

**Interim Report
and Accounts at
September 30
2013**

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Interim Report and Accounts at September 30 2013

Registered Office: Meucci Building, Via F. Sforza – Basiglio – Milano Tre (Milan)
Share capital € 73,589,640.70 – fully paid up
Tax, VAT and Milan Register of Companies Registration No. 11667420159

Corporate Governance Officers

BOARD OF DIRECTORS

Carlo Secchi	Chairman of the Board
Alfredo Messina	Deputy Chairman of the Board
Massimo Antonio Doris	Executive Deputy Chairman
Ennio Doris	Chief Executive Officer
Francesco Barbaro	Director
Luigi Berlusconi	Director
Pasquale Cannatelli	Director
Maurizio Carfagna	Director
Edoardo Lombardi	Director
Mario Molteni	Director
Danilo Pellegrino	Director
Angelo Renoldi	Director
Paolo Sciumè	Director
Maria Alessandra Zunino De Pignier	Director

BOARD OF STATUTORY AUDITORS

Ezio Simonelli	Chairman
Riccardo Perotta	Standing Auditor
Francesco Vittadini	Standing Auditor
Ferdinando Gatti	Alternate Auditor
Antonio Marchesi	Alternate Auditor

BOARD SECRETARY

Luca Maria Rovere

INDEPENDENT AUDITORS

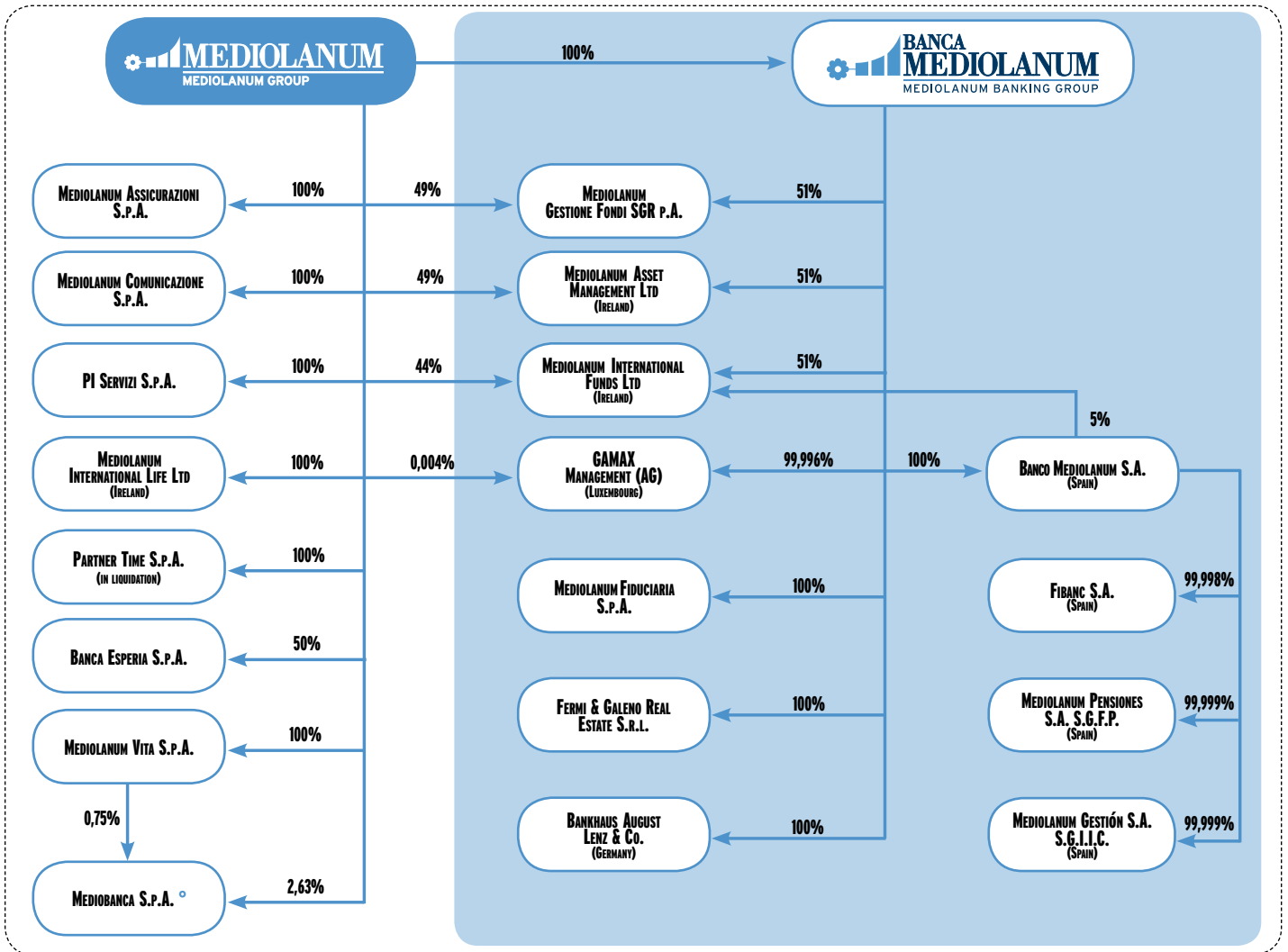
Deloitte & Touche S.p.A.

OFFICER RESPONSIBLE FOR PREPARING ACCOUNTING AND FINANCIAL REPORTING DOCUMENTS

Luigi Del Fabbro

Group structure

As of September 30, 2013



• MEDIOLANUM FINANCIAL CONGLOMERATE

• MEDIOLANUM BANKING GROUP

◦ Since Mediobanca holds treasury shares, total shareholding amounts to 3.447% of voting shares.

Mediolanum Group's Financial Highlights

€/million	Sept. 30, 2013	Sept. 30, 2012	Change %	Dec. 31, 2012
Net Inflows	2,068.6	1,673.5	24%	1,806.6
<i>of which</i>				
Net Inflows of Banca Mediolanum S.p.A.	1,770.0	1,927.9	(8%)	2,258.3
of which Assets under Management	2,248.9	921.4	144%	1,552.9
<i>of which Mutual Funds</i>	3,482.0	1,351.1	158%	2,343.3
of which Assets under Administration	(478.9)	1,006.5	ns	705.5
Net Outflows Banca Esperia Group	(12.5)	(369.2)	(97%)	(620.5)
Total Customers' Assets	55,289.8	50,804.3	9%	51,576.9
Profit before tax	394.3	404.9	(3%)	500.6
Income tax	(93.0)	(113.4)	(18%)	(149.6)
Net profit	301.2	291.5	3%	351.0
<i>of which Non-recurring charges (after tax)</i>	-	(66.2)	ns	(82.8)
Profit (loss) after tax excluding non-recurring items	301.2	357.7	(16%)	433.8

€	Sept. 30, 2013	Sept. 30, 2012	Change %	Dec. 31, 2012
Earnings per share - total	0.410	0.397	3.2%	0.478
Diluted earnings per share	0.406	0.394	3.0%	0.465

€/million	Sept. 30, 2013
Conglomerate Capital Adequacy (*)	Predominantly Banking
Regulatory capital	1.088
Capital requirements	637
Excess	451

* Illustration of calculated capital adequacy of the Mediolanum Financial Conglomerate by applying the criteria defined for predominantly banking conglomerates as required by the supervisory body.



**Interim
Management
Report**

Interim Management Report

The Mediolanum Group realised consolidated net profit of €301.2 million in the nine months to September 30, 2013, compared with €291.5 million in 9M 2012.

The result at September 30, 2012 was negatively impacted by non-recurring charges resulting from impairment of the investment in Mediobanca by €66.2 million, while there were no non-recurring charges or income in 9M 2013. If that impairment adjustment were excluded, net profit at September 30, 2012 would have been €357.7 million.

Consolidated net profit in 3Q 2013 totalled €101.7 million, up from €74.0 million year-over-year (YOY).

In 9M 2013 the net inflows into Banca Mediolanum mutual funds reached an absolute record of €3,482.0 million, contributing significantly to the growth in stable Group revenues. This was especially true for management fees, which jumped +22% (€74.7 million) YOY.

The exceptional level of net inflows into mutual funds is the result of our strategy to invest in growth. This was accomplished by offering high interest rates on current accounts and deposit accounts to attract new bank inflows, laying the basis for subsequent development of investments in Group asset management products.

Net interest income shrank instead by €28.4 million, which reflects lower interest rate spreads. These were partially mitigated by a reduction in the cost of inflows, especially on institutional markets.

In 9M 2013 the contraction in net income on investments at fair value (down €96.5 million), especially due to the major impairment charges incurred in 2012, was only partially offset by the net realised profits on disposal of available-for-sale financial assets (up €35.4 million).

The commission expenses recognised in 9M 2013 rose by about €54.5 million, mainly due to the structural growth in customer assets that improved the mix of net inflows, with a marked improvement in inflows for managed asset products. In particular, this has led to higher retrocession of entry fees and increased incentives accrued on the outstanding commercial results realised.

● The Macroeconomic Environment

Statistics indicate that the Eurozone is moving out of its prolonged economic slump, while United States economic figures point to accelerating growth there.

In July the International Monetary Fund cut its global economy growth estimates yet again, but confirmed its forecast of improved general economic conditions in 2014. The forecast change in GDP in 2013 was revised downwards from 3.3% to 3.1%, while it is forecast to rise to 3.8% in 2014. In particular, the forecast calls for growth of between 1.2% and 2.1% in industrialised economies, and between 5.0% and 5.4% in emerging countries.

In the industrialised economies, a sharp divergence persists between the growth cycle in the United States (+1.7% in 2013 and +2.7% in 2014) and the Eurozone (-0.6% in 2013 and +0.9% in 2014).

The forecasts for the Eurozone reflect weakness in periphery countries: the Italian and Spanish economies are con-

tracting again in 2013 (by -1.8% and -1.6%, respectively), in anticipation of a return to growth in 2014 (forecast on the order of +0.7% and +0%, respectively). Next year, Germany will instead enjoy stronger growth (+1.3%). In 2Q 2013, GDP expanded at an annualised rate of +2.5% in the United States and by +0.3% (not annualised) in the Eurozone, reflecting the lag between the two regions. GDP fell in Italy (-0.3%) and Spain (-0.1%), while rising in Germany (+0.7%) and France (+0.5%). During the same period, the positive performance of the British economy gained momentum, with the growth rate rising to 0.7% from a positive 0.4% the previous quarter. The readings of the Purchasing Managers Index (PMI) taken during July, August and September have finally shown that a new expansionary phase has begun in the Eurozone, while the statistics prepared by the Institute for Supply Management (ISM) continue to show that both industrial production and services remain higher than the growth threshold in the United States.

Notwithstanding the gradual improvement in the international economic climate, employment trends represent a major criticality, due to their impact on consumer confidence and the demand for goods and services. The unemployment rate stands at 7.3% in the United States and 12% in the Eurozone (12.2% in Italy, 6.8% in Germany). The prolonged negative business cycle has reduced inflationary pressures. In August, the producer price index and consumer price index rose by +1.4% and +1.5%, respectively, in the United States while falling -0.8% and rising by +1.3%, respectively, in the Eurozone.

Meeting on September 5, the European Central Bank kept its refinancing rate at the historic low of 0.50%. During the same period, the Federal Reserve Bank left its own refinancing rate unchanged in the range between 0% and 0.25%. The German parliamentary elections held on September 22 resulted in a clear win for the incumbent Chancellor Angela Merkel and the government parties (Christian Democratic Union and the Christian Social Union), which received about 42% of the votes cast. However, this will not shield them from having to reach an agreement with the Social Democrats of the SPD to form a new government. Contrary to the election result in Germany, the period under review in Italy was dominated by severe tension between the two leading political parties.

In the United States, fears of an international crisis in Syria abated, while analysts refocused on the progress of political negotiations between Democrats and Republicans over raising the federal debt ceiling. The failure to approve the 2013 and 2014 fiscal year budget by the legal deadline had the immediate consequence of triggering a shutdown at various federal agencies, whose funding was cut off. The Republican opposition aims at scaling back President Obama's health system reform. The Fitch rating agency announced that the shutdown would not cause a downgrade in the U.S. sovereign debt rating, while failure to reach an agreement might damage its credit rating.

Financial Markets

During 3Q 2013 financial market trends remained enthralled by Federal Reserve Bank Chairman Ben Bernanke's statements on the timing and manner of tapering off the quantitative easing program to buy back government securities, aimed at reducing interest rate spreads while stimulating the economy. Contrary to the expectations generated by the announcements made after its June and July meetings, the Fed decided to continue its buyback program unchanged, thereby encouraging a limited reduction in interest rate spreads on the leading bond markets. Financial analysts are now focusing their expectation that tapering off that program will be announced at the December 18 meeting. They also expect that current Vice Chairman Janet Yellen will become the new Federal Reserve Bank Chairman.

Between June 30 and September 30, the curve for long-term treasury yields tracked upwards in the United States (falling from 0.36% to 0.32% on 2-year notes and rising from 2.49% to 2.61% on 10-year bonds) and in Germany (falling from 0.19% to 0.17% on 2-year notes and rising from 1.73% to 1.78% on 10-year bonds). These yields confirm the substantial increases of the previous quarter both on emerging bond markets (from 5.17% to 5.07%:

Barclays EM Hard Currency Aggregate Yield To Worst) and on high yield bond markets (from 6.66% to 6.23%: Barclays US Corporate High Yield Yield To Worst).

The spread between Italian and German 10-year notes slipped from 318 basis points on December 31, 2012 to 282 bp on June 30, 2013, and then 265 bp on September 30, 2013, while the spread on 2-year notes fell from 200 bp on December 31, 2012 to 175 bp on June 30, 2013 and 172 bp on September 30, 2013. The Italian treasuries yield curve changed as follows in 3Q 2013: from 1.21% to 1.16% on 1-year notes, from 1.93% to 1.89% on 2-year notes, and from 4.55% to 4.43% on 10-year notes.

Global stock markets rose by 8.3% overall between June 30, 2013 and September 30, 2013 (MSCI World dollar index). In the United States, the S&P500 rose by 4.7% and the Nasdaq Composite by 10.8%. European stock markets were up 8.9% on average. More specifically, the Italian market (up 14.4%) and Spanish market (up 18.3%) underperformed the German market (up 8.0%), French market (up 10.8%) and English market (up 4.0%). Emerging markets were up 5.9% (MSCI EM dollar index); the Tokyo Stock Exchange improved on its stellar performance since the beginning of the year (up 5.7% in 3Q 2013 and 39.1% since the beginning of the year, Nikkei 225 index).

The U.S. dollar steadily weakened against the Euro during the quarter under review (from USD 1.30 on June 30, 2013 to USD 1.35 on September 30).

● Performance of the Mediolanum Group

Net inflows on the domestic market totalled €1,757.5 million at September 30, 2013 compared with €1,558.7 million YOY (up 13%).

The total net inflows of Banca Mediolanum in 9M 2013 amounted to €1,770.0 million (3Q 2013: €537 million), down from the same period of the previous year (September 30, 2012: €1,927.9 million; 3Q 2012: €167.8 million). However, its total net inflows in the managed assets segment were exceptional, €2,248.9 million, compared with €921.4 million at September 30, 2012 (up 144%).

