

# Fixed Income Investor Presentation



Credit Update - May 2025

### 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 Q1 2025**: Total Net Inflows € 3.77 bn | Total AUA/AUM € 140.3 bn | Loans Granted € 0.85bn | Credit Book € 17.8 bn | General Insurance Gross Premium € 53.3 mn
- **Economic and Financial Performance Q1 2025** : Net Commission Income € 316.2 mn | Net Interest Income € 180 mn | Contribution Margin: € 495.1 mn | Operating Margin: € 279.1 mn | Market Effects: € 52 mn | Net Income: € 243.3 mn

### Balance Sheet Overview

- The **balance sheet structure is solid and simple** (loan-to-deposit ratio at 59%), liquidity is above average (LCR at 465%) and the funding is mainly geared to customers deposits (NSFR at 189%)
- **Ever-growing deposit base**: € 30.6 bn at Q1 2025
- **Credit Book amounting to € 17.8 bn**, mainly represented by retail mortgages. Best-in-class asset quality, far better than average in the Italian banking system, with **Gross NPEs ratio at 1.45%** also better than European average. Mediolanum **has never done an NPEs disposal**
- The **investment portfolio** (€ 19 bn) has a **very low sensitivity to volatility** with an average duration of less than 2 year

### Regulatory Capital and MREL

- The Group's capital level strongly exceeds minimum regulatory requirements: **CET1 at 22.5%** (buffer vs CET1 SREP - including guidance - is more than **1,380 bps**) | **Leverage Ratio at 7.8%**
- Banca Mediolanum is **already compliant with final MREL requirement with a surplus buffer of more than 3.43% of Q125 RWAs**
- Based on balance sheet and MREL requirements evolutions, **Banca Mediolanum is willing to maintain buffers vs MREL requirements**

### Credit Ratings & ESG 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: Agile & Diversified Business Model, Resilient Capital Generation**
- **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
- **The Eligible Portfolio** already identified amounts to **€ 1.4 bn** (mainly represented by Green Buildings)

# Agenda

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- 1 Banca Mediolanum at a Glance**
- 2 Balance Sheet Overview
- 3 Regulatory Capital and MREL
- 4 Credit Ratings & ESG Bond Issuance

- **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  
**>1.96 mn**

Employees  
**~ 3,800**

Licensed Financial Advisors  
(Family Bankers)  
**6,491**

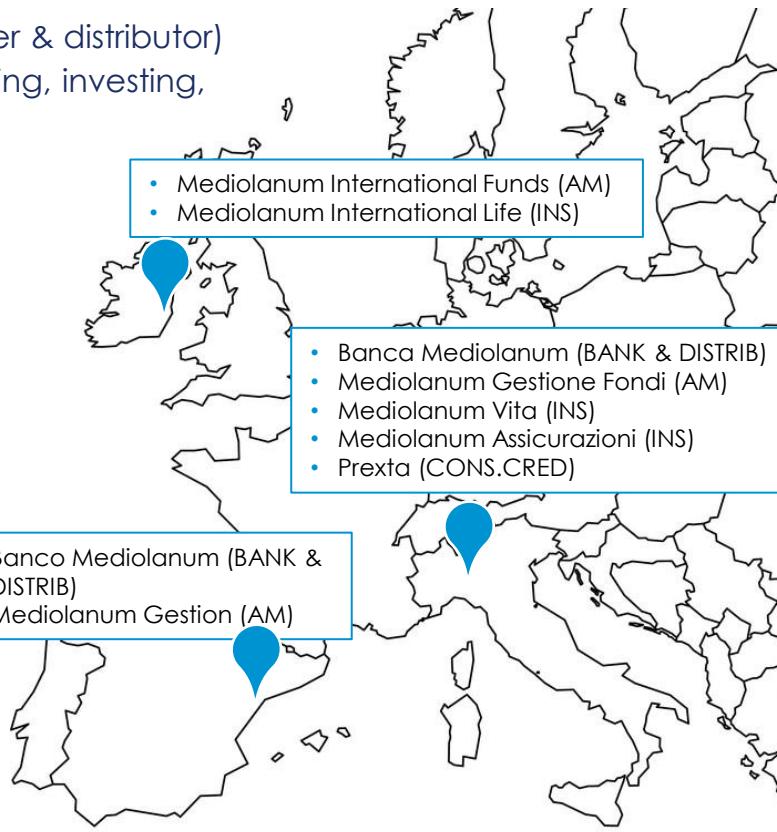
ROE  
10-yr avg: **21.2%**  
2024: **29.9%**

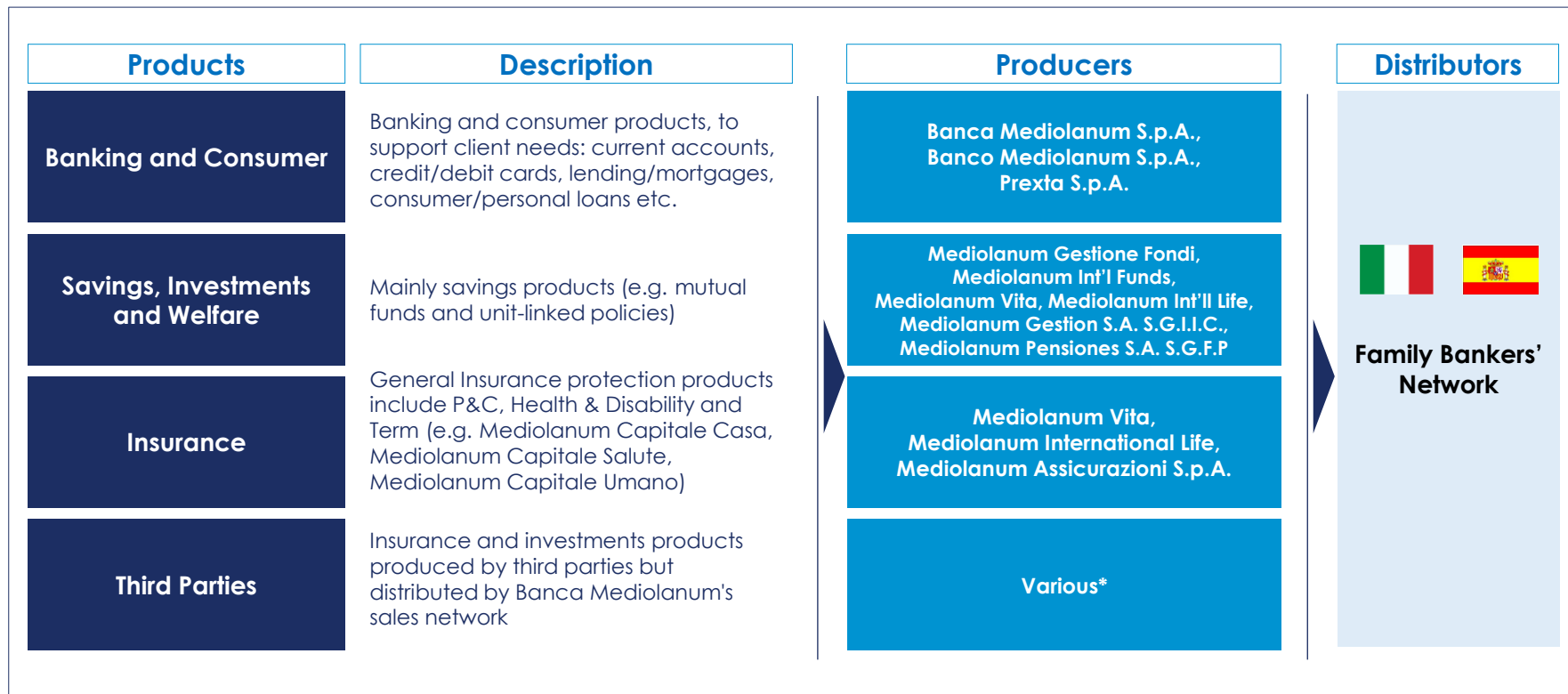
Total Assets (AUA/AUM)  
**> € 140.3 bn**

