

*MEDIOLANUM S.P.A.*

*QUARTERLY REPORT  
AS AT SEPTEMBER 30,  
2002*



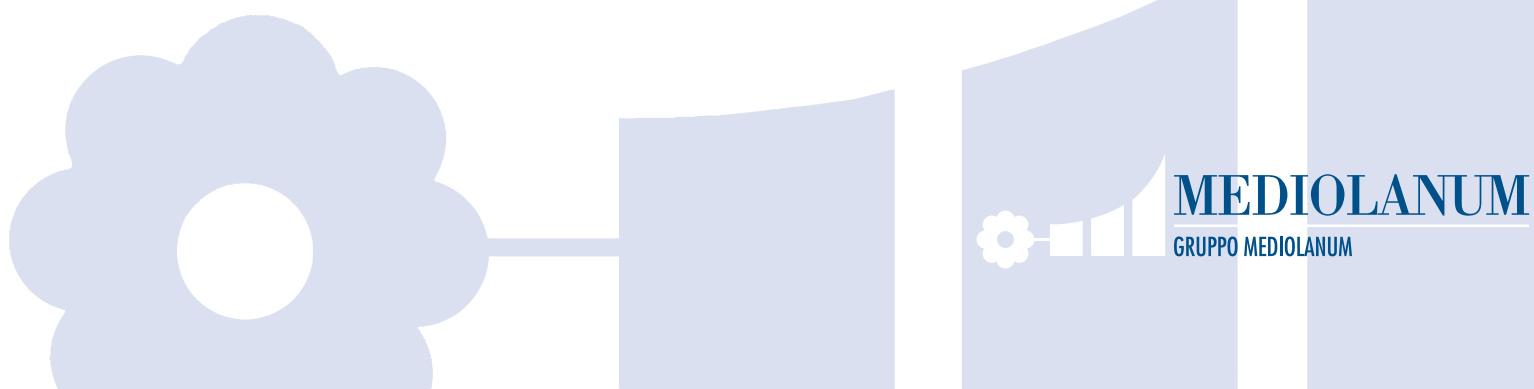
**MEDIOLANUM**  
GRUPPO MEDIOLANUM

# Summary

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# Mediolanum S.p.A. Officers of the Company

## BOARD OF DIRECTORS

Roberto Ruozi	Chairman of the Board of Directors
Alfredo Messina	Deputy Chairman
Edoardo Lombardi	Executive Vice President
Ennio Doris	Chief Executive Officer
Marina Elvira Berlusconi	Director
Massimo Antonio Doris	Director
Alessandro Grimaldi	Director
Mario Molteni	Director
Angelo Renoldi	Director
Paolo Sciumè	Director
Claudio Sposito	Director
Antonio Zunino	Director

## BOARD OF STATUTORY AUDITORS

Arnaldo Mauri	Chairman of the Board of Statutory Auditors
Achille Frattini	Statutory Auditor
Francesco Antonio Giampaolo	Statutory Auditor
Ferdinando Gatti	Alternate Statutory Auditor
Francesco Vittadini	Alternate Statutory Auditor

## SECRETARY OF THE BOARD

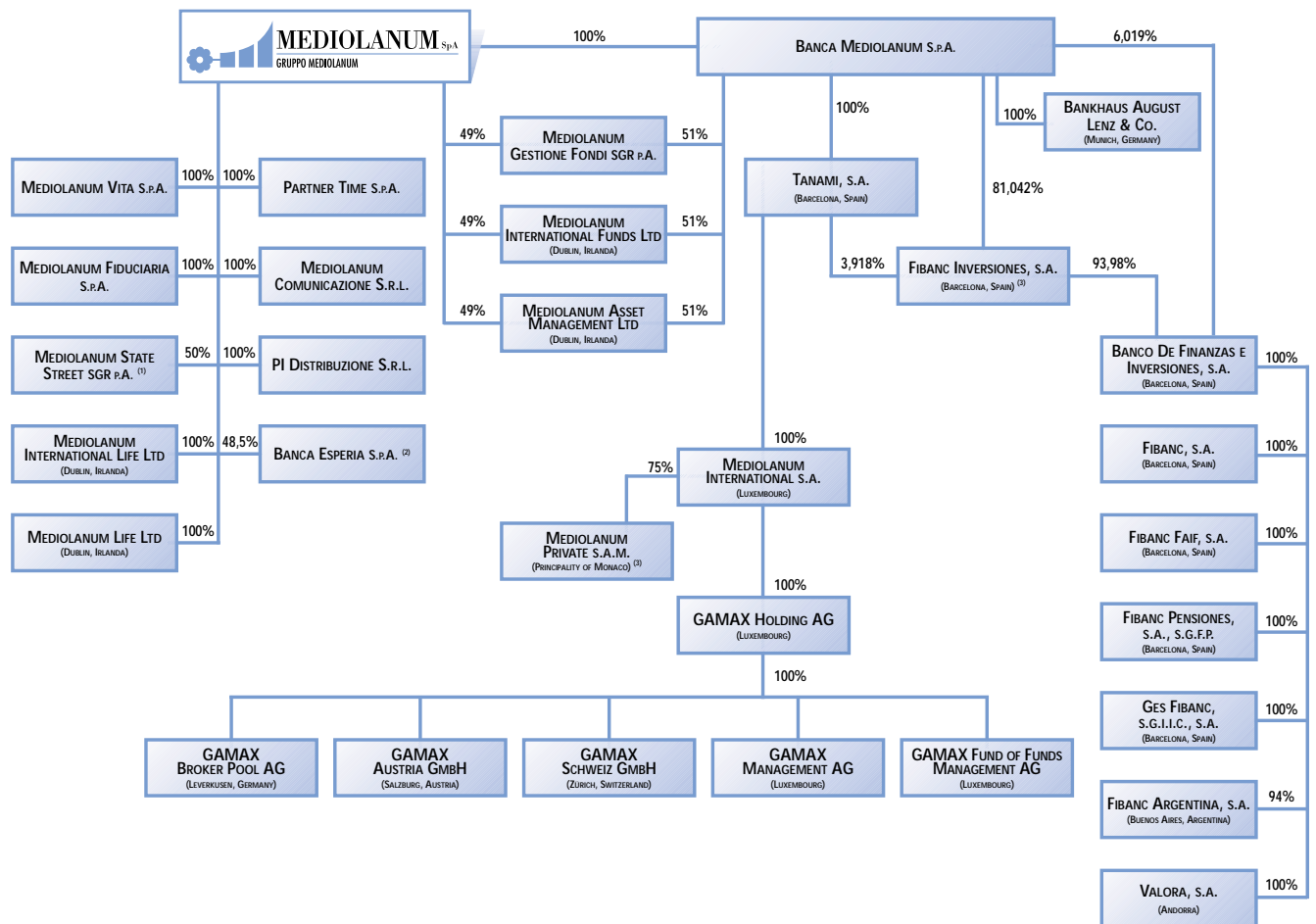
Luca Maria Rovere

## INDEPENDENT AUDITORS

Reconta Ernst & Young S.p.A.

# Corporate structure

UPDATE TO SEPTEMBER 1, 2002



(1) As of March 22, 1999 the remaining 50% of the capital is held by State Street Bank Europe Ltd.

(2) The remaining capital is held by third parties.

(3) The remaining 25% of the capital is held by Compagnie Monegasque de Banque.

*MEDIOLANUM GROUP*

*CONSOLIDATED  
FINANCIAL STATEMENTS  
AS AT SEPTEMBER 30,  
2002*



# Balance sheet

## ASSETS

<i>Euro in thousands</i>	30.09.02	30.06.02	31.12.01	30.09.01
<b>A) Due from shareholders for share capital still to be paid in</b>	0	0	0	0
<b>B) Intangible assets</b>				
1. Unamortised acquisition commissions	0	0	0	0
2. Other intangible assets	17,942	19,857	22,720	24,358
3. Consolidation difference	147	151	159	0
<b>TOTAL INTANGIBLE ASSETS</b>	<b>18,089</b>	<b>20,008</b>	<b>22,879</b>	<b>24,358</b>
<b>C) Investments</b>				
I - Land and buildings	74,412	74,663	77,472	78,915
II - Investments in Group companies and other shareholdings				
1. Shares and quotas	605,932	594,655	622,331	542,659
2. Bonds	0	0	0	0
3. Financial loans	2,066	103,626	381,548	1,962
<b>TOTAL INVESTMENT IN GROUP COMPANIES AND OTHER COMPANIES</b>	<b>607,998</b>	<b>698,281</b>	<b>1,003,879</b>	<b>544,621</b>
III - Other financial investments				
1. Shares and quotas	2,799	3,393	4,206	3,086
2. Mutual fund shares	80,234	187,200	194,524	223,648
3. Bonds and other fixed income securities	1,253,488	1,024,540	1,185,239	1,532,032
4. Financial loans	16,687	16,621	16,818	19,369
5. Other financial investments	6,916	62,655	54,808	146,837
<b>TOTAL OTHER FINANCIAL INVESTMENTS</b>	<b>1,360,124</b>	<b>1,294,409</b>	<b>1,455,595</b>	<b>1,924,972</b>
IV - Funds held by ceding companies	0	0	0	0
<b>TOTAL INVESTMENTS</b>	<b>2,042,534</b>	<b>2,067,353</b>	<b>2,536,946</b>	<b>2,548,508</b>
<b>D) Investments allocated to life policyholders, carrying the related risk and from pension fund management</b>	5,044,399	4,953,216	4,611,622	3,914,997
<b>D bis) Reinsurers' share of technical reserves</b>				
I - Non-Life	0	0	0	0
II - Life <i>(excluding technical reserve as per point III)</i>	152,331	174,100	180,674	188,076
III - Technical reserves when the risk is carried by policyholders and reserves from pension fund management	0	0	0	0
<b>TOTAL REINSURERS' SHARE OF TECHNICAL RESERVES</b>	<b>152,331</b>	<b>174,100</b>	<b>180,674</b>	<b>188,076</b>
<b>E) Receivables</b>				
I - Due from direct insurance operations	26,938	61,227	37,472	24,502
II - Due from reinsurance operations	1	1,362	0	152
III - Other receivables	56,661	40,804	50,891	51,284
<b>TOTAL RECEIVABLES</b>	<b>83,600</b>	<b>103,393</b>	<b>88,363</b>	<b>75,938</b>
<b>F) Other assets</b>				
I - Tangible assets	3,452	3,490	3,932	4,081
II - Liquid assets	288,310	415,269	278,913	181,577
III - Own shares or quotas	1,708	1,021	7,598	7,271
IV - Other assets	138	997	17	17
<b>TOTAL OTHER ASSETS</b>	<b>293,608</b>	<b>420,777</b>	<b>290,460</b>	<b>192,946</b>
<b>G) Prepayments and accrued income</b>	18,055	11,700	17,484	32,183
<b>TOTAL ASSETS</b>	<b>7,652,616</b>	<b>7,750,547</b>	<b>7,748,428</b>	<b>6,977,006</b>

