



2014

# BANCA FIDEURAM

INTEGRATED ANNUAL REPORT

GROWTH  
SOLIDITY  
TRANSPARENCY



Customers



Shareholder



Colleagues



Suppliers



Community



Environment

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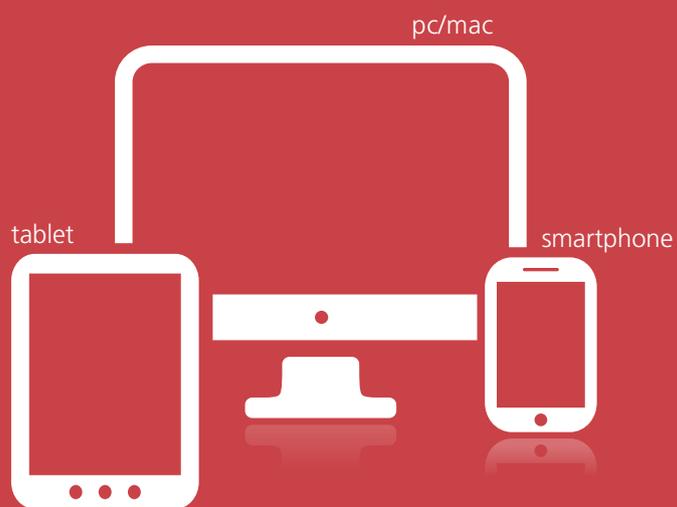
# Mission

**To help** our customers manage their assets wisely, based on a detailed analysis of their real needs and risk profile.

**To offer** financial and insurance advisory services with the support of expert professionals, acting with total transparency and complete respect for the rules.

That is **Banca Fideuram's mission.**

This report can be browsed in its interactive form, with multimedia additional information, using a variety of devices on our website **[www.bancafideuram.it](http://www.bancafideuram.it)** where it is also compatible with Apple and Android systems.



# About this Report

## INTEGRATED FINANCIAL STATEMENTS

The Banca Fideuram Group has continued the process of integrating its financial and sustainability reporting, publishing - for the second consecutive year - an Integrated Annual report prepared in accordance with the International Integrated Reporting Framework published by the International Integrated Reporting Council (IIRC) in December 2013.

The reporting process aims to provide a full overview by integrating traditional financial reporting with reports on the Group's environmental, social and governance performance.

The document has been designed to address all our stakeholders effectively, with the aim of:

- a. Providing a complete picture of our ability to create value sustainably over time.
- b. Highlighting the connections between our strategy and financial performance and the social, environmental and economic contexts in which we operate, so that the reader is able to obtain a full understanding of the results achieved and formulate their own forecasts regarding our future.
- c. Presenting complete, clear and concise financial and other information to communicate with the market with high standards of transparency.

## REGULATORY FRAMEWORK AND GUIDELINES

The European Commission follows developments in the integrated reporting process and in 2014 approved Directive No. 95/2014, which makes it compulsory for entities with more than 500 employees to include non-financial information (environmental, social and governance matters) in their Annual Reports.

“The Integrated Report has been prepared starting from our business model highlighting our strategic focus and the components that influence the creation of value”

The new requirements will apply from the 2017 Financial Statements, once the Member States have transposed the directive into their respective national regulations.

The Banca Fideuram Group is thus ahead of the reference regulations in presenting an integrated document that outlines our business model through capital analysis to show the factors that have a material influence on our ability to **create value**.

Our integrated reporting uses qualitative and quantitative Key Performance Indicators (KPIs) to analyse the interdependencies or “linkages” between the financial, productive, intellectual, human, relational and natural capital underlying the value created by the Group.

The non-financial reporting has been prepared in accordance with the G4 Sustainability Reporting Guidelines drawn up by the Global Reporting Initiative (GRI) in May 2013.

The application level of the said guidelines adopted for the preparation of this document is the Core level, which is considered more suited to the principles of conciseness and connectivity of an Integrated Report.

This document has been prepared in accordance with the principles set out by the Assessment Committee of the Oscar di Bilancio Financial Statements Oscars. The Banca Fideuram Group's 2013 Annual Report, which was the very first integrated annual report by a bank in Italy, won the Financial Statement Oscar in the category “Major and Large Banks, Listed and Unlisted”.

## IN CONCLUSION

Integrated reporting is a journey on which perfection is gradually achieved as reporting processes for the production of the supporting information are developed. In line with this philosophy, the Banca Fideuram Group has continued its actions to improve the quality of its reporting through involving internal and external stakeholders in the choice of the most relevant aspects to report on.

We extend our thanks to all the stakeholders who played an active role in improving our report and who would like to join us in the process of disseminating a new communications philosophy based on transparency, both now and in the years to come.



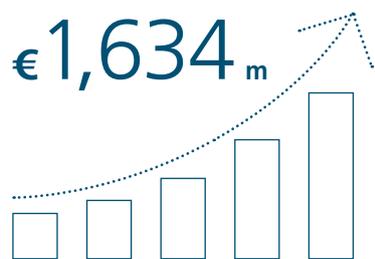
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# 1. Business model

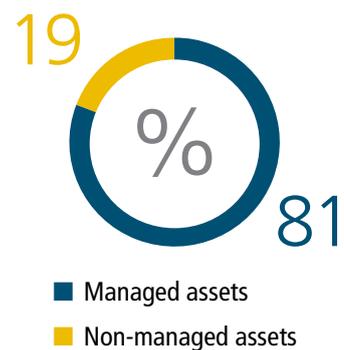


**wealth created** in 2014  
(up **€204m** on 2013)



Banca Fideuram operates on a **network bank model** centred on the provision of **financial advisory services**

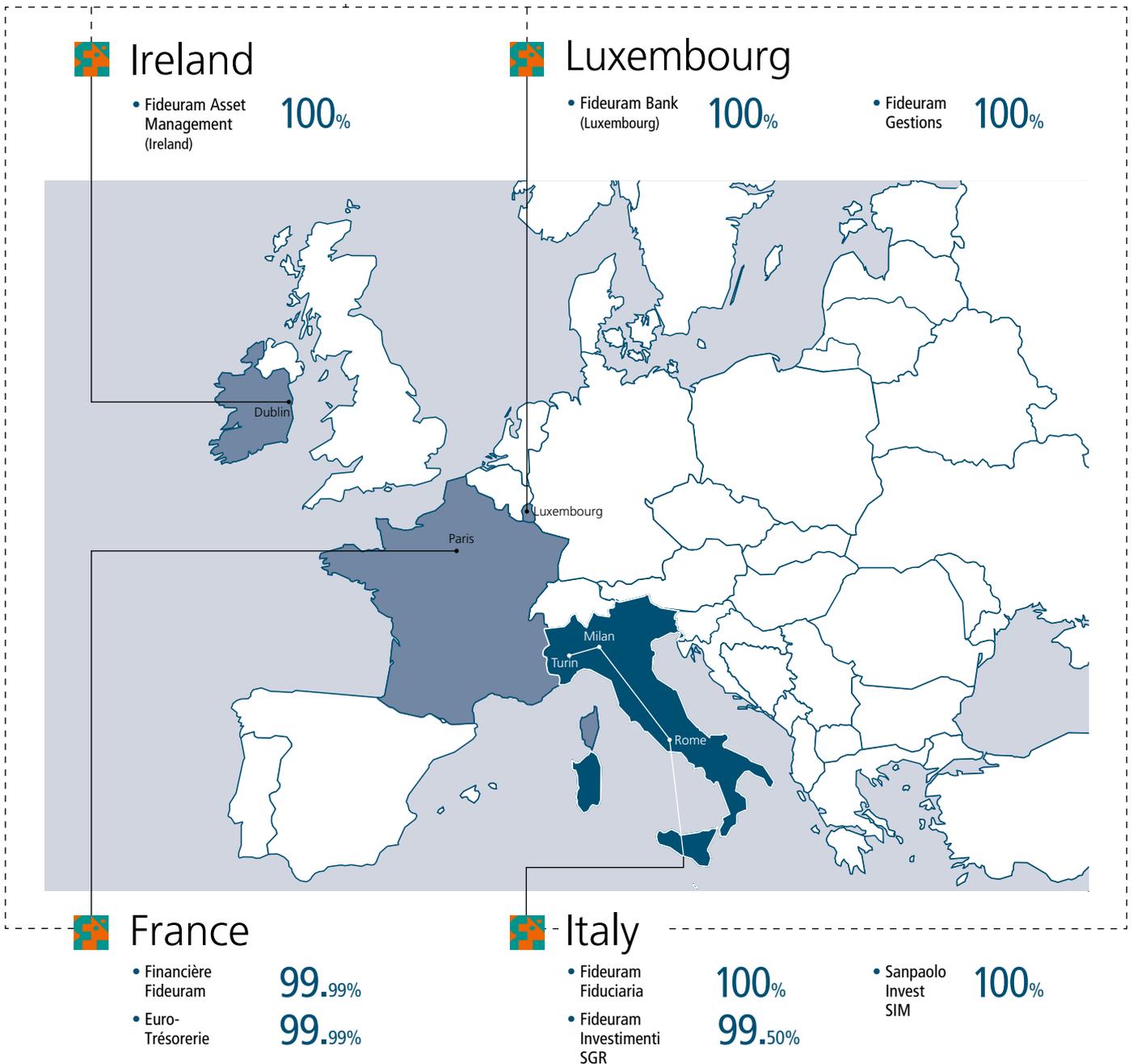
Client Assets 2014



- 1.1 Group structure
- 1.2 The network bank model
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# 1.1 Group structure

The Banca Fideuram Group operates in four different countries across Europe (Italy, France, Ireland and Luxembourg) and comprises parent company **Banca Fideuram** and eight subsidiaries.



## 1.2 The network bank model

Banca Fideuram is an integrated group of companies and a leader in the provision of financial advisory services in Italy, with a history of growth and innovation that goes back over more than 45 years.

The Group specialises in the provision of financial advisory services and the development, management and distribution of financial, insurance and banking products and services.

The provision of these products and services to around 636,000 customers is handled by over 5,000 highly-qualified professionals who work under two different brands, Banca Fideuram and Sanpaolo Invest.

Our two Personal Financial Adviser Networks enable us to achieve complete geographical coverage of the Italian market with the support of 96 bank branches.

The Banca Fideuram service model is centred on professional advisory services and the creation of longstanding relationships of trust between

our customers and Personal Financial Advisers. The Group boasts a strong and stable retail customer base, with a special focus on high net worth customers who can depend on a dedicated service model and tailored product offering.

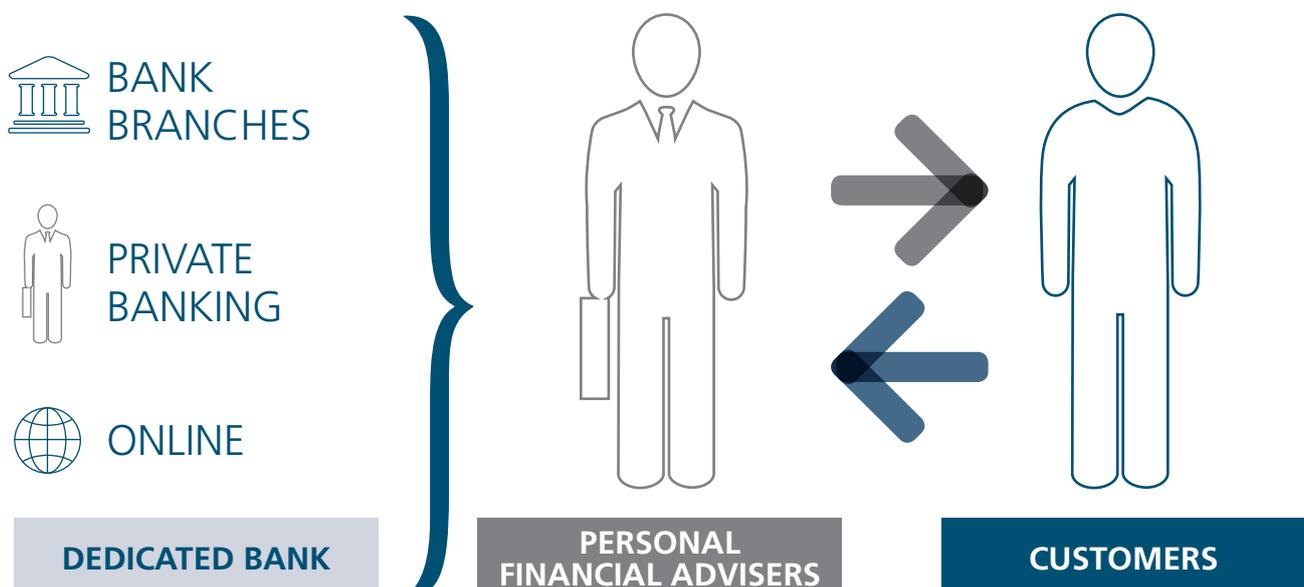
Banca Fideuram's advisory services are divided into "Basic Advisory Services", which we provide for all customers free of charge, and our "SEI Advanced Advisory Service", which is provided on the basis of a contract, is subject to the payment of fees and commission, and is designed specifically for customers with greater financial assets.

