

MEDIOLANUM S.p.A.

**Interim Report
and Accounts at
September 30,
2014**

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The English version of the Quarterly Report is a translation of the Italian text provided for the convenience of international readers.

Interim Report and Accounts at September 30, 2014

Registered Office: Meucci Building, Via F. Sforza – Basiglio – Milano Tre (Milan)
Share capital € 73,700,664.80 – fully paid up
Tax, VAT and Milan Register of Companies Registration No. 11667420159

Mediolanum S.p.A. Corporate Bodies

BOARD OF DIRECTORS

Carlo Secchi	Chairman
Alfredo Messina	Deputy Vice Chairman
Massimo Antonio Doris	Vice Chairman
Ennio Doris	Chief Executive Officer
Luigi Berlusconi	Director
Elena Biffi	Director
Pasquale Cannatelli	Director
Edoardo Lombardi	Director
Roberto Maviglia	Director
Mario Molteni	Director
Danilo Pellegrino	Director
Angelo Renoldi	Director
Anna Scarfone	Director
Maria Alessandra Zunino De Pignier	Director

BOARD OF STATUTORY AUDITORS

Stefano Fiorini	Chairman of the Board of Statutory Auditors
Francesca Novati	Statutory Auditor
Riccardo Perotta	Statutory Auditor

SECRETARY OF THE BOARD OF DIRECTORS

Luca Maria Rovere

OFFICER RESPONSIBLE FOR PREPARING ACCOUNTING AND FINANCIAL REPORTING DOCUMENTS

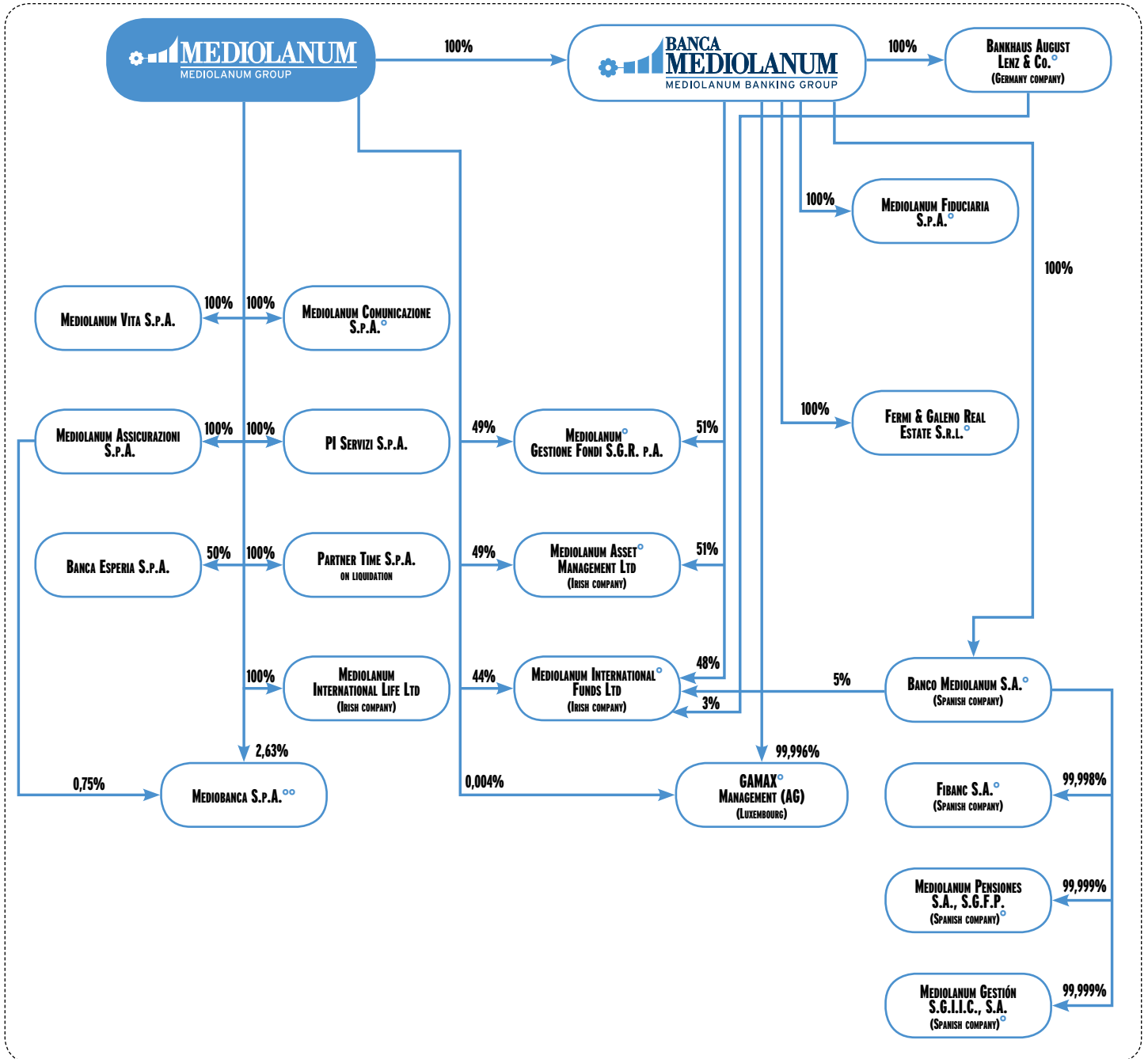
Luigi Del Fabbro

INDEPENDENT AUDITORS

Deloitte & Touche S.p.A.

Corporate Structure

as at September 30, 2014



◦ Companies forming part of Mediolanum Banking Group.

◦◦ Since Mediobanca holds treasury shares, total shareholding amounts to 3.442% of voting rights.

N.B.: Bank of Italy, with Communication dated July 29, 2014, announced the new composition of the Banking Group (with Mediolanum S.p.A. Parent Company and Mediolanum Comunicazione S.p.A. Instrumental Company), with effect from April 29, 2014.

Mediolanum Group's Financial Highlights

Data for inflows and assets^(*)

€/m	Sept. 30, 2014	Sept. 30, 2013	% change	Dec. 31, 2013
Total customer assets	62,971.5	55,288.9	14%	57,831.8
Consolidated net income - Italy	3,403.2	1,757.5	94%	3,681.2
Net inflows Banca Mediolanum	2,977.2	1,770.0	68%	3,339.4
Net inflows AuM	2,659.4	2,248.9	18%	3,215.5
<i>of which mutual funds and unit linked</i>	<i>3,500.0</i>	<i>3,280.7</i>	<i>7%</i>	<i>4,756.0</i>
Net inflows AuA	317.8	(478.9)	ns	536.8
Net inflows Banca Esperia	426.0	(12.5)	ns	(71.2)

Income statement

€/m	Sept. 30, 2014	Sept. 30, 2013	% change	Dec. 31, 2013
Gross pre-tax profit	312.1	394.3	(21%)	544.1
Taxes for the period	(65.2)	(93.0)	(30%)	(207.5)
Net profit	246.9	301.2	(18%)	336.6

Profitability ratios

€	Sept. 30, 2014	Sept. 30, 2013	% change	Dec. 31, 2013
Earnings per share – total	0.335	0.410	(18%)	0.458
Diluted earnings per share (**)	0.332	0.406	(18%)	0.454

(*) The figures relating to the Assets under management and administration refer exclusively to Retail customers while those relating to Banca Esperia were considered in proportion to the ownership percentage (50%).

(**) Net earnings attributable to holders of ordinary shares divided by the weighted average number of ordinary shares in issue.

Capital Adequacy and Capital Ratios¹

Capital Adequacy

€/m	Sept. 30, 2014	Sept. 30, 2013	% change	Dec. 31, 2013
Mostly banking financial conglomerate				
Equity	1,240	1,088	ns	1,075
Capital Requirements	755	637	ns	612
Equity surplus (loss)	485	451	ns	463

Equity Ratios - Mediolanum Banking Group

	Sept. 30, 2014	June 30, 2014
Common Equity Tier 1 ratio	18.079%	18.234%
Tier 1 Ratio	18.079%	18.234%
Total Capital Ratio	19.155%	19.346%

The banking capital requirements were determined according to the new harmonized framework for banks and investment firms contained in Directive 2013/36/EU (CRD IV) and in Regulation (EU) 575/2013 (CRR) June 26, 2013, which transpose the EU standards set by the Basel Committee on Banking Supervision (the so-called Basel 3 framework), and on the basis of the Bank of Italy Circulars no. 285 and no. 286 (enacted in 2013) and no. 154 (updated in 2013).

¹ On April 1, 2014, legislative decree no. 53 of March 4, 2014 on the supplementary supervision of financial companies in a financial conglomerate was published in the Official Gazette. This Decree provides for the inclusion of the mixed financial holding companies within the scope of banking groups. In particular, under the new article 67-bis of the TUB (Consolidated Banking Law) if these companies are placed at the top of bank-oriented financial conglomerates, they assume the status of parent company and are subject to, among other things, the provisions regarding supervision on a consolidated basis (article 61, paragraph 3). Therefore, under the Mediolanum S.p.A. new legislation has acquired the status of parent company of the Mediolanum S.p.A. banking group and on May 28, 2014 submitted a formal request to the Bank of Italy for the registration of banking groups pursuant to article 64 TUB. By virtue of the foregoing, in effect from June 30, 2014, the company is required to carry out the calculation for the determination of the Own Funds for Supervisory purposes and the related capital ratios under the new discipline that recently entered into force - Regulation no. 575/2013 (EU), Basel 3 discipline. In this regard, on July 14, 2014 the Company submitted a formal request to the Bank of Italy in order to qualify for the exemption, under article 49 of said Regulation, from the deduction of the instruments of own funds held related to subsidiaries wholly belonging to the insurance industry. On July 28, the application was formally accepted by the Bank of Italy.

Reclassified Consolidated Income Statement as at September 30, 2014*

€/m	Sept. 30, 2014	Sept. 30, 2013	Q3 2014	Q3 2013
Entry fees	73,975	104,594	23,175	28,021
Management fees	494,621	412,762	175,129	144,439
Performance fees	119,941	129,237	33,337	44,934
Banking service fees and revenues	75,480	71,028	22,308	21,792
Other fees	25,386	24,417	8,479	7,022
Commission income	789,403	742,038	262,428	246,208
Net interest income	174,505	209,510	58,581	74,033
Net income (loss) on investments at fair value	(1,271)	13,698	(1,039)	4,756
Net financial income	173,234	223,208	57,542	78,789
Net life insurance revenues (excluding commissions)	43,362	45,365	17,765	17,383
Valuation Equity method	15,539	(4,014)	8,443	(4,653)
Realised gains (losses) on other investments	30,158	43,391	2,525	417
Impairment of loans	(12,341)	(8,538)	(6,148)	(2,624)
Impairment of other investments	(3,401)	(863)	(898)	(387)
Net income (loss) on other investments	14,416	33,990	(4,521)	(2,594)
Other revenues	21,708	16,181	8,335	5,408
TOTAL REVENUES	1,057,662	1,056,768	349,992	340,541
Network commission expenses	(337,585)	(315,000)	(120,844)	(99,224)
Other commission expenses	(43,132)	(38,556)	(14,991)	(13,214)
Administrative expenses	(339,976)	(291,541)	(112,084)	(93,006)
Amortisation and depreciation	(15,650)	(15,202)	(5,408)	(5,825)
Net provisions for risks	(9,232)	(2,208)	601	(2,303)
TOTAL COSTS	(745,575)	(662,507)	(252,726)	(213,572)
GROSS PROFIT BEFORE TAX	312,087	394,261	97,266	126,969
Taxes for the period	(65,232)	(93,045)	(15,353)	(25,243)
NET PROFIT	246,855	301,216	81,913	101,726

* This income statement has been prepared according to a scheme that reflects the Group's management system that provides for the reclassification of the components of net profit before tax by nature, net insurance income includes all items deriving from the insurance business, including financial income and expenses related to assets and liabilities for which the investment risk is borne by policyholders in the item, with the sole exclusion of commission expense.

Summary of business performance for the first nine months

€/m	Sept. 30, 2014	Sept. 30, 2013	Diff.	Change (%)
Net profit	246.9	301.2	(54.3)	(18%)
of which:				
Commission income	789.4	742.0	47.4	6%

The good performance of net inflows for the period and growth in assets under management, have generated higher management fees (Euro +81.9 million), partially offset by lower fund subscription fees (Euro -30.6 million) and lower performance fees (Euro -9.3 million).

Net financial income	173.2	223.2	(50.0)	(22%)
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Reduction in net financial income (Euro -50.0 million) mainly due to the reduction in spreads on market rates and lower net income from investments at fair value (Euro -15.0 million).

Valuation Equity Method	15.5	(4.0)	19.5	ns
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Sharp improvement in the contribution to the Group result from the investments valued using the equity method (of which Euro 11.0 million related to Mediobanca S.p.A. and Euro 4.5 million related to Banca Esperia S.p.A.).

Net income (loss) on other Investments	14.4	34.0	(19.6)	(58%)
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Decrease in net income from other investments (Euro -19.6 million), primarily related to lower net gains on disposals (Euro -13.2 million).

Network commission expenses	(337.6)	(315.0)	(22.6)	7%
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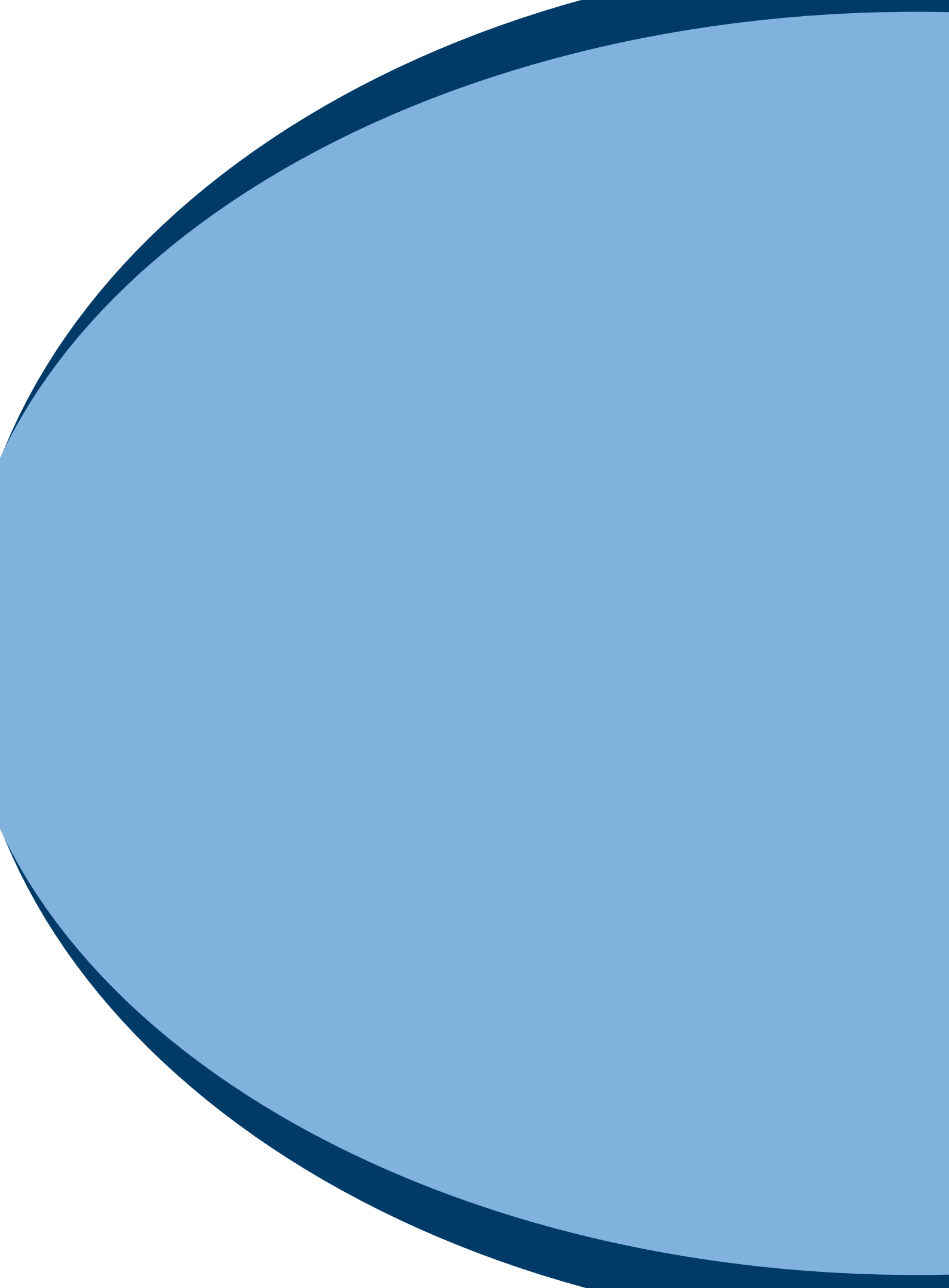
Higher commission expenses paid to the network (Euro +22.6 million) mainly due to higher costs in favour of the sales network.

