



European Banking & Insurance Conference

October 9, 2002 - London

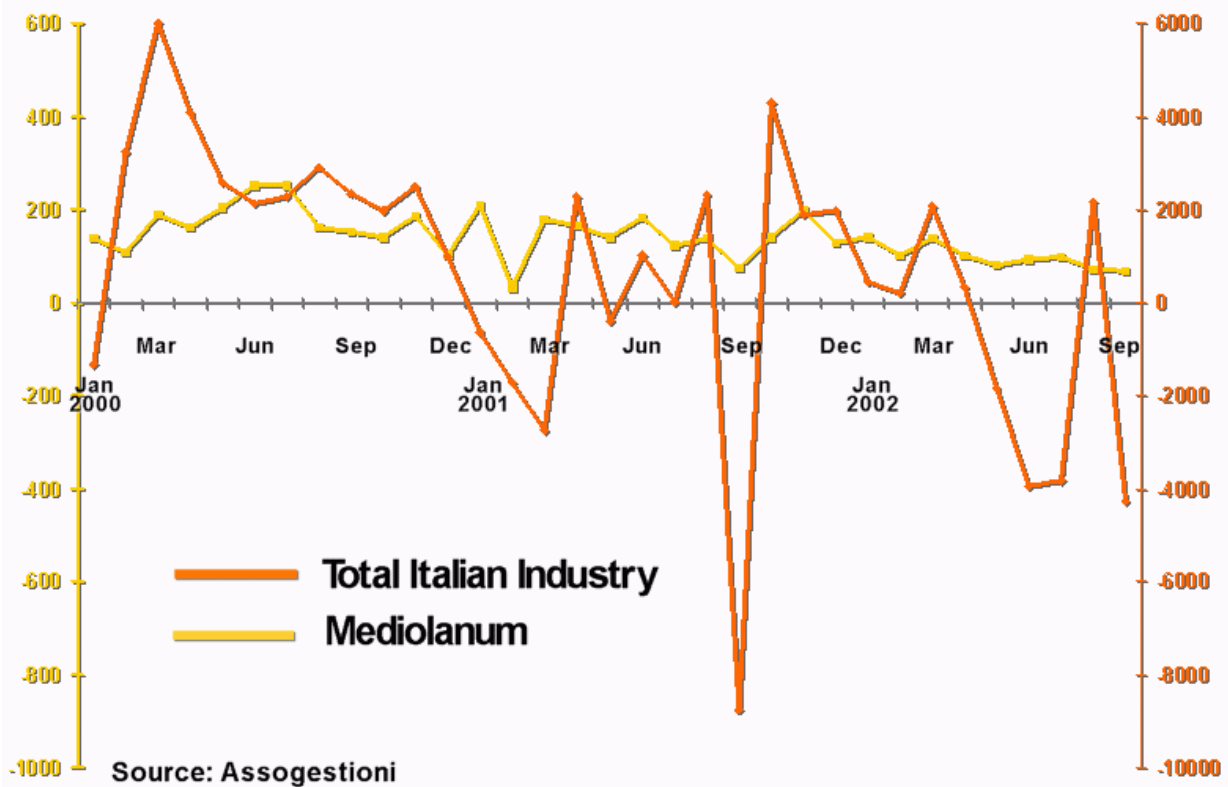




Ennio Doris

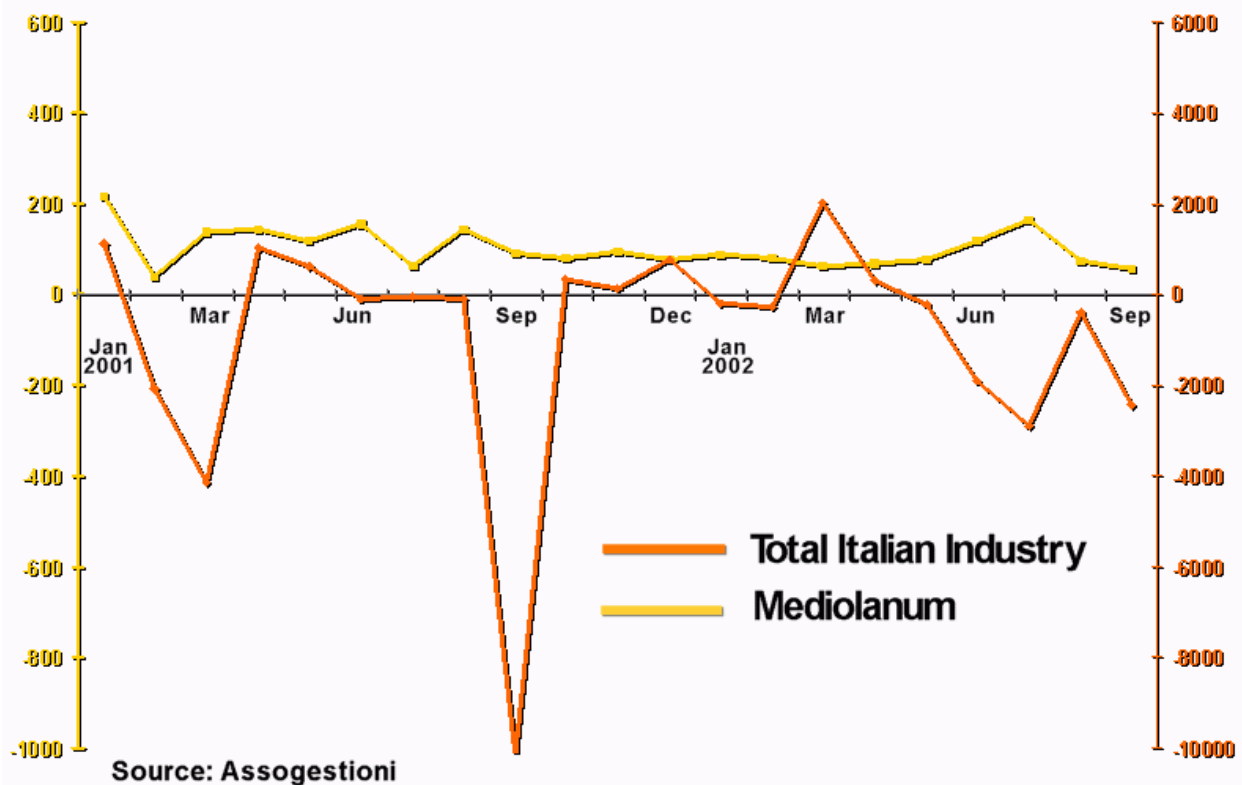
Chief Executive Officer

Net Inflows into Mutual Funds always positive & consistent



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Net Inflows into Equity Mutual Funds differentiates Mediolanum even more



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Total Net Inflows 3% higher than H1 01 record, and 2% higher YoY

Euro million	H1 2002	H1 2001	Change
▶ Life Policies	688.9	442.6	+55.6%
Managed Savings	1,020.1	982.0	+3.9%
▶ Securities	324.3	354.2	-8.4%
▶ Cash	529.0	414.1	+27.7%
▶ Repurchase Agreements	15.6	81.7	-80.9%
Administered Savings	868.9	850.0	+2.2%
▶ Mutual Funds & Wrap Accts.	331.2	539.4	-38.6%
TOTAL NET INFLOWS	1,889.0	1,832.0	+3.1%

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2001 - 2002 The "Annus Horribilis"

- ▶ Fall-out from the bursting of the New Economy Bubble
- ▶ September 11th disaster
- ▶ War in Afghanistan
- ▶ South American Crisis
- ▶ Accounting scandals & corporate bankruptcy scares
- ▶ Uncertainty about the war against Iraq

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Mediolanum's performance is less dependent upon the market environment

**Mediolanum's Strategy & Model
built with
"anti-seismic" criteria**



**responsive to the shocks & jolts
of tumultuous times
not just the "easy" times**

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We help clients follow a long-term approach that capitalises on economic fundamentals

- ▶ **Advice is not based on stock-picking, tactical asset allocation decisions, or market timing**
- ▶ **Clients are advised to invest following a series of diversification criteria:
'time horizon' the most important**
- ▶ **Investment in equity is advised for time horizons greater than 7 years**
- ▶ **Equity investment is diversified across the global economy to reduce risk**
- ▶ **Long term investors are advised to view market crises as buying opportunities**

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The '5-D Strategy': 5 rules for investing

1. 'Time Horizon' diversification
2. 'Securities' diversification
3. 'Geographic / Sector' diversification
4. 'Growth Potential' diversification
5. 'Financial Instrument' diversification

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The Mediolanum Business Model has the flexibility ...



