

February 2018



FY 2017 RESULTS & BUSINESS UPDATE

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FY 2017 Group Results

	FY17	FY16	Change
Entry fees	76.9	70.5	+9%
Management fees	976.1	848.8	+15%
Performance fees	213.5	235.6	-9%
Banking service fees	84.4	81.4	+4%
Other fees	39.3	34.7	+13%
Commission income	1,390.2	1,271.0	+9%
Net interest income	178.4	228.8	-22%
Net income on investments at fair value	9.2	(8.8)	n.s.
Net financial income	187.6	220.0	-15%
Insurance revenues ex U-L commissions	29.1	27.8	+5%
Equity contribution	27.1	26.7	+1%
Net income on other investments	37.1	22.2	+67%
<i>o/w Impairment on loans</i>	<i>(13.7)</i>	<i>(11.0)</i>	<i>+24%</i>
Other revenues	27.6	26.3	+5%
Acquisition costs	(535.3)	(480.3)	+11%
Other commission expenses	(65.5)	(58.8)	+11%
CONTRIBUTION MARGIN	1,097.9	1,054.9	+4%
G&A expenses	(507.4)	(497.0)	+2%
Contribution to SRF, DGS & similar	(52.0)	(46.0)	+13%
Amortisation & depreciation	(36.5)	(32.5)	+12%
Provisions for risks & charges	(54.9)	(30.6)	+79%
TOTAL COSTS	(650.8)	(606.0)	+7%
PROFIT BEFORE TAX	447.1	448.9	-0%
Income tax	(67.1)	(55.4)	+21%
NET INCOME	380.0	393.5	-3%

- interim dividend paid in November 2017 20 eurocents
- dividend to be paid in April 2018 20 eurocents

Dividend per share

40 eurocents

Total amount of dividends

€ 294 mn

6 Income Statement Salient Points

YoY comparison



FY 2017
Group

Management Fees (€ 127 mn higher YoY)

healthy growth in Managed Assets thanks to record inflows into Mutual Funds & Managed Accounts mainly shifted from bank assets

Performance Fees (€ 22 mn lower YoY)

recuperated significantly during Q4 thanks to a great contribution from Italy-based funds

Net Interest Income (€ 50 mn lower YoY)

due to maturities in the bond portfolio and consequent reduction in yields

Net Income on Investments at FV (€ 18 mn higher YoY)

positive shift in the yield curve impacted derivatives hedging fixed-rate mortgages no longer on our books

Net Income on Other Investments (€ 15 mn higher YoY)

benefitted from capital gains on the sale of the stake in Banca Esperia

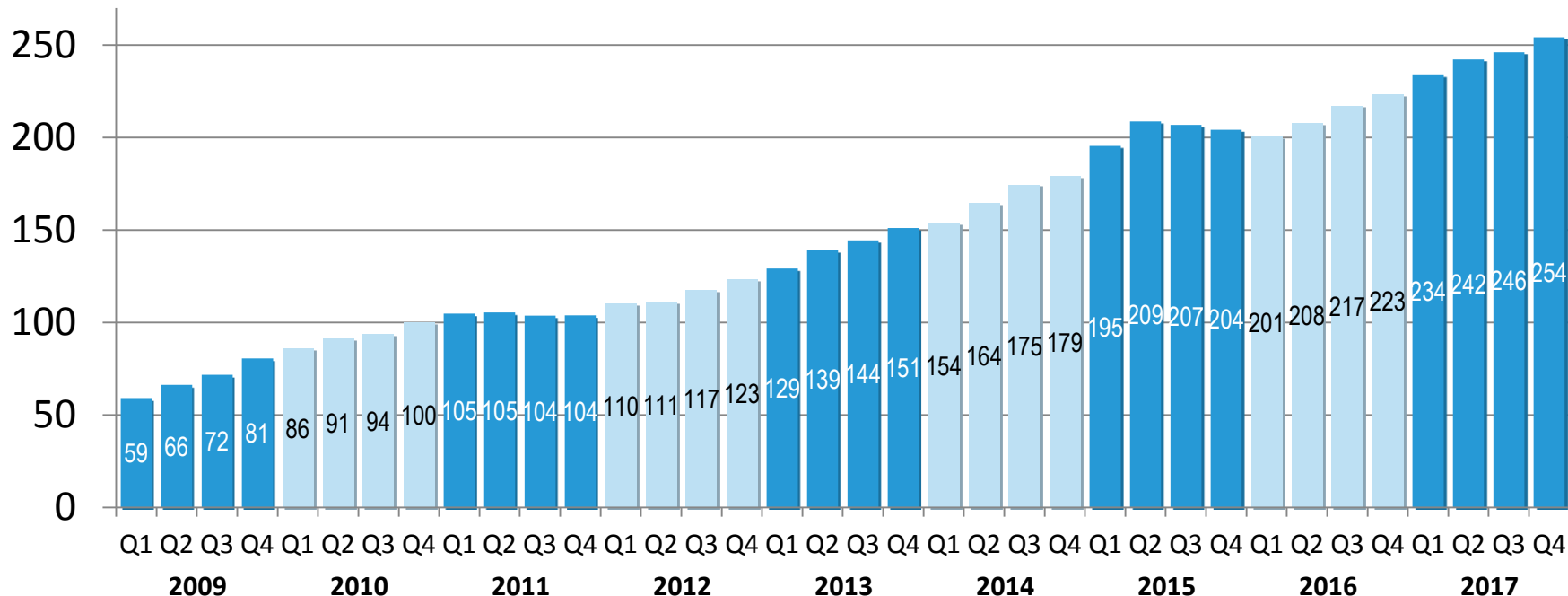
Contribution to SRF, DGS & similar (€ 6 mn higher YoY)

one-off contribution of 36 million due to final write-down of our investment in the Atlante fund & the saving of CaRiCesena

Provisions for Risk & Charges (€ 24 mn higher YoY)

impacted by a one-off to factor in lower Network turnover assumptions

	Q116	Q216	Q316	Q416	Q117	Q217	Q317	Q417
Entry fees	17.6	17.2	17.8	18.0	19.8	24.5	16.0	16.6
Management fees	200.5	207.6	217.2	223.4	233.6	242.2	246.2	254.1
Performance fees	50.4	32.2	75.3	77.6	66.8	21.9	37.3	87.5
Banking service fees	20.4	20.2	19.7	21.1	21.8	20.9	20.2	21.5
Other fees	8.1	8.9	8.6	9.2	9.2	10.0	9.5	10.5
Commission income	297.1	286.0	338.7	349.2	351.3	319.4	329.2	390.2
Net interest income	61.6	60.2	59.5	47.5	45.0	49.4	43.2	40.9
Net income on investments at fair value	(10.6)	(4.8)	(2.2)	8.8	1.6	6.8	1.1	(0.4)
Net financial income	51.0	55.4	57.4	56.3	46.6	56.2	44.3	40.5
Insurance revenues ex U-L commissions	7.4	3.7	7.1	9.6	9.4	8.2	4.5	7.1
Equity contribution	0.6	4.9	16.2	5.0	0	6.6	14.7	5.8
Net income on other investments	(3.3)	18.7	0.3	6.5	(2.4)	39.2	(3.4)	3.6
<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>	<i>(3.2)</i>
Other revenues	5.7	6.4	6.2	8.1	7.0	7.9	5.6	7.1
Acquisition costs	(110.4)	(113.0)	(121.2)	(135.8)	(128.5)	(132.4)	(132.7)	(141.7)
Other commission expenses	(13.5)	(14.6)	(15.1)	(15.6)	(15.8)	(16.7)	(16.4)	(16.6)
CONTRIBUTION MARGIN	234.6	247.5	289.5	283.2	267.6	288.4	245.8	296.0
G&A expenses	(117.3)	(132.3)	(108.1)	(139.2)	(124.8)	(131.0)	(117.8)	(133.8)
Contribution to SRF, DGS & similar	(4.3)	(1.4)	(7.9)	(32.4)	(12.7)	(18.8)	(19.1)	(1.4)
Amortisation & depreciation	(7.2)	(7.7)	(7.8)	(9.7)	(8.5)	(9.0)	(9.5)	(9.5)
Provisions for risks & charges	(12.5)	(2.2)	(12.5)	(3.4)	(10.3)	(12.0)	(11.2)	(21.4)
TOTAL COSTS	(141.3)	(143.7)	(136.3)	(184.7)	(156.3)	(170.8)	(157.7)	(166.1)
PROFIT BEFORE TAX	93.3	103.9	153.2	98.5	111.4	117.7	88.2	129.9
Income tax	(20.2)	(6.7)	(18.5)	(10.0)	(26.5)	(6.1)	(5.4)	(29.1)
NET INCOME	73.2	97.1	134.7	88.5	84.9	111.5	82.8	100.8



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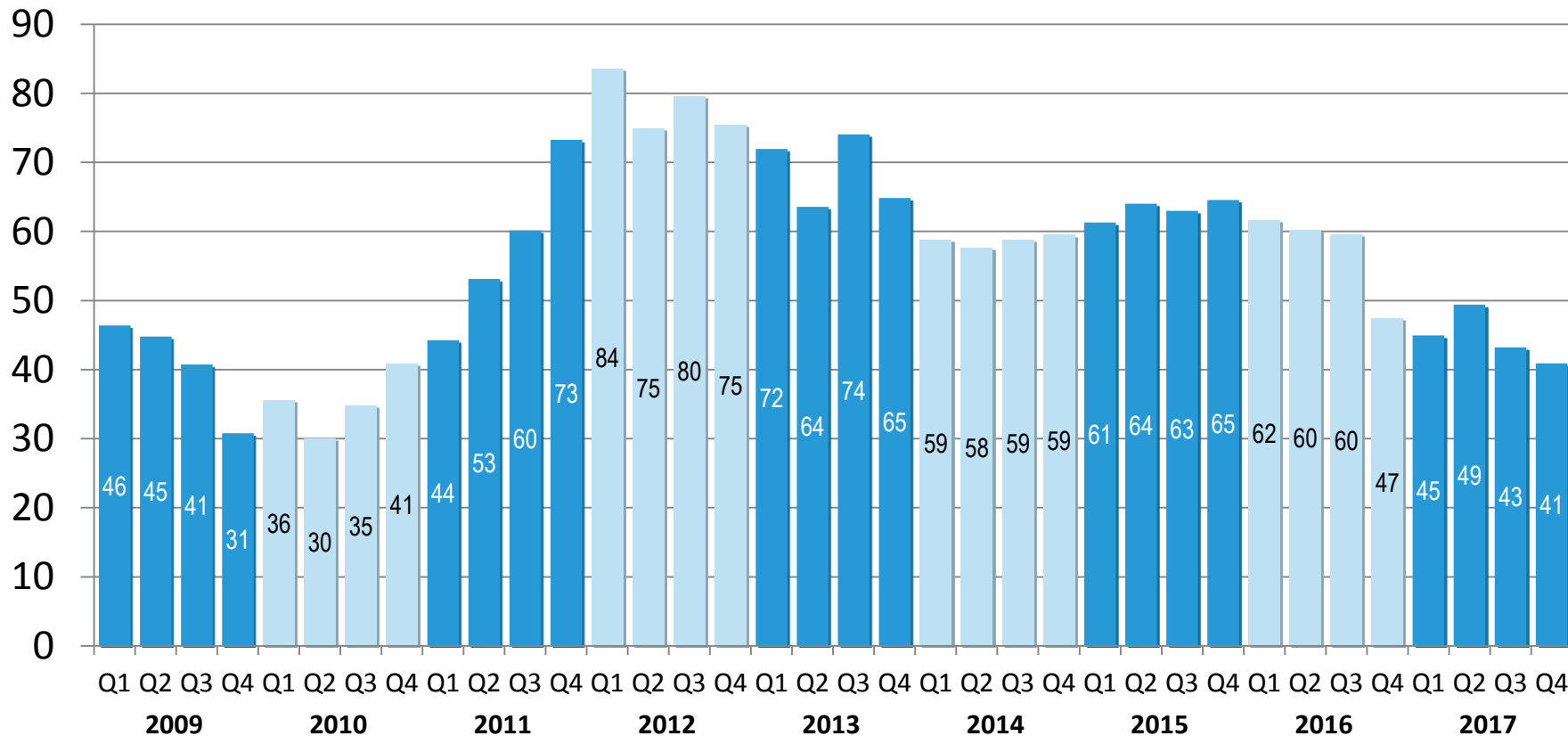
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Yearly bps on average assets

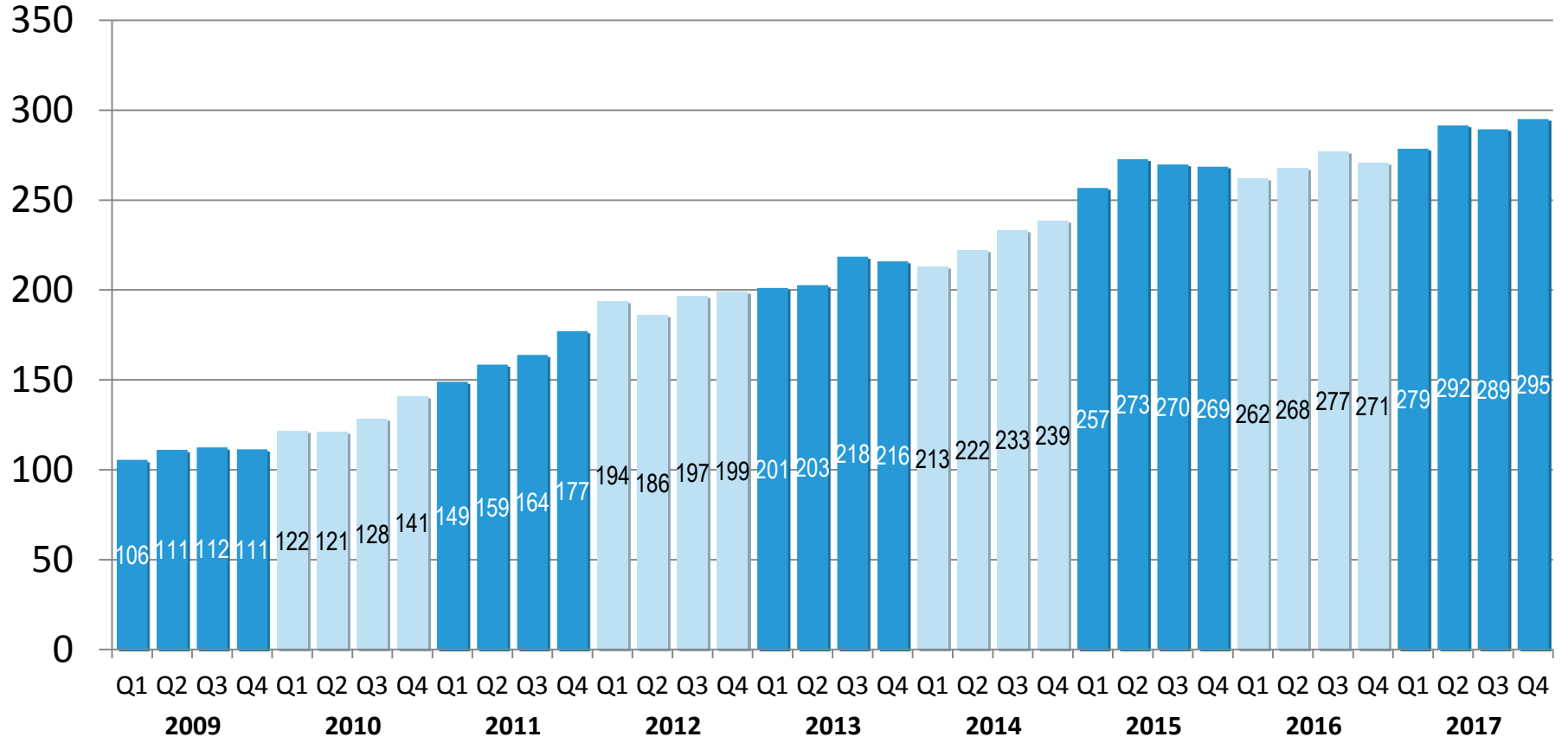
Quarterly Net Interest Income

€ mn



Quarterly Recurring Revenues

Commission Income from Mgmt Fees + NII (€ mn)



