



MEDIOLANUM
GRUPPO MEDIOLANUM

**2006 Global Financial Services
Conference**



May 15-17, 2006
Grand Hyatt New York
Park Avenue at Grand Central
New York City

“Is Big Better?”

Organic growth vs. buying growth

Growth

Organic growth has always been our strategy

Buying growth is problematic
to our **model & culture**

Why?

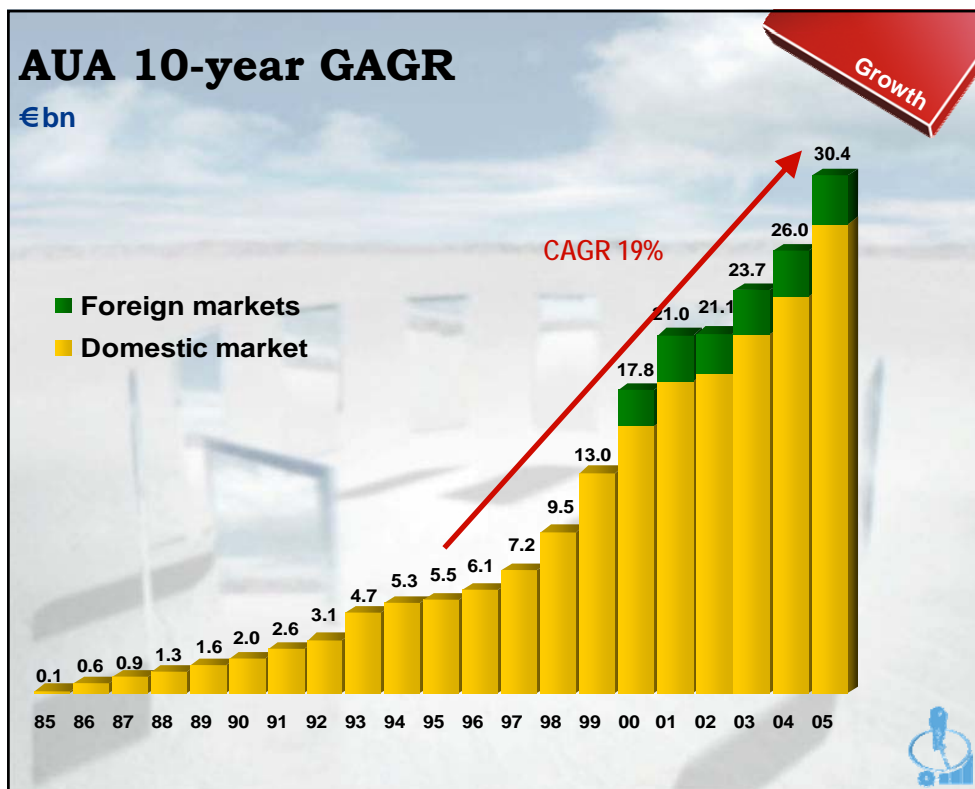
We are pioneering a **new business system**

