

November 2017



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9M 2017 Group Results

	9M17	9M16	Change
Entry fees	60.3	52.5	+15%
Management fees	722.0	625.3	+15%
Performance fees	126.0	158.0	-20%
Banking service fees	63.0	60.3	+4%
Other fees	28.7	25.6	+12%
Commission income	1,000.0	921.7	+8%
Net interest income	137.6	181.3	-24%
Net income on investments at fair value	9.6	(17.6)	n.s.
Net financial income	147.1	163.7	-10%
Insurance revenues ex U-L commissions	22.1	18.3	+21%
Equity contribution	21.3	21.7	-2%
Net income on other investments	33.5	15.7	+113%
<i>o/w Impairment on loans</i>	<i>(10.5)</i>	<i>(9.2)</i>	<i>+15%</i>
Other revenues	20.5	18.2	+13%
Acquisition costs	(393.6)	(344.5)	+14%
Other commission expenses	(48.9)	(43.2)	+13%
CONTRIBUTION MARGIN	801.9	771.6	+4%
G&A expenses	(373.6)	(357.7)	+4%
Contribution to SRF, DGS & similar	(50.6)	(13.6)	+272%
Amortisation & depreciation	(27.0)	(22.7)	+19%
Provisions for risks & charges	(33.5)	(27.2)	+23%
TOTAL COSTS	(484.7)	(421.2)	+15%
PROFIT BEFORE TAX	317.2	350.4	-9%
Income tax	(38.1)	(45.4)	-16%
NET INCOME	279.1	305.0	-8%

5 Income Statement Salient Points

YoY comparison



9M 2017
Group

Management Fees (€ 97 mn higher YoY)

healthy growth in Managed Assets thanks to continuously strong flows into Mutual Funds & Managed Accounts

Performance Fees (€ 32 mn lower YoY)

lower contribution largely due to extremely weak July & August

Net Interest Income (€ 44 mn lower YoY)

due to lack of carry trade benefitted from in previous years

Net Income on Investments at FV (€ 27 mn higher YoY)

increase in the yield curve in Q2 positively impacted derivatives hedging fixed-rate mortgages no longer on our books in comparison to a negative 9M 16

Net Income on Other Investments (€ 18 mn higher YoY)

benefitted from capital gains on the sale of the stake in Banca Esperia. 9M 16 also included capital gains on the sale of CartaSi & Visa Europe shareholdings

Contribution to SRF, DGS & similar (€ 37 mn higher YoY)

11 mn write-down connected to the saving of CaRiCesena, on top of the final write-down of our investment in the Atlante fund in H1

Provisions for Risk & Charges (€ 6 mn higher YoY)

returned to normal levels vs 9M 16 which benefitted from the freeing-up of some provisions connected to inherited lawsuit in Spain

	Q116	Q216	Q316	Q416	Q117	Q217	Q317
Entry fees	17.6	17.2	17.8	18.0	19.8	24.5	16.0
Management fees	200.5	207.6	217.2	223.4	233.6	242.2	246.2
Performance fees	50.4	32.2	75.3	77.6	66.8	21.9	37.3
Banking service fees	20.4	20.2	19.7	21.1	21.8	20.9	20.2
Other fees	8.1	8.9	8.6	9.2	9.2	10.0	9.5
Commission income	297.1	286.0	338.7	349.2	351.3	319.4	329.2
Net interest income	61.6	60.2	59.5	47.5	45.0	49.4	43.2
Net income on investments at fair value	(10.6)	(4.8)	(2.2)	8.8	1.6	6.8	1.1
Net financial income	51.0	55.4	57.4	56.3	46.6	56.2	44.3
Insurance revenues ex U-L commissions	7.4	3.7	7.1	9.6	9.4	8.2	4.5
Equity contribution	0.6	4.9	16.2	5.0	0	6.6	14.7
Net income on other investments	(3.3)	18.7	0.3	6.5	(2.4)	39.2	(3.4)
<i>o/w Impairment on loans</i>	<i>(4.0)</i>	<i>(4.5)</i>	<i>(0.6)</i>	<i>(1.9)</i>	<i>(4.0)</i>	<i>(4.9)</i>	<i>(1.7)</i>
Other revenues	5.7	6.4	6.2	8.1	7.0	7.9	5.6
Acquisition costs	(110.4)	(113.0)	(121.2)	(135.8)	(128.5)	(132.4)	(132.7)
Other commission expenses	(13.5)	(14.6)	(15.1)	(15.6)	(15.8)	(16.7)	(16.4)
CONTRIBUTION MARGIN	234.6	247.5	289.5	283.2	267.6	288.4	245.8
G&A expenses	(117.3)	(132.3)	(108.1)	(139.2)	(124.8)	(131.0)	(117.8)
Contribution to SRF, DGS & similar	(4.3)	(1.4)	(7.9)	(32.4)	(12.7)	(18.8)	(19.1)
Amortisation & depreciation	(7.2)	(7.7)	(7.8)	(9.7)	(8.5)	(9.0)	(9.5)
Provisions for risks & charges	(12.5)	(2.2)	(12.5)	(3.4)	(10.3)	(12.0)	(11.2)
TOTAL COSTS	(141.3)	(143.7)	(136.3)	(184.7)	(156.3)	(170.8)	(157.7)
PROFIT BEFORE TAX	93.3	103.9	153.2	98.5	111.4	117.7	88.2
Income tax	(20.2)	(6.7)	(18.5)	(10.0)	(26.5)	(6.1)	(5.4)
NET INCOME	73.2	97.1	134.7	88.5	84.9	111.5	82.8

	FY 2016	9M 2017
- Single Resolution Fund	5.4	5.4
- Deposit Guarantee Scheme	8.9	8.9

Italy - Regular Contributions	14.3	14.3
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- Single Resolution Fund ¹	12.7	-
- Reimbursement from the saving of Banca Tercas	(1.1)	-
- Atlante I	17.0	23.3
- Atlante II	-	-
- Voluntary Scheme ²	1.4	11.4

Italy - One-off Contributions	30.1	34.8
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Foreign Markets Contributions	1.5	1.5
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CONTRIBUTION TO SRF, DGS & SIMILAR	46.0	50.6
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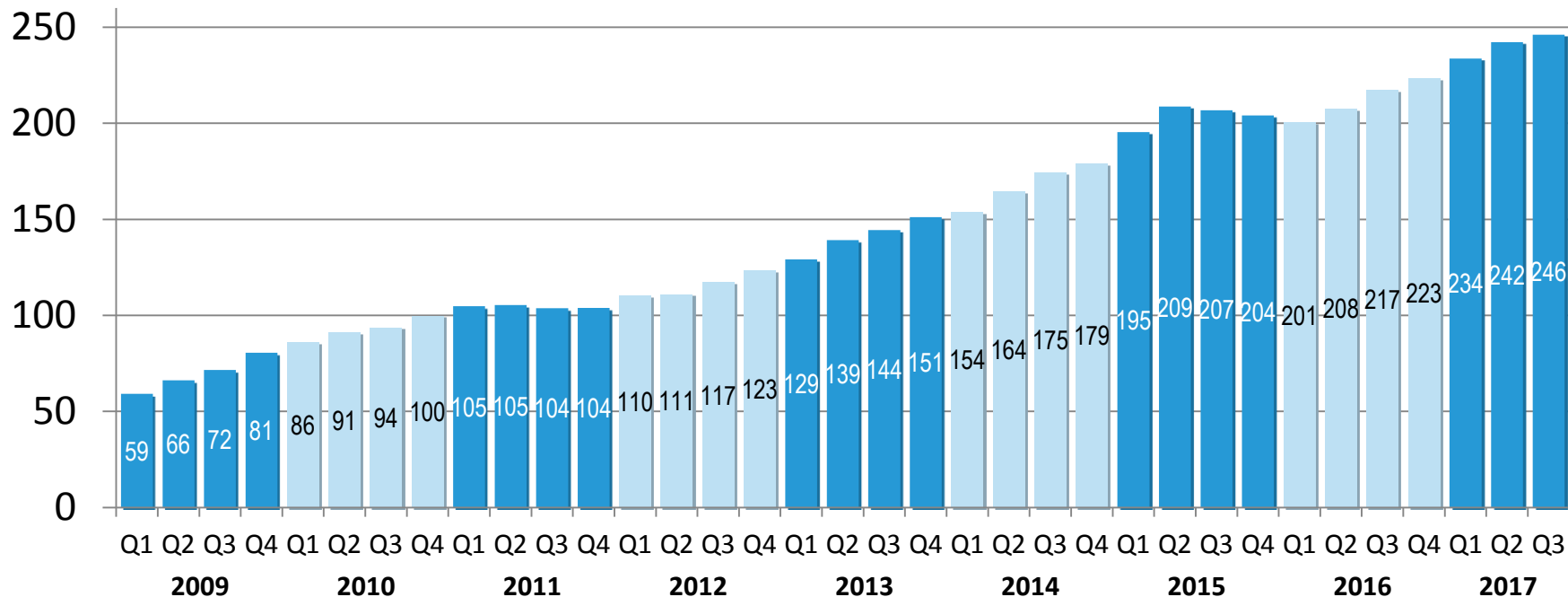
OVERALL ATLANTE COMMITMENT	ATLANTE COMMIT. NOT CALLED	CONTRIBUTIONS STILL IN BALANCE SHEET
50.0	6.1	3.5 ³
10.0	6.4	3.5 ³
		3.6 ⁴
60.0	12.5	10.6

¹ Extraordinary contribution to the SRF for the saving of Banca Etruria, Banca Marche, CaRiChieti and CaRiFerrara

² € 700 mn requested to the market by the Bank of Italy to save troubled banks. The contribution has been fully spent on the CaRiCesena deal

³ € 7 mn currently in the balance sheet is 100% invested in Italian Banks NPLs

⁴ CaRiCesena assets that could be subject to conversion into junior NPLs



194

198

200

200

202

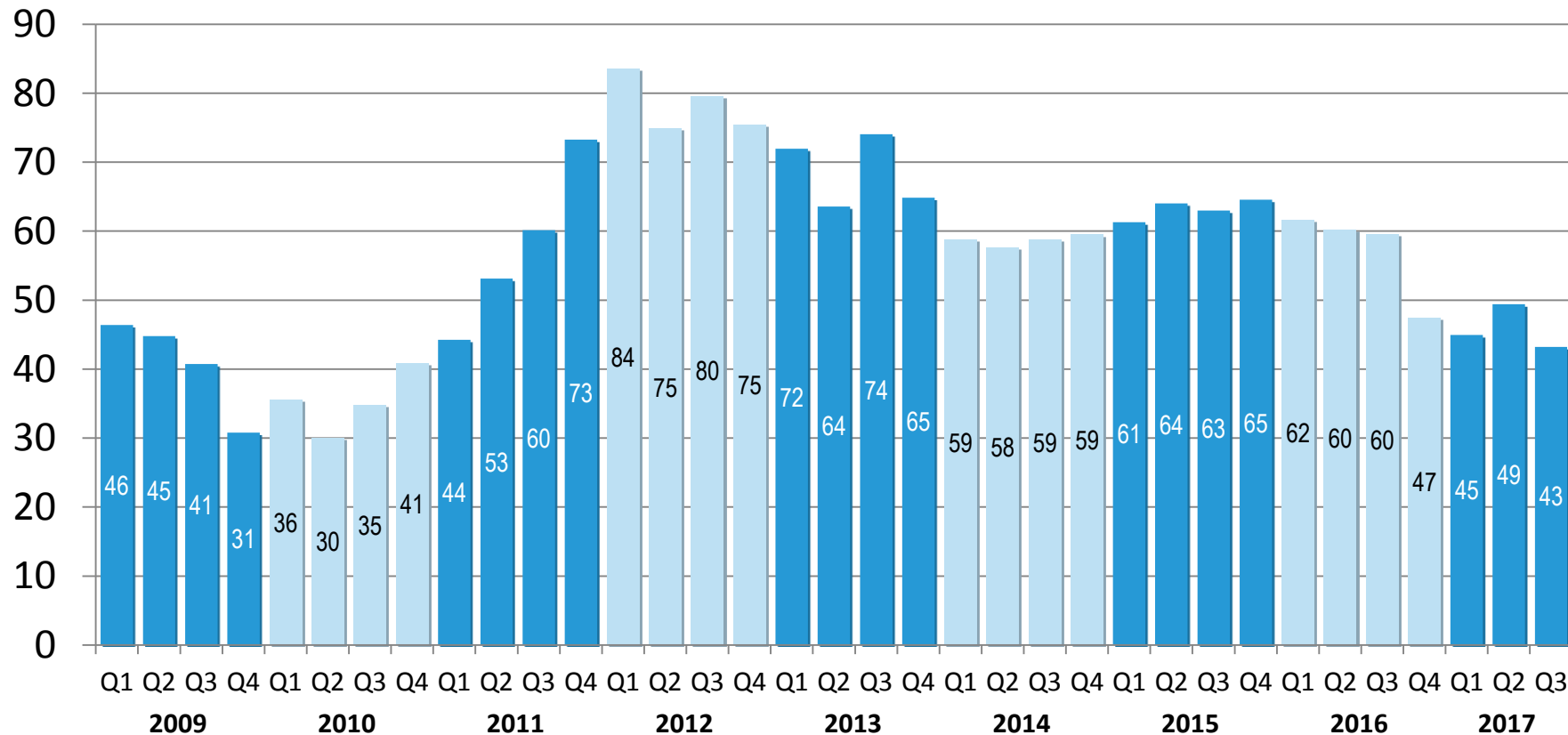
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Yearly bps on average assets

