

May 2020



Q1 2020 RESULTS & BUSINESS UPDATE

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Q1 2020 Group Results

Exceptional Q120 Results, despite challenging market conditions & uncertainty relating to the pandemic

Operating Margin: +12% a very high level despite the current hurdles thanks to the strength of our business model & of our recurring revenues

Management Fees: +7% demonstrating extraordinary resilience despite the € 8 bn plummet in M.F. assets

Net Interest Income: +11% due to the substantial growth of our retail credit book

G&A Expenses: +6% with 1 p.p. attributable to Covid-19 responses. Mktg, Comm. & Innovation costs were not cut

Fair Value: € -19 mn strongly penalising the bottom line due to M2M

Net Inflows: € 3.3 bn record quarter, w/ strong contribution from 2% promo on deposits & € 404 mn in managed assets

Loans: € 622 mn +3% despite roadblocks & slowdowns presented by the moment. Credit Book now at €10.6 bn (+16% y.y.)

General Insurance: € 26 mn +26% showing strong growth in New Business of Stand-alone Policies (+122%)

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Income Statement

€ mn



Q1 2020
Group

	Q120	Q119	Change
Entry fees	13.5	8.8	+53%
Management fees	260.7	244.5	+7%
Investment Management fees	38.6	36.7	+5%
Net Insurance revenues ex U-L commissions	11.0	7.7	+43%
Banking service fees	38.3	36.4	+5%
Other fees	10.3	9.6	+8%
Gross Commission income	372.5	343.7	+8%
Acquisition costs	(141.6)	(128.8)	+10%
Other commission expenses	(20.8)	(19.0)	+9%
Net Commission Income	210.1	195.9	+7%
Net interest income	57.0	51.4	+11%
Equity contribution	0	0	n.s.
Net income on other investments	(9.1)	(11.5)	-21%
<i>o/w Impairment on loans</i>	(6.2)	(7.2)	-14%
Other revenues	5.2	6.7	-22%
Contribution Margin	263.1	242.5	+9%
G&A expenses	(139.8)	(131.3)	+6%
Regular Contributions to Banking Industry	(4.9)	(5.0)	-1%
Amortization & Depreciation	(8.7)	(9.1)	-4%
Provisions for risks & charges	(10.2)	(8.2)	+25%
Operating Margin	99.5	88.9	+12%
Performance fees	7.1	7.2	-1%
Net income on investments at fair value	(19.0)	(2.7)	n.s.
Market Effects	(11.8)	4.5	n.s.
One-offs	0	0	n.s.
PROFIT BEFORE TAX	87.7	93.5	-6%
Income tax	(15.4)	(21.3)	-28%
NET INCOME	72.2	72.1	+0%

Income Statement by Quarter

€ mn



Q1 2020
Group

	Q119	Q219	Q319	Q419	Q120
Entry fees	8.8	9.0	8.8	11.0	13.5
Management fees	244.5	255.0	260.7	266.5	260.7
Investment Management fees	36.7	38.1	38.6	39.4	38.6
Net Insurance revenues ex U-L commissions	7.7	12.1	9.3	12.7	11.0
Banking service fees	36.4	32.8	36.0	52.4	38.3
Other fees	9.6	10.7	10.4	11.0	10.3
Gross Commission income	343.7	357.7	363.8	393.0	372.5
Acquisition costs	(128.8)	(131.1)	(131.1)	(149.5)	(141.6)
Other commission expenses	(19.0)	(20.8)	(21.3)	(22.1)	(20.8)
Net Commission Income	195.9	205.9	211.4	221.4	210.1
Net interest income	51.4	60.3	64.3	63.1	57.0
Equity contribution	0	5.9	15.6	0	0
Net income on other investments	(11.5)	(9.5)	(7.0)	(5.8)	(9.1)
<i>o/w Impairment on loans</i>	(7.2)	(6.4)	0.3	(5.7)	(6.2)
Other revenues	6.7	7.2	5.3	5.3	5.2
Contribution Margin	242.5	269.8	289.6	284.0	263.1
G&A expenses	(131.3)	(142.8)	(122.2)	(147.2)	(139.8)
Regular Contributions to Banking Industry	(5.0)	(0.1)	(10.4)	(2.1)	(4.9)
Amortization & Depreciation	(9.1)	(9.0)	(9.0)	(9.1)	(8.7)
Provisions for risks & charges	(8.2)	(10.6)	(15.8)	(22.9)	(10.2)
Operating Margin	88.9	107.3	132.1	102.7	99.5
Performance fees	7.2	13.1	10.8	393.7	7.1
Net income on investments at fair value	(2.7)	6.9	(13.5)	11.0	(19.0)
Market Effects	4.5	20.0	(2.7)	404.6	(11.8)
One-offs	0	(6.3)	0.3	(112.5)	0
PROFIT BEFORE TAX	93.5	121.0	129.7	394.8	87.7
Income tax	(21.3)	(21.8)	(16.3)	(114.1)	(15.4)
NET INCOME	72.1	99.2	113.4	280.7	72.2

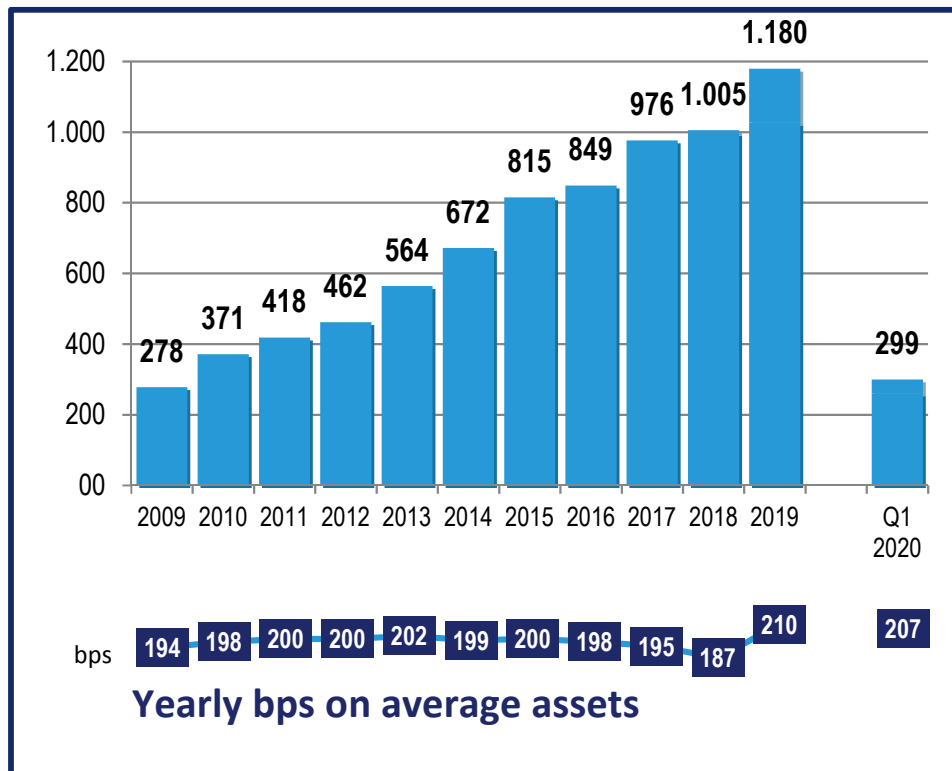
Commission Income from Recurring Fees*

€ mn

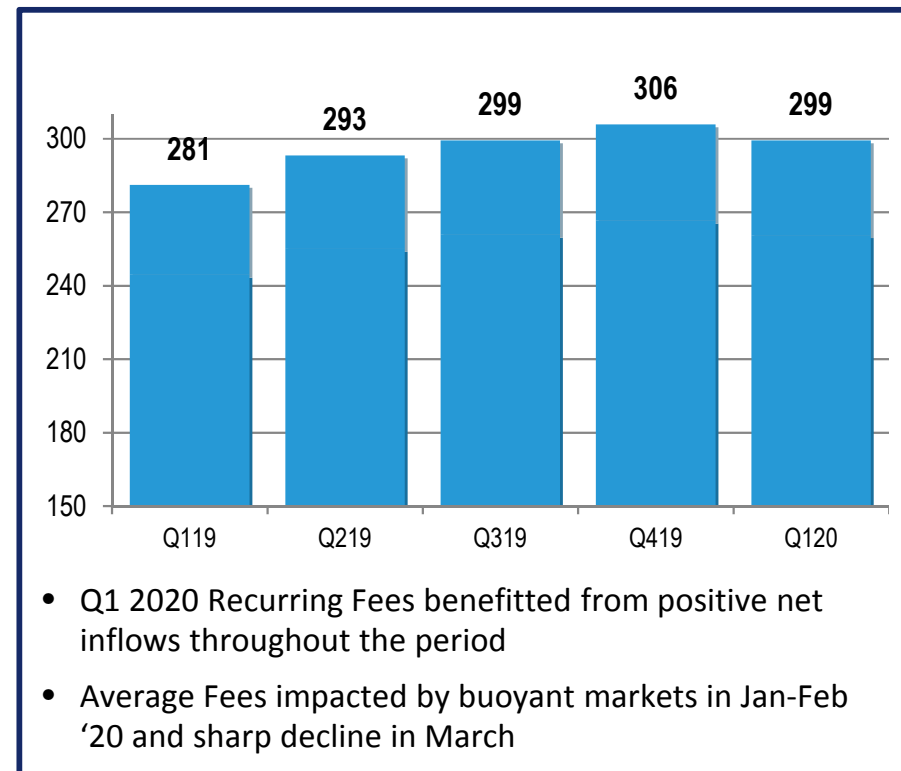


Q1 2020
Group

YoY Trend

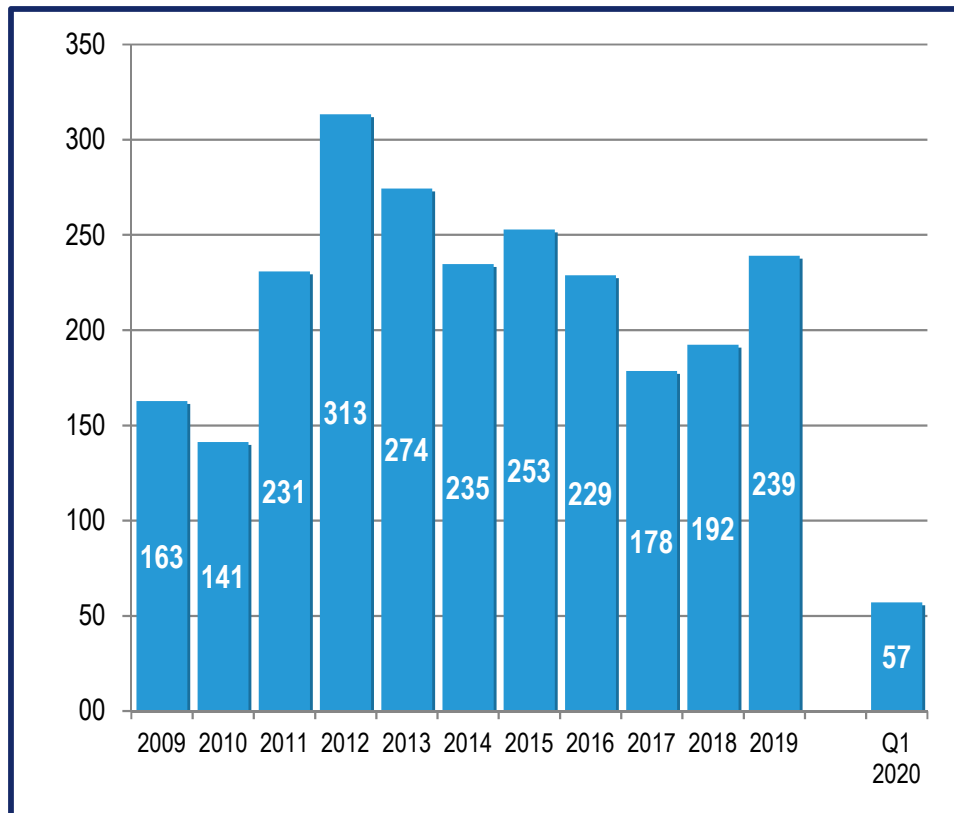


QoQ Trend

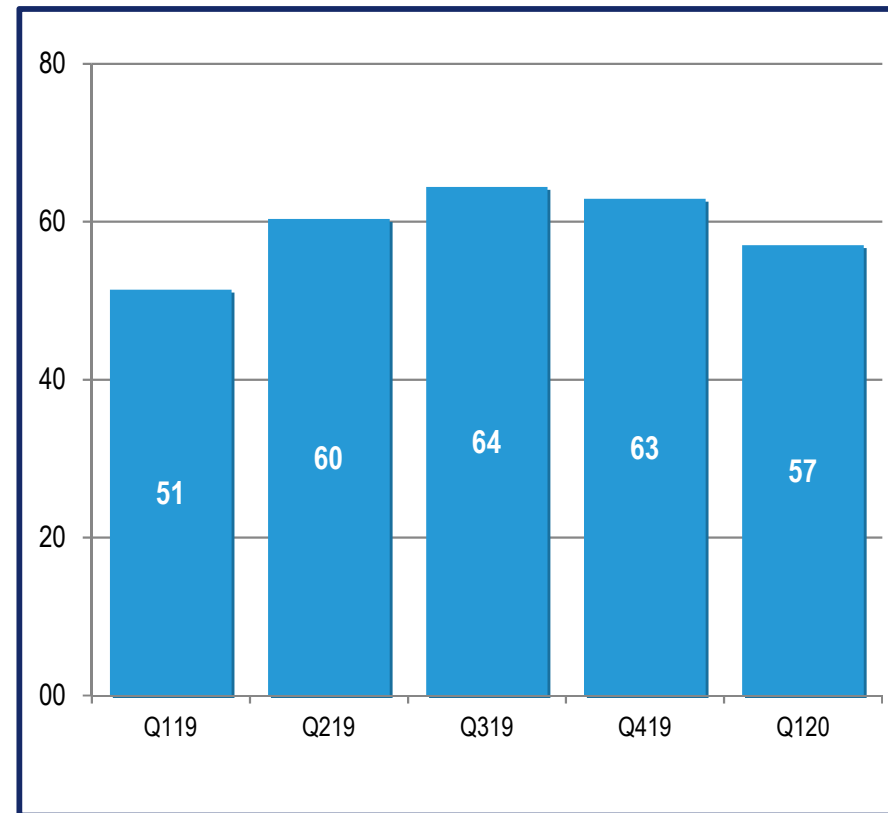


* Management Fees + Investment Management Fees

YoY Trend



QoQ Trend

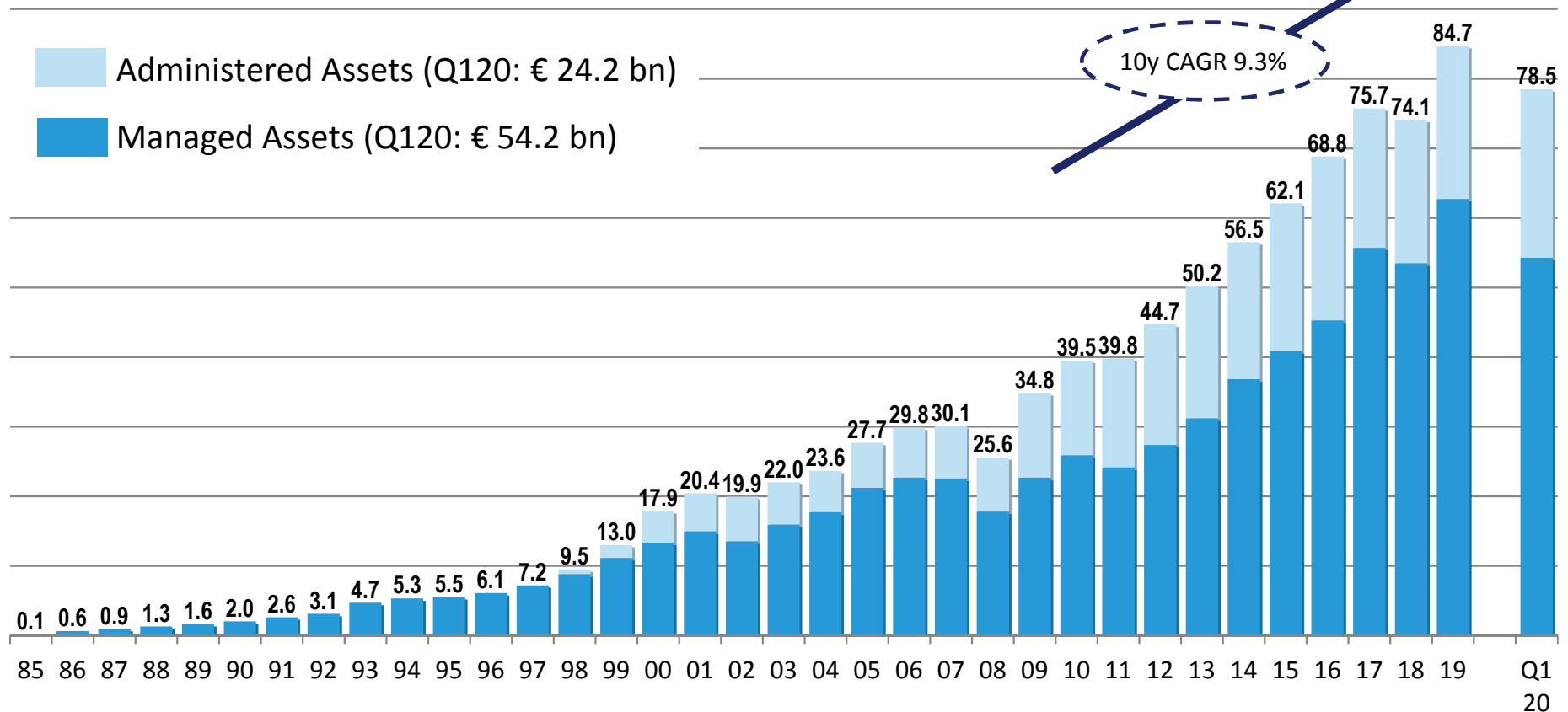


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AUA/AUM Trend

€ bn

 Q1 2020 Group



Figures do not include Banca Esperia assets, part of the group from 2001-2017

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Assets under Administration/Management

