



**MEDIOLANUM**  
GRUPPO MEDIOLANUM

## Goldman Sachs 10<sup>th</sup> Annual European Financials Conference

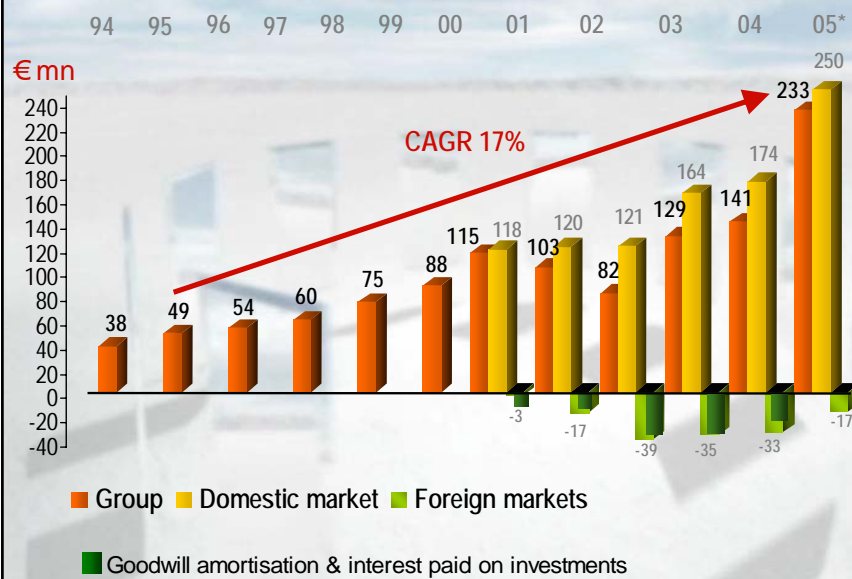
10 years of growth and still at a discount | Hotel Arts Barcelona | Barcelona | Spain



