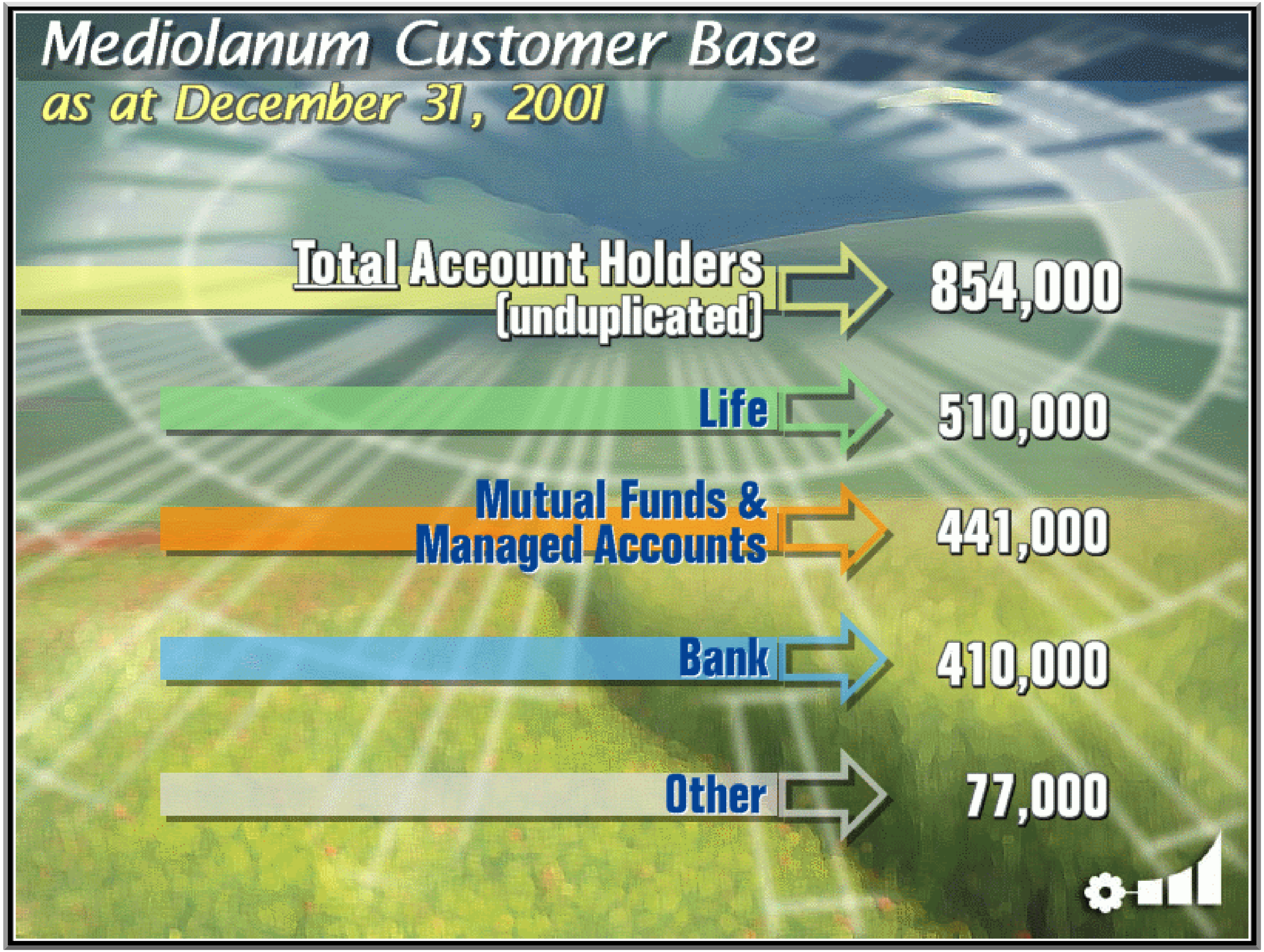
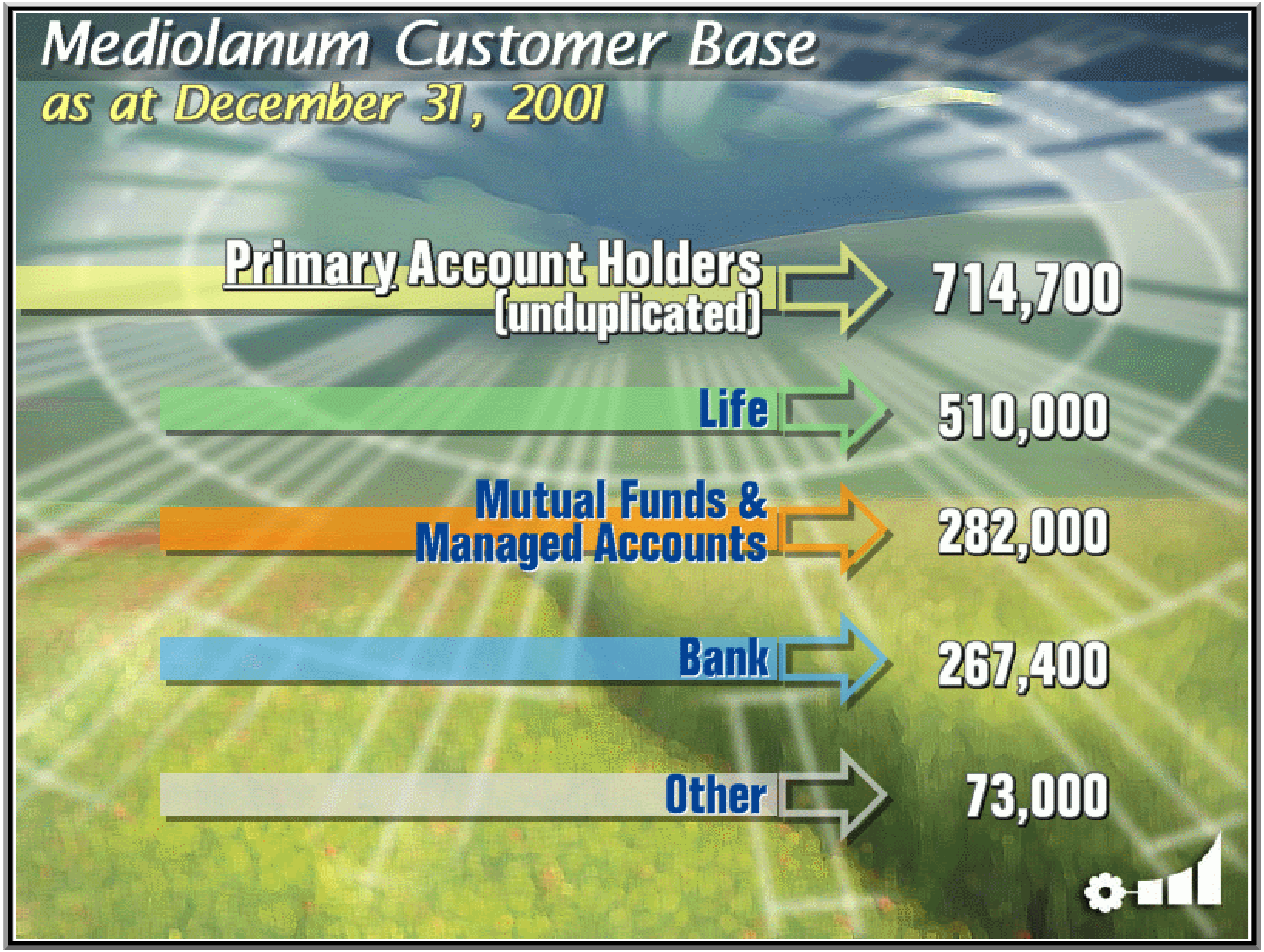
MEDIOLANUM
GRUPPO MEDIOLANUM

