



**MEDIOLANUM**  
GRUPPO MEDIOLANUM

**Borsa Italiana**



**Italian Investor  
Conference**

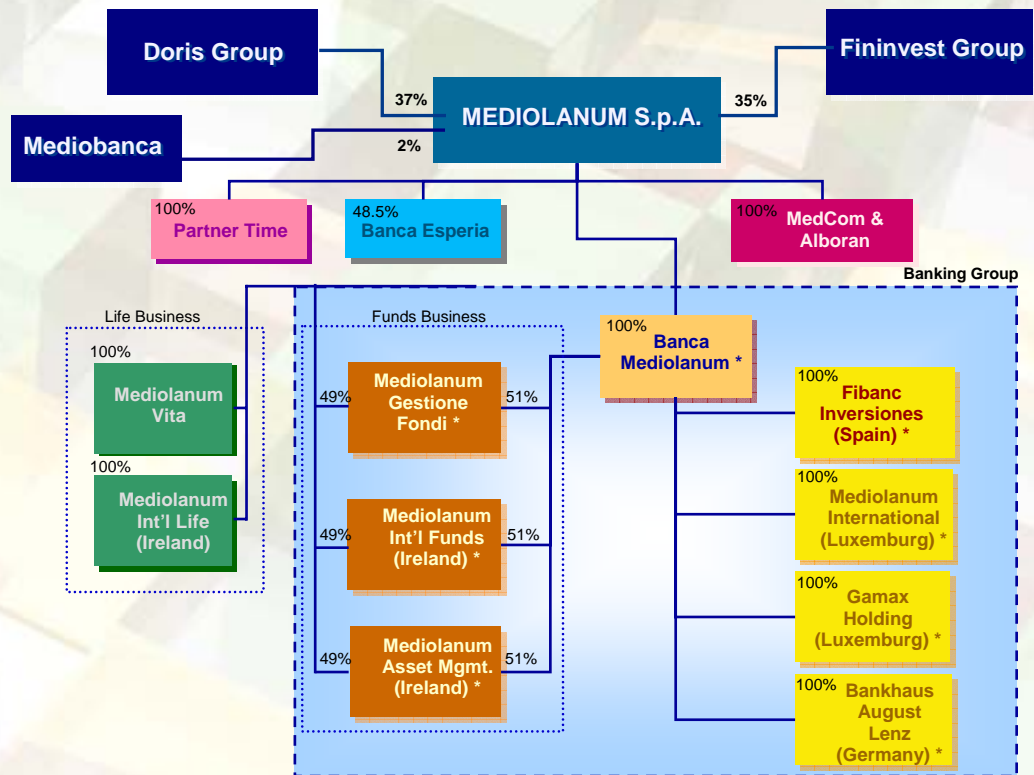
**New York, April 11-13, 2005**

**Ennio Doris  
Chief Executive Officer**



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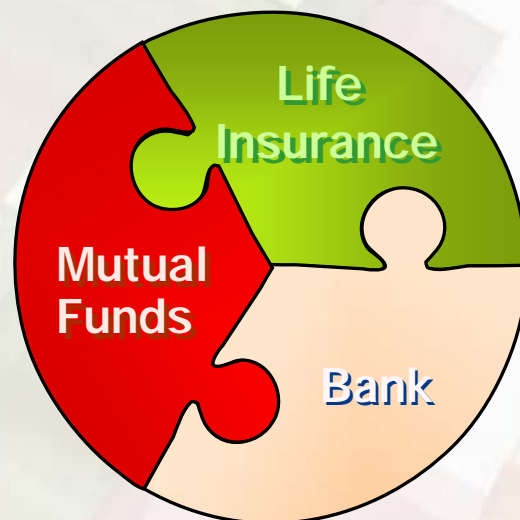
## Mediolanum Group Structure



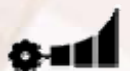
\* A company of the Mediolanum Banking Group

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## Mediolanum Product Line Integration



Personalised Solutions



## 4 Agenda

- Performance Highlights
- Group Consolidated Results
- Business Model
- Core Business
- New Ventures
- Growth Strategy



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**FY 2004 Reclassified Results****Group Consolidated**

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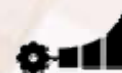
**FY 2004 Highlights**

Profit before Tax	192 € mn	+27%
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Net Profit	141 € mn	+9%
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Embedded Value	2,503 € mn	+16%
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Assets	25,791 € mn	+10%
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## 7 Dividend Proposal 2004

