



## 9M 2020 Results & Business Update

November 2020

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# 9M 2020 Group Results

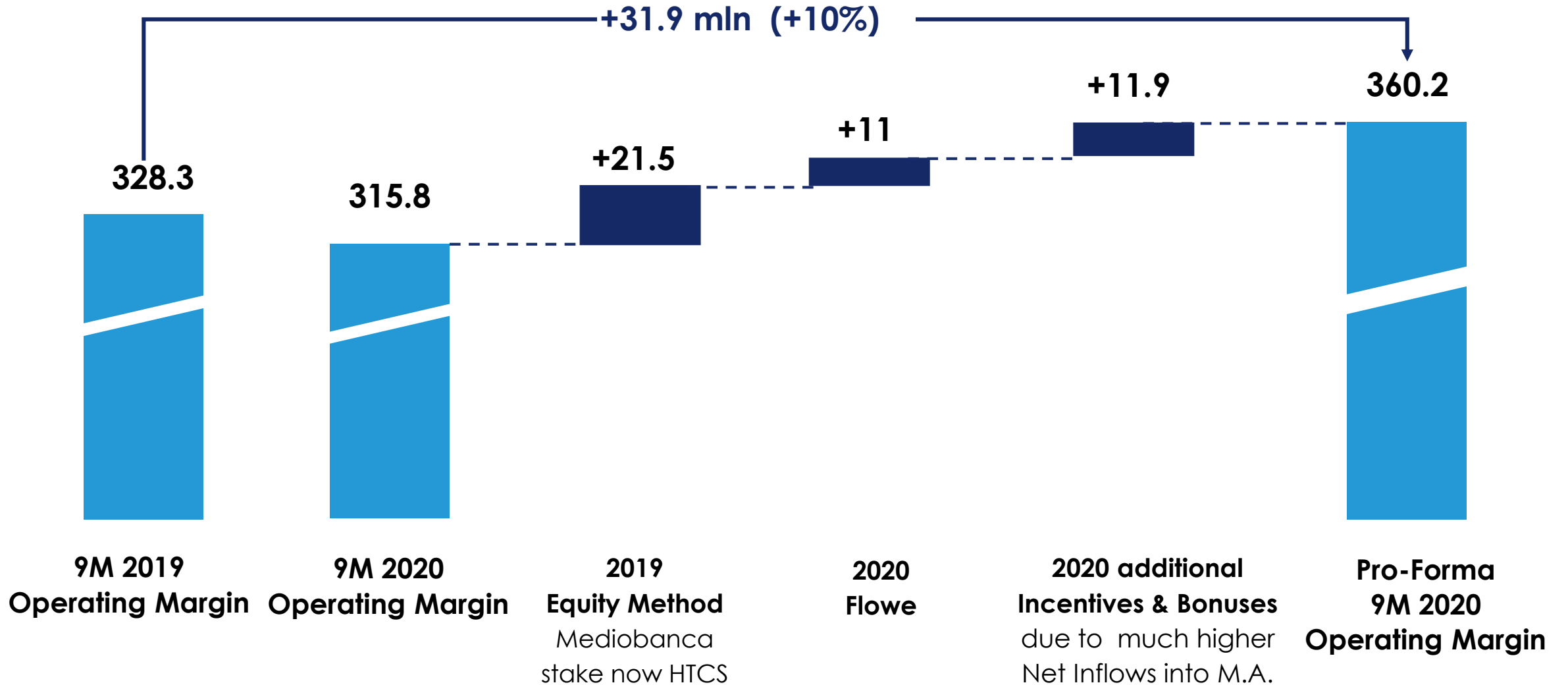
## Outstanding 9M20 Results: successfully facing unprecedented challenges

- **Operating Margin: -4%** - a real feat, given the market crisis.  
On a like-for-like basis & constant level of inflows: **+10%**
- **Management Fees: +3%** - despite enormous hit in assets in Q1.  
High equity component in assets & inflows compensated for a potential mgmt. fees erosion
- **Acquisition Costs: +8%** - €12 mn more in incentives & bonuses on individual net inflows, due to 2.3 times higher flows: a clear KPI for future recurring revenues. N.B.: no change in payout criteria!
- **Net Interest Income: +1%** - regardless of extremely low interest rate environment: strong level of lending compensated for increased cost of funding due to extraordinary success of 2% promo on time deposits
- **G&A Expenses: +2%** - guidance adjusted down to a 3-4% increase for FY20
- **Net Inflows: € 5.8 bn, +125%** - remarkably strong flows & even stronger quality: 3 bn into managed assets, o/w 2.4 bn into equity funds
- **Loans: € 2.1 bn, +13%** - despite months passed in lockdown. Credit Book surpassed €11.5 bn
- **General Insurance: € 94 mn, +31%** - showing impressive growth in New Business of Stand-alone Policies (+90%)

	9M 2020	9M 2019	Change
Entry fees	37.0	26.6	+39%
Management fees	779.5	760.2	+3%
Investment Management fees	116.2	113.5	+2%
Net Insurance revenues ex U-L commissions	39.4	30.4	+30%
Banking service fees	104.6	105.2	-1%
Other fees	32.3	30.8	+5%
<b>Gross Commission Income</b>	<b>1,109.0</b>	<b>1,066.7</b>	<b>+4%</b>
Acquisition costs	(422.2)	(391.0)	+8%
Other commission expenses	(60.0)	(61.5)	-2%
<b>Net Commission Income</b>	<b>626.7</b>	<b>614.1</b>	<b>+2%</b>
Net interest income	177.8	176.0	+1%
Equity contribution	0	21.5	n.s.
Net income on other investments	(17.7)	(28.0)	-37%
- o/w Impairment on loans	(14.1)	(13.4)	+6%
Other revenues	13.7	18.3	-25%
<b>Contribution Margin</b>	<b>800.5</b>	<b>801.8</b>	<b>-0%</b>
G&A expenses	(402.7)	(396.4)	+2%
Regular Contributions to Banking Industry	(20.0)	(15.4)	+30%
Depreciation & Amortization	(26.7)	(27.1)	-2%
Provisions for risk & charges	(35.4)	(34.6)	+2%
<b>Operating Margin</b>	<b>315.8</b>	<b>328.3</b>	<b>-4%</b>
Market effects	(0.0)	21.8	n.s.
- o/w Performance fees	10.9	31.1	-65%
- o/w Net income on investments at fair value	(10.9)	(9.3)	+18%
Extraordinary items	(7.8)	(5.9)	+32%
<b>PROFIT BEFORE TAX</b>	<b>308.0</b>	<b>344.2</b>	<b>-11%</b>
Income tax	(58.1)	(59.4)	-2%
<b>NET INCOME</b>	<b>249.8</b>	<b>284.8</b>	<b>-12%</b>

# 6 Operating Margin Analysis

Strong operating leverage from core business keeps working beneath the surface



# 7 Income Statement by Quarter

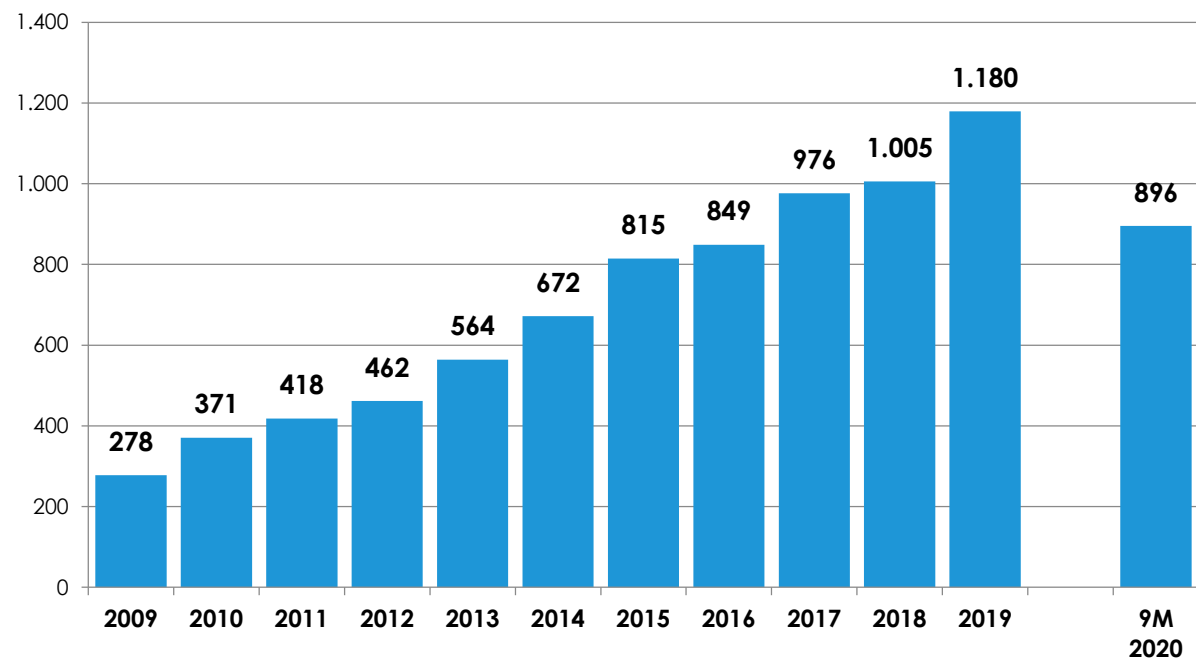
€ mn

9M 2020  
Gross

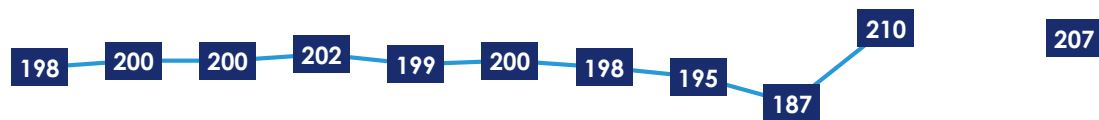


	Q1 19	Q2 19	Q3 19	Q4 19	Q1 20	Q2 20	Q3 20
Entry fees	8.8	9.0	8.8	11.0	13.5	12.7	10.8
Management fees	244.5	255.0	260.7	266.5	260.7	249.2	269.6
Investment Management fees	36.7	38.1	38.6	39.4	38.6	37.0	40.6
Net Insurance revenues ex U-L commissions	8.1	12.5	9.7	13.1	11.0	15.9	12.5
Banking service fees	36.4	32.8	36.0	52.4	38.3	36.1	30.1
Other fees	9.6	10.7	10.4	11.0	10.3	10.3	11.7
<b>Gross Commission Income</b>	<b>344.2</b>	<b>358.2</b>	<b>364.3</b>	<b>393.4</b>	<b>372.5</b>	<b>361.2</b>	<b>375.3</b>
Acquisition costs	(128.8)	(131.1)	(131.1)	(149.5)	(141.6)	(140.1)	(140.5)
Other commission expenses	(19.0)	(21.0)	(21.5)	(22.4)	(21.1)	(18.7)	(20.3)
<b>Net Commission Income</b>	<b>196.4</b>	<b>206.1</b>	<b>211.6</b>	<b>221.5</b>	<b>209.8</b>	<b>202.4</b>	<b>214.5</b>
Net interest income	51.4	60.3	64.3	63.1	57.0	56.1	64.7
Equity contribution	0	5.9	15.6	0	0	0	0
Net income on other investments	(11.5)	(9.5)	(7.0)	(5.8)	(9.1)	(8.0)	(0.5)
- o/w Impairment on loans	(7.2)	(6.4)	0.3	(5.7)	(6.2)	(7.2)	(0.8)
Other revenues	6.2	7.0	5.1	5.1	5.5	4.9	3.4
<b>Contribution Margin</b>	<b>242.5</b>	<b>269.8</b>	<b>289.6</b>	<b>284.0</b>	<b>263.1</b>	<b>255.4</b>	<b>282.0</b>
G&A expenses	(131.3)	(142.8)	(122.2)	(147.2)	(139.8)	(138.3)	(124.7)
Regular Contributions to Banking Industry	(5.0)	(0.1)	(10.4)	(2.1)	(4.9)	(3.3)	(11.8)
Depreciation & Amortization	(9.1)	(9.0)	(9.0)	(9.1)	(8.7)	(8.7)	(9.2)
Provisions for risk & charges	(8.2)	(10.6)	(15.8)	(22.9)	(10.2)	(11.5)	(13.7)
<b>Operating Margin</b>	<b>88.9</b>	<b>107.3</b>	<b>132.1</b>	<b>102.7</b>	<b>99.5</b>	<b>93.7</b>	<b>122.6</b>
Market effects	4.5	20.0	(2.7)	404.6	(11.8)	6.1	5.7
- o/w Performance fees	7.2	13.1	10.8	393.7	7.1	0.5	3.3
- o/w Net income on investments at fair value	(2.7)	6.9	(13.5)	11.0	(19.0)	5.6	2.4
Extraordinary items	0	(6.3)	0.3	(112.5)	0	(2.6)	(5.2)
<b>PROFIT BEFORE TAX</b>	<b>93.5</b>	<b>121.0</b>	<b>129.7</b>	<b>394.8</b>	<b>87.7</b>	<b>97.2</b>	<b>123.1</b>
Income tax	(21.3)	(21.8)	(16.3)	(114.1)	(15.4)	(19.0)	(23.7)
<b>NET INCOME</b>	<b>72.1</b>	<b>99.2</b>	<b>113.4</b>	<b>280.7</b>	<b>72.2</b>	<b>78.3</b>	<b>99.3</b>

## YoY Trend

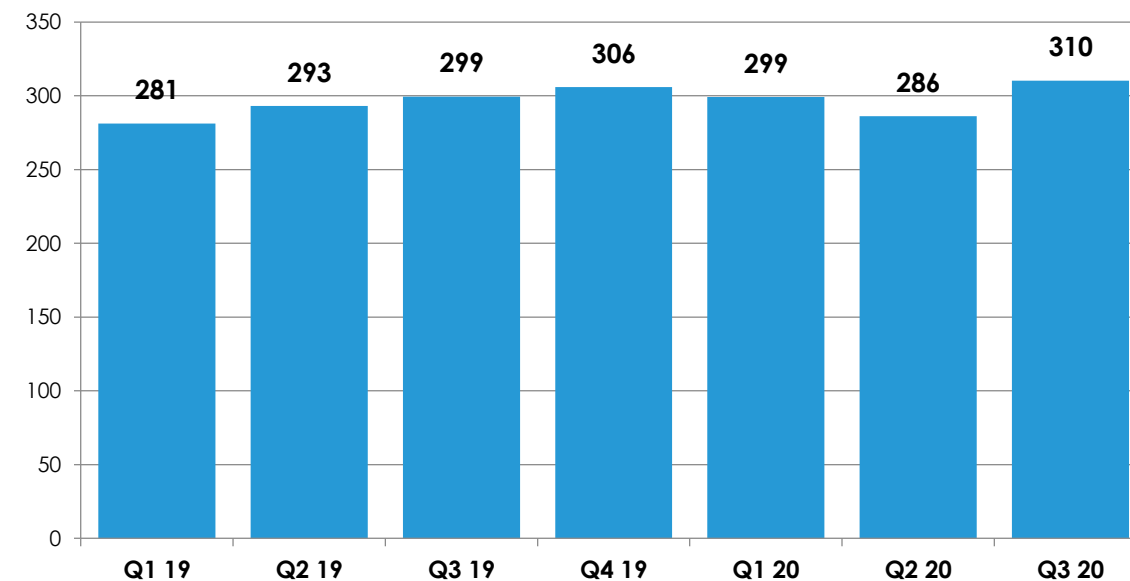


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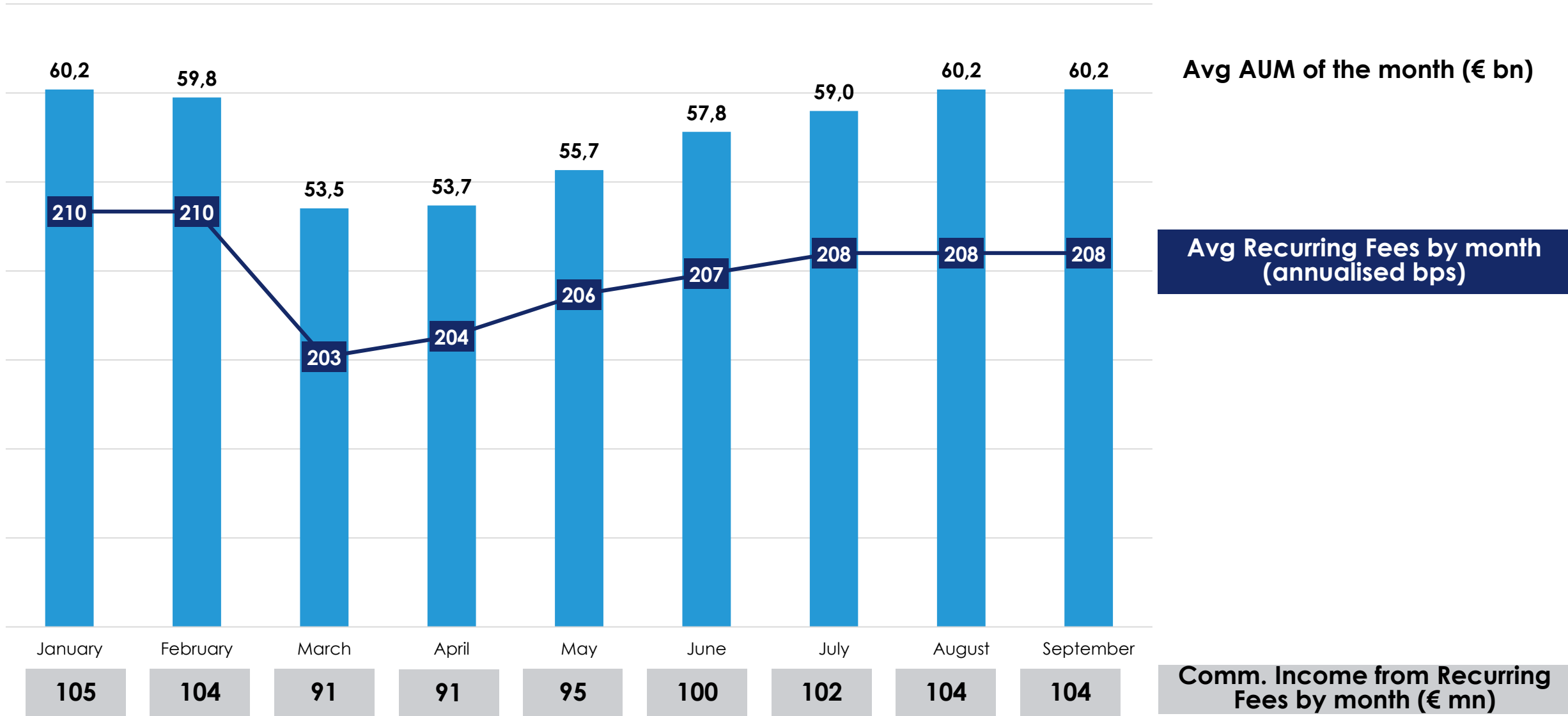