Administrative expenses	(340.0)	(291.5)	(48.5)	17%
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Increase in personnel expenses primarily due to the increase in the average workforce in the period (+148 units compared to September 30, 2013) and other administrative expenses, particularly for higher costs incurred for IT systems (Euro +18.2 million), for the organization of conventions (Euro +2.2 million) and for additional consultancy in development projects of IT systems.

Net provisions for risks and charges	(9.2)	(2.2)	(7.0)	ns
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Increase in net provisions mainly related to provisions for legal proceedings (Euro +3.7 million), as 2013 benefited from write-backs of Euro 3.8 million on cases won compared to Euro 0.8 million in Q3 2014.



The graphic features a large, stylized eye shape on the left side, composed of concentric blue and white curves. The text is centered within a dark blue circle on the right side of the eye.

**Quarterly
Report on
Operations**

Quarterly Report on Operations

As at September 30, 2014 the Mediolanum Group recorded a net profit of Euro 246.9 million compared to a net profit of Euro 301.2 million in the comparative period.

The consolidated result for Q3 2014 amounted to Euro +81.9 million compared to a net profit of Euro +101.7 million Q3 2013.

The operating profit for the first nine months of the year was positively affected by the increase in commission income (Euro +47.4 million on the previous year), partially offset by the increase in commission expenses for the sales network (Euro +22.6 million), and benefited from the equity valuation of the two investments in Banca Esperia and Mediobanca, (Euro +19.5 million on the previous year).

Instead, net financial income of the nine months recorded a decrease of Euro -50.0 million in relation to the decline in spreads on interest rates, whilst administrative expenses rose by Euro +48.5 million, mainly due to the greater costs incurred for the development of technology in support of business.

Net inflows for the first nine months of 2014 had a positive balance of Euro +3,403.2 million versus Euro +1,757.5 million Q3 2013 (+94%).

As at September 30, 2014, total assets managed by the Mediolanum Group achieved the balance of Euro 62,971.5 million, with a growth of 9% compared to the figure at the end of 2013 (Euro +57,831.8 million) and 14% compared to balance as at September 30, 2013 (Euro 55,288.9 million).

As at September 30, 2014 the number of Family Bankers of Banca Mediolanum S.p.A. was 4,399 compared to 4,407 at the end of 2013. The portfolio average per capita per each Family Banker amounted to approximately Euro 11.9 million (September 30, 2013: Euro 10.0 million).

The quarterly accounts as at September 30, 2014 have been prepared on the basis of international accounting standards, which do not deviate from the accounting principles used to prepare the financial statements for the year ended December 31, 2013, and on the basis of the statements issued by the Bank of Italy Circular no. 262 of December 22, 2005 and subsequent updates.

This report includes the accounts that compare the values as at September 30, 2014 with data as at December 31, 2013 and June 30, 2014 for the statement of financial position and as at September 30, 2013 for the income statement.

● Macroeconomic Environment

In the period, the performance of financial markets was influenced by the dissemination of data related to the economic cycle in some cases divergent from forecasts of analysts, monetary policy measures adopted by the European Central Bank and the Federal Reserve, the persistence of geopolitical crises and, specifically, the uncertain evolution of the Ukrainian-Russian crisis. In the US, growth in Q2 2014 amounted to +4.6% QoQ (annualized), significantly

higher than the initial estimate of analysts (+3.0%) and the previous quarter (-2.1%). The item benefited from the recovery in consumption, investment and accumulation of stocks. The historical series of the past years was also revised and has given rise to an increase of 4% (compared to the previous estimate of 3.4%) in the second half of 2013, the best six-month growth in a decade. In Q3, the indexes disseminated by the Institute for Supply Management (ISM) have clearly confirmed a level above the expansion threshold of 50 both in industrial production (56.6 in September, 59.0 in August, 57.1 in July) and in services (58.6 in September, 59.6 in August, 58.7 in July). The macroeconomic signals that come from the Eurozone, particularly from Italy and Germany, seem to betray the expectations expressed by analysts earlier this year. In Q2 2014, growth was 0% QoQ (not annualized), lower than the expectations of analysts (+0.1%) and the recording in the previous quarter (+0.2%). In detail, GDP changed at a rate of -0.2% in Italy (from the previous -0.1%), -0.2% in Germany (from +0.7%), +0% in France (from +0%), +0.56% in Spain (from +0.37%), +0.3% in Portugal (from -0.5%), +0.7% in the Netherlands (from -0.3%). In Q3, the Purchasing Managers Index (PMI) confirmed the presence in the Eurozone of a weak expansion phase of the economic cycle and limited sustainability in the current recovery both in manufacturing (50.3 in September, 50.7 in August, 51.8 in July) and in services (52.4 in September, 53.1 in August, 54.2 in July). On the demand side, the employment dynamics are the main difficulties of the current economic phase, due to the effects on consumer confidence and demand, and are subject to constant monitoring by financial traders and central banks. The unemployment rate is at 6.1% in the USA and 11.5% in the single currency area, in particular, 12.3% in Italy and 6.7% in Germany.

The recent prolonged negative economic phase and the current uncertain economic expansion limit inflationary pressures. In August, consumer prices increased YoY in the US by 1.7% and in the Eurozone by 0.4%, particularly by 0.8% in Germany, -0.2% in Italy and -0.5% in Spain.

At its meeting on September 4, the ECB made a cut of 10 basis points of the reference rate from 0.15% to 0.05% and deposit rates from -0.10% to -0.20%. President Draghi stated that the cut was made to promote maximum adhesion of the banks to TLTRO (targeted longer-term refinancing operations), conditioned to loans to households and businesses. Furthermore, the ECB announced the intention to implement, starting from October a plan for the purchase of covered bonds and securitised notes. The ECB will proceed to the purchase of ABS (asset-backed securities) related to loans to businesses and households, both in issue and already in circulation, and RMBS (residential mortgage-backed securities) related to real estate loans, which represent a much wider market. Through this manoeuvre, President Draghi has made reference to the goal of bringing the budget of the ECB to the maximum levels of 2012 (i.e. Euro 3,100 billion at the end of June, compared with Euro 2,038 billion current). The decisions were not taken unanimously, due to the contrary vote of the President of Bundesbank, Jens Weidmann, and other members. The Board acted after the economic worsening in the Eurozone in Q3 figures which emerged in August figures, after stagnation in growth (0%) already in Q2 and after the decline in inflation to 0.4% with several countries already in deflation. Draghi also stressed the increased geopolitical risks. The ECB revised downwards its growth forecast, from 1% to 0.9% in 2014 and from 1.7% to 1.6% in 2015, and inflation from 0.7% to 0.6% in 2014. The President reiterated the view expressed in the intervention at the Jackson Hole forum, namely the need for structural reforms and an adequate fiscal policy by governments, while respecting the Stability Pact, in order to bring inflation to around the target of 2%. At the meeting held September 17, the Federal Reserve kept unchanged the refinancing rate in the range between 0% and 0.25% and announced the seventh reduction of the purchase plan in the amount of \$10 billion. In December, January, March, April, June, July and September, the purchase plan was reduced from an initial \$85 billion (45 of Treasuries and 40 of mortgage-backed Securities) to \$15 billion (10 of Treasuries and 5 of mortgage-backed Securities). The continuation of international political tensions following the Russian military invasion on Ukrainian territory, the US and British military offensive against Islamic extremists and the emergence of new geopolitical crises have resulted in increasing volatility in financial markets. From June

30 to September 30, the government curve once again recorded a reduction in long-term maturity yields in the USA (from 0.46% to 0.57% at 2 years and from 2.53% to 2.49% at 10 years) and Germany (from 0.03% to -0.08% at 2 years and from 1.25% to 0.95% at 10 years). The spread between Italian and German debt on the ten-year maturity has risen from an initial 160 basis points as at June 30 to 139 as at September 30, while on two-year maturity it has risen from 57 basis points as at June 30 to 44 as at September 30. In Q3, the Italian government curve therefore recorded the following reductions in yields: from 0.38% to 0.26% at 1 year, from 0.59% to 0.36% at 2 years and from 2.85% to 2.33% at 10 years. In the reporting period, the weakness of macroeconomic data and the emergence of new geopolitical crises resulted in an average increase in yields on both emerging bond markets from 4.31% to 4.67% (Barclays EM Hard Currency Aggregate Yield To Worst) and high yield bond markets from 4.91% to 6.13% (Barclays US Corporate High Yield Yield To Worst). From June 30 to September 30, in the USA the S&P500 and the Nasdaq Composite recorded respectively a positive performance of +0.6% and +1.9%; in the same period, the European stock markets benefited on average from a positive change (+0.4%). In particular, German (-3.6%), English (-1.8%), Italian (-1.8%) and Spanish (-0.9%) markets underperformed the Swiss (+3.3%), Dutch (+1.9%), Swedish (+1.9%) and French (-0.2%) markets. The emerging stock markets have produced a negative result of -4.3% (MSCI EM index in dollars); the Tokyo stock market experienced a new improvement (+6.7%), after the negative performance of Q1. In the period, the economic differential between the two geographic areas and the divergent monetary policies of the European Central Bank and the Federal Reserve have been the origin of the significant strengthening of the US dollar to the Euro (from 1.3692 as at June 30 to 1.2631 as at September 30). Despite the initial uncertainty regarding the outcome of the referendum for the independence of Scotland on September 18, the British pound was strengthened towards the Euro (from 0.80045 as at June 30 to 0.77907 as at September 30). From December 31 to September 30, the government curve recorded a reduction in long-term maturity yields in the USA (from 0.38% to 0.57% at 2 years and from 3.03% to 2.49% at 10 years) and in Germany (from 0.21% to -0.08% at 2 years and from 1.93% to 0.95% at 10 years). The spread between Italian and German debt on the ten-year maturity has fallen from an initial 220 basis points as at December 31 to 139 as at September 30, while on two-year maturity it has fallen from an initial 104 basis points as at December 31 to 44 as at September 30. In the first nine months, the Italian government curve, therefore, registered the following reductions in yields: from 0.91% to 0.26% at 1 year, from 1.26% to 0.36% at 2 years and from 4.13% to 2.33% at 10 years. Compared to the levels recorded in the last session of 2013, the returns on average recorded a marginal reduction in emerging bond markets from 4.96% to 4.67% (Barclays EM Hard Currency Aggregate Yield To Worst) and a slight increase in high yield bond markets from 5.64% to 6.13% (Barclays US Corporate High Yield Yield To Worst). From December 31 to September 30, in the US, both the S&P500 and Nasdaq Composite recorded good performance, up +6.7% and up +7.6%, respectively. In Europe, stock markets fared well, too, on average (+4.5%). In particular, the Italian (+10.2%) and Spanish (+9.2%) stock markets outperformed the German (-0.8%), French (+2.8%) and English (-1.9%). The emerging stock markets have produced a positive result of +0.3% (MSCI EM index in dollars); the Tokyo stock market experienced a marginal correction (-0.7%), after the positive performance of last year. In the period, the economic differential between the two geographic areas and the divergent monetary policies of the European Central Bank and the Federal Reserve have been the origin of the significant strengthening of the US dollar to the Euro (from 1.3743 as at December 31 to 1.2631 as at September 30). Despite the initial uncertainty regarding the outcome of the referendum for the independence of Scotland on September 18, the British pound was strengthened towards the Euro (from 0.83020 as at December 31 to 0.77907 as at September 30).

● The Banking Market¹

According to preliminary estimates by SI-ABI in September 2014, deposits in Euro from customers of all banks in Italy, represented by resident customer deposits and bonds (net of those repurchased by banks) decreased by about 9.6 billion on an annual basis showing an annual change of -0.6% (-1% in August 2014; -1.1% in September 2013). Deposits from resident customers in September 2014 recorded a growth equal to +3.8% (+3% in August 2014), an increase in absolute value on an annual basis of over Euro 45 billion. The annual change of the bonds amounted to -10.6% (-10.3% in August 2014), showing a decrease in absolute value on an annual basis of Euro 55 billion. In August 2014 the negative trend continues for deposits abroad: in particular, those of Italian banks totalled about Euro 303.7 billion, 12.6% lower than a year earlier (-12.1% in the previous month). With regard to the average remuneration of bank deposits in the first nine months of 2014 there has been a slight decline. The harmonized statistics of the European System of Central Banks observe that the average rate on deposits from customers (which includes the return of deposits, bonds and repurchase agreements in Euro applied to households and non-financial companies) was 1.59% in September 2014 (1.64% in August 2014; 2.89% at the end of 2007). The rate on deposits in Euro applied to families and non-financial companies fell slightly to stand at 0.78% (0.81% in August 2014), as well as that of bonds at 3.21% (3.28% in August 2014), while the rate on repurchase agreements amounted to 1.66% (1.65% the previous month). In September 2014, dynamics of total commitments and bank lending to households and companies improved further - even still on negative values - and demonstrated, in September 2014 an improvement in annual dynamics; based on initial estimates total loans to residents in Italy is Euro 1,819.5 billion, marking an annual change of -2.3% (-2.5% the previous month). At the end of 2007 - before the start of the crisis - said loans amounted to 1.673 billion; since then marking a growth of approximately Euro 146.5 billion in absolute value. Loans to households and non-financial companies at the end of September 2014 amounted to about Euro 1,420 billion, a change of -0.9% year on year, the best result since May 2012 (-1.2% August 2014; -1.6% Euro zone average in August 2014). At the end of 2007, these loans amounted to 1,279 billion, with an increase in the period of over 141 billion in absolute value. The difference between the average rate of interest-bearing assets in Euro in respect of non-financial companies and households and the average rate on customer deposits represented by households and non-financial companies in Euro in September 2014 is 1.90 percentage points, 1.90 percentage points in August 2014 as well. In August 2014, gross non-performing loans aggregated to nearly Euro 174 billion, increasing by Euro 1.6 billion over July 2014 and about 32.1 billion versus the end of August 2013, up approximately 22.6% year on year. The ratio of non-performing loans to total loans came to 9.2% in August 2014, the highest value since August 1998 (7.3% a year earlier and 2.8% at the end of 2007, prior to the start of the crisis), reaching 15.5% for smaller operators (13.1% in August 2013), 15.2% for companies (11.7% a year earlier) and 6.7% for households (6.1% in August 2013). With regard to non-performing loans net of write-downs, in August 2014 they amounted to about Euro 79.5 billion, an increase compared to 78.2 billion the previous month. Compared to the same month the previous year they increased by about 6 billion (+8.2% annual increase, slowing compared to +28.6% a year earlier). The ratio of net non-performing loans to total loans was 4.41% (4.30% as at July 2014 and 3.93% as at August 2013).

¹ Source ABI monthly outlook - October 2014

● The Insurance Market

From an initial estimate prepared by ANIA, in the first nine months of 2014, new individual life policy inflows in Italy from Italian companies and representatives of companies outside the EU, including the additional single premiums, amounted to about Euro 68.7 billion, an increase of 48.6% compared to the same period the previous year. Including the activities of EU sample companies, with premiums in the nine months of Euro 12.1 billion, a sharp increase compared to September 2013, total new life business amounted to Euro 80.8 billion, an increase of 45.8% compared to the previous year. With regard to Italian and non-EU companies, premiums related to new class I individual policies continued to show a significant positive change, +49.4% compared to the same period the previous year. Inflows of new premiums on Class V policies were even more positive and amounted to Euro 2.3 billion, more than double compared to the first eight months of 2013.

The remaining portion of new production is represented by the "linked" (Class III) policies, exclusively unit-link, which, in September, recorded an increase in inflows of new premiums over the same period of the previous year (+40.9%). Performance of the relative contributions of new members to individual pension schemes was also positive, amounting to Euro 56.3 million, an increase of 17.0% over the previous year.

● Net inflows

€/m	Sept. 30, 2014	Sept. 30, 2013	Change
ITALY			
Fund and asset management products	3,500.0	3,280.7	7%
of which directly in funds	2,766.2	3,482.0	(21%)
of which 'My Life' unit linked	913.2	-	ns
of which other unit linked	(179.4)	(201.3)	(11%)
Other Life Insurance products	(590.2)	(1,012.5)	(42%)
Total managed assets	2,909.8	2,268.2	28%
Third-party structured bonds	(250.4)	(19.4)	ns
Total managed assets + structured bonds	2,659.4	2,248.9	18%
Administered assets	944.8	1,064.4	(11%)
'Freedom' life policies	(627.0)	(1,543.2)	(59%)
Total administered assets including 'Freedom' policies	317.8	(478.9)	ns
BANCA MEDIOLANUM	2,977.2	1,770.0	68%
ESPERIA BANK GROUP (*)	426.0	(12.5)	ns
Total ITALY	3,403.2	1,757.5	94%
SPAIN	322.8	346.1	(7%)
GERMANY	1.7	(35.0)	ns
TOTAL FOREIGN MARKETS	324.5	311.1	4%
TOTAL NET INFLOWS	3,727.7	2,068.6	80%

(*) The figures relating to Banca Esperia were considered in proportion to the percentage of 50% ownership.

Banca Mediolanum S.p.A. recorded positive net inflows for Euro +2,977.2 million compared to Euro +1,770.0 million in the comparative period (+68%).

Overall, Banca Mediolanum S.p.A. recorded a net inflows positive balance of assets under management for Euro +2,659.4 million, a slight increase compared to the same period the previous year (September 30, 2013: Euro 2,248.9 million).

