MEDIOLANUM
GRUPPO MEDIOLANUM

1999

Full-Year Consolidated Results


1999 Assets' Growth
Euro millions
130
600
944
1,271
1,628
2,010
2,587
3,118
4,705
5,319
5,506
6,071
7,245
9,473
12,967
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99

Assets under Administration

	1999	1998	Change
Mutual Funds & Managed Accounts	7,379.1	5,043.7	+46.3%
Life Reserves	5,339.5	4,163.7	+28.2%
Bank Assets	1,855.1	694.6	+167.1%
Pension Funds	109.5	---	---
Life Reserves & Pension Funds in own Assets	-1,716.4	-428.6	+300.5%
CONSOLIDATED TOTAL	12,966.8	9,473.4	+36.9%

Euro millions

1999 Inflows' Growth

Gross Inflows into Mutual Funds & Managed Accounts → +18%

Gross Premium Income → +39%

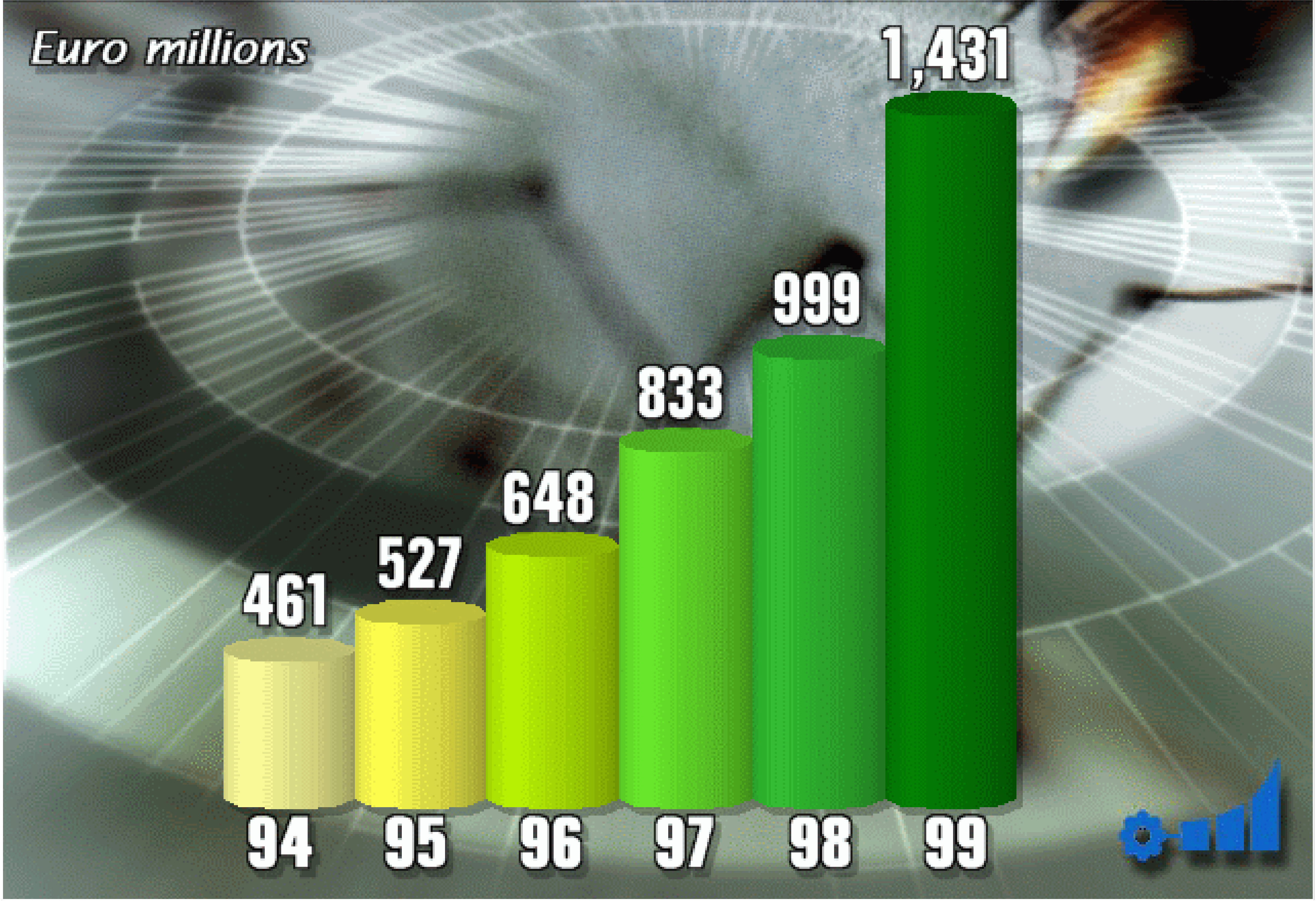
Bank Deposits → +105%

1999 Economic Results

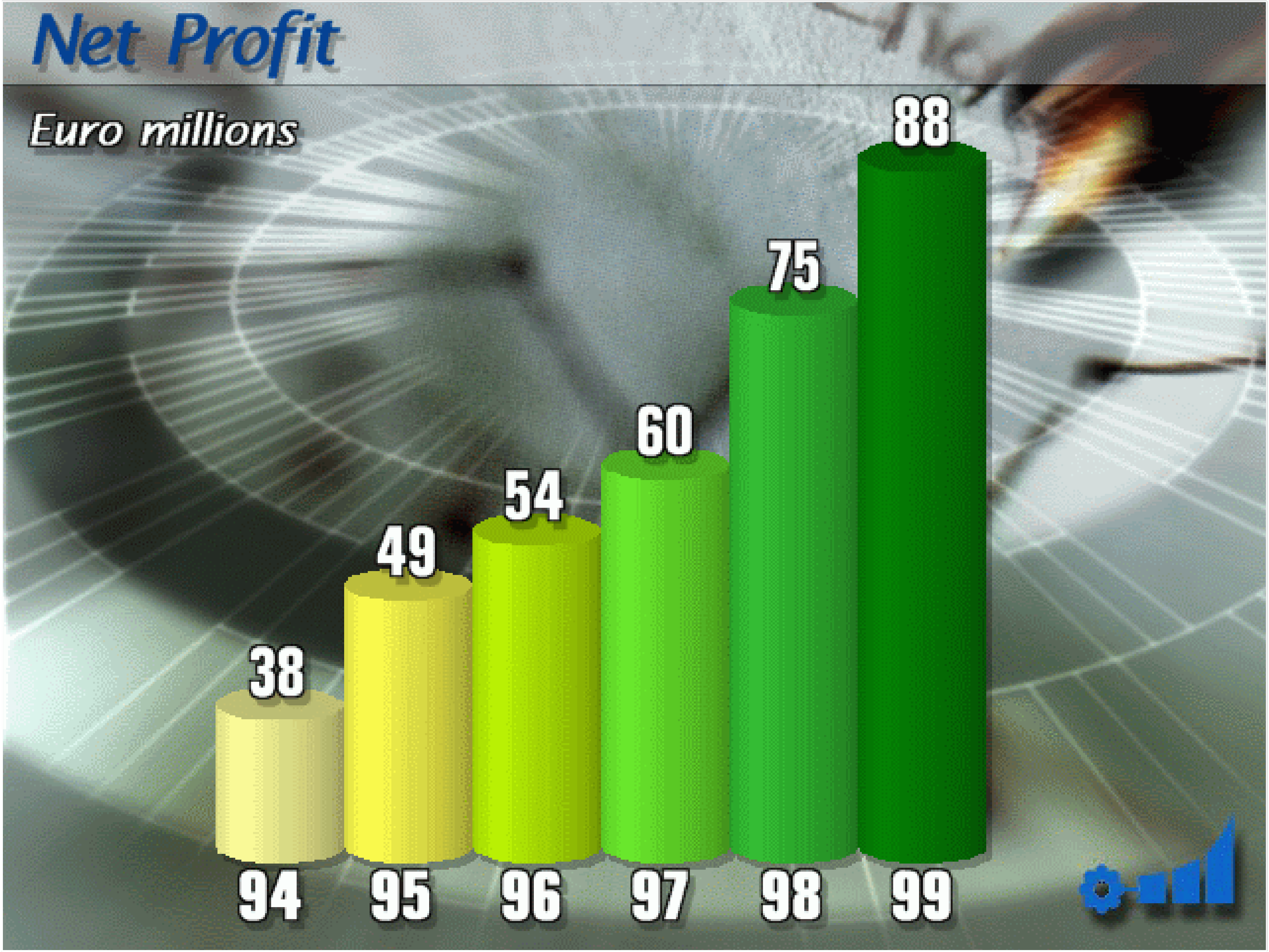
	1999	1998	Change
Total Revenues	1,431.0	999.4	+43.2%
Profit before Tax & E.I.	130.2	119.4	+9.0%
Extraordinary Items	2.2	3.7	-40.6%
Profit before Tax	132.4	123.1	+7.6%
Income Tax	-44.0	-47.6	-7.6%
Net Profit	88.4	75.5	+17.1%