## SHAREHOLDERS' EQUITY AND LIABILITIES

<i>Euro in thousands</i>	30.09.02	30.06.02	31.12.01	30.09.01
<b>A) Capital and reserves</b>				
I - Pertaining to the Group:				
1. Subscribed capital or equivalent	72,537	72,502	72,502	72,502
2. Net equity reserves	131,437	132,053	100,254	100,581
3. Consolidation reserve	118,388	118,389	103,775	103,775
4. Reserve for difference in valuation regarding shares in non-consolidated companies	99,210	99,209	108,282	109,505
5. Reserve for exchange rate difference	77	77	77	0
6. Reserves for own shares and shares of the parent company	1,708	1,021	7,598	7,271
7. Profit (loss) for the period	50,322	39,014	103,255	68,379
<b>TOTAL GROUP SHAREHOLDERS' EQUITY</b>	<b>473,679</b>	<b>462,265</b>	<b>495,743</b>	<b>462,013</b>
II - Minority interests				
1. Share capital and reserves	0	0	0	0
2. Profit (loss) for the period	0	0	0	0
<b>TOTAL MINORITY INTERESTS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL CAPITAL AND RESERVES</b>	<b>473,679</b>	<b>462,265</b>	<b>495,743</b>	<b>462,013</b>
<b>B) Subordinated liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>C) Technical reserves</b>				
I - Non-Life				
1. Premiums reserve	0	0	0	0
2. Claims reserve	0	0	0	0
3. Equalisation provision	0	0	0	0
4. Other	0	0	0	0
<b>TOTAL NON-LIFE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
II - Life				
1. Mathematical reserve	1,504,104	1,721,439	1,965,869	2,045,833
2. Reserve for amounts to be paid	46,256	32,975	44,939	25,577
3. Other	54,811	52,656	44,557	39,514
<b>TOTAL LIFE</b>	<b>1,605,171</b>	<b>1,807,070</b>	<b>2,055,365</b>	<b>2,110,924</b>
<b>TOTAL TECHNICAL RESERVES</b>	<b>1,605,171</b>	<b>1,807,070</b>	<b>2,055,365</b>	<b>2,110,924</b>
<b>D) Technical reserves when the risk is carried by policyholders and reserves from pension fund management</b>	<b>5,044,107</b>	<b>4,952,873</b>	<b>4,611,366</b>	<b>3,914,997</b>
<b>E) Provisions for risks and charges</b>	<b>20,337</b>	<b>18,629</b>	<b>31,332</b>	<b>26,303</b>
<b>F) Deposits received from reinsurers</b>	<b>147,020</b>	<b>172,087</b>	<b>179,387</b>	<b>187,123</b>
<b>G) Payables and other liabilities</b>				
I - Due to direct insurance operations	4,897	3,690	3,804	1,917
II - Due to reinsurance operations	2,989	2,086	3,009	284
III - Debenture loans	0	0	0	0
IV - Amounts owed to credit institutions	301,397	286,410	277,022	200,772
V - Other loans and other financial debt	0	0	0	0
VI - Employee termination indemnity	4,344	4,354	4,362	4,236
VII - Other liabilities	47,104	40,543	86,749	66,710
<b>TOTAL PAYABLES AND OTHER LIABILITIES</b>	<b>360,731</b>	<b>337,083</b>	<b>374,946</b>	<b>273,919</b>
<b>H) Accruals and deferred income</b>	<b>1,571</b>	<b>540</b>	<b>289</b>	<b>1,727</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>7,652,616</b>	<b>7,750,547</b>	<b>7,748,428</b>	<b>6,977,006</b>



# Income statement

## TECHNICAL ACCOUNT OF LIFE BUSINESS

<i>Euro in thousands</i>	3 <sup>rd</sup> Quarter 2002	3 <sup>rd</sup> Quarter 2001	30.09.02	30.09.01
1. Earned premiums, net of reinsurance	499,889	386,050	1,619,326	1,082,072
2. (+) allocated investment return transferred from the non-technical account	13,018	15,256	44,878	62,174
3. Unrealised gains on investments allocated to life policyholders carrying the relevant risk and from pension fund management	168,757	3,222	317,624	173,310
4. Other technical income, net of reinsurance	3,573	2,145	11,849	14,775
5. Claims incurred, net of amounts recovered and reinsurance	(282,935)	(129,826)	(691,963)	(373,245)
6. Change in mathematical reserves and other technical reserves, net of reinsurance				
a) Mathematical reserves, premium reserves of complementary insurance and other technical reserves	190,802	80,106	419,869	259,168
b) Life insurance reserves when the risk is carried by policyholders and from pension fund management	(91,893)	293,920	(432,777)	(245,401)
TOTAL CHANGE IN NET RESERVES	98,909	374,026	(12,908)	13,767
7. Refunds and profit sharing, net of reinsurance	0	0	0	0
8. Operating expenses				
a) Acquisition costs net of reinsurers' commissions and profit sharing	(31,041)	(36,264)	(111,588)	(118,928)
b) Administrative expenses	(2,418)	(3,114)	(10,249)	(11,616)
TOTAL	(33,459)	(39,378)	(121,837)	(130,544)
9. Unrealised loss on investments allocated to life policyholders carrying the relevant risk and from pension fund management	(453,855)	(598,418)	(1,116,000)	(790,210)
10. Other technical charges, net of reinsurance	(286)	142	(9,567)	(2,426)
11. Total technical account of life business	13,611	13,219	41,402	49,673

Euro in thousands

3<sup>rd</sup> Quarter 2002 3<sup>rd</sup> Quarter 2001 30.09.02 30.09.01**NON-TECHNICAL  
ACCOUNT**

	3 <sup>rd</sup> Quarter 2002	3 <sup>rd</sup> Quarter 2001	30.09.02	30.09.01
<b>1. Total technical account of non-life business</b>	0	0	0	0
<b>2. Total technical account of life business</b>	13,611	13,219	41,402	49,673
<b>3. Investment income</b>				
a) Investments income	30,822	44,219	118,703	148,592
b) Adjustments to the value of financial investments	227	(130)	3,860	1,148
c) Gains on the realisation of investments	3,244	282	4,106	1,868
<b>TOTAL INVESTMENT INCOME</b>	<b>34,293</b>	<b>44,371</b>	<b>126,669</b>	<b>151,608</b>
<b>4. Financial burden and losses on assets</b>				
a) Investment management expense and interest on bank loans	(2,922)	(5,248)	(11,148)	(15,257)
b) Adjustments to the value of investments	(5,929)	(9,215)	(17,914)	(17,129)
c) Losses on the realisation of investments	(2,154)	(102)	(4,800)	(513)
<b>TOTAL FINANCIAL BURDEN AND LOSSES ON ASSETS</b>	<b>(11,005)</b>	<b>(14,565)</b>	<b>(33,862)</b>	<b>(32,899)</b>
<b>5. (-) allocated investment return transferred to the technical account of life business</b>	<b>(13,018)</b>	<b>(15,256)</b>	<b>(44,878)</b>	<b>(62,174)</b>
<b>6. Other revenues</b>	2,038	2,833	6,988	7,072
<b>7. Other charges</b>	(14,173)	(12,596)	(43,303)	(39,689)
<b>8. Total ordinary operations</b>	11,746	18,006	53,016	73,591
<b>9. Extraordinary income</b>	3,111	935	5,675	4,244
<b>10. Extraordinary charges</b>	(662)	(28)	(2,224)	(431)
<b>11. Total extraordinary operations</b>	2,449	907	3,451	3,813
<b>12. Profit before taxes</b>	14,195	18,913	56,467	77,404
<b>13. Income tax for the period</b>	(2,887)	(798)	(6,145)	(9,025)
<b>14. Consolidated results</b>	11,308	18,115	50,322	68,379
<b>15. Profit (loss) for the period from minority interests</b>	0	0	0	0
<b>16. Group profit (loss) for the period</b>	11,308	18,115	50,322	68,379

# Notes to the consolidated financial statements at September 30, 2002

The consolidated financial statements at September 30, 2002 are presented in accordance with Consob decision no. 11971 of May 14, 1999, and pursuant to Decree no. 173/97.

The consolidation principles and criteria used for the controlled companies included in consolidation are consistent with those used in the preparation of the consolidated financial statements as at December 31, 2001.

The Group companies which are engaged in the transaction of insurance or related business are consolidated on a line-by-line basis, whereas investments in other Group companies, in particular those involved in banking and managed savings, are valued using the equity method.

Companies not fully operational are valued at cost.

On September 1, 2002, Mediolanum S.p.A. transferred to the controlled company Banca Mediolanum S.p.A. the majority interest in the companies operating in the managed savings sector (Mediolanum Gestione Fondi S.p.A., Mediolanum International Funds Ltd, Mediolanum Asset Management Ltd, and Mediolanum International S.A. as the sub-holding company controlling the Gamax Group).

The following is a list of the companies consolidated on a line-by-line basis, as well as of investments in controlled and associated companies valued using the equity method, or valued at cost since they are not yet operational.

