

Fixed Income Investor Presentation



Credit and ESG Update - April 2023

Banca Mediolanum
at a Glance

- The **holistic advisory**, combining traditional (Family Bankers) and technological channels (Multi-channel Distribution) is able to fulfill clients' financial needs at 360° (Banking, Insurance and Investing Products, all vertically integrated)
- The management team has a **proven track record** in delivering results, with a conduct that is prudent, long-term oriented and focused on organic growth
- **Business Results FY 2022:** Total Net Inflows € 8.30bn | Total AUA/AUM € 103.66bn | Loans Granted € 4.01bn | Credit Book € 16.44bn | General Insurance Gross Premium € 180mn
- **Economic and Financial Performance FY 2022 :** Net Commission Income € 1,027.8mn | Net Interest Income € 407.0mn | Contribution Margin: € 1,427.3mn | Operating Margin: € 680.3mn | Market Effects: € -0.9mn | Net Income: € 521.8mn

Balance Sheet
Overview

- The **balance sheet structure is solid and simple** (loan-to-deposit ratio at 61.4%), liquidity is above average (LCR at 299%) and the funding is mainly geared to customers deposits (NSFR at 179%)
- **Ever-growing deposit base:** € 25.7bn at FY 2022 (of which 68% are Stable Retail Deposits and 76% are covered by FITD (<€ 100k))
- **Credit Book amounting to € 16.44bn**, mainly represented by retail mortgages. Best-in-class asset quality, far better than average in the Italian banking system, with **Gross NPEs ratio at 1.28%** also better than European average. Mediolanum **has never done an NPEs disposal**
- The **investment portfolio** (€ 16.4bn) has a **very low sensitivity to volatility** with an average duration of less than 1 year

Regulatory Capital
and MREL

- The Group's capital level strongly exceeds minimum regulatory requirements: **CET1 at 20.6%** (buffer vs CET1 SREP - including guidance - is more than **1,180 bps**) | **Leverage Ratio at 6.0%**
- Banca Mediolanum is **already compliant with final MREL requirement with a surplus buffer of more than 2.26% of FY22 RWAs**

Credit Ratings & Bond Issuance

- Issuer ratings: **BBB** (*Stable Outlook*) by S&P and **BBB** (*Stable Outlook*) by Fitch
- The two agencies underline in their rating reports **Mediolanum's strengths: Business Model, Capitalization and low Credit Risk**
- **In November 2022, Banca Mediolanum issued its € 300mn Inaugural Green Senior Preferred** through a Euro Medium Term Notes Programme and under its Green, Social and Sustainability Bond Framework
- Based on balance sheet and MREL requirements evolutions, **Banca Mediolanum is willing to maintain buffers vs MREL requirements**
- To be noted that **since the inaugural Green bond issue in November 2022, Mediolanum originated € 365 mn of new eligible assets**

Green, Social and Sustainability Bond Framework

- The Group embeds ESG criteria in both its business strategy and in procedure / policies and **commits to creating sustainable stakeholders' value. The Board of Directors is responsible** for the conglomerate's sustainability strategy
- ESG aspects have been rooted in Mediolanum's DNA for years, as also demonstrated by its **long-standing offering of sustainability products**
- **The Green, Social and Sustainability Bond Framework** aligned with ICMA Principles and Guidelines has **been used for the inaugural Green Senior Preferred Issuance. Second Opinion Obtained by ISS ESG**
- The Eligible Portfolio already identified amounts of more than € 1.3 bn (mainly represented by Green Buildings)

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- **Italian Asset Gatherer** addressing **Italian & Spanish retail markets**
- **Vertically integrated** to fully control the value chain (manufacturer & distributor)
- Offering the **entire range of financial services** to customers (banking, investing, insurance)
- **Multi-channel platform & no physical branches**

