

Fixed Income Investor Presentation



Inaugural Green Senior Preferred - November 2022

Top Management



Massimo Antonio Doris
Chief Executive Officer

- 26 years of experience
- 23 years in Mediolanum



Gianluca Bosisio
General Manager

- 34 years of experience
- 23 years in Mediolanum



Angelo Lietti
Chief Financial Officer

- 34 years of experience
- 34 years in Mediolanum

Today's Speakers

Domenico Farina
Division Head,
Planning & Control and IR

- 22 years of experience
- 22 years in BMED

Alessandra Lanzone
Head of Investor Relations

- 41 years of experience
- 33 years in BMED

Luca Pugliese
Investor Relations

- 18 years of experience
- 13 years in BMED

Cesare Gheraldi
Head of Treasury

- 31 years of experience
- 22 years in BMED

Inaugural Green Senior Preferred

- Intended Transaction
 - Issuer **Banca Mediolanum** (or "Mediolanum") **rated BBB (stable) / BBB (stable)** by S&P / Fitch
 - **[4NC3] Fixed Rate Senior Preferred**
 - Expected **Issue Ratings BBB / BBB** by S&P / Fitch
 - RegS Bearer format
 - **Green Use of Proceeds**, according to GSS Bond Framework that obtained a Second Opinion by ISS ESG
 - **[Size Expected € 300mn]**
 - **Off € 1bn EMTN Programme** dated 13 September 2022, as supplemented
 - Listing on Luxembourg Stock Exchange

- Transaction Rationale
 - **Build an additional MREL buffer** over regulatory requirements (already compliant with fully Loaded MREL requirement (2024)). **The intended € [300m] Senior Preferred issuance will boost TREA buffer to 2.95%**
 - As of now Mediolanum doesn't have a subordination requirement within MREL so **Senior Preferred is the most cost-efficient instrument**
 - **Green label applied to underline the overall ESG commitment of Mediolanum** and to finance / refinance eligible assets

- Investment Highlights: **Business Model, Capitalisation & low Credit Risk**

Banca Mediolanum at a Glance

- The **holistic advisory**, combining traditional (Family Bankers) and technological channels (Multichannel 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 9M 2022**: Total Net Inflows € 5.62bn | Total AUA/AUM € 99.90bn | Loans Granted € 2.88bn | Credit Book €15.88bn | General Insurance Gross Premium € 13mn
- **Economic and Financial Performance 9M 2022**: Net Commission Income € 762.3mn | Net Interest Income € 253.0mn | Contribution Margin: € 1,010.6mn | Operating Margin: € 474.6mn | Market Effects: € -0.6mn | Net Income: € 371.5mn

Balance Sheet Overview – Focus on Asset Quality

- The **balance sheet structure is solid and simple** (loans to deposit ratio at 62%), liquidity is above average (LCR at 335%) and the funding is mainly geared on customers deposits (NSFR at 181%)
- **Credit Book amounting to € 15.88bn**, mainly represented by retail mortgages
- Best in class asset quality, far better than average in the Italian banking system, with **Gross NPEs ratio at 1.30%** also better than European average. Mediolanum **never did an NPEs disposal**
- The investment portfolio has a low sensitivity to volatility with an average duration of less than 1 year

Regulatory Capital

- The Group's capital level strongly exceeds minimum regulatory requirements:
 - **CET1 at 20.7%** (buffer vs CET1 SREP - including guidance - is more than **1,248 bps**)
 - **Leverage Ratio at 5.7%**

Sustainability at Banca Mediolanum

- The Group embeds ESG dimensions both in its business strategy and in procedure / policies and **committing to create sustainable stakeholders' value**
- ESG aspects are rooted in Mediolanum DNA since years and also the **long lasting sustainability products offering** demonstrate it
- **Board of Directors** is responsible for the conglomerate's sustainability strategy

GSS Bond Framework

- Newly presented **Green, Social and Sustainability Bond Framework** aligned with ICMA Principles and Guidelines
- Positive **Second Opinion Obtained by ISS ESG**
- **Indicative Eligible Portfolio** already identified amounting to more than **€ 870mn** (mainly represented by **Green Buildings**)

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Indicative T&C for the Inaugural Green Senior Preferred

Issuer	<ul style="list-style-type: none"> Banca Mediolanum S.p.A.
Issuer Ratings	<ul style="list-style-type: none"> BBB (stable) / BBB (stable) by S&P / Fitch
Expected Issue Ratings	<ul style="list-style-type: none"> BBB / BBB by S&P / Fitch
Status of the Notes	<ul style="list-style-type: none"> Senior, direct, unconditional, unsubordinated and unsecured
Format	<ul style="list-style-type: none"> RegS, TEFRA D applies, Bearer, New Global Note
Issue Size	<ul style="list-style-type: none"> [Expected EUR 300mn]
Structure	<ul style="list-style-type: none"> [4NC3]
Issue Date	<ul style="list-style-type: none"> [November 2022]
Maturity Date	<ul style="list-style-type: none"> [November 2026]
Optional Redemption	<ul style="list-style-type: none"> [November 2025]. One time call at the Issuer's discretion pursuant to Condition 5.4, in whole - subject to compliance by the Issuer with any conditions to such redemption prescribed by the MREL Requirements at the relevant time - at par
Redemption	<ul style="list-style-type: none"> 100% of the Nominal Amount
Interest	<ul style="list-style-type: none"> [•]% for the period from and including the Issue Date to but excluding the Optional Redemption Date payable annually in arrear on any Interest Payment Date. If the Notes are not redeemed on the Optional Redemption Date, the interest, payable quarterly on the Notes from and including the Optional Redemption Date to and including the Maturity Date, shall be a floating rate equal to the 3-month Euribor plus [•] % p.a. (the "Initial Spread")
Issuer Call Due to MREL Disqualification Event	<ul style="list-style-type: none"> At par. Applicable as per Condition 5.6 (Issuer Call due to MREL Disqualification Event) of the EMTN Programme of the Issuer, in whole but not in part, at their principal amount (ie, the Early Redemption Amount) plus any accrued but unpaid interest up to (but excluding) the date fixed for redemption
Redemption for tax reasons	<ul style="list-style-type: none"> At par. Applicable as per Condition 5.2 (Redemption for tax reasons) of the EMTN Programme, in whole but not in part at their principal amount (ie, the Early Redemption Amount) plus any accrued but unpaid interest up to (but excluding) the date fixed for redemption
Use of Proceeds	<ul style="list-style-type: none"> The net proceeds of the notes will be allocated to finance or refinance Eligible Green Assets as defined in the Mediolanum Group Green, Social and Sustainability Bond Framework dated July 2022, aligned to the ICMA Green Bond Principles, Social Bond Principles and Sustainability Bond Guidelines
Governing Law	<ul style="list-style-type: none"> Italian Law
Global Coordinator / Green Structuring Advisor	<ul style="list-style-type: none"> Mediobanca
Joint Bookrunners	<ul style="list-style-type: none"> Mediobanca, Societe Generale, UniCredit
Second Opinion Provider	<ul style="list-style-type: none"> ISS ESG
Denomination	<ul style="list-style-type: none"> EUR 100k and integral multiples of EUR 1k in excess thereof
Listing	<ul style="list-style-type: none"> Official List of the Luxembourg Stock Exchange
Documentation	<ul style="list-style-type: none"> EMTN Programme dated 13 September 2022, as supplemented, including full set of condition precedents and due diligence

7 Transaction Rationale (1/2)

Current and Prospect MREL Position

Already compliant with fully Loaded MREL requirement (2024)

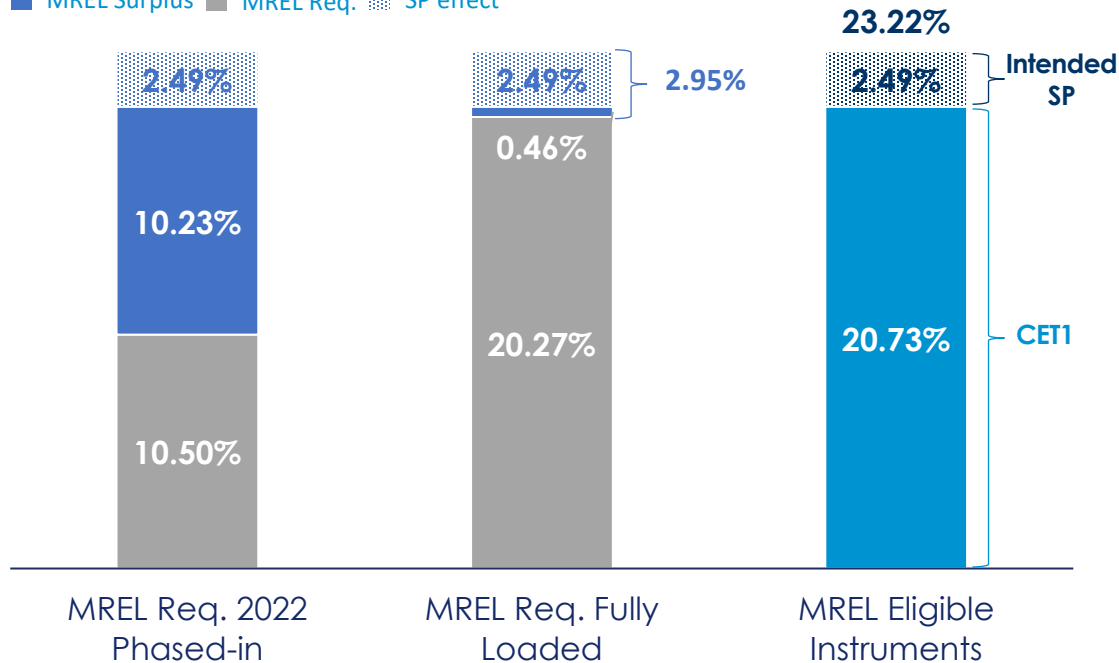
Current buffer over Fully Loaded RWA based requirement of **€ 56 mn** (0.46% Q322 RWAs) and over Fully Loaded Leverage based requirement of **€ 178 mn** (0.41% Q322 Leverage Exposure)

The intended € [300m] Senior Preferred issuance will boost buffer to 2.95% and 1.10% respectively

