

PRESS RELEASE
THE MEDIOLANUM BANKING GROUP
H1 2019 Results

NET INCOME: 171.3 million euro
ASSETS UNDER ADMINISTRATION: 80.3 billion euro
TOTAL NET INFLOWS: 2 billion euro
o/w MANAGED ASSETS: 1.4 billion euro
COMMON EQUITY TIER 1 RATIO (CET1): 19.0%

The Board of Directors of Banca Mediolanum S.p.A. met today in Basiglio (MI) and approved the Consolidated Interim Financial Statements as at June 30, 2019.

GROUP RESULTS in the first half of the year highlight the results of the great work **on the stabilization of revenues**.

- The Operating Margin reached **196 million euro**, an increase of **41%** with respect to the same period in 2018. The strong growth in recurring revenues compensated for the lower market effects registered in the half-year. In particular, Net Commissions increased by **402 million**, **+24%** with respect to last year, while Net Interest Income increased **28%** to **112 million euro** due to further acceleration in the increase of Retail Loans and to Treasury activities.
- **Group Net Income** for the half year was at **171 million euro** compared to 175 million euro in first half of 2018.
- Total **Assets under Administration** went up to **80,345 million euro**, an increase of **5%** with respect to June 30, 2018, and **8%** since the end of 2018, thanks to the recuperation in the markets that came about in the first quarter of 2019 and to the positive contribution from positive net inflows.
- **Total Net Inflows** were positive at **2,035 million euro**, while **Net Inflows into Managed Assets** reached **1,427 million euro**, confirming as always, the quality mix of products and solutions with high added-value for customers.
- The **Common Equity Tier 1 Ratio** was **19.0%** as at June 30, 2019, confirming to be among the highest in the Italian Banking Groups.

In more detail, with respect to the **Italian Market**:

- **Net Inflows** were positive at **1,706 million euro** overall, **Net Inflows into Managed Assets** totalled **1,238 million euro**.
- **Total Retail Loans** came to **9,077 million euro**, a growth of **15%** with respect to June 30, 2018 and of 8% versus the end of last year.
Net Non-Performing Loans came to **0.71%**.
- The number of **Family Bankers** totalled **4,167** as at June 30, 2019.
- There were **1,266,400 Customers** as at June 30, 2019.

With reference to the **Foreign Markets**:

- **Net Income** in the Foreign Markets came to **4 million euro**.
 - **Assets under Administration** totalled **6,131 million euro**, an increase of **11%** with respect to June 30, 2018, and of 13% versus the end of 2018.
 - **Total Net Inflows** were positive at **330 million euro** overall in the half-year. In particular, net inflows into **Managed Assets** totalled **189 million euro**.
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With reference to the 'Half-Year Financial Statements' of Banca Mediolanum as at 30 June 2019, please refer to the separate half-year financial statements which, among other things, as illustrated in paragraph 'A.2 Section relating to the main financial statement items', show the accounting policies adopted at the beginning of the current year. The new methodology for the valuation of the shareholdings in subsidiaries, which has no effect on the profits of the Group, allows an accurate representation of the performance of these subsidiaries within the separate financial statements of the parent company. In this way, the results of these companies will be recognized regardless of the timing of the distribution of profits in the form of dividends to the parent company. This method makes it possible to show income on an accrual basis in the year in which the income is recorded in the financial statements of the subsidiaries.

Please remember that the Group Interim Financial Statements are currently under review on a limited basis by the Independent Auditors, who have not yet issued their report.

In an effort to provide more complete disclosure about the results as at June 30, 2019, we have attached the segment report detailing income statement data, reclassified to reflect the criteria used by the Mediolanum Group. This reclassified segment report is not subject to audit by the independent auditors.

A presentation in English of the financial information contained herein will be made available at the Spafid Connect S.p.A. storage service at the address www.emarketstorage.com and at www.bancamediolanum.it in the section Investor Relations. The Financial Statements as at June 30, 2019 will be available according to the terms set by law at the company's Registered Office in Basiglio - Milano 3, Palazzo Meucci - Via F. Sforza, on the website www.bancamediolanum.it, at the Spafid Connect S.p.A. storage service (www.emarketstorage.com). The Independent Auditors' report will be published in the same manner, as soon as it becomes available pursuant to current applicable regulations.