Specifically, mutual funds recorded net inflows of €3,482.0 million (3Q 2013: €904.3 million) compared with €1,351.1 million at September 30, 2012 (3Q 2012: €482.4 million), topping even the recent annual record of €2,343.3 million set in 2012.

In contrast, life insurance products had net outflows of €1,213.8 million (3Q 2013: down €221 million) compared with net outflows of €575.1 million in 9M 2012 (3Q 2012: down €263.8 million). Likewise, third party structured bonds were down €19.4 million (September 30, 2012: up €145.5 million).

Net inflows into administered assets totalled €1,064.4 million (3Q 2013: €21.6 million), compared with net inflows of €1,643.4 million in 9M 2012 (3Q 2012: €123.7 million). The Mediolanum Plus policy, associated with the *Freedom* bank account, posted net outflows of €1,543.2 million (3Q 2013: down €147.8 million), compared with the net outflows of €636.8 million posted at September 30, 2012 (3Q 2012: down €214.7 million).

Including the *Freedom* policies, net outflows from administered assets aggregated to €478.9 million, compared with net inflows of €1,006.5 million in 9M 2012.

Net inflows data released by the principal sales networks operating in Italy in 3Q 2013, published by the financial newspaper *Il Sole 24 Ore*, show that Banca Mediolanum was ranked fifth, with net inflows of €1,810 million.

Data relating to net inflows into mutual funds released by Assogestioni, show that the market share of the Mediolanum Group rose from 4.93% at December 31, 2012 to 5.27% at September 30, 2013, with it holding steady at sixth place in terms of volumes of managed assets.

At September 30, 2013 the total assets under management and administration by the Mediolanum Group reached €55,289.8 million, up €3,712.9 million from the end of 2012 (December 31, 2012: €51,576.9 million) and up €4,485.5 million from the first nine months of 2012 (September 30, 2012: €50,804.3 million).

At September 30, 2013 the number of Banca Mediolanum Family Bankers totalled 4,392 up from 4,315 at December 31, 2012. The average portfolio managed by each Family Banker amounts to about €10 million pro capita.

● Issue of Mediolanum Notes

In implementation of the resolution by the Board of Directors of Banca Mediolanum S.p.A. resolved on May 8, 2013, to issue subordinated notes for a maximum aggregate total of €50,000,000.00 (fifty million).

The key features of this bond issue are illustrated as follows:

6-year Lower Tier II Fixed-rate Subordinated Notes

Amount offered: nominal value up to €50 million.

Minimum allowed subscription amount: €100,000 per investor.

Repayment of principal: over five years in equal instalments of 20% of the subscribed nominal capital

Coupons: semi-annual, bearing 4.5% gross per annum.

Settlement date: August 13, 2013.

Maturity date: August 13, 2019.

At September 30, 2013 these notes had been subscribed by 370 investors for a total of €45,392,000.

● The Sales Networks

Unit	Sept. 30, 2013	Dec. 31, 2012	Sept. 30, 2012
BANCA MEDIOLANUM	4,392	4,315	4,366
SPAIN	650	590	553
GERMANY	46	46	42
Total	5,088	4,951	4,961

The Banca Mediolanum network of financial advisors began growing again after four years, rising from 4,315 at December 31, 2012 to 4,392 at September 30, 2013.

● Consolidated Inflows, Assets under Management and Assets under Administration

○ Net Inflows

€/million	Sept. 30, 2013	Sept. 30, 2012	Change
ITALY			
<i>Life insurance products</i>	(1,213.8)	(575.1)	111%
<i>Asset Management Products</i>	3,482.0	1,351.1	158%
Total managed assets inflows	2,268.2	775.9	192%
Third-party structured bonds	(19.4)	145.5	ns
Total managed assets + third-party structured bonds	2,248.9	921.4	144%
Total Administered assets	1,064.4	1,643.4	(35%)
<i>Freedom Life Policies</i>	(1,543.2)	(636.8)	142%
Total Administered assets including Freedom	(478.9)	1,006.5	ns
BANCA MEDIOLANUM	1,770.0	1,927.9	(8%)
Banca Esperia Group(*)	(12.5)	(369.2)	(97%)
Total ITALY	1,757.5	1,558.7	13%
SPAIN	346.1	83.2	316%
GERMANY	(35.0)	31.6	ns
TOTAL FOREIGN MARKETS	311.1	114.8	171%
TOTAL NET INFLOWS	2,068.6	1,673.5	24%

(*) The figures relating to Banca Esperia are stated on a pro-rata basis according to the stake held by the Mediolanum Group in that entity, i.e. 50%.

Given the nature of the activity of the new subsidiary Mediolanum Assicurazioni S.p.A., its new business figures are not included in this table and are shown only in the following section Insurance – General Business.

○ Assets under Management and under Administration (*)

€/million	Sept. 30, 2013	Dec. 31, 2012	Sept. 30, 2012
ITALY			
Life Products	13,453.7	13,795.7	14,182.5
<i>Freedom Life Policies</i>	1,889.8	3,433.0	3,867.0
Asset Management products	27,322.2	23,384.4	22,440.5
Banking products	12,577.6	11,336.5	10,978.7
Consolidation adjustments	(10,120.8)	(9,515.3)	(9,601.3)
BANCA MEDIOLANUM	45,122.5	42,434.3	41,867.3
Banca Esperia Group(*)	7,506.7	6,900.1	6,802.9
Total ITALY	52,629.2	49,334.4	48,670.2
SPAIN	2,226.0	1,799.6	1,721.0
GERMANY	434.6	442.9	413.0
TOTAL FOREIGN MARKETS	2,660.6	2,242.5	2,134.0
TOTAL ASSETS UNDER MANAGEMENT & ADMINISTRATION	55,289.8	51,576.9	50,804.3

(*) The figures relating to Banca Esperia are stated on a pro-rata basis according to the stake held by the Mediolanum Group in that entity, i.e. 50%.

Total assets under management and administration amounted to €55,289.8 million at September 30, 2013, up 7% from €51,576.9 million at December 31, 2012 and 9% from €50,804.3 million at September 30, 2012.

The analysis of new business and assets under management and administration by operating segment is set out below.

Italy - insurance

○ Life business

At the end of the period under review, total life products amounted to €13,453.7 million, versus €13,795.7 million at December 31, 2012 and €14,182.5 million at September 30, 2012.

€/million	Sept. 30, 2013	Dec. 31, 2012	Sept. 30, 2012
Traditional life products	1,242.4	1,372.0	1,283.4
Index-linked life products	1,770.2	2,572.7	2,969.7
Unit-linked life products	10,441.1	9,851.0	9,929.4
Total Life Products (ex. 'Freedom')	13,453.7	13,795.7	14,182.5
'Freedom' Life Policies	1,889.8	3,433.0	3,867.0

○ Gross premiums

€/million	Sept. 30, 2013	Sept. 30, 2012	Change
Recurring premiums	33.9	43.1	(21%)
Single premiums and group policies	74.4	126.5	(41%)
Total new business	108.4	169.6	(36%)
Pension plans in force	360.0	377.7	(5%)
Other business in force	330.0	367.1	(10%)
Total in-force business	690.0	744.9	(7%)
Total Premiums Written (ex. 'Freedom')	798.4	914.4	(13%)
'Freedom' Premiums Written	2,734.6	4,672.5	(41%)
Total Gross Premiums Written	3,533.0	5,586.9	(37%)

Gross premiums written in the first nine months of the year amounted to €3,533.0 million, down about 37% from €5,586.9 million in the same period of the previous year, as customers shifted to other asset management products offered by Banca Mediolanum.

Excluding the new business generated by the *Freedom* (Mediolanum Plus) policy, total premiums written in the first nine months of the year amounted to €798.4 million, compared with €914.4 million in the same period of the previous year (-13%).

New business stood at €108.4 million, down 36% from €169.6 million at September 30, 2012. Single premiums and group policies, excluding *Freedom*, totalled €74.4 million versus €126.5 million at September 30, 2012 (down 41%).

Total in-force business amounted to €690.0 million, down 7% over the same period of the previous year.

Excluding *Freedom*, amounts paid rose from €1,489.4 million in 9M 2012 to €2,012.2 million in 9M 2013.

○ Payments

€/million	Sept. 30, 2013	Sept. 30, 2012	Change
Claims	40.3	49.8	(19%)
Coupons	45.8	45.7	-
Maturities	1,005.3	679.5	48%
Surrenders	920.8	714.4	29%
Amounts paid (ex. 'Freedom')	2,012.2	1,489.4	35%
Amounts paid under 'Freedom' contracts	4,312.8	5,413.8	(20%)

The amounts paid increased by 35% YOY, excluding *Freedom*. Specifically, maturities totalled €1,005.3 million (9M 2012: €679.5 million), of which €710.1 million relating to index-linked policies (9M 2012: €438.9 million).

○ General business

Mediolanum Assicurazioni S.p.A. became part of the Mediolanum Group on March 31, 2013. The figures for premiums written and amounts paid in relation to this company are set out below.

Mediolanum Assicurazioni operates in the basic general insurance business, excluding car insurance. Its policies are offered to the retail market comprised by families and are distributed solely by Banca Mediolanum S.p.A.

The effects on the Mediolanum Group resulting from that acquisition relate to the period March 31 – September 30, 2013, with €14,770 thousand in premiums written during that time.

The premiums written for the period at September 30, 2013, amounting to €21,829 thousand, up from €21,020 thousand at September 30, 2012, are shown for comparative purposes in the following table.

The direct and indirect premiums written are shown as follows:

€/million	Sept. 30, 2013	Sept. 30, 2012	Change
Business-01 Accident insurance	14,127	14,047	80
Business-02 Sickness insurance	10,084	8,424	1,660
Business-07 Transport insurance	4	3	1
Business-08 Fire insurance	2,558	2,603	(45)
Business-09 Other property damage insurance	1,551	1,610	(59)
Business-13 General liability insurance	1,245	1,207	38
Business-16 Financial loss insurance	1,536	1,134	402
Business-17 Legal expenses insurance	62	62	-
Business-18 Assistance	494	453	41
Total direct premiums written	31,659	29,543	2,116
Indirect premiums written	-	-	-
Total premiums written	31,659	29,543	2,116
Change in reserves	(9,830)	(8,523)	(1,307)
Net premiums written	21,829	21,020	809

The increase in premiums written is mainly due to marketing of the new product to cover secured bank loans (up €2,134 thousand).

The net claims paid during the period March 31 – September 30, 2013 amount to €4,976 thousand. Again for comparative purposes, the table set outs the claims at September 30, 2013, which amount to €6,028 thousand, down €3,374 thousand from the €9,402 thousand in claims paid at September 30, 2012.

The amount paid reflects the lower number of large claims paid in 9M 2013 compared with the same period of the previous year (ten claims for €971 thousand in 2013, compared with 21 large claims totalling €2,793 thousand in 2012).

The average claim paid (excluding large claims) fell from €3,100 to €2,900 (down 6.4%).

The amount of claims payments in the Car Business in 2013 has fallen by 49.3% due to the lower number of claims still being processed.

The claims paid as broken down by reporting business are set out in the following table:

€/million	Sept. 30, 2013	Sept. 30, 2012	Change
Business-01 Accident insurance	1,234	1,751	(29.5%)
Business-02 Sickness insurance	1,907	1,415	34.8%
Business-07 Transport insurance	1	-	ns
Business-08 Fire insurance	540	658	(18.0%)
Business-09 Other property damage insurance	413	455	(9.3%)
Business-13 General liability insurance	657	2,854	(77.0%)
Business-16 Financial loss insurance	152	88	72.2%
Business-18 Assistance	28	11	155.8%
Total Basic Insurance Business	4,930	7,232	(31.8%)
Car Insurance	1,098	2,166	(49.3%)
Total direct claims paid	6,028	9,398	(35.9%)
Indirect claims paid	-	4	ns
Total General Business	6,028	9,402	(35.9%)

The speed of claims paid in the Basic Insurance Business at the end of 9M 2013 was 28.4%, compared with 32% in 2012.

○ Italy - Asset management

The analysis of assets under management in the retail segment at September 30, 2013, including assets underlying unit-linked products, is set out below.

€/million	Sept. 30, 2013	Dec. 31, 2012	Sept. 30, 2012
<i>Best brands</i> funds of funds	10,563.5	7,676.9	6,980.8
<i>Portfolio</i> funds of funds	538.7	578.5	647.2
<i>Challenge</i> funds	12,329.3	11,980.7	12,084.2
Funds of hedge funds	173.7	193.8	198.4
Other Italy-based mutual funds	3,460.2	2,839.6	2,450.0
Real estate funds	426.8	436.6	430.2
Other internationally based mutual funds & managed accounts	402.5	321.2	322.6
Duplication adjustments	(572.3)	(642.9)	(672.9)
Total asset management products	27,322.2	23,384.4	22,440.5
of which:			
Equity	55%	56%	58%
Bond	37%	36%	33%
Money market	2%	2%	3%
Other	6%	6%	6%

At September 30, 2013 total assets under management amounted to €27,322.2 million, up 17% from €23,384.4 million at December 31, 2012 and 22% from €22,440.5 million at September 30, 2012.

The analysis of inflows into asset management products in the retail segment, as broken down on a management basis, is set out in the table below.

Gross inflows

€/million	Sept. 30, 2013	Sept. 30, 2012	Change
`Best brands' funds of funds	4,487.5	2,448.5	83%
`Challenge' funds	524.6	779.1	(33%)
Other Italy-based mutual funds	1,113.0	600.9	85%
Real estate funds	-	18.2	ns
Other funds and managed accounts	16.1	22.4	(28%)
Total asset management products	6,141.2	3,869.1	59%

Gross inflows in 9M 2013 amounted to €6,141.2 million, up 59% from the balance of €3,869.1 million in 9M 2012.

Net inflows

€/million	Sept. 30, 2013	Sept. 30, 2012	Change
`Best brands' funds of funds	3,019.1	1,158.4	161%
`Challenge' funds	(203.5)	23.3	ns
Other Italy-based mutual funds	737.6	240.1	207%
Real estate funds	-	0.6	ns
Other funds and managed accounts	(71.2)	(71.3)	-
Total asset management products	3,482.0	1,351.1	158%

Net inflows rose by 158%, from €1,351.1 million at September 30, 2012 to €3,482.0 million at September 30, 2013.

○ Italy - Banking

At the end of 9M 2013, net inflows into administered assets totalled €1,064.4 million, down 35% from €1,643.4 million in 9M 2012

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

€/million	Sept. 30, 2013	Dec. 31, 2012	Sept. 30, 2012
Customer deposits	8,796.1	7,623.1	6,511.9
Repurchase agreements	135.5	12.9	803.0
Banca Mediolanum bonds	427.8	409.7	469.9
Third-party structured bonds	1,279.7	1,216.1	1,107.7
Securities in custody	1,938.4	2,074.8	2,086.1
Total Assets under Administration	12,577.6	11,336.5	10,978.7

The number of current accounts open at Banca Mediolanum totalled 712,914 at September 30, 2013, compared with 691,146 at September 30, 2012.

