



H1 2023 Results & Business Update

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# H1 2023 Group Results

# 4 Economic & Financial Highlights



## Strong financial performance with positive contributions from all business lines

€ mn	H1 2023	H1 2022	Change
Net Commission Income	509.6	498.7	+2%
Net Interest Income	347.3	167.5	+107%
Contribution Margin	839.3	657.1	+28%
Operating Margin	464.0	314.7	+47%
Market Effects	13.1	-9.5	n.s.
Net Income	363.3	241.1	+51%

Steady managed asset inflows & positive market performance support fees

NII more than doubles thanks to powerful tailwinds on variable rate assets. Rate increase also creates space to pass part of the benefit on to customers through marketing initiatives designed to support long-term growth of core business

Record-high Operating Margin thanks to soaring NII & healthy Commission growth

Best first half ever for Net Income, driven exclusively by recurring business

Key ratios	H1 2023	H1 2022
Cost/Income Ratio*	41.3%	46.9%
Acquisition costs/Gross commission income Ratio	33.7%	33.8%
Annualised Cost of risk (bps)	19	10

C/I ratio keeps improving thanks to positive operating jaws

Very low CoR & in line with historical average

# 5 Business Results Highlights



## Engagement with customers strengthens following our long-term approach

€ bn	H1 2023	H1 2022	Change	FY 2022	Change
<b>Total Net Inflows</b>	<b>4.69</b>	4.35	+8%		
<b>Net Inflows into Managed Assets</b>	<b>2.16</b>	3.12	-31%		
<b>Total AUA/AUM</b>	<b>112.65</b>	100.75	+12%	103.66	+9%
<b>Loans Granted</b>	<b>1.68</b>	1.91	-12%		
<b>Credit Book</b>	<b>16.95</b>	15.37	+10%	16.44	+3%
<b>General Insurance Gross Premiums (€ mn)</b>	<b>89.91</b>	87.52	+3%		

Positive progression driven also by Customer Growth: 100k new customers acquired in H1

Consistent & high-quality Managed Assets Inflows with equity still strong & fixed-income attractive again. Less impacted than peers by BTP competition thanks to high-diversification investment strategy

Positive et inflows , sticky deposits & positive market effects bring Total Assets to record-high levels

Mortgages down y/y following RE slowdown. Wealthier customer base vs traditional banks is also showing weaker appetite for Personal Loans

Credit Book keeps growing with excellent Asset Quality thanks to exposure to more affluent households

Cross-selling of General Insurance policies continues as an objective to protect households' assets

## Prudent business approach, low risk-appetite & extremely solid balance sheet

	H1 2023	FY 2022
<b>CET1 Ratio</b>	<b>21.5%</b>	20.6%
<b>MREL TREA</b>	<b>24.0%</b>	23.0%
<b>Risk-weighted assets (€ bn)</b>	<b>12.61</b>	12.41
<b>Leverage Ratio</b>	<b>6.4%</b>	6.0%
<b>Retail Loan/Deposit Ratio</b>	<b>63.0%</b>	63.8%

Robust Capital Position, with very low volatility of CET1 ratio given the non-material size of HTCS portfolio

Already fully compliant with 20.76% requirement binding from Jan 1, 2024

RWAs increasing in line with credit book growth but generated on customer base with high credit-worthiness

Leverage Ratio well above regulatory requirements

Solid & simple Balance Sheet structure, with very safe approach to lending. See slide 20 for more details

Total Capital Ratio: 21.5%. SREP Req. on Total Capital Ratio: 13.0%.

Leverage Ratio = CET1 / Banking Group Assets

## Customer base benefits from stronger than ever acquisition & retention rate

	30/06/2023	31/12/2022	Change
<b>Bank Customers</b>	1,750,500	1,686,200	+4%
<b>Bank Customer Acquisition</b>	100,900	168,100	
<b>Family Bankers</b>	6,169	6,054	+2%
<b>o/w Private Bankers &amp; Wealth Advisors</b>	827	807	+2%
<b>AUM - Private Bankers &amp; Wealth Advisors</b>	€ 30.75 bn	€ 28.23 bn	+9%
<b>IIS – Money market AUM</b>	€ 2.08 bn	€ 3.05 bn	-32%
<b>Double Chance – Assets in deposit accounts</b>	€ 1.39 bn	€ 1.28 bn	+8%
<b>Instalment Plans – Annualised yearly flows</b>	€ 1.58 bn		

Bank customer acquisition progressing with a solid organic increase supported by marketing initiatives aimed at acquiring qualified customers

FB network development continues on as we train professionals coming from other sectors and as Banker Consultants join the franchise (NEXT project, see slide 38)

Automatic investment services the main gateway to achieving max. return - fully exploiting BMED investment strategy via managed assets products

Healthy reservoir of assets paves the way for future inflows & margin. IIS money market assets down beneficial for AUM profitability

**Intelligent Investment Strategy** shifts from money market to equity over 3-5 yrs.

**Double Chance** shifts from deposit accounts to equity over 3-24 months

**Instalment plans** shifts from current accounts to equity on a monthly basis

	H1 2023	H1 2022	Change
Entry fees	18.5	24.1	-24%
Management fees	540.0	514.4	+5%
Investment Management fees	105.8	97.7	+8%
Net insurance result	88.1	83.5	+5%
Banking service fees	74.8	84.2	-11%
Other fees	20.6	21.7	-5%
<b>Gross Commission Income</b>	<b>847.8</b>	<b>825.6</b>	<b>+3%</b>
Acquisition costs	(285.7)	(279.1)	+2%
Other commission expenses	(52.4)	(47.8)	+10%
<b>Net Commission Income</b>	<b>509.6</b>	<b>498.7</b>	<b>+2%</b>
Net interest income	347.3	167.5	+107%
Net income on other investments	0.4	(1.5)	n.s.
LLP (Impairment on loans)	(17.8)	(7.9)	+126%
Other revenues & expenses	(0.2)	0.3	n.s.
<b>Contribution Margin</b>	<b>839.3</b>	<b>657.1</b>	<b>+28%</b>
G&A expenses	(336.1)	(297.8)	+13%
Regular Contributions to Banking Industry	(10.3)	(10.3)	-0%
Depreciation & Amortization	(20.3)	(20.3)	+0%
Provisions for risk & charges	(8.6)	(14.0)	-38%
<b>Operating Margin</b>	<b>464.0</b>	<b>314.7</b>	<b>+47%</b>
Market effects	13.1	(9.5)	n.s.
- o/w Performance fees	0.4	6.6	-93%
- o/w Net income on investments at fair value	12.6	(16.1)	n.s.
Extraordinary items	0	(0.4)	n.s.
<b>PROFIT BEFORE TAX</b>	<b>477.0</b>	<b>304.9</b>	<b>+56%</b>
Income tax	(113.7)	(63.7)	+78%
<b>NET INCOME</b>	<b>363.3</b>	<b>241.1</b>	<b>+51%</b>



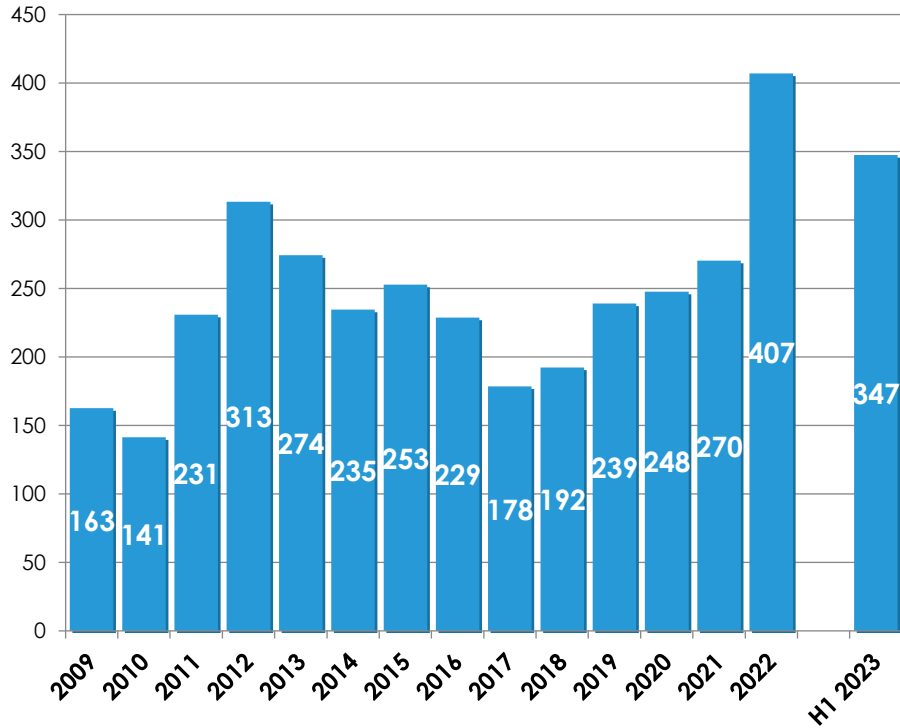
# 9 Income Statement by Quarter

€ mn

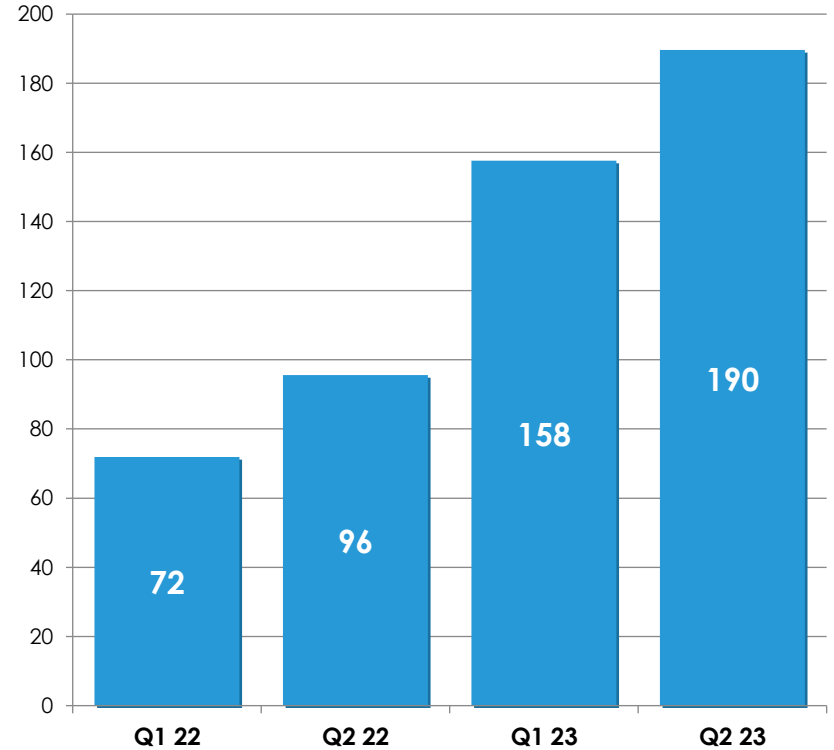


	Q1 22	Q2 22	Q1 23	Q2 23
Entry fees	13.5	10.6	9.3	9.1
Management fees	260.5	253.9	267.3	272.7
Investment Management fees	49.3	48.3	53.1	52.7
Net insurance result	36.8	46.7	45.6	42.5
Banking service fees	48.9	35.3	44.6	30.2
Other fees	11.1	10.5	10.5	10.2
<b>Gross Commission Income</b>	<b>420.2</b>	<b>405.4</b>	<b>430.4</b>	<b>417.4</b>
Acquisition costs	(144.1)	(135.0)	(143.9)	(141.8)
Other commission expenses	(26.1)	(21.7)	(25.5)	(27.0)
<b>Net Commission Income</b>	<b>250.0</b>	<b>248.7</b>	<b>261.0</b>	<b>248.6</b>
Net interest income	71.9	95.6	157.7	189.7
Net income on other investments	(0.8)	(0.8)	0.4	0.0
LLP (Impairment on loans)	(3.2)	(4.6)	(8.6)	(9.1)
Other revenues & expenses	(0.7)	0.9	(1.3)	1.0
<b>Contribution Margin</b>	<b>317.3</b>	<b>339.8</b>	<b>409.1</b>	<b>430.2</b>
G&A expenses	(145.2)	(152.5)	(158.0)	(178.1)
Regular Contributions to Banking Industry	(8.1)	(2.2)	(8.4)	(1.9)
Depreciation & Amortization	(10.2)	(10.1)	(10.2)	(10.1)
Provisions for risk & charges	(14.2)	0.2	(4.4)	(4.3)
<b>Operating Margin</b>	<b>139.5</b>	<b>175.2</b>	<b>228.1</b>	<b>235.8</b>
Market effects	2.2	(11.7)	7.3	5.8
- o/w Performance fees	5.9	0.7	0.3	0.1
- o/w Net income on investments at fair value	(3.8)	(12.3)	6.9	5.7
Extraordinary items	(0.4)	0	0	0
<b>PROFIT BEFORE TAX</b>	<b>141.3</b>	<b>163.6</b>	<b>235.4</b>	<b>241.6</b>
Income tax	(28.9)	(34.8)	(57.1)	(56.6)
<b>NET INCOME</b>	<b>112.4</b>	<b>128.7</b>	<b>178.3</b>	<b>185.1</b>

YoY Trend

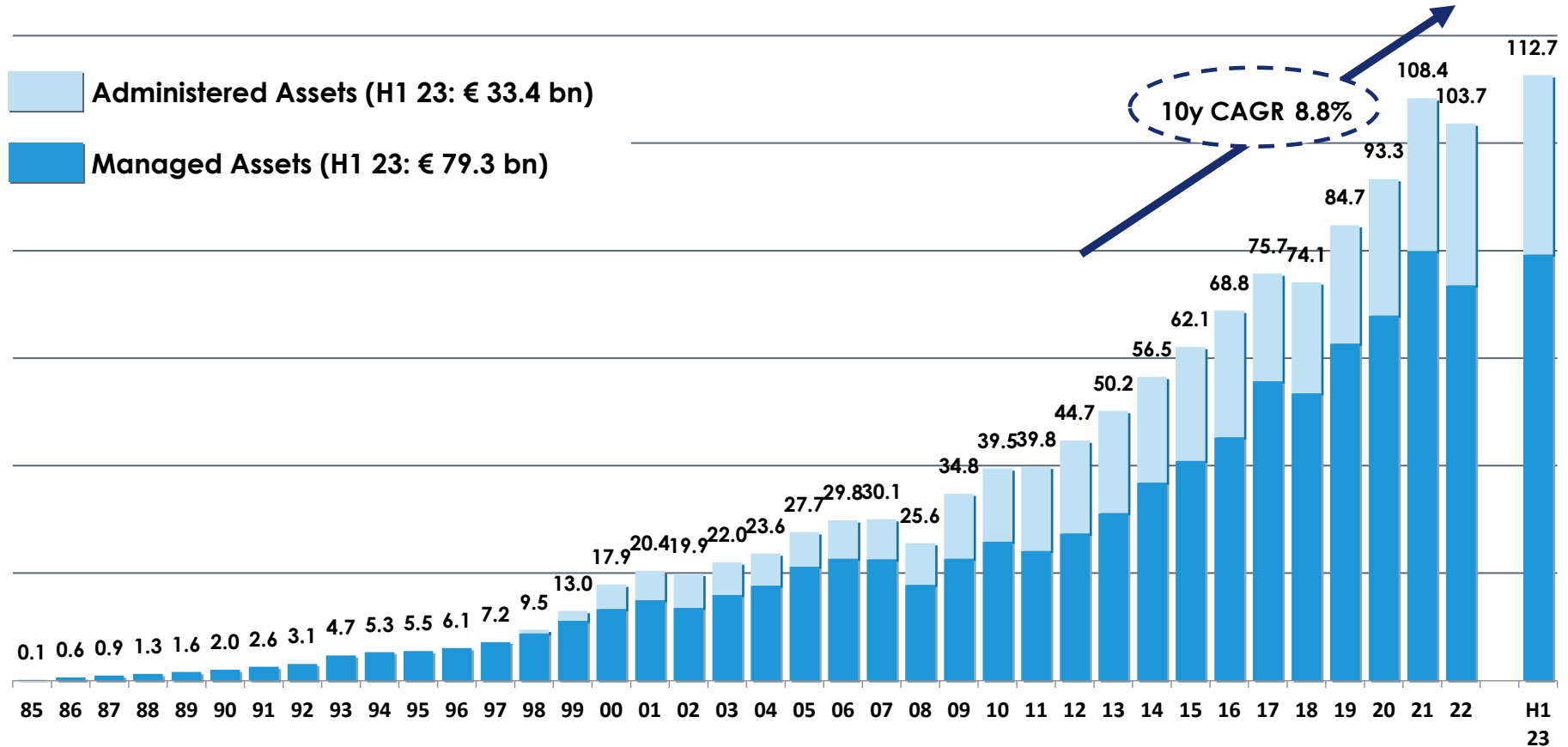


QoQ Trend

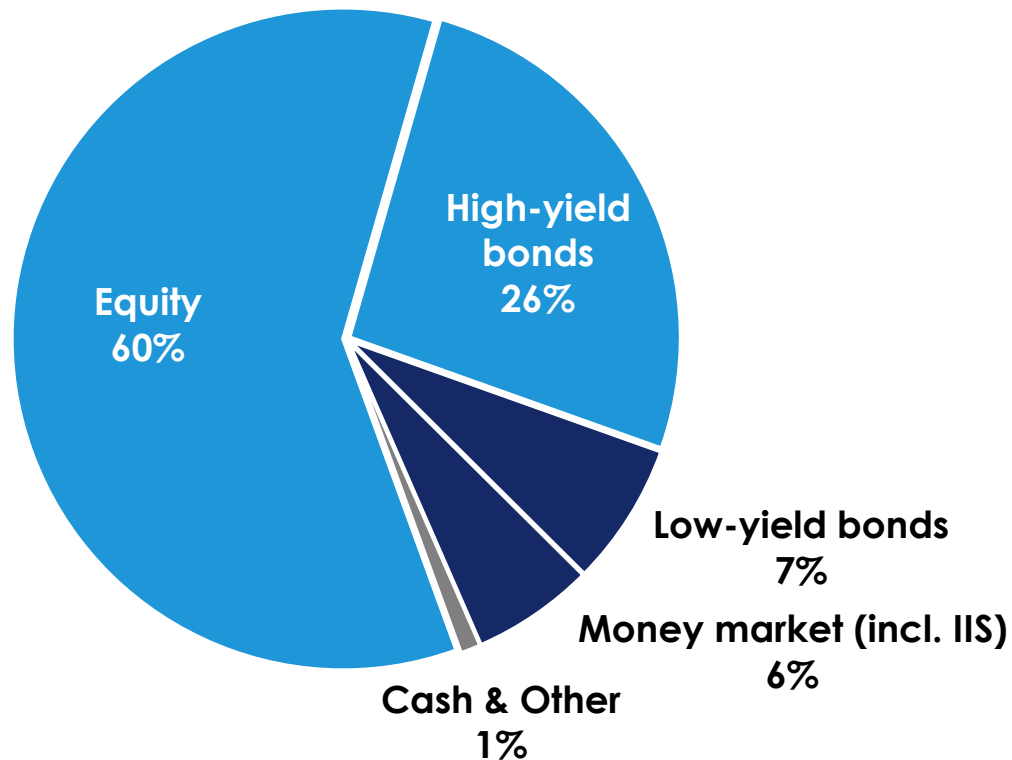


	H1 2023	H1 2022	Change
<b>Total commissions</b>	<b>233.0</b>	<b>226.2</b>	<b>+3%</b>
One-time commissions	26.6	34.9	-24%
Ongoing commissions	206.4	191.3	+8%
<b>Total incentives &amp; bonuses</b>	<b>35.9</b>	<b>35.9</b>	<b>+0%</b>
Incentives on individual net inflows	20.7	23.5	-12%
Contest & bonuses	13.0	11.4	+15%
Reimbursement of costs for customers events	2.2	1.1	+105%
<b>Costs related to the agency agreement</b>	<b>13.9</b>	<b>14.6</b>	<b>-5%</b>
<b>Prexta agent commissions</b>	<b>2.9</b>	<b>2.3</b>	<b>+23%</b>
<b>TOTAL ACQUISITION COSTS</b>	<b>285.7</b>	<b>279.1</b>	<b>+2%</b>

