

London, October 2-4, 2007

Merrill Lynch Banking & Insurance CEO Conference

“Delivering Growth in a Riskier World”



2

A Riskier
World

Sources of risk

1. Business activities (Life, A.M. & Banking)

2. Regulatory environment

3. Competitive environment

4. Unforeseen events / circumstances

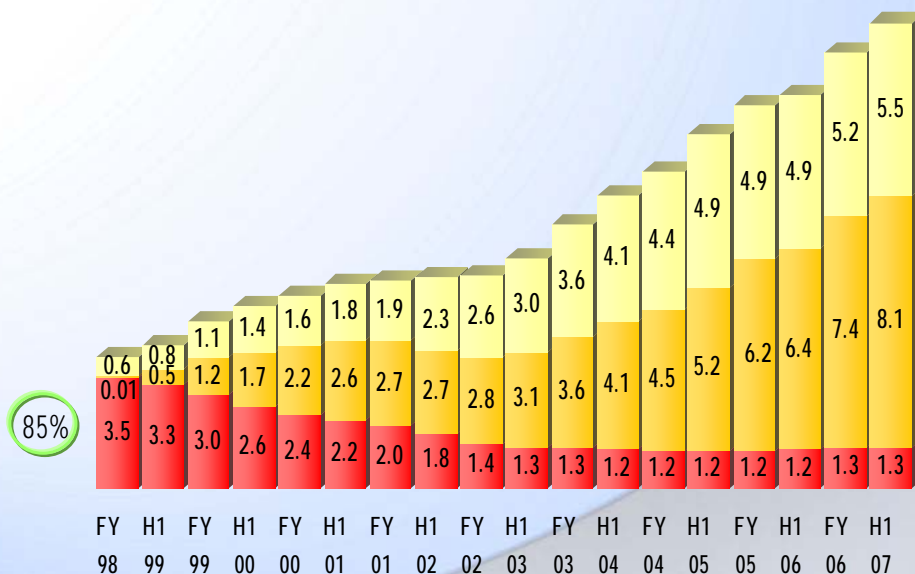


Life Insurance Risks tied to guarantees

3

Business
Activities

**Guarantees we are committed to today
are extremely limited**



1. Guarantees only relate to traditional reserves
2. Steps taken to reduce 'traditional' interest-rate sensitive reserves (now 9% of Life assets)
3. New business concentrated in Index-linked & Unit-linked, with no risk for us: solvency margin respectively 1% & 0%

Policyholders assets (€bn)

