

July 28, 2016



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H1 2016 Group Results

	H116	H115	Change
Entry fees	35.4	59.1	-40%
Management fees	407.5	404.1	+1%
Performance fees	82.7	159.3	-48%
Banking service fees	40.6	43.1	-6%
Other fees	17.0	20.0	-15%
Total commission income	583.1	685.7	-15%
Net interest income	121.8	125.3	-3%
Net income on investments at fair value	(15.4)	0.2	n.s.
Net financial income	106.4	125.5	-15%
Insurance revenues ex U-L commissions	11.2	29.2	-62%
Equity contribution (Mediobanca & Banca Esperia)	5.5	6.8	-19%
Net income on other investments	15.9	(4.8)	n.s.
<i>o/w Impairment on loans</i>	(8.6)	(6.2)	+38%
Other revenues	12.0	12.8	-6%
Total Revenues	734.1	855.3	-14%
Acquisition costs	(223.3)	(255.0)	-12%
Other commission expenses	(26.9)	(30.6)	-12%
G&A expenses	(257.1)	(244.5)	+5%
Amortisation & depreciation	(14.9)	(12.0)	+24%
Provisions for risks & charges	(14.7)	(34.3)	-57%
Total Costs	(536.9)	(576.4)	-7%
PROFIT BEFORE TAX	197.2	279.0	-29%
Income tax	(26.9)	(51.5)	-48%
NET INCOME	170.3	227.4	-25%

5 Income Statement Salient Points

YoY comparison



H1 2016
Group

Entry Fees (€ 24 mn lower YoY)

reflected lower gross inflows into M.F. & the downward trend (waiving of front fees as discretionary tool with HNW customers).

Management Fees (€ 3 mn higher YoY)

second highest quarter ever due to positive inflows & strong equity component, offsetting negative markets.

Performance Fees (€ 77 mn lower YoY)

impacted by a much less favourable market situation compared to H115.

Net Interest Income (€ 3.5 mn lower YoY)

negative impact from lower fixed-income yields offset by lower cost of funding & increased loan book.

Net Income on Investments at FV (€ 16 mn lower YoY)

impacted by the unfavourable post-Brexit MtoM of derivatives originally hedging fixed-rate mortgages no longer in our books.

Net Income on Other Investments (€ 21 mn higher YoY)

lifted by capital gains realized on shareholdings in CartaSi (Italy) and Visa Europe (Germany & Spain).

Insurance Rev. ex U-L Commissions (€ 18 mn lower YoY)

due to lower My-Life gross inflows & adjustments made to the technical reserves.

G&A expenses (€ 13 mn higher YoY)

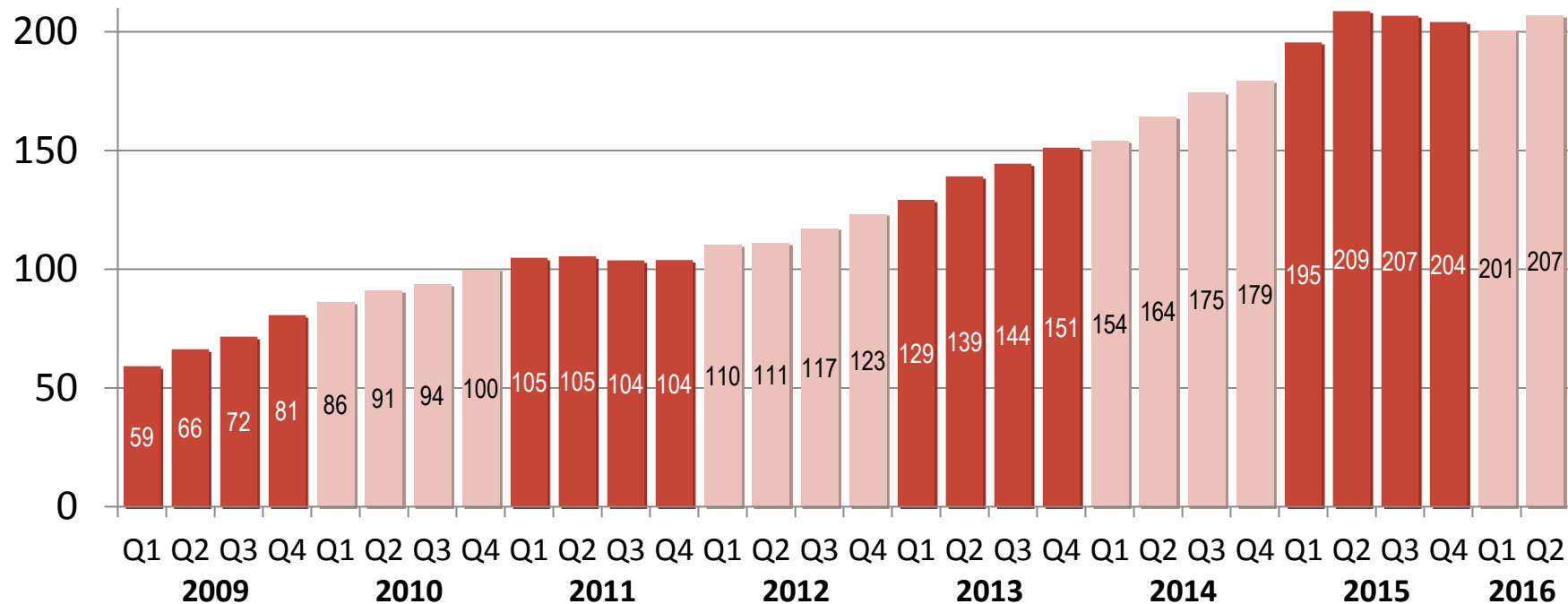
due to a new advertising campaign & our new contribution to the Single Resolution Fund.

Provisions for risks & charges (€ 20 mn lower YoY)

thanks to our successful appeal on the inherited Fibanc lawsuit in Spain, 6 € mn were removed from the original provision (11 € mn).

	Q115	Q215	Q315	Q415	Q116	Q216
Entry fees	27.8	31.3	21.9	21.0	17.6	17.8
Management fees	195.5	208.7	206.8	204.1	200.5	206.9
Performance fees	132.9	26.4	19.5	147.2	50.4	32.2
Banking service fees	22.1	21.0	22.1	21.2	20.4	20.2
Other fees	9.6	10.5	8.1	8.9	8.1	8.9
Total commission income	387.9	297.8	278.3	402.3	297.1	286.0
Net interest income	61.3	64.0	63.0	64.6	61.6	60.2
Net income on investments at fair value	(3.4)	3.6	(2.2)	0.9	(10.6)	(4.8)
Net financial income	57.9	67.6	60.7	65.5	51.0	55.4
Insurance revenues ex U-L commissions	17.5	11.7	5.9	8.8	7.4	3.7
Equity contribution (Mediocredito & Banca Esperia)	(0.9)	7.7	12.3	3.1	0.6	4.9
Net income on other investments	(2.7)	(2.0)	(0.5)	(3.5)	(3.3)	19.3
<i>o/w Impairment on loans</i>	<i>(5.1)</i>	<i>(1.1)</i>	<i>(2.8)</i>	<i>(4.2)</i>	<i>(4.0)</i>	<i>(4.5)</i>
Other revenues	6.1	6.7	7.7	6.1	5.7	6.4
Total Revenues	465.8	389.5	364.5	482.3	358.5	375.7
Acquisition costs	(123.9)	(131.1)	(117.4)	(125.6)	(110.4)	(113.0)
Other commission expenses	(17.8)	(12.8)	(13.2)	(13.3)	(12.8)	(14.0)
G&A expenses	(120.3)	(124.2)	(112.4)	(146.0)	(122.3)	(134.9)
Amortisation & depreciation	(5.6)	(6.4)	(6.2)	(7.8)	(7.2)	(7.7)
Provisions for risks & charges	(24.9)	(9.5)	(12.9)	(9.7)	(12.5)	(2.2)
Total Costs	(292.5)	(283.9)	(262.1)	(302.5)	(265.1)	(271.8)
PROFIT BEFORE TAX	173.3	105.7	102.4	179.8	93.3	103.9
Income tax	(35.9)	(15.6)	(18.5)	(52.6)	(20.2)	(6.7)
NET INCOME	137.4	90.0	84.0	127.2	73.2	97.1

