



MEDIOLANUM
GRUPPO MEDIOLANUM

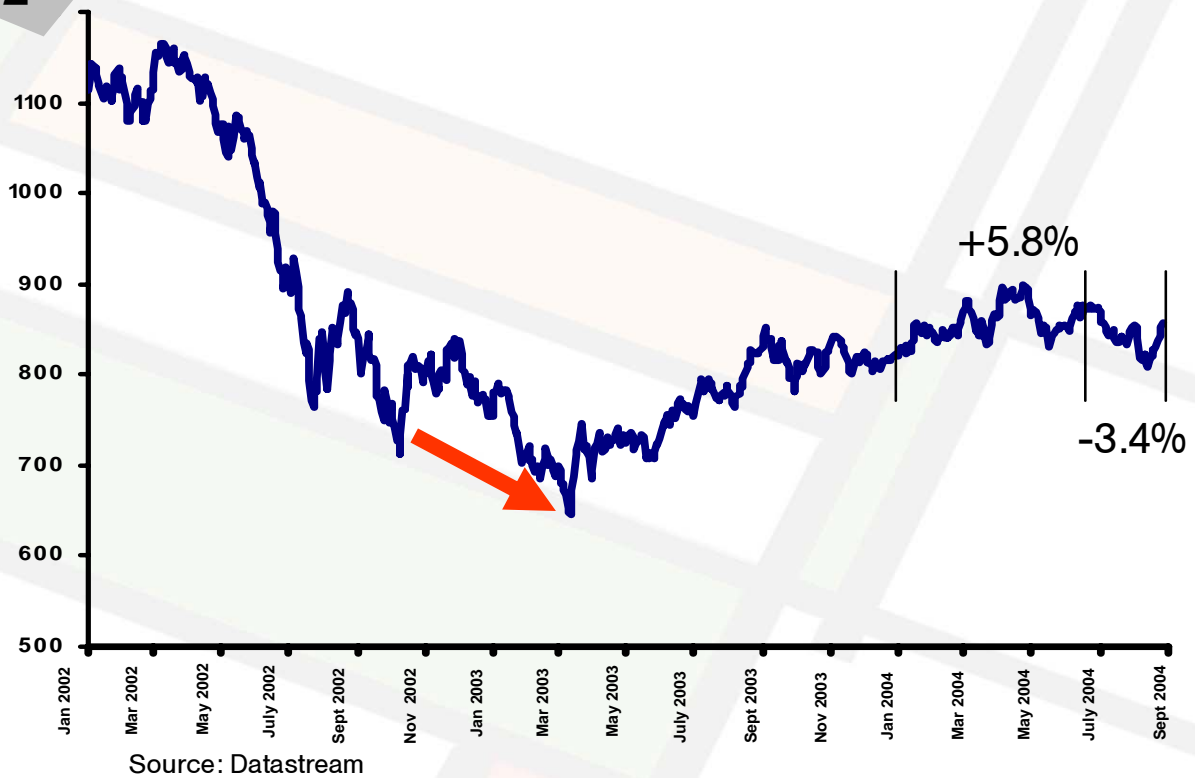
9M 2004

Reclassified Results

November 10, 2004

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MSCI World Index in Euro – 2002-2004



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Investor Sentiment & the Market

This **climate of uncertainty** reinforces and supports the hesitancy of the private investors



The **lag in the response** of the investors to market recovery has just been **extended** by the setback in the third quarter



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Net Inflows into Mutual Funds*

€ mn

Q3 2004

9M 2004

Total Italian Industry

-3,127

-8,373

* Including Managed Accounts & Unit-linked policies
Source: Assogestioni

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Life New Business Index & Unit-Linked policies*

Q304 vs. Q303

9M04 vs. 9M03

Total Italian Industry

-12%

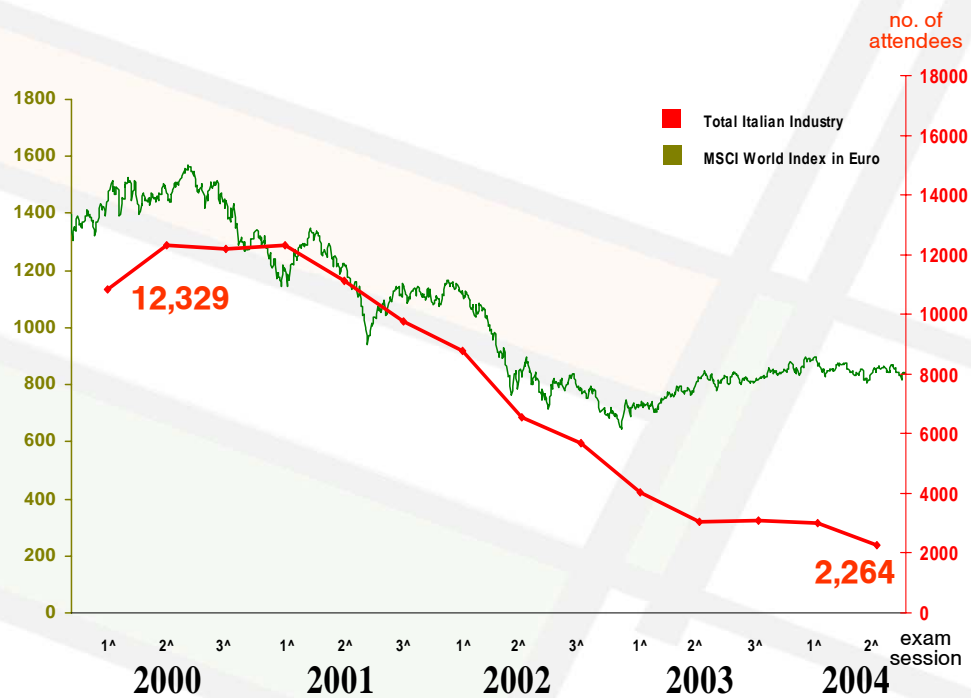
-15%

* Ramo III
Source: Ania



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Appeal of F.A. Profession Licensing exam attendance