June 7-9, 2006

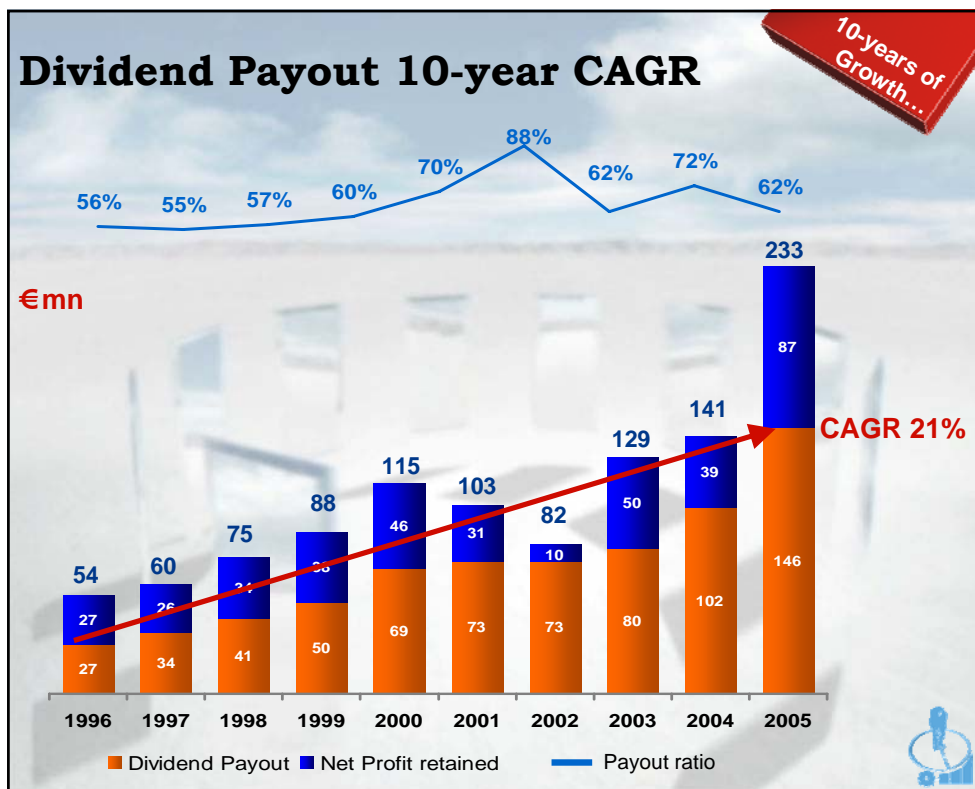
## Net Profit 10-year CAGR

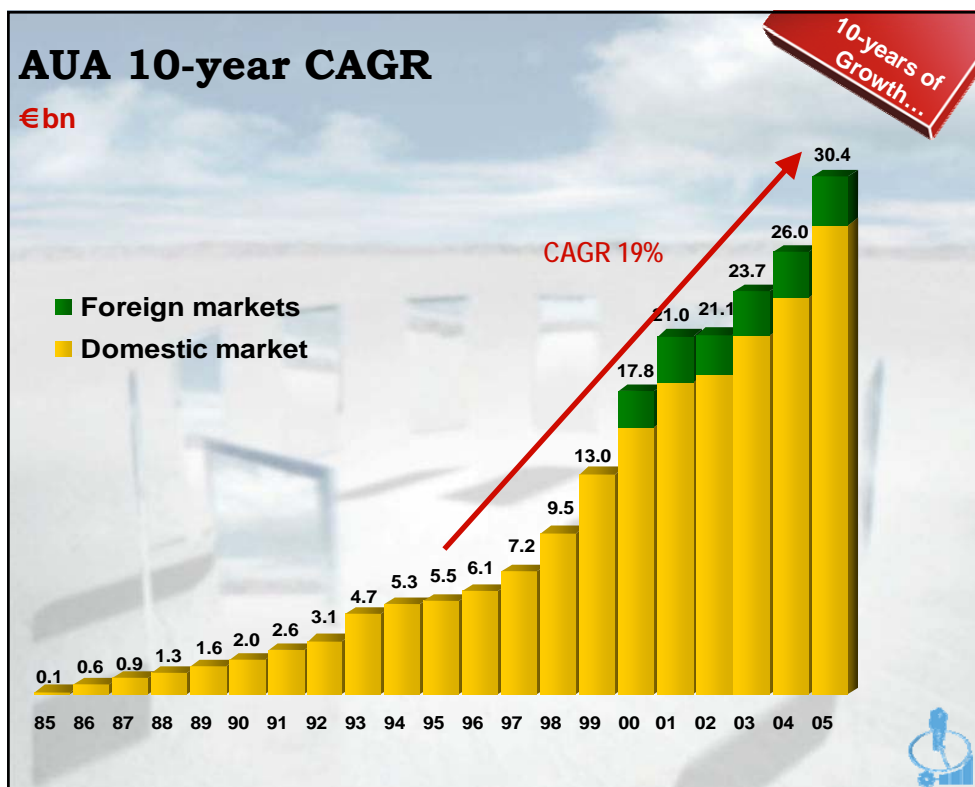
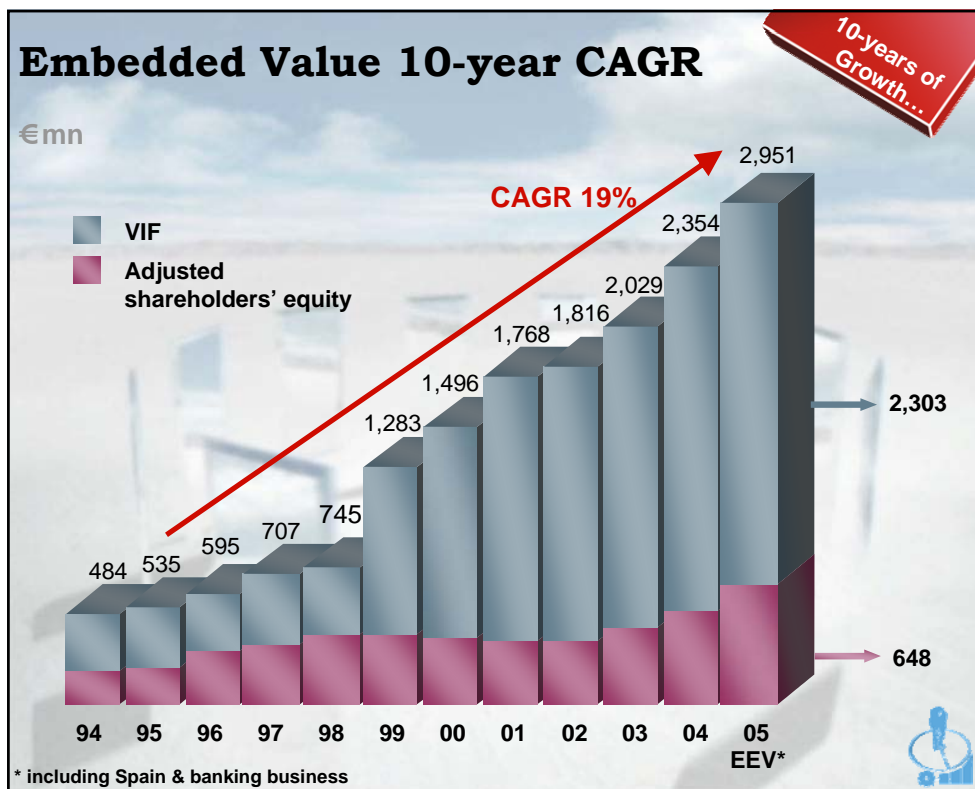
10-years of Growth...



\* IAS/IFRS







## The Business we are in

...& still at a Discount

### A major concern:

the asset gathering business is volatile  
as it is too tied to the equity market

### The keystone to manage this reality:

to grow much more than in the past  
& as rapidly as possible



**Growth or decline induced by the market  
becomes a minor element of our performance**



## Our growth strategy: Modify how we are perceived

Our growth Strategy

### Our strategy:

to develop into one of the **largest retail banks** in Italy,  
clearly being **perceived as a 'full status' bank**  
rather than a pure asset gatherer

We are not negating  
our mission of gathering assets



**Rather, as a 'full status' bank we are in the  
strategic position  
to accelerate the acquiring of assets**



## Rationale of our strategy (1)

Our growth  
Strategy

Banks are where people prefer  
to entrust their savings

People identify with their bank  
as the one where they keep their current account



