

**BOARD OF DIRECTORS' REPORT
TO THE GENERAL MEETING CONVENED IN A SINGLE CALL
FOR APRIL 5, 2016**

1. Financial Statements as at December 31, 2015.

1.1 Approval of the Separate Annual Financial Statements; Report of the Board of Directors on operations; Report of the Board of Statutory Auditors and Reports of the Independent Auditors; Presentation of the Consolidated Financial Statements as at December 31, 2015.

1.2 Dividend distribution.

Board of Directors' Report

to the General Meeting convened in a single call for April 5, 2016

pursuant to art.125-ter of Legislative Decree 58/1998, as subsequently amended

Dear Shareholders,

You have been convened in the General Meeting to resolve, among other things, on the matter outlined below:

1. Financial Statements as at December 31, 2015.

1.1 Approval of the Separate Annual Financial Statements; Report of the Board of Directors on operations; Report of the Board of Statutory Auditors and Reports of the Independent Auditors; Presentation of the Consolidated Financial Statements as at December 31, 2015.

1.2 Dividend distribution.

This Report of the Board of Directors of Banca Mediolanum S.p.A. ("**Banca Mediolanum**" or the "**Bank**") is drafted pursuant to art. 125-ter, paragraph 1, of the CFA and illustrates:

- in Section A point 1.1 on the agenda of the General Meeting of the Bank convened in a single call for April 5, 2016 ("*Approval of the Separate Annual Financial Statements; Directors' Report on operations; Report of the Statutory Auditors and Reports of the Independent Auditors; Presentation of the Consolidated Financial Statements as at December 31, 2015*"); and
- in Section B point 1.2 on the agenda of the General Meeting of the Bank convened in a

single call for April 5, 2016 (“*Dividend distribution*”).

in compliance with applicable regulatory provisions, the draft Separate Annual Financial Statements of the Bank as at December 31, 2015 and related reports (to which reference is made for details) will be made available to the public, by March 14, 2016 at the head office (Basiglio, Milano 3, Via F. Sforza, Palazzo Meucci) and at the Bit Market Services storage mechanism (at www.emarketstorage.com), and on the Company’s website (www.bancamediolanum.it - section Corporate Governance, General Meeting) and on the website of Borsa Italiana S.p.A. (Italian Stock Exchange).

Section A

Explanatory report relating to point 1.1 of the agenda

“Approval of the Separate Annual Financial Statements; Report of the Board of Directors on operations; Report of the Board of Statutory Auditors and Reports of the Independent Auditors; Presentation of the Consolidated Financial Statements as at December 31, 2015.”

The Board of Directors of Banca Mediolanum convened this General Meeting to propose to you the approval of the Separate Annual Financial Statements of the Bank as at December 31, 2015.

On February 18, 2016, the Board of Directors approved the draft Separate Annual Financial Statements of the Bank for the year ended December 31, 2015, and the related report on operations, which showed a profit of Euro 351,126,380.76. Said Board of Directors also approved the Banca Mediolanum Consolidated Financial Statements as at 31 December 2015.

in compliance with applicable regulatory provisions, the draft Separate Annual Financial Statements of the Bank as at December 31, 2015 and related reports, and the Consolidated Financial Statements of Banca Mediolanum as at December 31, 2015 (to which reference is made for details) will be made available to the public, by March 14, 2016 at the head office (Basiglio, Milano 3, Via F. Sforza, Palazzo Meucci) and at the Bit Market Services storage mechanism (at www.emarketstorage.com), and on the Company’s website (www.bancamediolanum.it - section Corporate Governance, General Meeting) and on the website of Borsa Italiana S.p.A. (Italian Stock Exchange).

Dear Shareholders,

in view of the above, we kindly request that you adopt the following resolutions:

“the General Meeting of Banca Mediolanum S.p.A.:

- having acknowledged the Explanatory Report of the Board of Directors,*
- having acknowledged the reports of the Board of Statutory Auditors and the independent auditors of the Banca Mediolanum S.p.A. Separate Annual Financial Statements for the year ended December 31, 2015, as well as the Banca Mediolanum S.p.A. Consolidated Financial Statements for the year ended December 31, 2015 and relevant reports,*

RESOLVED

- to approve the Separate Annual Financial Statements of Banca Mediolanum S.p.A for the year ended December 31, 2015, which reported net profit of Euro 351,126,380.76 including the Directors’ Report on Operations, in all their parts and results.*

Section B

Explanatory Report relating to point 1.2 of the agenda

“Dividend distribution.”

First, it is noted that as at November 25, 2015, payment was executed for the dividend for the year, as an interim dividend of Euro 0.16 per share, gross of any withholding taxes (the “**2015 Interim Dividends**”), as per resolution of the Board of Directors of Mediolanum S.p.A on November 5, 2015. With statutory effect as at December 30, 2015, Mediolanum S.p.A. was merged into the subsidiary Banca Mediolanum.

Having recalled this and considering the net profit of Euro 351,126,380.76, resulting from the Banca Mediolanum Separate Annual Financial Statements for the year ended December 31, 2015 (with respect to which reference is made to Section A of this Report), we propose to allocate said profit as follows:

- Euro 0.30 for each ordinary share with right, and thus for a total of Euro 221,520,827.10, (*) (taking into account that as of today the Bank has no treasury shares) for the distribution of dividends, and therefore, considering the 2015 Interim Dividend (Euro 0.16 per share), the “balance” distribution of Euro 0.14 per ordinary share with right, gross of withholding taxes;
- Euro 17,556,319.04 to legal reserve;
- the remaining Euro 112,049,234.62 (*) to extraordinary reserve.

We also propose to establish, as the ex-dividend date of coupon no. 1 April 18, 2016, the dividend

record date April 19, 2016 and, as the date as of which the dividend is paid April 20, 2016.

The Board of Directors also proposes to allocate the surplus reserve resulting from the merger by incorporation of Banca Mediolanum S.p.A. into the Bank - with statutory effectiveness as at December 30, 2015 - and equal to Euro 305,879,706.48, to the extraordinary reserve of the Bank.

Dear Shareholders,

in view of the above, we kindly request that you adopt the following resolutions:

“the General Meeting of Banca Mediolanum S.p.A., having acknowledged the Explanatory Report of the Board of Directors,

resolved

- *to approve the allocation of the profit of Banca Mediolanum S.p.A., amounting to Euro 351,126,380.76, as follows:*
 - *Euro 0.30 for each ordinary share with right, and thus for a total of Euro 221,520,827.10^(*) (taken into account that as of today, the Bank has no treasury shares), for the distribution of dividends;*
 - *Euro 17,556,319.04 to legal reserve;*
 - *the remaining Euro 112,049,234.62 (*) to extraordinary reserve.*

- *to approve, considering the 2015 interim dividend (of Euro 0.16 per share), the “balance” distribution of Euro 0.14 for each ordinary share with right, gross of withholding tax;*

^(*) *These amounts may change depending on the number of shares outstanding and the number of treasury shares held by the Bank at the date of distribution of the dividend.*

- *to establish, as the ex-dividend date of coupon no. 1 April 18, 2016, the dividend record date April 19, 2016 and, as the date as of which the dividend is paid April 20, 2016.*

- *to allocate the surplus reserve resulting from the merger by incorporation of Banca Mediolanum S.p.A. into the Bank - with statutory effectiveness as at December 30, 2015 - and equal to Euro 305,879,706.48, to the extraordinary reserve of Banca Mediolanum S.p.A.*

Milano 3, February 18, 2016

For the Board of Directors:

The Chairman

(Ennio Doris)