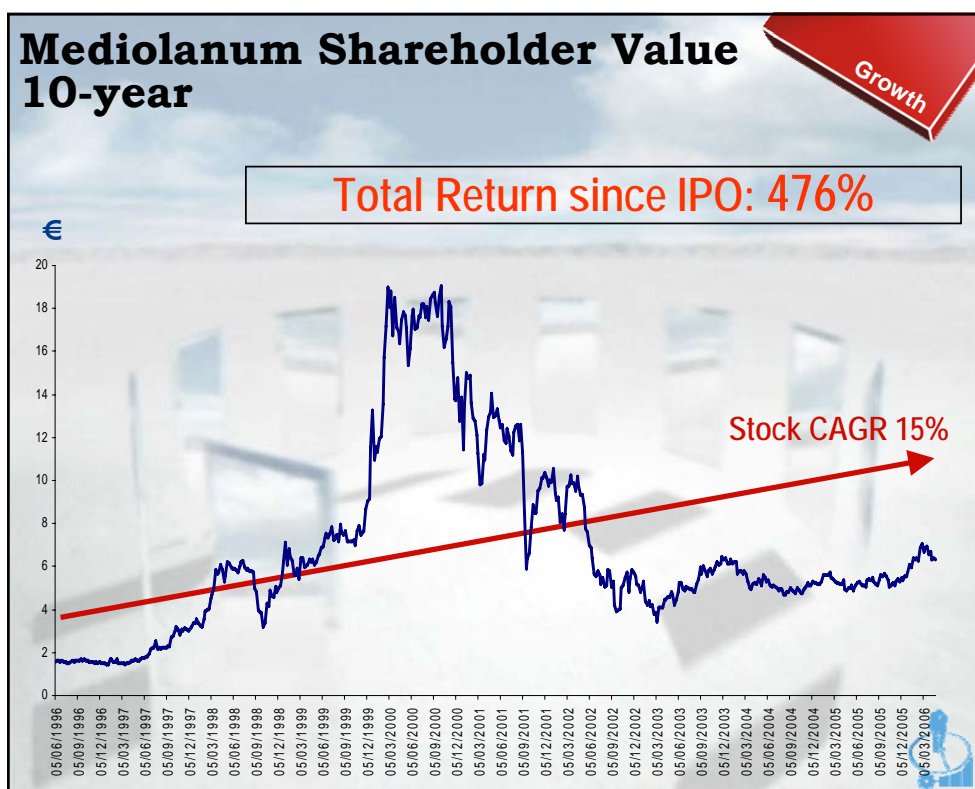
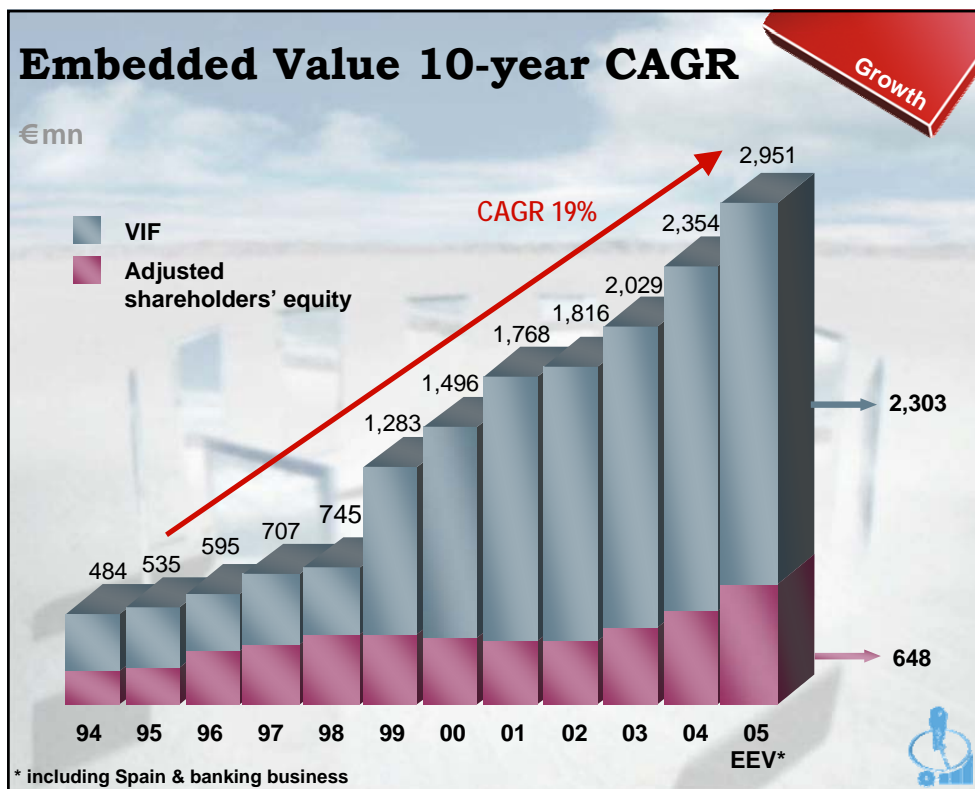
- > that relies on a direct relationship with the customer
- > with principles & strategies that are unique



**We are ‘forced’ to pursue growth organically...
... & we are doing so with excellent results**







Strategic priority

Our strategic priority is to develop into one of the **largest retail banks** in Italy

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

But we are **not negating** our mission of gathering assets



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



Rationale of our strategic priority

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



Traditional banks & asset growth

Growth

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 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

Growth

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'

The Mediolanum model
invalidates the concept of proximity

With our bank
total proximity is always 'on'

