

July 30, 2014

MEDIOLANUM H1 2014 RESULTS



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H1 2014 Group Results



H1 2014
Group

Income Statement - Group

4







€ mn

	H114	H113	Change
Entry fees	50.8	76.6	-34%
Management fees	319.5	268.3	+19%
Performance fees	86.6	84.3	+3%
Banking service fees	53.2	49.2	+8%
Other fees	16.9	17.4	-3%
Total commission income	527.0	495.8	+6%
Net interest income	115.9	135.5	-14%
Net income on investments at fair value	(0.2)	8.9	n.s.
Net financial income	115.7	144.4	-20%
Insurance revenues ex U-L commissions	25.6	28.0	-9%
Equity Contribution (Mediobanca & Banca Esperia)	7.1	0.6	n.s.
Net income on other investments	18.9	36.6	-48%
Other revenues	13.4	10.8	+24%
Total Revenues	707.7	716.2	-1%
Acquisition costs	(216.7)	(215.8)	+0%
Other commission expenses	(28.1)	(25.3)	+11%
G&A expenses	(227.9)	(198.5)	+15%
Amortisation & depreciation	(10.2)	(9.4)	+9%
Provisions for risks & charges	(9.8)	0.1	n.s.
Total Costs	(492.8)	(448.9)	+10%
PROFIT BEFORE TAX	214.8	267.3	-20%
Income tax	(49.9)	(67.8)	-26%
NET INCOME	164.9	199.5	-17%



Income Statement Salient Points

YoY comparison

-  **Entry fees** (€ 26 mn less YoY) reflect slightly lower gross inflows directly into mutual funds as well as a different mix in favour of funds with lower entry fees. Front fees into 'My Life' are not included in this line item
-  **Management fees** (€ 51 mn higher YoY) grew in line with average assets in mutual funds, following the continued strong net inflows
-  **Performance Fees** were quite strong (€ 2 mn higher YoY), entirely due to volumes, since the contribution in bps was lower (63 vs. 74 last year, annualised)
-  **Net Interest Income** (€ 20 mn lower YoY) was impacted by the lower interest-rate environment and the selling of some securities in Q1 (see below)
-  **Net Income on Other Investments** (€ 18 mn lower YoY) includes € 19 mn of realised capital gains in the bank's treasury portfolio (on govies maturing within the year, replaced with others with a lower yield), versus € 44 mn realised in H1 2013
-  **G&A expenses** were 15% up YoY (€ 29 mn higher YoY), reflecting our focus on strategic projects and associated costs



Income Statement by Quarter

€ mn

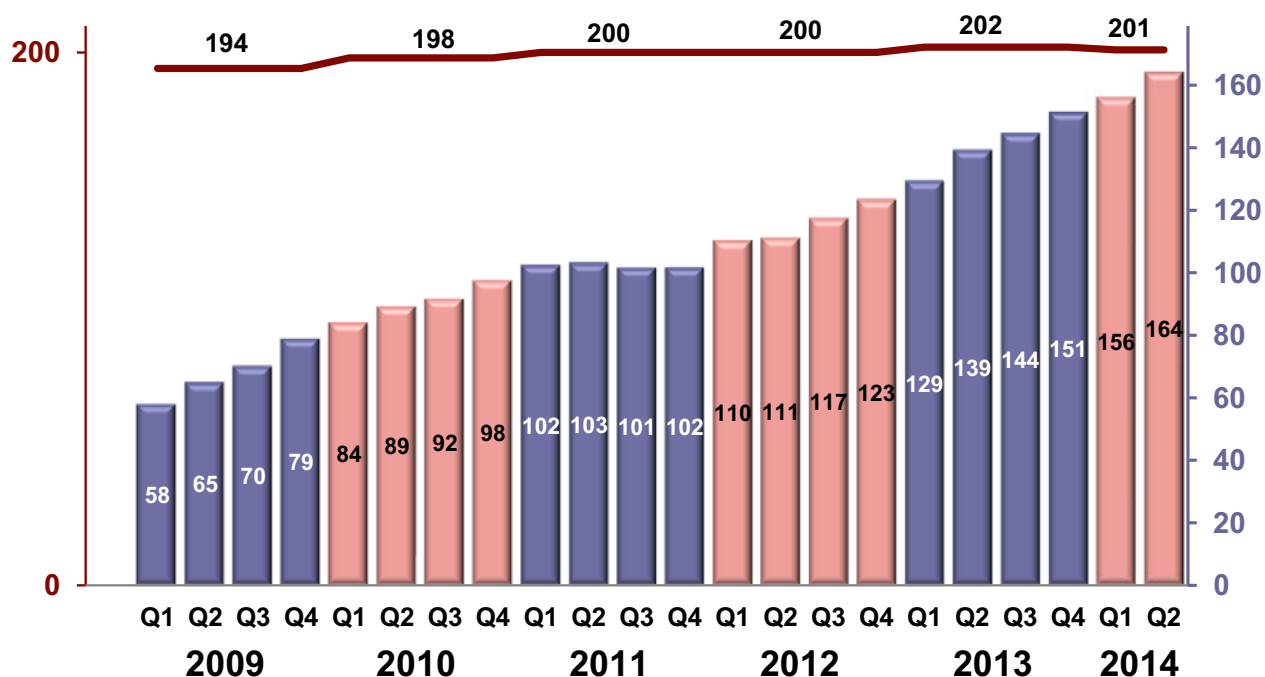
	Q113	Q213	Q313	Q413	Q114	Q214
Entry fees	34.5	42.1	28.0	32.3	24.1	26.7
Management fees	129.2	139.1	144.4	151.1	155.6	163.9
Performance fees	59.3	25.0	44.9	52.4	31.3	55.3
Banking service fees	25.4	23.9	21.8	24.0	23.4	29.8
Other fees	9.1	8.3	7.0	8.2	8.0	8.9
Total commission income	257.4	238.4	246.2	268.1	242.4	284.6
Net interest income	71.9	63.6	74.0	64.9	58.5	57.4
Net income on investments at FV	3.8	5.1	4.8	6.2	(1.0)	0.7
Net financial income	75.8	68.7	78.8	71.1	57.6	58.1
Insurance revenues ex U-L commissions	13.2	14.8	17.4	13.1	14.4	11.2
Equity contribution	1.8	(1.2)	(4.7)	4.8	5.7	1.4
Net income on other investments	37.8	(1.2)	(2.6)	36.0	17.1	1.8
Other revenues	4.9	5.9	5.4	7.7	5.1	8.3
Total Revenues	390.8	325.4	340.5	400.8	342.3	365.4
Acquisition costs	(103.5)	(112.3)	(99.2)	(120.4)	(105.3)	(111.5)
Other commission expenses	(11.9)	(13.5)	(13.2)	(13.1)	(13.3)	(14.8)
G&A expenses	(91.6)	(106.9)	(93.0)	(107.9)	(107.8)	(120.1)
Amortisation & depreciation	(3.8)	(5.6)	(5.8)	(6.3)	(4.9)	(5.3)
Provisions for risks & charges	(3.0)	3.1	(2.3)	(3.3)	(5.3)	(4.6)
Total Costs	(213.7)	(235.2)	(213.6)	(251.0)	(236.6)	(256.3)
PROFIT BEFORE TAX	177.1	90.2	127.0	149.8	105.7	109.1
Income tax	(40.4)	(27.4)	(25.2)	(114.4)	(24.8)	(25.1)
NET INCOME	136.7	62.8	101.7	35.4	80.9	84.0