## List of the companies which are consolidated on a line-by-line basis:

<i>Euro in thousands</i> Company	Share capital	% holding	Office	Activity
Mediolanum Vita S.p.A.	87,720	100	Basiglio	Life insurance
Partner Time S.p.A.	520	100	Basiglio	Distribution of Life insurance products
Mediolanum International Life Ltd	1,395	100	Dublin	Life insurance

**List of the companies directly controlled by Mediolanum S.p.A. and valued using the equity method:**

<i>Euro in thousands</i> Company	Share capital	% holding	Office	Activity
Banca Mediolanum S.p.A.	335,329	100	Basiglio	Banking
Mediolanum State Street SGR.p.A.	2,600	50	Basiglio	Stockbrokerage company
Mediolanum Comunicazione S.r.l.	775	100	Basiglio	Audio/Film/TV production
Mediolanum Fiduciaria S.p.A.	510	100	Basiglio	Trust company without discretionary power
PI Distribuzione S.r.l.	517	100	Basiglio	Real Estate broker
Mediolanum Gestione Fondi SGR.p.A.	5,165	49	Basiglio	Management of mutual funds
Mediolanum Asset Management Ltd	150	49	Dublin	Asset management and consultancy
Mediolanum International Funds Ltd	150	49	Dublin	Management of mutual funds

**List of the companies controlled by Banca Mediolanum S.p.A. and valued using the equity method:**

<i>Euro in thousands</i> Company	Share capital	% holding	Office	Activity
Fibanc Inversiones S.A.	6,852	84.96	Barcelona	Investment company
Banco de Finanzas e Inversiones S.A.	12,130	85.86	Barcelona	Banking
Ges. Fibanc SGIC S.A.	2,506	85.86	Barcelona	Management of mutual funds
Fibanc S.A.	301	85.86	Barcelona	Financial advisory company
Fibanc Pensiones S.A. S.G.F.P.	902	85.86	Barcelona	Management of pension funds
Fibanc Faif S.A.	60	85.86	Barcelona	Financial consulting company
Fibanc Argentina S.A.	USD 50,000	80.70	Buenos Aires	Business representatives
Valora S.A.	421	85.86	Andorra	Asset management
Bankhaus August Lenz & Co AG	4,000	100.00	Munich	Banking
Tanami S.A.	181	100.00	Barcelona	Real Estate broker
Mediolanum Gestione Fondi SGR.p.A.	5,165	51.00	Basiglio	Management of mutual funds
Mediolanum Asset Management Ltd	150	51.00	Dublin	Asset management and consultancy
Mediolanum International Funds Ltd	150	51.00	Dublin	Management of mutual funds
Mediolanum International S.A.	71,500	100.00	Luxembourg	Sub-holding company
Gamax Holding AG	5,618	100.00	Luxembourg	Sub-holding company
Gamax Management AG	125	100.00	Luxembourg	Management of mutual funds
Gamax Fund of Funds Management AG	125	100.00	Luxembourg	Management of mutual funds
Gamax Broker Pool AG	100	100.00	Leverkusen	Fund sales network
Gamax Austria GmbH	40	100.00	Salzburg	Fund sales network
Gamax Schweiz GmbH	CHF 20,000	100.00	Zürich	Fund sales network
Mediolanum Private S.A.M.	500	75.00	P. of Monaco	Asset management

**List of the companies controlled by Mediolanum S.p.A. and valued at cost, since they are not yet operational:**

<i>Euro in thousands</i> Company	Share capital	% holding	Office	Activity
Mediolanum Life Ltd	5	100	Dublin	Life insurance

List of companies associated to Mediolanum S.p.A. valued using the equity method:

<i>Euro in thousands</i> Company	Share capital	% holding	Office	Activity
Banca Esperia S.p.A	13,000	48.5	Milan	Banking

The valuation criteria applied in the assessment of the consolidated financial statement items comply with the Italian law relating to financial statements (Article 16 of Law Decree no. 173/97, Article 2426 of the Italian Civil Code) and with the accounting standards issued by the relevant professional bodies. They are consistent with those used in the preparation of the consolidated financial statements as at December 31, 2001.

Amounts are expressed in thousands of euro.

There were no value adjustments and provisions exclusively made in accordance with fiscal laws.

## CONSOLIDATED BALANCE SHEET INFORMATION

### ASSETS

#### INTANGIBLE ASSETS (ITEM B)

Item B2 *Other intangible assets* includes:

<i>Euro in thousands</i>	30.09.02	30.06.02	31.12.01	30.09.01
Start-up and expansion costs	11,467	13,430	16,644	18,414
Concessions, licences, trademarks and similar rights	5,814	5,578	5,457	5,250
Improvements on leased goods	264	293	396	456
Intangible assets under formation and advances	397	556	223	238
TOTAL	17,942	19,857	22,720	24,358

“Start-up and expansion costs” comprises:

<i>Euro in thousands</i>	30.09.02	30.06.02	31.12.01	30.09.01
Sales network contests	3,790	4,364	4,775	5,368
Commissions to be returned to reinsurers	7,509	8,887	11,644	13,022
Other start-up and expansion costs	168	179	225	24
TOTAL	11,467	13,430	16,644	18,414

The above items are systematically amortised over a period of five years.

“Other start-up and expansion costs” concern ancillary charges related to the acquisition of a controlling interest in the company Mediolanum International Life Ltd, and are systematically amortised over a period of five years.

“Concessions, licences, trademarks and similar rights” mainly consists of software used under licence.

Total movements in the above items are shown in detail in Attachment 1.

Item B3 “Consolidation difference” relates to the difference between the price paid by Mediolanum S.p.A. for the acquisition of an interest in the company Mediolanum International Life Ltd and the net value of assets and liabilities. Positive consolidation differences are amortised over a period of ten years, which is considered to be representative of the future profitability of the company purchased. Amortisation for the positive consolidation difference for the year amounted to 12 thousand euro.

Item C. I *Land and buildings* includes:

<i>Euro in thousands</i>	30.09.02	30.06.02	31.12.01	30.09.01
Company buildings	18,916	19,096	19,447	19,627
Residential buildings leased to third parties	48,526	48,526	48,526	48,399
Industrial buildings leased to third parties	6,970	7,041	9,499	10,889
<b>TOTAL</b>	<b>74,412</b>	<b>74,663</b>	<b>77,472</b>	<b>78,915</b>

INVESTMENTS  
(ITEM C)

All buildings owned by the company Mediolanum Vita S.p.A. were subject to examination: market value totalled 92,446 thousand euro. The evaluation was carried out using both the Comparative - or Market - method, and the Revenue Method. For such buildings, the market value proved to be higher than the accounting value.

Total movements in the above items are shown in detail in Attachment 2.

Item C II 1 *Shares and quotas* is analysed as follows:

a) “Shares of controlled companies”: 414,268 thousand euro relates to the interest in Mediolanum Life Ltd, valued at cost since it is not yet fully operational, and to Group companies which are not engaged in the transaction of insurance or related business and were therefore evaluated using the equity method, as detailed in the following table:

<i>Euro in thousands</i>	30.09.02
Banca Mediolanum S.p.A.	362,453
Mediolanum State Street SGR p.A.	1,618
Mediolanum Comunicazione S.r.l.	951
Mediolanum Fiduciaria S.p.A.	519
Mediolanum Gestione Fondi SGR p.A.	7,839
Mediolanum International Funds Ltd	39,569
Mediolanum Asset Management Ltd	1,079
PI Distribuzione S.r.l.	240
<b>TOTAL</b>	<b>414,268</b>

The evaluation of Banca Mediolanum S.p.A. with the equity method is influenced by the evaluation of the companies it controls, using the same method.

**b) “Fininvest Group shares and quotas” of 99 thousand euro relates to:**

<i>Euro in thousands</i>	Share capital	% holding	Office
Company			
Consorzio Aeromobili Fininvest	520	19	Via Paleocapa 3 Milan

**c) “Shares in affiliated companies”:** 19,070 thousand euro concerns 48.50% of Banca Esperia S.p.A., a 50-50 joint-venture with Mediobanca S.p.A. operating in the private banking sector, valued using the equity method.

<i>Euro in thousands</i>	Share capital	% holding	Office
Company			
Banca Esperia S.p.A.	13,000	48.5	Via del Lauro 7 Milan

**d) “Shares and quotas in other companies” of 172,495 thousand euro related to:**

<i>Euro in thousands</i>	Share capital	% holding	Office
Company			
Cedacri Ovest S.p.A.	7,461	12.30	Via Liguria 33 Castellazzo B.da (AL)
Europa Invest S.A.	125	14.00	4 rue Aldringen Luxembourg
Consortium S.r.l.	561,600	3.40	Via Filodrammatici 10 Milan
Mediobanca S.p.A.	389,265	1.813	Via Filodrammatici 10 Milan
SIA S.p.A.	18,124	4.999	Viale Certosa 218 Milan
Rita S.r.l.	5,720	0.239	P.zza S. Babila 1 Milan

**And consisted of:**

<i>Euro in thousands</i>	30.09.02	30.06.02	31.12.01	30.09.01
Cedacri Ovest S.p.A.	1,357	1,357	1,007	1,007
Europa Invest S.A.	14	14	14	14
Mediobanca S.p.A.	129,907	129,907	115,045	115,045
Consortium S.r.l.	28,797	28,797	28,795	0
Tredicimarzo S.r.l.	0	0	14,002	14,002
SIA S.p.A	12,407	12,407	12,407	12,407
Rita S.r.l.	13	13	13	13
TOTAL	172,495	172,495	171,283	128,488

Item C II 3 *Loans* consists of two credit lines with a due date of December 31, 2002 and remunerated at the official discount rate, given by Mediolanum S.p.A. to PI Distribuzione S.r.l. for 775 thousand euro and to Mediolanum Comunicazione S.r.l. for 1,291 thousand euro; these are controlled companies valued using the equity method. During the quarter, repurchase agreements entered into on June 30, 2002 by Mediolanum Vita S.p.A. with the affiliated company Banca Mediolanum S.p.A. were fully paid.

Item C III *Other financial investments* includes *Shares of mutual funds* (item C III 2) consisting mainly of shares of foreign mutual funds managed by Mediolanum International Funds Ltd (80,141 thousand euro), and *Bonds and other fixed-income securities* (item C III 3) mostly concerning fixed income securities issued by the Government and public entities.

**Financial loans (item CIII 4) are:**

<i>Euro in thousands</i>	30.09.02	30.06.02	31.12.01	30.09.01
Secured loans on Life insurance policies	16,041	15,952	16,138	18,658
Loans to consultants	397	397	397	397
Other loans	249	272	283	314
TOTAL	16,687	16,621	16,818	19,369

Item III 5 *Other financial investments* relates to deposits subject to time constraints greater than 15 days.

Changes relate to liquidity investment policies.