## Yearly bps on average assets

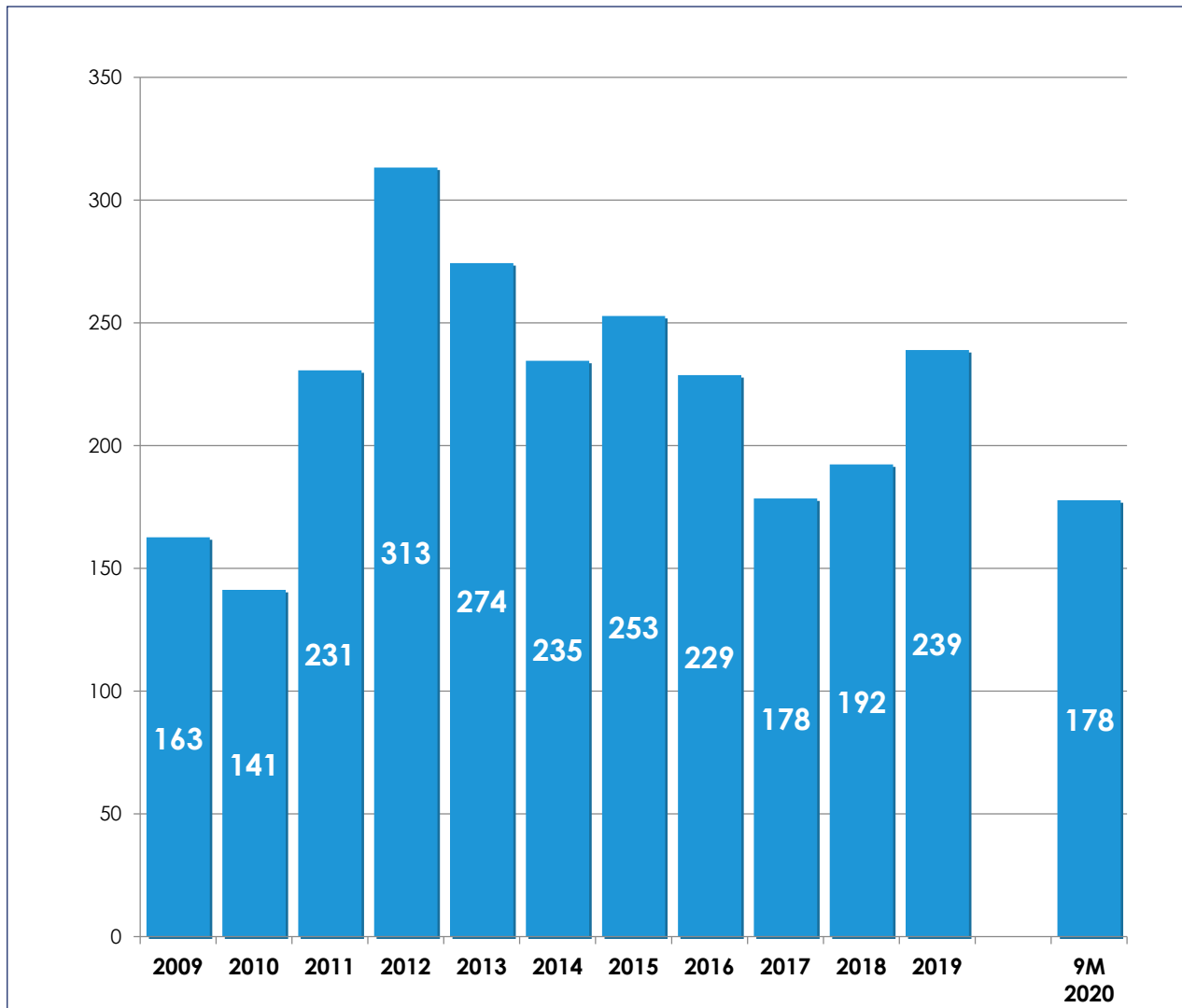
## QoQ Trend



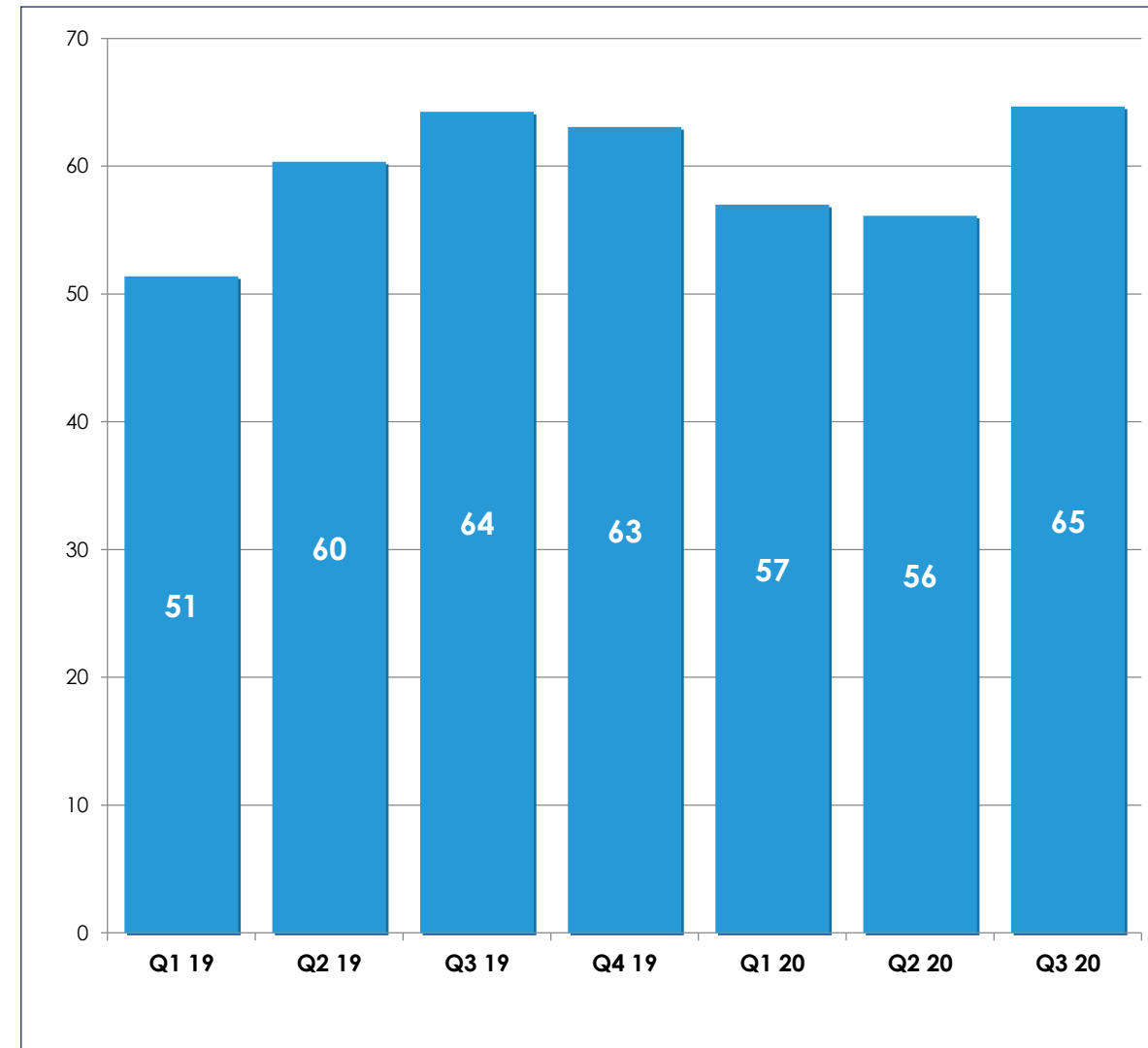


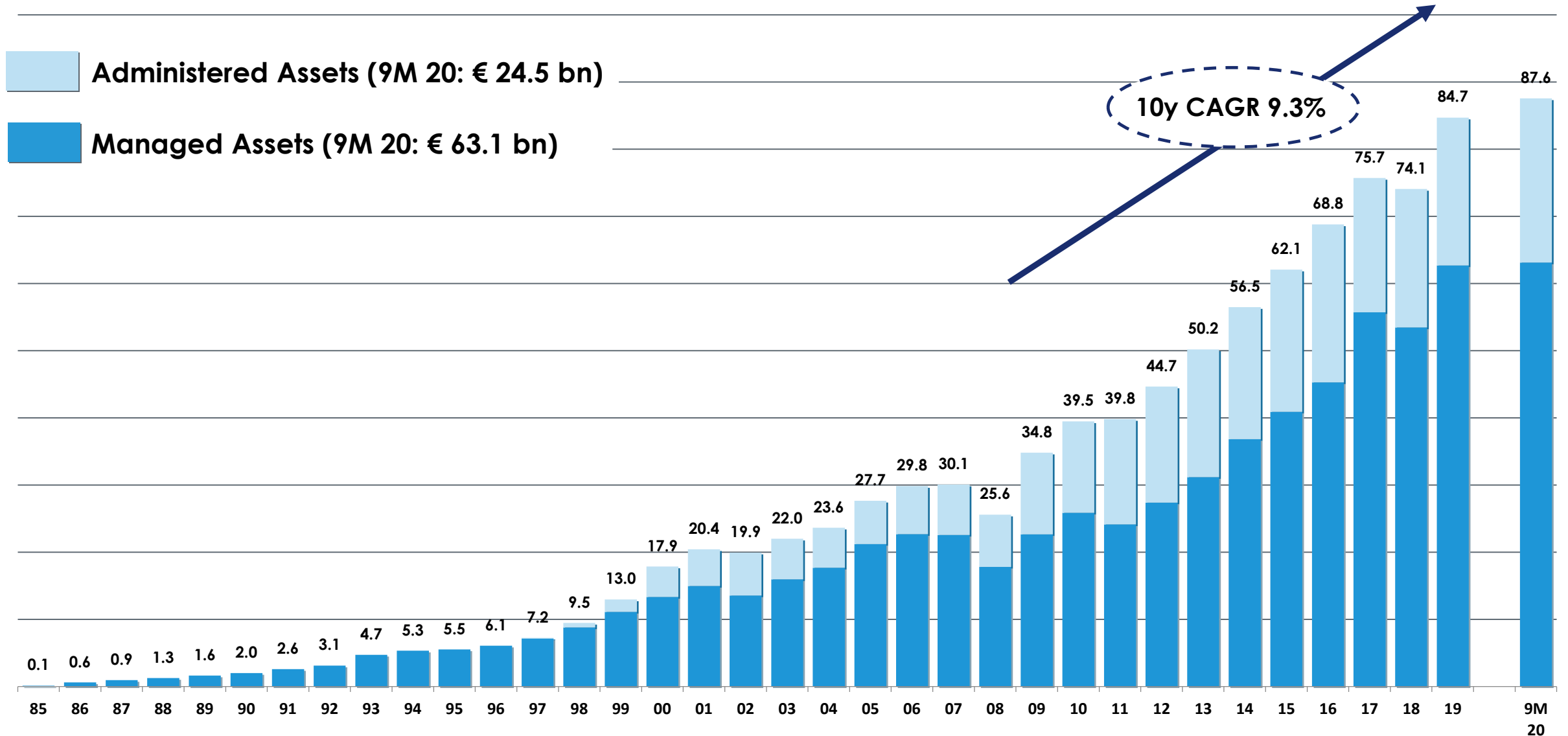


YoY Trend



QoQ Trend





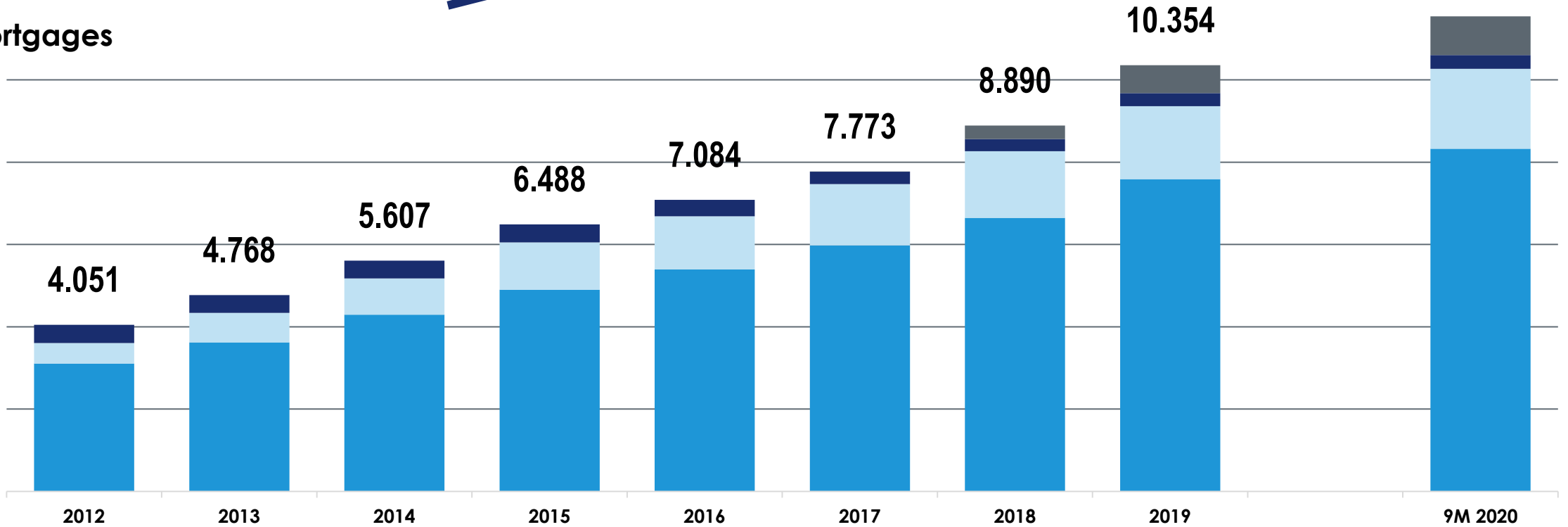
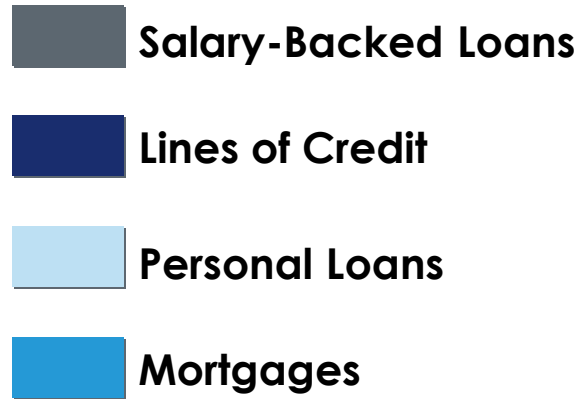
	30/09/2020	31/12/2019	Change	30/09/2019	Change
<b>Italy - Banca Mediolanum</b>	<b>80,434</b>	<b>78,102</b>	<b>+3%</b>	<b>75,663</b>	<b>+6%</b>
Mutual Funds & U-L Policies	55,040	55,263	-0%	53,445	+3%
Other Life Insurance Products	1,611	1,541	+5%	1,536	+5%
Banking	23,782	21,298	+12%	20,681	+15%
<b>Spain - Banco Mediolanum</b>	<b>6,465</b>	<b>5,917</b>	<b>+9%</b>	<b>5,583</b>	<b>+16%</b>
Mutual Funds & U-L Policies	4,611	4,188	+10%	3,953	+17%
Other Life Insurance Products	75	79	-4%	79	-4%
Banking	1,779	1,650	+8%	1,551	+15%
<b>Germany - B. A. Lenz</b>	<b>668</b>	<b>697</b>	<b>-4%</b>	<b>664</b>	<b>+1%</b>
Mutual Funds & U-L Policies	525	530	-1%	501	+5%
Other Life Insurance Products	0	4	n.s.	7	n.s.
Banking	143	164	-13%	157	-9%
<b>TOTAL AUA/AUM</b>	<b>87,567</b>	<b>84,716</b>	<b>+3%</b>	<b>81,910</b>	<b>+7%</b>

	9M 2020	9M 2019
<b>GROUP TOTAL NET INFLOWS</b>	<b>+5,806</b>	<b>+2,584</b>
Managed Assets	+2,973	+2,220
- o/w Mutual Funds, U/L & Managed Accounts	+2,651	+1,797
Administered Assets	+2,833	+364

<b>Italy - Banca Mediolanum Total Net Inflows</b>	<b>+5,126</b>	<b>+2,171</b>
Managed Assets	+2,477	+1,920
- o/w Mutual Funds, U/L & Managed Accounts	+2,152	+1,517
Administered Assets	+2,648	+251

<b>Spain - Banco Mediolanum Total Net Inflows</b>	<b>+704</b>	<b>+400</b>
Managed Assets	+499	+291
- o/w Mutual Funds & U/L	+499	+268
Administered Assets	+205	+110

<b>Germany - B. A. Lenz &amp; Gamax Total Net Inflows</b>	<b>-24</b>	<b>+12</b>
Managed Assets	-3	+9
- o/w Mutual Funds & U/L	-0	+12
Administered Assets	-21	+4



	30/09/2020	31/12/2019	Change	30/09/2019	Change
Mortgages	8,325	7,589	+10%	7,289	+14%
Personal Loans	1,945	1,770	+10%	1,706	+14%
Lines of Credit	332	317	+5%	321	+4%
Salary-backed Loans	942	678	+39%	590	+60%
<b>TOTAL</b>	<b>11,544</b>	<b>10,354</b>	<b>+11%</b>	<b>9,906</b>	<b>+17%</b>

	9M 2020	9M 2019	Change
Mortgages	1,242	1,083	+15%
Personal Loans	587	513	+14%
Salary-backed Loans	308	293	+5%
<b>TOTAL</b>	<b>2,137</b>	<b>1,889</b>	<b>+13%</b>
3rd-party Loans	18	27	-35%



	9M 2020	9M 2019	Change
<b>Stand-alone policies</b>	<b>50.0</b>	<b>36.5</b>	<b>+37%</b>
New business	16.1	8.5	+90%
In-force business	33.9	28.0	+21%
<b>Loan protection policies</b>	<b>39.5</b>	<b>35.5</b>	<b>+11%</b>
<b>Group health policies</b>	<b>4.7</b>	<b>0.0</b>	<b>n.s.</b>
<b>GROSS PREMIUMS</b>	<b>94.2</b>	<b>72.0</b>	<b>+31%</b>

	9M 2020	FY 2019
<b>Total capital ratio</b>	<b>21.8%</b>	<b>19.5%</b>
<b>COMMON EQUITY TIER 1 RATIO</b>	<b>21.8%</b>	<b>19.5%</b>
<b>RISK-WEIGHTED ASSETS</b>	<b>9,359</b>	<b>9,388</b>
<b>Total regulatory capital held</b>	<b>2,350</b>	<b>2,137</b>
<b>Total required capital</b>	<b>1,780</b>	<b>1,741</b>
Required capital – Banks*	1,035	1,017
Solvency capital req. – Insurance**	745	724
<b>EXCESS CAPITAL</b>	<b>570</b>	<b>396</b>

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

\*\* 9M 2020 reconciliation reserve (part of total reg. capital held) & solvency capital req. are calculated according to the Solvency II as at 30/06/2020



# 9M 2020 Domestic Market Results

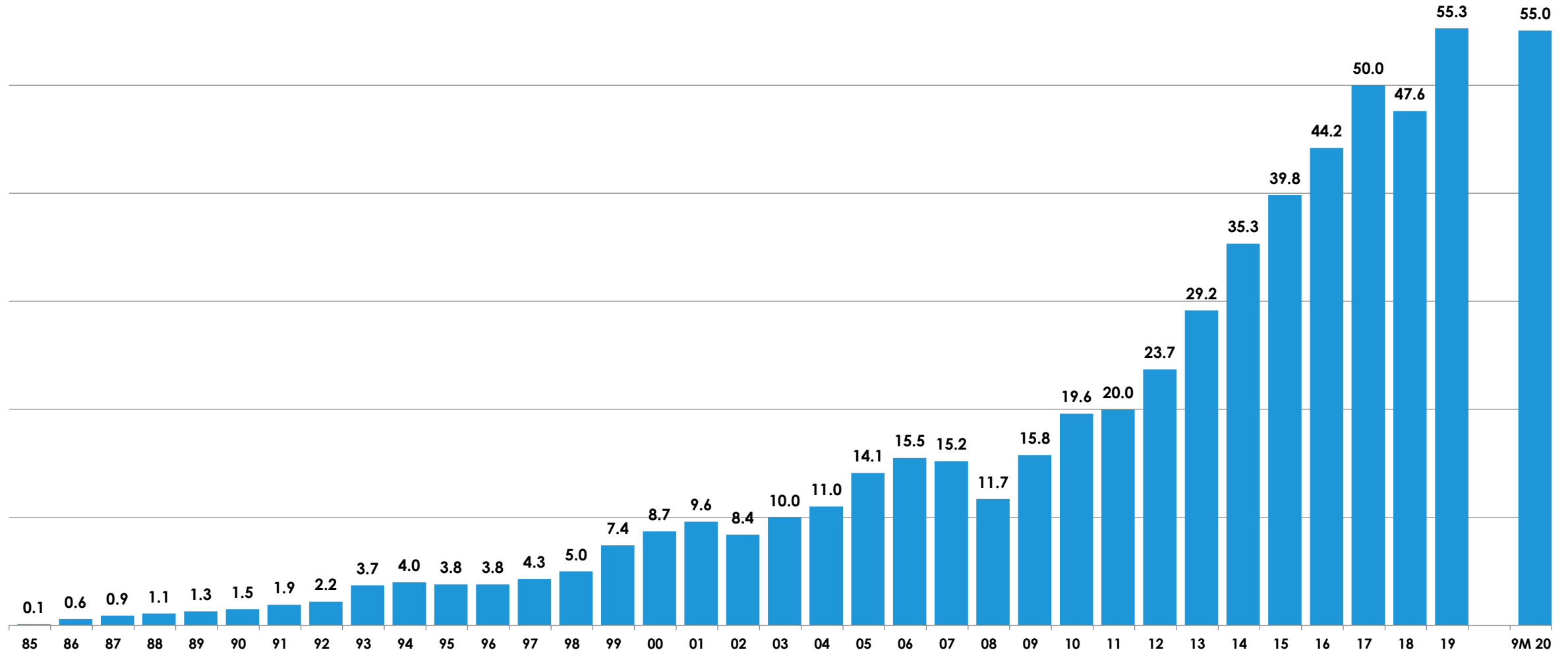
	9M 2020	9M 2019	Change
Entry fees	25.4	19.0	+33%
Management fees	720.4	706.3	+2%
Investment Management fees	107.3	105.2	+2%
Net Insurance revenues ex U-L commissions	28.9	18.4	+57%
Banking service fees	91.4	88.4	+3%
Other fees	30.6	29.3	+5%
<b>Gross Commission Income</b>	<b>1,004.1</b>	<b>966.6</b>	<b>+4%</b>
Acquisition costs	(382.3)	(357.9)	+7%
Other commission expenses	(45.9)	(44.9)	+2%
<b>Net Commission Income</b>	<b>575.9</b>	<b>563.8</b>	<b>+2%</b>
Net interest Income	165.8	169.2	-2%
Equity contribution	0	21.5	n.s.
Net income on other investments	(17.2)	(29.7)	-42%
- o/w Impairment on loans	(13.9)	(13.4)	+4%
Other revenues	10.9	15.2	-28%
<b>Contribution Margin</b>	<b>735.3</b>	<b>740.0</b>	<b>-1%</b>
G&A expenses	(357.3)	(350.6)	+2%
Regular Contributions to Banking Industry	(18.2)	(14.0)	+30%
Depreciation & Amortization	(22.1)	(23.2)	-5%
Provisions for risk & charges	(34.3)	(33.7)	+2%
<b>Operating Margin</b>	<b>303.4</b>	<b>318.5</b>	<b>-5%</b>
Market effects	(0.5)	17.1	n.s.
- o/w Performance fees	10.3	28.2	-63%
- o/w Net income on investments at fair value	(10.8)	(11.0)	-2%
Extraordinary items	(7.8)	(5.9)	+32%
<b>PROFIT BEFORE TAX</b>	<b>295.1</b>	<b>329.7</b>	<b>-10%</b>
Income tax	(54.0)	(54.8)	-1%
<b>NET INCOME</b>	<b>241.2</b>	<b>274.9</b>	<b>-12%</b>

