

PRESS RELEASE

THE MEDIOLANUM BANKING GROUP

First Nine Months 2022 Results

OPERATING MARGIN INCREASES 25%. NET INCOME AT THE SAME LEVEL AS 2021

- **NET INCOME FIRST NINE MONTHS: € 371.5 MILLION**
- **ASSETS UNDER ADMINISTRATION: € 99.9 BILLION**
- **CREDIT BOOK: € 15.9 BILLION**
- **COMMON EQUITY TIER 1 RATIO: 20.7%**
- **2022 INTERIM DIVIDEND: € 0.24 PER SHARE**
- **OCTOBER TOTAL NET INFLOWS: € 724 MILLION**

The Board of Directors of Banca Mediolanum S.p.A. met today and approved the Consolidated Interim Financial Statements as at September 30, 2022, as well as the Interim Accounts for Banca Mediolanum S.p.A. as at the same date. Based on the latter, the Board resolved to distribute an interim dividend of €0.24 per share before any withholding tax. The dividend will be payable November 23, 2022 (ex-dividend date November 21, 2022, coupon No. 13; record date November 22). Under art. IA 2.1.2 of the Stock Market Regulations, this is a normal dividend.

Massimo Doris, CEO of Banca Mediolanum comments: "In the first nine months of 2022, in a particularly complex scenario, our business model proved to be extremely solid, with a robust commercial performance, the driving force behind our growth, and a high net interest income. In particular, the resilience of inflows into managed assets was due to professionalism of our Family Bankers, now exceeding 6,000, who through their advice have educated their customers over time to look beyond market drops, and to the effectiveness of our automatic investment services strategy. The operating margin for the first nine months increased by 25%, and although the contribution of market effects is absent this year, the Group's net income is in line with last year's bottom line. The achievement of these results was also made possible by the great work of Banco Mediolanum, our subsidiary in Spain which reported a net income up by 17%".

FINANCIAL RESULTS AS AT SEPTEMBER 30, 2022

- **Net profit** stood at **€ 371.5 million**, in line with the € 375.8 million in the same period in 2021, but in a far more complex and uncertain environment.
- **Net Commissions** totaled **€ 762.3 million**, an increase of **6%** year-on-year, demonstrating the resilience of the recurring business during highly volatile markets and also to the solid contribution of managed assets inflows.
- The **Net Interest Income** came to **€ 253 million**, up **28%**, sustained by the retail credit book and to treasury management, both of which are for the most part correlated to interest rates.
- The **Contribution Margin**, therefore, saw a **12% increase to € 1.01 billion** and, thanks to cost control and the positive impact of interest rates on provisions, the **Operating Margin** reached **€ 474.6 million**, an increase of **25%** compared to the same period last year.

- **Total Assets under Administration** totaled **€ 99.9 billion**, a decrease of **4%** compared to September 30, 2021 and **8%** with respect to December 31, 2021, influenced by the drop in financial markets over the course of the year that, which had a stronger impact than the excellent net inflows.
- The **Credit Book** of the Group grew to **€ 15.88 billion**, a growth of **15%** with respect to September 30, 2021 and **10%** with respect to December 31, 2021.
The ratio of **net NPEs** on the total loans of the Group remains extremely low and is equal to **0.71%**.
- The **Common Equity Tier 1** ratio as at September 30, 2022 confirms the **capital strength of Banca Mediolanum**, coming out at **20.7%**, confirming the strong capital position of the Group.

BUSINESS RESULTS AS AT SEPTEMBER 30, 2022

The **business results** amounted to **€ 8.63 billion**, a decrease of **8%** with respect to the **€ 9.40 billion** of the same period last year.

In particular:

- **Total Net Inflows** were positive at **€ 5.62 billion**, **13%** less compared to the first nine months in 2021, while **Managed Assets Net Inflows** reached **€ 4.23 billion**, a drop of **9%** with respect to the same period last year.
- **Loans Granted** during the period amounted to **€ 2.88 billion**, in line with last year.
- Moreover, **Gross Premiums** of the **General Insurance** policies reached **€ 133 million**, an increase of **12%** with respect to the same period in 2021.
- The number of **Family Bankers** as of September 30, 2022 stood at **6,018**, up **4%**, while the total number of **Bank Customers** stood at **1,662,000**, an increase of **5%** with respect to December 31, 2021.