Euro millions

Revenues




Profit before Tax
Euro millions
85
96
110
129
123
132
94
95
96
97
98
99


Net Profit
Euro millions
38
49
54
60
75
88
94
95
96
97
98
99

Profit before Tax & E.I.

Breakdown by Business Line

	1999	1998	Change
Life Insurance	56.7	76.8	-26.2%
Mutual Funds	67.2	49.8	+34.9%
Bank	0.7	-10.7	---
Other Operations	5.6	3.5	+60.0%
PROFIT BEFORE TAX & E.I.	**130.2**	**119.4**	**+9.0%**

Euro millions

Business Projects achieved in 1999

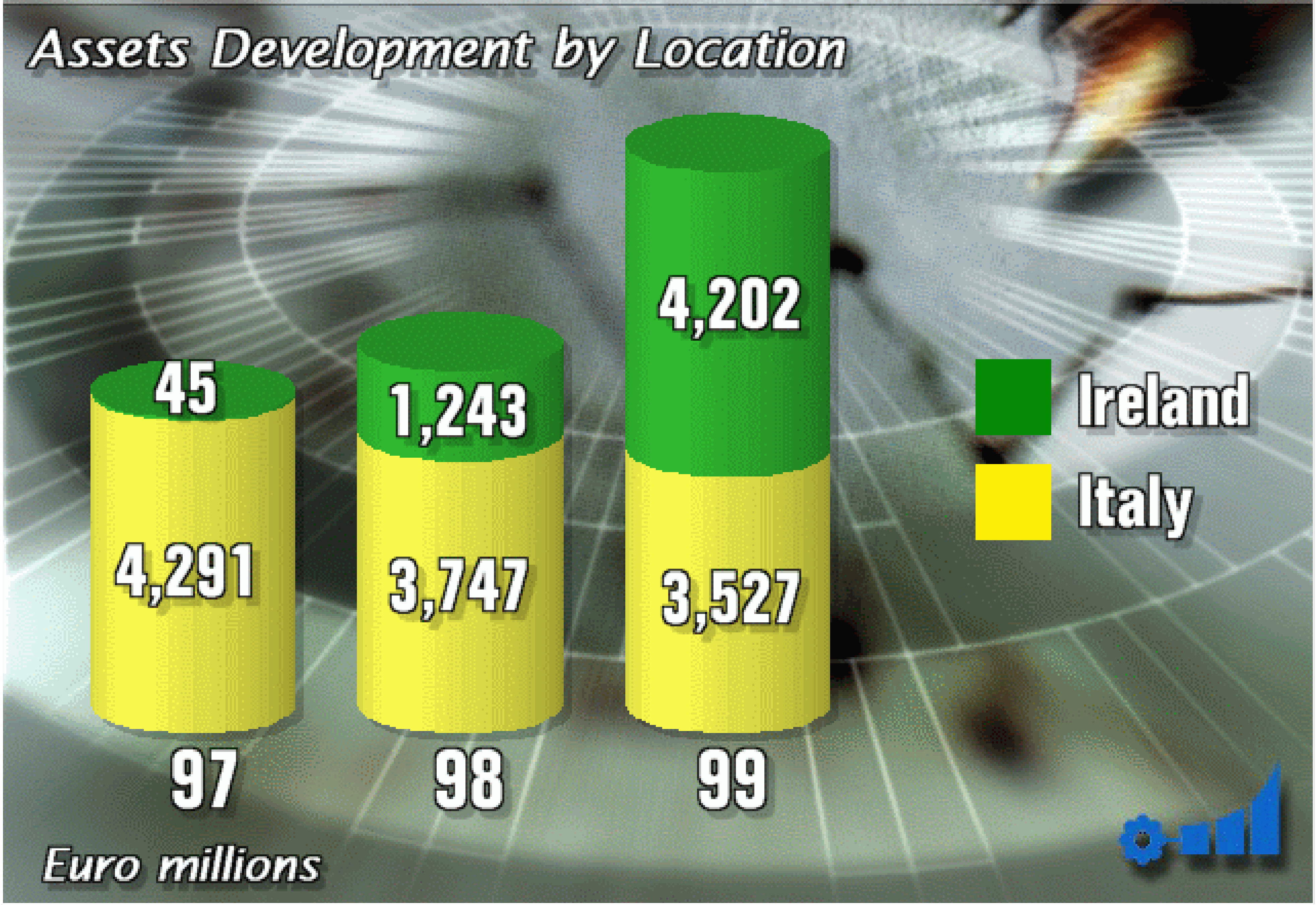
1 - Mutual Funds
The development of the Irish business