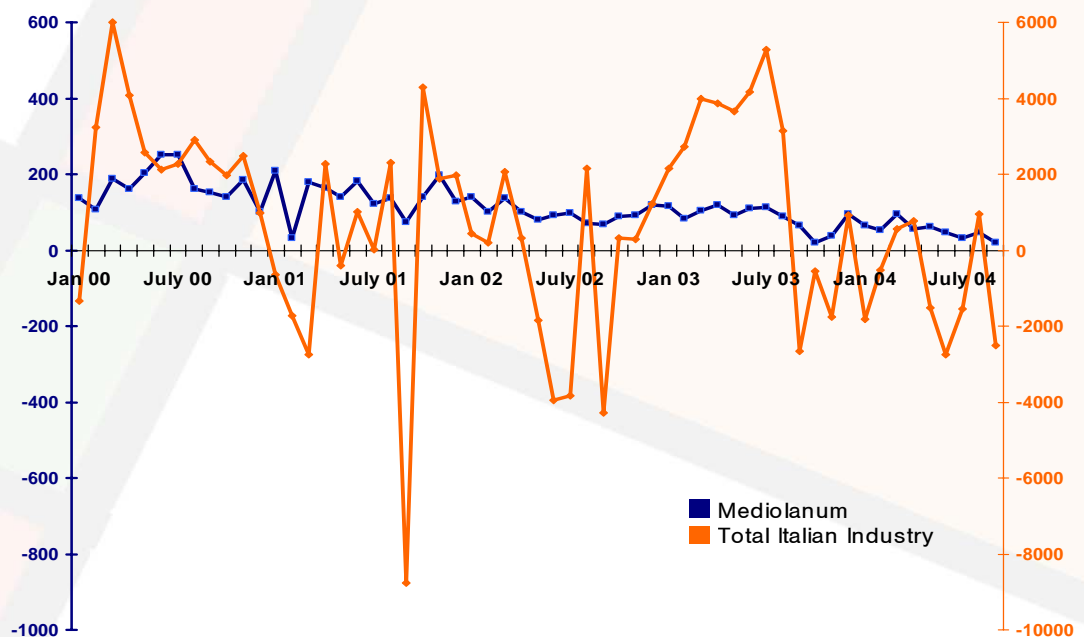


Source: Consob

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Net Inflows into Mutual Funds*

€ mn



* Including Managed Accounts & Unit-linked policies

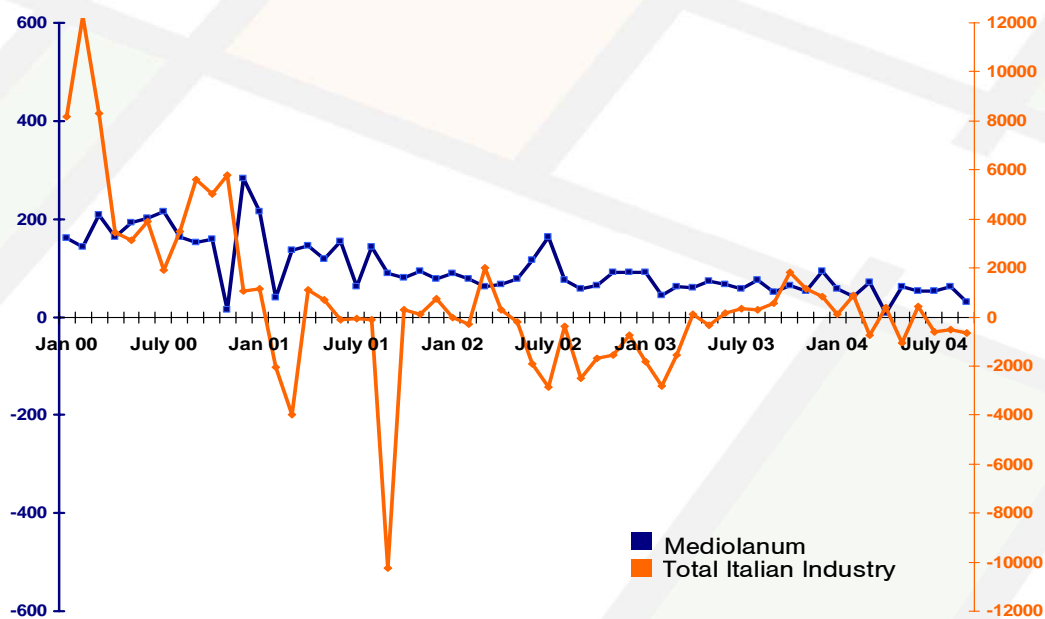
Source: Assogestioni



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Net Inflows into Equity Mutual Funds*

€ mn



* Including Managed Accounts & Unit-linked policies

Source: Assogestioni

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Net Inflows into Mutual Funds*

€ mn

	Q3 2004	9M 2004
Total Italian Industry	-3,121	-8,373
Mediolanum	101	479

* Including Managed Accounts & Unit-linked policies

Source: Assogestioni



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Life New Business Index & Unit-Linked policies*