The following table details financial investments broken down by relevant use:

<i>Euro in thousands</i>	Long-term investments		Short-term investments		Total	
	Book value	Current value	Book value	Current value	Book value	Current value
1. Shares and quotas:			2,799	2,799	2,799	2,799
a) shares traded on regulated markets			2,799	2,799	2,799	2,799
b) unlisted shares						
c) quotas						
2. Mutual fund shares			80,234	80,328	80,234	80,328
3. Bonds and other fixed income securities	518,224	512,494	735,264	735,457	1,253,488	1,247,951
a1) Government securities traded on regulated markets	411,619	407,555	651,786	651,920	1,063,405	1,059,475
a2) other securities traded on regulated markets	87,528	85,577	83,477	83,537	171,005	169,114
b1) unlisted Government securities	767	767			767	767
b2) other unlisted securities	18,310	18,595			18,310	18,595
c) convertible bonds						
4. Financial loans			16,687	16,687	16,687	16,687
5. Other financial investments			6,916	6,916	6,916	6,916
TOTAL	518,224	512,494	841,900	842,187	1,360,124	1,354,681

The evaluation of financial investments at current value, which will remain Group assets, shows a potential loss of 9,855 thousand euro and a potential gain of 4,125 thousand euro.

The evaluation of financial investments at current value, which will not remain Group assets, shows a potential gain of 288 thousand euro; adjustments to the value of financial investments posted in the income statement totalled 12,621 thousand euro.

For financial investments which will not remain in the Group's assets, totaling 841,900 thousand euro, a comparison with the previous period is provided:

<i>Euro in thousands</i>	30.09.02	30.06.02	31.12.01	30.09.01
Shares and quotas	2,799	3,393	4,206	3,086
Quotas in mutual funds	80,234	187,200	194,524	223,648
Bonds and other fixed income securities	735,264	316,986	216,828	224,498
Deposits with credit institutions	6,916	62,655	429,801	146,837
Financial investments	16,687	16,621	16,818	19,369
TOTAL	841,900	586,855	862,177	617,438

**RECEIVABLES  
(ITEM E)**

**Item E I** *Due from direct insurance operations* is analysed as follows:

<i>Euro in thousands</i>	30.09.02	30.06.02	31.12.01	30.09.01
Due from policyholders in the year	23,179	56,346	27,181	21,822
Due from policyholders from previous year's premiums	843	2,317	288	389
Due from intermediaries	2,898	2,544	9,980	2,268
Due from intermediaries for portfolio compensations	18	20	23	23
<b>TOTAL</b>	<b>26,938</b>	<b>61,227</b>	<b>37,472</b>	<b>24,502</b>

**Item E III** *Other receivables* is analysed as follows:

<i>Euro in thousands</i>	30.09.02	30.06.02	31.12.01	30.09.01
Due from real estate leases	2,655	1,275	834	1,461
Due from Mediolanum Group companies	16,428	3,880	2,666	2,986
Due from Fininvest Group and Doris Group companies	994	1,478	2,231	2,809
Due from tax authorities	33,122	32,300	44,324	41,646
Due from employees	152	139	32	0
Guarantee deposits	82	82	82	82
Advances to suppliers and professionals	240	426	173	407
Other receivables	2,988	1,224	549	1,893
<b>TOTAL</b>	<b>56,661</b>	<b>40,804</b>	<b>50,891</b>	<b>51,284</b>

“Due from Mediolanum Group” consists of the receivables related to recharge of costs for Mediolanum S.p.A. employees seconded to controlled companies, as well as receivables relating to the funds of employees transferred from other Group companies. The same item also relates to a credit of 13,972 thousand euro granted in July by Mediolanum S.p.A. to Mediolanum International S.A..

“Due from Fininvest Group and Doris Group companies” consists mainly of an amount due from Mediolanum Assicurazioni S.p.A., which is jointly owned (50-50) by the Fininvest Group and the Doris Group, relating to the recharge of costs for seconded employees and to the sale of insurance policies.

“Due from tax authorities” is analysed as follows:

<i>Euro in thousands</i>	30.09.02	30.06.02	31.12.01	30.09.01
Tax reimbursements	13,868	13,722	13,552	13,552
Advance payments and amounts brought forward	4,863	4,906	11,114	10,058
Tax withholdings	2,308	1,547	4,168	3,665
Tax credits on dividends and mutual funds	11,617	11,618	15,160	14,041
Other	466	507	330	330
<b>TOTAL</b>	<b>33,122</b>	<b>32,300</b>	<b>44,324</b>	<b>41,646</b>

**OTHER ASSETS  
(ITEM F)**

Item F I *Tangible assets* is analysed as follows:

<i>Euro in thousands</i>	30.09.02	30.06.02	31.12.01	30.09.01
Furniture and fittings	1,017	1,115	1,290	1,324
Systems	50	31	42	48
Equipment	657	666	632	623
Electric and electronic equipment	1,714	1,676	1,948	2,059
Other assets	14	2	20	27
<b>TOTAL</b>	<b>3,452</b>	<b>3,490</b>	<b>3,932</b>	<b>4,081</b>

Total movements in the above items are shown in detail in Attachment 2.

*Liquid assets* (item F II) represents the balance in ordinary current accounts with Banca Mediolanum S.p.A. (118,499 thousand euro) and with other credit institutions for the remaining amount, and employed mainly in hot money operations of a duration less than 15 days.

Item F III *Own shares* includes 365,000 shares, at a nominal value of 36 thousand euro, of Mediolanum S.p.A.

**PREPAYMENTS AND  
ACCRUED INCOME  
(ITEM G)**

This item is analysed as follows:

<i>Euro in thousands</i>	30.09.02	30.06.02	31.12.01	30.09.01
Accrued interest on securities	16,350	10,550	15,953	30,756
Other accrued income	1,313	607	796	968
Prepayments for insurance	94	67	67	104
Prepayments for rent	1	36	7	40
Other prepayments	297	440	661	315
<b>TOTAL</b>	<b>18,055</b>	<b>11,700</b>	<b>17,484</b>	<b>32,183</b>

Changes in consolidated capital and reserves are in Attachment 3.

<i>Euro in thousands</i>	Capital and reserves	Profit for the period	Total shareholders' equity
<b>Parent company financial statements at September 30, 2001</b>	180,355	85,975	266,330
Subsequent changes in carrying value and shareholders' equity of companies included in consolidation	101,274	19,883	121,157
Differences in investments valued using the equity method	21,856	66,732	88,588
Infra-group dividends	96,561	(96,561)	0
Elimination of infra-group transactions	(816)	(11)	(827)
Amortisation of consolidation differences in the company's equity investments valued using the equity method	(4,021)	(7,811)	(11,832)
Amortisation of capital gains attributed to buildings as at the date of acquisition of the company valued using the equity method	(99)	(160)	(259)
Other consolidation entries	(1,476)	332	(1,144)
<b>Consolidated financial statements at September 30, 2001</b>	393,634	68,379	462,013

<i>Euro in thousands</i>	Capital and reserves	Profit for the period	Total shareholders' equity
<b>Parent company financial statements at December 31, 2001</b>	180,354	97,712	278,066
Subsequent changes in carrying value and shareholders' equity of companies included in consolidation	101,274	17,086	118,360
Differences in investments valued using the equity method	20,635	95,506	116,364
Conversion difference of companies included in consolidation area	77	0	77
Infra-group dividends	96,561	(96,561)	0
Elimination of infra-group transactions	(817)	(15)	(832)
Amortisation of consolidation differences in the company's equity investments valued using the equity method	(4,021)	(11,926)	(15,947)
Amortisation of capital gains attributed to buildings as at the date of acquisition of the company valued using the equity method	(99)	(213)	(312)
Amortisation of consolidation difference of companies consolidated on a line-by-line basis	0	(5)	(5)
Other consolidation entries	(1,476)	1,671	195
<b>Consolidated financial statements at December 31, 2001</b>	392,488	103,255	495,743

## SHAREHOLDER'S EQUITY AND LIABILITIES

### CAPITAL AND RESERVES (ITEMS A - B)

RECONCILIATION BETWEEN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY AND THE CONSOLIDATED FINANCIAL STATEMENTS

<i>Euro in thousands</i>	Capital and reserves	Profit for the period	Total shareholders' equity
<b>Parent company financial statements at June 30, 2002</b>	205,576	87,258	292,834
Subsequent changes in carrying value and shareholders' equity of companies included in consolidation	111,358	5,138	116,496
Differences in investments valued using the equity method	26,202	54,890	81,092
Conversion difference of companies included in consolidation area	77	0	77
Infra-group dividends	96,939	(96,939)	0
Elimination of infra-group transactions	(832)	104	(728)
Amortisation of consolidation differences in the company's equity investments valued using the equity method	(15,947)	(9,558)	(25,505)
Amortisation of capital gains attributed to buildings as at the date of acquisition of the company valued using the equity method	(312)	(128)	(440)
Amortisation of consolidation difference of companies consolidated on a line-by-line basis	(5)	(8)	(13)
Other consolidation entries	195	(1,743)	(1,548)
<b>Consolidated financial statements at June 30, 2002</b>	<b>423,251</b>	<b>39,014</b>	<b>462,265</b>

<i>Euro in thousands</i>	Capital and reserves	Profit for the period	Total shareholders' equity
<b>Parent company financial statements at September 30, 2002</b>	205,682	82,203	287,885
Subsequent changes in carrying value and shareholders' equity of companies included in consolidation	111,358	10,586	121,944
Differences in investments valued using the equity method	26,202	70,839	97,041
Conversion difference of companies included in consolidation area	77	0	77
Infra-group dividends	96,939	(96,939)	0
Elimination of infra-group transactions	(832)	101	(731)
Amortisation of consolidation differences in the company's equity investments valued using the equity method	(15,947)	(14,346)	(30,293)
Amortisation of capital gains attributed to buildings as at the date of acquisition of the company valued using the equity method	(312)	(191)	(503)
Amortisation of consolidation difference of companies consolidated on a line-by-line basis	(5)	(12)	(17)
Other consolidation entries	195	(1,919)	(1,724)
<b>Consolidated financial statements at September 30, 2002</b>	<b>423,357</b>	<b>50,322</b>	<b>473,679</b>

The amortisation of positive consolidation differences in the company's equity investments valued using the equity method refers to 9,518 thousand euro for interest held in the Fibanc Group, to 362 thousand euro for interest held in Bankhaus August Lenz & Co. AG and to 4,466 thousand euro for interest held in the Gamax Group. Such amortisation differences are amortised over a ten-year period, which is considered to be representative of the future profitability of the companies purchased, and take into account the life span of the investment as well as the sectors in which the companies operate.