'Core' Business

Mediolanum Customer Base

December 31, 2001


Mediolanum Customer Base
as at December 31, 2001
Total Account Holders
(unduplicated)
854,000
Life
510,000
Mutual Funds &
Managed Accounts
441,000
Bank
410,000
Other
77,000


Mediolanum Customer Base
as at December 31, 2001
Primary Account Holders (unduplicated)
714,700
Life
510,000
Mutual Funds & Managed Accounts
282,000
Bank
267,400
Other
73,000

Mediolanum Customer Segmentation

Total Customers

	AUM per Customer in Mediolanum	December 2001				December 2000				Change	
		No. of Customers		AUM		No. of Customers		AUM		Customers	AUM
	(Euro)	('000)	(%)	(bln)	(%)	('000)	(%)	(bln)	(%)	(%)	(%)
High Net Worth	> 1,000,000	**0,4**	0,1	**0,9**	5,5	**0,3**	0,1	**1,1**	7,2		
Affluent Upper scale	< 1,000,000 >= 350,000	**3,1**	0,4	**1,6**	9,4	**2,7**	0,4	**1,4**	9,2	13,6	8,8
Affluent Lower scale	< 350,000 >= 100,000	**27,7**	3,9	**4,6**	27,3	**24,4**	3,9	**4,0**	26,9		
Upper Mass	< 100,000 >= 50,000	**45,5**	6,4	**3,1**	18,7	**39,4**	6,4	**2,7**	18,1	15,5	14,1
Mass	< 50,000	**638,1**	89,3	**6,6**	39,1	**552,5**	89,2	**5,8**	38,6		
	Total	**714,7**	100,0	**16,8**	100,0	**619,2**	100,0	**15,0**	100,0	15,4	11,8
	AUM per Customer	**23.490**				**24.259**					