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

Attachments:

- Balance Sheet as at June 30, 2019
- Reclassified Income Statement as at June 30, 2019
- Segment Report as at June 30, 2019

Basiglio - Milano 3 City, July 31, 2019

Contatti:

Media Relations

Roberto De Agostini

Tel. +39 02 9049 2100

e-mail: roberto.deagostini@mediolanum.it

Investor Relations

Alessandra Lanzone

Tel. +39 02 9049 2039

e-mail: alessandra.lanzone@mediolanum.it

STATEMENT OF FINANCIAL POSITION

Assets

€/000	June 30, 2019	December 31, 2018
10. Cash and cash balances	108,882	117,337
20. Financial assets at FV with effects on P&L	22,082,477	19,505,721
a) Financial assets at FV with effects on P&L held for trading	499,330	537,829
b) Financial assets designed at fair value	21,407,397	18,834,057
c) Financial assets mandator designed at fair value	175,750	133,835
30. Financial assets valued at fair value with impact on overall profitability	3,835,695	3,905,561
40. Financ. Assets valued at amortized cost	26,108,511	22,167,013
a) Loans and receivables to banks	749,616	692,419
b) Loans and receivables to customers	25,358,895	21,474,594
50. Derivatives used for hedging	44	357
70. Equity investments	363,474	357,618
80. Technical reserves charged to reinsurers	63,812	62,642
90. Tangible assets	269,479	208,310
100. Intangible assets	200,796	206,938
of which:		
- goodwill	132,925	132,925
110. Tax assets	429,967	480,975
a) current	320,209	360,580
b) deferred	109,758	120,395
120. Non current assets and disposal groups classified as held for sale	438	286
130. Other assets	445,065	361,607
TOTAL ASSETS	53,908,640	47,374,365

Liabilities and Shareholders' Equity

€/000	June 30, 2019	December 31, 2018
10. Financial liabilities valued at amortized cost	27,293,043	23,373,921
a) Deposits from banks	442,073	97,626
b) Deposits from customers	26,772,980	23,168,157
c) Debt certificates including bonds	77,990	108,138
20. Financial liabilities held for trading	197,343	247,206
30. Financial liabilities designated at Fair Value	6,754,392	5,921,476
40. Derivatives used for hedging	34,254	30,126
60. Tax liabilities	81,908	88,460
a) current	50,645	58,260
b) deferred	31,263	30,200
80. Other liabilities	620,331	595,816
90. Provision for employee severance pay	11,371	10,879
100. Provisions for risks and charges	254,158	252,721
a) commitments and guarantees given	274	219
b) pensions and other post retirement benefits obligations	650	642
c) other	253,234	251,860
110. Insurance reserves	16,559,688	14,792,771
120. Revaluation reserves	60,498	47,536
150. Reserves	1,315,605	1,355,216
155. Interim dividends	-	(146,478)
160. Share premium	2,502	2,502
170. Issued capital	600,185	600,185
180. Treasury shares (-)	(47,980)	(53,682)
200. Net Profit (Loss) for the year (+/-)	171,342	255,710
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	53,908,640	47,374,365

Income Statement

€/000	June 30, 2019	June 30, 2018
Entry fees	17,847	25,649
Management fees	499,485	501,168
Investment Management fees	74,851	3,737
Net insurance revenues (excluding commissions)	18,506	15,643
Banking services fees	69,209	47,141
Other fees	21,588	21,847
Total commission income	701,486	615,185
Acquisition costs and sales network commission expenses	(259,857)	(258,004)
Other commission expenses	(39,714)	(33,805)
Total commission expenses	(299,571)	(291,809)
Net commission income	401,915	323,376
Net interest income	111,694	87,058
Equity contribution	5,905	6,816
Realized gains (losses) on other investments	1,809	25,303
Impairment on loans	(13,642)	(7,118)
Impairment on other investments	(9,185)	(4,229)
Net income (loss) on other investments	(21,018)	13,956
Other revenues	13,885	19,740
CONTRIBUTION MARGIN	512,381	450,946
Administrative expenses	(274,247)	(270,468)
Regular Contributions to Banking Industry	(5,045)	(5,880)
Amortisation & depreciation	(18,111)	(18,454)
Net provisions for risks	(18,789)	(16,961)
TOTAL COSTS	(316,192)	(311,763)
OPERATING MARGIN	196,189	139,183
Performance fees	20,358	84,607
Net income on investments at fair value	4,178	(9,312)
MARKET EFFECTS	24,536	75,295
ONE-OFFS	(6,253)	(1,800)
PROFIT BEFORE TAX	214,472	212,678
Income tax	(43,130)	(37,334)
NET PROFIT (LOSS) FOR THE PERIOD	171,342	175,344