Bank Customers
1.69 mn

Employees
~ 3,500

Licensed Financial Advisors
(Family Bankers)
~ 6,000

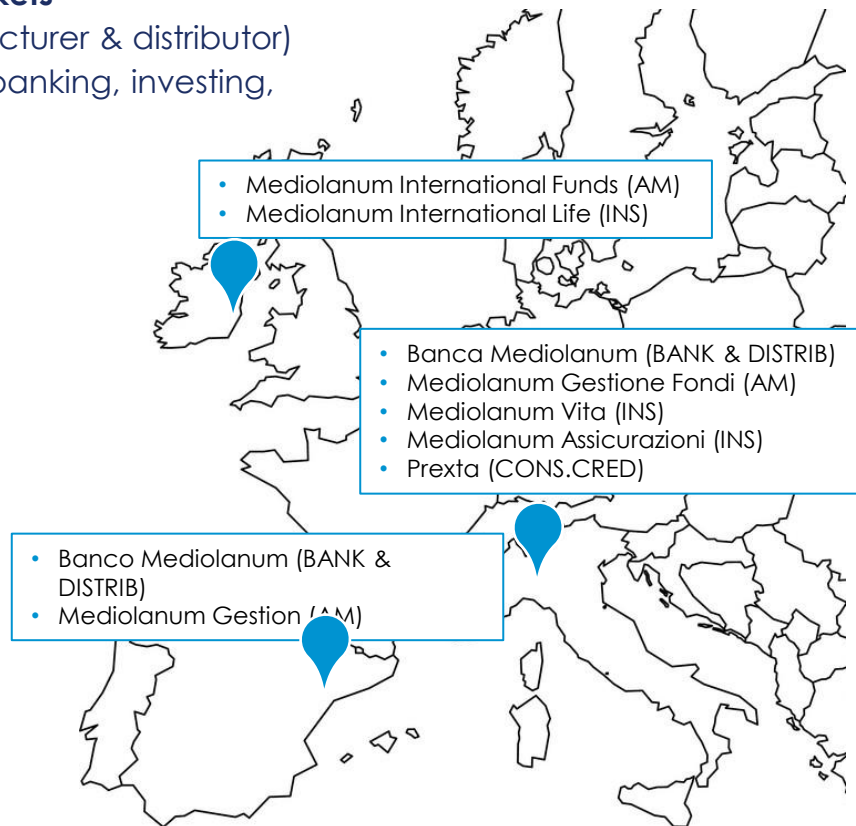
ROE
10-yr avg
20%

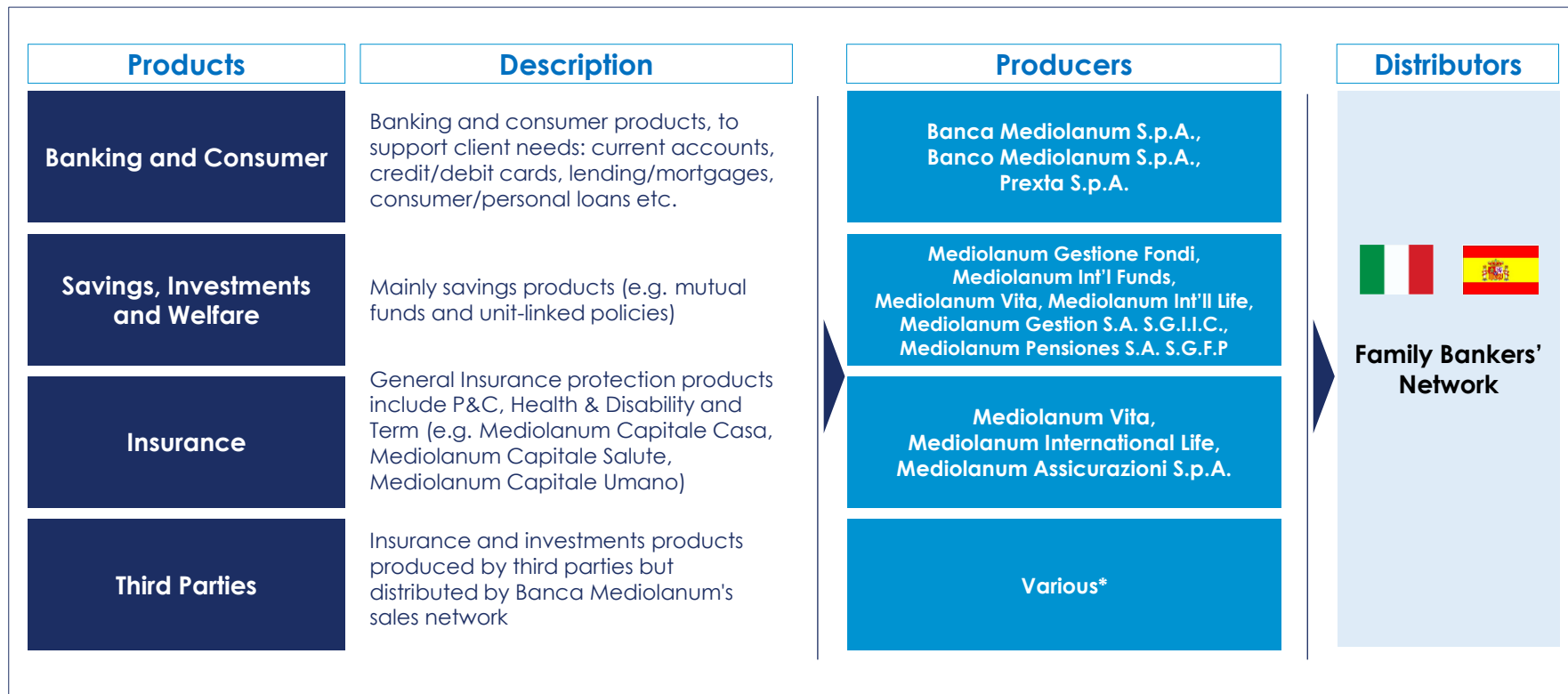
Total Assets (AUA/AUM)
€ 104 bn

CET1 Ratio
20.6%

Credit Book
€ 16.4 bn

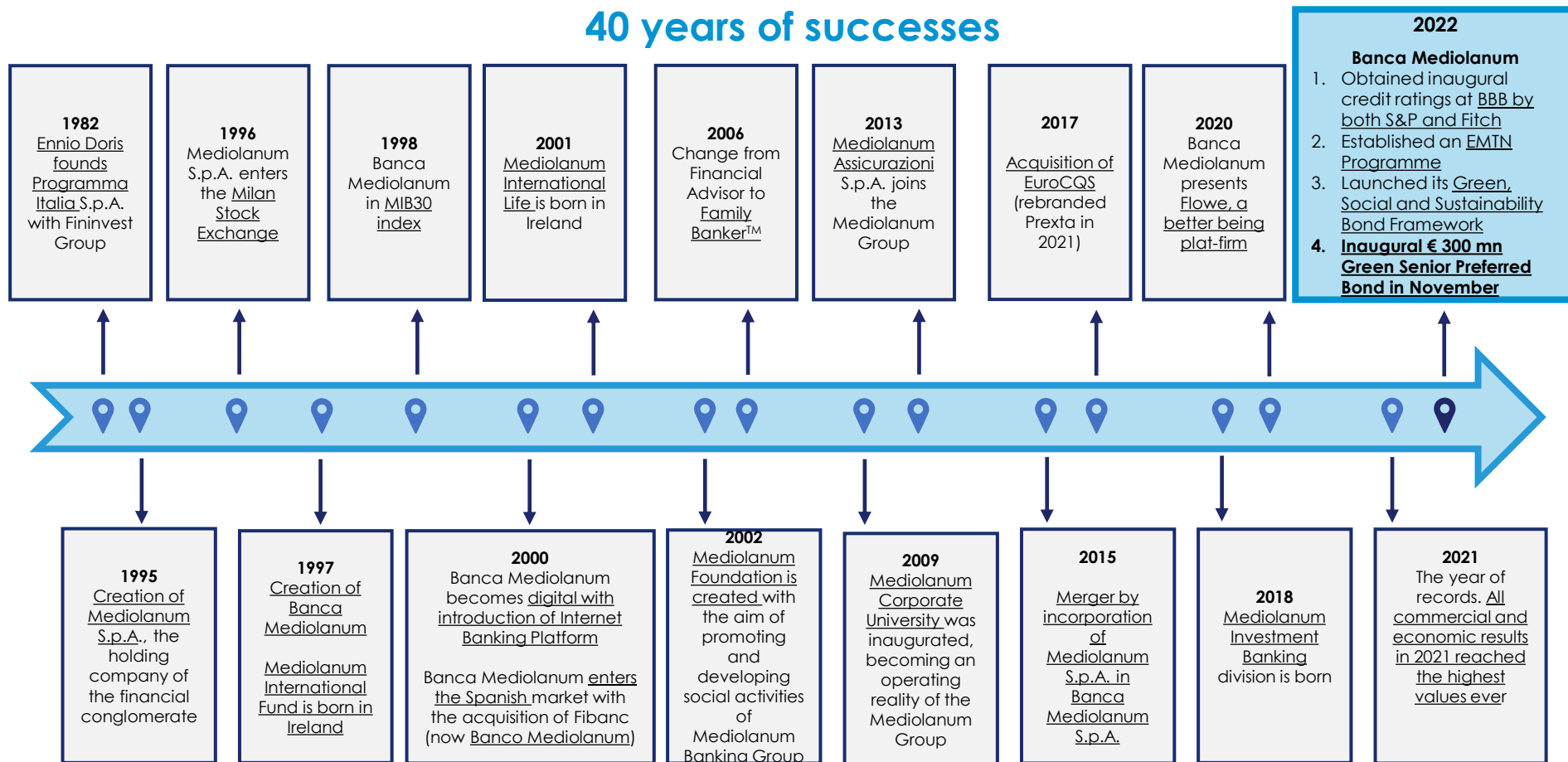
Net NPE Ratio
0.68%





* Lombard International Assurance, Santander, ElipsLife and Generali for insurance products - Fidelity, Amundi, Schroders, DNCA, J.P. Morgan, DWS, Pimco, Eurizon, Morgan Stanley, Carmignac, Pictet, BNY Mellon, BlackRock, Natixis, Franklin Investments, TREA A.M., Invesco, UBS, M&G Investments, Tenax Pmi, Candriam, Janus Henderson, Nordea, Robeco, Muzinich & Co e Vontobel for investment products

40 years of successes



	FY2022	FY2021	FY2020	FY2019
Net Commission Income	1,027.8	959.1	844.1	835.7
Net Interest Income	407.0	270.2	247.7	239.0
Contribution Margin	1,427.3	1,235.0	1,067.0	1,080.2
Operating Margin	680.3	502.6	389.5	430.9
Market Effects	-0.9	414.3	149.9	426.5
Net Income	521.8	713.1	434.5	565.4

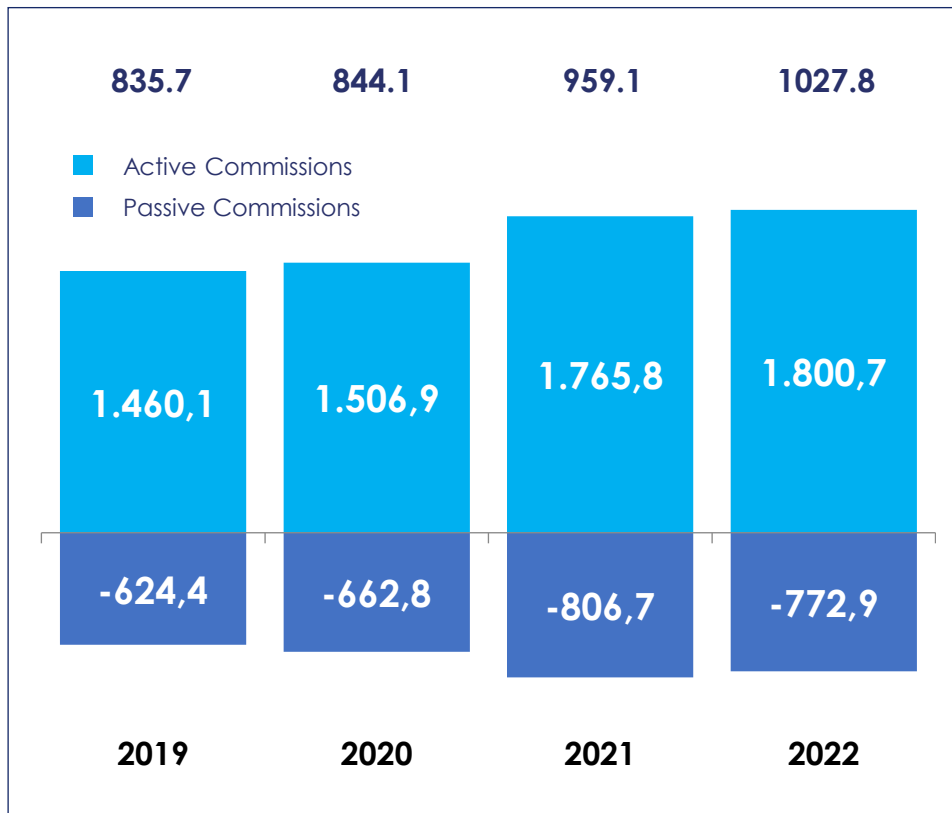
Key ratios

Cost/Income ratio*	48.1%	50.6%	54.3%	51.4%
Acquisition costs/Gross commission income Ratio	37.6%	39.6%	38.5%	37.0%
Cost of Risk (bps)	13	15	16	18
Average Recurring Fee (bps)	206	205	207	210

