

May 14, 2014

MEDIOLANUM Q1 2014 RESULTS



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Q1 2014 Group Results



Q1 2014
Group

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€ mn

	Q114	Q113	Change
Entry fees	24.1	34.5	-30%
Management fees	155.6	129.2	+20%
Performance fees	31.3	59.3	-47%
Banking service fees	23.4	25.4	-8%
Other fees	8.0	9.1	-12%
Total commission income	242.4	257.4	-6%
Net interest income	58.5	71.9	-19%
Net income on investments at fair value	(1.0)	3.8	n.s.
Net financial income	57.6	75.8	-24%
Insurance revenues ex U-L commissions	14.4	13.2	+9%
Equity Contribution (Mediobanca & Banca Esperia)	5.7	1.8	+214%
Net income on other investments	17.1	37.8	-55%
Other revenues	5.1	4.8	+5%
Total Revenues	342.3	390.8	-12%
Acquisition costs	(105.3)	(103.5)	+2%
Other commission expenses	(13.3)	(11.9)	+12%
G&A expenses	(107.8)	(91.6)	+18%
Amortisation & depreciation	(4.9)	(3.8)	+31%
Provisions for risks & charges	(5.3)	(3.0)	+76%
Total Costs	(236.6)	(213.7)	+11%
PROFIT BEFORE TAX	105.7	177.1	-40%
Income tax	(24.8)	(40.4)	-39%
NET INCOME	80.9	136.7	-41%



Income Statement Salient Points

YoY comparison

-  **Entry fees** (€ 10 mn less YoY) reflect lower gross inflows into mutual funds & HNW customers' preference for no-load funds
-  **Management fees** (€ 26 mn higher YoY) grew in line with average assets in mutual funds, following the continued strong net inflows
-  **Performance Fees** were weak in Q1 as expected (€ 28 mn lower YoY), significantly impacting the bottom line comparison with Q113
-  **Net Interest Income** (€ 13 mn lower YoY) was impacted by the lower interest-rate environment and the selling of some securities (see below)
-  **Net Income on Other Investments** (€ 21 mn lower YoY) includes € 16 mn of realised capital gains on the treasury's AFS portfolio (on securities maturing in 2014), versus € 44 mn realised in Q1 last year
-  **G&A expenses** were 18% up YoY (€16 mn euro higher YoY), reflecting our focus on critical IT projects and associated costs, plus the moving forward of some marketing costs



Income Statement by Quarter

€ mn

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



Quarterly Commission Income from Management Fees

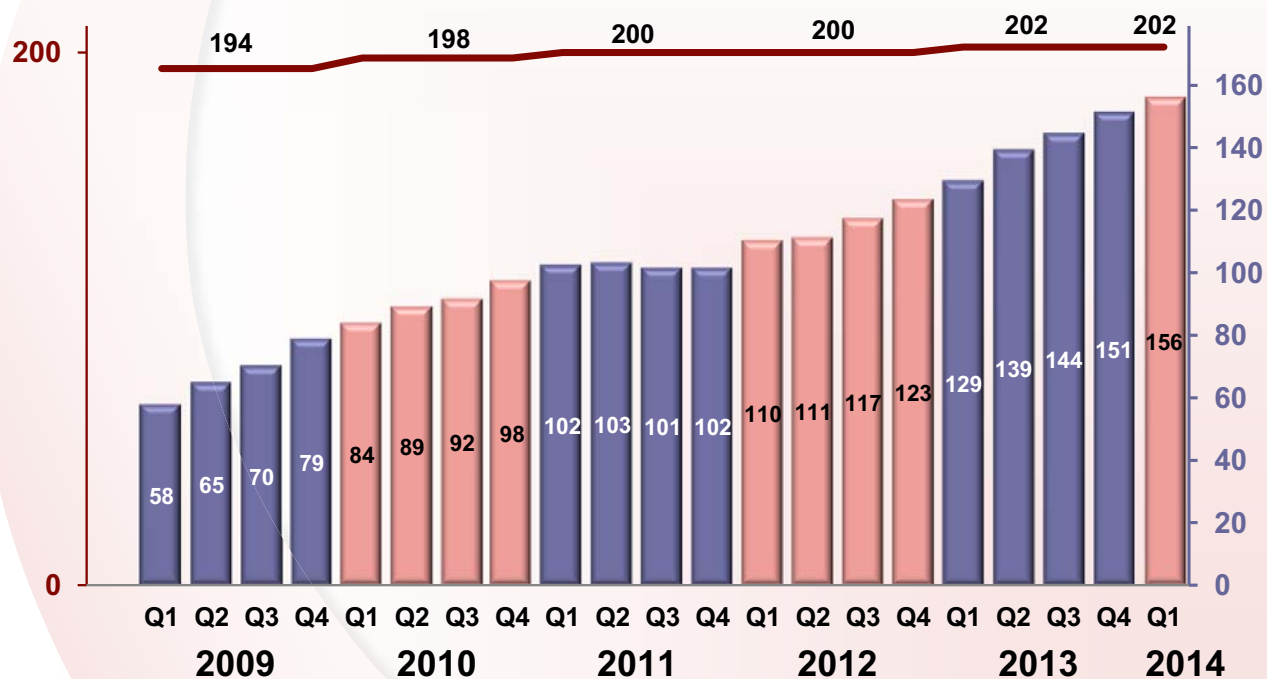
€ mn



Management fees (€ mn)