€ mn



194

198

200

200

202

199

200

200

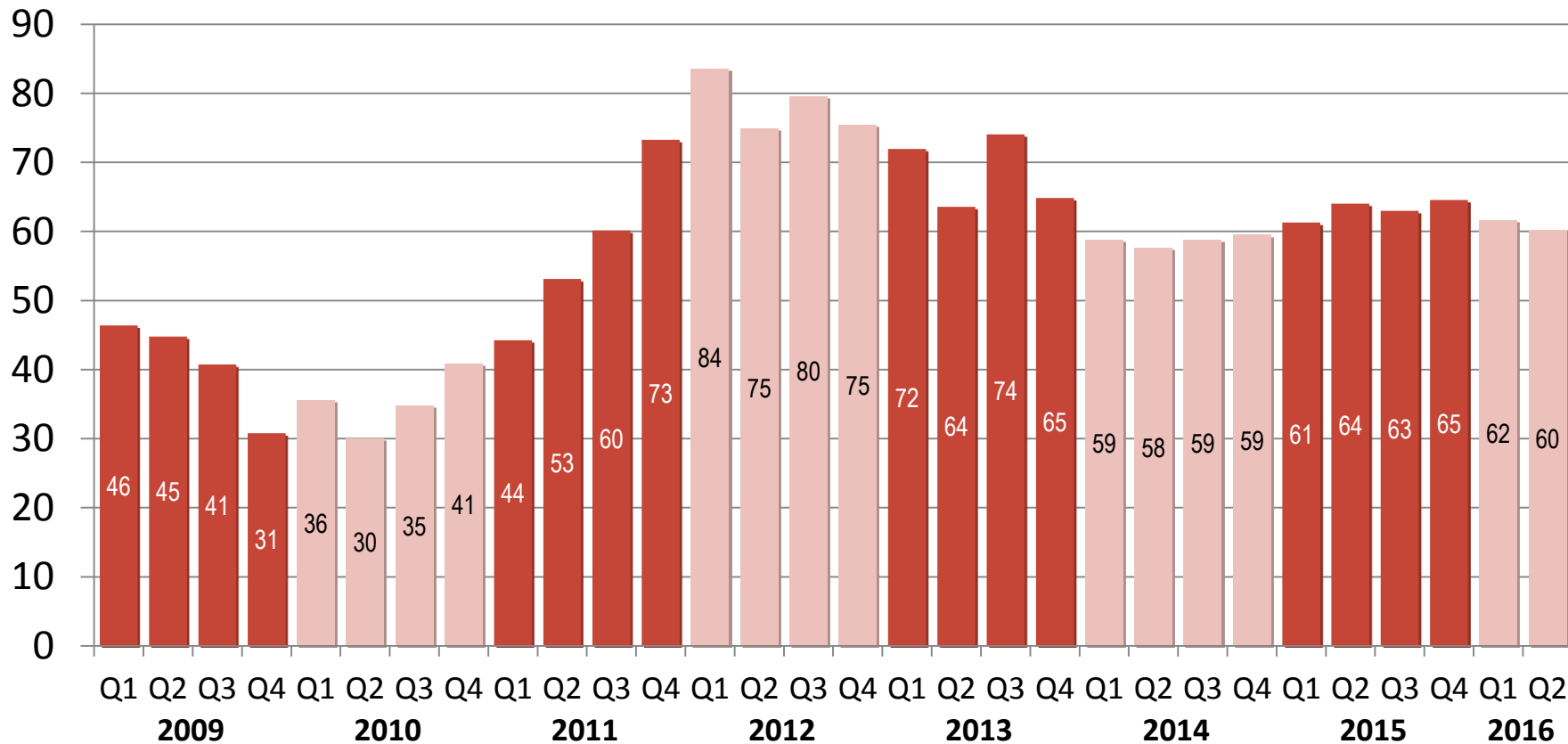
Yearly bps on average assets

8 Quarterly Net Interest Income

€ mn

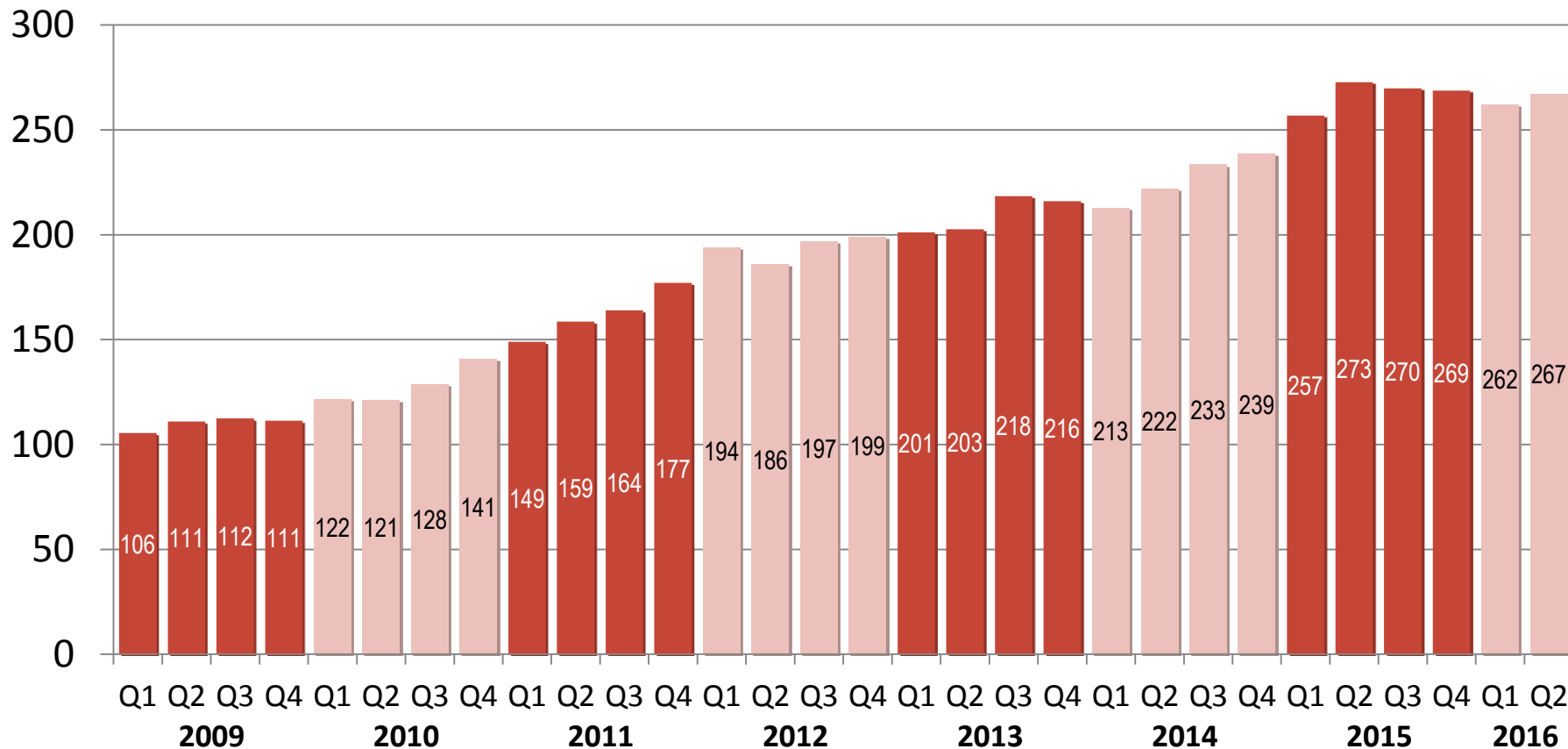


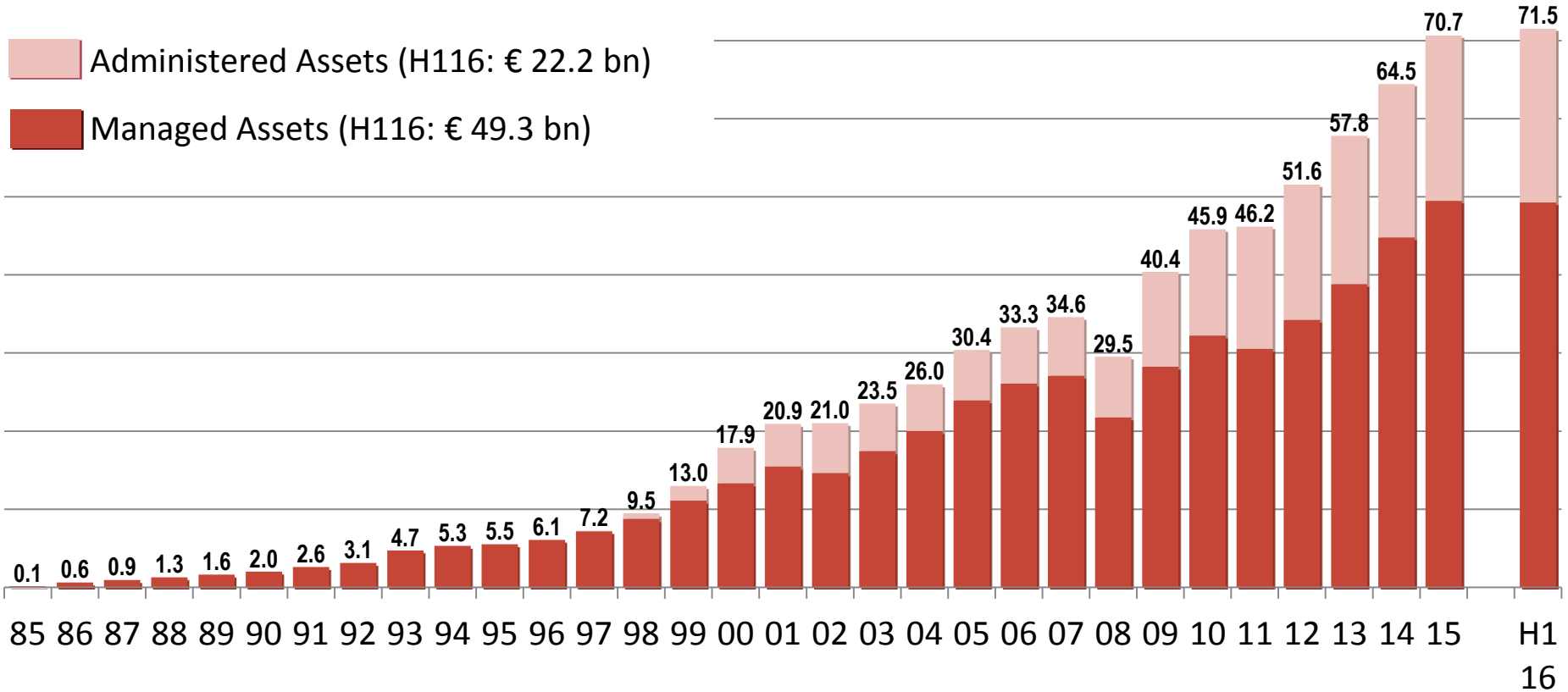
H1 2016
Group



Quarterly Recurring Revenues

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





11 Assets under Administration/Management

€ mn



H1 2016
Group

	30/06/16	31/12/15	Change	30/06/15	Change
Mutual Funds & U-L Policies	39,763.6	39,820.7	-0%	39,404.8	+1%
'Freedom' Life Policies	385.4	503.1	-23%	685.5	-44%
Other Life Insurance products	1,596.7	1,730.9	-8%	1,907.0	-16%
Banking*	17,369.2	15,979.4	+9%	15,140.5	+15%
Italy – Banca Mediolanum	59,114.8	58,034.2	+2%	57,137.7	+3%
Italy – Banca Esperia (Mediolanum's share)	8,364.9	8,595.6	-3%	8,805.9	-5%
Mutual Funds & U-L Policies	2,093.0	1,984.9	+5%	1,781.9	+17%
Other Insurance Products	201.7	238.1	-15%	331.2	-39%
Banking*	1,221.4	1,323.1	-8%	1,269.0	-4%
Spain – Banco Mediolanum	3,516.1	3,546.0	-1%	3,382.2	+4%
Mutual Funds & U-L Policies	384.5	386.3	-0%	395.9	-3%
Other Insurance Products	25.0	26.5	-6%	36.7	-32%
Banking	114.9	92.9	+24%	82.7	+39%
Germany – B. A. Lenz & Gamax	524.4	505.8	+4%	515.3	+2%
TOTAL AUA/AUM	71,520.2	70,681.6	+1%	69,841.0	+2%

* Retail only

H116

FY15

GROUP CAPITAL RATIOS

Total Capital Ratio

20.3%

19.7%

Common Equity Tier 1 Ratio

20.2%

19.7%

Total Regulatory Capital Held*

1,821

1,484

Required Capital – Banks **

915

920

Solvency Capital Requirements – Insurance companies*

481

239

Total Required Capital

1,396

1,159

EXCESS CAPITAL

425

325

* H116 reconciliation reserve (part of total regulatory capital held) & solvency capital requirements are calculated according to the Solvency II framework as at 31/03/2016

** Banks' required capital amounts to 13.1% (minimum total capital ratio as per SREP) of consolidated RWA (€ 7,586 mn as at 30/06/2016), excluding stakes in insurance companies



H1 2016 Domestic Market Results

	H116	H115	Change
Entry fees	28.7	52.3	-45%
Management fees	385.3	384.4	+0%
Performance fees	78.2	147.6	-47%
Banking service fees	30.7	34.0	-10%
Other fees	16.0	19.2	-17%
Total commission income	538.8	637.5	-15%
Net interest income	113.1	114.7	-1%
Net income on investments at fair value	(15.6)	(0.1)	n.s.
Net financial income	97.5	114.6	-15%
Insurance revenues ex U-L commissions	6.5	19.4	-67%
Equity contribution (Mediobanca & Banca Esperia)	5.5	6.8	-19%
Net income on other investments	7.6	(4.7)	n.s.
<i>o/w Impairment on loans</i>	(8.0)	(6.0)	+32%
Other revenues	10.5	11.4	-8%
Total Revenues	666.4	785.1	-15%
Acquisition costs	(206.0)	(236.1)	-13%
Other commission expenses	(18.1)	(22.2)	-18%
G&A expenses	(231.9)	(218.5)	+6%
Amortisation & depreciation	(13.9)	(11.1)	+25%
Provisions for risks & charges	(20.9)	(22.1)	-5%
Total Costs	(490.8)	(510.1)	-4%
PROFIT BEFORE TAX	175.7	275.0	-36%
Income tax	(23.3)	(52.1)	-55%
NET INCOME	152.4	222.9	-32%

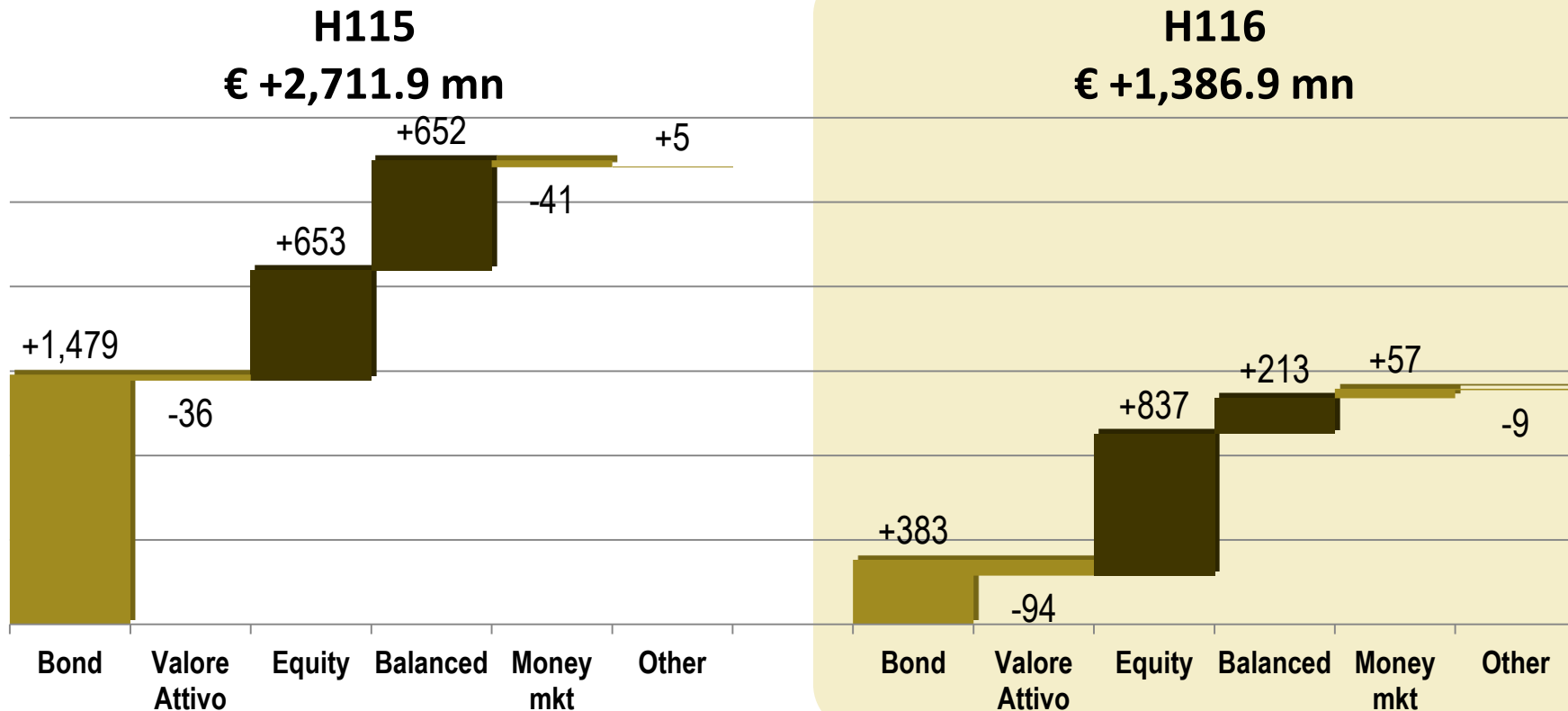
	Q115	Q215	Q315	Q415	Q116	Q216
Entry fees	24.9	27.5	18.1	17.3	14.3	14.4
Management fees	186.1	198.3	196.1	192.9	189.5	195.8
Performance fees	123.3	24.3	18.6	140.0	47.6	30.6
Banking service fees	17.5	16.5	17.2	16.0	15.7	15.0
Other fees	9.2	10.1	7.7	8.4	7.7	8.3
Total commission income	361.0	276.5	257.8	374.6	274.7	264.2
Net interest income	56.1	58.6	58.0	59.7	56.9	56.2
Net income on investments at fair value	(3.7)	3.6	(2.2)	0.7	(10.6)	(5.0)
Net financial income	52.4	62.2	55.7	60.4	46.3	51.2
Insurance revenues ex U-L commissions	11.8	7.6	3.9	4.9	5.3	1.2
Equity contribution (Mediobanca & Banca Esperia)	(0.9)	7.7	12.3	3.1	0.6	4.9
Net income on other investments	(2.8)	(1.8)	(0.4)	(3.2)	(3.2)	10.8
<i>o/w Impairment on loans</i>	<i>(5.1)</i>	<i>(0.9)</i>	<i>(2.7)</i>	<i>(3.9)</i>	<i>(3.8)</i>	<i>(4.1)</i>
Other revenues	5.7	5.7	6.8	6.1	5.1	5.4
Total Revenues	427.1	357.9	336.1	445.9	328.8	337.6
Acquisition costs	(114.4)	(121.7)	(108.6)	(116.8)	(101.8)	(104.2)
Other commission expenses	(12.6)	(9.6)	(9.1)	(8.8)	(8.7)	(9.4)
G&A expenses	(107.6)	(110.9)	(99.5)	(133.1)	(109.1)	(122.8)
Amortisation & depreciation	(5.2)	(5.9)	(5.8)	(7.3)	(6.7)	(7.2)
Provisions for risks & charges	(13.5)	(8.7)	(12.5)	(9.4)	(12.2)	(8.7)
Total Costs	(253.3)	(256.8)	(235.5)	(275.4)	(238.4)	(252.3)
PROFIT BEFORE TAX	173.8	101.1	100.6	170.5	90.4	85.3
Income tax	(37.2)	(14.9)	(17.5)	(50.9)	(19.2)	(4.0)
NET INCOME	136.6	86.2	83.1	119.6	71.1	81.2

	H116	H115	Change
One-time commissions	38.0	58.5	-35%
Ongoing commissions	129.8	126.6	+3%
Total commissions	167.8	185.1	-9%
Incentives on individual net inflows	17.1	19.1	-10%
Contests & bonuses	4.5	7.9	-43%
Reimbursement of costs for customer events	6.2	8.4	-27%
Total incentives & bonuses	27.8	35.4	-22%
Costs related to the agency agreement	10.3	15.6	-34%
TOTAL ACQUISITION COSTS	206.0	236.1	-13%

	H116	H115	Change
↓ directly into Mutual Funds	+840.0	+1,539.5	-45%
↓ through 'MyLife' U-L policy	+367.7	+1,347.3	-73%
↓ through other U-L policies	+179.3	-174.9	n.s.
Mutual Funds Inflows	+1,386.9	+2,711.9	-49%
Other Life Insurance policies	-179.9	-295.5	-39%
Managed Assets Inflows	+1,207.0	+2,416.4	-50%
3rd-party Structured Bonds	-82.9	-221.3	-63%
Managed Assets incl. Structured Bonds	+1,124.2	+2,195.0	-49%
Cash deposits	+1,552.6	+563.4	+176%
Repurchase agreements	+43.1	+20.9	+107%
Mediolanum bonds	-28.3	-84.8	-67%
Other securities under custody	+231.1	-232.3	n.s.
Administered Assets Inflows	+1,798.5	+267.1	n.s.
'Freedom' Life Policies (change in assets)	-117.7	-288.9	-59%
Administered Assets incl. 'Freedom' accts.	+1,680.8	-21.7	n.s.
BANCA MEDIOLANUM	+2,804.9	+2,173.3	+29%
BANCA ESPERIA (Mediolanum's share)	+132.6	+164.5	-19%
TOTAL NET INFLOWS	+2,937.6	+2,337.8	+26%

Net Inflows by Category

€ bn – including Unit-Linked policies



Mutual Funds

Net Inflows by Product

€ mn



	H116	H115	Change
'Best Brands' funds of funds (IRL)	+618.9	+1,188.6	-48%
'Challenge' mutual funds (IRL)	+3.9	-58.7	n.s.
'Fondi Italia' mutual funds (ITA)	+57.6	+160.8	-64%
3rd-party stand-alone funds	+175.8	+285.9	-39%
Other	-16.2	-37.2	-56%
DIRECT NET INFLOWS INTO MUTUAL FUNDS	+840.0	+1,539.5	-45%
'MyLife' U-L policy	+367.7	+1,347.3	-73%
Other U-L policies	+179.3	-174.9	n.s.
TOTAL NET INFLOWS INTO MUTUAL FUNDS	+1,386.9	+2,711.9	-49%

Gross Inflows by Product

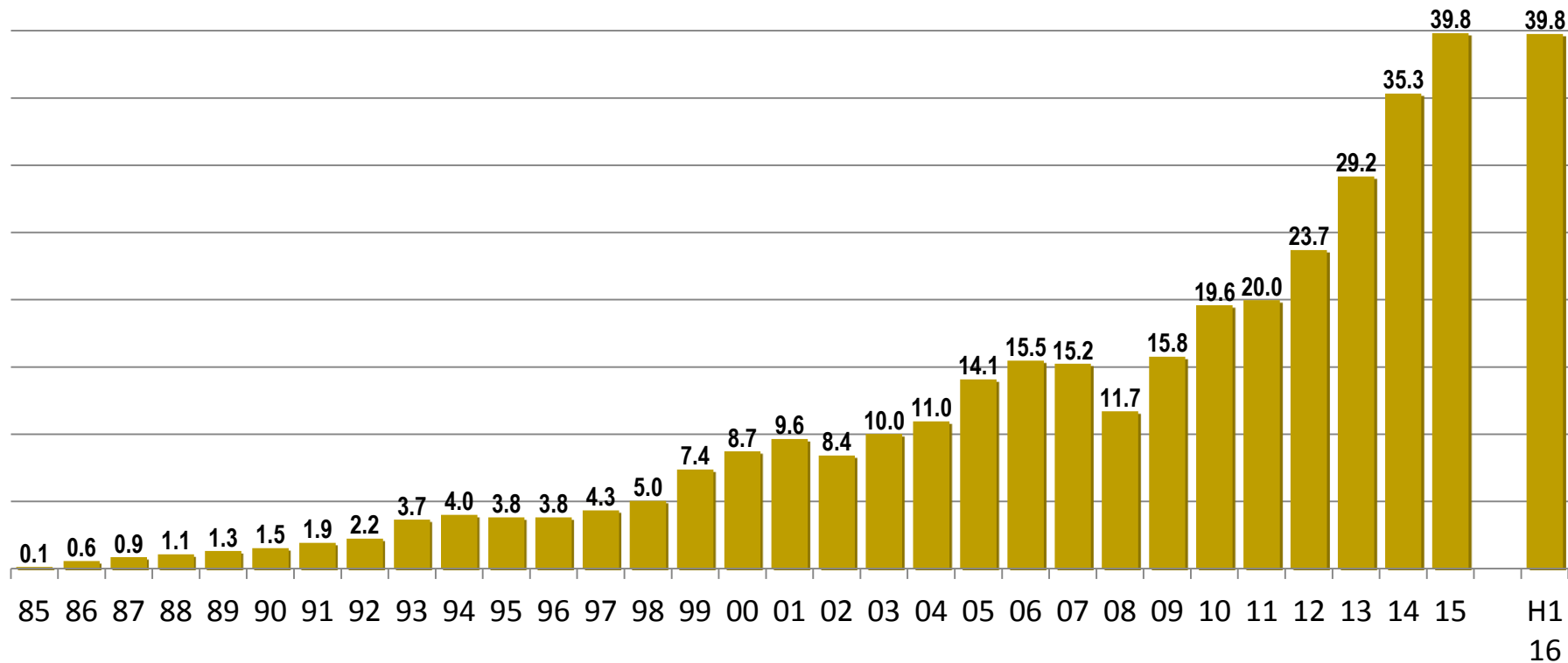
€ mn



	H116	H115	Change
'Best Brands' funds of funds (IRL)	1,558.5	3,340.9	-53%
'Challenge' mutual funds (IRL)	251.6	439.9	-43%
'Fondi Italia' mutual funds (ITA)	560.1	984.5	-43%
3rd-party stand-alone funds	219.5	322.3	-32%
Other	12.0	46.5	-74%
DIRECT GROSS INFLOWS INTO MUTUAL FUNDS	2,601.7	5,134.1	-49%
'MyLife' U-L policy	508.5	1,401.0	-64%
Other U-L policies	616.0	502.6	+23%
TOTAL GROSS INFLOWS INTO MUTUAL FUNDS	3,726.2	7,037.8	-47%