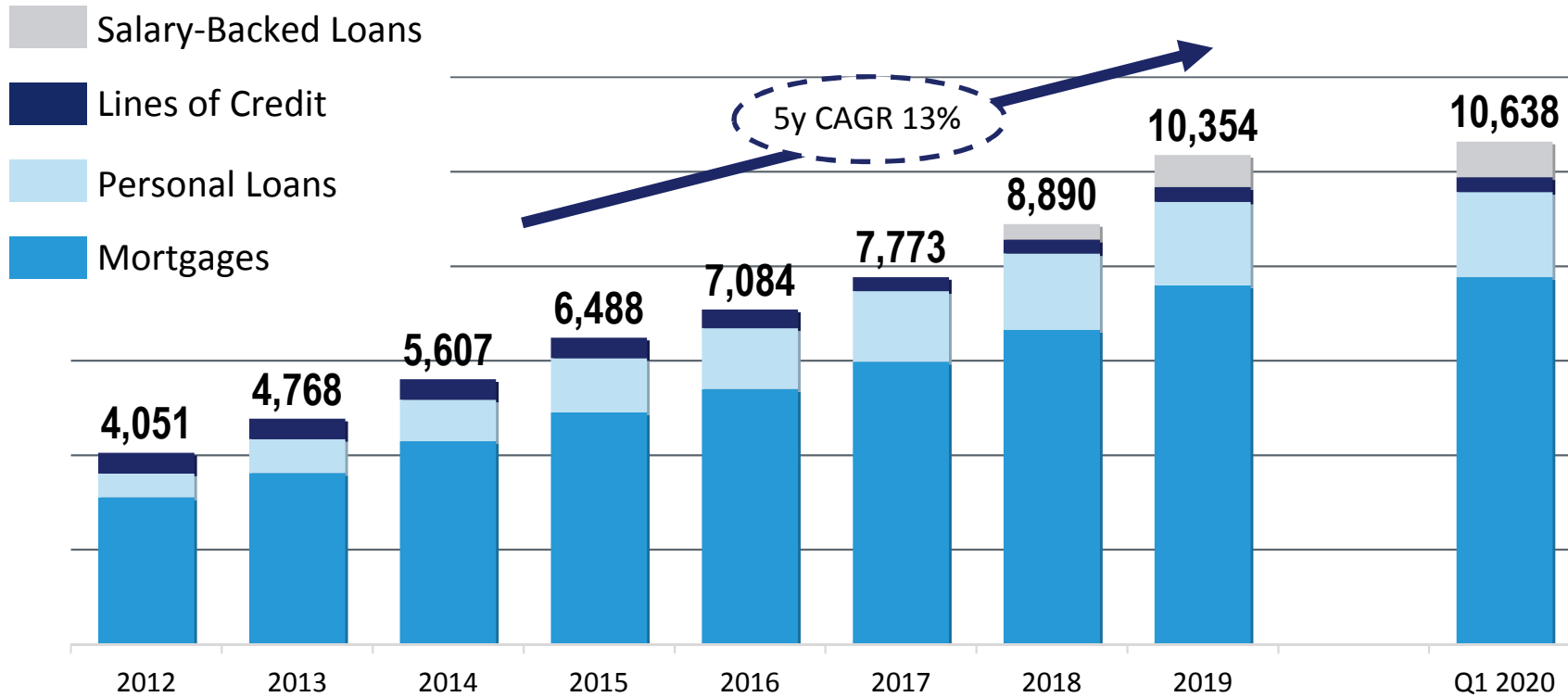
€ mn

Q1 2020
Group

	31/03/20	31/12/19	Change	31/03/19	Change
Mutual Funds & U-L Policies	47,557	55,263	-14%	51,069	-7%
Other Life Insurance Products	1,554	1,541	+1%	1,487	+4%
Banking	23,287	21,298	+9%	20,232	+15%
Italy – Banca Mediolanum	72,397	78,102	-7%	72,789	-1%
Mutual Funds & U-L Policies	3,798	4,188	-9%	3,675	+3%
Other Life Insurance Products	68	79	-14%	47	+44%
Banking	1,597	1,650	-3%	1,497	+7%
Spain – Banco Mediolanum	5,463	5,917	-8%	5,219	+5%
Mutual Funds & U-L Policies	453	530	-14%	484	-6%
Other Life Insurance Products	0	4	n.s.	10	n.s.
Banking	156	164	-5%	150	+4%
Germany – B. A. Lenz & Gamax	609	697	-13%	645	-6%
TOTAL AUA/AUM	78,469	84,716	-7%	78,653	-0%

	Q1 2020	Q1 2019
Managed Assets	+404	+795
<i>o/w Mutual Funds, U-L & Managed Accounts</i>	<i>+354</i>	<i>+648</i>
Administered Assets	+2,890	+346
GROUP TOTAL NET INFLOWS	+3,294	+1,142
Managed Assets	+234	+713
<i>o/w Mutual Funds, U-L & Managed Accounts</i>	<i>+167</i>	<i>+557</i>
Administered Assets	+2,834	+284
Italy – Banca Mediolanum Total Net Inflows	+3,068	+997
Managed Assets	+169	+72
<i>o/w Mutual Funds & U-L</i>	<i>+186</i>	<i>+81</i>
Administered Assets	+64	+66
Spain – Banco Mediolanum Total Net Inflows	+233	+138
Managed Assets	+1	+10
<i>o/w Mutual Funds & U-L</i>	<i>+2</i>	<i>+10</i>
Administered Assets	-8	-3
Germany – B.A. Lenz & Gamax Total Net Inflows	-7	+6

Steady growth regardless of macro-economic conditions



13 Credit Book

€ mn

 Q1 2020
Group

	31/03/20	31/12/19	Change	31/03/19	Change
Mortgages	7,767	7,589	+2%	6,816	+14%
Personal Loans	1,802	1,770	+2%	1,673	+8%
Lines of Credit	311	317	-2%	308	+1%
Salary-backed Loans	758	678	+12%	405	+87%
TOTAL	10,638	10,354	+3%	9,202	+16%

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Loans Granted

€ mn

Q1 2020
Group

	Q120	Q119	Change
Mortgages	348	318	+10%
Personal Loans	177	200	-11%
Salary-backed Loans	96	90	+7%
TOTAL	622	608	+2%
3rd-party Loans	7	9	-18%

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General Insurance Gross Premiums

€ mn



Q1 2020
Group

	Q120	Q119	Change
New Business	4.7	2.1	+122%
In-Force Business	9.4	7.9	+18%
Stand-Alone Policies	14.1	10.0	+40%
Loan Protection Policies	11.8	10.4	+13%
GROSS PREMIUMS	25.8	20.5	+26%

Q120

FY19

GROUP CAPITAL RATIOS

Total Capital Ratio 18.8% 19.5%

COMMON EQUITY TIER 1 RATIO 18.8% 19.5%

Risk-Weighted Assets 9,152 9,388

Total Regulatory Capital Held 2,141 2,137

Required Capital – Banks * 1,018 1,017

Solvency Capital Req. – Insurance companies** 822 724

Total Required Capital 1,840 1,741

EXCESS CAPITAL 301 396

* As per SREP, BMED required capital is 12.19% (min. Total Capital Ratio) of consolidated RWA insurance companies

** FY19 reconciliation reserve (part of total reg. capital held) & solvency capital req. are calculated according to the Solvency II as at 31/12/2019



Q1 2020 Domestic Market Results

	Q120	Q119	Change
Entry fees	9.1	6.3	+44%
Management fees	241.5	227.2	+6%
Investment Management fees	35.7	34.1	+5%
Net Insurance revenues ex U-L commissions	8.1	4.4	+83%
Banking service fees	32.9	31.4	+5%
Other fees	9.8	9.2	+7%
Gross Commission income	337.1	312.6	+8%
Acquisition costs	(127.8)	(118.0)	+8%
Other commission expenses	(15.3)	(14.1)	+9%
Net Commission Income	194.0	180.5	+7%
Net interest income	53.9	49.6	+9%
Equity contribution	0	0	n.s.
Net income on other investments	(8.9)	(11.5)	-22%
<i>o/w Impairment on loans</i>	(6.2)	(7.2)	-14%
Other revenues	4.3	5.9	-26%
Contribution Margin	243.3	224.5	+8%
G&A expenses	(125.0)	(116.5)	+7%
Regular Contributions to Banking Industry	(4.2)	(4.5)	-7%
Amortization & Depreciation	(7.2)	(7.9)	-8%
Provisions for risks & charges	(9.9)	(7.9)	+25%
Operating Margin	96.9	87.7	+11%
Performance fees	6.8	6.8	+1%
Net income on investments at fair value	(18.8)	(3.5)	+440%
Market Effects	(12.0)	3.3	n.s.
One-offs	0	0	n.s.
PROFIT BEFORE TAX	85.0	91.0	-7%
Income tax	(14.1)	(20.1)	-30%
NET INCOME	70.9	70.9	-0%

Income Statement by Quarter

€ mn



Q1 2020
Domestic Market

	Q119	Q219	Q319	Q419	Q120
Entry fees	6.3	6.4	6.3	8.0	9.1
Management fees	227.2	236.7	242.3	247.5	241.5
Investment Management fees	34.1	35.3	35.8	36.5	35.7
Net Insurance revenues ex U-L commissions	4.4	7.6	5.0	12.4	8.1
Banking service fees	31.4	27.1	30.0	46.2	32.9
Other fees	9.2	10.2	9.9	10.5	9.8
Gross Commission income	312.6	323.4	329.3	361.1	337.1
Acquisition costs	(118.0)	(120.1)	(119.8)	(136.8)	(127.8)
Other commission expenses	(14.1)	(15.0)	(15.3)	(15.7)	(15.3)
Net Commission Income	180.5	188.3	194.1	208.6	194.0
Net interest income	49.6	58.1	61.5	60.2	53.9
Equity contribution	0	5.9	15.6	0	0
Net income on other investments	(11.5)	(10.0)	(8.2)	(5.7)	(8.9)
<i>o/w Impairment on loans</i>	(7.2)	(6.4)	0.2	(5.7)	(6.2)
Other revenues	5.9	5.7	4.5	5.1	4.3
Contribution Margin	224.5	247.9	267.6	268.3	243.3
G&A expenses	(116.5)	(125.8)	(108.2)	(132.3)	(125.0)
Regular Contributions to Banking Industry	(4.5)	0.4	(9.9)	(1.4)	(4.2)
Amortization & Depreciation	(7.9)	(7.7)	(7.7)	(7.6)	(7.2)
Provisions for risks & charges	(7.9)	(10.2)	(15.6)	(26.2)	(9.9)
Operating Margin	87.7	104.7	126.1	100.7	96.9
Performance fees	6.8	11.7	9.7	374.2	6.8
Net income on investments at fair value	(3.5)	6.5	(14.0)	11.2	(18.8)
Market Effects	3.3	18.1	(4.3)	385.4	(12.0)
One-offs	0	(6.3)	0.3	(79.6)	0
PROFIT BEFORE TAX	91.0	116.6	122.2	406.5	85.0
Income tax	(20.1)	(20.1)	(14.6)	(110.7)	(14.1)
NET INCOME	70.9	96.4	107.6	295.8	70.9

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Acquisition Costs in detail

€ mn



Q1 2020
Domestic Market

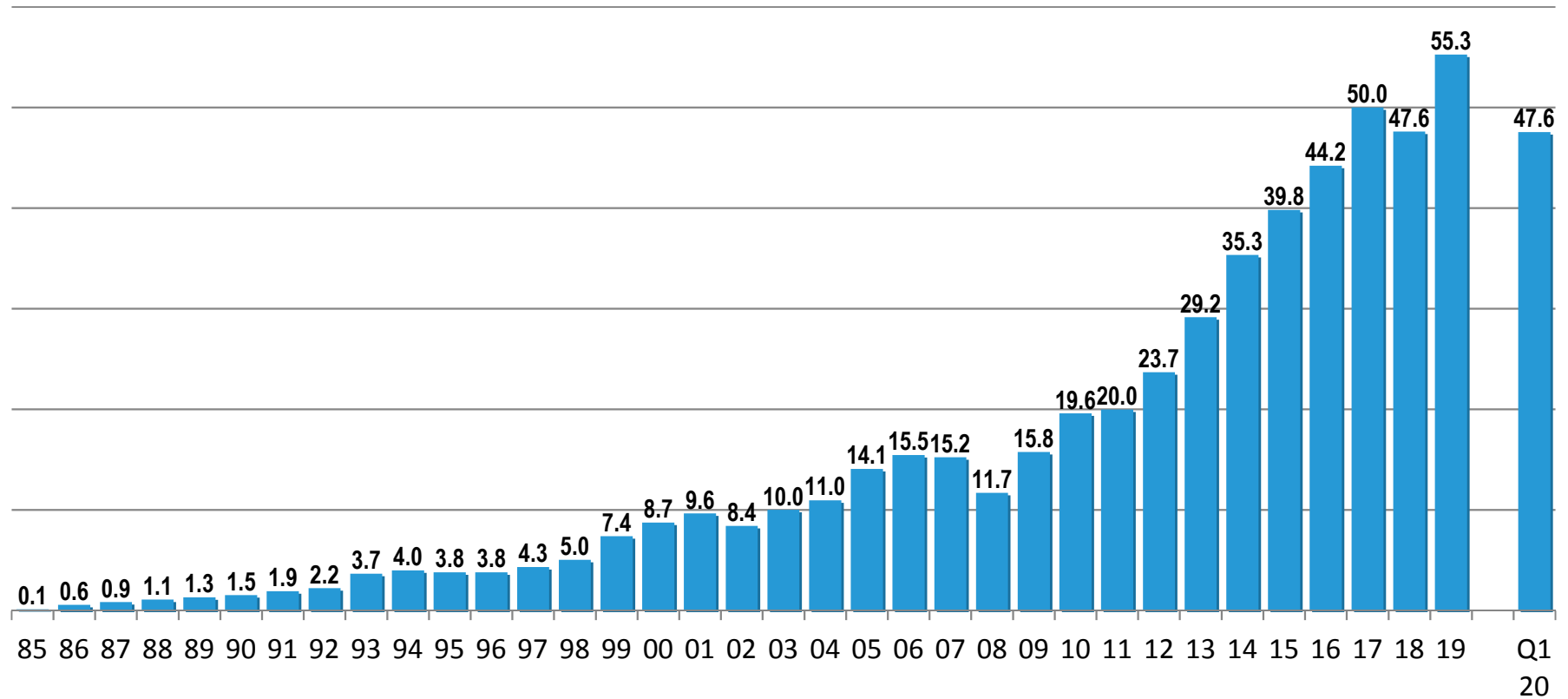
	Q120	Q119	Change
One-time commissions	19.9	16.3	+22%
Ongoing commissions	82.8	80.3	+3%
Total commissions	102.7	96.6	+6%
Incentives on individual net inflows	9.2	7.2	+28%
Contests & bonuses	2.3	1.9	+22%
Reimbursement of costs for customer events	1.0	1.5	-33%
Total incentives & bonuses	12.6	10.7	+18%
Costs related to the agency agreement	7.6	6.6	+15%
EuroCQS Agent Commissions	4.9	4.1	+20%
TOTAL ACQUISITION COSTS	127.8	118.0	+8%

