

SOCIAL  
**REPORT**  
**2013**

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## ○ LETTER TO THE STAKEHOLDERS

2013 was a year of big achievements and excellent results for our Group, which, despite the ongoing financial crisis and credit crunch, registered an increase in net inflows and assets under management. This year, the Bank continued to make great efforts to run its business in a socially responsible manner as well as to pay great attention to all its stakeholders by implementing specific policies designed to generate and distribute value to all of them.

As part of its commitment to Corporate Social Responsibility, the Group once again provided tangible support to the people affected by the natural disasters that hit Italy this year. It allocated €1,600,000 to help its customers and Family Bankers® who suffered financial loss and material damage to their family homes and put a number of measures in place to ease the burden on them, such as suspending mortgage and loan payments for 12 months, granting soft loans, reducing, by 1%, current mortgage and loan rate spreads for 24 months and providing zero-fee current accounts and securities deposit accounts for 24 months.

As part of its customer-centric approach, instead, the Bank launched a new initiative this year, the Mediolanum “Riparti Italia” project, which is designed to meet customer needs by offering soft loans to households.

In 2013, the Bank continued to show its commitment to innovation, both in terms of technology and services: in fact, this year Banca Mediolanum was the first bank in Italy to offer money transfer services via smartphones. Thanks to this initiative, it won the ABI Retail Banking Innovation award.

The Mediolanum Foundation, which became a Non-Profit Organization in 2012, continued to promote projects aimed at helping children in need and delivered encouraging results in 2013: there was a 77% hike in donations with respect to last year.

Acting in a socially responsible manner also means placing top priority on people: therefore, the Group put special services and activities in place to help its employees and Sales Network members create personal life-work balance. It is worth mentioning that the Bank also strengthened its training activities with specific courses and workshops, an example of the great efforts made to promote professional

development and personal growth among its people. As regards Headquarters staff, instead, in 2013 there was an 8.5% increase in the number of permanent employment contracts versus the previous year, which is a significant figure if compared to the negative employment trend in the industry.

Worthy of note is also the fact that, out of a total number of over 2,000 suppliers, there were no disputes in 2013. This result reflects the attention devoted by the Mediolanum Group to building strong and constructive long-term relationships with its suppliers, which are based on ethical values and principles, such as transparency, fairness and loyalty.

The environment is considered a key stakeholder and a top priority for the Group: therefore, a tri-generation system was installed a few years ago at Headquarters in Milano 3 for the simultaneous production of electricity, heat and refrigeration. In 2013, it supplied over 62% of the current energy consumption and covered the total heat demand of the buildings at Headquarters. This year, thanks to the tri-generation system, per-capita consumption decreased by 5-10% versus 2012.

Placing top priority on “people” means running your business in a socially responsible manner, and running our business in a socially responsible manner is the only way we work at Banca Mediolanum and the only way we can all grow together.

Enjoy the reading!

**Ennio Doris**

Amministratore Delegato Mediolanum S.p.A.

**Carlo Secchi**

Presidente Mediolanum S.p.A.

# ○ INTRODUCTION AND NOTE ON METHODOLOGY

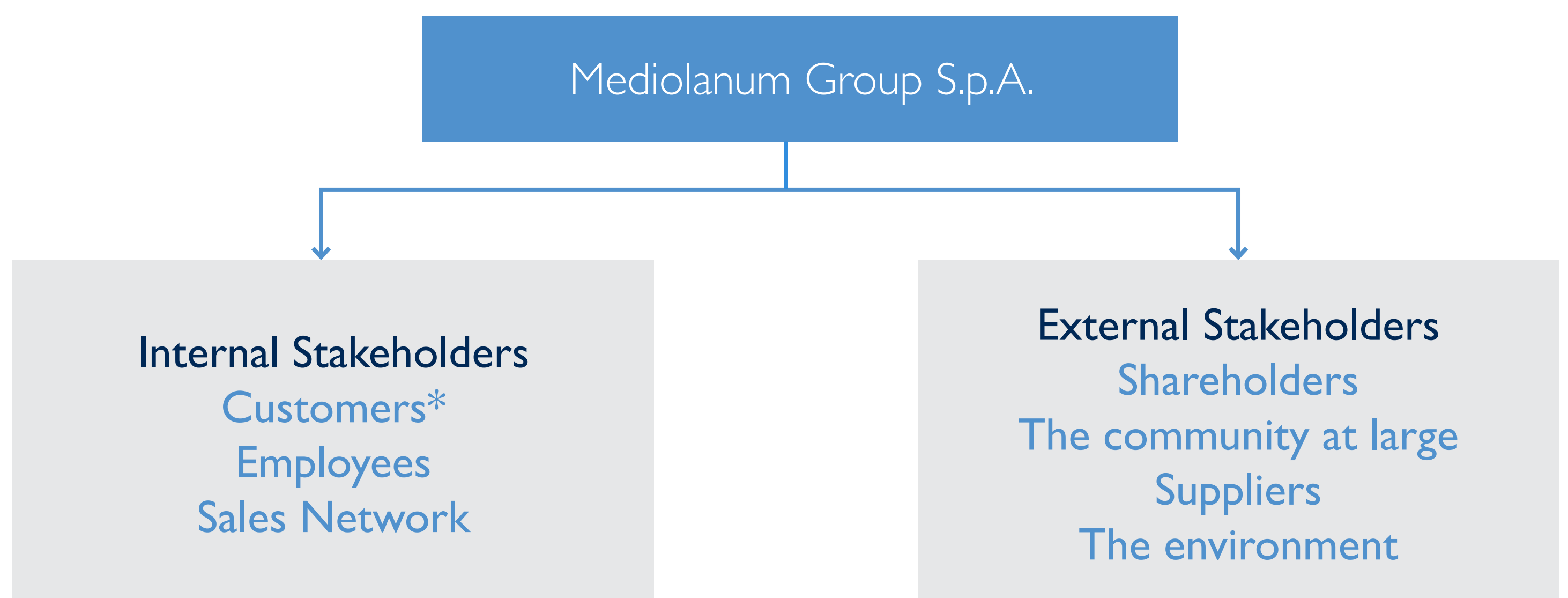
## SCOPE

The Mediolanum Group's 2013 Social Report – at its eighth run – summarizes the year's most significant projects and initiatives, highlighting the results achieved in terms of Corporate Social Responsibility and supplementing the financial and economic information contained in the Consolidated and Separate Annual Reports.

The Social Report identifies the link underlying the Group's values, the corporate strategies characterizing 2013 and how the Group manages the relationship with its key stakeholders.

The Financial Indicators section covers the entire Mediolanum Group.

## STAKEHOLDERS



*\*\*Customer satisfaction is key to the company's soundness and profitability. This is why our philosophy is based on the "3 Yesses" principle.*

*The "3 Yesses" principle expresses the "convergence" between the interests of customers/savers, Family Bankers® and Banca Mediolanum. The Bank constantly focuses not only on customer satisfaction, but also on the satisfaction of its Family Bankers®. Actually, Banca Mediolanum designs and develops new products and initiatives based on the "3 Yesses" principle.*

*According to this principle, such products or initiatives are developed only if an answer in the affirmative is given to the following three questions:*

*Is it beneficial for our customers? Is it beneficial for our Family Bankers®? Is it beneficial for the company? The three questions were listed in this order not by chance. Customers are a top priority and only if a product or initiative is deemed to be beneficial for them – and the answer to the first question is "yes" – such product or initiative passes to the next stage, i.e. the second and third points. If a negative reply is given to any of the questions listed above, such product/initiative is suspended or cancelled, even if it is ongoing or in the process of being implemented.*



The Social Report was divided into three sections to provide a comprehensive overview of three issues that are key to the Mediolanum Group.

- . identity: to provide information on the Group's organization, history, vision, mission, values, strategic guidelines and corporate governance;
- . financial indicators: this section, in which the main link between the Consolidated Annual Report and the Social Report is found, illustrates the value created for the stakeholders, by also analyzing the financial results achieved;
- . social indicators: this section outlines the results achieved in relation to the various programs implemented and their impact on individual stakeholders, by using qualitative and quantitative indicators.

The Social Report is issued on an annual basis and is submitted to the Board of Directors for approval alongside the Consolidated and Separate Annual Reports. Moreover, the Social Report is audited by an independent third party.

### **SOCIAL REPORTING STANDARDS**

The Social Report was prepared based on the social reporting standards indicated by the Working Group on Social Reporting (Gruppo di Studio per il Bilancio Sociale - GBS), as they best comply with the approach that the Mediolanum Group intends to adopt, which is based on communication and dialogue with its stakeholders.

It also contains qualitative information in line with the guidelines set by ABI (the Italian Banking Association) and the Global Reporting Initiative, to ensure greater information disclosure.

The Mediolanum Group's Social Report covers the main activities carried out in the period January 1 to December 31, 2013.

## SYMBOLS

Readers will note certain symbols in this Social Report. These symbols, which stand for the intangible capital components listed below, were included to highlight the fact that Social Report indicators were gradually integrated with those typical of the Intangible Capital Report:



**Relational capital:** it's the wealth of the Group's relationships with its stakeholders. It expresses the value of the company's reputation, as well as its ability to raise capital and attract investors, customers and contractors;



**Human capital:** it expresses the skills, ideas, knowledge, behavior, talents and professional skills of the Mediolanum Group's workforce;



**Structural capital:** it indicates the soundness of the company and of its investments, as well as the value of its brands, processes and methods that deliver financial benefits and make the organization more efficient.

These indicators will be provided along with traditional Social Report indicators for a more comprehensive analysis of reported data and information as well as for a better understanding and appreciation of the Mediolanum Group's Intangible Capital, thanks to concrete elements.

## DIALOGUE WITH THE STAKEHOLDERS

Maintaining active dialogue with its stakeholders is key to Mediolanum. Therefore, it implemented programs aimed at assessing the degree of fulfillment of their expectations, to launch improvement projects and initiatives.

Specifically, targeted measures were adopted, such as, for example:

- . customer satisfaction surveys;
- . Sales Network satisfaction surveys;
- . meetings held between the Group's executives and analysts and investors, coordinated by the Investor Relations team;
- . market research and analysis, aimed at assessing brand awareness and the positioning of the Mediolanum Group with respect to its competitors, as perceived by the community;
- . dialogue with NPOs and other organizations engaged in the third sector, through which Mediolanum carries out social initiatives.



## DISTRIBUTION TO THE STAKEHOLDERS

The 2012 Social Report was made available in electronic format on the website [www.mediolanum.com](http://www.mediolanum.com). The corporate website had a significant number of visits: 9,301 hits were recorded as of December 31, 2013.

## CONTACTS

The Social Marketing Department is in charge of drafting the Social Report, together with all the other departments involved in the initiative. To foster dialogue on Corporate Social Responsibility issues, the Mediolanum Group's Social Marketing Department staff is available for any request or comment.

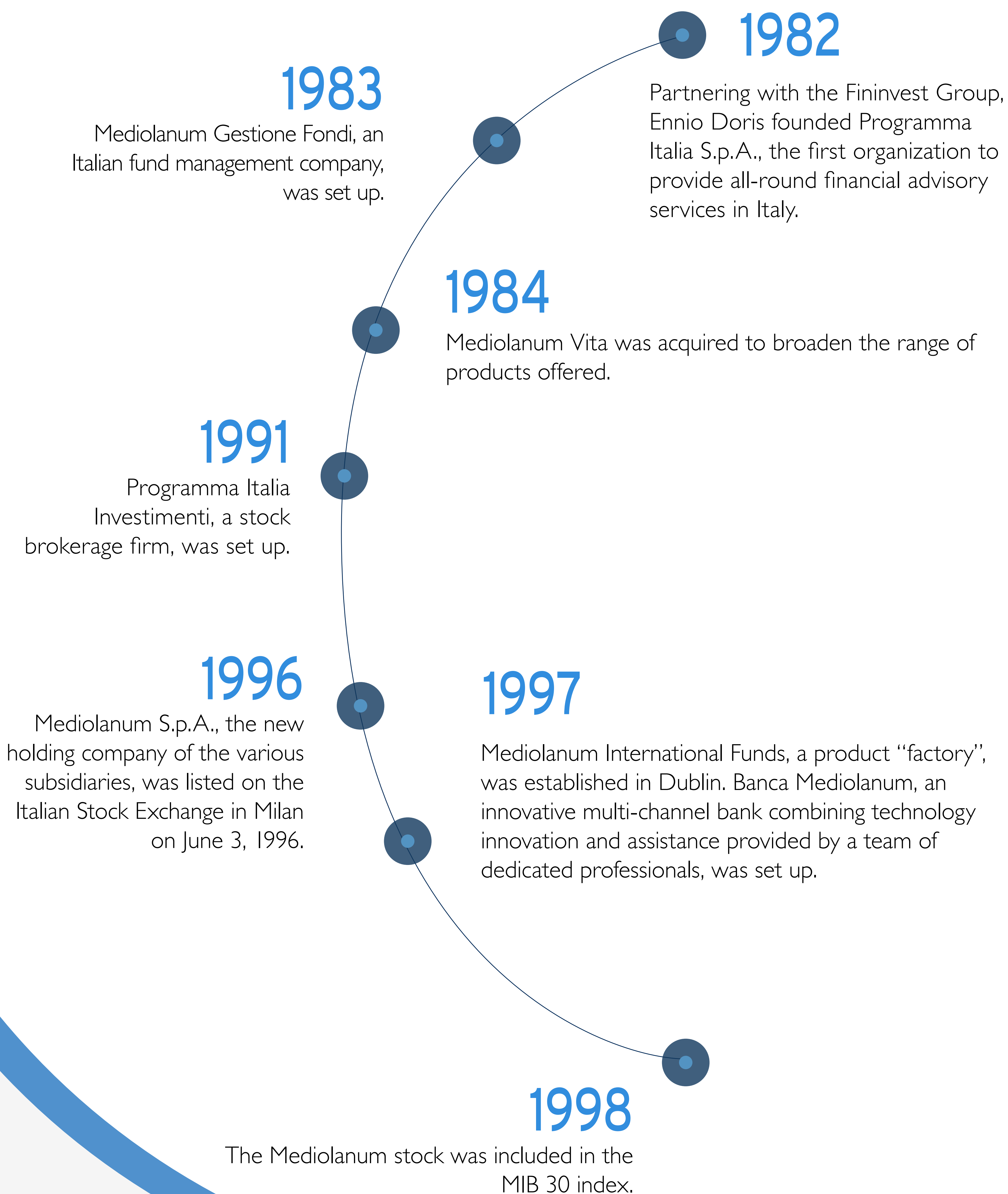
You may send your opinions on the Social Report via the online questionnaire available on the website [www.mediolanum.com](http://www.mediolanum.com).

**Contacts** e-mail: [marketingsociale@mediolanum.it](mailto:marketingsociale@mediolanum.it)

# IDENTITY



## ○ HISTORY OF THE GROUP





## ○ HISTORY OF THE GROUP

2001

With the acquisition of Bankhaus August Lenz & Co. in Germany and Gamax Holding AG in Luxembourg, Mediolanum continued its expansion into Europe.

2000

Banca Mediolanum launched its online trading services. An extensive advertising campaign starring Mediolanum Chairman Ennio Doris, which subsequently became a typical “case study”, was launched. Banca Mediolanum expanded into Spain to replicate its Italian business model with the acquisition of the Fibanc Banking Group. Mediolanum acquired a stake in Mediobanca; they later formed the joint-venture Banca Esperia, which provides private banking services.

2002

The Mediolanum Foundation was established and the “Piccolo Fratello” project was launched soon after.

2003

Mediolanum sponsored, for the first time ever, the Green Jersey of the Giro d'Italia cycling race. This sponsorship also continued in the following years.

2004

Mediolanum Channel, the Mediolanum Group digital satellite TV channel, launched new shows of great interest. The “PrimaFila” project for the management of high net-worth customers was launched.

2005

The “4Freedoms” project made its debut: a program geared to win new customers by launching the Reflex range of innovative products, which included several meetings with customers all across the country and enjoyed great success.

2006

The Family Banker® was introduced: a qualified professional who brings services and advice directly into the homes of customers to help them find the banking and financial solutions that best meet their needs.

## ○ HISTORY OF THE GROUP

2007

The Mediolanum Group celebrated its 25th anniversary and Banca Mediolanum turned 10: it was already a fast-growing and competitive leading player in the industry – with more than a million customers – and a company committed to retaining its focus, mission and values. The 5th year of the Mediolanum Foundation came to a close with excellent results and new objectives. “Customer satisfaction” was the star of the new communications campaign, featuring real customers who are at the center of the relationship with the bank and the banking model. In 2007, Italy passed a new law on supplementary pensions and the Mediolanum Group was the market leader, with a share of about one third of the individual pension plan market.

2008

The Mediolanum Market Forum, an interesting multimedia initiative aimed at promoting dialogue and exchanging information with the stakeholders, was held twice over the course of the year. Mediolanum Best Brands, the new mutual fund of Mediolanum International Funds, was launched. It was based on an agreement with the leading international asset management companies. The Group promoted significant projects to protect the interests of its customers and help them deal with the growing impact of mortgage rates on household budgets as well as with the global financial crisis.

2009

Mediolanum Corporate University became a reality: it's a top-quality training center combining cutting-edge technology with advanced training courses aimed at transferring the values as well as the personal and professional experience that have enriched the Group's corporate culture for more than 25 years. The range of next-generation banking products was extended with the new Freedom Account to meet customer needs in term of freedom and return.



## ○ HISTORY OF THE GROUP

In 2011, the new no-fee deposit account that is easy to open online and offers high rates was launched. The “Estote Parati” Conference dedicated to Family Bankers®, which was held in May in Rimini, for the first time ever opened its doors to customers. 6,000 people, including journalists, participated in the event. The Mediolanum Group undertook several initiatives to help the people affected by the severe flooding that hit Liguria and Tuscany in 2011.

2011

2010

The Mediolanum Best Brands offer was broadened thanks to new products developed together with international partners selected among the leading international asset management companies. In the fall, to re-launch the Freedom bank account, Banca Mediolanum S.p.A. covered, for each new current account opened, one month of schooling for a child in Haiti.

2012

In 2012, the Group granted significant funds to its customers and Family Bankers® who suffered personal and financial loss due to the flooding that hit Liguria, Tuscany and Sicily last year. It also delivered financial support – including donations – and put special measures in place to ease the burden on its customers and Family Bankers® who live in the areas affected by the earthquake that hit Emilia Romagna, in the regions impacted by the severe flooding that hit Central Italy as well as the people affected by the earthquake that shook the towns of Potenza and Cosenza. The Mediolanum Foundation became a Non-Profit Organization in 2012 and independently raised funds for the first time, amounting to €104,538, via its text-message fundraising campaign.

2013

In 2013, Mediolanum Assicurazioni joined the Mediolanum Group. This year, Banca Mediolanum was the first bank in Italy to offer money transfer services via smartphones (ABI Banking Innovation award). Moreover, the Bank donated over €2 million to help the people affected by the natural disasters that hit Italy in 2012, and €1.6 million to help those who suffered damage in 2013, confirming its commitment to its customers and to Corporate Social Responsibility.

## ○ VISION

We at Mediolanum are bringing change to the traditional banking market, which goes well beyond technology: we give families a new kind of freedom as well as the human touch in their relationship with the bank. We are committed to “Freedom in Banking”. To achieve these goals, teamwork is key. Therefore, several working groups and work improvement teams have been set up, which involve both employees at Headquarters and the Sales Network people, and where great importance is given to cross-departmental projects as well as employee initiative.

## ○ MISSION

For each and every one of us “Freedom in Banking” means giving families tailored, comprehensive, reassuring and transparent financial solutions through innovative yet easy-to-use technological solutions.

The concepts contained in our Vision and Mission are real values on which any external or internal daily activity carried out by the companies of the Group and its people is based.

## ○ OUR VALUES

### FREEDOM

Freedom is the key value based on which Mediolanum runs its business: freedom in the sense that customers are free to choose when, where and how to make their banking transactions, but, most of all, in the sense that they can rely on the assistance of a Family Banker®, who will help them make informed investment choices. Changing the entire concept of “bank” has always been a top priority for Banca Mediolanum: to that end, the Bank has made great efforts to build close human relationships with its customers.

### RELATIONS

We put our customers at the center of our model and attention. Everything is built around customer satisfaction, and we aim to enhance the value of customer resources over time. The Family Banker® – who is the heart of our business model and the market “benchmark” – is considered “the Bank” by our customers as well as at the local level. We believe in improving people’s skills and enhancing their potential; we believe in collaboration, teamwork and in building relationships based on mutual trust.



## COMMITMENT

We intend to be market leaders but, above all, we want to set the benchmark in the banking sector. Therefore, we pursue excellence in terms of services, products, solutions, training and relationships. We foster ethical principles, responsibility, entrepreneurial spirit and knowledge to increase the value of the company and its people and promote a new way to consider opportunities. We invest in solidarity, relief and development projects by taking concrete and large-scale action.

## INNOVATION

We can change, both in terms of technology and ideas, to anticipate market shifts and identify latent needs. We constantly assess and develop new tools, processes and behavior to ensure complete customer satisfaction for both internal and external customers. The use of financial, operational, and human resources is always geared toward efficiency. The Code of Ethics, updated in 2013, is a synthesis of the values and commitments of the Group towards its stakeholders in the carrying out of day-to-day business.



# THE BUSINESS MODEL





## THE BANK BUILT AROUND THE CUSTOMER

Since 2000, Banca Mediolanum's business model, which is built around the needs of each and every customer, has set the benchmark in the world of banking. Thanks to the telephone, computers and television, as well as smartphone apps, customers can choose when and how to 'utilize' and communicate with 'their' Bank on a case-by-case basis. Banca Mediolanum is an accessible and easy-to-use bank that provides products and services that are built around the real needs of individuals and households, which are its target market.

The principles that have always driven Banca Mediolanum's business strategy are based on:

- . tradition, thanks to years of experience and the professionalism of a Group that operates in the financial arena with authority, seriousness and transparency;
- . the future, to anticipate market needs and make use of innovation, thus improving the services offered to customers;
- . technology, to increase the number of tools and means at the fingertips of the customer, by providing innovative services;
- . humanity, the main and fundamental aspect on which any true relationship between individuals is based and the starting point for building relationships based on collaboration and respect, in order to reach common goals successfully, by making careful and informed choices.

Through its multi-channel model, the Bank offers the same comprehensive service provided by traditional banks, as well as:

- . greater freedom to the individual to choose when, where and how to enter the bank in a simple and secure way in order to make daily transactions;
- . assistance of a Family Banker<sup>®</sup>, who has the key role of building professional relationships with customers and assisting families in making their investment and asset management choices.

The Family Banker<sup>®</sup> is a professional figure that was created by Banca Mediolanum. Family Bankers<sup>®</sup> bring products, services and advice directly to the customer's home. Together they study the solutions that best meet the customer's savings, investment, retirement, insurance and financing needs, helping out if necessary with the first attempts at using the Bank's multi-channels.

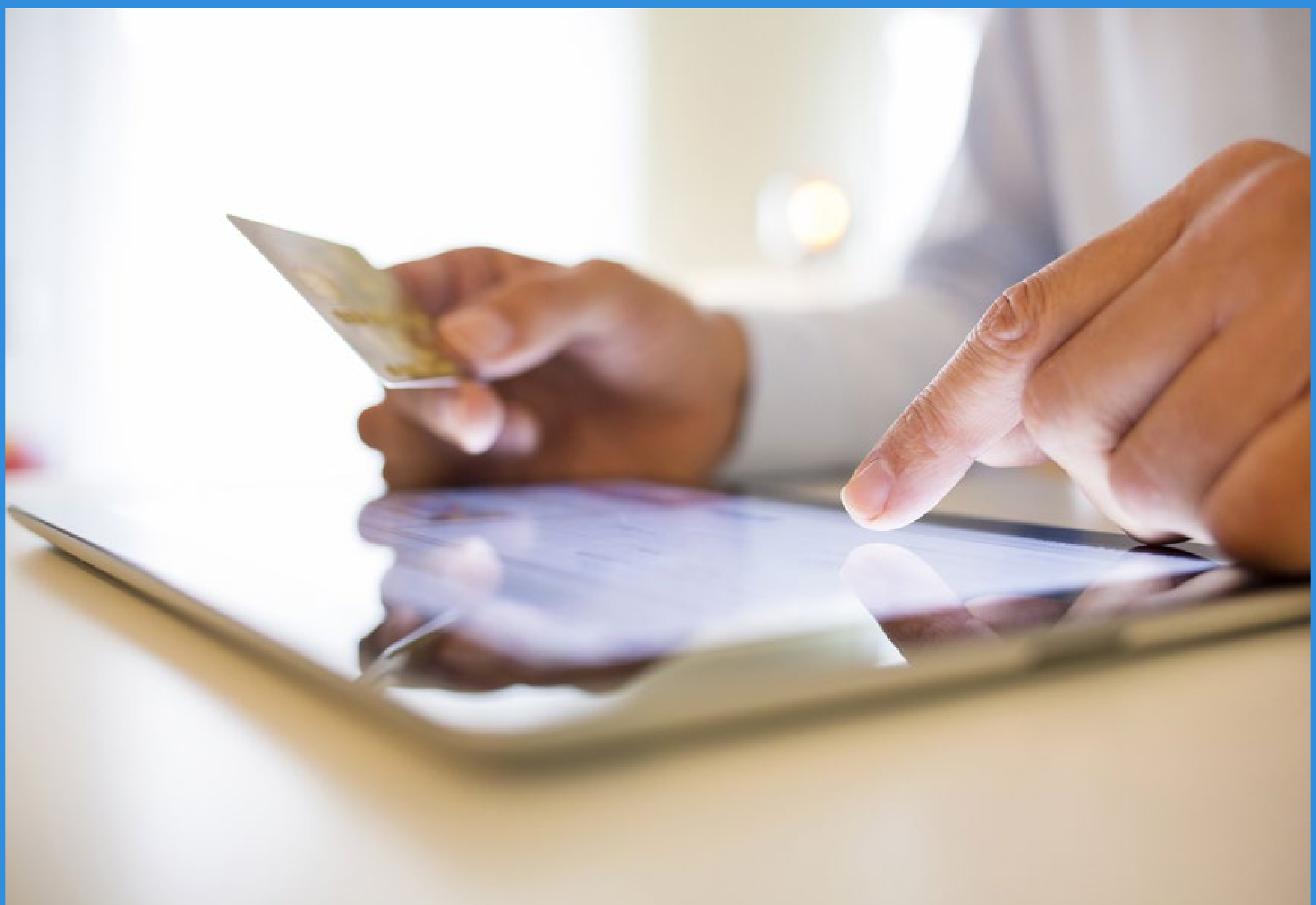


## **MORE THAN A TRADITIONAL BANK, MUCH MORE THAN AN INTERNET BANK**

Thanks to Banca Mediolanum's multi-channel model, customers have no restrictions in terms of working hours and don't have to physically go into their bank to make transactions: they can make them anytime and anywhere they want. All they need is a computer connected to the Internet or a phone. Customers can either send an e-mail or call the Banking Services Center, where more than 300 Banking Specialists are available Monday to Friday 8.00 a.m to 10.00 p.m. and Saturday till noon.

With the B.Med Voice service customers can get any information they need, while with B.Med Mobile they can make transactions in their account and check their investments right on their mobile phone, BlackBerry, iPhone, iPad, smartphone and Android phone. Moreover, Android devices allow customers to make video calls and chat with our Banking Center operators.

Over 18,000 Post Office and Intesa Sanpaolo branches and ATMs are available for cash withdrawal and deposit. Additionally, Family Bankers® provide expert advice and assist customers in making key choices.





## ASSET MANAGEMENT AND ADVICE

In addition to the products and services offered by the Bank itself, Banca Mediolanum also provides asset management and consultancy services in financial matters through its Family Bankers®, who are listed in the Register of Financial Advisors.

### PROFILING

In order to ensure maximum customer protection, Banca Mediolanum provides “investment consultancy” services to its customers whenever a transaction is made through a Family Banker®.

In accordance with the EU MiFiD Directive, which came into effect in 2007, advisory services require prior assessment of the suitability of the investment choices made by customers with respect to their investment objectives, specific financial situation, as well as knowledge and experience. This assessment entails mandatorily filling out a “Personal Profile” questionnaire, where customers provide all the information necessary for the Bank and the Family Banker® to get to know and understand them even better. Thanks to the information provided, each customer is assigned an “investor profile” according to their risk aversion/appetite and investment time horizon.

Specifically, the investment assessment model also takes into account the customer’s existing financial product and service portfolio. Family Bankers® constantly update the information acquired and monitor the investments of their customers, providing advice to their customers on a regular basis. In an effort to provide utmost protection, the Bank also assesses those transactions regarding asset management products handled directly by the customer through the various access channels (e.g. the Internet, telephone).

## ASSISTANCE AND ADVICE

Providing after-sale services not only means proposing the best investment solution, but also helping customers manage emotions that are put to the test by inevitable market volatility, which was the case particularly over the course of the last several years given the stock market performance and the global financial crisis.

Family Bankers® do not merely sell products, they offer solutions. This system allows Mediolanum to operate in the various areas of financial services applying the skills and flexibility needed to best respond to the constant economic, tax, financial and regulatory changes. The investment strategy is the result of a thorough analysis of global financial markets and the great expertise Mediolanum has developed in asset management. This is a strategy aimed at reducing risks associated with lack of investment diversification.

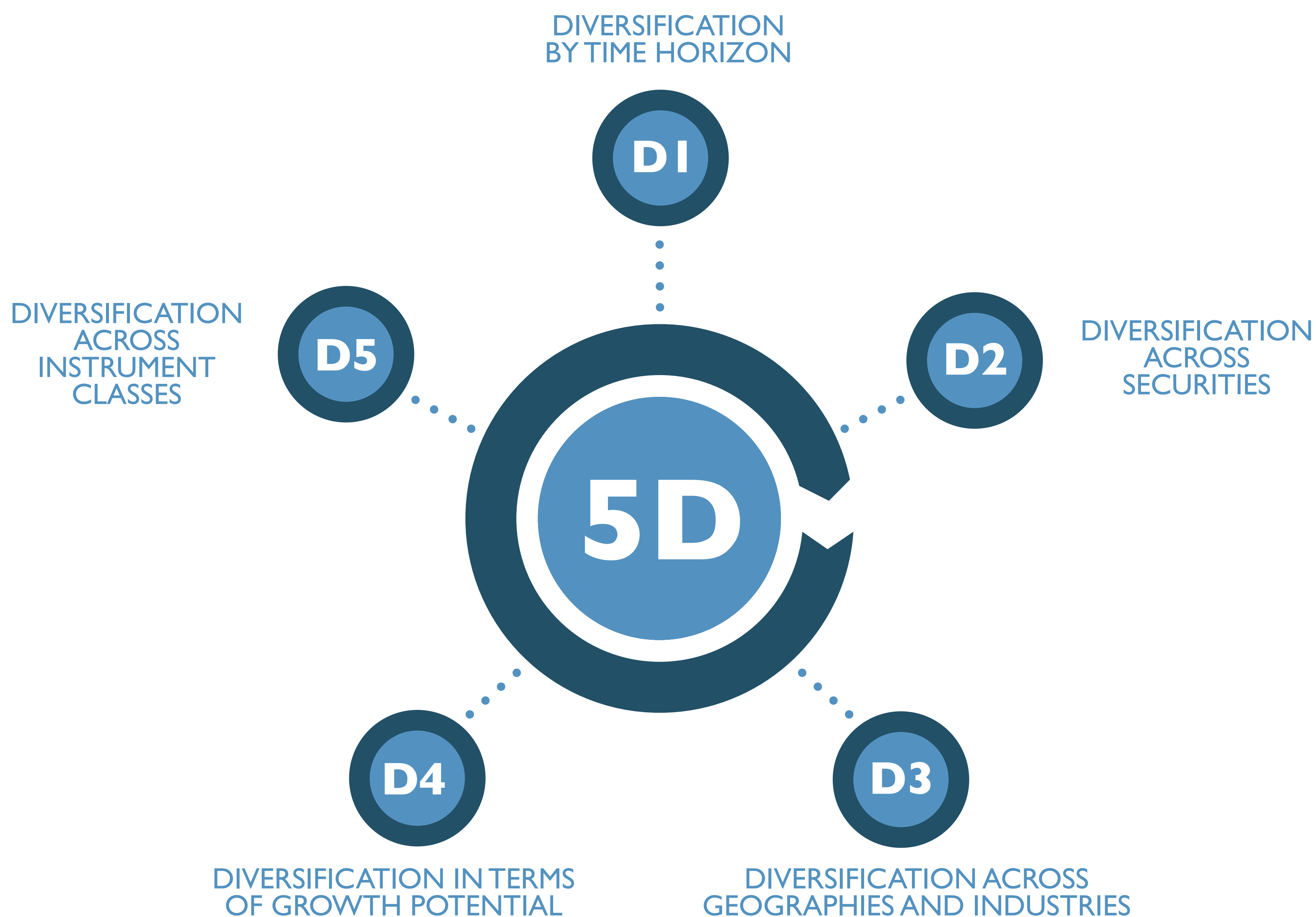
## “THE 5D STRATEGY”

This is the fundamental financial diversification principle that Mediolanum has always applied as a guideline to identify, within its range of products and services, the most appropriate tools/instruments to satisfy the needs of its customers.

The strategy is based on 5 types of diversification:

1. Diversification by time horizon: Investments need to be diversified across time horizons, i.e. short, medium and long term, consistent with individual goals.
2. Diversification across securities: Many securities are better than a few. The more diversified the portfolio, the lower the “investment risk”.
3. Diversification across geographies and industries: Diversifying investments across geographic areas increases security and return opportunities.
4. Diversification in terms of growth potential: A portfolio with a long-term view based on the rules above needs to include investments in emerging markets and companies in order to add value to the investment.
5. Diversification across instrument classes: A factor providing additional stability and security relies on investment instruments with a variety of characteristics (for example, mutual funds and insurance/financial products).





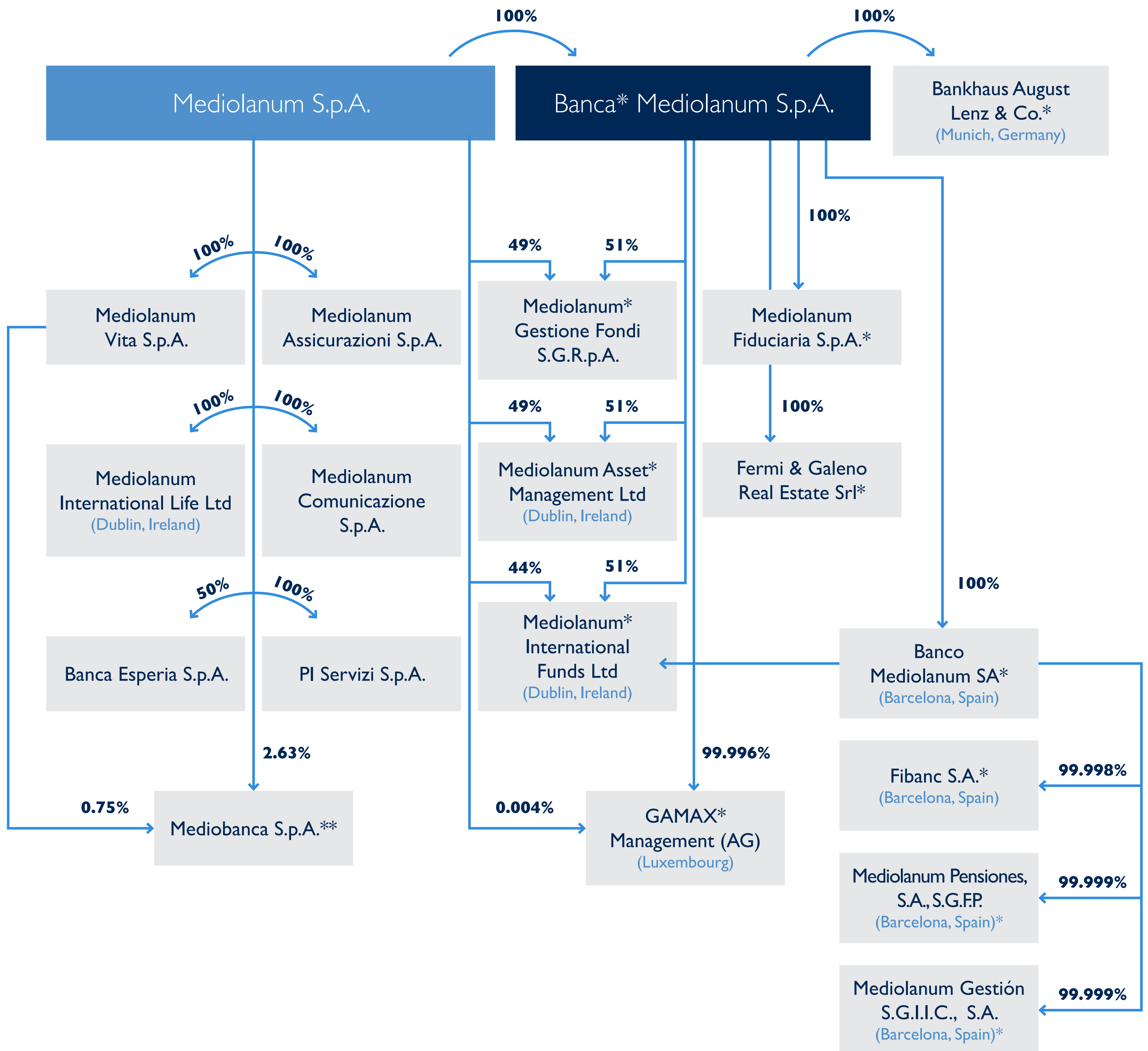
# THE ORGANIZATIONAL SETUP





# THE GROUP STRUCTURE

AS OF DECEMBER 31, 2013



Following the great growth achieved by the Mediolanum Group's banking business, the Bank of Italy, IVASS and CONSOB issued a joint press release on August 5, 2013, stating that Mediolanum Sp.A. has been included among the major Financial Conglomerates engaged in the banking industry; consequently, the Bank of Italy is now in charge of coordinating all the relevant supervisory activities.

\* Company belonging to the Mediolanum Banking Group

\*\* Due to the fact that Mediobanca holds a given amount of own shares, total shareholding is equal to 3.442% of the voting shares.

Mediolanum S.p.A. – the holding of the Group – controls the insurance product companies and Banca Mediolanum S.p.A. – the holding of the Banking Group – heads the foreign subsidiaries (Fibanc and Bankhaus August Lenz & Co. AG). Mediolanum S.p.A. also owns Banca Esperia S.p.A jointly with Mediobanca S.p.A. and holds a stake in Mediobanca S.p.A.

The Group's retail banks that provide products and services to customers are:

- . Banca Mediolanum S.p.A. based in Basiglio (Milano 3, Milan);
- . Banco Mediolanum S.A. based in Barcelona (Spain);
- . Bankhaus August Lenz & Co. AG based in Munich (Germany).

The Group companies that design and manage products are:

- . Mediolanum Gestione Fondi S.G.R.p.A. based in Basiglio (Milano 3, Milan);
- . Mediolanum Vita S.p.A. based in Basiglio (Milano 3, Milan);
- . Mediolanum Assicurazioni based in Basiglio (Milano 3, Milan);
- . Mediolanum International Funds Ltd, Mediolanum Asset Management Ltd and Mediolanum International Life Ltd based in Dublin (Ireland);
- . Gamax Management AG based in Luxembourg.





## MANAGEMENT PROFILES



### CARLO SECCHI

Chairman of Mediolanum S.p.A.

He was the Dean of the L. Bocconi University in Milan from 2000 to 2004 and a Professor Emeritus of European Economic Policy. He is a member of the executive boards of several technical and scientific foundations and bodies. He is the Deputy Chairman of the Institute for International Political Studies – ISPI – in Milan and the Chairman of the Italian Group of the Trilateral Commission. He is also the European coordinator for the trans-European transportation networks. He is the author of several books and articles on global trade, the international economy, economic integration and various European issues. He is also a member of the Board of Directors of Pirelli & C., Mediaset, Italcementi, and the Veneranda Fabbrica del Duomo in Milan.

### ALFREDO MESSINA

Deputy Chairman of Mediolanum S.p.A.

After serving at a number of major companies, Mr. Messina joined Olivetti as Group Production Controller, and then moved to Alitalia as Corporate Finance, Control and Administration Officer. In 1989 he joined IRI as Planning and Control Director.

In 1990 he joined Fininvest, first as General Manager and then, from February to July 1996, as Chief Executive Officer. He is a member of the Board of Directors of Mediaset S.p.A. and of Molmed S.p.A..