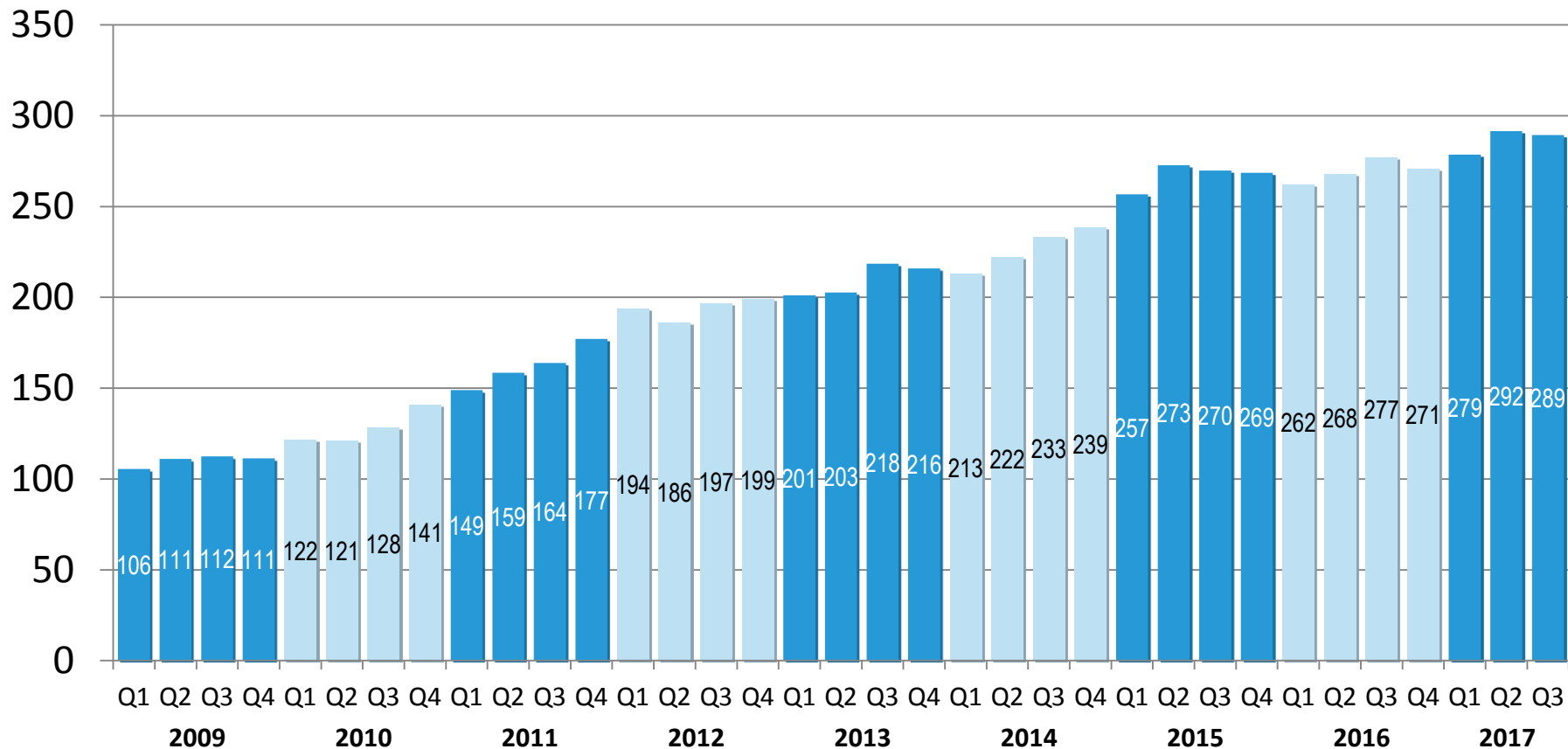


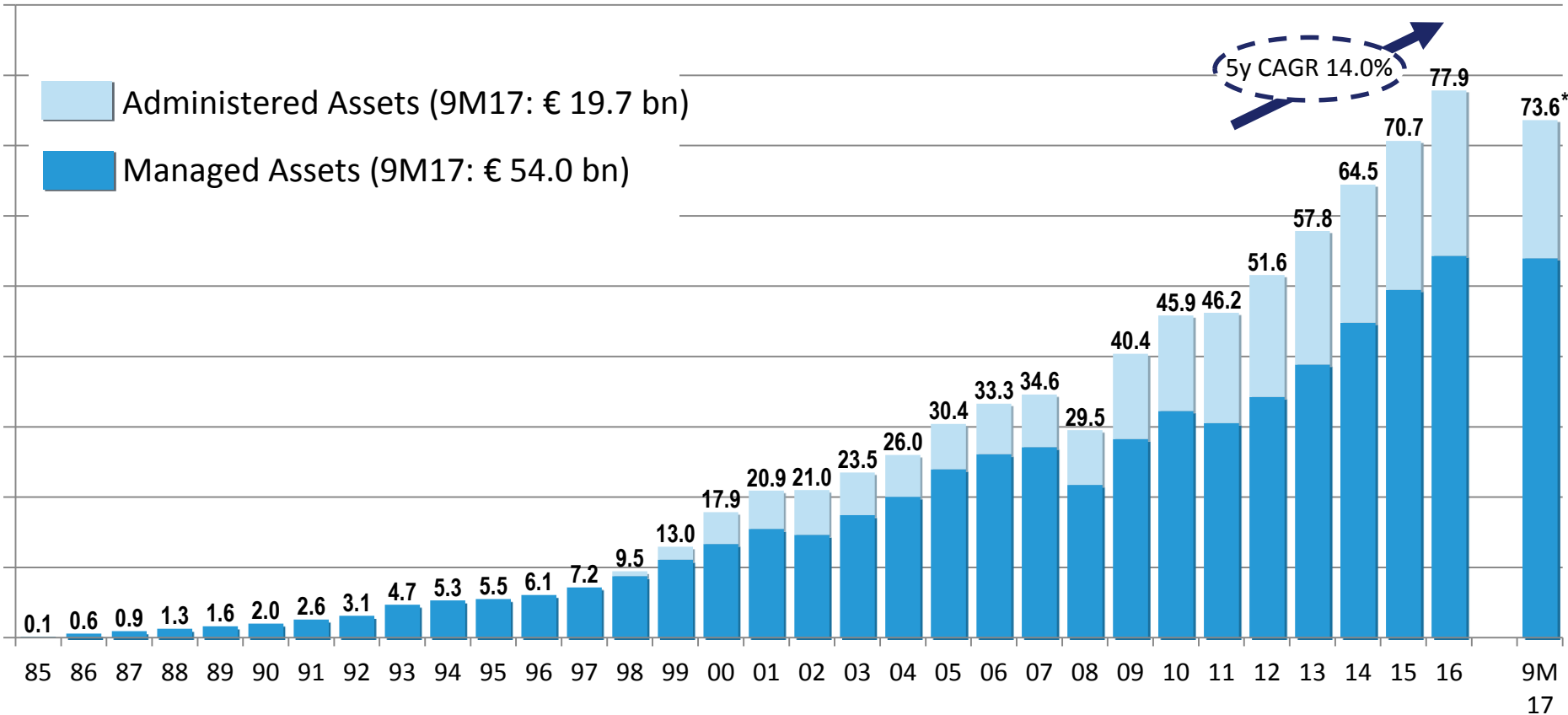
10 Quarterly Recurring Revenues

Commission Income from Mgmt Fees + NII (€ mn)



9M 2017
Group





* FY16 included €8.7 bn of Banca Esperia assets, not present in 9M17

12 Assets under Administration/Management

€ mn



9M 2017
Group

	30/09/17	31/12/16	Change	30/09/16	Change
Mutual Funds & U-L Policies	48,466.9	44,200.6	+10%	41,882.5	+16%
'Freedom' Life Policies	194.4	233.8	-17%	255.0	-24%
Other Life Insurance products	1,398.7	1,524.9	-8%	1,566.0	-11%
Banking	18,483.1	18,383.8	+1%	17,587.2	+5%
Italy – Banca Mediolanum	68,543.1	64,343.1	+7%	61,290.9	+12%
Mutual Funds & U-L Policies	2,994.4	2,474.7	+21%	2,272.4	+32%
Other Insurance Products	137.6	174.5	-21%	188.2	-27%
Banking	1,314.6	1,231.2	+7%	1,216.1	+8%
Spain – Banco Mediolanum	4,446.6	3,880.3	+15%	3,676.7	+21%
Mutual Funds & U-L Policies	459.2	420.3	+9%	409.2	+12%
Other Insurance Products	19.2	23.9	-20%	25.9	-26%
Banking	136.1	147.0	-7%	140.3	-3%
Germany – B. A. Lenz & Gamax	614.6	591.2	+4%	575.4	+7%
Italy – Banca Esperia (Mediolanum's share)	0	9,039.5	n.s.	8,738.7	n.s.
TOTAL AUA/AUM	73,604.2	77,854.1	-5%	74,281.7	-1%

9M17

H117

GROUP CAPITAL RATIOS

Total Capital Ratio

21.9%

21.9%

Common Equity Tier 1 Ratio

21.8%

21.9%

Total Regulatory Capital Held

1,945

1,929

Required Capital – Banks *

727

721

Solvency Capital Requirements – Insurance companies**

706

706

Total Required Capital

1,433

1,427

EXCESS CAPITAL

512

502

* As per SREP, BMED required capital amounts to 11% (minimum Total Capital Ratio) of consolidated RWA (€ 7,289 mn as at 30/09/2017), excluding stakes in insurance companies

** 9M17 reconciliation reserve (part of total regulatory capital held) & solvency capital requirements are calculated according to the Solvency II framework as at 30/06/2017

Interim Dividend per share

20 eurocents

Total amount of dividends

€ 146.8 mn

Ex-dividend date

November 20

Payment date

November 22



9M 2017 Domestic Market Results

	9M17	9M16	Change
Entry fees	51.5	44.1	+17%
Management fees	677.0	589.9	+15%
Performance fees	117.5	149.4	-21%
Banking service fees	45.2	44.6	+1%
Other fees	27.2	24.2	+12%
Commission income	918.4	852.2	+8%
Net interest income	131.2	167.6	-22%
Net income on investments at fair value	9.4	(17.9)	n.s.
Net financial income	140.6	149.7	-6%
Insurance revenues ex U-L commissions	13.3	10.9	+22%
Equity contribution	21.3	21.7	-2%
Net income on other investments	34.0	7.5	+352%
<i>o/w Impairment on loans</i>	<i>(9.9)</i>	<i>(8.4)</i>	<i>+18%</i>
Other revenues	18.1	16.1	+13%
Acquisition costs	(362.7)	(318.8)	+14%
Other commission expenses	(32.9)	(29.4)	+12%
CONTRIBUTION MARGIN	750.1	709.9	+6%
G&A expenses	(332.9)	(320.2)	+4%
Contribution to SRF, DGS & similar	(49.1)	(12.3)	+298%
Amortisation & depreciation	(24.7)	(21.1)	+17%
Provisions for risks & charges	(32.9)	(33.5)	-2%
TOTAL COSTS	(439.6)	(387.1)	+14%
PROFIT BEFORE TAX	310.5	322.8	-4%
Income tax	(34.5)	(40.5)	-15%
NET INCOME	276.0	282.4	-2%

	Q116	Q216	Q316	Q416	Q117	Q217	Q317
Entry fees	14.3	14.4	15.4	15.2	16.8	21.4	13.4
Management fees	189.5	195.8	204.6	210.2	219.4	227.0	230.6
Performance fees	47.6	30.6	71.2	73.8	62.7	20.1	34.7
Banking service fees	15.7	15.0	13.9	14.9	16.1	14.9	14.2
Other fees	7.7	8.3	8.2	8.8	8.8	9.5	9.0
Commission income	274.7	264.2	313.3	322.9	323.7	292.9	301.9
Net interest income	56.9	56.2	54.4	44.6	42.5	46.9	41.9
Net income on investments at fair value	(10.6)	(5.0)	(2.2)	8.7	1.5	6.7	1.1
Net financial income	46.3	51.2	52.2	53.3	44.0	53.6	43.0
Insurance revenues ex U-L commissions	5.3	1.2	4.4	7.4	6.1	5.1	2.1
Equity contribution	0.6	4.9	16.2	5.0	0	6.6	14.7
Net income on other investments	(3.2)	10.2	0.5	4.4	(2.3)	39.4	(3.1)
<i>o/w Impairment on loans</i>	<i>(3.8)</i>	<i>(4.1)</i>	<i>(0.4)</i>	<i>(3.9)</i>	<i>(3.9)</i>	<i>(4.7)</i>	<i>(1.4)</i>
Other revenues	5.1	5.4	5.6	7.0	6.4	6.8	5.0
Acquisition costs	(101.8)	(104.2)	(112.8)	(126.0)	(118.1)	(121.5)	(123.1)
Other commission expenses	(9.4)	(10.0)	(10.0)	(10.2)	(10.9)	(11.1)	(11.0)
CONTRIBUTION MARGIN	217.7	222.8	269.4	263.8	248.9	271.8	229.4
G&A expenses	(104.5)	(120.7)	(95.0)	(125.5)	(110.3)	(118.0)	(104.6)
Contribution to SRF, DGS & similar	(3.9)	(0.9)	(7.5)	(32.1)	(12.2)	(18.2)	(18.7)
Amortisation & depreciation	(6.7)	(7.2)	(7.2)	(9.0)	(7.8)	(8.2)	(8.7)
Provisions for risks & charges	(12.2)	(8.7)	(12.5)	(2.5)	(10.1)	(11.8)	(11.0)
TOTAL COSTS	(127.3)	(137.6)	(122.2)	(169.1)	(140.3)	(156.2)	(143.1)
PROFIT BEFORE TAX	90.4	85.3	147.2	94.7	108.6	115.6	86.3
Income tax	(19.2)	(4.0)	(17.2)	(8.8)	(25.2)	(5.1)	(4.3)
NET INCOME	71.1	81.2	130.0	85.9	83.5	110.5	82.1

	9M17	9M16	Change
One-time commissions	57.2	56.5	+1%
Ongoing commissions	234.0	198.6	+18%
Total commissions	291.2	255.1	+14%
Incentives on individual net inflows	39.4	31.0	+27%
Contests & bonuses	12.7	10.6	+20%
Reimbursement of costs for customer events	7.5	9.4	-20%
Total incentives & bonuses	59.5	51.0	+17%
Costs related to the agency agreement	12.0	12.7	-6%
TOTAL ACQUISITION COSTS	362.7	318.8	+14%

	9M17	9M16	Change
↓ directly into Mutual Funds	+3,020.2	+1,659.5	+82%
↓ through 'MyLife' U-L policy	+637.0	+573.9	+11%
↓ through other U-L policies	+258.8	+267.9	-3%
Mutual Funds Inflows	+3,916.0	+2,501.3	+57%
Other Life Insurance policies	-176.8	-214.0	-17%
Managed Assets Inflows	+3,739.2	+2,287.2	+63%
3rd-party Structured Bonds	-176.5	-138.8	+27%
Managed Assets incl. Structured Bonds	+3,562.7	+2,148.4	+66%
Cash deposits	-307.4	+1,801.2	n.s.
Repurchase agreements	+47.7	+35.6	+34%
Mediolanum bonds	-35.1	-36.8	-5%
Other securities under custody	-65.1	+224.8	n.s.
Administered Assets Inflows	-359.8	+2,024.7	n.s.
'Freedom' Life Policies (change in assets)	-42.3	-247.9	-83%
Administered Assets incl. 'Freedom' accts.	-402.1	+1,776.8	n.s.
BANCA MEDIOLANUM	+3,160.6	+3,925.2	-19%
BANCA ESPERIA (Mediolanum's share)	0	+110.0	n.s.
TOTAL NET INFLOWS	+3,160.6	+4,035.2	-22%

Mutual Funds

Net Inflows by Product

€ mn



	9M17	9M16	Change
'Best Brands' funds of funds (IRL)	+543.7	+1,176.4	-54%
'Challenge' mutual funds (IRL)	-188.5	+17.3	n.s.
'Fondi Italia' mutual funds (ITA)	+1,672.5	+168.2	n.s.
3rd-party stand-alone funds	+918.5	+317.6	+189%
Other	+74.0	-20.0	n.s.
DIRECT NET INFLOWS INTO MUTUAL FUNDS	+3,020.2	+1,659.5	+82%
'MyLife' U-L policy	+637.0	+573.9	+11%
Other U-L policies	+258.8	+267.9	-3%
TOTAL NET INFLOWS INTO MUTUAL FUNDS	+3,916.0	+2,501.3	+57%

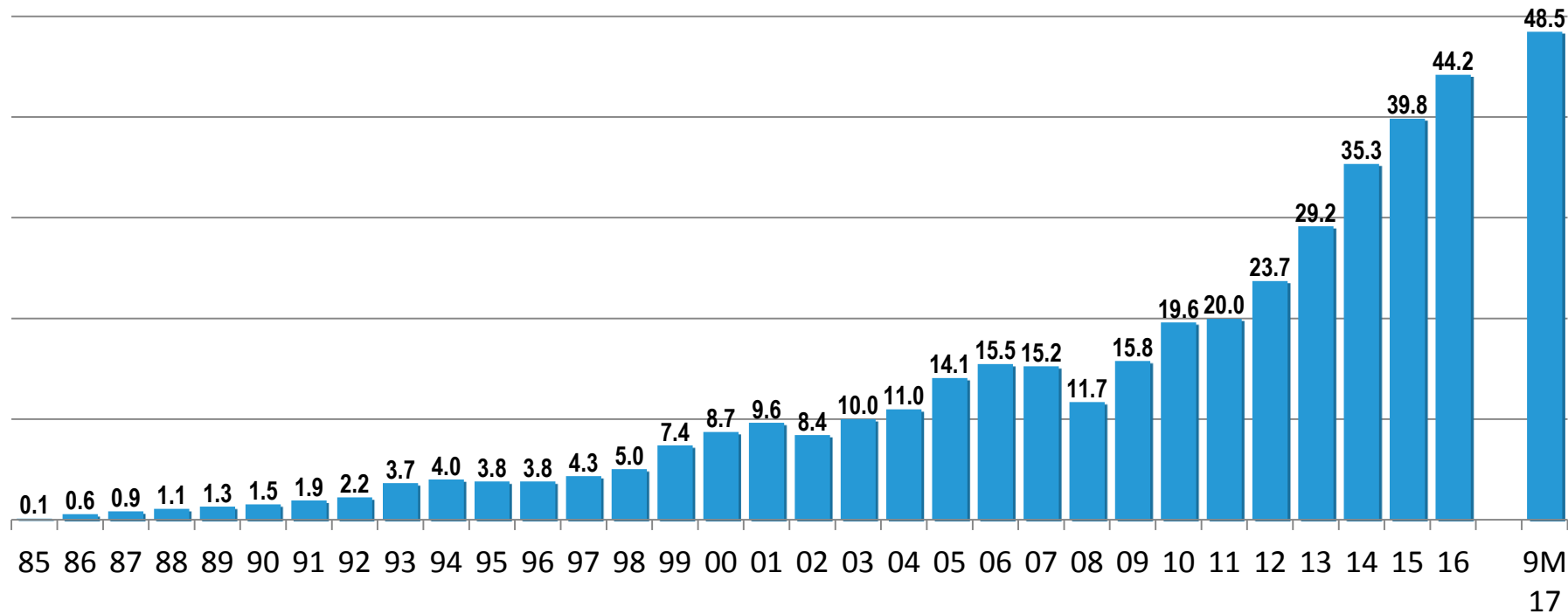
Mutual Funds

Gross Inflows by Product

€ mn



	9M17	9M16	Change
'Best Brands' funds of funds (IRL)	2,844.9	2,555.6	+11%
'Challenge' mutual funds (IRL)	327.0	364.0	-10%
'Fondi Italia' mutual funds (ITA)	3,111.5	860.1	+262%
3rd-party stand-alone funds	1,152.9	391.8	+194%
Other	129.5	15.6	n.s.
DIRECT GROSS INFLOWS INTO MUTUAL FUNDS	7,565.7	4,187.1	+81%
'MyLife' U-L policy	1,001.8	777.2	+29%
Other U-L policies	676.4	901.0	-25%
TOTAL GROSS INFLOWS INTO MUTUAL FUNDS	9,243.9	5,865.3	+58%