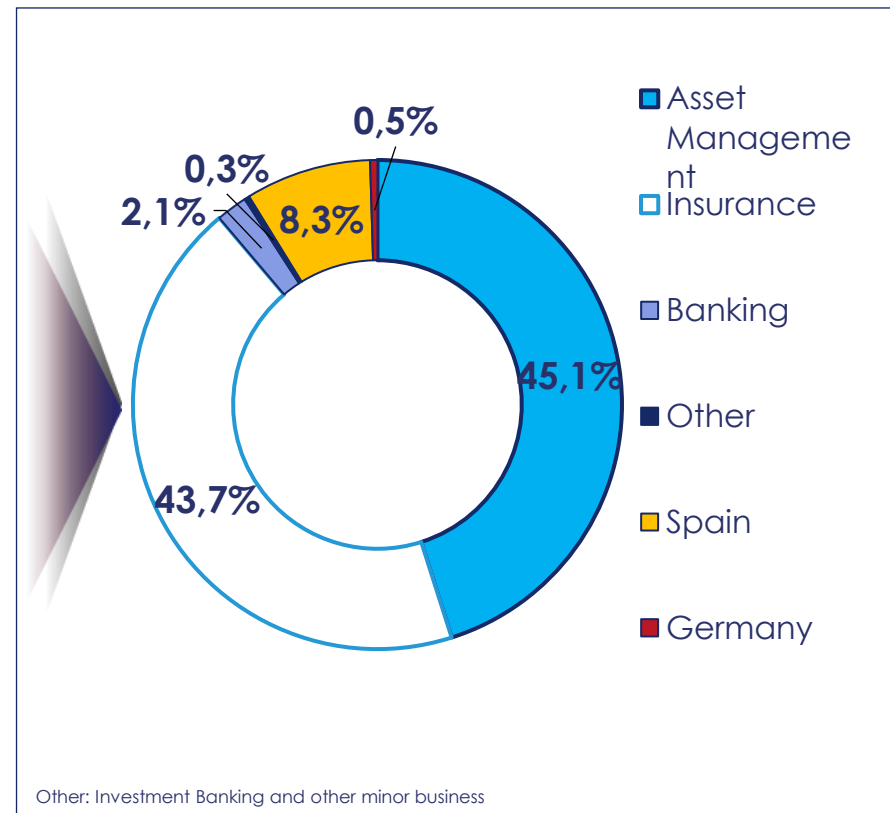
* G&A expenses & Regular contribution to banking industry / Contribution margin

	FY2022	FY2021	FY2020	FY2019
Total Net Inflows	8.30	9.18	7.72	4.06
Net Inflows into Managed Assets	5.95	6.66	4.11	2.95
Total AUA/AUM	103.66	108.36	93.35	84.72
Loans Granted	4.01	3.90	3.05	2.67
Credit Book	16.44	14.38	12.14	10.35
General Insurance Gross Premiums	0.18	0.17	0.14	0.11