In particular, the net inflows generated by the mutual funds investment sector are positive for Euro +3,500.0 million (up 7%, September 30, 2013: Euro +3,280.7 million). It includes Euro +913.2 million for the new product, "My Life" distributed in 2014. Net inflows of other insurance products, with the exception of unit-linked and Freedom policy, were negative for Euro -590.2 million (September 30, 2013: Euro -1,012.5 million).

The policy related to Freedom bank account has a negative balance of Euro -627.0 million compared to a negative balance of Euro -1,543.2 million as at September 30 of the previous year.

Third-party structured bonds recorded net inflows of Euro -250.4 million versus Euro -19.4 million of the prior year. Assets under administration recorded a net inflow of Euro 317.8 million, Euro -478.4 million as at September 30, 2013, in relation to the lower contribution of the products in the InMediolanum range and Freedom Più compared to the exceptional result of the previous year.

The figures of net inflows of the main networks operating in Italy for the first nine months of 2014, disclosed by Assoreti, show (according to the Assoreti reporting rules) Banca Mediolanum S.p.A. in second place with a positive balance of Euro +3,019.9 million.

Furthermore, according to figures published by Assogestioni, the Mediolanum Group is the fifth largest management company in Italy with respect to assets in open funds.

● Assets under Administration^(*)

€/m	Sept. 30, 2014	Dec. 31, 2013	Sept. 30, 2013
ITALY			
Funds and asset management and unit-linked policies	33,765.1	29,157.7	27,641.6
'Freedom' life policies	1,095.3	1,722.3	1,889.8
Other insurance products	2,277.8	2,790.3	3,012.6
Banking products	14,599.1	13,690.1	12,577.6
BANCA MEDIOLANUM	51,737.3	47,360.3	45,121.6
BANCA ESPERIA GROUP (**)	7,969.1	7,650.0	7,506.7
Total ITALY	59,706.4	55,010.3	52,628.3
SPAIN	2,796.2	2,376.3	2,226.0
GERMANY	469.0	445.2	434.6
TOTAL FOREIGN MARKETS	3,265.2	2,821.5	2,660.6
TOTAL ASSETS ADMINISTRATION	62,971.5	57,831.8	55,288.9

(*) The figures relating to consolidated assets under administration refer to Retail customers only.

(**) The figures relating to Banca Esperia were considered in proportion to the percentage of 50% ownership.

Total assets under administration as at September 30, 2014 amounted to Euro 62,971.5 million, an increase of 9% compared to December 31, 2013 (Euro 57,831.8 billion) and by 14%, compared to September 30, 2013 (Euro 55,288.9 million).

● Inflows and assets under management by operating segments

The analysis of consolidated inflows, assets under management and under administration by operating segment is set out below.

○ Italy - Banking

Net inflows of assets under administration at the end of the first nine months of 2014 amounted to Euro 944.8 million compared to Euro 1,064.4 million in the comparative period.

The analysis of assets under administration, on a management basis, is set out in the table below.

€/m	Sept. 30, 2014	Dec. 31, 2013	Sept. 30, 2013
Customer deposits	11,161.1	9,929.8	8,796.1
Banca Mediolanum bonds	337.3	355.6	427.8
Third-party structured bonds	1,052.8	1,282.8	1,279.7
Securities in custody and under administration	1,924.9	2,088.9	1,938.4
Repurchase agreements	123.3	32.9	135.5
Total assets under administration	14,599.3	13,690.1	12,577.6

As at September 30, 2014, the number of current accounts of Banca Mediolanum totalled 764,128 compared to 729,208 at the end of 2013 and 712,914 as at September 30, 2013.

○ Italy - Asset Management

Gross inflows in mutual funds and assets managed amounted to Euro 7,598.7 million, an increase of 10% compared to the relative comparative period. The change is mainly due to the positive inflows of My Life product (Euro +915.3 million) only partially offset by the decrease in direct inflows on mutual funds (Euro -199.3 million).

Gross Inflows

€/m	Sept. 30, 2014	Sept. 30, 2013	Change
`Best Brands' funds of funds	2,940.9	4,487.5	(34%)
`Challenge' funds	413.3	524.6	(21%)
Other Italy-based mutual funds	2,488.7	1,113.0	124%
`Real estate' funds	-	-	ns
Third-party funds and others managed	99.1	16.1	ns
Total direct inflows in mutual funds	5,941.9	6,141.2	(3%)
My Life unit linked	915.3	-	ns
Other unit linked	741.4	767.7	(3%)
Total mutual funds and management	7,598.7	6,908.9	10%

In particular the reduction of inflows in mutual funds is mainly due to the decline in inflows on “Best Brands” funds (Euro -1,546.6 million vs the comparative period), partially offset by higher inflows of other Italian mutual funds (Euro +1,375.7 million compared to September 30, 2013).

Net Inflows

€/m	Sept. 30, 2014	Sept. 30, 2013	Change
‘Best Brands’ funds of funds	945.1	3,019.1	(69%)
‘Challenge’ funds	(118.9)	(203.5)	(42%)
Other Italy-based mutual funds	1,937.4	737.6	163%
‘Real estate’ funds	-	-	ns
Third-party funds and others managed	2.6	(71.2)	ns
Total direct inflows in mutual funds	2,766.2	3,482.0	(21%)
My Life unit linked	913.2	-	ns
Other unit linked	(179.4)	(201.3)	(11%)
Total mutual funds and management	3,500.0	3,280.7	7%

The analysis of assets managed in mutual funds, on a management basis, is set out in the table below:

€/m	Sept. 30, 2014	Dec. 31, 2013	Sept. 30, 2013
‘Best brands’ funds of funds	13,181.6	11,494.7	10,563.5
‘Portfolio’ funds of funds	469.6	532.2	538.7
‘Challenge’ funds	13,091.7	12,541.3	12,329.3
Funds of hedge funds	174.5	178.1	173.7
Other Italy-based mutual funds	5,954.9	3,803.9	3,460.2
‘Real estate’ funds	422.0	427.3	426.8
Third-party funds and others managed	463.8	424.5	402.5
Adjustments for own funds included in funds of funds and managed	(522.3)	(566.4)	(572.3)
My Life unit linked	908.2	-	-
Other unit linked	11,122.2	10,692.3	10,441.1
Adjustments for own funds included in unit linked	(11,501.0)	(10,370.3)	(10,121.8)
Total asset management products	33,765.1	29,157.7	27,641.6
of which:			
Equity	50%	54%	55%
Bond	39%	37%	37%
Money market	1%	2%	2%
Balanced	5%	4%	4%
Other	5%	3%	2%

At the end of Q3 2014, assets under management amounted to Euro 33,765.1 million, +4,607.4 million compared to the previous year-end and Euro +6,123.5 compared to September 30, 2013.

Italy - Insurance

Life

As at December 31, 2013, total life products amounted to Euro 13,482.6 million versus Euro 14,308.2 million at the end of the quarter.

The table below shows the breakdown of inflows as at September 30, 2014:

€/m	Sept. 30, 2014	Dec. 30, 2013	Sept. 30, 2013
Unit-linked life products	12,030.4	10,692.3	10,441.1
Index-linked life products	1,035.9	1,474.8	1,770.2
Traditional life products	1,241.9	1,315.5	1,242.4
Total Life Products (excl. 'Freedom')	14,308.2	13,482.6	13,453.7
<i>'Freedom' Life Policies</i>	<i>1,095.3</i>	<i>1,722.3</i>	<i>1,889.8</i>

The table below shows the breakdown of inflows as at September 30, 2014:

€/m	Sept. 30, 2014	Sept. 30, 2013	Change
Recurring premiums	45.3	33.9	34%
Single premiums and group policies	1,011.2	74.4	ns
Total new business	1,056.5	108.4	ns
In-force pension plans	334.8	360.0	(7%)
Other in-force business	295.1	330.0	(11%)
Total in-force business	629.9	690.0	(9%)
Total Premiums written (excl. 'Freedom')	1,686.4	798.4	111%
'Freedom' premiums written	2,058.5	2,734.6	(25%)
Total gross premiums written	3,744.9	3,533.0	6%

Total gross premiums in the first nine months of 2014 amounted to Euro 3,744.9 million, an increase of 6% compared to the same period the previous year.

New business amounted to Euro 1,056.5 million, a sharp increase compared to the same of period the previous year (September 30, 2013: Euro 108.4 million). New business includes premiums related to the policy "My Life" for Euro 915.3 million, only partially offset by lower premiums generated by the policy "Mediolanum Plus" (Euro -676.2 million).

Total portfolio premiums amounted to Euro 629.9 million down 9% compared to the end of Q3 2013.

Below is a detailed table of liquidations recorded at the end of Q3 2014:

€/m	Sept. 30, 2014	Sept. 30, 2013	Change
Claims	41.8	40.3	4%
Coupons	38.2	45.8	(17%)
Maturities	776.0	1,005.3	(23%)
Surrenders	686.8	920.8	(25%)
Amounts paid (excl. 'Freedom')	1,542.8	2,012.2	(23%)

Net liquidation expenses, excluding Freedom, went from Euro 2,012.2 million in Q3 2013 to Euro 1,542.8 million at the end of the reporting period, recording a decrease of 23%. "Freedom" liquidations totalled Euro 2,699.8 million, a decrease of 37% compared to the end of Q3 2013.

Damages

As at September 30, 2014, the volume of premiums written amounted to Euro 39,039 thousand (Euro 31,659 thousand as at September 30, 2013), an increase of 23%.

The breakdown is as follows:

€/m	Sept. 30, 2014	Sept. 30, 2013	Change
Class-01 Accident	16,757	14,127	2,630
Class-02 Sickness	13,411	10,084	3,327
Class-07 Goods transported	4	3	1
Class-08 Fire	3,068	2,557	511
Class-09 Other damages to assets	1,776	1,551	225
Class-13 General TPL	1,275	1,245	30
Class-16 Pecuniary losses	2,181	1,536	645
Class-17 Legal protection	57	62	(5)
Class-18 Assistance	510	494	16
Total direct work premiums	39,039	31,659	7,380
Total premiums	39,039	31,659	7,380

As at September 30, the total number of claims paid amounted to Euro 7,103 thousand (Euro 6,030 thousand in 2013), an increase of Euro 1,073 thousand.

Spain

€/m	Sept. 30, 2014	Dec. 31, 2013	Sept. 30, 2013
Assets under administration	2,796.2	2,376.3	2,226.0
<i>Assets under management</i>	<i>1,796.6</i>	<i>1,462.2</i>	<i>1,386.7</i>
<i>Assets under administration</i>	<i>999.6</i>	<i>914.1</i>	<i>839.3</i>
Gross inflows AuM:	595.8	537.9	356.2
Net inflows	322.8	450.5	346.1
<i>Assets under management</i>	<i>282.9</i>	<i>237.7</i>	<i>177.4</i>
<i>Assets under administration</i>	<i>39.9</i>	<i>212.8</i>	<i>168.7</i>

Assets under management amounted to Euro 2,796.2 million compared to Euro 2,376.3 million at the end of 2013, and Euro 2,226.0 million in Q3 2013.

Net inflows at the end of the reporting period were positive for Euro +322.8 million compared to a balance of Euro +346.1 million in the comparative period.

Germany

€/m	Sept. 30, 2014	Dec.31, 2013	Sept. 30, 2013
Assets under administration	469.0	445.2	434.6
Assets under management	383.7	372.7	365.4
Assets under administration	85.3	72.5	69.2
Gross inflows AuM:	50.5	158.4	130.4
Net inflows	1.7	(37.6)	(35.0)
Assets under management	(10.3)	(24.1)	(19.7)
Assets under administration	12.0	(13.5)	(15.3)

Assets under management went from 445.2 at the end of 2013 to Euro 469.0 million at the end of the reporting period, up Euro +34.4 million compared to the figure of September 2013.

Net inflows were positive for Euro +1.7 million compared to a negative balance of Euro -35.0 million in the same period of the previous year.

The Sales Networks

€/t	Sept. 30, 2014	Dec. 31, 2013	Sept. 30, 2013
ITALY - BANCA MEDIOLANUM	4,399	4,407	4,392
SPAIN	747	690	650
GERMANY	53	46	46
Total	5,199	5,143	5,088

As at September 30, 2014 the Banca Mediolanum S.p.A. financial advisors network consisted of 4,399 units (4,407 at year-end 2013).

● Reclassified Consolidated Income Statement as at September 30, 2014^(*)

€/t	Sept. 30, 2014	Sept. 30, 2013	Q3 2014	Q3 2013
Entry fees	73,975	104,594	23,175	28,021
Management fees	494,621	412,762	175,129	144,439
Performance fees	119,941	129,237	33,337	44,934
Banking service fees and revenues	75,480	71,028	22,308	21,792
Other fees	25,386	24,417	8,479	7,022
Commission income	789,403	742,038	262,428	246,208
Net interest income	174,505	209,510	58,581	74,033
<i>Net income (loss) on investments at fair value</i>	<i>(1,271)</i>	<i>13,698</i>	<i>(1,039)</i>	<i>4,756</i>
Net financial income	173,234	223,208	57,542	78,789
Net life insurance revenues (excluding commissions)	43,362	45,365	17,765	17,383
Valuation Equity method	15,539	(4,014)	8,443	(4,653)
Realised gains (losses) on other investments	30,158	43,391	2,525	417
Impairment of loans	(12,341)	(8,538)	(6,148)	(2,624)
Impairment of other investments	(3,401)	(863)	(898)	(387)
Net income (loss) on other investments	14,416	33,990	(4,521)	(2,594)
Other revenues	21,708	16,181	8,335	5,408
TOTAL REVENUES	1,057,662	1,056,768	349,992	340,541
Network commission expenses	(337,585)	(315,000)	(120,844)	(99,224)
Other commission expenses	(43,132)	(38,556)	(14,991)	(13,214)
Administrative expenses	(339,976)	(291,541)	(112,084)	(93,006)
Amortisation and depreciation	(15,650)	(15,202)	(5,408)	(5,825)
Net provisions for risks	(9,232)	(2,208)	601	(2,303)
TOTAL COSTS	(745,575)	(662,507)	(252,726)	(213,572)
GROSS PROFIT BEFORE TAX	312,087	394,261	97,266	126,969
Taxes for the period	(65,232)	(93,045)	(15,353)	(25,243)
NET PROFIT	246,855	301,216	81,913	101,726

(*) This income statement has been prepared according to a scheme that reflects the Group's management system that provides for the reclassification of the components of net profit before tax by nature, net insurance income includes all items deriving from the insurance business, including financial income and expenses related to assets and liabilities for which the investment risk is borne by policyholders in the item, with the sole exclusion of commission expense.

Commission income for the period amounted to Euro 789.4 million (Q3 2014: Euro +262.4 million) compared to Euro 742.0 million in the comparative period (Q3 2013: Euro +246.2 million). Net inflows in mutual funds for the period and the growth in assets under management generated higher management fees (Euro +81.9 million), partially offset by lower subscription fees (Euro -30.6 million) and lower performance fees (Euro -9.3 million).

Net financial income went from Euro 223.2 million as at September 30, 2013 (Q3 2013: Euro -78.8 million) to Euro 173.2 million at the end of the reporting period (Q3 2014: Euro +57.5 million) due to the reduction in interest income (Euro -35.0 million) due to the reduction in market spreads and the reduction in net gains on trading securities (Euro -15.0 million).

The **Equity Method Valuation** went from a negative balance of Euro -4.0 million as at September 30, 2013 to a positive balance of Euro 15.5 million at the end of the reporting period. In particular, Mediobanca closed Q3 2014 with a profit of our competence of Euro 11.0 million, while Banca Esperia with a profit of Euro 4.5 million.

Net income from other investments recorded a positive balance of Euro +14.4 million (Q3 2014: Euro -4.5 million) compared to Euro +34.0 million as at September 30, 2013 (Q3 2013: Euro -2.6 million), primarily related to lower net gains on disposals (Euro -13.2 million).

Network commission expenses went from Euro 315.0 million as at September 2013 (Q3 2013: Euro -99.2 million) to Euro 337.6 million at the end of the reporting period (Q3 2014: Euro -120.8 million). The change of Euro +22.6 million originates primarily on the Italian market and is mainly influenced by the growth in assets under management.

Total costs, net of commission expenses, amounted to Euro 408.0 million (Q3 2014: Euro 131.9 million) up Euro 60.5 million vs the comparative period (September 30, 2013: Euro 347.5 million, of which Euro 114.3 million related to Q3 2013).

In further detail, administrative expenses increased by Euro 48.4 million. Said change was primarily due to the increase in personnel costs (2,384 employees vs 2,236 employees in the comparative period) and higher costs for IT systems (linked to development of new technologies for customers) and higher expenses related to promotional initiatives.

The increase in **net provisions for risks** amounted to Euro +7.0 million vs the comparative period. Said change was primarily due to write-backs in 2013 for favourable performance of legal proceedings.

The analysis of income statement data by operating segment is set out below.

