

MEDIOLANUM
GRUPPO MEDIOLANUM

H1 2002

H1 2002 Reclassified Results

1

H1 2002 Reclassified Results Agenda

- ▶ **Core Business**
- ▶ **New Ventures**
- ▶ **Consolidated**
- ▶ **Embedded Value**
- ▶ **2002 Outlook**
- ▶ **Operational Progress**



2

Mediolanum & the Bear Market

- ▶ June 2001 - June 2002: "Annus Horribilis"
- ▶ Financial Markets declined by 27% (MSCI World - Eur)
- ▶ Rigorous test to demonstrate Mediolanum solidity
- ▶ Mediolanum is capable of doing well when market conditions are difficult and times are tough



3

H1 2002 Reclassified Results
Mediolanum Group

Core Business

4

H1 2002

Assets under Administration



Core Business

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%



5

H1 2002

Life Reserves



Core Business

Euro million	31.06.02	31.06.01	Change
► Traditional	1,758.2	2,163.3	-18.7%
► Index-linked	2,322.5	1,799.2	+29.1%
► Unit-linked	2,664.5	2,550.6	+4.5%
Life Reserves	6,745.2	6,513.1	+3.6%
Life Reserves in own Mutual Funds	-2,753.2	-2,858.2	-3.7%



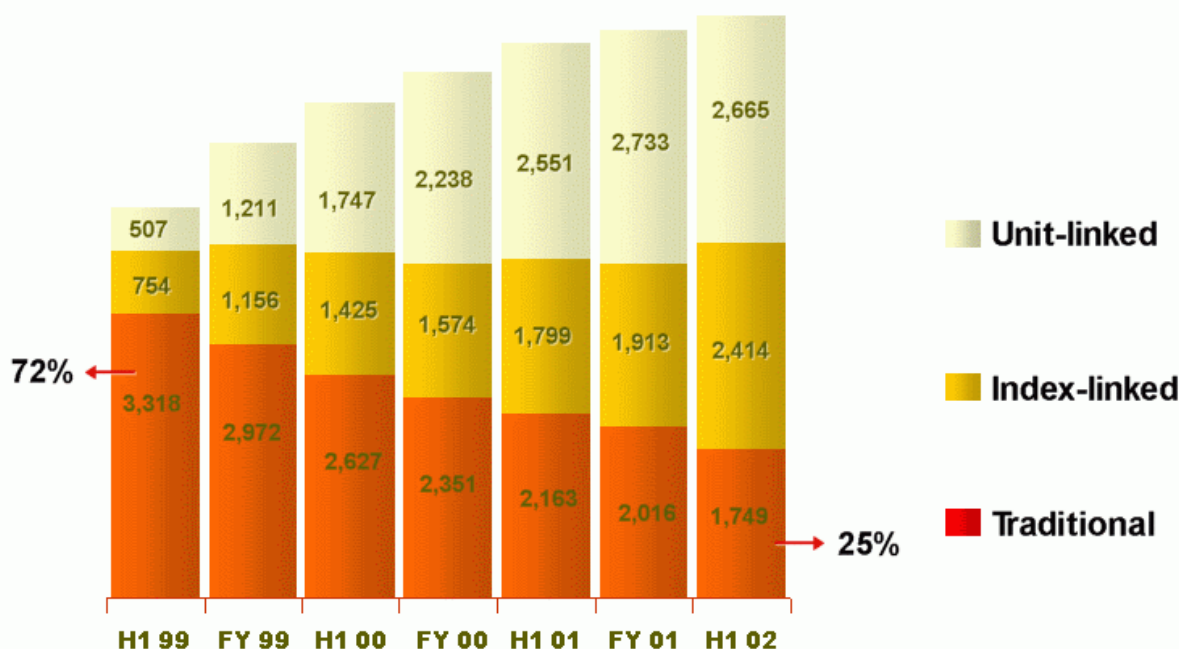
6

Evolution of Life Reserves Composition



Core Business

Euro million



7

H1 2002 Mutual Fund & M.A. Assets



Core Business

Euro million

	31.06.02	31.06.01	Change
► Equity Funds	1,050.9	1,532.9	-31.4%
► Bond Funds	397.3	521.2	-23.8%
► Monetary Funds	211.1	224.7	-6.1%
Italy-based Funds	1,659.3	2,278.8	-27.2%
► Equity Funds	4,099.6	5,349.1	-23.4%
► Protected Funds	103.2	124.7	-17.2%
► Bond & Monetary Funds	1,768.6	1,752.0	+0.9%
Ireland-based Funds (ex "Mix")	5,971.4	7,225.8	-17.4%
Mix Accounts	1,218.1	---	---
Managed Accounts	2,110.8	1,818.9	+83.0%
M.A. in own Mutual Funds	-1,983.7	-1,670.2	+18.8%
CONSOLIDATED TOTAL	8,975.9	9,653.3	-7.0%



8

H1 2002 Bank Deposits



Core Business

Euro million	31.06.02	31.06.01	Change
Cash under Deposits	2,604.1	1,758.0	+48.1%
Securities under Deposits	2,005.4	2,023.5	-0.9%
Repurchase Agreements	702.2	462.7	+51.8%
Subordinated Loans	20.7	25.7	-19.5%
TOTAL	5,332.4	4,269.9	+24.9%



9

H1 2002 Net Inflows



Core Business

Euro million	H1 2002	H1 2001	Change
▶ Mutual Funds & M.A.	331.2	539.4	-38.6%
▶ 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%
TOTAL NET INFLOWS	1,889.0	1,832.0	+3.1%



10

H1 2002 Gross Premiums Written



Core Business

Euro million	H1 2002	H1 2001	Change
▶ U-L Pension Plans (<i>Europension</i>)	17.2	35.4	-51.4%
▶ U-L Pension Plans (<i>Tax Benefit *</i>)	30.7	42.5	-27.8%
▶ U-L Investment Pol. (<i>Life Funds</i>)	13.6	8.6	+58.1%
▶ Open Pension Funds	0.0	0.4	---
Recurring Policies	61.5	86.9	-29.2%
▶ Trad./ Group / Invest. Policies	5.9	16.1	-63.4%
▶ Unit-linked Pol. (<i>Life Funds & Oro Funds</i>)	130.5	114.7	+13.8%
▶ Index-linked Policies (<i>DiPiù</i>)	595.3 **	230.2	+158.6%
Single Premium Policies	731.7	361.0	+102.7%
Total New Business	793.2	447.9	+77.1%
▶ Pension Plans in-force	280.0	232.2	+20.6%
▶ Investment Policies in-force	40.8	21.9	+86.3%
Total Business in-force	320.8	254.1	+26.2%
TOTAL GROSS PREMIUMS	1,114.0	702.0	+58.7%