	FY 2017	FY 2016
- Single Resolution Fund	5.4	5.4
- Deposit Guarantee Scheme	8.8	8.9
Italy - Regular Contributions	14.2	14.3
- Deposit Guarantee Scheme – 2016 Reimbursement	(1.4)	-
- Single Resolution Fund ¹	-	12.7
- Reimbursement from the saving of Banca Tercas	-	(1.1)
- Atlante I	23.3	17.0
- Atlante II	-	-
- Voluntary Scheme ²	14.0	1.4
Italy - One-off Contributions	36.0	30.1
Foreign Markets Contributions	1.8	1.5
CONTRIBUTION TO SRF, DGS & SIMILAR	52.0	46.0

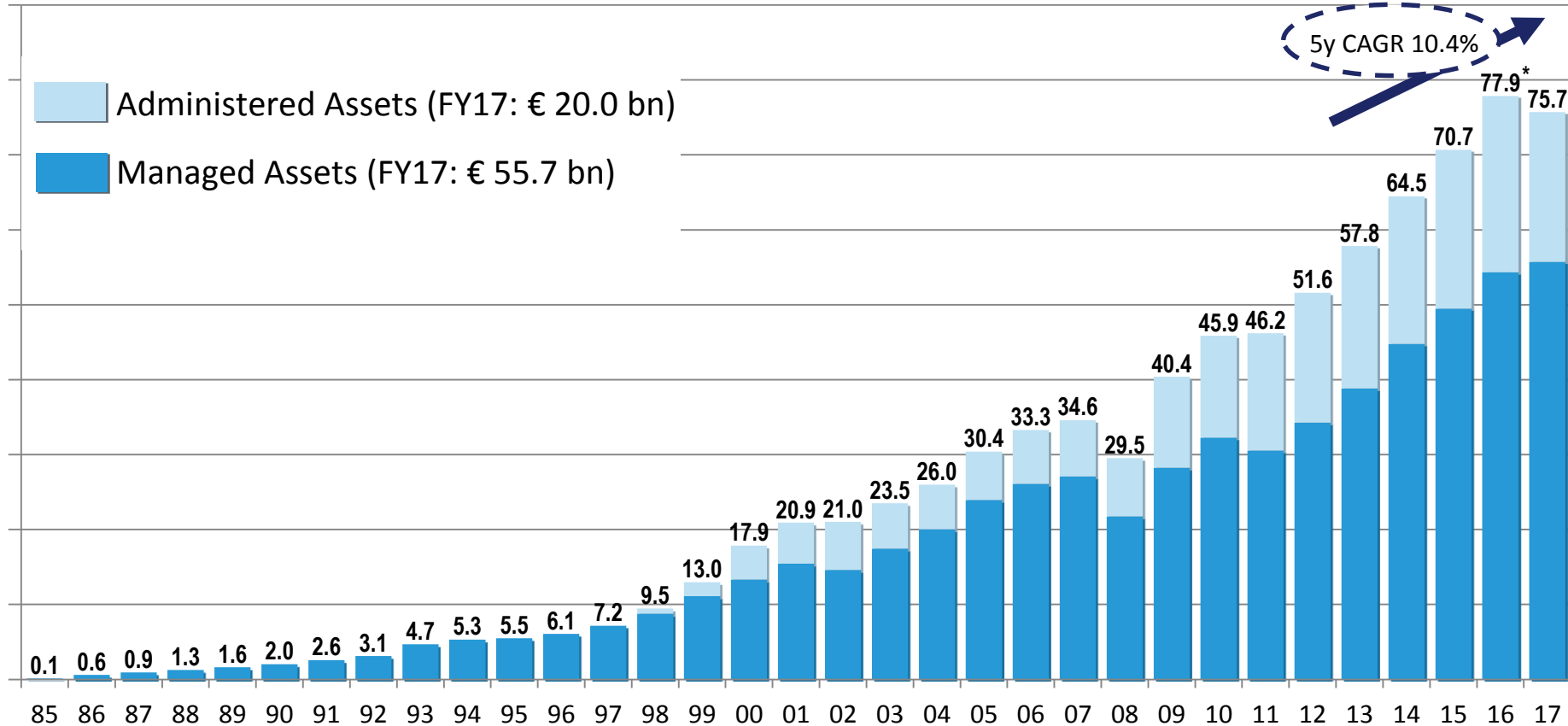
OVERALL ATLANTE COMMITMENT	ATLANTE COMMIT. NOT CALLED	CONTRIBUTIONS STILL ON BALANCE SHEET
50.0	3.9	5.7 ³
10.0	4.9	5.0 ³
		0.5 ⁴
60.0	8.8	11.2

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

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

³ € 10.7 mn currently on the balance sheet is 100% invested in Italian Banks NPLs through the Atlante fund

⁴ Junior NPLs connected to the CaRiCesena deal



* Figures include Banca Esperia assets up until FY16 (€ 9 bn as at Dec. 31, 2016)

13 Assets under Administration/Management

€ mn



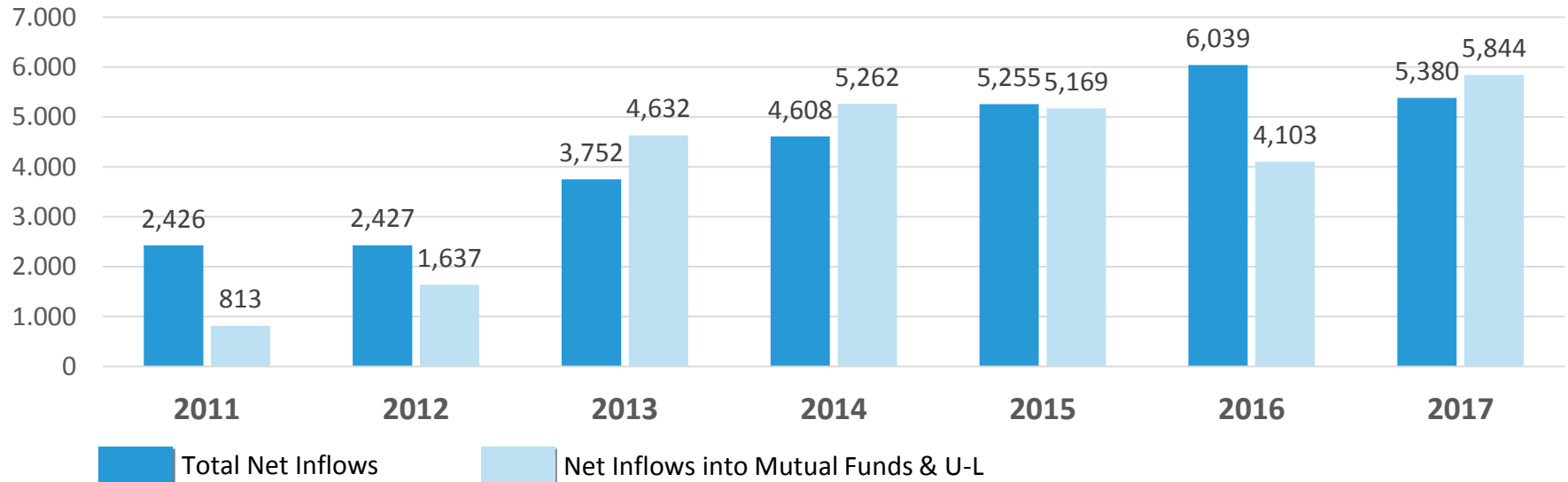
FY 2017
Group

	31/12/17	31/12/16	Change
Mutual Funds & U-L Policies	50,006.8	44,200.6	+13%
'Freedom' Life Policies	183.8	233.8	-21%
Other Life Insurance products	1,412.4	1,524.9	-7%
Banking	18,805.4	18,383.8	+2%
Italy – Banca Mediolanum	70,408.3	64,343.1	+9%
Mutual Funds & U-L Policies	3,229.3	2,474.7	+30%
Other Insurance Products	105.8	174.5	-39%
Banking	1,326.4	1,231.2	+8%
Spain – Banco Mediolanum	4,661.6	3,880.3	+20%
Mutual Funds & U-L Policies	480.5	420.3	+14%
Other Insurance Products	19.3	23.9	-19%
Banking	147.6	147.0	+0%
Germany – B. A. Lenz & Gamax	647.4	591.2	+10%
TOTAL AUA/AUM	75,717.2	68,814.6	+10%
Italy – Banca Esperia (Mediolanum's share)	0	9,039.5	n.s.
TOTAL AUA/AUM	75,717.2	77,854.1	-3%

	2017	2016
Managed Assets	+5,377	+3,538
<i>o/w Mutual Funds, U-L & Managed Accounts</i>	+5,844	+4,103
Administered Assets	+3	+2,501
GROUP TOTAL NET INFLOWS	+5,380	+6,039
Managed Assets	+4,742	+3,096
<i>o/w Mutual Funds, U-L & Managed Accounts</i>	+5,120	+3,599
Administered Assets	-3	+2,541
Italy – Banca Mediolanum Total Net Inflows	+4,739	+5,638
Managed Assets	+613	+422
<i>o/w Mutual Funds & U-L</i>	+696	+480
Administered Assets	+6	-95
Spain – Banco Mediolanum Total Net Inflows	+619	+327
Managed Assets	+21	+20
<i>o/w Mutual Funds & U-L</i>	+28	+24
Administered Assets	+1	+54
Germany – B.A. Lenz & Gamax Total Net Inflows	+22	+74

A proven ability in converting administered inflows into managed assets

2011-2017:
€ 29.9 bn of Total Net Inflows,
o/w **€ 27.5 bn** into Mutual Funds & Unit-Linked policies



FY17

FY16

GROUP CAPITAL RATIOS

Total Capital Ratio	22.0%	20.0%
Common Equity Tier 1 Ratio	21.9%	20.0%

Total Regulatory Capital Held	2,039	1,884
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Required Capital – Banks *	757	942
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Solvency Capital Requirements – Insurance companies**	701	705
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Total Required Capital	1,458	1,647
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EXCESS CAPITAL	581	237
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* As per SREP, BMED required capital amounts to 11% (minimum Total Capital Ratio) of consolidated RWA (€ 7,582 mn as at 31/12/2017), excluding stakes in insurance companies

** FY17 reconciliation reserve (part of total regulatory capital held) & solvency capital requirements are calculated according to the Solvency II framework as at 30/09/2017



FY 2017 Domestic Market Results

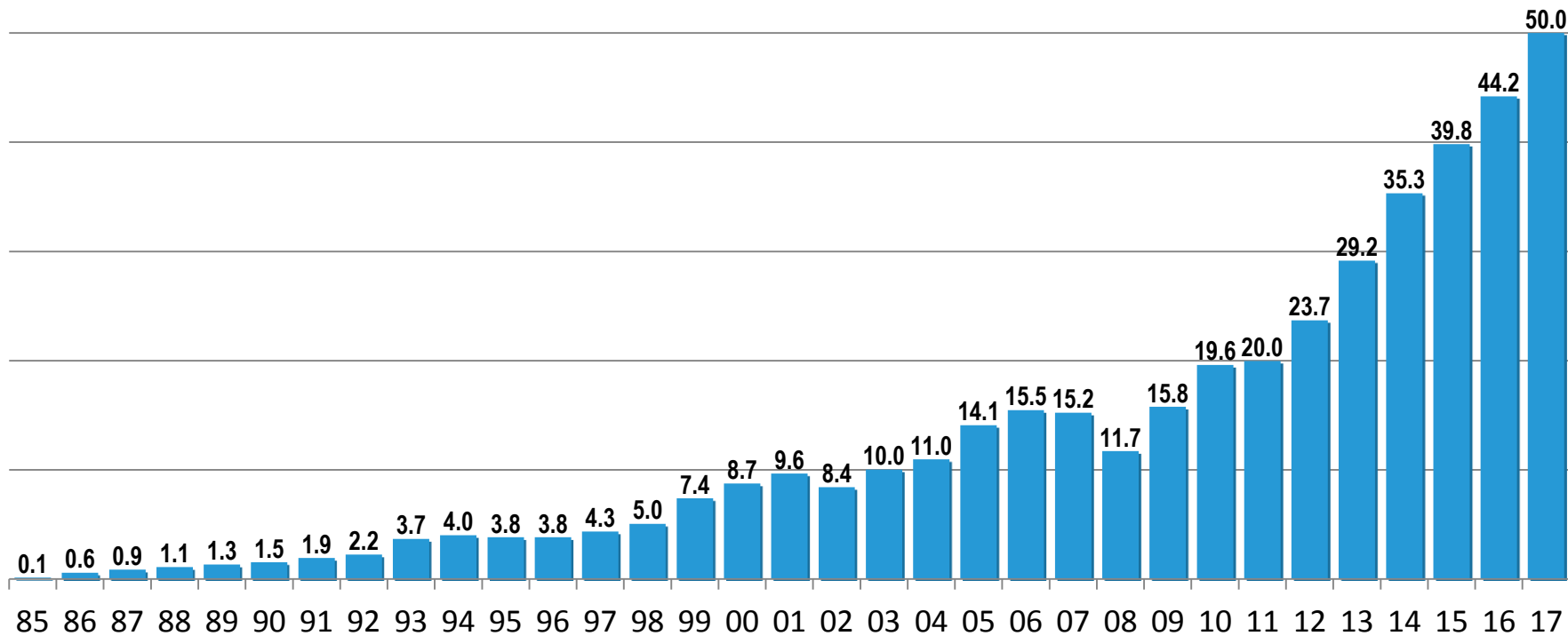
	FY17	FY16	Change
Entry fees	65.4	59.3	+10%
Management fees	914.6	800.0	+14%
Performance fees	200.8	223.2	-10%
Banking service fees	60.3	59.5	+1%
Other fees	37.1	33.1	+12%
Commission income	1,278.2	1,175.1	+9%
Net interest income	170.7	212.2	-20%
Net income on investments at fair value	8.9	(9.2)	n.s.
Net financial income	179.5	203.0	-12%
Insurance revenues ex U-L commissions	17.0	18.3	-7%
Equity contribution	27.1	26.7	+1%
Net income on other investments	37.6	11.9	+215%
<i>o/w Impairment on loans</i>	<i>(13.0)</i>	<i>(12.3)</i>	<i>+6%</i>
Other revenues	24.3	23.1	+5%
Acquisition costs	(494.8)	(444.9)	+11%
Other commission expenses	(43.9)	(39.5)	+11%
CONTRIBUTION MARGIN	1,025.0	973.7	+5%
G&A expenses	(451.8)	(445.7)	+1%
Contribution to SRF, DGS & similar	(50.2)	(44.4)	+13%
Amortisation & depreciation	(33.3)	(30.1)	+11%
Provisions for risks & charges	(54.0)	(36.0)	+50%
TOTAL COSTS	(589.3)	(556.2)	+6%
PROFIT BEFORE TAX	435.7	417.5	+4%
Income tax	(62.1)	(49.3)	+26%
NET INCOME	373.6	368.3	+1%