### MASSIMO DORIS

Executive Deputy Chairman of Mediolanum S.p.A.

Chief Executive Officer and General Manager of Banca Mediolanum S.p.A.



Massimo Doris started his career at Banca Mediolanum in 1999 as a financial advisor. Previously he was based in London where he worked as a sales assistant at UBS, Merrill Lynch and Credit Suisse Financial Products. Initially, he was the Marketing Manager in charge of the launch of the Group's Internet Banking website and was subsequently named



Head of the Sales Network Training. In October 2003, he took on the position of Italian Network Manager of Banca Mediolanum and was in charge of the Italian Sales Network until September 2005, after which he moved to Barcelona to take on the positions of Chief Executive Officer and General Manager of the Spanish banking group Banco de Finanzas e Inversiones. In July 2008, he returned to Italy as the Chief Executive Officer and General Manager of Banca Mediolanum S.p.A.. In May 2009, he became the Executive Deputy Chairman of Mediolanum S.p.A.. He is a Director of Banca Esperia S.p.A..



### **ENNIO DORIS**

Chairman of Banca Mediolanum S.p.A.

Chief Executive Officer of Mediolanum S.p.A.

Mr. Doris started off as a financial advisor, first with Fideuram and then with the RAS Group. His career underwent a major change when he founded Programma Italia, a financial brokerage organization, together with the Fininvest Group. He was the CEO of Programma Italia since it was founded. He and the

Fininvest Group own an equal control shareholding in Mediolanum S.p.A., the company formed by the merger of Fininvest Italia S.p.A., Fintre S.p.A. and Programma Italia S.p.A.. He is the Chairman of Banca Mediolanum S.p.A..

### **EDOARDO LOMBARDI**

Executive Deputy Chairman of Banca Mediolanum S.p.A.

Chairman of Banca Esperia S.p.A.

He was the Corporate General Manager of Procter & Gamble Italia and the General Manager of the Sangemini/Ferrarelle Group. In 1987 he was the General Manager of Fininvest Italia S.p.A. and in 1989 he was appointed Executive Director of Mediolanum Vita S.p.A..

He is currently the Executive Deputy Chairman of Banca Mediolanum S.p.A., the Chairman of Banca Esperia S.p.A., the Chief Executive Officer of Mediolanum Vita S.p.A. and a Director of Mediolanum S.p.A., of Fedrigoni and of IEO (the European Institute of Oncology) as well as the Chairman of I'M S.p.A..



## OUR PEOPLE

The Mediolanum Group has more than 7,000 people classified into two main categories:

- . employees;
- . Sales Network members.

Our people are scattered across 5 countries (Italy, Spain, Germany, Ireland and Luxemburg).

Category	2010	2011	2012	2013	change %
Employees	2,066	2,098	2,163	2,316	7.1%
Sales Network members	5,336	5,099	4,951	5,143	3.9%
<b>Total</b>	<b>7,402</b>	<b>7,197</b>	<b>7,114</b>	<b>7,459</b>	<b>4.8%</b>
Total employees in Italy	1,749	1,770	1,824	1,958	7.3%
Total employees abroad	317	328	338	356	5.3%
<b>Total Employees</b>	<b>2,066</b>	<b>2,098</b>	<b>2,162</b>	<b>2,314</b>	<b>7.0%</b>

Data on employees of foreign firms	317	328	338	356
Banco Mediolanum	213	213	217	220
Banklenz	58	59	64	70
MILL	12	13	13	13
MIF	10	13	13	20
MAM	23	28	29	31
<b>GAMAX</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>2</b>

Mediolanum Group Sales Network					
Category (number)	2010	2011	2012	2013	change %
Full-time Sales Network members in Italy	4,816	4,508	4,315	4,407	2.1%
Full-time Sales Network members abroad	520	591	636	736	15.7%
<b>Total Full-Time Employees</b>	<b>5,336</b>	<b>5,099</b>	<b>4,951</b>	<b>5,143</b>	<b>3.9%</b>



# QUALITY AND CORPORATE SOCIAL RESPONSIBILITY



## STRATEGY

The actions taken in 2013 in terms of quality and Corporate Social Responsibility brought encouraging results. The Bank continued to pursue its strategy aimed at changing the way customers currently perceive Banca Mediolanum, making great efforts to promote its values among all its stakeholders and gain customer loyalty. This has been made possible thanks to the Group's "philosophy" and customer-centric approach, which aims to strengthen the Bank's relationship with its customers and, in general, with all its stakeholders, by involving them in its continuous improvement process, both in terms of brand perception and in terms of "socially responsible" behavior. Teamwork is key to the Group's strategy: therefore, several working groups and work improvement teams have been set up, which involve both Headquarters employees and the Sales Network people, and where great importance is given to cross-departmental projects as well as employee initiative.

2013 figures show Banca Mediolanum's ongoing commitment to its customers, its employees and the community at large. The Bank took prompt action to help the people affected by the natural disasters that hit Italy this year: it allocated €1,600,000 to ease the burden on its customers and Family Bankers® who suffered financial loss and material damage to their family homes and donated €2,138,500 to help the Bank's customers and Family Bankers® affected by natural disasters in past years.



## CORPORATE GOVERNANCE

### INTERNAL DEALING

The Board of Directors of Mediolanum S.p.A. – pursuant to Article 114, paragraph 7 of the Consolidated Finance Act (“T.U.F.”) – approved the “Rules for purchases and sales made by insiders and their close family members – Internal Dealing Code”, which is available on the corporate website ([www.mediolanum.com](http://www.mediolanum.com)). In compliance with regulatory requirements (summarized in the attachment to the Code), the Code regulates purchases and sales of the issuer’s shares and related financial instruments exceeding € 5,000 per year, when made by insiders as defined by Article 152.6 of CONSOB’s “Regulation for Issuers” (CONSOB Resolution no. 11971/99), both directly or through their intermediaries or trusts, as well as by their close family members. In addition to insiders as set out in the regulations (i.e. directors, statutory auditors, and their close family members), the Company resolved that the Code shall also be applicable to Mr. Luigi Del Fabbro, the Officer responsible for preparing accounting and financial reporting documents, due to the authorities delegated to him in relation to strategic matters. As allowed under current regulations, the abovementioned individuals, who have a disclosure obligation, delegated the filing of mandatory disclosures to the Corporate Affairs Office, to be done according to the terms laid out in Article 152.8 of the Regulation for Issuers. Information on any purchases and sales falling under the scope of the Internal Dealing Code is published on the Company’s website – by the end of the following market day – and is made available to CONSOB, Borsa Italiana (the stock market operator) and the public.

### RELATED PARTIES

Back in 2003, the Board of Directors of Mediolanum S.p.A. adopted a new procedure to manage the most significant transactions – and especially those with related parties. In 2010, Mediolanum S.p.A. took action to promptly comply with CONSOB Resolution no. 17221/2010 on transactions with related parties. More specifically, on November 10, 2010 the Board of Directors approved the “Procedures pursuant to Article 4 of CONSOB Resolution 17221” that were promptly transmitted to all companies in the Mediolanum Financial Conglomerate and were recently updated on November 12, 2013. Such procedures were published on the website [www.mediolanum.com](http://www.mediolanum.com) in the following section: Investor Relations -> Corporate Governance -> Corporate Governance Documents.



## GOVERNING AND SUPERVISORY BODIES

### Board of Directors

The Board of Directors is vested with all powers for the ordinary and extraordinary management of the company – except for those that the law exclusively reserves to the General Meeting – as well as the authority to take any and all actions expedient to the achievement and fulfillment of the company's purposes.

The Board of Directors is responsible for the management of the company. In this respect:

- . the Board provides guidance and supervision in accordance with the law and the Bylaws, sets corporate strategies and goals, and ensures the implementation and regular assessment of an efficient and effective internal control system, which is to be consistent with the complexity of the business;
- . the Board examines and approves all the strategic, business and financial plans of the issuer and the group it heads, the governance system of the issuer and the Group's organization;
- . the Board assesses the adequacy of the organizational, management and accounting systems of the issuer and its strategic subsidiaries as organized by their Chief Executive Officers, especially in relation to the internal control system and the management of conflicts of interest;
- . the Board delegates to and revokes authorities from executive officers and, when appointed, the Executive Committee, setting the limits and procedures for exercise thereof;
- . the Board also determines the frequency of reporting (which shall be on a quarterly basis, maximum) to the Board by the relevant bodies on the work performed with respect to the duties conferred upon them;
- . after examining the proposals submitted by the Nomination and Compensation Committee and the opinion of the Board of Statutory Auditors, the Board sets the compensation of Chief Executive Officers and other Directors holding special positions, and, when not determined by the General Meeting, the distribution of the aggregate compensation among the members of the Board of Directors;
- . the Board assesses the overall business performance especially on the basis of information received from the delegated bodies, as well as by periodically comparing actual results with expected results;
- . the Board examines and gives prior approval to those transactions of the issuers and its subsidiaries that are of strategic importance or that may have a material impact on the strategy, equity, earnings or cash flows of the issuer, devoting special attention to those transactions where one or more directors may have vested interest, either directly or on behalf of third parties, as well as to related party transactions (to that end, the Board established general guidelines for the identification of significant transactions);
- . at least once a year, the Board assesses the size, composition and work of the Board



- of Directors and its Committees, recommending, when appropriate, the inclusion of professional figures whose presence on the Board is considered to be beneficial;
- . in its annual corporate governance report, the Board provides information on the implementation of the abovementioned Code of Conduct, including the number of Board of Directors meetings held during the financial year and the attendance of each Director;
- . the Board examines and makes decisions on significant transactions as defined in article 23 of the Bylaws;
- . the Board examines the Internal Audit plan on an annual basis.

In 2013, the mandate of the Board of Directors was renewed until the approval of the financial statements as of December 31, 2013.

<b>Composition</b>	14* members (of which 4 executive and 5 independent members)
<b>Meetings held in 2013</b>	6

\* 14 Directors, since April 23, 2013, due to the appointment of Director Francesco Barbaro

### Board of Statutory Auditors

The Board of Statutory Auditors verifies compliance with the law and the Bylaws, as well as adherence to principles of proper management. In particular, it verifies the adequacy of the organizational structure and the management and accounting systems adopted by the company, as well as their operation. In addition, pursuant to the new provisions set out in art. 159 of the Consolidated Finance Act, the Board of Statutory Auditors submits its proposal – along with the relevant reasons – for the appointment of the independent auditors and scope of their work to the General Meeting. On April 21, 2011, the members of the Board of Statutory Auditors were appointed and will remain in office until the financial statements as of December 31, 2013 are approved. On February 18, 2014, Chairman of the Board of Statutory Auditors Ezio Simonelli stepped down, to comply with the provision contained in art. 36 of Decree Law dated December 6, 2011, converted into Law no. 214 of December 22, 2011, which prohibits “members of governing, supervisory and controlling bodies and executives of companies or groups engaged in the credit, insurance and financial industry from holding a Board seat in more than one financial institution operating in the same sector or market”. Therefore, standing auditor Francesco Vittadini was appointed Chairman of the Board of Statutory Auditors until the next shareholders’ meeting, and alternate auditor Antonio Marchesi was appointed standing auditor.

<b>Composition</b>	3 standing auditors 2* alternate auditors
<b>Meetings held in 2013</b>	7

\*1 alternate auditor, since February 18, 2014, due to Chairman of the Board Ezio Simonelli resigning.

### Nomination and Compensation Committee

The Nomination and Compensation Committee, in accordance with the new Code of Conduct, is in charge of the following duties:

- . to submit proposals and express opinions regarding the compensation of Chief Executives and other directors holding special positions to the Board of Directors, as well as to monitor the implementation of resolutions passed by the Board of Directors;
- . to periodically assess the compensation criteria adopted for executives having strategic roles, oversee their implementation (on the basis of the information provided by Chief Executive Officers) and submit general recommendations on the matter to the Board of Directors;
- . to draw up the regulations that will govern all aspects of the Stock Option Plan and that will be submitted to the Board of Directors for approval;
- . to take all necessary measures to implement the Stock Option Plan, including identifying beneficiaries, defining the number of options to be assigned to each one and related terms of exercise;
- . to set the objectives in terms of economic and/or financial performance, if any, that must be met for beneficiaries to be entitled to exercise the options that they were granted;
- . to express opinions, to the Board of Directors, regarding the size and composition of the Board itself and recommending, when appropriate, the inclusion of professional figures whose presence on the Board is considered to be beneficial, as well as providing advice on the issues mentioned in art. I.C.3 (interlocking directorate) and art. I.C.4 (interlocked positions) of the "Code";
- . to submit, to the Board of Directors, nomination proposals regarding candidates for directors in case of cooptation, i.e. when it is necessary to replace an independent member.

<b>Composition</b>	3 members (3 independent members)
<b>Meetings held in 2013</b>	3



## Audit and Risk Committee

The Board Audit and Risk Committee is in charge of the following duties:

- 1) to assist the Board of Directors in defining internal control system and risk management guidelines, which ensure the proper identification, measurement, management and control of major risks for the issuer and its subsidiaries, as well as to assess whether those risks are compatible with a sound and proper management of the business that is consistent with its strategic targets;
- 2) to assist the Board of Directors in assessing, at least on an annual basis, the adequacy and effectiveness of the internal control and risk management system with respect to the company's characteristics and risk profile;
- 3) to approve, at least on an annual basis, the audit plan prepared by the Officer in charge of the Internal Audit, after consultation with the Board of Statutory Auditors and the Director in charge of the internal control and risk management system;
- 4) to assist the Board of Directors in specifying, in the corporate governance report, the key elements making up the internal control and risk management system and to express its opinion on the overall adequacy of the system;
- 5) to assist the Board of Directors in assessing, after consultation with the Board of Statutory Auditors, the results disclosed by the legal auditor in his suggestion letter, if any, and in his report on the key issues emerged during the legal audit;
- 6) to give its prior approval to the Board of Directors regarding the appointment of the officer in charge of Internal Audit and the resources made available to him, upon proposal by the Director in charge of the internal control and risk management system;
- 7) to verify – in conjunction with the officer responsible for the preparation of accounting and financial reporting documents and after consultation with the auditor and the Board of Statutory Auditors – the proper application of accounting standards and, as regards groups, their consistency for the purpose of consolidated financial reporting;
- 8) to express opinions on specific aspects that relate to the identification of main corporate risks;
- 9) to review the periodic reports regarding the assessment of the internal control and risk management system and those of greater relevance prepared by the Internal Audit Department;
- 10) to monitor the independence, adequacy, effectiveness and efficiency of the Internal Audit Department, by also requesting that it make inquiries in certain operating areas, and promptly informing the Chairman of the Board of Statutory Auditors of such inquiries;
- 11) to report on work performed and the adequacy of the internal control and risk management system to the Board of Directors, at least every six months, concurrent with the approval of interim and annual financial statements.



The Audit and Risk Committee will also work in coordination with the Board of Statutory Auditors in the performance of its duties. The Audit and Risk Committee presents its annual budget to the Board, and in an emergency, it is assisted by executive directors for the funding of its expenses. The Audit and Risk Committee is authorized to access corporate information and receive assistance from those staff members that may help the Committee in the performance of its duties as well as to avail itself of external advisors when necessary. The Audit and Risk Committee is composed of non-executive directors, the majority of whom are independent directors and at least one has knowledge of accounting and financial reporting. The members of the Board of Statutory Auditors and the Officer in charge of the Internal Audit participate in the work of the Audit and Risk Committee.

<b>Composition</b>	3 members (2 independent members and 1 non-executive member)
<b>Meetings held in 2013</b>	4

#### Supervisory Board (pursuant to Legislative Decree no. 231/2001)

Upon the adoption of the “Organization, Management and Control Models” as required under art. 6 of Legislative Decree no. 231/2001 (Liability of Legal Persons), the Board of Directors of the Company established the Supervisory Board responsible for overseeing the effectiveness, compliance and updating of said models.

<b>Composition</b>	3 members
<b>Meetings held in 2013</b>	8

## MEDIOLANUM S.P.A. GOVERNANCE OFFICERS

### Composition of the Board of Directors

The Board of Directors of Mediolanum S.p.A. consists of 14 members, of which 5 independent (35%) and 4 executive members.

At the Mediolanum S.p.A. shareholders' meeting that was held on April 23, 2013, Carlo Secchi was confirmed Chairman of the Board of Directors and Francesco Barbaro was appointed Director. They – and the current Board – will remain in office until the financial statements as of December 31, 2013 are approved at the next shareholders' meeting.

In 2013, the Board of Directors of Mediolanum S.p.A. held 6 meetings and the average attendance rate was 98.77%.

#### Composition of The Board of Directors (by position)

Position	Name/Last name	Independent	Executive	Female
Chairman of the Board	Secchi Carlo	●		
Chief Executive Officer	Doris Ennio		●	
Deputy Chairman	Messina Alfredo		●	
Executive Deputy Chairman	Doris Massimo Antonio		●	
Director	Barbaro Francesco °°	●		
Director	Berlusconi Luigi			
Director	Cannatelli Pasquale			
Director	Carfagna Maurizio			
Director	Lombardi Edoardo *		●	
Director	Molteni Mario °	●		
Director	Pellegrino Danilo			
Director	Renoldi Angelo °	●		
Director	Sciumè Paolo			
Director	Zunino De Pignier Maria Alessandra °	●		●
<b>TOTAL</b>	<b>14</b>	<b>5</b>	<b>4</b>	<b>1</b>

(°) Independent director pursuant to the Corporate Governance Code and art. 147-ter of the Consolidated Finance Act.

(°°) Independent director pursuant to art. 147-ter of the Consolidated Finance Act.

(\*) He retained his Executive role in his capacity as the Executive Deputy Chairman of the subsidiary Banca Mediolanum S.p.A..

(\*\*) in 26th March 2014, Mr. Paolo Sciumè resign from the board.

### Composition of The Board of Directors (by position and attendance rate)

Position	Name/Last name	Audit & Risk Committee	Nomination & Compensation Committee	Meetings attended	Attendance rate
Chairman of the Board	Secchi Carlo			6	100%
Chief Executive Officer	Doris Ennio			6	100%
Deputy Chairman	Messina Alfredo			5	83%
Executive Deputy Chairman	Doris Massimo Antonio			6	100%
Director	Barbaro Francesco <sup>°°</sup>		●	3	100%
Director	Berlusconi Luigi			6	100%
Director	Cannatelli Pasquale			6	100%
Director	Carfagna Maurizio			6	100%
Director	Lombardi Edoardo *			6	100%
Director	Molteni Mario <sup>°</sup>	●	●	6	100%
Director	Pellegrino Danilo			6	100%
Director	Renoldi Angelo <sup>°</sup>	●	●	6	100%
Director	Sciumè Paolo <sup>**</sup>	●		6	100%
Director	Zunino De Pignier Maria Alessandra <sup>°</sup>			6	100%
<b>TOTAL</b>	<b>14</b>	<b>3</b>	<b>3</b>	<b>1</b>	<b>98.77%</b>

(°) Independent director pursuant to the Corporate Governance Code and art. 147-ter of the Consolidated Finance Act.

(°°) Independent director pursuant to art. 147-ter of the Consolidated Finance Act.

(\*) He retained his Executive role in his capacity as the Executive Deputy Chairman of the subsidiary Banca Mediolanum S.p.A..

(\*\*) in 26th March 2014, Mr. Paolo Sciumè resign from the board.



## Composition of the Board of Statutory Auditors

Number of meetings held in 2013: 7

Average attendance rate: 100%

*(\*) On February 18, 2014, due to Chairman of the Board of Statutory Auditors Ezio Simonelli stepping down, standing auditor Francesco Vittadini was appointed Chairman of the Board of Statutory Auditors and alternate auditor Antonio Marchesi was appointed standing auditor.*

Position	Name/Last name	Meetings attended	Attendance rate %
Chairman	Simonelli Ezio Maria (*)	7	100%
Standing Auditor	Perotta Riccardo	7	100%
Standing Auditor	Vittadini Francesco (*)	7	100%
Alternate Auditor	Gatti Ferdinando	//	//
Alternate Auditor	Marchesi Antonio (*)	//	//

## THE INTERNAL CONTROL SYSTEM

The Boards of Directors of the Parent Company and of all the Group companies promote high ethical and integrity standards, as well as a 'culture of internal control' within the organization by raising awareness, among their personnel, of the importance of internal controls. Specifically, the Boards of Directors are responsible for the proper functioning of the internal control system; they set guidelines and assess the adequacy and effectiveness of the internal control system by also relying on other internal control structures.

Pursuant to the Corporate Governance Code for Listed Companies, the Board of Directors of the Parent Company Mediolanum S.p.A. established the Audit and Risk Committee – the former Audit Committee – and confirmed the appointment of Massimo Rella as the Officer in charge of the Internal Audit – formerly the Chief Auditor. In their respective areas of remit, the Audit and Risk Committee and the Officer in charge of the Internal Audit assist the Board of Directors in:

- . identifying main corporate risks;
- . implementing the Internal Control System guidelines issued by the Board of Directors by planning and monitoring the internal control system.

Pursuant to the Corporate Governance Code, the Board of Directors appointed Deputy Chairman Mr. Alfredo Messina as the officer responsible for the internal control and risk management system.

Special importance is given to the solidity of the overall internal control system to ensure compliance with the Supervisory Authority's regulations, which the companies in the Mediolanum Banking Group must comply with. Under these regulations, banks must put in place adequate risk detection, measurement and control mechanisms, depending upon the complexity and size of their business.

For the Mediolanum Banking Group, a specific Audit and Risk Committee has been established within Banca Mediolanum S.p.A., whose members are non-executive directors with specific expertise, and most of whom are independent directors. The results of systematic control activities within the Banking Group are acquired and incorporated by the Audit and Risk Committee of the holding company Mediolanum S.p.A. in its overall assessment of the control system for the Mediolanum conglomerate.

## INTERNAL AUDIT

Internal audit of all Group companies (including the Parent Company Mediolanum S.p.A.) is performed under individual outsourcing agreements by the Internal Audit Department of the subsidiary Banca Mediolanum S.p.A.

The Internal Audit Department is separate and independent from operational departments and reports directly to the Board of Directors and the Board of Statutory Auditors of the respective companies on the work done. Specifically, as regards Mediolanum S.p.A., the Department reports via its Head to the Deputy Chairman, the Audit and Risk Committee and the Board of Statutory Auditors.

Internal Audit provides independent and objective consultancy, assessment of risks and operational effectiveness as well as assurance of the efficiency, effectiveness and reliability of the organization and of the Internal Control System as a whole. It pursues such goals through a systematic professional approach, which creates value since it aims to assess and improve control, risk management and corporate governance processes. Internal auditors monitor that the rights of all the categories of stakeholders (e.g. customers, employees, minority and majority shareholders, etc.) are respected.

As part of such activities, auditors assess the efficiency and effectiveness of the internal control system and processes and prepare final reports that include the actions planned by senior management to correct deficiencies.

### Internal Audit Work

Internal audits were conducted on all Group companies in 2013.

Considering the positive results that emerged from such internal audits, as well as the measures taken to correct the deficiencies detected, we can conclude that the company's Internal Control System is effective.

Worthy of note is also the fact that in 2013 the Department implemented a rating system with respect to the overall assessment of the audit reports as well as specific recommendations, as shown in the following charts.

Audits	2012	2013	Change
Reports	65	89	37%
Recommendations	137	128	-7%



### Internal Audit Work – rating ranging from adequate to partially inadequate

List of companies	2012	2013			
	Reports	Reports			
		Adequate	Partially adequate	Partially inadequate	Total
Banca Mediolanum	36	26	20	0	46
Mediolanum Vita	8	8	3	1	12
Med. Assicurazioni*		9	1	0	10
Med. Gestione Fondi	13	11	3	0	14
Mediolanum S.p.A.	5	4	0	0	4
Med. Comunicazione	1	1	0	0	1
Med. Fiduciaria	2	2	0	0	2
<b>TOTAL</b>	<b>65</b>	<b>61</b>	<b>27</b>	<b>1</b>	<b>89</b>

(\*) The company joined the Group in the course of 2013.

### Internal Audit Work – rating ranging from moderate to critical

List of companies	2012	2013			
	Recommendations	Recommendations			
		Moderate	Important	Critical	Total
Banca Mediolanum	106	57	33	0	90
Mediolanum Vita	6	6	8	1	15
Med. Assicurazioni*		2	1	0	3
Med. Gestione Fondi	16	11	3	0	14
Mediolanum S.p.A.	5	4	0	0	4
Med. Comunicazione	0	0	0	0	0
Med. Fiduciaria	4	2	0	0	2
<b>TOTAL</b>	<b>137</b>	<b>82</b>	<b>45</b>	<b>1</b>	<b>128</b>

## RISK MANAGEMENT & CONTROL AND COMPLIANCE

Risk management, risk monitoring and compliance are an integral part of the Group's internal control system. These functions were developed in compliance with the regulations and guidelines set forth by the Supervisory Authorities.

The Risk Management and Compliance Department is in charge of monitoring exposure to financial and credit risk throughout the entire financial conglomerate as well as of assessing the impact of operational, legal and reputational risks, by constantly monitoring capital adequacy with respect to each business.

The Risk Management Department of Banca Mediolanum provides risk management and compliance services for all of the Italian companies in the Group through specific service agreements. As regards foreign companies, Banca Mediolanum works together with the Risk Management and Compliance units established at:

- . Banco Mediolanum (former Banco de Finanzas e Inversiones), the parent company of the Spanish banking subsidiary;
- . Irish companies Mediolanum International Funds, Mediolanum Asset Management and Mediolanum International Life, as well as Luxemburg-based company Gamax Management AG;
- . Bankhaus August Lenz in Germany.

The Risk Management Department also works together with other Control departments, specifically with the Sales Network Inspection and Anti-Money Laundering Office, which is in charge of monitoring the Sales Network of Banca Mediolanum – the main distribution channel for the Group's products – as well as of monitoring compliance with the requirements imposed by the "Anti-Money Laundering and Terrorist Financing Prevention" regulation.

In 2013, the Risk Management and Compliance Department regularly and duly performed operational, non-compliance and reputational risk assessments and identified, where necessary, specific actions to be taken to mitigate risk and strengthen the existing risk management mechanism.

Improvement projects and actions were undertaken to gradually improve the risk management system. Specifically, these projects were designed to enhance efficiency, as well as improve and formalize some processes in the company, by expanding automated processes in certain critical areas that were characterized by a high degree of manual work, as well as by establishing new checkpoints and taking new initiatives into account. Moreover, risk dashboards were created to detect, well in advance, potential operational and non-compliance risks, and mechanisms were implemented to assess the effectiveness

of the risk management measures adopted. With respect to the continuous improvement efforts made, training and information sessions designed to spread a control-oriented culture throughout the Group's companies play a key role. A basic compliance course entitled "The value of rules", dedicated to operational departments personnel, was created and other specialized courses dedicated to risk management and control departments were also made available.

The risk management and compliance policies adopted were updated, on a regular basis, by paying great attention to the Mediolanum Group's reputational risk management policy to further enhance monitoring as regards any behavior, event or factor that may negatively affect the Group's image as perceived by its customers, employees, partners, suppliers, Supervisory Authorities and, in general, by all its stakeholders.

In 2013, activities mandated by ICAAP (Internal Capital Adequacy Assessment Process) continued on and are disclosed in the final ICAAP statement. This statement confirms the significant stability of the assets of the Mediolanum Banking Group against stress test scenarios. During the year, the Mediolanum Banking Group has continued to take part in the Basel III impact monitoring exercises, which were held on a quarterly basis and which verified the Group's adequacy and compliance with the new capitalization and liquidity management requirements that will be gradually enforced starting 2015. With reference to the Group's insurance business, the progress made in the planning activity to comply with the new Solvency II framework is noteworthy. Within the scope of this activity, the insurance companies belonging to the Group developed an implementation plan regarding the procedures and mechanisms needed for the calculation of the new capital requirements. An implementation project aimed at adjusting the documentation, methods and policies in order to comply with the new regulations – by the deadlines that will be set by the relevant European Authorities – is currently ongoing.



## ○ PROTECTION OF STAKEHOLDER INTERESTS

### ADEQUATE ACCOUNTING AND FINANCIAL REPORTING PROCEDURES

Within the complex internal control system, checking that accounting and financial reporting procedures are adequate is key. Lawmakers introduced the requirement for issuers to appoint an Officer responsible for accounting and financial reporting documents (art. 154-bis of the Consolidated Finance Act, as amended by Law no. 262/2005 and by Legislative Decree no. 303) to constantly protect all the investors who inject capital into the business.

This Officer is the guarantor of the information set out in accounting and financial reporting documents vis-à-vis third parties and is one of the various officers who work together on shaping an effective Corporate Governance system, meaning the set of rules and functions that ensure the company is properly and efficiently run. Therefore, this Officer is in charge of signing the accounting reports that are disclosed to the market and of declaring that the information disclosed is consistent with the company's accounting figures.

Within this context, Mediolanum S.p.A., as part of its ongoing commitment to protecting stakeholder interests, created the position of 'Officer responsible for accounting and financial reporting documents' and Luigi Del Fabbro was appointed Officer Responsible. To comply with the regulatory requirements relating to the duties of the Officer Responsible, the company deemed it necessary to define and adopt the 262/05 Corporate Governance model in order to determine the role, duties and responsibilities of the various staff members involved in accounting and financial reporting procedures. On the matter, the new rules revolve around assessing the effectiveness and proper application of accounting and financial reporting procedures.

In compliance with these regulations, the Officer responsible for accounting and financial reporting documents is in charge of:

- . establishing well-structured organizational processes to ensure accurate accounting and financial reporting and related controls;
- . assessing the adequacy of processes and controls as well as ensuring that operating units effectively and constantly perform their control duties;
- . defining and monitoring any corrective measures to be implemented;
- . confirming the effectiveness of the control system and its operation through responsibility statements and other information disclosure obligations imposed by the regulations.

The 262/05 Corporate Governance model is part of the existing complex internal control system of Mediolanum S.p.A and the other consolidated subsidiaries. As regards Group companies based abroad – taking into account that local regulations may vary from country to country – an executive officer in charge of taking any action considered necessary to enable the officer responsible for accounting and financial reporting documents to fulfill his duties was appointed.

### **INDEPENDENT AUDITORS**

In 2011, Deloitte & Touche S.p.A were appointed independent auditors responsible for auditing the separate and consolidated financial statements of Mediolanum S.p.A. for nine financial years (2011-2019), in accordance with the regulations.





## RULES OF CONDUCT

The Group has two Codes setting out rules of conduct.

- . The Code of Ethics lays out the general obligations of due diligence, fairness and loyalty which should characterize behavior in the workplace and business conduct in general. The Code is a binding set of principles for employees and anyone working for Mediolanum, which must be complied with in order to ensure the proper functioning of the Group, as well as its reliability and reputation.
- . The Code of Conduct is based on the general guidelines set out in the Code of Ethics and further details the rules of conduct for governing and supervisory body members, Sales Network staff, employees and contract workers, with specific reference to certain operational companies within the Group. Codes of Conduct are regularly updated to reflect changes in the regulatory environment, organizational models and processes in order to have common, clear and transparent rules which ensure the ethical conduct of all the people within the organization.

The key rules of conduct regulate workplace Internet use as well as personal transactions made by Group employees and contract workers, and impose upon them the obligation not to disclose any confidential or insider information, as well as the obligation not to accept gifts that, due to their nature or value, may potentially lead to behavior that clashes with the interests of investors or the Company. Group companies abroad also adopted their Code of Ethics and Code of Conduct, containing the binding principles and rules of conduct that employees and contract workers must comply with in their daily work, in accordance with local regulations and the parent company's guidelines.

### CODE OF ETHICS

Since 2002, the Group's companies have adopted a Code of Ethics, i.e. a set of internal rules aimed at mitigating operational and reputational risk as well as promoting a widespread culture of internal monitoring. The Code also plays a key role in the prevention of the crimes covered by Legislative Decree 231/2001, as it contains a series of corporate ethics principles recommending, promoting or forbidding specific behavior, regardless of law provisions.

In the course of 2013, the Group decided to review and update the Code of Ethics. The new Code will replace the previous version approved by the Board of Directors of Mediolanum S.p.A. on March 9, 2010, also in light of the recent amendments to the



domestic regulatory framework, such as the new Prudential Supervision provisions issued by the Bank of Italy that the Group must comply with.

The Group updated and supplemented the principles set forth in the Code of Ethics after consulting all the stakeholders who were actively involved in the process. The new Code of Ethics intends to promote the ethical values embraced by the Group and provide concrete answers to the company's many stakeholders: contractors, providers, customers, partners, local institutions, as well as the community at large. The Group thus shows its commitment to its stakeholders by taking on specific duties and responsibilities in terms of monitoring and behavior in the workplace.

The Group's stakeholders, however, are also required to respect such values, based on reciprocal relationship principles. The current version of the Code is divided into two sections, i.e. "values" and "rules of conduct", to underline the key values and rules based on which Mediolanum S.p.A., the companies of the Group, and its people carry out their daily business.

These key ethical values reflect the Group's entrepreneurial spirit, which is embedded in its DNA: the Group's motto is that "you can run a successful business and still be of help to people".

The values set out in the Code of Ethics are the following:

- . freedom;
- . excellence;
- . respect;
- . transparency;
- . integrity;
- . fairness.

Such key values are contained in the Rules of Conduct, i.e. specific duties and obligations that every employee and anyone working for the Group is required to comply with, which help create a business culture that is consistent with these underlying values.

The principles set out regard behavior in the workplace and monitoring in the following areas:

- . business relationship management;
- . business conduct of employees and contract workers;
- . socially responsible behavior;
- . workplace safety;
- . environmental commitment;
- . role of the internal control system.

The last paragraphs are dedicated to:

- . implementing and promoting the Code;
- . handling reports on alleged violations of the Code;
- . imposing sanctions for violations.

The new Code was drafted by a work team made up of representatives from all the Departments engaged in monitoring behavior and compliance with the rules imposed by the Code of Ethics.

An independent Ethics Committee in charge of promoting and updating the Code as well as evaluating alleged irregularities, was set up at Mediolanum S.p.A., the holding of the Group.

The Committee comprises representatives from all the corporate departments that play a key role in the internal control system, such as:

- . the Internal Audit Department;
- . the Risk Management and Compliance Department;
- . the Sales Network Inspection and Anti-Money Laundering Office;
- . the Human Resources Department;
- . the Sales Department.

## CODE OF CONDUCT

The Code of Conduct of Banca Mediolanum S.p.A. and the Code of Conduct of Mediolanum Gestione Fondi S.G.R.p.A. were both updated in 2008 to comply with the new regulations in the industry. These Codes detail the conduct rules those working for the Group have to follow when performing their daily duties.

The key conduct rules are set out below:

1. any confidential or insider information either verbal or stored on any electronic medium shall not be disclosed;
2. any confidential or insider information received from third parties or by virtue of the position held shall not be used for personal dealings including via third parties;
3. speculative investments are prohibited during working hours, especially intraday trading, i.e. purchasing and selling the same security on the same day;
4. personal dealings – including via or on behalf of third parties – in trading derivatives, other derivatives (futures, options, swaps), short selling, as well as dealings with a frequency

that suggests speculative purposes other than those associated with normal investment transactions, are prohibited during working hours;

5. any activity or transaction in which those working for the Group may have significant personal interests or interests which may be in conflict with those of the Company, of customers/prospects and/or assets under management shall be fully disclosed;

6. any gift that, due to its nature or value, may potentially lead to behavior that clashes with the interests of investors or the Company shall not be accepted.



## BUSINESS CONTINUITY

Business continuity and the provision of services to customers are dependent upon the proper operation of the communications and information technology infrastructure and processes. This is particularly true for an organization like the Mediolanum Banking Group in which technology-based channels allowing customers direct access to services (e.g. the Internet, the Banking Services Center, Mobile Banking and television) are the keystones of its business model. The Mediolanum Group stands out for its high service reliability and IT security.

The Group is equipped with adequate systems to ensure business continuity and to constantly monitor the proper functioning of all components, making sure they are suitably scaled to ensure the delivery of services. This entails developing reliable control mechanisms regarding critical business processes, by investing in technology to ensure service delivery continuity, by constantly monitoring processes, as well as by establishing and disseminating alternative procedures to those currently in use in order to ensure business continuity in the event of failures or crises.

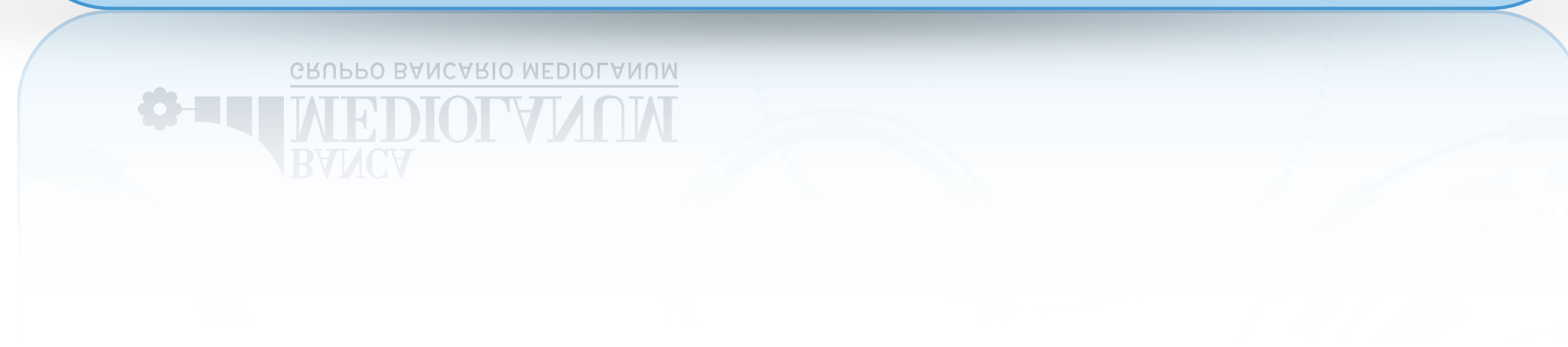
Due to the close correlation between technology and operational processes, the Information Systems Department and the Organization Department of Banca Mediolanum work together on the company's extensive business continuity plan, by identifying the measures that must be taken in order to achieve the targets and by focusing on two key lines of action.

From a technology standpoint, they analyzed all the activities needed to ensure infrastructure efficiency and security, by also constantly monitoring infrastructure-related equipment. This was done to ensure the delivery of services also in case of failures or any kind of problem.

From an organizational standpoint, they developed operational procedures that ensure business continuity across a wide range of crisis scenarios (from temporary disruption to an emergency situation, severe crisis or catastrophe). The procedures were designed, tested and maintained in cooperation with the various users. A Crisis Team was established to coordinate and manage the various stages in a crisis until business is resumed. The team is composed of the Heads of various departments and is responsible for coordinating all steps taken in the management of the crisis.

Banca Mediolanum not only provides Information Technology services but also manages, via intercompany service agreements, business continuity of the Group's Italian companies whose products are sold by the Bank.

The Group carries out a variety of tests on an annual basis as well as updates and upgrades of its processes and systems to reflect any changes in internal processes and product innovation and to ensure that the organization's infrastructure keeps pace with the rapidly changing market environment and business needs of the company.