* PIP

** of which 168 mn Euro comes from transformation



11

H1 2002 Gross Inflows into M.F. & M.A.*



Core Business

Euro million	H1 2002	H1 2001	Change
▶ Equity Funds	93.2	149.8	-37.8%
▶ Bond Funds	27.9	46.7	-40.3%
▶ Monetary Funds	57.2	49.5	+15.6%
Italy-based Funds	178.3	246.0	-27.5%
▶ Equity Funds	202.7	469.6	-56.8%
▶ Protected Funds	0.3	0.5	-40.0%
▶ Bond & Monetary Funds	123.6	102.8	+20.2%
Ireland-based Funds (ex "Mix")	326.6	572.9	-43.0%
'Mix' Accounts	528.5	---	-6.2%
Managed Accounts	447.3	1,040.6	
TOTAL GROSS INFLOWS	1,480.7	1,859.5	-20.4%

* Retail sales



12

H1 2002 Bank Account & Customer Growth



Core Business

30.06.02 vs. 30.06.01

Active Bank Accounts

323,409

+22%

Primary Account Holders
(unduplicated)

743,900

+10%



13

Mediolanum Customer Base as at 30.06.02



Core Business

Primary Account Holders
(unduplicated)

743,900

Life

531,400

Mutual Funds &
Managed Accounts

285,300

Bank

288,800

Other

73,600

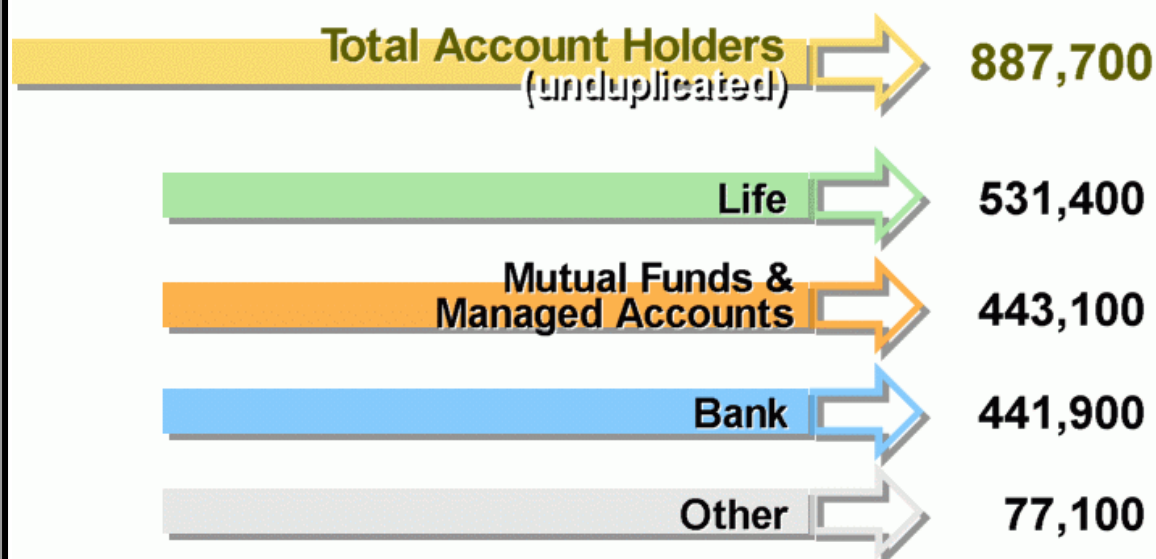


14

Mediolanum Customer Base as at 30.06.02



Core Business



15

H1 2002 Sales Network



Core Business

	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%



16

H1 2002 Economic Results



Core Business

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%



17

H1 2002 Profit by Business Line



Core Business

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%



18

H1 2002 Total Revenues



Core Business

Euro million	H1 2002	H1 2001	Change
Premium Income	1,114.0	702.0	+58.7%
Reinsurance ceded	-4.9	-6.0	-18.3%
Commission Income	107.4	106.9	+0.5%
Bank Revenues	46.0	37.5	+22.7%
Other Commissions & Revenues	6.9	3.1	+122.6%
TOTAL REVENUES	1,269.4	843.5	+50.5%



19

H1 2002 Adjusted Premium Income



Core Business

Euro million	H1 2002	H1 2001	Change
Recurring Policies	61.5	86.9	-29.2%
Single Premium Policies x1/10	73.2	36.1	+102.8%
NEW BUSINESS 'APE' *	134.7	123.0	+9.5%

* Annual Premium Equivalent



20

H1 2002 Commission Income - Mutual Funds



Core Business

Euro million

	H1 2002	H1 2001	Change
Entry Fees	17.4	27.8	-37.4%
o/w Irish Funds	12.4	19.8	-37.4%
Management Fees	76.8	68.6	+12.0%*
o/w Irish Funds	65.0	51.3	+26.7%
Performance Fees	13.2	10.5	+25.7%
o/w Irish Funds	9.7	3.0	+223.3%
TOTAL COMMISSION INCOME	107.4	106.9	+0.5%

* +19.1% when Service Fees from M.A. are included
(91.1 vs. 76.5 mn Euro = +19.1%)