...to respond to or even anticipate market changes
and resulting client needs

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The Mediolanum Business Model
presupposes a new type of consultant ...



... equally competent in handling all 3 product lines

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The Mediolanum Business Model
employs the concept of one-stop shopping ...



... all financial needs from one source & one professional

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The Mediolanum Multi-channel Bank imports the concepts of diversification & integration



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

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**Banca Mediolanum's Strategy
creates a high level of loyalty & persistency**

**to provide service
when and where
the customers want it
&
through the channel
they choose**

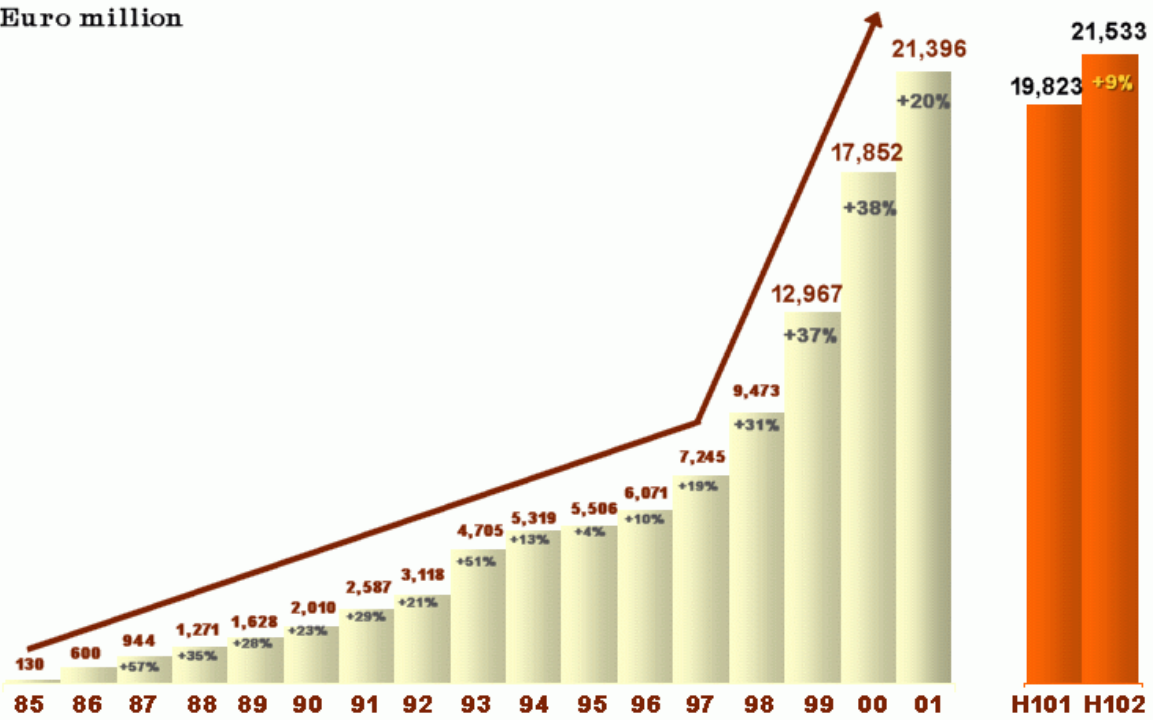


**more convenience
better service**

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Evolution of Au A proves our model & strategy reduce impact of market volatility ...