2 - Life Insurance
The transformation of the Traditional Policies

3 - Bank
The turn-around of the Bank's Economics

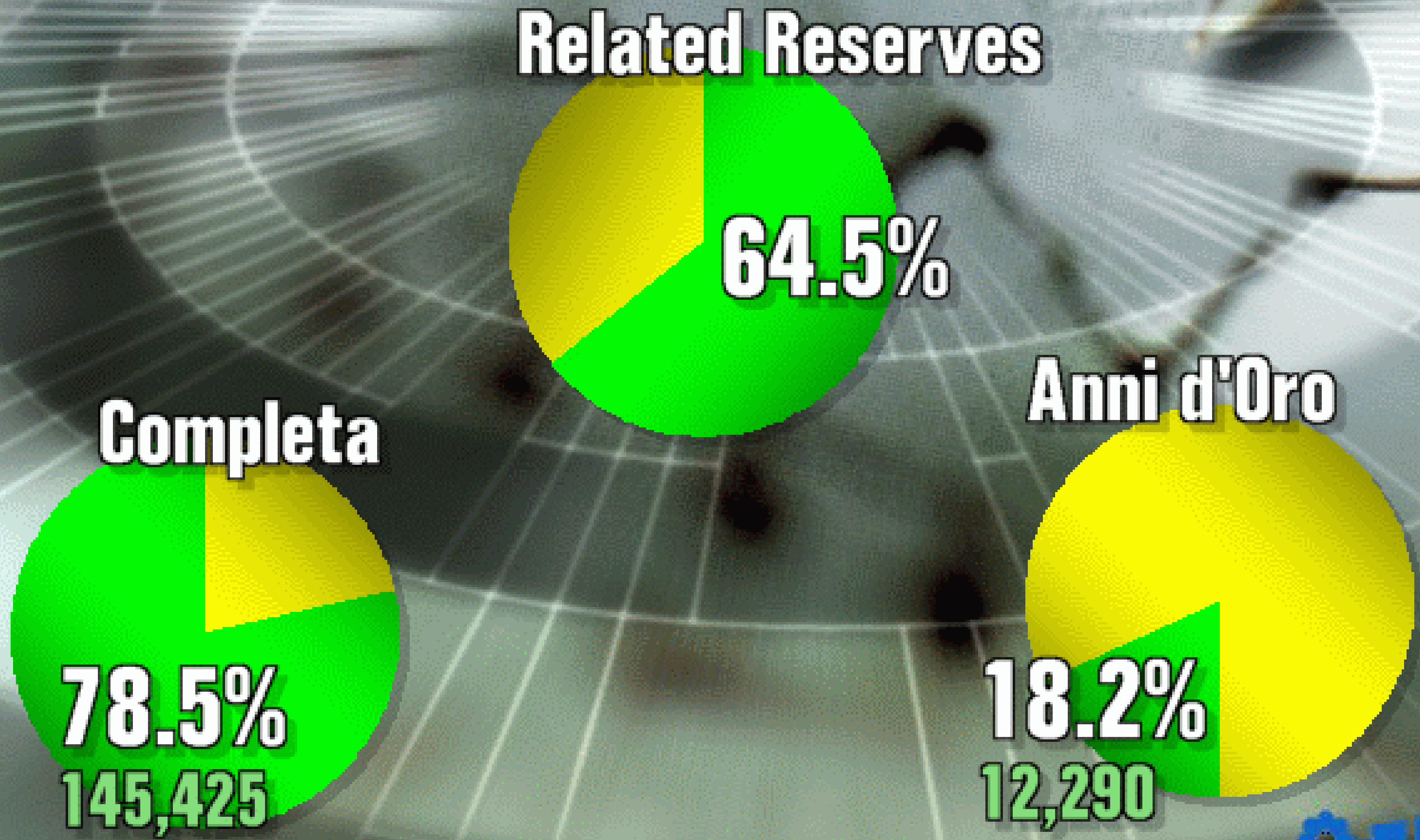
4 - Distribution Network
The recruiting of the Financial Executives

1 - Mutual Funds



2 - Life Insurance

Transformation of Traditional Policies



3 - Bank

Breakeven reached → 2Q99

Current Accounts as of Dec 31 → 144,000

Bank Customers as of Dec 31 → 222,000

4 - Distribution Network

Financial Executives as of Dec 31 → **345**

Employees Productivity in Retail Banks

Employees assigned to...	Revenues/Costs Ratio
Transactions	1
Credits	1.66
Relations w/ private investors	10

Total Revenues

	1999	1998	Change
Gross Premiums Written	1,229.1	881.7	+39.4%
Reinsurance ceded	-29.4	-47.7	-38.4%
Mutual Funds Commissions	189.5	143.0	+32.5%
Bank Revenues	33.5	12.9	+159.7%
Other Commissions & Other Revenues	8.3	9.5	-12.6%
TOTAL	1,431.0	999.4	+43.2%

Euro millions

Gross Premiums Written

	1999	1998	Change
• Pension Plans	80.6	58.3	+38.3%
• Investment Policies	2.0	7.5	-73.3%
• Open Pension Funds	0.4	---	---
Recurring Policies	**83.0**	**65.8**	**+26.1%**
• Tradit. & Group Policies	21.2	16.7	+26.9%
• Pension Plans	28.9	2.4	---
• Investment Policies	677.2	410.8	+64.8%
Single Premium Policies	**727.3**	**429.9**	**+69.2%**
Total New Business	**810.3**	**495.7**	**+63.5%**
• Pension Plans in force	370.1	331.3	+11.7%
• Investment Policies in force	48.7	54.7	-11.0%
Total Business in force	**418.8**	**386.0**	**+8.5%**
TOTAL	**1,229.1**	**881.7**	**+39.4%**