Mutual Funds AUM Trend

€ bn – including U-L assets



Assets under Management

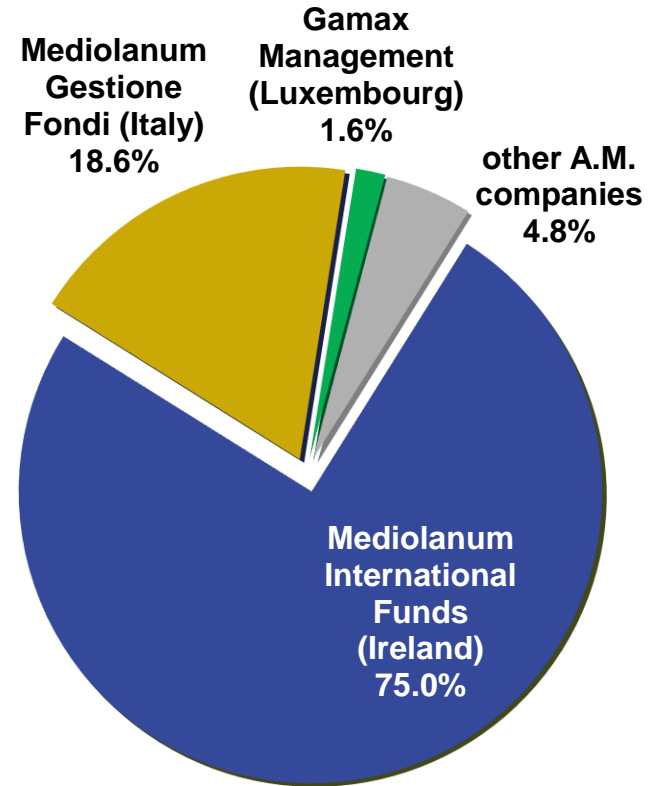
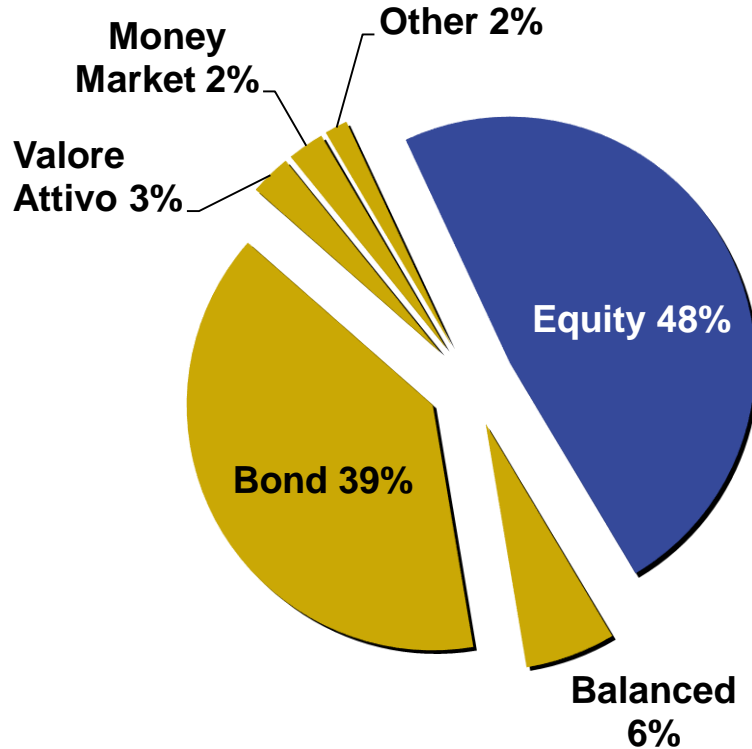
€ mn



	30/06/16	31/12/15	Change	30/06/15	Change
'Best Brands' funds of funds (IRL)	16,646.5	16,403.4	+1%	16,011.8	+4%
'Portfolio' funds of funds (IRL)	359.9	383.8	-6%	406.6	-11%
'Challenge' mutual funds (IRL)	12,900.6	13,369.0	-4%	13,623.7	-5%
Funds of Hedge Funds (IRL)	103.4	121.9	-15%	146.7	-30%
'Fondi Italia' mutual funds (ITA)	6,921.3	7,003.8	-1%	6,855.9	+1%
'Real estate' fund (ITA)	312.3	315.0	-1%	410.1	-24%
3rd-party stand-alone funds	786.1	611.5	+29%	455.5	+73%
Other	808.3	792.8	+2%	801.6	+1%
<i>Adj. for own mutual funds in FoFs & Managed accts.</i>	<i>(427.7)</i>	<i>(458.0)</i>	<i>-7%</i>	<i>(486.7)</i>	<i>-12%</i>
'MyLife' U-L policy	3,689.7	3,434.9	+7%	2,924.6	+26%
Other U-L policies	11,272.5	11,612.2	-3%	11,844.2	-5%
<i>Adj. for own mutual funds in U-L policies</i>	<i>(13,609.3)</i>	<i>(13,769.7)</i>	<i>-1%</i>	<i>(13,589.2)</i>	<i>+0%</i>
ASSETS IN MUTUAL FUNDS & U-L	39,763.6	39,820.7	-0%	39,404.8	+1%

Assets* by category and A.M. company

as at 30/06/2016 – including U-L assets



*Flexible funds are classified according to their equivalent risk level

Banking Revenues

€ mn



	H116	H115	Change
Securities trading fees	6.2	10.9	-44%
<i>o/w 3rd-party structured bonds</i>	2.0	5.8	-65%
Service fees	24.5	23.1	+6%
Fee income	30.7	34.0	-10%
Net Interest Income	106.5	109.2	-2%
Net income on investments at fair value	(16.8)	1.5	n.s.
<i>o/w unrealised</i>	(10.5)	0.2	n.s.
Net financial income	89.8	110.7	-19%
Net income on other investments	8.1	(4.1)	n.s.
Other fees & Other revenues	4.5	5.1	-11%
BANKING REVENUES	133.1	145.7	-9%

Banking Interest Spread



	H116	FY15
Total Cost of Funding	0.49%	0.66%
Retail Cost of Funding	0.76%	1.09%
Total Interest Income	1.44%	1.59%
Retail Interest Income	2.46%	2.75%
TOTAL SPREAD	0.95%	0.92%
Spread on Retail	1.70%	1.66%

	Liabilities	Assets
Retail	14,645	6,557
Treasury	6,899	15,015
o/w interbank / intra-group deposits & repos	1,353	1,066
o/w ECB refinancing	0	0
o/w MTS refinancing	5,546	5,435
o/w securities (bonds)		8,514
Other liabilities / assets	2,603	2,576
TOTAL	24,148	24,148

Operating Liquidity (24hr) : € 9,997 mn

Banking Credit Quality

€ mn – as at 30/06/2016



	30/06/16	31/12/15	Change	30/06/15	Change
Mortgages	4,960	4,757	+4%	4,419	+12%
Personal & Commercial Loans	1,192	1,127	+6%	996	+20%
Lines of credit	404	418	-3%	416	-3%
Total Loans	6,557	6,302	+4%	5,831	+12%

% on total loans

Gross non-performing loans

B.Mediolanum

1.44%

Italian Banks*

16.4%

as at 31/03/2016

Net non-performing loans

0.76%

10.8%

as at 31/12/2015

* Source: Bank of Italy – Statistical Bulletin II 2016 & Financial Stability Report No. 1 2016

H116

FY15

H115

Mortgage Portfolio

Total Value	4,960	4,757	4,419
Average rate	2.20%	2.49%	2.60%
Average residual LTV	58%	58%	58%

New Business

Total amount granted	476	1,001	437
Average rate	1.63%	2.07%	2.27%
Average amount granted	142	143	143
Average initial LTV	61%	62%	62%

Assets under Administration

€ mn

	30/06/16	31/12/15	Change	30/06/15	Change
Cash Deposits	14,407.4	12,854.8	+12%	11,943.2	+21%
Repurchase agreements	43.1	0	n.s.	21.2	+103%
Mediolanum bonds	125.1	154.7	-19%	183.7	-32%
3rd-party structured bonds	725.8	885.4	-18%	1,139.3	-36%
Other securities under custody	2,067.9	2,084.6	-1%	1,853.1	+12%
BANKING ADMINISTERED ASSETS	17,369.2	15,979.4	+9%	15,140.5	+15%

€ mn – as at 30/06/2016

	Mediolanum Group		Banca Mediolanum		Mediolanum Vita	
	Book value	AD	Book Value	AD	Book Value	AD
Italian Govies	16,072	0.9	14,821	0.7	1,094	3.4
Italian Financials	578	2.3	334	1.1	236	4.0
Spanish Govies	715	1.5	677	1.5	36	1.9
Spanish Financials	8	7.2	0	0.0	8	7.2
Core Europe Govies*	-336	1.2	-336	1.2	0	0.0
Greek Govies	0	0.0	0	0.0	0	0.0
Portuguese, Irish Govies	0	0.0	0	0.0	0	0.0
Other Financials	71	2.3	16	1.7	55	2.5
Other Corporate	42	3.3	10	0.6	31	4.3
Other ABS	5	1.6	5	1.6	0	0.0
TOTAL	17,155	1.0	15,527	0.7	1,460	3.5

AD = average duration weighted by absolute nominal value

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

€ mn – as at 30/06/2016

	TOTAL	Covered	Senior	Subordinated	Other	Avg Length to Maturity
INTESA SANPAOLO SPA	206.0	15.0	175.3	15.7		2.4
UNICREDIT	129.8	10.0	104.8	15.0		1.8
MONTE DEI PASCHI DI SIENA	75.0	65.0	10.0			2.1
MEDIO CREDITO CENTRALE	37.1		37.1			5.6
UBI BANCA	32.4	10.0	12.0	6.0	4.4	3.9
BANCO POPOLARE	23.0	2.5	20.5			2.7
DEXIA	15.0		15.0			5.8
BANCA IMI	14.2		14.2			2.3
ROYAL BK OF SCOTLAND	14.0		14.0			4.0

* Most significant long positions (> € 10 mn)

	H116	H115	Change
Premiums less Amounts paid & change in reserves	6.5	19.4	-67%
Commission income	188.8	224.1	-16%
Net Interest Income	6.6	5.4	+23%
Net income on investments at fair value	1.1	(1.6)	n.s.
<i>o/w unrealised</i>	1.0	(2.0)	n.s.
Net financial income	7.7	3.8	+105%
Net income on other investments	(0.6)	(0.6)	-3%
Other revenues	5.9	6.3	-6%
INSURANCE REVENUES	208.4	253.1	-18%

Life – Policyholders' Assets

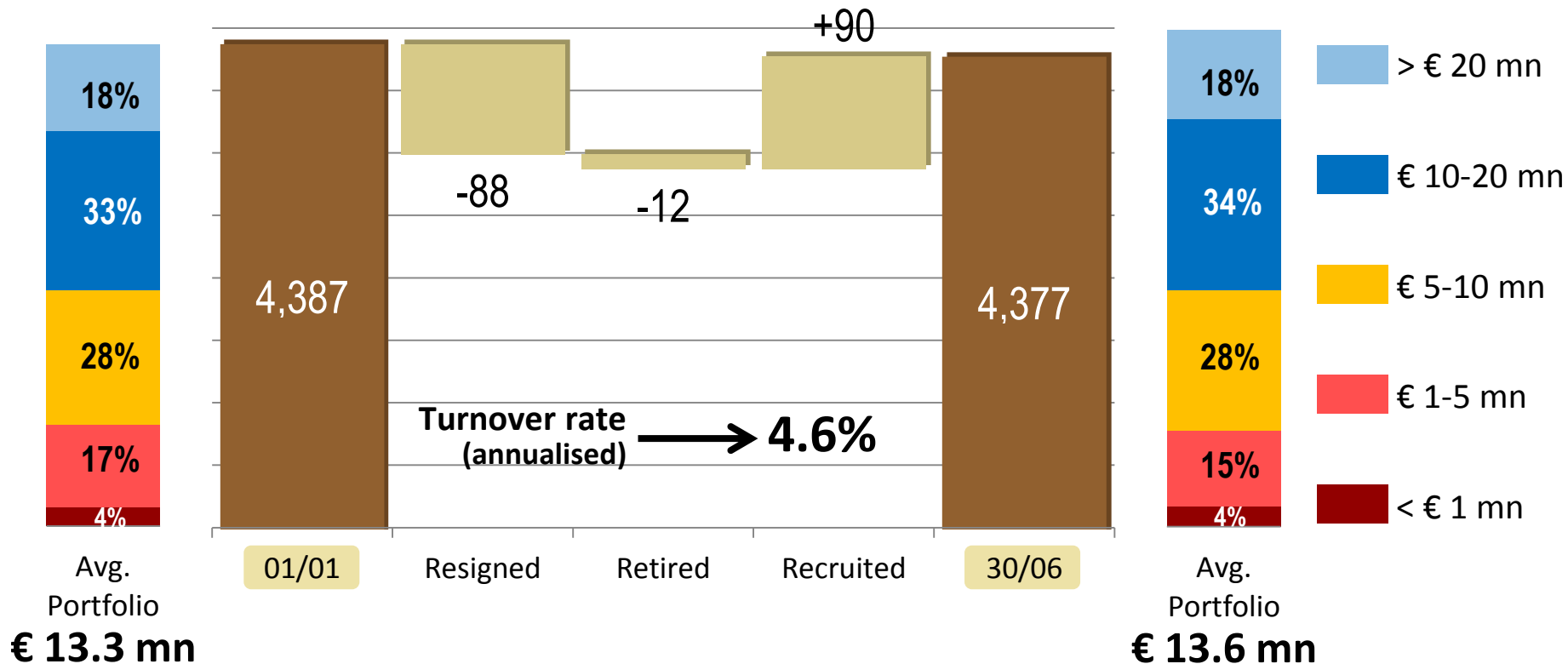
€ mn

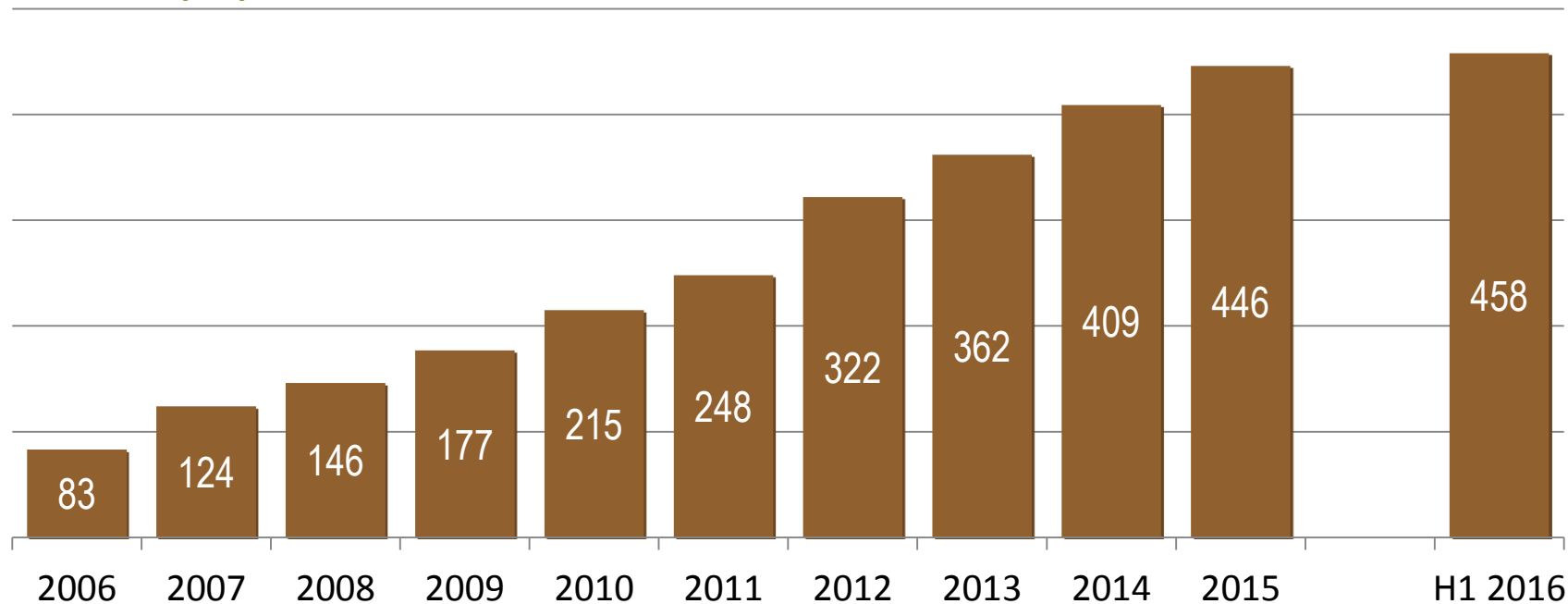


	30/06/16	31/12/15	Change	30/06/15	Change
Traditional	1,332.6	1,326.0	+0%	1,277.2	+4%
Index-linked	264.0	404.9	-35%	629.8	-58%
Unit-linked pension plans	5,319.8	5,427.0	-2%	5,415.8	-2%
Unit-linked endowment policies	3,593.6	3,829.8	-6%	3,974.3	-10%
Unit-linked investment policies	6,048.7	5,790.3	+4%	5,378.7	+12%
Unit-linked	14,962.1	15,047.1	-1%	14,768.8	+1%
<i>o/w equity</i>	<i>61.5%</i>	<i>63.5%</i>	<i>-3%</i>	<i>65.3%</i>	<i>-6%</i>
LIFE ASSETS (EX-'FREEDOM')	16,558.8	16,778.0	-1%	16,675.8	-1%
'Freedom' Life policies	385.4	503.1	-23%	685.5	-44%

Banca Mediolanum Family Banker® Network

Change in headcount and split by average portfolio – Year 2016





Average assets in portfolio: € 32.0 mn
o/w managed assets: € 22.8 mn

* 'Private Bankers' are a subset of Family Bankers who mainly deal with affluent & HNW customers

Highlights

€ mn



	H116	H115	Change	vs.FY15
Statutory Net Income	2.8	5.8	-51%	
Equity contribution in Mediolanum's P&L*	1.4	(0.2)	n.s.	
Assets under Administration/Management	16,730	17,612	-5%	-3%
<i>% in Managed Assets</i>	<i>53.6%</i>	<i>50.0%</i>	<i>+7%</i>	<i>+4%</i>
Net Inflows	+265	+329	-19%	
<i>o/w Managed Assets Inflows</i>	<i>+158</i>	<i>+165</i>	<i>-4%</i>	
Private Bankers	91	87	+5%	+2%
Clients	4,921	4,511	+9%	+15%

*reflects adjustments to Esperia's financial statements made after the closing of BMED's accounts.