Q304 vs. Q303 9M04 vs. 9M03

Total Italian Industry

-12%

-15%

Mediolanum

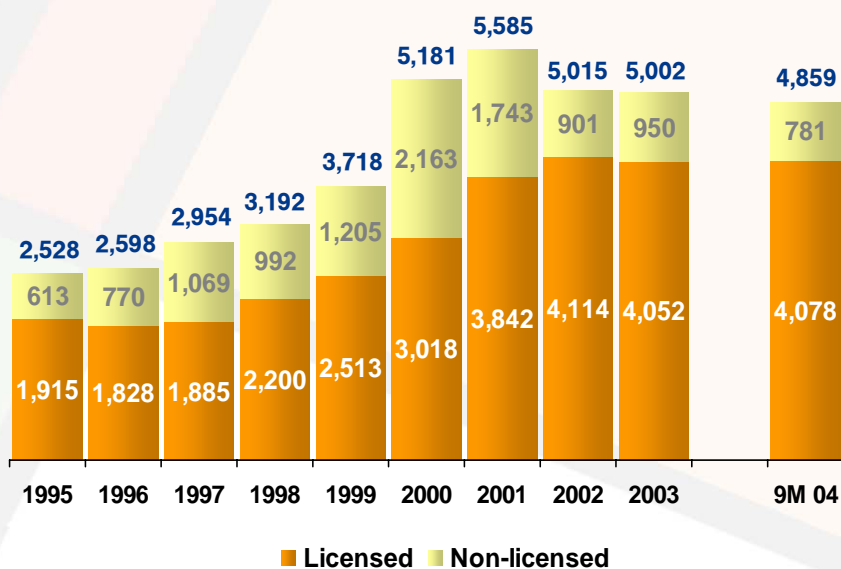
+16%

+40%

* Ramo III
Source: Ania

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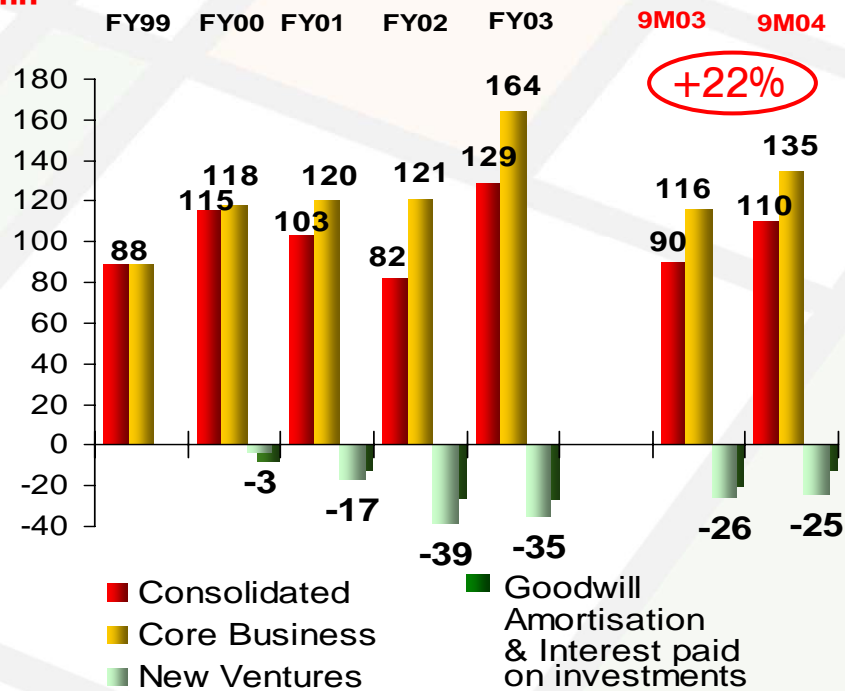
Financial Advisor Profession Mediolanum



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Net Profit Trend

€ mn



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Agenda

- ✓ Group Consolidated Results
- ✓ Core Business
- ✓ New Ventures
- ✓ 2004 – Projects Update



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9M 2004 Reclassified Results

Group Consolidated

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Net Profit

€ mn

	9M 04	9M 03	Change
Total revenues	2,040.0	1,633.4	+25%
Total costs	(1,901.2)	(1,531.6)	+24%
Net investment income	7.9	20.6	-61%
Profit before Tax & E.I.	146.8	122.4	+20%
Extraordinary items	2.1	(6.4)	n.s.
Profit before Tax	148.9	116.0	+28%
Tax	(38.8)	(26.0)	+49%
Profit from minority interests	0.0	(0.1)	n.s.
NET PROFIT	110.1	90.1	+22%



