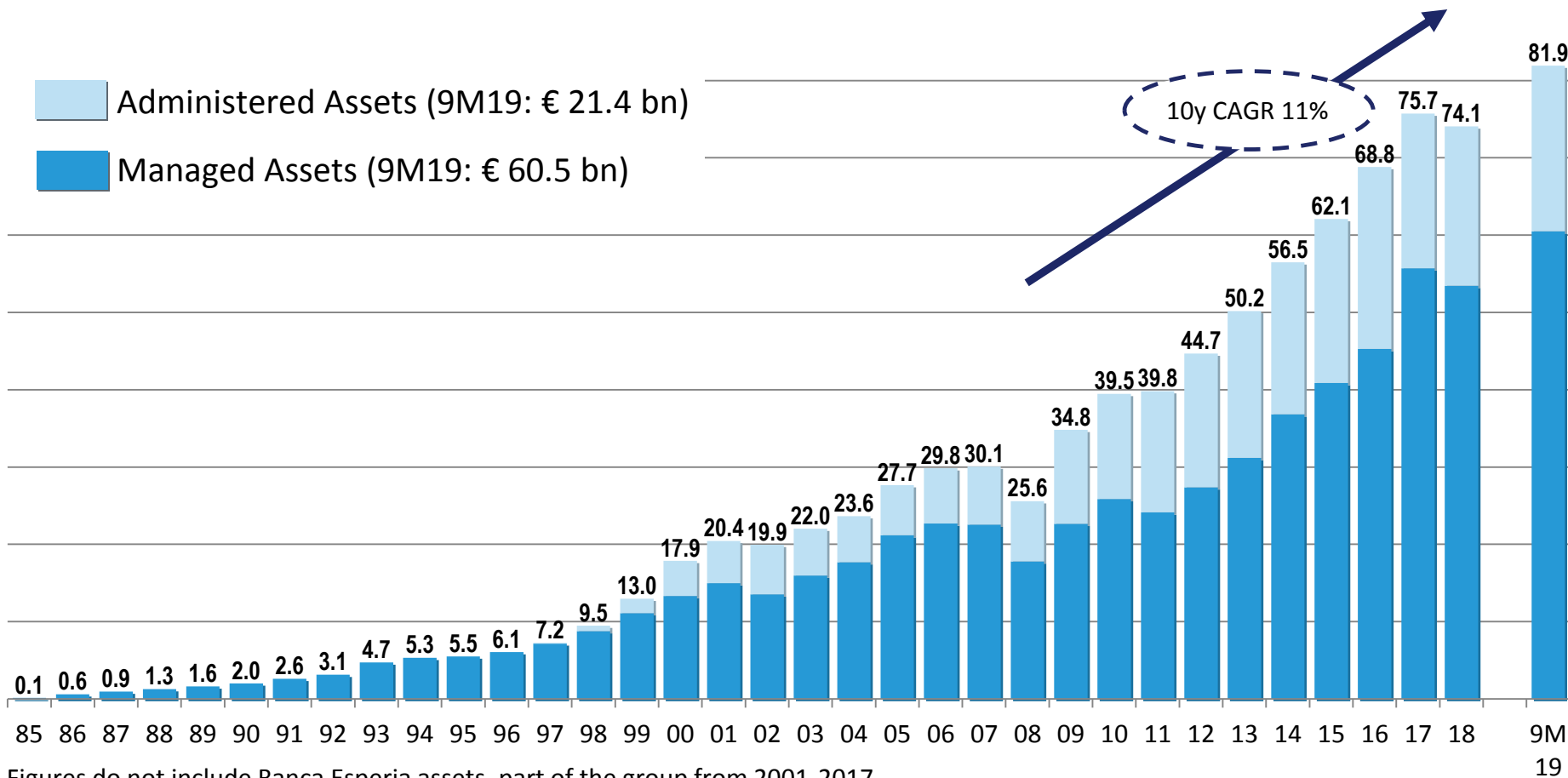


### Avg. Duration



### Avg. Maturity





# 11 Assets under Administration/Management

€ mn



9M 2019  
Group

	30/09/19	31/12/18	Change	30/09/18	Change
Mutual Funds & U-L Policies	53,445.0	47,608.0	+12%	51,032.6	+5%
Other Life Insurance Products	1,536.3	1,511.0	+2%	1,622.1	-5%
Banking	20,681.3	19,526.5	+6%	18,788.7	+10%
<b>Italy – Banca Mediolanum</b>	<b>75,662.6</b>	<b>68,645.5</b>	<b>+10%</b>	<b>71,443.3</b>	<b>+6%</b>
Mutual Funds & U-L Policies	3,953.1	3,367.6	+17%	3,575.2	+11%
Other Life Insurance Products	78.8	56.1	+41%	57.1	+38%
Banking	1,551.2	1,417.8	+9%	1,370.5	+13%
<b>Spain – Banco Mediolanum</b>	<b>5,583.1</b>	<b>4,841.4</b>	<b>+15%</b>	<b>5,002.9</b>	<b>+12%</b>
Mutual Funds & U-L Policies	500.7	434.7	+15%	476.2	+5%
Other Life Insurance Products	6.6	9.9	-33%	10.0	-34%
Banking	157.0	153.3	+2%	158.8	-1%
<b>Germany – B. A. Lenz &amp; Gamax</b>	<b>664.3</b>	<b>597.9</b>	<b>+11%</b>	<b>645.0</b>	<b>+3%</b>
<b>TOTAL AUA/AUM</b>	<b>81,910.0</b>	<b>74,084.9</b>	<b>+11%</b>	<b>77,091.2</b>	<b>+6%</b>

	9M 2019	9M 2018
<b>Managed Assets</b>	<b>+2,220</b>	<b>+2,313</b>
<i>o/w Mutual Funds, U-L &amp; Managed Accounts</i>	<i>+1,797</i>	<i>+2,455</i>
<b>Administered Assets</b>	<b>+364</b>	<b>+395</b>
<b>GROUP TOTAL NET INFLOWS</b>	<b>+2,584</b>	<b>+2,707</b>
Managed Assets	+1,920	+1,974
<i>o/w Mutual Funds, U-L &amp; Managed Accounts</i>	<i>+1,517</i>	<i>+2,056</i>
Administered Assets	+251	+339
<b>Italy – Banca Mediolanum Total Net Inflows</b>	<b>+2,171</b>	<b>+2,313</b>
Managed Assets	+291	+349
<i>o/w Mutual Funds &amp; U-L</i>	<i>+268</i>	<i>+399</i>
Administered Assets	+110	+44
<b>Spain – Banco Mediolanum Total Net Inflows</b>	<b>+400</b>	<b>+393</b>
Managed Assets	+9	-10
<i>o/w Mutual Funds &amp; U-L</i>	<i>+12</i>	<i>0</i>
Administered Assets	+4	+11
<b>Germany – B.A. Lenz &amp; Gamax Total Net Inflows</b>	<b>+12</b>	<b>+1</b>

9M19

FY18

## GROUP CAPITAL RATIOS

Total Capital Ratio	18.8%	19.3%
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<b>Common Equity Tier 1 Ratio</b>	<b>18.8%</b>	<b>19.2%</b>
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<b>Total Regulatory Capital Held</b>	<b>2,001</b>	<b>1,951</b>
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Required Capital – Banks *	959	804
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Solvency Capital Req. – Insurance companies**	694	710
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<b>Total Required Capital</b>	<b>1,653</b>	<b>1,514</b>
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<b>EXCESS CAPITAL</b>	<b>348</b>	<b>437</b>
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\* As per SREP, BMED required capital is 11.9% (min. Total Capital Ratio) of consolidated RWA (€ 8,911 mn as at 30/09/2019), excl. stakes in insurance companies

\*\* 9M19 reconciliation reserve (part of total reg. capital held) & solvency capital req. are calculated according to the Solvency II as at 30/06/2019

**Interim Dividend per share**

**21 eurocents**

**Total amount of dividends**

**€ 154.1 mn**

**Ex-dividend date**

**November 18**

**Payment date**

**November 20**



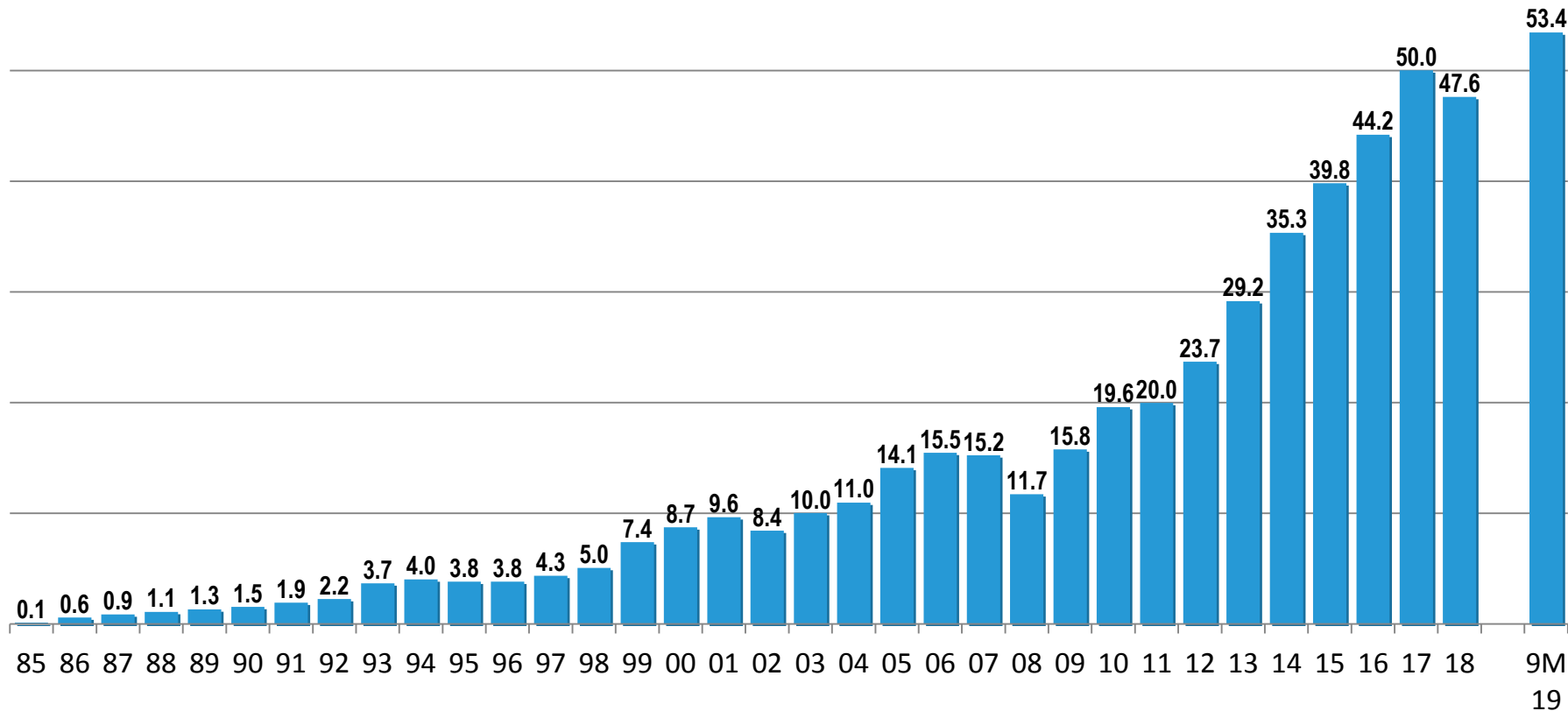
## 9M 2019 Domestic Market Results

	9M19	9M18	Change
Entry fees	19.0	26.3	-28%
Management fees	706.3	703.1	+0%
Investment Management fees	105.2	5.1	n.s.
Net Insurance revenues ex U-L commissions	15.1	16.1	-7%
Banking service fees	88.4	50.7	+74%
Other fees	31.2	31.9	-2%
<b>Gross Commission income</b>	<b>965.2</b>	<b>833.3</b>	<b>+16%</b>
Acquisition costs	(359.2)	(352.6)	+2%
Other commission expenses	(44.3)	(35.2)	+26%
<b>Net Commission Income</b>	<b>561.7</b>	<b>445.5</b>	<b>+26%</b>
Net interest income	169.2	131.2	+29%
Equity contribution	21.5	21.0	+3%
Net income on other investments	(29.7)	11.4	n.s.
<i>o/w Impairment on loans</i>	(13.4)	(8.5)	+57%
Other revenues	16.1	22.8	-29%
<b>Contribution Margin</b>	<b>738.8</b>	<b>631.8</b>	<b>+17%</b>
G&A expenses	(350.7)	(349.1)	+0%
Regular Contributions to Banking Industry	(14.0)	(12.1)	+16%
Amortization & Depreciation	(23.2)	(24.7)	-6%
Provisions for risks & charges	(32.4)	(22.6)	+43%
<b>Operating Margin</b>	<b>318.5</b>	<b>223.4</b>	<b>+43%</b>
Performance fees	28.2	112.2	-75%
Net income on investments at fair value	(11.0)	(7.7)	+43%
<b>Market Effects</b>	<b>17.1</b>	<b>104.5</b>	<b>-84%</b>
<b>One-offs</b>	<b>(5.9)</b>	<b>(1.8)</b>	<b>+229%</b>
<b>PROFIT BEFORE TAX</b>	<b>329.7</b>	<b>326.0</b>	<b>+1%</b>
Income tax	(54.8)	(58.6)	-7%
<b>NET INCOME</b>	<b>274.9</b>	<b>267.4</b>	<b>+3%</b>



	Q118	Q218	Q318	Q418	Q119	Q219	Q319
Entry fees	10.9	8.8	6.6	7.3	6.3	6.4	6.3
Management fees	233.3	233.9	235.9	227.0	227.2	236.7	242.3
Investment Management fees	1.9	1.6	1.6	1.5	34.1	35.3	35.8
Net Insurance revenues ex U-L commissions	3.5	6.6	6.0	1.2	3.8	7.0	4.3
Banking service fees	17.8	16.8	16.2	35.1	31.4	27.1	30.0
Other fees	9.7	11.3	10.9	11.0	9.8	10.8	10.6
<b>Gross Commission income</b>	<b>277.0</b>	<b>279.1</b>	<b>277.2</b>	<b>283.1</b>	<b>312.6</b>	<b>323.4</b>	<b>329.3</b>
Acquisition costs	(118.0)	(118.7)	(115.9)	(121.6)	(118.0)	(120.1)	(121.2)
Other commission expenses	(10.8)	(11.5)	(12.9)	(12.5)	(14.0)	(15.0)	(15.2)
<b>Net Commission Income</b>	<b>148.2</b>	<b>148.8</b>	<b>148.4</b>	<b>149.0</b>	<b>180.6</b>	<b>188.3</b>	<b>192.8</b>
Net interest income	39.1	44.6	47.4	54.3	49.6	58.1	61.5
Equity contribution	0	6.8	14.2	7.1	0	5.9	15.6
Net income on other investments	3.7	10.1	(2.4)	(4.0)	(11.5)	(10.0)	(8.2)
o/w Impairment on loans	(6.2)	(1.0)	(1.4)	(2.0)	(7.2)	(6.4)	0.2
Other revenues	11.5	6.7	4.6	5.2	5.9	5.7	4.5
<b>Contribution Margin</b>	<b>202.5</b>	<b>217.1</b>	<b>212.2</b>	<b>211.5</b>	<b>224.6</b>	<b>248.0</b>	<b>266.3</b>
G&A expenses	(116.6)	(124.1)	(108.4)	(124.6)	(116.6)	(125.9)	(108.3)
Regular Contributions to Banking Industry	(4.6)	(0.2)	(7.4)	(2.2)	(4.5)	0.4	(9.9)
Amortization & Depreciation	(7.9)	(8.4)	(8.3)	(8.1)	(7.9)	(7.7)	(7.7)
Provisions for risks & charges	(10.1)	(6.3)	(6.2)	(6.2)	(7.9)	(10.2)	(14.3)
<b>Operating Margin</b>	<b>63.4</b>	<b>78.1</b>	<b>81.9</b>	<b>70.4</b>	<b>87.7</b>	<b>104.7</b>	<b>126.1</b>
Performance fees	19.7	57.7	34.8	17.0	6.8	11.7	9.7
Net income on investments at fair value	(3.1)	(7.0)	2.4	22.1	(3.5)	6.5	(14.0)
<b>Market Effects</b>	<b>16.6</b>	<b>50.7</b>	<b>37.2</b>	<b>39.1</b>	<b>3.3</b>	<b>18.1</b>	<b>(4.3)</b>
<b>One-offs</b>	<b>0</b>	<b>(1.8)</b>	<b>0</b>	<b>(109.0)</b>	<b>0</b>	<b>(6.3)</b>	<b>0.3</b>
<b>PROFIT BEFORE TAX</b>	<b>80.0</b>	<b>127.0</b>	<b>119.1</b>	<b>0.5</b>	<b>91.0</b>	<b>116.6</b>	<b>122.2</b>
Income tax	(20.1)	(14.7)	(23.9)	(13.7)	(20.1)	(20.1)	(14.6)
<b>NET INCOME</b>	<b>59.9</b>	<b>112.3</b>	<b>95.2</b>	<b>(13.2)</b>	<b>70.9</b>	<b>96.4</b>	<b>107.6</b>