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Mutual Funds AUM Trend

€ bn – including U-L assets

m Q1 2020
Domestic Market



Mutual Funds Assets under Management

€ mn



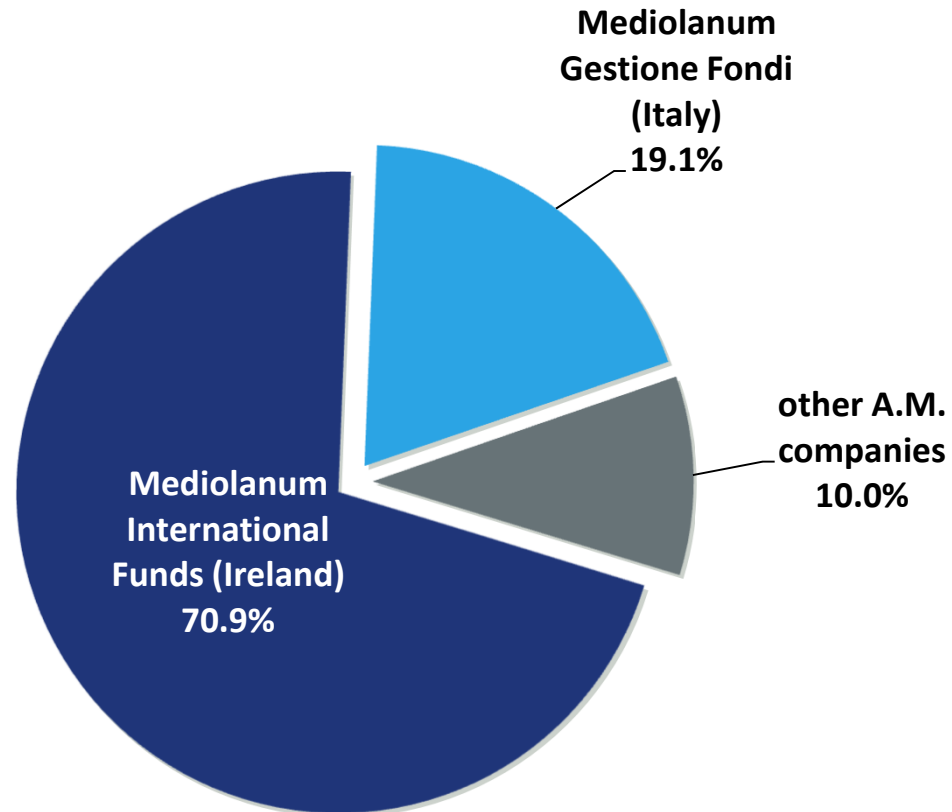
Q1 2020
Domestic Market

	31/03/20	31/12/19	Change	31/03/19	Change
'Best Brands' funds of funds (IRL)	17,071	20,114	-15%	18,907	-10%
'Challenge' mutual funds (IRL)	13,351	15,544	-14%	14,082	-5%
Funds of Hedge Funds (IRL)	53	55	-4%	56	-5%
'Fondi Italia' mutual funds (ITA)	8,312	9,886	-16%	9,949	-16%
'Real estate' fund (ITA)	292	293	-0%	290	+1%
3rd-party stand-alone funds	2,730	3,115	-12%	2,915	-6%
Other	1,276	1,404	-9%	1,285	-1%
<i>Adj. for own mutual funds in FoFs & Managed accts.</i>	<i>(248)</i>	<i>(259)</i>	<i>-4%</i>	<i>(207)</i>	<i>+20%</i>
'MyLife' U-L policy	6,684	7,273	-8%	6,065	+10%
Other U-L policies	13,504	15,774	-14%	14,125	-4%
<i>Adj. for own mutual funds in U-L policies</i>	<i>(15,468)</i>	<i>(17,936)</i>	<i>-14%</i>	<i>(16,398)</i>	<i>-6%</i>
ASSETS IN MUTUAL FUNDS & U-L	47,557	55,263	-14%	51,069	-7%

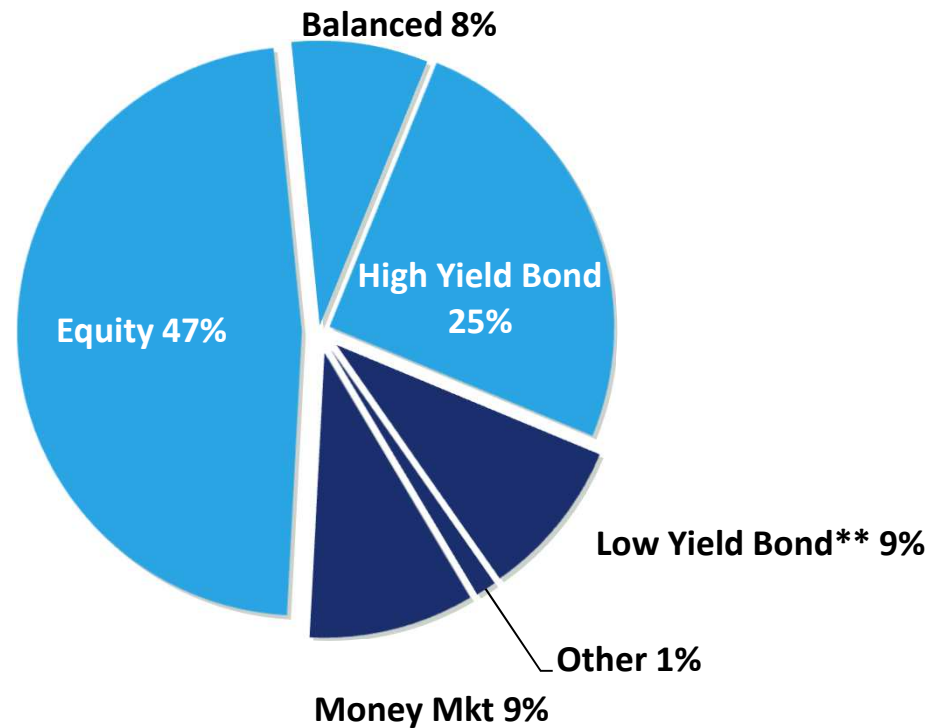
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Mutual Funds Assets by A.M. company as at 31/03/2020 – including U-L assets

 Q1 2020
Domestic Market



Mutual Funds Assets* by category as at 31/03/2020 – 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

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Banking Assets under Administration € mn

Q1 2020
Domestic Market

	31/03/20	31/12/19	Change	31/03/19	Change
Cash Deposits	19,999	17,378	+15%	15,942	+25%
Repurchase agreements	37	21	+78%	661	-94%
Mediolanum bonds	0	11	n.s.	33	n.s.
3rd-party structured bonds	807	1,084	-26%	712	+13%
Other securities	2,443	2,804	-13%	2,885	-15%
BANKING ADMINISTERED ASSETS	23,287	21,298	+9%	20,232	+15%

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Banking Credit Book & Quality

€ mn – as at 31/03/2020



Q1 2020
Domestic Market

	31/03/20	31/12/19	Change	31/03/19	Change
Mortgages	7,323	7,167	+2%	6,459	+13%
Personal Loans	1,689	1,661	+2%	1,588	+6%
Lines of credit	278	286	-3%	279	-0%
Salary-backed Loans (EuroCQS)	758	678	+12%	405	+87%
Total Credit Book	10,048	9,792	+3%	8,731	+15%

% on total loans

Banca Mediolanum

Italian Banks*

Gross non-performing Loans	1.30%	7.2% as at 30/09/2019
Net non-performing Loans	0.64%	3.3% as at 31/12/2019
Cost of Risk	0.19% as at 31/12/2019	

* Source: Bank of Italy – ‘Banks and Financial Institutions: Credit Conditions and Risk by Sector and Geographical Area – Q4 2019’ & ‘Financial Stability Report No. 1 2020’

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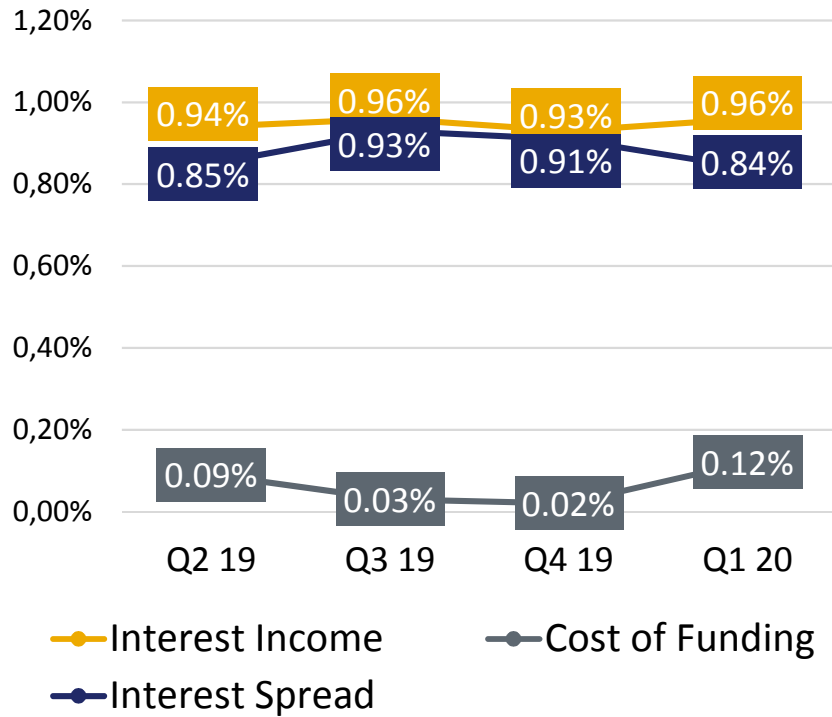
Banking Loans Granted

€ mn

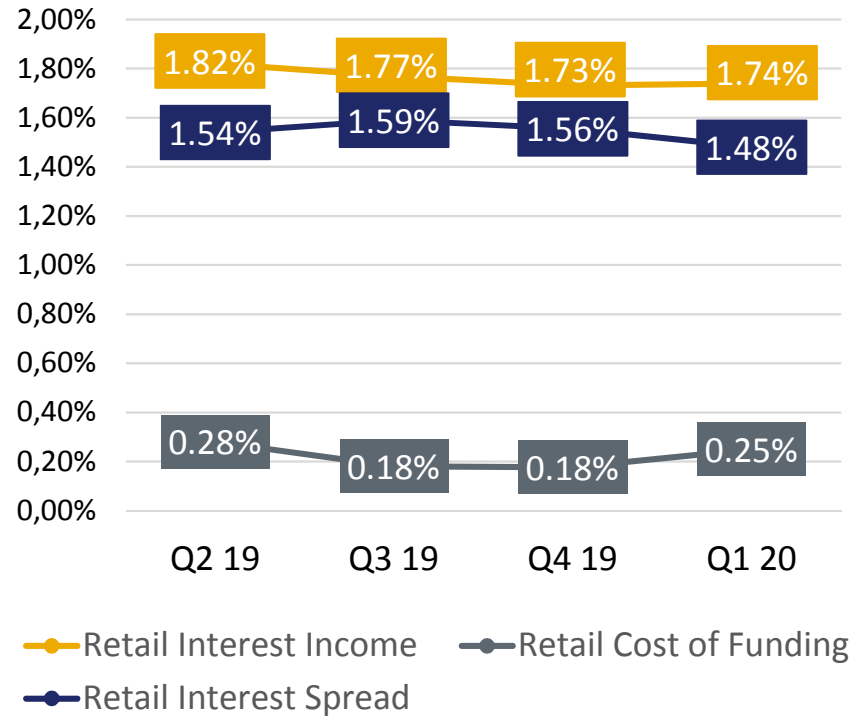
Q1 2020
Domestic Market

	Nominal Interest Rate	Q120	Q119	Change
Mortgages	1.18%	319	296	+8%
Personal Loans	2.98%	164	189	-13%
Salary-backed Loans (EuroCQS)	5.56%	96	90	+7%
TOTAL		580	576	+1%
3rd-party Loans	n.s.	7	9	-18%

Total Book



Retail Book



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Bank Balance Sheet Highlights

€ mn – as at 31/03/2020

Q1 2020
Domestic Market

	Liabilities	Assets
Retail	20,101	9,289
Treasury	7,552	18,427
o/w interbank / intra-group deposits & repos	1,543	2,615
o/w ECB refinancing	0	0
o/w MTS refinancing	6,009	774
o/w securities (bonds)		15,038
Other liabilities / assets	3,324	3,261
TOTAL	30,977	30,977

Operating Liquidity (24hr) : € 11,152 mn

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Insurance Life – Policyholders' Assets

€ mn

Q1 2020
Domestic Market

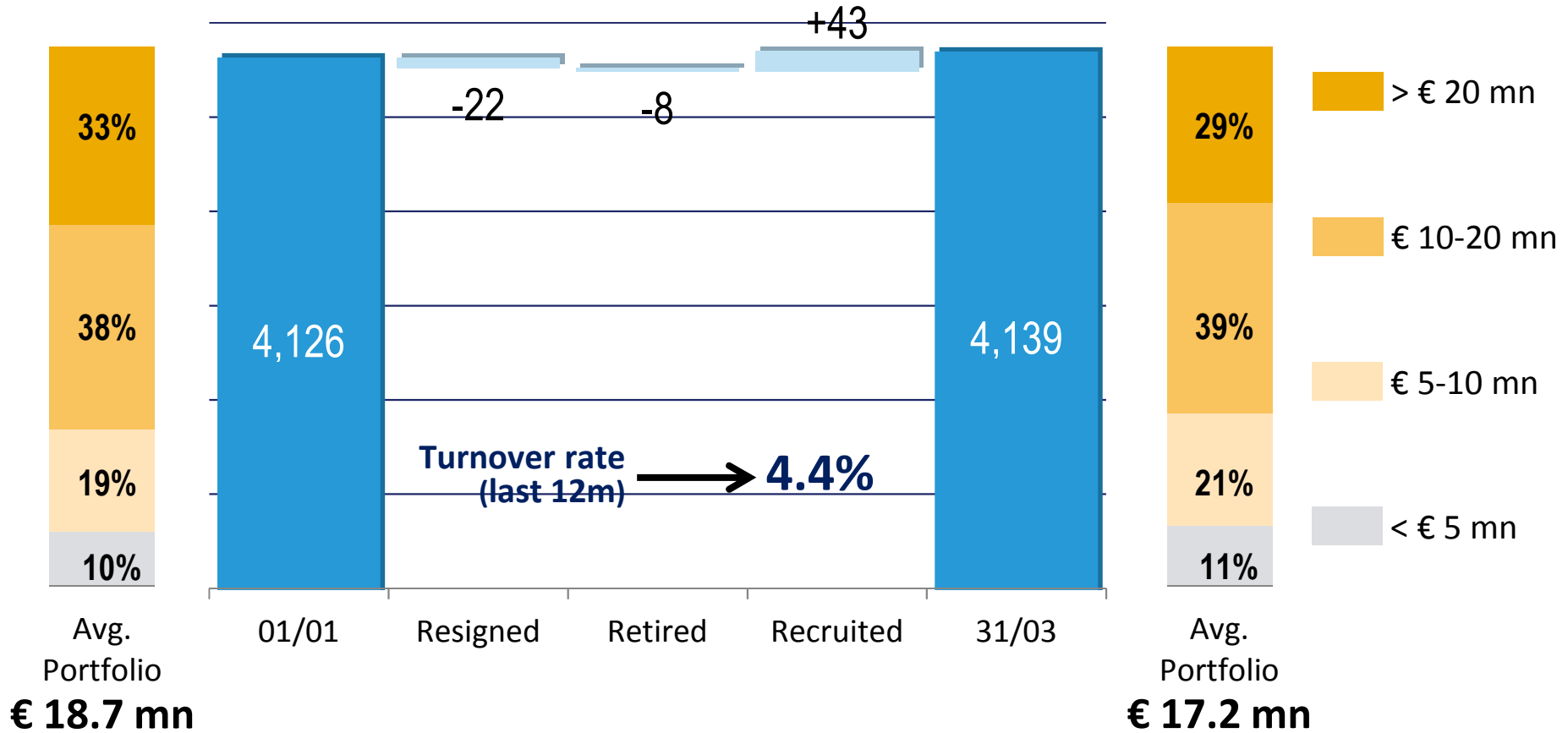
	31/03/20	31/12/19	Change	31/03/19	Change
Traditional	1,554	1,541	+1%	1,487	+4%
Unit-linked pension plans	6,131	7,200	-15%	6,511	-6%
Unit-linked endowment policies	3,210	3,728	-14%	3,600	-11%
Unit-linked investment policies	10,847	12,119	-10%	10,080	+8%
Unit-linked	20,188	23,047	-12%	20,191	-0%
<i>o/w equity</i>	<i>49.6%</i>	<i>53.6%</i>	<i>-7%</i>	<i>52.2%</i>	<i>-5%</i>
LIFE ASSETS (EX-'FREEDOM')	21,742	24,588	-12%	21,678	+0%