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Net Profit in detail

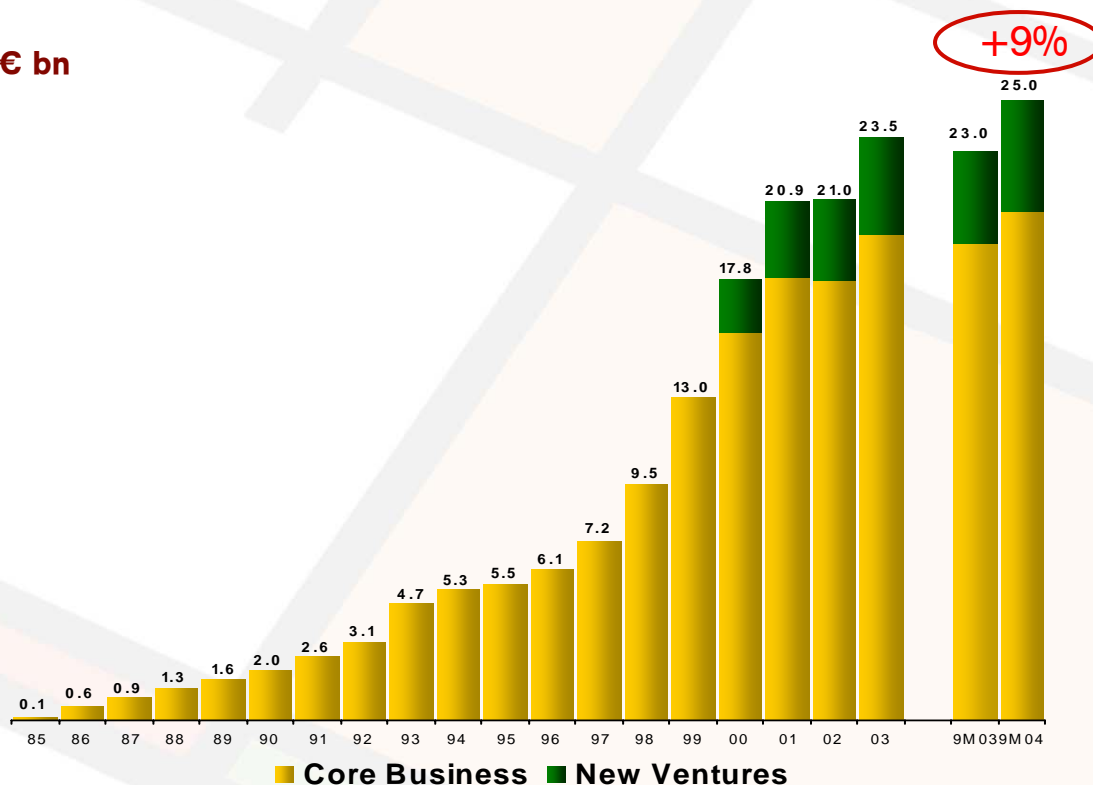
€ mn

	9M 04	9M 03	Change
Net Premiums written	1,713.6	1,302.3	+32%
Commission income	206.3	210.6	-2%
Bank revenues	106.8	111.0	-4%
Other revenues/commissions	13.4	9.5	+41%
Total Revenues	2,040.0	1,633.4	+25%
Net change in reserves	(1,536.1)	(1,165.6)	+32%
Acquisition costs	(156.0)	(147.7)	+6%
G&A expenses	(163.4)	(163.5)	-0%
Amortisation/depreciation	(45.7)	(54.8)	-17%
Total Costs	(1,901.2)	(1,531.6)	+24%
Net investment income	7.9	20.6	-61%
Profit before Tax & E.I.	146.8	122.4	+20%
Extraordinary items	2.1	(6.4)	n.s.
Profit Before Tax	148.9	116.0	+28%
Tax	(38.8)	(26.0)	+49%
Profit /Loss from minority interests	0.0	(0.1)	n.s.
NET PROFIT	110.1	90.1	+22%

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Assets under Administration Trend

€ bn



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Assets under Administration

€ mn

	9M 04	9M 03	Change
Life reserves	9,557.6	7,768.4	+23%
Mutual funds & managed accounts	10,686.0	9,633.0	+11%
Bank deposits	4,474.7	5,128.6	-13%
Institutional assets	18.0	164.5	-89%
Consolidation adjustments	(4,248.9)	(3,484.5)	+22%
Core Business Assets	20,487.4	19,210.0	+7%
Spain	1,999.6	1,908.9	+5%
Germany	481.4	459.0	+5%
Banca Esperia*	2,025.4	1,360.8	+49%
Mediolanum Private	3.8	11.9	-68%
New Ventures Assets	4,510.2	3,740.6	+21%
AUA	24,997.6	22,950.6	+9%

* Mediolanum Group's share (48.5%)

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Net Inflows

€ mn

	9M 04	9M 03	Change
Life policies	1,046.0	832.0	+26%
Mutual funds & managed accounts	401.3	737.2	-46%
Managed Savings	1,447.3	1,569.3	-8%
Administered Savings	39.3	259.0	-85%
NET INFLOWS	1,486.6	1,828.3	-19%



Sales Network

	9M 04	9M 03	Change
Italy: Banca Mediolanum	4,859	5,008	-3%
Spain: Fibanc (Mediolanum model)	406	322	+26%
Spain: Fibanc (Traditional model)	65	78	-17%
Germany: B.A. Lenz	86	84	+2%
Full-Time Exclusive Advisors	5,416	5,492	-1%
Italy: Partner Time	658	954	-31%
Spain: Fibanc Part-Time agents	107	72	+49%
Germany: Gamax	573	892	-36%
Part-Time / Non-Exclusive Advisors	1,338	1,918	-30%
TOTAL SALES NETWORK	6,754	7,410	-9%



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9M 2004 Reclassified Results

Core Business

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Net Profit

€ mn

	9M 04	9M 03	Change
Total revenues	1,937.7	1,563.2	+24%
Profit before Tax & E.I.	172.0	149.0	+15%
Extraordinary items	3.0	(5.2)	n.s.
Profit before Tax	175.0	143.8	+22%
Tax	(40.3)	(28.1)	+44%
NET PROFIT	134.6	115.7	+16%



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Net Inflows

€ mn

	9M 04	9M 03	Change
Life policies	982.5	803.1	+22%
Mutual funds & managed accounts	29.6	453.1	-93%
Managed Savings	1,012.1	1,256.2	-19%
Securities	(65.1)	113.0	n.s.
Cash	110.2	(247.2)	n.s.
Repurchase agreements	(57.8)	250.1	n.s.
Administered Savings	(12.7)	115.9	n.s.
NET INFLOWS	999.4	1,372.1	-27%

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Assets under Administration

€ mn

	9M 04	9M 03	Change
Life reserves	9,557.6	7,768.4	+23%
Mutual funds & managed accounts	10,686.0	9,633.0	+11%
Institutional assets	18.0	164.5	-89%
Consolidation adjustments	(4,248.9)	(3,484.5)	+22%
Managed Savings Assets	16,012.8	14,081.4	+14%
Bank deposits	4,474.7	5,128.6	-13%
Administered Savings Assets	4,474.7	5,128.6	-13%
TOTAL AUA	20,487.4	19,210.0	+7%