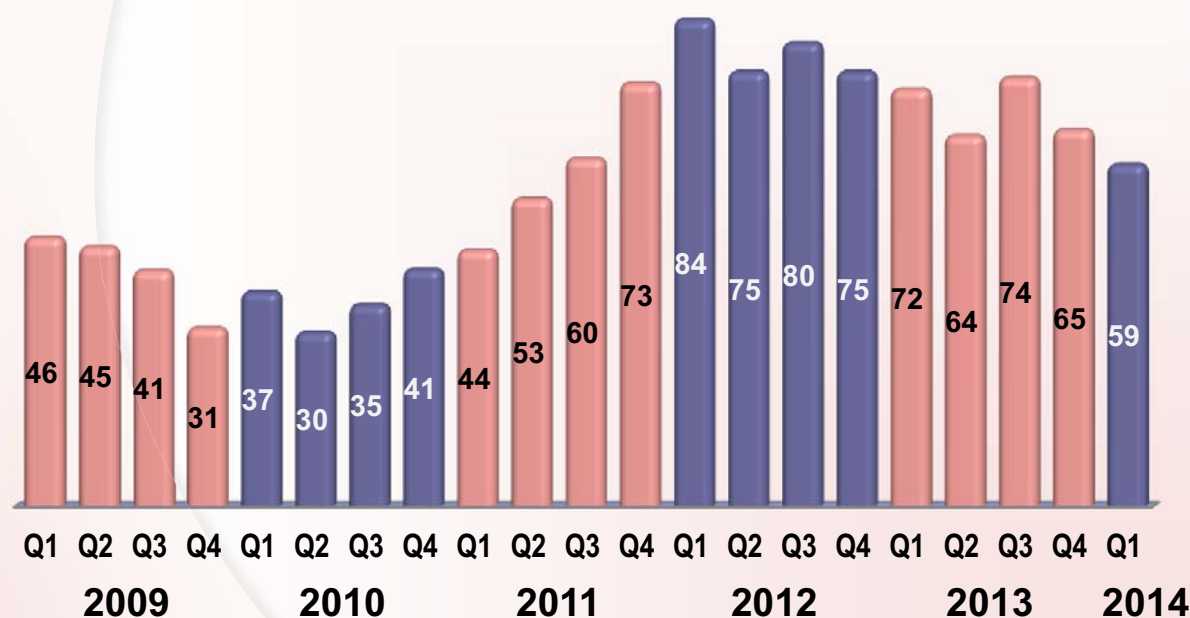


yearly bps on average assets



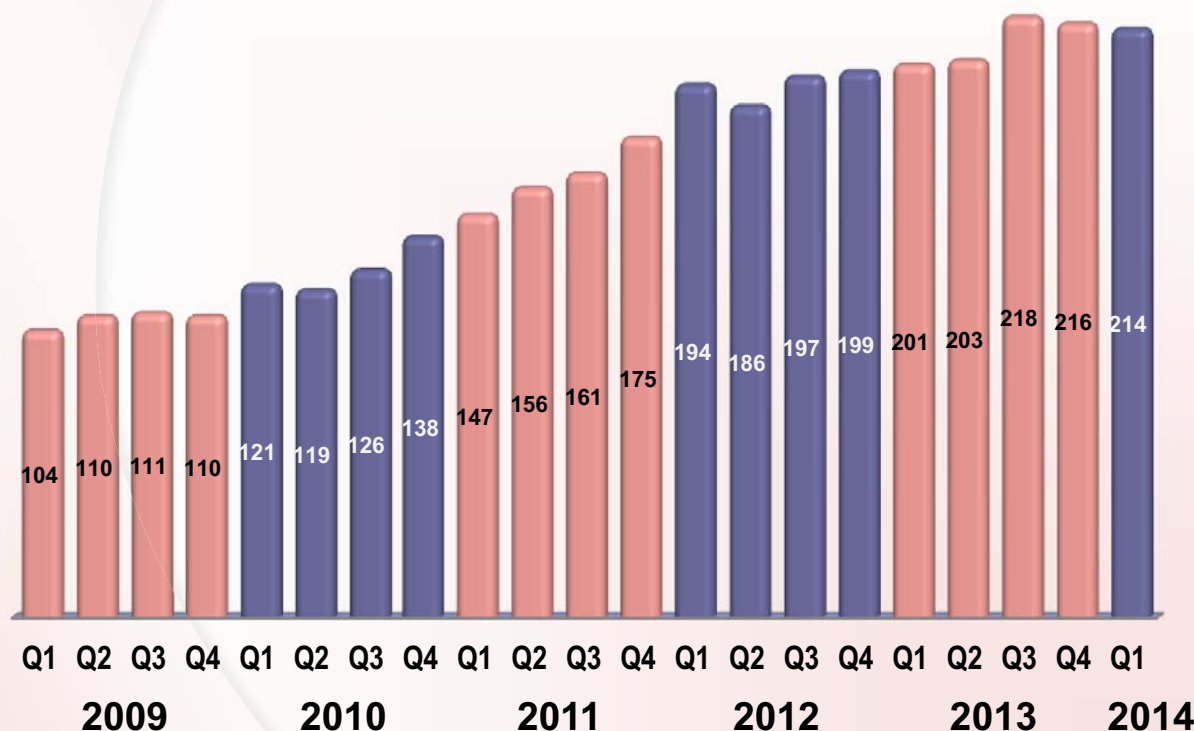
Quarterly Net Interest Income

€ mn



Quarterly Recurring Revenues

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



Assets under Administration

€ mn

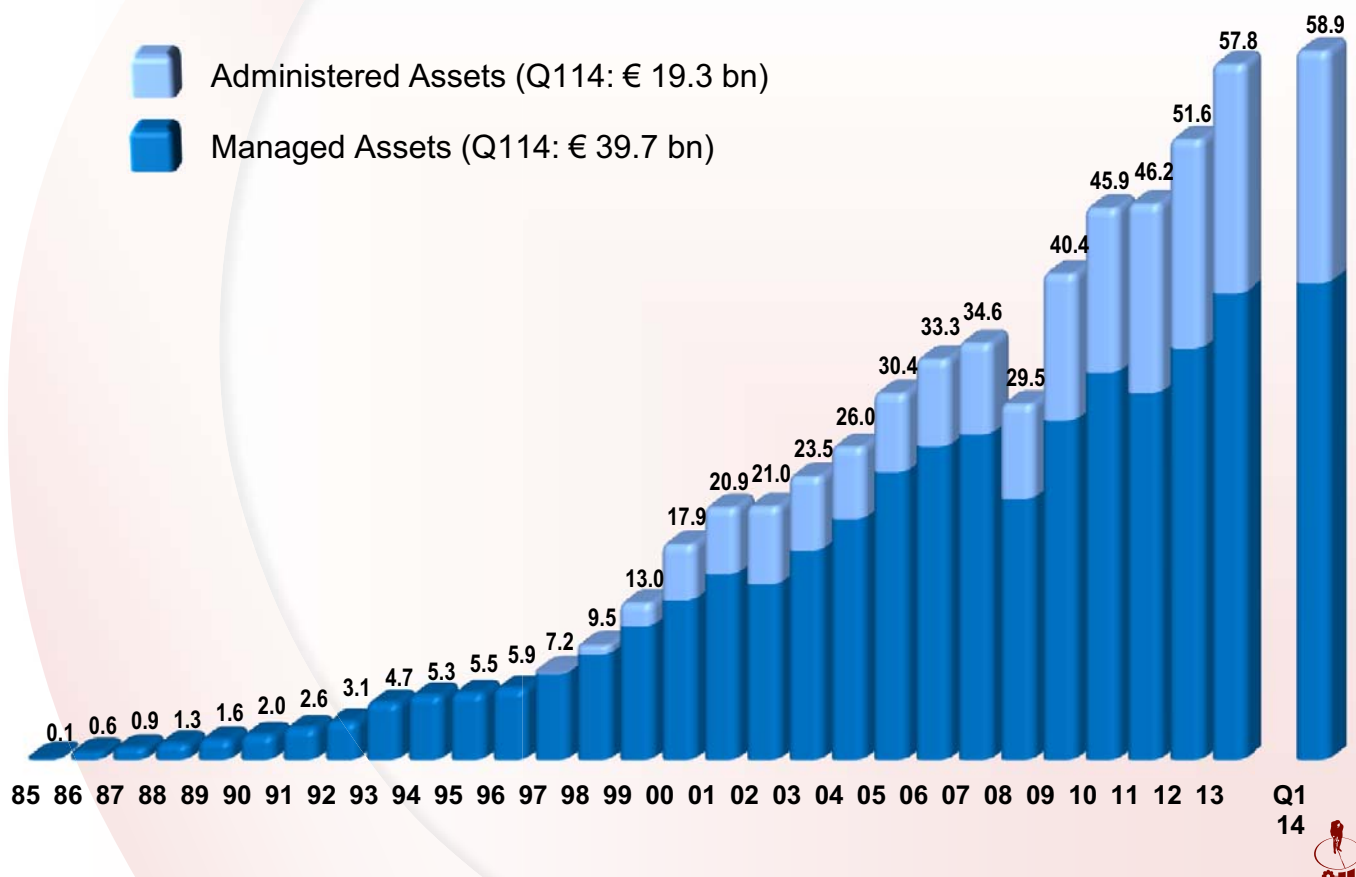
	31/03/14	31/12/13	Change	31/03/13	Change
Life	13,261.4	13,482.6	-2%	14,006.3	-5%
'Freedom' Life Policies	1,610.0	1,722.3	-7%	2,375.8	-32%
Asset management	29,771.1	28,835.6	+3%	25,267.8	+18%
Banking*	14,286.8	13,690.1	+4%	12,519.2	+14%
Consolidation adjustments	(10,373.8)	(10,370.3)	+0%	(10,067.7)	+3%
Italy - Banca Mediolanum	48,555.5	47,360.3	+3%	44,101.4	+10%
Italy - Banca Esperia (Mediolanum's share)	7,480.0	7,650.0	-2%	7,138.6	+5%
Life	572.1	601.8	-5%	584.6	-2%
Asset management	1,188.4	1,073.1	+11%	862.2	+38%
Banking*	1,031.5	1,007.2	+2%	761.8	+35%
Consolidation adjustments	(319.0)	(305.8)	+4%	(283.0)	+13%
Spain - Banco Mediolanum	2,473.0	2,376.3	+4%	1,925.6	+28%
Life	120.6	119.8	+1%	111.1	+9%
Asset management	315.9	323.3	-2%	314.7	+0%
Banking	72.9	72.5	+1%	71.3	+2%
Consolidation adjustments	(75.3)	(70.4)	+7%	(51.0)	+48%
Germany - B. A. Lenz & Gamax	434.1	445.2	-2%	446.1	-3%
AUA	58,942.5	57,831.8	+2%	53,611.7	+10%

* retail only



AUA Trend

€ bn



Q1 2014 Domestic Market Results



Income Statement - Domestic

€ mn

	Q114	Q113	Change
Entry fees	22.0	32.7	-33%
Management fees	148.4	124.0	+20%
Performance fees	30.1	56.9	-47%
Banking service fees	18.3	21.4	-14%
Other fees	7.7	8.8	-13%
Total commission income	226.4	243.8	-7%
Net interest income	52.8	65.9	-20%
Net income on investments at fair value	(1.2)	3.4	n.s.
Net financial income	51.7	69.4	-26%
Insurance revenues ex U-L commissions	8.8	7.6	+16%
Equity contribution (Mediobanca & Banca Esperia)	5.7	1.8	+214%
Net income on other investments	17.2	28.0	-38%
Other revenues	4.6	4.3	+9%
Total Revenues	314.5	354.8	-11%
Acquisition costs	(97.9)	(97.2)	+1%
Other commission expenses	(9.2)	(8.5)	+9%
G&A expenses	(96.0)	(81.6)	+18%
Amortisation & depreciation	(4.5)	(3.3)	+38%
Provisions for risks & charges	(5.1)	(2.9)	+77%
Total Costs	(212.8)	(193.4)	+10%
PROFIT BEFORE TAX	101.6	161.4	-37%
Income tax	(23.6)	(36.2)	-35%
NET INCOME	78.0	125.3	-38%



Income Statement by Quarter

€ mn

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



Acquisition Costs in detail

€ mn

	Q114	Q113	Change
One-time commissions	30.6	39.5	-23%
Ongoing commissions	41.6	34.3	+22%
Total commissions	72.2	73.8	-2%
Incentives on individual net inflows	4.8	4.0	+21%
Contests & bonuses	2.9	4.5	-37%
Reimbursement of costs for customer events	5.2	3.7	+42%
Total incentives & bonuses	12.9	12.2	+6%
Costs related to the agency agreement	12.8	11.2	+14%
TOTAL ACQUISITION COSTS	97.9	97.2	+1%



Total Net Inflows

€ mn

	Q114	Q113	Change
Life premiums	(232.8)	(421.5)	-45%
Asset management products	809.4	1,000.3	-19%
Managed Assets Inflows	576.5	578.8	-0%
3rd-party Structured Bonds	(25.0)	31.0	n.s.
Managed Assets incl. Structured Bonds	551.6	609.8	-10%
Cash deposits	340.4	1,069.5	-68%
Repurchase agreements	168.8	228.9	-26%
Mediolanum bonds	62.1	(14.9)	n.s.
Other securities under custody	(151.9)	(119.5)	+27%
Administered Assets Inflows	419.4	1,164.0	-64%
'Freedom' Life Policies (change in assets)	(112.3)	(1,057.3)	-89%
Administered Assets incl. 'Freedom' accts.	307.1	106.8	+188%
BANCA MEDIOLANUM	858.7	716.6	+20%
BANCA ESPERIA (Mediolanum's share)	75.4	(102.1)	n.s.
TOTAL NET INFLOWS	934.1	614.4	+52%



Italian Sales Networks

Q1 2014 Net Inflows

Italian Networks by group - € thousands

	Q1 2014		
	Total Net Inflows	o/w Managed Assets	o/w Mutual Funds
Azimut	1,189,100	1,249,361	647,584
Unicredit (Finecobank)	947,243	618,955	592,561
Banca Mediolanum	876,638*	594,468*	809,275
Banca Generali	806,966	677,689	189,827
Banca Fideuram (incl. Sanpaolo)	741,087	306,181	-340,983
Allianz Bank	426,039	282,634	-161,686
Deutsche Bank (Finanza & Futuro)	316,152	198,280	45,353
UBI	224,193	75,219	85,656
Credem	131,465	110,935	87,438
Veneto Banca	73,138	51,124	15,132
Banca Pop. Vicenza (Banca Nuova)	18,585	30,655	28,439
Consultinvest	5,113	-3,072	13,598
Monte dei Paschi di Siena	-304,873	-224,764	-164,160

* accounts for approximately € -168 mn in maturities of discontinued Index-Linked policies

source: Assoreti



Profit by Segment

€ mn

	Q114	Q113	Change
Asset Management	58.0	54.3	+7%
Insurance	39.6	49.8	-20%
Banking	0.5	59.5	-99%
Other	3.6	(2.2)	n.s.
PROFIT BEFORE TAX	101.6	161.4	-37%



Asset Management Segment

Gross Inflows

€ mn - U-L assets not included

	Q114	Q113	Change
'Best Brands' funds of funds (IRL)	1,004.1	1,326.5	-24%
'Challenge' mutual funds (IRL)	128.6	204.7	-37%
'Fondi Italia' mutual funds (ITA)	667.0	470.5	+42%
'Real estate' fund (ITA)	0.0	0.0	n.s.
Other funds & managed accounts	23.3	6.7	+250%

GROSS INFLOWS INTO ASSET MANAGEMENT	1,823.0	2,008.3	-9%
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Asset Management Segment

Net Inflows

€ mn - U-L assets not included

	Q114	Q113	Change
'Best Brands' funds of funds (IRL)	364.4	799.4	-54%
'Challenge' mutual funds (IRL)	(63.7)	(102.7)	-38%
'Fondi Italia' mutual funds (ITA)	515.6	333.4	+55%
'Real estate' fund (ITA)	0.0	0.0	n.s.
Other funds & managed accounts	(7.0)	(29.8)	-77%

