

February 2017



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FY 2016 Group Results

	FY16	FY15	Change
Entry fees	70.5	102.0	-31%
Management fees	848.8	815.0	+4%
Performance fees	235.6	326.0	-28%
Banking service fees	81.4	86.4	-6%
Other fees	34.7	37.0	-6%
Total commission income	1,271.0	1,366.3	-7%
Net interest income	228.8	252.8	-10%
Net income on investments at fair value	(8.8)	(1.1)	n.s.
Net financial income	220.0	251.7	-13%
Insurance revenues ex U-L commissions	27.8	43.9	-37%
Equity contribution (Mediobanca & Banca Esperia)	26.7	22.3	+20%
Net income on other investments	22.2	(8.8)	n.s.
<i>o/w Impairment on loans</i>	<i>(11.0)</i>	<i>(13.2)</i>	<i>-16%</i>
Other revenues	26.3	26.7	-2%
Total Revenues	1,593.9	1,702.1	-6%
Acquisition costs	(480.3)	(497.9)	-4%
Other commission expenses	(58.8)	(59.6)	-1%
G&A expenses	(497.0)	(479.6)	+4%
Contribution to SRF, DGS & similar	(46.0)	(20.8)	+121%
Amortisation & depreciation	(32.5)	(26.1)	+25%
Provisions for risks & charges	(30.6)	(57.0)	-46%
Total Costs	(1,145.0)	(1,140.9)	+0%
PROFIT BEFORE TAX	448.9	561.2	-20%
Income tax	(55.4)	(122.6)	-55%
NET INCOME	393.5	438.6	-10%

- interim dividend paid in November 2016 16 eurocents
- dividend to be paid in April 2017 24 eurocents

Dividend per share

30 eurocents

Extra dividend per share

10 eurocents

Total amount of dividends

€ 294 mn

6 Income Statement Salient Points

YoY comparison



FY 2016
Group

Entry Fees (€ 31 mn lower YoY)

reflected lower gross inflows into Mutual Funds & greater percentage of HNW customers with waived entry fees

Management Fees (€ 34 mn higher YoY)

benefitted from solid contribution in Q3 & Q4 (highest 2 quarters ever) due to strong inflows in M.F.

Performance Fees (€ 90 mn lower YoY)

penalised by unflattering comparison vs. 2015; H2 fees almost doubled those of the H1

Net Interest Income (€ 24 mn lower YoY)

suffered from lower investment income & reduction in bond portfolio, partially mitigated by management of cost of funding

Net Income on Investments at FV (€ 8 mn lower YoY)

impacted by the MtoM of derivatives hedging fixed-rate mortgages no longer on our books, but recuperating in Q4

Insurance Rev. ex U-L Commissions (€ 16 mn lower YoY)

impacted by lower My Life gross inflows & adjustments made to technical reserves

Net Income on Other Investments (€ 31 mn higher YoY)

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

G&A expenses (€ 17 mn higher YoY)

inflated by an additional advertising campaign (6 mn) & the non-repayable grant (5 mn) to support earthquake victims in central Italy

SRF & DGS contributions (€ 25 mn higher YoY)

include a 42% writedown of our 40 mn investment in Atlante fund

Provisions for risks & charges (€ 26 mn lower YoY)

benefitted from lesser verdict on the inherited Fibanc lawsuit in Spain

7 Income Statement by Quarter

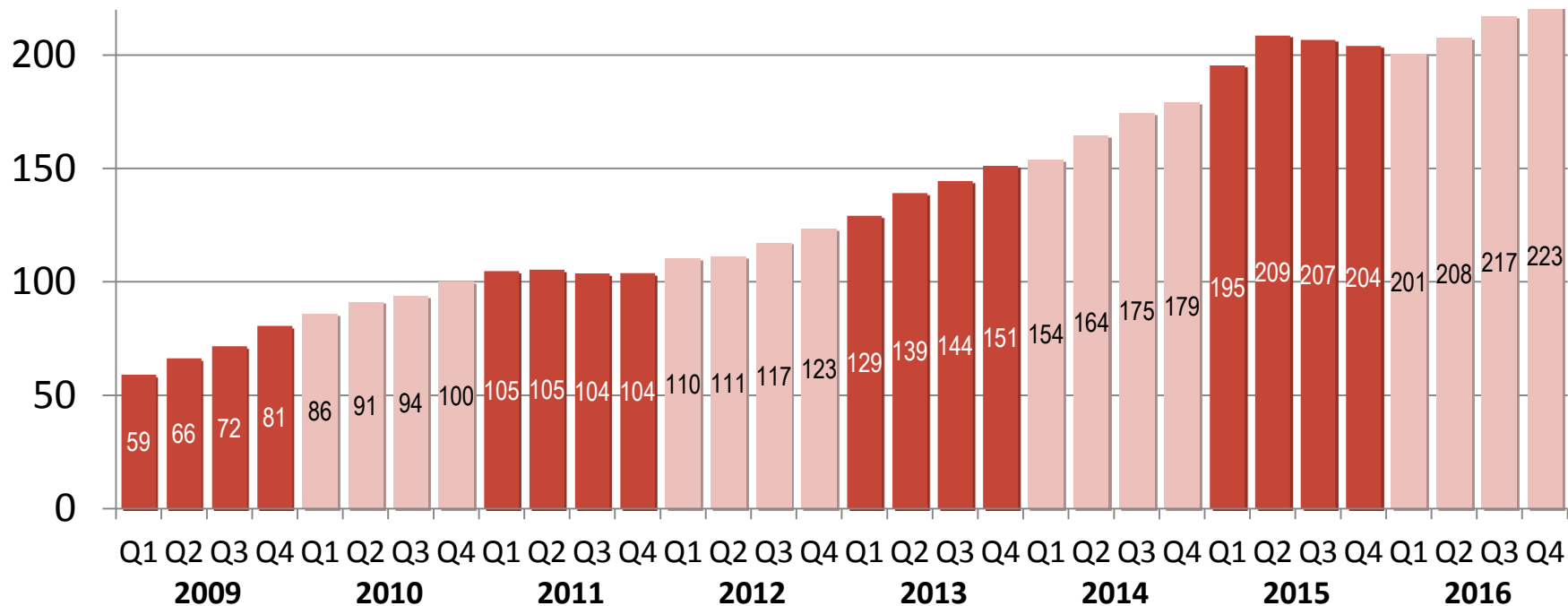
€ mn



FY 2016
Group

	Q115	Q215	Q315	Q415	Q116	Q216	Q316	Q416
Entry fees	27.8	31.3	21.9	21.0	17.6	17.2	17.8	18.0
Management fees	195.5	208.7	206.8	204.1	200.5	207.6	217.2	223.4
Performance fees	132.9	26.4	19.5	147.2	50.4	32.2	75.3	77.6
Banking service fees	22.1	21.0	22.1	21.2	20.4	20.2	19.7	21.1
Other fees	9.6	10.5	8.1	8.9	8.1	8.9	8.6	9.2
Total commission income	387.9	297.8	278.3	402.3	297.1	286.0	338.7	349.2
Net interest income	61.3	64.0	63.0	64.6	61.6	60.2	59.5	47.5
Net income on investments at fair value	(3.4)	3.6	(2.2)	0.9	(10.6)	(4.8)	(2.2)	8.8
Net financial income	57.9	67.6	60.7	65.5	51.0	55.4	57.4	56.3
Insurance revenues ex U-L commissions	17.5	11.7	5.9	8.8	7.4	3.7	7.1	9.6
Equity contribution (Mediobanca & Banca Esperia)	(0.9)	7.7	12.3	3.1	0.6	4.9	16.2	5.0
Net income on other investments	(2.7)	(2.0)	(0.5)	(3.5)	(3.3)	18.7	0.3	6.5
<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>	<i>(0.6)</i>	<i>(1.9)</i>
Other revenues	6.1	6.7	7.7	6.1	5.7	6.4	6.2	8.1
Total Revenues	465.8	389.5	364.5	482.3	358.5	375.1	425.8	434.6
Acquisition costs	(123.9)	(131.1)	(117.4)	(125.6)	(110.4)	(113.0)	(121.2)	(135.8)
Other commission expenses	(18.5)	(13.3)	(13.8)	(14.0)	(13.5)	(14.6)	(15.1)	(15.6)
G&A expenses	(119.1)	(123.2)	(111.3)	(126.0)	(117.3)	(132.3)	(108.1)	(139.2)
Contribution to SRF, DGS & similar	(0.5)	(0.5)	(0.5)	(19.3)	(4.3)	(1.4)	(7.9)	(32.4)
Amortisation & depreciation	(5.6)	(6.4)	(6.2)	(7.8)	(7.2)	(7.7)	(7.8)	(9.7)
Provisions for risks & charges	(24.9)	(9.5)	(12.9)	(9.7)	(12.5)	(2.2)	(12.5)	(3.4)
Total Costs	(292.5)	(283.9)	(262.1)	(302.5)	(265.1)	(271.2)	(272.6)	(336.1)
PROFIT BEFORE TAX	173.3	105.7	102.4	179.8	93.3	103.9	153.2	98.5
Income tax	(35.9)	(15.6)	(18.5)	(52.6)	(20.2)	(6.7)	(18.5)	(10.0)
NET INCOME	137.4	90.0	84.0	127.2	73.2	97.1	134.7	88.5

