



1 H 1999 Interim Results

1999 Business Commitments

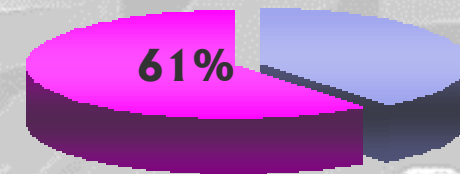
- ◆ **Life Insurance**
 - ◆ transformation of “Completa” portfolio
- ◆ **Bank**
 - ◆ break-even point
- ◆ **Mutual Funds**
 - ◆ launch of “Top Managers” Irish funds

1999 Business Commitments

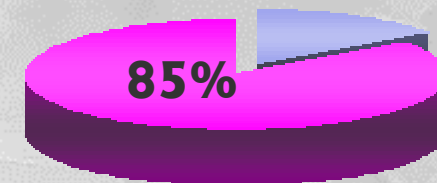
LIFE INSURANCE

- ◆ **180,000 "Completa" policies to be transformed into "Europension"**

- ◆ **109,000 transformed as of June 30**



- ◆ **153,000 transformed by year end (projection)**



i.e., 1,160 million Euro assets into Irish Funds
54% shifted by end 99, 46% to be spread over 30 months

- ◆ **dramatic impact on '99 EV**

1999 Business Commitments

BANK

- ◆ **break-even point reached in 18 months**
 - ◆ **40% of accounts activated**
 - ◆ **over 30,000 securities deposits**

BANK

INCOME STATEMENT EURO MILLIONS

	<u>2Q '99</u>
Revenues	8.7
Acquisition costs	-2.6
G&A Expenses	-5.1
Depreciation	-0.6
Result	0.4

1999 Business Commitments

MUTUAL FUNDS

- ◆ **“TopManagers” Ireland-based funds launched in May**
 - ◆ **NAV 543 million Euro as of June 30**
 - ◆ **NAV over 930 million Euro projected at end September**
- 271 million Euro due to Life business**