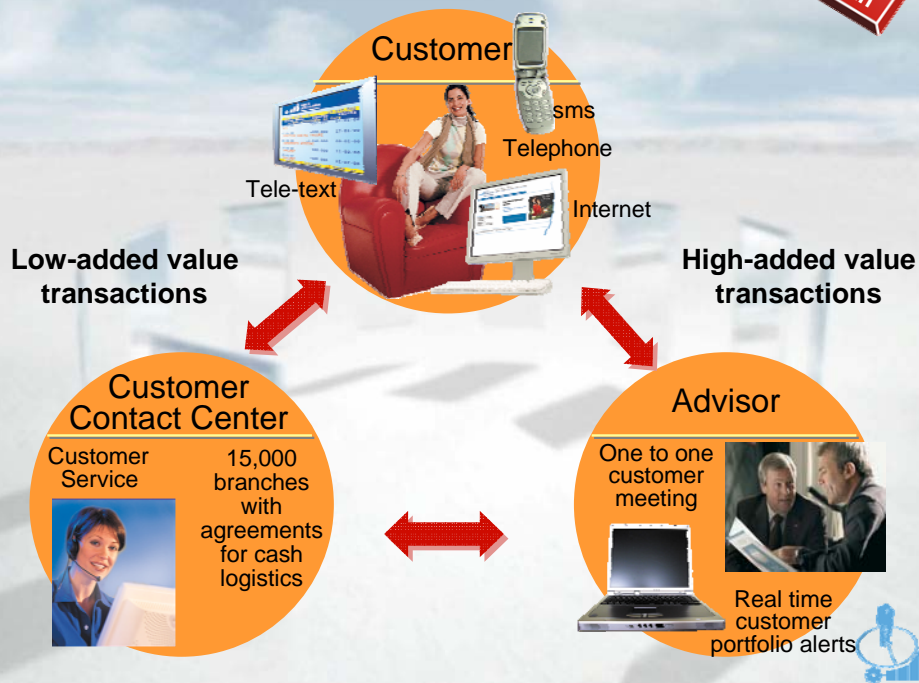
Freedom in Banking

Growth



High-tech, High-touch

Growth



Drivers of our strategic priority

'4 Freedoms'



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

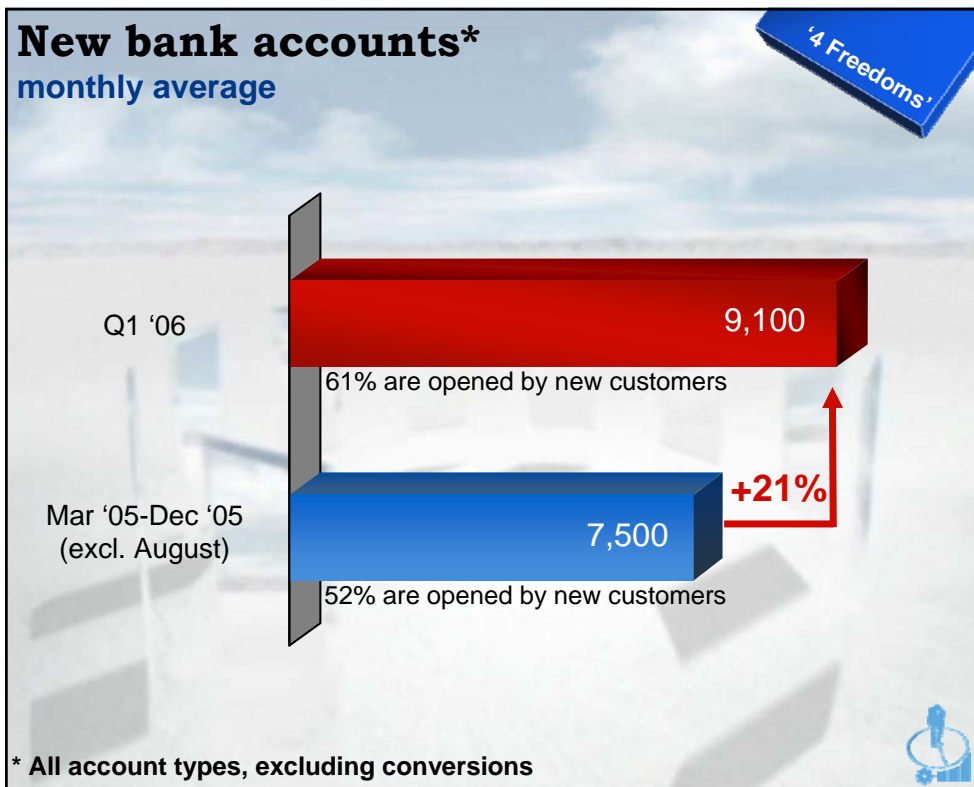
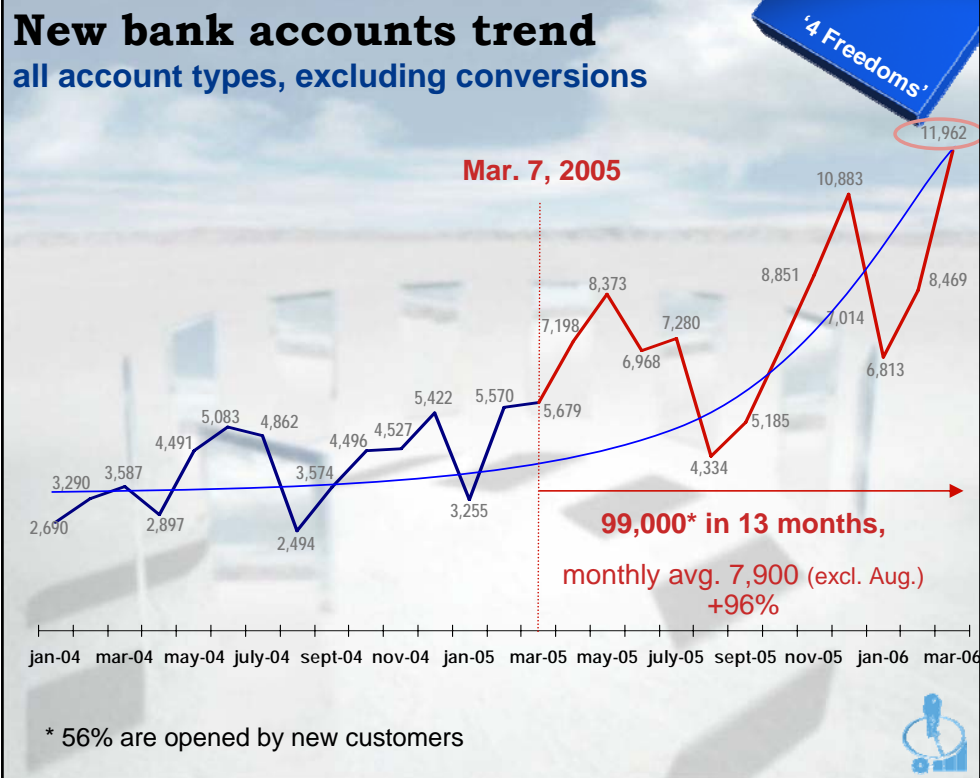