	9M19	9M18	Change
One-time commissions	48.8	42.5	+15%
Ongoing commissions	248.1	244.5	+1%
<b>Total commissions</b>	<b>296.9</b>	<b>287.1</b>	<b>+3%</b>
Incentives on individual net inflows	23.8	29.5	-19%
Contests & bonuses	8.1	8.6	-6%
Reimbursement of costs for customer events	4.1	3.6	+13%
<b>Total incentives &amp; bonuses</b>	<b>36.1</b>	<b>41.7</b>	<b>-14%</b>
<b>Costs related to the agency agreement</b>	<b>12.3</b>	<b>10.1</b>	<b>+21%</b>
<b>EuroCQS Agent Commissions</b>	<b>14.0</b>	<b>13.7</b>	<b>+2%</b>
<b>TOTAL ACQUISITION COSTS</b>	<b>359.2</b>	<b>352.6</b>	<b>+2%</b>



# Mutual Funds

## Assets under Management

€ mn

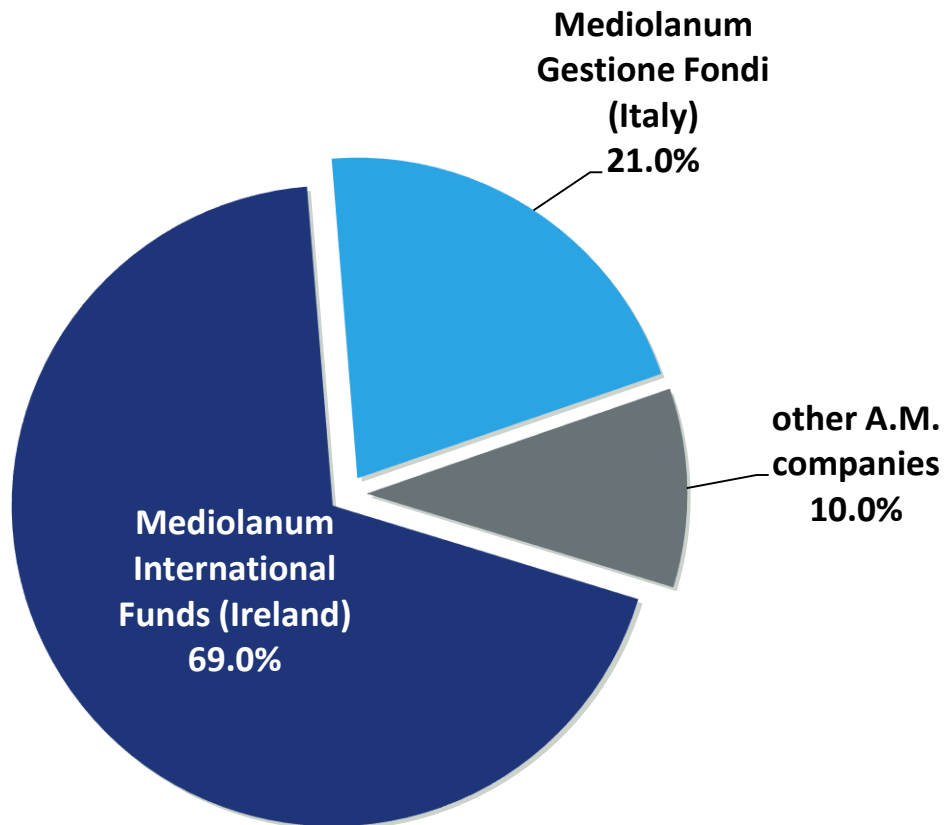


	30/09/19	31/12/18	Change	30/09/18	Change
'Best Brands' funds of funds (IRL)	19,504.7	17,857.7	+9%	19,267.6	+1%
'Challenge' mutual funds (IRL)	14,826.4	12,822.5	+16%	14,225.0	+4%
Funds of Hedge Funds (IRL)	55.4	55.0	+1%	59.8	-7%
'Fondi Italia' mutual funds (ITA)	10,002.8	9,515.6	+5%	9,945.8	+1%
'Real estate' fund (ITA)	292.6	290.2	+1%	327.3	-11%
3rd-party stand-alone funds	3,041.2	2,746.1	+11%	2,868.2	+6%
Other	1,363.8	1,210.5	+13%	1,259.3	+8%
<i>Adj. for own mutual funds in FoFs &amp; Managed accts.</i>	<i>(260.5)</i>	<i>(196.5)</i>	<i>+33%</i>	<i>(226.7)</i>	<i>+15%</i>
'MyLife' U-L policy	6,656.7	5,595.5	+19%	5,884.8	+13%
Other U-L policies	15,175.4	12,867.6	+18%	13,851.8	+10%
<i>Adj. for own mutual funds in U-L policies</i>	<i>(17,213.6)</i>	<i>(15,156.2)</i>	<i>+14%</i>	<i>(16,430.4)</i>	<i>+5%</i>
<b>ASSETS IN MUTUAL FUNDS &amp; U-L</b>	<b>53,445.0</b>	<b>47,608.0</b>	<b>+12%</b>	<b>51,032.6</b>	<b>+5%</b>

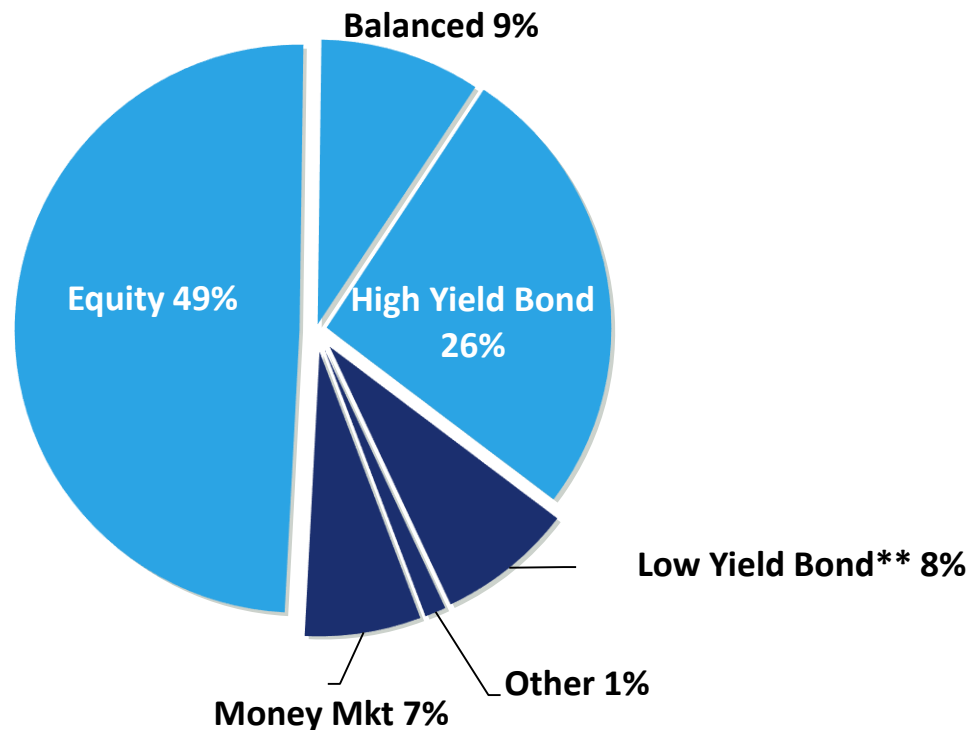
# Mutual Funds

## Assets by A.M. company

as at 30/09/2019 – including U-L assets



# Mutual Funds Assets\* by category as at 30/09/2019 – including U-L assets



\* Flexible funds are classified according to their equivalent risk level. Money Market includes assets bound to Equity through the 'Intelligent Investment Strategy' service

\*\* 'Low Yield Bond' segment includes Euro-zone + Japan govies

# Banking Assets under Administration

€ mn



	30/09/19	31/12/18	Change	30/09/18	Change
Cash Deposits	16,768.1	15,842.8	+6%	15,621.3	+7%
Repurchase agreements	22.2	434.4	-95%	28.8	-23%
Mediolanum bonds	11.1	44.4	-75%	44.8	-75%
3rd-party structured bonds	976.5	513.0	+90%	336.6	+190%
Other securities	2,903.3	2,691.8	+8%	2,757.1	+5%
<b>BANKING ADMINISTERED ASSETS</b>	<b>20,681.3</b>	<b>19,526.5</b>	<b>+6%</b>	<b>18,788.7</b>	<b>+10%</b>

	Nominal Interest Rate	30/09/2019	30/09/2018	Change
Mortgages	1.22%	<b>1,015.5</b>	839.1	+21%
Personal Loans	3.05%	<b>479.4</b>	410.5	+17%
Salary-backed Loans (EuroCQS)	5.55%	<b>293.1</b>	203.6	+44%
<b>Total</b>		<b>1,788.0</b>	<b>1,453.2</b>	<b>+23%</b>
3rd-party loans	n.s.	<b>27.2</b>	20.2	+35%



# Banking Credit Book & Quality

€ mn – as at 30/09/2019



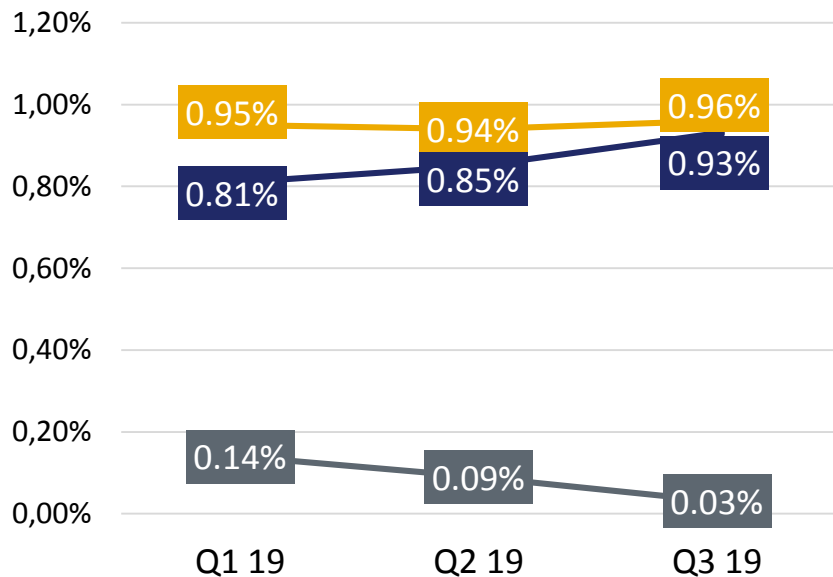
	30/09/19	31/12/18	Change	30/09/18	Change
Mortgages	6,898	6,305	+9%	6,123	+13%
Personal Loans	1,608	1,542	+4%	1,486	+8%
Lines of credit	290	264	+10%	263	+10%
Salary-backed Loans (EuroCQS)	591	328	+80%	227	+160%
<b>Total Credit Book</b>	<b>9,386</b>	<b>8,439</b>	<b>+11%</b>	<b>8,097</b>	<b>+16%</b>

## % on total loans

**Banca Mediolanum**
**Italian Banks\***

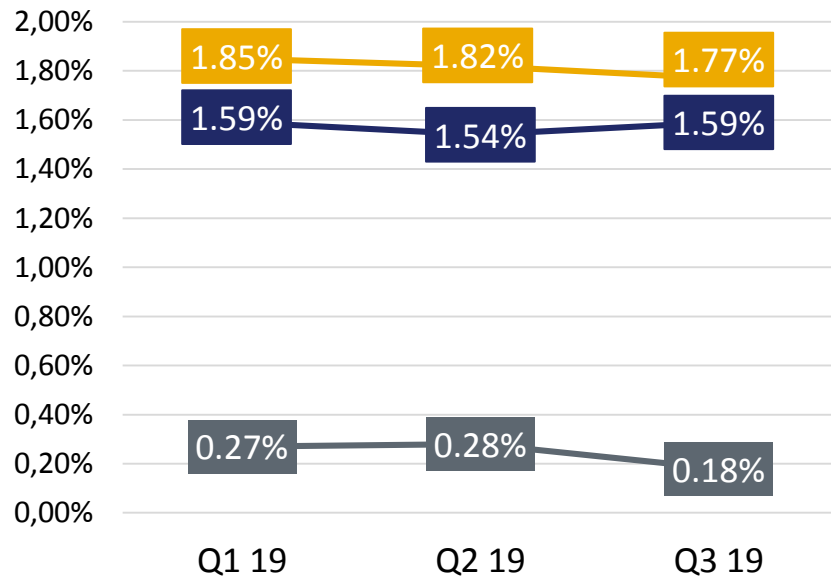
Gross non-performing Loans	1.37%	8.7% as at 30/06/2019
Net non-performing Loans	0.70%	4.3% as at 31/12/2018
Cost of Risk	0.12% as at 31/12/2018	

## Total Book



—● Interest Income      —● Cost of Funding  
—● Interest Spread

## Retail Book



—● Retail Interest Income      —● Retail Cost of Funding  
—● Retail Interest Spread

# Bank Balance Sheet Highlights

€ mn – as at 30/09/2019



	Liabilities	Assets
<b>Retail</b>	<b>16,894</b>	<b>8,796</b>
<b>Treasury</b>	<b>9,111</b>	<b>16,904</b>
o/w interbank / intra-group deposits & repos	839	1,088
o/w ECB refinancing	0	0
o/w MTS refinancing	8,272	349
o/w securities (bonds)		15,467
<b>Other liabilities / assets</b>	<b>3,265</b>	<b>3,571</b>
<b>TOTAL</b>	<b>29,271</b>	<b>29,271</b>

