



Full Year 2020 Results & Business Update

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FY 2020 Group Results

FY 2020: one of the best years ever in the history of Banca Mediolanum

- **Net Income: €434.5 mn** - lower vs. last year essentially due to the exceptional level of Performance Fees we had in 2019, mitigated by a far lower level of one-offs
- **Management Fees: +3%** - close to **€1.1 bn**, impressive, given market drawdown & consequent impact on our assets in Q1
- **Acquisition Costs: +8%** - reflecting higher gross fees & encompassing the much higher level of FB incentives on individual net inflows due to 39% increase in managed flows: a clear KPI for future recurring revenues. N.B.: no change in payout criteria!
- **Net Interest Income: +4%** - regardless of extremely low interest rate environment thanks to the higher interest income coming from our strong & ever-increasing lending activities
- **G&A Expenses: +4%** - core costs flat YoY with the increase of this line-item is attributable to Flowe.
- **Net Inflows: € 7.7 billion** - nothing short of exceptional: 4.1 bn into managed assets, with 90% into equity funds
- **Loans: € 3.1 bn, +15%** - despite the extended lock-down in the Spring. Credit Book surpassed €12 bn
- **General Insurance: € 137 mn, +29%** - showing impressive growth in New Business of Stand-alone Policies (+59%)
- **CET1 Ratio: 20.4%** - solid capital position even after the € 573 mn dividend proposal
- **Dividend proposal: € 0.78** - € ~0.3 in May, the remainder when ban is lifted. Base dividend up 5% (see slide n. 18)

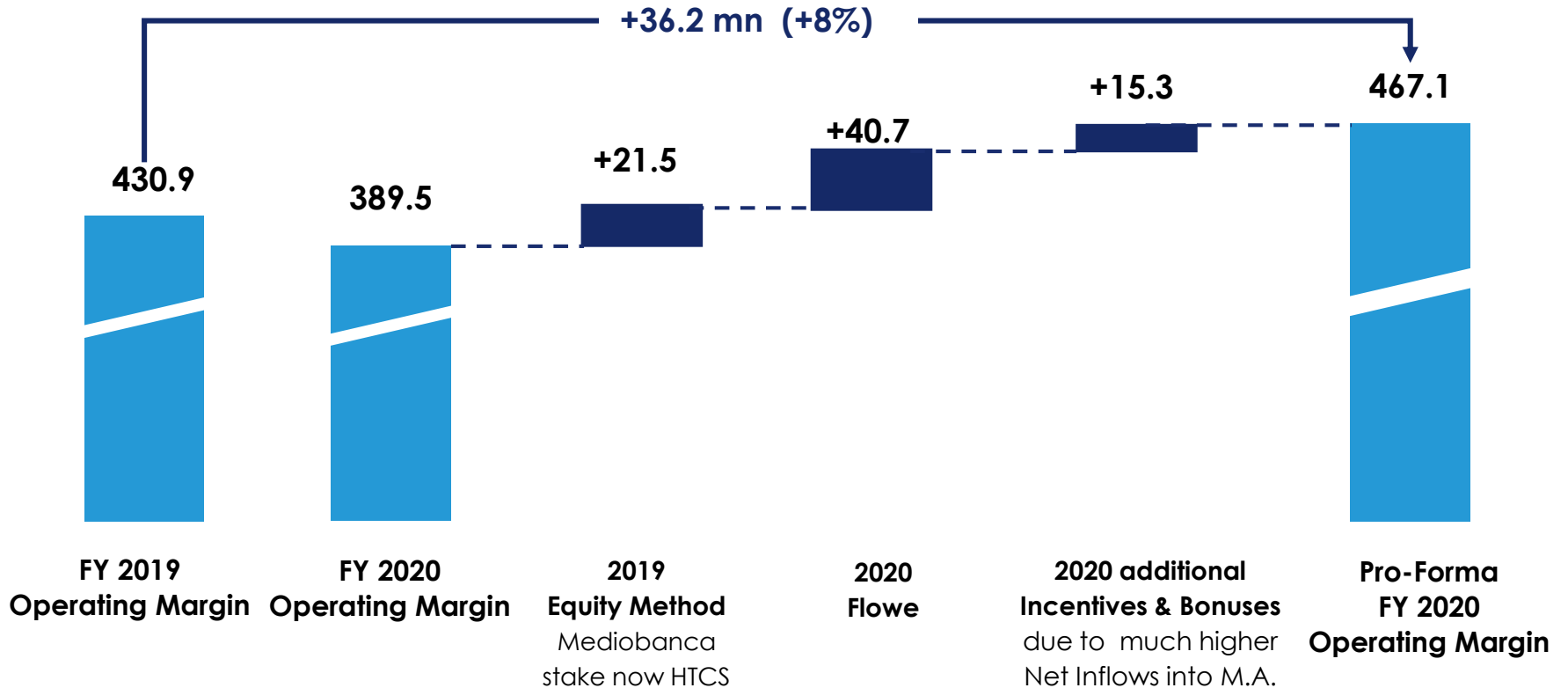
	FY 2020	FY 2019	Change
Entry fees	50.7	37.6	+35%
Management fees	1,061.3	1,026.7	+3%
Investment Management fees	158.9	152.9	+4%
Net Insurance revenues ex U-L commissions	57.9	43.5	+33%
Banking service fees	136.6	157.6	-13%
Other fees	42.1	41.8	+1%
Gross Commission Income	1,507.4	1,460.1	+3%
Acquisition costs	(581.7)	(540.5)	+8%
Other commission expenses	(84.2)	(83.9)	+0%
Net Commission Income	841.5	835.7	+1%
Net interest income	247.7	239.0	+4%
Equity contribution	0	21.5	n.s.
Net income on other investments	(20.4)	(33.8)	-40%
- o/w Impairment on loans	(19.7)	(19.1)	+3%
Other revenues & expenses	(1.4)	17.8	n.s.
Contribution Margin	1,067.4	1,080.2	-1%
G&A expenses	(557.8)	(537.3)	+4%
Regular Contributions to Banking Industry	(22.0)	(17.6)	+25%
Depreciation & Amortization	(36.7)	(36.3)	+1%
Provisions for risk & charges	(61.4)	(58.2)	+6%
Operating Margin	389.5	430.9	-10%
Market effects	149.9	426.5	-65%
- o/w Performance fees	153.6	424.8	-64%
- o/w Net income on investments at fair value	(3.7)	1.7	n.s.
Extraordinary items	(8.0)	(118.4)	-93%
PROFIT BEFORE TAX	531.4	739.0	-28%
Income tax	(97.0)	(173.6)	-44%
NET INCOME	434.5	565.4	-23%

6 Operating Margin Analysis

€ mn



Strong operating leverage from core business keeps working beneath the surface



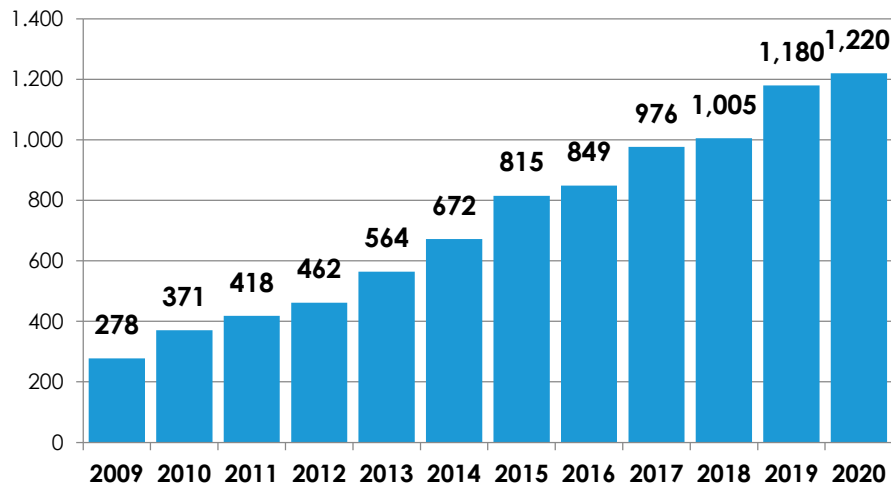
7 Income Statement by Quarter

€ mn



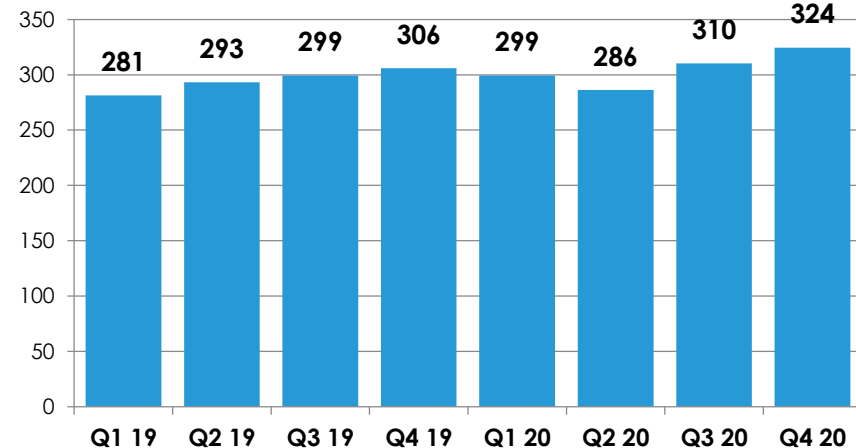
	Q1 19	Q2 19	Q3 19	Q4 19	Q1 20	Q2 20	Q3 20	Q4 20
Entry fees	8.8	9.0	8.8	11.0	13.5	12.7	10.8	13.6
Management fees	244.5	255.0	260.7	266.5	260.7	249.2	269.6	281.9
Investment Management fees	36.7	38.1	38.6	39.4	38.6	37.0	40.6	42.6
Net Insurance revenues ex U-L commissions	8.1	12.5	9.7	13.1	11.0	15.9	12.5	18.5
Banking service fees	36.4	32.8	36.0	52.4	38.3	36.1	30.1	32.0
Other fees	9.6	10.7	10.4	11.0	10.3	10.3	11.7	9.8
Gross Commission Income	344.2	358.2	364.3	393.4	372.5	361.2	375.3	398.4
Acquisition costs	(128.8)	(131.1)	(131.1)	(149.5)	(141.6)	(140.1)	(140.5)	(159.5)
Other commission expenses	(19.0)	(21.0)	(21.5)	(22.4)	(21.1)	(18.7)	(20.3)	(24.1)
Net Commission Income	196.4	206.1	211.6	221.5	209.8	202.4	214.5	214.8
Net interest income	51.4	60.3	64.3	63.1	57.0	56.1	64.7	69.9
Equity contribution	0	5.9	15.6	0	0	0	0	0
Net income on other investments	(11.5)	(9.5)	(7.0)	(5.8)	(9.1)	(8.0)	(0.5)	(2.7)
- o/w <i>Impairment on loans</i>	(7.2)	(6.4)	0.3	(5.7)	(6.2)	(7.2)	(0.8)	(5.6)
Other revenues & expenses	4.8	6.0	3.5	3.6	4.5	4.0	1.3	(11.3)
Contribution Margin	241.0	268.8	288.0	282.4	262.2	254.5	279.9	270.8
G&A expenses	(129.8)	(142.0)	(120.3)	(145.2)	(138.4)	(137.1)	(122.2)	(160.0)
Regular Contributions to Banking Industry	(5.0)	(0.1)	(10.4)	(2.1)	(4.9)	(3.3)	(11.8)	(2.0)
Depreciation & Amortization	(9.1)	(9.0)	(9.0)	(9.1)	(8.7)	(8.7)	(9.2)	(10.1)
Provisions for risk & charges	(8.2)	(10.5)	(16.2)	(23.2)	(10.6)	(11.7)	(14.1)	(24.9)
Operating Margin	88.9	107.3	132.1	102.7	99.5	93.7	122.6	73.8
Market effects	4.5	20.0	(2.7)	404.6	(11.8)	6.1	5.7	149.9
- o/w <i>Performance fees</i>	7.2	13.1	10.8	393.7	7.1	0.5	3.3	142.6
- o/w <i>Net income on investments at fair value</i>	(2.7)	6.9	(13.5)	11.0	(19.0)	5.6	2.4	7.2
Extraordinary items	0	(6.3)	0.3	(112.5)	0	(2.6)	(5.2)	(0.2)
PROFIT BEFORE TAX	93.5	121.0	129.7	394.8	87.7	97.2	123.1	223.4
Income tax	(21.3)	(21.8)	(16.3)	(114.1)	(15.4)	(19.0)	(23.7)	(38.8)
NET INCOME	72.1	99.2	113.4	280.7	72.2	78.3	99.3	184.6

YoY Trend

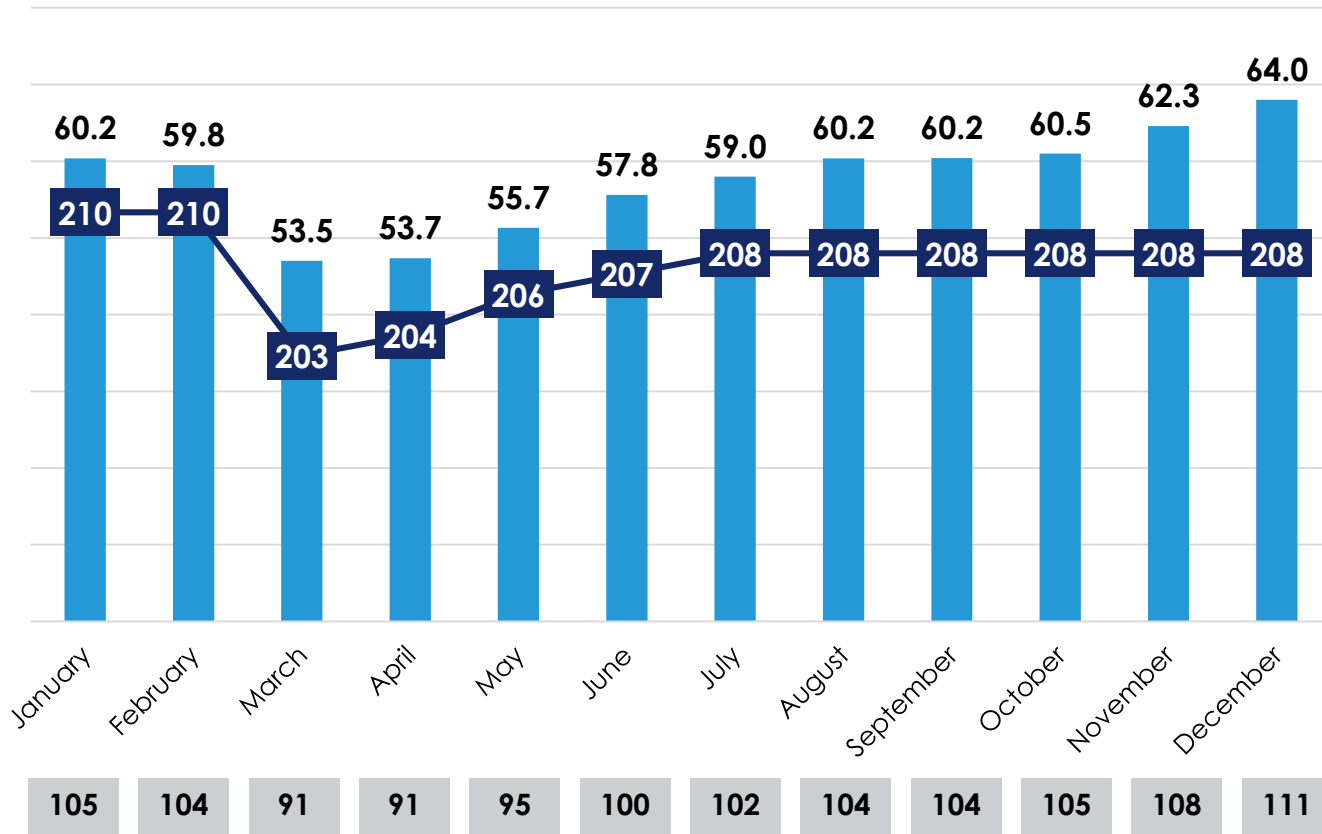


Yearly bps on average assets

QoQ Trend



Average Recurring Fees – 2020 Monthly Trend

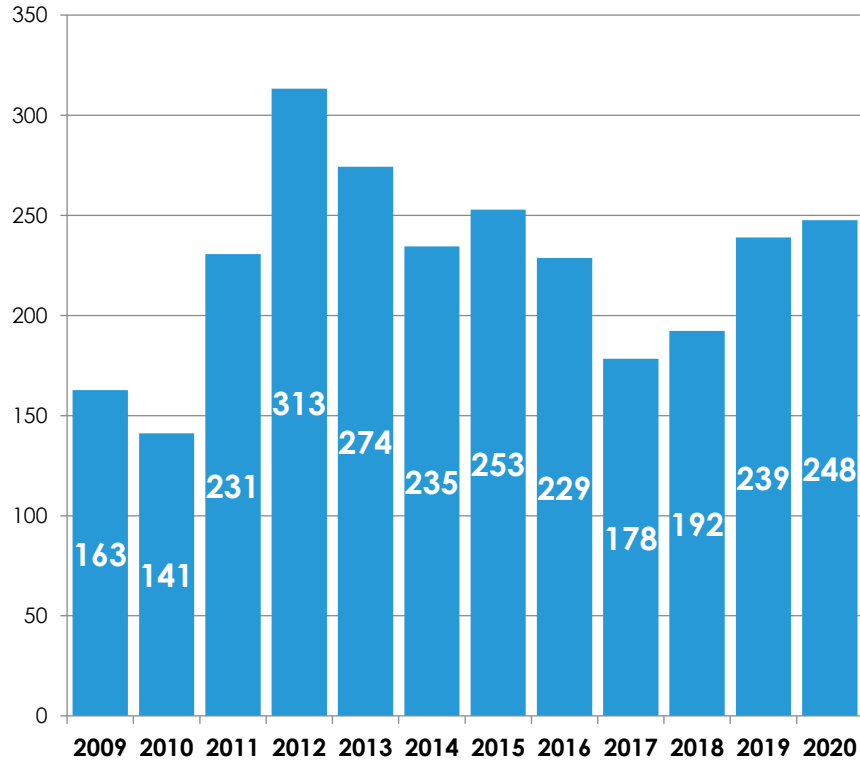


Avg AUM of the month (€ bn)