CET1 Ratio  
**22.5%**

Credit Book  
**€ 17.8 bn**

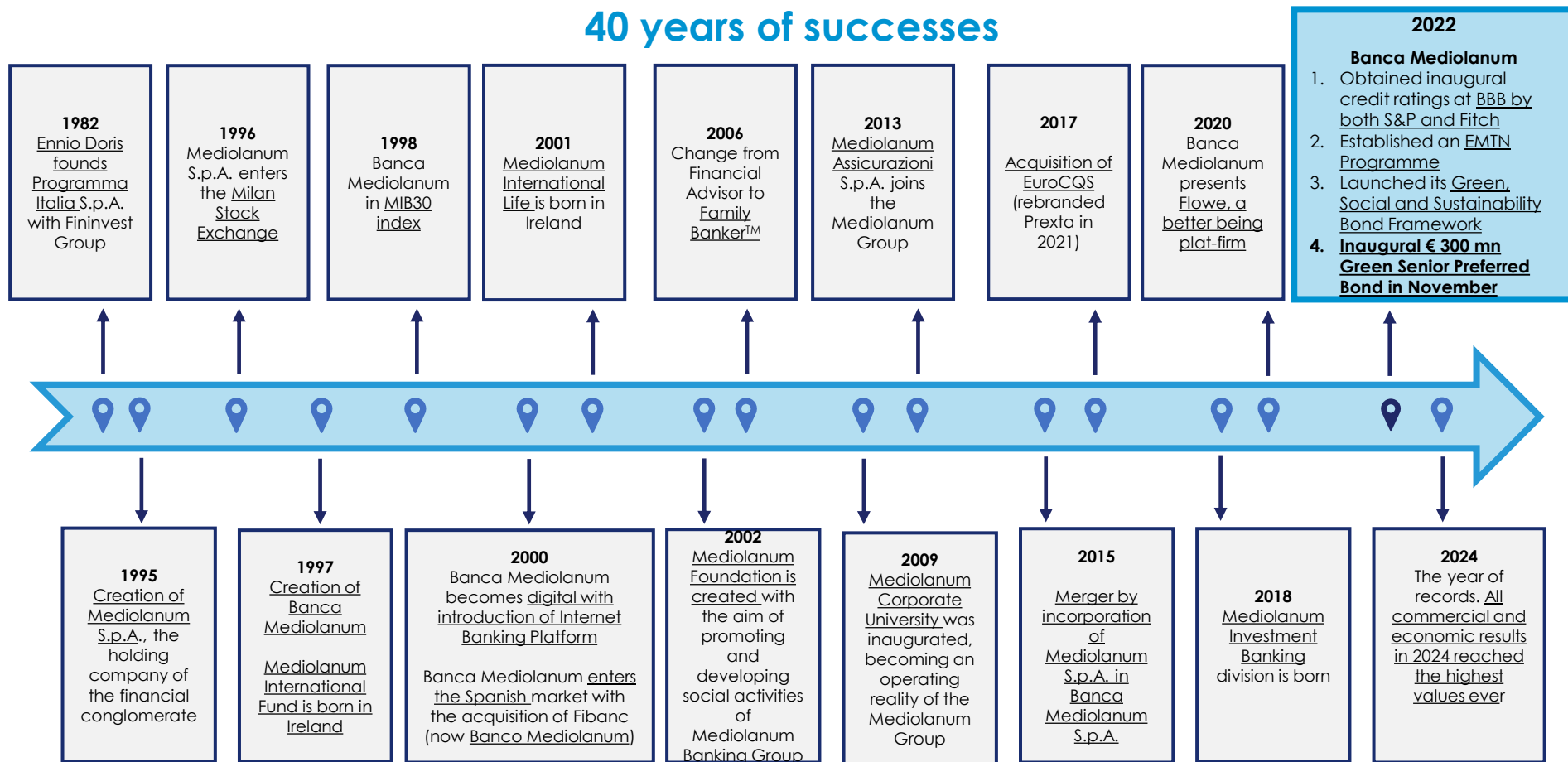
Net NPE Ratio  
**0.77%**





\* 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

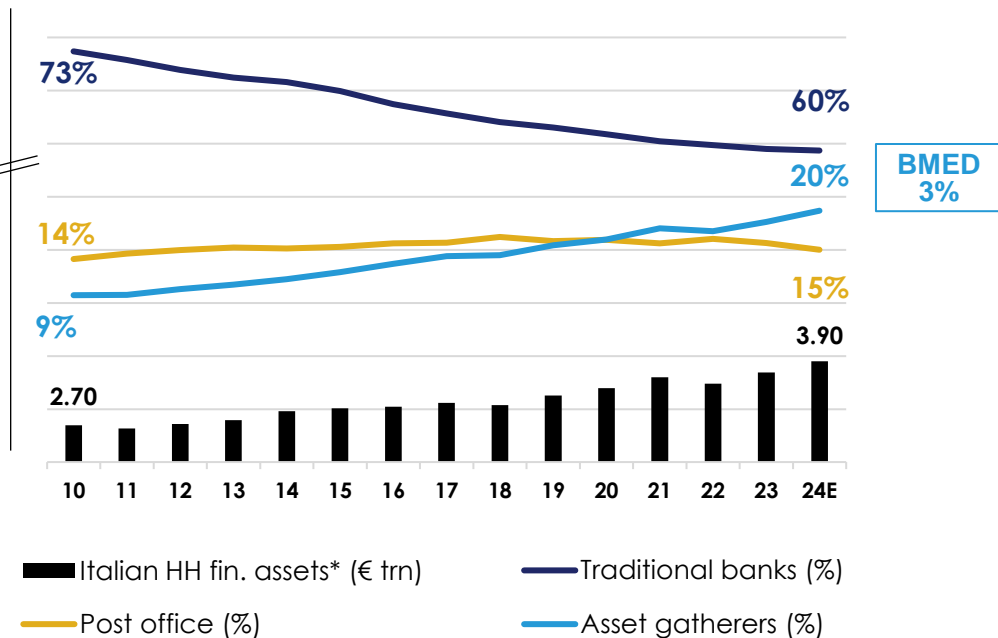
## 40 years of successes



## 8 Italian Household Financial Assets

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

Total HH Assets as at Dec. '24: € 5.98 trillion



Asset gatherers growing mainly thanks to:

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

(\*) Includes deposits, administered & managed assets. Does not include real estate, shares of unlisted companies, TFR (end-of-service pay) & cash, as these assets are a non-addressable market for financial institutions. Total wealth of Italian households – all items included – is equal to € 5.98 trn in 2024. Source: BMED & Prometeia



## Excellent start of the year thanks to full-service & versatile business model

€ mn	Q1 2025	Q1 2024	Change
Net Commission Income	316.2	290.5	+9%
Net Interest Income	180.0	220.0	-18%
Contribution Margin	495.1	504.0	-2%
Operating Margin	279.1	283.1	-1%
Market Effects	52.0	25.3	+106%
Net Income	243.3	220.5	+10%

Very positive start of the year w/ significantly-higher average AUM. Negative market performance in Q1 25 offset by net new money

NII impacted by change in rates & success of promo initiatives. Unfavourable comparison vs 2024 due to timing & volume mismatch of promo offers. Update to 2025 expectations: -5% confirmed

Comprehensiveness of business model enabled Operating Margin to remain stable despite declining rates & market headwinds in Q1

Good contribution from performance fees in Jan-Feb, mainly thanks to PIR fund w/ daily crystallisation as well as profit-taking activity by customers

Bottom line keeps delivering thanks to resiliency of BMED business model

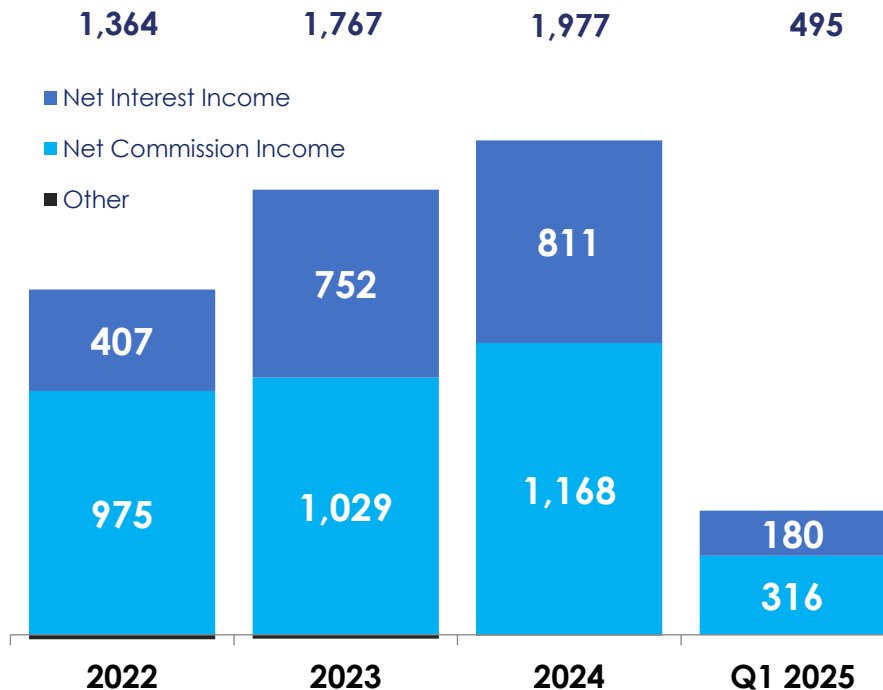
Key ratios	Q1 2025	FY 2024
Cost/Income Ratio*	38.4%	39.0%
Acquisition costs/Gross commission income Ratio	34.2%	34.1%
Annualised Cost of risk (bps – R12M)	13	18

Efficiency remained high given the disciplined approach to costs and different seasonality vs Q1 2024

Payout to Family Bankers substantially stable across quarters

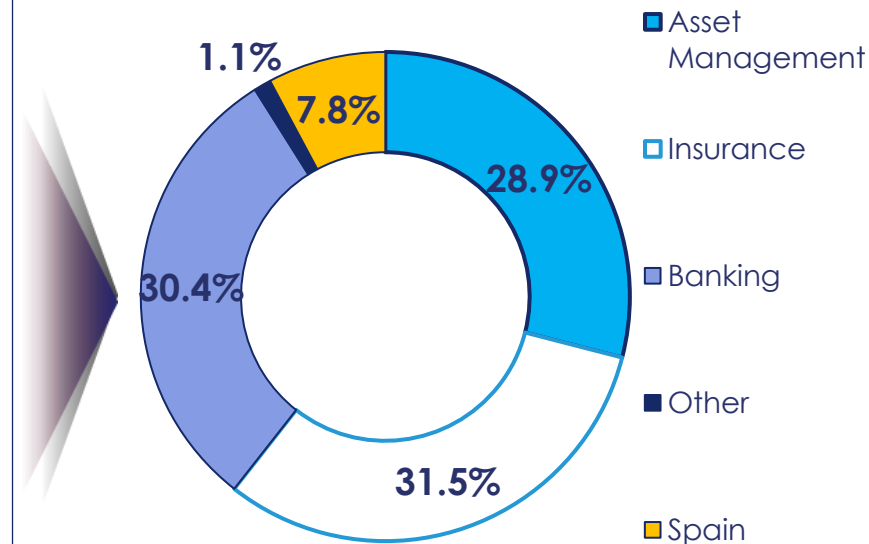
CoR even lower than usual thanks to better outlook provided by risk models

Contribution Margin



By Business Line

% Q125



Other: Investment Banking and other minor business

## Robust commercial performance w/high quality &amp; quantity net inflows

€ bn	Q1 2025	Q1 2024	Change	FY 2024	Change
Total Net Inflows	3.77	3.06	+23%		
Net Inflows into Managed Assets	2.01	1.18	+71%		
Total AUA/AUM	140.30	125.90	+11%	138.49	+1%
Loans Granted	0.85	0.56	+51%		
Credit Book	17.78	16.91	+5%	17.62	+1%
General Insurance Gross Premiums (€ mn)	53.27	42.39	+26%		

