

# *The Mediolanum Group*

*Venice, June 2002*

*Savings Products - Optimizing Distribution*

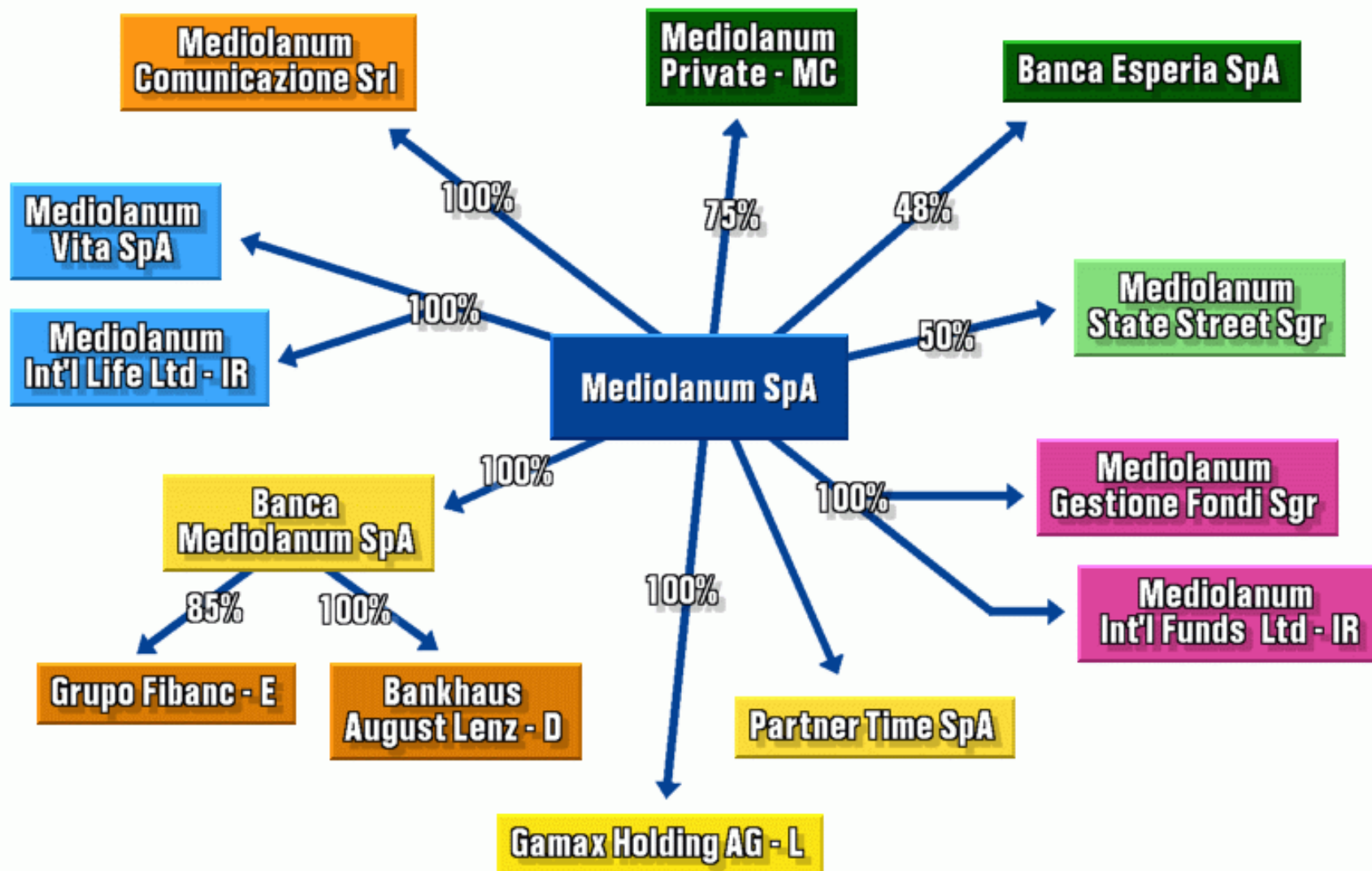
Goldman  
Sachs

Goldman Sachs European  
Financials Conference 2002

*In search of growth*



# Mediolanum Group Structure



# Mediolanum