

Mediolanum Customer Base

as of December 31, 2000



The Customer Growth

2000 vs. 1999

**New First Account Holders
(unduplicated)**

124,000



+25%

New Bank Customers

69,500



+49%

1999 vs. 1998

**New First Account Holders
(unduplicated)**

30,100



+6%

Jan/Feb 2001 vs. Jan/Feb 2000

**New First Account Holders
(unduplicated)**

27,000



+26%



The Customer Base

as of December 31, 2000

Total Customers

	AUM with BM per Customer (Euro)	December 2000				December 1999				Increase 1999 => 2000 (%)	
		No. of Customers		AUM		No. of Customers		AUM		No. of Customers	AUM
		000)	(%)	(Euro bln)	(%)	('000)	(%)	(Euro bln)	(%)		
High Net Worth	> 1,000,000	0,3	0,1	1,1	7,2	0,2	0,0	0,3	2,8	42,3	63,8
Affluent Upper scale	< 1,000,000 >= 350,000	2,7	0,4	1,4	9,2	1,7	0,3	0,8	8,1		
Affluent Lower scale	< 350,000 >= 100,000	24,4	3,9	4,0	26,9	17,4	3,5	2,9	27,9		
Upper Mass	< 100,000 >= 50,000	39,4	6,4	2,7	18,1	30,2	6,1	2,1	20,4	24,4	35,5
Mass	< 50,000	552,5	89,2	5,8	38,6	445,6	90,0	4,2	40,9		
Total		619,2	100,0	15,0	100,0	495,1	100,0	10,3	100,0	25,1	46,5
AUM per Customer (Euro)		24.259				20.709					



The Customer Base

as of December 31, 2000

Bank Customers

		December 2000				December 1999				Increase 1999 => 2000 (%)	
		No. of Customers		AUM		No. of Customers		AUM		No. of Customers	AUM
		(Euro)		(Euro bln)	(%)	(000)	(%)	(Euro bln)	(%)		
High Net Worth	> 1,000,000	0,3	0,2	1,1	10,3	0,2	0,1	0,3	4,3	53,6	77,6
Affluent Upper scale	< 1,000,000 >= 350,000	2,5	1,2	1,3	12,6	1,5	1,0	0,7	11,8		
Affluent Lower scale	< 350,000 >= 100,000	20,5	9,7	3,5	33,7	13,5	9,6	2,3	36,1		
Upper Mass	< 100,000 >= 50,000	27,3	13,0	1,9	18,6	19,1	13,6	1,3	21,3	48,9	48,5
Mass	< 50,000	159,7	75,9	2,5	24,7	106,5	75,6	1,7	26,5		
Total		210,3	100,0	10,3	100,0	140,8	100,0	6,3	100,0	49,4	63,7
AUM per Customer (Euro)		48.820				44.535					



The Customer Retention

as of December 31, 2000

Retention Rate



97.2%



Customer retention continues to be very good



The Customer Characteristics


as of December 31, 2000

Average Age

45.1 years

Average Seniority

5.9 years

 *These figures are relatively low in comparison with those of other networks*



The Customer Base

as of December 31, 2000

Total Customers

		December 2000							
	AUM with BM per customer (Euro)	No. of Customers		AUM		Age	Seniority as Med client	Business Lines	Products
		('000)	(%)	(Euro bln)	(%)	years	years	avg.	avg.
High Net Worth	> 1,000,000	0,3	0,1	1,1	7,2	57,0	5,9	2,6	17,3
Affluent Upper scale	< 1,000,000 >= 350,000	2,7	0,4	1,4	9,2	57,6	7,4	2,7	16,0
Affluent Lower scale	< 350,000 >= 100,000	24,4	3,9	4,0	26,9	54,2	7,4	2,6	11,7
Upper Mass	< 100,000 >= 50,000	39,4	6,4	2,7	18,1	51,7	7,3	2,4	8,8
Mass	< 50,000	552,5	89,2	5,8	38,6	44,2	5,7	1,5	2,9
	Total	619,2	100,0	15,0	100,0	45,1	5,9	1,6	3,7
	AUM per customer (euro)	24.259,0							



The Customer Segmentation

as of December 31, 2000

HNW / Affluent segments

4.4% of Total Customers

🔔 *Reasons for this limited share are:*

- > *Lower Age of our customers*
- > *Significant amount of investments in Instalment Plans*
- > *Fewer advisors with retail bank front-office experience (F.E.)*

But this segment is rapidly growing!