Extremely strong start of the year, with substantial growth in net new money. Strong contribution once again from both new & existing customers

Best start of the year thanks to distinctive investment strategy & flow resiliency. Target of 7.5 bn confirmed

Total financial assets fueled by the growth of deposits and net inflows into managed assets, which offset negative market performance in the quarter

Strong pick-up in mortgage volumes also favoured by easing of rate environment and recovery of residential RE market

Credit book increased maintaining extremely high quality thanks to prudent approach to the business

Healthy growth of premiums attributable to both stand-alone & loan protection policies

# Agenda

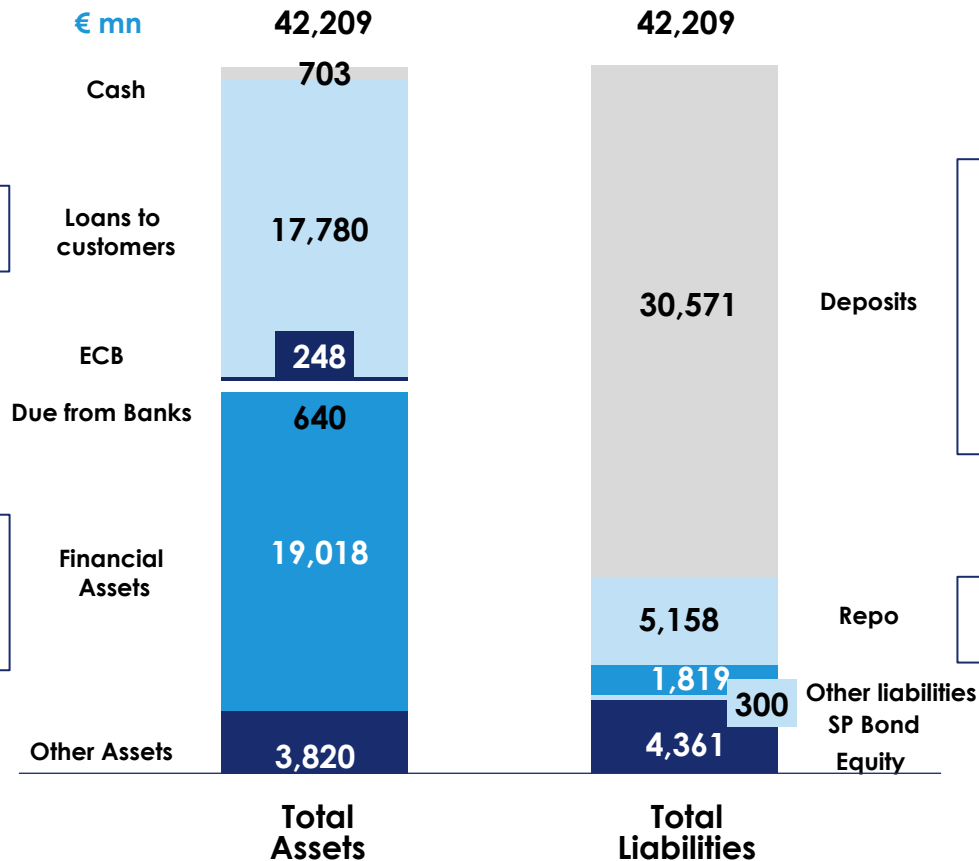
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# 13 Balance Sheet Structure – Banking Group

## Straight-forward & solid balance sheet structure

as at Q125



- High quality book: CoR at 13 bps
- Mainly retail & collateralised

- o/w Banking Book € 17.8 bn
- Short duration (1.9 yr)
- No sensitivity to ITA spread: all assets in HTC portfolio

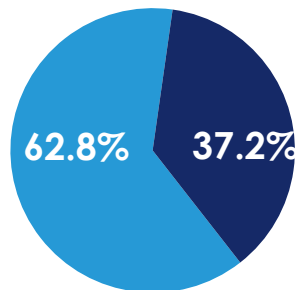
- Current account mandatory for all customers
- Stable source of credit book funding & flows into managed assets
- Flexible cost of funding as main costs are linked to deposit account initiatives w/ short duration (Double Chance & Time Deposits)

- Treasury dpt. carry-trade positions
- Short duration (<1 week on avg.)

## Banking Book: € 17.8 bn (nom. values)

## Rate Type

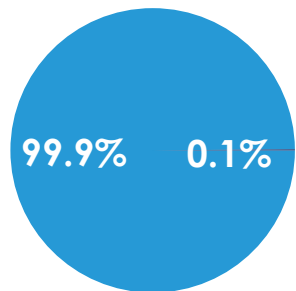
- Fixed
- Floating



Sector	%
Government	98.6%
Financial	1.4%
Govies	%
Italy	76.9%
Spain	12.7%
Other EU Countries	10.4%