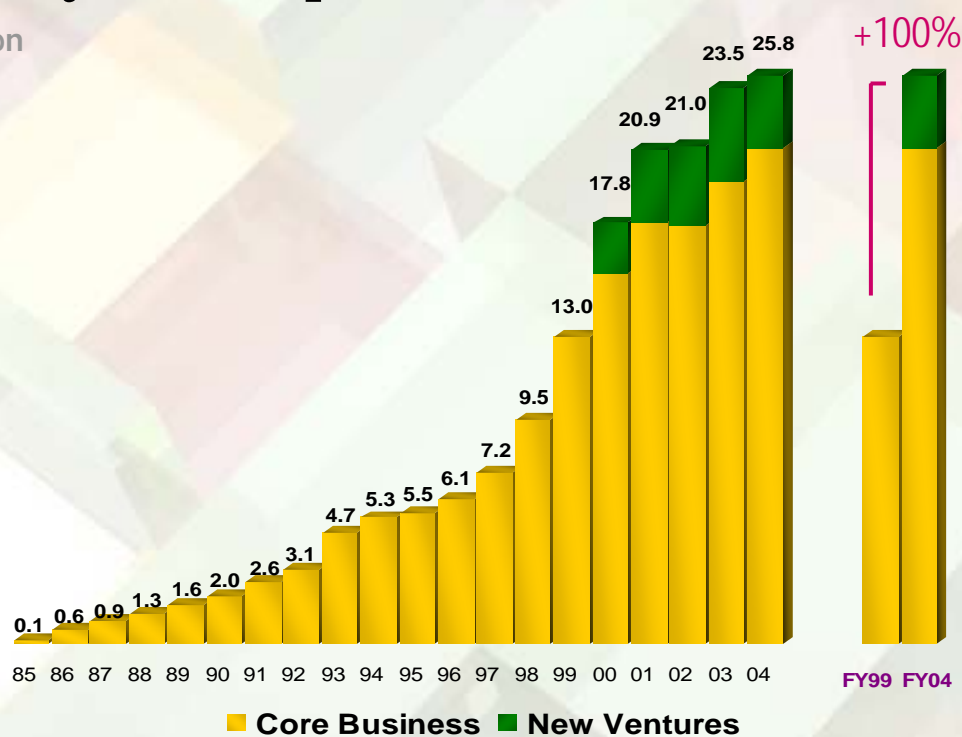
Dividends per share 0.14 €

Total amount of dividends to be paid 101.6 € mn

Dividend payout 72%

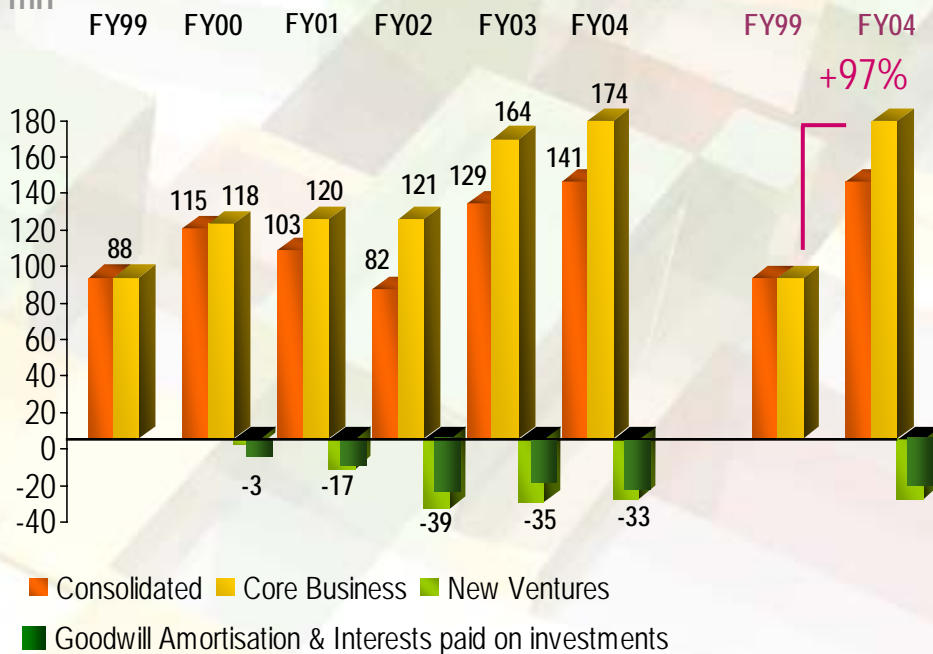
## 8 AuA Trend & 5-year comparison

€ bn



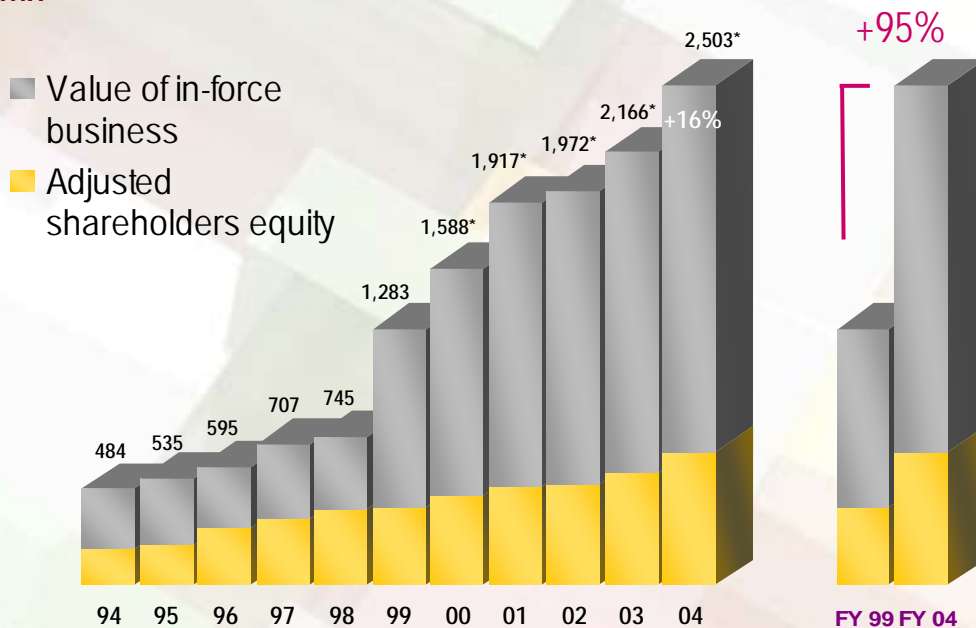
## 9 Net Profit Trend & 5-year comparison

€ mn



## 10 Embedded Value Trend & 5-year comparison\*

€ mn



\* before excluding residual New Ventures Goodwill



## **11 Foundation of our Growth**

- Flexibility of our model & strategy
- Quality of our relationship with the network
- Confidence that our customers place in us
- Validity of our commercial strategy



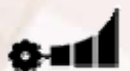


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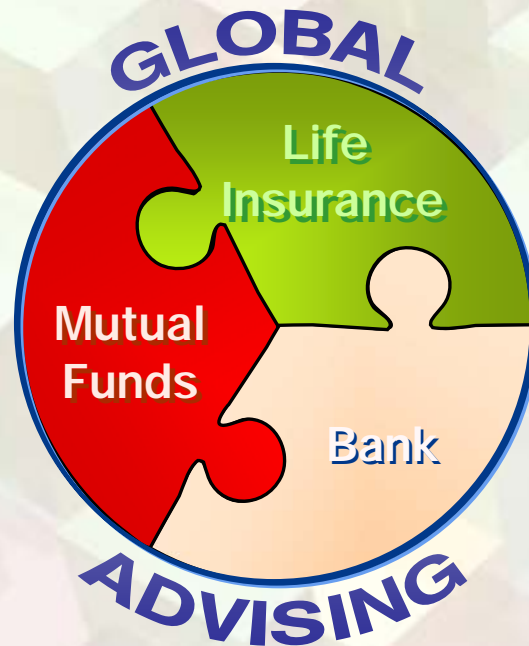
## Model & Strategy

### 13 **Mediolanum Mission**

To provide families  
with advice  
to enhance  
their financial resources  
and satisfy  
their insurance, pension,  
savings, banking  
and investment needs

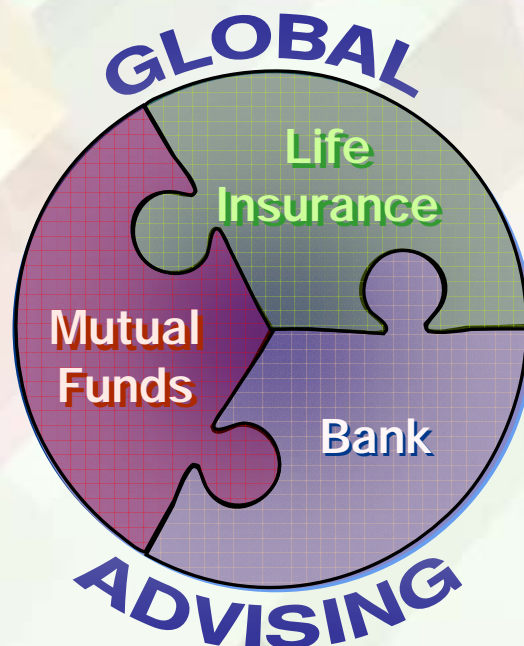


## 14 Mediolanum Business Model An innovative approach



To eliminate traditional barriers between business lines

## 15 Mediolanum Business Model Presupposes a new kind of advisor...



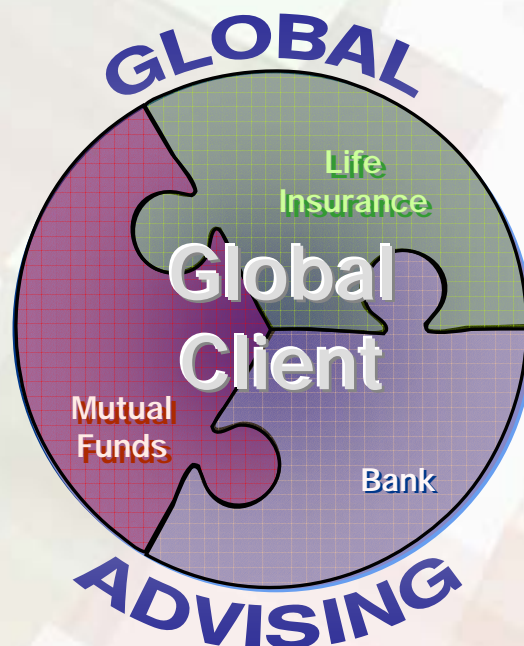
...equally competent in all 3 business lines



## 16 Mediolanum Business Model Built to offer...



## 17 Mediolanum Business Model Built for loyalty



All financial needs from one source  
& one professional, our Global Advisor





## 18 **Mediolanum** **Multi-channel Integrated Bank**



- Integrates all 'access points'
  - Service where and when the Customer desires
- 

## 19 **Financial Advisors** **The structure**

- 100% commission structure linked to level of sales & quality of client relationship
- Advisors are entrepreneurs: develop their own business & cover all business costs
- Client portfolio assessed in monetary terms & corresponds to advisor's "worth"
- No caps in advisor's income potential





## 20 Financial Advisors Our 'backbone'

600 supervisors are responsible for

- Hiring, training & coaching new recruits to become licensed advisors
- Assuring high quality of service
- Attainment of company objectives

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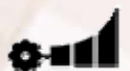
## 21 Financial Advisors The support tools

We provide training, education, the appropriate financial instruments...PLUS intangibles



Renders **advising process** more straightforward & clear  
Reinforces the Mediolanum corporate culture

- ▶ Corporate TV
- ▶ Corporate Intranet site
- ▶ Mediolanum Channel
- ▶ Interactive computer training
- ▶ Supervisor-coach approach



## 22 Mediolanum Commercial & Investment Strategy

To educate our customers on the necessity  
to stick to our investment strategy



- ▶ Diversifying assets across time horizon, countries, sectors & instruments
- ▶ Staying away from stock picking & market timing

To convince our customers of the efficacy  
of a long-term approach



Capitalising on the fundamentals of the economy

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## 23 Commercial Strategy Logical vs. emotional investing

Our advisors are advocates of our strategy  
& follow the strategy



They are **not** tempted to guess the right  
time, stock, country, sector

Advisors guide customers in managing their  
emotions (e.g. buying high & selling low)

- ▶ Avoid modifications of asset allocation
- ▶ 'PAC' instalment plans with automatic payments



## 24 Commercial Strategy & customer performance

"Investment return is far more dependent on investment behaviour than on fund performance"

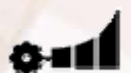
DALBAR Inc.