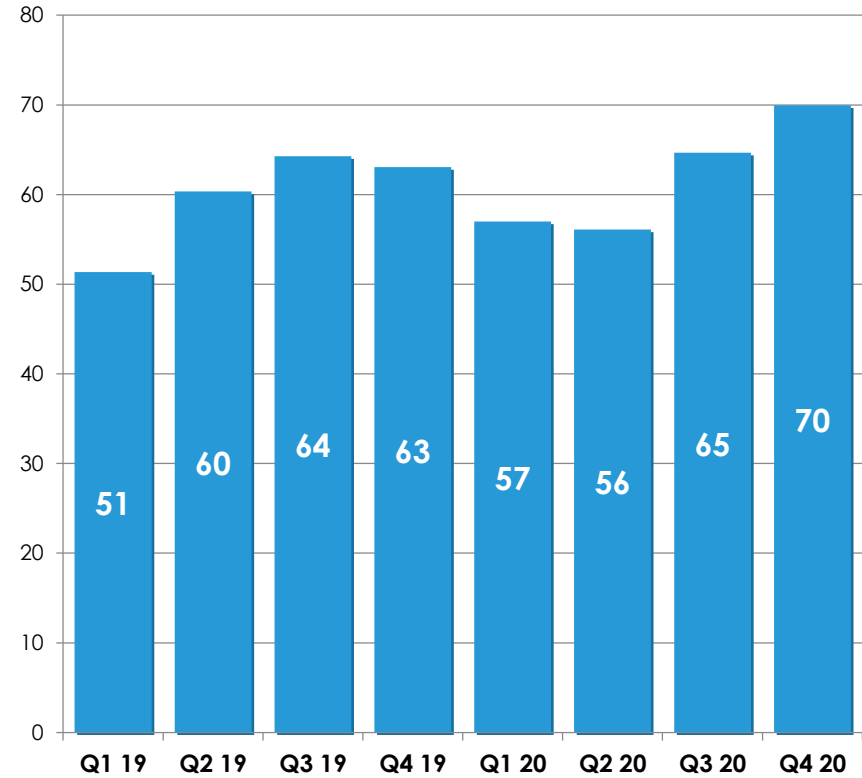
Avg Recurring Fees by month
(annualised bps)

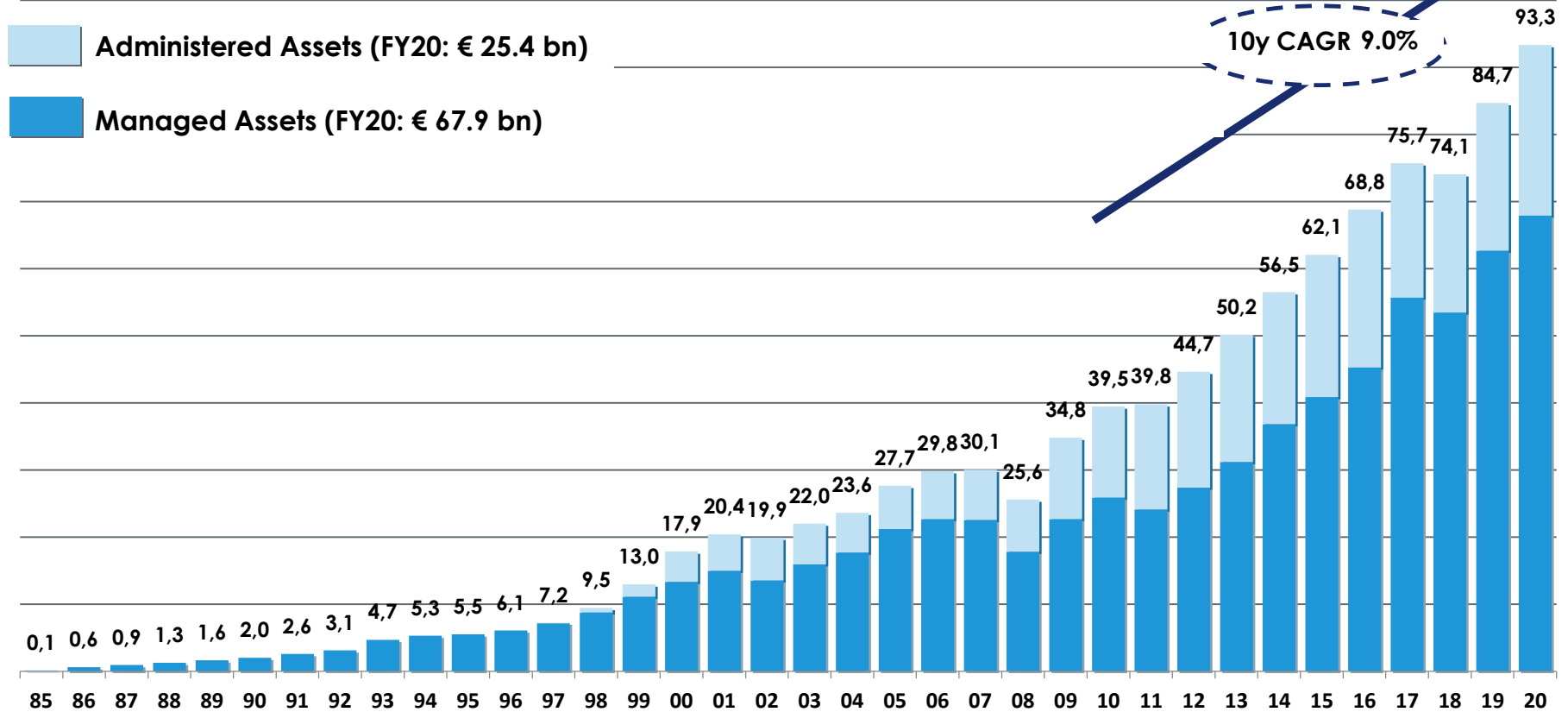
Comm. Income from Recurring
Fees by month (€ mn)

YoY Trend



QoQ Trend



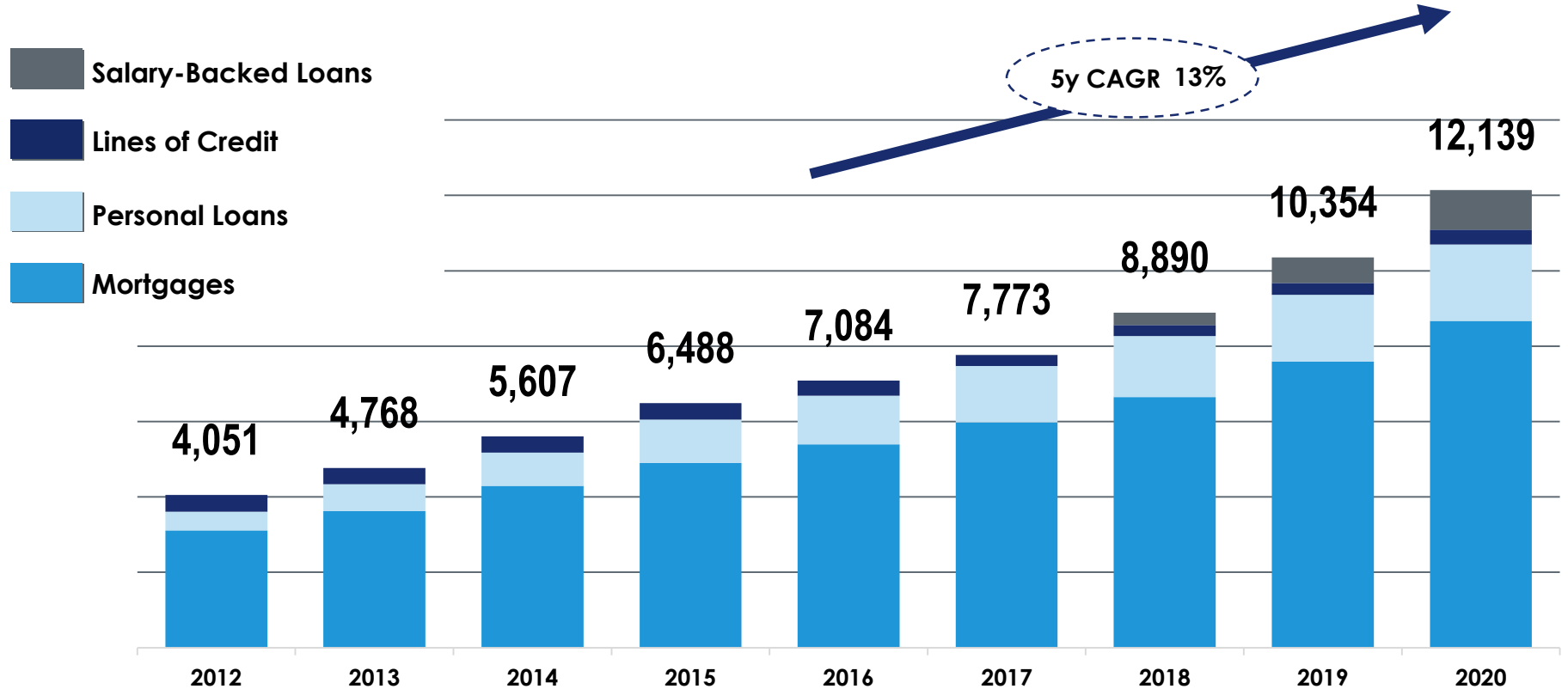


	31/12/2020	31/12/2019	Change
Italy - Banca Mediolanum	85,640	78,102	+10%
Mutual Funds & U-L Policies	59,124	55,263	+7%
Other Life Insurance Products	1,631	1,541	+6%
Banking	24,885	21,298	+17%
Spain - Banco Mediolanum	7,185	5,917	+21%
Mutual Funds & U-L Policies	5,060	4,188	+21%
Other Life Insurance Products	77	79	-2%
Banking	2,047	1,650	+24%
Germany	522	697	-25%
Mutual Funds & U-L Policies	509	530	-4%
Other Life Insurance Products	0	4	n.s.
Banking	14	164	-92%
TOTAL AUA/AUM	93,347	84,716	+10%



	FY 2020	FY 2019
GROUP TOTAL NET INFLOWS	+7,717	+4,064
Managed Assets	+4,107	+2,952
- o/w Mutual Funds, U/L & Managed Accounts	+3,651*	+2,416
Administered Assets	+3,610	+1,112
Italy - Banca Mediolanum Total Net Inflows	+6,638	+3,432
Managed Assets	+3,426	+2,519
- o/w Mutual Funds, U/L & Managed Accounts	+2,967	+2,000
Administered Assets	+3,212	+913
Spain - Banco Mediolanum Total Net Inflows	+1,107	+607
Managed Assets	+688	+418
- o/w Mutual Funds & U/L	+688	+395
Administered Assets	+419	+189
Germany	-28	+24
Managed Assets	-7	+14
- o/w Mutual Funds & U/L	-4	+21
Administered Assets	-21	+10

* o/w over 90% into Equity





	31/12/2020	31/12/2019	Change
Mortgages	8,672	7,589	+14%
Personal Loans	2,026	1,770	+14%
Lines of Credit	391	317	+23%
Salary-backed Loans	1,050	678	+55%
TOTAL	12,139	10,354	+17%

	31/12/2020
Gross NPL	1.13%
Net NPL	0.57%
Cost of risk	0.16%



	FY 2020	FY 2019	Change
Mortgages	1,793	1,554	+15%
Personal Loans	823	721	+14%
Salary-backed Loans	438	391	+12%
TOTAL	3,054	2,667	+15%
3rd-party Loans	24	35	-31%

	FY 2020	FY 2019	Change
Stand-alone policies	74.6	55.7	+34%
New business	23.8	14.9	+59%
In-force business	50.8	40.8	+24%
Loan protection policies	57.3	50.1	+14%
Group health policies	4.7	0.0	n.s.
GROSS PREMIUMS	136.6	105.8	+29%

Dividend per share

€ 78 cents

of which:

- 2020 Base Dividend

€ 44 cents

- 2019 Dividend Balance

€ 34 cents

Total amount of dividends

€ 573 mn

Upon approval, dividend proposal includes:

- **€ 19.6¹mn to be paid in May**, the maximum distributable amount according to the Bank of Italy recommendation of Dec 16th, 2020²
- **€ 553.7³mn** to be paid in full **as soon as the dividend ban is lifted**

1. Corresponds to € 2.67 cents/share on the 735 mn shares (net of own shares) as at Feb. 11th 2021

2. All banks are recommended to "refrain from deciding on or paying out dividends or limit these dividends to no more than 15% of the accumulated profit for the financial years 2019 and 2020, or no more than 20 bps in terms of the CET1 ratio, whichever is lower".
As per BMED the amount is 20bps of € 9.81 bn of Group RWAs as at FY 2020

3. € 303.8 mn or € 41.33 cents/share relative to 2020 net income + € 249.9 mn or € 34 cents/share relative to 2019 dividend balance

	FY 2020	FY 2019
Total capital ratio	20.4%	19.5%
COMMON EQUITY TIER 1 RATIO	20.4%	19.5%
RISK-WEIGHTED ASSETS	9,810	9,388
Total regulatory capital held	2,330	2,137
Total required capital	1,871	1,741
Required capital - Banks	1,086	1,017
Solvency capital req. - Insurance	785	724
EXCESS CAPITAL	459	396

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

** FY 2020 reconciliation reserve (part of total reg. capital held) & solvency capital req. are calculated according to the Solvency II as at 30/09/2020



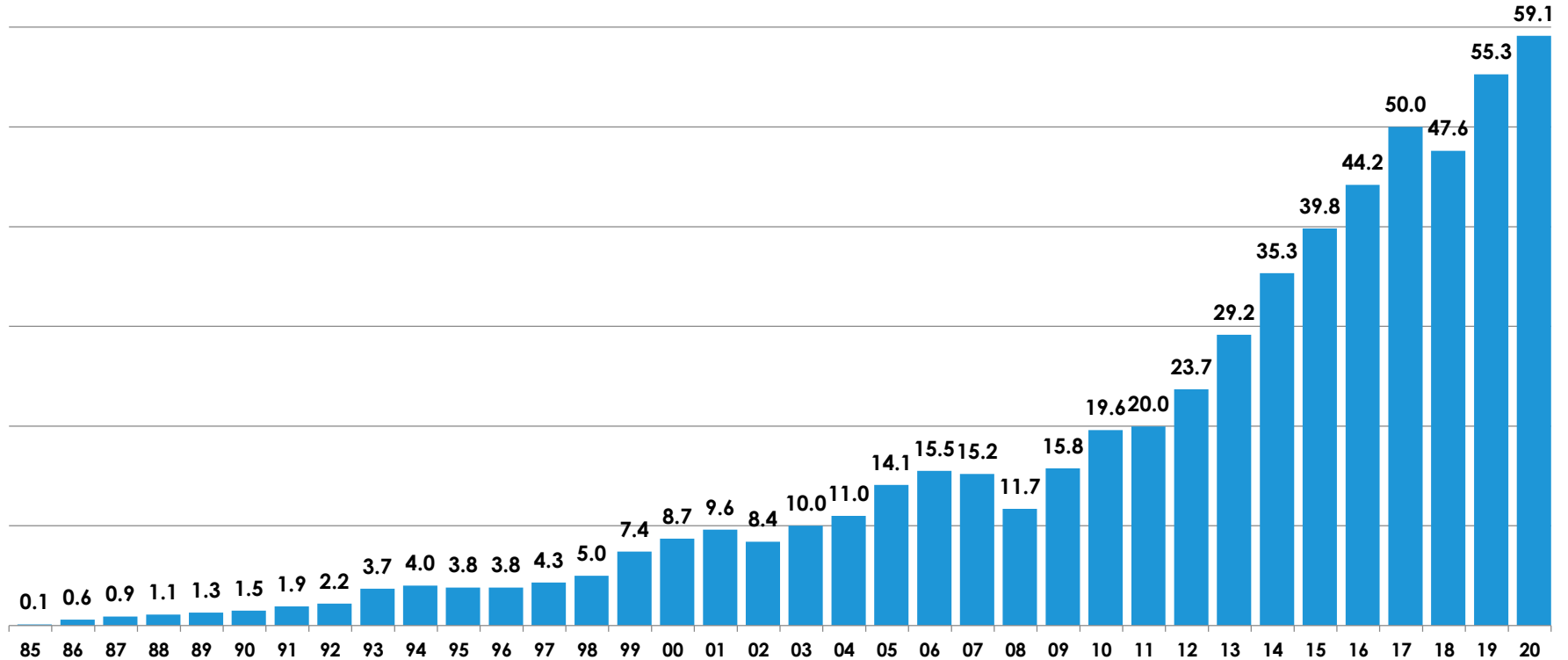
FY 2020 Domestic Market Results

	FY 2020	FY 2019	Change
Entry fees	35.1	27.0	+30%
Management fees	980.6	953.8	+3%
Investment Management fees	146.6	141.7	+3%
Net Insurance revenues ex U-L commissions	44.5	31.2	+42%
Banking service fees	119.3	134.6	-11%
Other fees	39.9	39.8	+0%
Gross Commission Income	1,366.0	1,328.1	+3%
Acquisition costs	(524.5)	(494.6)	+6%
Other commission expenses	(65.7)	(60.9)	+8%
Net Commission Income	775.8	772.6	+0%
Net interest Income	231.3	229.4	+1%
Equity contribution	0	21.5	n.s.
Net income on other investments	(18.7)	(35.3)	-47%
- o/w <i>Impairment on loans</i>	(18.0)	(19.1)	-6%
Other revenues & expenses	(5.7)	14.5	n.s.
Contribution Margin	982.8	1,002.7	-2%
G&A expenses	(497.2)	(476.6)	+4%
Regular Contributions to Banking Industry	(19.4)	(15.4)	+26%
Depreciation & Amortization	(29.9)	(30.9)	-3%
Provisions for risk & charges	(59.9)	(60.6)	-1%
Operating Margin	376.4	419.2	-10%
Market effects	131.4	402.5	-67%
- o/w <i>Performance fees</i>	135.1	402.3	-66%
- o/w <i>Net income on investments at fair value</i>	(3.7)	0.2	n.s.
Extraordinary items	(8.0)	(85.5)	-91%
PROFIT BEFORE TAX	499.8	736.2	-32%
Income tax	(88.7)	(165.4)	-46%
NET INCOME	411.2	570.7	-28%