H1 2016 Foreign Markets Results

	H116	H115	Change	vs.FY15
Net Income excluding non-recurring items	10.5	14.2	-26%	
Net impact of settlement of past (inherited) litigation	4.8	(7.8)	n.s.	
Net Income	15.3	6.4	+139%	
Managed Assets	2,294.7	2,113.1	+9%	+3%
Administered Assets	1,221.4	1,269.0	-4%	-8%
Total Assets	3,516.1	3,382.2	+4%	-1%
Gross Inflows into Managed Assets	479.7	421.8	+14%	
Net Inflows into Managed Assets	+210.6	+148.3	+42%	
Net Inflows into Administered Assets	-84.8	+160.1	n.s.	
Total Net Inflows	+125.8	+308.4	-59%	
Family Bankers (Mediolanum model)	807	715	+13%	+7%
Traditional agents	34	35	-3%	-0%
Total Sales Network	841	750	+12%	+7%
Total Customers	106,269	100,413	+6%	+3%

	H116	H115	Change	vs.FY15
Net Income	2.6	(1.9)	n.s.	
Managed Assets	409.6	432.6	-5%	-1%
Administered Assets	114.9	82.7	+39%	+24%
Total Assets	524.4	515.3	+2%	+4%
Gross Inflows into Managed Assets	34.5	36.3	-5%	
Net Inflows into Managed Assets	+17.6	-7.4	n.s.	
Net Inflows into Administered Assets	+22.3	+3.5	n.s.	
Total Net Inflows	+39.9	-3.9	n.s.	
Total Sales Network	65	52	+25%	+35%
Total Customers	5,134	4,544	+13%	+8%

€ mn



	H116	H115	Change	vs.FY15
Net Income	2.0	(5.4)	n.s.	
Managed Assets	225.2	212.8	+6%	+4%
Administered Assets	114.9	82.7	+39%	+24%
Total Assets	340.1	295.5	+15%	+10%
Gross Inflows into Managed Assets	25.9	24.6	+5%	
Net Inflows into Managed Assets	+18.0	+10.5	+71%	
Net Inflows into Administered Assets	+22.3	+3.5	n.s.	
Total Net Inflows	+40.3	+14.0	+188%	
Total Sales Network	65	52	+25%	+35%
Total Customers	5,134	4,544	+13%	+8%

	H116	H115	Change	vs.FY15
Net Income	0.7	3.6	-81%	
Assets under Management	184.4	219.7	-16%	-7%
Gross Inflows	8.6	11.6	-26%	
Net Inflows	-0.4	-17.9	-98%	



Business Update

Banca Mediolanum

June 2016 Net Inflows

€ mn



	Jun '16	YTD '16	YTD '15
directly into Mutual Funds	+122	+840	+1,539
through 'MyLife' U-L policy	+76	+368	+1,347
through other U-L policies	+48	+179	-175
Mutual Funds Inflows	+246	+1,387	+2,712
Other Life insurance policies	-31	-180	-295
3rd-party Structured Bonds	-19	-83	-221
Managed Assets & similar inflows	+196	+1,124	+2,195
Administered Assets & similar inflows	+66	+1,681	-22
o/w 'Freedom' Life Policies (change in assets)	-12	-118	-289
BANCA MEDIOLANUM	+262	+2,805	+2,173

Italian Sales Networks Ranking by Net Inflows

€ thousands - totals by Group

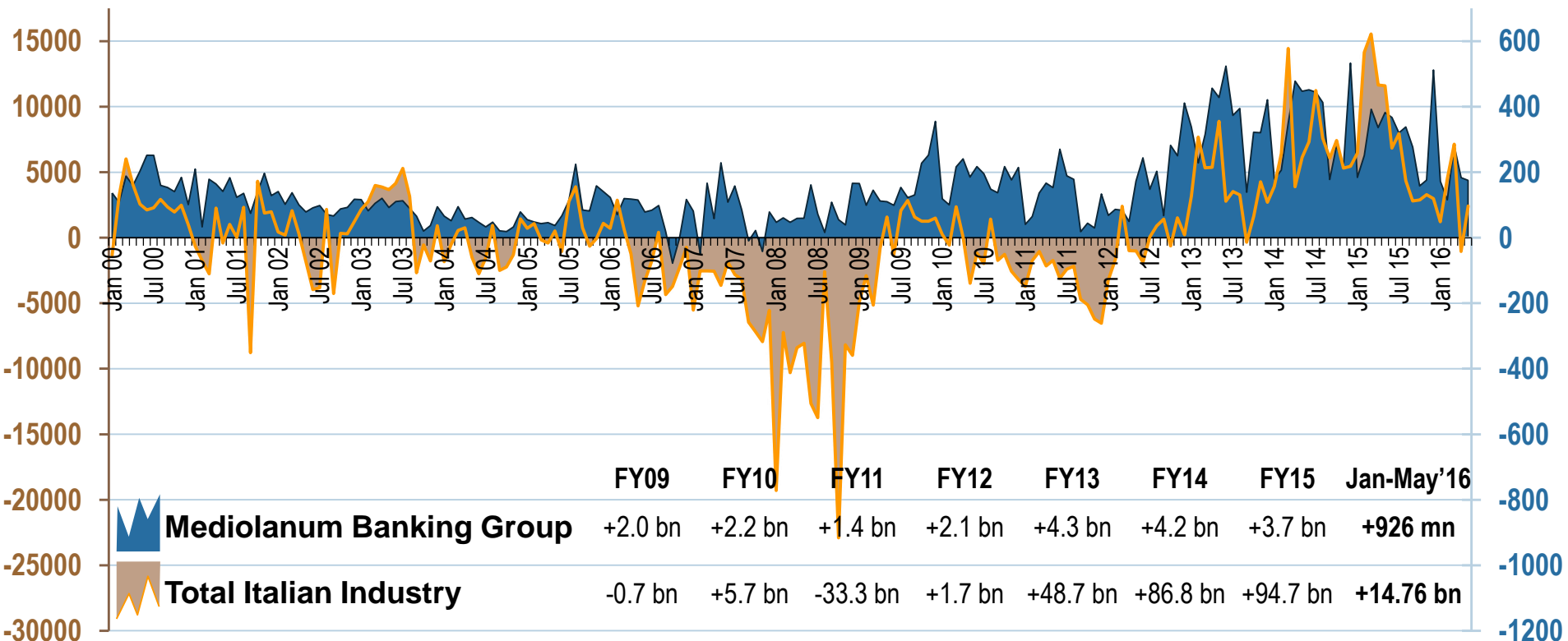


January – May 2016

Total Net Inflows

o/w Managed Assets

Banca Fideuram (incl. Sanpaolo)	3,227,038	-167,800
Banca Mediolanum	2,544,561	993,098
Banca Generali	2,392,341	1,442,178
Finecobank	1,925,516	183,718
Azimut	1,515,904	1,269,526
Allianz Bank	1,439,927	966,213
Deutsche Bank (Finanza & Futuro)	555,831	405,176
UBI (IW Bank)	201,823	128,110
Credem	173,762	86,814
Monte dei Paschi di Siena (Widiba)	38,433	-43,478
Consultinvest	-6,428	-5,306
Veneto Banca	-42,260	-43,912
Banca Pop. Vicenza (Banca Nuova)	-85,174	-48,458

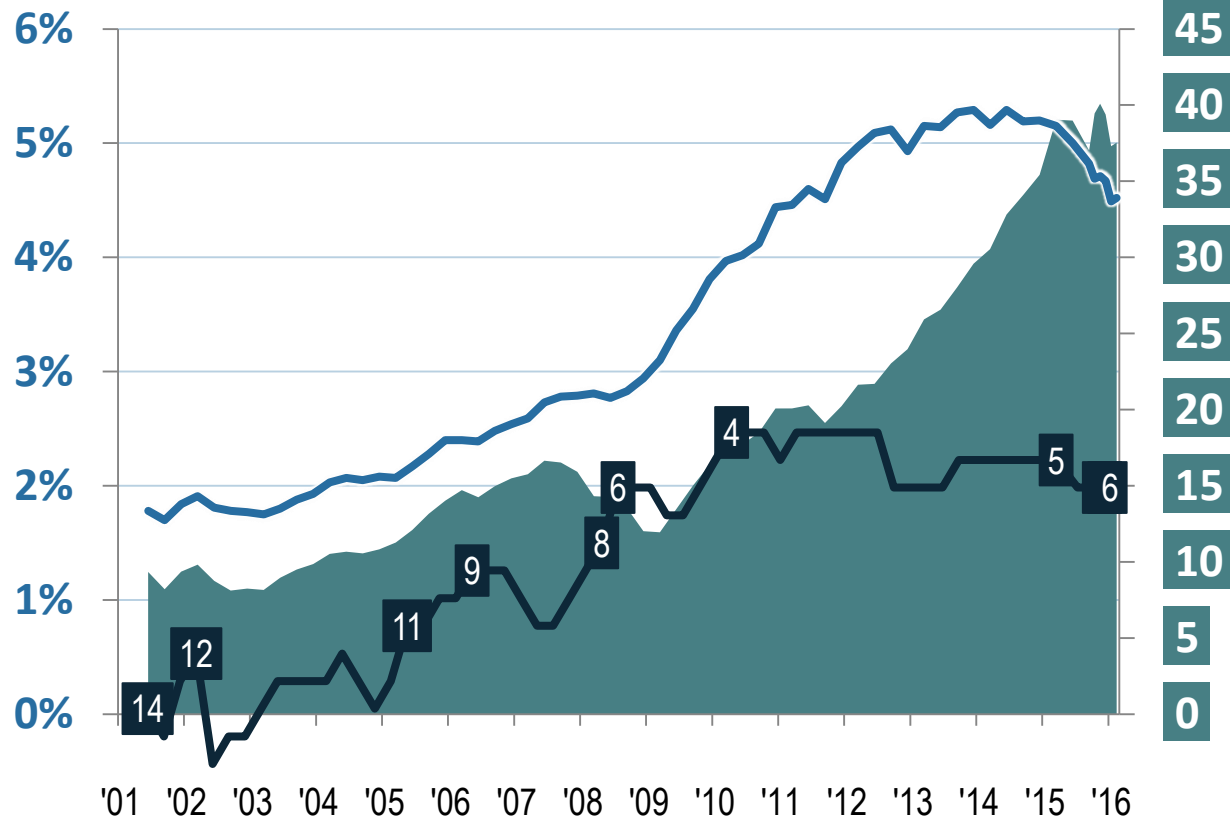


*including Managed Accounts & Unit-Linked policies

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

Mutual Funds AUM

Mediolanum's Market Share, Assets, Rank

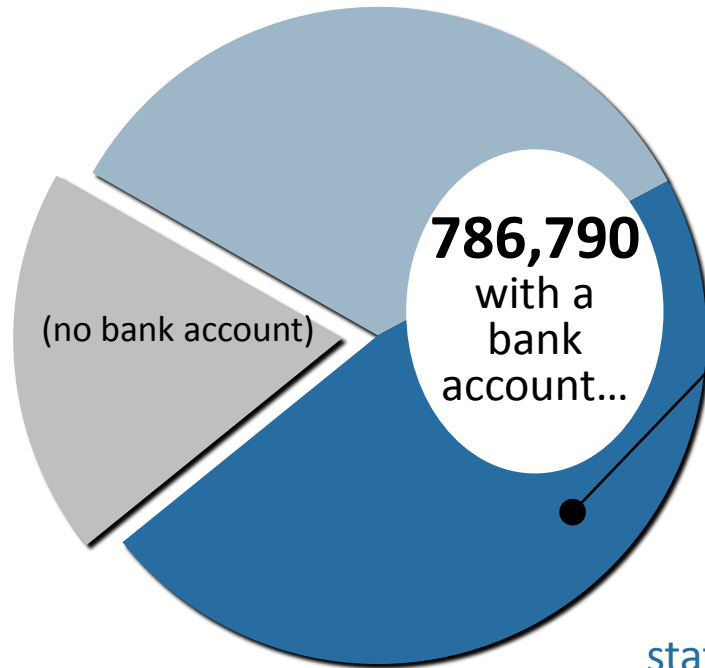


Rank	Company	Market Share (%)
45		
40		
35		
30		
25		
20		
15		
10		
5		
0		
6	Mediolanum	4.6%
	Azimut	3.5%
	UBI Banca	3.0%
	JP Morgan	2.9%
	Arca	2.9%
	Amundi	2.5%
	Invesco	2.4%
	F. Templeton	2.2%
	Deutsche A&W Mgmt.	2.1%
	Schroders	2.1%

Banca Mediolanum Customer Behaviour

as at 30/06/2016

969,129 primary account holders:



...59% of which
use Mediolanum as their primary
banking institution

463,404 vs. 419,828 as at 31/03/2016

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

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

Per-capita asset growth of 'Freedom' account holders*
(€12 bn in total assets as at 30/06/2016)



Average assets
after 87 months
€ 183,291

€ 132,616 (72%)
in high-margin
managed assets products

*(Life products, mutual funds,
3rd-party structured bonds)*

€ 50,675 (28%)
in administered assets

*(bank deposits & securities
under custody)*

Average assets
at account opening
€ 63,883

1 11 21 31 41 51 61 71 81

Months after acct. opening

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

Focus on high-remuneration deposits

Deposits in € mn as at 30/06/2016 – rates offered as at 01/06/2016

‘Freedom+’ balances above € 15,000 (current offer*: 0.50% to 0.80% according to cluster) **4,845**

‘InMediolanum’ time deposits & lock-ins on current accounts (current offer*: 0.50% to 0.80%) **2,764**

Launched May 2011 as an aggressive move to acquire customers & assets.

First product openable online by customer autonomously (27% of new customers).

‘Double Chance’ accounts (current offer*: 0.75% to 3.75% according to asset class & duration) **588**

Temporary accounts with gradual automatic transfer of balance to a managed product.

The benefit of dollar-cost averaging with a high yield on yet-to-be-invested assets.

Total high-remuneration deposits **8,197**

Low- or no-remuneration deposits **6,210**

Includes ‘Freedom’ & ‘Freedom+’ assets below € 15,000 and all other current accounts

TOTAL CASH DEPOSITS **14,407**

* Actual impact on Net Interest Income depends upon average rates offered during the year



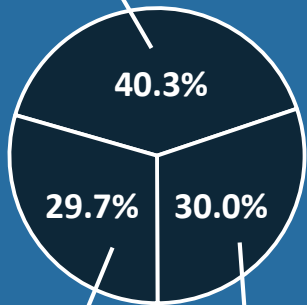
Mediolanum Facts

as at 30/06/2016



mediolanum BANCA

Doris Group



Free Float

Fininvest

Approximate data

BANKING

100%



Banco
Mediolanum



Bankhaus
August Lenz

Mediolanum
Fiduciaria

ASSET MANAGEMENT

100%

(direct & indirect
ownership)

Mediolanum
Gestione Fondi

100% Banca Mediolanum

Mediolanum
International Funds

92% Banca Mediolanum
5% Banco Mediolanum
3% Bankhaus A. Lenz

Mediolanum
Gestione S.A.

