

May 2018



Q1 2018 RESULTS & BUSINESS UPDATE

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Q1 2018 Group Results

Excellent quarter business-wise, only impacted by unfavourable market conditions

- **Contribution Margin** - Up 10% thanks to healthy & sustainable growth across the board
- **Operating Margin** – Stands out (+26%) and illustrates resilience of our business, regardless of costs from new business initiatives
- **Market effects** – Much lower contribution (-73%) than Q117, but no One-offs
- **Net Inflows & PIR funds** – High quality & stickier inflows thanks to refocused instalment plans strategy (+300%)
- **Credit update** – Lending up 41%, o/w Mortgages +36% (very high quality & no fixed-rate)
- **EuroCQS update** - € 49 mn of salary-backed loans underwritten, well on track with our 2020 target
- **Non-Life Policies** – Gross Premiums Written up 27%, in line with our plans
- **Investment Banking** – Team now complete. A few operations already in pipeline. Nominated Advisor Certification expected in June

	Q118	Q117	Change
Entry fees	14.1	19.8	-29%
Management fees	250.3	233.6	+7%
Net Insurance revenues ex U-L commissions	6.3	9.4	-33%
Banking service fees	24.0	21.8	+10%
Other fees	12.1	9.2	+31%
Gross Commission income	306.8	293.9	+4%
Acquisition costs	(128.2)	(128.5)	-0%
Other commission expenses	(16.1)	(15.8)	+2%
Net Commission Income	162.4	149.6	+9%
Net interest income	40.5	45.0	-10%
Equity contribution	0	0	n.s.
Net income on other investments	3.7	(2.4)	n.s.
<i>o/w Impairment on loans</i>	(6.2)	(3.1)	+103%
Other revenues	12.3	7.0	+75%
Contribution Margin	218.9	199.1	+10%
G&A expenses	(131.6)	(124.8)	+5%
Regular Contributions to Banking Industry	(5.2)	(5.9)	-12%
Amortization & Depreciation	(9.0)	(8.5)	+6%
Provisions for risks & charges	(10.8)	(10.3)	+5%
Operating Margin	62.3	49.6	+26%
Performance fees	21.5	66.8	-68%
Net income on investments at fair value	(3.0)	1.6	n.s.
Market Effects	18.5	68.5	-73%
One-off Contributions to Banking Industry	0	(6.8)	n.s.
PROFIT BEFORE TAX	80.8	111.4	-27%
Income tax	(21.3)	(26.5)	-20%
NET INCOME	59.5	84.9	-30%

Income Statement by Quarter

€ mn

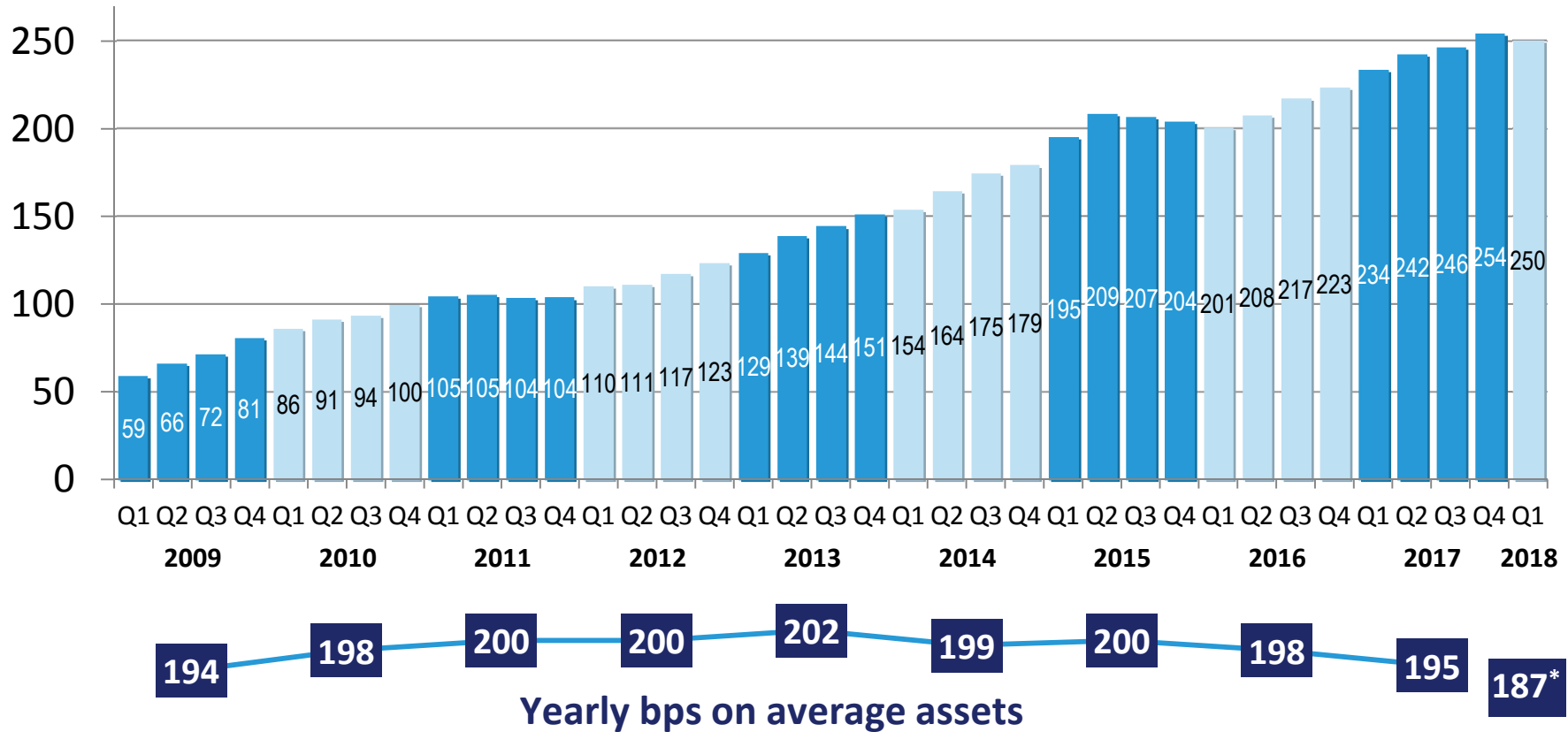


Q1 2018
Group

	Q117	Q217	Q317	Q417	Q118
Entry fees	19.8	24.5	16.0	16.6	14.1
Management fees	233.6	242.2	246.2	254.1	250.3
Net Insurance revenues ex U-L commissions	9.4	8.2	4.5	7.1	6.3
Banking service fees	21.8	20.9	20.2	21.5	24.0
Other fees	9.2	10.0	9.5	10.5	12.1
Gross Commission income	293.9	305.7	296.4	309.8	306.8
Acquisition costs	(128.5)	(132.4)	(132.7)	(141.7)	(128.2)
Other commission expenses	(15.8)	(16.7)	(16.4)	(16.6)	(16.1)
Net Commission Income	149.6	156.6	147.3	151.6	162.4
Net interest income	45.0	49.4	43.2	40.9	40.5
Equity contribution	0	6.6	14.7	5.8	0
Net income on other investments	(2.4)	(2.3)	(3.4)	1.4	3.7
<i>o/w Impairment on loans</i>	<i>(3.1)</i>	<i>(4.6)</i>	<i>(1.4)</i>	<i>(2.2)</i>	<i>(6.2)</i>
Other revenues	7.0	7.9	5.6	7.1	12.3
Contribution Margin	199.1	218.2	207.4	206.8	218.9
G&A expenses	(124.8)	(131.0)	(117.8)	(133.8)	(131.6)
Regular Contributions to Banking Industry	(5.9)	(0.6)	(9.3)	(0.2)	(5.2)
Amortization & Depreciation	(8.5)	(9.0)	(9.5)	(9.5)	(9.0)
Provisions for risks & charges	(10.3)	(12.0)	(11.2)	(21.4)	(10.8)
Operating Margin	49.6	65.6	59.5	41.9	62.3
Performance fees	66.8	21.9	37.3	87.5	21.5
Net income on investments at fair value	1.6	6.8	1.1	(0.4)	(3.0)
Market Effects	68.5	28.7	38.5	87.1	18.5
Capital Gains	0	41.6	0	2.1	0
One-off Contributions to Banking Industry	(6.8)	(18.2)	(9.8)	(1.2)	0
One-offs	(6.8)	23.3	(9.8)	0.9	0
PROFIT BEFORE TAX	111.4	117.7	88.2	129.9	80.8
Income tax	(26.5)	(6.1)	(5.4)	(29.1)	(21.3)
NET INCOME	84.9	111.5	82.8	100.8	59.5

Quarterly Commission Income from Mgmt Fees

€ mn



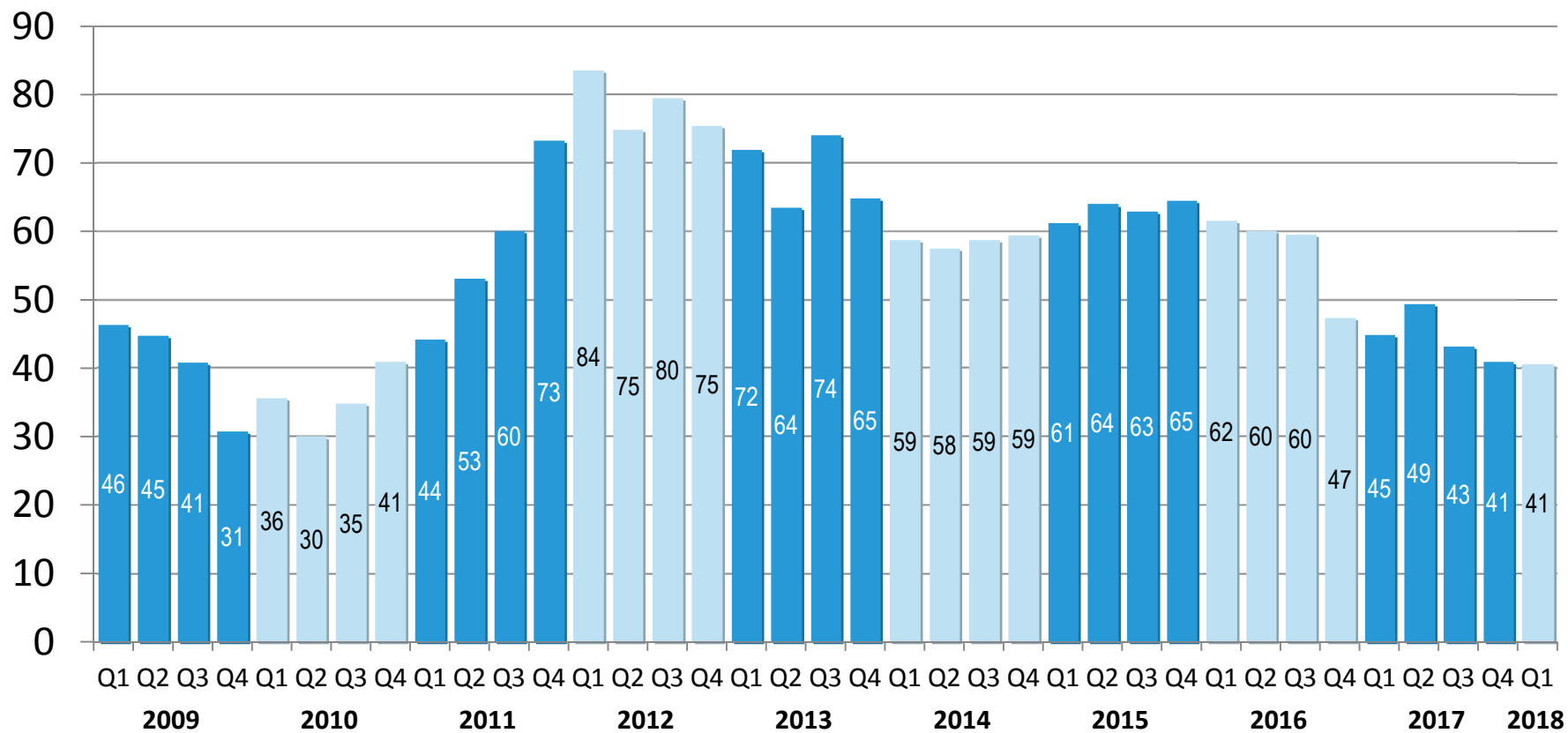
* Reduction mainly due to: repricing of PIR products in January (over 3 bps), negative market effect (1bps), asset mix (3 bps)