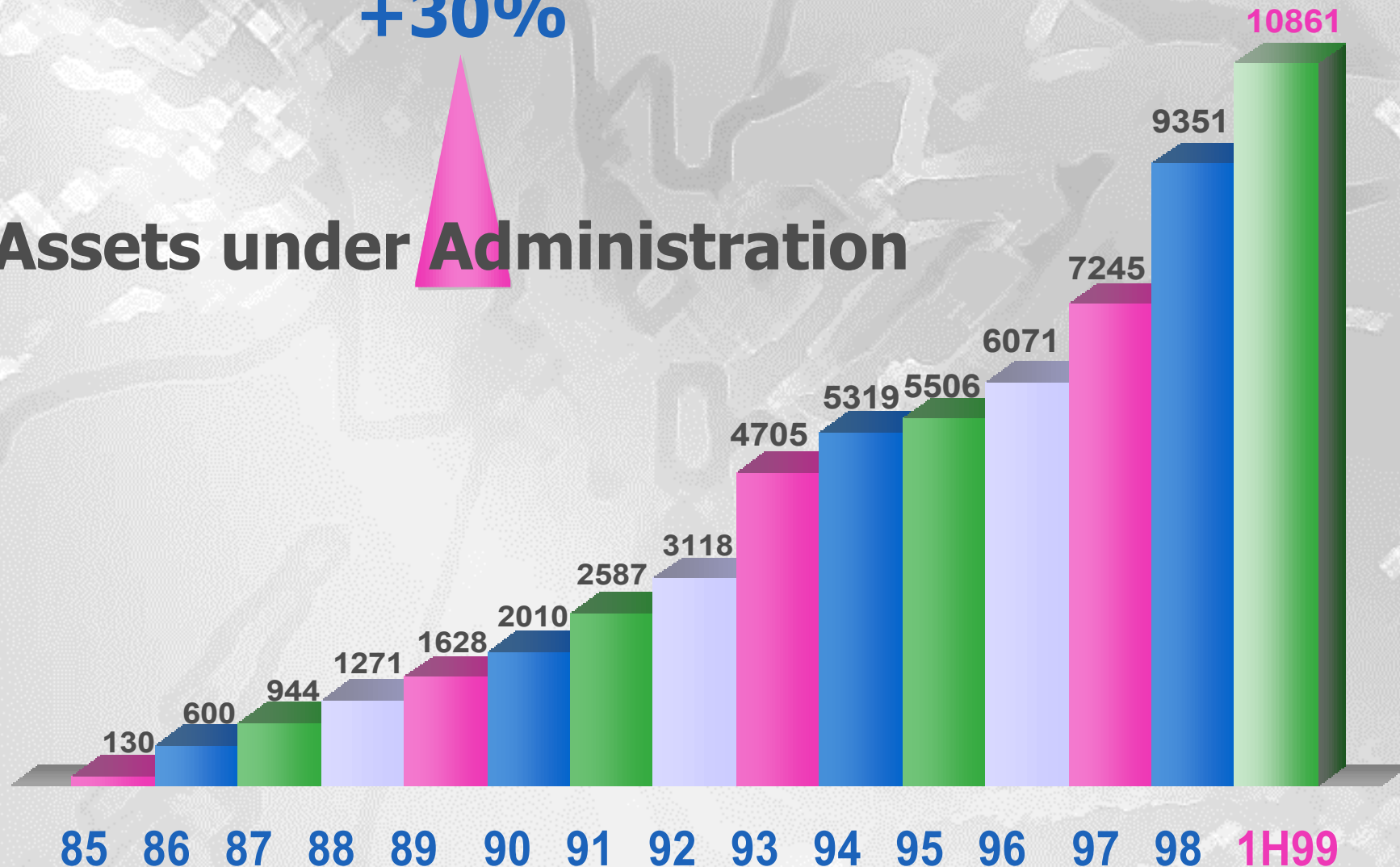


1H 1999's Growth

EURO MILLIONS

+30%

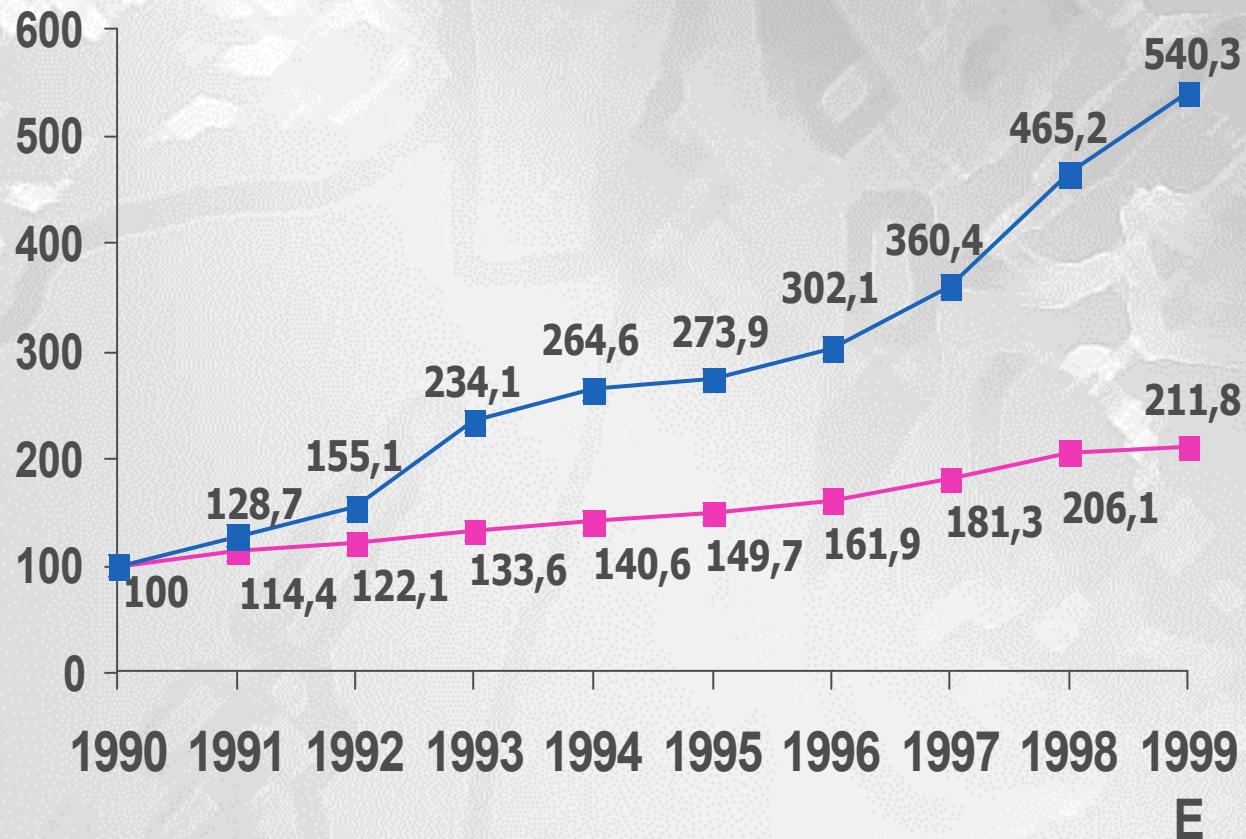
Assets under Administration



Italian Households' Assets

AND MEDIOLANUM'S MARKET SHARE

- Households' Assets
- Mediolanum's Assets under Administration



1999
0.46% (E)

0.40%
1998


Assets under Administration

EURO MILLIONS

	<u>30/6/99</u>	<u>30/6/98</u>	<u>Change</u>
◆ Mutual Funds	5,985	4,912	22%
◆ Italy-based	3,746	4,011	-7%
◆ Ireland-based	2,239	901	149%
◆ Life Reserves	4,455	3,559	25%
◆ Life Reserves in own Mutual Funds	-938	-523	79%
◆ Bank Assets	1,316	436	202%
◆ Pension Funds	43	--	
Consolidated Total	10,861	8,385	30%

1H 1999's Inflows

**Gross Inflows
into Mutual Funds**



-19%

+48%



**Gross Premium
Income**

- ◆ October projection: 1999 = 1998
- ◆ Launch of "Chorus" in September (personalized asset administration in fund units)
- ◆ Launch of "DiPiùMoney" in May

1H 1999's Economic Results

EURO MILLIONS

	<u>1H'99</u>	<u>1H'98</u>	<u>Change</u>
Total Revenues	570	399	43%
Profit pre Tax & E.I.	71	79	-10%
Extraordinary Items	1	-1	--
Profit before Tax	72	78	-8%
Income Tax	-26	-32	-19%
Net Profit	46	46	--