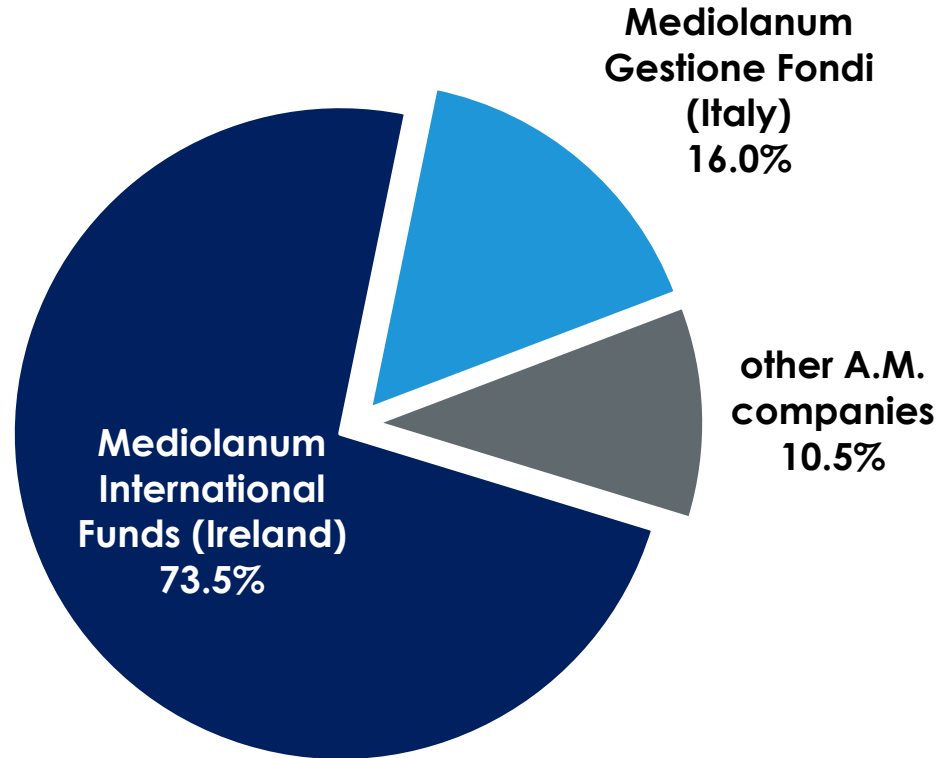
	Q1 19	Q2 19	Q3 19	Q4 19	Q1 20	Q2 20	Q3 20	Q4 20
Entry fees	6.3	6.4	6.3	8.0	9.1	8.8	7.6	9.7
Management fees	227.2	236.7	242.3	247.5	241.5	230.2	248.8	260.2
Investment Management fees	34.1	35.3	35.8	36.5	35.7	34.2	37.4	39.3
Net Insurance revenues ex U-L commissions	4.8	8.1	5.5	12.8	8.1	11.1	9.7	15.6
Banking service fees	31.4	27.1	30.0	46.2	32.9	32.7	25.8	27.9
Other fees	9.2	10.2	9.9	10.5	9.8	9.7	11.1	9.2
Gross Commission Income	313.0	323.8	329.7	361.5	337.1	326.6	340.4	361.9
Acquisition costs	(118.0)	(120.1)	(119.8)	(136.8)	(127.8)	(126.4)	(128.1)	(142.2)
Other commission expenses	(14.1)	(15.3)	(15.5)	(16.0)	(15.6)	(14.9)	(15.4)	(19.8)
Net Commission Income	181.0	188.5	194.4	208.8	193.7	185.4	196.9	199.9
Net interest income	49.6	58.1	61.5	60.2	53.9	52.1	59.8	65.6
Equity contribution	0	5.9	15.6	0	0	0	0	0
Net income on other investments	(11.5)	(10.0)	(8.2)	(5.7)	(8.9)	(7.9)	(0.5)	(1.4)
- o/w Impairment on loans	(7.2)	(6.4)	0.2	(5.7)	(6.2)	(7.0)	(0.7)	(4.1)
Other revenues & expenses	4.0	4.5	2.7	3.3	3.7	3.0	0.4	(12.7)
Contribution Margin	223.0	246.9	266.0	266.7	242.3	232.5	256.6	251.4
G&A expenses	(115.0)	(124.9)	(106.3)	(130.4)	(123.6)	(120.6)	(108.0)	(144.8)
Regular Contributions to Banking Industry	(4.5)	0.4	(9.9)	(1.4)	(4.2)	(2.7)	(11.3)	(1.2)
Depreciation & Amortization	(7.9)	(7.7)	(7.7)	(7.6)	(7.2)	(7.1)	(7.7)	(7.8)
Provisions for risk & charges	(7.9)	(10.1)	(16.0)	(26.5)	(10.3)	(11.2)	(13.8)	(24.6)
Operating Margin	87.7	104.7	126.1	100.7	96.9	90.8	115.7	72.9
Market effects	3.3	18.1	(4.3)	385.4	(12.0)	6.0	5.5	131.9
- o/w Performance fees	6.8	11.7	9.7	374.2	6.8	0.5	3.0	124.8
- o/w Net income on investments at fair value	(3.5)	6.5	(14.0)	11.2	(18.8)	5.5	2.4	7.2
Extraordinary items	0	(6.3)	0.3	(79.6)	0	(2.6)	(5.2)	(0.2)
PROFIT BEFORE TAX	91.0	116.6	122.2	406.5	85.0	94.2	115.9	204.7
Income tax	(20.1)	(20.1)	(14.6)	(110.7)	(14.1)	(17.6)	(22.3)	(34.7)
NET INCOME	70.9	96.4	107.6	295.8	70.9	76.6	93.7	170.0

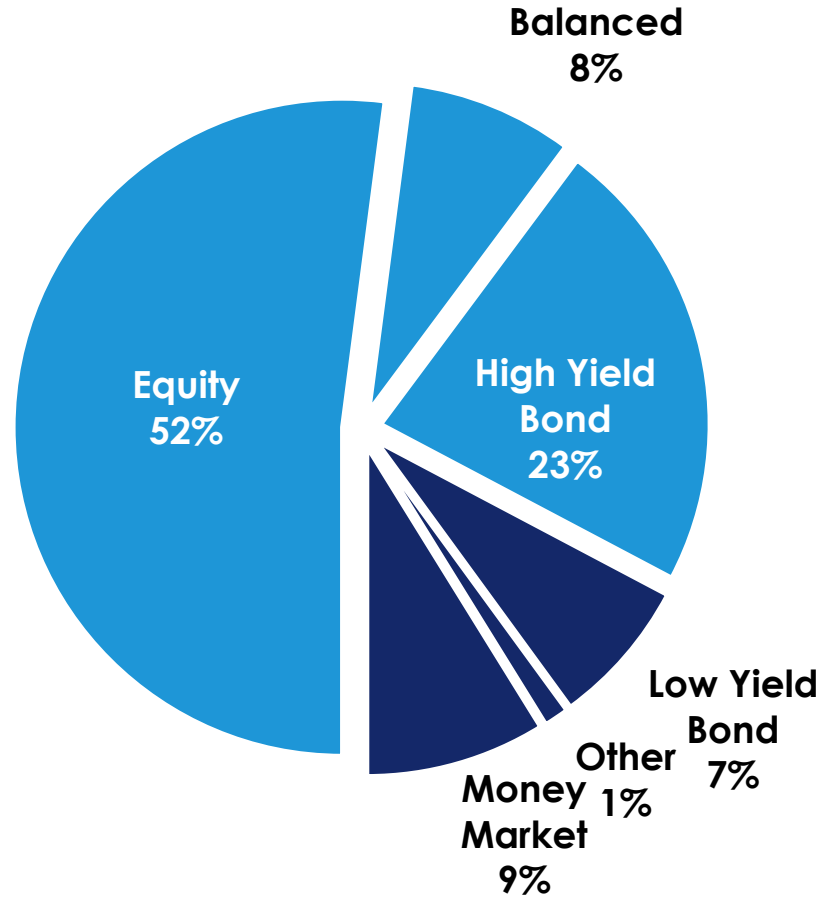


	FY 2020	FY 2019	Change
Total commissions	421.6	407.6	+3%
One-time commissions	78.7	72.9	+8%
Ongoing commissions	342.9	334.7	+2%
Total incentives & bonuses	71.6	56.2	+27%
Incentives on individual net inflows	49.4	36.9	+34%
Contests & bonuses	20.3	13.8	+47%
Reimbursement of costs for customers events	1.8	5.5	-67%
Costs related to the agency agreement	15.2	12.0	+26%
EuroCQS agent commissions	16.1	18.8	-14%
TOTAL ACQUISITION COSTS	524.5	494.6	+6%



	31/12/2020	31/12/2019	Change
'Best Brands' funds on funds (IRL)	22,089	20,114	+10%
'Challenge' mutual funds (IRL)	16,864	15,544	+8%
Funds of Hedge Funds (IRL)	50	55	-9%
'Fondi Italia' mutual funds (ITA)	8,937	9,886	-10%
'Real estate' fund (ITA)	277	293	-5%
3rd-party stand-alone funds	3,448	3,115	+11%
Other	1,582	1,404	+13%
<i>Adj. for own mutual funds in FoFs & Managed accts</i>	<i>(290)</i>	<i>(259)</i>	<i>+12%</i>
MyLife' U-L policy	9,109	7,273	+25%
Other U-L policies	16,398	15,774	+4%
<i>Adj. for own mutual funds in U-L policies</i>	<i>(19,340)</i>	<i>(17,936)</i>	<i>+8%</i>
ASSETS IN MUTUAL FUNDS & U-L	59,124	55,263	+7%





	31/12/2020	31/12/2019	Change
Cash deposits	20,308	17,378	+17%
Repurchase agreements	21	21	+2%
Mediolanum bonds	0	11	n.s.
3rd-party structured bonds	1,499	1,084	+38%
Other securities	3,056	2,804	+9%
BANKING ADMINISTERED ASSETS	24,885	21,298	+17%

	31/12/2020	31/12/2019	Change
Mortgages	8,112	7,167	+13%
Personal loans	1,883	1,661	+13%
Lines of credit	348	286	+22%
Salary-backed loans	1,050	678	+55%
TOTAL CREDIT BOOK	11,394	9,792	+16%

	Banca Mediolanum	Italian Banks
Gross NPL	1.20%	6.5% ¹
Net NPL	0.58%	3.1% ²
Cost of risk	0.15% ³	

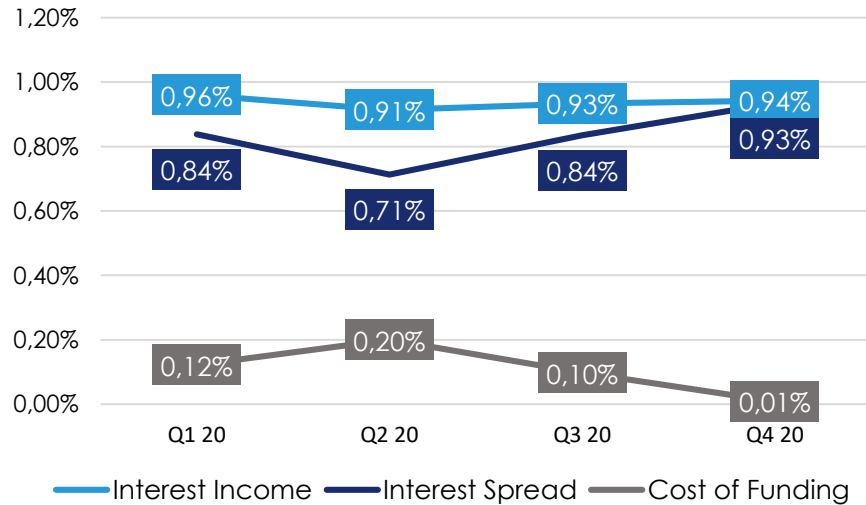
1 Bank of Italy – 'Banks and Financial Institutions: Credit Conditions and Risk by Sector and Geographical Area – Q3 2020'

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

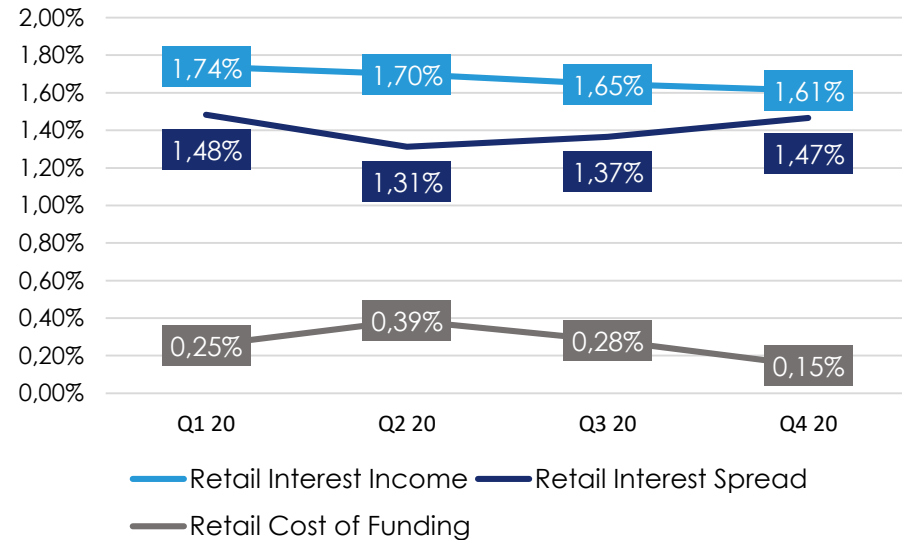
3 Cost of Risk as at 31/12/2020

	Nominal Interest Rate	FY 2020	FY 2019	Change
Mortgages	1.08%	1,624	1,449	+12%
Personal loans	2.53%	758	670	+13%
Salary-backed loans	5.73%	438	391	+12%
TOTAL		2,819	2,510	+12%
3rd-party loans	n.s.	24	35	-31%