Euro millions

Gross Inflows into Mutual Funds & Managed Accts*

Euro millions

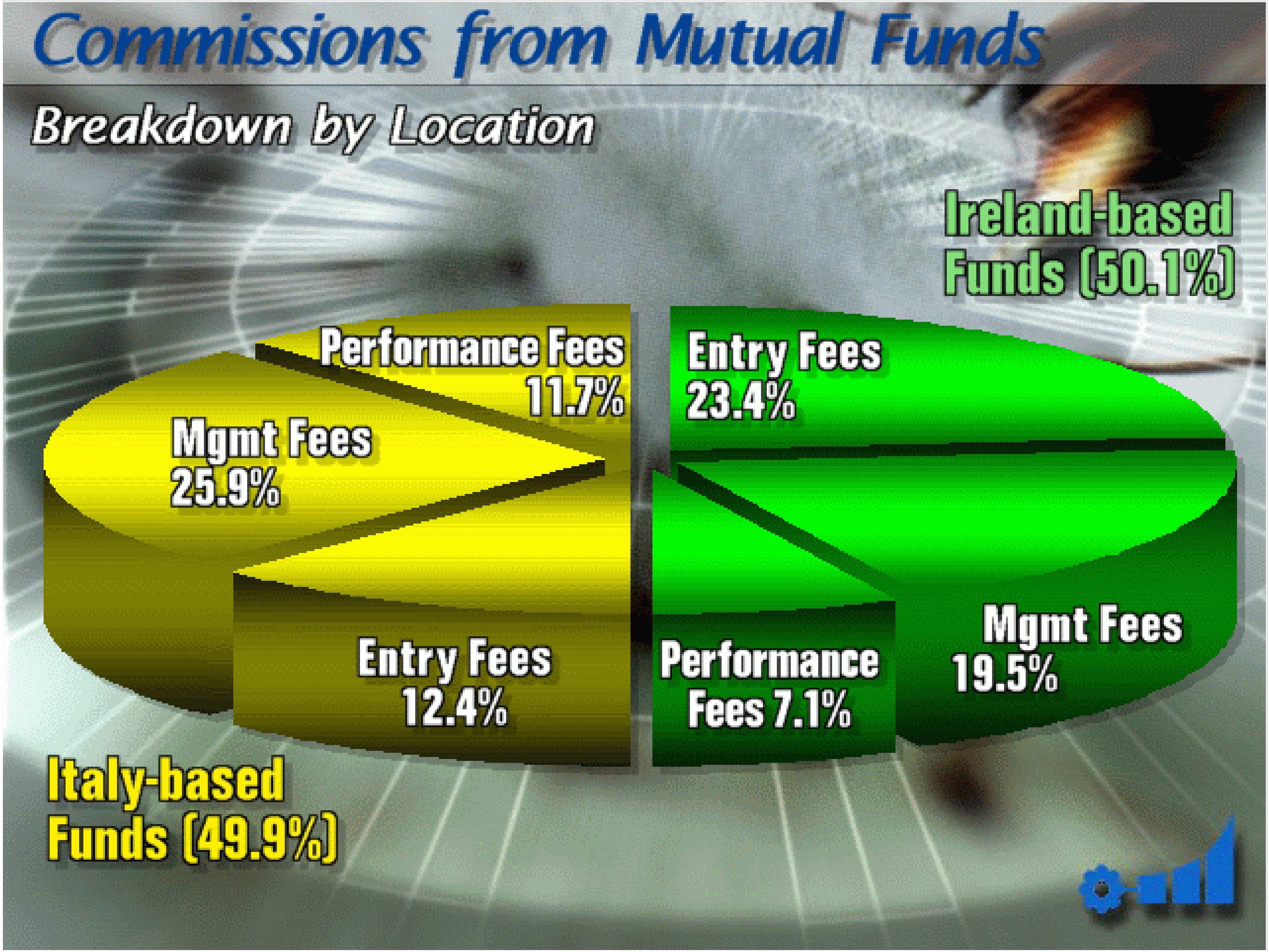
	1999	1998	Change
Italy-based Funds	1,033.5	1,394.6	-25.9%
• Equity Funds	392.0	549.6	-28.7%
• Bond Funds	255.1	504.2	-49.4%
• Monetary Funds	386.4	340.8	+13.4%
Ireland-based Funds	1,427.6	843.6	+69.2%
• Equity Funds	1,024.8	32.2	---
• Protected Funds	50.2	778.7	-93.6%
• Bond & Monetary Funds	352.6	32.7	+978.3%
Managed Accounts	239.4	52.6	+355.1%
TOTAL GROSS INFLOWS	2,700.5	2,290.8	+17.9%

**Inflows from Mediolanum Vita not included*

Commissions from Mutual Funds

	1999	1998	Change
Entry Fees	67.8	61.4	+10.4%
of which Irish Funds	44.4	22.1	+100.9%
Management Fees	86.1	63.6	+35.4%
of which Irish Funds	37.0	11.8	+213.6%
Performance Fees	35.6	18.0	+97.8%
of which Irish Funds	13.5	0.1	---
TOTAL	**189.5**	**143.0**	**+32.5%**

Euro millions


Commissions from Mutual Funds
Breakdown by Location
Ireland-based Funds (50.1%)
Performance Fees 11.7%
Mgmt Fees 25.9%
Entry Fees 12.4%
Entry Fees 23.4%
Performance Fees 7.1%
Mgmt Fees 19.5%
Italy-based Funds (49.9%)

Bank Revenues

	1999	1998	Change
Bank Interests	15.8	9.6	+64.6%
Banking Margins	17.7	3.3	+436.4%
• Securities	8.8	2.7	---
• Other Services	8.9	0.6	---
TOTAL	33.5	12.9	+159.7%

Euro millions

Costs

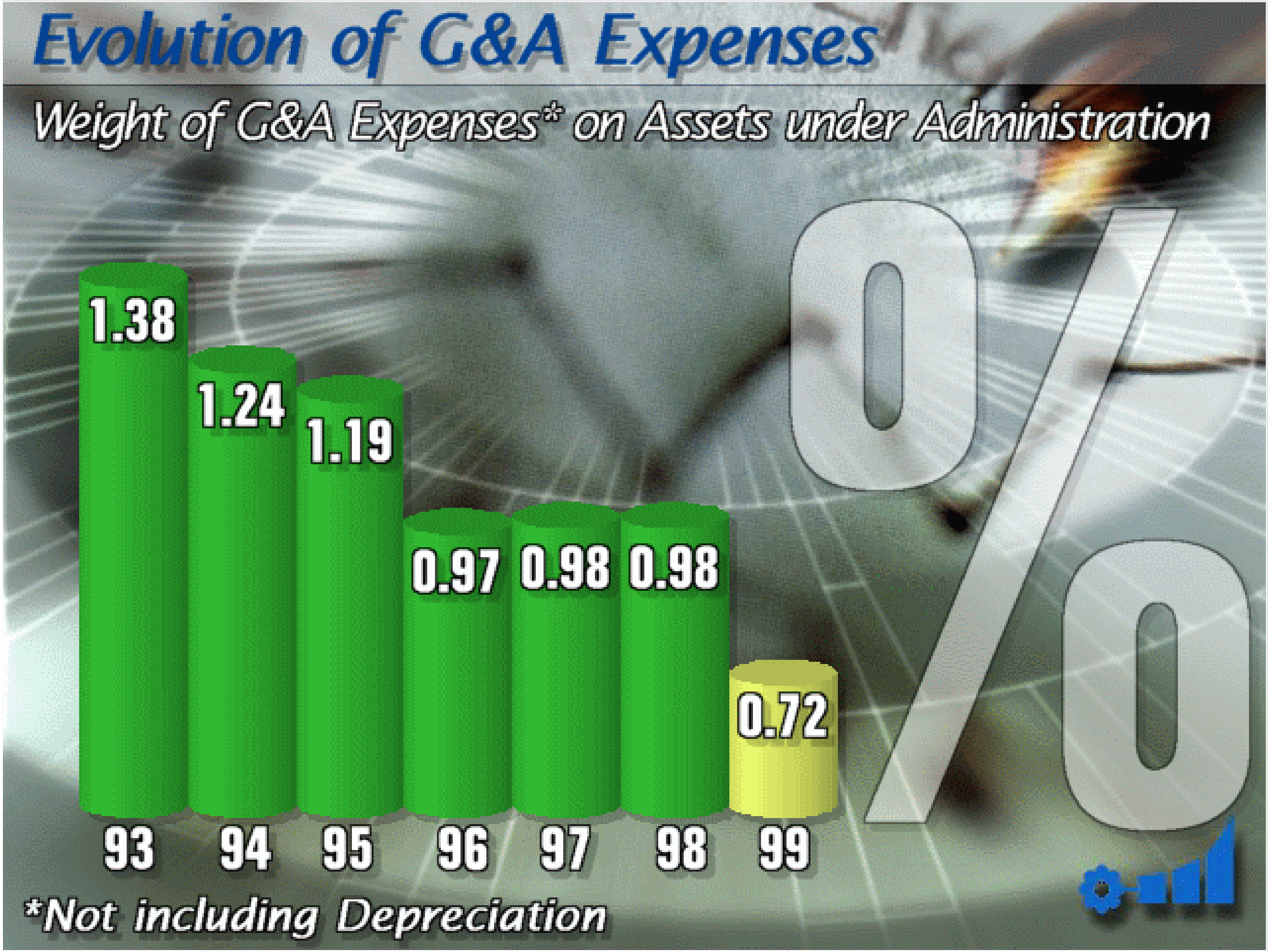
	1999	1998	Change
Claims, Benefits paid, Changes in Reserves	1,143.1	822.1	+39.0%
Recov. from Reinsurance	-51.9	-65.4	-20.6%
Acquisition Costs	151.9	113.4	+33.9%
G&A Expenses	93.4	83.8	+11.5%
Depreciation	21.5	12.6	+70.6%