**Operating Liquidity (24hr) : € 8,123 mn**

# Insurance

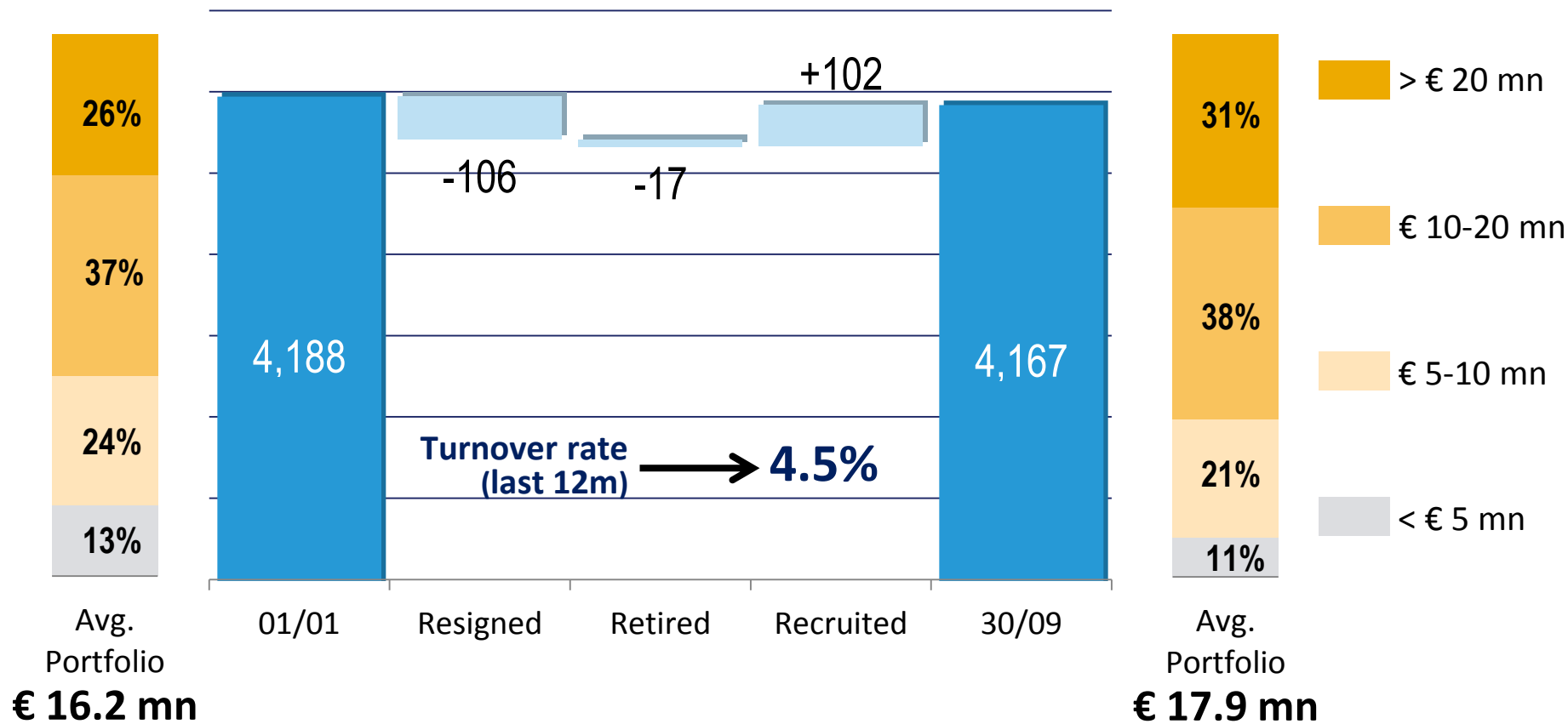
## Life – Policyholders' Assets

€ mn

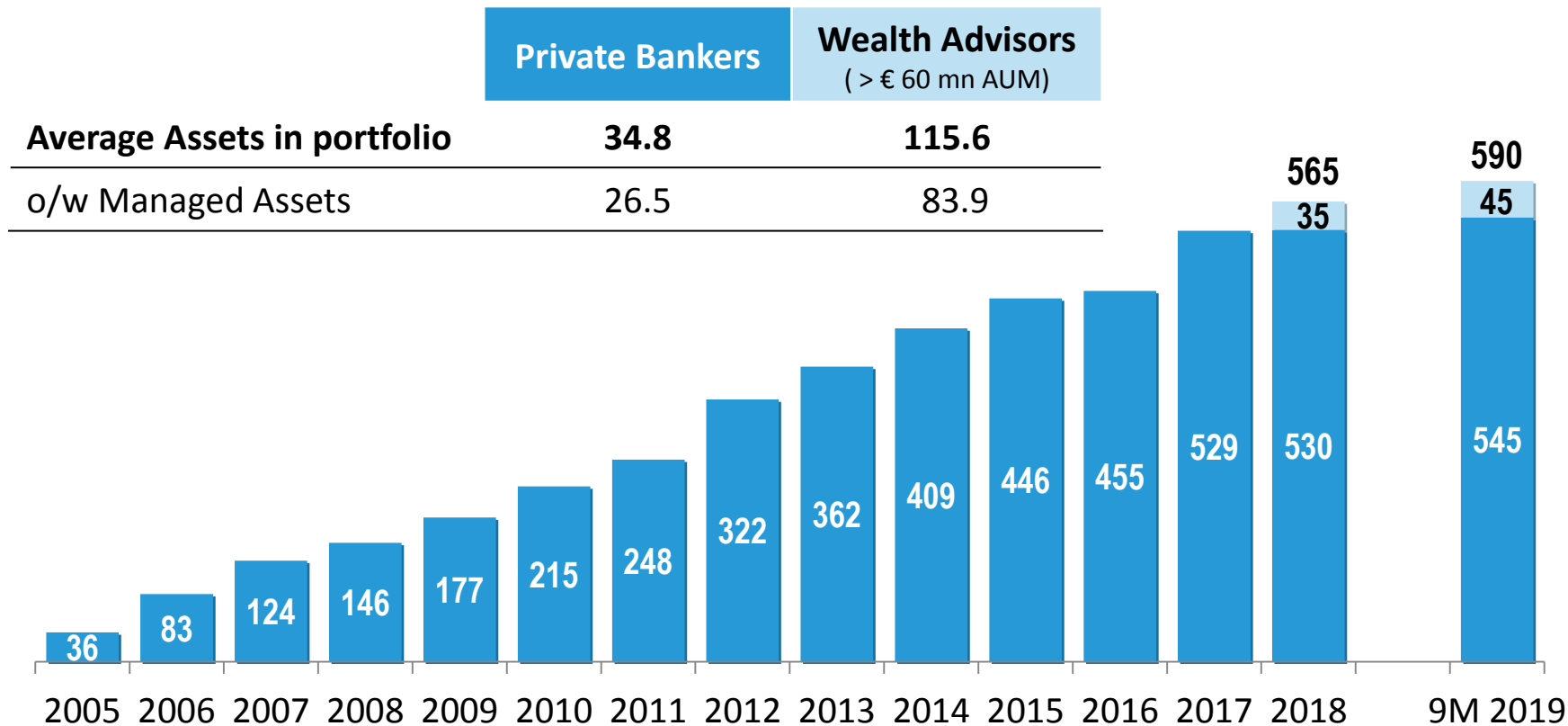


	30/09/19	31/12/18	Change	30/09/18	Change
<b>Traditional</b>	<b>1,536.3</b>	<b>1,477.5</b>	<b>+4%</b>	<b>1,451.9</b>	<b>+6%</b>
Unit-linked pension plans	6,894.2	6,026.6	+14%	6,487.6	+6%
Unit-linked endowment policies	3,646.6	3,373.5	+8%	3,721.5	-2%
Unit-linked investment policies	11,291.4	9,062.9	+25%	9,527.4	+19%
<b>Unit-linked</b>	<b>21,832.2</b>	<b>18,463.1</b>	<b>+18%</b>	<b>19,736.5</b>	<b>+11%</b>
<i>o/w equity</i>	<i>52.7%</i>	<i>51.1%</i>	<i>+3%</i>	<i>54.5%</i>	<i>-3%</i>
<b>LIFE ASSETS (EX-'FREEDOM')</b>	<b>23,368.5</b>	<b>19,940.6</b>	<b>+17%</b>	<b>21,188.4</b>	<b>+10%</b>
<b>'Freedom' Life policies</b>	<b>0</b>	<b>33.4</b>	<b>n.s.</b>	<b>170.2</b>	<b>n.s.</b>

	9M19	9M18	Change
New Business	8.5	4.8	+77%
In-Force Business	28.0	25.3	+11%
<b>Stand-Alone Policies</b>	<b>36.5</b>	<b>30.1</b>	<b>+21%</b>
<b>Loan Protection Policies</b>	<b>35.5</b>	<b>29.1</b>	<b>+22%</b>
<b>GROSS PREMIUMS WRITTEN</b>	<b>72.0</b>	<b>59.2</b>	<b>+22%</b>



# 31 'Private Bankers' & 'Wealth Advisors'\* - Italy as at 30/09/2019



\* 'Private Bankers' & 'Wealth Advisors' are a subset of Family Bankers who mainly deal with affluent & HNW customers



# 9M 2019 Foreign Markets Results



	9M19	9M18	Change	vs.FY18
<b>Net Income</b>	<b>17.6</b>	<b>12.7</b>	<b>+39%</b>	
Managed Assets	4,031.9	3,632.3	+11%	+18%
Administered Assets	1,551.2	1,370.5	+13%	+9%
<b>Total Assets</b>	<b>5,583.1</b>	<b>5,002.9</b>	<b>+12%</b>	<b>+15%</b>
Net Inflows into Managed Assets	+290.6	+349.1	-17%	
Net Inflows into Administered Assets	+109.7	+44.1	+149%	
<b>Total Net Inflows</b>	<b>+400.3</b>	<b>+393.3</b>	<b>+2%</b>	
Family Bankers (Mediolanum model)	1,013	968	+5%	+2%
Traditional agents	25	30	-17%	-17%
<b>Total Sales Network</b>	<b>1,038</b>	<b>998</b>	<b>+4%</b>	<b>+1%</b>
<b>Total Customers</b>	<b>133,756</b>	<b>123,337</b>	<b>+8%</b>	<b>+6%</b>

	9M19	9M18	Change	vs.FY18
<b>Net Income</b>	(7.8)	(8.0)	-2%	
Managed Assets	507.3	486.2	+4%	+14%
Administered Assets	157.0	158.8	-1%	+2%
<b>Total Assets</b>	<b>664.3</b>	<b>645.0</b>	<b>+3%</b>	<b>+11%</b>
Net Inflows into Managed Assets	+8.8	-10.2	n.s.	
Net Inflows into Administered Assets	+3.7	+11.2	-67%	
<b>Total Net Inflows</b>	<b>+12.5</b>	<b>+1.0</b>	<b>n.s.</b>	
<b>Total Sales Network</b>	<b>43</b>	<b>50</b>	<b>-14%</b>	<b>-10%</b>
<b>Total Customers</b>	<b>5,920</b>	<b>5,829</b>	<b>+2%</b>	<b>+1%</b>

	9M19	9M18	Change	vs.FY18
<b>Net Income</b>	(9.2)	(10.1)	-9%	
Managed Assets	308.9	287.3	+8%	+15%
Administered Assets	157.0	158.8	-1%	+2%
<b>Total Assets</b>	<b>465.9</b>	<b>446.1</b>	<b>+4%</b>	<b>+10%</b>
Net Inflows into Managed Assets	+13.8	-0.2	n.s.	
Net Inflows into Administered Assets	+3.7	+11.2	-67%	
<b>Total Net Inflows</b>	<b>+17.5</b>	<b>+11.0</b>	<b>+59%</b>	
<b>Total Sales Network</b>	<b>43</b>	<b>50</b>	<b>-14%</b>	<b>-10%</b>
<b>Total Customers</b>	<b>5,920</b>	<b>5,829</b>	<b>+2%</b>	<b>+1%</b>

	9M19	9M18	Change	vs.FY18
<b>Net Income</b>	1.4	2.2	-35%	
<b>Assets under Management</b>	198.4	198.9	-0%	+13%
<b>Net Inflows</b>	-5.0	-9.9	-50%	



# Business Update

	Oct '19	YTD '19	YTD '18
<b>Managed Assets</b>	<b>+163</b>	<b>+2,383</b>	<b>+2,424</b>
<i>o/w Mutual Funds, U-L &amp; Managed Accounts</i>	<i>+202</i>	<i>+1,999</i>	<i>+2,451</i>
<b>Administered Assets</b>	<b>+201</b>	<b>+565</b>	<b>+487</b>
<b>GROUP TOTAL NET INFLOWS</b>	<b>+364</b>	<b>+2,948</b>	<b>+2,911</b>
Managed Assets	+123	+2,043	+2,071
<i>o/w Mutual Funds, U-L &amp; Managed Accounts</i>	<i>+161</i>	<i>+1,678</i>	<i>+2,037</i>
Administered Assets	+183	+433	+422
<b>Italy – Banca Mediolanum Total Net Inflows</b>	<b>+306</b>	<b>+2,477</b>	<b>+2,493</b>
Managed Assets	+35	+325	+363
<i>o/w Mutual Funds &amp; U-L</i>	<i>+35</i>	<i>+303</i>	<i>+413</i>
Administered Assets	+18	+128	+57
<b>Spain – Banco Mediolanum Total Net Inflows</b>	<b>+53</b>	<b>+453</b>	<b>+420</b>
Managed Assets	+6	+14	-10
<i>o/w Mutual Funds &amp; U-L</i>	<i>+6</i>	<i>+18</i>	<i>0</i>
Administered Assets	0	+3	+8
<b>Germany – B.A. Lenz &amp; Gamax Total Net Inflows</b>	<b>+5</b>	<b>+18</b>	<b>-2</b>

# 39 Italian Sales Networks Ranking by Net Inflows into Mutual Funds

€ thousands - totals by Group

9M 2019

Mutual Funds\*

Managed Assets

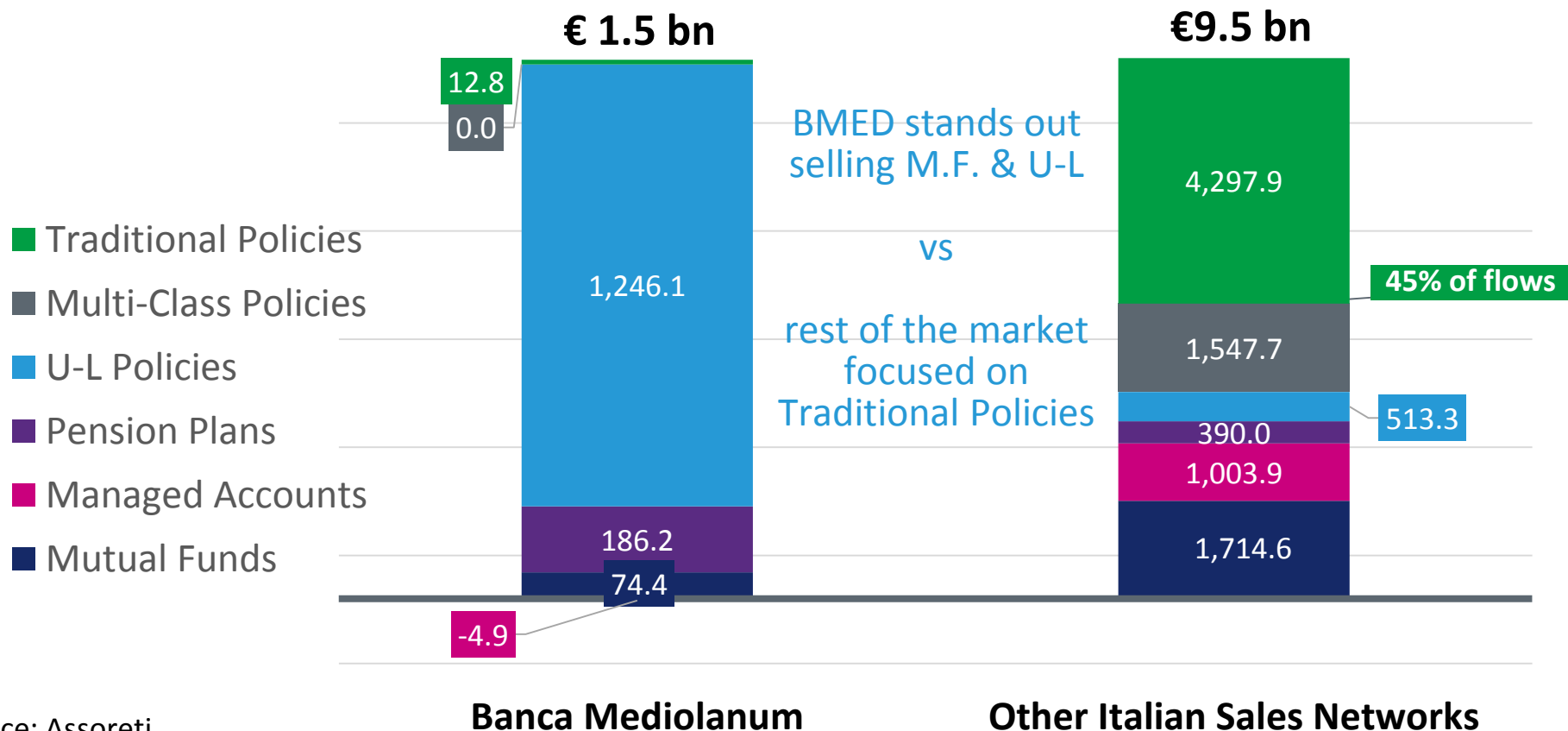
Total Net Inflows

Banca Mediolanum	1,503	1,514	2,142
Allianz Bank	1,235	1,689	2,000
Banca Generali	802	1,867	3,776
Che Banca!	625	824	1,191
Azimut	543	926	1,557
Banca Fideuram (incl. Sanpaolo Invest+ ISPB)	365	1,365	7,301
BNL - BNP Paribas	290	501	642
Credem	266	388	573
Consultinvest	40	43	38
IW Bank	23	91	584
Fincobank	2	1,649	3,827
Banca Widiba	- 120	- 124	3
Deutsche Bank (Finanza & Futuro)	- 254	308	770