○ Italy - Banking

€/t	Sept. 30, 2014	Sept. 30, 2013	Q3 2014	Q3 2013
Banking service fees and revenues	58,763	57,157	16,383	16,808
Other fees	107	2,599	(95)	28
Commission income	58,870	59,755	16,288	16,836
Net interest income	151,708	186,809	50,843	65,363
<i>Net income (loss) on investments at fair value</i>	<i>(6,984)</i>	<i>10,785</i>	<i>(2,235)</i>	<i>3,065</i>
Net financial income	144,724	197,594	48,608	68,428
Net income from other investments	11,906	26,405	(5,318)	(3,765)
Other revenues	8,929	6,983	3,189	2,240
TOTAL REVENUES	224,428	290,737	62,767	83,738
Network commission expenses	(39,335)	(33,020)	(13,293)	(9,865)
Other commission expenses	(9,528)	(9,678)	(2,824)	(3,559)
Administrative expenses	(160,465)	(130,338)	(50,907)	(40,099)
Amortisation and depreciation	(8,759)	(5,481)	(3,041)	(1,930)
Net provisions for risks	(8,056)	(1,978)	1,321	(1,948)
TOTAL COSTS	(226,143)	(180,495)	(68,744)	(57,401)
GROSS PROFIT BEFORE TAX	(1,715)	110,242	(5,977)	26,337

Gross profit before tax of Italy - Banking recorded a negative balance of Euro -1.7 million compared to a balance of Euro +110.2 million at the end Q3 of the previous year; the result is mainly affected by the reduction of Euro 52.9 million in net financial income and a reduction of Euro 14.5 million in net income from other investments, mainly related to gains on disposal of financial assets available for sale.

Net financial income stood at Euro 144.7 million, a decrease of Euro 52.9 million vs the comparative period (September 30, 2013: Euro 197.6 million). The difference is primarily due to a decrease in net interest income (-19%), due to the decline in market performance and the reduction of net profits and losses from investments at fair value (Euro -17.8 million).

Net income from other investments went from Euro +26.4 million to Euro +11.9 million in the reporting period and are attributable to lower profits on financial assets available for sale (Euro -13.0 million).

Commission income amounted to Euro 58.9 million, in line with the 2013 figures (September 30, 2013: Euro +59.8 million).

Network commission expense increased by 19% to Euro 39.3 million, an increase of Euro +6.3 million vs the comparative period. The increase in the item is primarily attributable to the growth in volumes managed.

Other costs went from Euro 147.5 million in 2013 to Euro 186.8 million in the reporting period, an increase of Euro +39.3 million, mainly due to the increase in personnel costs, IT expenses and promotional expenses.

Italy - Asset Management

€/t	Sept. 30, 2014	Sept. 30, 2013	Q3 2014	Q3 2013
Entry fees	67,241	98,511	20,808	26,029
Management fees	288,757	227,441	101,734	80,858
Performance fees	71,282	67,973	16,040	25,292
Other fees	22,877	19,579	7,855	6,165
Commission income	450,156	413,505	146,437	138,343
Net interest income	331	367	104	179
Net income (loss) on investments at fair value	(6)	4	(2)	3
Net financial income	325	371	102	182
Net income from other investments	7	9	10	10
Other revenues	159	162	39	44
TOTAL REVENUES	450,647	414,047	146,588	138,579
Network commission expenses	(185,057)	(190,234)	(62,197)	(59,709)
Other commission expenses	(13,961)	(11,192)	(4,663)	(3,315)
Administrative expenses	(71,079)	(63,462)	(21,418)	(21,154)
Amortisation and depreciation	(1,073)	(1,716)	(373)	(604)
Net provisions for risks	(31)	(219)	34	(73)
TOTAL COSTS	(271,201)	(266,822)	(88,616)	(84,855)
GROSS PROFIT BEFORE TAX	179,446	147,224	57,972	53,724

Gross profit before tax Italy – Asset Management amounted to Euro 179.4 million climbing 21.9% vs the comparative period (September 30, 2013: Euro 147.2 million).

Commission income amounted to Euro 450.2 million, up Euro +36.7 million vs the same quarter the previous year (Euro +413.5 million). The increase is mainly due to higher management fees (Euro +61.3 million) related to higher assets under management and higher performance fees (Euro +3.3 million).

Network commission expense decreased by 2.7% to Euro 185.1 million, a decrease of Euro 5.2 million vs the comparative period. This decrease was mainly due to a different mix of products sold.

Costs attributable to the segment at the end of the quarter recorded an increase of 12.5%, from Euro 76.6 million in September 2013 to Euro 86.1 million in the reporting period.

○ Italy - Insurance Segment

€/t	Sept. 30, 2014	Sept. 30, 2013	Q3 2014	Q3 2013
Management fees	181,928	168,483	64,655	57,580
Performance fees	43,145	55,781	15,324	17,755
Other fees	1,316	1,082	377	401
Commission income	226,390	225,345	80,355	75,736
Net interest income	9,359	15,982	2,824	3,886
Net income (loss) on investments at fair value	5,200	2,211	1,049	1,424
Net financial income	14,559	18,193	3,873	5,310
Net life insurance revenues (excluding commissions)	27,903	29,699	13,287	11,458
Realised gains (losses) on other investments	2,856	(1,991)	883	1,344
Other revenues	11,194	8,001	3,915	2,822
TOTAL REVENUES	282,901	279,248	102,313	96,670
Network commission expenses	(89,861)	(71,587)	(37,350)	(22,604)
Other commission expenses	(5,465)	(6,020)	(2,245)	(2,355)
Administrative expenses	(71,046)	(66,214)	(25,743)	(21,420)
Amortisation and depreciation	(4,531)	(6,485)	(1,573)	(2,792)
Net provisions for risks	(364)	(86)	(286)	(28)
TOTAL COSTS	(171,266)	(150,392)	(67,198)	(49,200)
GROSS PROFIT BEFORE TAX	111,635	128,855	35,115	47,470

It is recalled that Italy - Insurance for the balances related to September 30, 2014 includes the financial results for Life and Damages, while the comparative quarter does not consider Q1 of Mediolanum Assicurazioni, which joined the Mediolanum Group as at March 31, 2013.

Gross profit before tax Italy - Insurance shows a balance of Euro +111.6 million, a decrease of 13.4% compared to Q3 of the previous year for Euro +128.9 million, mainly due to initial costs related to sales of My Life.

Commission income amounted to Euro 226.4 million at the end of Q3 (September 30, 2013: Euro 225.3 million). The slight increase was primarily due to an increase in management fees (Euro +13.4 million) due to higher volumes of unit-linked products only partially offset by a reduction in performance fees pertaining to the Life segment (Euro -12.6 million).

The **Net financial income** for the period was positive for Euro +14.6 million, a decrease of Euro -3.6 million compared to Q3 2013. This difference was mainly due to a drop in net interest income (Euro -6.6 million) as a result of lower assets under management on the Freedom policy, only partially offset by higher gains on securities held in the portfolio (Euro +3.0 million).

Net life insurance revenues, before acquisition costs of investments went from Euro 29.7 million in Q3 2013 to Euro 27.9 million in Q3 2014. Despite the sale of My Life insurance, the contribution of Life business decreased slightly primarily due to higher bonuses on products paid to policyholders.

Realised gains on other investments amounted to Euro +2.9 million against the negative balance of 2013 of Euro -2.0 million. The item as at September 30, 2013 was mainly affected by losses on financial assets available for sale for Euro 7.5 million.

Network commission expenses increased by Euro 18.3 million, from Euro 71.6 million in Q3 2013 to Euro 89.9 million as at September 30, 2014, primarily due to the sale of My Life.

Other costs under review amounted to Euro 81.4 million compared to Euro 78.8 million as at September 30, 2013.

○ Italy - Other

€/t	Sept. 30, 2014	Sept. 30, 2013	Q3 2014	Q3 2013
Net interest income	(4,876)	(10,607)	(1,250)	(3,032)
Net income (loss) on investments at fair value	1	1	-	-
Net financial income	(4,875)	(10,606)	(1,250)	(3,032)
Valuation Equity method	15,539	(4,014)	8,443	(4,653)
TOTAL REVENUES	10,664	(14,620)	7,193	(7,685)
GROSS PROFIT BEFORE TAX	10,664	(14,620)	7,193	(7,685)

Gross profit before tax of Italy - Other recorded a profit of Euro +10.7 million (September 30, 2013: Euro -14.6 million).

Net financial income at the end of the period was a loss of Euro -4.9 million compared to Euro -10.6 million in the comparative period (Euro +5.7 million). The reduction is due to the indebtedness of Mediolanum S.p.A. through repayment of the bonds issued.

Equity method valuation reports for the period under review, the share of the profits generated by Banca Esperia and Mediobanca totalling Euro 15.5 million, of which Euro 11.0 million related to Mediobanca and Euro 4.5 million related to Banca Esperia (September 30, 2013: Euro -4.0 million, of which -4.6 related to the investment in Mediobanca).



€/t	Sept. 30, 2014	Sept. 30, 2013	Q3 2014	Q3 2013
Entry fees	6,258	5,798	2,201	1,905
Management fees	19,187	12,451	7,085	4,519
Performance fees	3,809	3,740	1,192	1,655
Banking service fees and revenues	4,198	3,282	1,362	1,104
Other fees	883	885	274	332
Commission income	34,335	26,156	12,114	9,515
Net interest income	17,797	16,417	6,198	7,484
Net income (loss) on investments at fair value	573	640	228	167
Net financial income	18,370	17,057	6,426	7,651
Net life insurance revenues (excluding commissions)	13,539	13,893	4,060	5,311
Net income from other investments	(342)	9,568	(95)	(183)
Other revenues	1,247	744	1,061	218
TOTAL REVENUES	67,149	67,418	23,566	22,513
Network commission expenses	(20,290)	(17,173)	(7,051)	(5,978)
Other commission expenses	(3,226)	(2,374)	(1,133)	(769)
Administrative expenses	(23,777)	(21,329)	(8,494)	(6,991)
Amortisation and depreciation	(1,091)	(1,089)	(362)	(357)
Net provisions for risks	(781)	75	(467)	(253)
TOTAL COSTS	(49,165)	(41,890)	(17,507)	(14,348)
GROSS PROFIT BEFORE TAX	17,984	25,528	6,059	8,165

Commission income increased by Euro 8.2 million from Euro 26.2 million to Euro 34.3 million at the end of the reporting period (+31.3%).

Net life insurance revenues, before acquisition costs came in at Euro 13.5 million versus Euro 13.9 million as at September 30, 2013.

Net income from other investments recorded a decrease of Euro 9.9 million attributable to income from financial assets available for sale recorded in Q1 2013.

Costs attributable to the segment amounted to Euro 49.2 million (September 30, 2013: Euro 41.9 million) mainly due to higher costs related to network remuneration.

Germany

€/t	Sept. 30, 2014	Sept. 30, 2013	Q3 2014	Q3 2013
Entry fees	476	285	166	87
Management fees	4,749	4,387	1,656	1,483
Performance fees	1,705	1,743	781	232
Banking service fees and revenues	12,531	10,594	4,568	3,883
Other fees	209	272	70	95
Commission income	19,670	17,281	7,241	5,780
Net interest income	186	542	(138)	153
Net income (loss) on investments at fair value	(55)	57	(79)	98
Net financial income	131	599	(217)	251
Net life insurance revenues (excluding commissions)	1,920	1,773	418	614
Net income from other investments	(10)	-	(1)	-
Other revenues	264	367	179	97
TOTAL REVENUES	21,975	20,020	7,620	6,742
Network commission expenses	(3,042)	(2,986)	(953)	(1,067)
Other commission expenses	(10,964)	(9,296)	(4,131)	(3,216)
Administrative expenses	(13,700)	(10,275)	(5,572)	(3,356)
Amortisation and depreciation	(195)	(431)	(59)	(142)
TOTAL COSTS	(27,901)	(22,988)	(10,715)	(7,782)
GROSS PROFIT BEFORE TAX	(5,926)	(2,968)	(3,095)	(1,040)

Commission income amounted to Euro 19.7 million, an increase over the comparative period of Euro +2.4 million (September 30, 2013: Euro 17.3 million).

Network commission expense amounted to Euro 3.0 million, in line with the comparative period.

Administrative expenses amounted to Euro 13.7 million, an increase of Euro 3.4 million compared to the comparative period (September 30, 2013: Euro 10.3 million), primarily due to higher personnel expenses and higher expenses for investments and consulting.

Key corporate events and performance of companies within the Group

Banking operations (including Group product distribution)

Banca Mediolanum S.p.A. – As at September 30, 2014, the amount of investments held by the Bank in Group companies amounted to Euro 351.0 million (December 31, 2013: Euro 359.7 million), recording a decrease of Euro 8.7 million. In particular, during the period under review Gamax Management AG, Luxembourg Branch, proceeded to reimburse a portion of the share capital, which resulted in a reduction in the carrying value of the subsidiary of Euro 5.2 million.

With reference to the German subsidiary, Bankhaus August Lenz, in the first nine months of the year payments were made for capital increases, to cover losses of the year totalling Euro 6.2 million, then adjusting the carrying value of the investment as at September 30, 2014 for Euro 9.3 million to cover the latter's losses at the end of the reporting period.

Finally, we note the sale of the 3% share of Mediolanum International Funds Ltd to Bankhaus August Lenz in September, for a corresponding amount of Euro 79,200.82 equal to the carrying value. This sale is part of the general development model implemented by the Bank and will help to provide greater added value to the German investee, from the point of view of income and trade, participating, among other things, in confirming the image of the German subsidiary over time.

Banco Mediolanum S.A. – The Spanish banking group ended the reporting period with a consolidated profit of Euro +7.4 million compared to Euro +12.0 million as at September 30, 2013.

Net inflows for AuM products recorded a positive balance of Euro +282.9 million versus Euro +177.4 million in the comparative period. Net inflows for AuA products recorded a positive balance of Euro 39.9 million versus Euro +168.7 million in the same period of the previous year.

As at September, 30 2014, total assets under management and under administration amounted to Euro 2,796.2 million versus Euro 2,376.3 million as at December 31, 2013.

The sales network consisted of 747 people (vs. 690 as at December 31, 2013), of whom 709 tied advisors (December 31, 2013: 652 people).

Bankhaus August Lenz & Co. – The German bank ended Q3 2014 with a net loss of Euro -9.3 million, compared with a loss of Euro -5.7 million in the comparative period.

Net inflows of assets under management recorded a positive balance of Euro +15.1 million (Euro +12.7 million in Q3 2013), while assets under administration recorded a balance of Euro +12.0 million (Q3 2013: Euro -15.3 million). At the end of the reporting period, total assets under management and under administration amounted to Euro 265.9 million, of which Euro 143.0 million related to funds and Unit.

As at September 30, 2014, the sales network consisted of 53 people (vs. 46 at year-end 2013).

○ Asset Management Companies

Gamax Management A.G. – As at September 30, 2014, the Luxembourg-based management company recorded a net profit of Euro +2.6 million, slightly down compared to the result for the same period of the previous year (September 30, 2013: Euro +3.2 million).

Net inflows in the retail sector in the HY were negative for Euro -25.4 million (September 30, 2013: Euro -32.3 million).

Retail assets under management at the end of the HY amounted to Euro 203.1 million (December 31, 2013: Euro 214.0 million).

Mediolanum International Funds Ltd – As at September 30, 2014, the Irish funds company recorded a net profit of Euro +243.8 million, up Euro +15.1 million over the same period the prior year (September 30, 2013: Euro +228.7 million).

As at September 30, 2014, the company reported positive net inflows of Euro +701.1 million (September 30, 2013: Euro +2,588.9 million).

As at September 30, 2014, total assets under management amounted to Euro 27,917 million compared to Euro 25,517 million as at December 31, 2013 (+9.4%).

Mediolanum Asset Management Ltd – As at September 30, 2014, the Irish management company recorded a net profit of Euro 13.7 million compared to a profit of Euro 12.0 million in same period the previous year.

Mediolanum Gestione Fondi SGR p.A. – As at September 30, 2014, the Italian management company recorded a net profit of Euro 20.9 million, up compared to Euro 18.4 million as at September 30, 2013. The change was mainly due to higher management fees recorded in the first nine months of 2014.

Net inflows in the period recorded a positive balance of Euro +1,942.7 million compared to Euro +741.0 million in the same period the previous year, an increase of Euro 1,201.7 million.

Mediolanum Fiduciaria S.p.A. – As at September 30, 2014, the company recorded a net loss of Euro 288.6 thousand (September 30, 2013: Euro -379.5 thousand).

As at September 30, 2014, trust assets under management amounted to Euro 88,883.0 thousand (December 31, 2013: Euro 44,349.6 thousand).

○ Insurance Companies

Mediolanum Vita S.p.A. – The situation of the IAS/IFRS accounts as at September 30, 2014 shows a net profit of Euro 27.3 million compared to Euro 28.5 million in the same period the previous year.

Net income for the first nine months, calculated on the basis of GAAP was Euro 33.6 million compared to 48.3 million in the same period of the previous year.

The application of international accounting standards to the situation of the accounts as at September 30, 2014 generates a decrease in net income of Euro -6.2 million compared to the value as determined in accordance with GAAP, mainly due to higher potential relegation to policyholders in respect of capital gains from the valuation of the securities portfolio.

Mediolanum Assicurazioni S.p.A. – The situation of the IAS/IFRS accounts as at September 30, 2014 shows a net profit of Euro 6,313 thousand compared to net income of Euro 5,987 thousand determined in accordance with GAAP.