MREL Requirement TREA, %

% RWA Q322

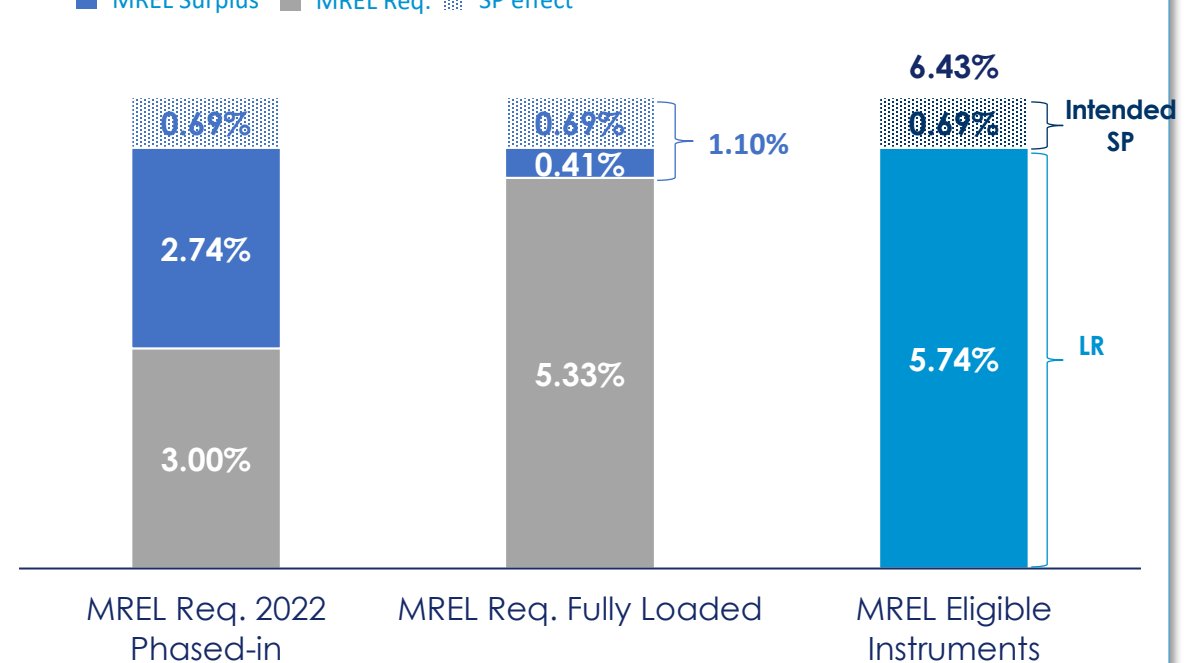
■ MREL Surplus ■ MREL Req. ▨ SP effect



MREL Requirement LRE, %

% Leverage Q322

■ MREL Surplus ■ MREL Req. ▨ SP effect



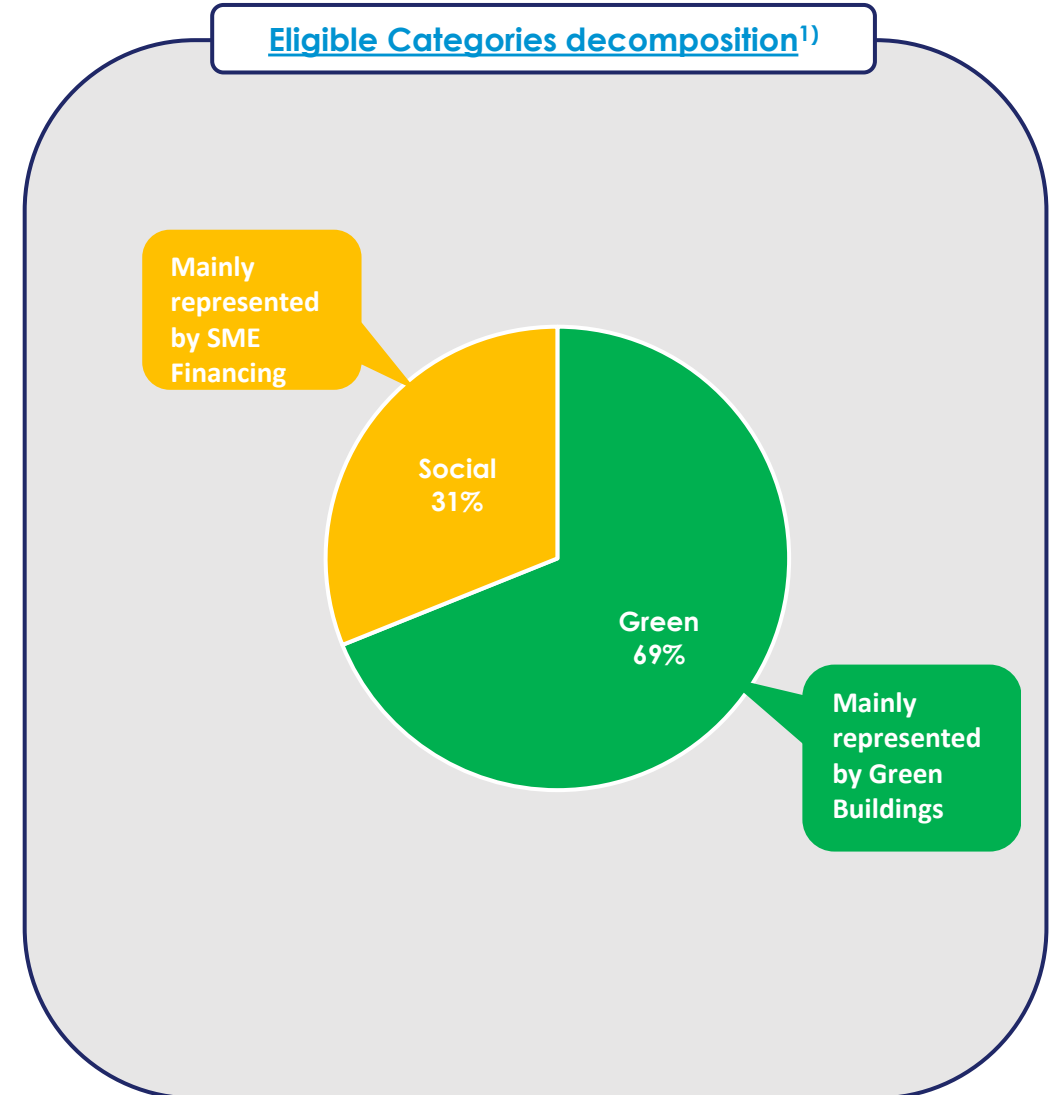
8 Transaction Rationale (2/2)

Preliminary Overview of the Green and Social Eligible Portfolio

- The assets depicted below are an indicative representation of a portion of the eligible categories identified as of 30 June 2022 on Mediolanum's balance sheet
- All these assets are **i) performing ii) located in Italy iii) originated since 2019**
- **For the intended Inaugural Transaction BMED is considering Green Assets**

Eligible Categories ¹⁾	Aggregated Residual Amount Financed (€ mn)	No. of Tickets	Average Ticket size	Average Tenor (years)
Green Buildings (Residential Mortgages with EPC A or B)	361	2,191	165k	22.6
Green Buildings (Tax Incentives – Ecobonus / Superbonus)	236	4,900	48k	6.9
Clean Transportation (Electric or Hybrid vehicles)	7	502	14k	3.9
SME Financing (Covid-related)	271	5,904	46k	5.4
Support to the third Sector (Anty usury-loans)	1.3	216	6k	3.6

Eligible Categories decomposition¹⁾



Notes: 1) Preliminary and indicative overview as of 30/06/2022

- On July 13th 2022, Banca Mediolanum announced its **inaugural credit ratings**
- The **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	<i>Stable</i>	<i>Stable</i>
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 core asset management business.</p> <p>The ratings also consider the bank's sound funding and liquidity and adequate capitalisation”</p>

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11 Banca Mediolanum at a Glance

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

BANK CUSTOMERS
1.66 mn

EMPLOYEES
~ 3,400

LICENSED FINANCIAL ADVISORS
(Family Bankers)
~ 6,000

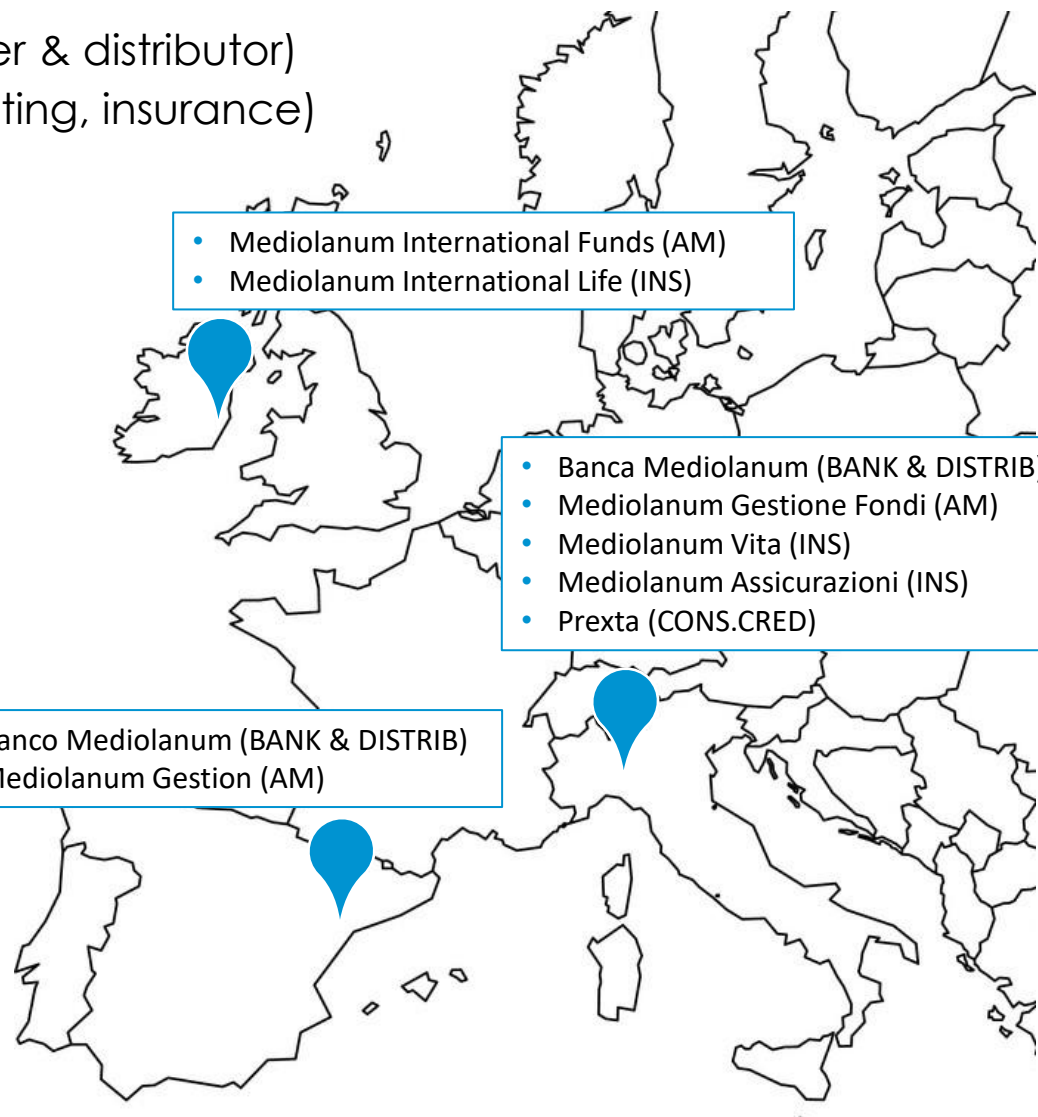
ROE
10-yr avg
22.7%

TOTAL ASSETS (AUA/AUM)
€ 100 bn

CET1 RATIO
20.7%

CREDIT BOOK
€ 15.9 bn

NET NPE RATIO
0.71%



12 History and Evolution of the Group

40 years of successes

2022

Banca Mediolanum

1. Obtained inaugural credit ratings at BBB by both S&P and Fitch
2. Established an EMTN Programme
3. Launched its Green, Social and Sustainability Bond Framework
4. **Now looking to tap the market with its debut Senior Preferred issuance**

2020
Banca Mediolanum presents Flowe, a better being plat-firm

2017
Acquisition of EuroCQS (rebranded Prexta in 2021)

2013
Mediolanum Assicurazioni S.p.A. joins the Mediolanum Group

2006
Change from Financial Advisor to Family Banker™

2001
Mediolanum International Life is born in Ireland

1998
Banca Mediolanum in MIB30 index

1996
Mediolanum S.p.A. enters the Milan Stock Exchange

1982
Ennio Doris founds Programma Italia S.p.A. with Fininvest Group

2021
The year of records. All commercial and economic results in 2021 reached the highest values ever

2018
Mediolanum Investment Banking division is born

2015
Merger by incorporation of Mediolanum S.p.A. in Banca Mediolanum S.p.A.

2009
Mediolanum Corporate University was inaugurated, becoming an operating reality of the Mediolanum Group

2002
Mediolanum Foundation is created with the aim of promoting and developing social activities of Mediolanum Banking Group