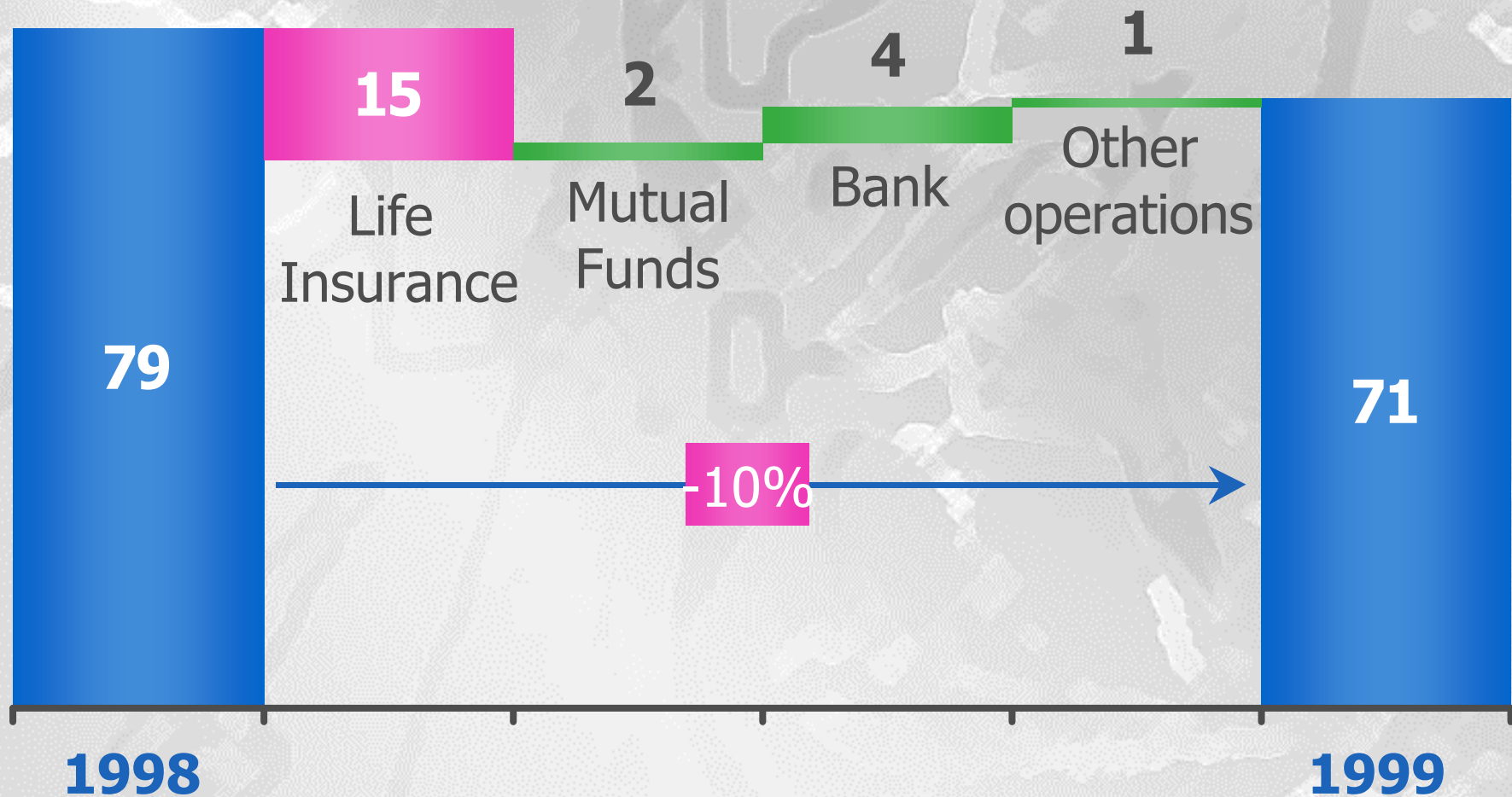
Profits pre Tax & E.I.

BREAKDOWN BY BUSINESS LINES
EURO MILLIONS

	<u>1H'99</u>	<u>1H'98</u>	<u>Change</u>
◆ Life Insurance	34	49	-31%
◆ Mutual Funds	34	32	6%
◆ Bank	-1	-5	80%
◆ Other Operations	4	3	33%
Profit pre Tax & E.I.	71	79	-10%

Profits pre Tax & E.I.

ANALYSIS OF VARIATIONS BY BUSINESS LINES
EURO MILLIONS



Total Revenues

EURO MILLIONS

	<u>1H'99</u>	<u>1H'98</u>	<u>Change</u>
◆ Life Premiums	485	327	48%
Reinsurance ceded	-16	-19	-16%
◆ Commissions from Mutual Funds	82	82	--
◆ Bank Revenues	14	5	180%
◆ Other Revenues	5	4	25%
Total Revenues	570	399	43%

Life Premiums

EURO MILLIONS

	<u>1H'99</u>	<u>1H'98</u>	<u>Change</u>
◆ Recurring policies	37	36	3%
Pension Plans	36	32	13%
of which 'Europension' Pac	33	--	--
'Oro'/ 'DiPiù' Pac - 1st year	1	4	-75%
◆ Single premium policies	263	127	107%
Tradit.& Group Policies	9	7	29%
'Europension' Pic	15	--	--
'Oro/Oromoney' Pic	124	39	218%
'DiPiù' /'DiPiùMoney' Pic	115	81	42%
◆ Total New Business	300	163	84%
Policies in force	160	137	17%
'Oro'/ 'DiPiù' Pac in force	25	27	-7%
◆ Total Business In Force	185	164	13%
Total Gross Premiums	485	327	48%