Finally, the Bank announces business results for the month of **October 2022**:

€ mn	Oct. 2022	YTD 2022	YTD 2021
TOTAL BUSINESS RESULTS OF THE GROUP	1,060	9,694	10,742
- Total Net Inflows	724	6,347	7,427
Net Inflows into Managed Assets	352	4,584	5,229
<i>o/w Mutual Funds, U-L & Managed Accounts</i>	265	3,847	5,316
Net Inflows into Administered Assets	372	1,763	2,199
- Total Loans Granted	320	3,198	3,180
- General Insurance Premiums	16	149	134

Preliminary data subject to change

In an effort to provide more complete disclosure about the results as at September 30, 2022, we have attached the segment report detailing income statement data, reclassified to reflect the criteria used by the Mediolanum Group. This reclassified segment report is not subject to audit by the Independent Auditors.

Please take note that the new legislative decree February 15, 2016 n. 25, which implements the most recent European Transparency Directive, has eliminated the obligation to publish quarterly results.

Consolidated Interim Financial Statements as at September 30, 2022 are to be considered voluntary reporting drawn up by Banca Mediolanum SpA in line with those previously provided, and will be available according to the terms set by law at the company's Registered Office in Basiglio, on the Spafid Connect S.p.A. storage service www.emarketstorage.com, and on the website www.bancamediolanum.it in the Investor Relations section within 5 days of board approval.

The Officer responsible for preparing Banca Mediolanum S.p.A accounting documents, Angelo Lietti, declares that, in compliance with the requirements of the second paragraph of section 154 bis of the Consolidated Finance Act, the financial information contained herein corresponds to the accounting entries, records and books.

Attachments:

- Balance Sheet as at September 30, 2022
- Reclassified Income Statement as at September 30, 2022
- Segment Report as at September 30, 2022

Basiglio - Milano 3 City, November 9, 2022

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STATEMENT OF FINANCIAL POSITION

Assets

€/000	September 30, 2022	December 31, 2021
10. Cash and cash equivalents	2,545,851	519,025
20. Financial assets at FVPL	31,114,501	33,450,324
a) held for trading	1,156,128	244,300
b) designated at fair value	29,765,986	33,024,615
c) mandatorily measured at fair value	192,387	181,409
30. Financial assets measured at fair value through other comprehensive income	879,473	1,432,635
40. Financ. Assets measured at amortised cost	36,974,662	36,308,486
a) due from banks	1,048,597	4,890,861
b) loans to customers	35,926,065	31,417,625
50. Hedging derivatives	645	63
80. Technical insurance reserves reassured with third parties	73,612	70,136
90. Property and equipment	252,536	249,095
100. Intangible assets	207,538	210,912
of which:		
- goodwill	132,925	132,925
110. Tax assets	498,039	546,710
a) current	412,262	452,167
b) deferred	85,777	94,543
120. Non-current assets held for sale and discontinued operations	187	208
130. Other assets	811,902	734,776
TOTAL ASSETS	73,358,946	73,522,370

Liabilities and Shareholders' Equity

€/000	September 30, 2022	December 31, 2021
10. Financial liabilities measured at amortised cost	36,695,246	33,509,845
a) due to banks	1,263,207	1,091,777
b) due to customers	35,432,039	32,418,068
20. Financial liabilities held for trading	410,694	60,818
30. Financial liabilities designated at fair value	12,498,264	13,568,459
40. Hedging derivatives	3,221	19,936
60. Tax liabilities	104,607	164,165
a) current	81,686	133,605
b) deferred	22,921	30,560
80. Other liabilities	737,044	1,003,286
90. Employee termination indemnities	10,785	13,259
100. Allowances for risks and charges	315,819	336,975
a) commitments and guarantees given	335	395
b) post-employment benefits	466	545
c) other allowances for risks and charges	315,018	336,035
110. Technical reserves	19,654,828	21,962,812
120. Valuation reserves	(68,696)	14,612
150. Reserves	2,053,004	1,758,439
155. Interim dividends	-	(169,381)
160. Share premium reserve	5,282	4,364
170. Share capital	600,451	600,370
180. Treasury shares (-)	(33,146)	(38,644)
200. Net Profit (Loss) for the period (+/-)	371,543	713,055
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	73,358,946	73,522,370