	H1 2023	H1 2022
<b>GROUP TOTAL NET INFLOWS</b>	<b>+4,689</b>	<b>+4,345</b>
Managed Assets	+2,157	+3,122
- o/w Mutual Funds, U/L & Managed Accounts	+1,664	+2,638
Administered Assets	+2,532	+1,223
<b>Italy - Banca Mediolanum Total Net Inflows</b>	<b>+4,214</b>	<b>+3,720</b>
Managed Assets	+1,880	+2,733
- o/w Mutual Funds, U/L & Managed Accounts	+1,397	+2,254
Administered Assets	+2,333	+987
<b>Spain - Banco Mediolanum Total Net Inflows</b>	<b>+495</b>	<b>+638</b>
Managed Assets	+296	+402
- o/w Mutual Funds & U/L	+286	+397
Administered Assets	+199	+236
<b>Germany</b>	<b>-19</b>	<b>-13</b>
Managed Assets	-19	-13
- o/w Mutual Funds & U/L	-19	-13



	30/06/2023	31/12/2022	Change	30/06/2022	Change
<b>Italy - Banca Mediolanum</b>	<b>102,414</b>	<b>94,411</b>	<b>+8%</b>	<b>91,737</b>	<b>+12%</b>
Mutual Funds & U-L Policies	67,444	63,073	+7%	62,080	+9%
Other Life Insurance Reserves	1,986	1,861	+7%	1,819	+9%
Banking	32,984	29,477	+12%	27,837	+18%
<b>Spain - Banco Mediolanum</b>	<b>9,858</b>	<b>8,872</b>	<b>+11%</b>	<b>8,624</b>	<b>+14%</b>
Mutual Funds & U-L Policies	6,656	5,976	+11%	5,862	+14%
Other Life Insurance Reserves	124	116	+7%	70	+77%
Banking	3,078	2,780	+11%	2,692	+14%
<b>Germany</b>	<b>379</b>	<b>374</b>	<b>+1%</b>	<b>394</b>	<b>-4%</b>
Mutual Funds & U-L Policies	379	374	+1%	394	-4%
<b>TOTAL AUA/AUM</b>	<b>112,651</b>	<b>103,657</b>	<b>+9%</b>	<b>100,755</b>	<b>+12%</b>

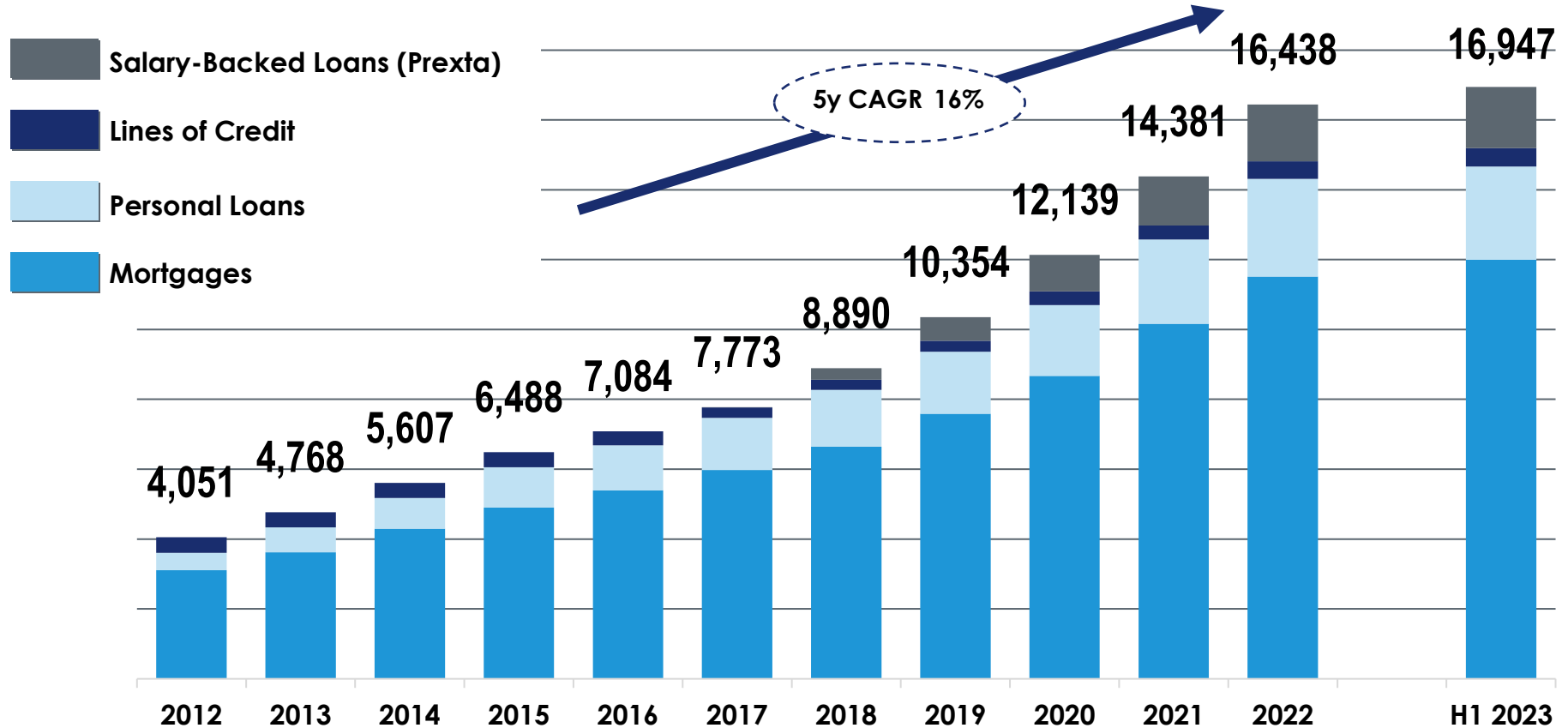


Certificates not included. **Low-yield bonds:** Eurozone + Japan govies. **Money market:** originating funds in IIS & other. **Cash:** liquidity not invested. **Other:** may include hedging derivatives.

	H1 2023	H1 2022	Change
Mortgages	1,023	1,090	-6%
Personal Loans	380	578	-34%
Salary-backed Loans (Prexta) <sup>1</sup>	273	244	+12%
<b>TOTAL</b>	<b>1,676</b>	<b>1,913</b>	<b>-12%</b>
3rd-party Loans	17	12	+44%

1. Includes Prexta unsecured loans





	30/06/2023	31/12/2022	Change	30/06/2022	Change
Mortgages	11,992	11,517	+4%	10,804	+11%
Personal Loans	2,606	2,798	-7%	2,593	+0%
Lines of Credit	596	501	+19%	421	+41%
Salary-backed Loans (Prexta) <sup>1</sup>	1,753	1,622	+8%	1,547	+13%
<b>TOTAL</b>	<b>16,947</b>	<b>16,438</b>	<b>+3%</b>	<b>15,366</b>	<b>+10%</b>

	30/06/2023	Italian Banks
Gross NPE	1.35%	3.0% <sup>2</sup>
Net NPE	0.73%	1.5% <sup>3</sup>
Annualised Cost of risk	0.19%	

1 Includes Prexta unsecured loans

2 Bank of Italy – 'Banks and Financial Institutions: Credit Conditions and Risk by Sector and Geographical Area – Q2 2023'

3 Bank of Italy - 'Financial Stability Report No. 1 2023'

	H1 2023	H1 2022	Change
<b>Stand-alone policies</b>	<b>66.4</b>	<b>54.4</b>	<b>+22%</b>
New business	13.8	13.0	+6%
In-force business	52.6	41.4	+27%
<b>Loan protection policies</b>	<b>23.2</b>	<b>30.9</b>	<b>-25%</b>
<b>Group health policies</b>	<b>0.2</b>	<b>2.3</b>	<b>-90%</b>
<b>GROSS PREMIUMS</b>	<b>89.9</b>	<b>87.5</b>	<b>+3%</b>

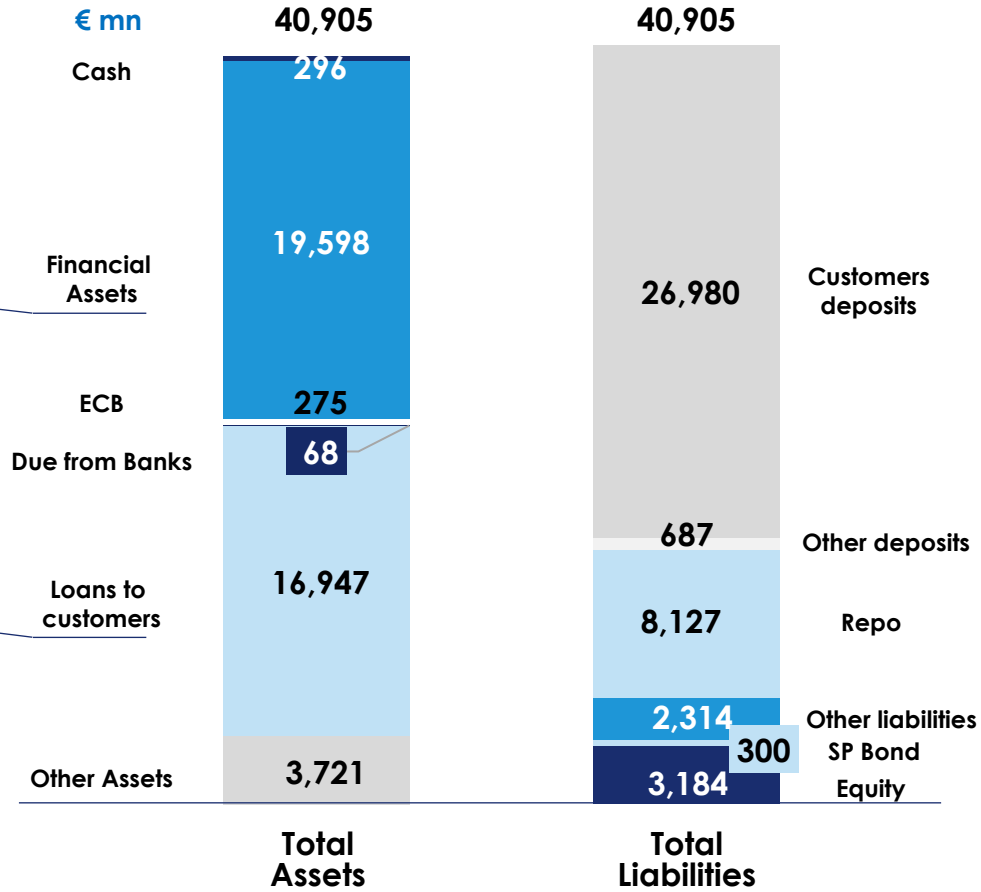
# 20 Balance Sheet Structure – Banking Group



**Straight-forward & solid balance sheet structure**  
**Approx. € 24\* bn of assets sensitive to interest rates**

- Over € 10 bn in floaters
- Short duration (<1 yr)
- No sensitivity to ITA spread: most assets in HTC portfolio

- High quality book: CoR at 19 bps
- Mainly retail & collateralised
- € 12.8 bn of variable rate loans



\* Floaters + Variable rate loans + ECB & Interbank liquidity

Ever-growing deposit base thanks to **strong customer acquisition** & **increase in share of wallet** of existing customers

Growth not impacted by the continuous **transformation of deposits into managed assets** – our core business

High stickiness of deposits as **66%** of customers direct deposit **salary** in their BMED current account

No signs of customer concern even in Q1 2023 as BMED is considered the safe haven when flying to quality

## Capital &amp; Liquidity

CET1 Ratio	21.5%
LCR	342%
NSFR	181%

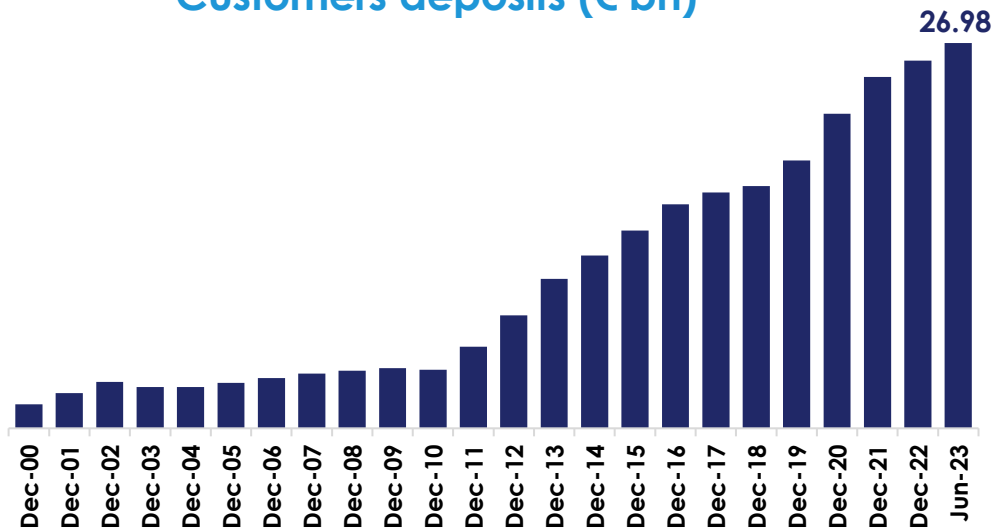
## Assets

HQLA	€10.94 bn
Modified Duration (HTC+HTCS)	0.8 yrs

## Liabilities

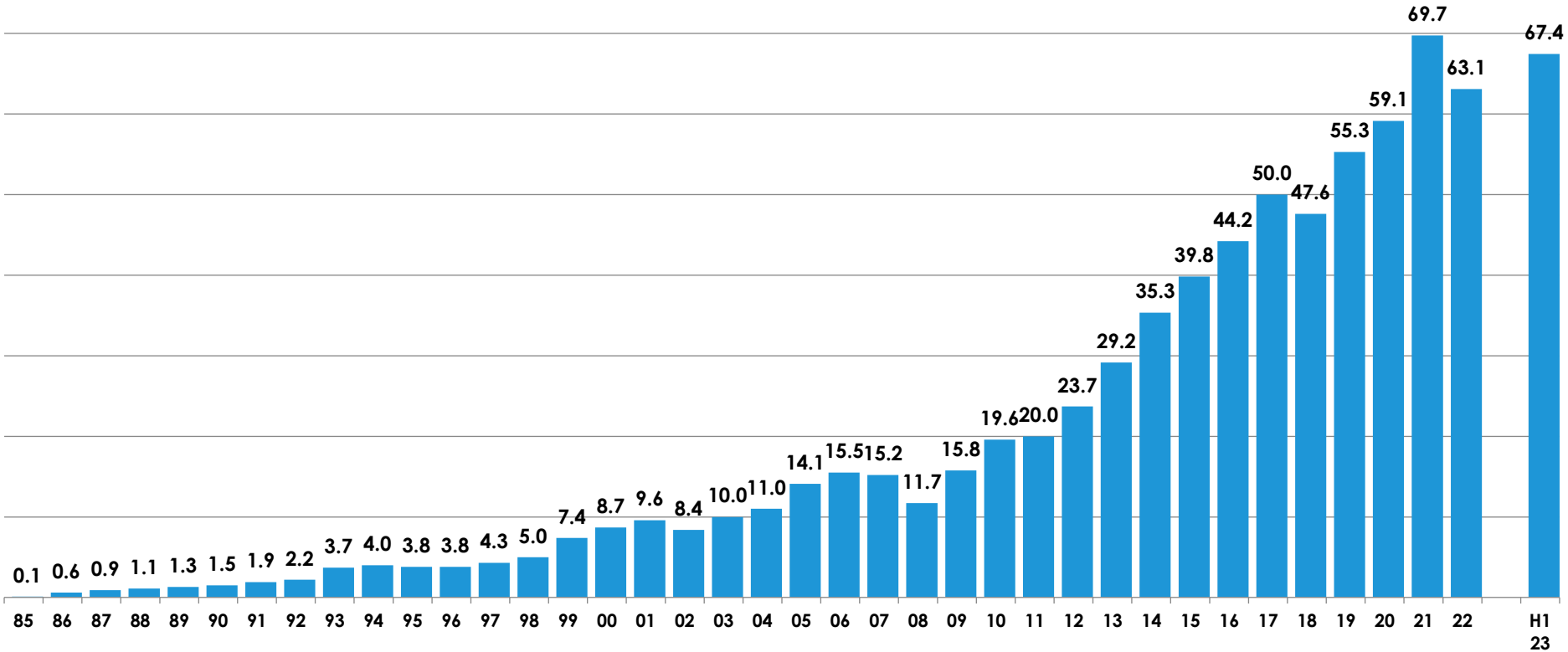
Stable Retail Deposits (ILAAP)	€ 17.94 bn
Deposits covered by FITD (<€100k)	76%
Customers w/salary direct deposit	66%