PROFIT & LOSS FIGURES DATA BY DIVISION AS AT JUNE 30, 2019

MEDIOLANUM GROUP	ITALY					FOREIGN		CONSOLIDATION ADJUSTMENTS	TOTAL
	BANKING	ASSET MANAGEMENT	INSURANCE	OTHER	TOTAL	SPAIN	GERMANY		
Euro thousands									
Entry fees	-	12,715	-	-	12,715	4,654	478	-	17,847
Management fees	-	262,160	201,792	-	463,952	31,133	4,400	-	499,485
Investment Management fees	-	41,418	28,004	-	69,422	4,727	701	-	74,851
Net insurance revenues (excluding commissions)	-	-	10,747	-	10,747	7,082	677	-	18,506
Banking services fees	58,490	-	-	-	58,490	2,914	7,836	(31)	69,209
Other fees	6,913	7,770	5,149	777	20,609	636	344	-	21,588
Total commission income	65,403	324,063	245,692	777	635,935	51,146	14,436	(31)	701,486
Acquisition costs and sales network commission expenses	(50,184)	(101,934)	(86,790)	878	(238,029)	(19,969)	(1,859)	-	(259,857)
Other commission expenses	(11,265)	(10,940)	(6,812)	-	(29,018)	(4,489)	(6,235)	28	(39,714)
Total commission expenses	(61,449)	(112,874)	(93,602)	878	(267,047)	(24,458)	(8,094)	28	(299,571)
Net commission income	3,954	211,189	152,090	1,655	368,888	26,688	6,342	(3)	401,915
Net interest income	106,321	(1,744)	3,066	-	107,643	4,424	(373)	-	111,694
Equity contribution	-	-	-	5,905	5,905	-	-	-	5,905
Net income (loss) on other investments	(16,350)	98	(6,770)	1,529	(21,493)	509	(34)	-	(21,018)
o/w Impairment on loans	(13,611)	-	-	-	(13,611)	18	(49)	-	(13,642)
Other revenues	2,276	-	5,404	3,910	11,590	1,441	946	(92)	13,885
CONTRIBUTION MARGIN I	96,201	209,543	153,790	12,999	472,533	33,062	6,881	(95)	512,381
Allocated Costs	(78,542)	(41,091)	(49,870)	(2,101)	(171,604)	(19,542)	(12,358)	-	(203,504)
Regular Contributions to Banking Industry	(4,118)	-	-	-	(4,118)	(815)	(112)	-	(5,045)
CONTRIBUTION MARGIN II	13,541	168,451	103,920	10,898	296,811	12,705	(5,589)	(95)	303,832
Unallocated Costs	-	-	-	-	(70,838)	-	-	95	(70,743)
Amortisation & depreciation	-	-	-	-	(15,516)	(1,863)	(732)	-	(18,111)
Net provisions for risks	-	-	-	-	(18,117)	(672)	-	-	(18,789)
OPERATING MARGIN	13,541	168,451	103,920	10,898	192,340	10,170	(6,321)	-	196,189
Performance fees	-	10,445	8,039	-	18,484	1,289	585	-	20,358
Net income on investments at fair value	2,576	(82)	476	-	2,969	265	944	-	4,178
MARKET EFFECTS	2,576	10,362	8,515	-	21,453	1,554	1,529	-	24,536
ONE-OFFS	(6,253)	-	-	-	(6,253)	-	-	-	(6,253)
PROFIT BEFORE TAX	9,864	178,814	112,435	10,898	207,540	11,724	(4,792)	-	214,472
Income tax	-	-	-	-	(40,188)	(2,496)	(446)	-	(43,130)
NET PROFIT (LOSS)	-	-	-	-	167,352	9,228	(5,238)	-	171,342