The number of primary account holders totalled about 586,400 at September 30, 2013, compared with about 571,700 at September 30, 2012.

○ Spain

€/million	Sept. 30, 2013	Dec. 31, 2012	Sept. 30, 2012
Assets under Management & Administration	2,226.0	1,799.6	1,721.1
<i>Assets under Management</i>	<i>1,386.7</i>	<i>1,181.2</i>	<i>1,120.1</i>
<i>Assets under Administration</i>	<i>839.3</i>	<i>618.4</i>	<i>601.1</i>
AuM - Gross Inflows	356.2	285.2	192.8
Net Inflows:			
<i>Assets under Management</i>	<i>177.4</i>	<i>88.2</i>	<i>58.1</i>
<i>Assets under Administration</i>	<i>168.7</i>	<i>26.2</i>	<i>25.1</i>

In 9M 2013 assets under management and administration on the Spanish market amounted to €2,226.0 million, up 29% from €1,721.1 million at September 30, 2012 and 24% from €1,799.6 million at December 31, 2012.

Net inflows in 9M 2013 amounted to €346.1 million, compared with €83.2 million in 9M 2012. Specifically, net inflows into asset management products amounted to €177.4 million, compared with €58.1 million in 9M 2012, while net inflows into administered assets amounted to €168.7 million compared with €25.1 million in 9M 2012.

The number of customers totalled 82,688 at September 30, 2013, compared with 78,068 at September 30, 2012 (up 6%) and 78,856 at December 31, 2012.

The sales network had a headcount of 650 at the end of September 2013 (590 at December 31, 2012), of whom 613 were tied advisors (551 at December 31, 2012).

Germany

€/million	Sept. 30, 2013	Dec. 31, 2012	Sept. 30, 2012
Assets under Management & Administration	434.6	442.9	413.0
<i>Assets under Management</i>	365.4	356.4	330.1
<i>Assets under Administration</i>	69.2	86.5	82.9
AuM - Gross Inflows	130.4	90.8	61.3
Net Inflows:	(35.0)	54.5	31.6
<i>Assets under Management</i>	(19.7)	26.3	7.3
<i>Assets under Administration</i>	(15.3)	28.2	24.3

Assets under management and administration amounted to €434.6 million at September 30, 2013, up 5% from €413.0 million at December 31, 2012 but down 2% from €442.9 million at December 31, 2012.

Net outflows in 9M 2013 amounted to €35 million, compared with net inflows of €31.6 million in 9M 2012. Specifically, net outflows from managed assets amounted to €19.7 million, as opposed to net inflows of €7.3 million at September 30, 2012. Net outflows from administered assets amounted to €15.3 million, as opposed to net inflows of €24.3 million at September 30, 2012.

There were 4,493 customers at September 30, 2013, as compared with 4,314 at September 30, 2012 (up 4%) and 4,533 at December 31, 2012.

The sales network of Bankhaus August Lenz had a headcount of 46 at September 30, 2013, unchanged from December 31, 2012.

● Reclassified Consolidated Income Statement at September 30, 2013 (*)

€/million	Sept. 30, 2013	Sept. 30, 2012	Q3 2013	Q3 2012
Net premiums written	3,657.6	5,663.4	948.1	1,747.5
Amounts paid and change in technical reserves	(3,620.4)	(5,636.0)	(933.7)	(1,739.1)
Net life insurance revenues (ex. Commissions)	37.2	27.4	14.6	8.4
Entry fees	104.6	78.9	28.0	25.0
Management fees	420.9	346.2	147.2	119.9
Performance fees	129.2	133.8	44.9	58.5
Banking services fees	71.4	71.9	21.9	24.8
Other fees	24.4	29.3	7.0	8.5
Total commission income	750.6	660.1	249.1	236.6
Net interest income	209.5	237.9	74.0	79.5
Net income (loss) on investments at fair value	13.7	110.2	4.8	30.1
Net financial income	223.2	348.1	78.8	109.7
Equity contribution	(4.0)	(56.9)	(4.8)	(58.9)
Realised gains (losses) on other investments	43.4	7.9	0.4	2.3
Impairment of loans	(8.5)	(5.7)	(2.6)	(0.9)
Impairment of other investments	(0.9)	(1.7)	(0.4)	0.7
Net income (loss) on other investments	34.0	0.5	(2.6)	2.2
Other revenues	15.8	19.6	5.3	5.4
TOTAL REVENUES	1,056.8	998.9	340.5	303.4
Acquisition costs and sales network commission expenses	(314.5)	(260.0)	(99.0)	(83.3)
Other commission expenses	(38.6)	(33.0)	(13.2)	(12.1)
Administrative expenses	(292.0)	(272.0)	(93.2)	(86.3)
Amortisation and depreciation	(15.2)	(10.4)	(5.8)	(3.7)
Net provisions for risks	(2.2)	(18.6)	(2.3)	(4.5)
TOTAL COSTS	(662.5)	(594.0)	(213.6)	(189.9)
PROFIT BEFORE TAX	394.3	404.9	127.0	113.5
Income tax	(93.0)	(113.4)	(25.2)	(39.5)
Minority interests	-	-	-	-
NET PROFIT FOR THE PERIOD	301.2	291.5	101.7	74.0
<i>of which non-recurring charges (net of income tax)</i>	<i>-</i>	<i>(66.2)</i>	<i>-</i>	<i>(66.2)</i>
NET PROFIT excluding non-recurring items	301.2	357.7	101.7	140.2

(*) This consolidated income statement presents financial information in a manner that reflects the management reporting approach of the Group and entails the reclassification of income and expense items before tax by nature, and the recognition of financial income/expense on policyholders' assets/liabilities relating to contracts under which the investment risk is borne by the policyholder under "Amounts paid and change in technical reserves".

For comparative purposes, the reclassified consolidated income statement at September 30, 2012 shows the effects of non-recurring charges related to impairment of the investment in Mediobanca by €66.2 million.

Net life insurance revenues before acquisition costs in 9M 2013 amounted to €37.2 million (3Q 2013: €14.6 million), up 35.9% from €27.4 million in 9M 2012 (3Q 2012: €8.4 million).

Net premiums written fell 35.4%, from €5,663.4 million in 9M 2012 (3Q 2012: €1,747.5 million) to €3,657.6 million in 9M 2013 (3Q 2013: €948.1 million). The decline in net premiums was principally driven by reduced inflows into the *Freedom* policy, which fell by €1,937.9 million.

Total amounts paid and changes in reserves fell from €5,636.0 million at September 30, 2012 (3Q 2012: €1,739.1 million) to €3,620.4 million (3Q 2013: €933.7 million), of which €4,312.8 million relating to the policies associated with the *Freedom* bank account (September 30, 2012: €5,413.8 million).

For the first nine months of 2013, **total commission income** amounted to €750.6 million (3Q 2013: €249.1 million), up from €660.1 million at September 30, 2012 (3Q 2012: €236.6 million). The €90.5 million increase was mainly driven by higher management fees (up €74.7 million) and entry fees (up €25.7 million).

Net financial income at September 30, 2013 totalled €223.2 million (3Q 2013: €78.8 million), down from the exceptional result of €348.1 million realised in 9M 2012 (3Q 2012: €109.7 million).

This decrease stemmed from the fall in net interest income (down €10.2 million), mainly due to the reduced spread on market rates. This was partly offset by the higher volume of assets (up €28.4 million) and lower net income on financial assets at fair value, which fell by €96.5 million.

The **equity contribution** improved from a negative balance of €56.9 million in 9M 2012 (largely due to the effect of €66.2 million in non-recurring charges related to impairment of the investment in Mediobanca S.p.A.) to a negative balance of €4.0 million in 9M 2013. Of this latter result, a negative €4.6 million was due to the financial loss generated in the first nine months of 2013 by Mediobanca S.p.A., which was only partly offset by the allocable portion of the €0.6 million net profit generated by the Banca Esperia Group.

Net income on other investments had a positive balance of €34.0 million (3Q 2013: negative €2.6 million), as compared with a positive balance of €0.5 million in 9M 2012 (3Q 2012: positive €2.2 million). This was due to the effect of net gains on disposal of available for sale financial assets.

Acquisition costs and sales network commission expenses rose from €260.0 million in 9M 2012 (3Q 2012: €83.3 million) to €314.5 million at the end of 9M 2013 (3Q 2013: €99.0 million). This increase reflects the higher commission expenses on increased sales volumes of mutual funds, higher management fees due to the increase in assets under management, and higher amounts provided for sales network incentives.

Net of sales network commission expenses, **total costs** amounted to €348.0 million (3Q 2013: €114.6 million), rising €14.0 million (up 4.2%) from €334.0 million in 9M 2012 (3Q 2012: €106.6 million).

General and administrative expenses increased by €20.0 million for higher personnel expense, largely related to Banca Mediolanum following the increase in average payroll, as well as higher expenses related to information systems, consultancy and organisation of conventions

Net provisions for risks fell by €16.4 million and mainly relate to Banca Mediolanum, following the reversal of provisions for legal disputes and lower provisions for unlawful activity by licensed financial advisors. The comparative period had been negatively impacted by higher accruals totalling €2.2 million for assistance to the inhabitants of areas struck by natural disasters.

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

Italy - Insurance

€/000	Sept. 30, 2013	Sept. 30, 2012	Q3 2013	Q3 2012
Net premiums written	3,538,750	5,578,665	898,664	1,718,818
Amounts paid and change in technical reserves	(3,517,203)	(5,564,037)	(890,003)	(1,714,497)
Net life insurance revenues (ex. commissions)	21,547	14,628	8,661	4,321
Total Commission Income	233,498	217,731	78,534	78,277
Net interest income	15,982	10,236	3,887	7,781
Net income (loss) on investments at fair value	2,211	77,719	1,424	15,164
Net financial income	18,193	87,955	5,311	22,945
Net income (loss) on other investments	(1,991)	7,009	1,344	1,045
Other revenues	8,001	8,695	2,822	2,876
TOTAL REVENUES	279,248	336,018	96,672	109,464
Acquisition costs & sales network commission expenses	(71,587)	(71,881)	(22,604)	(22,551)
Other commission expenses	(6,020)	(4,755)	(2,355)	(1,699)
Administrative expenses	(66,214)	(60,575)	(21,420)	(17,882)
Ammortisation and depreciation	(6,485)	(2,168)	(2,792)	(789)
Net provisions for risks	(86)	(3,594)	(28)	(1,068)
TOTAL COSTS	(150,392)	(142,973)	(49,199)	(43,989)
PROFIT BEFORE TAX	128,856	193,045	47,473	65,475

Mediolanum Assicurazioni was consolidated with the Mediolanum Group on March 31, 2013. Therefore, the reclassified consolidated income statement at September 30, 2013 includes the impact on profit and loss related to the newly acquired company for the period March 31, 2013 – September 30, 2013. Consequently, the income statement broken down by operating segment includes the new "Insurance" segment, which includes the profit and loss related to the Life Business and General Business.

Profit before tax in the Italy – Insurance segment amounted to €128.9 million (3Q 2013: €47.5 million), which was down from the €193.0 million earned in 9M 2012 (3Q 2012: €65.5 million). This decrease resulted principally from the reduction in net financial income, due in particular to the lower net income on investments at fair value (down €75.5 million).

Net life insurance revenues before acquisition costs amounted to €21.5 million (3Q 2013: €8.7 million), up from €14.6 million in 9M 2012 (3Q 2012: €4.3 million).

Total commission income in 9M 2013 amounted to €233.5 million (3Q 2013: €78.5 million), up from €217.7 million YOY (3Q 2012: €78.3 million), with a big boost coming from management fees (up €14.0 million).

Net financial income in 9M 2013 totalled €18.2 million (3Q 2013: €5.3 million), down from €88.0 million in 9M 2012 (3Q 2012: €23.0 million). The €69.8 million decrease was due to €75.5 million in lower net income on investments at fair value due to negative market performance, while net interest income rose from €10.2 million to €16.0 million, mainly due to the lower expense for retrocession of amounts to policyholders.

Net income from other investments fell from a positive balance of €7.0 million to a negative balance of €2.0 million in consequence of lower net income on the sale of available for sale financial assets.

Acquisition costs & sales network commission expenses remained substantially unchanged, falling slightly from €71.9 million in 9M 2012 to €71.6 million at September 30, 2013.

The other expenses in 9M 2013 totalled €78.8 million (3Q 2013: €26.6 million), compared with €71.1 million at September 30, 2012 (3Q 2012: €21.4 million) due to higher amortisation charges related to the development of information systems and higher administrative expenses for consultancy on automation.

○ Italy - Asset management

€/000	Sept. 30, 2013	Sept. 30, 2012	Q3 2013	Q3 2012
Entry fees	98,511	75,106	26,029	23,714
Management fees	227,441	170,288	80,857	59,874
Performance fees	67,973	75,390	25,292	34,157
Other fees	19,579	19,570	6,165	5,379
Total commission income	413,504	340,354	138,343	123,124
Net interest income	367	603	179	181
Net income (loss) on investments at fair value	4	1	3	-
Net financial income	371	604	182	181
Net income (loss) on other investments	9	(482)	10	-
Other revenues	162	334	44	80
TOTAL REVENUES	414,046	340,810	138,579	123,385
Acquisition costs & sales network commission expenses	(190,233)	(130,123)	(59,709)	(43,040)
Other commission expenses	(11,192)	(8,262)	(3,315)	(2,951)
Administrative expenses	(63,462)	(61,511)	(21,154)	(20,587)
Amortisation and depreciation	(1,716)	(1,627)	(604)	(592)
Net provisions for risks	(219)	(2,499)	(73)	(743)
TOTAL COSTS	(266,823)	(204,022)	(84,855)	(67,913)
PROFIT BEFORE TAX	147,223	136,788	53,724	55,472

Profit before tax in the Italy – Asset Management segment amounted to €147.2 million (3Q 2013: €53.7 million), up from €136.8 million in 9M 2012 (3Q 2012: €55.5 million).

Total commission income amounted to €413.5 million in 9M 2013 (3Q 2013: €138.3 million), up from €340.4 million in 9M 2012 (3Q 2012: €123.1 million). This increase was driven by higher management fees resulting from the increase in assets under management (up €57.1 million) and higher entry fees (€23.4 million), while performance fees fell by €7.4 million.

The costs for this segment rose to €266.8 million in 9M 2013 (3Q 2013: €84.9 million) from €204.0 million in 9M 2012 (3Q 2012: €67.9 million). The increase was driven mainly by higher sales network commission expenses

(up €60.1 million) due to higher entry fees on increased sales volumes of mutual funds, higher commission expenses on managed products, and higher expenses related to sales network incentives on net inflows.