NET INFLOWS INTO ASSET MANAGEMENT	809.4	1,000.3	-19%
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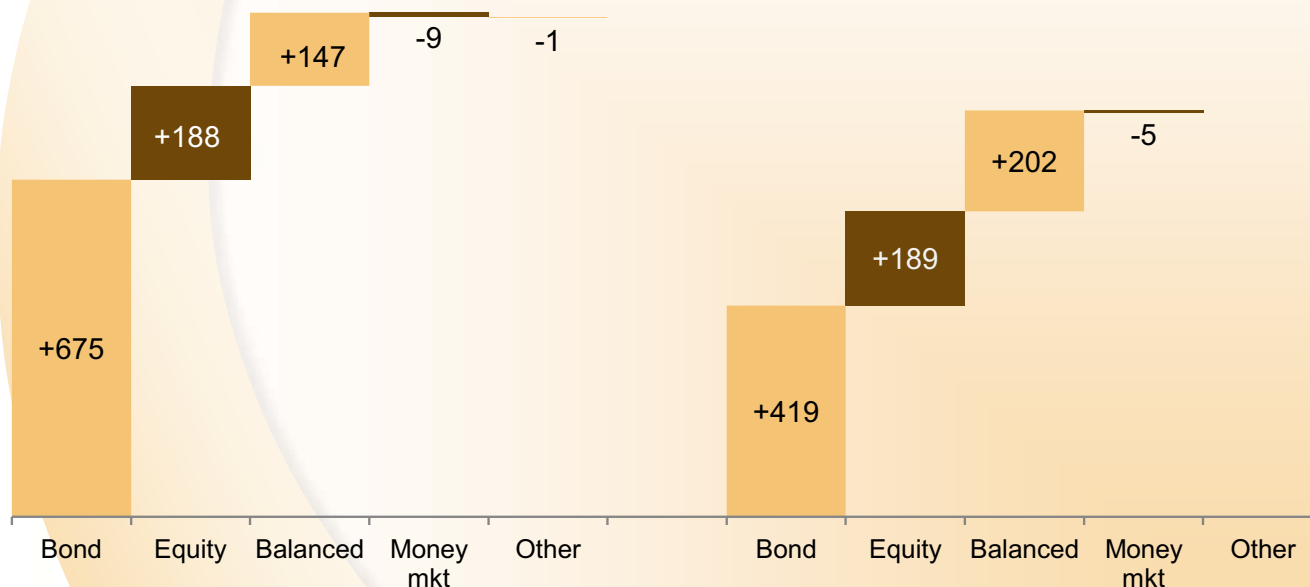
Asset Management Segment

Net Inflows by Category*

€ mn

Q113
€ +1,000 mn

Q114
€ +809 mn



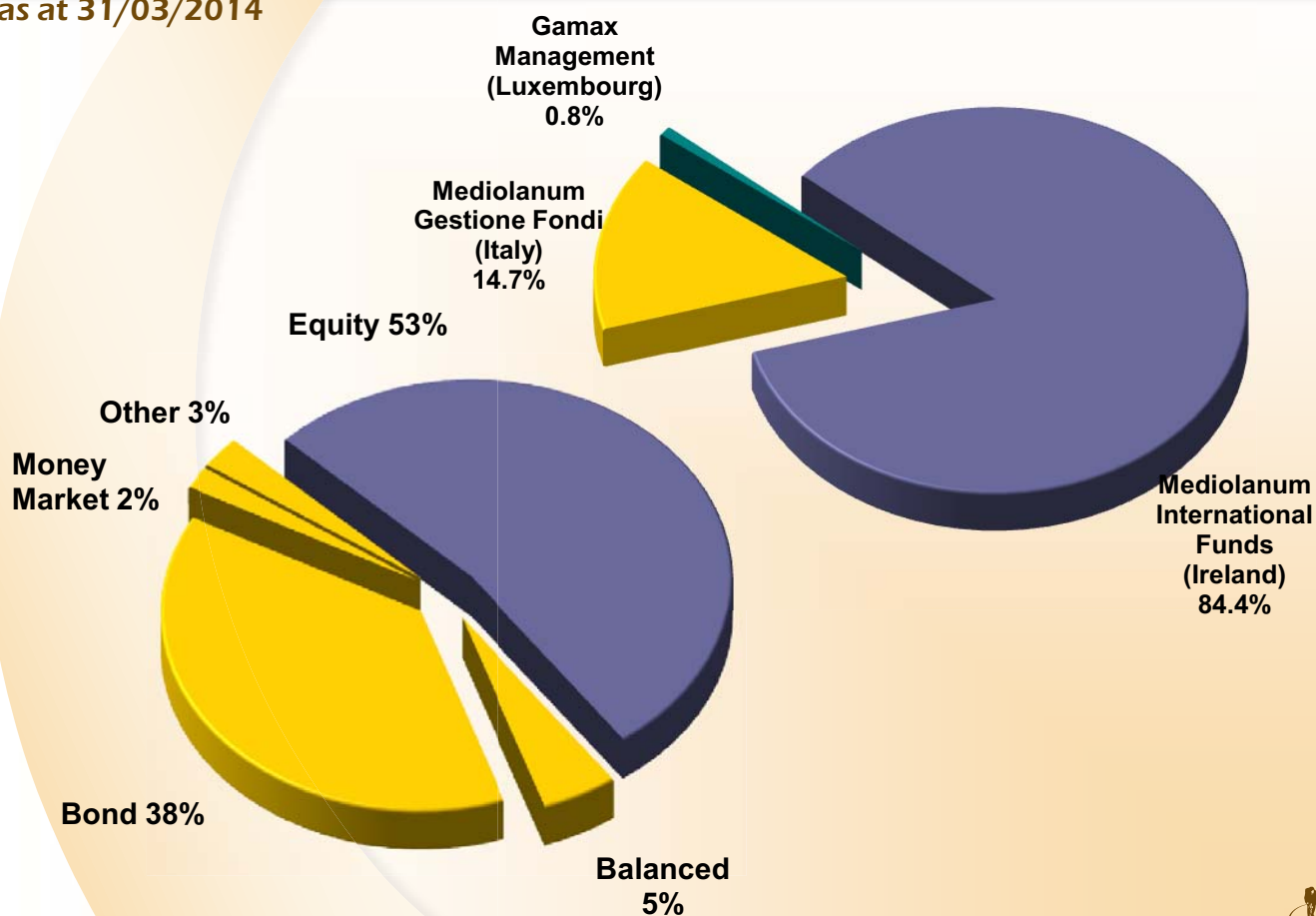
* Flexible funds are classified according to their equivalent risk level



Asset Management Segment

Assets* by category and A.M. company

as at 31/03/2014



* including U-L assets. Flexible funds are classified according to their equivalent risk level.



Asset Management Segment

Assets under Management

€ mn - including U-L assets

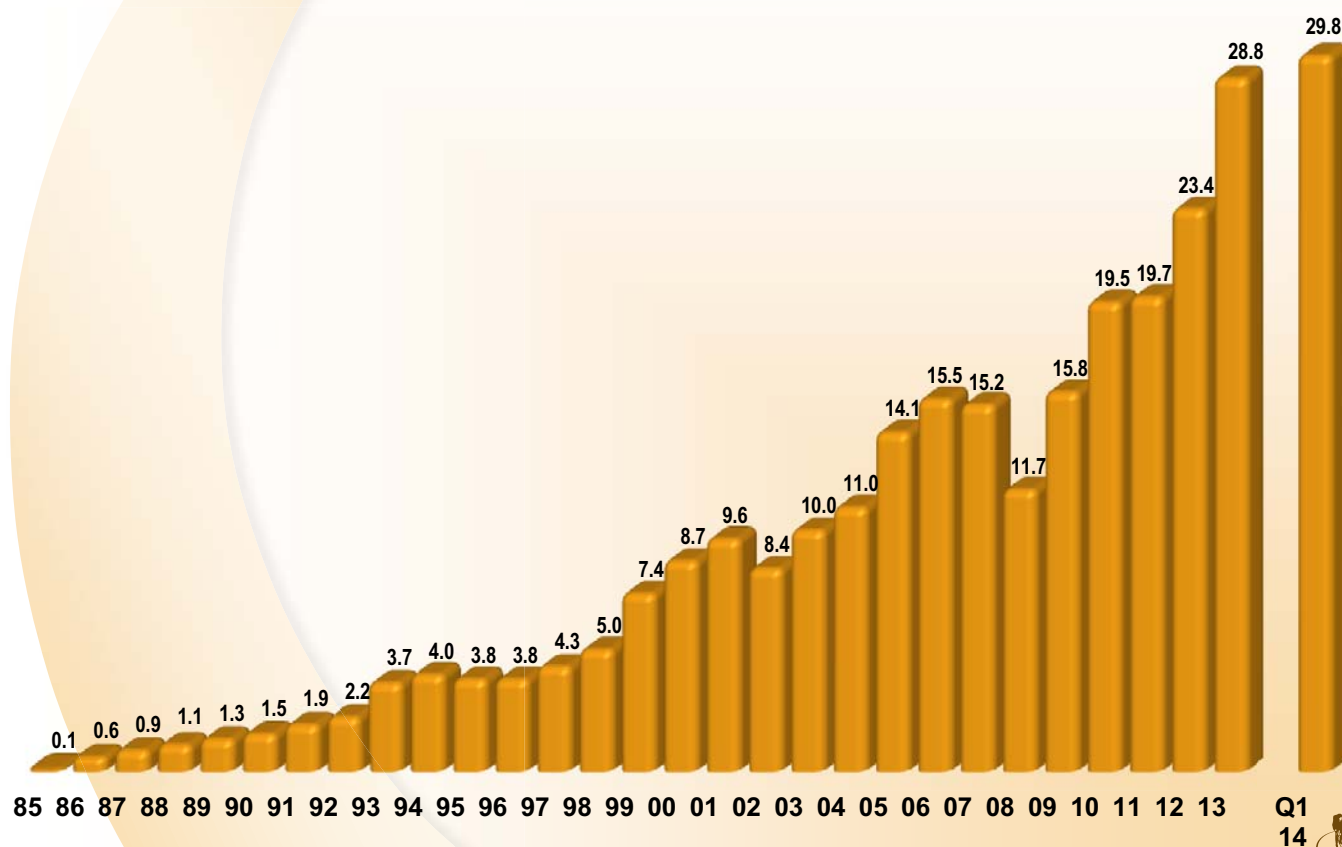
	31/03/14	31/12/13	Change	31/03/13	Change
'Best Brands' funds of funds (IRL)	11,932.7	11,494.7	+4%	8,719.4	+37%
'Portfolio' funds of funds (IRL)	511.2	532.2	-4%	575.6	-11%
'Challenge' mutual funds (IRL)	12,475.2	12,541.3	-1%	12,474.9	+0%
Funds of Hedge Funds (IRL)	174.7	178.1	-2%	198.1	-12%
'Fondi Italia' mutual funds (ITA)	4,378.9	3,803.9	+15%	3,131.6	+40%
'Real estate' fund (ITA)	423.0	427.3	-1%	432.1	-2%
Other funds & managed accounts	426.2	424.5	+0%	370.4	+15%
<i>Adj. for own mutual funds in FoFs & managed accts.</i>	(550.8)	(566.4)	-3%	(634.3)	-13%
ASSET MANAGEMENT ASSETS	29,771.1	28,835.6	+3%	25,267.8	+18%



Asset Management Segment

AUM Trend

€ bn – including U-L assets



Insurance Segment Revenues

€ mn

	Q114	Q113	Change
Premiums less Amounts paid & change in reserves	8.8	7.6	+16%
Commission income	68.9	81.8	-16%
Net Interest Income	2.9	10.8	-73%
Net income on investments at fair value	1.0	(0.6)	n.s.
<i>o/w unrealised</i>	2.0	(0.8)	n.s.
Net financial income	3.9	10.2	-61%
Net income on other investments	2.8	(5.9)	n.s.
Other fees & Other revenues	3.7	3.0	+20%
INSURANCE REVENUES	88.1	96.8	-9%