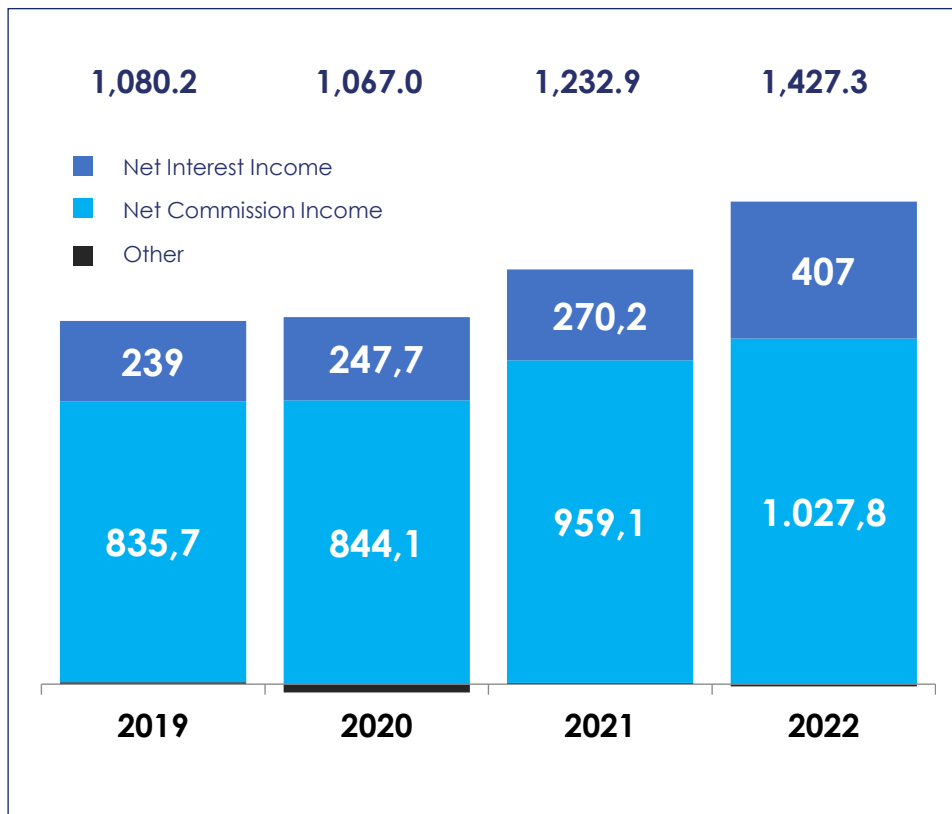
Net Commission Income



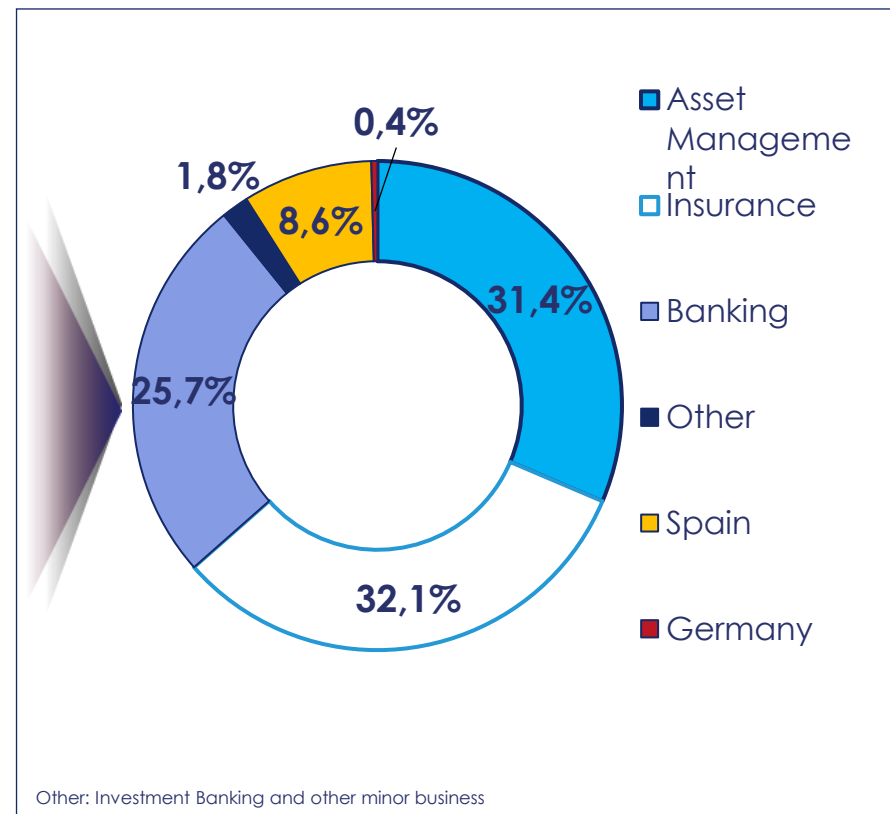
By Business Line



Contribution Margin



By Business Line

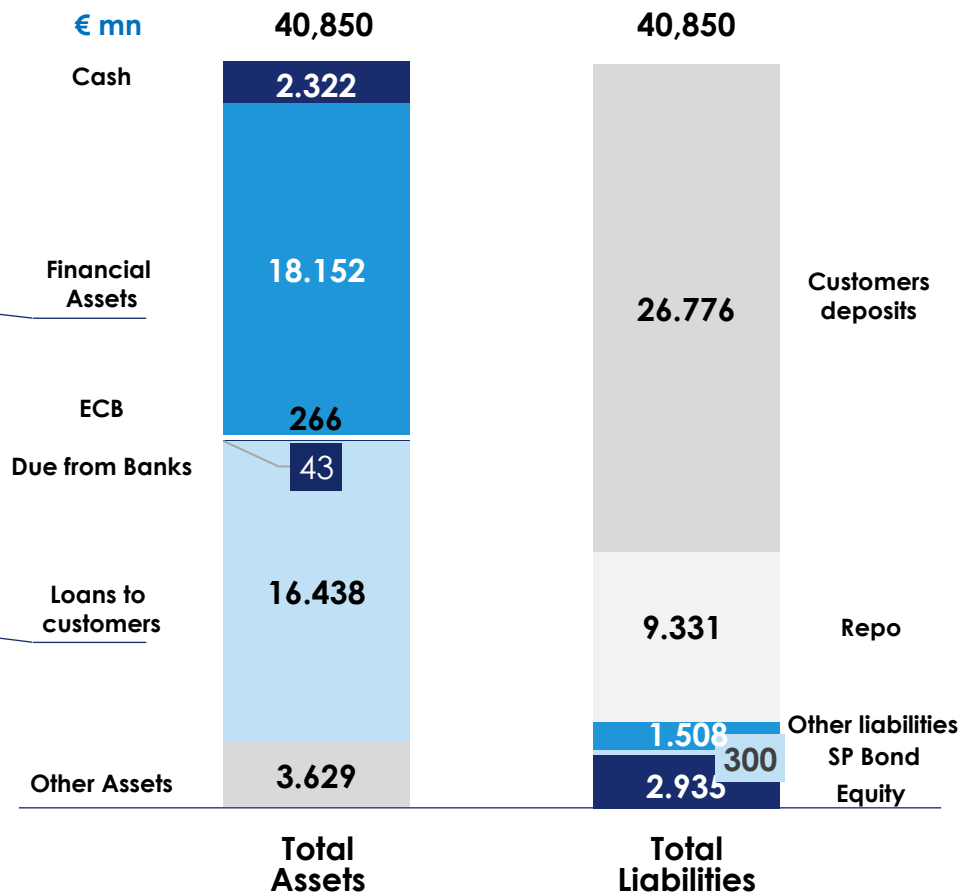


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Straight-forward & solid balance sheet structure
Approx. € 26* bn of assets sensitive to interest rates

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

- High quality book: CoR at 13 bps
- Mainly retail & collateralised
- € 12.5 bn of variable rate loans

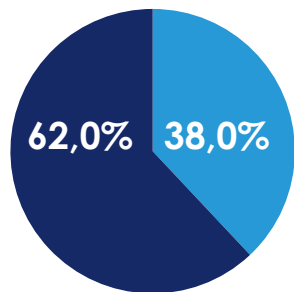


* Floaters + Variable rate loans + ECB & Interbank liquidity

Banking Book: € 16.4 bn (nom. values)

Rate Type

- Fixed
- Floating

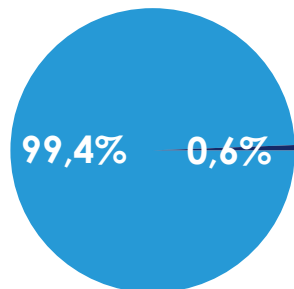


Over €10 bn of floaters directly linked to EUR6M and benefiting from rate increase

Sector	%
Government	99.5%
Financial	0.5%
Govies	%
Italy	99.3%
Spain	0.7%

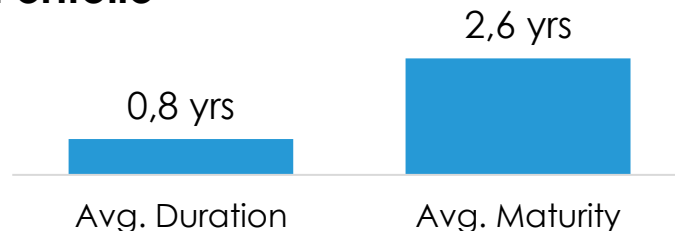
Portfolio

- 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

Capital &
Liquidity Ratios

CET1 Ratio

20.6%

LCR

299%

NSFR

179%

Assets

HQLA

€10.26 bn

Modified Duration (HTC+HTCS)

0.8 yrs

Liabilities

Stable Retail Deposits (ILAAP)

€18.26 bn

68% of Total Deposits

Deposits covered by FITD (<€100k)

76%

Customers w/salary direct deposit

63%

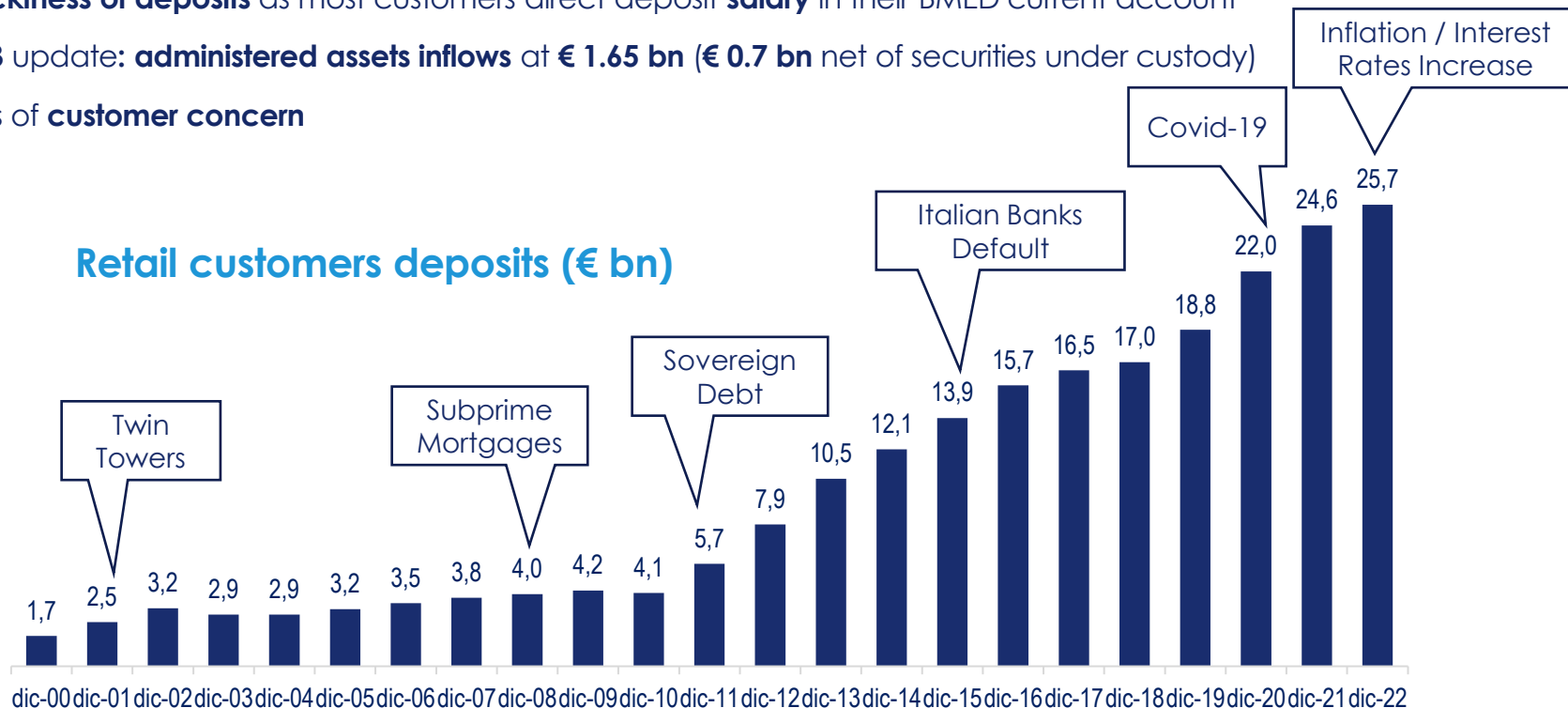
Ever-growing deposit base thanks to **strong customer acquisition** & **increase in share of wallet** of existing customers

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

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

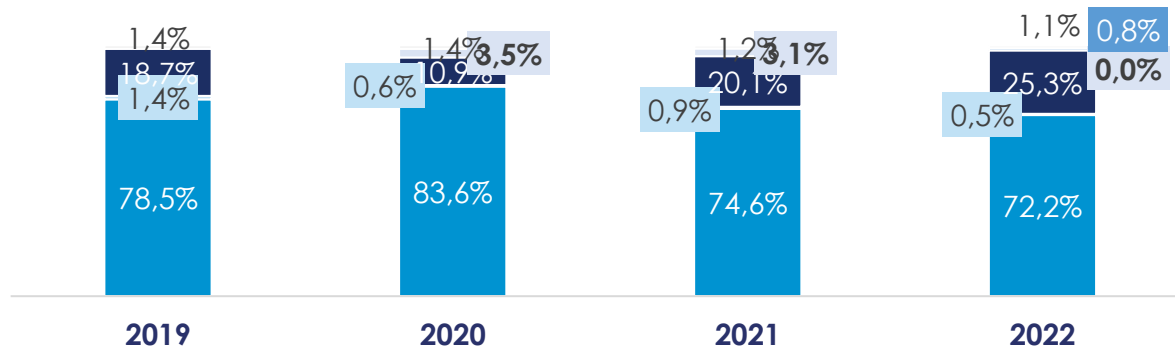
Q1 2023 update: administered assets inflows at **€ 1.65 bn** (€ 0.7 bn net of securities under custody)