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Life Reserves

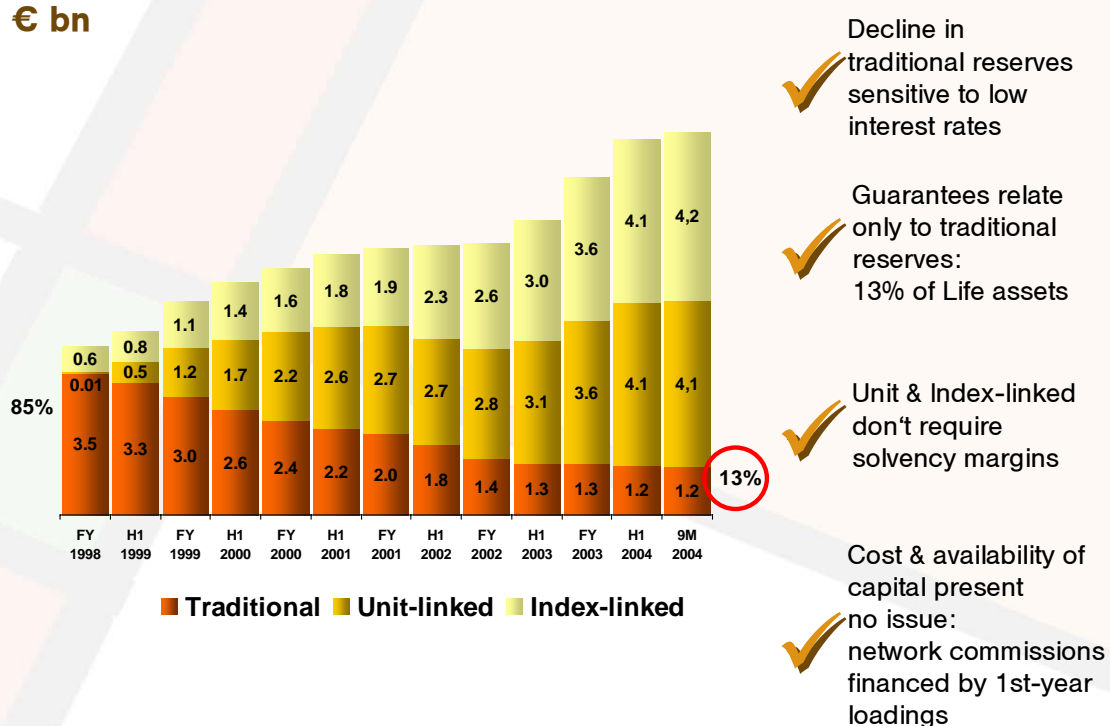
€ mn

	9M 04	9M 03	Change
Traditional Reserves	1,218.8	1,269.3	-4%
Index-linked Reserves	4,194.4	3,204.4	+31%
Unit-linked Reserves	4,144.5	3,294.7	+26%
LIFE RESERVES	9,557.6	7,768.4	+23%

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Life Reserves Trend

€ bn



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Mutual Funds & M.A. Assets

€ mn

	9M 04	9M 03	Change
Equity funds	6,465.4	5,600.0	+15%
Bond funds	1,837.1	1,896.0	-3%
Monetary funds	823.2	763.2	+8%
Total "unbundled" mutual funds	9,125.8	8,259.2	+10%
"Elite" fund of funds	97.7	38.7	+152%
o/w equity	75.9	19.2	+295%
"Mix" accounts	1,391.6	1,254.6	+11%
o/w equity	1,114.3	792.2	+41%
"Chorus" managed accounts	1,736.7	1,868.7	-7%
o/w equity	1,159.2	1,164.6	-0%
Total "bundled" mutual funds	3,226.0	3,162.0	+2%
Managed accts. in own mutual funds	(1,665.8)	(1,788.2)	-7%
MUTUAL FUND & MA ASSETS	10,686.0	9,633.0	+11%
o/w equity	71%	66%	+8%

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Mutual Funds Assets by Location

as at 30/09/04



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Bank Deposits

€ mn

	9M 04	9M 03	Change
Cash under deposit	2,647.3	2,624.5	+1%
Securities under deposit	1,699.3	2,039.9	-17%
Repurchase agreements	123.0	453.9	-73%
Subordinated loans	5.1	10.3	-50%
BANK DEPOSITS	4,474.7	5,128.6	-13%

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Gross Premiums Written

€ mn

	9M 04	9M 03	Change
U-L Pension plans	46.6	61.1	-24%
Pension plans: automatic increase in premiums*	23.0	20.0	+15%
U-L Investment policies (Life Funds)	55.9	15.8	+254%
Recurring Policies (AP)	125.5	96.9	+30%
Trad/Group/Investment policies	6.1	6.6	-8%
Unit-linked policies (Life Funds, Oro Funds)	107.1	90.3	+19%
Index-linked policies (Dipiù)	830.7	571.2	+45%
Single Premium Policies (SP)	943.9	668.1	+41%
TOTAL NEW BUSINESS	1,069.4	765.0	+40%
Pension plans in-force	470.3	431.5	+9%
Investment policies in-force	108.3	72.9	+49%
TOTAL IN-FORCE BUSINESS	578.6	504.4	+15%
TOTAL GROSS PREMIUMS WRITTEN	1,648.1	1,269.4	+30%

* Included in In-force Business in the Embedded Value calculation



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Recurring Policies in detail (AP)