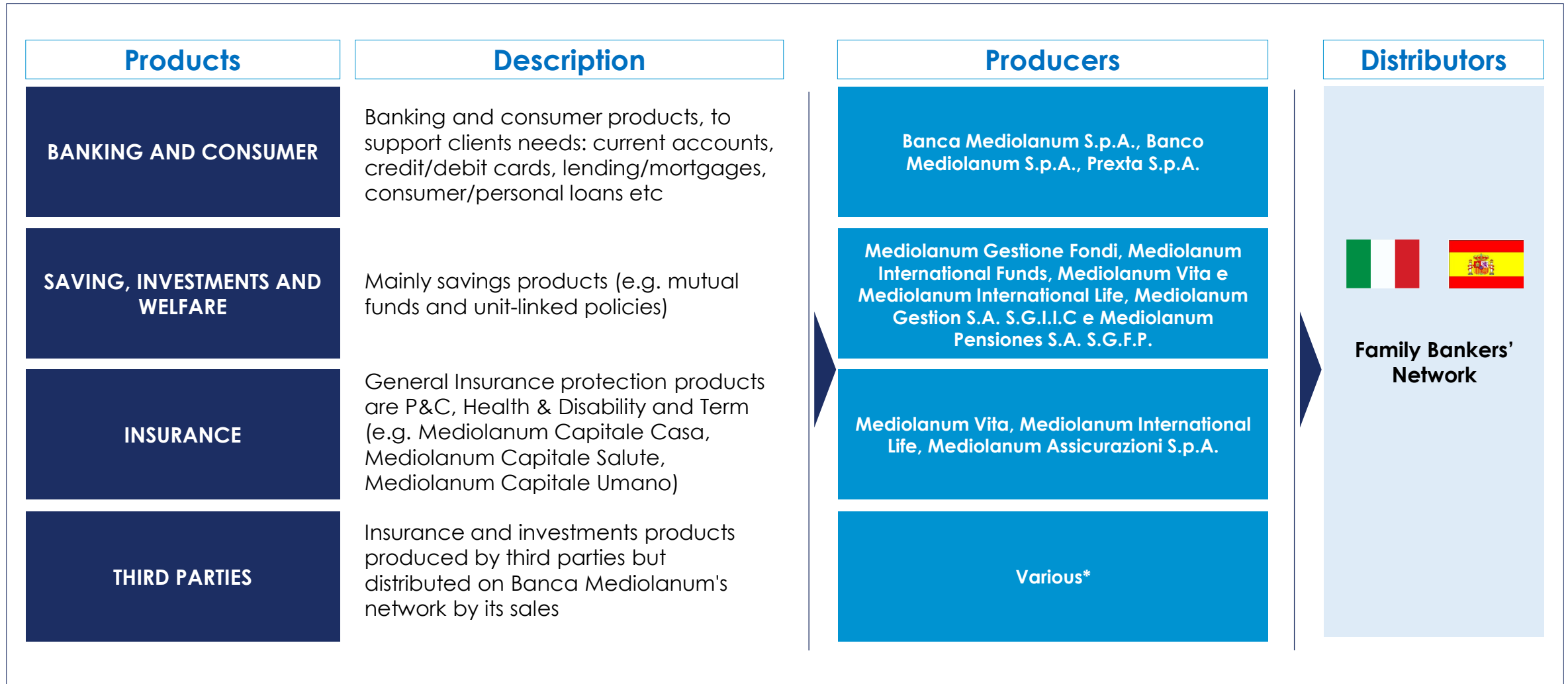
2000
Banca Mediolanum becomes digital with introduction of Internet Banking Platform
Banca Mediolanum enters the Spanish market with the acquisition of Fibanc (now Banco Mediolanum)

1997
Creation of Banca Mediolanum
Mediolanum International Fund is born in Ireland

1995
Creation of Mediolanum S.p.A., the holding company of the financial conglomerate



13 Products, Producers and Distributors



* 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

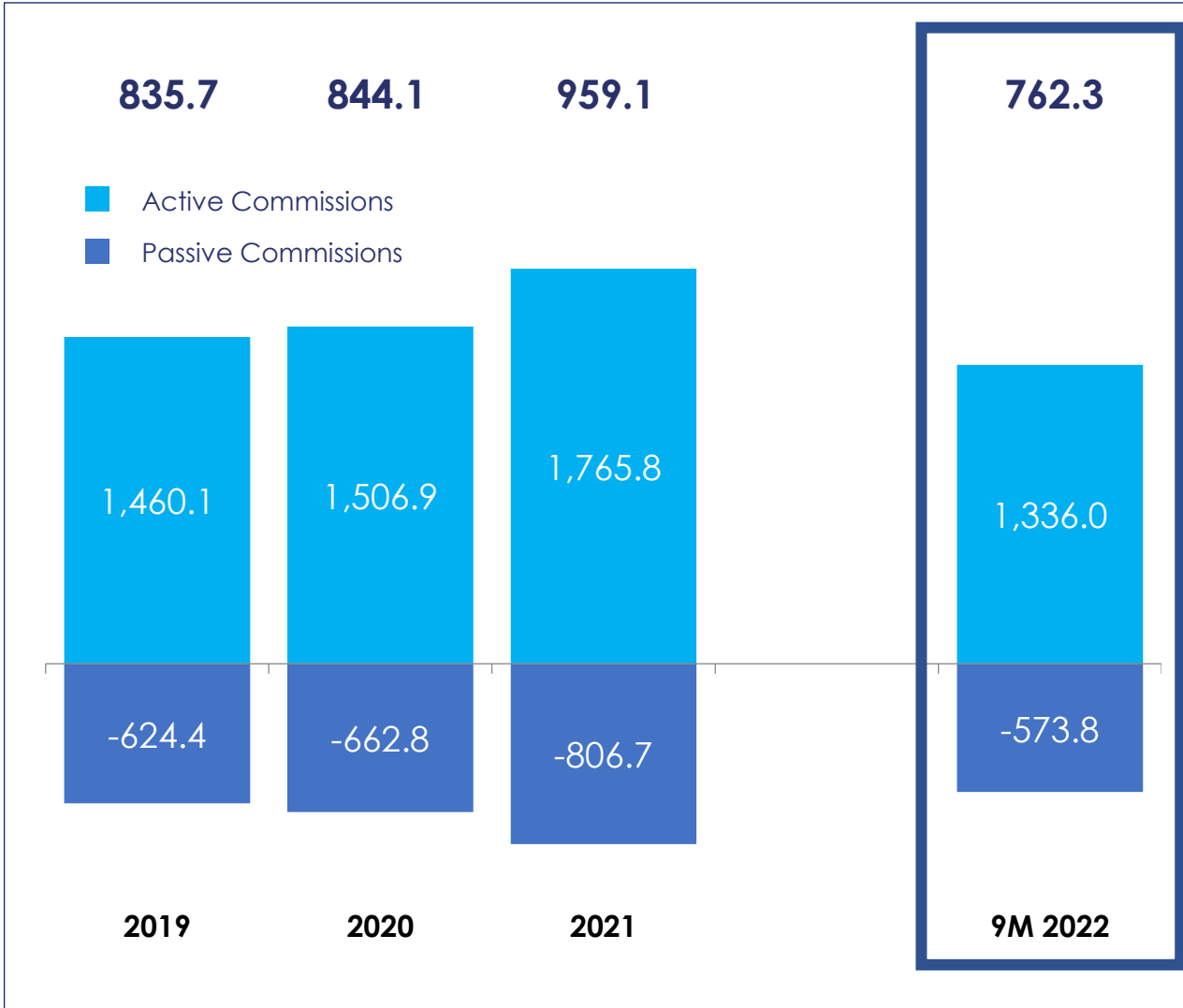
	9M2022	FY2021	9M2021	FY2020	FY2019
Total Net Inflows	5.62	9.18	6.43	7.72	4.06
Net Inflows into Managed Assets	4.23	6.66	4.63	4.11	2.95
Total AUA/AUM	99.90	108.36	104.00	93.35	84.72
Loans Granted	2.88	3.90	2.85	3.05	2.67
Credit Book	15.88	14.38	13.76	12.14	10.35
General Insurance Gross Premiums	0.13	0.17	0.12	0.14	0.11

	9M2022	FY2021	9M2021	FY2020	FY2019
Net Commission Income	762.3	959.1	718.8	844.1	835.7
Net Interest Income	253.0	270.2	197.2	247.7	239.0
Contribution Margin	1,010.6	1,235.0	903.8	1,067.0	1,080.2
Operating Margin	474.6	502.6	379.0	389.5	430.9
Market Effects	-0.6	414.3	107.7	149.9	426.5
Net Income	371.5	713.1	375.8	434.5	565.4
Key ratios					
Cost/Income ratio*	48.7%	50.6%	50.0%	54.3%	51.4%
Acquisition costs/Gross commission income Ratio	37.4%	39.6%	38.8%	38.5%	37.0%
Cost of Risk (bps)	10	15	16	16	18
Average Recurring Fee (bps)	204	205	206	207	210

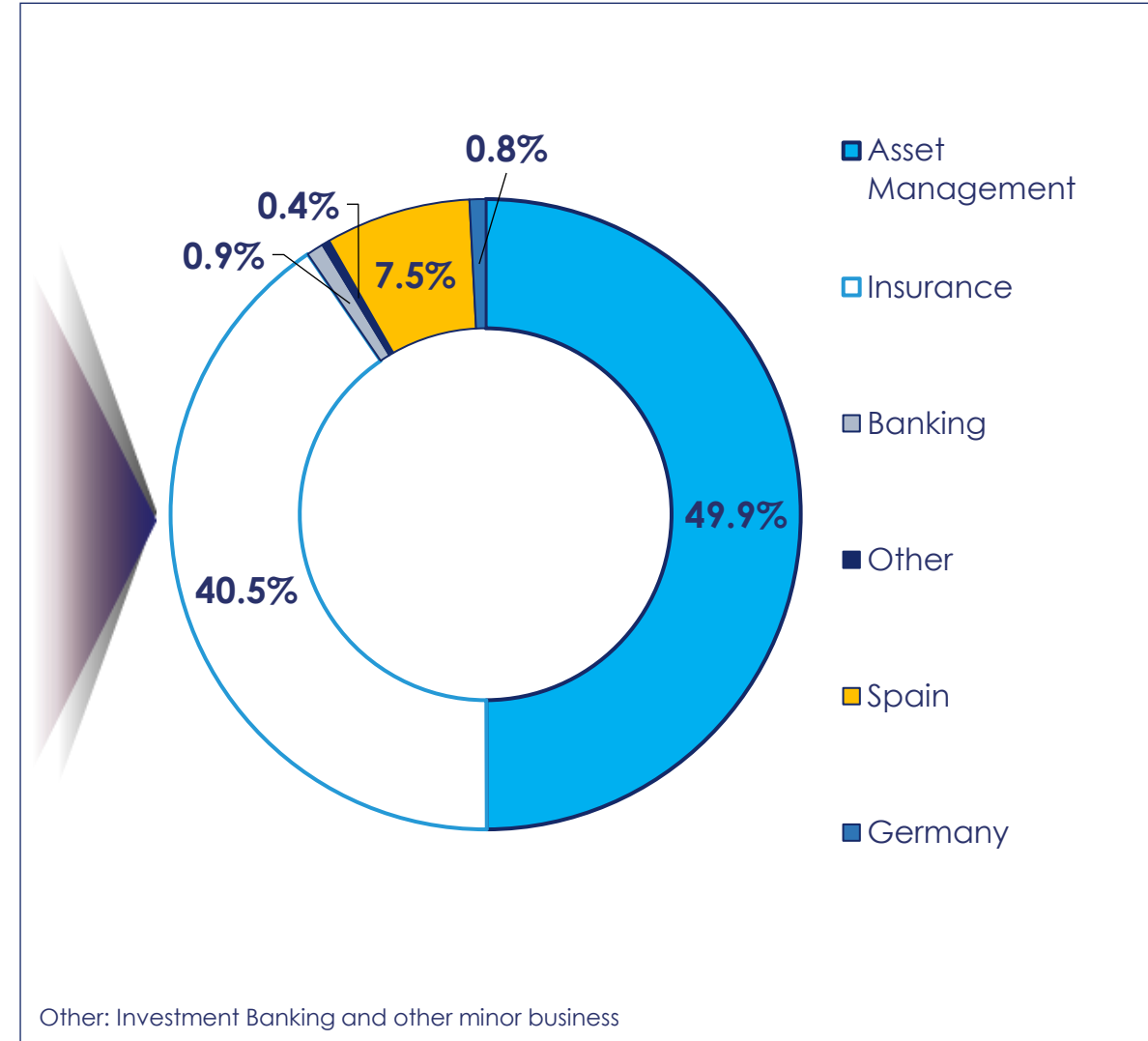
* G&A expenses & Regular contribution to banking industry / Contribution margin