\* including those underlying Unit-Linked policies & Managed Accounts

Source: Assoreti

## Quality of Net Inflows into Managed Assets – 9M 2019





BMED is a vertically integrated model offering advice, products, services, an advanced digital platform, high interest rates on deposits

**Overall TER must account for everything the customers are getting through their relationship with BMED**

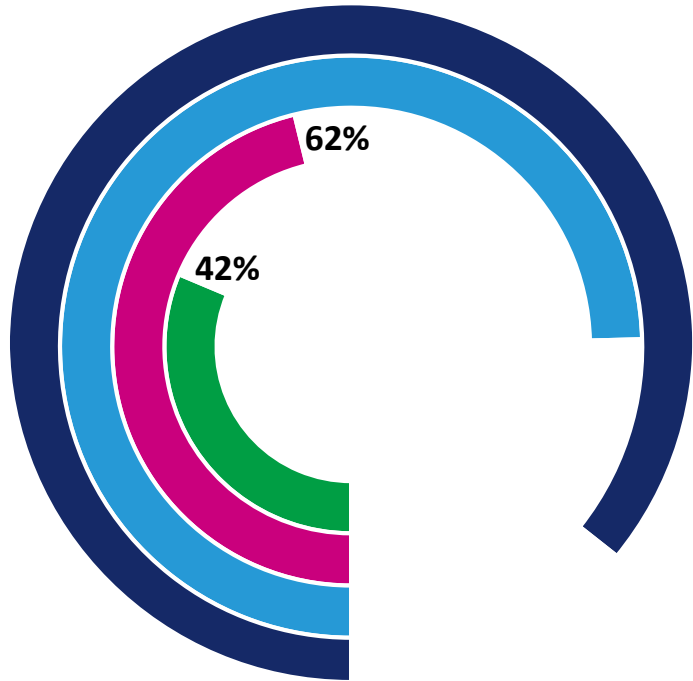
TER on Managed assets in line with the rest of the industry

Even lower on tot. assets due to highly diversified investments & attractive rates paid on deposits

More competitive TER for HNWI thanks to dedicated offers & more defensive asset mix

	Weighted Average TER	
	All Customers	HNWI
Managed Assets (M.F., U-L Policies & 3rd-party Funds)	2.52%	2.28%
<b>Total Assets</b>	<b>1.77%</b>	<b>1.33%</b>

TER calculated applying 2019 pricing on H1 2019 weighted assets. Long-term avg performance fees included.



## 1,268,988 Total Customers

5Y CAGR: 4%

■ 1,086,542 Primary Account Holders

■ 946,602 Bank Account Holders:

■ 62% o/w use BMED as Primary Bank

■ 42% o/w use BMED as the Only Bank  
(according to 2018 Customer Survey)

## THE OPPORTUNITY

- Historically Italy is an **under-insured Country** (Premiums/Italian GDP ratio is 0.9% vs 2.2% European avg)
- Addressable market for BMED: **cross-selling to the existing customer base**
- **Revenue diversification** through General Insurance: not related to financial market volatility, good margins (Combined Ratio <70%) & fully covered customers tend to be more invested into AM

## THE AMBITION

- Customers insured by at least 2 policies: **2018: 2.7% → 2023: 27%**

## THE PRODUCTS

### EXTENSIVE PRODUCT RANGE – COMPETITIVE PRICING

- **Term-Life:** *Personal Life Serenity*
- **Health & Disability:** *Capitale Umano; Capitale Salute*
- **Property & Casualty:** *Capitale casa; RC capofamiglia*
- **Long-term care:** *'Capitale Autonomia'*
- **Travel:** *'Vacanze Protette'*, testing blockchain technology with BMED employees

## THE PROJECT

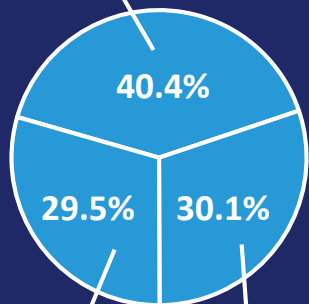
- A new role: **Family Protection Specialist** – 90 specialised advisors whose objective is to increase the General Insurance portfolio & to assist Family Bankers on policy technicalities
- FPS & FB share the customer on the sale - no competition on fees
- Initial results: **Closure rate on appointments >45%**





# Mediolanum Facts

Doris Group



Free Float

Fininvest

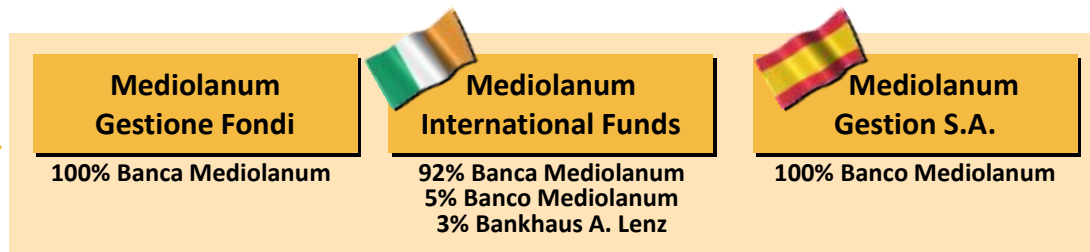
**BANKING**

100%

**ASSET MANAGEMENT**

100%

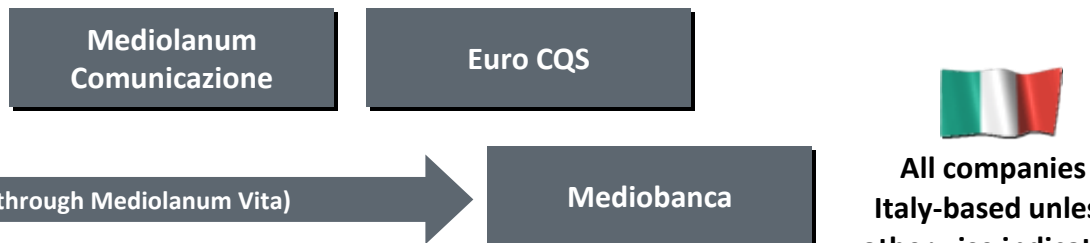
(direct &amp; indirect ownership)

**INSURANCE**

100%

**OTHER**

100%



3.3% (directly &amp; through Mediolanum Vita)



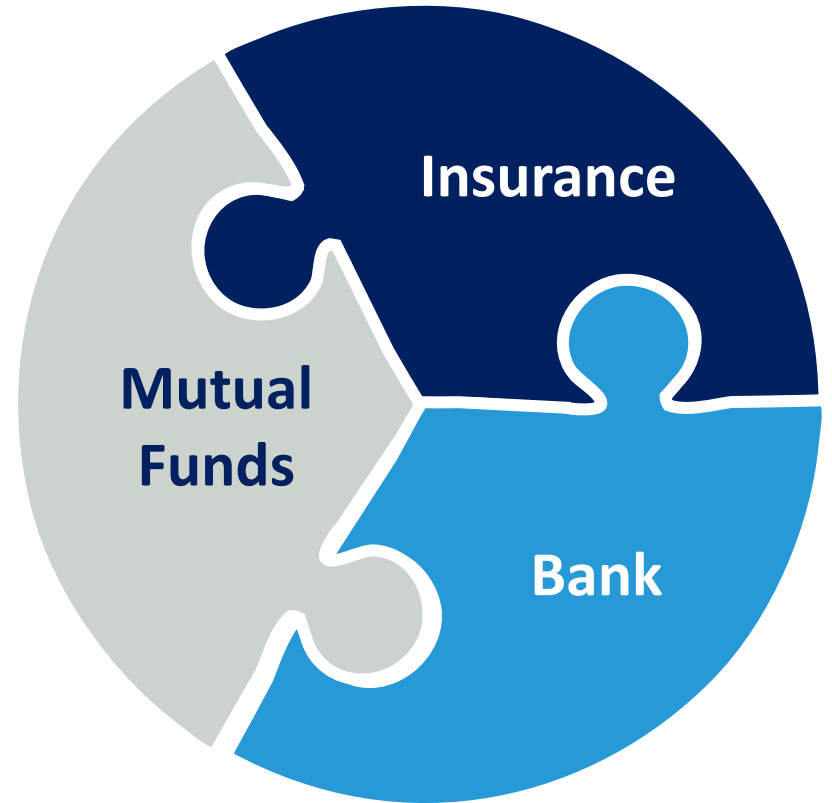
All companies  
Italy-based unless  
otherwise indicated

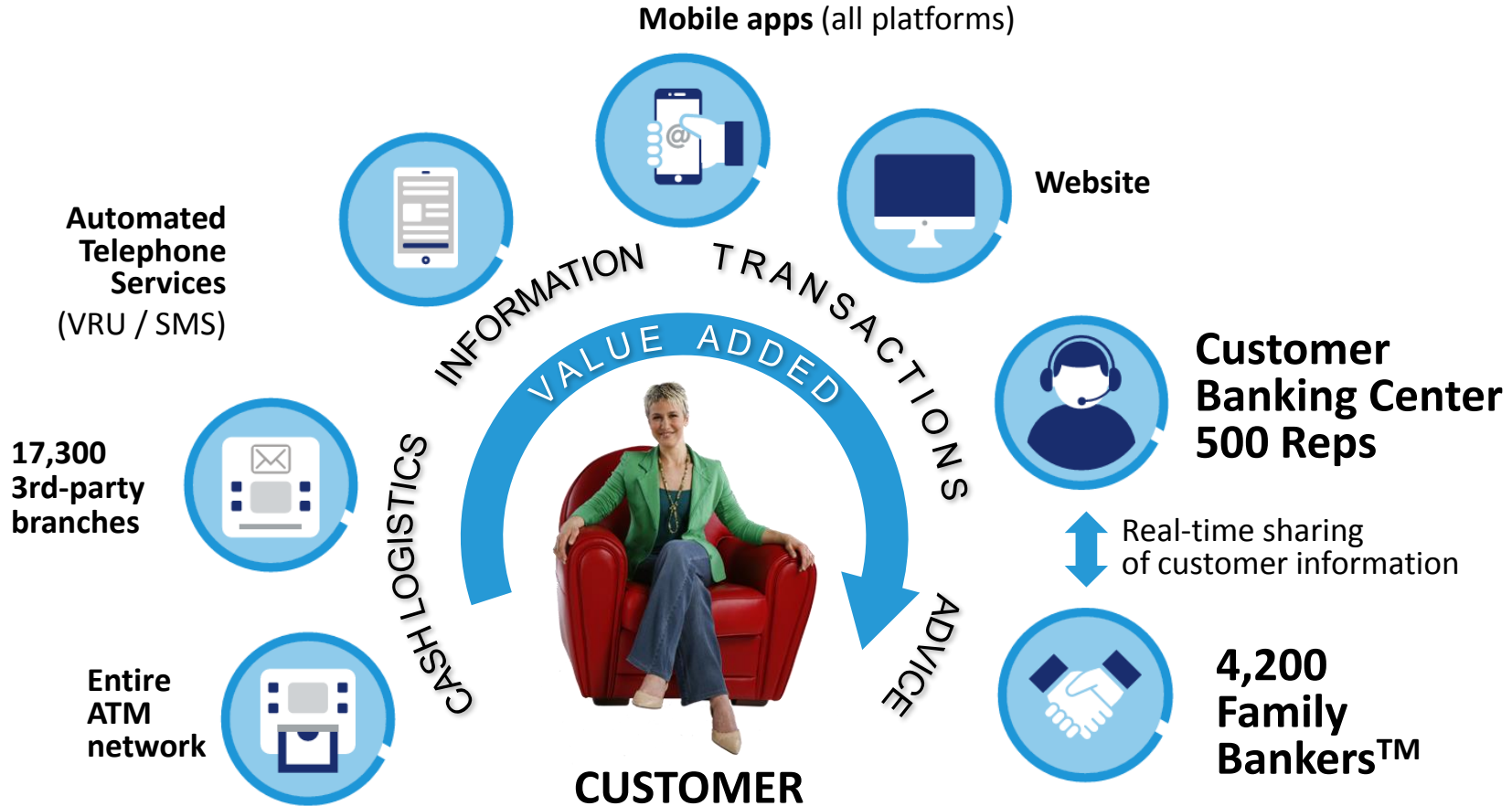
We and our Family Bankers view the company as a single entity, providing solutions that best fit the needs of the customer, whether it be in the form of a mutual fund, an insurance policy or a bank product

The Bank (est. 1997) has a special role as the place where customer savings are naturally built

It is also where service quality is more readily appreciated & compared

Therefore, it represents the mandatory point of entry for all new customers





# Banca Mediolanum's model combines the advantages of traditional and direct banks

## Family Bankers: the human touch



Self-employed tied agents with entrepreneurial approach



Willing to provide advice anytime, anywhere

Extensively trained to tackle every household financial need



Equally competent across all product lines

Share Mediolanum's view that banking services are an effective acquisition & retention tool



Unlike the typical FA, offer assistance also with everyday banking needs

Compensated even for operations performed by customers through direct channels



Synergy, not competition, between human and direct channels



## Customers: freedom in banking

Top-quality and valuable direct banking services associated with a human relationship

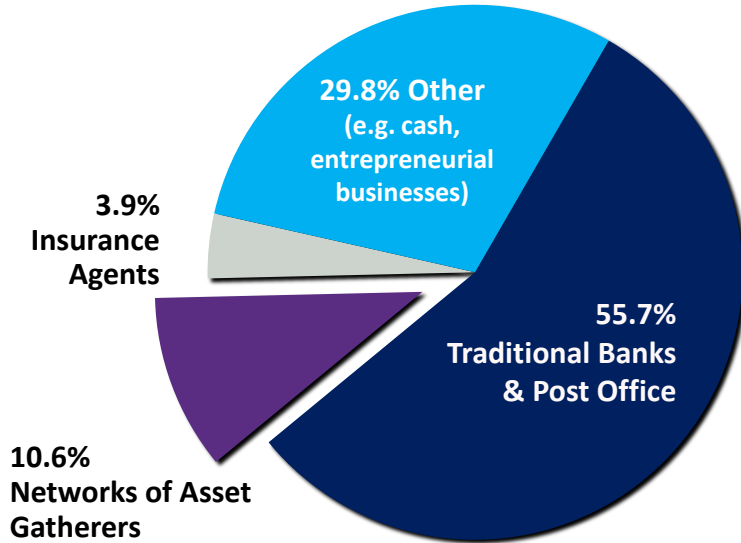


# Italian Household Financial Assets

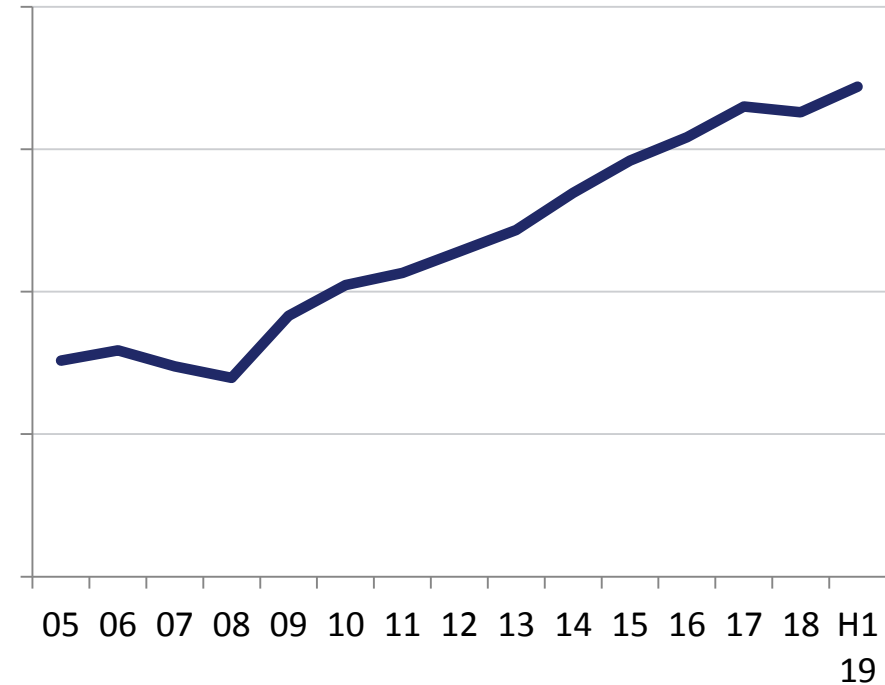
as at 30/06/2019 – real estate not included