€ mn



194

198

200

200

202

199

200

198

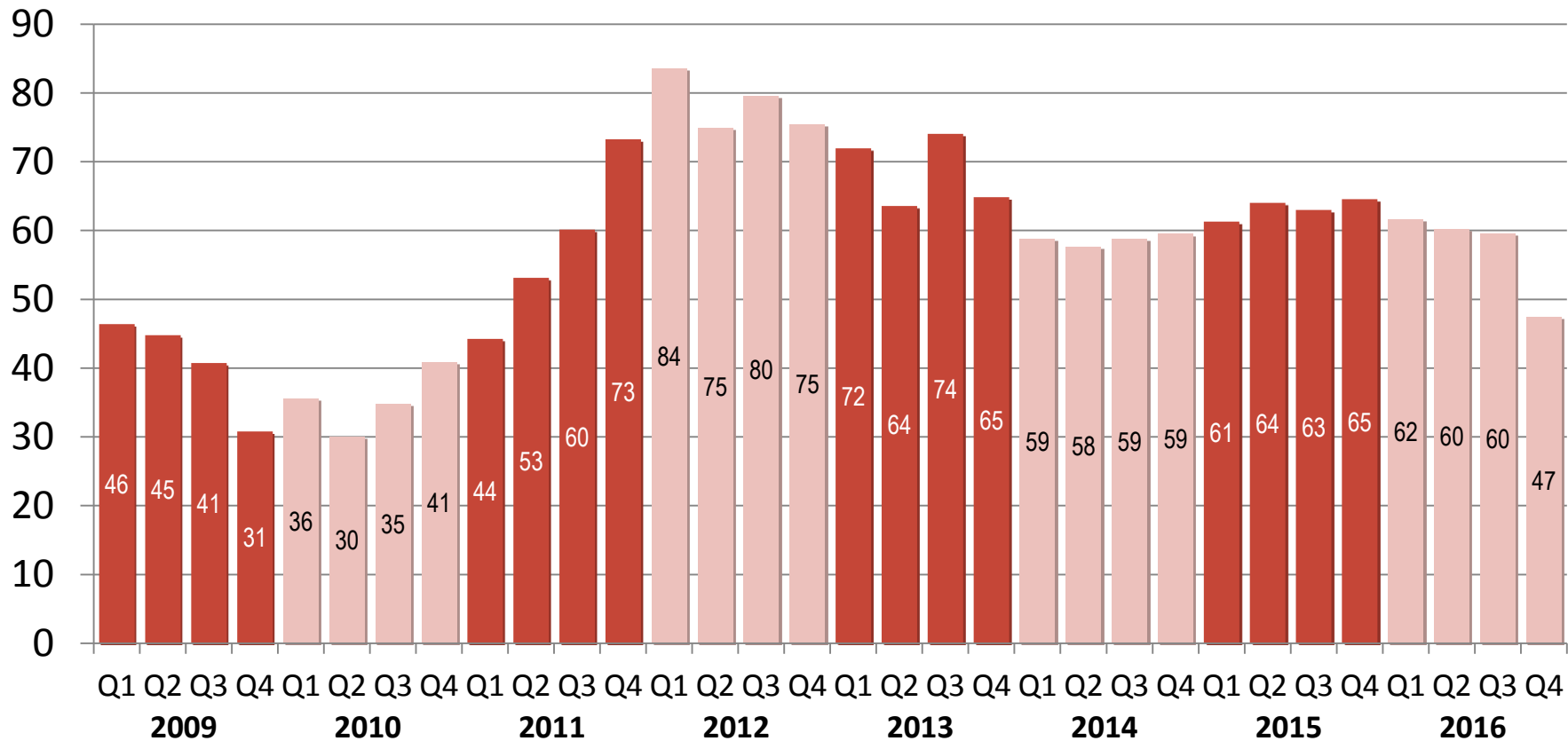
Yearly bps on average assets

9 Quarterly Net Interest Income

€ mn

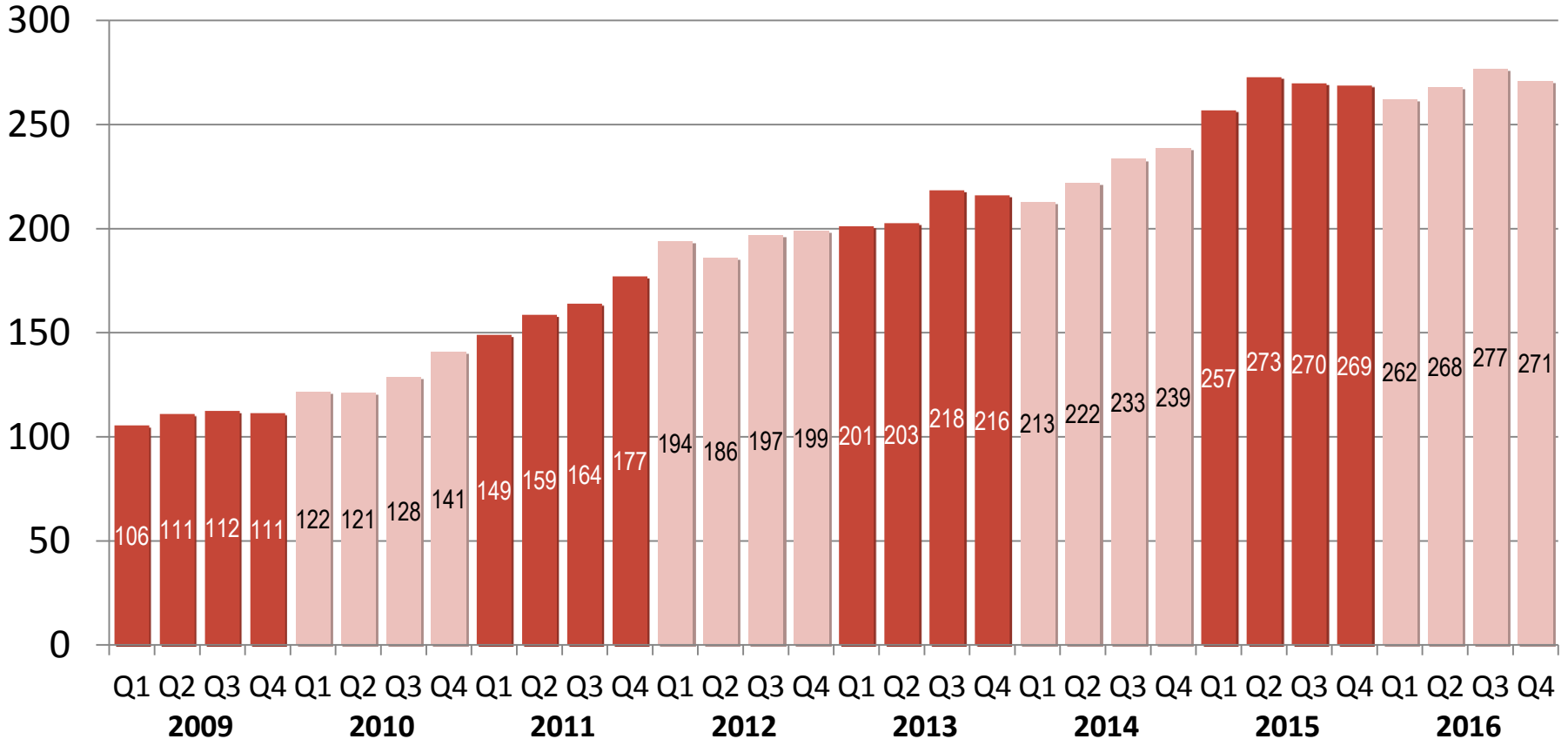


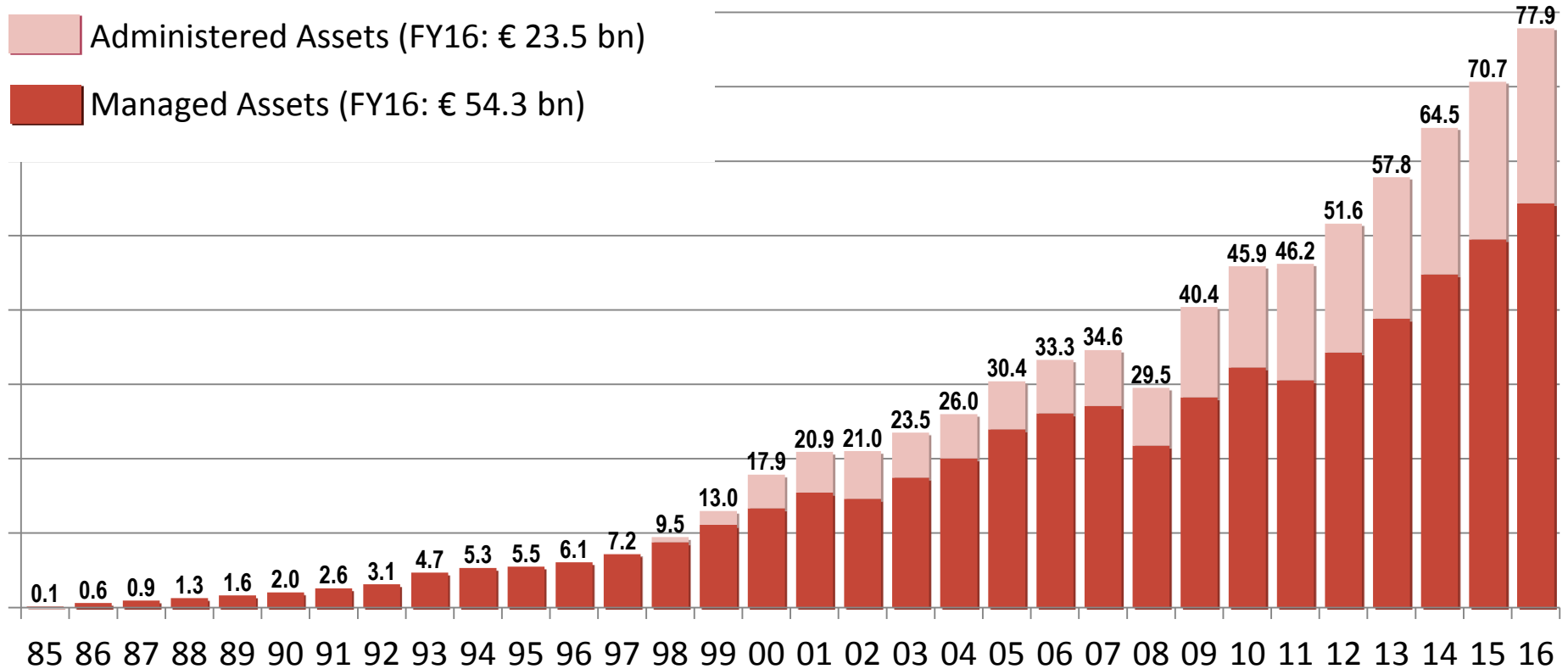
FY 2016 Group



Quarterly Recurring Revenues

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





12 Assets under Administration/Management

€ mn



FY 2016
Group

	31/12/16	31/12/15	Change
Mutual Funds & U-L Policies	44,200.6	39,820.7	+11%
'Freedom' Life Policies	233.8	503.1	-54%
Other Life Insurance products	1,524.9	1,730.9	-12%
Banking	18,383.8	15,979.4	+15%
Italy – Banca Mediolanum	64,343.1	58,034.2	+11%
Italy – Banca Esperia (Mediolanum's share)	9,039.5	8,595.6	+5%
Mutual Funds & U-L Policies	2,474.7	1,984.9	+25%
Other Insurance Products	174.5	238.1	-27%
Banking	1,231.2	1,323.1	-7%
Spain – Banco Mediolanum	3,880.3	3,546.0	+9%
Mutual Funds & U-L Policies	420.3	386.3	+9%
Other Insurance Products	23.9	26.5	-10%
Banking	147.0	92.9	+58%
Germany – B. A. Lenz & Gamax	591.2	505.8	+17%
TOTAL AUA/AUM	77,854.1	70,681.6	+10%

FY16

9M16

FY15

GROUP CAPITAL RATIOS

Total Capital Ratio

20.0%

20.5%

19.7%

Common Equity Tier 1 Ratio

20.0%

20.4%

19.7%

Total Regulatory Capital Held

1,884

1,792

1,484

Required Capital – Banks *

942

915

920

Solvency Capital Requirements – Insurance companies**

705

542

239

Total Required Capital

1,647

1,457

1,159

EXCESS CAPITAL

237

335

325

* Banks' required capital amounts to 13.1% (minimum total capital ratio as per SREP) of consolidated RWA (€ 7,824 mn as at 31/12/2016), excluding stakes in insurance companies

** FY 2015 Solvency Capital Requirements are calculated according to Solvency I framework



FY 2016 Domestic Market Results

	FY16	FY15	Change
Entry fees	59.3	87.7	-32%
Management fees	800.0	773.4	+3%
Performance fees	223.2	306.2	-27%
Banking service fees	59.5	67.1	-11%
Other fees	33.1	35.4	-7%
Total commission income	1,175.1	1,269.9	-7%
Net interest income	212.2	232.3	-9%
Net income on investments at fair value	(9.2)	(1.7)	+454%
Net financial income	203.0	230.7	-12%
Insurance revenues ex U-L commissions	18.3	28.2	-35%
Equity contribution (Mediobanca & Banca Esperia)	26.7	22.3	+20%
Net income on other investments	11.9	(8.2)	n.s.
<i>o/w Impairment on loans</i>	(12.3)	(12.6)	-2%
Other revenues	23.1	24.3	-5%
Total Revenues	1,458.1	1,567.1	-7%
Acquisition costs	(444.9)	(461.6)	-4%
Other commission expenses	(39.5)	(42.7)	-7%
G&A expenses	(445.7)	(429.3)	+4%
Contribution to SRF, DGS & similar	(44.4)	(19.2)	+131%
Amortisation & depreciation	(30.1)	(24.2)	+25%
Provisions for risks & charges	(36.0)	(44.1)	-18%
Total Costs	(1,040.6)	(1,021.0)	+2%
PROFIT BEFORE TAX	417.6	546.1	-24%
Income tax	(49.3)	(120.5)	-59%
NET INCOME	368.3	425.6	-13%

€ mn



	Q115	Q215	Q315	Q415	Q116	Q216	Q316	Q416
Entry fees	24.9	27.5	18.1	17.3	14.3	14.4	15.4	15.2
Management fees	186.1	198.3	196.1	192.9	189.5	195.8	204.6	210.2
Performance fees	123.3	24.3	18.6	140.0	47.6	30.6	71.2	73.8
Banking service fees	17.5	16.5	17.2	16.0	15.7	15.0	13.9	14.9
Other fees	9.2	10.1	7.7	8.4	7.7	8.3	8.2	8.8
Total commission income	361.0	276.5	257.8	374.6	274.7	264.2	313.3	322.9
Net interest income	56.1	58.6	58.0	59.7	56.9	56.2	54.4	44.6
Net income on investments at fair value	(3.7)	3.6	(2.2)	0.7	(10.6)	(5.0)	(2.2)	8.7
Net financial income	52.4	62.2	55.7	60.4	46.3	51.2	52.2	53.3
Insurance revenues ex U-L commissions	11.8	7.6	3.9	4.9	5.3	1.2	4.4	7.4
Equity contribution (Mediobanca & Banca Esperia)	(0.9)	7.7	12.3	3.1	0.6	4.9	16.2	5.0
Net income on other investments	(2.8)	(1.8)	(0.4)	(3.2)	(3.2)	10.2	0.5	4.4
<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>	<i>(0.4)</i>	<i>(3.9)</i>
Other revenues	5.7	5.7	6.8	6.1	5.1	5.4	5.6	7.0
Total Revenues	427.1	357.9	336.1	445.9	328.8	337.1	392.2	400.1
Acquisition costs	(114.4)	(121.7)	(108.6)	(116.8)	(101.8)	(104.2)	(112.8)	(126.0)
Other commission expenses	(13.3)	(10.2)	(9.8)	(9.5)	(9.4)	(10.0)	(10.0)	(10.2)
G&A expenses	(106.9)	(110.4)	(98.8)	(113.3)	(104.5)	(120.7)	(95.0)	(125.5)
Contribution to SRF, DGS & similar	0	0	0	(19.2)	(3.9)	(0.9)	(7.5)	(32.1)
Amortisation & depreciation	(5.2)	(5.9)	(5.8)	(7.3)	(6.7)	(7.2)	(7.2)	(9.0)
Provisions for risks & charges	(13.5)	(8.7)	(12.5)	(9.4)	(12.2)	(8.7)	(12.5)	(2.5)
Total Costs	(253.3)	(256.8)	(235.5)	(275.4)	(238.4)	(251.8)	(245.0)	(305.3)
PROFIT BEFORE TAX	173.8	101.1	100.6	170.5	90.4	85.3	147.2	94.7
Income tax	(37.2)	(14.9)	(17.5)	(50.9)	(19.2)	(4.0)	(17.2)	(8.8)
NET INCOME	136.6	86.2	83.1	119.6	71.1	81.2	130.0	85.9

	FY16	FY15	Change
One-time commissions	76.9	104.6	-26%
Ongoing commissions	272.0	258.5	+5%
Total commissions	349.0	363.1	-4%
Incentives on individual net inflows	48.1	45.4	+6%
Contests & bonuses	17.2	15.3	+12%
Reimbursement of costs for customer events	12.0	16.1	-25%
Total incentives & bonuses	77.4	76.8	+1%
Costs related to the agency agreement	18.5	21.7	-15%
TOTAL ACQUISITION COSTS	444.9	461.6	-4%

	FY16	FY15	Change
↓ directly into Mutual Funds	+2,418.9	+2,840.5	-15%
↓ through 'MyLife' U-L policy	+757.9	+1,978.5	-62%
↓ through other U-L policies	+422.2	-131.7	n.s.
Mutual Funds Inflows	+3,599.1	+4,687.4	-23%
Other Life Insurance policies	-267.5	-506.0	-47%
Managed Assets Inflows	+3,331.6	+4,181.4	-20%
3rd-party Structured Bonds	-235.2	-452.4	-48%
Managed Assets incl. Structured Bonds	+3,096.4	+3,729.0	-17%
Cash deposits	+2,686.3	+1,475.0	+82%
Repurchase agreements	0	-0.4	n.s.
Mediolanum bonds	-37.6	-114.6	-67%
Other securities under custody	+162.0	+45.0	+260%
Administered Assets Inflows	+2,810.7	+1,405.1	+100%
'Freedom' Life Policies (change in assets)	-269.3	-471.2	-43%
Administered Assets incl. 'Freedom' accts.	+2,541.4	+933.9	+172%
BANCA MEDIOLANUM	+5,637.8	+4,662.9	+21%
BANCA ESPERIA (Mediolanum's share)	+217.4	+462.0	-53%
TOTAL NET INFLOWS	+5,855.2	+5,124.9	+14%

Mutual Funds

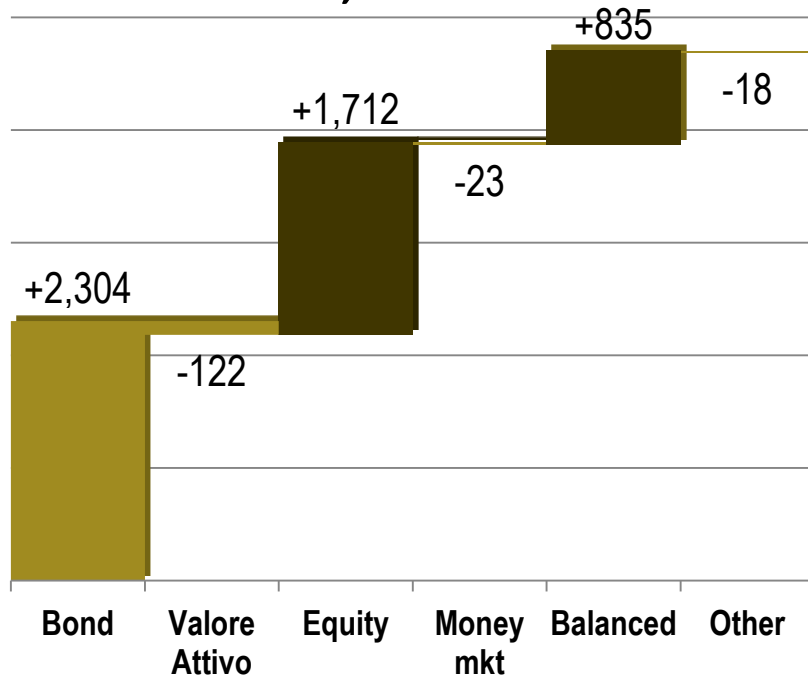
Net Inflows by Category

€ bn – including Unit-Linked policies



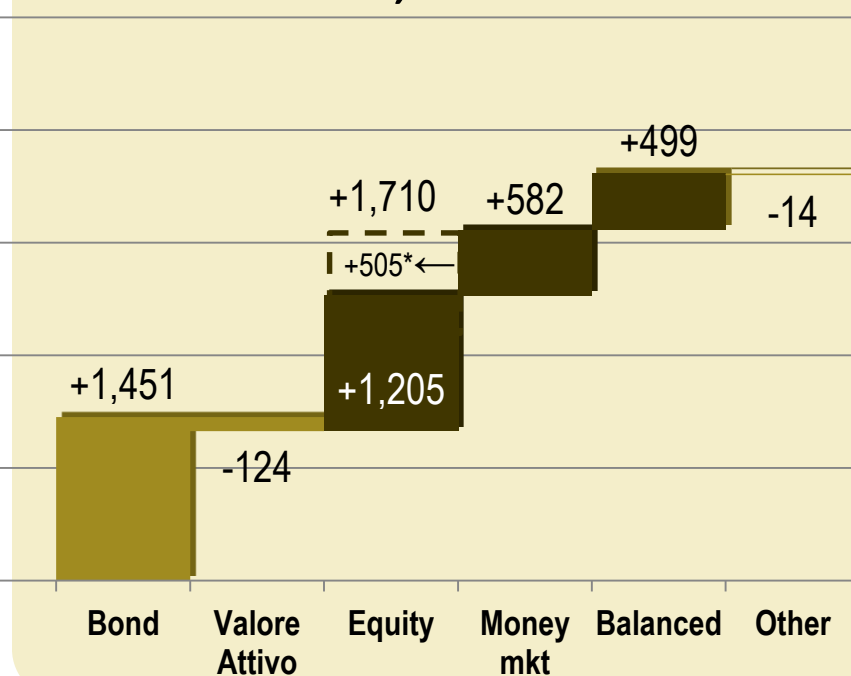
FY15

€ +4,687.4 mn



FY16

€ +3,599.1 mn



* Equity inflows from 'Intelligent Investment Strategy' parked in Money mkt funds

Mutual Funds

Net Inflows by Product

€ mn



	FY16	FY15	Change
'Best Brands' funds of funds (IRL)	+1,666.3	+2,137.8	-22%
'Challenge' mutual funds (IRL)	-3.4	-45.8	-93%
'Fondi Italia' mutual funds (ITA)	+220.6	+358.8	-39%
3rd-party stand-alone funds	+563.4	+458.2	+23%
Other	-27.9	-68.4	-59%
DIRECT NET INFLOWS INTO MUTUAL FUNDS	+2,418.9	+2,840.5	-15%
'MyLife' U-L policy	+757.9	+1,978.5	-62%
Other U-L policies	+422.2	-131.7	n.s.
TOTAL NET INFLOWS INTO MUTUAL FUNDS	+3,599.1	+4,687.4	-23%

Gross Inflows by Product

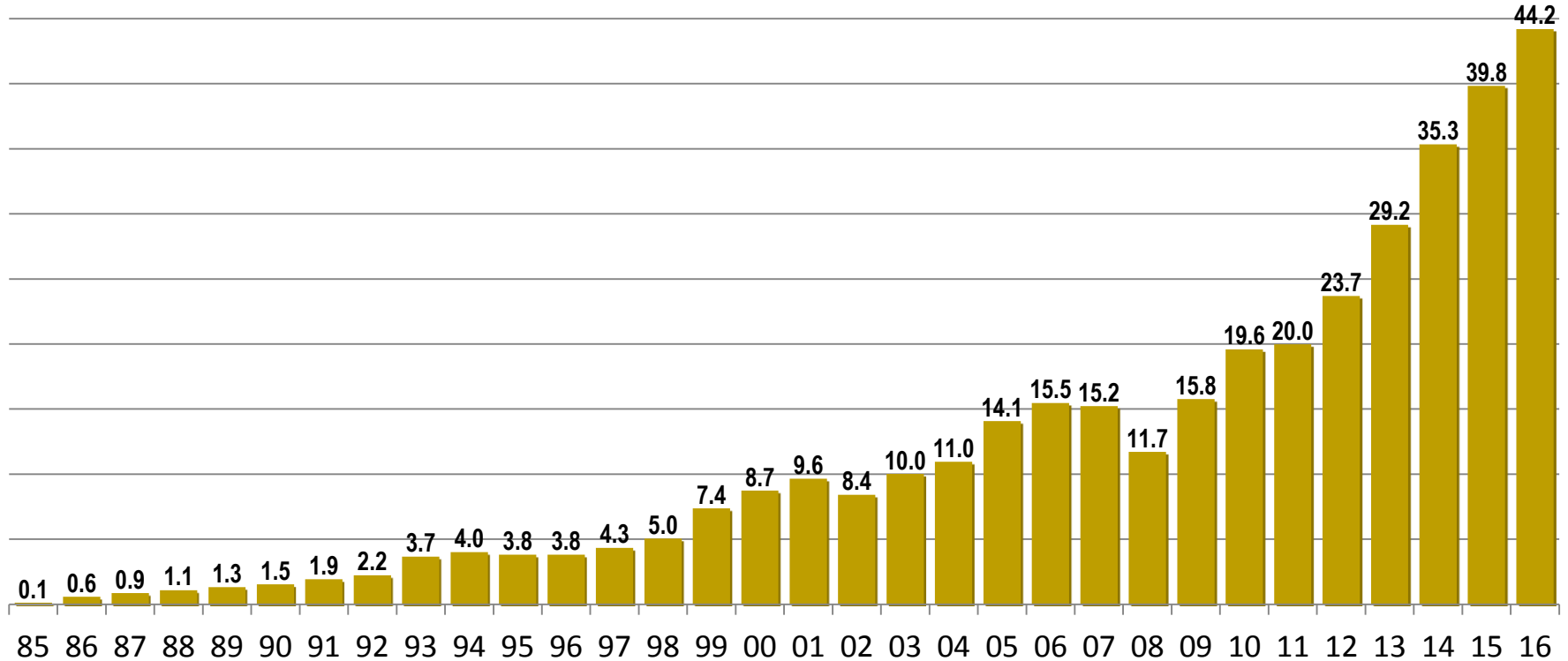
€ mn



	FY16	FY15	Change
'Best Brands' funds of funds (IRL)	3,668.8	5,302.0	-31%
'Challenge' mutual funds (IRL)	488.2	711.0	-31%
'Fondi Italia' mutual funds (ITA)	1,169.6	1,678.9	-30%
3rd-party stand-alone funds	685.3	524.2	+31%
Other	20.1	57.1	-65%
DIRECT GROSS INFLOWS INTO MUTUAL FUNDS	6,032.1	8,273.2	-27%
'MyLife' U-L policy	1,056.5	2,138.5	-51%
Other U-L policies	1,236.9	1,058.1	+17%
TOTAL GROSS INFLOWS INTO MUTUAL FUNDS	8,325.5	11,469.8	-27%