The investment solutions proposed by our Personal Financial Advisers are predominantly developed and managed within the Group through dedicated product companies.

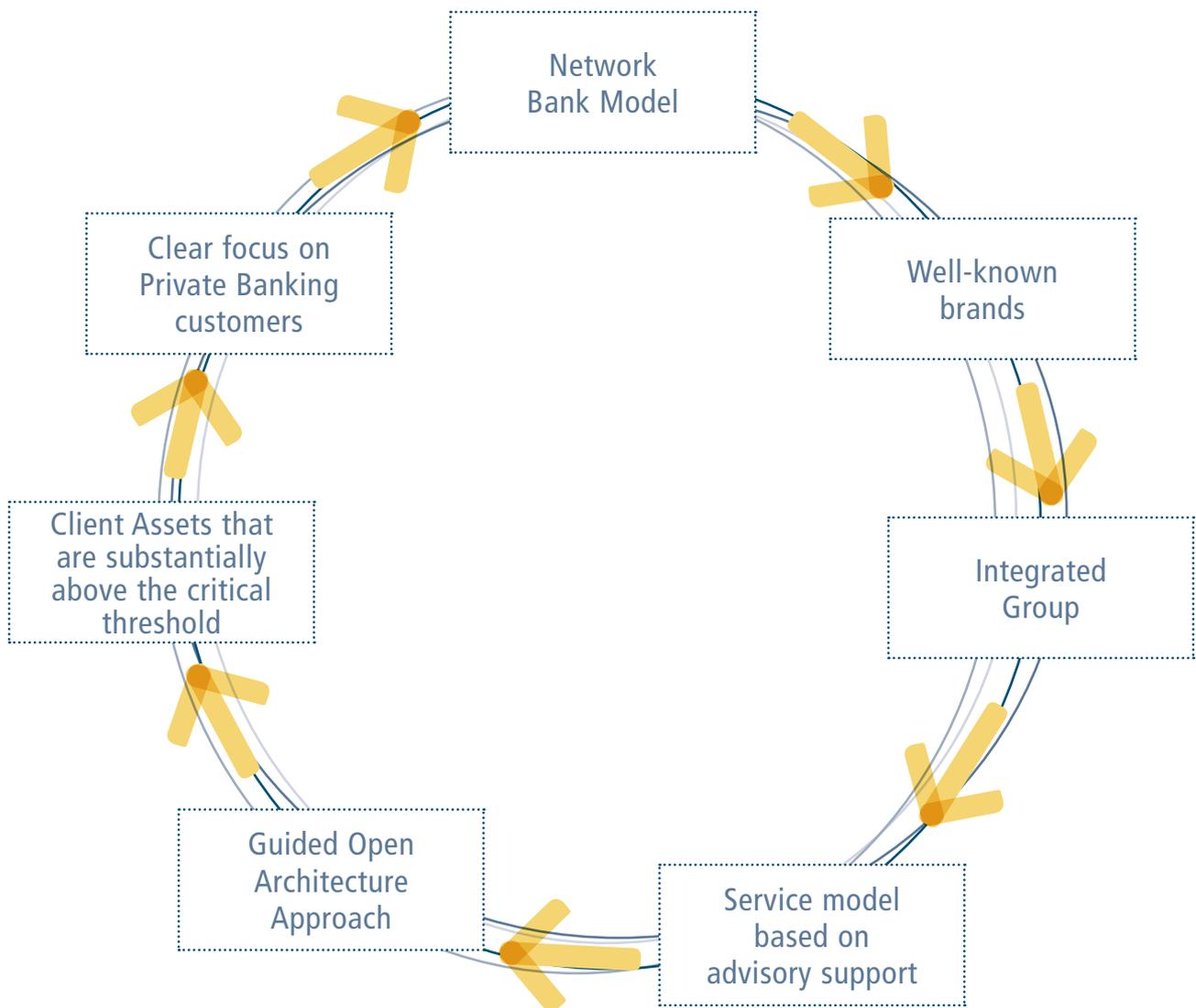
In addition, the Banca Fideuram Group's marketing agreements with leading international investment companies mean that we are also able to offer third-party products in accordance with a "Guided Open Architecture Model" that the Group has adopted to complement its expertise and satisfy even the most complex customer needs.

Completing this unique network bank model, Banca Fideuram engages in banking activities (personal asset management and lending) and offers its customers a complete range of banking products and services.

Banca Fideuram is a member of the Intesa Sanpaolo Banking Group and wholly owned by Intesa Sanpaolo S.p.A.



## 1.3 Key factors in the value creation process



The core distinctive elements of success underlying the Group's value creation process are:

- A **Network Bank Model**: a model centred on the professional relationships between our Personal Financial Advisers and Customers, underpinned by the strength of a Group, a complete offer of products and services, bank branches and leading-edge expertise. A bricks and mortar presence across Italy, with 96 bank branches and 324 Personal Financial Advisers' offices, enables the bank to offer its customers a complete service that enhances their loyalty and strengthens Banca Fideuram's role as a one-stop-shop provider of banking products and services.
- Two **well-known brands**, Banca Fideuram and Sanpaolo Invest, with consolidated reputations of long standing on the Italian market, which contribute to the strong loyalty of our customers and Personal Financial Advisers. The strength of these brands and their reputations likewise plays a key role in attracting new customers and top professionals in the sector.
- An **Integrated Group** of companies based in and outside Italy, with product companies that enable both prompt responses to changes in the market, exploiting the related opportunities, and the maintenance of

management margins. This model of integration is based on a strategy of specialisation that allocates each Group company its own professional expertise. Thanks to the fact that these Product Companies interact directly with the Personal Financial Adviser Networks, they are kept constantly updated on any changes in customer needs and are able to create the most appropriate investment solutions.

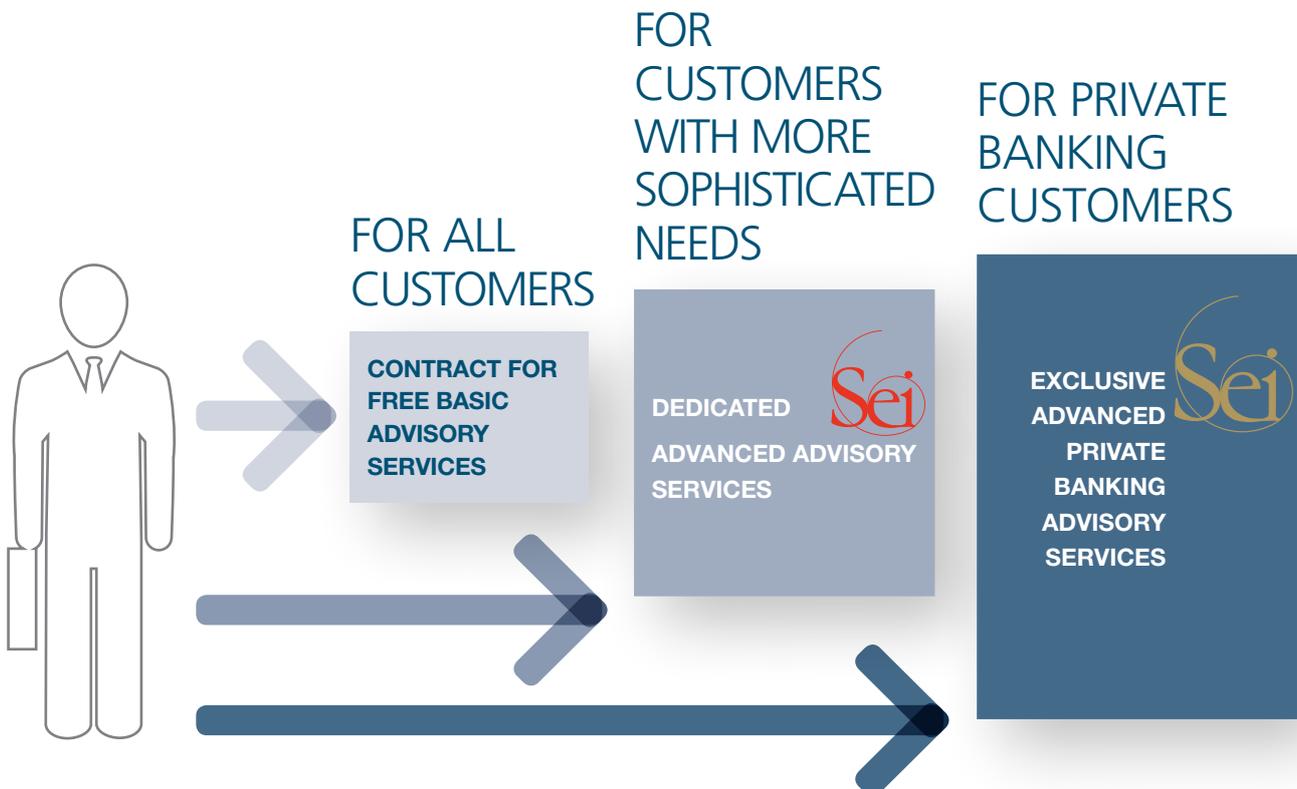
- A **service model based on advisory support**: the professional relationship between each Personal Financial Adviser and customer is based on a financial advisory service model governed by a dedicated contract. These services are delivered in two ways:
  - *Basic Advisory Service*: provided free of charge to all customers and consisting in personalised ad-

visory services regarding the customer's investments, paying careful attention to risk management and the suitability of their overall portfolio.

- *SEI Advanced Advisory Service*: provided on the basis of a dedicated contract and subject to the payment of fees and commission, consisting in identifying the customer's individual requirements classified by area of need, in analysing their overall position (including any third-party portfolios) and risk/return profile, in identifying appropriate investment strategies and solutions for each individual area of need and in monitoring them over time.
- A **Guided Open Architecture Approach**: a model that offers third-party products alongside our Group products to complement

them, satisfying even the most sophisticated needs through partnerships with world-leading third-party investment companies.

- **Client Assets that are substantially above the critical threshold** necessary to obtain significant economies of scale and ensure the creation of value in a manner that is sustainable over time.
- A clear **focus on Private Banking customers**, a segment accounting for approximately 47% of Banca Fideuram's client assets and which has high growth prospects in the Italian market. The Group supports its Private Banking customers with a dedicated service model using ad hoc organisational management (Private Banking Service Line) and a complete array of special products and services.