Total HH Assets: € 4,315 bn



BMED Market Share: 1.72%



**Network of Asset Gatherers** have only 10.6% of the huge Italian HH financial assets market, although recognised as best-in-class in terms of personal service & advice, and largely immune to capital, credit quality & reputational issues

# 50 A 'real' Bank with a Solid Set of Numbers

as at 30/09/2019

ROE

20%

10 Y avg. 2009- 2018

Retail Deposits

€ 16.9 bn

% Gross NPLs

1.37%

vs 8.7% Italian Banks\*

LCR

352%

CET1

18.8%

Retail Credit Book

€ 9.4 bn

% Net NPLs

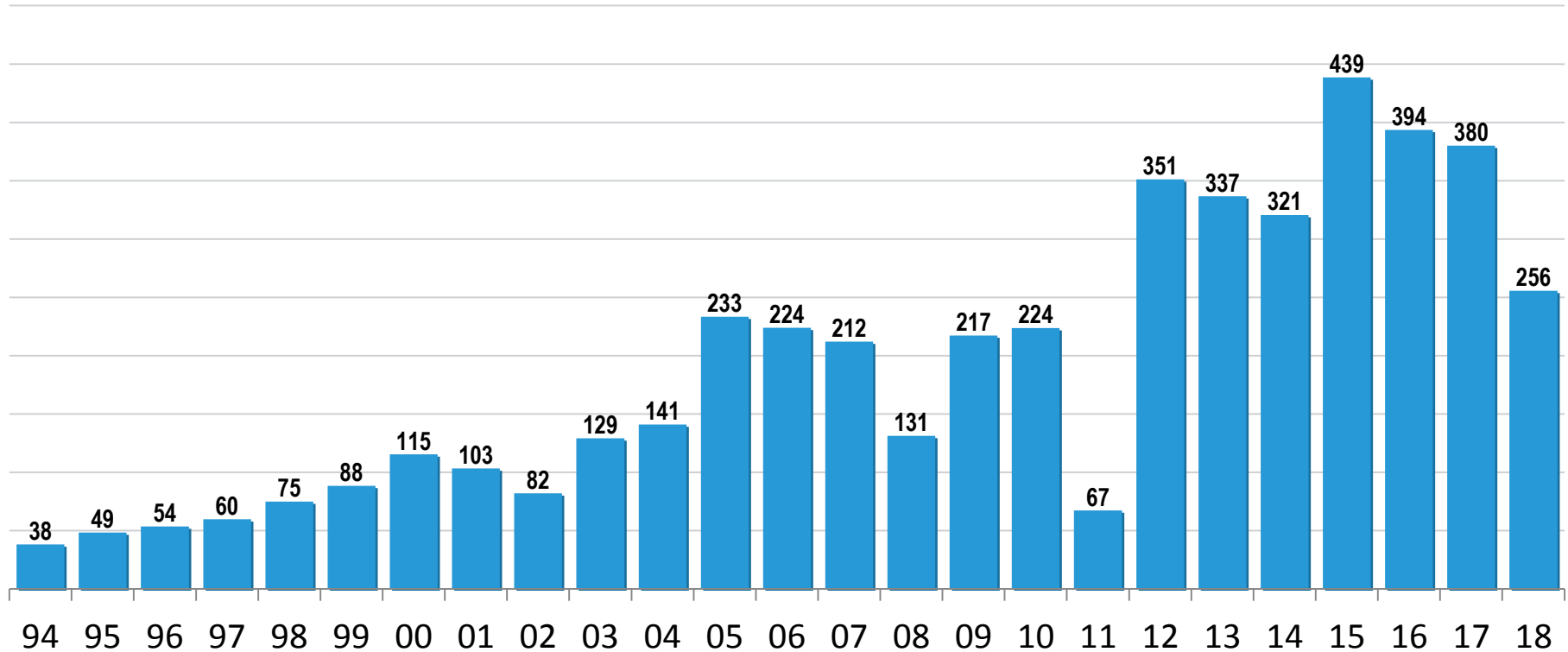
0.70%

vs 4.3% Italian Banks\*

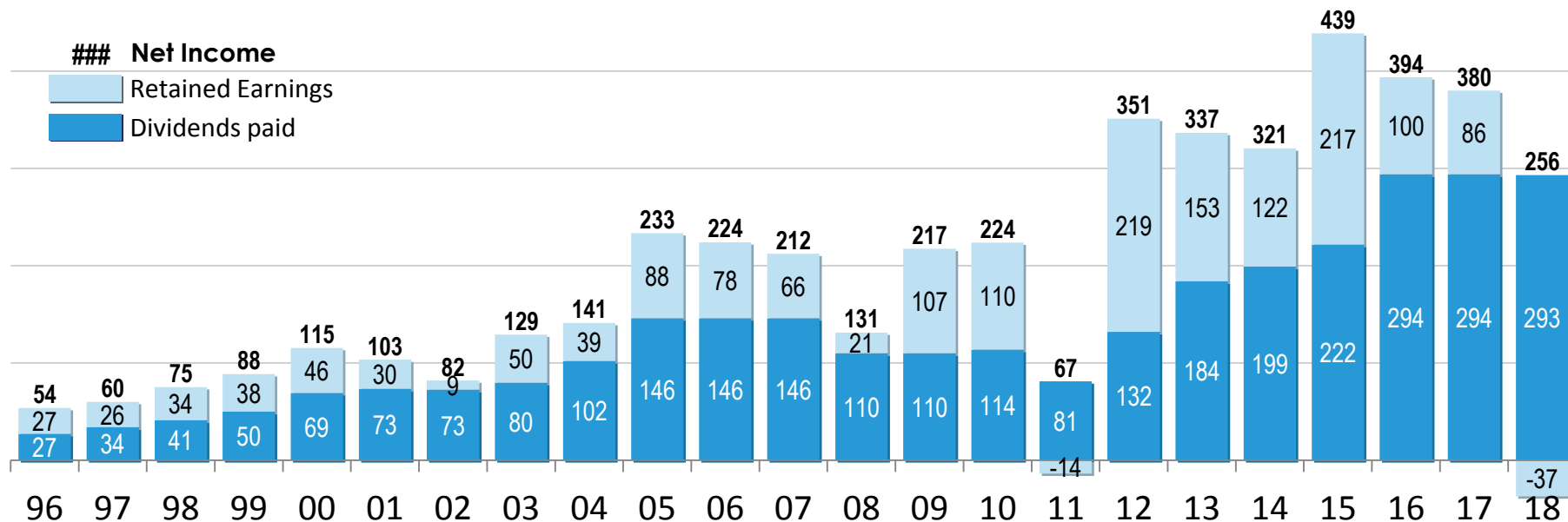
NSFR

167%

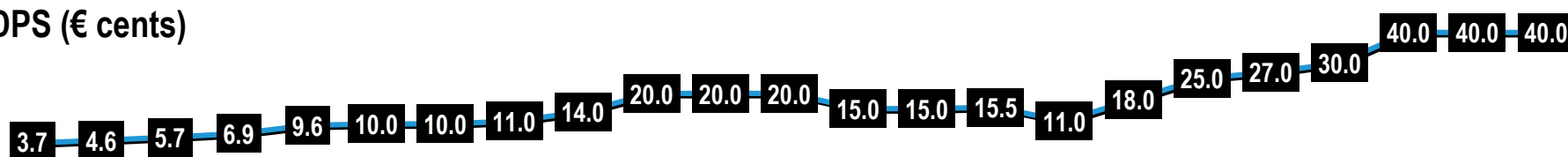
as at 30/06/2019



2008 & 2010: adjusted net income excluding effects of 'Lehman Brothers' operation



### DPS (€ cents)



**Sustainable growth supported by different business lines** despite challenging macro & regulatory environment

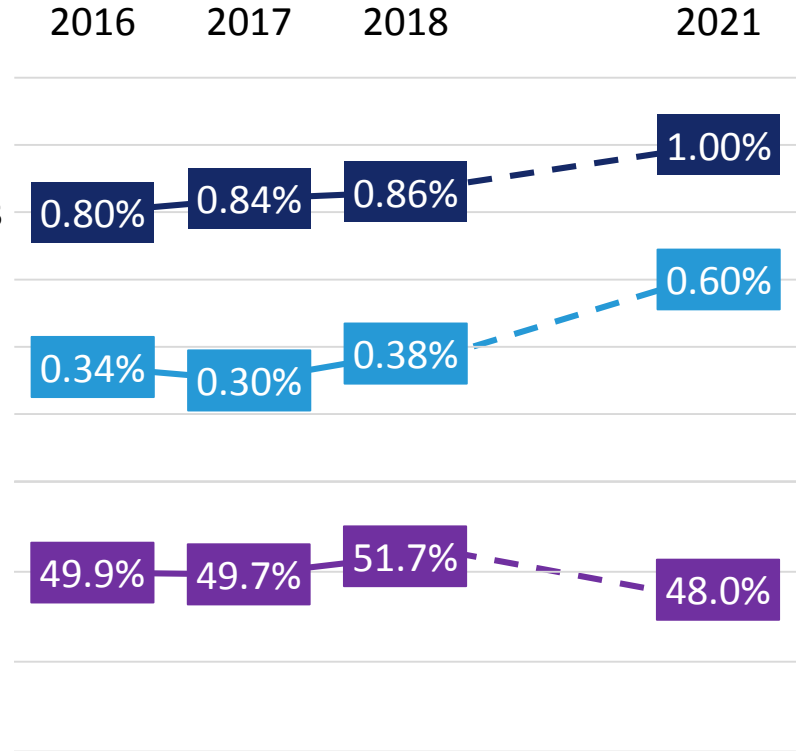
**Operating Margin trend inverted** thanks to operating leverage and picking up of NII

**C/I Ratio** impacted by 2018 new initiatives that will start **contributing to P&L in 2019**

— **Net Commission  
Income / Tot Assets**

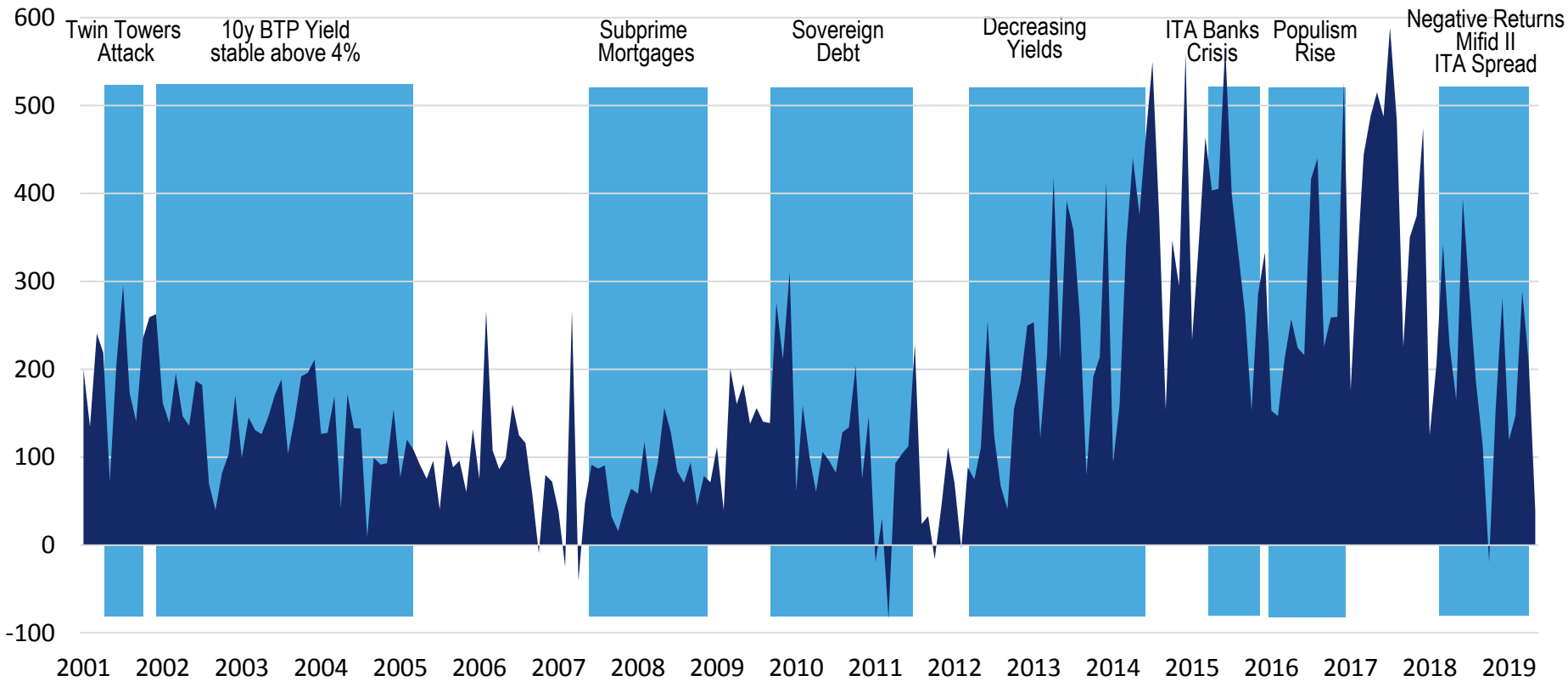
— **Operating Margin /  
Tot Assets**

— **Cost / Income\***



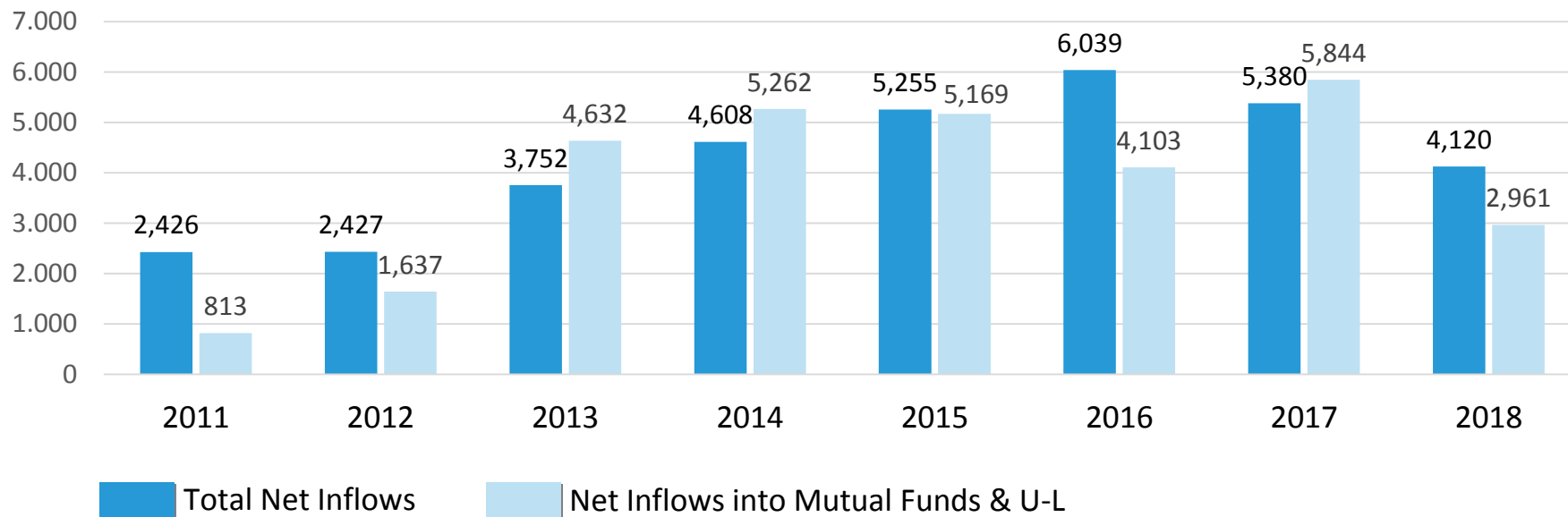
\* **Cost:** G&A + Reg. Contrib. to Banking Industry / **Income:** Contribution Margin + Market Effects