Total Book



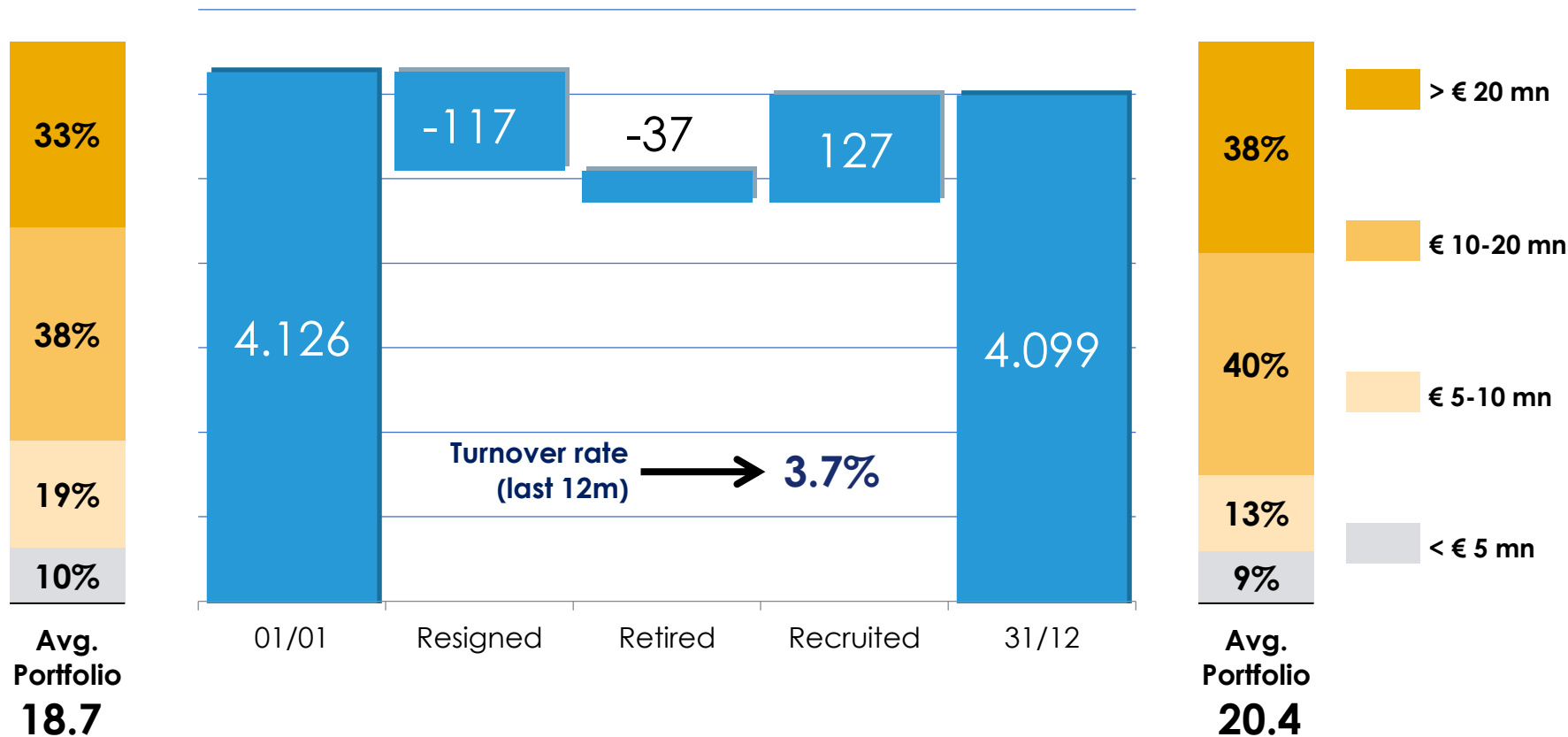
Retail Book

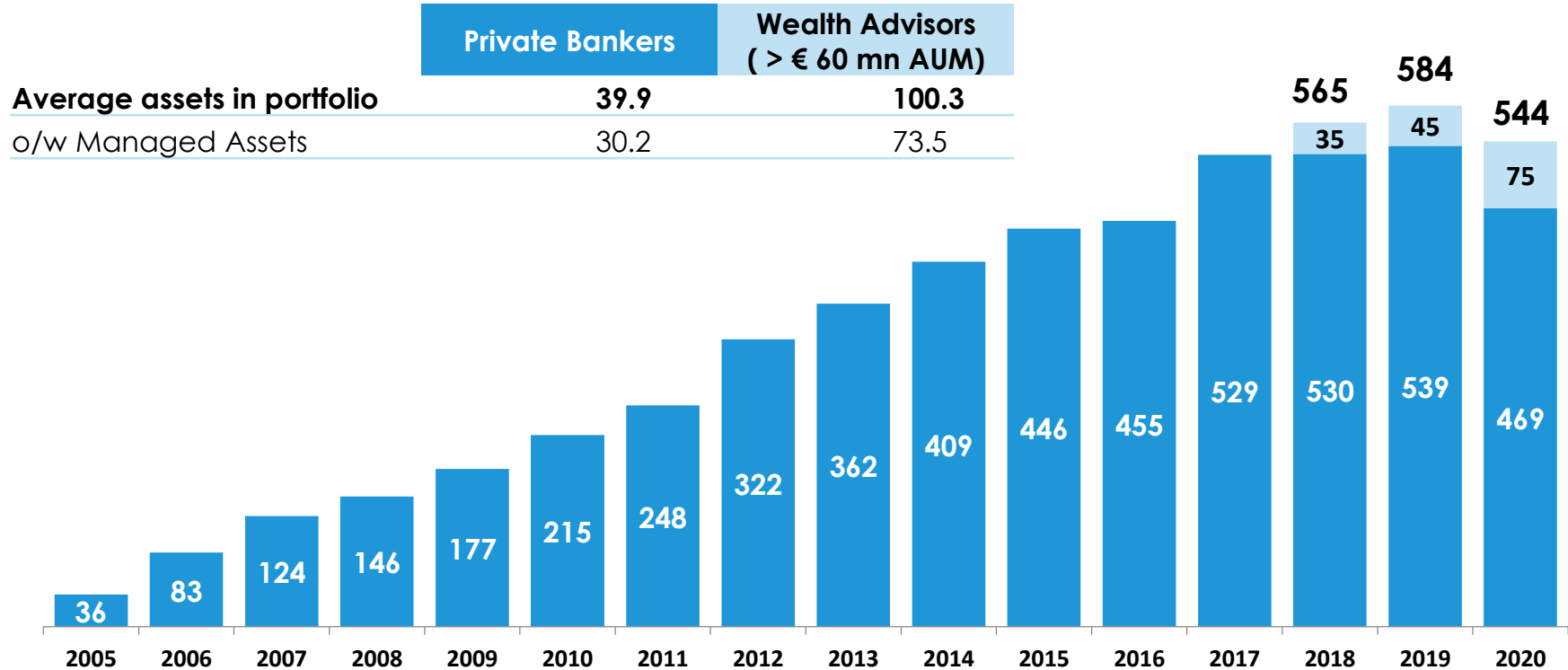


	Liabilities	Assets
Retail	20,356	11,394
Treasury	4,121	13,621
Interbank / intra-group deposits & repos	829	202
ECB refinancing	950	497
MTS refinancing	2,343	0
Securities (bonds)	0	12,922
Other liabilities / assets	3,888	3,351
TOTAL	28,365	28,365

Operating Liquidity (24hr): 11,124

	31/12/2020	31/12/2019	Change
Traditional	1,631	1,541	+6%
Unit-linked	25,507	23,047	+11%
<i>o/w equity</i>	51.6%	53.6%	-4%
U-L pension plans	7,430	7,200	+3%
U-L endowment policies	3,618	3,728	-3%
U-L investment policies	14,459	12,119	+19%
LIFE ASSETS	27,138	24,588	+10%







FY 2020 Foreign Markets Results

	FY 2020	FY 2019	Change
Net Income	31.5	34.2	-8%
Total Assets	7,185	5,917	+21%
Managed Assets	5,138	4,267	+20%
Administered Assets	2,047	1,650	+24%
Total Net Inflows	1,107	607	+82%
Net Inflows into Managed Assets	688	418	+65%
Net Inflows into Administered Assets	419	189	+122%
Credit Book	745	562	+33%
Family Bankers	1,318	1,029	+28%
Customers	156,712	137,171	+14%



Business Update

	Jan 2021	Jan 2020
GROUP TOTAL NET INFLOWS	435	789
Managed Assets	307	150
- o/w <i>Mutual Funds, U-L & Managed Accounts</i>	307	152
Administered Assets	128	639
GROUP LOANS GRANTED	236	198
GENERAL INSURANCE PREMIUMS	9.4	8.7

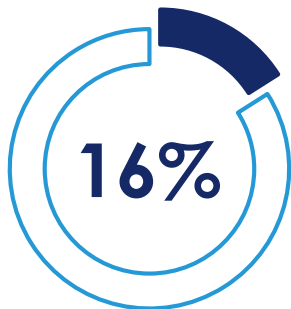
	2020		
	Mutual Funds	Managed Assets	Total Net Inflows
Banca Fideuram (incl. Sanpaolo Invest)	4,480	5,608	7,824
Banca Mediolanum	2,949	2,988	6,424
Allianz Bank	2,925	3,091	3,950
Fincobank	2,214	4,041	7,984
Banca Generali	2,048	3,385	5,866
Azimut	1,013	1,495	1,972
Che Banca!	569	775	1,160
Credem	507	637	881
BNL - BNP Paribas	353	679	1,035
Banca Euromobiliare	277	278	433
Banca Widiba	178	154	683
Deutsche Bank (Finanza & Futuro)	50	730	926
Consultinvest	7	18	22
IW Bank	-11	109	389

* including Unit-Linked policies & Managed Accounts

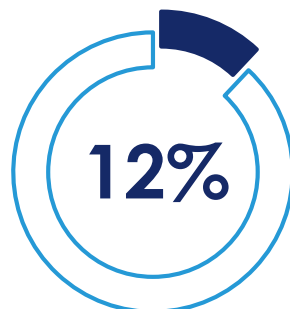
Source: Assoreti

■ BMED □ Other FA networks

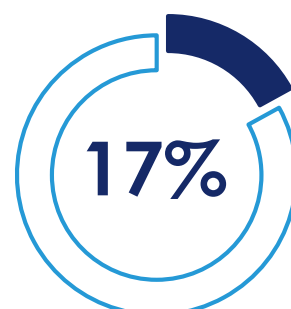
Total Net Inflows



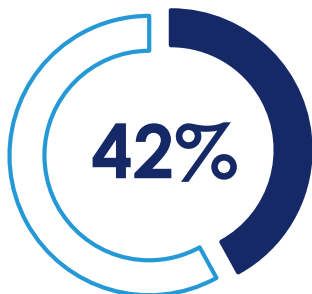
Net Inflows into Managed Assets



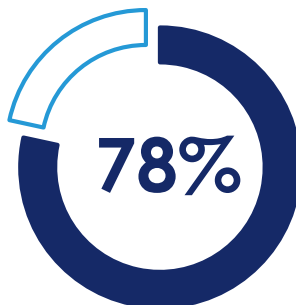
Net Inflows into Mutual Funds*



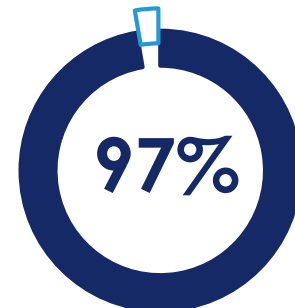
Mortgages Granted



Personal Loans Granted



General Insurance Gross Premiums



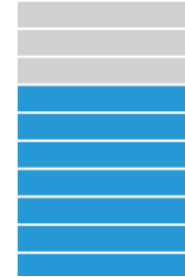
* including Unit-Linked policies & Managed Accounts

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 1.50% 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

Double Chance
Deposit Account
(Adm Assets)



Instalment Plan Duration:
3 to 24 Months
2 or 4 Automatic
Transfers per Month

Equity Investment
Product of choice
(Mngd Assets)



- H1 20 offer: 2% up to 12 months
- H2 20 offer: 1.5% up to 24 months

- 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

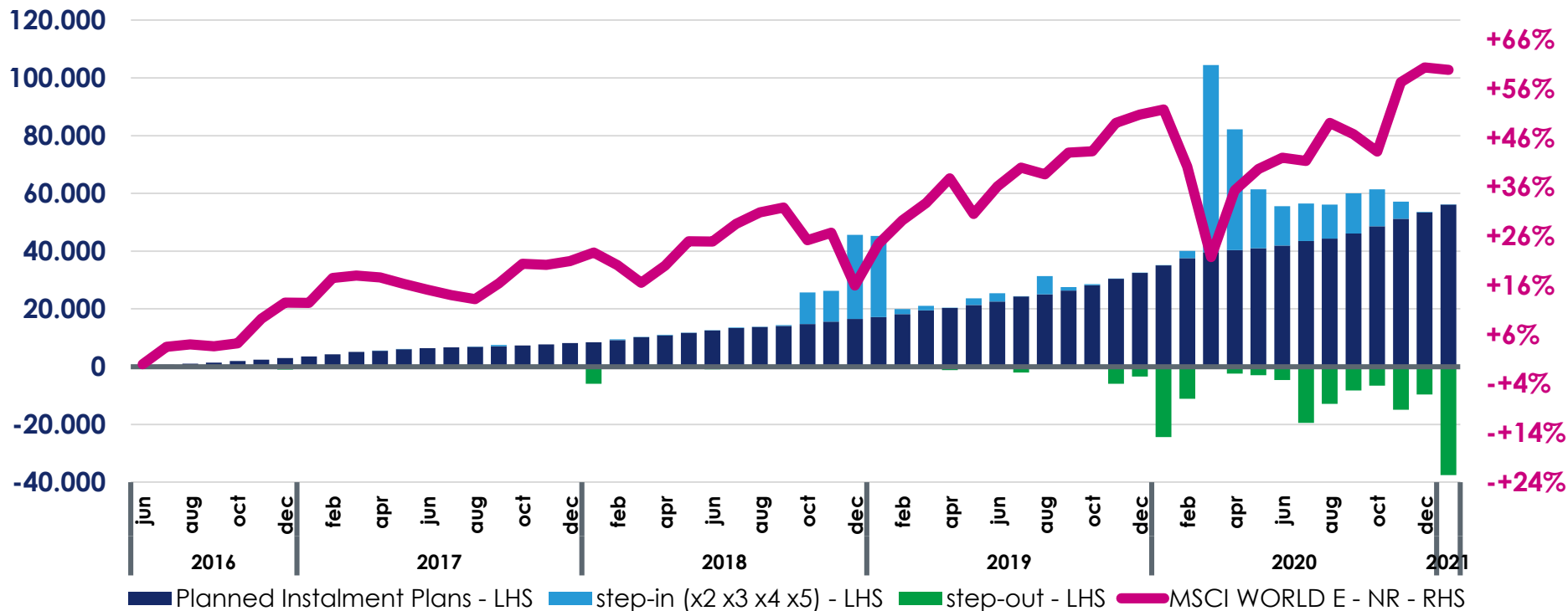
INTELLIGENT
INVESTMENT

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)**

- 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



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 **59%** in 2020

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%**

Group Total Customers*

2,168,376

('000)

1,330

662

49

157

Banca
Mediolanum (ITA)



Flowe (ITA)

EuroCQS (ITA)

Banco
Mediolanum (SPA)

End Goal:

to be the Customer's Primary Bank

1,015k hold a bank account

- **63%** use BMED as **Primary Bank**
(internal data analytics)
- **38%** use BMED as the **Only Bank**
(2020 survey)

* Group Total Customers net of double counting

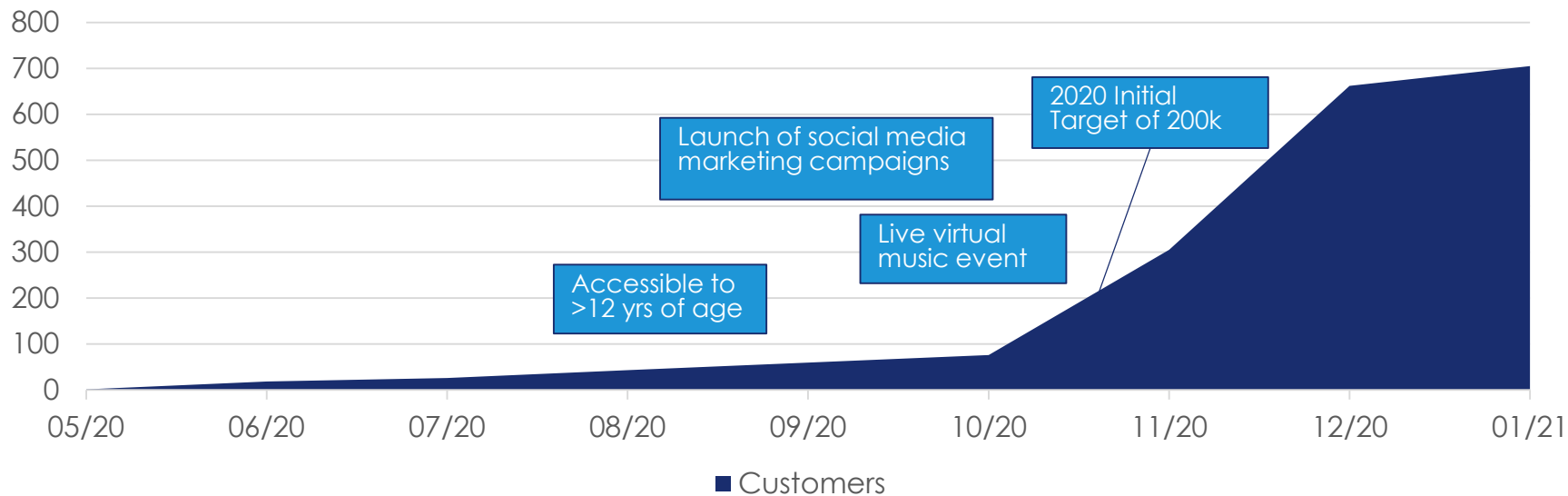
E-money institution for younger generations' needs: ease in banking, 'innovability' & better-being

- **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 Dec 31, 2020:

- **Users: 662,000**
- **Trees planted: >25,000**
- **800 Tons of CO2** compensated





- Avg. customer age: **30**
- Avg. **deposits** small, **consistent with target & business model**
- 2021-22: focus on **increasing usage & upselling** of services
- **Instant credit** (max. € 3,000) & **smart insurance** services in pipeline
- **Expected break-even by FY 2023**

A totally digital Bank account addressing the needs of 'digital young adults'

- For those who require a full-service account, but **aren't in the market for advice** like the typical BMED customer
- Not only an account but a **comprehensive offer of banking services**
- Able to be managed on a 'do-it-yourself' basis, '**à la carte**'
- "**Banca Mediolanum come vuoi tu**", in other words, "Banca Mediolanum as YOU want it"



Massimo Doris
Amministratore Delegato
Banca Mediolanum

NASCE SELFY, MEDIOLANUM COME VUOI TU.

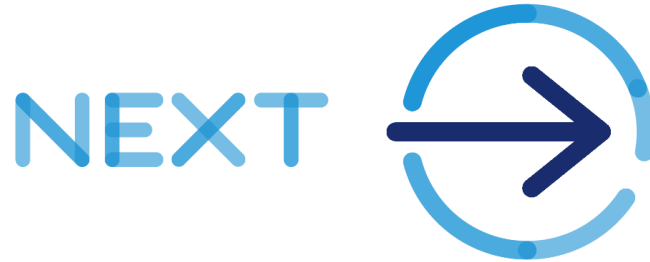
 Carta di debito gratuita
  Principali Operazioni Bancarie gratuite
  SelfyCredit Instant il prestito in un tap
  Trading
  Investimenti

Apri SelfyConto. Canone gratis per un anno e se accrediti lo stipendio hai in regalo 100GB al mese per 12 mesi con TIM.




SCOPRI DI PIU' SU [BANCAMEDIOLANUM.IT](https://www.bancamediolanum.it)



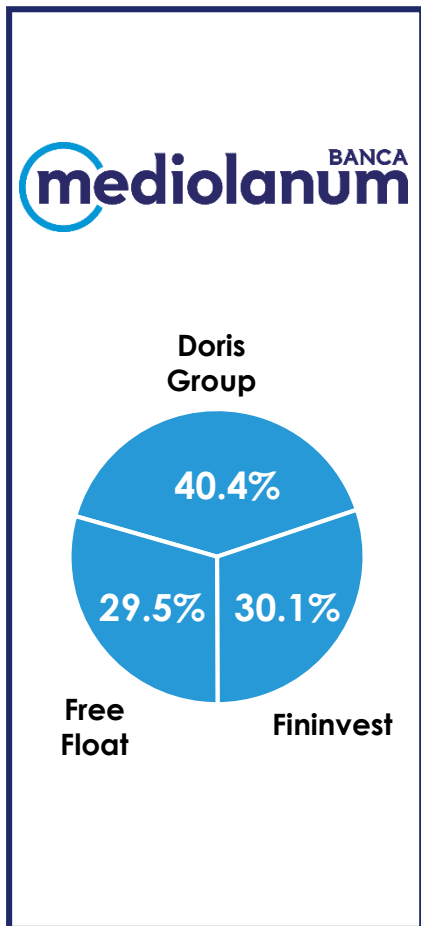



Pairing high potential new graduates to work as **junior assistants** ('Banker Consultant') with **senior Private Bankers**

- Banker Consultants initially receive **dedicated training programme** provided by Mediolanum Corporate University & supported with a **scholarship**
- Once fully licensed, the BCs get **extensive on-the-job training**, manage Private Banker's **day-to-day duties** & operations & take care of the **smaller customers**
- The BCs **free up time for the senior PBs** to focus on high-quality aspects of the job & larger customers
- As remuneration they receive a **percentage of the senior PBs commission**, with a minimum monthly compensation
- This project assures an **increase in productivity** in the Network and **organic growth** plus **generational renewal**



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

95% Banca Mediolanum
5% Banco Mediolanum


Mediolanum
Gestio S.A.