Quarterly Commission Income from Management Fees

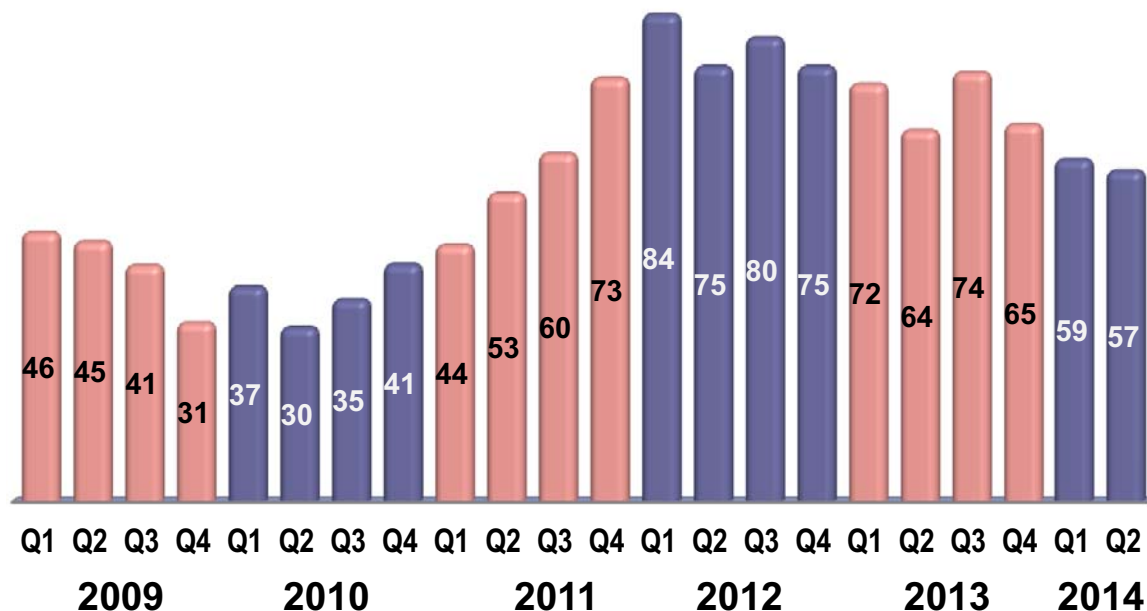
€ mn

Management fees (€ mn)
yearly bps on average assets



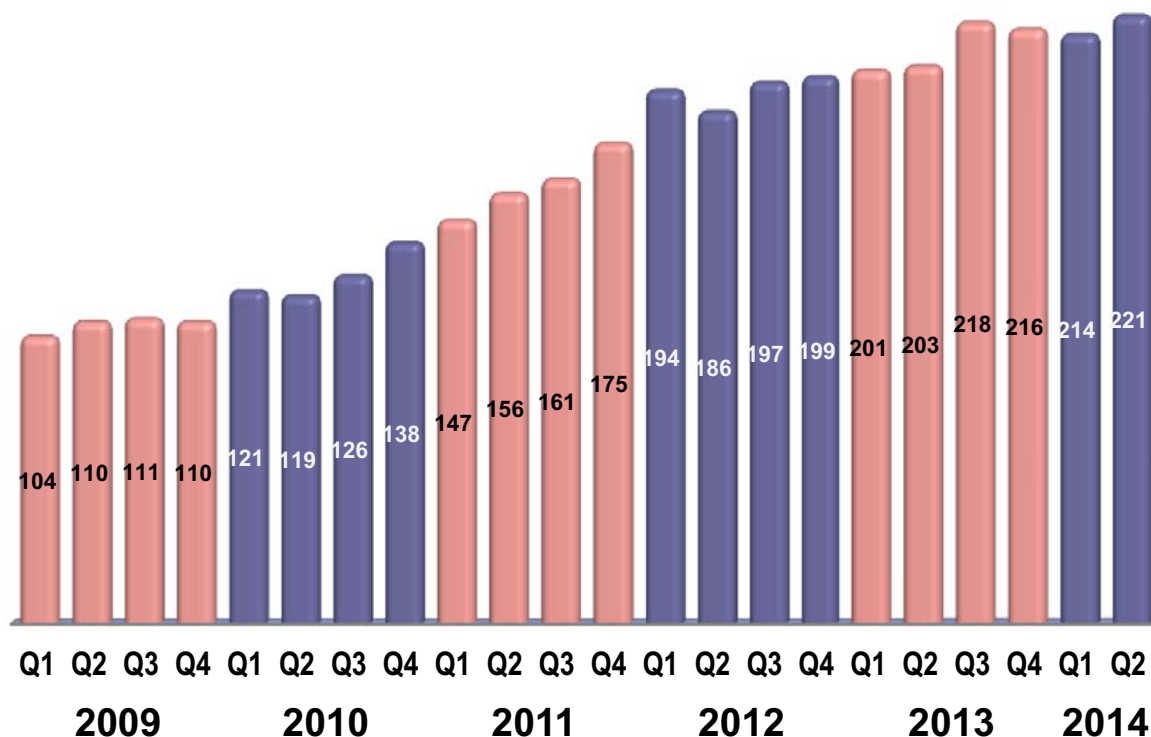
Quarterly Net Interest Income

€ mn



Quarterly Recurring Revenues

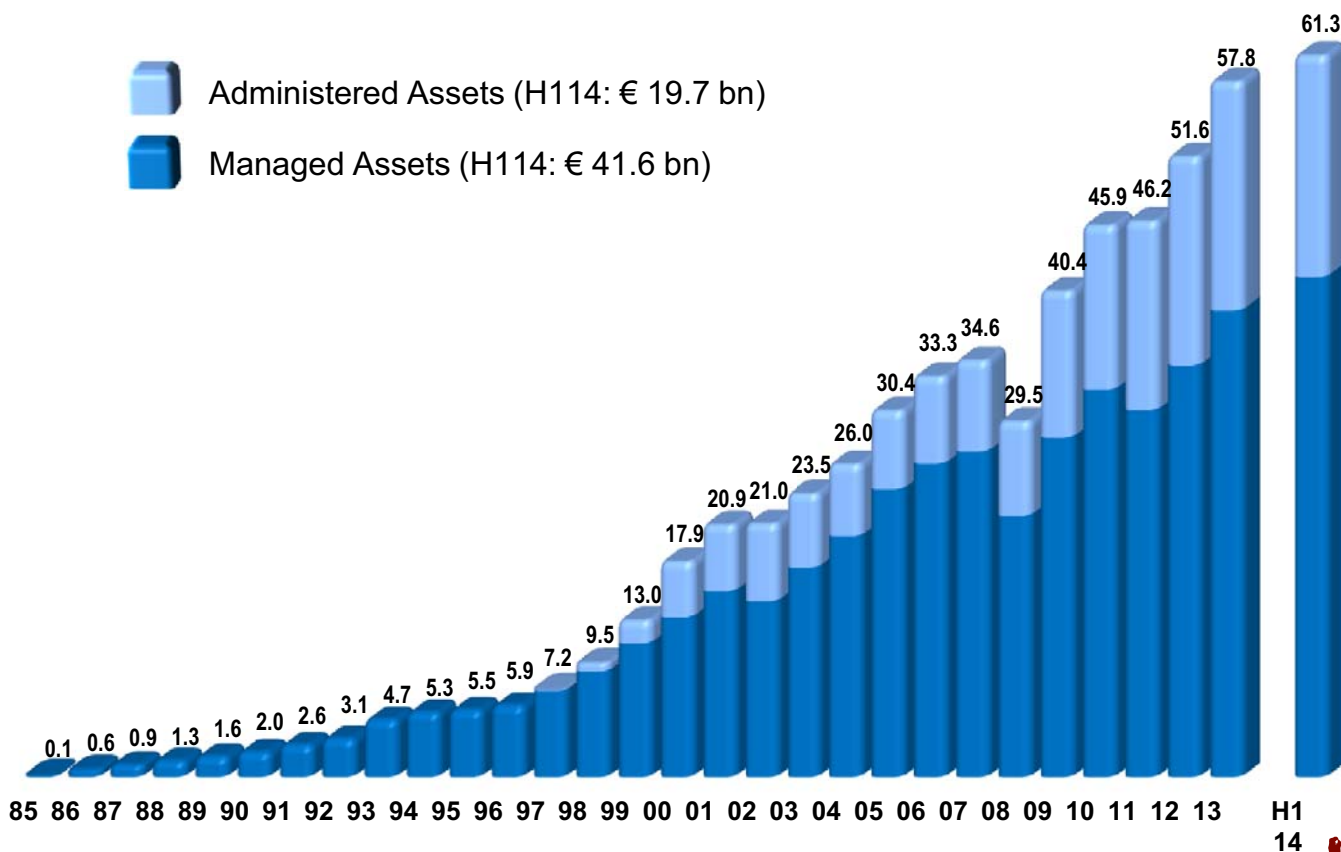
Commission Income from Management Fees + Net Interest Income (€ mn)



AUA Trend

€ bn

- Administered Assets (H114: € 19.7 bn)
- Managed Assets (H114: € 41.6 bn)



Assets under Administration

€ mn

	30/06/14	31/12/13	Change	30/06/13	Change
Mutual Funds & U-L Policies	32,425.7	29,157.7	+11%	26,239.4	+24%
'Freedom' Life Policies	1,284.3	1,722.3	-25%	2,037.6	-37%
Other Life Insurance products	2,368.6	2,790.3	-15%	3,172.9	-25%
Banking*	14,359.9	13,690.1	+5%	12,402.5	+16%
Italy - Banca Mediolanum	50,438.4	47,360.3	+6%	43,852.5	+15%
Italy - Banca Esperia (Mediolanum's share)	7,754.5	7,650.0	+1%	7,166.5	+8%
Mutual Funds & U-L Policies	1,512.1	1,300.7	+16%	1,160.5	+30%
Other Insurance Products	186.9	161.5	+16%	137.5	+36%
Banking*	1,048.7	1,007.2	+4%	849.3	+23%
Consolidation adjustments	(100.8)	(93.1)	+8%	(76.3)	+32%
Spain - Banco Mediolanum	2,646.9	2,376.3	+11%	2,071.0	+28%
Mutual Funds & U-L Policies	329.8	324.1	+2%	294.8	+12%
Other Insurance Products	40.0	48.6	-18%	58.8	-32%
Banking	74.1	72.5	+2%	66.1	+12%
Germany - B. A. Lenz & Gamax	443.9	445.2	-0%	419.7	+6%
AUA	61,283.7	57,831.8	+6%	53,509.7	+15%

* retail only



Capital Adequacy

€ mn – as at 30/06/2014

	30/06/2014	31/12/2013
Total Regulatory Capital Held	1,221	1,075
Total Required Capital	740	612
o/w Required Capital – Banks	514	391
o/w Solvency Margin – Insurance companies	226	221
EXCESS CAPITAL	481	463

CAPITAL RATIOS* (Mediolanum Banking Group)

Total Capital Ratio

19.23%

Common Equity Tier 1 Ratio

18.09%

* Preliminary data subject to adjustment



H1 2014 Domestic Market Results



H1 2014
Domestic
Market

Income Statement - Domestic

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€ mn

	H114	H113	Change
Entry fees	46.4	72.5	-36%
Management fees	304.3	257.5	+18%
Performance fees	83.1	80.7	+3%
Banking service fees	42.4	40.3	+5%
Other fees	16.2	16.7	-3%
Total commission income	492.3	467.7	+5%
Net interest income	104.0	126.2	-18%
Net income on investments at fair value	(0.6)	8.5	n.s.
Net financial income	103.4	134.7	-23%
Insurance revenues ex U-L commissions	14.6	18.2	-20%
Equity contribution (Mediobanca & Banca Esperia)	7.1	0.6	n.s.
Net income on other investments	19.2	26.8	-28%
Other revenues	13.1	10.0	+31%
Total Revenues	649.8	658.1	-1%
Acquisition costs	(201.4)	(202.7)	-1%
Other commission expenses	(19.2)	(17.7)	+9%
G&A expenses	(204.5)	(177.3)	+15%
Amortisation & depreciation	(9.4)	(8.4)	+12%
Provisions for risks & charges	(9.5)	(0.2)	n.s.
Total Costs	(444.1)	(406.3)	+9%
PROFIT BEFORE TAX	205.7	251.9	-18%
Income tax	(47.9)	(63.7)	-25%
NET INCOME	157.8	188.2	-16%



Income Statement by Quarter

€ mn

	Q113	Q213	Q313	Q413	Q114	Q214
Entry fees	32.7	39.8	26.0	30.1	22.0	24.5
Management fees	124.0	133.5	138.4	144.9	148.4	155.9
Performance fees	56.9	23.8	43.0	50.4	30.1	52.9
Banking service fees	21.4	18.9	16.8	18.9	18.3	24.1
Other fees	8.8	7.8	6.6	7.7	7.7	8.5
Total commission income	243.8	223.9	230.9	252.1	226.4	265.9
Net interest income	65.9	60.2	66.4	58.2	52.8	51.2
Net income on investments at FV	3.4	5.1	4.5	5.8	(1.2)	0.6
Net financial income	69.4	65.3	70.9	64.0	51.7	51.7
Insurance revenues ex U-L commissions	7.6	10.6	11.5	4.3	8.8	5.8
Equity contribution	1.8	(1.2)	(4.7)	4.8	5.7	1.4
Net income on other investments	28.0	(1.1)	(2.4)	39.2	17.2	2.0
Other revenues	4.3	5.8	5.1	7.0	4.6	8.5
Total Revenues	354.8	303.3	311.3	371.4	314.5	335.3
Acquisition costs	(97.2)	(105.5)	(92.2)	(111.2)	(97.9)	(103.5)
Other commission expenses	(8.5)	(9.2)	(9.2)	(9.3)	(9.2)	(10.0)
G&A expenses	(81.6)	(95.8)	(82.7)	(95.4)	(96.0)	(108.5)
Amortisation & depreciation	(3.3)	(5.1)	(5.3)	(5.7)	(4.5)	(4.9)
Provisions for risks & charges	(2.9)	2.7	(2.0)	(2.9)	(5.1)	(4.4)
Total Costs	(193.4)	(212.9)	(191.5)	(224.7)	(212.8)	(231.2)
PROFIT BEFORE TAX	161.4	90.4	119.8	146.8	101.6	104.1
Income tax	(36.2)	(27.5)	(23.5)	(112.3)	(23.6)	(24.3)
NET INCOME	125.3	62.9	96.3	34.5	78.0	79.7

Acquisition Costs in detail

€ mn

	H114	H113	Change
One-time commissions	62.3	82.4	-24%
Ongoing commissions	87.2	72.1	+21%
Total commissions	149.5	154.5	-3%
Incentives on individual net inflows	12.7	10.7	+19%
Contests & bonuses	7.7	8.4	-8%
Reimbursement of costs for customer events	9.1	8.0	+14%
Total incentives & bonuses	29.5	27.1	+9%
Costs related to the agency agreement	22.4	21.0	+7%
TOTAL ACQUISITION COSTS	201.4	202.7	-1%

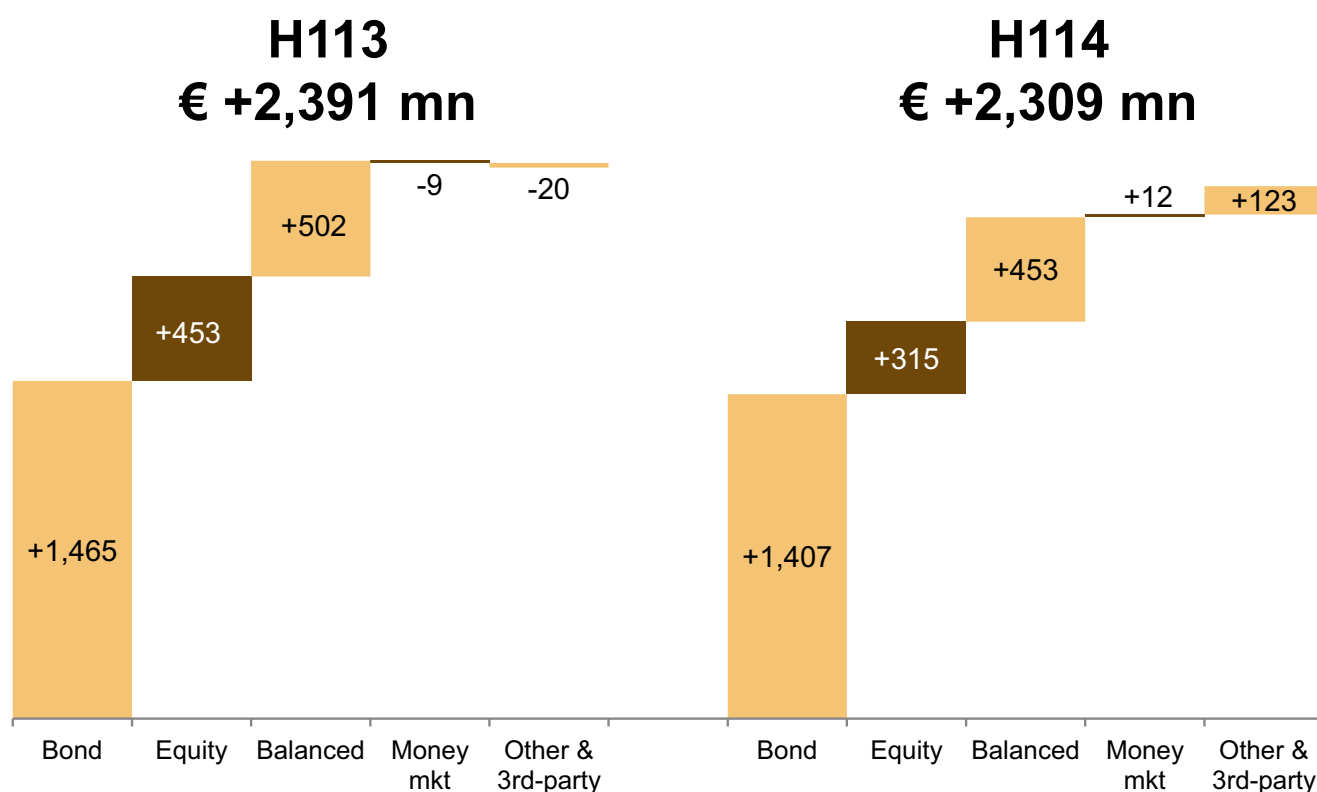
€ mn

	H114	H113	Change
directly into Mutual Funds	2106.9	2577.7	-18%
through 'MyLife' U-L policy	302.5	0.0	n.s.
through other U-L policies	(100.4)	(186.2)	-46%
Mutual Funds Inflows	2,309.0	2,391.5	-3%
Other Life Insurance policies	(465.0)	(806.6)	-42%
Managed Assets Inflows	1,844.0	1,584.9	+16%
3rd-party Structured Bonds	(252.0)	0.7	n.s.
Managed Assets incl. Structured Bonds	1,592.0	1,585.5	+0%
Cash deposits	912.4	1,150.5	-21%
Repurchase agreements	165.3	94.2	+75%
Mediolanum bonds	(18.0)	(21.6)	-17%
Other securities under custody	(323.4)	(180.3)	+79%
Administered Assets Inflows	736.4	1,042.8	-29%
'Freedom' Life Policies (change in assets)	(438.0)	(1,395.4)	-69%
Administered Assets incl. 'Freedom' accts.	298.3	(352.6)	n.s.
BANCA MEDIOLANUM	1,890.3	1,233.0	+53%
BANCA ESPERIA (Mediolanum's share)	258.6	(145.4)	n.s.
TOTAL NET INFLOWS	2,148.9	1,087.6	+98%



Mutual Funds Net Inflows by Category*

€ mn – including U-L inflows



* Flexible funds are classified according to their equivalent risk level



Mutual Funds

Net Inflows by Product

€ mn

	H114	H113	Change
'Best Brands' funds of funds (IRL)	776.9	2,152.9	-64%
'Challenge' mutual funds (IRL)	(80.6)	(154.8)	-48%
'Fondi Italia' mutual funds (ITA)	1,409.3	636.2	+122%
'Real estate' fund (ITA)	0.0	0.0	n.s.
Other & 3rd-party funds	1.3	(56.6)	n.s.
DIRECT NET INFLOWS INTO MUTUAL FUNDS	2,106.9	2,577.7	-18%
'MyLife' U-L policy	302.5	0.0	n.s.
Other U-L policies	(100.4)	(186.2)	-46%
TOTAL NET INFLOWS INTO MUTUAL FUNDS	2.309,0	2.391,5	-3%



