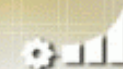




FY 2002

**FY 2002 Reclassified Results
Mediolanum Group**



Ennio Doris

Chief Executive Officer

2

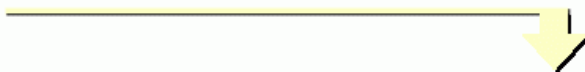
***"It's only when the tide goes out
that you can see
who's swimming naked."***

Warren Buffet

3

Low Growth & Valuation

- Increased global competition
- Slowed growth
- Constant shareholder request for improvement in Financial Results



**great demand for Short-Term Performance
measured by:
the bottom-line, ratios & typical metrics**

4

Fast Growth & Valuation

**Tangible metrics declared to be of little relevance
in boom times**



emphasis on Non-Financial Indicators

- Quality of Business model
- Degree of innovation
- People
- Ideas
- Brand
- Growth of customer base




promise of Long-Term Performance

5

How do we look at Value?

Increasingly through non-financial criteria

- 
- ✓ Ample supply of future profits
 - ✓ Life-long relationship with customer
 - ✓ Products that 're-invent' the industry
 - ✓ Investments to exploit business model

The bottom line still matters

...but it provides only a limited view
of a company's total Value

6

Performance Criteria

***"Financial performance tells me
what a company has already done.***

***Non-financial performance tells me
what it is likely to do".***

Senior Portfolio Manager

7

Alessandra Lanzone

Investor Relations

8

FY 2002 Reclassified Results Agenda

Consolidated Results

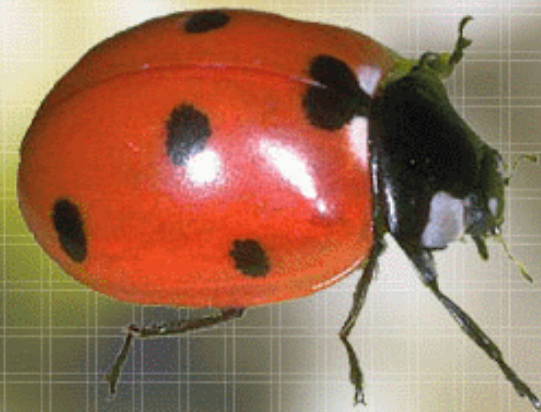
Core Business Results

New Ventures Results

Our Agenda for Value Creation

9

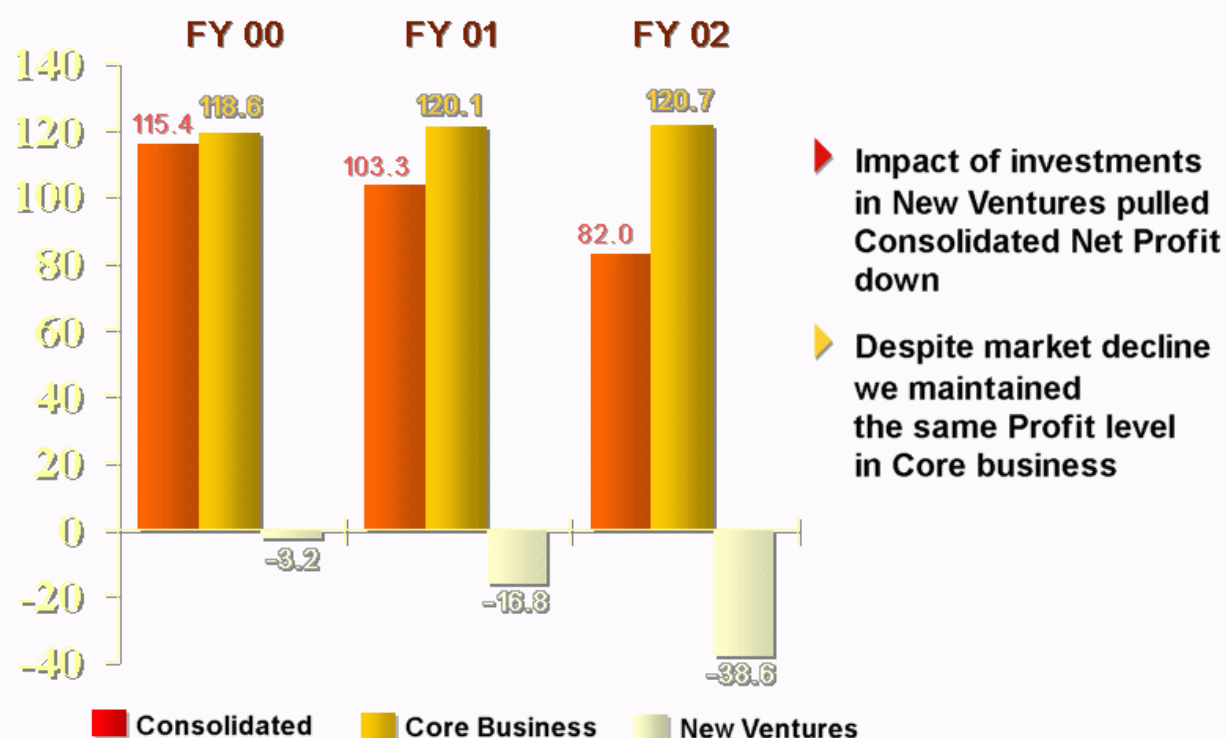
Consolidated



FY 2002 Reclassified Results
Mediolanum Group



Evolution of Net Profit



11

Consolidated P & L

Euro million	31.12.02	31.12.01	Change
Net Premiums Written	2,135.5	1,594.1	+34.0%
Commission Income	241.6	227.4	+6.2%
Bank Revenues	120.5	104.8	+15.0%
Other Revenues/ commissions	19.9	12.1	+64.4%
Total Revenues	2,517.5	1,938.4	+29.9%
Net Change in reserves	-1,911.9	-1,343.4	+42.3%
Acquisition Costs	-213.4	-232.8	-8.3%
G&A expense	-219.4	-204.6	+7.2%
Amortisation/depreciation & provisions	-72.2	-54.5	+32.5%
Total Costs	-2,416.9	-1,835.3	+31.7%
Net Investment Income	6.7	24.6	-73.2%
Operating Profit (Profit before Tax & E.I.)	107.3	127.7	-16.0%
Extraordinary income and charges	1.7	11.7	-85.5%
Profit before Tax	109.0	139.3	-21.8%
Tax	-27.1	-36.0	-24.7%
Profit/ Loss from minority interests	-0.1	0.0	n.s.
Consolidated Net Profit	82.0	103.3	-20.6%

