

H1 2021 Results & Business Update

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H1 2021 Group Results

Record top line & strong operating jaws drive Operating Margin delivery

- **Net Income: +79%** - **€269 mn**, thanks to solid **27% increase in Operating Margin** & positive contribution from Market effects *
- **Recurring Fees: +19%** - almost **€700 mn** thanks to greater assets overall. No impact on margins.
- **Acquisition Costs: +18%** - totally in line with double-digit increase in Gross Commissions. Higher incentives to FBs thanks to higher managed assets inflows
- **Net Interest Income: +15%** - thanks to lower retail cost of funding and strong & ever-increasing lending activities
- **Cost/Income Ratio: 51%** ex mkt effects - down from 54.5% in FY 2020 – thanks to improving operating jaws
- **Net Inflows: €4.7 bn** of extreme high-quality: **€3.3 bn** into managed assets, **+58%** YoY, with 50% into equity, directly or indirectly through Intelligent Investment Strategy
- **Loans: € 1.9 bn, +40%** - Credit Book now at €13.2 bn
- **General Insurance: €77 mn, +29%** - showing robust growth in New Business of Stand-alone Policies (+30%)
- **Preliminary CET1 Ratio: 21.3%** - includes the entire distribution of dividends (€573 mn)

* includes €72 mn of SIA shareholding write up in Fair Value

	H1 2021	H1 2020	Change
Entry fees	29.6	26.2	+13%
Management fees	605.1	509.8	+19%
Investment Management fees	93.0	75.7	+23%
Net Insurance revenues ex U-L commissions	35.6	26.7	+34%
Banking service fees	70.0	74.4	-6%
Other fees	22.5	20.6	+9%
Gross Commission Income	855.8	733.5	+17%
Acquisition costs	(332.3)	(281.5)	+18%
Other commission expenses	(48.4)	(39.6)	+22%
Net Commission Income	475.2	412.4	+15%
Net interest income	129.9	113.1	+15%
Net income on other investments	(14.4)	(17.2)	-16%
- o/w <i>Impairment on loans</i>	(13.9)	(13.3)	+4%
Other revenues & expenses	6.5	8.2	-20%
Contribution Margin	597.2	516.5	+16%
G&A expenses	(295.0)	(275.4)	+7%
Regular Contributions to Banking Industry	(9.3)	(8.2)	+13%
Depreciation & Amortization	(19.3)	(17.4)	+11%
Provisions for risk & charges	(28.4)	(22.3)	+27%
Operating Margin	245.3	193.2	+27%
Market effects	106.3	(5.7)	n.s.
- o/w <i>Performance fees</i>	17.5	7.6	+129%
- o/w <i>Net income on investments at fair value</i>	88.8	(13.3)	n.s.
Extraordinary items	(2.3)	(2.6)	-12%
PROFIT BEFORE TAX	349.3	184.9	+89%
Income tax	(80.6)	(34.4)	+134%
NET INCOME	268.7	150.5	+79%

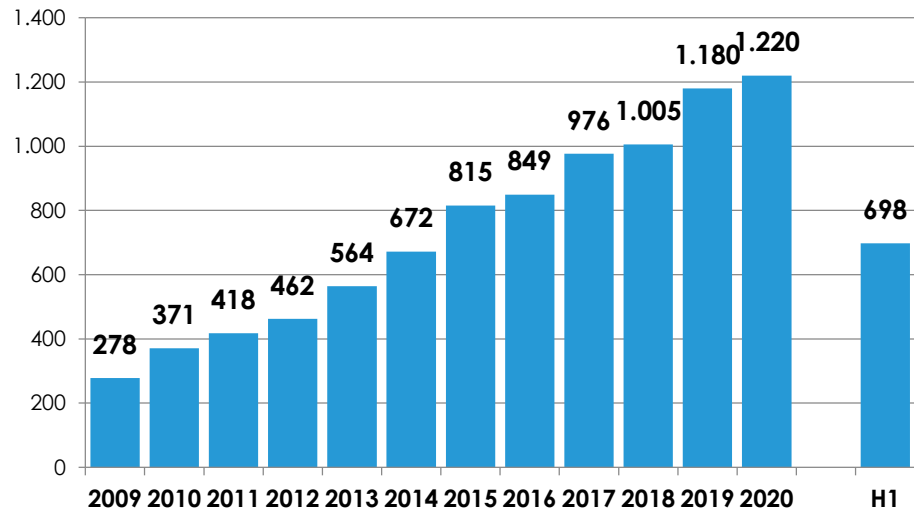
6 Income Statement by Quarter

€ mn



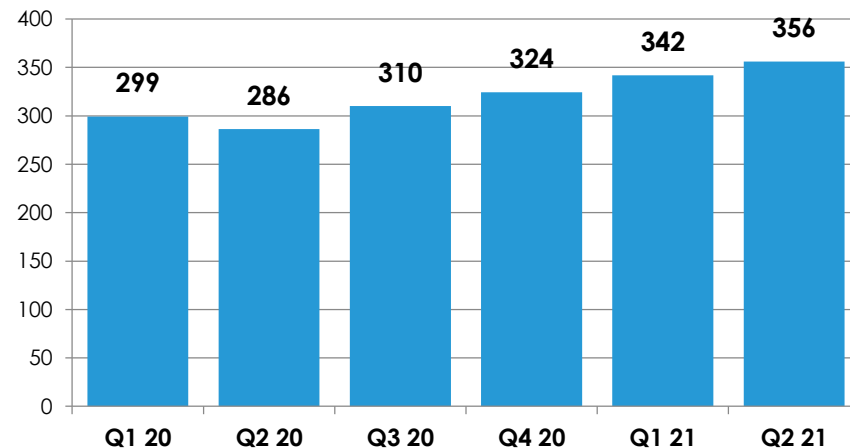
	Q1 20	Q2 20	Q3 20	Q4 20	Q1 21	Q2 21
Entry fees	13.5	12.7	10.8	13.6	15.9	13.8
Management fees	260.7	249.2	269.6	281.9	296.3	308.8
Investment Management fees	38.6	37.0	40.6	42.6	45.7	47.3
Net Insurance revenues ex U-L commissions	10.8	15.8	12.4	18.3	15.8	19.8
Banking service fees	38.3	36.1	30.1	32.0	30.3	39.8
Other fees	10.3	10.3	11.7	9.8	11.6	10.9
Gross Commission Income	372.3	361.1	375.2	398.2	415.5	440.3
Acquisition costs	(141.4)	(140.1)	(140.4)	(159.3)	(156.6)	(175.7)
Other commission expenses	(21.0)	(18.6)	(20.3)	(24.1)	(24.4)	(24.0)
Net Commission Income	209.9	202.5	214.5	214.9	234.5	240.6
Net interest income	57.0	56.1	64.7	69.9	64.8	65.1
Net income on other investments	(9.1)	(8.0)	(0.5)	(2.7)	(6.5)	(7.9)
- o/w Impairment on loans	(6.2)	(7.2)	(0.8)	(5.6)	(7.3)	(6.6)
Other revenues & expenses	4.3	3.9	1.2	(11.4)	3.4	3.2
Contribution Margin	262.1	254.4	279.8	270.7	296.3	301.0
G&A expenses	(138.3)	(137.0)	(122.1)	(159.9)	(142.1)	(152.9)
Regular Contributions to Banking Industry	(4.9)	(3.3)	(11.8)	(2.0)	(8.4)	(0.9)
Depreciation & Amortization	(8.7)	(8.7)	(9.2)	(10.1)	(9.3)	(10.0)
Provisions for risk & charges	(10.6)	(11.7)	(14.1)	(24.9)	(11.1)	(17.2)
Operating Margin	99.5	93.7	122.6	73.8	125.3	120.0
Market effects	(11.8)	6.1	5.7	149.9	49.3	57.0
- o/w Performance fees	7.1	0.5	3.3	142.6	10.2	7.3
- o/w Net income on investments at fair value	(19.0)	5.6	2.4	7.2	39.1	49.7
Extraordinary items	0	(2.6)	(5.2)	(0.2)	0.0	(2.3)
PROFIT BEFORE TAX	87.7	97.2	123.1	223.4	174.6	174.8
Income tax	(15.4)	(19.0)	(23.7)	(38.8)	(41.2)	(39.4)
NET INCOME	72.2	78.3	99.3	184.6	133.4	135.4