Mutual Funds

Gross Inflows by Product

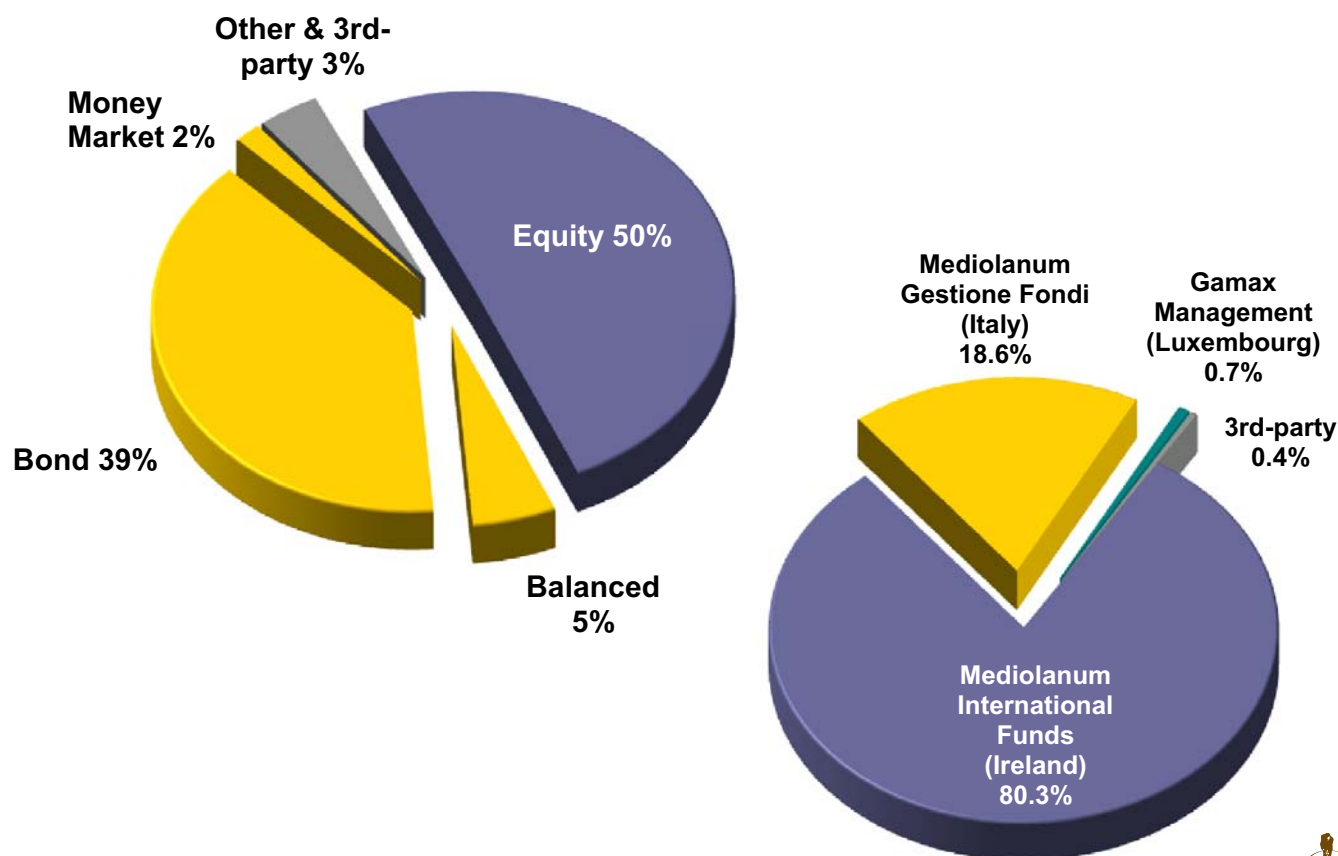
€ mn

	H114	H113	Change
'Best Brands' funds of funds (IRL)	2,028.2	3,195.7	-37%
'Challenge' mutual funds (IRL)	281.9	417.5	-32%
'Fondi Italia' mutual funds (ITA)	1,734.3	908.7	+91%
'Real estate' fund (ITA)	0.0	0.0	n.s.
Other & 3rd-party funds	61.2	11.9	+414%
DIRECT GROSS INFLOWS INTO MUTUAL FUNDS	4,105.6	4,533.8	-9%
'MyLife' U-L policy	303.3	0.0	n.s.
Other U-L policies	493.8	515.2	-4%
TOTAL GROSS INFLOWS INTO MUTUAL FUNDS	4.902,74	5.048,99	-3%



Mutual Funds Assets* by category and A.M. company

as at 30/06/2014 – including U-L assets



* Flexible funds are classified according to their equivalent risk level.



Mutual Funds Assets under Management

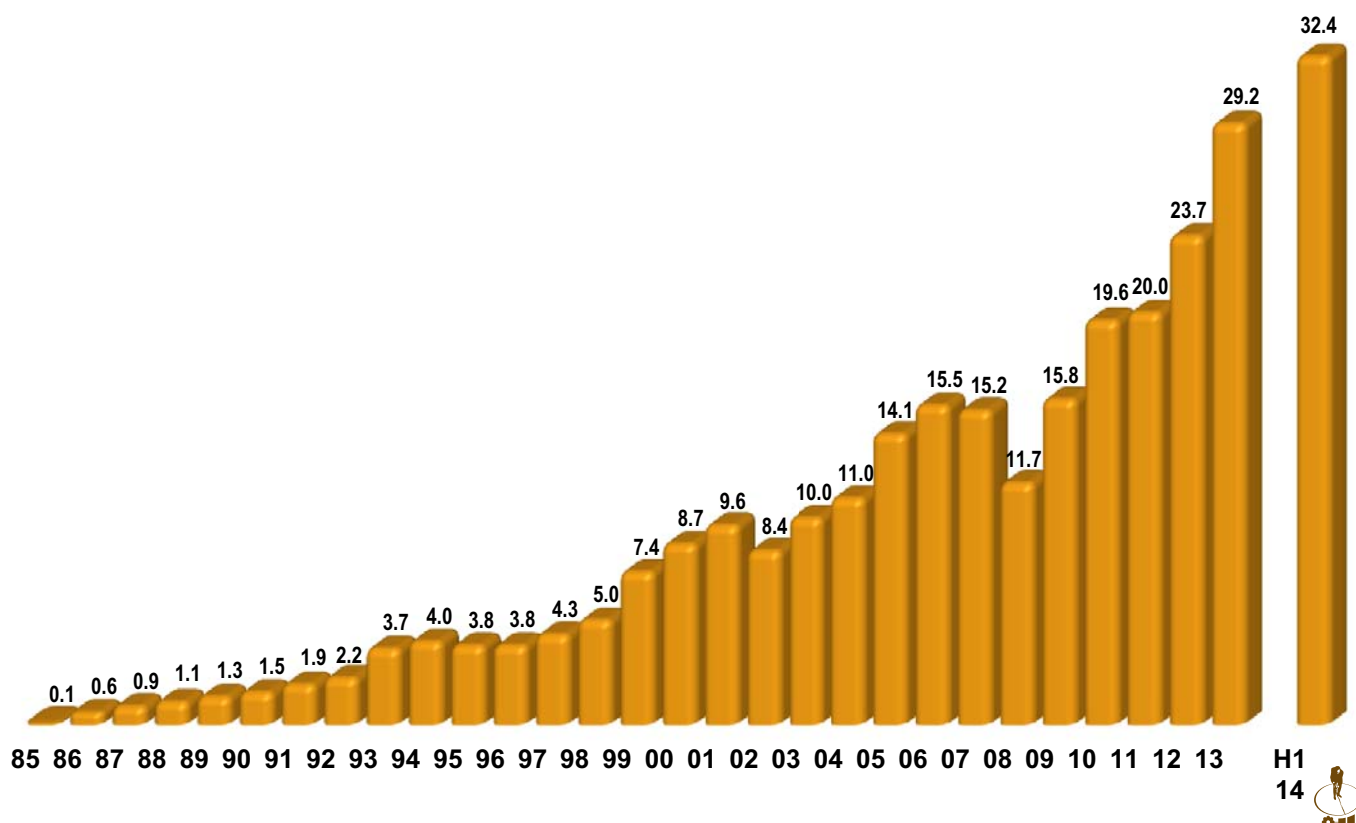
€ mn

	30/06/14	31/12/13	Change	30/06/13	Change
'Best Brands' funds of funds (IRL)	12,806.2	11,494.7	+11%	9,597.3	+33%
'Portfolio' funds of funds (IRL)	506.1	532.2	-5%	543.9	-7%
'Challenge' mutual funds (IRL)	12,815.2	12,541.3	+2%	12,036.1	+6%
Funds of Hedge Funds (IRL)	178.2	178.1	+0%	184.2	-3%
'Fondi Italia' mutual funds (ITA)	5,377.5	3,803.9	+41%	3,346.7	+61%
'Real estate' fund (ITA)	422.0	427.3	-1%	432.0	-2%
Other & 3rd-party funds	437.1	424.5	+3%	362.2	+21%
<i>Adj. for own mutual funds in FoFs & managed accts.</i>	<i>(537.0)</i>	<i>(566.4)</i>	<i>-5%</i>	<i>(568.9)</i>	<i>-6%</i>
'MyLife' U-L policy	301.2	0.0	n.s.	0.0	n.s.
Other U-L policies	10,960.7	10,692.3	+3%	10,117.5	+8%
<i>Adj. for own mutual funds in U-L Policies</i>	<i>(10,841.5)</i>	<i>(10,370.3)</i>	<i>+5%</i>	<i>(9,811.5)</i>	<i>+10%</i>
ASSETS IN MUTUAL FUNDS & U-L	32,425.7	29,157.7	+11%	26,239.4	+24%



Mutual Funds AUM Trend

€ bn – including U-L assets



Banking Revenues

€ mn

	H114	H113	Change
Securities trading fees	19.0	17.4	+9%
<i>o/w 3rd-party structured bonds</i>	13.1	12.3	+6%
Service fees	23.4	22.9	+2%
Fee income	42.4	40.3	+5%
Net interest income	100.9	121.4	-17%
Net income on investments at fair value	(4.7)	7.7	n.s.
<i>o/w unrealised</i>	(3.8)	6.2	n.s.
Net financial income	96.1	129.2	-26%
Net income on other investments	17.2	30.2	-43%
Other fees & Other revenues	6.0	7.3	-18%
BANKING REVENUES	161.7	207.0	-22%



Banking Interest Spread

€ mn

	H1 2014	FY 2013
Total Cost of Funding	1.21%	1.14%
Retail	1.72%	1.85%
ECB/MTS (collateral-backed)	0.21%	0.30%
Total Interest Income	2.31%	2.42%
Retail Interest Income	3.11%	2.93%
TOTAL SPREAD	1.09%	1.28%
Spread on Retail	1.40%	1.08%



Banking Mortgage Update

€ mn

	H1 2014	FY 2013
Stock		
Mortgage portfolio	3,814.2	3,495.8
Avg. rate	2.84%	2.66%
Avg. residual LTV	55%	57%
New business		
Total amount granted	428.8	702.5
Avg. rate	3.13%	3.26%
Avg. amount granted	131	141
Avg. initial LTV	59%	62%



Banking Assets under Administration

€ mn - retail only

	30/06/14	31/12/13	Change	30/06/13	Change
Cash deposits	10,842.1	9,929.8	+9%	8,773.6	+24%
Repurchase agreements	198.3	32.9	n.s.	107.1	+85%
Mediolanum bonds	337.6	355.6	-5%	386.5	-13%
3rd-party structured bonds	1,058.4	1,282.8	-17%	1,231.9	-14%
Other securities under custody	1,923.5	2,088.9	-8%	1,903.3	+1%
BANKING ADMINISTERED ASSETS	14,359.9	13,690.1	+5%	12,402.5	+16%



Banca Mediolanum Balance Sheet

€ mn – as at 30/06/2014

	Liabilities	Assets
Retail	11,337	4,954
Treasury	7,747	14,434
o/w interbank / intra-group deposits & repos	1,683	806
o/w ECB (LTRO & other refinancing)	3,000	3,090
o/w MTS (collateral-backed financing)	3,064	3,171
o/w Securities (bonds)		7,367
Other Liabilities / Assets	1,976	1,672
TOTAL	21,060	21,060

Operating Liquidity (24 hr)

7,497



Insurance Revenues

€ mn

	H114	H113	Change
Premiums less Amounts paid & change in reserves	14.6	18.2	-20%
Commission income	145.1	148.9	-3%
Net Interest Income	6.5	12.1	-46%
Net income on investments at fair value <i>o/w unrealised</i>	4.2 1.4	0.8 (0.3)	+427% n.s.
Net financial income	10.7	12.9	-17%
Net income on other investments	2.0	(3.3)	n.s.
Other fees & Other revenues	8.2	5.9	+40%
INSURANCE REVENUES	180.6	182.6	-1%



