



IFSC 2006 – Capital Allocation and Strategic Opportunities for Italian Financials



Milano, Grand Visconti Palace 2-3 February 2006



Our Capital Requirements

Capital
Allocation



Solvency margin for the Life business



Capital adequacy for the Banking business



Investments needs for New Ventures



Life premium income & solvency margin requirements

Capital
Allocation

€mn



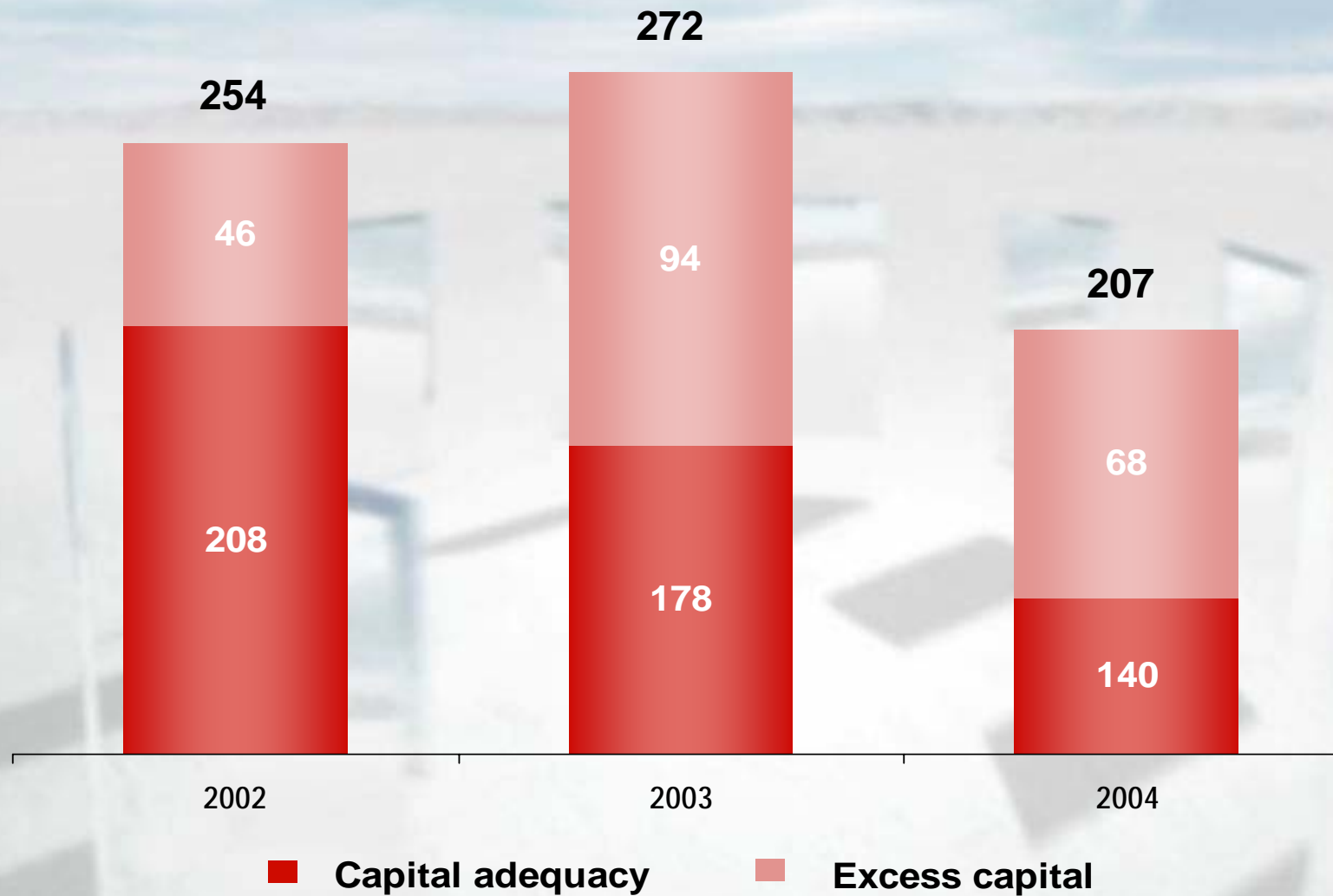
* As at Dec. 2004, our net assets covering the solvency margin requirement of 110 mn were 227 mn (206%)