100% Banco
Mediolanum

INSURANCE

100%



Mediolanum Vita



Mediolanum
International Life

Mediolanum
Assicurazioni

OTHER

100%

Flowe

Euro CQS

Mediolanum
Comunicazione

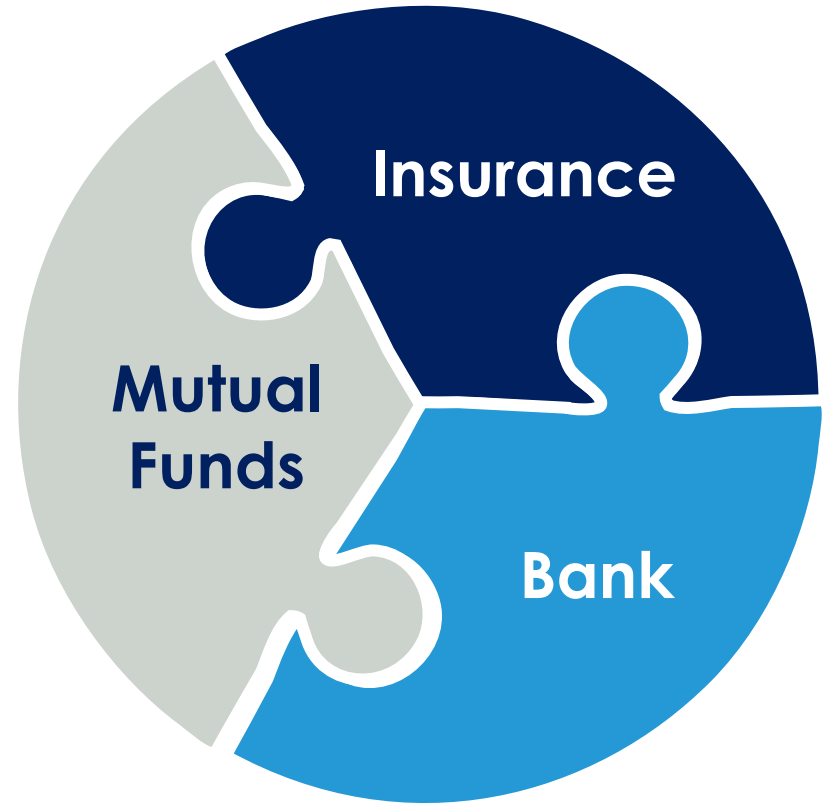
3.3% (directly & through Mediolanum Vita)

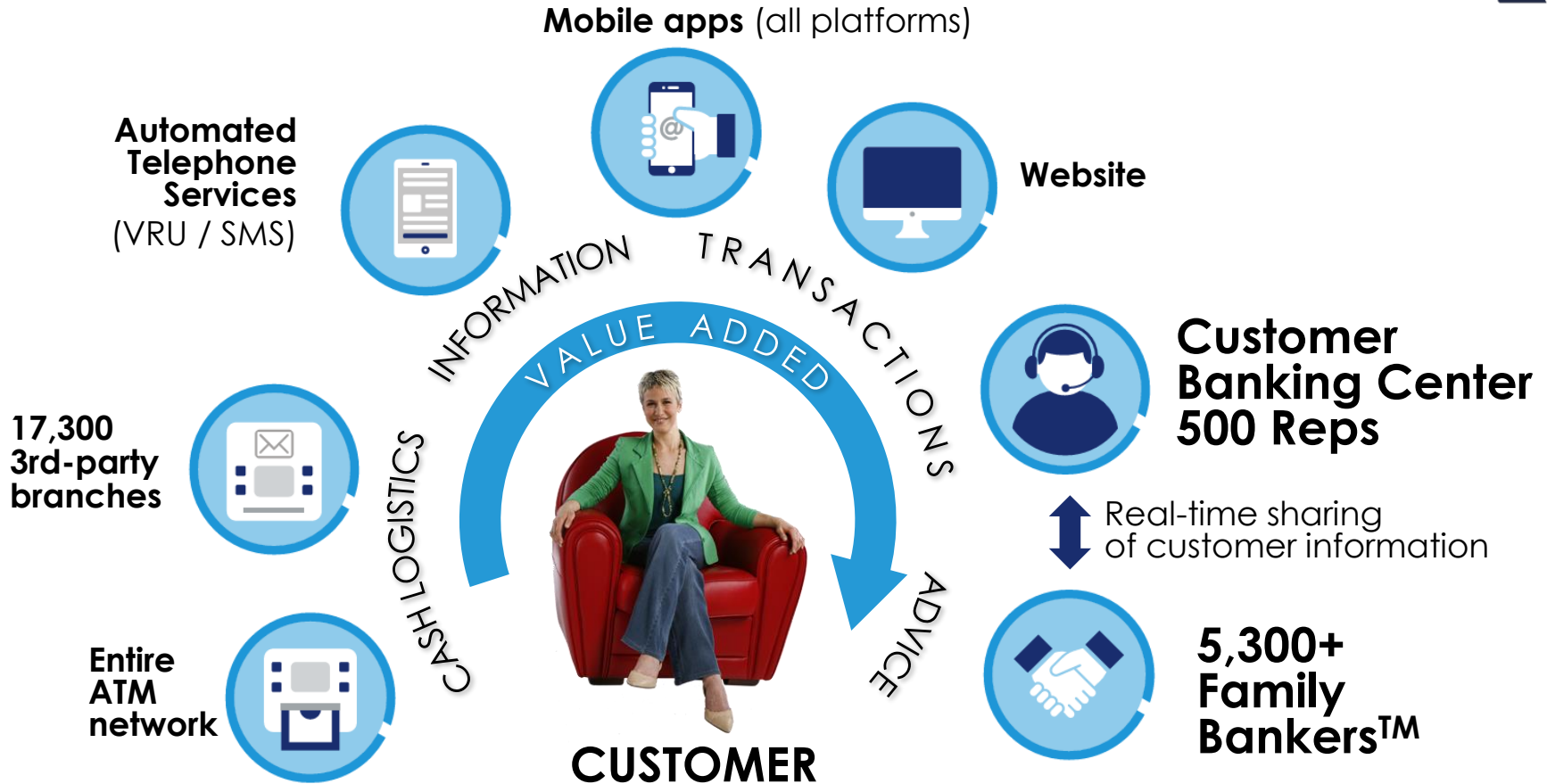


Mediobanca

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





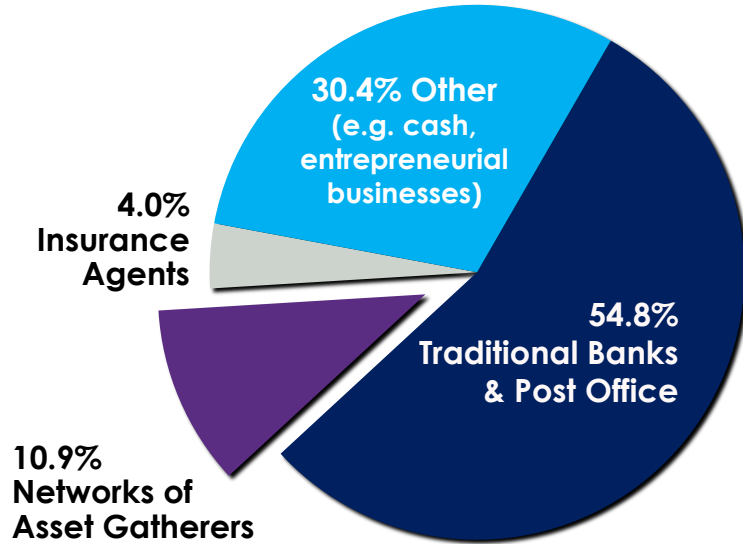
- Self-employed tied agents with entrepreneurial approach
- Extensively trained to tackle every household financial need
- Share Mediolanum's view that banking services are an effective acquisition & retention tool
- Compensated even for operations performed by customers through direct channels
- Willing 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



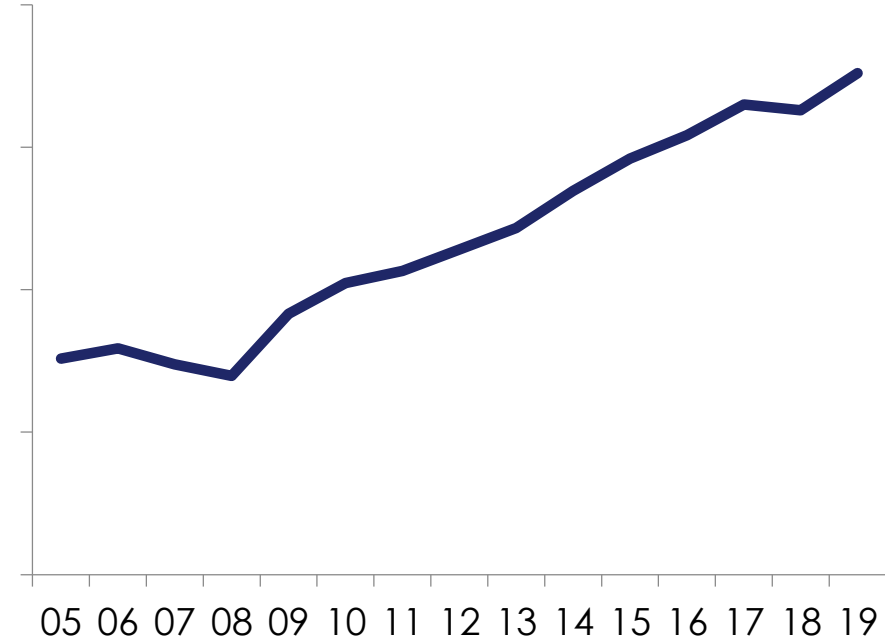
Customers: freedom in banking

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

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

ROE

19.4%

2011-2020 10y avg

Retail Deposits

€ 22.0 bn

% Gross NPLs

1.13%

LCR

382%

CET1

20.4%

Retail Credit Book

€12.1 bn

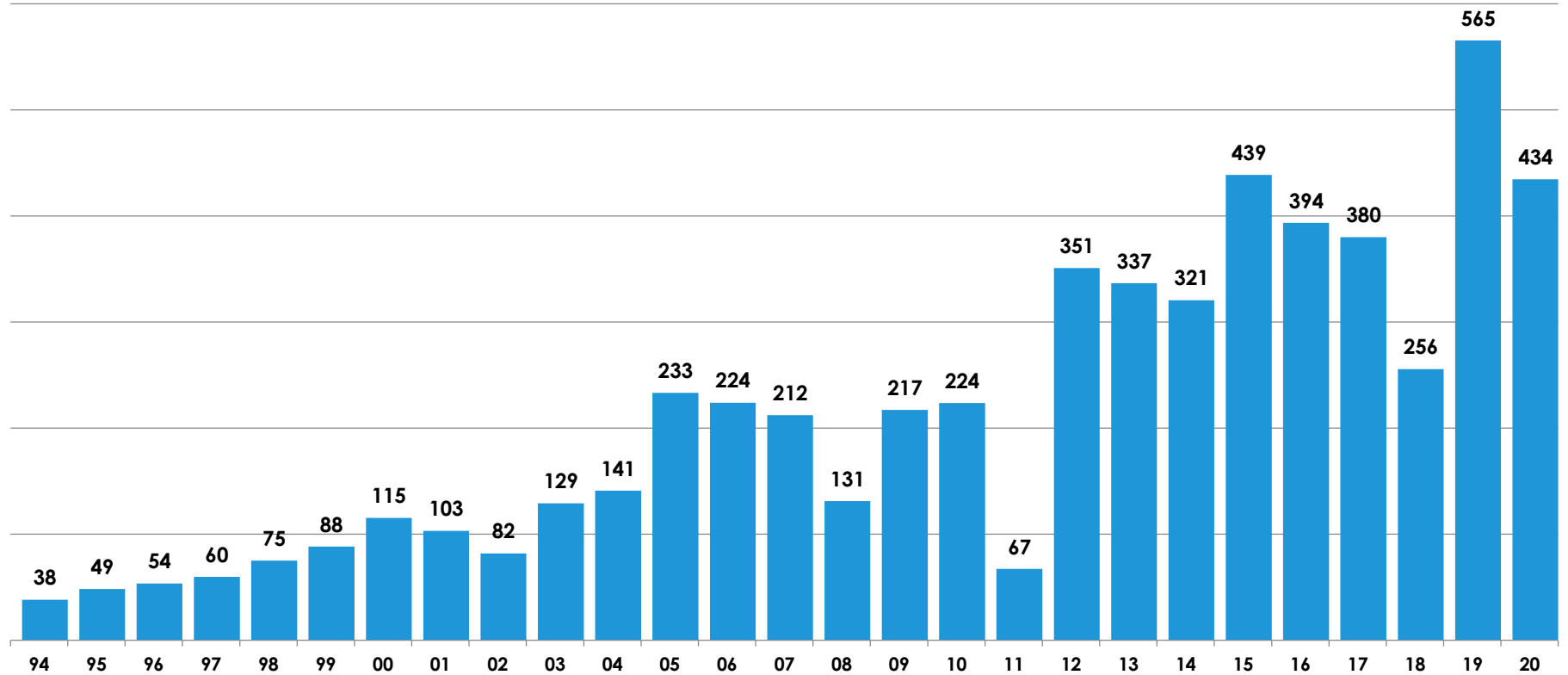
% Net NPLs

0.57%

NSFR

185%

as at 30/09/2020



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

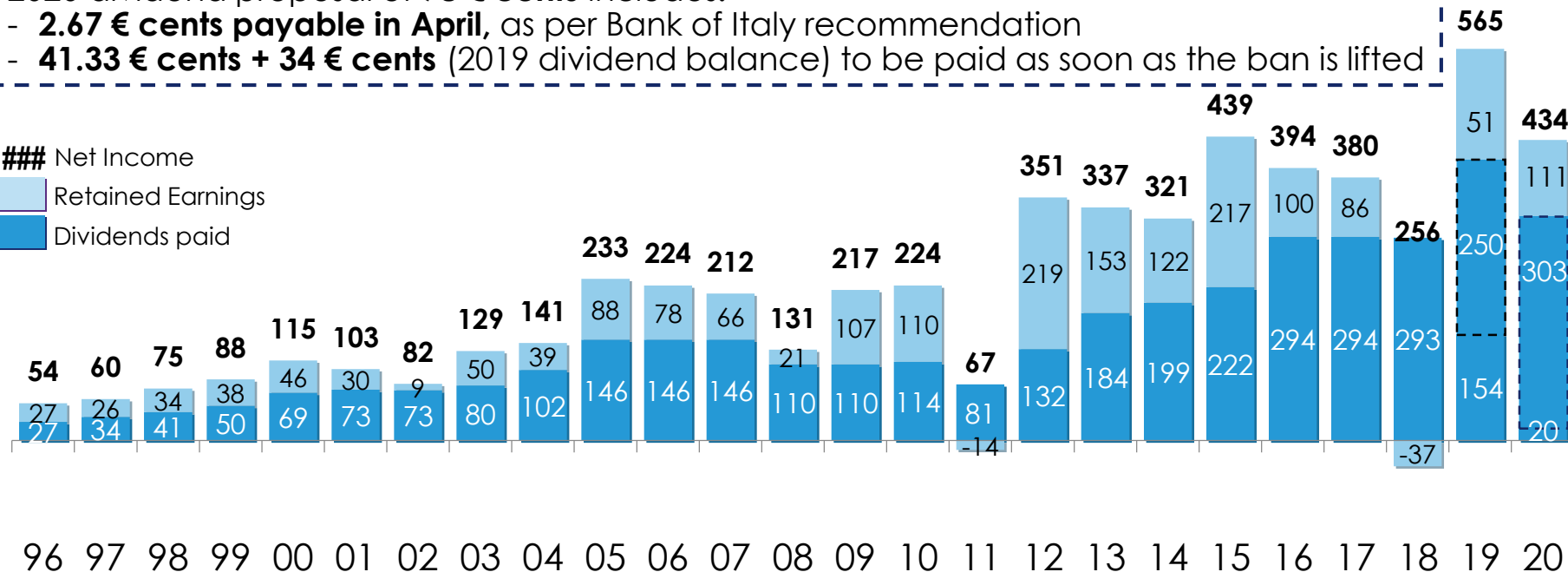
2020 dividend proposal of **78 € cents** includes:

- **2.67 € cents payable in April**, as per Bank of Italy recommendation
- **41.33 € cents + 34 € cents** (2019 dividend balance) to be paid as soon as the ban is lifted