16 Focus on Commission Income

Commission Income

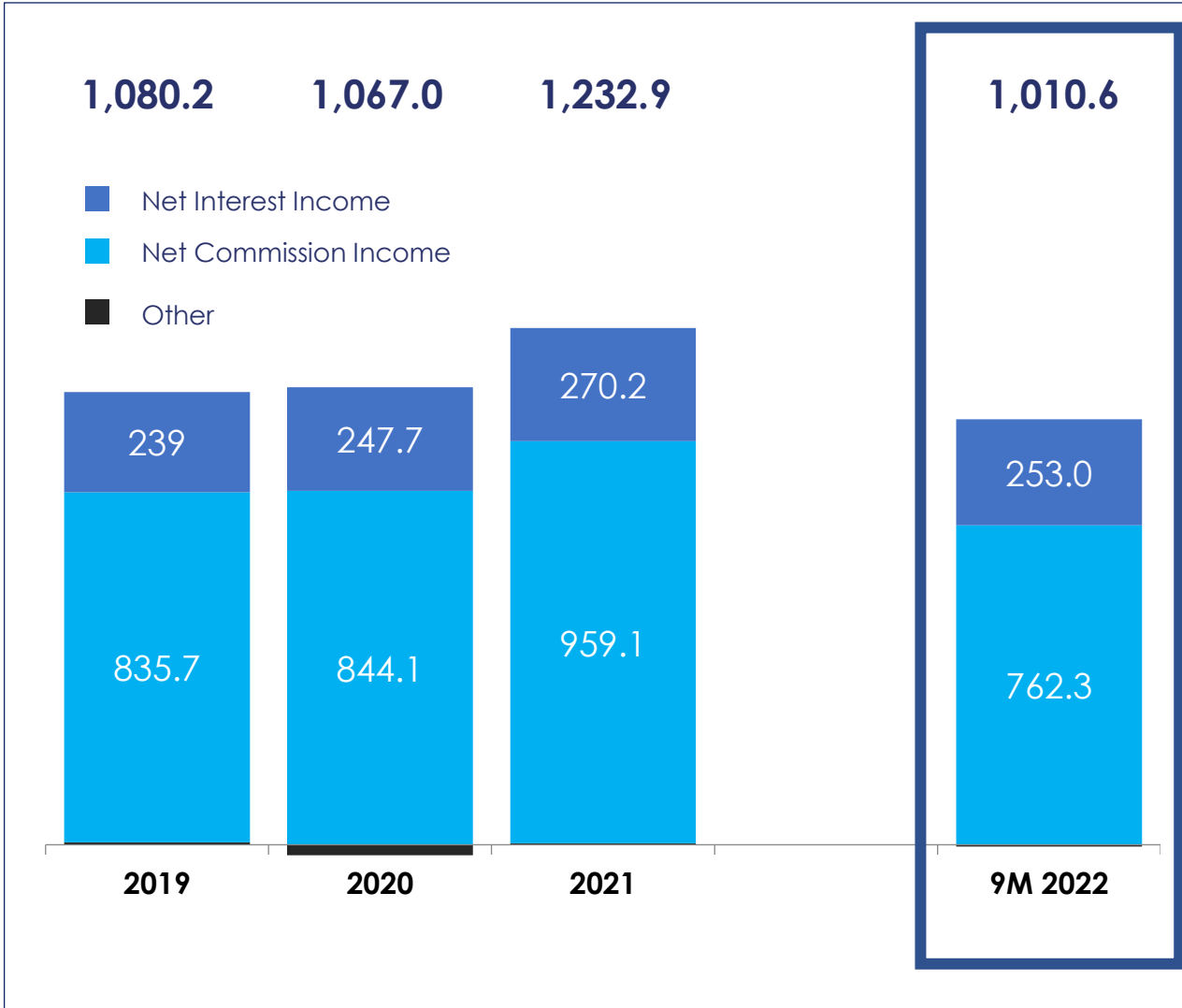


By Business Line - 9M 2022

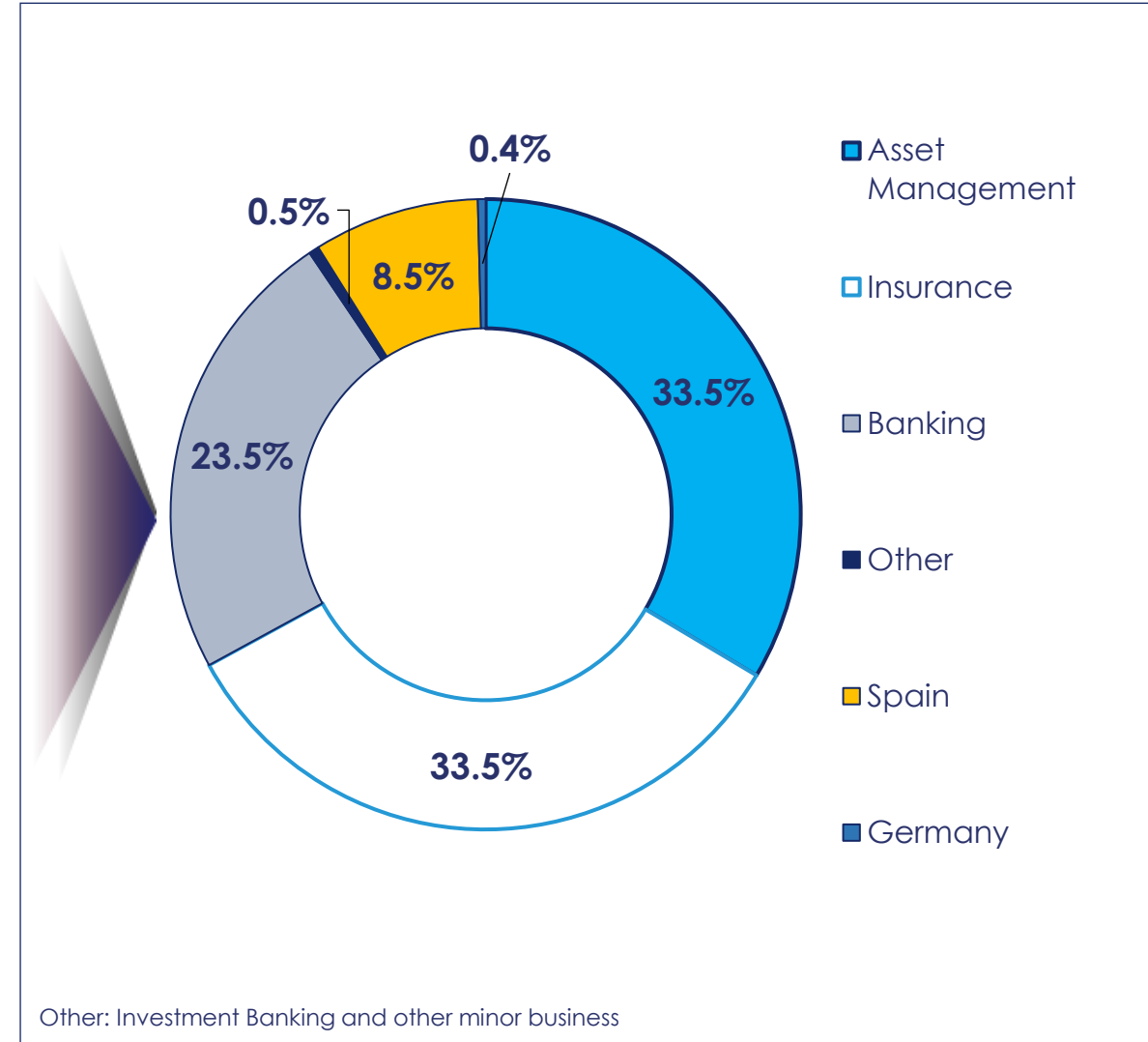


17 Focus on Contribution Margin

Contribution Margin



By Business Line - 9M 2022

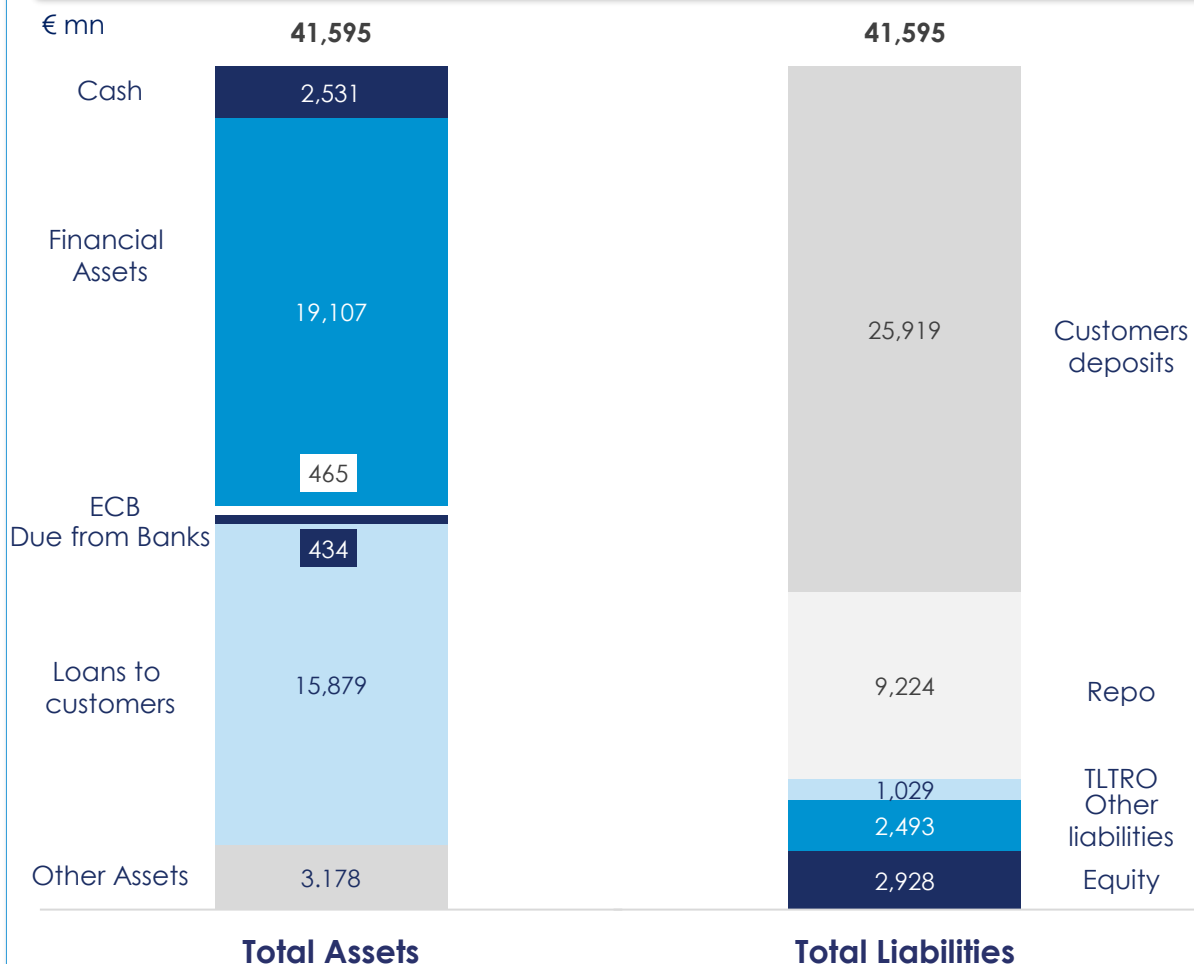


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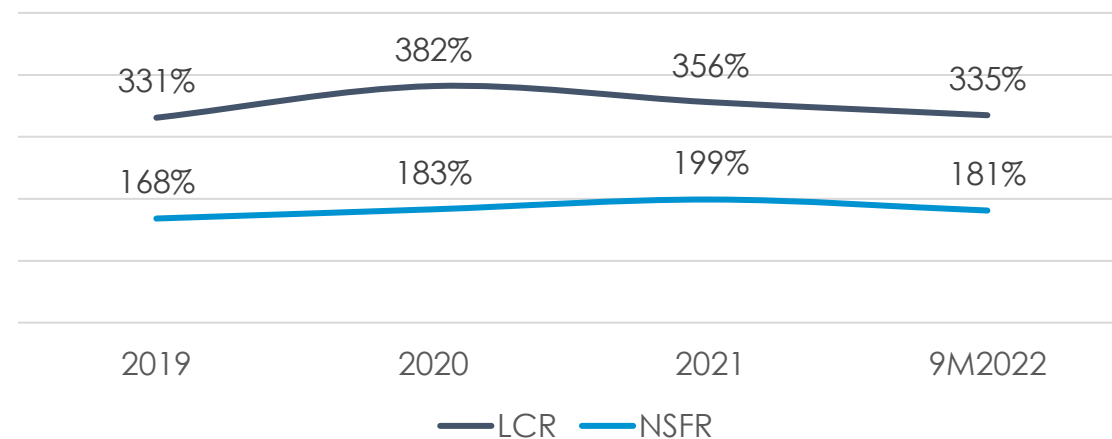
19 Balance Sheet Structure

Balance sheet structure Banking Group 9M 2022



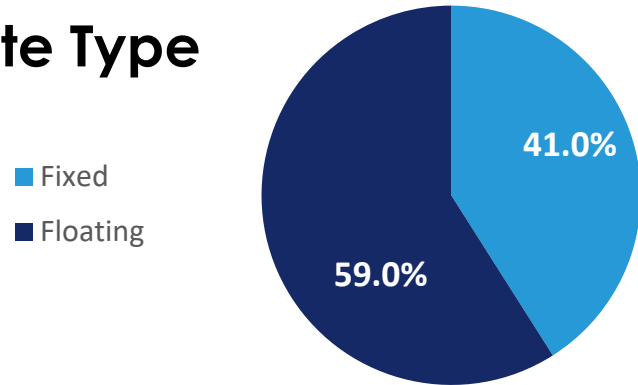
- **Solid and simple** balance sheet structure
- Bond portfolio almost entirely composed of **Govies**
- Loans to customer mainly **retail mortgages**
- **Above average liquidity position**