12

2002 Consolidated Net Profit Trend

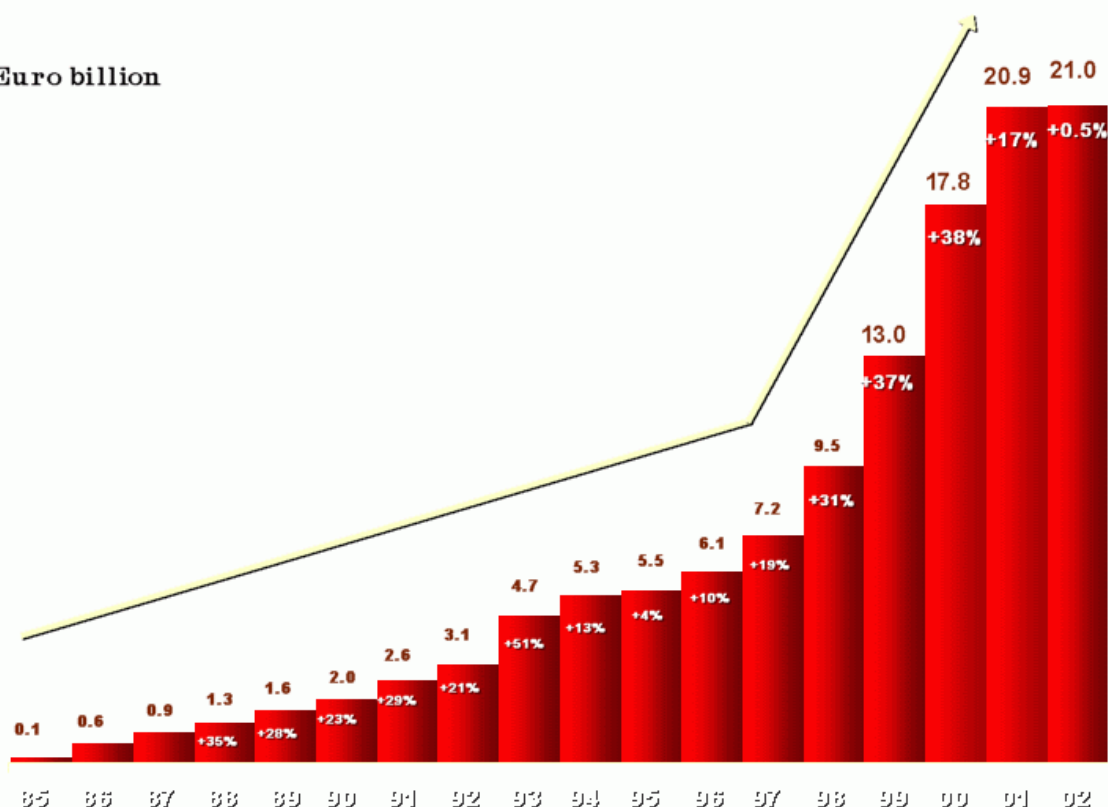
Euro million

	2002		2001		Change
Q1 Net Profit	20	→	26	→	-23%
H1 Net Profit	39	→	50	→	-22%
9M Net Profit	50	→	68	→	-26%
FY Net Profit	82	→	103	→	-21%

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Consolidated AUA Evolution

Euro billion



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Consolidated AUA Breakdown

Euro million	31.12.02	31.12.01	Change
Life Reserves	6,796.3	6,661.0	+2.0%
Mutual Funds & M.A.	8,411.9	9,645.8	-12.8%
Bank Deposits	5,094.6	4,341.4	+17.3%
Institutional Assets	491.0	428.7	+14.5%
Consolidation Adjustments	-3,090.3	-3,232.5	-4.4%
Core Business Assets	17,703.5	17,844.5	-0.8%
Spain	1,788.3	1,949.9	-8.3%
Germany	428.0	623.3	-31.3%
Banca Esperia *	1,087.2	502.3	+116.4%
Mediolanum Private	7.2	0.0	n.s.
New Ventures Assets	3,310.7	3,075.5	+7.6%
CONSOLIDATED TOTAL	21,014.3	20,920.0	+0.5%

* Mediolanum Group's share (48.5%)

Core Business



FY 2002 Reclassified Results
Mediolanum Group



AUA Breakdown

Euro million	31.12.02	31.12.01	Change
Life Reserves	6,796.3	6,661.0	2.0%
Mutual Funds & M.A	8,411.9	9,645.8	-12.8%
Institutional Assets	491.0	428.7	14.5%
Consolidation Adjustments	-3,090.3	-3,232.5	-4.4%
Managed Savings Assets	12,608.9	13,503.0	-6.6%
Bank Deposits	5,094.6	4,341.4	17.3%
Administ. Savings Assets	5,094.6	4,341.4	17.3%
CORE BUSINESS ASSETS	17,703.5	17,844.5	-0.8%

17

Life Reserves

Euro million	31.12.02	31.12.01	Change
▶ Traditional	1,414.9	2,015.8	-29.8%
▶ Index-linked	2,627.1	1,912.7	+37.3%
▶ Unit-linked	2,754.3	2,732.6	+0.8%
Life Reserves	6,796.3	6,661.0	+2.0%
Life Reserves in own Mutual Funds	-2,723.9	-2,907.4	-6.3%

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Mutual Fund & Managed Accounts Assets

Euro million	31.12.02	31.12.01	Change
▶ Equity Funds	900.6	1,329.1	-32.2%
▶ Bond Funds	377.7	476.3	-20.7%
▶ Monetary Funds	229.9	213.6	+7.6%
Italy-based Funds-Unbundled	1,508.2	2,019.0	-25.3%
▶ Equity Funds	3,789.7	4,858.7	-22.0%
▶ Protected Funds	98.0	126.0	-22.2%
▶ Bond & Monetary Funds	1,775.5	1,738.9	+2.1%
Ireland-based Funds-Unbundled	5,663.2	6,723.6	-15.8%
Ireland-based "Mix" Accounts	1,134.0	746.6	+51.9%
Ireland-based "Chorus" M.A.	1,878.0	2,054.3	-8.6%
M.A. in own Mutual Funds	-1,771.5	-1,897.7	-6.7%
CONSOLIDATED TOTAL	8,411.9	9,645.8	-12.8%

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Bank Deposits

Euro million	31.12.02	31.12.01	Change
Cash under Deposits	2,871.7	2,075.2	+38.4%
Securities under Deposits	2,002.7	2,116.6	-5.4%
Repurchase Agreements	203.7	123.4	+65.1%
Subordinated Loans	16.5	26.3	-37.3%
TOTAL	5,094.6	4,341.4	+17.3%

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Net Inflows

Euro million	FY 2002	FY 2001	Change
▶ Mutual Funds & M.A.	557.5	1,024.0	-45.6%
▶ Life Policies	1,116.5	1,035.6	+7.8%
Managed Savings	1,674.0	2,059.6	-18.7%
▶ Securities	575.8	647.5	-11.1%
▶ Cash	796.6	731.2	+8.9%
▶ Repurchase Agreements	12.9	-1.4	n.s.
Administered Savings	1,385.3	1,377.3	+0.6%
TOTAL NET INFLOWS	3,059.3	3,436.9	-11.0%