Mediolanum Customer Growth

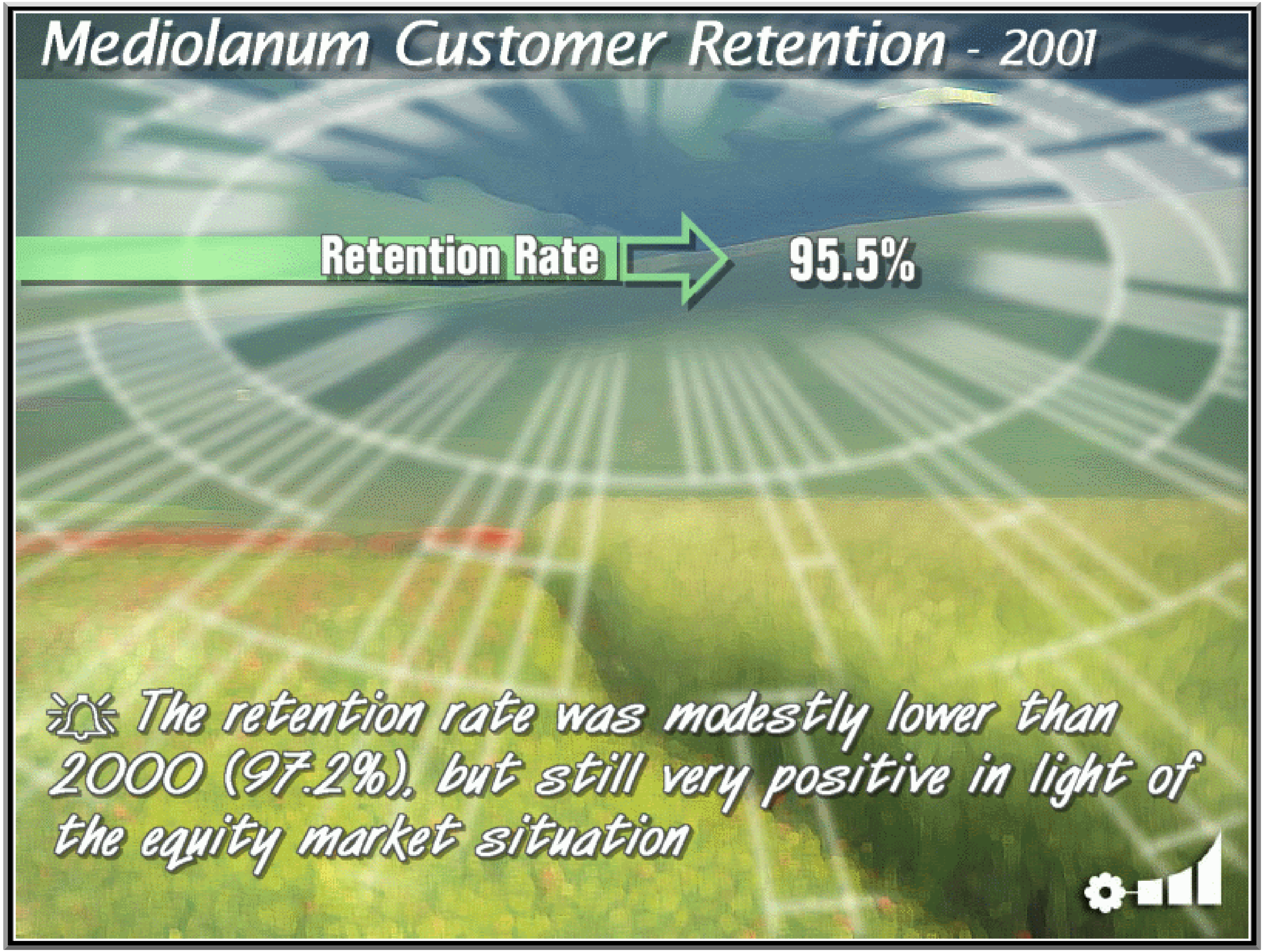
	2001 vs. 2000	
New Primary Account Holders (unduplicated)	94,800	+15%

	2000 vs. 1999	
New Primary Account Holders (unduplicated)	124,000	+25%

	1999 vs. 1998	
New Primary Account Holders (unduplicated)	30,100	+6%

Mediolanum Customer Segmentation
Total Customers per Business Line

	AUM per Customer in Mediolanum	December 2001							
		No. of Customers		AUM		Securities & Accounts	Life Insurance	Mutual Funds	Managed Accts
	(Euro)	('000)	(%)	(bln)	(%)	(%)	(%)	(%)	(%)
High Net Worth	> 1,000,000	**0,4**	0,1	**0,9**	5,5	47,1	18,3	17,8	16,9
Affluent Upper scale	< 1,000,000 >= 350,000	**3,1**	0,4	**1,6**	9,4	24,6	31,1	19,4	24,9
Affluent Lower scale	< 350,000 >= 100,000	**27,7**	3,9	**4,6**	27,3	23,0	30,3	23,1	23,6
Upper Mass	< 100,000 >= 50,000	**45,5**	6,4	**3,1**	18,7	22,7	33,2	32,3	11,8
Mass	< 50,000	**638,1**	89,3	**6,6**	39,1	19,5	50,4	29,9	0,3
	Total	**714,7**	100,0	**16,8**	100,0	23,0	38,2	26,9	12,0
	AUM per Customer	**23.490**							