LCR & NSFR



Banking Book: € 17.4 bn (nom. values)

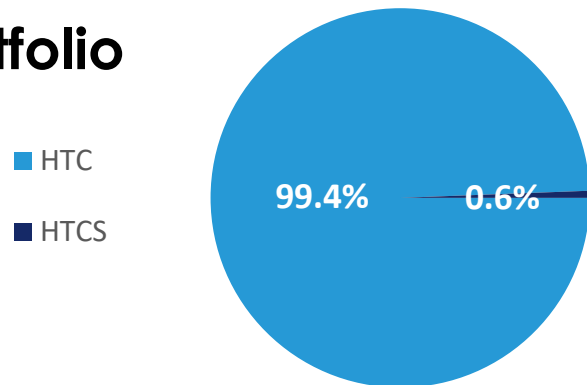
Rate Type



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

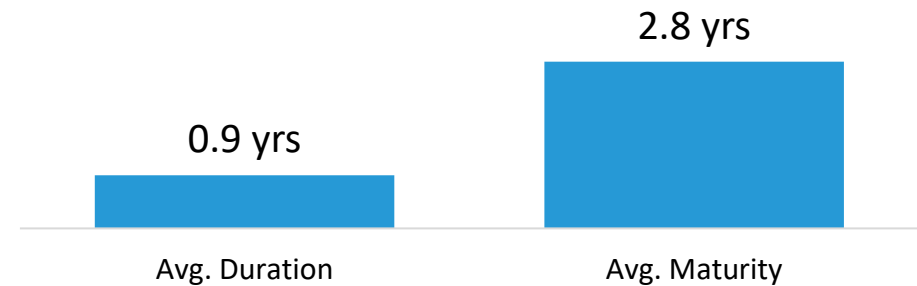
Sector	%
Government	99.5%
Financial	0.5%
Govies	
Italy	99.3%
Spain	0.7%

Portfolio



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

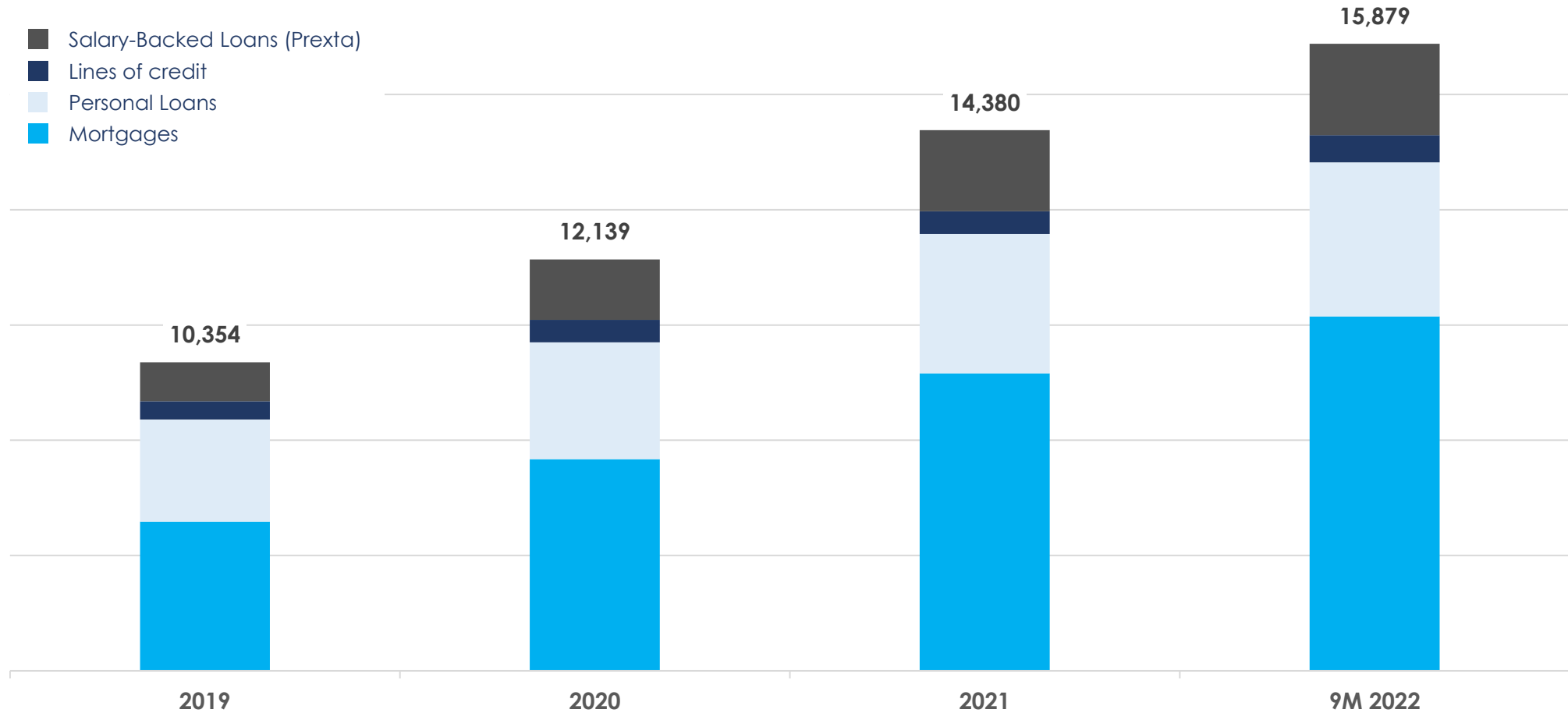
Portfolio



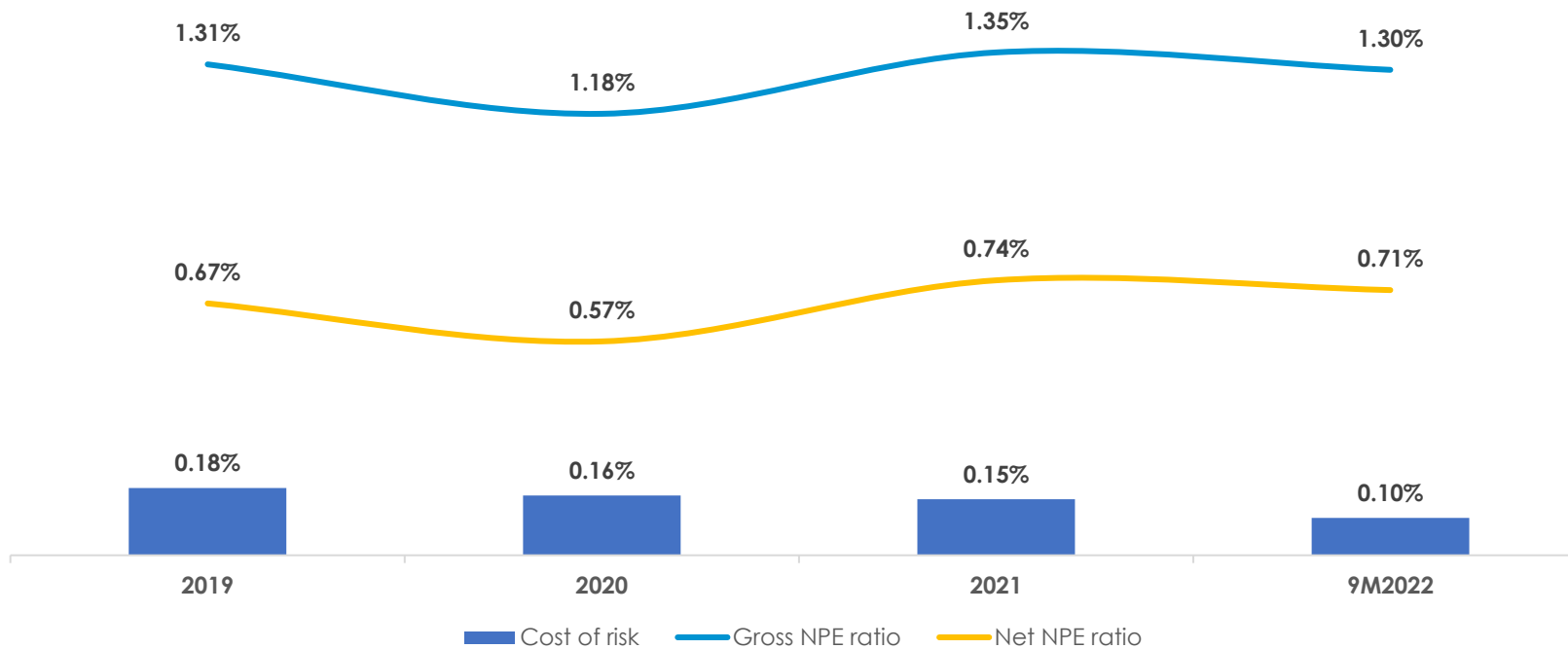
Prudent & very flexible approach thanks to short duration & very low risk appetite