	Q1 19	Q2 19	Q3 19	Q4 19	Q1 20	Q2 20	Q3 20
Entry fees	6.3	6.4	6.3	8.0	9.1	8.8	7.6
Management fees	227.2	236.7	242.3	247.5	241.5	230.2	248.8
Investment Management fees	34.1	35.3	35.8	36.5	35.7	34.2	37.4
Net Insurance revenues ex U-L commissions	4.8	8.1	5.5	12.8	8.1	11.1	9.7
Banking service fees	31.4	27.1	30.0	46.2	32.9	32.7	25.8
Other fees	9.2	10.2	9.9	10.5	9.8	9.7	11.1
<b>Gross Commission Income</b>	<b>313.0</b>	<b>323.8</b>	<b>329.7</b>	<b>361.5</b>	<b>337.1</b>	<b>326.6</b>	<b>340.4</b>
Acquisition costs	(118.0)	(120.1)	(119.8)	(136.8)	(127.8)	(126.4)	(128.1)
Other commission expenses	(14.1)	(15.3)	(15.5)	(16.0)	(15.6)	(14.9)	(15.4)
<b>Net Commission Income</b>	<b>181.0</b>	<b>188.5</b>	<b>194.4</b>	<b>208.8</b>	<b>193.7</b>	<b>185.4</b>	<b>196.9</b>
Net interest income	49.6	58.1	61.5	60.2	53.9	52.1	59.8
Equity contribution	0	5.9	15.6	0	0	0	0
Net income on other investments	(11.5)	(10.0)	(8.2)	(5.7)	(8.9)	(7.9)	(0.5)
- o/w Impairment on loans	(7.2)	(6.4)	0.2	(5.7)	(6.2)	(7.0)	(0.7)
Other revenues	5.4	5.5	4.2	4.9	4.6	3.8	2.5
<b>Contribution Margin</b>	<b>224.5</b>	<b>247.9</b>	<b>267.6</b>	<b>268.3</b>	<b>243.3</b>	<b>233.4</b>	<b>258.6</b>
G&A expenses	(116.5)	(125.8)	(108.2)	(132.3)	(125.0)	(121.8)	(110.5)
Regular Contributions to Banking Industry	(4.5)	0.4	(9.9)	(1.4)	(4.2)	(2.7)	(11.3)
Depreciation & Amortization	(7.9)	(7.7)	(7.7)	(7.6)	(7.2)	(7.1)	(7.7)
Provisions for risk & charges	(7.9)	(10.2)	(15.6)	(26.2)	(9.9)	(11.0)	(13.4)
<b>Operating Margin</b>	<b>87.7</b>	<b>104.7</b>	<b>126.1</b>	<b>100.7</b>	<b>96.9</b>	<b>90.8</b>	<b>115.7</b>
Market effects	3.3	18.1	(4.3)	385.4	(12.0)	6.0	5.5
- o/w Performance fees	6.8	11.7	9.7	374.2	6.8	0.5	3.0
- o/w Net income on investments at fair value	(3.5)	6.5	(14.0)	11.2	(18.8)	5.5	2.4
Extraordinary items	0	(6.3)	0.3	(79.6)	0	(2.6)	(5.2)
<b>PROFIT BEFORE TAX</b>	<b>91.0</b>	<b>116.6</b>	<b>122.2</b>	<b>406.5</b>	<b>85.0</b>	<b>94.2</b>	<b>115.9</b>
Income tax	(20.1)	(20.1)	(14.6)	(110.7)	(14.1)	(17.6)	(22.3)
<b>NET INCOME</b>	<b>70.9</b>	<b>96.4</b>	<b>107.6</b>	<b>295.8</b>	<b>70.9</b>	<b>76.6</b>	<b>93.7</b>

	9M 2020	9M 2019	Change
<b>Total commissions</b>	<b>307.4</b>	<b>296.9</b>	<b>+4%</b>
One-time commissions	55.9	48.8	+15%
Ongoing commissions	251.5	248.1	+1%
<b>Total incentives &amp; bonuses</b>	<b>47.9</b>	<b>36.1</b>	<b>+33%</b>
Incentives on individual net inflows	32.1	23.8	+35%
Contests & bonuses	14.1	8.1	+73%
Reimbursement of costs for customers events	1.8	4.1	-57%
<b>Costs related to the agency agreement</b>	<b>12.4</b>	<b>11.0</b>	<b>+13%</b>
<b>EuroCQS agent commissions</b>	<b>14.5</b>	<b>14.0</b>	<b>+4%</b>
<b>TOTAL ACQUISITION COSTS</b>	<b>382.3</b>	<b>357.9</b>	<b>+7%</b>

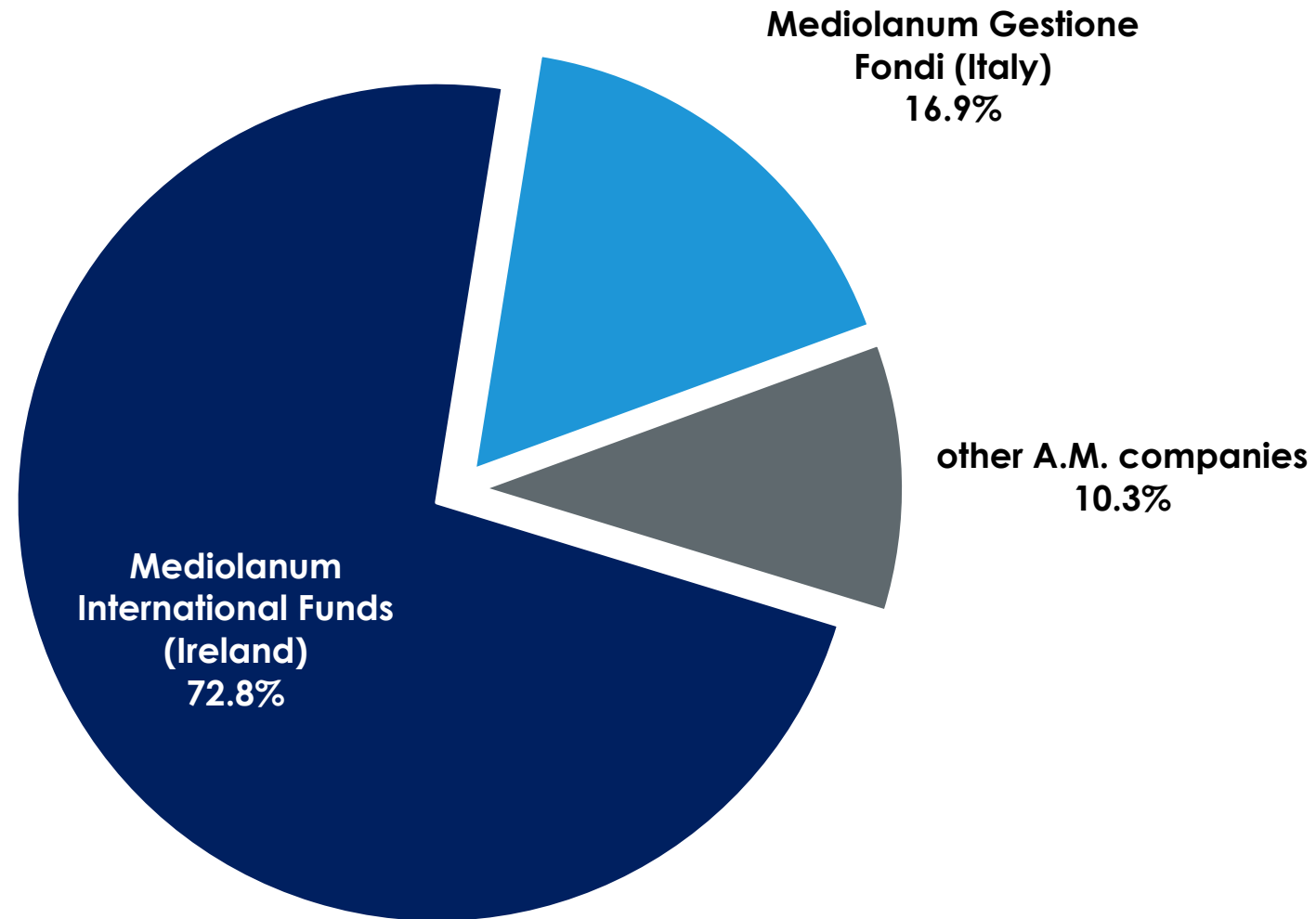
# Mutual Funds - AUM Trend

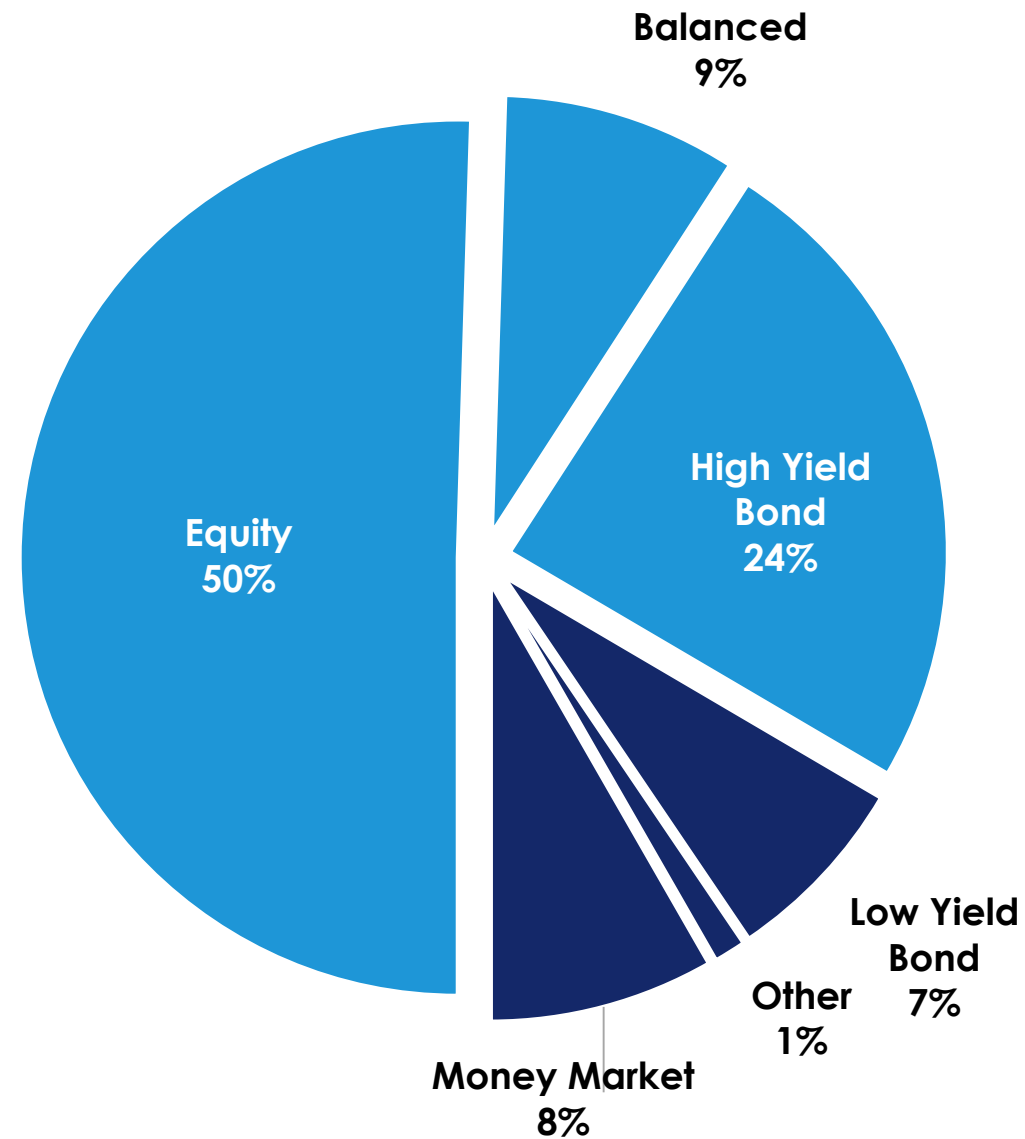
€ bn – including U-L assets



	30/09/2020	31/12/2019	Change	30/09/2019	Change
'Best Brands' funds on funds (IRL)	20,443	20,114	+2%	19,505	+5%
'Challenge' mutual funds (IRL)	15,489	15,544	-0%	14,826	+4%
Funds of Hedge Funds (IRL)	50	55	-9%	55	-9%
'Fondi Italia' mutual funds (ITA)	8,813	9,886	-11%	10,003	-12%
'Real estate' fund (ITA)	282	293	-4%	293	-4%
3rd-party stand-alone funds	3,221	3,115	+3%	3,041	+6%
Other	1,459	1,404	+4%	1,364	+7%
<i>Adj. for own mutual funds in FoFs &amp; Managed accts</i>	<i>(267)</i>	<i>(259)</i>	<i>+3%</i>	<i>(261)</i>	<i>+3%</i>
MyLife' U-L policy	8,046	7,273	+11%	6,657	+21%
Other U-L policies	15,388	15,774	-2%	15,175	+1%
<i>Adj. for own mutual funds in U-L policies</i>	<i>(17,884)</i>	<i>(17,936)</i>	<i>-0%</i>	<i>(17,214)</i>	<i>+4%</i>
<b>ASSETS IN MUTUAL FUNDS &amp; U-L</b>	<b>55,040</b>	<b>55,263</b>	<b>-0%</b>	<b>53,445</b>	<b>+3%</b>







	30/09/2020	31/12/2019	Change	30/09/2019	Change
Cash deposits	19,650	17,378	+13%	16,768	+17%
Repurchase agreements	25	21	+21%	22	+14%
Mediolanum bonds	0	11	n.s.	11	n.s.
3rd-party structured bonds	1,248	1,084	+15%	977	+28%
Other securities	2,859	2,804	+2%	2,903	-2%
<b>BANKING ADMINISTERED ASSETS</b>	<b>23,782</b>	<b>21,298</b>	<b>+12%</b>	<b>20,681</b>	<b>+15%</b>

	30/09/2020	31/12/2019	Change	30/09/2019	Change
Mortgages	7,815	7,167	+9%	6,898	+13%
Personal loans	1,813	1,661	+9%	1,608	+13%
Lines of credit	294	286	+3%	290	+1%
Salary-backed loans	942	678	+39%	591	+60%
<b>TOTAL CREDIT BOOK</b>	<b>10,864</b>	<b>9,792</b>	<b>+11%</b>	<b>9,386</b>	<b>+16%</b>

	Banca Mediolanum	Italian Banks
Gross NPL	1.26%	6.9% <sup>1</sup>
Net NPL	0.62%	3.3% <sup>2</sup>
Cost of risk	0.19% <sup>3</sup>	

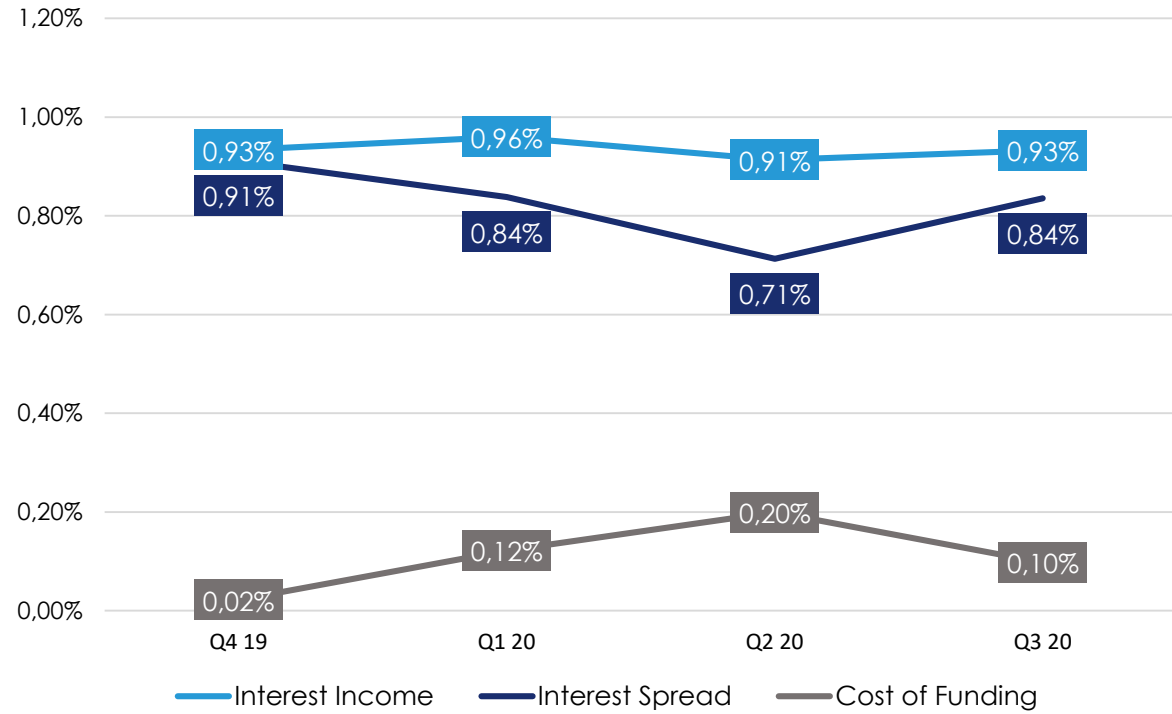
1 Bank of Italy – 'Banks and Financial Institutions: Credit Conditions and Risk by Sector and Geographical Area – Q2 2020'