Mutual Funds AUM Trend

€ bn – including U-L assets



Assets under Management

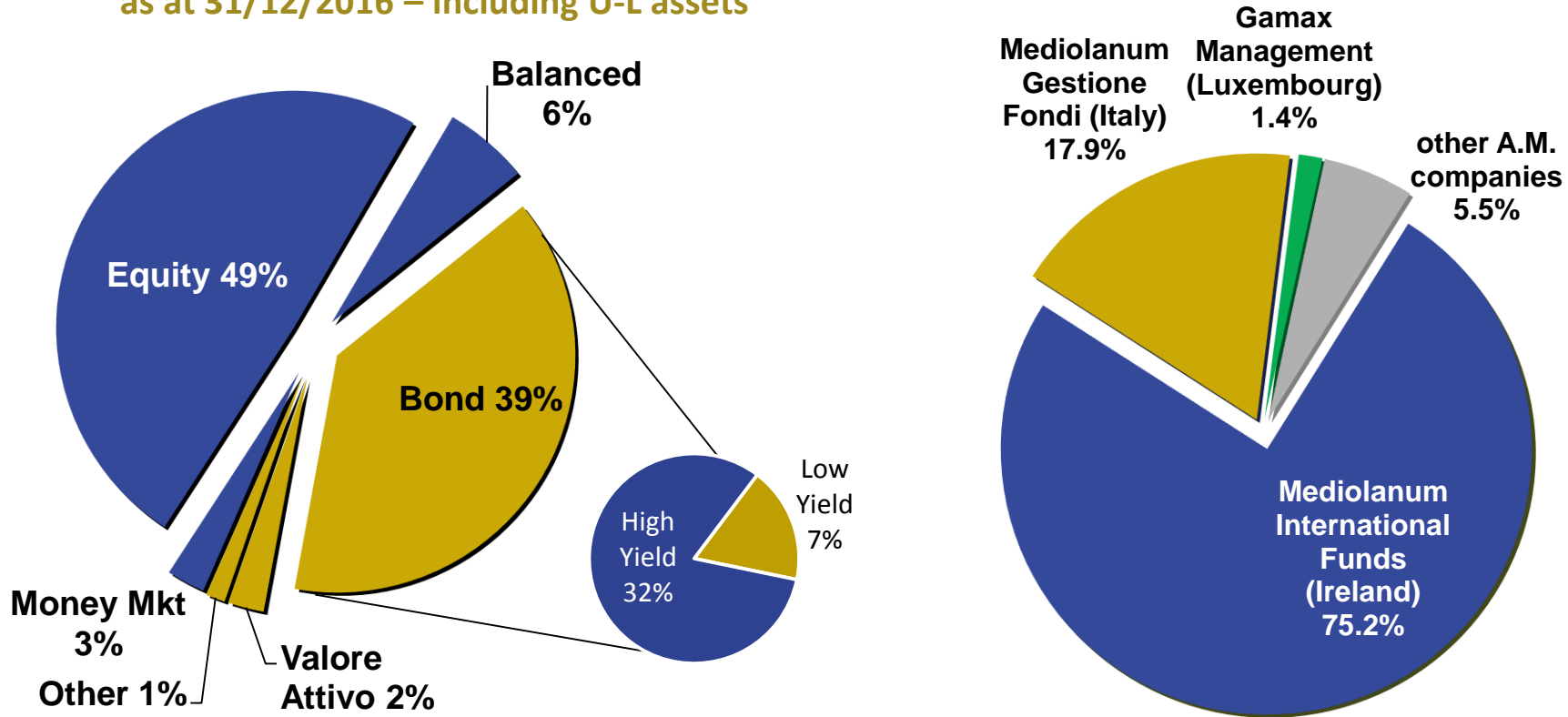
€ mn



	31/12/16	31/12/15	Change
'Best Brands' funds of funds (IRL)	18,643.4	16,403.4	+14%
'Portfolio' funds of funds (IRL)	370.0	383.8	-4%
'Challenge' mutual funds (IRL)	14,137.0	13,369.0	+6%
Funds of Hedge Funds (IRL)	90.0	121.9	-26%
'Fondi Italia' mutual funds (ITA)	7,395.7	7,003.8	+6%
'Real estate' fund (ITA)	311.9	315.0	-1%
3rd-party stand-alone funds	1,163.6	611.5	+90%
Other	822.6	792.8	+4%
<i>Adj. for own mutual funds in FoFs & Managed accts.</i>	<i>(441.1)</i>	<i>(458.0)</i>	<i>-4%</i>
'MyLife' U-L policy	4,278.4	3,434.9	+25%
Other U-L policies	12,421.4	11,612.2	+7%
<i>Adj. for own mutual funds in U-L policies</i>	<i>(14,992.4)</i>	<i>(13,769.7)</i>	<i>+9%</i>
ASSETS IN MUTUAL FUNDS & U-L	44,200.6	39,820.7	+11%

Assets* by category and A.M. company

as at 31/12/2016 – including U-L assets



*Flexible funds are classified according to their equivalent risk level

Banking Revenues

€ mn



	FY16	FY15	Change
Securities trading fees	12.3	19.0	-35%
<i>o/w 3rd-party structured bonds</i>	4.2	9.9	-57%
Service fees	47.2	48.1	-2%
Fee income	59.5	67.1	-11%
Net Interest Income	200.5	220.6	-9%
Net income on investments at fair value	(10.0)	(2.2)	+359%
<i>o/w unrealised</i>	(2.0)	(3.3)	-38%
Net financial income	190.5	218.4	-13%
Net income on other investments	12.3	(8.4)	n.s.
Other fees & Other revenues	11.2	11.9	-5%
BANKING REVENUES	273.5	289.0	-5%

Banking Interest Spread



	FY16	FY15
Total Cost of Funding	0.46%	0.66%
Retail Cost of Funding	0.65%	1.09%
Total Interest Income	1.39%	1.59%
Retail Interest Income	2.35%	2.75%
TOTAL SPREAD	0.93%	0.92%
Spread on Retail	1.70%	1.66%

	Liabilities	Assets
Retail	15,727	6,855
Treasury	2,518	11,449
o/w interbank / intra-group deposits & repos	1,281	258
o/w ECB refinancing	0	0
o/w MTS refinancing	1,237	953
o/w securities (bonds)		10,239
Other liabilities / assets	2,580	2,520
TOTAL	20,824	20,824

Operating Liquidity (24hr) : € 10,121 mn

Banking

Credit Quality

€ mn – as at 31/12/2016



	31/12/16	31/12/15	Change
Mortgages	5,210	4,757	+10%
Personal & Commercial Loans	1,267	1,127	+12%
Lines of credit	378	418	-10%
Total Loans	6,855	6,302	+9%

% on total loans

Gross non-performing loans

B.Mediolanum

1.38%

Italian Banks*

16.5%

as at 30/09/2016

Net non-performing loans

0.74%

10.4%

as at 30/06/2016

* Source: Bank of Italy – Statistical Bulletin IV 2016 & Financial Stability Report No. 2 2016

	FY16	FY15
Mortgage Portfolio		
Total Value	5,210	4,757
Average rate	2.08%	2.49%
Average residual LTV	57%	58%
New Business		
Total amount granted	991	1,001
Average rate	1.52%	2.07%
Average amount granted	142	143
Average initial LTV	59%	62%

Assets under Administration

€ mn

	31/12/16	31/12/15	Change
Cash Deposits	15,541.1	12,854.8	+21%
Repurchase agreements	0	0	-0%
Mediolanum bonds	115.3	154.7	-25%
3rd-party structured bonds	642.7	885.4	-27%
Other securities under custody	2,084.8	2,084.6	+0%
BANKING ADMINISTERED ASSETS	18,383.8	15,979.4	+15%

Mediolanum Group Bond Portfolio

€ mn – as at 31/12/2016



	Mediolanum Group		Banca Mediolanum		Mediolanum Vita	
	Book value	AD	Book Value	AD	Book Value	AD
Italian Govies	11,972	0.98	10,830	0.73	1,003	3.58
Italian Financials	331	3.29	115	2.07	210	4.00
Spanish Govies	566	1.32	543	1.27	23	2.55
Spanish Financials	5	7.48	0	0.00	5	7.48
Core Europe Govies*	-127	1.79	-157	1.47	0	0.00
Greek Govies	0	0.00	0	0.00	0	0.00
Portuguese, Irish Govies	0	0.00	0	0.00	0	0.00
Other Financials	95	0.73	50	0.17	45	1.36
Other Corporate	36	2.72	10	0.09	26	3.73
Other ABS	3	2.3	3	2.3	0	0.0
TOTAL	12,881	1.07	11,394	0.78	1,312	3.57

AD = average duration weighted by absolute nominal value

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

€ mn – as at 31/12/2016

	TOTAL	Covered	Senior	Subordinated	Other	Avg Length to Maturity
Unicredit SpA	87.7	3.0	69.7	15.0		1.3
Intesa Sanpaolo SpA	61.7		47.5	14.2		5.9
Medio Credito Centrale	37.1		37.1			5.1
UBI Banca	27.9	6.0	11.5	6.0	4.4	3.6
Banco BPM SpA	25.6	8.1	17.5			3.0
Monte dei Paschi di Siena	25.3	15.3	10.0			4.5
Banca IMI SpA	14.2		14.2			1.8
Dexia Crediop SpA	12.0		12.0			5.9

* most significant long positions (> € 10 mn)

	FY16	FY15	Change
Premiums less Amounts paid & change in reserves	18.3	28.2	-35%
Commission income	415.3	436.7	-5%
Net Interest Income	12.0	11.8	+2%
Net income on investments at fair value	0.8	0.5	+53%
<i>o/w unrealised</i>	0.9	0.9	-7%
Net financial income	12.7	12.3	+4%
Net income on other investments	(0.5)	0.1	n.s.
Other revenues	11.8	12.4	-5%
INSURANCE REVENUES	457.6	489.7	-7%

Life – Policyholders' Assets

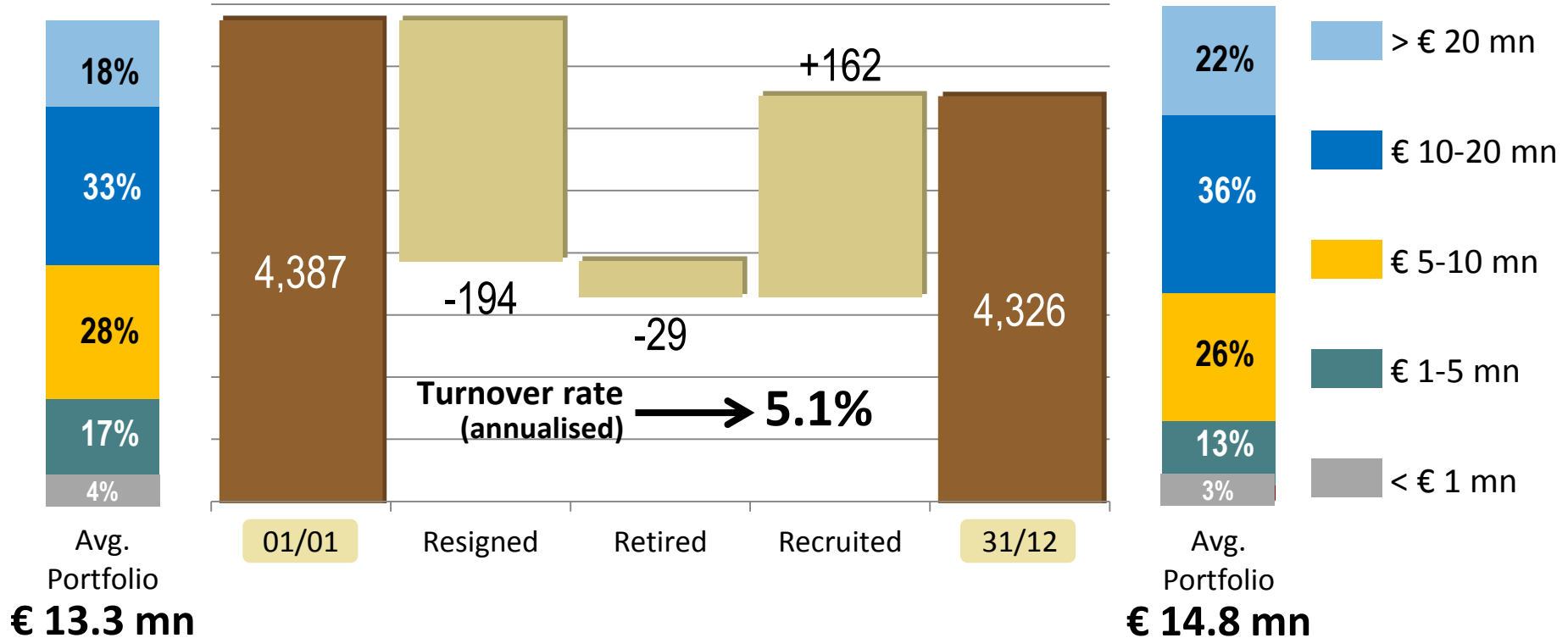
€ mn

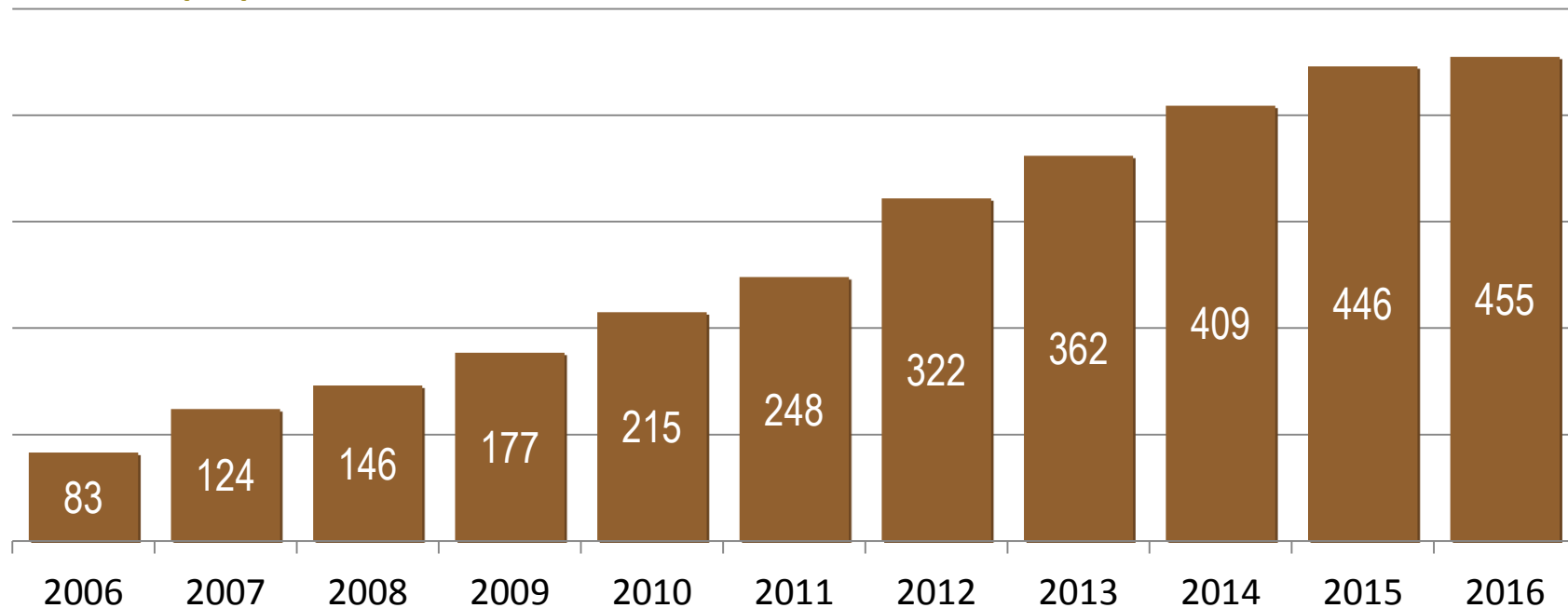


	31/12/16	31/12/15	Change
Traditional	1,346.6	1,326.0	+2%
Index-linked	178.3	404.9	-56%
Unit-linked pension plans	5,936.8	5,427.0	+9%
Unit-linked endowment policies	3,830.0	3,829.8	+0%
Unit-linked investment policies	6,933.1	5,790.3	+20%
Unit-linked	16,699.8	15,047.1	+11%
<i>o/w equity</i>	62.8%	63.5%	-1%
LIFE ASSETS (EX-'FREEDOM')	18,224.7	16,778.0	+9%
'Freedom' Life policies	233.8	503.1	-54%