Anti-cyclical flows mean better performance for customers thanks to dollar-cost-averaging



## A proven ability to convert administered inflows into managed assets

2011-2018:  
**€ 31.6 bn** of Total Net Inflows,  
o/w **€ 29.6 bn** into Mutual Funds & Unit-Linked policies



# 56 The 'Intelligent Investment Strategy' Service

launched June 2016

A long-term investment strategy (10+ yrs, € 30k+) that allows our customers to **gradually enter the markets** in order to take advantage of the overall growth of the world economy

**Designed to remove emotional barriers** associated with equity investments by making rational choices at the beginning of the plan rather than during crises or volatile markets

The amount invested is first put into a money market fund, and then **fully converted into Mediolanum equity funds or MyLife U-L wrap account** over 3-4-5 years through automatic transfers 1-2 times per month

Thanks to the **Automatic Step-In/Step-Out** feature, when the **unit price of equity funds has a strong decrease\*** the **transferred amount is multiplied accordingly**.

Vice versa, in the case of an extraordinary increase (+10% or 20%), the capital gains are shifted back into the money market fund

\* versus each customer's average purchase price.

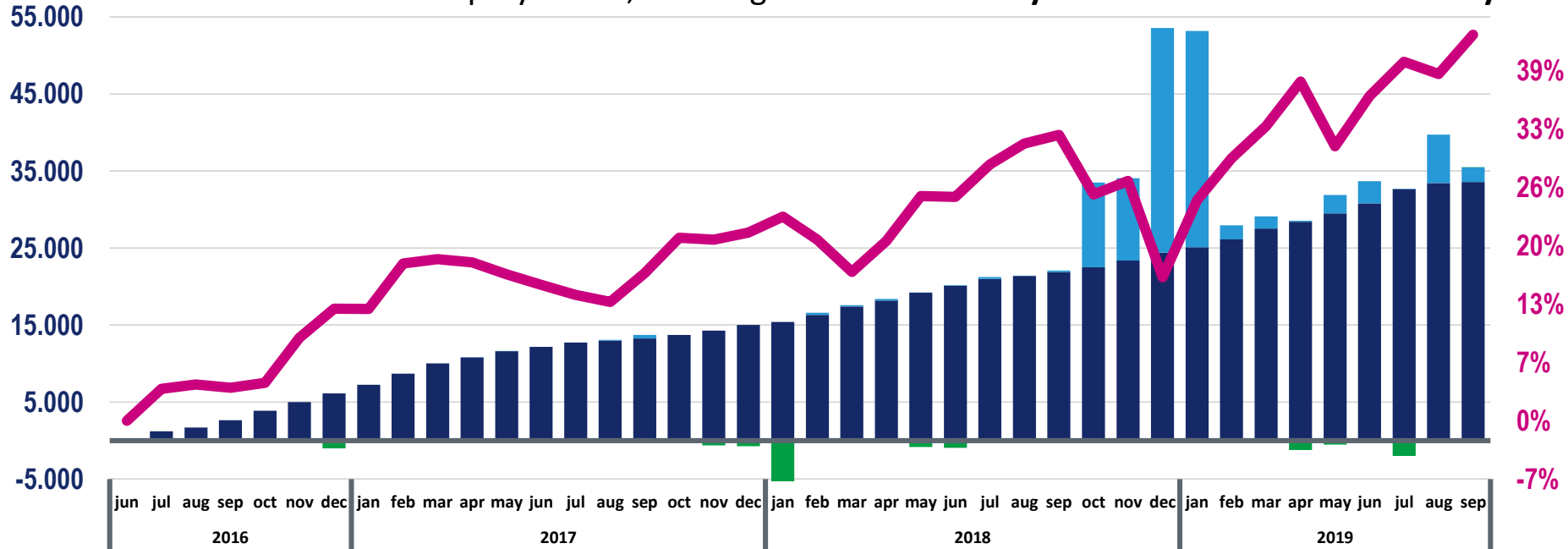


Equity Fund Unit Price	Instalment amount
5% to 10% decrease	X2
10% to 15% decrease	X3
15% to 20% decrease	X4
20% or more decrease	X5

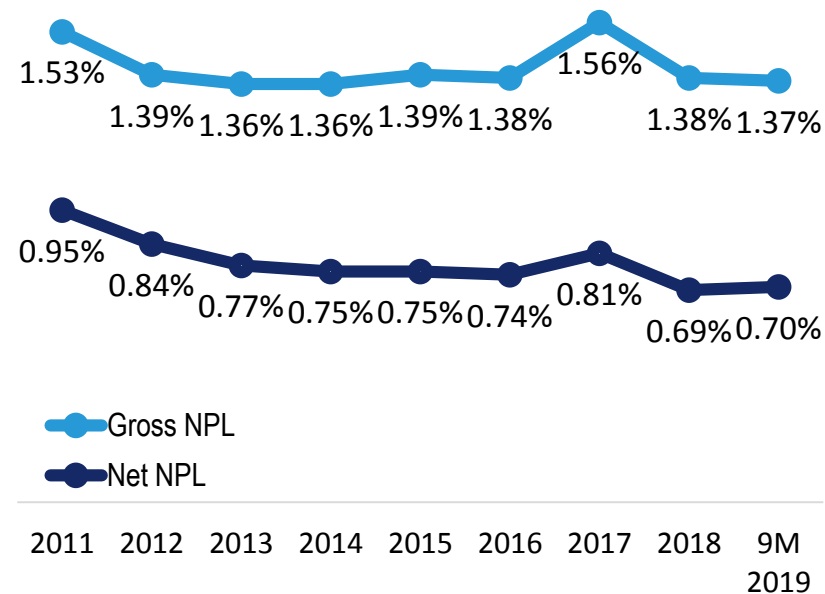
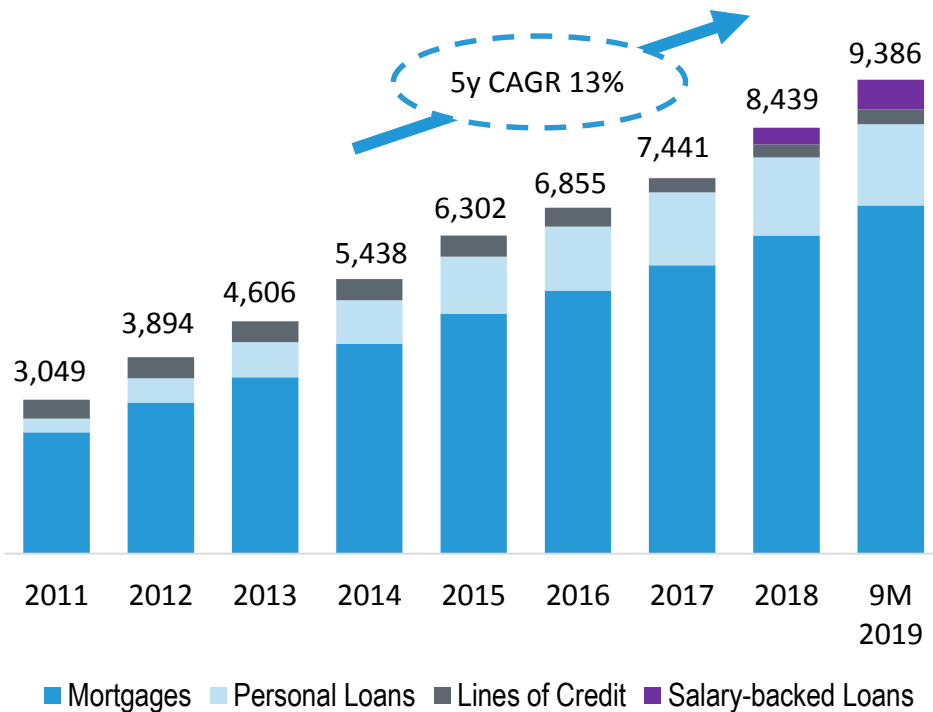


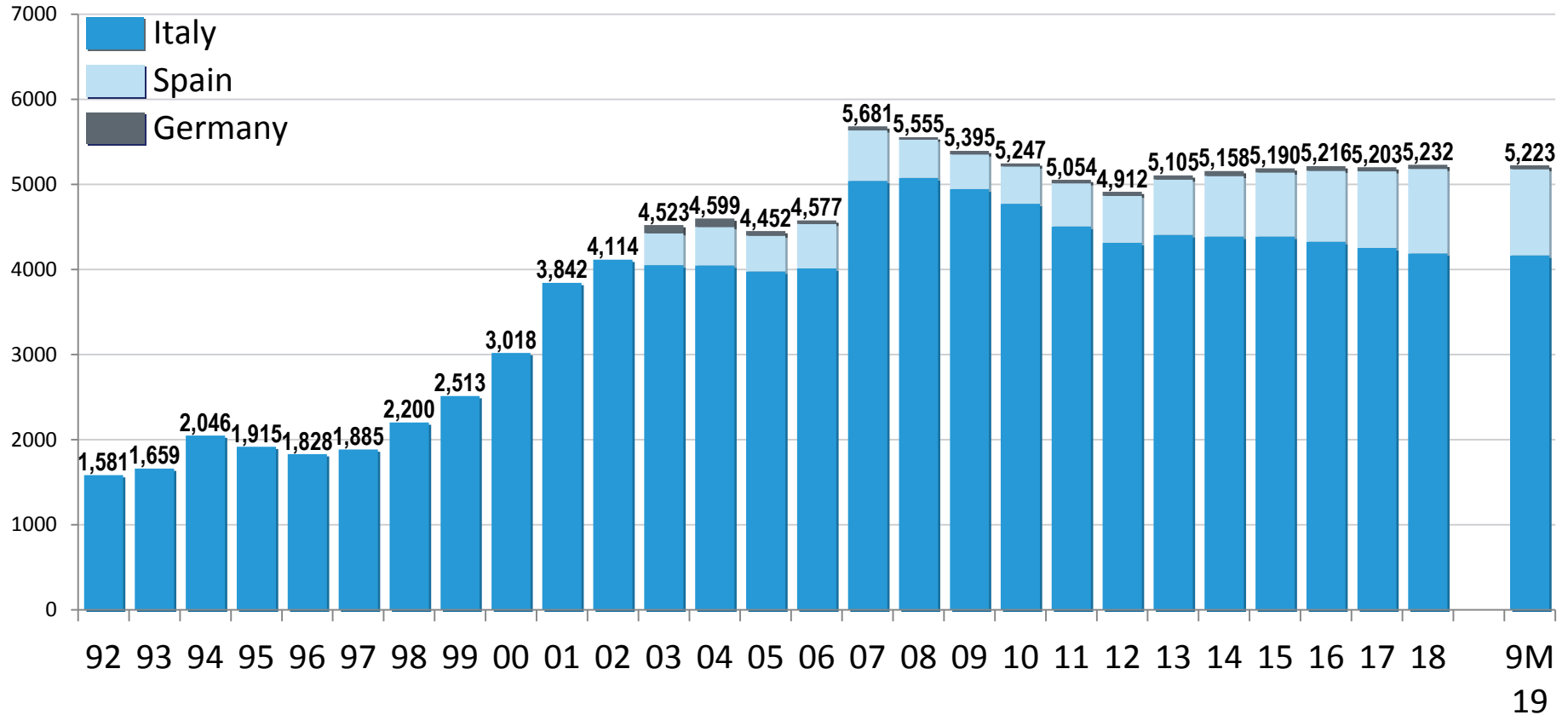
## «Market crises are buying opportunities»: not just a slogan

Since launch of IIS in 2016 over 100,000 step-in/step-outs automatically multiplied the transferred amount to & from selected Global Equity Funds, allowing **customers to fully benefit from market volatility**



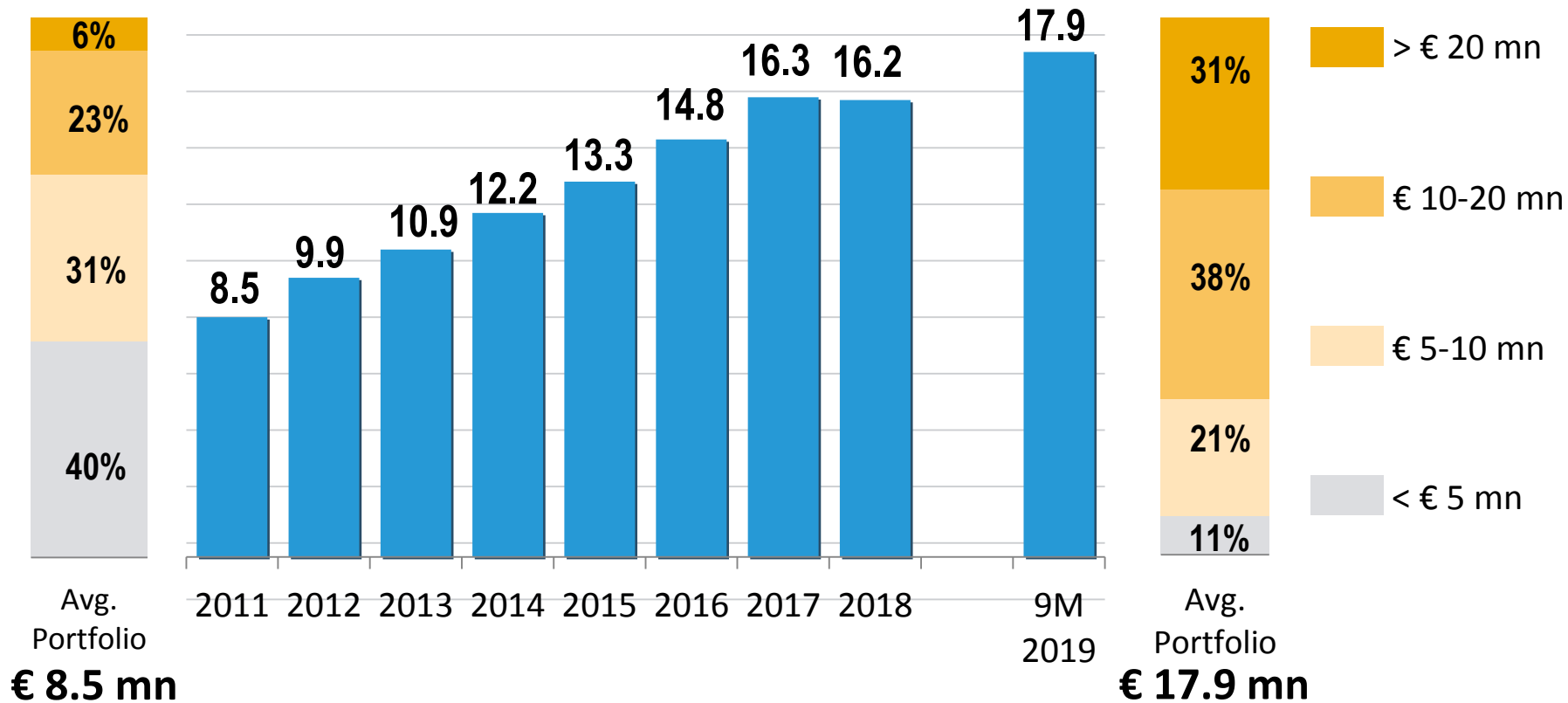
Steady growth & top-notch quality of Credit Book  
regardless of macro-economic conditions