Traditional Unit-linked Index-linked



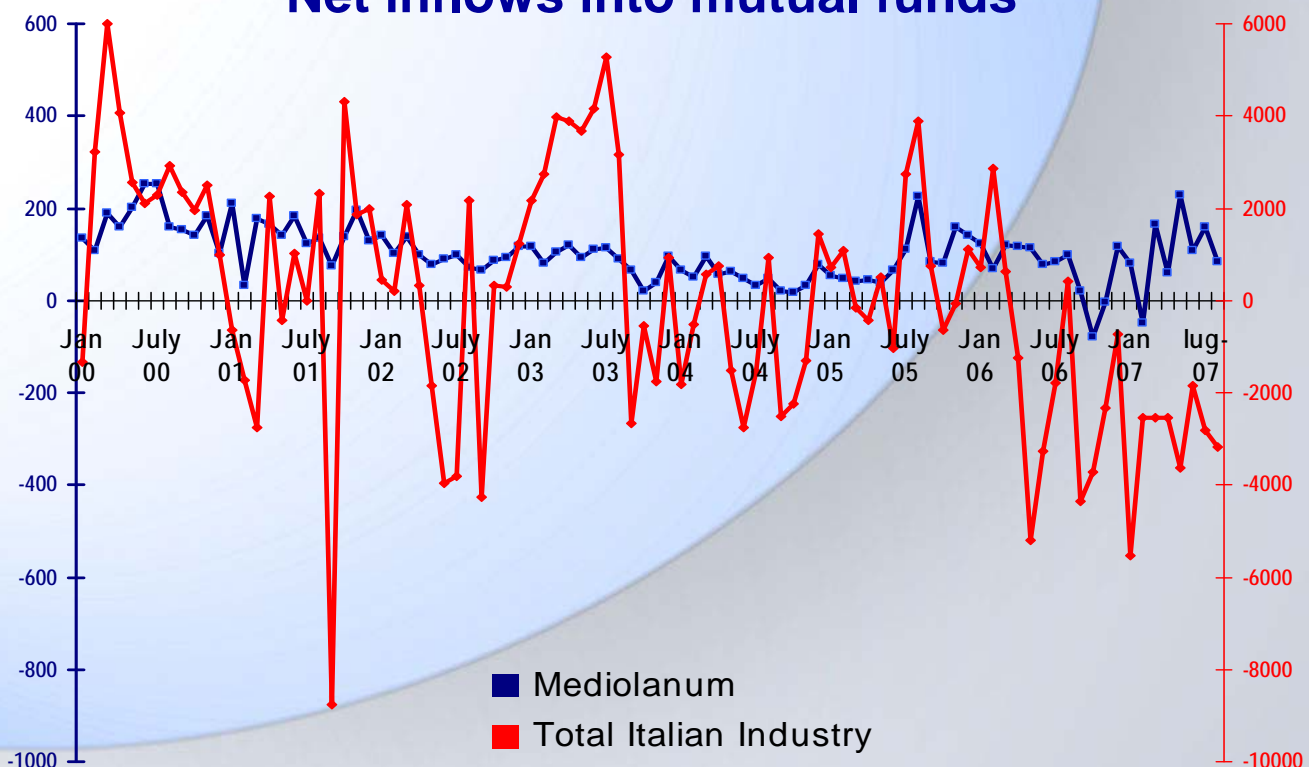
Asset Management Risks tied to market adversities

4

Business
Activities

€ mn





Net inflows into mutual funds*



* Including Managed Accounts & Unit-linked policies
Source: Assogestioni



Our prudent approach minimises risks in the banking business

-  Loans to households, not to commercial businesses (home mortgages & personal loans)
-  Mortgages & collateral-backed loans to our customers only
-  Extremely low 'bad-debt ratio' (0.03% vs. 1.25% for the Italian industry)
-  Treasury activities mostly in government bonds with very short durations



Sources of risk

1. Business activities (Life, A.M. & Banking)



2. Regulatory environment

3. Competitive environment


4. Unforeseen events / circumstances



Change required in the structure of our Individual Pension Plan business







-  No double commissions
-  Drastically reduced loadings

The upheaval in Pension Reform caused a disruption in business-as-usual

-  53% of Italian insurance companies dropped out of the game, not even submitting a product for approval



Our response to the Pension Reform

-  U-L policy investing directly into properly designed Irish funds
-  Enhanced life-cycle feature
-  Automatic mechanisms maximise investment effectiveness
-  Designed with the idea of protecting margins, yet very competitive in terms of pricing
-  New compensation structure for Family Bankers: high volumes compensate for lower unit commissions
-  Q2 '07: organised network effort concentrated on collecting sign-ups and defending the existing customer base







Our performance

Individual Pension Plan sign-ups

9

Regulatory
Environment

-  Total sign-ups for 'Tax Benefit New' March-June 2007 **89,000**
-  Estimated annualised total premiums (assuming 2,200 €/yr per TFR, plus voluntary contribution) **~ €180 mn**
-  Estimated inflows pertaining to 2007 **~ €90 mn**
-  Year-end estimate for Pension Plan business* **~ €130 mn**

* including discretionary increases in 'Tax Benefit Old' & 'Tax Benefit New' new business



Sources of risk

10

A Riskier
World

1. Industry-specific (Life, A.M. & Banking)
2. Regulatory environment
3. Competitive environment
4. Unforeseen events / circumstances