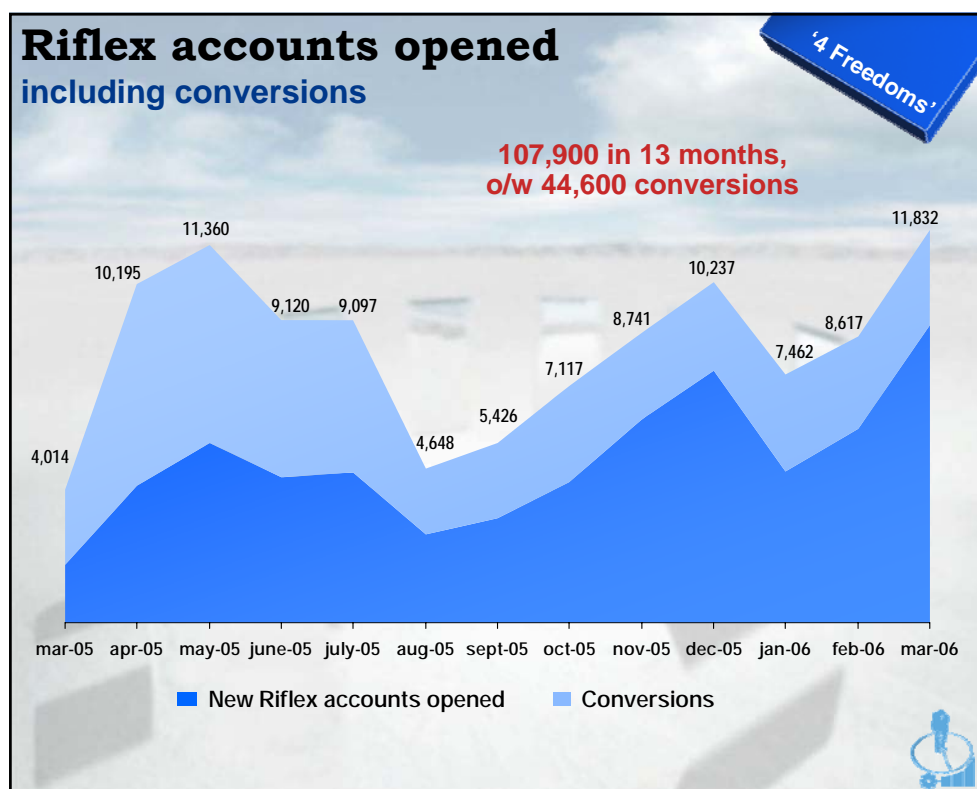
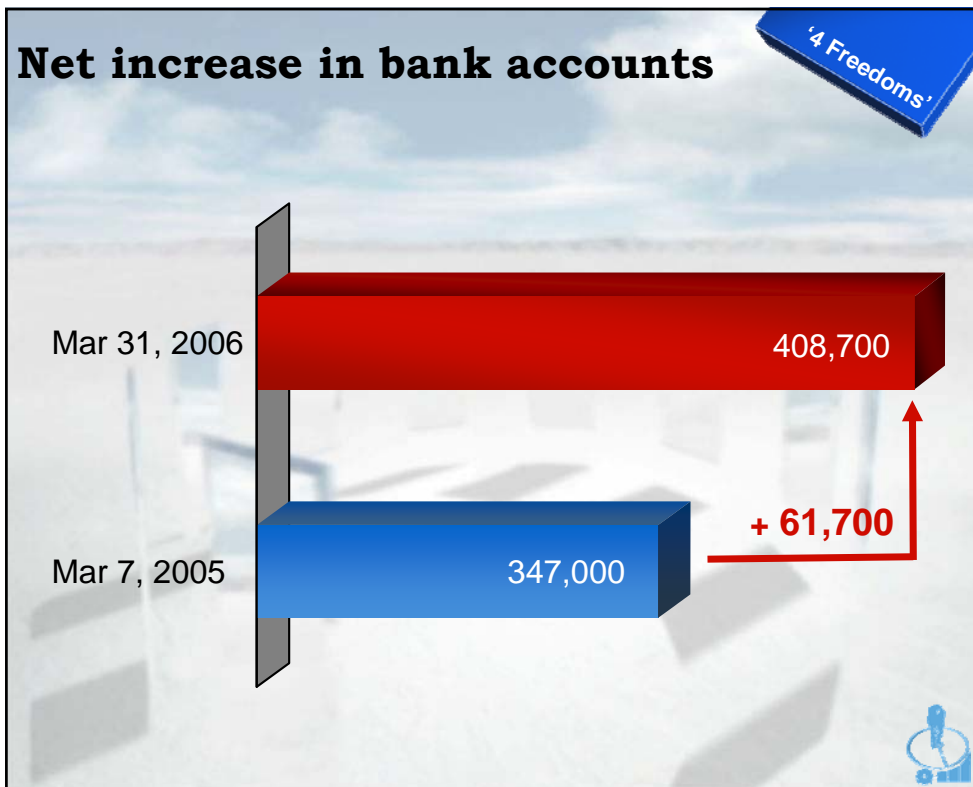
Thousands of **Collective Sales Efforts**