Item CII 3 “Other” under “Life technical reserves” as at September 30, 2002 is analysed as follows:

**TECHNICAL RESERVES  
(ITEMS C - D)**

<i>Euro in thousands</i>	30.09.02
Reserve for future expenses - I	1,712
Reserve for future expenses - III	52,762
Reserve for future expenses - V	337
TOTAL	54,811

Item D *Technical reserves when the risk is carried by policyholders and reserves from pension fund management, which reflects the value posted in asset item D Investments allocated to Life policyholders carrying the related risk and from pension fund management, is analysed as follows:*

<i>Euro in thousands</i>	30.09.02	30.06.02	31.12.01	30.09.01
Technical reserves on unit-linked products	2,545,517	2,667,890	2,736,958	2,230,014
Technical reserves on index-linked products	2,496,837	2,273,062	1,872,405	1,683,604
Technical reserves resulting from pension fund management	1,753	1,921	2,003	1,379
TOTAL	5,044,107	4,952,873	4,611,366	3,914,997

Item E *Provision for risks and charges is analysed as follows:*

**PROVISION FOR RISKS  
AND CHARGES (ITEM E)**

<i>Euro/migliaia</i>	30.09.02	30.06.02	31.12.01	30.09.01
Provision for taxes	18,312	16,190	29,126	24,150
Other provisions	2,025	2,439	2,206	2,153
TOTAL	20,337	18,629	31,332	26,303

“Provision for taxes” is analysed as follows:

<i>Euro in thousands</i>	30.09.02	30.06.02	31.12.01	30.09.01
Provision for Irpeg-Irap (corporate income tax-tax on productive activities)	14,619	11,827	24,115	21,634
Provision for taxes for assessments	220	220	220	220
Provision for deferred taxes	3,473	4,143	4,791	2,296
TOTAL	18,312	16,190	29,126	24,150

Deferred taxes are net of tax advances and amounted to 606 thousand euro.

“Other provisions” is analysed as follows:

<i>Euro in thousands</i>	30.09.02	30.06.02	31.12.01	30.09.01
Provision for future risks	405	405	405	405
Provision against illegal acts by agents	125	125	125	125
Agents loyalty provision	139	103	199	160
Employee holiday pay accrual	1,342	1,792	1,463	1,449
Sundry provisions	14	14	14	14
TOTAL	2,025	2,439	2,206	2,153

**PAYABLES AND OTHER  
LIABILITIES (ITEM G)**

Item G IV *Amounts owed to credit institutions* is due to the utilisation of loans given to Mediolanum S.p.A. by leading banks.

Changes in item G VII *Other payables* is analysed as follows:

<i>Euro in thousands</i>	30.09.02	30.06.02	31.12.01	30.09.01
Taxes charged to policyholders	993	2,137	2,091	1,876
Taxes	4,052	4,071	4,549	1,977
Payable to social security institutions	546	890	998	625
Trade accounts	5,709	7,061	7,966	6,955
Payable to Mediolanum Group companies	27,276	18,227	67,720	46,072
Payable to Fininvest Group and Doris Group companies	294	387	807	980
Other accounts payable	2,128	1,511	2,198	1,342
Other liabilities	6,106	6,259	5,420	6,883
<b>TOTAL</b>	<b>47,104</b>	<b>40,543</b>	<b>86,749</b>	<b>66,710</b>

“Taxes” mainly refers to taxes withheld to be paid.

“Due to social security institutions” refers to social security contributions made with reference to September wages which are regularly paid the following October.

“Trade accounts” is analysed as follows:

<i>Euro in thousands</i>	30.09.02	30.06.02	31.12.01	30.09.01
Services received	2,478	2,970	4,346	4,255
Invoices to be received	2,467	3,072	3,147	2,306
Emoluments to Directors and Statutory Auditors	299	274	376	266
Professional services	465	745	97	128
<b>TOTAL</b>	<b>5,709</b>	<b>7,061</b>	<b>7,966</b>	<b>6,955</b>

“Due to Mediolanum Group companies” refers almost entirely to commissions paid in October by Mediolanum S.p.A. to Banca Mediolanum S.p.A. for the marketing of insurance products.

“Due to Fininvest Group and Doris Group companies” mainly consists of recharge costs due to Mediolanum Assicurazioni S.p.A. for seconded employees, and amounts due to companies linked to the Fininvest Group for contractually defined services. All services are in line with the best market conditions.

“Other liabilities” relate to:

<i>Euro in thousands</i>	30.09.02	30.06.02	31.12.01	30.09.01
Commissions for unearned premiums	3,988	4,381	3,898	4,610
Outstanding unearned premiums	832	832	832	952
Provision for 13 <sup>th</sup> /14 <sup>th</sup> month salary and production premiums	1,151	540	555	1,186
Other	135	506	135	135
<b>TOTAL</b>	<b>6,106</b>	<b>6,259</b>	<b>5,420</b>	<b>6,883</b>

This item is analysed as follows:

<i>Euro in thousands</i>	30.09.02	30.06.02	31.12.01	30.09.01
Other accrued expenses	973	423	202	830
Deferred income on lease instalments	598	117	87	897
<b>TOTAL</b>	<b>1,571</b>	<b>540</b>	<b>289</b>	<b>1,727</b>

ACCRUALS AND DEFERRED  
INCOME (ITEM H)

CONSOLIDATED  
INCOME  
STATEMENT  
INFORMATION

*Gross premiums written* is analysed as follows:

<i>Euro in thousands</i>	Direct operations	Reinsurance	Total
I - Life insurance	69,036	18	69,054
II - Marriage and birth insurance	0	0	0
III - Unit-linked insurance as per I and II	1,553,428	0	1,553,428
IV - Health insurance	0	0	0
V - Capitalisation operations	3,618	0	3,618
VI - Fund management	356	0	356
<b>GROSS PREMIUMS</b>	<b>1,626,438</b>	<b>18</b>	<b>1,626,456</b>

INFORMATION  
ON TECHNICAL ACCOUNTS

Premiums were collected mainly in Italy, as well as in Spain and Ireland, and are analysed as follows:

<i>Euro in thousands</i>	3 <sup>rd</sup> Quarter 02	3 <sup>rd</sup> Quarter 01	30.09.02	30.09.01
First year premiums	53,910	62,095	175,840	194,385
Subsequent year premiums	127,093	100,991	386,865	309,561
Single premiums	321,020	225,917	1,063,733	587,045
Indirect premiums	6	8	18	22
(less) reinsurance ceded	(2,140)	(2,961)	(7,130)	(8,941)
<b>NET PREMIUMS</b>	<b>499,889</b>	<b>386,050</b>	<b>1,619,326</b>	<b>1,082,072</b>

*Allocated investment return transferred to technical Life account* is determined pursuant to the ISVAP Provision dated March 8, 1999, no. 1140 G.



Commissions paid by Mediolanum Vita S.p.A. to Mediolanum S.p.A. and Partner Time S.p.A. for their activities as insurance agents totalling 132,303 thousand euro were not included in the consolidation, and the relevant commissions paid were fully adjusted.

Acquisition commissions include those commissions paid to Banca Mediolanum S.p.A. and totalled 85,571 thousand euro.

**INFORMATION ON THE  
NON-TECHNICAL ACCOUNT**

*Investment income* (item 3 a) is analysed as follows:

<i>Euro in thousands</i>	3 <sup>rd</sup> Quarter 02	3 <sup>rd</sup> Quarter 01	30.09.02	30.09.01
Results for the year on investments valued using the equity method	11,997	18,195	56,646	58,750
Other investment income	0	0	1,396	223
Income from land and buildings	981	1,115	2,507	2,485
Mutual fund shares	1,271	556	4,015	11,634
Bonds and other fixed income securities	13,136	19,874	38,703	62,242
Financial investments	138	459	481	992
Deposits at credit institutions	2,905	3,954	8,394	12,200
Other financial investments	394	66	6,561	66
<b>TOTAL</b>	<b>30,822</b>	<b>44,219</b>	<b>118,703</b>	<b>148,592</b>

Proceeds from “deposits at credit institutions” includes interest from deposits at Banca Mediolanum S.p.A. totalling 3,783 thousand euro.

*Adjustments to the value of financial investments* (item 3 b) is analysed as follows:

<i>Euro in thousands</i>	3 <sup>rd</sup> Quarter 02	3 <sup>rd</sup> Quarter 01	30.09.02	30.09.01
Shares	(64)	0	0	0
Mutual fund shares	(71)	(38)	0	0
Bonds and other fixed income securities	362	(92)	3,860	1,148
<b>TOTAL</b>	<b>227</b>	<b>(130)</b>	<b>3,860</b>	<b>1,148</b>

*Gains on the realisation of investments* (item 3 c) is set out below:

<i>Euro in thousands</i>	3 <sup>rd</sup> Quarter 02	3 <sup>rd</sup> Quarter 01	30.09.02	30.09.01
Shares and quotas	13	39	341	823
Bonds and other fixed income securities	2,796	243	3,271	1,044
Other financial investments	435	0	494	1
<b>TOTAL</b>	<b>3,244</b>	<b>282</b>	<b>4,106</b>	<b>1,868</b>

*Investment management expenses and interest on bank loans (item 4 a) is as follows:*

<i>Euro in thousands</i>	3 <sup>rd</sup> Quarter 02	3 <sup>rd</sup> Quarter 01	30.09.02	30.09.01
Management expenses from real estate investments	179	127	653	751
Other investment management expenses	174	59	319	217
Interest on deposit accounts with reinsurance companies	1,102	2,418	5,374	7,629
Interest on financial payables	1,456	2,611	4,745	6,399
Interest payable on other amounts payable	11	33	57	261
<b>TOTAL</b>	<b>2,922</b>	<b>5,248</b>	<b>11,148</b>	<b>15,257</b>

*Adjustments to the value of investments (item 4 b) is analysed as follows:*

<i>Euro in thousands</i>	3 <sup>rd</sup> Quarter 02	3 <sup>rd</sup> Quarter 01	30.09.02	30.09.01
Building depreciation	251	289	752	862
Shares and quotas	865	2,954	1,687	3,321
Mutual funds	1,826	4,026	8,056	8,713
Bonds and other fixed-income securities	3,005	1,946	7,314	4,228
Futures	(18)	0	105	0
<b>TOTAL</b>	<b>5,929</b>	<b>9,215</b>	<b>17,914</b>	<b>17,129</b>

*Losses on the realisation of investments (item 4 c) is shown below:*

<i>Euro in thousands</i>	3 <sup>rd</sup> Quarter 02	3 <sup>rd</sup> Quarter 01	30.09.02	30.09.01
Shares and quotas	0	0	12	0
Mutual funds	293	57	2,249	440
Bonds and other fixed-income securities	317	45	839	50
Other financial investments	1,544	0	1,700	23
<b>TOTAL</b>	<b>2,154</b>	<b>102</b>	<b>4,800</b>	<b>513</b>

*Other revenues (item 6) is analysed as follows:*

<i>Euro in thousands</i>	3 <sup>rd</sup> Quarter 02	3 <sup>rd</sup> Quarter 01	30.09.02	30.09.01
Commission income for the sale of non-Life policies	923	988	2,960	3,086
Recharge of cost of employees seconded to MediolanumGroup companies valued by the equity method	463	611	2,021	2,030
Recharge of cost of employees seconded to Fininvest Group and Doris Group companies	87	120	329	401
Recuperation of costs	62	90	269	346
Interest from the tax authorities	144	183	317	368
Utilisation of holiday pay accrual	10	6	10	6
Other revenues	349	835	1,082	835
<b>TOTAL</b>	<b>2,038</b>	<b>2,833</b>	<b>6,988</b>	<b>7,072</b>

“Commission income for the sale of non-Life policies”, determined at market conditions, relates to the sale of insurance policies by Mediolanum Assicurazioni S.p.A.. These commissions in the same amount are also entered under item 7 “Other charges” since they are retroceded by Mediolanum S.p.A. to Banca Mediolanum S.p.A., a company valued using the equity method.