Mutual Funds

Assets under Management

€ mn

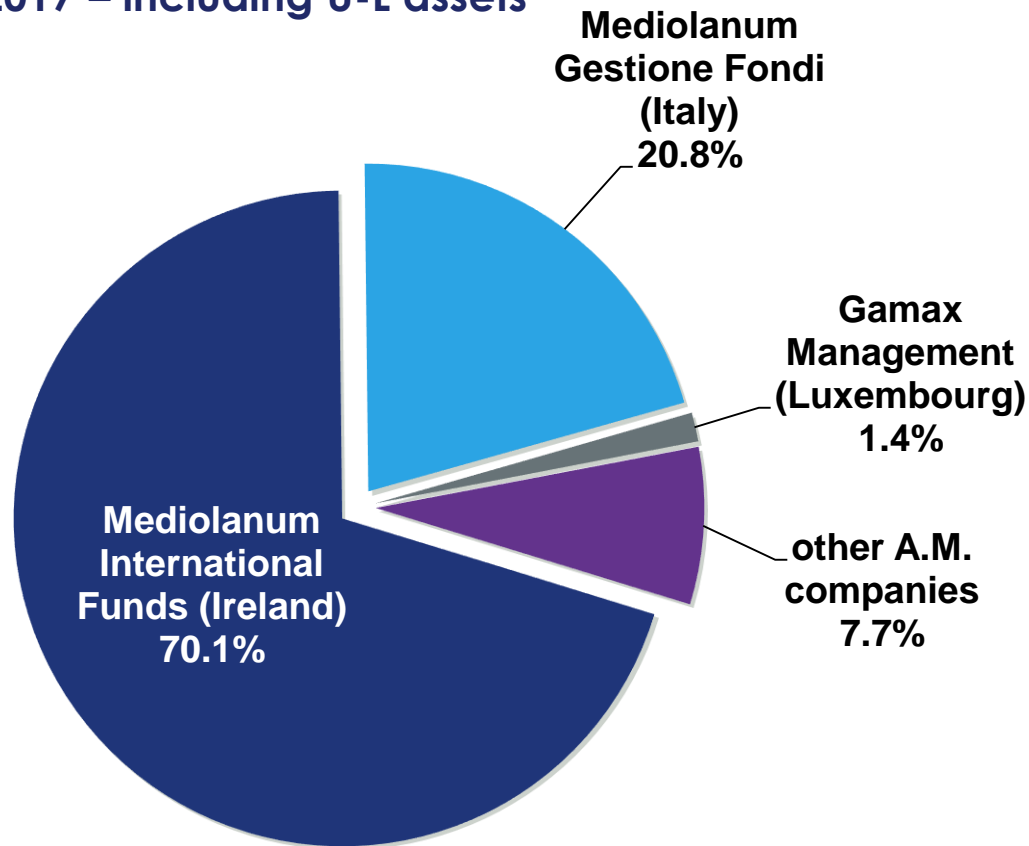


	30/09/17	31/12/16	Change	30/09/16	Change
'Best Brands' funds of funds (IRL)	19,474.3	18,643.4	+4%	17,681.3	+10%
'Portfolio' funds of funds (IRL)	321.1	370.0	-13%	365.3	-12%
'Challenge' mutual funds (IRL)	14,068.3	14,137.0	-0%	13,407.1	+5%
Funds of Hedge Funds (IRL)	66.9	90.0	-26%	95.5	-30%
'Fondi Italia' mutual funds (ITA)	9,442.3	7,395.7	+28%	7,139.4	+32%
'Real estate' fund (ITA)	304.9	311.9	-2%	307.5	-1%
3rd-party stand-alone funds	2,153.1	1,163.6	+85%	944.2	+128%
Other	959.7	822.6	+17%	811.5	+18%
<i>Adj. for own mutual funds in FoFs & Managed accts.</i>	<i>(419.7)</i>	<i>(441.1)</i>	<i>-5%</i>	<i>(434.1)</i>	<i>-3%</i>
'MyLife' U-L policy	5,006.1	4,278.4	+17%	3,997.2	+25%
Other U-L policies	12,640.7	12,421.4	+2%	11,670.1	+8%
<i>Adj. for own mutual funds in U-L policies</i>	<i>(15,550.7)</i>	<i>(14,992.4)</i>	<i>+4%</i>	<i>(14,102.4)</i>	<i>+10%</i>
ASSETS IN MUTUAL FUNDS & U-L	48,466.9	44,200.6	+10%	41,882.5	+16%

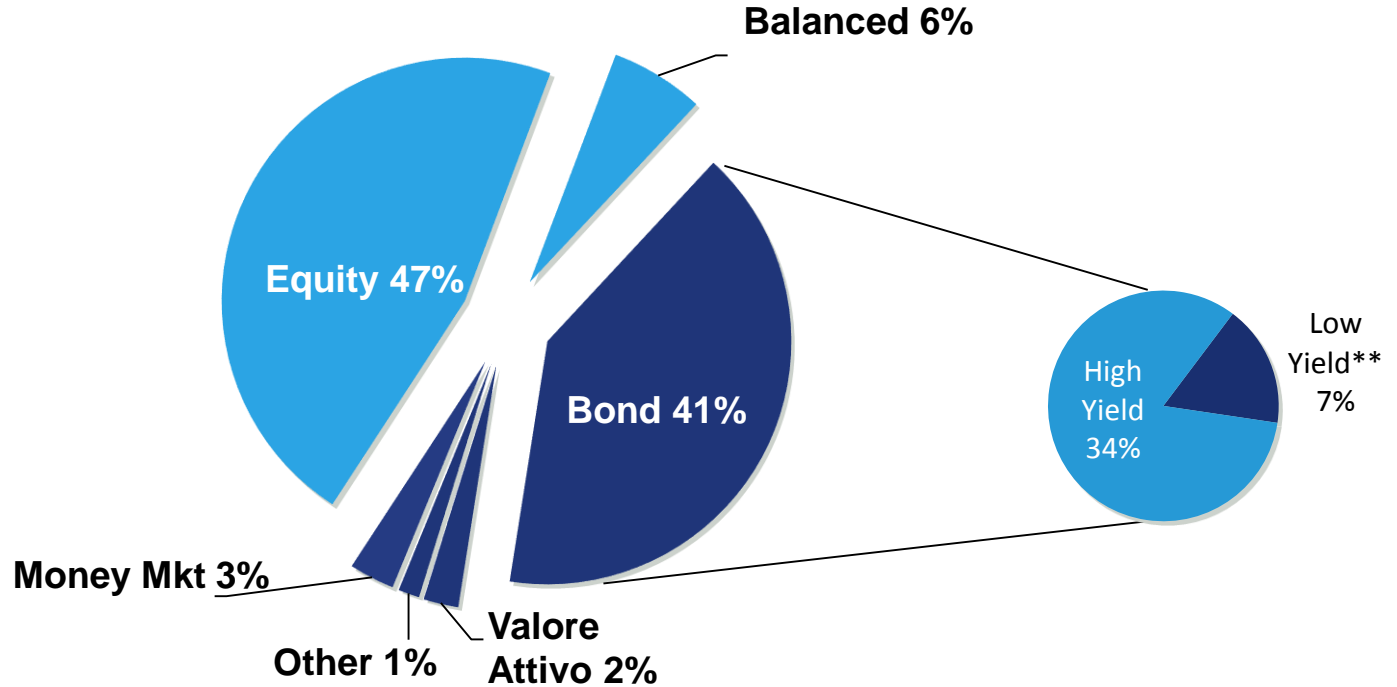
Mutual Funds

Assets by A.M. company

as at 30/09/2017 – including U-L assets



Mutual Funds Assets* by category as at 30/09/2017 – including U-L assets



* Flexible funds are classified according to their equivalent risk level

** 'Low Yield Bond' segment includes Euro-zone + Japan govies

Banking Assets under Administration

€ mn



	30/09/17	31/12/16	Change	30/09/16	Change
Cash Deposits	15,229.8	15,541.1	-2%	14,656.0	+4%
Repurchase agreements	47.7	0	n.s.	35.6	+34%
Mediolanum bonds	81.2	115.3	-30%	116.5	-30%
3rd-party structured bonds	475.0	642.7	-26%	710.0	-33%
Other securities	2,649.4	2,084.8	+27%	2,069.2	+28%
BANKING ADMINISTERED ASSETS	18,483.1	18,383.8	+1%	17,587.2	+5%

	Q317	Q217
Total Cost of Funding	0.29%	0.27%
Retail Cost of Funding	0.32%	0.32%
Total Interest Income	1.07%	1.13%
Retail Interest Income	2.01%	2.06%
TOTAL SPREAD	0.78%	0.85%
Spread on Retail	1.69%	1.74%

	Liabilities	Assets
Retail	15,429	7,177
Treasury	4,413	12,976
o/w interbank / intra-group deposits & repos	1,467	389
o/w ECB refinancing	0	0
o/w MTS refinancing	2,946	388
o/w securities (bonds)		12,199
Other liabilities / assets	2,572	2,262
TOTAL	22,414	22,414

Operating Liquidity (24hr) : € 9,814 mn

Banking Credit Quality

€ mn – as at 30/09/2017



	30/09/17	31/12/16	Change	30/09/16	Change
Mortgages	5,518	5,210	+6%	5,070	+9%
Personal & Commercial Loans	1,376	1,267	+9%	1,213	+13%
Lines of credit	283	378	-25%	399	-29%
Total Loans	7,177	6,855	+5%	6,682	+7%

% on total loans

B.Mediolanum

Italian Banks*

Gross non-performing Loans

1.60%

16.3%

as at 31/03/2017

Net non-performing Loans

0.85%

9.4%

as at 31/12/2016

9M17

FY16

9M16

Mortgage Portfolio

Total Value	5,518	5,210	5,070
Average rate	1.83%	2.08%	2.14%
Average initial LTV	57%	57%	57%

New Business

Total amount granted	711	991	713
Average rate	1.40%	1.52%	1.58%
Average amount granted	138	142	141
Average initial LTV	58%	59%	59%

Mediolanum Group Bond Portfolio

€ mn – as at 30/09/2017



	Mediolanum Group		Banca Mediolanum		Mediolanum Vita	
	Book value	AD	Book Value	AD	Book Value	AD
Italian Govies	14,080	0.9	12,950	0.7	982	3.7
Italian Financials	237	3.8	30	2.8	200	3.9
Spanish Govies	639	1.1	624	1.0	15	3.1
Spanish Financials	3	7.4	0	0.0	3	7.4
Core Europe Govies*	-299	1.3	-299	1.3	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	59	1.0	50	0.2	9	5.6
Other Corporate	24	4.4	0	0.0	24	4.7
Other ABS	3	2.0	3	2.0	0	0.0
TOTAL	14,746	1.0	13,357	0.7	1,230	3.8

AD = average duration weighted by absolute nominal value

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

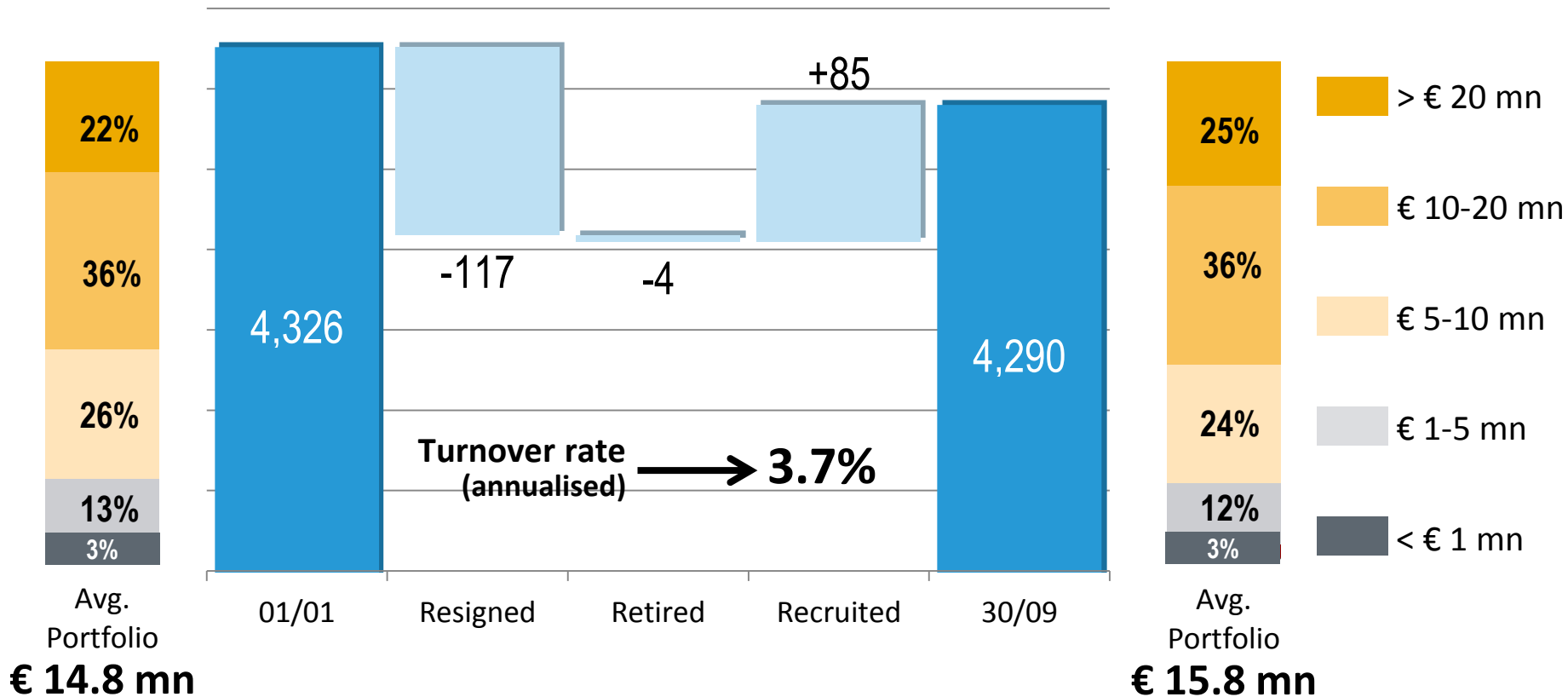
Insurance

Life – Policyholders' Assets

€ mn



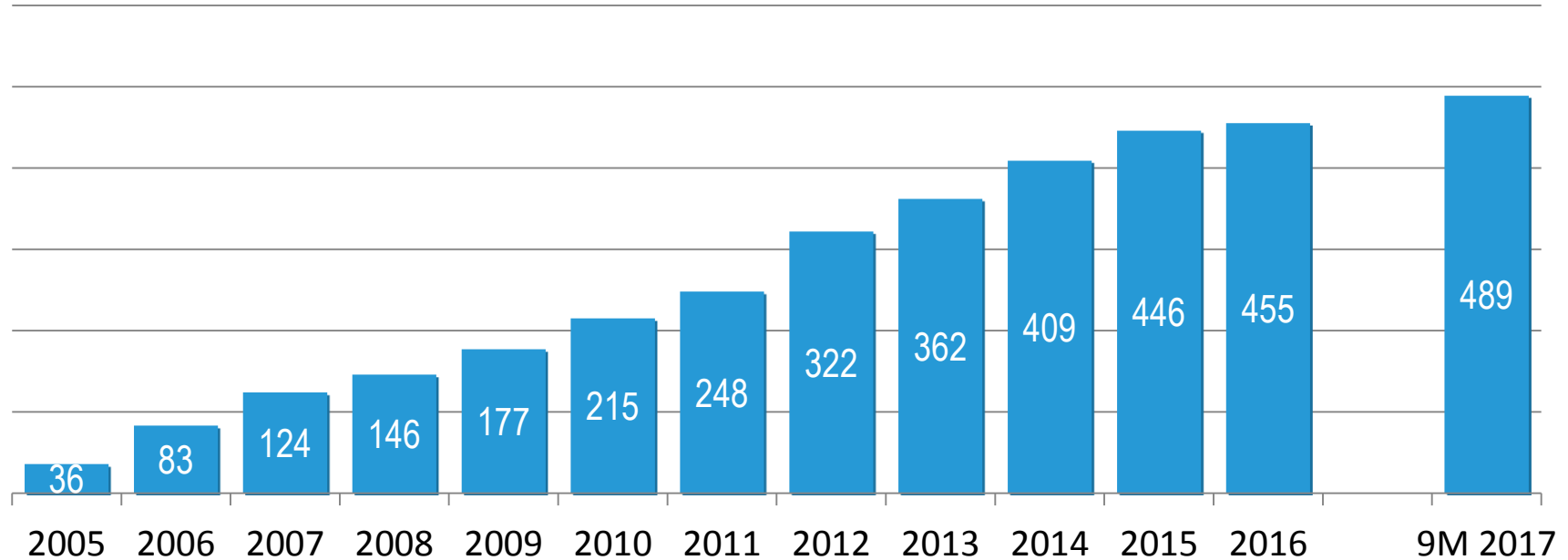
	30/09/17	31/12/16	Change	30/09/16	Change
Traditional	1,390.1	1,346.6	+3%	1,328.5	+5%
Index-linked	8.6	178.3	-95%	237.5	-96%
Unit-linked pension plans	6,082.8	5,936.8	+2%	5,525.7	+10%
Unit-linked endowment policies	3,732.0	3,830.0	-3%	3,669.1	+2%
Unit-linked investment policies	7,832.0	6,933.1	+13%	6,472.5	+21%
Unit-linked	17,646.9	16,699.8	+6%	15,667.3	+13%
<i>o/w equity</i>	<i>60.7%</i>	<i>62.8%</i>	<i>-3%</i>	<i>61.3%</i>	<i>-1%</i>
LIFE ASSETS (EX-'FREEDOM')	19,045.6	18,224.7	+5%	17,233.3	+11%
'Freedom' Life policies	194.4	233.8	-17%	255.0	-24%