YoY Trend

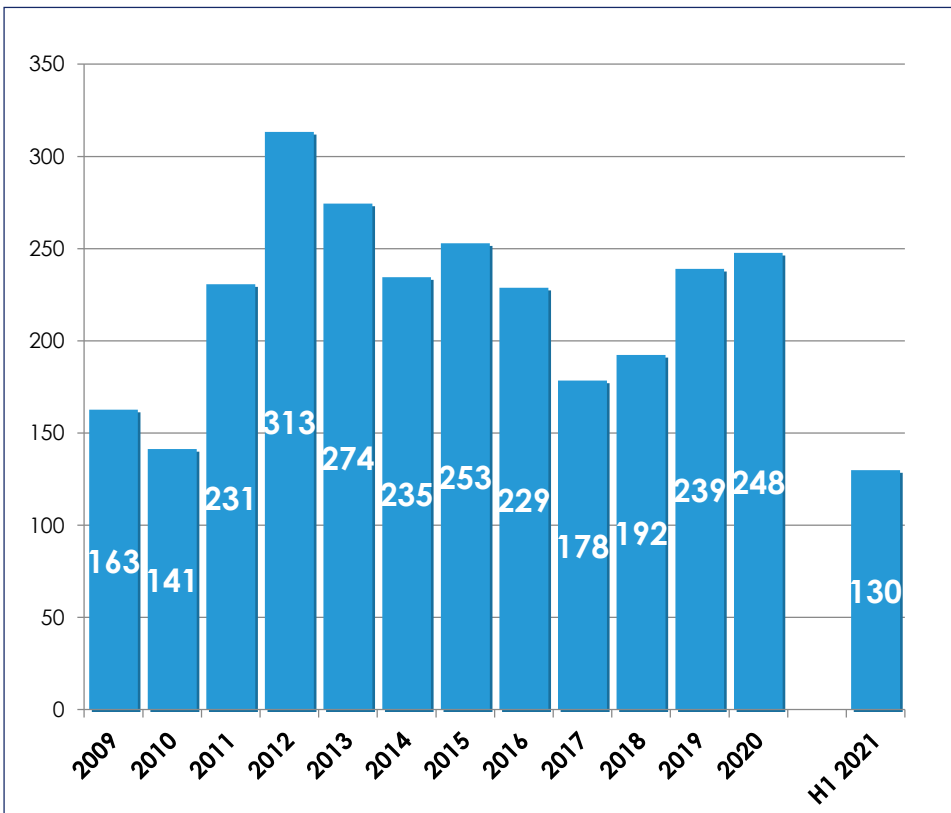


Yearly bps on average assets

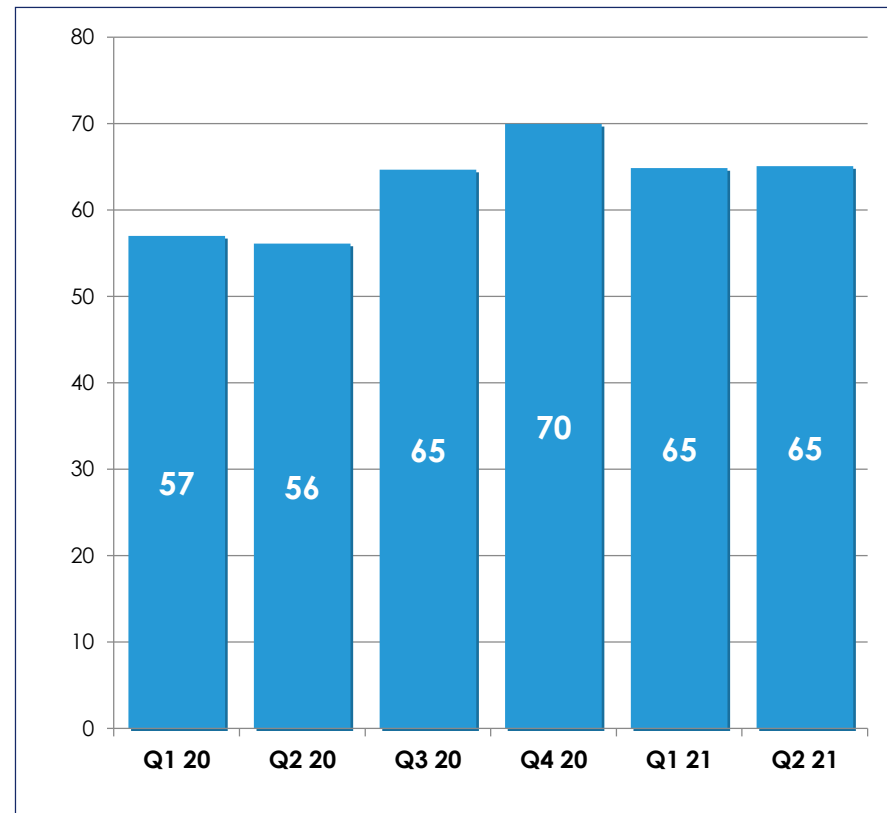
QoQ Trend

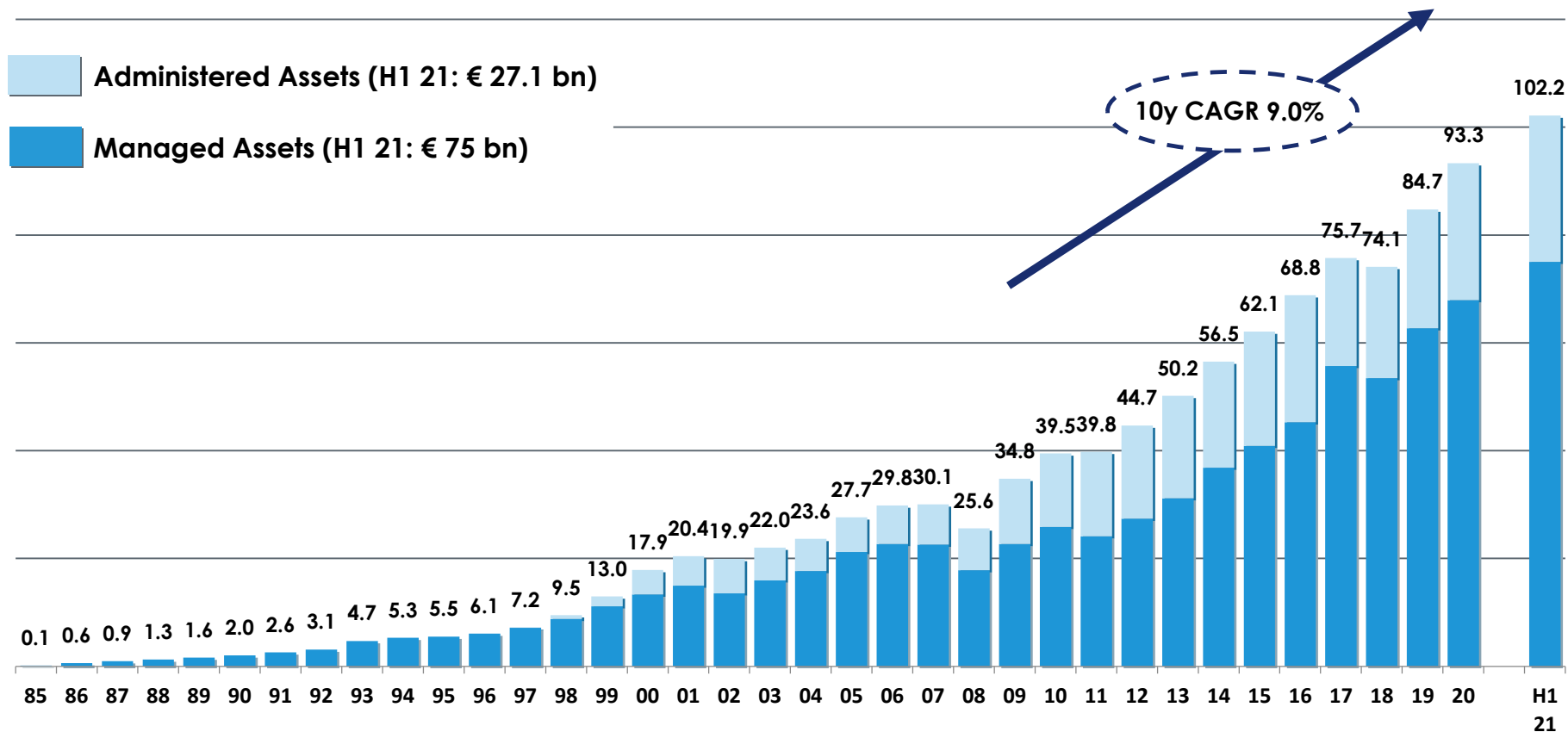


YoY Trend



QoQ Trend





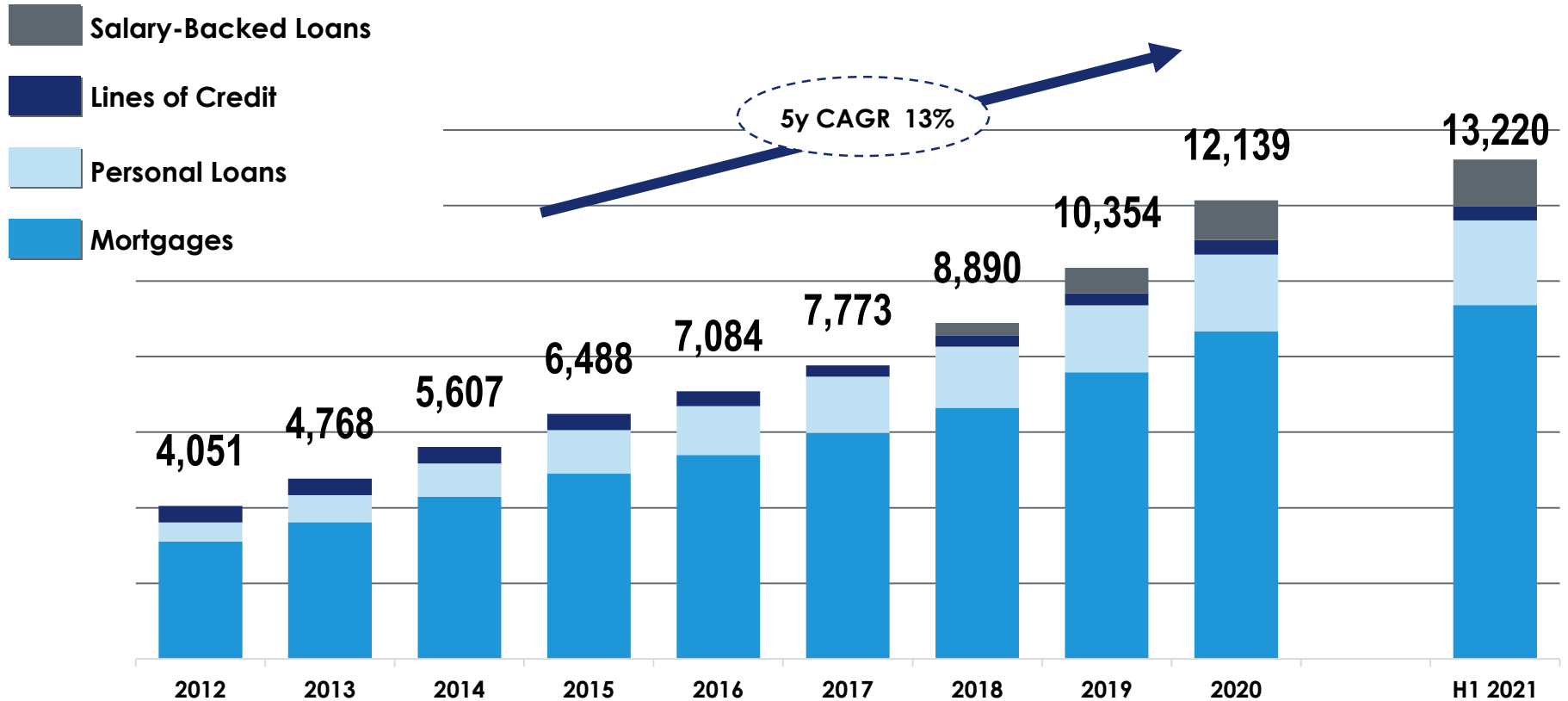
	30/06/2021	31/12/2020	Change	30/06/2020	Change
Italy - Banca Mediolanum	93,407	85,640	+9%	78,618	+19%
Mutual Funds & U-L Policies	65,376	59,124	+11%	53,195	+23%
Other Life Insurance Products	1,696	1,631	+4%	1,590	+7%
Banking	26,335	24,885	+6%	23,833	+10%
Spain - Banco Mediolanum	8,284	7,185	+15%	6,154	+35%
Mutual Funds & U-L Policies	5,881	5,060	+16%	4,354	+35%
Other Life Insurance Products	69	77	-11%	74	-7%
Banking	2,334	2,047	+14%	1,726	+35%
Germany	493	522	-6%	673	-27%
Mutual Funds & U-L Policies	490	509	-4%	515	-5%
Other Life Insurance Products	0	0	n.s.	0	n.s.
Banking	3	14	-78%	158	-98%
TOTAL AUA/AUM	102,183	93,347	+9%	85,445	+20%

	H1 2021	H1 2020
GROUP TOTAL NET INFLOWS	+4,673	+5,004
Managed Assets	+3,299	+2,087
- o/w Mutual Funds, U/L & Managed Accounts	+3,333	+1,853
Administered Assets	+1,374	+2,916

Italy - Banca Mediolanum Total Net Inflows	+3,955	+4,498
Managed Assets	+2,819	+1,705
- o/w Mutual Funds, U/L & Managed Accounts	+2,842	+1,467
Administered Assets	+1,137	+2,794

Spain - Banco Mediolanum Total Net Inflows	+736	+505
Managed Assets	+498	+377
- o/w Mutual Funds & U/L	+509	+377
Administered Assets	+237	+128

Germany	-18	+0
Managed Assets	-18	+6
- o/w Mutual Funds & U/L	-18	+9
Administered Assets	+0	-5



	30/06/2021	31/12/2020	Change	30/06/2020	Change
Mortgages	9,369	8,672	+8%	8,027	+17%
Personal Loans	2,232	2,026	+10%	1,896	+18%
Lines of Credit	375	391	-4%	323	+16%
Salary-backed Loans	1,243	1,050	+18%	852	+46%
TOTAL	13,220	12,139	+9%	11,097	+19%

	30/06/2021
Gross NPL	1.21%
Net NPL	0.62%
Cost of risk*	0.16%

* Cost of Risk as at 31/12/2020

	H1 2021	H1 2020	Change
Mortgages	1,110	773	+44%
Personal Loans	537	397	+35%
Salary-backed Loans	258	195	+33%
TOTAL	1,905	1,365	+40%
3rd-party Loans	11	11	-4%

	H1 2021	H1 2020	Change
Stand-alone policies	43.6	31.9	+37%
New business	13.9	10.7	+30%
In-force business	29.7	21.2	+40%
Loan protection policies	30.8	25.3	+22%
Group health policies	2.4	2.3	+2%
GROSS PREMIUMS	76.7	59.6	+29%

	H1 2021	FY 2020
Common Equity Tier 1	2,263	2,001
Risk-Weighted Assets	10,644	9,810
COMMON EQUITY TIER 1 RATIO	21.3%*	20.4%
LEVERAGE RATIO	6.1%	6.3%
SREP	12.2%	12.2%

* After payment of € 573 million dividend.

H1 2021 Total Capital Ratio: 21.3%

Leverage Ratio = CET1 / Banking Group Assets

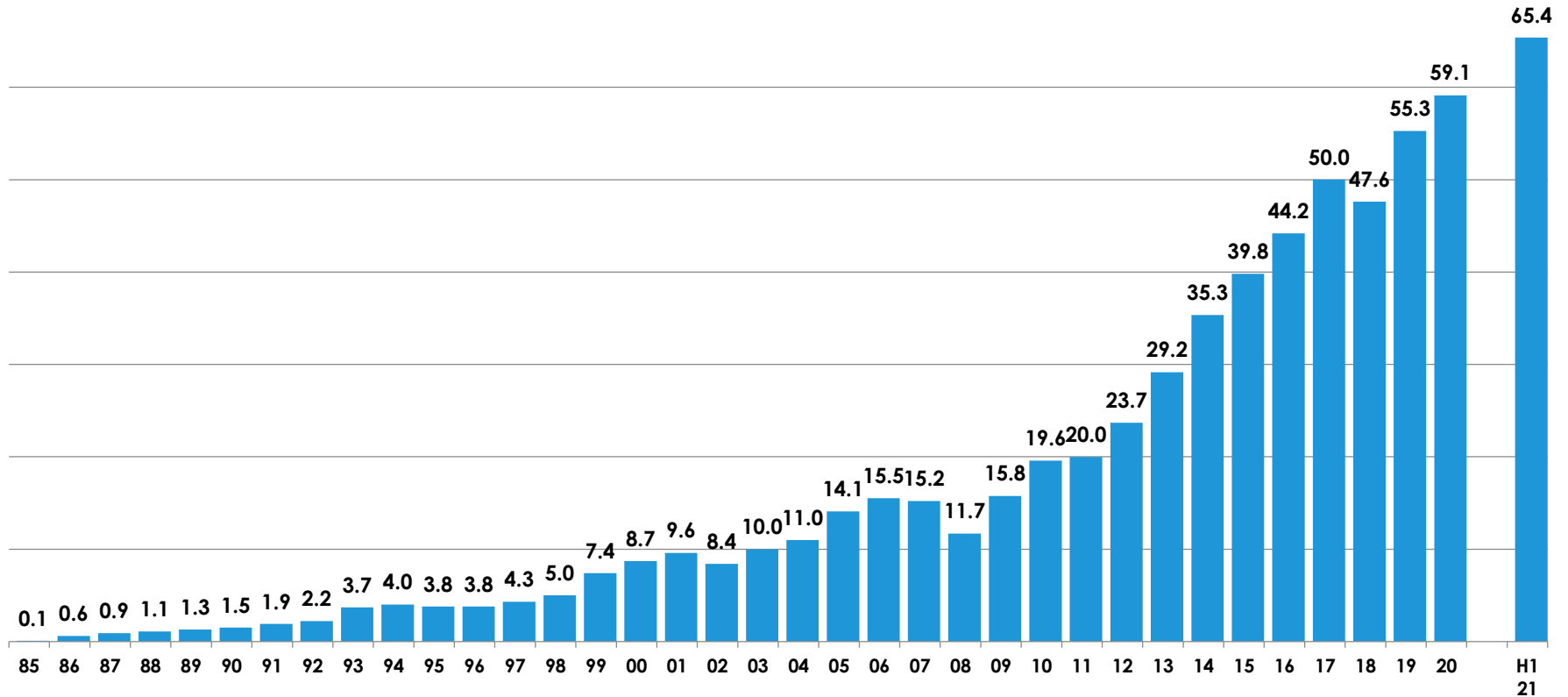


H1 2021 Domestic Market Results

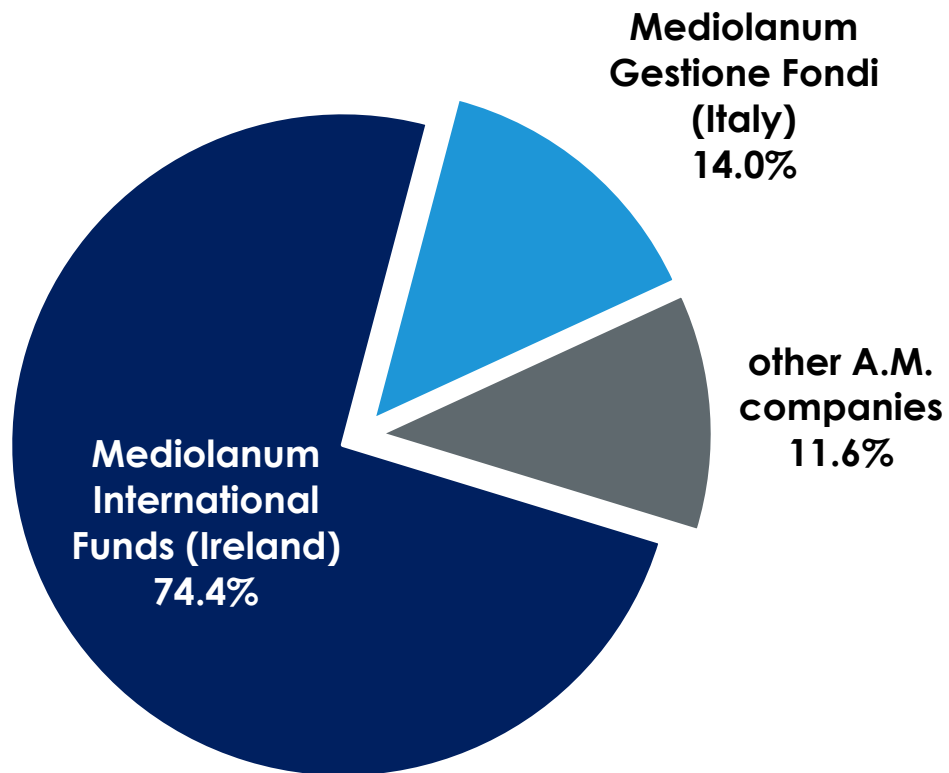
	H1 2021	H1 2020	Change
Entry fees	21.1	17.8	+18%
Management fees	557.1	471.6	+18%
Investment Management fees	85.7	69.9	+23%
Net Insurance revenues ex U-L commissions	25.2	18.9	+33%
Banking service fees	63.3	65.6	-4%
Other fees	21.2	19.6	+8%
Gross Commission Income	773.5	663.5	+17%
Acquisition costs	(297.7)	(253.9)	+17%
Other commission expenses	(39.8)	(30.5)	+31%
Net Commission Income	435.9	379.1	+15%
Net interest Income	121.5	106.0	+15%
Net income on other investments	(14.3)	(16.8)	-15%
- o/w Impairment on loans	(13.8)	(13.2)	+5%
Other revenues & expenses	4.8	6.6	-28%
Contribution Margin	547.9	474.9	+15%
G&A expenses	(265.9)	(244.3)	+9%
Regular Contributions to Banking Industry	(7.5)	(6.9)	+9%
Depreciation & Amortization	(16.2)	(14.4)	+13%
Provisions for risk & charges	(27.9)	(21.5)	+29%
Operating Margin	230.5	187.8	+23%
Market effects	104.9	(6.0)	n.s.
- o/w Performance fees	16.1	7.3	+120%
- o/w Net income on investments at fair value	88.8	(13.3)	n.s.
Extraordinary items	(2.3)	(2.6)	-12%
PROFIT BEFORE TAX	333.1	179.2	+86%
Income tax	(76.7)	(31.7)	+142%
NET INCOME	256.4	147.5	+74%

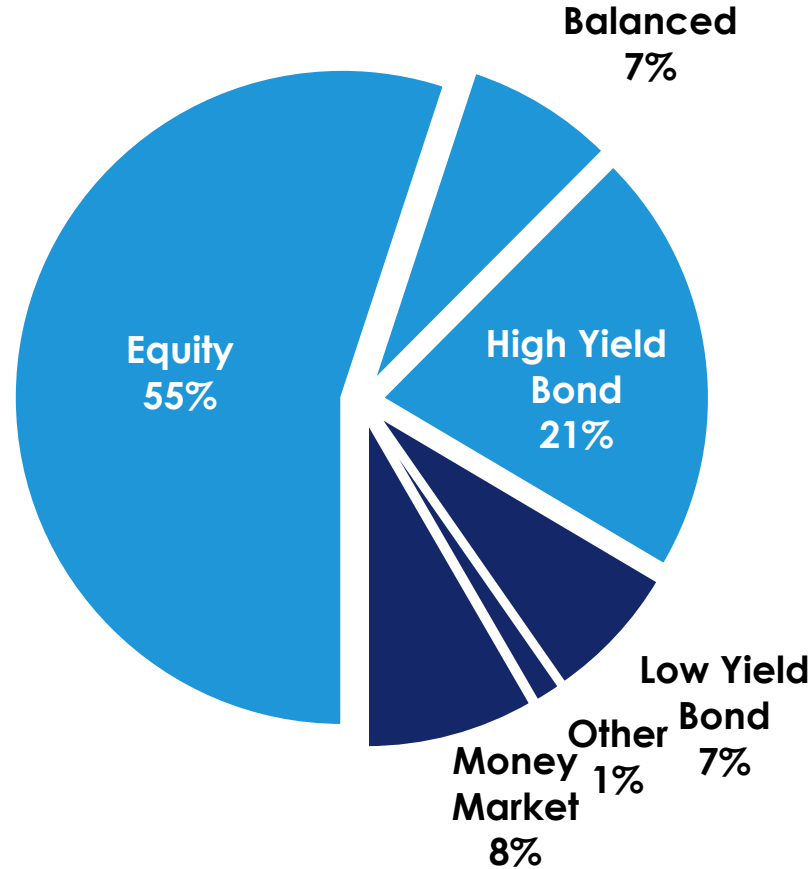
	Q1 20	Q2 20	Q3 20	Q4 20	Q1 21	Q2 21
Entry fees	9.1	8.8	7.6	9.7	11.3	9.8
Management fees	241.5	230.2	248.8	260.2	273.0	284.1
Investment Management fees	35.7	34.2	37.4	39.3	42.1	43.6
Net Insurance revenues ex U-L commissions	7.9	11.1	9.6	15.4	11.5	13.7
Banking service fees	32.9	32.7	25.8	27.9	27.0	36.3
Other fees	9.8	9.7	11.1	9.2	11.0	10.2
Gross Commission Income	336.9	326.6	340.3	361.7	375.8	397.6
Acquisition costs	(127.6)	(126.4)	(128.0)	(142.0)	(139.7)	(158.0)
Other commission expenses	(15.6)	(14.9)	(15.4)	(19.8)	(20.3)	(19.5)
Net Commission Income	193.7	185.4	196.9	199.9	215.8	220.2
Net interest income	53.9	52.1	59.8	65.6	60.9	60.6
Net income on other investments	(8.9)	(7.9)	(0.5)	(1.4)	(6.5)	(7.7)
- o/w Impairment on loans	(6.2)	(7.0)	(0.7)	(4.1)	(7.3)	(6.5)
Other revenues & expenses	3.7	3.0	0.4	(12.7)	2.5	2.3
Contribution Margin	242.3	232.5	256.6	251.4	272.6	275.3
G&A expenses	(123.6)	(120.6)	(108.0)	(144.8)	(128.4)	(137.5)
Regular Contributions to Banking Industry	(4.2)	(2.7)	(11.3)	(1.2)	(7.4)	(0.1)
Depreciation & Amortization	(7.2)	(7.1)	(7.7)	(7.8)	(7.9)	(8.3)
Provisions for risk & charges	(10.3)	(11.2)	(13.8)	(24.6)	(10.9)	(17.0)
Operating Margin	96.9	90.8	115.7	72.9	118.1	112.4
Market effects	(12.0)	6.0	5.5	131.9	48.4	56.4
- o/w Performance fees	6.8	0.5	3.0	124.8	9.3	6.7
- o/w Net income on investments at fair value	(18.8)	5.5	2.4	7.2	39.1	49.7
Extraordinary items	0	(2.6)	(5.2)	(0.2)	0.0	(2.3)
PROFIT BEFORE TAX	85.0	94.2	115.9	204.7	166.5	166.6
Income tax	(14.1)	(17.6)	(22.3)	(34.7)	(39.3)	(37.4)
NET INCOME	70.9	76.6	93.7	170.0	127.2	129.2