Commissions from Mutual Funds

EURO MILLIONS

◆ Entry Fees

of which Irish Funds

◆ Management Fees

of which Irish Funds

◆ Performance Fees

of which Irish Funds

Total Commissions

1H'99 1H'98 Change

30 38 -21%

18 14 29%

38 31 23%

13 3 333%

14 13 8%

2 -- --

82 82 --

Gross Inflows into Mutual Funds*

EURO MILLIONS

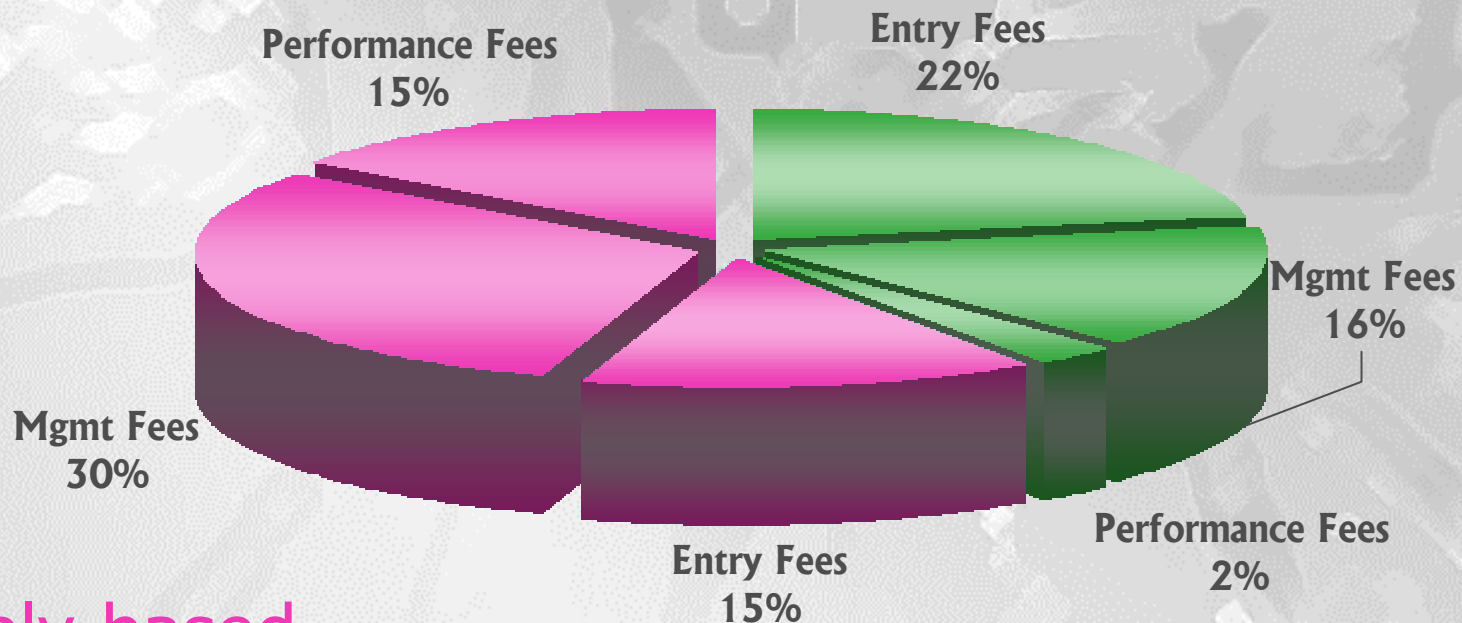
* Inflows from Mediolanum Vita not included

	<u>1H'99</u>	<u>1H'98</u>	<u>Change</u>
◆ Italy-based Funds	549	898	-39%
◆ Equity Funds	187	338	-45%
◆ Bond Funds	163	341	-52%
◆ Monetary Funds	199	219	-9%
◆ Ireland-based Funds	616	540	14%
◆ Equity Funds	374	--	--
◆ Protected Funds	42	540	-92%
◆ Bond/Monetary Funds	200	--	--
Total Gross Inflows	1,165	1,438	-19%

Commissions from Mutual Funds

BREAKDOWN BY LOCATION

Ireland-based Funds (40%)



Italy-based Funds (60%)

Costs

EURO MILLIONS

	<u>1H'99</u>	<u>1H'98</u>	<u>Change</u>
◆ Claims, benefits paid, changes in reserves	441	308	43%
◆ Recov. from Reinsurers	-32	-32	--
◆ Acquisition costs	58	57	2%
◆ G&A expenses	50	42	19%
◆ Depreciation	7	5	40%

Benefits paid & Changes in Reserves

EURO MILLIONS

- ◆ **Benefits paid**

Claims & Maturities

"Pull in our Nets"