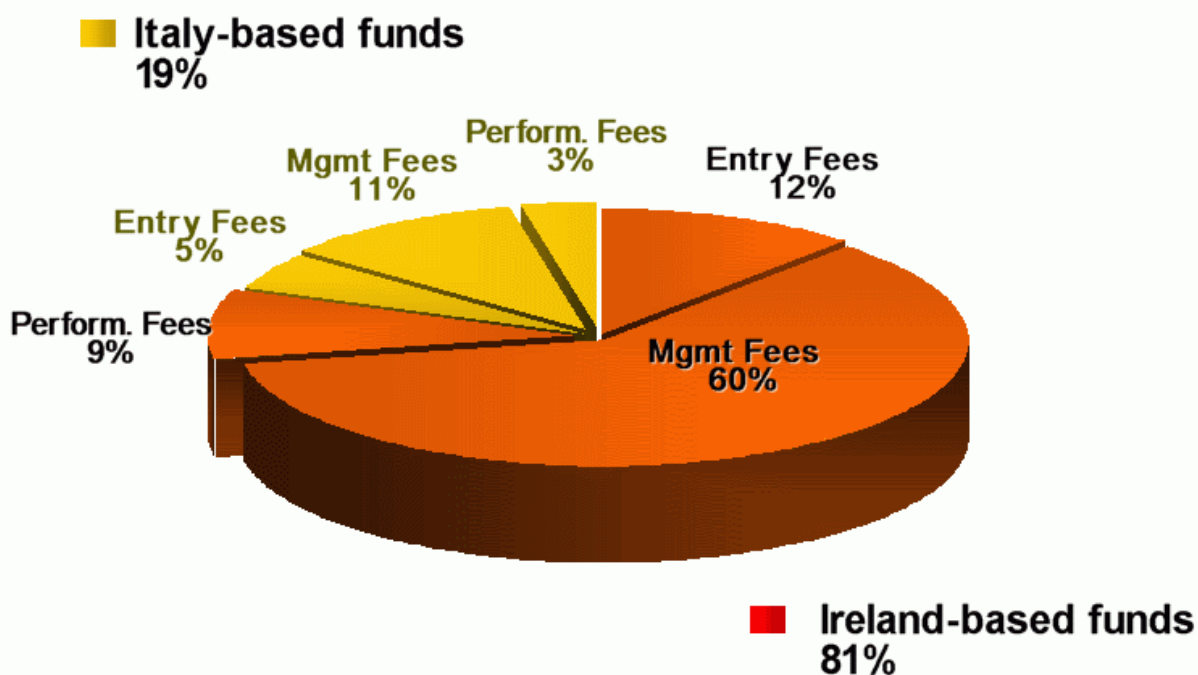


21

H1 2002 Commission Income by Location



Core Business



22

H1 2002 Bank Revenues



Core Business

Euro million

	H1 2002	H1 2001	Change
Interest Spread	12.8	16.2	-21.0%
▶ Securities	6.8	7.0	-2.9%
▶ Managed Accounts	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%



23

H1 2002 Costs



Core Business

Euro million

	H1 2002	H1 2001	Change
Claims, Benefits paid, Changes in Reserves	1,002.2	583.6	+71.7%
Recov. from Reinsurance	-8.9	-8.6	+3.5%
Acquisition Costs	99.8	105.5	-5.4%
G&A Expenses	82.4	81.7	0.9%
Advertising Expenses	4.6	5.8	-20.7%
Depreciation	21.4	16.7	+28.1%



24

H1 2002

Benefits paid & Changes in Reserves



Core Business

Euro million	H1 2002	H1 2001	Change
► Claims & Maturities	133.1	108.3	+22.9%
► Surrenders	304.0 *	162.7	+86.8%
Benefits paid	437.1	271.0	+61.3%
Changes in Reserves (less Policyholders' interest)	565.1	312.6	+80.8%
TOTAL	1,002.2	583.6	+71.7%

* 136.2 mn Euro net of transformation = - 16.3%



25

H1 2002

Surrenders



Core Business

Euro million	H1 2002	H1 2001
Surrenders of Individual Pension Plans	60.8	62.9
Average Reserves	3,450.5	3,479.3
% of Reserves	1.8%	1.8%
Surrenders of Investment Policies	235.5	81.5
Average Reserves	1,058.2	1,055.1
% of Reserves	22.3% *	7.7%
Total Surrenders **	296.3	144.4
Average Total Reserves	4,508.8	4,534.3
% of Reserves	6.6%	3.2%

* 5.9% excl. surrenders of Tradit. Invest. Pol. (Oro & Oro Money) switched into Index-linked

** excluding Index-linked & Group policies



26

H1 2002 Surrenders - Investments Policies



Core Business

Euro million

	H1 2002	H1 2001
Traditional Investment Policies	215.6	80.8
Average Reserves	441.6	642.8
% of Reserves	48.8%	12.6%
Unit-linked Investment Policies	19.9	0.7
Average Reserves	616.6	412.3
% of Reserves	3.2%	0.2%
Surrenders of Investment Policies *	235.5	81.5%
Average Total Reserves	1,058.2	1,055.1
% of Reserves	22.3% **	7.7%

* excluding Index-linked & 'Pull in our Nets'
including surrenders of Tradit. Invest. Pol. (Oro & Oro Money) switched into Index-linked

** 5.9% net of transformation



27

H1 2002 Surrenders - Individual Pension Plans



Core Business

Euro million

	H1 2002	H1 2001
Traditional Pension Plans	45.0	49.0
Average Reserves	1,406.4	1,597.0
% of Reserves	3.2%	3.1%
Unit-linked Pension Plans	15.8	13.9
Average Reserves	2,044.1	1,882.3
% of Reserves	0.8%	0.7%
Surrenders of Indiv. Pension Plans *	60.8	62.9
Average Total Reserves	3,450.5	3,479.3
% of Reserves	1.8%	1.8%

* excluding Group policies

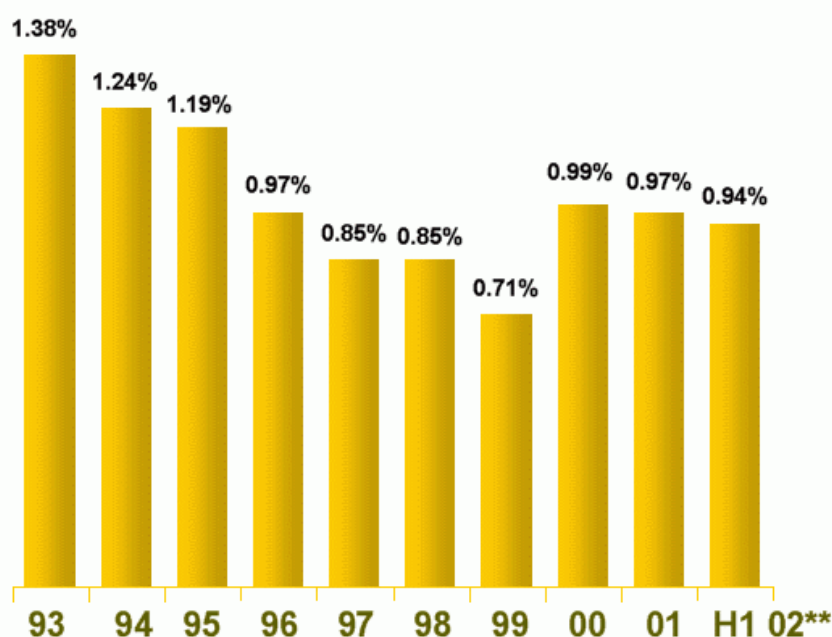


28

H1 2002 Weight of G&A Expenses* on AUA



Core Business



* Not including Depreciation

** Annualised



29

H1 2002 Net Investment Income



Core Business

Euro million

	H1 2002	H1 2001	Change
Investment Income	35.0	62.7	-44.2%
Adjustments to the value of financial investments	-6.7	-7.5	-10.7%
Interest paid on Investments	5.5	3.9	+41.0%
Adjusted Inv. Income	33.8	59.1	-57.2%
Policyholders' Interest	-31.9	-40.3	-20.8%
NET INVESTMENT INCOME	1.9	18.8	-89.9%