Banca Mediolanum Family Banker® Network

Change in headcount & Split by Average Portfolio – 2016





Average assets in portfolio: € 35.2 mn
o/w managed assets: € 25.5 mn

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



FY 2016 Foreign Markets Results

	FY16	FY15	Change
Net Income excluding non-recurring items	23.7	27.8	-15%
Net impact of settlement of past (inherited) litigation	5.1	(7.8)	n.s.
Net Income	28.8	20.0	+44%
Managed Assets	2,649.1	2,223.0	+19%
Administered Assets	1,231.2	1,323.1	-7%
Total Assets	3,880.3	3,546.0	+9%
Gross Inflows into Managed Assets	984.1	905.3	+9%
Net Inflows into Managed Assets	+422.3	+343.2	+23%
Net Inflows into Administered Assets	-95.0	+256.1	n.s.
Total Net Inflows	+327.2	+599.3	-45%
Family Bankers (Mediolanum model)	835	755	+11%
Traditional agents	33	34	-3%
Total Sales Network	868	789	+10%
Total Customers	109,783	103,297	+6%

€ mn



	FY16	FY15	Change
Net Income excluding non-recurring items	(12.0)	(7.0)	+71%
Net impact of sale of Visa EU shares	8.4	0	n.s.
Net Income	(3.6)	(7.0)	-49%
Managed Assets	444.2	412.9	+8%
Administered Assets	147.0	92.9	+58%
Total Assets	591.2	505.8	+17%
Gross Inflows into Managed Assets	63.9	64.8	-1%
Net Inflows into Managed Assets	+19.6	-20.1	n.s.
Net Inflows into Administered Assets	+54.5	+13.0	+319%
Total Net Inflows	+74.1	-7.1	n.s.
Total Sales Network	55	48	+15%
Total Customers	5,435	4,739	+15%

€ mn



	FY16	FY15	Change
Net Income excluding non-recurring items	(13.4)	(11.7)	+15%
Net impact of sale of Visa EU shares	8.4	0	n.s.
Net Income	(5.0)	(11.7)	-57%
Managed Assets	253.9	215.6	+18%
Administered Assets	147.0	92.9	+58%
Total Assets	400.9	308.5	+30%
Gross Inflows into Managed Assets	52.3	50.6	+3%
Net Inflows into Managed Assets	+32.1	+21.2	+52%
Net Inflows into Administered Assets	+54.5	+13.0	+319%
Total Net Inflows	+86.6	+34.2	+153%
Total Sales Network	55	48	+15%
Total Customers	5,435	4,739	+15%

	FY16	FY15	Change
Net Income	1.5	4.7	-69%
Assets under Management	190.3	197.2	-4%
Gross Inflows	11.6	14.2	-18%
Net Inflows	-12.4	-41.2	-70%



Business Update

Group Total Net Inflows January 2017

€ mn



	Jan '17	Jan '16
Managed Assets	+168	+141
<i>o/w Mutual Funds, U-L & Managed Accounts</i>	+202	+180
Administered Assets	+100	+361
Italy – Banca Mediolanum Total Net Inflows	+268	+502
Managed Assets	+44	+42
<i>o/w Mutual Funds & U-L</i>	+57	+45
Administered Assets	+5	-19
Spain – Banco Mediolanum Total Net Inflows	+49	+23
Managed Assets	+2	+2
<i>o/w Mutual Funds & U-L</i>	+2	+2
Administered Assets	-2	-1
Germany – B.A. Lenz & Gamax Total Net Inflows	-1	+1
Managed Assets	+214	+185
<i>o/w Mutual Funds, U-L & Managed Accounts</i>	+261	+226
Administered Assets	+103	+341
GROUP TOTAL NET INFLOWS	+317	+527

Italian Sales Networks Ranking by Net Inflows

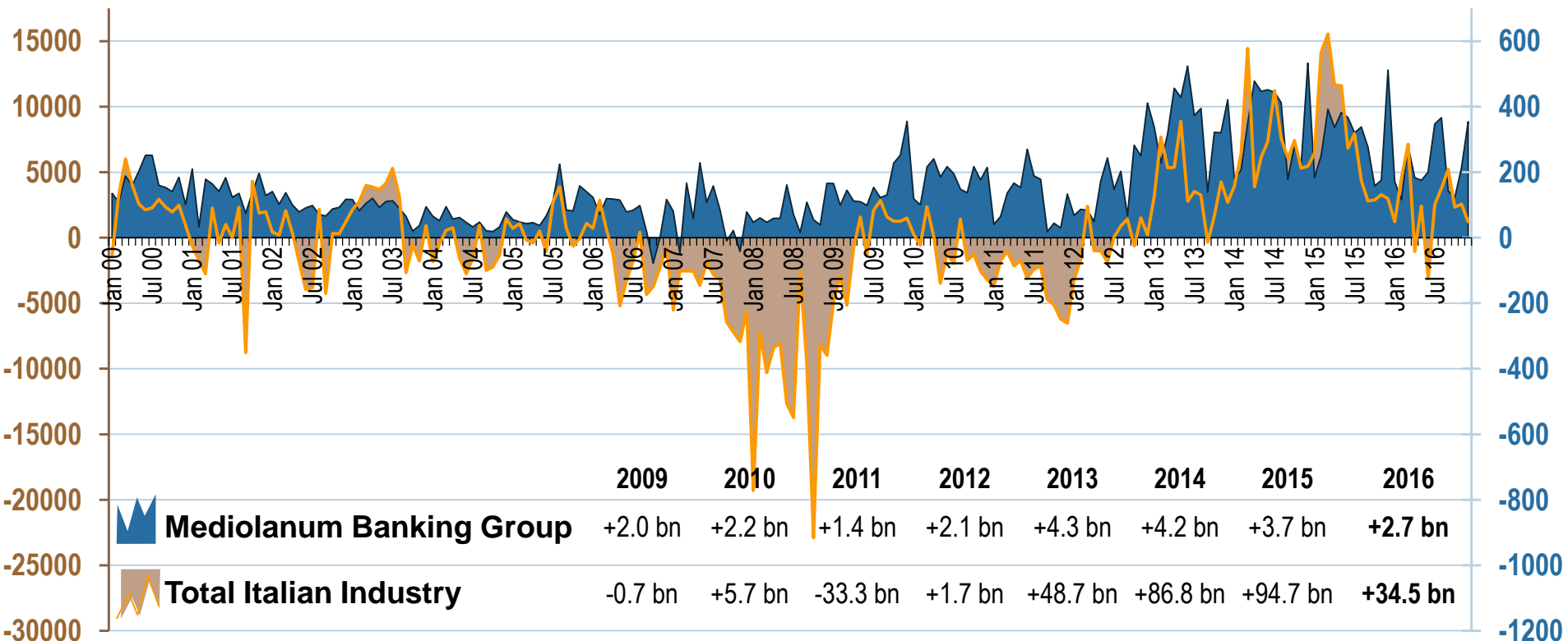
€ thousands - totals by Group



	2016		
	Total Net Inflows	o/w Managed Assets	o/w Mutual Funds*
Banca Fideuram (incl. Sanpaolo)	7,801,425	2,563,184	858,741
Banca Generali	5,677,429	3,966,945	1,914,658
Banca Mediolanum	5,641,108	3,334,936	3,600,029
Fincobank	4,338,158	1,802,170	1,376,108
Allianz Bank	3,324,127	2,466,241	2,338,079
Azimut	3,169,891	2,439,604	1,647,390
BNP Paribas	1,235,111	751,704	717,083
UBI (IW Bank)	713,032	346,466	312,577
Credem	666,111	411,254	314,875
Deutsche Bank (Finanza & Futuro)	626,317	506,638	83,599
Monte dei Paschi di Siena (Widiba)	144,518	125,817	118,300
Consultinvest	- 1,578	- 3,835	15,239
Banca Pop. Vicenza (Banca Nuova)	- 161,292	- 77,874	-72,962

*including those underlying Unit-Linked policies & Managed Accounts

source: Assoreti

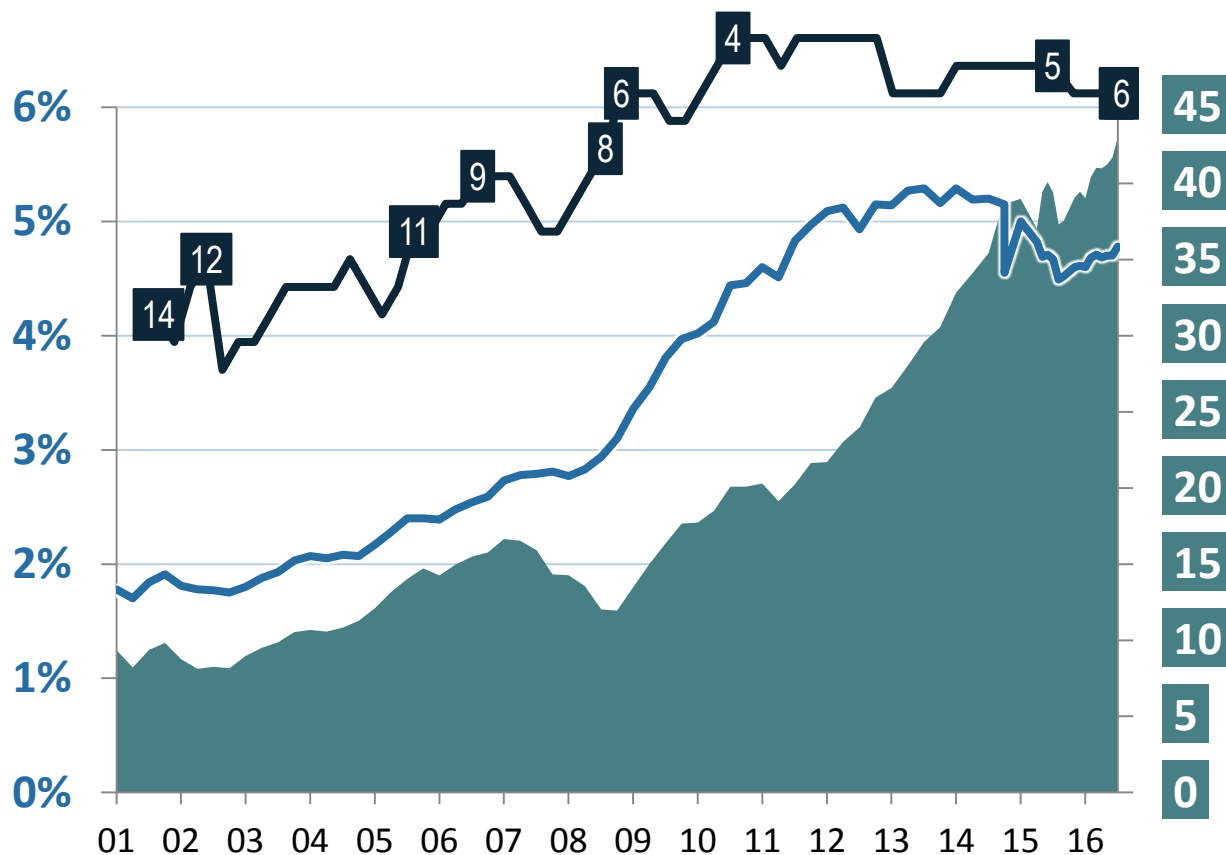


* including those underlying Unit-Linked policies & Managed Accounts

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

Mutual Funds AUM

BMED Market Share, Assets, Rank



Market Share - Dec. 2016

Intesa Sanpaolo	20.0%
Pioneer	9.8%
Generali	7.8%
Blackrock	6.5%
Anima	6.4%
6 Mediolanum	4.8%
Azimut	3.5%
UBI Banca	3.1%
JP Morgan	3.0%
Arca	2.9%
Amundi	2.7%
Pictet	2.3%
Invesco	2.3%
Deutsche A&W Mgmt.	2.1%
Fidelity	2.1%

	2008	2016
HNW Customers (€ 2+ mn)	146	1,153
AUM (€ mn)	730	6,066



a full range of services to meet the needs of the most demanding customers

Wealth Planning: optimisation of financial resources, structuring family governance

Asset Protection: generational handover, succession planning, wealth preservation

Corporate & Business Advisory: extraordinary financial operations, search for financial partners, business expansion, total or partial acquisition /sale of company

Investment Advisory: highly specialised, constant analysis and advice re: investments in art & real estate

'Mediolanum Fiduciaria' Trust: confidentiality & simplification in the management of family assets

Asset Protection; Generational Handover; Optimisation of Financial Resources



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Pirola
Pennuto
Zei
& Associati
studio di consulenza
tributaria e legale



CLEARY
GOTTLIEB

Corporate & Business Advisory



SIM
INTEGRÆ



Real Estate Consultancy



DUFF & PHELPS
Real Estate Advisory Group



SANTANDREA
luxury houses

Art Advisory



Sotheby's

Trust Advisory



- Managed account designed for HNW individuals (min. investment € 250k)
- Invests in Mediolanum funds, 3° party funds, securities & ETFs
- Allows for a high level of flexibility, diversification and multiple investment styles & strategies
- Tax optimization on capital gains/losses



'Strategica' – min 70% (3 investment styles, 9 strategies):

- **Income:** 4 strategies with different equity exposures (10% to 70%) providing quarterly income
- **Control:** 3 strategies focusing on controlling max potential losses (max VaR 4%, 6% or 10%)
- **Growth:** 2 strategies (40% & 80% equity exposure) investing in global markets & sectors with a mid/long-term growth prospects

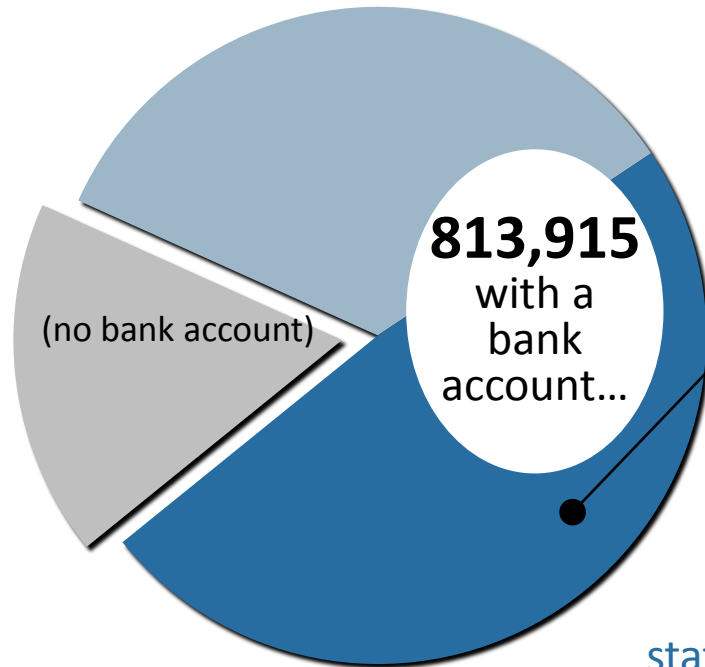
'Opportunità' (2 investment styles, 9 strategies):

- **Opportunity:** 3 strategies where asset managers have broader mandate to exploit opportunities across financial & real assets securities
- **Top Selection** (max 30% of total investment): customers chose among 6 strategies from a selection of Mediolanum & 3° party funds

Banca Mediolanum Customer Behaviour

as at 31/12/2016

987,440 primary account holders:



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

479,138 vs. 440,650 as at 31/12/2015

In a 2015 survey,
39% of Mediolanum customers with a bank account
stated they don't have a relationship with any other bank

Cross-selling into managed products

Per-capita asset growth of 'Freedom' account holders*
(€13.2 bn in total assets as at 31/12/2016)

Average assets
after 93 months

€ 189,767

€ 139,367 (73%)
in high-margin
managed assets products

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

€ 50,401 (27%)
in administered assets

*(bank deposits & securities
under custody)*

Average assets
at account opening
€ 63,442

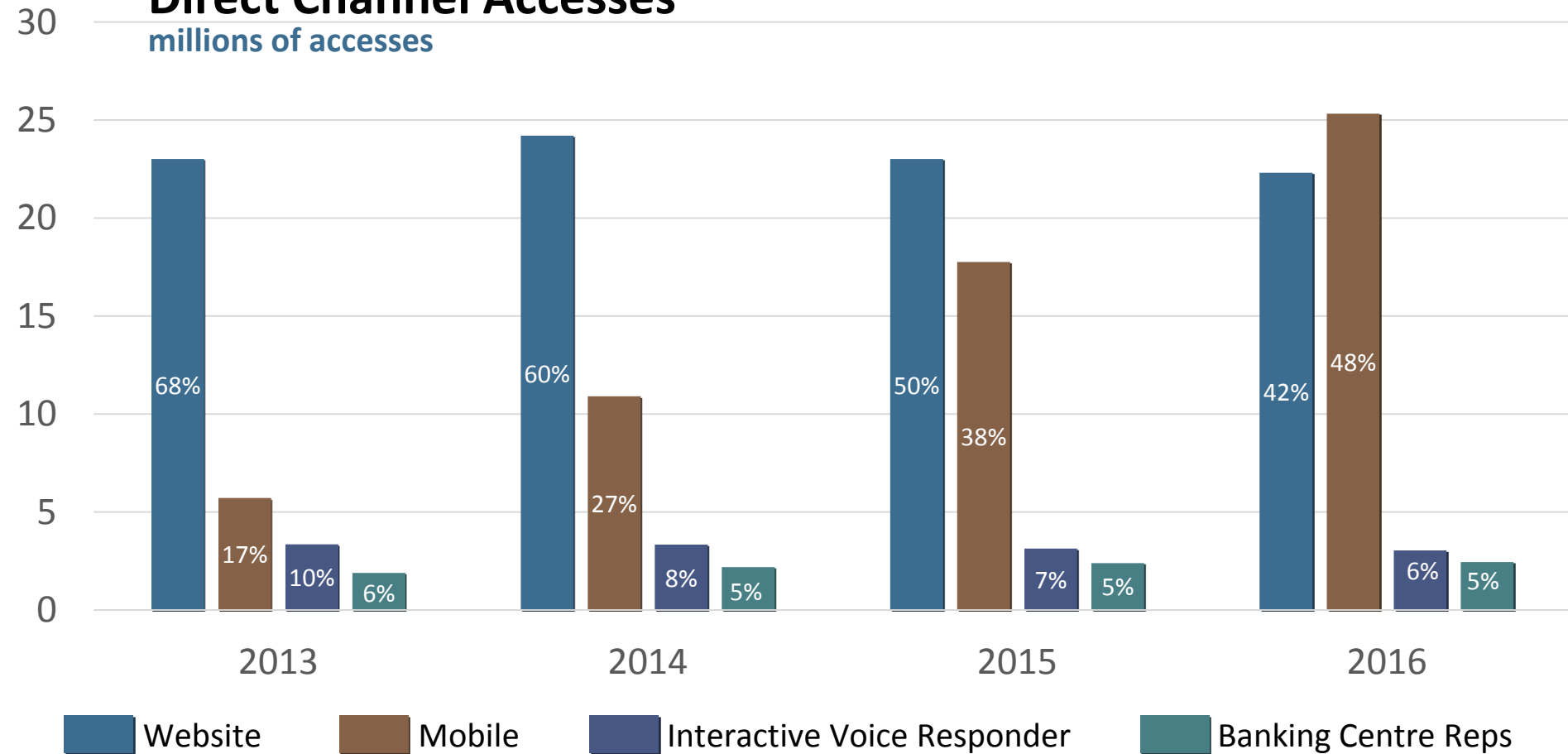
1 11 21 31 41 51 61 71 81 91 Months after acct. opening