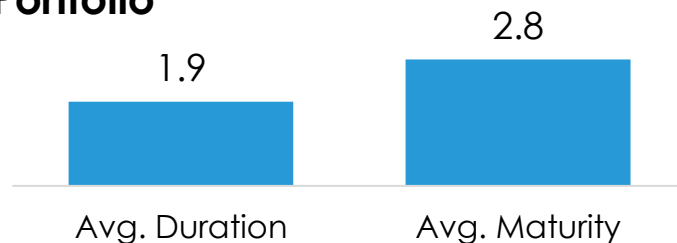
## Portfolio

- HTC
- HTCS



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

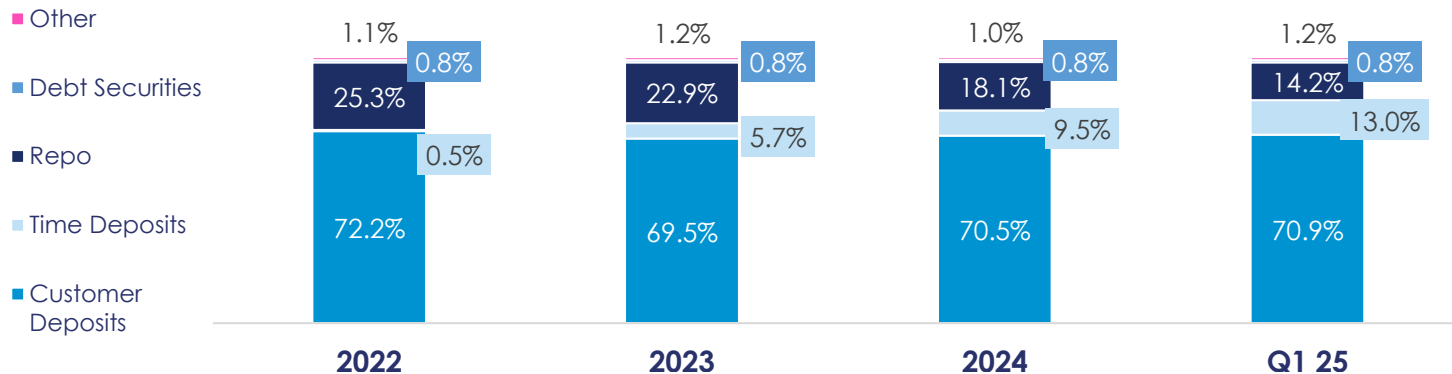
## Portfolio



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

# 15 Funding Overview

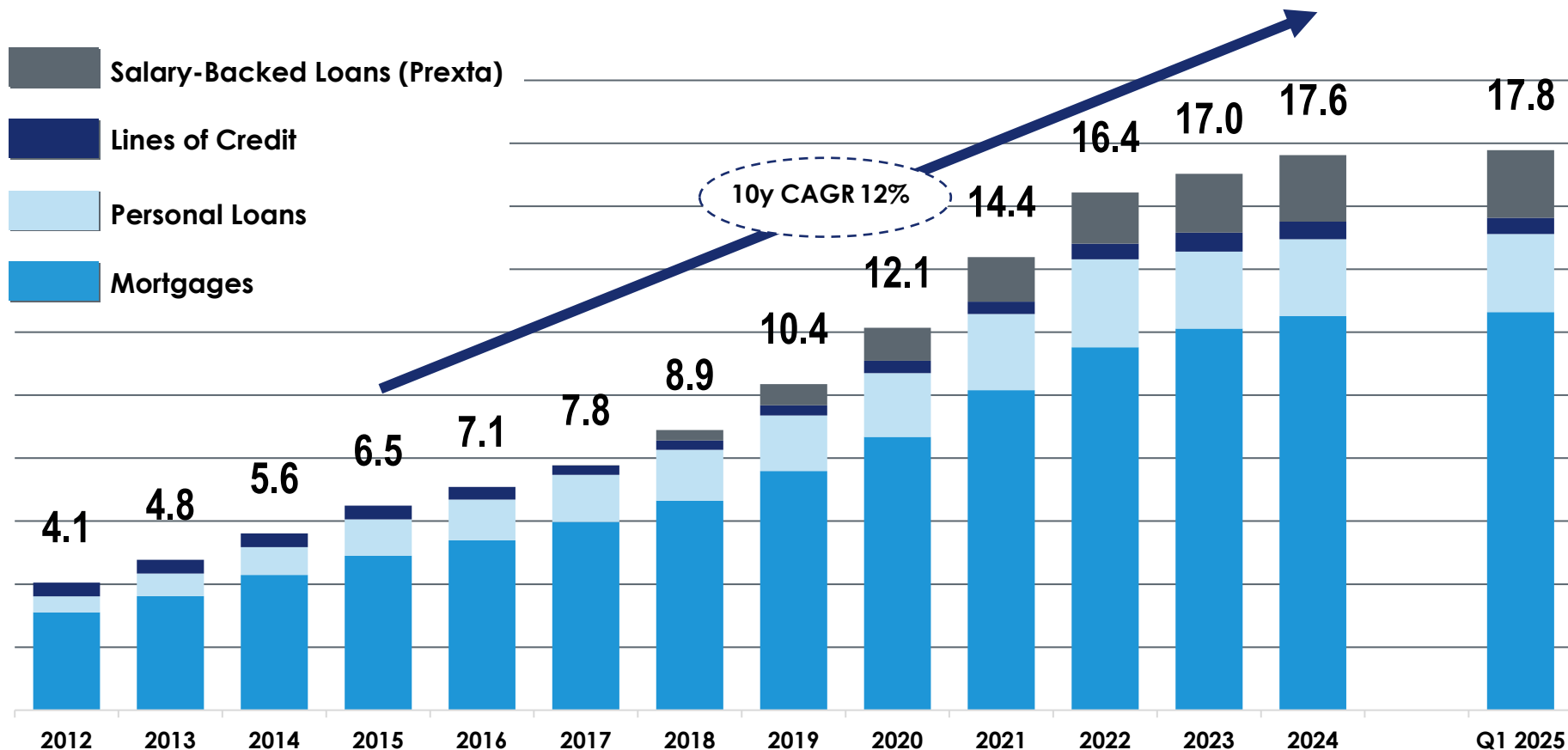
Funding mix, %



€ mn	2022	2023	2024	Q1 2025
<b>Total Funding</b>	<b>36.823</b>	<b>35.690</b>	<b>36.121</b>	<b>36.389</b>
Customers Deposits	26.574	24.796	25.472	25.783
Time Deposits	202	2.028	3.446	4.723
Repo	9.331	8.155	6.537	5.158
Debt Securities	300	300	300	300
Other	417	411	366	425