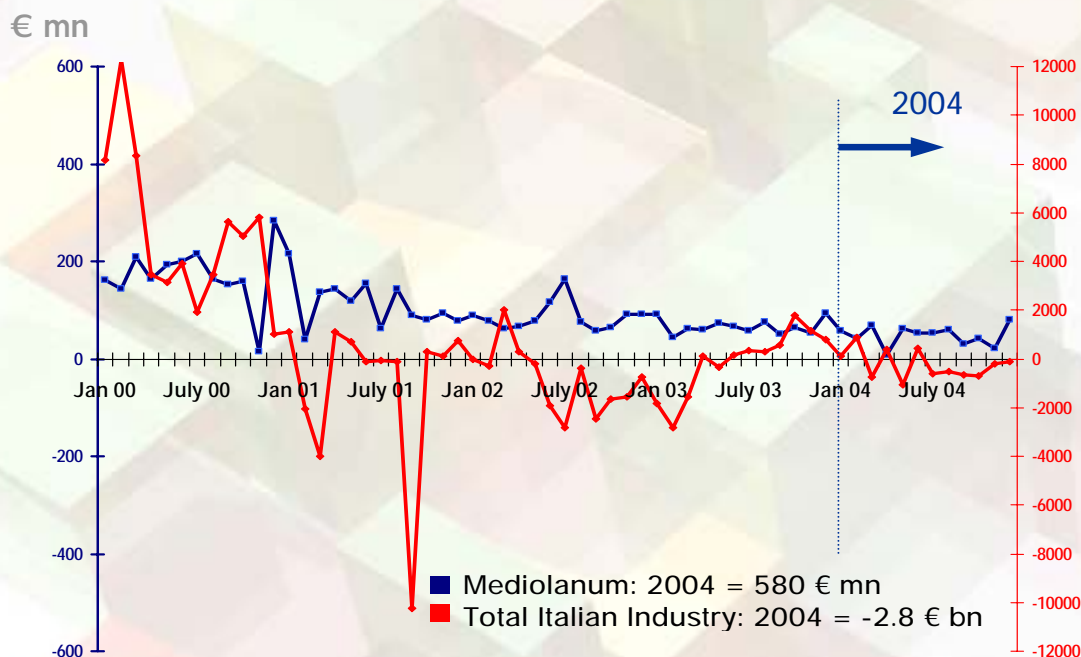
Our commercial strategy transfers fund performance into customer performance



Our customers hold their investments for a much longer length of time than the competition

- ▶ unbundled products: 6 years
- ▶ unit-linked: 23 years (17 effective)



**25 Net Inflows into Equity Funds\*****26****FY 2004 Reclassified Results****Core Business**



## 27 Net Profit

€ mn

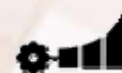
	FY 04	FY 03	Change
Total revenues	2,689.5	2,456.4	+9%
<b>Profit before Tax &amp; E.I.</b>	<b>223.7</b>	<b>197.2</b>	<b>+13%</b>
Extraordinary items	2.8	(8.6)	n.s.
<b>Profit before Tax</b>	<b>226.5</b>	<b>188.6</b>	<b>+20%</b>
Tax	(52.2)	(24.2)	+116%
<b>NET PROFIT</b>	<b>174.3</b>	<b>164.4</b>	<b>+6%</b>

## 28 Gross Premiums Written

€ mn

	FY 04	FY 03	Change
U-L Pension plans	76.2	85.1	-10%
Pension plans: automatic increase in premiums*	31.2	24.0	+30%
U-L Investment policies (Life Funds)	68.2	22.3	+206%
<b>Recurring Policies (AP)</b>	<b>175.6</b>	<b>131.4</b>	<b>+34%</b>
Trad/Group/Investment policies	8.3	8.4	-1%
Unit-linked policies (Life Funds, Oro Funds)	225.9	121.6	+86%
Index-linked policies (Dipiù)	1,048.6	1,045.0	+0%
<b>Single Premium Policies (SP)</b>	<b>1,282.8</b>	<b>1,175.0</b>	<b>+9%</b>
<b>TOTAL NEW BUSINESS</b>	<b>1,458.4</b>	<b>1,306.4</b>	<b>+12%</b>
Pension plans in-force	700.8	654.7	+7%
Investment policies in-force	149.9	101.7	+47%
<b>TOTAL IN-FORCE BUSINESS</b>	<b>850.7</b>	<b>756.4</b>	<b>+12%</b>
<b>TOTAL GROSS PREMIUMS WRITTEN</b>	<b>2,309.1</b>	<b>2,062.8</b>	<b>+12%</b>

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



## 29 Commission Income

€ mn

	FY 04	FY 03	Change
Entry fees	24.9	31.5	-21%
Management fees	168.2	142.8	+18%
Performance fees	55.4	84.5	-34%
<b>TOTAL COMMISSION INCOME*</b>	<b>248.5</b>	<b>258.8</b>	<b>-4%</b>

\* on all products with mutual funds underlying

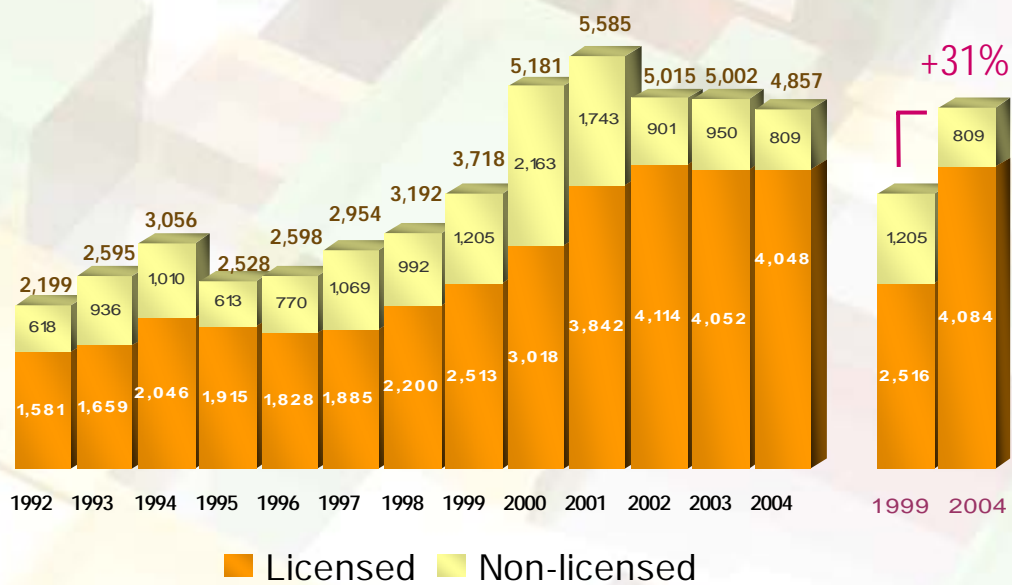
## 30 Net Investment Income

€ mn

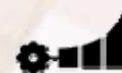
	FY 04	FY 03	Change
Investment income - Life	50.8	60.2	-16%
Adjustments to financial investments	(1.3)	0.9	n.s.
Adjusted investment income - Life	49.5	61.0	-19%
Policyholders' interest	(36.0)	(40.3)	-11%
<b>Net Investment Income - Life</b>	<b>13.5</b>	<b>20.7</b>	<b>-35%</b>
<b>Net Investment Income - other</b>	<b>1.5</b>	<b>(3.4)</b>	<b>n.s.</b>
Interest paid on investments	8.5	8.1	+5%
<b>NET INVESTMENT INCOME</b>	<b>23.5</b>	<b>25.4</b>	<b>-8%</b>