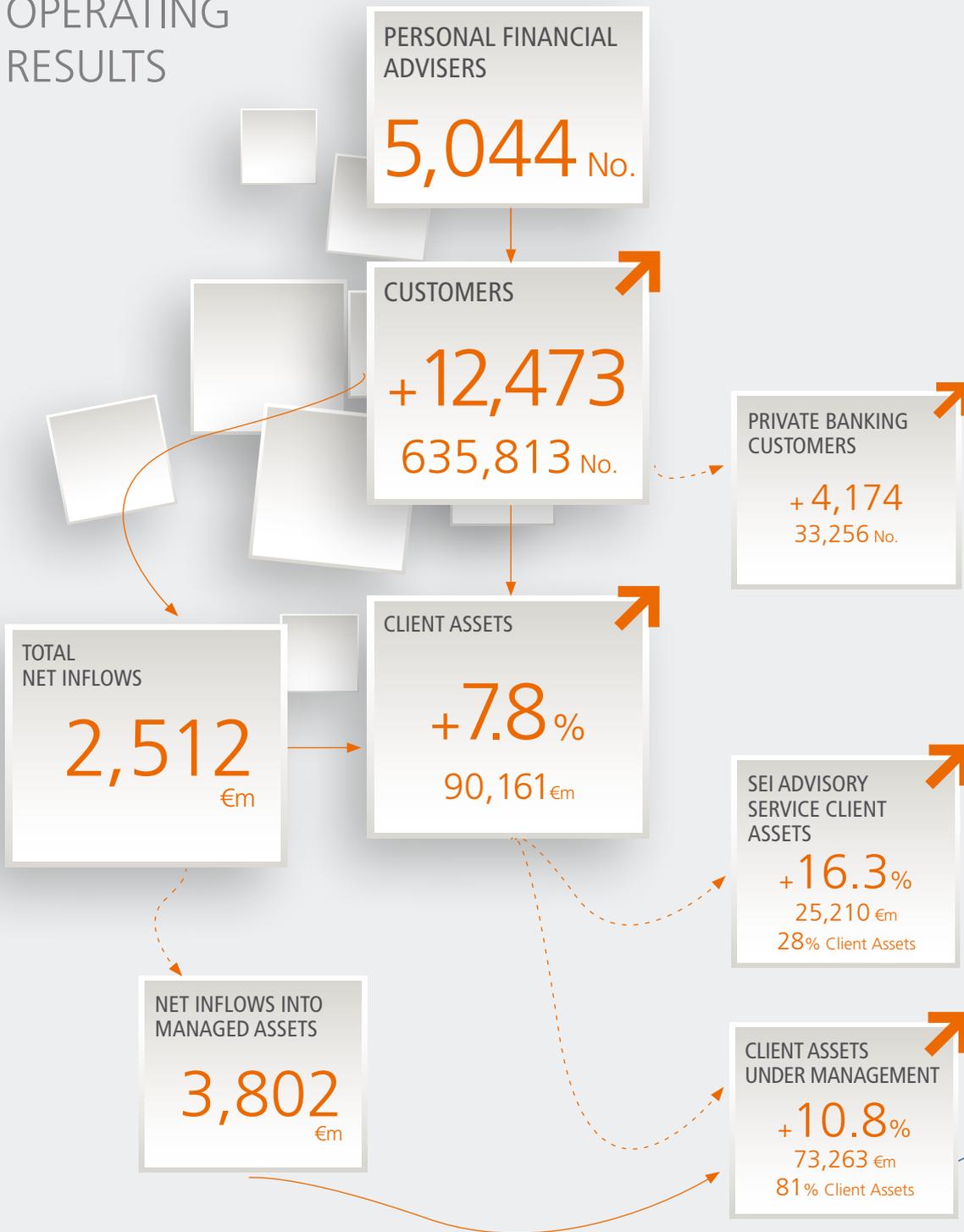


Further information  
on pages 24-25, 43-45, 78-79, 131-133

# 1.4 Key drivers

Key drivers of the business model

## OPERATING RESULTS



FINANCIAL  
RESULTSNET RECURRING  
FEES**+14.9%**

826.1 €m

CONSOLIDATED  
NET PROFIT**+28.4%**

401.9 €m

COST / INCOME  
RATIO**32.8%**

(36.3% in 2013)

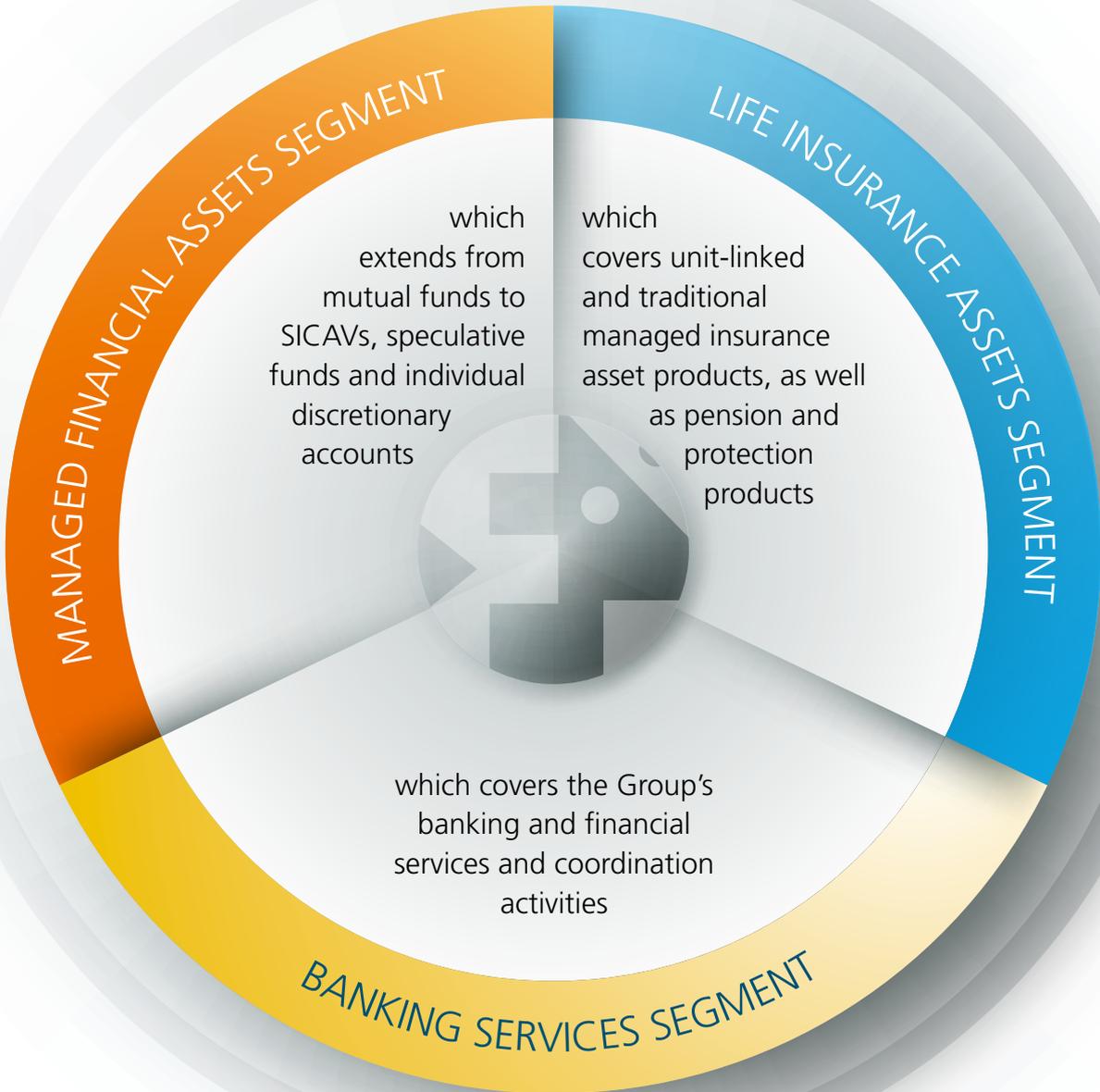
RETURN ON EQUITY

**33.2%**

(29.3% in 2013)

## 1.5 Business segments

The Group's products and services cover three segments:



Further information  
on pages 59-63

## Managed Financial Assets Segment

The Managed Financial Assets Segment covers the collective asset management solutions (mutual funds, SICAVs and speculative funds) and individual discretionary account solutions described below.

The collective asset management solutions offered fall into two main categories:

- **Benchmarked Funds:** with a return objective linked to a market index. Where these types of funds are concerned, the composition of the portfolio is determined by selecting assets for under/overweighting with respect to the benchmark within the limits of the investment policy.
- **Flexible Mutual Funds:** that have the objective of obtaining positive absolute returns for different levels of risk without being linked to a reference benchmark. These funds offer greater freedom where the composition of the portfolio is concerned in that their investment policies stipulate a maximum risk limit rather than limiting portfolio composition variability.

The solutions offered have been developed in accordance with an "open architecture" approach and consist in mutual funds/SICAVs offered by Group companies and third-party asset managers based both in and outside Italy.

### Mutual funds

#### Benchmarked Funds

##### STOCK FUNDS

Stock funds (specialised in relation to geographical area and economic sector) mainly invest in equities and largely follow a basic management approach that assesses the individual companies to identify the most attractive equities in terms of profits growth prospects.

##### BOND AND MONEY-MARKET FUNDS

Bond and money-market funds (specialised in relation to geographical area - financial duration - issuer - creditworthiness) mainly invest in liquidity instruments, government bonds and credit instruments. The management strategy adopted for these products combines a Top-Down approach based on the anticipated economic and credit cycles, and a Bottom-Up approach that analyses the individual issuers.

##### BALANCED FUNDS

Balanced funds invest in bond and equity instruments following an active management approach in terms of market exposure and selection of the individual instruments.

##### FUNDS OF FUNDS

Funds of funds, whether equity/stock or balanced funds, are solutions that allocate their investments to funds managed by the Group and leading investment companies, which are selected by a specialist team of Group fund managers.

#### Flexible Mutual Funds

##### FLEXIBLE FUNDS

Flexible funds have a management policy that aims to obtain positive returns without being linked to a benchmark. This management policy also gives the fund manager ample scope to change the underlying instrument (equity or bond) in accordance with the limits specified in their investment policy regarding underlying instruments and the risk levels which determine their nature (flexible bond funds - flexible stock funds).

##### FORMULA FUNDS

Formula funds differ from traditional mutual funds in that their yields are calculated using a predetermined formula in relation to financial instruments or indexes and can provide for the protection or guarantee of the principal invested at the end of the formula period. Their financial structure generally consists in a diversified portfolio of government bonds and/or corporate securities plus a derivatives component.

##### FLEXIBLE FUNDS OF FUNDS

Flexible funds of funds are solutions without links to a benchmark that invest in funds managed by the Group and leading investment companies, which are selected by a specialist team of Group fund managers.

The Group range includes a wide spectrum of continually developing solutions in the Fonditalia Luxembourg multisector fund and Fideuram Master Selection Italian fund.

The individual asset management solutions offered can be categorised by management style and the types of financial instruments in which they can invest.

## Management styles

### FLEXIBLE LINES

These are lines that have the objective of obtaining positive absolute returns with limited correlation with financial markets. As such, they are products with a risk control policy based on respecting a maximum potential loss level that constitutes a management limit.

### BENCHMARK LINES

Guidelines that aim to generate an excess return with respect to a market index. This category also includes individual portfolio management that invests in Group and third-party funds and funds that invest in securities, both with a range of risk profiles.

## Types of financial instruments

### MULTIMANAGER ASSET MANAGEMENT FUNDS

Mainly invest in mutual funds and SICAVs offered both by the Group and third-party fund managers.

### PORTFOLIO MANAGEMENT

Mainly invests in financial instruments other than units/shares in funds/SICAVs.

The Group offers a flexible range of solutions in this area that can be tailored to different customer needs on the basis of a "single management contract" (Fideuram OMNIA / Sanpaolo Invest OMNIA) that specifies the service and operational and tax efficiency required.

This "single management contract" allows an extensive range of investment lines to be accessed, which can be combined following what is known as a "Core-Satellite" approach in relation to type and risk, and are differentiated by family in relation to management style, geographical area and investment instruments. This service offers solutions that provide increasing levels of customisation in relation to the amount which can be invested and can extend to the construction of "dedicated" lines for Private Banking customers.

Completing the support provided, the Group also offers the Symphonia SGR investment service.

## Life insurance assets segment

The Group provides its customers with a wide range of insurance products, including the following in particular:

- Life insurance asset products (traditional insurance products and unit-linked insurance products) which offer the policyholder the payment of a capital sum or annuity upon the occurrence of a life-related event (survival or death).
- Pension products (personal pension plans and open pension funds), which offer the policyholder the payment of a capital sum or annuity upon their retirement.
- Protection products that insure the policyholder against the risks of certain specified events.

### Insurance products - traditional

Traditional insurance products provide for the payment of a premium by the policyholder in return for the payment of a revalued capital sum, with the option of conversion into a life annuity which may be reversible (the latter being a form which allows the annuity to continue being paid to another person on the death of the beneficiary), upon the occurrence of a life-related event (survival or death).

### Insurance products - unit linked

Unit-linked insurance products provide for the payment of a premium by the policyholder in return for the payment of a capital sum upon the occurrence of a life-related event (survival or death). The value of the capital sum is linked to the value of the internal funds or mutual funds in which the premiums paid by the policyholder have been invested. These policies thus provide a financial management service and simultaneously offer optional basic insurance coverage. "Fideuram Vita Insieme" is a product in this category.

### Pension and protection products

The Group offers its customers personal pension plans and open pension funds that pay the policyholder, upon retirement, a life annuity which can also be reversible ("pension products").