100% Banco Mediolanum

Gamax
Management

100% Banca Mediolanum

INSURANCE

100%

Mediolanum Vita

Mediolanum
International Life

Mediolanum
Assicurazioni

OTHER

100%

Mediolanum
Comunicazione

3.4% (directly & through Mediolanum Vita)

Mediobanca

50%

Banca Esperia

50%



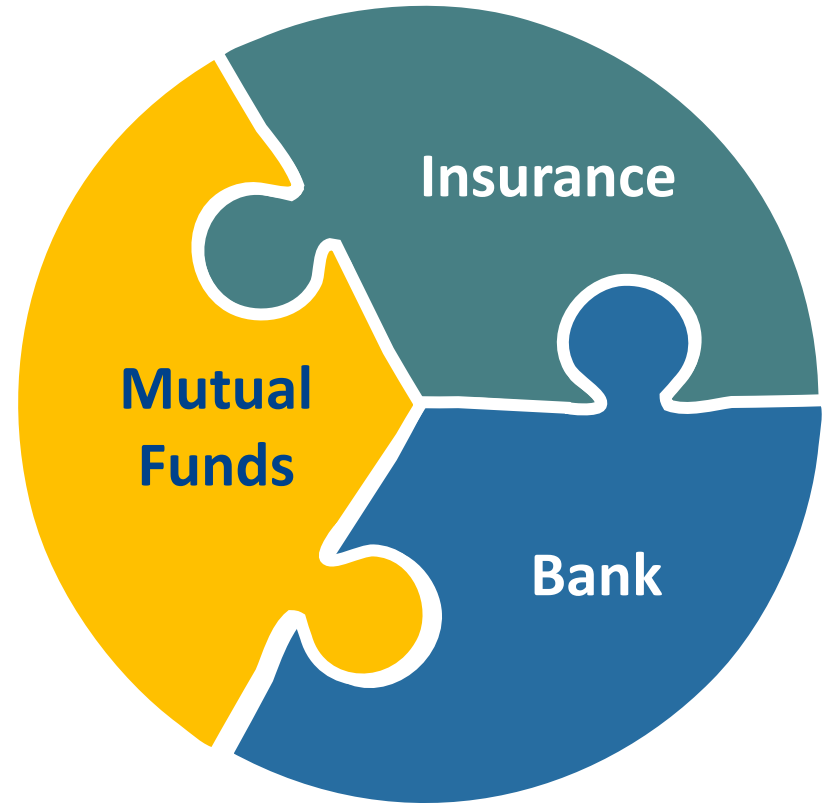
All companies
Italy-based unless
otherwise indicated

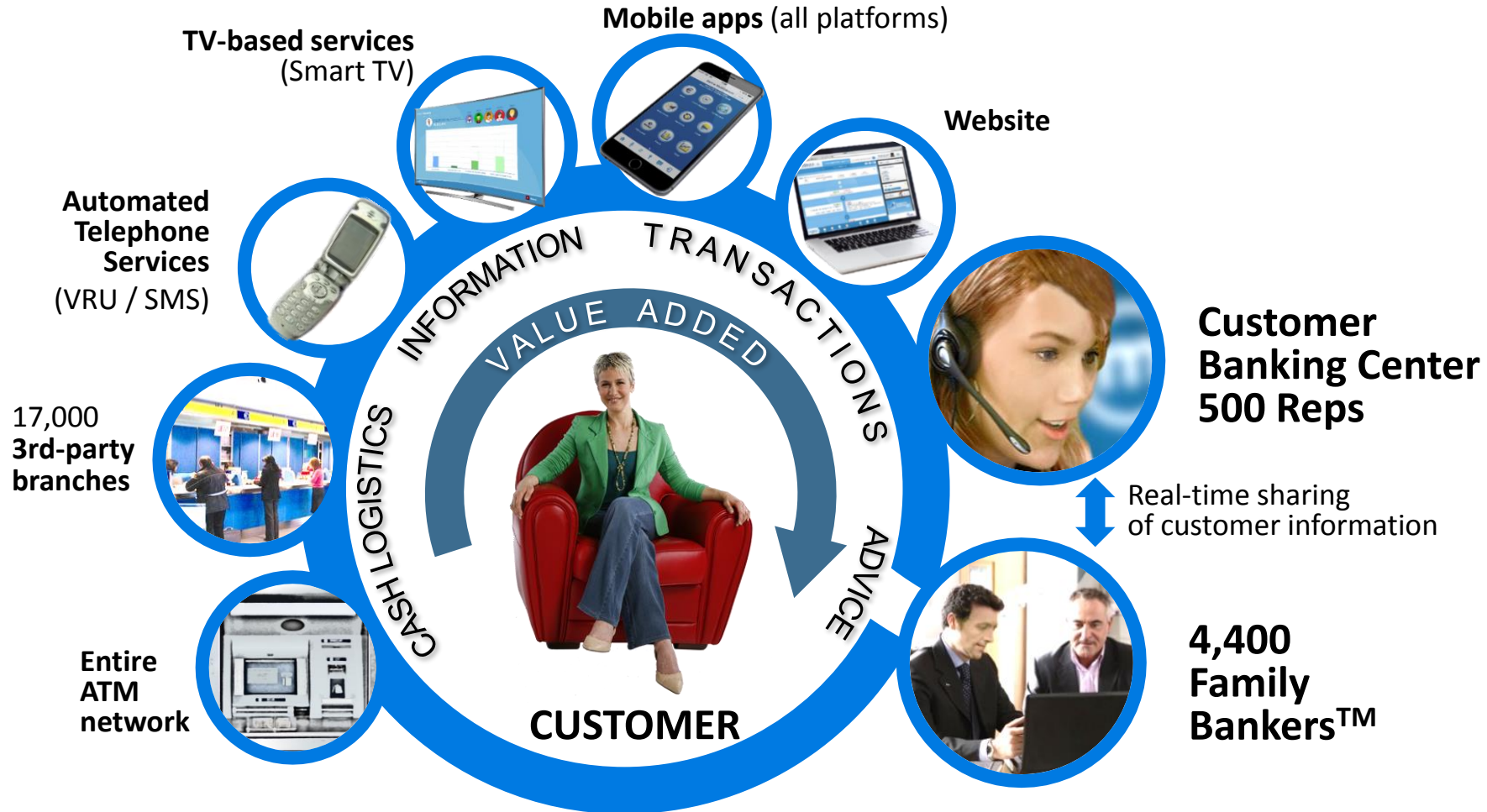
We and our Family Bankers view the company as a single entity, providing solutions that best fit the needs of the customer, whether it be in the form of a mutual fund, an insurance policy or a bank product

The Bank (est. 1997) has a special role as the place where customer savings are naturally built

It is also where service quality is more readily appreciated & compared

Therefore, it represents the mandatory point of entry for all new customers





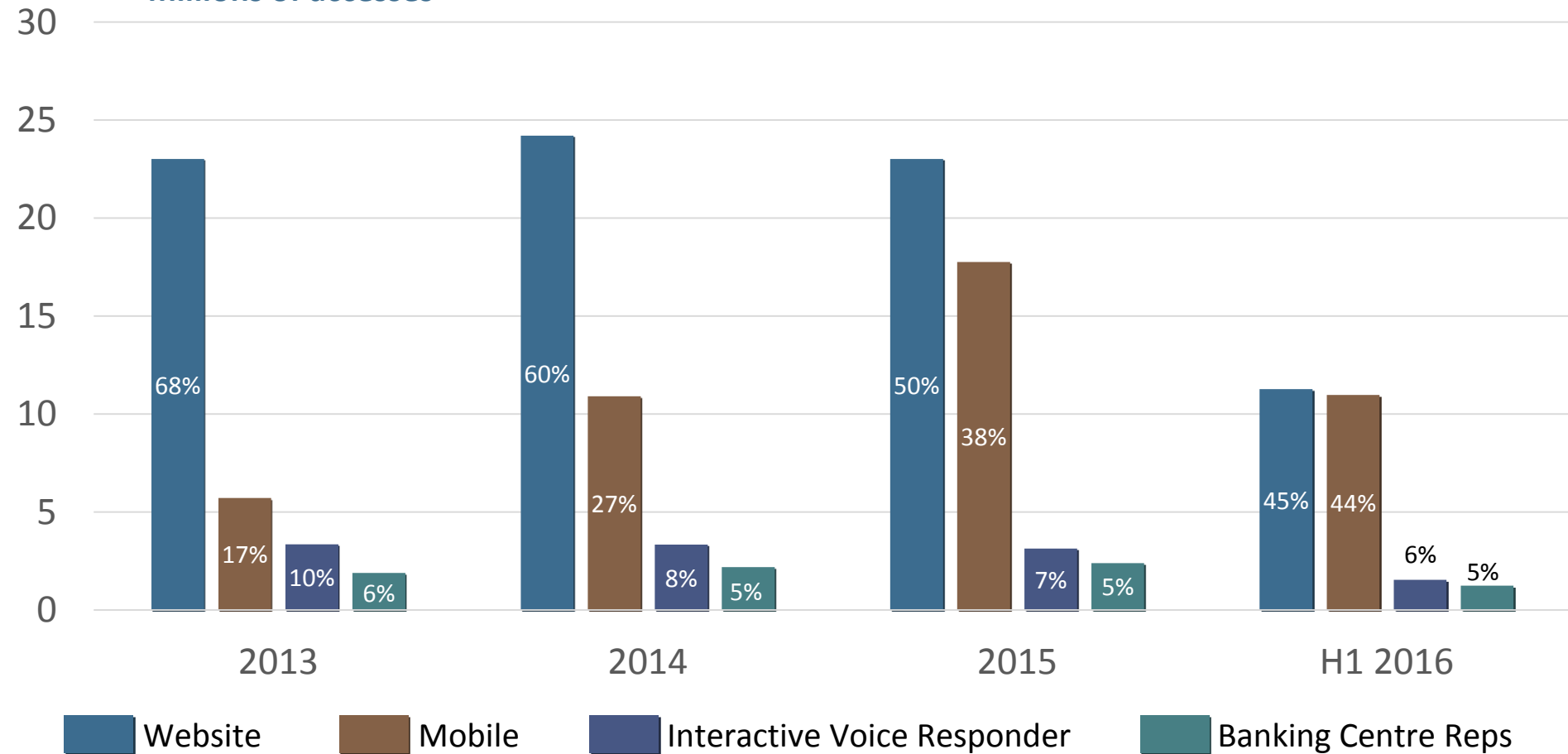
54

Direct Channel Accesses

millions of accesses



Mediolanum
Facts



Banca Mediolanum's model combines the advantages of traditional and direct banks



Family Bankers: the human touch

Self-employed tied agents with entrepreneurial approach

Extensively trained to tackle every household financial need

Share Mediolanum's view that banking services are an effective acquisition & retention tool

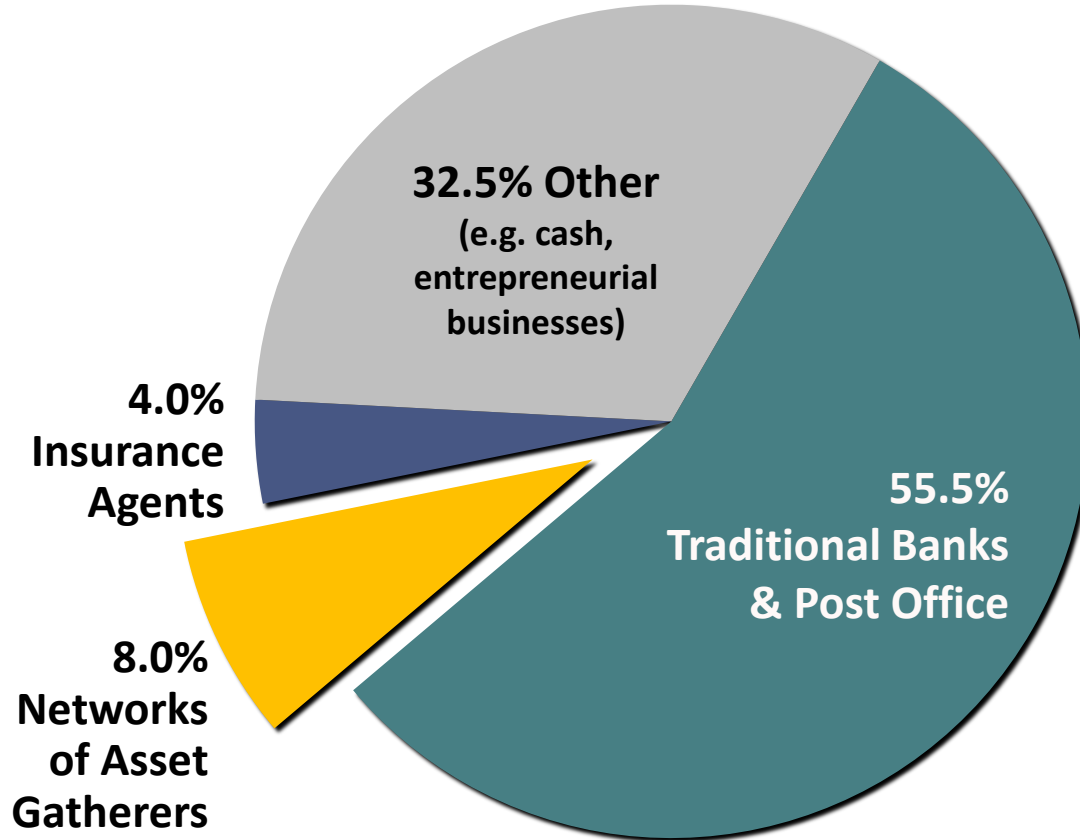
Compensated even for operations performed by customers through direct channels

- Willing to provide professional advice anytime, anywhere
- Equally competent across all product lines
- Unlike the typical FA, offer assistance also with everyday banking needs
- Synergy, not competition, between human and direct channels



Customers: freedom in banking

Top-quality and valuable direct banking services associated with a human relationship

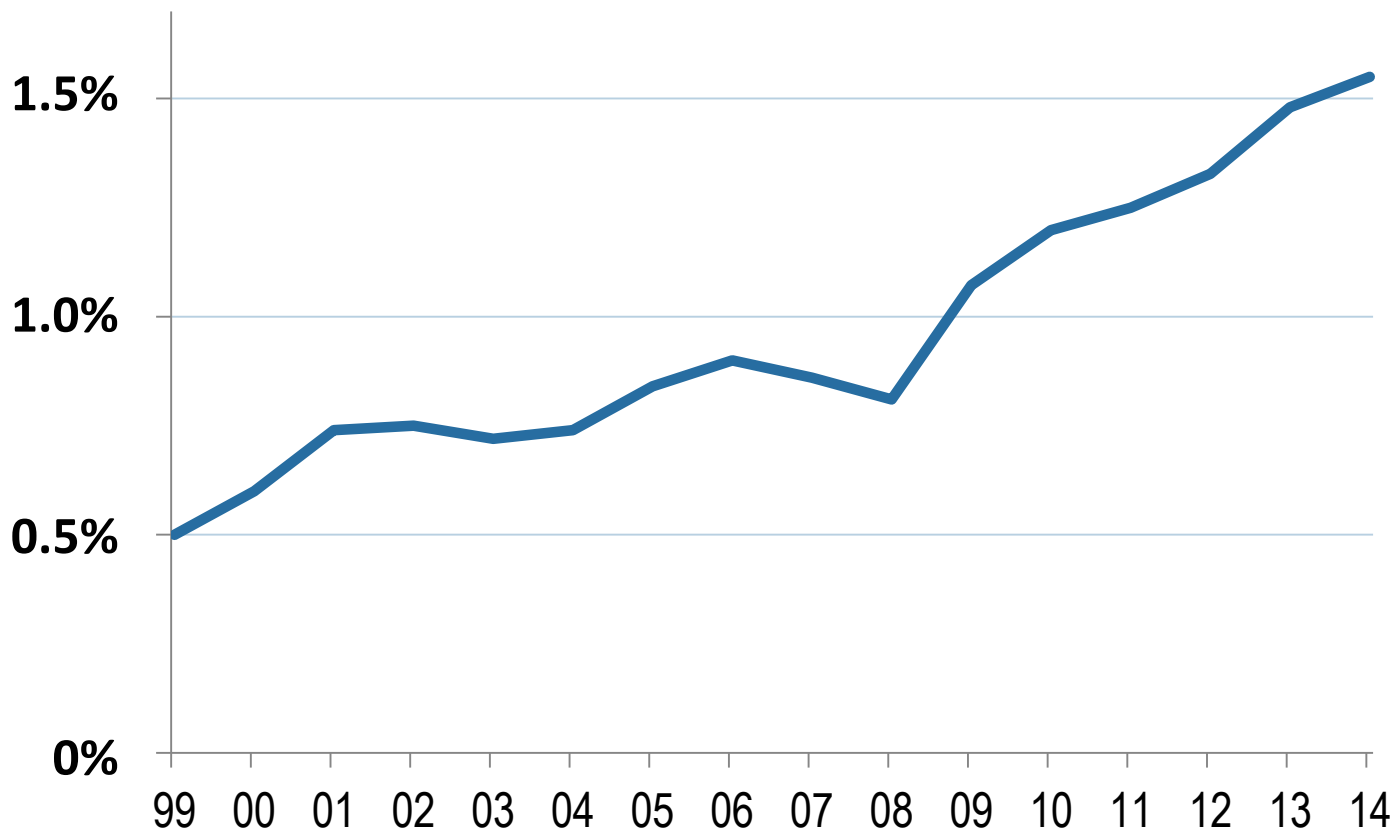


Network of Asset Gatherers have only 8% of the huge Italian HH financial assets market, although recognised as best-in-class in terms of personal service & advice, and largely immune to capital, credit quality & reputational issues