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

Banca Mediolanum

Direct Channel Accesses

millions of accesses



Focus on high-remuneration deposits

Deposits in € mn as at 31/12/2016 – rates offered as at 16/01/2017

'Freedom+' balances above € 15,000 (current offer*: 0.25% to 0.70% according to cluster) **5,612**

'InMediolanum' time deposits & lock-ins on current accounts (current offer*: 0.50% to 0.70%) **2,174**

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*: 0.50% to 2.25% according to asset class & duration) **646**

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 **8,432**

Low- or no-remuneration deposits **7,109**

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

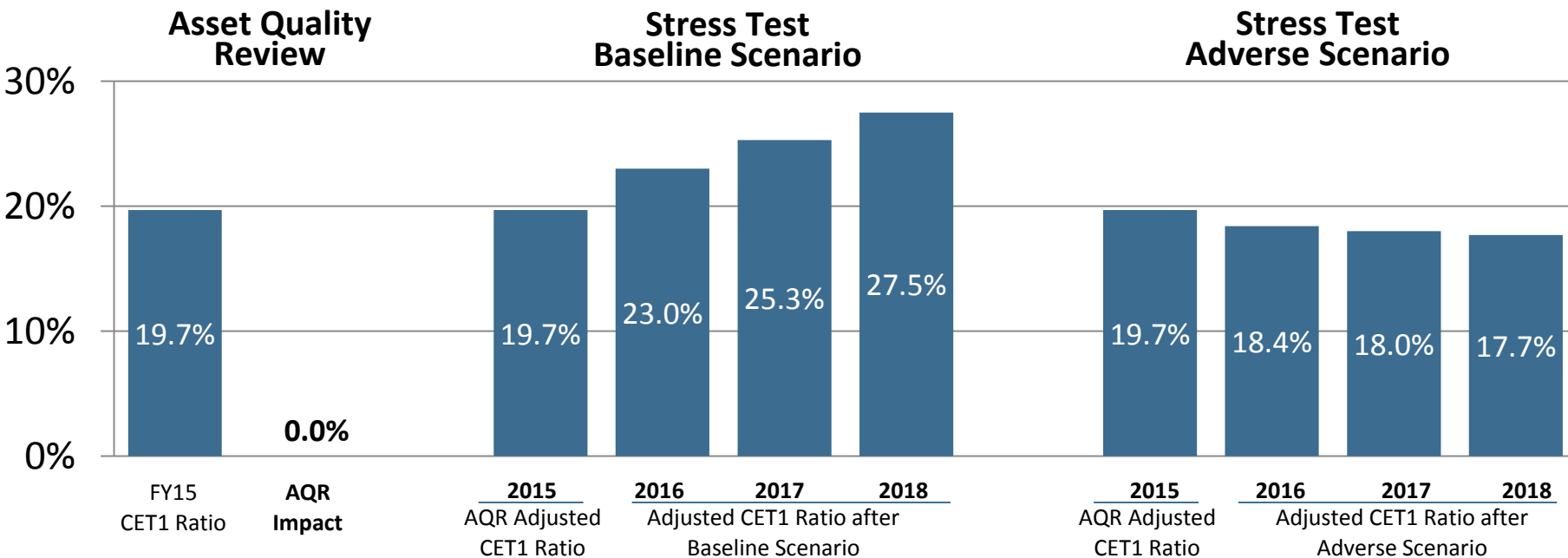
TOTAL CASH DEPOSITS **15,541**

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

ECB Comprehensive Assessment: BMED Solidity Confirmed



- Asset Quality Review indicated 'no impact' on FY15 CET1 Ratio, confirmed as starting point for Stress Test
- The Bank found to be extremely resilient under the Stress Test, primarily due to reliability of recurring commission income over time



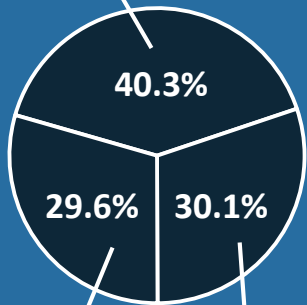


Mediolanum Facts

as at 30/06/2016



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

**Gamax
Management**

100% Banca Mediolanum


**Mediolanum
International Funds**
92% Banca Mediolanum
5% Banco Mediolanum
3% Bankhaus A. Lenz
**Mediolanum
Gestion S.A.**

100% Banco 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%

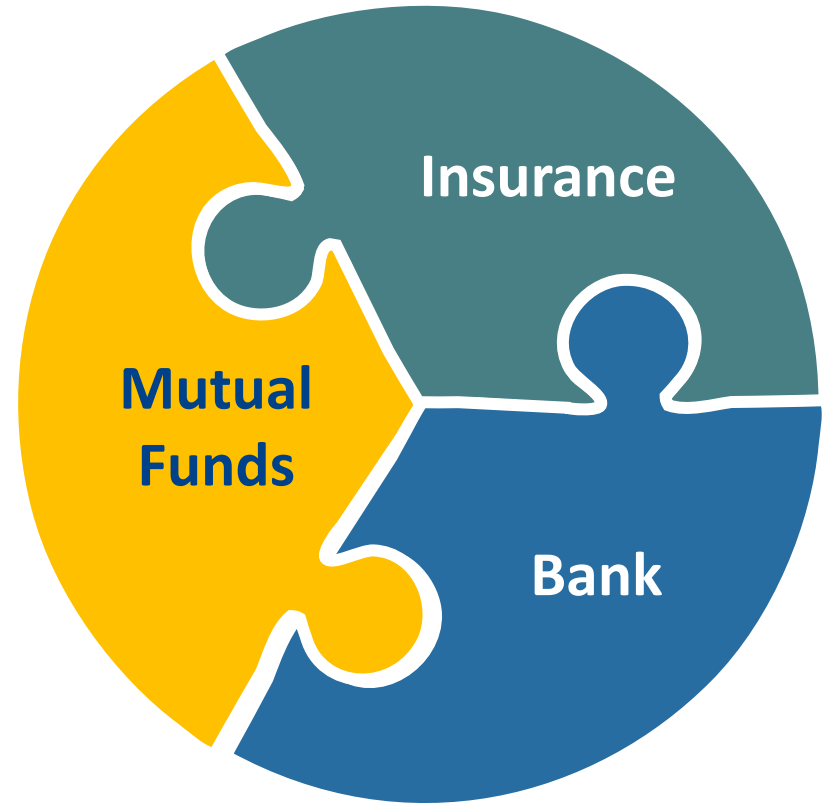

**All companies
Italy-based unless
otherwise indicated**

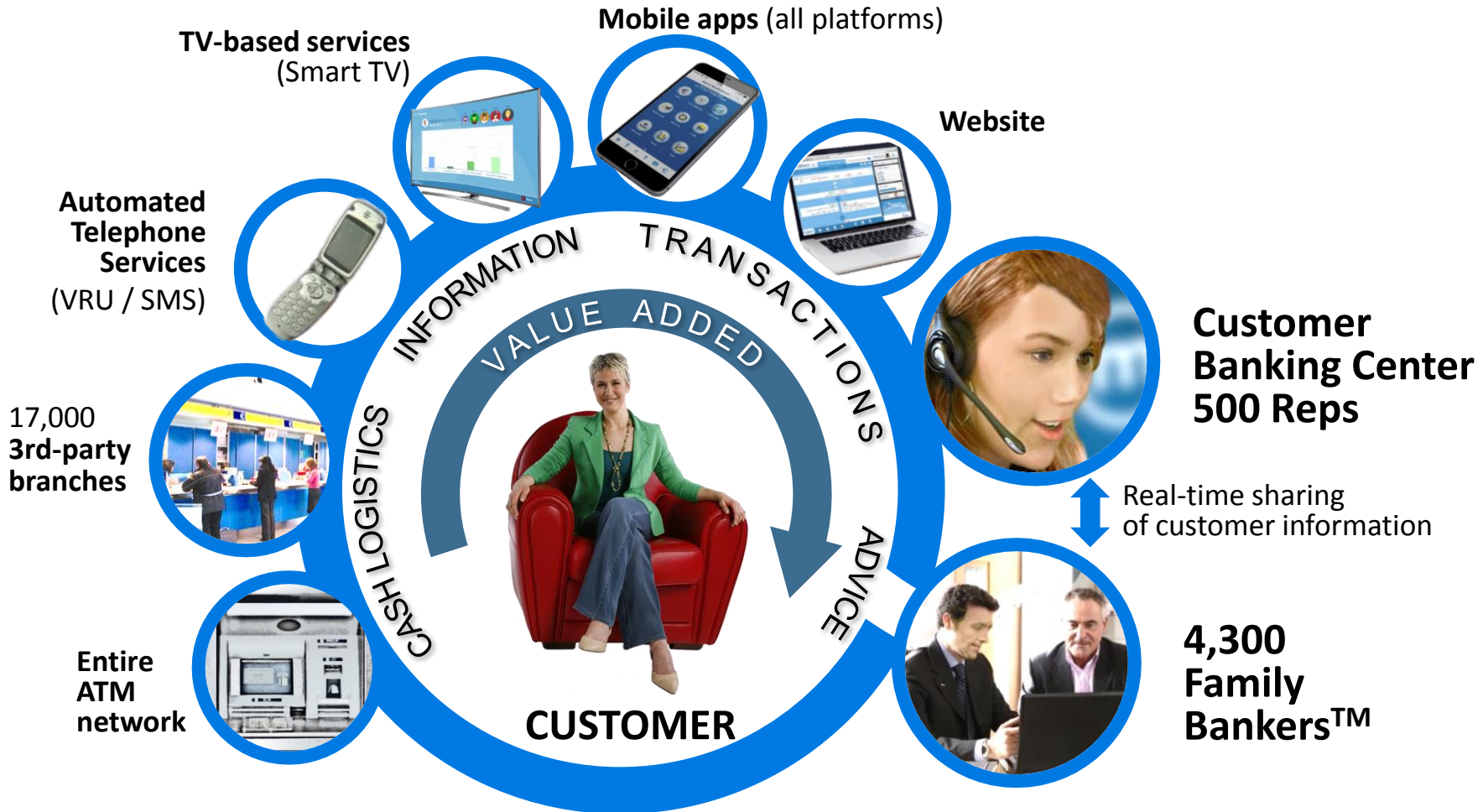
We and our Family Bankers view the company as a single entity, providing solutions that best fit the needs of the customer, whether it be in the form of a mutual fund, an insurance policy or a bank product

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





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

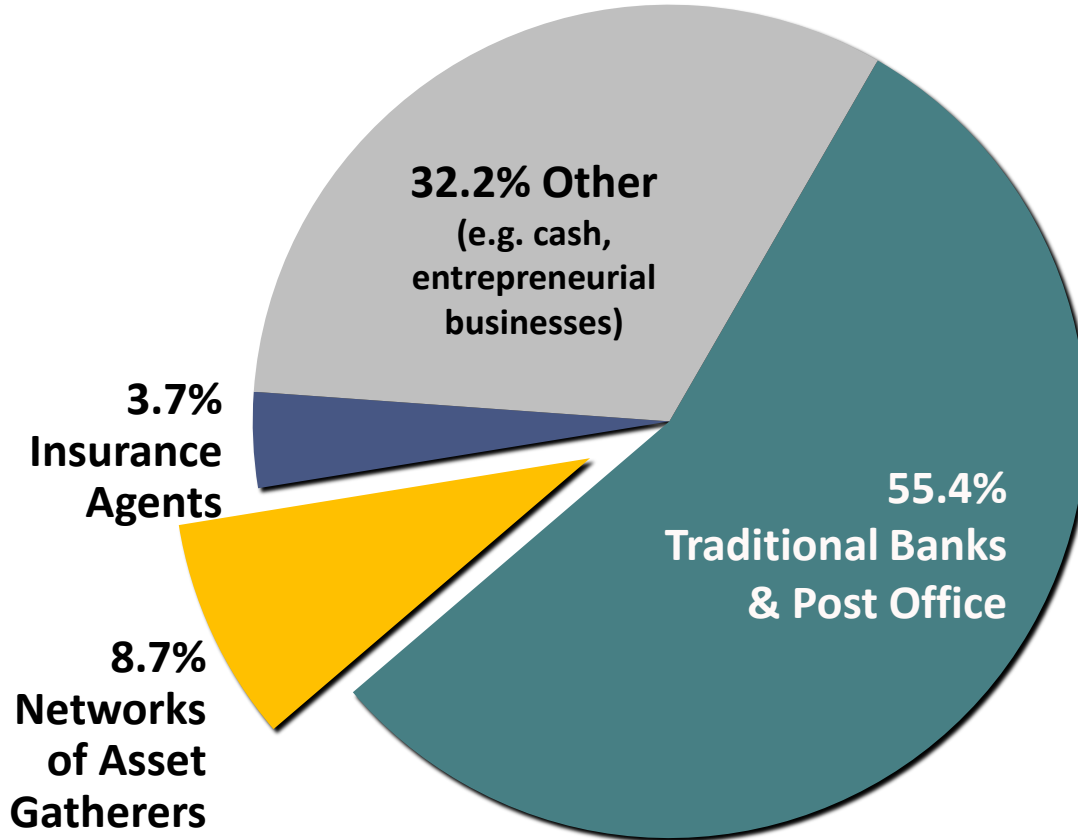
Compensated even for operations performed by customers through direct channels

- 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

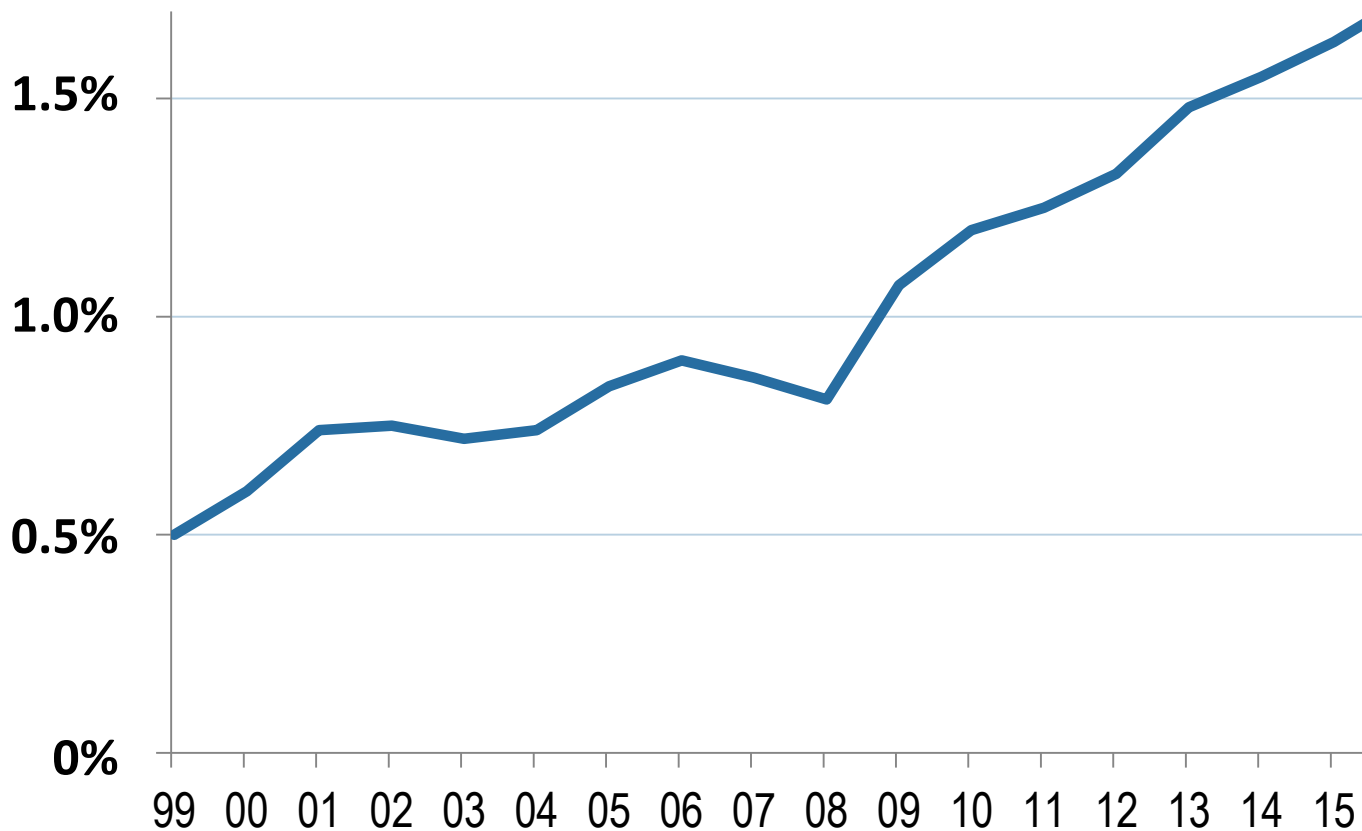


Network of Asset Gatherers have only 8,7% of the huge Italian HH financial assets market, although recognised as best-in-class in terms of personal service & advice, and largely immune to capital, credit quality & reputational issues