## Customers deposits (€ bn)



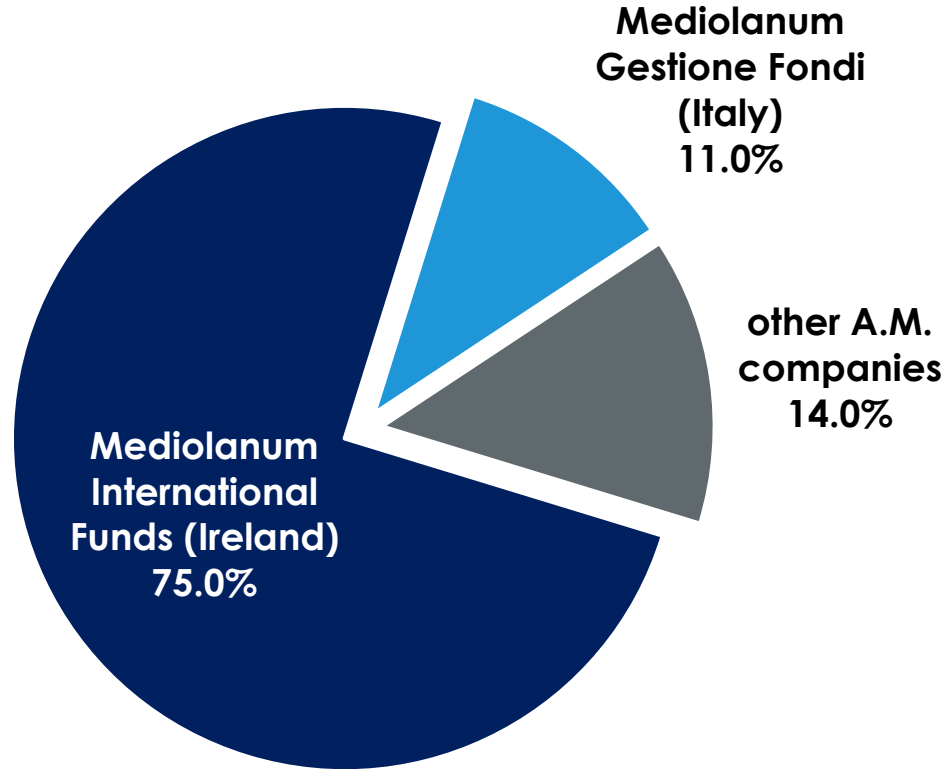


# H1 2023 Domestic Market Results



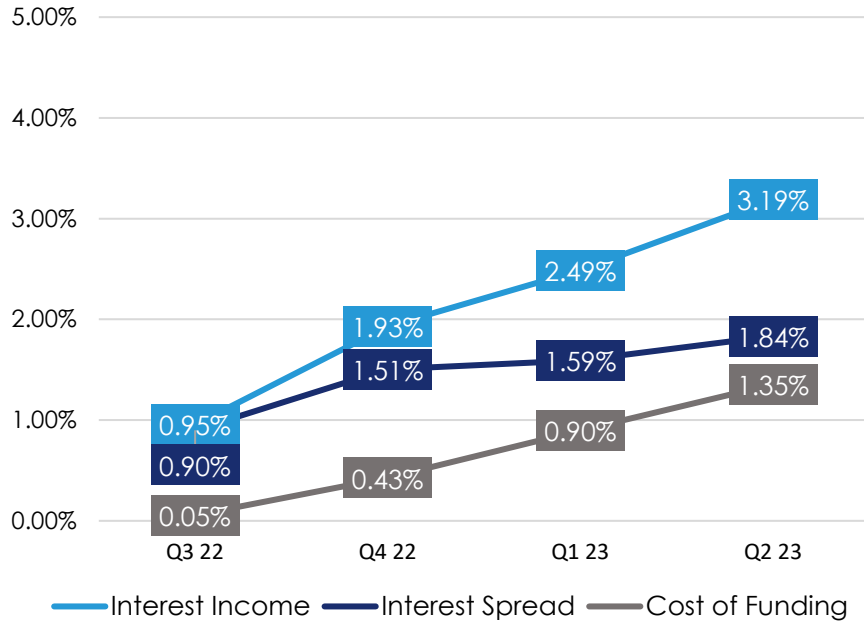
	30/06/2023	31/12/2022	Change	30/06/2022	Change
'Best Brands' funds on funds (IRL)	25,796	24,230	+6%	23,640	+9%
'Challenge' mutual funds (IRL)	19,779	18,029	+10%	17,587	+12%
Funds of Hedge Funds (IRL)	36	37	-1%	38	-4%
'Fondi Italia' mutual funds (ITA)	7,066	6,859	+3%	6,754	+5%
'Real estate' fund (ITA)	205	205	-0%	243	-16%
3rd-party stand-alone funds	4,062	3,798	+7%	3,675	+11%
Other	2,955	2,645	+12%	2,502	+18%
<i>Adj. for own mutual funds in FoFs &amp; Managed accts</i>	<i>(499)</i>	<i>(436)</i>	<i>+14%</i>	<i>(387)</i>	<i>+29%</i>
MyLife' U-L policy	13,313	12,295	+8%	11,843	+12%
Other U-L policies	18,697	17,533	+7%	17,538	+7%
<i>Adj. for own mutual funds in U-L policies</i>	<i>(23,965)</i>	<i>(22,123)</i>	<i>+8%</i>	<i>(21,354)</i>	<i>+12%</i>
<b>ASSETS IN MUTUAL FUNDS &amp; U-L</b>	<b>67,444</b>	<b>63,073</b>	<b>+7%</b>	<b>62,080</b>	<b>+9%</b>



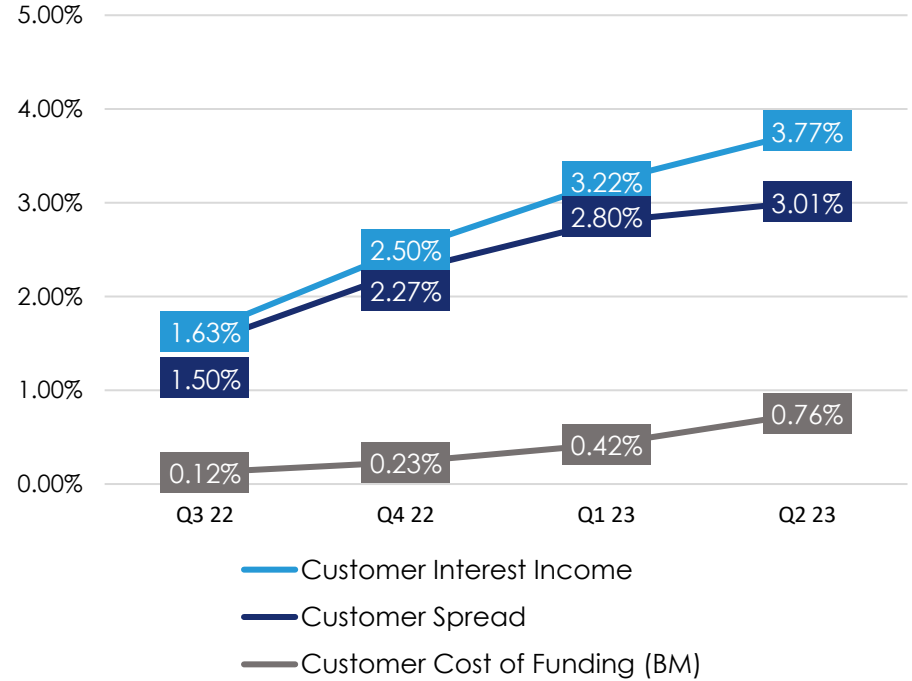


	30/06/2023	31/12/2022	Change	30/06/2022	Change
Cash deposits	24,443	23,338	+5%	23,011	+6%
Repurchase agreements	10	20	-52%	10	-3%
3rd-party structured bonds	2,685	2,125	+26%	1,559	+72%
Other securities	5,846	3,993	+46%	3,257	+80%
<b>BANKING ADMINISTERED ASSETS</b>	<b>32,984</b>	<b>29,477</b>	<b>+12%</b>	<b>27,837</b>	<b>+18%</b>

## Total Book

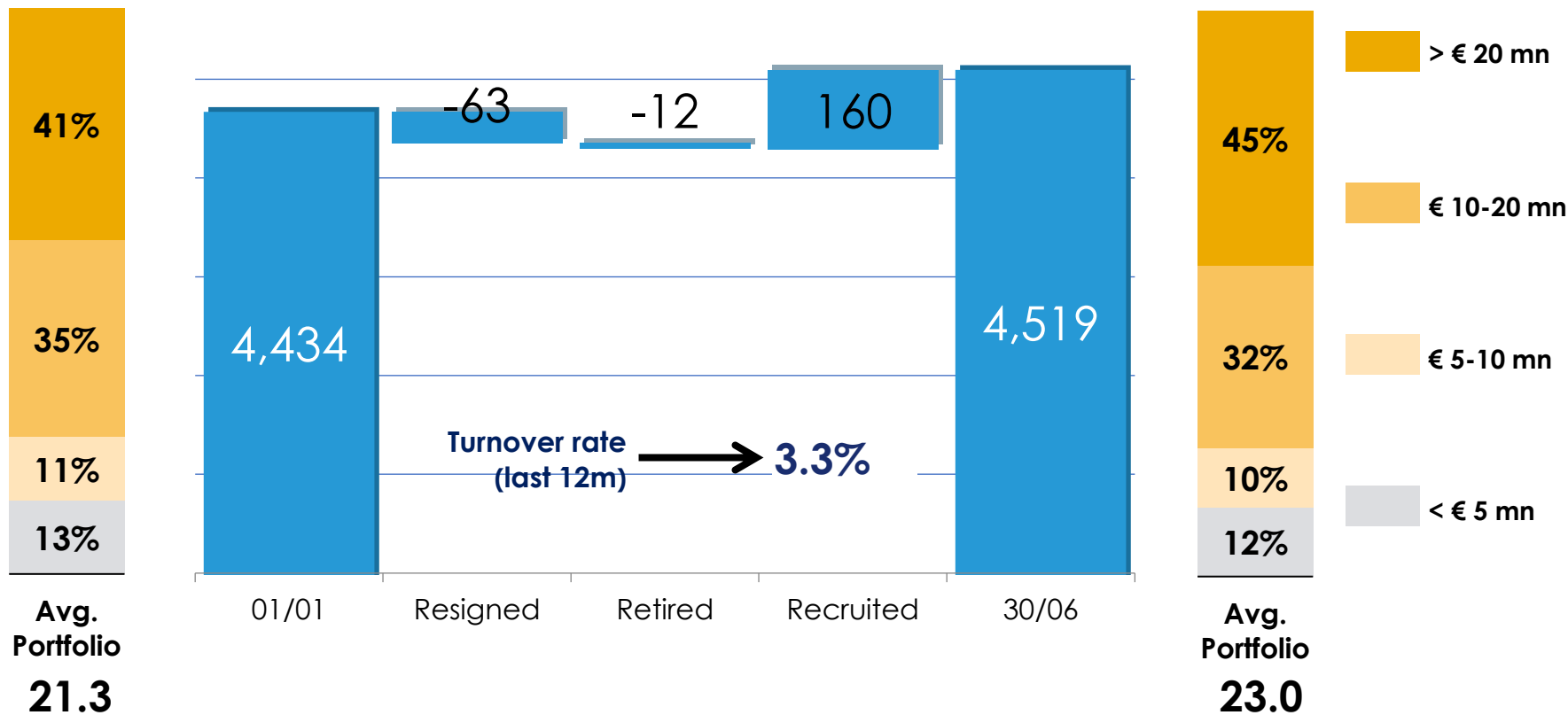


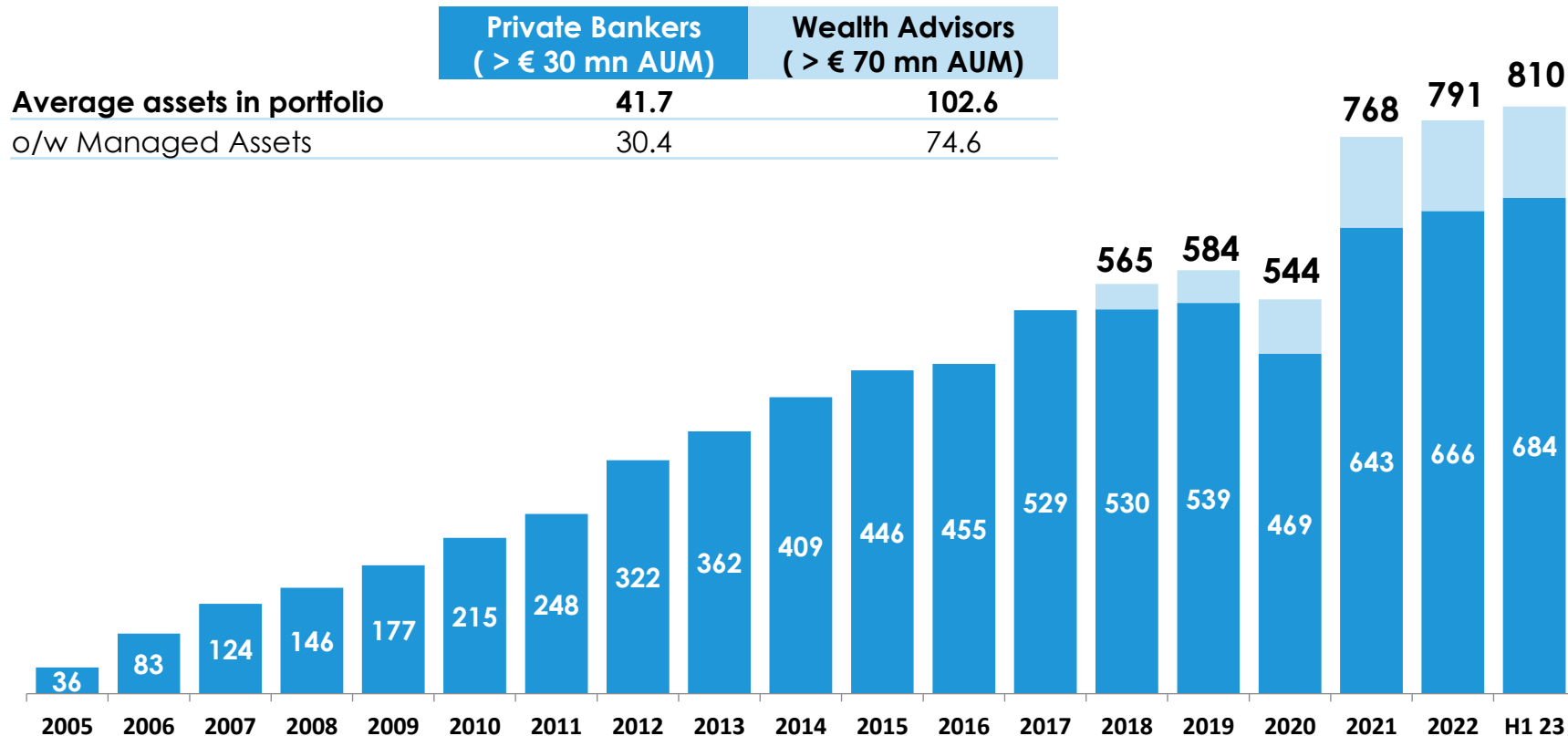
## Customer Book



	Liabilities	Assets
<b>Customers</b>	<b>24,527</b>	<b>15,652</b>
<b>Treasury</b>	<b>8,446</b>	<b>18,260</b>
Interbank / intra-group deposits & repos	987	780
ECB refinancing	0	837
MTS refinancing	7,459	0
Securities (bonds)	0	16,643
<b>Other liabilities / assets</b>	<b>4,411</b>	<b>3,471</b>
<b>TOTAL</b>	<b>37,383</b>	<b>37,383</b>

Operating Liquidity (24hr): 10,591





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



# H1 2023 Spain Results

	H1 2023	H1 2022	Change	vs. FY
<b>Operating Margin</b>	39.0	17.9	+118%	
<b>Net Income</b>	31.1	14.6	+112%	
<b>Total Assets</b>	9,858	8,624	+14%	+11%
Managed Assets	6,780	5,932	+14%	+11%
Administered Assets	3,078	2,692	+14%	+11%
<b>Total Net Inflows</b>	495	638	-22%	
Net Inflows into Managed Assets	296	402	-27%	
Net Inflows into Administered Assets	199	236	-16%	
<b>Credit Book</b>	1,295	1,128	+15%	+11%
<b>Family Bankers</b>	1,650	1,586	+4%	+2%
<b>Customers</b>	221,142	198,930	+11%	+6%