2 Bank of Italy - 'Financial Stability Report No. 1 2020'

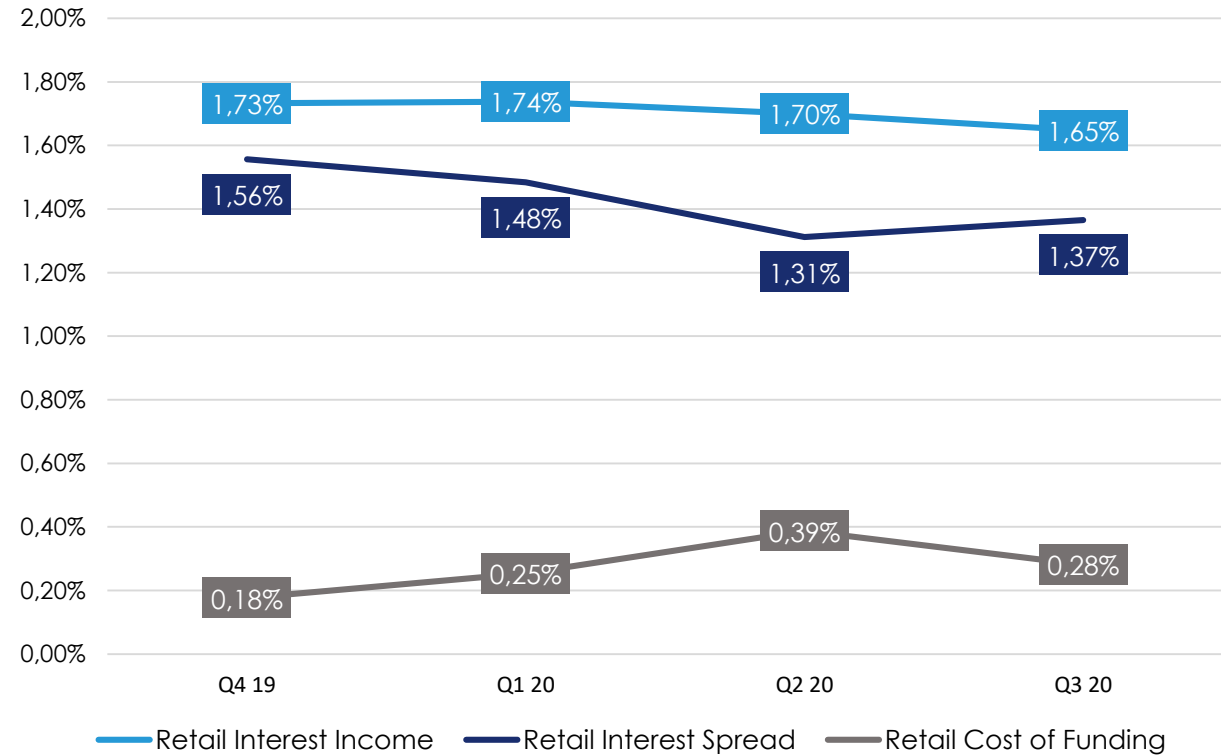
3 Cost of Risk as at 31/12/2019

	Nominal Interest Rate	9M 2020	9M 2019	Change
Mortgages	1.04%	1,133	1,016	+12%
Personal loans	2.52%	541	479	+13%
Salary-backed loans	5.70%	308	293	+5%
<b>TOTAL</b>		<b>1,982</b>	<b>1,788</b>	<b>+11%</b>
3rd-party loans	n.s.	18	27	-35%

### Total Book



### Retail Book

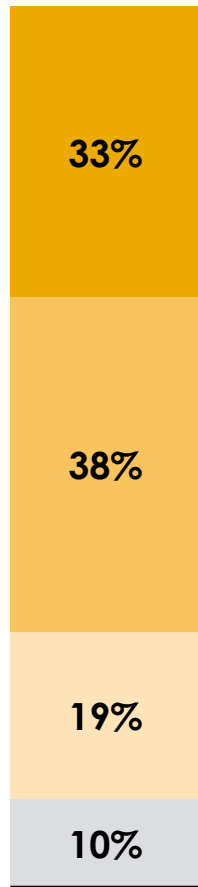


	Liabilities	Assets
<b>Retail</b>	<b>19,696</b>	<b>10,864</b>
<b>Treasury</b>	<b>7,810</b>	<b>16,946</b>
Interbank / intra-group deposits & repos	1,174	285
ECB refinancing	950	2,498
MTS refinancing	5,687	0
Securities (bonds)	0	14,163
<b>Other liabilities / assets</b>	<b>3,617</b>	<b>3,313</b>
<b>TOTAL</b>	<b>31,123</b>	<b>31,123</b>

Operating Liquidity (24hr): 11,081

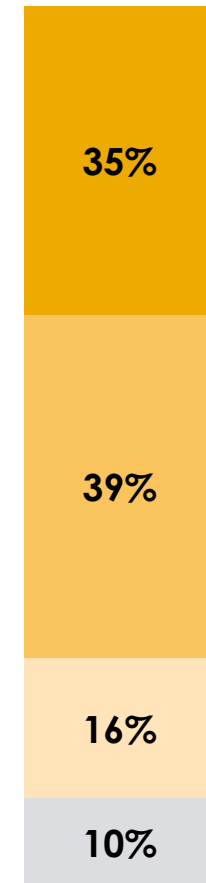
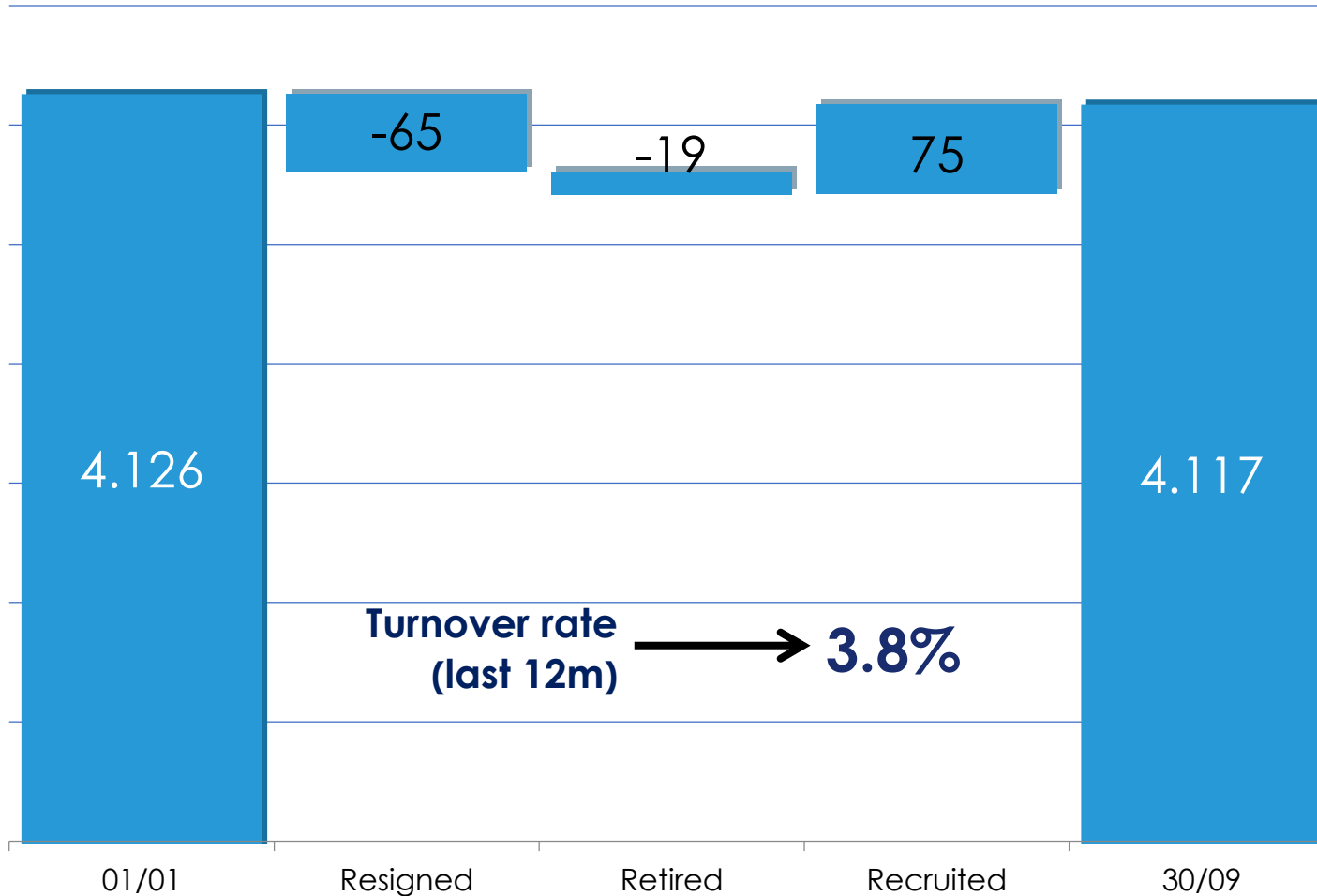
	30/09/2020	31/12/2019	Change	30/09/2019	Change
<b>Traditional</b>	1,611	1,541	+5%	1,536	+5%
<b>Unit-linked</b>	23,434	23,047	+2%	21,832	+7%
<i>o/w equity</i>	53.3%	53.6%	-1%	52.7%	1%
U-L pension plans	6,948	7,200	-3%	6,894	+1%
U-L endowment policies	3,497	3,728	-6%	3,647	-4%
U-L investment policies	12,989	12,119	+7%	11,291	+15%
<b>LIFE ASSETS</b>	<b>25,045</b>	<b>24,588</b>	<b>+2%</b>	<b>23,369</b>	<b>+7%</b>





Avg. Portfolio

**18.7**

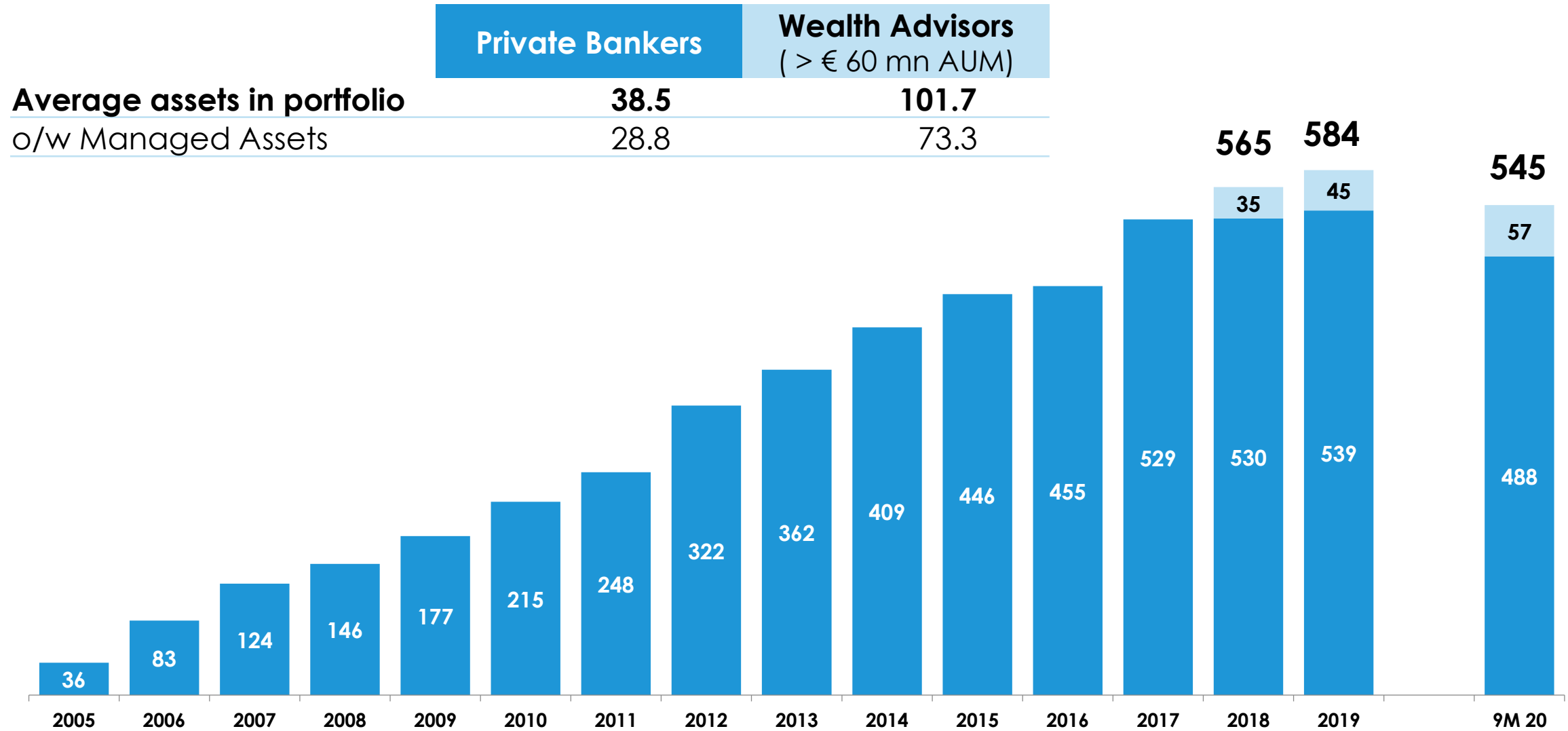


Avg. Portfolio

**19.2**



as at 30/09/2020



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



# 9M 2020 Foreign Markets Results

	9M 2020	9M 2019	Change	vs. FY
<b>Net Income</b>	17.9	17.6	+2%	
<b>Total Assets</b>	6,465	5,583	+16%	+9%
Managed Assets	4,686	4,032	+16%	+10%
Administered Assets	1,779	1,551	+15%	+8%
<b>Total Net Inflows</b>	704	400	+76%	
Net Inflows into Managed Assets	499	291	+72%	
Net Inflows into Administered Assets	205	110	+87%	
<b>Credit Book</b>	680	520	+31%	+21%
<b>Family Bankers</b>	1,219	1,013	+20%	+18%
<b>Customers</b>	149,988	133,756	+12%	+9%

	9M 2020	9M 2019	Change	vs. FY
<b>Net Income</b>	<b>(9.2)</b>	<b>(7.8)</b>	<b>+18%</b>	
<b>Total Assets</b>	<b>668</b>	<b>664</b>	<b>+1%</b>	<b>-4%</b>
Managed Assets	525	507	+4%	-2%
Administered Assets	143	157	-9%	-13%
<b>Total Net Inflows</b>	<b>(24)</b>	<b>12</b>	<b>n.s.</b>	
Net Inflows into Managed Assets	(3)	9	n.s.	
Net Inflows into Administered Assets	(21)	4	n.s.	
<b>Family Bankers</b>	<b>34</b>	<b>43</b>	<b>-21%</b>	<b>-19%</b>
<b>Customers</b>	<b>5,319</b>	<b>5,920</b>	<b>-10%</b>	<b>-10%</b>



# Business Update

	Oct 2020	YTD 2020	YTD 2019
<b>GROUP TOTAL NET INFLOWS</b>	404	6,210	2,948
<b>Managed Assets</b>	173	3,146	2,383
- o/w Mutual Funds, U-L & Managed Accounts	118	2,769	1,999
<b>Administered Assets</b>	231	3,063	565
<b>GROUP LOANS GRANTED</b>	322	2,459	2,160
<b>GENERAL INSURANCE PREMIUMS</b>	14	108	83

	9M 2020		
	Mutual Funds	Managed Assets	Total Net Inflows
<b>Banca Mediolanum</b>	<b>2,141</b>	<b>2,165</b>	<b>4,917</b>
Banca Fideuram (incl. Sanpaolo Invest)	2,070	2,809	4,899
Allianz Bank	1,774	1,878	2,831
Finecobank	1,186	2,435	5,516
Banca Generali	1,137	2,065	4,065
Azimut	665	1,066	1,665
Che Banca!	417	551	849
Credem	286	384	533
BNL - BNP Paribas	236	454	764
Banca Euromobiliare	197	207	372
Banca Widiba	56	41	459
IW Bank	37	139	467
Consultinvest	-3	1	6
Deutsche Bank (Finanza & Futuro)	-317	69	520

\* including Unit-Linked policies & Managed Accounts

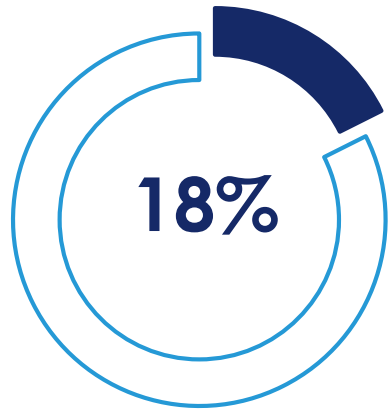
Source: Assoreti



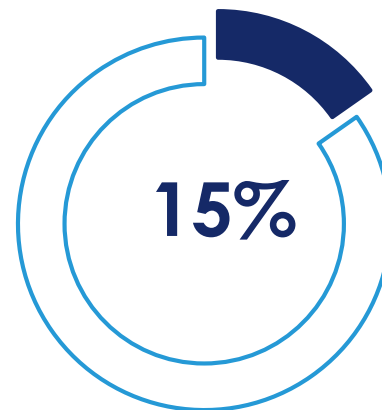
January - September

■ BMED    □ Other FA networks

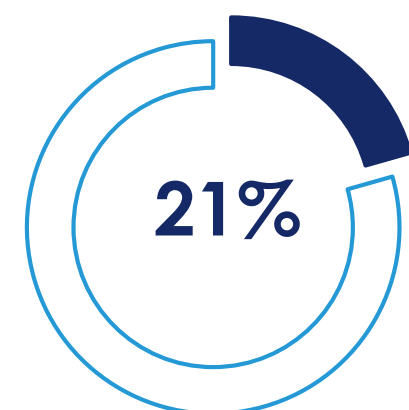
Total Net Inflows



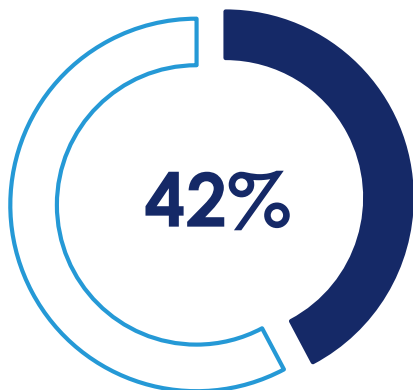
Net Inflows into Managed Assets



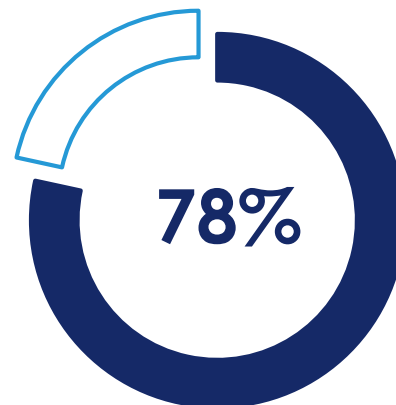
Net Inflows into Mutual Funds\*



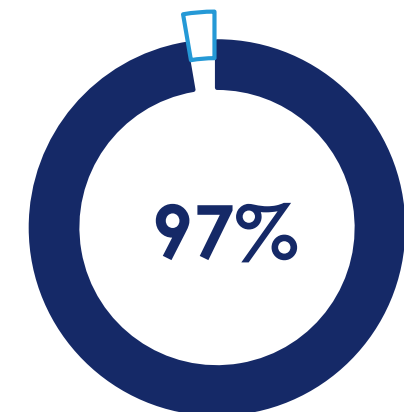
Mortgages Granted



Personal Loans Granted



General Insurance Gross Premiums

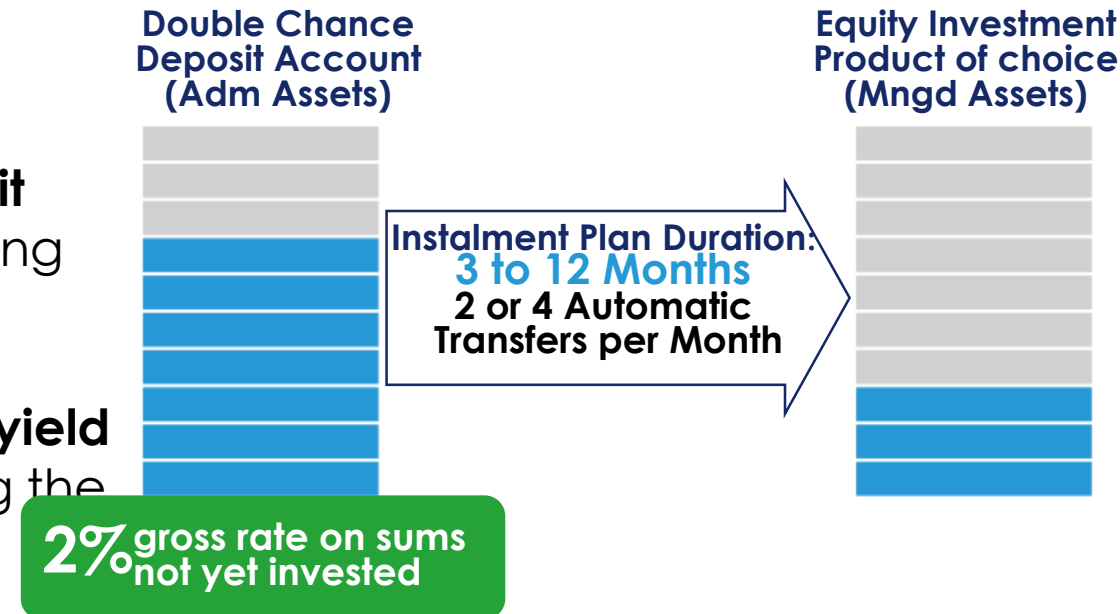


\* including Unit-Linked policies & Managed Accounts

Source: Assoreti

- An investment strategy/service that allows the retail investor to **gradually enter the global financial markets** via Mediolanum investment products, while mitigating the effects of volatility & taking advantage of dollar-cost-averaging
- Capital is initially parked in a **highly-remunerated deposit account** (rates currently offered: 0.50% to 2.00% according to selected duration & asset class)
- Allows customer gradual investment into **equity or high-yield funds** over **3/24-month** period, automatically transferring the established amount 2 or 4 times a month
- Interests of the deposit account automatically credited to the customer's checking account