○ Italy - Banking

€/000	Sept. 30, 2013	Sept. 30, 2012	Q3 2013	Q3 2012
Banking services fees	57,956	60,245	16,720	20,375
Other fees	2,599	8,090	27	2,673
Total commission income	60,555	68,335	16,747	23,048
Net interest income	186,809	211,716	65,362	65,964
Net income (loss) on investments at fair value	10,785	30,127	3,065	14,377
Net financial income	197,594	241,843	68,427	80,341
Net income (loss) on other investments	26,404	(5,574)	(3,766)	358
Other revenues	6,607	9,240	2,112	2,137
TOTAL REVENUES	291,160	313,844	83,520	105,884
Acquisition costs & sales network commission expenses	(32,541)	(42,887)	(9,685)	(12,585)
Other commission expenses	(9,678)	(9,958)	(3,559)	(3,557)
Administrative expenses	(131,240)	(119,982)	(40,065)	(36,803)
Amortisation and depreciation	(5,481)	(4,942)	(1,930)	(1,798)
Net provisions for risks	(1,978)	(8,845)	(1,949)	(2,628)
TOTAL COSTS	(180,918)	(186,614)	(57,188)	(57,371)
PROFIT BEFORE TAX	110,242	127,230	26,332	48,513

Profit before tax in the Italy – Banking segment totalled €110.2 million in 9M 2013 (3Q 2013: €26.3 million), down from €127.2 million in 9M 2012 (3Q 2012: €48.5 million) due to the sharp decrease in net financial income (down €44.2 million).

Total commission income amounted to €60.6 million in 9M (3Q 2013: €16.8 million), down €7.7 million.

Net financial income amounted to €197.6 million in 9M 2013 (3Q 2013: €68.4 million), down from €241.8 million YOY (3Q 2012: €80.3 million), both in consequence of the decrease in net interest income, which fell by €24.9 million due to the lower spread in market rates, and the €19.3 million decrease in net income on investments at fair value.

Net income on other investments rose from negative €5.6 million at September 30, 2012 to positive €26.4 million at September 30, 2013, being boosted by higher income on available for sale financial assets.

Acquisition costs and sales network commission expenses amounted to €32.5 million (3Q 2013: €9.7 million), down from €42.9 million in 9M 2012 (3Q 2012: €12.6 million) due to lower incentives paid to the sales network.

Other expenses rose by 3.2% or €4.7 million, from €143.7 million in 9M 2012 (3Q 2012: €44.8 million) to €148.4 million in 9M 2013 (3Q 2013: €47.5 million). Administrative expenses rose due to higher information system and consultancy costs, while net provisions for risks fell due to the reversal of provisions for legal disputes

and lower provisions for unlawful activity by licensed financial advisors, as well as lower provisions largely related to assistance for the inhabitants of areas struck by natural disasters.

○ Italy - Other

€/000	Sept. 30, 2013	Sept. 30, 2012	Q3 2013	Q3 2012
Total commission income	-	-	-	-
Net interest income	(10,607)	(10,513)	(3,032)	(3,421)
Net income (loss) on investments at fair value	1	3	-	2
Net financial income	(10,606)	(10,510)	(3,032)	(3,419)
Equity contribution	(4,014)	(56,881)	(4,653)	(58,872)
Net income (loss) on other investments	-	(2)	-	910
Other revenues	-	-	-	-
TOTAL REVENUES	(14,620)	(67,393)	(7,685)	(61,381)
PROFIT BEFORE TAX	(14,620)	(67,393)	(7,685)	(61,381)

Profit before tax in the Italy – Other segment in 9M 2013 was negative, with a loss of €14.6 million, compared with a loss of €67.4 million in 9M 2012.

Net financial income showed a negative balance of €10.6 million in 9M 2013 (3Q 2013: negative €3.0 million), just about the same as the negative €10.5 million balance reported for 9M 2012 (3Q 2012: negative €3.4 million).

The equity contribution improved from a negative balance of €56.9 million in 9M 2012 (largely due to the effect of €66.2 million in non-recurring charges related to impairment of the investment in Mediobanca S.p.A.) to a negative balance of €4.0 million in 9M 2013. Of this latter result, a negative €4.6 million was due to the financial loss generated in the first nine months of 2013 by Mediobanca S.p.A., which was only partly offset by the allocable portion of the €0.6 million net profit generated by the Banca Esperia Group.

○ Spain

€/000	Sept. 30, 2013	Sept. 30, 2012	Q3 2013	Q3 2012
Net premiums written	95,619	65,997	40,845	21,826
Amounts paid and change in technical reserves	(81,726)	(55,702)	(35,534)	(18,643)
Net life insurance revenues (ex. commissions)	13,893	10,295	5,311	3,183
Total commission income	26,156	19,625	9,515	6,851
Net interest income	16,417	25,023	7,484	8,744
Net income (loss) on investments at fair value	640	1,668	167	227
Net financial income	17,057	26,691	7,651	8,971
Net income (loss) on other investments	9,568	(405)	(182)	(125)
Other revenues	744	805	218	178
TOTAL REVENUES	67,418	57,011	22,513	19,058
Acquisition costs & sales network commission expenses	(17,173)	(12,343)	(5,978)	(4,045)
Other commission expenses	(2,374)	(2,033)	(769)	(690)
Administrative expenses	(21,329)	(19,949)	(6,991)	(7,418)
Amortisation and depreciation	(1,089)	(1,127)	(357)	(366)
Net provisions for risks	75	(3,673)	(253)	(37)
TOTAL COSTS	(41,890)	(39,125)	(14,348)	(12,556)
PROFIT BEFORE TAX	25,528	17,886	8,165	6,502

The Spain segment reported **net life insurance revenues**, before acquisition costs, of €13.9 million (3Q 2013: €5.3 million), up from €3.6 million in 9M 2012 (3Q 2012: €3.2 million).

Total commission income rose from €19.6 million in 9M 2012 (3Q 2012: €6.9 million) to €26.2 million at September 30, 2013 (3Q 2013: €9.5 million), mainly due to higher commissions generated by the sale of funds and higher fees on assets under management.

Net financial income amounted to €17.1 million (September 30, 2012: €26.7 million), with a decrease of €9.6 million that stemmed mainly from lower net interest income due to the reduced spread in market rates.

Costs increased from €39.1 million in 9M 2012 to €41.9 million in 9M 2013. The increase in acquisition costs and sales network commission expenses and administrative expenses is offset by lower provisions for risks related to lawsuits.

Germany

€/’000	Sept. 30, 2013	Sept. 30, 2012	Q3 2013	Q3 2012
Net premiums written	23,258	18,762	8,634	6,870
Amounts paid and change in technical reserves	(21,485)	(16,305)	(8,020)	(6,007)
Net life insurance revenues (ex. commissions)	1,773	2,457	614	863
Total commission income	17,281	14,513	5,780	5,483
Net interest income	542	848	153	282
Net income (loss) on investments at fair value	57	695	98	352
Net financial income	599	1,543	251	634
Other revenues	367	599	97	170
TOTAL REVENUES	20,020	19,112	6,742	7,150
Acquisition costs & sales network commission expenses	(2,986)	(2,728)	(1,067)	(1,044)
Other commission expenses	(9,296)	(8,001)	(3,216)	(3,187)
Administrative expenses	(10,275)	(10,495)	(3,356)	(3,800)
Ammortisation and depreciation	(431)	(551)	(142)	(177)
TOTAL COSTS	(22,988)	(21,775)	(7,782)	(8,208)
PROFIT BEFORE TAX	(2,968)	(2,663)	(1,040)	(1,058)

Total commission income in the Germany segment rose from €14.5 million in 9M 2012 (3Q 2012: €5.5 million) to €17.3 million at the end of 9M 2013 (3Q 2013: €5.8 million), for an increase of €2.8 million (up 19.3%).

Acquisition costs and sales network commission expenses totalled €3.0 million (3Q 2013: €1.0 million), compared with €2.7 million in 9M 2012 (3Q 2012: €1.0 million).

Key Corporate Events and Performance of Companies within the Group

Life Insurance Companies

Highlights of the performance of Mediolanum Group companies during the period under review are presented below.

Mediolanum Vita S.p.A. – The net profit for 9M 2013 determined in accordance with IFRS amounted to €28.5 million, compared with net profit of €74.7 million in 9M 2012; net profit in 3Q 2013 amounted to €11.4 million (3Q 2012: €20.8 million).

Premiums written in 9M 2013 amounted to €3,482.1 million (3Q 2013: €871.9 million), down 36% from €5,471.9 million in 9M 2012 (3Q 2012: €1,672.9 million). New business in 9M 2013 amounted to €2,800.3 million (3Q 2013: €652 million), down 41% from €4,733.0 million in 9M 2012 (3Q 2012: €1,436.6). This was largely due to the 42% decrease in premiums written under the *Freedom* (Mediolanum Plus) policy, which amounted to €1,937.9 million.

In-force business, driven by multi-year and recurring premiums, was down €57.3 million or 8%.

Amounts paid in 9M 2013 decreased by €924.4 million YOY. Individual maturities rose €101.9 million, from €453.8 million to €555.7 million, while individual redemptions decreased by €1,013.5 million to €4,955.7 million (compared with €5,969.2 million at September 30, 2012), of which €4,295.6 million related to the *Freedom* policy (September 30, 2012: €5,389.9 million).

At September 30, 2013, mathematical reserves and financial liabilities to policyholders totalled €13,346.8 million, compared with €15,335.7 million at September 30, 2012 (€14,613.4 million at December 31, 2012), of which €13,271.9 million related to individual policies (€14,541.2 million at December 31, 2012) and €74.9 million to group policies (€72.2 million at December 31, 2012).

Mediolanum International Life Ltd – This Irish company reported net profit of €13 million in 9M 2013, compared with €15.9 million in 9M 2012. Net profit in 3Q 2013 amounted to €3.8 million (3Q 2012: €5.5 million).

Premiums written fell from €191.5 million in 9M 2012 (3Q 2012: €74.6 million) to €161.9 million in 9M 2013 (3Q 2013: €69.3 million).

Aggregate premiums written in foreign countries (Spain and Germany) amounted to €118.9 million (3Q 2013: €49.5 million), compared with €84.8 million in 9M 2012 (3Q 2012: €28.7 million).

At September 30, 2013 mathematical reserves and financial liabilities to policyholders amounted to €2,752 million, down from €3,300 million at December 31, 2012.

Mediolanum Assicurazioni S.p.A. – This company became a part of the Mediolanum Group on March 31, 2013 and has been consolidated line-by-line since that date.

The net profit of Mediolanum Assicurazioni calculated in accordance with IFRS amounted to €2.5 million for the period March 31, 2013 – September 30, 2013, on net premiums written during the period amounting to €14,770 thousand.

The gross technical reserves measured according to IFRS amounted to €73.2 million at September 30, 2013.

○ Asset Management Companies

Highlights of the performance of Mediolanum Group companies during the period under review are presented below.

Mediolanum International Funds Ltd – This company of Irish funds reported net profit of €228.7 million for 9M 2013 (3Q 2013: €82.1 million), up €21 million YOY (€207.7 million in 9M 2012; 3Q 2012: €77.0 million).

Net inflows in 9M 2013 amounted to €2,589 million (3Q 2013: €824 million), compared with €1,039 million in 9M 2012 (3Q 2012: €311 million).

Total assets under management amounted to €24,311 million at September 30, 2013, up 16% from €20,952 million at December 31, 2012.

In October the company resolved and paid out a dividend prepayment of €200 million. The previous year, a dividend prepayment totalling €207 million was made against 2012 earnings.

Mediolanum Gestione Fondi SGR p.A. – The Italian asset management company reported net profit of €18.4 million for 9M 2013 (3Q 2013: €4.4 million), compared with €17.9 million in 9M 2012 (3Q 2012: €9.3 million).

Net inflows during 9M 2013 amounted to €741.0 million (3Q 2013: €102.5 million), up €494.3 million from the €246.7 million reported for 9M 2012 (3Q 2012: €136.8 million).

The assets managed directly by this company amounted to €4,000.1 million in 9M 2013, up 34% from the €2,977.7 million under management in 9M 2012 (+34%) and 18% from the €3,377.4 million under management at December 31, 2012.

Gamax Management A.G. – The Luxembourg asset management company reported net profit of €3.2 million for 9M 2013 (3Q 2013: €1.0 million), up slightly from the €3.1 million reported for 9M 2012 (3Q 2012: €1.3 million). In the retail segment, the company recorded net outflows of €32.3 million during 9M 2013 (3Q 2013: net outflows of €0.5 million), compared with net outflows of €10.3 million in 9M 2012 (3Q 2012: net outflows of €6.2 million). Assets under management in the retail segment during 3Q 2013 amounted to €214.4 million (€228.4 million at December 12, 2012).

Total assets under management at September 30, 2013 (retail and institutional segments) amounted to €469 million, compared with €409 million at December 31, 2012 and €397 million at September 30, 2012.

Mediolanum Asset Management Ltd – The Irish asset management company reported net profit of €12 million for 9M 2013 (3Q 2013: €4.1 million), up from €10.6 million in 9M 2012 (3Q 2012: €3.6 million).

Mediolanum Fiduciaria S.p.A. – At September 30, 2013 this company reported a net loss of €380 thousand, compared with a net loss of €292 thousand at September 30, 2012.

Trust assets under management at September 30, 2013 amounted to €38,146 thousand, up from €6,382 thousand at December 31, 2012.

In July 2013 the parent company paid in €0.6 million for future rights issues.

Fermi & Galeno Real Estate S.r.l. – This company reported net profit of €695 thousand at September 30, 2013.

○ Banking operations (including Group product distribution)

Highlights of the performance of Mediolanum Group companies during the period under review are presented below.

Banca Mediolanum S.p.A. – The bank reported net profit of €67.6 million for 9M 2013 (3Q 2013: €0.5 million), down from €88.6 million in 9M 2012 (3Q 2012: €16.8 million).

Profit before tax in 9M 2013 amounted to €89.2 million, down €31.2 million from the €120.4 million reported for 9M 2012. The change was largely the consequence of lower net financial income (down €10.2 million), net commission income (down €6.4 million) and lower dividends from investments (down €7.3 million). The net increase in operating expenses amounted to €5.1 million, due to the combined effect of €13.2 million in higher administrative expenses and €3.6 million in higher other expenses and €12.6 million in lower provisions for risks.

Direct funding from customers rose 15% from €8,897.6 million at December 31, 2012 to €10,220 million at September 30, 2013.

Lending to customers grew 14% to €5,595.2 million from €4,917.8 million at December 31, 2012, largely driven by the increases in residential mortgage loans (up €330.7 million), personal loans (up €128.2 million), hot money transactions (€100 million) and higher deposits with Cassa di Compensazione e Garanzia (up €204.9 million). Securities lending to customers fell instead by €32.8 million to €462.4 million (€495.2 million at December 31, 2012).

The balance on the securities accounts of retail customers fell from €3,625 million at December 31, 2012 to €3,562 million at September 30, 2013 (€3,595.9 million at September 30, 2012).

Banco Mediolanum – The Spanish banking group ended 9M 2013 with consolidated net profit of €12 million (3Q 2013: €2.5 million), up from €9.3 million at September 30, 2012 (3Q 2012: €2.2 million).

Net inflows into asset management products amounted to €177.4 million (3Q 2013: €64.5 million), up from €58.1 million in 9M 2012 (3Q 2012: €23.6 million). Net inflows into administered assets amounted to €168.7 million (3Q 2013: €25.2 million, up from €25.1 million in 9M 2012 (3Q 2012: net outflows of €1.7 million).