30

H1 2002 Reclassified Results Mediolanum Group

New Ventures

31

H1 2002 Assets under Administration

New Ventures

Euro million

30.06.02

30.06.01

Change

Spain

1,847.1

2,133.2

-13.4%

Germany

516.5

Banca Esperia*

745.2

Mediolanum Private

6.8

NEW VENTURE ASSETS

3,115.6

2,133.2

+46.1%

* Mediolanum Group's share (48.5%)



32

H1 2002 Sales Network - Spain



New Ventures

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%



33

H1 2002 Economic Results



New Ventures

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



34

H1 2002 Net Consolidated Effect



New Ventures

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



35

H1 2002 Assets under Administration - Spain



New Ventures

Euro million	30.06.02	30.06.01	Change
Life & Pension Funds	53.2	54.5	-2.4%
Mutual Funds	751.6	853.1	-11.9%
Bank Deposits	1,157.0	1,422.2	-18.6%
Institutional Assets	44.6	44.6	0.0%
Ireland-based Assets	17.9	0.0	n.a.
Consolidation Adjustments	-178.5	-241.2	+26.0%
AUA - Spain	1,845.8	2,133.2	-13.5%



36

H1 2002 Economic Results - Spain



New Ventures

Euro million

	H1 2002	H1 2001	Change
Total Revenues	31.2	22.1	+41.2%
Profit before Tax & E.I.	-0.9	1.3	n.s.
Extraordinary Items	+0.3	0.1	n.s.
Profit before Tax	-0.6	1.4	n.s.
Income Tax	0.0	-0.5	n.s.
Profit from Minority Interests	0.0	-0.3	n.s.
NET PROFIT *	-0.6	0.6	n.a.

* share of Profit pertaining to the Mediolanum Group



37

H1 2002 Net Effect - Spain



New Ventures

Euro million

	H1 2002	H1 2001	Change
Net Profit *	-0.6	0.6	n.s.
Goodwill Depreciation	-6.8	-5.2	-30.8%
Interests paid for Investments	-2.2	-2.2	---
SPAIN NET EFFECT	-9.6	-6.8	-41.2%

* share of Profit pertaining to the Mediolanum Group



38

H1 2002 Reclassified Results Mediolanum Group

Consolidated



39

H1 2002 Economic Results



Consolidated

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%



40

H1 2002 Assets under Administration



Consolidated

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%
Spain	1,847.1	2,133.2	-13.4%
Germany	516.5	---	---
Banca Esperia	745.2	---	---
Mediolanum Private	6.8	---	---
New Ventures Assets	3,115.6	2,133.2	+46.1%
CONSOLIDATED TOTAL	21,533.0	19,823.3	+8.6%

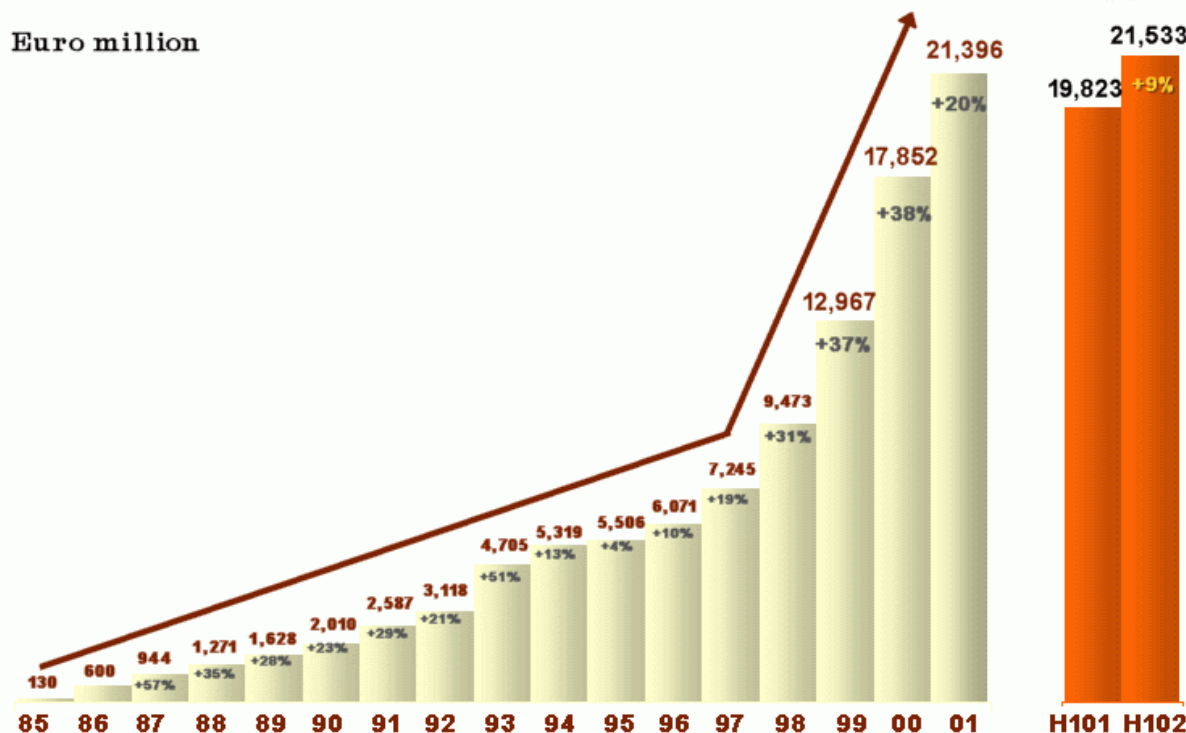


41

Evolution of Assets under Administration



Consolidated



42

H1 2002 Reclassified Results Mediolanum Group

Embedded Value

43

H1 2002 EV Economic Assumptions

	H1 2001	H1 2002	
Liquidity	4.50%	3.70%	Investment Return
Long term bond	5.25%	5.20%	
Equities	7.75%	7.75%	
Segregated funds	5.10%	4.85%	Our Portfolio
Unit-linked funds	6.85%	6.30%	
Mutual funds & M.A.	6.55%	6.30%	
Discount Rate	7.75%	7.75%	
Expense Inflation Rate	3.00%	3.00%	