Product Line Integration



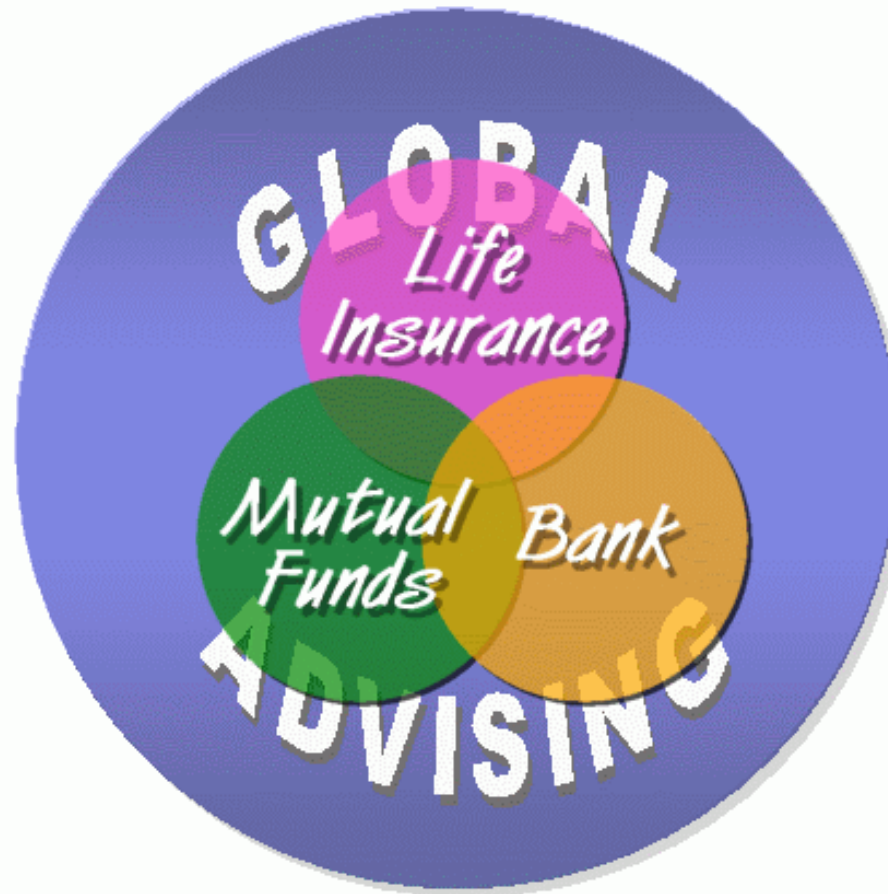
*personalized solutions*



## Mediolanum Mission

*"to provide families  
with advice  
to enhance  
their financial resources  
and satisfy  
their insurance, pension,  
savings, banking  
and investment needs"*