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Gross Premiums Written

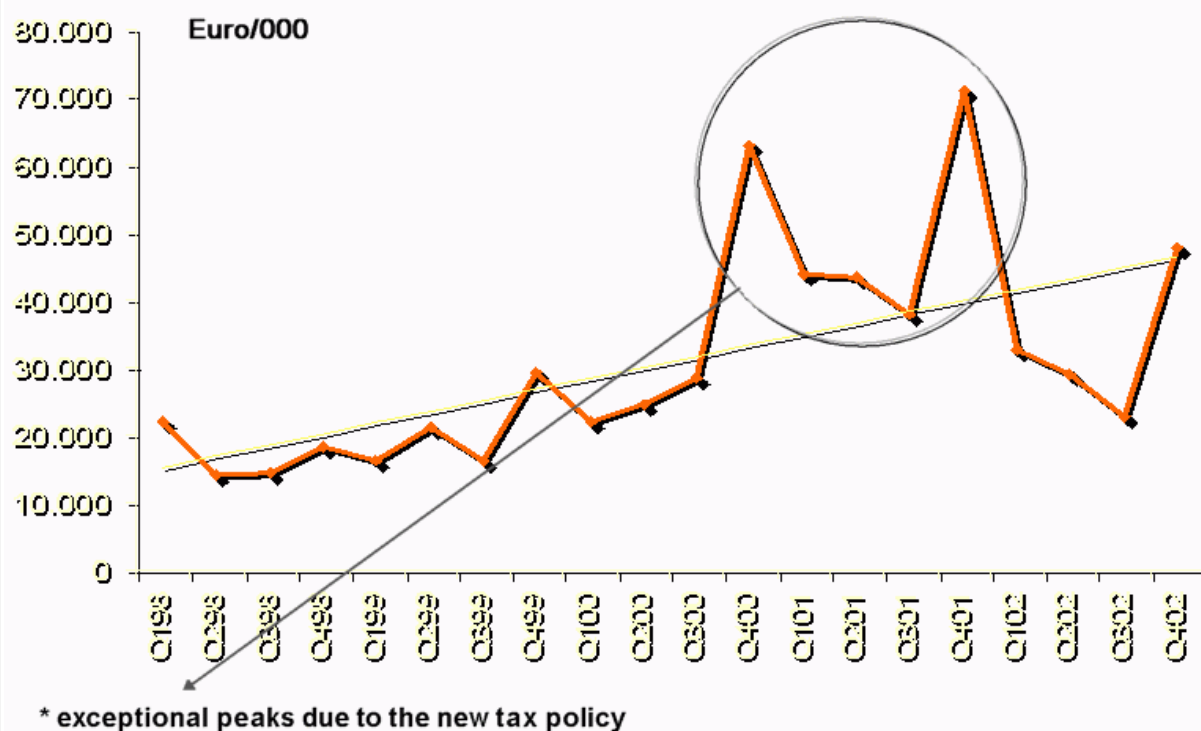
Euro million	FY 2002	FY 2001	Change
▶ U-L Pension Plans (<i>Europension</i>)	39.9	58.8	-32.1%
▶ U-L Pension Plans (<i>Tax Benefit *</i>)	60.7	106.8	-43.2%
▶ U-L Investment Pol. (<i>Life Funds</i>)	29.9	29.0	3.1%
▶ Open Pension Funds	0.0	1.0	-100.0%
Recurring Policies (AP)	130.5	195.6	-33.3%
▶ Trad./ Group / Invest. Policies	9.2	61.8	-85.1%
▶ Unit-linked Pol. (<i>Life Funds & Oro Funds</i>)	221.7	237.2	-6.5%
▶ Index-linked Policies (<i>DiPiù</i>)	1,052.3 **	528.4	99.1%
Single Premium Policies (SP)	1,283.2	827.4	55.1%
Total New Business	1,413.7	1,023.0	38.2%
▶ Pension Plans in-force	615.5	521.1	18.1%
▶ Investment Policies in-force	93.8	58.1	61.4%
Total Business in-force	709.3	579.2	22.5%
TOTAL GROSS PREMIUMS	2,123.0	1,602.2	32.5%

* PIP

** of which c. 280 mn Euro comes from transformation

22

Evolution of Recurring Premiums



23

Adjusted Premium Income

Euro million

	FY 2002	FY 2001	Change
Recurring Policies	130.5	195.6	-33.3%
Single Premium Policies x1/10	128.3	82.7	55.1%
NEW BUSINESS 'APE' *	258.8	278.3	-7.0%

* Annual Premium Equivalent

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Gross Inflows into Mutual Funds*

Euro million	FY 2002	FY 2001	Change
▶ Equity Funds	173.3	255.9	-32.3%
▶ Bond Funds	57.8	85.0	-32.0%
▶ Monetary Funds	117.2	96.4	+21.6%
Italy-based Funds -Unbundled	348.3	437.3	-20.4%
▶ Equity Funds	357.2	745.3	-52.1%
▶ Protected Funds	0.6	1.0	-40.0%
▶ Bond & Monetary Funds	274.6	242.9	13.1%
Ireland-based Funds -Unbundled	632.4	989.2	-36.1%
Ireland-based "Mix" Accounts	682.1	181.6	+275.5%
▶ o/w Equity	462.7	87.9	+426.4%
Ireland-based "Chorus" M.A.	583.3	1,508.3	-61.3%
▶ o/w Equity	343.4	1,005.8	-65.8%
TOTAL GROSS INFLOWS	2,246.1	3,116.5	-27.9%

* Retail sales of Mutual Funds & Managed Accounts, excluding Unit-linked

25

Bank Accounts & Customer Growth

31.12.02 vs. 31.12.01

Active Bank Accounts 339,000  +14.0%

Primary Account Holders 761,000  +6.5%
(unduplicated)

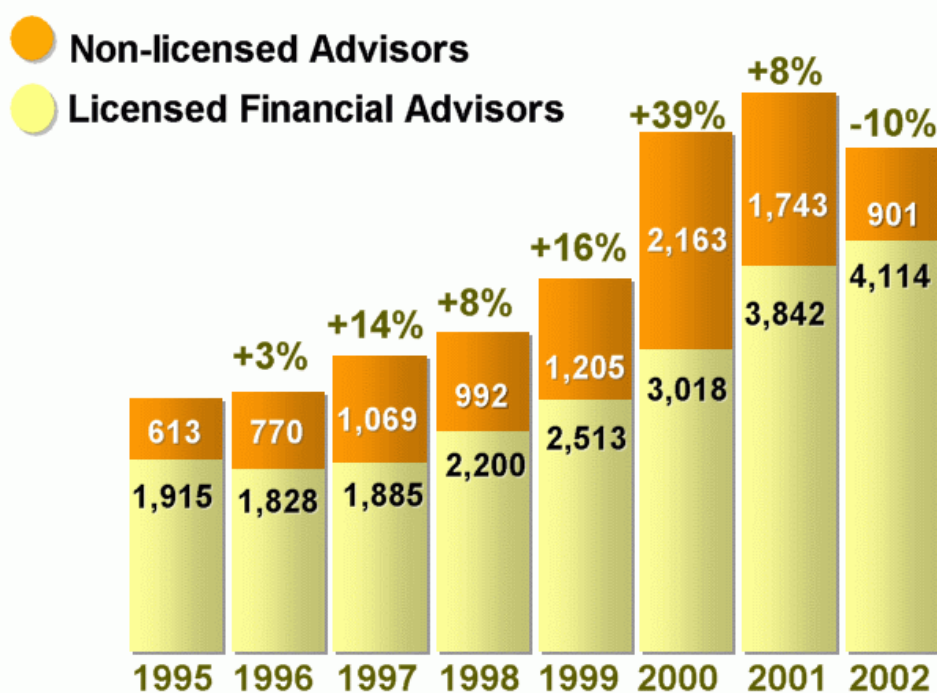
26

Sales Network

	31.12.02	31.12.01	Change
▶ Licensed Financial Advisors	4,114	3,842	7.1%
▶ Non-licensed Financial Advisors	901	1,743	-48.3%
Banca Mediolanum*	5,015	5,585	-10.2%
* o/w Financial Executives	870	885	- 1.7%
Partner Time	1,402	1,308	7.2%
TOTAL NETWORK	6,417	6,893	-6.9%