	Q116	Q216	Q316	Q416	Q117	Q217	Q317	Q417
Entry fees	14.3	14.4	15.4	15.2	16.8	21.4	13.4	13.8
Management fees	189.5	195.8	204.6	210.2	219.4	227.0	230.6	237.6
Performance fees	47.6	30.6	71.2	73.8	62.7	20.1	34.7	83.3
Banking service fees	15.7	15.0	13.9	14.9	16.1	14.9	14.2	15.2
Other fees	7.7	8.3	8.2	8.8	8.8	9.5	9.0	9.9
Commission income	274.7	264.2	313.3	322.9	323.7	292.9	301.9	359.8
Net interest income	56.9	56.2	54.4	44.6	42.5	46.9	41.9	39.4
Net income on investments at fair value	(10.6)	(5.0)	(2.2)	8.7	1.5	6.7	1.1	(0.5)
Net financial income	46.3	51.2	52.2	53.3	44.0	53.6	43.0	39.0
Insurance revenues ex U-L commissions	5.3	1.2	4.4	7.4	6.1	5.1	2.1	3.7
Equity contribution	0.6	4.9	16.2	5.0	0	6.6	14.7	5.8
Net income on other investments	(3.2)	10.2	0.5	4.4	(2.3)	39.4	(3.1)	3.6
<i>o/w Impairment on loans</i>	(3.8)	(4.1)	(0.4)	(3.9)	(3.9)	(4.7)	(1.4)	(3.1)
Other revenues	5.1	5.4	5.6	7.0	6.4	6.8	5.0	6.1
Acquisition costs	(101.8)	(104.2)	(112.8)	(126.0)	(118.1)	(121.5)	(123.1)	(132.1)
Other commission expenses	(9.4)	(10.0)	(10.0)	(10.2)	(10.9)	(11.1)	(11.0)	(10.9)
CONTRIBUTION MARGIN	217.7	222.8	269.4	263.8	248.9	271.8	229.4	274.9
G&A expenses	(104.5)	(120.7)	(95.0)	(125.5)	(110.3)	(118.0)	(104.6)	(118.9)
Contribution to SRF, DGS & similar	(3.9)	(0.9)	(7.5)	(32.1)	(12.2)	(18.2)	(18.7)	(1.1)
Amortisation & depreciation	(6.7)	(7.2)	(7.2)	(9.0)	(7.8)	(8.2)	(8.7)	(8.6)
Provisions for risks & charges	(12.2)	(8.7)	(12.5)	(2.5)	(10.1)	(11.8)	(11.0)	(21.1)
TOTAL COSTS	(127.3)	(137.6)	(122.2)	(169.1)	(140.3)	(156.2)	(143.1)	(149.7)
PROFIT BEFORE TAX	90.4	85.3	147.2	94.7	108.6	115.6	86.3	125.2
Income tax	(19.2)	(4.0)	(17.2)	(8.8)	(25.2)	(5.1)	(4.3)	(27.6)
NET INCOME	71.1	81.2	130.0	85.9	83.5	110.5	82.1	97.6

	FY17	FY16	Change
One-time commissions	76.4	76.9	-1%
Ongoing commissions	316.5	272.0	+16%
Total commissions	392.8	349.0	+13%
Incentives on individual net inflows	58.5	48.1	+22%
Contests & bonuses	18.4	17.2	+7%
Reimbursement of costs for customer events	9.0	12.0	-25%
Total incentives & bonuses	86.0	77.4	+11%
Costs related to the agency agreement	16.0	18.5	-14%
TOTAL ACQUISITION COSTS	494.8	444.9	+11%

Mutual Funds AUM Trend

€ bn – including U-L assets



Mutual Funds

Assets under Management

€ mn

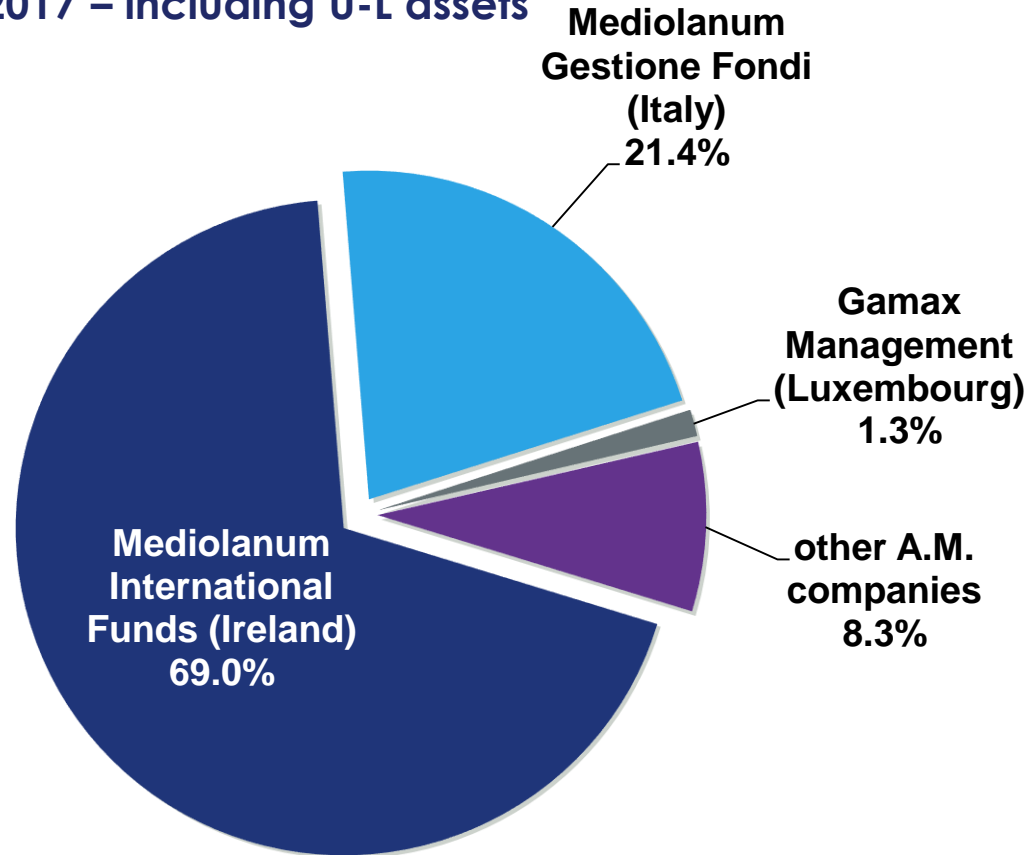


	31/12/17	31/12/16	Change
'Best Brands' funds of funds (IRL)	19,655.4	18,643.4	+5%
'Portfolio' funds of funds (IRL)	316.7	370.0	-14%
'Challenge' mutual funds (IRL)	14,294.2	14,137.0	+1%
Funds of Hedge Funds (IRL)	64.2	90.0	-29%
'Fondi Italia' mutual funds (ITA)	9,953.0	7,395.7	+35%
'Real estate' fund (ITA)	304.9	311.9	-2%
3rd-party stand-alone funds	2,409.3	1,163.6	+107%
Other	1,037.4	822.6	+26%
<i>Adj. for own mutual funds in FoFs & Managed accts.</i>	<i>(402.5)</i>	<i>(441.1)</i>	<i>-9%</i>
'MyLife' U-L policy	5,312.1	4,278.4	+24%
Other U-L policies	13,097.2	12,421.4	+5%
<i>Adj. for own mutual funds in U-L policies</i>	<i>(16,035.1)</i>	<i>(14,992.4)</i>	<i>+7%</i>
ASSETS IN MUTUAL FUNDS & U-L	50,006.8	44,200.6	+13%

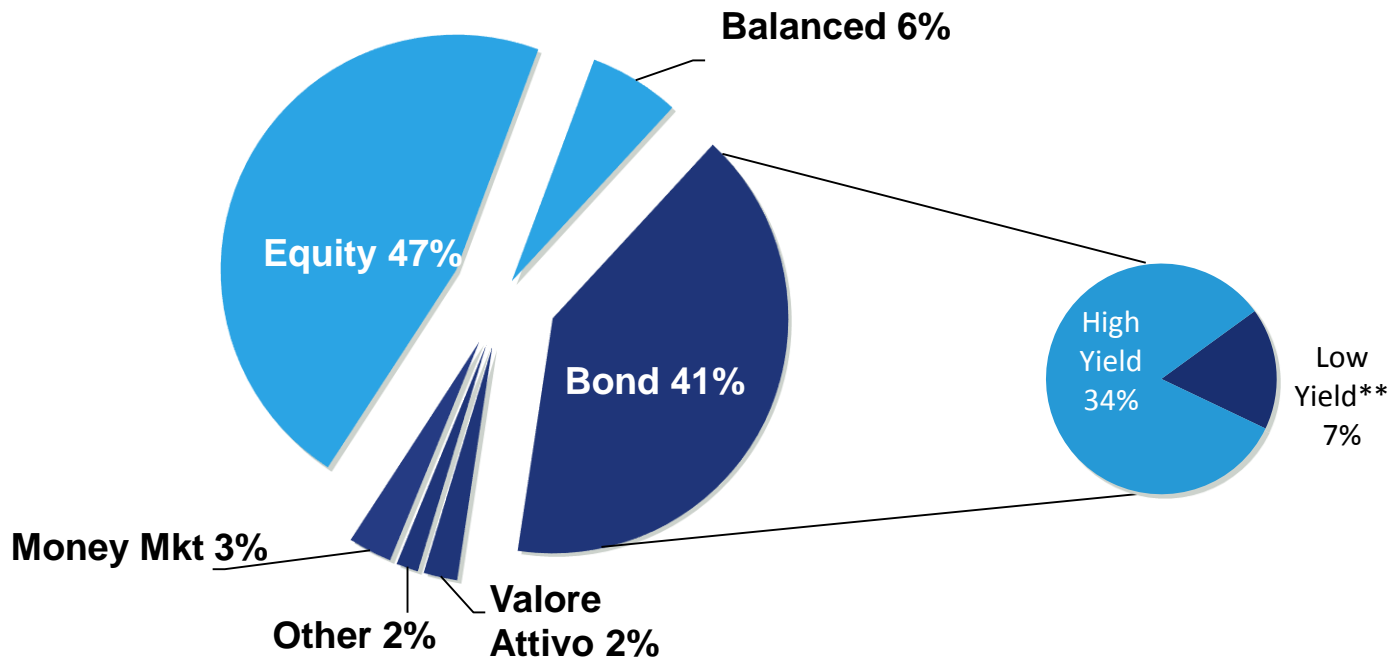
Mutual Funds

Assets by A.M. company

as at 31/12/2017 – including U-L assets

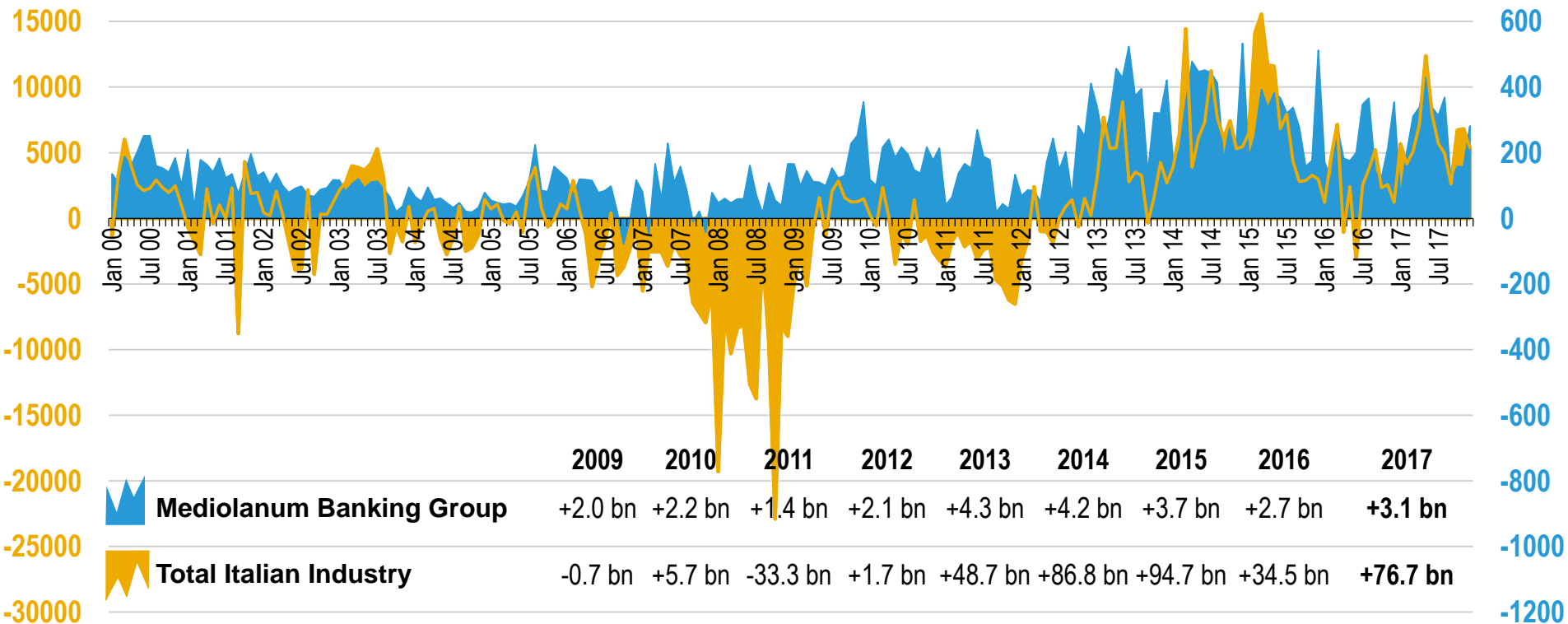


Mutual Funds Assets* by category as at 31/12/2017 – including U-L assets



* Flexible funds are classified according to their equivalent risk level

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



* including those underlying Unit-Linked policies & Managed Accounts

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

Italian Sales Networks Ranking by Net Inflows

€ thousands - totals by Group



	2017		
	Total Net Inflows	o/w Managed Assets	o/w Mutual Funds*
Banca Fideuram (incl. Sanpaolo)	12,190,404	11,547,889	10,056,031
Banca Generali	6,866,240	5,965,138	2,840,156
Fincobank	5,404,385	3,919,555	2,251,631
Banca Mediolanum	4,777,883	4,913,007	5,087,361
Allianz Bank	4,353,472	4,426,404	4,226,626
Azimut	2,283,538	1,808,020	1,379,768
BNP Paribas	1,016,359	841,246	675,838
Deutsche Bank (Finanza & Futuro)	861,870	654,133	299,629
UBI (IW Bank)	793,207	380,658	349,879
Monte dei Paschi di Siena (Widiba)	498,639	330,787	314,725
Credem	124,071	165,612	122,044
Consultinvest	18,829	24,803	15,780

*including those underlying Unit-Linked policies & Managed Accounts

source: Assoreti

Banking Assets under Administration

€ mn



	31/12/17	31/12/16	Change
Cash Deposits	15,518.1	15,541.1	-0%
Repurchase agreements	41.4	0	n.s.
Mediolanum bonds	80.2	115.3	-30%
3rd-party structured bonds	444.4	642.7	-31%
Other securities	2,721.4	2,084.8	+31%
BANKING ADMINISTERED ASSETS	18,805.4	18,383.8	+2%

	FY17	FY16
Total Cost of Funding	0.31%	0.46%
Retail Cost of Funding	0.34%	0.65%
Total Interest Income	1.11%	1.39%
Retail Interest Income	2.05%	2.35%
TOTAL SPREAD	0.80%	0.93%
Spread on Retail	1.71%	1.70%

Balance Sheet Highlights

€ mn – as at 31/12/2017



	Liabilities	Assets
Retail	15,710	7,435
Treasury	2,384	10,895
o/w interbank / intra-group deposits & repos	1,096	176
o/w ECB refinancing	0	0
o/w MTS refinancing	1,288	98
o/w securities (bonds)		10,621
Other liabilities / assets	2,649	2,413
TOTAL	20,743	20,743

Operating Liquidity (24hr) : € 9,747 mn

Banking Credit Quality

€ mn – as at 31/12/2017



	31/12/17	31/12/16	Change
Mortgages	5,713	5,210	+10%
Personal & Commercial Loans	1,445	1,267	+14%
Lines of credit	276	378	-27%
Total Loans	7,435	6,855	+8%

% on total loans

B.Mediolanum

Italian Banks*

Gross non-performing Loans	1.56%	14.2% as at 30/09/2017
Net non-performing Loans	0.81%	8.4% as at 30/06/2017

FY17

FY16

Mortgage Portfolio

Total Value	5,713	5,210
Average rate	1.79%	2.08%
Average initial LTV	57%	57%

New Business

Total amount granted	1,038	991
Average rate	1.39%	1.52%
Average amount granted	138	142
Average initial LTV	59%	59%

Mediolanum Group Bond Portfolio

€ mn – as at 31/12/2017



	Mediolanum Group		Banca Mediolanum		Mediolanum Vita	
	Book value	AD	Book Value	AD	Book Value	AD
Italian Govies	12,530	1.0	11,315	0.7	1,067	3.8
Italian Financials	236	3.7	23	3.1	204	3.8
Spanish Govies	449	1.2	434	1.2	15	2.9
Spanish Financials	4	6.3	0	0.0	3	7.2
Core Europe Govies*	-42	2.2	-42	2.2	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	60	1.0	50	0.2	9	5.3
Other Corporate	36	1.5	0	0.0	28	0.7
Other ABS	3	1.9	3	1.9	0	0.0
TOTAL	13,276	1.0	11,783	0.7	1,326	3.4