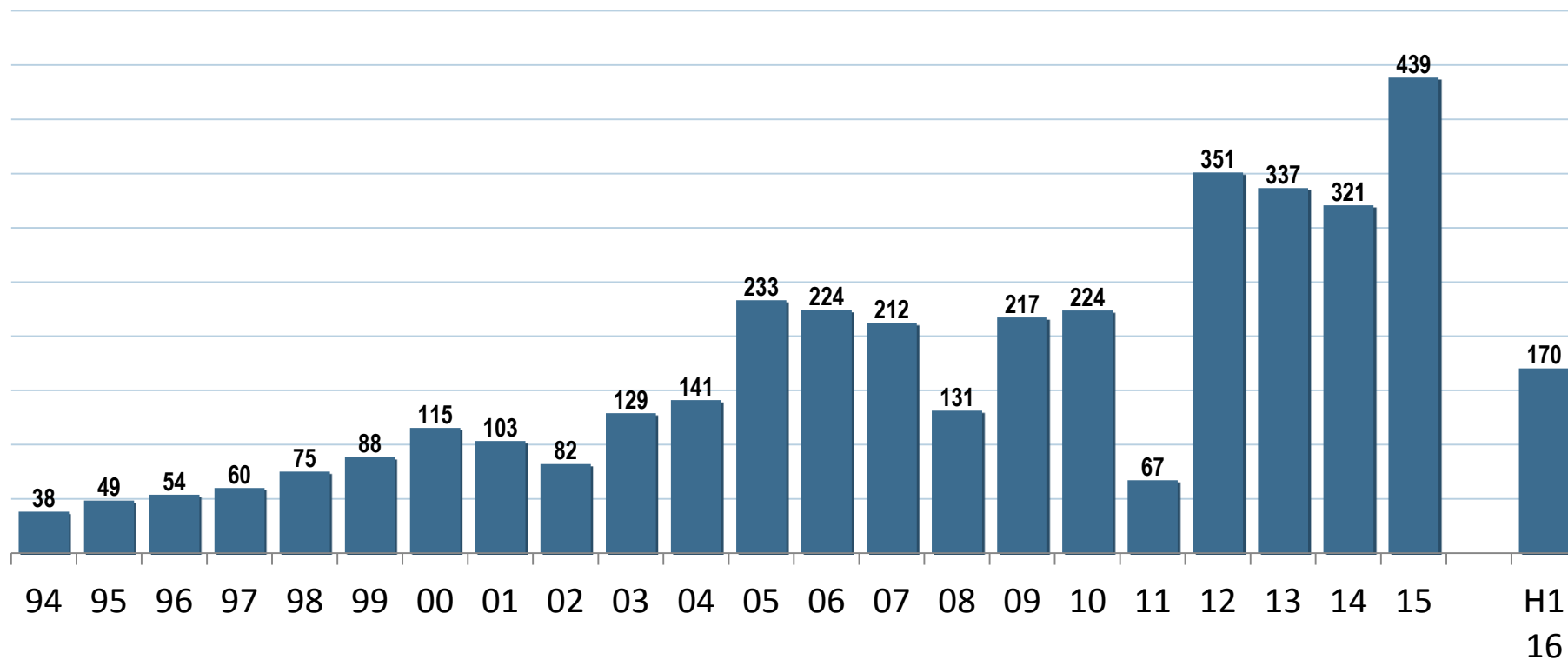
Traditional Banks still hold nearly 7x more

Total HH Assets:
€ 3,934 bn

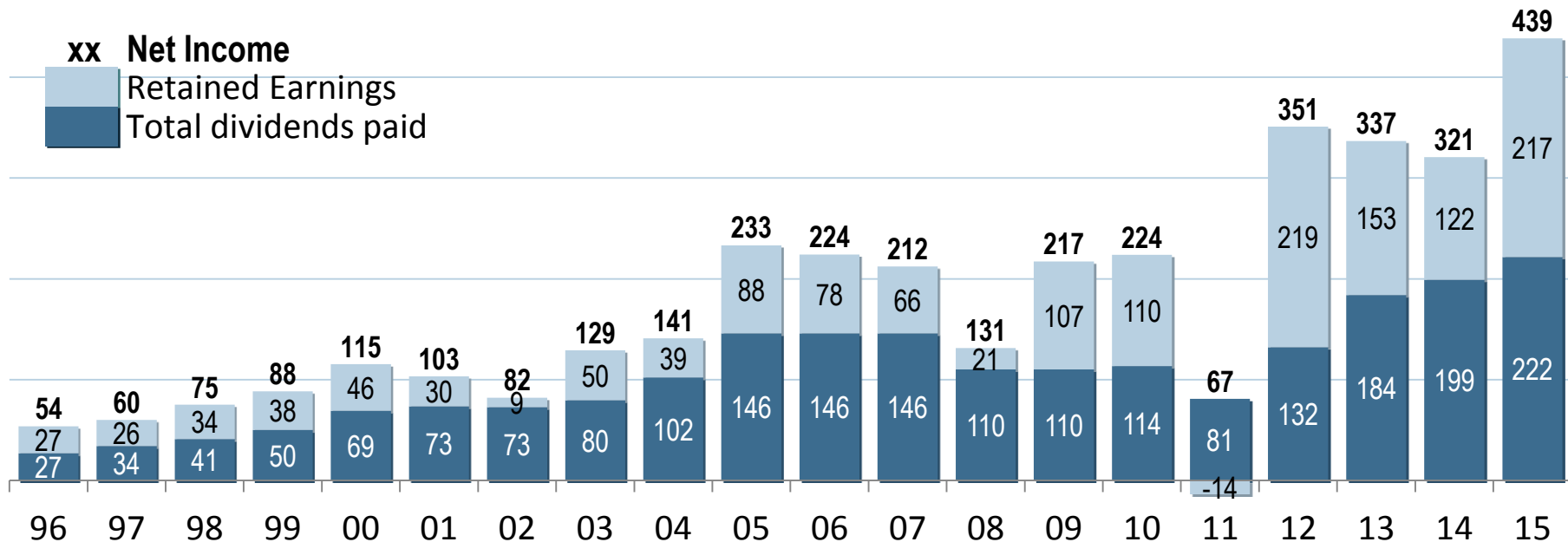
Italian Household Financial Assets Banca Mediolanum's Market Share

**1.55%**

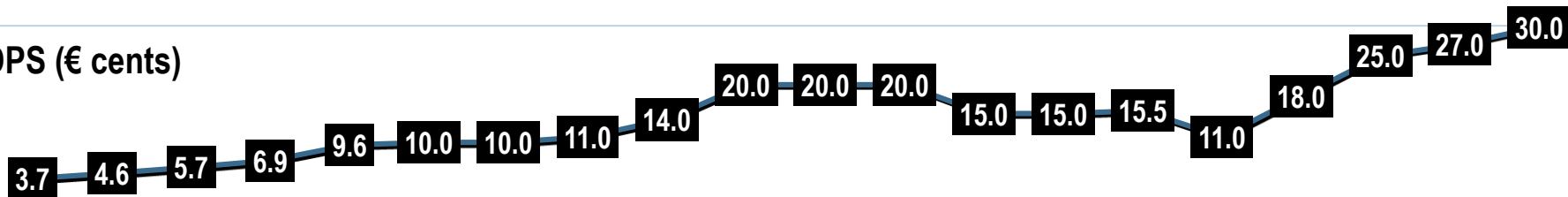
on a total of
€ 3,934 bn reported
by Banca d'Italia



2008 & 2010: adjusted net income excluding effects of 'Lehman Brothers' operation



DPS (€ cents)



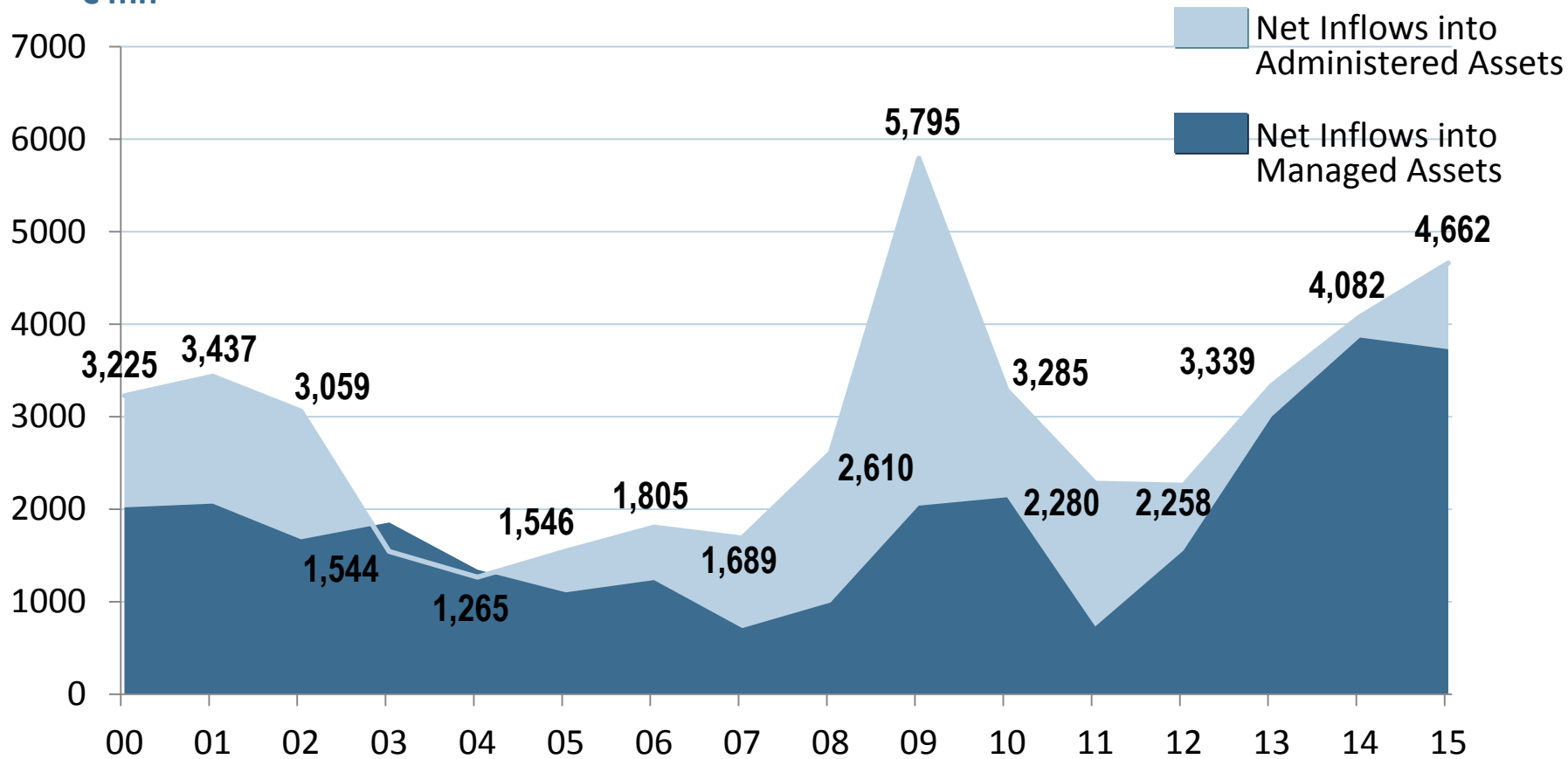
2008 & 2010: adjusted net income excluding effects of 'Lehman Brothers' operation