	H1 2021	H1 2020	Change
Total commissions	246.9	203.2	+22%
One-time commissions	49.6	38.9	+28%
Ongoing commissions	197.3	164.3	+20%
Total incentives & bonuses	38.7	31.8	+22%
Incentives on individual net inflows	26.6	22.5	+18%
Contests & bonuses	11.6	7.7	+49%
Reimbursement of costs for customers events	0.6	1.5	-64%
Costs related to the agency agreement	8.5	9.2	-8%
Prexta agent commissions	3.6	9.8	-63%
TOTAL ACQUISITION COSTS	297.7	253.9	+17%



	30/06/2021	31/12/2020	Change	30/06/2020	Change
'Best Brands' funds on funds (IRL)	24,455	22,089	+11%	19,466	+26%
'Challenge' mutual funds (IRL)	18,800	16,864	+11%	14,898	+26%
Funds of Hedge Funds (IRL)	41	50	-19%	49	-18%
'Fondi Italia' mutual funds (ITA)	8,482	8,937	-5%	8,916	-5%
'Real estate' fund (ITA)	264	277	-5%	282	-7%
3rd-party stand-alone funds	3,994	3,448	+16%	3,119	+28%
Other	1,907	1,582	+21%	1,403	+36%
<i>Adj. for own mutual funds in FoFs & Managed accts</i>	<i>(343)</i>	<i>(290)</i>	<i>+18%</i>	<i>(254)</i>	<i>+35%</i>
MyLife' U-L policy	11,221	9,109	+23%	7,593	+48%
Other U-L policies	18,265	16,398	+11%	14,938	+22%
<i>Adj. for own mutual funds in U-L policies</i>	<i>(21,710)</i>	<i>(19,340)</i>	<i>+12%</i>	<i>(17,215)</i>	<i>+26%</i>
ASSETS IN MUTUAL FUNDS & U-L	65,376	59,124	+11%	53,195	+23%





	30/06/2021	31/12/2020	Change	30/06/2020	Change
Cash deposits	21,416	20,308	+5%	19,789	+8%
Repurchase agreements	35	21	+61%	30	+16%
Mediolanum bonds	0	0	n.s.	0	n.s.
3rd-party structured bonds	1,538	1,499	+3%	1,150	+34%
Other securities	3,347	3,056	+10%	2,865	+17%
BANKING ADMINISTERED ASSETS	26,335	24,885	+6%	23,833	+10%

	30/06/2021	31/12/2020	Change	30/06/2020	Change
Mortgages	8,689	8,112	+7%	7,554	+15%
Personal loans	2,057	1,883	+9%	1,774	+16%
Lines of credit	329	348	-6%	289	+14%
Salary-backed loans	1,243	1,050	+18%	852	+46%
TOTAL CREDIT BOOK	12,318	11,394	+8%	10,469	+18%

	Banca Mediolanum	Italian Banks
Gross NPL	1.24%	5.3% ¹
Net NPL	0.63%	2.2% ²
Cost of risk	0.15% ³	

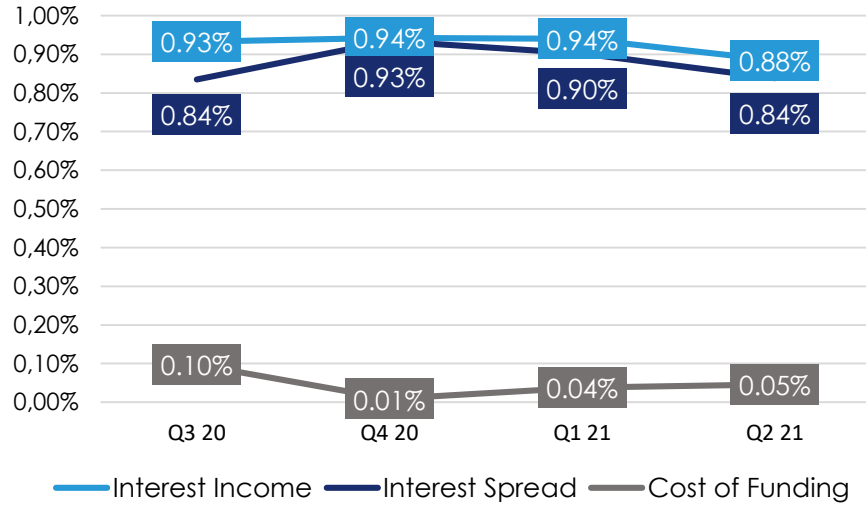
¹ Bank of Italy – 'Banks and Financial Institutions: Credit Conditions and Risk by Sector and Geographical Area – Q1 2021'

² Bank of Italy - 'Financial Stability Report No. 1 2021'

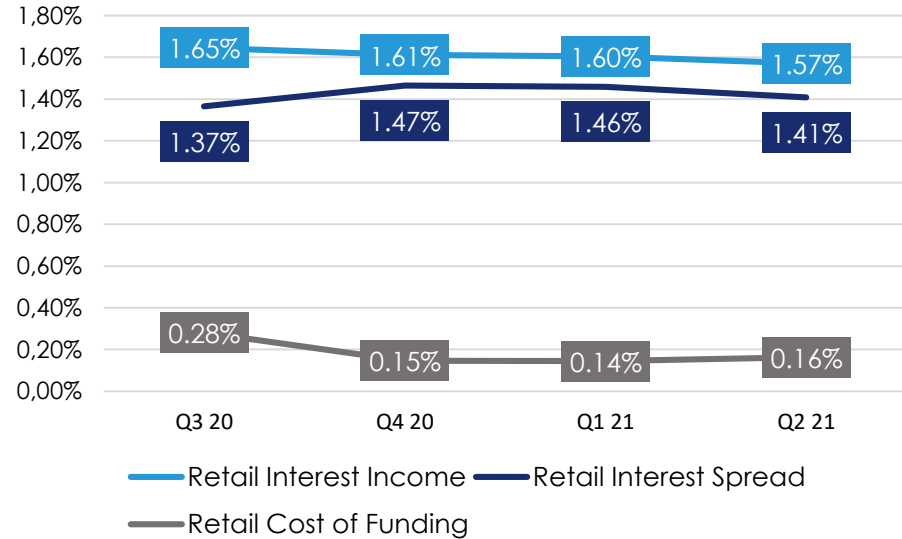
³ Cost of Risk as at 31/12/2020

	Nominal Interest Rate	H1 2021	H1 2020	Change
Mortgages	1.16%	978	709	+38%
Personal loans	2.52%	484	370	+31%
Salary-backed loans	5.70%	258	195	+33%
TOTAL		1,720	1,274	+35%
3rd-party loans	n.s.	11	11	-4%

Total Book



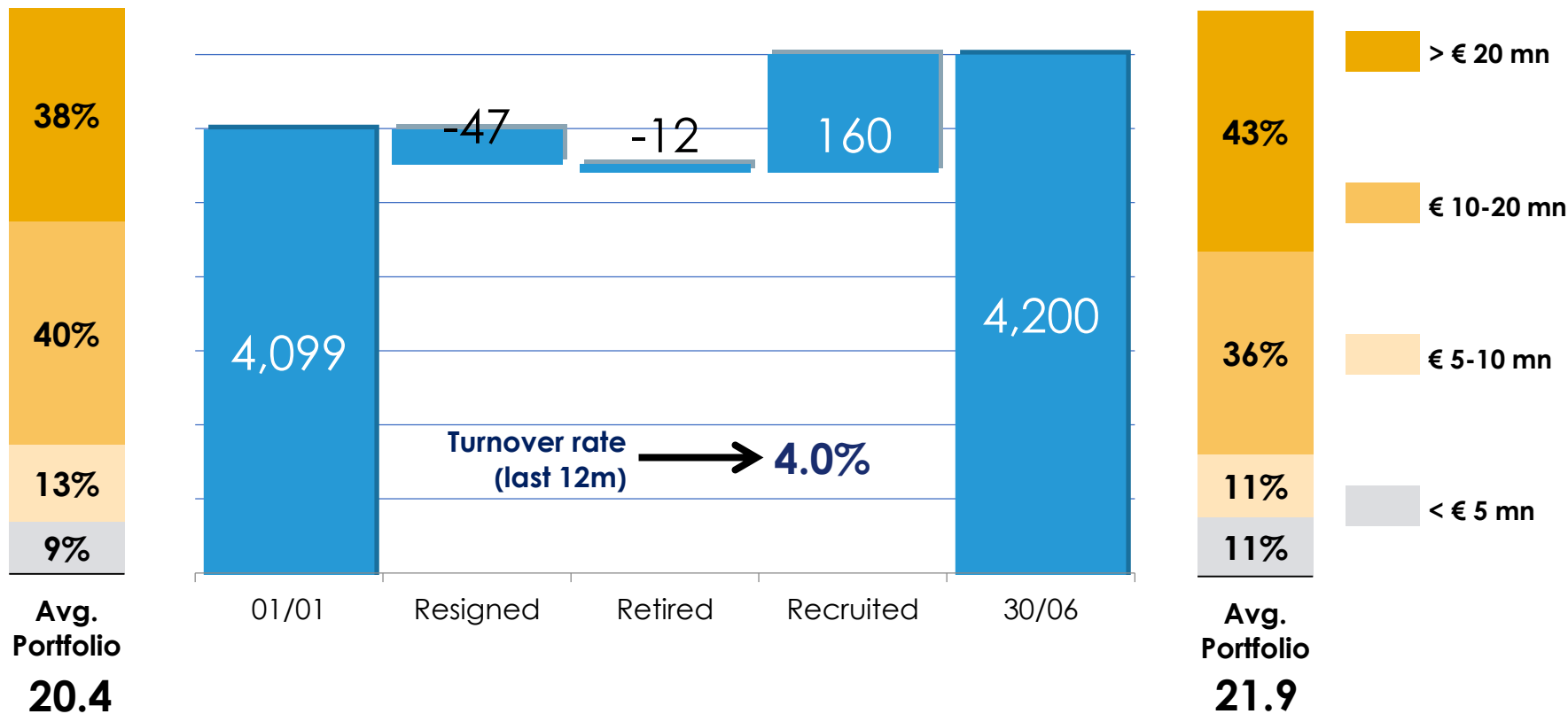
Retail Book

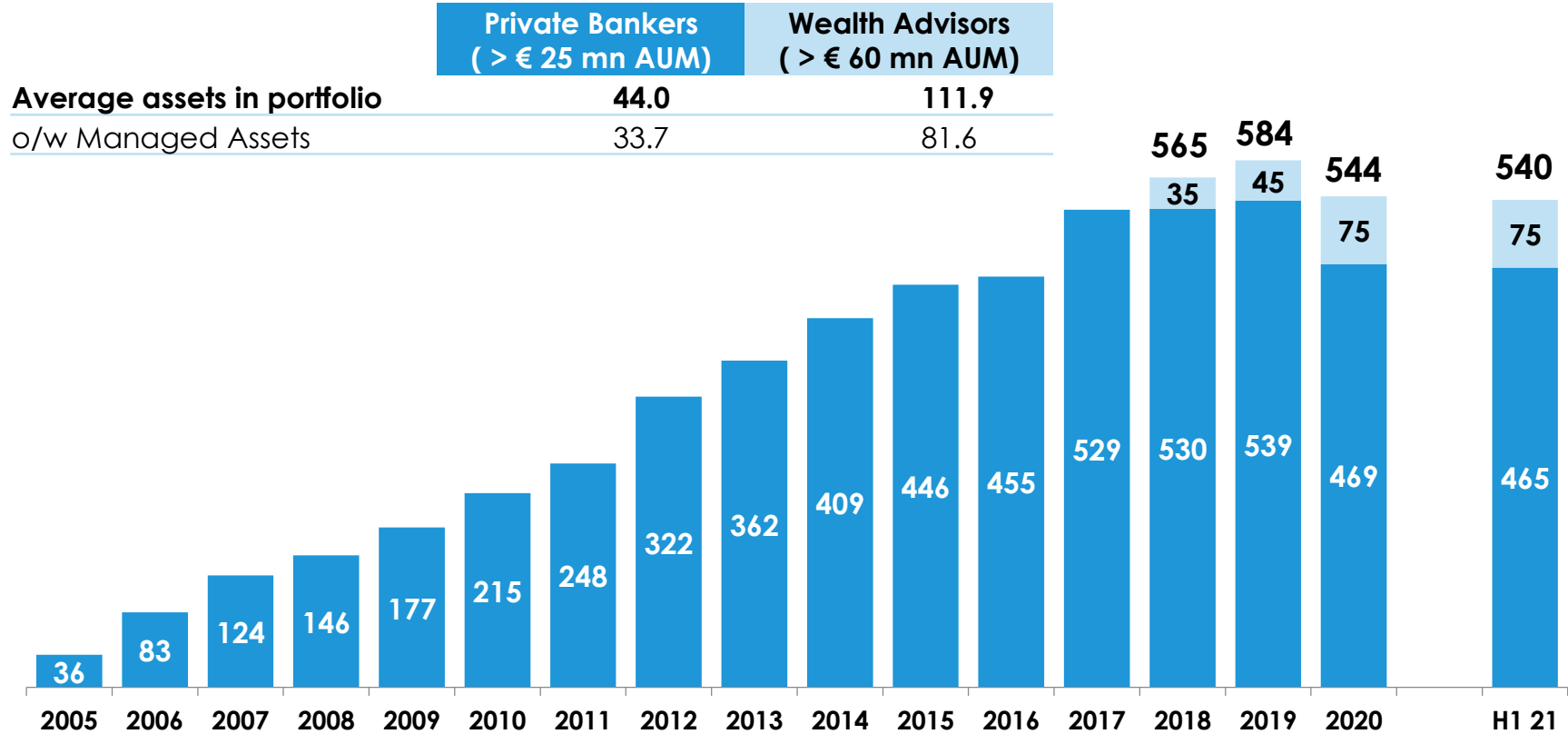


	Liabilities	Assets
Retail	21,493	12,318
Treasury	6,619	16,891
Interbank / intra-group deposits & repos	1,104	320
ECB refinancing	1,050	2,838
MTS refinancing	4,266	0
Securities (bonds)	199	13,733
Other liabilities / assets	4,388	3,290
TOTAL	32,499	32,499

Operating Liquidity (24hr): 11,905

	30/06/2021	31/12/2020	Change	30/06/2020	Change
Traditional	1,696	1,631	+4%	1,590	+7%
Unit-linked	29,486	25,507	+16%	22,531	+31%
<i>o/w equity</i>	52.0%	51.6%	1%	57.1%	-9%
U-L pension plans	8,149	7,430	+10%	6,714	+21%
U-L endowment policies	3,769	3,618	+4%	3,450	+9%
U-L investment policies	17,568	14,459	+22%	12,367	+42%
LIFE ASSETS	31,182	27,138	+15%	24,120	+29%





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



H1 2021 Foreign Markets Results

	H1 2021	H1 2020	Change	vs. FY
Net Income	15.4	9.8	+57%	
Total Assets	8,284	6,154	+35%	+15%
Managed Assets	5,950	4,428	+34%	+16%
Administered Assets	2,334	1,726	+35%	+14%
Total Net Inflows	736	505	+46%	
Net Inflows into Managed Assets	498	377	+32%	
Net Inflows into Administered Assets	237	128	+85%	
Credit Book	902	627	+44%	+21%
Family Bankers	1,404	1,142	+23%	+7%
Customers	172,700	145,078	+19%	+10%



Business Update

	Jun 2021	YTD 2021	YTD 2020
GROUP TOTAL NET INFLOWS	687	4,673	5,004
Managed Assets	482	3,299	2,087
- o/w Mutual Funds, U-L & Managed Accounts	509	3,333	1,853
Administered Assets	205	1,374	2,916
GROUP LOANS GRANTED	360	1,905	1,365
GENERAL INSURANCE PREMIUMS	14	77	60