Our effective approach to growth

1) Reinvent business strategies & 'service delivery' channels



Our competitors: the traditional banks

Strategic reason: they hold 94% of Italian household assets

Tactical reason: Italians invest their money where they keep their bank account(s)



Our model: multi-channel, branchless yet incorporates the human touch, offers a 'low or no-cost' account, a high level of service delivery & flexibility, no dependence on proximity



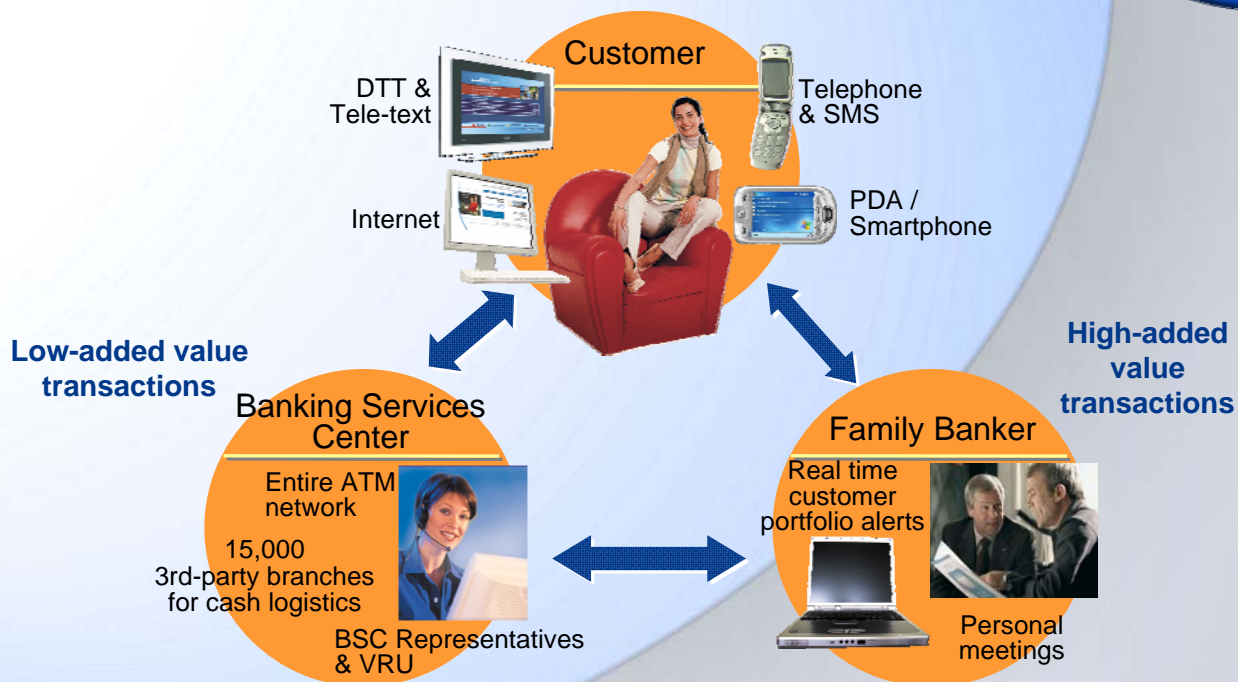
Experience: after a few months active customers close their other accounts and shift their assets to us



Rationale: active bank customers have 4 to 6 times greater assets than customers without the bank account