# Mediolanum Business Model



# Mediolanum Business Model



- ✓ Life Insurance
- ✓ Financial
- ✓ Banking

# Mediolanum Business Model



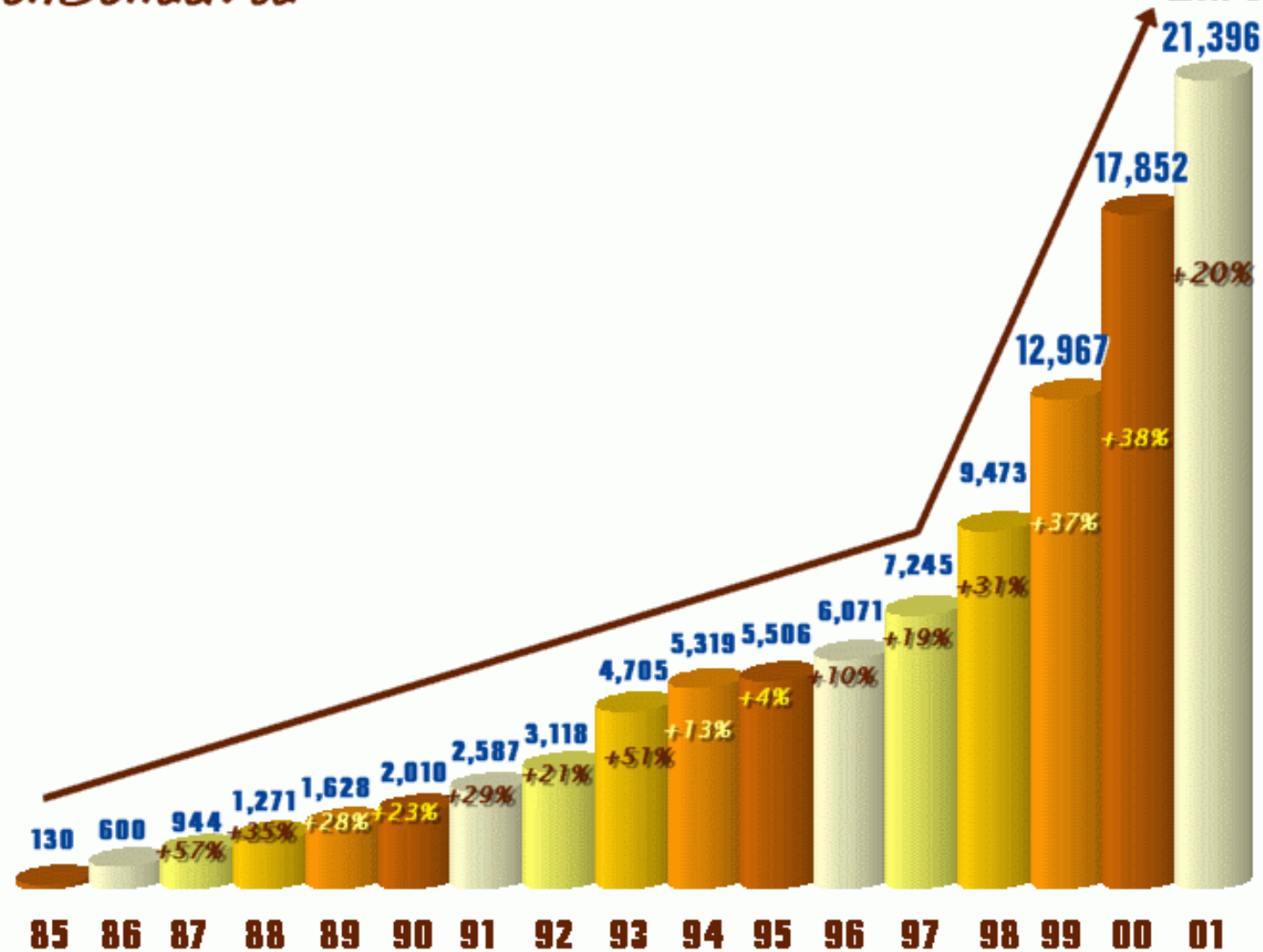
- ✓ Life Insurance
- ✓ Financial
- ✓ Banking