Reclassified Income Statement

€/000	September 30, 2022	September 30, 2021
Entry fees	32,798	41,087
Management fees	957,302	928,488
Investment Management fees	147,445	142,153
Net insurance revenues (excluding commissions)	52,125	49,600
Banking services fees	113,335	102,704
Other fees	33,042	33,116
Total commission income	1,336,047	1,297,148
Acquisition costs and sales network commission expenses	(499,628)	(502,647)
Other commission expenses	(74,127)	(75,704)
Total commission expenses	(573,755)	(578,352)
Net commission income	762,292	718,796
Net interest income	253,009	197,225
Net income (loss) on other investments	(241)	250
Impairment on loans	(11,108)	(17,645)
Other revenues & expenses	6,654	5,159
CONTRIBUTION MARGIN	1,010,606	903,785
Administrative expenses	(466,806)	(428,996)
Regular Contributions to Banking Industry	(25,253)	(22,726)
Amortisation & depreciation	(30,460)	(28,774)
Net provisions for risks	(13,461)	(44,256)
TOTAL COSTS	(535,980)	(524,752)
OPERATING MARGIN	474,626	379,033
Performance fees	7,485	33,403
Net income on investments at fair value	(8,133)	74,342
MARKET EFFECTS	(648)	107,745
Extraordinary Contributions to Banking Industry	(6,421)	(7,143)
EXTRAORDINARY ITEMS	(6,421)	(7,143)
PROFIT BEFORE TAX	467,557	479,635
Income tax	(96,014)	(103,803)
NET PROFIT (LOSS) FOR THE PERIOD	371,543	375,832

PROFIT & LOSS FIGURES DATA BY DIVISION AS AT SEPTEMBER 30, 2022



MEDIOLANUM GROUP	ITALY					FOREIGN		TOTAL
	BANKING	ASSET MANAGEMENT	INSURANCE	OTHER	TOTAL	SPAIN	GERMANY	
Euro thousands								
Entry fees	-	22,383	-	-	22,383	10,415	-	32,798
Management fees	-	436,906	440,961	-	877,867	73,562	5,873	957,302
Investment Management fees	-	79,494	56,053	-	135,547	11,011	887	147,445
Net insurance revenues (excluding commissions)	-	-	33,423	-	33,423	18,828	(126)	52,125
Banking services fees	107,073	-	-	-	107,073	6,204	58	113,335
Other fees	3,333	17,446	8,335	1,708	30,822	1,950	270	33,042
Total commission income	110,406	556,229	538,772	1,708	1,207,115	121,970	6,962	1,336,047
Acquisition costs and sales network commission expenses	(73,487)	(181,507)	(191,361)	(119)	(446,474)	(50,792)	(2,362)	(499,628)
Other commission expenses	(23,208)	(24,399)	(17,551)	-	(65,159)	(8,286)	(682)	(74,127)
Total commission expenses	(96,695)	(205,907)	(208,912)	(119)	(511,633)	(59,078)	(3,044)	(573,755)
Net commission income	13,711	350,322	329,860	1,589	695,482	62,892	3,918	762,292
Net interest income	237,480	(11,279)	5,983	-	232,184	20,825	-	253,009
Net income (loss) on other investments	(1,464)	139	836	216	(273)	32	-	(241)
Impairment on loans	(10,422)	-	-	-	(10,422)	(593)	(93)	(11,108)
Other revenues & expenses	(1,798)	(235)	2,053	3,492	3,512	2,951	191	6,654
CONTRIBUTION MARGIN I	237,506	338,947	338,732	5,298	920,483	86,107	4,016	1,010,606
Allocated Costs	(156,337)	(60,495)	(80,272)	(3,572)	(300,677)	(40,679)	(4,590)	(345,946)
Regular Contributions to Banking Industry	(24,302)	-	-	-	(24,302)	(915)	(36)	(25,253)
CONTRIBUTION MARGIN II	56,867	278,452	258,460	1,726	595,504	44,513	(610)	639,407
Unallocated Costs	-	-	-	-	(120,860)	-	-	(120,860)
Amortisation & depreciation	-	-	-	-	(25,836)	(4,517)	(107)	(30,460)
Net provisions for risks	-	-	-	-	(9,349)	(4,112)	-	(13,461)
OPERATING MARGIN	56,867	278,452	258,460	1,726	439,459	35,884	(717)	474,626
Performance fees	-	5,539	1,770	-	7,309	163	13	7,485
Net income on investments at fair value	(5,431)	(29)	(2,272)	-	(7,732)	(379)	(22)	(8,133)
MARKET EFFECTS	(5,431)	5,509	(501)	-	(423)	(216)	(9)	(648)
Extraordinary Contributions to Banking Industry	(6,421)	-	-	-	(6,421)	-	-	(6,421)
EXTRAORDINARY ITEMS	(6,421)	-	-	-	(6,421)	-	-	(6,421)
PROFIT BEFORE TAX	45,014	283,961	257,958	1,726	432,615	35,668	(726)	467,557
Income tax					(90,013)	(5,656)	(345)	(96,014)
NET PROFIT (LOSS)					342,602	30,012	(1,071)	371,543