Euro millions

Benefits paid & Changes in Reserves

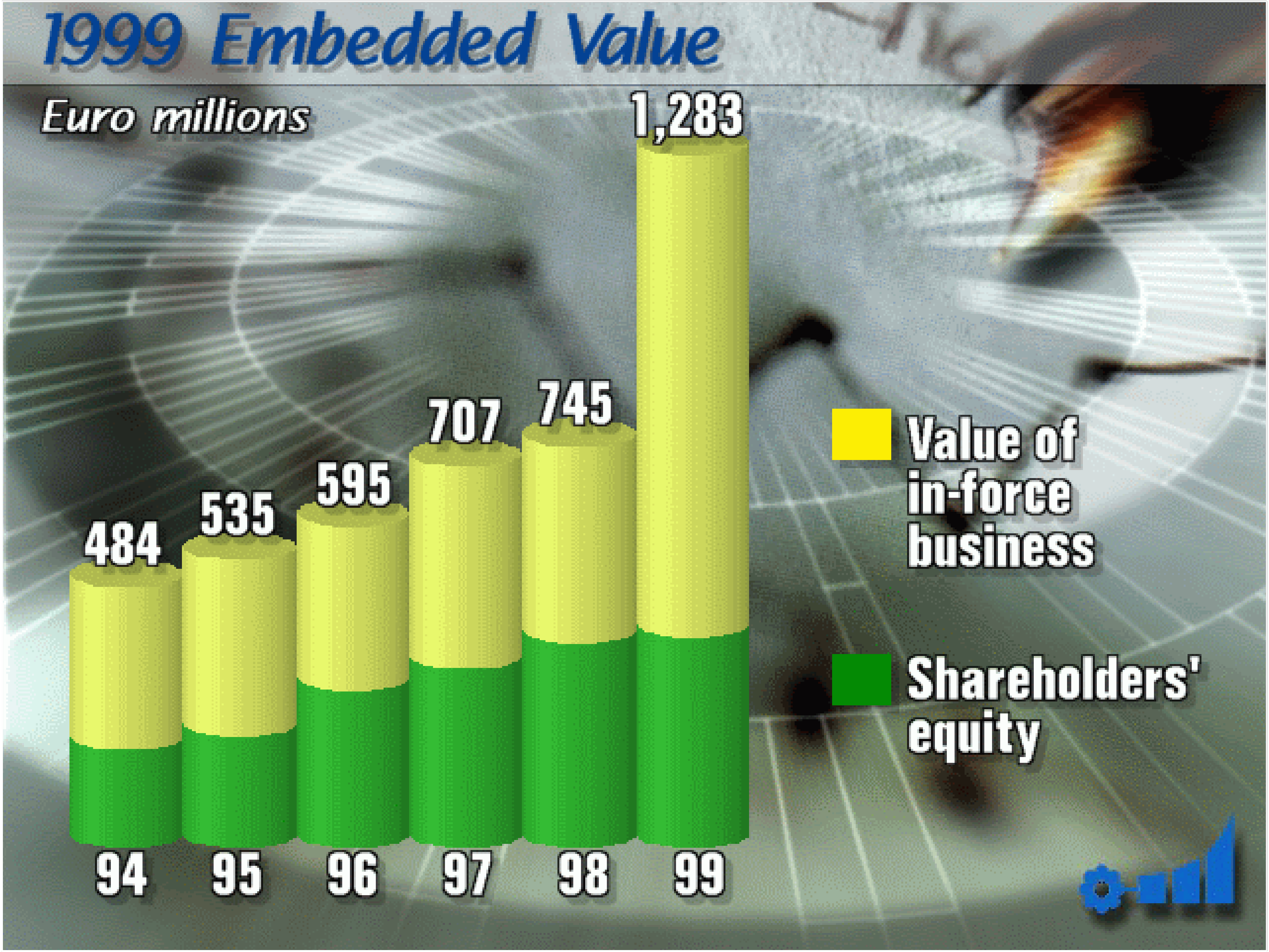
	1999	1998	Change
Benefits paid	310.6	312.9	-0.7%
• Claims & Maturities	94.9	84.2	+12.7%
• "Pull in our Nets"	70.2	131.8	-46.8%
• Surrenders	145.5	96.9	+50.2%
Changes in Reserves (less Policyholders' interests)	832.5	509.2	+63.5%
TOTAL	1,143.1	822.1	+39.0%

Euro millions


Evolution of G&A Expenses
Weight of G&A Expenses* on Assets under Administration
1.38
1.24
1.19
0.97
0.98
0.98
0.72
%
93
94
95
96
97
98
99
*Not including Depreciation

Distribution Network

	1999	1998	Change
• Non-licensed Financial Advisors	1,205	992	+21.5%
• Licensed Financial Advisors	2,513	2,200	+14.2%
Banca Mediolanum*	3,718	3,192	+16.5%
* of which Financial Executives	345	124	+178.2%
Partner Time	700	478	+46.4%
TOTAL NETWORK	4,418	3,670	+20.4%


1999 Embedded Value
Euro millions
484
535
595
707
745
1,283
94
95
96
97
98
99
Value of in-force business
Shareholders' equity

Embedded Value Assumptions

	1998	1999
Investment Return	4.25%	5.1% Segregated Funds 7.0% Unit-linked Funds
Discount Rate	6.50%	8.0%

1999 Embedded Value Earnings

	1999	1998
Change over the year	539	38
Dividend paid	41	33
EMBEDDED VALUE EARNINGS	**580**	**71**

Euro millions

1999 Embedded Value Earnings

	1999	1998
• Expected increase in EV	39	46
• Change in assumptions/discount rate	56	-53
• Change in income tax	--	6
• Transformation/other	333	--
Change from existing business	428	-1
• New business life	102	36
• New business funds	50	36
Value of new business	152	72
EMBEDDED VALUE EARNINGS	580	71