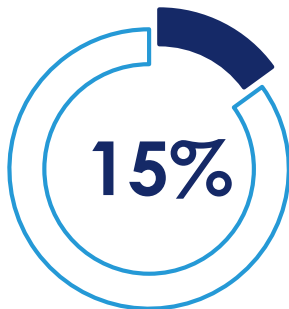
	Jan - May 2021		
	Mutual Funds	Managed Assets	Total Net Inflows
Banca Fideuram (incl. Sanpaolo Invest)	3,162	3,255	4,126
Banca Mediolanum	2,403	2,417	3,357
Allianz Bank	2,170	2,148	2,438
Finecobank	2,124	3,326	4,827
Banca Generali	1,073	1,582	3,065
Azimut	976	1,317	1,395
Credem	464	498	622
Che Banca!	305	424	593
BNL - BNP Paribas	209	469	616
Banca Widiba	206	217	310
Banca Euromobiliare	185	140	290
Deutsche Bank (Finanza & Futuro)	143	363	512
Consultinvest	37	35	36
IW Bank	-43	4	45

* including Unit-Linked policies & Managed Accounts

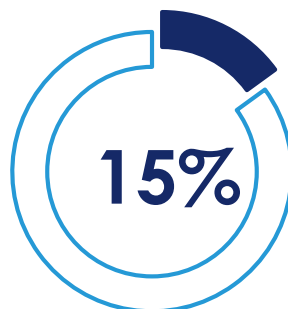
Source: Assoreti

■ BMED □ Other FA networks

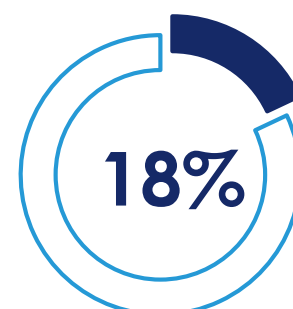
Total Net Inflows



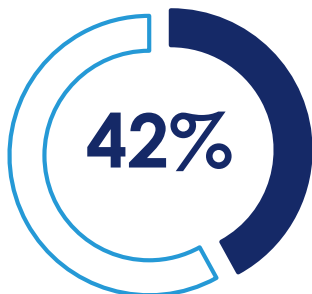
Net Inflows into Managed Assets



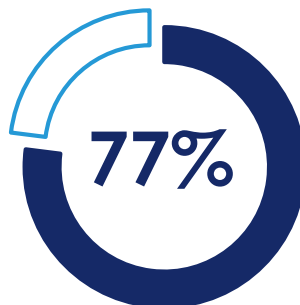
Net Inflows into Mutual Funds*



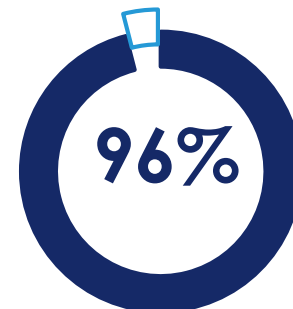
Mortgages Granted



Personal Loans Granted



General Insurance Gross Premiums

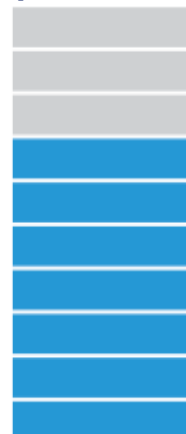


* including Unit-Linked policies & Managed Accounts

Source: Assoreti

- A **long-term 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 1.25% 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

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)



- A **long-term investment strategy**/service (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

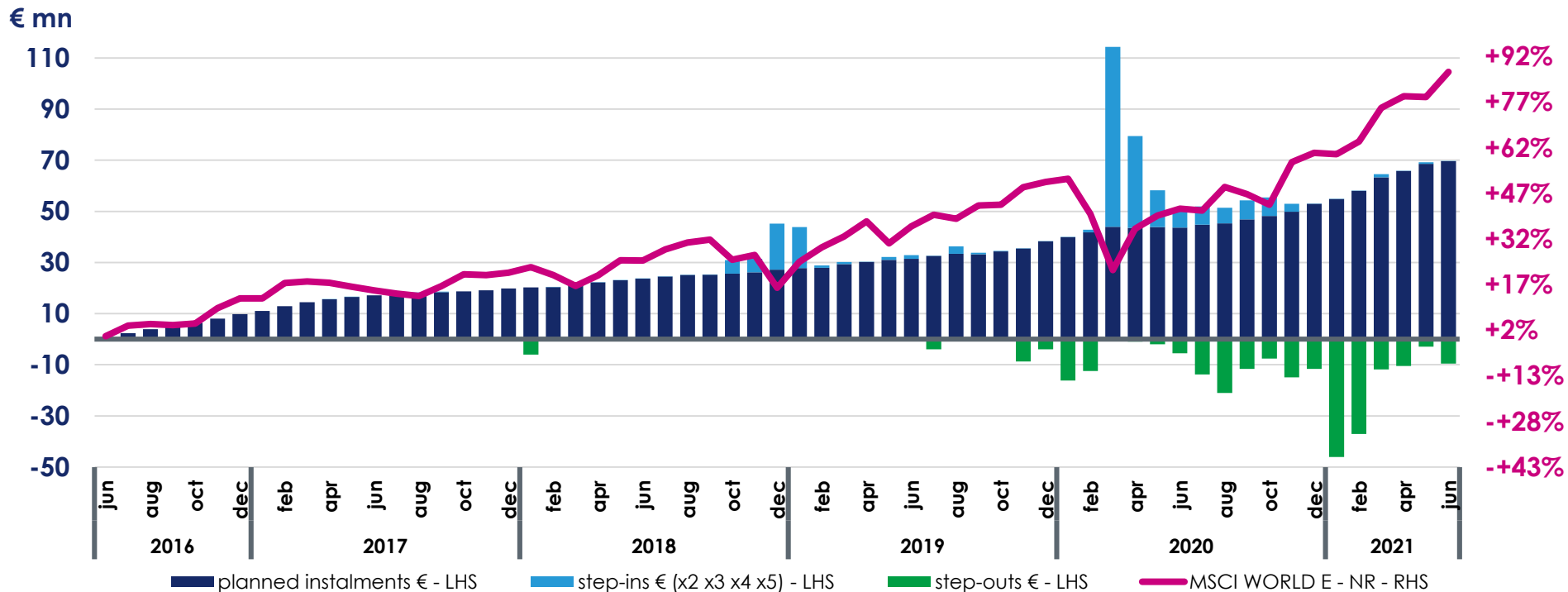
INTELLIGENT
INVESTMENT

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, **€ >1.7 bn** net inflows automatically invested into equity. **Step ins & step outs** reduced avg unit price on 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

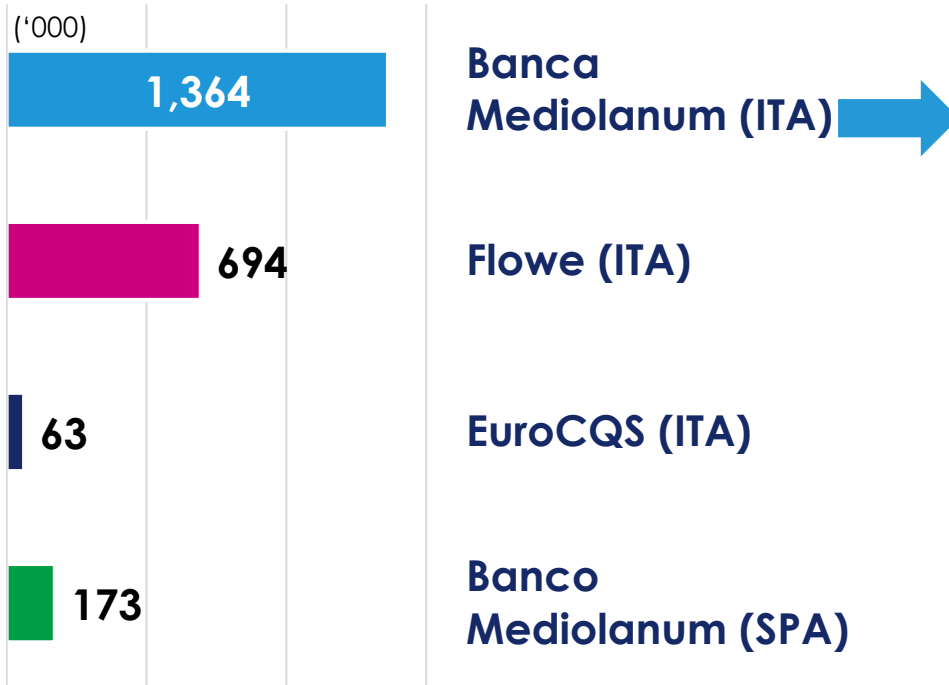
- **Term-Life:** *Personal Life Serenity*
- **Health & Disability:** *Capitale Umano; Capitale Salute*
- **Property & Casualty:** *Capitale casa; RC capofamiglia*
- **Long-term care:** *'Capitale Autonomia'*
- **Travel:** *'Vacanze Protette'*, testing blockchain technology with BMED employees

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*

2,261k



Banca
Mediolanum (ITA)



Flowe (ITA)

EuroCQS (ITA)

Banco
Mediolanum (SPA)

End Goal:

to be the Customer's Primary Bank

1,052k hold a bank account

- **62%** use BMED as **Primary Bank**
(internal data analytics)
- **38%** use BMED as the **Only Bank**
(2020 survey)

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**
- **Credit, managed assets & general insurance products** available
- Able to be managed on a 'do-it-yourself' basis, **'à la carte'**
- Significant **jump (+30%) in acquisition of DIY customers**
- **Cross-selling activity growing** according to expectations



SELFYCARE TRAVEL. PROTEGGI LE TUE VACANZE.

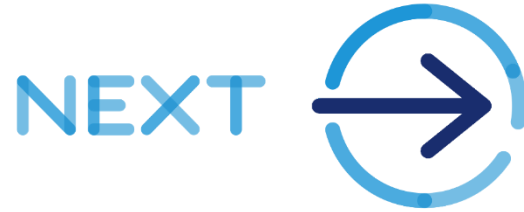
Con SelfyCare Travel puoi mettere le tue vacanze al sicuro. La polizza garantisce l'assistenza e la copertura dei rischi che possono insorgere durante i tuoi viaggi e quelli delle persone a te care, in Italia e all'estero. Attiva SelfyCare Travel direttamente dall'app Mediolanum in pochi semplici passaggi e goditi ogni momento della tua vacanza senza pensieri.

NON SEI ANCORA CLIENTE?
ENTRA IN BANCA MEDIOLANUM

SCARICA L'APP MEDIOLANUM

Scarica su App Store Google Play AppGallery



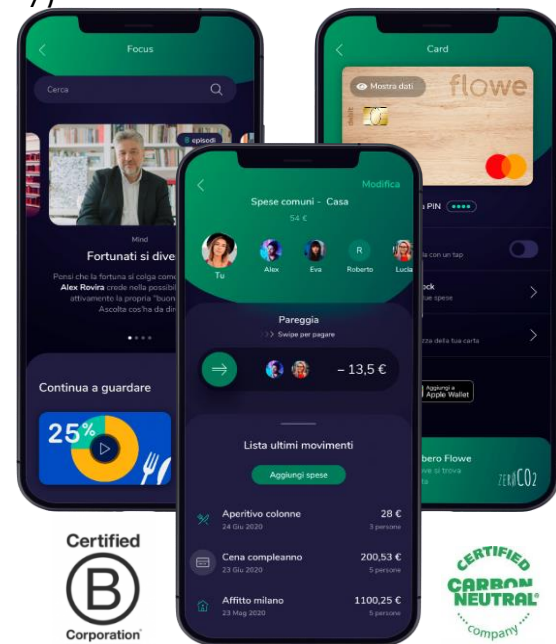


Pairing high potential new graduates to work as **junior assistants** ('Banker Consultant') with **senior Private Bankers & Wealth Advisors**

- '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/WAs** to focus on larger customers & new business development
- As remuneration they receive a **percentage of the senior PBs/WAs commission**, with a 3-year minimum monthly compensation
- This project assures an **increase in productivity** in the Network and **organic growth** plus **generational renewal**
- 1st class of junior assistants (13 'BCs') **already passed FA exam**; 2nd class (16 'BCs') currently training

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)



Results & ambitions

- **Users: 700,000. Avg. age: 29**
- **Trees planted: 35,000 - 1,700 Tons of CO2 compensated**
- Avg. **deposits** small, **consistent with target & business model**
- 2021-22: focus on **increasing usage & upselling** of services
- **Expected break-even by FY 2023**

A truly unique App in the national & international banking landscape Flowe received several awards in tech innovation in its first year

- IF Design Award** - in the 'Service Design' category
 One of the most esteemed awards in the world of design since 1953, celebrating initiatives & projects with real & positive impact on society
- IBS Intelligence Global FinTech Innovation Awards 2020**
 for the 'Best Original & Adoptable Concept - Innovative API / Open Banking'
 A new generation award recognising 'The best of FinTech'
- FS Tech Awards 2021** - in the 'Cloud Computing Innovation of the Year' category
 Rewarding excellence & innovation for technologies focused on the European financial world








'EuroCQS', a brand name focused on **salary-backed loans only**, has now become '**Prexta**' to better reflect the **comprehensiveness of product offer**



- **>10 years in the Industry**, acquired by Banca Mediolanum in December 2017
- Operates separately from BMED to avoid brand confusion
- Network of **>400 agents & distributors**
- **3-year target of €1 bn** book by EOY 2020 **exceeded. H1 2021: € 1.24 bn**
- Loans granted in 2020: **€438 mn + 12% y.y.** despite Covid-19 impact
- New Business Market Share in 2020: **8.3%**. April 2021: **8.4%**

- **Gradually entering the unsecured loans market**
- **Same distribution network** (separate from BMED). Product offer now **aligned with direct competitors**
- **Cost of risk** will remain **well under control** thanks to internal know-how & advanced scoring engines
- Unsecured loans will represent a **small & profitable** portion of the current € >13 bn credit book, preserving **well-known BMED credit quality**
- **5-year target of € 3.9 bn** book by EOY 2025, o/w **€ 1.2 bn in unsecured loans** (18% & 5% respectively of 2025 Group total book)

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

Overall Satisfaction	Perceived Value	Digital Platform	Financial Advisor Interaction
<p>Customer Satisfaction</p> <p>97%</p> <p> 1st Bank in Italy - Market Avg: 89%</p>	<p>Comprehensiveness of Offer</p> <p>79.1</p> <p>Trad. Banks: 66.2 Online Banks: 72.1</p>	<p>Mobile App Satisfaction</p> <p>82%</p> <p> 1st Bank in Italy - Market Avg: 71%</p>	<p>Overall Satisfaction</p> <p>91%</p> <p>Market Avg: 66%</p>
<p>Net Promoter Score</p> <p>71.6</p> <p> 1st Bank in Italy</p> <p>Trad. Banks: 12.4 Online Banks: 45.3</p>	<p>Value for Money</p> <p>70.7</p> <p>Trad. Banks: 59.5 Online Banks: 70.6</p>	<p>App Store Rating</p> <p> 4.7 ★★★★★</p> <p> 4.4 ★★★★★</p>	<p>Availability</p> <p>In 2020, Family Bankers had 10 contacts on average with their customers</p>
<p>Customer Retention</p> <p>95.8%</p>	<p>Focus on Sustainability</p> <p>78.2</p> <p>Trad. Banks: 61.5 Online Banks: 68</p>		

«BMED is committed to create stakeholder value through ethical & sustainable business practices, with the aim of having an ongoing positive impact on society»



- MSCI ESG Rating: **A**
- Standard Ethics ESG Rating: **E+** (long term: EE)
- ESG S&P Global: **48**



- **Certified B-Corp** Pending
- Certified **Carbon Neutral** Co.
- **Recycled wood** debit cards



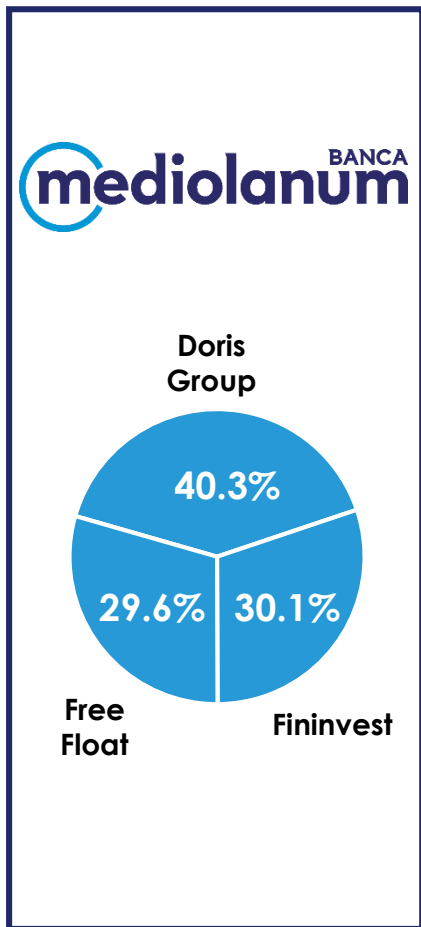
Sustainability-oriented products



- BMED **fully compliant** w/ **Sustainable Finance Disclosure Reg.** (EU/2019/2088 Reg.)
- **ESG rating** by **MSCI** on **98%** of captive mutual fund **AUM**, o/w **99.9%** rated '**Leaders**' or '**Average**'
- **4 captive SRI mutual funds:**
 - '**BB Socially Responsible Collection**', '**BB Innovative Thematic Opportunities**', '**Flessibile Globale Futuro Sostenibile**' compliant w/ art. 8 SFDR (*promote environmental or social characteristics; sustainability risks integrated into investment decisions*)
 - '**BB Global Impact**' compliant w/ art. 9 SFDR (*measurable sustainability-related impacts of financial product*)
- '**CASA+**' & '**ECO+**': advantageous terms & reduced spread on loans & mortgages to enhance RE sustainability, purchase of hybrid & electric vehicles, etc.
- All new **debit cards** made of **bioplastic (PLA)** - **Paperless onboarding** of customers