AD = average duration weighted by absolute nominal value

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

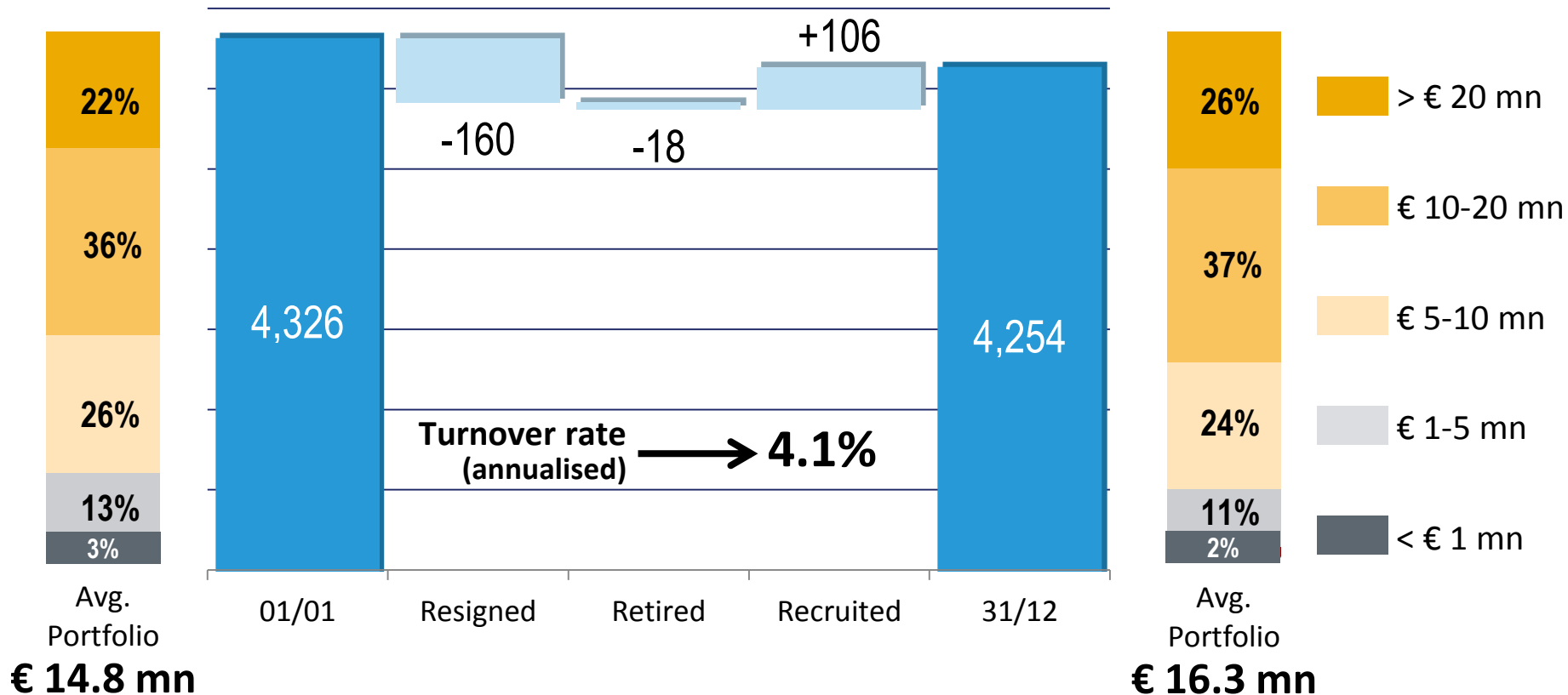
Insurance

Life – Policyholders' Assets

€ mn



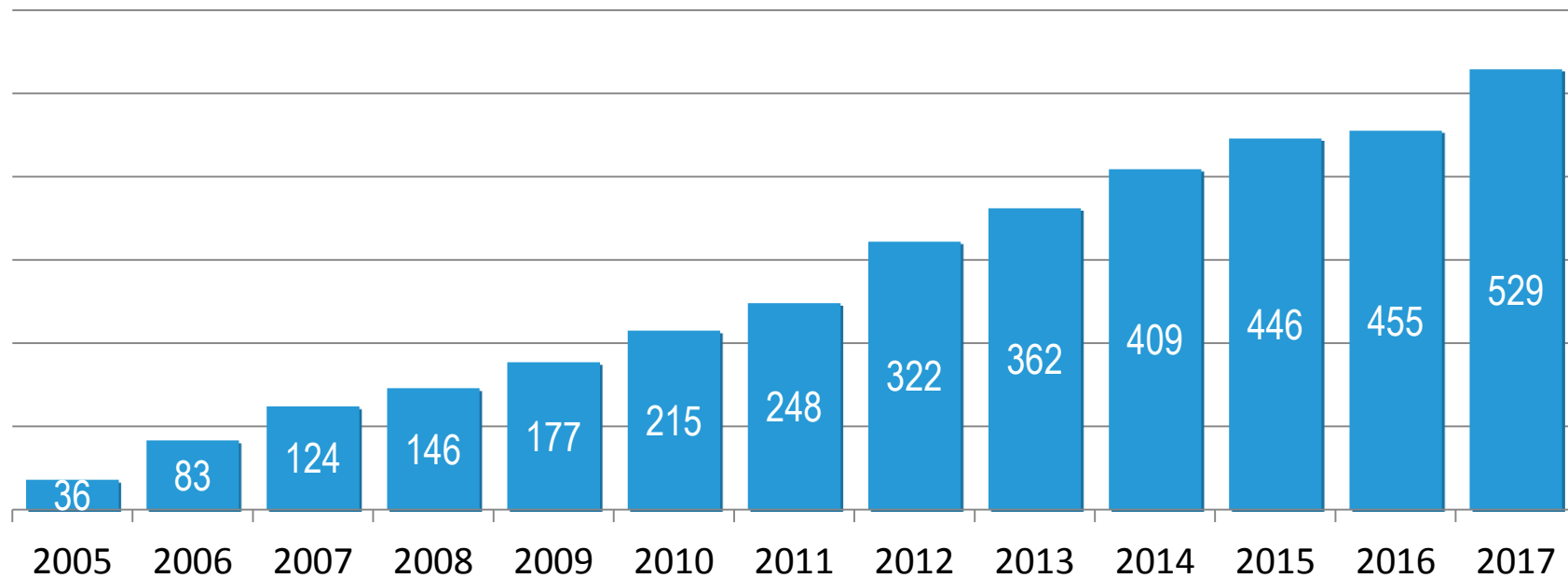
	31/12/17	31/12/16	Change
Traditional	1,412.4	1,346.6	+5%
Index-linked	0	178.3	n.s.
Unit-linked pension plans	6,267.6	5,936.8	+6%
Unit-linked endowment policies	3,788.0	3,830.0	-1%
Unit-linked investment policies	8,353.7	6,933.1	+20%
Unit-linked	18,409.3	16,699.8	+10%
<i>o/w equity</i>	59.6%	62.8%	-5%
LIFE ASSETS (EX-'FREEDOM')	19,821.7	18,224.7	+9%
'Freedom' Life policies	183.8	233.8	-21%



Banca Mediolanum

Focus on 'Private Bankers'*

as at 31/12/2017



Average assets in portfolio: € 38.7 mn
o/w managed assets: € 29.3 mn

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



FY 2017 Foreign Markets Results

	FY17	FY16	Change
Net Income excluding non-recurring items	17.6	23.7	-26%
Net impact of settlement of past (inherited) litigation	0	5.1	n.s.
Net Income	17.6	28.8	-39%
Managed Assets	3,335.2	2,649.1	+26%
Administered Assets	1,326.4	1,231.2	+8%
Total Assets	4,661.6	3,880.3	+20%
Gross Inflows into Managed Assets	1,372.9	984.1	+40%
Net Inflows into Managed Assets	+613.5	+422.3	+45%
Net Inflows into Administered Assets	+5.7	-95.0	n.s.
Total Net Inflows	+619.1	+327.2	+89%
Family Bankers (Mediolanum model)	900	835	+8%
Traditional agents	31	33	-6%
Total Sales Network	931	868	+7%
Total Customers	117,054	109,783	+7%

Germany – Total Highlights

€ mn



	FY17	FY16	Change
Net Income excluding non-recurring items	(11.2)	(12.0)	-7%
Net impact of sale of VISA EU shares	0	8.4	n.s.
Net Income	(11.2)	(3.6)	+213%
Managed Assets	499.8	444.2	+13%
Administered Assets	147.6	147.0	+0%
Total Assets	647.4	591.2	+10%
Gross Inflows into Managed Assets	81.3	63.9	+27%
Net Inflows into Managed Assets	+21.0	+19.6	+7%
Net Inflows into Administered Assets	+0.8	+54.5	-99%
Total Net Inflows	+21.8	+74.1	-71%
Total Sales Network	49	55	-11%
Total Customers	5,705	5,435	+5%

	FY17	FY16	Change
Net Income excluding non-recurring items	(14.6)	(13.4)	+9%
Net impact of sale of VISA EU shares	0	8.4	n.s.
Net Income	(14.6)	(5.0)	+191%
Managed Assets	290.0	253.9	+14%
Administered Assets	147.6	147.0	+0%
Total Assets	437.5	400.9	+9%
Gross Inflows into Managed Assets	69.2	52.3	+32%
Net Inflows into Managed Assets	+25.2	+32.1	-21%
Net Inflows into Administered Assets	+0.8	+54.5	-99%
Total Net Inflows	+26.0	+86.6	-70%
Total Sales Network	49	55	-11%
Total Customers	5,705	5,435	+5%

	FY17	FY16	Change
Net Income	3.4	1.5	+136%
Assets under Management	209.8	190.3	+10%
Gross Inflows	12.2	11.6	+5%
Net Inflows	-4.2	-12.4	-66%



Business Update

	Jan '18	Jan '17
Managed Assets	+132	+214
<i>o/w Mutual Funds, U-L & Managed Accounts</i>	<i>+196</i>	<i>+261</i>
Administered Assets	+34	+99
GROUP TOTAL NET INFLOWS	+167	+314
Managed Assets	+104	+168
<i>o/w Mutual Funds, U-L & Managed Accounts</i>	<i>+132</i>	<i>+203</i>
Administered Assets	+38	+100
Italy – Banca Mediolanum Total Net Inflows	+142	+269
Managed Assets	+30	+44
<i>o/w Mutual Funds & U-L</i>	<i>+63</i>	<i>+57</i>
Administered Assets	+2	+5
Spain – Banco Mediolanum Total Net Inflows	+32	+49
Managed Assets	-2	+2
<i>o/w Mutual Funds & U-L</i>	<i>0</i>	<i>+2</i>
Administered Assets	-6	-6
Germany – B.A. Lenz & Gamax Total Net Inflows	-7	-4

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

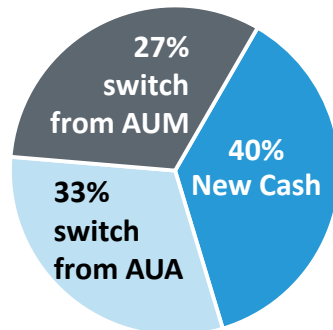
Tax exemptions of Capital Gains & Inheritance taxes

- 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 **December 2017**
Inflows over € 2.4 bn



Mediolanum Flessibile Sviluppo Italia

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

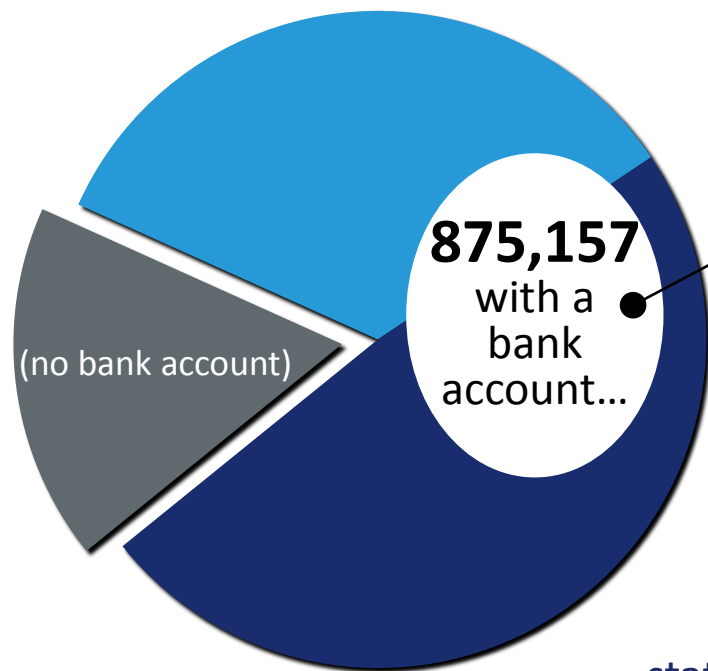
Mediolanum Futuro Italia

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

1,032,108 primary account holders:



...**61%** of which
use Mediolanum as their primary
banking institution

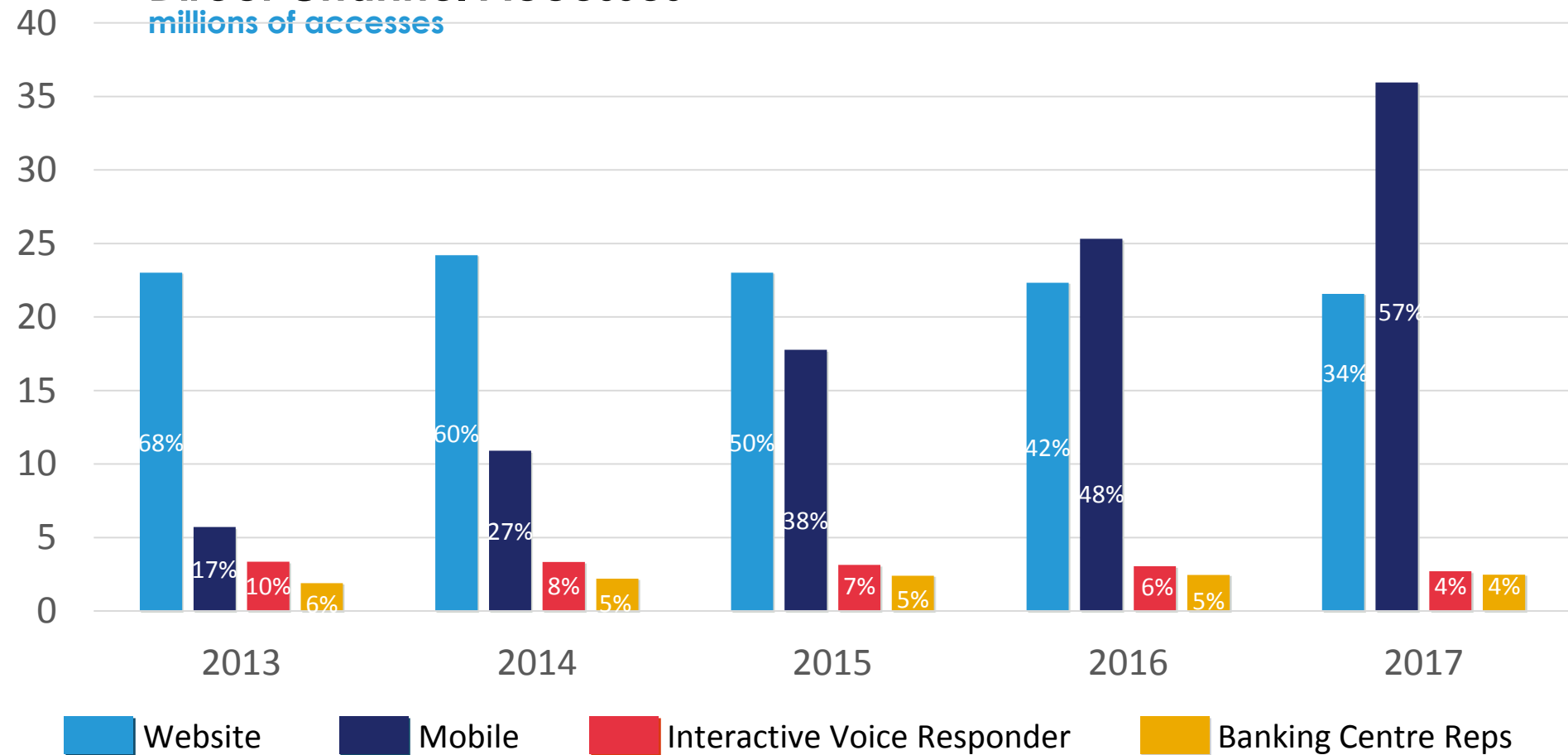
531,655 vs. 479,140 as at 31/12/2016

In a 2016 survey,
39% of Mediolanum customers with a bank account
stated they don't have a relationship with any other bank