Quarterly Net Interest Income

€ mn

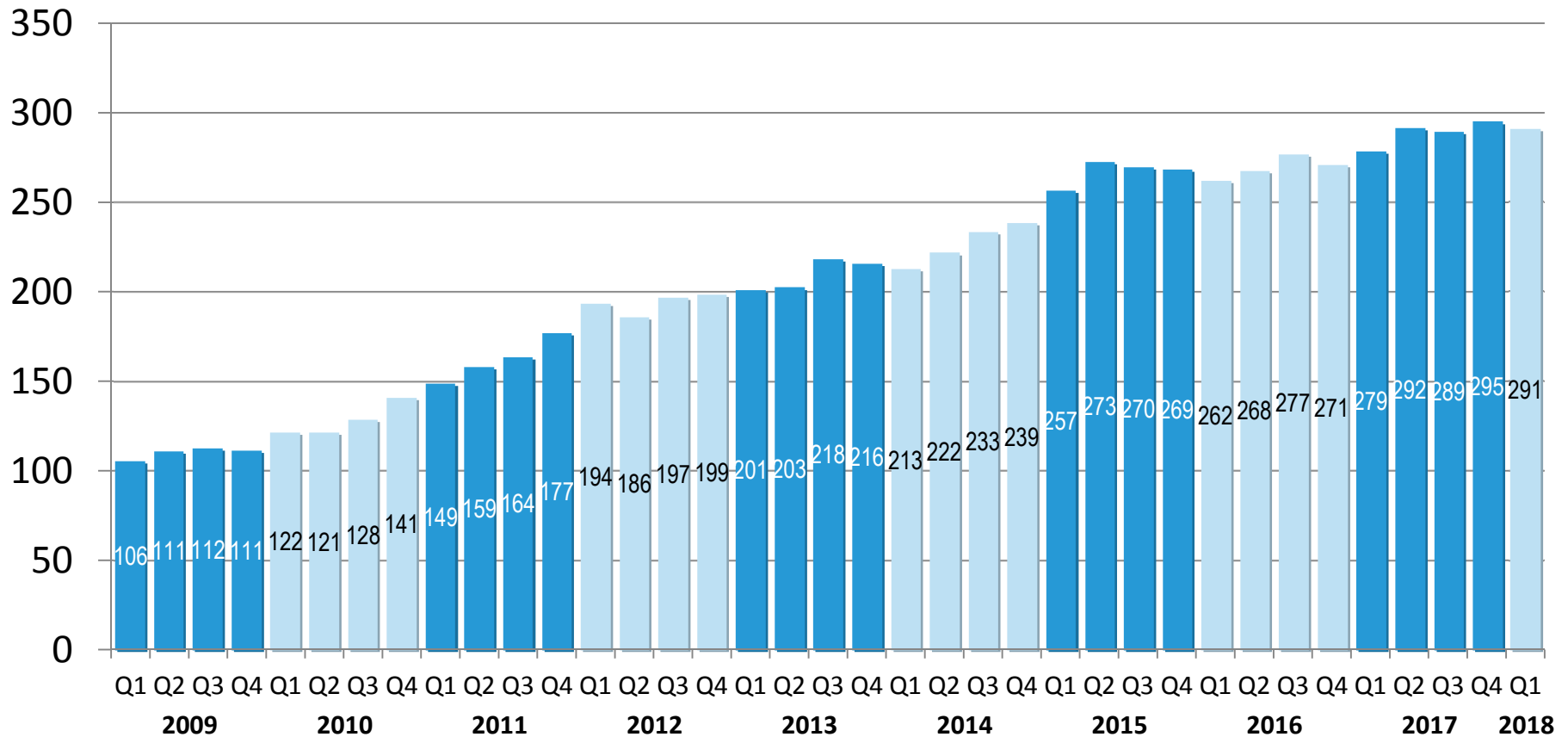


Q1 2018
Group

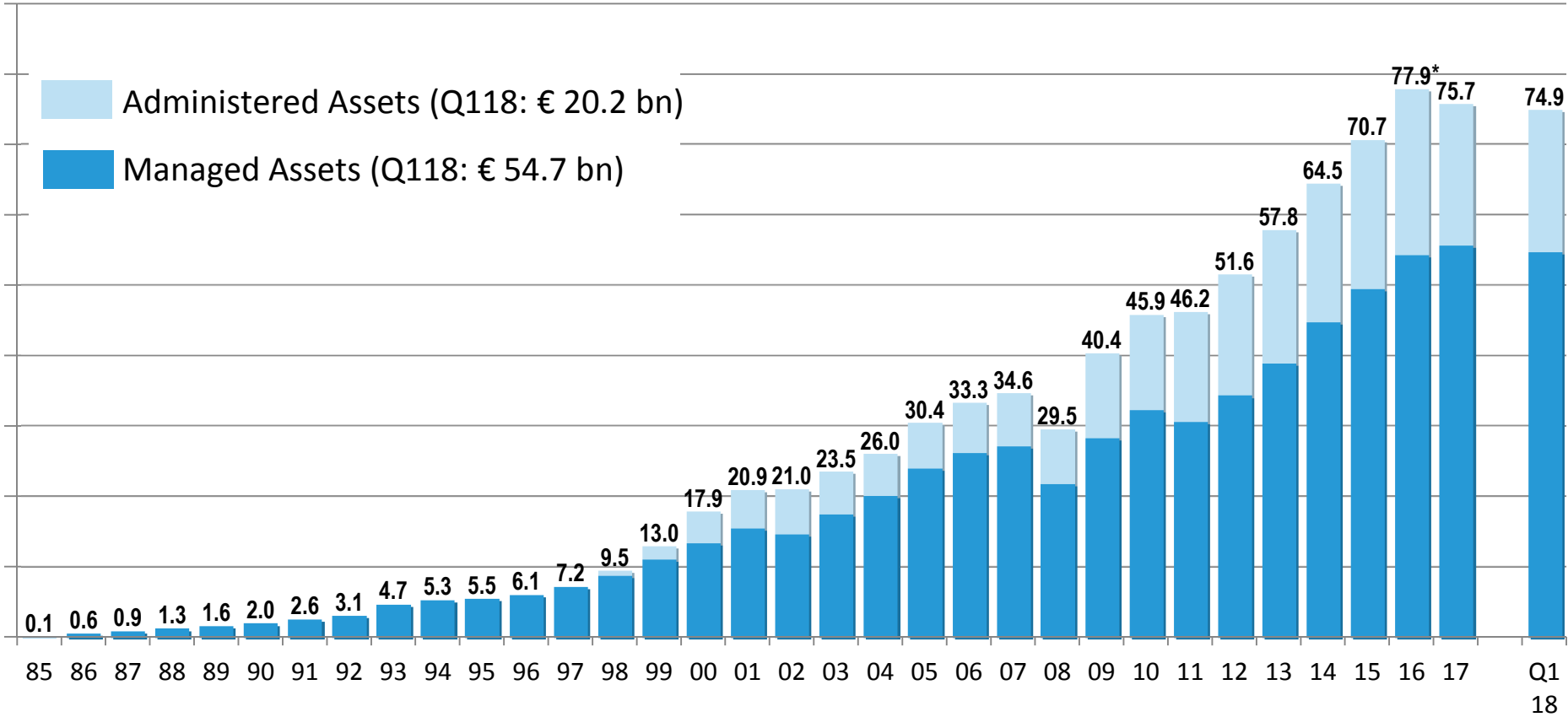


Quarterly Recurring Revenues

Commission Income from Mgmt Fees + NII (€ mn)



AUA/AUM Trend € bn



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

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Assets under Administration/Management

€ mn



Q1 2018
Group

	31/03/18	31/12/17	Change	31/03/17	Change
Mutual Funds & U-L Policies	49,074.6	50,006.8	-2%	46,000.7	+7%
'Freedom' Life Policies	181.8	183.8	-1%	236.6	-23%
Other Life Insurance products	1,425.4	1,412.4	+1%	1,514.0	-6%
Banking	18,912.8	18,805.4	+1%	18,972.2	-0%
Italy – Banca Mediolanum	69,594.5	70,408.3	-1%	66,723.4	+4%
Mutual Funds & U-L Policies	3,289.5	3,229.3	+2%	2,700.4	+22%
Other Insurance Products	65.1	105.8	-39%	165.9	-61%
Banking	1,326.7	1,326.4	+0%	1,235.4	+7%
Spain – Banco Mediolanum	4,681.2	4,661.6	+0%	4,101.8	+14%
Mutual Funds & U-L Policies	463.3	480.5	-4%	441.8	+5%
Other Insurance Products	12.5	19.3	-35%	21.2	-41%
Banking	147.3	147.6	-0%	141.9	+4%
Germany – B. A. Lenz & Gamax	623.1	647.4	-4%	605.0	+3%
TOTAL AUA/AUM	74,898.9	75,717.2	-1%	71,430.1	+5%
Italy – Banca Esperia (Mediolanum's share)	0	0	n.s.	9,582.2	n.s.
TOTAL AUA/AUM	74,898.9	75,717.2	-1%	81,012.4	-8%

	YTD '18	YTD '17
Managed Assets	+794	+1,016
<i>o/w Mutual Funds, U-L & Managed Accounts</i>	<i>+886</i>	<i>+1,154</i>
Administered Assets	+204	+192
GROUP TOTAL NET INFLOWS	+998	+1,208
Managed Assets	+645	+857
<i>o/w Mutual Funds, U-L & Managed Accounts</i>	<i>+689</i>	<i>+977</i>
Administered Assets	+203	+177
Italy – Banca Mediolanum Total Net Inflows	+848	+1,034
Managed Assets	+153	+158
<i>o/w Mutual Funds & U-L</i>	<i>+194</i>	<i>+172</i>
Administered Assets	+2	+20
Spain – Banco Mediolanum Total Net Inflows	+155	+178
Managed Assets	-4	+1
<i>o/w Mutual Funds & U-L</i>	<i>+3</i>	<i>+5</i>
Administered Assets	0	-5
Germany – B.A. Lenz & Gamax Total Net Inflows	-4	-4

Capital Adequacy

€ mn – as at 31/03/2018 – preliminary data

Q1 2018
Group

Q118

FY17

GROUP CAPITAL RATIOS

Total Capital Ratio

21.8%

22.0%

Common Equity Tier 1 Ratio**21.7%****21.9%****Total Regulatory Capital Held****2,067****2,039**

Required Capital – Banks *

767

757

Solvency Capital Requirements – Insurance companies**

691

701

Total Required Capital**1,458****1,458****EXCESS CAPITAL****609****581**

* As per SREP, BMED required capital amounts to 10.9% (minimum Total Capital Ratio) of consolidated RWA (€ 7,746 mn as at 31/03/2018), excluding stakes in insurance companies

** Q118 reconciliation reserve (part of total regulatory capital held) & solvency capital requirements are calculated according to the Solvency II framework as at 31/12/2017



Q1 2018 Domestic Market Results

	Q118	Q117	Change
Entry fees	10.9	16.8	-35%
Management fees	233.3	219.4	+6%
Net Insurance revenues ex U-L commissions	3.5	6.1	-43%
Banking service fees	17.8	16.1	+11%
Other fees	11.6	8.8	+32%
Gross Commission income	277.0	267.1	+4%
Acquisition costs	(117.5)	(118.1)	-0%
Other commission expenses	(10.8)	(10.9)	-1%
Net Commission Income	148.7	138.1	+8%
Net interest income	39.1	42.5	-8%
Equity contribution	0	0	n.s.
Net income on other investments	3.7	(2.3)	n.s.
<i>o/w Impairment on loans</i>	(6.2)	(2.9)	+112%
Other revenues	11.5	6.4	+79%
Contribution Margin	203.0	184.7	+10%
G&A expenses	(116.6)	(110.3)	+6%
Regular Contributions to Banking Industry	(4.6)	(5.4)	-16%
Amortization & Depreciation	(7.9)	(7.8)	+2%
Provisions for risks & charges	(10.5)	(10.1)	+4%
Operating Margin	63.4	51.1	+24%
Performance fees	19.7	62.7	-69%
Net income on investments at fair value	(3.1)	1.5	n.s.
Market Effects	16.6	64.3	-74%
One-off Contributions to Banking Industry	0	(6.8)	n.s.
PROFIT BEFORE TAX	80.0	108.6	-26%
Income tax	(20.1)	(25.2)	-20%
NET INCOME	59.9	83.5	-28%

Income Statement by Quarter

€ mn



Q1 2018
Domestic Market

	Q117	Q217	Q317	Q417	Q118
Entry fees	16.8	21.4	13.4	13.8	10.9
Management fees	219.4	227.0	230.6	237.6	233.3
Net Insurance revenues ex U-L commissions	6.1	5.1	2.1	3.7	3.5
Banking service fees	16.1	14.9	14.2	15.2	17.8
Other fees	8.8	9.5	9.0	9.9	11.6
Gross Commission income	267.1	277.9	269.3	280.1	277.0
Acquisition costs	(118.1)	(121.5)	(123.1)	(132.1)	(117.5)
Other commission expenses	(10.9)	(11.1)	(11.0)	(10.9)	(10.8)
Net Commission Income	138.1	145.3	135.2	137.1	148.7
Net interest income	42.5	46.9	41.9	39.4	39.1
Equity contribution	0	6.6	14.7	5.8	0
Net income on other investments	(2.3)	(2.2)	(3.1)	1.5	3.7
<i>o/w Impairment on loans</i>	(2.9)	(4.4)	(1.1)	(2.2)	(6.2)
Other revenues	6.4	6.8	5.0	6.1	11.5
Contribution Margin	184.7	203.4	193.6	189.9	203.0
G&A expenses	(110.3)	(118.0)	(104.6)	(118.9)	(116.6)
Regular Contributions to Banking Industry	(5.4)	0	(8.9)	0.2	(4.6)
Amortization & Depreciation	(7.8)	(8.2)	(8.7)	(8.6)	(7.9)
Provisions for risks & charges	(10.1)	(11.8)	(11.0)	(21.1)	(10.5)
Operating Margin	51.1	65.4	60.3	41.4	63.4
Performance fees	62.7	20.1	34.7	83.3	19.7
Net income on investments at fair value	1.5	6.7	1.1	(0.5)	(3.1)
Market Effects	64.3	26.8	35.8	82.9	16.6
Capital Gains	0	41.6	0	2.1	0
One-off Contributions to Banking Industry	(6.8)	(18.2)	(9.8)	(1.2)	0
One-offs	(6.8)	23.3	(9.8)	0.9	0
PROFIT BEFORE TAX	108.6	115.6	86.3	125.2	80.0
Income tax	(25.2)	(5.1)	(4.3)	(27.6)	(20.1)
NET INCOME	83.5	110.5	82.1	97.6	59.9

17 Acquisition Costs in detail

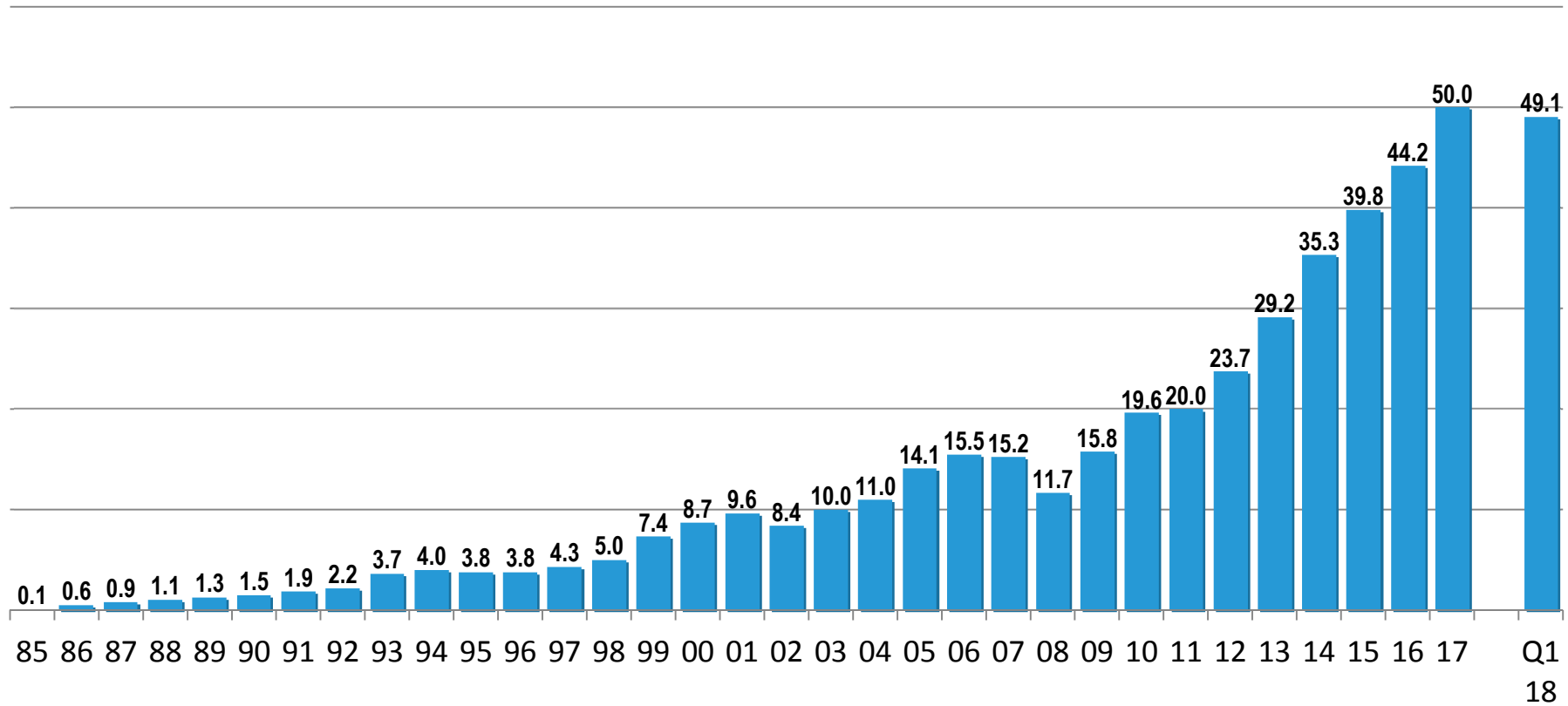
€ mn

 Q1 2018
Domestic Market

	Q118	Q117	Change
One-time commissions	15.8	19.5	-19%
Ongoing commissions	81.8	76.0	+8%
Total commissions	97.5	95.5	+2%
Incentives on individual net inflows	8.2	9.8	-16%
Contests & bonuses	2.3	2.8	-18%
Reimbursement of costs for customer events	1.5	3.5	-58%
Total incentives & bonuses	12.0	16.0	-25%
Costs related to the agency agreement	4.7	6.5	-28%
EuroCQS Agent Commissions	3.4	0	n.s.
TOTAL ACQUISITION COSTS	117.5	118.1	-0%