Euro millions

Dividends

Dividend per share → 0.069

Total Dividends paid → 50.5 million

Dividend payout → 57%

Euro

Mutual Funds & Managed Accounts Assets

	1999	1998	Change
Italy-based Funds	3,526.9	3,747.4	-5.9%
• Equity Funds	2,171.2	1,678.5	+29.4%
• Bond Funds	966.8	1,621.1	-40.4%
• Monetary Funds	388.9	447.8	-13.2%
Ireland-based Funds	3,789.7	1,242.6	+205.0%
• Equity Funds	2,296.1	34.6	---
• Protected Funds	578.9	879.5	-34.2%
• Bond & Monetary Funds	914.7	328.5	+178.4%
Managed Accounts	269.1	53.7	+401.1%
M.A. in own Mutual Funds	-206.6	---	---
CONSOLIDATED TOTAL	7,379.1	5,043.7	+46.3%

Euro millions

Life Insurance Assets

	1999	1998	Change
Life Reserves	5,339.5	4,163.7	+28.2%
• Traditional Annuities	2,972.1	3,528.4	-15.8%
• Index-linked	1,156.3	629.6	+83.7%
• Unit-linked	1,211.1	5.7	---
Life Reserves in own Mutual Funds	-1,659.4	- 428.6	+287.2%

Euro millions

Bank Assets

	1999	1998	Change
Cash under Deposits	726.7	377.0	+92.8%
Securities under Deposits	1,076.8	295.4	+264.5%
Repurchase Agreements	51.6	22.2	+132.4%
TOTAL	1,855.1	694.6	+167.1%

Euro millions

MEDIOLANUM
GRUPPO MEDIOLANUM

Mediolanum in the New Economy

Banca Mediolanum's uniqueness

- Truly multi-channel Bank
- Much wider Appeal than a pure Internet Bank
- Important Synergies among Channels
- Very high Quality of Service


Multi-channel Bank
4,000
Advisors
Internet
World-class
banking
& trading
facilities
Telephone
Teletext
50,000
phone calls/day
capability

Banca Mediolanum's Strategy

To provide service
when and **where**
the clients want it
and through **the channel** they choose

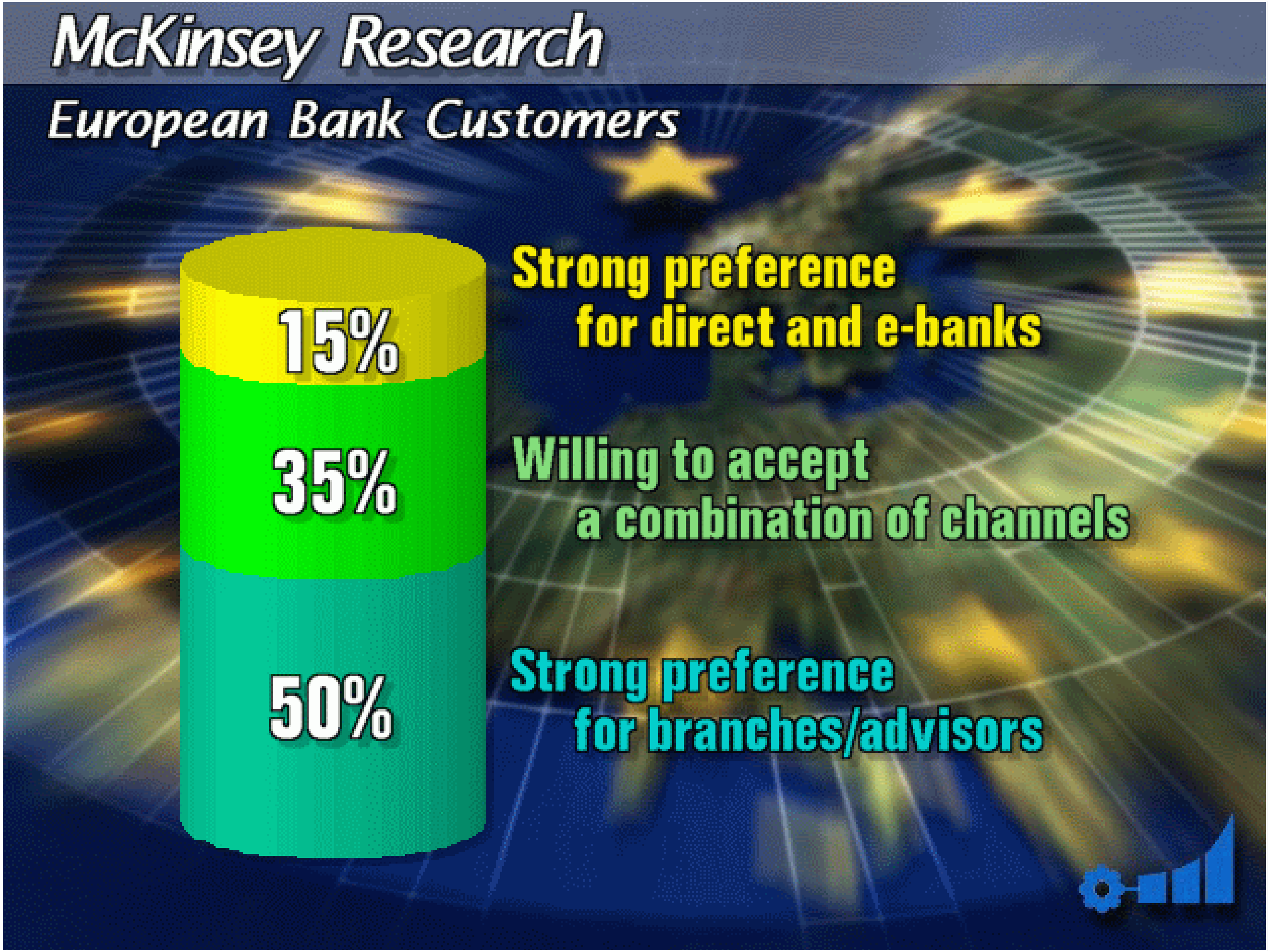
(Same passwords for every channel)

Banca Mediolanum's Model

Synergies among Channels

- Organise and manage multiple channels in an orchestrated fashion
- Astute pricing and marketing actions to direct customers to the best channel
- Major effort to maximise cross-selling via financial advisors


High Quality of Service
• In the Website
• In the Offer
• In the Pricing
• In the Brand