“Recharge of cost of employees seconded to the Fininvest Group and Doris Group companies” relates to Mediolanum Assicurazioni S.p.A..

*Other charges (item 7) consists of:*

<i>Euro in thousands</i>	3 <sup>rd</sup> Quarter 02	3 <sup>rd</sup> Quarter 01	30.09.02	30.09.01
Commission income for the sale of non-Life policies	923	988	2,958	3,086
Cost of Mediolanum S.p.A. employees	4,523	4,379	15,352	15,055
Other administrative expenses of Mediolanum S.p.A.	4,292	4,499	12,868	13,398
Amortisation of intangible assets	3,045	2,718	8,766	8,100
Accruals to the provision for specific risks	0	0	0	38
Other costs	1,390	12	3,359	12
<b>TOTAL</b>	<b>14,173</b>	<b>12,596</b>	<b>43,303</b>	<b>39,689</b>

*Extraordinary income (item 9) is analysed as follows:*

<i>Euro in thousands</i>	3 <sup>rd</sup> Quarter 02	3 <sup>rd</sup> Quarter 01	30.09.02	30.09.01
Gain on the sale of long-term investments	0	0	8	98
Gain on the sale of assets	0	0	16	59
Gain on the sale of bonds and other fixed income securities	3,021	909	4,692	3,951
Out of period revenues	90	26	959	136
<b>TOTAL</b>	<b>3,111</b>	<b>935</b>	<b>5,675</b>	<b>4.244</b>

*Extraordinary charges (item 10) is analysed as follows:*

<i>Euro in thousands</i>	3 <sup>rd</sup> Quarter 02	3 <sup>rd</sup> Quarter 01	30.09.02	30.09.01
Loss on the sale of assets	0	0	20	2
Loss on the sale of bonds and other fixed-income securities	614	0	2,085	0
Out of period expenses	48	28	119	429
<b>TOTAL</b>	<b>662</b>	<b>28</b>	<b>2,224</b>	<b>431</b>

In the light of the positive results of the first nine months, it is expected that the results for the year will be positive.

For the Board of Directors

Roberto Ruozi

Chairman

*MEDIOLANUM GROUP*

*ATTACHMENTS*



## ATTACHMENT 1

### ANALYSIS OF CHANGES IN INTANGIBLE ASSETS AT SEPTEMBER 30, 2002

*Euro in thousands*

Intangible assets	Opening situation			
	Historic cost	Accum. Amortis.	Balance 31.12.01	Additions
Start-up and expansion costs	44,815	(28,171)	16,644	1,149
Concessions, licences, trademarks and similar rights	14,447	(8,990)	5,457	851
Improvements on leased properties	2,620	(2,224)	396	17
Assets under formation and advances	223	0	223	1,983
Consolidation difference	164	(5)	159	0
<b>TOTAL</b>	<b>62,269</b>	<b>(39,390)</b>	<b>22,879</b>	<b>4,000</b>

## ATTACHMENT 2

### ANALYSIS OF CHANGES IN TANGIBLE FIXED ASSETS AT SEPTEMBER 30, 2002

*Euro in thousands*

Tangible assets	Opening situation			
	Historic cost	Accum. Amortis.	Balance 31.12.01	Additions
Land and buildings	85,059	(7,587)	77,472	9
Plant and machinery	190	(149)	41	30
Industrial and trade equipment	1,542	(910)	632	144
Other tangible fixed assets	13,654	(10,396)	3,258	350
Assets under formation and advances	1	0	1	0
<b>TOTAL</b>	<b>100,446</b>	<b>(19,042)</b>	<b>81,404</b>	<b>533</b>

Movements for the period			Closing situation		
Net disposals	Amortisation	Net reclassifications	Historic cost	Accum. Amortis.	Balance 31.09.02
(24)	(6,302)	0	45,940	(34,473)	11,467
0	(2,305)	1,811	17,109	(11,295)	5,814
0	(148)	(1)	2,636	(2,372)	264
0	0	(1,810)	397	0	397
0	(12)	0	164	(17)	147
(24)	(8,767)	0	66,246	(48,157)	18,089

Movements for the period			Closing situation		
Net disposals	Amortisation	Net reclassifications	Historic cost	Accum. Amortis.	Balance 31.09.02
(2,317)	(752)	0	81,960	(7,548)	74,412
0	(21)	0	220	(170)	50
(16)	(103)	0	1,657	(1,000)	657
(15)	(849)	0	13,943	(11,199)	2,744
0	0	0	1	0	1
(2,348)	(1,725)	0	97,781	(19,917)	77,864

## ATTACHMENT 3

### ANALYSIS OF CHANGES IN CONSOLIDATED CAPITAL AND RESERVES AT SEPTEMBER 30, 2002

<i>Euro in thousands</i>	Share capital	Net equity reserves	Consolidation reserve
<b>Consolidated balance at December 31, 2001</b>	72,502	100,255	103,775
Increase of paid-in share capital	35	70	
Decrease of share capital			
Allocation of profit for the period:			
- payment of dividends out of profits			
- reserve		25,222	14,613
Creation of reserve for own shares		5,890	
Consolidation of Mediolanum International Life Ltd			
Consolidation by the equity method of companies previously valued at cost			
Profit (loss) for the period			
<b>Consolidated balance at September 30, 2002</b>	72,537	131,437	118,388

Reserve diff. val. of non-consolidated companies	Reserve for exchange rate difference	Reserve for own shares and shares of parent company	Consolidated cprofit	Total shareholders' equity
108,282	77	7,598	103,255	495,744
				105
				0
				0
			(72,492)	(72,492)
(9,072)			(30,763)	0
		(5,890)		0
				0
				0
			50,322	50,322
99,210	77	1,708	50,322	473,679



## ATTACHMENT 4

Euro in thousands

30.09.2002

### CONSOLIDATED CASH FLOW STATEMENT AT SEPTEMBER 30, 2002

<b>Opening cash</b>	278,913
Group profit (loss) for the period	50,322
Net amortisation, depreciation and provisions for risks and charges	10,998
Net gains on the disposal of fixed assets	(8)
Change in technical reserves net of reinsurance	10,890
Change in tax provision and other specific provisions	(10,814)
Net change in employee termination indemnity	(706)
Net change in payables and receivables with insurers and reinsurers	(20,761)
Net change in other receivables and payables and other assets and liabilities	(45,536)
Net change in accruals and prepayments and deferrals	711
<b>Cash flow from operating activities</b>	<b>(4,904)</b>
Net investments in intangible assets	(3,976)
Net investments in tangible fixed assets	1,823
Net increase in equity interests held	16,399
Own shares acquired	5,890
Net increase in other financial investments	42,176
<b>Cash flow from operating activities</b>	<b>62,312</b>
Utilisation of credit lines	24,375
Share capital increase	106
Change in Group's net shareholders' equity	0
<b>Cash flow from financing activities</b>	<b>24,481</b>
Dividends distributed	(72,492)
<b>Cash flow for the period</b>	<b>9,397</b>
<b>Closing cash and cash equivalents</b>	<b>288,310</b>

*MEDIOLANUM GROUP*

*DIRECTORS' REPORT  
ON OPERATIONS  
AS AT SEPTEMBER 30,  
2002*



# The Mediolanum Group in the 3<sup>rd</sup> quarter 2002

## PERFORMANCE OF THE GROUP

The third quarter 2002 was also characterised by exceptionally negative trends in international financial markets, and by an overall feeling of uncertainty among investors and small savers

Nonetheless, the Mediolanum Group achieved very good commercial results, thanks to the extraordinary capability of the sales network in generating positive net inflows on a monthly basis.

In the third quarter, the Mediolanum Group also continued to shape strategic projects intended to increase the Group's presence abroad. During September, multi-channel bank operations were officially introduced to the Spanish market, thus implementing the plan to expand the Banca Mediolanum business model outside Italy.

The Group's net profit for the third quarter 2002 was 11,308 thousand euro (30.09.2001: 18,115 thousand euro), bringing net results for the first nine months of the year to 50,322 thousand euro (30.09.2001: 68,379 thousand euro).

Total revenues coming from Life insurance premiums, commissions and bank service margins were 580,553 thousand euro in the quarter (3<sup>rd</sup> quarter 2001: 464,746 thousand euro, +24.9%). Total revenues for the first nine months of 2002 equalled 1,889,162 thousand euro (30.09.2001: 1,330,284 thousand euro, +42%).

Total assets under administration as at September 30, 2002 amounted to 20,010 million euro, a 10.4% increase over the same period in 2001 (30.09.2001: 18,119 million euro), and with a 6.9% decrease since the end of the previous year (31.12.2001: 21,396 million euro). Total assets under administration fell by 1,523 million euro during the third quarter 2002 (3<sup>rd</sup> quarter 2001: a 1,705 million euro decrease) due mainly to the loss of value suffered by the stock markets in September.

In order to facilitate a comparison with previous period results and to outline operational aspects clearly, the discussion of the Mediolanum Group's performance in the quarter is reviewed in two separate sections. The first concerns results obtained in markets where the Group's presence is consolidated (the "core business"), and relates to the activities of companies historically belonging to the Mediolanum Group, and directed towards the Italian market (mainly Banca Mediolanum S.p.A., Mediolanum Gestione Fondi SGR p.A., Mediolanum International Funds Ltd, Mediolanum Asset Management Ltd and Mediolanum Vita S.p.A.). The second refers to initiatives implemented during the last two years, and intended to strengthen the Group's presence abroad and identify new business lines (the so-called "new ventures"), relating to the companies belonging to the Fibanc Group, the Gamax Group, Banca Esperia S.p.A., Mediolanum International Life Ltd, Mediolanum Private SAM and Bankhaus August Lenz & Co. AG.