Mutual Funds AUM Trend

€ bn – including U-L assets



Mutual Funds Assets under Management

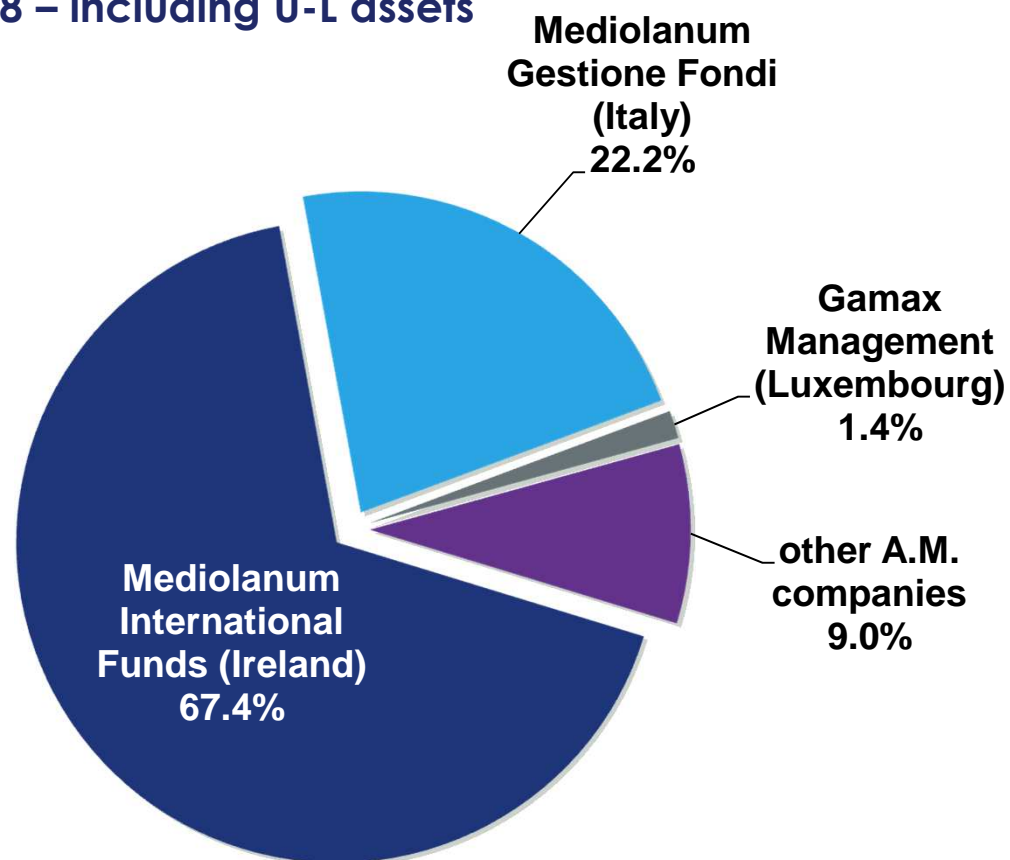
€ mn



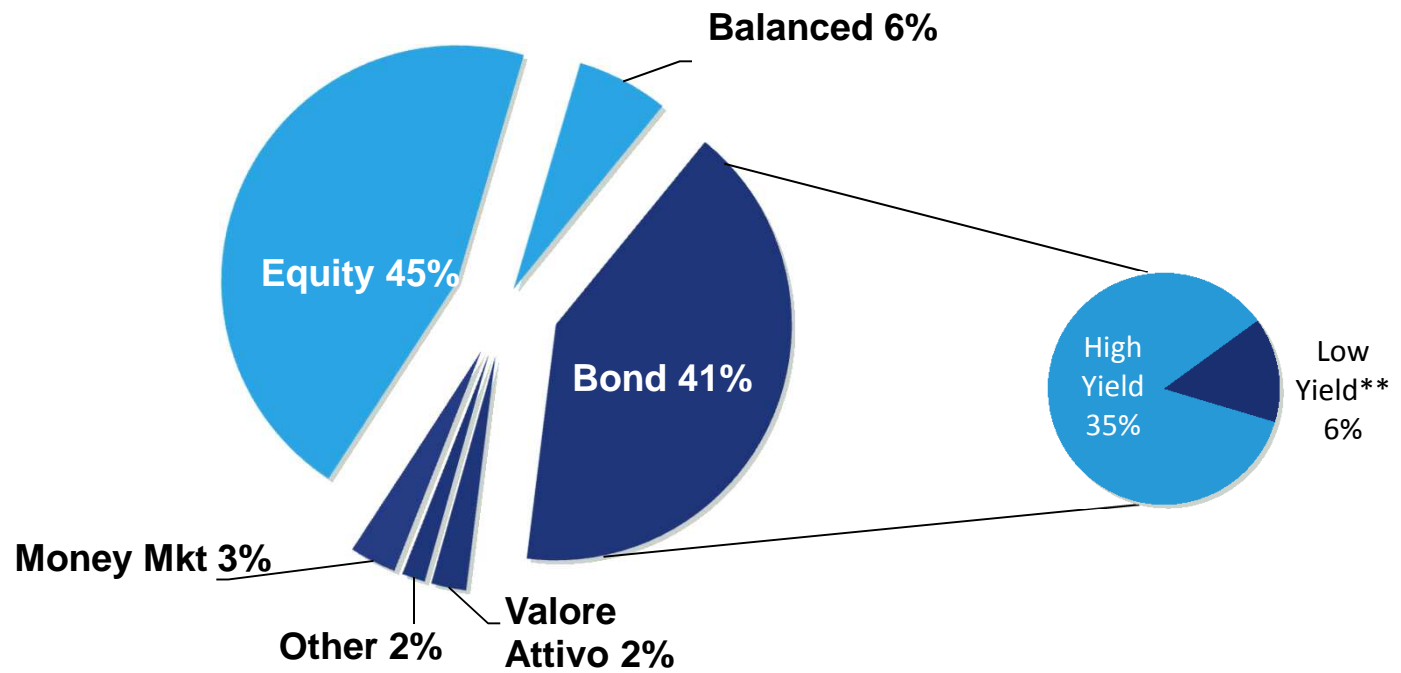
Q1 2018
Domestic Market

	31/03/18	31/12/17	Change	31/03/17	Change
'Best Brands' funds of funds (IRL)	18,848.6	19,655.4	-4%	19,346.6	-3%
'Portfolio' funds of funds (IRL)	233.1	316.7	-26%	345.3	-32%
'Challenge' mutual funds (IRL)	13,613.3	14,294.2	-5%	14,347.2	-5%
Funds of Hedge Funds (IRL)	64.0	64.2	-0%	83.8	-24%
'Fondi Italia' mutual funds (ITA)	10,091.8	9,953.0	+1%	7,893.1	+28%
'Real estate' fund (ITA)	313.0	304.9	+3%	307.9	+2%
3rd-party stand-alone funds	2,600.8	2,409.3	+8%	1,489.1	+75%
Other	1,106.8	1,037.4	+7%	852.5	+30%
<i>Adj. for own mutual funds in FoFs & Managed accts.</i>	<i>(349.3)</i>	<i>(402.5)</i>	<i>-13%</i>	<i>(428.3)</i>	<i>-18%</i>
'MyLife' U-L policy	5,409.4	5,312.1	+2%	4,584.2	+18%
Other U-L policies	12,684.7	13,097.2	-3%	12,597.4	+1%
<i>Adj. for own mutual funds in U-L policies</i>	<i>(15,541.6)</i>	<i>(16,035.1)</i>	<i>-3%</i>	<i>(15,418.2)</i>	<i>+1%</i>
ASSETS IN MUTUAL FUNDS & U-L	49,074.6	50,006.8	-2%	46,000.7	+7%

Mutual Funds Assets by A.M. company as at 31/03/2018 – including U-L assets



Mutual Funds Assets* by category as at 31/03/2018 – including U-L assets



* Flexible funds are classified according to their equivalent risk level

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

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Banking Assets under Administration € mn



Q1 2018
Domestic Market

	31/03/18	31/12/17	Change	31/03/17	Change
Cash Deposits	15,656.0	15,518.1	+1%	15,636.8	+0%
Repurchase agreements	44.8	41.4	+8%	22.5	+99%
Mediolanum bonds	67.9	80.2	-15%	103.7	-35%
3rd-party structured bonds	398.1	444.4	-10%	554.5	-28%
Other securities	2,746.0	2,721.4	+1%	2,654.7	+3%
BANKING ADMINISTERED ASSETS	18,912.8	18,805.4	+1%	18,972.2	-0%

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Banking Lending

€ mn



Q1 2018
Domestic Market

	Nominal Interest Rate	31/03/2018	31/03/2017	Change
Mortgages	1.38%	281	206	+36%
Personal & Commercial Loans	3.25%	125	117	+8%
EuroCQS	3.56%*	49	-	n.a.
Total		456	323	+41%
3rd-party loans	n.s.	6	8	-25%

* 5.98% gross of costs expensed in N.I.I.

Banking Credit Quality

€ mn – as at 31/03/2018

m Q1 2018
Domestic Market

	31/03/18	31/12/17	Change	31/03/17	Change
Mortgages	5,855	5,713	+2%	5,271	+11%
Personal & Commercial Loans	1,452	1,445	+0%	1,274	+14%
Lines of credit	281	276	+2%	363	-23%
Total Loan Book	7,588	7,435	+2%	6,908	+10%

% on total loans

	B.Mediolanum	Italian Banks*
Gross non-performing Loans	1.52%	13.5% as at 31/12/2017
Net non-performing Loans	0.77%	7.5% as at 31/12/2017

* Source: Bank of Italy – ‘Banks and Financial Institutions: Credit Conditions and Risk by Sector and Geographical Area - quarter 4 2017’ & ‘Financial Stability Report No. 1 2018’

Q118

FY17

Mortgage Portfolio

Total Value	5,855	5,713
Average rate	1.71%	1.79%
Average initial LTV	57%	57%

New Business

Total amount granted	281	1,038
Average rate	1.38%	1.39%
Average amount granted	140	138
Average initial LTV	63%	59%



	Q118	FY17
Total Cost of Funding	0.24%	0.31%
Retail Cost of Funding	0.31%	0.34%
Total Interest Income	0.97%	1.11%
Retail Interest Income	1.96%	2.05%
TOTAL SPREAD	0.73%	0.80%
<u>Spread on Retail</u>	<u>1.65%</u>	<u>1.71%</u>

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Balance Sheet Highlights

€ mn – as at 31/03/2018

Q1 2018
Domestic Market

	Liabilities	Assets
Retail	15,851	7,588
Treasury	6,396	15,010
o/w interbank / intra-group deposits & repos	1,498	592
o/w ECB refinancing	0	0
o/w MTS refinancing	4,899	604
o/w securities (bonds)		13,813
Other liabilities / assets	2,942	2,592
TOTAL	25,190	25,190

Operating Liquidity (24hr) : € 9,714 mn

Mediolanum Group Bond Portfolio

€ mn – as at 31/03/2018

	Mediolanum Group		Banca Mediolanum		Mediolanum Vita	
	Book value	AD	Book Value	AD	Book Value	AD
Italian Govies	15,745	1.0	14,535	0.8	1,077	3.6
Italian Financials	462	2.5	245	1.3	205	3.9
Spanish Govies	485	1.3	470	1.3	15	2.6
Spanish Financials	4	6.0	0	0.0	3	6.9
Core Europe Govies*	-300	1.6	-300	1.6	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	93	0.7	81	0.2	9	5.1
Other Corporate	36	2.5	0	0.0	28	2.0
Other ABS	2	4.8	2	4.8	0	0.0
TOTAL	16,527	1.0	15,033	0.8	1,337	3.6

AD = average duration weighted by absolute nominal value

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

Insurance Life – Policyholders' Assets

€ mn



Q1 2018
Domestic Market

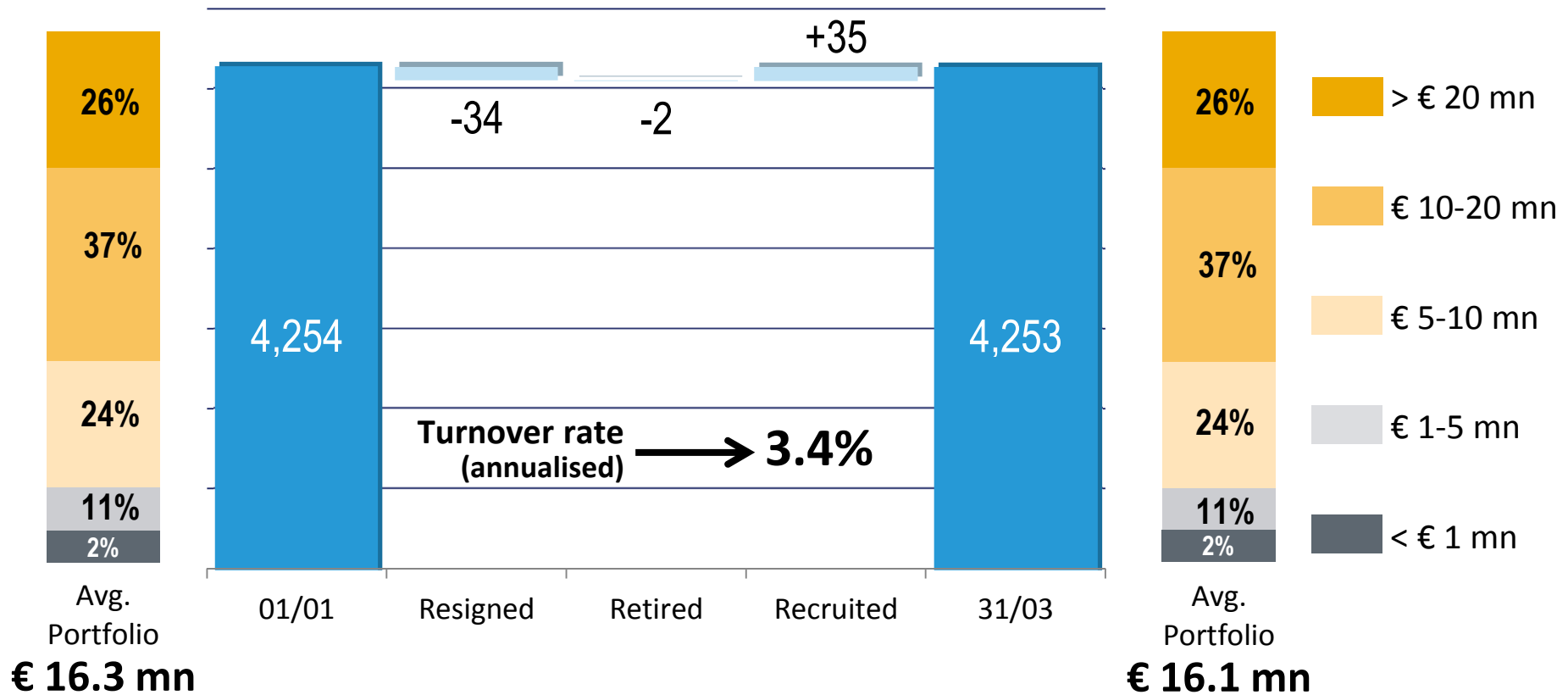
	31/03/18	31/12/17	Change	31/03/17	Change
Traditional	1,425.4	1,412.4	+1%	1,363.8	+5%
Index-linked	0	0	n.s.	150.2	n.s.
Unit-linked pension plans	6,042.0	6,267.6	-4%	6,059.3	-0%
Unit-linked endowment policies	3,606.0	3,788.0	-5%	3,862.4	-7%
Unit-linked investment policies	8,446.2	8,353.7	+1%	7,259.9	+16%
Unit-linked	18,094.2	18,409.3	-2%	17,181.6	+5%
<i>o/w equity</i>	<i>57.7%</i>	<i>59.6%</i>	<i>-3%</i>	<i>61.0%</i>	<i>-5%</i>
LIFE ASSETS (EX-'FREEDOM')	19,519.6	19,821.7	-2%	18,695.6	+4%
'Freedom' Life policies	181.8	183.8	-1%	236.6	-23%

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Insurance Non-Life - Gross Premiums Written € mn

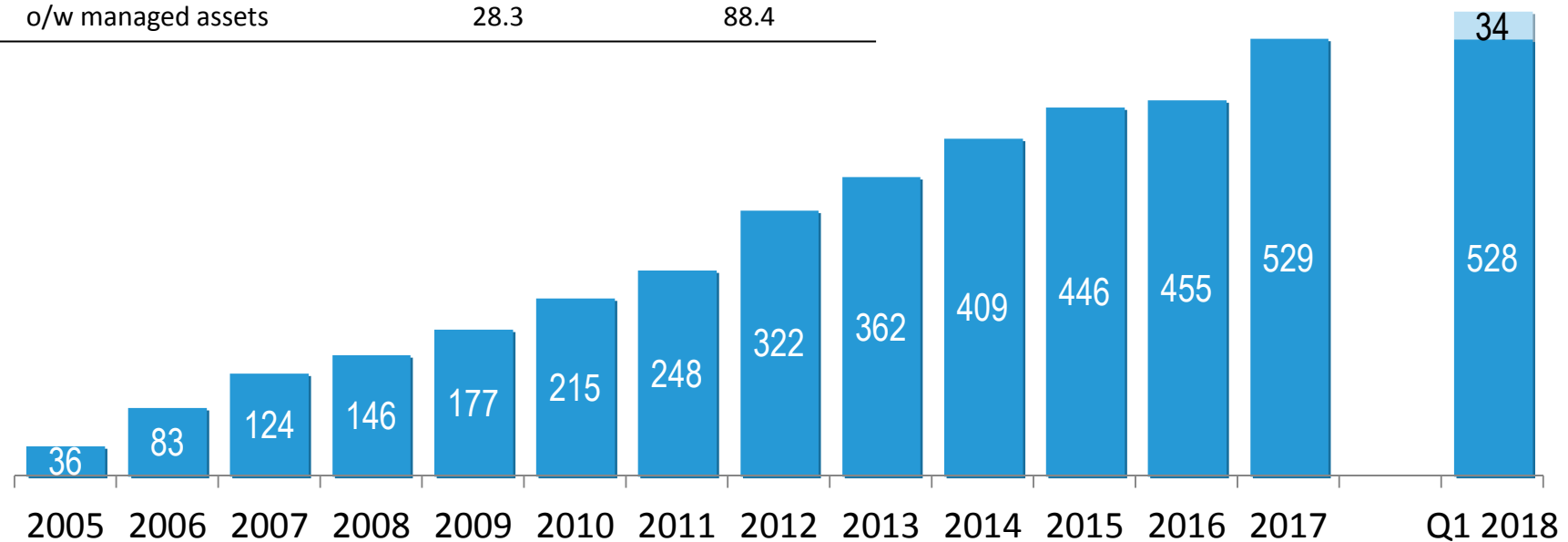
Q1 2018
Domestic Market

	Q118	Q117	Change
New Business	1.4	1.2	+14%
In-Force Business	7.3	6.5	+13%
Stand-Alone Policies	8.7	7.7	+13%
Loan Protection Policies	9.9	6.9	+43%
NON-LIFE – GROSS PREMIUMS WRITTEN	18.6	14.6	+27%



Focus on 'Private Bankers' and 'Wealth Advisors'* as at 31/03/2018

	Private Bankers (over € 25 mn AUM)	Wealth Advisors (over € 60 mn AUM)
Average assets in portfolio	37.7	120.1
o/w managed assets	28.3	88.4



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



Q1 2018 Foreign Markets Results

	Q118	Q117	Change	vs.FY17
Net Income	2.7	3.8	-29%	
Managed Assets	3,354.5	2,866.4	+17%	+1%
Administered Assets	1,326.7	1,235.4	+7%	+0%
Total Assets	4,681.2	4,101.8	+14%	+0%
Gross Inflows into Managed Assets	490.3	350.4	+40%	
Net Inflows into Managed Assets	+153.1	+158.2	-3%	
Net Inflows into Administered Assets	+1.5	+19.8	-92%	
Total Net Inflows	+154.7	+177.9	-13%	
Family Bankers (Mediolanum model)	913	848	+8%	+1%
Traditional agents	30	33	-9%	-3%
Total Sales Network	943	881	+7%	+1%
Total Customers	119,574	112,108	+7%	+2%