The application of IAS/IFRS on the statement of account as at September 30, 2014 generated an increase in the result, with respect to as determined in accordance with GAAP (Euro +326 thousand), mainly due to higher income from the valuation of the securities portfolio (Euro +331 thousand).

As at September 30, 2014, the balance of net reserves amounted to Euro 88.9 million compared to Euro 76.0 million at the end of 2013.

Mediolanum International Life Ltd – For the first nine months of 2014, the Company reported net profit of Euro 9.2 million versus Euro 13.0 million in the same period in 2013.

As at September 30, 2013, total commitments to policy holders amounted to Euro 2,177.9 million, down 14% compared to year-end 2013 (December 31, 2013: Euro 2,534.5 million).

○ Joint ventures

As at September 30, 2014 the **Banca Esperia Group** reported consolidated net profit of Euro 8.7 million versus Euro 1.1 million as at September 30, 2013.

Total assets under administration went from Euro 15,300.0 million as at December 31, 2013 to Euro 15,938.1 million as at September 30, 2014.

○ Associates

As at September 30, 2014 the **Mediobanca Group** showed a net profit of Euro 160.0 million (for the period July 2014 - September 2014) compared to a net profit of Euro 171.2 million in the same comparative period.

Net consolidated equity as at September 30, 2014, amounted to Euro 8,023.1 million compared to Euro 7,942.7 million as at June 30, 2014.

● Tax Claims

In relation to the tax dispute for the purposes of IRES and IRAP concerning the level of fee relegation paid by Mediolanum International Fund Ltd in favour of Banca Mediolanum and Mediolanum Vita, there are no new additions with respect to what has been reported in relation to the financial statements for the year ended December 31, 2013.

● Capital Adequacy of the Financial Conglomerate Mediolanum S.p.A.

With reference to the financial conglomerate Mediolanum S.p.A., the calculation of capital adequacy as at 30 September 2014, according to the provisions of supplementary supervision in force, shows that in the face of the conglomerate capital requirements amounted to Euro 755 million, the conglomerate's equity to hedge the required margin amounted to Euro 1,240 million, with a surplus of Euro 485 million.

● Own Funds for Supervisory purposes as at September 30, 2014 of the Mediolanum Banking Group

Pursuant to the provisions of Legislative Decree no. 53 of March 4, 2014 (supplementary supervision of financial entities in a financial conglomerate) Mediolanum S.p.A. acquired the status of parent of the Mediolanum S.p.A. banking group.

By virtue of the foregoing, in effect from June 30, 2014, the company is required to carry out the calculation for the determination of the own funds for supervisory purposes and the related capital ratios under the new discipline that recently entered into force - Regulation no. 575/2013 (EU), Basel 3 discipline.

In the calculation of own funds as at September 30, 2014, consolidated net profit was computed, net of the estimate of the dividends that will be placed in distribution, for a total amount of Euro 123,427.5 thousand.

Consolidated net profit as at September 30, 2014 is subject to limited audit by the independent auditors, which to date has not yet issued a report.

● **Key Corporate Events Subsequent to the End of Q3**

In October, the Irish subsidiaries approved the distribution of prepayments for 2014 dividends for a total of Euro 245 million (September 30, 2013: Euro 200 million), of which Euro 110.85 million in favour of Mediolanum S.p.A. After September 30, 2013, there was no other event which could have a significant impact on the financial position, results of operations and cash flows of the Company.

● **Outlook**

Considering the risks associated with the sector and subject to the occurrence of events of an exceptional nature or substantially dependent on variables that cannot be controlled by the Directors and the Management (however, currently not conceivable), a positive evolution in operations is expected for the year 2014.

Basiglio, November 13, 2014

For the Board of Directors
The Chairman
Carlo Secchi



**Consolidated
Accounts**

Consolidated Statement of Financial Position

Assets

€/t	Sept. 30, 2014	June 30, 2014	Dec. 31, 2013
10. Cash and cash equivalents	87,474	63,598	60,443
20. Financial assets held for trading	1,107,129	1,505,701	1,135,102
30. Financial assets measured at fair value	13,638,027	12,965,333	12,751,185
40. Available-for-sale financial assets	16,448,212	13,490,436	12,558,883
50. Held-to-maturity investments	2,529,262	2,508,032	2,517,015
60. Loans to banks	698,924	815,573	1,100,559
70. Loans to customers	6,547,797	5,991,753	5,660,508
80. Hedging derivatives	1,491	1,116	2,418
100. Investments	420,258	406,192	391,869
110. Reinsurers' share of technical reserves	72,633	72,533	74,675
120. Tangible assets	191,971	192,728	193,229
130. Intangible assets	169,314	163,810	162,539
of which:			
- goodwill	125,625	125,625	125,625
140. Tax assets	364,500	361,830	387,653
a) current	246,459	250,796	267,318
b) deferred	118,041	111,034	120,335
150. Non-current assets and disposal groups	841	841	868
160. Other Assets	367,751	386,282	324,506
Total assets	42,645,584	38,925,758	37,321,452

Liabilities and Shareholders' Equity

€/t	Sept. 30, 2014	June 30, 2014	Dec. 31, 2013
10. Payables due to banks	4,983,814	4,989,300	4,950,368
20. Payables due to customers	17,506,920	14,255,695	12,905,464
30. Securities issued	402,765	392,517	369,409
40. Financial liabilities held for trading	386,195	429,327	250,867
50. Financial liabilities measured at fair value	971,734	371,581	70,988
60. Hedging derivatives	89,720	82,876	59,127
80. Tax liabilities	271,717	239,818	238,876
a) current	124,478	98,383	130,351
b) deferred	147,239	141,435	108,525
90. Liabilities associated with assets held for sale	963	974	962
100. Other liabilities	630,451	746,016	662,404
110. Employee completion-of-service entitlements	11,347	11,391	11,871
120. Provisions for risks and charges	186,855	187,427	187,809
a) severance benefits and similar obligations	586	586	586
b) other provisions	186,269	186,841	187,223
130. Technical reserves	15,267,555	15,392,878	15,962,513
140. Valuation reserves	264,389	237,753	100,781
170. Reserves	1,289,868	1,289,075	1,156,097
175. Interim dividend (-)	-	-	(73,595)
180. Share premium account	62,780	62,555	59,376
190. Share capital	73,701	73,678	73,600
200. Treasury shares (-)	(2,045)	(2,045)	(2,045)
210. Shareholders' equity attributable to minority interest (+/-)	-	-	-
220. Net profit (loss) for the year (+/-)	246,855	164,942	336,580
Total liabilities and shareholders' equity	42,645,584	38,925,758	37,321,452

Consolidated Income Statement

€/t	Sept. 30, 2014	Sept. 30, 2013	Q3 2014	Q3 2013
10. Interest income and similar income	441,348	517,514	143,758	174,190
20. Interest expense and similar charges	(184,789)	(188,505)	(61,043)	(62,860)
30. Net interest income	256,559	329,009	82,715	111,330
40. Commission income	807,649	751,042	274,833	249,202
50. Commission expense	(363,847)	(335,817)	(128,807)	(106,158)
60. Net commission	443,802	415,225	146,026	143,044
70. Dividends and similar income	5,765	3,565	673	810
80. Net income from trading	9,621	11,987	1,113	4,915
90. Net income from hedging	(3,690)	2,762	(649)	(104)
100. Gains (losses) on sale or buyback of:	25,153	35,389	2,437	(1,857)
a) loans	23	(20)	(5)	-
b) available-for-sale financial assets	25,157	35,437	2,443	(1,858)
d) financial liabilities	(27)	(28)	(1)	1
110. Net result from financial assets and liabilities measured at fair value	647,461	857,996	247,728	356,876
120. Total income	1,384,671	1,655,933	480,043	615,014
130. Net impairment/reversal of impairment of:	(15,742)	(9,402)	(7,046)	(3,012)
a) loans	(11,979)	(8,520)	(5,786)	(2,605)
b) available-for-sale financial assets	(3,451)	(871)	(983)	(412)
d) other financial instruments	(312)	(11)	(277)	5
140. Net income from financial operations	1,368,929	1,646,531	472,997	612,002
150. Net premiums	2,967,942	3,657,625	873,433	948,141
160. Balance of other income/expenses from insurance activities	(3,682,939)	(4,598,449)	(1,142,212)	(1,327,364)
170. Net income from financial and insurance operations	653,932	705,707	204,218	232,779
180. Administrative expenses:	(324,531)	(282,115)	(104,399)	(90,521)
a) personnel expenses	(129,275)	(118,135)	(42,777)	(36,770)
b) other administrative expenses	(195,256)	(163,980)	(61,622)	(53,751)
190. Net provisions for risks and charges	(23,153)	(18,455)	(5,770)	(8,197)
200. Depreciation and net impairment of tangible assets	(5,694)	(5,241)	(2,132)	(1,838)
210. Amortisation and net impairment of intangible assets	(9,957)	(9,958)	(3,275)	(3,982)
220. Other operating income/expenses	6,035	8,283	186	3,384
230. Operating expenses	(357,300)	(307,486)	(115,390)	(101,154)
240. Profit (loss) on equity investments	15,539	(3,941)	8,443	(4,653)
270. Profit (loss) on disposal of investments	(52)	2	-	-
280. Profit (loss) before tax on continuing operations	312,119	394,282	97,271	126,972
290. Income tax expense on continuing operations	(65,232)	(93,044)	(15,354)	(25,243)
300. Profit (loss) after tax on continuing operations	246,887	301,238	81,917	101,729
310. Profit (loss) after tax of non-current assets pending disposal	(32)	(22)	(4)	(3)
320. Profit (Loss) for the period	246,855	301,216	81,913	101,726
340. Profit (loss) for the period attributable to the parent company	246,855	301,216	81,913	101,726

Consolidated Statement of Other Comprehensive Income

€/t	Sept. 30, 2014	Sept. 30, 2013	Q3 2014	Q3 2013
Profit (Loss) for the period	246,855	301,216	81,913	101,726
Other statement of other comprehensive income, net of income tax without reversals to the income statement				
Tangible assets	-	-	-	-
Intangible assets	-	-	-	-
Defined benefit plans	183	35	234	27
Non-current assets or disposal groups held for sale	-	-	-	-
Share of reserves on investments accounted for by the equity method	4,766	5	2,607	5
Other statement of other comprehensive income, net of income tax with reversals to the income statement				
Hedges of investments in foreign operations	-	-	-	-
Exchange differences	-	-	-	-
Cash flow hedges	-	-	-	-
Available-for-sale financial assets	126,201	(23,883)	16,052	18,048
Non-current assets or disposal groups held for sale	-	-	-	-
Share of reserves on investments accounted for by the equity method	12,683	(10,488)	7,742	(7,940)
Total other statement of other comprehensive income, net of income tax	143,833	(34,331)	26,635	10,140
Comprehensive income (Captions 10+130)	390,688	266,885	108,548	111,866
Total comprehensive income attributable to minority interests	-	-	-	-
Total comprehensive income attributable to the parent company	390,688	266,885	108,548	111,866

Consolidated Statement of Changes in Equity

as at September 30, 2013

€/t	Balance as at Dec. 31, 2012	Change to opening balances	Balance as at Jan. 1, 2013	Appropriation of result from previous year	
				Reserves	Dividends and other allocations
Share capital:					
a) ordinary shares	73,434	-	73,434	-	-
b) other shares	-	-	-	-	-
Share premium accounts	56,497	-	56,497	-	-
Reserves:					
a) retained earnings	736,489	-	736,489	292,280	-
b) other	84,693	-	84,693	-	-
Valuation reserves	120,356	-	120,356	-	-
Equity instruments	-	-	-	-	-
Treasury shares	(2,045)	-	(2,045)	-	-
Net profit (loss) for the year	351,023	-	351,023	(292,280)	(58,743)
Shareholders' equity attributable to the Group	1,420,447	-	1,420,447	-	(58,743)
Shareholders' equity attributable to minority interest	-	-	-	-	-

as at September 30, 2014

€/t	Balance as at Dec. 31, 2013	Change to opening balances	Balance as at Jan. 1, 2014	Appropriation of result from previous year	
				Reserves	Dividends and other allocations
Share capital:					
a) ordinary shares	73,600	-	73,600	-	-
b) other shares	-	-	-	-	-
Share premium accounts	56,376	-	56,376	-	-
Reserves:					
a) retained earnings	997,809	-	997,809	226,159	-
b) other	84,693	-	84,693	-	-
Valuation reserves	100,781	-	100,781	-	-
Equity instruments	-	-	-	-	-
Treasury shares	(2,045)	-	(2,045)	-	-
Net profit (loss) for the year	336,580	-	336,580	(226,159)	(110,421)
Shareholders' equity attributable to the Group	1,650,794	-	1,650,794	-	(110,421)
Shareholders' equity attributable to minority interest	-	-	-	-	-

Changes occurred in the year										
Changes in reserves	Equity operations								Net profit as at Sept. 30, 2013	Net shareholders equity as at Sept. 30, 2013
	Issue of new shares	Purchase of treasury shares	Extraordinary dividends distribution	Change in equity instruments	Treasury share derivativees	Stock options	Change in shareholding interest			
-	151	-	-	-	-	-	-	-	-	73,585
-	-	-	-	-	-	-	-	-	-	-
-	2,590	-	-	-	-	-	-	-	-	59,087
12,134	-	-	-	-	-	2,085	-	-	-	1,042,988
-	-	-	-	-	-	-	-	-	-	84,693
-	-	-	-	-	-	-	-	-	(34,331)	86,025
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	(2,045)
-	-	-	-	-	-	-	-	-	301,216	301,216
12,134	2,741	-	-	-	-	2,085	-	-	266,885	1,645,549
-	-	-	-	-	-	-	-	-	-	-

Changes occurred in the year										
Changes in reserves	Equity operations								Net profit as at Sept. 30, 2014	Net shareholders equity as at Sept. 30, 2014
	Issue of new shares	Purchase of treasury shares	Extraordinary dividends distribution	Change in equity instruments	Treasury share derivativees	Stock options	Change in shareholding interest			
-	101	-	-	-	-	-	-	-	-	73,701
-	-	-	-	-	-	-	-	-	-	-
-	3,404	-	-	-	-	-	-	-	-	62,780
(20,009)	-	-	-	-	-	1,216	-	-	-	1,205,175
-	-	-	-	-	-	-	-	-	-	84,693
19,775	-	-	-	-	-	-	-	-	143,833	264,389
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	(2,045)
-	-	-	-	-	-	-	-	-	246,855	246,855
(234)	3,505	-	-	-	-	1,216	-	-	390,688	1,935,548
-	-	-	-	-	-	-	-	-	-	-



Notes

Notes

PART A - ACCOUNTING POLICIES

● A.1 - GENERAL

Section 1 - Compliance with the international accounting and financial reporting standards

The Quarterly Report on Operations of Mediolanum S.p.A. as at September 30, 2014 was prepared in accordance with the requirements of Legislative Decree February 28, 2005 no. 38 and with application of the international accounting and financial reporting standards issued by the International Accounting Standards Board (IASB) and the related interpretations of the International Financial Reporting Interpretations Committee (IFRIC) as adopted by the European Commission under European Parliament and Council Regulation (EC) no. 1606 of July 19, 2002 and subsequent.

The Mediolanum Group, under Legislative Decree no. 142 of May 30, 2005, is a financial conglomerate that operates primarily in the banking business. In light of the inclusion of the Company in the list of bank-oriented conglomerates the previous year's data has been restated in the form required by the aforementioned sectoral legislation.

This quarterly report as at September 30, 2014 does not constitute interim financial statements in accordance with IAS 34.

Section 2 - Basis of preparation

The financial position and income statement as at September 30, 2014 have been prepared under international accounting standards IAS/IFRS; the accounting policies and consolidation principles are consistent with those used for the preparation of the consolidated financial statements as at December 31, 2013.

For a detailed description of the accounting policies applied in the preparation of this consolidated quarterly report and the contents of the items in the financial statements, please refer to the annual consolidated financial statements and the HY consolidated financial report as at June 30, 2014 for subsequent updates.

Certain data was reasonably estimated, to safeguard the consistent application of the principle, which did not affect the reliability of the quarterly report.

The comparative figures as at September 30, 2013 and December 31, 2013 have been restated, where necessary, with respect to those presented, to ensure uniformity of presentation with the other accounting data provided in this report.

Section 3 - Scope of consolidation

The Quarterly Report on Operations includes the accounts of Mediolanum S.p.A. and those of its directly or indirectly controlled subsidiaries.