Banca Mediolanum

Focus on 'Private Bankers'*

as at 30/09/2017



Average assets in portfolio: € 37.2 mn
o/w managed assets: € 27.7 mn

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



9M 2017 Foreign Markets Results

	9M17	9M16	Change	vs.FY16
Net Income excluding non-recurring items	11.6	17.9	-35%	
Net impact of settlement of past (inherited) litigation	0	4.8	n.s.	
Net Income	11.6	22.7	-49%	
Managed Assets	3,132.0	2,460.6	+27%	+18%
Administered Assets	1,314.6	1,216.1	+8%	+7%
Total Assets	4,446.6	3,676.7	+21%	+15%
Gross Inflows into Managed Assets	985.5	700.8	+41%	
Net Inflows into Managed Assets	+449.1	+306.7	+46%	
Net Inflows into Administered Assets	-10.4	-122.3	-92%	
Total Net Inflows	+438.7	+184.5	+138%	
Family Bankers (Mediolanum model)	862	833	+3%	+3%
Traditional agents	33	34	-3%	-0%
Total Sales Network	895	867	+3%	+3%
Total Customers	115,333	107,837	+7%	+5%

	9M17	9M16	Change	vs.FY16
Net Income excluding non-recurring items	(8.5)	(8.4)	+1%	
Net impact of sale of VISA EU shares	0	8.4	n.s.	
Net Income	(8.5)	0	n.s.	
Managed Assets	478.4	435.1	+10%	+8%
Administered Assets	136.1	140.3	-3%	-7%
Total Assets	614.6	575.4	+7%	+4%
Gross Inflows into Managed Assets	54.7	47.0	+16%	
Net Inflows into Managed Assets	+15.9	+22.2	-28%	
Net Inflows into Administered Assets	-10.6	+47.7	n.s.	
Total Net Inflows	+5.2	+69.8	-92%	
Total Sales Network	52	66	-21%	-5%
Total Customers	5,551	5,341	+4%	+2%

	9M17	9M16	Change	vs.FY16
Net Income excluding non-recurring items	(10.4)	(9.5)	+10%	
Net impact of sale of VISA EU shares	0	8.4	n.s.	
Net Income	(10.4)	(1.1)	n.s.	
Managed Assets	277.5	239.2	+16%	+9%
Administered Assets	136.1	140.3	-3%	-7%
Total Assets	413.7	379.4	+9%	+3%
Gross Inflows into Managed Assets	47.0	36.6	+28%	
Net Inflows into Managed Assets	+19.0	+24.3	-22%	
Net Inflows into Administered Assets	-10.6	+47.7	n.s.	
Total Net Inflows	+8.4	+72.0	-88%	
Total Sales Network	52	66	-21%	-5%
Total Customers	5,551	5,341	+4%	+2%

	9M17	9M16	Change	vs.FY16
Net Income	1.9	1.0	+88%	
Assets under Management	200.9	195.9	+3%	+6%
Gross Inflows	7.7	10.4	-26%	
Net Inflows	-3.2	-2.2	+44%	



Business Update

Banca Mediolanum

October 2017 Net Inflows

€ mn



	Oct '17	YTD '17	YTD '16
Managed Assets	+398	+4,426	+2,755
<i>o/w Mutual Funds, U-L & Managed Accounts</i>	<i>+412</i>	<i>+4,849</i>	<i>+3,174</i>
Administered Assets	+5	-418	+1,776
GROUP TOTAL NET INFLOWS	+403	+4,008	+4,531
Italy – Banca Mediolanum Total Net Inflows	+366	+3,527	+4,246
Managed Assets	+340	+3,902	+2,391
<i>o/w Mutual Funds, U-L & Managed Accounts</i>	<i>+353</i>	<i>+4,269</i>	<i>+2,763</i>
Administered Assets	+26	-376	+1,856
Spain – Banco Mediolanum Total Net Inflows	+32	+471	+215
Managed Assets	+53	+502	+347
<i>o/w Mutual Funds & U-L</i>	<i>+53</i>	<i>+552</i>	<i>+392</i>
Administered Assets	-21	-31	-132
Germany – B.A. Lenz & Gamax Total Net Inflows	+5	+10	+69
Managed Assets	+6	+22	+17
<i>o/w Mutual Funds & U-L</i>	<i>+6</i>	<i>+28</i>	<i>+20</i>
Administered Assets	0	-11	+52

Italian Sales Networks Ranking by Net Inflows

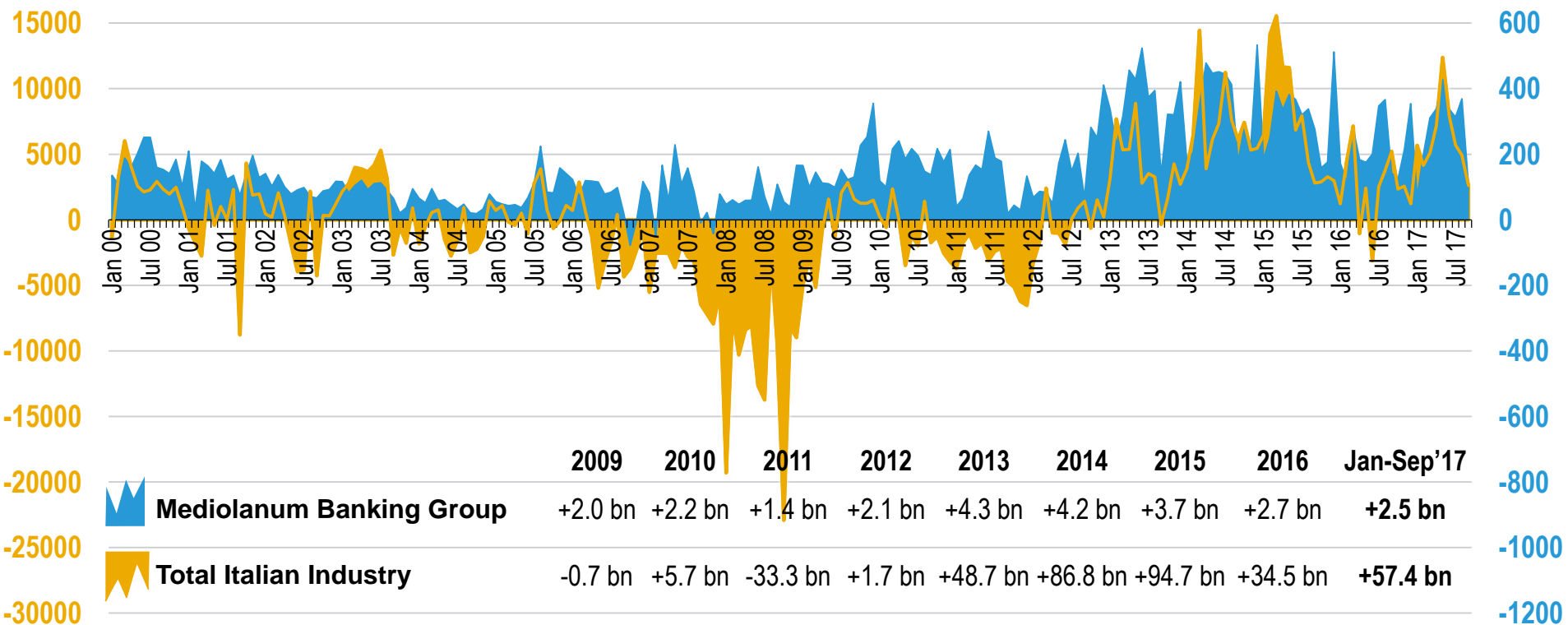
€ thousands - totals by Group



	Jan-Sep 2017		
	Total Net Inflows	o/w Managed Assets	o/w Mutual Funds*
Banca Fideuram (incl. Sanpaolo)	10,008,742	8,510,463	7,052,084
Banca Generali	5,156,939	4,600,544	2,010,715
Finecobank	3,812,535	2,491,221	1,426,357
Allianz Bank	3,237,413	3,067,085	2,913,952
Banca Mediolanum	3,204,983	3,714,362	3,891,693
Azimut	1,723,803	1,334,953	990,852
BNP Paribas	811,063	653,288	545,841
UBI (IW Bank)	728,146	307,277	289,863
Deutsche Bank (Finanza & Futuro)	567,643	372,000	201,382
Monte dei Paschi di Siena (Widiba)	366,683	256,074	237,249
Credem	319,480	317,154	288,294
Consultinvest	4,673	5,649	9,102

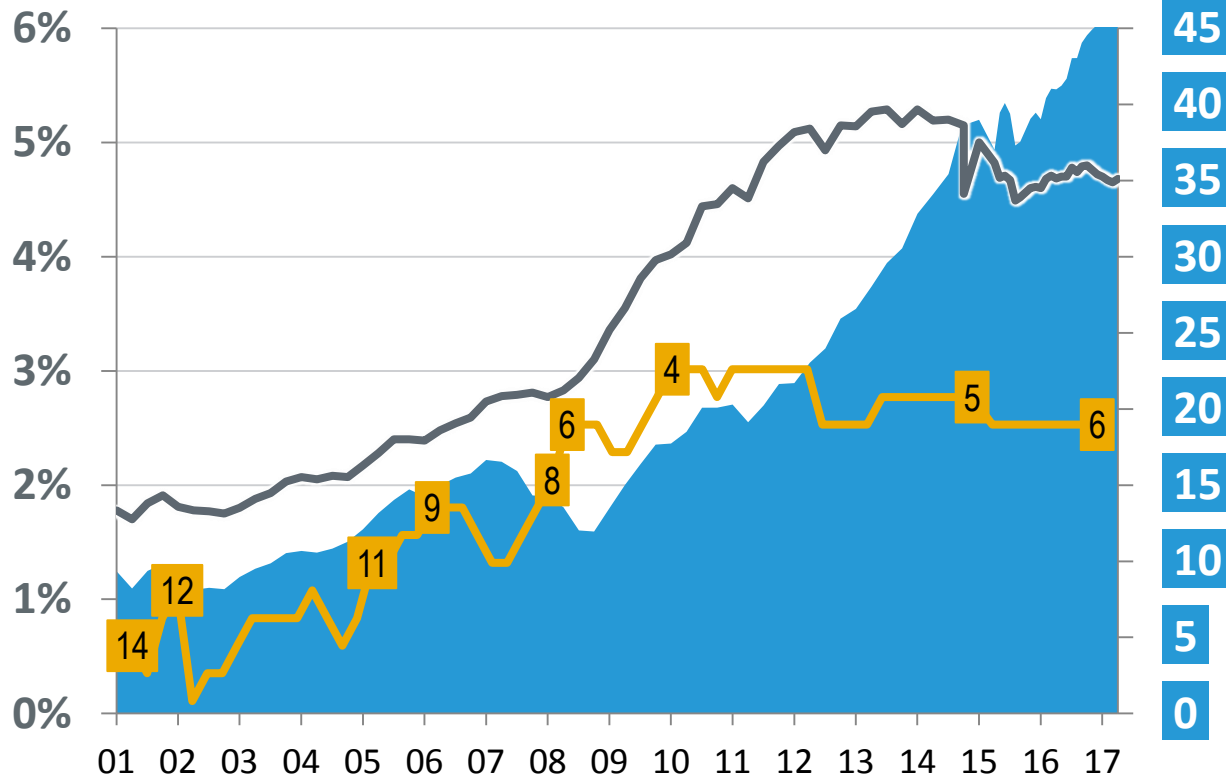
*including those underlying Unit-Linked policies & Managed Accounts

source: Assoreti



* including those underlying Unit-Linked policies & Managed Accounts

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



Market Share – Sep 2017	
Intesa Sanpaolo	19.8%
Amundi	12.1%
Generali	8.1%
Blackrock	6.5%
Anima	6.2%
6 Mediolanum	4.7%
Azimut	3.3%
JP Morgan	3.2%
UBI Banca	3.2%
Arca	2.8%
Invesco	2.6%
Pictet	2.4%
Fidelity	2.2%
Schroeders	2.0%
Deutsche A&W Mgmt.	2.0%

Mediolanum Asset Management Companies

Net Average Return

As at 30/09/2017 – NAV-weighted average on a monthly basis



	Net return	Ranking*
Year-to-date	2.43%	3
1-year	5.83%	2
2-year	9.05%	3
3-year	8.83%	3
4-year	17.80%	2
5-year	22.61%	3
Since March 2009 (market low)	71.87%	2

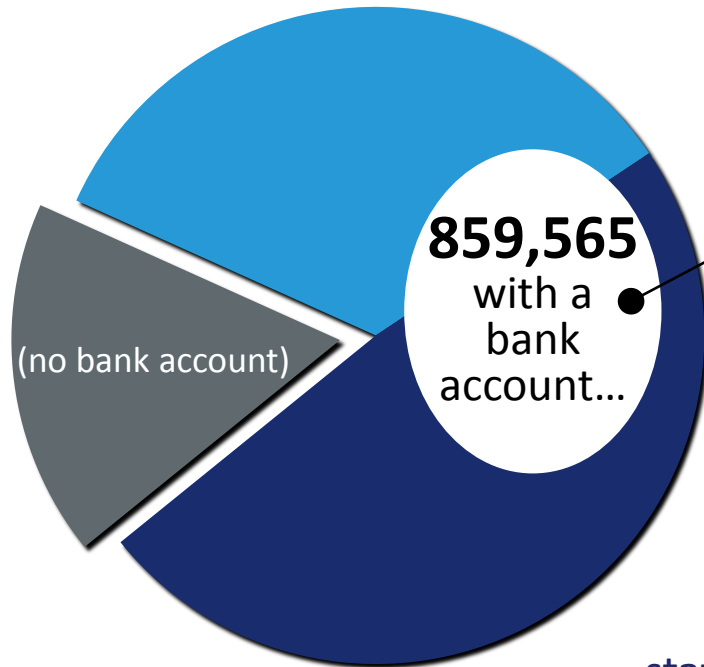
Calculations are performed on the published unit value, which is net of management and performance fees, for all funds of each A.M. group with publicly available data.

It is well known that customer behaviour can have a greater impact on investment return than fund performance, as it can result in inflows/outflows at inappropriate times. This impact is best captured with a NAV-weighted average on a monthly basis.

*Ranking includes: Allianz (including Pimco), Anima, Arca, Amundi, Azimut, Banca Generali, Banco Popolare, BNP Paribas, Credem, Fideuram (also included in Intesa Sanpaolo), Intesa Sanpaolo, Banca Mediolanum, UBI Banca.