No signs of customer concern



Funding mix, %

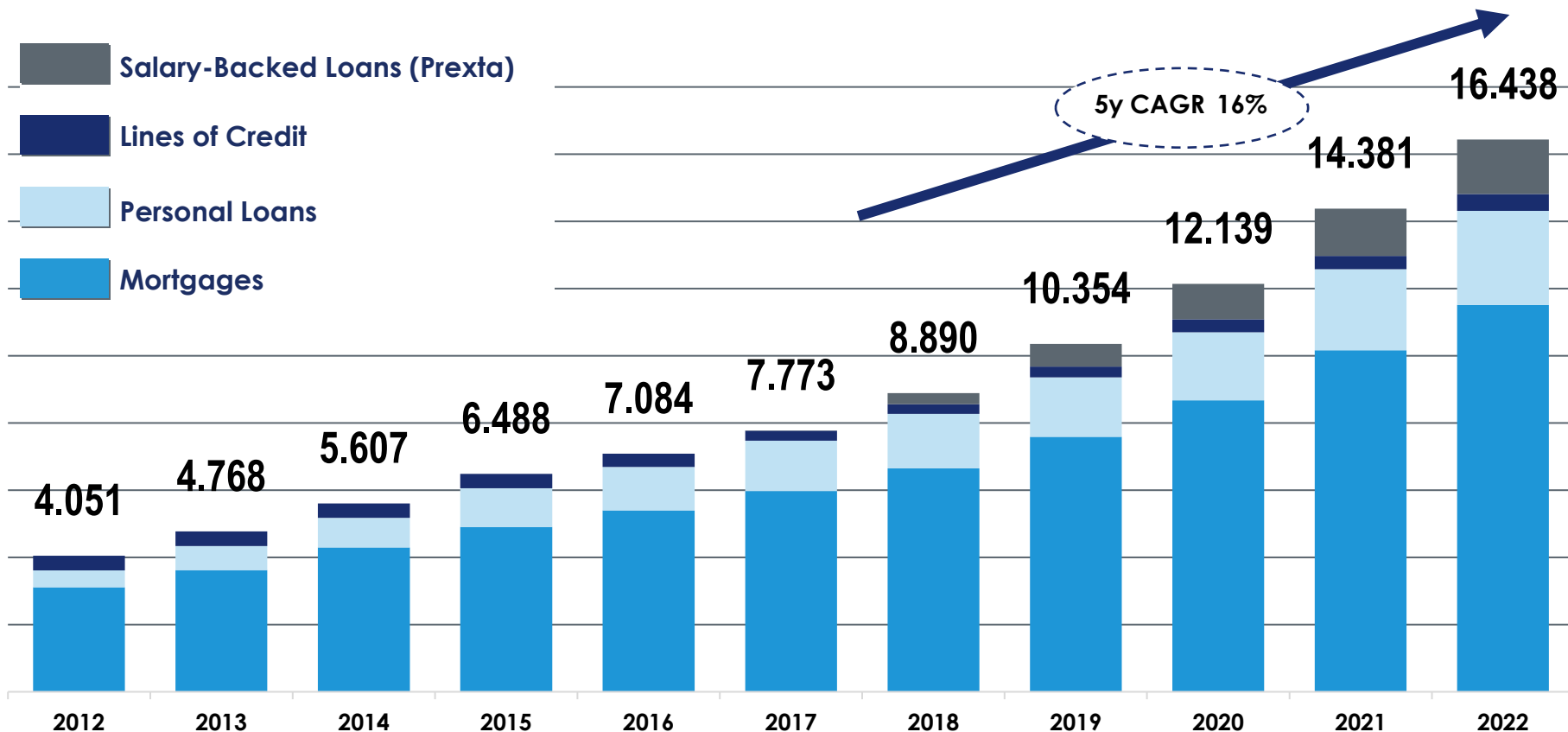
- Other
- Debt Securities
- TLTRO
- Repo



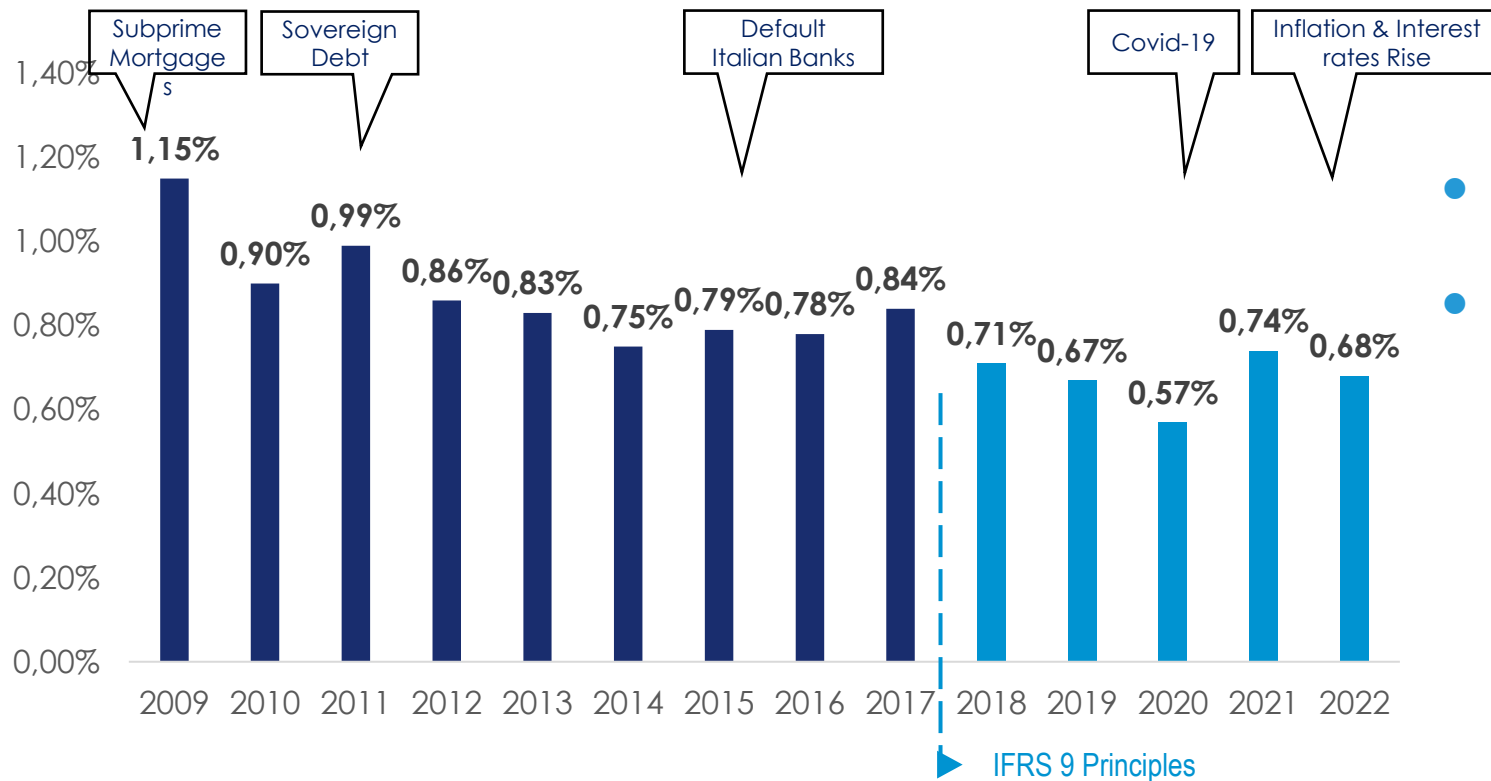
€ mn

	2019	2020	2021	2022
Total Funding	24,095	26,772	33,510	36,823
Customers Deposits	18,915	22,384	25,008	26,574
Time Deposits	329	172	308	202
Repos	4,508	2,925	6,742	9,331
TLTRO	-	945	1,035	-
Debt Securities	-	-	-	300
Other	343	345	416	417