The Group also offers its customers insurance products that cover the policyholder against the risk of certain specified events ("protection products"). These are "pure risk" life products such as Term Life Insurance policies, which pay a capital sum upon the death of the policyholder within the contractual term of the policy in return for the payment of regular premiums. "Fideuram Vita Attiva" is a product in this category.

## Banking services segment

The Group offers its customers the following services in the Banking Services segment:

- Banking services and in particular current accounts with ancillary services for the lodging of securities, debit cards (issued by Banca Fideuram), credit cards (issued by CartaSi and Setefi S.p.A. with the Banca Fideuram logo), mortgages (issued by the Intesa Sanpaolo Group) and lending products (principally secured by assets held with the Group itself).
- Non-managed asset investment opportunities.

The products and services offered in the Banking Services segment complement and complete the products and services offered in the Managed Financial Assets and Life Insurance Assets Segments.

### Current accounts

Banca Fideuram offers a range of current accounts with a variety of conditions to suit different customer needs and levels of financial wealth. One such account is our "Conto Zero Spese", which does not charge any fees in return for not paying cash interest. Completing our array of classic banking products and services, the Group offers "Fideuram Cash Deposit", which provides a choice of 12, 18 and 24-month maturities with higher interest rates than our instant-access current accounts.

### Credit services

Banca Fideuram offers its customers lines of credit that afford them greater cash flow flexibility, secured by investment products held with the Group or substantial assets managed by the Group, which are pledged as collateral. These credit services are of two types: those provided by granting lending products secured by collateral in the form of securities or other assets held with the Group ("Lombard One"), and lines of credit secured by assets the customer has invested with the Group ("Credit Line").

### Non-managed assets

The Group offers its customers the option of investing directly in shares, bonds, structured bonds and other financial instruments. The non-managed asset investment transactions available to the Group's customers include the purchase of financial instruments on the primary market, transactions on the secondary market and repurchase agreement transactions.

### Treasury business

The Group's treasury business aims to manage the structural liquidity mainly resulting from customer deposits in such a way as to ensure the stability of this liquidity over time. It is principally used in trading short-term deposits and managing a banking book that totalled €6.3bn at 31 December 2014, diversified across medium and long-term maturities.

## 1.6 Stakeholders

The Group considers it crucial to pursue its growth objectives through constant interaction with all the stakeholders encountered in the course of its business. Moreover, having the creation of sustainable value as a prime objective, it is a strategic imperative for us to identify our reference stakeholders accurately and engage each of them in an ongoing dialogue.

The Banca Fideuram Group's core business objective is to satisfy each and every one of its **customers**, assisting them in the informed management of their assets, offering them financial and insurance advisory services and building longstanding relationships of trust.

Our customers thus play a central role in Banca Fideuram's mission.

Our commitment to our **Shareholder** is the starting point for Banca Fideuram's pursuit of quantitative and qualitative growth that is both sustainable over time and distinguished by consistently excellent profitability.

Our **colleagues** play a key role in enabling us to achieve our corporate objectives. The Group invests in them constantly to enhance their individual competencies and foster their professional growth. Our colleagues include our **employees** and our **Personal Financial Advisers**, who are at the centre of our business model. Our Personal Financial Advisers are all professionals registered in the Italian National Register of Personal Financial Advisers and committed to the Group through agency contracts.

Our **suppliers** are business partners with whom the Group works to our mutual benefit to achieve the objective of satisfying every need connected with the purchase of goods and services.

Our **community** comprises all the social and cultural entities with which the Group interacts in the performance of its business, including the leading investment companies with which the Group has strategic relations.

The **environment** is the set of ecological and energy variables which the Group may affect in the performance of its business. The Banca Fideuram Group considers that its work to create sustainable value can only proceed hand in hand with a commitment to reducing its ecological footprint.



The Banca Fideuram Group's principal stakeholders are mapped out below.

		2014	2013
<b>CUSTOMERS</b>			
Private Banking customers	Customers (No.)	635,813	623,340
Affluent customers	Client Assets (€m)	90,161	83,672
Mass Market customers	Average length of customer relationship (years)	12.7	12.7
<b>SHAREHOLDER</b>			
Intesa Sanpaolo S.p.A.	Ordinary Shares (No.)	980,290,564	980,290,564
	Par value (€)	0.19	0.19
	Shareholders' equity (€m)	1,210.3	1,212.0
	Consolidated pay-out (%) (*)	72.7	62.9
	Banca Fideuram pay-out (%) (*)	97.9	70.1
	Rating (Standard & Poor's)	BBB-/Stable	BBB/Negative
<b>COLLEAGUES</b>			
Employees	Employees: men (No.)	824	830
Personal Financial Advisers	Employees: women (No.)	621	628
	Graduate employees (%)	43.3	43.3
	Turnover (%)	5.9	7.5
	Average hours training per employee (No.)	18	22
	Personal Financial Advisers (No.)	5,044	5,104
	Average hours training per Personal Financial Adviser (No.)	51	68
<b>SUPPLIERS</b>			
Business partners	IT services (€m)	15.1	15.5
Large Suppliers	Building management (€m)	42.3	42.1
Small Suppliers	Third-party services (€m)	66.2	66.1
	Professional and insurance costs (€m)	15.2	12.5
	Advertising and promotional costs (€m)	4.4	5.0
	Other expenses (€m)	16.0	15.8
<b>COMMUNITY</b>			
Leading investment companies	Charitable and other donations (€m)	0.5	0.3
Non-profit organisations	Current taxes (€m)	119.7	126.2
Public institutions	Indirect taxes and levies (€m)	121.5	93.2
Local			
Media			
<b>ENVIRONMENT</b>			
Environmental organisations	Electricity consumption per employee (kWh)	8,639	6,742
Future generations	Paper consumption per employee (kg)	60	58

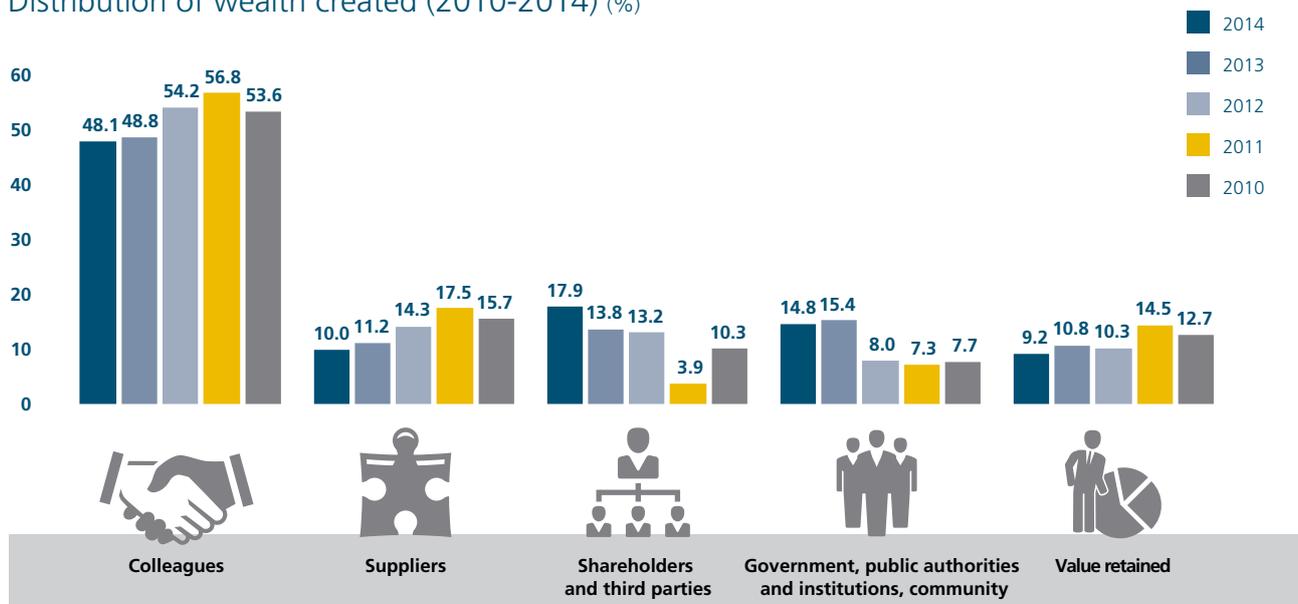
(\*) The figure for 2014 includes advance dividends totalling €250m paid in December.

Creating value for our stakeholders is one of the Banca Fideuram Group's prime objectives.

The graph below shows the distribution of the wealth created over the last 5 years.



Distribution of wealth created (2010-2014) (%)



The consolidated income statement reflects the value the Group has transferred to its stakeholders.

### CUSTOMERS

- Interest expense

### SHAREHOLDERS

- Dividend income

### COLLEAGUES

- Fee and commission expense
- Personnel expenses
- Provisions for the termination of agency agreements and for the Personal Financial Adviser network loyalty schemes

### SUPPLIERS

- Administrative expenses

### COMMUNITY

- Fee and commission expense
- Administrative expenses (donations)
- Direct taxes
- Indirect taxes and levies

### ENVIRONMENT

- Administrative expenses

The effective involvement of our stakeholders has the following benefits for the development of the Group's strategy:

- Promotes more effective risk management and enhances our reputation.
- Enables us to take all resources (knowledge, people and technologies) into account to achieve our strategic objectives.
- Allows us to achieve a more in-depth understanding of the social environment in which the Group operates, including market developments and new business opportunities.
- Builds a climate of trust between the Group and its many reference interlocutors.

- Leads to more equitable and sustainable social development by involving more parties in the decision-making process.
- Allows us to play a social role through the management of our customers' assets and the succession management of their financial assets, thus improving relations between our customers and the bank.

Our stakeholders continuously interact with the Group in the course of its business and collectively play a key role in influencing strategic management decisions. The graph below shows the importance of our main stakeholders in relation to our business model, measured in terms of their influence/dependency on the Banca Fideuram Group.



## 1.7 Risk management

The following table sets out the principal activities on which the business model underlying the Banca Fideuram Group's value-creation process is based, showing the following for each activity: the stakeholders involved, the risks to which the Group is exposed and the mitigation measures adopted, together with the impact of each activity on the consolidated income statement.

	ACTIVITY	TYPE OF RISK	RISK MITIGATION MEASURES	ECONOMIC EFFECTS	STAKEHOLDERS INVOLVED
INCOME	The Group specialises in the provision of <b>financial advisory services</b> and the <b>development, management</b> and <b>distribution</b> of banking, insurance, pension and investment products through its Personal Financial Adviser Networks	Operational risk Reputational risk Performance risk	<ul style="list-style-type: none"> <li>Application of Intesa Sanpaolo operational risk measurement, management and control guidelines</li> <li>Establishment of a litigation fund for any legal proceedings</li> <li>Insurance policy taken out to cover any offences by Personal Financial Advisers</li> <li>Dynamic customised management of customers' financial assets</li> </ul>	<ul style="list-style-type: none"> <li>Fee and commission income</li> <li>Other income</li> </ul>	CUSTOMERS PERSONAL FINANCIAL ADVISERS SHAREHOLDER COMMUNITY
	The Group <b>operates on the financial markets</b> as a proprietary trader, buying and selling financial instruments and putting instruments in place to mitigate the related risks	Credit risk Liquidity risk Market risk Operational risk	<ul style="list-style-type: none"> <li>Application of the Group Investment Policy which subjects the securities holdings to limits regarding asset allocation, rating, currency area, geographical area, sector concentration and counterparty</li> <li>Monitoring of current exposures and auditing of hedge effectiveness</li> </ul>	<ul style="list-style-type: none"> <li>Net interest income</li> <li>Net profit (loss) on trading activities</li> <li>Net profit (loss) on hedging derivatives</li> <li>Income from sales or repurchases</li> <li>Net profit (loss) on financial assets and liabilities designated at fair value</li> </ul>	SHAREHOLDER
	The Group provides <b>loans</b> to its customers and operates on the interbank market	Credit risk Liquidity risk Market risk Operational risk	<ul style="list-style-type: none"> <li>Acquisition of collateral and personal security or irrevocable mandates to sell financial instruments</li> <li>Analysis of counterparty creditworthiness, monitoring of any deterioration in collateral and regular reviews of every position</li> </ul>	<ul style="list-style-type: none"> <li>Interest income</li> </ul>	SHAREHOLDER CUSTOMERS
COSTS	The Group's main sources of <b>inflows</b> are deposits and current accounts (banks and customers)	Liquidity risk Market risk Operational risk	<ul style="list-style-type: none"> <li>Liquidity control, maintaining a balanced relationship between inflows and outflows in both the short and medium/long term</li> </ul>	<ul style="list-style-type: none"> <li>Interest expense</li> </ul>	SHAREHOLDER CUSTOMERS
	The Group <b>invests in its people:</b> Employees Personal Financial Advisers	Operational risk Reputational risk Social risk	<ul style="list-style-type: none"> <li>Training activities</li> <li>Development of written procedures, circulars and regulations</li> </ul>	<ul style="list-style-type: none"> <li>Personnel expenses</li> <li>Fee and commission expense</li> <li>Net provisions for risks and charges</li> <li>Other expense</li> </ul>	EMPLOYEES PERSONAL FINANCIAL ADVISERS SHAREHOLDER
	The Group <b>invests in its operating departments</b>	Operational risk Reputational risk Environmental risk	<ul style="list-style-type: none"> <li>Application of internal regulations regarding expenditure which aim to ensure continual improvement in quality standards and an attentive supplier selection process</li> </ul>	<ul style="list-style-type: none"> <li>Other administrative expenses</li> <li>Depreciation and amortisation</li> </ul>	CUSTOMERS EMPLOYEES PERSONAL FINANCIAL ADVISERS SUPPLIERS SHAREHOLDER