Source: Mediolanum,
based on Morningstar Direct data

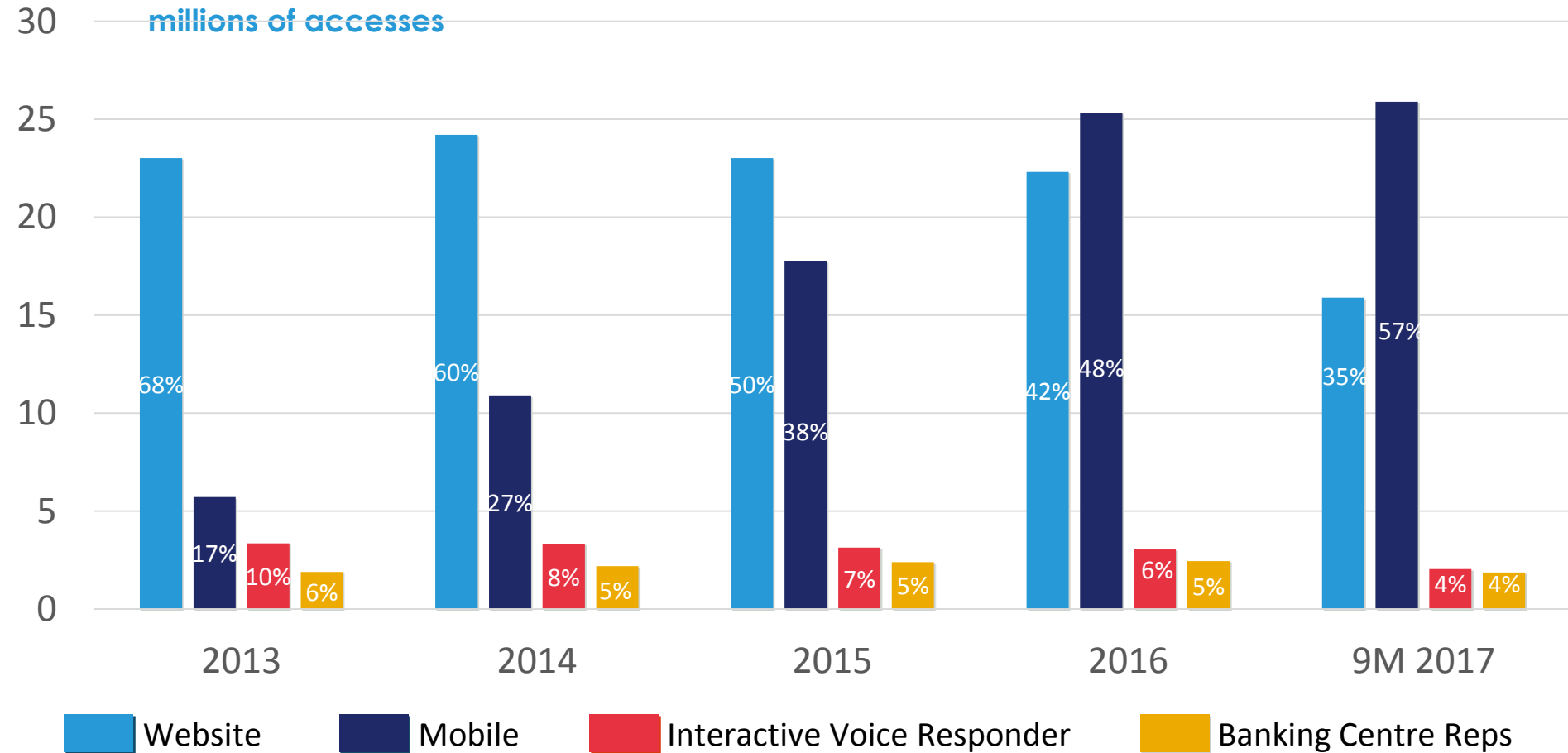
1,019,056 primary account holders:



...60% of which
use Mediolanum as their primary
banking institution

517,804 vs. 479,140 as at 31/12/2016

In a 2016 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*
(€15.2 bn in total assets as at 30/06/2017)



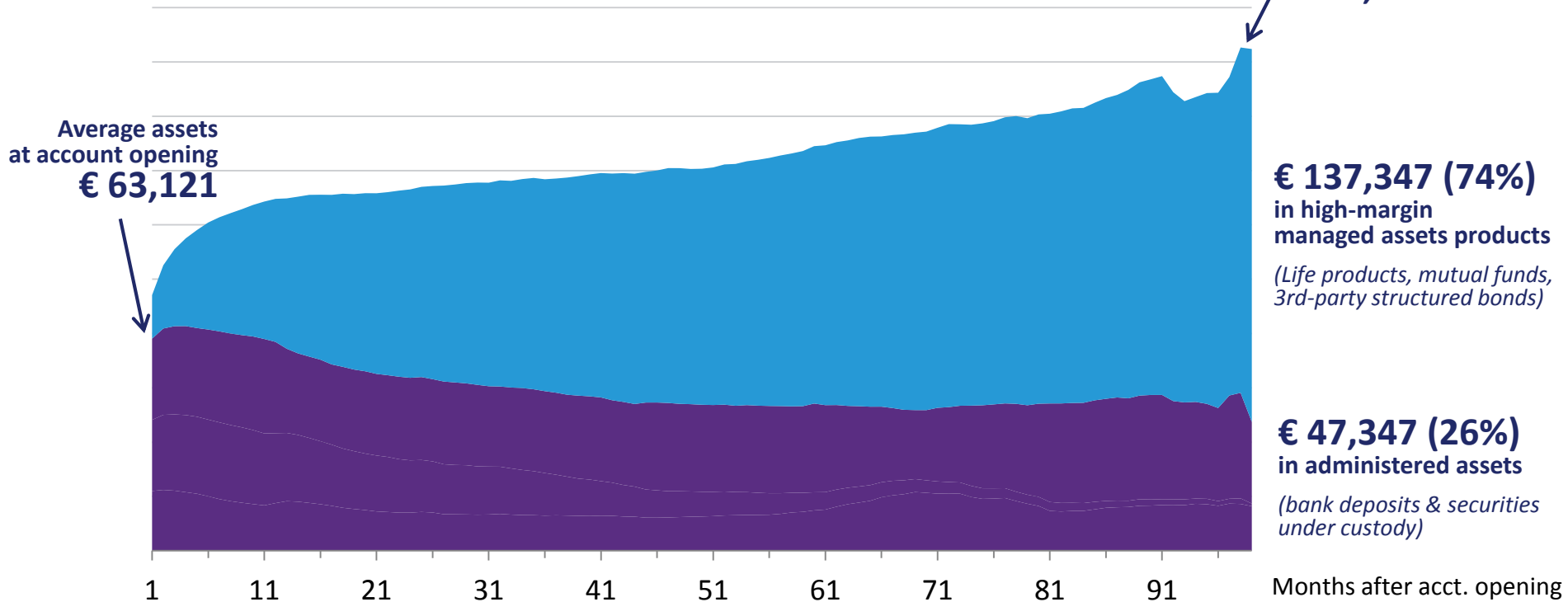
Average assets
after 8 years & 3 months
€ 184,774

€ 137,347 (74%)
in high-margin
managed assets products

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

€ 47,347 (26%)
in administered assets

*(bank deposits & securities
under custody)*



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

Individual Saving Plans introduced by **2017 Budget Law**
(inspired by UK ISA & French PEA)

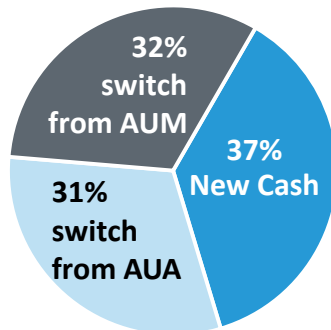
Tax exemptions of Capital Gains & Inheritance taxes

- on up to **€30k investment/year** (max **€150k in total**)
- required **min. 5-year** investment period

Only **1 PIR per person**. Benefits lost if customer changes A.M. co.

70% must be invested in **Italian companies**, o/w **30%** in **Italian SMEs** not listed in FTSE MIB. Both **equity** and **debt** are permitted

as at **November 2017**
Inflows over **€ 2.0 bn**



Mediolanum Flessibile Sviluppo Italia

Italy-based flexible fund, launched in 2013
PIR-compliant as of March 2017

Mediolanum Futuro Italia

Italy-based equity fund, launched in 1994
PIR-compliant as of April 2017

Mediolanum Personal PIR

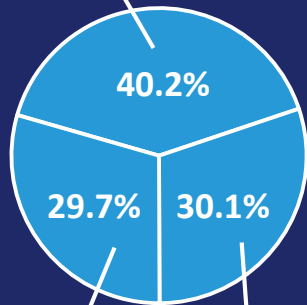
Italy-based U-L policy
launched in September 2017



Mediolanum Facts



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



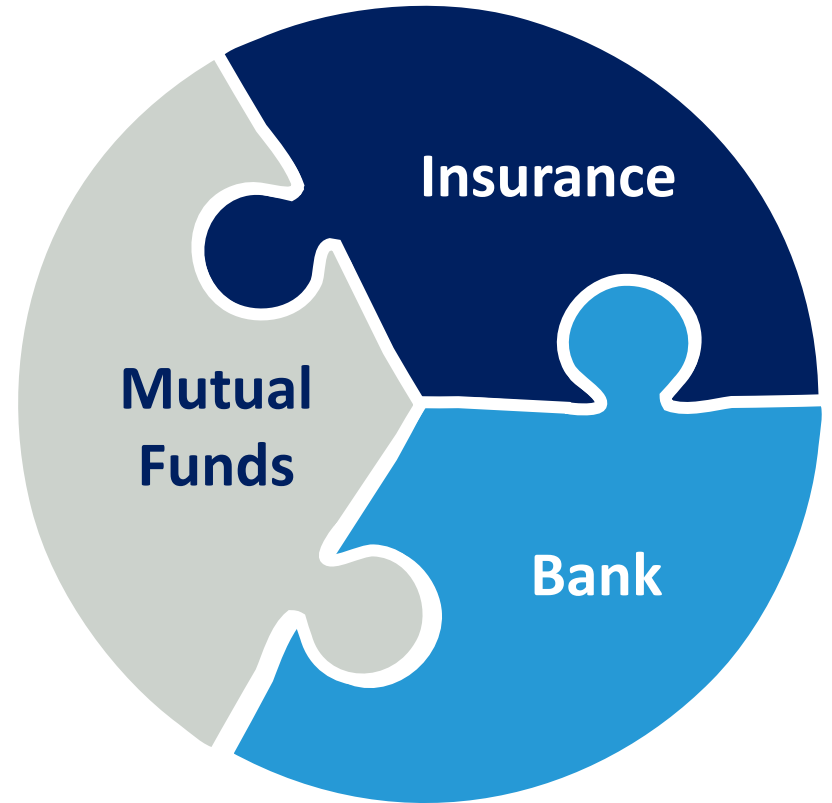
All companies
Italy-based unless
otherwise indicated

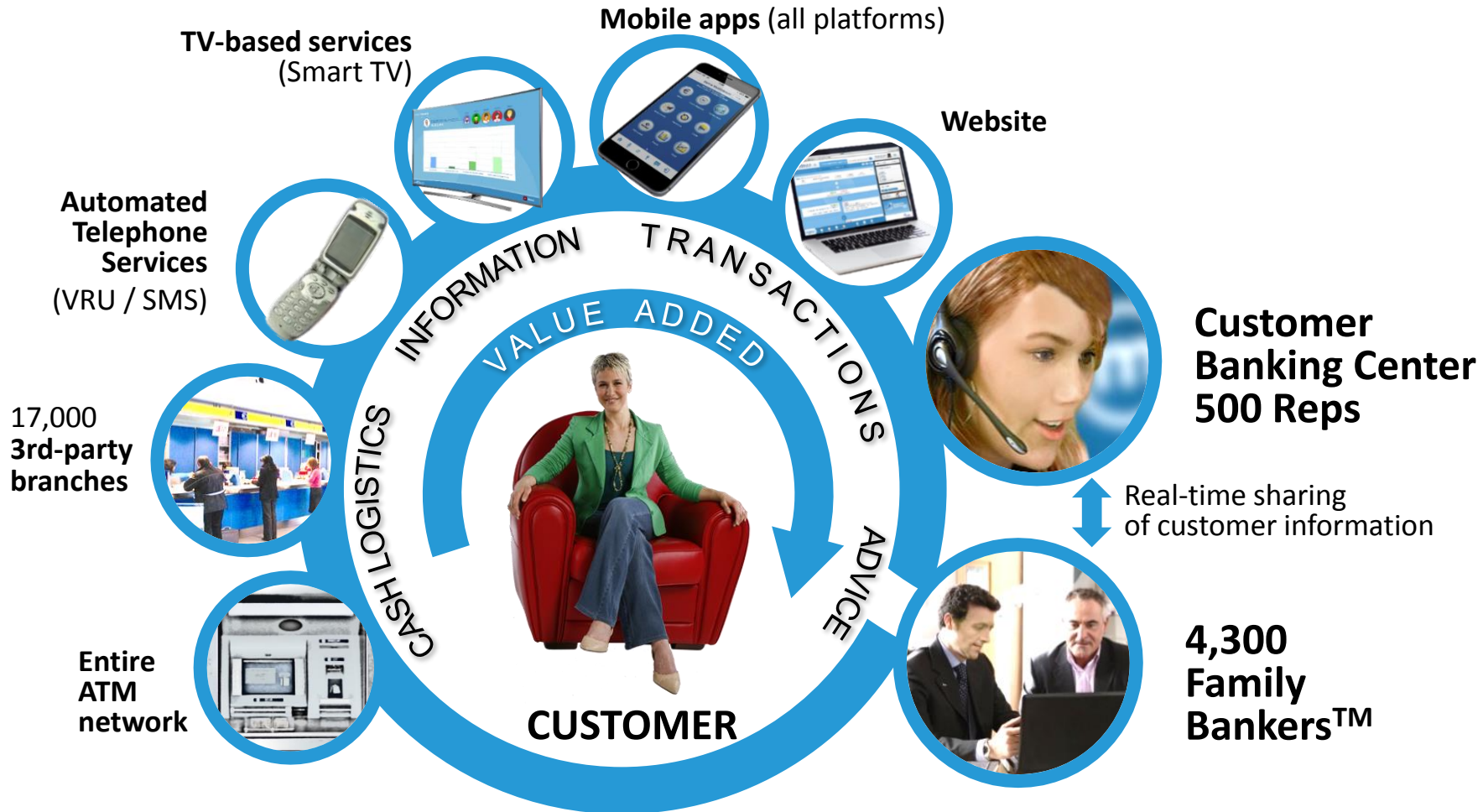
We and our Family Bankers view the company as a single entity, providing solutions that best fit the needs of the customer, whether it be in the form of a mutual fund, an insurance policy or a bank product