**Retail banks are our true competitors  
& hold 94% of Italian household assets**



## Rationale of our strategy (2)

Our growth  
Strategy

**Bank customers  
who use our bank account as their primary one  
give us 4 to 6 times more assets  
than non-bank customers**

	as at March 31, 2006	
	Avg. AUA €	Cross-Selling*
Non-bank customers	14,516	1.37
Bank customers	47,666	3.80
Bank customers/active users**	57,066	4.83
Non-bank customers > age 55	20,989	1.33
Bank customers/active users > age 55	119,495	4.70

\* out of 12 products; bank accounts, credit cards, stock portfolio, mutual funds, managed accounts, index-linked policies, pension plans, other life products, non-life products, home mortgages, direct channels (0-2)

\*\* 12 non-automatic transactions/operations per quarter





## **Asset gathering: Change in approach**

Our growth  
Strategy

Dawn of an entirely new era  
for our sector

New industry developments  
with far-reaching ramifications



A big transformation is occurring  
in the way we approach asset gathering

No longer possible to run our business as we did  
even 5 years ago, selling managed savings  
products to investors who are  
nevertheless customers of other banks

**We have the bank:  
so all profits stay with us**



## **Traditional banks & asset growth**

Our growth  
Strategy

People invest their money  
where they have a bank account, with  
assets often distributed among more than one bank

Traditional banks can do very little  
to address this tendency,  
if they want to increase customers & assets

Banks are usually chosen  
on the basis of branch location



**Their only option is to 'reproduce' proximity  
to the customer by opening new branches**



## Technology's effect on bank customers

Our growth  
Strategy

There is a growing **frustration**  
towards the traditional structure of branches  
tightly linked to 'time & place'

The consumers' use of **technology**  
in everyday life  
is accelerating rapidly



**Customers are starting to  
demand freedom  
in the full use of banking services**



## Mediolanum offers 'Freedom in Banking'

Our growth  
Strategy

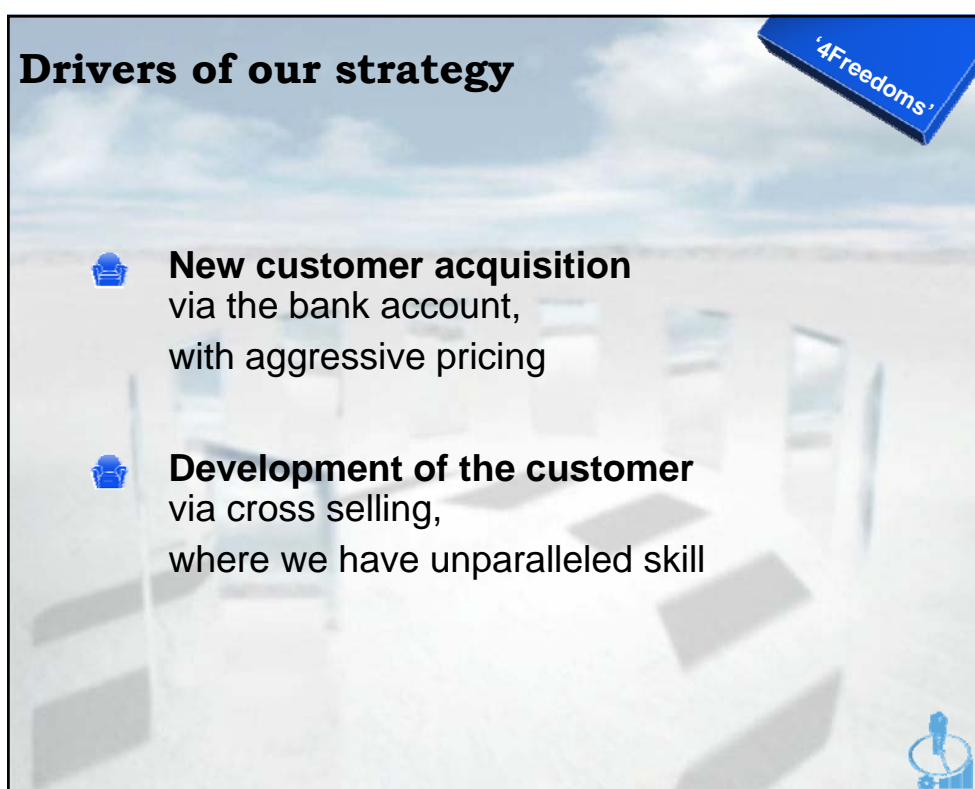
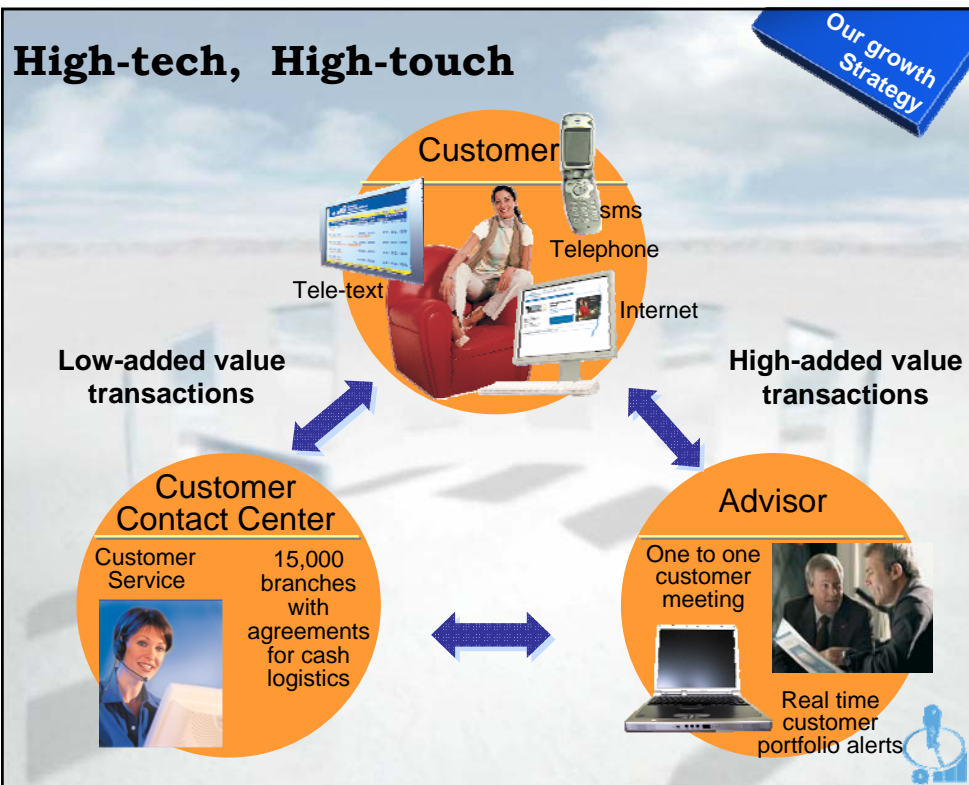
The Mediolanum model  
invalidates the concept of proximity