Further information  
on pages 126-130, 180-186, 253-289



## 2. Strategies

**+7.8%**

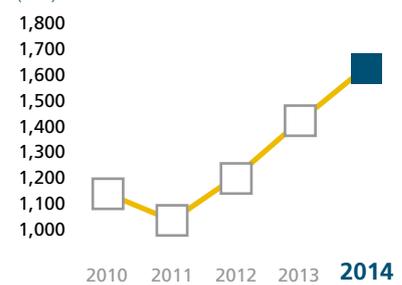
**Client Assets**  
totalled **€90.2bn**,  
up **€6.5bn** on 2013



Client Assets  
managed through  
the SEI advanced  
advisory service  
totalled **€25.2bn**,  
up 16.3% on 2013

Wealth created

(€m)



2.1 Managing Director's Statement

2.2 Group strategy

## 2.1 Managing Director's Statement



**Matteo Colafrancesco**  
Managing Director

Client assets  
**€90.2bn**

(+7.8% on 2013)

Inflows into  
managed-asset products

**€3.8bn**

Private Banking Customers

**33,000**

In 2014 we were again at the very forefront of our sector.

Working with conviction and determination, we achieved new successes and goals, notwithstanding the current economic situation in Italy, which still shows few signs of recovery.

Our customers continue to appreciate our innovations and provision of increasingly informed investment options, which they have taken up with satisfaction.

We continued to invest in products and services for the most demanding customers, in tools to support our advisory services, in the professional development of our networks, and in new organisational models to achieve maximum efficiency and optimal time management. And these investments are sustainable, thanks both to the value-creating power of our shares and assets, and to rigorous cost control.

We are proud of our achievements and of our standing in the Intesa Sanpaolo Group. In this spirit, we welcome the formation of the new Private Banking Division, decided in March 2014. Combining the expertise of Banca Fideuram and Sanpaolo Invest on the one hand, and Intesa Sanpaolo Private Banking on the other, this Division will be able to draw on the best of both distribution channels to achieve results exceeding the sum of its individual parts.

This is a project with the potential to grow beyond Italy, creating the first European Private Advisory Bank and one of the foremost such banks worldwide.

### 2014 RESULTS

This year's results have been outstanding and in many cases broken the Group's previous records.

• **€2.5bn**  
Total net inflows

• **€2.9bn**  
Insurance inflows

• **€90.2bn**  
Client assets  
including €42,1 bn from  
Private Banking customers

• **5,044**  
Personal Financial Advisers

• **12.7%**  
Financial solidity

• **€401.9m**  
Net profit

Customer take-up of our SEI Advanced advisory service continued to grow, driving client assets to €25bn. Our insurance business continued to benefit from the enormous success of the "Fideuram Vita Insieme" policy, which in 2014 once again accounted for the lion's share of net inflows into managed assets, together with renewed interest in our discretionary accounts.

We are very proud of these results, since they show that all of us across the Group have the ability to create value for continuous growth that is sustainable over time.

I would like to thank everyone who has helped us achieve these results and make 2014 an exceptional year for the Banca Fideuram Group: our Personal Financial Advisers, employees, network and branch managers, subsidiaries and customers.

### NEW STRATEGIES FOR 2015 AND SUBSEQUENT YEARS

We are satisfied with our results but believe that there is still much to do.

Our growth is solid and sustained because it is supported by a clear vision and constant dedication to innovation.

In 2015 and the years to come we shall focus on the four pillars of our core business: our service model, our range of products and services, our customer relations and the professionalism of our Personal Financial Advisers.

We shall develop our service model to cater for all our customers' needs, including the most latent needs. Needs that are served not only by the management of financial assets, but also by wealth and succession management for future generations, long-term income flow management, living standard maintenance, personal and professional insurance, tax matters and real estate analysis and management.

**“ We aim to create Europe's first Private Advisory Bank ”**

We intend to become our customers' exclusive and most trusted provider of services and products in each and every one of these areas.

We shall continue to develop and expand our core products and services for all our customers, focusing special attention on our Private Banking customers. The new products we develop will be truly innovative, unlike any currently available on the European market. We shall also broaden our offer to include non-financial services, which account for a substantial part of our Private Banking customers' overall requirements.

We shall develop new ways of interacting with our customers, as always based on the exclusive core role of our Personal Financial Advisers and their relationships with each customer. The "Alfabeto Fideuram" project will equip our Personal Financial Advisers with new channels for communicating and interacting with their customers and for showcasing their professionalism and expertise. Providing a complete digital platform, it will empower each Personal Financial Adviser to promote themselves and the Group through an ongoing dialogue with their existing and potential customers, presenting data and analyses, and proposing investment solutions.

Lastly, where the banking profession and professionalism are concerned, we shall continue to centre our approach on distinctive training that is customised to each individual's needs, with the aim of nurturing and developing our colleagues' full potential and of supporting the Group in the achievement of its strategic objectives.

We shall fine tune the new network bank model, launched two years ago, to leverage to the full the distinctive strengths of our two networks, Banca Fideuram and Sanpaolo Invest. In particular, we shall develop the highly successful Team Fideuram system to gain the maximum benefit from each individual's commitment and competencies through collective synergies, and to optimise the management of our increasingly complex business. We shall continue to focus on young people through our project "Essere Fideuram Essere Consulente" (Being Fideuram, Being a Financial Adviser), since we consider it a duty to support young people interested in our profession in finding a suitable opening at such a difficult time for youth employment.

These are all very ambitious goals, but definitely within our reach. We have everything it takes to achieve them: expertise, human and financial resources, passion and - above all - a vision that looks beyond the horizon.

The milestone of the bank's fiftieth anniversary will mark the beginning of a further stage in our creation of a successful new model in the history of our profession.

## 2.2 Group strategy

The Banca Fideuram Group has grown year on year, achieving record results again in 2014 and strengthening its position in the customer segments of greatest interest (approximately 47% of client assets from Private Banking customers).

The formation of the Intesa Sanpaolo Group's new Private Banking Division presents Banca Fideuram with a new challenge today, a project that could lead to the creation of Europe's first Private Advisory Bank.

The continued pressures on the banking system in recent years, together with the persistent difficulties of the real economy, have further highlighted the potential of financial advisory services and the importance of a business model such as that of Banca Fideuram.

Over the years, this model based on the central role of our distribution channel, comprised of two Personal Financial Adviser Networks, has enabled the Group to strengthen its leadership in its core business. Its success is based on the four pillars outlined in the Managing Director's Statement: our service model, our range of products and services, our customer relations and the professionalism of our Personal Financial Advisers.

This model has proved its strengths over those of traditional and even dedicated Private Banks, through a combination of closer customer relations and the professionalism of our Personal Financial Advisers. The Group continues to invest in this model and, in accordance with the underlying principles of our core business, is developing strategic lines of action for continuous implementation to further improve our competitive positioning.

### Strategic actions in continuity

In the area of developing our service model to manage all our customers' needs and the consequent development of our products and services:

#### 1. Strengthening our Private Banking provision by:

- Upgrading our dedicated organisational management (Private Banking Service Line).
- Improving our geographical coverage with Private Banking Centres in key areas.
- Extending the services we offer, including to cater for non-financial needs (family, tax, business etc.).

#### 2. Developing our SEI Advanced Advisory Service still further by:

- Evolving the service to extend the range of financial and other needs covered, along with the related supporting tools.
- Further increasing the customer take-up of our advanced financial advisory service.

#### 3. Expanding our range of products and services by:

- Developing our range of managed financial asset products, focusing in particular on wrapper solutions tailored to asset management needs.
- Reorganising the Group's product companies.
- Strengthening our guided open architecture model.
- Completing our range of insurance and pension products, focusing on asset protection.

In the area of customer interaction:

#### 4. Continuous technological innovation:

- Continuous development of Fideuram Mobile Solution, our information and service platform.
- Development of the platform for managing the digital interactions of our Personal Financial Advisers, with innovative tools for communicating with customers as part of the "Alfabeto Fideuram" (Fideuram Alphabet) project.
- Continuous development of Fideuram Online (home banking) and the Group's website.
- Development of smartphone and tablet applications.

#### 5. Continuous development of our customer base:

- Launching marketing initiatives that further develop our customer base across the different segments in which we operate.
- Continuous development of our external, corporate and below-the-line communications, including continuous organisation of events for existing and prospective customers.

In the area of developing professionalism:

#### 6. Developing our networks and colleagues by:

- Recruiting highly-experienced and professional Personal Financial Advisers from the world of banking in particular.
- Improving the productivity of our Networks and employees through professional development programmes focused in particular on enhancing the distinctive strengths of our service model.
- Bringing in young talent to improve the medium-long term sustainability of our Networks.

In areas of strategic importance to the creation of value:

#### 7. Optimising costs by:

- Interventions to rationalise operating expenses with a view to making our growth initiatives self financing.
- Increasing the efficiency of our logistics costs and general expenses.
- Rationalising our supplier selection processes and standardising contracts by taking up Intesa Sanpaolo framework agreements.

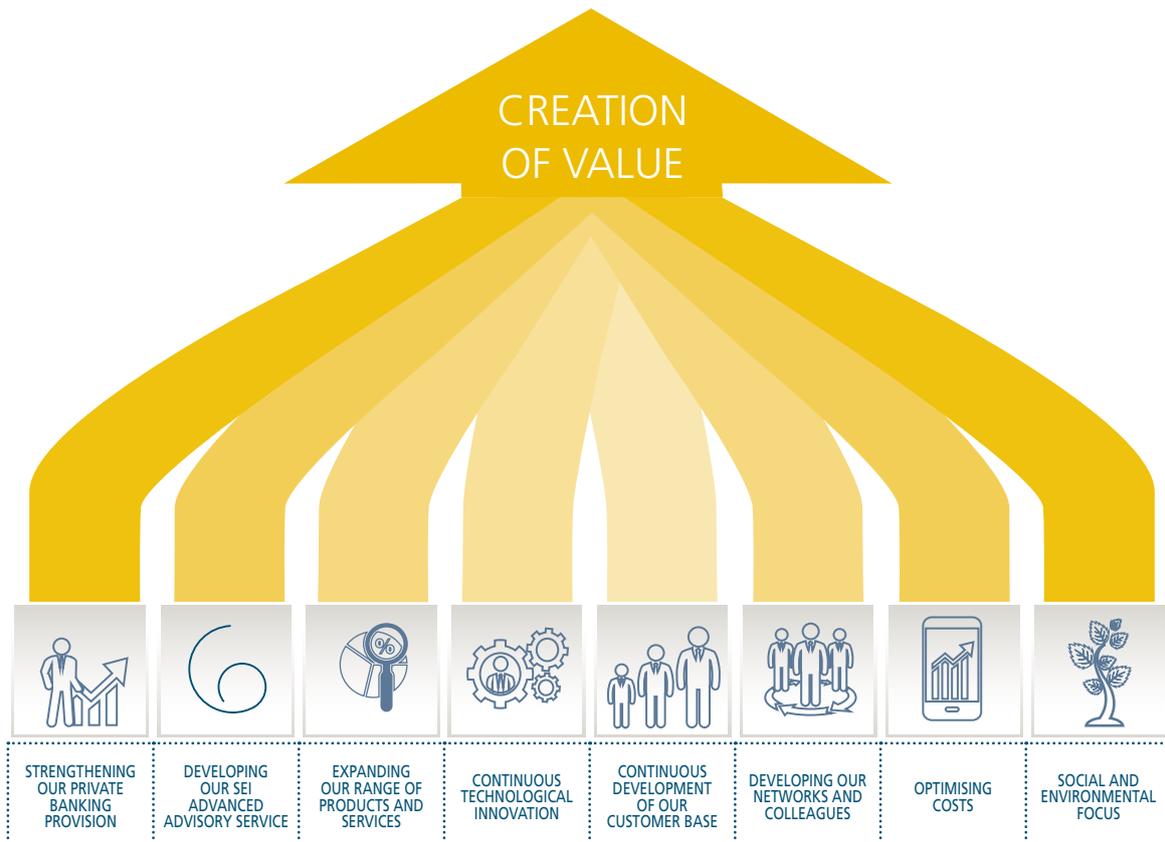
#### 8. Social and environmental focus:

- Developing our ethical fund (Fonditalia Ethical Investment).
- Promoting a financial culture.
- Interventions to reduce our environmental footprint.