Credit Book Trend

- Salary-Backed Loans (Prexta)
- Lines of credit
- Personal Loans
- Mortgages

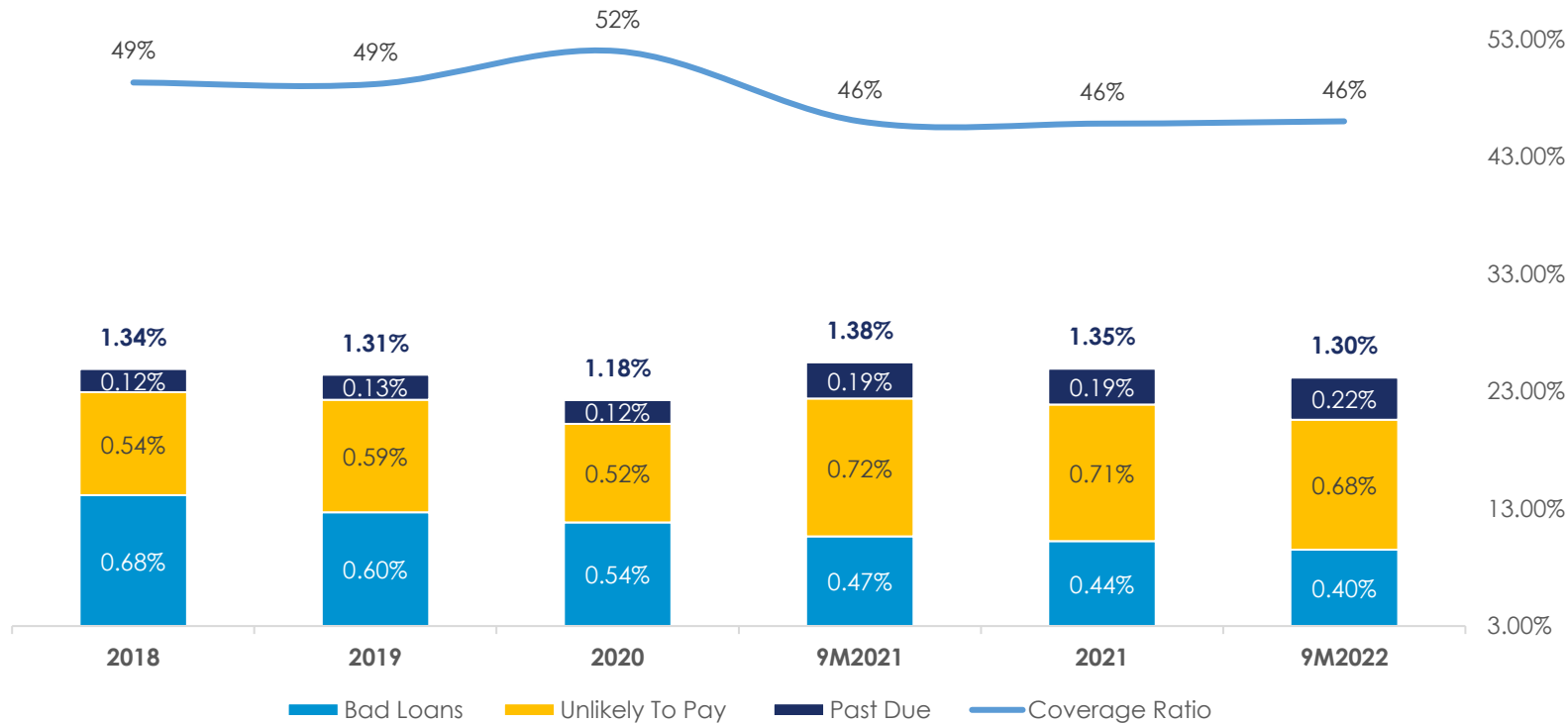


Group Asset Quality evolution



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

Gross NPEs breakdown

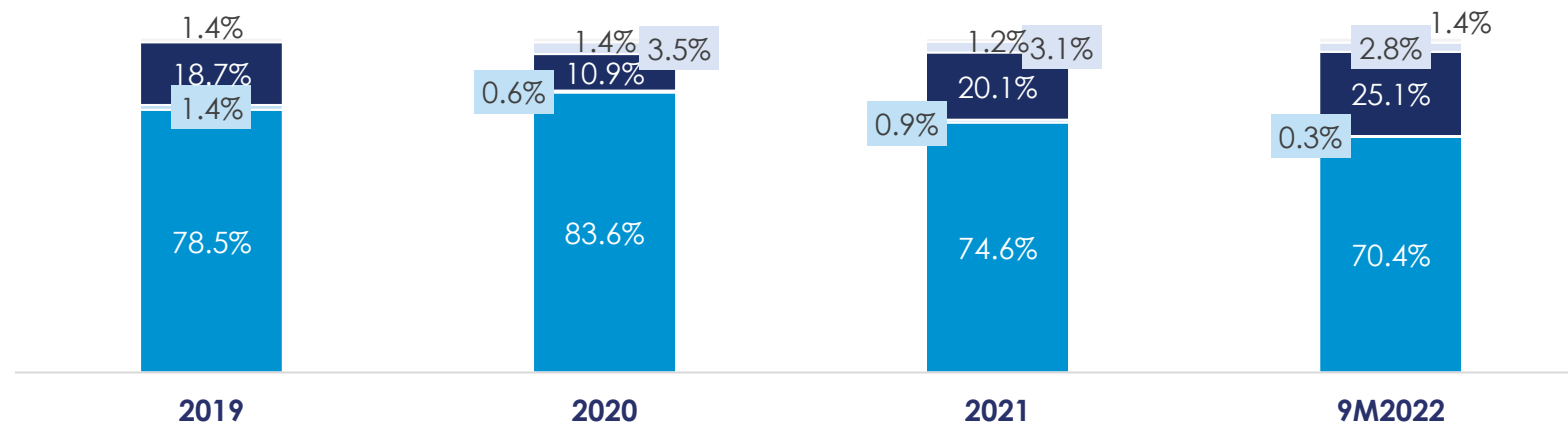


- Limited non-performing exposures with **declining share of bad loans in the period '18-'21**
- **FY21 Gross NPEs ratio better than European average** (1.35% vs 2.0%*)

*Source: EBA risk dashboard Q4 2021

Funding mix, %

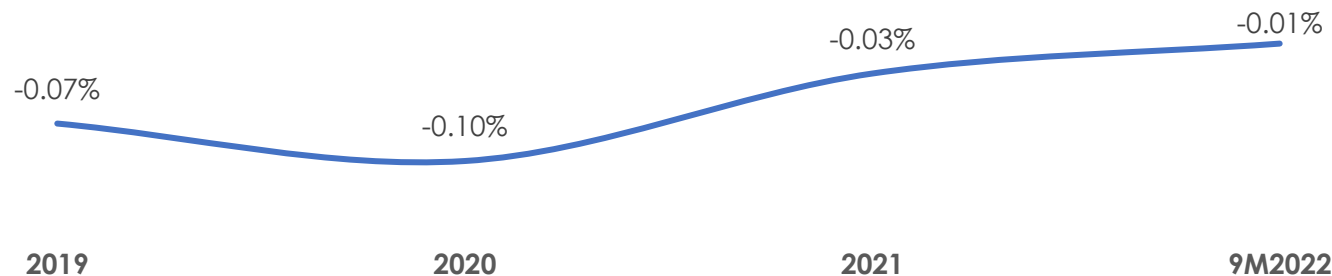
- Other
- Debt Securities
- TLTRO
- Repo
- Time Deposits
- Customer Deposits



€ mn

	2019	2020	2021	9M 2022
Total Funding	24,095	26,772	33,510	36,695
Customers Deposits	18,915	22,384	25,008	25,827
Time Deposits	329	172	308	92
Repo	4,508	2,925	6,742	9,224
TLTRO	-	945	1,035	1,029
Debt Securities	-	-	-	-
Other	343	345	416	522

Cost of Funding

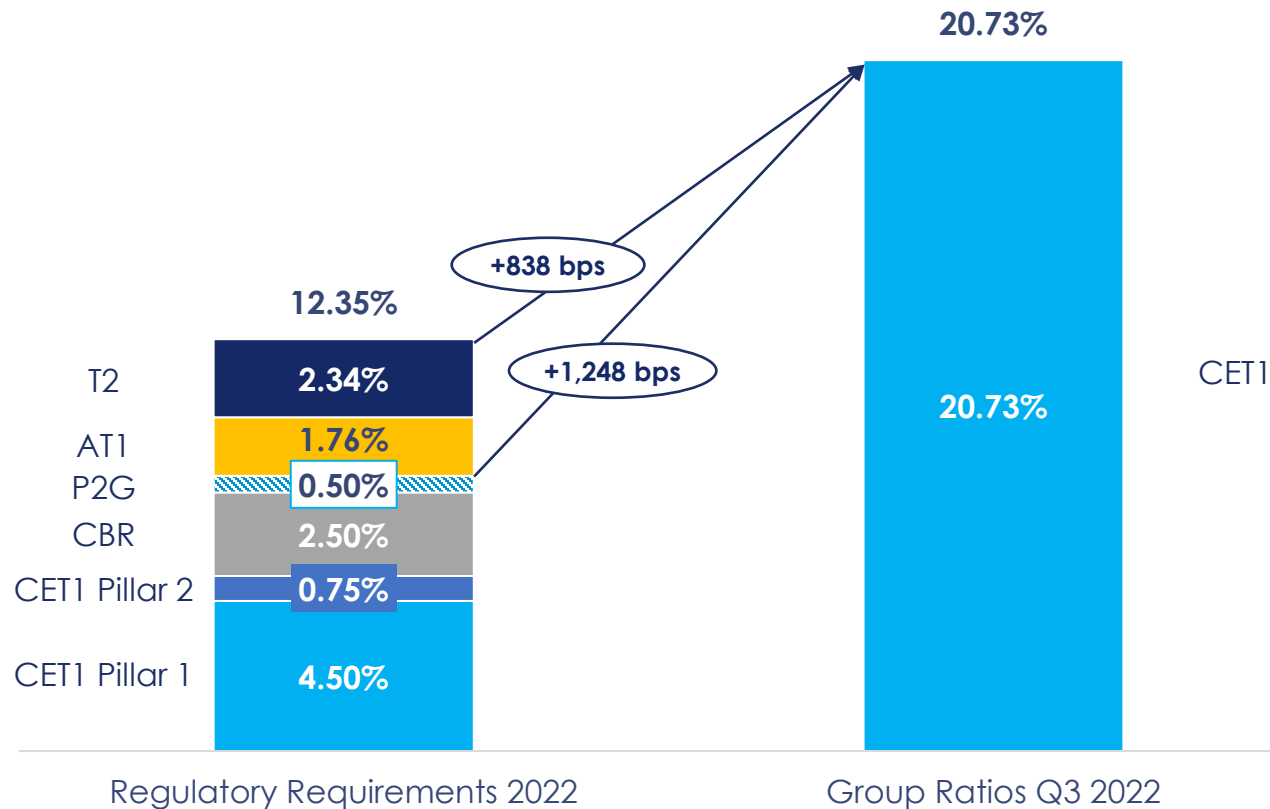


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	9M2022	FY 2021	FY 2020	FY 2019
CET1 ratio	20.7%	20.9%	20.4%	19.5%
Risk-weighted assets (€ mn)	12,044	11,274	9,810	9,388
Leverage ratio	5.7%	6.0%	6.3%	6.4%
Loan to deposit ratio	62%	58%	54%	55%

SREP Capital Requirements and MDA



- Banca Mediolanum's capital level **strongly exceeds minimum regulatory requirements**
- As of September 2022, the **buffer versus CET1 SREP** (including guidance) is **1,248 bps**

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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»

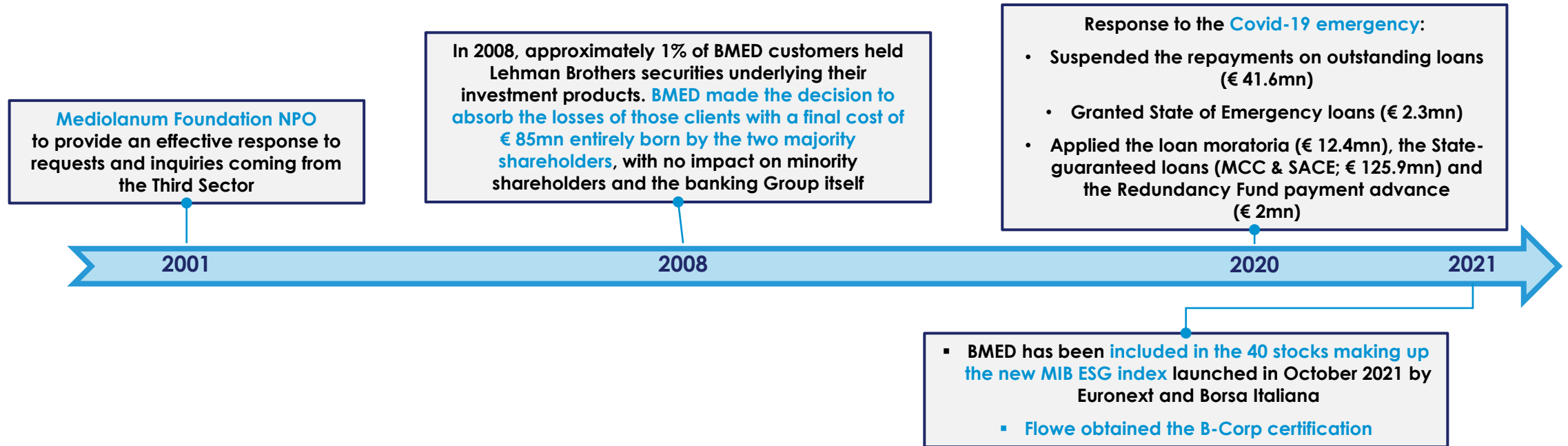


- ESG aspects are geared into Mediolanum Business Model. In particular, the Group is committed to fully integrating **environmental and social sustainability issues and governance matters into industrial strategy, risk management and compensation processes**
- According to the Governance Structure, the **Board of Directors** is responsible for the conglomerate's sustainability strategy and for the related sustainability policies, as well as for approving the non-financial statement which forms an integral part of the group's consolidated financial reports
- **CEO Remuneration** is linked to ESG targets both for short-term and long-term incentive plans (20% of CEO objectives)
- **Banca Mediolanum's Risk Committee** supports the Board of Directors in making decisions on sustainability issues connected with business operations. Such decisions may relate to the verification of key issues and all related risks concerning the dynamics of the Group's interaction with all its stakeholders

Stakeholders' Engagement

ESG aspects rooted in Banca Mediolanum DNA since years

- BMED strives to **act responsibly** and has always been a **people-centered bank**



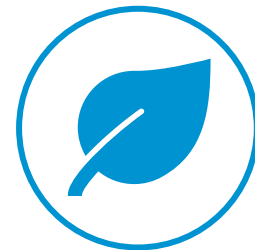
- BMED's Sustainability Strategic Approach is based on **four key pillars**