Surrenders

- ◆ **Changes in Reserves**

(less Policyholders' interests)

Total

1H'99

1H'98

Change

148

144

3%

46

47

-2%

35

51

-31%

67

46

46%

293

164

79%

441

308

43%

Surrenders

EURO MILLIONS

- ◆ Surrenders of Recurring Policies
 - ◆ Reserves (average)
 - ◆ % of Reserves
- ◆ Surrenders of "Oro"
 - ◆ Reserves (average)
 - ◆ % of Reserves

1H'99 **1H'98** **Change**

43 29 48%

3,385 2,868 18%

1.3% **1.0%** **30%**

24 17 41%

954 533 79%

2.5% **3.2%** **-22%**

Total Surrenders

67 46 46%

Total Reserves

(average of the semester)

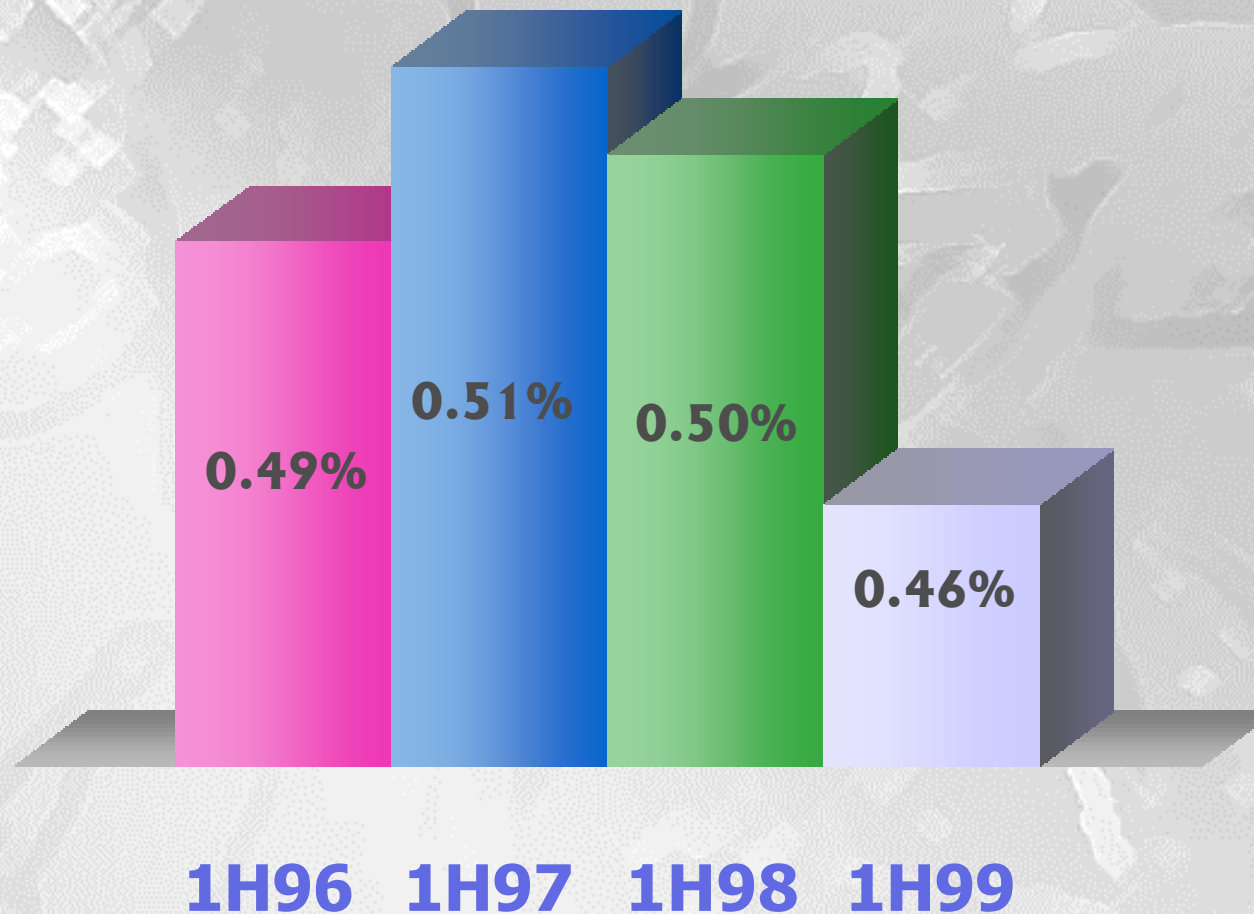
4,339 3,402 28%

% of Reserves

1.5% **1.4%** **7%**

Evolution of G&A Expenses

WEIGHT ON ASSETS UNDER ADMINISTRATION



* Not including Depreciation

Distribution Network

No. of Agents

	<u>31/8/99</u>	<u>30/6/99</u>	<u>30/6/98</u>
Banca Mediolanum*	3,444	3,395	3,006
◆ Non-Licensed Fin. Advisors	1,055	1,061	960
◆ Licensed Fin. Advisors	2,389	2,334	2,046
* of which Financial Executives	277	241	31
Partner Time	467	446	633
Total Mediolanum	3,911	3,841	3,639

Future Commitments

LIFE INSURANCE

- ◆ Transformation of “Completa” policies into “Europension” (180,000)
 - ◆ approaching 90%
- ◆ Transformation of “Anni D’Oro” policies (60,000)
 - ◆ objective: 50% by 1H 2000

Future Commitments

LIFE INSURANCE

◆ **New Products**

- ◆ **“DiPiù Chorus”, indexed to a basket of our Irish funds, launched in September**
- ◆ **Designing a new unit-linked pension plan with guarantee of premiums paid**
- ◆ **Previgest, our first Open Pension Fund, to be launched soon**

Future Commitments

LIFE INSURANCE

- ◆ **Bancassurance**

- ◆ **Startup of “Vicenza Life” and “Vicenza Funds” planned for end October**

Future Commitments

MUTUAL FUNDS

◆ **New Products**

- ◆ **“Chorus”, personalized asset administration service in fund units, launched in September**