## 2020 Edition



- A long-term investment strategy (10+ yrs, € 30k+) that allows our customers to **gradually enter the equity 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 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

INTELLIGENT  
INVESTMENT

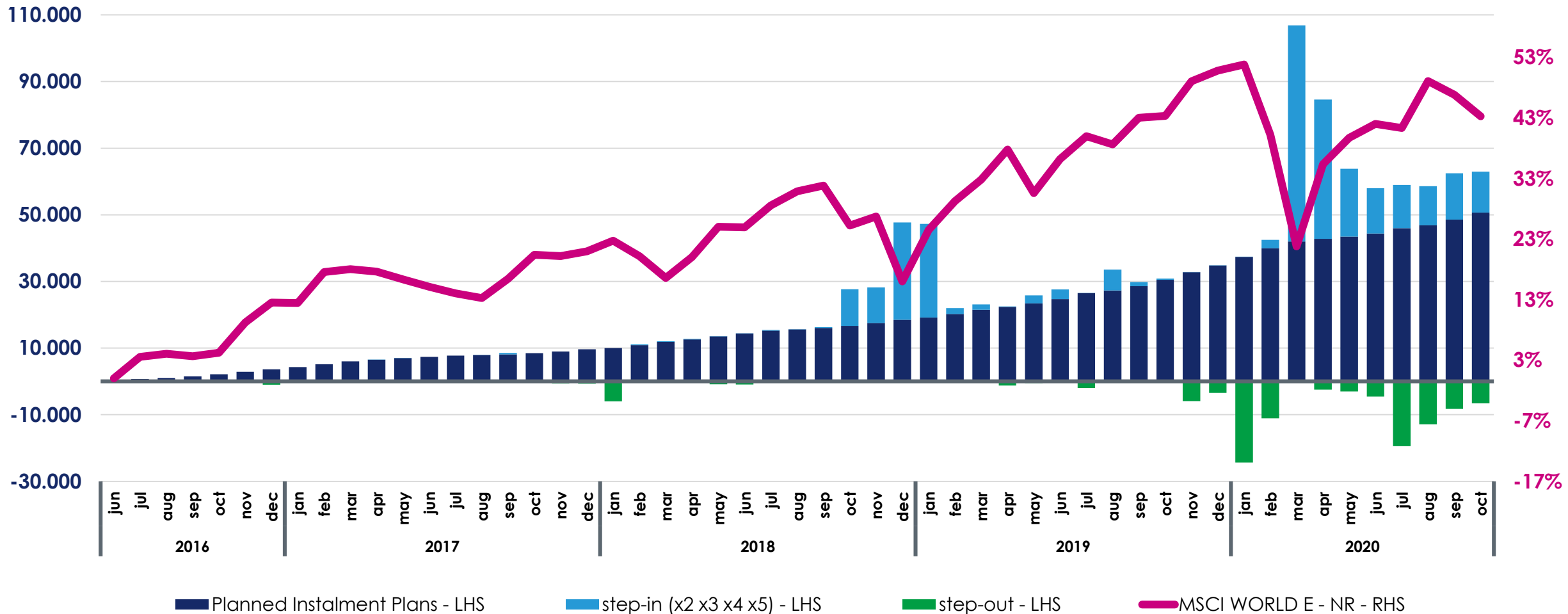


STRATEGY

Equity Fund Unit Price	Installment 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 400,000 step-in/step-outs automatically multiplied the transferred amount to & from selected Global Equity Investments, allowing **customers to fully benefit from market volatility**



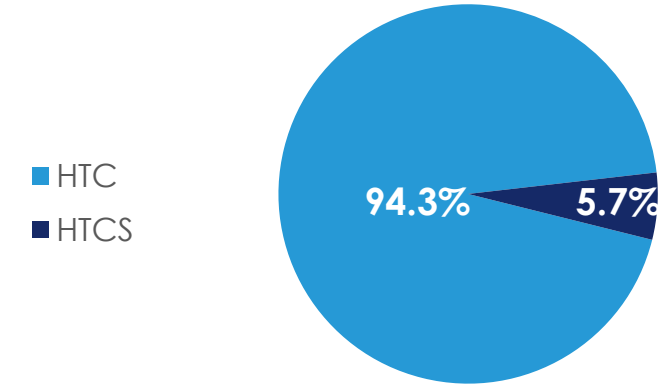
## Investment services featuring automatic gradual switch into equity funds allowing customers to take advantage of dollar-cost averaging

- **Big Chance (2001)**
  - Capital is initially invested in money market fund
  - A portion of the assets is switched twice monthly into equity funds, investing the entire amount over 3/12-month period
- **Double Chance (2008)**
  - Capital is initially parked in a highly-remunerated deposit account
  - Allows customer gradual entry into equity & fixed-income funds, investing the entire amount over 3/24-month period
- **Intelligent Investment Strategy (2016)**
  - Capital is initially invested in money market fund
  - A portion of the assets is switched once or twice monthly into equity funds or U-L policy, investing the entire amount over 3/5-year period
  - Instalment amount automatically increases if equity fund value drops. 5% to 10% capital gains on equity are switched back into money market fund to be reinvested over time.
- **Intelligent Accumulation Plan (2020) *NEW***
  - Long-term instalment plan that shifts small amount of savings from current account to mutual funds monthly
  - Allows customers to gradually enter BMED equity & fixed-income funds
  - Instalment amount automatically doubled each month the fund unit price is 5% below the avg unit price of a customer

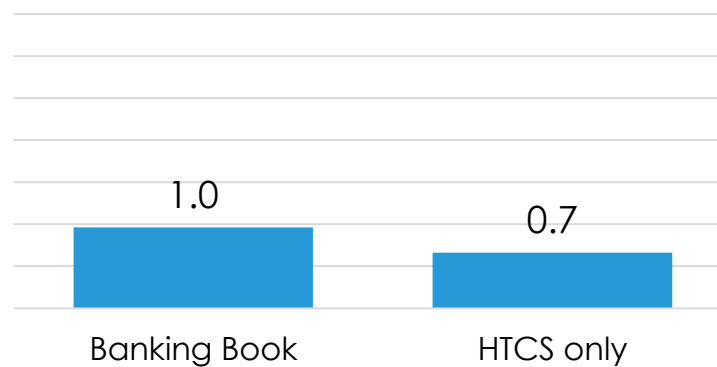
## Banking Book: € 15.9 bn (nom. values)

- **Low sensitivity to volatility** of Italian govies
- **Limited weight** of HTCS book
- **Prudent & flexible approach** thanks to very **short Avg. Duration** (approx. 1 year)

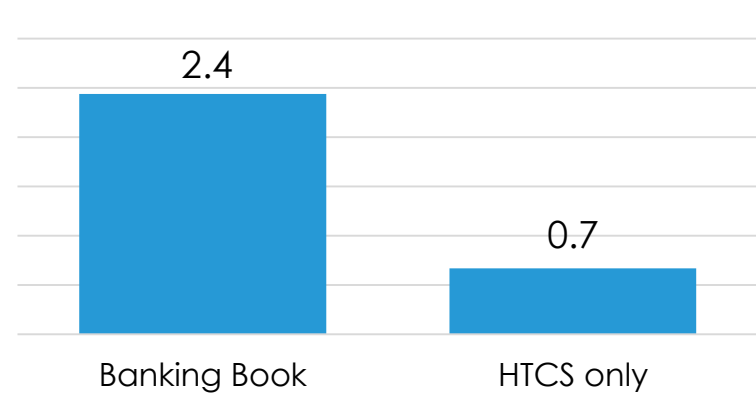
Sector	%
Government	99.4%
Financial	0.6%
Govies	%
Italy	98.1%
Spain	1.9%



### Avg. Duration



### Avg. Maturity





## 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

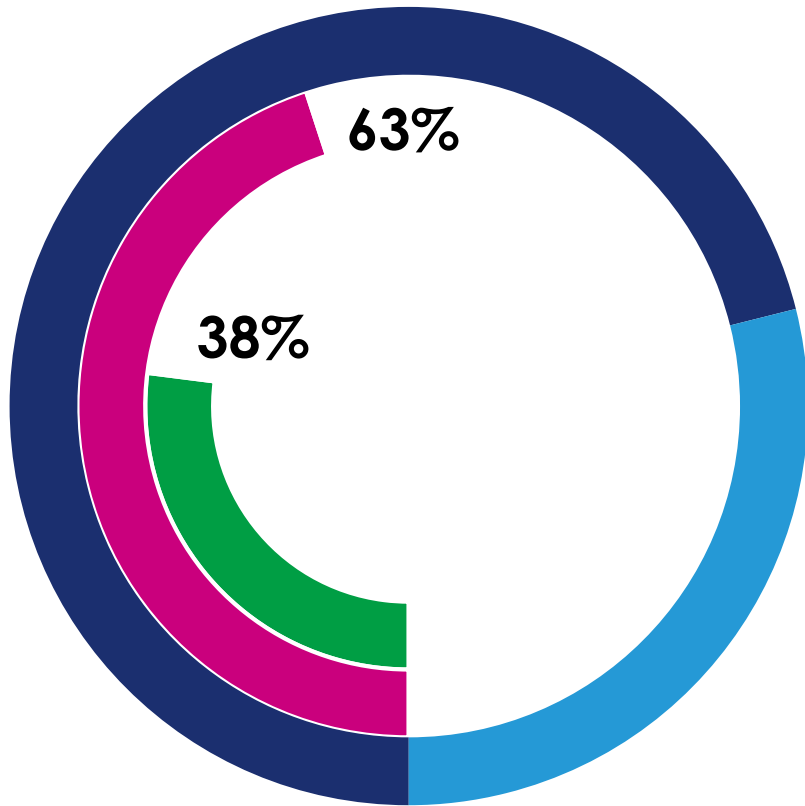
## THE PRODUCTS

- EXTENSIVE PRODUCT RANGE – COMPETITIVE PRICING** technology with BMED employees
- **Term-Life:** *Personal Life Serenity*
  - **Health & Disability:** *Capitale Umano; Capitale Salute*
  - **Property & Casualty:** *Capitale casa; RC capofamiglia*

## THE PROJECT

- 'Capitale Autonomia'*
- 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%**

**1,410,408 Total Customers**  
**5Y CAGR: 4%**



- 1,002,632 Bank Account Holders\*:
  - **63% o/w use BMED as Primary Bank**
  - **38% o/w use BMED as the Only Bank (according to 2019 Customer Survey)**
- Other (EuroCQS, Flowe, etc)

\* excluding Flowe account holders



## E-money institution for younger generations' needs: ease in banking, 'innovability' & better-being

- **Scalable & open banking platform** (cloud-native, API-based, mobile-only)
- Putting together **banking services, finance, education, entertainment & empowerment**
- Socially relevant content: **carbon footprint, environmental impact of shopping & reforestation**
- Certified **B-Corp** pending
- Available ages **12 yrs+** on the Italian market (for now)

### As at Nov 9, 2020:

- **Users: 90,000**
- **Trees planted: >17,700**
- **550 Tons of CO2** compensated



On air Oct 16

Short Movie available at  
[ascoltabuoniconsigli.it](http://ascoltabuoniconsigli.it)

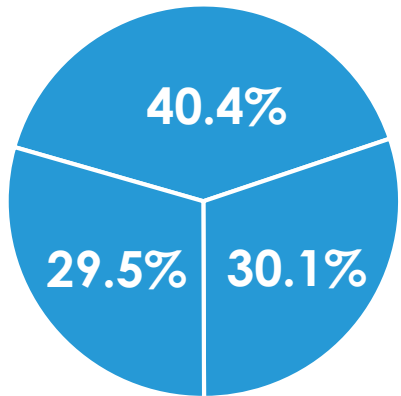




# Mediolanum Facts



Doris Group



Free Float

Fininvest

## 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

## INSURANCE

100%

Mediolanum Vita



Mediolanum International Life

Mediolanum Assicurazioni

## OTHER

100%

Flowe

Euro CQS

Mediolanum Comunicazione

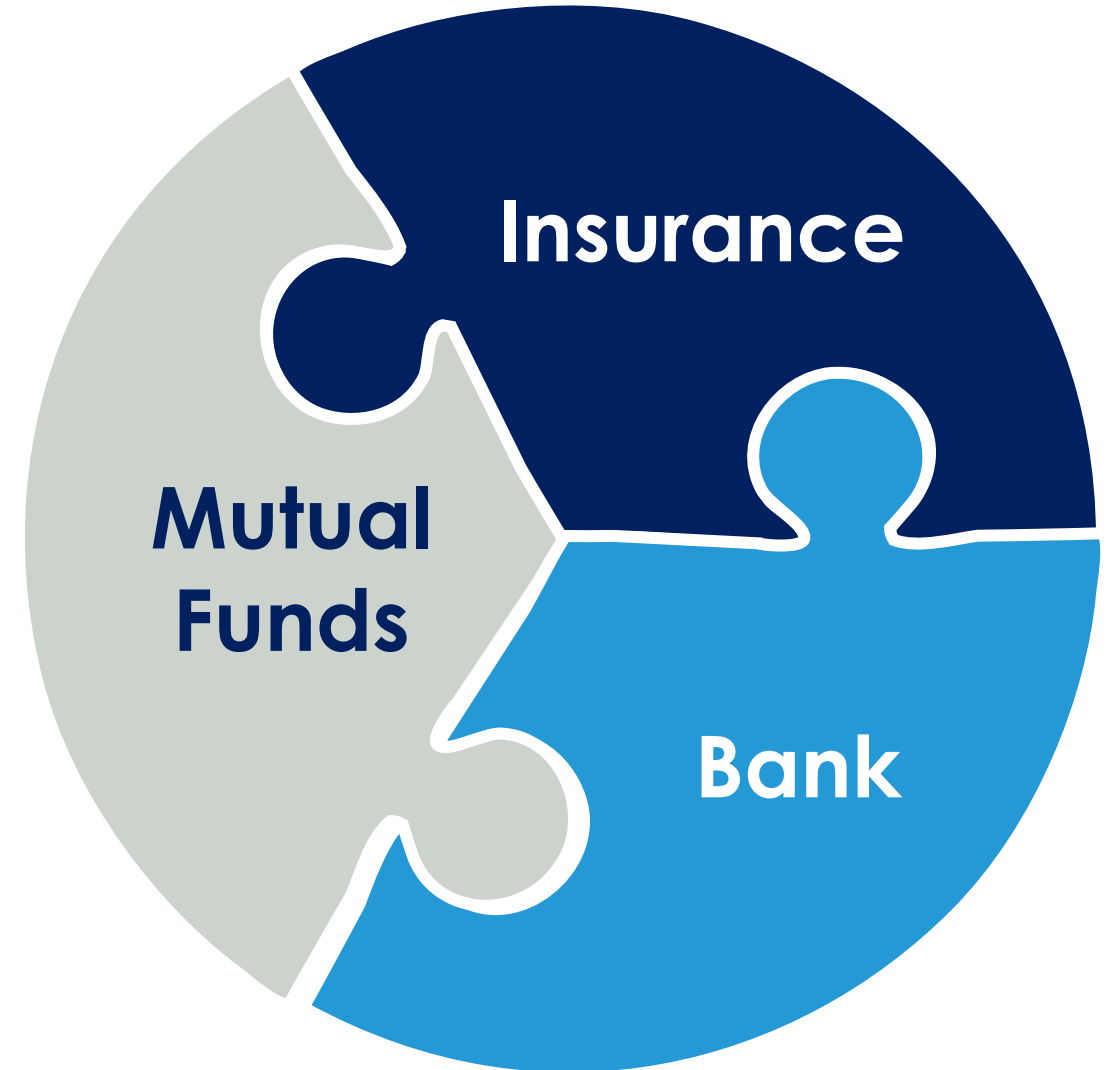
3.3% (directly & through Mediolanum Vita)

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





## Family Bankers: the human touch

Self-employed tied agents with entrepreneurial approach

Extensively trained to tackle every household financial need

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

Compensated even for operations performed by customers through direct channels

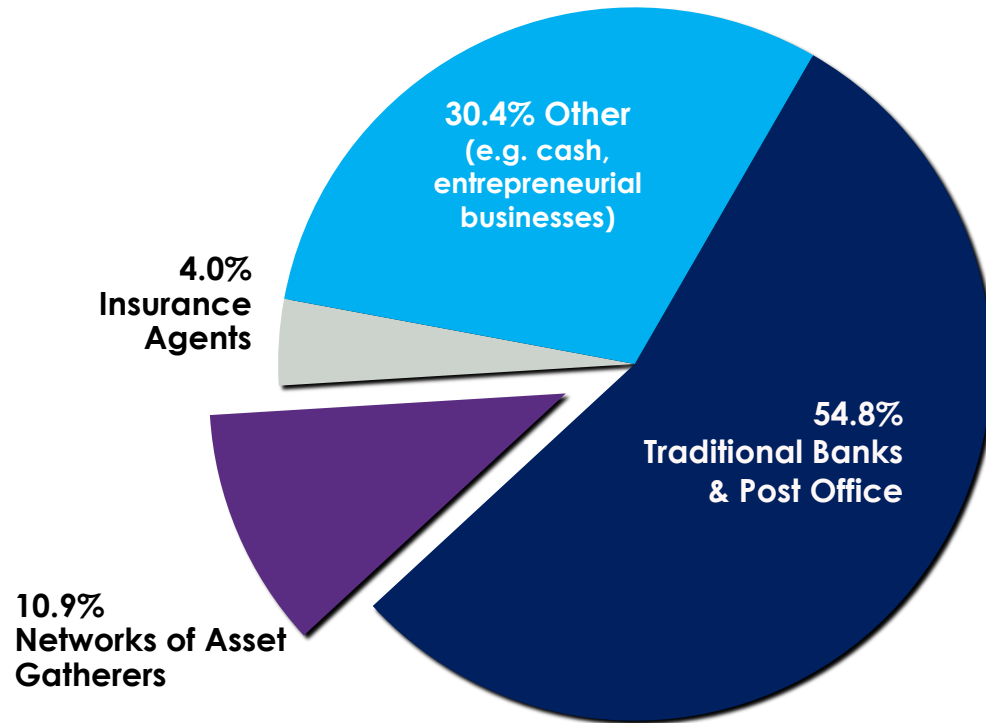
- Willing to provide advice anytime, anywhere
- Equally competent across all product lines
- Unlike the typical FA, offer assistance also with everyday banking needs
- Synergy, not competition, between human and direct channels