## 31 Sales Network & 5-year comparison



4,073



**FY 2004 Reclassified Results****New Ventures****33 Net Profit**

€ mn

	FY 04	FY 03	Change
Spain	1.0	0.0	n.s.
Germany: Gamax	1.6	(0.3)	n.s.
Germany: B.A. Lenz	(11.7)	(9.4)	+25%
Banca Esperia*	4.1	1.0	+333%
Mediolanum Private & Others	(1.1)	(0.9)	+19%
<b>NET PROFIT/LOSS</b>	<b>(6.1)</b>	<b>(9.6)</b>	<b>-37%</b>

\* Mediolanum Group's Share (48.5%)





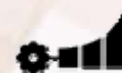
## 34 Spain Net Profit

€ mn

	FY 04	FY 03	Change
Total revenues	130.1	115.0	+13%
Total costs*	(54.4)	(56.6)	-4%
Net changes in reserves	(77.4)	(61.8)	+25%
Capital gain/loss	2.6	5.3	-51%
<b>Profit before Tax &amp; E.I.</b>	<b>0.9</b>	<b>1.9</b>	<b>-53%</b>
Extraordinary items	(0.1)	(2.2)	-98%
<b>Profit before Tax</b>	<b>0.8</b>	<b>(0.4)</b>	<b>n.s.</b>
Tax	0.2	0.4	-61%
Profit from minority interests	0.0	0.0	-100%
<b>SPAIN NET PROFIT</b>	<b>1.0</b>	<b>0.0</b>	<b>n.s.</b>
<i>*o/w start-up costs</i>	<i>(2.7)</i>	<i>(3.8)</i>	<i>-29%</i>

## 35 Spain Network

	31/12/04	31/12/03	Change
Financial Advisors (Mediolanum model)	453	375	+21%
Commercial Agents & Employees (Traditional model)	63	76	-17%
Part-time Agents	110	81	+36%
<b>SPAIN TOTAL NETWORK</b>	<b>626</b>	<b>532</b>	<b>+18%</b>



## 36 Spain Assets under Administration

€ mn

	31/12/04	31/12/03	Change
Life & pension funds*	208.6	136.0	+53%
Mutual funds**	707.5	761.3	-7%
Bank deposits	1,299.8	1,276.1	+2%
Institutional Assets	70.2	51.5	+36%
Consolidation adjustments	(269.9)	(283.0)	-5%

<b>SPAIN AUA</b>	<b>2,016.2</b>	<b>1,941.9</b>	<b>+4%</b>
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<i>*o/w Ireland-based assets</i>	142.7	74.6	+91%
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<i>**o/w Ireland-based assets</i>	27.7	9.3	+197%
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## 37 Gamax Highlights

€ mn

	FY 04	FY 03	Change
Net profit/loss	1.6	(0.3)	n.s.
Assets under Administration	386.8	430.2	-10%
Gross inflows	95.0	113.4	-16%
Net inflows	(44.3)	(14.2)	+211%



### 38 B.A. Lenz Highlights

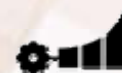
€ mn

	FY 04	FY 03	Change
Net profit/loss	(11.7)	(9.4)	+25%
Assets under Administration	53.3	73.8	-28%
<i>o/w Managed Savings</i>	21.1	8.6	+145%
Gross inflows	(16.0)	74.9	n.s.
Net inflows	(19.6)	74.9	n.s.
<i>o/w Managed Savings</i>	12.9	9.8	+32%
<i>o/w Administered Savings</i>	(32.5)	65.1	n.s.
Financial Advisors	98	96	+2%
Clients	5,679	4,480	27%

### 39 Banca Esperia Highlights (100%)

€ mn

	FY 04	FY 03	Change
Net profit	8.5	2.0	+333%
<i>o/w Mediolanum share</i>	4.1	1.0	+333%
Assets under Administration	4,826.0	3,102.0	+56%
% in managed assets	82%	81%	+2%
Net inflows	1,642.9	1,147.8	+43%
<i>o/w Managed saving</i>	1,388.9	917.9	+51%
Private Bankers	48	44	+9%
Clients	1,804	1,391	+30%



40



## 41 Growth strategy

Major effort to generate a solid boost  
in no. of customers & advisors



**Strategic goal:**

Substantially increase the number of  
current accounts

**Rationale:**

Customers that hold a current account with us  
have **5 times the assets** of those customers  
without a current account





## 42 Marketing Initiatives: Product

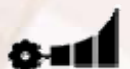


- ▶ Simplicity & transparency
- ▶ All normal banking operations: free – 'no asterisks'
- ▶ Free cash withdrawals from all Italian ATM's
- ▶ Free cash withdrawals/deposits at more than 15,000 branches (P.O. & Banca Intesa)
- ▶ Monthly fee: from 0 to 5 € per month, based on managed assets or avg. daily balance & automatically applied by the bank

## 43 Marketing Initiatives: Product



- ▶ Photo provides increased security & status
- ▶ Functions as:
  - Debit card
  - Payment card
  - Web bank pass
  - Revolving card
- ▶ Revolving credit card:  
all purchases, or even a single purchase  
can be paid in 6 to 24 instalments, in total privacy



## 44 Marketing Initiatives: Media communications

### New TV advertising campaign



- Centers on Riflex account:  
45" & 30" spots
- Additional ads feature  
Riflex card & Global Advising approach
- Ads focusing on recruiting run locally



Heavy flights in March & April

## 45 Marketing Initiatives: Media communications (cont.)

**IL TUO CONTO  
CORRENTE  
TI RISPESCHIA  
DAVVERO?**

**Il nuovo conto Riflex  
di Banca Mediolanum  
ti costa da zero  
a massimo 5 euro  
al mese. Veramente.**

Per informazioni: 800 794 444  
o sul sito [www.bancamediolanum.it](http://www.bancamediolanum.it)

**BANCA  
MEDIOLANUM**  
CORTESIA E INNOVAZIONE

- Print ads
  - Internet
  - Billboards & other media
- reinforce the same themes

**BANCA  
MEDIOLANUM**  
GRUPPO BANCARIO MEDIOLANUM

Profilo - Come fare...  
La Banca - Il Consulente Globale - Investor Relations - Media Relations

Servizi Bancari - Finanziamenti - Investimenti - Previdenza - Protezione

**Il tuo conto ti  
rispecchia davvero?**  
Conto Riflex,  
per i contanti hai oltre 15.000  
sportelli convenzionati

**Mediolanum Channel**  
Direttamente da internet o  
dal canale HD 3 Sky,  
Mediolanum Channel  
è sempre acceso.

**In primo piano**  
Scopri chi vince!  
Il nuovo concorso di Banca Mediolanum  
Partecipa subito!

**Dati finanziari 2004**  
Il Gruppo Mediolanum presenta i  
dati del 2004.

Entra in banca (Codice cliente/nickname) Primo codice segreto Val

Sicurezza - Trasparenza - Mappe - Contattaci - **PulsChari**



## 46 Marketing Initiatives: Mediolanum Tour concept events

Innovative forms of entertainment & contact



- Focusing on smaller & mid-sized towns to spread brand awareness at a grass-roots level
- Movie Premieres  
Theatrical Premieres  
"Sunday in Concert"  
"Caffé & Conto" etc.