35

Germany – Total Highlights

€ mn

 Q1 2018
Foreign Markets

	Q118	Q117	Change	vs.FY17
Net Income	(3.1)	(2.4)	+27%	
Managed Assets	475.8	463.0	+3%	-5%
Administered Assets	147.3	141.9	+4%	-0%
Total Assets	623.1	605.0	+3%	-4%
Gross Inflows into Managed Assets	23.9	15.9	+51%	
Net Inflows into Managed Assets	-4.1	+0.6	n.s.	
Net Inflows into Administered Assets	-0.3	-5.0	-95%	
Total Net Inflows	-4.3	-4.4	-1%	
Total Sales Network	53	50	+6%	+8%
Total Customers	5,781	5,444	+6%	+1%

	Q118	Q117	Change	vs.FY17
Net Income	(3.7)	(3.2)	+19%	
Managed Assets	276.2	263.2	+5%	-5%
Administered Assets	147.3	141.9	+4%	-0%
Total Assets	423.5	405.2	+5%	-3%
Gross Inflows into Managed Assets	17.7	14.3	+24%	
Net Inflows into Managed Assets	-2.9	+2.9	n.s.	
Net Inflows into Administered Assets	-0.3	-5.0	-95%	
Total Net Inflows	-3.2	-2.1	+52%	
Total Sales Network	53	50	+6%	+8%
Total Customers	5,781	5,444	+6%	+1%

37

Germany – Gamax Highlights

€ mn



Q1 2018
Foreign Markets

	Q118	Q117	Change	vs.FY17
Net Income	0.6	0.7	-10%	
Assets under Management	199.6	199.8	-0%	-5%
Gross Inflows	6.2	1.6	+282%	
Net Inflows	-1.1	-2.3	-51%	



Business Update

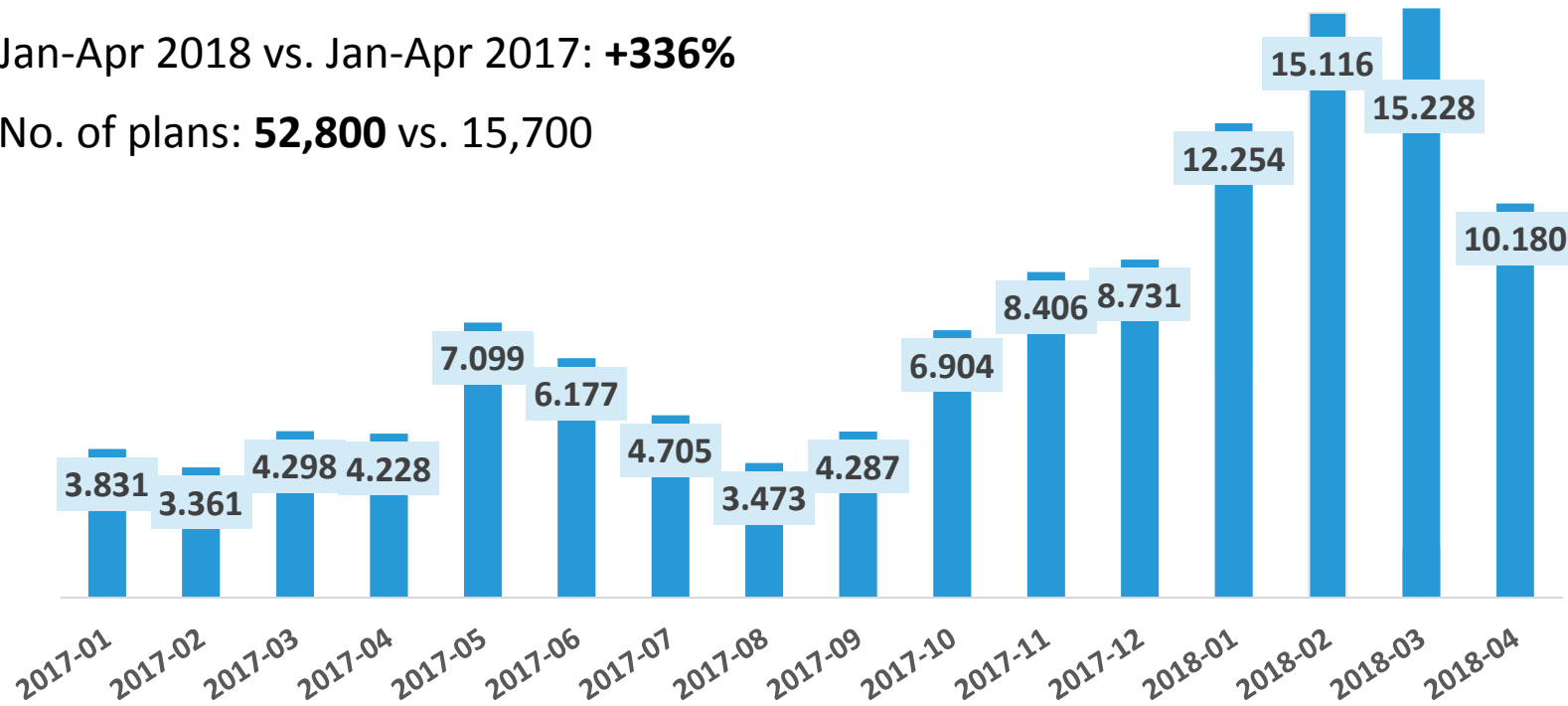
	Apr '18	YTD '18	YTD '17
Managed Assets	+269	+1,063	+1,561
<i>o/w Mutual Funds, U-L & Managed Accounts</i>	<i>+268</i>	<i>+1,154</i>	<i>+1,768</i>
Administered Assets	+131	+335	+135
GROUP TOTAL NET INFLOWS	+400	+1,398	+1,696
Managed Assets	+223	+868	+1,351
<i>o/w Mutual Funds, U-L & Managed Accounts</i>	<i>+222</i>	<i>+910</i>	<i>+1,535</i>
Administered Assets	+133	+336	+123
Italy – Banca Mediolanum Total Net Inflows	+356	+1,203	+1,474
Managed Assets	+44	+197	+208
<i>o/w Mutual Funds & U-L</i>	<i>+45</i>	<i>+239</i>	<i>+228</i>
Administered Assets	-4	-2	+11
Spain – Banco Mediolanum Total Net Inflows	+41	+195	+219
Managed Assets	+2	-2	+2
<i>o/w Mutual Funds & U-L</i>	<i>+2</i>	<i>+5</i>	<i>+6</i>
Administered Assets	+2	+1	-7
Germany – B.A. Lenz & Gamax Total Net Inflows	+4	-1	-6

Activation of Instalment Plans

existing & new contracts

Jan-Apr 2018 vs. Jan-Apr 2017: **+336%**

No. of plans: **52,800** vs. 15,700



Instalment Plan Monthly Activation

PIR – Piani Individuali di Risparmio launched March 2017

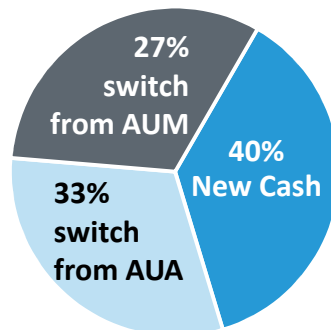


- ▶ Individual Savings Plans introduced by **2017 Budget Law** (inspired by UK ISA & French PEA)
- ▶ **Tax exemptions of Capital Gains & Inheritance taxes**
 - on up to **€30k investment/year** (max **€150k in total**)
 - required **min. 5-year** investment period
- ▶ Only **1 PIR per person**. Benefits 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

2017 Inflows: € 2.4 bn

Market Share: 22%*

Jan-Apr '18 Inflows: € 367 mn



* Calculated on 2017 Total PIR Inflows of € 10.9 bn. Source: Assogestioni

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

**To assist SME entrepreneurs (both customers & prospects)
with corporate finance needs in order to grow their business**

- ▶ **Financial advisory services**, such as general financial health check-ups, M&A consulting, corporate sales, access to private equity funding, bond issuing, advisory role for potential IPO on the AIM/STAR exchanges
- ▶ **NOMAD** (Nominated Advisor) certified by June 2018
- ▶ **Partnership agreements** with selected Italian Investment Banks for downstream activities, such as **direct placement**
- ▶ BMED IB exploits our widespread presence all over Italy, proximity to & knowledge of the SME customer
- ▶ Provides **leverage & prestige** to our Family Bankers **to strengthen the relationship** with these customers
- ▶ **Instrumental to our core business** of asset gathering.
Ultimate objective: to have access to & manage entrepreneurs' assets
- ▶ **Team of 10 people** with complementary skills

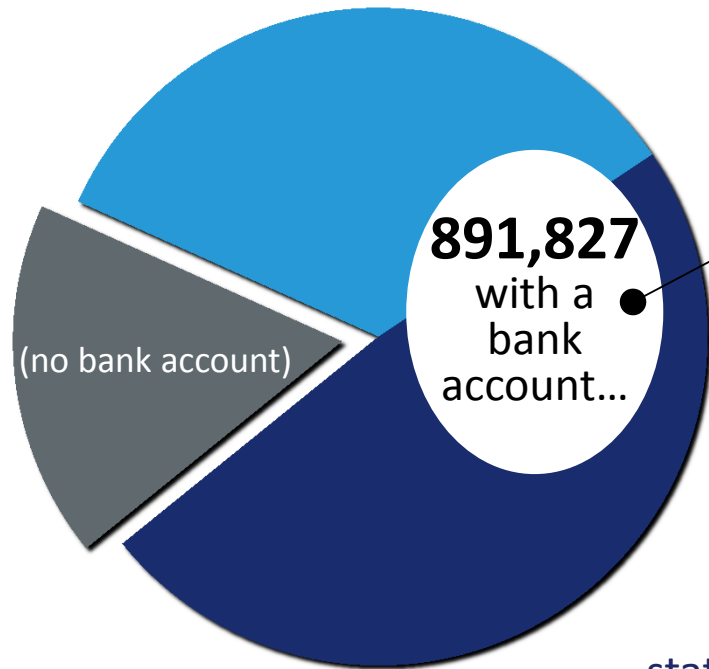
- ▶ **Healthy-margin, low-risk business**
- ▶ Salary-backed loans designed for individuals with few or no assets
- ▶ Involve an agreement between the bank, the customer & the employer
- ▶ 85% of the market consist of state employees (incl. teachers) & retirees on a pension
- ▶ Monthly loan payments deducted directly from the paycheck for up to 1/5 of the salary
- ▶ Mandatory-by-law insurance policy attached to the loan covers the risk of job loss or company bankruptcy



- ▶ 10 years in the Industry, acquired by Banca Mediolanum in **December 2017**
- ▶ Will operate separately & **keep EuroCCQS name** to avoid brand confusion
- ▶ Network of **50 agents + 40 in back office**
- ▶ Highly skilled in delivering the product, excellent track record overall
- ▶ **3-year target: €1 bn book** by EOY 2020, also through development of agent network & agreements with other distributors
- ▶ Will add significantly to our N.I.I. starting in 2019

Banca Mediolanum Customer Behaviour as at 31/03/2018

1,044,256 primary account holders:



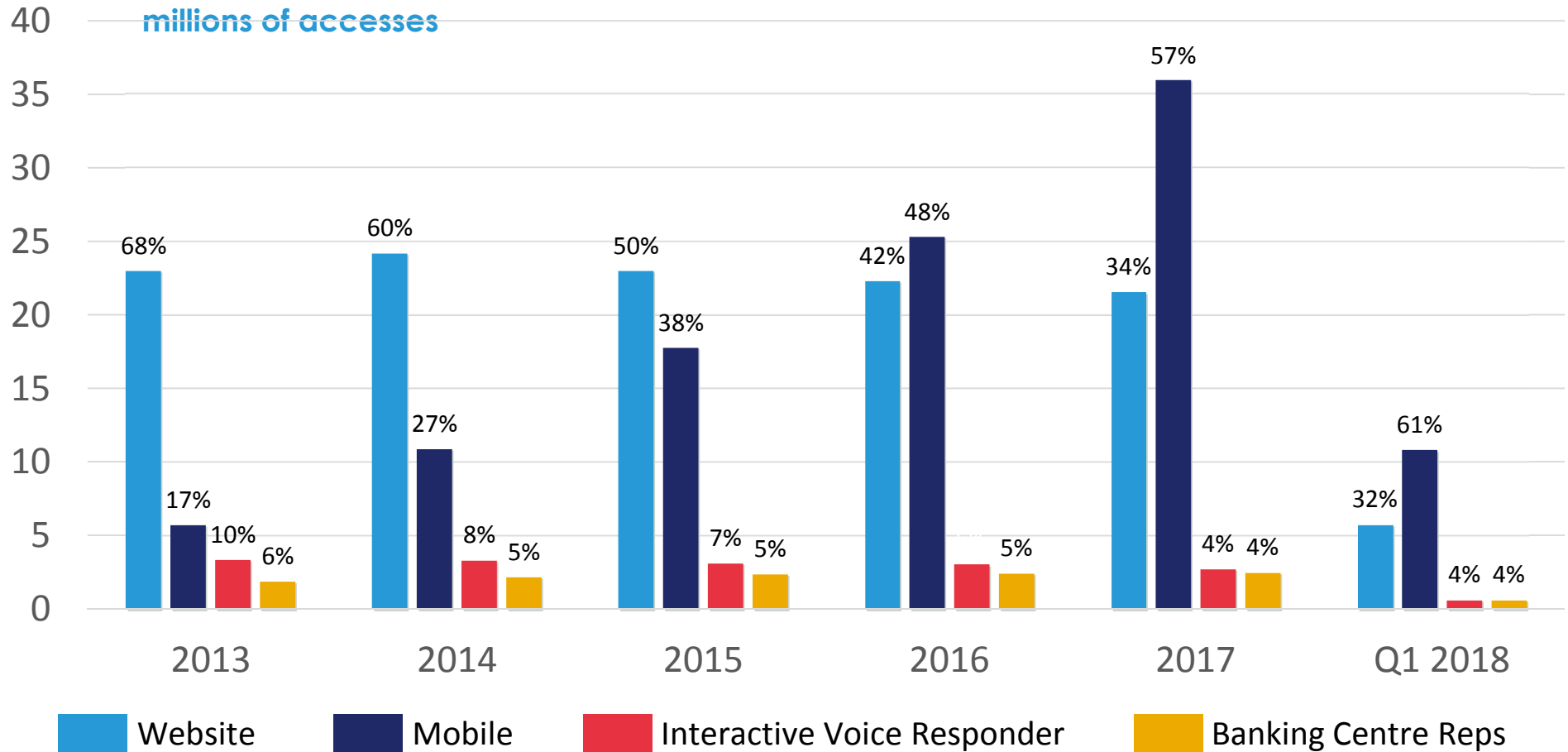
...61% of which use Mediolanum as their primary banking institution