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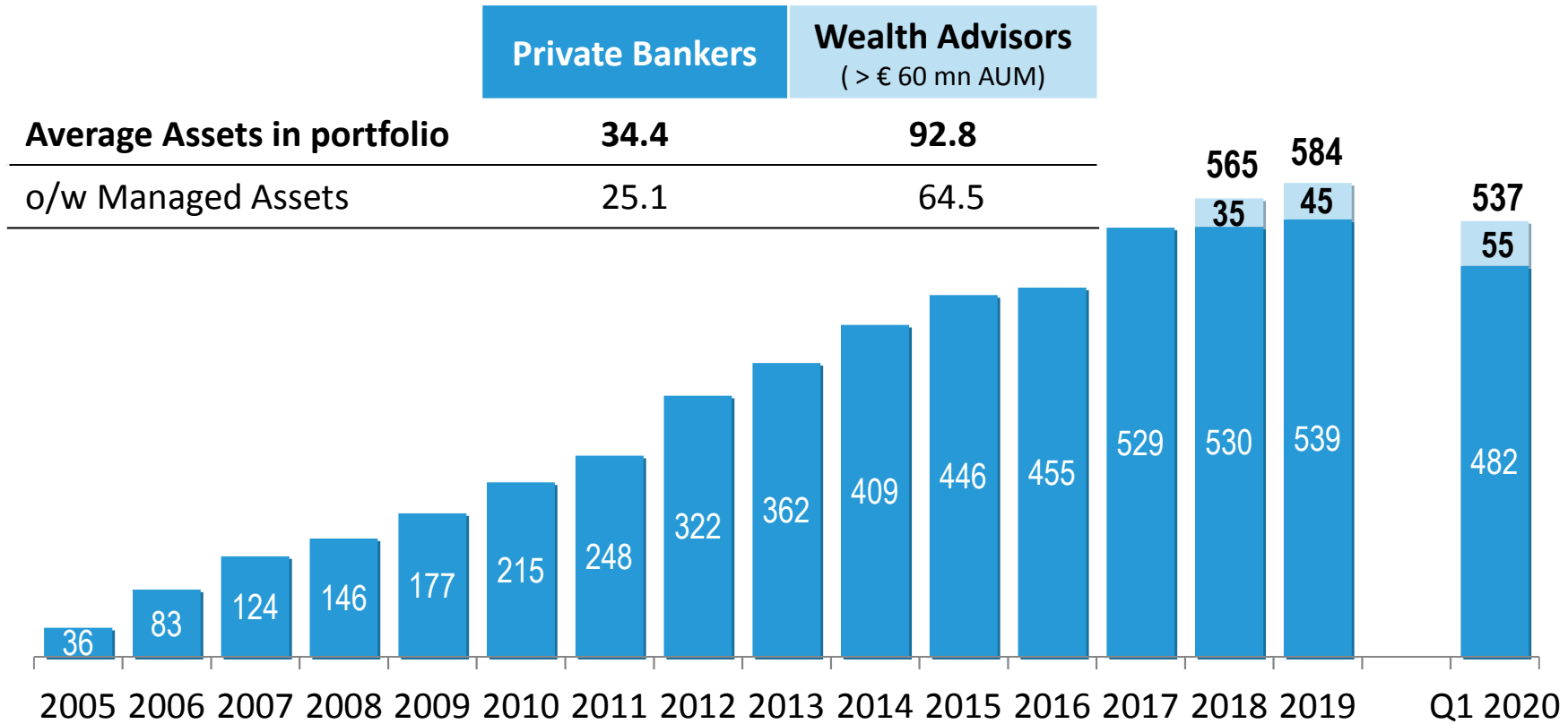
Family Banker® Network - Italy

Change in headcount & Split by average portfolio – Year 2020

 Q1 2020
Domestic Market



'Private Bankers' & 'Wealth Advisors'* - Italy as at 31/03/2020



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



Q1 2020 Foreign Markets Results

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Spain Highlights

€ mn



Q1 2020
Foreign Markets

	Q120	Q119	Change	vs.FY19
Net Income	5.3	4.1	+28%	
Managed Assets	3,866	3,722	+4%	-9%
Administered Assets	1,597	1,497	+7%	-3%
Total Assets	5,463	5,219	+5%	-8%
Net Inflows into Managed Assets	169	72	+133%	
Net Inflows into Administered Assets	64	66	-2%	
Total Net Inflows	233	138	+69%	
Credit Book	590	471	+25%	+5%
Family Bankers	1,058	982	+8%	+3%
Customers	140,994	128,415	+10%	+3%

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Germany – Total Highlights

€ mn



Q1 2020
Foreign Markets

	Q120	Q119	Change	vs.FY19
Net Income	(3.9)	(2.9)	+35%	
Managed Assets	453	494	-8%	-15%
Administered Assets	156	150	+4%	-5%
Total Assets	609	645	-6%	-13%
Net Inflows into Managed Assets	1	10	-91%	
Net Inflows into Administered Assets	(8)	(3)	+154%	
Total Net Inflows	(7)	6	n.s.	
Family Bankers	41	45	-9%	-2%
Customers	5,961	5,920	+1%	+0%

36

Germany – Bankhaus August Lenz

Highlights

€ mn



Q1 2020
Foreign Markets

	Q120	Q119	Change	vs.FY19
Net Income	(4.2)	(3.1)	+36%	
Managed Assets	280	294	-5%	-14%
Administered Assets	156	150	+4%	-5%
Total Assets	436	445	-2%	-11%
Net Inflows into Managed Assets	8	7	+20%	
Net Inflows into Administered Assets	(8)	(3)	+154%	
Total Net Inflows	0	4	-90%	
Family Banker	41	45	-9%	-2%
Customers	5,961	5,920	+1%	+0%

37

Germany – Gamax Highlights

€ mn



Q1 2020
Foreign Markets

	Q120	Q119	Change	vs.FY19
Net Income	0.3	0.2	+50%	
Assets under Management	173	200	-13%	-17%
Net Inflows	(8)	3	n.s.	



Business Update

39

April 2020 Business Results

€ mn



Business Update

	Apr '20	YTD '20	YTD '19
Managed Assets	+585	+989	+1,071
<i>o/w Mutual Funds, U-L & Managed Accounts</i>	<i>+534</i>	<i>+889</i>	<i>+880</i>
Administered Assets	+154	+3,044	+414
GROUP TOTAL NET INFLOWS	+739	+4,033	+1,485
GROUP LOANS GRANTED	+174	+796	+807
GENERAL INSURANCE PREMIUMS	+8	+34	+28

Italian Sales Networks Ranking by Net Inflows into Mutual Funds

€ thousands - totals by Group



	Q1 2020		
	Mutual Funds*	Managed Assets	Total Net Inflows
Allianz Bank	417	460	1,001
Banca Mediolanum	161	167	2,808
Che Banca!	132	191	408
Azimut	103	342	831
Banca Generali	95	140	1,494
Consultinvest	- 13	- 11	2
BNL - BNP Paribas	- 20	36	228
Banca Euromobiliare	- 49	- 20	4
Banca Widiba	- 59	- 63	102
IW Bank	- 78	- 45	127
Credem	- 135	- 124	107
Deutsche Bank (Finanza & Futuro)	- 391	- 189	83
Banca Fideuram (incl. Sanpaolo Invest)	- 537	- 299	1,285
Finecobank	- 697	- 188	1,919

* including those underlying Unit-Linked policies & Managed Accounts

Source: Assoreti

- ▶ 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.



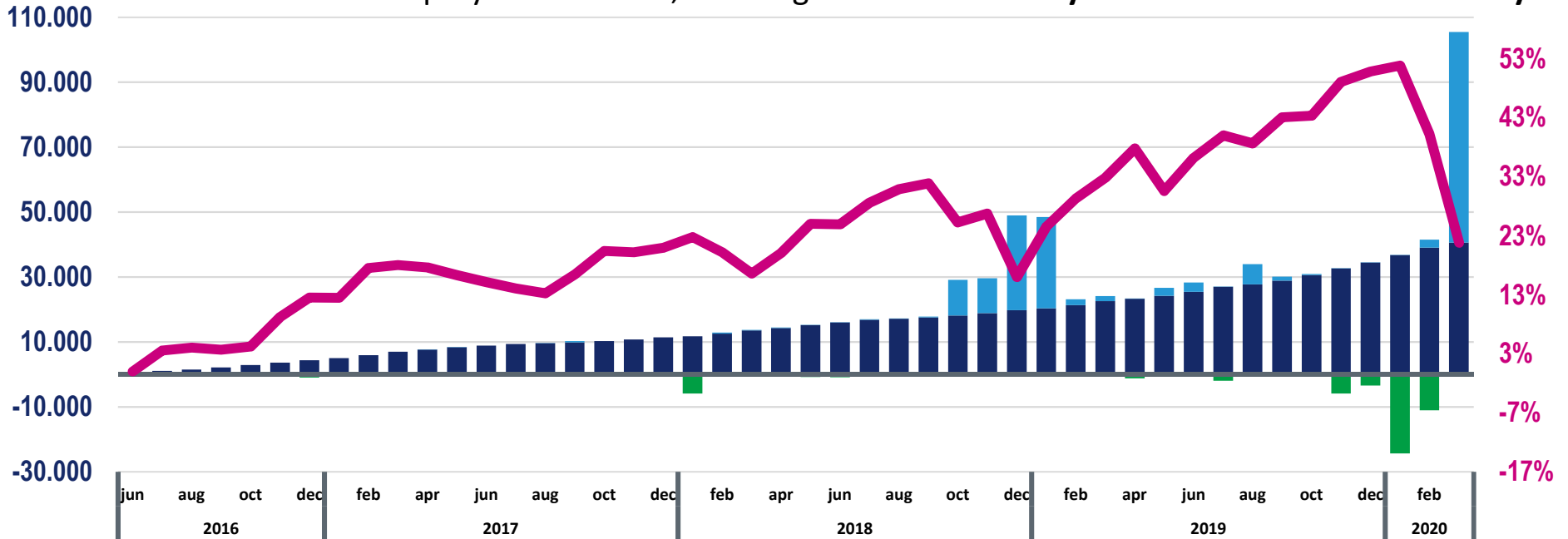
Equity Fund Unit Price

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 220,000 step-in/step-outs automatically multiplied the transferred amount to & from selected Global Equity Investments, allowing **customers to fully benefit from market volatility**



*Source: BMED ■ Planned Instalment Plans - LHS ■ step-in (x2 x3 x4 x5) - LHS ■ step-out - LHS ■ MSCI WORLD E - NR - RHS

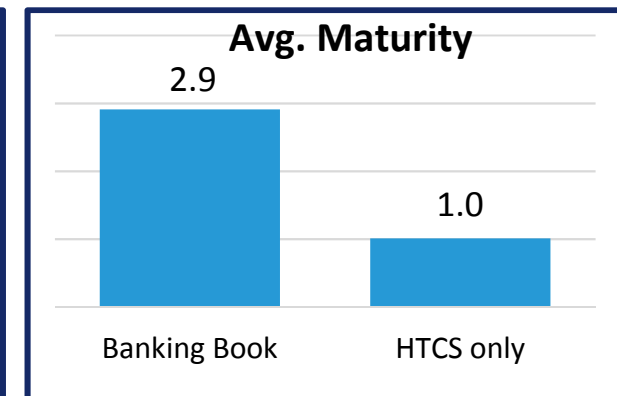
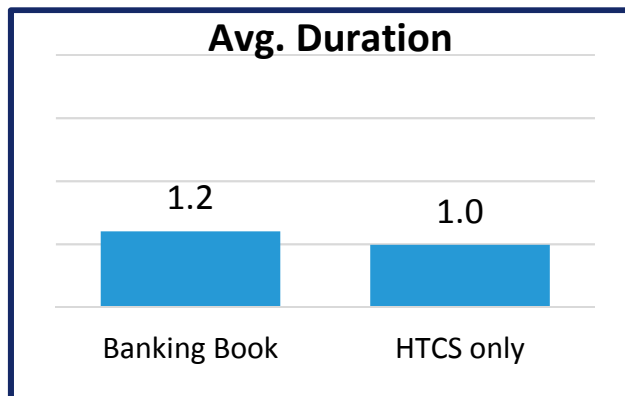
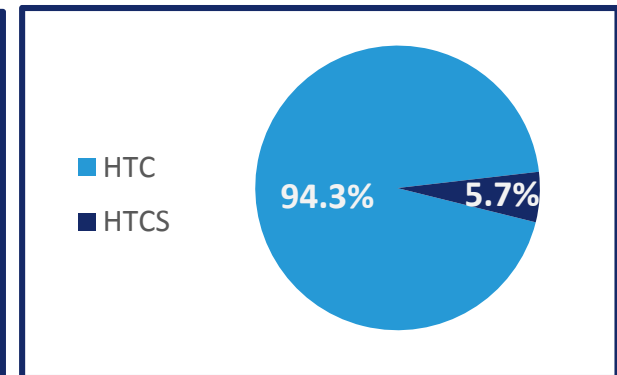
43 Banking Book

€ bn - nominal values – as at 31/03/2020

Banking Book: € 16.0 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. 1.2 year)

Sector	%
Government	99.4%
Financial	0.6%
Govies	
Italy	97.5%
Spain	2.5%





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 RESULTS SO FAR

- **New Business Premiums** increased by **122%** in 2019

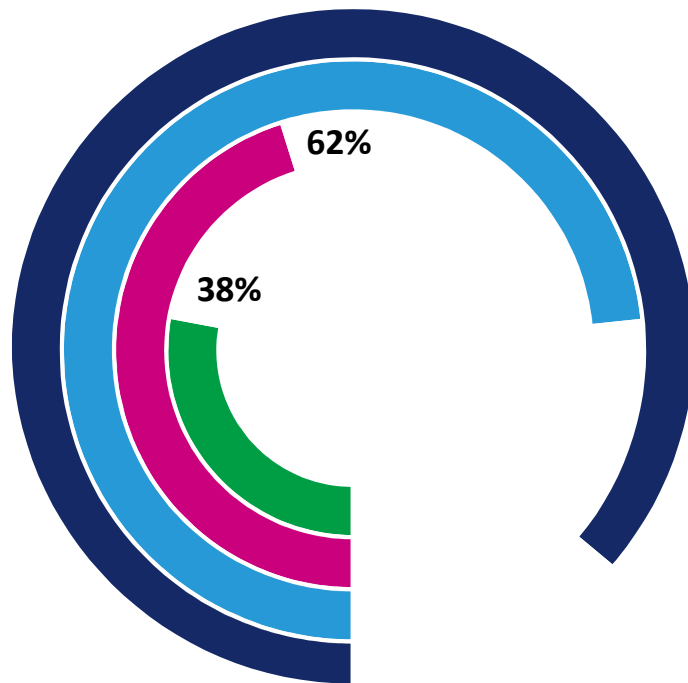
THE PRODUCTS

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** – Over 100 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 >56%**