Banca Mediolanum

Direct Channel Accesses

millions of accesses



Mediolanum Asset Management Companies

Net Average Return

As at 31/12/2017 – NAV-weighted average on a monthly basis



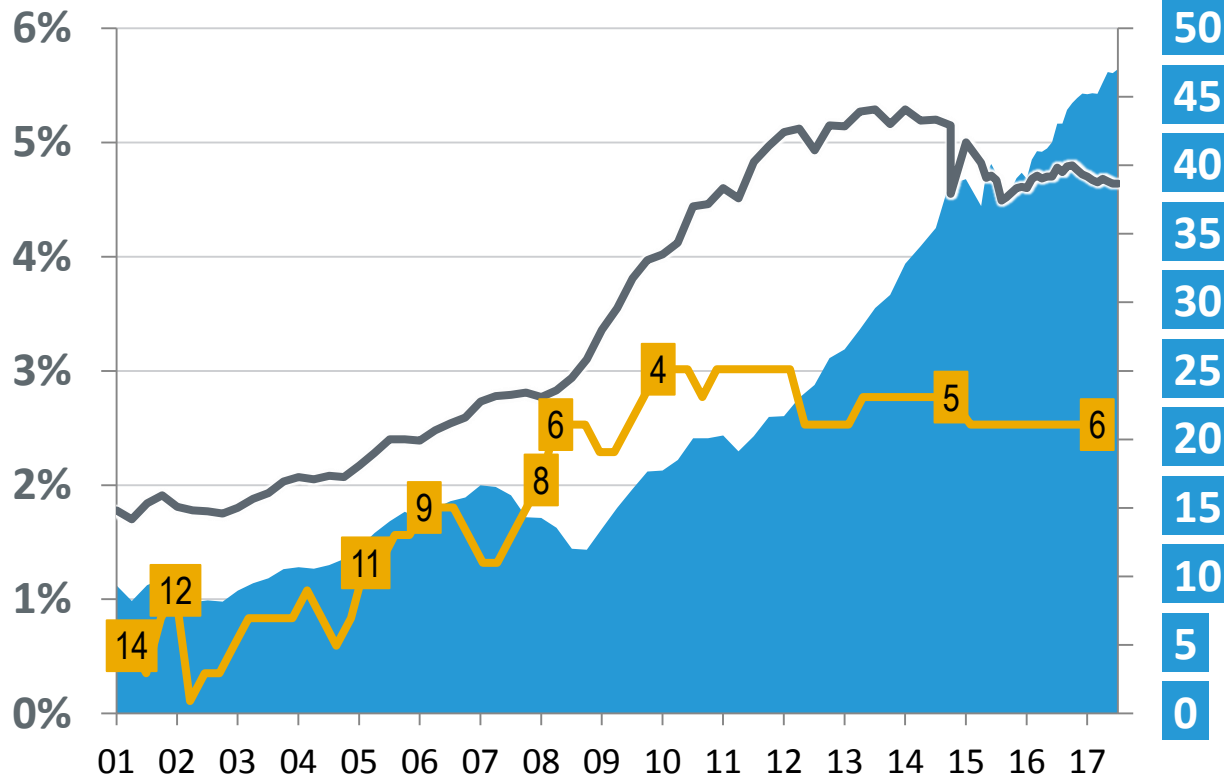
	Net return	Ranking*
1-year	3.21%	3
2-year	6.46%	4
3-year	8.50%	5
4-year	15.57%	2
5-year	22.41%	2
Since March 2009 (market low)	73.17%	2

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



Market Share – Dec 2017	
Intesa Sanpaolo	19.9%
Amundi	12.0%
Generali	8.1%
Anima	8.0%
Blackrock	6.6%
6 Mediolanum	4.6%
JP Morgan	3.3%
Azimut	3.3%
UBI Banca	3.1%
Arca	2.8%
Invesco	2.7%
Pictet	2.3%
Fidelity	2.2%
Schroeders	2.0%
Deutsche A&W Mgmt.	2.0%

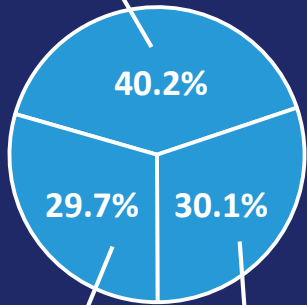


Mediolanum Facts



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

**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**
Euro CQS

3.4% (directly & through Mediolanum Vita)

Mediobanca

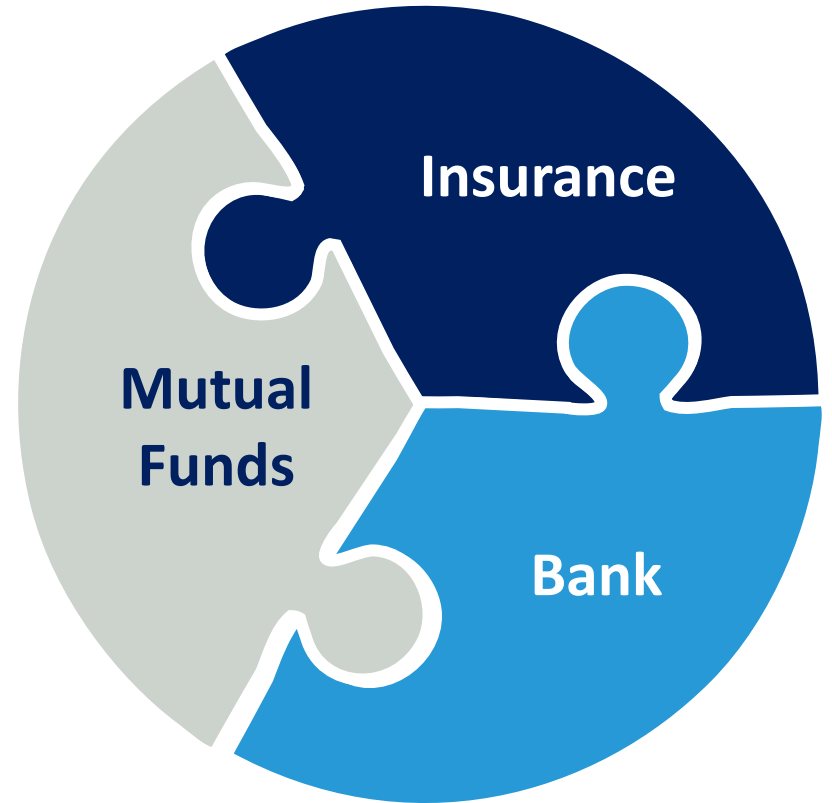

All companies
Italy-based unless
otherwise indicated

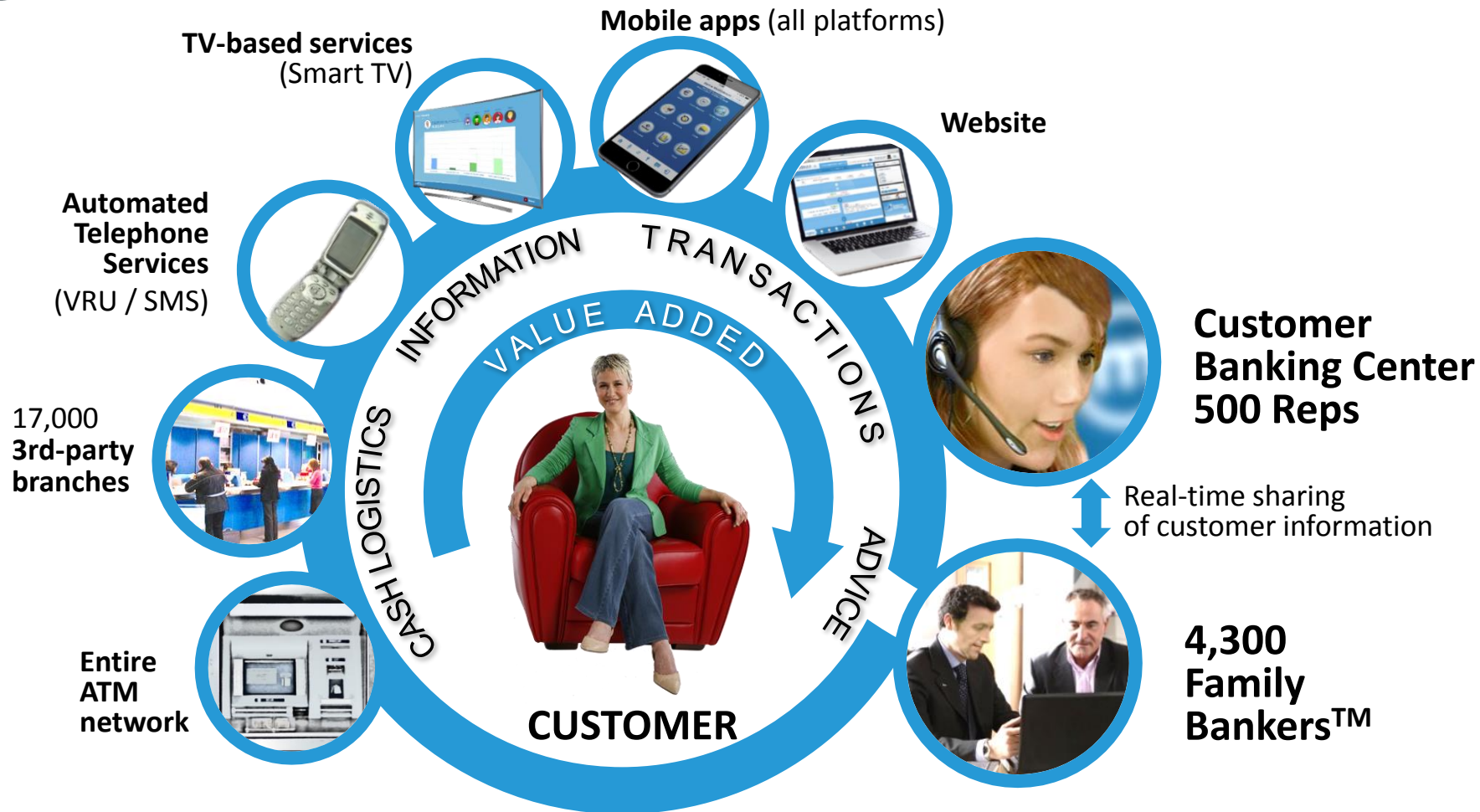
We and our Family Bankers view the company as a single entity, providing solutions that best fit the needs of the customer, whether it be in the form of a mutual fund, an insurance policy or a bank product

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

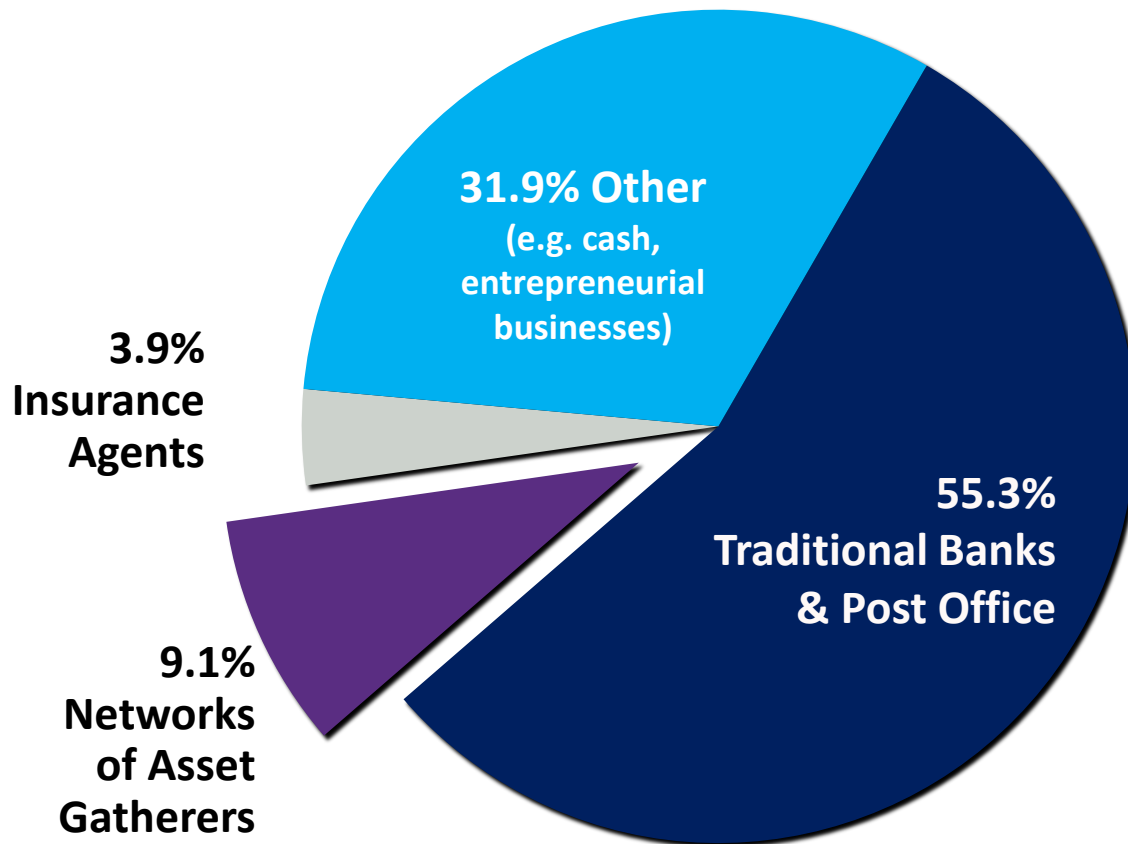
- Willing to provide professional advice anytime, anywhere
- Equally competent across all product lines
- Unlike the typical FA, offer assistance also with everyday banking needs
- Synergy, not competition, between human and direct channels



Customers: freedom in banking

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

Italian Household Financial Assets as at 31/12/2016 – real estate not included

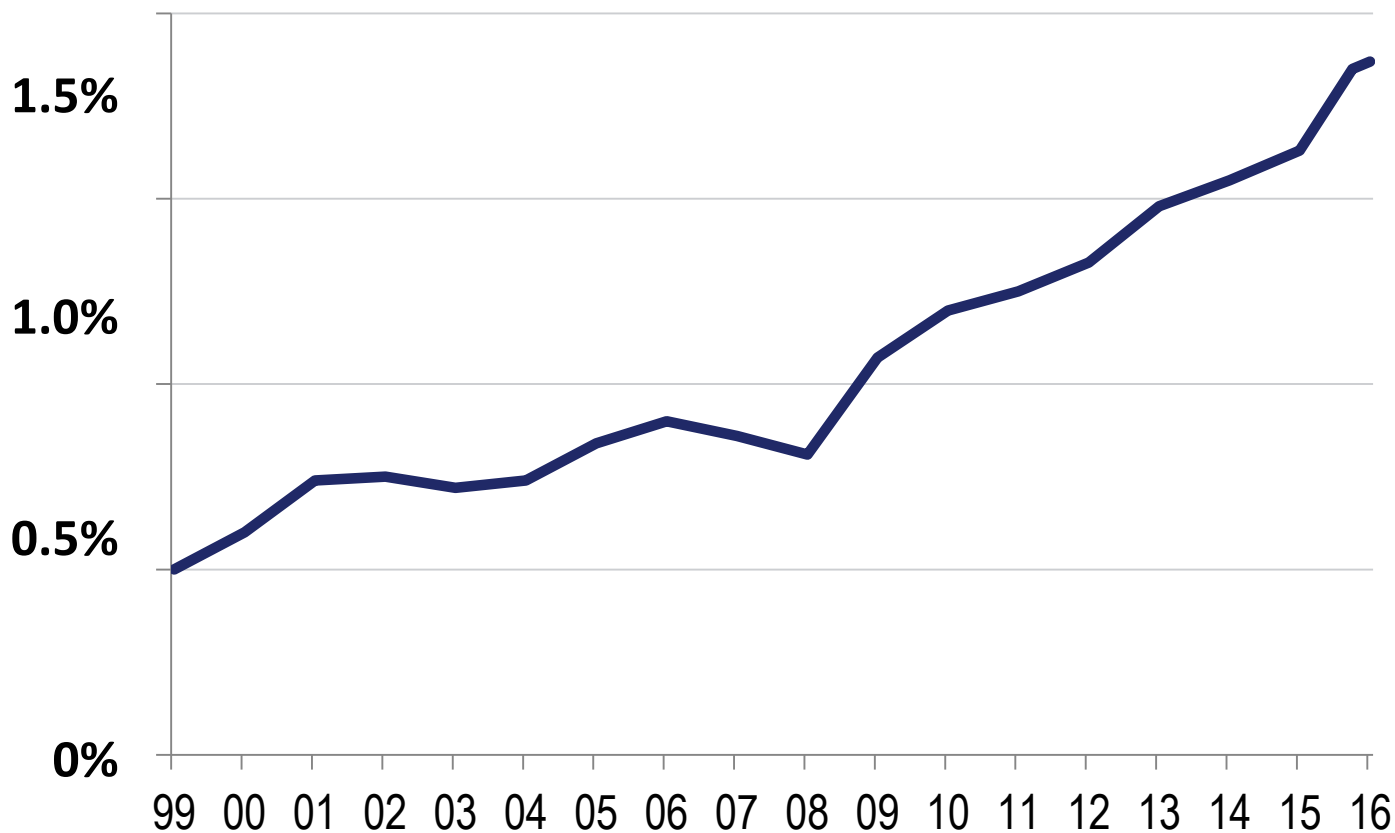


Network of Asset Gatherers have only 9% of the huge Italian HH financial assets market, although recognised as best-in-class in terms of personal service & advice, and largely immune to capital, credit quality & reputational issues