Mediolanum Customer Retention - 2001
Retention Rate
95.5%
The retention rate was modestly lower than 2000 (97.2%), but still very positive in light of the equity market situation

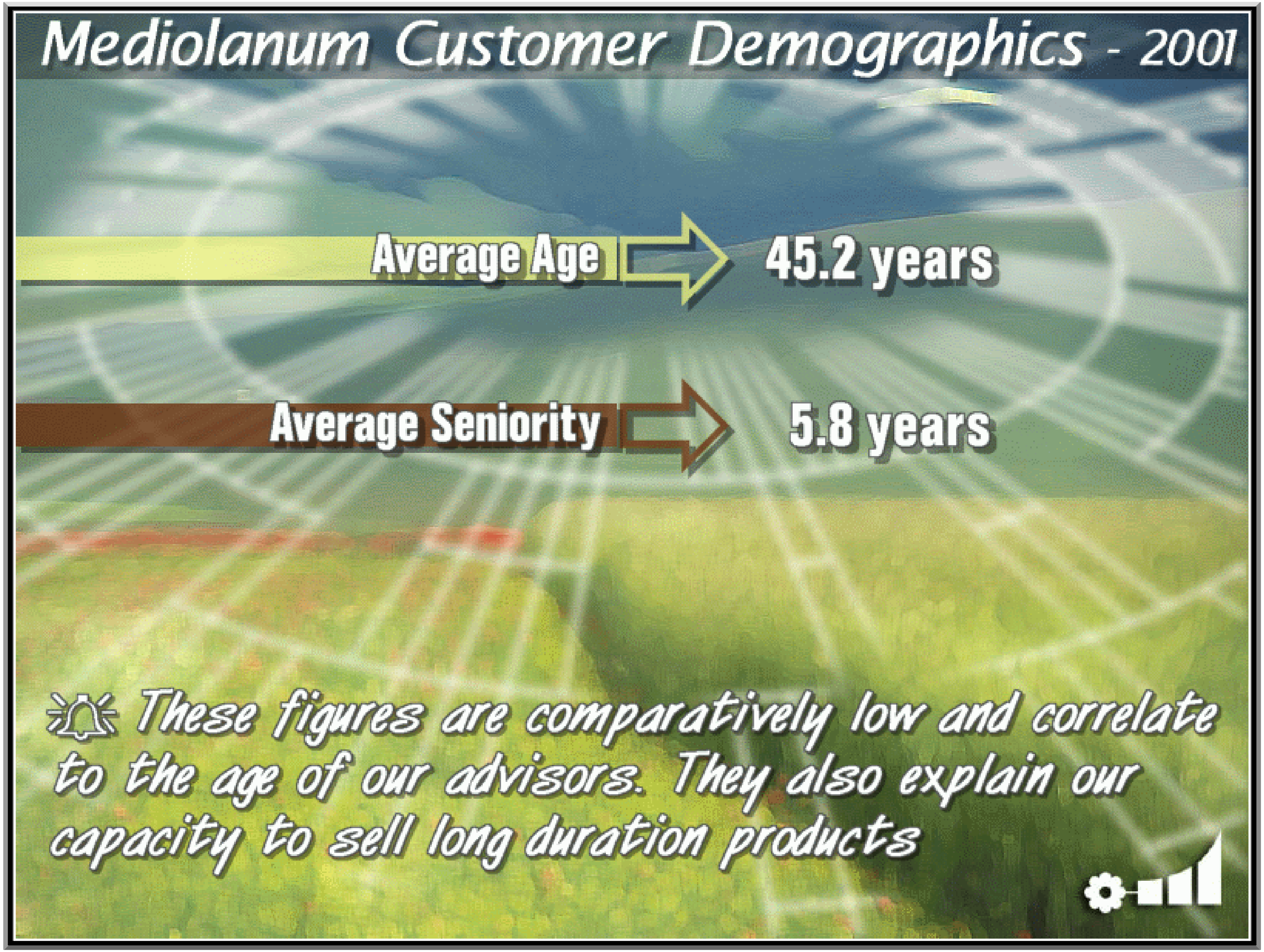
Mediolanum Customer Segmentation - 2001

Total Customers

HNW & Affluent segments → **4.4%** of Total Customers

- Lower age of our customers and high incidence of instalment plans & recurring policies explain this modest number
- The percentage of this segment remained constant despite the significant growth in the number of customers

growth rate of this segment → **+13.4%**


Mediolanum Customer Demographics - 2001
Average Age
45.2 years
Average Seniority
5.8 years
These figures are comparatively low and correlate to the age of our advisors. They also explain our capacity to sell long duration products