540,003 vs. 531,655 as at 31/12/2017

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

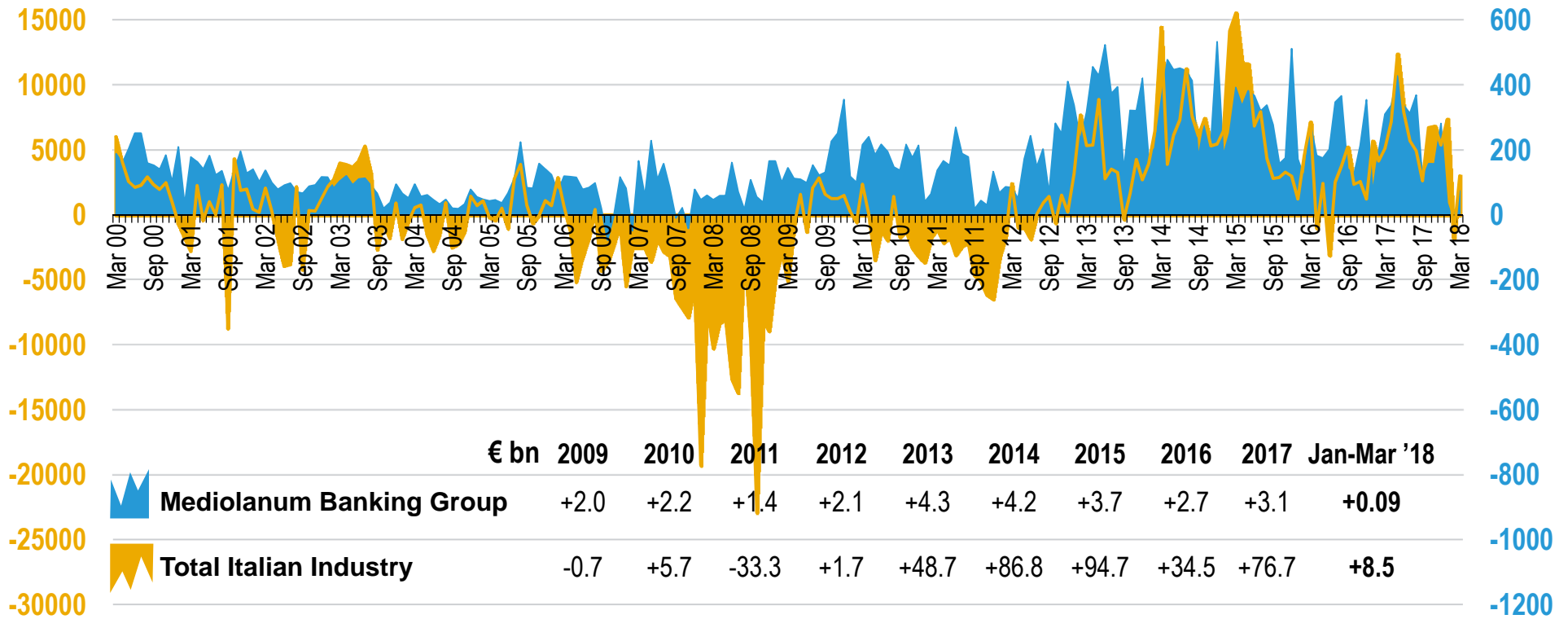
Banca Mediolanum Direct Channel Accesses

millions of accesses



Net Inflows into Mutual Funds*

€ mn



* 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

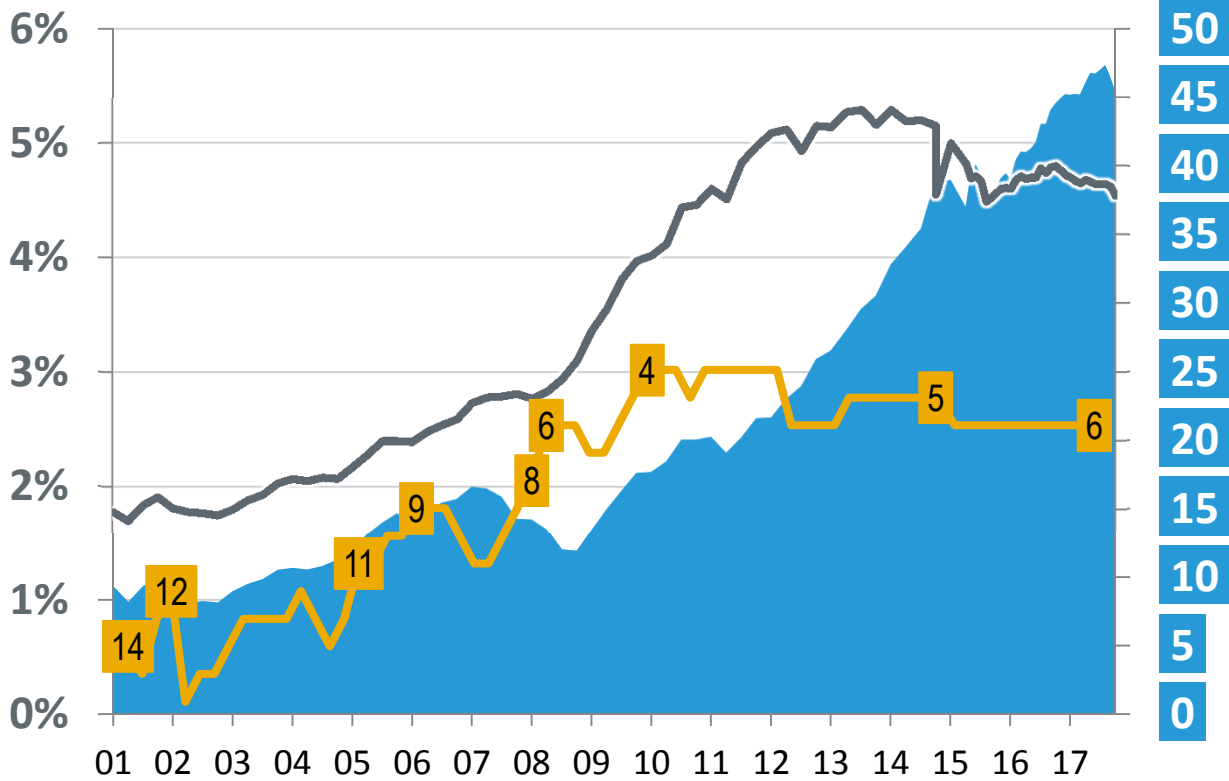


	Jan-Mar 2018		
	Mutual Funds*	Managed Assets	Total Net Inflows
Banca Fideuram (incl. Sanpaolo)	1,356,259	1,586,891	2,423,549
Banca Mediolanum	676,732	672,461	855,823
Allianz Bank	612,874	607,967	872,257
Banca Generali	383,584	1,011,302	1,573,927
Fincobank	243,832	725,136	1,529,702
Azimut	198,840	299,392	377,518
BNP Paribas	100,849	173,801	291,461
UBI (IW Bank)	17,564	- 5,558	118,423
Consultinvest	16,185	22,317	21,064
Deutsche Bank (Finanza & Futuro)	- 26,251	94,453	309,411
Monte dei Paschi di Siena (Widiba)	- 57,305	- 58,539	107,449
Credem	- 102,777	- 101,018	- 101,857

*including those underlying Unit-Linked policies & Managed Accounts

source: Assoreti

Mutual Funds AUM
BMED Market Share, Assets, Rank



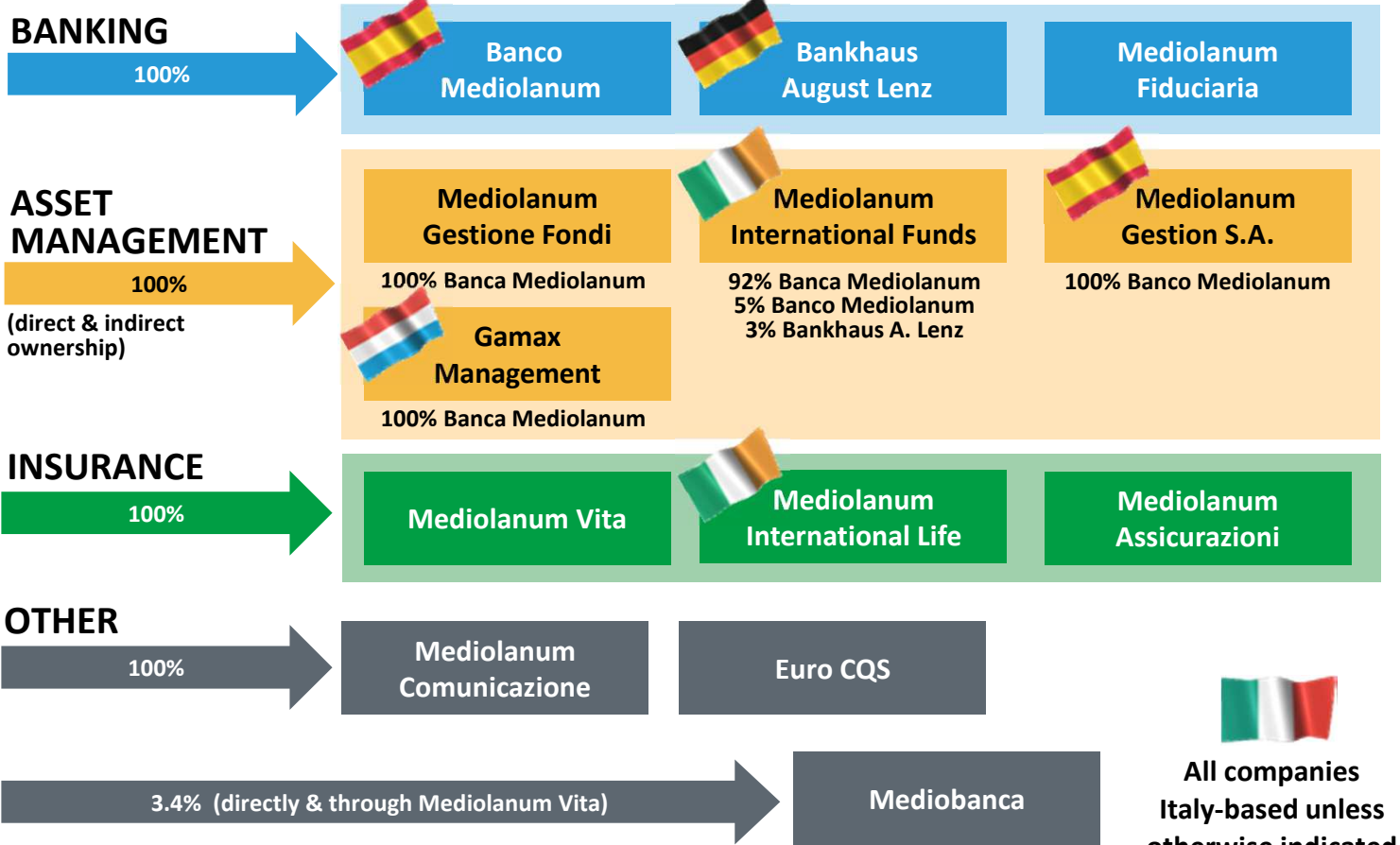
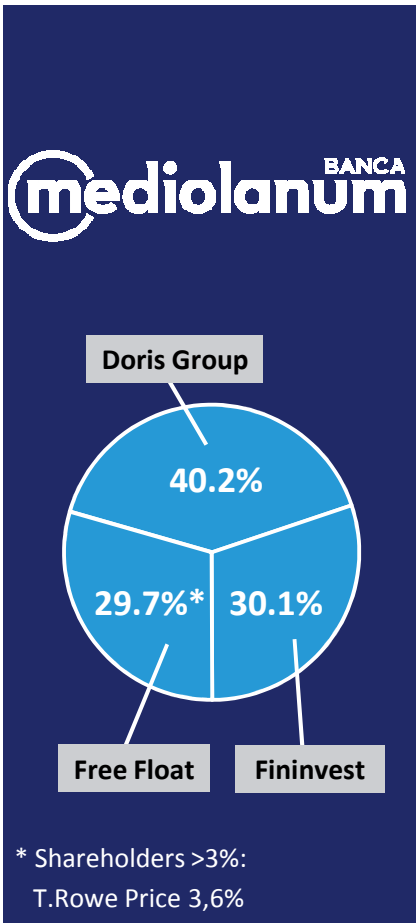
Market Share – Mar 2018

Intesa Sanpaolo	20.1%
Amundi	12.0%
Anima	8.0%
Generali	7.8%
Blackrock	6.7%
6 Mediolanum	4.5%
JP Morgan	3.5%
Azimut	3.2%
UBI Banca	3.2%
Arca	2.8%
Invesco	2.7%
Pictet	2.4%
Fidelity	2.3%
M&G Investments	2.2%
Schroders	2.0%

source: Assogestioni monthly reports

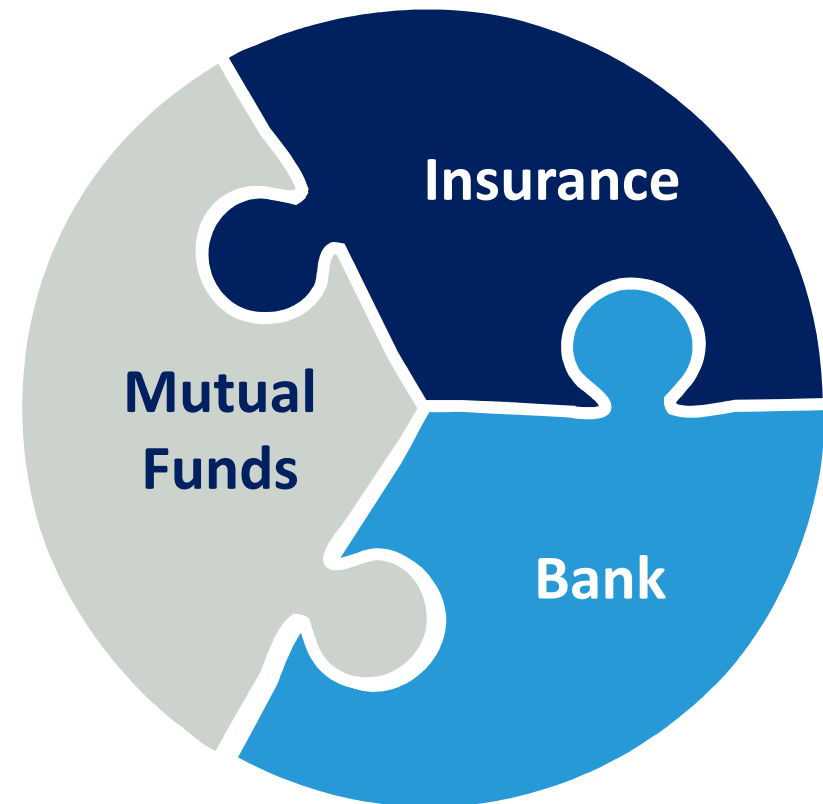


Mediolanum Facts



 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 Multi-channel Model



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



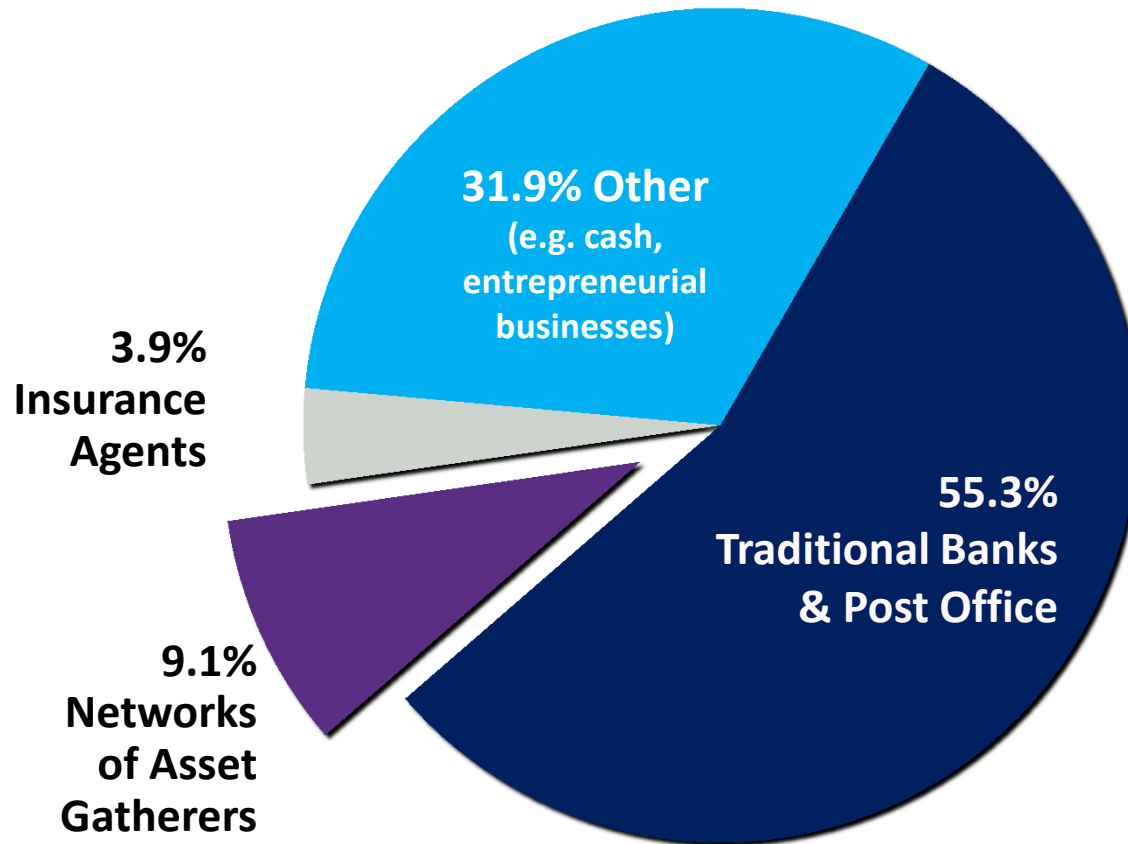
Synergy, not competition, between human and direct channels