# FINANCIAL INDICATORS

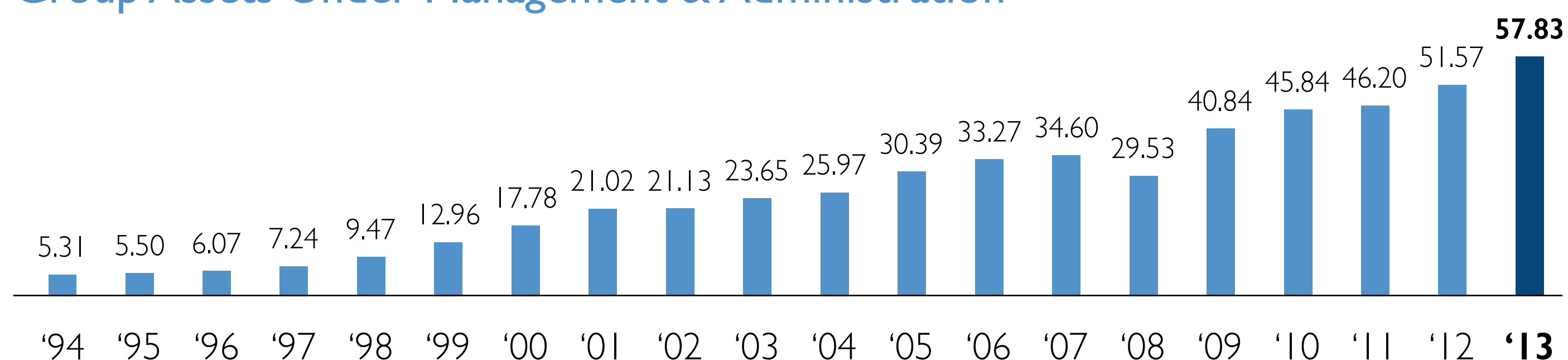




## ○ KEY FINANCIAL DATA

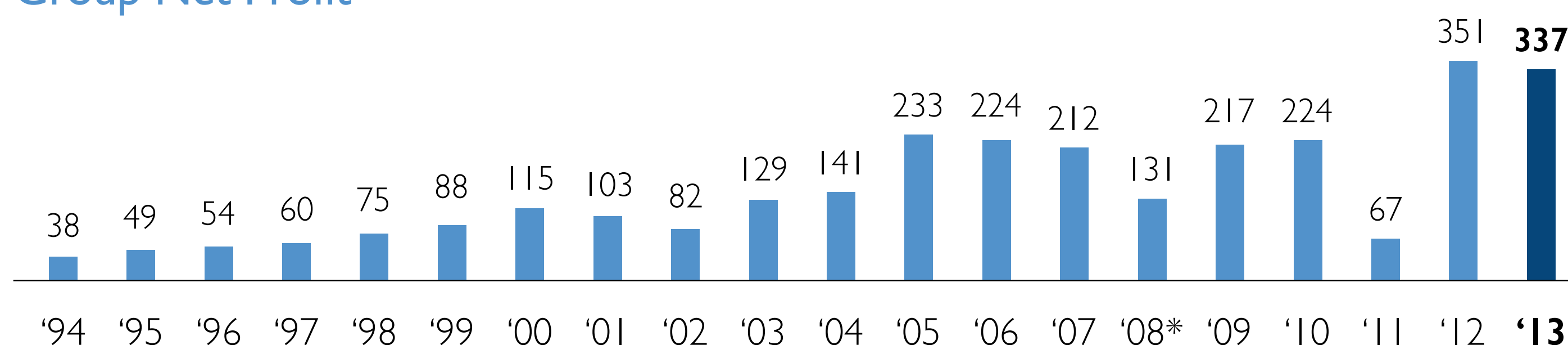
### CONSOLIDATED DATA <sup>1</sup>

#### Group Assets Under Management & Administration<sup>2</sup>



Assets under management and administration increased also in 2013, reaching € 57,832 million.

#### Group Net Profit<sup>3</sup>



In 2013, consolidated net income from ordinary operations decreased vs. 2012 and was € 337 million.

<sup>1</sup> Luigi Del Fabbro, the Officer responsible for preparing Mediolanum S.p.A. accounting and financial reporting documents hereby certifies pursuant to art. 154-bis, second paragraph, of the Consolidated Finance Act, that the financial information contained herein reflects the accounting entries, records and books.

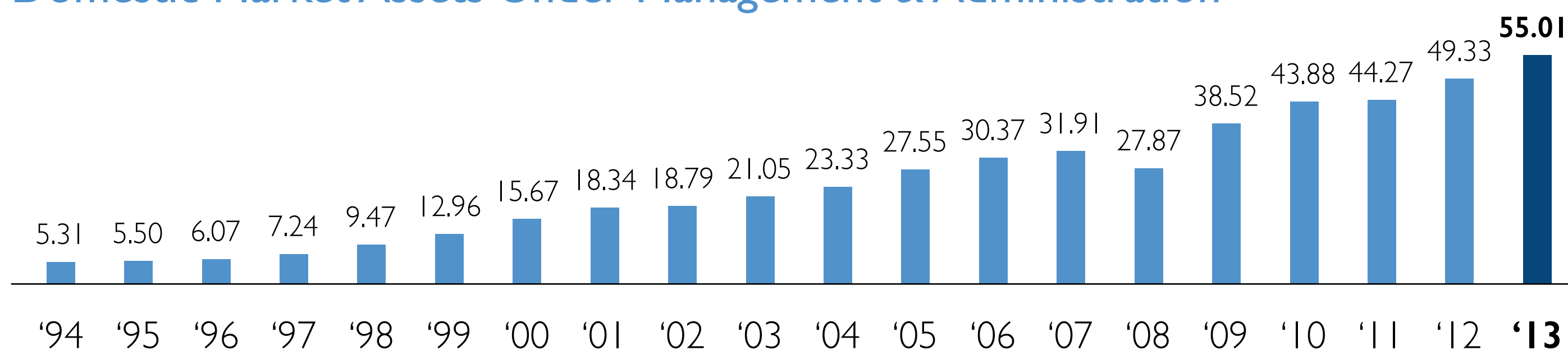
<sup>2</sup> Figures relating to group assets under management & administration also include the results of Banca Esperia on a pro-rata basis (50%).

<sup>3</sup> 2008 and 2010 figures relating to net profit were adjusted to take the Lehman Brother transaction into account.

\* Pro forma: excluding the Lehman Brothers effect.

## DOMESTIC MARKET <sup>4</sup>

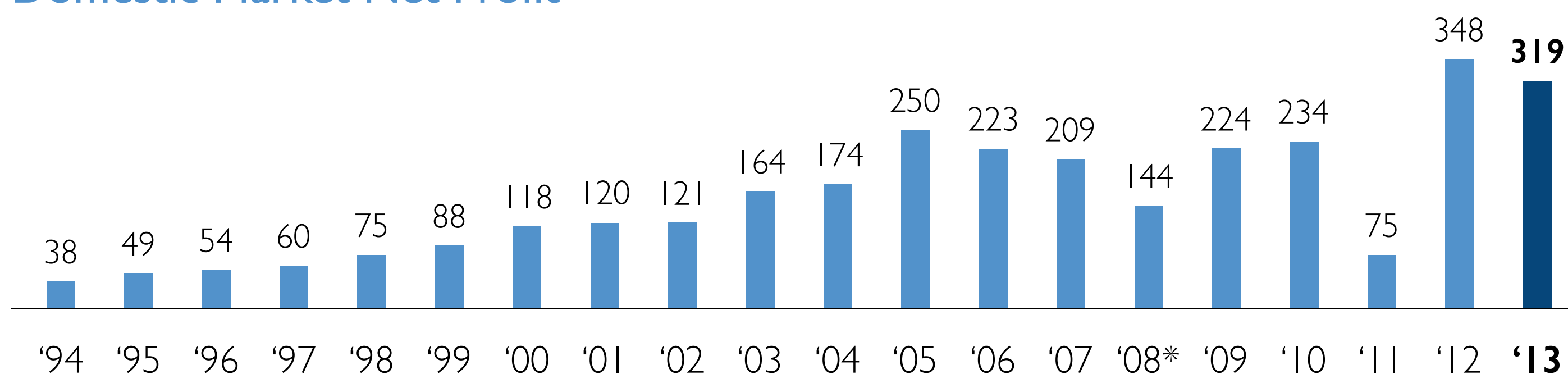
### Domestic Market Assets Under Management & Administration



<sup>4</sup> Figures relating to domestic market assets under management & administration also include the results of Banca Esperia on a pro-rata basis (50%).

Assets under management and administration increased compared to 2012, coming in at over €55,000 million.

### Domestic Market Net Profit<sup>5</sup>



<sup>5</sup> 2008 and 2010 figures relating to net profit were adjusted to take the Lehman Brother transaction into account.

This year, net profit from ordinary operations in the domestic market accounted for €319 million, slightly decreasing compared to 2012.

Pro forma: excluding the Lehman Brothers effect.

## EMBEDDED VALUE

Taking into account the “embedded value” is key to better understanding the evolution of Mediolanum Group’s performance: therefore, information prepared with the assistance and supervision of Towers Watson is provided below.

As regards the Market Consistent Embedded Value (MCEV) of the life business, the Mediolanum Group adopts the principles established by the CFO Forum (the organization comprising all the CFOs of the leading European insurance groups), while for the other businesses (Asset Management and Banking) the Market Consistent European Embedded Value principles.

“Embedded Value” is the sum of Shareholders’ Equity (adjusted to the market value of assets) plus the value of in-force business. For life business, the value of in-force business is the present value of the stream of future after-tax profits projected over the contract life and adjusted for the cost of maintaining a certain level of required capital and for the cost of non-hedgeable risk. The value of in-force business for mutual funds, managed accounts and the banking business is calculated, wherever possible, in a way similar to that of the life policies in-force.

The table below shows the analysis of “Embedded Value” as of December 31, 2013, compared to 2012 figures were restated to enable readers to compare them to 2013 figures due to the inclusion of figures relating to the banking business.

(1) On an IFRS (International Financial Reporting Standards) basis.

(2) Consolidated shareholders’ equity on an IFRS basis before distribution of dividends payable in the following year, is adjusted to:

I. eliminate the impact of goodwill;

II. reflect the market value of any assets

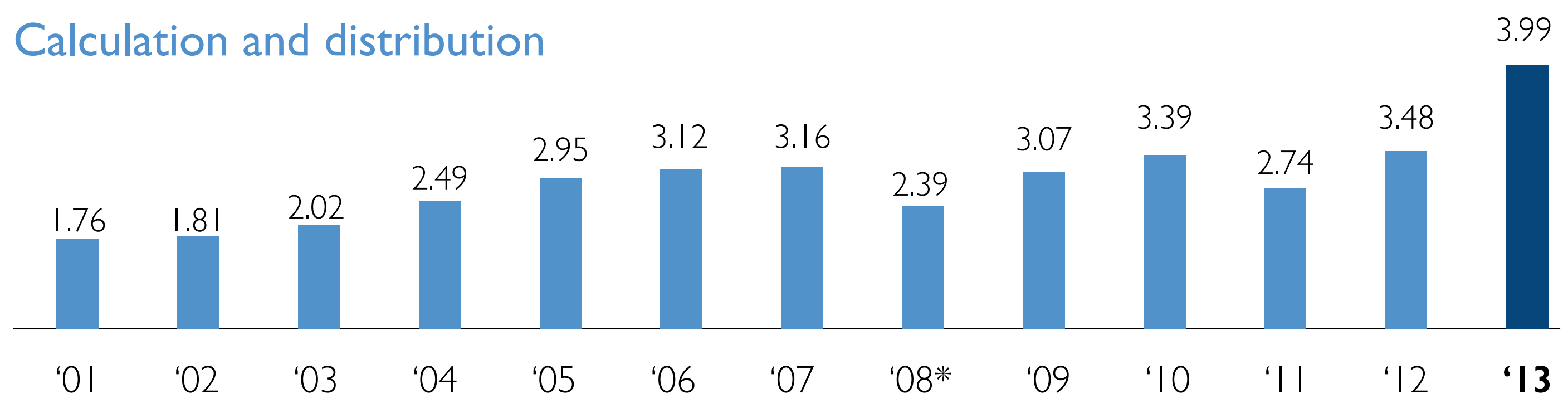
Embedded value as of December 31, 2013				
€/m	2011	2012	2013	Change
Net asset value <sup>(1)</sup>	762	1,420	1,651	16%
Adjustments to net asset value	8	-103	-89	-14%
Adjusted net asset value <sup>(2)</sup>	770	1,317	1,561	19%
Value of in-force business, life business	1,263	1,335	1,313	-2%
Value of in-force business, asset management	581	711	945	33%
Value of in-force business, banking	133	114	181	59%
Value of in-force business	1,977	2,160	2,439	13%
<b>Embedded Value</b>	<b>2,747</b>	<b>3,478</b>	<b>3,999</b>	<b>15%</b>

Embedded value totaled €3,999 million.



### Calculation and distribution

*not measured at market value; Ill. reflect other accounting adjustments.*



2005, 2008 and 2010 figures provided in the table above were restated to take into account certain methodological changes that were introduced over the past few years. The key components of the Mediolanum Group's Embedded Value have been calculated internally since 2007, relying on the consultancy of Towers Watson for the review of the results of the calculation and for the calculation of all the other Embedded Value components that are calculated externally.

SUMMARY BUSINESS AND FINANCIAL DATA			
Group business (Asset management)	2012	2013	Change %
Ordinary Shares outstanding (number)	734,337,919	736,001,807	0.23%
Group (€/m)			
Group Assets under Management & Administration	51,577	57,832	12.13%
Embedded Value Post-Acquisitions	3,465	3,999	15.01%
Revenue	9,337	6,273	-32.87%
Profit Before Tax	501	544	8.58%
Income Tax	150	207	38.00%
Net Profit	351	337	-3.99%
Dividend	132	184	39.89%
Dividend per Share	0.18	0.25	38.89%
Domestic Market - Mediolanum			
Total Customers	1,040,448	1,042,908	0.24%
Total Primary Account Holders	879,200	878,127	-0.12%
Bank Accounts*	707,609	729,208	3.05%
Sales Network	4,315	4,407	2.13%
<b>Assets under Management &amp; Administration (€/m)</b>	<b>42,434</b>	<b>47,360</b>	<b>11.61%</b>
<b>Total Net Inflows (€/m), of which:</b>	<b>2,258</b>	<b>3,339</b>	<b>47.87%</b>
Net Inflows to Assets under Management	1,352	3,069	127.00%
Structured Bonds	201	(67)	n.a.
Net Inflows to Assets under Administration	705	337	-52.20%
Banca Esperia*** (€/m)			
Assets under Management & Administration	6,900	7,650	10.87%
International Markets (€/m)			
Assets under Management & Administration	2,242	2,821	25.83%

\* Figures include the InMediolanum deposit account

\*\* Non-life policies and third-party insurance products (Skandia)

\*\*\* Mediolanum shareholding (50%)

## ○ VALUE ADDED FOR THE STAKEHOLDERS

### CALCULATION AND DISTRIBUTION OF VALUE ADDED

#### Method

Value added expresses the value created by the company during the year (calculated as the difference between sales and costs) and represents the bridge between the Annual Report and the Social Report. For the calculation of value added, income statement items are reclassified to highlight the processes through which value is generated and distributed, and the relationship between the company and its social and business partners, especially some of its key stakeholders, is quantified in monetary terms as follows:

- . dividends that are paid out to the shareholders (shareholders);
- . wages and salaries, social security contributions, completion-of-service entitlements, compensation paid to human resources (employees, contract workers and the Sales Network);
- . direct and indirect taxes paid to the Government and its agencies and fees paid to supervisory authorities and trade associations (the Government, government agencies and institutions);
- . charitable projects for the community (the community at large);
- . earnings retained by the company to be reinvested in the business to ensure that the business is efficient and keeps growing (the company).

The tables below show the creation and distribution of value added for our domestic market (Italy) using the same classification of items as reported in Segmental Financial Information as of December 31, 2013 and as of December 31, 2012, under Part E of the Notes to the 2013 Annual Consolidated Financial Statements.





## GENERATION OF CONSOLIDATED VALUE ADDED - ITALIAN MARKET

Amounts in thousands of €	2011	2012	2013
<b>Net sales</b>			
Net premiums written	9,400,919	7,922,819	4,673,139
Amounts paid and changes in technical reserves	-9,381,508	-7,908,540	-4,639,138
Commission income	702,428	850,228	950,678
Commission expense	-27,903	-29,615	-36,212
Net financial income	152,960	395,154	269,546
Net income on other investments	-24,270	-45,799	100,107
Other revenues	21,157	25,183	22,142
<b>Total Net Sales</b>	<b>843,793</b>	<b>1,209,430</b>	<b>1,340,262</b>

<b>Costs</b>			
General and administrative expenses (3)	-143,744	-161,260	-161,813
Net impairment	-131,904	-11,501	-14,235
Provisions for risks and charges (1)(*)	-12,420	-13,603	-5,223
<b>Total Costs</b>	<b>-288,068</b>	<b>-186,364</b>	<b>-181,271</b>

<b>Gross Value Added From Ordinary Operations</b>	<b>555,715</b>	<b>1,023,066</b>	<b>1,158,991</b>
Profit/(loss) from discontinued operations	-320	-26	-28
Profit/(loss) from disposal of investment (2)	3,231	-1,969	-21,384
<b>Total Gross Value Added</b>	<b>558,626</b>	<b>1,021,071</b>	<b>1,137,579</b>
Amortization and depreciation(3)	-12,112	-9,950	-15,925
Impairment of goodwill	0	0	0

<b>Total Net Value Added</b>	<b>546,515</b>	<b>1,011,121</b>	<b>1,121,655</b>
Cost of labor			
- Employees (3)	-124,678	-134,189	-143,568
- Sales network (1)	-283,961	-342,646	-406,091
Gifts and donations (3)	-7,674	-8,525	-7,171
Direct and indirect taxes (3)	-38,372	-36,494	-46,372
<b>Profit Before Taxes And Minority Interests</b>	<b>91,829</b>	<b>489,266</b>	<b>518,453</b>
Income tax for the period (*)	-16,898	-140,714	-199,443
Minority interests	0	0	0
<b>Net Profit</b>	<b>74,931</b>	<b>348,552</b>	<b>319,010</b>

(1) - (2) - (3) The figure differs from that reported in the reclassified income statement due to the separate indication of the amounts relating to the items reported after Total Net Value Added.

DISTRIBUTION OF CONSOLIDATED TOTAL GROSS VALUE ADDED - ITALIAN MARKET  
(amounts in thousands of €)

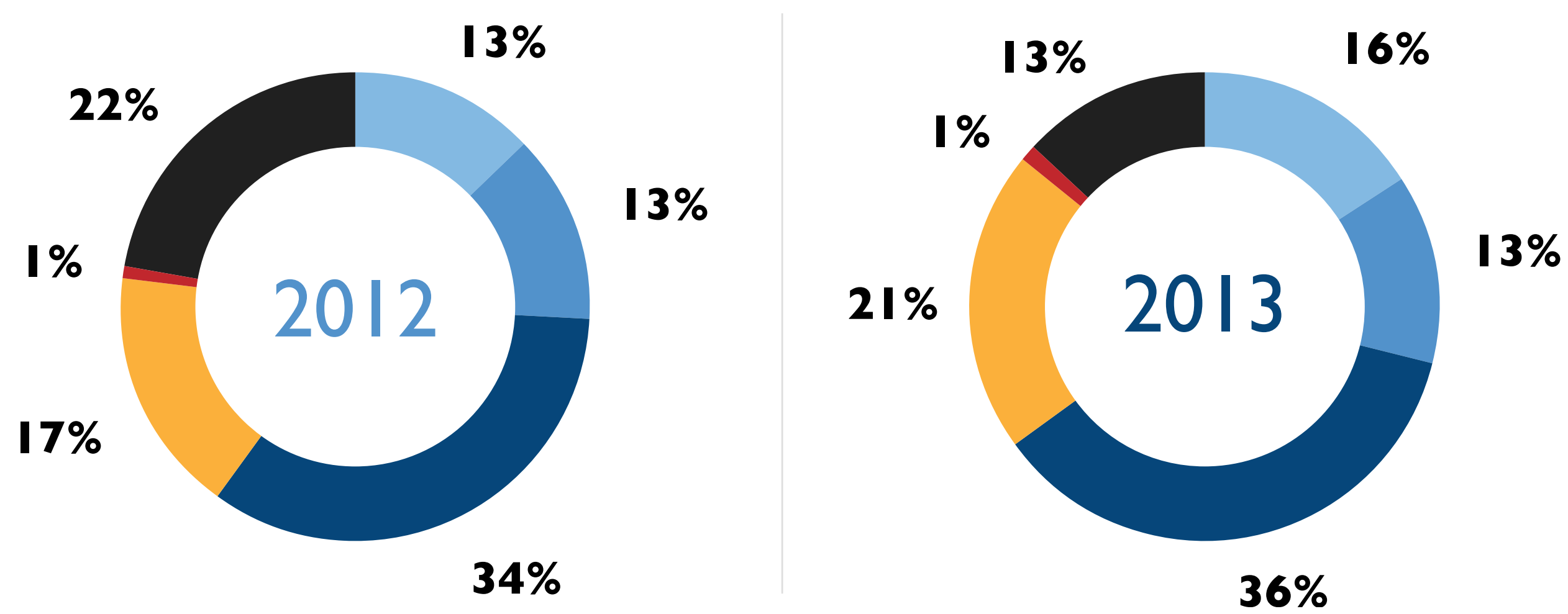
Distribution Of Total Gross Value Added	2011	2012	2013
Shareholders	80,674	132,104	183,938
- dividend to third party stakeholders	80,674	132,104	183,938
Employees	124,678	134,189	143,568
Sales Network	283,961	342,646	406,091
Government, gov. agencies, regulatory authorities	55,270	177,208	245,815
- direct and indirect taxes	38,372	36,494	46,372
- income tax for the period	16,898	140,714	199,443
Community	7,674	8,525	7,171
- gifts and donations	7,674	8,525	7,171
Company	6,369	226,398	150,997
- amortization and depreciation	12,112	9,950	15,925
- impairment of goodwill	0	0	0
- foreign operations	7,664	-2,468	-17,570
- retained earnings	-13,407	218,916	152,642
Total Gross Value Added (2)	558,626	1,021,071	1,137,579



Distribution Of Total Gross Value Added	2011	2012	2013
Shareholders	80,674	132,104	183,938
Employees	124,678	134,189	143,568
Sales Network	283,961	342,646	406,091
Community	7,674	8,525	7,171
Company	6,369	225,675	150,997
<b>Total Gross Value Added</b>	<b>558,626</b>	<b>1,021,071</b>	<b>1,137,579</b>

#### DISTRIBUTION OF TOTAL GROSS VALUE ADDED

- Shareholders
- Employees
- Sales network
- Government, gov. agencies, regulatory authorities
- Community
- Company



# SOCIAL INDICATORS

CUSTOMERS

SALES NETWORK

EMPLOYEES

SHAREHOLDERS AND INVESTORS

SUPPLIERS

THE COMMUNITY AT LARGE

THE ENVIRONMENT

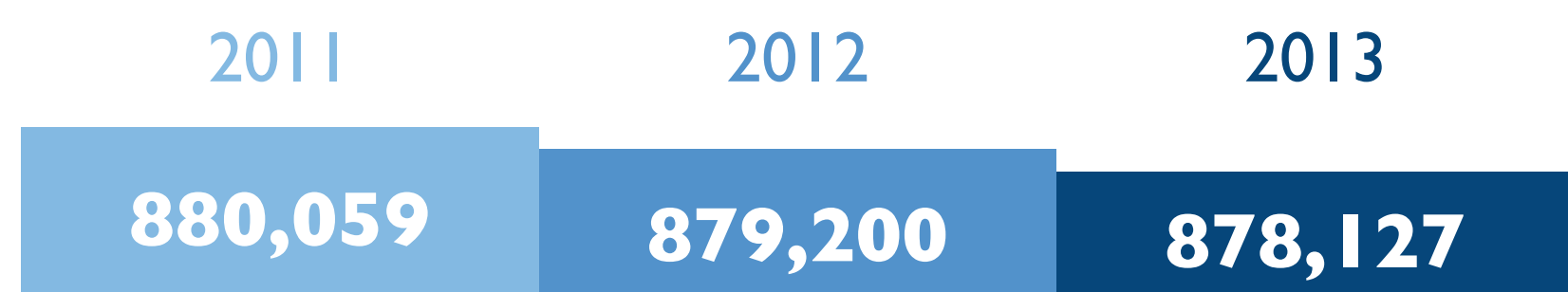
REGULATORY AND LEGAL AUTHORITIES,

TRADE ASSOCIATIONS

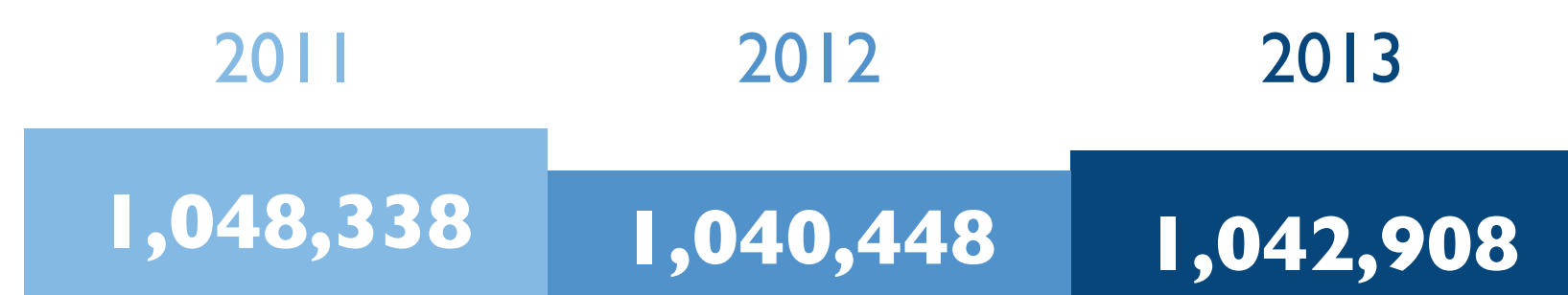
## ○ ANALYSIS OF CUSTOMERS



NUMBER OF PRIMARY  
ACCOUNT HOLDERS  
(natural and legal persons)



NUMBER OF  
TOTAL CUSTOMERS  
(natural and legal persons)



BREAKDOWN BY GEOGRAPHY  
(natural and legal persons, Mediolanum Group customers)

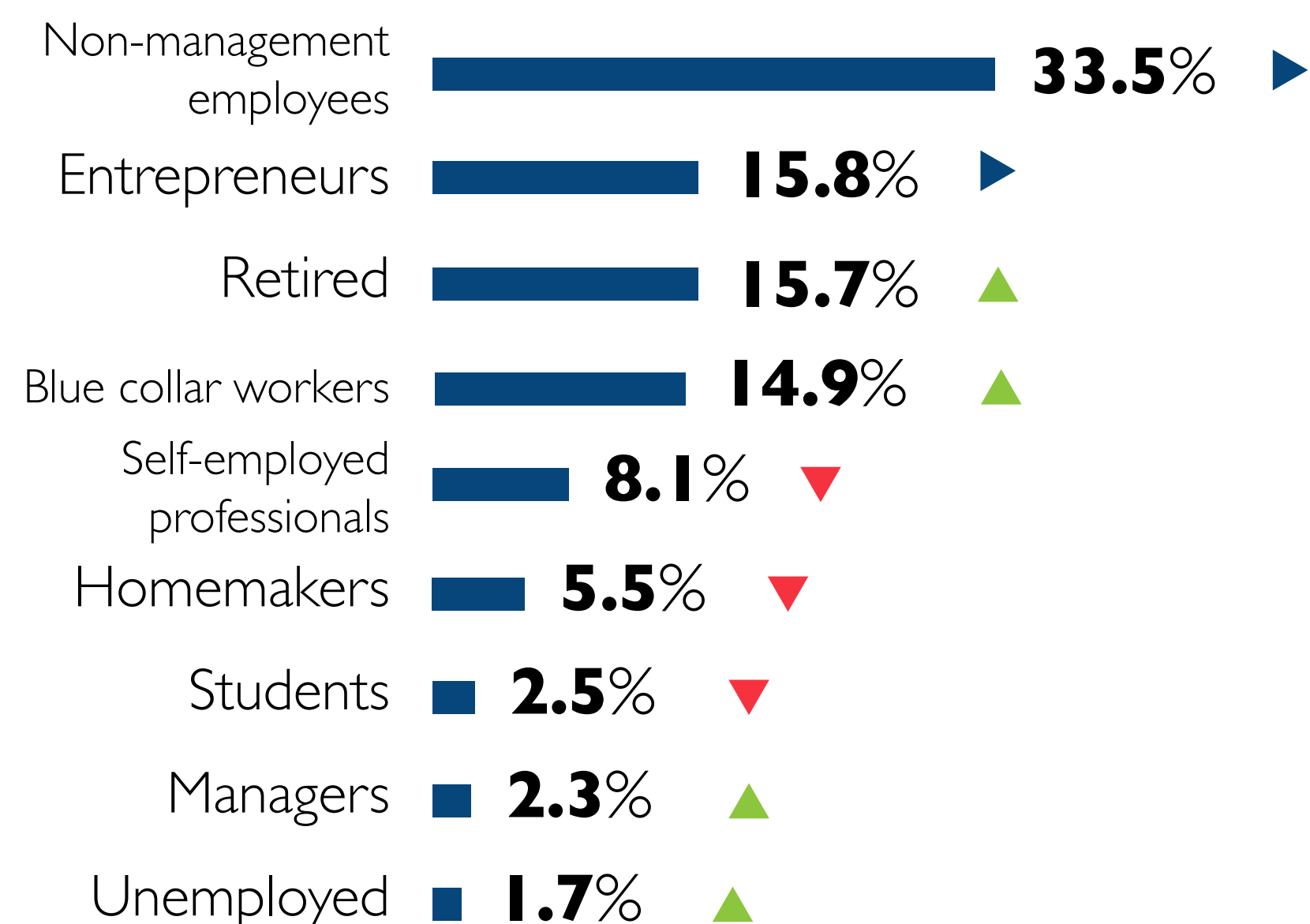






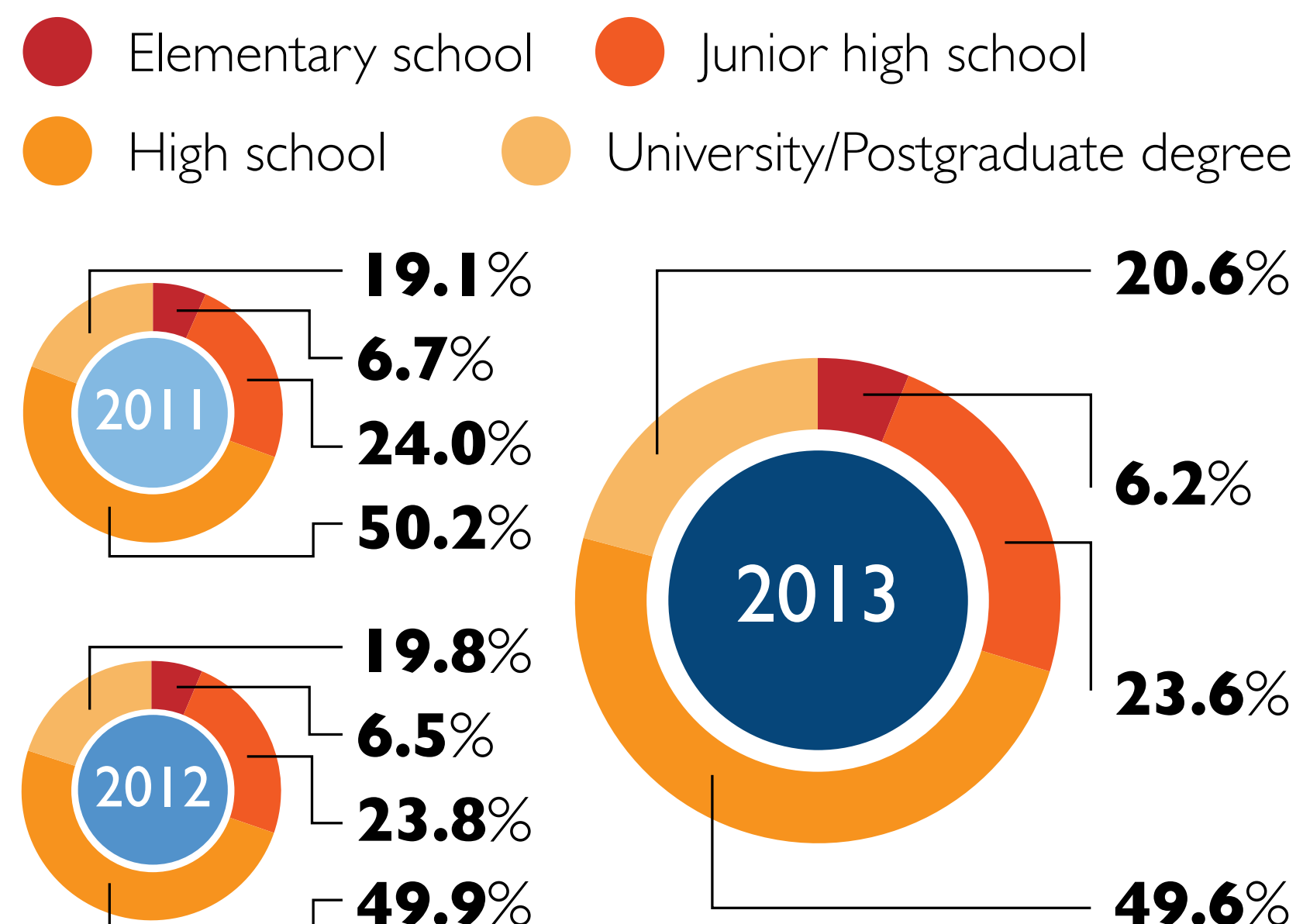
## BREAKDOWN BY PROFESSIONAL CATEGORY

(natural persons, Mediolanum Group customers)



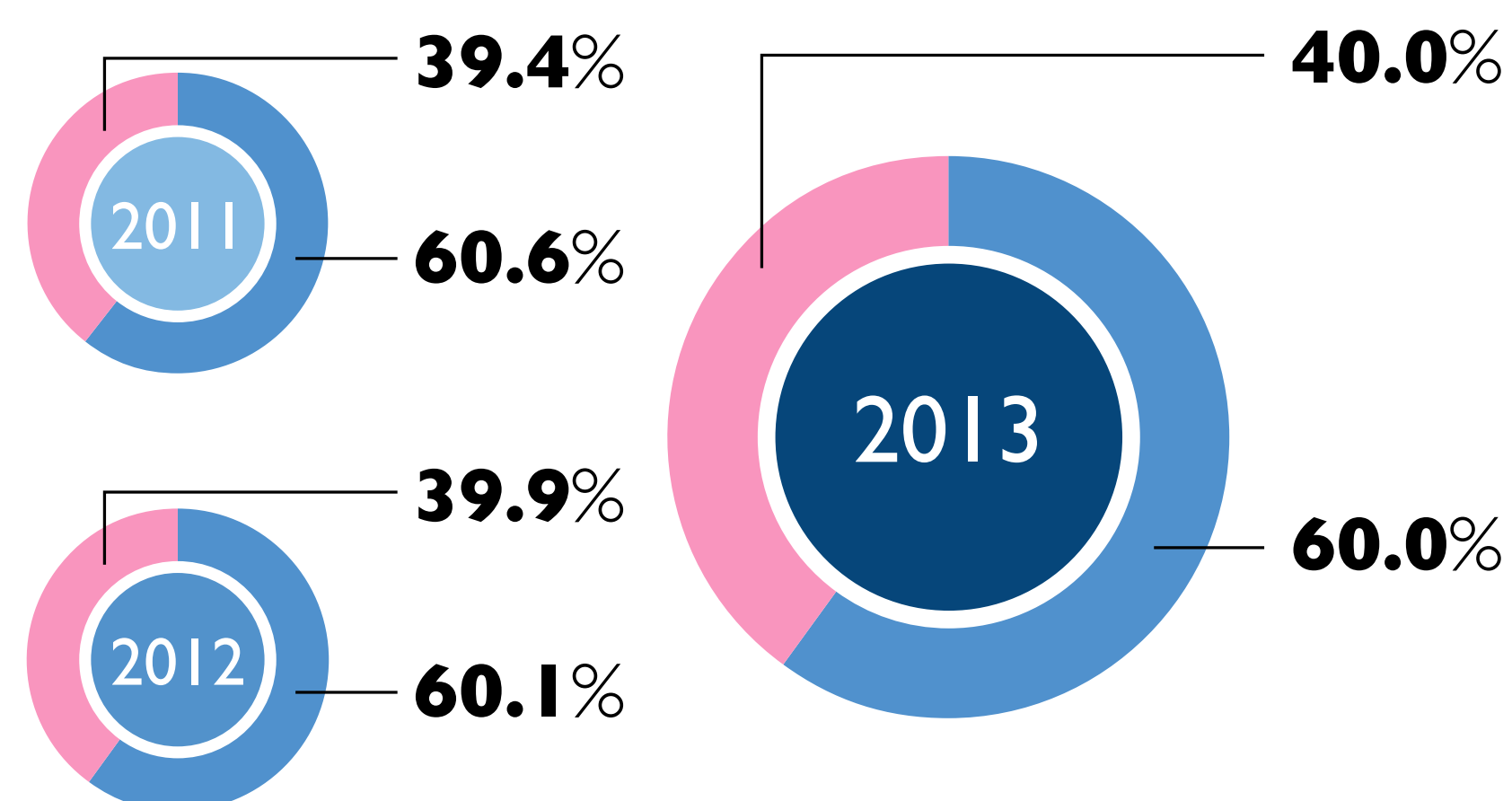
## BREAKDOWN BY LEVEL OF EDUCATION

(natural persons, Mediolanum Group customers)



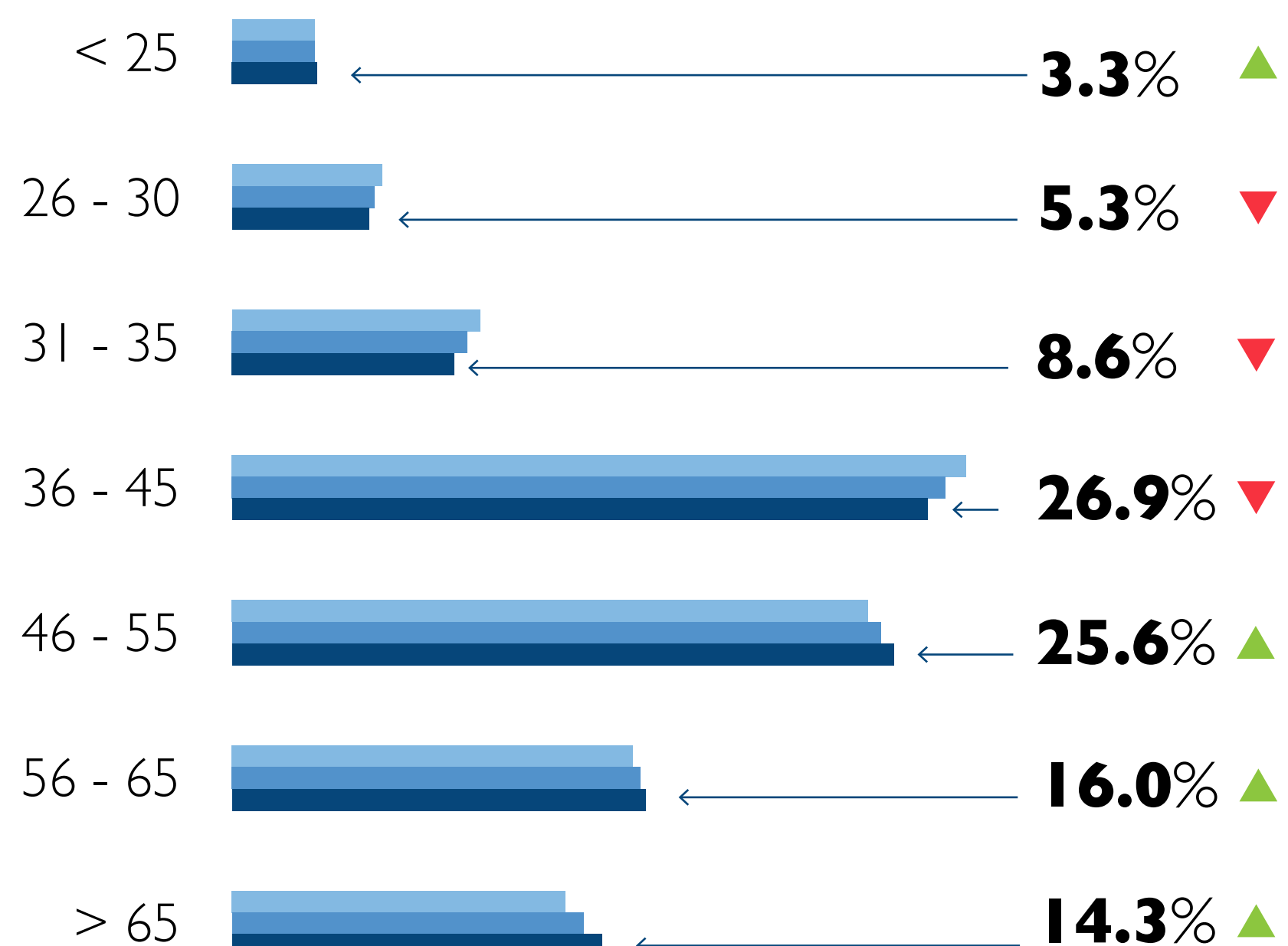
## BREAKDOWN BY GENDER

(natural persons, Mediolanum Group customers)



## BREAKDOWN BY AGE GROUP

(natural persons, Mediolanum Group customers)



**AVERAGE CUSTOMER SENIORITY** (natural and legal persons, primary account holders)

	2011	2012	2013
Average customer seniority	10.0	10.2	10.5

**CROSS SELLING** (natural and legal persons, primary account holders) Product types: Bank Accounts, Credit Cards, Securities Accounts [excluding Medplus Bonds], Systematic Investment Plans (SIP) and Managed Accounts, Unit Cost Averaging, Structured Products [Medplus Synergy and Index Bonds], Retirement Plans, Life Systematic Investment Plans (SIP), Life Unit Cost Averaging, Insurance products, Financing, Direct Debit, Emoluments.