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

Prexta

Mediolanum
Comunicazione

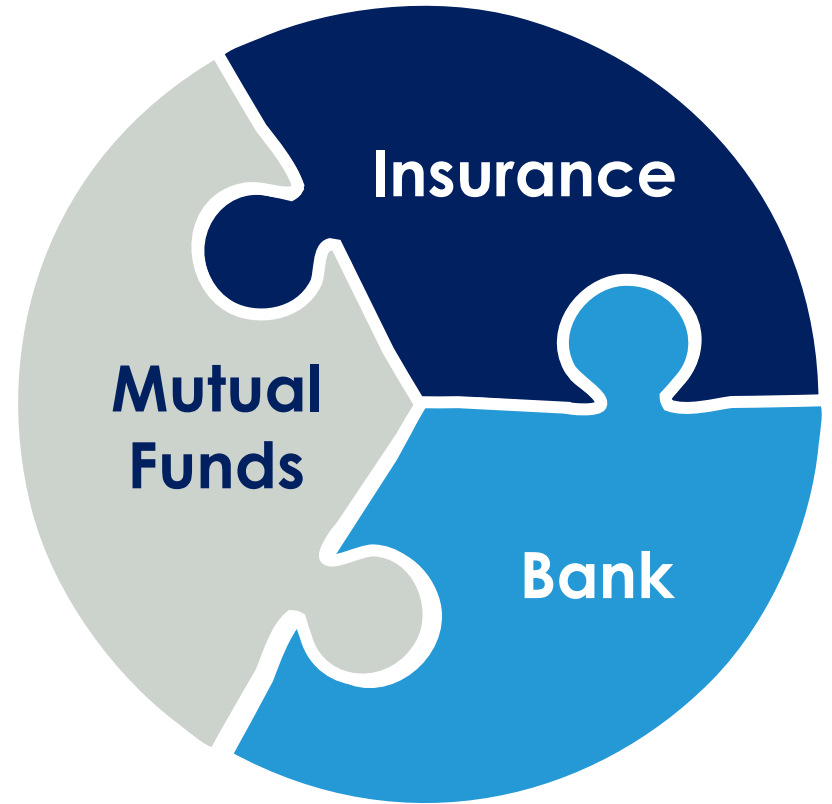
3.3% (directly & through Mediolanum Vita)

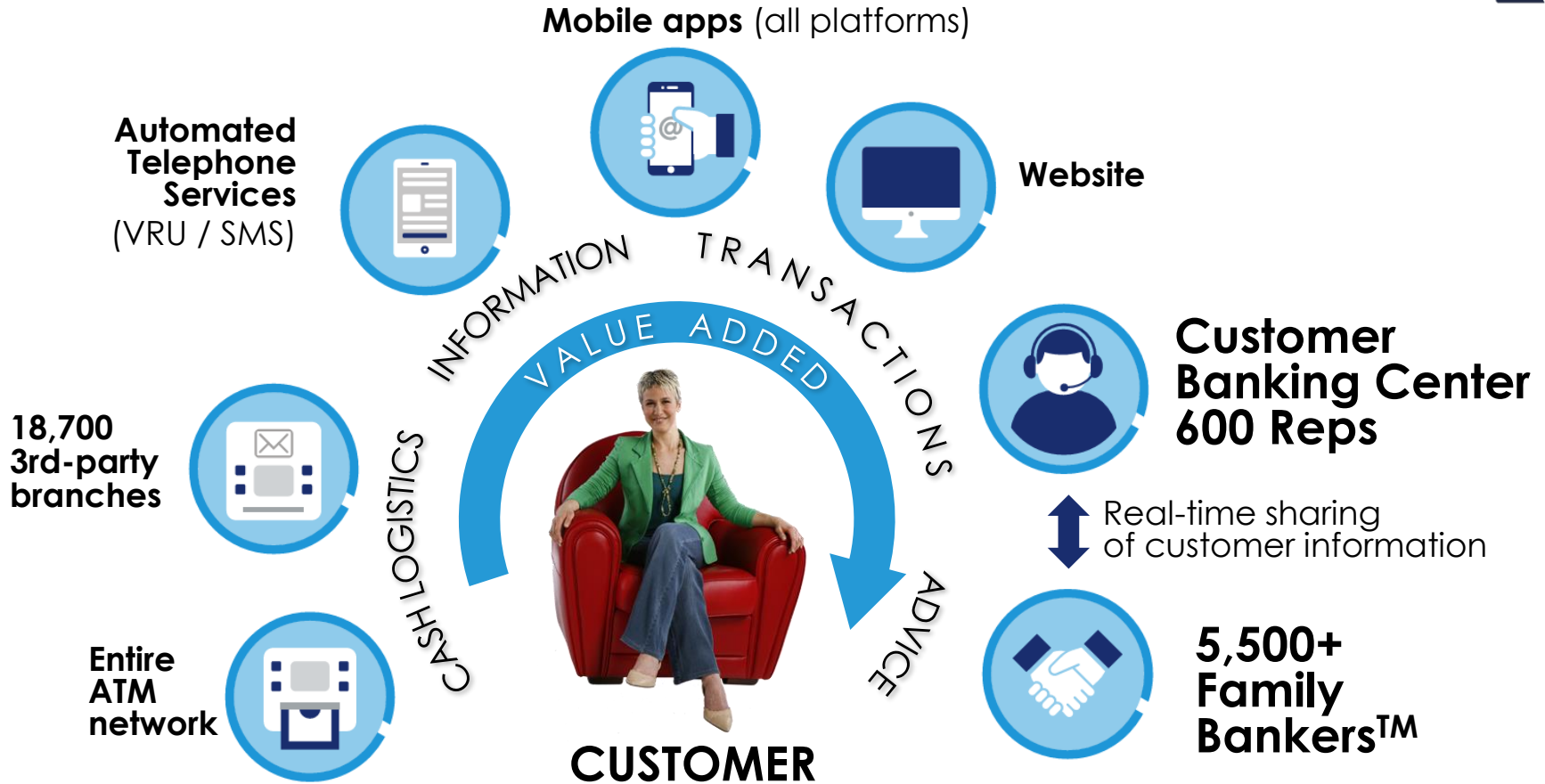


Mediobanca

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





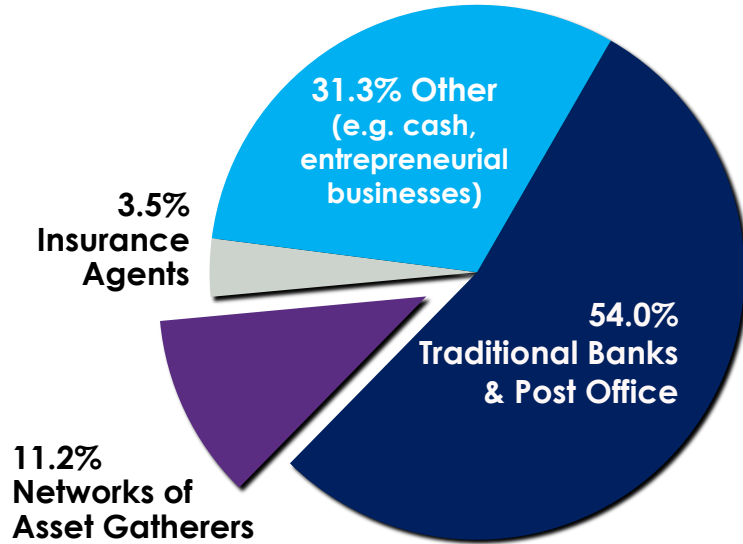
- Self-employed tied agents with entrepreneurial approach
- Extensively trained to tackle every household financial need
- Share Mediolanum's view that banking services are an effective acquisition & retention tool
- Compensated even for operations performed by customers through direct channels
- Willing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



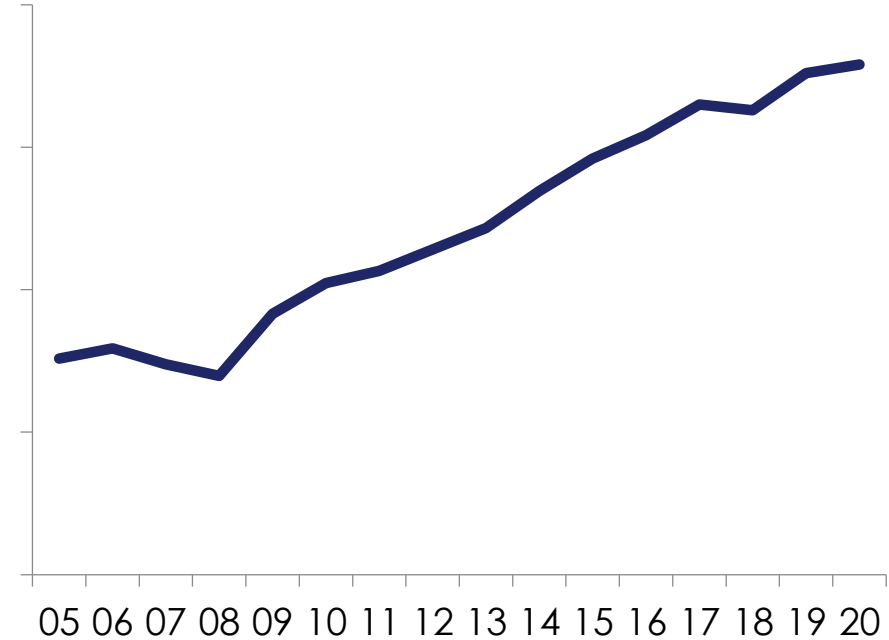
Customers: freedom in banking

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

Total HH Assets: € 4,777 bn



BMED Market Share: 1.79%



Network of Asset Gatherers have only 11.2% 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

€ 23.3 bn

% Gross NPLs

1.21%

LCR

362%

CET1

21.3%

Retail Credit Book

€13.2 bn

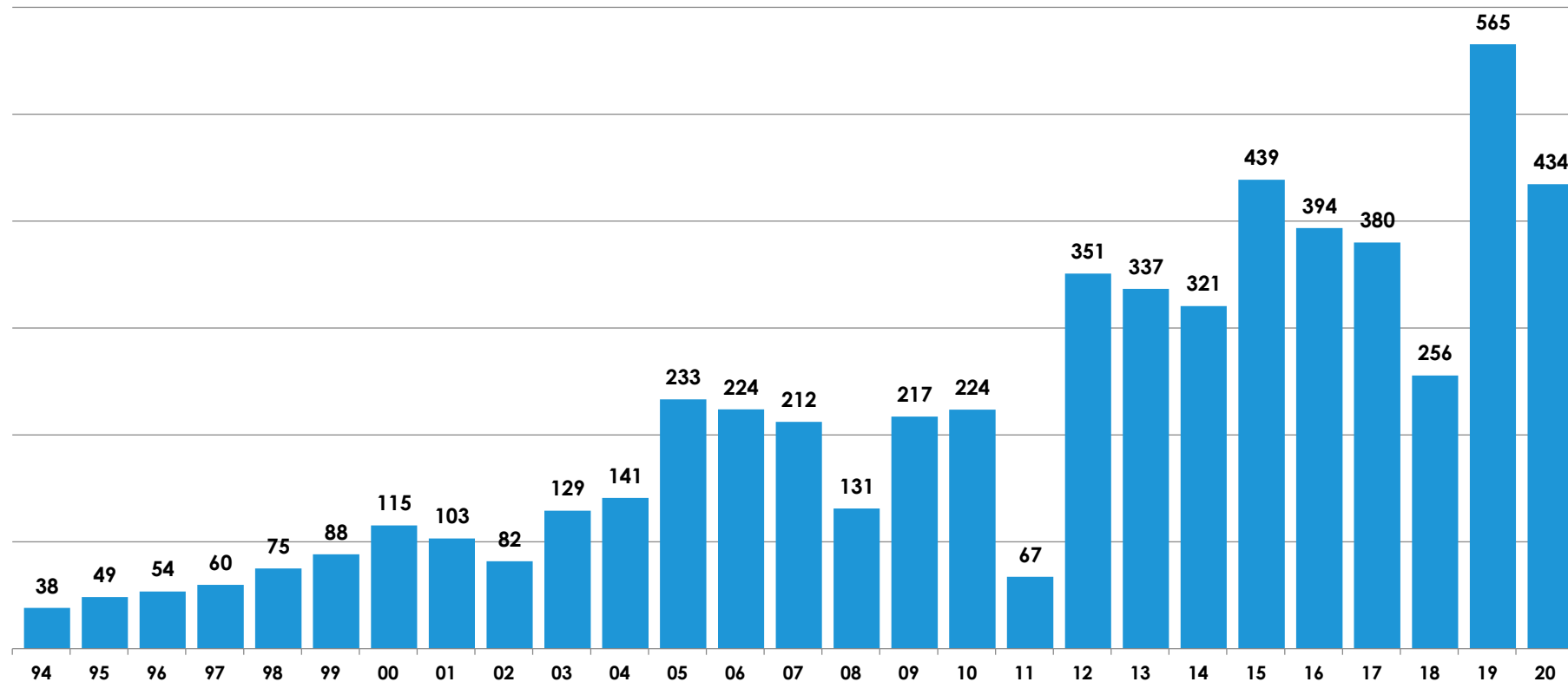
% Net NPLs

0.62%

NSFR

180%

as at 31/03/2021



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

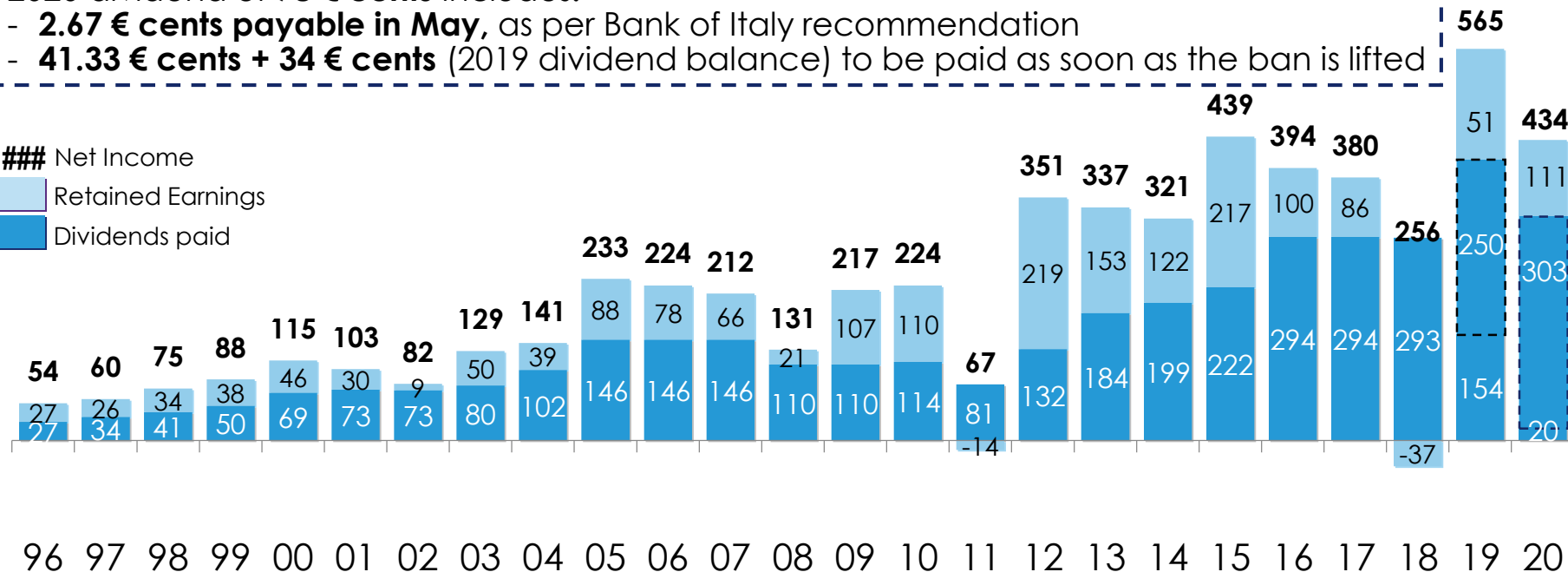
2020 dividend of **78 € cents** includes:

- **2.67 € cents payable in May**, 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