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





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

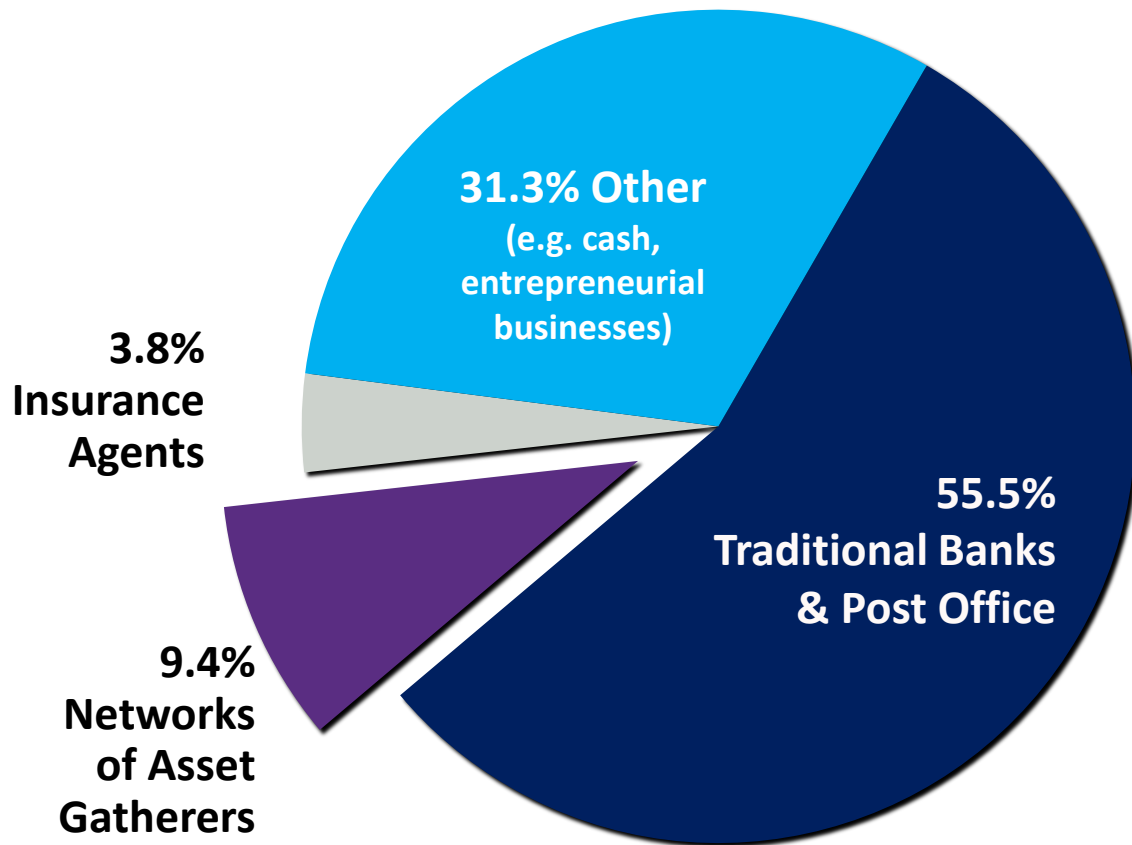


Customers: freedom in banking

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

Italian Household Financial Assets

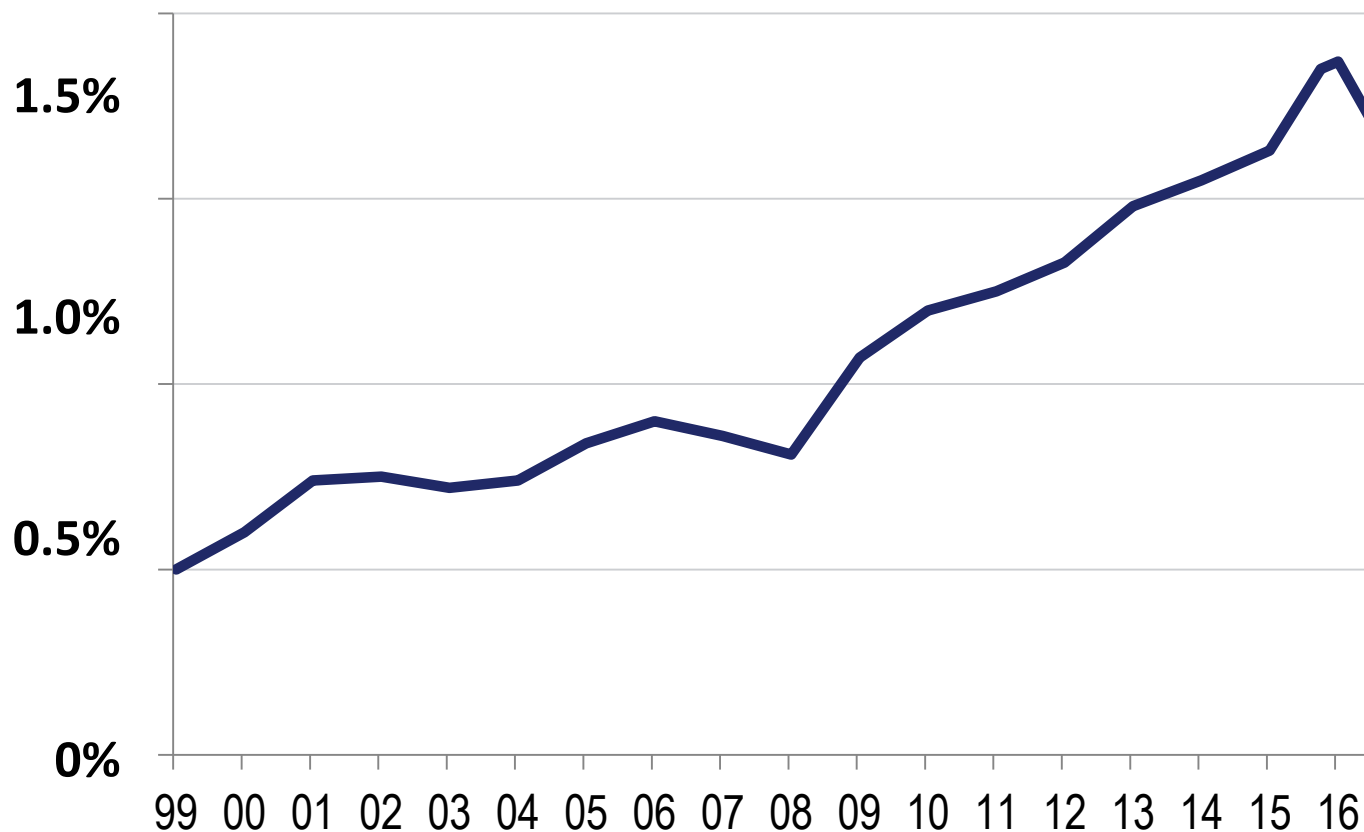
as at 30/06/2017– real estate not included



Network of Asset Gatherers have only 9% 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:
€ 4,229 bn

**1.71%**

on a total of
€ 4,229 bn reported
by Bank of Italy
as at 30/06/2017

57 A 'real' Bank with a Solid Set of Numbers
as at 30/09/2017

ROE

20.9%

10 Y avg. 2007- 2016

CET1

21.8%

Retail Deposits

€ 15.4 bn

Retail Credit Book

€ 7.1 bn

% Gross NPLs

1.60%

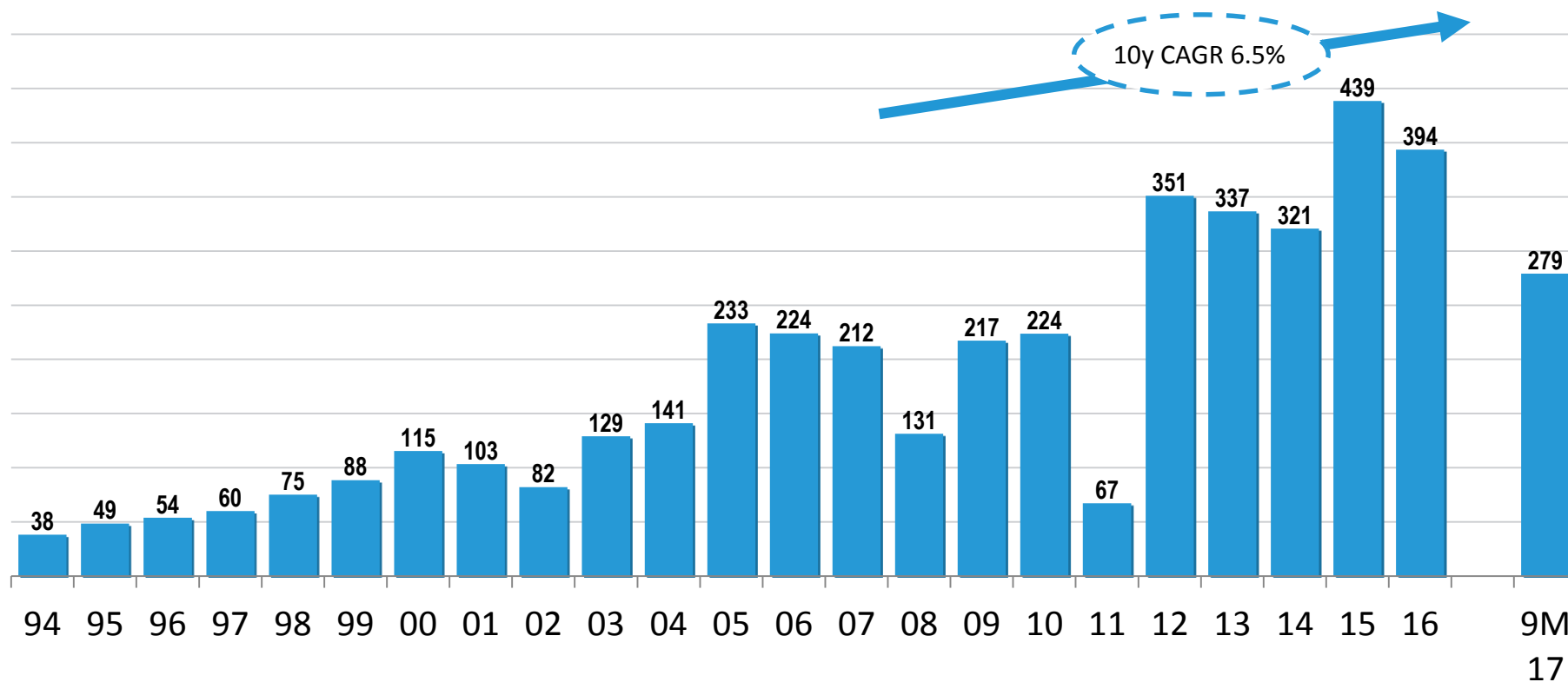
vs 16.3% Italian Banks*

% Net NPLs

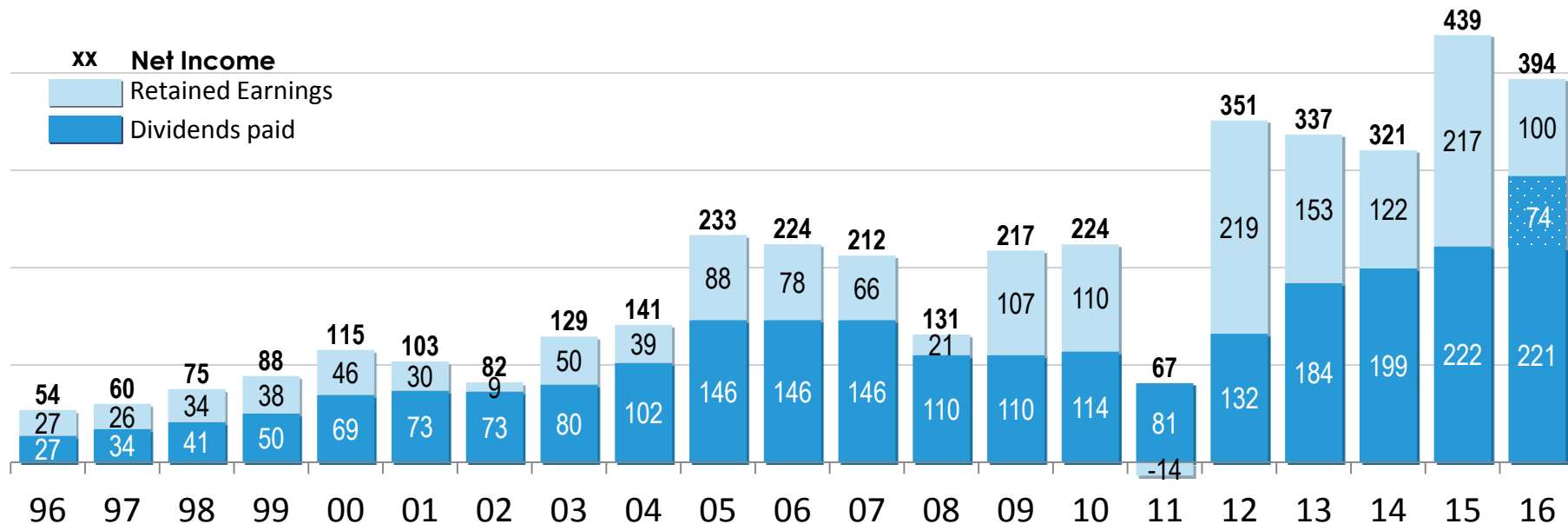
0.85%

vs 9.4% Italian Banks*

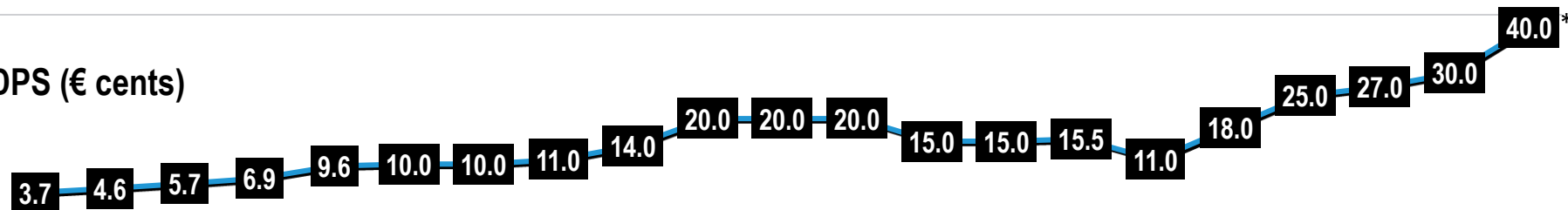
* Source: Bank of Italy – Statistical Bulletin II 2017 & Financial Stability Report No. 1 2017



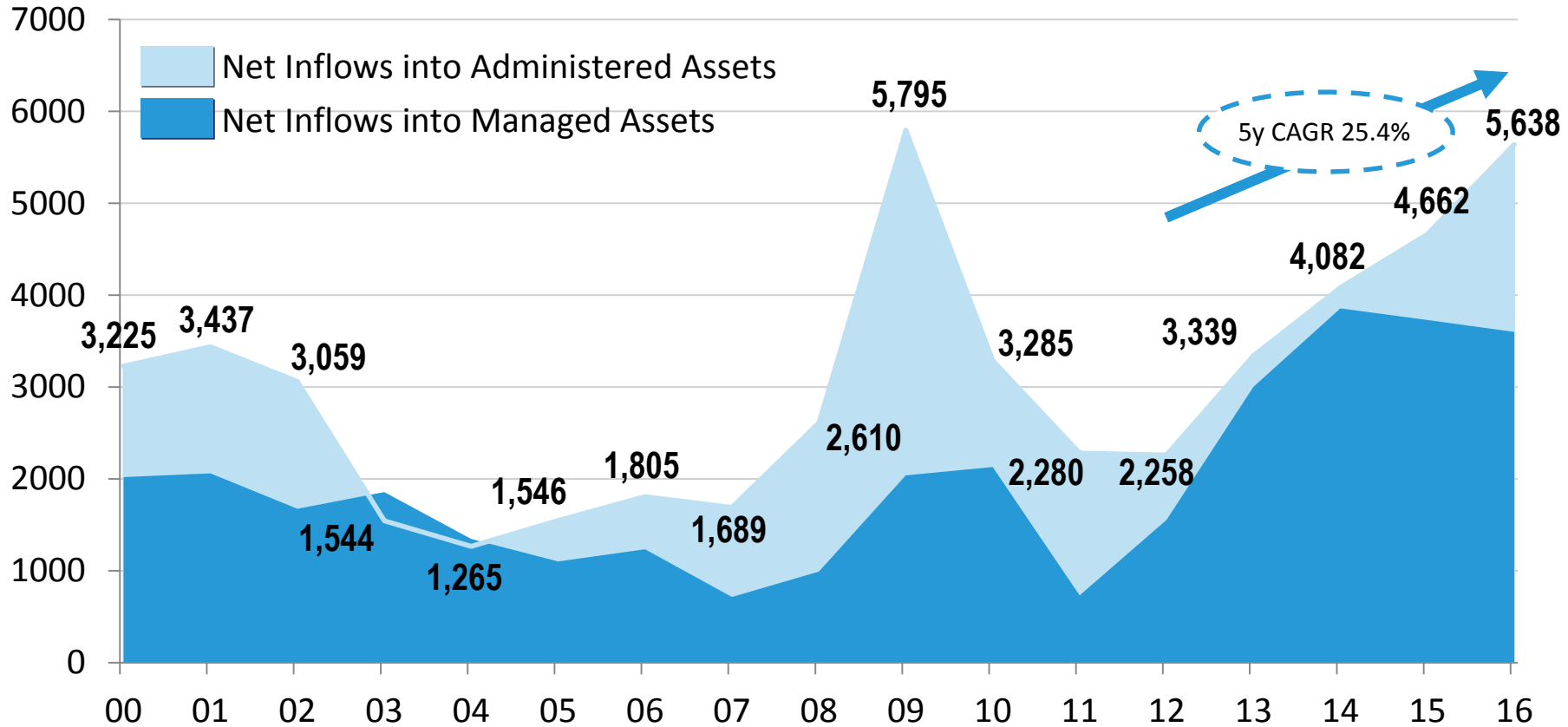
2008 & 2010: adjusted net income excluding effects of 'Lehman Brothers' operation



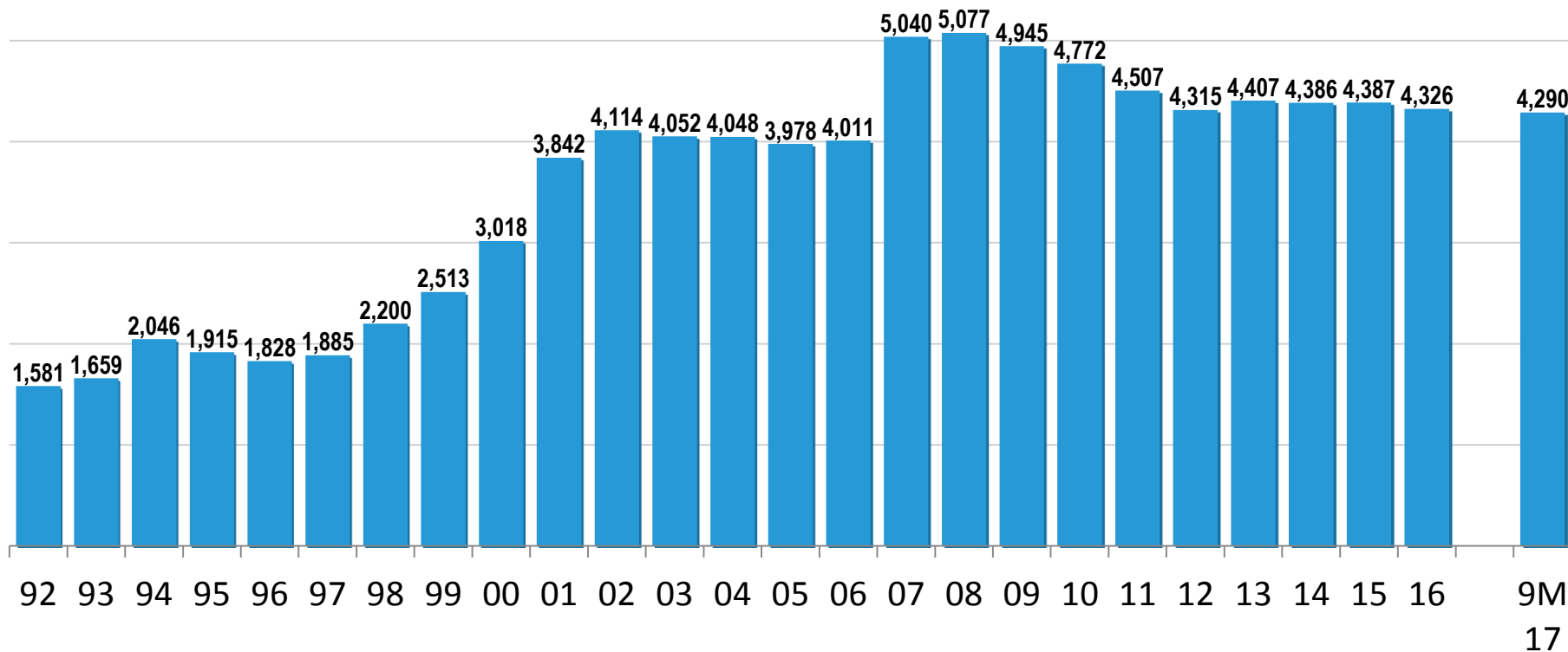
DPS (€ cents)