Further information on pages 48-49

The eight lines of action described above are focussed on achieving eight strategic objectives that will combine to enable the Group to achieve its prime goal of **creating value sustainably over time**.



In addition to the above strategic actions, which will unfold in a synergistic continuum with those carried out in the recent past and which aim to further consolidate our leadership, Banca Fideuram has already planned a **series of initiatives to be launched in response to market opportunities**, ensuring we are able to further our competitive advantage.

While the spirit, values and model of the Group continue unchanged, Banca Fideuram is once again ready to anticipate potential changes in its reference market with further innovations in the areas of advisory support, value-added services and the development of the relationship between our Personal Financial Advisers and customers.



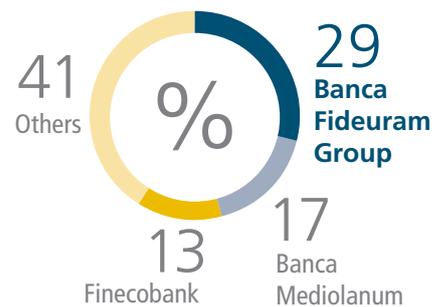
# 3. Operating and market context

+2%

The **MSCI ACWI dollar index** rose to **417.12** at 31 December 2014 compared with 408.55 at 31 December 2013  
(Source: Bloomberg)

The performance of the **financial markets** had a **€4bn** positive impact on the Group's **client assets**

Market share by **client assets**



3.1 Economic scenario

3.2 Group competitive position

3.3 Financial risk

## 3.1 Economic scenario

World economic growth in 2014 continued at the same rate as the previous year, thus failing to deliver the modest acceleration anticipated at the beginning of the year.

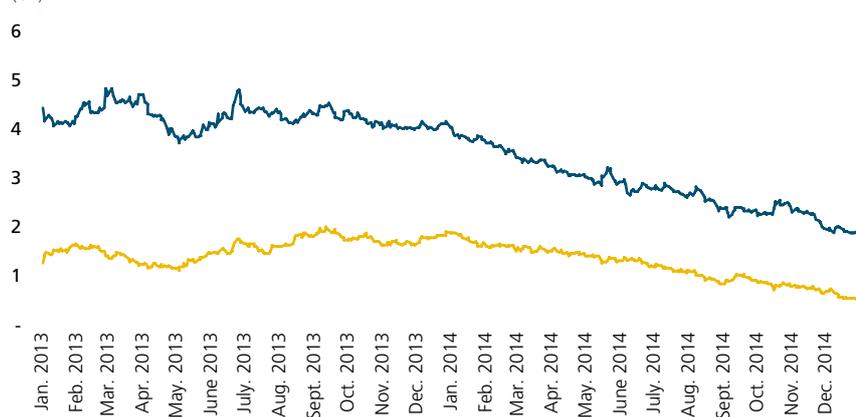
Following a decidedly disappointing first quarter, the US economy showed positive signs from the spring. The economic situation in the Euro Area and Japan was, however, weaker than anticipated during the same period, with the latter falling back into recession following a VAT increase in early April. This disappointing growth was accompanied, above all in the Euro Area, by low inflation that fell further in the last quarter of the year due to the sharp decline in oil prices. There was consequently a significant divergence between the monetary policy stances of the Federal Reserve on the one hand, and the ECB and Bank of Japan on the other, which strengthened the dollar. The Federal Reserve successfully completed the process of reducing quantitative easing that was launched in December 2013 and has started to gradually prepare the conditions for a rise in interest rates. Conversely, the ECB began to pursue a more expansionary monetary policy from the middle of the year, focusing in particular on measures to increase its assets. In June, the European Central Bank cut the refinancing rate by 10 basis points,

taking it to 0.15%, and the deposit rate was moved into negative territory for the first time. In September, the stimulus action was continued with a further 10 basis points reduction in the refinancing rate, while the deposit rate was cut to -0.2%. Also in June, the European Central Bank announced several Targeted Long Term Refinancing Operations (TLTROs) designed to boost business lending, and in September it launched a programme to purchase private securities (asset-backed securities and covered bonds). The first two TLTROs were conducted in September and December, but failed to produce the asset expansion desired. This and steadily-falling market expectations of medium- to long-term inflation led the European Central Bank to gradually shift towards extending its acquisition programme to also include government securities. The development was officially confirmed at the first meeting of 2015, with the European Central Bank deciding to acquire €60bn of government and private securities between March and the end of September 2016, linking any continuation of the acquisition

programme to the achievement of its inflation target. Faced with inflation diverging from its target, the Bank of Japan, too, was obliged to implement an expansionary measure at the end of October that the markets had not anticipated, leading to significant depreciation of the yen.

In the **U.S.A.**, the year began with a sharp unexpected drop in GDP during the first quarter, due in part to the unusually harsh weather. This was followed by a sharp acceleration in growth (equating to average annual growth of close to 5%) in the second and third quarters, which remained fairly buoyant in the last quarter as well. There was also a significant improvement in labour market conditions. Employment grew at a sustained and steady rate (showing increases consistently in excess of 200,000 jobs with the sole exception of January, due to the adverse impact of the weather), while unemployment fell by more than one percentage point, without however generating any acceleration in wages. The latter contributed to keeping inflation under control, despite its temporary acceleration in the spring. The sharp fall in oil prices subsequently led to a significant decline in headline inflation in the final months of the year, while core inflation (which excludes food and energy) remained below the Federal Reserve target.

10-year Bund and BTP yields (%)



Source: Bloomberg

— Bund yields — BTP yields

The recovery in the **Euro Area** that began in the second half of 2013 continued with ups and downs in 2014, but was still rather fragile. At the beginning of the year, GDP growth was below expectations, dampened by the strong appreciation of the euro (reaching a high in March with respect to the currencies of the EU's principal trading partners), weak foreign demand caused by difficulties in the emerging economies and above all by the Russia-Ukraine crisis, which also affected the German economy. Conversely, domestic demand and above all consumer spending experienced a gradual recovery thanks to improved labour market conditions. Business investments were disappointing, partly hampered by the unwillingness of the banks to expand lending while the European Central Bank was still conducting its comprehensive balance sheet assessment of Euro Area banks. The latter was completed in October, immediately before the ECB assumed its oversight of the single supervisory mechanism for the Euro Area banking system in early November. Consumer spend-

ing also benefited from an increase in real disposable income resulting from a sharp fall in inflation, which was the key variable influencing the ECB's monetary policy throughout the year. Inflation began falling unexpectedly from the end of 2013 and continued to do so in the second half of 2014, with the decline accelerating in the final months of the year due to sharply falling energy prices, taking inflation into negative territory in December (-0.2%).

During 2014, there were considerable differences in the performance of **Asia's** principal emerging economies, but economic growth continued to be strong overall. Growth slowed moderately in China, which also recorded a fall in inflation due to weak domestic demand, leading the authorities to adopt a series of stimulus policies that culminated in an unexpected decision to cut interest rates in November. The measures adopted included a relaxation of restrictions on the building sector, which however proved ineffective at revitalising demand and the sector

continued to have a negative impact on growth. In Japan, the increase in sales tax in April unexpectedly caused the economy to fall back into recession in the middle quarters of the year, while inflation fell unexpectedly, diverging from the central bank's target. The government responded by postponing the second sales tax increase, originally planned for October 2015. Finally, the extremely positive result for Prime Minister Shinzo Abe of the early elections in December resulted in renewed optimism regarding the implementation of structural reforms.



This climate of generally moderate growth against a backdrop of downward inflationary pressures and renewed central-bank activism was reflected in a fairly sharp fall in medium- to long-term yields. Ten-year U.S.A. Treasury bond yields fell from 3% at the start of the year to below 2.2% at the end of 2014, and then continued to fall in early 2015. The almost 150 basis points fall in 10-year Bund yields was even greater and linked to a further narrowing of peripheral spreads (with the exception of Greece). The stock markets performed strongly in the advanced economies and the U.S.A. in particular (+11.4% for the S&P 500) compared with Europe and Japan (+4.3% and +8.1% respectively for the DJ Stoxx 600 and Topix), while the emerging markets were down (-4.6% for the MSCI dollar index).

### Share markets performance



### Bond markets performance

(10-year government bond yields)  
(%)



## 3.2 Group competitive position

Our distribution model is built on two well-known brands, Banca Fideuram and Sanpaolo Invest, with consolidated reputations of longstanding on the Italian market among customers and Personal Financial Advisers alike, strengthened by their networks' constant ability to act as a melting pot, synergistically bringing together not just individual professionals in the sector but entire companies as well.

Completing the picture is our strong profitability (the highest Return on Equity in our market), which leverages the economies of scale of having the highest client assets per Personal Financial Adviser in Italy (approximately €17.9m per Personal Financial Adviser). The Group has a leading position for client assets in its reference market (Asset Gathering) with a 28.6% market share at 31 December 2014 (approximately €90.2bn). Moreover, in 2014, the Group ranked among the top leaders for net inflows into managed assets (€3.8bn).

Our open architecture model offers third-party products alongside our Group products to satisfy even the most sophisticated needs through partnerships with leading investment companies. At the end of 2014, third-party funds accounted for 53.5% of total funds held by customers (51.6% at the end of 2013).

The Group's market shares for client assets and for net inflows in relation to Italy's other major banking groups are shown in the following tables.

### Market share by Client Assets

(€bn)

	2014		2013	
	CLIENT ASSETS	% OF TOTAL CLIENT ASSETS	CLIENT ASSETS	% OF TOTAL CLIENT ASSETS
Banca Fideuram Group	90.2	28.6	83.7	30.0
Banca Mediolanum	52.8	16.7	47.2	16.9
Finecobank	41.5	13.1	36.2	13.0
Banca Generali Group	36.6	11.6	29.1	10.4
Allianz Bank	33.8	10.7	29.9	10.7
Azimut Group	27.3	8.6	23.0	8.2
Finanza e Futuro	12.5	4.0	10.6	3.8
Unione di Banche Italiane Group	6.5	2.1	5.7	2.1
Banca Monte dei Paschi di Siena	5.9	1.9	6.4	2.3
Credito Emiliano Group	4.2	1.3	3.5	1.3
Veneto Banca Group	2.5	0.8	2.3	0.8

Source: Assoreti

### Net inflows into managed assets and total Net Inflows

(€bn)

	2014		2013	
	NET INFLOWS INTO MANAGED ASSETS	TOTAL NET INFLOWS	NET INFLOWS INTO MANAGED ASSETS	TOTAL NET INFLOWS
Banca Generali Group	4.2	4.0	2.8	2.3
Banca Mediolanum	4.2	4.1	3.1	3.4
Banca Fideuram Group	3.8	2.5	5.5	2.5
Azimut Group	3.5	3.6	2.7	2.8
Finecobank	3.0	3.6	2.4	2.5
Allianz Bank	2.8	3.0	2.5	2.5
Finanza e Futuro	1.4	1.9	0.9	0.8
Credito Emiliano Group	0.6	0.5	0.4	0.4
Unione di Banche Italiane Group	0.5	0.7	0.2	-
Veneto Banca Group	0.2	0.2	0.2	0.1

Source: Assoreti

Banca Fideuram is in fifth place in the Italian asset management market, with a total of €36.8bn under management in Group mutual funds and a 5.6% market share at 31 December 2014.