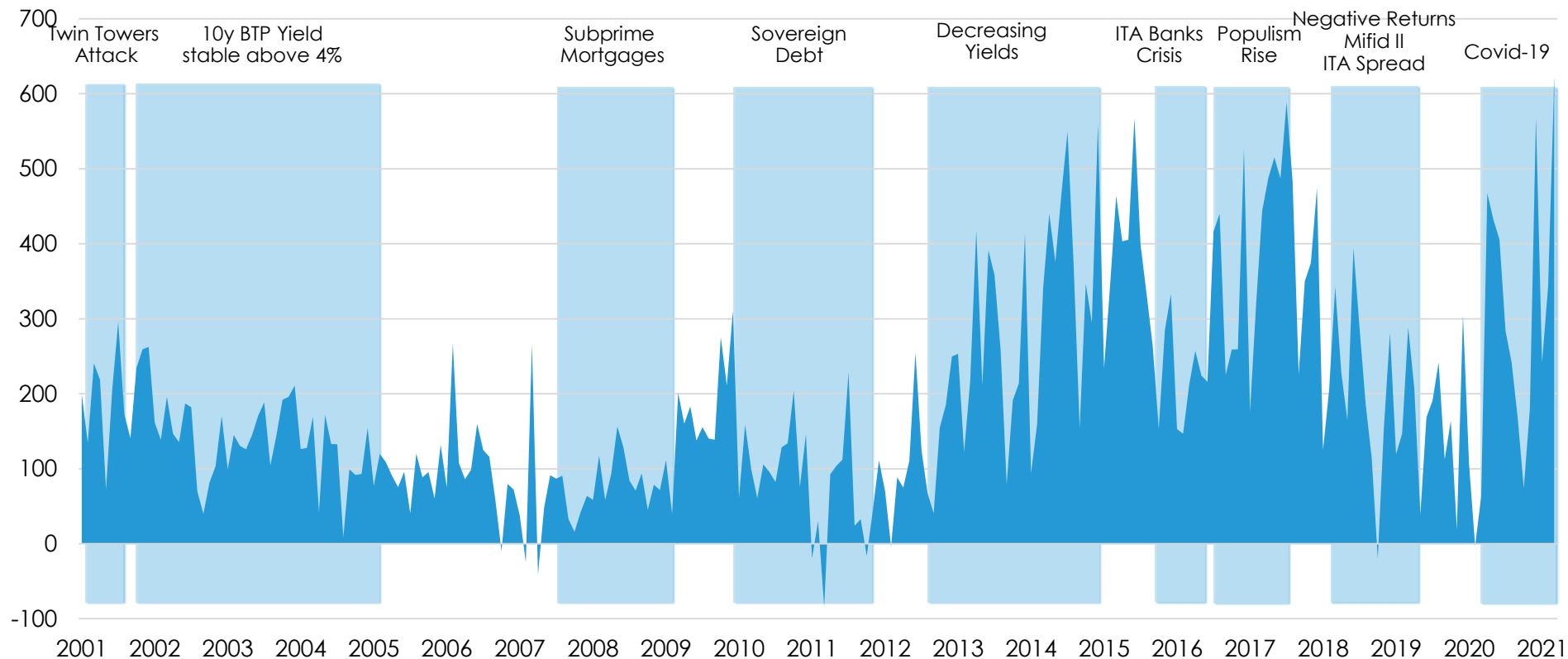


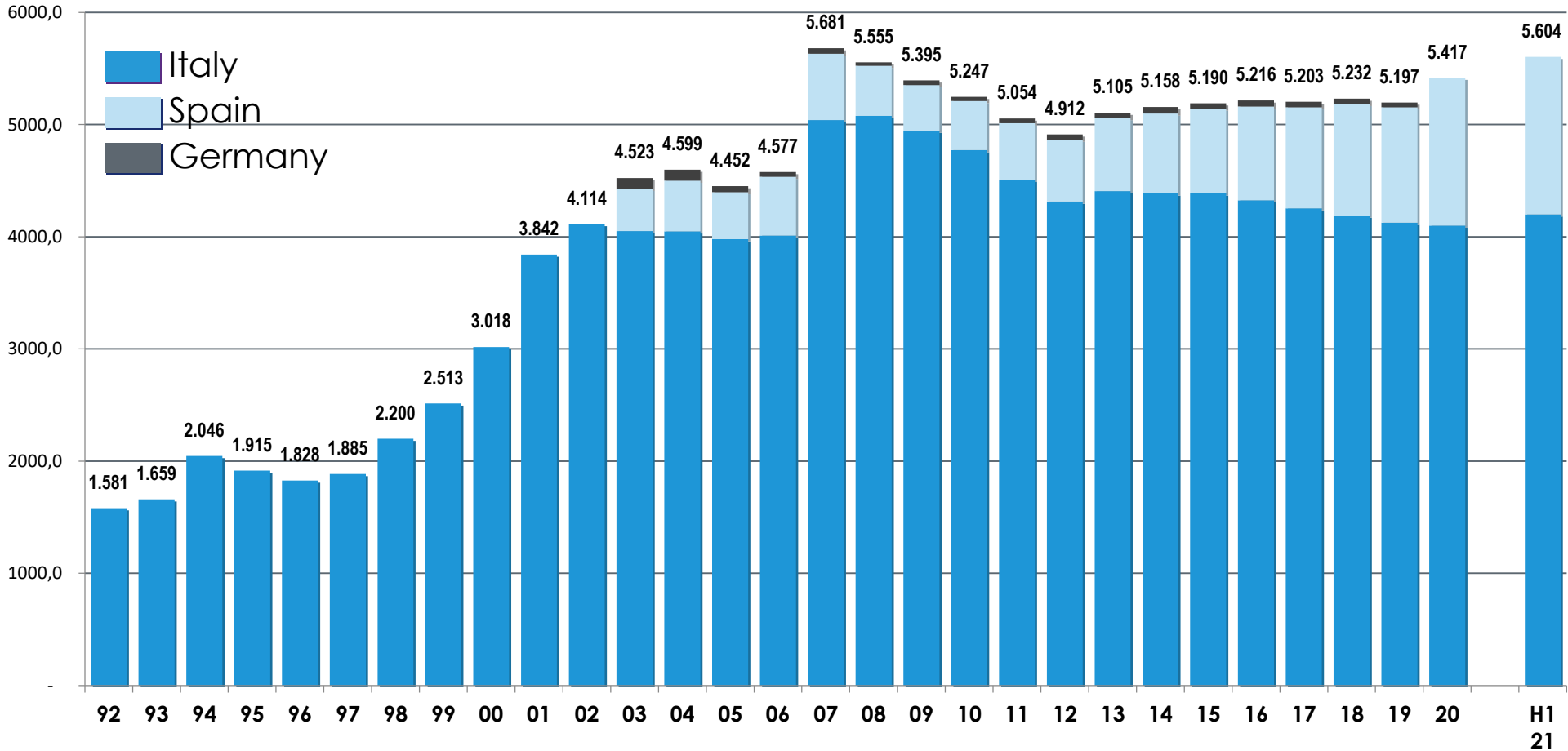
DPS (€ cents)