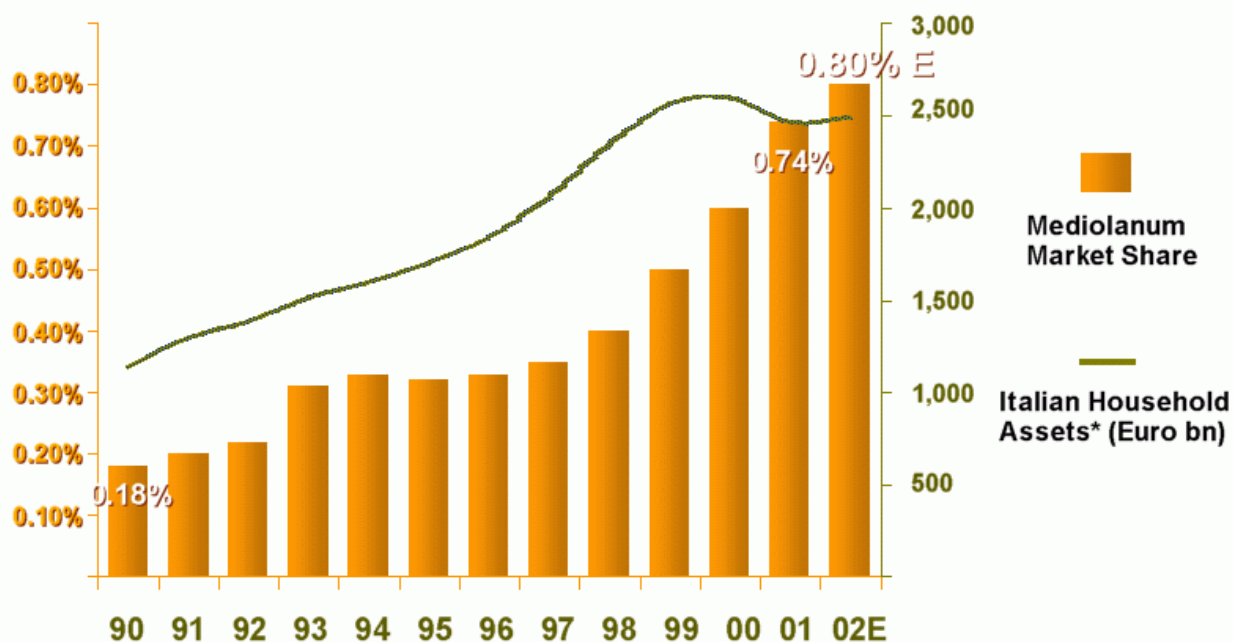
Euro million





Core Business

... and allows us to gain Market Share even more quickly in difficult times



* Source: Banca d'Italia

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Core AuA were able to grow thanks to the strong performance of net inflows

Euro million

	30.06.02	30.06.01	Change
Life Reserves	6,745.2	6,513.1	+3.6%
Mutual Funds & M.A	8,975.9	9,653.3	-7.0%
Bank Deposits	5,332.4	4,269.9	+24.9%
Institutional Assets	494.2	387.0	+27.7%
Consolidation Adjustments	-3,130.3	-3,133.3	-0.1%
CORE BUSINESS ASSETS	18,417.4	17,690.1	+4.1%

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Economic Results were even at the same level as last year ...

Euro million	H1 2002	H1 2001	Change
Total Revenues	1,269.4	843.5	+50.5%
Profit before Tax & E.I.	69.8	77.5	-9.9%
Extraordinary Items	2.2	0.0	---
Profit before Tax	71.9	77.5	-7.2%
Income Tax	-14.6	-20.1	-27.4%
NET PROFIT	57.3	57.4	-0.2%

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... but the impact of investments in New Ventures pulled net profit down

Euro million	H1 2002	H1 2001	Change
Total Revenues	1,308.6	865.5	+51.2%
Profit before Tax & E.I.	49.4	69.5	-28.9%
Extraordinary Items	2.7	0.1	---
Profit before Tax	52.1	69.6	-25.1%
Income Tax	-13.1	-19.1	-31.4%
Profit from Minority Interests	---	-0.2	---
CONSOLIDATED NET PROFIT	39.0	50.3	-22.5%

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The same profit level was achieved in core business despite two major obstacles

1. The crisis in Life insurance yield on traditional reserves

2. The erosion of Mutual Funds net asset value

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Profit from Life decreased due to negative contribution from traditional reserves

Euro million	H1 2002	H1 2001	Change
Life Insurance	33.8	55.2	-38.8%
PROFIT BEFORE TAX & E.I.	69.8	77.5	-9.9%

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Investment Income from Life wiped out 18 mn, or 14 mn after-tax vs. last year

Euro million	H1 2002	H1 2001	Change
Investment Income - Life	34.5	62.9	-45.2%
Adjustments to the value of financial investments	-5.6	-7.5	-25.3%
Adjusted Invest. Income - Life	28.9	55.4	-47.8%
Policyholders' Interest	-31.9	-40.3	-20.8%
Net Invest. Income - Life	-3.0	15.1	-120.0%
Net Invest. Income - Other	4.9	3.7	+32.4%
NET INVESTMENT INCOME	1.9	18.8	-89.9%