Traditional Banks still hold nearly 6x more

Total HH Assets:
€ 4,010 bn

Italian Household Financial Assets Banca Mediolanum's Market Share

**1.68%**

on a total of
€ 4,010 bn reported
by Banca d'Italia
as at 30/06/2015

62 **A 'real' Bank with a Solid Set of Numbers**
as at 31/12/2016

ROE

20.9%

10 Y avg. 2007- 2016

CET1

20.0%

Retail Deposits

€ 15.7 bn

Retail Credit Book

€ 6.9 bn

% Gross NPLs

1.38%

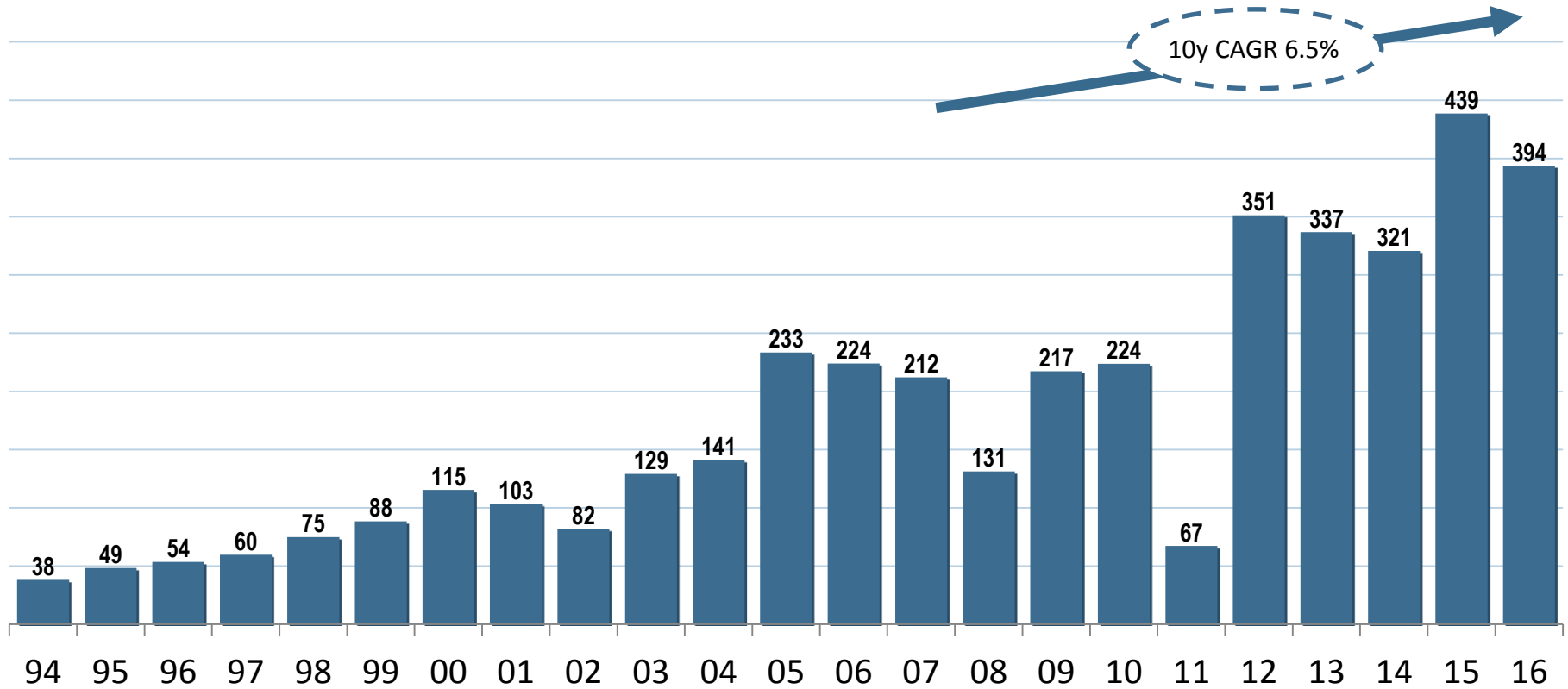
vs 16.5% Italian Banks*

% Net NPLs

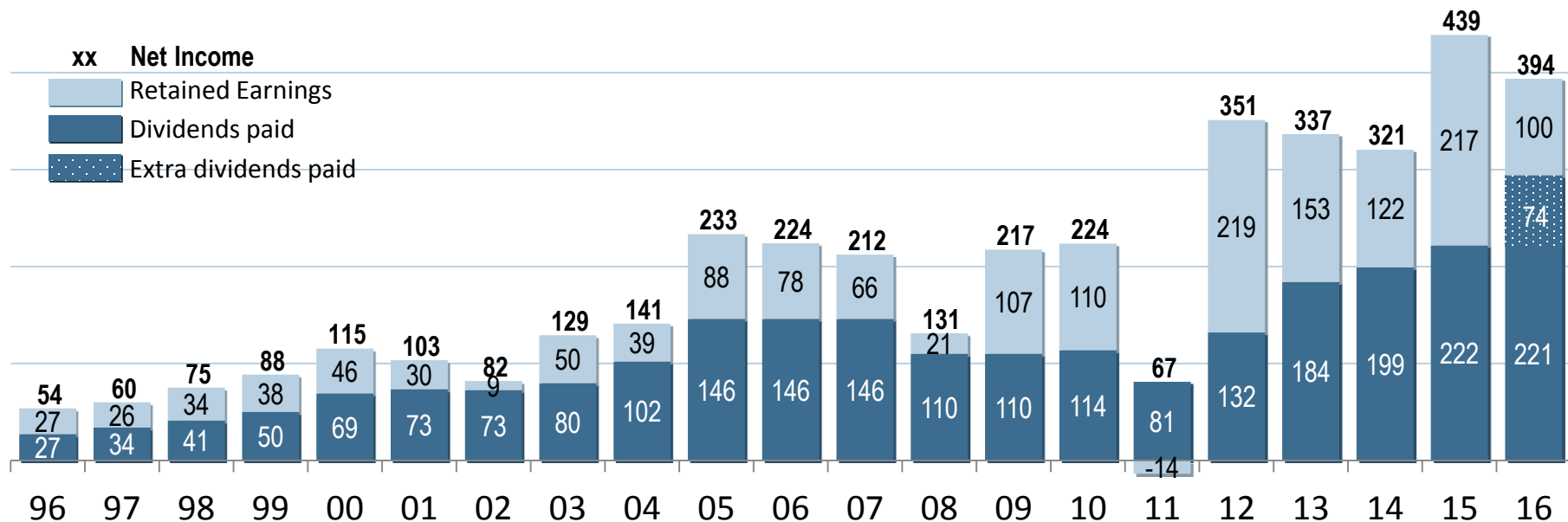
0.74%

vs 10.4% Italian Banks*

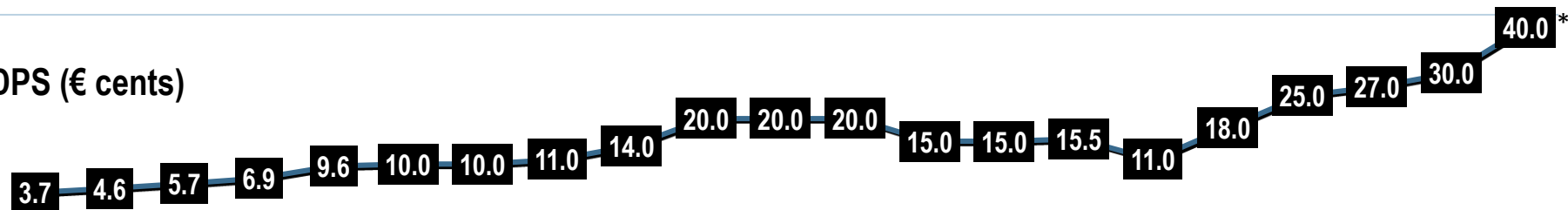
* Source: Bank of Italy – Statistical Bulletin IV 2016 & Financial Stability Report No. 2 2016



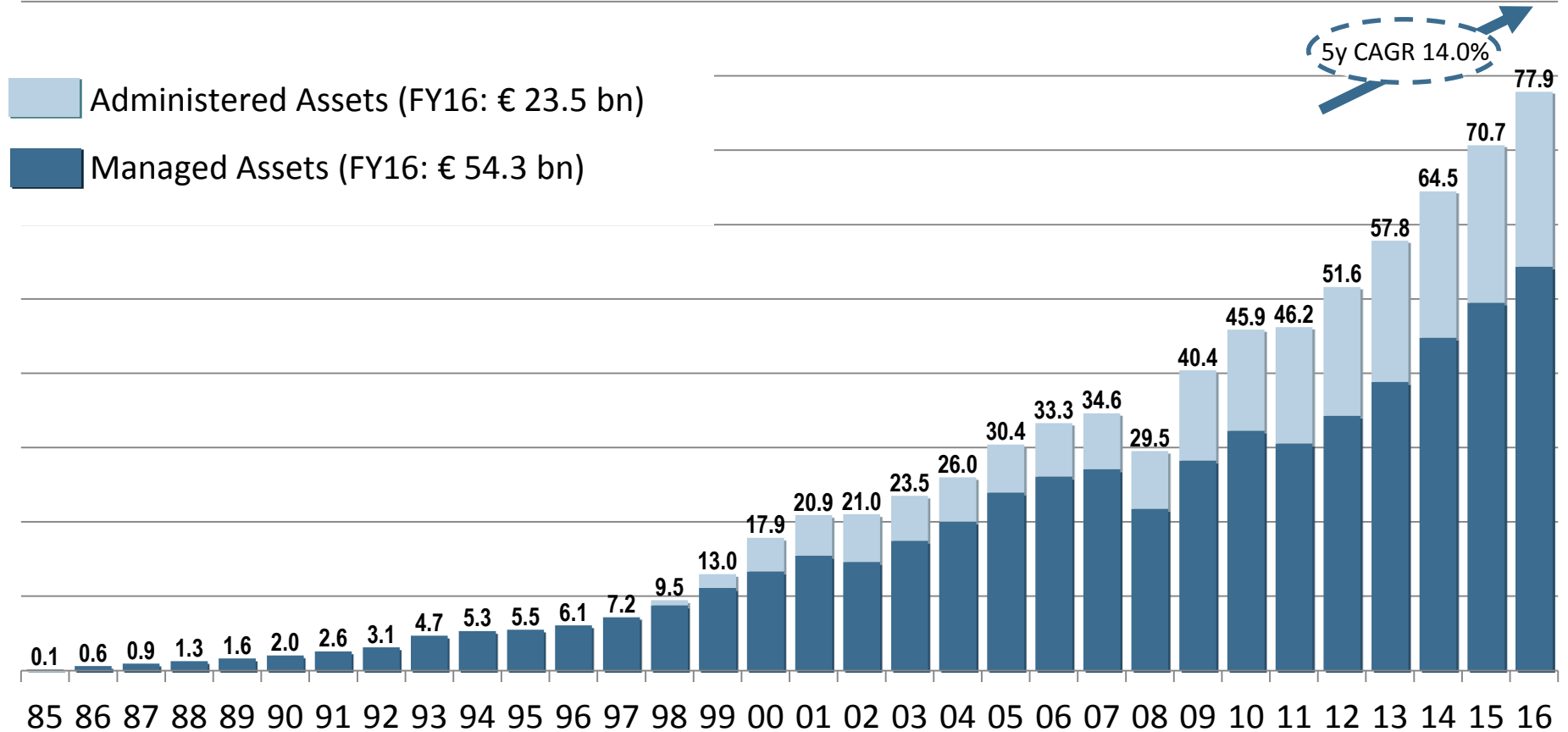
2008 & 2010: adjusted net income excluding effects of 'Lehman Brothers' operation



DPS (€ cents)