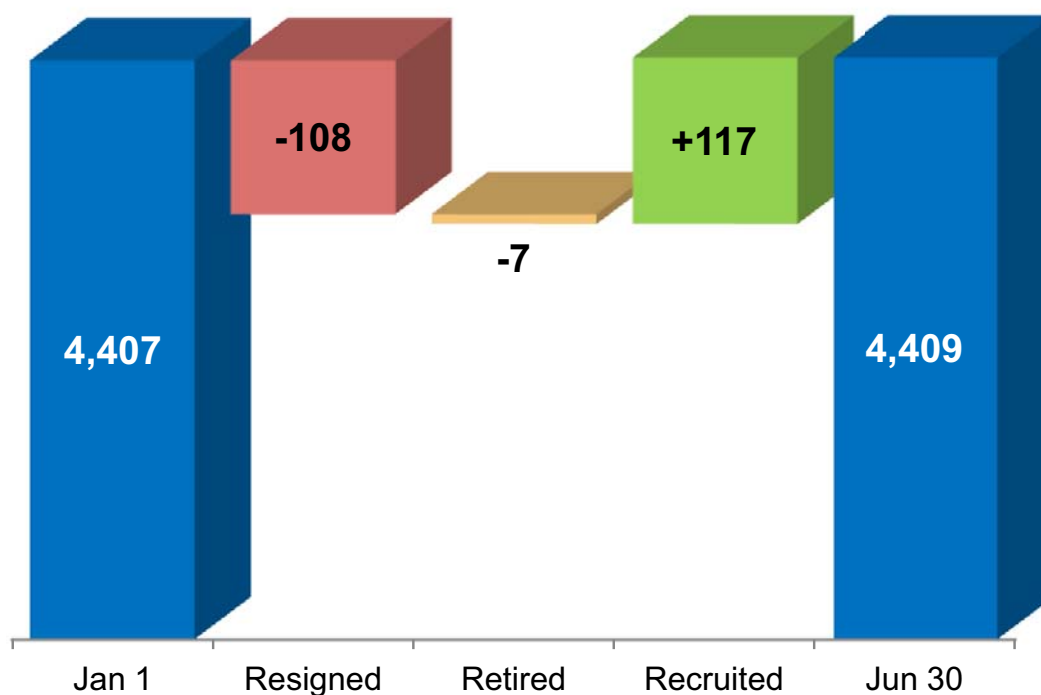
Insurance Life - Policyholders' Assets

€ mn

	30/06/14	31/12/13	Change	30/06/13	Change
Traditional	1,236.6	1,315.5	-6%	1,277.0	-3%
Index-linked	1,132.0	1,474.8	-23%	1,896.0	-40%
Unit-linked pension plans	4,626.9	4,421.8	+5%	4,012.3	+15%
Unit-linked endowment policies	3,773.1	3,772.4	+0%	3,654.7	+3%
Unit-linked investment policies	2,861.9	2,498.1	+15%	2,450.4	+17%
Unit-linked <i>o/w equity</i>	11,261.9 0.0%	10,692.3 71.4%	+5% -100%	10,117.5 72.9%	+11% n.s.
LIFE ASSETS (EX-'FREEDOM')	13,630.5	13,482.6	+1%	13,290.4	+3%
'Freedom' Life Policies	1,284.3	1,722.3	-25%	2,037.6	-37%



Change in headcount, Jan 1 – June 30 2014



Turnover rate: (annualised) → 5.2%



€ mn

	H114	H113	Change	vs. FY13
Net Income	7.6	7.2	+6%	
<i>o/w Mediolanum share</i>	3.8	3.6	+6%	
Assets under Administration	15,509	14,333	+8%	+1%
<i>% in Managed Assets</i>	47.8%	52.7%	-9%	
Net Inflows	517	(291)	n.s.	
<i>o/w Managed Assets Inflows</i>	208	(288)	n.s.	
Private Bankers	80	79	+1%	+3%
Clients	3,869	3,676	+5%	+5%



H1 2014 Foreign Markets Results



H1 2014
Foreign
Markets

Spain Highlights

34

€ mn

	H114	H113	Change	vs. FY13
Net Income	10.2	13.5	-24%	
Managed Assets	1,699.0	1,298.0	+31%	+16%
Administered Assets	947.9	772.9	+23%	+4%
Total Assets	2,646.9	2,071.0	+28%	+11%
Gross Inflows into Managed Assets	406.8	231.7	+76%	
Net Inflows into Managed Assets	195.8	112.9	+74%	
Net Inflows into Administered Assets	(5.8)	143.5	n.s.	
Total Net Inflows	190.0	256.3	-26%	
Financial Advisors (Mediolanum model)	703	592	+19%	+8%
Traditional agents	38	38	--	
Total Sales Network	741	630	+18%	+7%
Total Customers	89,598	80,911	+11%	+6%



Germany - B. A. Lenz
Highlights

€ mn

	H114	H113	Change	vs. FY13
Net Income	(3.8)	(3.3)	+16%	
Managed Assets	172.1	146.2	+18%	+9%
Administered Assets	74.1	66.1	+12%	+2%
Total Assets	246.3	212.3	+16%	+7%
Gross Inflows into Managed Assets	29.5	21.0	+40%	
Net Inflows into Managed Assets	8.8	12.7	-31%	
Net Inflows into Administered Assets	1.2	(20.4)	n.s.	
Total Net Inflows	10.0	(7.7)	n.s.	
Financial Advisors	47	45	+4%	+2%
Total Customers	4,458	4,526	-2%	-2%

Germany - Gamax
Highlights

€ mn

	H114	H113	Change	vs. FY13
Net Income	0.7	1.1	-31%	
Assets under Administration	197.7	207.4	-5%	-8%
Gross Inflows	4.3	90.5	-95%	
Net Inflows	(20.8)	(31.7)	-35%	



€ mn

	H114	H113	Change	vs. FY13
Net Income	(3.0)	(2.2)	+40%	
Managed Assets	369.8	353.6	+5%	-1%
Administered Assets	74.1	66.1	+12%	+2%
Total Assets	443.9	419.7	+6%	-0%
Gross Inflows into Managed Assets	33.8	111.5	-70%	
Net Inflows into Managed Assets	(11.9)	(19.0)	-37%	
Net Inflows into Administered Assets	1.2	(20.4)	n.s.	
Total Net Inflows	(10.8)	(39.5)	-73%	
Total Sales Network	47	45	+4%	+2%
Total Customers	4,458	4,526	-2%	-2%



Business Update



€ mn

	June '14	Jan-Jun'14	Jan-Jun'13
directly into Mutual Funds	421	2,107	2,578
through 'MyLife' U-L policies	155	303	--
through other U-L policies	(11)	(100)	(186)
Mutual Funds Inflows (UCITS & Unit-Linked)	566	2,309	2,391
Other Life products	(104)	(465)	(807)
Managed Assets Inflows	461	1,844	1,585
3rd-party Structured Bonds	(210)	(252)	1
Managed Assets incl. Structured Bonds	251	1,592	1,586
Administered Assets Inflows	79	736	1,043
'Freedom' Life Policies (change in assets)	(55)	(438)	(1,395)
Administered Assets incl. 'Freedom' accts.	24	298	(353)
BANCA MEDIOLANUM	275	1,890	1,233

Italian Sales Networks
Ranking by Net Inflows

Italian Networks by group - € thousands

	January – May 2014		
	Total Net Inflows	o/w Managed Assets	o/w Mutual Funds*
Azimut	1,647,556	1,689,878	857,657
Banca Mediolanum	1,643,136**	1,410,518**	1,685,989
Unicredit (Finecobank)	1,567,835	1,103,089	1,022,828
Banca Generali	1,247,944	1,183,036	172,335
Banca Fideuram (incl. Sanpaolo)	1,026,976	979,833	-480,733
Allianz Bank	865,873	744,276	-170,610
Deutsche Bank (Finanza & Futuro)	786,222	543,992	340,368
UBI	343,314	165,994	160,000
Credem	254,965	184,587	126,412
Veneto Banca	115,188	97,141	31,706
Banca Pop. Vicenza (Banca Nuova)	41,767	45,641	41,894
Consultinvest	32,278	24,907	53,172
Monte dei Paschi di Siena	-427,290	-310,662	-214,110

*not including those underlying U-L policies

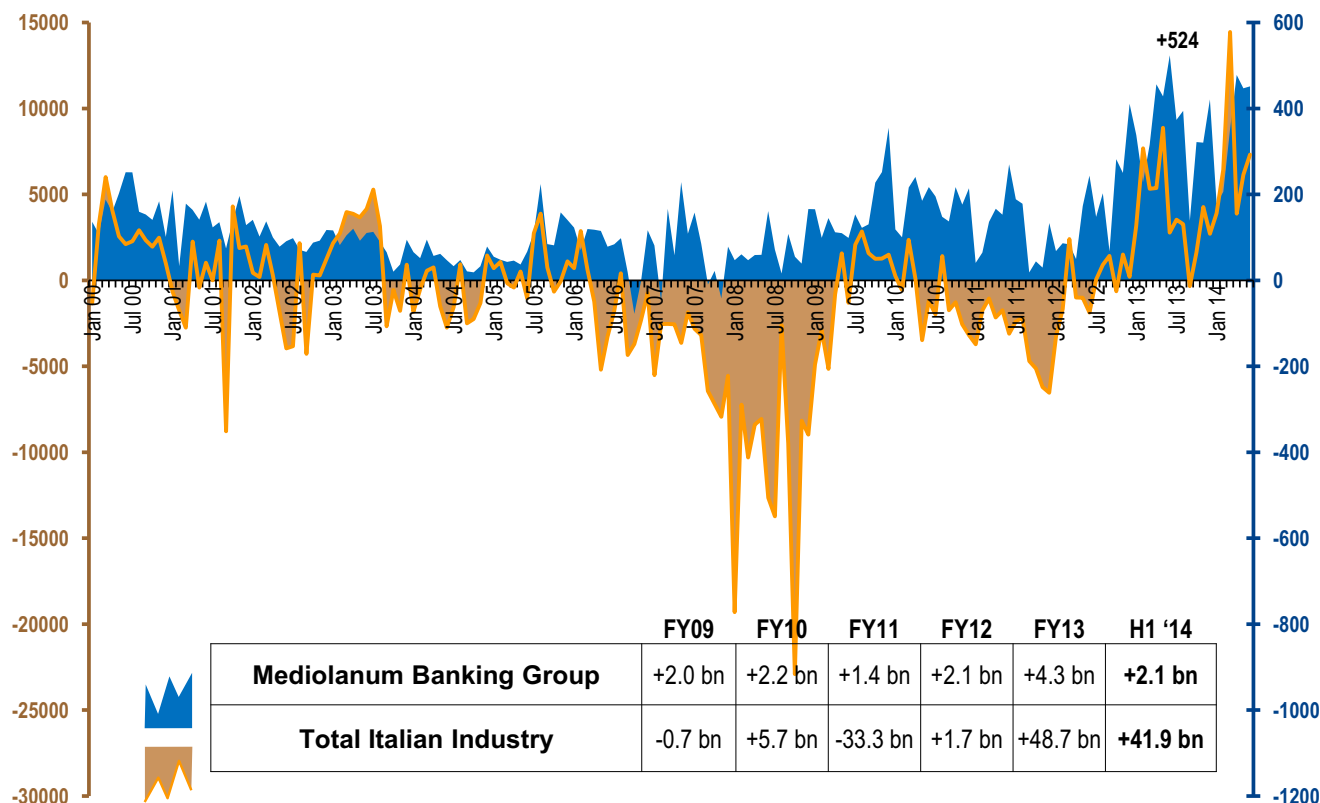
**accounts for approximately € -300 mn in maturities of discontinued Index-Linked policies

source: Assoreti



Net Inflows into Mutual Funds*

€ mn



* including Managed Accounts & Unit-linked policies

source: Assogestioni monthly reports; total figures integrated with quarterly reports



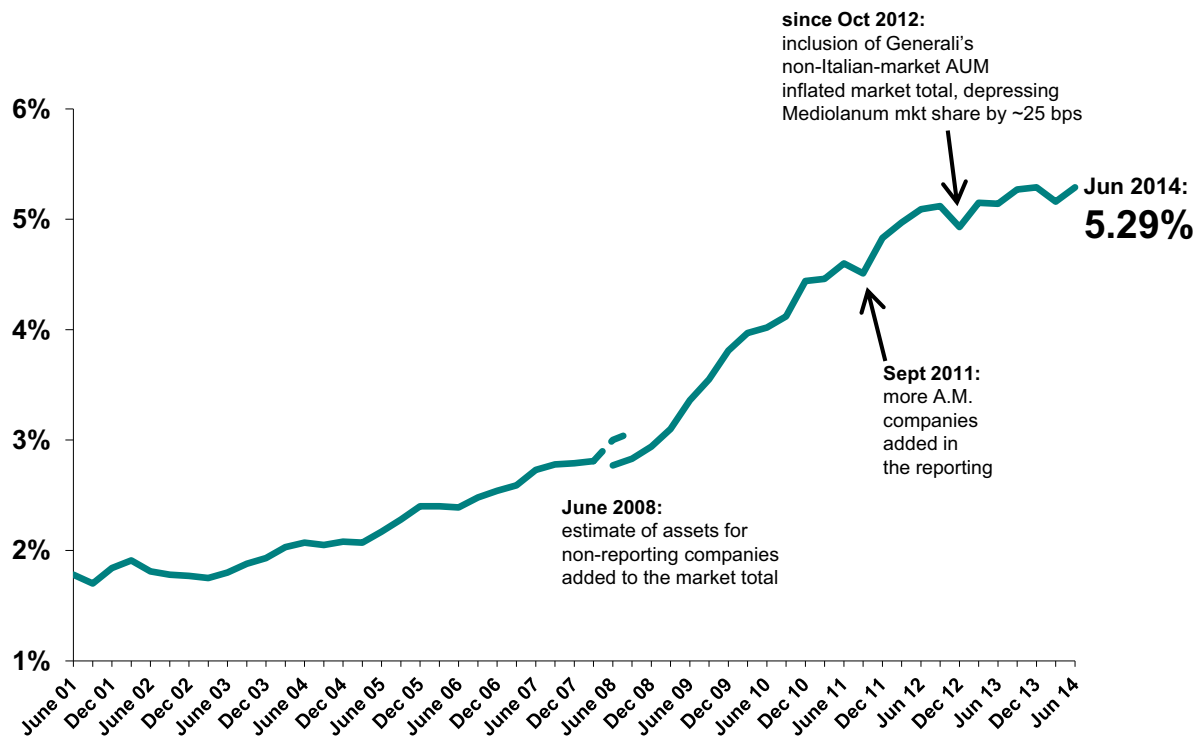
Ranking of Italian A.M. Groups by Mutual Funds Assets