With our bank  
**total proximity is always 'on'**



**Freedom in Banking**







## '4 Freedoms' project

**Objective: significantly increase bank customers via opening of bank accounts**

-  **New competitive product:**  
Riflex account & Riflex card
-  **Clear promise:** simplicity, full transparency & great convenience at no cost. No asterisks
-  **Memorable & convincing Advertising Campaign,** run on all media
-  **Thousands of Collective Sales Efforts**
-  **Promotional Events** at a grass-root level held in towns all over Italy

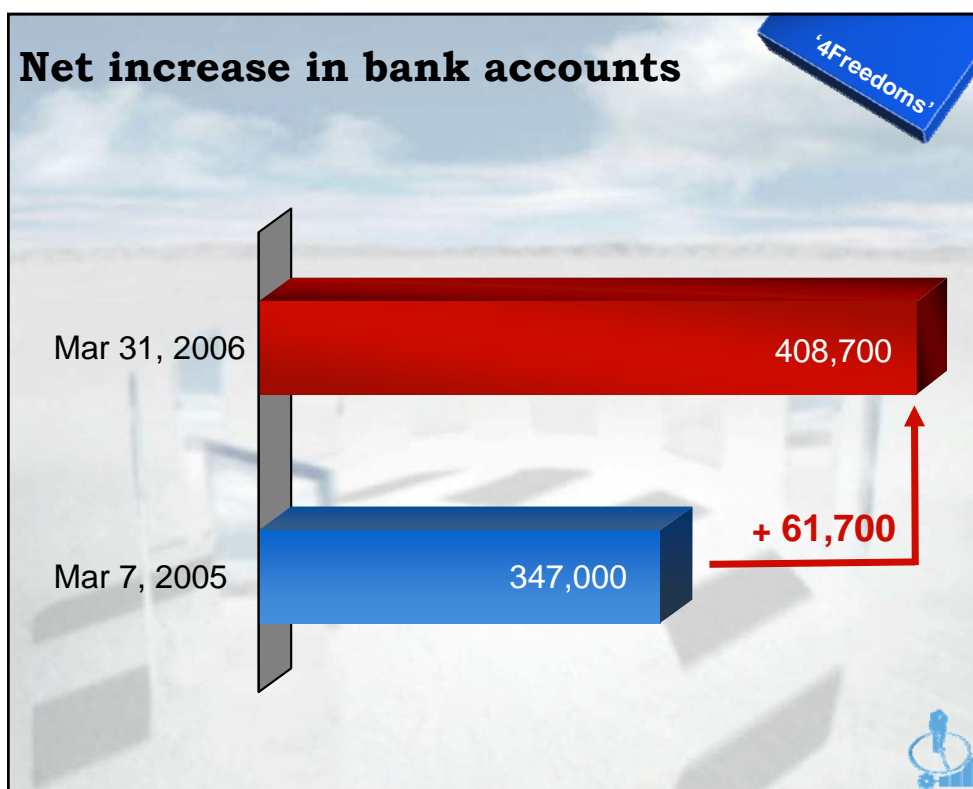
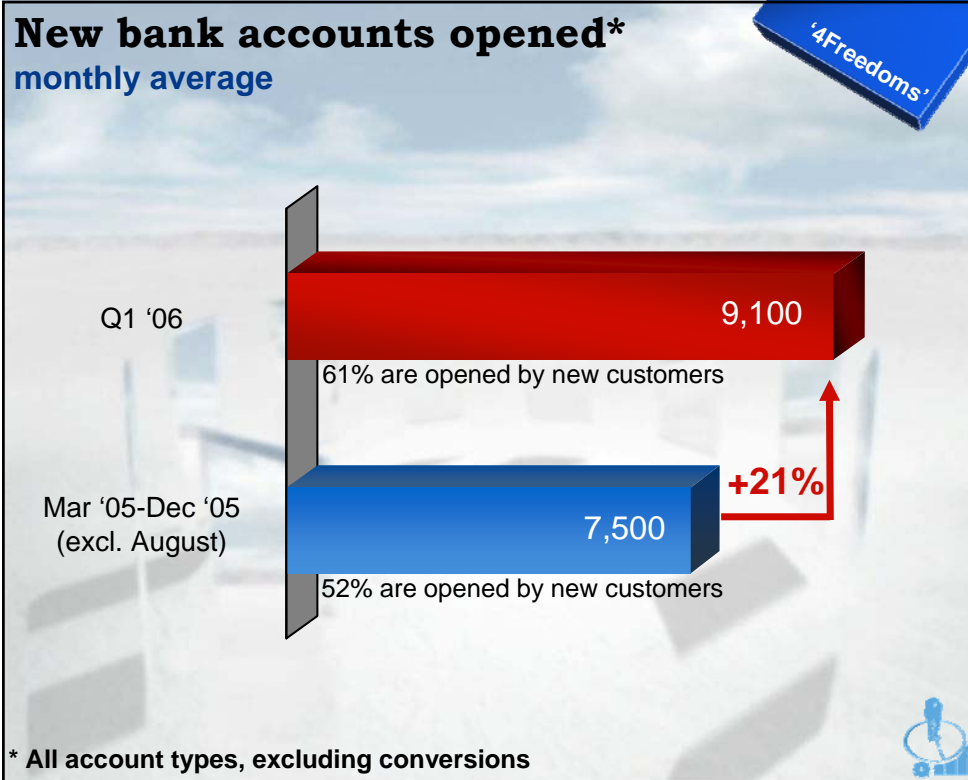