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Sales Network Evolution



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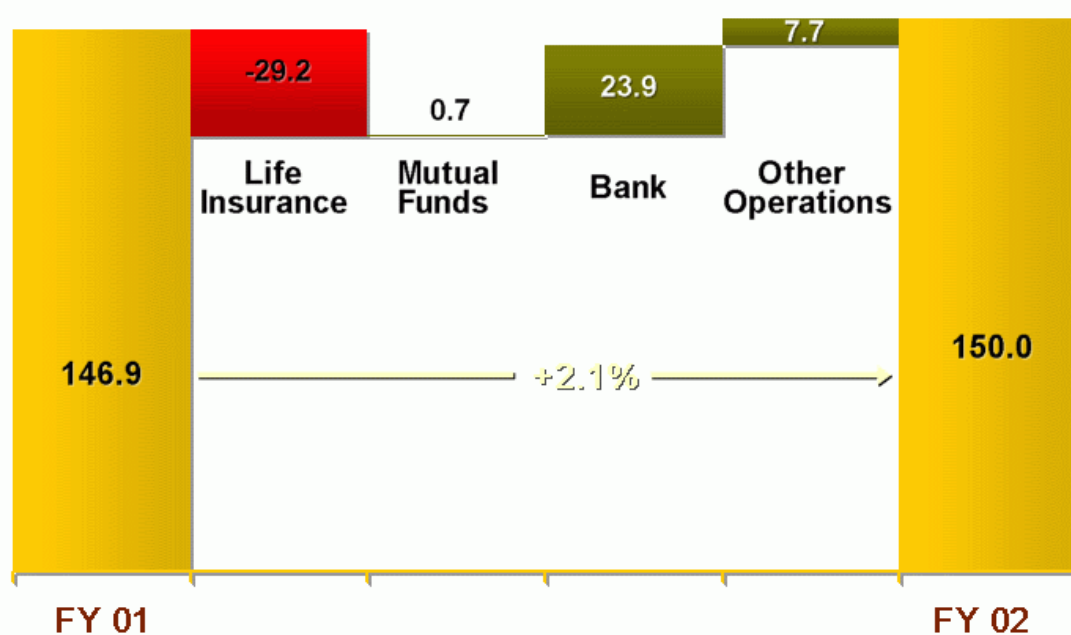
Net Profit

Euro million	FY 2002	FY 2001	Change
Total Revenues	2,444.3	1,885.2	+29.7%
Profit before Tax & E.I.	150.0	146.9	+2.1%
Extraordinary Items	1.4	11.5	-87.9%
Profit before Tax	151.4	158.5	-4.4%
Income Tax	-30.7	-38.4	-20.0%
NET PROFIT	120.7	120.1	+0.5%

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Profit Before Tax & E.I. by Business Line

Euro million



30

Profit from Life business line

Euro million

	FY 2002	FY 2001	Change
Life Insurance	74.5	103.7	-28.2%

... meagre financial contribution coming from traditional reserves: the related Investment Income was very modest this year ...

... temporary situation and is expected to improve next year

PROFIT BEFORE TAX & E.I.	150.0	146.9	+2.1%
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Life Investment Income was very modest in FY 2002 due to three facts

- ▶ returns achieved with government bonds hit an all-time-low in 2002
- ▶ we used an abnormally high level of liquidity to cover the running down of traditional reserves
- ▶ in traditional policies we have to retrocede to the policyholders on average 80% of the return generated in the reserves with a one-year delay

32

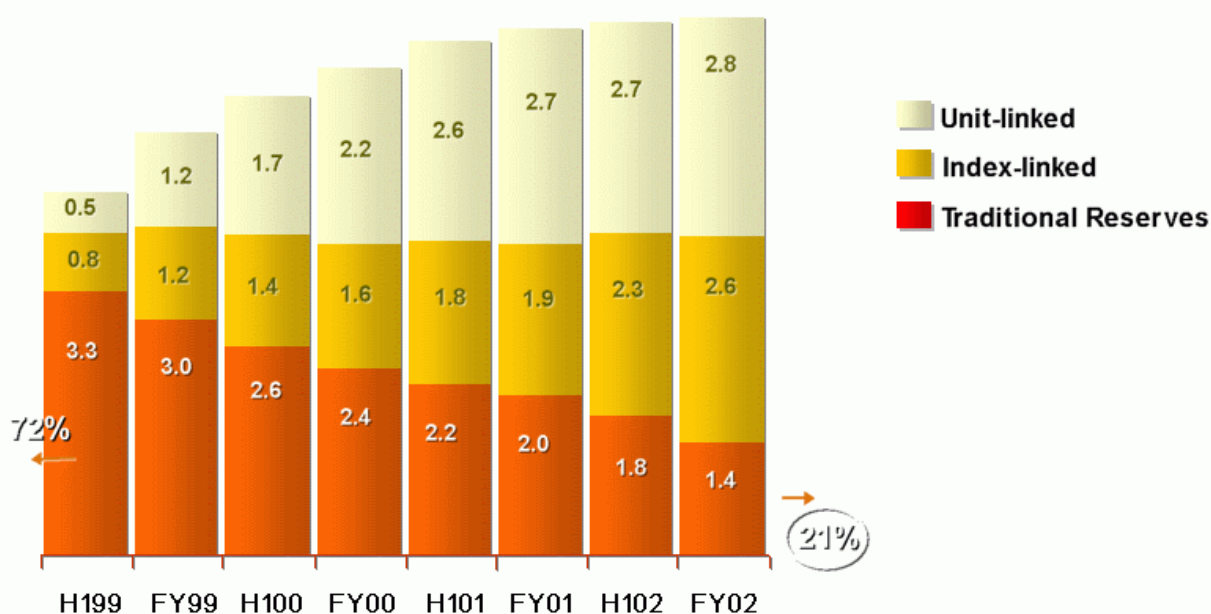
Net Investment Income

Euro million	FY 2002	FY 2001	Change
Investment Income - Life	74.1	114.0	-35.0%
Adjustments to the value of financial invest. (write-downs)	-13.7	-14.3	-4.2%
Adjusted Invest. Income - Life	60.4	99.7	-39.4%
Policyholders' Interest	-56.8	-75.7	-25.0%
Net Invest. Income - LIFE	3.6	24.0	-85.0%
Net Invest. Income - OTHER	1.2	2.3	-47.8%
Interest paid on Investments	11.1	8.3	+33.7%
NET INVESTMENT INCOME	15.9	34.6	-54.0%

33


Life Reserves Composition

Euro billion




34

Profit from Mutual Funds business line

Euro million	FY 2002	FY 2001	Change
Life Insurance	74.5	103.7	-28.2%
Mutual Funds	46.0	45.3	+1.5%
 <p>market depreciation could have hit profit on MFs, but positive net inflows and our ability to increase margins brought an increase</p>			
PROFIT BEFORE TAX & E.I.	150.0	146.9	+2.1%