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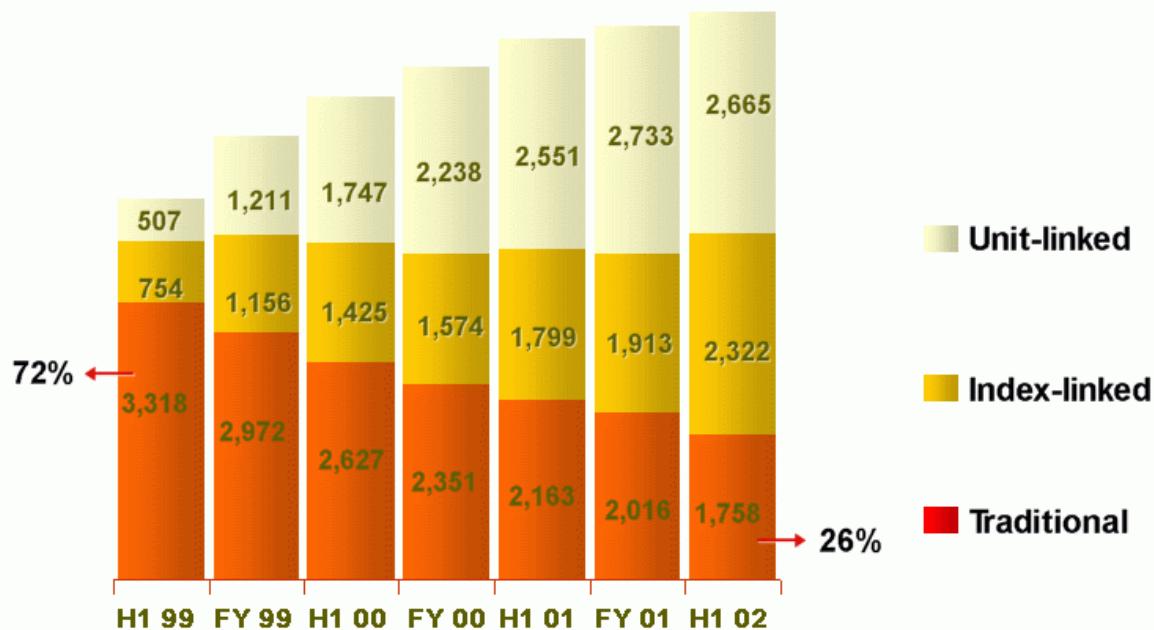
Profit decrease from Life business is expected to turn around ...

Euro million	H1 2002	H1 2001	Change
Life Insurance	33.8	55.2	-38.8%
<p>investment income had a negative 20% impact on core net profit</p> <p>temporary situation and is expected to improve substantially next year ...</p>			
PROFIT BEFORE TAX & E.I.	69.8	77.5	-9.9%

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... also due to the running down of Life Reserves since 1998

Euro million



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Life business in fact is efficient & solid contrary to all Insurance Companies

- ▶ 'cost of capital' is not an issue for us, as we sell only unit & index-linked policies
solvency margin: zero or 1%
- ▶ 'guarantees' are not an issue, as we don't guarantee a minimum yield nor an annuity level on new business
- ▶ guaranteed life book today is only 25%

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'My Pension' gives customer flexibility, and focuses advisor on the sale of an annuity

- ▶ Flexible service for pension plan launched September 19
- ▶ Designed to accommodate uncertainty in the future:
 - how the law evolves
 - how an individual's income or situation evolves
- ▶ Allows policyholder to choose 1 x per year to invest in:
 - 'Tax Benefit' version
(tax advantages during capital accumulation phase) OR
 - 'Europension' version
(lighter tax during annuity distribution phase) OR
 - combination of both
- ▶ Expected to ramp up recurring premiums in Q4

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The same profit level was achieved in core business despite two major obstacles

- 1.** The crisis in Life insurance yield on traditional reserves
 - 2.** The erosion of Mutual Funds net asset value
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Profit decrease from MF business was mitigated by positive net inflows

Euro million	H1 2002	H1 2001	Change
Life Insurance	33.8	55.2	-38.8%
Mutual Funds	23.3	26.5	-12.1%
PROFIT BEFORE TAX & E.I.	69.8	77.5	-9.9%

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Commission Income was practically unchanged despite lower assets ...