	2011	2012	2013
Average number of products held	2,772	2,814	2,856
% out of total customers			
One product	38,5%	37,7%	35,8%
2-5 products	50,2%	50,6%	52,4%
At least 6 products	11,3%	11,7%	11,8%

**CUSTOMER RETENTION** (natural and legal persons)

Year	Mediolanum Group
2001	95.6%
2002	94.8%
2003	94.4%
2004	94.1%
2005	94.1%
2006	93.9%
2007	93.0%
2008	93.4%
2009	92.9%
2010	92.0%
2011	92.2%
2012	91.9%
<b>2013</b>	<b>92.0%</b>

## CUSTOMERS PER FAMILY BANKER®

	2011	2012	2013
Average customers per Family Banker®	191	198	194
Average assets per Family Banker® (€/1,000)	8,493	9,894	10,893

	2011	2012	2013
Average customers per Private Banker®	181	186	177
Average assets per Private Banker® (€/1,000)	23,154	25,044	26,512

Average are calculated considering only Family Bankers actually in activity.



## CUSTOMER SATISFACTION

Banca Mediolanum assessed the level of customer satisfaction in terms of the relationship with the Bank and in terms of customer expectations also in 2013, by participating, also this year, in the annual multi-client Retail Customer Satisfaction Survey conducted by ABI and carried out in cooperation with GfK Eurisko.

The analysis compared a sample of more than 600 Banca Mediolanum customers with a sample representative of the Italian banking market in order to examine different areas regarding the provision of services and the bank-customer relationship, such as:

- . reception/attitude of the Financial Advisor/Family Banker® (and Office staff);
- . efficiency of the Financial Advisor/Family Banker® (and Office staff);
- . routine work done by the Financial Advisor/Family Banker®;
- . key areas for the Financial Advisor/Family Banker®;
- . quality and accessibility of information;
- . service offered;
- . investment management;
- . provision of products and services;
- . cost/benefit ratio.

The overall level of satisfaction is always very high and, also this year, the overall satisfaction index of Mediolanum customers was higher than the satisfaction level achieved by the entire sector (87% vs. 65%).

 **PRIMAFILA**

The PrimaFila Club, dedicated to the Group's most loyal customers, was set up in 2004: this program rewards customer loyalty, fostering continuity in the relationship with customers. PrimaFila also provides additional opportunities to keep in touch with the Banca Mediolanum community by means of meetings, events, and a variety of activities that help strengthen the bond between customers and the Group.

PrimaFila customers can access a number of banking and non-banking services and initiatives. As regards the former, customers can benefit from dedicated services, like preferential access to the Banking Services Center, the possibility of increasing maximum balance on their credit card or ATM card and receiving personalized bank checks.

As regards the latter, i.e. non-banking services and initiatives, there are a variety of premium activities that are designed to involve customers, inviting them to exclusive events in the areas of art, culture, music and entertainment, but also sporting events, leisure time activities and food and wine tasting. These events are especially designed to give the Bank the opportunity to socialize with its customers outside of work and strengthen its relationship with them in a relaxed, welcoming atmosphere. Approximately 390 events – in which over 13,000 customers participated – were held in Italy in 2013.

Some of these events are mentioned below:

- “PrimaFila culture and art” – an entertaining journey through the Italian art scene and a can't miss opportunity for art enthusiasts. PrimaFila customers had the opportunity to enjoy exclusive guided tours of the finest monuments in Italy and visit the best sights and attractions that the country has to offer, such as the Cathedral of Bergamo, the Cata-





combs of San Gennaro in the gorgeous city of Naples and the former Church of Santo Stefano al Ponte in Florence, as well as the unique Palazzo Taverna in Rome, the breathtaking capital of Italy;

- . “Primafila Driving Academy” – a two-day event offering Banca Mediolanum customers the opportunity to get an adrenaline rush while driving the fastest and most powerful cars of the world’s most prestigious brands, such as BMW and AMG. The event was held at the celebrated Franciacorta racetrack in Brescia and at the motorcycle racetrack in Castelletto di Branduzzo near Pavia;
- . “2013 Mediolanum Golf Cup” – a national 20-leg circuit dedicated to golf enthusiasts: the final round was held on the expansive golf courses of the Chervò Golf Hotel in San Vigilio, on the Garda Lake;
- . “Cibus” – an exciting and unique two-evening event designed to “feed” the minds of





the guests, offering customers the opportunity to enjoy an amusing show dedicated to Mediterranean cuisine, followed by a delicious buffet dinner;

- “Primafila live music and theaters” – great seats were reserved for Primafila customers at concerts and shows held at the most prestigious concert halls and theaters in Italy, such



as Mediolanum Forum in Assago, PalaLottomatica in Rome, Teatro Massimo in Palermo, Teatro Petruzzelli in Bari, Teatro Regio in Turin, Teatro Manzoni in Milan and Teatro della Luna in Assago.

A review of the events and activities of the Club is available to customers in the “Banca Mediolanum World PrimaFila magazine”, which is distributed twice a year.

All the events and activities dedicated to this prestigious Club are also showcased on the website [www.primafilamediolanum.it](http://www.primafilamediolanum.it), which allows customers and others to view all the initiatives, browse through the gallery of photographs and keep up-to-date with services and news.

In order to offer more and more opportunities to PrimaFila customers, the Group is currently evaluating the idea of broadening the range of special terms and conditions made available to its most loyal customers as regards the Group’s products and services, which would give further value to the benefits enjoyed by these customers and reinforce a sense of belonging to the Banca Mediolanum community.

## CHANNELS AND SERVICES

In 2013, 83.5% of the customers who are bank account holders used direct channels (a 2.8% increase compared to 2012), with approximately 33.4 million contacts (a 14.5% increase with respect to 2012) and approximately 7.5 million transactions, a significant increase versus 2012 (+10.8%).

The increased use of direct channels confirms, once again, that customers are becoming more and more familiar with the bank's multi-channel platform. Moreover, the fact that approximately 94% of contacts were made via the automated services provided by the Bank, specifically the Internet, Mediolanum's mobile applications for Apple, Android and Windows Phone 7 devices, and the voice portal (B.Med Voice), also confirms that customers tend to prefer direct channels for their transactions.

66% of contacts were made via the website, with a 6.5% increase with respect to 2012, while 17% were made via mobile applications. Specifically, 5,714,000 people accessed the Bank's services through mobile applications, with a 119% hike versus 2012 (when the number of contacts was 2,614,000). 56% of these contacts were made via iOS applications and approximately 41% via Android applications. 542,635 transactions were made via mobile in 2013, versus 244,103 in 2012 (+122%). The number of contacts made via the voice portal, instead, decreased (-8%), due to a sort of "substitution effect" with respect to other channels, such as the Internet and mobile applications, regarding some information requests and simple transactions (such as, for example, customers checking their bank balance or topping up their mobile phone).

The use of the Banking Services Center was not, however, negatively affected by the increased use of self-service banking: the number of contacts via the Banking Services Center actually increased by 5.3% compared to 2012, thus confirming that customers still prefer using this channel to deal with complex requests. The Banking Services Center continues to maintain a very high level of service: approximately 86% of the calls are responded to within 20 seconds (the average waiting time for all calls being 19.7 seconds). Moreover, the text messaging service has become increasingly popular, with over 54.2 million alerts sent in 2013 (+13.9% with respect to the previous year); this service was particularly appreciated by customers because it enhances safety, by enabling them to keep track of transactions made (alert texts are sent when customers make ATM withdrawals, POS transactions, bank transfers or when they log in to the website).

As regards the mobile channel, the Group put the pedal to the metal in 2013, with a variety of new projects. In April, the Bank launched an NFC SIM technology-based Mo-



mobile Payment trial, which ran until December. The project – carried out in collaboration with SIA, CartaSì and Vodafone – was tested by 90 people, including employees, Family Bankers® and customers, to assess user experience and acceptance of the new tools and collect data for the commercial roll out, which is expected to begin in 2014.

The “Send Money powered by PayPal” service, instead, rolled out in July 2013. The new service, developed in collaboration with PayPal, the e-commerce giant and the number one brand in the peer-to-peer payment platform world, enables users to send money via PayPal to any e-mail address or phone number.

Moreover, starting this year, the Bank offers customers the opportunity to open a bank account online through the [inmediolanum.it](http://inmediolanum.it) website, expanding its range of Internet services, which previously included deposit and card accounts.

## MOBILE

5,717,000 customers accessed the Bank’s services through mobile applications in 2013 (versus 2,625,000 in 2012), with a 118% hike compared to last year.

The mobile channel is the second most frequently used channel by our customers in terms of contacts: 5,252,000 contacts were made via mobile, including those handled by IVR and those handled by the Banking Services Center.

542,000 transactions were made via mobile in 2013, versus 228,000 in 2012: a 137% increase.

Specifically, the following transactions were made:

- . 228,000 mobile top-ups: +94%;
- . 227,000 bank transfers: +157%;
- . 34,000 utility bill payments;
- . 25,000 trading transactions;
- . 8,000 acquisition/disposal transactions;
- . 6,000 purchases/sales of fund units;
- . 6,000 Send Money payments.

1 out of 4 customers top up their mobile phone via the mobile channel, while other transactions account for approximately 7-10% of total transactions made via automated channels.



Several new mobile services were introduced in 2013, among which those offering customers the opportunity to:

- . make acquisitions and disposals on their bank and deposit accounts;
- . use voice commands (developed together with Nuance) to interact with the application;
- . make Send Money payments.

The Send Money service, developed in collaboration with PayPal, enables users to send money directly from their bank account via PayPal in real time, 24/7, i.e. 24 hours a day, 7 days a week, without having to open a PayPal account.

## SOCIAL NETWORKING

Last year, the Bank turned its attention to social media, and Banca Mediolanum is now on Facebook, Twitter, YouTube, and LinkedIn, with specific goals and compelling contents that speak directly to its target audience.

On Facebook, the Bank shares its values with the community at large and strengthens the bond between customers and the Group, by reaching out to its fans and keeping them up-to-date on the activities, events and initiatives organized on the Mediolanum “world” and, in general, on financial and technological issues. The Bank’s fan page on Facebook is the most popular in the banking industry, thus confirming the importance of the topics addressed for its target audience. In fact, the number of fans steadily increased in 2013: at the end of the year, the Bank had more than 3,000 fans on Facebook, an 86% increase versus 2012.

Twitter is still the Bank’s institutional channel, providing information and news about the Bank and its products. In addition to its official @BancaMediolanum account – which had over 3,000 followers in 2013 – the Bank has other accounts on Twitter, dedicated to the events and courses organized by Mediolanum Corporate University and the humanitarian projects promoted by the Mediolanum Foundation NPO: in 2013, there was an 82% increase in the number of followers with respect to 2012.

As part of its social networking strategy, since 2012 the Bank has also been on YouTube: contents are divided into 4 main categories: “Bank”, “Financial Literacy”, “Initiatives and Events”, and “Products”. This year, approximately 2 million people watched the 330 videos available on YouTube, and the Bank had 1,400 subscribers who accessed the channel to always keep up-to-date on the new videos.

Lastly, the Bank is also on LinkedIn, a reference point for the Bank’s employees and Sa-

les Network and the most powerful tool for professional networking as well as a key recruiting tool for new Family Bankers®. Banca Mediolanum adds updates to its activity feed section on a daily basis, providing relevant information and news for LinkedIn users and the Bank's followers. At the end of the year, the Bank had over 6,000 followers on LinkedIn, compared to 3,300 in 2012, an 82% increase versus last year.







## DEVELOPMENT OF PRODUCTS AND SERVICES

The Mediolanum Group's commitment to the products and services offered is based on the importance of identifying customer needs and ensuring a high level of customer satisfaction, by providing solutions that are increasingly flexible and innovative and able to respond to their needs.

### CREDIT PRODUCTS

#### Riparti Italia

Banca Mediolanum is firmly convinced that banks can help the country emerge from the ongoing global financial crisis and the current credit crunch.

That is why the Bank decided to actively help restart the faltering economy by promoting Mediolanum's "Riparti Italia" project. This initiative is designed to help increase consumption and revive the construction industry in general (in a broad sense of the term, i.e. not just construction companies but the entire sector) by offering soft loans to families who want to renovate their homes. Thanks to existing home renovation incentive schemes, homeowners can claim tax relief (up to 65%) and pay lower VAT (10%) on their home renovation or improvement works. Home improvement projects increase the value of your home and boost its resale value, as well as improve the quality of your life by making your home more energy efficient and thus allowing you to save money on your bills.

The project is divided into four areas, each supported by specific communications and training activities designed to give the Sales Network insight into the new initiative:

- . Provision of products: "Mutuo Mediolanum Riparti Italia" is a mid-to-long-term variable interest rate mortgage loan backed by a lien on the property with a 2.25% spread and a 3-month Euribor rate, for a minimum amount of €25,000. "Prestito Mediolanum Riparti Italia", instead, is a home improvement variable-spread loan that gives customers the opportunity to renovate their residential property at a competitive price: it offers a 3-month Euribor rate and a maximum 3.5% spread (spreads vary depending on customer equity). The Bank also offers new customers the opportunity to opt for a "non-asset-backed" loan, with a 4.5% spread. The "Prestito Mediolanum Riparti Italia" loan is only granted for home renovation purposes and homeowners must provide the constructor's estimate or invoice.
- . Communications: the Bank launched a TV, radio, press and outdoor ad campaign designed to inform customers and prospects of existing home renovation tax credits and of the Bank's new dedicated "Riparti Italia" loan offers.
- . Local events: as part of its customer-centric approach, the Bank, starting September



2013, held meetings to build and strengthen its relationship with all the categories of workers in the construction industry – e.g. constructors, painters, carpenters, and so on – as well as workers in the real estate, furniture and furnishings sectors, by actively involving all the stakeholders (e.g. institutions, trade associations, customers and other interested parties) to give them some insight on the advantages of the new initiative.

. Collaboration with Italian companies engaged in the industrial design and construction industries.

### **Going against the market trend: a hike in lending and favorable lending rates**

Although lending remained stable with respect to last year (€1.5 billion), in 2013 the Bank saw a 51% hike in lending versus 2011, mainly due to the credit rationing policy adopted by competitors and to the fact that the Group is well-positioned in terms of pricing and offers favorable lending rates. Moreover, the Bank's excellent performance is also due to its effective communications strategy with respect to consumers and the Sales Network as well as to its winning "Mediolanum Riparti Italia" ad campaign.

### **NEW PRODUCTS IN THE BANKING SERVICES RANGE**

2013 represented a pivotal year for the launch of new banking products and for the development of the Bank's multi-channel customer acquisition strategy.

As part of the efforts made to offer convenient, affordable products providing great earning opportunities, in March 2013 the Bank gave customers who hold a Mediolanum Freedom One bank account the opportunity to opt for 3-, 6- or 12-month tied-up deposits. The new option enables Freedom One and Freedom Più account holders to seize the best opportunities for growth from day 1, turning their excess cash (i.e. the money just sitting in their account) into an extra income, and enjoying the highest return in the market.

Starting October 2013, the Bank has become even more accessible and user-friendly: customers can now open a Freedom One or Freedom Più bank account directly online or request payment cards via the Internet or even easily switch bank without paying any fees thanks to the PortaConto service.

Moreover, those customers who are not familiar with new technologies or who need the human touch in their relationship with the Bank, can rely on the assistance of a Family Banker® to help out with the first attempts at using the Bank's multi-channels. Customers can find their nearest Family Banker® on the website [inmediolanum.it](http://inmediolanum.it) or, if they are on Facebook, thanks to a specific app they can search for a Family Banker® among their Facebook friends or search by certain criteria, such as gender, age or products provided.

## WHAT'S NEW IN THE INVESTMENT SERVICES RANGE

2013 also represented a pivotal year for the development of Mutual Fund investment products.

Specifically, two Mediolanum Best Brands product lines were renamed in the first two months of the year: Moderate Collection turned into Premium Coupon Collection to promote its premium management policy, and Aggressive Collection into Equity Power Coupon Collection, to underline this investment product's strong equity component. Moreover, to meet the needs of those customers wishing to receive an extra income on a regular basis, the Bank also gives the opportunity to enjoy a periodic return on these two product lines.

The Mediolanum Best Brands range of products was broadened once again in June, thanks to the launch of four new product lines: "Multibrand Infrastructure Opportunity Collection", "Convertible Strategy Collection", "Singlebrand Mediolanum Invesco Balanced Risk Coupon Selection" and "Mediolanum Carmignac Strategic Selection".

A brief overview of the four new product lines is provided below:

- . Multibrand Infrastructure Opportunity Collection: it offers the opportunity to invest in the infrastructure industry (e.g. energy, transportation, telecommunications, water) by adopting a global approach and by mostly focusing on selected mutual funds;
- . Convertible Strategy Collection: it offers the opportunity to invest in convertible bonds, thus enabling investors to invest in bonds and still seize the remarkable growth opportunities offered by the stock markets. Customers can diversify their bond portfolios by investing in the corporate sector to achieve mid-to-long-term appreciation of their investment, and decide to receive a return on a quarterly basis;
- . Mediolanum Invesco Balanced Risk Coupon Selection: it offers investors the opportunity to invest globally and reduce the risk by diversifying their portfolio, i.e. by investing in a variety of asset classes, and also receive a return on a regular basis, thanks to Invesco's wide range of funds and ETFs;
- . Mediolanum Carmignac Strategic Selection: it offers investors the opportunity to protect their investment capital and enjoy high returns on their investments by adopting a flexible strategy to invest in global markets and by relying on volatility management strategies, thanks to a great partner like Carmignac.

Moreover, to meet the needs of those customers wishing to receive an extra income on a regular basis, the Bank also introduced the income distribution option for the Singlebrand Pimco Inflation Strategy Selection product line.

Since becoming the reference bank or the so-called "primary bank" for all its customers



is a top priority for Banca Mediolanum, it further broadened its range of banking services in July, with the transfer and placement of third-party funds and SICAV open-ended collective investment schemes. Therefore, the Bank signed agreements with 10 leading international investment firms also operating in Italy: Blackrock, Carmignac, DWS, Fidelity, Invesco, JPMorgan, Morgan Stanley, Pictet, Pimco and Schroders.

In the second semester of 2013, and specifically in November, the Bank also broadened its range of funds in which customers can invest by adding two new funds to the Sistema Mediolanum Fondi Italia product line: Mediolanum Flessibile Valore Attivo and Mediolanum Flessibile Sviluppo Italia.

- . Mediolanum Flessibile Valore Attivo: it offers an alternative to traditional short-to-mid-term investment tools, and enables customers to make their savings grow by investing in the global stock markets that show the greatest investment growth potential and by diversifying their investments;
- . Mediolanum Flessibile Sviluppo Italia: it offers an innovative and new investment solution that enables customers to invest in the most promising Italian companies based on a flexible and diversified strategy, thanks to Mediolanum Gestione Fondi's great experience on the Italian market.

To provide a comprehensive overview of the Group's investment products, structured products are worthy of note: MedPlus (structured bonds) and MedPlus Certificate are financial instruments that provide customers with advanced solutions to create a diversified portfolio.

Additionally, by taking advantage of favorable market conditions during the year, the Group introduced the Unit-Linked Mediolanum Synergy solution, which is designed to protect investments and offer a high return.

Lastly, Banca Mediolanum sold approximately €120 million worth of Banca Mediolanum bonds to its customers.



## PROTECTION INSURANCE PRODUCTS

The Group had significant net inflows of €51 million in 2013, in line with last year.

This year, Banca Mediolanum once again demonstrated its commitment to its customers by broadening its range of insurance products designed to protect customers, their property and assets, in order to keep pace with the rapidly changing economic and social environment as well as customer needs.

The Bank promptly responded to the population ageing phenomenon by launching Mediolanum For Your Care, a new solution offering protection in the form of a monthly extra income to non self-sufficient elderly people who can no longer care for themselves, i.e. who can no longer perform 3 out of 4 of the following daily activities: washing, getting dressed, walking and eating.

This year, Banca Mediolanum also turned its attention to another topical issue today: unemployment.

To provide financial and practical support to mortgage holders, the Bank added a new Outplacement Service to the Mediolanum Polizza Protezione Mutuo product line. This mortgage insurance policy financially supports customers in repaying their loan, should they be temporarily unable to fulfill their repayment obligations, due to the fact that they have lost their job (if they are private employees) or have undergone major surgery (if they are self-employed workers), and provides tangible support by helping them find a new job and re-enter the job market.





## ADVERTISING

In 2013 advertising continued to be a top priority for Banca Mediolanum: the Bank launched a number of advertising campaigns to promote a variety of products.

The first press campaign of the year rolled out in January, and focused on how easy it is for customers to pay their utility bills now, thanks to the Bank's new App: all they have to do is take a picture of them with their mobile phones.

In February, the Bank turned its attention to the no-fee Mediolanum Freedom One bank account – which allows customers who have their wages or pensions paid directly into their account to make key banking transactions free of charge – and launched an ad campaign dedicated to this product. The campaign, which ran in newspapers, magazines and radio programs as well as on the Internet, invited customers to compare their bank accounts with the no-fee Mediolanum Freedom One bank account.

The first TV ad campaign of the year, instead, kicked off in March and was also supported by press and outdoor advertising. The campaign was dedicated to the Ognimese Mediolanum investment strategy, which gives customers the opportunity to invest in funds – made available by Banca Mediolanum – and receive a monthly return.

A variety of communications initiatives dedicated to the new no-fee Mediolanum Freedom One bank account were carried out in May: the campaign was launched in all media – TV, radio programs, newspapers and magazines – as well as on the Internet and via outdoor advertising. The ads show many different people from all across Italy being interviewed – the concept of the circle still a symbol of Banca Mediolanum – and answering to the question “What is freedom to you?”. To attest to the reliability of the services offered, Chairman Ennio Doris was once again the “face” of the ad campaign.

In September, instead, Chairman Ennio Doris promoted the “Mediolanum Riparti Italia” initiative. The new TV, radio, press and outdoor ad campaign was designed to inform consumers of existing home renovation tax credits and of the Bank's new dedicated mortgage offers.

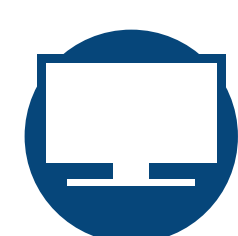
Another campaign on the no-fee Mediolanum Freedom One bank account was launched on October 13, 2013 but a 60” video dedicated to the Bank's fans premiered on Facebook on Friday, October 11. The Bank once again made extensive use of the media: TV, radio, the press and the Internet, as well as outdoor advertising. The campaign not only focused on the product's main features, i.e. zero fees and the opportunity to receive

a 3% interest rate on the amounts deposited, but also on the Bank's unique customer-oriented model.

This year, Banca Mediolanum also launched several press campaigns designed to promote its investment products (e.g. Best Brands and Flessibile Sviluppo Italia).

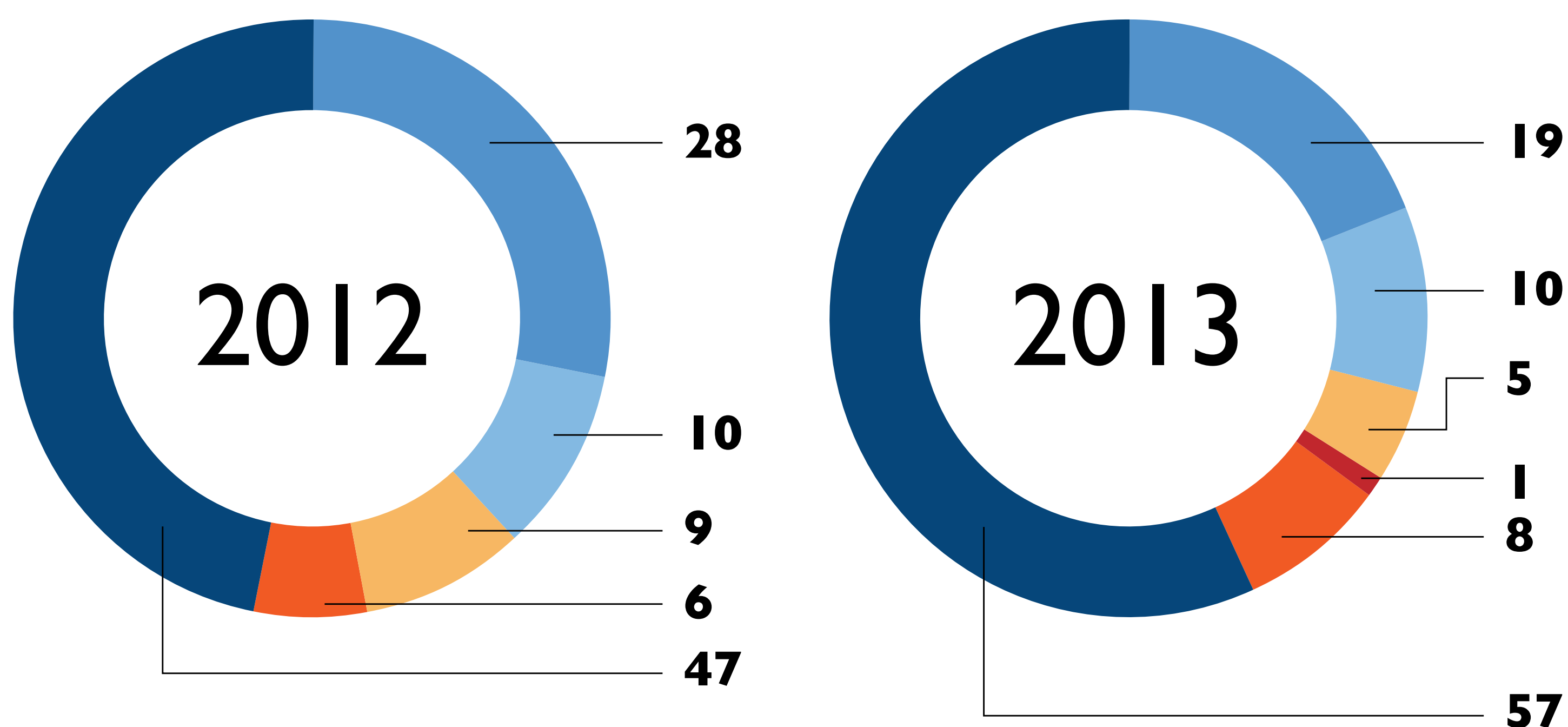
Lastly, it is worth noting that the Bank made an extensive use of the Internet to promote the Bank's direct channels as well as the InMediolanum deposit and bank account and card.

In 2013, television was once again the most used communication medium, with 57% of the advertising spend. Due to the fact that this year the Bank focused on promoting products that customers cannot open online, there was an increase in the TV ad spend, while the web ad spend decreased (19%). The many advertising campaigns launched during the year generated a great deal of visibility, due to extremely high levels of reach and frequency.



### MEDIA MIX

- internet
- print
- radio
- cinema
- billboards
- tv





## EFFECTIVENESS AND RECALL

All of the advertising efforts made in 2013 kept Banca Mediolanum in the forefront of consumers' minds: the Bank jumped to 1st place once again in the category of spontaneous recall of banking brands advertising and ranked 4th place for brand awareness in the area of retail banking.

Spontaneous recall of banking brands advertisement*	
2012	2013
1. ING Direct/Conto Arancio	1. Banca Mediolanum
2. Banca Mediolanum	2. ING Direct/Conto Arancio
3. Intesa Sanpaolo	3. Intesa Sanpaolo

\* Source: GfK Eurisko - Multifintrack research, 2013



## ○ CUSTOMER-ORIENTED COMMUNICATION

### MEDIOLANUM FREEDOM REWARDING

In 2009, Banca Mediolanum launched a loyalty program called “Mediolanum Freedom Rewarding”. Thanks to Mediolanum Freedom Rewarding, primary account holders can introduce a friend or someone they know, so that the Bank staff can illustrate the features and advantages of the account to them. The moment they become primary account holders, the customer who introduced them will earn points that he/she can use to choose a reward from the catalog.

Moreover, Freedom\* account holders wishing to participate in the initiative can also accrue points by simply using their bank account: e.g. they accrue points when they use their credit card for purchases, direct debit to pay their utility bills, direct credit for their salary, or when they transfer securities from a safekeeping account to another.

Customers had the opportunity to win an iPad Mini, an iPhone 5S, free weekend getaways at gorgeous locations, Mediolanum merchandise and a lot more. Moreover, customers could also decide to turn the points earned with the Freedom Rewarding program into tangible help for the disadvantaged, by participating in the various projects promoted by the Mediolanum Foundation.

*\* The complete rewarding program regulations are deposited at Testoni & Testoni Promotion s.a.s., - Via Martiri di Belfiore, 3 20090 Opera (MI) - and are available on the website [www.bancamediolanum.it](http://www.bancamediolanum.it).*

### SPONSORSHIPS

In 2013, Banca Mediolanum sponsored, once again, the King of the Mountains of the Giro d'Italia with the blue jersey - a symbol of Italy. The King of the Mountains is a title representing an individual's strength, commitment and efforts but also teamwork and synergy. All these values are strongly in line with Banca Mediolanum's mission.

The Bank has sponsored the Giro d'Italia since 2003: over the past 10 years, this event has enjoyed great success, also thanks to the participation of some of the biggest names in the world of cycling, who helped enrich its contents, making it one of the most prestigious cycling events. Banca Mediolanum, for the tenth year in a row, organized a multitude of entertaining and informative activities for the public at large, and had the opportunity to meet thousands of customers at dedicated dinners and events along the stages of the race route, including amateur races and reception areas as well as booths at the start and finish of every stage.

Moreover, many initiatives were organized at the Giro d'Italia to promote the “Un nido per ogni Bambino” initiative, supported by the Aiutare i Bambini Non-Profit Foundation. Over 4,110 people participated in the events organized by Family Bankers® together with the Mediolanum Foundation NPO, and significant funds were raised: €32,286.



## LOCAL EVENTS

The sponsorship events organized by the Bank are not limited to national events, but are also carried out at the local level (e.g. fairs, conferences, sporting events, art exhibitions): the Family Bankers® themselves identify the opportunities to meet up with current customers and prospects.

In 2013, 8,136 events, in which over 400,000 people participated, were carried out at the local level, a 47% hike versus last year (5,541 events were organized in 2012). To promote these initiatives in high traffic public areas, an indoor booth equipped with touch screen monitors where staff provided a practical demonstration of the multi-channel integrated bank model was placed in busy shopping malls and trade fairs.

In 2013, 3 InMediolanum display areas were set up in 85 shopping malls across Italy.

## MEDIOLANUM FORUM

Since January 1, 2009, Banca Mediolanum's corporate image has been linked to the Forum di Assiago, which has therefore become the Mediolanum Forum.

The Mediolanum Forum – which is part of the ForumNet Group, together with PalaLottomatica in Rome and PalaLivorno in Livorno – is the top indoor multipurpose facility in Italy in terms of capacity, number of participants and relevance of events hosted, as well as the country's top live music venue. As it accommodates over 11,000 people, it's the perfect venue for a variety of relevant national and international events, such as music concerts, sports events and live shows. What is also impressive is the caliber of artists that this venue draws every year – e.g. Laura Pausini, Vasco Rossi, Spandau Ballet, and the Cranberries.

## MEDIOLANUM PERSONAL MARKETING

Mediolanum Personal Marketing (MPM) is the Marketing Automation platform enabling the Sales Network people to keep in touch with their customers and prospects and inform them about the communication and marketing activities organized by Headquarters. MPM played a key role in supporting Banca Mediolanum's Family Bankers® also this year.

The 2013 figures were the following:

- . 86 campaigns were carried out versus 65 marketing initiatives;
- . 99% of Family Bankers® used this tool (out of a total of 4,417);
- . 742,000 existing customers were contacted at least once;
- . more than 299,000 prospects were contacted at least once.



In 2013, Mediolanum Personal Marketing was mostly used to acquire new customers and strengthen the Bank's relationship with current customers, by promoting existing products and services (e.g. Mediolanum Fiduciaria, Fai il Confronto con il Tuo Conto, Riparti Italia, Nuovi Fondi Italia) as well as new offers (e.g. Promo Trasferimento Dossier Titoli, Freedom Rewarding, Club Prestige).

Moreover, MPM also greatly supported the Sales Network in promoting the InMediolanum deposit account, specifically through an extensive outbound campaign.

In the first months of 2013, Family Bankers® also sent newsletters – titled “Mediolanum's Opinion” – to selected customers on a regular basis via MPM; as the initiative enjoyed great success, in the following months it was also extended to prospects. Worthy of note is the fact that, thanks to the campaign, the Bank had the opportunity to send a letter – signed by Banca Mediolanum Chairman Ennio Doris and regarding the latest national and global security industry trends – to all its customers.

Last but not least, Family Bankers® made extensive use of MPM to communicate with their customers on specific issues: 25 campaigns were carried out to inform customers holding Index and MedPlus products that their contracts were expiring and to offer investment alternatives, i.e. to invite them to reinvest the money earned in other high-return investment products.

## PROTECTION AND GUARANTEES

### COMMITMENTS TO QUALITY

The PattiChiari Consortium, a self-regulating organization for the banking industry whose objective is the quality and efficiency of the market, was founded in 2003 and Banca Mediolanum was among its founders. PattiChiari develops programs, tools and rules to promote a better bank-customer relationship based on simplicity, clarity, comparability and mobility.

As a form of self-regulation, the Consortium subsequently introduced “Impegni per la Qualità” (Commitments to Quality), i.e. a set of regulations and initiatives promoted by the banking system that simplify the relationship between banks and customers.

Banca Mediolanum participates in the “Commitments to Quality” project, which targets retail customers and addresses 4 areas of interest:

- customer mobility;
- assistance in borrowing;
- online banking security;
- comparing bank accounts.

The project mainly aims to offer simple and exhaustive information on the diverse world of the economy – from financial education to investing options – in order to create a more balanced relationship with the bank and provide simple and clear information to customers, enabling them to make more informed choices in terms of banking services. The joint efforts made by the PattiChiari Consortium member banks are based on the “Commitments to Quality” and their implementation. The Boards governing the Consortium include an Advisory Committee, which is made up of representatives from consumers’ associations and academic and professional circles, and is in charge of supervising the fairness of the overall activity carried out by the Consortium as well as of monitoring the implementation of the Commitments. Specifically, Banca Mediolanum continues to strengthen its commercial initiatives aimed at making customer mobility easier. For example, PortaConto, an easy-to-use and user-friendly service that enables customers to easily switch bank without having to personally fulfill any bureaucratic requirements: Banca Mediolanum, upon request from the customer, closes all the bank accounts that the customer holds at another bank and opens new accounts.

The website [www.bancamediolanum.it](http://www.bancamediolanum.it) has granted visibility to Patti Chiari’s “Commitments to Quality” through a dedicated section, which can be accessed directly from the home page.

Commitments To Quality		
Areas of intervention	Commitments	Activated
Customer Mobility	Transfer of payment services: . Direct Debit . Transfer of bank transfers	● ● ●
	Transfer of securities portfolios	●
	Transfer of cash orders	●
	Assistance In Borrowing	SME Lending
Comparing Bank Accounts	Comparing bank accounts -Search engine-comparing packaged bank accounts -Search engine-comparing bank accounts -Search engine-comparing basic bank accounts	● ● not applicable to the Mediolanum model ●
	Financial inclusion services	Banca Mediolanum already offers the Basic Account, in accordance with Law 214/2011, therefore it is not required to provide these types of services.
	Average time to close a bank account	●



## REVIEW OF CONTRACTUAL TERMS

Among the credit products offered to customers, there are some highly flexible options. 'Mutuo Freedom' is an example of a non-standard mortgage loan product that can be adapted to meet customer needs and that allows to modify certain parameters (including the interest rate paid and the length of the mortgage) over the life of the contract, without having to renegotiate the mortgage.

## PRIVACY

Legislative Decree no. 196 of June 30, 2003, also known as the "Personal Data Protection Code", unified the many amendments and addenda to the original Act no. 675/1996 into a single Data Protection Act. The Personal Data Protection Code addresses confidentiality of information as well as identity and personal data protection. The Code requires that personal information be processed only for the purpose that it was originally collected for and in a manner that complies with the nature of the information itself. Processing of personal data is allowed only when minimum security requirements are met.

Moreover, to increase security of personal data and of the databases storing information on customers and Mediolanum Group companies, (i.e. to mitigate the risk associated with the circulation and/or use of information by third parties) specific actions were taken:

- . a notice was sent to all Banca Mediolanum's personnel regarding the minimum data security and confidentiality requirements users must comply with when storing and processing data and documents, including electronically;
- . document shredders were installed on each floor at the HQ to destroy any confidential material;
- . the Bank met the specific requirements imposed by the regulation issued on November 27, 2008 regarding the personnel in charge of the electronic processing of personal data, with specific reference to the role they play within the administrative system;
- . the Bank complied with the provisions contained in the "2011 Development Decree" aimed at streamlining procedures.

Mediolanum has a Personal Data Protection Office that is responsible for:

- . preparing information about deeds, contracts, contests etc. in accordance with the guidelines issued by the Italian Data Protection Authority;
- . verifying compliance with the regulations on physical and information technology security affecting personal data protection;
- . organizing training sessions for data processors and individuals in charge of processing personal data.

## Claims and Requests

The Personal Data Protection Office may receive the following claims and requests either directly from customers or from the Italian Data Protection Authority:

- . complaints: complaints must contain a detailed account of facts, violated regulations and remedies sought. They can be filed without having to comply with specific official procedures;
- . requests for investigation: when it is impossible to file a complaint containing the above-mentioned information, a request for further investigation by the Data Protection Authority can be filed;
- . claims: claims are filed when an individual intends to protect his/her rights under the Personal Data Protection Code;
- . requests for production of information: requests for production of information are requests filed to verify whether a company stores certain personal information in its databases;
- . requests for cancellation of data: requests for cancellation of data are requests filed to block the use of data for purposes other than those strictly related to the relationship in force with the bank.

### Analysis of claims and requests received

In 2013, the number of requests for cancellation of personal data decreased versus the prior year.

Type of claim/request	N.
Complaints	43
Requests for investigation	0
Claims	0
Requests for production of information	7
Requests for cancellation of data	695



Outstanding lawsuits with the Sales Network mainly regard legal actions initiated by the Bank in response to unacceptable behavior or in any case behavior that is not compliant with the regulations governing off-premises sales of financial services: in this case the Bank takes measures to protect customers who suffered damage. To mitigate these risks, the Sales Network Inspectors and the Anti-Money Laundering Unit perform checks on the sales activity of the Network on a regular basis, with the objective of ensuring full and continuous compliance with the regulations applicable to off-premises sales of financial products and services. Checks and audits were conducted at Financial Advisors' offices as well as at corporate Headquarters, by using remote monitoring and analysis tools. In addition to such checks, potential operational and reputational risks related to the Sales Network activities were assessed by using specific quantitative and statistical indicators. To further protect the Bank, the insurance policy covering potential illegal actions by Sales Network members that could come to the detriment of customers was also renewed in 2013.

## COMPLAINTS

In accordance with existing regulations, the Mediolanum Group adopted a structured and regulated approach to complaint handling, as regards both existing and potential customers. The Group is aware that customer satisfaction – which is a top priority for the Group – is also a key element in developing a successful corporate image with respect to the market.

Therefore, the complaint handling procedure is not only designed to comply with existing regulations, but also to obtain relevant information that allows the company to constantly improve service quality and provide clear answers to its customers.

That is why the Customer and Marketing Communications office, which is part of Banca Mediolanum's Marketing Department, is now in charge of the entire complaint handling process regarding the Group's Italian companies. Its tasks include receiving and recording complaints, performing a preliminary investigation and providing responses to customer complaints, as well as detecting possible areas for improvement. However, for obvious reasons of confidentiality, the Department does not handle complaints addressed to Mediolanum Fiduciaria, which are handled by the same company.

In accordance with Banca Mediolanum's complaint handling procedure, the Department enters key data regarding each customer complaint in the complaint registry, as well as the measures taken to resolve the issue. A code number is assigned to each complaint, in ascending order and based on service provided and year of provision, in order to easily identify complaints.