Group companies that are directly owned by Mediolanum S.p.A. and consolidated on a line-by-line basis:

€/t	Share capital	% holding	Registered office	Business
Mediolanum Vita S.p.A.	87,720	100.00%	Basiglio	Life Insurance
Mediolanum Comunicazione S.p.A.	775	100.00%	Basiglio	Audio/film/TV production
PI Servizi S.p.A.	517	100.00%	Basiglio	Real estate brokerage
Mediolanum International Life Ltd	1,395	100.00%	Dublin	Life Insurance
Banca Mediolanum S.p.A.	600,000	100.00%	Basiglio	Banking
Mediolanum Assicurazioni S.p.A.	25,800	100.00%	Basiglio	Damages Insurance
Mediolanum Gestione Fondi SGR p.A.	5,165	49.00%	Basiglio	Fund management
Mediolanum International Funds Ltd	150	44.00%	Dublin	Fund management
Mediolanum Asset Management Ltd	150	49.00%	Dublin	Asset management and advice
Gamax Management AG	2,000	0.004%	Luxembourg	Fund management

Group companies that are indirectly owned by Mediolanum S.p.A. through Banca Mediolanum S.p.A. and consolidated on a line-by-line basis:

€/t	Share capital	% holding	Registered office	Business
Mediolanum Gestione Fondi SGR p.A.	5,165	51.00%	Basiglio	Fund management
Mediolanum Fiduciaria S.p.A.	240	100.00%	Basiglio	Trust company
Mediolanum International Funds Ltd	150	48.00%	Dublin	Fund management
Mediolanum Asset Management Ltd	150	51.00%	Dublin	Asset management and advice
Gamax Management AG	2,000	99.996%	Luxembourg	Fund management
Banco Mediolanum S.A.	86,032	100.00%	Barcelona	Banking
Bankhaus August Lenz & Co. AG	20,000	100.00%	Munich	Banking
Fermi & Galeno Real Estate S.r.l.	10	100.00%	Basiglio	Management of real estate funds

Group companies that are indirectly owned by Banca Mediolanum S.p.A. through Banco Mediolanum S.A. and consolidated on a line-by-line basis:

€/t	Share capital	% holding	Registered office	Business
Mediolanum Gestión S.A. S.G.I.I.C.	2,506	100.00%	Barcelona	Fund management
Fibanc S.A.	301	100.00%	Barcelona	Financial consulting firm
Mediolanum Pensiones S.A. S.G.F.P.	902	100.00%	Barcelona	Pension Fund management
Mediolanum International Funds Ltd	150	5.00%	Dublin	Fund management

Group companies that are indirectly owned by Banca Mediolanum S.p.A., owned through Bankhaus August Lenz & Co. AG consolidated on a line-by-line basis:

€/t	Share capital	% holding	Registered office	Business
Mediolanum International Funds Ltd	150	3.00%	Dublin	Fund management

Mediolanum S.p.A. associates accounted for using the equity method:

€/t	Share capital	% holding	Registered office	Business
Mediobanca S.p.A.	430,800	3.44%	Milan	Banking

Mediolanum S.p.A. jointly owned entities accounted for using the equity method:

€/t	Share capital	% holding	Registered office	Business
Banca Esperia S.p.A.	63,000	50.00%	Milan	Banking

● Methods of consolidation

Subsidiaries are consolidated on a line-by-line basis, while associates and joint ventures are accounted for using the equity method.

○ Consolidation on a line-by-line basis

Consolidation is the combination of the accounts of the parent company and those of its subsidiaries line by line by adding together items of the statement of financial position and the income statement. After minority interests in the net assets and minority interests in the profit or loss of subsidiaries are separately identified, the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary are eliminated. Any resulting difference, if positive, after recognition of the assets or liabilities of the subsidiary, is recognised as goodwill under "Intangible assets" on first-time consolidation, and under "Other reserves" thereafter. Negative differences are recognised in the income statement.

Intercompany assets, liabilities, income and expenses are eliminated in full.

Business combinations are accounted for by applying the purchase method. Goodwill acquired in a business combination is initially measured at cost, being the excess of the cost of the business combination over the Group's (acquirer's) interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is allocated, from the acquisition date, to each of the Group's (acquirer's) cash-generating units or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units or groups of units.

If goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and the Group disposes

of an operation within that unit, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal and is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

The income and expenses of a subsidiary acquired during the reporting period are included in the consolidated financial statements from the date of acquisition. Accordingly, the income and expenses of a subsidiary disposed of in the reporting period are included in the consolidated financial statements until the date on which the parent ceases to control the subsidiary. Any difference between the consideration for the disposal of the subsidiary and its carrying amount as of the date of disposal is recognised in the income statement.

The financial statements of the parent company and those of its subsidiaries used in the preparation of the consolidated financial statements are prepared as of the same reporting date.

When a company within the Group uses different accounting policies, in preparing the consolidated financial statements adjustments are made to make them uniform with the accounting policies adopted by the Group.

○ Consolidation using the equity method

Under the equity method, an investment is initially recognised at cost and its carrying amount is increased or decreased thereafter to reflect the value of the investor's share of the investee's equity and profit.

The investor's share of the profit or loss of the investee is recognised under the relevant item in the consolidated income statement, and the investor's share of changes in the investee's equity, other than transactions with the shareholders, is recognised under the relevant item in the consolidated statement of statement of other comprehensive income. If there is evidence that an investment may be impaired, its recoverable amount is calculated by estimating the present value of future cash flows expected to be generated by the investment, including the proceeds on the ultimate disposal of the investment.

If the recoverable amount is lower than the carrying amount, the resulting difference is recognised in the income statement.

In applying the equity method to investments in associates and joint ventures the approved IAS/IFRS annual/interim financial statements of associates were used.

○ Profit computable for Supervisory purposes

The consolidated result as at September 30, 2014 of Mediolanum S.p.A. has been used to determine the computable profit for the calculation of the Own Funds.

At the end of Q3 2014, said profit amounted to Euro 246,855 thousand, of which Euro 123,427.5 thousand is the estimate of the dividends that will be placed in distribution by virtue of said net profit. Therefore, the residual profit computable in the calculation of the Own Funds amounted to Euro 123,427.5 thousand.

PART B - INFORMATION ON THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS

● Financial assets and liabilities

€/t	Sept. 30, 2014	Comp. %	June 30, 2014	Comp. %	Dec. 31, 2013	Comp. %
Financial assets held for trading	1,107,129	3	1,505,701	5	1,135,102	4
Financial assets measured at fair value	13,638,027	40	12,965,333	43	12,751,185	44
Available-for-sale financial assets	16,448,212	49	13,490,436	44	12,558,883	43
Held-to-maturity investments	2,529,262	8	2,508,032	8	2,517,015	9
Total financial assets	33,722,630	100	30,469,502	100	28,962,185	100
Financial liabilities held for trading	(386,195)		(429,327)		(250,867)	

At the end of Q3 2014, financial assets amounted to Euro 33,722.6 million, up compared to the figure as at December 31, 2013 (+16.4%), and consisted mainly of available-for-sale assets (48.8%) and financial assets measured at fair value (40.4%).

● Loans to banks

€/t	Sept. 30, 2014	June 30, 2014	Dec. 31, 2013
Loans to central banks	99,386	132,208	369,774
Loans to banks	599,538	683,365	730,785
Total	698,924	815,573	1,100,559

● Loans to customers

€/t	Sept. 30, 2014		June 30, 2014		Dec. 31, 2013	
	Performing	Impaired	Performing	Impaired	Performing	Impaired
Loans	6,027,682	54,829	5,474,178	52,274	5,147,215	46,954
1. Current accounts	417,418	4,359	400,718	4,473	418,148	4,810
2. Repurchase agreements	64,377	-	37,741	-	20,403	-
3. Mortgages	4,182,973	40,963	4,015,526	38,367	3,675,984	32,696
4. Credit cards, personal loans and salary-guaranteed loans	744,881	4,886	712,972	4,407	650,973	2,978
5. Finance leases	-	-	-	-	-	-
6. Factoring	-	-	-	-	-	-
7. Other loans	618,033	4,621	307,221	5,027	381,707	6,470
Debt securities	465,286	-	465,301	-	466,339	-
Total	6,492,968	54,829	5,939,479	52,274	5,613,554	46,954

Loans to customers amounted to Euro 6,547.8 million as at September 30, 2014, an increase of about Euro 887.3 million over the comparative period mainly due to higher mortgage (Euro +515.3 million) and other loans (Euro +234.5 million).

The incidence of non-performing loans on total loans to customers amounted to 0.84%, a slight increase compared to the figure as at December 31, 2013 (0.83%).

Investments

€/t	Sept. 30, 2014	June 30, 2014	Dec. 31, 2013
Mediobanca S.p.A.	322,357	308,528	301,462
Banca Esperia S.p.A.	97,901	97,664	90,407
Total	420,258	406,192	391,869

The change in the quarter is related to the equity valuation of shareholdings in Banca Esperia and Mediobanca on the basis of related consolidated shareholders' equity as at September 30, 2014.

The impact on the income statement for the reporting period related to Banca Esperia S.p.A. recorded a positive balance of Euro 4.5 million (September 30, 2013: 0.6 million), while the impact on the income statement for Mediobanca S.p.A. amounted to Euro 11.0 million (September 30, 2013: Euro 4.6 million).

LIABILITIES

● Payables due to banks

€/t	Sept. 30, 2014	June 30, 2014	Dec. 31, 2013
1. Payables due to central banks	3,647,115	4,161,170	4,252,588
2. Payables due to banks	1,336,699	828,130	697,780
2.1. Current accounts and demand deposits	238,267	31,740	32,141
2.2 Time deposits	764,986	472,538	410,647
2.3 Loans	330,011	317,730	251,537
2.3.1 Repurchase agreements	77,597	62,811	8
2.3.2 Other	252,414	254,919	251,529
2.4 Commitments to buy back own equity instruments	-	-	-
2.5 Other payables	3,435	6,122	3,455
Total	4,983,814	4,989,300	4,950,368

● Payables due to customers

€/t	Sept. 30, 2014	June 30, 2014	Dec. 31, 2013
1. Current accounts and demand deposits	7,454,355	7,279,613	6,750,953
2. Time deposits	4,500,799	4,240,255	3,819,600
3. Loans	5,412,379	2,600,984	2,215,299
3.1 Repurchase agreements	5,410,184	2,600,133	2,212,650
3.2 Other	2,195	851	2,649
4. Commitments to buy back own equity instruments	-	-	-
5. Other payables	139,387	134,843	119,612
Total	17,506,920	14,255,695	12,905,464

Payables due to customers were up 35.7% compared to the figure at the end of 2013, mainly due to the increase in the balance of repurchase agreements (Euro +3,197.5 million compared to December 31, 2013) and current accounts/deposits (Euro +703.4 million at year-end 2013).

● Technical reserves

€/t	Sept. 30, 2014	June 30, 2014	Dec. 31, 2013
A. Damages	92,418	87,675	79,002
A.1 Premium reserves	69,086	65,133	56,685
A.2 Accident reserves	21,301	20,673	20,721
A.3 Other reserves	2,031	1,869	1,596
B. Life	2,409,538	2,615,069	3,105,935
B.1 Mathematical reserves	2,301,760	2,482,851	2,923,998
B.2 Reserves for sums to be paid	52,043	84,173	152,682
B.3 Other reserves	55,735	48,045	29,255
C. Technical reserves - under which the investment risk is borne by the insurance company	12,765,599	12,690,134	12,777,576
C.1 Reserves for contracts whose performance is linked to investment funds and market indices	12,765,599	12,690,134	12,777,576
C.2 Reserves relating to the administration of pension funds	-	-	-
D. Total technical reserves	15,267,555	15,392,878	15,962,513

● Net equity

€/t	Sept. 30, 2014	June 30, 2014	Dec. 31, 2013
Share Capital	73,701	73,678	73,600
Share premium account	62,780	62,555	59,376
Reserves	1,289,868	1,289,075	1,156,097
Treasury shares	(2,045)	(2,045)	(2,045)
Dividend prepayment	-	-	(73,595)
Valuation reserves	264,389	237,753	100,781
Equity instruments	-	-	-
Net profit (loss)	246,855	164,942	336,580
Total	1,935,548	1,825,958	1,650,794

The valuation reserve recorded a total increase of Euro +163.6 million compared to year-end 2013. At year-end 2013, the AFS Reserve was up Euro +163.6 million from a balance of Euro 100.8 million at year-end 2013 to a balance of Euro +264.4 million as at September 30, 2014.

PART C - INFORMATION ON THE CONSOLIDATED INCOME STATEMENT

● Net interest income

€/t	Sept. 30, 2014	Sept. 30, 2013	Q3 2014	Q3 2013
Interest income and similar income	441,348	517,514	143,758	174,190
Interest expense and similar charges	(184,789)	(188,505)	(61,043)	(62,860)
Net interest income	256,559	329,009	82,715	111,330

At the end of Q3 2014, net interest income amounted to Euro 256.6 million, a decrease of Euro -72.5 million compared to the same period the previous year. The decline in net interest income was due primarily to the reduction in interest rate spreads in the market.

● Net commission

€/t	Sept. 30, 2014	Sept. 30, 2013	Q3 2014	Q3 2013
Commission income	807,649	751,042	274,833	249,202
Commission expense	(363,847)	(335,817)	(128,807)	(106,158)
Net commission	443,802	415,225	146,026	143,044

Commission income increased by Euro +28.6 million compared to the comparable period primarily due to higher commission income (Euro +56.6 million), only partially offset by higher commission expenses (Euro +28.0 million).

● Total income

€/t	Sept. 30, 2014	Sept. 30, 2013	Q3 2014	Q3 2013
Net interest income	256,559	329,009	82,715	111,330
Net commission	443,802	415,225	146,026	143,044
Dividends and similar income	5,765	3,565	673	810
Net income from trading	9,621	11,987	1,113	4,915
Net income from hedging	(3,690)	2,762	(649)	(104)
Gains (losses) on sale or buyback	25,153	35,389	2,437	(1,857)
Net result from financial assets and liabilities measured at fair value	647,461	857,996	247,728	356,876
Total income	1,384,671	1,655,933	480,043	615,014

At the end of Q3 2014, net banking income amounted to Euro 1,384.7 million, a decrease of Euro 271.3 million compared to Q3 2013.

This variation is mainly due to the reduction of net income from assets/liabilities measured at fair value (Euro -210.5 million), due mainly to changes in the value of assets underlying unit-linked and index-linked policies.

● Net premiums

€/t	Sept. 30, 2014	Sept. 30, 2013	Q3 2014	Q3 2013
A. Life				
A.1 Gross premiums booked (+)	2,945,631	3,646,123	865,931	941,863
A.2 Reinsurance premiums (-)	(2,139)	(2,046)	(642)	(574)
A.3 Total	2,943,492	3,644,077	865,289	941,289
B. Damages				
B.1 Gross premiums booked (+)	38,827	21,262	12,818	10,564
B.2 Reinsurance premiums (-)	(1,955)	(1,203)	(698)	(622)
B.3 Change in gross amount for premiums reserve (+/-)	(12,400)	(6,624)	(3,953)	(3,140)
B.4 Change in premiums reserve borne by reinsurers (+/-)	(22)	113	(23)	50
B.5 Total	24,450	13,548	8,144	6,852
C. Total net premiums	2,967,942	3,657,625	873,433	948,141

At the end of Q3 2014, premiums net of reinsurance amounted Euro 2,967.9 million (September 30, 2013: Euro 3,657.6 million) with a decrease of Euro 689.7 million.

The decrease in net life premiums (Euro -700.6 million compared to the comparative period) is attributable primarily to lower insurance premiums generated by Mediolanum Plus (Euro -676.2 million).

At the end of the reporting period, Mediolanum Assicurazioni S.p.A. contributed to net premium inflows for Euro 24.5 million (September 30, 2013: Euro 13.5 million for the period March 31-September 30, 2013).

The balance of the item "Other income and expenses from insurance activities" is equal to Euro -3,682.9 million (September 30, 2013: Euro -4,598.4 million) a decrease of Euro -915.5 million largely due to lower insurance settlements related to "Mediolanum Plus" (Euro -1,613.0 million).

● Administrative expenses

€/t	Sept. 30, 2014	Sept. 30, 2013	Q3 2014	Q3 2013
Personnel expenses	(129,275)	(118,135)	(42,777)	(36,770)
Other administrative expenses	(195,256)	(163,980)	(61,622)	(53,751)
Total	(324,531)	(282,115)	(104,399)	(90,521)

Administrative expenses increased by a total of Euro 42.4 million compared to Q3 2013.

In particular, personnel expenses increased by Euro 11.1 million, mainly due to the increase in the average workforce (+148 employees).

Unit	Sept. 30, 2014	Sept. 30, 2013
1) Employees		
a) Executives	91	92
b) Middle management	342	321
c) Other employees	1,951	1,823
2) Other personnel	-	-
Total	2,384	2,236

Instead, other administrative expenses increased by Euro +31.3 million vs the comparative period. The change is mainly attributable to the increase in expenses for IT systems (Euro +18.2 million) and for the organization of conventions (Euro +2.2 million).

INCOME STATEMENT DATA BY OPERATING SEGMENT

This section presents consolidated financial data reported by operating segment. In compliance with IFRS 8, segment reporting reflects the management system of the Mediolanum Group (so-called "management reporting approach"), and is consistent with the information disclosed to the market and to the various stakeholders.

NOTE ON THE METHOD APPLIED TO SEGMENT REPORTING

Pursuant to IFRS 8, for the purpose of segment reporting of consolidated results the Mediolanum Group identified the following operating segments:

- ITALY – BANKING
- ITALY – ASSET MANAGEMENT
- ITALY – INSURANCE
- ITALY – OTHER
- SPAIN
- GERMANY

For the purpose of segment reporting income and expense items were directly assigned to the specific operating segment by product. Indirect costs and other residual items were spread over the various segments applying allocation policies.