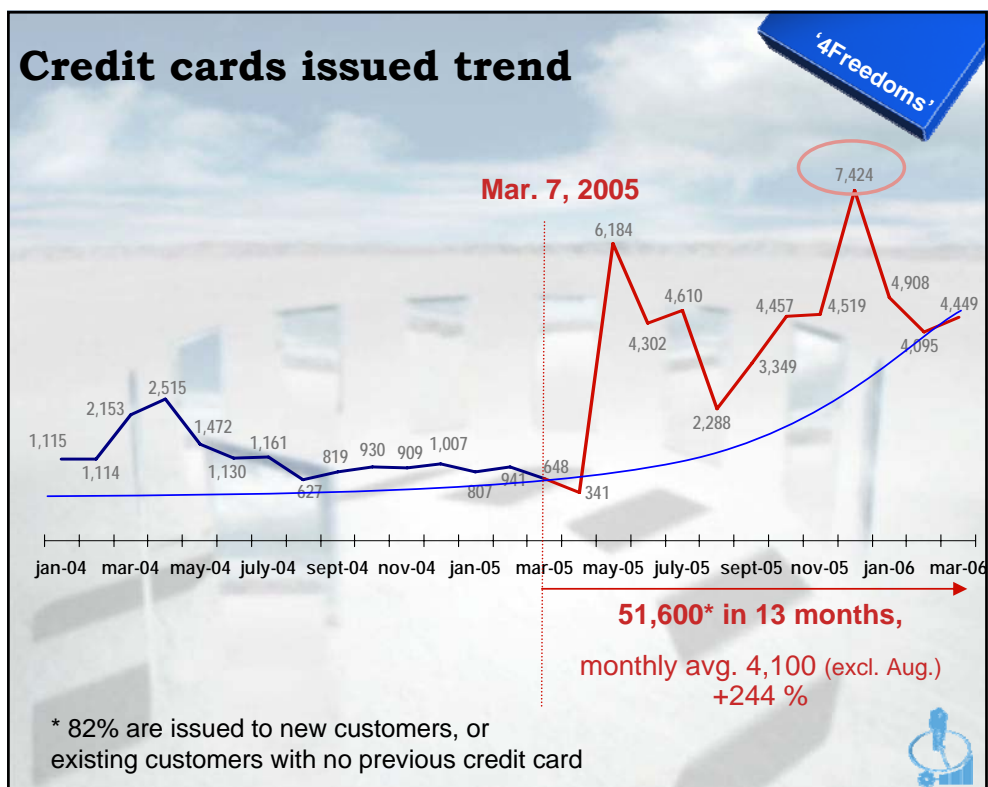
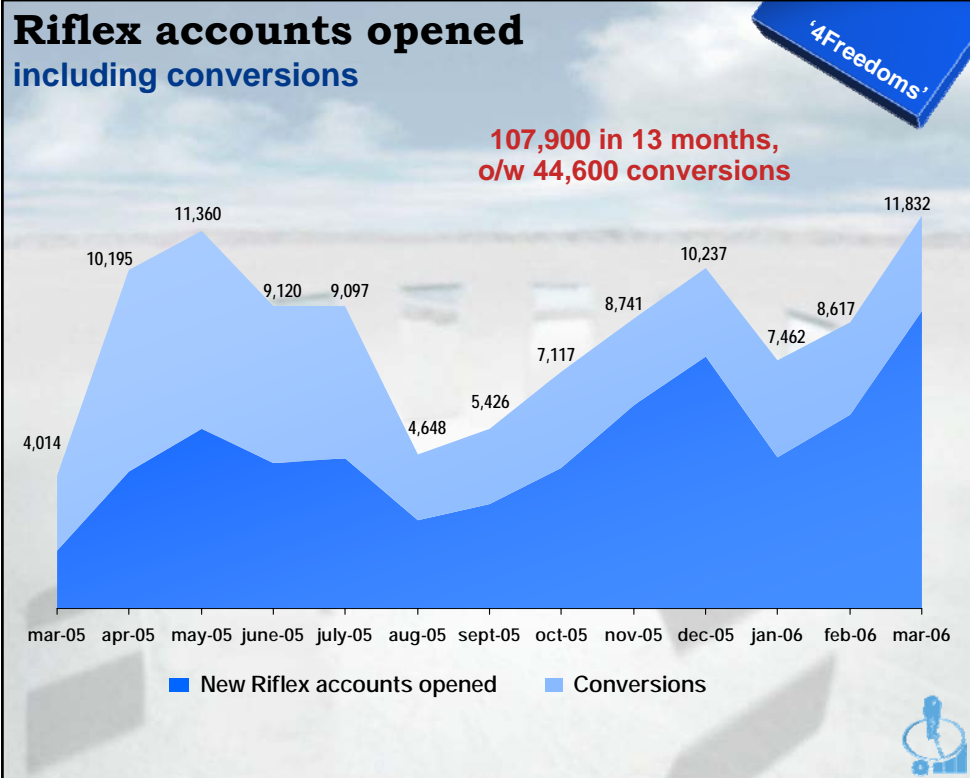
## New bank accounts trend all account types, excluding conversions