*all financial needs from  
one source, one professional*

# Mediolanum Assets under Administration

*Consolidated*

*Euro millions*





## Definition of 'Distribution'

*"the process of getting products  
from factory to consumer"*

*the Consumer? the Italian Household*



*20 million HH  
of whom 70% have money to invest*



*2,500 billion Euro*

## Multi-channel Integrated Bank Model

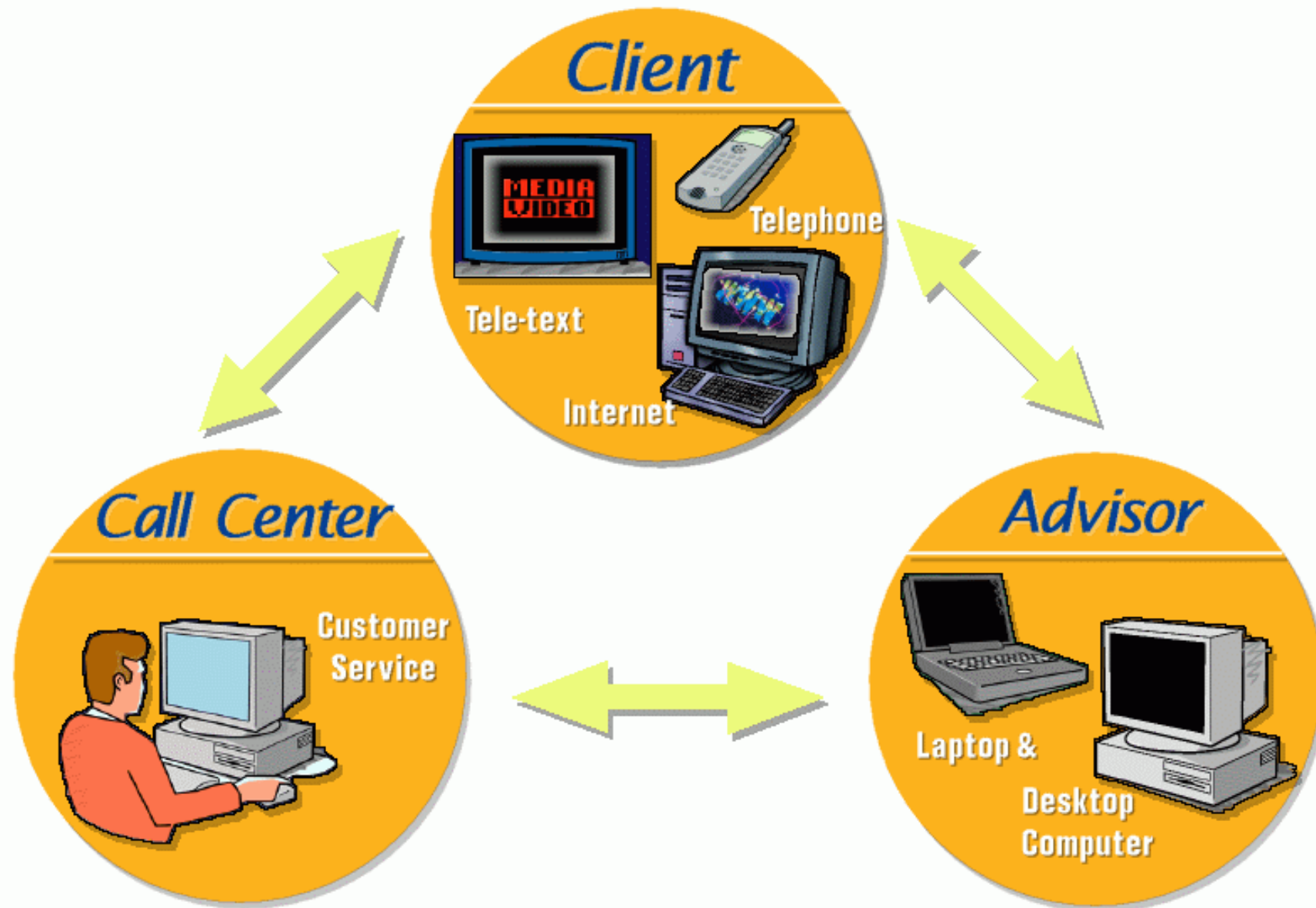


- *integrates all 'points of contact'*
- *optimises added-value & convenience*

## Multi-Channel Integrated Bank Features

- *same password for all channels*
- *all channels are accessible to the customer according to needs & desires*
- *marketing promotes the use of the advisor*
- *customer is guided to the lower-cost and more value-added channel through sophisticated pricing*
- *one statement itemizes all transactions made on all channels*

# The Virtuous Triangle





# Mediolanum Business Model



- *more solid client relationship*
- *increased client loyalty*

## Channel Management

*each channel is run as a business line*

*the manager champions the  
cause of the unit*



- *participates in creation of pricing models*
- *takes ownership of the technology*
- *manages all investments*

# Distribution Network

	No. of Agents		
	31.03.02	31.03.01	Change
▶ <b>Licensed Financial Advisors</b>	<b>3,924</b>	<b>3,163</b>	<b>+24.1%</b>
▶ <b>Non-licensed Financial Advisors</b>	<b>1,387</b>	<b>2,225</b>	<b>-37.7%</b>
<b>Banca Mediolanum*</b>	<b>5,311</b>	<b>5,388</b>	<b>-1.4%</b>
<i>* o/w Financial Executives</i>	<i>879</i>	<i>778</i>	<i>+13.0%</i>
<b>Partner Time</b>	<b>1,390</b>	<b>1,597</b>	<b>-13.0%</b>
<b>TOTAL NETWORK</b>	<b>6,701</b>	<b>6,985</b>	<b>-4.1%</b>

## Distribution Network: our 'backbone'

*among licensed advisors*  
*600 supervisors are responsible for*



- *hiring, training & coaching new recruits to become licensed advisors*
- *high quality of service*
- *attainment of company objectives*



## Distribution Network: our 'support tools

*the network is heavily supported  
by technology*



- *laptop computers updated daily with customer base information*
- *access to intranet for all company info needed for advising process*
- *encrypted corporate TV network*