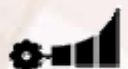


## 47 Marketing Initiatives: Direct Marketing

To encourage existing customers & prospects to become bank customers



- By exploiting our new segmentation system
  - ▶ Customers & prospects: reads their 'potential'
  - ▶ Existing customers: reads assets, cross-selling rates, profitability, dormancy
- Important tool for the Network
  - ▶ Concentrates efforts on developing existing customers
  - ▶ Key to successful customer acquisition





## 48 Marketing Initiatives: Co-Marketing

Co-Marketing relationship will be further exploited

Agreements with important brands, like Volkswagen, that serve & target the same customer segments

- ▶ To share customer base data
- ▶ To run joint-marketing activities



## 49 Marketing Initiatives: Collective sales events

Maximize the use of collective sales efforts



- Thousands of events with existing customers & prospects
- 500 of our best managers & supervisors trained to speak & present at meetings
- Objective of these events is to present Riflex account & Riflex card
- Stress the opportunity to begin a career as a financial advisor





## 50 Marketing Initiatives: Network incentives

Powerful point-based incentive plan  
for the network

The number of Accounts opened, activated  
&/or associated with an initial investment in  
managed savings



Results in a multiplier that increases payout to the  
advisor: 30% maximum

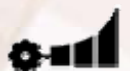
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## 51 Marketing Initiatives: Return on Investment

Expect sizeable increase in current accounts



- Characterised by variable costs
- Initial expenditure of around 20 mn €
- Success could generate exponential increase in revenues & high ROI



## 52 Growth Opportunity: Pension Reform

Reform might bring a strong  
improvement in the fiscal advantages



- Increase in the yearly deductions: no longer the lower between € 5,165 and the 12% of the taxable income, but the higher of the two
- Elimination of the discrimination against employees that doesn't permit them to take advantage of the fiscal deduction unless already invested in a closed pension fund
- Transfer of TFR flows from corporate balance sheets to supplementary pensions plans, probably including IPPs

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## 53 Growth Opportunity: New Products

Irish 'funds of funds'

- Set for launch this summer
- More sophisticated investment product offering all the advantages of wrap funds
- Involves a more efficient way of operating
- Somewhat lower fee structure



## 54 Growth Opportunity: New Products

### New mutual funds that invest in special sectors

- Real estate, commodities, and currency swapped equity markets
- Available for investments only via unit-linked policies

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## 55 Growth Opportunity: New Products

### New index-linked policies

- 3-year index-linked product with protected principal & yearly coupons
- First coupon worth 5% of the investment
- Subsequent two coupons depend upon the behaviour of a given index



## 56 **Growth Opportunity: Productivity**

- Working with Customer Contact Centre and back office to smooth demand & achieve higher productivity
- Our commitment to technology will allow us to absorb expected increase in assets without significant increase in manpower





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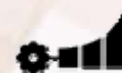
**FY 2004 Reclassified Results**

## **Appendix**

58

**FY 2004 Reclassified Results**

## **Group Consolidated**



## 59 Net Profit

€ mn

	FY 04	FY 03	Change
Total revenues	2,822.0	2,576.4	+10%
Total costs	(2,655.2)	(2,437.3)	+9%
Net investment income	22.6	24.0	-6%
<b>Profit before Tax &amp; E.I.</b>	<b>189.4</b>	<b>163.1</b>	<b>+16%</b>
Extraordinary items	2.5	(12.3)	n.s.
<b>Profit before Tax</b>	<b>191.9</b>	<b>150.8</b>	<b>+27%</b>
Tax	(50.6)	(21.4)	+136%
Profit from minority interests	0.0	0.0	n.s.
<b>NET PROFIT</b>	<b>141.3</b>	<b>129.4</b>	<b>+9%</b>

## 60 Net Profit in detail

€ mn

	FY 04	FY 03	Change
Net Premiums written	2,389.9	2,125.0	+12%
Commission income	271.4	281.3	-4%
Bank revenues	140.3	150.3	-7%
Other revenues/commissions	20.4	19.9	+3%
<b>Total Revenues</b>	<b>2,822.0</b>	<b>2,576.4</b>	<b>+10%</b>
Net change in reserves	(2,159.1)	(1,923.0)	+12%
Acquisition costs	(214.0)	(210.0)	+2%
G&A expenses	(225.4)	(226.0)	+0%
Amortisation/depreciation	(56.7)	(78.3)	-28%
<b>Total Costs</b>	<b>(2,655.2)</b>	<b>(2,437.3)</b>	<b>+9%</b>
Net investment income	22.6	24.0	-6%
<b>Profit before Tax &amp; E.I.</b>	<b>189.4</b>	<b>163.1</b>	<b>+16%</b>
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Tax	(50.6)	(21.4)	+136%
Profit /Loss from minority interests	0.0	0.0	n.s.
<b>NET PROFIT</b>	<b>141.3</b>	<b>129.4</b>	<b>+9%</b>



## 61 Assets under Administration

€ mn

	31/12/04	31/12/03	Change
Life reserves	10,106.8	8,447.0	+20%
Mutual funds & managed accounts	10,958.4	10,007.5	+10%
Bank deposits	4,424.1	4,664.0	-5%
Institutional assets	18.8	163.3	-88%
Consolidation adjustments	(4,514.1)	(3,732.5)	+21%
<b>Core Business Assets</b>	<b>20,994.0</b>	<b>19,549.3</b>	<b>+7%</b>
Spain	2,016.2	1,941.9	+4%
Germany	440.1	503.9	-13%
Banca Esperia*	2,340.6	1,504.5	+56%
Mediolanum Private	0.0	14.2	n.s.
<b>New Ventures Assets</b>	<b>4,797.0</b>	<b>3,964.5</b>	<b>+21%</b>
<b>AUA</b>	<b>25,791.0</b>	<b>23,513.8</b>	<b>+10%</b>

\* Mediolanum Group's share (48.5%)

## 62 Net Inflows

€ mn

	FY 04	FY 03	Change
Life policies	1,481.2	1,481.2	+0%
Mutual funds & managed accounts	534.4	935.9	-43%
<b>Managed Savings</b>	<b>2,015.6</b>	<b>2,417.1</b>	<b>-17%</b>
<b>Administered Savings</b>	<b>(17.5)</b>	<b>(103.2)</b>	<b>n.s.</b>
<b>NET INFLOWS*</b>	<b>1,998.1</b>	<b>2,313.9</b>	<b>-14%</b>

\* Includes Mediolanum Group's 48.5% share of Banca Esperia net inflows



## 63 Sales Network

	31/12/04	31/12/03	Change
Italy: Banca Mediolanum	4,857	5,002	-3%
Spain: Fibanc (Mediolanum model)	453	375	+21%
Spain: Fibanc (Traditional model)	63	76	-17%
Germany: B.A. Lenz	98	96	+2%
<b>Full-Time Exclusive Advisors</b>	<b>5,471</b>	<b>5,549</b>	<b>-1%</b>
Italy: Partner Time	628	1,063	-41%
Spain: Fibanc Part-Time agents	110	81	+36%
Germany: Gamax	491	689	-29%
<b>Part-Time / Non-Exclusive Advisors</b>	<b>1,229</b>	<b>1,833</b>	<b>-33%</b>
<b>TOTAL SALES NETWORK</b>	<b>6,700</b>	<b>7,382</b>	<b>-9%</b>





64

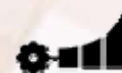
## FY 2004 Reclassified Results

## Core Business

## 65 Net Inflows

€ mn

	FY 04	FY 03	Change
Life policies	1,399.2	1,411.3	-1%
Mutual funds & managed accounts	(53.3)	444.7	n.s.
<b>Managed Savings</b>	<b>1,345.9</b>	<b>1,856.0</b>	<b>-27%</b>
Securities	(58.7)	45.1	n.s.
Cash	38.3	(334.6)	n.s.
Repurchase agreements	(60.2)	(23.0)	+162%
<b>Administered Savings</b>	<b>(80.6)</b>	<b>(312.5)</b>	<b>-74%</b>
<b>NET INFLOWS</b>	<b>1,265.3</b>	<b>1,543.5</b>	<b>-18%</b>