1,329,128 Total Customers

5Y CAGR: 4%

■ 1,144,038 Primary Account Holders

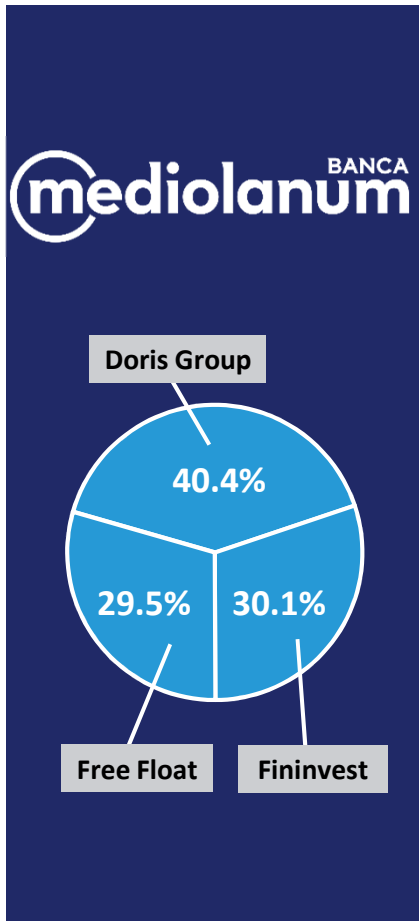
■ 975,363 Bank Account Holders:

■ 62% o/w use BMED as Primary Bank

■ 38% o/w use BMED as the Only Bank
(according to 2018 Customer Survey)



Mediolanum Facts



BANKING
100%

Banco Mediolanum	Bankhaus August Lenz	Mediolanum Fiduciaria
------------------	----------------------	-----------------------

ASSET MANAGEMENT
100%
(direct & indirect ownership)

Mediolanum Gestione Fondi 100% Banca Mediolanum	Mediolanum International Funds 92% Banca Mediolanum 5% Banco Mediolanum 3% Bankhaus A. Lenz	Mediolanum Gestion S.A. 100% Banco Mediolanum
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INSURANCE
100%

Mediolanum Vita	Mediolanum International Life	Mediolanum Assicurazioni
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OTHER
100%

Mediolanum Comunicazione	Euro CQS
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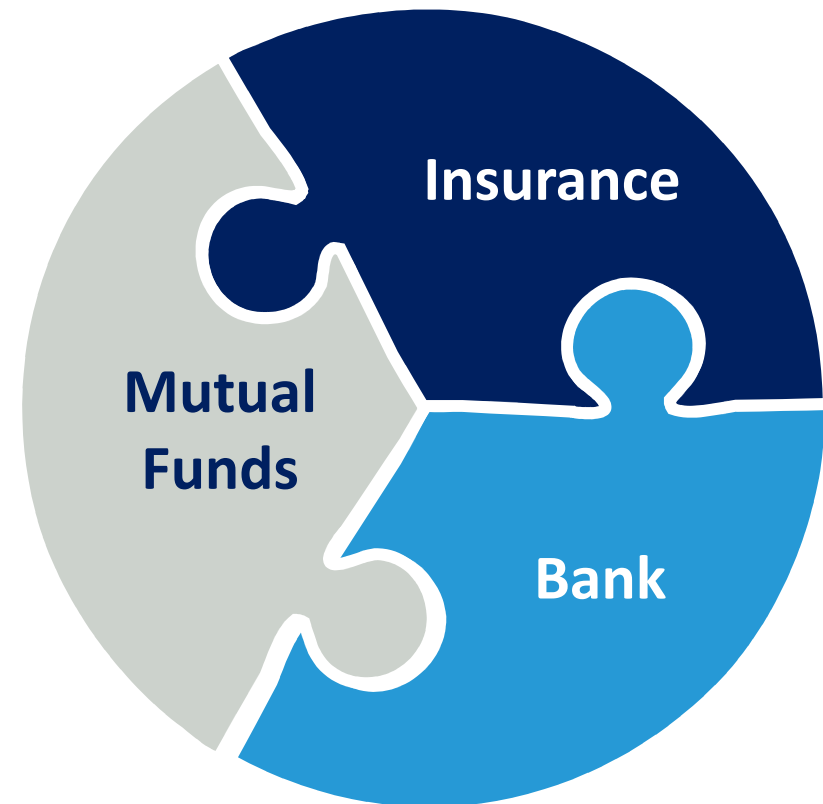
3.3% (directly & through Mediolanum Vita)

Mediobanca

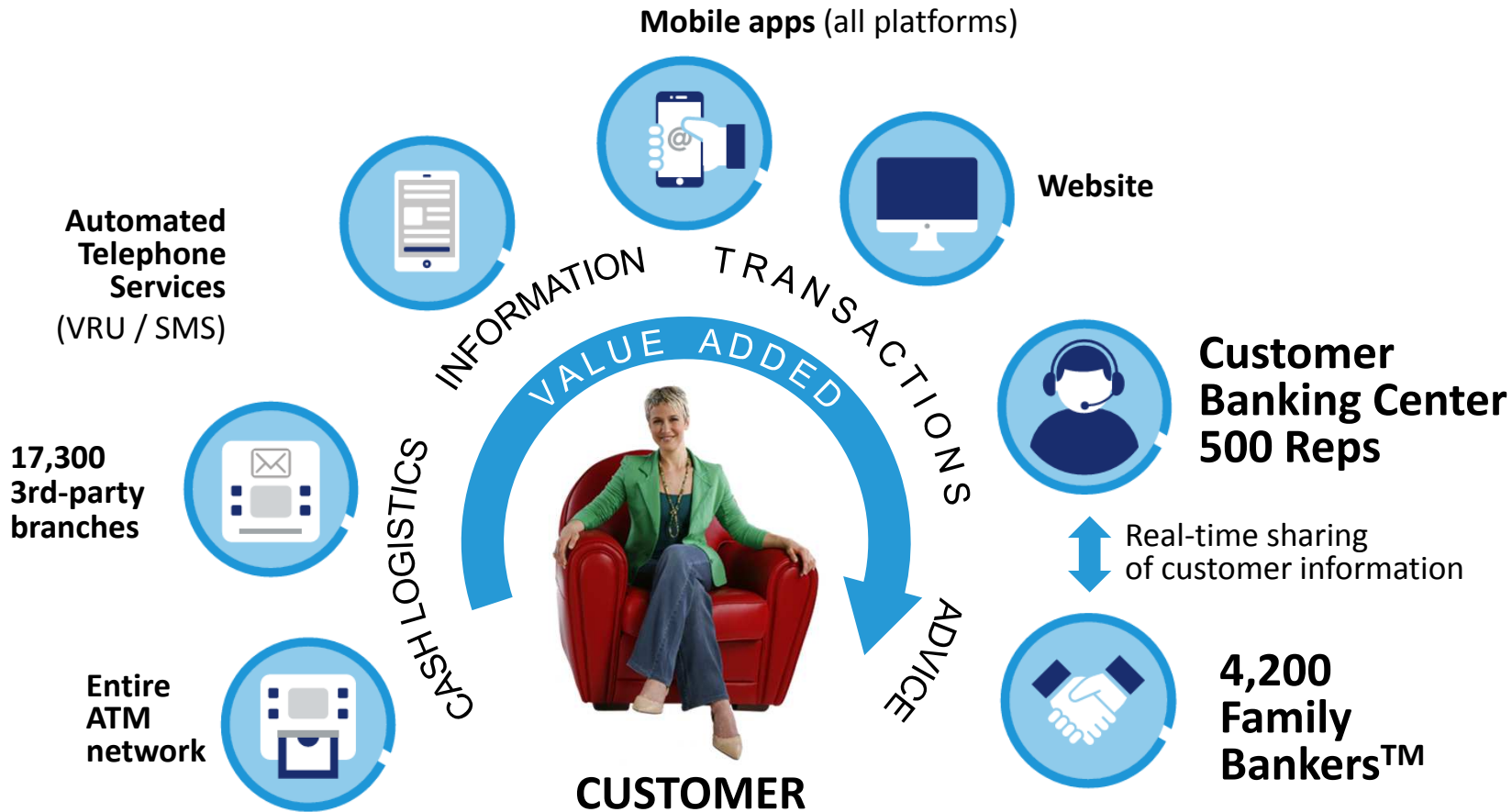


All companies Italy-based unless otherwise indicated

- ▶ 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 Multi-channel Model



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

Family Bankers: the human touch



Mediolanum
Facts

- Self-employed tied agents with entrepreneurial approach
- Extensively trained to tackle every household financial need
- Share Mediolanum's view that banking services are an effective acquisition & retention tool
- Compensated even for operations performed by customers through direct channels
- Willing to provide advice anytime, anywhere
- Equally competent across all product lines
- Unlike the typical FA, offer assistance also with everyday banking needs
- Synergy, not competition, between human and direct channels

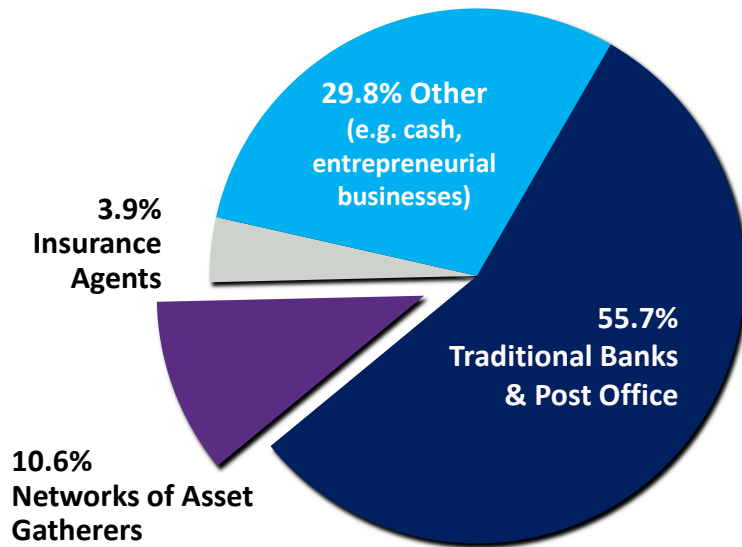


Customers: freedom in banking

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

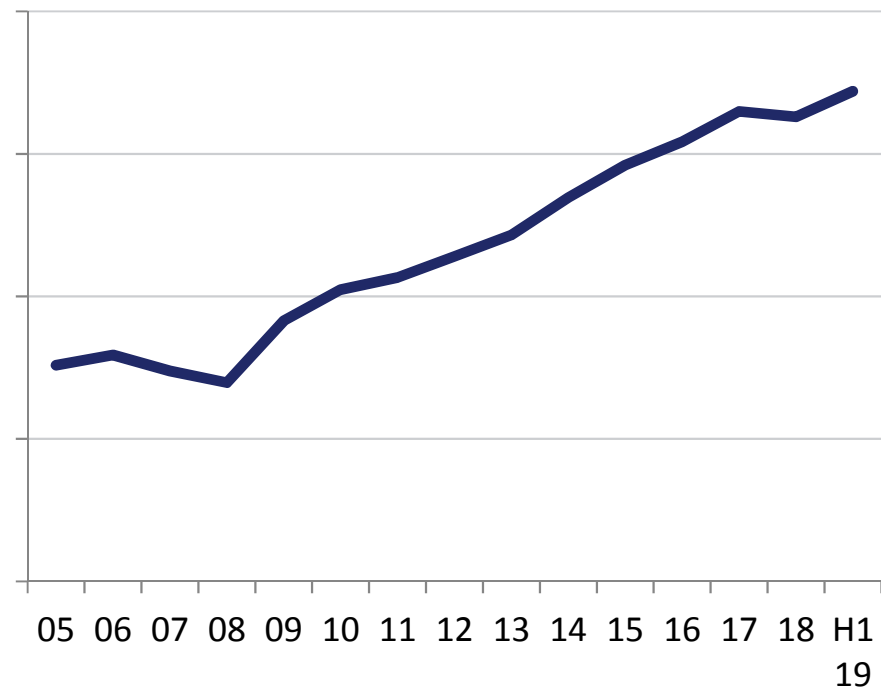
Italian Household Financial Assets as at 30/06/2019 – real estate not included

Total HH Assets: € 4,315 bn



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

BMED Market Share: 1.72%



Source: Bank of Italy / ECB / Assoreti / Prometeia / Mediolanum estimates

A 'real' Bank with a Solid Set of Numbers as at 31/03/2020


ROE
20.1%

10 Y avg. 2010- 2019

Retail Deposits
€ 20.1 bn¹
% Gross NPLs
1.30%¹

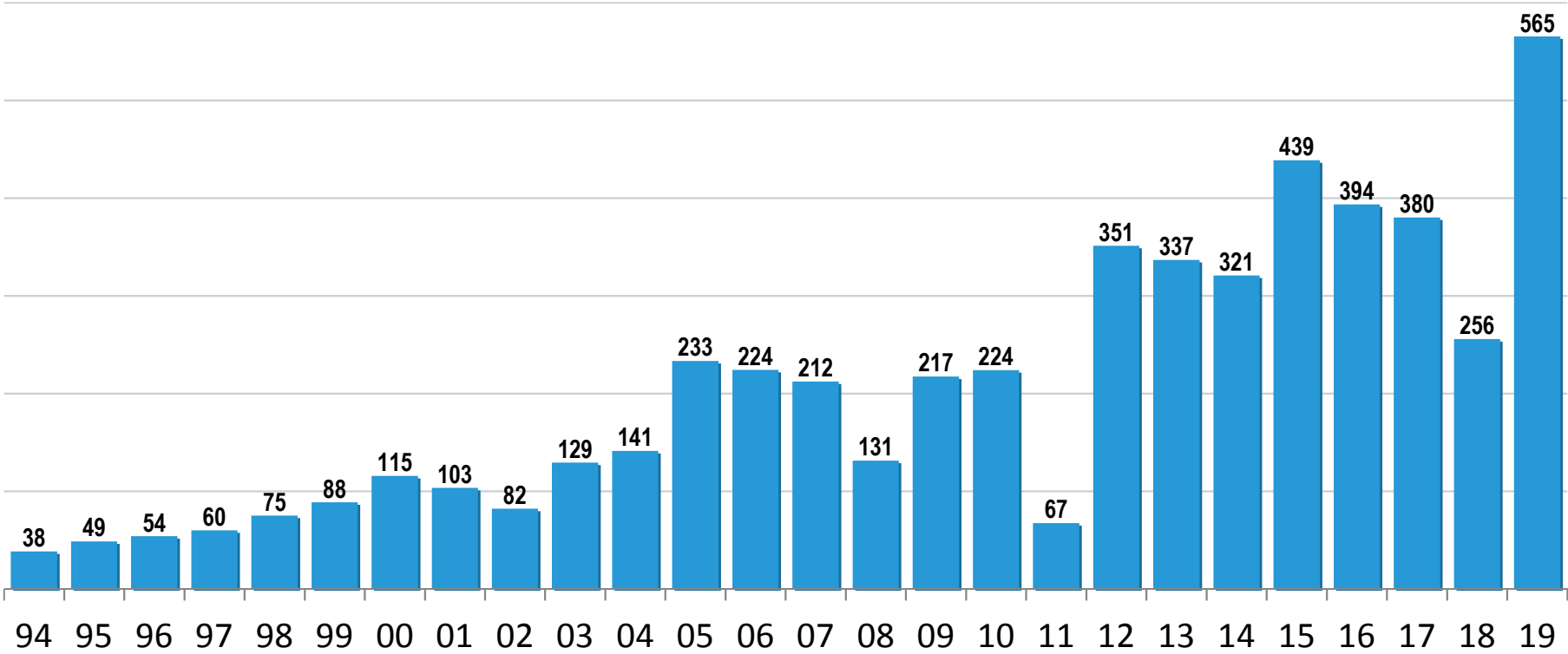
 vs 7.2% Italian Banks²
LCR
397%
CET1
18.8%
Retail Credit Book
€10.0 bn¹
% Net NPLs
0.64%¹

 vs 3.3% Italian Banks²
NSFR
168%

as at 31/12/2019

1. Data refers to Domestic Market Only.

2. Source: Bank of Italy – 'Banks and Financial Institutions: Credit Conditions and Risk by Sector and Geographical Area – Q4 2019' & 'Financial Stability Report No. 1 2020'