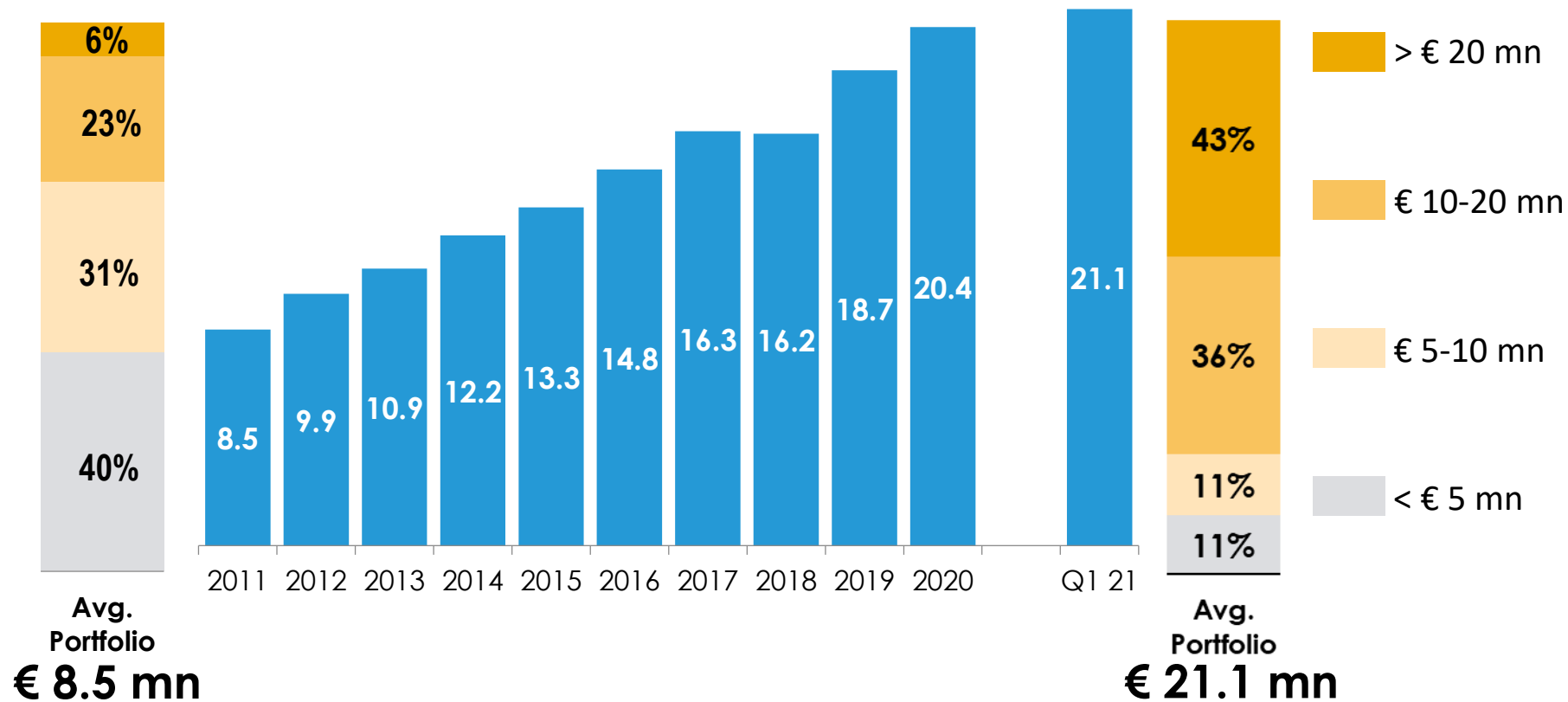


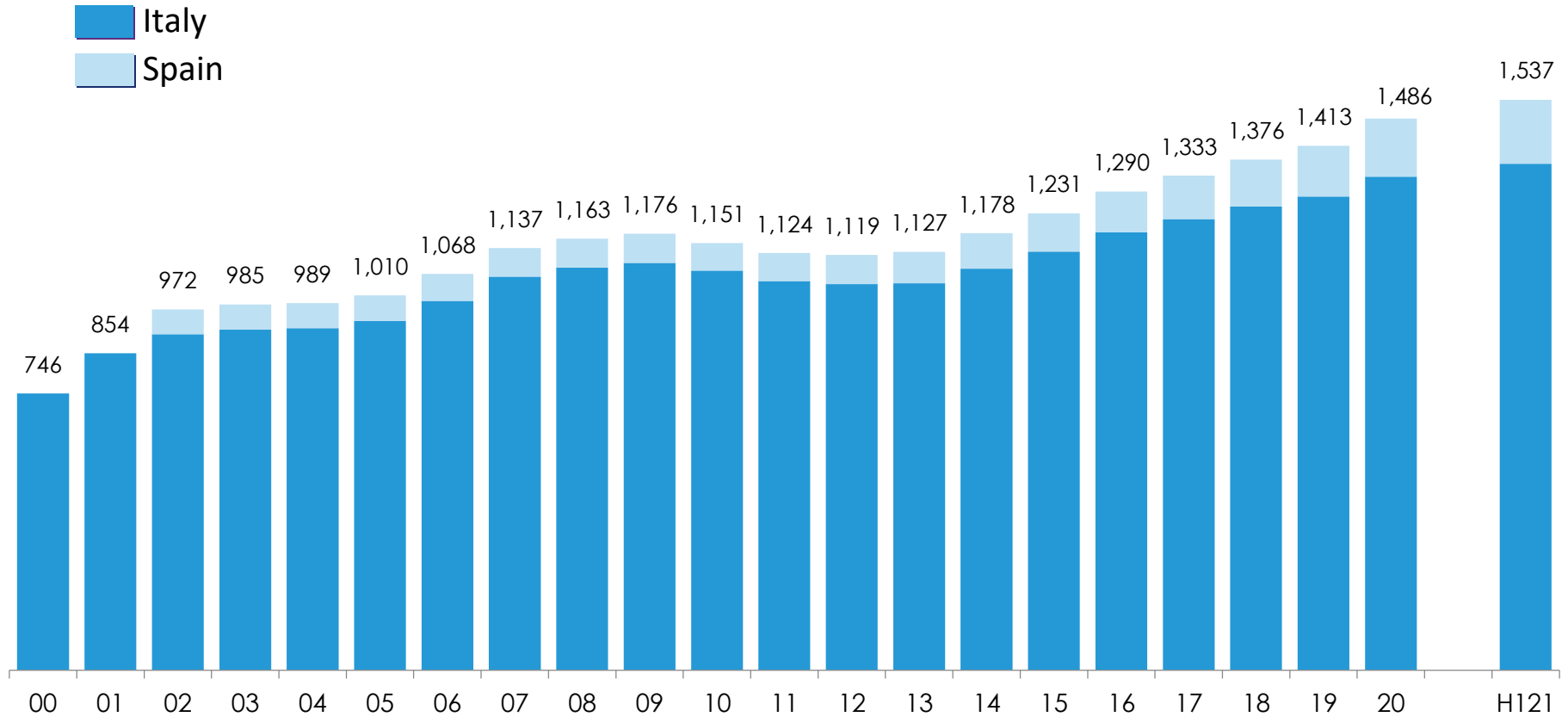
20 Years of Consistent Net Inflows

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

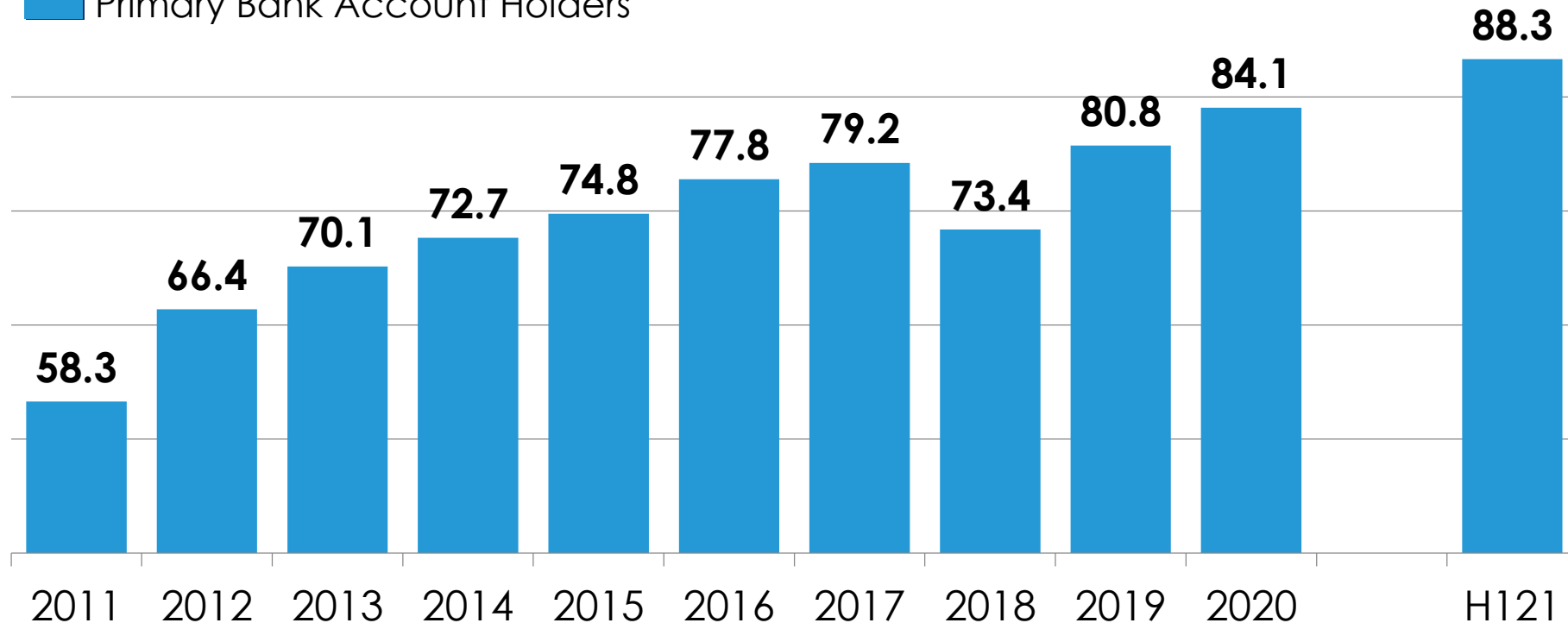


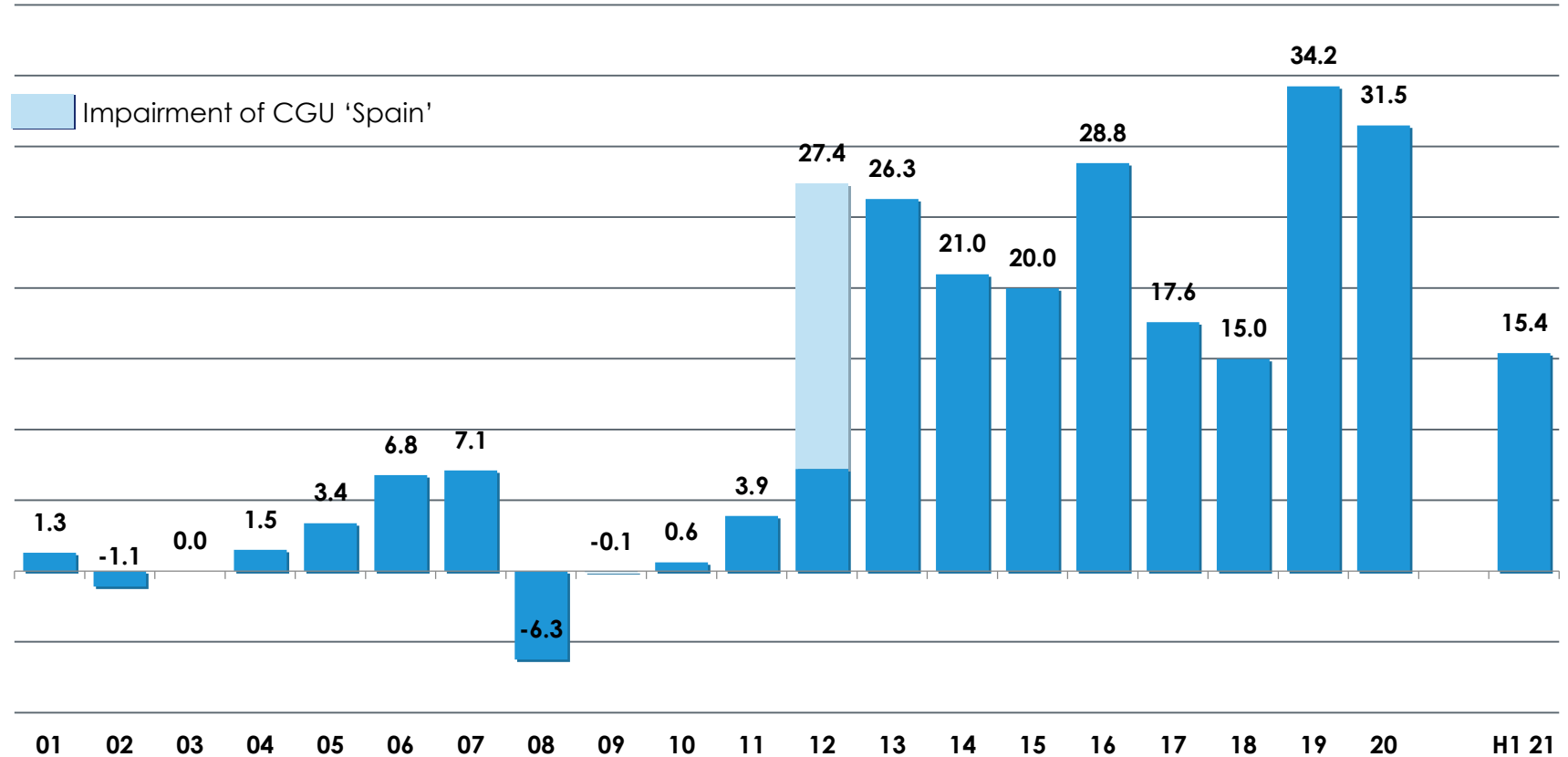






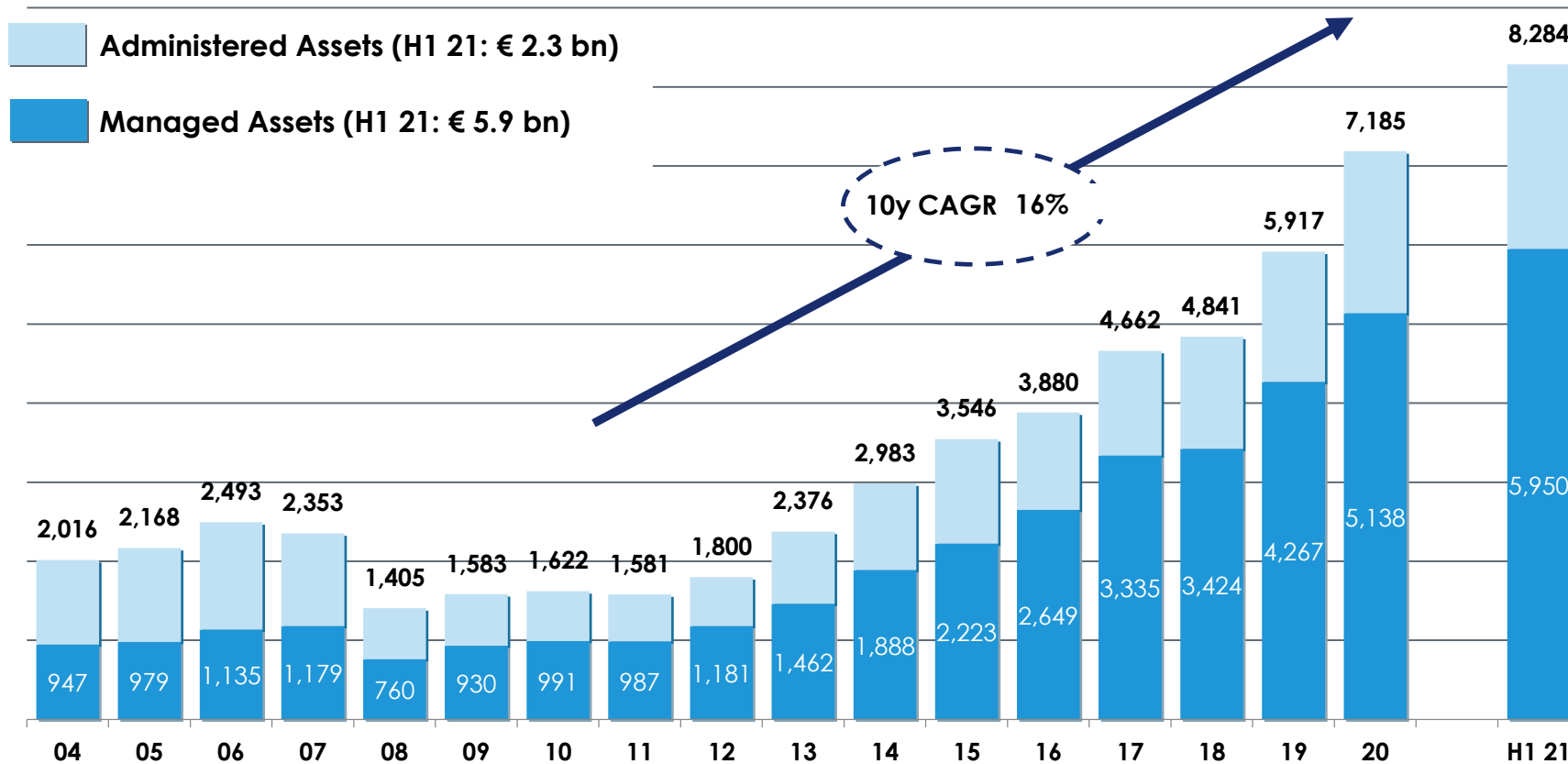
Primary Bank Account Holders



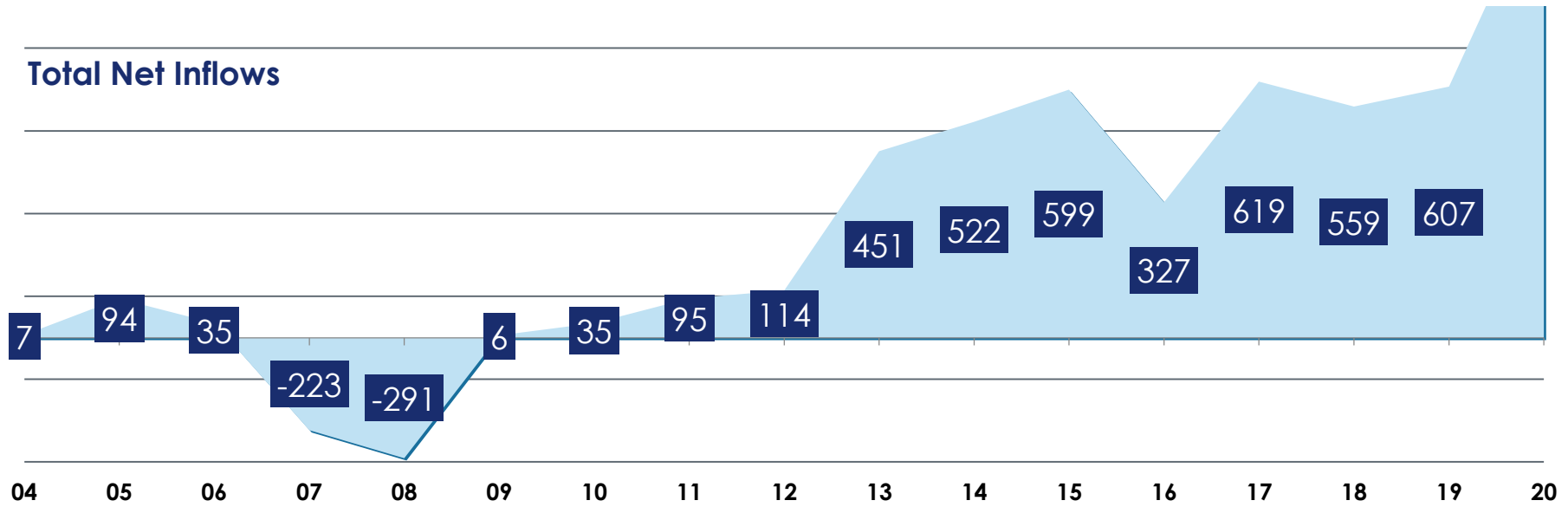


67 Spain - Assets under Administration

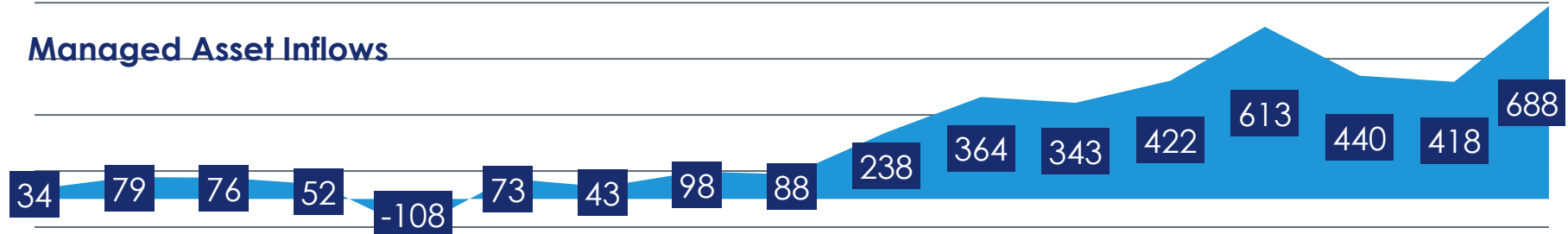
€ mn

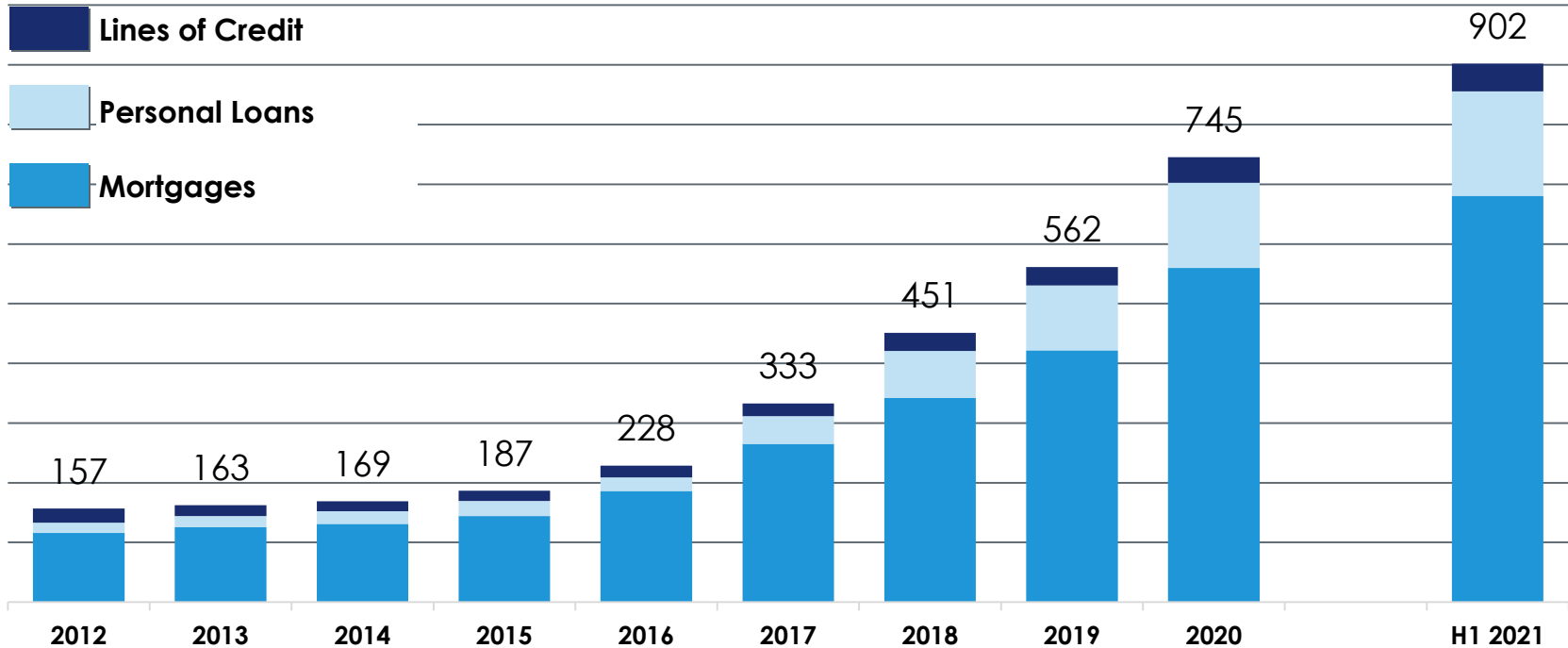


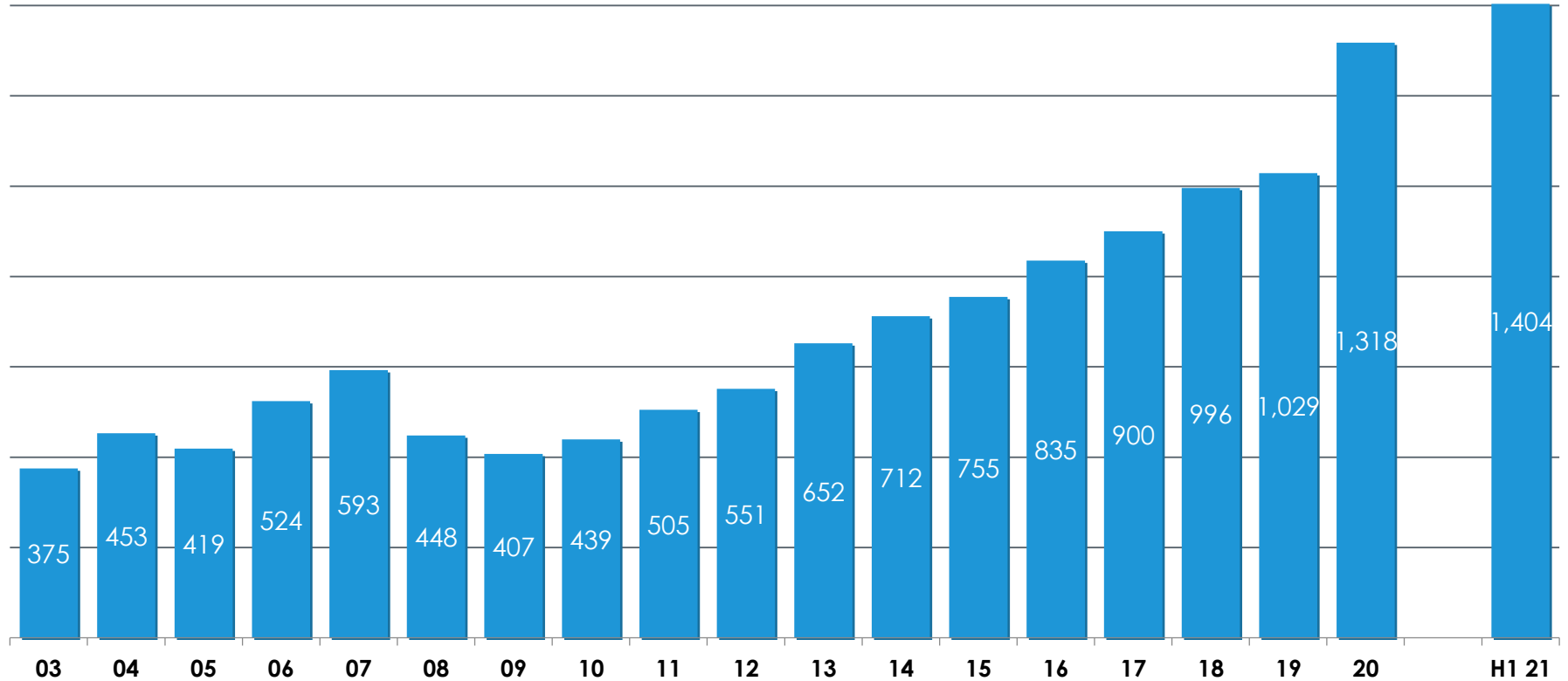
Total Net Inflows



Managed Asset Inflows



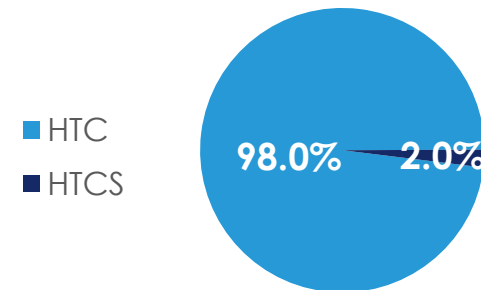




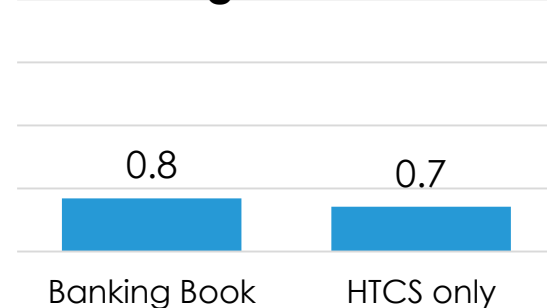
Banking Book: € 15.2 bn (nom. values)