Net Income

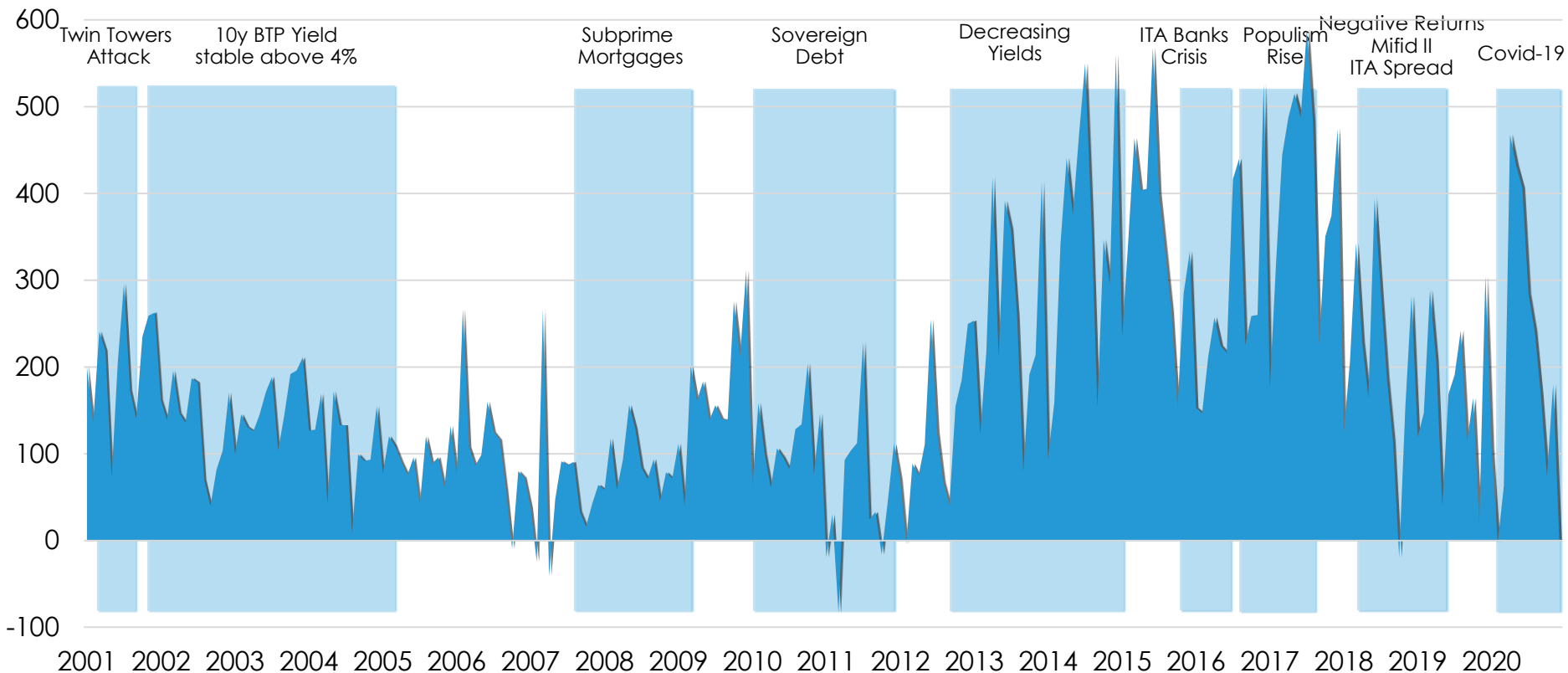
Retained Earnings

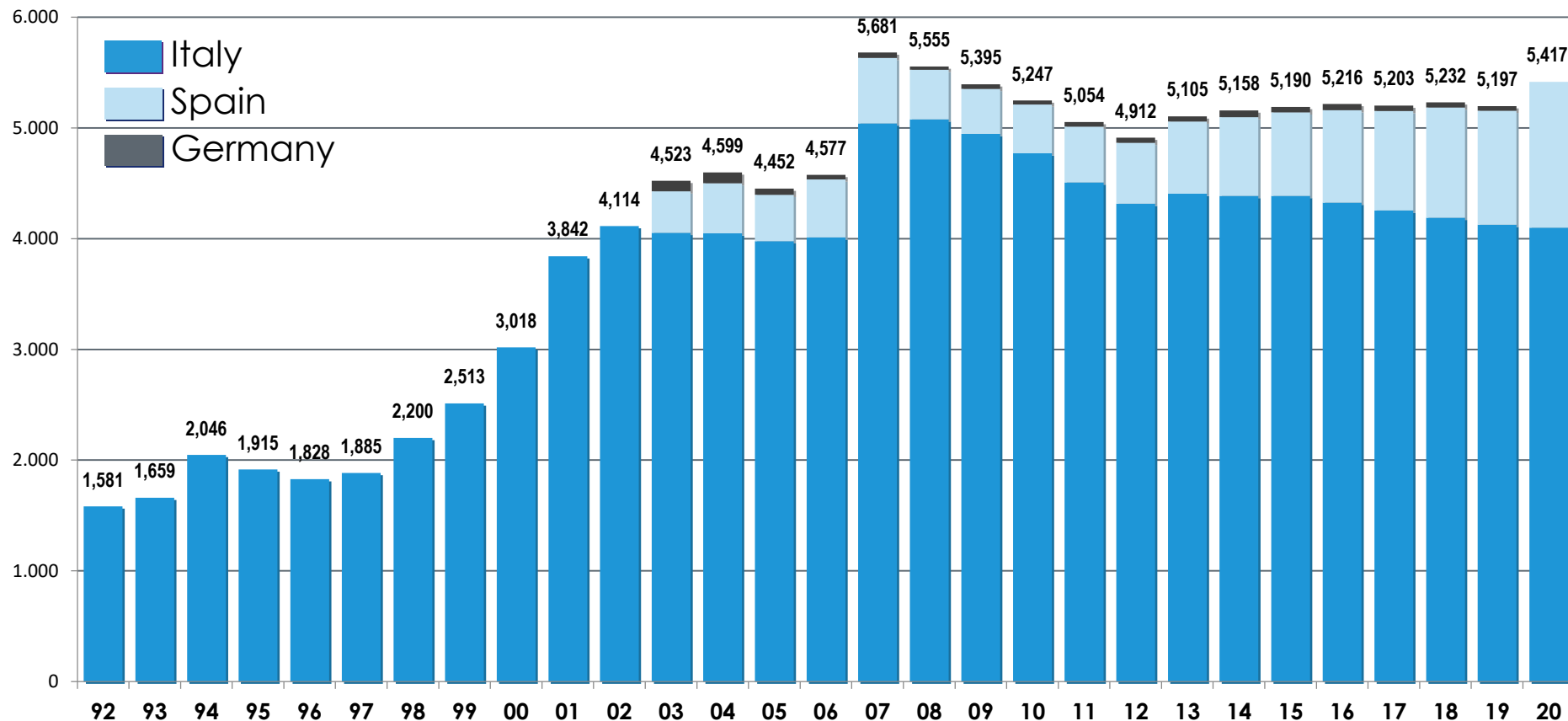
Dividends paid

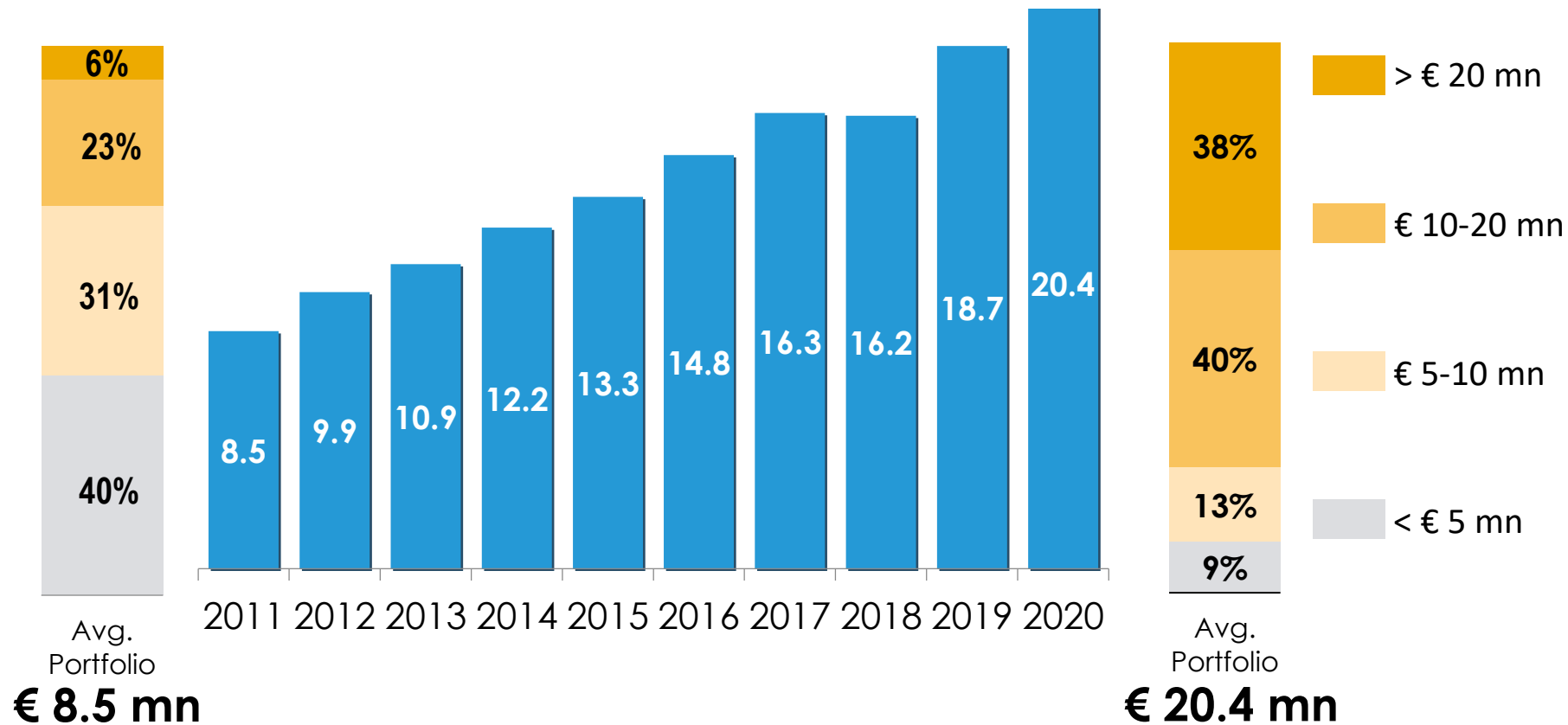


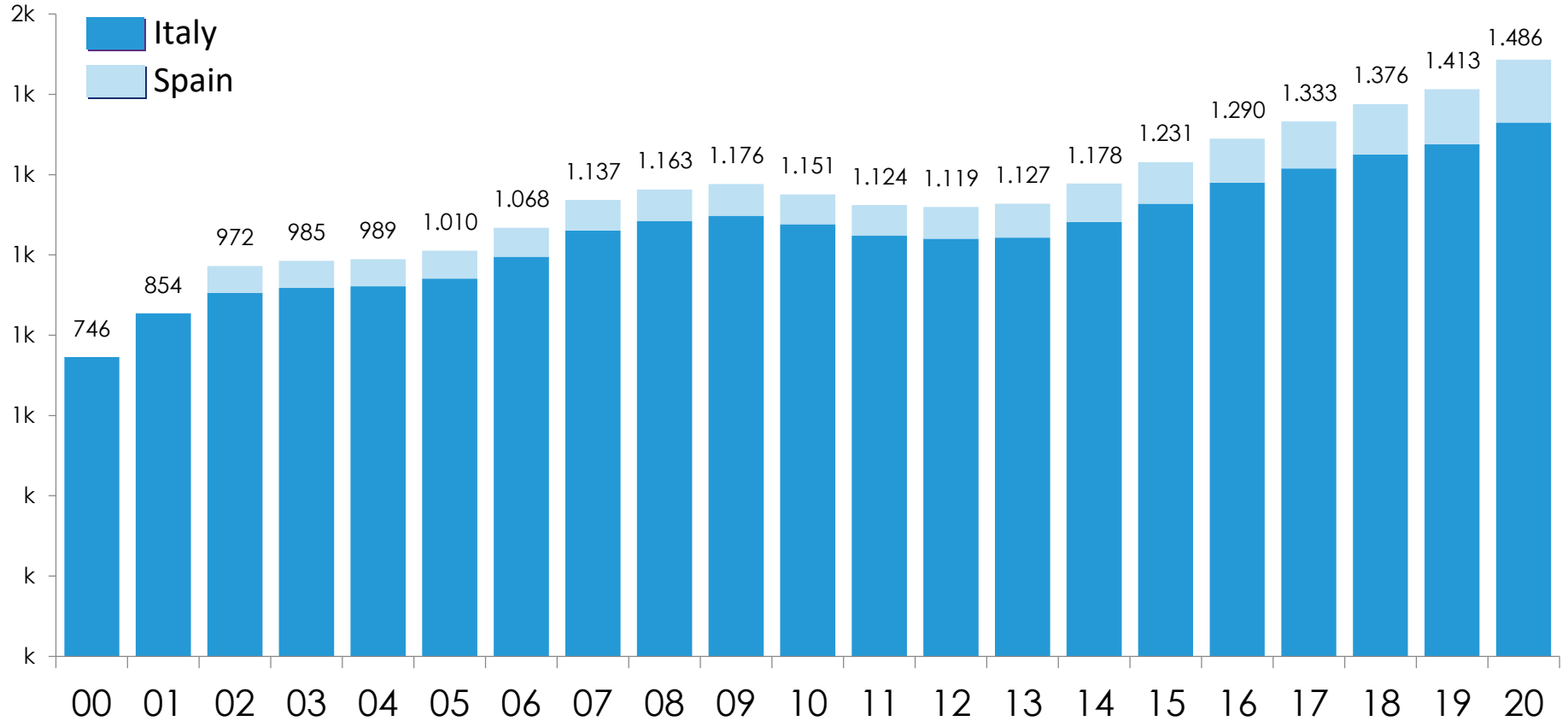
DPS (€ cents)