1. Reinvent business strategies High-tech, high-touch



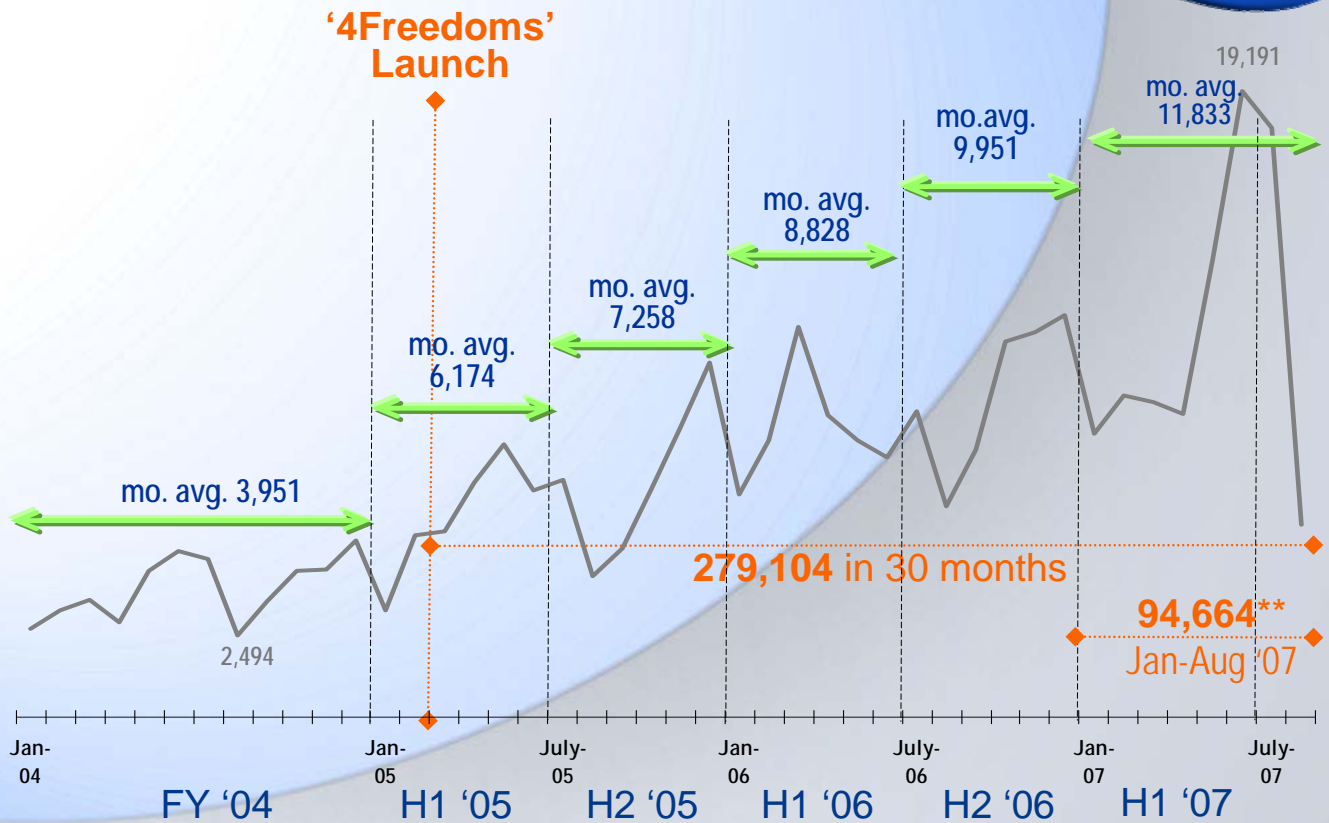
Our advisors trust the company,
buy into the company strategies
& invest in their customers for the long term