Source: Assogestioni

	Dec 2007	Dec 2008	Dec 2009	Dec 2010	Dec 2011	Dec 2012	Dec 2013	Jun 2014
1	Intesa Sanpaolo	Intesa Sanpaolo	Intesa Sanpaolo	Intesa Sanpaolo	Intesa Sanpaolo	Intesa Sanpaolo	Intesa Sanpaolo	Intesa Sanpaolo
2	Pioneer	Pioneer	Pioneer	Pioneer	Pioneer	Pioneer	Pioneer	Pioneer
3	UBI Banca	UBI Banca	UBI Banca	UBI Banca	AM Holding	Generali *	Generali *	Generali *
4	Arca	Arca	Bipiemme/Anima	Mediolanum	Mediolanum	AM Holding	Anima Holding	Anima Holding
5	Banco Popolare	MPS	Arca	Bipiemme/Anima	F. Templeton	F. Templeton	Mediolanum	Mediolanum
6	MPS	Mediolanum	Mediolanum	Arca	Generali	Mediolanum	F. Templeton	F. Templeton
7	Crédit Agricole	BNP Paribas	Prima	BNP Paribas	BNP Paribas	Ubi Banca	Azimut	Arca
8	BNP Paribas	Generali	BNP Paribas	Prima	UBI Banca	Azimut	UBI Banca	Azimut
9	JPMorgan	Azimut	Azimut	Generali	Azimut	Arca	Arca	UBI Banca
10	Mediolanum	Banco Popolare	Generali	Azimut	Arca	BNP Paribas	JPMorgan	JPMorgan
11	Azimut	JPMorgan	JPMorgan	Amundi	Amundi	Amundi	BNP Paribas	BNP Paribas
12	Generali	Bipiemme	Crédit Agricole	JPMorgan	JPMorgan	JPMorgan	Amundi	Invesco
13	Bipiemme	Crédit Agricole	Credem	Credem	Schroders	Schroders	Banco Popolare	Schroders
14	Allianz	Allianz	Banco Popolare	Banco Popolare	Pictet	Pictet	Pictet	Amundi
15	Anima	Credem	Allianz	Allianz	Société Générale	Banco Popolare	Schroders	Banco Popolare
Market share:	2.79%	2.94%	3.81%	4.44%	4.83%	4.93%	5.29%	5.29%
Assets (€ bn)	15.9	12.0	16.4	20.1	20.2	24.0	29.6	32.8

* October 2012: change in Assogestioni criteria allowed the newly created Generali Investments Europe to report all AUM, a majority of which is not related to the Italian market









source: Assogestioni monthly reports






'MyLife' Whole-life Unit-linked Policy

launched March 2014

State-of-the-art insurance wrapper for mutual funds
addresses all needs of HNW investors

-  **Financial planning:** flexible, hassle-free diversification across all investment classes; access to 100+ funds (up to 40% picked from a selection of 3rd party funds)
-  **Legal protection of investments:** assets cannot be seized or frozen
-  **Succession planning:** one or more beneficiaries, irrespective of applicable inheritance laws; can be easily modified at any time
-  **Tax efficiency:** capital gains tax is deferred to the time of policy liquidation. No inheritance/income/capital gain tax is due on amounts received by beneficiaries

Additional features






-  **Income drawdown** can be requested at any time; choice of duration (5-15 yrs) & frequency
-  **Basic Death Benefit** included (up to 2.5% of assets depending on age at death). Supplementary coverage also available (up to 20%)
-  **Mediolanum's trademark investment optimization features:** yields over a pre-set threshold can be automatically set aside and reinvested during market drops



'MyLife' Whole-life Unit-linked Policy

launched March 2014

Pricing

-  €50,000 initial investment minimum (lump-sum or through 'Double Chance' programmed accumulation plan)
-  Up-front fee: 3% to 0% depending on size of investment (0% above € 1mn)
-  Insurance fee: 1.75% annually
-  Management fees on underlying funds are reduced by either using institutional classes or through a 50% rebate
-  3 free switch operations per year; 50€ each thereafter



'Riparti Italia' Home Remodeling Mortgages




launched September 2013

MEDIOLANUM



RIPARTI ITALIA

Helping Italy's recovery
by stimulating demand in the construction industry

-  Government reimburses 50% of spending for home remodeling (65% when improving energy efficiency), in the form of tax deductions over 10 years
-  Mediolanum's newly launched **home remodeling mortgages** (2.10% spread over Euribor, lowest in the market) **enhance tax advantages** allowing customers to spread payments over the same time frame, save on energy costs and increase the value of their property, making remodeling incredibly inexpensive & attractive
-  **"The best investment you can make is in your home"**
Extensive TV advertising campaign to spread awareness of a little-known opportunity





Priceless return in terms of image and credibility



'InMediolanum' Deposit Account

An aggressive move to amass assets

launched May 2011

-  No-cost deposit account for both new & existing customers of Mediolanum with a competitive interest rate paid when money is locked in for one year (2.30% through July 31, 2014)
-  Dec 2013 – July 2014 Promo: up to 3.10% when a customer simultaneously invests € 100,000 in managed products
-  Lower, competitive rates offered for 3- and 6-month lock-in
-  Quarterly interest payments introduced in 2012

No sales network involvement necessary

Can be opened via internet (**direct access**)

The Family Banker steps in later to develop the customer



'InMediolanum' Results

from 07/05/2011 to 30/06/2014 – also includes other locked-in products






New customers	52,690
<i>o/w direct access</i>	27%
<i>o/w through Family Banker</i>	73%
Total assets from new customers (€ mn)	1,688
Existing customers	102,848
Total assets from existing customers (€ mn)	2,639
Total customers	155,538
Total assets in locked-in products (€ mn)	4,327



launched March 2012

Now a pure banking product

Maintains its role as
strategic tool to acquire high quality customers
through competitive remuneration of liquidity

-  Fiscal advantages of the existing bank account + life policy combo were greatly reduced by 2012 reform
-  New product brings about significant reduction of administrative costs
-  Non-interest-bearing threshold kept at € 15,000
-  Interest paid quarterly, rate offered (currently 1.85%) higher than the original 'Freedom' account to encourage switching into 'Freedom+'
-  Optional: 1-yr locked-in amounts are remunerated at 2.30% (no need to open a separate InMediolanum deposit account)



as at 30/06/2014 – locked-in amounts not included

Total Accounts

198,572

Total assets in 'Freedom' & 'Freedom+'

€ 4.90 bn

Asset split:

- non-interest-bearing current account (< € 15,000)

€ 1.54 bn

- high-yield Life policy ('Freedom')

€ 1.28 bn

- high-yield portion of the current account ('Freedom+')

€ 2.07 bn

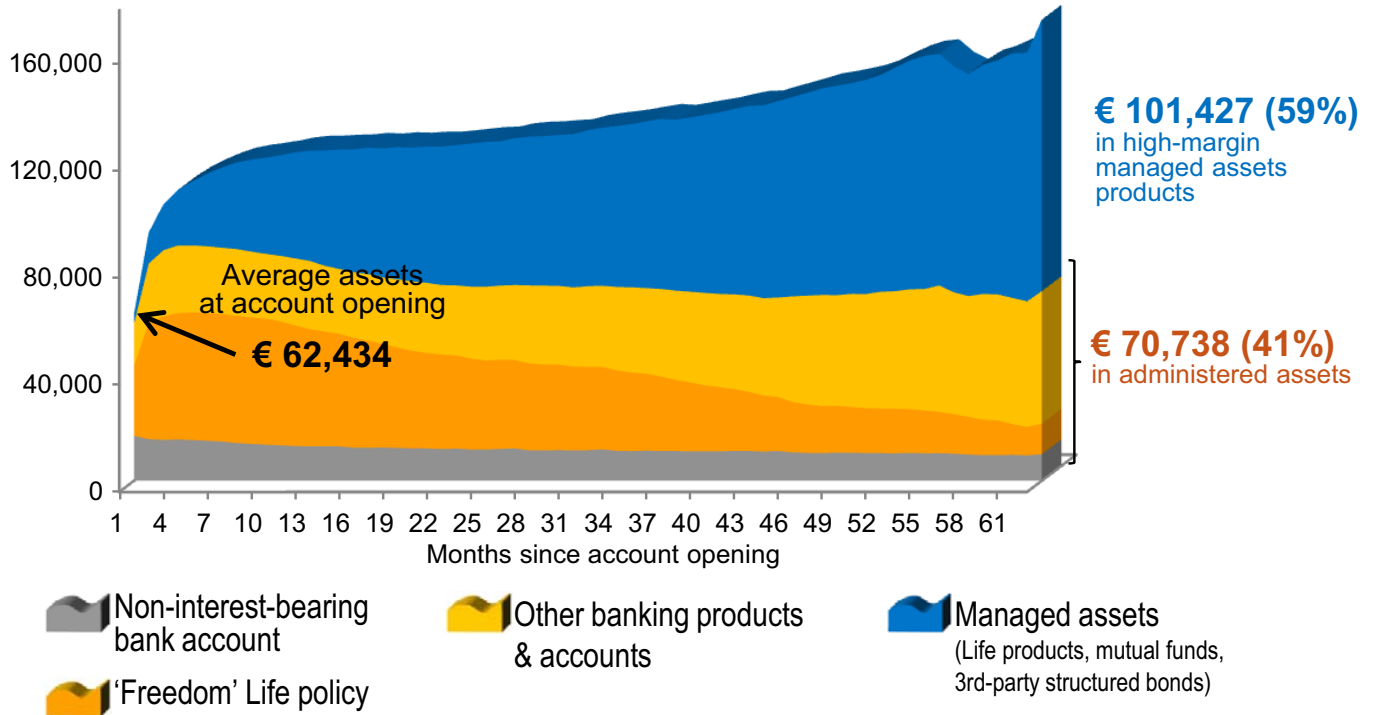


'Freedom' account customers: Cross-selling into managed products

Per-capita asset growth of 'Freedom' account holders*
(€ 8.6 bn in total assets as at 30/06/2014)

Average assets after 62 months

€ 172,166



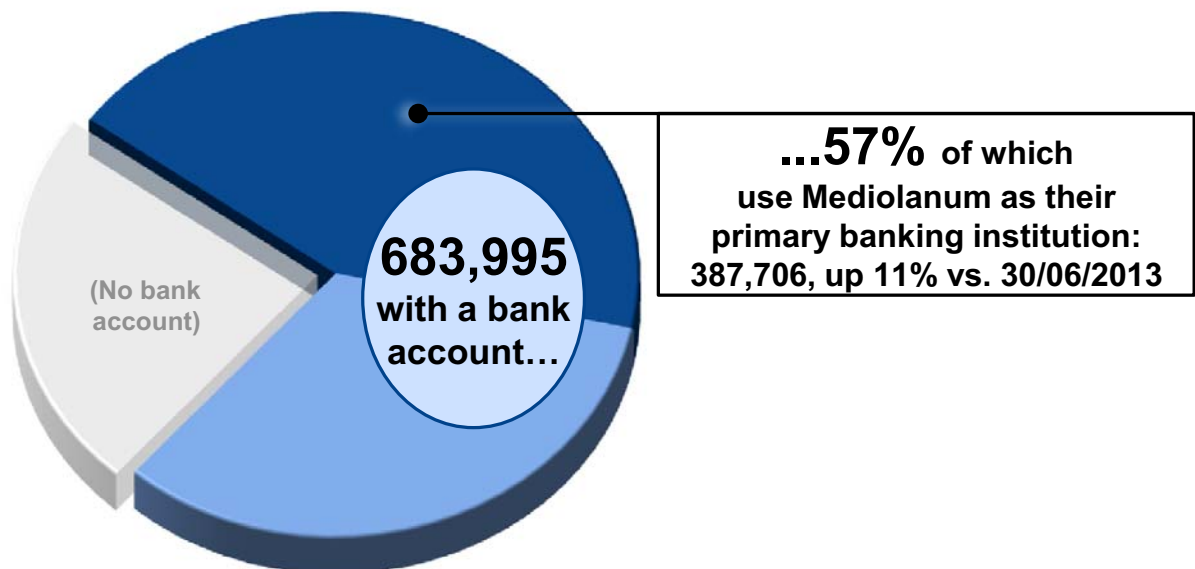
*all households who opened 'Freedom' or 'Freedom+' as their first current account with Mediolanum, excluding those with a balance permanently below €15,000



Banca Mediolanum Customer Behaviour

as at 30/06/2014

894,580 primary account holders



In a 2013 survey, 39% of customers with a bank account stated they don't have a relationship with any other bank



€ mn – as at 30/06/2014

	Financial Conglomerate = Banking Group + Mediolanum Vita					
	Book Value	AD	Book Value	AD	Book Value	AD
Italian Govies	15,545	1.3	13,643	1.1	1,792	2.4
Italian Financials	839	2.3	530	1.3	288	4.1
Spanish Govies	563	1.3	510	1.3	51	1.6
Spanish Financials	34	0.8	15	0.4	19	1.1
Core Europe Govies*	-70	2.7	-95	2.0	0	
Greek Govies	0		0		0	
Portuguese, Irish Govies	0		0		0	
Other Financials	73	2.3	18	2.9	55	2.1
Other Corporate	38	4.2	10	2.4	27	4.9
Bond issued by EFSF	23	7.4	23	7.4	0	
Other ABS	9	3.9	9	3.9	0	
Other Supranational	9	4.9	9	4.9	0	
TOTAL	17,063	1.4	14,672	1.2	2,232	2.6