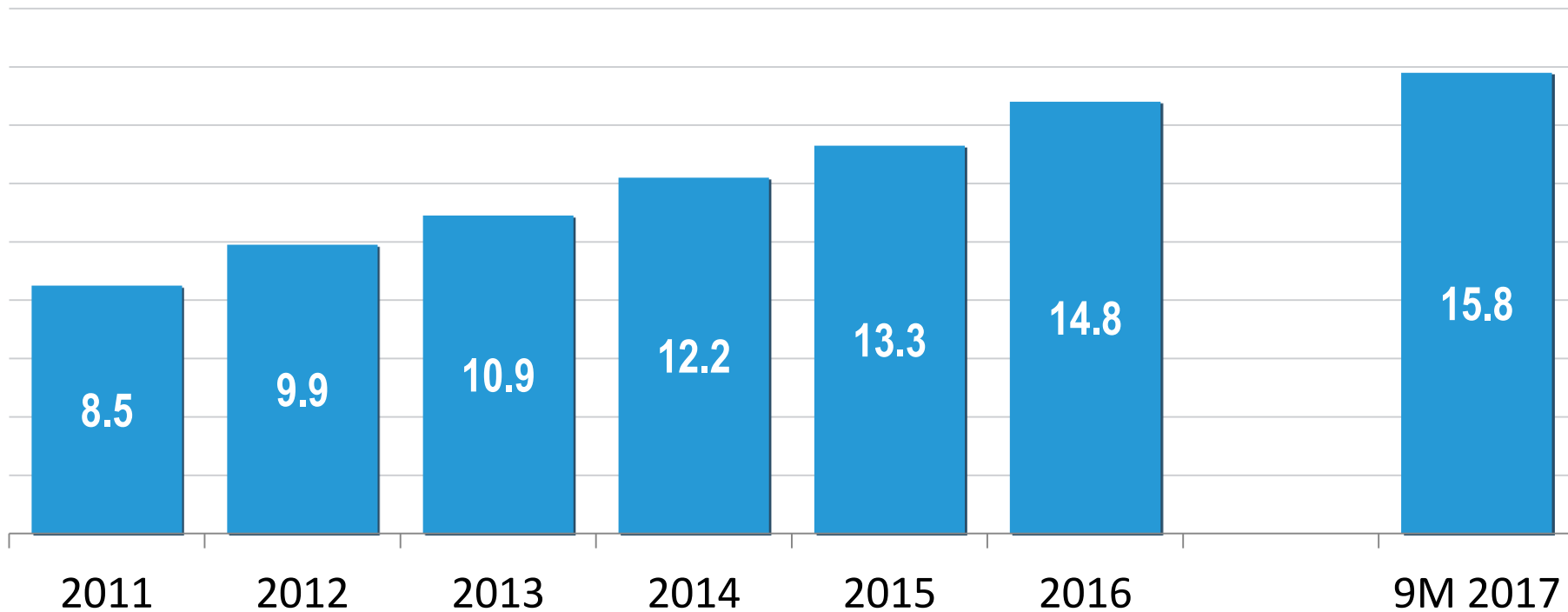


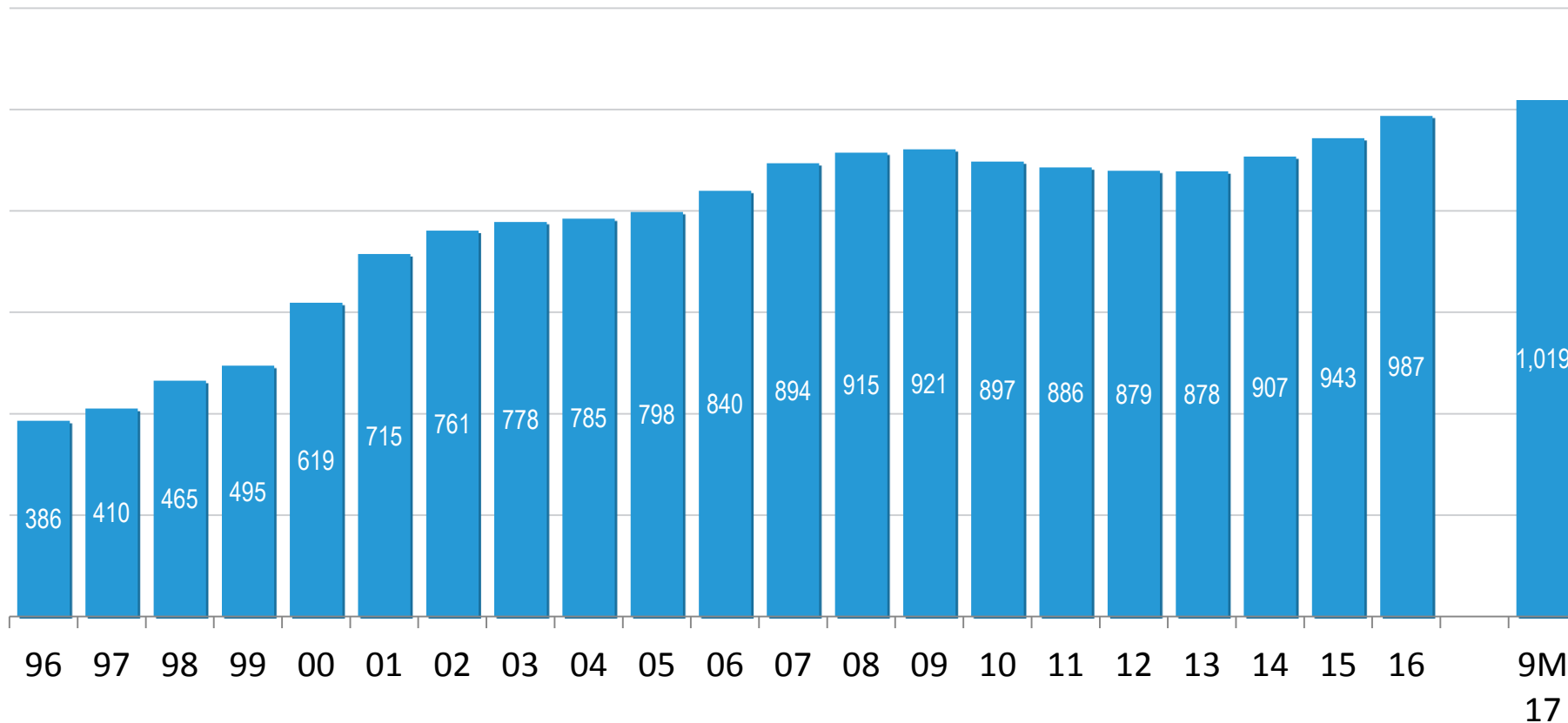
*including 10 eurocents connected to Banca Esperia's sale