Traditional Banks still hold nearly 6x more

Total HH Assets:
€ 4,168 bn

Italian Household Financial Assets Banca Mediolanum's Market Share

**1.87%**

on a total of
€ 4,168 bn reported
by Bank of Italy
as at 31/12/2016

55 A 'real' Bank with a Solid Set of Numbers
as at 31/12/2017

ROE

20.2%

10 Y avg. 2008- 2017

CET1

21.9%

Retail Deposits

€ 15.7 bn

Retail Credit Book

€ 7.4 bn

% Gross NPLs

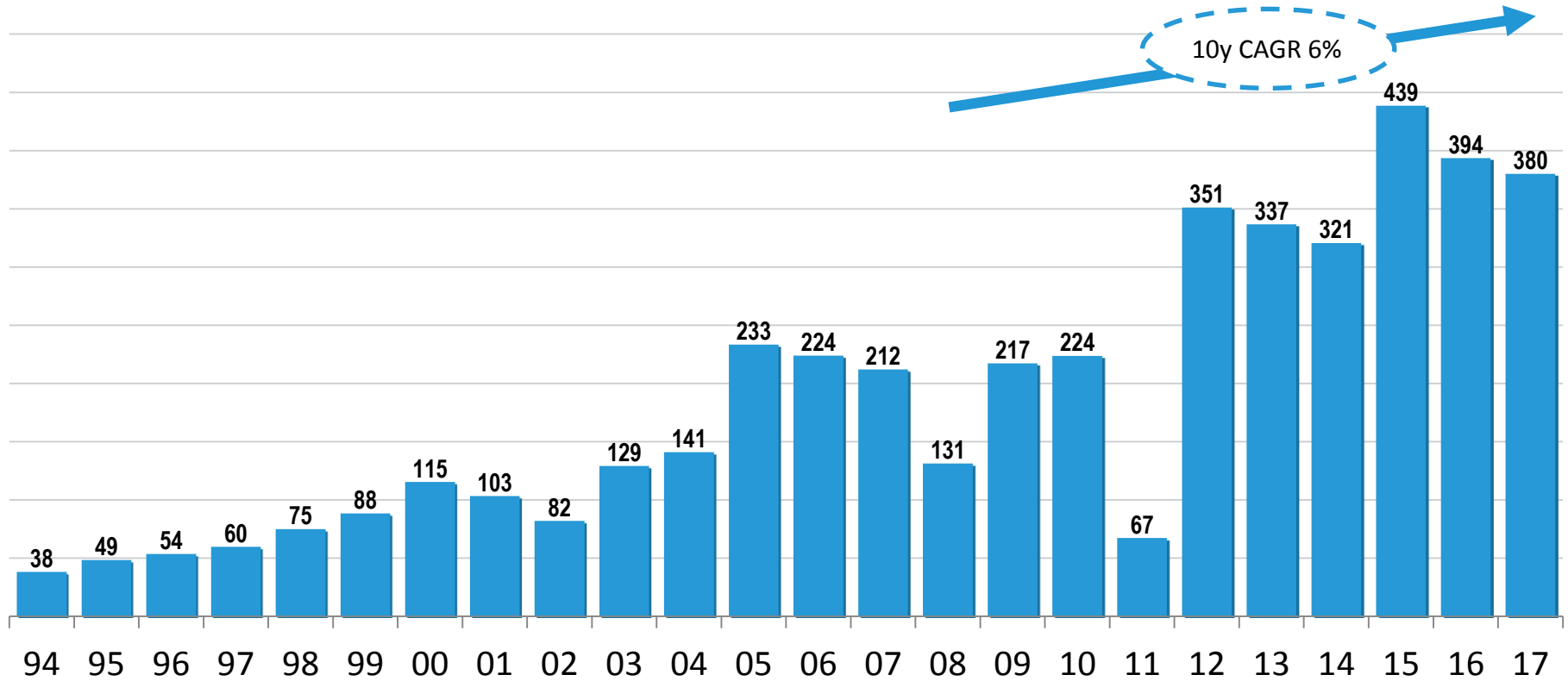
1.56%

vs 14.2% Italian Banks*

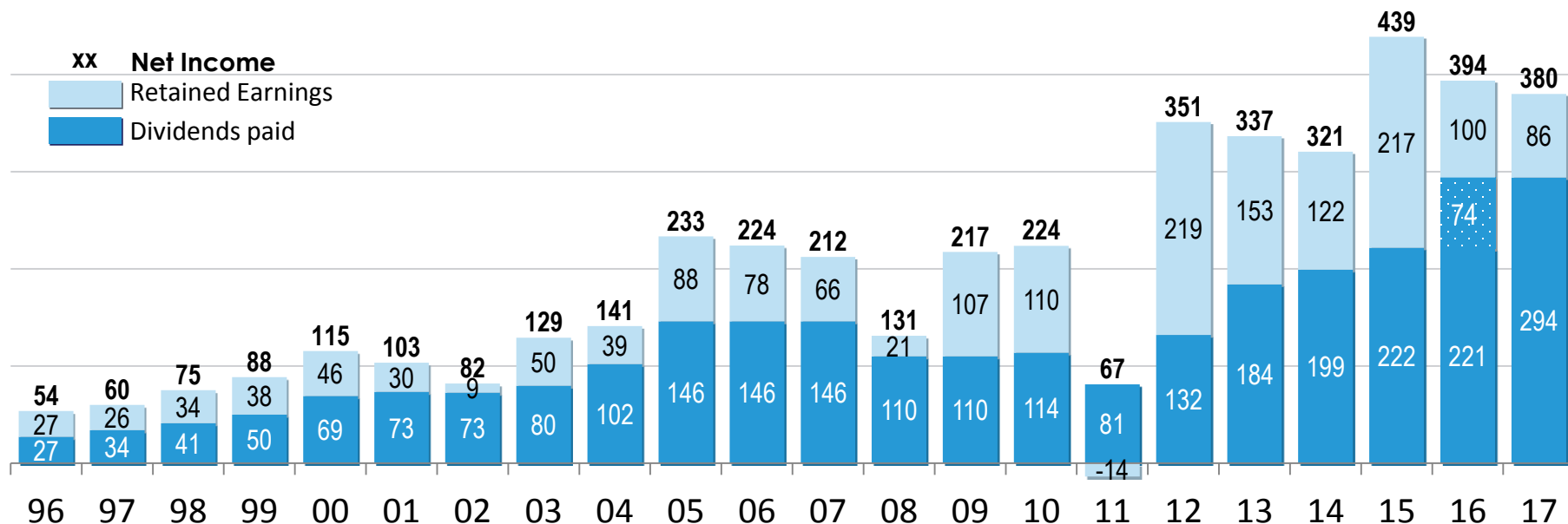
% Net NPLs

0.81%

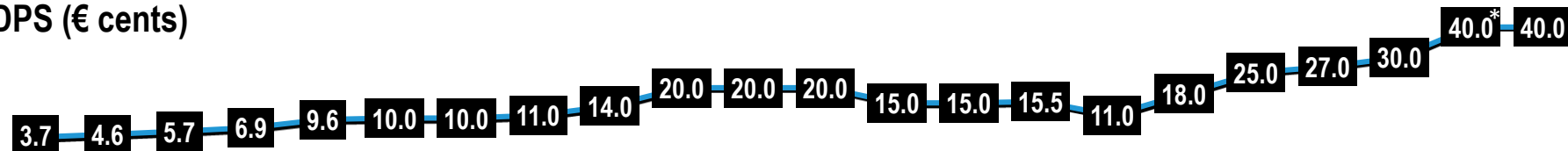
vs 8.4% Italian Banks*



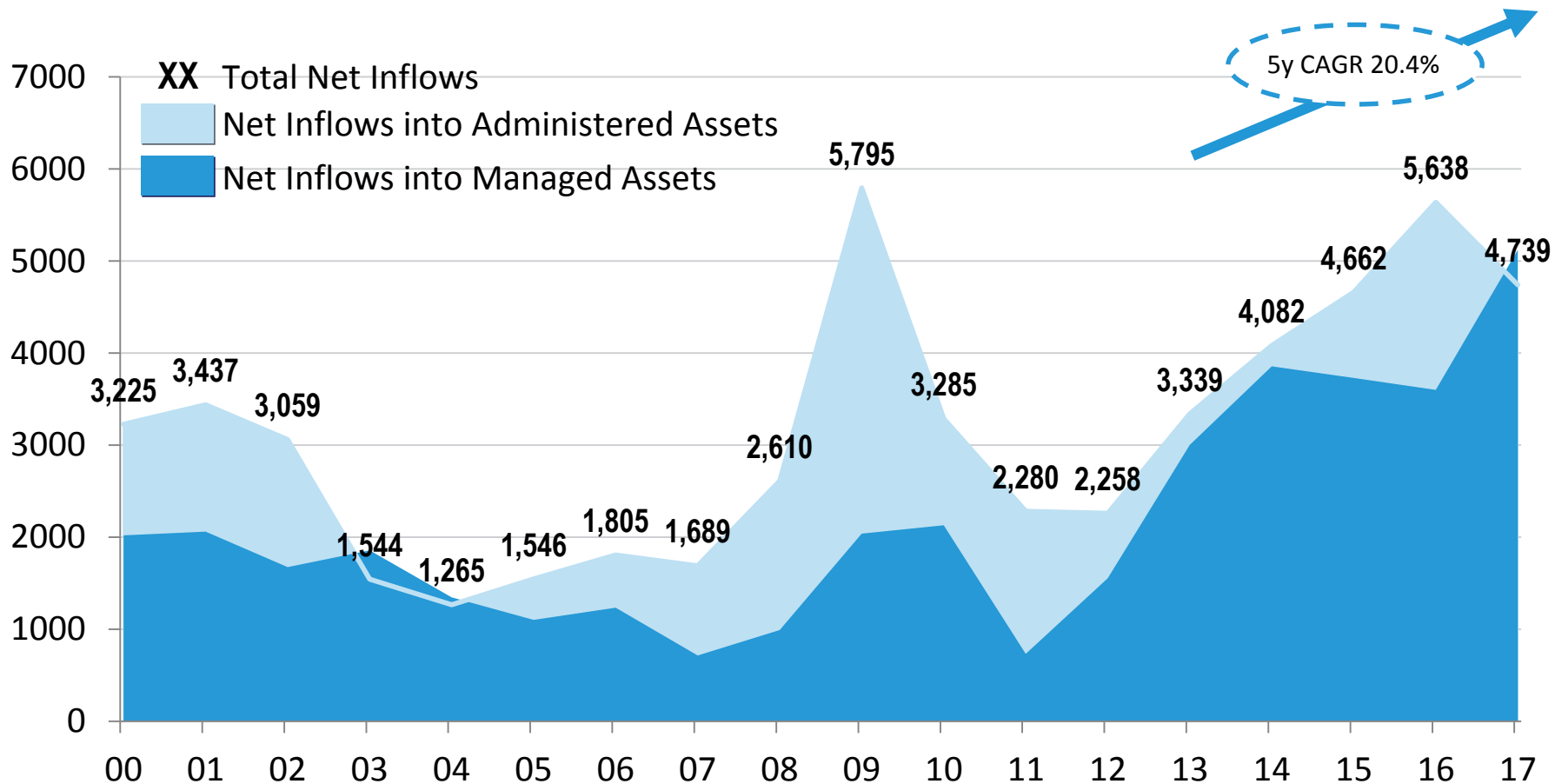
2008 & 2010: adjusted net income excluding effects of 'Lehman Brothers' operation



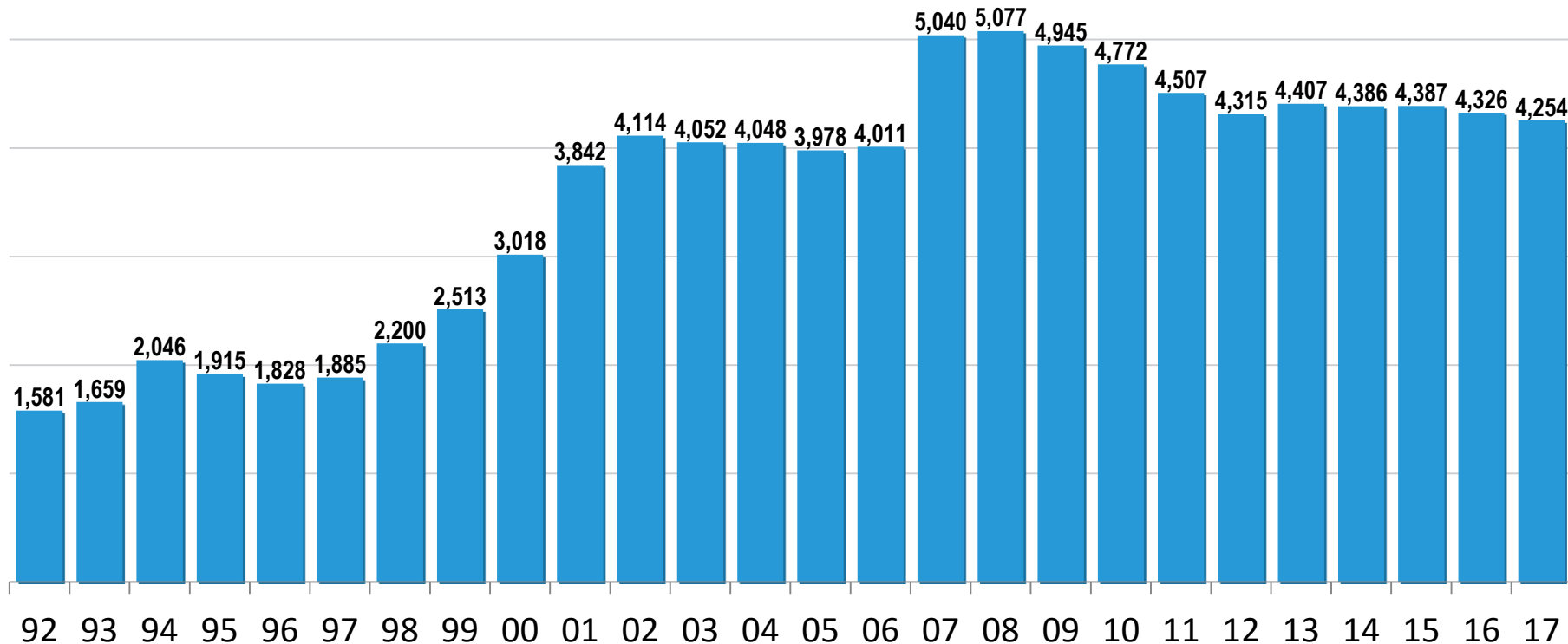
DPS (€ cents)