INCOME STATEMENT DATA BY OPERATING SEGMENT AS AT SEPTEMBER 30, 2014

€/t	Italy				Consolidation adjustments	Total
	Banking	Asset Management	Insurance	Other		
Entry fees	-	67,241	-	-	-	67,241
Management fees	-	288,757	181,928	-	-	470,685
Performance fees	-	71,282	43,145	-	-	114,427
Banking service fees and revenues	58,763	-	-	-	-	58,763
Other fees	107	22,877	1,316	-	-	24,300
Commission income	58,870	450,156	226,390	-	-	735,416
Net interest income	151,708	331	9,359	(4,876)	-	156,522
Net income (loss) on investments at fair value	(6,984)	(6)	5,200	1	-	(1,789)
Net financial income	144,724	325	14,559	(4,875)	-	154,733
Net life insurance revenues (excluding commissions)	-	-	27,903	-	-	27,903
Valuation Equity method	-	-	-	15,539	-	15,539
Realised gains (losses) on other investments	24,415	235	5,459	-	-	30,109
Impairment of loans	(11,940)	-	-	-	-	(11,940)
Impairment of other investments	(569)	(228)	(2,604)	-	-	(3,401)
Net income from other investments	11,906	7	2,856	-	-	14,768
Other revenues	8,929	159	11,194	-	-	20,281
TOTAL REVENUES	224,428	450,647	282,901	10,664	-	968,640
Network commission expenses	(39,335)	(185,057)	(89,861)	-	-	(314,253)
Other commission expenses	(9,528)	(13,961)	(5,465)	-	-	(28,954)
Administrative expenses	(160,465)	(71,079)	(71,046)	-	-	(302,589)
Amortisation and depreciation	(8,759)	(1,073)	(4,531)	-	-	(14,364)
Net provisions for risks	(8,056)	(31)	(364)	-	-	(8,451)
TOTAL COSTS	(226,143)	(271,201)	(171,266)	-	-	(668,611)
GROSS PROFIT BEFORE TAX	(1,715)	179,446	111,635	10,664	-	300,029
Taxes for the period	-	-	-	-	-	(62,094)
NET PROFIT FOR THE PERIOD	-	-	-	-	-	237,935

	Abroad		Consolidation adjustments	Total
	Spain	Germany		
	6,258	476	-	73,975
	19,187	4,749	-	494,621
	3,809	1,705	-	119,941
	4,198	12,531	(12)	75,480
	883	209	(6)	25,386
	34,335	19,670	(18)	789,403
	17,797	186	-	174,505
	573	(55)	-	(1,271)
	18,370	131	-	173,234
	13,539	1,920	-	43,362
	-	-	-	15,539
	49	-	-	30,158
	(391)	(10)	-	(12,341)
	-	-	-	(3,401)
	(342)	(10)	-	14,416
	1,247	264	(84)	21,708
	67,149	21,975	(102)	1,057,662
	(20,290)	(3,042)	-	(337,585)
	(3,226)	(10,964)	12	(43,132)
	(23,777)	(13,700)	90	(339,976)
	(1,091)	(195)	-	(15,650)
	(781)	-	-	(9,232)
	(49,165)	(27,901)	102	(745,575)
	17,984	(5,926)	-	312,087
	(2,800)	(338)	-	(65,232)
	15,184	(6,264)	-	246,855

INCOME STATEMENT DATA BY OPERATING SEGMENT AS AT SEPTEMBER 30, 2013

€/t	Italy					Total
	Banking	Asset Management	Insurance	Other	Consolidation adjustments	
Entry fees	-	98,511	-	-	-	98,511
Management fees	-	227,441	168,483	-	-	395,924
Performance fees	-	67,973	55,781	-	-	123,754
Banking service fees and revenues	57,157	-	-	-	-	57,157
Other fees	2,599	19,579	1,082	-	-	23,260
Commission income	59,755	413,505	225,345	-	-	698,606
Net interest income	186,809	367	15,982	(10,607)	-	192,551
Net income (loss) on investments at fair value	10,785	4	2,211	1	-	13,001
Net financial income	197,594	371	18,193	(10,606)	-	205,552
Net life insurance revenues (excluding commissions)	-	-	29,699	-	-	29,699
Valuation Equity method	-	-	-	(4,014)	-	(4,014)
Realised gains (losses) on other investments	35,187	288	2,013	-	-	33,462
Impairment of loans	(8,177)	-	-	-	-	(8,177)
Impairment of other investments	(606)	(279)	22	-	-	(863)
Net income from other investments	26,405	9	(1,991)	-	-	24,422
Other revenues	6,983	162	8,001	-	-	15,146
TOTAL REVENUES	290,737	414,047	279,248	(14,620)	-	969,411
Network commission expenses	(33,020)	(190,234)	(71,587)	-	-	(294,841)
Other commission expenses	(9,678)	(11,192)	(6,020)	-	-	(26,890)
Administrative expenses	(130,338)	(63,462)	(66,214)	-	-	(260,013)
Amortisation and depreciation	(5,481)	(1,716)	(6,485)	-	-	(13,682)
Net provisions for risks	(1,978)	(219)	(86)	-	-	(2,283)
TOTAL COSTS	(180,495)	(266,822)	(150,392)	-	-	(597,710)
GROSS PROFIT BEFORE TAX	110,242	147,224	128,855	(14,620)	-	371,701
Taxes for the period	-	-	-	-	-	(87,171)
NET PROFIT FOR THE PERIOD	-	-	-	-	-	284,530

	Abroad		Consolidation adjustments	Total
	Spain	Germany		
	5,798	285	-	104,594
	12,451	4,387	-	412,762
	3,740	1,743	-	129,237
	3,282	10,594	(5)	71,028
	885	272	-	24,417
	26,156	17,281	(5)	742,038
	16,417	542	-	209,510
	640	57	-	13,698
	17,057	599	-	223,208
	13,893	1,773	-	45,365
	-	-	-	(4,014)
	9,929	-	-	43,391
	(361)	-	-	(8,538)
	-	-	-	(863)
	9,568	-	-	33,990
	744	367	(76)	16,181
	67,418	20,020	(81)	1,056,768
	(17,173)	(2,986)	-	(315,000)
	(2,374)	(9,296)	5	(38,556)
	(21,329)	(10,275)	76	(291,541)
	(1,089)	(431)	-	(15,202)
	75	-	-	(2,208)
	(41,890)	(22,988)	81	(662,507)
	25,528	(2,968)	-	394,261
	(5,577)	(297)	-	(93,045)
	19,951	(3,265)	-	301,216



**Own Funds
Profits for
Supervisory
purposes as
at September
30, 2014**

Own Funds Profits for Supervisory purposes as at September 30, 2014

On January 1, 2014 the reforms of the agreements of the Basel Committee ("Basel 3") were transposed in the EU regulation. These reforms have been introduced in order to strengthen the banks' ability to absorb shocks arising from financial and economic stress, regardless of their origin, to improve risk management and governance and to strengthen the transparency and disclosure of the banks. The regulatory innovations of Basel 3 establish more stringent rules for the calculation of the Own Funds and levels of capital adequacy of banks.

The new rules will be implemented in stages to allow the banking system to meet the new requirements.

The innovations of the Basel 3 regulations have been translated into law in Europe through two separate legislative instruments: a Directive (CRD 4) and a Regulation (CRR).

With the approval by the European Parliament, the complete package (Directive 2013/36/EU "CRD 4" of June 26, 2013 and Regulation (EU) 575/2013 "CRR" of June 26, 2013) was published in the Official Gazette of the European Union on June 27, 2013.

The Regulation (EU) 575/2013 (CRR) includes most of the provisions on capital requirements that are directly binding and applicable in each Member State of the European Union.

In December 2013 the Bank of Italy issued "Circular 285" that implements the rules of the CRD 4/CRR and introduces supervisory rules on aspects not harmonized at EU level.

With the entry into force of the Directive and the Regulations with effect from January 1, 2014, it shall be required to comply with a minimum CET1 ratio of 4.5%, Tier equal to 1 5.5% (6% in 2015) and a Total Capital Ratio of 8%. These minimum regulatory requirements have been integrated with the Capital Conservation reserve (buffer) of 2.5%.

The Common Equity Tier 1 ratio (CET1) of the Group as at September 30, 2014 amounted to 18.079% compared to 18.234% as at June 30, 2014.

The Tier 1 ratio as at September 30, 2014 amounted to 18.079% compared to 18.234% in the first half of 2014.

The Total Capital ratio is equal to 19.155% at the end of the reporting period, compared to 19.346% as at June 30, 2014.

In the calculation of Own funds on the basis of article 467 paragraph 2 of the CRR, implemented by the Bank of Italy in Circular 285 Second Part - Chapter 14 - Section II - Paragraph 2, Banca Mediolanum S.p.A. adopted by resolution of the Board of Directors January 16, 2014, the option to exclude from own funds unrealized gains or losses related to exposures to the central government classified as financial assets available for sale (AFS) for the entire period covered by the CRR. This option was also used to determine the Own Funds of Mediolanum S.p.A..

The following are details of the companies included in the consolidation, and related consolidation method foreseen by regulatory provisions in force:

	Company	Investment share	Method of consolidation
Mixed financial company	MEDIOLANUM S.p.A.		Line-by-line
Parent Company	BANCA MEDIOLANUM S.p.A.	100.000%	Line-by-line
	BANKHAUS AUGUST LENZ & Co.	100.000%	Line-by-line
	BANCO MEDIOLANUM S.A.	100.000%	Line-by-line
	MEDIOLANUM FIDUCIARIA S.p.A.	100.000%	Line-by-line
	FERMI & GALENO REAL ESTATE S.r.l.	100.000%	Line-by-line
	GAMAX MANAGEMENT (AG)	100.000%	Line-by-line
	MEDIOLANUM GESTIONE FONDI SGR P.A.	100.000%	Line-by-line
	MEDIOLANUM ASSET MANAGEMENT Ltd	100.000%	Line-by-line
	MEDIOLANUM INTERNATIONAL FUNDS Ltd	100.000%	Line-by-line
	FIBANC S.A.	99.998%	Line-by-line
	MEDIOLANUM PENSIONES S.A. SGFP	99.999%	Line-by-line
	MEDIOLANUM GESTION SGIIC S.A.	99.999%	Line-by-line
	MEDIOLANUM COMUNICAZIONE S.p.A.	100.000%	Line-by-line
Investee subsidiary companies exercising Insurance activities	MEDIOLANUM VITA S.p.A.	100.000%	Equity
	MEDIOLANUM ASSICURAZIONI S.p.A.	100.000%	Equity
	MEDIOLANUM INTERNATIONAL LIFE Ltd	100.000%	Equity
OTHER INVESTMENTS BANKING	BANCA ESPERIA S.p.A.	50.000%	Proportionate
	MEDIOBANCA S.p.A. (*)	3.380%	Equity
Subsidiaries and investees and entities exercising activities other than banking, financial instrumental and insurance	PARTNER TIME S.p.A. on liquidation	100.000%	Equity
	PI SERVIZI S.p.A.	100.000%	Equity

(*) For effect of ownership of treasury shares by mediobanca S.p.A. the total investment is equal to 3.442%.

The consolidated result as at September 30, 2014 of Mediolanum S.p.A. has been used to determine the computable profit for the calculation of the Own Funds.

At the end of Q3 2014, said profit amounted to Euro 246,855 thousand, of which Euro 123,427.5 thousand is the estimate of the dividends that will be placed in distribution by virtue of said net profit. Therefore, the residual profit computable in the calculation of the Own Funds amounted to Euro 123,427.5 thousand.

The following is the scheme to determine the Own Funds and consolidated capital requirements.

€/t	Sept. 30, 2014 ^(*)	June 30, 2014
Tier 1 primary capital (Common Equity Tier 1 - CET1)	1,797,574	1,727,175
CET1 Tools subject to transitional provisions (Grandfathering)	-	-
Deductions	(523,669)	(487,250)
TOTAL TIER 1 PRIMARY CAPITAL	1,273,905	1,239,925
Additional Tier 1 capital (Additional Tier 1 - AT1)	-	-
TOTAL CLASS 1 CAPITAL	1,273,905	1,239,925
Tier 2 capital (Tier 2 - T2)	208,232	220,983
Deductions	(132,409)	(145,356)
TOTAL CLASS 2 CAPITAL	75,823	75,627
TOTAL OWN FUNDS (*)	1,349,728	1,315,552

€/t	Sept. 30, 2014 ^(*)	June 30, 2014
Tier 1 Primary Capital (CET1)	1,273,905	1,239,925
Tier 1 capital (T1)	1,273,905	1,239,925
Total Own Funds	1,349,728	1,315,552
Total Risk-Weighted Assets (**)	7,046,502	6,800,064
Common Equity Tier 1 ratio	18.079%	18.234%
Tier 1 Ratio	18.079%	18.234%
Total Capital Ratio	19.155%	19.346%

(*) The ratios presented in this disclosure may be subject to updating when reporting to the Supervisory Authorities.

(**) Own funds, risk-weighted assets and capital ratios were determined according to the new harmonized framework for banks and investment firms contained in Directive 2013/36/EU (CRD IV) and in Regulation (EU) 575/2013 (CRR) June 26, 2013, which transpose the EU standards set by the Basel Committee on Banking Supervision (the so-called Basel 3 framework), and on the basis of the Bank of Italy Circulars no. 285 and no. 286 (enacted in 2013) and no. 154 (updated in 2013).

A stylized graphic of an eye, composed of concentric shapes. The outermost shape is a dark blue arc. Inside it is a light blue arc. The center is a white circle. Within the white circle is a dark blue circle containing the text.

**Mediolanum
S.p.A.
2014
Interim
Dividend**

Mediolanum S.p.A. - 2014 Interim Dividend

Directors' Report pursuant to art. 2433-bis of the Civil Code

This report is presented in order to approve the distribution of interim dividends for 2014 pursuant to art. 2433-*bis* of the Civil Code.

Mediolanum S.p.A. possesses all the requirements of said article of the Civil Code to exercise the option to pay interim dividends for the current year.

Specifically:

- by law, the Company's financial statements are subject to auditing by the independent auditors Deloitte & Touche S.p.A.;
- the distribution of interim dividends is provided in art. 31 of the By-laws;
- the independent auditors issued a favourable opinion on the financial statements for the year ended December 31, 2013;
- from the financial statements for the year ending December 31, 2013, there were no losses relating to 2013 and there were no losses relating to previous years.

In accordance with the provisions of paragraph 4 of article 2433-bis Civil Code, the amount of the interim dividends may not exceed the lesser sum between the amount of profits earned at the end of the previous year, less the shares to be allocated to reserves for legal or statutory requirements, and to available reserves.

In this regard, as described below under "Financial position, results and cash flows of Mediolanum S.p.A." verification of the aforementioned limit was made on the basis of the figures in the accounts as at September 30, 2014.

On this basis, the above parameters are as follows:

Euro/t	
Mediolanum S.p.A. - Profit as at September 30, 2014 resulting from the accounts as at September 30, 2014 – (a)	220,848
Profits to be allocated to "Legal reserve" (b) (*)	-
Available net profit (a-b)	220,848
<i>Amount of "Reserves available" as at September 30, 2014</i>	
Capital reserves (Share premium reserves)	62,780
Capital reserves shareholder contribution hedging LB transaction	84,693
Profit reserves (Extraordinary reserve - FTA reserve)	531,461
Reserves available as at September 30, 2014	678,934
Distributable Interim dividend	220,848

(*) The Legal Reserve is fully provisioned and there are no other statutory reserves.

Based on the above, the interim dividend for the year 2014 shall be within the amount of Euro 220,848 thousand. With the approval by the European Parliament, the complete package (Directive 2013/36/EU "CRD 4" of June 26, 2013 and Regulation (EU) 575/2013 "CRR" of June 26, 2013) was published in the Official Gazette of the European Union on June 27, 2013. With the entry into force of the Directive and the Regulations with effect from January 1, 2014, it shall be required to comply with a minimum CET1 ratio of 4.5%, Tier 1 equal to 5.5% (6%

in 2015) and a Total Capital Ratio of 8%. These minimum regulatory requirements have been integrated with the Capital Conservation reserve (buffer) of 2.5%.

Given the interim dividend approved, capital ratios of the Mediolanum Group remain well above the minimum levels required.

The interim dividend distribution is also permitted by the presence of adequate financial resources. In fact, cash and cash equivalents resulting from the accounts as at September 30, 2014, amounted to Euro 57,856 thousand, due to the collection on October 30, 2014 of the interim dividend paid by the foreign subsidiaries Mediolanum International Funds Ltd for Euro 103,400 thousand, Mediolanum Asset Management for Euro 2,450 thousand and Mediolanum International Life for Euro 5,000 thousand rose to Euro 168,706 thousand:

€/t (cash and cash equivalents as at September 30, adjusted for the collection of dividends)

Cash and cash equivalents as at September 30, 2014	57,856
Interim dividend collected from subsidiary (October 30, 2014)	110,850
Total liquid funds	168,706

In view of the above, the Board of Directors, in light of as reported in the section "Financial position, results and cash flows of Mediolanum S.p.A.", intends to distribute an interim dividend equal to Euro 0.15 per share at nominal value of Euro 0.10, gross of statutory deductions, as of November 26, 2014, dividend to shareholders on November 24, 2014.