Cost of
Funding



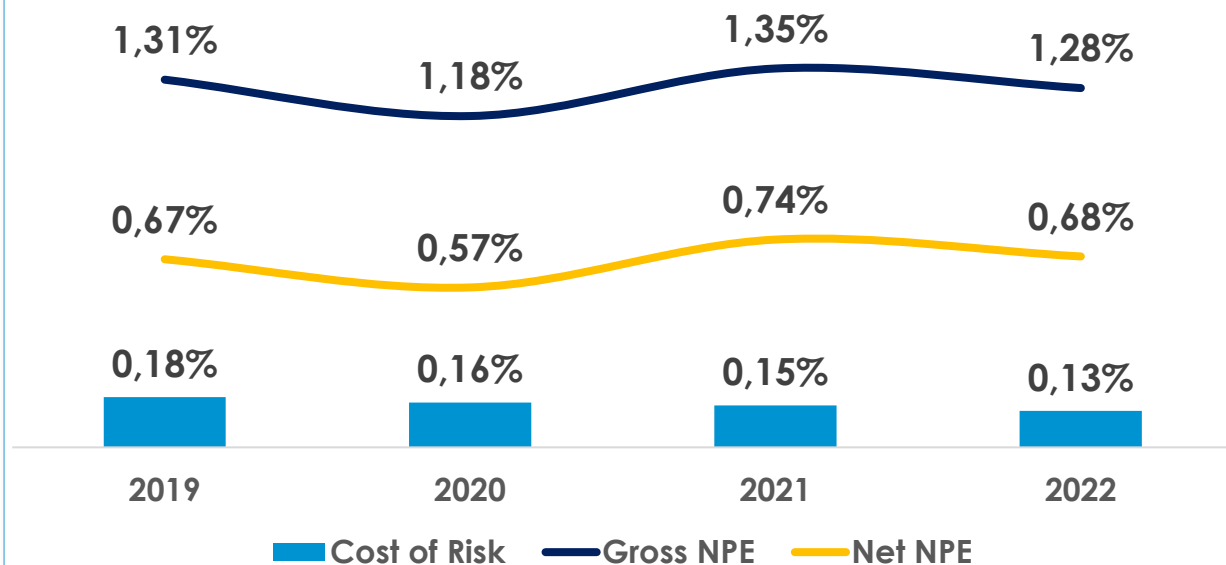
Net NPE Ratio



- Non-material exposure to commercial loans

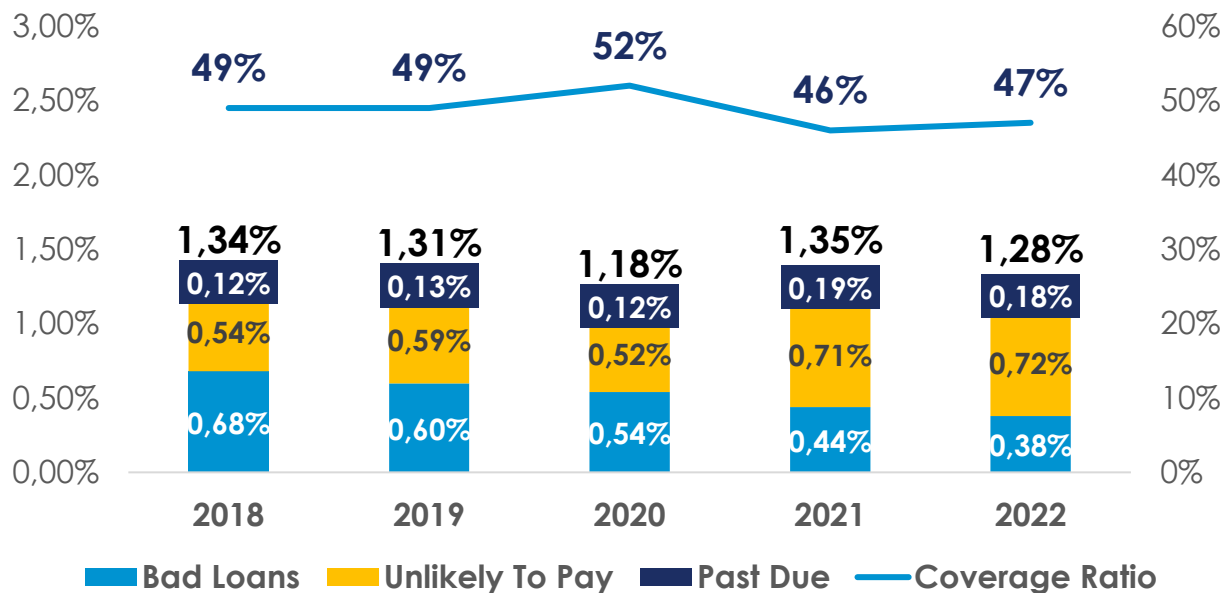
- Stable NPE Ratios even in crisis times

Group Asset Quality evolution



- **Best in class asset quality**, far better than Italian banking system
- Constant ratios over the years
- Have **never** done an **NPL disposal**

Group Asset Quality evolution



- Limited non-performing exposures with **declining share of bad loans in the period 2018-2022**
- **Best-in-class Gross NPE ratio**, above European average

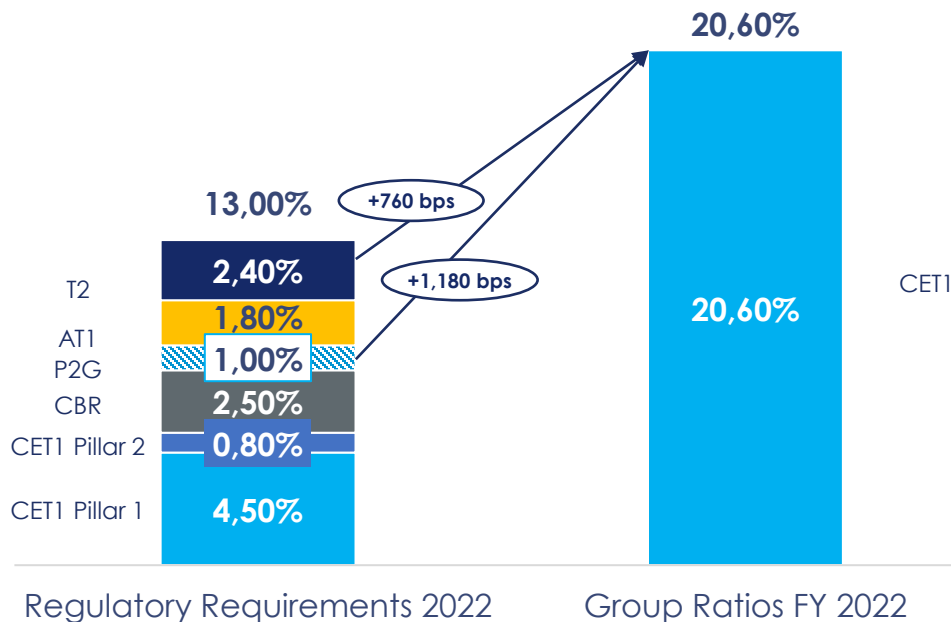
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	FY 2022	FY 2021	FY 2020	FY 2019
CET1 ratio	20.6%	20.9%	20.4%	19.5%
Risk-weighted assets (€ mn)	12,406	11,274	9,810	9,388
Leverage ratio	6.0%	6.0%	6.3%	6.4%
Loan to deposit ratio	62%	58%	54%	55%

*Dividend considered in CET1 calculation

SREP Capital Requirements and MDA



- Banca Mediolanum's capital level **strongly exceeds minimum regulatory requirements**
- As of December 2022, the **buffer versus CET1 SREP** (including guidance) is **1.180 bps**

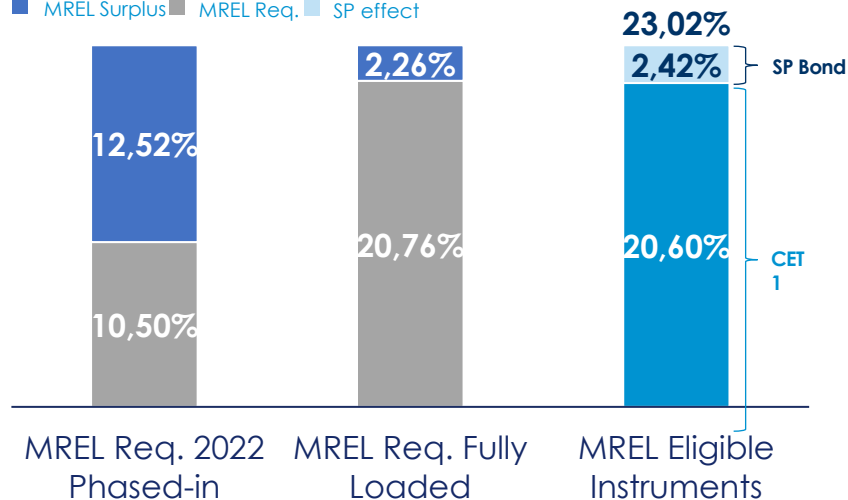
Already compliant with Fully Loaded MREL requirement (2024)

Current buffer over Fully Loaded RWA based requirement of **€ 280 mn** (2.26% FY22 RWAs) and over Fully Loaded Leverage based requirement of **€ 585 mn** (1.37% FY22 Leverage Exposure)