AD = average duration weighted by absolute nominal value

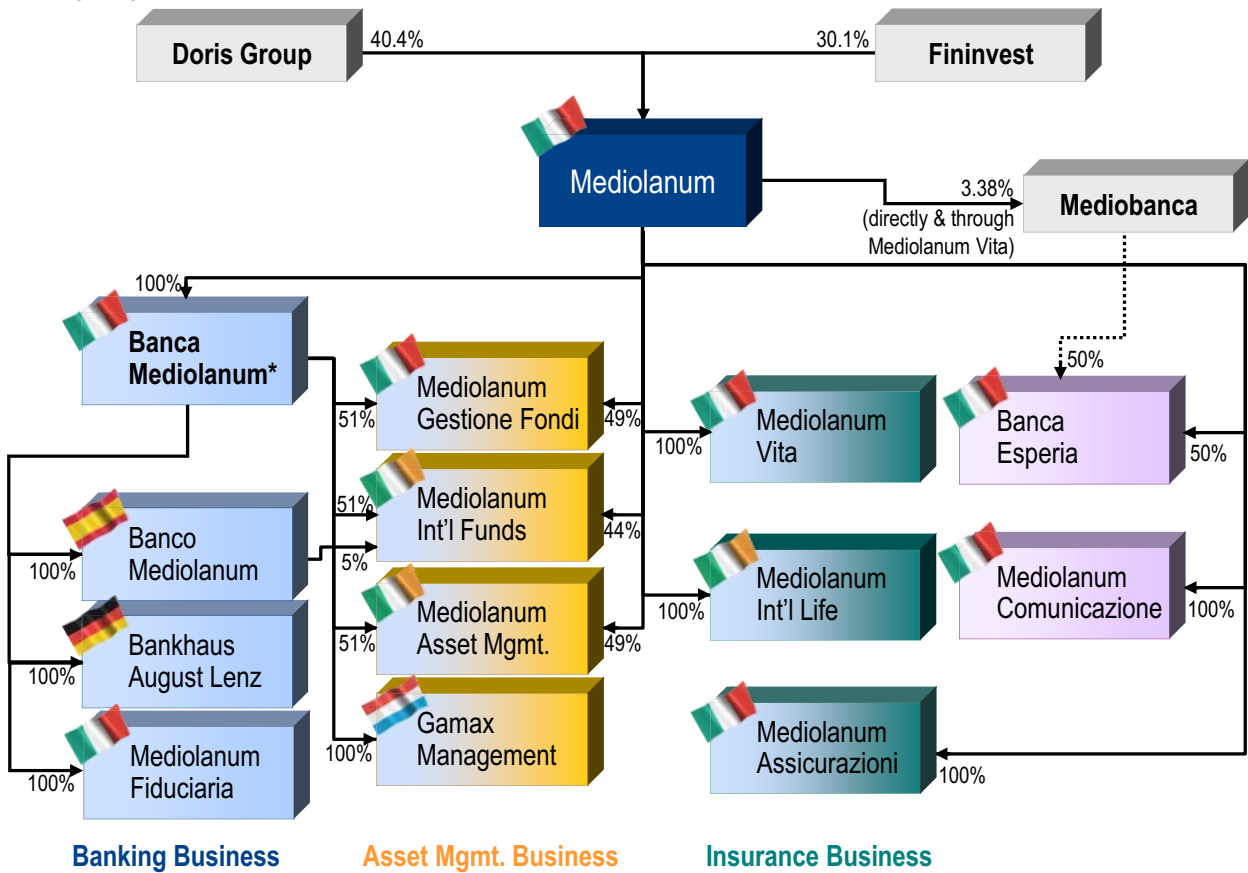
* includes: Austria, Belgium, Finland, France, Germany, Luxembourg & Holland



Mediolanum Facts



as at 30/06/2014

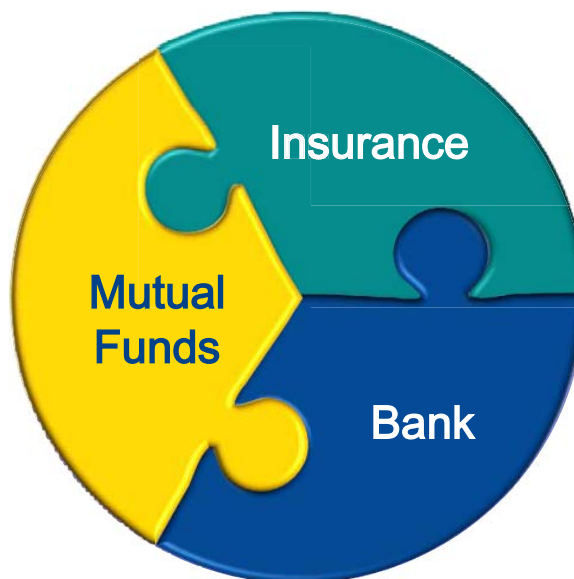


* includes Mediolanum Corporate University



The Mediolanum Integrated Business Model

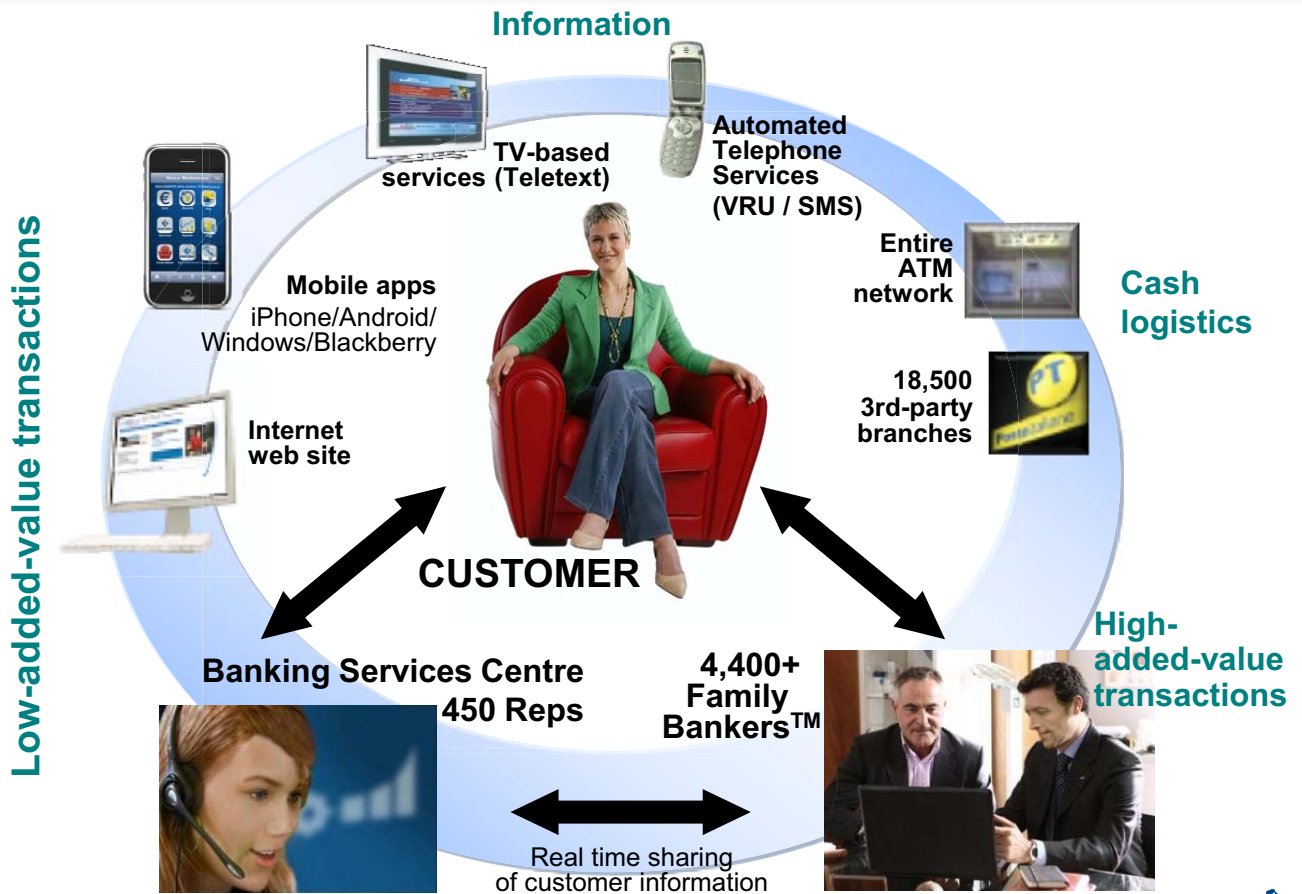
We integrate the asset gathering business of Life insurance & mutual funds with the banking business...



...on the strength of an avant-garde model



The Mediolanum Integrated & Comprehensive Retail Banking Model



Mediolanum vs. Current Bank Models

Traditional bank



On-line bank



The human relationship

Freedom of use

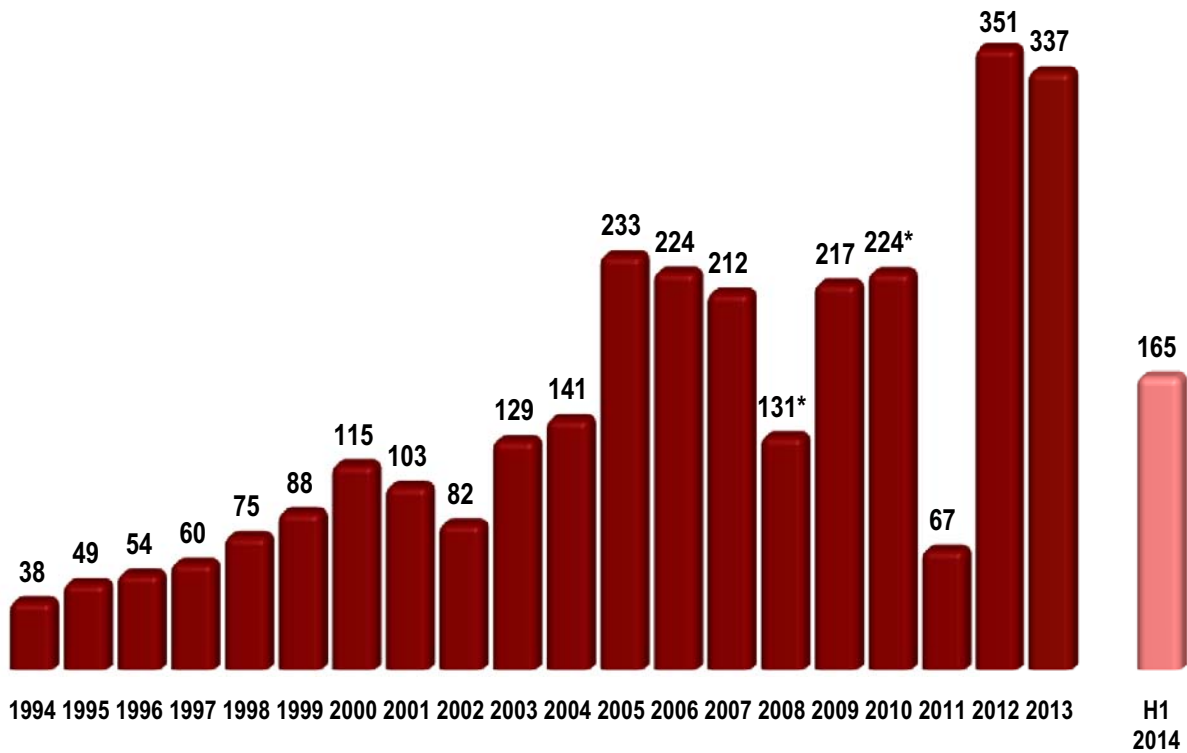
high prices << **Customer** >> low prices

high costs *but* high revenues << **Bank** >> low costs *but* low revenues

The Mediolanum model unifies the advantages of the on-line with the traditional



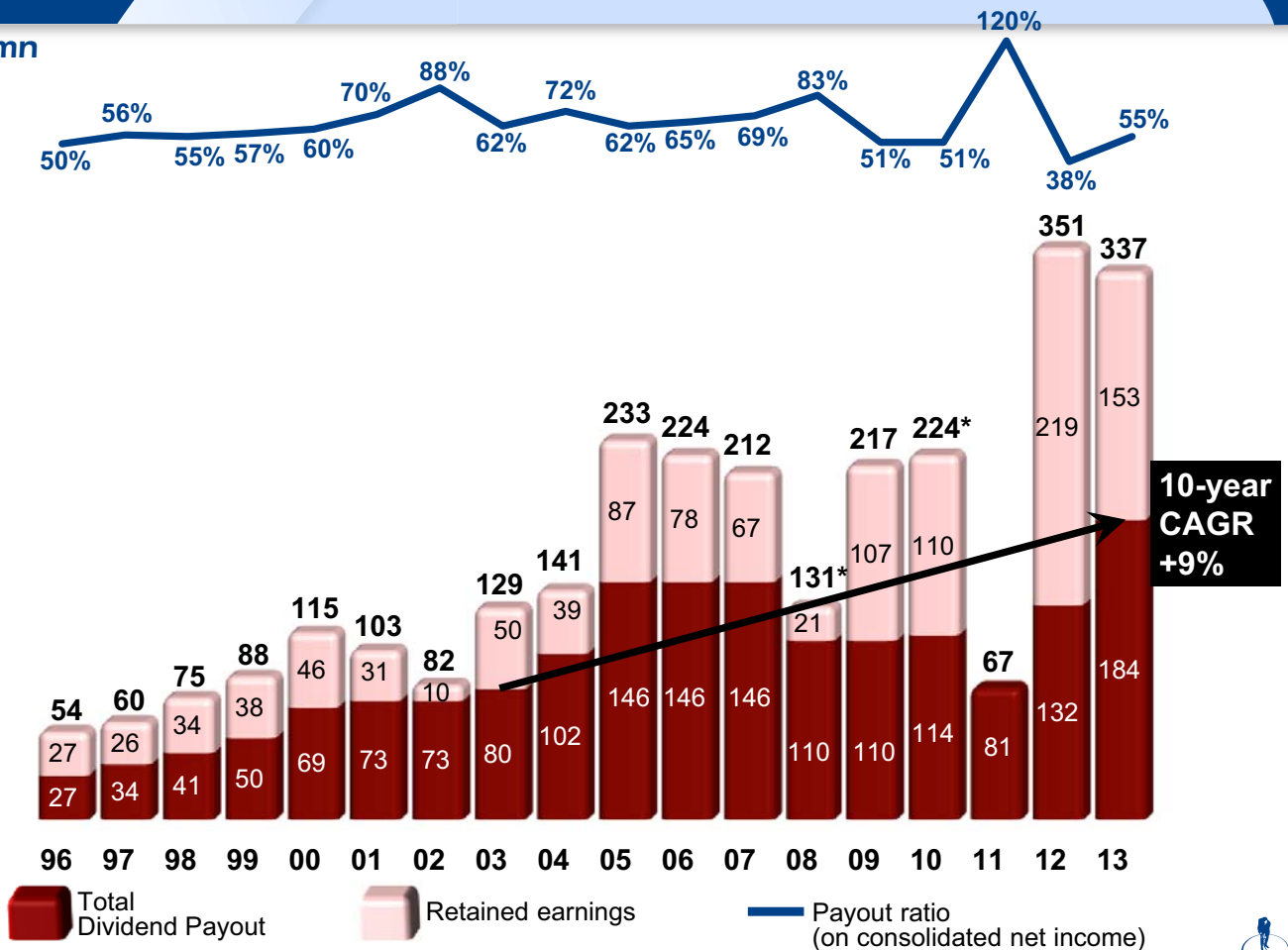
€ mn



* 2008 & 2010 Adjusted Net Income ex 'Lehman Bros.'