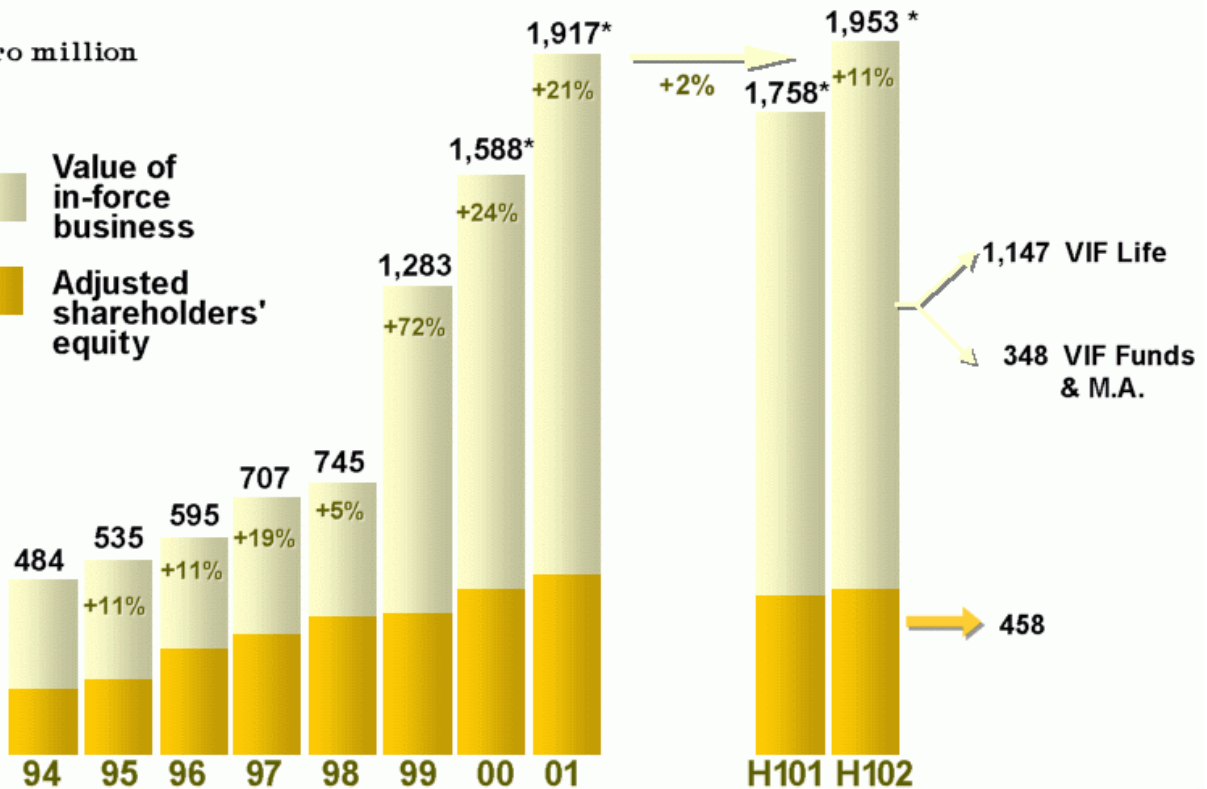
44

H1 2002 Embedded Value Growth

Euro million

Value of
in-force
business

Adjusted
shareholders'
equity



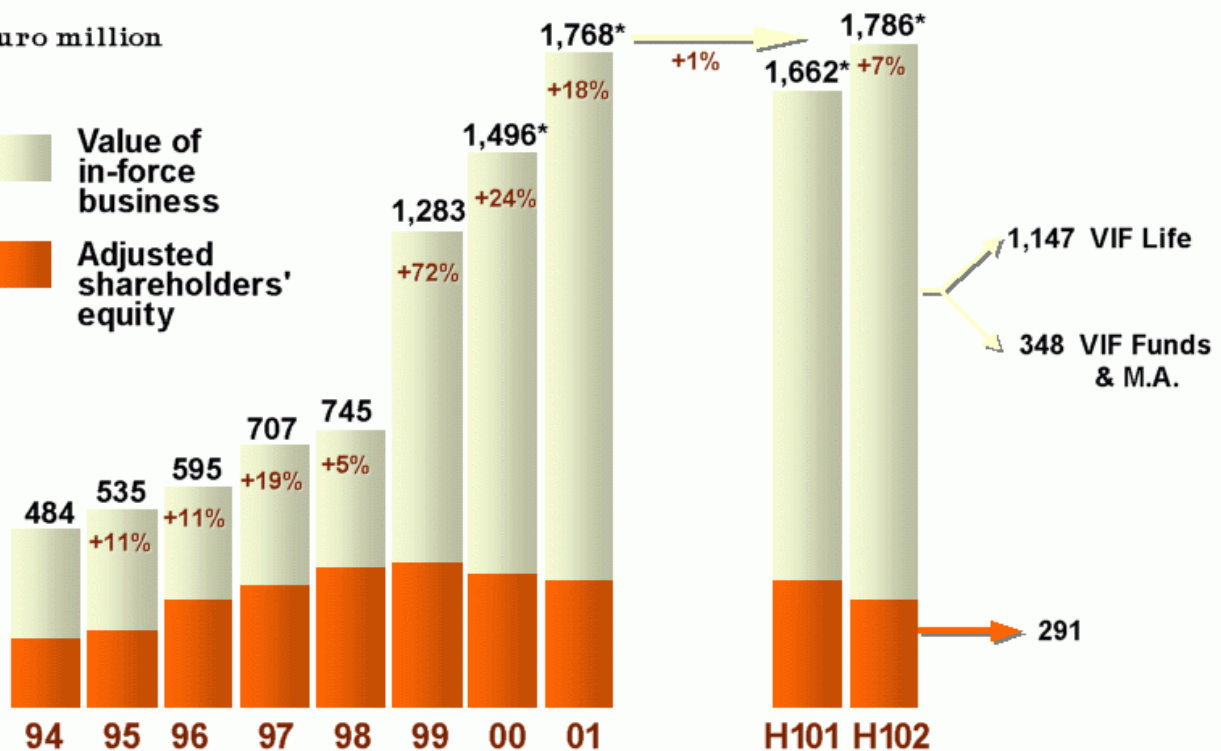
45

H1 2002 Embedded Value Growth

Euro million

Value of
in-force
business

Adjusted
shareholders'
equity



46

H1 2002 Embedded Value Earnings

Euro million

	H1 2002	H1 2001
Change over the period	36	170
Dividends paid	72	69
Goodwill Depreciation - New Ventures	10	5
EMBEDDED VALUE EARNINGS	118	244



47

H1 2002 EV Earnings Components

Euro million

	H1 2002	H1 2001	Change
► Expected return in EV	59	49	+20%
► Experience variances	(84)	(18)	n.a.
► Operating assumpt.changes	18	15	n.a.
► Mutual Funds conversion	(14)	(19)	n.a.
Earnings on initial EV	(21)	27	-178%
► New Life business	82	102	-20%
► New M.F & M.A. business	26	35	-25%
► Mutual Funds conversion	29 *	76	-62%
► Life transformation	2 **	4	-50%
Value added - New Business	139	217	-36%
EMBEDDED VALUE EARNINGS	118	244	-52%

* relates to 515 mn Euro of inflows into 'Mix' & 'Chorus' M.A.