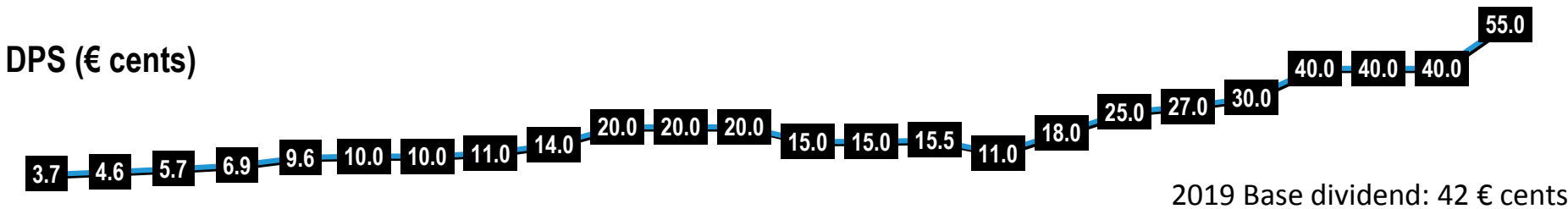
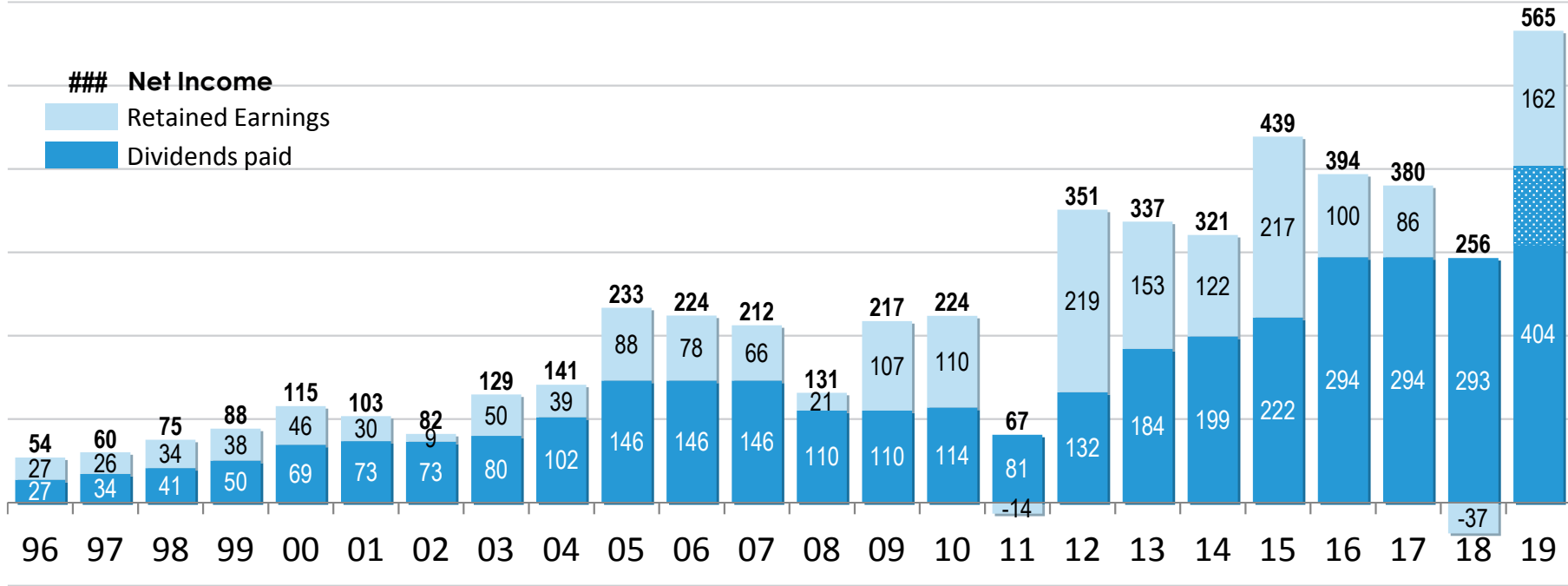


2008 & 2010: adjusted net income excluding effects of 'Lehman Brothers' operation

- Interim dividend paid in November 2019	21 eurocents
- Dividend balance to be paid in October 2020*	34 eurocents
Dividend per share	55 eurocents**
of which:	
- Base Dividend	42 eurocents
- Special Dividend	13 eurocents
Total amount of dividends	€403.5 mn

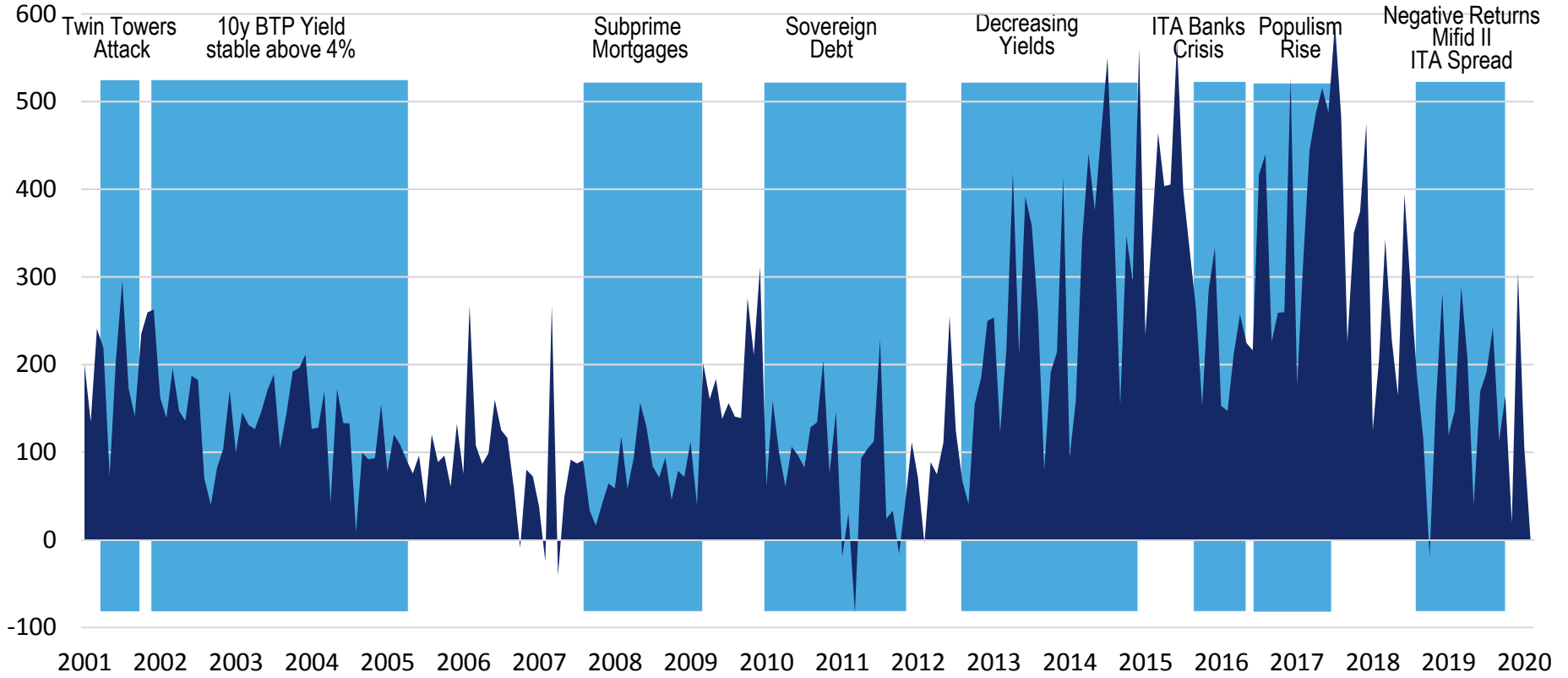
* Postponement imposed by Regulators due to Covid-19 pandemic.

** The full amount is an Ordinary Dividend entirely related to 2019 Net Income.



20 Years of Consistent Net Inflows

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

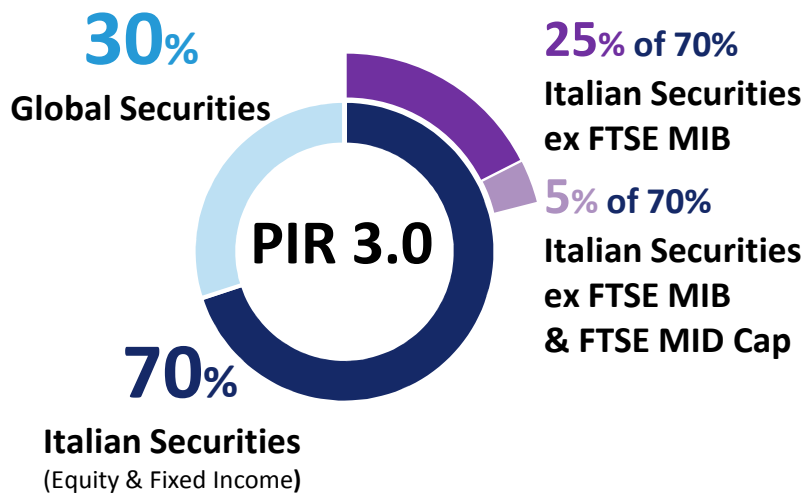


Source: Assoreti

■ Net Inflows into Managed Assets

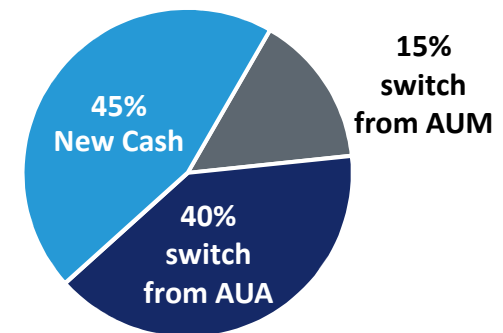
57 **PIR – Piani Individuali di Risparmio**
launched March 2017

- Individual Savings Plans introduced by **2017 Budget Law** (inspired by UK ISA & French PEA). Revamped in 2020
- Tax exemptions of Capital Gains & Inheritance taxes**
 - on up to **€30k investment/year** (max **€150k in total**)
 - required **min. 5-year** investment period
- Only **1 PIR per person**. Benefits lost if customer changes A.M. co.



BMED Inflows

2017: € 2.4 bn
2018: € 801 mn
2019: € -73 mn vs € -1.1* bn Italy
Market Share: 22%*
Compliant w/2020 law since Feb 2020



*Source: Assogestioni – ‘Quarterly Report on Managed Assets’

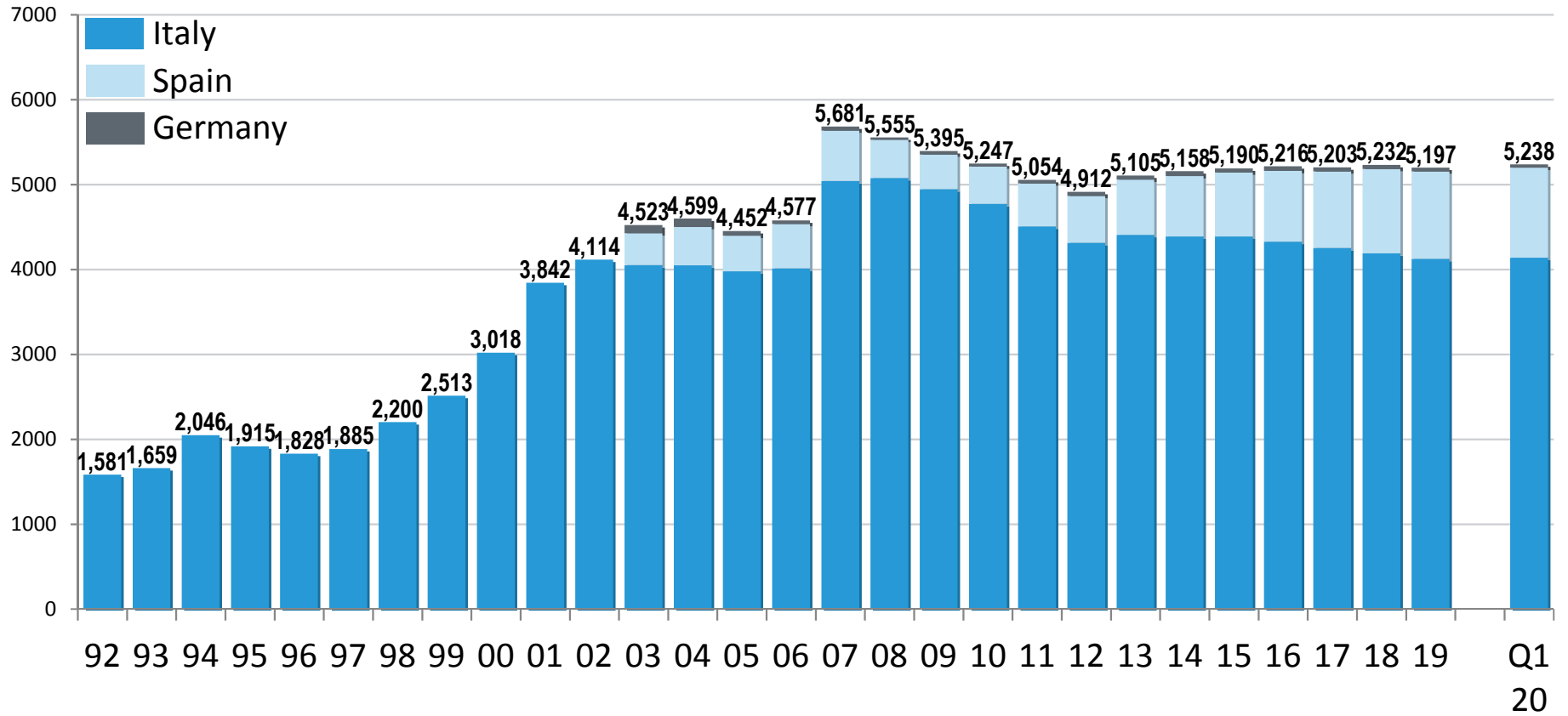
BMED is a vertically integrated model offering advice, products, services, an advanced digital platform, high interest rates on deposits