Economic System



Customers



Community and Environment



Employees and Family Bankers



Economic Responsibility



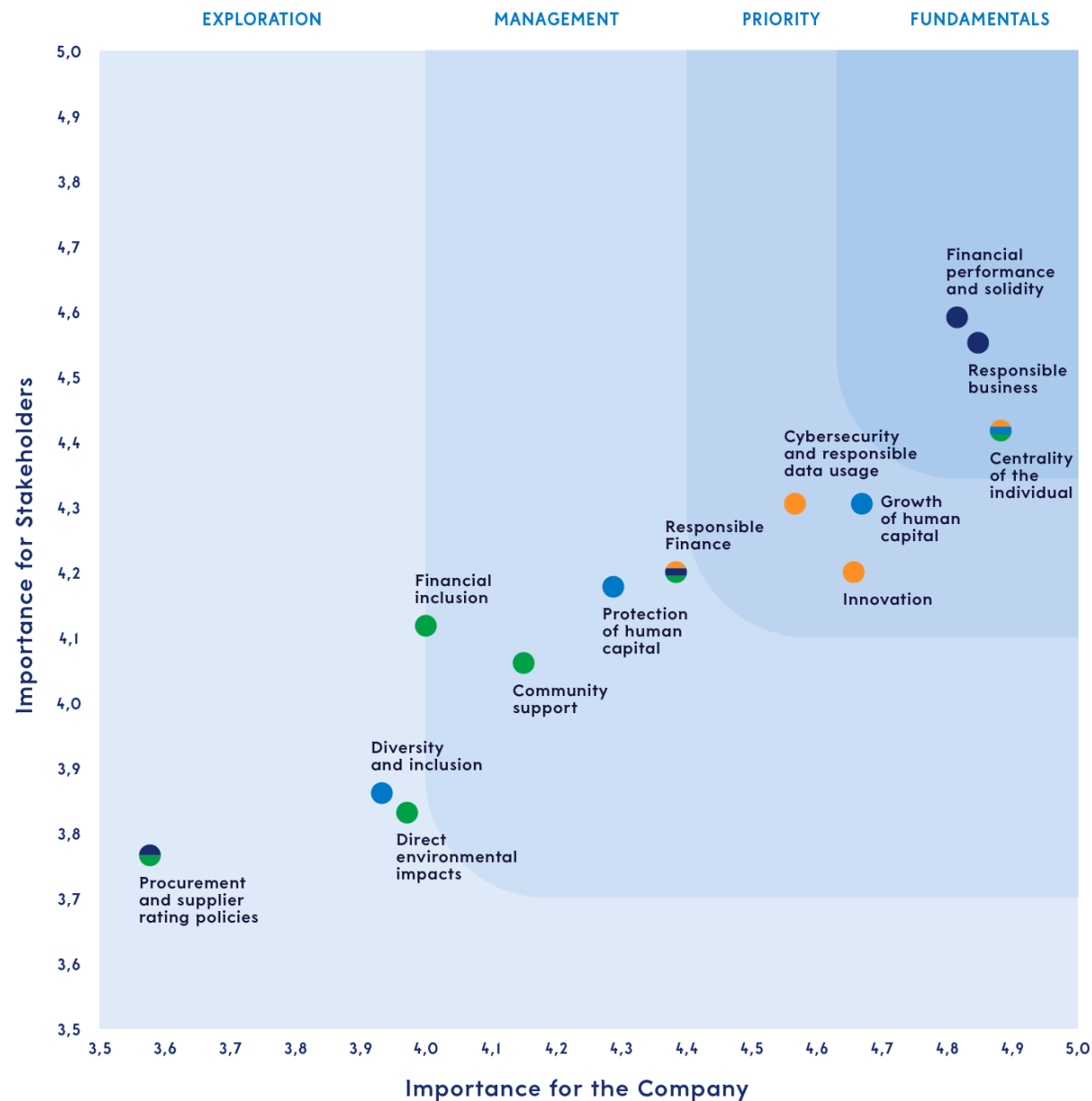
Responsibility to **Customers**



Responsibility to **Employees**



Responsibility to **Community & Environment**



32 Official Commitments and Voluntary Pledges

- BMED is committed to help create **a better life for the community at large by focusing on people and on the planet**, in all its decisions and strategies.
- BMED organises and participates in various social, cultural and sporting activities in order to promote and consolidate its relationship, and to **provide support to the community**.
From an environmental perspective, the Group is committed to **reduce its environmental footprint** through projects aimed at the responsible use of resources in line with national and international laws



In 2021, BMED joined the **UN Global Compact**, a United Nations initiative that encourages businesses all over the world to create an economic, social and environmental framework capable of **promoting a healthy and sustainable global economy**. In this regard, Banca Mediolanum is committed to applying a set of fundamental principles linked to **human rights, labor standards, environmental protection** and the **fight against corruption** in all its operations



PRINCIPLES FOR
**RESPONSIBLE
BANKING**

In 2022, to further underline its commitment towards sustainable finance, BMED became **Signatory to the Principles for Responsible Banking (PRB)** and **member of the United Nations Environment Programme Finance Initiative (UNEP FI)**. UNEP FI and its members work to strategically position the financial sector for the transition to a low-carbon, sustainable, inclusive economy under three industry frameworks: Principles for Responsible Banking, Principles for Sustainable Insurance and Principles for Responsible Investment. By joining this programme, BMED is committing to contribute to the alignment of the banking sector with the UN Paris Agreement on Climate Change and Sustainable Development Goals

- Euronext MIB ESG Component



LONG TERM

MIB ESG
INDEX COMPOSITIONMSCI 

S&P Global


CDP
DISCLOSURE INSIGHT ACTION
FTSE
Russell
standard
ethics

34 ESG Products Offered by the Group

- BMED has a **long standing ESG product offering** - with the launch of first 'ad hoc' funds in 2015 – that is gaining more and more momentum
- Over **€ 8 bn of ESG AUM**, 12% of total MF AUM as at 9M22, 47% of 9M22 Net Inflows

- **7 Captive Sustainable Mutual Funds**
(4 Art. 8, 3. Art. 9)
- **Over 2,600 3rd Party ISINs**
(both Art. 8 & Art. 9)

9M 2022 AUM		
€ 2.82 bn	€ 8.28 bn	12% of total M.F. AUM
€ 5.47 bn		47% of Net Inflows into M.F

- **'CASA+' & 'ECO+'**: advantageous terms & reduced spread on loans & mortgages to enhance RE sustainability, purchase of hybrid & electric vehicles, etc.
- All new **debit cards** made of **bioplastic (PLA)**
- **Paperless onboarding** of customers
- **Product lines 100% paperless** (SelfyConto, Instant Credit, etc.)

35 ESG Products Offered in detail (1/2)

Mediolanum Best Brands Energy Transition Fund by Mediolanum International Funds LTD (Article 9 of EU Regulation 2019/2088): global equity fund established in 2022 whose primary objective is to invest in clean energy companies and to contribute to the transition towards low-carbon emission energy sources

Mediolanum Best Brands Multi Asset ESG Selection Fund by Mediolanum International Funds LTD (Article 8 of EU Regulation 2019/2088): multi asset fund established in 2022 with a flexible investment approach to pursue maximum diversification among securities meeting high ESG standards

Mediolanum Best Brands Circular Economy Opportunities Fund by Mediolanum International Funds LTD (Article 9 of EU Regulation 2019/2088): global equity fund established in 2022 whose primary objective is to invest in companies that generate social and/or environmental change and contribute to the transition towards the circular economy

Mediolanum Best Brands Global Impact Fund by Mediolanum International Funds LTD (Article 9 of EU Regulation 2019/2088): global multi-manager equity fund launched in October 2020. It pursues two important objectives, namely (i) providing attractive long-term investment returns and (ii) contributing to create a more sustainable and inclusive world

Mediolanum Best Brands Socially Responsible Collection of Mediolanum International Funds LTD (Article 8 of EU Regulation 2019/2088): sub-fund of Mediolanum Best Brands established in 2015. As a multi-asset multi-manager fund, it mainly invests in socially responsible and sustainable global equities and, to a lesser extent, in fixed-income securities

Mediolanum Best Brands Innovative Thematic Opportunities (Article 8 of EU Regulation 2019/2088): a sub-fund of Mediolanum Best Brands established in 2018. As a multi-manager fund, it mainly invests in global equities. Its investment policy focuses on growth by selecting companies whose businesses are well-positioned to take advantage of megatrends

Mediolanum Flessibile Futuro Sostenibile by Mediolanum Gestione Fondi SGR p.A. (Article 8 of EU Regulation 2019/2088 since October 2020): part of the Mediolanum Fondi Italia System, is a flexible fund that prioritizes investments in players that meet high environmental, social and governance (ESG) standards, in particular focusing on their carbon footprint

The Spanish branch, offers a selection of third-party funds, including both Article 8 and Article 9 funds, through the **MyWorld service**
Fondo Compromiso Mediolanum FI: Banco Mediolanum distributes the Compromiso FI Fund created by Mediolanum Gestión, the Spanish Group's asset management company. With this investment fund, customers can choose an NGO from those participating in the Mediolanum Aproxima solidarity initiative. Mediolanum Gestión will then donate annually 30% of its management fee to the organization selected, according to the procedures described in the product prospectus

Mutuo Casa+, Prestito Casa+: The underlying goal of Casa+ products, launched in October 2013, is to upgrade the energy rating of buildings and reduce their environmental impact by investing in alternative energy solutions

Mediolanum Eco+: Advantageous terms and reduced spread on first mortgages linked to high-energy-efficiency residential properties (B, A or A+ rating), since March 2019

Mediolanum Young: Mediolanum Young mortgages, launched in July 2017, are targeted to customers under 35 who are planning to buy a home. The maximum LTV is extended to 90% and a gradual reduction of the spread is applied every 5 years, if regular repayments are made

36 ESG Products Offered in detail (2/2)

Mutuo Mediolanum Fondo di Garanzia Prima Casa: In December 2021, BMED joined the Fondo Prima Casa of Consap, a state-guaranteed fund dedicated to the purchase of the primary residence with up to 100% LTV and favourable pricing. Eligible customers include low-income households, single-parent families, people under the age of 36

Superecobonus/ECobonus Loans: In October 2020, BMED launched a series of loan products for retrofitting of buildings based on the superecobonus/ecobonus tax breaks, for customers who choose to transfer the relative tax credit to the Bank:

- **Mediolanum Superbonus Loan 110+:** for those property renovations eligible for tax credits (110% of the value of the work) over a 5-year time period
- **Mediolanum Bonus+ Loan:** for those property renovations eligible for tax credits over a 10-year time period

Mediolanum Bonus+ Top Loan: launched in October 2020, specifically addresses high-value customers, for property renovations eligible for tax credits (100% of the value of the work) over 5 or 10-year time period

Mediolanum Eco+ Mobility Loan (Italy) & ECO Loan (Spain): Mediolanum offers a favorable spread on loans to fund the purchase of new hybrid or electric cars, bicycles, and motorcycles. The first one has been launched in September 2019, while in Spain the product has been launched one year later

Instant Credit and Shop for You: In 2021, the "Selfy" project was expanded to include the digital loan products (i) "Instant Credit" (a personal loan) and (ii) "Shop for You" (a consumer credit loan). Selfy is a project addressing the acquisition of DIY customers who choose BMED without being assigned to a Family Banker

Hipoteca Freedom Green: Banco Mediolanum's mortgage dedicated to top customers for the purchase of high-energy-efficiency properties, since September 2020

Integration of Next-Gen Fund state incentives: Banco Mediolanum's mortgages and loans dedicated to the retrofitting (energy efficiency) of properties, with favorable conditions also permitted by EU Next-Gen funds. It was launched in November 2021

SelfyConto: BMED has confirmed its commitment toward digitalization and dematerialization with SelfyConto. The registration process is fully paperless, and account holders under the age of 30 pay no account-keeping fees

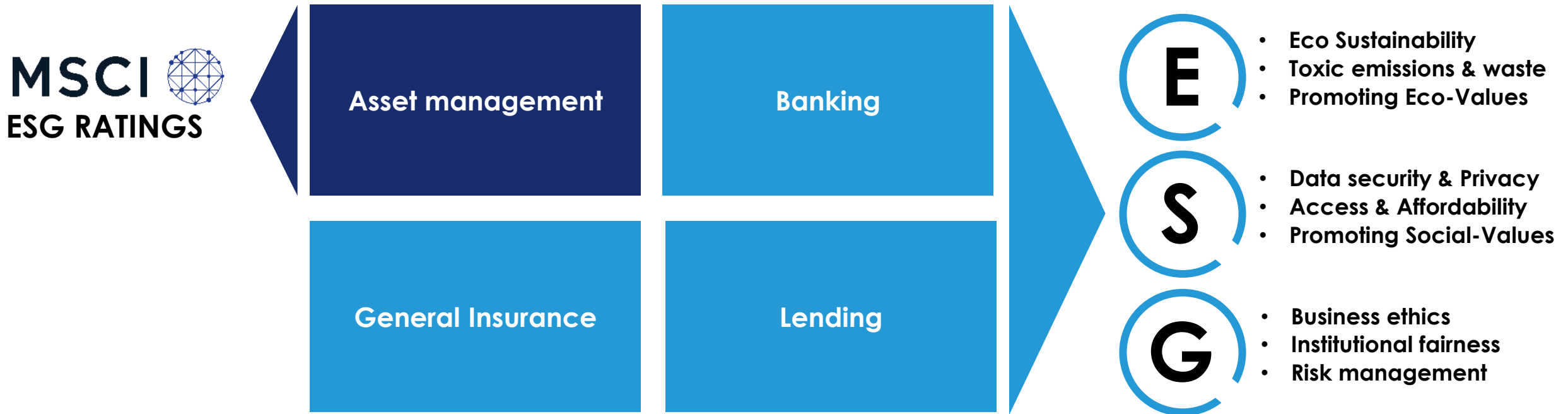
Conto Mediolanum – Young: It provides young customers with the benefits of a Family Banker's all-round assistance coupled with the fully digital banking services of the mobile app. Account holders under the age of 30 pay no account-keeping fees