** relates to 168 mn Euro of single premiums Index-linked ('DiPiù')



48

H1 2002

EV Earnings - Experience Variances

Euro million	H1 2002	H1 2001
‣ Investment return variance on NAV	(125)	(24)
‣ Mutual Fund pricing variance	70	0
‣ Asset mix variance	(27)	0
‣ Performance fees variance	9	5
‣ Persistency/paid-ups variance	6	18
‣ Operating variance	(3)	(1)
‣ New ventures net profit	(5)	1
‣ Other	(9)	(17)
Experience Variances	(84)	(18)



49

H1 2002

EV Earnings - Change in Assumptions

Euro million	H1 2002	H1 2001
‣ Lower Duration of 'Orofund'	0	(8)
‣ Lower Duration of Managed Accounts	0	(15)
‣ Lower Operational Costs	18	38
Operating Assumption Changes	18	15



50

2002 Outlook



51

2002 Outlook Investor Behaviour



Consolidated

- ▶ Uncertainty over the strength of the economic recovery
- ▶ Investor behaviour is generally not synchronised with fundamental market shifts
- ▶ For a certain period of time investor behaviour will not improve
- ▶ This period represents additional opportunities for Mediolanum

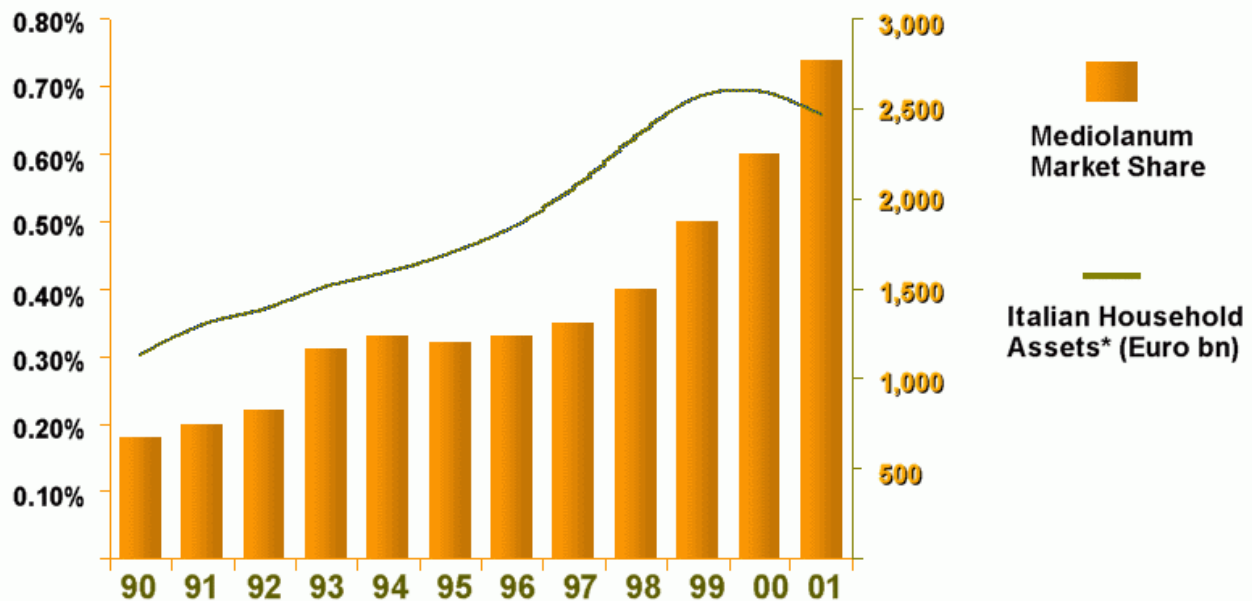


52

Mediolanum Market Share Growth



Core Business



* Source: Banca d'Italia



53

H1 2002 Reclassified Results Mediolanum Group

Operational Progress



54

Operational Progress Life - New Product



Core Business

► 'My Pension'

Allows policyholder to choose 1 x year to invest in

- 'Tax Benefit' version (tax advantages during capital accumulation phase) OR
- 'Europension' version (lighter tax during annuity distribution phase) OR
- both

Launch September 19th supported by advertising



55

Operational Progress Life



Core Business

- Continuation of the transformation of Traditional Investment Policies ('Oro' & 'Oromoney')
- Transformation of the remaining Traditional Pension Plans ('Completa') close to maturity



56

Operational Progress Other Projects



Core Business

- ▶ Continuation of the switch from unbundled mutual funds into wrap products
- ▶ Project to boost mortgage sales