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%
Total Assets	1.77%	1.33%

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

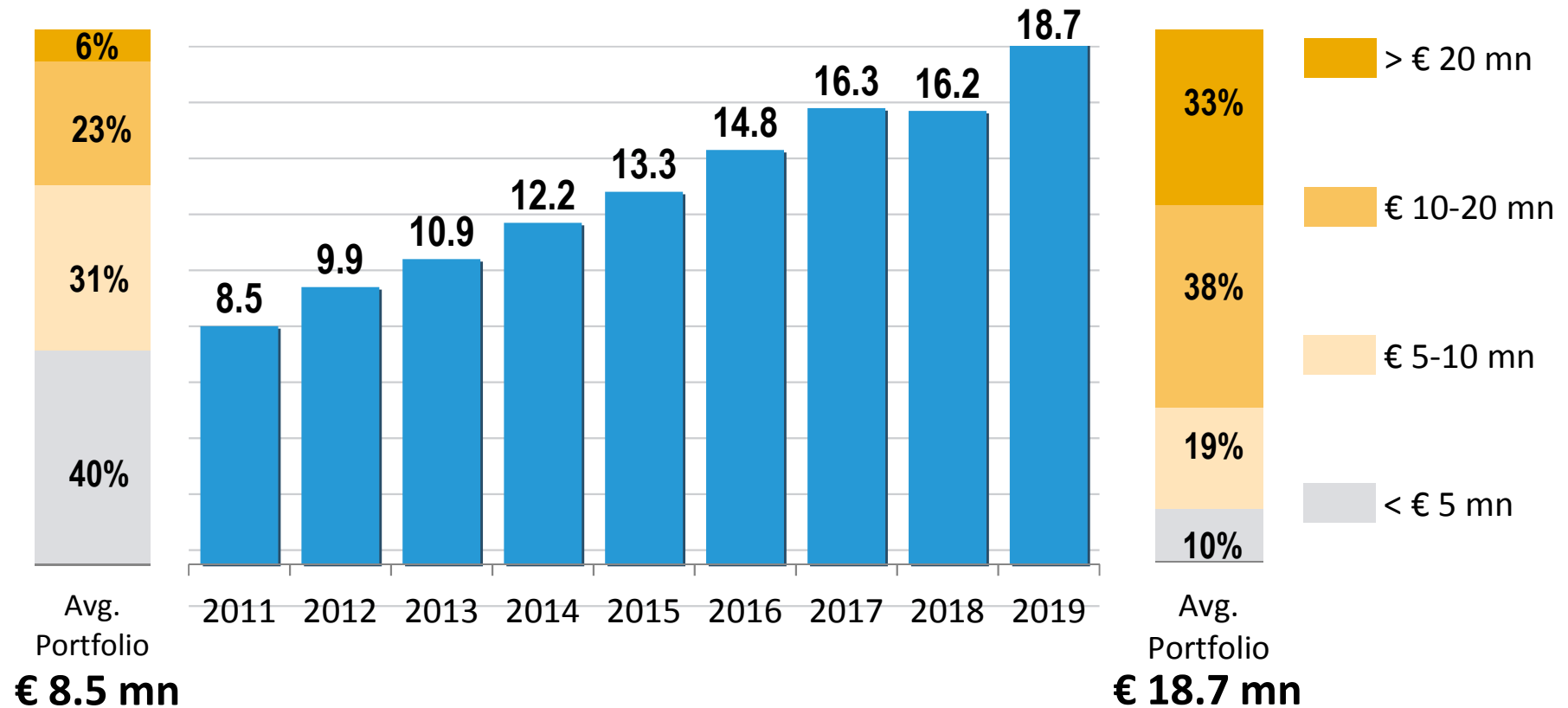


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Banca Mediolanum

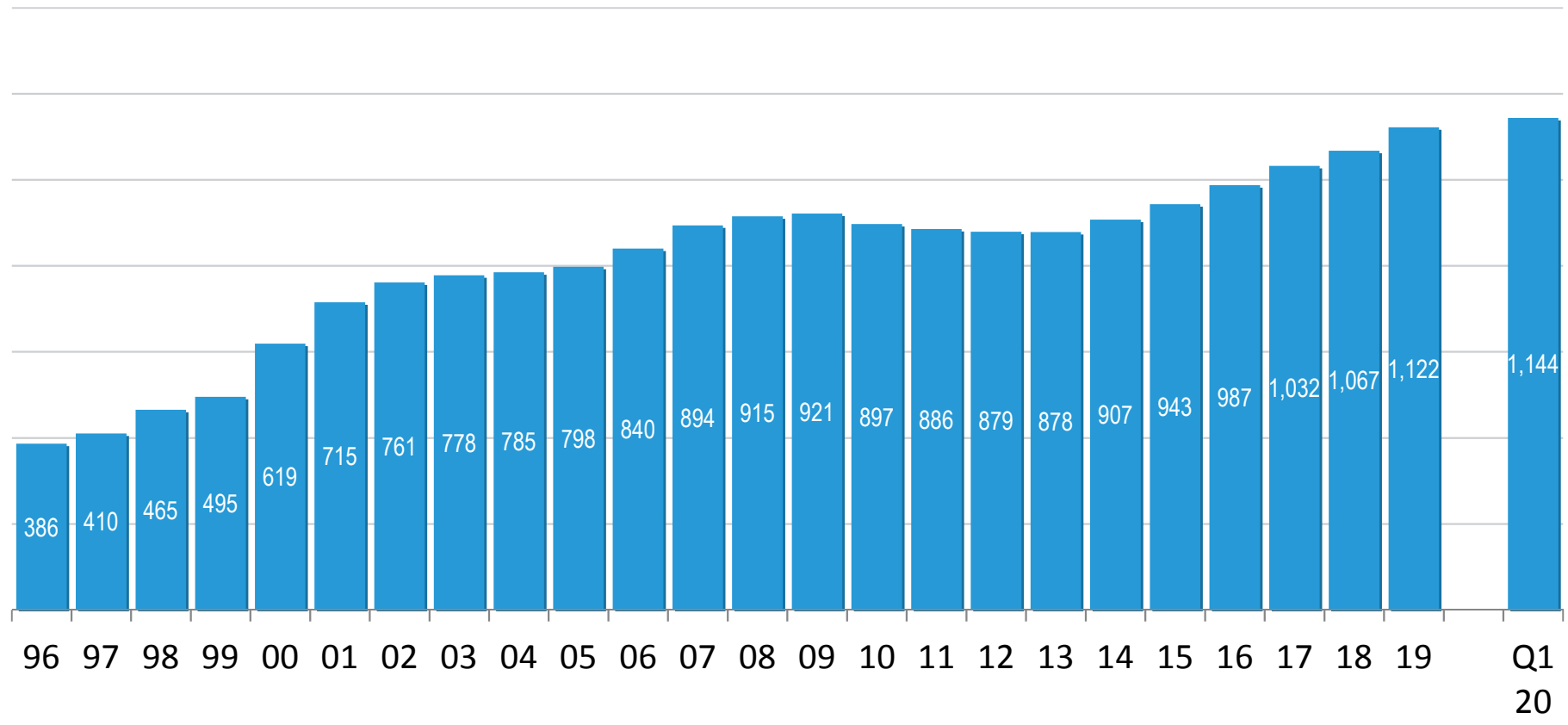
Average Assets per Family Banker

€ mn



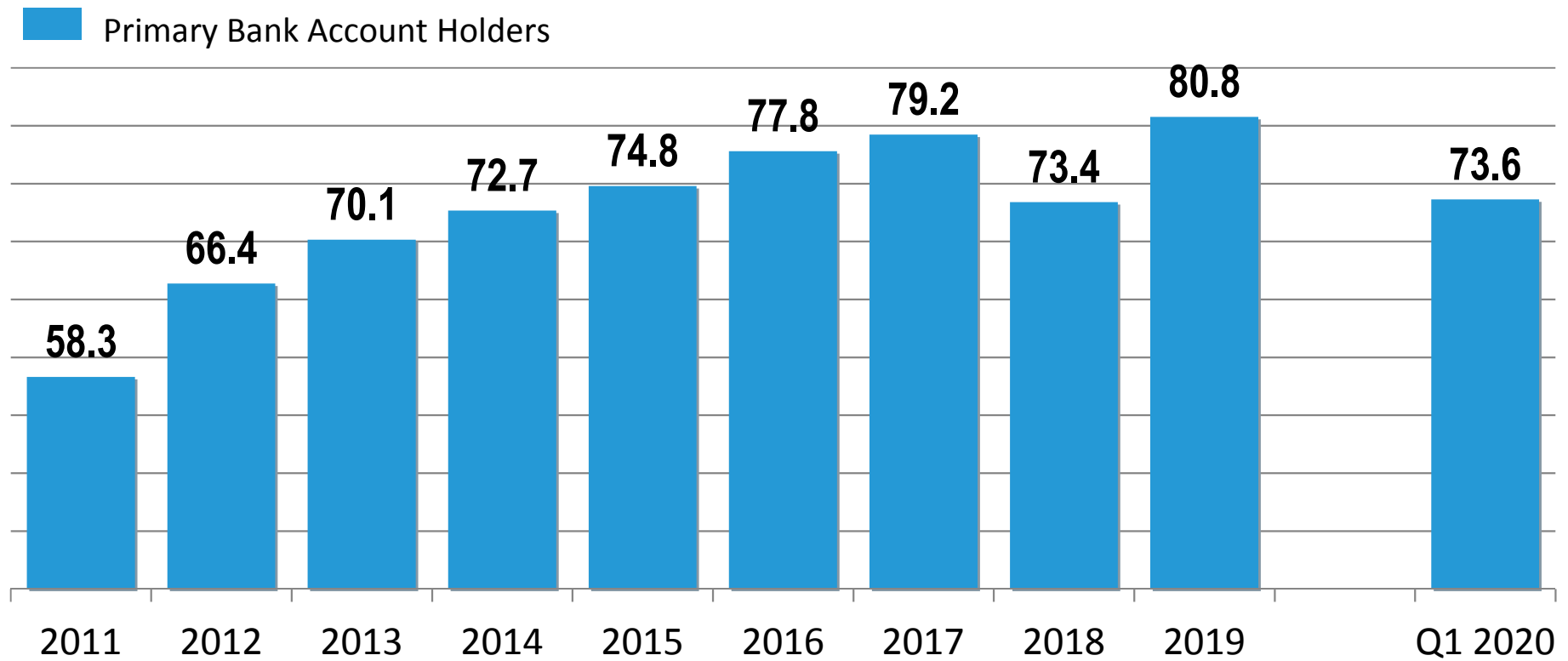
Customers - Italy

Primary account holders (thousands)



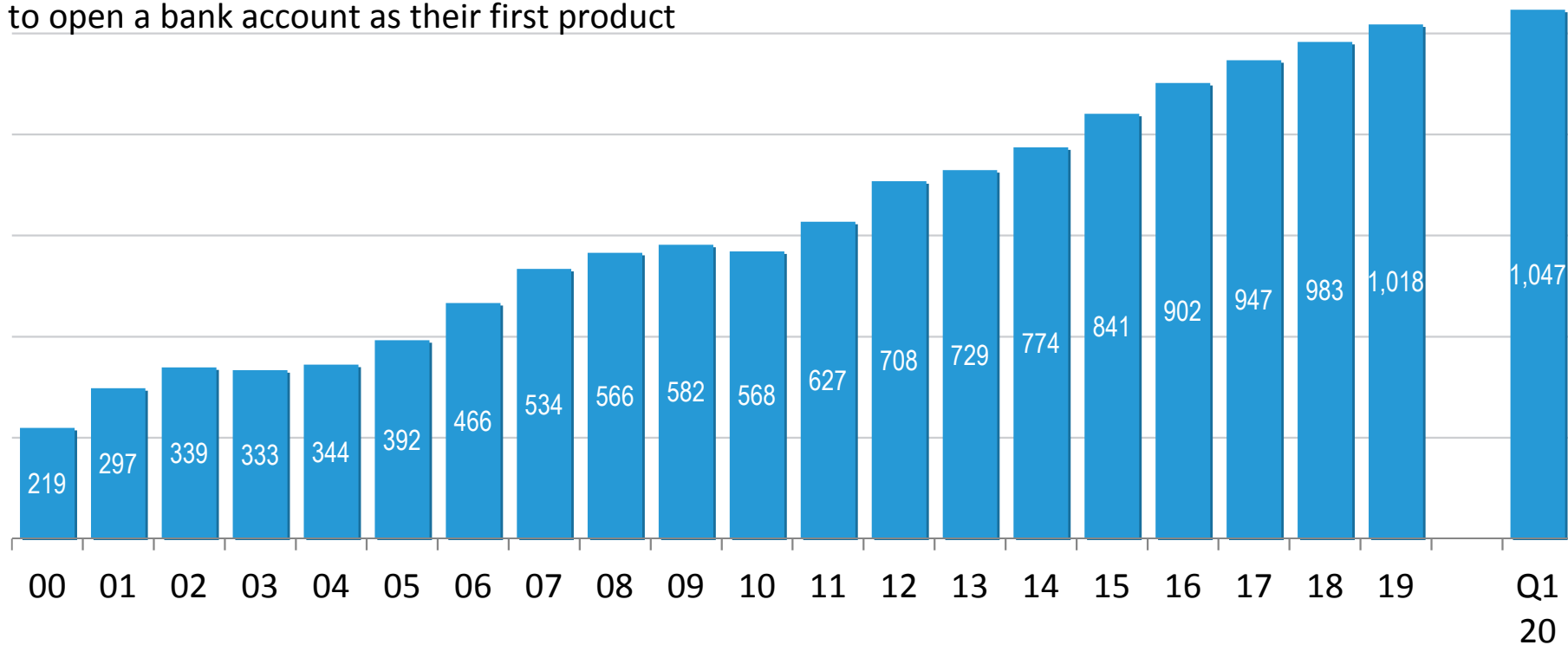
62 Average Assets per Customer - Italy

€ thousands



63 Bank Accounts - Italy thousands

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**

65

Training & Communication: Mediolanum Corporate University



Mediolanum
Facts

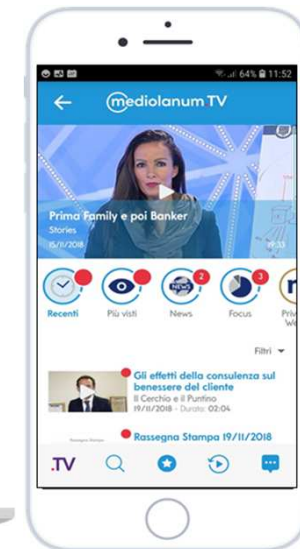
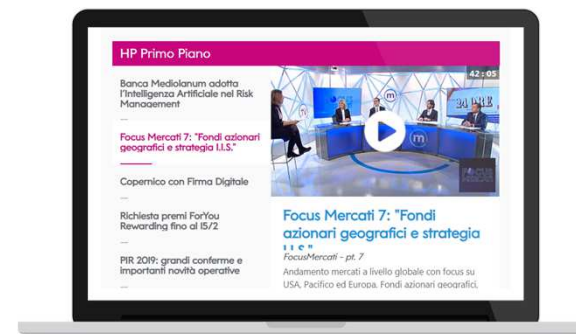
- Inaugurated March 2009
- Centralises our training know-how, in coordination with top universities, professors and individuals who are experts in the field
- Provides our Family Bankers & employees with a resource for life-long education
- Develops financial education programs dedicated to our customers & 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 **2,500 events** held in 2019: local & high-level events, sports events (e.g. Giro d'Italia), talk shows, etc.
- Over **130,000 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 (60% of the times in 2018)
- Average commercial value of media coverage is also regularly tracked



68 Top Performer in Customer Experience

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

<p>Overall Satisfaction</p>	<p>Customer Satisfaction</p> <p>98%</p> <p>Traditional Banks: 86% Online Banks: 96%</p>	<p>Net Promoter Score</p> <p>66.2%</p> <p>Traditional Banks: 1.8% Online Banks: 56.6%</p>	<p>Customer Retention</p> <p>95.4%</p>
<p>Digital Platform</p>	<p>Mobile App Satisfaction</p> <p>85.6%</p> <p>Traditional Banks: 74.8% Online Banks: 83.4%</p>	<p>Mobile Payments</p> <p>FIRST BANK to offer ALL PLATFORMS</p> <p>Apple Pay – Samsung Pay – Google Pay Garmin Pay – Bancomat Pay</p>	<p>App Store Rating</p> <p> 4.7 ★★★★★  4.4 ★★★★★</p>
<p>Financial Advisor Interaction</p>	<p>Professionalism</p> <p>89.4</p> <p>Traditional Banks: 72.7 Online Banks: 79.2</p>	<p>Relationship Quality</p> <p>90.0</p> <p>Traditional Banks: 77.7 Online Banks: 83.4</p>	<p>Availability</p> <p>In 2018 59.4% OF CUSTOMERS met with their Family Banker</p> <p>MORE THAN 4 TIMES</p>

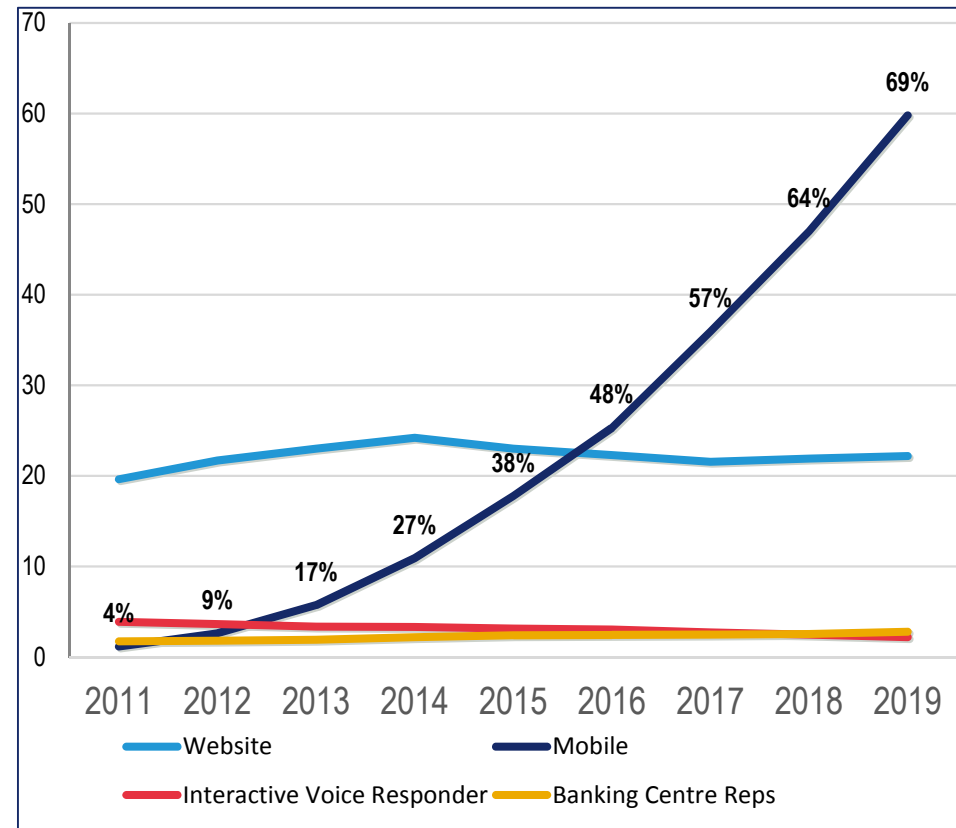
Source: BMED & 2018/2017 Doxa Research

69 Growing the 'Everyday Bank' Customer Base

- 69% of total accesses via mobile app in 2019
- 42% of transactions via mobile app in 2019
- 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