Bank business & capital adequacy requirements

Capital
Allocation

€mn



Freedom in capital allocation

Capital
Allocation

Capital is not a barrier to Mediolanum
in seizing the most strategic opportunities
as they are identified



**This competitive differentiation
enables us to
sustain growth through any business cycle**



Mediolanum's strategic priority

Strategic
Opportunities

Our most important strategic priority is to develop into a **large retail bank**

We are changing emphasis from being a pure asset gatherer to being a fully fledged bank



As a 'full status' bank we are in the strategic position to facilitate the acquiring of assets



Rationale of our strategic priority

Strategic
Opportunities

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

	as at December 31, 2005	
	Avg. AUA €	Cross-Selling*
Non-bank customers	14,167	1.42
Bank customers	47,919	3.90
Bank customers/active users**	55,660	4.93
Non-bank customers > age 55	20,723	1.37
Bank customers/active users > age 55	116,200	4.83

* 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



Traditional banks & asset growth

Strategic
Opportunities

Italians 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 use this situation to their advantage
in order to increase customers & assets

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



**But this proposition is expensive &
outmoded**



Technology's effect on bank customers

Strategic
Opportunities

There is a fermenting **dissatisfaction** towards the traditional structure of branches inextricably linked to time & place

The consumers' use of technology is growing exponentially



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



Mediolanum offers 'freedom in banking'

Strategic
Opportunities

The Mediolanum model
invalidates the concept of proximity

With our bank
total proximity is always 'on'