## Priorities to Increase Distribution

*Increase the number of advisors*

*our network capacity serves only 4% of Italian HH, thus the recruitment of FAs is a never-ending effort*

- new program to communicate the highlights of the profession-through campus presentations, interviews & adverts*
- additional incentives for supervisors to compensate for extra recruitment & training effort*

## Priorities to Increase Distribution

*Increase the number of HHI per advisor*

- *help advisors to organise work → laptop planning aids*
- *provide alternative means of client communication → over 800 FA with personal internet sites*
- *integrate personal communications → direct mailings sent to customers from head office*
- *electronic transmission of orders*

## Priorities to Increase Distribution

### 3 *Open up "Mediolanum Points"*

- *no cost for the company*
- *'corporate identity' design*
- *customer can meet with an advisors and/or use channels of access to the bank → telephone, teletext & internet*
- *full availability of informative material*



## Direct Channels

*Primary function*

*is to enable the customers to do  
low value-added operations  
directly by themselves*

## Direct Channels: Telephone & Teletext

**Call Center**



**20,000 contacts/day**

**40% of max. capacity**

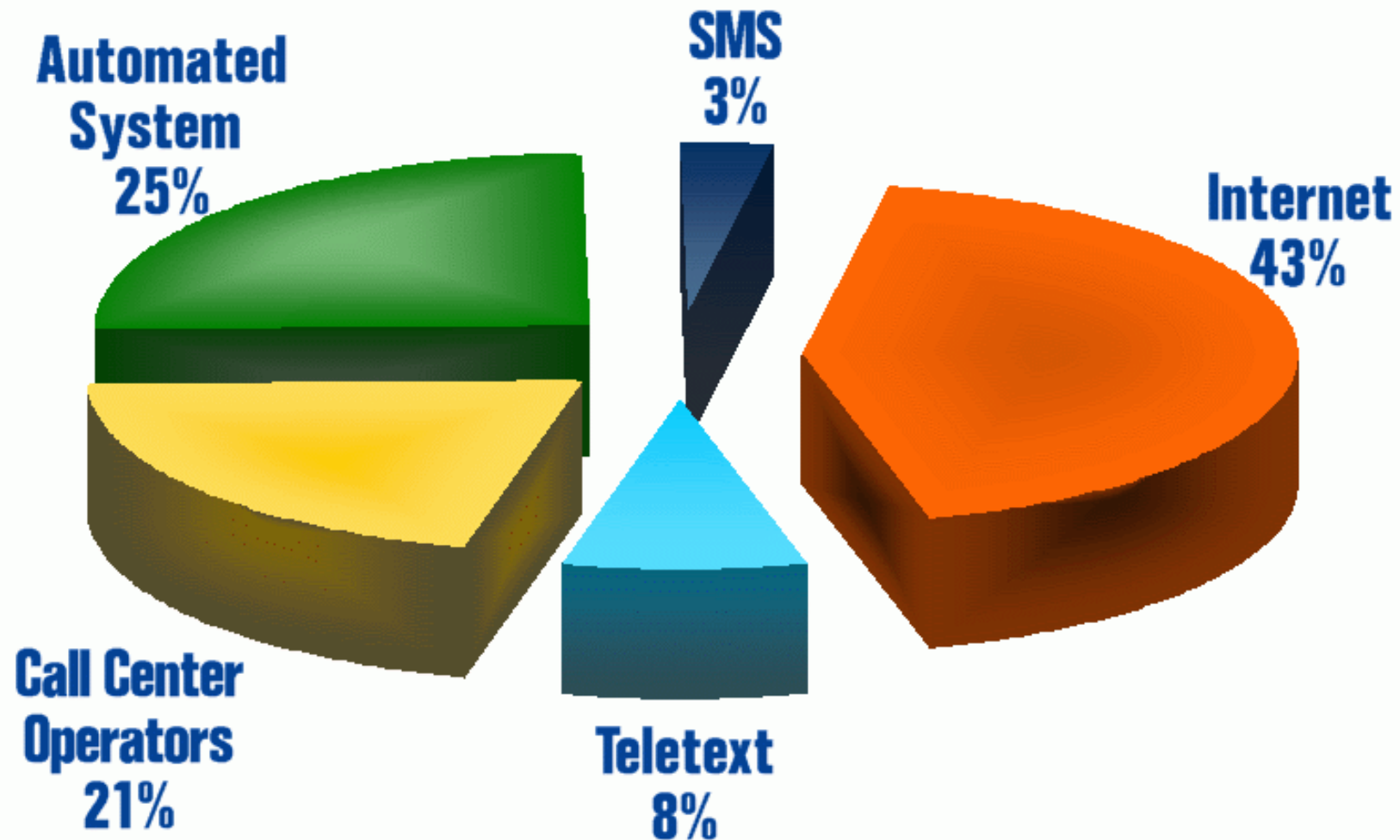