€ mn

9M 04

U-L Pension plans (My Pension)	34.0
<i>o/w automatic increase in premiums</i>	6.0
<i>o/w discretionary increase in premiums already paid</i>	3.9
U-L Pension plans (Europension)	31.5
<i>o/w automatic increase in premiums</i>	12.9
<i>o/w discretionary increase in premiums already paid</i>	6.5
Traditional Pension Plan	1.8
<i>o/w automatic increase in premiums</i>	1.8
U-L Investment policies (Life Funds)	58.2
<i>o/w automatic increase in premiums</i>	2.3
RECURRING POLICIES (AP)	125.5
<i>o/w automatic increase in premiums</i>	23.0
<i>o/w discretionary increase in premiums already paid*</i>	10.5
<i>Total increase in premiums</i>	33.5

* 8.8 euro/mn of discretionary increase in premiums written, but not yet paid are not included in the slide

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Gross Inflows into Retail Mutual Funds & Managed Accounts

€ mn

	9M 04	9M 03	Change
Equity funds	341.6	346.3	-1%
Bond funds	148.5	218.1	-32%
Monetary funds	321.2	339.7	-5%
Total "unbundled" mutual funds	811.4	904.1	-10%
"Elite" fund of funds	40.9	41.5	-1%
<i>o/w equity</i>	27.6	21.0	+31%
"Mix" accounts	173.8	163.3	+6%
<i>o/w equity</i>	139.5	82.1	+70%
"Chorus" managed accounts	78.2	128.8	-39%
<i>o/w equity</i>	44.1	60.8	-27%
Total "bundled" mutual funds	292.9	333.6	-12%
TOTAL GROSS INFLOWS INTO MF & MA	1,104.3	1,237.7	-11%
<i>o/w equity</i>	50%	41%	+21%



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Bank Accounts & Account Holders

	9M 04	9M 03	Change
Active bank accounts	338,000	331,000	+2%
Primary account holders (unduplicated)	782,200	768,700	+2%

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Primary Account Holders

	9M 04	9M 03	Change
Life	595,100	566,700	+5%
Mutual funds & managed accounts	281,300	287,100	-2%
Bank	305,700	297,500	+3%
Other	61,700	64,100	-4%
Unduplicated Primary Account Holders	782,200	768,700	+2%



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Total Account Holders

	9M 04	9M 03	Change
Life	595,100	566,700	+5%
Mutual funds & managed accounts	428,700	440,500	-3%
Bank	467,000	454,800	+3%
Other	64,100	66,700	-4%
Total Account Holders	918,900	907,400	+1%

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Sales Network

	9M 04	9M 03	Change
Licensed Financial Advisors	4,078	4,092	-0%
Non-Licensed Financial Advisors	781	916	-15%
Banca Mediolanum	4,859	5,008	-3%
<i>o/w financial executives</i>	<i>781</i>	<i>839</i>	<i>-7%</i>
Partner Time	658	954	-31%
TOTAL NETWORK	5,517	5,962	-7%



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Total Revenues

€ mn

	9M 04	9M 03	Change
Premium income	1,648.1	1,269.4	+30%
Re-insurance ceded	(4.5)	(5.1)	-12%
Commission income	189.0	194.6	-3%
Bank revenues	91.5	91.9	-0%
Other commission & revenues	13.5	12.4	+9%
TOTAL REVENUES	1,937.7	1,563.2	+24%

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Adjusted Premium Income

€ mn

	9M 04	9M 03	Change
Recurring policies*	102.5	76.9	+33%
Single premium policies x 1/10	94.4	66.8	+41%
NEW BUSINESS APE	196.9	143.7	+37%

* excluding automatic increases in premiums



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Commission Income

€ mn

	9M 04	9M 03	Change
Entry fees	18.9	23.2	-18%
Management fees	125.2	103.9	+21%
Performance fees	44.9	67.5	-33%
TOTAL COMMISSION INCOME*	189.0	194.6	-3%

Entry fees

18.9

23.2

-18%

Management fees

125.2

103.9

+21%

Performance fees

44.9

67.5

-33%

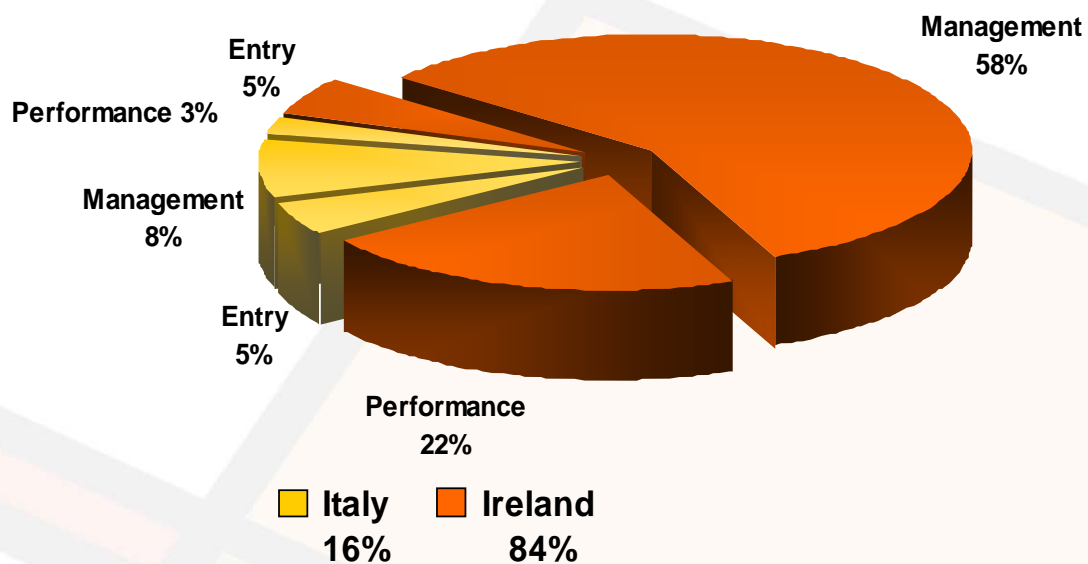
TOTAL COMMISSION INCOME***189.0****194.6****-3%**