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

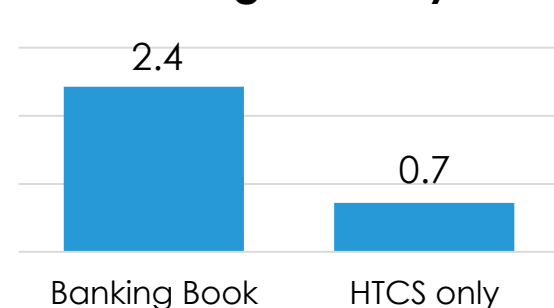
Sector	%
Government	99.3%
Financial	0.7%
Govies	
Italy	98.7%
Spain	1.3%



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**

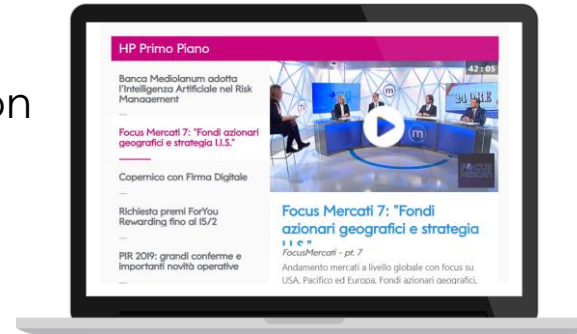
- Inaugurated March 2009
- Centralises our training know-how, in coordination with top universities, professors and individuals who are experts in the field
- Provides our Family Bankers & employees with a resource for life-long education
- Develops financial education programs dedicated to our customers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

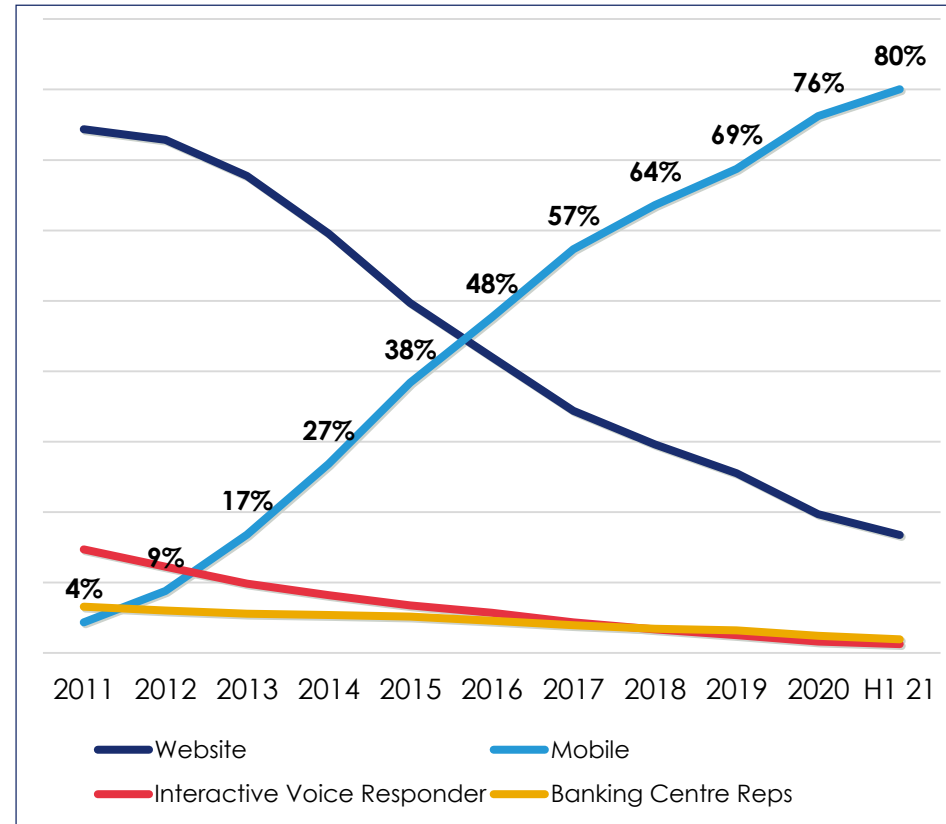
- Approximately **2,500 events** held in 2019: local & high-level events, sports events (e.g. Giro d'Italia), talk shows, etc.
- Over **130,000 customers & prospects** attending

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**



Direct Channel Accesses (mn)



- 80% of total accesses via mobile app in 2021
- 47% of transactions via mobile app in 2021
- 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

INTESA  SANPAOLO **58%**

 UniCredit **51%**

 **mediolanum** BANCA **38%**

Banco**Posta** **27%**

 **MONTE
DEI PASCHI
DI SIENA**
BANCA DAL 1472 **26%**

 **BNL**
GRUPPO BNP PARIBAS **19%**

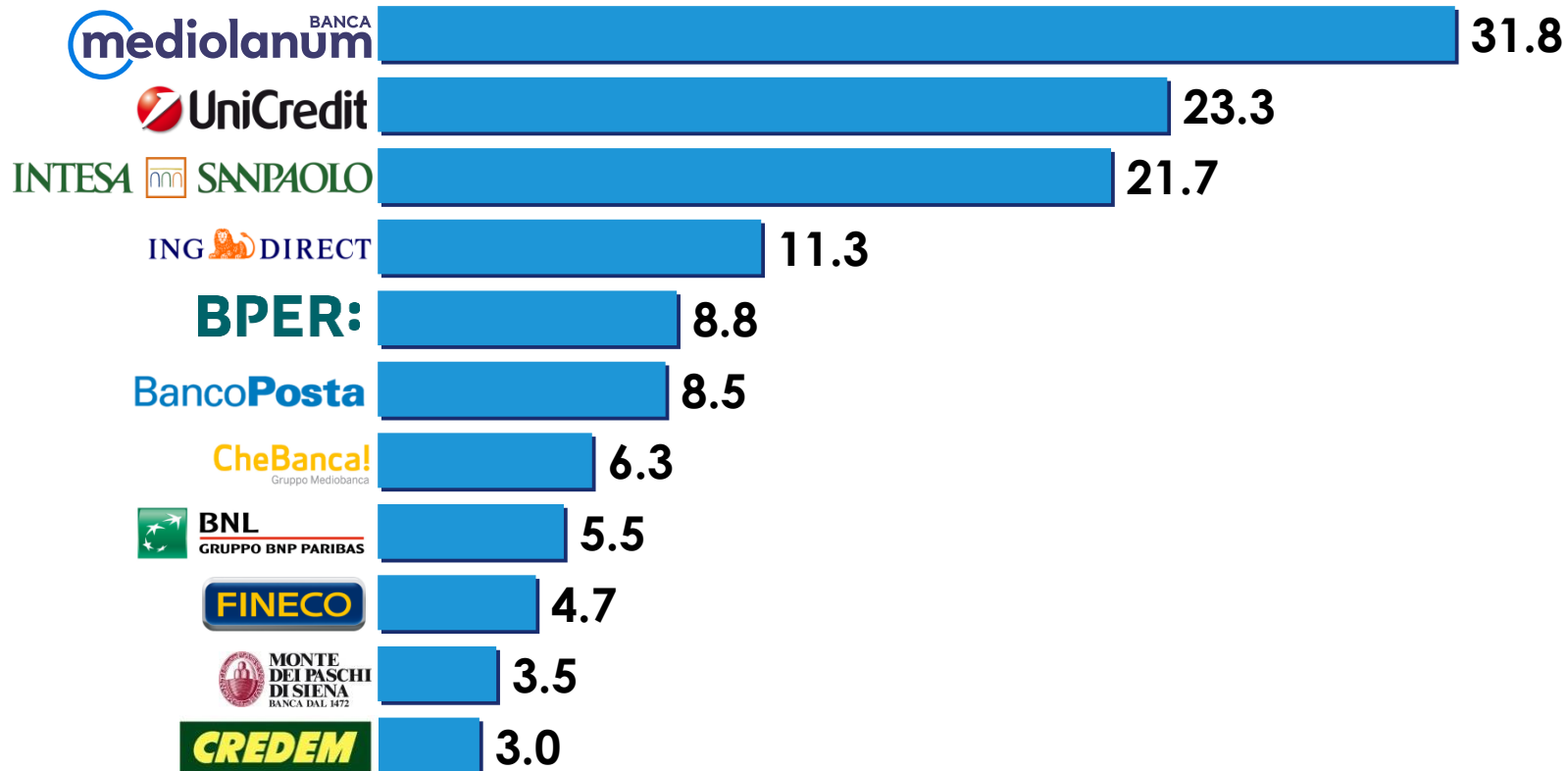
ING  DIRECT **18%**

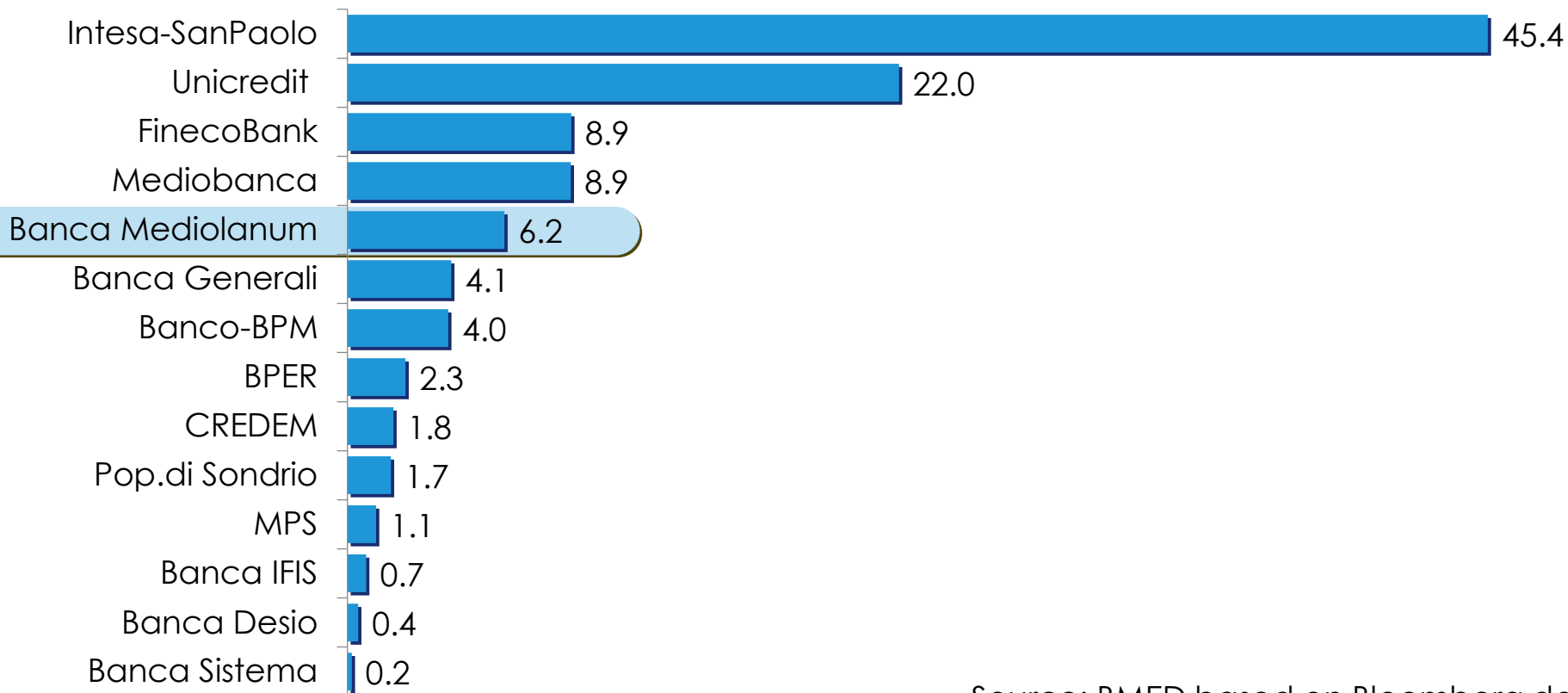
BPER: **14%**
Banca

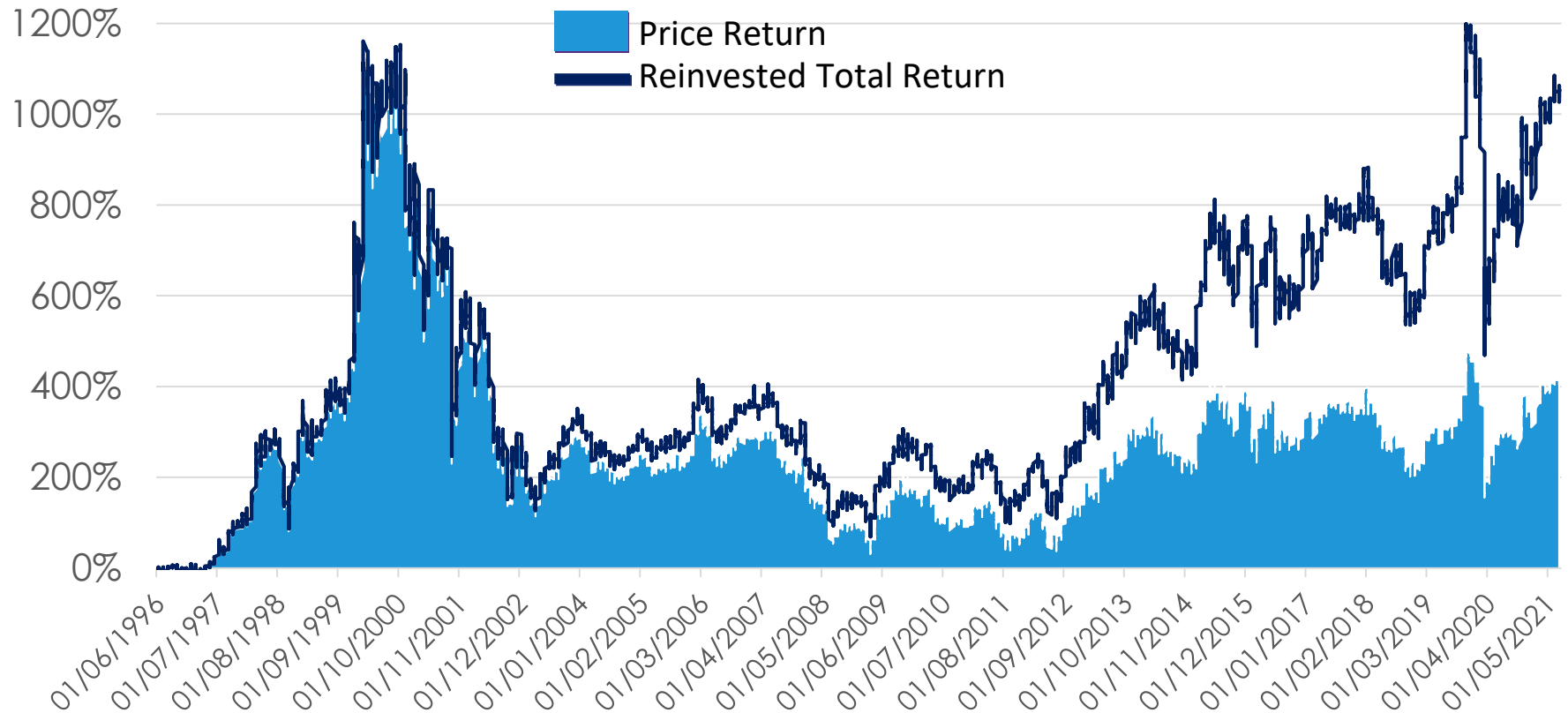
 **BCC**
CREDITO COOPERATIVO **12%**

CheBanca! **12%**
Gruppo Mediobanca

Spontaneous brand awareness – Italian banks – H1 2021







* Total Return Index includes dividend reinvestments, June 3, 1996 – Apr. 30, 2021

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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