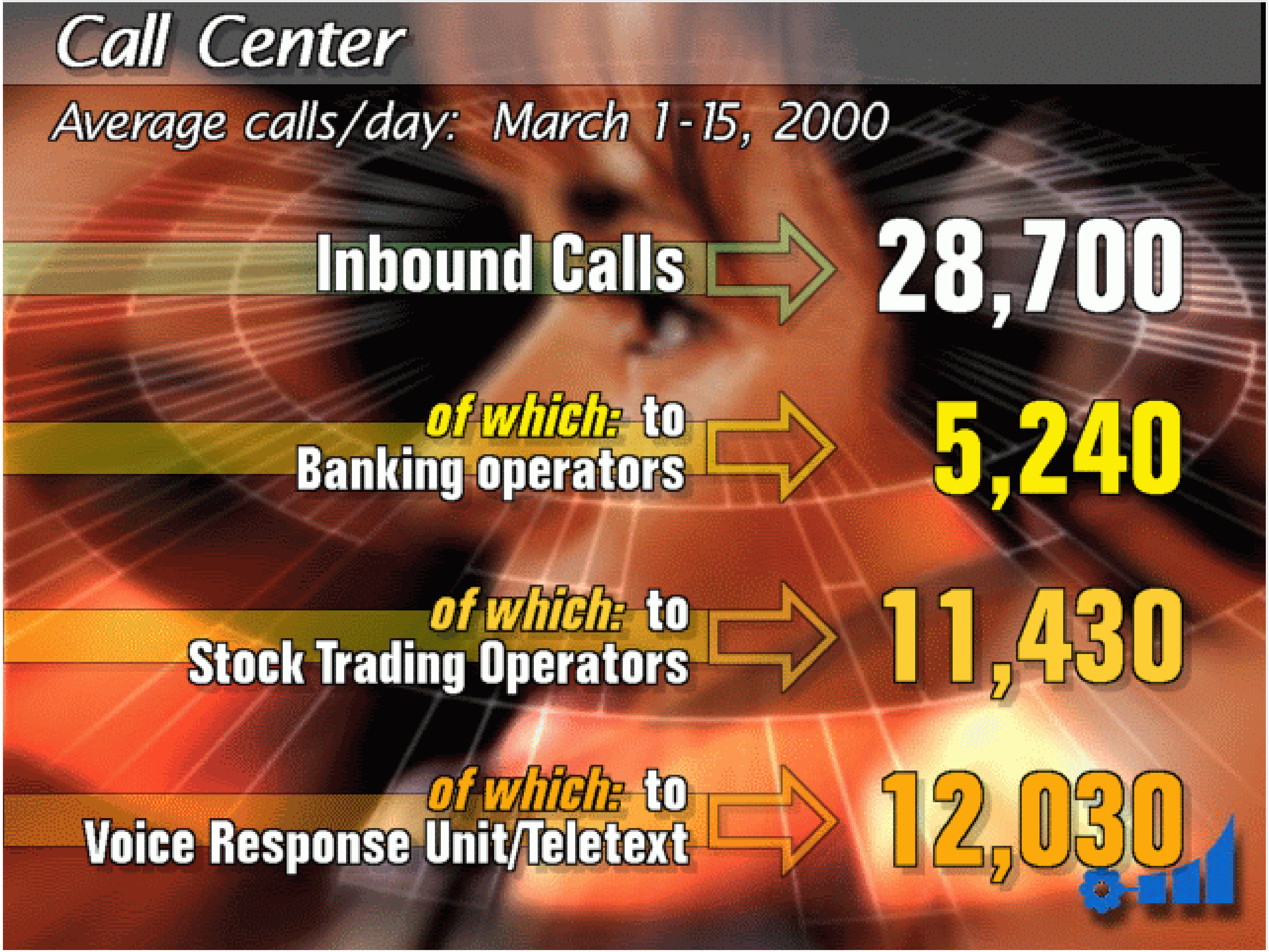

McKinsey Research
European Bank Customers
15%
35%
50%
Strong preference for direct and e-banks
Willing to accept a combination of channels
Strong preference for branches/advisors

Call Center

as of April 2, 2000

	No. Operators	In Training	TOTAL
Banking	245	46	291
Stock Trading	64	10	74
Internet Customer Care	32	8	40
Outbound	38	2	40
TOTAL No. of OPERATORS	**379**	**66**	**445**

TOTAL No. of WORK STATIONS 373


Call Center
Average calls/day: March 1-15, 2000
Inbound Calls
28,700
of which: to Banking operators
5,240
of which: to Stock Trading Operators
11,430
of which: to Voice Response Unit/Teletext
12,030