Based on the number of shares currently outstanding, equal to 737,006,648 shares, the total amount of the interim dividend is therefore approximately equal to Euro 110,550,997.20.

Accounting Policies

In determining the proposed interim dividend to be distributed, equity, economic and financial values resulting from the accounts of Mediolanum S.p.A. as at September 30, 2014 were considered, determined in accordance with the application of the recognition and measurement criteria required by IAS/IFRS, consistent with those used for preparation of the financial statements as at December 31, 2013, which will also be applied at the closing the company's financial statements as at December 31, 2014 supplemented by the amendments issued by the IASB and subsequently approved by the European Union applicable from January 1, 2014, as reported in the Consolidated HY Financial Statements as at June 30, 2014 to which reference is made.

This report as at September 30, 2014 does not constitute interim financial statements in accordance with IAS 34.

Financial position, results and cash flows of Mediolanum S.p.A.

In accordance with the provisions of art. 2433-bis, paragraph 5, of the Civil Code, an accounting statement was prepared as at September 30, 2014 showing a net profit of Euro 220,848 thousand.

The accounts include:

- a statement of financial position as at September 30, 2014 and a comparative statement of financial position as at the end of the previous year (December 31, 2013);
- an income statement for the period between the start of the year and September 30, 2014 (9 months) compared to the income statement corresponding to the same interim period of the previous year (September 30, 2013);
- a statement of comprehensive income for the period between the start of the year and the end as at September 30, 2014 (9 months) compared to the income statement corresponding to the same interim period of the previous year (September 30, 2013);
- a statement of changes in equity for the period between the beginning of the year and September 30, 2014, with a comparative statement for the corresponding interim period of the previous year (September 30, 2013).

Comment on the financial position, results and cash flows

The accounts as at September 30, 2014 show a net profit of Euro 220,848 thousand compared to Euro 254,410 thousand in the same period the previous year. In particular, dividends from subsidiaries and associated companies amounted to Euro 237,028 thousand vs Euro 278,186 thousand in the previous year. The reduction was mainly due to lower dividends received from the subsidiaries Mediolanum Vita S.p.A. and Banca Mediolanum S.p.A.

With reference to Financial assets available for sale, in the reporting period dividends are recorded for a total of Euro 1,409.8 thousand (September 30, 2013: Euro 382.1 thousand), of which Euro 1,285.2 thousand relating to the investment in SIA_SSB and Euro 124.6 thousand relating to the investment in Generali.

Financial expenses for the nine months amounted to Euro 9,438.7 thousand, a decrease of Euro 5,885.8 thousand compared to the same period the previous year (September 30, 2013: Euro 15,324.5 thousand) and are composed of Euro 4,408.9 thousand of interest on bonds and Euro 5,029.8 thousand of interest expense on loans.

In particular, as at September 30, 2014, payables due to banks amounted to Euro 252,413.6 thousand compared to Euro 251,528.7 thousand as at year-end 2013 while the balance of bonds amounted to Euro 113,457.9 thousand (December 31, 2013: Euro 211,040.3 thousand).

Interest income amounted to Euro 4,266.8 thousand compared to Euro 4,221.0 thousand as at September 30, 2013, and was largely earned on the Euro 120.0 million subordinated loan extended to the subsidiary Mediolanum Vita S.p.A.

As at September 30, 2014, personnel costs recorded a decrease amounting to Euro 3,406.0 thousand (September 30, 2013: Euro 3,449.5 thousand) while other administrative expenses increased by Euro 399.2 thousand, reaching Euro 4,547.3 thousand (September 30, 2013: Euro 4,148.1 thousand).

Other net income and expenses for the period recorded a positive balance of Euro 455.7 thousand, an increase compared to the value of the same period the previous year amounted to Euro 390.6 thousand.

In October 2014, the Irish subsidiaries approved the distribution of interim dividends for 2014 for a total of Euro 245,000 thousand, of which Euro 110,850 thousand pertaining to the company, regularly collected on October 30, 2014. The previous year interim dividends for 2013 were collected for a total of Euro 200,000 thousand.

For information on the performance of the companies that are part of the Mediolanum Group, readers are referred to the Quarterly Report on Operations as at September 30, 2014.

Key events subsequent to September 30, 2013

After September 30, 2014, there was no event which could have a significant impact on the financial position, results of operations and cash flows of the Company.

Outlook

Based on the results achieved as at September 30, 2014 and taking into account the performance of the Mediolanum Group companies as at the same date, it is believed that the result for the year 2014 will be positive.

The solidity of Mediolanum S.p.A. and the Mediolanum Group, as shown by the economic and financial entries in the annexed Quarterly Report on Operations as at September 30, 2014, allow – to date – the distribution of an interim dividend.

Opinion of the independent auditors

For this report and for the annex "Accounts", the independent auditors Deloitte & Touche S.p.A. (as entrusted auditor pursuant to art. 14 of Legislative Decree no. 39 of January 27, 2010) acquired the opinion required by paragraph 5 of art. 2433-bis of the Civil Code..

Basiglio, November 13, 2014

For the Board of Directors
The Chairman
(Carlo Secchi)

Mediolanum S.p.A. Accounts

Statement of financial position

Assets

Euro	Sept. 30, 2014	Dec. 31, 2013
Non-current assets		
Intangible assets	1,120	1,547
Tangible assets	2,147	10,683
Investments in subsidiaries and associates	1,169,083,578	1,168,665,406
Loans to subsidiaries	120,059,178	120,073,973
Available-for-sale financial assets	15,801,356	21,787,375
Total non-current assets	1,304,947,379	1,310,538,984
Current assets		
Receivables		
Receivables due from subsidiaries	315,738	482,767
Receivables due from other related parties	40,859	58,836
Other receivables	296,936	208,412
Cash and cash equivalents		
Bank deposits	57,844,873	36,253,301
Cash on hand	10,690	10,690
Tax assets		
Current	32,022,671	100,432,475
Deferred	706,426	1,632,995
Other Assets	101,245	29,387
Total Current assets	91,339,438	139,108,861
TOTAL ASSETS	1,396,286,817	1,449,647,845

Liabilities

Euro	Sept. 30, 2014	Dec. 31, 2013
Shareholders' equity and liabilities		
Net shareholders' equity		
Share capital	73,700,665	73,600,181
Treasury shares	(2,045,116)	(2,045,116)
Share premium account	62,780,147	59,376,339
Shareholders' payment reserve to cover extraordinary expenses "Default Lehman Brothers"	84,692,746	84,692,746
Retained earnings	554,937,877	329,770,677
Valuation reserve for AFS financial instruments	1,450,189	1,597,172
Profit for the period	220,847,782	335,451,793
Total Net shareholders' equity	996,364,290	882,443,793
Non-current liabilities		
Employee completion-of-service entitlements	343,118	339,719
Bonds - over	68,895,117	67,951,346
Total Non-current liabilities	69,238,235	68,291,065
Current liabilities		
Payables		
Payables due to banks	252,413,622	251,528,704
Bonds - within	44,562,795	143,088,944
Due to subsidiaries	698,079	669,949
Due to other related parties	199,428	98,029
Other payables	1,355,260	1,383,271
Tax liabilities		
Current	31,081,996	101,802,212
Deferred	25,357	27,448
Other liabilities	347,755	314,430
Total Current liabilities	330,684,292	498,912,987
TOTAL LIABILITIES	399,922,527	567,204,052
TOTAL EQUITY AND LIABILITIES	1,396,286,817	1,449,647,845

Income Statement

Euro	Sept. 30, 2014	Dec. 31, 2013
Dividends and similar income		
from subsidiaries	237,028,311	278,186,438
from available for sale financial assets	1,409,771	382,108
Gains (losses) on sale or buyback of:		
Available-for-sale financial assets	523,254	-
Interest income and similar income	4,266,821	4,220,952
Interest expense and similar charges	(9,438,696)	(15,324,477)
Net income from trading	(67)	103
NET INCOME FROM FINANCIAL OPERATIONS	233,789,394	267,465,124
Staff costs	(3,406,027)	(3,449,480)
Other administrative expenses	(4,547,283)	(4,148,117)
Amortisation and depreciation		
intangible assets	(427)	(427)
tangible assets	(8,536)	(17,069)
Other income (expenses)	455,679	390,595
OPERATING EXPENSES	(7,506,594)	(7,224,499)
Profit (loss) on investments in subsidiaries, associates and joint-ventures	(81,718)	-
PROFIT (LOSS) BEFORE TAX ON CONTINUING OPERATIONS	226,201,082	260,240,624
Taxes for the period	(5,353,300)	(5,830,224)
PROFIT FOR THE PERIOD	220,847,782	254,410,400
EARNINGS PER SHARE	0.299	0.346

Statement of other comprehensive income

Euro	Sept. 30, 2014	Dec. 31, 2013
NET PROFIT (LOSS)	220,847,782	254,410,400
Other statement of other comprehensive income, net of income tax without reversals to the income statement		
Actuarial gains and losses and adjustments related to defined benefit plans	2,971	72,658
Other statement of other comprehensive income, net of income tax with reversals to the income statement		
Gains or losses on Available-for-Sale Financial Assets	(149,955)	250,333
TOTAL OTHER COMPONENTS OF STATEMENT OF OTHER COMPREHENSIVE INCOME	(146,984)	322,991
TOTAL COMPREHENSIVE INCOME	220,700,798	254,733,391

Statement of changes in equity

As at September 30, 2013


€/t	Balance as at January 1, 2013	Appropriation of result from previous year	
		Reserves	Dividends and other allocations
Share capital	73,433,792	-	-
Share premium accounts	56,496,878	-	-
Reserves:			
a) retained earnings	328,252,650	74,903,627	-
b) other	84,692,746	-	-
Valuation reserves:			
a) available for sale	614,096	-	-
b) defined benefits plans	-	-	-
Treasury shares	(2,045,116)	-	-
Profit (Loss) for the period	133,619,860	(74,903,627)	(58,716,233)
Net equity	675,064,906	-	(58,716,233)

As at September 30, 2014

€/t	Balance as at January 1, 2014	Appropriation of result from previous year	
		Reserves	Dividends and other allocations
Share capital	73,600,181	-	-
Share premium accounts	59,376,339	-	-
Reserves:			
a) retained earnings	329,770,677	225,030,807	-
b) other	84,692,746	-	-
Valuation reserves:			
a) available for sale	1,523,705	-	-
b) defined benefit plans	73,468	-	-
Treasury shares	(2,045,116)	-	-
Profit (Loss) for the period	335,451,793	(225,030,807)	(10,420,986)
Net equity	882,443,793	-	(10,420,986)

Changes occurred in the year							
Equity operations							
Changes in reserves	Issue of new shares	Purchase of treasury shares	Extraordinary dividends distribution	Change in equity instruments	Stock options	Net profit as at Sept. 30, 2014	Net equity as at Sept. 30, 2013
-	150,747	-	-	-	-	-	73,584,539
-	2,590,571	-	-	-	-	-	59,087,449
-	-	-	-	-	99,272	-	403,255,549
-	-	-	-	-	-	-	84,692,746
-	-	-	-	-	-	250,333	864,429
-	-	-	-	-	-	72,658	72,658
-	-	-	-	-	-	-	(2,045,116)
-	-	-	-	-	-	254,410,400	254,410,400
-	2,741,318	-	-	-	99,272	254,733,391	873,922,654

Changes occurred in the year							
Equity operations							
Changes in reserves	Issue of new shares	Purchase of treasury shares	Extraordinary dividends distribution	Change in equity instruments	Stock options	Net profit as at Sept. 30, 2014	Net equity as at Sept. 30, 2014
-	100,484	-	-	-	-	-	73,700,665
-	3,403,808	-	-	-	-	-	62,780,147
-	-	-	-	-	136,393	-	554,937,877
-	-	-	-	-	-	-	84,692,746
-	-	-	-	-	-	(140,955)	1,373,750
-	-	-	-	-	-	2,971	76,439
-	-	-	-	-	-	-	(2,045,116)
-	-	-	-	-	-	220,847,782	220,847,782
-	3,504,292	-	-	-	136,393	220,700,798	995,364,290



**Declaration
by the officer
responsible
for preparing
accounting
and financial
reporting
documents**

Declaration by the officer responsible for preparing accounting and financial reporting documents

I, the undersigned, Luigi Del Fabbro, as the officer responsible for preparing the financial statements of Mediolanum S.p.A.,

DECLARE

pursuant to art. 154-bis, second paragraph, of Legislative Decree no. 58 of February 24, 1998, "Consolidated text of provisions on financial intermediation", that the accounting information contained in this Quarterly Report as at September 30, 2014 corresponds to the document results, books and accounting records.

Basiglio, November 13, 2014

Chief Financial Officer
of corporate accounting documents
(Luigi Del Fabbro)



**Independent
Auditors'
Report**

AUDITORS' OPINION FOR THE DISTRIBUTION OF INTERIM DIVIDENDS PURSUANT TO ARTICLE 2433-BIS PARAGRAPH 5 OF THE CIVIL CODE

**The Board of Directors of
MEDIOLANUM S.p.A.**

1. REASONS, OBJECT AND NATURE OF THE ENGAGEMENT

As independent auditor, we are requested to prepare the opinion pursuant to Article 2433-bis, paragraph 5, of the Civil Code, in connection with the distribution of an interim dividend for 2014 of Euro 0,15 for each outstanding share to the Shareholders of Mediolanum S.p.A. (hereinafter the "Company").

For this purpose, the Directors of Mediolanum S.p.A. have provided us with the accounting schedule which comprises the balance sheet as of September 30, 2014, the income statement, the statement of comprehensive income and the statement of changes in equity of Mediolanum S.p.A. (hereinafter the "Accounting Prospectus") and the related report of the Directors (hereinafter the "Report"), prepared pursuant to Article 2433-bis, paragraph 5, of the Civil Code.

The Accounting Prospectus has been prepared by the Directors of Mediolanum S.p.A. in accordance with the recognition and measurement criteria set out in the International Financial Reporting Standards as adopted by the European Union solely for the purposes set out in Article 2433-bis of the Civil Code.

The Company's Directors are responsible for the preparation of the Accounting Prospectus and the Report, which includes the economic forecasts for the year 2014, as well as the assumptions and elements that form the basis of these forecasts, in accordance with and for the purposes set out in Article 2433-bis of the Civil Code.

Our responsibility is to prepare this opinion pursuant to paragraph 5 of Article 2433-bis of the Civil Code.

We have audited, in accordance with the Auditing Standards recommended by Consob, the financial statements of Mediolanum S.p.A. as at December 31, 2013, prepared in accordance with International Financial Reporting Standards as adopted by the European Union. Our report with respect thereto is dated April 4, 2014.

2. WORK PERFORMED

We conducted our examination of the Accounting Prospectus in accordance with the international standards issued by the IAASB considered applicable in the circumstances. The examination consisted primarily of collecting information about the captions of the Accounting Prospectus, assessing whether the accounting policies have been consistently applied, making inquiries of the Company's Management and applying analytical procedures to the financial data presented in such Accounting Prospectus. It excluded audit procedures such as tests of controls and substantive procedures of the assets and liabilities, and was substantially less in scope than an audit conducted in accordance with established auditing standards. Accordingly, unlike in auditors' report on the financial statements as at 31 December 2013, we do not express an audit opinion on Accounting Prospectus.

We have also performed a critical reading of the information contained in the Report prepared pursuant to Article 2433-bis of the Civil Code. That Report describes the considerations of the Directors with reference to the respect of the requirements set out in paragraphs 1 to 4 of Article 2433-bis of the Civil Code and the economic outlook for the year 2014 of Mediolanum S.p.A. Our analysis, which took into account the knowledge of the Company and the industry in which it operates we have obtained during the course of our audit of the Company's financial statements as at 31 December 2013, was conducted exclusively on the results of the examination performed on the Accounting Prospectus, as well as on the basis of the discussion with the Company's Management about the reasonableness of the assumptions made by it in the formulation of the economic outlook.

We finally obtained representations from the Company's Management about the events that occurred from September 30, 2014 through the date of approval of the Accounting Prospectus and the related Report that could have a material effect on the financial position and performance of the Company and on the considerations made by the Directors and that could affect this opinion.

3. CONCLUSIONS

On the basis of the procedures described above, given the nature and scope of our work as described in this opinion, and notwithstanding the uncertainty inherent in any assumption about the economic outlook of the Company for the year 2014, nothing came to our attention that caused us to believe that, as at today, the Accounting Prospectus as at September 30, 2014 and the related Report of the Directors of Mediolanum S.p.A. are not adequate for the informational purposes set out in Article 2433-bis, paragraph 5 of the Civil Code.

4. CLARIFICATIONS ON PURPOSE AND LIMITATION ON USE AND DISTRIBUTION OF OPINION

This opinion is solely for information of the Board of Directors of Mediolanum S.p.A. pursuant to Article 2433-bis, paragraph 5, of the Civil Code. It may be disclosed to the shareholders of Mediolanum S.p.A. as required by law, for the purposes and within the limits set out in that article. This opinion is not to be used for any other purposes or by third parties without our prior written consent.

DELOITTE & TOUCHE S.p.A.

Signed by
Paolo Gibello Ribatto
Partner

Milan
November 13, 2014

This opinion has been translated into the English language solely for the convenience of international readers.