Growth rate of this segments

+42%

🔔 *vs. +25% of total customer base*



The Financial Executive's Customers

as of December 31, 2000

Share of Total Customers



6.7%

**Share of HNW / Affluent
Segments**




15.4%

**Share of New Customers
of the year**



21.8%

 *The contribution made by Financial Executives appears to be a determining factor in terms of the quality of the customer base*



The Customer Segmentation

as of December 31, 2000

**Share of HNW / Affluent segments
that are also Bank Customers** → **85%**

🔔 This confirms the importance of the current account -
together with the security deposit - in fostering asset gathering



The Customer AUM

as of December 31, 2000

Average AUM per Customer

➡ **24,300 Euro** ➡ **+17%**

🔔 *Considering the dilution effect created by the influx of the new customers (+52%) who generally join with a lower average AUM, this growth rate is a good results*

Average AUM per F. E. Customer

➡ **52,900 Euro**

🔔 *The Financial Executive's customers have a much higher AUM reflecting the fact that the Financial Executives show higher penetration in the HNW / Affluent segments*



The Customer Cross Selling

as of December 31, 2000

Business Lines per Customer


1.6

out of 4 lines

Products per Customer

2.2

out of 15 products

 *With reference to business lines penetration in the customer segments:*

- > the penetration of Life insurance is greater than that of our competitors and*
- > declines when moving from the lower to the upper segments*
- > however, the managed accounts have a limited presence, and we are currently working to increase their number substantially*



The Customer Base

as of December 31, 2000

Financial Executive's Customers

	AUM with BM per Customer (Euro)	December 2000				December 1999				Increase 1999 => 2000 (%)	
		No. of Customers		AUM		No. of Customers		AUM		No. of Customers	AUM
		('000)	(%)	(Euro bln)	(%)	('000)	(%)	(Euro bln)	(%)		
High Net Worth	> 1,000,000	0,1	0,3	0,6	26,5	0,0	0,3	0,1	12,0	163,3	253,2
Affluent Upper scale	< 1,000,000 >= 350,000	0,6	1,4	0,3	14,3	0,2	1,4	0,1	15,9		
Affluent Lower scale	< 350,000 >= 100,000	3,5	8,4	0,6	27,4	1,4	9,2	0,2	34,7		
Upper Mass	< 100,000 >= 50,000	4,0	9,5	0,3	12,5	1,6	11,1	0,1	16,7	185,6	175,3
Mass	< 50,000	33,5	80,3	0,4	19,3	11,5	78,0	0,1	20,7		
Total		41,7	100,0	2,2	100,0	14,7	100,0	0,7	100,0	183,2	224,1
AUM per Customer (Euro)		52.874				46.165					



The Customer Base

as of December 31, 2000

Total Customers

		December 2000							
AUM with BM per customer		N° of Customer				AUM			
(Euro)		('000)	(%)	(Euro bln)	(%)	Securities & Accounts	Life Insurance	Mutual Funds	Discret. Accts
						(%)	(%)	(%)	(%)
High Net Worth	> 1,000,000	0,3	0,1	1,1	7,2	67,2	12,0	12,9	8,0
Affluent Upper scale	< 1,000,000 ≥ 350,000	2,7	0,4	1,4	9,2	21,6	29,8	32,1	16,5
Affluent Lower scale	< 350,000 ≥ 100,000	24,4	3,9	4,0	26,9	20,0	29,1	39,7	11,1
Upper Mass	< 100,000 ≥ 50,000	39,4	6,4	2,7	18,1	20,2	33,3	45,9	0,6
Mass	< 50,000	552,5	89,2	5,8	38,6	16,8	50,3	32,9	0,0
Total		619,2	100,0	15,0	100,0	22,4	36,9	35,6	5,2
AUM per customer (euro)		24.259,0							



The Advisor's Customer Portfolio

as of December 31, 2000

**Average No. of Customer
per Advisor**


119

**No. of Customer
per Licensed Advisor**

161

**No. of Customer
per Non-Licensed Advisor**

28

 *The number of customer per advisor varies with seniority and growth at an average rate of 30 customers per year per advisor*



The Customer AUM Growth

as of December 31, 2000

**Average Growth Rate
per Customer**

2,500 Euro *per year*

**... per Customer
with seniority < 3 ys**

4,700 Euro *per year*



- > Also the AUM per customer varies with seniority
- > The faster growth of AUM per customer with seniority < 3 ys is likely due to the significant impact made by the Bank and the Financial Executive project