The Group's foreign companies have implemented similar procedures to ensure effective complaint handling, which include reporting to the parent company on a regular basis. Nonetheless, the Risk Management and Compliance Department is in charge of monitoring overall complaint handling, in compliance with existing regulations and internal policies, as well as of evaluating, based on the results of the analysis of reported problems and deficiencies, if actions should be taken to mitigate risk with respect to the processes or procedures adopted.

Moreover, the Risk Management and Compliance Department reports to the Board of Directors and the Board of Statutory Auditors on complaint handling on an annual basis, pointing out any deficiencies detected in terms of procedures, organization or behavior. No deficiencies to be reported to the Board of Directors or the Board of Statutory Auditors emerged in 2013.

### Number of complaints received

The overview of complaints received in 2013 provided below takes into account all the written complaints regarding banking, investment and insurance services provided by the Group that were sent by fax, mail, e-mail or telegram by customers or prospects. In 2013, the Group received 5,203 complaints (approximately 9% less than in 2012), of which 5,099 could be handled and 104 could not, as they failed to contain the necessary information. For example, complaints that fail to provide information about the person filing the complaint or the product that is the subject of the complaint fall within the latter category.

To provide a comprehensive overview of the complaints received, it is worth mentioning that, in 2013, 560 old complaints were reopened, since the initial response was felt to be unsatisfactory by the customers. Out of these, 555 could be handled and 5 could not.

Out of 5,203 total complaints received, 4,733 (approximately 91%) were addressed to Banca Mediolanum, Banco Mediolanum and Bankhaus August Lenz, which sell the Group's products through their Sales Network. The most frequently used channel to file complaints was by e-mail: approximately 67% of complaints were sent by e-mail.

	Number of Complaints		Old complaints reopened	
	That could be handled	That could not be handled	That could be handled	That could not be handled
Banca Mediolanum S.p.A.	4,340	57	502	4
Banco Mediolanum S.A.	128	9	0	0
Bankhaus August Lenz & Co. AG	199	0	0	0
Mediolanum Assicurazioni S.p.A.	31	5	2	0
Mediolanum Gestione Fondi SGR p.A.	20	0	2	0
Mediolanum International Fund Ltd	0	0	0	0
Mediolanum International Life Ltd	15	3	1	0
Mediolanum S.p.A	0	23	0	0
Mediolanum Vita S.p.A	366	7	48	1
<b>Total</b>	<b>5,099</b>	<b>104</b>	<b>555</b>	<b>5</b>
<b>Overall Total</b>	<b>5,203</b>		<b>560</b>	



### Breakdown of complaints

A complaint can be closed by one of the following means:

- . the complaint is rejected, as it is deemed to be “groundless”;
- . the complaint is accepted, meaning the disservice given the customer is acknowledged and customer requests are accepted;
- . the complaint reaches a friendly resolution through an out-of-court agreement.

The analysis of the preliminary investigation results reveals that out of 5,099 complaints that could be handled, 4,585 were resolved in 2013, of which 928 were deemed to be well-grounded (approximately 20%); out of these, 34 were settled by agreement with the customers.

	2012	2013	Change
Complaints received	5,625	5,099	-9%
Complaints resolved of which:	5,098	4,585	-10%
Upheld	1,035	928	-10%
Groundless	4,069	3,658	-10%
Complaints under investigation - not expired at year end	478	457	-4%
Complaints under investigation - expired at year end	49	57	16%



### Claims, conciliation and mediation

Disputes with customers are also resolved through mediation or claims filed with neutral and impartial dispute resolution organizations.

In 2013, the number of disputes resolved through mediation significantly decreased, while the number of disputes settled through other dispute resolution mechanisms remained unchanged.

The decrease in the number of disputes resolved through mediation is ascribable to the annulment of the obligation to make an attempt at mediation before taking legal action, which was introduced by Decree Law no. 28 of March 4, 2010, but was declared unconstitutional by the Italian Constitutional Court in its ruling no. 272 of December 6, 2012. Such provision was later reintroduced by Legislative Decree no. 69 of June 21, 2013, the so-called "Action Decree", which was passed into Law no. 98 of August 9, 2013.

Number of claims	2012	2013
Banking and Financial Arbitrator (BFA)	11	12
Ombudsman	11	11
Mediation	156	30
<b>Total Claims Filed</b>	<b>178</b>	<b>53</b>

The Banking and Financial Arbitrator (BFA) is an independent and impartial dispute settlement mechanism that was set up by the Bank of Italy to resolve disputes between customers and banks in connection with banking and financial transactions and services. This technique is referred to as 'out-of-court' or alternative dispute resolution since it is an easier, quicker and cheaper alternative compared to litigation, which often entails complex and lengthy procedures. Customers can refer to the Arbitrator by filing a complaint once they have made an effort to solve the problem directly with the bank. If they are not satisfied with the decision of the Arbitrator, they can still present their case to a judge.

An overview of the decisions taken by the BFA with respect to complaints filed by Banca Mediolanum customers is provided in the chart below.

	2012	2013
<b>Arbitration awards</b>	<b>Number of claims</b>	<b>Number of claims</b>
Discontinuance of the matter in dispute	2	0
Dismissed claims	0	0
Upheld customer claims	1	0
Not upheld customer claims	3	6
Partially upheld customer claims	2	0
Unacceptable claims	2	2
Time-barred claims	0	0
Total claims resolved	10	8
Total claims pending arbitration	1	3
Total ongoing claims	0	1
<b>Total Claims Filed</b>	<b>11</b>	<b>12</b>

Customers of PattiChiari Consortium member banks can refer their cases to the Ombudsman in connection with disputes relating to investment services and activities as well as other types of transactions that are excluded from the out-of-court dispute resolution mechanism currently referred to as BFA (Banking and Financial Arbitrator) as long as the requirements set out in the regulations are met. An overview of the decisions made by the Ombudsman with respect to complaints filed by Banca Mediolanum customers is provided in the chart below.

	2012	2013
<b>Arbitration awards</b>	<b>Number of claims</b>	<b>Number of claims</b>
Discontinuance of the matter in dispute	4	1
Dismissed claims	0	1
Upheld customer claims	1	1
Not upheld customer claims	1	1
Unacceptable claims	5	6
Time-barred claims	0	0
Partially upheld customer claims	0	0
Total claims resolved	0	1
Total claims pending arbitration	11	10
<b>Total Claims Filed</b>	<b>11</b>	<b>11</b>

An overview of the results of the mediation requests submitted by Banca Mediolanum customers is provided in the chart below.

	2012	2013
<b>Reasons</b>	<b>Number of requests</b>	<b>Number of requests</b>
Failure to participate in the mediation meeting	129	24
Settled after the mediation meeting	6	0
Settled by mediation	15	0
Not settled by mediation	10	0
Under investigation	3	6
<b>Total</b>	<b>163</b>	<b>30</b>



# SOCIAL INDICATORS

CUSTOMERS

SALES NETWORK

EMPLOYEES

SHAREHOLDERS AND INVESTORS

SUPPLIERS

THE COMMUNITY AT LARGE

THE ENVIRONMENT

REGULATORY AND LEGAL AUTHORITIES,

TRADE ASSOCIATIONS

## ○ SIZE AND COMPOSITION

In 2013, the global economy started to show some signs of recovery, while the situation in Italy showed no signs of improvement and remained weak.

Despite the challenging market scenario, Banca Mediolanum continued to strengthen its Sales Network, as shown by the slowdown in the turnover rate: 12.2% in 2011, 8.3% in 2012 and 5.2% in 2013. Specifically, the 2013 performance is, on the one hand, attributable to the increased retention of those advisors who specifically focus on high net-worth customers and, on the other hand, to a hike in the number of hires with respect to the previous year: +81%. This trend is due to the continued implementation of a recruitment method based on which the Group takes on more experienced and qualified advisors; this year, the Bank's recruiting strategy – which was launched in 2012 – is starting to bear fruit and the Bank was able to get its Sales Network growing again.

MEDIOLANUM SALES NETWORK			
	2012	2013	Change %
Financial Advisors	4,315	4,407	2.1%

### BREAKDOWN BY GEOGRAPHY AND GENDER

Approximately 53% of the Sales Network is concentrated in the regions of Northern Italy, where the Mediolanum Group has its origins.

BREAKDOWN BY GEOGRAPHY AND GENDER									
Geographic area	Total no. of Family Bankers®	% of Tot.	% Female	Average age			Average length of service		
				M	F	Total	M	F	Total
Piedmont	280	6.4%	20.7%	47.3	45.3	46.9	13.9	10.0	13.1
Liguria	156	3.6%	22.4%	44.8	43.4	44.5	10.5	9.0	10.1
Lombardy	567	13.0%	16.9%	47.9	43.8	47.2	13.9	9.8	13.2
Eastern Triveneto	340	7.8%	10.3%	45.6	45.2	45.5	13.9	9.5	13.4
Western Triveneto	437	10.0%	12.8%	45.2	42.8	44.9	12.7	9.2	12.2
Eastern Emilia	201	4.6%	23.4%	48.8	46.4	48.2	14.4	12.6	14.0
Western Emilia	308	7.1%	17.9%	45.6	43.1	45.2	12.7	10.2	12.3
Tuscany/Umbria	383	8.8%	20.4%	46.1	45.2	46.0	11.8	10.9	11.6
Marches/Abruzzi/Molise	231	5.3%	18.6%	46.1	43.0	45.5	13.6	9.4	12.8
Lazio/Sardinia	562	12.9%	23.7%	45.4	41.7	44.5	11.9	8.4	11.1
Campania	158	3.6%	18.4%	42.0	41.9	42.0	11.0	10.6	10.9
Apulia/Calabria/Basilicata	279	6.4%	17.2%	42.3	38.9	41.7	8.7	7.4	8.5
Sicily	453	10.4%	22.7%	43.8	41.2	43.2	10.2	8.1	9.8
<b>Sales Network Italy*</b>	<b>4,355</b>	<b>100.0%</b>	<b>18.7%</b>	<b>45.6</b>	<b>43.1</b>	<b>45.1</b>	<b>12.3</b>	<b>9.4</b>	<b>11.8</b>

\* The Headquarters Sales Network (42 Managers and Family Bankers®) as well as expatriates to international Group companies (10 Managers and Family Bankers®) are not included in the table showing the 2013 breakdown of the Sales Network by geographic area.

Women account for about 19% of the total Sales Network, with figures exceeding 23% in certain areas. The average age in the Sales Network is 45.1 years. The figures are in line with the previous year's figures (taking the normal aging process factor into account).



## BREAKDOWN BY COMMERCIAL ROLE

Financial Advisors can be classified into the following 4 main subcategories:

1. Managers;
2. Supervisors;
3. Global Family Bankers®;
4. Family Bankers®.

Managers and Supervisors are part of Banca Mediolanum; they are in charge of coordinating Sales Network staff (financial advisors, insurance agents, i.e. non-licensed financial advisors, and/or other Supervisors) and their roles are differentiated based on the number of advisors supervised, number of customers, assets under management per capita, turnover and sales.

Global Family Bankers® and Family Bankers® of Banca Mediolanum have no Sales Network members reporting to them and are categorized according to their expertise and professional skills, which are assessed based on certain parameters, such as assets managed, sales, the size of their customer base and the loyalty of their customers. The abovementioned categories also include those advisors who specifically focus on high net-worth customers. These advisors are part of the Mediolanum Private Banking Department, which is composed of qualified professionals and advisors and provides the best banking and financial solutions in terms of quality to high net-worth and affluent customers.

In 2013, the Bank continued to pursue its recruiting strategy aimed at taking on more experienced and qualified advisors. Consequently, there was a decrease in the number of less experienced advisors and an increase in the number of more experienced and qualified advisors who deal with affluent customers: the Bank took on 400 more Global Family Bankers® this year.

Category (units)	2012	2013	Change %
Managers (from Group to Region)	313	306	-2.2%
Supervisors	724	658	-9.1%
Global Family Bankers®	999	1,401	40.2%
Family Bankers®	2,279	2,042	-10.4%
<b>Total Financial Advisors</b>	<b>4,315</b>	<b>4,407</b>	<b>2.1%</b>
Of which: Private Bankers	322	362	12.4%

*2012 data was recalculated to be comparable with 2013 evenience*

In 2013, the number of advisors in the Private Banking Department also increased versus 2012 (+12%), confirming the ongoing efforts made by the Group to take on more experienced and qualified advisors (e.g. Private Bankers) and attract high net-worth customers (Affluent and Upper Affluent Customers).

### BREAKDOWN OF ANNUAL TURNOVER BY GEOGRAPHIC AREA

The annual turnover is the ratio between Number of Resignations and the Average number of Sales Network members.

As mentioned above, in 2013 there was a drop in the turnover rate with respect to the previous year: 5.2% in 2013 versus 8.3% in 2012. The figures show significant improvements in certain areas – which are more appealing to customers – thanks to the Bank's effective and targeted marketing strategy.

### BREAKDOWN OF ANNUAL TURNOVER BY GEOGRAPHIC AREA

	2012	2013
Piedmont	8.1%	9.9%
Liguria	13.9%	7.7%
Lombardy	8.4%	2.5%
Eastern Triveneto	6.8%	4.2%
Western Triveneto	9.9%	4.0%
Eastern Emilia	4.9%	4.0%
Western Emilia	4.9%	4.3%
Tuscany/Umbria	9.6%	5.9%
Marches/Abruzzi/Molise	9.5%	4.4%
Lazio/Sardinia	8.8%	6.8%
Campania	6.7%	8.2%
Apulia/ Basilicata/Calabria	4.1%	4.9%
Sicily	10.4%	5.0%
<b>Sales Network Italy</b>	<b>8.3%</b>	<b>5.2%</b>

## ○ INCENTIVES AND PROMOTION

The members of our Sales Network are self-employed, entrepreneurial in spirit, have a variable income, and they bear all the costs of their business. These costs include office-related costs, travel expenses incurred to visit customers, costs incurred for local marketing initiatives and out-of-pocket expenses for training activities.

Family Bankers® can choose between alternative career paths based on their personal inclinations:

- . developing and handling a strong customer base, which can be sold for a significant amount when the Family Banker® ceases his or her activity;
- . a managerial career, by building a hierarchy of Family Bankers® within the Banca Mediolanum Sales Network structure, with compensation being awarded in the form of commissions.

Moreover, the Mediolanum Group appraises the business the “entrepreneur” has built up at a premium compared to other businesses in the same sector.

The incentive system takes various quantitative and qualitative factors into account: part of the compensation is linked to quality parameters that are measured on an annual basis, such as parameters aimed at assessing whether regular payments are made into recurring policies and installment plans, the number of bank accounts opened and customer retention.

Incentive plans with a variety of objectives are underway. This applies to the entire organization up to senior executives. Moreover, the incentive plan is also characterized by:

- . consistency between personal objectives and the requirements of the Group;
- . rewarding salespeople for particularly positive results through contests;
- . granting stock options to the most qualified salespeople.





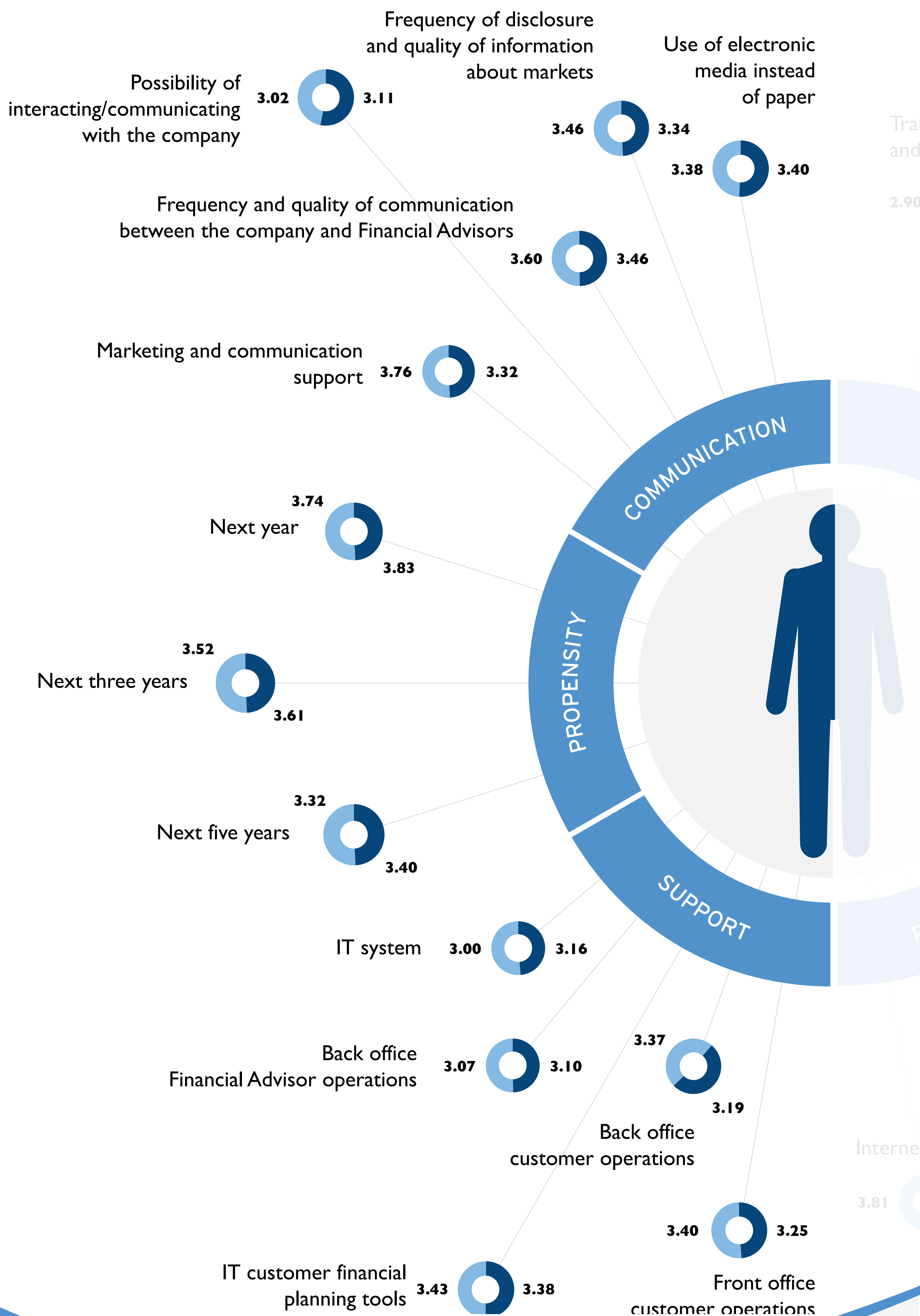
## SATISFACTION OF THE SALES NETWORK

● Mediolanum ● Sample mean

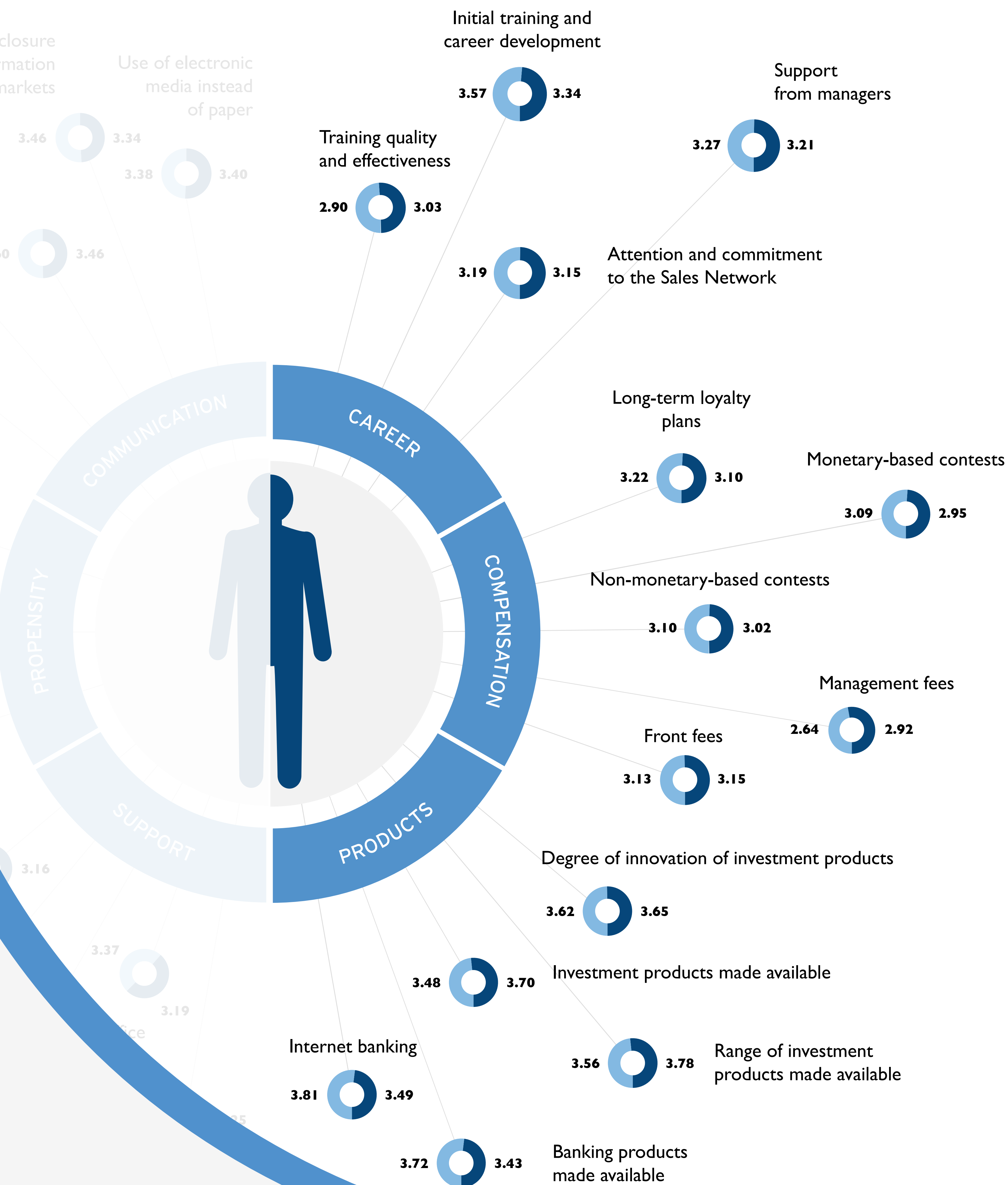
### Introduction \*

In 2013, the overall satisfaction level of Banca Mediolanum's Sales Network increased versus the previous years (it was 3.34 on a scale of 1-4, where 4 is the highest score). There was an increase in the number of Family Bankers® who responded they were fairly or completely satisfied, from 96% in 2012 to 99% in 2013.

\* Source: PF Monitor 2013 GfK Eurisko. The survey included a sample of 1,917 Financial Advisors from the following companies: Allianz Bank, Azimut, Banca Fideuram, Banca Generali, Banca Mediolanum, Banca Euromobiliare, UBI Banca Private, Finanza & Futuro, MPS Banca Personale, Sanpaolo Invest and Fineco.



● Mediolanum ● Sample mean



## ○ TOOLS SUPPORTING SALES ACTIVITIES

The Group has significant communications tools dedicated to the members of the Sales Network: an Intranet portal, the corporate TV and commercial brochures and tools.

### **BMEDNET: AN INTEGRATED PORTAL**

The BMedNet portal contains all the key information meant for the Sales Network. The portal consolidates all of the various facets of the activities of the Sales Network in one place, unquestionably delivering benefits to Family Bankers® and making work easier for them, as they can find, all in one place, the information available regarding the subject of their search.

Moreover, all the devices that have to do with training, information, tools, commercial initiatives and incentives are available on the portal. It is a key tool (which is constantly updated and features enriched content) that permits Family Bankers® to best prepare and plan their work in order to meet customer needs in an even more timely manner. A new project designed to review the portal – in terms of the information contained and in terms of application – and to gradually add more and more new tools for the Sales Network is currently ongoing.

### **THE CORPORATE TV**

The corporate TV transmits a variety of programs on training and refresher courses, which focus on products, marketing initiatives and strategies. The Mediolanum Group was the first Italian company to use this innovative means of communication, having developed the first corporate TV channel in 1989, based on the experience of some American companies. The corporate TV, which was conceived to create horizontal communication, has transmitted programs via the Internet since 2006, reaching the entire Sales Network. Family Bankers® can watch these programs anytime on their laptops.

In 2010, the corporate TV was integrated with BmedNet, allowing for stream viewing of the shows directly on the portal. Starting this year, viewers will have the opportunity to also view the shows by using multiple devices.

In 2012, the formats of the weekly shows were reviewed. MBedNews is a current affairs show providing updated information to the Sales Network, while Med App delves into a variety of specific technical issues – on a case-by case basis – regarding banking matters, investments, pensions, technology and the markets. The “Mercati che fare” show (which is also available to the public – i.e. customers and prospects – on the Banca Mediolanum website and the All News TGCOM 24 digital channel) provides a comprehensive overview of the current financial situation, welcoming esteemed guests,



including columnists, economists, university professors, entrepreneurs and journalists. In 2013, the Bank also introduced web conferencing, a new tool that enables Family Bankers® to attend webinars on topical issues directly via their PCs or other devices.



### TOOLS AND COMMERCIAL BROCHURES

To provide unique, tailored and highly professional consultancy services, Banca Mediolanum supports Family Bankers® by providing them with commercial tools designed to help them illustrate specific products and services and to plan their sales activity.

These tools:

- . contain certified data and information;
- . have strong appeal to customers and Family Bankers®;
- . are constantly updated and adapted to reflect the changing market conditions and needs of the customers and the Sales Network;
- . are extremely flexible, to enable Family Bankers® to adapt their sales presentations to the selling situation.

These tools, which are jointly developed by certain Headquarters Departments and the Sales Network, build on real success cases and include:

- . tools: i.e. multimedia tools (which are integrated with BMedNet and connected to the customer database) containing certified and constantly updated information and data; moreover, there is a single sales approach and a common thread running along the

entire range of tools.

- . commercial brochures: i.e. paper versions of the tools, which are usually brochures also containing separate technical data sheets integrating the multimedia tools to enable flexible use of such tools and meet a wider range of customer and Family Banker® needs.

These tools are designed to respond to specific customer needs in terms of banking, pension, investment and credit services. The Sales Network uses these devices more than 25,000 times per month on average.

### **A DEDICATED TOLL-FREE NUMBER: SALES SUPPORT CENTER**

A toll-free number staffed by approximately 90 operators – who may be contacted by phone or e-mail – providing support and assistance to the Network has been active at Headquarters since 2008.

In 2013, operators received more than 420,000 requests from Family Bankers® and Private Bankers®, of which over 260,000 by phone. In 77% of the cases, the request was managed within the same phone call. The main objective of this set-up is to provide the best possible support, in real time, to Family Bankers® in their work.

### **LITIGATION AND DISPUTES**

Outstanding lawsuits with the Sales Network mainly involve legal actions initiated by the Bank in response to unacceptable behavior or in any case behavior that is not compliant with the regulations governing off-premises sales of financial services: in this case the Bank takes measures to protect customers who suffered damage.

To mitigate these risks, the Sales Network Inspection and Anti-Money Laundering Office performs checks on the sales activity of the Network on a regular basis, with the objective of ensuring full and continuous compliance with the regulations applicable to off-premises sales of financial products and services. Checks and audits were conducted at Financial Advisors' offices as well as at corporate Headquarters, thanks to the use of remote monitoring and assessment tools. In addition to such checks, potential operational and reputational risks related to the Sales Network activities were assessed by using specific quantitative and statistical indicators.

To further protect the Bank, the insurance policy covering potential illegal actions by Sales Network members that could come to the detriment of customers was renewed also in 2013.



## TRAINING & LEARNING

### MEDIOLANUM CORPORATE UNIVERSITY

Mediolanum Corporate University is the educational institution of Banca Mediolanum, developed to protect and reaffirm the values that have made the company great. It is “a company within the company” that aims to train professionals to achieve excellence in customer relationship, financial advice and in the management of household assets.

MCU has 134 professors, all of whom are managers who personally contributed to ‘making Banca Mediolanum’s history’. They work side by side with university professors and renowned corporate consultants chosen from among the best both nationally and internationally.

Mediolanum Corporate University aims to be a main point of reference for:

- . Banca Mediolanum Family Bankers® and employees during their professional development and personal growth;
- . Banca Mediolanum customers or small investors to improve their economic and financial literacy;
- . Universities and the academic world as the ideal counterpart for discussing issues relating to negotiation, sales and customer relationship management;
- . The company’s partners and all those who are close to the Mediolanum Community.

The MCU Campus is located in Milano Tre, Basiglio, Milan, on the Headquarters premises of Banca Mediolanum. There are more than 4,000 square meters of space entirely dedicated to students with spacious classrooms, a museum where the roots of Banca Mediolanum are preserved and a hybrid, where an ample selection of international books and videos is available, thanks to advanced multimedia equipment. Moreover, to let new information acquired during the day sink in and help students get ready for the upcoming tasks, the Mens Sana room was created: it’s the ideal place to find body/mind balance. The Mediolanum Corporate University Campus comprises a dorm with 75 fully-appointed rooms to host the guests of MCU during the various training sessions. In 2013, the optional courses dedicated to Private Bankers®, which were introduced in 2012, continued. These courses – with a high technical and professional content – were added to the normal training activities, with the contribution of companies not belonging to the Group.

Moreover, the Bank continued to carry out a program – which was also introduced last year – comprising a number of training days, to delve into a winning business model based on the concept of the bank at the service of customer management departments.



In general, the Bank's training activities dedicated to the Sales Network are characterized by a highly specialized content and a limited number of classroom hours.

In addition to the normal training activities, Mediolanum Business Meetings – held every 15 days and in which the entire Sales Network participates – also continued in 2013. Moreover, specific Mediolanum Business Meetings for Global Bankers® – i.e. those professionals who choose a career path specifically dedicated to developing their customer base – were held on a monthly basis also this year. Additionally, to further enhance the quality and effectiveness of training activities and strengthen trainers' technical and communication skills, a specialized course for MBM Global trainers was held.

As regards other trainer courses dedicated to behavioral topics – apart from the activities included in the Mediolanum Business Meetings – several “Train the Trainer” courses and follow-ups on specific topics were carried out in 2013. These courses focus on performance and are designed to put skills into practice and give participants hands-on experience.

In line with the company's business targets, a training course aimed at supporting bankers' induction process was launched in 2013. The course was dedicated to the Sales Network, specifically bankers and their managers.

As regards activities dedicated to the Teaching Manager Community, programs designed to strengthen teaching skills and improve teachers' classroom practice were introduced, considering the key role played by the teaching community and the skills and competences needed for such role.

As regards training activities dedicated to products, the Bank implemented a set of intensive training programs providing more detailed information. The number of participants significantly decreased with respect to the previous year.

In 2013, a series of conferences called “Share the Bank” and dedicated to the main social media were held. At the “Share the Bank” conferences, labs were made available to enhance the social skills of Family Bankers®.

In an effort to emphasize its role as a “Financial Educator”, Mediolanum Corporate University has chosen to organize educational events to improve the financial literacy of Banca Mediolanum customers and savers in general, addressing topics such as financial planning, protecting households and their assets and achieving financial stability, since real crises are generated by not knowing the rules that govern the financial universe.

Therefore, the “Investire per il mio Futuro” (Investing for my Future) project was launched to create opportunities for those interested in finance and economics to meet and share their views. Four courses, in which approximately 200 customers participated, were held across Italy in 2013.

MCU, true to its vision (i.e. “Providing a Way to Excellence”), proposed, also in 2013, a series of events called “MCU incontra l’Eccellenza” (MCU meets Excellence), which were introduced in 2011 and are designed to promote professional development and personal growth among managers and customers. Over 9,000 customers attended the 18 events held this year, starring highly-esteemed guests, such as celebrated dancer Simona Atzori, blogger Yoani Sanchez, Manuel Estiarte and many more.

MCU firmly believes that today what really makes a difference is wanting to make a difference; it’s the only way to create a better working and living environment and the only response to an increasingly challenging market environment where things may seem “difficult” or even “impossible” to many people.

In addition to the training activities dedicated to the company’s values, MCU also offered Banca Mediolanum customers training courses dedicated to Social Media and communications: over 100 courses were held in 2013.

#### **LEARNING: AN INTEGRATED PROCESS**

Training courses are developed based on an approach that integrates different teaching methods and tools in order to make learning as effective and as practical as possible.

An advanced Learning Management System supports and facilitates self-directed learning. Self-study provides fundamental preparation prior to entering the classroom where all the ideas and knowledge acquired during the self-study phase turn into a shared experience. On-the-job training follows the training phase to put into practice what was learned in the training sessions.



## TRAINING AND DRILLING: DIALOGUE AND SHARING

MedBrain enables the Banca Mediolanum Sales Network to access their study plan – containing constantly updated information about specific courses and tests passed – as well as data analyses and reports. 2013 figures are provided in the chart below:

Hours of Training - Classroom and Online		
Total number of hours of training	2012	2013
Total number of hours - classroom	273,643	280,766
Of which hours in the MCU lecture hall	57,075	66,946
Total number of hours - online	137,514	149,199
Total	411,157	429,965
Total number of hours of training per category	2012	2013
Refresher training	150,308	149,941
Behavioral	34,164	29,298
Managerial	16,290	14,675
Regulations - Compliance with regulatory requirements	134,119	152,190
Insurance products	26,710	29,577
Banking products	18,854	19,548
Financial products	10,625	17,593
IT systems	20,088	17,143
<b>Total</b>	<b>411,157</b>	<b>429,965</b>

In 2013, the institution continued to mostly focus on the area of 'refresher training', in the MBM version, while the number of hours dedicated to behavioral and managerial topics – especially the latter – was reduced.

This year, the figures regarding the Mediolanum Business Meeting course in terms of hours and participants remained unchanged: approximately 150,000 hours were dedicated to this course and over 35,000 people attended it.

In 2013, there was an increase in the number of online courses regarding the products launched during the year, while there was a drop in the number of courses dedicated to 'IT systems' – which peaked last year.

As regards time-to-market initiatives, 5 conferences on fiscal topics, open to participation on a voluntary basis, were held this year.



In 2013, there was a significant increase in the hours dedicated to insurance issues, with a specific course dedicated to the so-called “Protection Trainers” to strengthen their communication skills and knowledge of products.

Participants - Classroom and Online		
Total number of participants	2012	2013
Total number of participants - classroom	48,947	50,624
Of which: number of participants at MCU lecture hall	3,377	5,036
Total number of participants - online	53,382	47,582
Total	102,329	98,206
Total no. of participants by category	2012	2013
Refresher training	36,091	35,272
Behavioral	1,299	1,291
Managerial	1,301	1,239
Regulations – Compliance with regulatory requirements	30,760	34,180
Insurance products	10,454	6,308
Banking products	7,876	5,763
Financial products	8,489	9,487
IT systems	6,059	4,666
<b>Total</b>	<b>102,329</b>	<b>98,206</b>

Number of courses		
Total number of courses	2012	2013
Number of courses - classroom	58	74
Number of courses - online	123	147
<b>Total</b>	<b>181</b>	<b>221</b>

*2013 data are not coincident with 2012 evenience for changing in aggregation processes*

## PREPARATION FOR THE STATE EXAM FOR REGISTRATION IN THE FINANCIAL ADVISOR REGISTER

As regards the number of people who took the exam in the three exam sessions that were held in 2013, there was an increase in the number of candidates from other businesses and a decrease in the number of candidates from Banca Mediolanum.

198 BM candidates took the exam, versus 204 in 2012 (6 less than last year, i.e. -2.94%). The number of candidates from other businesses who took the exam, instead, increased, reaching 3,807 versus 3,157 in 2012 (650 more than last year, i.e. +20.58%).

166 candidates from Banca Mediolanum passed the exam, versus 155 in 2012 (11 more than last year, i.e. +7.09%), with an 83.84% success rate, slightly higher than the previous year (75.98% in 2012). Last year, in fact, there was a drop in the success rate of BM candidates with respect to 2011 (78.46%).

1,509 candidates from other businesses passed the exam, versus 1,057 in 2012, with a 39.64% success rate, slightly better than in 2012 (33.48%) and in 2011 (27.12%).

## RECRUITING & EMPOWERMENT

The next generation Family Bankers® are extremely qualified professionals with great experience; that is why in 2013 Banca Mediolanum mostly focused on candidates from the banking industry, as well as financial advisors from other networks and other experienced candidates.

The Family Banker® Recruiting Department – thanks to a dedicated team of managers working at Headquarters as well as on-site – is in charge of supporting the work done by the network of Local Managers, who are responsible for growth of the Bank.

Specifically, the Headquarters Team – which reports directly to the Sales Department – is in charge of developing new recruitment strategies and tools designed to ensure an efficient recruiting system, as well as of training Hiring Managers and all the recruiters in general.

Local Managers played a key role in 2013, constantly seeking and recruiting new candidates at the local level. This year, thanks to the great efforts made, the new

recruiters have taken excellence to a level never seen before, with 336 new hires, 150 of whom were former bankers.

New types of employment contracts for bankers and Talent Scouts were introduced in 2013, to enhance transparency and ensure long-term, profitable collaboration.

New tools were also developed to help bankers who are not yet listed in the Register of Financial Advisors prepare for the state exam.

Moreover, events were organized to explain, to the new hires, the existing opportunities for their professional development and unlock their potential.

The increase in the headcount of the Sales Network is still a top priority for the Group.



## FAMILY BANKER® RECRUITING

The growth in size of the Sales Network continues to represent one of the strategic objectives of the Mediolanum Group. That is why the Bank decided to invest in recruiting, always looking for candidates who are qualified for the job of Family Bankers®, next generation financial advisors with great experience who always seize the best opportunities for growth in the market, at any given time, acting, with respect to their customers, as real “branch managers”.

The Family Banker® Recruiting Department – thanks to a dedicated team of managers working at Headquarters as well as on-site – is in charge of constantly developing new recruitment strategies and tools aimed at finding High Potential and High Profile candidates and putting them in touch with Banca Mediolanum. The Headquarters Team, which reports directly to the Sales Department, is also in charge of training the best Supervisors and all the recruiters in general.

In 2013 the Bank continued to pursue its new recruiting strategy aimed at taking on more experienced and qualified people: the requirements that High Potential candidates must meet were made more stringent, eliminating less qualified and experienced candidates. This new recruitment strategy designed to improve the Bank’s candidate pool resulted in an increase in the quality of candidates, as only those who are very motivated to work as Family Bankers® were selected. The training tours that are carried out by Headquarters managers on a regular basis strengthened the skills of the best recruiters in selecting candidates.

Moreover, the best Supervisors were also given the task of developing start-up programs aimed at helping new Family Bankers® improve their performance and be on their own sooner.

## THE CUSTOMER-FAMILY BANKER® RELATIONSHIP

### THE FAMILY BANKER® OFFICE

Banca Mediolanum and its Family Bankers® are present in all Italian regions and main cities in Italy with offices that are located at street level and offices located on higher floors. The street level premises, i.e. “Banca Mediolanum - Family Banker Offices®”, are a point of contact where customers and prospects can obtain information or an opinion on financial, banking or pension matters.

### Number of FBOs, offices and branches in 2013

Office type	N°
Family Banker® Offices	235
Sales network / Traditional offices	240
Branches	4
<b>TOTAL</b>	<b>479</b>

The Family Banker Office® is the place where customers can find out about Banca Mediolanum and, with the help of Family Bankers®, they can also learn how to use the Bank’s multiple channels via the workstations that connect directly to the Internet and to Tele-text or they can access the Banking Services Center directly. Both Family Banker Offices® and the traditional Sales Network offices are Family Bankers’® administrative offices. Besides the Headquarters branch in Basiglio, the other branches of Banca Mediolanum are in Milan, Rome, Bologna and Basiglio.

The regions with the greatest number of Family Banker® Offices are: Lombardy, Veneto, Emilia Romagna, Lazio, Sicily, Tuscany, and Piedmont.