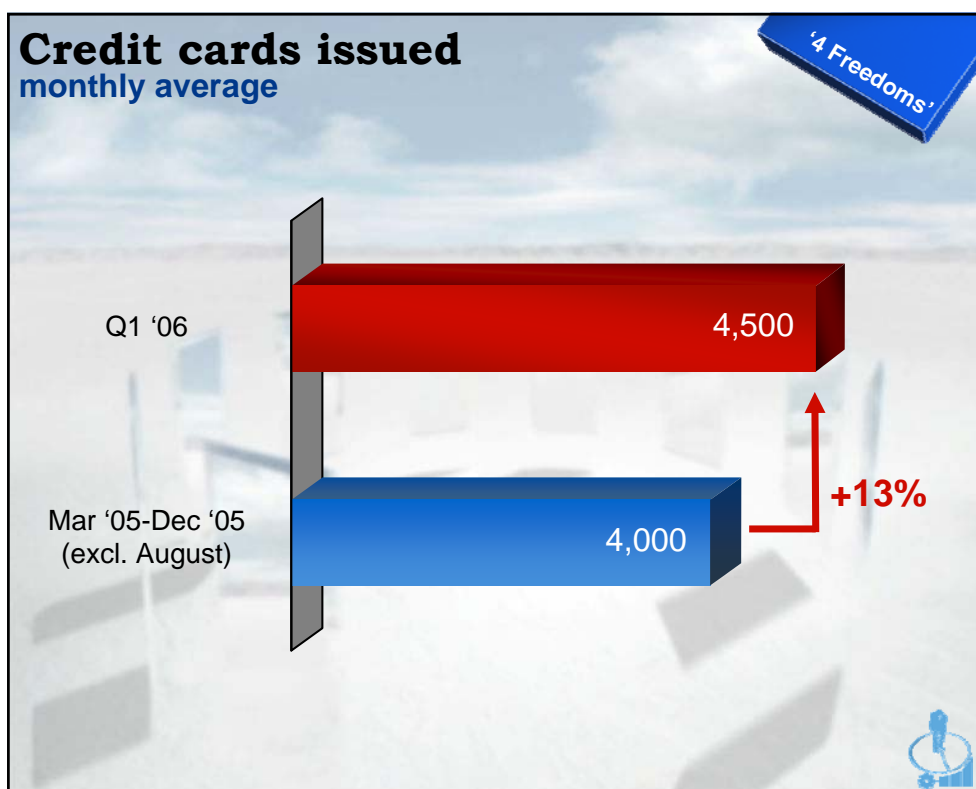
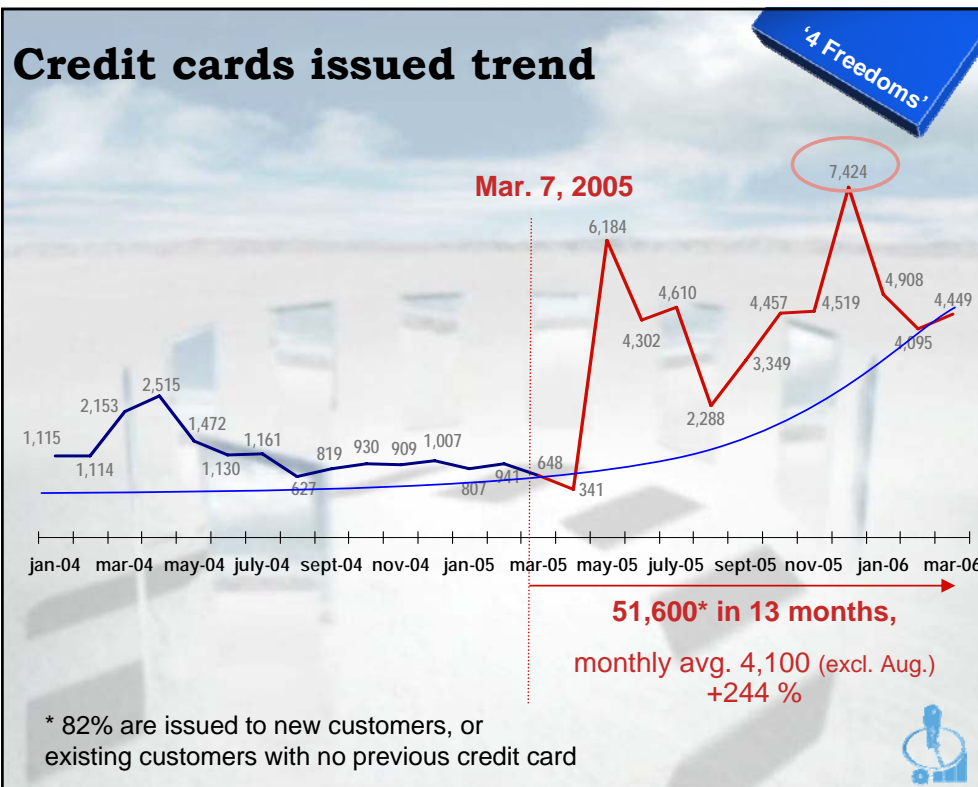