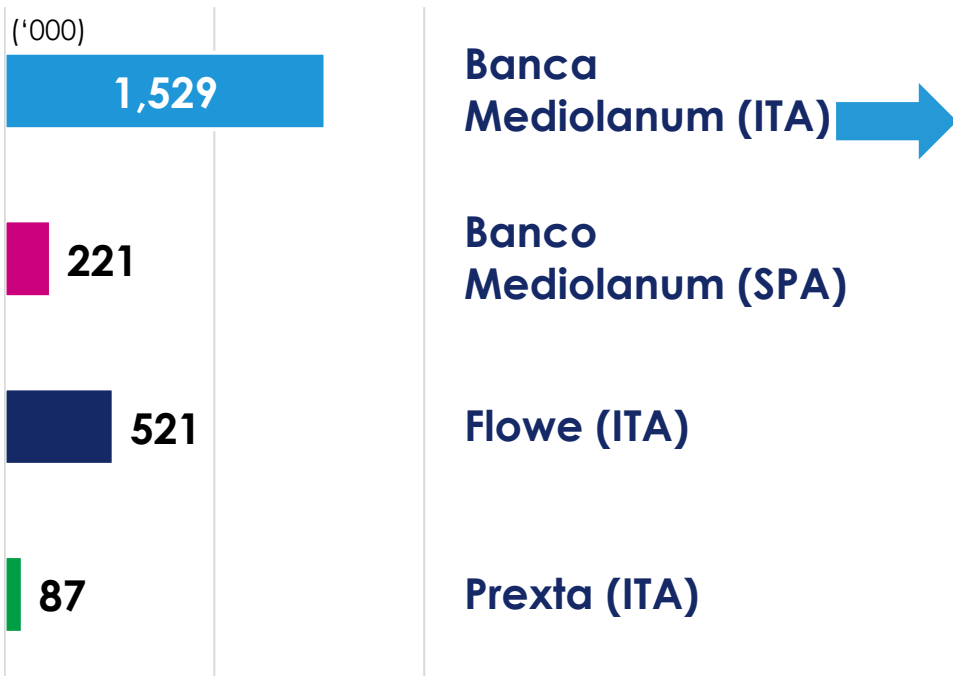




# Business Update

## Total Bank Customers\*

### 1,750k



Banca  
Mediolanum (ITA)



Banco  
Mediolanum (SPA)

Flowe (ITA)

Prexta (ITA)






### End Goal:

## to be the Customer's Primary Bank

### 1,217k hold a bank account

- **66%** use BMED as **Primary Bank**  
(internal data analytics)
- **34%** use BMED as the **Only Bank**  
(2022 survey)

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

Overall Satisfaction	Perceived Value	Digital Platform	Financial Advisor Interaction
<p><b>Customer Satisfaction</b></p> <p><b>96%</b></p> <p>Market Avg: 89%</p>	<p><b>Comprehensiveness of Offer</b></p> <p><b>84.1</b></p> <p>Trad. Banks: 72.4   Online Banks: 79.5</p>	<p><b>Mobile App Satisfaction</b></p> <p><b>86%</b></p> <p>Market Avg: 66%</p>	<p><b>Overall Satisfaction</b></p> <p><b>90%</b></p> <p>Market Avg: 58%</p>
<p><b>Net Promoter Score</b></p> <p><b>61</b></p> <p> <b>1st Bank in Italy</b></p> <p>Trad. Banks: -2.6   Online Banks: 40.9</p>	<p><b>Value for Money</b></p> <p><b>76.4</b></p> <p>Trad. Banks: 63.9   Online Banks: 76.7</p>	<p><b>App Store Rating</b></p> <p> <b>4.8</b> </p> <p> <b>4.5</b> </p>	<p><b>Availability</b></p> <p>In 2022, Family Bankers had <b>8 contacts</b> on average with their customers</p>
<p><b>Customer Retention</b></p> <p><b>96%</b></p>	<p><b>Focus on Sustainability</b></p> <p><b>84.1</b></p> <p>Trad. Banks: 66.5   Online Banks: 72.9</p>		

	June 2023	YTD 2023	YTD 2022
<b>GROUP TOTAL NET INFLOWS</b>	<b>447</b>	<b>4,689</b>	<b>4,345</b>
<b>Managed Assets</b>	<b>219</b>	<b>2,157</b>	<b>3,122</b>
- o/w Mutual Funds, U-L & Managed Accounts	193	1,664	2,638
<b>Administered Assets</b>	<b>228</b>	<b>2,532</b>	<b>1,223</b>
<b>GROUP LOANS GRANTED</b>	<b>276</b>	<b>1,676</b>	<b>1,913</b>
<b>GENERAL INSURANCE PREMIUMS</b>	<b>17</b>	<b>90</b>	<b>88</b>

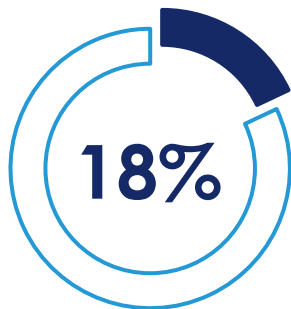
	H1 2023		
	Managed Assets	Mutual Funds*	Total Net Inflows
<b>Banca Mediolanum</b>	<b>1,518</b>	<b>1,506</b>	<b>4,160</b>
Finecobank	1,047	2,145	4,274
Allianz Bank	1,055	887	3,385
Che Banca!	272	194	602
BNL - BNP Paribas	114	49	582
Banca Widiba	34	56	243
Gruppo Fideuram/Intesa	281	-187	4,447
Consultinvest	15	21	19
Credem	-288	-436	1,597
Zurich Italy Bank	-338	-130	27
Banca Generali	-290	259	3,269

\* including Unit-Linked policies & Managed Accounts

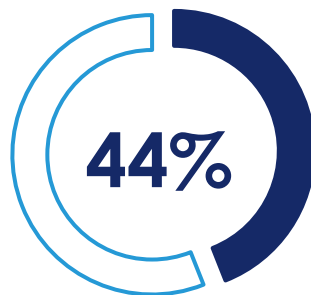
Source: Assoreti

■ BMED    □ Other FA networks

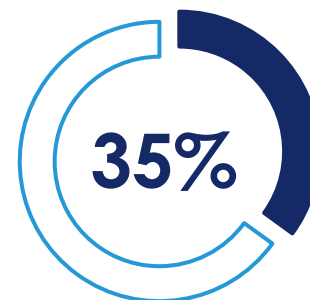
### Total Net Inflows



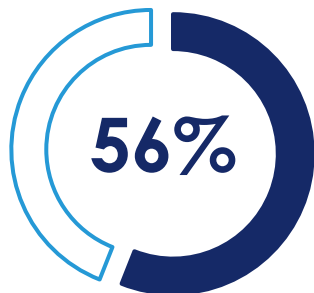
### Net Inflows into Managed Assets



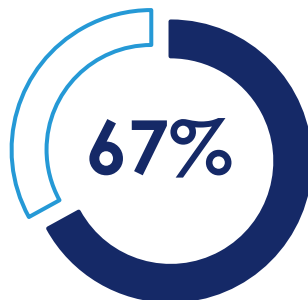
### Net Inflows into Mutual Funds\*



### Mortgages Granted



### Personal Loans Granted



### General Insurance Gross Premiums



\* including Unit-Linked policies & Managed Accounts

Source: Assoreti

## Outstanding capital strength confirmed as well as the high quality of assets and economic performance

- Among the Top 5 Banks in Europe with < 300 bps maximum CET1 ratio depletion

	2023	2024	2025
CET 1 Ratio in Baseline scenario	21.8%	22.8%	23.6%
CET 1 Ratio in Adverse scenario	19.5%	19.8%	20.0%

- Confirmed our ability to generate sustainable profitability also in the adverse scenario

Delta projected NII adverse vs. baseline scenario (in %)	Delta projected LLPs adverse vs. baseline scenario (in %)	Delta projected profit/ loss adverse vs. base-line scenario (in %)
-2.8%	1.9%	-7.4%



**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** (Executive Master) provided by Mediolanum Corporate University & supported with a **scholarship**
- Once fully licensed, the 'BCs' work alongside their senior PB/WA with **extensive on-the-job training**, managing **day-to-day duties & operations** as well as **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, **organic growth** and **generational renewal**
- **160 'BCs'** are already **working with their senior PB/WA** as licensed FA
- **Target to reach more than 200 by the end of 2023**



## 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)**

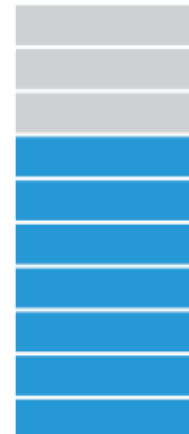
- Capital is initially invested in money market fund
- A portion of the assets is switched once or twice monthly into equity funds or U-L policy, investing the entire amount over 3/5-year period
- Instalment amount automatically increases if equity fund value drops. Capital gains on equity >10% are switched 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

- 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: up to 5% annual 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

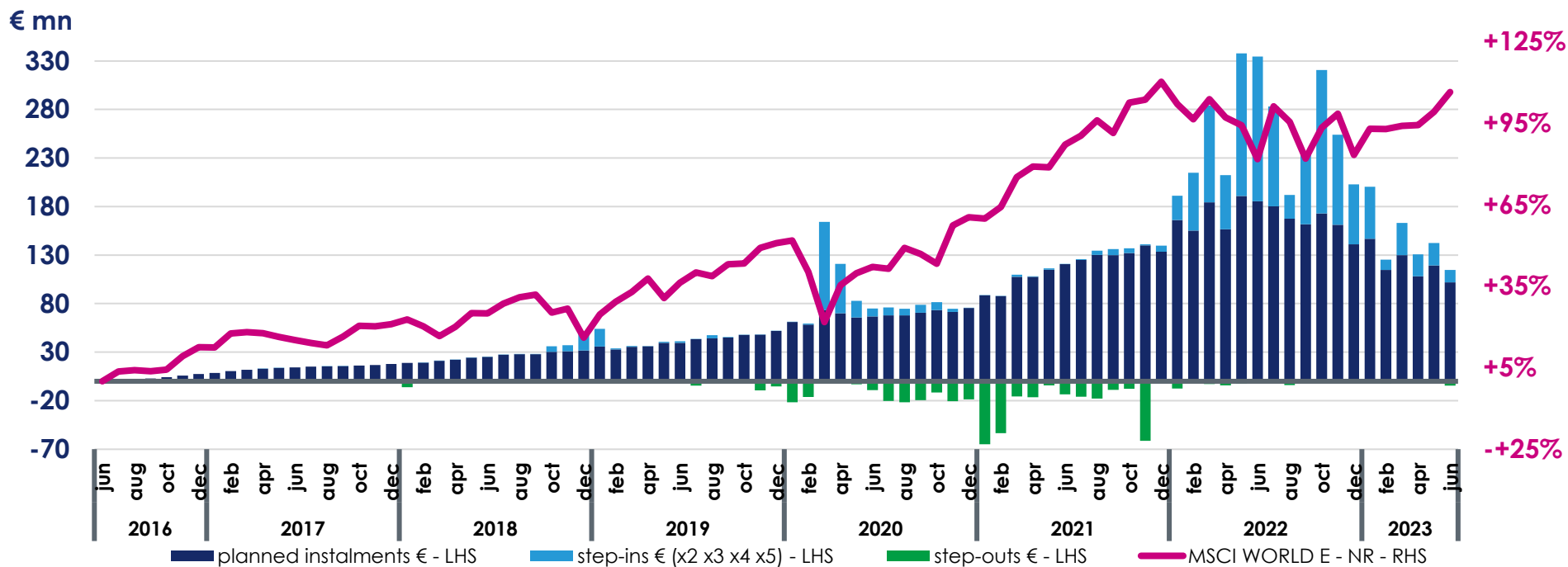


STRATEGY

Equity Fund Unit Price	Installment amount
5% to 10% decrease	<b>X2</b>
10% to 15% decrease	<b>X3</b>
15% to 20% decrease	<b>X4</b>
20% or more decrease	<b>X5</b>

## 'Market crises are buying opportunities': not just a slogan

**Step ins & step outs** reduce avg unit price on investments, allowing **customers to benefit from market volatility**.  
**€ 3 bn** of managed assets were **automatically invested in equity** through **planned instalments & step-ins in 2022**, supporting a **strong increase in avg. recurring revenues**. **€ 2 bn more** to be transferred from monetary funds over the next 3-5 years.



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

- **Euronext MIB ESG Component / Bloomberg GEI Component**
- Signatory of **U.N. Principles for Responsible Banking**
- Signatory of **U.N. Global Compact** since 2021
- **Diversity in Board of Directors. Lead Independent Director**
- **Top Management LTI & STI** linked to sustainability
- **ESG Commission & GSS Bond Framework Commission**
- **Exclusion criteria** for green bond proceeds usage  
(Fossil-Fuel energy, Nuclear energy, Gambling, Tobacco, Alcohol, Animal abuse, Weapons)
- **Flowe** certified **B-Corp & Carbon Neutral** company

	2022	2021
MSCI ESG Rating	AA	A
ESG S&P Global	52	52
CDP	C	B-
FTSE Russel	2.5	2.5
Vigeo Eiris	53	51
Standard Ethics	EE-	E+





### Economic System

- **Solid capital position** and safe approach to business
- **Simple balance sheet & resilient financial results** given the **well-diversified business model**
- Management team has a **proven track record in delivering** results, w/ **prudent conduct** that is **long-term oriented** & focused on **organic growth**
- **Credit quality** guaranteed by ultra-safe approach, since we lend to our own high-quality customer base made up of households



### Customers

- Long-lasting **sustainability product offering**. H1 2023 ESG Mutual funds (art. 8 & 9): **16% of AUM**
- **Green mortgages & loans** financed by the **Green bond** issued in Nov. 2022
- **99% of mutual fund AUM** with **ESG rating** by **MSCI ESG Research**:



- **Integration of sustainability criteria** in **product offer** (asset mgmt, banking, credit & general insurance) & **advisory process**
- Ad hoc **financial relief initiatives for customers in need** (natural disasters, financial distress)
- Data Protection and Privacy policies to safeguard cust. data. Processes to optimise the mgmt of potential data breaches



## Community & Environment

- Use of **Green bond proceeds** to finance **green buildings**
- **Climate risk metrics** included in the **Risk Appetite Framework** of the Bank
- Monitoring of **GHG emissions**<sup>1</sup>:

Scope 1: **2,266** tCO<sub>2</sub>e

Scope 2: **2,799** tCO<sub>2</sub>e

Scope 3: **4,039,197** tCO<sub>2</sub>e **93.4% Customer AUM – 6.4% Credit Book – 0.2% Treasury Assets**

- **Mediolanum Foundation & Relief loans** in collaboration with anti-usury foundations
- **Tri-generation plants** allow the **self-generation of electricity and energy** used in heating and cooling



## Employees & Family Bankers

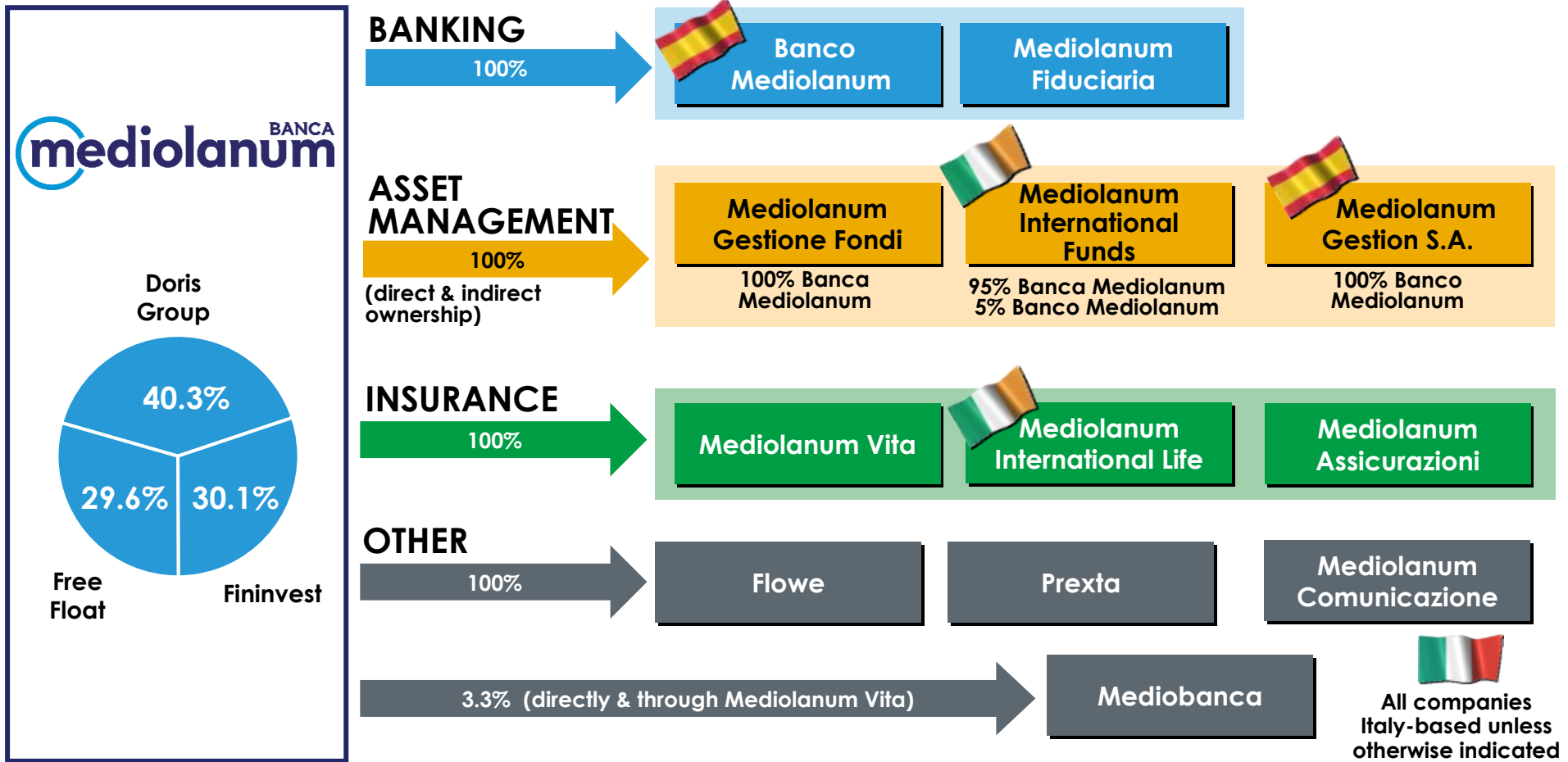
- In 2022 each **Employees** received **over 34 hours of training** on avg., **Family Bankers 114 hours** each
- **Over 300 Family Bankers** have **EPPA ESG Advisor certification**. In every region creation of the **Mediolanum Value Manager** to convey **BMED sustainability-related values**

1. Calculation methodologies follow "Partnership for Carbon Accounting Financials Standard" (PCAF) & "ABI - Italian Banking Association guidelines on the GRI Standards application for environmental topics"