Insurance Segment Life - Gross Premiums Written

€ mn

	Q114	Q113	Change
U-L pension plans	6.7	6.0	+12%
U-L endowment policies	4.1	4.7	-14%
U-L whole-life investment policies	4.0	2.9	+38%
Recurring policies (AP)*	14.7	13.6	+8%
Term, Group, Investment policies	5.0	5.2	-3%
U-L whole-life investment policies	34.2	12.9	+165%
U-L 'Synergy'	0.0	0.0	n.s.
'Tax Benefit New' inbound portability	4.8	5.7	-16%
Single premium policies (SP)	43.9	23.8	+85%
TOTAL NEW BUSINESS	58.6	37.3	+57%
Pension plans in force	119.7	124.7	-4%
Endowment policies in force	61.4	66.6	-8%
Whole-life investment policies in force	38.8	45.2	-14%
TOTAL IN-FORCE BUSINESS	219.8	236.5	-7%
TOTAL GROSS PREMIUMS WRITTEN (EX-'FREEDOM')	278.5	273.8	+2%
'Freedom' Life Policies	719.3	1,027.5	-30%

* includes automatic increase in premiums & discretionary increases paid (also on discontinued products)



Insurance Segment

Life - Amounts Paid in detail

€ mn - ex 'Freedom' Life Policies

	Q114	Q113	Change
Claims	17.9	13.1	+37%
Coupons	12.1	19.2	-37%
Maturities	269.1	397.5	-32%
o/w index-linked	168.2	306.3	-45%
Surrenders	212.2	265.5	-20%
LIFE AMOUNTS PAID	511.3	695.3	-26%



Insurance Segment

Life - Surrender Rate

expressed as a % of average reserves

	Q114	Q113
U-L Individual pension plans	0.6%	0.8%
Traditional pension plans	0.3%	0.4%
U-L endowment policies	1.9%	2.0%
U-L whole-life investment policies	3.9%	5.9%
Traditional investment policies*	1.2%	1.4%

* discontinued products, almost all of which are whole-life



Insurance Segment

Life - Policyholders' Assets

€ mn

	31/03/14	31/12/13	Change	31/03/13	Change
Traditional	1,269.2	1,315.5	-4%	1,332.8	-5%
Index-linked	1,320.2	1,474.8	-10%	2,304.2	-43%
Unit-linked pension plans	4,476.5	4,421.8	+1%	4,008.3	+12%
Unit-linked endowment policies	3,728.5	3,772.4	-1%	3,772.7	-1%
Unit-linked investment policies	2,466.9	2,498.1	-1%	2,588.3	-5%
Unit-linked	10,671.9	10,692.3	-0%	10,369.3	+3%
o/w equity	70.8%	71.4%	-1%	72.9%	-3%
LIFE ASSETS (EX-'FREEDOM')	13,261.4	13,482.6	-2%	14,006.3	-5%
'Freedom' Life Policies	1,610.0	1,722.3	-7%	2,375.8	-32%



Banking Segment

Revenues

€ mn

	Q114	Q113	Change
Securities trading fees	6.6	9.6	-32%
o/w 3rd-party structured bonds	3.8	7.0	-47%
Service fees	11.7	11.8	-0%
Fee income	18.3	21.4	-14%
Net interest income	51.9	59.0	-12%
Net income on investments at fair value	(2.2)	4.1	n.s.
o/w unrealised	(1.5)	4.3	n.s.
Net financial income	49.7	63.0	-21%
Net income on other investments	14.4	33.8	-57%
Other fees & Other revenues	1.3	4.0	-66%
BANKING REVENUES	83.8	122.3	-31%



Banking Segment

Mortgage Update

€ mn

Stock

	Q1 2014	FY 2013
Mortgage portfolio	3,640.1	3,495.8
Avg. spread	1,77%	1,70%
Avg. duration in yrs	20	20
Avg. initial LTV	64%	64%

New business

Total amount granted	199.2	702.5
Avg. spread	2.81%	2.86%
Avg. amount granted	130	141
Avg. initial LTV	66%	69%



Banking Segment

Assets under Administration*

€ mn

	31/03/14	31/12/13	Change	31/03/13	Change
Cash deposits	10,270.2	9,929.8	+3%	8,692.7	+18%
Repurchase agreements	201.7	32.9	n.s.	241.7	-17%
Mediolanum bonds	422.3	355.6	+19%	392.5	+8%
3rd-party structured bonds	1,274.7	1,282.8	-1%	1,250.6	+2%
Other securities under custody	2,117.9	2,088.9	+1%	1,941.7	+9%
BANKING ADMINISTERED ASSETS	14,286.8	13,690.1	+4%	12,519.2	+14%



Banca Mediolanum Network of Family Bankers

Change in headcount, Jan 1 – March 31 2014



Turnover rate: (annualised) → 5.5%



Banca Esperia (100%) Highlights

€ mn

	Q114	Q113	Change	vs. FY13
Net Income	5.2	3.6	+44%	
<i>o/w Mediolanum share</i>	2.6	1.8	+44%	
Assets under Administration	14,960	14,277	+5%	-2%
<i>% in Managed Assets</i>	51.5%	53.7%	-4%	
Net Inflows	151	(204)	n.s.	
<i>o/w Managed Assets Inflows</i>	67	(226)	n.s.	
Private Bankers	78	75	+4%	--
Clients	3,778	3,610	+5%	+3%



Q1 2014 Foreign Markets Results



Q1 2014
Foreign
Markets

Spain Highlights

36

€ mn

	Q114	Q113	Change	vs. FY13
Net Income	4.9	12.3	-61%	
Managed Assets	1,538.8	1,260.3	+22%	+5%
Administered Assets	934.2	665.3	+40%	+2%
Total Assets	2,473.0	1,925.6	+28%	+4%
Gross Inflows into Managed Assets	189.0	108.2	+75%	
Net Inflows into Managed Assets	71.9	52.2	+38%	
Net Inflows into Administered Assets	7.8	44.2	-82%	
Total Net Inflows	79.7	96.4	-17%	
Financial Advisors (Mediolanum model)	686	569	+21%	+5%
Traditional agents	39	39	--	
Total Sales Network	725	608	+19%	+5%
Total Customers	86,953	79,424	+9%	+3%



Germany - B. A. Lenz
Highlights

37

€ mn

	Q114	Q113	Change	vs. FY13
Net Income	(2.3)	(1.5)	+58%	
Managed Assets	161.6	140.5	+15%	+2%
Administered Assets	72.9	71.3	+2%	+1%
Total Assets	234.5	211.8	+11%	+1%
Gross Inflows into Managed Assets	11.6	9.7	+20%	
Net Inflows into Managed Assets	3.2	6.7	-52%	
Net Inflows into Administered Assets	0.1	(15.2)	n.s.	
Total Net Inflows	3.3	(8.5)	n.s.	
Financial Advisors	48	46	+4%	+4%
Total Customers	4,499	4,547	-1%	-1%

Germany - Gamax
Highlights

38

€ mn

	Q114	Q113	Change	vs. FY13
Net Income	0.3	0.5	-39%	
Assets under Administration	199.6	233.9	-15%	-7%
Gross Inflows	2.8	1.4	+105%	
Net Inflows	(11.4)	(11.3)	+1%	



Germany - Total
Highlights

€ mn

	Q114	Q113	Change	vs. FY13
Net Income	(2.0)	(0.9)	+113%	
Managed Assets	361.2	374.4	-4%	-3%
Administered Assets	72.9	71.3	+2%	+1%
Total Assets	434.1	445.7	-3%	-2%
Gross Inflows into Managed Assets	14.4	11.1	+30%	
Net Inflows into Managed Assets	(8.2)	(4.6)	+77%	
Net Inflows into Administered Assets	0.1	(15.2)	n.s.	
Total Net Inflows	(8.0)	(19.8)	-59%	
Total Sales Network	48	46	+4%	+4%
Total Customers	4,499	4,547	-1%	-1%



Business Update



Banca Mediolanum

April 2014 Net Inflows

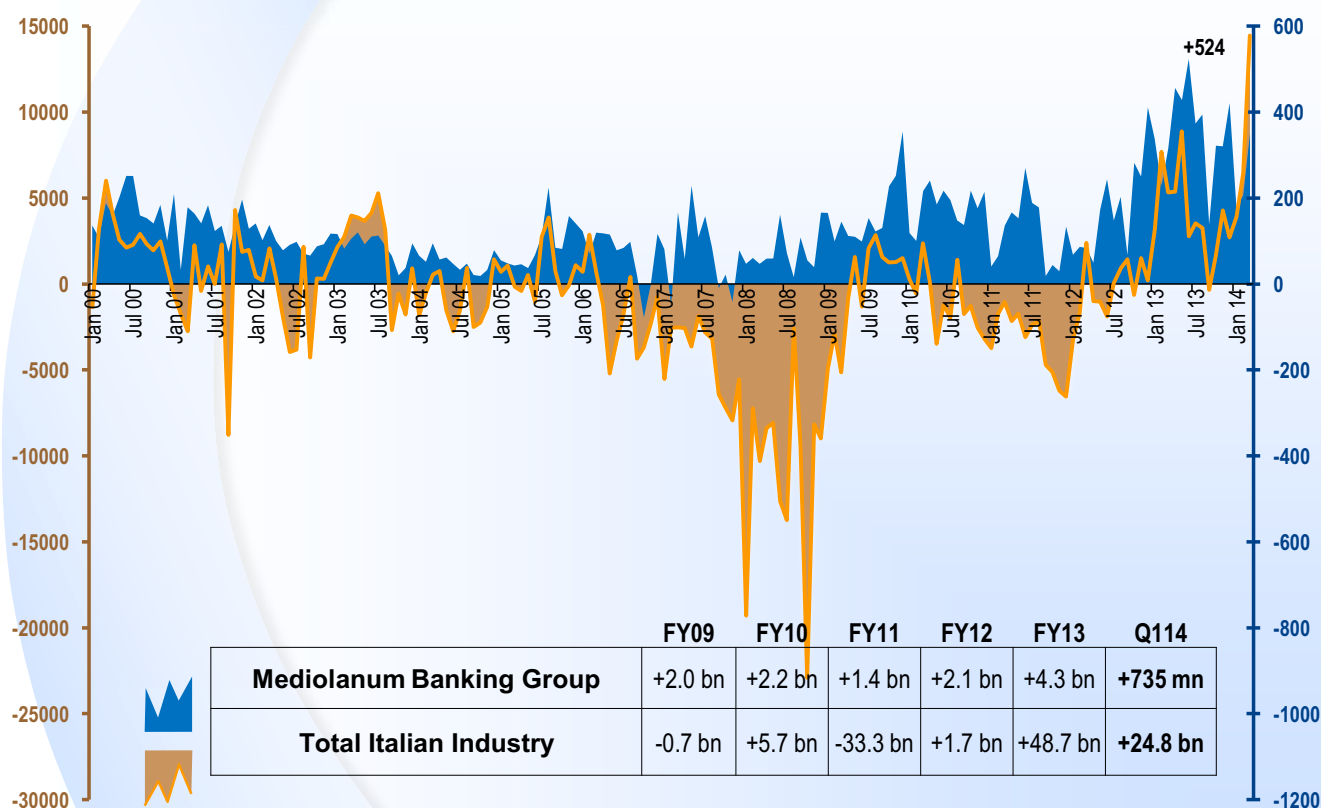
€ mn – Preliminary data subject to adjustment

	Apr '14	Jan-Apr'14	Jan-Apr'13
Asset management (UCITS & Unit-Linked) o/w 'MyLife'	527 72	1,325 80	1,426 --
Other Life products	(93)	(314)	(435)
Managed Assets Inflows	434	1,011	992
3rd-party Structured Bonds	(15)	(40)	(9)
Managed Assets incl. Structured Bonds	419	971	982
Administered Assets Inflows	91	510	1,097
'Freedom' Life Policies (change in assets)	(157)	(270)	(1,147)
Administered Assets incl. 'Freedom' accts.	(67)	240	(50)
BANCA MEDIOLANUM	352	1,211	933