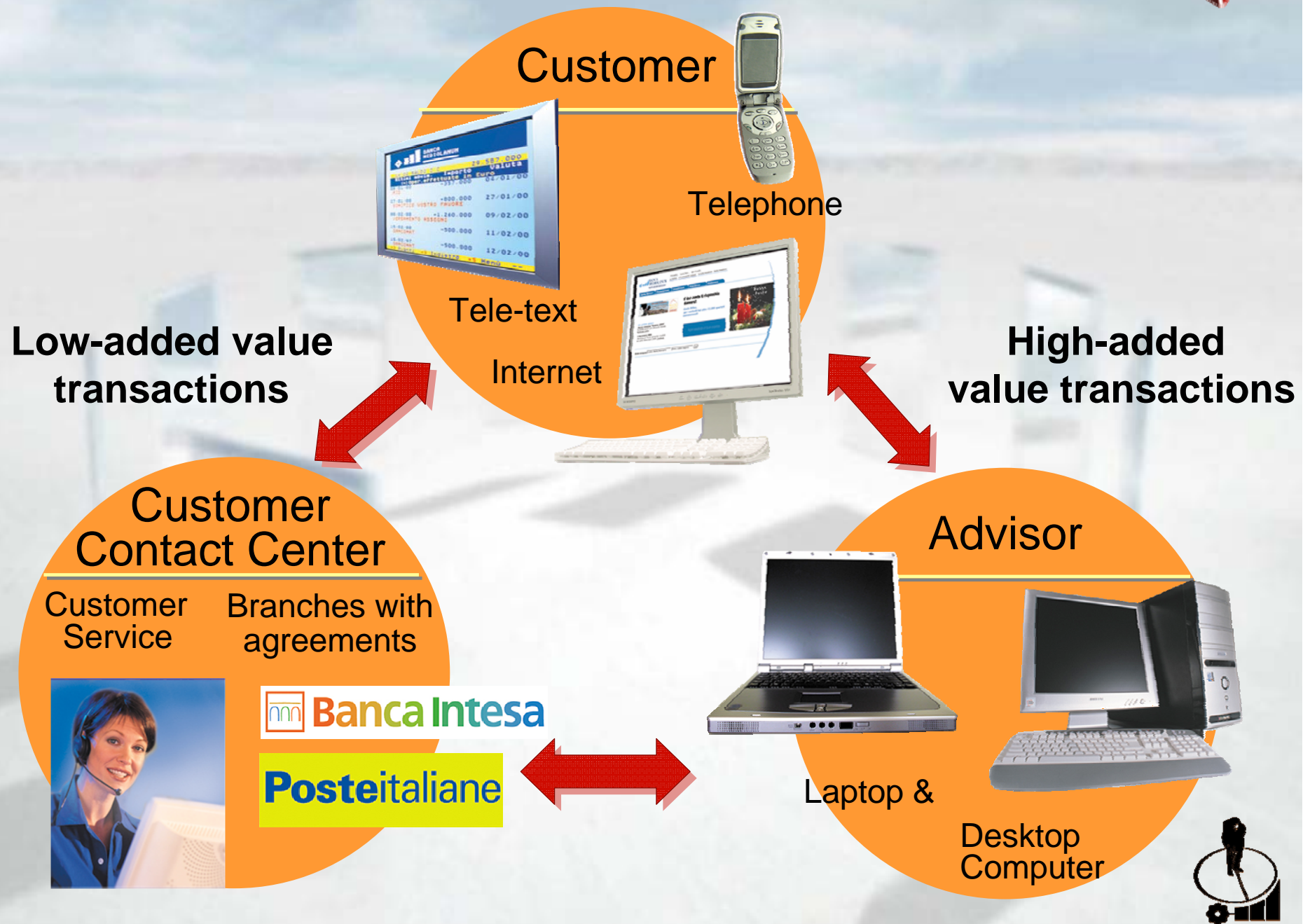


Freedom in Banking



High-tech, high-touch

Strategic Opportunities



Drivers of our strategic priority

Strategic
Opportunities



New customer acquisition

via the bank account, with aggressive pricing



Development of the customer

via cross selling, where we have unparalleled skill



'4 Freedoms' project

'4 Freedoms'

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 opened*

All account types, excluding conversions

'4 Freedoms'