Banca Mediolanum

Total Net Inflows Trend

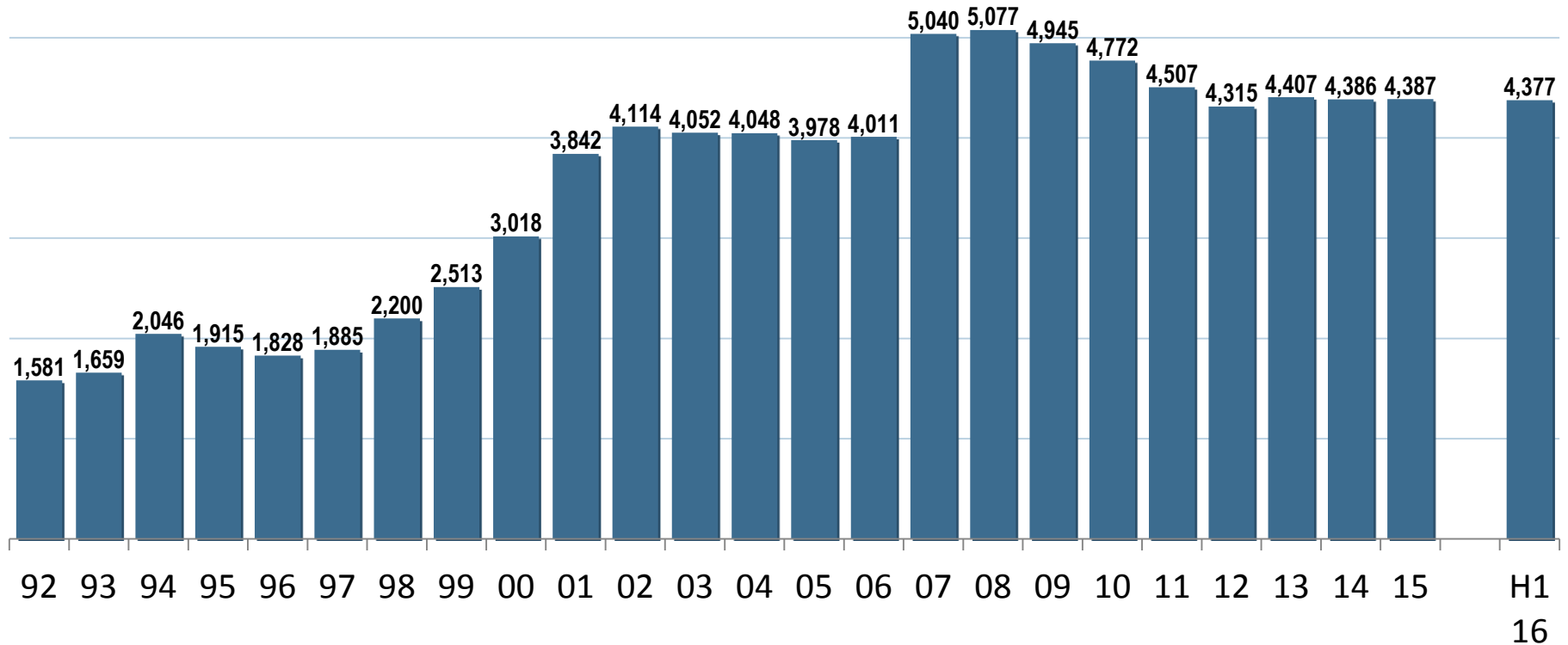


€ mn



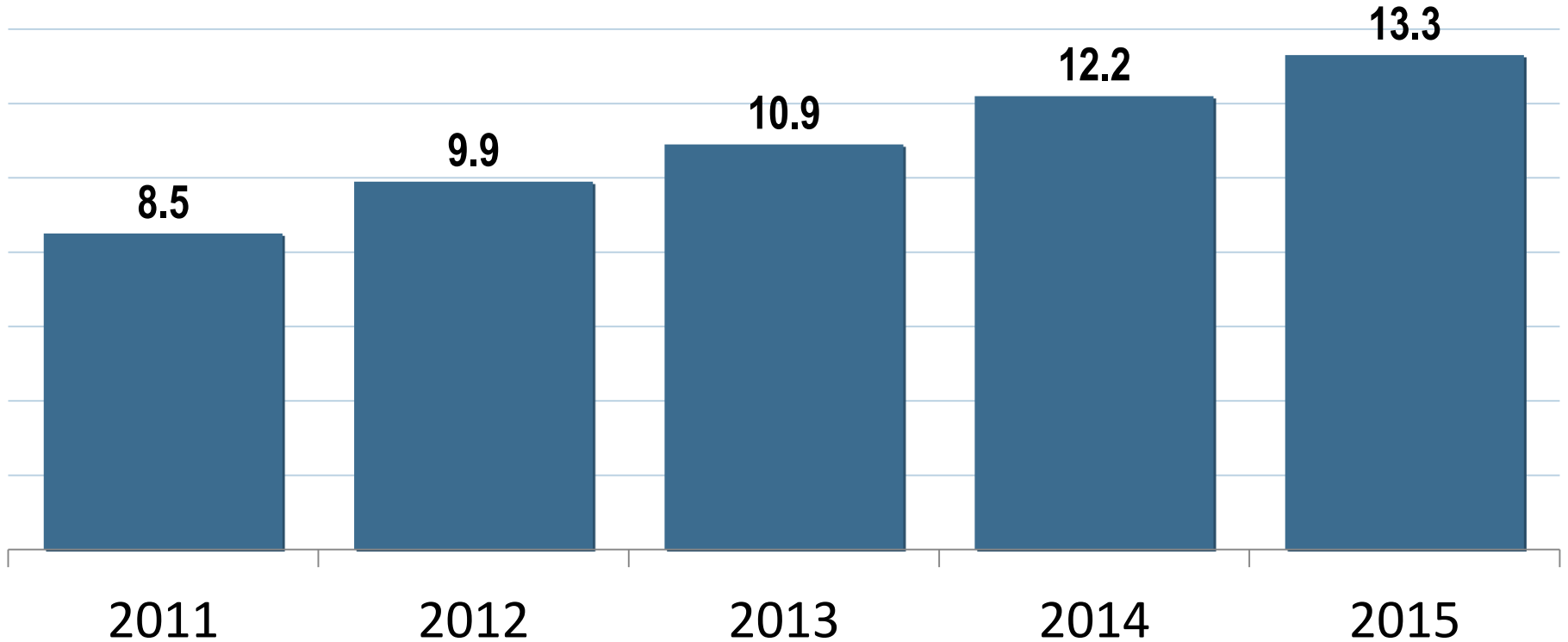
Banca Mediolanum Family Banker® Network

Licensed Financial Advisors



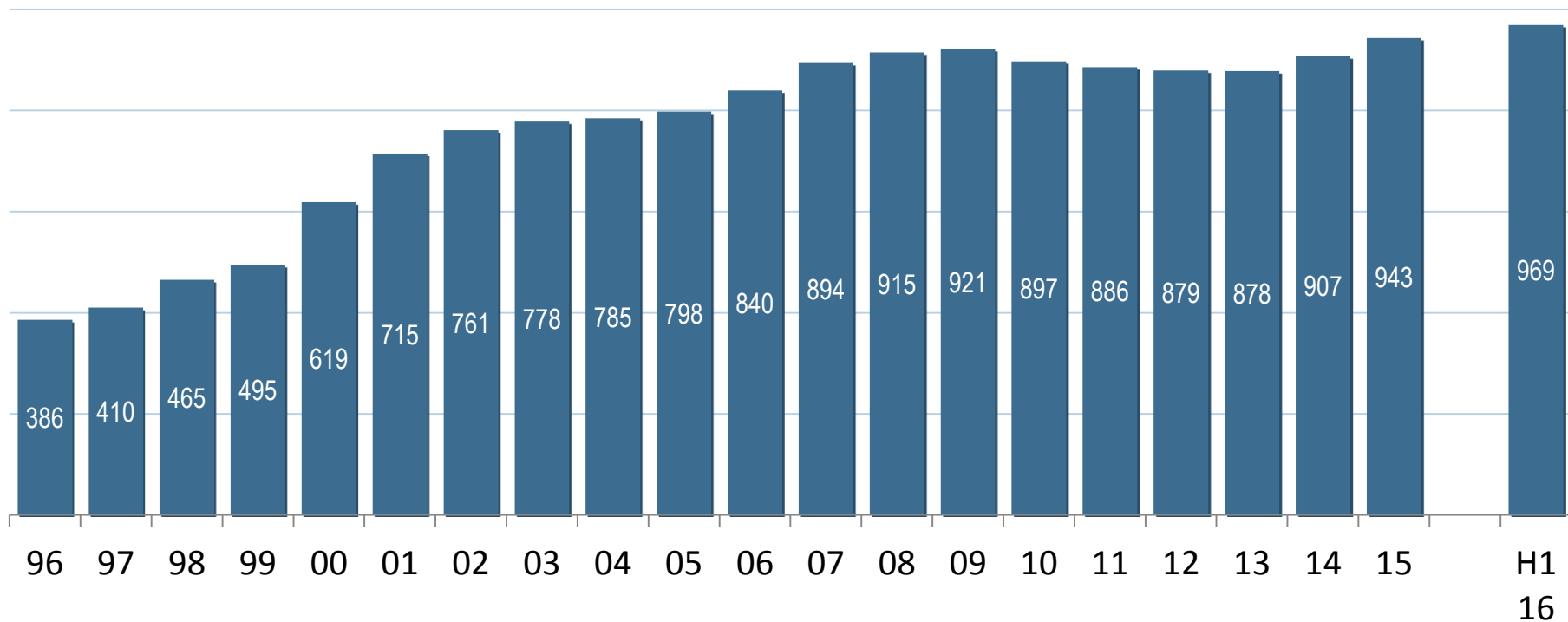
Average Assets per Family Banker

€ mn



Customers

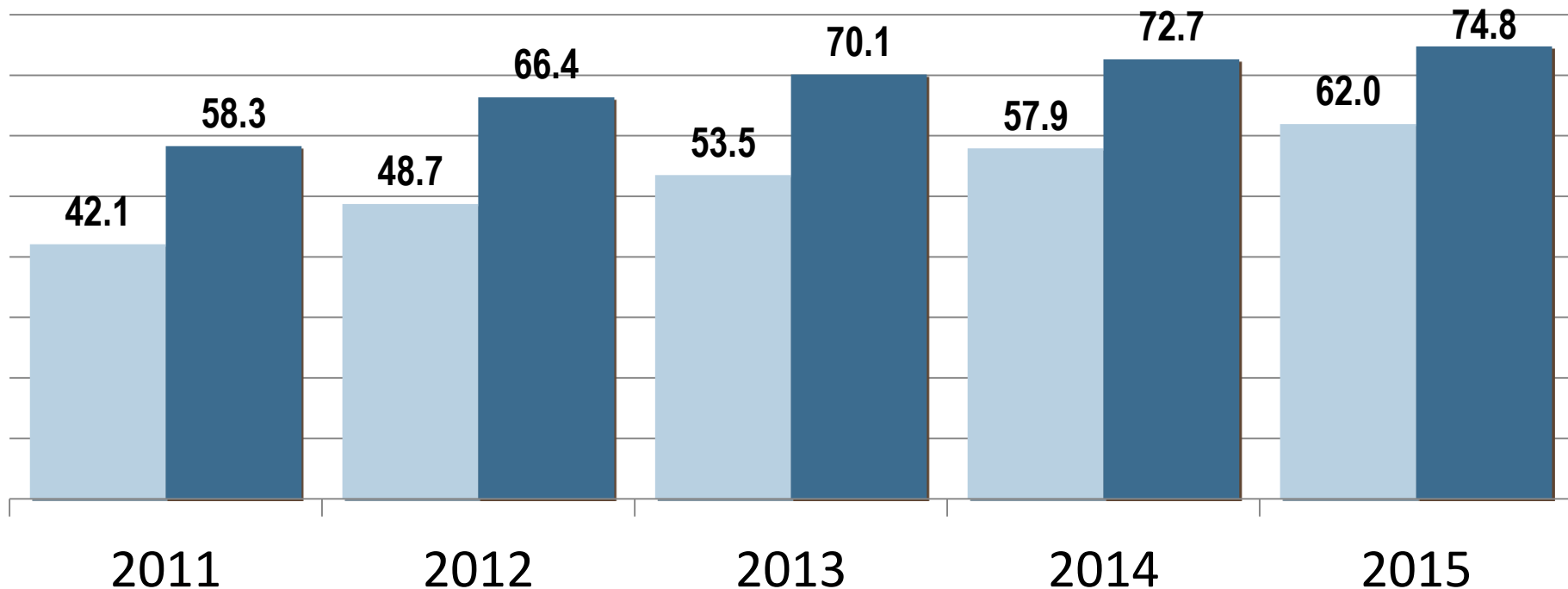
Primary account holders (thousands)



Average Assets per Customer

€ thousands

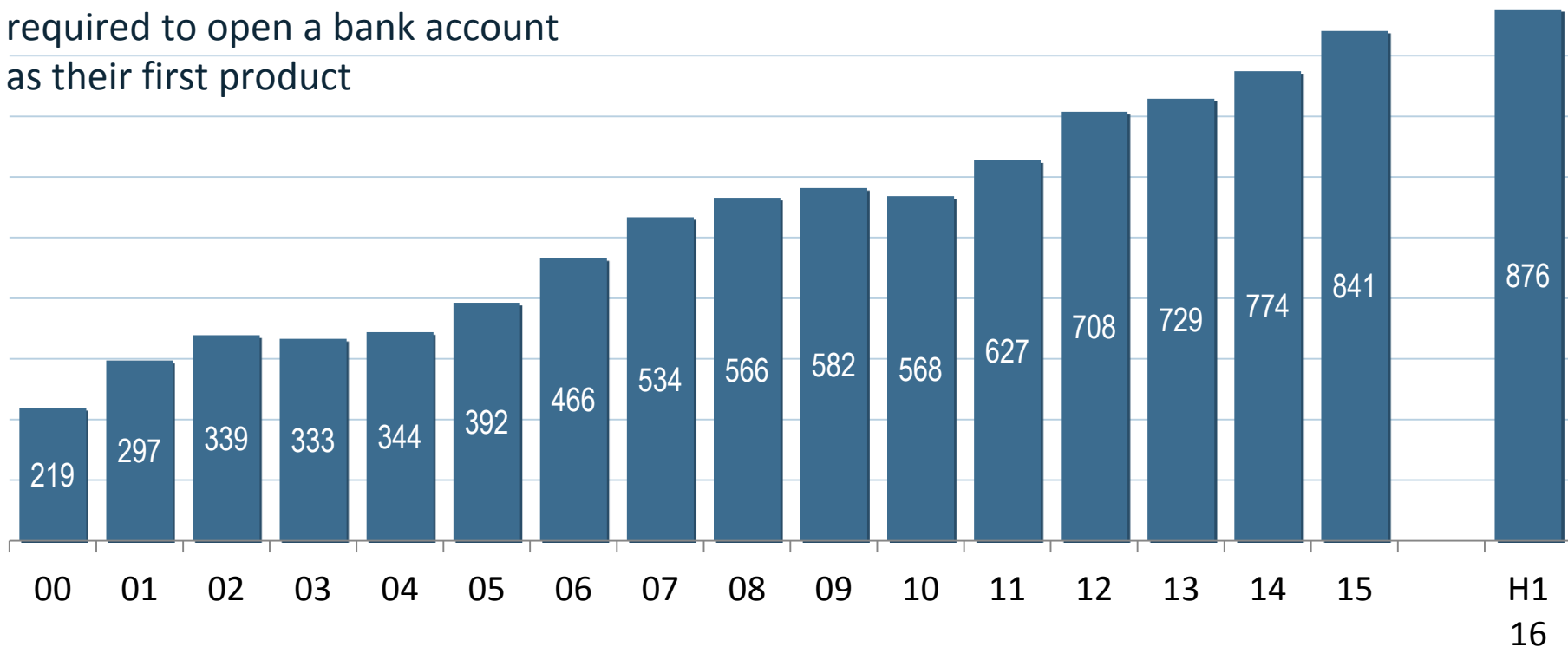
- Primary Account Holders
- Primary Bank Account Holders



thousands

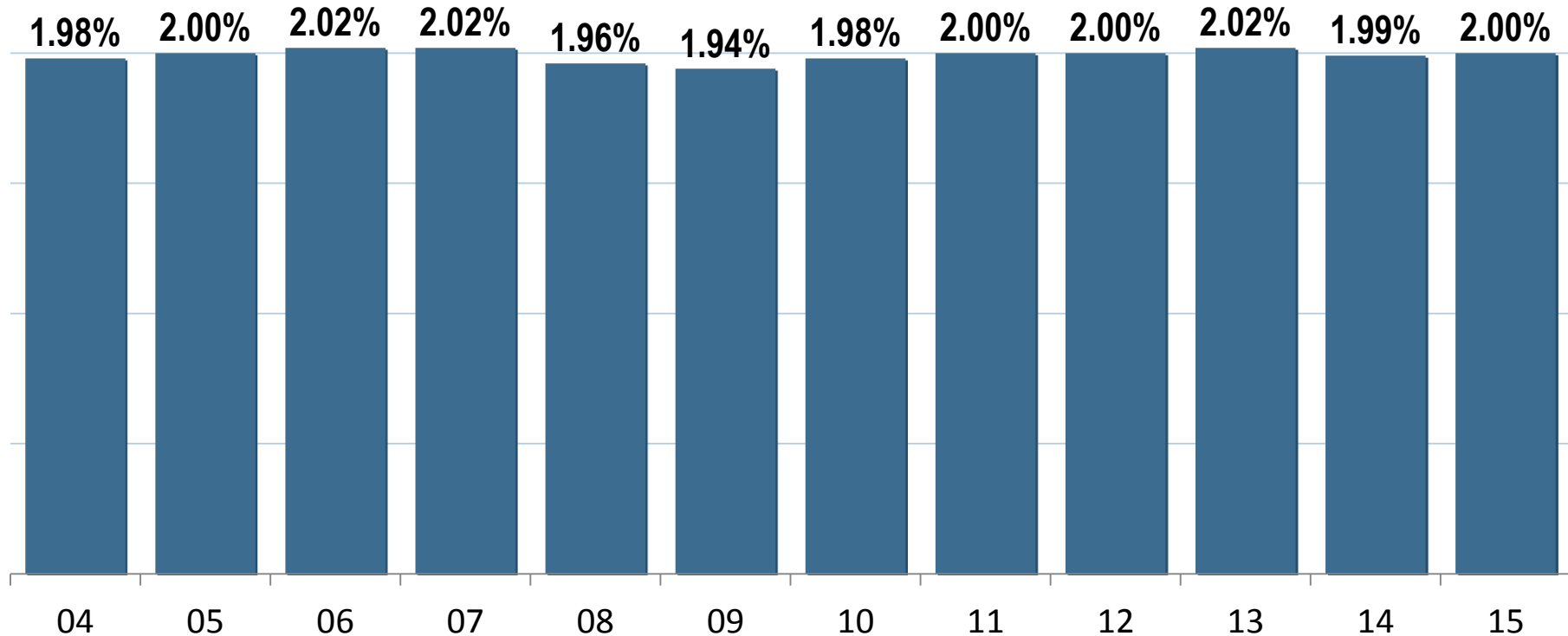


Since March 2005: all new customers are required to open a bank account as their first product



Management Fees* History

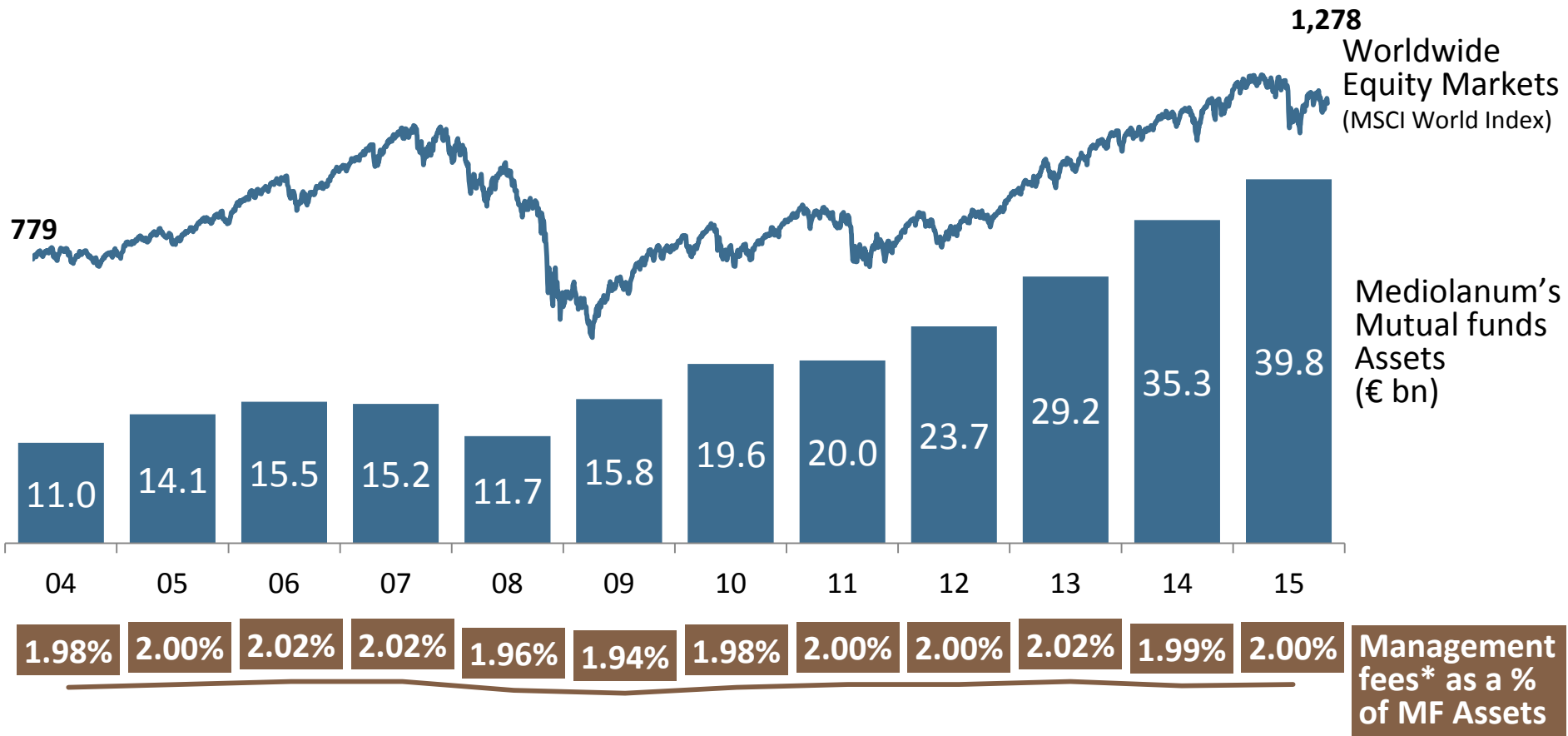
expressed as a % of average managed assets in the period



* including insurance commissions on U-L policies

Resilience of Mediolanum's Management Fees*

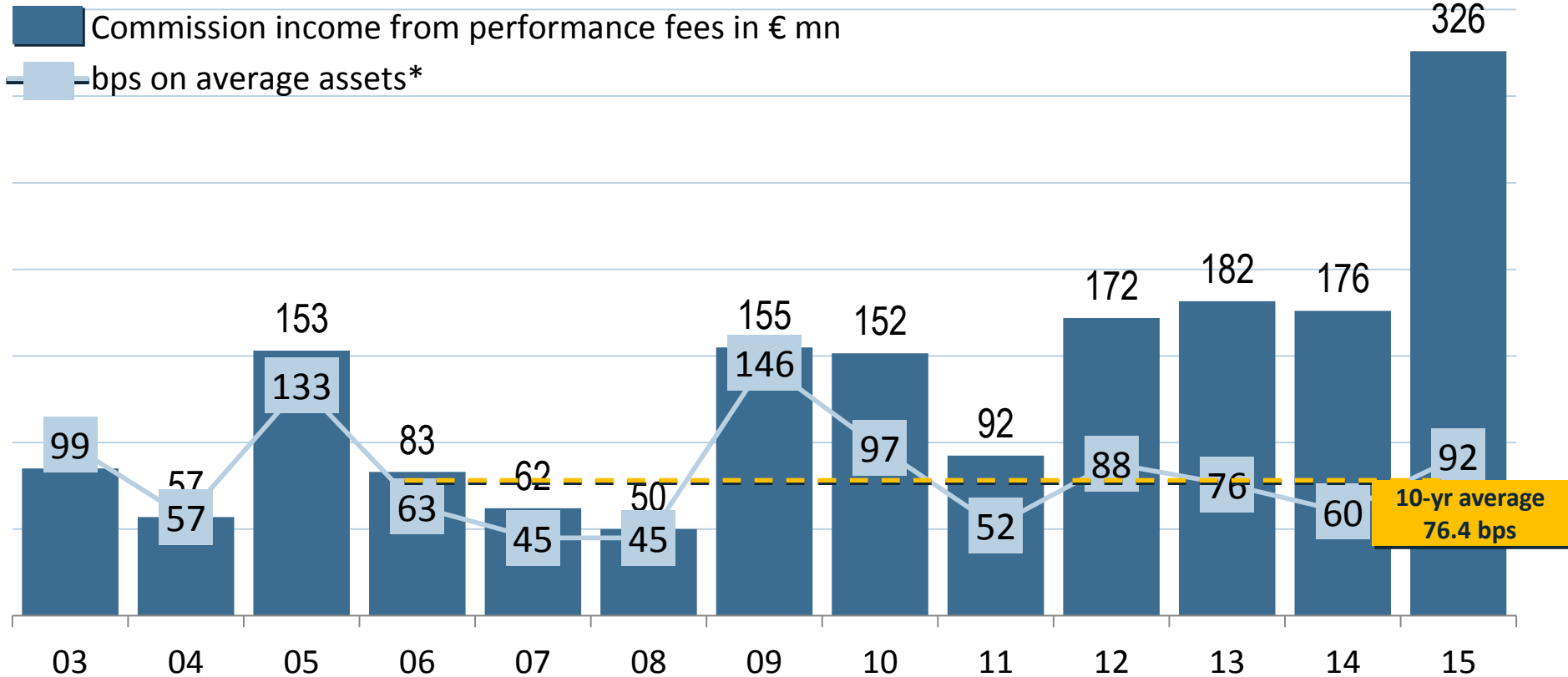
regardless of trends in equity markets worldwide