**Operators**



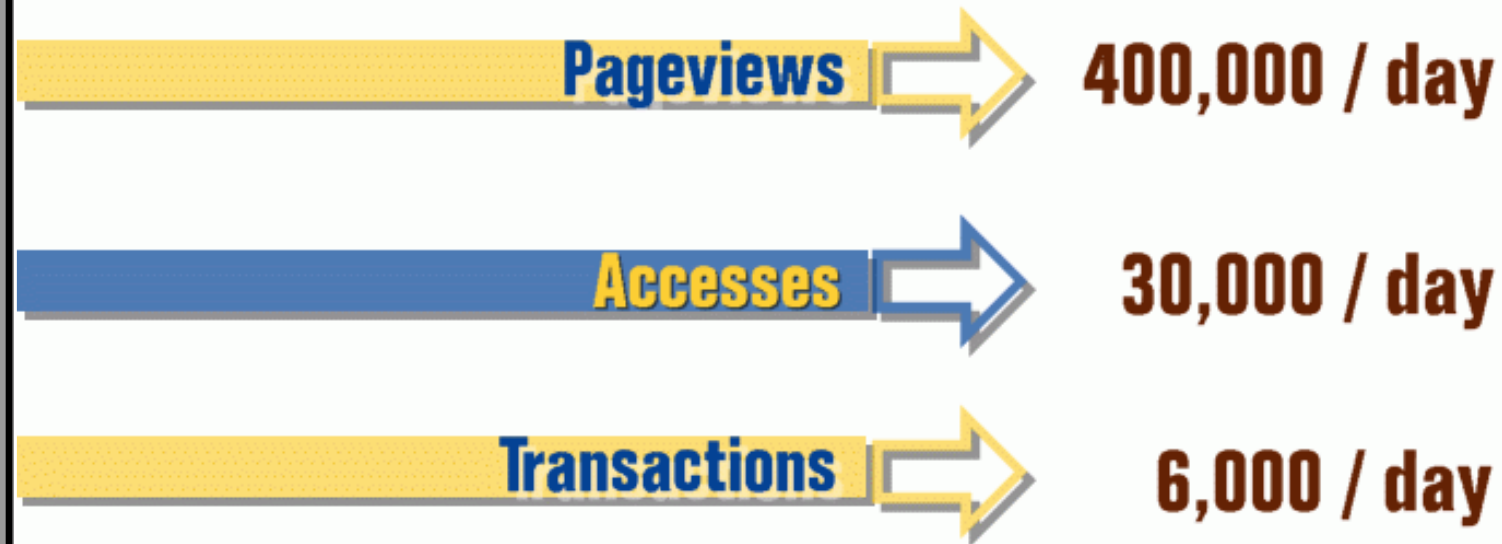
**200**

# Direct Channels Contacts

*as at December 31, 2001*



## Direct Channels: Internet





## Direct Channels

*as a great majority of Italian retail investors are 'advice seekers', the*

*key role*

*of the direct channels remains one of delivering service*

- *increase quality of service*
- *increase cost-efficiency*

## Optimizing Distribution - 1

*Promote the use of the Internet*



*economies of scale*

*to*

*quickly reach Internet channel  
break-even point*

## Optimizing Distribution - 2

*Keep pricing on Internet transactions  
lower than via telephone*

*satisfy all typical customer needs*



*justifies investment in technology  
reduces load on telephone channel*

## Direct Channels

*additional role:*

*to integrate our advertising messages  
within our direct channels*

*&*

*to make application form available*



*'window shopping'*

## New Projects Distribution

*Development of **1** interactivity on  
our Teletext Channel*

- Customers can receive "personalised" messages, i.e. reminder to request new checkbooks*



## New Projects Distribution

*Expansion of Internet site*



- *reserved for & accessible to non-customers*

## New Projects Distribution

*3*  
*Introduce Interactivity to  
Mediolanum Channel*

*- remote banking while watching TV*