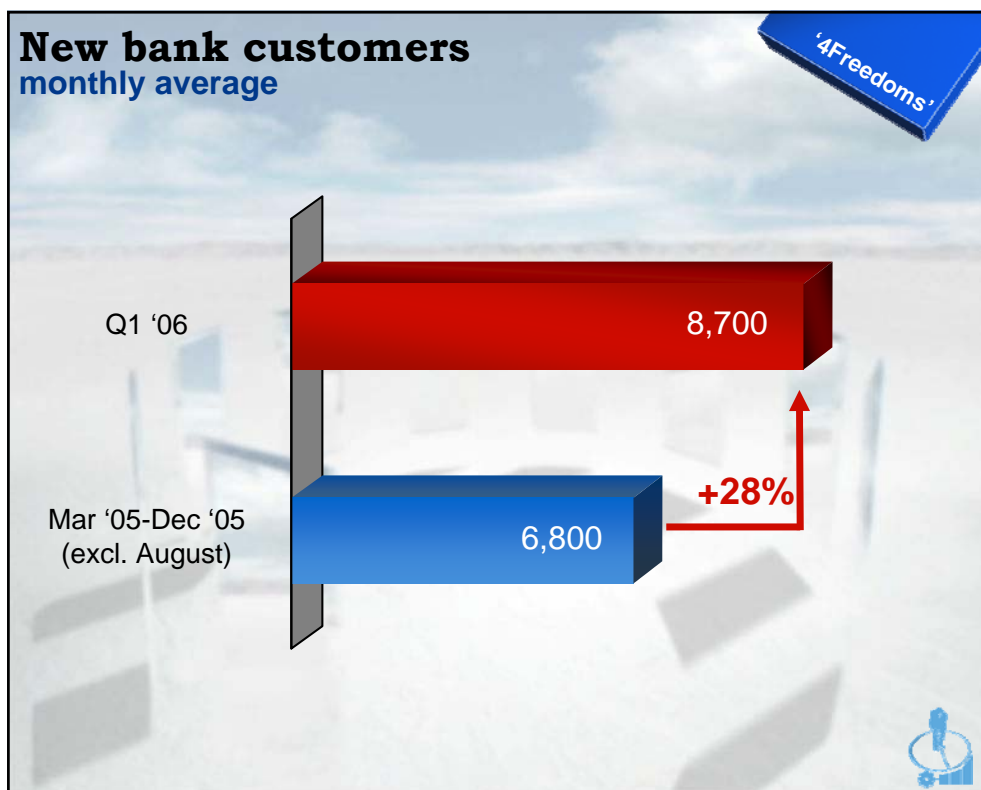


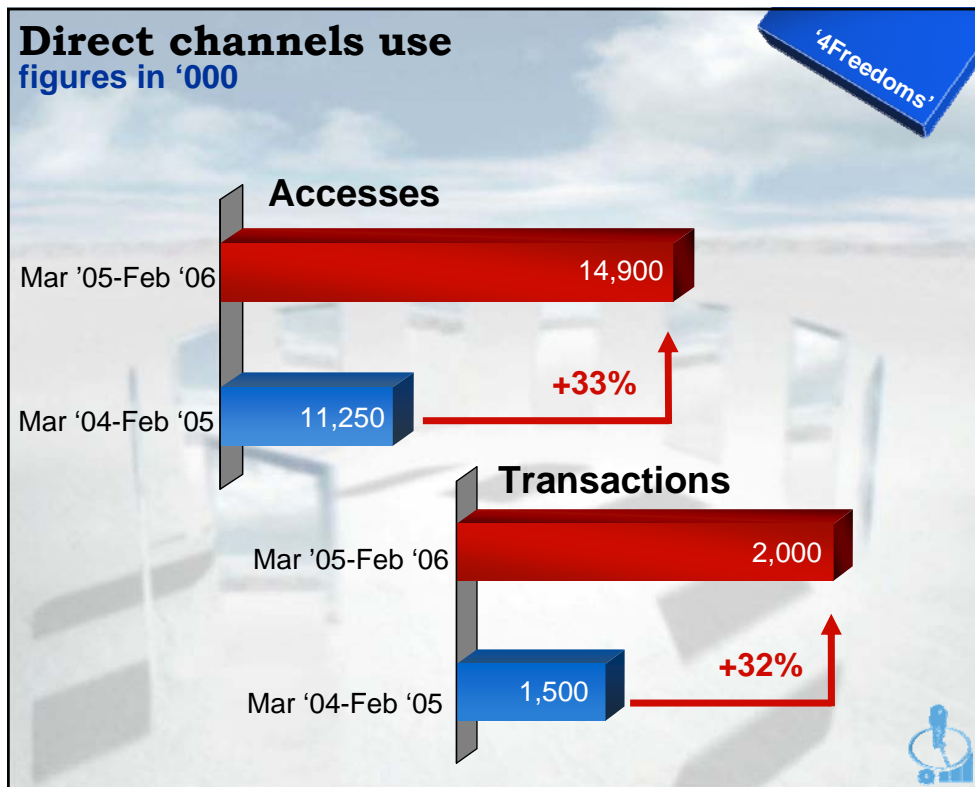
\* 56% are opened by new customers











### Growth & momentum

**'4Freedoms' project is a definite success**

We expect to see a further acceleration of positive results

We'll continue to invest in media coverage, with emphasis on internet advertising & on collective sales events

**To maintain the momentum we've created**





## Increase in Assets

New Bank Customers acquired in May '05

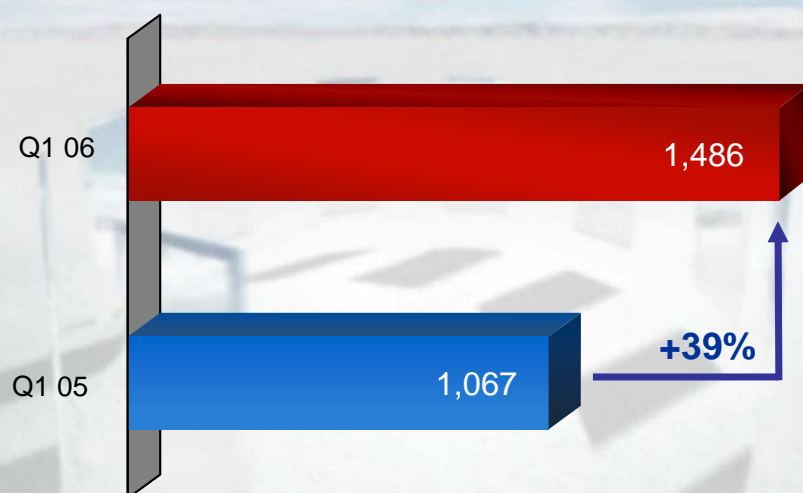
€avg.