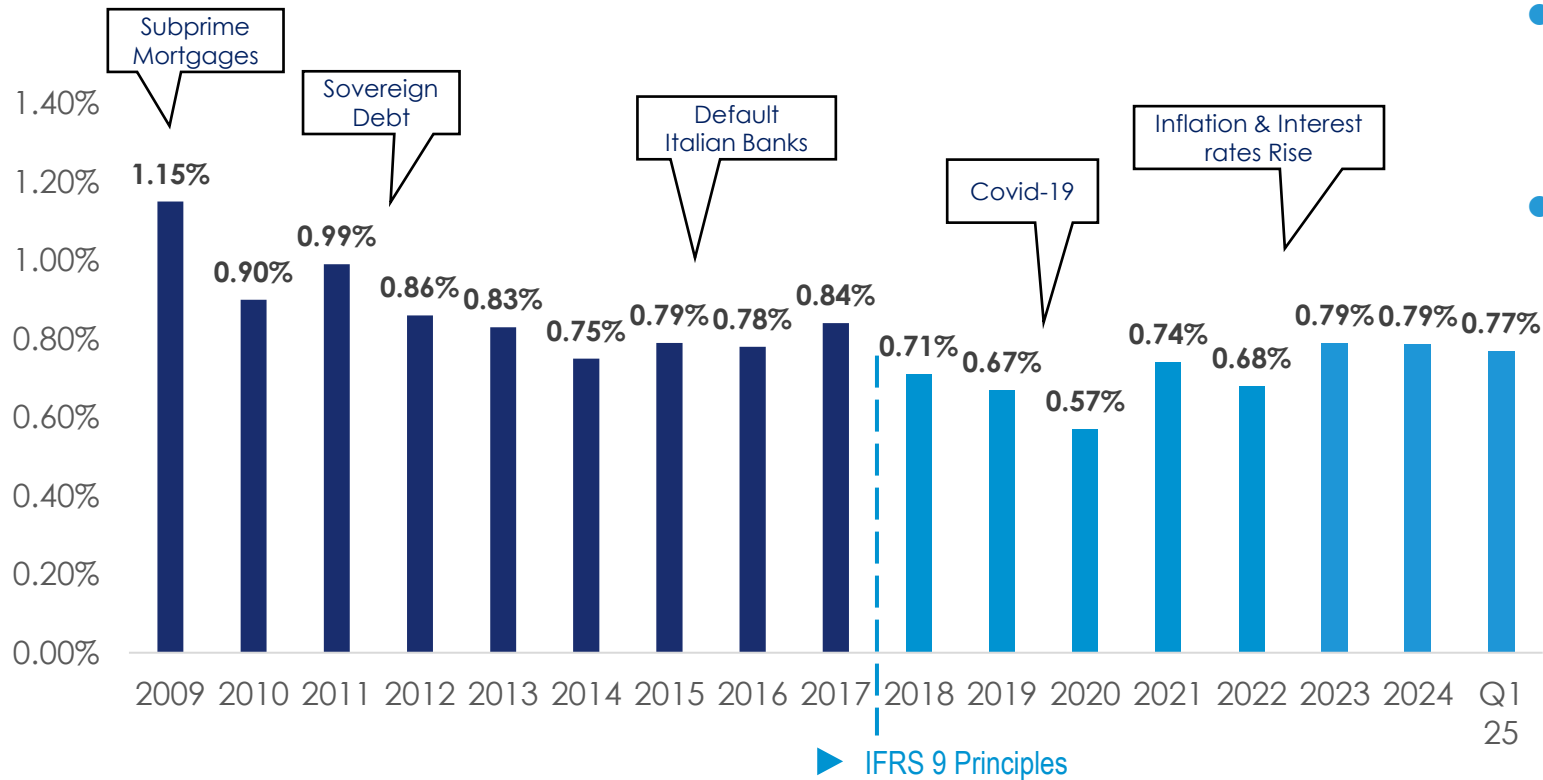
Cost of Funding







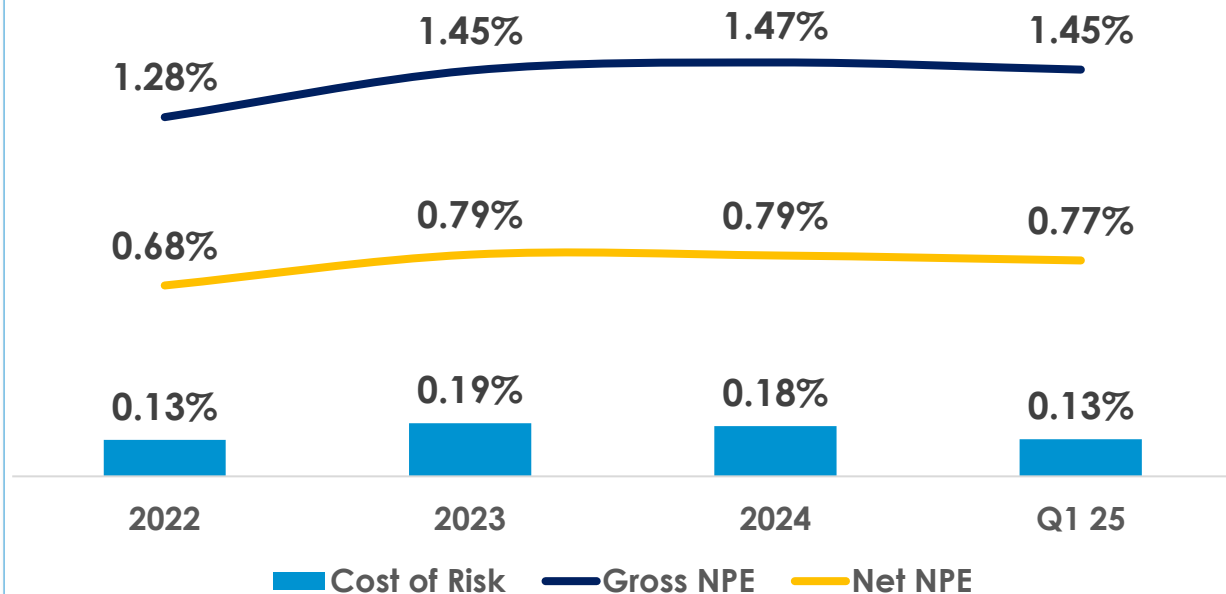
### Net NPE Ratio



- **Non-material exposure to commercial loans**

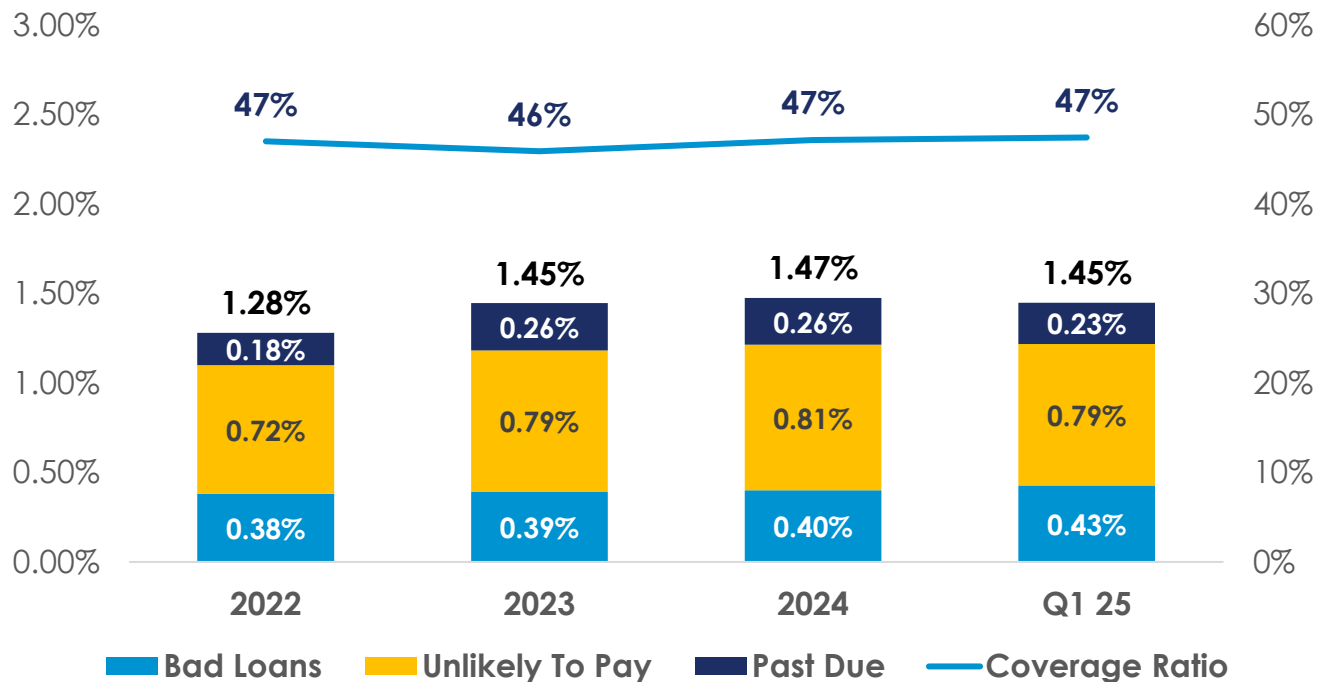
- **Stable NPE Ratios** even in crisis times