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

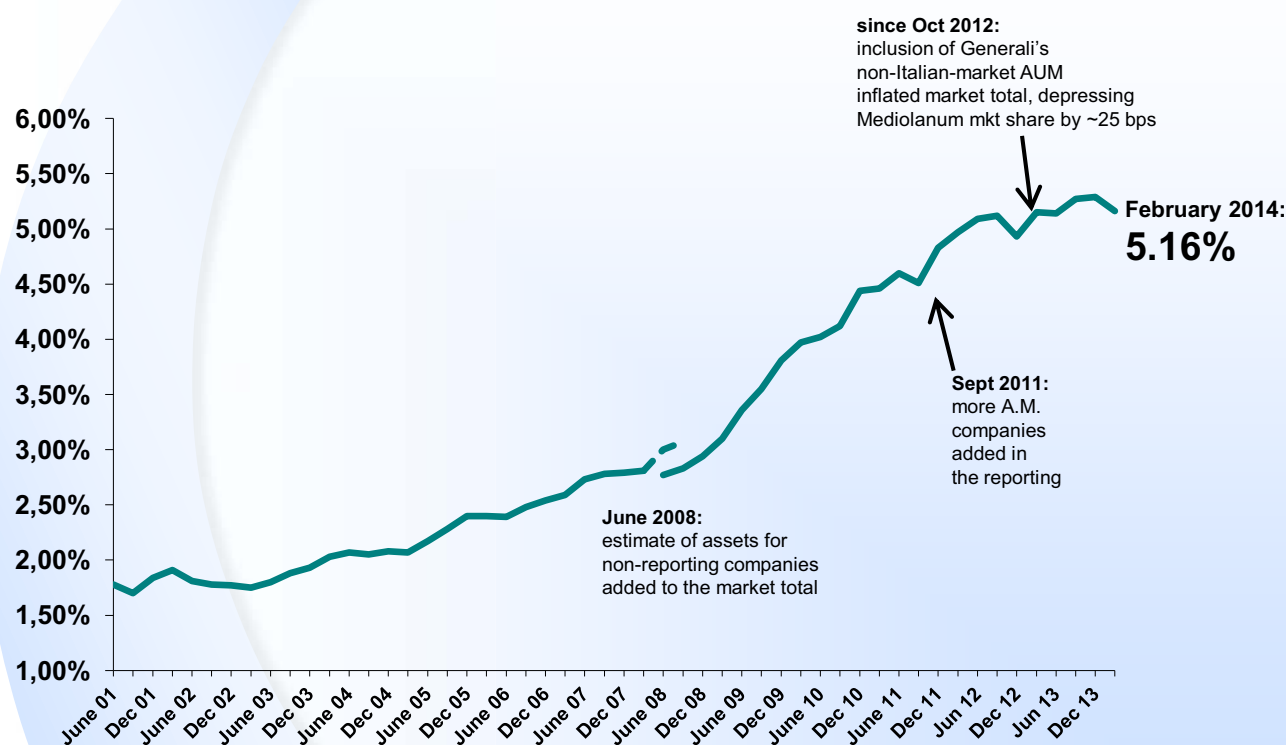
(M&A operations)

	December 2007	December 2008	December 2009	December 2010	December 2011	December 2012	March 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	UBI Banca	AM Holding	Generali *	Generali *
4. Arca	Arca	Bipiemme/Anima	Mediolanum	Mediolanum	AM Holding	Anima Holding	
5. Banco Popolare	MPS	Arca	Bipiemme/Anima	F. Templeton	F. Templeton	Mediolanum	
6. MPS	Mediolanum	Mediolanum	Arca	Generali	Mediolanum	F. Templeton	
7. Crédit Agricole	BNP Paribas	Prima	BNP Paribas	BNP Paribas	Ubi Banca	Arca	
8. BNP Paribas	Generali	BNP Paribas	Prima	UBI Banca	Azimut	Azimut	
9. JPMorgan	Azimut	Azimut	Generali	Azimut	Arca	BNP Paribas	
10. Mediolanum	Banco Popolare	Generali	Azimut	Arca	BNP Paribas	JPMorgan	
11. Azimut	JPMorgan	JPMorgan	Amundi	Amundi	Amundi	BNP Paribas	
12. Generali	Bipiemme	Crédit Agricole	JPMorgan	JPMorgan	JPMorgan	Banco Popolare	
13. Bipiemme	Crédit Agricole	Credem	Credem	Schroders	Schroders	Amundi	
14. Allianz	Allianz	Banco Popolare	Banco Popolare	Pictet	Pictet	Schroders	
15. Anima	Credem	Allianz	Allianz	Société Générale	Banco Popolare	Pictet	
Market share:	2.79%	2.94%	3.81%	4.44%	4.83%	4.93%	5.16%
Assets (€ bn)	15.9	12.0	16.4	20.1	20.2	24.0	30.5

* 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



Mutual Funds AuM – Italian Market Mediolanum's Market Share







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** (2.25% spread over Euribor, lower than any competitor) **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

Requests for € 315 million in the first seven months
41% of mortgage applications come from perspective customers



'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 (2.50% through June 16, 2014)



Dec 2013 – June 2014 Promo: up to 3.30% 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 30/04/2014 – also includes other locked-in products

New customers	50,902
o/w direct access	27%
o/w through Family Banker	73%
Total assets from new customers (€ mn)	1,542
Existing customers	102,718
Total assets from existing customers (€ mn)	2,577
Total customers	153,620
Total assets in locked-in products (€ mn)	4,119








'Freedom+' Current Account The New Generation

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 2.00%) higher than the original 'Freedom' account to encourage switching into 'Freedom+'
-  Optional: 1-yr locked-in amounts are remunerated at 2.50% (no need to open a separate InMediolanum deposit account)



'Freedom' & 'Freedom+' Accounts Results

as at 30/04/2014 – locked-in amounts not included

Total Accounts

196,499

Total assets in 'Freedom' & 'Freedom+'

€ 4.96 bn

Asset split:

- non-interest-bearing current account (< € 15,000)
- high-yield Life policy ('Freedom')
- high-yield portion of the current account ('Freedom+')

€ 1.54 bn

€ 1.45 bn

€ 1.97 bn

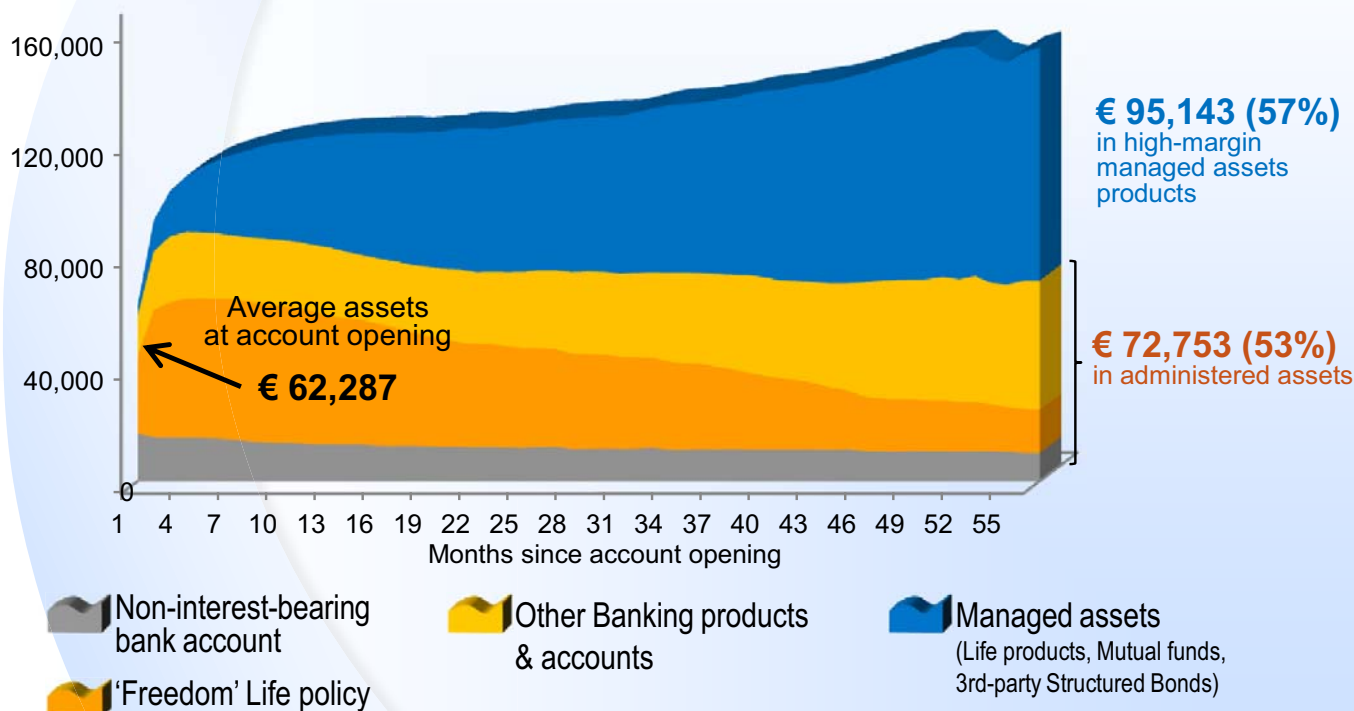


'Freedom' account customers: Cross-selling into managed products

Per-capita asset growth of 'Freedom' account holders*
(€ 8.1 bn in total assets as at 31/03/2014)

Average assets
after 59 months

€ 167,896



*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 31/03/2014

887,735 primary account holders



...56% of which
use Mediolanum as their
primary banking institution:
375,316, up 10% vs. 31/03/2013

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



Mediolanum Group

Bond Portfolio

€ mn – as at 31/03/2014

	Financial Conglomerate = Banking Group + Mediolanum Vita					
	Book Value	AD	Book Value	AD	Book Value	AD
Italian Govies	14,494	1.3	12,317	1.1	2,011	2.2
Italian Financials	1,073	1.7	664	0.7	386	3.5
Spanish Govies	572	1.4	519	1.3	51	1.8
Spanish Financials	34	1.1	15	0.6	19	1.4
Core Europe Govies*	-53	2.4	-53	2.4	0	
Greek Govies	0		0		0	
Portuguese, Irish Govies	0		0		0	
Other Financials	102	2.8	39	3.5	63	2.3
Other Corporate	40	4.5	10	2.6	25	5.1
Bond issued by EFSF	14	6.6	14	6.6	0	
Other ABS	9	4.0	9	4.0	0	
Other Supranational	9	5.1	9	5.1	0	
TOTAL	16,294	1.3	13,543	1.2	2,555	2.4

AD = average duration weighted by absolute nominal value

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



Banca Mediolanum

Balance Sheet

€ mn – as at 31/03/2014

	Liabilities	Assets
Retail	10,753	4,754
Treasury	7,010	13,400
o/w interbank / intra-group deposits & repos	1,616	879
o/w ECB (LTRO & other refinancing)	3,000	3,090
o/w MTS (collateral-backed financing)	2,394	2,478
o/w Securities (bonds)		6,953
Other Liabilities / Assets	1,956	1,565
TOTAL	19,719	19,719
Operating Liquidity (24 hr)		6,936