# SOCIAL INDICATORS

CUSTOMERS

SALES NETWORK

EMPLOYEES

SHAREHOLDERS AND INVESTORS

SUPPLIERS

THE COMMUNITY AT LARGE

THE ENVIRONMENT

REGULATORY AND LEGAL AUTHORITIES,

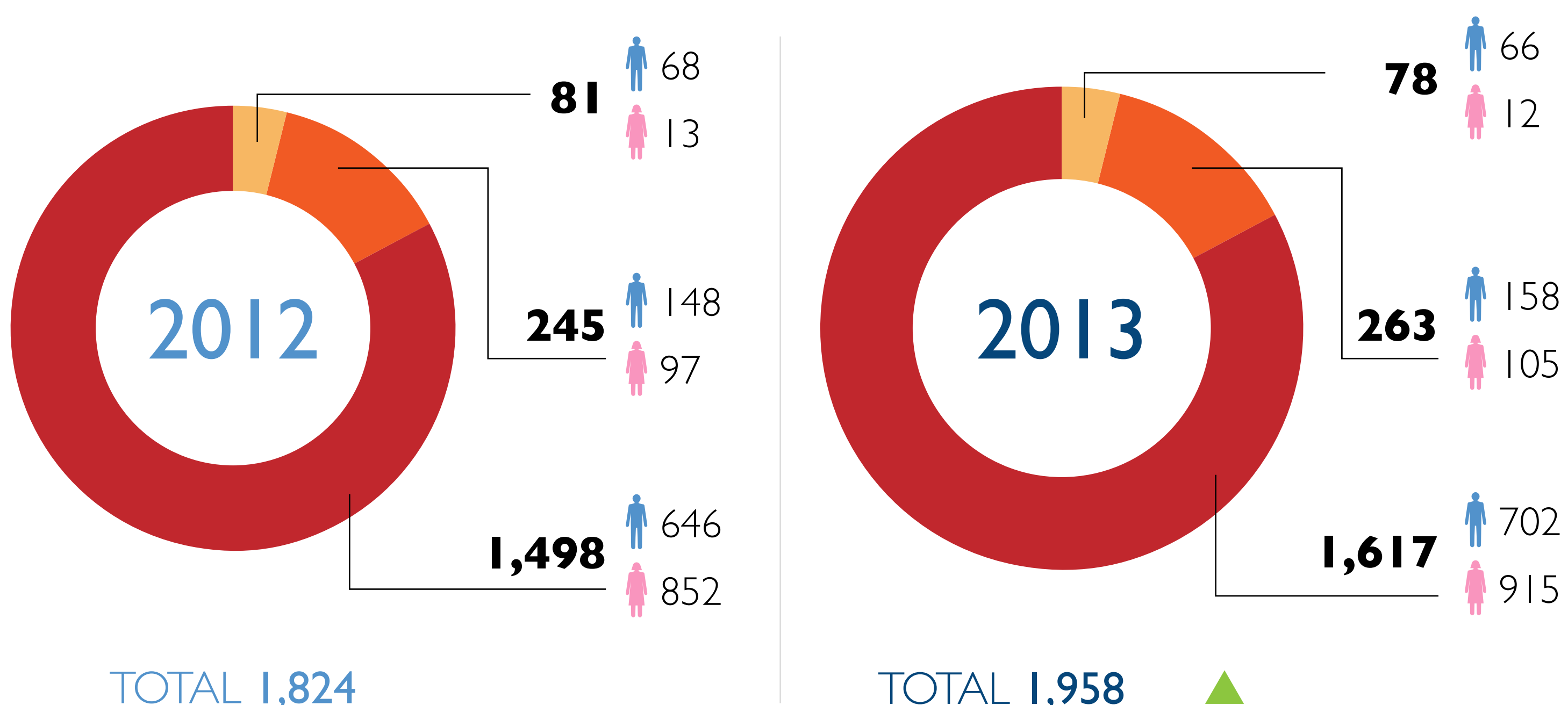
TRADE ASSOCIATIONS

## ○ ANALYSIS OF EMPLOYEES

An overview of the Mediolanum Group's personnel at the end of the year is provided on the following pages. Worthy of note is the fact that Mediolanum Assicurazioni – a company with 38 employees, 2 of which were new hires – joined the Group in April 2013. 2013 figures are compared with 2012 figures: should the presence of Mediolanum Assicurazioni significantly affect the Group's figures, it will be duly pointed out.

### 🏢 ♀ BREAKDOWN BY CATEGORY AND GENDER

● Senior Managers\* ● Middle Managers ● Non-management employees



\* This data does not take into account certain senior managers hired on a temporary basis for a specific project underway in the Banca Mediolanum Sales Network Area (1 senior manager in 2012 and 2 senior managers in 2013).

\*\*ABI "2013 Report on Employment in the Finance Industry".

In 2013, there was an increase in employee numbers, partly due to the fact that Mediolanum Assicurazioni joined the Group in April 2013 (a company with 38 employees – 23 women and 15 men – 2 of whom were hired in 2013), accounting for 1.9% of total personnel. The men/women ratio remained more or less unchanged with respect to 2012.

This year, approximately 53% of the employees were women, in line with previous years. The Mediolanum Group registered a 5.26 increase in employee numbers in 2013 (excluding Mediolanum Assicurazioni), which is a significant figure if compared to the employment trend in the industry, which, instead, decreased by 1.7% in the two-year period 2011-2012 (ABI\*\* data).

The breakdown of Mediolanum Group female employees by category was stable. In 2013, female executives accounted for 1.16% of all women employees, compared to an average of 0.6% in the banking and finance industry according to ABI (Italian Banking Association)\*\*. Out of total executives, 15.4% were women, and the percentage was high also for other professional categories.



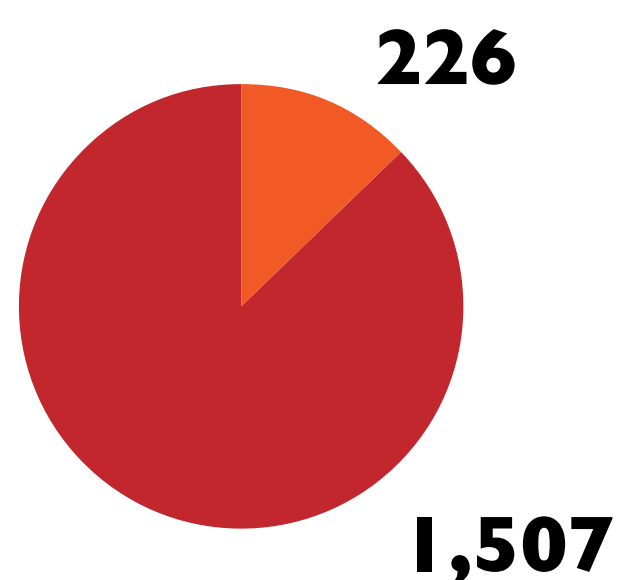
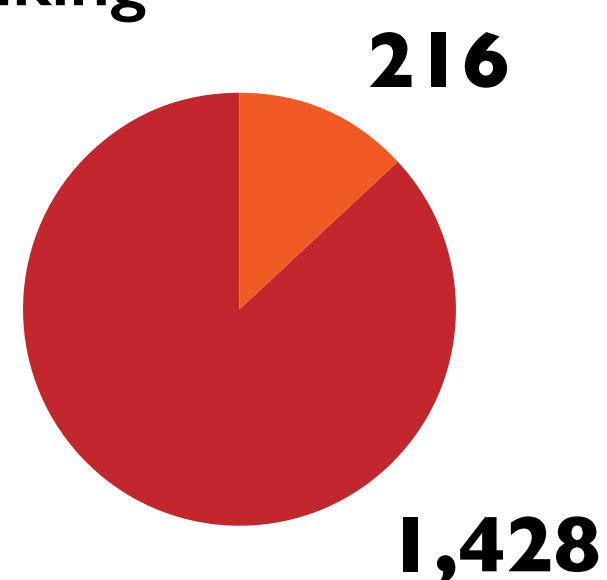
**FF** BREAKDOWN BY COLLECTIVE LABOR AGREEMENT TYPE

- Non-management employees
- Middle Managers
- Senior Managers

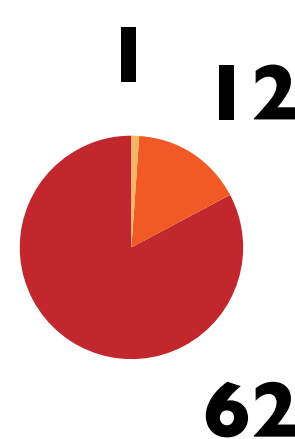
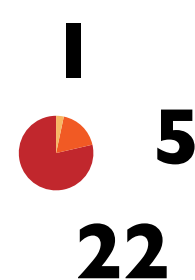
2012

2013

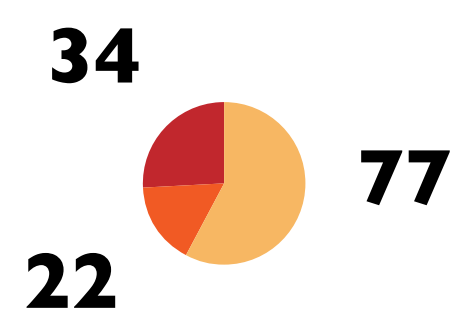
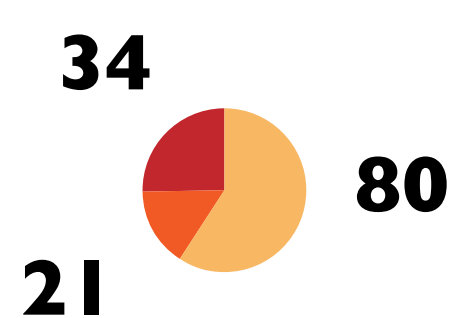
**Banking**



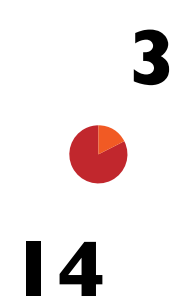
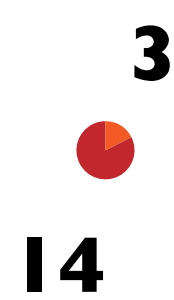
**Insurance**



**Commerce**



**Private Radio & TV Networks**



The breakdown of employees by collective labor agreement type reflects the weight of the different components of the Group's business. Since the Group includes Mediolanum Comunicazione S.p.A., a company engaged in the communications business, some employees are covered under the "Private Radio & TV Networks" agreement. The percentage of insurance agreements increased in 2013, mainly due to the fact that Mediolanum Assicurazioni joined the Group.

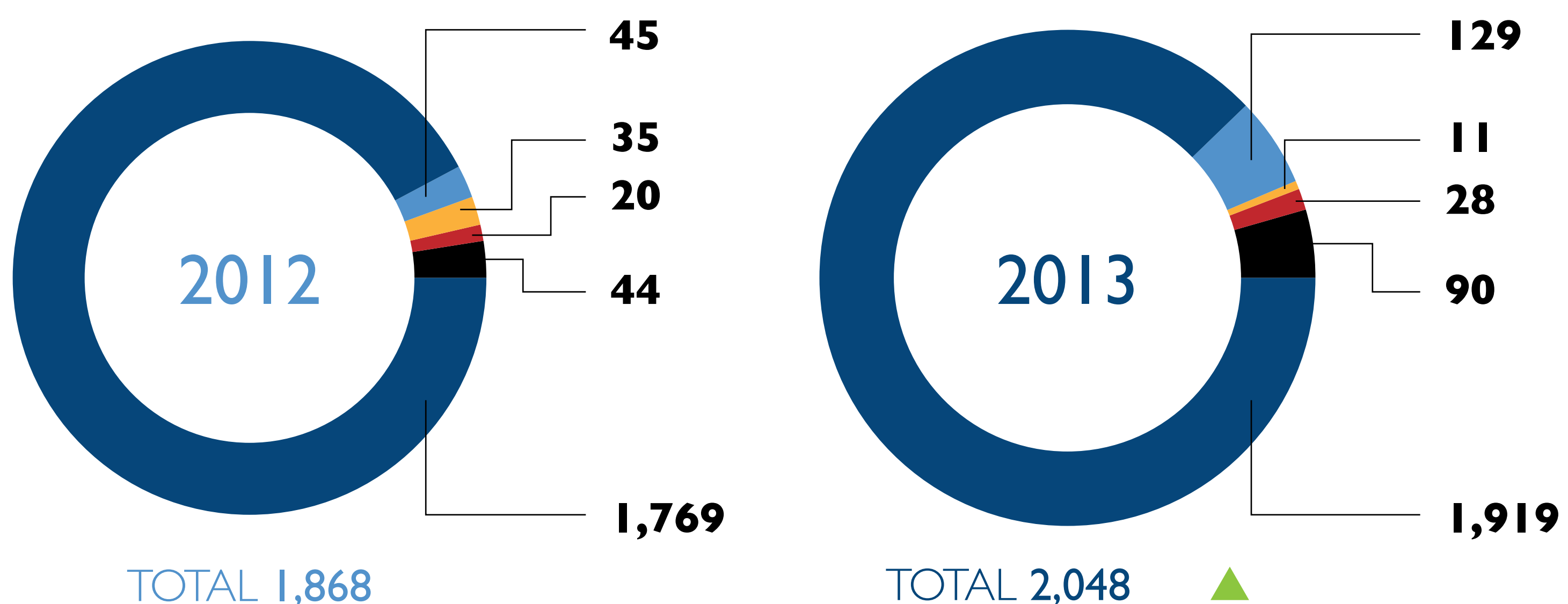




BREAKDOWN BY LABOR AGREEMENT TYPE

- Permanent employment
- Fixed-term contracts \*
- Flexible Contracts
- Of which:
- Apprenticeship
- Trainee contracts
- Fixed-term contracts

\* This data does not take into account certain senior managers hired on a temporary basis for a specific project underway in the Banca Mediolanum Sales Network Area (1 senior manager in 2012 and 2 senior managers in 2013).



In 2013 there was a remarkable increase in the number of permanent employment contracts versus the previous year (+8.5% versus 2012).

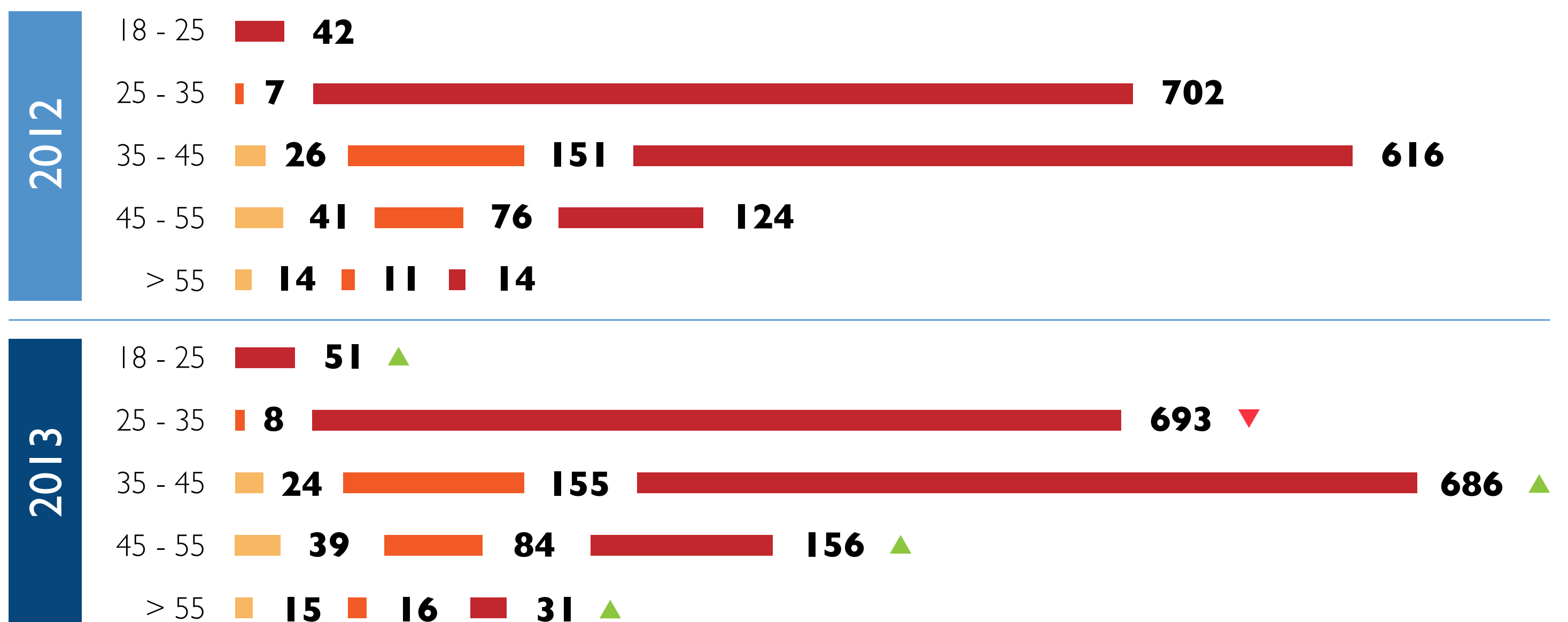
This year, the Bank tended to mostly hire young people, and apprenticeship contracts were the most frequently used types of contracts for recent college and high school graduates: 62% of new hires obtained an apprenticeship contract – accounting for 6.1% of the total workforce – a 167% hike versus 2012. Mediolanum Corporate University delivers a specific vocational training program dedicated to new apprentices.

This year, there was a significant 68% drop in the number of trainee contracts versus 2012. Moreover, worthy of note is the 105% hike in the number of flexible contracts, which now account for 4.4% of the total workforce. The hike is mainly due to the launch of new business development projects with respect to which the Bank decided to adopt a “flexible” employment approach as project assessment is still ongoing.



### BREAKDOWN BY AGE GROUPS

● Non-management employees ● Middle Managers ● Senior Managers



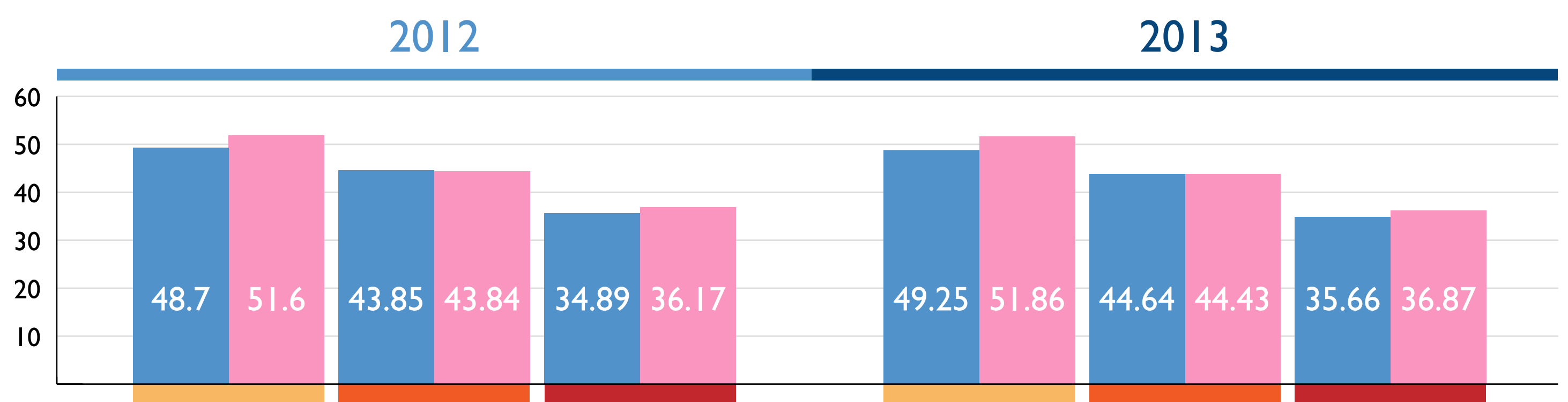
In 2013, 38.4% of total employees were younger than 35, while the majority of employees now fall within the 35-45 age group (44.2%).

The breakdown of employees by category and age shows that the majority of senior managers are in the 45-44 age group (50%) and most middle managers in the 35-45 age group (59%), while approximately 43% of non-management employees are younger than 35. It is also worth noting that only 3.2% of employees are older than 55.



### BREAKDOWN BY AVERAGE AGE

● Senior Managers ● Middle Managers ● Non-management employees  
● Women ● Men

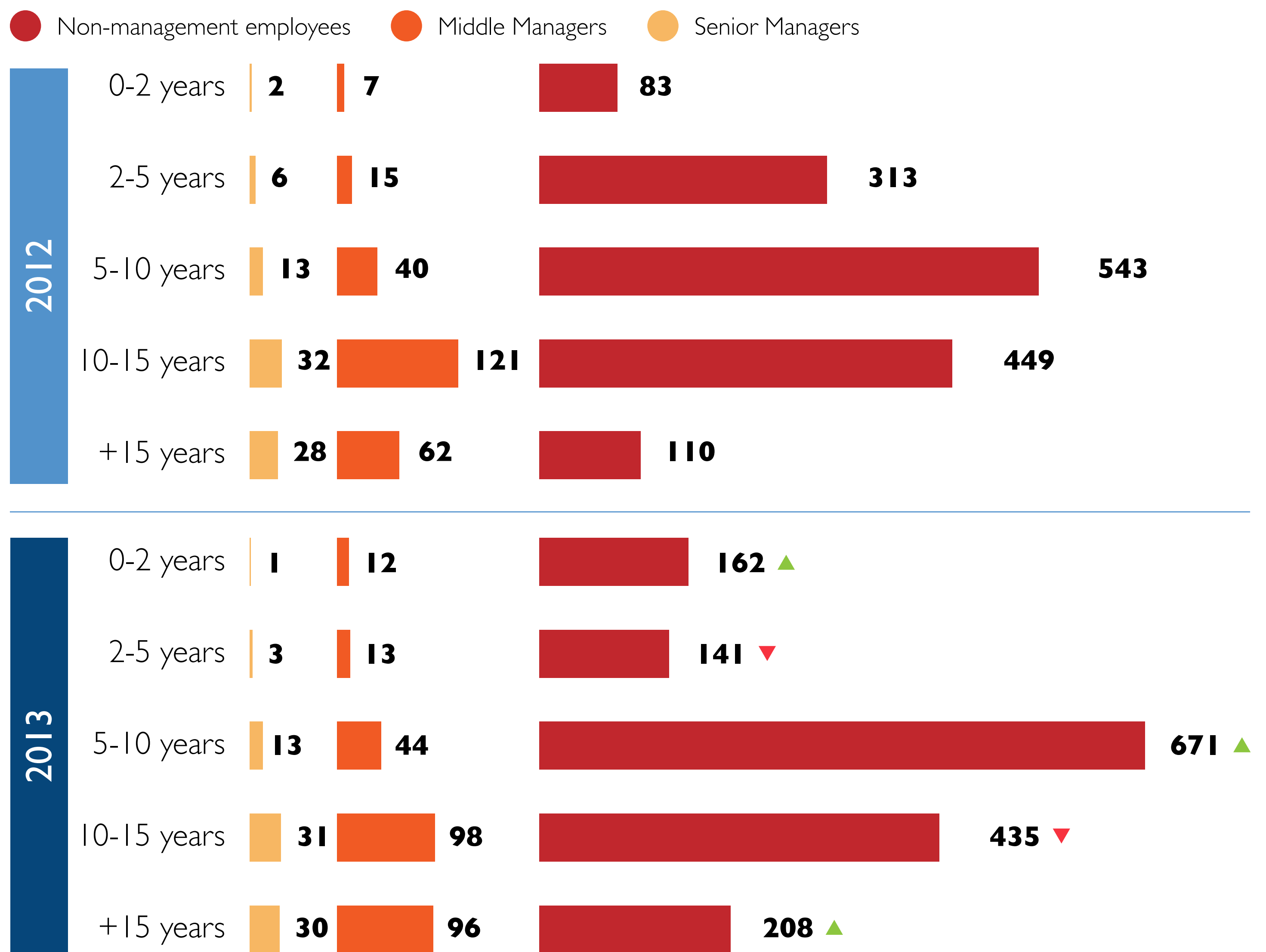


\*Cfr. ABI, 2013, "rapporto 2013 sul mercato del lavoro nell'industria finanziaria"

In 2013, the average age of Mediolanum employees remained basically unchanged with respect to 2012: it was approximately 38 years. This figure is considerably lower than the industry average of banking employees, which is 44.5 (ABI Report\*). The breakdown of employees by category and gender shows that the average age for women was more or less the same as that for men.



BREAKDOWN BY LENGTH OF SERVICE



The analysis shows that in 2013 approximately 66% of employees fell within the ‘5-15 years’ length of service range, mainly due to a significant portion of employees – who joined the Group in past years, when the Group enjoyed excellent growth – moving up to the next length of service group. The increase in the number of employees who fall within the lowest length of service range, which passed from 5% of the total workforce in 2012 to 8.9% in 2013, is an indicator of the Group’s strong level of growth. This year there was also an increase in the number of employees in the highest length of service range, due to Mediolanum Assicurazioni joining the Group.

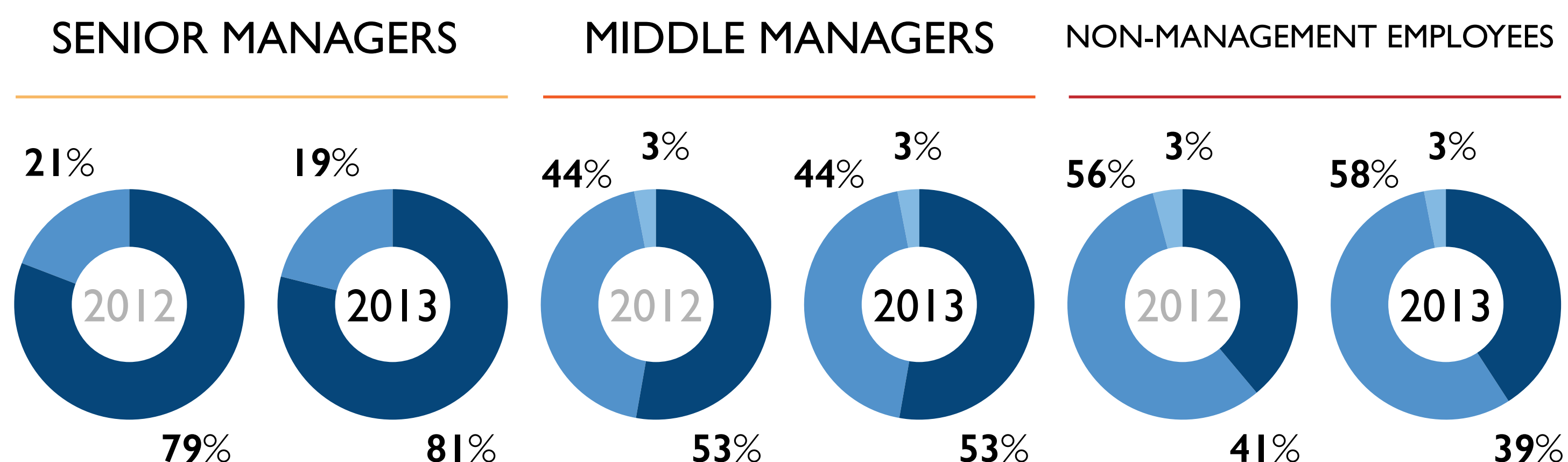
It is worth noting that the majority of managers show a good propensity to remain in the Group for many years: over 78% of senior and middle managers have more than 10 years of service.





## BREAKDOWN BY EDUCATION LEVEL

● University degree ● High school diploma ● Vocational school



\*Cfr. ABI, 2013, "rapporto 2013 sul mercato del lavoro nell'industria finanziaria"

The Group's personnel have an overall high level of education: approximately 43% of non-management employees (versus an ABI\* average of 35.9%), 81% of senior managers and over 52% of middle managers hold a university degree.

## EDUCATION LEVEL OF NEW HIRES

Education level	2012		2013	
	Number	% of total	Number	% of total
Postgraduate	3	3.5%	3	2.3%
University degree	51	59.3%	41	31.8%
High school diploma	32	37.2%	85	65.9%
Other	0	0.0%	0	0.0%
<b>Total</b>	<b>86</b>	<b>100.0%</b>	<b>129</b>	<b>100.0%</b>

In 2013 the number of new hires who hold a high school diploma increased, mainly due to the fact that the Bank changed its hiring requirements for new hires in certain operational departments.

## BREAKDOWN OF HOURS ABSENT BY LEAVE-TYPE IN TERMS OF HOURS AVAILABLE

	2012		2013	
	Hours	Incidence (***)	Hours	Incidence (***)
Holiday (Maternity leave)	416,058	13.3%	402,792	12.0%
Sick leave	116,860	3.7%	131,682	3.9%
Paid leave	74,251	2.4%	74,766	2.2%
Other*	47,934	1.5%	56,243	1.7%
<b>Total Hours Absent</b>	<b>654,790</b>	<b>20.9%</b>	<b>665,483</b>	<b>19.8%</b>
<b>Regular Hours Worked</b>	<b>2,478,176</b>	<b>79.1%</b>	<b>2,702,346</b>	<b>80.2%</b>
<b>Available Hours (**)</b>	<b>3,132,966</b>	<b>100.0%</b>	<b>3,367,830</b>	<b>100.0%</b>

\* Coursework, medical visits, family leave and work-related leave.

(\*\*) Available hours are calculated as the number of work days in a year multiplied by the number of work hours according to the related labor agreement.

(\*\*\*) Incidence is calculated as the ratio between hours absent and the total number of available hours. Figures are rounded to 1 decimal place.

Managers are not included in the table above due to the different way in which their presence at work is accounted for. Vacation and maternity leave are contractually obligatory and account for approximately 60.5% of total hours absent.

## EQUAL OPPORTUNITIES

The ratio between the average compensation for men and the average compensation for women – calculated between employees who fall within the same job category and with the same length of service – is an indicator of the gender pay gap.

Category	2012					AVG
	Average compensation for men/women ratio					
	<2 years	2-5 years	5-10 years	10-15 years	>15 years	
Senior managers*	na	na	1.64	0.94	1.33	<b>1.21</b>
Middle managers	1.00	0.93	0.98	1.10	1.15	<b>1.09</b>
Non-management employees	0.94	1.02	1.02	1.06	1.00	<b>1.00</b>

Category	2013					AVG
	Average compensation for men/women ratio					
	<2 years	2-5 years	5-10 years	10-15 years	>15 years	
Senior managers*	na	na	1.94	0.90	1.33	<b>1,24</b>
Middle managers	1.17	1.12	1.04	1.02	1.16	<b>1,10</b>
Non-management employees	1.00	1.03	1.04	1.07	1.01	<b>1,00</b>

\* This data is not available, as it cannot be calculated: there are no female employees in this category and with this length of service.

In 2013 there were no significant changes in the average compensation for men and that for women, compared to 2012. With reference to senior managers, there is a significant difference in compensation in certain length-of-service categories, but this is attributed in large part to the different roles and levels of responsibility, as well as to the great number of employees falling within these length-of-service groups.





## PROTECTED CATEGORIES

● Non-management employees ● Middle Managers ● Senior Managers



As current laws require hiring personnel belonging to what are termed “protected categories”, some Group companies have signed special agreements with the Provincial Government of Milan to plan the hiring of these individuals over the next few years, in compliance with the regulatory requirements. A possible channel for finding candidates belonging to the protected categories has also been activated through an agreement with an agency recognized by the Provincial Government, which is specialized in helping the disabled enter the world of work.

The agency the Group collaborates with has a team of psychologists who recruit, select and train these individuals beforehand, according to the characteristics of the job they will have and in close collaboration with the Human Resources Department of the Group.

These employees are helped to settle into the company by a dedicated and specialized tutor who works for the external agency. This tutor follows the individual for the first 6 months of internal training. At the end of this period the tutor, the team of psychologists and the company assess whether the tasks are suited to the individual, in order to make sure that the job is in line with the person’s psychological and physical characteristics. At the Mediolanum Group Headquarters, accessible infrastructure ensuring that the building is accessible to disabled employees and visitors is in place: 13 wheelchair-accessible entryways and 23 reserved parking spaces were constructed for this purpose. Moreover, there are 8 accessible restrooms.



## CARE FOR OUR PEOPLE

### PERFORMANCE MANAGEMENT AND DEVELOPMENT TOOLS

Many tools have been adopted within the Group to support HR in the management and development of employee performance, in terms of meeting targets and in terms of behavior and attitude displayed while carrying out their work activities.

In 2013, the Group updated its performance measurement parameters, in line with a specific project aimed at redefining professional categories and identifying employee behavioral skills, with respect to the company as a whole as well as specific departments. The new performance measurement and assessment tools are consistent throughout the whole Group, also thanks to a new IT platform, although instruments may vary within the Group to better reflect the different professional skills needed for each role. For example, the Banking Services Center adopts a skill assessment scheme which assesses both operational performance (e.g. handling phone calls within an appropriate amount of time), as well as the ability to collaborate (e.g. interact with colleagues, share information and knowledge, etc.). Mastering a certain skill is subject to ability and merits and preceded by targeted training. Anyone who acquires and effectively uses a specific skill will be rewarded with a salary increase.

As the Group is increasingly focused on “knowing its people”, the HR Department updated its tools to get a better insight on employees. As regards performance measurement, new self-assessment tools were introduced to strengthen the relationship between employees and their supervisors and provide further opportunity for dialogue, also with a view to employees’ career development and personal growth.

“Job Posting” initiatives were also introduced in 2013. This new internal recruiting channel is based on the concept that employees can “make employers choose them over the others”, as it offers employees who wish to move to different areas the opportunity to apply for vacant positions and express their career aspirations, experiences and personal skills to the HR Department.

## CAREER PATH AND TURNOVER

This year, following the great efforts made to further develop Human Capital, there was an increase in the headcount of the Group and in the quality of new hires. The human resources development policy, which starts with targeted recruitment and the selection of young high school and university graduates, continued to be pursued. The “customer care” personnel selection process entails inviting candidates to spend an entire day at the company, where they are given a full description of the organization and its values as well as the induction and development processes. Candidates also take part in group assessments and have individual interviews with Human Resources personnel. The induction process includes a training period in the classroom, followed by a period alongside senior call center representatives who manage the relationships with the customers and the Sales Network. At the end of this training period, the new hires are then ready to work autonomously, within a specialized working group. Depending upon personal characteristics, educational background, and individual aspirations, the new hires continue to be followed in their work path, in order to identify the best opportunities for their professional development and to unlock their potential, whether it be in the area of customer care, or in other departments. Moreover, there are specific training and development courses to acquire or strengthen technical and managerial skills that are designed in close cooperation with the Corporate University of the Group.

The search for personnel with specialized know-how or specific managerial experience is carried out with the assistance of external recruiters (i.e. headhunters), which enables the firm to find individuals who can add value to the business.

The job rotation policy aimed at job enlargement or job enrichment, i.e. motivating employees by expanding job responsibilities, is characterized by the mobility of personnel inside the Group, also internationally, with time spent abroad working for foreign subsidiaries.



## NET NEW JOBS

Category	2012				2013			
	SM	MM	NME	TOT	SM	MM	NME	TOT
Hires	0	6	80	86	1	12	116	129
Terminations	4	1	27	32	3	1	26	30
Resignations	4	1	24	29		1	22	23
Retirement			1	1	3		2	5
End of contract			2	2			1	1
Death				0			1	1
<b>Net New Jobs (*)</b>	<b>-4</b>	<b>5</b>	<b>53</b>	<b>54</b>	<b>-2</b>	<b>11</b>	<b>90</b>	<b>99</b>

\* Where Net New Jobs = Hires – Terminations

NOTE: Please note that the figures regarding net new hires by category – shown in the table above – do not coincide with those shown in the table 'Breakdown of Employees by Category' as they do not include the effects of promotions to higher positions. Moreover, the senior management category does not include executives hired with a fixed-term contract, people joining/leaving the Group's foreign operations, or new personnel resulting from acquisitions.

Turnover	2012				2013			
	SM	MM	NME	TOT	SM	MM	NME	TOT
New hires* Total	0.0%	2.6%	5.5%	4.9%	1.2%	4.9%	7.7%	7.1%
Resignations** Total	4.7%	0.4%	1.9%	1.8%	3.7%	0.4%	1.7%	1.6%
<b>Turnover TI***</b>	<b>4.8%</b>	<b>0.4%</b>	<b>1.7%</b>	<b>1.7%</b>	<b>5.1%</b>	<b>0.4%</b>	<b>1.5%</b>	<b>1.5%</b>

\*New hires = No. of individuals hired in the category/total personnel in that category at the start of the year.

\*\*Resignations = No. of resignations in the category/total personnel in that category at the start of the year.

\*\*\*Resignations calculated on permanent employment contracts.

In 2013, there was a 50% hike in the number of new hires in the Group versus 2012.

Moreover, resignations further decreased with respect to the previous year. As regards senior managers, the number of resignations was mostly due to executives having reached retirement age.

## PROMOTIONS

The figures provided in the chart below confirm, in absolute terms, equal career development for men and women, and the extensive use of internal promotion to fill higher positions.

Promotions (number)	2012				2013			
	M	F	TOT	% standard contracts	M	F	TOT	% standard contracts
Middle>Senior managers			0	0.0%	0	0	0	0.0%
Middle>Middle managers	4	1	5	0.3%	2	2	4	0.2%
Non-management employees > Middle managers	3	3	6	0.3%	2	3	5	0.3%
Non-management employees > Non-management employees	19	15	34	1.9%	44	40	84	4.3%
<b>Total Promotions</b>	<b>26</b>	<b>19</b>	<b>45</b>	<b>2.5%</b>	<b>48</b>	<b>45</b>	<b>93</b>	<b>4.7%</b>
<b>Total Standard Contracts</b>	<b>1,824</b>				<b>1,958</b>			

## EMPLOYEE BENEFITS

Over the past several years, the Mediolanum Group has put special services and activities in place to help its employees create personal life-work balance. Most of these stemmed from employee suggestions. We believe caring for our people is a concrete way to apply corporate values, as well as improve the quality of our professional relationships.

### Workplace day care center

The company's day care center "Baby Med", which is located just 50 meters away from the Group's Headquarters and is managed by specialists, has been operational since 2004. It was created by Banca Mediolanum to respond to the lack of maternity-related services, a problem that can significantly affect working mothers and is even more relevant considering how "young" Mediolanum is, and how many women there are in the workforce. The structure, which has been enlarged over the years due to increasing demand, occupies 1,000 square meters of space and can accommodate 127 children ranging from 0 to 3 years of age. Baby Med is probably one of the largest workplace day care centers in Italy that is located on the same premises and is designed to take care of employees' children. There is a 300 square-meter outdoor playground protected by a video-surveillance system. The monthly fee paid by employees for the day care center is reasonable and below average fees in Milan, due to the fact that it is a non-profit initiative. There is also a positive impact on the local community. Due to the high-quality child care services provided, the Lombardy Region contributed funds to the project, and about 10% of the places available were reserved for families living in Basiglio where the Group's Headquarters is located. The day care center is open year-round, including August, from 8:30 a.m. to 6:30 p.m.: short programs are available during the summer months in order to offer the service to other mothers when there are vacancies during summer holidays. Moreover, in order to meet the needs of employees and their families when other day care centers close for the summer holidays, Baby Med functions as a "campus" for pre-school age children as well.

A multitude of events are organized for families and their children, such as Christmas parties or costume parties during Carnival.

### Flexitime

The Flexitime scheme allows employees to arrive at work any time between 8:30 a.m. and 9:30 a.m.; moreover, Mediolanum also meets employee needs by adopting flexible, part-time working schemes. In 2013, 53 employees took advantage of part-time schedules, with 17 different hour schemes.



### Shuttle bus service

A private shuttle bus service is available, with frequent runs between Headquarters and Milan. The flexible shuttle hours respond to the needs of employees in terms of both hours and runs that cover the main subway stops. This service delivers considerable benefits, in terms of reducing commuting time and costs, as well as pollution and traffic.

### Employer-sponsored supplementary pension

Some time ago the Group established a Pension Fund, which is available to all employees. The mechanism incentivizes employees to enroll in the scheme: those employees (covered under the banking labor agreements) who opt to pay their productivity bonus into the fund will see their bonus increase. At the end of 2013, approximately 91% of middle managers and 89% of non-management employees were members of the Fund.

### Protection: supplementary health insurance

Supplementary healthcare is an additional insurance coverage offered free of charge to employees (middle managers and non-management employees covered under the banking and commerce labor agreements who have permanent employment, trainee or apprenticeship contracts). It includes coverage for a range of medical expenses, with the possibility of extending it to the employee's family for an additional amount.

Insured	2012	2013
	Number	Number
Employee beneficiaries (middle managers and non-management employees)	1,691	1,806
No. of family members with extended health insurance	262	297
<b>Total no. of insured</b>	<b>1,953</b>	<b>2,103</b>
Employees who extended the health coverage to their family members	9%	9%

Since 2008, supplementary health coverage has also been granted to senior managers, completing the range of services already offered.