Banca Mediolanum Family Banker® Network Licensed Financial Advisors



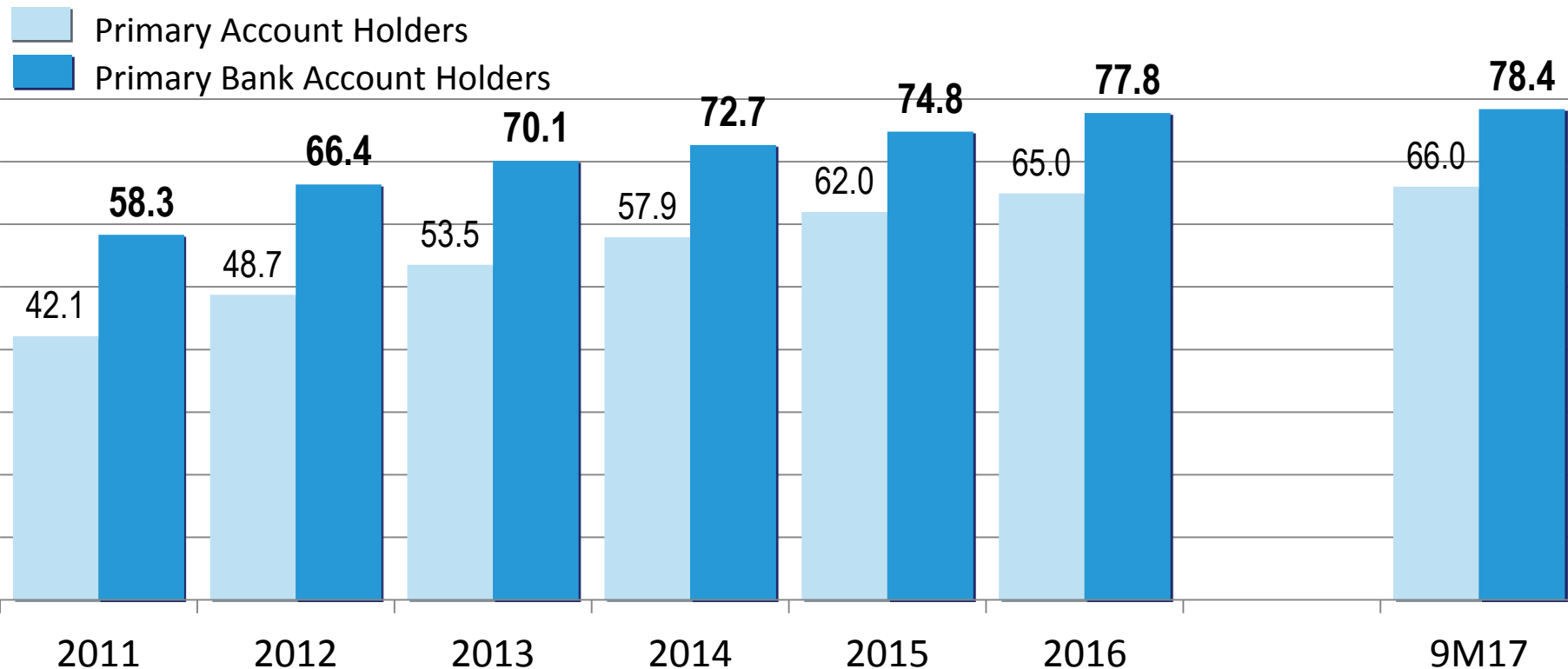




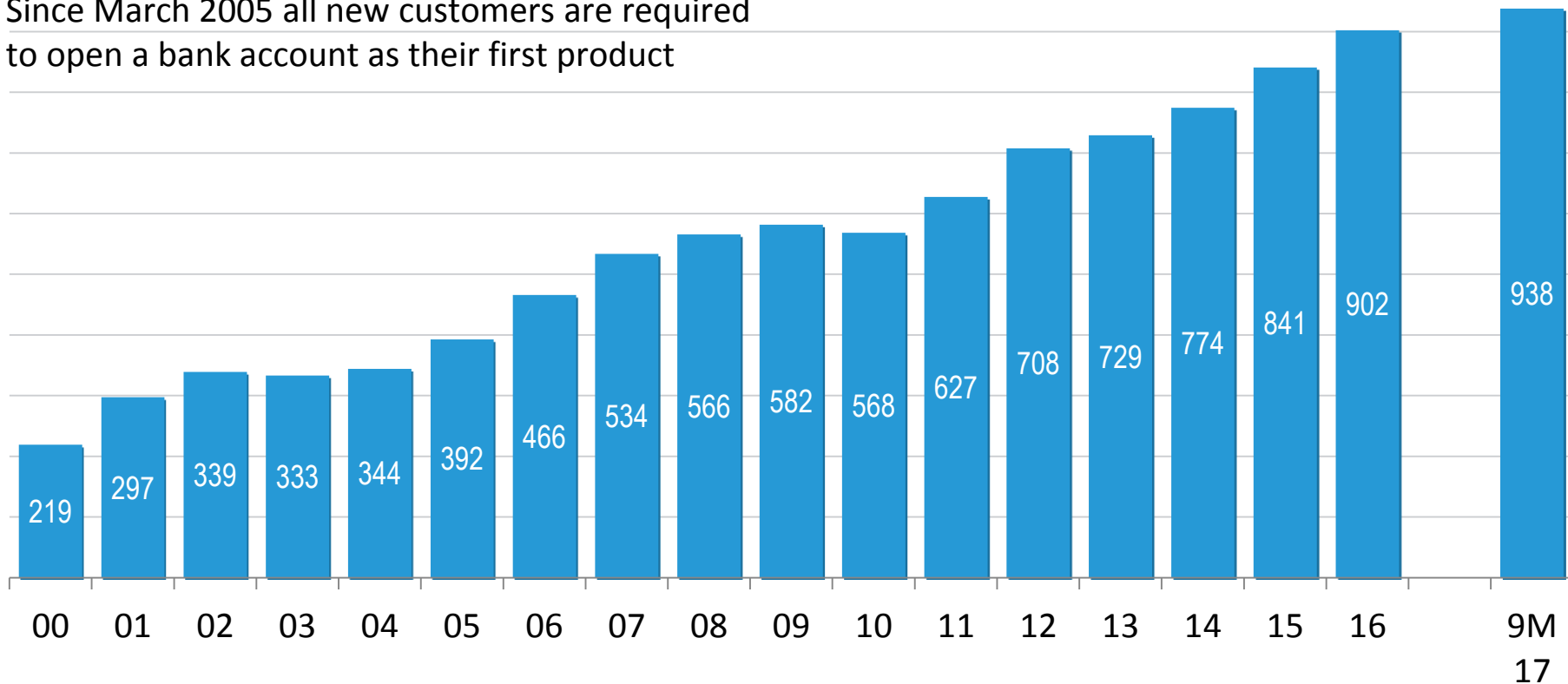
Banca Mediolanum

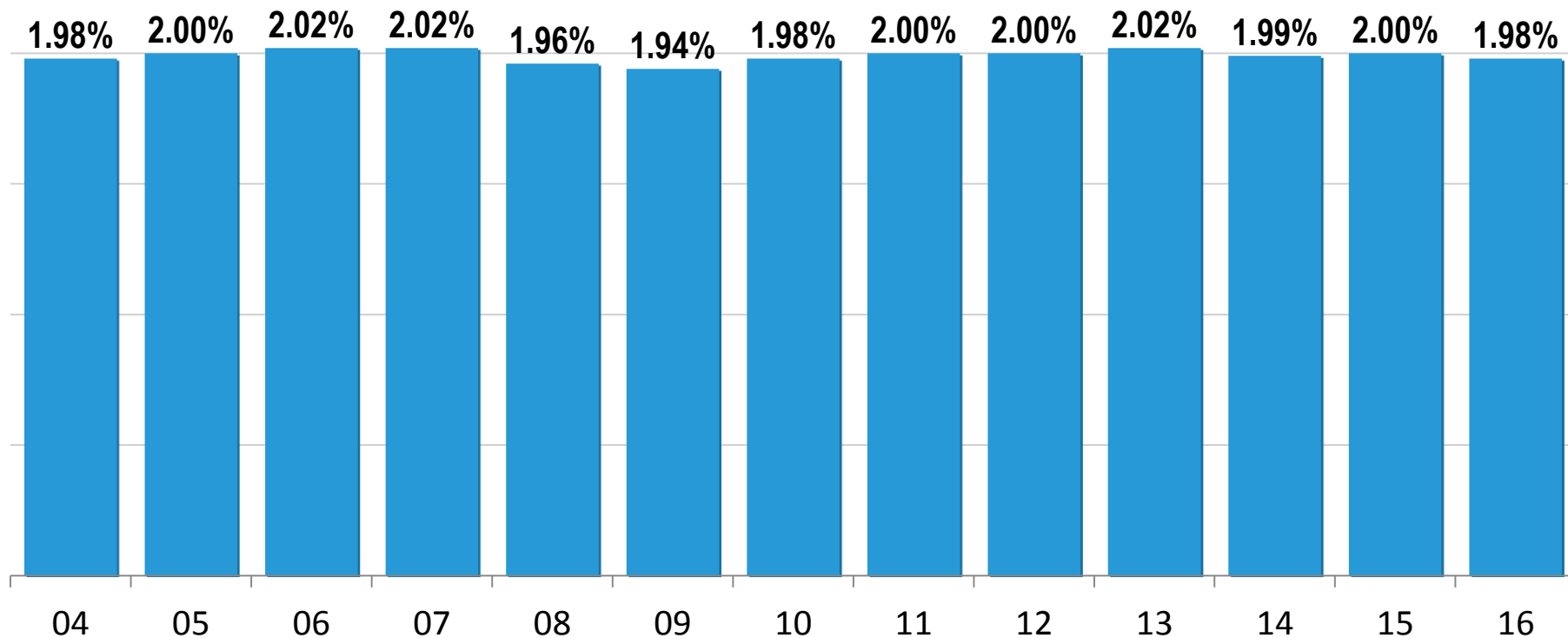
Average Assets per Customer

€ thousands

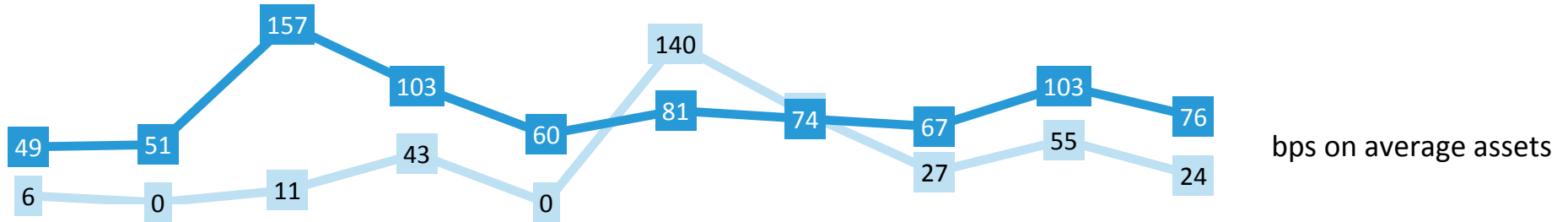
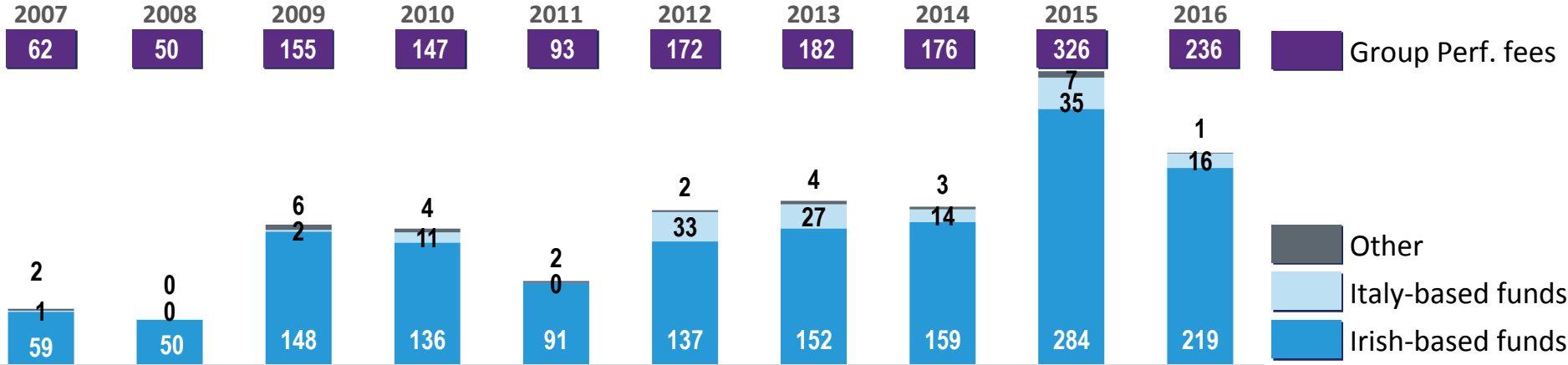


Since March 2005 all new customers are required to open a bank account as their first product





* including insurance commissions on U-L policies



bps on average assets

Irish-based funds: bps are calculated only on assets subject to perf. fees. Italy-based funds: all assets are subject to perf. Fees

Change in perf. fees calculation method will only impact Irish-based funds w/ perf. fees

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**

	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

- Managed account designed for HNW individuals
- 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

'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

72 The 'Freedom' Current Account launched March 2009, reengineered March 2012

- 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




UniCredit 56%

ING  **DIRECT** 26%

INTESA  **SANPAOLO** 53%

 **BNL**
GRUPPO BNP PARIBAS 20%

 **mediolanum** BANCA 46%

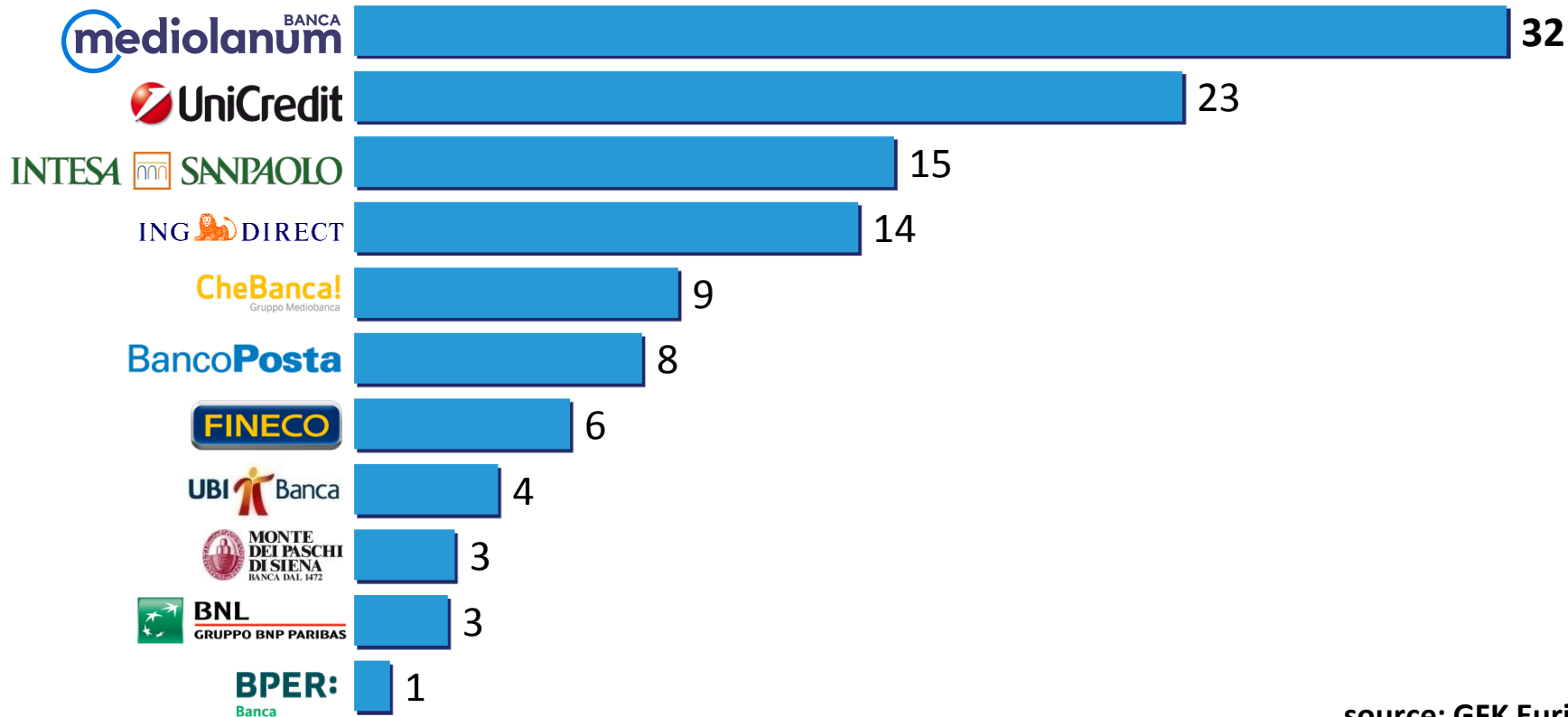
CheBanca! 16%
Gruppo Mediobanca
 **MONTE
DEI PASCHI
DI SIENA** 27%
BANCA DAL 1472
 **BCC** 15%
CREDITO COOPERATIVO
BancoPosta 27%

UBI  **Banca** 13%

Banca Mediolanum's advertising

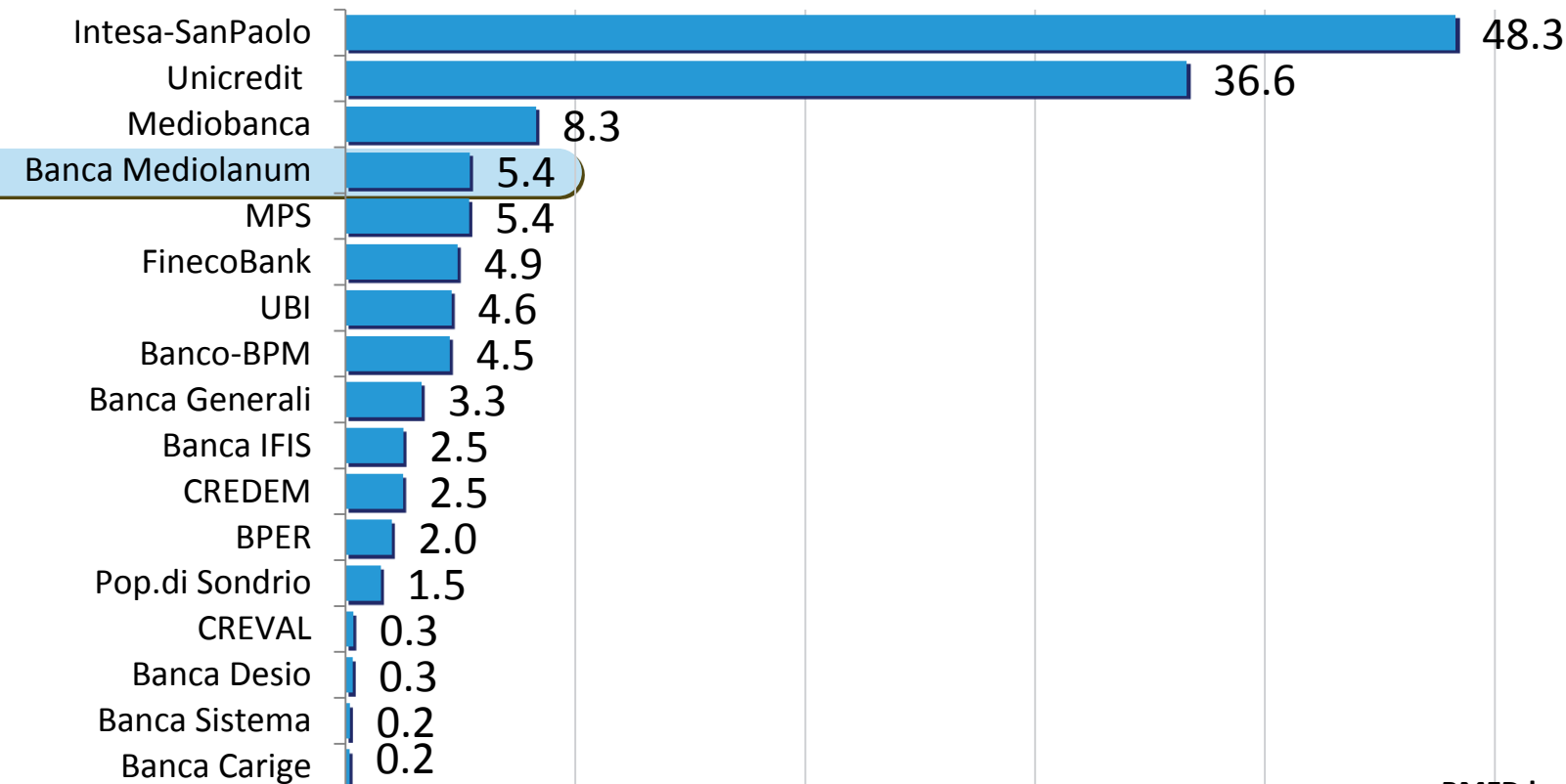
The most memorable in the banking industry

Spontaneous recall of bank advertising in Italy – Jan-Sep 2017

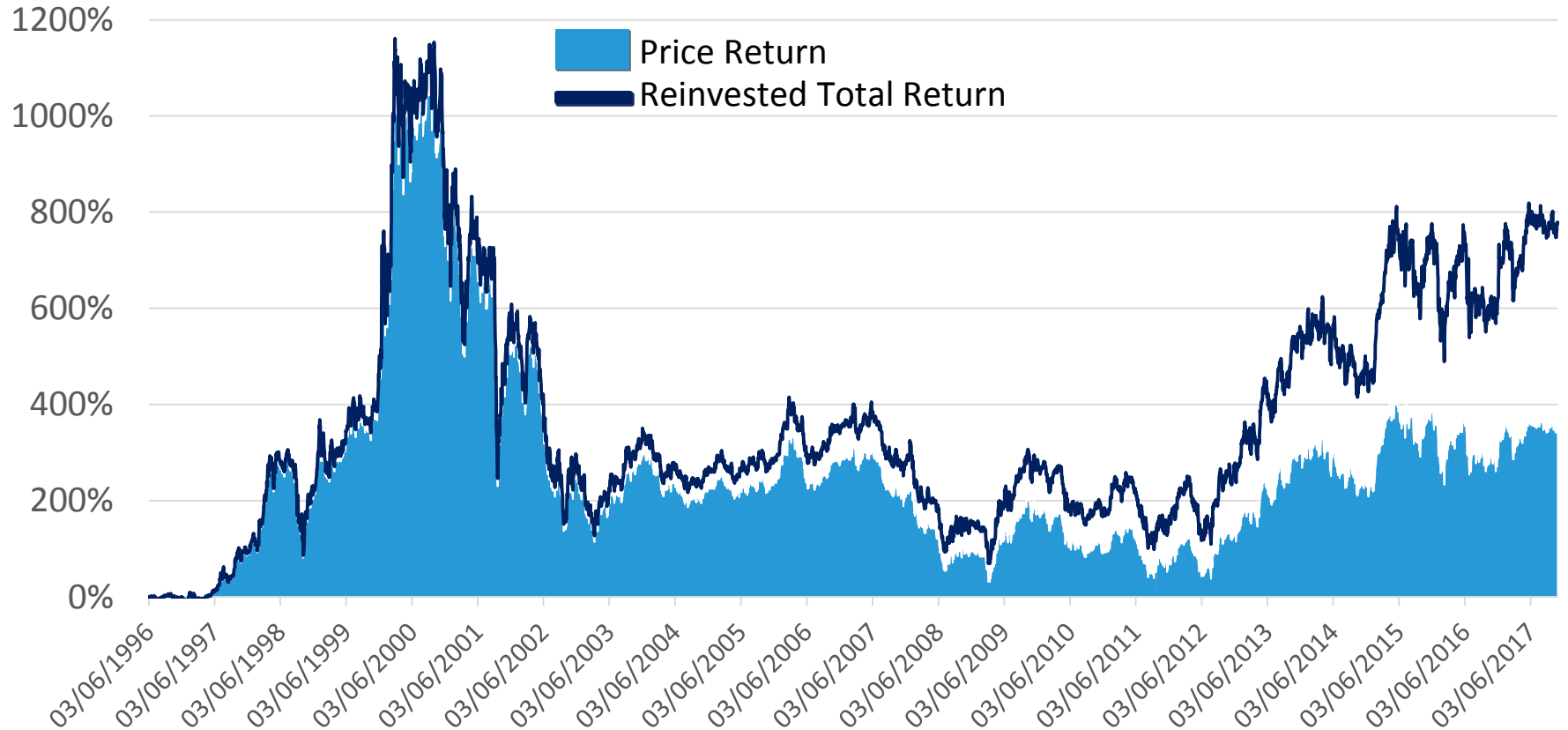


Ranking of Italian Banking Groups by Market Capitalisation

€ bn - as at 31/10/2017



Price Return & Total Return Index*



* Total Return Index includes dividend reinvestment, June 3, 1996 – October 31, 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

Angelo Lietti

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