1. Reinvent business strategies

Bank account openings*

13 Competitive Environment



* all account types, excluding conversions

** 76% opened by customers new to Mediolanum

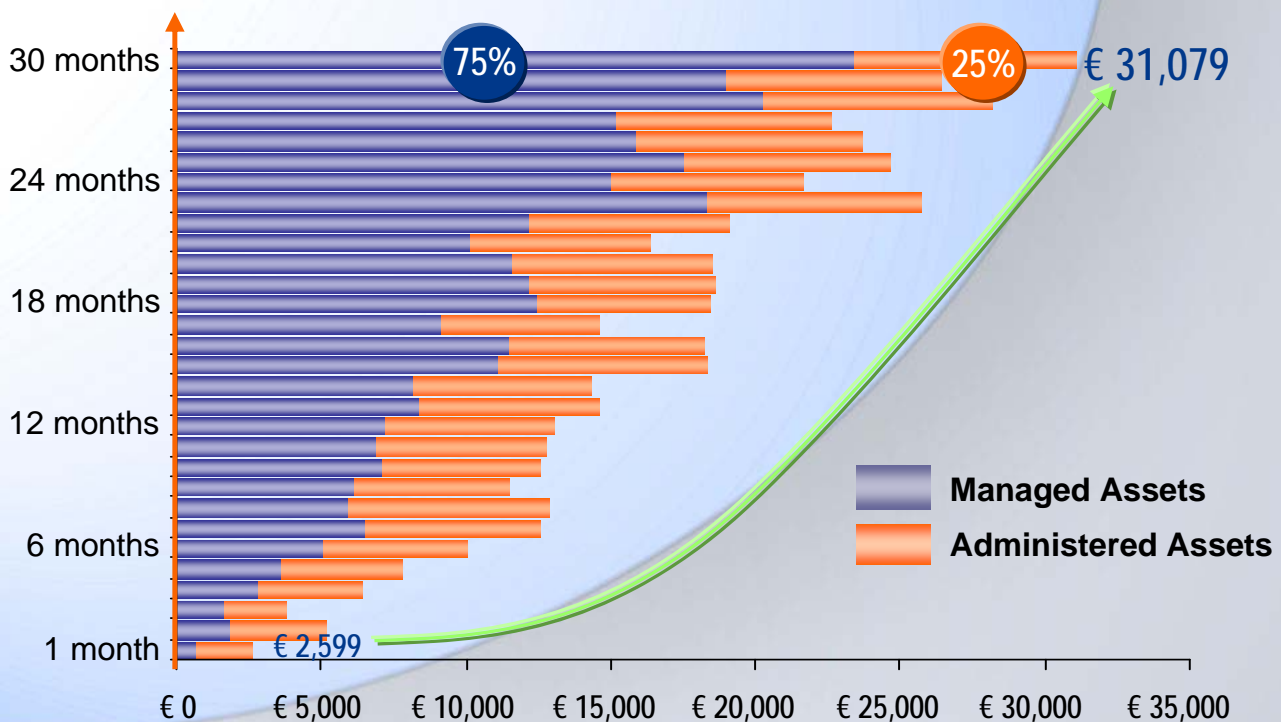


1. Reinvent business strategies

Average assets of bank customers





By length of time as account holder (as at 31/08/07)

14 Competitive Environment



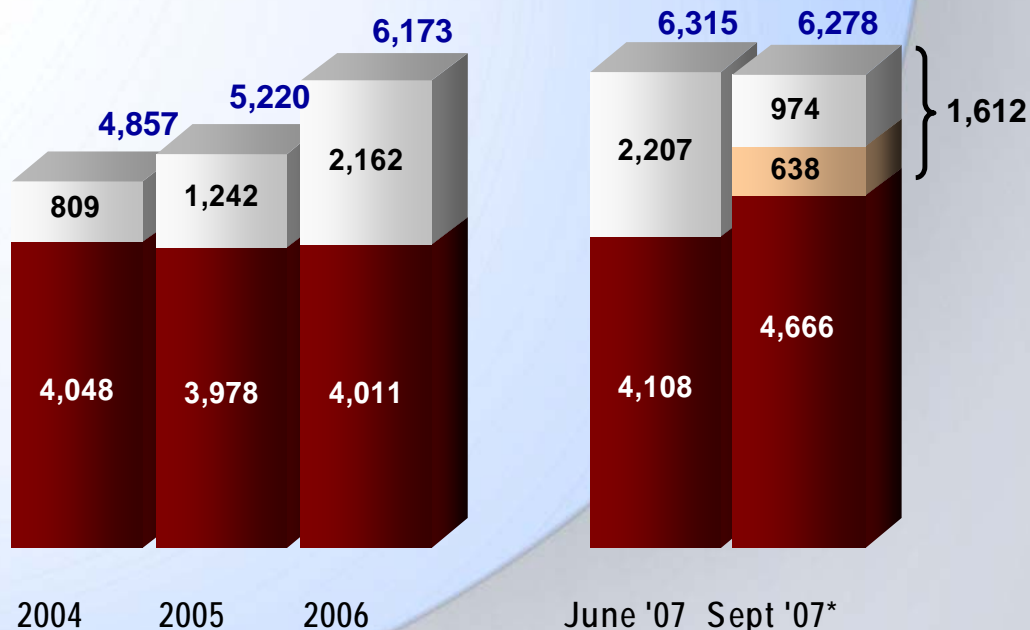
1. Reinvent 'service delivery' channels New recruiting model 'ICoNA'