* including insurance commissions on U-L policies

Performance Fees History

including Unit-Linked policies



* calculated only on those funds subject to performance fees

Mediolanum's Culture

Our Competitive Advantage



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

- The **Investment strategy** we advocate to our customers, providing solutions according to an analysis of each customer's **needs** and based on the concept of '**diversification**'
- Our effective, innovative and committed **Training & Communication strategy**

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

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

The Mediolanum Approach vs. Open Architecture



'Best Brands' family of **Funds of branded Funds** unveiled in April 2008

This is not the 'Open Architecture' approach

It is impossible for a private investor to choose among a supermarket-like offer of thousands of funds, if not on the very risky basis of past performance

Synergy of the best A.M. companies' expertise & pursuit of quality and Mediolanum's capacity to select & coordinate asset managers & give high quality advice to customers

Funds of **single-brand** funds (the 'Selection' series) are Mediolanum products but also carry the name of the underlying funds' asset manager

Funds of **multi-brand** funds (the 'Collection' series) do not utilise the underlying brands in the fund name, however they are used in marketing and advertising material

'MyLife' Unit-Linked Policy Insurance wrapper for mutual funds

launched March 2014



Addresses all needs of HNW investors

Financial planning: flexible, hassle-free diversification across all investment classes; access to 100+ funds (up to 40% picked from a selection of 3rd-party funds)

Legal protection of investments: assets cannot be seized or frozen

Succession planning: one or more beneficiaries, irrespective of applicable inheritance laws; can be easily modified at any time

Tax efficiency: capital gains tax is deferred to the time of policy liquidation. No inheritance / income tax is due on amounts received by beneficiaries

Additional features

Income drawdown

can be requested at any time; choice of duration (5-15 yrs) & frequency

Basic Death Benefit included

up to 2.5% of assets depending on age at death. Supplementary coverage also available

Mediolanum's trademark **investment optimization:**

yields over a pre-set threshold can be automatically set aside and reinvested during market drops

- Launched in the wake of the Lehman Bros. bankruptcy, exploited **Mediolanum's unique situation** in terms of high liquidity & good reputation
- Designed to be the best account in the market for HNW individuals:
no remuneration of deposits **up to € 15,000**; **very appealing interest** paid **on the excess** balance
- Rate offered is **advertised in advance** for each quarter
- In the original 'Freedom', the interest was actually paid on a **Life policy** connected to the current account; this resulted in a **tax rate of 12.5% instead of 27%** for the customer
- Mediolanum's integrated structure & sophisticated software architecture allowed the entire balance to be available to the customer at any time, by **seamlessly moving money** back and forth between the bank account and the Life policy
- After tax reform of 2012 'Freedom' became '**Freedom+**' - a pure banking product
- Switching to 'Freedom+' is encouraged – delivers the same product promise, but entails **lower G&A expenses** and **capital absorption** for Mediolanum



launched June 2016



Allows our customers to **gradually enter equity markets** in order to take advantage of the overall growth of the world economy

Designed to remove emotional barriers associated with equity investments by making rational choices at the beginning of the plan rather than during crises or volatile markets

The amount invested is first put into our 'Euro Fixed-Income A' money market fund, and then **fully converted into Mediolanum global equity funds** over 3-4-5 years through automatic monthly transfers

Thanks to the **Automatic Step-In/Step-Out** feature, when the **unit price of equity funds has a strong decrease*** the **transferred amount is multiplied accordingly**.

Vice versa, in the case of an extraordinary increase (+10% or 20%), the capital gains are shifted back into the money market fund

* versus each customer's average purchase price.

INTELLIGENT
INVESTMENT



STRATEGY

Equity Fund Unit Price

Instalment amount

5% to 10% decrease

X2

10% to 15% decrease

X3

15% to 20% decrease

X4

20% or more decrease

X5

Training & Communication: Mediolanum Corporate University



Inaugurated March 2009

Centralises our training know-how, in coordination with top universities, professors and individuals who are experts in the field

Provides our Family Bankers & employees with a resource for life-long education

Develops financial education programs dedicated to our customers & the community



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

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

- Financial news commented by top company executives
- Company news & product information
- Online training course support
- Inspirational thoughts for personal motivation & sales techniques



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

Approximately **3,000 events** held in H1 2016:
local & high-level events, sports events (e.g. Giro d'Italia), talk shows, etc.

Over **170,000 customers and prospects** attending

Results are measurable:

Net inflows into managed assets of invited customers in the 3 months post-event

expenses are reimbursed to Family Bankers only if set commercial target is met (80% of the times in 2015)

Average commercial value of media coverage is also regularly tracked



78 **The 3th best known bank brand in Italy**
Total brand awareness – Italian banks – Jun 2016

 **UniCredit** 44%

 **BCC** 11%
CREDITO COOPERATIVO

INTESA  **SANPAOLO** 39%

ING  **DIRECT** 10%

 **MONTE DEI PASCHI DI SIENA** 25%
BANCA DAL 1472

UBI  **Banca** 8%

CheBanca! 6%
Gruppo Mediobanca

 **mediolanum** ^{BANCA} 23%

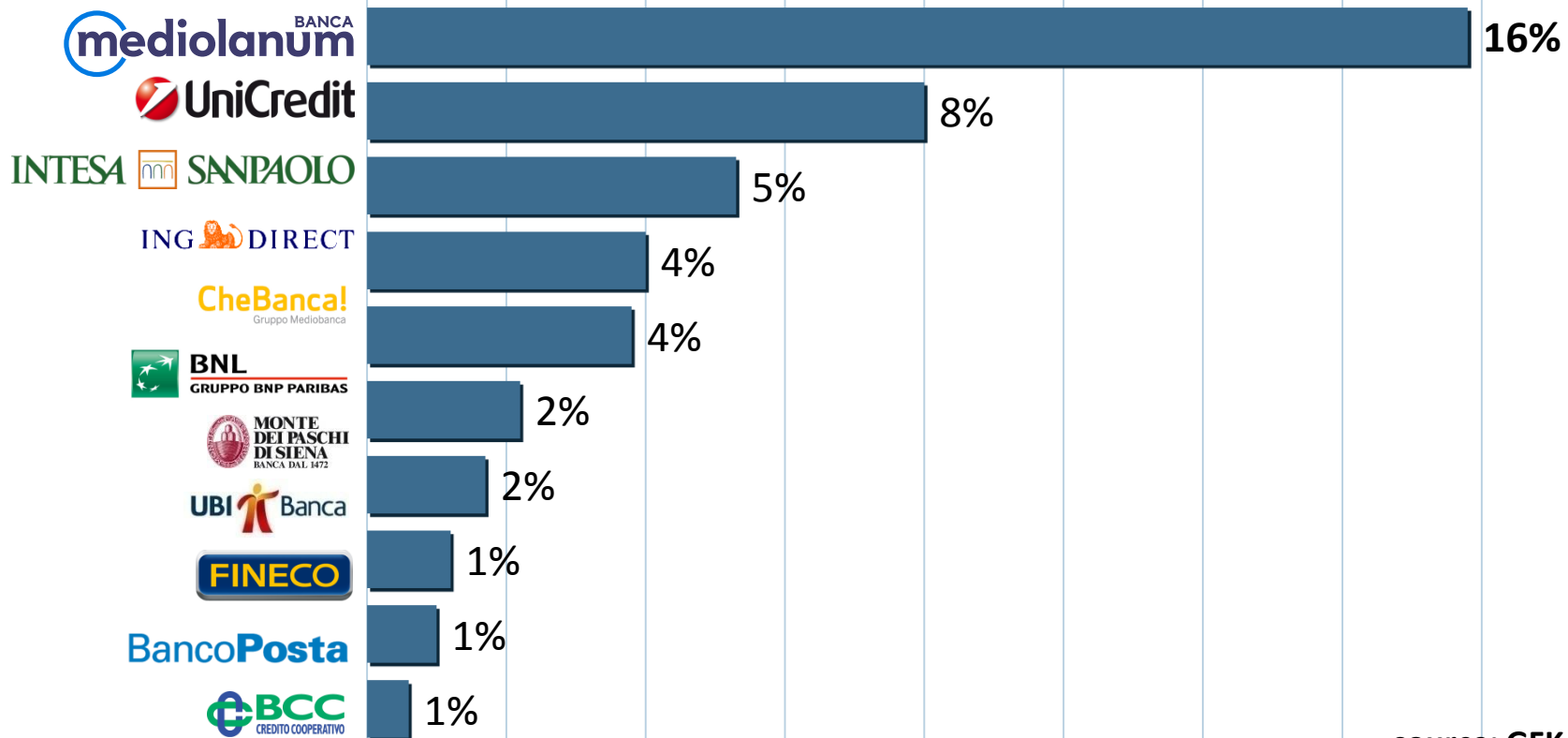
BancoPosta 5%

 **BNL** 11%
GRUPPO BNP PARIBAS

 **FINECO** 4%
THE NEW BANK

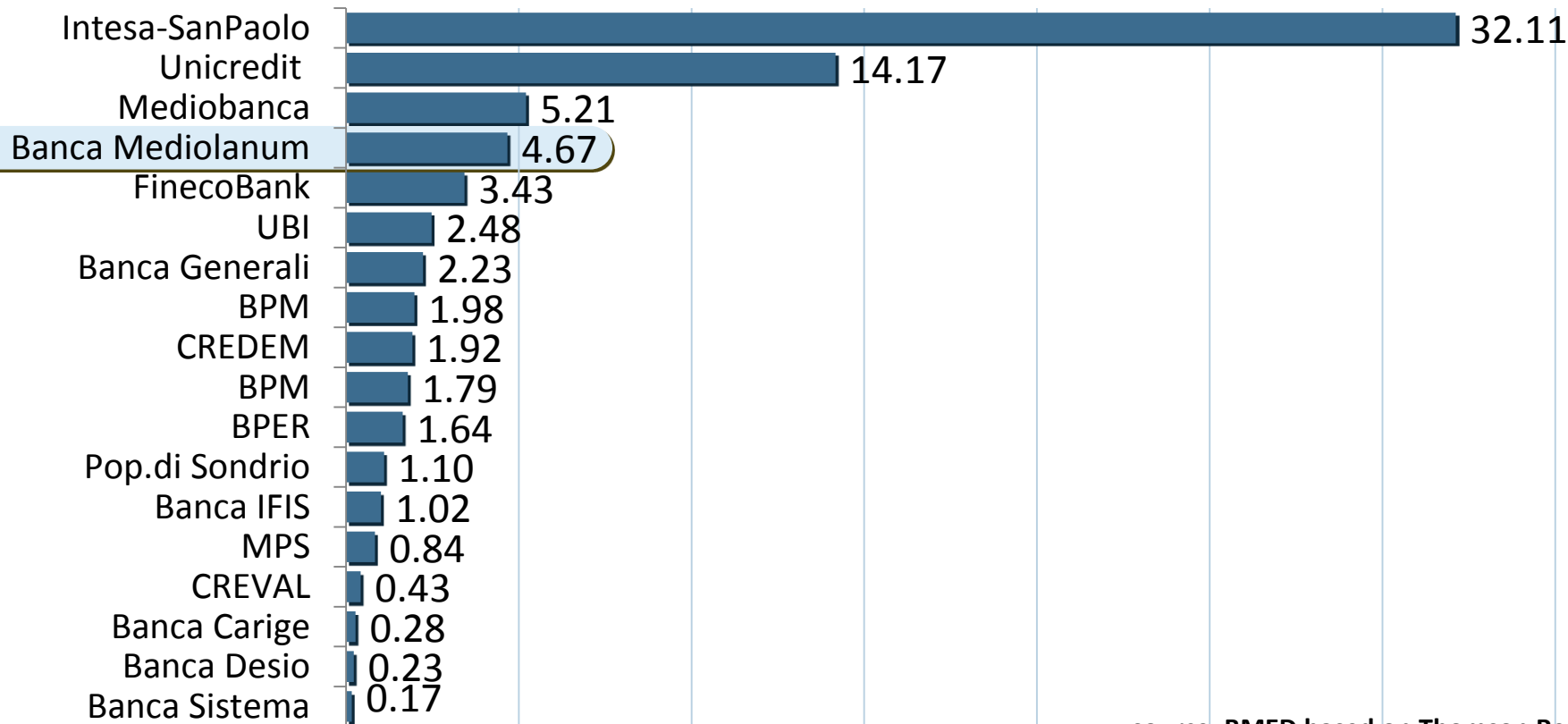
Banca Mediolanum's advertising The most memorable in the banking industry

Spontaneous recall of bank advertising in Italy – Jan-Jun 2016

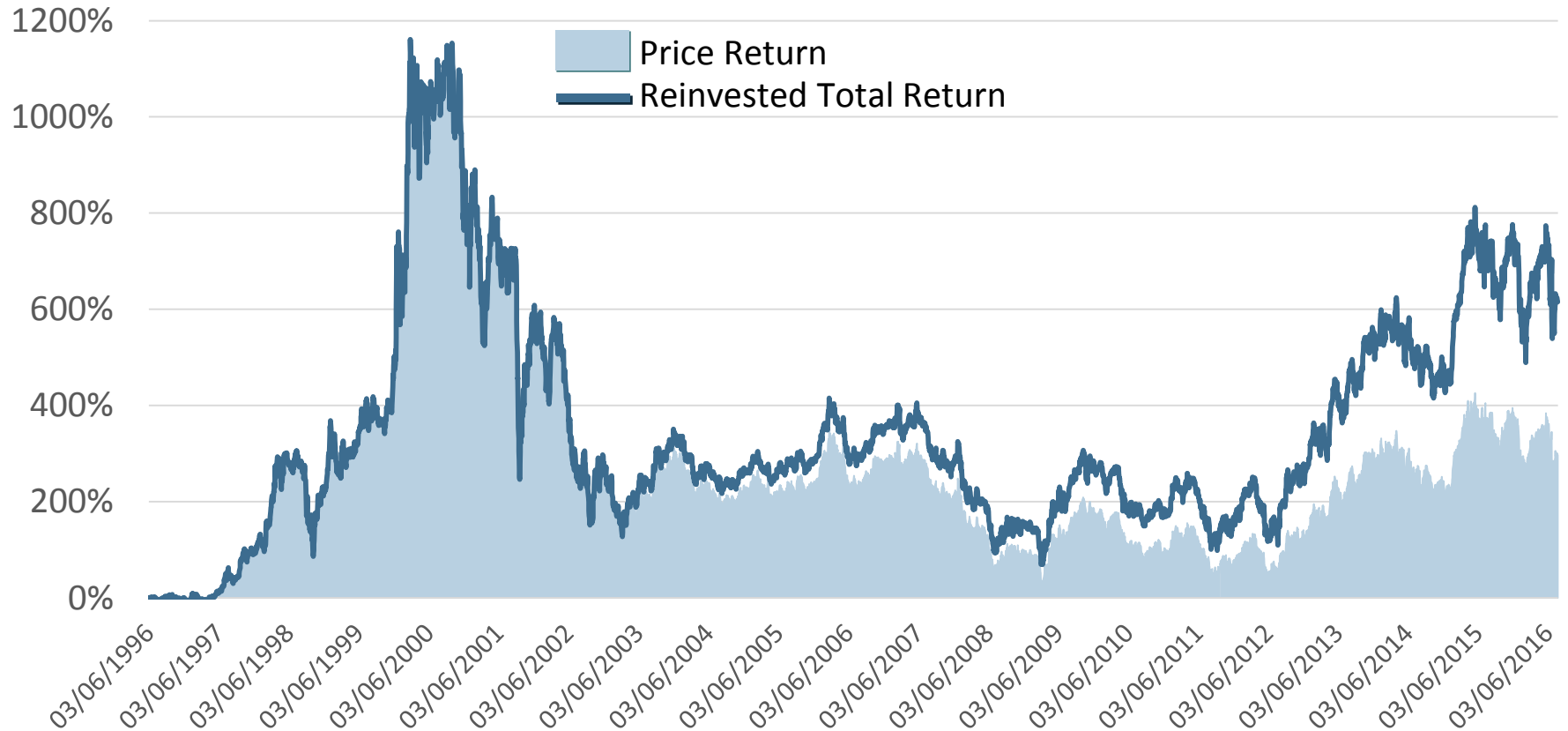


Ranking of Italian Banking Groups by Market Capitalisation

as at 25/07/2016



Price Return & Total Return Index*



* Total Return Index includes dividend reinvestment, June 3, 1996 – July 25, 2016

source: Datastream



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

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

The senior manager in charge of drawing up Company Accounts

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