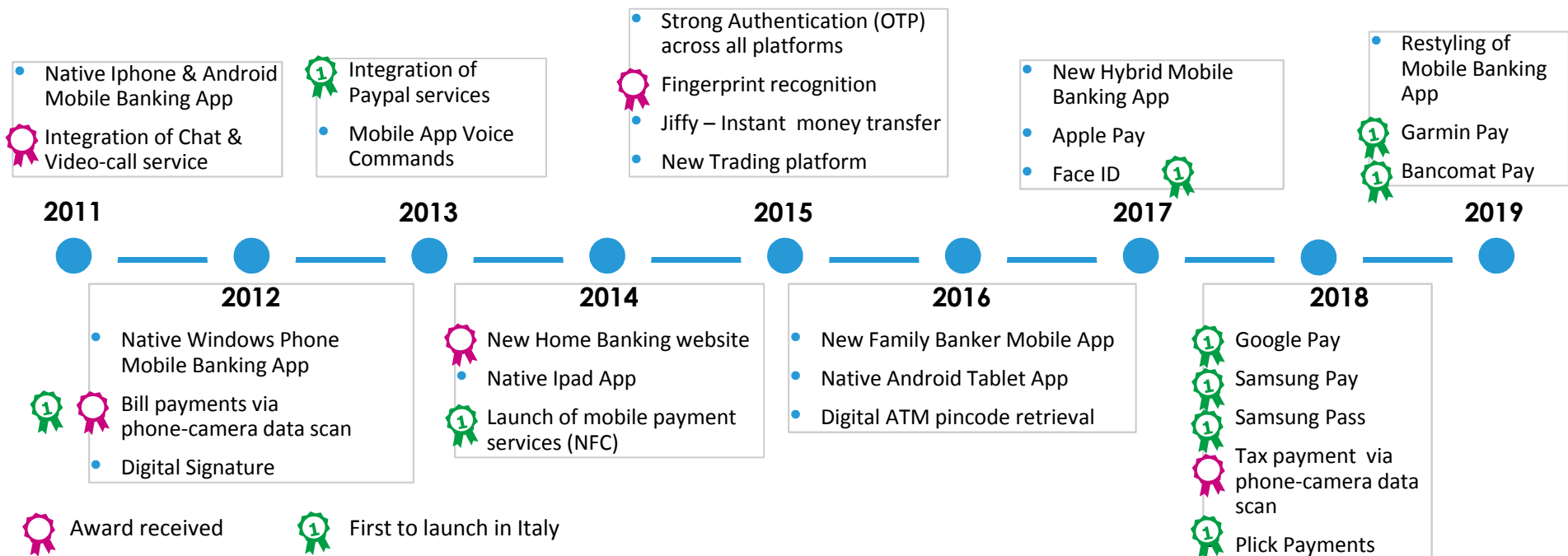


Direct Channel Accesses (mn)



70 Technological Platform Innovation is in our DNA

- ▶ 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



71

The 3rd best known bank brand in Italy

Spontaneous brand awareness – Italian banks – Mar. 2020

 Mediolanum Facts

INTESA  SANPAOLO 56%

 UniCredit 52%

 **mediolanum** BANCA 44%

BancoPosta 30%

 MONTE DEI PASCHI DI SIENA
BANCA DAL 1472 24%

 **BNL**
GRUPPO BNP PARIBAS 22%

ING  DIRECT 16%

 **BCC**
CREDITO COOPERATIVO 16%

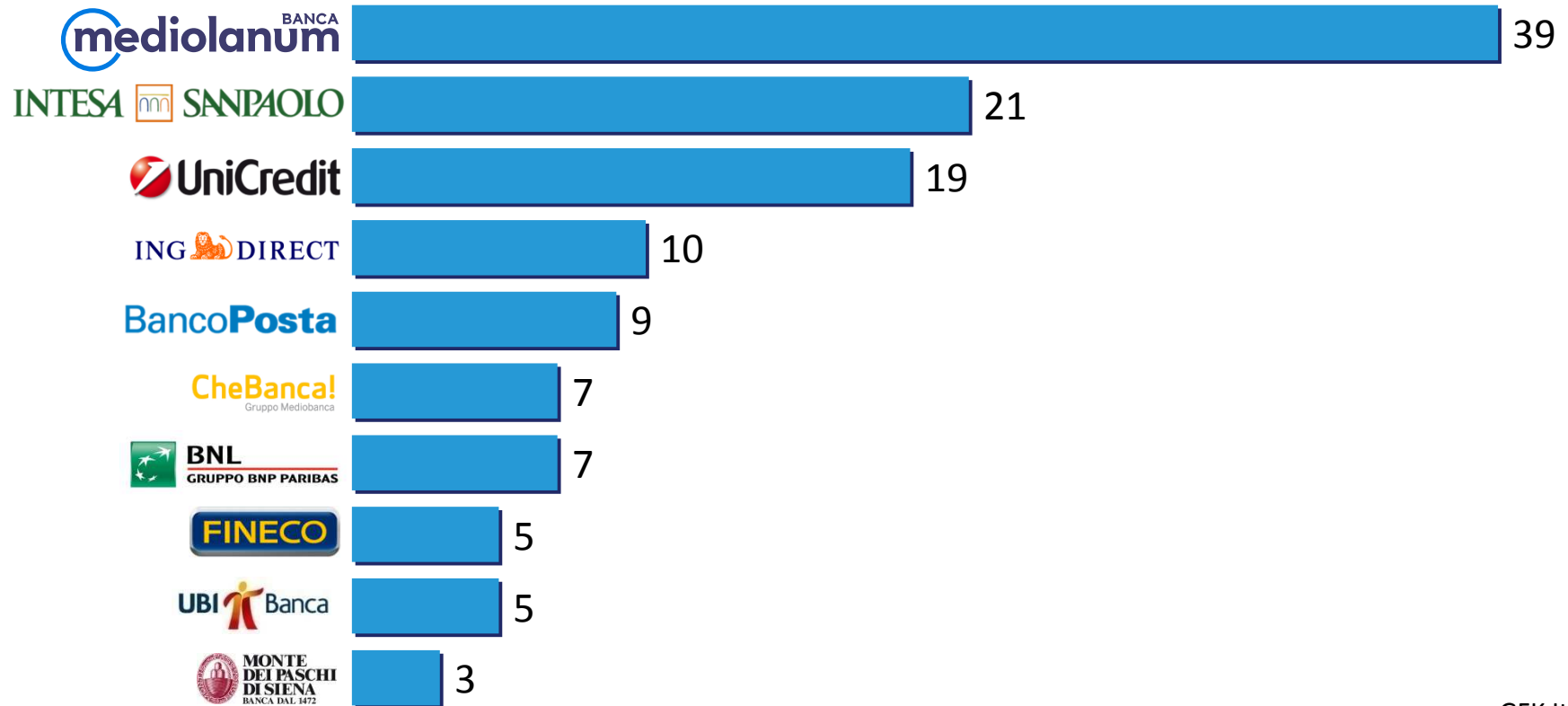
UBI  Banca 15%

CheBanca! 14%
Gruppo Mediobanca

source: GFK Italia

Banca Mediolanum's advertising The most memorable in the banking industry

Spontaneous recall of bank advertising in Italy – Q1 2020



source: GFK Italia

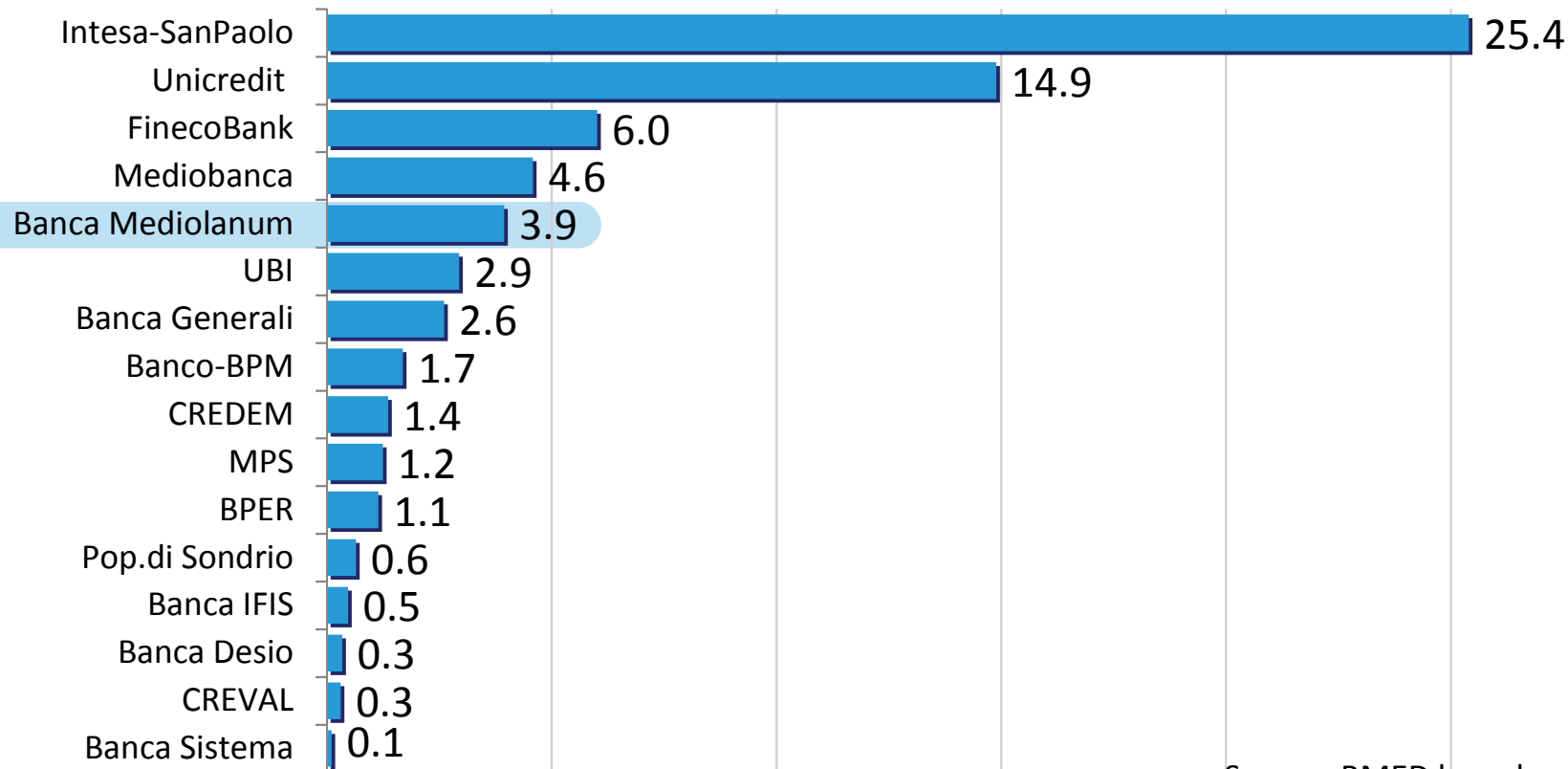
73

Ranking of Italian Banking Groups by Market Capitalisation

€ bn - as at 31/01/2020

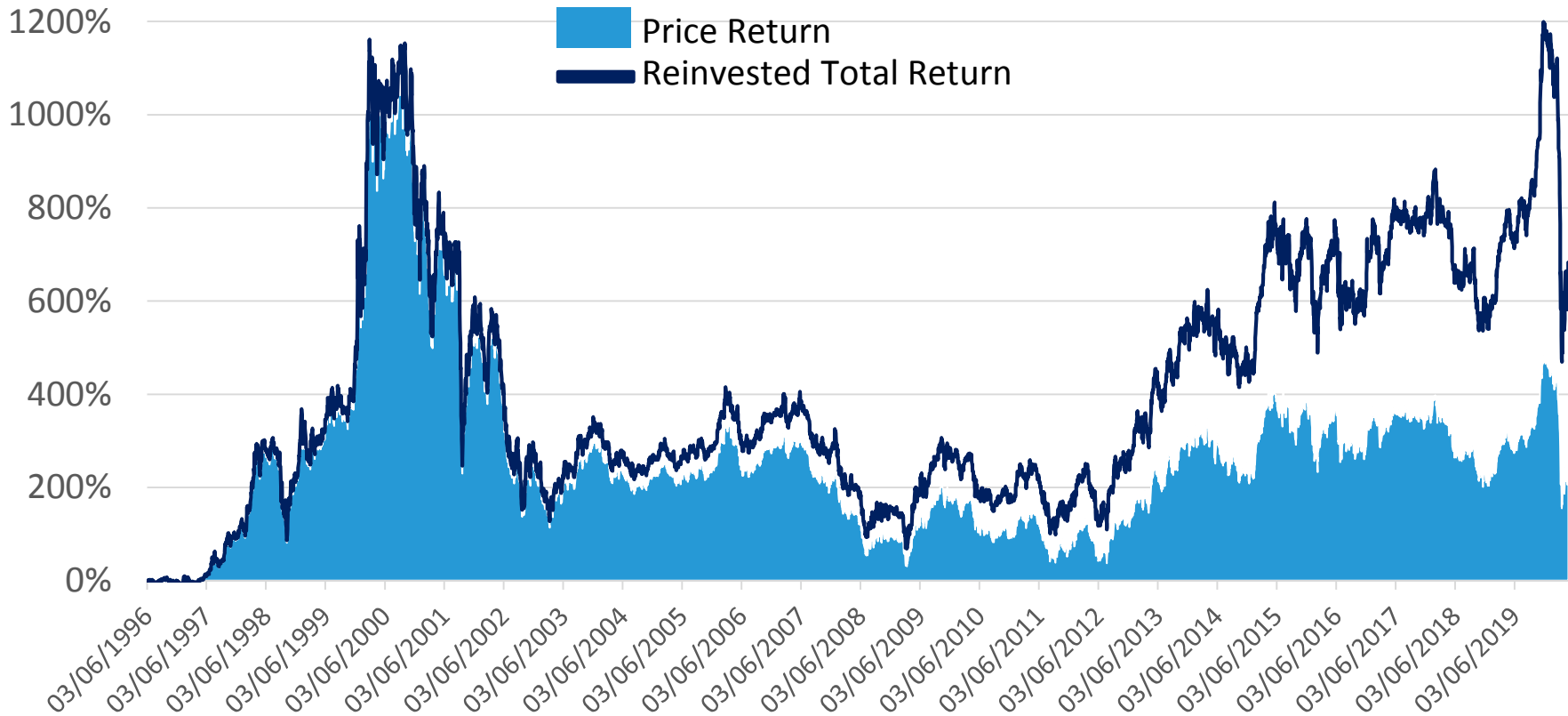


Mediolanum
Facts



Source: BMED based on Bloomberg data

MED.MI / BMED.MI Price Return & Total Return Index*



* Total Return Index includes dividend reinvestments, June 3, 1996 – Apr 29, 2020

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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20080 Basiglio MI – Italy<http://www.bancamediolanum.it>