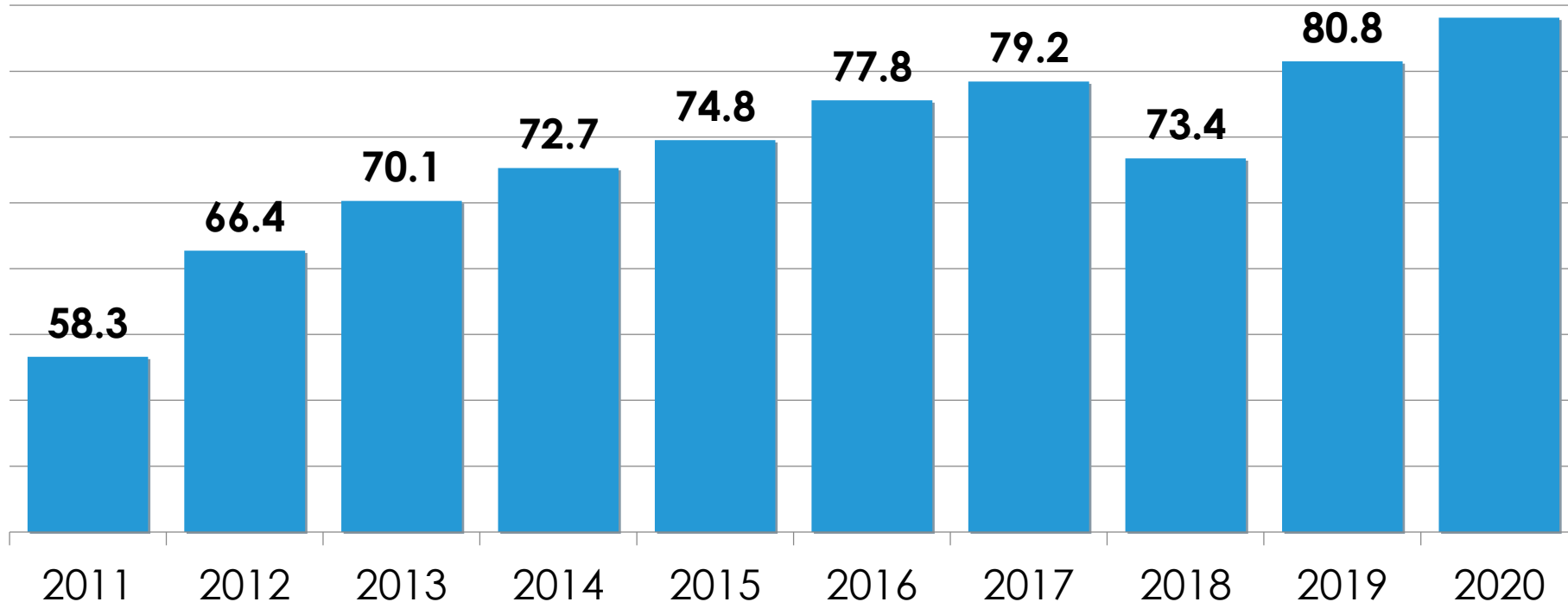


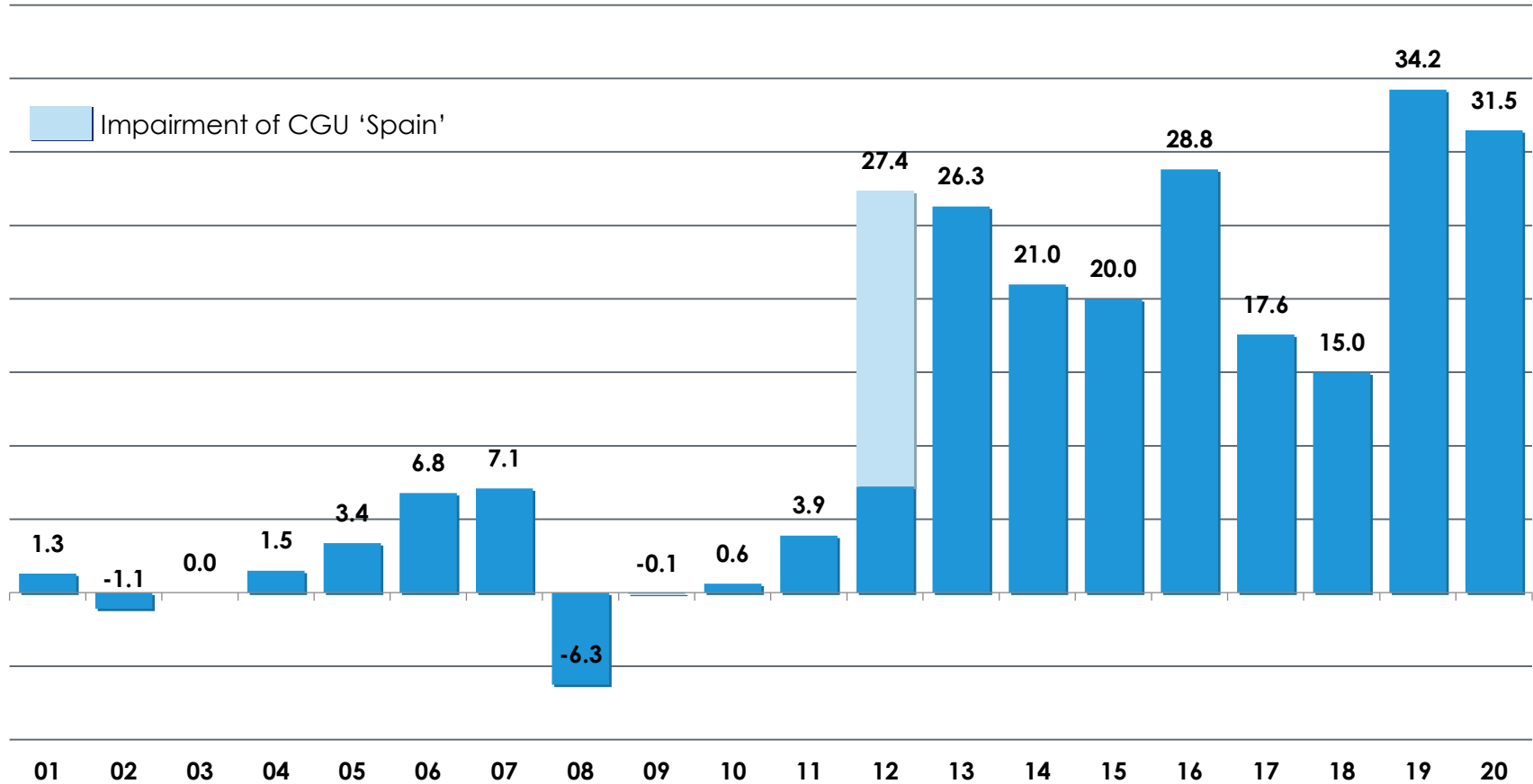






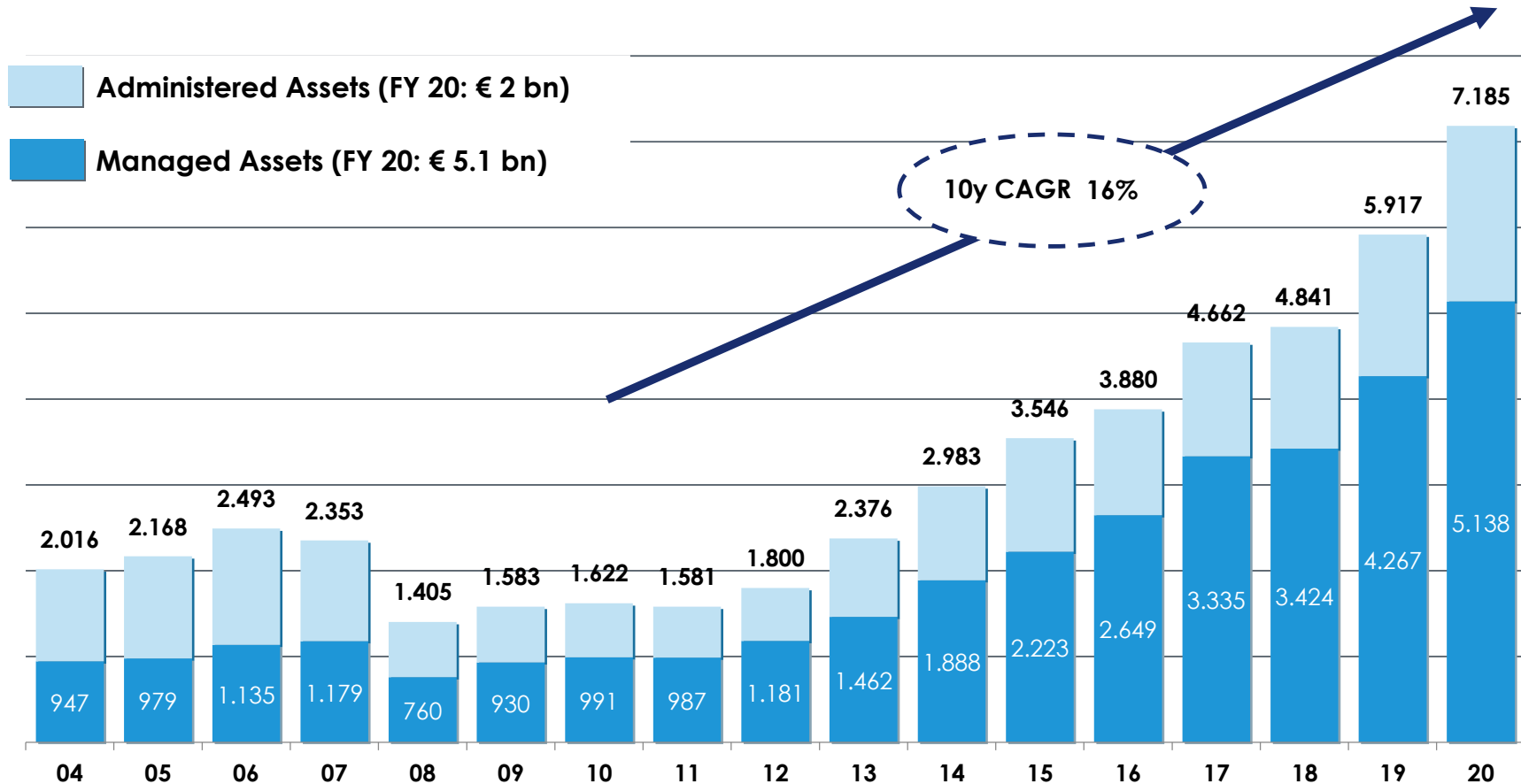
Primary Bank Account Holders



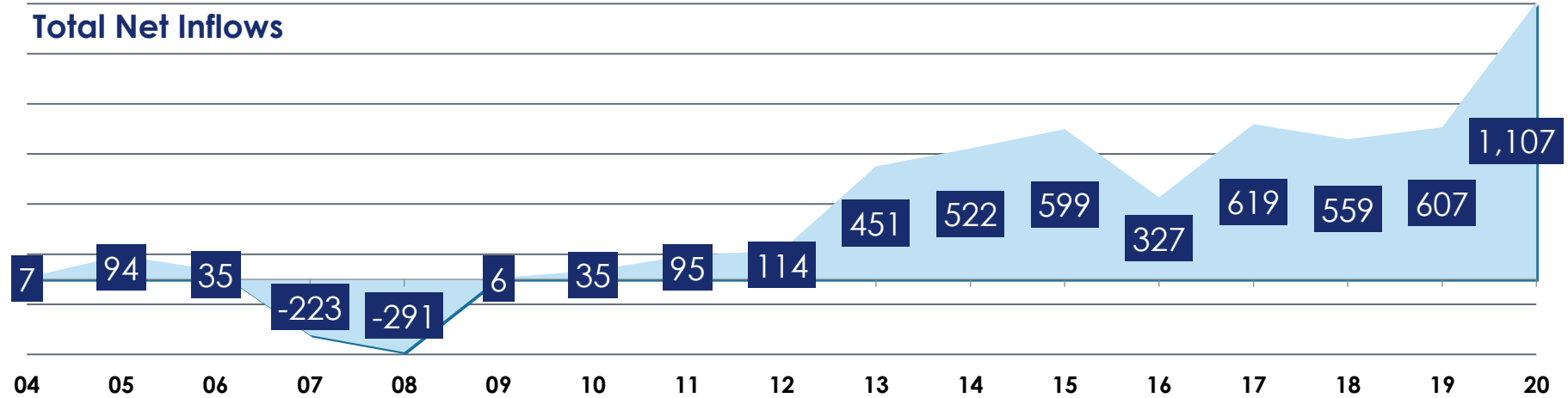


67 Spain - Assets under Administration

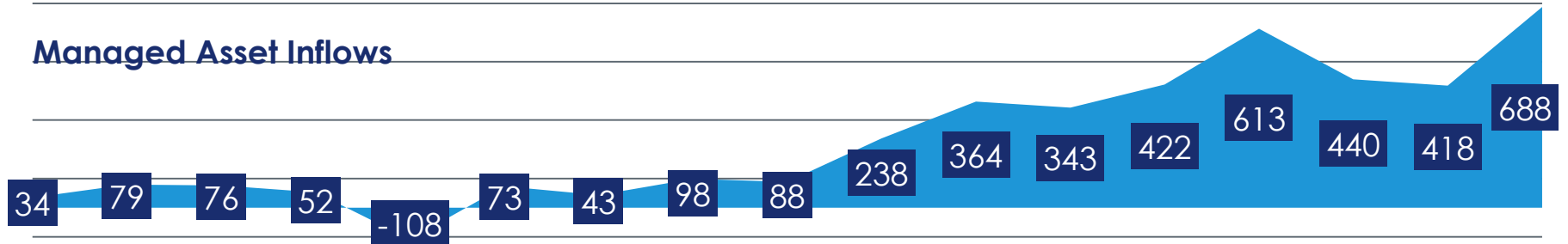
€ mn

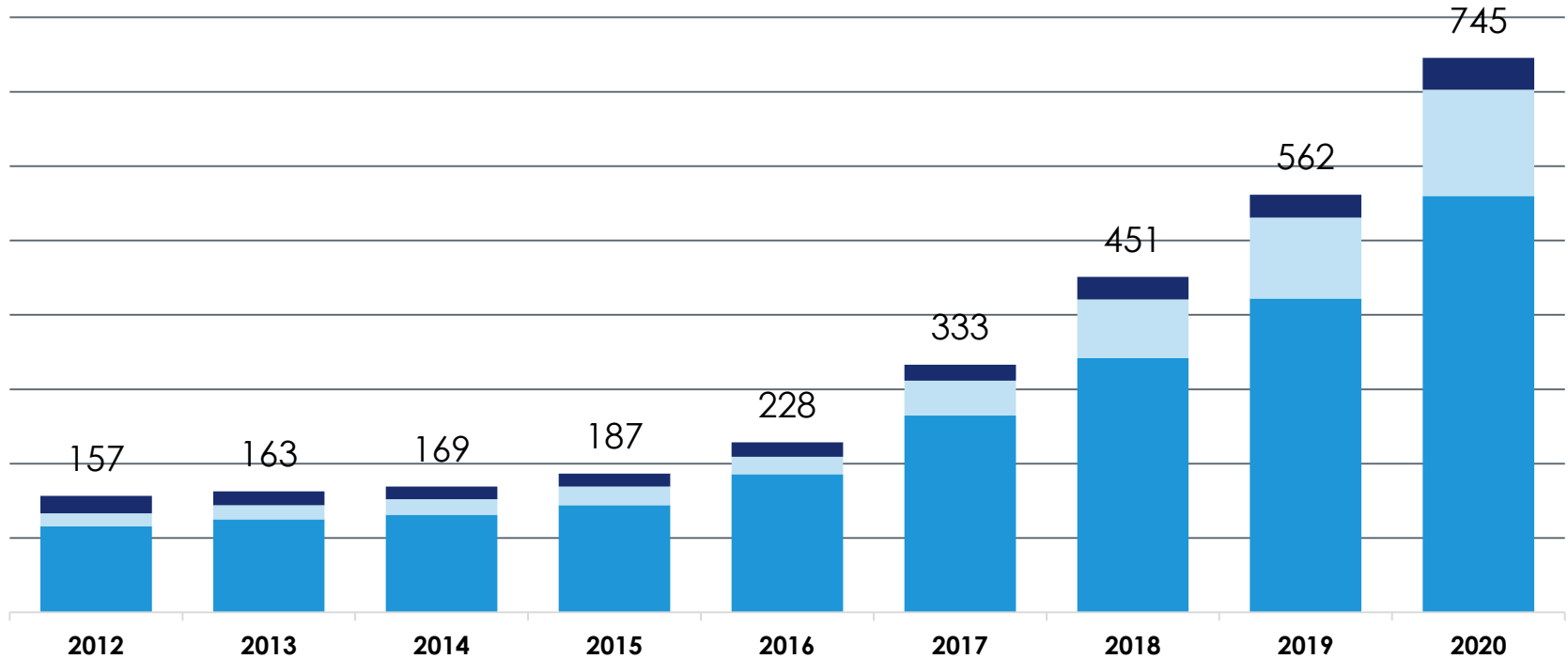


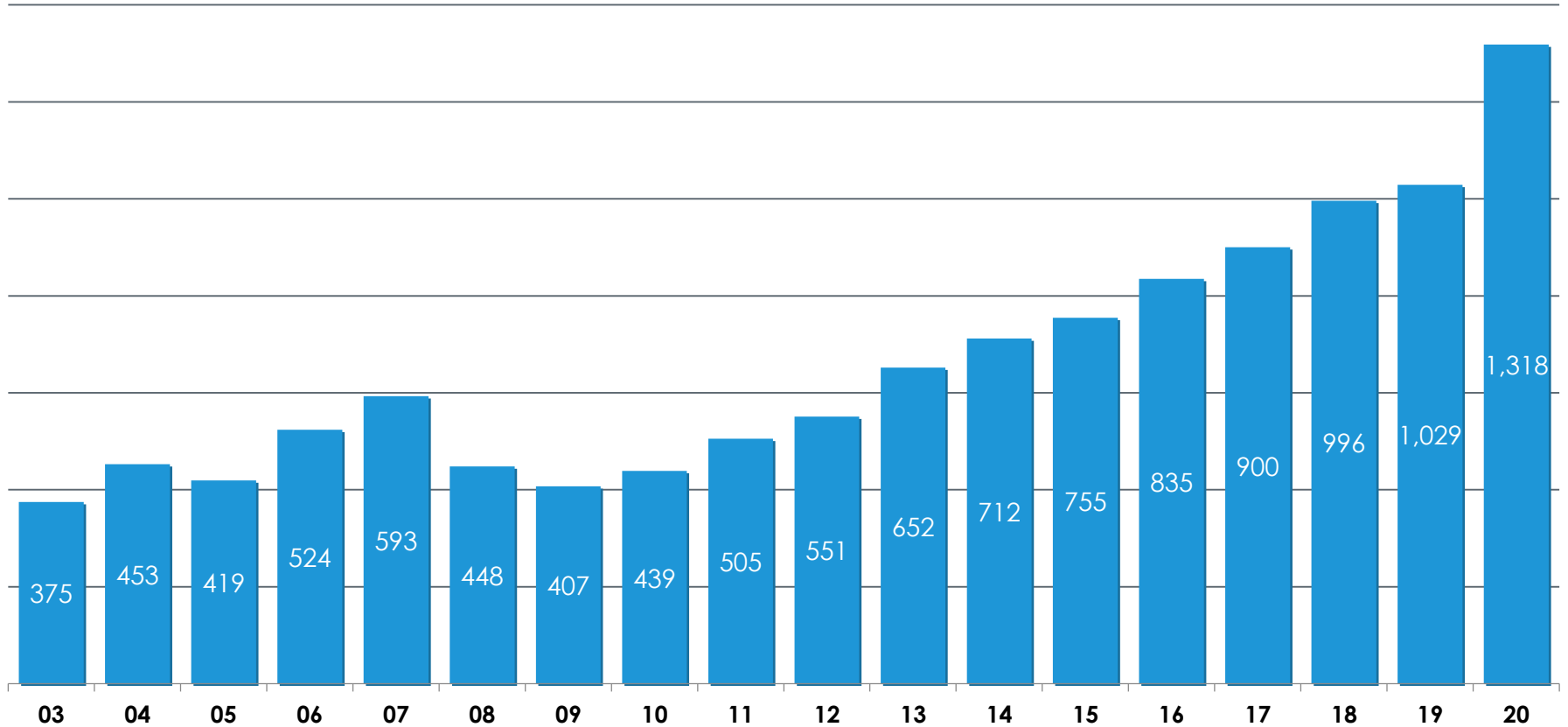
Total Net Inflows



Managed Asset Inflows



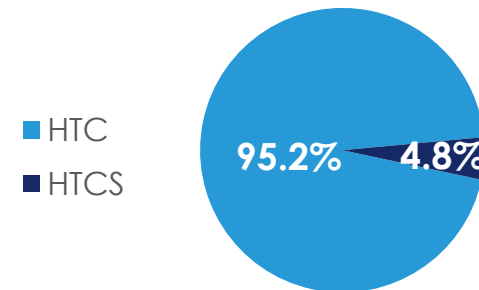




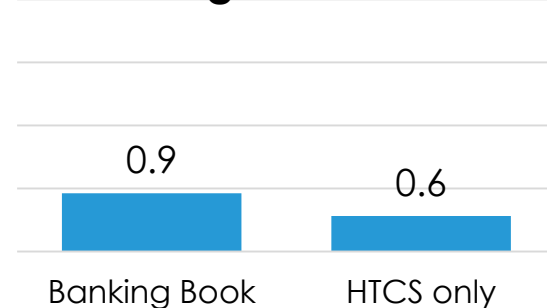
Banking Book: € 14.6 bn (nom. values)

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

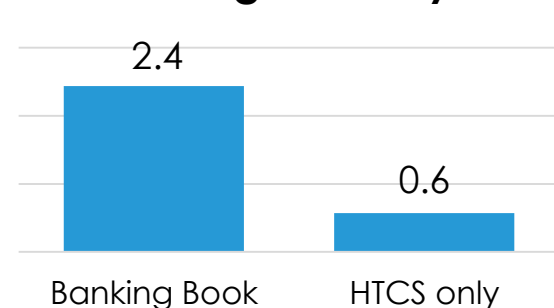
Sector	%
Government	99.3%
Financial	0.7%
Govies	%
Italy	98.6%
Spain	1.4%



Avg. Duration



Avg. Maturity



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**

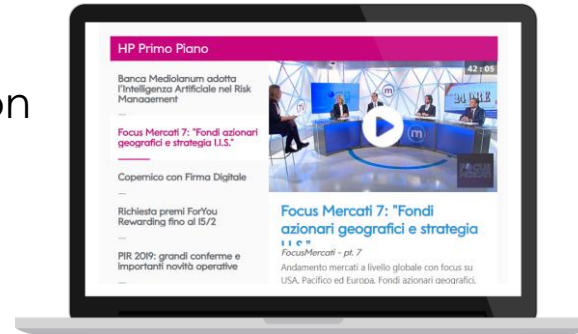
- Inaugurated March 2009
- Centralises our training know-how, in coordination with top universities, professors and individuals who are experts in the field
- Provides our Family Bankers & employees with a resource for life-long education
- Develops financial education programs dedicated to our customers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

2019: a 'normal' year

- 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

2020:

- **300 in-person events: 15.000 attendees**
- **9 live TV shows** streamed on BMED social media channels: **570.000 viewers**
- **400 events** organised by Family Bankers: **23.000 attendees**