At September 30, 2013 assets under management and administration totalled €2,226 million, compared with €1,799.6 million at December 31, 2012 (€1,721.1 million at September 30, 2012).

The sales network had a headcount of 650 at the end of September 2013 (590 at December 31, 2012), of whom 613 were tied advisors (551 at December 31, 2012).

Bankhaus August Lenz & Co. – The German bank reported a net loss of €5.7 million for the nine months at September 30, 2013 (3Q 2013: net loss of €1.8 million), substantially unchanged from the net loss of €5.8 million for 9M 2012 (3Q 2012: net loss of €2.1 million).

Net inflows into asset management products totalled a positive €12.7 million in 9M 2013, down from €17.6 million in 9M 2012 (3Q 2012: €4.8 million). Net outflows from administered assets amounted to €15.3 million in 9M 2013 (3Q 2013: €5.1 million), compared with net inflows of €24.3 million in 9M 2012 (3Q 2012: €13.8 million). At September 30, 2013, assets under administration and management amounted to €220.2 million, compared with €214.5 million at December 31, 2012.

The sales network had a headcount of 46 at September 30, 2013, unchanged from December 31, 2012.

○ Joint ventures

In 9M 2013 the **Banca Esperia Group** had consolidated net profit of €1.1 million, down from €9.8 million in 9M 2012. The net loss for 3Q 2013 was €6.1 million (3Q 2012: net profit of €6.0 million).

Net outflows during 9M 2013 amounted to €25 million (3Q 2013: net inflows of €266 million), compared with net outflows of €738 million in 9M 2012 (3Q 2012: net inflows of €40 million).

Total assets under management and administration amounted to €15,013 million at September 30, 2013, up from €13,800 million at December 31, 2012 and €13,606 million at September 30, 2012.

○ Associates

The consolidated interim management report at September 30, 2013 of the **Mediobanca Group** shows a net profit of €171.2 million for the third quarter of 2013 (July-September 2013), compared with €109 million at September 30, 2012.

The year-over-year improvement resulted largely from the positive contribution made by its holdings of securities and equity investments (which rose from €21.6 million to €148.6 million). In contrast, banking revenues fell from €425.3 million to €352.2 million, mainly due to the net loss on trading activity (net loss of €2.7 million, as compared with net income of €62.5 million in 3Q 2012), although net interest income was up 4.4%, from €259 million to €270.5 million.

Consolidated equity after minority interests and net profit for the year amounted to €6,884.5 million at September 30, 2013, down from €7,020.5 million at June 30, 2013 and €6,922.3 million at December 31, 2012.

○ Impairment Test of Investment in Mediobanca S.p.A.

In regard to the investment in Mediobanca S.p.A., considering that the results achieved by Mediobanca at September 30, 2013 are in line with the targets set out in the multi-year plan presented to the financial community in June 2013,

and that that plan had been used as the basis for the impairment test carried out to determine the carrying value of the investment in the Mediolanum Group half-year financial report at June 30, 2013, there is no objective reason to perform another impairment test at September 30, 2013.

○ Capital Adequacy

Given the steady growth of the banking activity of the Mediolanum Group, on August 5, 2013 the Banca d'Italia, IVASS and CONSOB issued a joint press release that added Mediolanum S.p.A. to the list of financial conglomerates whose predominant activity is banking, with Banca d'Italia consequently taking over as coordinator of supervisory activity. In accordance with the financial conglomerate coordination agreement signed by ISVAP, CONSOB and Banca d'Italia on March 30, 2006, the statement illustrating the capital adequacy of the conglomerate was prepared on the basis of the current solvency rules established for conglomerates whose predominant activity is banking and sent to the supervisory authority on September 30. On the basis of the foregoing, and given the capital requirements of the conglomerate at September 30, 2013, amounting to €637 million, the shareholders' equity necessary to cover the required margin amounts to €1,088 million, resulting in an excess of €451 million.

● Consolidated Accounts and Notes to the Consolidated Financial Statements

The Mediolanum Group Interim Management Report and Accounts again include the accounts and notes required under ISVAP Regulation no. 7 of July 13, 2007, as amended by ISVAP Rule no. 2784 of March 8, 2010.

Following inclusion of the Mediolanum Group on the list of financial conglomerates whose predominant activity is banking, as mentioned in the previous paragraph, the consolidated financial statements at December 31, 2013 will be prepared on the basis of the "Instructions for preparation of the financial statements of companies and the consolidated financial statements of banks and holding companies of banking groups" issued by the Banca d'Italia, pursuant to its powers established by section 9 of Legislative Decree 38/2005, with Circular no. 262 of December 22, 2005, as amended on November 18, 2009 and subsequently amended on February 16, 2011 and February 10, 2012.

● Other information

There have been no new developments since what was disclosed in the Annual Report and Accounts at December 31, 2012 in regard to the tax litigation related to IRES (corporate income tax) and IRAP (regional tax on productive activity), concerning the amount of commission retrocessions paid by Mediolanum International Fund Ltd to the subsidiaries Mediolanum Vita S.p.A. and Banca Mediolanum S.p.A.

Analogously, there have been no new developments since what was disclosed in the Half-year Financial Report and Accounts at June 30, 2013 in regard to the notice of assessment of higher mortgage and land registry taxes, issued by the Direzione Provinciale II di Milano ("Milan Provincial Head Revenue Office II"), to the subsidiary Mediolanum Vita S.p.A. in regard to purchase of the Volta e Galilei property complex located on Via F. Sforza in Basiglio (Milan).

● Significant Events after the Third Quarter

In October the subsidiary Mediolanum International Funds Ltd resolved to make prepayments on 2013 dividends for a total of €200.0 million, of which €102.0 million to Banca Mediolanum, €88.0 million to Mediolanum S.p.A. and €10 million to Banco Mediolanum.

There was no other event after September 30, 2013 that might have a significant impact on the financial position, result of operations and cash flows of the Mediolanum Group.

● Outlook

The principal central banks will maintain an expansionary monetary policy over the next few quarters: it is expected that monetary policy rates will remain low, and quantitative easing will continue in the United States, albeit on a gradually decreasing basis.


Economic performance and unemployment levels may gradually and clearly improve in the United States, despite the fraught and prolonged political negotiations to raise the federal debt ceiling.

In the Eurozone, the potential for a change in the present business cycle remains conditioned on a final solution to the financial crisis. The adoption of coordinated economic and tax policies by national governments, together with the expansionary monetary policy of the European Central Bank and definition of new forms of supervising the financial system may create favourable market conditions.

In light of the foregoing and the results reported herein, considering the risks that are inherent in the business of the Group, barring any exceptional events or circumstances that depend on variables which are substantially beyond the control of Directors and Senior Management – and not in the offing at present – the outlook for the Group in 2013 is positive.

Basiglio, November 12, 2013

For the Board of Directors
The Chairman of the Board
Carlo Secchi



**Consolidated
Accounts**

Statement of Financial Position

Assets

€/’000	Sept. 30, 2013	June 30, 2013	Dec. 31, 2012
1. Intangible assets			
1.1 Goodwill	129,886	129,886	129,886
1.2 Other intangible assets	36,195	36,774	23,096
Total intangible assets	166,081	166,660	152,982
2. Tangible assets			
2.1 Property	79,907	79,982	80,520
2.2 Other tangible assets	8,142	8,237	9,062
Total tangible assets	88,049	88,219	89,582
3. Reinsurers’ share of technical reserves	75,827	77,154	76,198
4. Investments			
4.1 Investment property	105,850	106,046	106,798
4.2 Investments in subsidiaries, associates and joint ventures	380,752	388,122	382,700
4.3 Held to maturity investments	2,617,870	2,392,407	1,359,408
4.4 Loans and receivables	7,271,107	6,798,798	6,404,352
4.5 Available for sale financial assets	14,240,583	14,388,561	12,319,069
4.6 Financial assets at fair value through profit or loss	13,951,696	13,776,577	14,191,110
Total investments	38,567,858	37,850,511	34,763,437
5. Receivables			
5.1 Arising out of direct insurance business	6,653	6,675	5,641
5.2 Arising out of reinsurance business	4,260	5,400	4,183
5.3 Other receivables	1,718	2,133	1,549
Total receivables	12,631	14,208	11,373
6. Other assets			
6.1 Non current assets of disposal group, held for sale	1,199	1,072	1,094
6.2 Deferred acquisition costs	-	-	-
6.3 Deferred tax assets	120,923	126,210	126,259
6.4 Current tax assets	295,495	297,584	338,686
6.5 Other assets	333,370	335,415	297,954
Total other assets	750,987	760,281	763,993
7. Cash and cash equivalents	182,110	140,739	191,264
TOTAL ASSETS	39,843,543	39,097,772	36,048,829

Liabilities

€/’000	Sept. 30, 2013	June 30, 2013	Dec. 31, 2012
1. Shareholders’ equity			
1.1 Group shareholders’ equity			
1.1.1 Share capital	73,585	73,473	73,434
1.1.2 Other equity instruments	-	-	-
1.1.3 Capital reserves	59,087	57,757	56,497
1.1.4 Retained earnings and other equity reserves	1,127,681	1,122,451	821,182
1.1.5 Treasury shares (-)	(2,045)	(2,045)	(2,045)
1.1.6 Exchange difference reserves	-	-	-
1.1.7 Gains or losses on available for sale financial assets	65,101	47,053	88,984
1.1.8 Other gains or losses recognised directly in equity	20,924	28,832	31,372
1.1.9 Net profit (loss) for the year attributable to the group	301,216	199,490	351,023
Total capital and reserves attributable to the group	1,645,549	1,527,011	1,420,447
1.2 Attributable to minority interests			
1.2.1 Capital and reserves attributable to minority interests	-	-	-
1.2.2 Gains (losses) recognised directly in equity	-	-	-
1.2.3 Net profit (loss) for the year attributable to minority interests	-	-	-
Total capital and reserves attributable to minority interests	-	-	-
Total shareholders’ equity	1,645,549	1,527,011	1,420,447
2. Provisions	191,165	186,620	191,022
3. Technical reserves	16,086,928	16,064,899	17,823,829
4. Financial liabilities			
4.1 Financial liabilities at fair value through profit or loss	426,150	457,261	443,045
4.2 Other financial liabilities	20,731,742	20,224,354	15,491,157
Total financial liabilities	21,157,892	20,681,615	15,934,202
5. Payables			
5.1 Arising out of direct insurance business	5,948	7,224	5,580
5.2 Arising out of reinsurance business	1,742	331	68
5.3 Other payables	275,329	235,401	275,679
Total payables	283,019	242,956	281,327
6. Other liabilities			
6.1 Liabilities of disposal groups held for sale	956	951	960
6.2 Deferred tax liabilities	76,596	72,281	97,210
6.3 Current tax liabilities	166,467	136,925	122,578
6.4 Other liabilities	234,971	184,514	177,254
Total other liabilities	478,990	394,671	398,002
TOTAL LIABILITIES AND SHAREHOLDERS’ EQUITY	39,843,543	39,097,772	36,048,829

Income Statement

€/000	Q3 2013	Q3 2012	Sept. 30, 2013	Sept. 30, 2012
1. Revenues				
1.1 Net premiums written				
1.1.1 Gross premiums written	949,289	1,748,217	3,660,763	5,665,707
1.1.2 Reinsurance premiums	(1,146)	(703)	(3,136)	(2,283)
Total premiums written	948,143	1,747,514	3,657,627	5,663,424
1.2 Commission income	248,792	236,492	749,704	659,631
1.3 Net income on financial instruments at fair value through profit or loss	390,351	644,667	944,709	1,326,760
1.4 Income on investments in subsidiaries, associates & joint ventures	(3,071)	7,344	624	9,335
1.5 Income on other financial instruments and investment property				
1.5.1 Interest income	148,604	161,366	439,437	488,910
1.5.2 Other income	2,477	2,599	8,409	8,074
1.5.3 Realised gains	775	5,495	54,318	20,014
1.5.4 Unrealised gains	285	523	3,565	3,211
Total income on other financial instruments & investment property	152,141	169,983	505,729	520,209
1.6 Other revenues	5,281	5,408	15,805	19,584
Total revenues and income	1,741,637	2,811,408	5,874,198	8,198,943
2. Costs				
2.1 Net claims and benefits				
2.1.1 Amounts paid and change in technical reserves	(1,334,720)	(2,377,406)	(4,604,781)	(6,940,524)
2.1.2 Reinsurer's share	732	970	3,430	2,735
Net claims and benefits	(1,333,988)	(2,376,436)	(4,601,351)	(6,937,789)
2.2 Commission expenses	(87,938)	(72,468)	(282,897)	(221,853)
2.3 Losses on investments in subsidiaries, associates & joint ventures	(1,582)	(66,216)	(4,565)	(66,216)
2.4 Losses on other financial instruments and investment property				
2.4.1 Interest expense	(60,347)	(59,464)	(181,187)	(168,640)
2.4.2 Other expenses	(204)	(100)	(461)	(344)
2.4.3 Realised losses	(2,628)	(5,496)	(18,926)	(17,820)
2.4.4 Unrealised losses	(3,675)	(1,035)	(14,097)	(11,675)
Losses on other financial instruments and investment property	(66,854)	(66,095)	(214,671)	(198,479)
2.5 Operating expenses				
2.5.1 Agents' commissions and other acquisition costs	(18,293)	(19,084)	(56,123)	(60,036)
2.5.2 Investment management expenses	(131)	(67)	(423)	(223)
2.5.3 Other administrative expenses	(90,438)	(82,213)	(279,319)	(257,696)
Total operating expenses	(108,862)	(101,364)	(335,865)	(317,955)
2.6 Other costs	(15,441)	(15,301)	(40,566)	(51,736)
Total costs	(1,614,665)	(2,697,880)	(5,479,915)	(7,794,028)
Profit (loss) before tax for the period	126,972	113,528	394,283	404,915
3. Income tax	(25,243)	(39,525)	(93,045)	(113,411)
Profit (loss) after tax for the period	101,729	74,003	301,238	291,504
4. Profit (loss) from discontinued operations	(3)	(6)	(22)	(23)
Consolidated net profit (loss) for the period of which attributable to the Group	101,726	73,997	301,216	291,481
Earnings per share (in euro)	0.138	0.101	0.410	0.397

Statement of other Comprehensive Income

€/’000	Q3 2013	Q3 2012	Sept. 30, 2013	Sept. 30, 2012
CONSOLIDATED NET PROFIT (LOSS)	101,726	73,997	301,216	291,481
Change in net exchange differences reserve	-	-	-	-
Profit (loss) on available for sale financial assets	18,048	164,582	(23,883)	306,640
Profit (loss) on cash flow hedges	-	-	-	-
Profit (loss) on hedges of investments in foreign operations	-	-	-	-
Changes in the equity of investees	(7,935)	25,826	(10,483)	25,569
Changes in intangible assets revaluation reserve	-	-	-	-
Changes in tangible assets revaluation reserve	-	-	-	-
Gains (losses) on non-current assets or disposal groups held for sale	-	-	-	-
Actuarial gains (losses) and adjustments on defined benefit plans	27	-	35	-
Other items	-	-	-	-
TOTAL OTHER COMPONENTS OF STATEMENT OF OTHER COMPREHENSIVE INCOME	10,140	190,408	(34,331)	332,209
TOTAL CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME	111,866	264,405	266,885	623,690
of which attributable to the Group	111,866	264,405	266,885	623,690
of which attributable to minority interests	-	-	-	-



**Notes to the
Consolidated
Financial
Statements**

Notes to the Consolidated Financial Statements

ACCOUNTING POLICIES

● General

The Mediolanum Group interim report and accounts at September 30, 2013 were prepared in compliance with section 154 ter of Legislative Decree 58/98 (Consolidated Finance Act) entitled "Relazioni finanziarie" (Financial Reporting), as amended by Legislative Decree 195/2007 (Transparency) and the Consob Regulations for Issuers.