* 52% are opened by new customers

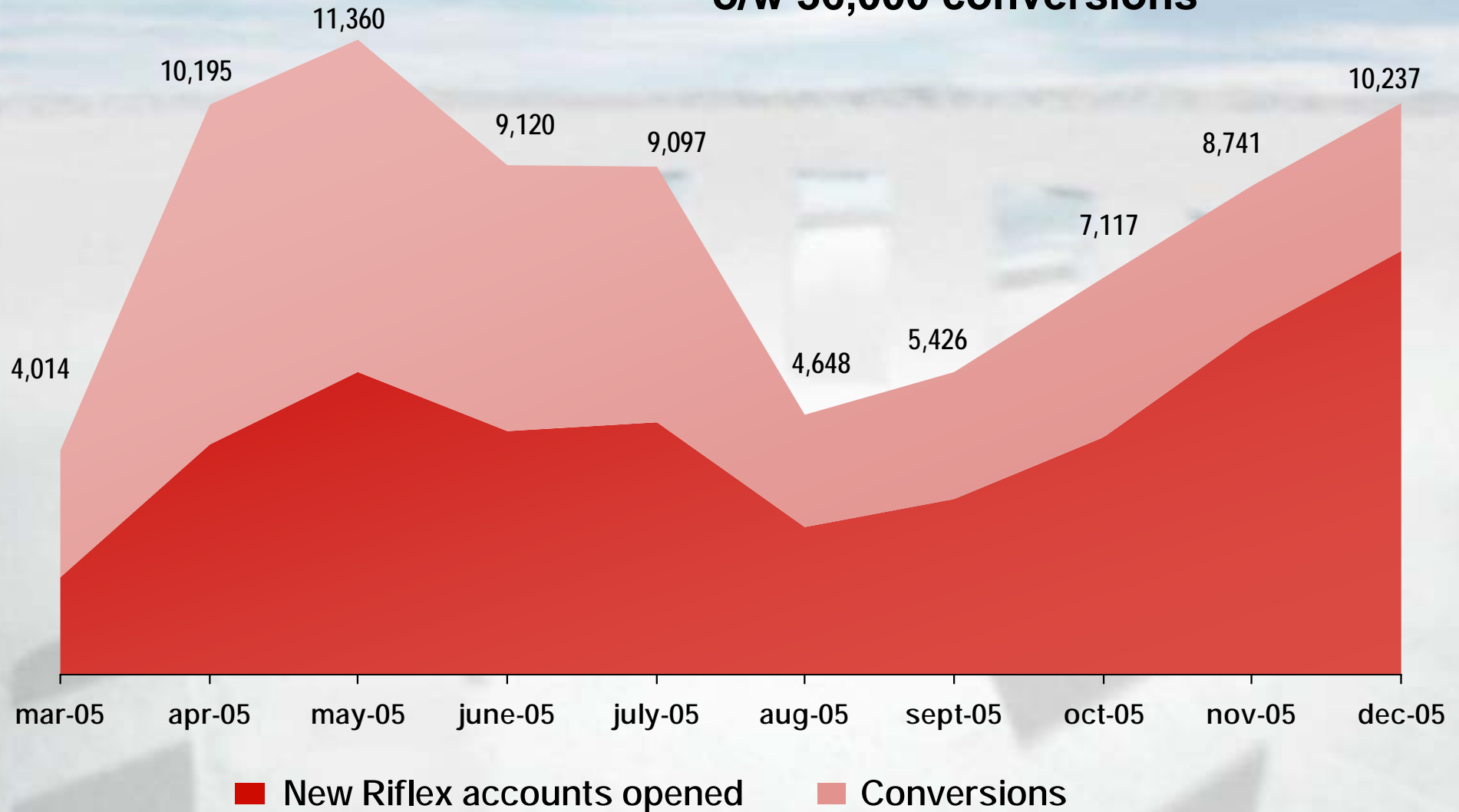


Riflex accounts opened

Including conversions

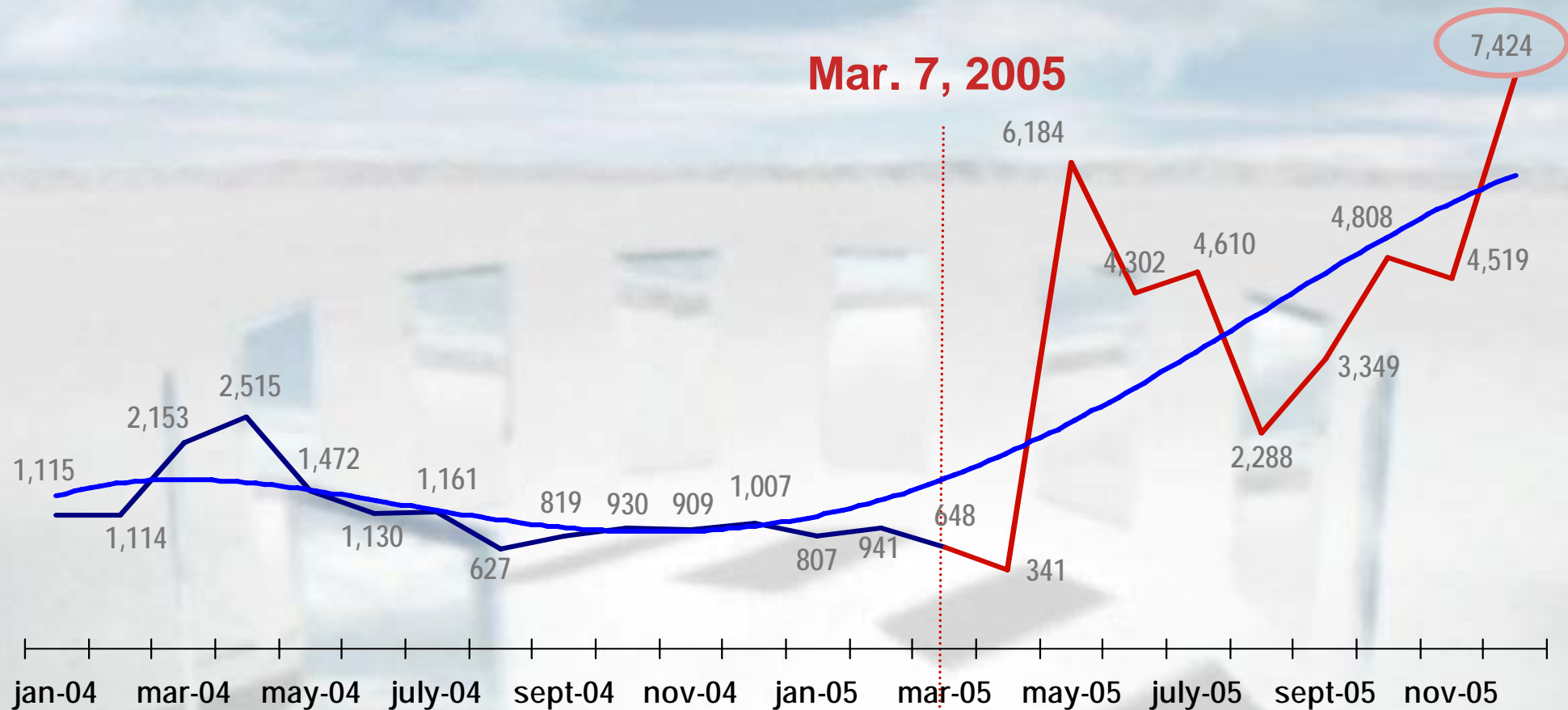
'4 Freedoms'