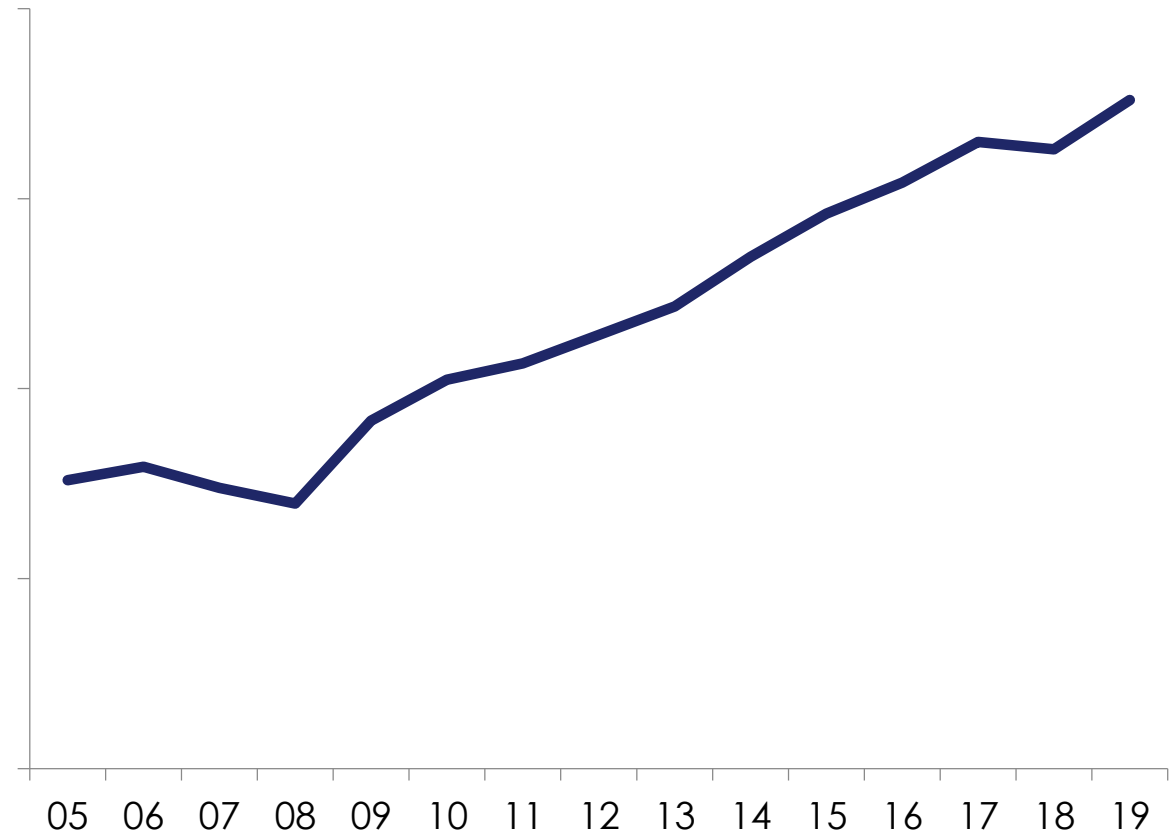
## Customers: freedom in banking

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

## Total HH Assets: € 4,445 bn



## BMED Market Share: 1.76%



**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



As at 30/09/2020

ROE

20.1%

10 Y avg. 2010- 2019

CET1

21.8%

Retail Deposits

€ 19.7 bn<sup>1</sup>

Retail Credit Book

€10.7 bn<sup>1</sup>

% Gross NPLs

1.26%

vs 6.9% Italian Banks<sup>2</sup>

% Net NPLs

0.62%

vs 3.3% Italian Banks<sup>2</sup>

LCR

400%

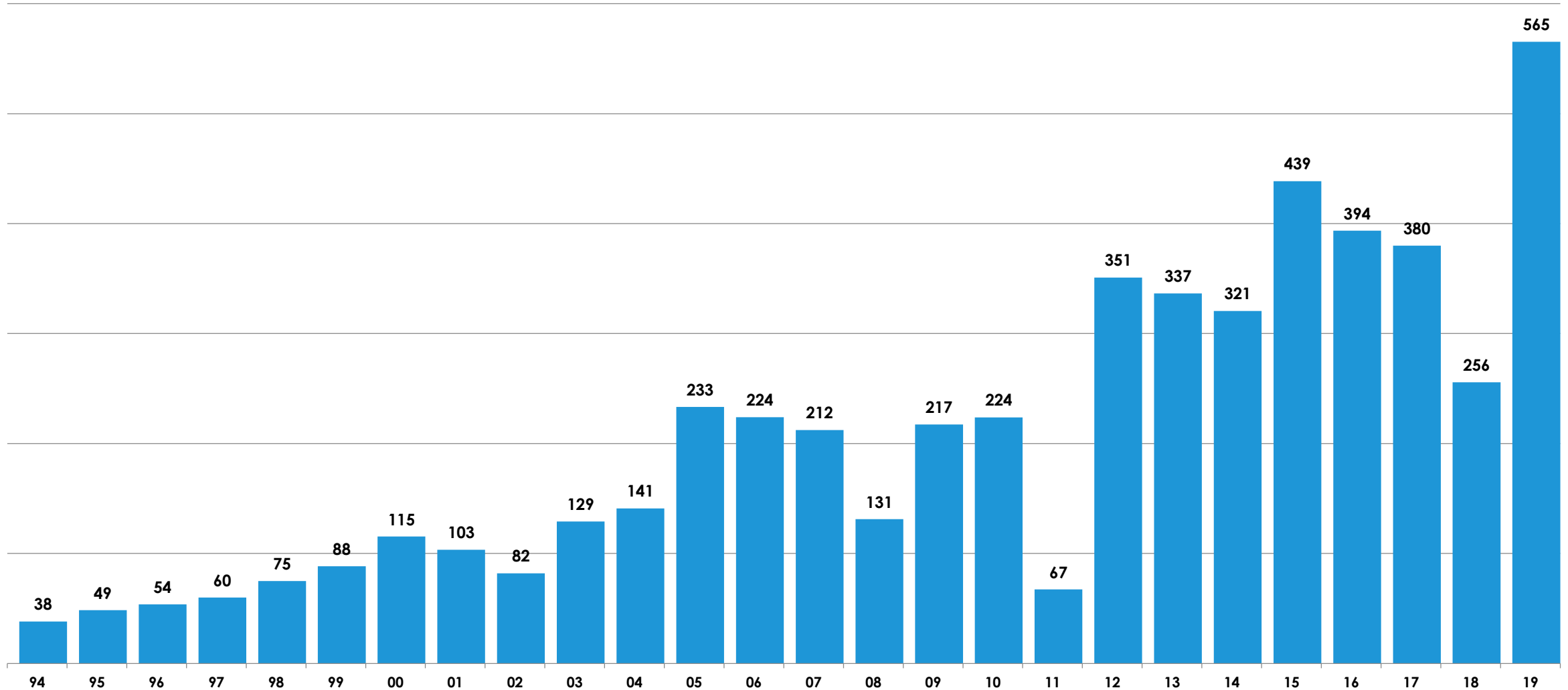
NSFR

181%

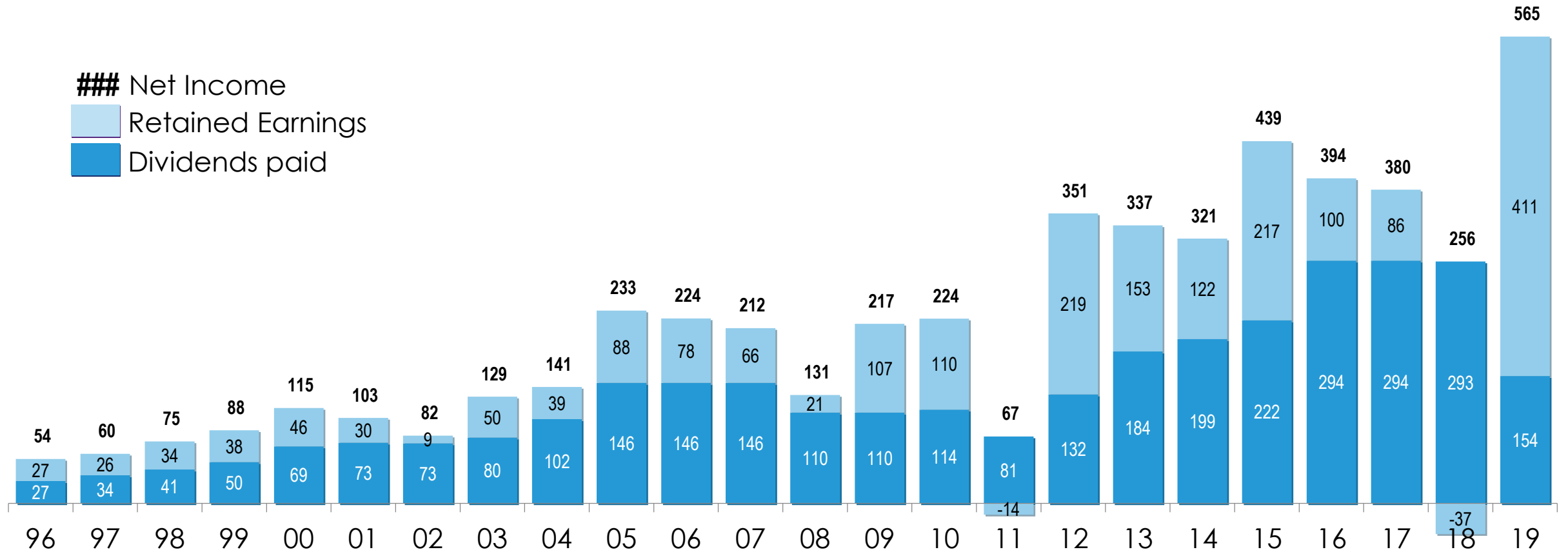
as at 30/06/2020

1. Data refers to Domestic Market Only.

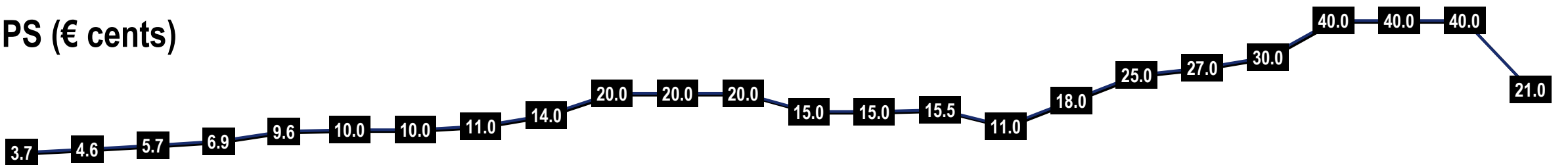
2. Source: Bank of Italy – 'Banks and Financial Institutions: Credit Conditions and Risk by Sector and Geographical Area – Q2 2020' &amp; 'Financial Stability Report No.1 2020'



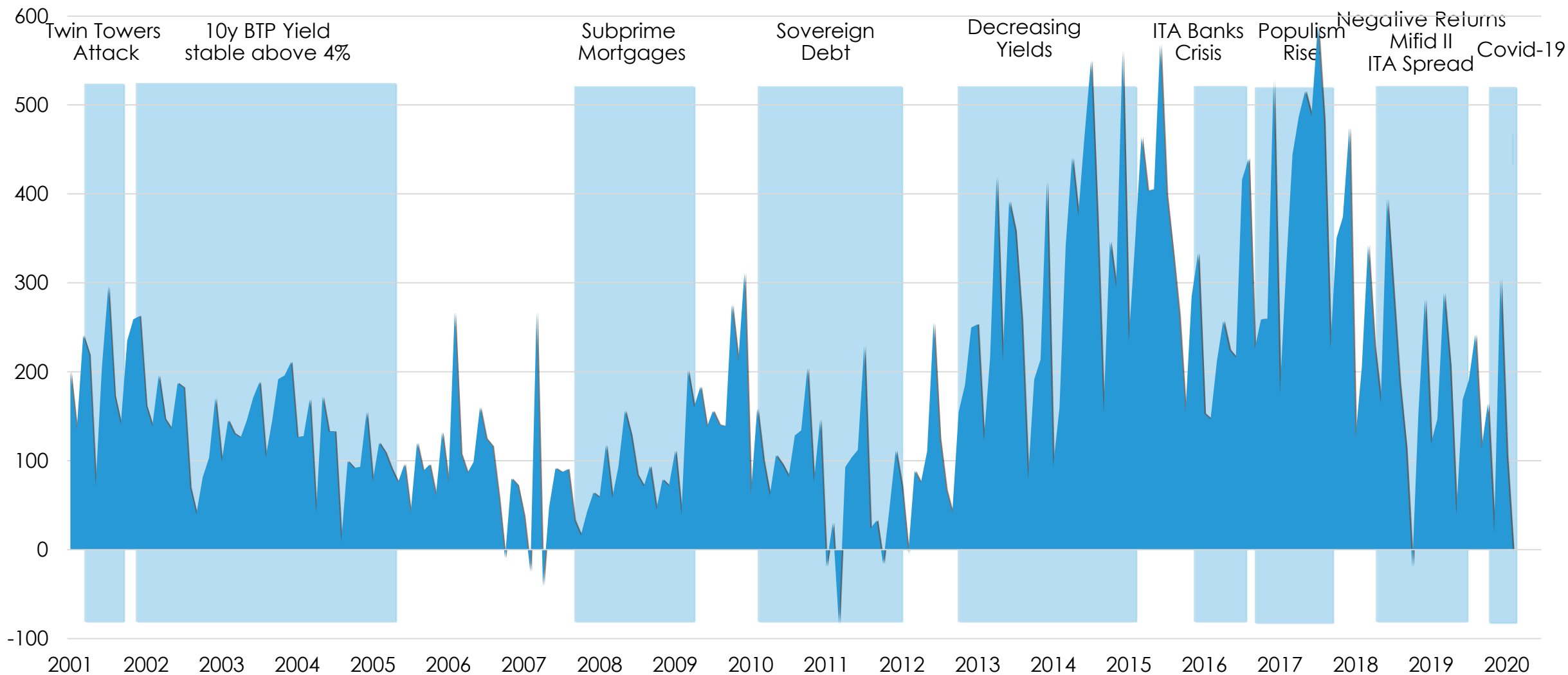
2008 & 2010: adjusted net income excluding effects of 'Lehman Brothers' operation

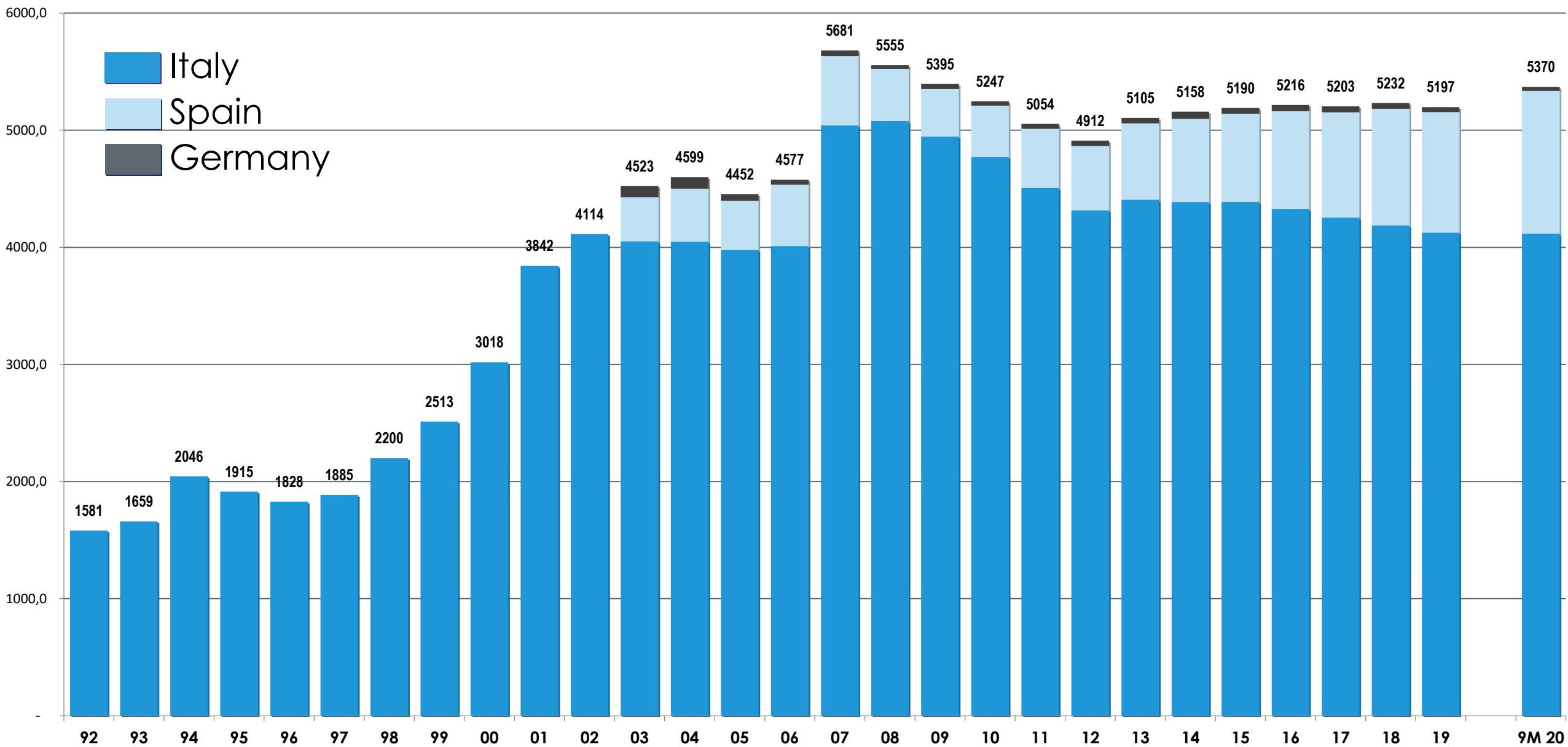


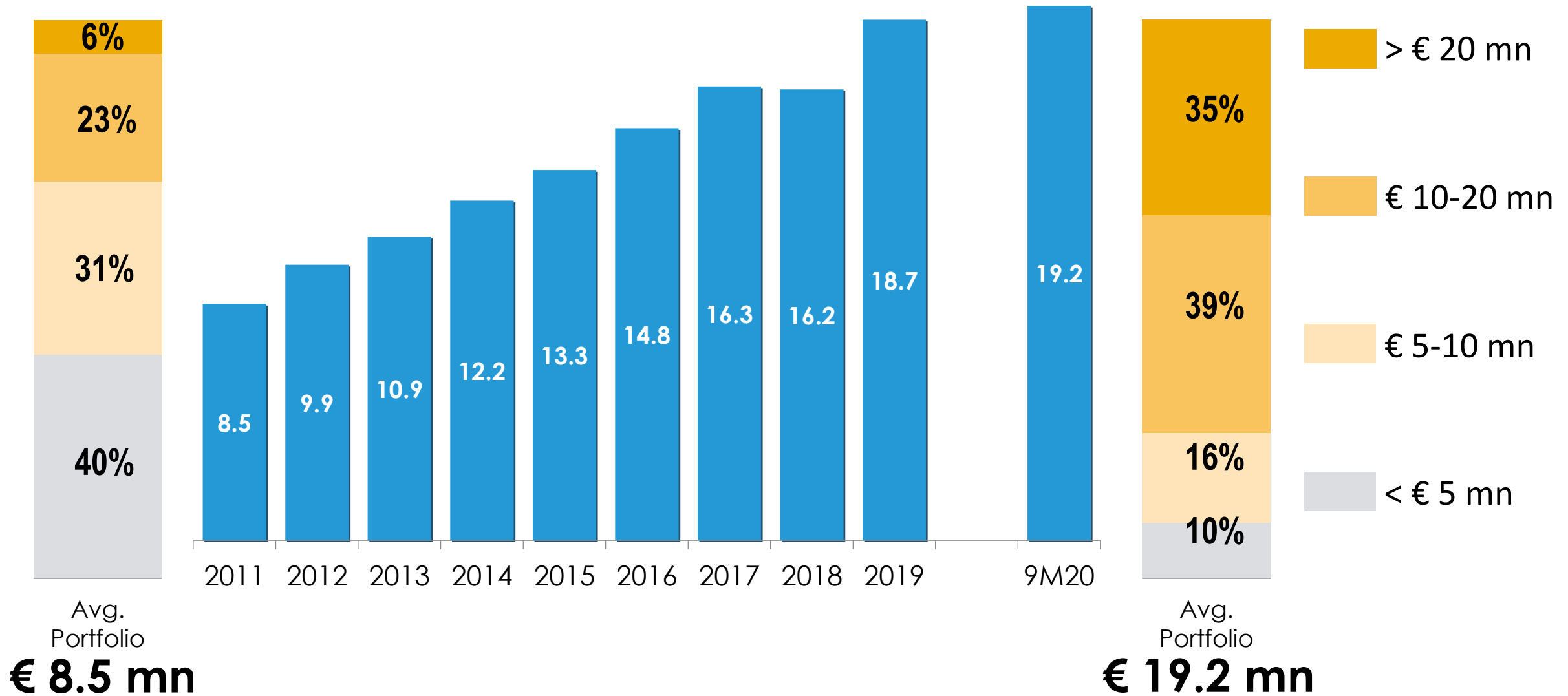
## DPS (€ cents)