* on all products with mutual funds underlying

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Commission Income by Location

as at 30/09/2004



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Bank Revenues

€ mn

	9M 04	9M 03	Change
Interest Spread	37.9	43.6	-13%
Securities	8.5	12.6	-33%
Service fees on managed accounts	15.2	16.9	-10%
Other services	29.9	18.8	+59%
-o/w mortgages	17.4	7.8	+123%
Service Margin	53.6	48.3	+11%

BANK REVENUES	91.5	91.9	-0%
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Benefits Paid & Change in Reserves

€ mn

	9M 04	9M 03	Change
Claims & maturities	342.7	235.0	+46%
Natural surrenders	244.6	130.0	+88%
Surrenders from transformation	78.3	124.0	-37%
Benefits Paid	665.6	489.0	+36%
Change in Reserves	814.4	647.4	+26%
Recovery from reinsurance	(5.7)	(4.6)	+24%

BENEFITS PAID & CHANGE IN RESERVES	1,474.3	1,131.8	+30%
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Surrenders*

€ mn

	9M 04	9M 03	Change
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Surrenders from Transformation	49.4	124.0	-60%
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Natural Surrenders*	180.7	110.8	+63%
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% of reserves	3.6%	2.6%	+38%
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TOTAL SURRENDERS	230.1	234.8	-2%
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% of reserves	4.6%	5.5%	-16%
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* excluding index-linked & group policies

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Surrenders of Investment Policies

€ mn

	9M 04	9M 03	Change
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Surrenders of Traditional Invest. Pol.	29.0	47.1	-38%
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% of reserves	14.1%	19.1%	-26%
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<i>o/w Natural Surrenders</i>	23.3	27.2	-14%
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% of reserves	11.2%	10.6%	+6%
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Surrenders of Unit-linked Invest. Pol.	77.4	45.0	+72%
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% of reserves	8.6%	6.3%	+37%
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<i>o/w Natural Surrenders</i>	60.3	45.0	+34%
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% of reserves	6.7%	6.3%	+6%
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SURRENDERS OF INVEST. POL.*	106.4	92.1	+16%
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% of reserves	9.6%	9.6%	n.s.
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<i>o/w Natural Surrenders</i>	83.6	72.2	+16%
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% of reserves	7.5%	7.4%	+1%
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* excluding group policies



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Surrenders of Pension Plans

€ mn

	9M 04	9M 03	Change
Surrenders of Traditional Pension Plans	23.8	120.9	-80%
% of reserves	2.5%	12.1%	-79%
<i>o/w Natural Surrenders</i>	13.8	16.6	-17%
% of reserves	1.5%	1.6%	-6%
Surrenders of Unit-linked Pension Plans	99.9	22.0	+354%
% of reserves	3.4%	1.0%	+240%
<i>o/w Natural Surrenders</i>	83.3	22.0	+279%
% of reserves	2.8%	1.0%	+180%
SURRENDERS OF PENSION PLANS*	123.7	142.9	-13%
% of reserves	3.2%	4.3%	-26%
<i>o/w Natural Surrenders</i>	97.1	38.6	+152%
% of reserves	2.5%	1.2%	+108%

*excluding group policies

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Costs

€ mn

	9M 04	9M 03	Change
Net claims, benefits paid, changes in reserves	1,474.3	1,131.8	+30%
Acquisition costs (commission expense)	140.9	136.4	+3%
G&A expenses	133.0	126.4	+5%
Advertising expenses	2.8	6.5	-57%
Depreciation & provisions	24.1	33.8	-29%



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Net Investment Income

€ mn

	9M 04	9M 03	Change
Investment income - Life	37.4	49.8	-25%
Adjustments to financial investments	(2.5)	0.2	n.s.
Adjusted investment income - Life	34.9	50.0	-30%
Policyholders' interest	(27.1)	(30.6)	-11%
Net Investment Income - Life	7.8	19.4	-60%
Net Investment Income - other	(4.4)	(4.9)	n.s.
Interest paid on investments	6.1	6.2	-2%
NET INVESTMENT INCOME	9.4	20.7	-54%

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Profit by Business Line

€ mn

	9M 04	9M 03	Change
Life insurance	86.5	65.5	+32%
Mutual funds	50.1	44.7	+12%
Bank business	35.2	40.3	-13%
Other operations	0.2	(1.5)	n.s.
PROFIT BEFORE TAX & E.I.	172.0	149.0	+15%



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9M 2004 Reclassified Results

New Ventures

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Net Profit

€ mn

	9M 04	9M 03	Change
Spain	1.1	(0.6)	n.s.
Germany: Gamax	1.3	(0.2)	n.s.
Germany: B.A. Lenz	(8.1)	(6.1)	+32%
Banca Esperia*	1.4	1.0	+42%
Mediolanum Private & others	(0.8)	(0.6)	+36%
NET PROFIT/LOSS	(5.1)	(6.5)	-22%

* Mediolanum Group's share (48.5%)



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Net Consolidated Effect

€ mn

	9M 04	9M 03	Change
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Net profit/loss	(5.1)	(6.5)	-22%
Goodwill amortisation	(15.4)	(15.1)	+2%
Interest paid on investments	(4.1)	(4.1)	-1%

NET CONSOLIDATED EFFECT	(24.5)	(25.7)	-5%
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Spain Net Profit

€ mn

	9M 04	9M 03	Change
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Total revenues	101.0	65.5	+54%
Total costs*	(40.3)	(35.9)	+12%
Net changes in reserves	(61.8)	(33.8)	+83%
Capital gain/loss	2.5	5.1	-51%
Profit before Tax & E.I.	1.4	0.9	+54%
Extraordinary items	(0.6)	(1.4)	-60%
Profit before Tax	0.8	(0.5)	n.s.
Tax	0.3	(0.1)	n.s.
Profit from minority interests	0.0	0.0	n.s.