Euro million	H1 2002	H1 2001	Change
Entry Fees	17.4	27.8	-37.4%
Management Fees	76.8	68.6	+12.0%
<p>  when Service Fees from M.A.* are included management fees increase by 19.1%** </p>			
Performance Fees	13.2	10.5	+25.7%
TOTAL COMMISSION INCOME	107.4	106.9	+0.5%

* for Service Fees, see Bank Revenues

** 91.1 vs. 76.5 mn Euro = +19.1%

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Profit from MF business decreased but margins are increasing

Euro million	H1 2002	H1 2001	Change
Life Insurance	33.8	55.2	-38.8%
Mutual Funds	23.3	26.5	-12.1%
<p>the strategic introduction of no-load products dampened entry fees, but margins are healthier and increasing substantially</p>			
PROFIT BEFORE TAX & E.I.	69.8	77.5	-9.9%

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Profit from Bank business turned around to be significantly positive ...

Euro million	H1 2002	H1 2001	Change
Life Insurance	33.8	55.2	-38.8%
Mutual Funds	23.3	26.5	-12.1%
Bank Business	8.6	-5.4	n.s.
(excl. Adv. Investments)	12.7	0.1	n.s.
Other Operations	3.9	1.3	n.s.
PROFIT BEFORE TAX & E.I.	69.8	77.5	-9.9%

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...Bank profit increased due to service fees and reduction in interest paid on c/c

Euro million	H1 2002	H1 2001	Change
Interest Spread	12.8	16.2	-21.0%
▶ Securities	6.8	7.0	-2.9%
▶ Wrap Accounts <small>service fees</small>	14.3	7.9	+81.0%
▶ Other Services	12.1	6.4	+89.1%
Service Margins	33.2	21.3	+55.9%
TOTAL BANK REVENUES	46.0	37.5	+22.7%

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Sales Network went down 6.5% but net inflows went up 3%: a productivity increase of 10%

	30.06.02	30.06.01	Change
▶ Licensed Financial Advisors	4,086	3,473	+17.7%
▶ Non-licensed Financial Advisors	1,064	2,034	-47.7%
Banca Mediolanum*	5,150	5,507	-6.5%
* o/w Financial Executives	870	818	+6.4%
Partner Time	1,281	1,638	-21.8%
TOTAL NETWORK	6,431	7,145	-10.0%

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**The greatest height is achieved from a solid
and resilient base**

**All of Mediolanum's businesses
are healthy and
well-positioned to take full advantage
of the eventual
turnaround of the markets**



New Ventures

New Ventures generated a loss due to the start-up of Germany & Banca Esperia

Euro million	H1 2002	H1 2001	Change
Spain	-0.6	0.6	n.s.
Germany	-1.7	---	---
Banca Esperia & Mediolanum Private	-2.5	---	---
NEW VENTURE NET PROFIT *	-4.8	0.6	n.s.

* share of Profit pertaining to the Mediolanum Group

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Net Consolidated Effect includes goodwill depreciation

Euro million	H1 2002	H1 2001	Change
Net Profit *	-4.8	0.6	n.s.
Goodwill Depreciation	-10.1	-5.2	+94.0%
Interest paid on Investments	-3.5	-2.5	+40.0%
NEW VENTURE NET EFFECT	-18.4	-7.1	+159.1%

* share of Profit pertaining to the Mediolanum Group

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2001 & H1 02 were utilised to get the engine 'up-and-running' in Spain

- ▶ Mediolanum model now in place and functional
- ▶ Multi-channel system launched September 17 with state-of-the art Call Centre, Telephone, Teletext and Internet
- ▶ Steadily building a commission-based Sales Network

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Sales Network growth in Spain is moving ahead quickly: now close to 700

Euro million	30.06.02	30.06.01	Change
▶ Commercial Agents & Employees - Old model	123	150	-18.0%
▶ Financial Advisors - Mediolanum model	217	0	---
Sales Network	340	150	+126.6%
Introducers	261	260	---
TOTAL NETWORK SPAIN	601	410	+46.6%

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2001 & H1 02 were utilised to get the engine 'up-and-running' in Spain

- ▶ Mediolanum model now in place and functional
- ▶ Multi-channel system launched September 17 with state-of-the art Call Centre, Telephone, Teletext and Internet
- ▶ Steadily building a commission-based Sales Network
- ▶ Loaded mutual funds, instalment plans and single premium policies introduced on the Spanish market



the progress made so far portends excellent results

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The German start-up of Bankhaus Lenz is progressing well

- ▶ Outsourcing system defined
- ▶ Recruitment of key people and exclusive advisors underway
- ▶ Products under the authorisation process
- ▶ Mediolanum Life and Mutual Funds distribution scheduled by year end
- ▶ Banking products scheduled by April 2003