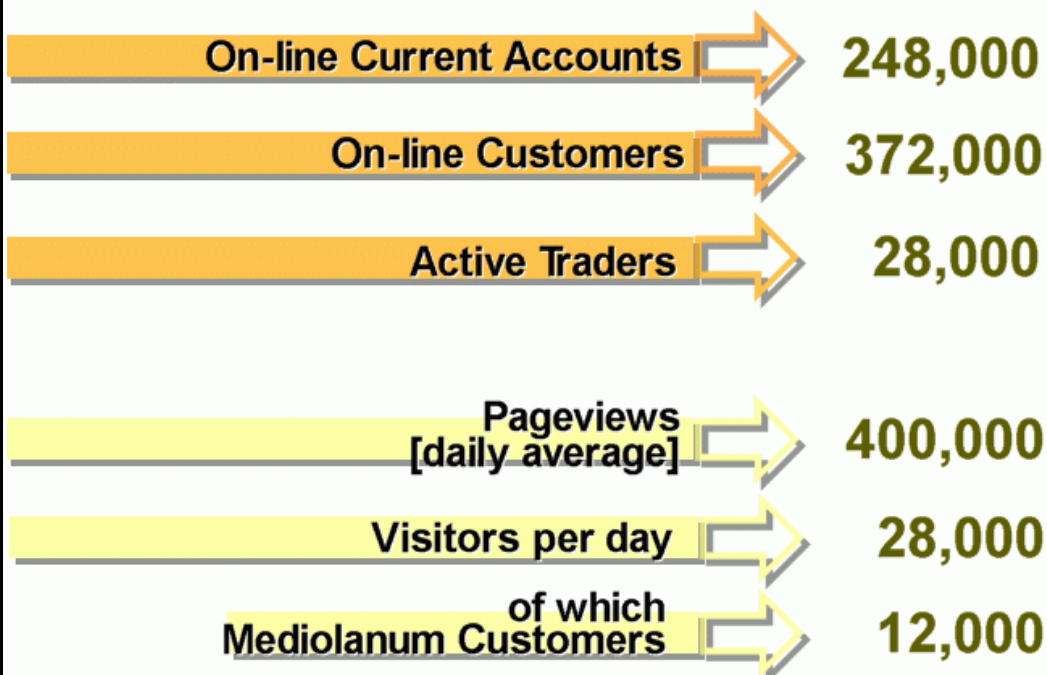


57

Operational Progress Internet Channel



Core Business



58

Operational Progress New Ventures - Spain



New Ventures

- ▶ Mediolanum model officially operative September 17
- ▶ Close to 700 advisors including 261 Introducers
- ▶ Products available
- ▶ Channels tested and ready to go



59

Operational Progress New Ventures - Germany: Lenz



New Ventures

- ▶ 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



60

Operational Progress New Ventures - Germany: Gamax



New Ventures

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



61

H1 2002 Banca Esperia Highlights



New Ventures

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



BANCA ESPERIA
LA PRIVATE BANK DI MEDIABANCA | MEDIOLANUM | & PARTNERS



62

Concluding Remarks



63

Concluding Remarks



Mediolanum business is sound and in good shape

**We are extremely confident in our current position
and in our future**

- ▶ Investments in New Ventures
- ▶ Consolidation of the core business
- ▶ Margin development

Competitive advantage & acceleration of growth



64

Q2 2002

Q2 2002 Reclassified Results

65



Core Business

**Q2 2002 Reclassified Results
Mediolanum Group**

66

Q2 2002 Net Inflows



Core Business

Euro million	Q2 2002	vs. Q2 01	vs. Q1 02
▶ Mutual Funds & M.A.	149.7	-51.8%	-17.5%
▶ Life Policies	359.1	+65.5%	+8.9%
Managed Savings	508.8	-3.5%	-0.5%
▶ Securities	262.9	+193.7%	+328.2%
▶ Cash	264.0	+54.0%	-0.4%
▶ Repurchase Agreements	8.7	---	+26.1%
Administered Savings	535.6	+112.4%	+60.7%
TOTAL NET INFLOWS	1,044.4	+34.0%	+23.6%



67

Q2 2002 Gross Premiums Written



Core Business

Euro million	Q2 2002	vs. Q2 01	vs. Q1 02
▶ U-L Pension Plans (<i>Europension</i>)	8.3	-29.8%	-6.6%
▶ U-L Pension Plans (<i>Tax Benefit *</i>)	13.4	-51.7%	-22.5%
▶ U-L Investment Pol. (<i>Life Funds</i>)	7.2	+100.0%	+12.5%
▶ Open Pension Funds	0.0	-91.0%	-10.0%
Recurring Policies	28.9	-33.2%	-11.3%
▶ Traditional Policies	4.3	-151.8%	+168.8%
▶ Unit-linked Pol. (<i>Life & Oro Funds</i>)	68.0	+19.9%	+8.8%
▶ Index-linked Policies (<i>DiPiù</i>)	277.0**	+141.3%	-13.0%
Single Premium Policies	349.3	+114.0%	-8.7%
Total New Business	378.2	+83.2%	-8.9%
▶ Pension Plans in force	150.0	+24.7%	+15.4%
▶ Investment Policies in force	20.9	+81.7%	+5.0%
Total Business in-force	170.9	+29.7%	+14.0%
TOTAL GROSS PREMIUMS	549.1	+62.3%	-2.8%

* P I P

**38 mn Euro from transformation



68

Q2 2002 Gross Inflows into M.F & M.A.*



Core Business

Euro million	Q2 2002	vs. Q2 01	vs. Q1 02
► Equity Funds	44.2	-33.3%	-9.8%
► Bond Funds	11.4	-41.5%	-30.9%
► Monetary Funds	28.7	+21.5%	+0.6%
Italy-based Funds	84.3	-22.9%	-10.3%
► Equity Funds	94.2	-60.4%	-13.2%
► Protected Funds	0.1	-47.0%	-47.0%
► Bond & Monetary Funds	56.1	-3.0%	-16.9%
Ireland-based Funds (ex "Mix")	150.4	-49.2%	-14.7%
'Mix' Accounts	306.4	---	+24.5%
Managed Accounts	234.8	-64.9%	
TOTAL GROSS INFLOWS	775.9	-27.8%	+10.1%

* Retail sales



69

Q2 2002 Economic Results



Core Business

Euro million	Q2 2002	vs. Q2 01	vs. Q1 02
Total Revenues	634.3	+54.4%	-0.1%
Profit before Tax & E.I.	35.0	-7.5%	+0.5%
Extraordinary Items	2.1	---	---
Profit before Tax	37.0	-2.0%	+6.1%
Income Tax	-6.8	-28.4%	-12.8%
NET PROFIT	30.2	+7.9%	+11.4%



70

Q2 2002 Profit by Business Line



Core Business

Euro million	Q2 2002	vs. Q201	vs. Q102
Life Insurance	9.5	-61.6%	-61.0%
Mutual Funds	13.9	+3.0%	+47.9%
Bank Business	7.6	-547.1%	+660.0%
(excl. Adv. Investments)	10.5	n.s.	n.s.
Other Operations	3.9	+182.8%	n.s.
PROFIT BEFORE TAX & E.I.	35.0	-7.5%	+0.7%



71

Q2 2002 Total Revenues



Core Business

Euro million	Q2 2002	vs. Q2 01	vs. Q1 02
Premium Income	549.1	+62.3%	-2.8%
Reinsurance ceded	-2.7	-12.9%	+22.7%
Commission Income	58.5	+6.6%	+19.6%
Bank Revenues	24.4	+28.4%	+13.0%
Other Commissions & Revenues	3.8	+177.8%	+163.2%
TOTAL REVENUES	634.3	+54.3%	-0.1%