80,000 in 10 months,
o/w 36,000 conversions



Credit cards issued

'4 Freedoms'



**38,500 in 10 months,
+202% yoy**

* 84% are issued to new customers, or existing customers with no previous credit card



New bank customers

'4 Freedoms'

Mar-Dec 2005

64,700

Mar-Dec 2004

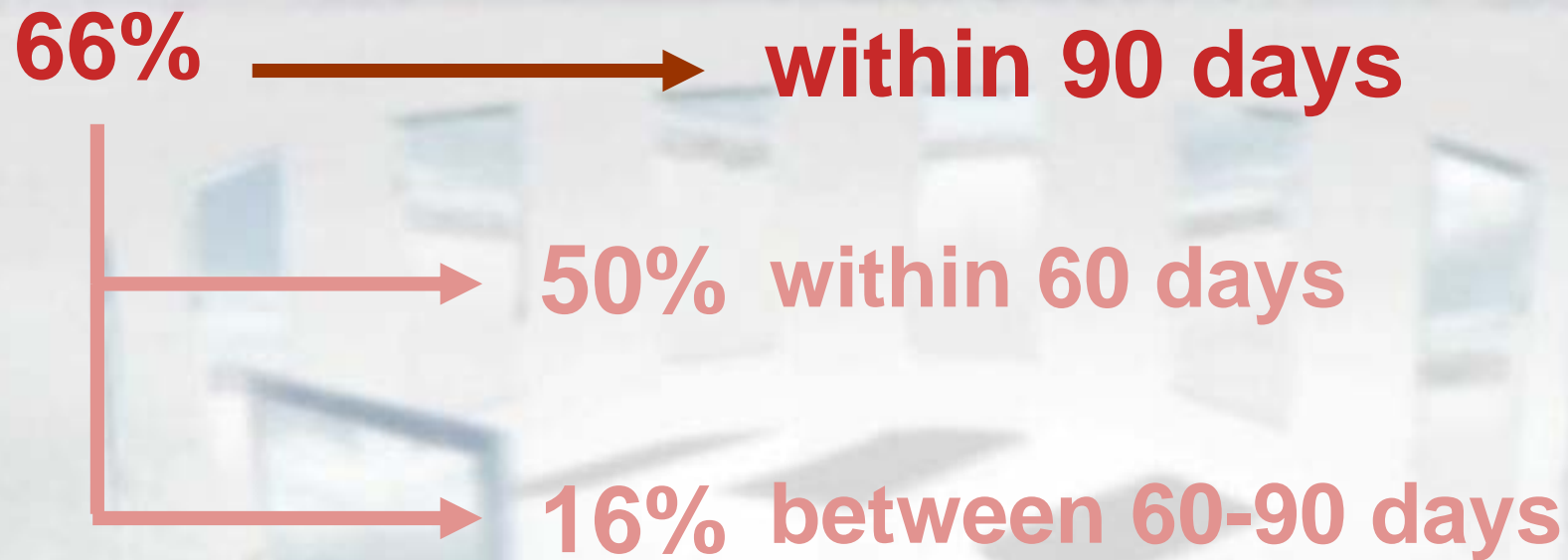
34,200

+89%



Activation* of bank accounts

'4 Freedoms'