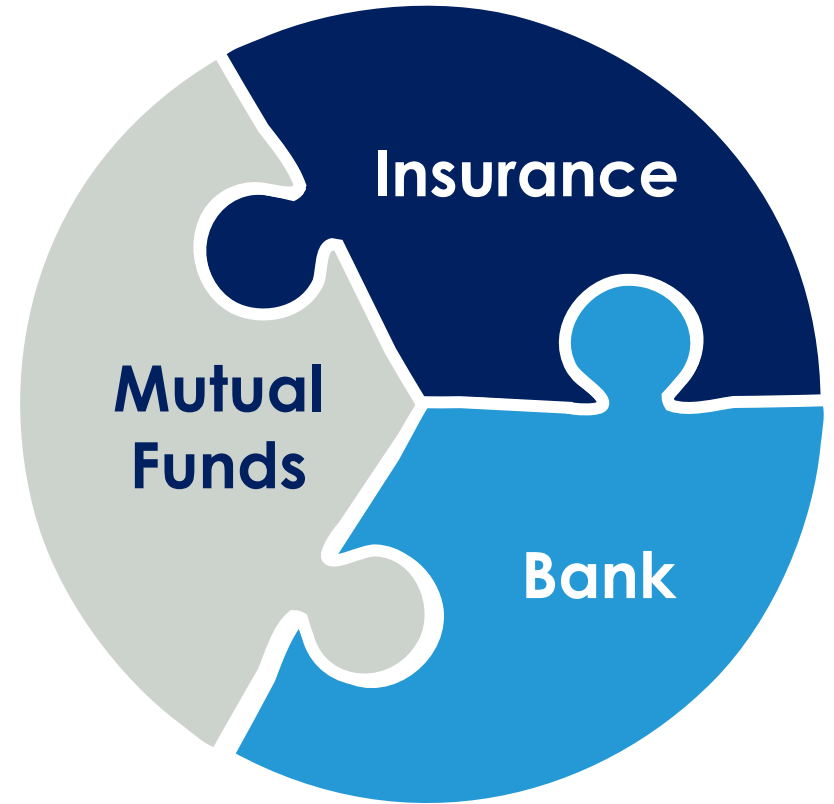
# Mediolanum Facts

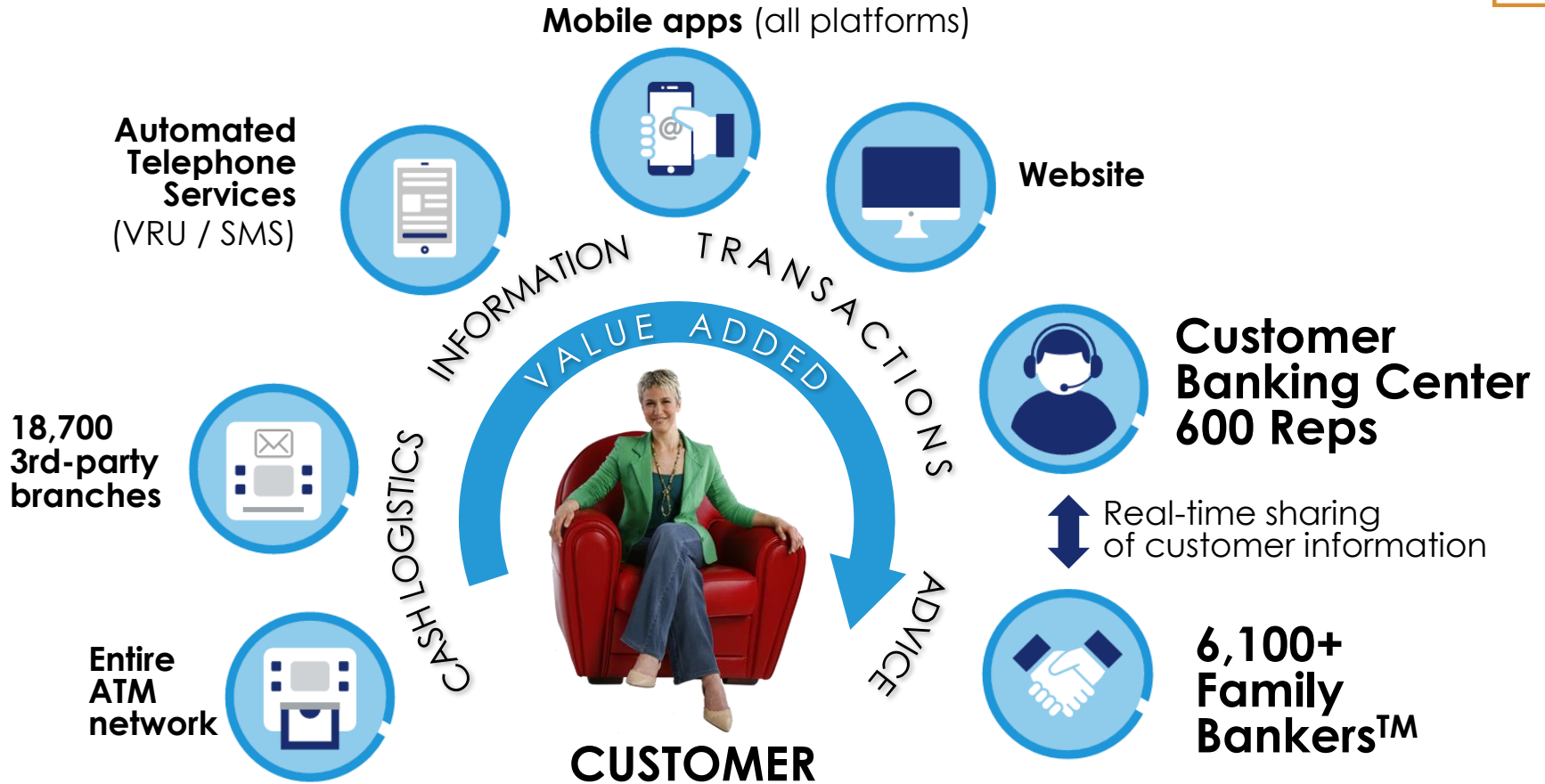






- We and our Family Bankers view the company as a single entity, providing solutions that best fit the needs of the customer, whether it be in the form of a mutual fund, an insurance policy or a bank product
- The Bank (est. 1997) has a special role as the place where customer savings are naturally built
- 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

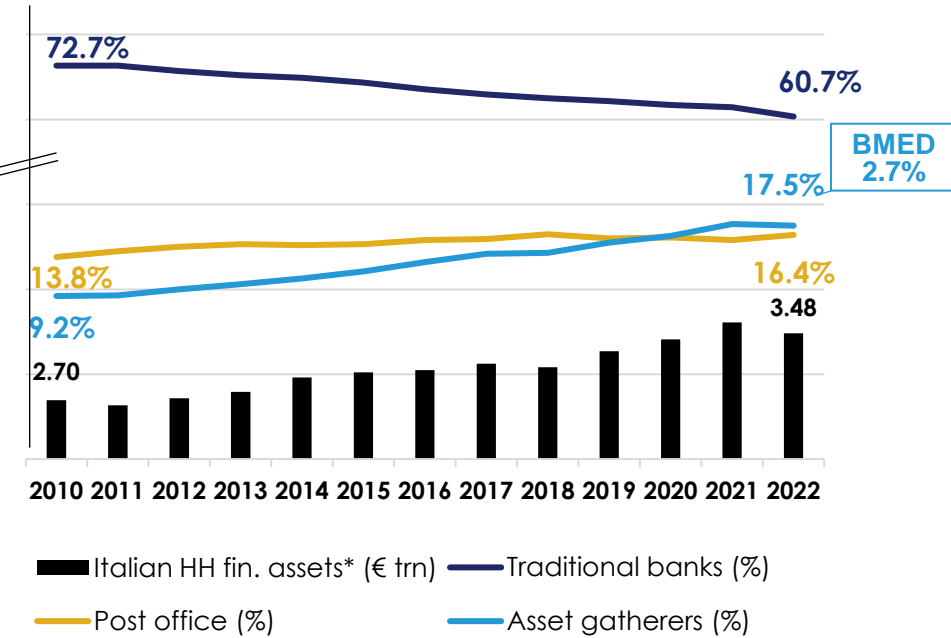


## Customers: freedom in banking

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

## Over the last few years asset gatherers have increased market share to the detriment of traditional banks

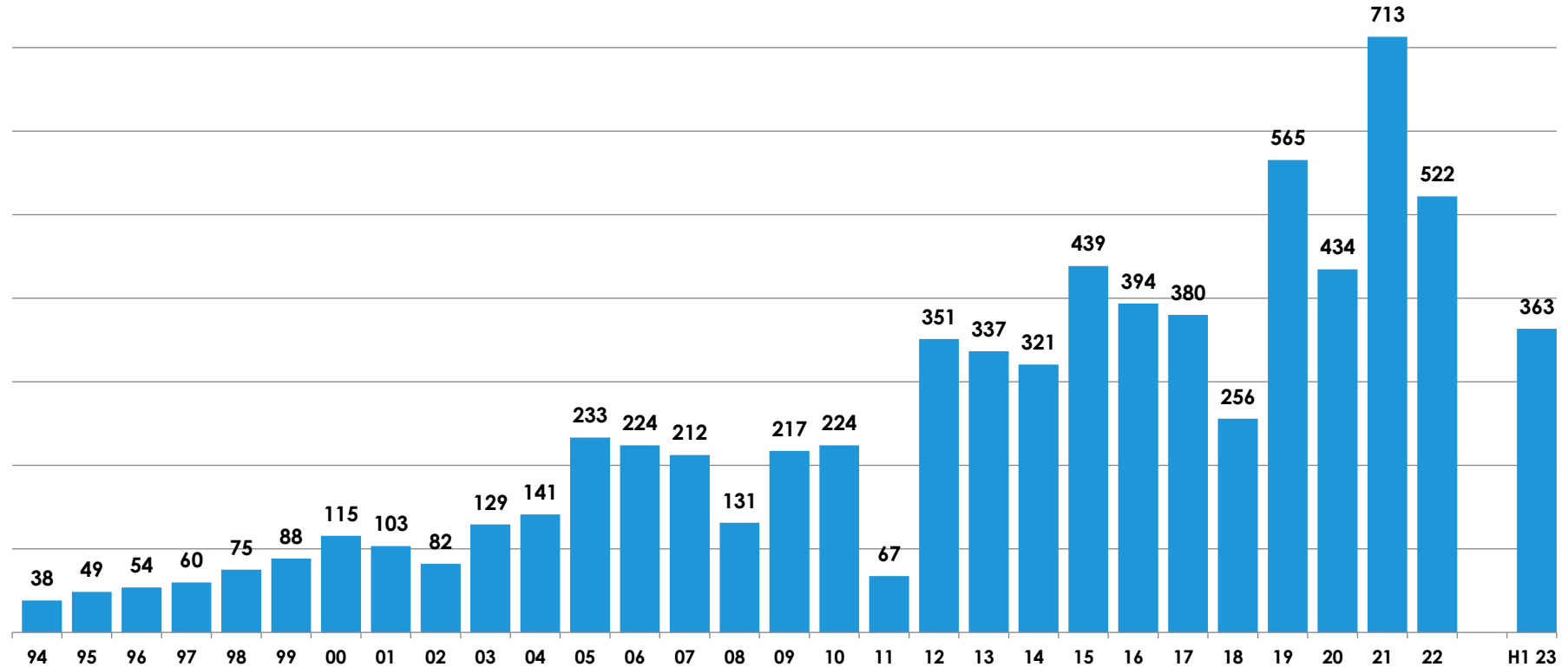
Total HH Assets: € 5.14 trillion



Asset gatherers growing mainly thanks to:

- Demand for **specialised advice**
- **Products & services tailored** on customer needs
- Better **product performance**
- **Recruiting** of traditional bank professionals

(\* ) Includes deposits, administered & managed assets. Does not include real estate, shares of unlisted companies, TFR (end-of-service pay) & cash, as these assets are a non-addressable market for financial institutions. Total wealth of Italian households – all items included - is equal to € 5.14 trn in 2022.



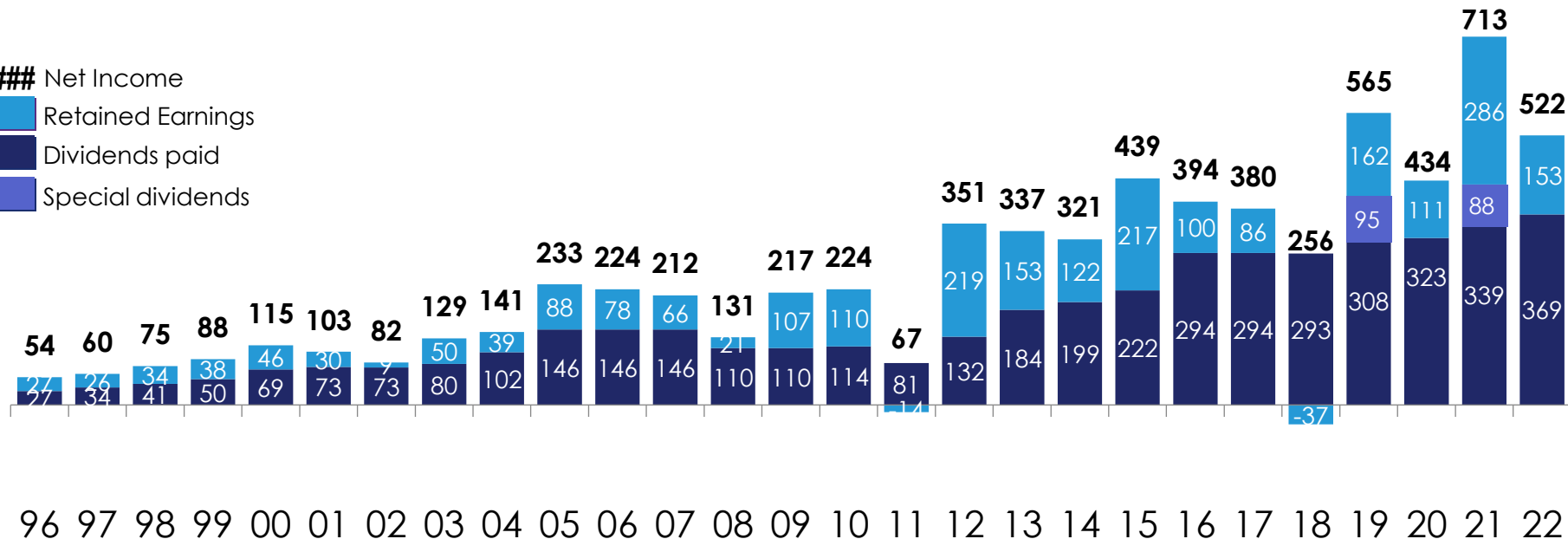
2008 & 2010: adjusted net income excluding effects of 'Lehman Brothers' operation