2019: Interim dividend only. Dividend balance (34 € cents) suspended following Bank of Italy ban



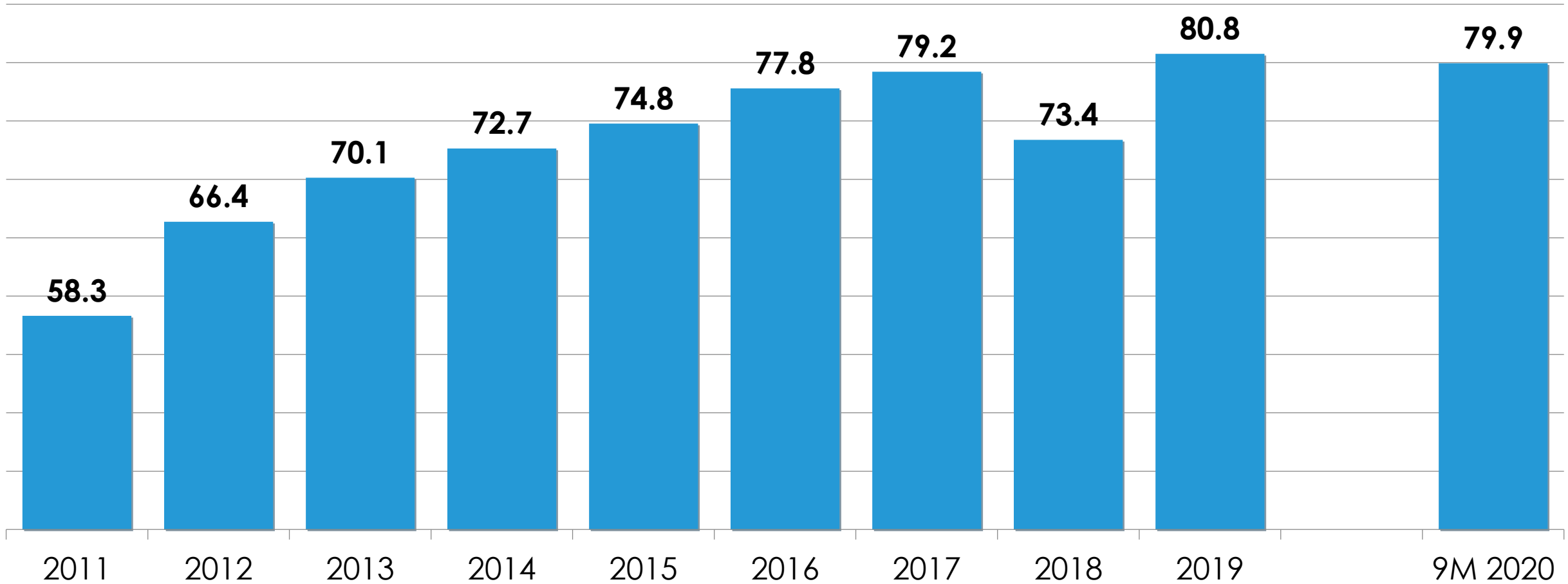


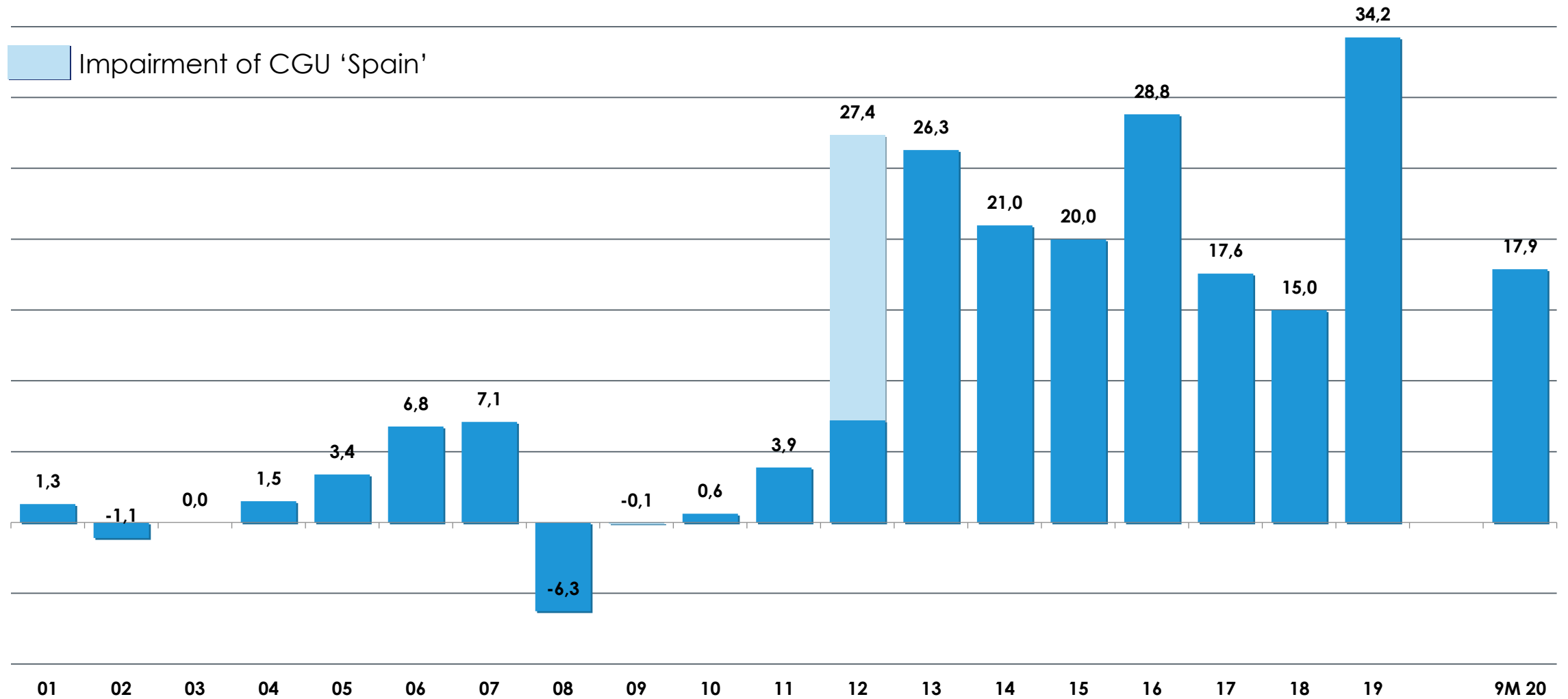


# 63 Italy - Average Assets per Customer

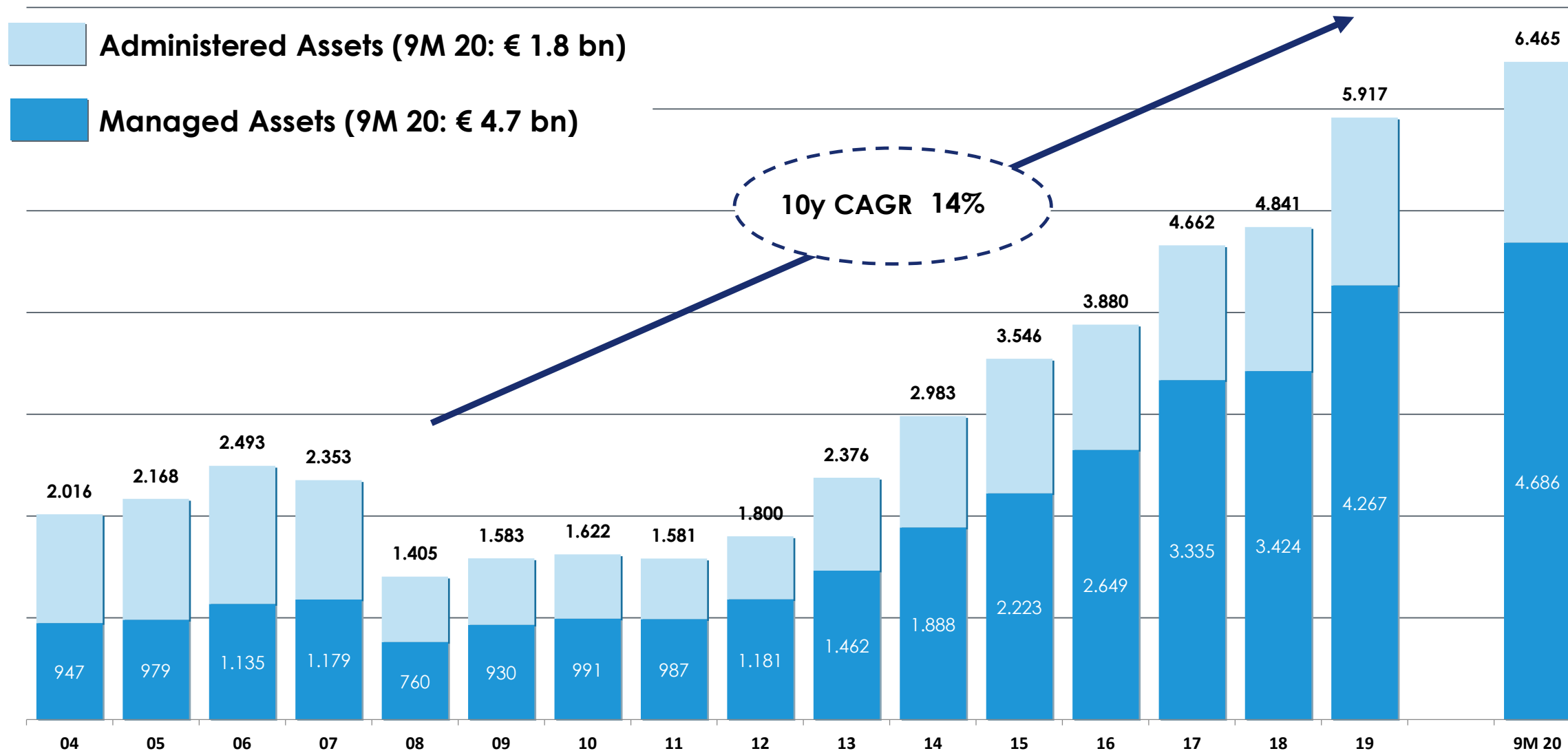
€ thousands

Primary Bank Account Holders

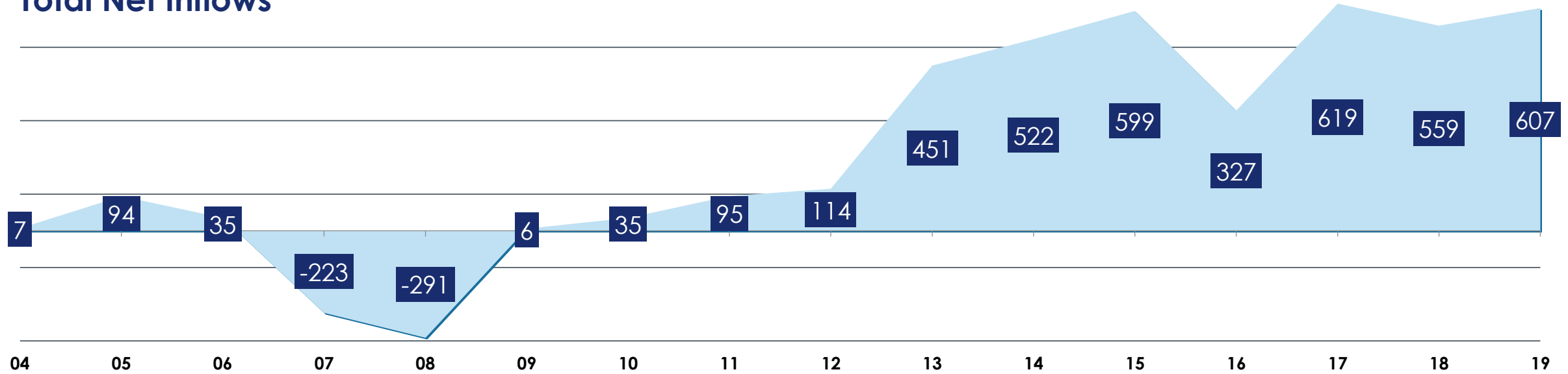




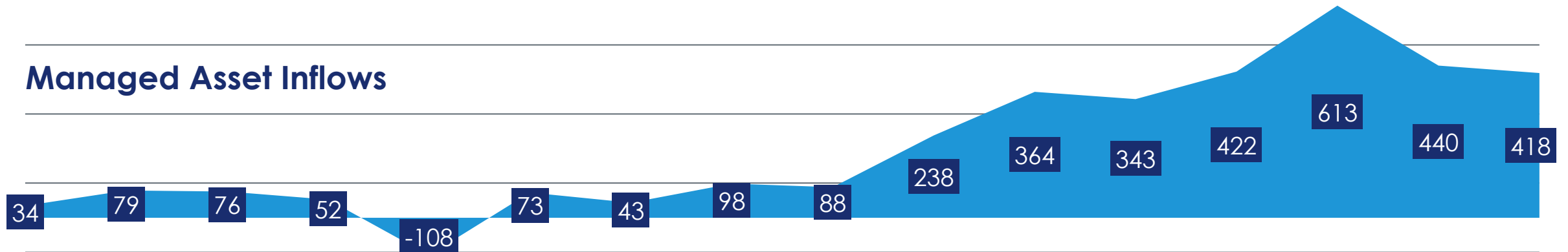


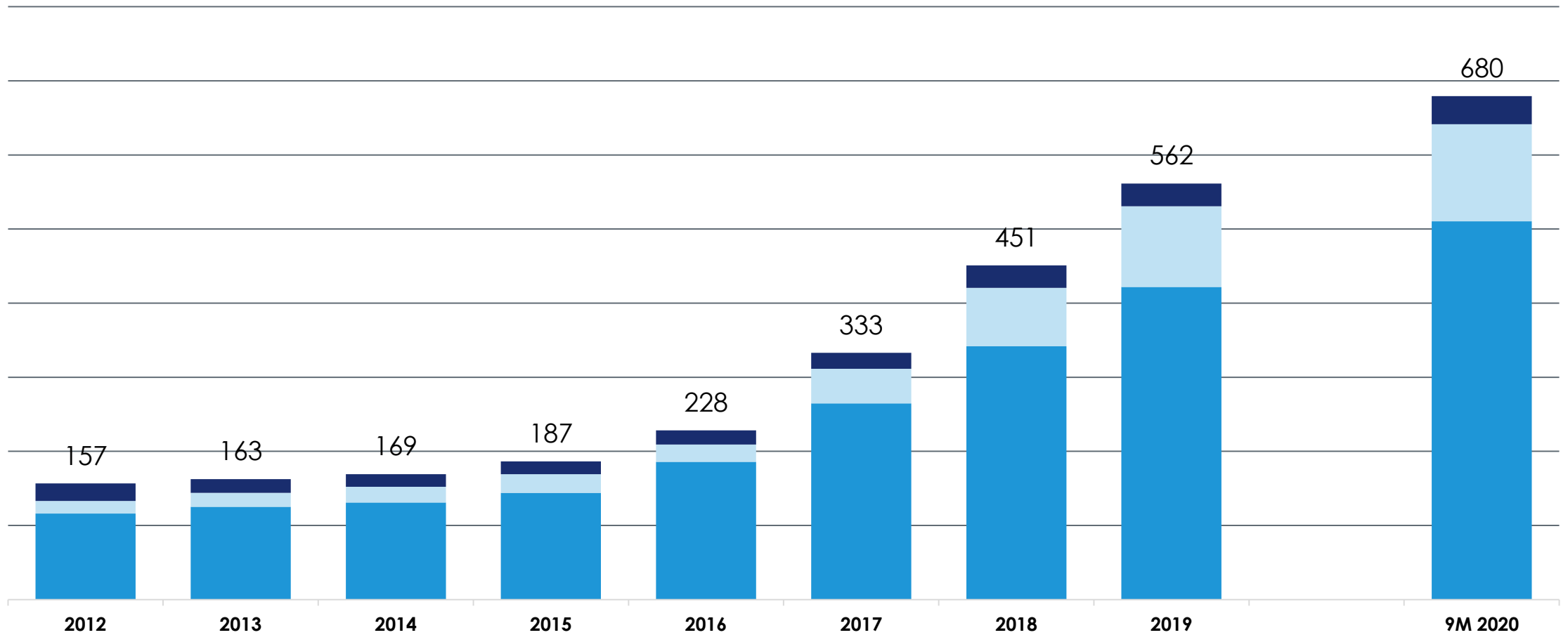


## Total Net Inflows

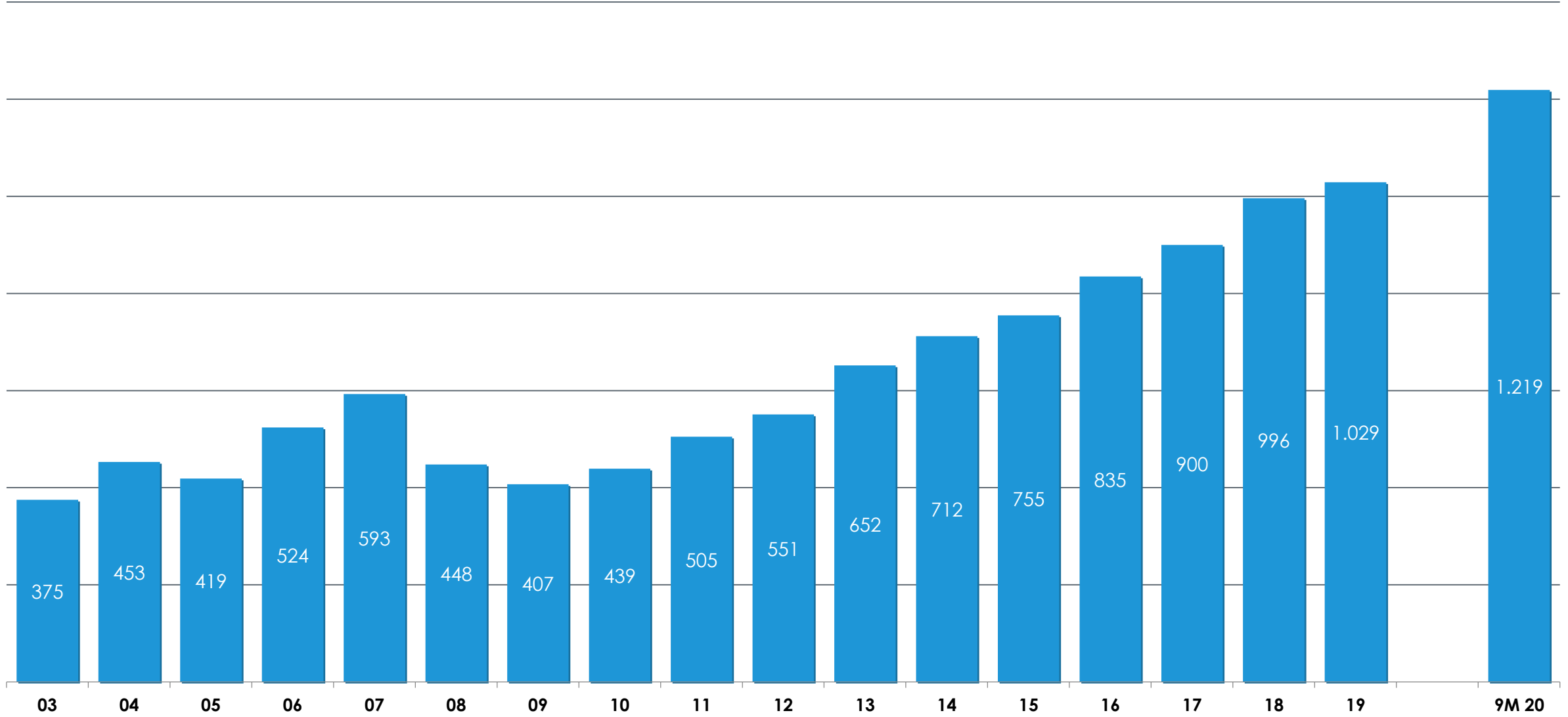


## Managed Asset Inflows





# 68 Spain – Family Banker Network



## 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**

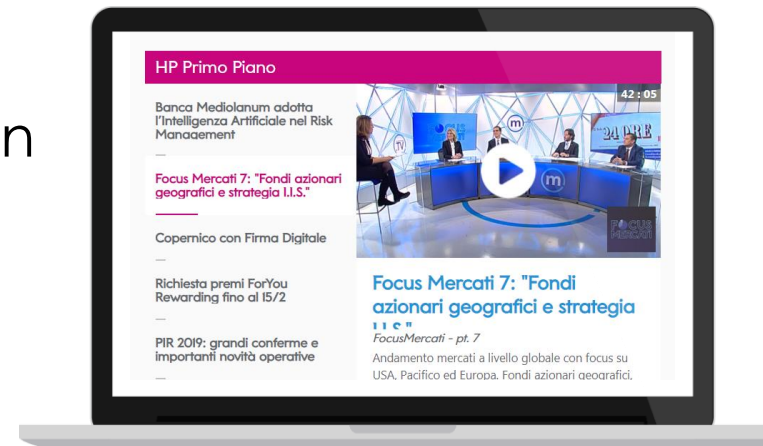
- Inaugurated March 2009
- Centralises our training know-how, in coordination with top universities, professors and individuals who are experts in the field
- Provides our Family Bankers & employees with a resource for life-long education
- Develops financial education programs dedicated to our customers & 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 & 2020**