€ mn

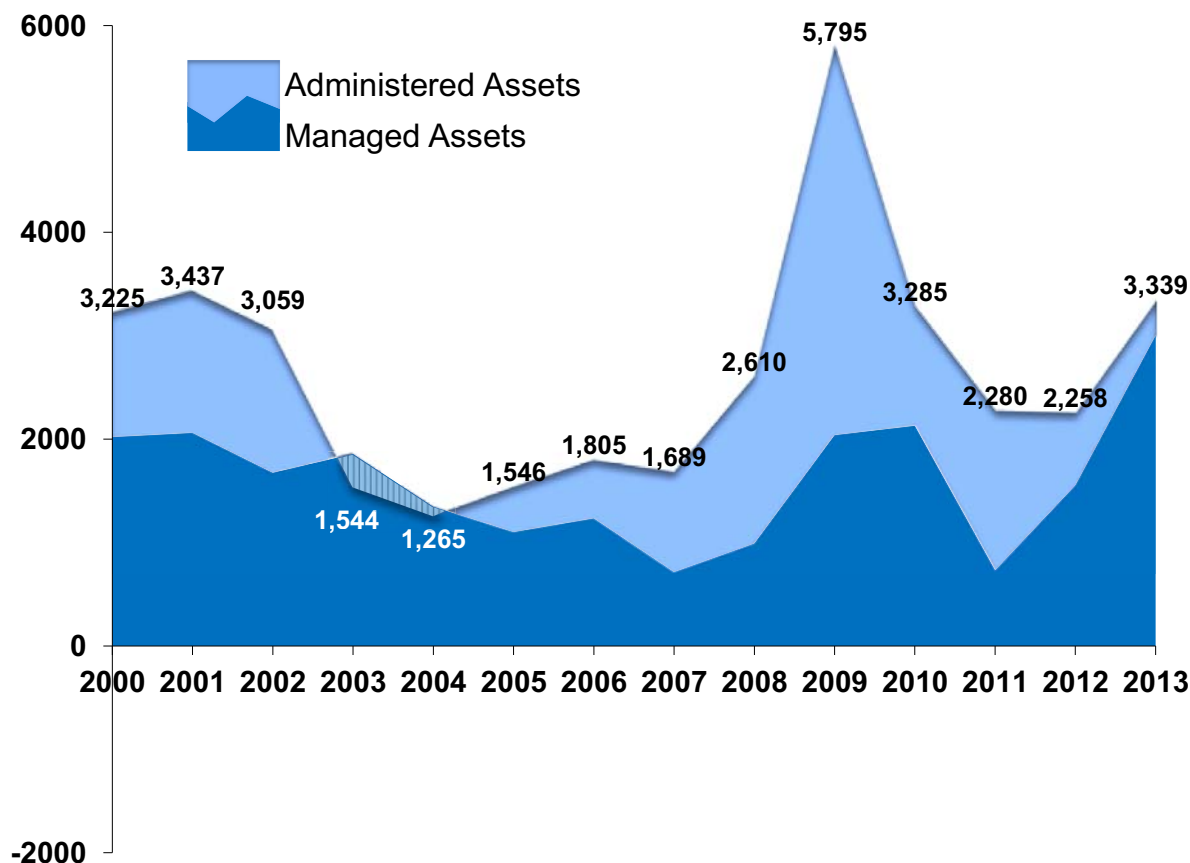


* 2008 & 2010 Adjusted Net Income ex 'Lehman Bros.'

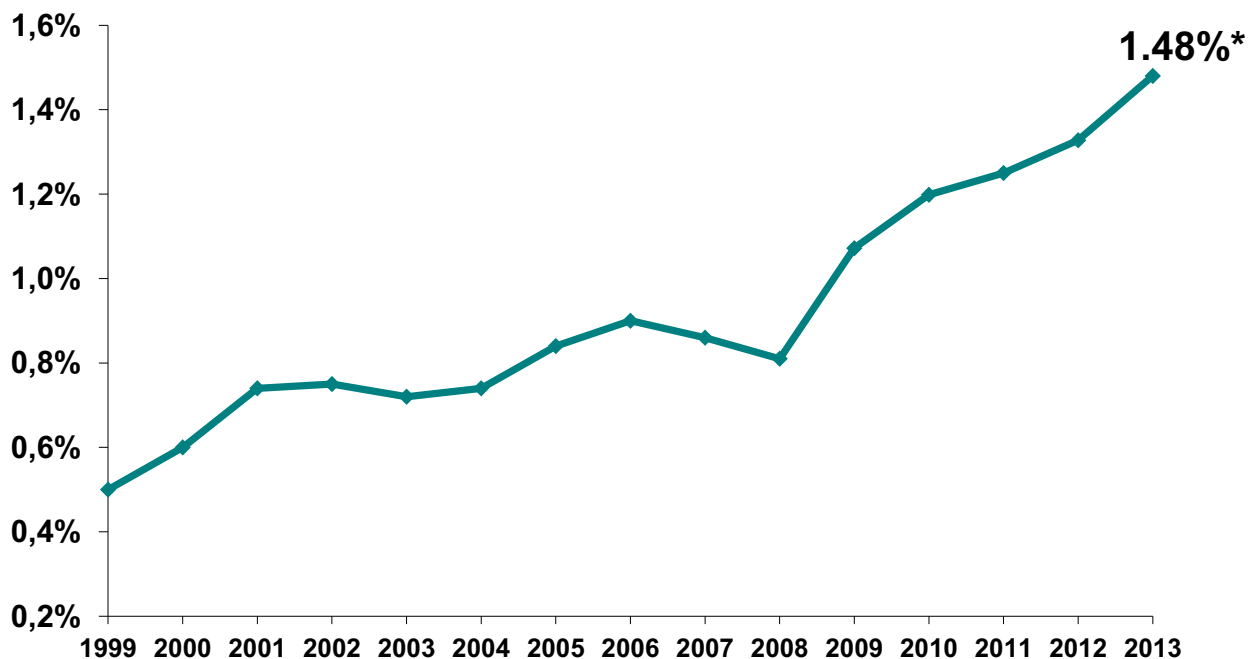


Banca Mediolanum Total Net Inflows Trend

€ mn



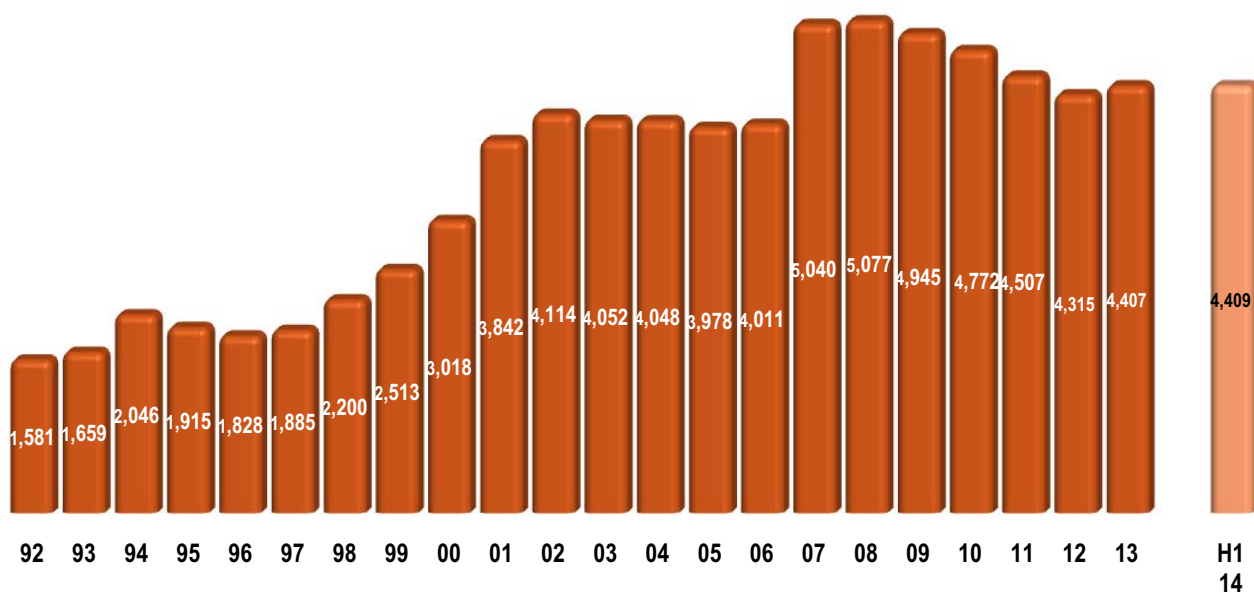
Italian Households' Financial Assets Mediolanum's Market Share



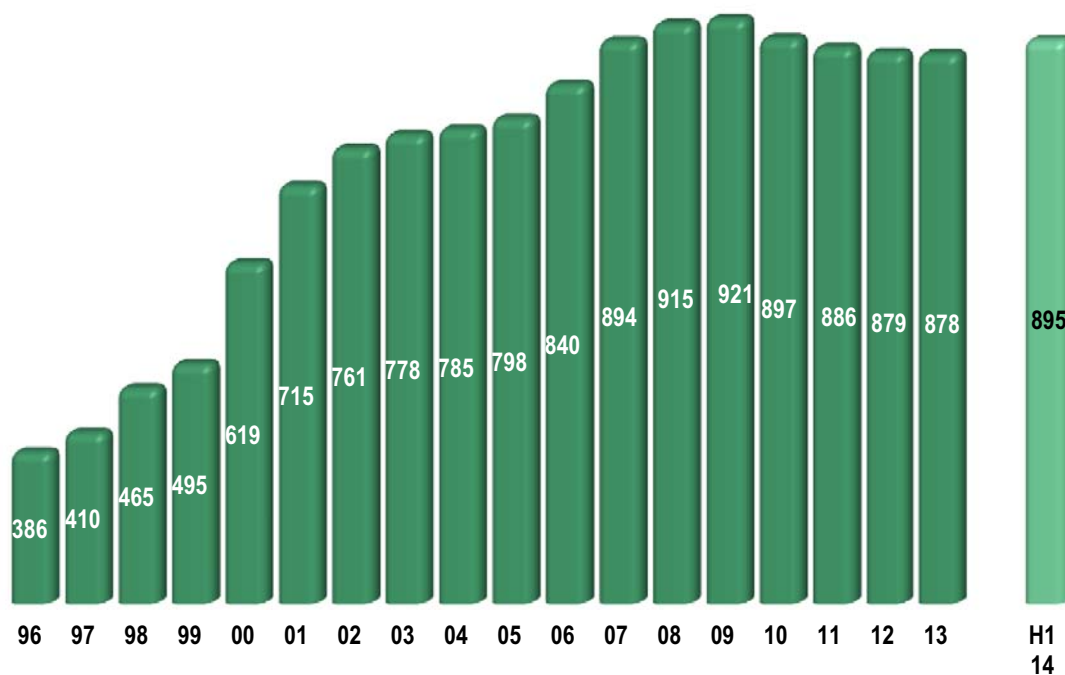
* based on a total of € 3.9 trillion calculated by Banca d'Italia



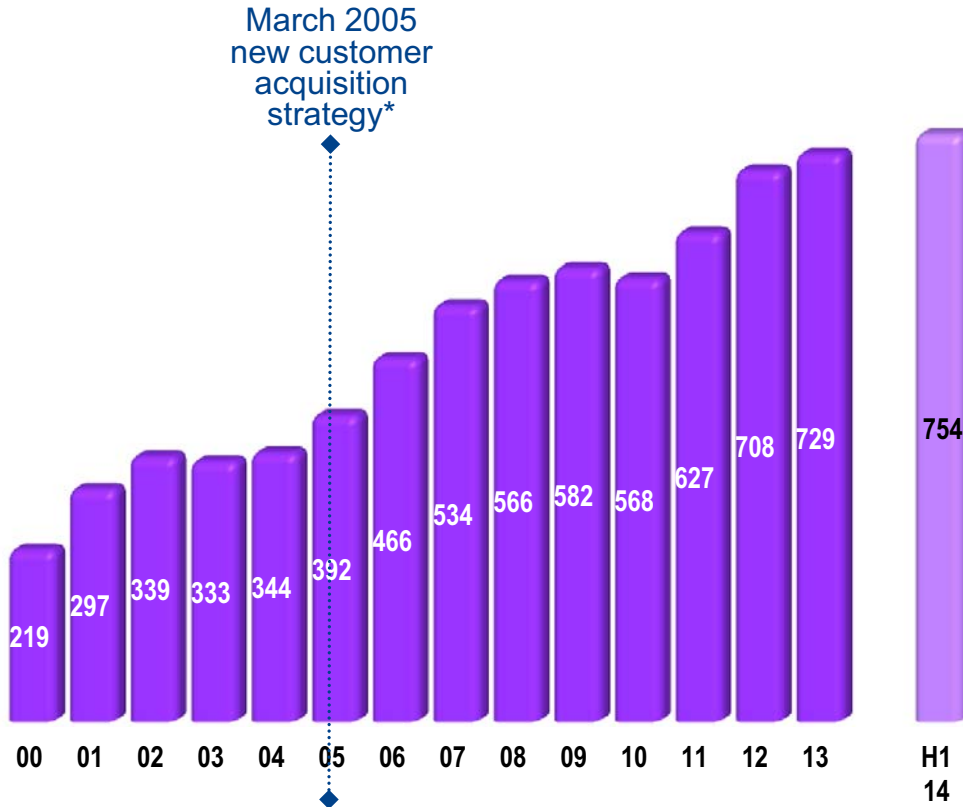
Licensed Advisors



Primary account holders (thousands)