### Net Income

Retained Earnings

Dividends paid

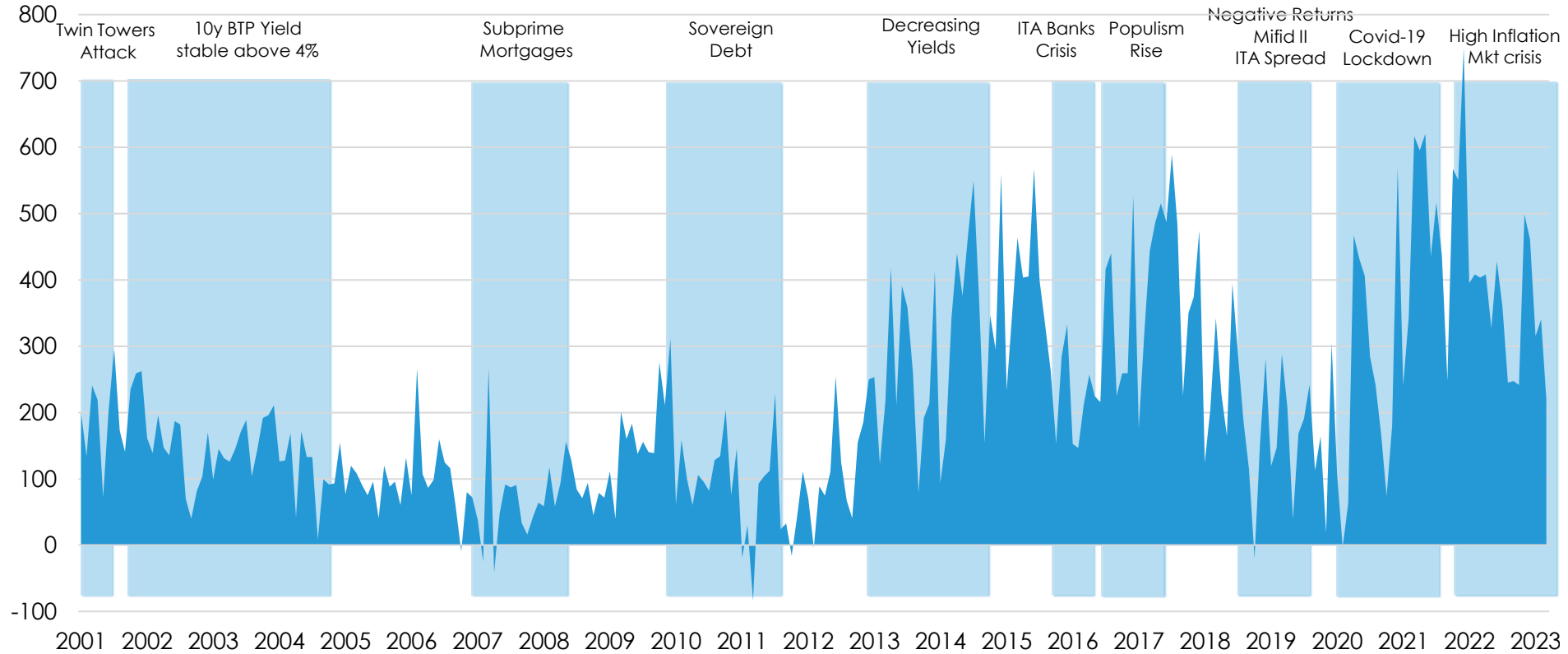
Special dividends



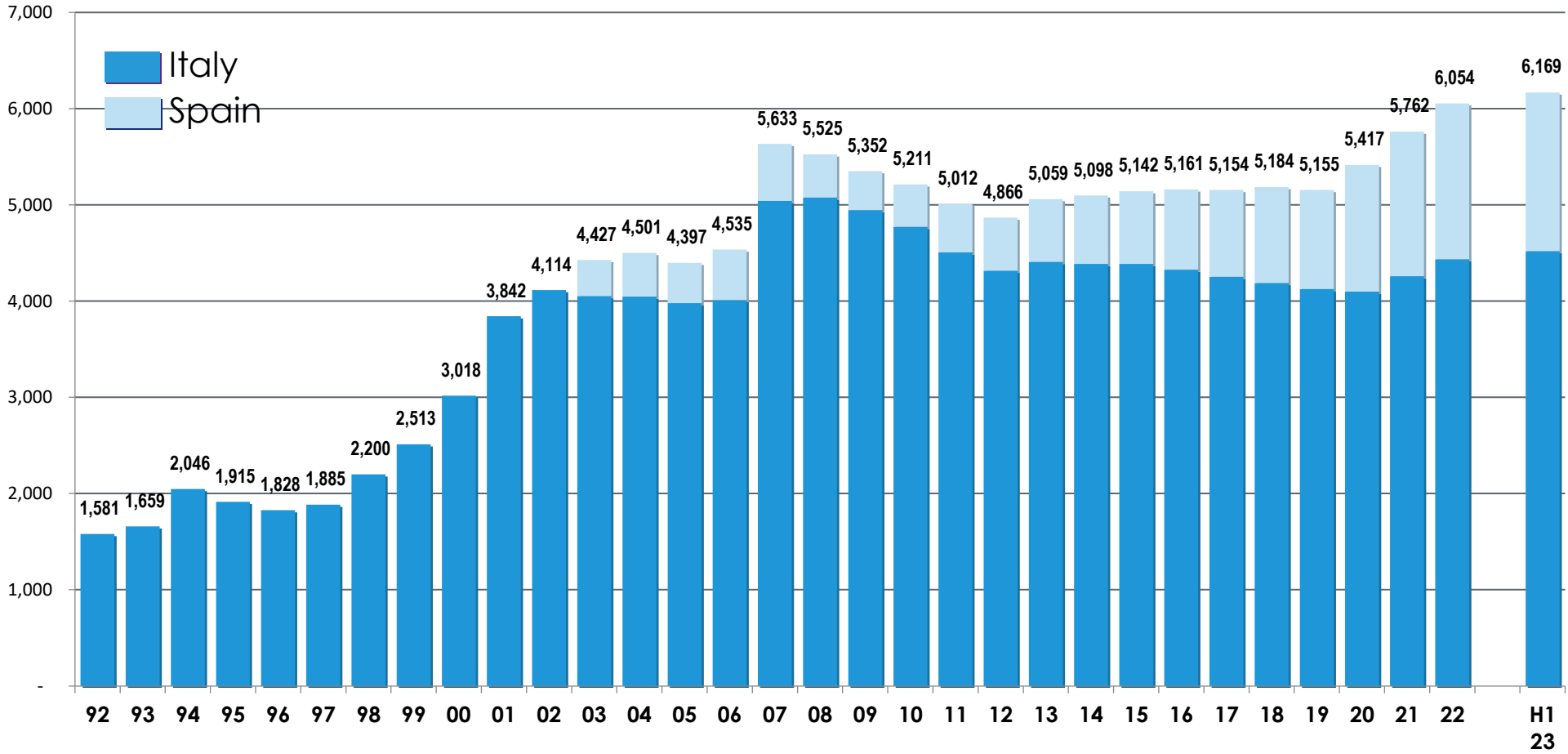
DPS (€ cents)

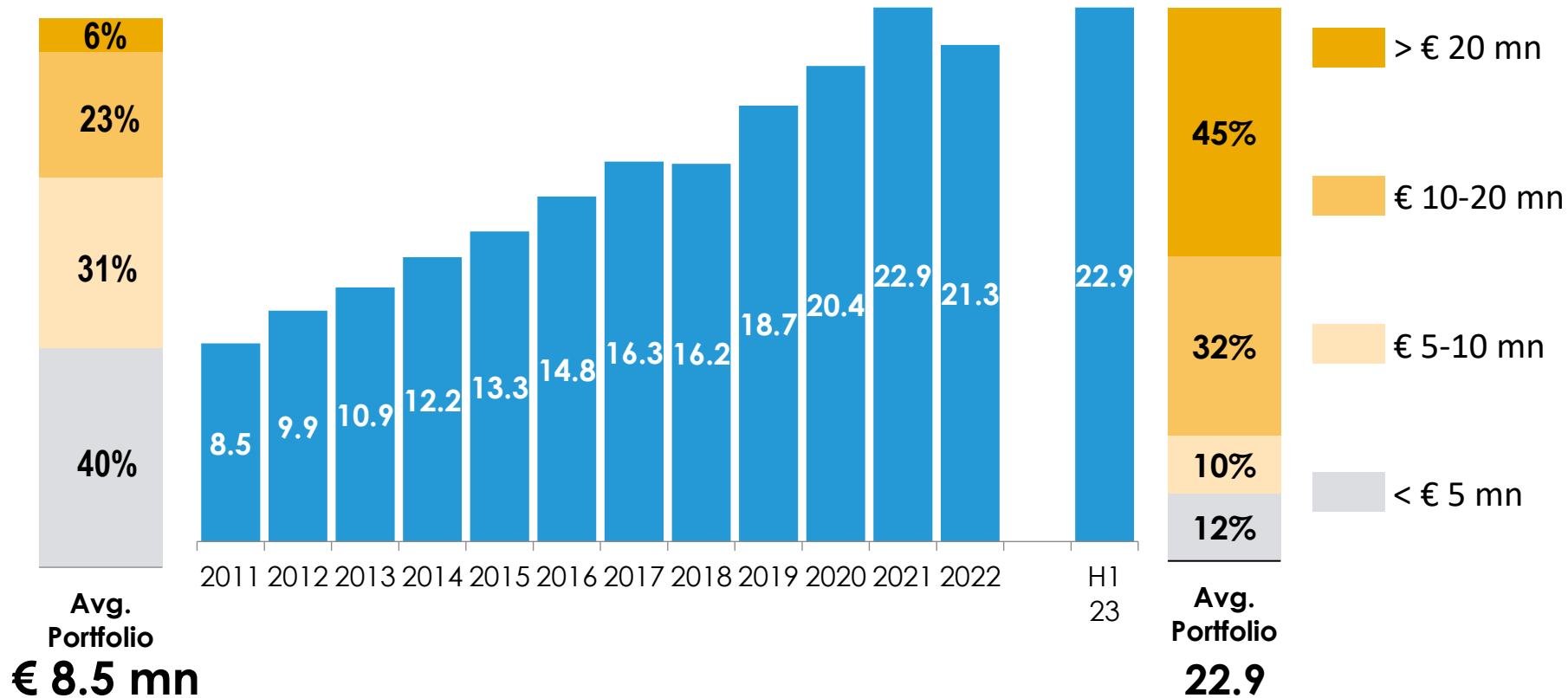


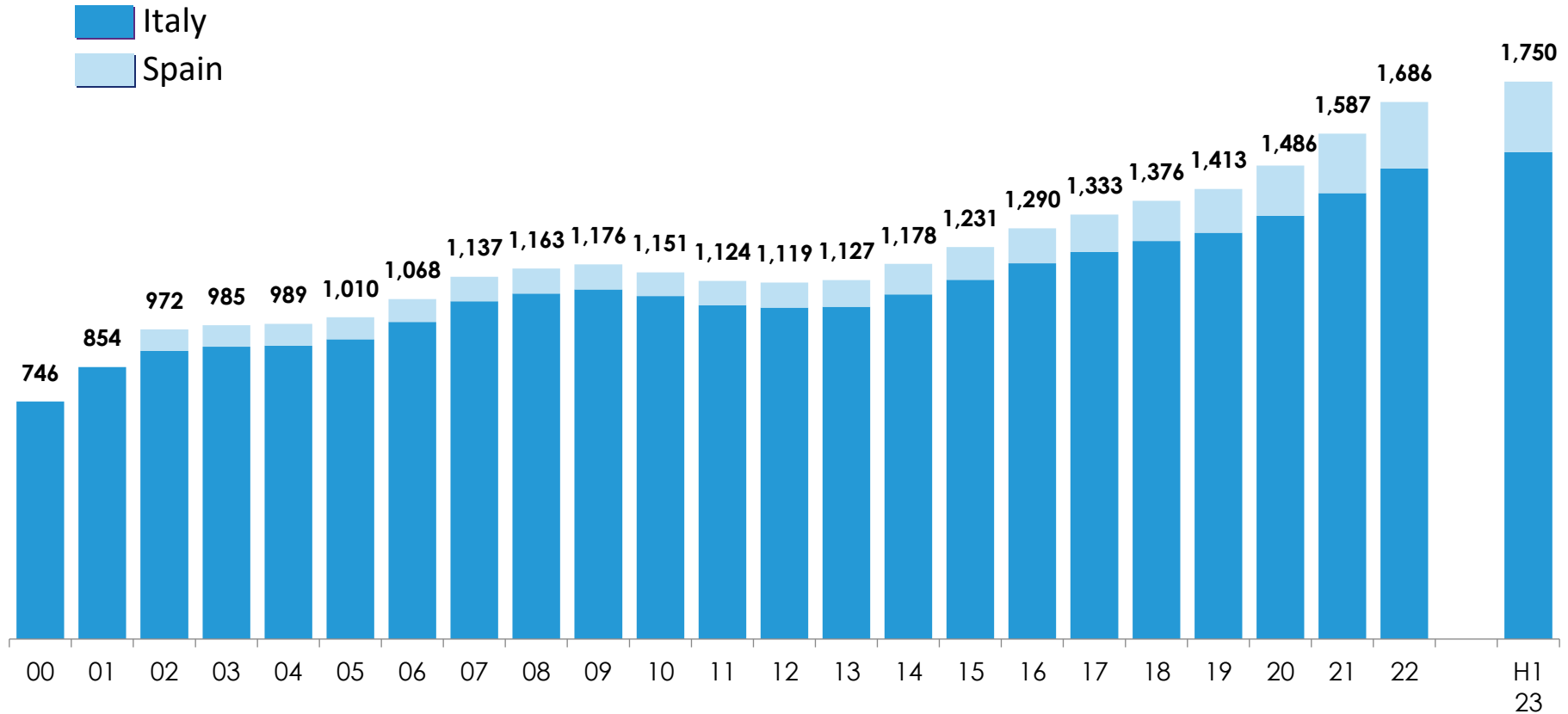
2019 dividend balance &amp; 2020 dividend paid in Oct. 2021 due to Covid-19 ECB ban