- ◆ **Designing a second version of “Chorus” open to third party funds**

Future Commitments

BANK

- ◆ **On-line Bank**
 - ◆ technological platform ready
 - ◆ internal dry runs on-going
 - ◆ launch to market by January 2000

- ◆ **Bank Web site**
 - ◆ ready by year end

Future Commitments

BANK

- ◆ **Trading On-line**
 - ◆ available by March 2000
- ◆ **24/7 Banking service**
 - ◆ adapting SAP banking system to Italian environment
 - ◆ operative by end 2000

Future Commitments

DISTRIBUTION NETWORK

- ◆ **Financial Executives**
 - ◆ **over 400 in force by year end**
 - ◆ **very successful project in terms of productivity as well as quality of related customers**
 - ◆ **working to increase our recruiting capability**

Mutual Funds Assets

EURO MILLIONS

◆ Mutual Funds

◆ Italy-based

- ◆ Equity Funds
- ◆ Bond Funds
- ◆ Money Market Funds

◆ Ireland-based

- ◆ Equity Funds
- ◆ Bond Funds
- ◆ Money Market Funds
- ◆ Protected Funds

	<u>30/6/99</u>	<u>30/6/98</u>	<u>Change</u>
Mutual Funds	5,985	4,912	22%
Italy-based	3,746	4,011	-7%
Equity Funds	1,916	1,856	3%
Bond Funds	1,403	1,667	-16%
Money Market Funds	427	488	-13%
Ireland-based	2,239	901	149%
Equity Funds	803	83	867%
Bond Funds	588	232	153%
Money Market Funds	20	--	--
Protected Funds	828	586	41%

Life Insurance Assets

EURO MILLIONS

◆ Life Reserves

- ◆ Traditional annuities
- ◆ Index-linked
- ◆ Unit-linked

◆ Life Reserves in own Mutual Funds

	<u>30/6/99</u>	<u>30/6/98</u>	<u>Change</u>
	4,455	3,559	25%
	3,318	3,040	9%
	630	519	21%
	507	--	
	-938	-523	79%

Bank Assets

EURO MILLIONS

◆ Bank Assets

- ◆ Cash under Deposit
- ◆ Securities under Deposit
- ◆ GPM
- ◆ Repurchase Agreements

<u>30/6/99</u>	<u>30/6/98</u>	<u>Change</u>
1,316	436	202%
637	255	150%
629	159	296%
43	1	
7	21	-67%