35

Commission Income from Mutual Fund-related products

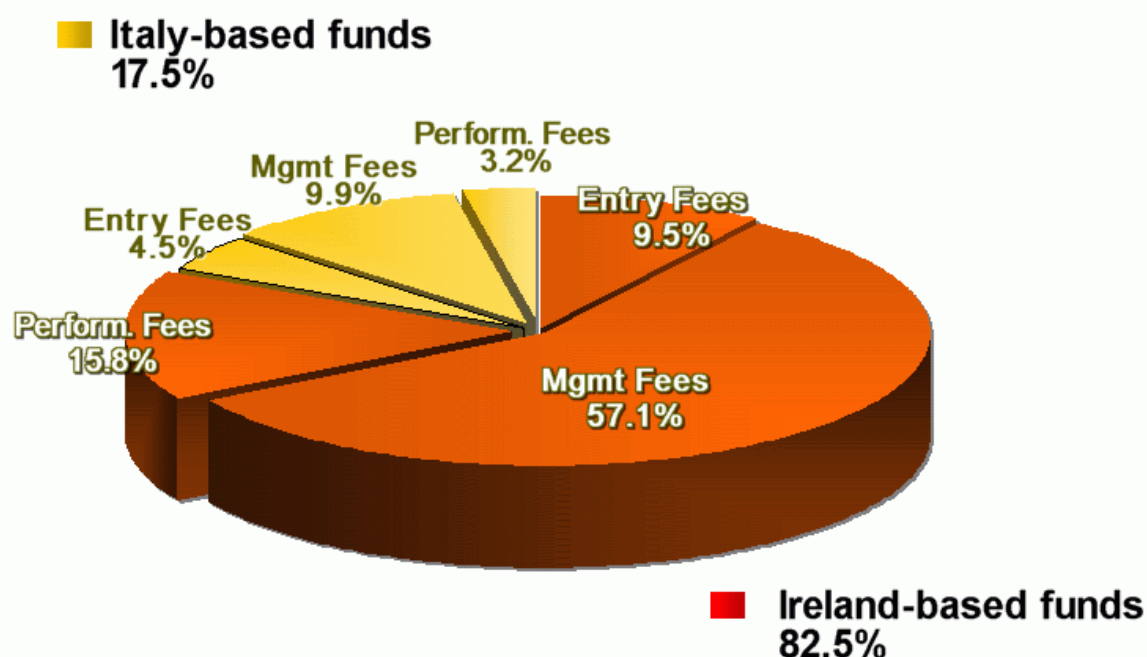
Euro million	FY 2002	FY 2001	Change
Entry Fees	30.5	45.8	-33.4%
Management Fees	145.4	137.4	5.8%*
 <p>when Service Fees from M.A.* are included management fees increase by 8.5%**</p>			
Performance Fees	41.2	19.5	111.3%
TOTAL COMMISSION INCOME	217.1	202.7	7.1%
COMMISSION INCOME - Unbundled Mutual Funds	114.9	133.1	-13.7%

* for Service Fees, see Bank Revenues

** 171.9 vs. 158.4 mn Euro = +8.5%

36

Commission Income from Mutual Funds by Location



37

Profit from Bank business line

Euro million	FY 2002	FY 2001	Change
Life Insurance	74.5	103.7	-28.2%
Mutual Funds	46.0	45.3	+1.5%
Bank Business (excl. Adv. Investments)	17.9 24.4	-6.0 4.7	n.s. +419.1%
Other Operations	11.6	3.9	+197.4%
PROFIT BEFORE TAX & E.I.	150.0	146.9	+2.1%

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Bank Revenues

Euro million	FY 2002	FY 2001	Change
Interest Spread	26.7	31.6	-15.5%
‣ Securities	13.6	13.9	-2.2%
‣ Managed Accounts <small>service fees</small>	26.5	21.0	+26.2%
‣ Other Services	28.6	18.1	+58.0%
Service Margin	68.7	53.0	+29.6%
TOTAL BANK REVENUES	95.4	84.6	+12.8%

39

Benefits paid & Change in Reserves

Euro million	FY 2002	FY 2001	Change
‣ Claims & Maturities	271.0	226.5	+19.6%
‣ Surrenders	727.7*	336.9	+116.0%*
Benefits paid	998.7	563.4	+77.3%
Change in Reserves (less Policyholders' interest)	904.5	791.3	+14.3%
TOTAL	1,903.2	1,354.7	+40.5%

* 274.8 mn Euro net of transformation = -18.4%

40

Surrenders

Euro Million

Surrenders of Individual Pension Plans

Average Reserves

% of Reserves

FY 2002

FY 2001

335.6

110.4

3,312.4

3,475.4

10.1%⁽¹⁾

3.2%

Surrenders of Investment Policies

Average Reserves

% of Reserves

353.4

176.1

1,022.6

1,081.4

34.6%⁽²⁾

16.3%

Total Surrenders *

Average Total Reserves *

% of Reserves

689.0

286.5

4,335.0

4,556.8

15.9%

6.3%

* excluding Index-linked & Group policies

(1) 2.8% excl. surrenders of Tradit. Pension Plans switched into Unit/Index-linked

(2) 12.4% excl. surrenders of Tradit. Invest. Policies switched into Index-linked

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Surrenders of Investments Policies

Euro million

Traditional Investment Policies

Average Reserves

% of Reserves

FY 2002

FY 2001

303.8

166.4

403.5

609.4

75.3%⁽¹⁾

27.3%

Unit-linked Investment Policies

Average Reserves

% of Reserves

49.6

9.7

619.1

472.0

8.0%

2.1%

Surrenders of Investment Policies *

Average Total Reserves *

% of Reserves

353.4

176.1

1,022.6

1,081.4

34.6%⁽²⁾

16.3%

* excluding Index-linked & Group Policies

(1) 17.6% excl. surrenders of Tradit. Invest. Policies switched into Index-linked

(2) 12.4% excl. surrenders of Tradit. Invest. Policies switched into Index-linked

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Surrenders of Pension Plans

Euro million	FY 2002	FY 2001
Traditional Pension Plans	305.5	85.2
Average Reserves	1,217.3	1,531.1
% of Reserves	25.1% ⁽¹⁾	5.6%
Unit-linked Pension Plans	30.1	25.2
Average Reserves	2,095.1	1,944.2
% of Reserves	1.4%	1.3%
Surrenders of Indiv. Pension Plans *	335.6	110.4
Average Total Reserves *	3,312.4	3,475.4
% of Reserves	10.1% ⁽²⁾	3.2%

* excluding Group policies

(1) 5.0% excl. surrenders of Tradit. Pension Plans switched into Unit/Index-linked

(2) 2.8% excl. surrenders of Tradit. Pension Plans switched into Unit/Index-linked

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Costs

Euro million	FY 2002	FY 2001	Change
Claims, Benefits paid, Changes in Reserves	1,903.2	1,354.7	+40.5%
Recov. from Reinsurance	-12.6	-16.4	-23.2%
Acquisition Costs (Commission Expense)	194.7	218.2	-10.8%
G&A Expenses	172.1	166.2	+3.5%
Advertising Expenses	6.5	11.2	-42.0%
Depreciation	46.4	39.0	+19.0%

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New Ventures



FY 2002 Reclassified Results
Mediolanum Group



New Ventures Net Profit

Euro million	FY 2002	FY 2001	Change
Spain	-1.1	1.3	n.s.
Germany	-6.8	1.7	n.s.
Banca Esperia	-3.5	-2.9	20.7%
N.V. NET PROFIT / LOSS *	-11.4	0.1	n.s.

* share of Profit pertaining to the Mediolanum Group

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Net Consolidated Effect of New Ventures

Euro million	FY 2002	FY 2001	Change
Net Profit / Loss*	-11.4	0.1	n.s.
Goodwill Amortisation	-20.1	-11.9	+68.9%
Interest paid on Investments	-7.1	-5.0	+42.0%
N.V. NET EFFECT	-38.6	-16.8	+129.5%

* share of Profit pertaining to the Mediolanum Group

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Dividend Proposal 2002

Dividends per share



.10 Euro

Total amount of Dividends
to be paid



72.5 million Euro

Dividend payout



88.4%

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Edoardo Lombardi

Chief Operating Officer

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Our Agenda for Value Creation