### 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
- **Best-in-class Gross NPE ratio**, above European average

# Agenda

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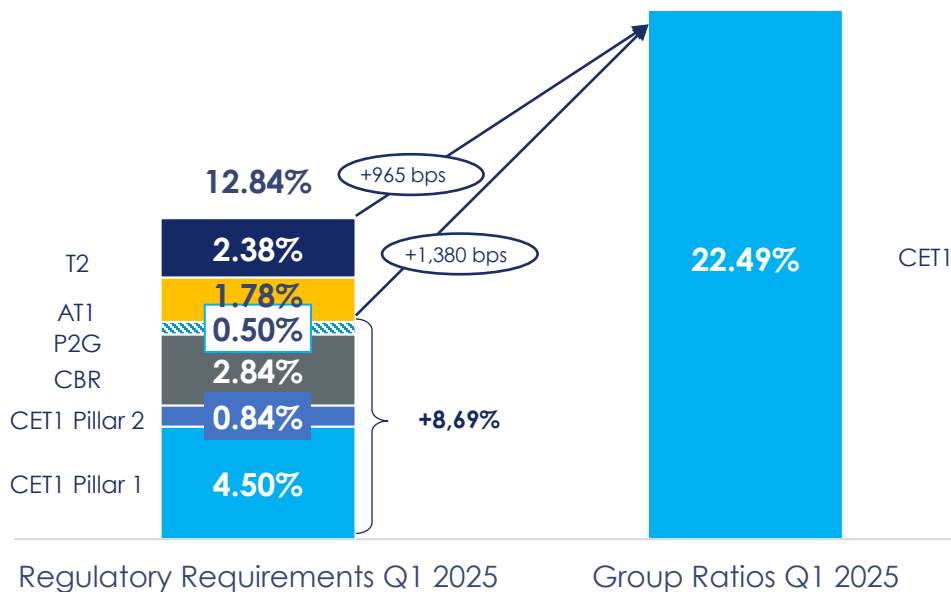
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## Simple & solid balance sheet structure, strong capital generation

	Q1 2025	FY 2024	
CET1 Ratio	22.5%	23.7%	CET1 Ratio remained extremely robust after implementation of final terms of Basel III
MREL TREA	24.5%	25.9%	Well above the 21.1% requirement
Risk-weighted assets (€ bn)	15.10	14.11	RWAs increased due to regulatory change: main impact on operational risks, also because of record-breaking revenues from commissions in 2024
Leverage Ratio	7.8%	7.8%	Leverage Ratio stable & well above regulatory requirements
Retail Loan/Deposit Ratio	59.0%	62.1%	Growth in deposits driven by customer acquisition & success of promo offers focused on increasing share of wallet of existing customers
NSFR	189%	180%	Easily surpassing the requirements for long & short-term liquidity obligations
LCR	465%	387%	

## 22 Regulatory Requirements

### SREP Capital Requirements and MDA



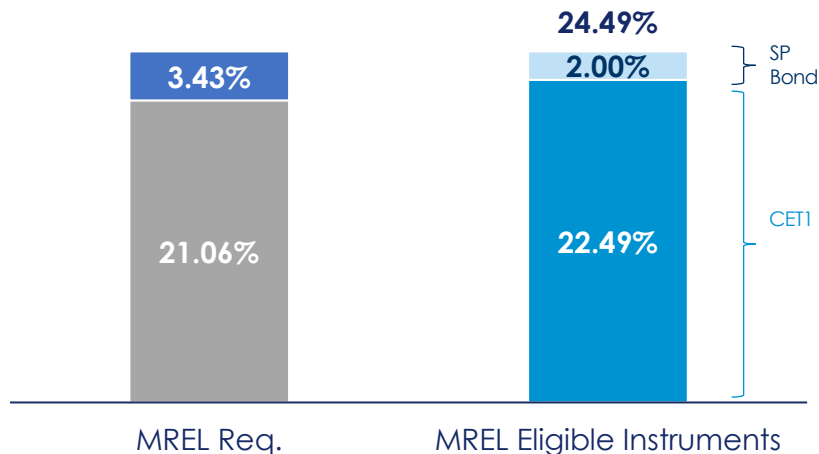
- Banca Mediolanum's capital level strongly exceeds minimum regulatory requirements
- As of March 2025, the buffer versus CET1 SREP (including guidance) is 1.380 bps
- P2R at 1.50%, ranking BMED in the TOP 10 European Banks

Current buffer over TREA based requirement of **€ 518 mn** (3.43% Q125 RWAs) and over LRE based requirement of **€ 1.447 mn** (3.34% Q125 Leverage Exposure)

### MREL Requirement TREA, %

% on TREA Q125

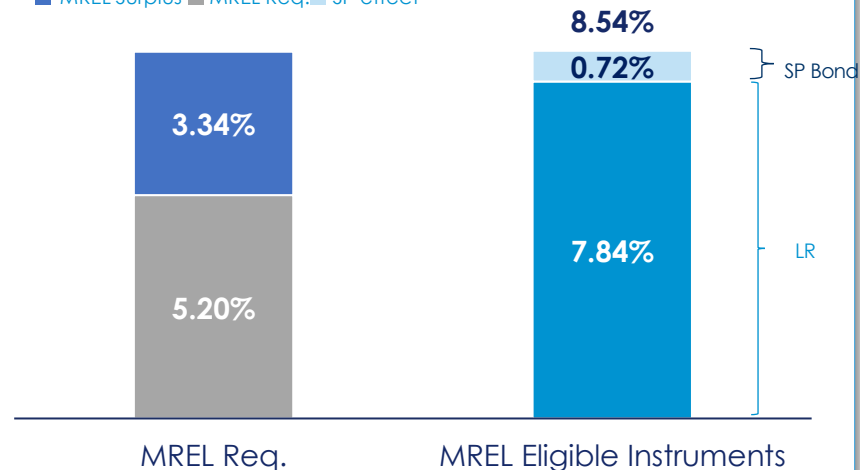
■ MREL Surplus ■ MREL Req. ■ SP effect



### MREL Requirement LRE, %

% on LRE Q125

■ MREL Surplus ■ MREL Req. ■ SP effect



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## 25 Credit Ratings

- **Mediolanum's Ratings** are consistent with those of the Republic of Italy and the National Champions operating in the banking space
- The two agencies highlight BMED's strengths in their rating reports: **business model, capitalization and low credit risk**