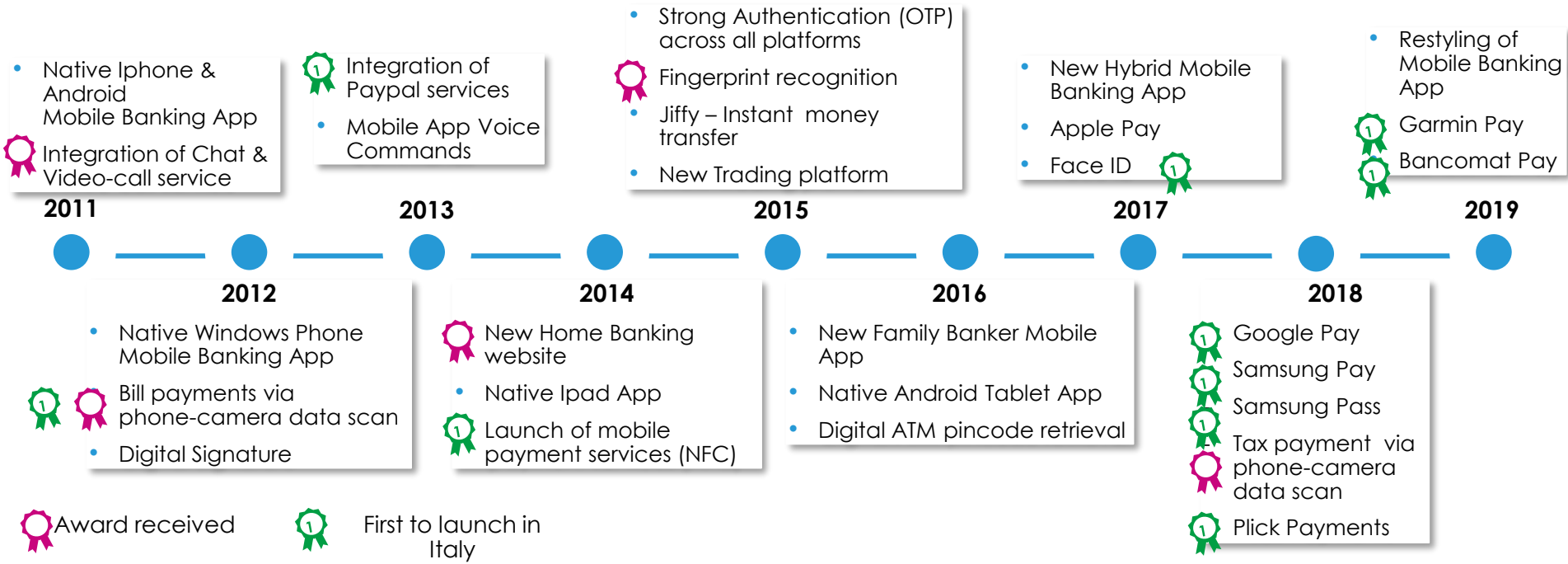




BMED solid customer relationship is built on best-in-class service delivery both human & digital

<p>Overall Satisfaction</p>	<p>Customer Satisfaction</p> <p>96%</p> <p>1st Bank in Italy - Market Average: 89%</p>	<p>Net Promoter Score</p> <p>60.8%</p> <p>1st Bank in Italy</p> <p>Traditional Banks: 4.5% Online Banks: 43.1%</p>	<p>Customer Retention</p> <p>95.8%</p>
<p>Digital Platform</p>	<p>Mobile App Satisfaction</p> <p>84%</p> <p>1st Bank in Italy - Market Average: 66%</p>	<p>Mobile Payments</p> <p>1st Bank to offer All Platforms</p> <p>Apple Pay – Samsung Pay – Google Pay Garmin Pay – Bancomat Pay</p>	<p>App Store Rating</p> <p> 4.6 ★★★★★</p> <p> 4.4 ★★★★★</p>
<p>Financial Advisor Interaction</p>	<p>Professionalism</p> <p>87.0%</p>	<p>Relationship Quality</p> <p>88.7%</p>	<p>Availability</p> <p>In 2018, 59.4% of Customers met with their Family Banker more than 4 Times</p>

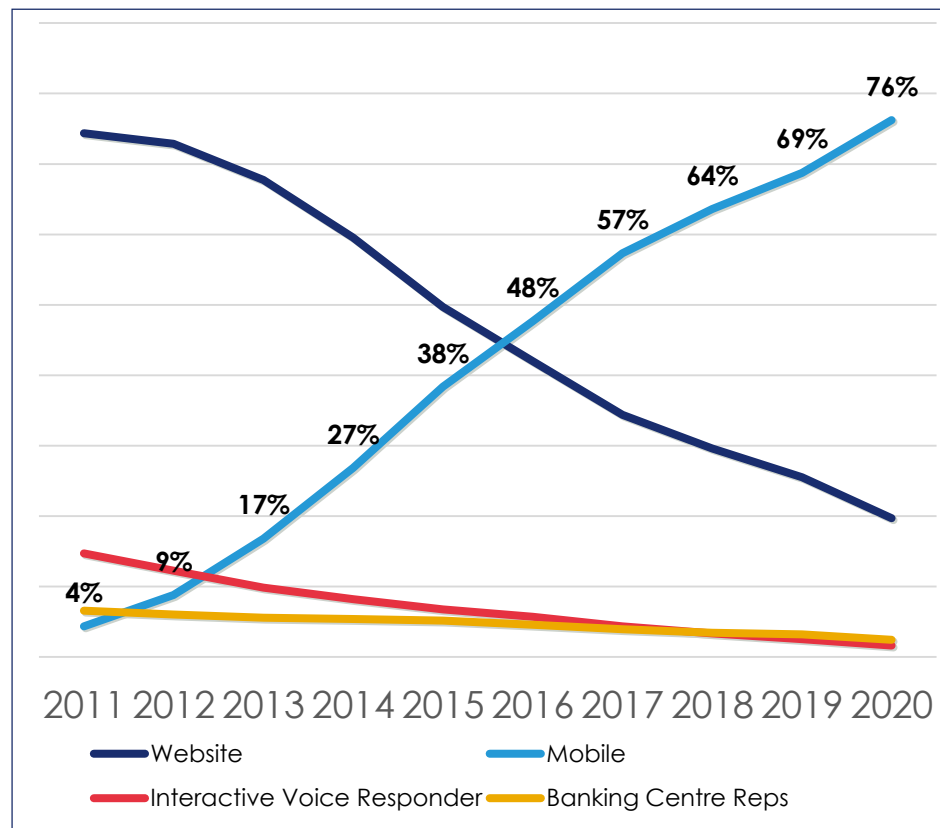
- We **create value for our Customers** by exploiting the **best technology available** to serve them
- Investments in technology allow us to build strong relationships thanks to the **usability & simplicity of our digital platform** (2018 retention rate: 98% - 2018 interactions with the bank: 74 mn)
- **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 54%

 UniCredit 54%

 **mediolanum** ^{BANCA} 42%

 **BNL**
GRUPPO BNP PARIBAS 24%

 **MONTE
DEI PASCHI
DI SIENA**
BANCA DAL 1472 23%

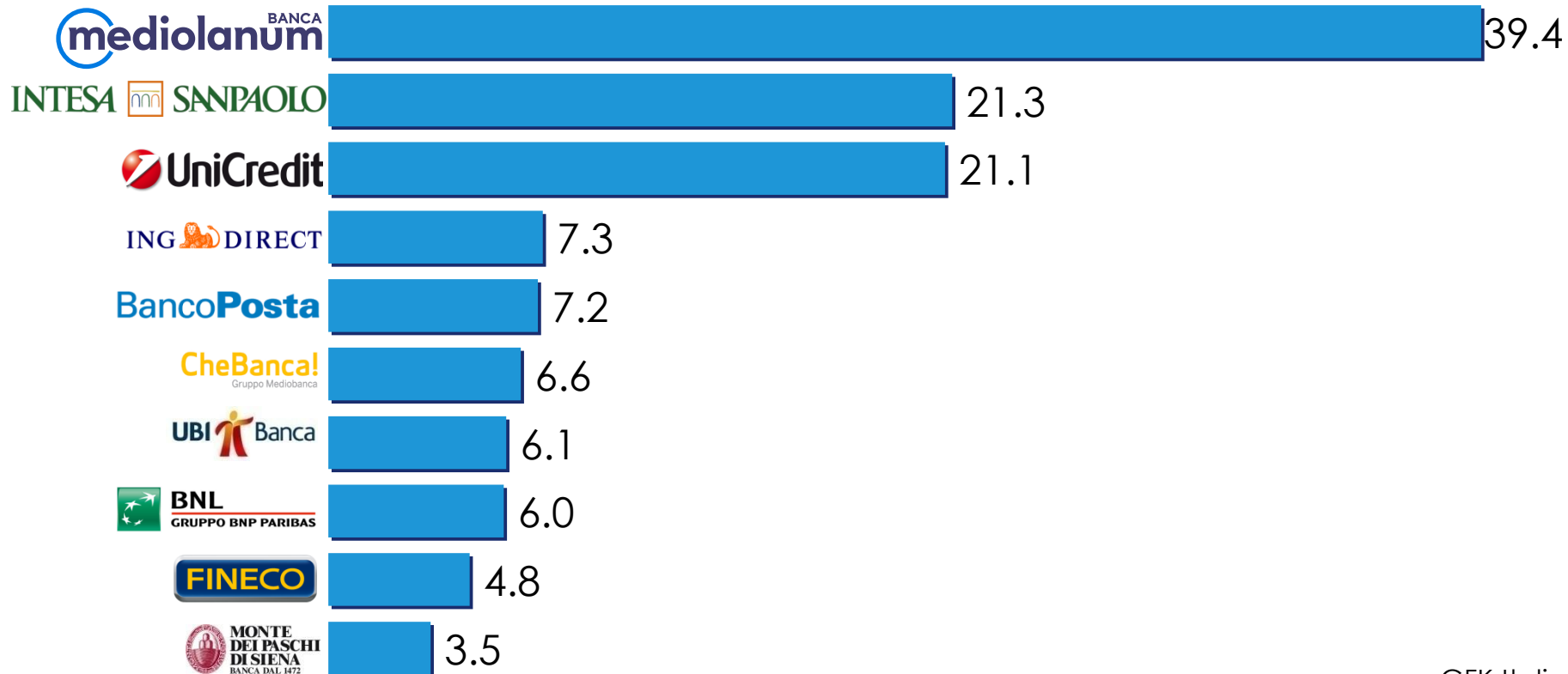
Banco**Posta** 22%

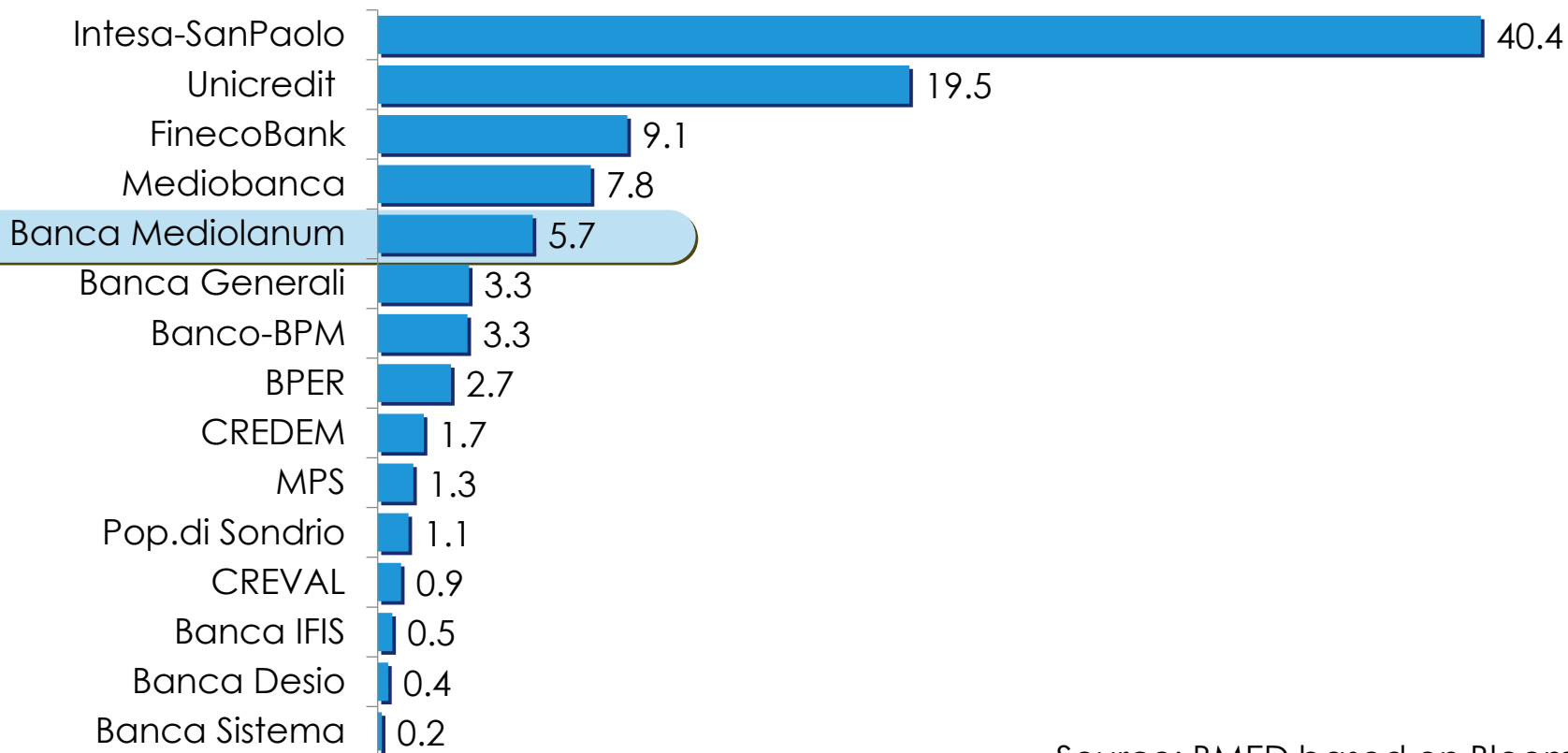
UBI  Banca 20%

CheBanca! 14%
Gruppo Mediobanca

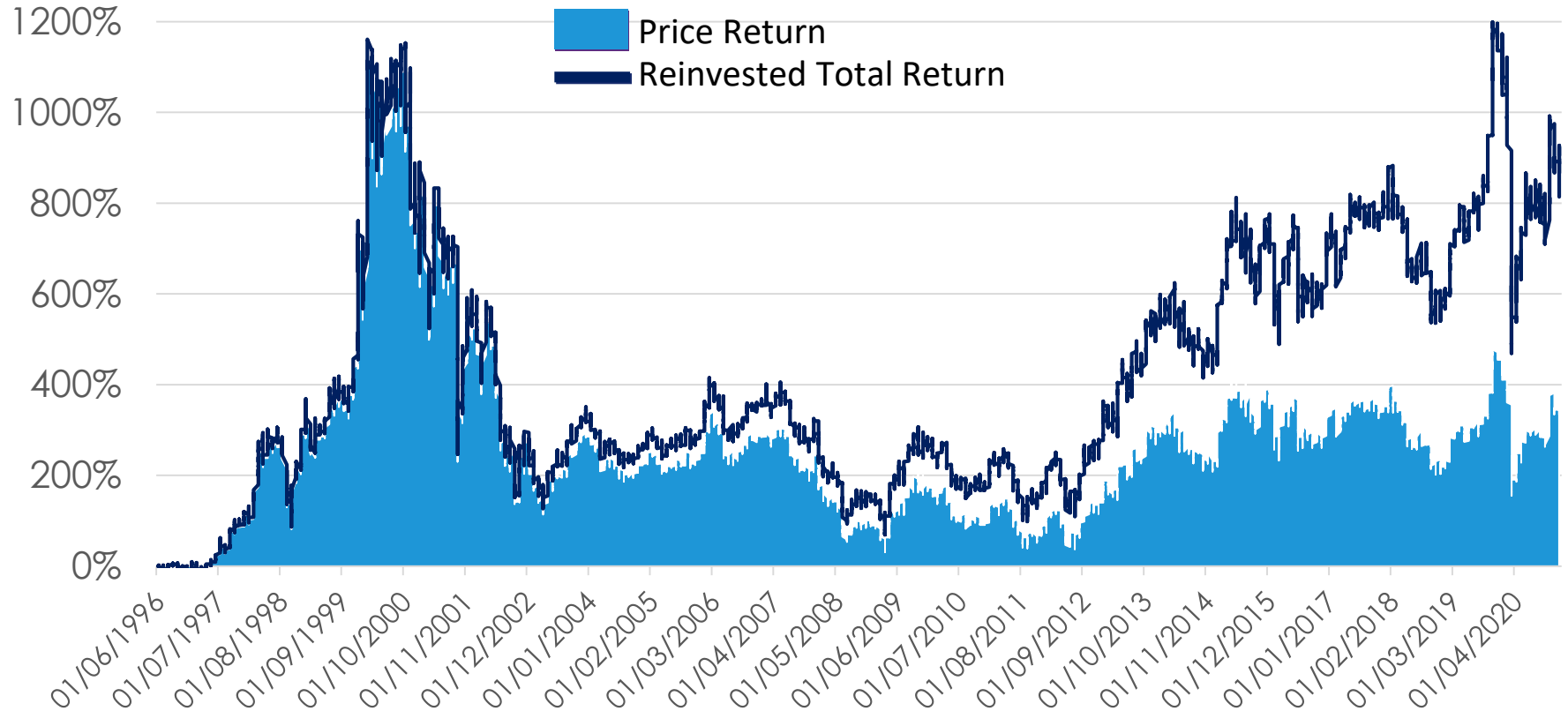
ING  DIRECT 14%

 **FINECO** 13%





Source: BMED based on Bloomberg data



* Total Return Index includes dividend reinvestments, June 3, 1996 – Jan. 29, 2021

Source: Datastream

This document has been prepared by Banca Mediolanum S.p.A. for the sole purpose of providing information and presenting the Group's strategies.

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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

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