* including 10 eurocents of extra dividend connected to Banca Esperia's sale

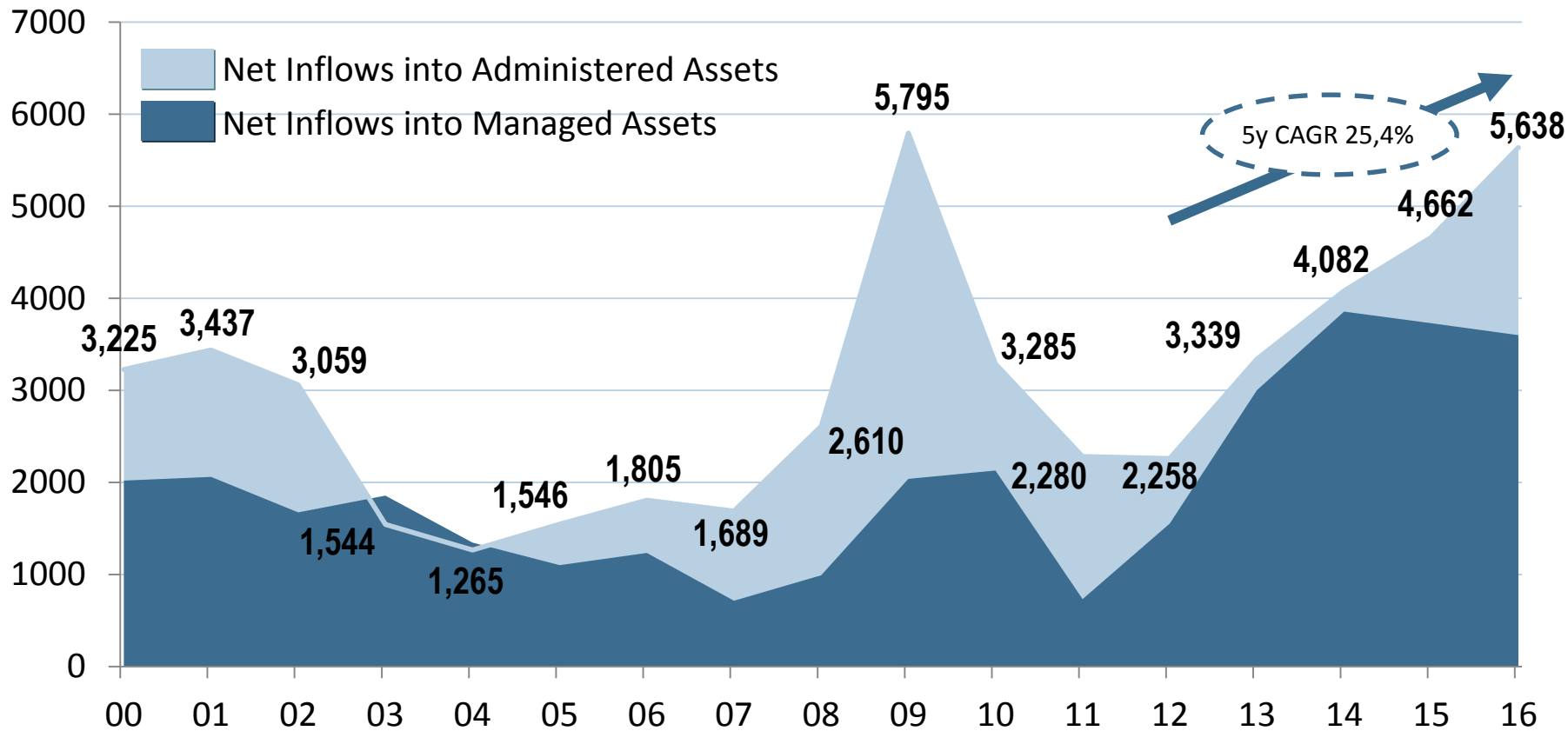


Banca Mediolanum

Total Net Inflows Trend

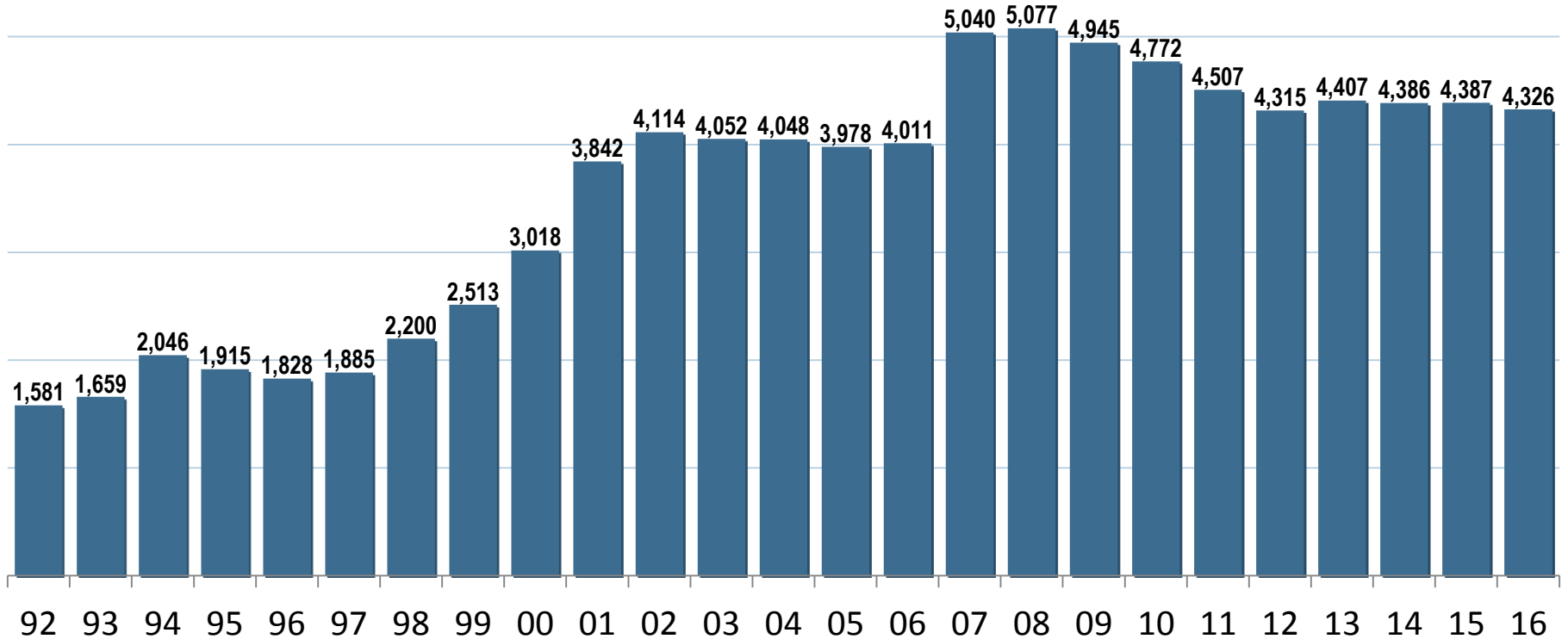


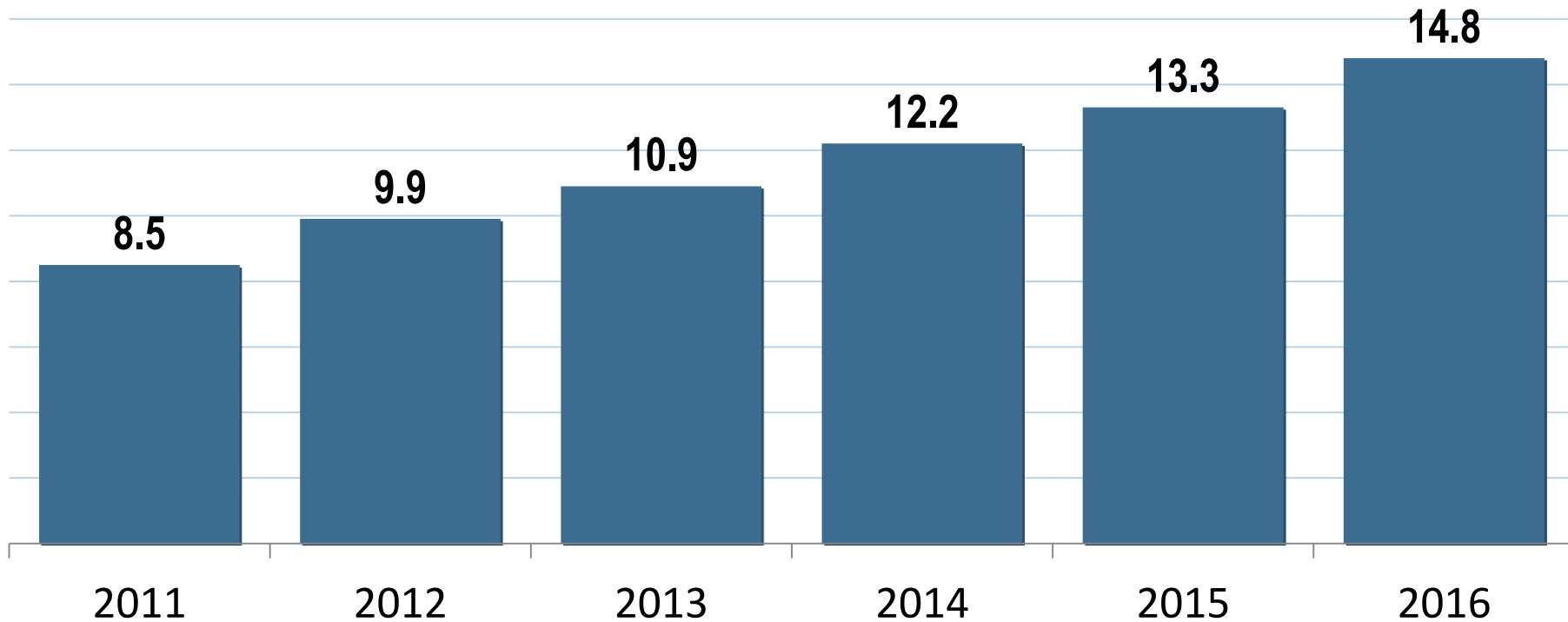
€ mn

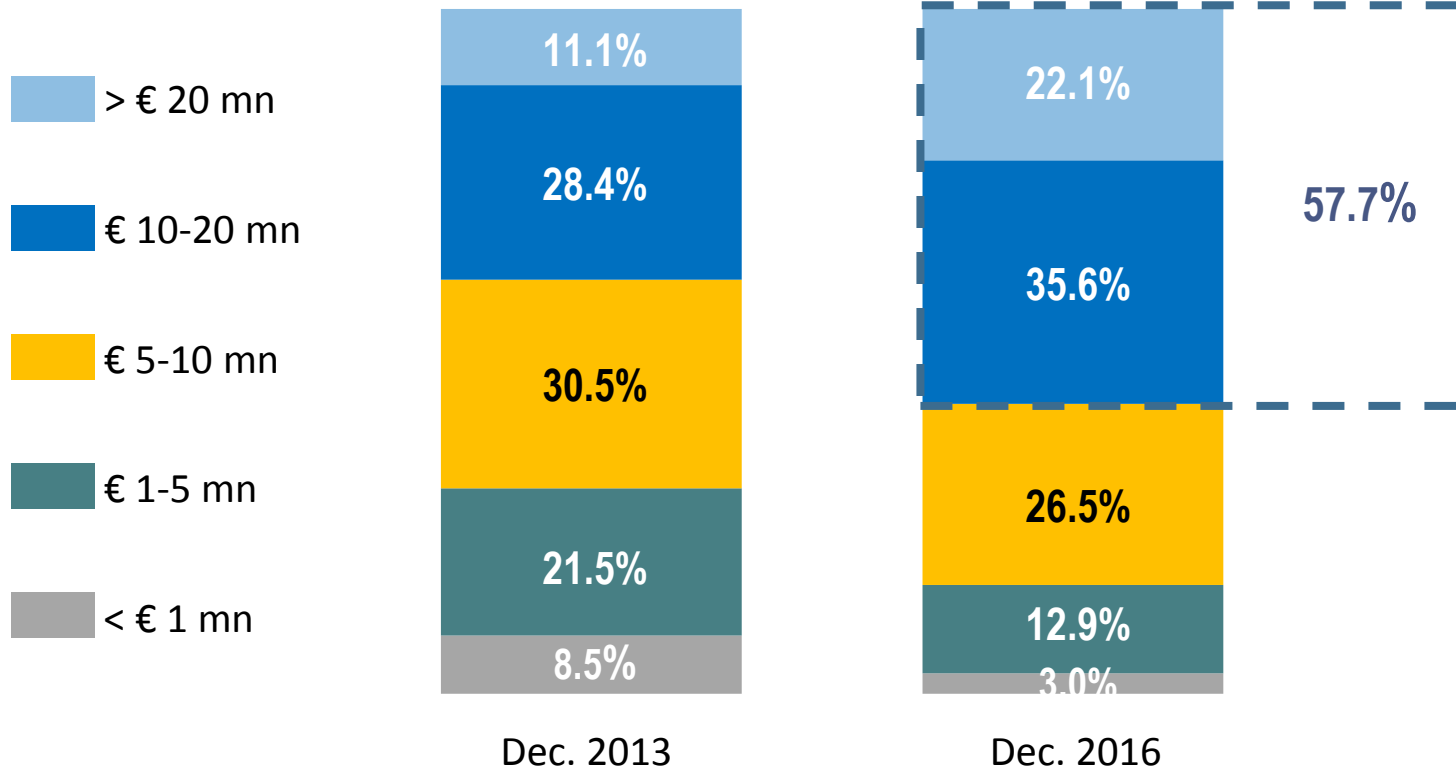


Banca Mediolanum Family Banker[®] Network

Licensed Financial Advisors

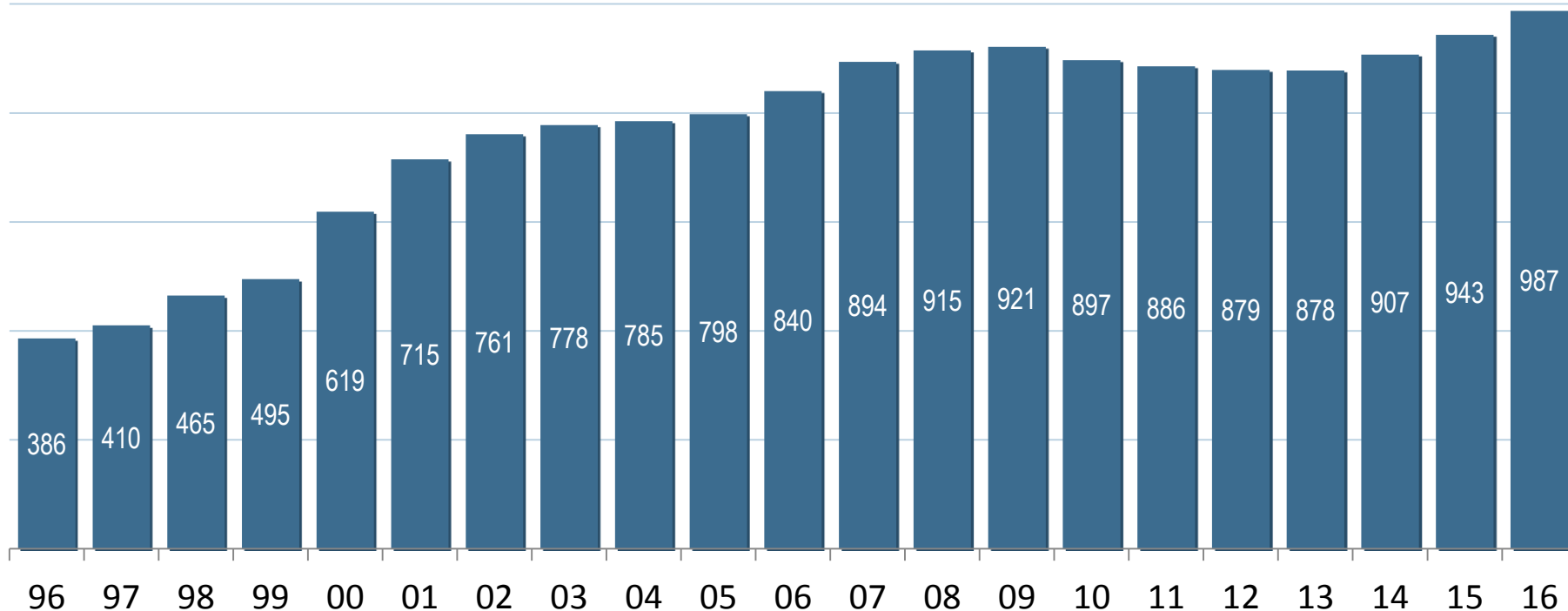




Family Banker[®] Network: Split by Average Portfolio

Customers

Primary account holders (thousands)