### Asset Management Market

(€bn)

	2014		2013	
	CLIENT ASSETS IN OPEN-END MUTUAL FUNDS	% OF TOTAL CLIENT ASSETS IN OPEN-END MUTUAL FUNDS	CLIENT ASSETS IN OPEN-END MUTUAL FUNDS	% OF TOTAL CLIENT ASSETS IN OPEN-END MUTUAL FUNDS
Eurizon Capital	97.4	14.8	78.6	14.4
Pioneer Investments - UniCredit Group	73.4	11.1	60.0	11.0
Generali Group	58.0	8.8	42.4	7.8
AM Holding	39.9	6.0	32.7	6.0
Banca Fideuram	36.8	5.6	34.4	6.3
Mediolanum Group	35.1	5.3	29.2	5.3
Franklin Templeton Investments	26.7	4.1	28.9	5.3
Azimut Group	22.1	3.3	19.5	3.6
Arca	23.3	3.5	17.1	3.1
JP Morgan Asset Management	20.9	3.2	15.5	2.8
UBI Banca Group	20.5	3.1	18.2	3.3
Invesco	16.0	2.4	9.4	1.7

Source: Assogestioni

The ranking of the top ten operators in the Italian Private Banking Market highlights Banca Fideuram's strong performance (in third place for both client assets and increase in assets) and the excellent position of the Intesa Sanpaolo Group, which - with Intesa Sanpaolo Private Banking and Banca Fideuram - exceeded €119bn assets under management (at 31 December 2013).

### Ranking of top 10 Private Banking operators in Italy

(figures at 31.12.2013 - €bn)

	CLIENT ASSETS
Unicredit PB	86.2
Intesa Sanpaolo PB	81.3
<b>Banca Fideuram</b>	<b>38.4</b>
UBI PB	33.7
BNL BNP Paribas PB	26.7
Banca Aletti	26.3
UBS Italia	24.8
MPS PB	20.7
Credit Suisse Italy	15.7
Banca Esperia	15.3

Source: MAGSTAT survey "Private Banking in Italy", 2014

### Private Banking - Increase in client assets of top 10 operators in Italy

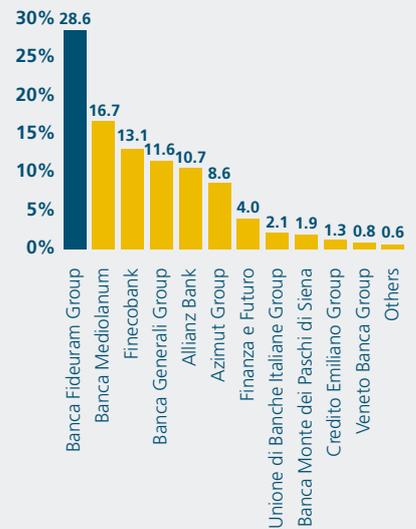
(figures at 31.12.2013 - €bn)

BNL BNP Paribas PB	5.4
Intesa Sanpaolo PB	4.7
<b>Banca Fideuram</b>	<b>2.4</b>
Banca Aletti	2.4
Banca Popolare di Milano	1.7
Mediolanum PB	1.6
Banca Esperia	1.5
Sella PB	1.2
Banca Generali PB	1.2
Gruppo Cariparma	1.0

Source: MAGSTAT survey "Private Banking in Italy", 2014

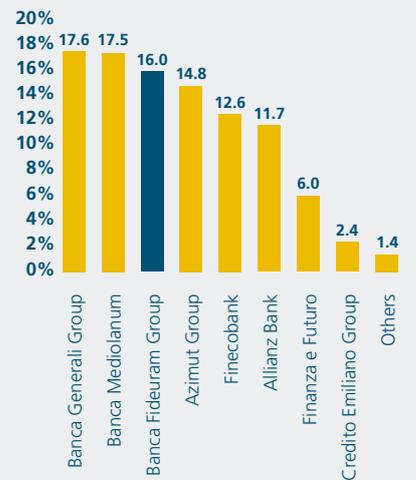
### Client Assets

at 31 December 2014



Source: Assoreti

### 2014 Net Inflows into managed assets



Source: Assoreti

## 3.3 Financial risk

A summarising report on the main risks and uncertainties that the Group faces in doing business in the current macroeconomic and market scenario is presented below.

### CORPORATE CONTINUITY

The Group ended the year with net profit totalling €401.9m and a Return on Equity of 33.2%, which are highly impressive results in themselves but even more so when considered in the light of the macroeconomic environment that characterised last year. Financial resources acquired from customers through deposits into current accounts and repurchase agreements remained stable at approximately €9.2bn, up 10.1% on the end of 2013. Group shareholders' equity totalled €1.2bn, still impacted by valuation losses on the available-for-sale portfolio totalling €144.1m. Banca Fideuram's Regulatory Capital totalled €457.6m and its Total Capital Ratio was 8.7%. The Consolidated Total Capital Ratio was 12.7%.

Banca Fideuram is able to pay its shareholder a significantly higher dividend this year than last year, with a total payout of €292.2m, including €250m advance dividends paid in December 2014, compared with €197m in 2013 (+€95.2m), and a payout ratio that is 72.7% of consolidated net profit and 97.9% of Banca Fideuram's net profit.

The Group's stability has a fourfold foundation:

- A business model which integrates production and distribution.
- Appropriate staff distribution across our branches and networks, with a good balance between fixed and variable costs.
- Effective management of legal and tax disputes with sufficient provisions set aside (the reserve for litigation, securities in default and complaints totalled 7.2% of Group shareholders' equity).
- A liquidity risk monitoring system.

**401.9** €m  
Consolidated net profit

**292.2** €m  
Consolidated dividend paid

### MANAGED ASSETS

Total net inflows came to €2.5bn, a particularly strong result in the current economic situation that contributed to 7.8% growth in client assets, which was also helped by the excellent market performance of the assets themselves (+€4bn). Analysis of the item shows a sharp rise in managed assets, which increased from €66.1bn to €73.3bn (+10.8%).

Non-managed assets were, on the other hand, down on the previous financial year at €16.9bn compared with €17.6bn (-3.9%).

The rise in average managed assets to above last year's levels (€69.1bn at the end of 2014, a 10.6% increase on 2013) drove up total net recurring fees, which increased to €826.1m at year-end, up 14.9% on the previous financial year. Performance fees increased by €2.5m compared with 2013 (+9.9%). Net front-end fees were down €4.6m compared with 2013 (-8.7%) and commission expense for incentives, totalling €112.9m, was down €7.8m on the figure for the previous year (-6.5%).



Further information  
on pages 253-289

## SECURITIES HOLDINGS AND RELATED FINANCIAL RISKS

The Group continued to calculate the fair value of its bond holdings directly from their market value, and only made marginal use of financial models to price unlisted or illiquid assets.

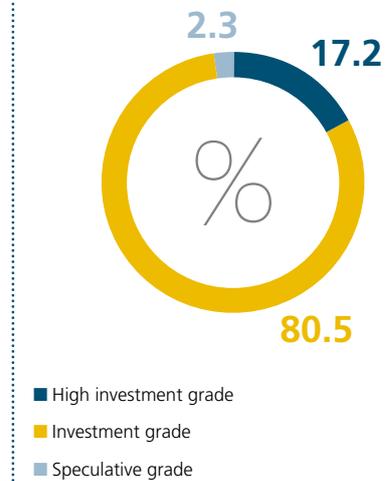
The bank portfolio, which totalled €6.3bn at the end of 2014 (€5.6bn at 31 December 2013), consisted almost entirely of bonds, including 41.5% Italian government bonds (45.7% at 31 December 2013) and 37.1% bonds issued by Intesa Sanpaolo Group companies (33.6% at 31 December 2013). As in prior years, a negative reserve for available-for-sale securities was recorded under shareholders' equity at year-end, totalling €144.1m (€187m at 31 December 2013). The decrease in this reserve was largely due to improvements in the fair value of the government issues and financial securities in the portfolio. Analysis of the securities holdings reveals high loan quality, with 17.2% of the investments being assigned high investment grade rat-

ings, 80.5% investment grade ratings and only the remaining 2.3% being assigned speculative grade ratings.

There were no toxic securities or Irish, Spanish, Portuguese or Greek government bonds in the portfolio at 31 December 2014. It should be noted that the Group portfolio has no exposure to the American subprime mortgage market and likewise has no exposure to any vehicle companies not included in the consolidation.

The Group's total exposure to interest rate risk was mitigated following a strategy of buying swaps linked to the individual fixed-coupon bonds in the portfolio. Hedging derivatives totalling €1.1bn were stated under liabilities in the balance sheet at year-end 2014, an increase of 80.7% from the figure at 31 December 2013. The hedges regarded the Group's available-for-sale securities (51.4%) and the securities in the loan portfolio (54.9%).

Composition of portfolio



## LIQUIDITY RISK

Analysis of consolidated liabilities shows the prime role of customer deposits, which totalled approximately €9.2bn at year-end and principally comprised deposits that are highly stable over time. More volatile markets exposed to crisis of confidence situations, such as the money market (through interbank loans), are

conversely allocated a more limited role in funding the Group's business.

Liquidity from liabilities is mainly invested in a portfolio of securities with medium-to-long term maturities containing a substantial proportion of eligible securities. The Group has put in place a liquidity monitor-

ing system based on the quantification of inflows and outflows, focusing its controls both on indicators quantifying short-term risk and on structural liquidity indicators, aiming to monitor and manage mismatch risk regarding the medium/long-term maturities of assets and liabilities.

## CONCLUSIONS

The Group's business model and the strategies adopted to put our future growth plans into effect leave us strongly placed to tackle the current market difficulties without any impact on our business continuity.

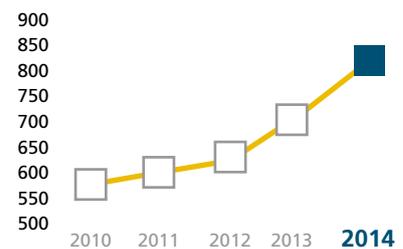


# 4. Performance

**+1.9%**  
  
**Total net inflows** came to **€2.5bn**  
(including €3.8bn inflows into managed assets)

**Return on Equity** was **33.2%**  
and the **Cost/Income ratio** was **32.8%**

Net recurring fees (€m)



## 4.1 Highlights

### 4.2 Overview of 2014

### 4.3 Client financial assets

### 4.4 Inflows into managed and non-managed assets

### 4.5 Customer segmentation

### 4.6 Advanced advisory service

### 4.7 Reclassified financial statements

### 4.8 Economic, financial and sustainability results

### 4.9 Events after the reporting period and outlook

## 4.1 Highlights

	2014	2013	2012	2011	2010
<b>CUSTOMER FINANCIAL ASSETS</b>					
Net inflows into managed assets (€m)	3,802	5,521	2,749	(31)	4,234
Total net inflows (€m)	2,512	2,465	2,316	1,717	1,901
Client Assets (€m)	90,161	83,672	79,296	70,949	71,591
<b>OPERATING STRUCTURE</b>					
Personal Financial Advisers (No.)	5,044	5,104	5,082	4,850	4,349
Staff (No.)	1,445	1,458	1,463	1,497	1,475
- women (No.)	621	628	630	640	638
- outside Italy (No.)	123	128	126	133	178
Personal Financial Advisers' Offices (No.)	324	331	339	354	325
Banca Fideuram Branches (No.)	96	97	97	97	97
<b>CONSOLIDATED FINANCIAL RESULTS</b>					
Consolidated net profit (€m)	401.9	313.1	205.3	175.1	211.6
Group shareholders' equity (€m)	1,210.3	1,212.0	925.3	549.0	749.2
Basic consolidated net earnings per share (€)	0.410	0.319	0.209	0.179	0.216
Dividends (€) (*)	0.298	0.201	0.163	0.041	0.120
Total assets (€m)	13,221.9	11,993.0	11,806.5	9,722.2	9,868.5
Wealth created (€m)	1,634.3	1,429.8	1,213.7	1,042.1	1,145.0
Economic value distributed (€m)	1,484.1	1,275.1	1,088.8	890.8	999.1
<b>PROFITABILITY AND SOLVENCY INDICATORS</b>					
Return on Equity (%)	33.2	29.3	27.9	27.0	28.0
Cost / Income ratio (%)	32.8	36.3	45.3	44.5	49.4
Payroll costs / Operating income before net impairment (%)	14.1	14.4	18.8	17.7	19.6
Net profit / Average client assets (%)	0.46	0.39	0.27	0.24	0.29
Return on assets	3.0	2.6	1.7	1.8	2.1
Economic Value Added (€m)	349.9	265.2	161.6	139.7	177.8
<b>SUSTAINABILITY INDICATORS</b>					
<b>SOCIAL INDICATORS</b>					
Customers (No.)	635,813	623,340	619,794	623,611	610,942
Complaints (No.)	2,159	2,120	2,043	2,505	3,258
Personal Financial Adviser training (hrs.)	257,115	348,327	288,473	251,892	265,922
Women in management positions (%)	7,7	7,8	7,7	7,0	3,8
Staff turnover (%)	5,9	7,5	5,4	13,6	8,7
Employee training (hrs.)	26,322	32,136	35,281	52,273	26,072
Donations (€k)	454	320	280	266	272
Operating income before net impairment / Number of employees (€m)	0,64	0,55	0,47	0,48	0,47
Client assets / Number of Personal Financial Advisers (€m)	17,9	16,4	15,6	14,6	16,5
<b>ENVIRONMENTAL INDICATORS</b>					
Electricity consumption per employee (kWh)	8,639	6,742	5,096	5,663	6,368
Paper consumption per employee (kg)	60	58	56	51	40

Counterparty rating (Standard &amp; Poor's)

Long term: BBB-

Short term: A-3

Outlook: Stable

(\*) The figure for 2014 includes advance dividends totalling €250m paid in December.