Customers: freedom in banking

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

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



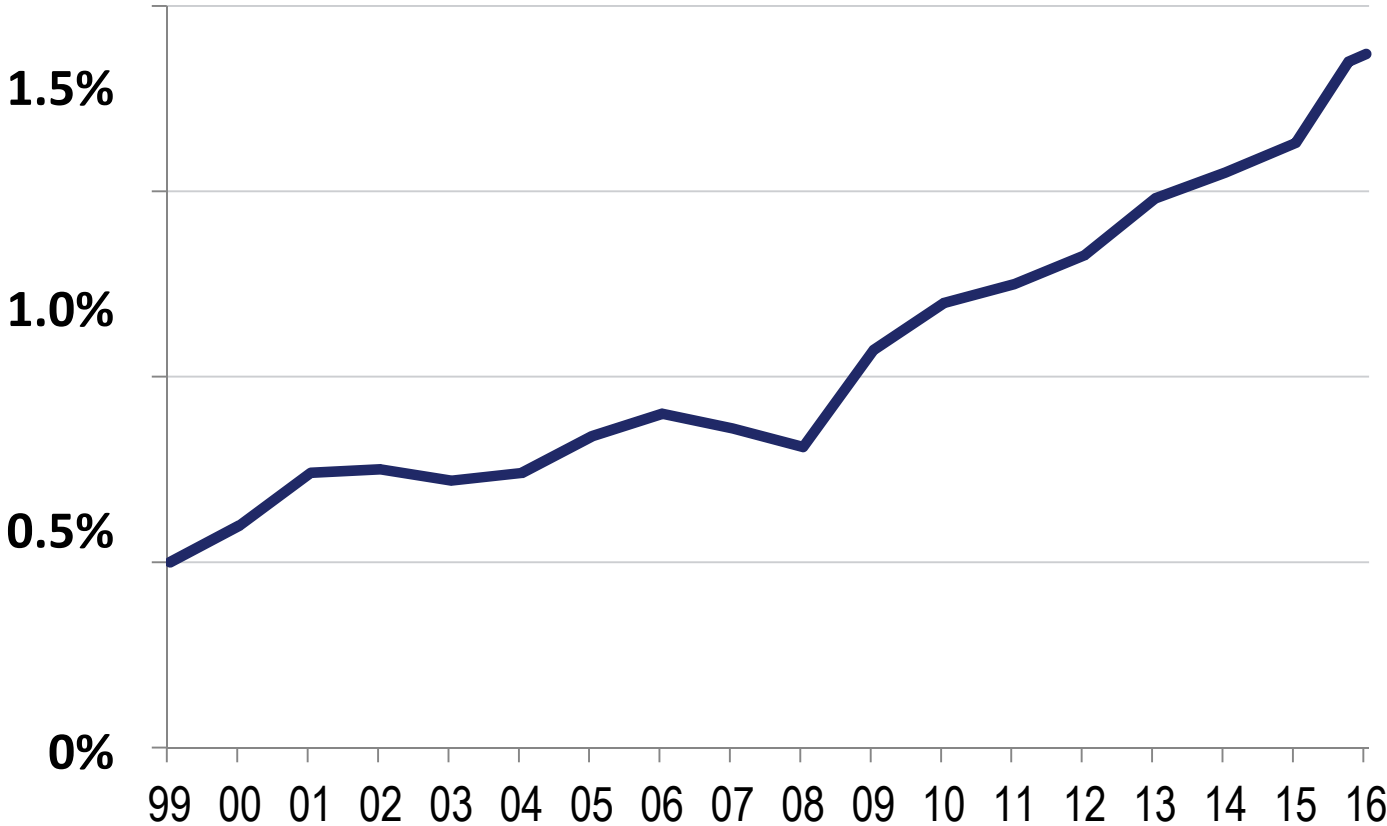
Network of Asset Gatherers

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

ROE**20.2%**

10 Y avg. 2008- 2017

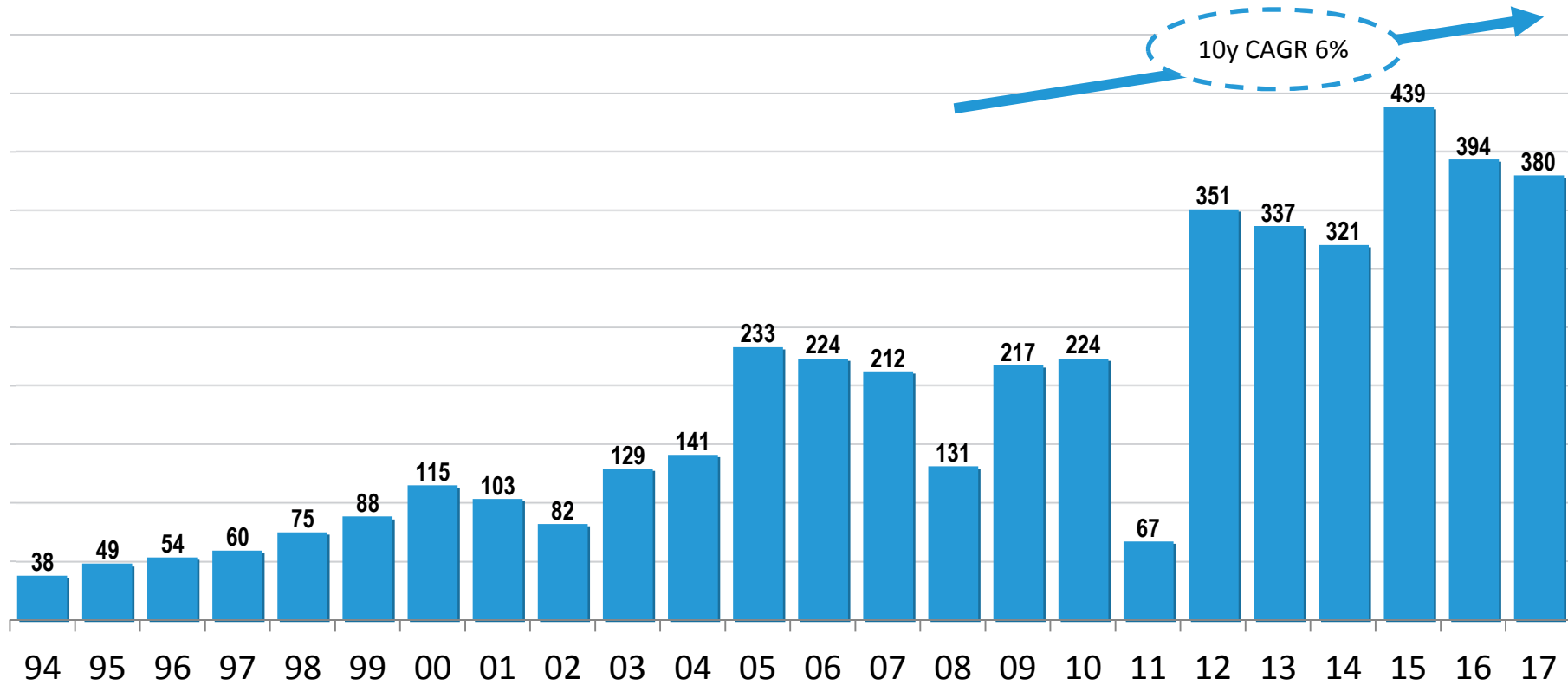
CET1**21.7%****Retail Deposits****€ 15.7 bn****Retail Credit Book****€ 7.4 bn****% Gross NPLs****1.56%**

vs 14.2% Italian Banks*

% Net NPLs**0.81%**

vs 8.4% Italian Banks*

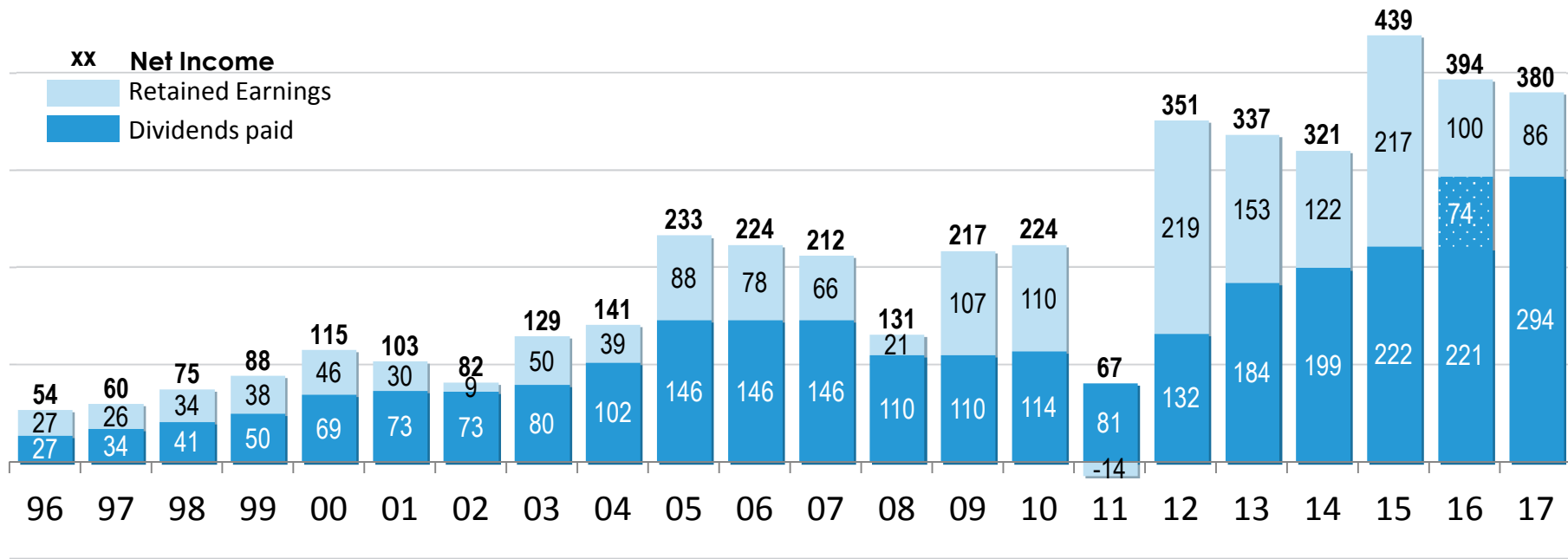
* Source: Bank of Italy – 'Banks and Financial Institutions: Credit Conditions and Risk by Sector and Geographical Area - quarter 3 2017' & 'Financial Stability Report No. 2 2017'



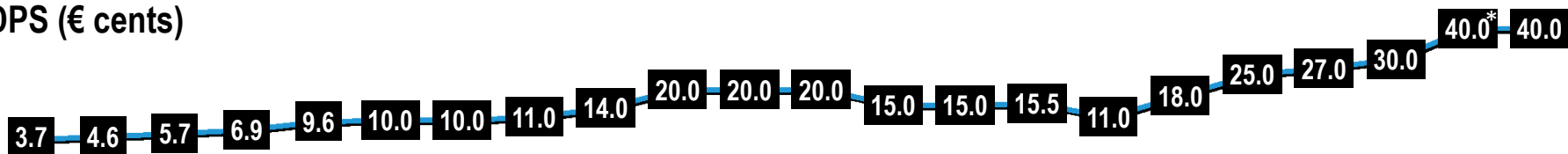
2008 & 2010: adjusted net income excluding effects of 'Lehman Brothers' operation

Dividend Payout

Mediolanum S.p.A. + Banca Mediolanum S.p.A. (€ mn)



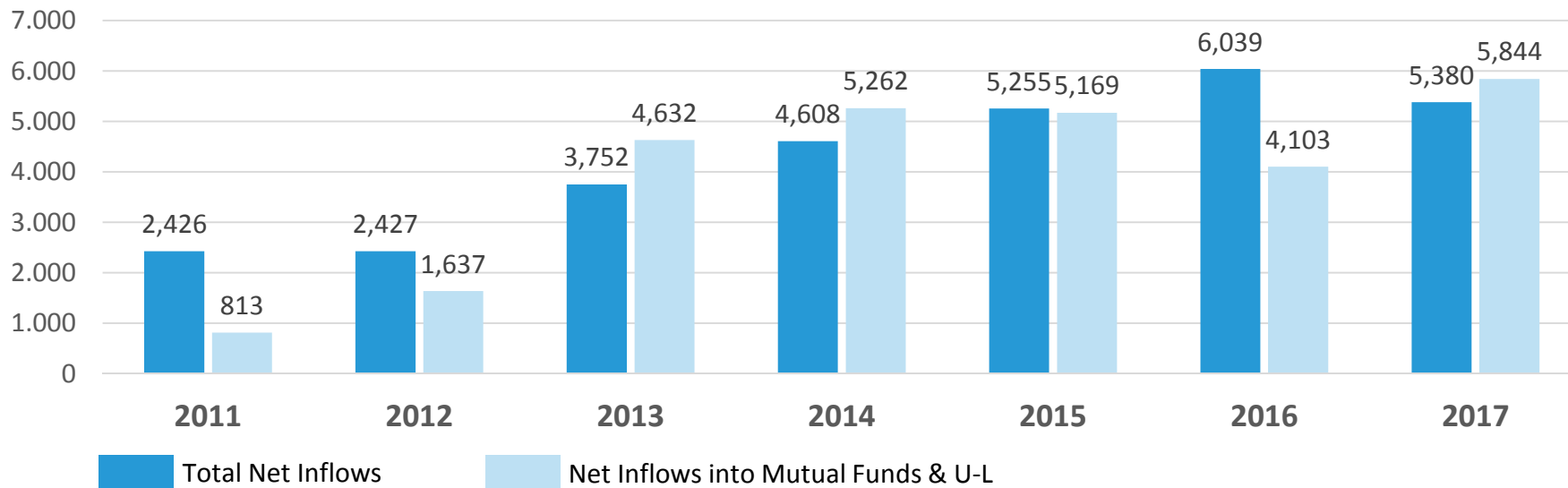
DPS (€ cents)



including 10 eurocents connected to Banca Esperia's sale

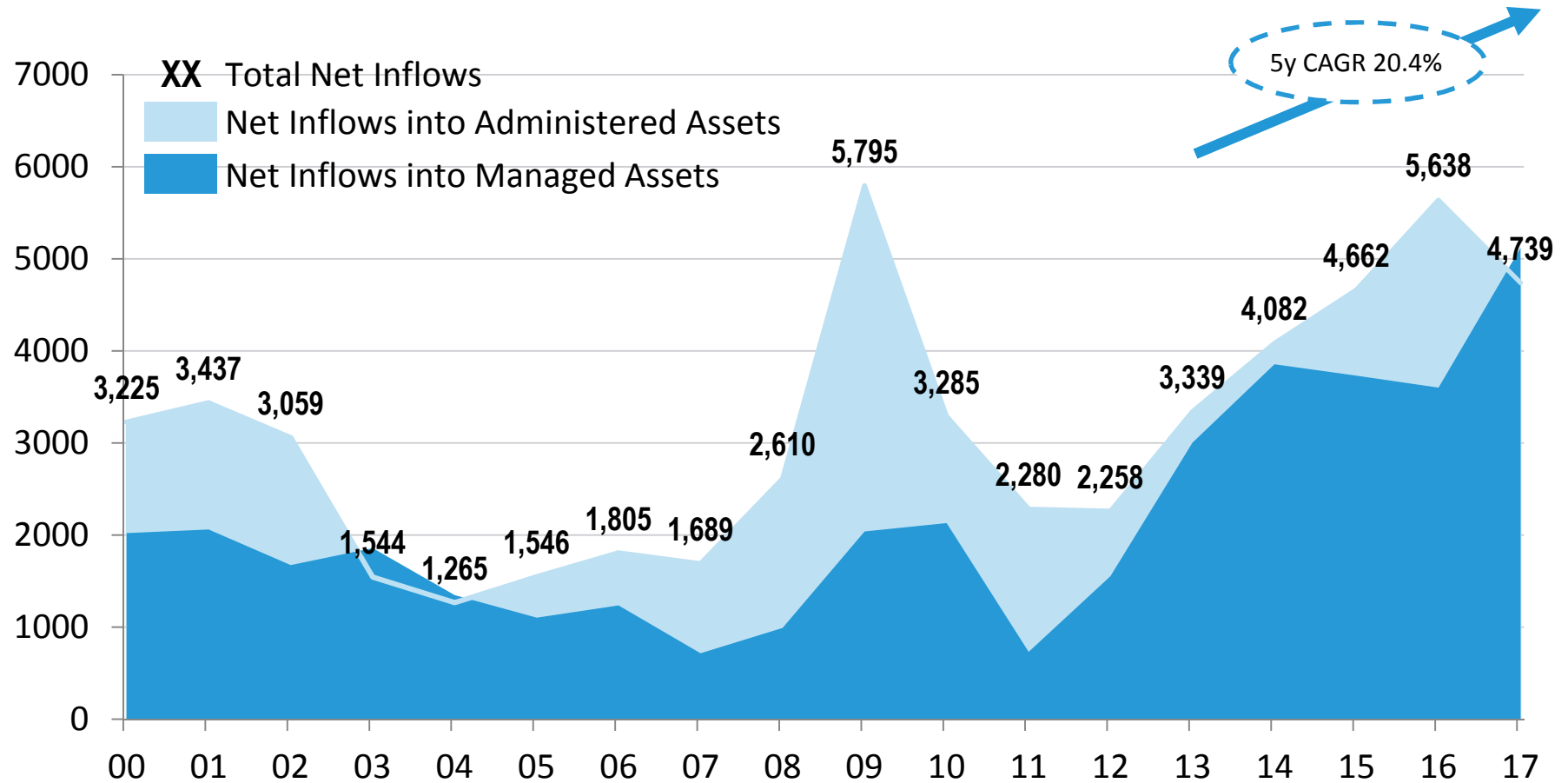
A proven ability in converting administered inflows into managed assets