PROFIT & LOSS FIGURES DATA BY DIVISION AS AT SEPTEMBER 30, 2021



MEDIOLANUM GROUP	ITALY					FOREIGN		TOTAL
	BANKING	ASSET MANAGEMENT	INSURANCE	OTHER	TOTAL	SPAIN	GERMANY	
Euro thousands								
Entry fees	-	29,232	-	-	29,232	11,855	-	41,087
Management fees	-	444,759	409,704	-	854,463	67,246	6,779	928,488
Investment Management fees	-	77,594	53,363	-	130,957	10,160	1,036	142,153
Net insurance revenues (excluding commissions)	-	-	34,999	-	34,999	14,523	78	49,600
Banking services fees	91,387	-	-	-	91,387	5,693	5,624	102,704
Other fees	3,750	18,217	7,823	1,390	31,180	1,619	317	33,116
Total commission income	95,137	569,803	505,888	1,390	1,172,218	111,096	13,834	1,297,148
Acquisition costs and sales network commission expenses	(66,787)	(187,171)	(198,650)	1,486	(451,122)	(48,697)	(2,828)	(502,647)
Other commission expenses	(22,060)	(23,646)	(16,058)	-	(61,763)	(8,843)	(5,098)	(75,704)
Total commission expenses	(88,847)	(210,817)	(214,708)	1,486	(512,886)	(57,540)	(7,926)	(578,352)
Net commission income	6,290	358,986	291,181	2,876	659,332	53,556	5,908	718,796
Net interest income	192,825	(9,735)	1,105	-	184,195	13,371	(341)	197,225
Net income (loss) on other investments	241	129	(1,088)	889	171	79	-	250
Impairment on loans	(17,293)	-	-	-	(17,293)	(445)	93	(17,645)
Other revenues & expenses	(2,758)	(527)	3,196	2,407	2,317	1,990	852	5,159
CONTRIBUTION MARGIN I	179,305	348,852	294,393	6,172	828,722	68,551	6,512	903,785
Allocated Costs	(138,087)	(53,169)	(73,224)	(3,188)	(267,668)	(33,468)	(9,336)	(310,472)
Regular Contributions to Banking Industry	(20,028)	-	-	-	(20,028)	(2,509)	(189)	(22,726)
CONTRIBUTION MARGIN II	21,190	295,684	221,169	2,983	541,026	32,574	(3,013)	570,587
Unallocated Costs	-	-	-	-	(118,523)	-	-	(118,523)
Amortisation & depreciation	-	-	-	-	(24,554)	(3,911)	(309)	(28,774)
Net provisions for risks	-	-	-	-	(43,441)	(815)	-	(44,256)
OPERATING MARGIN	21,190	295,684	221,169	2,983	354,507	27,848	(3,322)	379,033
Performance fees	-	15,931	14,675	-	30,606	2,177	620	33,403
Net income on investments at fair value	74,205	(121)	(537)	-	73,546	804	(8)	74,342
MARKET EFFECTS	74,205	15,809	14,138	-	104,152	2,981	612	107,745
Extraordinary Contributions to Banking Industry	(7,143)	-	-	-	(7,143)	-	-	(7,143)
EXTRAORDINARY ITEMS	(7,143)	-	-	-	(7,143)	-	-	(7,143)
PROFIT BEFORE TAX	88,251	311,493	235,307	2,983	451,516	30,829	(2,710)	479,635
Income tax					(97,997)	(5,100)	(706)	(103,803)
NET PROFIT (LOSS)					353,519	25,729	(3,416)	375,832