Conto Mediolanum – Natural Disasters: BMED has always been at the forefront in supporting customers affected by natural disasters with dedicated initiatives. It provides a whole series of advantages until two years from the opening of the account (or from the change of the agreement), including no account-keeping fees, no annual credit card fee, no stamp duty, and no charges for using the main banking services

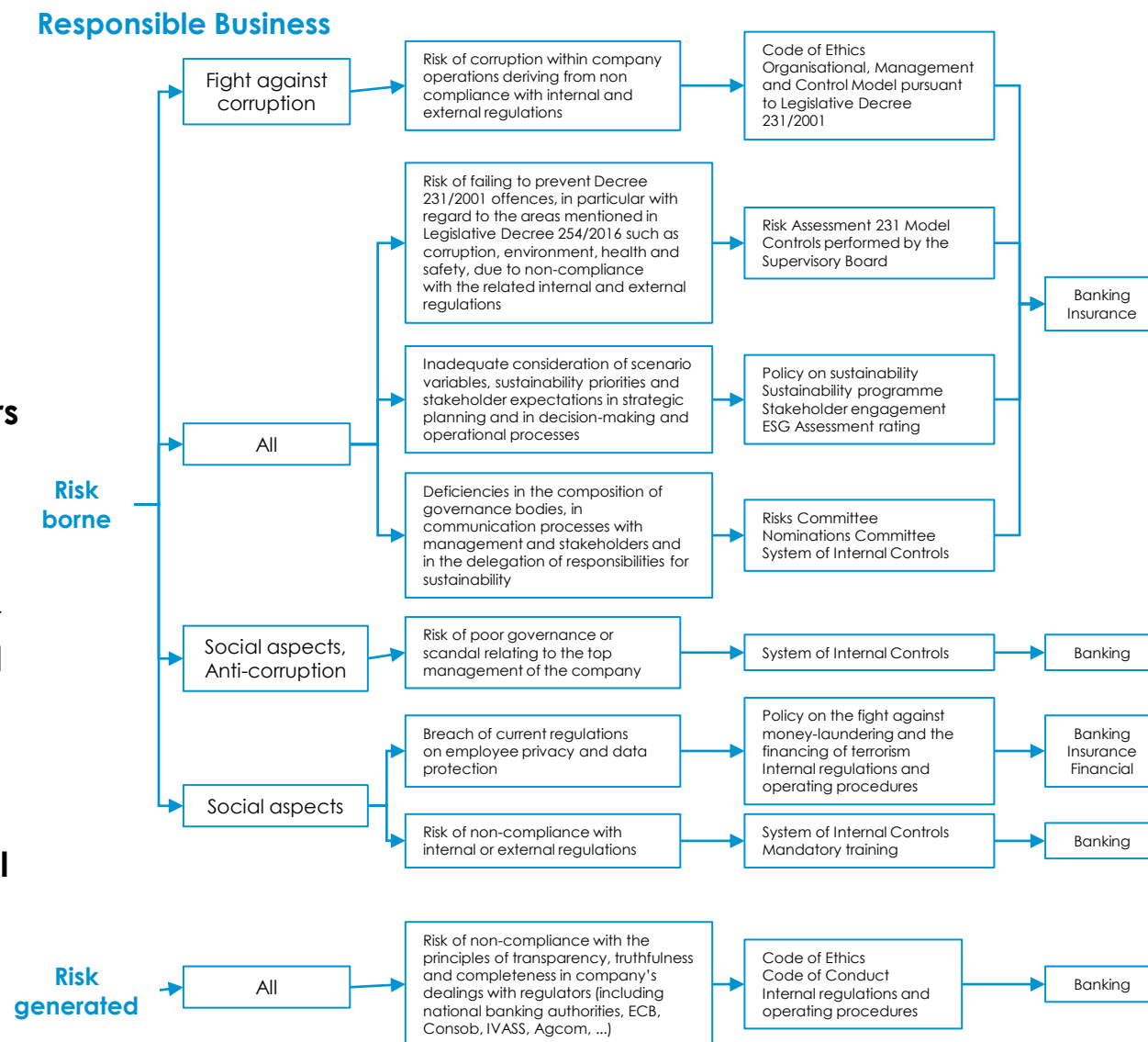
Mediolanum Card – debit card: Mediolanum Card is made of polylactic acid (PLA), a non-food corn derivative that reduces the use of fossil-based plastic by over 80% during the production process

37 ESG Product Offer Rating Model

- **Asset Management products** rated by a third-party provider, **MSCI ESG** Research:
 - **100%** of captive mutual fund **AUM rated**, o/w **99.95%** scored **'Leaders'** or **'Average'**
- **Rest of the offer**: created together with Cattolica University - **a pioneering ESG rating model** which allows a continuous evaluation & monitoring the sustainability profile of all **banking, credit & general insurance products**



- During **2021**, the process of identification, evaluation and management of ESG risk envisaged:
 - The mapping of **118 material, non-financial risks**, 40% of which internally generated. Compared to the previous year, one risk on Responsible Finance was added and two risks on Human Capital were eliminated being no more meaningful
 - Allocation of the above-mentioned risks to **31 risk owners** spread across Head of Directorates and Functions
- Under a qualitative point of view, the **95% of ESG risks** in the framework have a **medium / low assessment**. **Mitigating actions** put in place by the single risk owners cover 92% of the Materiality Matrix topics, equal to almost 60% of all the risks
- The most relevant gap in terms of management and mitigation is the one linked to responsible finance. To address this, BMED on one side adopted an **offering model of sustainable products** and on the other side adopted a **policy on responsible investments**



- BMED is committed to **valuing diversity and equal opportunities** within its workforce, following and promoting the principles of merit and competence, in line with the Group's values
- At the same time, differences in competencies, skills, cultural & social backgrounds and the creation of an inclusive space that encourages constructive interplay, represent an **opportunity to enrich BMED's business with new perspectives**, and is a **prerequisite for growth and innovative solutions**



Diversity and Inclusion Policy

In 2021, Banca Mediolanum adopted a Policy on Diversity and Inclusion, an area of governance that encourages the development of a **company culture that values people's diversity**.

The document provides an overview of the processes and initiatives aimed at enhancing and supporting diversity and inclusion in all the areas of the **Group focusing on gender, aging and generational diversity, cultures, ethnicities and disabilities**

Diversity and Inclusion Projects

- Definition and approval of the Diversity and Inclusion Policy and appointment of the **Diversity Manager**
- Reinforcement of an inclusive culture through specific **training programs**
- Creation of the '**Women in Med**' community dedicated to the talent enhancement of female Family Bankers
- Partnership with '**Valore D**' and '**Women & Technologies**' to develop themes of inclusion, diversity & enhancement of each individual - Signatory of **ABI 'Carta delle Donne'**
- Identification of the reference diversity index ('**Inclusion Impact Index**') adopted to measure and guide new initiatives

40 Flowe – A Better Being «Plat-firm»

- **Flowe**, launched in **2020**, is Banca Mediolanum e-money platform dedicated to younger customers (677k users)
- Being a **benefit company** Flowe targets not only profitability objectives, but also broader **purposes** in order to create a **positive impact on the community and the environment**
- In particular, **two specific goals** are incorporated into Flowe's bylaws:



1. **Educate and inform young people about sustainability and innovation**
2. **Promote socio-economic wellbeing by improving young people's awareness and management capabilities of their own finances**

- Thanks to a partnership with **Doconomy**, Flowe's customers will be able to **quantify their CO2 linked to their spending** being able to monitor and manage their footprint
- In **2021 Flowe** was recognised as a **Carbon Neutral B-Corp**

flowe

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

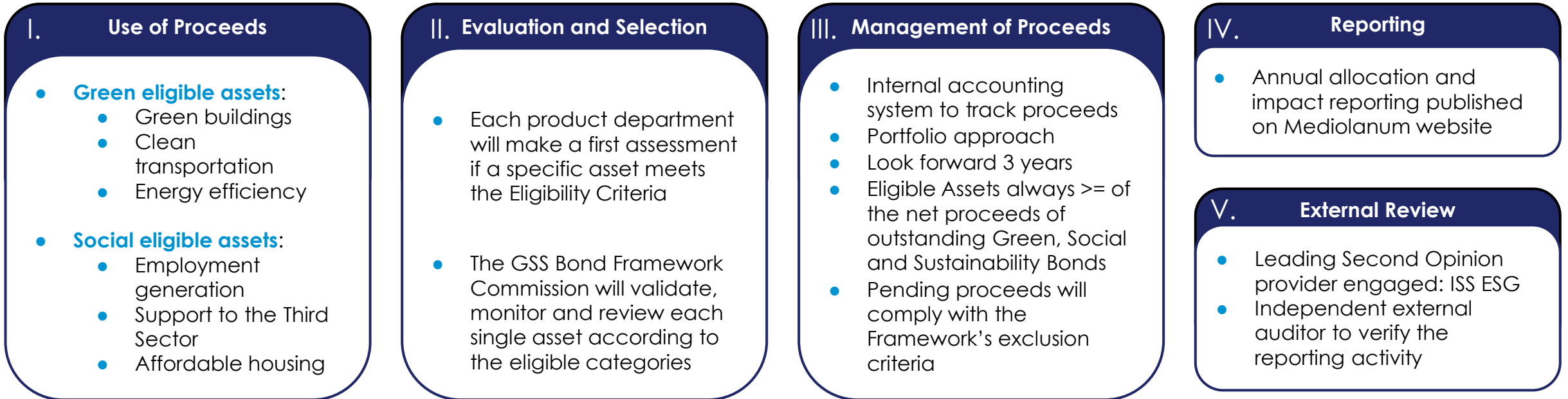


Agenda

- 1 Inaugural Green Senior Preferred Transaction
- 2 Banca Mediolanum at a Glance
- 3 Balance Sheet Overview
- 4 Regulatory Capital
- 5 Sustainability at Mediolanum
- 6 Green, Social and Sustainability Bond Framework**

Green, Social and Sustainability Bond Framework

- 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 actual 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
- **SMEs (low income and disadvantaged groups)**
- **Microfinance**



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



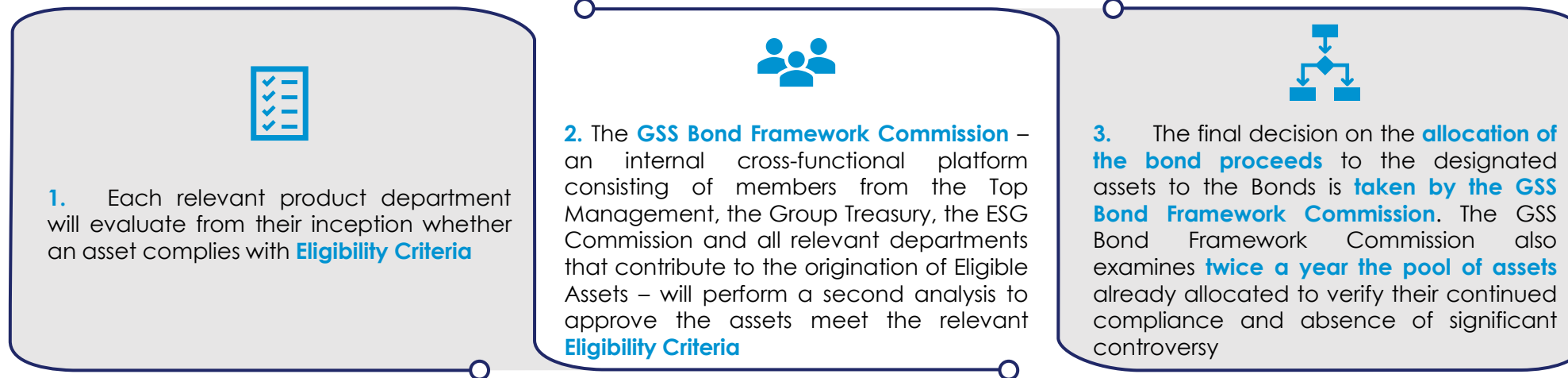
Affordable Housing

- **Social Housing**



44 II. Process for Project Evaluation and Selection

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



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 impacts 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 exceeds or will at least equal the sum of the net proceeds of outstanding Green, Social and Sustainability Bonds



- **Pending the allocation or reallocation**, as the case may be, of 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 **every one 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 with regard to 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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