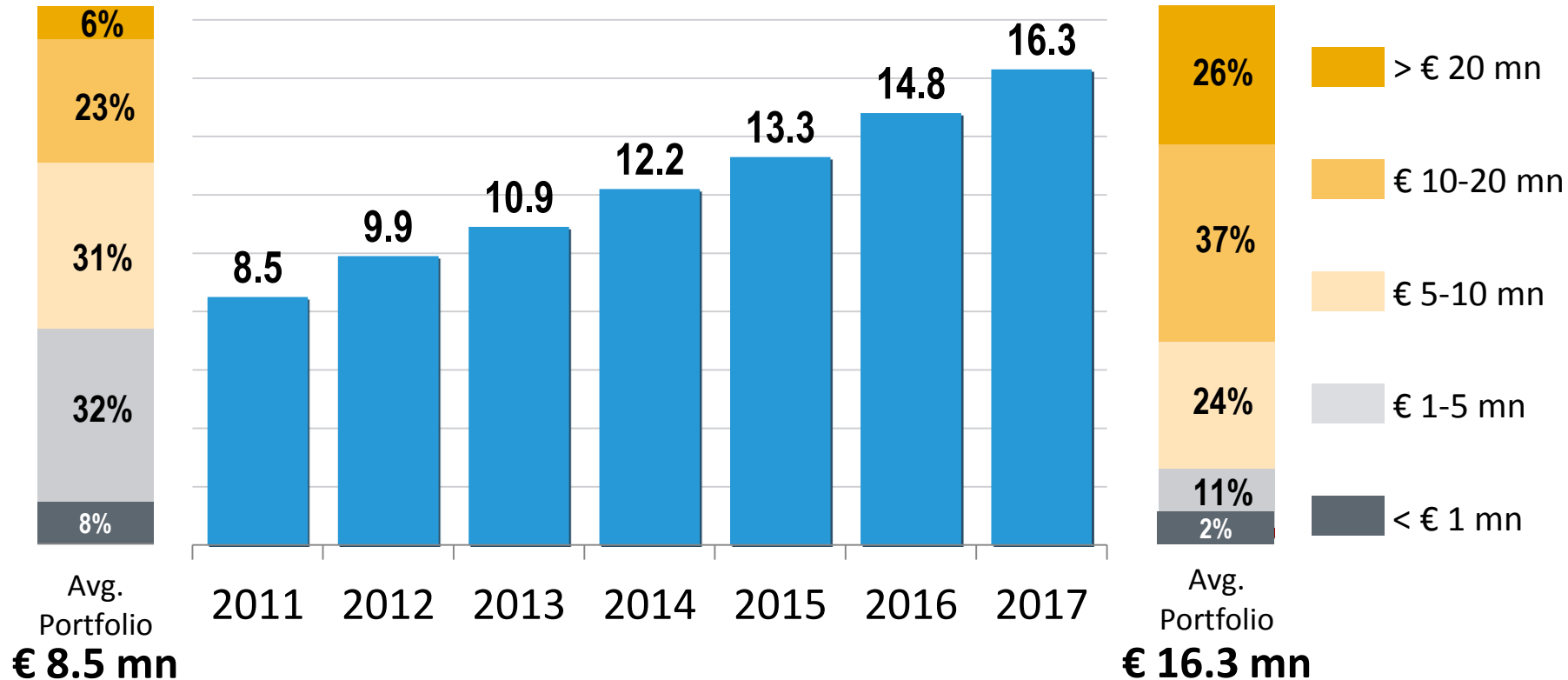


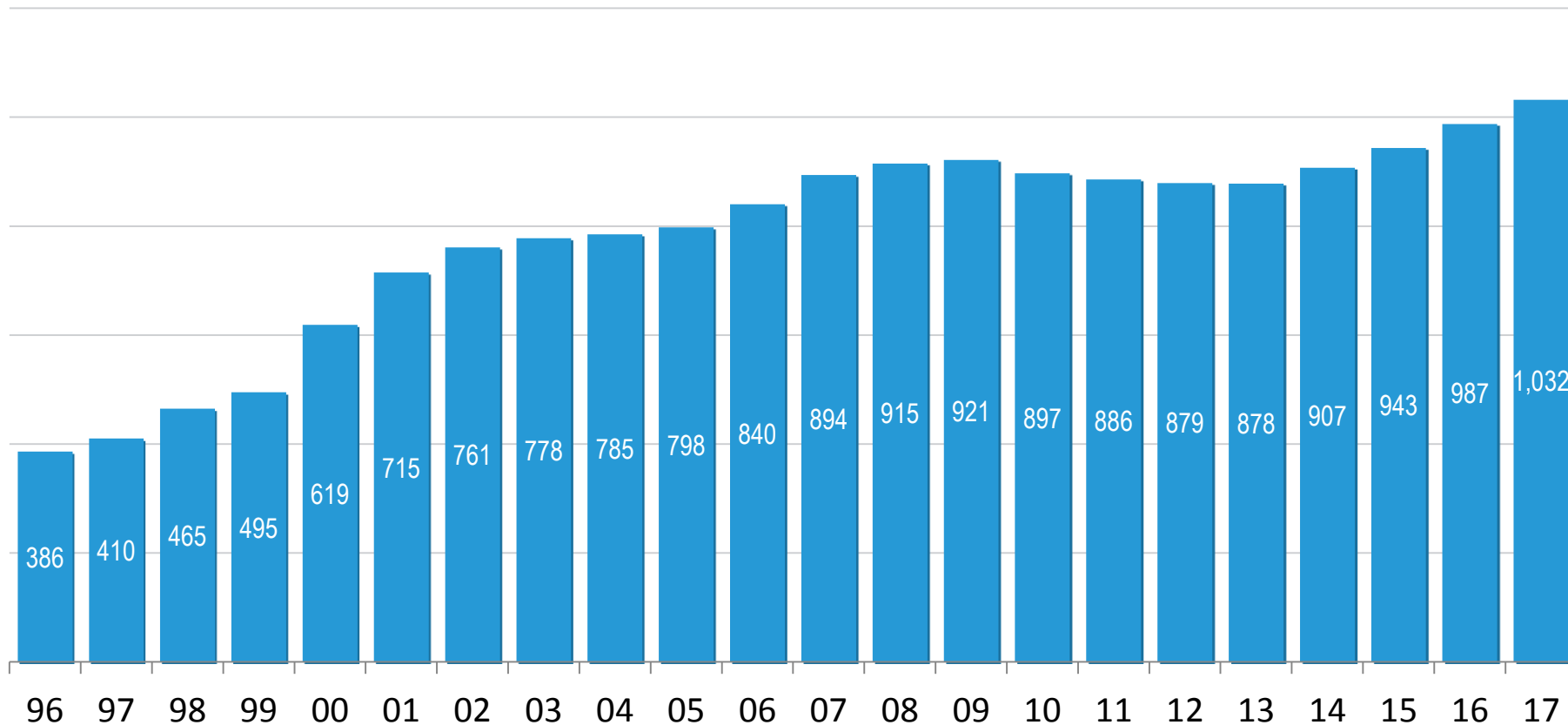
including 10 eurocents connected to Banca Esperia's sale



Banca Mediolanum Family Banker® Network Licensed Financial Advisors



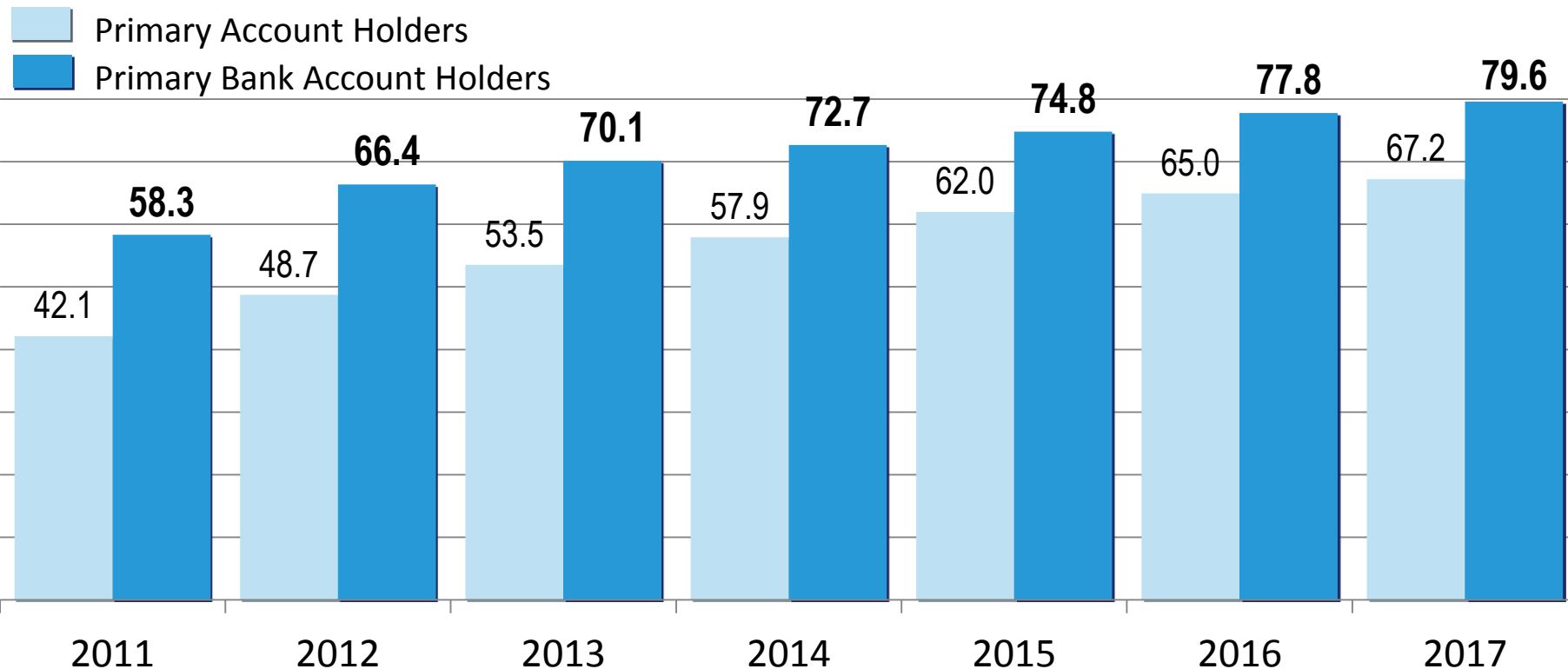




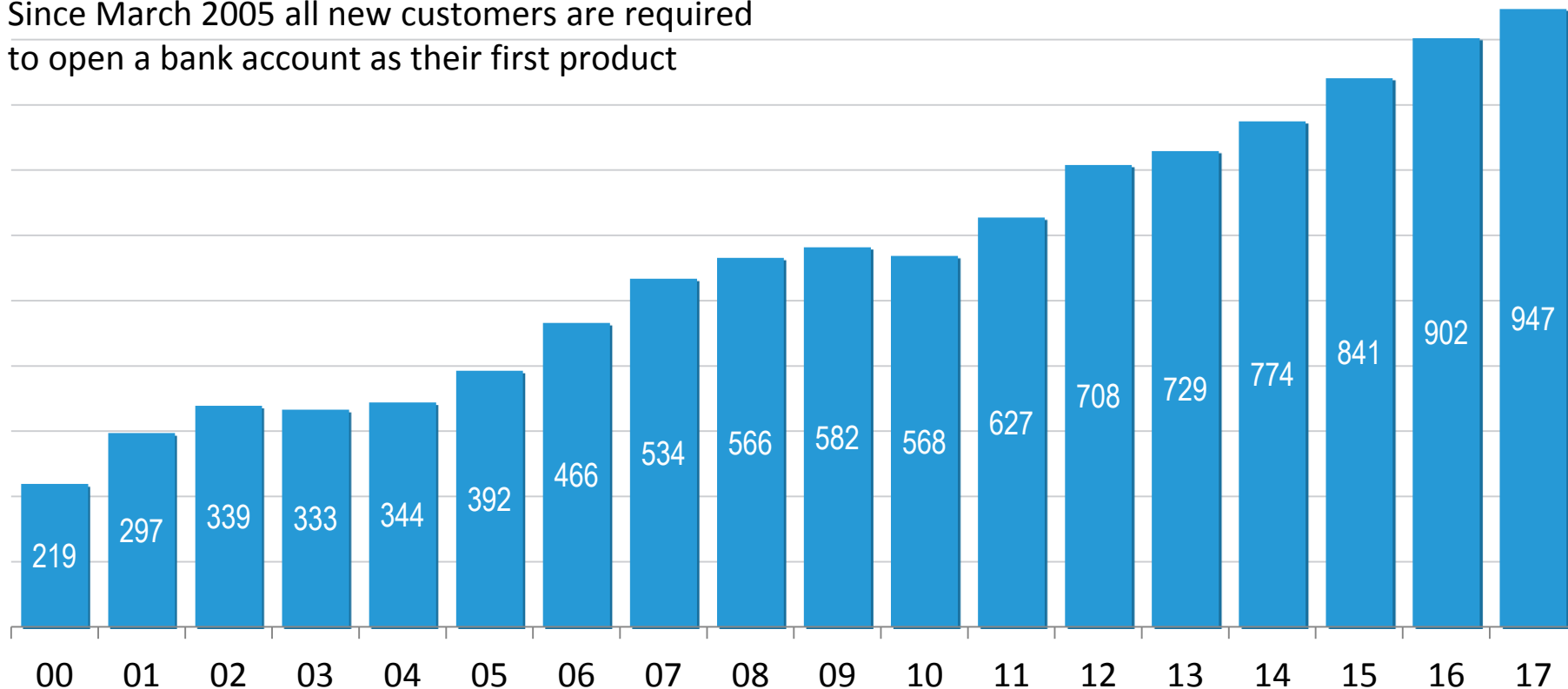
Banca Mediolanum

Average Assets per Customer

€ thousands

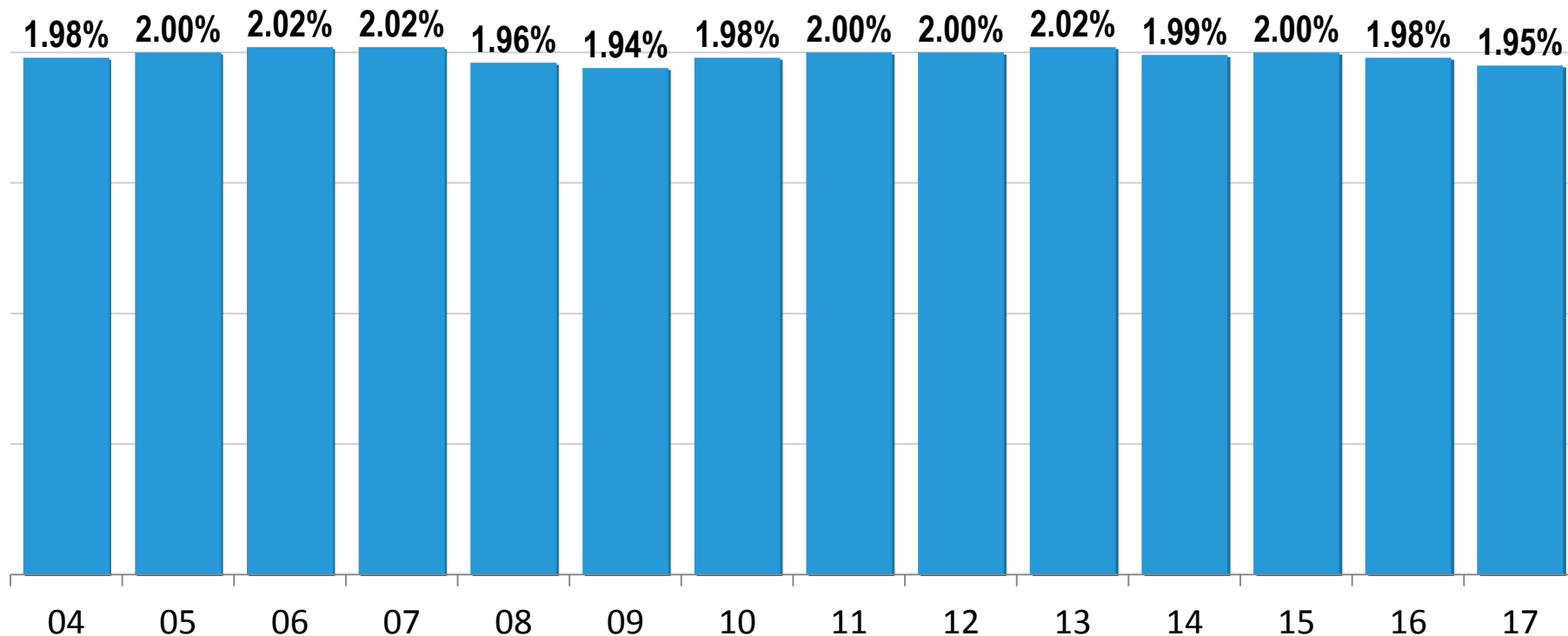


Since March 2005 all new customers are required to open a bank account as their first product