**A systematic approach
presenting the image of the 'Family Banker',
a self-employed 'bank executive'**

-  Cuts the link between the appeal of the advisor profession & the behaviour of financial markets
-  Strongly accelerated the recruiting process in 2006 & Q107
-  Much higher quality of new hires (greater selection pool)
-  Significant emphasis put on the last step of the model: to convert new recruits into licensed financial advisors



1. Reinvent 'service delivery' channels Family Bankers Non-licensed → licensed



 Non-licensed (o/w 57 passed the written exam and await oral exam)
 Passed written & oral exams (awaiting license)
 Licensed



* preliminary data as of 27.09.07



Our effective approach to growth

1) Reinvent business strategies & 'service delivery' channels

2) Innovate products to drive differentiation & margins

-  New I.P.P. responding to Pension Reform
-  Guided reinvestment from 'Chorus' wrap account into 'Portfolio' fund of funds




Our effective approach to growth

1) Reinvent business strategies & 'service delivery' channels

2) Innovate products to drive differentiation & margins

3) Exploit new customer segments

-  Banca Esperia:
our successful entry into private banking



3. Exploit new customer segments

Banca Esperia highlights

€mn

	H107	H106	Change
Profit before Tax	30.8	13.0	+137%
Net Income	18.0	7.7	+135%
<i>o/w Mediolanum share</i>	8.7	3.7	+135%
Assets under Administration	9,130	6,232	+47%
<i>% in Managed Assets</i>	85.8%	81.5%	+5%
Gross Inflows	2,833	1,123	+152%
<i>o/w Managed Assets Inflows</i>	2,808	976	+188%
Net Inflows	1,771	562	+215%
<i>o/w Managed Assets Inflows</i>	1,746	415	+321%
Clients	2,813	2,233	+26%
Private Bankers	54	56	-4%



3. Exploit new customer segments

Banca Esperia's rapid growth

Asset growth Jul '06 – Jul '07 - Top Italian A.M. companies

	Growth
Anima	49%
 Banca Esperia	43%
Kairos Partners	38%
Azimut	17%
Generali	12%
Ersel	11%
Mediolanum	10%
Antonveneta ABN	7%
Unicredito	4%
Ubi Banca	3%
RAS	0%
[...]	
TOTAL 'TOP 25' GROWTH	1%



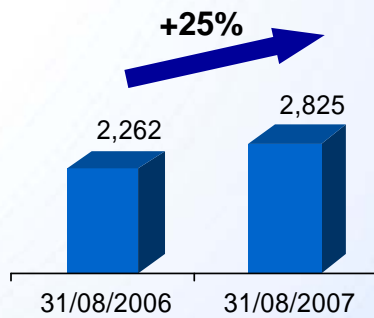
3. Exploit new customer segments

Banca Esperia at a glance

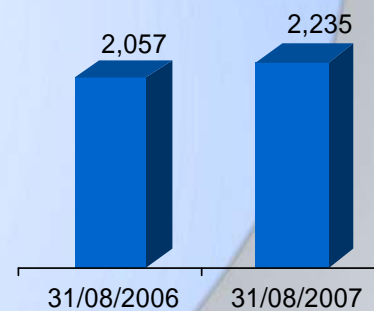
21

Competitive Environment

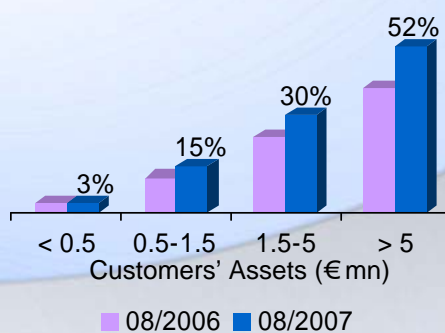
Customer growth



Avg. AUM per customer* (€000)