Mediolanum Customer Demographics

	AUM per Customer in Mediolanum	December 2001							
		No. of Customers		AUM		Age	Seniority as Med Client	Business Lines	Products
	(Euro)	('000)	(%)	(bln)	(%)	years	years	avg.	avg.
High Net Worth	> 1,000,000	**0,4**	0,1	**0,9**	5,5	58,28	5,67	2,51	16,51
Affluent Upper scale	< 1,000,000 >= 350,000	**3,1**	0,4	**1,6**	9,4	58,40	7,43	2,63	13,60
Affluent Lower scale	< 350,000 >= 100,000	**27,7**	3,9	**4,6**	27,3	54,90	7,61	2,53	9,60
Upper Mass	< 100,000 >= 50,000	**45,5**	6,4	**3,1**	18,7	52,19	7,34	2,36	7,42
Mass	< 50,000	**638,1**	89,3	**6,6**	39,1	44,34	5,83	1,47	2,63
	Total	**714,7**	100,0	**16,8**	100,0	45,32	6,00	1,57	3,27
	AUM per Customer	**23.490**							

Mediolanum Customer Segmentation - 2001

Bank Customers

share of HNW & Affluent segments who are also Bank Customers → 85%

This indicates how important the Bank is in attracting higher assets

growth rate of Bank Customers → +27.1%

Mediolanum Customer Segmentation

Bank Customers

	AUM per Customer in Mediolanum	December 2001				December 2000				Change	
		No. of Customers		AUM		No. of Customers		AUM		Customers	AUM
	(Euro)	('000)	(%)	(bln)	(%)	('000)	(%)	(bln)	(%)	(%)	(%)
High Net Worth	> 1,000,000	**0,4**	0,1	**0,9**	7,3	**0,3**	0,2	**1,1**	10,3	13,9	7,2
Affluent Upper scale	< 1,000,000 >= 350,000	**2,8**	1,1	**1,5**	12,5	**2,5**	1,2	**1,3**	12,6		
Affluent Lower scale	< 350,000 >= 100,000	**23,3**	8,7	**3,9**	33,6	**20,5**	9,7	**3,5**	33,7		
Upper Mass	< 100,000 >= 50,000	**33,0**	12,3	**2,3**	19,7	**27,3**	13,0	**1,9**	18,6	28,8	22,5
Mass	< 50,000	**207,8**	77,7	**3,2**	27,0	**159,7**	75,9	**2,5**	24,7		
	Total	**267,4**	100,0	**11,7**	100,0	**210,3**	100,0	**10,3**	100,0	27,1	13,8
	AUM per Customer	**43.716**				**48.820**					

Mediolanum Customer Segmentation - 2001

Financial Executives' Customers

share of Total Customers → 10.0%

share of HNW & Affluent segments → 18.9%

share of New Customers acquired → 21.5%

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

growth rate of F.E. Customers → +71.3%

Mediolanum Customer Segmentation

Financial Executives' Customers

	AUM per Customer in Mediolanum	December 2001				December 2000				Change	
		No. of Customers		AUM		No. of Customers		AUM		Customers	AUM
	(Euro)	('000)	(%)	(bln)	(%)	('000)	(%)	(bln)	(%)	(%)	(%)
High Net Worth	> 1,000,000	**0,2**	0,2	**0,3**	11,1	**0,1**	0,3	**0,6**	26,5		
Affluent Upper scale	< 1,000,000 >= 350,000	**0,8**	1,1	**0,4**	15,3	**0,6**	1,4	**0,3**	14,3	39,1	3,1
Affluent Lower scale	< 350,000 >= 100,000	**4,9**	6,9	**0,8**	31,7	**3,5**	8,4	**0,6**	27,4		
Upper Mass	< 100,000 >= 50,000	**6,4**	8,9	**0,4**	16,6	**4,0**	9,5	**0,3**	12,5	75,0	59,7
Mass	< 50,000	**59,2**	82,9	**0,7**	25,3	**33,5**	80,3	**0,4**	19,3		
	Total	**71,4**	100,0	**2,7**	100,0	**41,7**	100,0	**2,2**	100,0	71,3	21,0
	AUM per Customer	**37.296**				**52.874**					

Mediolanum Customer AUM

as at December 31, 2001

Average AUM per Customer → 23,500 Euro

Considering the dilution effect created by the influx of the new customers (95,000), who generally join with a lower average AUM, this number is acceptable