PERFORMANCE OF THE  
SECTORS WHERE THE  
GROUP OPERATES

The performance of Banca Mediolanum S.p.A. was very good. As at September 30, 2002, there were 330,260 current accounts (30.09.2001: 281,273; 31.12.2001: 297,252), corresponding at the same date to 115,484 safe custody accounts (30.09.2001: 105,186). The number of current account holders at September 30, 2002 was 752,200 (30.09.2001: 692,000, +8.7%). Cash deposits at the same date totalled 2,684 million euro (30.09.2001: 1,901 million euro, +41.2%). The equivalent value of securities held in safe custody amounted to 1,728 million euro (30.09.2001: 1,565 million euro, +10.4%). Bank asset management, including repurchase agreements and subordinated loans, amounted to 4,642 million euro (30.09.2001: 3,979 million euro, +16.7%).

MEDIOLANUM  
GROUP EXCLUDING  
NEW VENTURES  
("CORE BUSINESS")

THE BANKING MARKET

**Profit for the period in companies operating in the banking sector in which investments are held**

<i>Euro in thousands</i>	3 <sup>rd</sup> Quarter 2002	3 <sup>rd</sup> Quarter 2001	30.09.2002	30.09.2001
Banca Mediolanum S.p.A.	(4,638)	(643)	(4,356)	1.293

The negative period result was largely incurred by a reduction in interest margins, mainly due to a delay in adjusting borrowing rates to the decreasing market rates, while net profits from financial operations and services remained basically stable; moreover, commissions received reflect the adverse trends in the stock markets, and a different mix of insurance inflows (more single premiums than deferred annuities).

## MUTUAL FUNDS AND MANAGED ACCOUNTS

In the quarter, total gross inflows for the mutual fund and managed account business came to 367 million euro (3<sup>rd</sup> quarter 2001: 584 million euro), whereas net inflows were 103 million euro, (3<sup>rd</sup> quarter 2001: 226 million euro), which clearly opposes the mainstream market trend where net inflows remain negative.

In the first nine months 2002, total gross inflows for the mutual fund and managed account business came to 1,848 million euro (first nine months 2001: 2,444 million euro), whereas net inflows came to 434 million euro (first nine months 2001: 766 million euro).

Total assets under management at September 30, 2002 totalled 8,254 million euro (30.09.2001: 8,443 million euro) with a decrease during the quarter of 722 million euro (there was a decrease of 1,210 million euro in the same period of the previous year).

### **Profit for the period of companies operating in the asset management sector in which investments are held**

<i>Euro in thousands</i>	3 <sup>rd</sup> Quarter 2002	3 <sup>rd</sup> Quarter 2001	30.09.2002	30.09.2001
Mediolanum Gestione Fondi SGR. p.A	1,020	1,926	4,761	9,527
Mediolanum International Funds Ltd	23,892	19,536	78,214	55,119

## THE LIFE INSURANCE MARKET

The Life business confirmed its ability to penetrate the market. Total Life premiums written in the quarter came to 501 million euro (+28.8 % compared to the 3<sup>rd</sup> quarter 2001).

New business reached 343 million euro (3<sup>rd</sup> quarter 2001: 263 million euro). In the first nine months of 2002 total Life premiums written came to 1,615 million euro (30.09.2001: 1,091 million euro) with 1,136 million euro new business (30.09.2001: 711 million euro). Single premiums reached 1,052 million euro, a 79.2% increase over the first nine months of 2001 (30.09.2001: 587 million euro).

### **Profit for the period of companies operating in the Life insurance sector in which investments are held**

<i>Euro in thousands</i>	3 <sup>rd</sup> Quarter 2002	3 <sup>rd</sup> Quarter 2001	30.09.2002	30.09.2001
Mediolanum Vita S.p.A.	5,084	3,907	8,946	14,509
Partner Time S.p.A.	1,247	1,144	3,191	5,374

During the first nine months of the year, the Group further increased its presence in the field of pension fund management. As at September 30, 2002 assets under administration totalled 478 million euro (30.09.2001: 408 million euro).

In 2002, the successful distribution among Group clients of Abbey National Bank home loans continued, to a value of 127.6 million euro (31.12.2001: 113 million euro).

## OTHERS PRODUCTS

### Profit for the period of other companies in which investments are held

<i>Euro in thousands</i>	3 <sup>rd</sup> Quarter 2002	3 <sup>rd</sup> Quarter 2001	30.09.2002	30.09.2001
Mediolanum State Street SGR.p.A.	54	17	(17)	273
Mediolanum Asset Management Ltd	330	12	1,303	15
Mediolanum Comunicazione S.r.l.	106	(8)	(23)	(75)
Mediolanum Fiduciaria S.p.A.	(10)	(3)	(21)	(7)
PI Distribuzione S.r.l.	(114)	(51)	(163)	(202)

Consolidated results of the Fibanc Group at September 30, 2002 show a loss of 1,798 thousand euro (30.09.2001: a profit of 809 thousand euro). The period results were adversely influenced by the very negative trends in the international financial context, as well as by the investments made to create a new network of financial advisors, and to launch the multi-channel activity. The development of the sales network was positive, reaching 640 agents and commercial employees by September 30, 2002, compared to 417 at September 30, 2001 (+53.5%).

## NEW VENTURES THE FIBANC GROUP

### Volumes

<i>Euro in thousands</i>	3 <sup>rd</sup> Quarter 2002	3 <sup>rd</sup> Quarter 2001	30.09.2002	30.09.2001
Assets under administration	(138)	(179)	1,709	1,954
Gross inflows	49	(48)	125	196
Net inflows	83	(134)	29	(79)

## THE GAMAX GROUP

### Employees

<i>Units</i>	30.09.2002	30.09.2001
Clerical personnel	294	308
Managers	19	17
TOTAL	313	325

### Net profit of the Fibanc Group

<i>Euro in thousands</i>	3 <sup>rd</sup> Quarter 2002	3 <sup>rd</sup> Quarter 2001	30.09.2002	30.09.2001
Fibanc Group	(1.811)	(301)	(1,798)	809

The Gamax Group, acquired by the Mediolanum Group on October 1<sup>st</sup>, 2001, includes fund management companies (Gamax Management AG and Gamax Management Fund of Funds AG) and distribution companies in Germany, Austria and Switzerland.

Therefore, a comparison with the third quarter 2001 is not possible; nonetheless, in order to better analyse the trends characterising the Group, the data and results of the 3<sup>rd</sup> quarter 2002 are compared with those at 31.12.2001.

The negative results at September 30, 2002 are influenced by the development of a project intended to bring the Gamax companies into the Mediolanum Group.

### Volumes of the Gamax Group

<i>Euro in millions</i>	3 <sup>rd</sup> Quarter 2002	30.09.2002
Assets under administration	(74)	442
Gross inflows	18	78
Net inflows	7	37

At September 30, 2002, the sales network consisted of 1,243 multifirm agents (1,540 at December 31, 2001).

There were 51 Group employees at September 30, 2002, of whom 8 were management.

### Net profit of the Gamax Group

<i>Euro in thousands</i>	3 <sup>rd</sup> Quarter 2002	30.09.2002
Gamax Group	(1,345)	(2,375)

During January, 2002, the acquisition of the Munich-based bank August Lenz & Co. AG was finalised. The project for the development of the bank is still at the start-up stage.

**BANKHAUS  
AUGUST LENZ  
& CO. AG**

The placing of the Group's funds and insurance products should start by the end of the year.

At September 30, 2002 there were 11 employees, of whom 6 were management. The sales network, still at the start-up stage, consisted of 8 people at September 30, 2002.

#### **Net profit of Bankhaus Lenz & Co. AG**

<i>Euro in thousands</i>	3 <sup>rd</sup> Quarter 2002	30.09.2002
Bankhaus August Lenz & Co. AG	(601)	(1,272)

Mediolanum International Life Ltd started operations during the half-year, also placing its products through the Fibanc Group network.

**MEDIOLANUM  
INTERNATIONAL LIFE  
LTD**

At September 30, 2002, gross premiums amounted to 11,051 thousand euro, and assets totalled 15 million euro.

#### **Net profit of Mediolanum International Life Ltd**

<i>Euro in thousands</i>	3 <sup>rd</sup> Quarter 2002	30.09.2002
Mediolanum International Life Ltd	(883)	(1,551)



**BANCA ESPERIA** Since Banca Esperia Group started operations during the second half of 2001, a comparison between the results at September 30, 2002 and those of the corresponding period for the previous year is not possible. Results at December 31, 2001 are nonetheless provided.

The analysis of results at September 30, 2002 suggests, in spite of negative period results, an increase in both assets under administration and gross and net inflows, indicating a progressive development in the Bank's activity.

#### **Volumes (\*)**

<i>Euro in thousands</i>	3 <sup>rd</sup> Quarter 2002	30.09.2002
Assets under administration	151	2,352
Gross inflows	384	1,282
Net inflows	114	655

\* the value of assets managed net of SICAV and hedge funds subscribed by Banca Esperia clients within individual management programs totalled 1,643 million euro.

#### **Net profit of Gruppo Banca Esperia S.p.A.**

<i>Euro in thousands</i>	3 <sup>rd</sup> Quarter 2002	30.09.2002	31.12.2001
Banca Esperia Group	(580)	(5,080)	(6,305)

Volume is broken down by main business lines and developed as follows:

**VOLUME**

### Inflows of managed account products

<i>Euro/millions</i>	3 <sup>rd</sup> Quarter 02	3 <sup>rd</sup> Quarter 01	30.09.2002	30.09.2001
<b>The "core business"</b>				
<b>Life insurance products</b>				
<i>New business</i>				
- Deferred annuities and recurring premiums	22	37.7	84.2	124,6
- Single premiums and group policies	320	225.7	1,052	586,7
<b>TOTAL NEW BUSINESS</b>	<b>342</b>	<b>263,4</b>	<b>1,136.2</b>	<b>711.3</b>
<i>In-force business</i>				
- Deferred annuities	180	118.7	460	357.5
- Recurring single premiums	(22)	6.9	19	22.2
<b>TOTAL IN-FORCE BUSINESS</b>	<b>158</b>	<b>125.6</b>	<b>479</b>	<b>379.7</b>
<b>TOTAL PREMIUMS WRITTEN</b>	<b>500</b>	<b>389</b>	<b>1,615</b>	<b>1,091</b>
(less) premiums ceded	(2)	(3)	(7)	(8,9)
<b>TOTAL LIFE PREMIUMS</b>	<b>498</b>	<b>386</b>	<b>1,608</b>	<b>1,082.1</b>
<b>Financial products</b>				
<i>Mutual accounts funds and managed accounts</i>				
- Gross consolidated inflows	367	584.2	1,848	2,443.7
- Net consolidated inflows	103	226.2	434	756.6
<b>"New ventures"(*)</b>				
<b>Life insurance products</b>				
<i>New business</i>				
- Single premiums	1	n.a.	11	n.a.
<b>Financial products</b>				
<i>Mutual accounts funds and managed accounts</i>				
- Gross consolidated inflows	(233)	n.a.	812	n.a.
- Net consolidated inflows	(147)	n.a.	392	n.a.