MREL Requirement TREA, %

% RWA
FY22

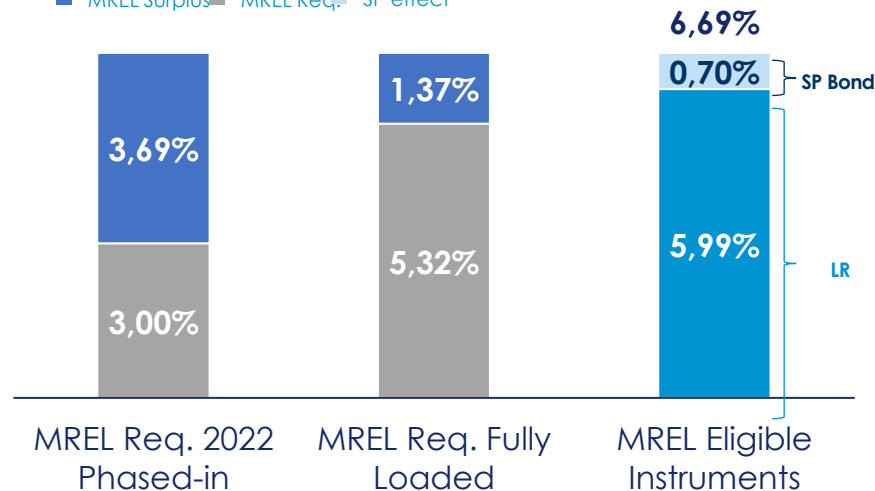
■ MREL Surplus ■ MREL Req. ■ SP effect



MREL Requirement LRE, %

% Leverage FY22

■ MREL Surplus ■ MREL Req. ■ SP effect



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- On July 13th 2022, Banca Mediolanum announced its **inaugural credit ratings**
- BBB level** achieved on the long-term ratings by **S&P** and **Fitch** represents the **maximum level achievable** by an Italian bank and are in line with the Republic of Italy and the National Champions operating in the banking space
- The two agencies underline in their rating reports **BMED strengths: Business Model, Capitalisation & low Credit Risk**

**STANDARD
& POOR'S**

FitchRatings

Long-Term Issuer credit Rating	BBB	BBB
Short-Term Issuer credit Rating	A-2	F3
Outlook	Stable	Stable
Credit Highlights	<p>“BMED benefits from its agile, diversified business model, with an established franchise in the attractive wealth management business in Italy”</p> <p>“In addition, the bank is significantly less exposed than domestic commercial banks to the high credit risk we see in Italy and has a strong track record of effectively managing operational and reputational risks”</p>	<p>“BMED ratings reflect the bank's business profile with adequate domestic franchise, and stable client base, which have ensured resilient net new money flows and earnings throughout economic cycles.</p> <p>Traditional lending activities are ancillary to BMED's core asset management business.</p> <p>The ratings also consider the bank's sound funding and liquidity and adequate capitalisation”</p>

November 2022



€ 300m
5.035% Long 4NC3
Senior Preferred
due January 2027

Book Analysis

# orders	Orders Amount	Allocated Amount	Oversub.
>110	~€ 800m	€ 300m	2.7x

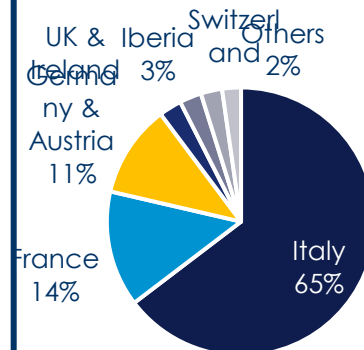
Terms & Conditions

Issuer:	Banca Mediolanum S.p.A.
Issuer Rating (S/F):	BBB/BBB (<i>stable/stable</i>)
Expected Issue Rating (S/F):	BBB/BBB
Type:	Senior Preferred
Size:	€ 300m
Launch Date:	15 November 2022
Settlement Date:	22 November 2022 (T+5)
Maturity:	22 January 2027
Call Date (optional):	22 January 2026
Coupon:	5.035%
Reoffer Spread:	MS+225bps
Reoffer Price:	99.994%
Reoffer Yield:	5.043%
Listing / ISIN:	Luxembourg / XS2545425980
Minimum denomination:	€ 100k + 1k
UoP:	Financing / Refinancing of Eligible Green Assets, according to the Green, Social, Sustainability Framework , dated July 2022
Law:	Italian
Documentation:	€ 1bn EMTN Programme

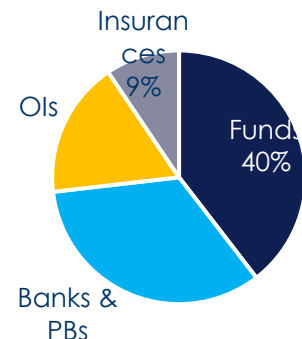
Marketing and Executions Steps

- After having (i) obtained **inaugural BBB ratings** by both S&P and Fitch, (ii) established a € 1bn **EMTN programme**, (iii) published its **Green, Social e Sustainability Bond Framework**, aligned with ICMA principles, on the September 14, 2022 **Banca Mediolanum** announced a non-deal roadshow exercise
- Two months later, on Monday November 14, 2022, **Banca Mediolanum** announced a deal-related marketing exercise for a potential € exp. 300m **Green Senior Preferred 4NC3**
- The day after at around 9:15am CET, IPT were released at MS+255bps area, with a long 4NC3 tenor (Jan-27NC26)
- At 10:50am CET, thanks to an orderbook rapidly grown over € 550m, an update message was circulated to the market. Lastly, at 12:15pm CET, **Final Terms were set at MS+225bps, 30bps tighter than IPT**, for a size fixed at € 300m
- Final book (~€ 800m) saw the participation of more than 110 accounts, high quality and well diversified geographically. **Non-domestic accounts represented 35%** of the total allocated amount, with major contributions from **France (14%) and Germany & Austria (11%)**. In terms of investor breakdown, 40% of the notes were allocated to Funds, followed by Banks & PBs (34%), Official Institutions (17%) and Insurances (9%)
- ESG labelled accounts participated for more than 70%**

Breakdown by geography



Breakdown by investor type



- In 4 months, the Bank already generated **> €350 mn** of eligible green assets. Looking just at green buildings residential mortgages, the €48 mn corresponds to 16% of the bond proceeds
- All these assets are **performing & located in Italy**

Eligible Categories	Nov. 2019- Nov. 2022				Bond Issuance Nov. 2022	Nov 2022 – Mar. 2023			
	Aggregat ed Granted Amount (€ mn)	No. of Tickets	Average Ticket size	Average Tenor (years)		Aggregat ed Granted Amount (€ mn)	No. of Tickets	Average Ticket size	Average Tenor (years)
Green Buildings (Residential Mortgages with EPC A or B)	520	2,963	175k	24.8		48	288	168k	24.7
Green Buildings (Tax Incentives – Ecobonus / Superbonus)	399	7,921	50k	5.2		316	5,063	62k	4.3
Clean Transportation (Electric or Hybrid vehicles)	9	506	18k	4.1		1	54	20k	3.9
SME Financing (Covid-related)	244	5,667	43k	4.9		1	37	15k	4.9
Support to the third Sector (Anti-usury loans)	2	200	8k	3.7		1	60	9k	3.4

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«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 LTIP & STIP** 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+



PRINCIPLES FOR
RESPONSIBLE
BANKING





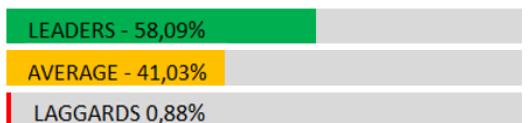
Economic

- **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**. ESG Mutual funds (art. 8 & 9) currently **14% 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 customer 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**¹:

Scope 1: **2,266** tCO₂e

Scope 2: **2,799** tCO₂e

Scope 3: **4,039,197** tCO₂e

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

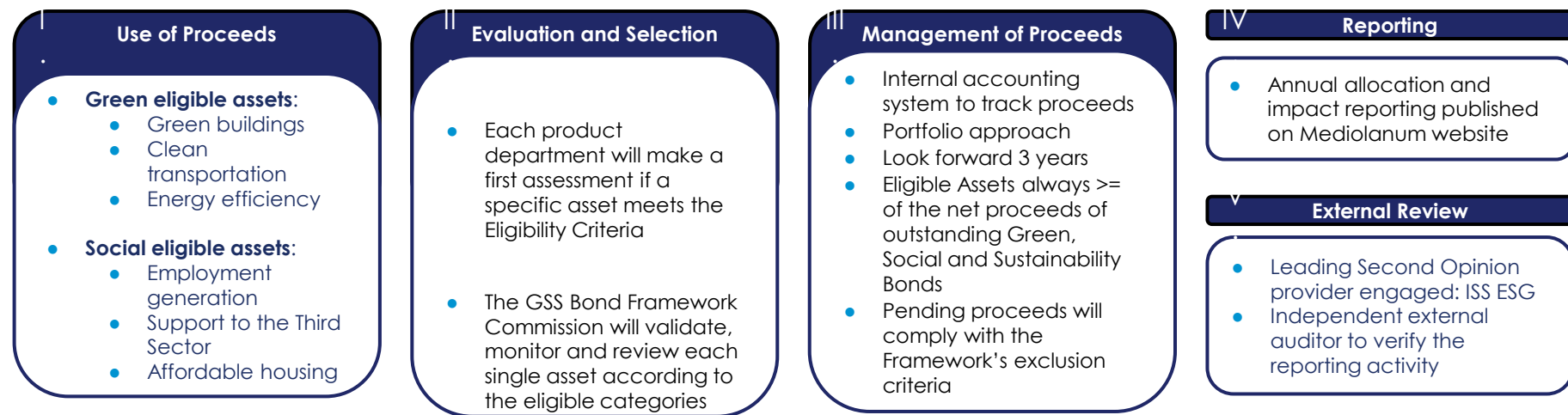


Employees & Family Bankers

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

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

- With the release of its **Green, Social and Sustainability Bond Framework** (the "**GSS Framework**"), Mediolanum equips itself with a sustainable financing tool that acknowledges the pivotal role financial markets play in tackling climate change and ensuring a more inclusive and just society
- The Framework is aligned with the ICMA Green Bond Principles 2021, Social Bond Principles 2021 and the Sustainability Bond Guidelines 2021, and is presented through the following **five key pillars**:



- The Framework encompasses three different types of sustainable bonds, namely: **Green Bonds**, **Social Bond** and **Sustainability Bonds** that could be issued as different debt instruments, including public or private placements, senior preferred, senior non-preferred and subordinated bonds
- Mediolanum commits to periodically reviewing its **GSS Framework** to ensure alignment with best market practices and other voluntary standards

- **Six Eligible Categories** have been identified by Mediolanum reflecting its current lending products offering

Green Buildings

- **Energy efficiency** class A / B or belonging to the top 15% in Italy in terms of most carbon-efficient **buildings**
- PED at least 10% lower than the threshold set for the nearly zero-energy building (NZEB)
- Renovation projects with an **improvement in energy efficiency** resulting in a minimum of 30% of energy savings
- The acquisition of **tax incentives related to investments in energy efficiency** renovations and improvements



Clean Transportation

- **Electric** or **Hybrid vehicles** with CO2 lower than 50g CO2/km
- **Charging points** dedicated to foster the adoption of clean transportation



Energy Efficiency

- **Smart grids**
- **District heating** and **cooling**
- **Energy storage**
- **Efficient LED lighting** appliances and systems



Employment Generation

- **SMEs in response to** the **Covid-19 pandemic** crisis
- **Microfinance**
- SMEs (**low income** and **disadvantaged groups**)



Support to the Third Sector

- **Third Sector** (Associations, NGOs, Social enterprises, Social Cooperatives, Foundations etc.) with **positive social impact** on the society in the following sectors: Health, Education, Clean Transportation, Art/Culture, Solidarity and Social Activities and Fair Trade



Affordable Housing

- **Social Housing**



- The process for **evaluation and selection** of the Eligible green and social Assets is as follows:



1. Each relevant product department will evaluate from the inception whether an asset complies with **Eligibility Criteria**



2. The **GSS Bond Framework Commission** – an internal cross-functional platform consisting of members from the Top Management, the Group Treasury, the ESG Commission and all relevant departments that contribute to the origination of Eligible Assets – will perform a second analysis to approve the assets meet the relevant **Eligibility Criteria**



3. The final decision on the **allocation of the bond proceeds** to the designated assets to the Bonds is **taken by the GSS Bond Framework Commission**. The GSS Bond Framework Commission also examines **twice a year the pool of assets** already allocated to verify their continued compliance and absence of significant controversy

GSS Bond Framework Commission

Among other duties, the **GSS Bond Framework Commission** will also be in charge of:

1. **monitoring** and **reviewing** the Eligible Assets pool
2. **reviewing** and **validating** new assets/financing to be included in the categories of Eligible green and social Assets as well as inclusion of new potential categories
3. **assessing**, at least on a yearly basis, **the impact stemming from the activities included in the categories** of Eligible green and social Assets

- The following activities are **excluded from eligibility**: Fossil-Fuel energy, Nuclear energy, Gambling, Tobacco, Alcohol, Animal abuse and Weapons.

Moreover, Mediolanum ensures that all Eligible Assets selected are compliant with official national and international environmental and social standards as well as local regulation on a best effort basis



- An amount equivalent to the **Green, Social and Sustainability Bond net proceeds** will be allocated to disbursement for the portfolio of Eligible Assets. The proceeds raised through Green, Social and Sustainability Bond transactions are managed on an aggregated basis (i.e. portfolio approach). Indeed, the overall portfolio of Eligible Assets is composed of one green Eligible Assets sub-portfolio and one social Eligible Assets sub-portfolio



- Mediolanum commits to reach **full allocation within three years** following the Green, Social and Sustainability Bond issuance. Mediolanum will monitor and track the net proceeds through its internal accounting system



- Mediolanum also ensures that the **amount of Eligible Assets** will always exceed or will at least equal the sum of the net proceeds of outstanding Green, Social and Sustainability Bonds



- **Pending the allocation or reallocation** the net proceeds to Eligible Assets, Mediolanum will invest the **balance of the net proceeds** - at its own discretion and in compliance with its liquidity policy as well as the Exclusion Criteria reported above - in cash or other liquid marketable instruments

Allocation report will be published **once a year** from the date of issuance of each GSS Bond until the full allocation of the proceeds:

- the total amount of Green, Social and Sustainability Bonds net proceeds raised through the transactions / allocated to Eligible Assets
- the amount of **unallocated proceeds**, if any
- share** of **financing versus refinancing**
- breakdown** of total amount of **Eligible Assets per category**
- brief description of the asset category
- Impact report** will instead potentially include some impact metric as indicated below

Green Buildings

- Number of environmental labels** obtained or improved
- Total amount of green buildings** with a breakdown per EPC level

Clean Transportation

- Number and type of **electric** / **hybrid vehicles** purchased
- Charging points** installed

Energy Efficiency

- Type and number of assets installed
- Smart meters**: number of installed points
- Estimated **energy saved** (MWh)

Employment Generation

- Number of **SMEs financed**
- Number of **employees working in the SMEs funded**
- Amount and number of **microfinance loans** provided

Support to the Third Sector

- Total amount and number of loans granted to **non-profit organizations**
- Estimated **number of beneficiaries of non-profit organizations**, when available

Affordable Housing

- Number of residents benefiting from new/improved **affordable housing** and **social housing schemes**
- Number and location (when available) of the infrastructure built/refurbished/improved

Second Party Opinion

- BMED has engaged **ISS ESG** to provide its opinion on the alignment of its Framework with the latest ICMA's Principles and Guidelines
- Moreover, **ISS ESG** expressed **positive** views on BMED sustainability quality of the Selection criteria, as the **UoP** will have a **significant contribution to SDG 1, 8, 10, 11 and 13**. **ISS ESG** found that the UoP financed through this Framework are **consistent with the Issuer's sustainability strategy and material ESG topics for the issuer's industry**. The rationale for issuing Green, Social, and Sustainability Bonds is clearly described by the issuer

Use of Proceeds

- **ISS ESG** considers the **UoP** description provided by Mediolanum's Green, Social and Sustainability Bond Framework as **aligned with the ICMA Green and Social Bond Principles, and Sustainability Bond Guidelines**
- The Issuer's green and social categories align with the project categories as proposed by the ICMA Green and Social Bond Principles, and Sustainability Bond Guidelines. Criteria are defined in a clear and transparent manner. Environmental and social benefits are described and quantified
- Furthermore, Mediolanum excludes financing certain activities, in line with best market practices

Project Evaluation and Selection

- **ISS ESG** considers the **Process for Project Evaluation and Selection** description provided by Mediolanum's Green, Social and Sustainability Bond Framework as **aligned with the ICMA Green and Social Bond Principles, and Sustainability Bond Guidelines**
- The project selection process is defined and structured in a congruous manner. ESG risks associated with the project categories are identified and managed through an appropriate process. Moreover, the projects selected show alignment with the sustainability strategy of the Issuer

Management of Proceeds

- **ISS ESG** finds that the **Management of Proceeds** proposed by Mediolanum's Green, Social and Sustainability Bond Framework is **aligned with the ICMA Green and Social Bond Principles, and Sustainability Bond Guidelines**
- The proceeds collected will be equal to the amount allocated to eligible projects, with no exceptions. The proceeds are tracked in an appropriate manner and attested in a formal internal process. Moreover, the issuer discloses the temporary investment instruments for unallocated proceeds
- Moreover, the Issuer defines an expected allocation period and is transparent regarding temporary investments, in line with best market practices

Reporting

- **ISS ESG** finds that the **Allocation and Impact Reporting** proposed by Mediolanum's Green, Social and Sustainability Bond Framework is **aligned with the ICMA Green and Social Bond Principles, and Sustainability Bond Guidelines**
- The Issuer commits to disclose the allocation of proceeds transparently and to report in an appropriate frequency. Mediolanum explains the level of expected reporting and the type of information that will be reported. Moreover, the Issuer commits to report annually, until the proceeds have been fully allocated
- Additionally, Mediolanum commits to publish an annual impact report, in line with best market practices

External Verification

- Furthermore, Mediolanum will appoint an independent external auditor to perform a limited assurance of the Green, Social and Sustainability Bonds reporting activity

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