Mediolanum Customer AUM
as at December 31, 2001

Average AUM per Bank Customer → **43,700 Euro**

The Bank customers have a much higher AUM. This indicates the strategic importance of a customer having both a current account and a stock portfolio in fostering asset gathering

Average AUM per F. E. Customer → **37,300 Euro**

The Financial Executives' customers also have a higher AUM, reflecting the fact that the Financial Executives show higher penetration in the HNW & Affluent segments

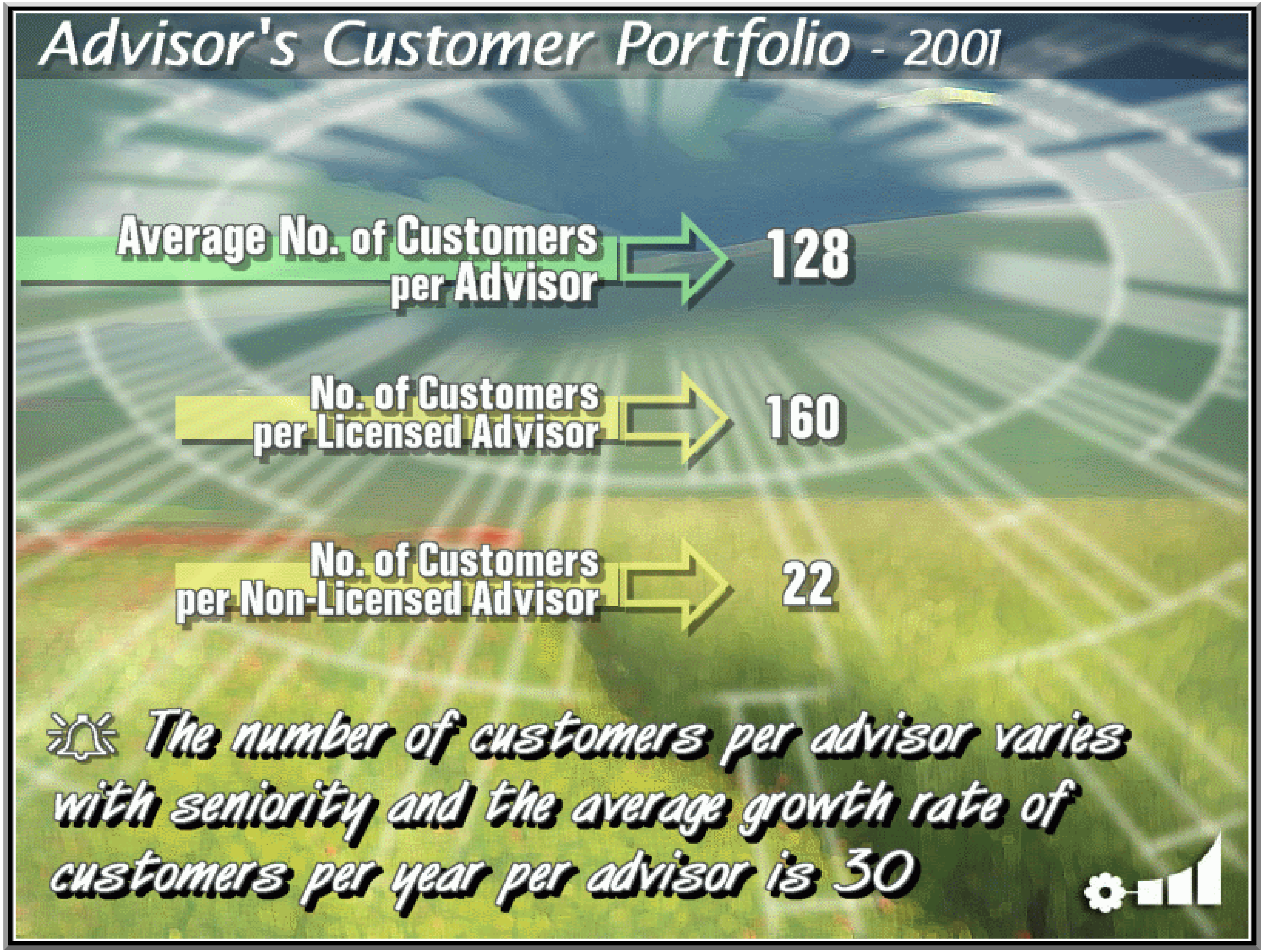
Mediolanum Cross Selling

Business Lines per Customer → **1.9** *out of 4 lines*

Products per Customer → **2.1** *out of 15 products*

With reference to business line penetration in the customer segments:

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


Advisor's Customer Portfolio - 2001
Average No. of Customers per Advisor
128
No. of Customers per Licensed Advisor
160
No. of Customers per Non-Licensed Advisor
22
The number of customers per advisor varies with seniority and the average growth rate of customers per year per advisor is 30