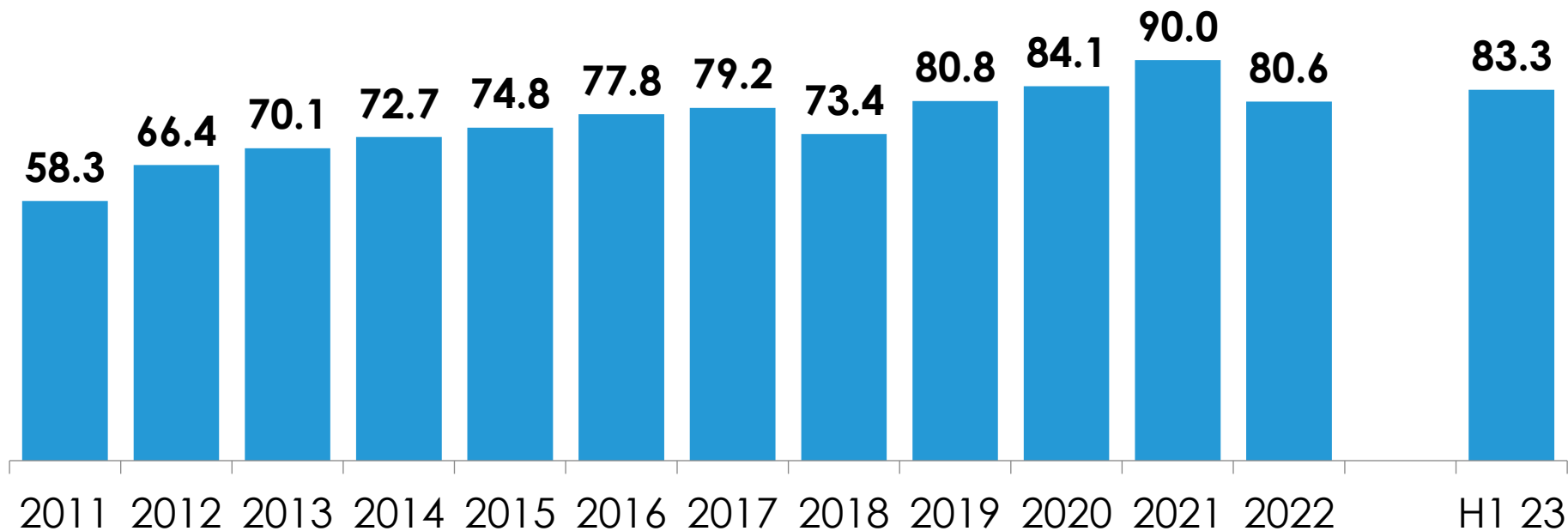


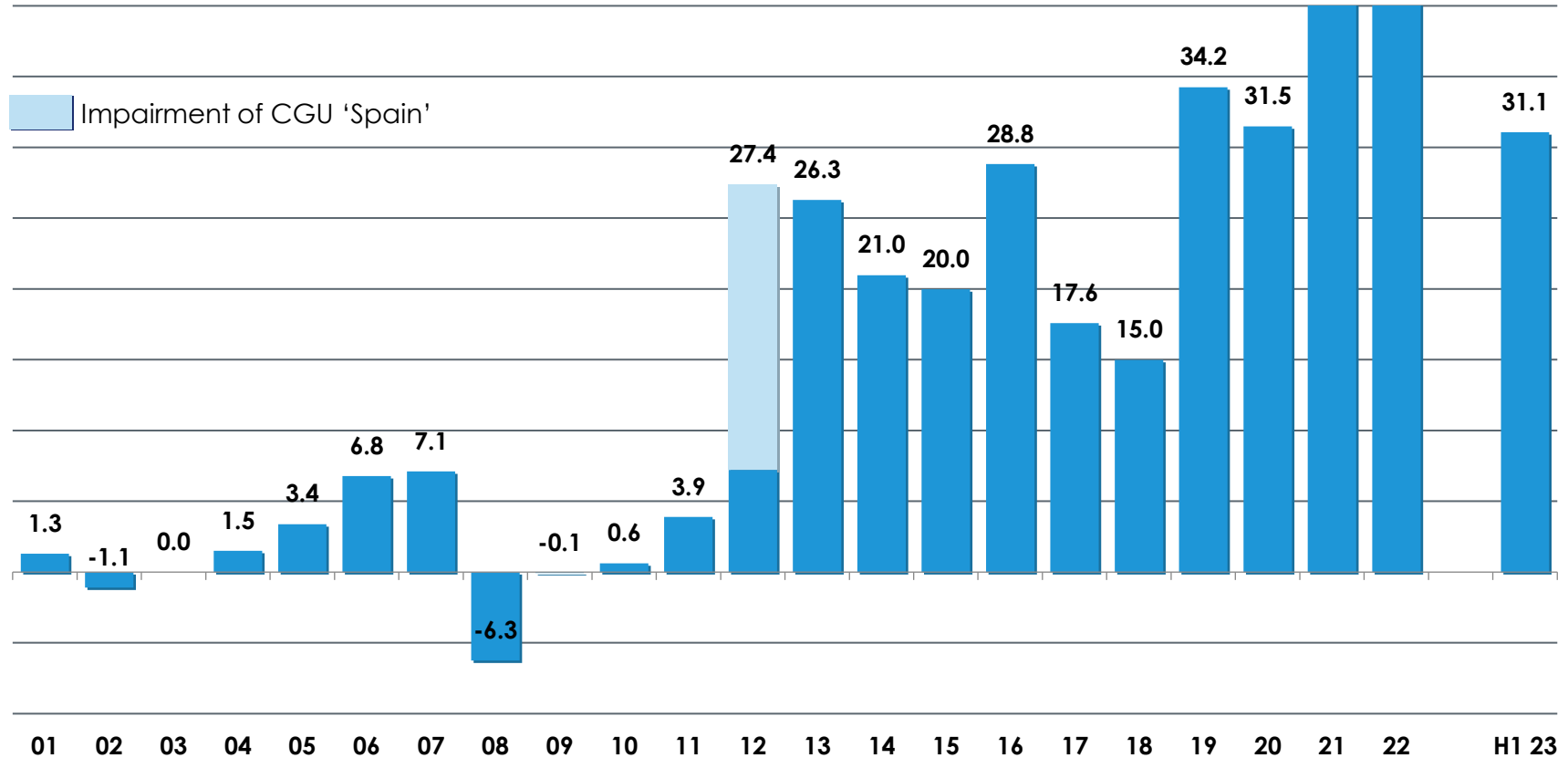






Primary Bank Account Holders

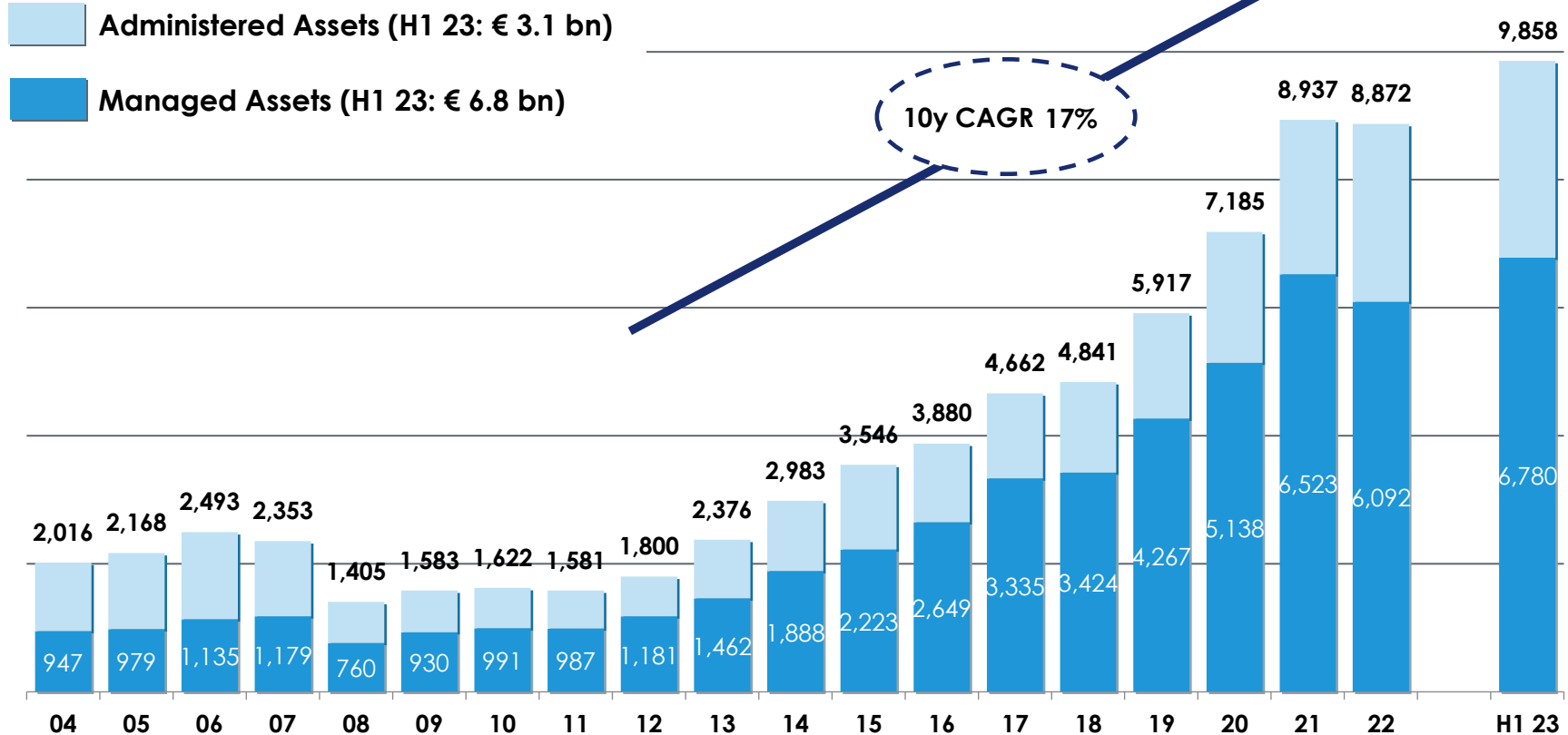




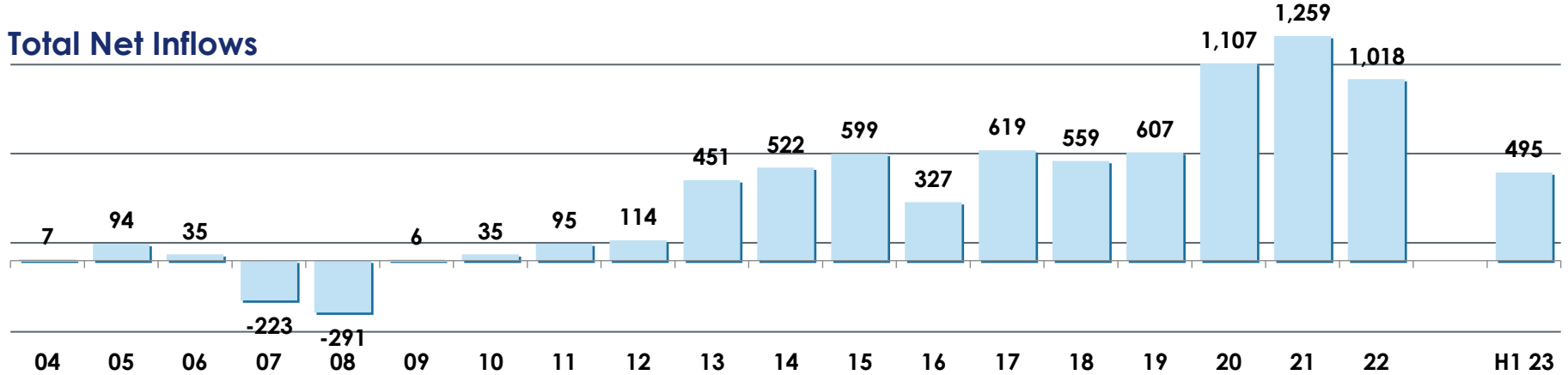
# 62 Spain - Assets under Administration

€ mn

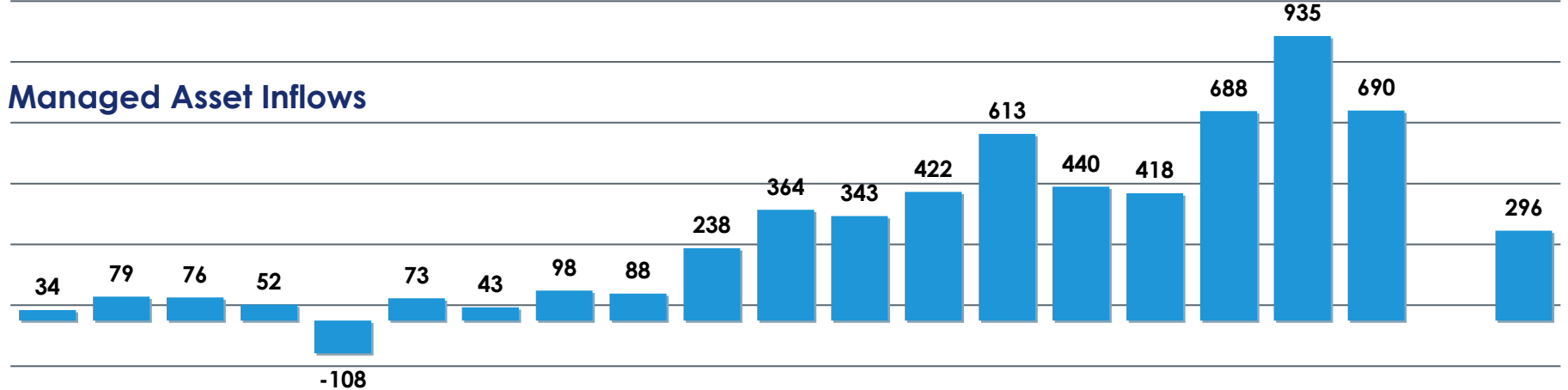
Mediolanum

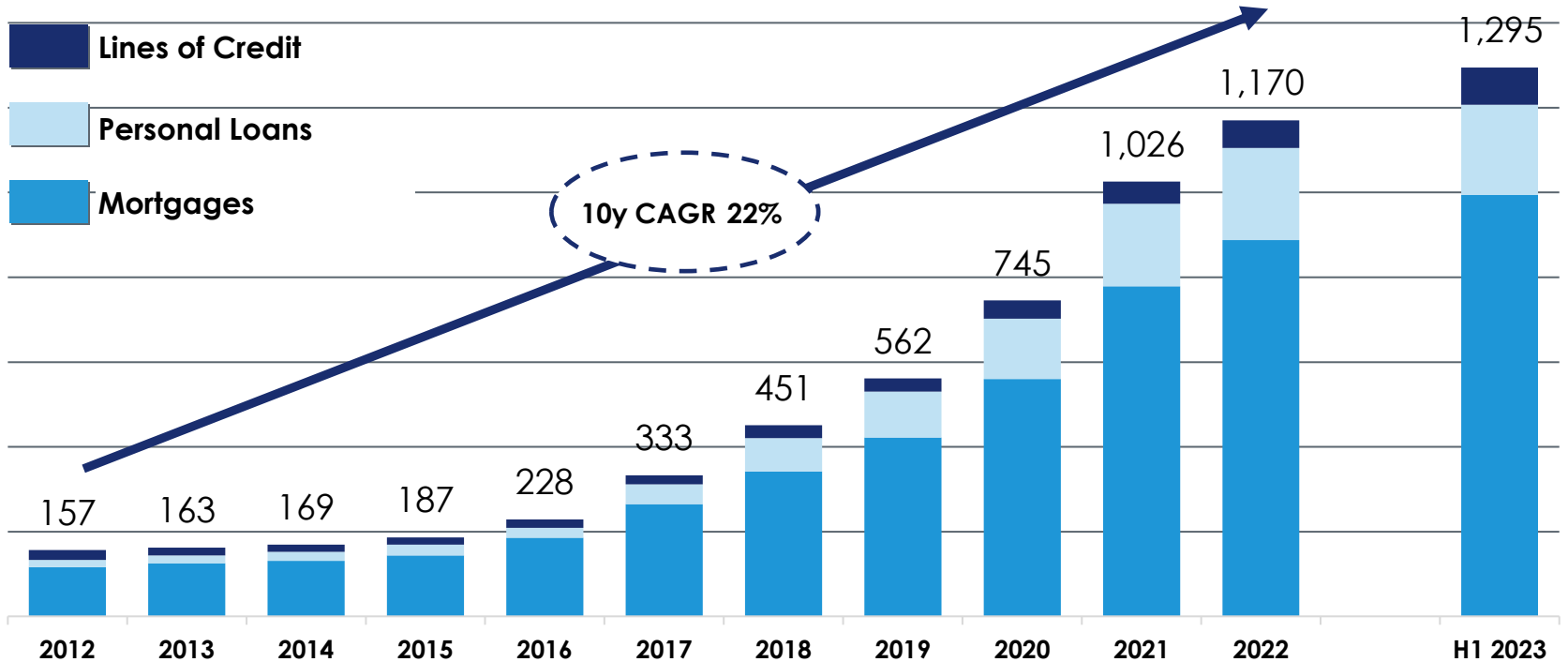


### Total Net Inflows



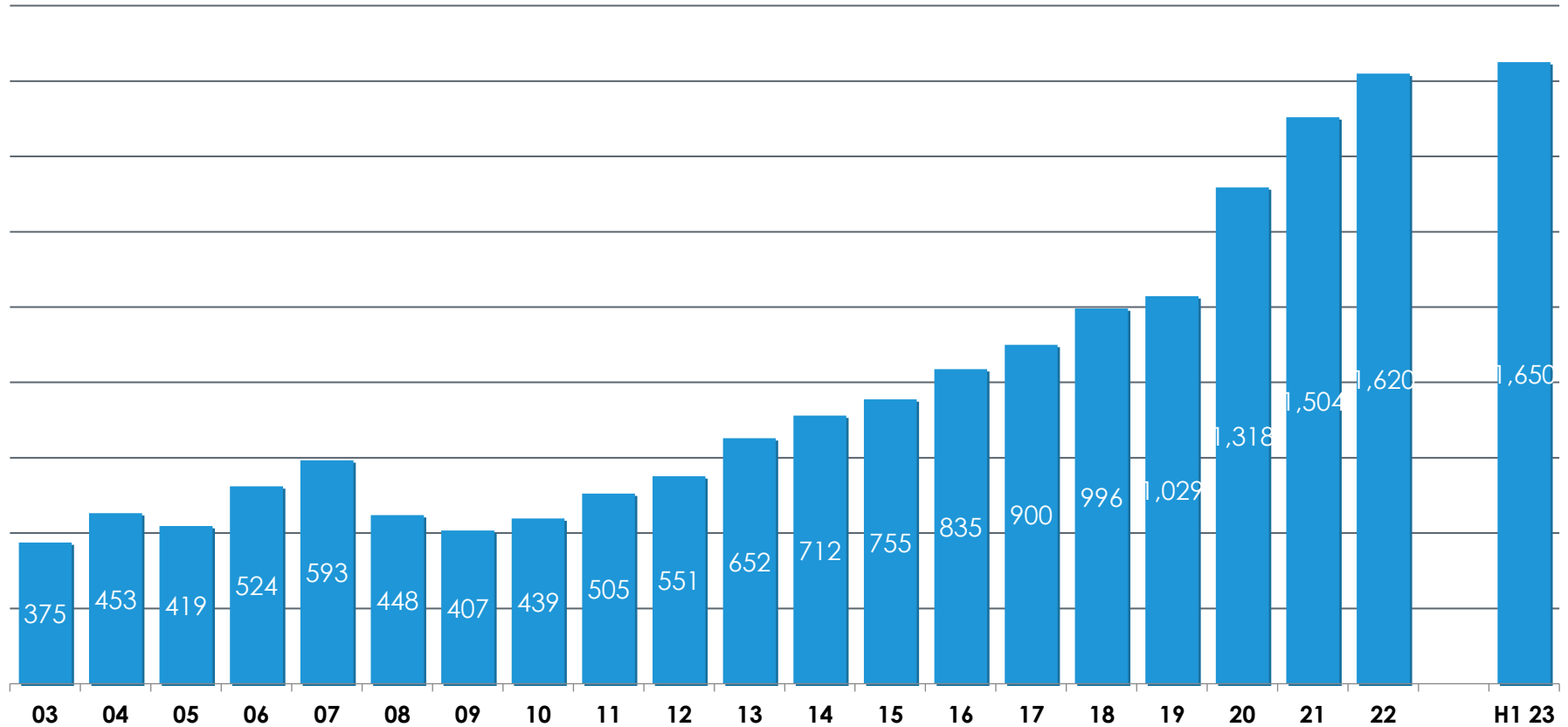
### Managed Asset Inflows







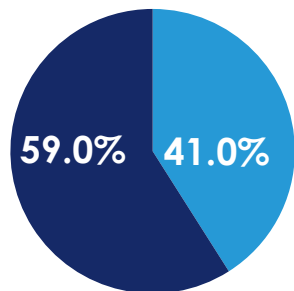
# 65 Spain – Family Banker Network



## Banking Book: € 17.2 bn (nom. values)

## Rate Type

- Fixed
- Floating

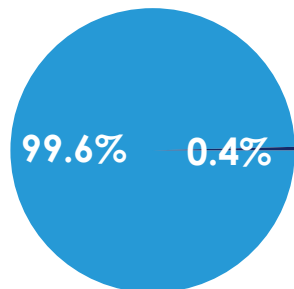


€ 10 bn of floaters directly linked to EUR6M and benefiting from rate increase

Sector	%
Government	99.7%
Financial	0.3%
Govies	%
Italy	84.8%
Spain	11.0%
Other EU Countries	4.2%

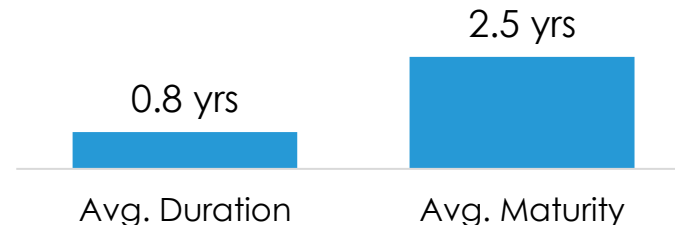
## Portfolio

- HTC
- HTCS



No sensitivity to ITA spread as the entire book is measured at amortised cost

## Portfolio



Prudent & very flexible approach thanks to short duration & very low risk appetite

### 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** (5D Strategy)
- **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**

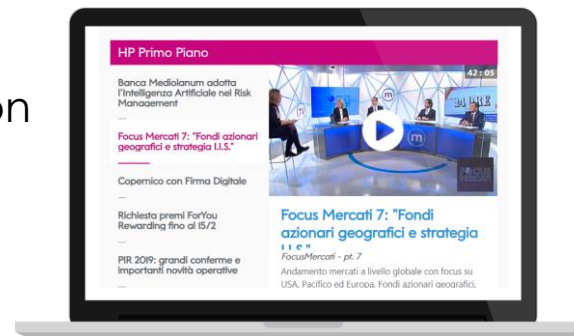
- Inaugurated March 2009
- Centralises our training know-how, in coordination with top universities, professors and individuals who are experts in the field
- Provides our Family Bankers & employees with a resource for life-long education
- Develops financial education programs dedicated to our customers & 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 & 2022**

- **7 nation-wide in-person events**, streamed live to over **500,000 viewers** in 2022
- Over **2,000 digital/in-person events** organised by Family Bankers: over **110,000 attendees**

## Results are measurable:

- Net inflows into managed assets of invited customers in the 3 months post-events
- Expenses are reimbursed to Family Bankers only if set commercial target is met
- Average commercial value of media coverage is also regularly tracked