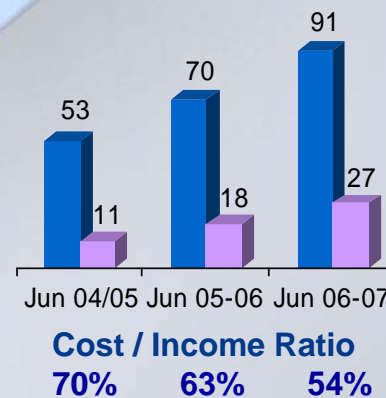


AUM by customer segment*



* Private customers only

Revenues & Net Profit



22

A Riskier World

Sources of risk

1. Industry-specific (Life, A.M. & Banking)
2. Regulatory environment
3. Competitive environment
4. Unforeseen events / circumstances





Our strengths

Flexibility & capacity to react

-  **Headquarters:** our people regard Mediolanum as *their* company, and give the best of themselves to contribute to its growth
-  **Our commercial structure** manufactures managers able to run an organisation like ours in foreign countries
-  **Our corporate culture** makes it very difficult for our competitors to 'play on our turf'
-  The history of our results demonstrates that **once a strategy is established, success is certain**



Our ambitions

-  To become the #1 asset gatherer in Italy in terms of assets & profits within a decade
-  To be among the 'big' retail banks in Italy, also present in the most important European markets



Thank you!

Any questions?



Disclaimer

This document has been prepared by Mediolanum S.p.A. for the sole purpose of providing information and presenting the Group's strategies.

The information, opinions, valuations and forecasts it contains have not been audited by any independent body; they may be altered at any time without notice.

No guarantee, express or implicit, is given by Mediolanum S.p.A. or by any of the Mediolanum Group companies as to the reliability, completeness or accuracy of the information or opinions in the present document.

Publication, communication to others, and reproduction of all or any of this document's contents are forbidden, except with the express written consent of Mediolanum S.p.A.

Neither Mediolanum S.p.A., nor the companies belonging to the Mediolanum Group, nor their representatives, managers or employees accept liability for any losses directly or indirectly resulting in any manner whatsoever from use of the present document or of information in any way attributable thereto.

Forecasts in this document have been prepared with the greatest care, but are nevertheless based on assumptions which could prove wrong because of risk factors outside the control of Mediolanum S.p.A. and the Mediolanum Group companies. There is no guarantee that present forecasts will match future performance.

This document is not a recommendation to invest in any financial instrument, nor an invitation to subscribe or purchase shares, nor is any part thereof intended to serve as a basis or reference source for any contract or undertaking whatsoever on the part of Mediolanum S.p.A. or any of the companies belonging to the Mediolanum Group.

Receipt of this document implies acceptance of its limitations as described above.

DECLARATION BY THE SENIOR MANAGER IN CHARGE OF DRAWING UP COMPANY ACCOUNTS

The undersigned, Mr. Luigi Del Fabbro, declares, pursuant to Section 154 bis (2) of Legislative Decree 58/98 "*Testo Unico della Finanza*", that the accounting data set out in this presentation agree with the documentary records, books and accounting entries.

The senior manager in charge of drawing up Company Accounts

Luigi Del Fabbro



Investor Relations Contacts

Alessandra Lanzone

tel.: +39-02-9049-2039

e-mail: investor.relations@mediolanum.it

Lisa Maxon

tel.: +39-02-9049-2997

e-mail: investor.relations@mediolanum.it

Luca Mirabelli

tel.: +39-02-9049-2721

e-mail: investor.relations@mediolanum.it

Valentina Assiso

tel.: +39-02-9049-2337

e-mail: investor.relations@mediolanum.it