### Tax Assistance

A tax assistance service – which was introduced several years ago – was offered free of charge to employees also in 2013, to help them file their annual individual income tax return. This year, 1,223 employees took advantage of this service, with a 5% increase versus last year.

### Special terms for products and services

Employees may also take advantage of special terms for the products and services offered by the Group, such as:

- . mortgage loans;
- . protection and life insurance products;
- . bank accounts;
- . credit and personal loans;
- . financial products and services (e.g. investment funds, supplementary pension plans).

Moreover, a service providing information and practical support in terms of investment in the Group's products is available for employees and is staffed by colleagues called 'Supporter di Sede' (Headquarters Support Service).

<b>Industrial Accident Frequency Rates</b>	<b>2012</b>	<b>2013</b>	<b>Change</b>
Total no. of accidents	30	33	10.0%
Of which: commuting accidents (*)	23	28	21.7%
No. of days of work lost for industrial accidents	354	281	-20.6%
Severity index (**)	0.14	0.10	-27.2%

(\*) Commuting accidents are those accidents that occur during commutes to and from work.

(\*\*) The severity index is defined as the ratio between days absent due to industrial accidents and thousands of hours worked.

The majority of accidents occurred during commutes to and from work.

## WORKPLACE SAFETY

Safety protection activities are conducted to ensure employee and workplace safety, in compliance with statutory and regulatory requirements, specifically with the Consolidated Act on Health and Safety at the Workplace, i.e. Legislative Decree no. 81 of April 8, 2008, which replaced Law no. 626/94, encompassing all the laws regarding safety.

The Mediolanum Group's Safety Project continued also in 2013. It aims to minimize the risk of accidents at work, and thus create a culture of safety in the workplace, by taking preventive measures.

In 2013, a number of workplace safety initiatives actively involving the Group's personnel were carried out as part of the risk prevention and protection system.

Many specialized support activities were implemented this year for the Prevention & Protection Service (PPS), which is handled by the "Employer in charge of Safety" together with "Prevention & Protection Managers" and employees.

As of December 31, 2013, the PPS was composed of 6 worker health and safety representatives (WHSR), 94 staff members trained and qualified to give first aid and 83 fire wardens.

Moreover, in addition to the First Aid kits available at Headquarters, 4 Semi-Automated External Defibrillators (AEDs) (Schiller's FRED easy Online AEDs) were installed in the reception areas of the various Mediolanum buildings. It is worth noting that in order to use a defibrillator, a Basic Life Support Defibrillation (BLS-D) course certifying the ability to use the machine must be taken. This year, 23 people volunteered to attend this course.

The Risk Assessment Document ('Documento della Valutazione del Rischio' - DVR) – in accordance with the Consolidated Act on Health and Safety at the Workplace, i.e. Legislative Decree no. 81/2008 – was updated also in 2013 to make it simpler and more user-friendly.

In accordance with the guidelines contained in the Organization and Management Model (Modello Organizzativo di Gestione – MOG), 10 Safety Meetings – in which the entire Safety team participates – were held on a regular basis this year. Moreover, 10 Hazard Surveys were conducted, i.e. inspections of the workplace to detect any non-compliant



situations and suggest corrective actions.

Specific safety training courses for new hires were carried out also this year. The new activities implemented this year include the following:

- . an online course for all employees;
- . a course for managers;
- . a work-related stress management course for PPS managers.

In addition to the abovementioned mandatory courses, which are imposed under existing regulations, the Bank also deemed it necessary to organize an earthquake safety and preparedness training program for all workplace safety personnel.

Additionally, the annual training course for workers' health and safety representatives was held in December 2013.

The "Innova" intranet portal – which is the communication channel that the company uses to communicate with its people – contains a Safety section where employees can find everything they need to know about workplace safety, including the following information: first aid procedures, the building's evacuation plan (also in case of an earthquake), emergency phone numbers, industrial accident charts, staff members in charge of workplace health and safety and where to find first aid kits in case of emergencies.

Two blood donation campaigns were organized at Headquarters in collaboration with AVIS in 2013.

Moreover, the Bank continued to constantly monitor infrastructure adequacy and microclimate in the workplace.

## ○ COMPANY-EMPLOYEE RELATIONS

### EMPLOYEE RELATIONS

In 2002, the Employee Relations Unit was set up within the HR Department to maximize the quality of work life and improve workplace climate by strengthening the bank-employee relationship as well as by organizing a number of recreational initiatives and activities dedicated to employees.

The initiatives undertaken have always taken employee needs into account and have dealt with a multitude of areas:

- . projects to balance work and family life;
- . healthcare;
- . cultural, leisure and sports activities.

### BALANCING WORK AND FAMILY LIFE

The Bank organized a variety of initiatives to make its employees' lives easier and help them balance work and family life. In addition to the service provided by the Baby Med day care center, the Group also provides other services to meet employee needs and help them solve their daily problems.

Among the services designed to make employees' lives easier and help them save time and money are the following:

- . a service for the filing and handling of administrative procedures, driving license and passport renewal and duplication and consultancy, transfer of car title and plate number registration;
- . the "Answers from a building superintendent" service;
- . shoe repair, tailoring and mending services;
- . laundry services;
- . a variety of services offering high-quality, organic foods;
- . agreements with mechanics and tire shops for employee car maintenance;
- . recreational activities for the children of employees during the summer months.

Starting December, employees can buy bakery items such as bread, pizza and cakes at convenient prices at a shop located within the Bank.

## HEALTHCARE

To raise awareness in the area of health, specific projects were implemented in 2013:

- . two blood drives were organized in cooperation with Avis Milano, with an ever-increasing number of donors. All blood donors must answer questions about their medical history and undergo a screening process for cardiovascular and pancreatic diseases. If needed, the doctors refer donors to a specialist (National Cancer Institute, lung screening, hematology tests, gene mapping);
- . this year, the Mediolanum Group – in cooperation with LILT – gave all its employees the opportunity to undergo body mole mapping and skin screening;
- . moreover, the Group – in cooperation with IMBIO – also gave its employees the opportunity to undergo allergy and food intolerance skin testing at favorable prices;
- . as part of its anti-smoking efforts, the company supported a variety of anti-smoking initiatives. Additionally, employees can use the space dedicated to sports activities where changing rooms and showers are available, and where a variety of fitness classes are held, such as yoga, total body and Pilates workout;
- . moreover, to promote a healthy lifestyle, bicycles are also available for use during work breaks and at the end of the work day, even for just a short ride.

## RECREATIONAL ACTIVITIES

In 2013, the number of employees who took part in recreational activities significantly increased, also thanks to the efforts made to always launch new initiatives designed to better meet employees' needs.

Specifically, the Bank offers its employees a wide range of options, such as:

- . athletics and sports tournaments for employees;
- . recreational activities and shows (including dance, cooking and sewing classes);
- . cultural initiatives and classes (concerts, theater shows, conferences, employee photography exhibits, fitness classes, such as yoga, total body and Pilates workout);
- . products and services at special prices (books, gym memberships, etc.);
- . gifts and presents for employees who just had a baby or got married;
- . special events.

The Bank signed an agreement enabling its employees to get special offers for concerts, shows and events performed at La Scala Theater in Milan as well as at other major theaters in town, confirming its commitment to its people.

Moreover, a soundproof room was set up at corporate Headquarters and made available to music lovers.

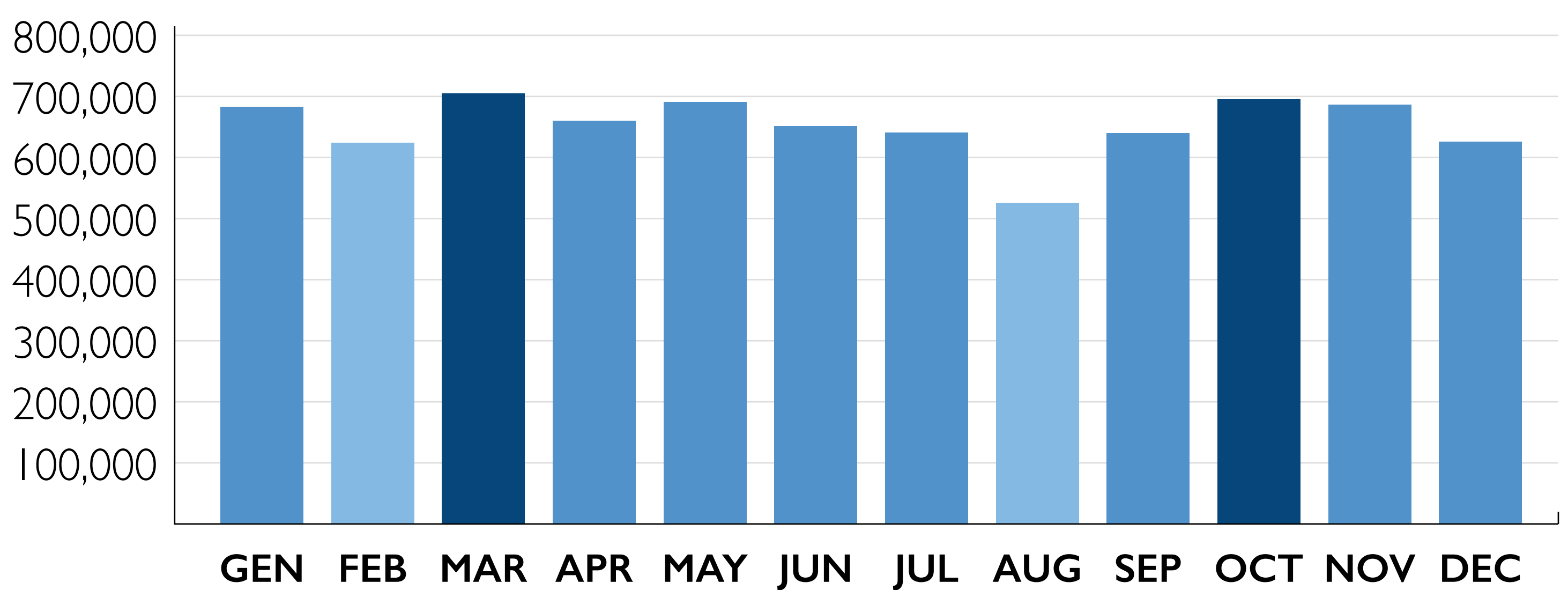


## “INNOVA” PORTAL

The Innova intranet portal is the communication channel that the Group uses to communicate with its employees. It is the gateway to all the information, tools, rules and procedures that are relevant to working at Mediolanum.

On the portal, employees can find information about the Group, its rules, dressing codes, and the Code of Ethics, as well as information about events, initiatives and recreational activities that they can participate in outside of work hours. Employees can have access to practically all the activities mentioned in this section via the Innova portal. The number of page views per month, which never dropped below the February figure of 624,000 logins – if we exclude the drop in August, which is the most popular month for holidays – is an indicator of the portal’s relevance. In 2013 the number of page views per month peaked in the months of January, March (with a peak of 705,000 hits), May, October and November.

### 2013 NUMBER OF PAGE VIEWS – INNOVA PORTAL



## EMPLOYEE INVOLVEMENT

Mediolanum Group employees actively take part in improving the efficiency of corporate processes, by also participating in Work Improvement Teams (WITs).

Thanks to WITs, several areas of improvement have been detected over the past years and new solutions have been adopted, after having carefully been assessed by senior managers, bringing innovation to many departments.

### WORK IMPROVEMENT TEAMS

Work Improvement Teams (WIT), which were first introduced in the company in the 90s, are composed of 5/7 employees who participate on a voluntary basis in this activity. The teams meet regularly to identify critical areas and find solutions to improve or optimize work issues. All the participants follow an ad hoc learning process. They analyze the processes involved in their daily activities to enhance them and come up with spontaneous ideas on how to make their daily work more effective and efficient. The most interesting projects are then further developed to find solutions to improve or optimize work issues. WITs are always under the guidance of a Tutor (i.e. a manager within the company who has experience and specific knowledge in the area related to the project) who has the role of assisting all the team members during all the phases of the project.

WITs last approximately five months and are divided into the following phases:

- . identification of the problem;
- . data collection;
- . writing up of one or more proposals for improvements;
- . implementation (and follow up).

All the proposals for improvements are submitted to senior executives and the best proposals, in terms of concrete benefits delivered to the company, are selected. All winning team members receive an award and are also invited to attend a special dinner along with the Group's senior executives.

Work Improvement Teams have given good results in terms of improving workplace climate, actively involving employees in company life, as well as delivering economic benefits and process optimization. In 2013, 7 WITs were put together with 39 employees participating.

Tutors are constantly in touch with the relevant departments, so they can follow every step of the project until it is fully implemented.

## EMPLOYEE TRAINING

Training Hours – Classroom & Online					
Total training hours	2010	2011	2012	2013	Change
Total Hours - classroom	41,969	41,619	41,430	59,536	44%
Off-Campus – Technical courses	n.a.	1,618	1,785	3,545	99%
Total Hours - online	20,235	19,108	13,450	26,368	96%
<b>Total Hours</b>	<b>62,204</b>	<b>62,345</b>	<b>56,665</b>	<b>89,449</b>	<b>58%</b>

Total training hours by category	2010	2011	2012	2013	Change
Refresher training	n.a.	2,605	3,129	4,195	34%
Behavioral	14,886	8,776	6,356	9,371	47%
Managerial	3,852	4,989	5,487	6,438	17%
Regulations – Compliance with regulatory requirements	n.a.	13,804	14,651	19,956	36%
Insurance products	17,029	4,704	4,744	7,065	49%
Banking products	14,833	17,723	15,155	26,808	77%
Financial products	6,835	5,447	4,223	9,080	115%
IT systems	3,999	2,680	1,135	2,992	164%
Off-Campus – Technical courses	771	1,618	1,785	3,545	99%
<b>Total</b>	<b>62,204</b>	<b>62,345</b>	<b>56,665</b>	<b>89,449</b>	<b>58%</b>



Participants – Classroom & Online					
Total number of participants	2010	2011	2012	2013	Change
Total number of participants - classroom	3,412	5,190	4,739	6,114	29%
OFF-CAMPUS – Technical courses	n.a.	211	129	219	70%
Total number of participants - online	9,193	8,658	4,317	9,384	117%
<b>Total</b>	<b>12,605</b>	<b>14,059</b>	<b>9,185</b>	<b>15,717</b>	<b>71%</b>

Tot. N of participants by category	2010	2011	2012	2013	Change
Refresher training	n.a.	123	276	553	100%
Behavioral	2,916	903	706	1,215	72%
Managerial	232	1,771	1,617	1,400	-13%
Regulations – Compliance with regulatory requirements	n.a.	3,233	3,820	5,723	50%
Insurance products	4,481	130	53	65	23%
Banking products	3,010	6,152	2,260	4,978	120%
Financial products	1,241	1,047	142	863	508%
IT systems	671	489	182	701	285%
OFF-CAMPUS – Technical courses	54	211	129	219	70%
<b>Total</b>	<b>12,605</b>	<b>14,059</b>	<b>9,185</b>	<b>15,717</b>	<b>71%</b>

Number of Courses					
Total number of courses	2010	2011	2012	2013	Change
Courses - MCU lecture hall	59	74	79	106	34%
Courses - online	71	63	68	48	-29%
<b>Total</b>	<b>130</b>	<b>137</b>	<b>147</b>	<b>154</b>	<b>5%</b>

In 2013, there was a significant increase in training hours and activities. The total number of training hours increased by 58%. There was also a hike in the number of on-site (+44%), off-site (+99%) and online (+96%) courses organized this year, which confirms the great efforts made by the Group in terms of planning, organizing and holding its training activities. Specifically, the number of online courses doubled in 2013 compared to last year. Online training mostly covered mandatory topics (e.g. those concerning anti-money laundering, personal data protection and safety regulations, as well as MiFiD and insurance topics, including refresher courses imposed by IVASS, the Italian Insurance Supervisory Authority).

The breakdown of training hours by category also shows a positive trend: there was a remarkable increase in training activities on IT systems (+164%), as well as on financial (+155%) and banking products (+77%).

Consequently, there was also a 71% increase in the total number of participants versus last year.

A significant number of courses were held in 2013, i.e. 154, a 5% increase versus 2012, which reflects the Group's commitment to developing and broadening its range of training courses (i.e. the training "catalog").

In terms of individual initiatives, the following are worthy of note:

The second Executive Master's Degree in Business & Banking Administration – which was organized in collaboration with SDA Bocconi and in which 21 Group employees, including senior and middle managers, participated – continued also this year.

The Bank strengthened its training activities on managerial topics, which are dedicated to senior and middle managers and focus on identifying and applying project management methods, tools and guidelines.

"Innovation" is another area worth mentioning: the Bank organized, together with SDA Bocconi and the Polytechnic University of Milan, thematic workshops on innovation-related topics this year.

In 2013 the Bank also launched a Human Resource Management campaign – which will end in early 2014 and in which 200 Group employees will participate – to inform the Human Resources personnel of the main changes that were introduced in terms of performance assessment and management.

Due to the significant number of apprentices hired this year, the Bank organized several training programs dedicated to new hires, in order to enable them to acquire or strengthen their skills and achieve a high level of professionalism fast, in line with the Bank's standards of excellence.

The Bank introduced a competency mapping model to determine the skill level of individual employees and made great efforts to plan and organize high-level specialized courses for specific types of professionals. These multi-year training programs are designed to bridge the knowledge gap by providing new, up-to-date information and by strengthening existing skills and knowledge.



# SOCIAL INDICATORS

CUSTOMERS

SALES NETWORK

EMPLOYEES

SHAREHOLDERS AND INVESTORS

SUPPLIERS

THE COMMUNITY AT LARGE

THE ENVIRONMENT

REGULATORY AND LEGAL AUTHORITIES,

TRADE ASSOCIATIONS

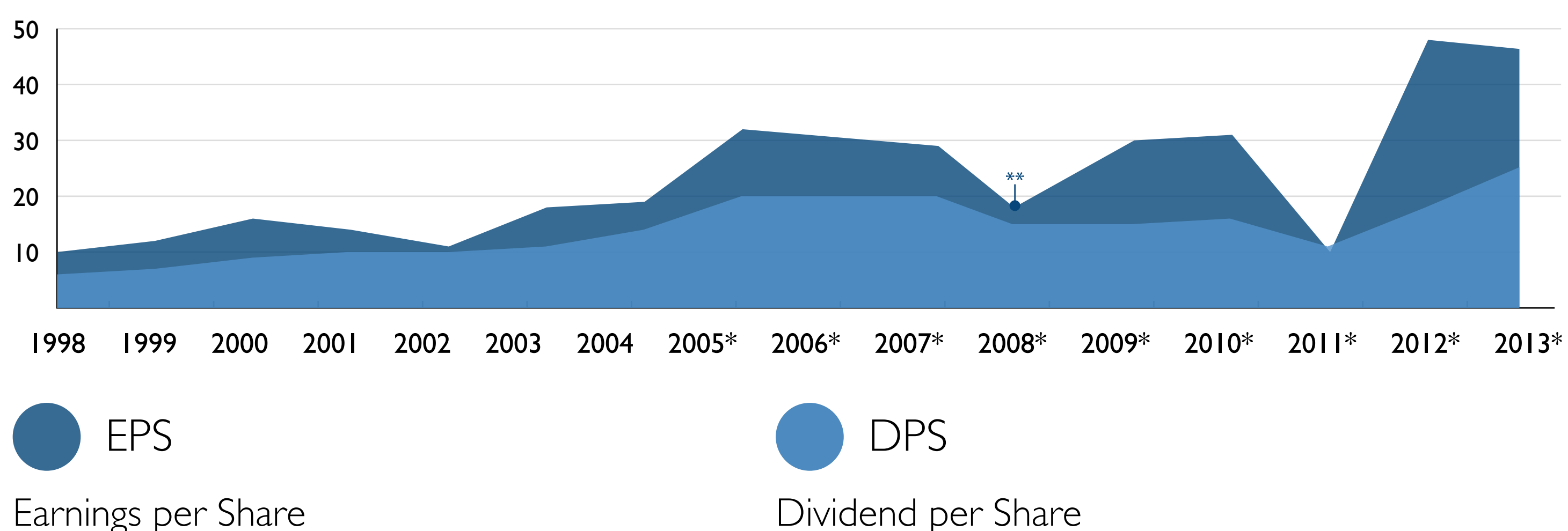
## ○ THE MEDIOLANUM STOCK

The Mediolanum stock has been traded on the Italian Stock Exchange since June 1996 and is part of the FTSE/MIB index, the Italian Blue Chip stock index, including the most liquid and large-cap companies in each industry. The stock is also a component of other major international stock indices, e.g. the Bloomberg European 500 and the S&P Global BMI Index. The following are the main events in the history of the Mediolanum stock:

- . June 3, 1996: the Mediolanum stock is first traded on the Italian Stock Exchange in Milan at ITL 12,000 (€6.197) per share;
- . November 1997: 1:5 stock split with ordinary shares divided by 5. Recalculating the IPO stock price after the split, the price is equal to ITL 2,400 (€1.239).

In 2013 a €0.25 dividend will be paid out.

### HISTORICAL DATA IN EURO



\* International Accounting and Financial Reporting Standards (IAS/IFRS)

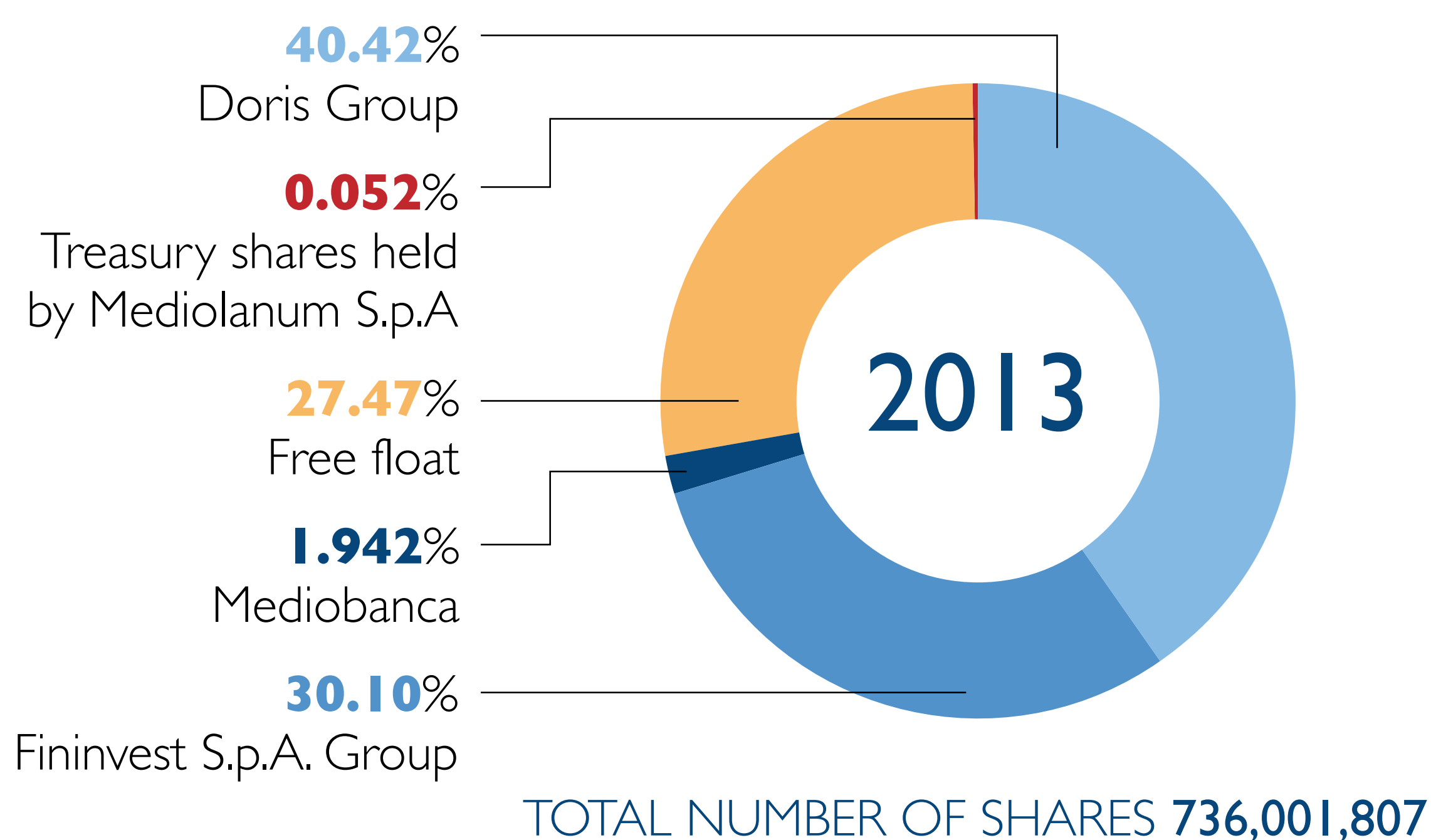
\*\* On pro forma net profit

## ○ SHARE CAPITAL

As of December 31, 2013 the share capital of Mediolanum S.p.A. was made up of 736,001,807 ordinary shares with par value of € 0.10.

The main shareholders of Mediolanum S.p.A. are the Doris Group (40.42%) and the Fininvest S.p.A. Group (30.10%). Mediobanca holds a 1.942% interest with no voting rights. The free float is 27.47% and 0.052% is treasury shares held by Mediolanum S.p.A.. A Shareholders' Agreement was signed between Fin. Prog. Italia S.a.p.a. owned by Ennio Doris & C., and Fininvest S.p.A., representing at least 51% of share capital, the shares being equally divided among shareholders. The agreement was renewed on September 14, 2013 and will remain in force for three years.

## € SHARE CAPITAL





## INVESTOR RELATIONS

The Mediolanum Group is committed to ongoing dialogue with the Italian and international financial community, which has always recognized its transparency and reliability. Mediolanum S.p.A. has several thousands of shareholders from many different countries, including significant shareholders, such as pension funds, mutual funds and insurance groups.

The Investor Relations Team, in line with the guidelines provided by senior executives, aims to promote a line of communication dedicated to shareholders, institutional investors and financial analysts by providing, in a timely manner, accurate information about the management and the strategies adopted by the company – in addition to financial and business results.

All of this in compliance with the regulations laid out by CONSOB and Borsa Italiana for the dissemination of price sensitive information, which could influence the stock's performance on the market.

The Investor Relations Team uses a variety of means to keep in touch with the stakeholders in the financial community: telephone calls, one-on-one and group meetings, as well as technological channels (e.g. e-mail, conference calls and video conferences).

Moreover, over the course of the year, there are a number of opportunities that take the IR Team to the major international markets, such as conferences organized by the major brokers and roadshows in Europe and North America, with and without the participation of senior executives.

Key communications activities	2012	2013	Change
No. of presentations to analysts	5	6	20%
No. of roadshow days in Italy	2	6	200%
No. of roadshow days abroad	27	26	-4%
No. of meetings with analysts*	138	137	-1%
No. of meetings with investors*	200	268	34%

\* Figures include: analysts and investors who were contacted by phone for one-on-one and group meetings or who attended our conference calls or presentations via the Internet. Contacts via e-mail are not included in the figures.

This year, there was a significant increase in the number of meetings with analysts and investors versus 2012, which reflects the increased interest shown by the financial community – starting the second half of last year – in the country in general and, specifically, in Italian ‘Asset Gatherers’. As a result, the Bank, on the one hand, received a constant flow of meeting requests from investors and, on the other hand, found it easier to get appointments with the people it contacted.

It is worth noting that the ratio between the number of activities autonomously carried out by the IR Team (i.e. without the participation of senior executives) and overall contacts with investors and analysts remained very high: 57% in 2013 compared to 58% in 2012.

Moreover, the Investor Relations Team ensures that up-to-date information is available to investors and the markets on a dedicated section of the website [www.mediolanum.com](http://www.mediolanum.com). In this section, users can find past and recent financial information as well as the webcasts of the earnings releases (both the live, interactive presentations that give viewers the opportunity to ask questions, as well as past events on demand).

Additionally, the IR Team provides assistance and advice to all the company departments that need to delve into and/or disclose economic and financial information to external parties for any given reason.

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## PROCUREMENT POLICY

The Mediolanum Group attributes great value to its suppliers, and the role they play. Therefore, it makes great efforts to build strong and constructive long-term relationships with current and potential suppliers; these relationships are based on values and principles such as lawfulness, transparency, fairness and loyalty, in compliance with the Corporate Social Responsibility criteria contained in the Social Report and the requirements imposed by Model 231/01 (i.e. the Organization and Management Model) and the Code of Ethics.

As of December 31, 2013, there were 2,390 suppliers of the Mediolanum Group. The provision of services was particularly concentrated in the following areas: information technology, marketing and communications, consultancy, systems and maintenance.

Suppliers are accurately selected and closely monitored, so as to find the best option available on the market. Moreover, the Group selects (or confirms) its suppliers based on their financial solidity as well as other criteria, such as:

- . service quality;
- . reliability;
- . assistance and timeliness in their services;
- . responsible and ethical behavior, also concerning the environment and the community at large.

### PURCHASING PROCEDURE AND METHOD

The Procurement Department assists the entire organization in purchasing the goods and services needed to run the business.

The Department is in charge of keeping the Register of Suppliers, which provides a list of those suppliers who currently hold contracts with the Group for the provision of goods or services. It is also responsible for monitoring and assessing supplier performance on a regular basis, both in terms of commercial and technical performance and based on Key Performance Indicators. Moreover, it finds alternatives and other suppliers based on market surveys.

To purchase goods and services, the Department uses procurement tools, such as e-tendering and e-auctions, and complies with internal policies (approved by the Board of Directors) and Operations Regulations.

The entire process of the procurement of goods and services was automated so that all phases of the activity could be monitored; it includes carefully analyzing and assessing the technical and financial offers based on a Scoring Model containing technical, financial and contractual criteria to identify the best option.

The Procurement Department, together with the other relevant departments in charge under the internal regulations, also carries out those activities aimed at drafting contracts, including, in order to meet existing regulatory requirements, signing certain papers and accepting the terms contained thereof:

- . information disclosure in compliance with Legislative Decree no. 231 dated June 8, 2001;
- . obligation of confidentiality relative to the data and information concerning the object of the contract or the information acquired in the course of business, and the obligation of compliance with Legislative Decree no. 196/2003 regarding data protection;
- . obligation to comply with safety rules in the workplace.

Lastly, the Banca Mediolanum Procurement Department joined ABC (Asset Banking Consortium), the Consortium that assists banks in identifying best practices and in better managing their purchasing process.





## ○ BREAKDOWN OF SUPPLIERS

### BREAKDOWN BY BUSINESS CATEGORY

Business category	% of sales				
	2010	2011	2012	2013	Change
EDP and databases	31.50%	33.70%	30.60%	38.02%	24.25%
General expenses	17.20%	18.30%	17.20%	19.34%	12.44%
Promotion, Advertising and Marketing	16.70%	16.60%	16.40%	17.26%	5.24%
Professional services	11.10%	8.60%	8.90%	9.54%	7.19%
Other	4.10%	5.20%	3.70%	4.61%	24.59%
Property management	4.80%	4.20%	4.70%	2.85%	-39.36%
Utilities	4.40%	3.00%	2.60%	2.91%	11.92%
Transportation and shipment	3.60%	3.80%	3.50%	4.27%	22.00%
Insurance	6.60%	6.60%	12.40%	1.20%	-90.32%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	

### BREAKDOWN BY SALES LEVEL

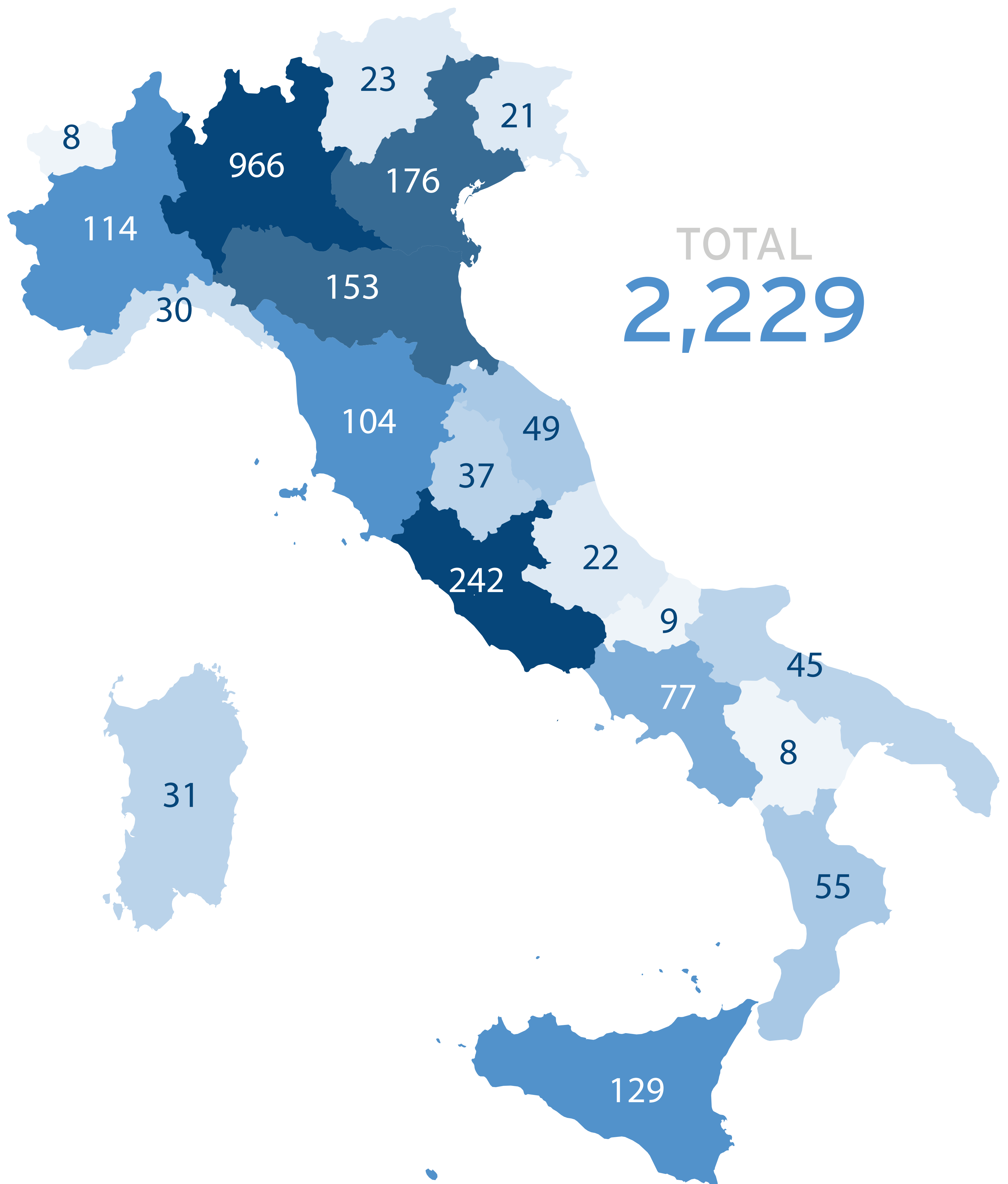
Total annual sales (Euro)	% of concentration	
	% of suppliers	% of sales
<10.000 euro	66.36%	1.57%
10.001-100.000 euro	22.64%	8.63%
>100.001 euro	11.00%	89.80%
<b>Total</b>	<b>100%</b>	<b>100%</b>



## BREAKDOWN BY GEOGRAPHY

Region	Number of suppliers				
	2010	2011	2012	2013	Change
Lombardy	1,090	877	918	966	5.23%
Lazio	222	210	214	242	13.08%
Emilia Romagna	149	165	142	153	7.75%
Veneto	144	156	183	176	-3.83%
Sicily	99	127	133	129	-3.01%
Piedmont	125	104	118	114	-3.39%
Tuscany	87	67	99	104	5.05%
Campania	66	65	58	77	32.76%
The Marches	42	47	47	49	4.26%
Sardinia	30	37	27	31	14.81%
Apulia	30	32	26	45	73.08%
Umbria	36	29	31	37	19.35%
Calabria	18	28	36	55	52.78%
Friuli Venezia Giulia	18	24	21	21	0.00%
Liguria	26	23	16	30	87.50%
Trentino Alto Adige	18	21	22	23	4.55%
Abruzzi	19	20	19	22	15.79%
Molise	4	6	7	9	28.57%
Valle d'Aosta	3	2	4	8	100.00%
Basilicata	1	-	4	8	100.00%
Abroad	89	88	79	91	15.19%
<b>Total</b>	<b>2,316</b>	<b>2,128</b>	<b>2,204</b>	<b>2,390</b>	<b>8.44%</b>

## BREAKDOWN BY REGION



An overview of the density of the supplier population is provided in the map above: darker shades of blue indicate a higher number of suppliers in the region.

# SOCIAL INDICATORS

CUSTOMERS

SALES NETWORK

EMPLOYEES

SHAREHOLDERS AND INVESTORS

SUPPLIERS

THE COMMUNITY AT LARGE

THE ENVIRONMENT

REGULATORY AND LEGAL AUTHORITIES,

TRADE ASSOCIATIONS



## ○ CORPORATE SOCIAL RESPONSIBILITY

In 2013, Banca Mediolanum reaffirmed its ongoing commitment to running its business in accordance with ethical principles, confirming its customer-oriented model by always being ready to help its customers and Family Bankers® in need, as well as the community at large.

The Bank also showed its commitment to Corporate Social Responsibility by paying great attention to all its stakeholders and focusing on their needs.

### 2013 EMERGENCY SITUATIONS

After the emergency relief initiatives undertaken to help the people affected by the natural disasters that hit Italy over the past few years (e.g. the earthquake that struck Abruzzi in 2009, the heavy floods in Veneto in 2010, and the severe flooding that hit Liguria, Tuscany and Sicily in 2011, as well as the earthquake in Emilia Romagna, the flooding in Central Italy, and the earthquake that shook the towns of Potenza and Cosenza in 2012) Banca Mediolanum has continued to be there also in 2013, by helping and providing support in emergency situations. It expressed solidarity with the people who live in the areas impacted by the following natural disasters:

- . flooding in Catania;
- . flooding in Veneto;
- . earthquake in the Lunigiana and Garfagnana areas;
- . flooding in Tuscany;
- . flooding in Sardinia.

Banca Mediolanum took prompt action and allocated €1,600,000 to help its customers and Family Bankers® who suffered financial loss and material damage to their family homes and contents as well as other property.

Additionally, it put a number of measures in place to ease the burden on them, such as:

- . giving the opportunity to suspend mortgage and loan payments for 12 months;
- . granting soft loans;
- . reducing, by 1%, current mortgage and loan rate spreads for 24 months;
- . providing zero-fee current accounts and securities deposit accounts for 24 months.

It is also worth noting that, as regards donations granted to the Bank's customers and Family Bankers® affected by natural disasters in past years, in 2013 the Bank donated a total of €2,138,500 – disbursed in 8 installments – to 472470 customers. Specifically:

- . flooding in Sicily in 2011: 6 customers for a total of €34,600;

- . earthquake in Emilia Romagna in 2012 (5 installments): 414 customers for a total of €2,000,000;
- . flooding in Liguria and Tuscany in 2011: 11 customers for a total of €31,700;
- . flooding in Central Italy in 2012: 4139 customers for a total of €72,200.

Moreover, the Bank set up the “Emilia Earthquake Emergency” donation account to help the people affected by the 2012 disaster and then handed the funds over to the Caritas Ambrosiana. Also thanks to the funds raised through this initiative, a community center was built in Mirandola, which officially opened in July 2013.

## ○ THE MEDIOLANUM FOUNDATION NPO

### MEDIOLANUM GROUP DONATIONS

In 2013, thanks to the donations received, on a regular basis, from the Mediolanum Group, the Mediolanum Foundation continued to select, promote and finance projects supported by other NPOs and designed to help children in need.

Specifically, this year the Foundation received a total of €500,000 from the Group: €250,000 from Mediolanum Gestione Fondi SGR.p.A. in July and €250,000 from Banca Mediolanum S.p.A. in August.

### GROUP FUNDRAISING ACTIVITIES

#### The “101 Ways to Say Merry Xmas” Initiative

Following the great success enjoyed by the initiatives implemented at Christmas time last year, the Mediolanum Foundation NPO decided to organize, also this year, a variety of fundraising activities among Group employees and Family Bankers® to support the “101 Ways to Say Merry Xmas” initiative. Group employees could buy Christmas cards or participate in a prize contest.