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

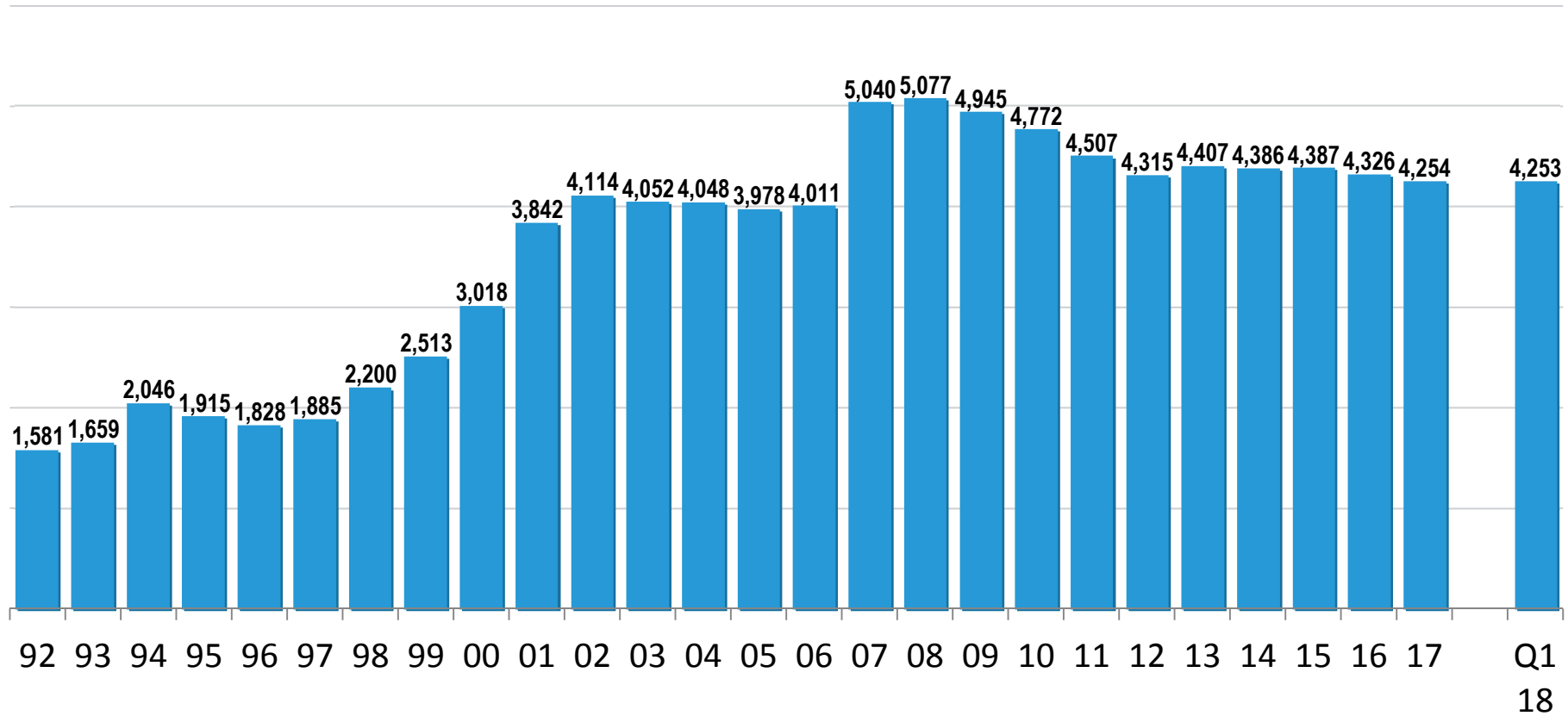


Total Net Inflows Trend - Italy

€ mn



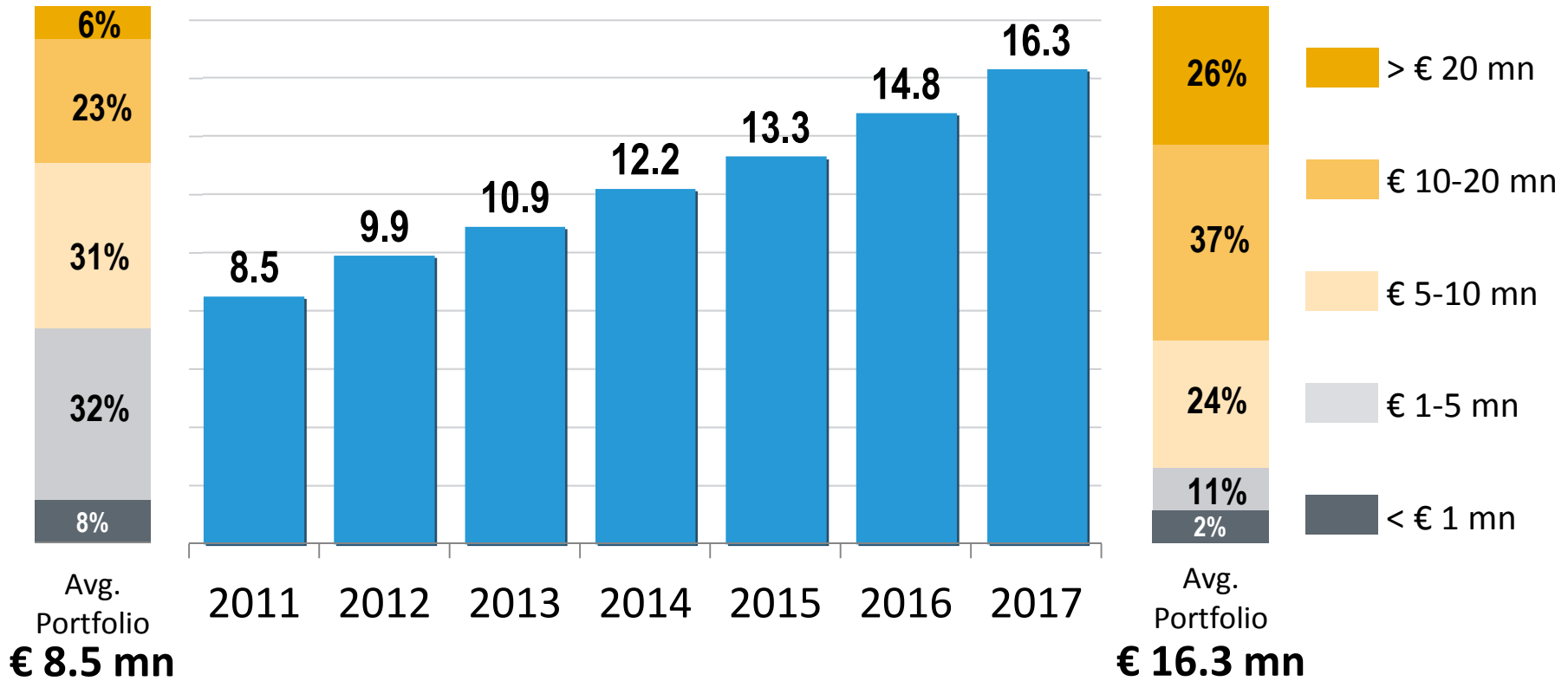
Banca Mediolanum Family Banker® Network Licensed Financial Advisors



Banca Mediolanum

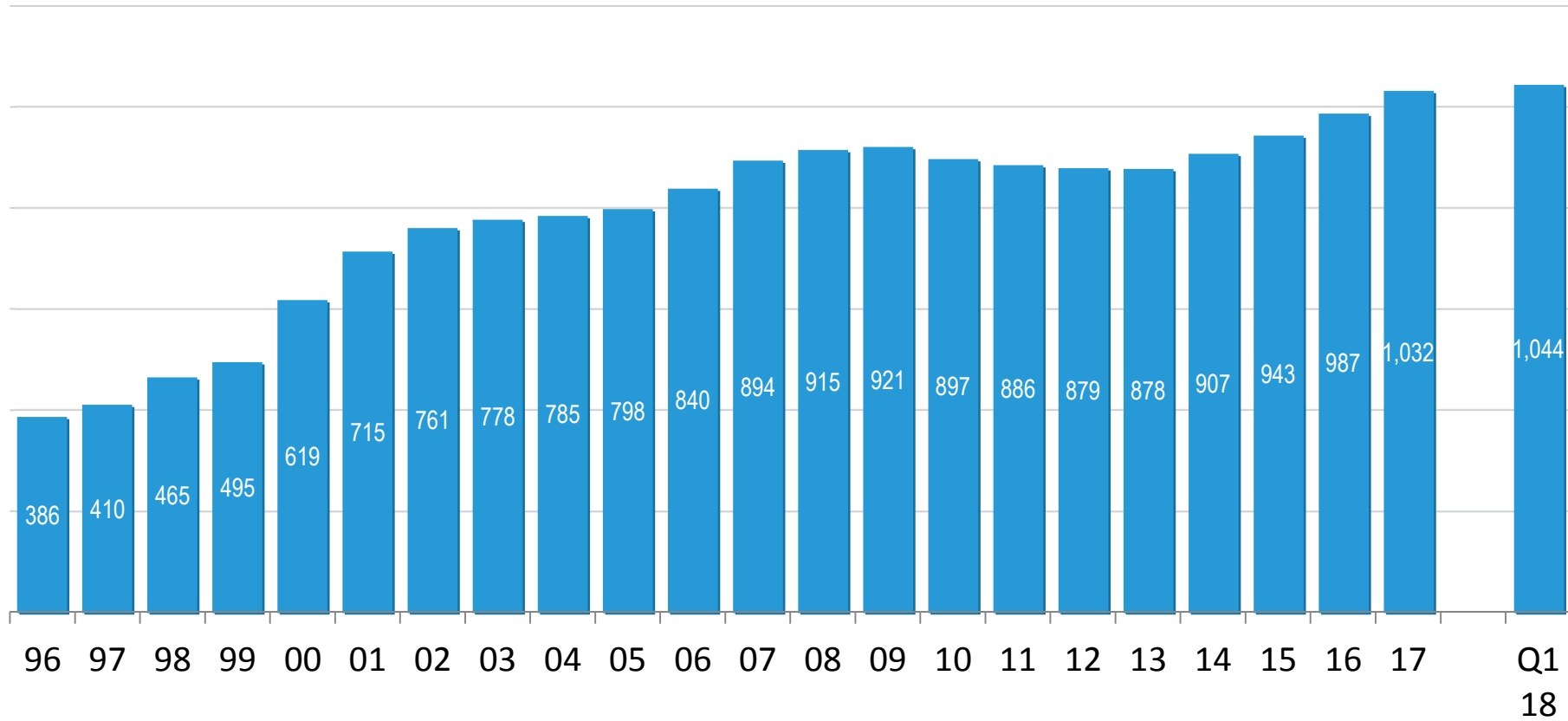
Average Assets per Family Banker

€ mn



Banca Mediolanum Customers

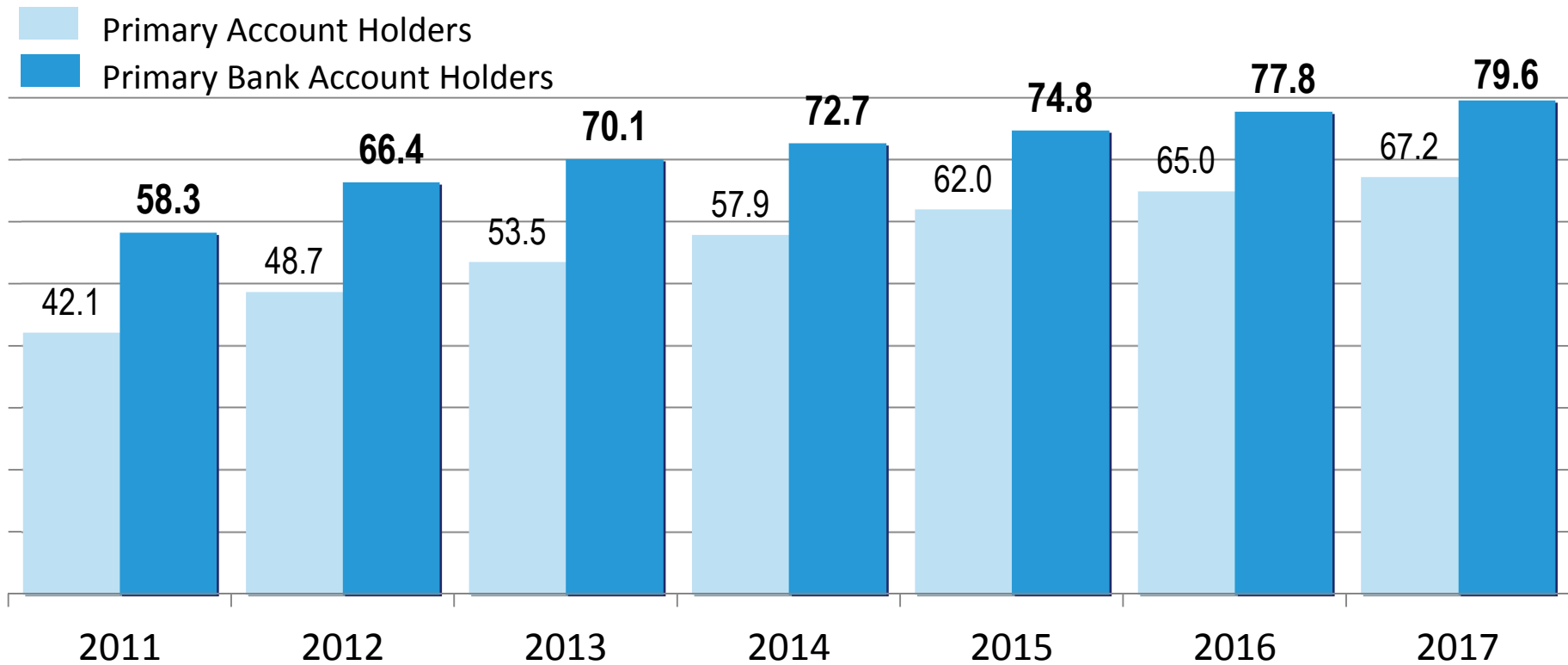
Primary account holders (thousands)



Banca Mediolanum

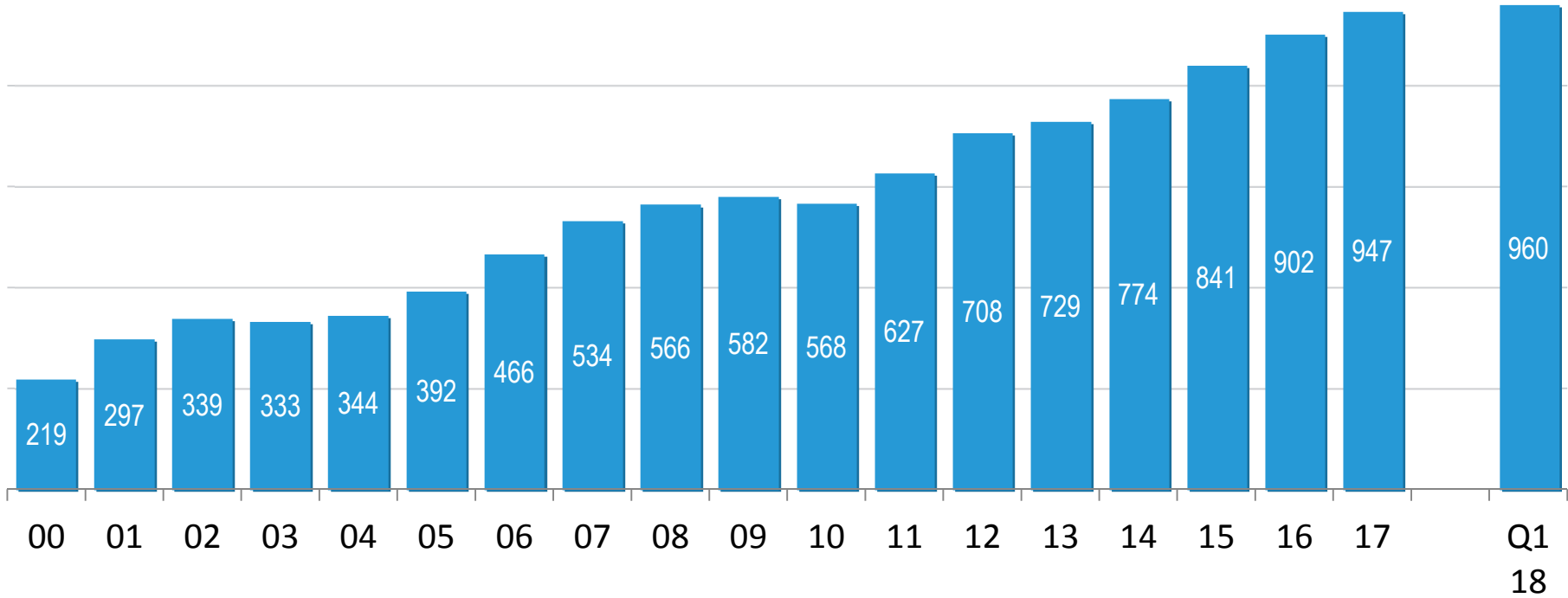
Average Assets per Customer

€ thousands



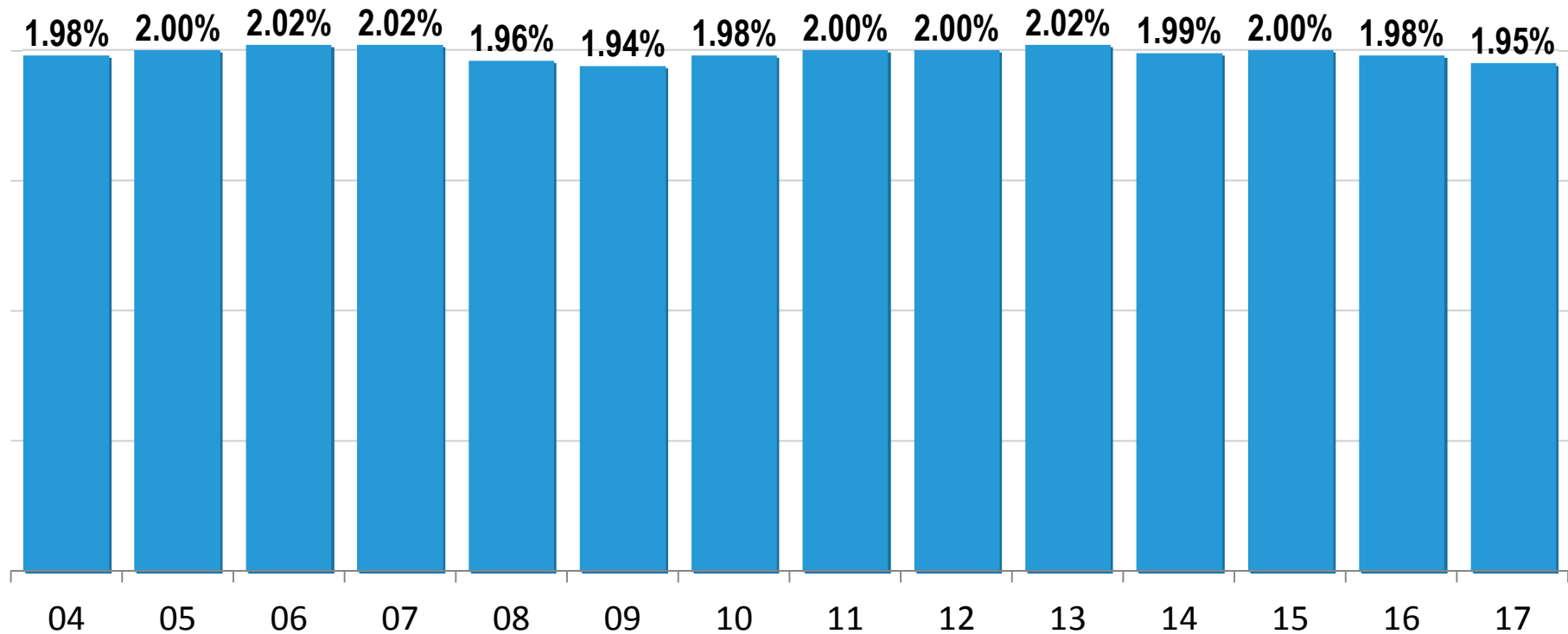
Banca Mediolanum Bank Accounts thousands