Banca Mediolanum

Interest Spread

€ mn

	Q1 2014	FY 2013
Total Cost of Funding	1.21%	1.14%
Retail	1.73%	1.85%
ECB/MTS (collateral-backed)	0.24%	0.30%
Total Interest Income	2.35%	2.42%
Retail Interest Income	3.13%	2.93%
TOTAL SPREAD	1.15%	1.28%
Spread on Retail	1.40%	1.08%



Mediolanum Group

Capital Adequacy

€ mn

Excess capital calculation criteria have changed after regulators' recognition of Banking as prevailing business

	31/12/2013	31/12/2012
	Banking prevalence	Insurance prevalence
Total Regulatory Capital Held	1,075	1,252
Total Required Capital	612	896
o/w Required Capital – Banks	391	615
o/w Solvency Margin – Insurance companies	221	281
EXCESS CAPITAL	463	356



Mediolanum Banking Group

Capital Ratios

as at 31/12/2013

	Mediolanum Banking Group
Total Capital Ratio	18.02%
Tier 1 Capital Ratio	14.36%
Core Tier 1 Ratio	14.36%



Mediolanum Facts

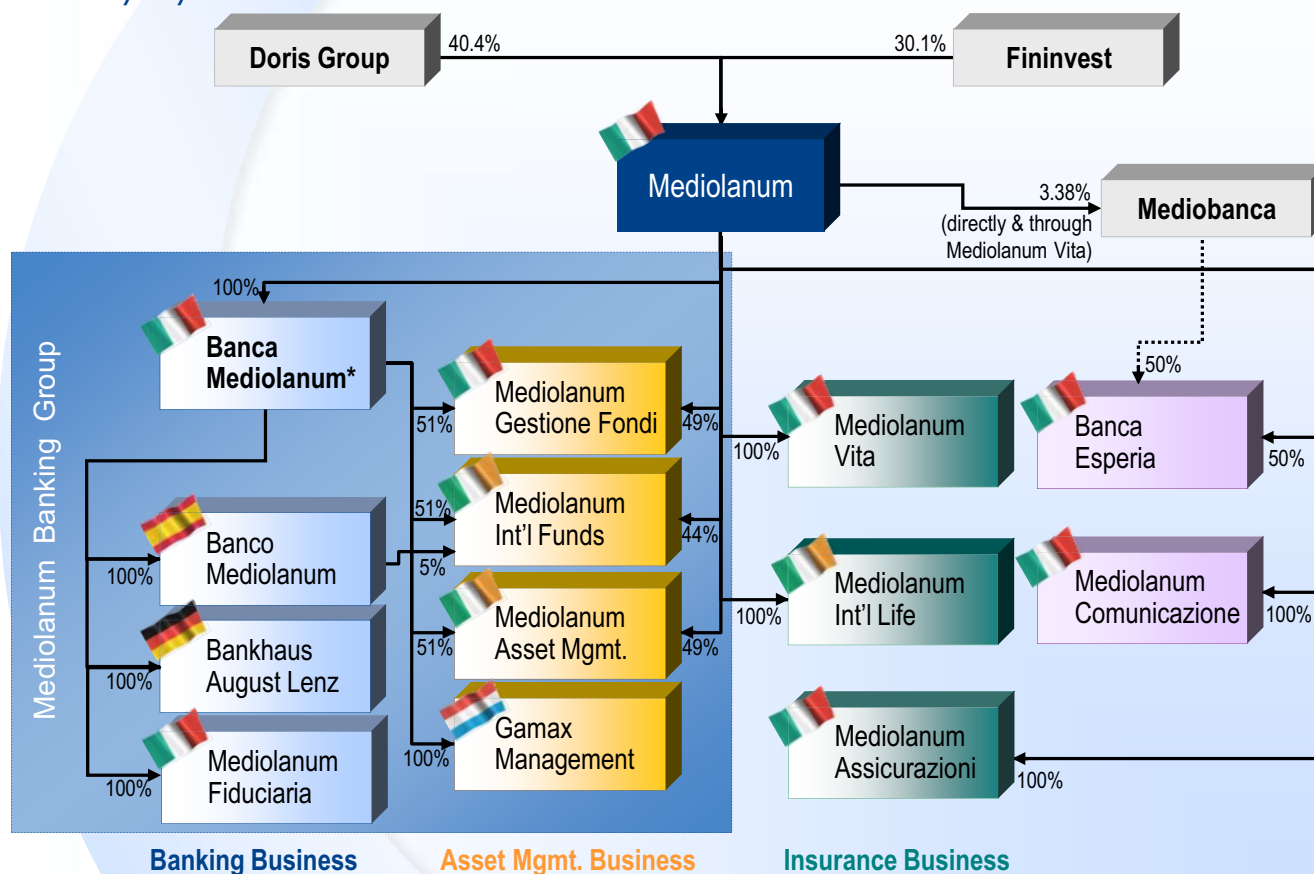


Mediolanum
Facts

Mediolanum Group Structure

60

as at 31/03/2014

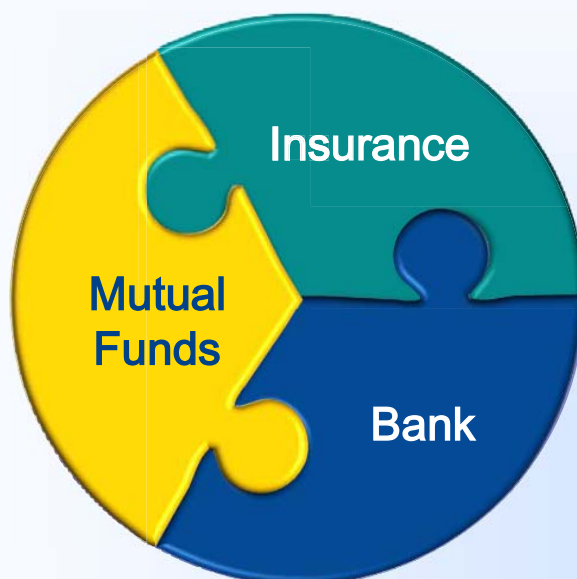


* includes Mediolanum Corporate University



The Mediolanum Integrated Business Model

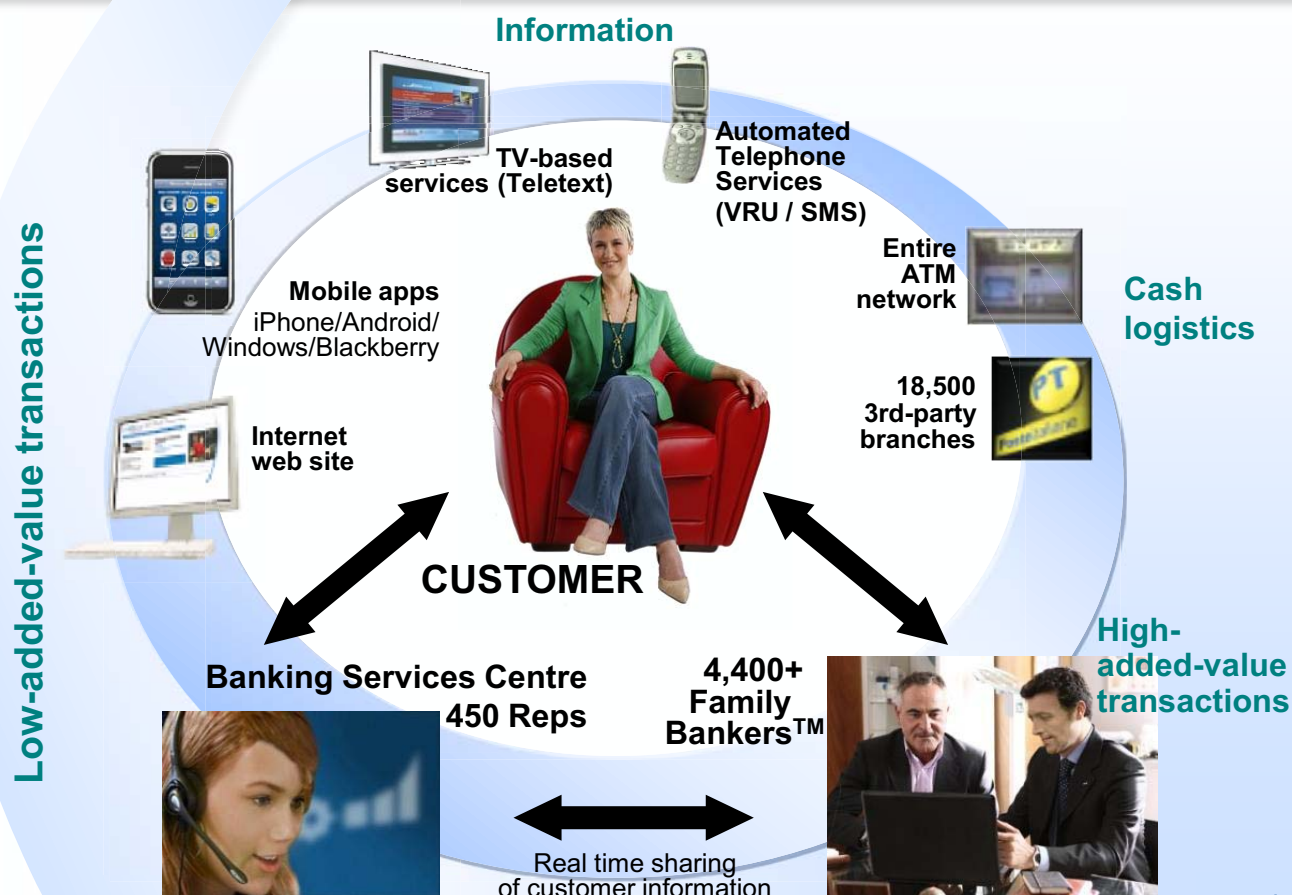
We integrate the asset gathering business of Life insurance & mutual funds with the banking business...