● Accounting standards

The statement of financial position and income statement at September 30, 2013 were prepared in accordance with the international accounting and financial reporting standards (IAS/IFRS) in force at that date, and which are the same as those used to prepare the consolidated financial statements for the year at December 31, 2012, as modified by the amendments made by IASB and applicable from January 1, 2013.

Reference is made to the Annual Report and Accounts at December 31, 2012 for those accounting standards that have been amended but not yet endorsed on a final basis.

The consolidated Statement of financial position and income statement include the accounts and the notes required by ISVAP regulation No. 7 of July 13, 2007 as amended by ISVAP Rule 2784 of March 8, 2010.

Reasonable estimates have been made for the measurement of certain items to ensure the consistent application of accounting policies. Those estimates do not compromise the reliability of interim financial reporting.

This interim report has been prepared on a going concern basis.

The previously reported comparative figures at September 30, 2012 and December 31, 2012 have been restated as necessary to assure the consistency of other financial information provided in this report.

In accordance with section 5 of Legislative Decree 38 of February 28, 2005, these interim report and accounts have been prepared using the euro as the reporting currency. Unless stated otherwise, the amounts set out herein are presented in thousands of euro.

● Scope of consolidation

The consolidated interim financial statements include the accounts of Mediolanum S.p.A. and those of its directly or indirectly controlled subsidiaries:

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

€/000 Company	Share capital	% holding	Registered office	Business
Mediolanum Vita S.p.A.	87,720	100.00%	Basiglio	Life Insurance
Mediolanum Comunicazione S.p.A.	775	100.00%	Basiglio	Audio/film/TV production
PI Servizi S.p.A.	517	100.00%	Basiglio	Real estate brokerage
Mediolanum International Life Ltd	1,395	100.00%	Dublin	Life Insurance
Banca Mediolanum S.p.A.	600,000	100.00%	Basiglio	Banking
Mediolanum Assicurazioni S.p.A.	25,800	100.00%	Basiglio	General Insurance
Mediolanum Gestione Fondi SGR p.A.	5,165	49.00%	Basiglio	Fund management
Mediolanum International Funds Ltd	150	44.00%	Dublin	Fund management
Mediolanum Asset Management Ltd	150	49.00%	Dublin	Asset management and advice
Gamax Management AG	7,161	0.004%	Luxembourg	Fund management

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

€/000 Company	Share capital	% holding	Registered office	Business
Mediolanum Gestione Fondi SGR p.A.	5,165	51.00%	Basiglio	Fund management
Mediolanum Fiduciaria S.p.A.	240	100.00%	Basiglio	Trust company
Mediolanum International Funds Ltd	150	51.00%	Dublin	Fund management
Mediolanum Asset Management Ltd	150	51.00%	Dublin	Asset management and advice
Gamax Management AG	7,161	99.996%	Luxembourg	Fund management
Banco Mediolanum S.A.	86,032	100.00%	Barcelona	Banking
Bankhaus August Lenz & Co. AG	20,000	100.00%	Munich	Banking
Fermi & Galeno Real Estate S.r.l.	10	100.00%	Basiglio	Real estate

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

€/000 Company	Share capital	% holding	Registered office	Business
Mediolanum Gestión S.G.I.I.C. S.A.	2,506	100.00%	Barcelona	Fund management
Fibanc S.A.	301	100.00%	Barcelona	Financial Advice
Mediolanum Pensiones S.G.F.P. S.A.	902	100.00%	Barcelona	Pension Fund management
Mediolanum International Funds Ltd	150	5.00%	Dublin	Fund management

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

€/000 Company	Share capital	% holding	Registered office	Business
Mediobanca S.p.A.	430,565	3.45%	Milan	Banking

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

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

INFORMATION ON THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION**● Goodwill**

Goodwill amounted to €129.9 million. Goodwill was not tested for impairment during the period under review as there was no objective evidence of contingent indicators of impairment in the cash generating units to which goodwill is allocated.

● Other intangible assets

This account totalled €36.2 million (€23.1 million at December 31, 2012), reflecting an increase of €13.1 million, largely due to acquisition of the entire share capital of Mediolanum Assicurazioni S.p.A., effective March 31, 2013. Following that acquisition, the parent company recognised intangible assets amounting to €17.1 million (before the associated tax effect) related to the value of outstanding policies of the acquired company at March 31, 2013. This intangible asset is subject to amortisation calculated on the basis of the useful life of the acquired portfolio of policies.

The amount charged for this amortisation is €3.3 million (before the related tax effect).

● Investments, cash and cash equivalents

€/000	Sept. 30, 2013	%	June 30, 2013	%	Dec. 31, 2012	%
Investment property	105,850	0.3	106,046	0.3	106,798	0.3
Investments in subsidiaries, associates and joint ventures	380,752	1.0	388,122	1.0	382,700	1.1
Held to maturity investments	2,617,870	6.7	2,392,407	6.3	1,359,408	3.9
Loans and receivables	7,271,107	18.7	6,798,798	17.9	6,404,352	18.3
Available for sale financial assets	14,240,583	36.7	14,388,561	37.8	12,319,069	35.2
Financial assets at fair value through profit or loss	13,951,696	35.9	13,776,577	36.2	14,191,110	40.5
Total investments	38,567,858	99.3	37,850,511	99.4	34,763,437	99.2
Tangible assets: property and other tangible assets	88,049	0.2	88,219	0.2	89,582	0.3
Cash and cash equivalents	182,110	0.5	140,739	0.4	191,264	0.5
Total investments, cash and cash equivalents	38,838,017	100.0	38,079,469	100.0	35,044,283	100.0

● Investments in subsidiaries, associates and joint ventures

€/000	Sept. 30 2013	June 30, 2013	Dec. 31, 2012
Mediobanca S.p.A.	292,738	297,464	292,406
Banca Esperia S.p.A.	88,014	90,658	90,294
Total	380,752	388,122	382,700

The change during the period under review relates to the investments in Mediobanca and Banca Esperia accounted for by the equity method according to the share of equity included in the consolidated accounts at September 30, 2013.

On the basis of the results of Mediobanca at September 30, 2013, no discrepancies have been found with what is documented in the report issued by Ernst & Young Financial-Business Advisory S.p.A. on the impairment test at June 30, 2013. Therefore, there is no objective reason to conduct a new impairment test at September 30, 2013.

The consolidated equity of Mediobanca S.p.A. after minority interests and net profit for the year amounted to €6,884.5 million at September 30, 2013, down from €7,020.5 million at June 30, 2013 and €6,922.3 million at December 31, 2012.

The impact of Banca Esperia S.p.A. on the income statement in the period under review was a positive €0.6 million, in contrast with a positive balance of €4.9 million at September 30, 2012.

The impact of Mediobanca S.p.A. on the income statement in the period under review was a negative €4.6 million, as opposed to a negative €61.8 million at September 30, 2012. The comparative period reflected an adjustment of €66.2 million for impairment.

The impact of other gains or losses recognised directly in equity was a negative balance of €10.5 million, in contrast with a positive balance of €25.6 million at September 30, 2012.

The analysis of **Loans and Receivables** is set out in the table below:

€/000	Sept. 30, 2013	June 30, 2013	Dec. 31, 2012
Banks	1,363,470	1,232,523	1,191,226
Time deposits	333,134	169,227	213,715
Repurchase agreements	283,549	295,979	211,774
Other loans	16,127	17,402	42,594
Debt securities	621,602	620,670	651,385
Reserve requirements	109,058	129,245	71,758
Banking customers	5,900,333	5,558,291	5,204,849
Current accounts	433,123	415,928	418,564
Repurchase agreements	47,862	29,849	53,716
Mortgage loans	3,565,517	3,432,871	3,221,580
Debt securities	588,298	585,069	630,446
Other	1,265,533	1,094,574	880,543
Others	7,304	7,984	8,277
Total	7,271,107	6,798,798	6,404,352

Loans and Receivables amounted to €7,271.1 million, up €866.7 million from the balance of €6,404.4 million at December 31, 2012.

Growth was driven mainly by loans to and receivables from banking customers (up €695.5 million), especially mortgage loans and other transactions, notably deposits with the *Cassa Compensazione e Garanzia*.

The analysis of held to maturity investments, available for sale financial assets, and financial assets at fair value through profit or loss is set out in the table below:

€/000	Sept. 30, 2013	June 30, 2013	Dec. 31, 2012
Held to maturity investments	2,617,870	2,392,407	1,359,408
Debt securities	2,617,870	2,392,407	1,359,408
Available for sale financial assets	14,240,583	14,388,561	12,319,069
Debt securities	14,021,121	14,173,670	12,111,226
Equities	41,841	34,738	34,821
Holdings in UCITS	177,621	180,153	173,022
Financial assets at fair value through profit or loss	13,951,696	13,776,577	14,191,110
Debt securities	3,709,722	3,867,434	4,617,304
Equities	-	298	-
Holdings in UCITS	10,233,235	9,901,942	9,565,831
Trading derivatives	6,176	4,656	6,609
Hedging derivatives	2,563	2,247	1,366
Total	30,810,149	30,557,545	27,869,587

Available for sale financial assets increased by €1,921.5 million to €14,240.6 million (€12,319.1 million at December 31, 2012), mainly as a result of purchases of Italian government bonds.

● Net technical reserves

€/000	Sept. 30, 2013	June 30, 2013	Dec. 31, 2012
General Business			
Unearned premiums	50,496	47,357	-
Outstanding claims	21,146	20,570	-
Other reserves	1,515	1,471	-
Total General Business	73,157	69,398	-
Life Business			
Mathematical reserves	3,097,680	3,247,313	4,648,989
Outstanding claims	76,514	128,072	183,262
Technical reserves for contracts under which the investment risk is borne by the policyholder and for pension fund management	12,818,821	12,600,924	12,978,601
Other reserves	20,756	19,192	12,977
Total Life Business	16,013,771	15,995,501	17,823,829
Total Technical Reserves	16,086,928	16,064,899	17,823,829

Mediolanum Assicurazioni was consolidated in the Mediolanum Group on March 31, 2013; therefore, the analysis of technical reserves also includes the reserves of the general insurance business company.

● Financial liabilities

Financial liabilities at fair value through profit or loss

€/000	Sept. 30, 2013	June 30, 2013	Dec. 31, 2012
Total financial liabilities at fair value through profit or loss	426,150	457,261	443,045
Technical short sales of debt securities	253,709	279,799	235,672
Trading derivatives	22,188	23,395	25,443
Hedging derivatives	65,706	70,301	92,888
Financial liabilities resulting from contracts under which the investment risk is borne by the policyholder	84,547	83,766	89,042

Financial liabilities at fair value through profit or loss amounted to €426.6 million at September 30, 2013, down €16.8 million from the €443 million reported at December 31, 2012.

The hedging derivatives related to Banca Mediolanum decreased by €27.2 million to €65.7 million, while the technical short positions of that entity increased by €18 million to €253.7 million.

The analysis of **Other Financial Liabilities** is shown as follows:

€/000	Sept. 30, 2013	June 30, 2013	Dec. 31, 2012
Banks	3,926,062	3,868,647	3,813,632
Central banks	3,214,744	3,115,890	3,105,719
Current accounts and demand deposits	89,541	159,234	1,688
Time deposits	346,824	301,926	403,252
Loans	252,843	256,412	302,149
Repurchase agreements	18,680	33,104	6
Other liabilities	3,430	2,081	818
Banking customers	16,133,928	15,744,973	10,983,468
Bank accounts and deposits	9,401,483	9,334,166	8,081,543
Repurchase agreements	6,693,887	6,371,757	2,861,406
Other liabilities	38,558	39,050	40,519
Securities issued	471,900	423,146	432,404
Collaterals	127,358	113,802	185,778
Other financial liabilities	72,494	73,786	75,875
Total	20,731,742	20,224,354	15,491,157

Other financial liabilities rose €5,240.5 million, from €15,491.2 million at December 31, 2012 to €20,731.7 million at September 30, 2013.

Specifically, liabilities to banking customers rose from €10,983.5 million to €16,133.9 million, mainly due to the €3,700.7 million net increase in repurchase agreements with the *Cassa di Compensazione*.

● Shareholders' equity

€/000	Sept. 30, 2013	June 30, 2013	Dec. 31, 2012
Share capital	73,585	73,473	73,434
Capital reserves	59,087	57,757	56,497
Retained earnings and other equity reserves	1,127,681	1,122,451	821,182
(Treasury shares)	(2,045)	(2,045)	(2,045)
Gains or losses on available for sale financial assets	65,101	47,053	88,984
Other gains or losses recognised directly in equity	20,924	28,832	31,372
Net profit (loss) for the year attributable to the group	301,216	199,490	351,023
Total capital and reserves attributable to the group	1,645,549	1,527,011	1,420,447

At September 30, 2013, total capital and reserves attributable to the Group amounted to €1,645.5 million, up from the balance of €1,402.4 million at December 31, 2012.

The reserve for gains (losses) on available for sale financial assets shrank by €23.9 million, with the net balance falling from a positive €89 million at December 31, 2012 to €65.1 million at September 30, 2013.

● Shadow Accounting

Shadow accounting is used to limit the effects of stock volatility on equity and earnings.

At September 30, 2013 the application of shadow accounting caused a €17.0 million reduction in technical reserves, with a positive impact of €1.0 million on the income statement for the period under review and a negative change in equity reserves amounting to €15.9 million (net of the €10.4 million tax effect).