Our Agenda for Value Creation

Anti-seismic Strategy & Model

Actions to increase Value in the Short Term

Actions to increase Value in the Long Term

51

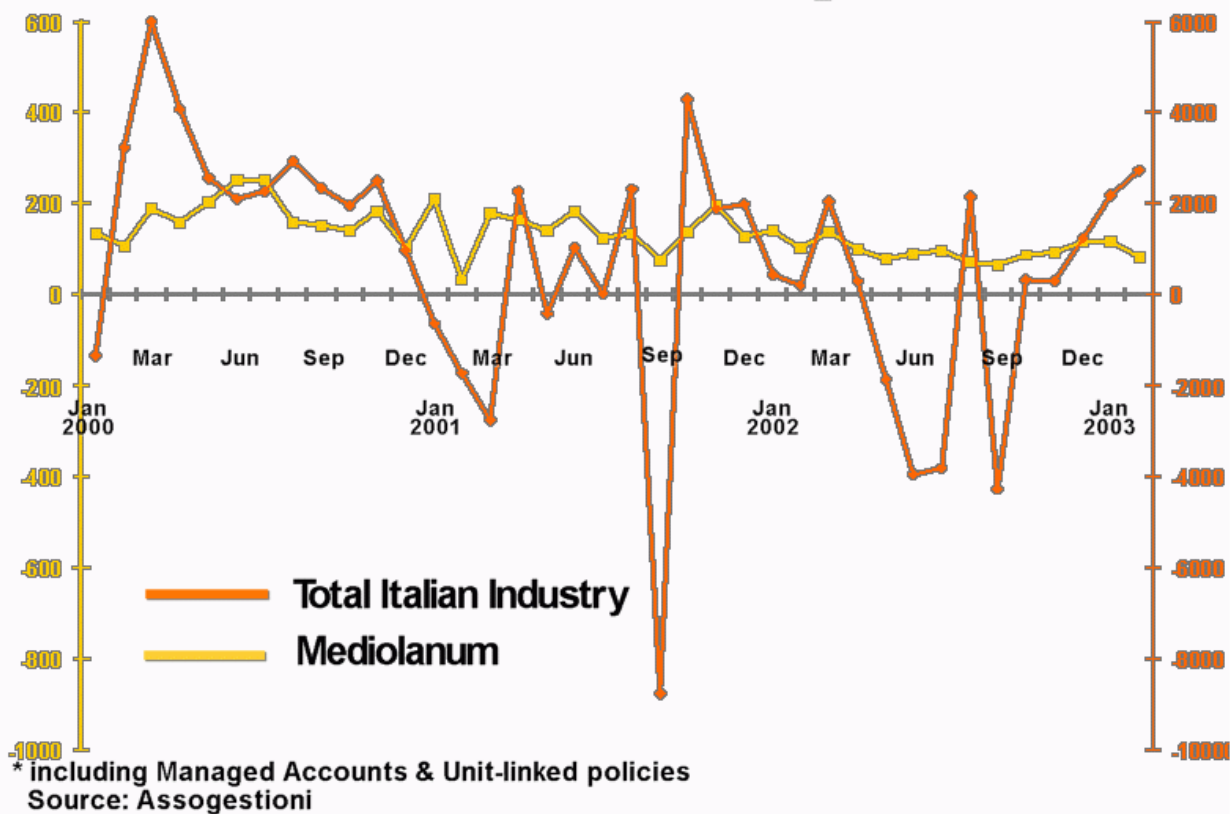
Actions to increase Value in the Short Term & their Relevance for the Future

1. Net Inflows ➡ & Customer Performance

2. Life Ins. Reserves ➡ & Long-term Profitability

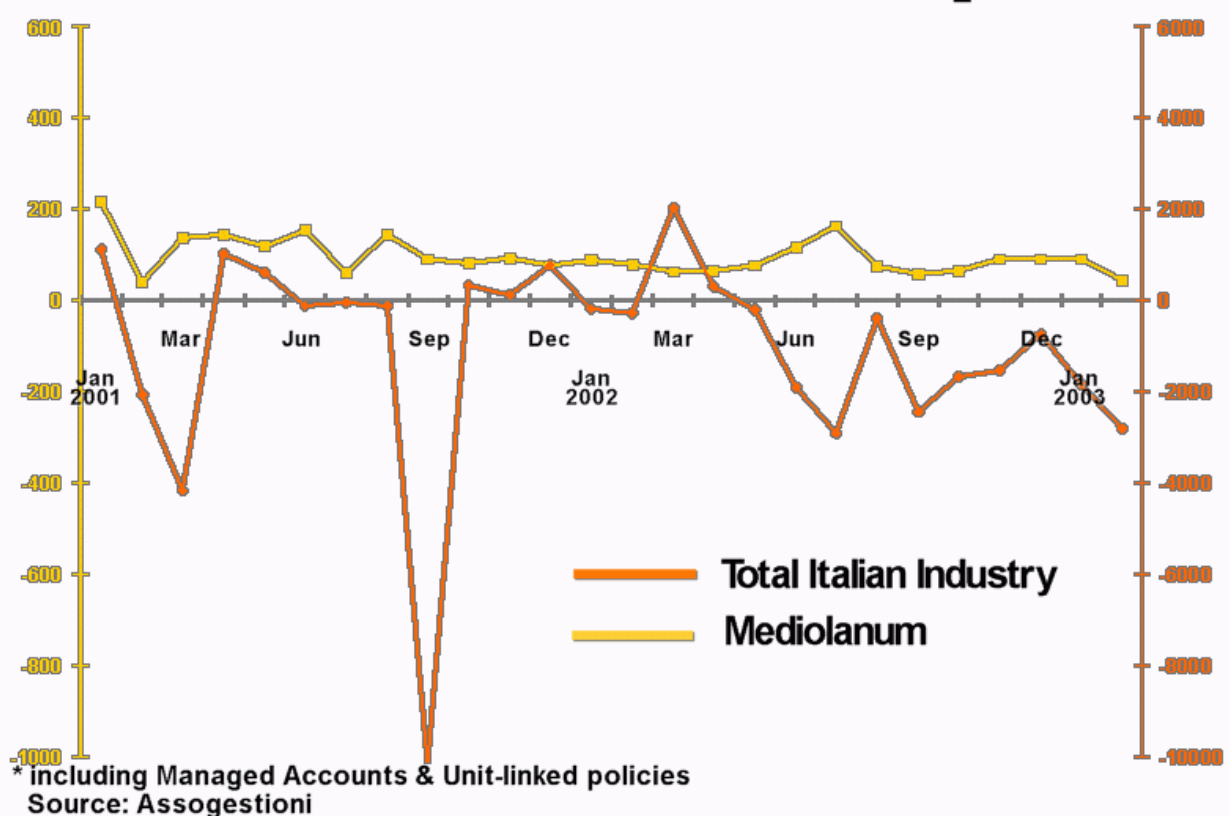
52

Positive & consistent **Net Inflows** into Mutual Funds* means better customer performance



53

Net Inflows into **Equity Mutual Funds*** differentiates Mediolanum from competition



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Ranking for Mutual Fund **Net Inflows**

Euro million

Cumulative 2001/2002

1	Gruppo Mediolanum	2.889,4
2	Gruppo Credem	1.936,0
3	Gruppo B. Pop. Milano	1.401,6
4	Gruppo B. Pop. Novara	945,6
5	Gruppo RAS	656,6
6	Gruppo Generali	623,5
7	Bancoposta	592,7
8	Gruppo Eptaconsors	576,0
9	Azimut (2001)	223,5
10	Gruppo BNL	132,1
11	Gruppo Monte dei Paschi	-269,4
12	Unicredito Italiano	-918,2
13	Cisalpina (now Capitalia)	-1.325,8
14	Gruppo Deutsche Bank	-2.218,3
15	Gruppo Bipop (now Capitalia)	-2.330,4
16	Gruppo Banca di Roma (with Capitalia)	-2.473,3
17	Gruppo Sanpaolo-IMI*	-2.511,9
18	Arca	-5.953,3
19	Gruppo IntesaBci	-8.287,2
	Others	10.043,6
	<i>*o/w Fideuram</i>	<i>-971,5</i>
	Italian Market Net Inflows	-6.267,3