...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

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

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

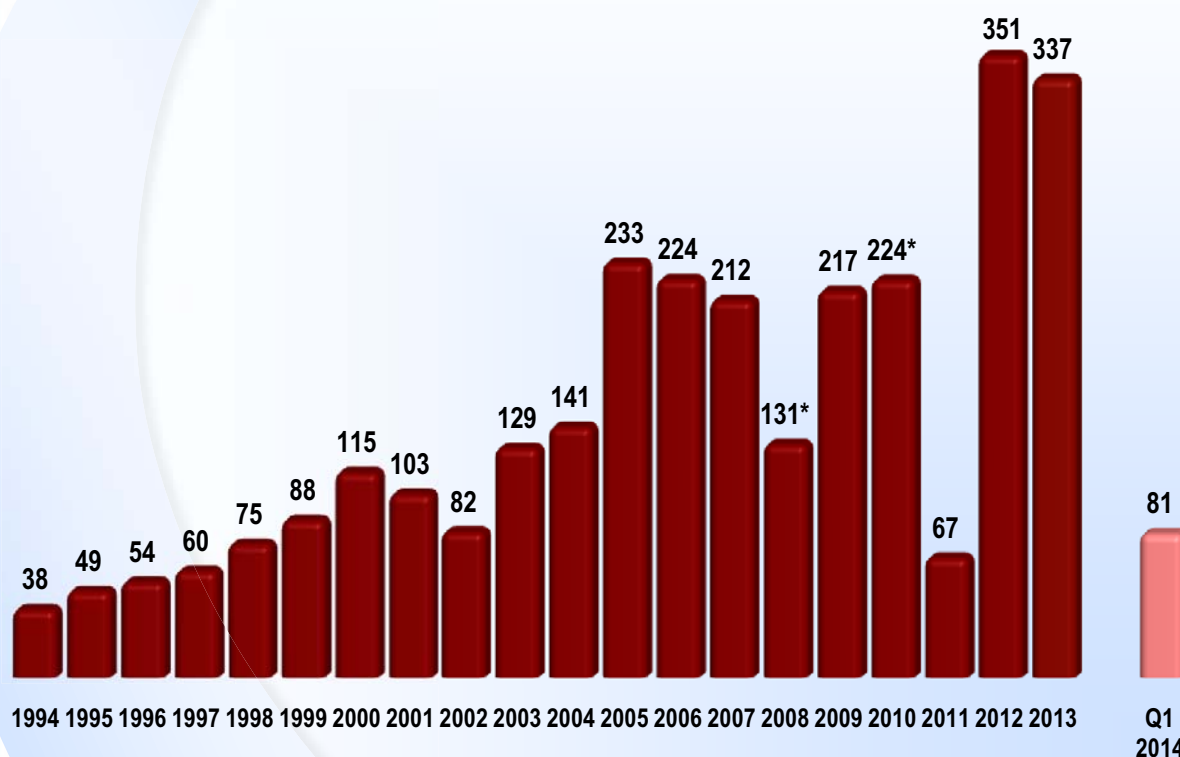
Freedom of use

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



Net Profit

€ mn

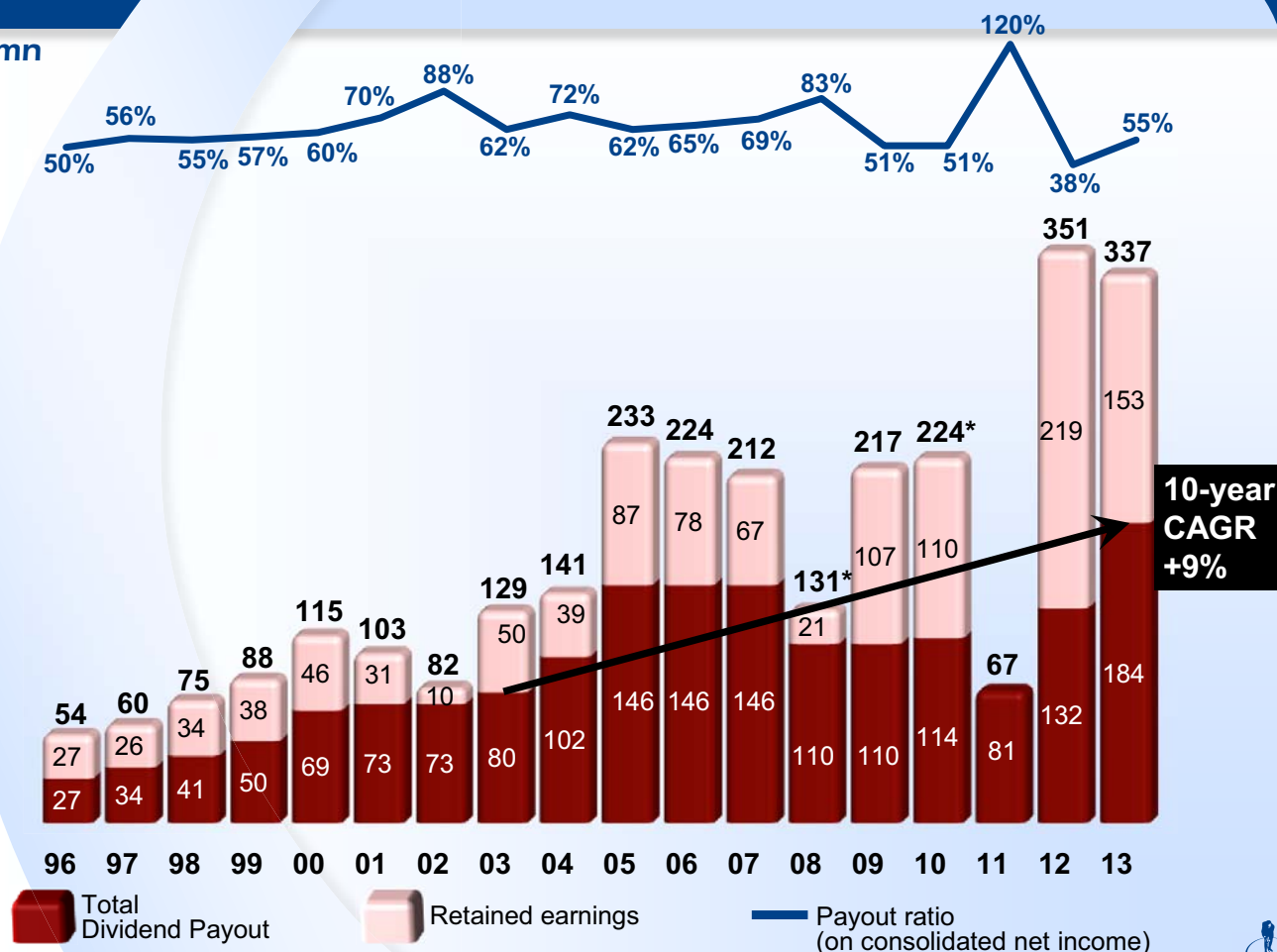


* 2008 & 2010 Adjusted Net Income ex 'Lehman Bros.'



Dividend Payout

€ mn

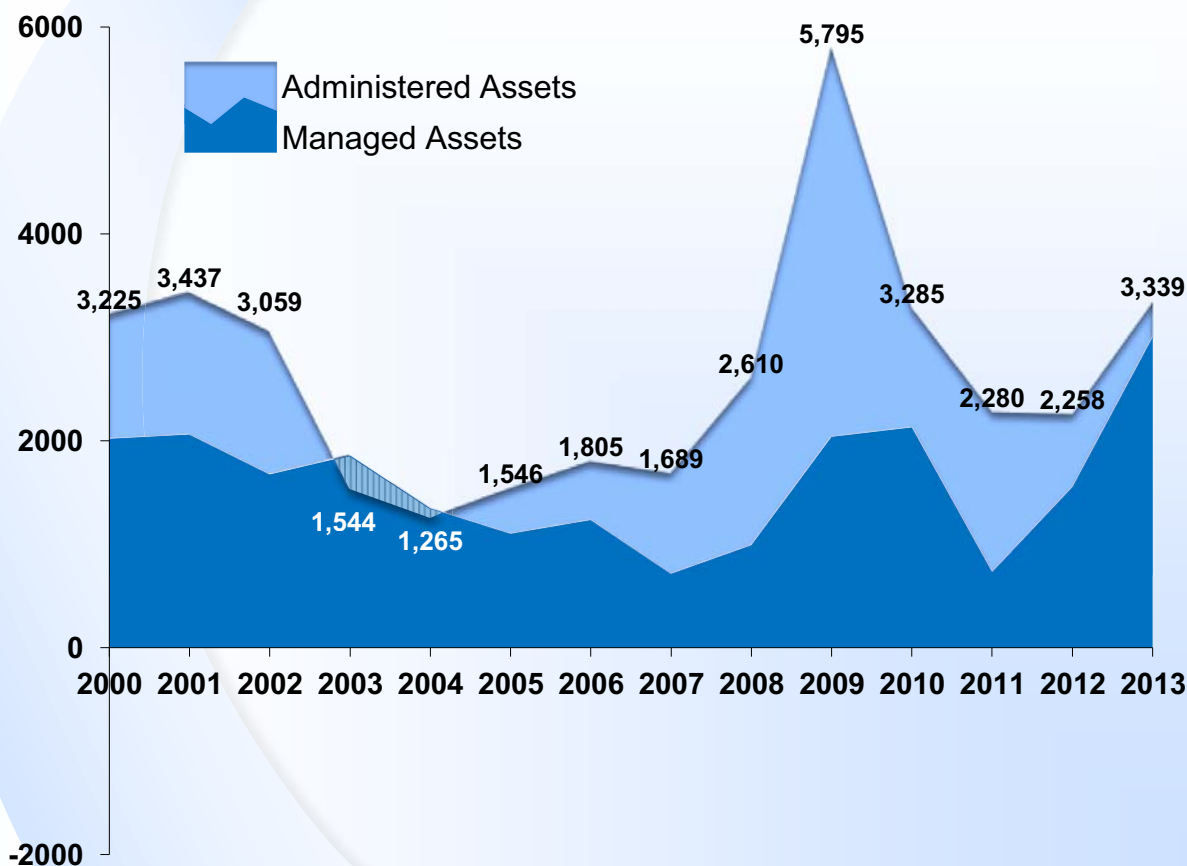


* 2008 & 2010 Adjusted Net Income ex 'Lehman Bros.'



Banca Mediolanum Total Net Inflows Trend

€ mn



Italian Households' Financial Assets Mediolanum's Market Share

67



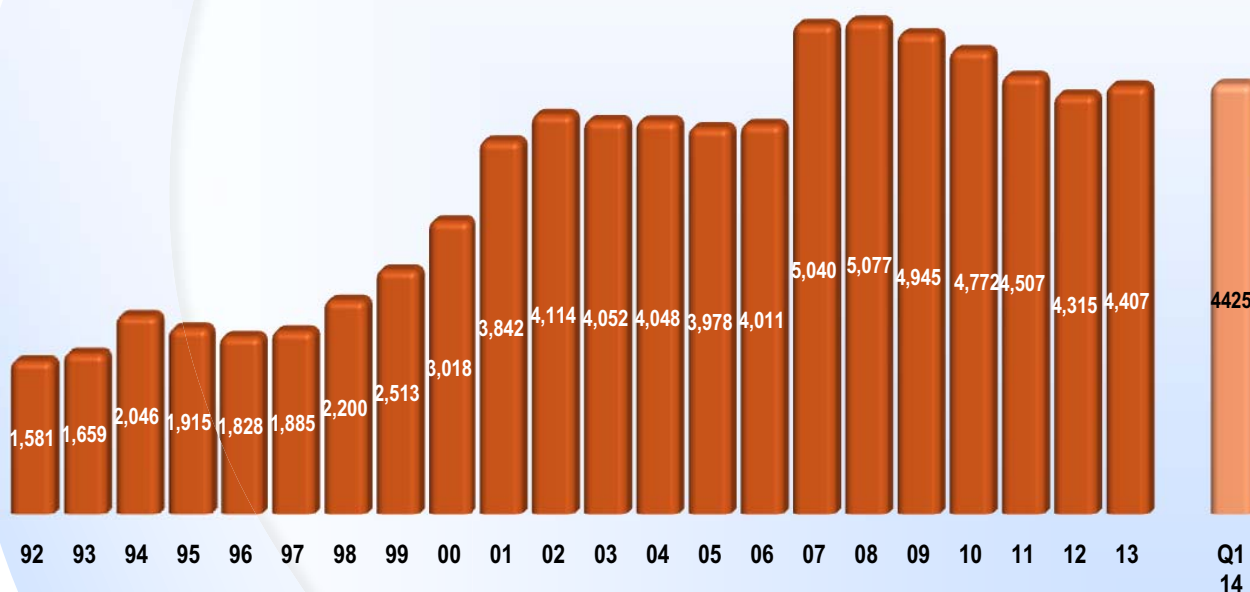
* based on a total of € 3.7 trillion calculated by Banca d'Italia