INTESA  SANPAOLO 63%

 UniCredit 49%

 **mediolanum** <sup>BANCA</sup> 48%

Banco**Posta** 27%

 **MONTE  
DEI PASCHI  
DI SIENA**  
BANCA DAL 1472 24%

ING  DIRECT 24%

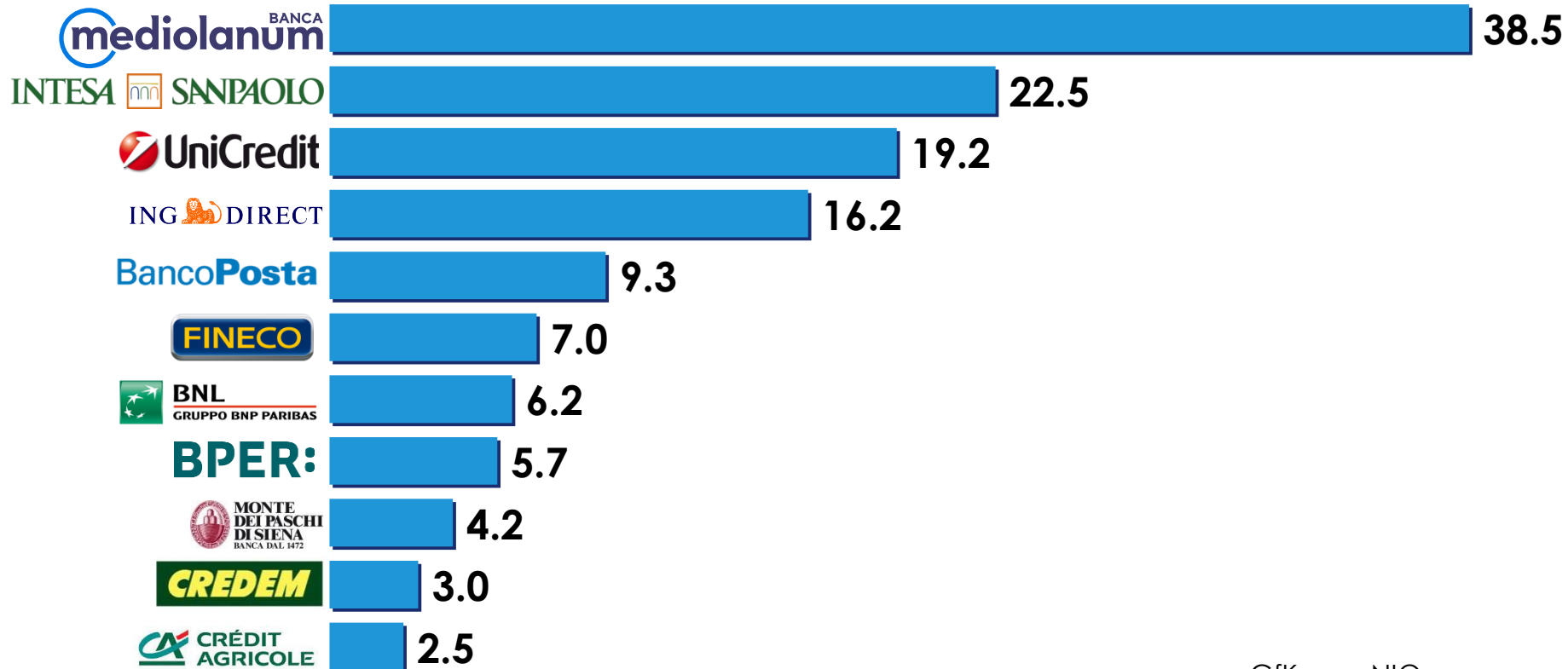
 **BNL**  
GRUPPO BNP PARIBAS 23%

**BPER:** 20%  
Banca

 **BCC**  
CREDITO COOPERATIVO 15%

 **FINECO** 12%

Spontaneous recall of advertisement – Italian banks – H1 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**
- **Credit, managed assets & general insurance products** available
- Able to be managed on a 'do-it-yourself' basis, **'à la carte'**
- **Over 100,000 Selfy customers** as at June 30, 2023
- **Cross-selling activity growing** according to expectations

**MEDIOLANUM È COME VUOI TU**

Massimo Doris  
Amministratore Delegato  
Banca Mediolanum

**Fai tutto in completa autonomia  
Apri SelfyConto**

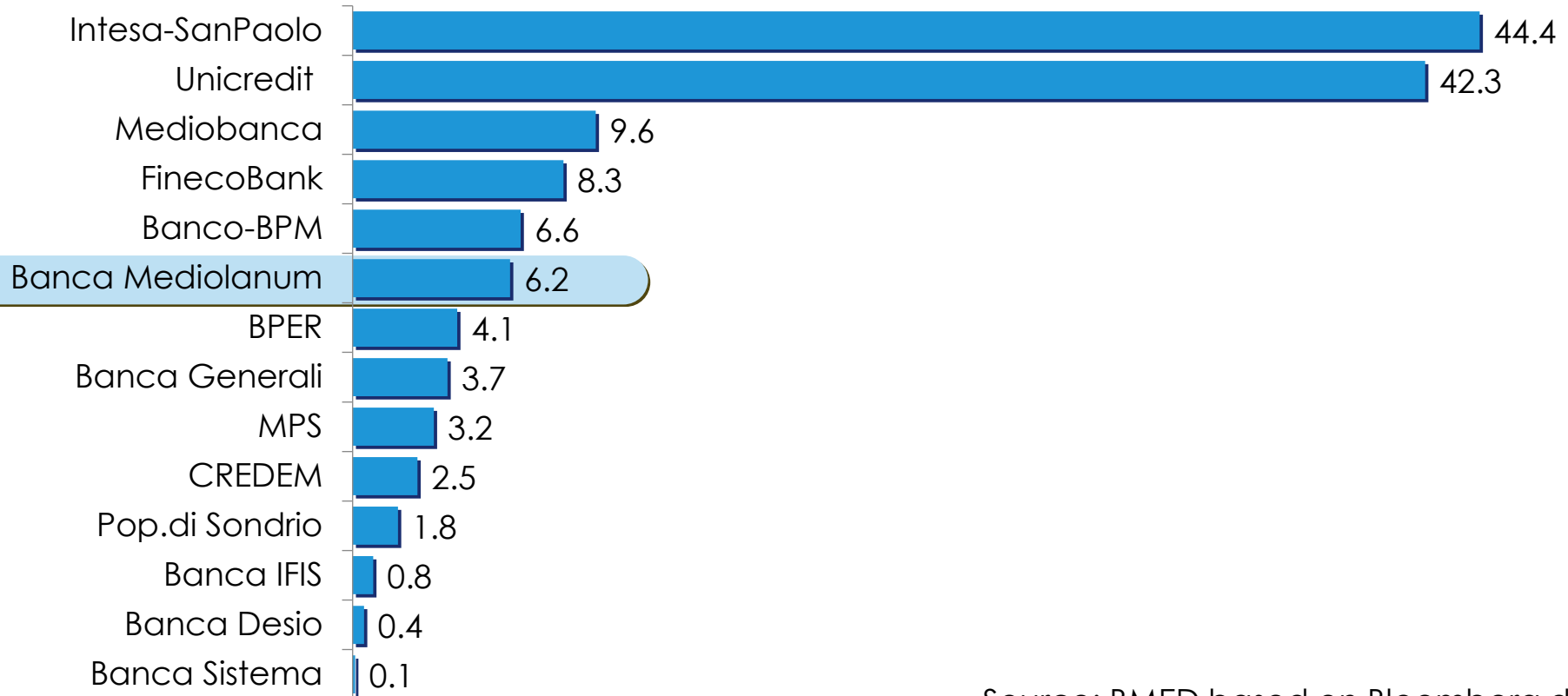
**Affidati a un esperto  
Contatta un Family Banker**

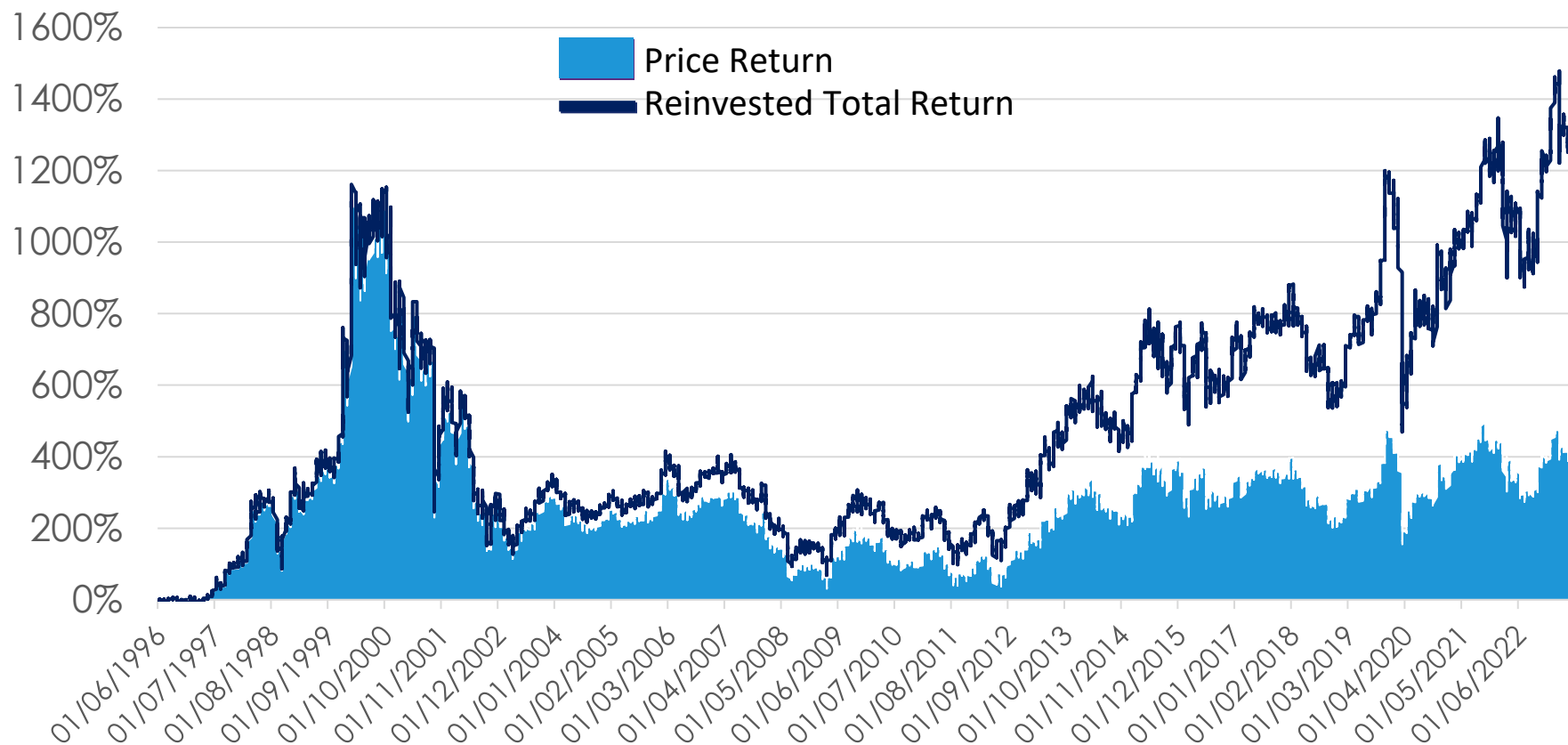
**UN'OFFERTA COMPLETA DI PRODOTTI E SERVIZI**

- Principali Operazioni Bancarie gratuite
- Prelievi gratuiti in Area Euro
- Canone zero fino a 30 anni di età
- Prestiti
- Canone zero il primo anno
- Carta di debito gratuita
- Pagamenti digitali istantanei
- Trading
- Un consulente a tua disposizione
- Una pianificazione finanziaria a 360°
- Un Banking Center per supportarti nell'operatività

**selfy**

**mediolanum** BANCA





\* Total Return Index includes dividend reinvestments, June 3, 1996 – Jun. 30, 2023

Source: Datastream



# Appendix - Transition to IFRS 17

## Very limited impact across the board

### Capital management

- **Solvency & Capital adequacy** of the Group **not impacted**
- **Dividends not impacted**
- **Return on Equity not impacted**

### Balance sheet

- **Shareholders' equity stable** at transition
- **H1 Contractual Service Margin: € 2 bn**

### Income statement

- No impact on **earnings quality & growth trajectory**
- Minor impact on some P&L line items (see Appendix slides)
- Less volatility than under IFRS 4: Net Insurance Result is mainly driven by CSM unwinding & less from new business
- **Operating margin & Net income differ negligibly** from pre-IFRS 17 figures

### Asset Management & Insurance Profitability

- **Total earnings over lifetime of impacted insurance products remain the same**, they are just **recognized in a different way & timing**
- Management fees down at transition **merely because a part are now deferred to CSM & gradually unwound through the P&L** in the Net Insurance Result line item.
- As a result, **avg. recurring fees** are lower but **overall AUM profitability is not affected**
- **No change in business strategy** (products we offer) nor in **operations** (how we run the business)

# 78 2022 P&L Restatement & Main Impacts



Tra

	Q1 2022 restated	Q1 2022 reported	Q2 2022 restated	Q2 2022 reported
Entry fees	13.5	13.5	10.6	10.6
Management fees	260.5	322.6	253.9	314.5
Investment Management fees	49.3	49.3	48.3	48.3
Net insurance result	36.8	14.9	46.7	20.6
Banking service fees	48.9	48.9	35.3	35.3
Other fees	11.1	11.0	10.5	10.6
<b>Gross Commission Income</b>	<b>420.2</b>	<b>460.2</b>	<b>405.4</b>	<b>440.0</b>
Acquisition costs	(144.1)	(172.6)	(135.0)	(166.9)
Other commission expenses	(26.1)	(26.1)	(21.7)	(21.7)
<b>Net Commission Income</b>	<b>250.0</b>	<b>261.6</b>	<b>248.7</b>	<b>251.4</b>
Net interest income	71.9	70.4	95.6	93.4
Net income on other investments	(0.8)	(0.2)	(0.8)	(0.5)
LLP (Impairment on loans)	(3.2)	(3.2)	(4.6)	(4.6)
Other revenues & expenses	(0.7)	2.0	0.9	3.0
<b>Contribution Margin</b>	<b>317.3</b>	<b>330.6</b>	<b>339.8</b>	<b>342.5</b>
G&A expenses	(145.2)	(154.6)	(152.5)	(165.5)
Regular Contributions to Banking Industry	(8.1)	(8.1)	(2.2)	(2.2)
Depreciation & Amortization	(10.2)	(10.2)	(10.1)	(10.1)
Provisions for risk & charges	(14.2)	(15.6)	0.2	0.6
<b>Operating Margin</b>	<b>139.5</b>	<b>142.0</b>	<b>175.2</b>	<b>165.4</b>
Market effects	2.2	2.0	(11.7)	(11.2)
- o/w Performance fees	5.9	5.9	0.7	0.7
- o/w Net income on investments at fair value	(3.8)	(4.0)	(12.3)	(11.9)
Extraordinary items	(0.4)	(0.4)	0	0.0
<b>PROFIT BEFORE TAX</b>	<b>141.3</b>	<b>143.6</b>	<b>163.6</b>	<b>154.3</b>
Income tax	(28.9)	(29.3)	(34.8)	(30.7)
<b>NET INCOME</b>	<b>112.4</b>	<b>114.3</b>	<b>128.7</b>	<b>123.6</b>

## Management fees

**Stand-alone mutual funds & financial insurance policies** (i.e. My lffe): management fees unimpacted

**Other U-L policies:** 40% of mgmt. fees unimpacted. Fee rebate to the insurance company from underlying mutual funds (60%) & wrap fees are now deferred to CSM and unwound over time through Net insurance result line item

## Net insurance result

Now includes CSM unwinding + Experience adjustments (change in expected vs. actual cash flows) + some Life insurance loadings (only on policies out of scope)

## Acquisition

**Network payout** related to in-scope products now deferred to CSM & unwound over time through Net insurance result line item

## G&A

**Insurance operating expenses** related to in-scope products now deferred to CSM & unwound over time through Net insurance result line item

**Mechanical improvement of cost/income ratio**

## Only 28 % of AUM impacted by IFRS 17

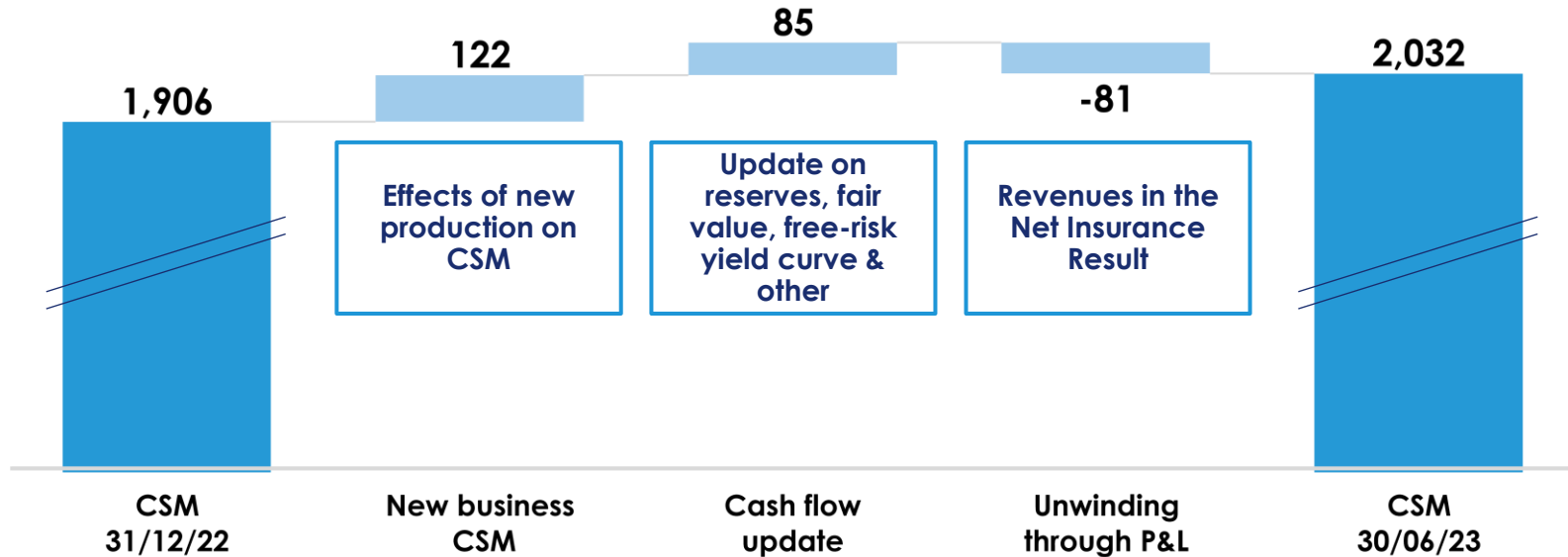
Insurance products considered financial investment are excluded (i.e. 'My Life')

		30/06/2023
<b>Group Asset under Management<sup>1</sup></b>		<b>76,589</b>
<b>Mutual Funds &amp; Managed Accounts</b>	No impact	41,260
<b>Unit-Linked Policies</b>	o/w No impact (Financial)	14,259
	o/w Variable Fee Approach	18,960
<b>Other Life Insurance Products</b>	o/w Variable Fee Approach	1,978
	o/w General Measurement Model	131
<b>Other Technical Reserves (not included in AUM)</b>	<b>General Measurement Model</b>	<b>195</b>

1. Certificates not included

CSM is the new key metric showing size and stability of revenues ready to be recognised in future years

Greater visibility on future earnings from insurance business





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

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

The senior manager in charge of drawing up Company Accounts

Angelo Lietti

Figures contained in this document are rounded for presentation purposes.

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