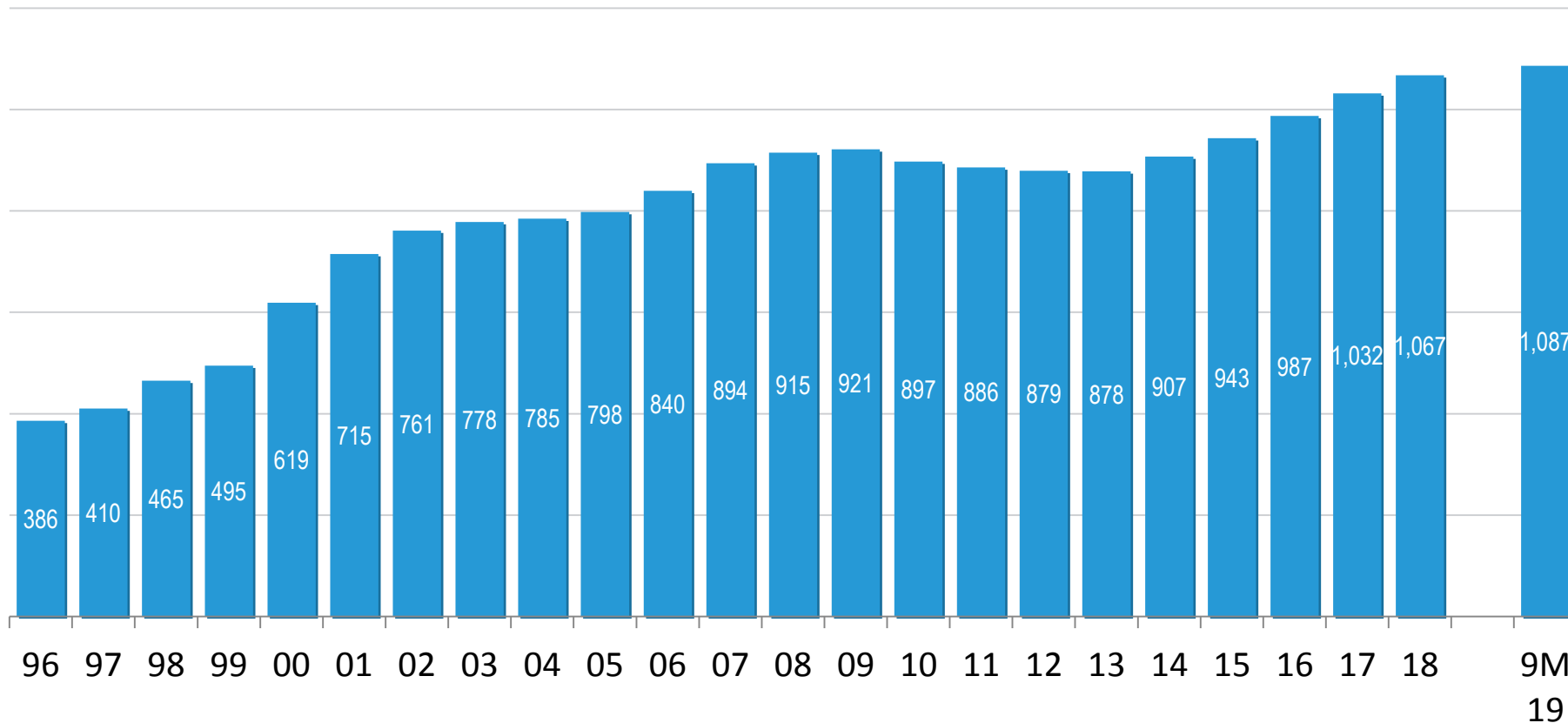




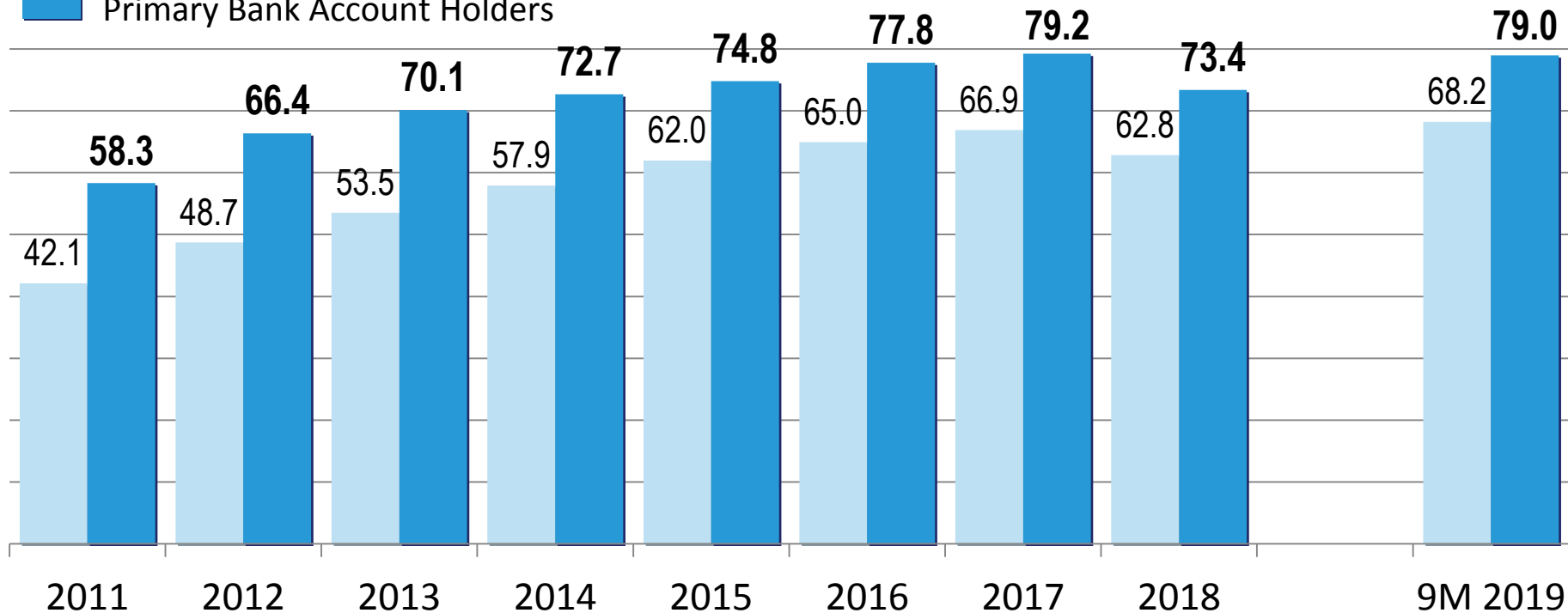
# 60 Average Assets per Family Banker - Italy

€ mn

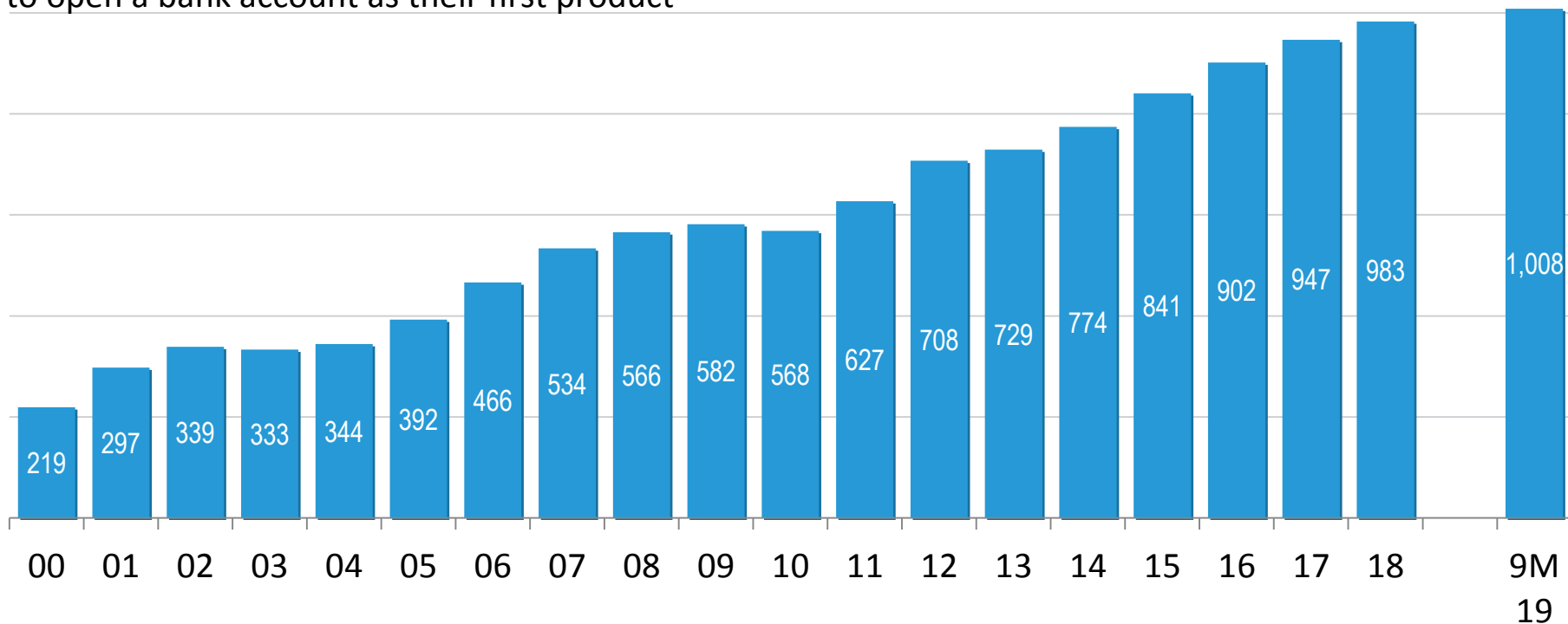




Primary Account Holders  
Primary Bank Account Holders



Since March 2005 all new customers are required to open a bank account as their first product



Our investment strategy  
explains the consistency of our inflows  
& transfers 'technical performance' into 'customer performance'

- We advise our customers proposing products & services that correspond to each of their **specific needs**
- Investor needs remain fundamentally the same, they are **not influenced by market crises**
- We do not engage in stock-picking, tactical asset allocation decisions, or market-timing
- We recommend a series of **diversification criteria**, the most important being **time horizon**
- **Equity** investments are only considered for the **long term** (>10 yrs) and are diversified across the **global economy** to further reduce risk
- We strongly advise investors who have a long-term outlook to view **market crises as buying opportunities**



Inaugurated March 2009

Centralises our training know-how, in coordination with top universities, professors and individuals who are experts in the field

Provides our Family Bankers & employees with a resource for life-long education

Develops financial education programs dedicated to our customers & the community



## A proprietary state-of-the-art tool established in 1989

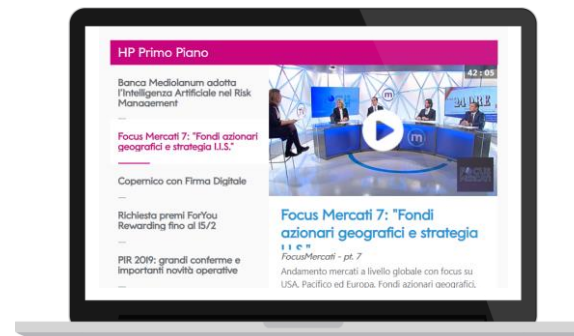
Online programs to train, motivate & communicate with our Family Bankers

- Financial news commented by top company executives

- Company news & product information

- Online training course support

- Inspirational thoughts for personal motivation & sales techniques



**Daily specials dedicated to crisis-related topics  
were added to the ongoing programming  
in 2008, 2009 & 2011**

- Approximately **3,000 events** held in 2018:  
local & high-level events, sports events (e.g. Giro d'Italia), talk shows, etc.
- Over **157,000 customers & prospects** attending

### Results are measurable:

- Net inflows into managed assets of invited customers in the 3 months post-event
- expenses are reimbursed to Family Bankers only if set commercial target is met (80% of the times in 2017)
- Average commercial value of media coverage is also regularly tracked





BMED solid customer relationship built on best-in-class service delivery both human & digital

Overall Satisfaction

Customer Satisfaction

98%

Traditional Banks: 86% | Online Banks: 96%

Net Promoter Score

66.2%

Traditional Banks: 1.8% | Online Banks: 56.6%

Customer Retention

95.4%

Digital Platform

Mobile App Satisfaction

85.6%

Traditional Banks: 74.8% | Online Banks: 83.4%

Mobile Payments

FIRST BANK to offer ALL PLATFORMS

Apple Pay – Samsung Pay – Google Pay

Increased Stickiness

1.2MN CLIENTS >60 MN INTERACTIONS

o/w 92% through digital channels

Financial Advisor Interaction

Professionalism

89.4

Traditional Banks: 72.7 | Online Banks: 79.2

Relationship Quality

90.0

Traditional Banks: 77.7 | Online Banks: 83.4

Availability

In 2018 59.4% OF CUSTOMERS met with their Family Banker MORE THAN 4 TIMES

64% of total accesses via mobile app in 2018

40% of transactions via mobile app in 2018

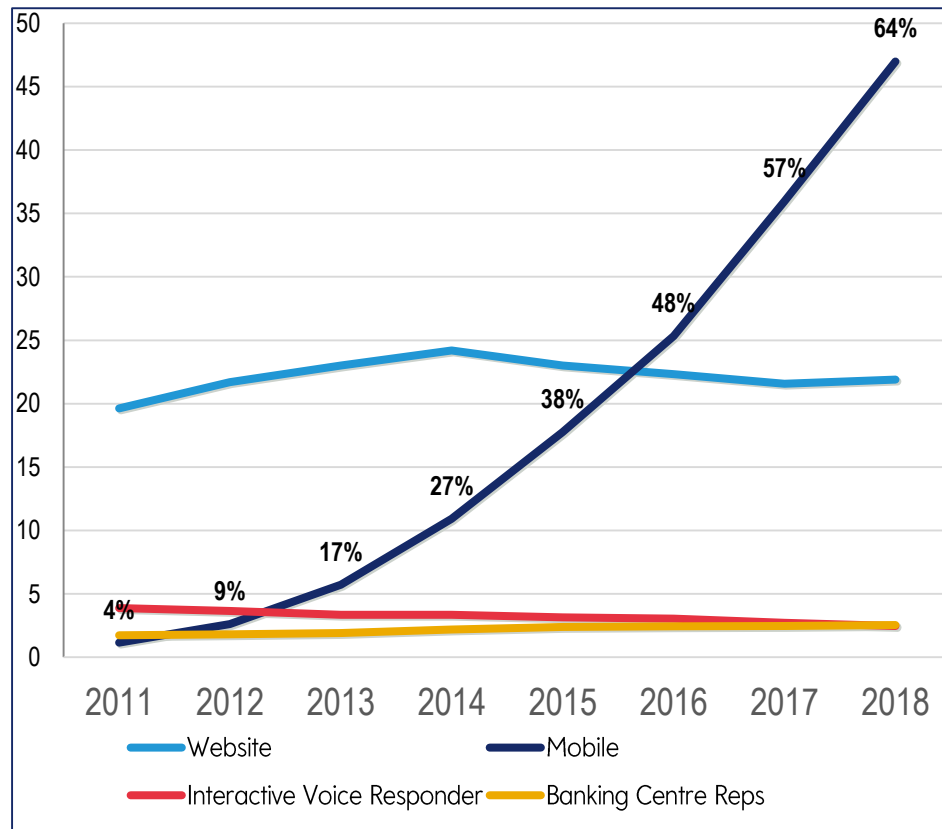
BMED app features all of the main banking & investment operations