SPAIN NET PROFIT	1.1	(0.6)	n.s.
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<i>*o/w start-up costs</i>	<i>(2.1)</i>	<i>(3.0)</i>	<i>-31%</i>
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Spain Net Effect

€ mn

	9M 04	9M 03	Change
Net profit/loss	1.1	(0.6)	n.s.
Goodwill amortisation	(10.6)	(10.2)	+3%
Interest paid on investments	(2.4)	(2.5)	-4%
SPAIN NET EFFECT	(11.8)	(13.3)	-11%

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Spain Network

	9M 04	9M 03	Change
Financial Advisors (Mediolanum model)	406	322	+26%
Commercial Agents & Employees (Traditional model)	65	78	-17%
Part-time Agents	107	72	+49%
SPAIN TOTAL NETWORK	578	472	+22%



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Spain Gross Inflows

€ mn

	9M 04	9M 03	Change
Gross premiums written	70.1	46.9	+49%
o/w Recurring Policies (AP)	3.9	1.8	+117%
o/w Single Premium Policies (SP)	66.2	45.1	+47%
Mutual funds & managed accounts	176.3	277.3	-36%
Managed Savings	246.4	324.2	-24%
Securities	8.8	81.8	-89%
Cash	2.9	(59.0)	-105%
Administered Savings	11.7	22.8	-49%
SPAIN GROSS INFLOWS	258.1	347.0	-26%

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Spain Net Inflows

€ mn

	9M 04	9M 03	Change
Life policies	55.0	33.7	+63%
Mutual funds & managed accounts	(24.4)	41.0	n.s.
Managed Savings	30.6	74.7	-59%
Securities	8.8	81.8	-89%
Cash	(14.4)	(64.8)	-78%
Administered Savings	(5.6)	17.0	n.s.
SPAIN NET INFLOWS	25.0	91.7	-73%



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Spain Assets under Administration

€ mn

	9M 04	9M 03	Change
Life & pension funds*	186.7	107.8	+73%
Mutual funds**	712.2	727.5	-2%
Bank deposits	1,297.9	1,219.3	+6%
Institutional assets	62.4	95.4	-35%
Consolidation adjustments	(259.5)	(241.1)	+8%

SPAIN AUA	1,999.6	1,908.9	+5%
*o/w Ireland-based assets	125.2	50.0	+150%
**o/w Ireland-based assets	22.5	8.3	+171%

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Gamax Highlights

€ mn

	9M 04	9M 03	Change
Net profit/loss	1.3	(0.2)	n.s.
Assets under Administration	394.6	424.3	-7%
Gross inflows	76.1	75.4	+1%
Net inflows	(33.6)	(11.0)	+205%



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B.A. Lenz Highlights

€ mn

	9M 04	9M 03	Change
Net profit/loss	(8.1)	(6.1)	+32%
Assets under Administration	86.8	34.7	+150%
Gross inflows	16.6	35.0	-53%
Net inflows	14.4	35.0	-59%
<i>o/w managed savings</i>	11.1	5.8	+90%
<i>o/w administered savings</i>	3.3	29.2	-89%
Financial Advisors	74	99	-25%
Clients	6,052	2,767	n.s.

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Banca Esperia Highlights (100%)

€ mn

	9M 04	9M 03	Change
Net profit/loss	2.9	2.1	+42%
<i>o/w Mediolanum share</i>	1.4	1.0	+42%
Assets under Administration	4,176.0	2,805.8	+49%
% in managed assets	83%	81%	+3%
Net inflows	1,007.0	707.5	+42%
<i>o/w managed savings</i>	895.0	507.7	+76%
Private Bankers	44	37	+19%
Clients	1,677	1,269	+32%



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2004 - Projects Update

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Product Development Update Latest insurance products



DiPiù Alternative

- principal-protected index-linked policy
- invests in “funds of hedge funds” HFRX index
- 6 & 9 year maturities
- € 18 mn in sales as at the end of October



Mediolanum Alternative Funds

- unit-linked investment policy
- offers the choice among 3 different profiles
- 50% investing in “funds of hedge funds” & 50% in diversified mutual funds
- € 66 mn in sales as at the end of October



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Regulatory Update New fee structure on Italy-based funds



Proposal to Bank of Italy submitted in July

- to change performance fee calculation method according to the guideline recommendations
- to increase management fees, as the TER on our Italy-based funds is relatively low



- ✓ Neutral effect on margins
- ✓ Stabilise revenues over time
- ✓ Increase in Embedded Value



Expected approval very soon

- New fee structure likely to be implemented by summer 2005
- Similar move to be made on Ireland-based funds thereafter

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Regulatory Update Private pensions



Guideline Law approved in July 2004

- Decree on final regulations not expected until well into 2005
 - ✓ government needs to find funding for the additional tax deduction
 - ✓ compensation will need to be made to companies for loss of TFR working capital
- Adjustment of our Individual Pension Plan will likely be required



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Key Business Priorities Recovery of volumes

- ✓ Aggressively developing the **Life** insurance business - boosting 'My Pension' and 'premium increases', as well as taking advantage of strength of 'Life Funds'
 - ✓ Markets should respond favourably to reduced uncertainty - resulting in resumed growth in **Mutual Funds** volumes
 - ✓ Preparing a comprehensive marketing plan to boost **current accounts**
-

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Key Business Priorities Recruitment of Advisors

- ✓ Developing alternative recruiting procedures that work in today's critical environment
- ✓ Resuming advertising as soon as mid-November to counteract the deteriorated image of the profession