55

Difficult times for the **Life Insurance Industry**

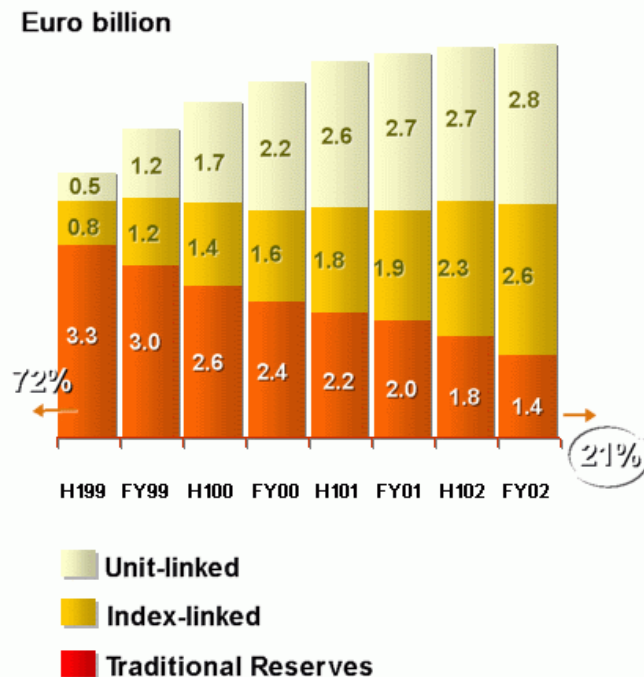
Life Margins under Pressure



- Effect of low interest rates on traditional reserves
- Write-downs from market decline
- Shortage and cost of capital
- Liabilities for guaranteed yields & annuities

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Actions to increase Value in the Short Term ... Evolution of Mediolanum Life Reserves



- ▶ Traditional reserves sensitive to low interest rates in decline
- ▶ Traditional reserves modestly affected by writedowns
- ▶ Guarantees relate only to traditional reserves, i.e. 21% of Life assets
- ▶ Unit & Index-linked don't require solvency margins
- ▶ Cost & availability of capital are not an issue: network commission financed by 1st-year loadings

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Actions to increase Value in the Short Term ... Persistency of Unit-linked

**Persistency in Unit-linked products very High
contrary to the norm for weak equity markets**



Surrenders of:

- ▶ Unit-linked Pension Plans 1.4%

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How we measure Value for the Long Term

'Embedded Value' is our Primary Indicator that measures Profitability over the long run



- Business & product development
- Evaluation of product profitability
- Evaluation of new distribution channels
- Transparency in reporting



Improved Control over Operations

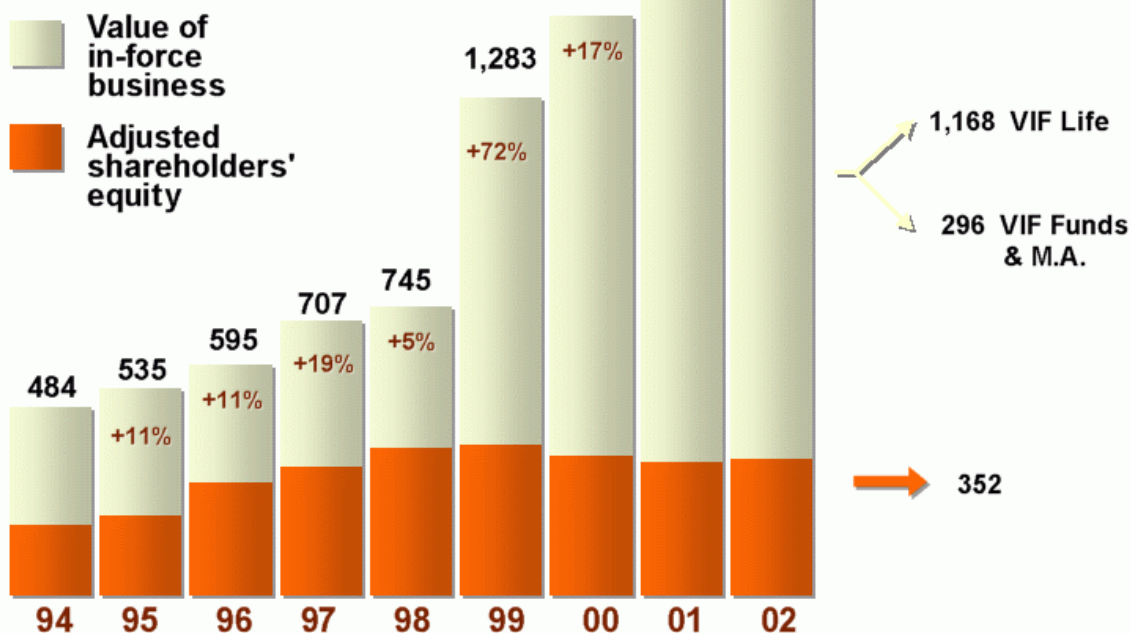
Embedded Value

FY 2002 Reclassified Results
Mediolanum Group



Embedded Value Growth Post-acquisition effect*

Euro million

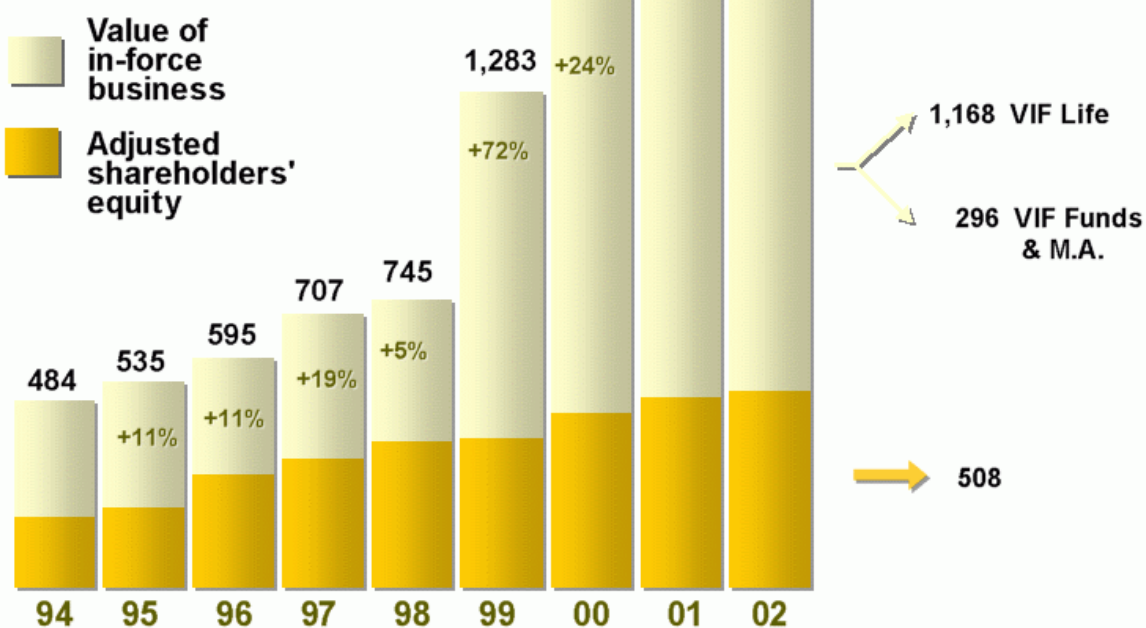


* After excluding residual New Ventures Goodwill

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Embedded Value Growth Pre-acquisition effect*