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The Gamax business in Germany will be kept separate from Bankhaus Lenz

- ▶ Complete restructuring of the organisation
- ▶ Restructuring of the product offer
- ▶ Encourage transfer of best IFAs to Bankhaus Lenz exclusive advisor system

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Progress of Banca Esperia is very bright: breakeven is expected in early 2003

Euro million

	30.12.01	30.06.02
Assets under Administration	1,036	1,537
% in Managed Assets	96.5%	80.0%
Gross Inflows	207	898
Customers	150	555
Private Bankers	10	23

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Concluding Remarks



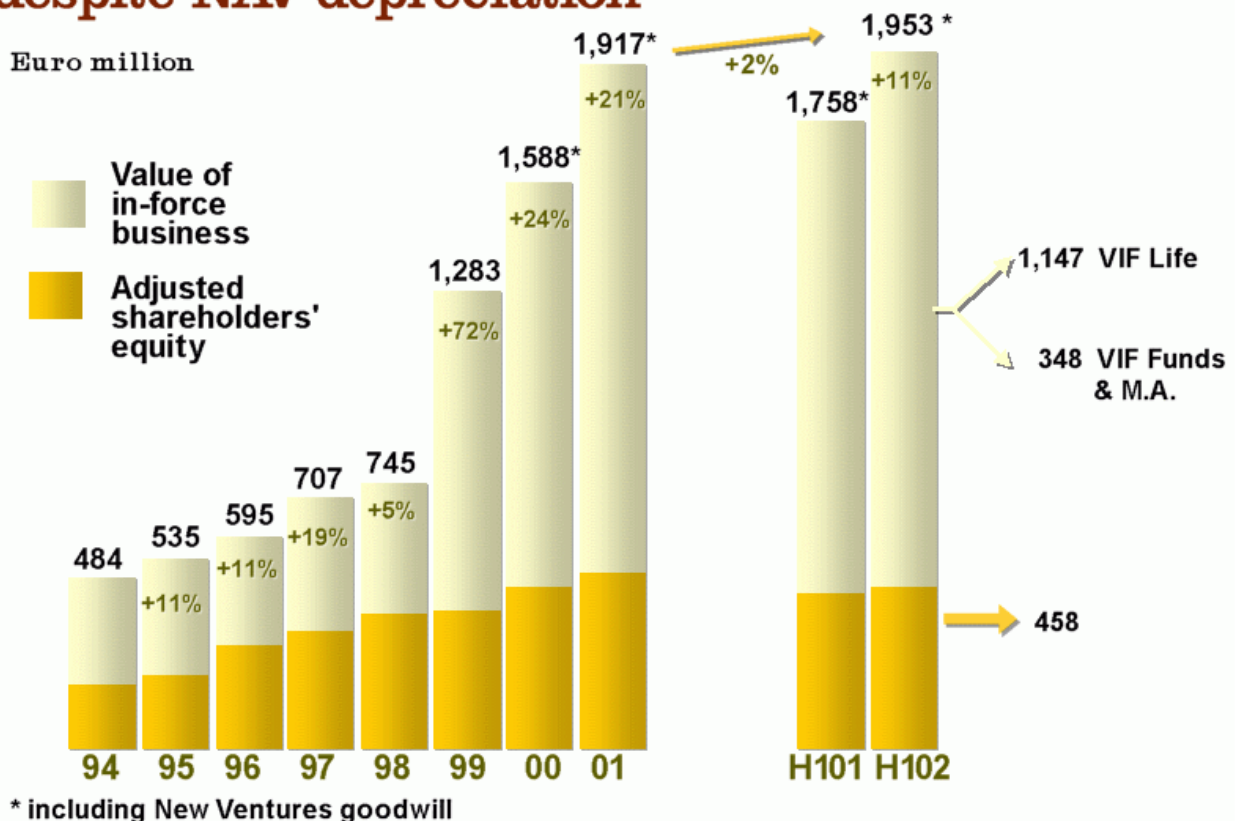
Concluding Remarks

- ▶ Mediolanum's business is sound and in good shape
- ▶ We are confident in our current position and future
- ▶ Investments in New Ventures,
Consolidation of the core business,
Margin development

Competitive advantage and accelerated growth

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Embedded Value increased a solid 11% YoY despite NAV depreciation



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