## 66 Assets under Administration

€ mn

	31/12/04	31/12/03	Change
Life reserves	10,106.8	8,447.0	+20%
Mutual funds & managed accounts	10,958.4	10,007.5	+10%
Institutional assets	18.8	163.3	-88%
Consolidation adjustments	(4,514.1)	(3,732.5)	+21%
<b>Managed Savings Assets</b>	<b>16,569.9</b>	<b>14,885.3</b>	<b>+11%</b>
Bank deposits	4,424.1	4,664.0	-5%
<b>Administered Savings Assets</b>	<b>4,424.1</b>	<b>4,664.0</b>	<b>-5%</b>
<b>TOTAL AUA</b>	<b>20,994.0</b>	<b>19,549.3</b>	<b>+7%</b>

## 67 Policyholders' Assets

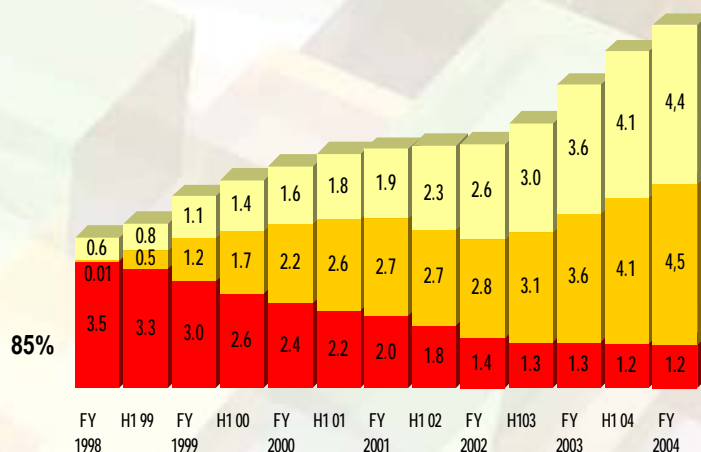
€ mn

	31/12/04	31/12/03	Change
Traditional Reserves	1,208.3	1,286.3	-6%
Index-linked Reserves	4,415.4	3,600.1	+23%
Unit-linked Reserves	4,483.1	3,560.6	+26%
<b>LIFE RESERVES</b>	<b>10,106.8</b>	<b>8,447.0</b>	<b>+20%</b>



## 68 Policyholders' Assets Trend

€ bn



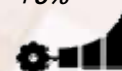
■ Traditional ■ Unit-linked ■ Index-linked

- Decline in traditional reserves sensitive to low interest rates
- Guarantees relate only to traditional reserves: 12% of Life assets
- Unit & Index-linked don't require solvency margins
- Cost & availability of capital present no issue: network commissions financed by 1st-year loadings

## 69 Mutual Funds & M.A. Assets

€ mn

	31/12/04	31/12/03	Change
Equity funds	6,719.2	5,976.9	+12%
Bond funds	1,826.7	1,803.2	+1%
Monetary funds	828.0	773.3	+7%
<b>Total "unbundled" mutual funds</b>	<b>9,373.9</b>	<b>8,553.4</b>	<b>+10%</b>
"Elite" fund of funds	100.3	69.8	+44%
o/w equity	78.1	39.5	+98%
"Mix" accounts	1,408.7	1,292.3	+9%
o/w equity	1,136.4	841.1	+35%
"Chorus" managed accounts	1,681.3	1,879.0	-11%
o/w equity	1,135.2	1,198.0	-5%
<b>Total "bundled" mutual funds</b>	<b>3,190.3</b>	<b>3,241.0</b>	<b>-2%</b>
Managed accts. in own mutual funds	(1,605.8)	(1,787.0)	-10%
<b>MUTUAL FUND &amp; MA ASSETS</b>	<b>10,958.4</b>	<b>10,007.5</b>	<b>+10%</b>
o/w equity	72%	68%	+6%



## 70 Mutual Funds Assets by Location

as at 31/12/04



## 71 Bank Deposits

€ mn

	31/12/04	31/12/03	Change
Cash under deposit	2,575.5	2,537.2	+2%
Securities under deposit	1,723.0	1,935.7	-11%
Repurchase agreements	120.5	180.8	-33%
Subordinated loans	5.1	10.3	-50%
<b>BANK DEPOSITS</b>	<b>4,424.1</b>	<b>4,664.0</b>	<b>-5%</b>





## 72 Recurring Policies in detail (AP)

€ mn

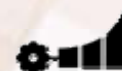
	FY 04
<b>U-L Pension plans (My Pension)</b>	<b>59.2</b>
o/w automatic increase in premiums	11.4
o/w discretionary increase in premiums already paid	7.2
<b>U-L Pension plans (Europension)</b>	<b>43.0</b>
o/w automatic increase in premiums	14.6
o/w discretionary increase in premiums already paid	10.7
<b>Traditional Pension Plan</b>	<b>2.4</b>
o/w automatic increase in premiums	2.4
<b>U-L Investment policies (Life Funds)</b>	<b>71.0</b>
o/w automatic increase in premiums	2.8
<b>RECURRING POLICIES (AP)</b>	<b>175.6</b>
o/w automatic increase in premiums	31.2
o/w discretionary increase in premiums already paid*	17.9
<b>Total increase in premiums</b>	<b>49.1</b>

\* 10 euro/mn of discretionary increase in premiums written, but not yet paid are not included in the slide

## 73 Gross Inflows into Retail Mutual Funds & Managed Accounts

€ mn

	FY 04	FY 03	Change
Equity funds	448.9	476.5	-6%
Bond funds	189.7	261.0	-27%
Monetary funds	408.6	440.5	-7%
<b>Total "unbundled" mutual funds</b>	<b>1,047.3</b>	<b>1,178.0</b>	<b>-11%</b>
<b>"Elite" fund of funds</b>	<b>48.7</b>	<b>74.6</b>	<b>-35%</b>
o/w equity	32.5	42.0	-23%
<b>"Mix" accounts</b>	<b>215.4</b>	<b>209.7</b>	<b>+3%</b>
o/w equity	173.8	117.6	+48%
<b>"Chorus" managed accounts</b>	<b>98.5</b>	<b>157.5</b>	<b>-37%</b>
o/w equity	57.1	78.8	-28%
<b>Total "bundled" mutual funds</b>	<b>362.7</b>	<b>441.8</b>	<b>-18%</b>
<b>TOTAL GROSS INFLOWS INTO MF &amp; MA</b>	<b>1,409.9</b>	<b>1,619.8</b>	<b>-13%</b>
o/w equity	51%	44%	+14%



## 74 Bank Accounts & Account Holders

	31/12/04	31/12/03	Change
Active bank accounts	344,000	333,000	+3%
Primary account holders (unduplicated)	785,100	778,200	+1%

## 75 Primary Account Holders

	31/12/04	31/12/03	Change
Life	600,500	581,800	+3%
Mutual funds & managed accounts	278,000	287,500	-3%
Bank	312,500	299,200	+4%
Other	61,600	64,100	-4%
Primary Account Holders (unduplicated)	785,100	778,200	+1%

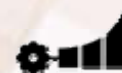


## 76 Total Account Holders

	31/12/04	31/12/03	Change
Life	600,500	581,800	+3%
Mutual funds & managed accounts	423,400	440,000	-4%
Bank	477,000	457,300	+4%
Other	64,000	65,900	-3%
<b>Total Account Holders</b>	<b>921,600</b>	<b>917,700</b>	<b>+0%</b>

## 77 Sales Network

	31/12/04	31/12/03	Change
Licensed Financial Advisors	4,048	4,052	+0%
Non-Licensed Financial Advisors	809	950	-15%
<b>Banca Mediolanum</b>	<b>4,857</b>	<b>5,002</b>	<b>-3%</b>
<i>o/w financial executives</i>	<i>782</i>	<i>814</i>	<i>-4%</i>
<b>Partner Time</b>	<b>628</b>	<b>1,063</b>	<b>-41%</b>
<b>TOTAL NETWORK</b>	<b>5,485</b>	<b>6,065</b>	<b>-10%</b>