Euro million



* Before excluding residual New Ventures Goodwill

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EV Economic Assumptions

	FY 2001	FY 2002	
Liquidity	3.7%	2.75%	Investment Return
Long term bond	5.2%	4.5%	
Equities	7.75%	7.0%	
Segregated funds	4.85%	4.15%	Our Portfolio
Unit-linked funds	6.85%	5.45%	
Mutual funds & M.A.	6.55%	5.45%	
Discount Rate	7.75%	7.25%	
Expense Inflation Rate	3.0%	3.0%	

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Embedded Value Earnings

Euro million

	FY 2002	FY 2001
Change over the period	55	329
Dividends paid	72	69
Goodwill Amortisation - New Ventures	20	12
EV EARNINGS PRE-ACQUISITION EFFECT (BEFORE excluding residual N.V. Goodwill)	147	410
Goodwill Increase over the period	(27)	(68)
EV EARNINGS POST-ACQUISITION EFFECT (AFTER excluding residual N.V. Goodwill)	120	342

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EV Earnings Components (1) Earnings on Initial E.V.

Euro million	FY 2002	FY 2001	Change
▶ Expected return in EV	126	99	+27%
▶ Experience variances *	(265)	(68)	+290%
▶ Operating assumption changes *	111	38	+192%
▶ Economic assumption changes	(62)	(14)	+343%
▶ Tax assumption changes	1	0	n.a.
Earnings on Initial E.V.	(89)	55	-262%
Value added - New Business*	236	355	-34%
EV EARNINGS PRE-ACQUISITION EFFECT (BEFORE excluding residual N.V. Goodwill)	147	410	-64%

* detailed in the following slides

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EV Earnings Experience Variances

Euro million	FY 2002	FY 2001
▶ Investment return variance on NAV	(255)	(93)
▶ Mutual Fund pricing variance	57	0
▶ Transfer price variance on Asset Mgmt IRL	(68)	0
▶ Asset mix variance	(6)	0
▶ Performance fees variance	29	9
▶ Persistency/paid-ups variance	10	26
▶ Operating cost variance	(4)	(5)
▶ Other operations net profit/loss variance	(20)	0
▶ Other	(8)	(4)
Experience Variances	(265)	(68)

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EV Earnings Change in Operating Assumptions

Euro million

	FY 2002	FY 2001
► Adjustment due to change in Performance fee calculation method	93	0
► Lower Operational Costs	18	61
► Lower Duration of 'Orofund	0	(15)
► Lower Duration of Managed Accounts	0	(8)
Operating Assumption Changes	111	38

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EV Earnings Components (2) Value added from New Business

Euro million

	FY 2002	FY 2001	Change
Earnings on Initial EV *	(89)	55	-262%
- Conversion from Mutual Funds (into 'Mix' & 'Chorus')	(16)	(22)	-27%
- Investments into 'Mix' & 'Chorus'	35	87	-60%
► M.F Conversion net result ⁽¹⁾	19	65	-71%
► Life transformation ⁽²⁾	5	4	+25%
► New Life business	161	222	-27%
► New M.F & M.A. business	51	64	-20%
Value added - New Business	236	355	-34%
EV EARNINGS PRE-ACQUISITION EFFECT (BEFORE excluding residual N.V. Goodwill)	147	410	-64%

* detailed in slide n. 65

(1) Relates to 587 mn Euro of inflows into Mix and Chorus M.A.

(2) Relates to 286 mn Euro of index-linked (Dipiù) and other life products

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Actions to increase Value in the Long Term

1. Product Innovation Strategy

2. New Ventures

3. Knowledge of the Customer Base

4. Network Recruitment Strategy

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Actions to increase Value for the Long Term Product Innovation Strategy

a Focus on our latest:

'MyPension'



- New pension plan based on our unit-linked policies
- Provides maximum flexibility in choosing the appropriate tax advantages
- Suited to client's specific situation
- Adaptive to changing economic & fiscal needs



improves Loyalty & Profitability through Flexibility

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Actions to increase Value for the Long Term Product Innovation Strategy

**Product development
increasingly linked to concept of 'Life cycle'**



Mortgages



- Strongly associated with 30 - 40 age bracket
- Provides steady flow of future profits
- Systematically offered to this customer segment

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Actions to increase Value for the Long Term New Ventures

**New Initiatives executed in market downturns
are more likely to produce higher Long-term Value**



Precisely the time to make investments



- Capitalise on competitors' weaknesses
- Increase in market share

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New Ventures - Banca Esperia 2002 Net Profit Trend*

Euro million



* share of Profit pertaining to the Mediolanum Group

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New Ventures - Banca Esperia Highlights

	30.12.01	31.12.02
Assets under Administration <small>Euro/mln</small>	1,036	2,242
% in Managed Assets	96.5%	76.1%
Gross Inflows <small>Euro/mln</small>	207	1,753
Customers	150	1,179
Private Bankers	10	30



BANCA ESPERIA

LA PRIVATE BANK DI MEDIOBANCA | MEDIOLANUM | & PARTNERS

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New Ventures - Spain

Network is increasing quality, quantity & productivity

Euro million	31.12.02	31.12.01	Change
▶ Commercial Agents & Employees - Old model	98	121	-19.0%
▶ Financial Advisors - Mediolanum model	259	76	240.8%
▶ Part-time Agents	45	0	n.a.
Sales Network	402	197	104.1%
Introducers	261	267	-2.2%
TOTAL NETWORK SPAIN	663	464	42.9%

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New Ventures - Germany

Highlights

- ▶ Sales Network of Bankhaus Lenz will be built up in 2003 (65 advisors currently)
- ▶ Already attracting Customers with Life Insurance and Mutual Funds products
- ▶ A full range of Banking products will be offered in the Fall
- ▶ Planning to win over some of the best independent advisors from Gamax to Bankhaus Lenz

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Actions to increase Value for the Long Term Our Business Model Abroad

**Spanish & German projects evolution driven
by pace of advisor development**

**Important Growth Potential
given sufficient distribution capacity**



The Mediolanum Model

- effectively combines Technology with Human presence
- has no branch expenses

**we expect to achieve even
Faster Growth than in Italy**

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Actions to increase Value for the Long Term Knowledge of the Customer Base

- **'Client Rating' method**
based on a new proprietary segmentation
- **'Life Time Value' measurement**
which assesses the Embedded Value per client



1. to measure the Profitability of each Client
over the short & the long term
2. to plan actions focusing on specific segments
 - ▶ Commercial activities
 - ▶ Cross-selling of specific products
 - ▶ Enhancement of service quality
 - ▶ Refinement of marketing campaigns and co-marketing
 - ▶ Directed recruitment

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Actions to increase Value for the Long Term Network Recruitment Strategy

New Recruitment Strategy to recoup the growth of our sales network



**Traditional one-by-one recruitment approach
of the supervisors
Reinforced with a Focused Approach
on a given territory in need of advisors**

- **through University Campus selections**
- **via Group Assessments**

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A few closing points

- 1. To ascertain Value it is important to refer to both financial results & non-financial indicators**
- 2. We believe there's no need to sacrifice long-term objectives for the sake of producing higher short-term results**
- 3. A low-growth environment has not prevented Mediolanum from generating Value**
- 4. This has been possible through our Strategy & Business Model, which is built to respond to the shocks & difficulties presented by the market, and**
- 5. through the Flexibility & Solidity of our organisation, which are our key assets also for the future**

**Mediolanum is in a position to resume
the aggressive growth of the past**

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