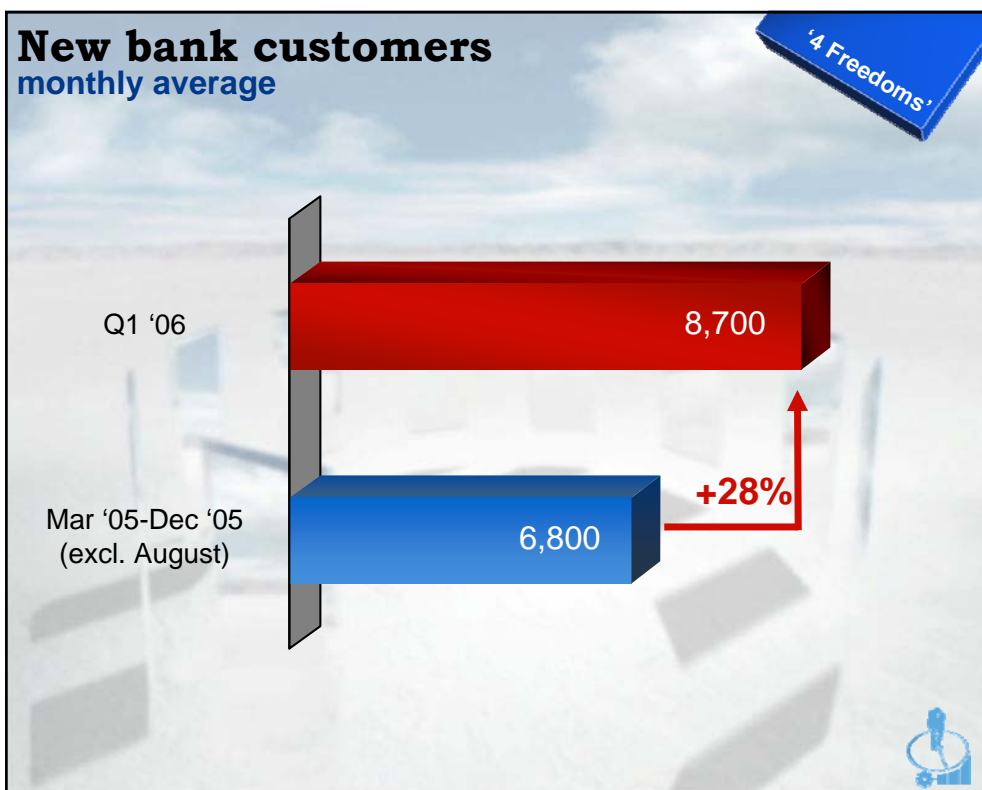
Promotional Events at a grass-root level held in towns all over Italy