\* Results pertaining to Banca Esperia were considered in proportion to the holding.

### Consolidated assets under administration

<i>Euro/millions</i>	3 <sup>rd</sup> Quarter 02	3 <sup>rd</sup> Quarter 01	30.09.2002	30.09.2001
- Life reserves	(110.5)	(381.3)	6,634.5	6,131.8
- Mutual funds and managed accounts	(721.9)	(1,210.1)	8,254.1	8,443.2
- Direct and indirect bank inflows	(689.7)	(290.6)	4,642.3	3,979.3
- Pension funds	(16.7)	20.6	477.3	407.6
- Consolidation adjustments	176.9	336	(2,953.1)	(2,797.2)
<b>TOTAL MEDIOLANUM</b>	<b>(1,361.9)</b>	<b>(1,525.4)</b>	<b>17,055.1</b>	<b>6,164.7</b>
- Fibanc assets under administration *	(137.7)	(179.4)	1,709.3	1,953.8
- Gamax assets under administration	(74.0)	n.a.	442.0	n.a.
- Banca Esperia assets under administration **	50.3	n.a.	796.3	n.a.
- Mediolanum Private assets under administration	0.5	n.a.	7.5	n.a.
<b>TOTAL NEW VENTURES</b>	<b>(161.0)</b>	<b>(179.4)</b>	<b>2,955.0</b>	<b>1,953.8</b>
<b>TOTAL GROUP</b>	<b>(1,522.9)</b>	<b>(1,704.8)</b>	<b>20,010.1</b>	<b>18,118.5</b>

\* The result includes the value of assets managed by Mediolanum International Life and placed through the Fibanc network for 15 million euro (31.12.2001: 6 million euro)

\*\* Results pertaining to Banca Esperia were considered in proportion to the holding.

## The sales network

<i>Heads</i>	3 <sup>rd</sup> Quarter 02	3 <sup>rd</sup> Quarter 01	30.09.2002	30.09.2001
Licensed financial advisors (Banca Mediolanum)	36	282	4,122	3,755
Non-licensed financial advisors (Banca Mediolanum)	(127)	(172)	937	1,862
Partner Time insurance agents	39	(383)	1,320	1,255
TOTAL "CORE BUSINESS"	(52)	(273)	6,379	6,872
Fibanc network	17	7	640	417
Gamax network	(131)	n.s.	1,243	0
Bankhaus August Lenz network	8	0	8	0
TOTAL "NEW BUSINESS"	(106)	7	1,891	417
TOTAL MEDIOLANUM GROUP	(158)	(266)	8,270	7,289

## EVENTS IN THE PERIOD

The following are main events for the first nine months of 2002:

On January 3, 2002, the direct and indirect interest held by Banca Mediolanum S.p.A. in Fibanc Inversiones S.A. was increased to 84.96% through the acquisition of the equity held by a minority shareholder, entailing costs of 30,216 thousand euro.

On January 17, 2002, Banca Mediolanum acquired the banking company Bankhaus August Lenz & Co. AG, based in Munich (Germany), at a cost of 12,651 thousand euro.

On February 5, 2002, Mediolanum S.p.A. purchased 1,281,350 Mediobanca S.p.A. shares, at a cost of 14,862 thousand euro. Following this acquisition, the interest held in the controlled company reached 2.28%, taking into account both the direct and indirect interest held through Consortium S.r.l.

On March 2, 2002, the Spanish company Andino A.V.B. S.A. was incorporated in the controlling company Banco de Finanzas e Inversiones S.A.

On March 21, 2002 and on June 12, 2002, in two successive operations, two further share capital increases of 18,577 thousand euro were subscribed and paid-in by Mediolanum S.p.A. in order to provide the controlled company Banca Mediolanum S.p.A. with the assets necessary to continue its development.

Mediolanum Private S.A.M., a company operating in the private banking domain and based in Monte Carlo, also began operations during the first half-year.

On September 1, 2002, an infra-Group operation was carried out, in which Mediolanum S.p.A. transferred to Banca Mediolanum S.p.A. the control over the companies Mediolanum Gestione Fondi SGR p.A. (51%), Mediolanum International Funds (51%), Mediolanum Asset Management Ltd (51%) and Mediolanum International S.A. (99.8%).

This transaction, intended to enable Banca Mediolanum S.p.A. to exert effective strategic, management and operating control of Group companies that provide asset management and financial services, generated no capital gains as a result of the transfer of the holdings.

No significant events are reported.

SIGNIFICANT POST-PERIOD  
EVENTS

The trends observed in the companies of the Mediolanum Group in the first nine months of 2002 lead us to believe that the performance for the year will be positive.

EXPECTED FUTURE TRENDS

For the Board of Directors

Roberto Ruozi

Chairman

The Mediolanum Group, following the enactment of Legislative Decree no.173/97 (specifically article 58, point 2), has the obligation of drawing up the consolidated financial statements according to the accounting method for insurance companies. Since it was not possible to consolidate the companies belonging to the Mediolanum Group on a line-by-line basis due to the presence of companies whose activity is not insurance related within the framework of their institutional tasks (Banca Mediolanum S.p.A., Mediolanum Gestioni Fondi SGR.p.A., Mediolanum International Funds Ltd, Fibanc Inversiones S.A. and its controlled companies), the consolidated financial statements contain insurance information, which calls for consolidating the above companies operating in the banking and financial fields on an equity basis. Since we felt it was fundamental to provide the reader an overall profile of the Group, we have also provided an appendix that is consolidated on a line-by-line basis which allows a comparison of the most significant Income Statement items, reclassified using management criteria. The goal was to provide a clear, easily read document for a more accurate comprehension of the Mediolanum Group; it is not intended to provide information about the changes between the accounting balances.

**CONSOLIDATED INCOME STATEMENT OF THE GROUP, INCLUDING THE FINANCIAL STATEMENTS OF CONTROLLED COMPANIES EXCLUDED FROM CONSOLIDATION ACCORDING TO THE ACCOUNTING METHOD FOR INSURANCE COMPANIES, DRAWN UP ON A LINE-BY-LINE BASIS**

*Euro in thousands*

	Mediolanum Group			Core Business		
	30.09.2002 (*)	30.09.2001 (*)	31.12.2001 (*)	30.09.2002 (**)	30.09.2001 (**)	31.12.2001 (**)
<b>Premiums from insurance activities</b>						
Gross premiums written	1,626,457	1,091,013	1,607,588	1,615,405	1,091,013	1,602,176
Reinsurance ceded	(7,131)	(8,942)	(13,511)	(7,026)	(8,942)	(13,511)
<b>Commission income from financial activities and other income</b>						
Underwriting commissions	27,890	36,197	47,690	23,756	36,197	45,796
Management commissions	125,960	112,670	160,182	111,396	102,577	137,392
Performance commissions	16,576	12,581	19,488	16,576	12,581	19,488
Bank service margin	57,801	39,161	62,034	48,309	38,159	53,006
Bank interest spread	27,084	30,958	42,774	18,758	22,369	31,596
Other commissions	6,468	15,469	6,536	6,142	4,053	6,440
Other revenues	8,057	1,177	5,586	5,459	869	2,791
<b>TOTAL REVENUES</b>	<b>1,889,162</b>	<b>1,330,284</b>	<b>1,938,367</b>	<b>1,838,775</b>	<b>1,298,876</b>	<b>1,885,174</b>
<b>Change in Life insurance reserves and service to policyholders, net of reinsurance</b>						
to policyholders, net of reinsurance	(1,455,826)	(904,748)	(1,343,401)	(1,444,454)	(904,748)	(1,338,268)
Acquisition costs, net of reinsurance	(160,295)	(161,164)	(232,838)	(141,348)	(152,572)	(218,192)
Overhead	(152,126)	(145,357)	(204,609)	(126,004)	(127,427)	(177,355)
Amortisation/depreciation and provisions	(46,955)	(38,711)	(54,468)	(31,437)	(26,214)	(38,975)
Net investment and asset income	2,081	27,420	39,208	8,553	27,018	41,988
Interest paid on investments (***)	0	0	0	8,359	6,041	8,307
Adjustments to the value of financial investments	(11,819)	(15,890)	(14,633)	(11,819)	(15,890)	(15,745)
<b>OPERATING PROFIT</b>	<b>64,222</b>	<b>91,834</b>	<b>127,626</b>	<b>100,625</b>	<b>105,084</b>	<b>146,934</b>
Non-recurring extraordinary income and charges	4,514	72	11,653	2,293	0	11,519
<b>PROFIT BEFORE TAXES</b>	<b>68,736</b>	<b>91,906</b>	<b>139,279</b>	<b>102,918</b>	<b>105,084</b>	<b>158,453</b>
Taxes for the year	(18,787)	(23,395)	(35,996)	(22,172)	(25,334)	(38,363)
Profits from minority interests	(373)	132	28	0	0	0
<b>PROFIT FOR THE YEAR PERTAINING TO THE GROUP</b>	<b>50,322</b>	<b>68,379</b>	<b>103,255</b>	<b>80,746</b>	<b>79,750</b>	<b>120,090</b>

(\*) Consolidated Mediolanum Group with "new ventures" Fibanc Group, Gamax Group, Banca Esperia, Bankhaus August Lenz, Mediolanum Private, Mediolanum International Life

(\*\*) Consolidated Mediolanum Group ("core business")

(\*\*\*) In order to prepare the consolidated income statements pertaining to the "core business", interest paid on investments is considered relating to investments in new ventures for an amount equal to the relevant debt burden.