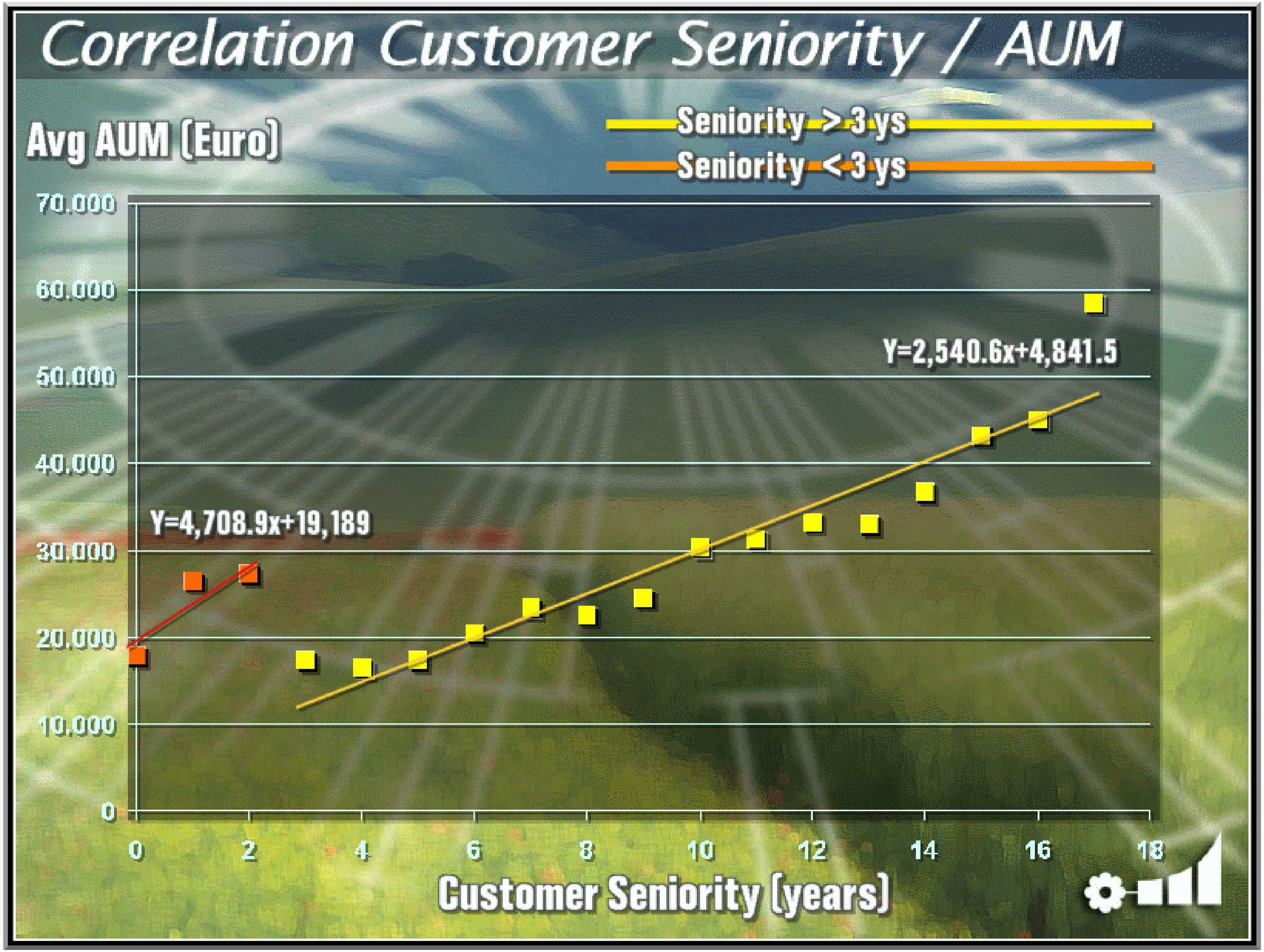
Mediolanum Customer AUM Growth - 2001

Average Growth Rate per Customer → **2,300 Euro** *per year*

... per Customer with seniority < 3 ys → **4,500 Euro** *per year*

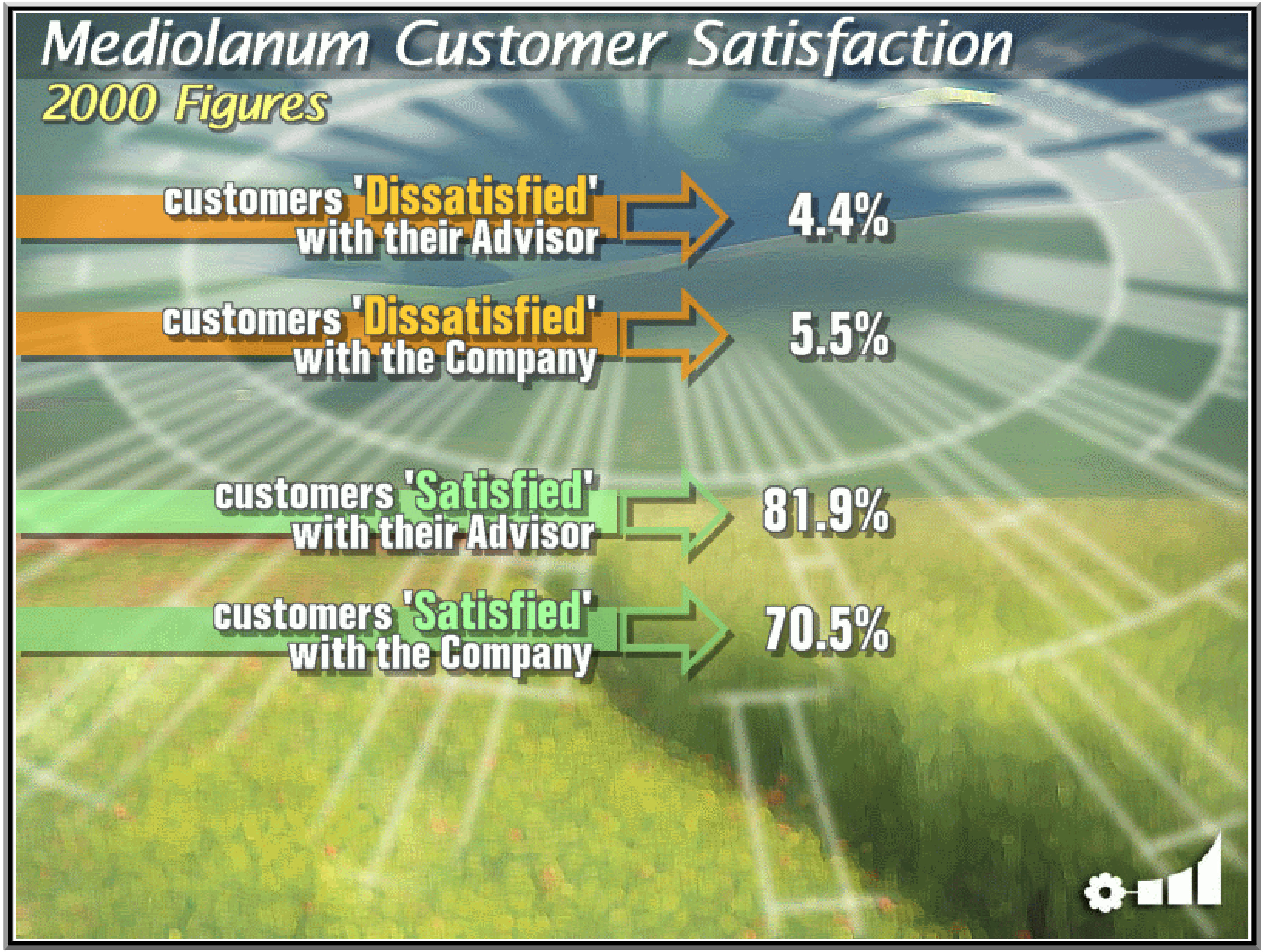
> The AUM per customer varies with seniority

> 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
70.000
60.000
50.000
40.000
30.000
20.000
10.000
0
Y=2,540.6x+4,841.5
Y=4,708.9x+19,189
0
2
4
6
8
10
12
14
16
18
Customer Seniority (years)

Mediolanum Customer Satisfaction

- Mediolanum has been tracking customer satisfaction for almost 10 years
- The survey is carried out by an outside market research agency - 'Unicab' - specialised in quality measurements
- In 2000 the research was based on 9,000 telephone interviews
- It measures the level of satisfaction of active customers with respect to their financial advisor and to the company


Mediolanum Customer Satisfaction
2000 Figures
customers 'Dissatisfied' with their Advisor
4.4%
customers 'Dissatisfied' with the Company
5.5%
customers 'Satisfied' with their Advisor
81.9%
customers 'Satisfied' with the Company
70.5%

Mediolanum Customer Satisfaction

2000 Figures

customers 'Satisfied' with the Company	70.5%	thus ranging:
contacted by the Advisor every week	94.7%	
contacted by the Advisor < once a year	67.3%	

- Frequency of contacts with the Financial Advisor remains the main driver of satisfaction
- The same happens for the level of sense of security in the investments
- This confirms how important the role of the Advisors is with respect to the relationship with the customer

Projection of Mediolanun Customer Base
as at 2005

- 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 4 ys) and their new customers
- We have assumed (on an yearly basis):
  - › a customer retention rate of 95.5%
  - › 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 Mediolanum Customer Base

as at 2005

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

No. of Advisors	10,000	+75%
No. of Customers	1,500,000	+110%
Total AUM (Euro million)	55,000	+200%

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.