IT Investments mean the latest technology, best-in-class banking platform & stickier customers

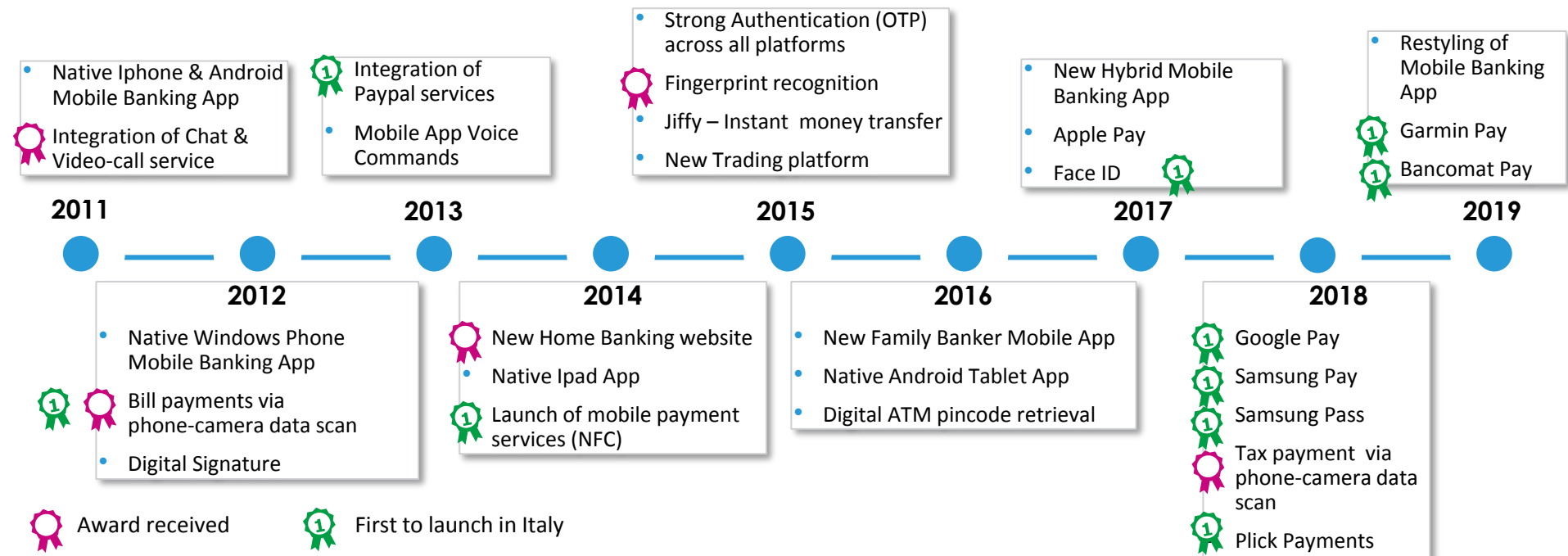
First bank in Italy to launch the 5 main mobile payment solutions



## Direct Channel Accesses (mn)



- We create value for our Customers by exploiting the **best technology available** to serve them
- Investments in technology allow us to build strong relationships thanks to the **usability & simplicity of our digital platform** (2018 retention rate: 98% - 2018 interactions with the bank: 74 mn)
- Customer-centricity & omni-channel approach** are the core of the '**Freedom in Banking**' company mission



**INTESA**  **SANPAOLO** **57%**

 **UniCredit** **54%**

 **mediolanum** BANCA **42%**

**BancoPosta** **29%**

**ING**  **DIRECT** **27%**

 **MONTE  
DEI PASCHI  
DI SIENA**  
BANCA DAL 1472 **20%**

 **BNL**  
GRUPPO BNP PARIBAS **17%**

**UBI**  **Banca** **17%**

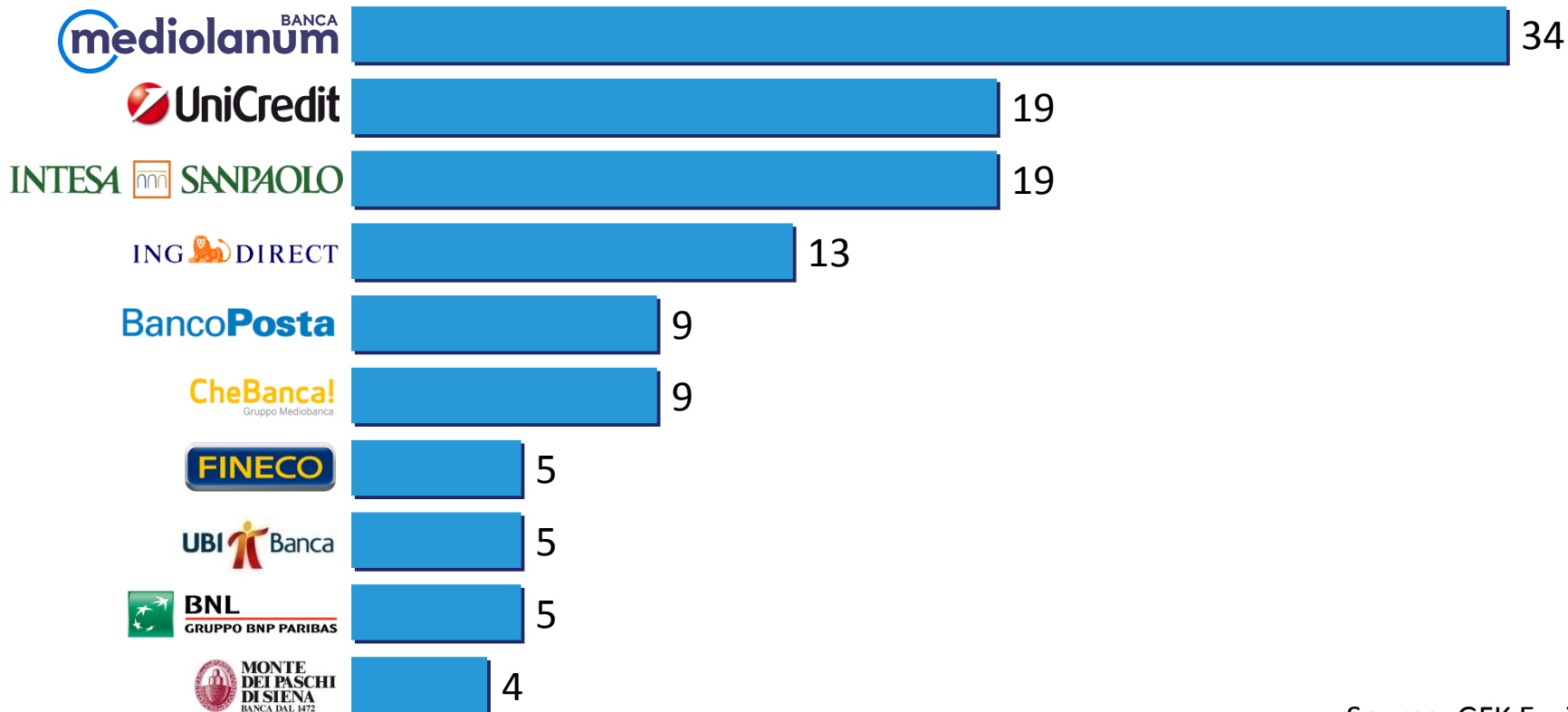
**CheBanca!** **14%**  
Gruppo Mediobanca

 **BCC**  
CREDITO COOPERATIVO **12%**

# Banca Mediolanum's advertising

## The most memorable in the banking industry

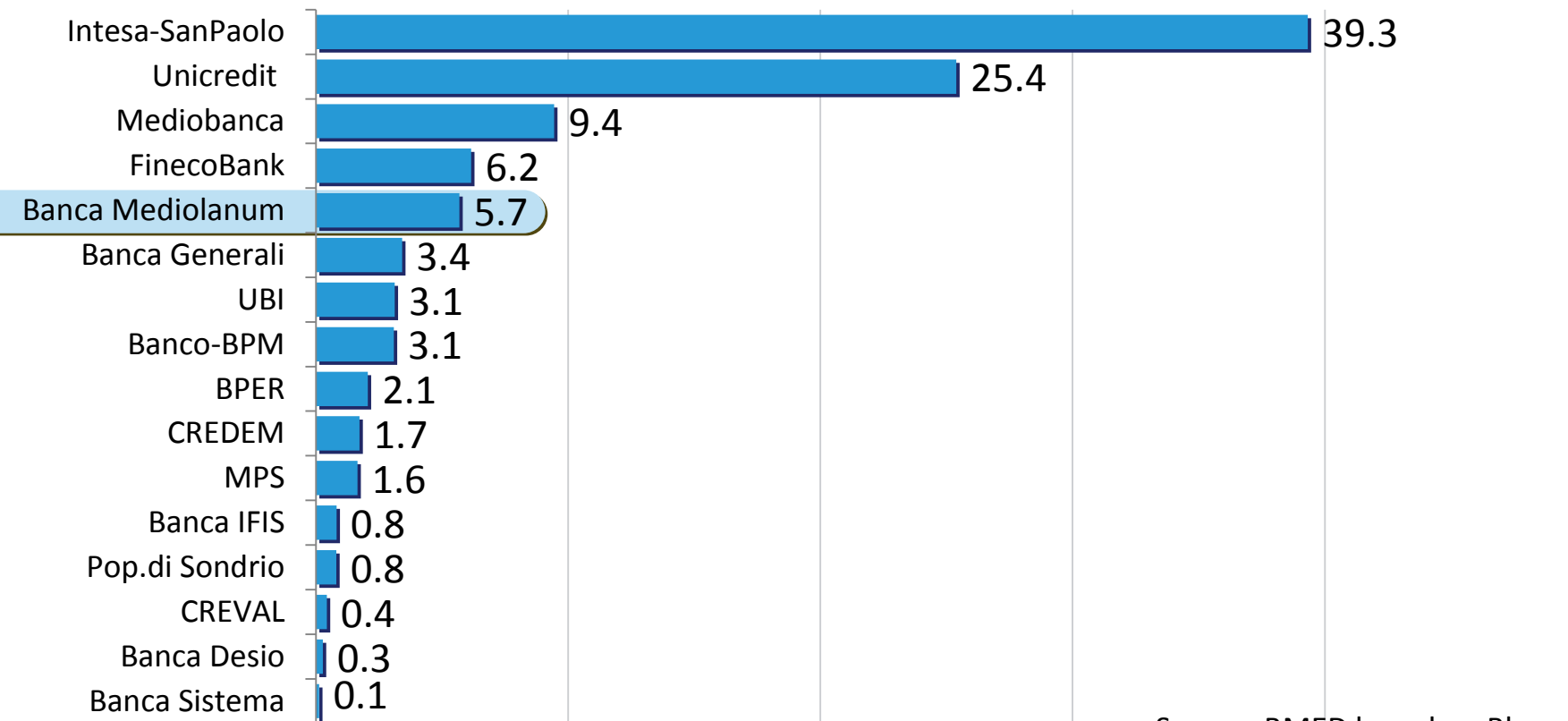
Spontaneous recall of bank advertising in Italy – 9M 2019



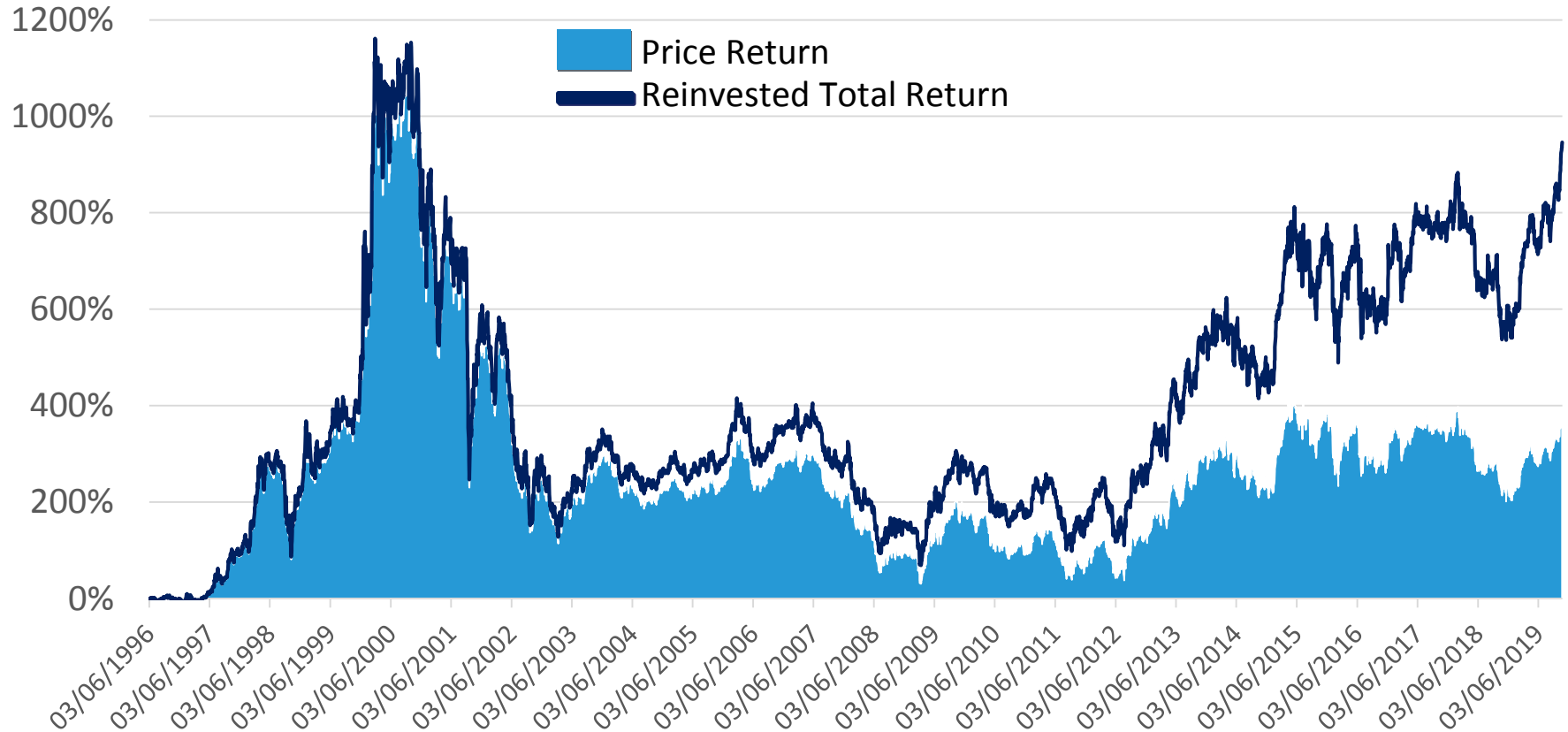


# Ranking of Italian Banking Groups by Market Capitalisation

€ bn - as at 31/10/2019



Source: BMED based on Bloomberg data



\* Total Return Index includes dividend reinvestments, June 3, 1996 – Oct 25, 2019

Source: Datastream

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#### **DECLARATION BY THE SENIOR MANAGER IN CHARGE OF DRAWING UP COMPANY ACCOUNTS**

The undersigned, Mr. Angelo Lietti, declares, pursuant to Section 154 bis (2) of Legislative Decree 58/98 "*Testo Unico della Finanza*", that the accounting data set out in this presentation agree with the documentary records, books and accounting entries.

The senior manager in charge of drawing up Company Accounts

Angelo Lietti

Figures contained in this document are rounded for presentation purposes.

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