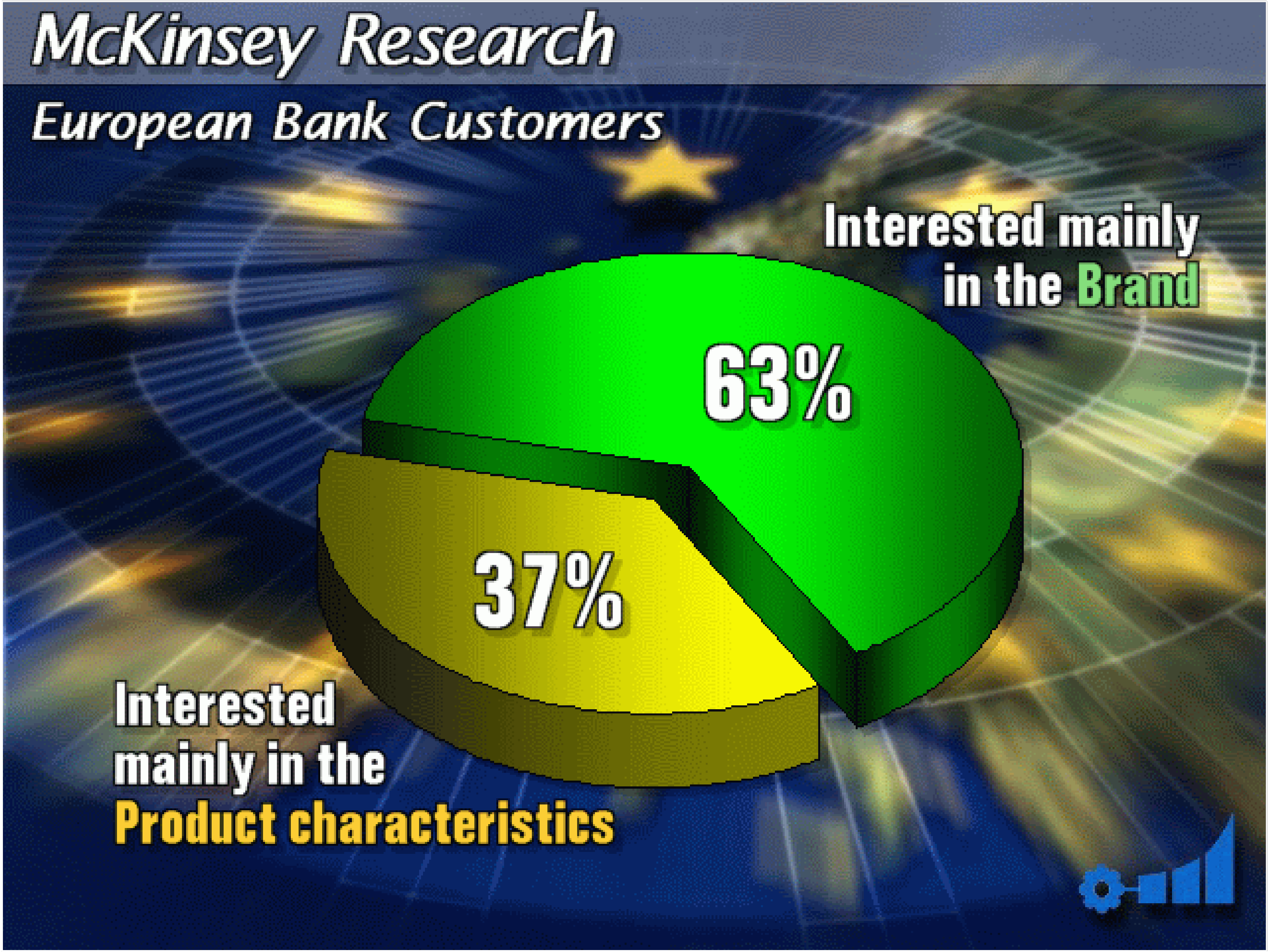
www.bancamediolanum.it

- Immediate to navigate
- Simple to personalise
- Designed for an easy scale-up

www.bancamediolanum.it

Website Launch Results: April 4-6, 2000

No. of Pageviews	504,366
Website visitors	36,037
Clients abilitated to: gather Information	273,837
Clients abilitated to: make Transactions	28,316
Clients accessing their accounts	6,618


McKinsey Research
European Bank Customers
Interested mainly in the Brand
63%
37%
Interested mainly in the Product characteristics


Brand Advertising Campaign
First Results
• Avg. Calls per day
5,500
• Avg. Information Kit Requests per day
1,100
• Current Accounts opened in March
9,600
• Previous monthly average
4,000

2000: Projects Underway

Technology

Interactive TV

- CFN - Class Financial Network
- Mediolanum Channel

Call Center

- New VRU for Stock quotes and Trading
- Interactivity developments on Teletext

Mobile Telephone

- Short Message Service
- SIM Application Toolkit
- WAP Technology

Interactive TV

CFN - Class Financial Network

2.5% participation

5 minutes per day on-air time

MEDIOLANUM CHANNEL

6 Mbit/sec digital channel

on Eutelsat Hot Bird at 13°E

Skyplex technology

Interactive TV

Objectives

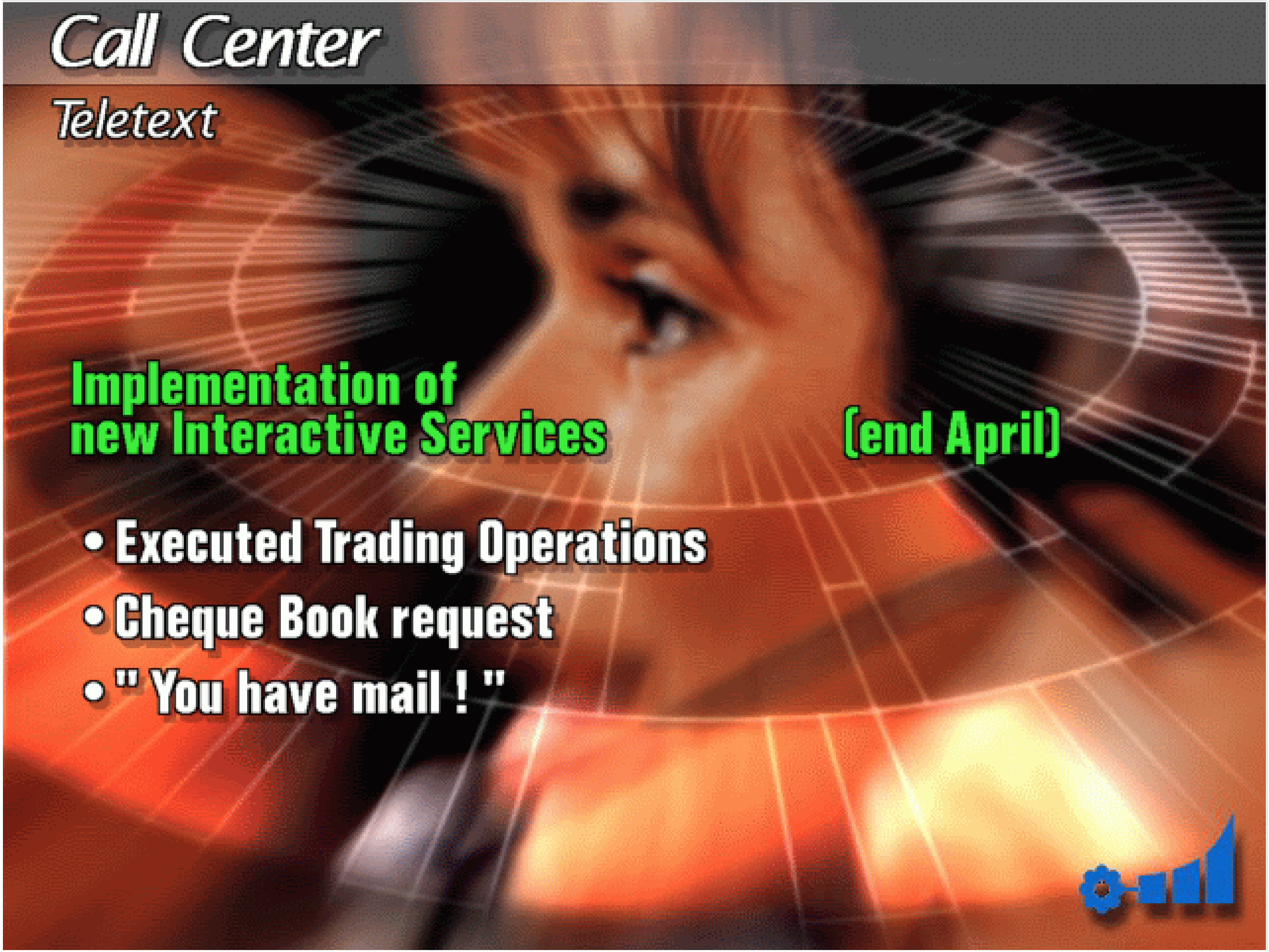
- Provide our European future distribution networks with Corporate TV programmes
- Allow for interactive banking operations using widespread set-top box technology
- Create a comprehensive programme line-up attracting both existing and potential clients
- Provide our best clients with ultra-fast satellite Internet connection
- Become the absolute leader in the application of this technologies to communicating with clients

Call Center

Voice Response Unit

New VRU dedicated to Stock Trading (end May)

- Automated Stock Quotes
- Executed Trading Operations
- Automated Information on personalised Virtual Portfolio



Call Center
Teletext
Implementation of new Interactive Services
(end April)
• Executed Trading Operations
• Cheque Book request
• " You have mail ! "

Mobile Telephone

SMS - Short Message Service (end April)

- Executed Trading Operations
- Stock price alerts

SIM Application Toolkit (end June)

- Banking information and operations
- Need to change SIM Card only

WAP - Wireless Application Protocol (year end)

- Full range of services with web-like user interface
- WAP phone needed

Mediolanum Group's Structure