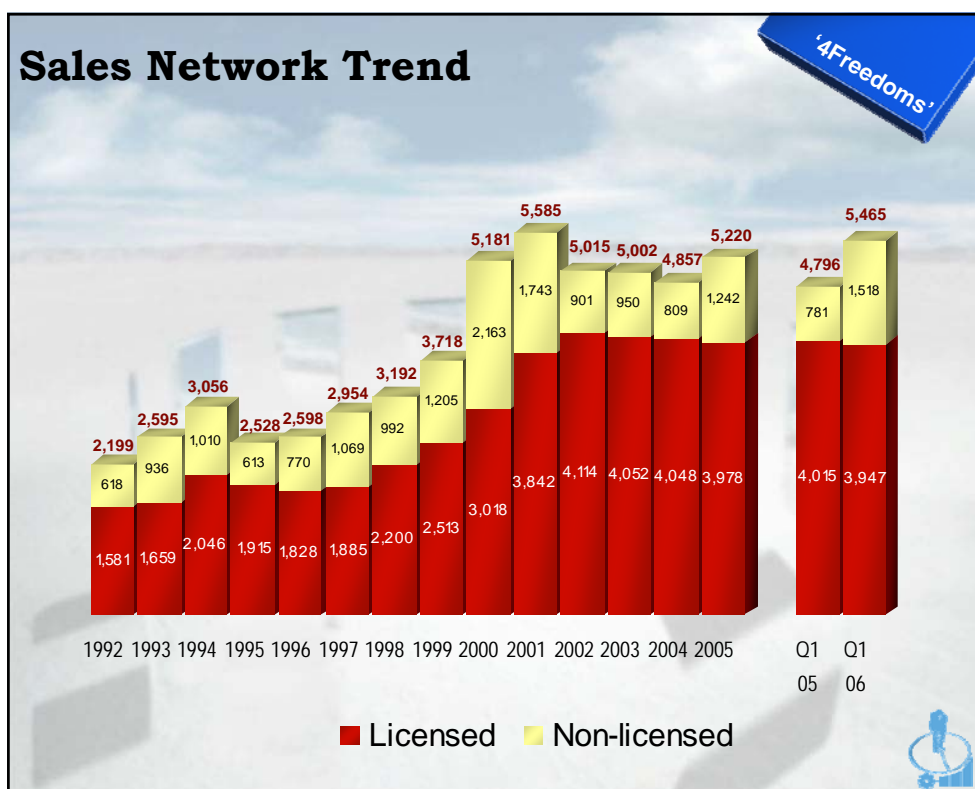
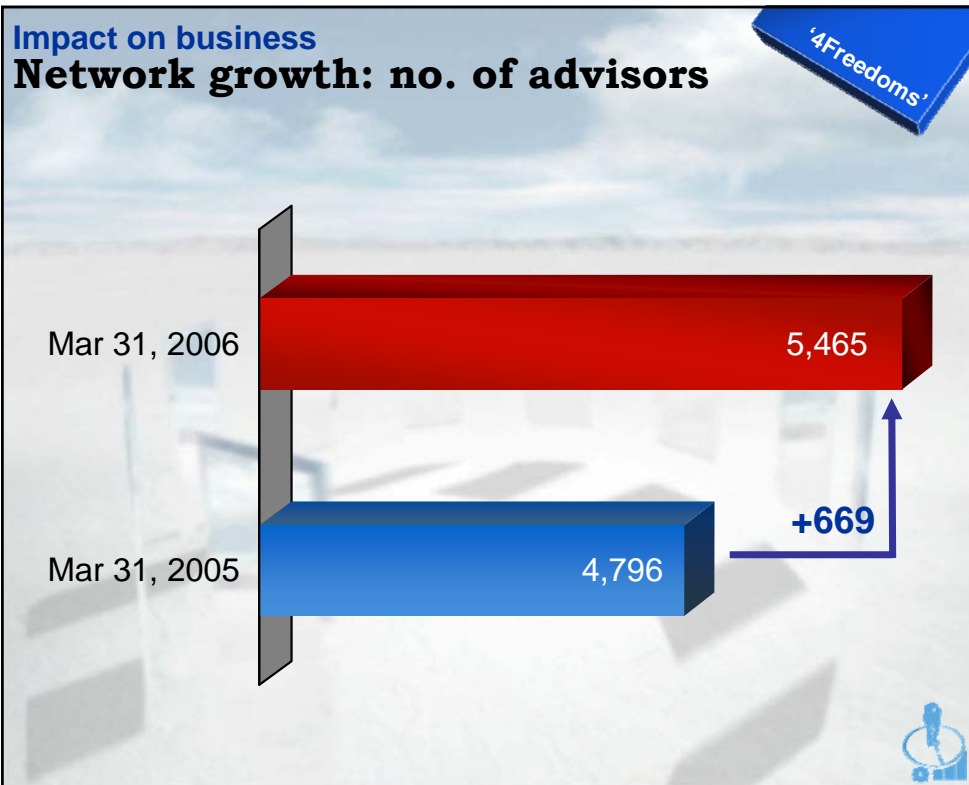
	31/03/06	31/05/05	Change
<b>Total no. customers: 3,304</b>			
Bank account	5,635	5,384	+5%
Securities	1,933	892	+117%
Managed savings products	13,118	2,047	+541%
<b>Total assets per customer</b>	<b>20,686</b>	<b>8,322</b>	<b>+149%</b>
<b>Active no. customers*: 1,444</b>			
Bank account	7,889	4,573	+73%
Securities	2,079	152	+1266%
Managed savings products	11,619	936	+1141%
<b>Total assets per customers</b>	<b>21,587</b>	<b>5,661</b>	<b>+281%</b>
<b>Non-active no. customers*: 1,860</b>			
Bank account	3,886	6,013	-35%
Securities	1,820	1,466	+24%
Managed savings products	14,281	2,909	+391%
<b>Total assets per customer</b>	<b>19,987</b>	<b>10,388</b>	<b>+92%</b>

\* in the period Jan '06 - Mar '06

## Impact on business Gross inflows

€mn





## An appealing strategic opportunity...

Model  
& Growth

...a very demanding objective:

to **accelerate** our already fast **growth**  
via the creation of a **large bank**



Capable of responding to the demands of  
today & tomorrow's customers,  
who look for freedom  
from operational constraints & excessive pricing

An instrument to facilitate & foster  
the gathering of assets



## The Mediolanum model

Model  
& Growth

Our model is set to be the  
**killer application**  
of the banking sector



**Our growth in the banking business  
will result in a great leap in our assets**



## Our attributes for growth

Model  
& Growth

*"We believe we possess the attributes & the determination required to achieve our goal of becoming a large bank"*



### **Consistent execution**

We excel at execution.

Our skill base is to do a lot of little, right things



### **Constant learning**

We need good crisis management & expertise in learning.

Our effort is to never make the same mistake twice



### **High flexibility**

We use our intellectual assets to act quickly to exploit competitive opportunities & capitalise on our strenghts



### **Special motivation**

Regardless of age, our people are the type to believe in a cause, not just collect a pay check.



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