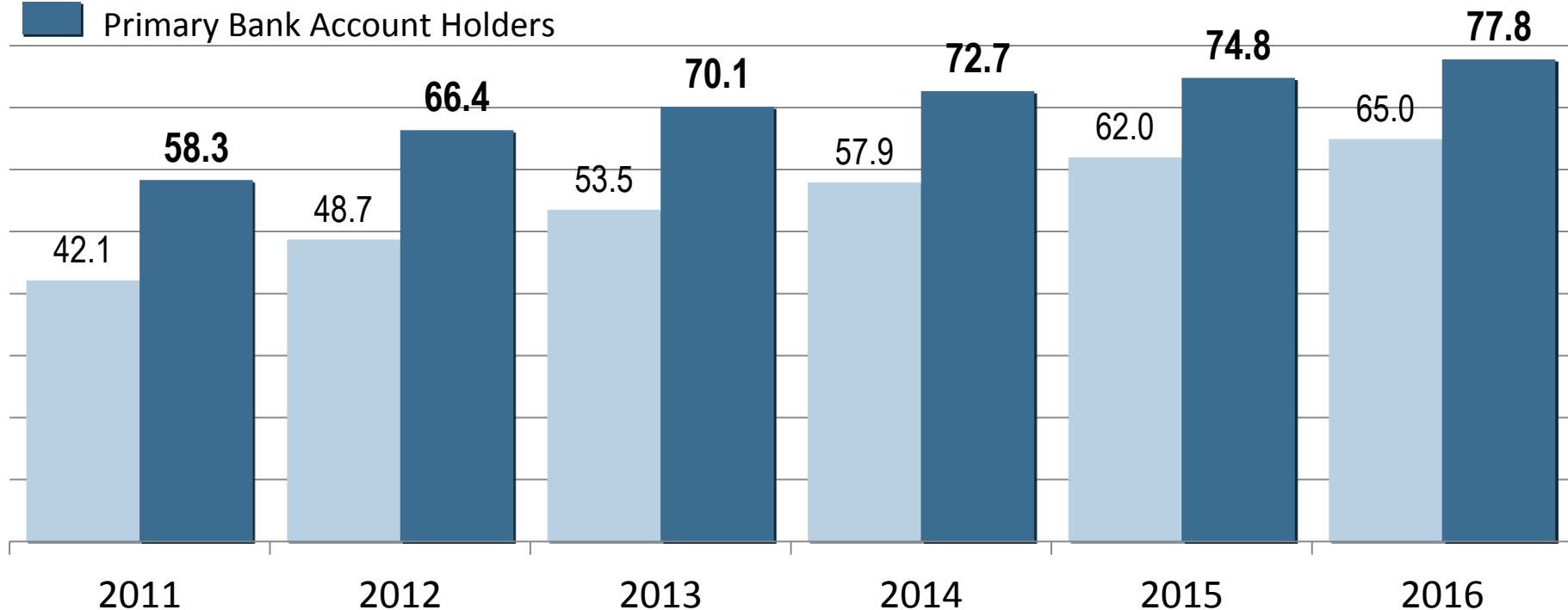


Average Assets per Customer

€ thousands

 Primary Account Holders

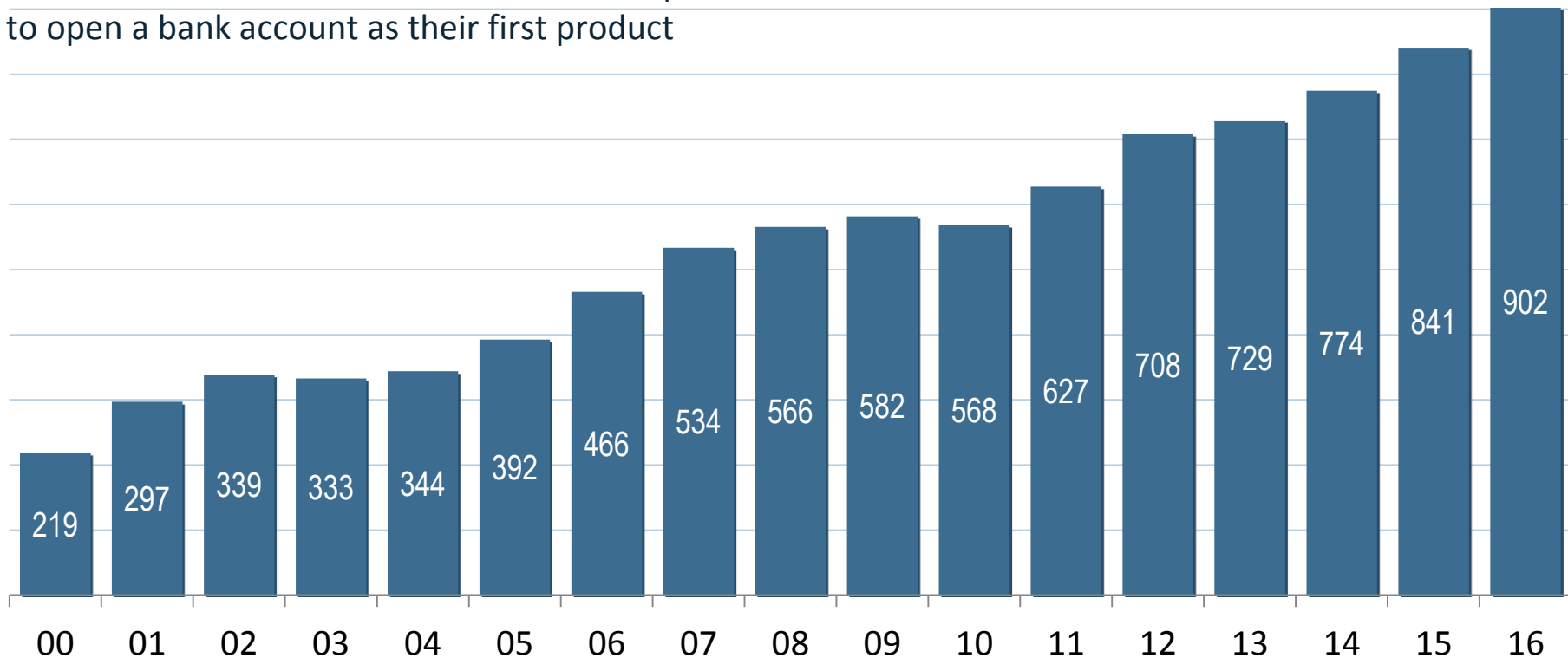
 Primary Bank Account Holders

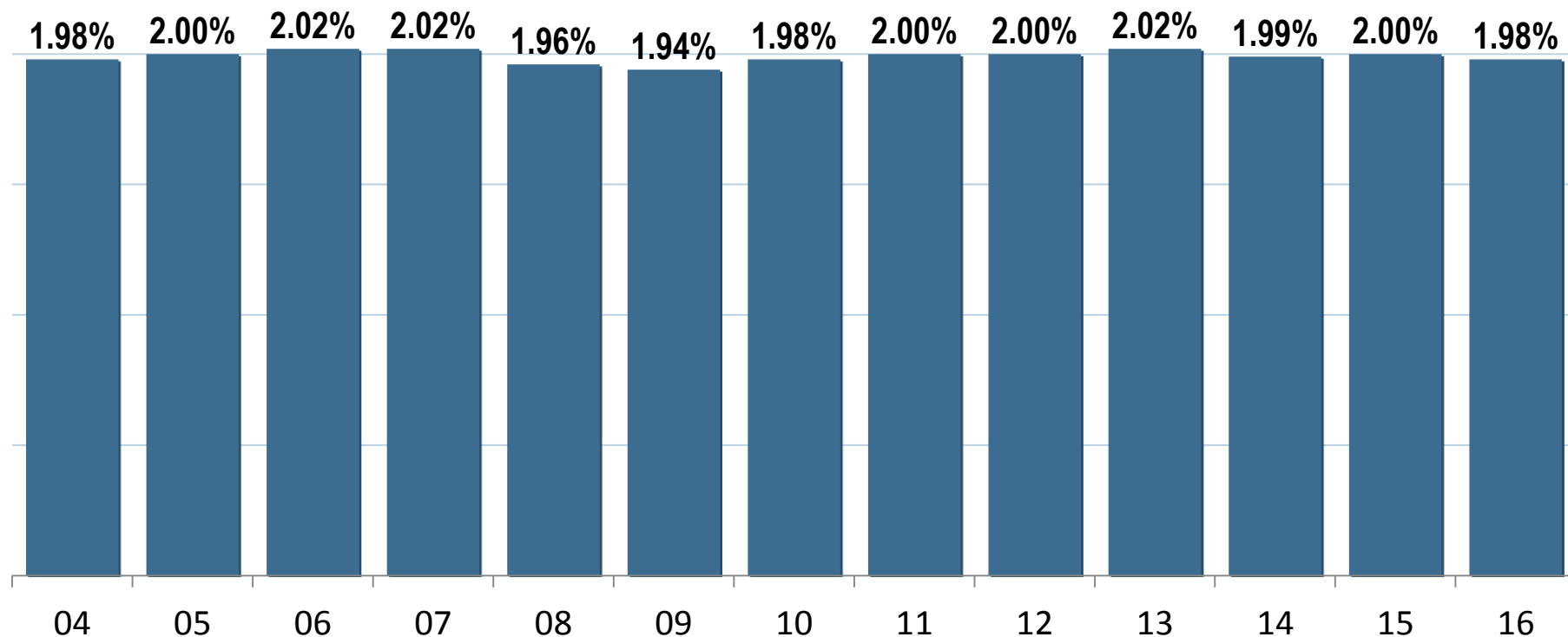


thousands



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

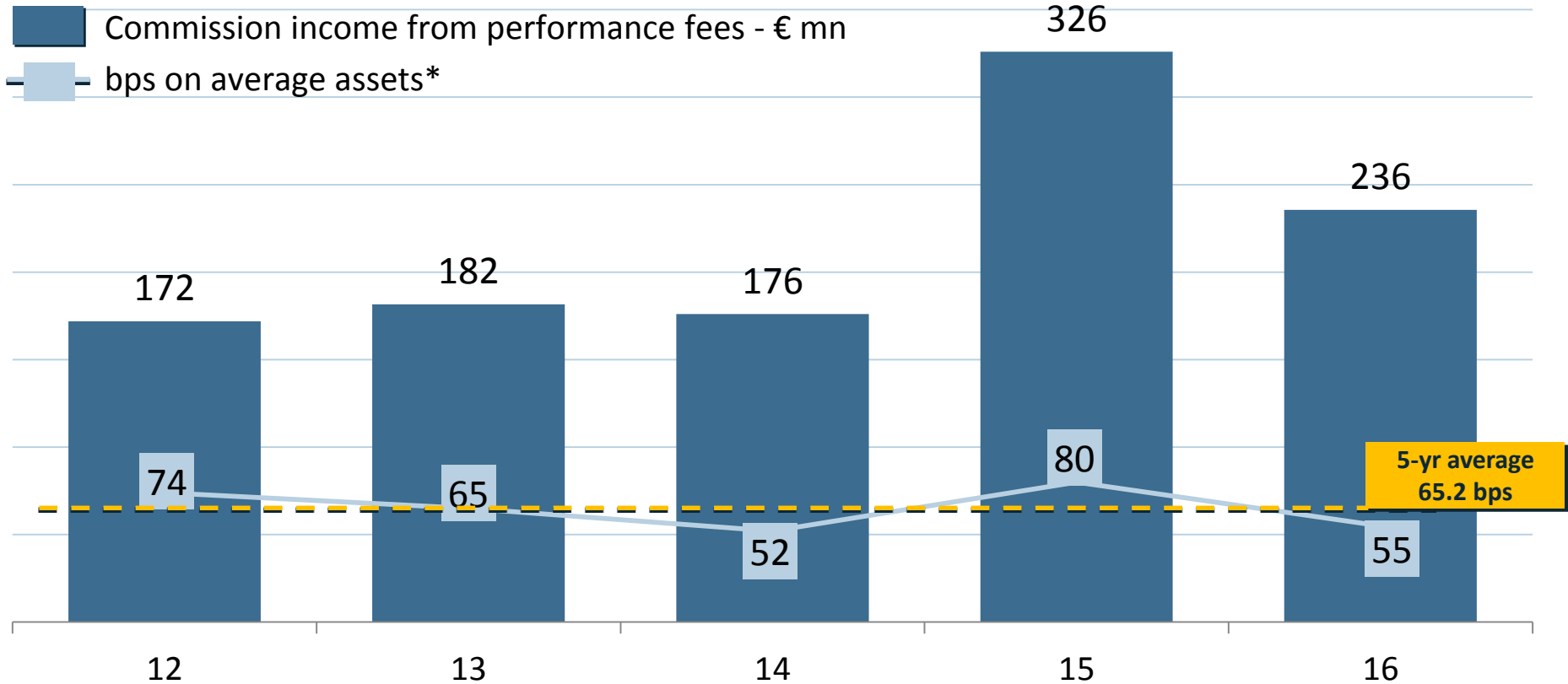




* including insurance commissions on U-L policies

Performance Fees History

including Unit-Linked policies



5-yr average
65.2 bps

* calculated on group average assets

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

A long-term investment strategy (10+ yrs, € 30k+) that 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 transfers 1-2 times per month

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.



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

'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



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 **5,700 events** held in 2016:
local & high-level events, sports events (e.g. Giro d'Italia), talk shows, etc.

Over **234,000 customers & 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



84 The 4th best known bank brand in Italy

Total brand awareness – Italian banks – 2016

 **UniCredit** 45%

 **BCC** 12%
CREDITO COOPERATIVO

INTESA  **SANPAOLO** 40%

ING  **DIRECT** 11%

 **MONTE
DEI PASCHI
DI SIENA** 26%
BANCA DAL 1472

BancoPosta 8%

 **mediolanum** BANCA 23%

UBI  **Banca** 6%

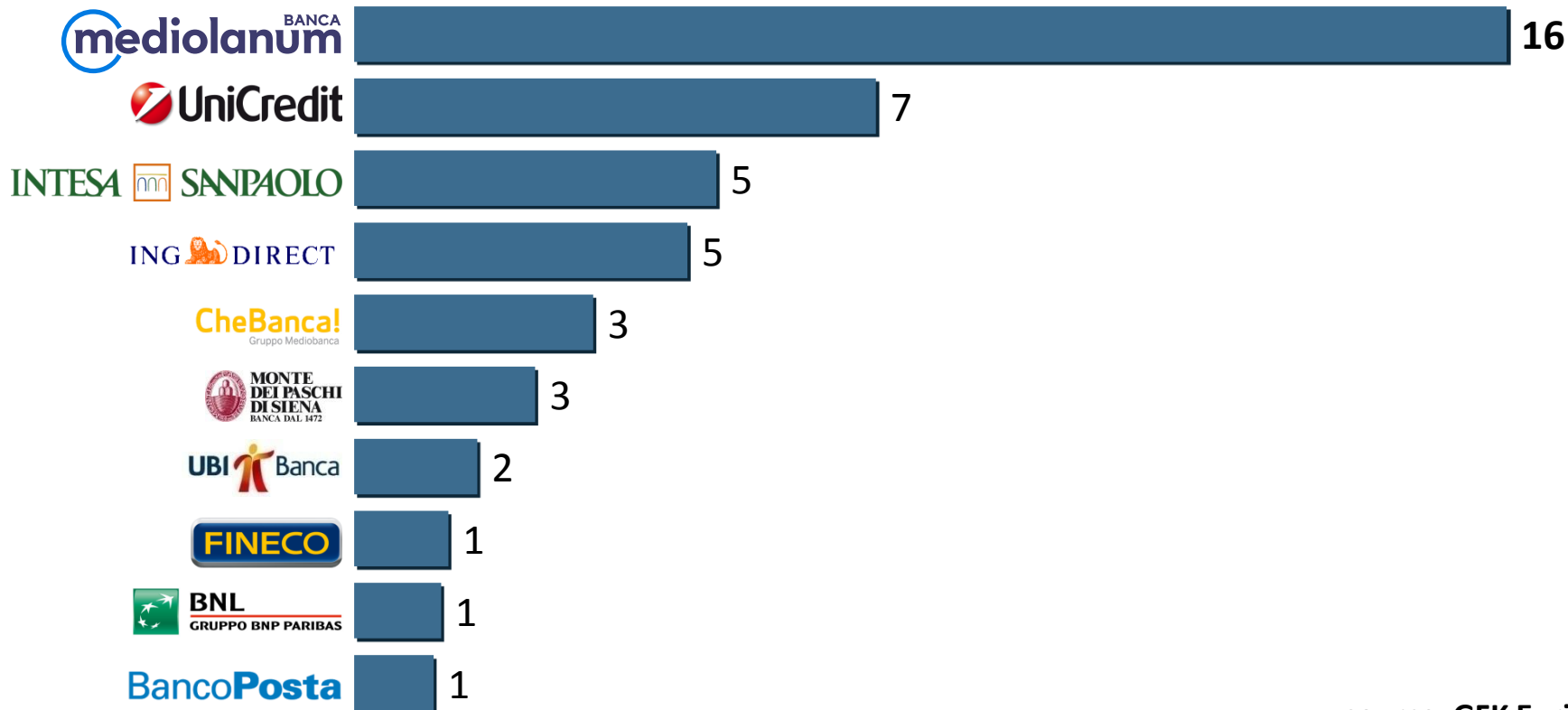
CheBanca! 5%
Gruppo Mediobanca

 **BNL** 15%
GRUPPO BNP PARIBAS

 **FINECO** 4%
THE NEW BANK

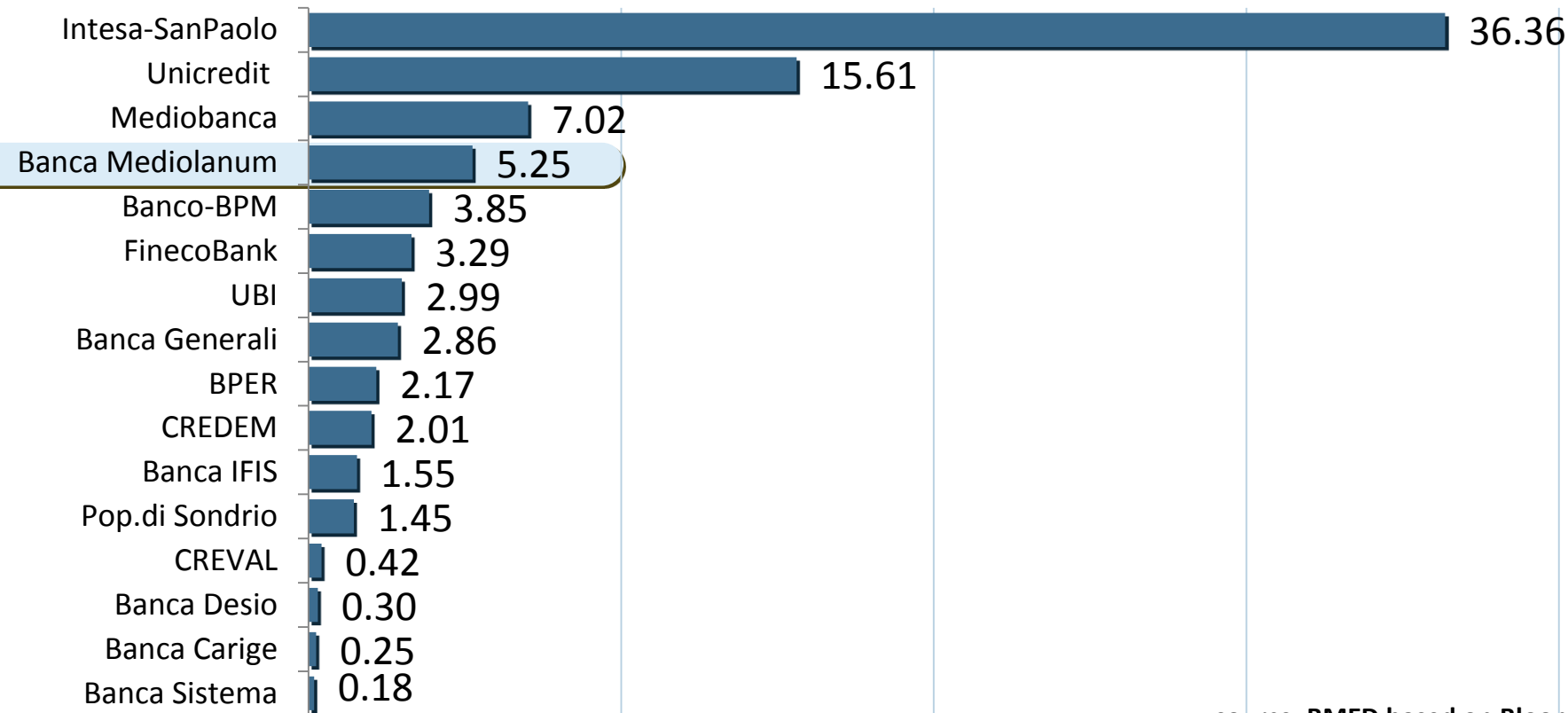
Banca Mediolanum's advertising The most memorable in the banking industry

Spontaneous recall of bank advertising in Italy – 2016

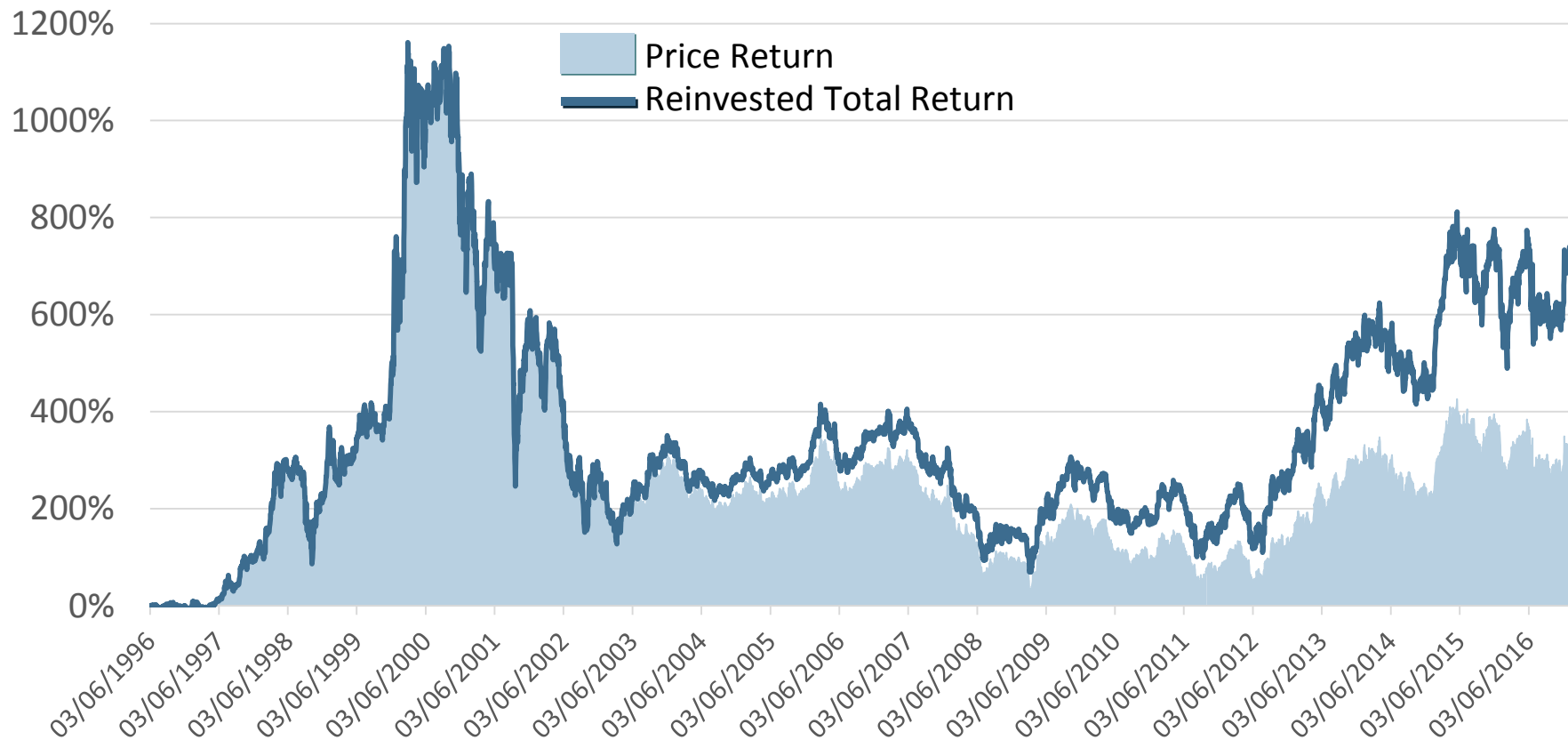


Ranking of Italian Banking Groups by Market Capitalisation

as at 17/02/2017



Price Return & Total Return Index*



* Total Return Index includes dividend reinvestment, June 3, 1996 – January 13, 2017

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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