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



Management Fees* History

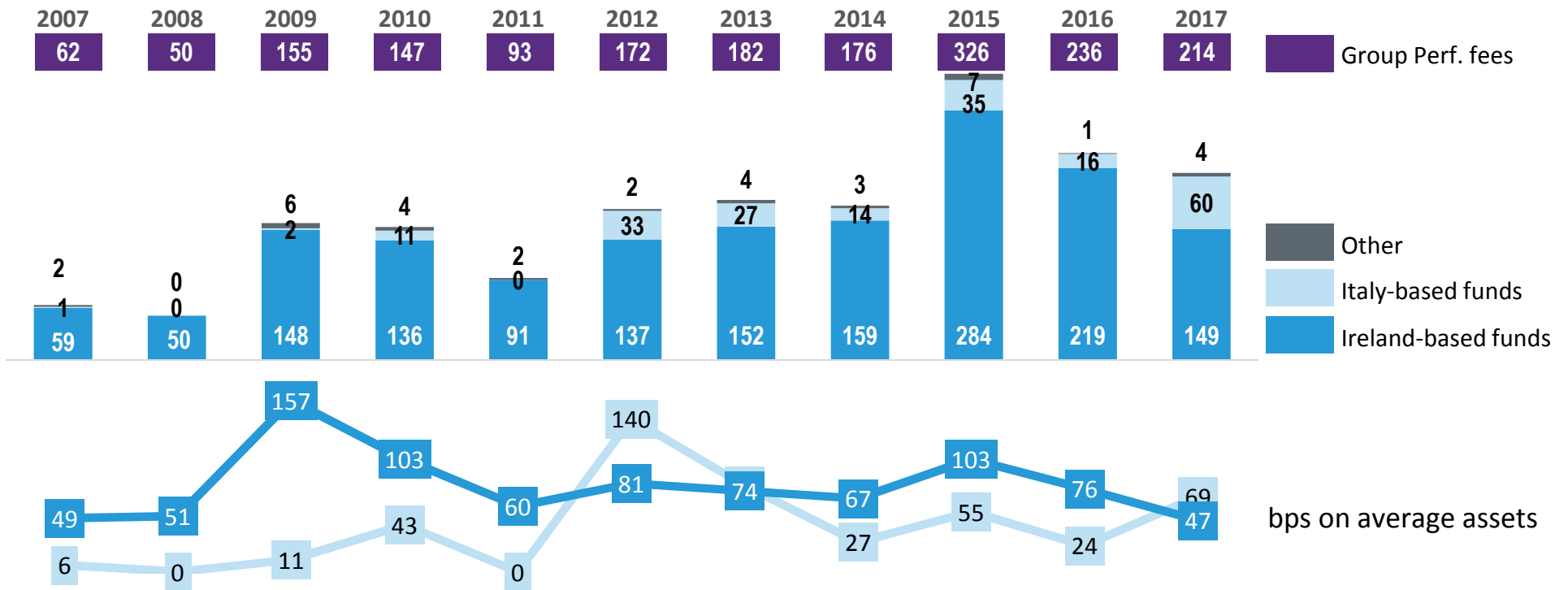
expressed as a % of average managed assets in the period



* including insurance commissions on U-L policies

67 Performance Fees History

€ mn



- ▶ 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**

The 'Intelligent Investment Strategy' Service launched June 2016

- ▶ 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 equity funds or MyLife U-L wrap account** 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.



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

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'MyLife' Unit-Linked Policy Insurance wrapper for mutual funds launched March 2014



Mediolanum
Facts

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

	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

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



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Training & Communication: Mediolanum Corporate University



Mediolanum
Facts

- 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



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The 3rd best known bank brand in Italy

Spontaneous brand awareness – Italian banks – March 2018

 Mediolanum Facts

INTESA  **SANPAOLO** **53%**

ING  **DIRECT** **26%**

 **UniCredit** **56%**

 **BNL**
GRUPPO BNP PARIBAS **19%**

 **mediolanum** BANCA **43%**

UBI  **Banca** **19%**

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

 **BCC**
CREDITO COOPERATIVO **14%**

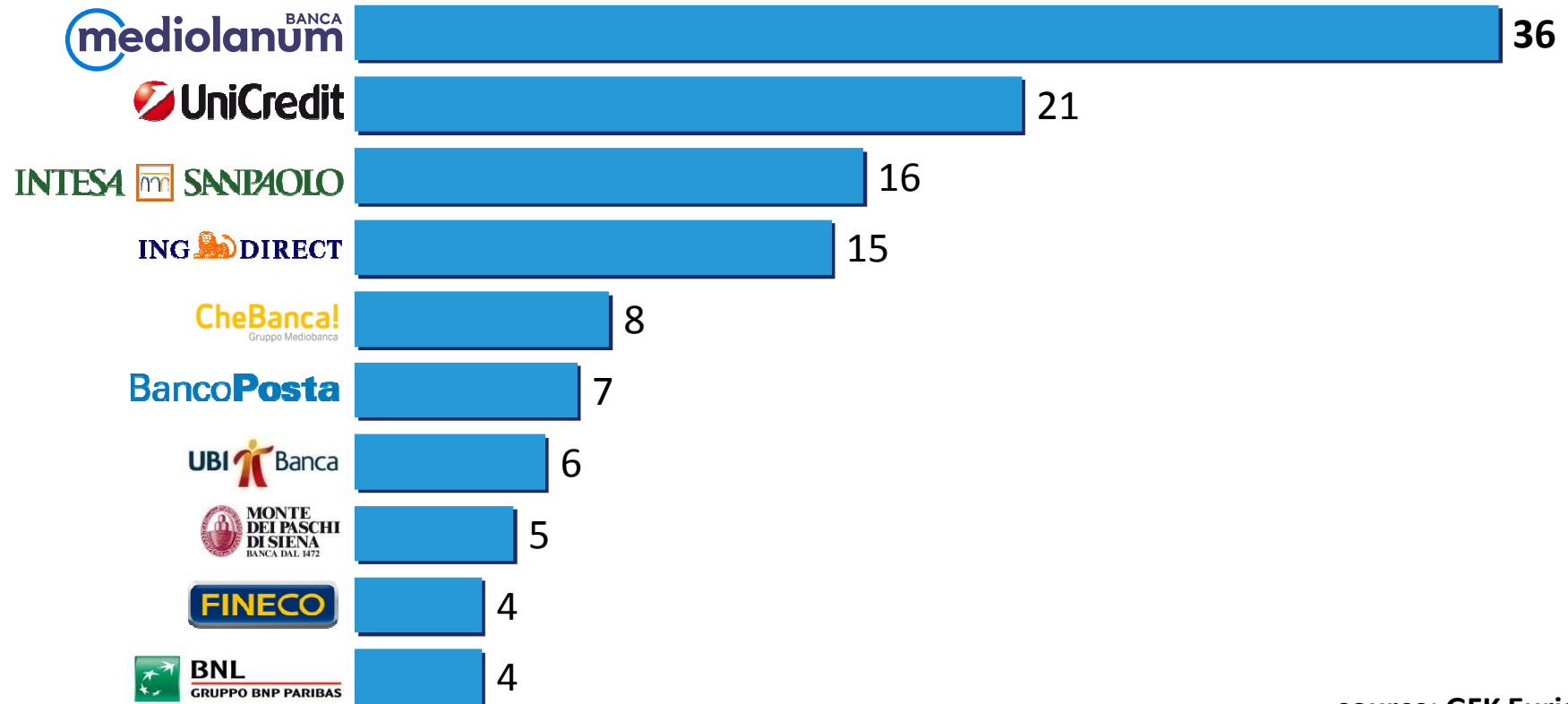
BancoPosta **26%**

CheBanca!
Gruppo Mediobanca **13%**

source: GFK Eurisko

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

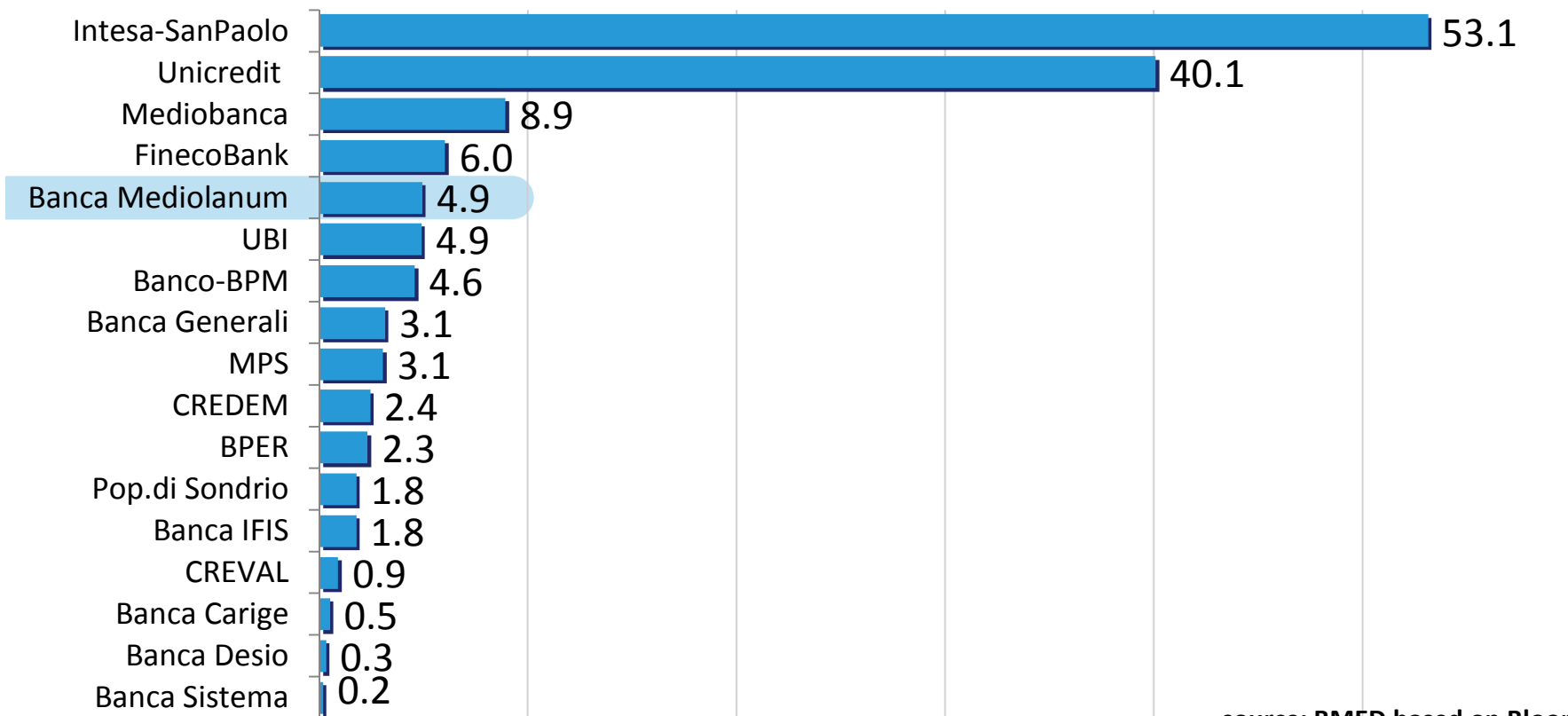
Spontaneous recall of bank advertising in Italy – Q1 2018



source: GFK Eurisko

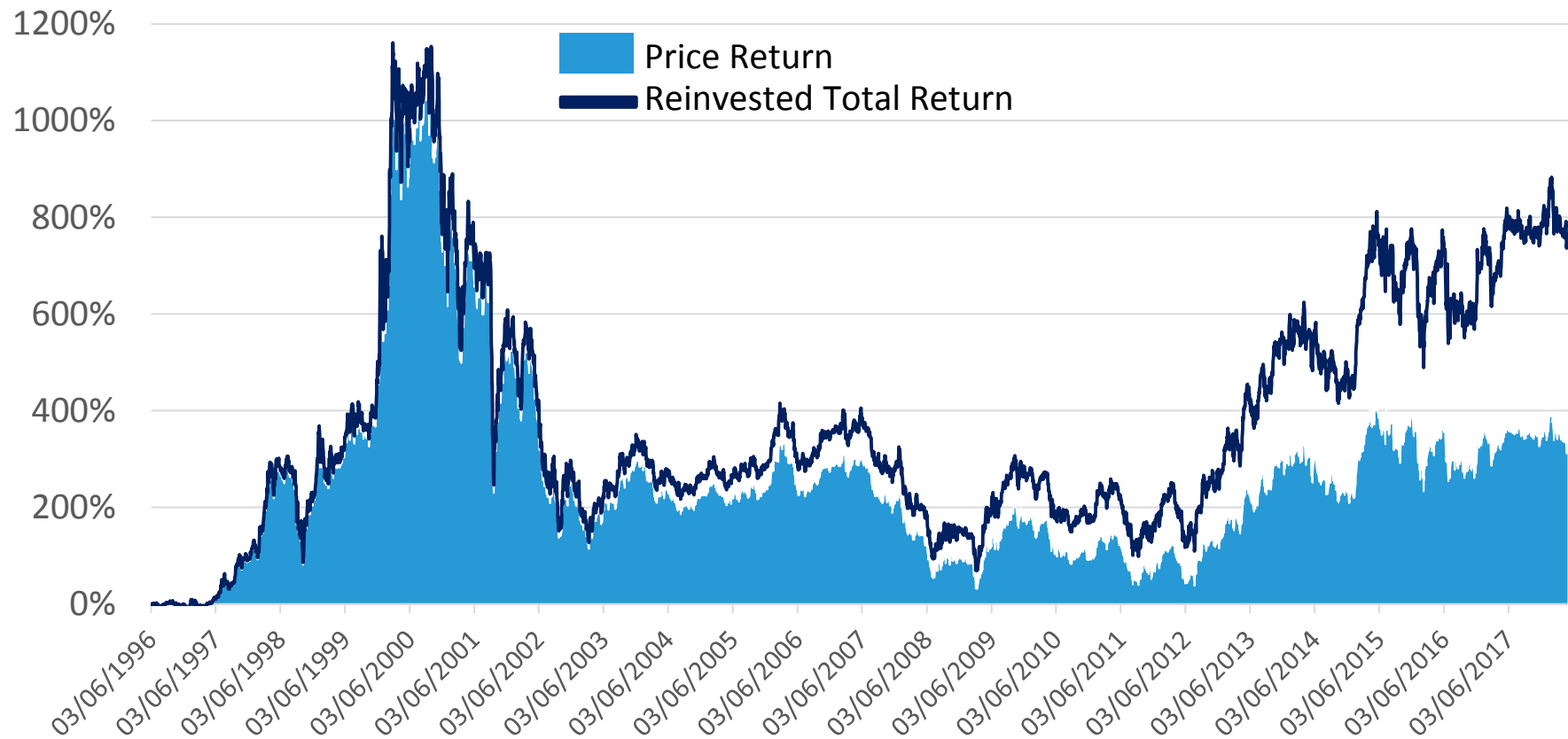
Ranking of Italian Banking Groups by Market Capitalisation

€ bn - as at 30/04/2018



source: BMED based on Bloomberg data

MED.MI / BMED.MI Price Return & Total Return Index*



* Total Return Index includes dividend reinvestments, June 3, 1996 – February 5, 2018

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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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