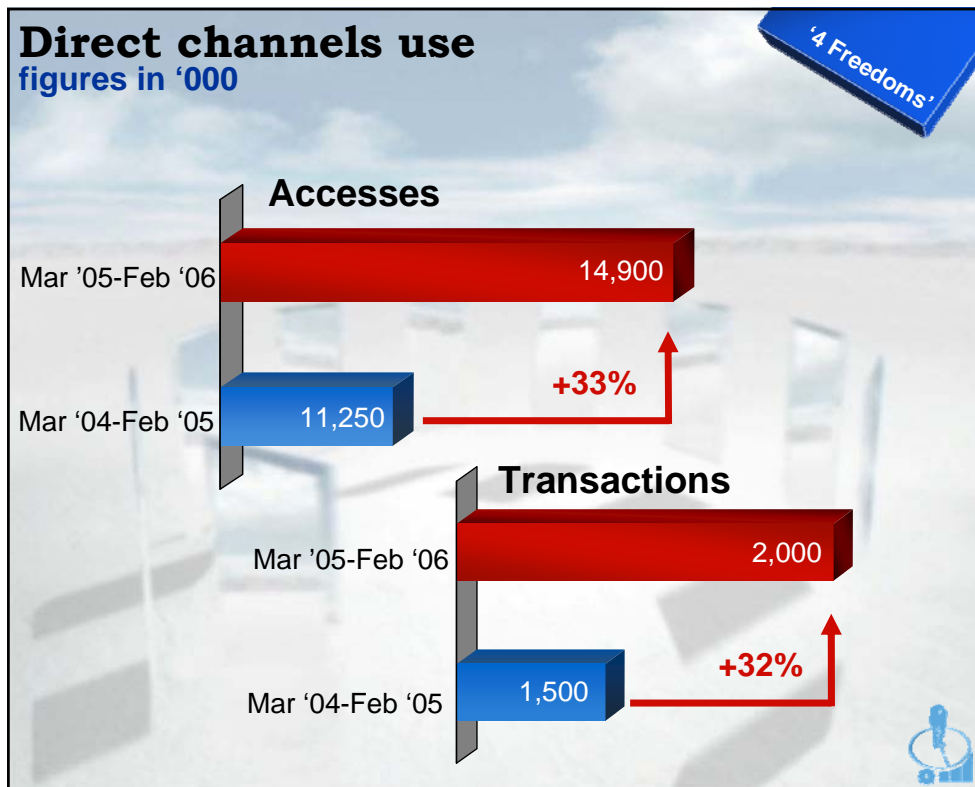












Growth & momentum

'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 Mar/Apr '05

€avg.

	31/03/06	30/04/05	Change
Total no. customers: 5,025			
Bank account	4,791	4,689	+2%
Securities	2,585	705	+267%
Managed savings products	13,883	5,120	+171%
Total assets per customer	21,258	10,514	+102%
Active no. customers*: 1,907			
Bank account	6,655	4,774	+39%
Securities	2,472	659	+275%
Managed savings products	11,091	2,818	+294%
Total assets per customers	20,218	8,251	+145%
Non-active no. customers*: 3,118			
Bank account	3,650	4,637	-21%
Securities	2,654	733	+262%
Managed savings products	15,590	6,528	+139%
Total assets per customer	21,894	11,898	+84%