**STANDARD  
& POOR'S**

**FitchRatings**

Long-Term Issuer credit Rating	<b>BBB+</b>	<b>BBB</b>
Short-Term Issuer credit Rating	A-2	F3
Outlook	<i>Stable</i>	<i>Stable</i>
Credit Highlights	<p>We expect Banca Mediolanum will benefit from its <b>agile and well-diversified business model</b>. We view the bank's <b>asset-light structure, good franchise, strong insurance operations, and private and online banking services</b> as positive.</p> <p>Mediolanum's <b>ROE</b> will likely exceed 20%, well above most Italian and European financial institutions</p>	<p>Banca Mediolanum S.p.A.'s (BM) ratings are underpinned by its operations as Italy's third-largest asset gatherer with a <b>well-established domestic franchise</b> and <b>stable client base</b>, resulting in <b>resilient net new money flows</b> and <b>earnings</b> through the cycle.</p> <p>Fitch expects BM to maintain sound capital buffers over regulatory requirements, due to its <b>resilient internal capital generation</b> and despite the impact of the implementation of final Basel III rules</p>

# 26 € 300m Inaugural Green Senior Preferred

November 2022



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

## Terms & Conditions

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

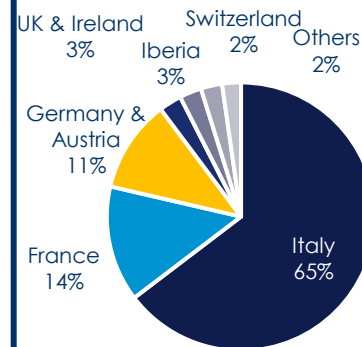
## Book Analysis

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

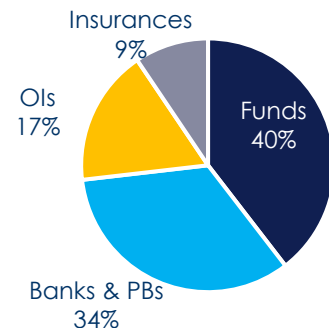
## Marketing and Executions Steps

- 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

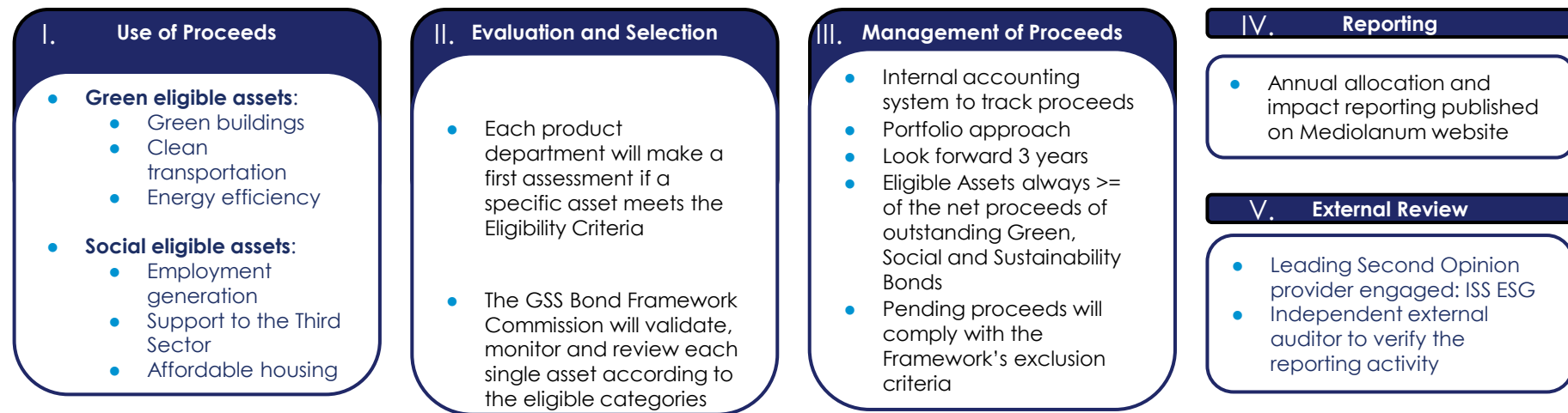


## Breakdown by investor type



# 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

Banca Mediolanum Mortgage Book financing green buildings in Italy equals to 1,395.83 million as at September 30, 2024.

Green Asset  
Portfolio

€ 1,395.83 mn

Nr.  
Mutui

9,280

Average  
Tenor

22.4 years

In order to be labeled green, the financed buildings have been evaluated following the 'substantial contribution to climate change mitigation', as defined by the EU Taxonomy<sup>1</sup>, namely:

## Buildings built before 2021

### Class A Energy Performance Certificate (EPC)

Buildings have at least an Energy Performance Certificate (EPC)/Attestato di Prestazione Energetica (APE) class A

### Top 15% of Primary Energy Demand (PED)

Buildings are within the top 15 % of the national/regional building stock expressed as operational Primary Energy Demand (PED)

## After 2021

### Nearly Zero-Energy Building (NZEB) -10%

The Primary Energy Demand (PED) is at least 10 % lower than the threshold set for the nearly zero-energy building (NZEB) requirements

There is an Energy Performance Certificate for all buildings taken into account.

During 2024, Banca Mediolanum consulted CRIF<sup>2</sup> for the analysis and certification of its mortgage portfolio and the production of an Impact Report with the aim of aligning with the best market practices.

1. EU Taxonomy – [Regulation \(EU\) 2020/852](#) & [Commission Delegated Regulation \(EU\) 2021/2139](#)
2. CRIF is a global company specializing in credit bureau and business information, outsourcing and processing services, and credit solutions. Established in 1988 in Bologna (Italy), CRIF has an international presence, operating over four continents.

GSS Bond Proceeds

300 € mn

Overall Green Portfolio – Outstanding amount

1,395.83 € mn

Eligible Green Portfolio as defined in the GSS Bond Framework<sup>I</sup> – Outstanding amount

751.70 € mn

Proceeds allocated to Green Loans

100%

I. Only Green Loans granted from January 2020 to date are considered.

Green Portfolio – Outstanding amount

1,395.83 € mn

Avoided Emissions

18,040 t CO<sub>2</sub> eq/year

Positive Carbon Impact

12.92 t CO<sub>2</sub> eq per € mn/year

Energy Saving

93,276 MWh

Square meters

1,188,537 m<sup>2</sup>

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