PROFIT & LOSS FIGURES DATA BY DIVISION AS AT JUNE 30, 2018


MEDIOLANUM GROUP	ITALY					FOREIGN		CONSOLIDATION ADJUSTMENTS	TOTAL
	BANKING	ASSET MANAGEMENT	INSURANCE	OTHER	TOTAL	SPAIN	GERMANY		
Euro thousands									
Entry fees	-	19,661	-	-	19,661	5,558	430	-	25,649
Management fees	-	272,174	195,064	-	467,238	28,985	4,945	-	501,168
Investment Management fees	-	1,884	1,622	-	3,506	185	47	-	3,737
Net insurance revenues (excluding commissions)	-	-	10,116	-	10,116	5,327	200	-	15,643
Banking services fees	34,582	-	-	-	34,582	3,721	8,898	(60)	47,141
Other fees	7,316	8,233	5,169	264	20,981	611	254	-	21,847
Total commission income	41,898	301,952	211,971	264	556,084	44,387	14,774	(60)	615,185
Acquisition costs and sales network commission expenses	(37,741)	(118,238)	(83,933)	3,229	(236,683)	(19,202)	(2,119)	-	(258,004)
Other commission expenses	(10,506)	(6,829)	(4,969)	-	(22,304)	(4,255)	(7,307)	61	(33,805)
Total commission expenses	(48,247)	(125,067)	(88,902)	3,229	(258,987)	(23,457)	(9,426)	61	(291,809)
Net commission income	(6,349)	176,884	123,069	3,493	297,097	20,930	5,348	1	323,376
Net interest income	84,501	(4,296)	3,556	-	83,761	3,748	(451)	-	87,058
Equity contribution	-	-	-	6,816	6,816	-	-	-	6,816
Net income (loss) on other investments	8,164	92	1,273	4,274	13,803	130	23	-	13,956
o/w Impairment on loans	(7,125)	-	-	-	(7,125)	(5)	12	-	(7,118)
Other revenues	2,918	-	5,572	9,685	18,175	1,316	349	(100)	19,740
CONTRIBUTION MARGIN I	89,234	172,680	133,470	24,268	419,652	26,124	5,269	(99)	450,946
Allocated Costs	(76,352)	(42,356)	(44,878)	(1,848)	(165,434)	(18,762)	(11,134)	-	(195,330)
Regular Contributions to Banking Industry	(4,731)	-	-	-	(4,731)	(924)	(225)	-	(5,880)
CONTRIBUTION MARGIN II	8,151	130,324	88,591	22,421	249,488	6,438	(6,090)	(99)	249,737
Unallocated Costs	-	-	-	-	(75,237)	-	-	99	(75,138)
Amortisation & depreciation	-	-	-	-	(16,365)	(1,401)	(688)	-	(18,454)
Net provisions for risks	-	-	-	-	(16,412)	(549)	-	-	(16,961)
OPERATING MARGIN	8,151	130,324	88,591	22,421	141,473	4,488	(6,778)	-	139,183
Performance fees	-	40,894	36,440	-	77,334	5,711	1,562	-	84,607
Net income on investments at fair value	(7,754)	535	(2,855)	(1)	(10,076)	241	523	-	(9,312)
MARKET EFFECTS	(7,754)	41,428	33,585	(1)	67,258	5,952	2,085	-	75,295
ONE-OFFS	(1,800)	-	-	-	(1,800)	-	-	-	(1,800)
PROFIT BEFORE TAX	(1,403)	171,753	122,177	22,420	206,931	10,440	(4,693)	-	212,678
Income tax	-	-	-	-	(34,716)	(2,245)	(373)	-	(37,334)
NET PROFIT (LOSS)	-	-	-	-	172,215	8,195	(5,066)	-	175,344