* 12 non-automatic transactions/operations per quarter

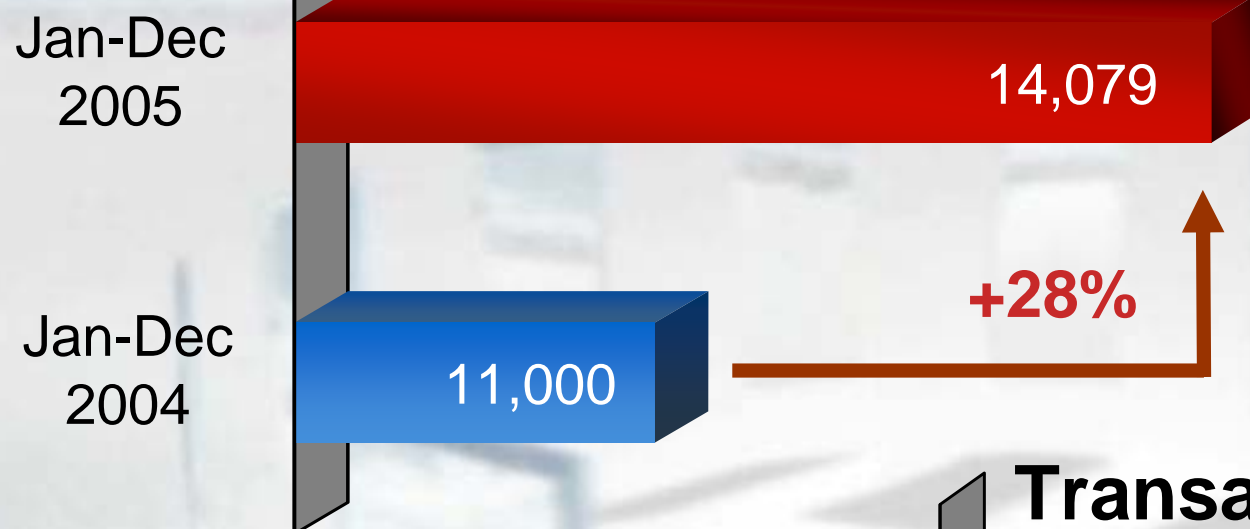


Direct channels growth

Figures in '000

'4 Freedoms'

Accesses



Transactions



Increase in assets

'4 Freedoms'

	Apr-Dec		Apr-Sept	
	avg. AUA	no. of products	avg. AUA	no. of products
New Bank Customers*	+83%	+24%	+64%	+19%
New Bank Customers w/ activated account**	+135%	+35%	+78%	+23%

* acquired in March/April & also new to Mediolanum

** 12 non-automatic transactions/operations per quarter



Impact on business Gross inflows

€bn

'4 Freedoms'

Mar-Dec 2005

4.29

Mar-Dec 2004

3.16

+36%



Impact on business

Network growth: no. of advisors

'4 Freedoms'

Jan-Dec 2005

5,220

Jan-Dec 2004

4,857

+7%



The Mediolanum model

Strategic
Opportunities

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 under administration**





**"The best way to predict the future
is to invent it"**

A. Kay



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 has been prepared with the greatest care, but is 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.



Investor Relations Contacts

Alessandra Lanzone

tel.: +39-02-9049-2039

e-mail: investor.relations@mediolanum.it

Maurizio Belò

tel.: +39-02-9049-2663

e-mail: investor.relations@mediolanum.it

Lisa Maxon

tel.: +39-02-9049-2997

e-mail: investor.relations@mediolanum.it

Nicoletta Russo

tel.: +39-02-9049-2337

e-mail: investor.relations@mediolanum.it