**78 Total Revenues**

€ mn

	FY 04	FY 03	Change
Premium income	2,309.1	2,062.8	+12%
Re-insurance ceded	(7.1)	(7.7)	-8%
Commission income	248.5	258.8	-4%
Bank revenues	118.5	124.7	-5%
Other commission & revenues	20.4	17.8	+15%
<b>TOTAL REVENUES</b>	<b>2,689.5</b>	<b>2,456.4</b>	<b>+9%</b>

**79 Adjusted Premium Income**

€ mn

	FY 04	FY 03	Change
Recurring policies*	144.4	107.4	+34%
Single premium policies x 1/10	128.3	117.5	+9%
<b>NEW BUSINESS APE</b>	<b>272.7</b>	<b>224.9</b>	<b>+21%</b>

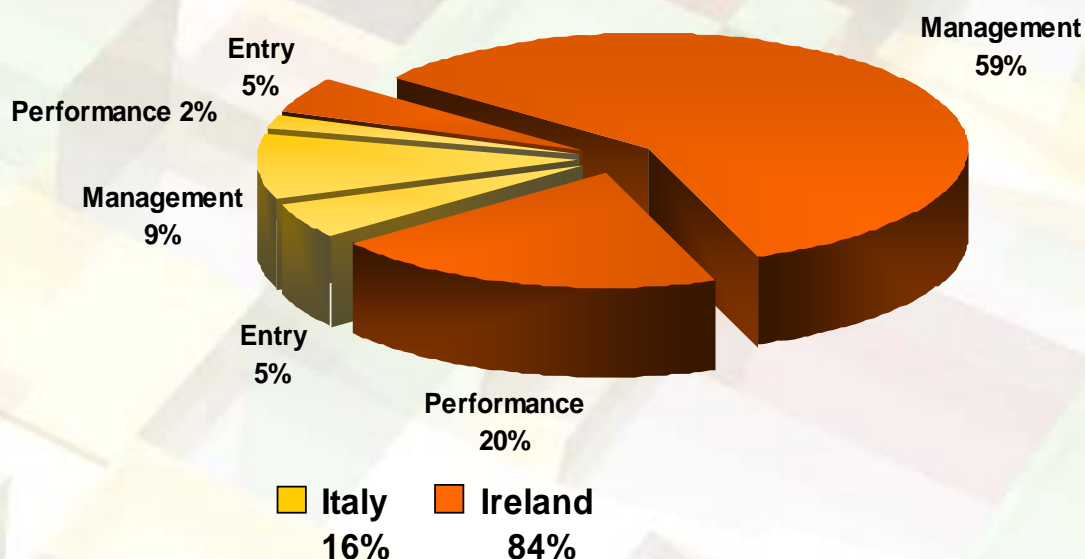
\* excluding automatic increases in premiums





## 80 Commission Income by Location

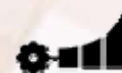
as at 31/12/2004



## 81 Bank Revenues

€ mn

	FY 04	FY 03	Change
Interest Spread	52.0	54.9	-5%
Securities	11.7	17.1	-32%
Service fees on managed accounts	19.6	22.3	-12%
Other services	35.2	30.4	+16%
-o/w mortgages	19.4	14.9	+30%
Service Margin	66.5	69.8	-5%
<b>BANK REVENUES</b>	<b>118.5</b>	<b>124.7</b>	<b>-5%</b>



## 82 Benefits Paid & Change in Reserves

€ mn

	FY 04	FY 03	Change
Claims & maturities	474.8	306.7	+55%
Natural surrenders	306.9	202.6	+51%
Surrenders from transformation	128.4	133.3	-4%
<b>Benefits Paid</b>	<b>910.1</b>	<b>642.6</b>	<b>+42%</b>
<b>Change in Reserves</b>	<b>1,180.6</b>	<b>1,225.9</b>	<b>-4%</b>
<b>Recovery from reinsurance</b>	<b>(9.0)</b>	<b>(7.4)</b>	<b>+22%</b>
<b>BENEFITS PAID &amp; CHANGE IN RESERVES</b>	<b>2,081.7</b>	<b>1,861.1</b>	<b>+12%</b>

## 83 Surrenders\*

€ mn

	FY 04	FY 03	Change
Surrenders from Transformation	99.4	133.3	-25%
Natural Surrenders*	222.9	168.6	+32%
% of reserves	4.3%	3.8%	+13%
<b>TOTAL SURRENDERS</b>	<b>322.3</b>	<b>301.9</b>	<b>+7%</b>

\*excluding index-linked &amp; group policies



## 84 Surrenders of Investment Policies

€ mn

	FY 04	FY 03	Change
<b>Surrenders of Traditional Invest. Pol.</b>	<b>34.5</b>	<b>63.4</b>	<b>-46%</b>
% of reserves	17.9%	26.4%	-32%
<i>o/w Natural Surrenders</i>	<b>25.1</b>	<b>41.4</b>	<b>-39%</b>
% of reserves	12.7%	16.4%	-23%
<b>Surrenders of Unit-linked Invest. Pol.</b>	<b>114.2</b>	<b>71.3</b>	<b>+60%</b>
% of reserves	11.9%	9.7%	+23%
<i>o/w Natural Surrenders</i>	<b>78.7</b>	<b>71.3</b>	<b>+10%</b>
% of reserves	8.0%	9.7%	-18%
<b>SURRENDERS OF INVEST. POL.*</b>	<b>148.7</b>	<b>134.7</b>	<b>+10%</b>
% of reserves	12.8%	13.8%	-7%
<i>o/w Natural Surrenders</i>	<b>103.8</b>	<b>112.7</b>	<b>-8%</b>
% of reserves	8.8%	11.4%	-23%

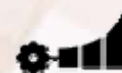
\* excluding group policies

## 85 Surrenders of Pension Plans

€ mn

	FY 04	FY 03	Change
<b>Surrenders of Traditional Pension Plans</b>	<b>31.3</b>	<b>134.9</b>	<b>-77%</b>
% of reserves	3.3%	13.5%	-76%
<i>o/w Natural Surrenders</i>	<b>14.5</b>	<b>23.6</b>	<b>-39%</b>
% of reserves	1.5%	2.2%	-32%
<b>Surrenders of Unit-linked Pension Plans</b>	<b>142.4</b>	<b>32.3</b>	<b>+342%</b>
% of reserves	4.7%	1.3%	+262%
<i>o/w Natural Surrenders</i>	<b>104.6</b>	<b>32.3</b>	<b>+224%</b>
% of reserves	3.4%	1.3%	+162%
<b>SURRENDERS OF PENSION PLANS*</b>	<b>173.7</b>	<b>167.1</b>	<b>+4%</b>
% of reserves	4.4%	4.9%	-10%
<i>o/w Natural Surrenders</i>	<b>119.1</b>	<b>55.9</b>	<b>+113%</b>
% of reserves	3.0%	1.6%	+88%

\*excluding group policies



**86 Costs**

€ mn

	FY 04	FY 03	Change
Net claims, benefits paid, changes in reserves	2,081.7	1,861.1	+12%
Acquisition costs (commission expense)	192.7	189.1	+2%
G&A expenses	181.2	171.7	+6%
Advertising expenses	6.4	12.9	-50%
Depreciation & provisions	27.2	49.9	-45%

**87 Profit by Business Line**

€ mn

	FY 04	FY 03	Change
Life insurance	103.5	92.4	+12%
Mutual funds	67.3	58.9	+14%
Bank business	44.3	44.6	-1%
Other operations	8.6	1.2	+613%
<b>PROFIT BEFORE TAX &amp; E.I.</b>	<b>223.7</b>	<b>197.2</b>	<b>+13%</b>



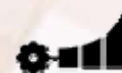


88

**FY 2004 Reclassified Results****New Ventures****89 Net Consolidated Effect**

€ mn

	FY 04	FY 03	Change
Net profit/loss	(6.1)	(9.6)	-37%
Goodwill amortisation	(21.2)	(20.1)	+5%
Interest paid on investments	(5.7)	(5.3)	+6%
<b>NET CONSOLIDATED EFFECT</b>	<b>(33.0)</b>	<b>(35.1)</b>	<b>-6%</b>