Funds raised were donated to the Benedetta d’Intino Center, which helps children or teenagers with language-based learning disabilities develop communication skills. Thanks to the fundraising activities organized by the Mediolanum Foundation, in 2012 the Center implemented “Leonardo”, an Augmentative and Alternative Communication project designed to teach alternative communication methods to children with speech and language impairments.

Due to the ongoing financial crisis, many families from all over the country are struggling to have access to treatment for their children. Since the Foundation firmly believes that communication is a fundamental human right that all people should enjoy and that as many children as possible should benefit from AAC, it decided to support the Benedetta d’Intino Center in providing free Augmentative and Alternative Communication treatment to children.

The “Porte Aperte” (Open Doors) project aims to help these families by bearing long-term treatment costs.

#### Identification cards and badges

The Sales Department continued to support the shelter for orphaned and abandoned children of the Fratelli Senza Frontiere NPO in Mozambique. The Department raised funds by selling Family Banker® identification cards and by replacing Family Bankers® and employees’ lost identification badges.



### Easter Eggs Initiative

The Group, in collaboration with the Francesca Rava NPH Italia Non-Profit Foundation, organized a fundraising initiative during Easter this year. Group employees could buy Easter eggs and traditional cakes to raise funds for the Rava Foundation's schools for street children in Haiti.

### Xmas Cakes Initiative

At the beginning of December, the Mediolanum Foundation NPO gave In-Presa, a social cooperative that fights truancy, the opportunity to sell bakery items – made by the students they are helping – to Group employees.

### Near Group

Near Group is a company that organizes temporary outlets and donates a portion of each sale to NPO projects, thus integrating social concerns into its business. A temporary outlet was held at Mediolanum for Group employees in June, and 10% of sales was donated to the “Open Doors” initiative.

## OVERVIEW OF PROJECTS

In 2013, the Mediolanum Foundation NPO assessed 554 projects overall (+592.5% versus 2012 – 92 of which were assessed for disbursement in July and 462 in November) and granted funds, amounting to €758,931 to 28 of them (+77% versus 2012).

## DIRECT FUNDRAISING ACTIVITIES

### “Send me to school” text message donation campaign

After last year's successful “A Breath for Haiti” initiative, which raised €104,538.49, the Mediolanum Foundation decided to launch another mobile giving campaign in 2013. The Foundation set up a number to text for donations with the leading Italian mobile service providers for its new “Send Me to School” campaign, which ran from October 1 to 20, 2013.

The initiative was designed to raise funds for the AMANI NGO in order to provide grants and scholarships for elementary and junior high school students as well as vocational training for former street children. It also supports shelters and centers that help the many children who live on the streets and in the slums of Nairobi, by giving them a place to stay and by protecting them from all forms of violence and abuse.

A comprehensive overview of the media coverage and means used to promote the initiative is provided in an annex to the Social Report. Many Departments (e.g. Mediolanum Comunicazione S.p.A, Marketing, Media Relations, etc.) supported the initiative.

Funds raised through the campaign should be close to €55,000. However, these are only forecasts as the actual figures will only be disclosed in March 2014, once the second invoicing is over.

### **The “Piccolo Fratello” Project & Mediolanum Freedom Rewarding**

Mediolanum Freedom Rewarding is a loyalty program enabling Bank customers to accrue points when they use their bank account and turn these points into donations for the disadvantaged. Customers can use the points earned to choose a reward from the catalog, where they also find a “Donations” section. The Bank has supported the Francesca Rava NPH Italia Non-Profit Foundation for many years now, and, also thanks to this support, the Rava Foundation has enjoyed great visibility and has received donations on a regular basis for its many projects in Haiti, such as its schools for street children and the Saint Damien Hospital, the only children’s hospital providing free health care in Haiti.

The Mediolanum Freedom Rewarding program, which ran for five years, expired on April 30, 2013 and all the customers were invited to use the points earned before the expiry.

The majority of customers opted for the “Donations” section and 38,628 donations were made to the Rava Foundation: 120,554,000 points overall, for a total of €602,770.

The Francesca Rava NPH Italia Non-Profit Foundation publicly thanked all the Mediolanum Bank customers for their generosity in the country’s major newspapers.

### **“Abbiamo RISO per una cosa seria” project**

FOCSIV, the largest NGOs Federation in Italy gathering several Christian-inspired organizations of international volunteers, promoted – together with 25 of its member organizations – the “Abbiamo RISO per una cosa seria” initiative in May to support food sovereignty and right-to-food projects in the world’s poorest southern countries. As part of the initiative, over 450 “points of sale” where people could buy fair trade rice were set up all across Italy to support the charity projects for children promoted by the Federation’s 25 member organizations. The Mediolanum Foundation NPO raised awareness of the issue among the Mediolanum Group Sales Network, suggesting Family Bankers® buy rice to give it to their customers as a present when they organize their business events at the local level. The initiative was a great success: 815 kg of rice were sold, generating €4,075 in donations.



### Low-income lending

In May 2009, Banca Mediolanum S.p.A. and the Mediolanum Foundation NPO signed an agreement with the San Bernardino Foundation, which is a charity organization that provides support and help to vulnerable individuals and families struggling financially, especially those struggling with debt, to prevent usury. Under the agreement, the Bank shall give low-income individuals and/or people living below the poverty line access to loans to help them get through tough times and improve the quality of life of these people (or at least ensure that it doesn't get worse). The San Bernardino Foundation works with Caritas organizations of the Dioceses in Lombardy, which rely on local Counseling Centers to identify the needs of vulnerable families with children. Qualified volunteers provide financial assistance to people on low incomes and the Bank fully takes on the credit risk associated with the loans granted. The Mediolanum Foundation, instead, in line with its mission (i.e. strengthening the role of women in society), prefers granting loans to financially vulnerable mothers. The Bank set up a revolving loan fund of €250,000 in the period from 2009 to December 31, 2013 and thanks to these funds, 47 loans were granted for a total of €436,300. In 2013 alone, 7 loans were granted for a total of €52,500.





Continent	Country	NPO	Area	Project	€ Funds granted
Africa	Tanzania	ACRA	Education	Supporting the “Njombe Vocational School” in Tanzania, which provides entrepreneurship education in the agricultural and construction industries to low-income students who live in rural areas.	20,000
	Benin	ALEIMAR	Assistance	Supporting children and women in Benin (Kpossegean shelter) by focusing on agriculture, education and healthcare.	9,800
	Kenya	AMREF Italia Onlus	Healthcare	Taking homeless children off the streets of Dagoretti, and giving them a place to stay at the Children Village until they are ready to go back to the community they come from.	40,000
	South Sudan	CCM	Healthcare	Supporting children’s healthcare services to reduce child mortality in the Warrap state and nearby areas.	15,000
	Tanzania	CEFA ONLUS	Assistance	Promoting the LESS IS MORE project providing healthcare and vocational training to disabled children and young people in Tanzania and helping them enter the world of work.	20,000
	Uganda	CUAMM	Healthcare	Ensuring access to healthcare for pregnant women and their babies and providing high-quality emergency maternal and newborn care services.	20,000
	Mozambique	FRATELLI SENZA FRONTIERE	Assistance	Promoting the Family Med Project designed to support a shelter for orphaned and abandoned children.	8,717
	Mozambique	MUINDI	Education	Improving pre-school education in kindergartens in Pemba (Mozambique).	15,000
Asia	Iraq	EMERGENZA SORRISI	Healthcare	Organizing a new project designed to help Iraqi (Nassirya) children with facial deformities or burns through corrective surgery.	20,000
	Philippines	SOS Villaggi dei Bambini	Assistance	Philippines emergency situation: providing disaster relief and protection to the children and families of Tacloban.	40,000
	Syria	UNHCR	Education	Supporting elementary schools for refugee children in 12 countries, specifically focusing on Syrian children who live in refugee camps.	25,000

Continent	Country	NPO	Area	Project	€ Funds granted
South America	Haiti	FONDAZIONE FRANCESCA RAVA	Education	Supporting “street schools” in Haiti.	41,790
			Healthcare	Supporting the 2012 “A Breath for Haiti” text message donation campaign for the Saint Damien Hospital.	104,538
Europe	Italy	AIRC	Research	Supporting research on next-generation sequencing technologies to improve diagnosis and identify the molecular characteristics of childhood leukemia.	20,000
		AMRI ONLUS	Healthcare	Providing homes for rent to families whose children are in hospital (at the Gaslini Hospital in Genoa).	10,000
		Ass. LEVELE Onlus	Assistance	Providing experiential learning as well as school education to children from vulnerable or disadvantaged families, to help them grow up into capable, responsible adults.	20,000
		Ass. PAPA GIOVANNI XXIII	Assistance	Supporting the Villaggio della Gioia, a shelter for minors and their families where psychologists and educators provide assistance and help.	20,000
		ATIPICA	Research	Promoting children’s mental health and wellbeing at school through a project aimed at detecting externalizing behavior disorders.	18,000
		C.I.A.O.	Assistance	Building a shelter for mothers in jail and their children.	20,000
		Centro BENEDETTA D'INTINO	Healthcare	Supporting families of children with learning disabilities by providing free treatment at the Center.	68,000
		COMETA Formazione scs	Education	Promoting a work-based learning program designed to fight truancy and help young people in need find a job.	43,115
		Comitato MARIA LETIZIA VERGA	Healthcare	Helping build a new childhood leukemia and blood disease research institute and a new marrow transplant center.	30,000

Continent	Country	NPO	Area	Project	€ Funds granted
Europe	Italy	Coop. Soc. IN-PRESA	Education	Supporting a work-based learning program designed to fight truancy.	400
		DON GNOCCHI	Education	Helping the 65 children with psychomotor disorders who are treated at the Don Gnocchi Center develop communication skills.	15,000
		FATA NPO	Assistance	Installing a tile floor, planting a kitchen garden and a garden at the CASA DI FATA youth shelter.	20,000
		Aiutare i bambini foundation	Assistance	Promoting the “Un nido per ogni Bambino” project supporting disadvantaged families with children aged under 3 years.	64,571
		FONDAZIONE TIAMO	Healthcare	Promoting a project designed to meet the health and social needs of children affected by rare diseases and of their families. The Project also provides training to health and social workers as well as educators and teachers.	10,000
		PROGETTO ARCA	Assistance	Helping children from poverty-stricken families in Italy.	20,000
<b>Total</b>					<b>758,931</b>



WORLD MAP



# SOCIAL INDICATORS

CUSTOMERS

SALES NETWORK

EMPLOYEES

SHAREHOLDERS AND INVESTORS

SUPPLIERS

THE COMMUNITY AT LARGE

THE ENVIRONMENT

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TRADE ASSOCIATIONS





## ENVIRONMENTAL PROTECTION

The Bank is aware of the importance of curbing the environmental impact that all the activities undertaken by the Group and its employees generate at every level. Therefore, it implemented a number of concrete initiatives and projects aimed at reducing consumption and waste (e.g. energy, paper and water) as well as encouraging employees to adopt environmentally friendly behavior.

### RAISING EMPLOYEE AWARENESS

The Group's eco-friendly approach is a daily reality at Headquarters through a series of simple practices, which have allowed the Group to significantly cut costs and reduce its environmental impact, as well as help employees acquire more environmentally aware, greener habits in the workplace. Specifically, here are some of the deeply-rooted practices that have been continuously improved over the years:

- . using the copiers' energy-saving features, i.e. the auto shut-off mode;
- . reducing paper consumption by using copiers as centralized printers and scanners as well as e-mail (sending documents directly via e-mail);
- . setting multifunction copiers to print front and back by default to reduce paper use;
- . placing toner cartridges and paper recycling bins on all floors;
- . encouraging employees to use electronic alternatives to paper-based forms of communication.

### TARGETED MEASURES

In 2009, a tri-generation system was installed at Headquarters in Milano 3 for the simultaneous production of electricity, heat and refrigeration through the use of co-generators, heat pumps and absorption chillers. The system is fuelled with methane gas, and provides self-generated energy for daily consumption (e.g. lighting, PCs, motive power, etc.). Covering the needs of four buildings, the system is made up of two separate and independent devices, located on the roof of each building.

In 2013, the tri-generation system met the following needs:

- . It supplied approximately 62.7% of the current energy consumption;
- . It covered the total heat demand, while it only partially covered the cooling demand.

Moreover, the tri-generation system enabled the company to request "White certificates" (Energy Efficiency Credits) and at the end of the year the National Regulatory Authority for Electricity and Gas (AEEG) accepted its request, finalizing the necessary procedure to issue white certificates, which were issued and obtained by the Group this year.



The Archimede and Galilei buildings, as well as the company's day care center, are connected to the tri-generation system. Apart from providing self-generated energy, covering 90% of workstations, it also provides emergency power (UPS and engine-generators).

## ENERGY CONSUMPTION

The information contained in this section only relates to the Milano 3 Headquarters in Basiglio.

In 2013, the total area was 48,301 sq. m. and the average square meters remained unchanged with respect to last year. The corresponding headcount – including employees and contract workers, e.g. interns, project contractors and advisors who are regularly present at Headquarters – came to 2,755 in 2013 versus 2,710 in 2012 (+1.7%). This year's figure includes 2,388 employees, 200 professors at Mediolanum Corporate University, 25 at the Department in Lombardy and 142 people at the company's day care center (126 children and 16 teachers).



### ELECTRICITY

● 2012 ● 2013

Total consumption (kW)



Yearly Consumption/sq. m (kW/sq. m)



Yearly Per-capita consumption (kW/occupant)



The Mediolanum Group devotes a great deal of attention to energy consumption since this is an area where direct actions can be taken to reduce environmental impact. In February 2006, the Group joined the "ABI Energia" Consortium through its membership in the Italian Association of Private Bankers (ASSBANK).

ABI Energia provides services to its members for optimal energy procurement and use. Thanks to agreements made with energy companies, consortium members can benefit from below market energy prices and other favorable contractual terms.

Thanks to the tri-generation system, in 2013, approximately 4,931 MW of electricity

was produced, i.e. 62.7% of total consumption.

At the end of 2013 new plants for the production of cold water for the EDP rooms' water-cooling systems were installed, which will deliver significant benefits in terms of energy efficiency in 2014.



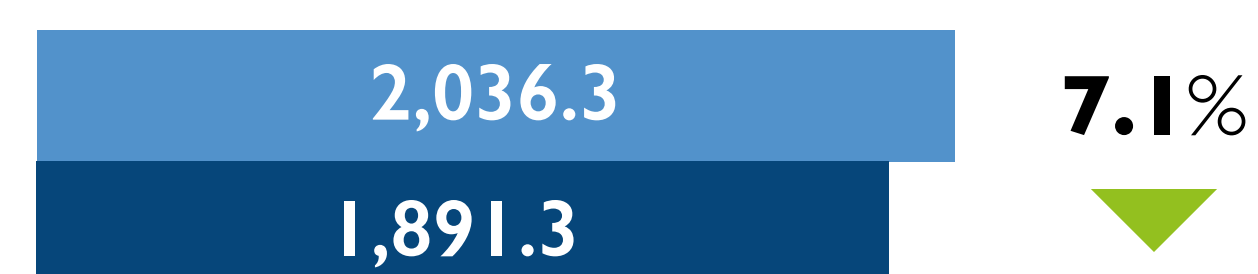
## HEATING

● 2012 ● 2013

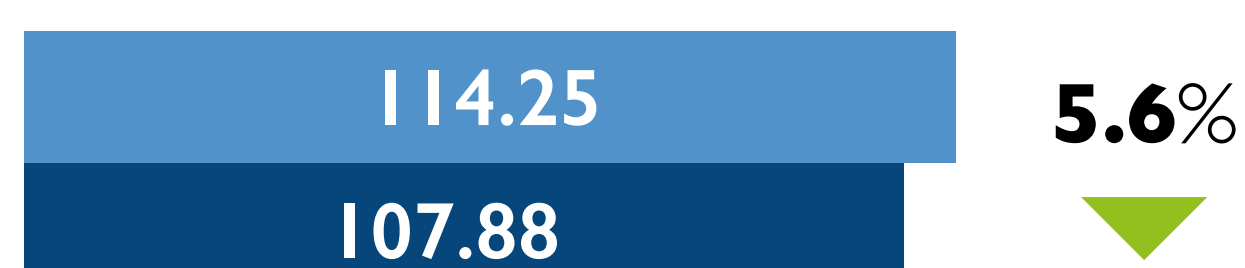
Total consumption (MCal)



Yearly Per-capita consumption (MCal/occupant)



Yearly Consumption/sq. m (MCal/sq. m)



In 2013, thanks to the tri-generation system, only maintenance costs relating to the centralized system in the Milano 3 Headquarters were borne by the Group, while total heat demand for the buildings at Headquarters was covered by self-generated energy. In 2011, heat meters were installed on the tri-generation system to accurately measure the number of Mega calories consumed; therefore, the figures regarding certain buildings (e.g. Meucci-Galvani and Fermi-Galeno) are actual figures, while those regarding other buildings (e.g. Archimede, Pitagora and Galilei) are estimated figures.

 WATER

● 2012\* ● 2013\*\*

Total consumption (m3)



Per-capita consumption (m3/occupant)



\* 2012 consumption figures were adjusted to take into account the final balance adjustment received in 2013.

\*\* 2013 consumption figures are estimated figures, as we are still awaiting for the final balance adjustment.

Estimated water consumption in 2013 was 17,021 cubic meters (m3) for personal use and 30,262 cubic meters (m3) for water-cooled machines (cooling towers).

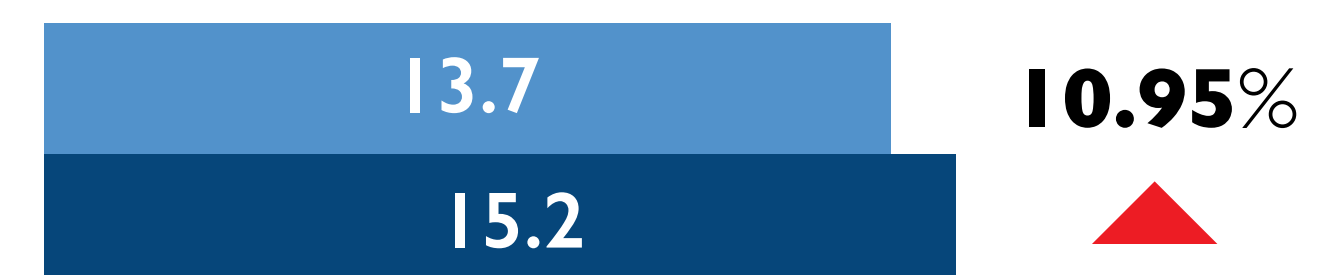
 PAPER

● 2012 ● 2013

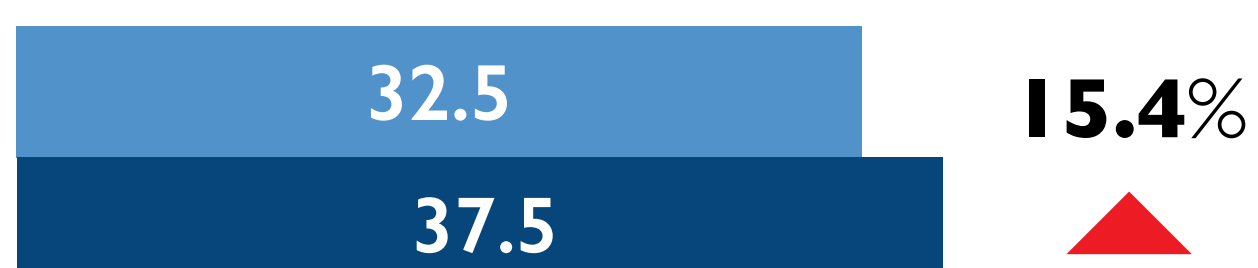
Letterhead and blank paper (tons)



Per-capita consumption (Kg/occupant)



Recycled paper (tons)



The amount of white paper and letterhead used in 2013 was further reduced, while the use of recycled paper increased both in absolute terms as well as average per capita consumption.



## WASTE SORTING AND DISPOSAL

The following waste is sorted:

- paper;
- packaging (cardboard, Styrofoam, wood);
- printer and copier toner cartridges;
- PCs and electronic equipment;
- batteries;
- plastic and aluminum;
- glass;
- metal.

To properly sort and dispose of waste, there are dedicated waste collection areas: toner cartridges and paper recycling bins are placed on all floors and plastic and aluminum recycling bins in the cafeteria and snack bars. As regards glass and metal, instead, there are two waste collection areas for all the buildings.

## SUSTAINABLE MOBILITY

Headquarters in Basiglio is connected to Milan (Famagosta and San Donato subway stops) by an efficient shuttle service. This service was used by 327 employees on average per day in 2013, versus 286 in 2012.

The use of public transportation to get to work was incentivized by an agreement with ATM – Azienda Trasporti Milanesi, the public company responsible for public transportation in Milan – regarding special rates for annual passes. Mediolanum Group employees purchased 114 ATM passes this year.

A carpooling program is also available to employees, enabling them to share rides. Interested employees can get in touch with other co-workers who take the same route to work via the company's Innova portal.

The Mediolanum Group reinforced its commitment to sustainable mobility by appointing a Mobility Manager responsible for this activity.

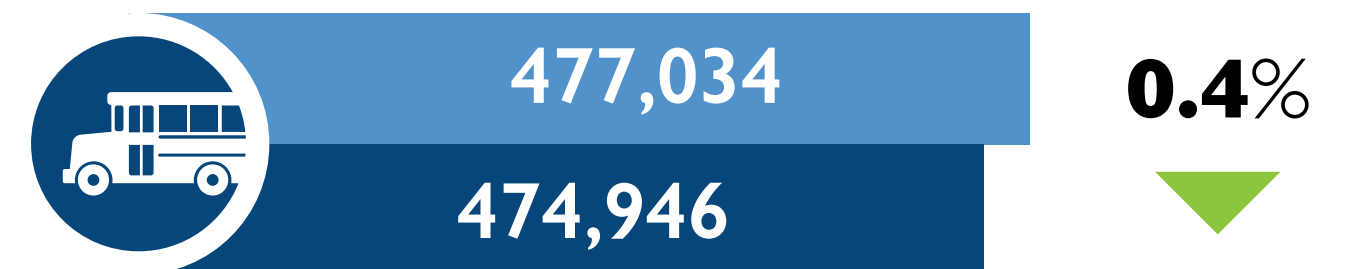
## TRAVEL EXPENSES

● 2012 ● 2013

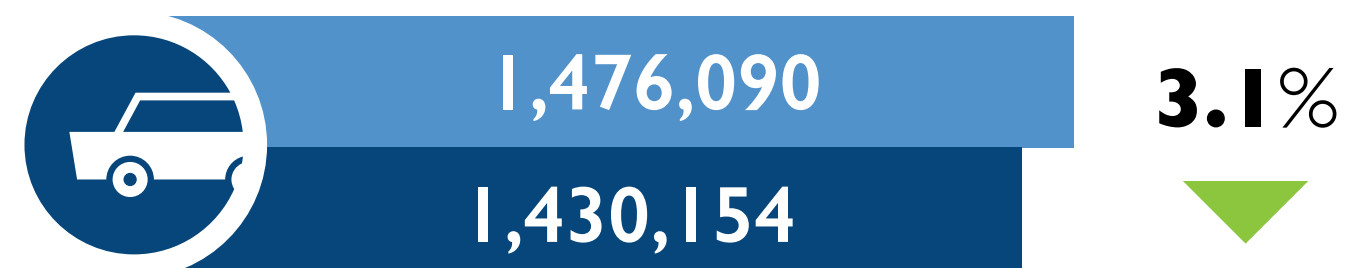
Fuel (euro)



Bus - Shuttle (euro)



Car rental (euro)



Travel expenses come under a variety of headings, in particular, the two that have to do with the company's car fleet and are reported in the chart above are related to long-term rental costs and costs for fuel. The latter is reimbursed to employees who have a company car as part of their benefits.

In 2013, the number of cars in the Mediolanum Group's fleet decreased with respect to the previous year (106 cars this year versus 107 in 2012).

Despite the Group's car fleet comprises vehicles with low CO<sub>2</sub> emission latest-generation DPF diesel engines and cars running on alternative fuels, there was an increase in fuel costs (due to greater consumption and rising raw material prices).

However, the Group continues to show its ongoing commitment to environmental protection and to pay great attention to reducing consumption and waste. Actually, the new corporate policy requires fleet cars not to exceed certain levels in terms of CO<sub>2</sub> emissions and mileage.

The cost of the shuttle is paid for by the company and is provided by a private transportation service that connects Headquarters in Basiglio with Milan and S. Donato. In September 2013, the Group decided to reduce the number of journeys after having carefully analyzed the number of runs per day, and as a result, there was a reduction in mileage.

## WORKPLACE HEALTH

The smoke-free programs adopted by Group companies several years ago are included in workplace health projects: smoking is prohibited in the offices and in common areas.

# SOCIAL INDICATORS

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TRADE ASSOCIATIONS



## ○ REGULATORY AUTHORITIES

The Mediolanum Group operates in heavily regulated sectors (statutes and other industry regulations) and must comply with specific regulations; moreover, companies are subject to inspections by the competent supervisory authorities on a regular basis.

The main regulatory bodies for the Italian companies of the Mediolanum Group are listed in the table below.

COMPANY	TYPE OF BUSINESS	Italian Revenue Agency	Antitrust Authority	Regulatory Authority for Electricity and Gas
MEDIOLANUM S.p.A.	Holding company	●	●	●
BANCA MEDIOLANUM S.p.A.	Banking	●	●	●
MEDIOLANUM GESTIONE FONDI S.G.R.p.A.	Asset Management	●	●	●
MEDIOLANUM ASSICURAZIONI S.p.A.	Insurance	●	●	●
MEDIOLANUM VITA S.p.A.	Life insurance	●	●	●
MEDIOLANUM COMUNICAZIONE S.p.A.	Communications	●	●	●
MEDIOLANUM FIDUCIARIA S.p.A.	Provision of fiduciary heading services regarding personal property (as set out in Law no. 1966 of November 23, 1939 and the following implementation regulations)	●	●	●

COMPANY	TYPE OF BUSINESS	Communica- tions Authority	Bank of Italy	Borsa Italiana
MEDIOLANUM S.p.A.	Holding company			●
BANCA MEDIOLA- NUM S.p.A.	Banking	●	●	●
MEDIOLANUM GE- STIONE FONDI S.G.R.p.A.	Asset Management		●	
MEDIOLANUM ASSI- CURAZIONI S.p.A.	Insurance			
MEDIOLANUM VITA S.p.A.	Life insurance			
MEDIOLANUM CO- MUNICAZIONE S.p.A.	Communications			
MEDIOLANUM FIDUCIARIA S.p.A.	Provision of fiduciary heading services regard- ing personal property (as set out in Law no. 1966 of November 23, 1939 and the following implementation regula- tions)			

COMPANY	TYPE OF BUSINESS	CONSOB	COVIP	ENASARCO
MEDIOLANUM S.p.A.	Holding company	●	●	
BANCA MEDIOLANUM S.p.A.	Banking	●	●	●
MEDIOLANUM GESTIONE FONDI S.G.R.p.A.	Asset Management	●	●	
MEDIOLANUM ASSICURAZIONI S.p.A.	Insurance			
MEDIOLANUM VITA S.p.A.	Life insurance			
MEDIOLANUM COMUNICAZIONE S.p.A.	Communications			
MEDIOLANUM FIDUCIARIA S.p.A.	Provision of fiduciary heading services regarding personal property (as set out in Law no. 1966 of November 23, 1939 and the following implementation regulations)			



COMPANY	TYPE OF BUSINESS	Data Protection Authority	IVASS	Ministry of Economic Development	UIF
MEDIOLANUM S.p.A.	Holding company	●	●		●
BANCA MEDIOLANUM S.p.A.	Banking	●	●		●
MEDIOLANUM GESTIONE FONDI S.G.R.p.A.	Asset Management	●			●
MEDIOLANUM ASSICURAZIONI S.p.A.	Insurance	●	●		●
MEDIOLANUM VITA S.p.A.	Life insurance	●	●		●
MEDIOLANUM COMUNICAZIONE S.p.A.	Communications	●			●
MEDIOLANUM FIDUCIARIA S.p.A.	Provision of fiduciary heading services regarding personal property (as set out in Law no. 1966 of November 23, 1939 and the following implementation regulations)	●		●	●

Inspections conducted by the various regulatory authorities in 2013 (according to each authority's jurisdiction) did not bring about any significant sanctions that had any impact on the business.

## ○ TRADE ASSOCIATIONS

The companies within the Mediolanum Group are members of a variety of trade associations based on the type of business they conduct.

These memberships include:

- . ABI - Italian Banking Association;
- . Ania - Association of Italian Insurers;
- . ASSBANK - Association of Italian Private Banks;
- . ASSBB - Association for Development of Banking and Stock Exchange Studies;
- . Assogestioni - Asset Management Association;
- . Assonime - Association of Italian Joint-Stock Companies;
- . Assoreti - National Association of Financial Products and Investment Services Placing Firms.

Mediolanum, as an active member of the trade associations above, constantly exchanges information with them and participates in various activities. Moreover, some Group officers are also members of the governing bodies of certain trade associations. Just to mention a few: the 'Knight of Labor' Mr. Ennio Doris is Vice President of Assoreti, Mr. Giovanni Pirovano (Executive Deputy Chairman of Banca Mediolanum S.p.A.) is a member of the Board and the Executive Committee of ABI, a Board member of Assobank and Vice President of ASSBB; Mr. Walter Ottolenghi (Chairman of Mediolanum Gestione Fondi S.G.R.p.A.), sits on the Executive Board of Assogestioni; while Mr. Luigi Del Fabbro is a member of the Executive Committee of Ania.

The activities carried out include:

- . participation in workgroups regarding specific issues and technical committees requiring specific expertise or specializing in specific areas;
- . participation in taskforces that are geared to monitor developments in the relationship with customers, regulatory and legal authorities, etc. on a regular basis;
- . surveys and questionnaires.

In the course of its business, the Mediolanum Group also interacts with the Judiciary and the Tax Authority through the Group's Legal Affairs Department, which is responsible, among other things, for preparing and providing documents and information expressly requested by the bodies mentioned above.

## ○ TABLE OF INDICATORS

Indicator <sup>1</sup>	Standard coverage	Type of data (N/Q)	Coverage (I/G)	Page
<b>Corporate identity</b>				
Organizational setup	*	N & Q	G	23
Values	*	Q	G	14-15
Mission	*	Q	G	14
Strategies	*	Q		17,20,29
Policies	*	Q		5,17,20,29
<b>Value added creation and distribution</b>				
Accounting equation and reconciliation with financial reporting	*	N		59
Value added creation	*	N		59
Value added breakdown	*	N		61
Personnel remuneration	*	N		61
Public Administration remuneration	*	N		62
Return on Debt Capital	n.a.			
Return on Equity	*	N		61
Company return	*	N		61
Donations	*	N		61
<b>Social indicators</b>				
<b>Key sections</b>				
Content	*	Q		
Overview of commitments, goals and rules of conduct	*	Q		5-8, 29, 46

<sup>1</sup> Type of data: N: Number - Q: Qualitative information  
Coverage: I: Italian companies G: Mediolanum Group



## ○ TABLE OF INDICATORS

Indicator <sup>1</sup>	Standard coverage	Type of data (N/Q)	Coverage (I/G)	Page
Identification of stakeholders	*	Q		pag. 6
Overview of policies regarding stakeholder categories, expected results and consistency with values	*	Q		63, 98, 119, 146, 151, 157, 168, 175
Opinions and judgments of stakeholders	*	N & Q		68,104,138
Improvement goals in terms of processes and substance	*	Q		4,5,6,7,8
Opinions of third parties in charge of assessing process quality and compliance with methodology standards	*	Q		182
Identification of stakeholders	*	Q		5
Key assumptions by stakeholder category	*	Q		63, 98, 119, 146, 151, 157, 168, 175
Common denominator in the relations with stakeholders				
Guidelines and expected results in line with corporate values and mission	*	Q		63,98, 119, 146, 151, 157, 168, 175
Surveys, legitimate expectations and level of satisfaction/agreement	*	N & Q		68, 104
Information disclosure and communications	*	N & Q		7,8
Litigation and disputes	*	N & Q		68, 104, 138
<b>Specific information</b>				
<b>Personnel <sup>2</sup></b>				
1. Analysis of personnel	*	N & Q		99, 120
2. Breakdown by age, gender, education level, category, job title, length of service, geography, nationality and agreement type	*	N & Q		99, 100, 120-125
3. Work organization	*	N & Q		101, 122
4. Turnover	*	N & Q		102,130,131

<sup>1</sup> Type of data: N: Number - Q: Qualitative information

Coverage: I: Italian companies G: Mediolanum Group

<sup>2</sup> Personnel data includes Sales Network staff and employees

## ○ TABLE OF INDICATORS

Indicator <sup>1</sup>	Standard coverage	Type of data (N/Q)	Coverage (I/G)	Page
5. Social initiatives	*	N & Q		133, 139
6. Recruitment policy	*	N & Q		128-131
7. Equal opportunities policy	*	N & Q		127
8. Employee training	*	N & Q		103, 109-115, 142-145
9. Compensation and incentives	*	N & Q		103, 129-138
10. Workplace health and safety	*	N & Q		136
11. Industrial relations	n.a.			
<b>Shareholders</b>				
1. Analysis of shareholders by status and nationality	*	N & Q		148
2. Shareholders' benefits	n.a.			
3. Return on invested capital	*	N & Q		147
4. Shareholders' participation in corporate governance and protection of minority shareholders	*	N & Q		148
5. Investor relations	*	N & Q		140-150
<b>Financing parties</b>				
<b>Customers/Users</b>				
1. Characteristics and analysis of customers and markets	*	N & Q		64
2. Quality systems	*	N & Q		87
3. Assessment of customer satisfaction	*	N & Q		68
4. Customer contractual terms and conditions	*	N & Q		89
<b>Suppliers</b>				
1. Characteristics and analysis of suppliers	*	N & Q		154
2. Quality systems	*	Q		29

<sup>1</sup> Type of data: N: Number - Q: Qualitative information

Coverage: I: Italian companies G: Mediolanum Group

<sup>2</sup> Personnel data includes Sales Network staff and employees

## ○ TABLE OF INDICATORS

Indicator <sup>1</sup>	Standard coverage	Type of data (N/Q)	Coverage (I/G)	Page
3. Supplier contractual terms and conditions	*	Q		153
4. Local economic benefits	*	N		155
5. Compliance with consistent standards along the supply chain	*	Q		153
<b>Public Administration</b>				
1. Income tax, other taxes and contributions paid	*	Q		59-62
2. Subsidies, tax reliefs and/or soft loans received by segment	n.a.			
3. Preferential rates	n.a.			
4. Contractual relationships with the Public Administration	n.a.			
5. Internal rules and control systems to ensure regulatory and statutory compliance	*	Q		48
<b>The community at large</b>				
(a) Initiatives in the social sphere	*	Q		157
(a.1) Improvement of the quality of life in program areas:	*	Q		
1. Education	*	Q		160
2. Sports	*	Q		88
3. Healthcare	*	Q		160
4. Culture	*	Q		69-71
5. Solidarity	*	N & Q		158
(a.2) Relations with associations and organizations	*	Q		175
(b) The environment	*	Q		168
1. Environmental and risk management systems	*	Q		169
2. Education and training	*	Q		169

<sup>1</sup> Type of data: N: Number - Q: Qualitative information

Coverage: I: Italian companies G: Mediolanum Group

<sup>2</sup> Personnel data includes Sales Network staff and employees



## ○ TABLE OF INDICATORS

Indicator <sup>1</sup>	Standard coverage	Type of data (N/Q)	Coverage (I/G)	Page
3. Environmental performance indicators	*	N & Q		170-174
4. Use and consumption of energy and non-recyclable materials	*	Q		170-171
Supplementary section				
Opinions and judgments of stakeholders	*	N & Q		68, 104, 138
Comments and statements made by the company	*	Q		4, 5
Social report improvement	*	Q		8,9

<sup>1</sup> Type of data: N: Number - Q: Qualitative information

Coverage: I: Italian companies G: Mediolanum Group

<sup>2</sup> Personnel data includes Sales Network staff and employees



## REVIEW REPORT ON THE LIMITED ASSURANCE OF SOCIAL REPORT

### To the Board of Directors of MEDIOLANUM S.p.A.

1. We have reviewed the Social Report of Mediolanum Group (the “Group”) as of 31<sup>st</sup> December 2013. The Directors of Mediolanum S.p.A. are responsible for the preparation of the Social Report in accordance with the “*Social Reporting Standards*” issued in 2001 by the *Study Group for Social Reporting Standards* (Gruppo di Studio per il Bilancio Sociale – GBS), as stated in the paragraph “Introduction and Note on Methodology”. The Directors are also responsible for the definition of the Mediolanum Group objectives regarding the sustainability performance and the reporting of the achieved results. The Directors of Mediolanum S.p.A. are also responsible for the identification of stakeholders and of significant aspects to report, as well as for the implementation and maintenance of appropriate management and internal control processes with reference to data and information presented in the Social Report. Our responsibility is to issue this report based on our review.
2. We conducted our work in accordance with the criteria for review engagements established by the “*International Standards Engagement 3000 – Assurance Engagements other than Audits or Reviews of Historical Financial Information*” (“*ISAE 3000*”), issued by the *International Auditing and Assurance Standards Board*. That standard requires the compliance with ethical principles “*Code of Ethics for Professional Accountants*” issued by the *International Federation of Accountants* (“*IFAC*”), including independence requirements, and that we plan and perform the engagement to obtain limited assurance about whether the Social Report is free from material misstatements. A limited assurance engagement on the Social Report consists of making inquiries, primary with company personnel responsible for the preparation of the information included in the Social Report, analysing the Social Report and applying other evidence gathering procedures, as appropriate. The performed procedures are summarized as follows:
  - comparing the economic and financial information and data included in the paragraph “Financial Indicators” of the Social Report with those included in the Group Consolidated Financial Statements as of 31<sup>st</sup> December 2013, on which we issued the auditor’s report dated 4<sup>th</sup> April 2014 pursuant to articles 14 and 16 of Legislative Decree no. 39 of January 27<sup>th</sup>, 2010);
  - analysing how the processes underlying the generation, recording and management of quantitative data included in the Social Report operate. In particular, we have performed the following procedures:
    - interviews and discussions with delegates of the Mediolanum Group, to gather information on the information, accounting and reporting systems used in preparing the Social Report, as well as on the internal control procedures supporting the gathering, aggregation, processing and transmittal of data and information to the department responsible for the preparation of the Social Report;

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova  
Palermo Parma Roma Torino Treviso Verona

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Partita IVA: IT 03049560166

Member of Deloitte Touche Tohmatsu Limited



- analysis, on a sample basis, of the documentation supporting the preparation of the Social Report, in order to gather the evidence of processes in place, their adequacy, and that the internal control system correctly manages data and information in connection with the objectives described in the Social Report;
- analysing the compliance of the qualitative information included in the Social Report and its overall consistency in relation to the guidelines referred to in paragraph 1 of this review report, in particular with reference to the sustainability strategy and policies and the determination of significant aspects for each stakeholder category;
- analysing the stakeholder involvement process, in terms of methods used and completeness of personnel involved, through analysis of the minutes of the meetings or any other available information about the significant features identified in the stakeholder involvement process;
- obtaining the representation letter signed by the Chief Executive Officer of Mediolanum S.p.A. on the compliance of the Social Report with the guidelines referred to in paragraph 1 and on the reliability and completeness of the information and data contained therein.

A review is less in scope than an audit carried out in accordance with ISAE 3000, and, therefore, does not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified in an audit.

For the data and information relating to the Social Report of the prior year presented for comparative purposes, reference should be made to our review report dated May 15<sup>th</sup>, 2013.

3. Based on the procedures performed, nothing has come to our attention that causes us to believe that the Social Report of the Mediolanum Group as of 31<sup>st</sup> December 2013 is not prepared, in all material aspects, in accordance with the “*Social Reporting Standards*” issued in 2001 by the *Study Group for Social Reporting Standards* (Gruppo di Studio per il Bilancio Sociale – GBS), as stated in the paragraph “Introduction and Note on Methodology”.
4. This report was prepared for Mediolanum Group use in accordance with the terms and conditions of the engagement. Our work consisted in communicating only aspects included in this report to Mediolanum Group. Therefore, we do not assume any responsibility regarding our work, this report or our conclusions to any other parties other than Mediolanum Group.

DELOITTE & TOUCHE S.p.A.

*Signed by*  
Paolo Gibello Ribatto  
Partner

Milan, May 15<sup>th</sup>, 2014

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



“This Report is an informational document for promotional purposes only. Its content is not intended to represent investment advice or suggestions in any way”.