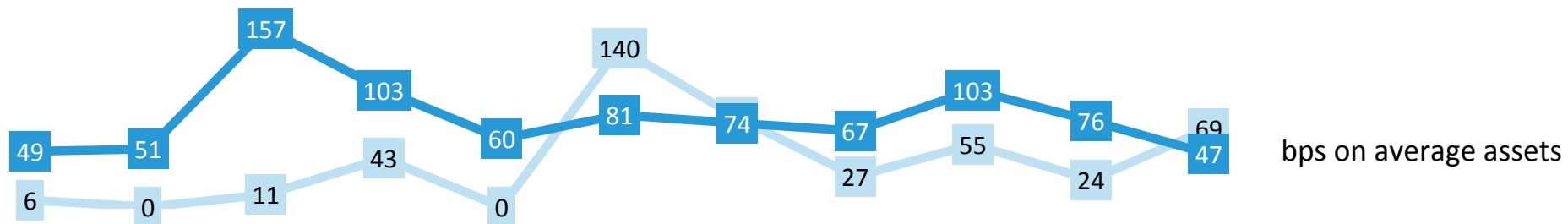
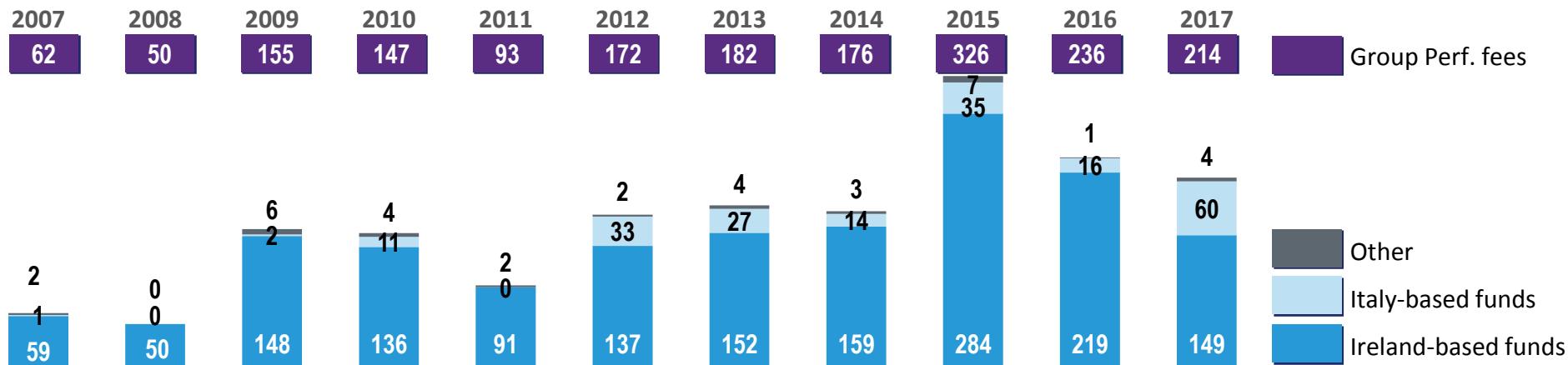


Management Fees* History

expressed as a % of average managed assets in the period



* including insurance commissions on U-L policies



bps on average assets

Ireland-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 Ireland-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	2017
HNW Customers (€ 2+ mn)	146	1,380
AUM (€ mn)	730	7,279



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

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 **4,200 events** held in 2017:
local & high-level events, sports events (e.g. Giro d'Italia), talk shows, etc.

Over **224,000 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 2016)

Average commercial value of media coverage is also regularly tracked



The 3rd best known bank brand in Italy

Spontaneous brand awareness – Italian banks – 2017



 **UniCredit** 56%

ING  DIRECT 25%

INTESA  SANPAOLO 51%

 **BNL**
GRUPPO BNP PARIBAS 23%

 **mediolanum** BANCA 44%

CheBanca! 17%
Gruppo Mediobanca

 **MONTE
DEI PASCHI
DI SIENA** 29%
BANCA DAL 1472

UBI  Banca 16%

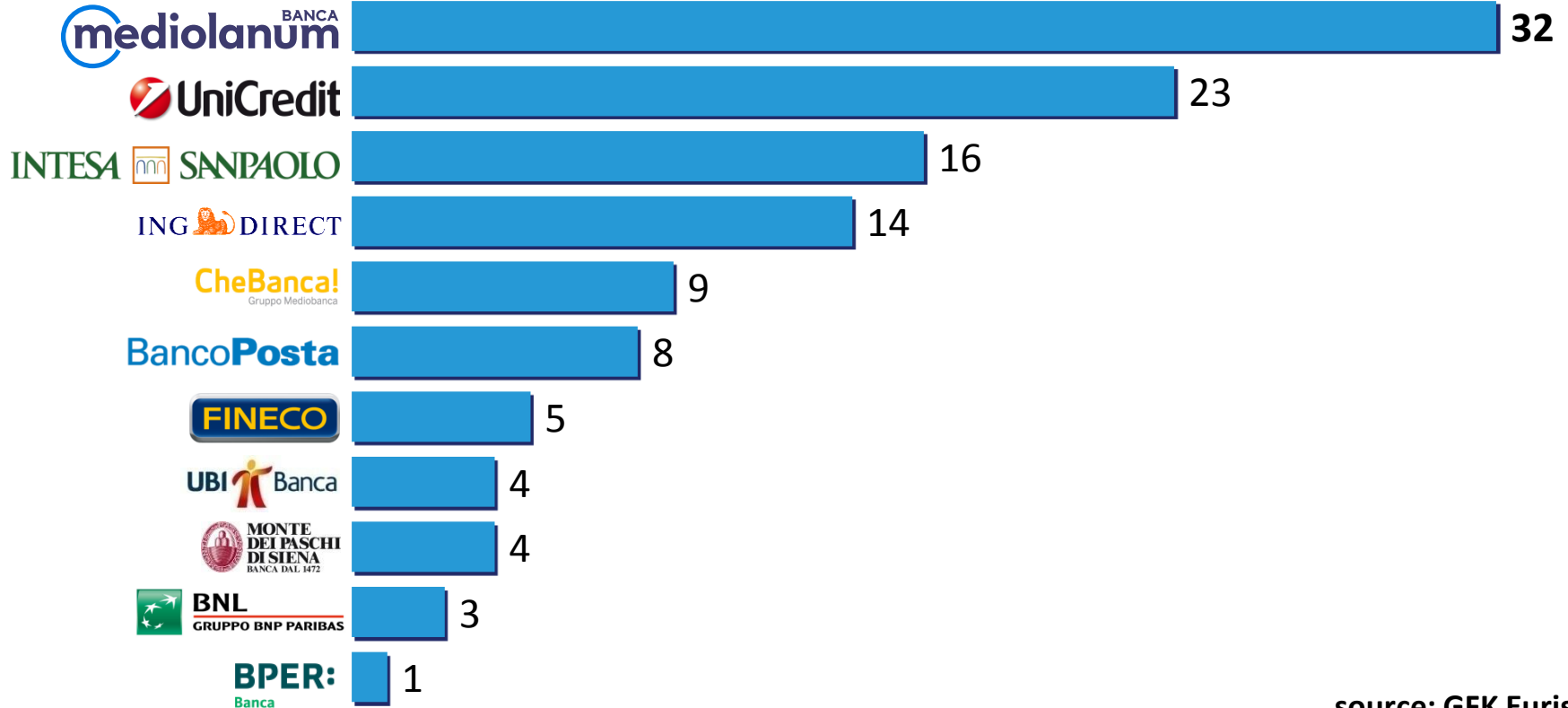
BancoPosta 27%

 **BCC** 14%
CREDITO COOPERATIVO

Banca Mediolanum's advertising

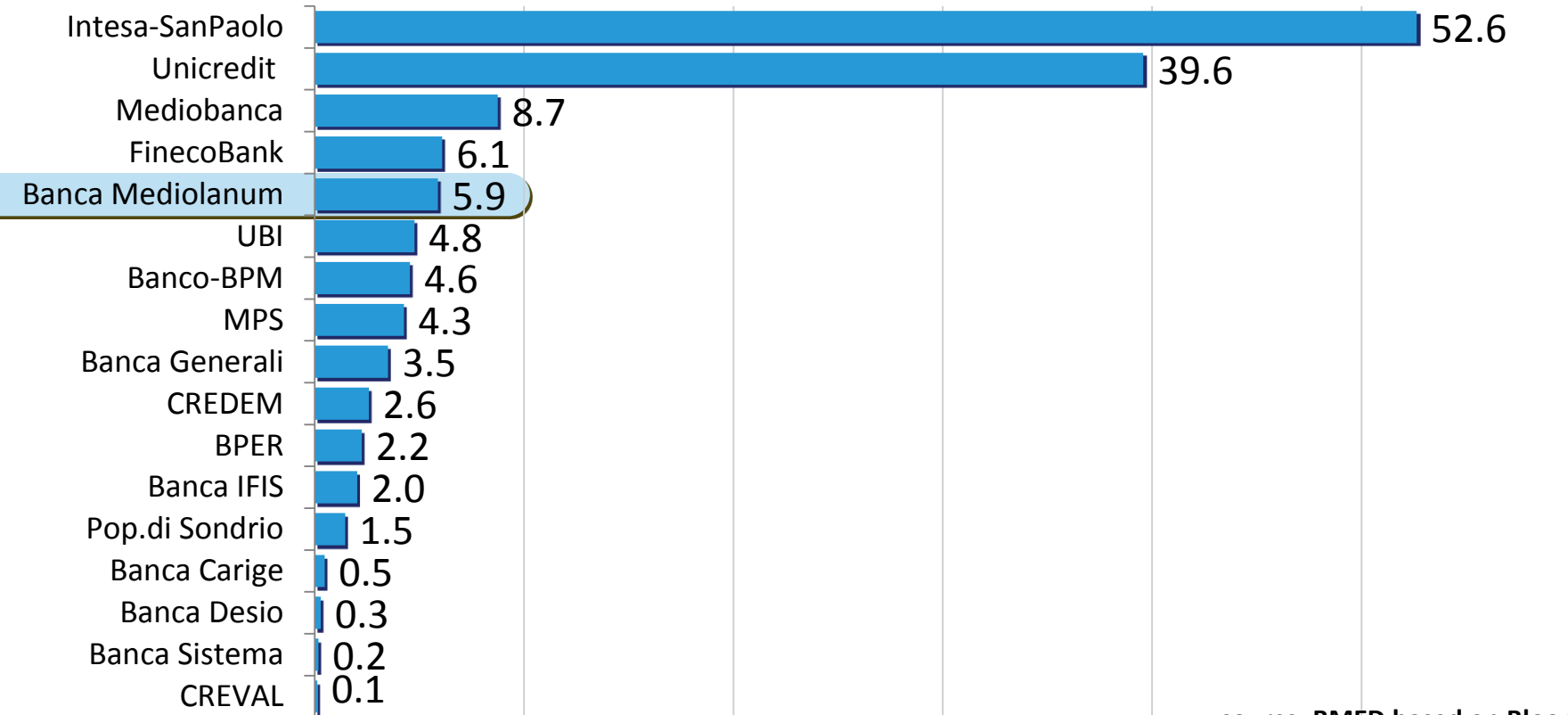
The most memorable in the banking industry

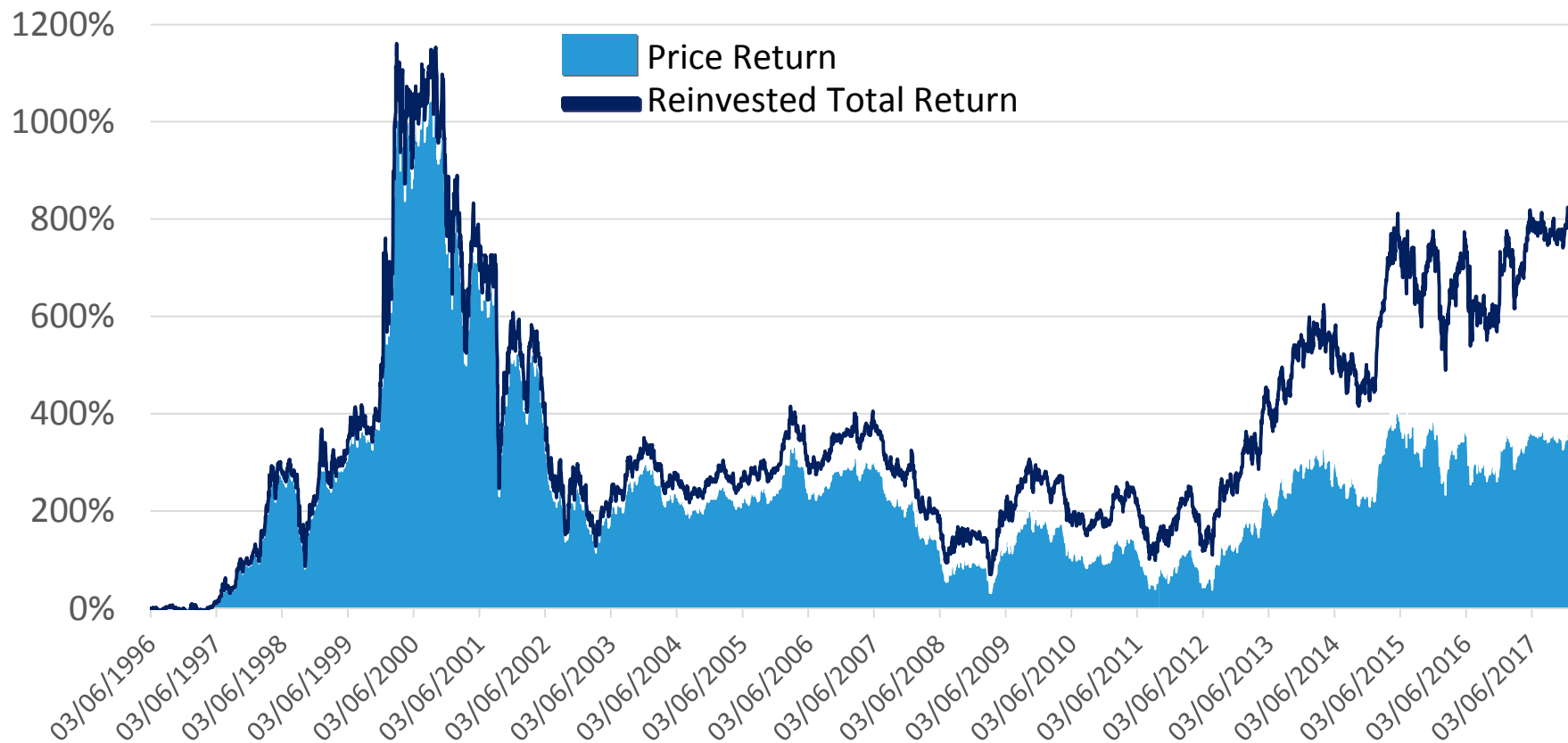
Spontaneous recall of bank advertising in Italy – 2017



Ranking of Italian Banking Groups by Market Capitalisation

€ bn - as at 01/02/2018





* Total Return Index includes dividend reinvestment, June 3, 1996 – October 31, 2017

source: Datastream

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Receipt of this document implies acceptance of its limitations as described above.

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

The undersigned, Mr. 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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Lisa Maxon

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