Banca Mediolanum Family Banker Network

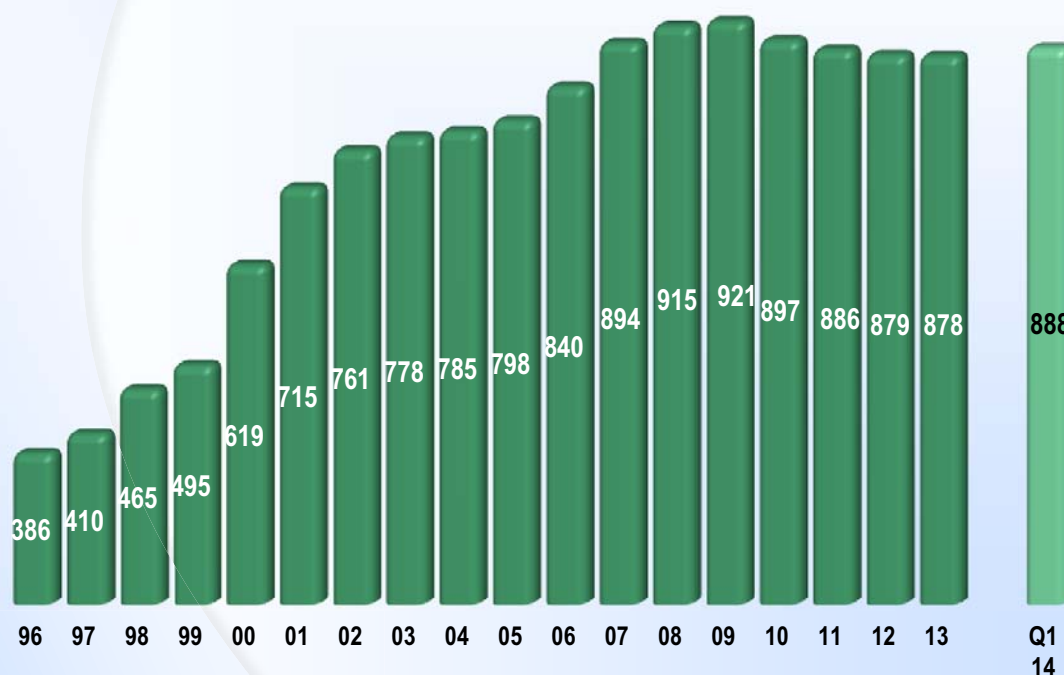
68

Licensed Advisors



Banca Mediolanum Customers

Primary account holders (thousands)



Banca Mediolanum Bank accounts

Thousands



* all new customers are acquired through the bank account



Total Net Inflows by Group: Mediolanum in the top of the ranking

Italian Networks - € mn

2009 - 2013

Total Net Inflows

o/w Managed Assets

o/w Mutual Funds

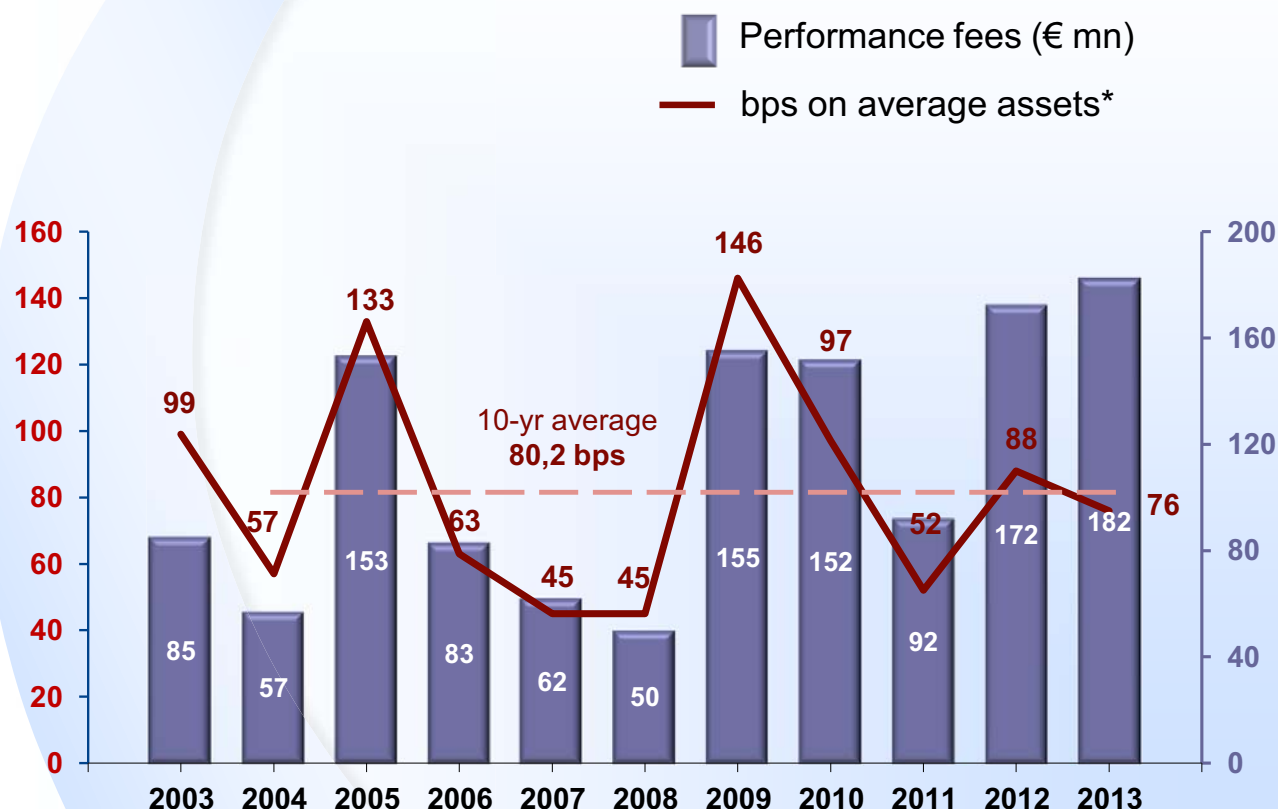
Mediolanum	17,303	8,623	11,888
Fideuram (incl. Sanpaolo Invest)	11,179	15,374	10,486
Unicredit (Fineco)	9,388	6,467	8,003
Banca Generali	8,469	8,209	2,752
Allianz Bank	7,067	7,684	1,652
Azimut	6,041	5,938	3,445
Deutsche Bank (Finanza&Futuro)	3,498	3,765	1,493
Veneto Banca	1,544	1,197	729
Monte dei Paschi 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

source: Assoreti



Yearly Commission Income from Performance Fees

Including Managed Accounts & Unit-linked policies





* calculated only on those funds subject to performance fees



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



- ① 'Best Brands' family of **Funds of branded Funds** unveiled in April 2008
- ① **This is not the 'Open Architecture' approach**
- ① 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
- ① 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
- ① Funds of **single-brand** funds (the 'Selection' series) are Mediolanum products but also carry the name of the underlying funds' asset manager
- ① 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



'OgniMese Mediolanum'

launched November 2012







A timely new service
for investors who want
a monthly income stream

- ① Money is invested in a bouquet of at least 4 funds, with different strategies and belonging to different categories to ensure real diversification
- ① Coupon dates are arranged so that investors receive at least one payment per month (two in January and July)
- ① A total of 14 funds (o/w 6 funds with 30% to 90% equity content) are now available in the service





-  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
UNICREDIT	47	47	43	42	48	50
INTESA SANPAOLO	42	44	41	45	46	46
MPS	23	28	32	28	29	25
BANCA MEDIOLANUM	17	17	20	18	17	20
BNL	15	18	18	17	19	17
BCC	10	11	11	9	11	11
CONTO ARANCIO / ING	15	19	16	10	14	10
BANCOPOSTA	9	9	9	7	12	9
CHEBANCA!	10	7	5	6	5	4
FINECO	2	2	3	5	4	4
UBI BANCA	3	3	4	4	3	3



Mediolanum Advertising is the most memorable in banking industry

Spontaneous recall of bank advertising – Italy (%)

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

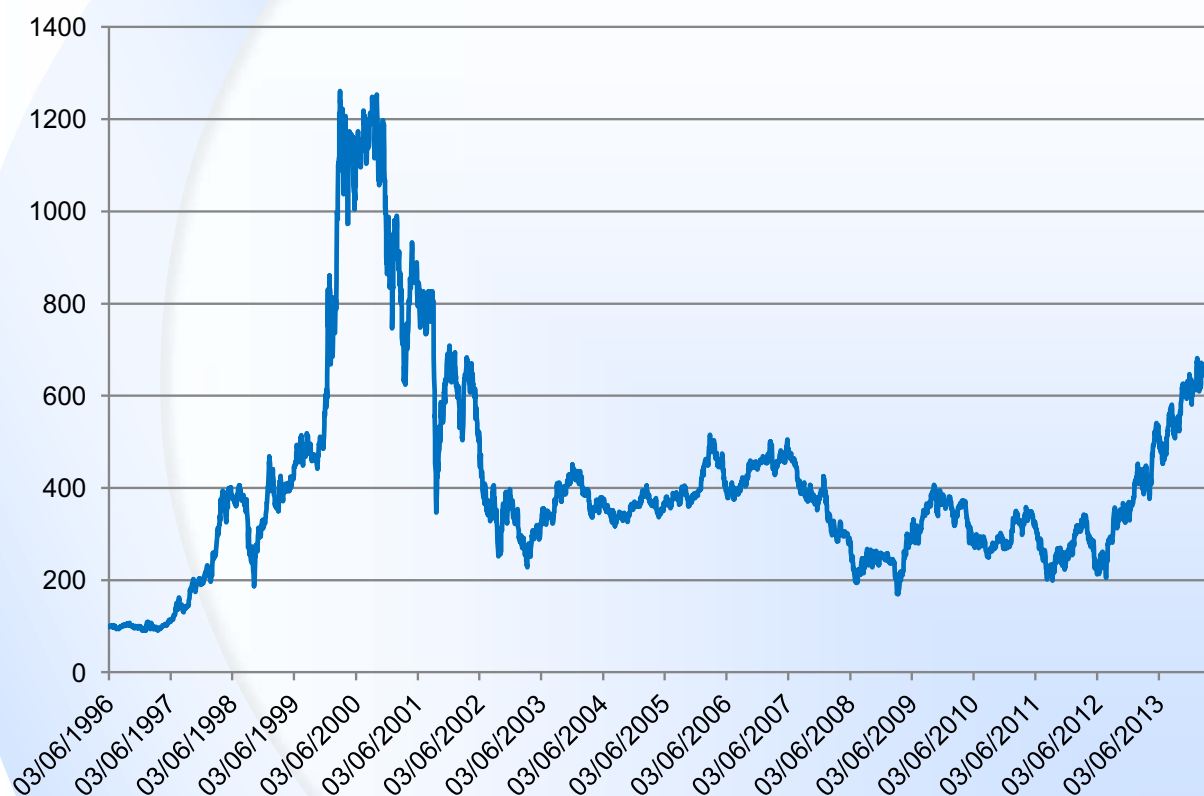
source: GFK Eurisko



Ranking of Italian Banking Groups by Market Capitalisation

March 2014





* includes dividend reinvestment, June 3, 1996 – May 12, 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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