**90 Spain Embedded Value\***

€ mn

	FY 04	FY 03
Value In-Force Life & Mutual Funds	21	16
New Business Life & Mutual Funds	6	7

\* gross of minorities

**91 Spain Net Effect**

€ mn

	FY 04	FY 03	Change
Net profit/loss	1.0	0.0	n.s.
Goodwill amortisation	(14.8)	(13.6)	+9%
Interest paid on investments	(3.4)	(3.2)	+6%
<b>SPAIN NET EFFECT</b>	<b>(17.2)</b>	<b>(16.8)</b>	<b>+3%</b>



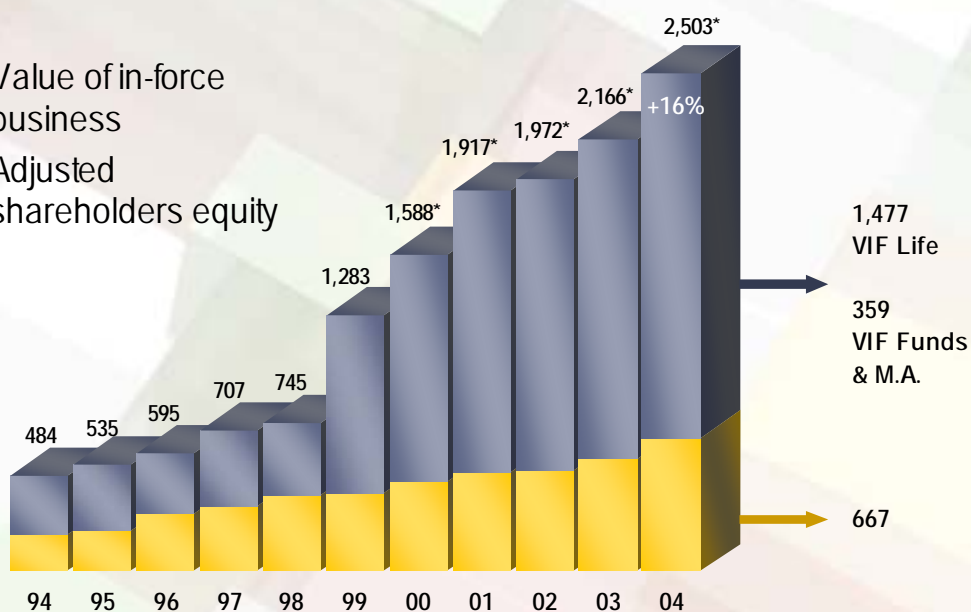
## FY 2004 Reclassified Results

## Embedded Value

93 Embedded Value Growth  
Pre-acquisition Effect\*

€ mn

- Value of in-force business
- Adjusted shareholders equity



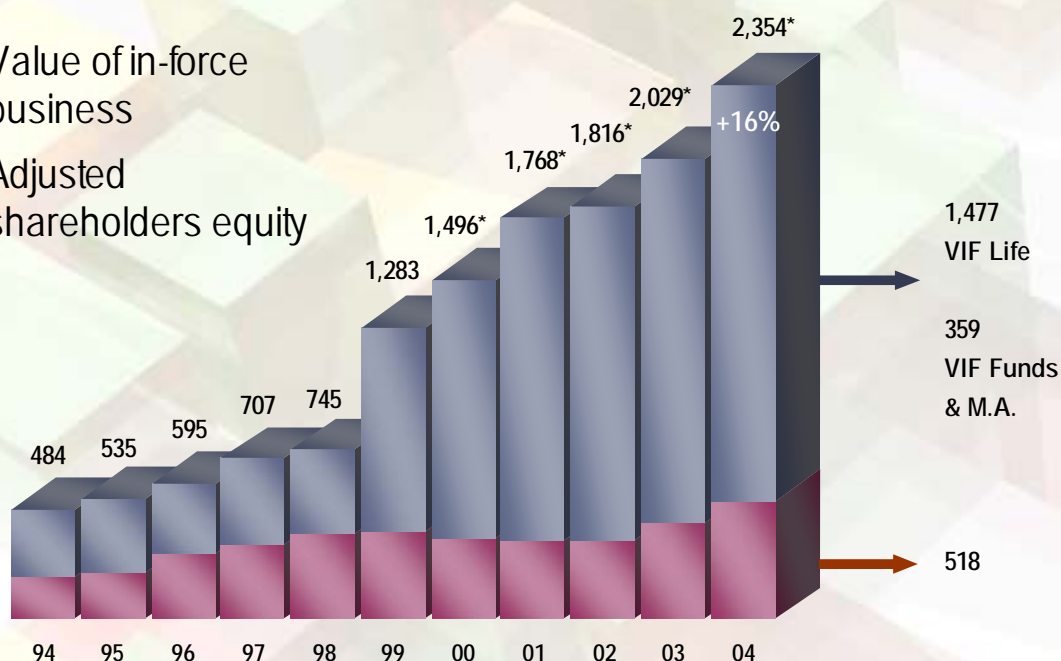
\* before excluding residual New Ventures Goodwill



## 94 Embedded Value Growth Post-acquisition Effect\*

€ mn

- Value of in-force business
- Adjusted shareholders equity



\* after excluding residual New Ventures Goodwill

## 95 EV Economic Assumptions

### Investment Return

Liquidity	FY 04	FY 03
	2.00%	2.25%
Long-term bonds	3.85%	4.50%
Equity	6.35%	7.00%

### Own portfolio

Segregated funds	FY 04	FY 03
	4.00%	4.00%
Unit-linked funds	4.85%	5.40%
Mutual funds & managed accounts	5.25%	5.75%

### Discount rate

Expense inflation rate	FY 04	FY 03
	6.60%	7.25%
	2.50%	2.50%





## 96 Embedded Value Earnings

€ mn

	FY 04	FY 03	Change
Change over period	337	194	+74%
Dividends paid	80	72	+11%
Goodwill amortisation: New Ventures	20	19	+5%
<b>EV Earnings Pre-acquisition effect</b>	<b>437</b>	<b>285</b>	<b>+53%</b>
(before excluding residual NV goodwill)			
Goodwill Increase over the period	(32)	0	n.s.
<b>EV Earnings Post-acquisition effect</b>	<b>405</b>	<b>285</b>	<b>+42%</b>
(after excluding residual NV Goodwill)			

## 97 EV Earnings Components (1): Earnings on Initial EV

€ mn

	FY 04	FY 03	Change
Expected return on EV - unwind	132	120	
Experience variances (see next slide)	106	20	
Operating assumption changes	(10)	15	
Economic assumption changes	38	(30)	
Tax assumption changes	(5)	5	
<b>Earnings on Initial EV</b>	<b>261</b>	<b>130</b>	<b>+101%</b>
<b>Value-Added New Business</b>	<b>176</b>	<b>155</b>	<b>+14%</b>
<b>EV Earnings Pre-acquisition effect</b>	<b>437</b>	<b>285</b>	<b>+53%</b>



## 98 EV Earnings on Initial Ev: Experience Variances in detail

€ mn

	FY 04	FY 03
Investment return variance on NAV	32	(9)
Asset mix variance	43	18
Mutual Fund ITA pricing variance	11	0
Performance fees variance	28	53
Persistency/paid-up variance	(10)	(22)
Bank net profit/loss variance (ex - M.A.)	6	5
Other operations net profit/loss variance	(1)	(6)
Reserves strengthening	0	(12)
Other	(3)	(7)
<b>EV Experience Variances</b>	<b>106</b>	<b>20</b>

## 99 EV Earnings Components (2): Value-added New Business

€ mn

	FY 04	FY 03	Change
<b>Earnings on Initial EV</b>	<b>261</b>	<b>130</b>	<b>+101%</b>
Life new business*	151	124	+22%
Mutual fund & M.A. new business	25	31	-19%
<b>Value-Added New Business</b>	<b>176</b>	<b>155</b>	<b>+14%</b>
<b>EV Earnings Pre-acquisition effect</b>	<b>437</b>	<b>285</b>	<b>+53%</b>

(before excluding residual NV goodwill)

\* Recurring policies 112 o/w 22 from discretionary premium increases  
Single premium policies 39



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