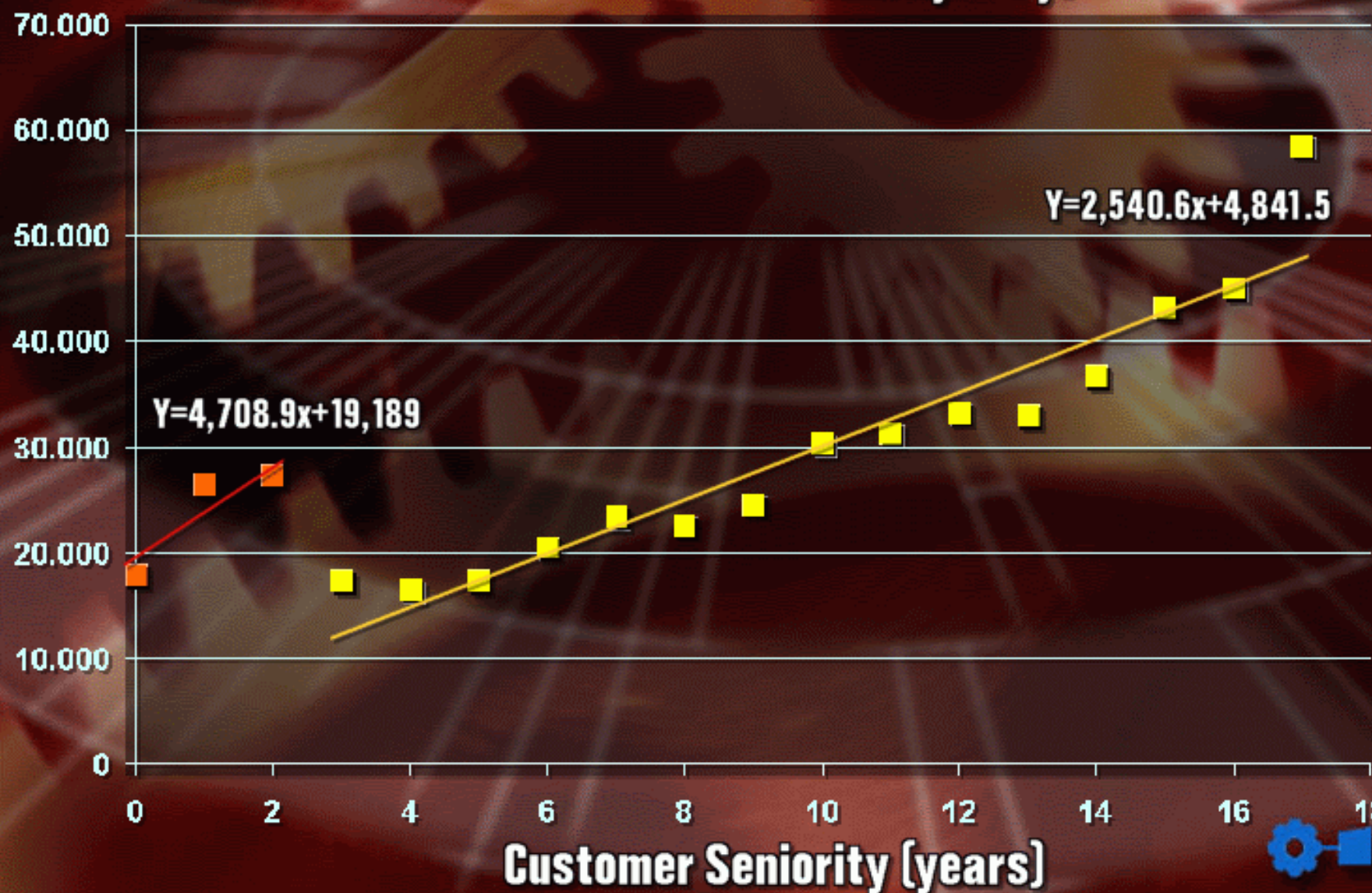


Correlation - Customer Seniority/AUM

Avg AUM (Euro)

Seniority > 3 ys

Seniority < 3 ys



The Customer Satisfaction

- ① *Mediolanum has been tracking customer satisfaction for almost 10 years*
- ① *The survey is carried out by an outside market research agency - 'Unicab' - specialized in quality measurements*
- ① *In 1999 the research was based on 9,000 telephone interviews*
- ① *It measures the level of satisfaction of active customers related to their financial advisor and to the company*



The Customer Satisfaction

1999 Figures

Customers **'Dissatisfied'**
with the Advisors

3.6%

Customers **'Dissatisfied'**
with the Company

5.2%

Customers **'Satisfied'**
with the Advisors

82.5%

Customers **'Satisfied'**
with the Company

71.2%



The Customer Satisfaction

1999 Figures

Customers **'Satisfied'**
with the Company

71.2%

thus ranging:

contacted by the advisor
every week

96.6%

contacted by the advisor
once a year

63.0%



- > The level of satisfaction with the Company increases directly as the frequency of contacts with the Financial Advisor increases
- > The same happens for the level of sense of security for the investments
- > This confirms how important the role of the advisors is with respect to the relationship with the customer



Projection of the Customer Base

in 5 years time

- ① *This projection was calculated as sum of the parts, adding together the contribution made by existing advisors and their customers to that of the new advisors (who will be recruited over the next 5 ys) and their new customers*
- ① *We have assumed (on an yearly basis):*
 - > *a customer retention rate of 97%*
 - > *a new advisor growth, net of turnover, of 15% (last 5 ys avg)*
 - > *a growth of customer no. per advisor of 30*
 - > *a growth of customer AUM of 2,300 Euro for the advisors with currently >3 ys of seniority*
 - > *a growth of customer AUM of 3,500 Euro for the advisors with currently < 3 ys of seniority or for the new recruits of the next 5 ys*



Projection of the Customer Base

in 5 years time



The conclusions of the study indicate that in five years time Mediolanum should have at least:

No. of Advisors



10,500



+103%

No. of Customers



1,600,000



+158%

Total AUM (Euro million)



61,000



+307%

This is the "inertial" growth that does not include any performance improvements in: productivity, turnover, retention, avg no. of customers per advisor, higher AUM's per customer, higher penetration in the upper segments.