- 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







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

### Overall Satisfaction

#### Customer Satisfaction

96%

1<sup>st</sup> Bank in Italy - Market Average: 89%

#### Net Promoter Score

60.8%

1<sup>st</sup> Bank in Italy  
Traditional Banks: 4.5% | Online Banks: 43.1%

#### Customer Retention

95.4%

### Digital Platform

#### Mobile App Satisfaction

84%

1<sup>st</sup> Bank in Italy - Market Average: 66%

#### Mobile Payments

1<sup>st</sup> Bank to offer  
All Platforms

Apple Pay – Samsung Pay – Google Pay  
Garmin Pay – Bancomat Pay

#### App Store Rating



4.7



4.4



### Financial Advisor Interaction

#### Professionalism

87.0%

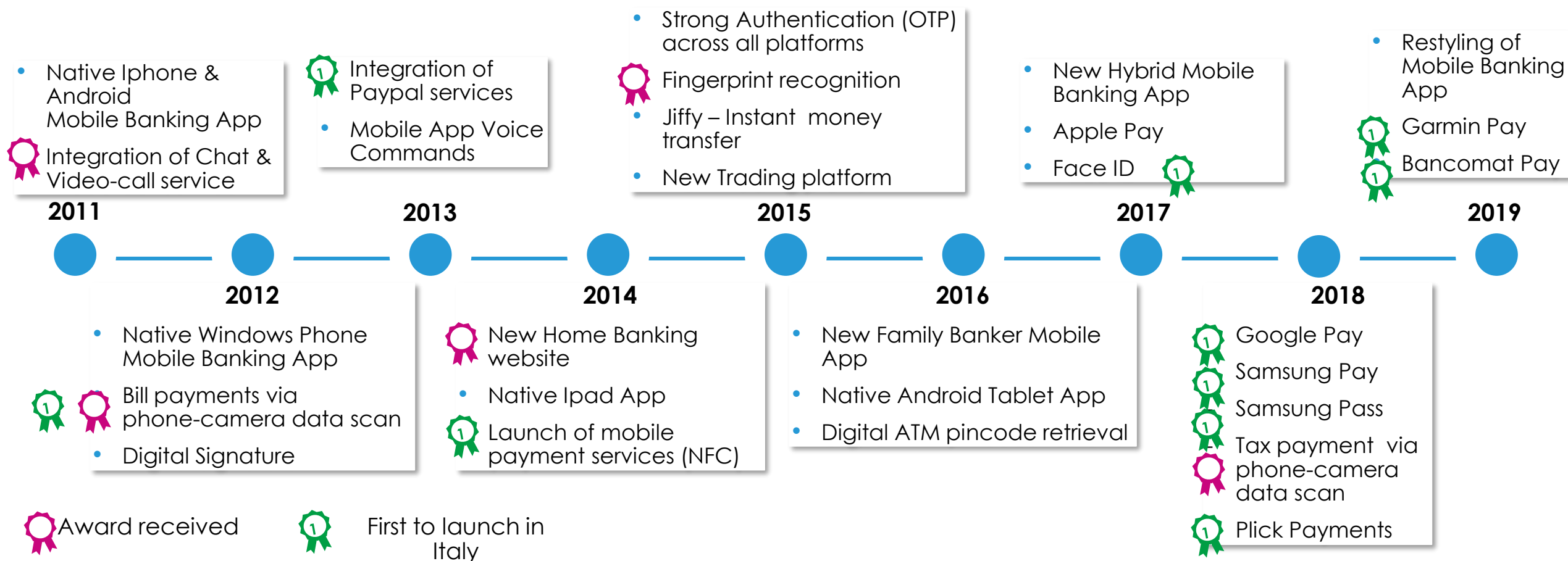
#### Relationship Quality

88.7%

#### Availability

In 2018, **59.4% of Customers** met with their Family Banker **more than 4 Times**

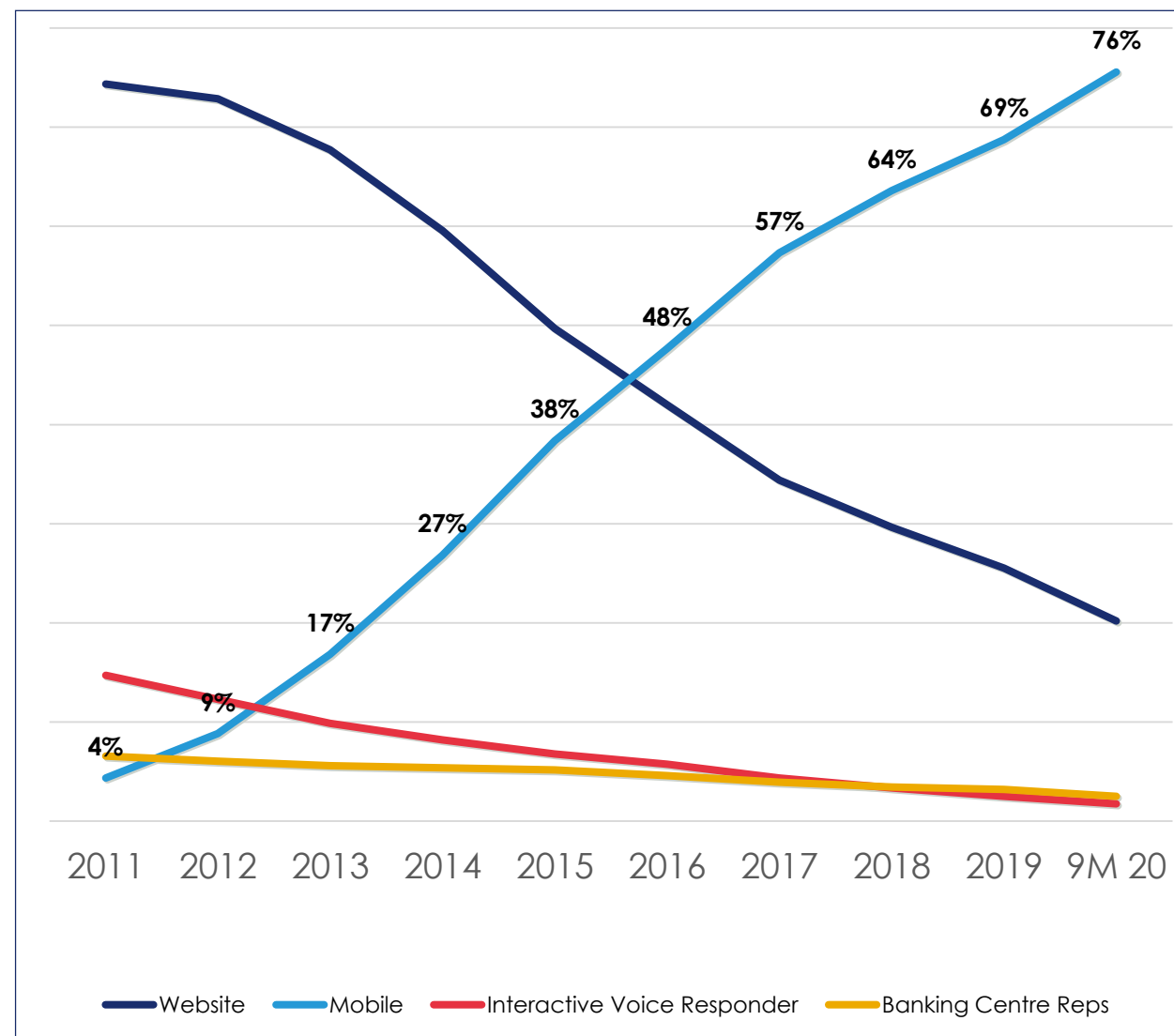
- We **create value for our Customers** by exploiting the **best technology available** to serve them
- Investments in technology allow us to build strong relationships thanks to the **usability & simplicity of our digital platform** (2018 retention rate: 98% - 2018 interactions with the bank: 74 mn)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



- 76% of total accesses via mobile app in 2020
- 45% of transactions via mobile app in 2020
- 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)



INTESA  SANPAOLO 61%

 UniCredit 53%

 **mediolanum** <sup>BANCA</sup> 46%

 **MONTE  
DEI PASCHI  
DI SIENA**  
BANCA DAL 1472 29%

**BancoPosta** 28%

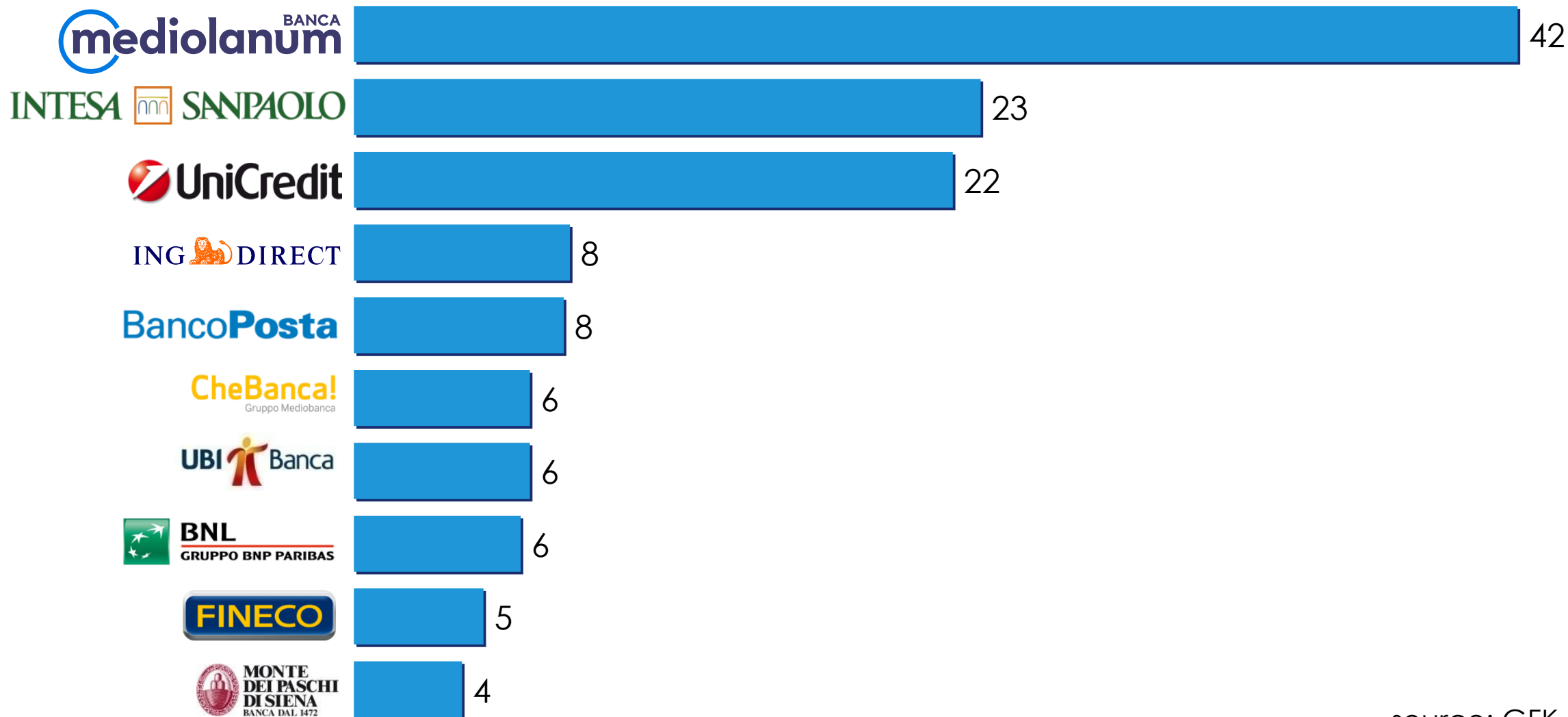
 **BNL**  
GRUPPO BNP PARIBAS 25%

**UBI**  Banca 21%

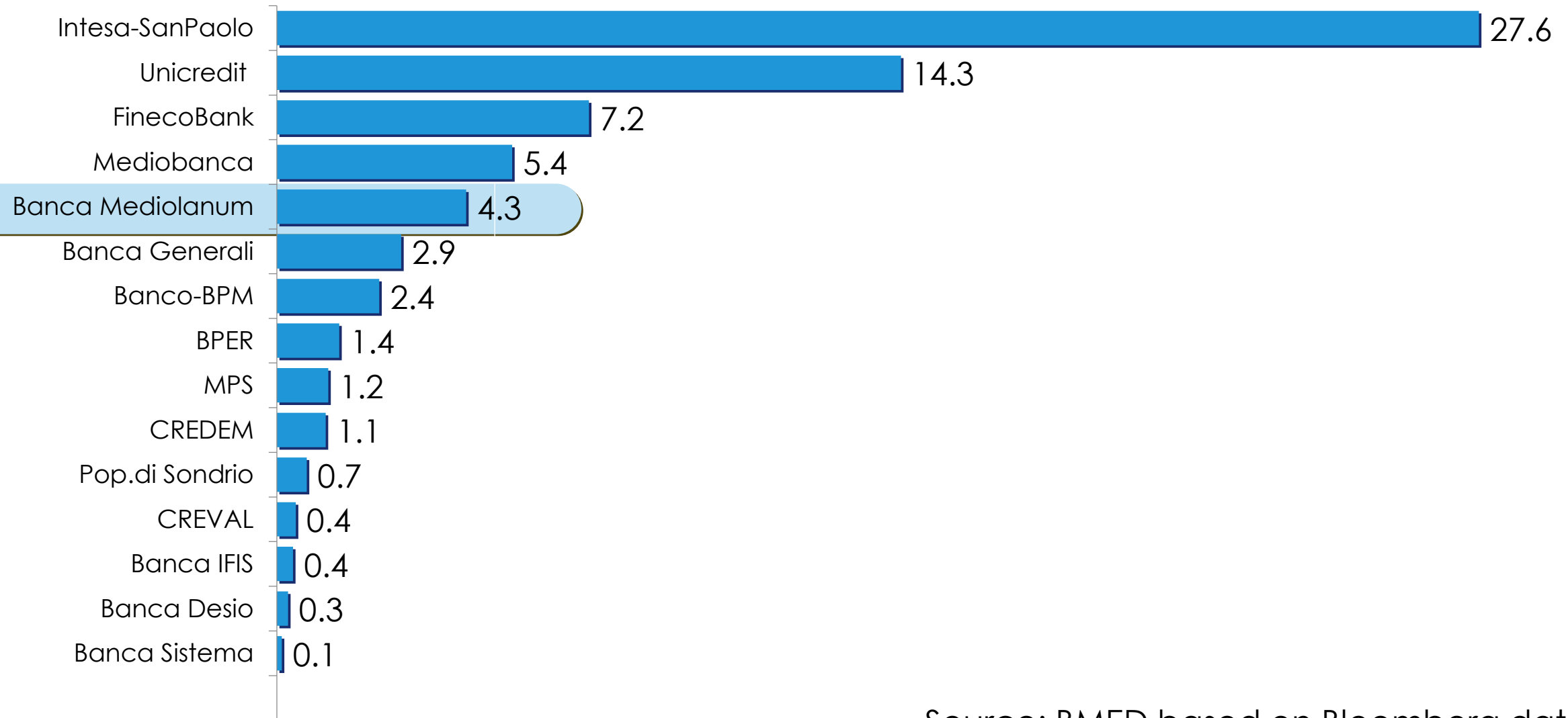
 **BCC**  
CREDITO COOPERATIVO 17%

**ING**  **DIRECT** 16%

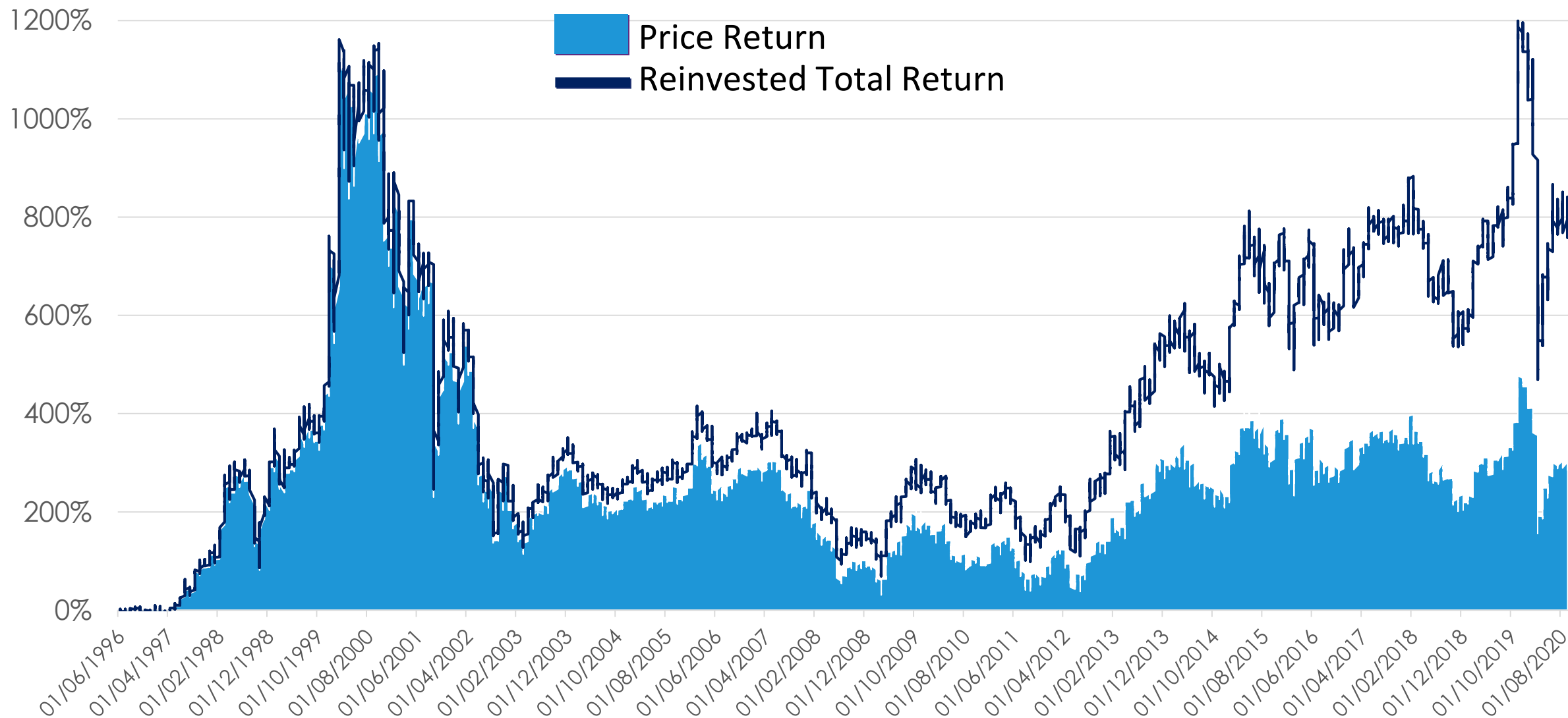
**CheBanca!**  
Gruppo Mediobanca 12%



€ bn – as at 30/10/2020



Source: BMED based on Bloomberg data



\* Total Return Index includes dividend reinvestments, June 3, 1996 – Sep. 30, 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



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