72

Q2 2002 Adjusted Premium Income



Core Business

Euro million	Q2 2002	vs. Q2 01	vs. Q1 02
Recurring Policies	28.9	-33.2%	-11.3%
Single Premium Policies x1/10	34.9	+114.0%	-8.7%
NEW BUSINESS 'APE' *	63.9	+7.1%	-9.9%

* Annual Premium Equivalent



73

Q2 2002 Commission Income - Mutual Funds



Core Business

Euro million	Q2 2002	vs. Q2 01	vs. Q1 02
Entry Fees	8.6	-38.1%	-2.3%
<i>o/w Irish Funds</i>	<i>6.1</i>	<i>-40.2%</i>	<i>-3.2%</i>
Management Fees	39.3	+12.0%	+4.8%
<i>o/w Irish Funds</i>	<i>33.7</i>	<i>+24.8%</i>	<i>+7.7%</i>
Performance Fees	10.6	+79.7%	+307.7%
<i>o/w Irish Funds</i>	<i>8.5</i>	<i>+672.7%</i>	<i>+608.3%</i>
TOTAL COMMISSION INCOME	58.5	+6.6%	+19.6%



74

Q2 2002 Bank Revenues



Core Business

Euro million

	Q2 2002	vs. Q2 01	vs. Q1 02
Interest Spread	7.2	0.0%	+28.6%
▶ Securities	3.6	+5.9%	+12.5%
▶ Managed Accounts	7.4	+45.1%	+7.2%
▶ Other Services	6.2	+87.9%	+5.1%
Service Margins	17.2	+45.8%	+7.5%
TOTAL BANK REVENUES	24.4	+28.4%	+13.0%



75

Q2 2002 Costs



Core Business

Euro million

	Q2 2002	vs. Q2 01	vs. Q1 02
Claims, Benefits paid, Changes in Reserves	491.3	+78.4%	-3.8%
<i>Recov. from Reinsurance</i>	<i>-3.4</i>	<i>-7.9%</i>	<i>-35.2%</i>
Acquisition Costs	48.5	-5.8%	-5.5%
G&A Expenses	45.7	+6.5%	+24.5%
Advertising Expenses	3.3	+135.7%	+153.8%
Depreciation	11.5	+33.7%	+16.2%



76

Q2 2002

Benefits paid & Changes in Reserves



Core Business

Euro million	Q2 2002	vs. Q2 01	vs. Q1 02
Benefits paid	183.7	+57.4%	-27.5%
▶ Claims & Maturities	74.1	+67.3%	+25.6%
▶ Surrenders	109.6	+51.4%	-43.6%
Changes in Reserves (less Policyholders' interests)	307.6	+93.8%	+19.5%
TOTAL	491.3	+78.4%	-3.8%



77

Q2 2002

Net Investment Income



Core Business

Euro million	Q2 2002	vs. Q2 01	vs. Q1 02
Investment Income	19.4	-30.2%	+24.4%
Adj. to the value of financial investments	-9.2	+22.7%	-468.0%
Interest paid on Investments	5.5	n.s.	n.s.
Adjusted Inv. Income	15.7	-22.7%	-13.3%
Policyholders' Interest	-15.6	-21.2%	-4.3%
NET INVESTMENT INCOME	0.1	-80.0%	-94.4%



78

H1 vs. Q1 2002 Sales Network



Core Business

	30.06.02	31.03.02	Change
▶ Licensed Financial Advisors	4,086	3,924	+4.1%
▶ Non-licensed Financial Advisors	1,064	1,387	-23.3%
Banca Mediolanum*	5,150	5,311	-3.0%
<i>* o/w Financial Executives</i>	<i>870</i>	<i>879</i>	<i>-1.0%</i>
Partner Time	1,281	1,390	-7.8%
TOTAL NETWORK	6,431	6,701	-4.0%



79

New Ventures

Q2 2002 Reclassified Results
Mediolanum Group

80

Q2 2002 Economic Results



New Ventures

Euro million

	Q2 2002	vs. Q2 01	vs. Q1 02
Spain	-0.4	-300%	100%
Germany	-2.3	---	-483%
Banca Esperia & Mediolanum Private	-1.5	---	50%
NEW VENTURE NET PROFIT *	-4.2	-2,200%	600%

* share of Profit pertaining to the Mediolanum Group



81

Q2 2002 Net Consolidated Effect



New Ventures

Euro million

	Q2 2002	vs. Q2 01	vs. Q1 02
Net Profit *	-4.2	-2,200%	+600%
Goodwill Depreciation	-5.2	+100%	+6.1%
Interests paid for Investments	-2.0	+33.3%	+33.3%
NEW VENTURE NET EFFECT *	-11.4	+192.3%	+62.9%

* share of Profit pertaining to the Mediolanum Group



82

Q2 2002 Economic Results - Spain



New Ventures

Euro million

	Q2 2002	vs. Q2 01	vs. Q1 02
Total Revenues	14.7	+25.6%	-10.9%
Profit before Tax & E.I.	-0.5	-225.0%	+25.0%
Extraordinary Items	0.1	0.0%	-50.0%
Profit before Tax	-0.4	-180.0%	+100.0%
Income Tax	0.0	-100.0%	---
Profit from Minority Interests	0.0	---	---
NET PROFIT	-0.4	-300.0%	+100.0%



83

Q2 2002 Net Effect - Spain



New Ventures

Euro million

	Q2 2002	vs. Q2 01	vs. Q1 02
Net Profit *	-0.4	-300.0%	+100.0%
Goodwill Depreciation	-3.4	+30.8%	0.0%
Interests paid for Investments	-1.2	0.0%	+20.0%
NET EFFECT	-5.0	+38.9%	+8.7%

* share of Profit pertaining to the Mediolanum Group



84

Consolidated

Q2 2002 Reclassified Results Mediolanum Group

85

Q2 2002 Economic Results



Consolidated

Euro million

	Q2 2002	vs. Q2 01	vs. Q1 02
Total Revenues	653.0	+54.6%	-0.4%
Profit before Tax & E.I.	22.9	-31.0%	-13.7%
Extraordinary Items	2.4	+2300%	+700%
Profit before Tax	25.3	-24.0%	-5.7%
Income Tax	-6.3	-29.2%	-7.4%
Profit from Minority Interests	0.0	---	---
CONSOLIDATED NET PROFIT	18.9	-22.4%	-6.0%



86