* in the period Jan '06 - Mar '06

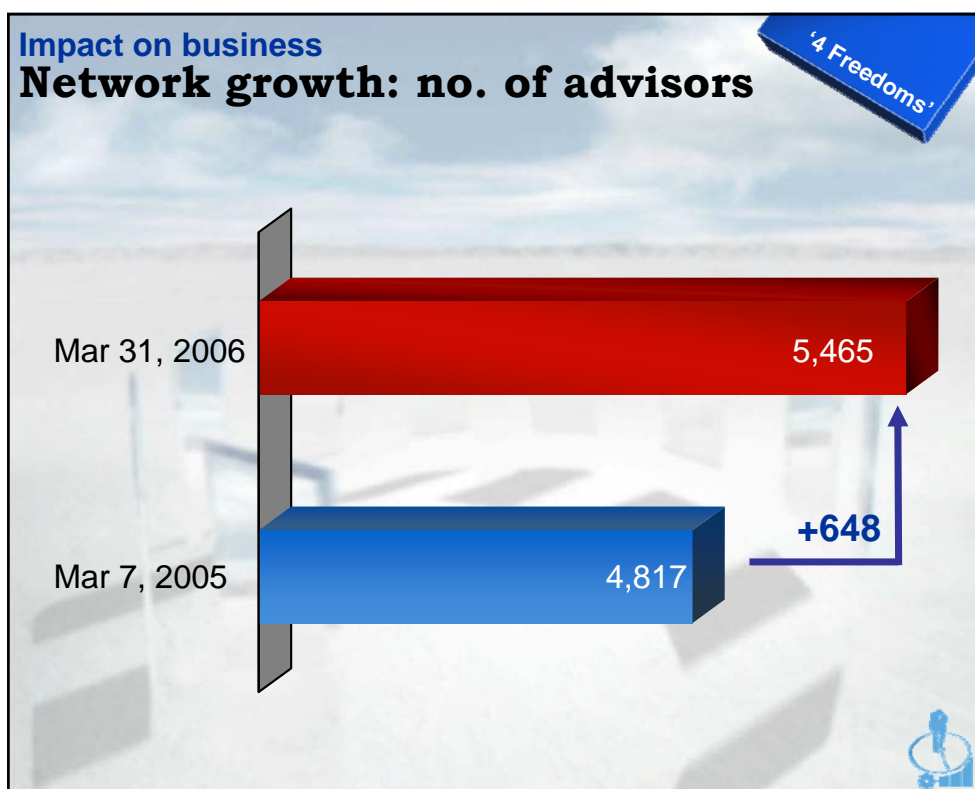
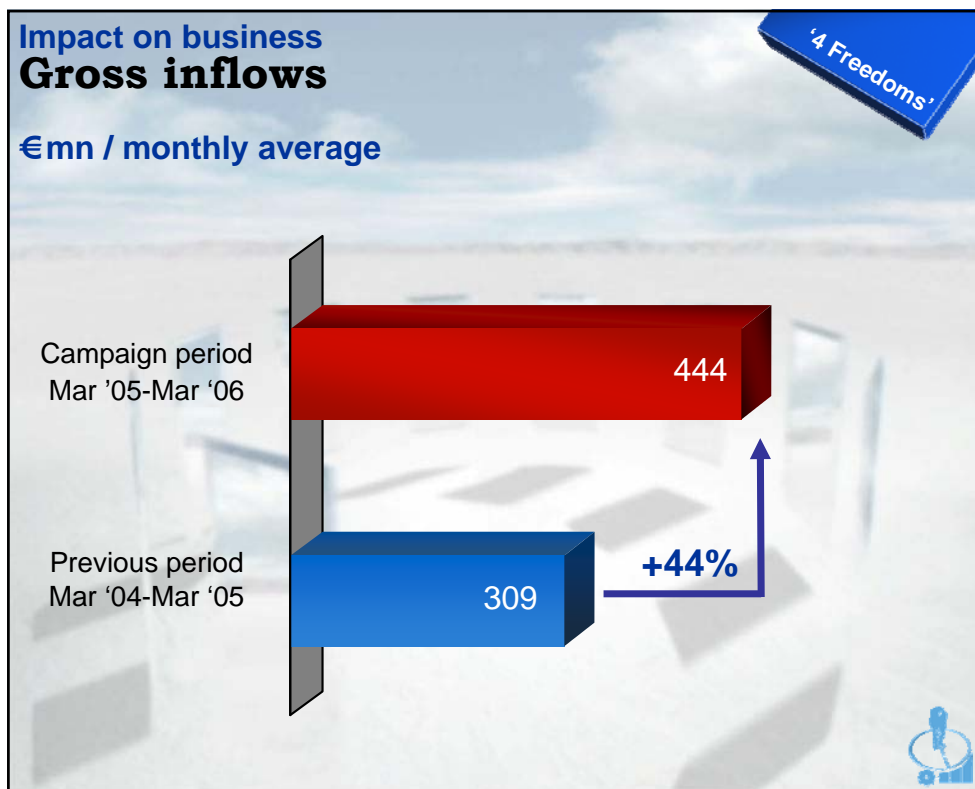
Increase in Assets

New Bank Customers acquired in May '05

€avg.

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

* in the period Jan '06 - Mar '06



The Mediolanum model...



...capable of responding – better than any other –
to the new demands of the customers of today & tomorrow,
who look for **freedom**
from operational constraints & excessive pricing

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**



Our attributes for 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 strengths



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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