INFORMATION ON THE CONSOLIDATED INCOME STATEMENT

● Technical account - Life insurance

€/000	Net Q3 2013	Net Q3 2012	Sept. 30, 2013	Sept. 30, 2012
A. General Business				
Gross premiums written less reinsurance premiums				
- Premiums written	9,941	-	20,058	-
- Change in reserve for unearned premiums	(3,090)	-	(6,511)	-
Total net premiums written	6,851	-	13,547	-
Gross amounts paid less recoveries from reinsurers				
- Amounts paid	(1,377)	-	(3,393)	-
- Change in reserve for outstanding claims	(605)	-	(980)	-
- Change in recoveries	-	-	(14)	-
- Change in other technical reserves	(21)	-	(41)	-
Total amounts paid and changes in reserves	(2,003)	-	(4,428)	-
Total General Business	4,848	-	9,119	-
B. Life Insurance				
Gross premiums written less reinsurance premiums				
- Premiums written	941,292	1,747,514	3,644,080	5,663,424
Total net premiums written	941,292	1,747,514	3,644,080	5,663,424
Gross amounts paid less recoveries from reinsurers				
- Amounts paid	(1,312,489)	(2,240,234)	(6,427,250)	(6,939,696)
- Change in reserve for outstanding claims	51,477	57,667	106,659	44,160
- Change in mathematical reserves	148,206	220,771	1,548,058	656,168
- Change in other technical reserves	159	(2,853)	2,190	(1,693)
- Change in technical reserves for contracts under which the investment risk is borne by the policyholder and reserves relating to pension fund management	(219,338)	(411,787)	173,420	(696,728)
Total amounts paid and change in reserves	(1,331,985)	(2,376,436)	(4,596,923)	(6,937,789)
Total Life Insurance	(390,693)	(628,922)	(952,843)	(1,274,365)
Total	(385,845)	(628,922)	(943,724)	(1,274,365)

Mediolanum Assicurazioni became part of the Mediolanum Group on March 31, 2013, so the analysis of technical reserves also includes the items related to the general insurance business company.

● Commission income

€/000	Q3 2013	Q3 2012	Sept. 30, 2013	Sept. 30, 2012
Management, brokerage and consulting services	230,684	222,345	701,005	615,528
Collection and payment services	8,478	5,791	18,996	15,276
Loadings on investment contracts	168	172	577	457
Other services	9,462	8,184	29,126	28,370
Total	248,792	236,492	749,704	659,631

The increase in commission income from €659.6 million at September 30, 2012 to €749.7 million in the period under review related principally to higher management fees (up €74.7 million) and higher entry fees on the sale of mutual funds (up €25.7 million).

● Commission expenses

€/000	Q3 2013	Q3 2012	Sept. 30, 2013	Sept. 30, 2012
Commissions on acquisition of investment contracts	425	411	733	501
Management, brokerage and consulting services	80,574	58,908	253,885	181,525
Collection and payment services	6,410	6,120	17,217	16,141
Other services	529	7,029	11,062	23,686
Total	87,938	72,468	282,897	221,853

Commission expenses rose from €221.9 million in at September 30, 2012 to €282.9 million at September 30, 2013. The increase was driven by the higher inflows into mutual funds, higher management fees related to the increase in assets under management and higher expenses for sales network incentives.

● Net income from financial instruments at fair value through profit or loss

€/000	Q3 2013	Q3 2012	Sept. 30, 2013	Sept. 30, 2012
Financial assets				
interest income and other investment income:				
- from financial assets held for trading	4,481	27,627	14,503	89,890
- from financial assets at fair value through profit or loss	21,419	6,567	64,757	18,715
Net income (loss) on financial assets held for trading	3,922	30,385	6,288	116,072
Net income (loss) on financial assets at fair value through profit or loss	359,767	569,656	863,549	1,094,238
Financial liabilities				
Interest expense and similar charges:				
- on financial liabilities held for trading	(2,497)	(2,872)	(7,259)	(8,770)
- on financial liabilities at fair value through profit or loss	(9)	(7)	(34)	(364)
Net income (loss) on financial liabilities held for trading	991	2,060	5,696	4,697
Net income (loss) on financial liabilities at fair value through profit or loss	2,277	11,251	(2,791)	12,282
Total	390,351	644,667	944,709	1,326,760

Net income from financial instruments at fair value through profit or loss amounted to €944.7 million, compared with net income of €1,326.8 million at September 30, 2012.

Financial assets and liabilities held for trading generated net income of €12 million, compared with net income of €120.8 million at September 30, 2012.

The net income of financial assets and liabilities at fair value through profit or loss amounted to €860.8 million, compared with net income of €1,106.5 million at September 30, 2012. This result essentially reflected changes in the value of assets underlying index-linked and unit-linked policies where the investment risk is borne by the policyholder.

● Net income on other financial instruments and investment property

€/000	Q3 2013	Q3 2012	Sept. 30, 2013	Sept. 30, 2012
Interest income and other income	151,081	163,965	447,846	496,984
Realised gains	775	5,495	54,318	20,014
Unrealised gains	285	523	3,565	3,211
Total income	152,141	169,983	505,729	520,209
Interest expense and other charges	(60,551)	(59,564)	(181,648)	(168,984)
Realised losses	(2,628)	(5,496)	(18,926)	(17,820)
Unrealised losses	(3,675)	(1,035)	(14,097)	(11,675)
Total expense	(66,854)	(66,095)	(214,671)	(198,479)
Total net income on investments	85,287	103,888	291,058	321,730

Net investment income from:

€/000	Q3 2013	Q3 2012	Sept. 30, 2013	Sept. 30, 2012
Investment property	1,405	1,615	4,458	4,706
Available-for-sale financial investments	89,075	113,266	311,887	334,950
Held-to-maturity financial investments	20,365	7,901	54,966	27,707
Loans and receivables	34,787	40,570	100,958	123,007
Other net income	(60,345)	(59,464)	(181,211)	(168,640)
Total	85,287	103,888	291,058	321,730

Net income from investment property

€/000	Q3 2013	Q3 2012	Sept. 30, 2013	Sept. 30, 2012
Other income	1,988	2,091	6,050	6,172
Other expenses	(204)	(100)	(461)	(344)
Unrealised losses	(379)	(376)	(1,131)	(1,122)
Total	1,405	1,615	4,458	4,706

Net income from available for sale financial assets

€/000	Q3 2013	Q3 2012	Sept. 30, 2013	Sept. 30, 2012
Interest income and other income	91,343	112,536	277,320	334,528
Realised gains	769	5,487	54,277	19,852
Realised losses	(2,625)	(5,470)	(18,839)	(17,789)
Unrealised losses	(412)	(713)	(871)	(1,641)
Total	89,075	113,266	311,887	334,950

Net income from held to maturity investments

€/000	Q3 2013	Q3 2012	Sept. 30, 2013	Sept. 30, 2012
Interest income and other income	20,365	7,901	54,966	27,677
Realised gains	-	-	-	30
Total	20,365	7,901	54,966	27,707

Net income from loans and receivables

€/000	Q3 2013	Q3 2012	Sept. 30, 2013	Sept. 30, 2012
Interest and other income	37,385	41,437	109,510	128,607
Realised gains	4	8	18	132
Unrealised gains	285	523	3,562	3,211
Realised losses	(3)	(26)	(37)	(31)
Unrealised losses	(2,884)	(1,372)	(12,095)	(8,912)
Total	34,787	40,570	100,958	123,007

Net expense from financial liabilities

€/000	Q3 2013	Q3 2012	Sept. 30, 2013	Sept. 30, 2012
Interest expense and other charges	(60,347)	(59,464)	(181,187)	(168,640)
Realised gains	2	-	23	-
Unrealised gains	-	-	3	-
Realised losses	-	-	(50)	-
Total	(60,345)	(59,464)	(181,211)	(168,640)

Operating expenses

€/000	Q3 2013	Q3 2012	Sept. 30, 2013	Sept. 30, 2012
Commissions and other expenses relating to the acquisition of insurance contracts	18,293	19,084	56,123	60,036
Investment management expenses	131	67	423	223
Other administrative expenses	90,438	82,213	279,319	257,696
Total	108,862	101,364	335,865	317,955

BUSINESS COMBINATIONS

Mediolanum S.p.A. acquired the entire share capital of Mediolanum Assicurazioni S.p.A. on March 26, 2013, effective March 31, 2013. Reference is made to the notes to the condensed consolidated financial statements at June 30, 2013 for details of that acquisition.

INCOME STATEMENT INFORMATION BY OPERATING SEGMENT

This section presents consolidated financial information by operating segment. In compliance with IFRS 8, segment reporting reflects the management reporting approach of the Mediolanum Group, and is consistent with the information disclosed to the market and to the various stakeholders.

Exclusively for the sake of comparability of financial information, certain reclassifications were made with respect to comparative information at September 30, 2012.

● Note on the method applied to segment reporting

Mediolanum Assicurazioni became a part of the Mediolanum Group on March 31, 2013. Following its consolidation at that date, the income statement for the business segment that was previously named "Life" also contains the profits and loss related to the general business, and was thus renamed "Insurance".

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

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

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

FINANCIAL INFORMATION BY OPERATING SEGMENT AT SEPTEMBER 30, 2013

€/000	ITALY					Consolidation adjustments	Total
	Insurance	Banking	Asset Mng.	Other			
Net premiums written	3,538,750	-	-	-	-	-	3,538,750
Amounts paid and change in technical reserves	(3,517,203)	-	-	-	-	-	(3,517,203)
Net life insurance revenues (ex-commissions)	21,547	-	-	-	-	-	21,547
Entry fees	-	-	98,511	-	-	-	98,511
Management fees	176,635	-	227,441	-	-	-	404,076
Performance fees	55,781	-	67,973	-	-	-	123,754
Banking services fees	-	57,956	-	-	(423)	-	57,533
Other fees	1,082	2,599	19,579	-	-	-	23,260
Total commission income	233,498	60,555	413,504	-	(423)	-	707,134
Net interest income	15,982	186,809	367	(10,607)	-	-	192,551
Net income (loss) on investments at fair value	2,211	10,785	4	1	-	-	13,001
Net financial income	18,193	197,594	371	(10,606)	-	-	205,552
Equity contribution	-	-	-	(4,014)	-	-	(4,014)
Realised gains (losses) on other investments	(2,013)	35,187	288	-	-	-	33,462
Impairment of loans	-	(8,158)	-	-	-	-	(8,158)
Impairment of other investments	22	(625)	(279)	-	-	-	(882)
Net income (loss) on other investments	(1,991)	26,404	9	-	-	-	24,422
Other revenues	8,001	6,607	162	-	-	-	14,770
TOTAL REVENUES	279,248	291,160	414,046	(14,620)	(423)	-	969,411
Acquisition costs & sales network commission expenses	(71,587)	(32,541)	(190,233)	-	-	-	(294,361)
Other commission expenses	(6,020)	(9,678)	(11,192)	-	-	-	(26,890)
Administrative expenses	(66,214)	(131,240)	(63,462)	-	423	-	(260,493)
Amortisation and depreciation	(6,485)	(5,481)	(1,716)	-	-	-	(13,682)
Net provisions for risks	(86)	(1,978)	(219)	-	-	-	(2,283)
TOTAL COSTS	(150,392)	(180,918)	(266,823)	-	423	-	(597,710)
PROFIT BEFORE TAX	128,856	110,242	147,223	(14,620)	-	-	371,701
Income tax	-	-	-	-	-	-	(87,171)
NET PROFIT FOR THE PERIOD	-	-	-	-	-	-	284,530

FOREIGN			
Spain	Germany	Consolidation adjustments	Total
95,619	23,258	-	3,657,627
(81,726)	(21,485)	-	(3,620,414)
13,893	1,773	-	37,213
5,798	285	-	104,594
12,451	4,387	-	420,914
3,740	1,743	-	129,237
3,282	10,594	(5)	71,404
885	272	-	24,417
26,156	17,281	(5)	750,566
16,417	542	-	209,510
640	57	-	13,698
17,057	599	-	223,208
-	-	-	(4,014)
9,929	-	-	43,391
(361)	-	-	(8,519)
-	-	-	(882)
9,568	-	-	33,990
744	367	(76)	15,805
67,418	20,020	(81)	1,056,768
(17,173)	(2,986)	5	(314,515)
(2,374)	(9,296)	-	(38,561)
(21,329)	(10,275)	76	(292,021)
(1,089)	(431)	-	(15,202)
75	-	-	(2,208)
(41,890)	(22,988)	81	(662,507)
25,528	(2,968)	-	394,261
(5,577)	(297)	-	(93,045)
19,951	(3,265)	-	301,216

FINANCIAL INFORMATION BY OPERATING SEGMENT AT SEPTEMBER 30, 2012

€/000	ITALY					Consolidation adjustments	Total
	Insurance	Banking	Asset Mng.	Other			
Net premiums written	5,578,665	-	-	-	-	-	5,578,665
Amounts paid and change in technical reserves	(5,564,037)	-	-	-	-	-	(5,564,037)
Net life insurance revenues (ex-commissions)	14,628	-	-	-	-	-	14,628
Entry fees	-	-	75,106	-	-	-	75,106
Management fees	162,552	-	170,288	-	-	-	332,840
Performance fees	54,572	-	75,390	-	-	-	129,962
Banking services fees	-	60,245	-	-	(451)	-	59,794
Other fees	607	8,090	19,570	-	-	-	28,267
Total commission income	217,731	68,335	340,354	-	(451)	-	625,969
Net interest income	10,236	211,716	603	(10,513)	-	-	212,042
Net income (loss) on investments at fair value	77,719	30,127	1	3	-	-	107,850
Net financial income	87,955	241,843	604	(10,510)	-	-	319,892
Equity contribution	-	-	-	(56,881)	-	-	(56,881)
Realised gains (losses) on other investments	7,009	744	318	-	-	-	8,071
Impairment of loans	-	(5,446)	-	-	-	-	(5,446)
Impairment of other investments	-	(872)	(800)	(2)	-	-	(1,674)
Net income (loss) on other investments	7,009	(5,574)	(482)	(2)	-	-	951
Other revenues	8,695	9,240	334	-	-	-	18,269
TOTAL REVENUES	336,018	313,844	340,810	(67,393)	(451)	-	922,828
Acquisition costs & sales network commission expenses	(71,881)	(42,887)	(130,123)	-	-	-	(244,891)
Other commission expenses	(4,755)	(9,958)	(8,262)	-	-	-	(22,975)
Administrative expenses	(60,575)	(119,982)	(61,511)	-	451	-	(241,617)
Amortisation and depreciation	(2,168)	(4,942)	(1,627)	-	-	-	(8,737)
Net provisions for risks	(3,594)	(8,845)	(2,499)	-	-	-	(14,938)
TOTAL COSTS	(142,973)	(186,614)	(204,022)	-	451	-	(533,158)
PROFIT BEFORE TAX	193,045	127,230	136,788	(67,393)	-	-	389,669
Income tax	-	-	-	-	-	-	(109,608)
NET PROFIT FOR THE PERIOD	-	-	-	-	-	-	280,061

FOREIGN			
Spain	Germany	Consolidation adjustments	Total
65,997	18,762	-	5,663,424
(55,702)	(16,305)	-	(5,636,044)
10,295	2,457	-	27,380
3,571	175	-	78,852
9,482	3,927	-	346,249
2,948	938	-	133,848
2,814	9,288	(5)	71,891
810	185	-	29,262
19,625	14,513	(5)	660,102
25,023	848	-	237,913
1,668	695	-	110,213
26,691	1,543	-	348,126
-	-	-	(56,881)
(183)	-	-	7,888
(222)	-	-	(5,668)
-	-	-	(1,674)
(405)	-	-	546
805	599	(88)	19,584
57,011	19,112	(93)	998,858
(12,343)	(2,728)	5	(259,957)
(2,033)	(8,001)	-	(33,009)
(19,949)	(10,495)	88	(271,973)
(1,127)	(551)	-	(10,415)
(3,673)	-	-	(18,611)
(39,125)	(21,775)	93	(593,965)
17,886	(2,663)	-	404,892
(3,539)	(264)	-	(113,411)
14,347	(2,927)	-	291,481



**Dividend
Prepayment
2013**

● Directors' Report pursuant to section 2433-bis Italian Civil Code

This report is submitted in view of a resolution on the prepayment of dividends for the 2013 financial year, in accordance with section 2433-bis Italian Civil Code.