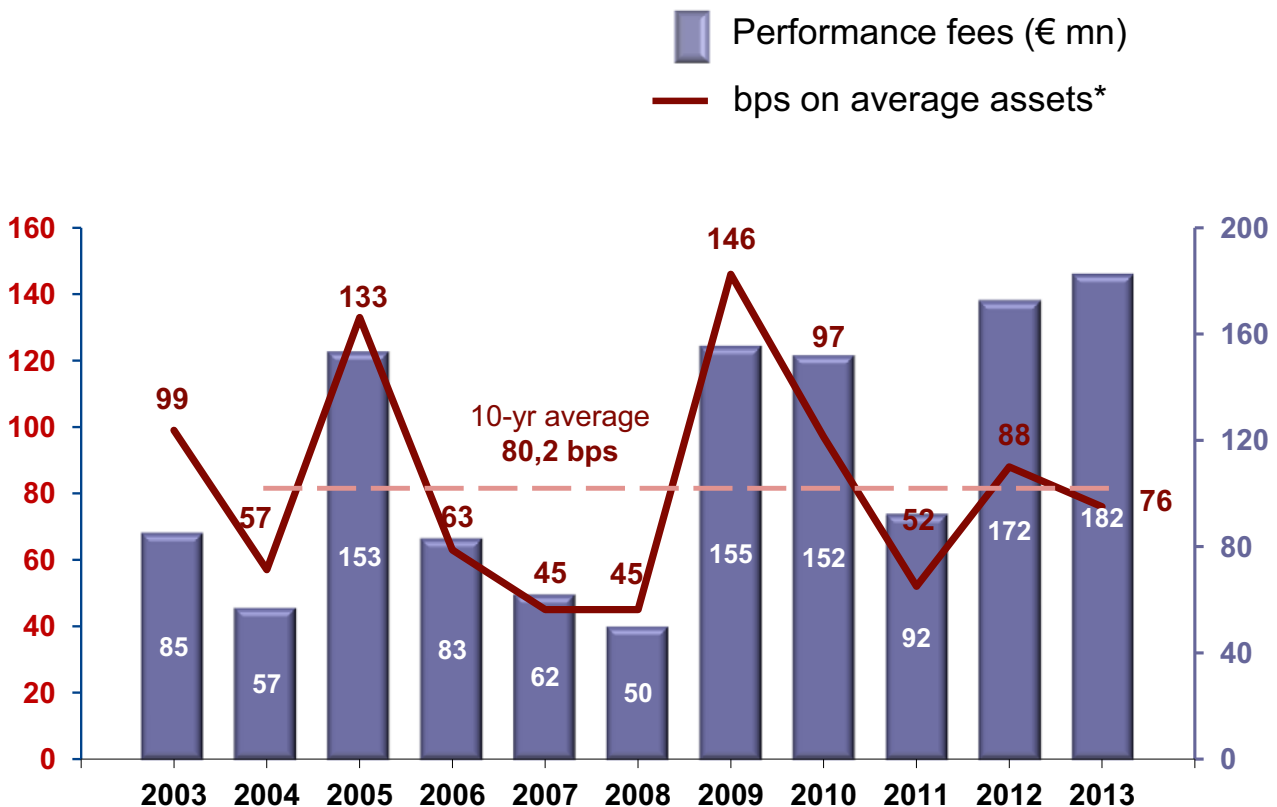
Thousands



* all new customers must be acquired through the bank account



Including Managed Accounts & Unit-linked policies



* calculated only on those funds subject to performance fees



Italian Networks - € mn

	2009 - 2013		
	Total Net Inflows	o/w Managed Assets	o/w Mutual Funds*
Mediolanum	17,303	8,623	11,888
Fideuram (incl. Sanpaolo Invest)	11,179	15,374	10,486
Unicredit (Fineco)	9,388	6,467	8,003
Banca Generali	8,469	8,209	2,752
Allianz Bank	7,067	7,684	1,652
Azimut	6,041	5,938	3,445
Deutsche Bank (Finanza&Futuro)	3,498	3,765	1,493
Veneto Banca	1,544	1,197	729
Monte dei Paschi di Siena	1,232	1,542	1,101
Credito Emiliano	1,173	1,197	895
UBI	871	819	774
Consultinvest	179	67	-156
Banca Popolare Vicenza	-1	27	86
TOTAL ITALIAN NETWORKS	68,981	61,705	43,960

*not including those underlying U-L policies

source: Assoreti



Mediolanum's Culture Our Competitive Advantage

Our ability to generate positive inflows also in bear markets
is explained by our
customer-oriented culture
especially embodied in two specific areas:



The **Investment strategy** we advocate to our customers that provides solutions according to an analysis of each customer's **needs** & is based on the concept of '**diversification**'









Our effective, innovative and committed
Training & Communication strategy



Investment Advisory Strategy







Our investment strategy
explains the consistency of our inflows
& transfers 'technical performance' into 'customer performance'

-  We advise our customers proposing products & services that correspond to each of their **specific needs**
-  Investor needs remain fundamentally the same, they are **not influenced by market crises**
-  We do not engage in stock-picking, tactical asset allocation decisions, or market-timing
-  We recommend a series of **diversification** criteria, the most important being time horizon
-  **Equity** investments are only considered for the **long term** (>10 yrs) and are diversified across the global economy to further reduce risk
-  We strongly advise investors who have a long-term outlook to view **market crises as buying opportunities**







The Mediolanum Approach vs. Open Architecture



-  'Best Brands' family of **Funds of branded Funds** unveiled in April 2008
-  **This is not the 'Open Architecture' approach**
-  It is impossible for a private investor to choose among a supermarket-like offer of thousands of funds, if not on the very risky basis of past performance
-  Synergy of the best A.M. companies' expertise & pursuit of quality and Mediolanum's capacity to select & coordinate asset managers & give high quality advice to customers
-  Funds of **single-brand** funds (the 'Selection' series) are Mediolanum products but also carry the name of the underlying funds' asset manager
-  Funds of **multi-brand** funds (the 'Collection' series) do not utilise the underlying brands in the fund name, however they are used in marketing and advertising material





-  Inaugurated March 2009
-  Centralises our training know-how, in coordination with top universities, professors and individuals who are experts in the field
-  Provides our Family Bankers & employees with a resource for life-long education
-  Develops financial education programs dedicated to our customers & the community



A proprietary state-of-the-art tool
established in 1989

Encrypted programs to train, motivate & communicate with
our Family Bankers




- Company news
- Product information
- Online training course support
- Inspirational thoughts for personal motivation & sales techniques

Daily specials dedicated to crisis-related topics
were added to the ongoing programming
in 2008/2009 & 2011




Marketing Events

 **8,136 events** held in 2013 (+53% vs. 2012): local & high-level events, sports events (e.g. Giro d'Italia), talk shows, etc.

 400,000 participants (customers and perspective customers)



Results are measurable:

 Net inflows into managed assets of invited customers are measured for 3 months post-event: expenses are reimbursed to Family Bankers only if set commercial target is met (81% of the times in 2013)

 Average commercial value of media coverage is also regularly tracked



Mediolanum is now the 4th best known Bank Brand in Italy

Total Brand awareness – Italian banks (%)

	2014								
	2011	2012	2013	Jan	Feb	Mar	Apr	May	Jun
UNICREDIT	47	47	43	42	48	50	49	46	43
INTESA SANPAOLO	42	44	41	45	46	46	46	42	45
MPS	23	28	32	28	29	25	26	22	31
BANCA MEDIOLANUM	17	17	20	18	17	20	20	20	20
BNL	15	18	18	17	19	17	21	18	20
CONTO ARANCIO / ING	15	19	16	10	14	10	9	14	12
BCC	10	11	11	9	11	11	16	17	12
BANCOPOSTA	9	9	9	7	12	9	10	11	9
CHEBANCA!	10	7	5	6	5	4	9	9	9
UBI BANCA	3	3	4	4	3	3	3	7	8
FINECO	2	2	3	5	4	4	5	4	3



Spontaneous recall of bank advertising – Italy (%)

	2011	2012	2013	2014					
				Jan	Feb	Mar	Apr	May	Jun
ANY BANK	46	50	49	46	44	50	49	46	45
BANCA MEDIOLANUM	12	12	15	13	12	15	16	14	12
CONTO ARANCIO/ING	10	14	11	7	8	5	5	7	7
INTESA SANPAOLO	7	9	9	12	11	14	12	6	10
UNICREDIT	6	8	6	7	7	12	9	9	7
MPS	4	5	5	3	3	1	3	3	3
CHEBANCA!	8	5	4	4	3	3	5	6	5
BNL	2	2	2	1	1	1	3	2	2
BCC	0.4	0.5	1	0	1	0	1	1	1
FINECO	0.4	1	1	1	1	2	1	1	1
UBI BANCA	0.4	0.2	0.8	0.3	1	1	0.2	3	3
BANCOPOSTA	0.2	1	0.3	1	1	0	0.2	0.2	0.4

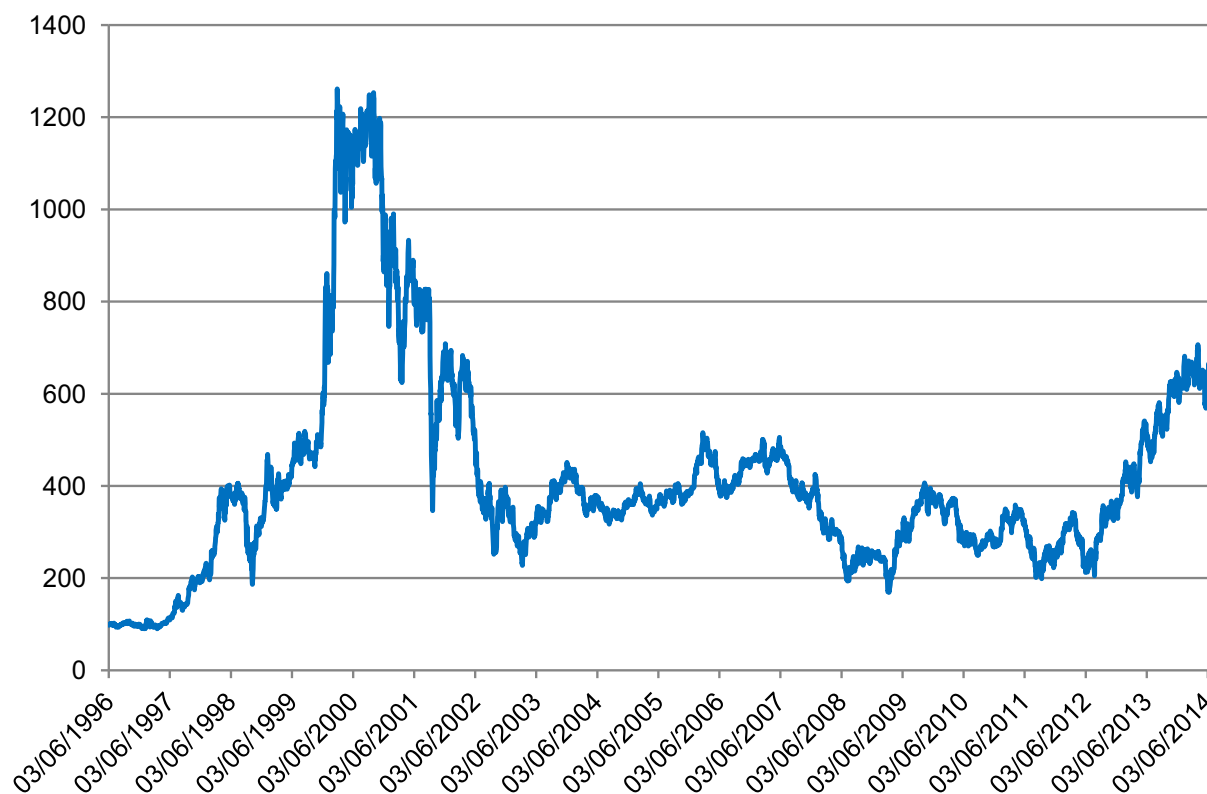
source: GFK Eurisko



Ranking of Italian Banking Groups by Market Capitalisation

July 2014





* includes dividend reinvestment, June 3, 1996 – July 28, 2014

source: Datastream



Disclaimer

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Receipt of this document implies acceptance of its limitations as described above.

DECLARATION BY THE SENIOR MANAGER IN CHARGE OF DRAWING UP COMPANY ACCOUNTS

The undersigned, Mr. Luigi Del Fabbro, declares, pursuant to Section 154 bis (2) of Legislative Decree 58/98 "Testo Unico della Finanza", that the accounting data set out in this presentation agree with the documentary records, books and accounting entries.

The senior manager in charge of drawing up Company Accounts

Luigi Del Fabbro



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