Mediolanum S.p.A. satisfies all the requirements imposed by that statute to exercise its right to make a prepayment on dividends for the current financial year.

Specifically:

- by law, the annual report of the company is subject to audit by the independent auditors Deloitte & Touche S.p.A.;
- the prepayment of dividends is authorised under Article 31 of the company bylaws;
- the independent auditors issued a positive opinion on the annual report at December 31, 2012;
- the statutory financial statements for the year at December 31, 2012 did not show a net loss for 2012, and no net loss was reported in previous financial years.

Pursuant to paragraph 4 of section 2433-bis Italian Civil Code, the amount of the dividend prepayment may not exceed the lesser of the amount of net profit realised since the end of the previous financial year net of the amounts that must be accrued to the legal or statutory reserve, and the amount of available reserves.

In this regard, as illustrated in the following section "Statement of financial position, Income Statement and Statement of other comprehensive income Income of Mediolanum S.p.A.", the aforementioned limit was checked on the basis of the amounts shown on the financial statements at September 30, 2013. Consequently, the aforementioned parameters are the following:

€/000	
Mediolanum S.p.A. - Net profit at September 30, 2013 as reported in its Accounts at September 30, 2013 - (a)	254,410
Net profit to be appropriated to the Legal Reserve (b) (*)	-
Distributable net profit (a-b)	254,410
Distributable reserves at September 30, 2013	
Equity reserves (Share Premium Account)	59,087
Equity reserves (LB operation)	84,693
Retained earnings (Extraordinary Reserve – FTA Reserve)	379,987
Distributable reserves at September 30, 2013	523,767
Distributable Interim Dividend	254,410

(*) Accruals to the Legal Reserve have reached their statutory limit, and there are no other statutory reserves.

On the basis of the foregoing, the dividend prepayment for 2013 must not exceed €254,410 thousand.

The dividend prepayment is also allowed by the existence of adequate financial resources. The €79,316 thousand in cash and cash equivalents shown on the financial statement at September 30, 2013 rise to €167,316 thousand, due to receipt on October 31, 2013 of a dividend prepayment totalling €88,000 thousand made by the foreign subsidiary Mediolanum International Funds Ltd:

€/000 (cash and cash equivalents at September 30 adjusted for dividend income)	
Cash and cash equivalents at September 30, 2013	79,316
Dividend prepayments received from subsidiary	88,000
Total cash and cash equivalents	167,316

On the basis of the foregoing amounts, and in light of what is illustrated in the following section "Statement of financial position, Income Statement and Statement of other comprehensive income of Mediolanum S.p.A.", the Board of Directors wishes to make a prepayment in the amount of €0.10 per share, for a face value of €0.10 before withholding tax, and excluding the treasury shares held on the evening of November 15, 2013, and to make the dividend prepayment beginning November 21, 2013.

On the basis of the current number of 735,896,407 outstanding shares, the total amount of the prepayment will thus be about €73,589,640.70.

● Accounting Policies

In determining the proposed amount of the dividend prepayment, the Board of Directors has considered the assets, liabilities, profits, losses, and financial values shown on financial statements at September 30, 2013, which were calculated by applying the accounting standards set out in IAS/IFRS. These were the same as those used to prepare the annual report at December 31, 2012 and will also be used to prepare the company annual report at December 31, 2013. Those standards will also reflect the amendments issued by the IASB that have been subsequently endorsed by the European Union and applicable beginning January 1, 2013, as set out in the Half-Year Financial Report at June 30, 2013, to which reference is made here.

However, the present financial statements at September 30, 2013 do not constitute interim financial reports in accordance with IAS 34.

● Statement of financial position, Income Statement and Statement of other comprehensive income of Mediolanum S.p.A.

Financial statements at September 30, 2013 have been prepared in accordance with the provisions of section 2433-bis, paragraph 5, Italian Civil Code, and show net profit of €254,410 thousand.

The financial statements are comprised by:

- a statement of financial position at September 30, 2013 and a comparative statement of financial position for the previous financial year at December 31, 2012;
- an income statement for the period between the beginning of the financial year and September 30, 2013 (nine months), as compared with the income statement for the corresponding interim period of the previous financial year at September 30, 2012;
- a statement of other comprehensive income for the period between the beginning of the financial year and September 30, 2013 (nine months), as compared with the income statement for the corresponding interim period of the previous financial year at September 30, 2012;
- a statement of change in equity for the period between the beginning of the financial year and September 30, 2013 (nine months), with a comparative statement for the corresponding interim period of the previous financial year at September 30, 2012.

● Comments on the statement of financial position, income statement and statement of other comprehensive income

The financial statements at September 30, 2013 show net profit of €254,410 thousand, compared with €53,351 thousand for the same period of the previous year. In particular, the dividends from subsidiaries and associates total

€278,186 thousand, as compared with €68,291 thousand in the previous year. The increase is largely attributable to the increase in dividends received from the subsidiaries Banca Mediolanum and Mediolanum Vita S.p.A.

Dividends amounting to €382 thousand are reported in relation to the available for sale financial assets during the period in question (€55 thousand at September 30, 2012), of which €55 thousand from the investment in Generali and €327 thousand from the investment in SIA_SSB.

The financial expenses recognised during the first nine months of 2013 amount to €15,324 thousand, substantially the same as in the previous year (€15,861 thousand), and consist of €8.4 million in interest on bonds and €6.9 million in interest expenses on loans.

In particular, the amounts due to banks totalled €252,843 thousand at September 30, 2013, compared with €302,149 thousand at December 31, 2012, while the net amount due on bonds amounted to €267,540 thousand (€337,684 thousand at December 31, 2012).

Interest income totalled €4,221 thousand, as compared with €4,990 thousand at September 30, 2012, and was generated principally by the outstanding subordinated loan for €120 million to the subsidiary Mediolanum Vita S.p.A. Personnel expense at September 30, 2013 rose to €3,449 thousand from €3,120 thousand at September 30, 2012, while other administrative expenses remained substantially unchanged at €4,148 thousand, from €4,102 thousand at September 30, 2012.

Other net income and expenses during the period totalled a positive €391 thousand, again largely unchanged from the amount for the same period a year earlier, €407 thousand.

In October 2013 the Irish subsidiary Mediolanum International Funds resolved to make prepayments on 2013 dividends for a total of €200,000 thousand, of which €88,000 thousand payable to the company and duly received on October 31, 2013. The previous year a total of €107,980 thousand was received in the form of 2012 dividend prepayments.

Reference is made to the Interim Report and Accounts at September 30, 2013 for information about the operating performance of Mediolanum Group companies.

● Significant Events after September 30, 2013

There was no other event after September 30, 2013 that might have a significant impact on the financial position, result of operations and cash flows of the Mediolanum Group.

● Outlook

On the basis of the results realised at September 30, 2013 and the performance of the Mediolanum Group companies at that date, it is believed that a net profit will certainly be made in 2013.

The solidity of Mediolanum S.p.A. and the Mediolanum Group, as documented by the earnings and equity figures shown in the appended Interim Report and Accounts at September 30, 2013, presently allows making a dividend prepayment.

● Independent Auditors' Opinion

The opinion on this report and the appended financial statements, as envisaged in paragraph 5 of section 2433-bis Italian Civil Code, has been received from the independent auditors Deloitte & Touche S.p.A. (in its capacity as the designated auditor of the accounts pursuant to section 14 of Legislative Decree 39 of January 27, 2010).

Basiglio, November 12, 2013

For the Board of Directors
The Chairman of the Board
Carlo Secchi



Accounts

Statement of Financial Position

Assets

€	Sept. 30, 2013	Dec. 31, 2012
Non-current assets		
Intangible assets	1,689	2,117
Tangible assets	16,288	33,357
Investments in subsidiaries and associates	1,169,021,055	1,124,448,592
Loans to subsidiaries	120,059,178	120,073,973
Available for sale financial assets	20,225,947	19,972,124
Total non-current assets	1,309,324,158	1,264,530,163
Current assets		
Receivables		
Subsidiaries	350,943	761,244
Related parties	20,570	60,570
Others	347,705	15,113,404
Cash and cash equivalents		
Bank deposits	79,305,185	26,070,273
Cash	10,690	10,440
Tax assets		
Current	162,943,581	165,933,754
Deferred	7,823,251	6,749,361
Other assets	94,939	1,965
Total current assets	250,896,863	214,701,011
TOTAL ASSETS	1,560,221,021	1,479,231,174

Liabilities

€	Sept. 30, 2013	Dec. 31, 2012
SHAREHOLDERS' EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	73,584,539	73,433,792
Treasury shares	(2,045,116)	(2,045,116)
Share premium account	59,087,449	56,496,878
Lehman Brothers operation equity reserve	84,692,746	84,692,746
Retained earnings	403,255,549	328,252,650
Valuation reserves for AFS financial instruments	937,087	614,096
Net profit (loss) for the period	254,410,400	133,619,860
Total capital and reserves	873,922,654	675,064,906
Non-current liabilities		
Completion-of-service entitlements	337,661	521,545
Notes issued	113,161,419	210,542,479
Total non-current liabilities	113,499,079	211,064,024
Current liabilities		
Payables		
Due to banks	252,842,658	302,149,384
Notes issued	154,378,062	127,141,091
Due to subsidiaries	475,271	528,589
Due to other related parties	57,270	93,163
Other payables	1,496,888	2,108,149
Tax liabilities		
Current	163,204,069	160,451,931
Deferred	18,256	14,766
Other liabilities	326,814	615,171
Total current liabilities	572,799,288	593,102,244
TOTAL LIABILITIES	686,298,367	804,166,268
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	1,560,221,021	1,479,231,174

Income Statement

€	Sept. 30, 2013	Sept. 30, 2012
Dividends and similar income		
from subsidiaries	278,186,438	68,290,997
from available for sale financial assets	382,108	55,359
Interest income and similar income	4,220,952	4,989,992
Interest expense and similar charges	(15,324,477)	(15,861,282)
Net income from trading	103	39
NET INCOME FROM FINANCIAL OPERATIONS	267,465,123	57,475,105
Staff cost	(3,449,480)	(3,120,487)
Other administrative expenses	(4,148,117)	(4,102,019)
Amortisation and depreciation		
Intangible assets	(427)	(427)
Tangible assets	(17,069)	(19,175)
Other income (expenses)	390,595	406,844
OPERATING EXPENSES	(7,224,499)	(6,835,265)
PROFIT (LOSS) BEFORE TAX ON CONTINUING OPERATIONS	260,240,624	50,639,841
Income tax	(5,830,224)	2,711,590
PROFIT (LOSS) AFTER TAX ON CONTINUING OPERATIONS	254,410,400	53,351,431
NET PROFIT (LOSS) FOR THE PERIOD	254,410,400	53,351,431
EARNINGS PER SHARE	0.346	0.073

Statement of other Comprehensive Income

€	Sept. 30, 2013	Sept. 30, 2012
NET PROFIT (LOSS) FOR THE PERIOD	254,410,400	53,351,431
Other profit (loss) after tax without reversal to profit and loss		
Actuarial gains (losses) and adjustments on defined benefit plans	72,658	-
Other profit (loss) after tax with reversal in profit and loss		
Gains (losses) on available for sale financial assets	250,333	(51,983)
TOTAL OTHER COMPONENTS OF STATEMENT OF OTHER COMPREHENSIVE INCOME	322,991	(51,983)
TOTAL STATEMENT OF OTHER COMPREHENSIVE INCOME	254,733,391	53,299,448

Statement of changes in equity

At September 30, 2013

€	Balance at Jan. 1, 2013	Allocation of prior year's profit	
		Reserves	Dividends and others
Share capital	73,433,792	-	-
Share premium account	56,496,878	-	-
Reserves:			
a) retained earnings	328,252,650	74,903,627	-
b) others	84,692,746	-	-
Valuation reserves:			
a) AFS fin. instruments	614,096	-	-
b) defined benefit plans	-	-	-
Treasury shares	(2,045,116)	-	-
Net profit (loss)	133,619,860	(74,903,627)	(58,716,233)
Shareholders' equity	675,064,906	-	(58,716,233)

At September 30, 2012

Euro	Balance at Jan. 1, 2012	Allocation of prior year's profit	
		Reserves	Dividends and others
Share capital	73,381,937	-	-
Share premium account	56,013,083	-	-
Reserves:			
a) retained earnings	271,262,249	130,254,872	-
b) others	84,692,746	-	-
Valuation reserves			
a) AFS fin. instruments	-	-	-
Treasury shares	(2,045,116)	-	-
Net profit (loss)	159,592,247	(130,254,872)	(29,337,375)
Shareholders' equity	642,897,146	-	(29,337,375)

Changes during the year							
Capital transactions						Comprehensive income Sept. 30, 2013	Shareholders' equity at Sept. 30, 2013
Changes in reserves	Issues of new shares	Share buy-backs	Non-recurring dividend payment	Change in equity instruments	Stock options		
-	150,747	-	-	-	-	-	73,584,539
-	2,590,571	-	-	-	-	-	59,087,449
-	-	-	-	-	99,272	-	403,255,549
-	-	-	-	-	-	-	84,692,746
-	-	-	-	-	-	250,333	864,429
-	-	-	-	-	-	72,658	72,658
-	-	-	-	-	-	-	(2,045,116)
-	-	-	-	-	-	254,410,400	254,410,400
-	2,741,318	-	-	-	99,272	254,733,391	873,922,654

Changes during the year							
Capital transactions						Comprehensive income Sept. 30, 2012	Shareholders' equity at Sept. 30, 2012
Changes in reserves	Issues of new shares	Share buy-backs	Non-recurring dividend payment	Change in equity instruments	Stock options		
-	40,181	-	-	-	-	-	73,422,118
-	374,208	-	-	-	-	-	56,387,291
-	-	-	-	-	87,726	-	401,604,847
-	-	-	-	-	-	-	84,692,746
-	-	-	-	-	-	(51,983)	(51,983)
-	-	-	-	-	-	-	(2,045,116)
-	-	-	-	-	-	53,351,431	53,351,431
-	414,389	-	-	-	87,726	53,299,448	667,361,334



**Responsibility
Statement**

Responsibility Statement

I, the undersigned Luigi Del Fabbro, Chief Financial Officer for Mediolanum S.p.A. accounting and financial reporting,

HEREBY CONFIRM

pursuant to section 154-bis, second paragraph, of Legislative Decree 58 of February 24, 1998 (Consolidated Finance Act) that the financial information contained in the Consolidated Interim Report and Accounts at September 30, 2013 reflects the accounting entries, records and books.

Basiglio, November 12, 2013

The Chief Financial Officer
Responsible for Preparing Accounting
and Financial Reporting Documents
Luigi Del Fabbro