## 4.2 Overview of 2014

The Banca Fideuram Group ended 2014 with consolidated net profit of €401.9m, up €88.8m (+28.4%) on the result for 2013 (€313.1m).

Net of non-recurring items, net profit was up €103.2m (+33.9%). The wealth created by the Group's business totalled €1.6bn at 31 December 2014, up €204.5m from last year.

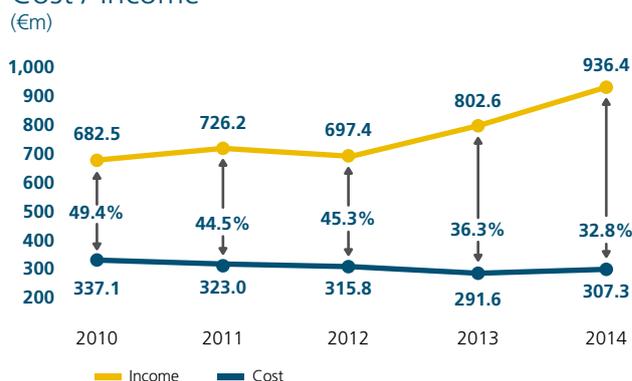
Return on equity (R.O.E.) was 33.2%.

### R.O.E. / Risk Free Rate



Analysis of the main income-statement items shows that this sharp increase in profit before tax was due to a €121.6m increase in operating income and, to a lesser extent, a reduction in other expense (-€7.1m) along with increased gains on equity investments (+€4.4m). These results were partially offset by increased operating expenses (+€15.7m) and net provisions for risks and charges (+€8.5m). The Group's Cost/Income Ratio improved significantly to 32.8% from 36.3% in 2013.

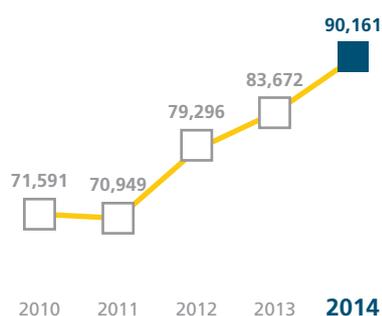
### Cost / Income



At 31 December 2014, there were 5,044 Personal Financial Advisers in the Group's networks, down slightly from 5,104 at 31 December 2013. Client assets per Personal Financial Adviser were €17.9m at 31 December 2014, up €1.5m on the previous year. Total staff came to 1,445 compared with 1,458 at 31 December 2013. Banca Fideuram bank branches and Personal Financial Advisers' offices totalled 96 and 324 respectively, with Sanpaolo Invest SIM accounting for 127 of the latter.

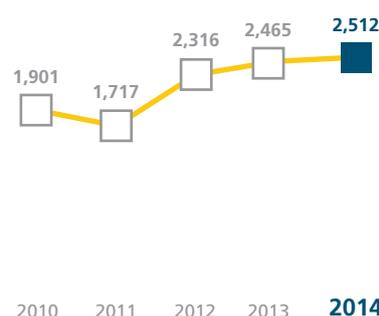
#### Client Assets

(€m)



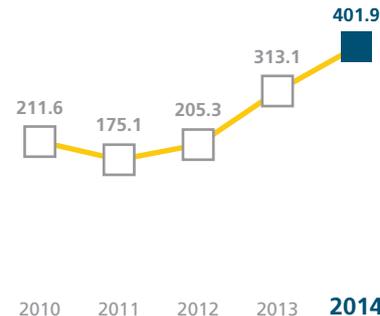
#### Net inflows

(€m)



#### Consolidated net profit

(€m)

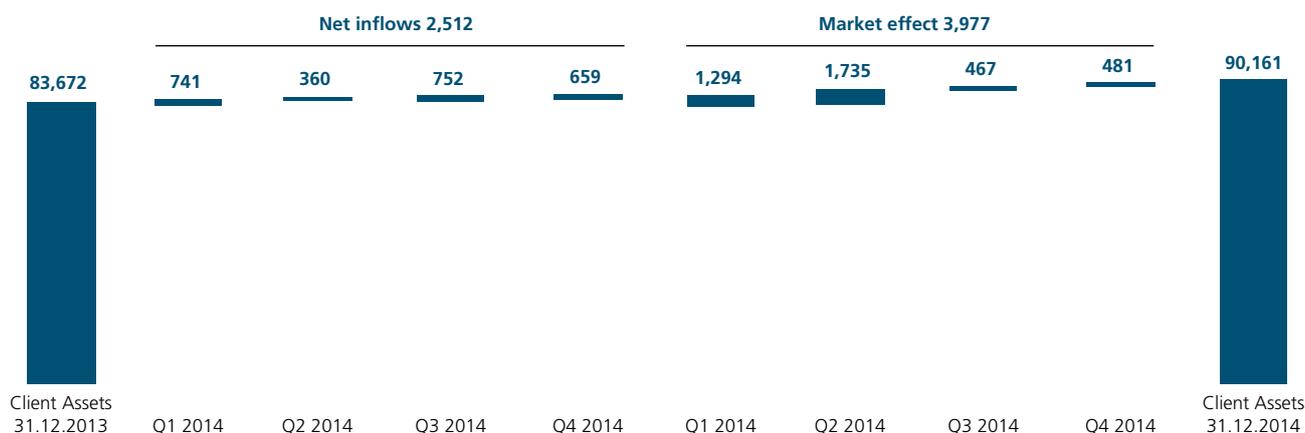


## 4.3 Client financial assets



**Client assets** totalled €90.2bn at 31 December 2014, up €6.5bn (+7.8%) on 31 December 2013 as a result of the strong market performance of the assets themselves (+€4bn) and of solid net inflows (€2.5bn).

### Client Assets 2014 (€m)



Analysis of the item shows the excellent performance of managed assets, which rose to €73.3bn (81.3% of total client assets), an increase of €7.2bn (+10.8%) on 31 December 2013, above all as a result of the strong performance of life insurance (+€4bn) and discretionary accounts (+€2.5bn). Non-managed assets were, conversely, down €0.7bn (-3.9%) from the figure at 31 December 2013, totalling €16.9bn.

### Client Assets

(€m)

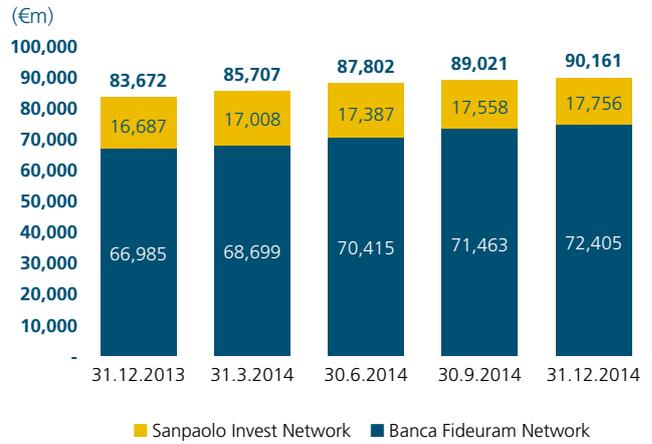
	31.12.2014	31.12.2013	CHANGE	
			AMOUNT	%
Mutual funds	35,645	35,341	304	0.9
Discretionary accounts	11,787	9,254	2,533	27.4
Life insurance	24,651	20,606	4,045	19.6
<i>including: Fideuram Vita / Intesa Sanpaolo Vita unit linked</i>	19,189	16,173	3,016	18.6
Pension funds	1,180	895	285	31.8
<b>Total managed assets</b>	<b>73,263</b>	<b>66,096</b>	<b>7,167</b>	<b>10.8</b>
<b>Total non-managed assets</b>	<b>16,898</b>	<b>17,576</b>	<b>(678)</b>	<b>-3.9</b>
<i>including: Securities</i>	10,529	12,071	(1,542)	-12.8
<b>Total Client Assets</b>	<b>90,161</b>	<b>83,672</b>	<b>6,489</b>	<b>7.8</b>

The graphs show the quarterly trend of client assets, broken down by **type of inflow** and **sales network**.

Client Assets - by type of inflows



Client Assets - by sales network



The following tables show the annual trend of client assets by sales area and network.



Banca Fideuram Network - Client Assets by area

	31.12.2014	31.12.2013	CHANGE	
			AMOUNT	%
Area 1	13,033	12,072	961	8.0
Area 2	14,608	13,299	1,309	9.8
Area 3	13,880	12,785	1,095	8.6
Area 4	14,132	13,071	1,061	8.1
Area 5	15,198	14,103	1,095	7.8
Other (*)	1,554	1,655	(101)	-6.1
<b>Total</b>	<b>72,405</b>	<b>66,985</b>	<b>5,420</b>	<b>8.1</b>

Sanpaolo Invest Network - Client Assets by area

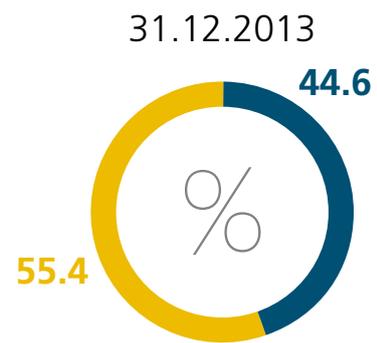
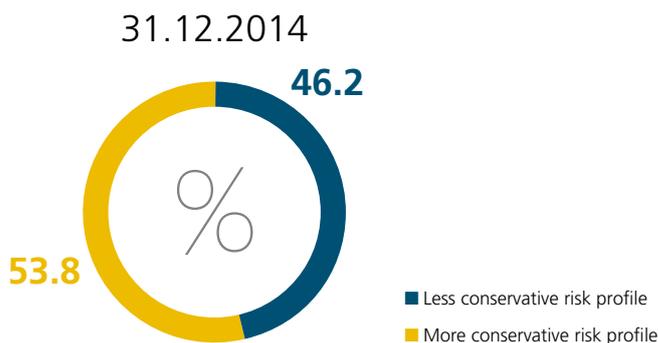
	31.12.2014	31.12.2013	CHANGE	
			AMOUNT	%
Area 1	9,381	8,737	644	7.4
Area 2	8,217	7,803	414	5.3
Other (*)	158	147	11	7.5
<b>Total</b>	<b>17,756</b>	<b>16,687</b>	<b>1,069</b>	<b>6.4</b>

(\*) Client Assets that cannot be directly attributed to any area.

(\*) Client Assets that cannot be directly attributed to any area.

Analysis of the allocation of managed assets with recurring fees (mutual funds, discretionary accounts and unit-linked policies) at the end of December 2014 shows that investments with less conservative risk profiles (flexible, balanced equity-based investments) accounted for 46.2% of the total (44.6% at the end of December 2013), while bond and money-market investments made up the remaining 53.8% (55.4% at the end of December 2013).

Asset allocation of managed assets with recurring fees



## 4.4 Inflows into managed and non-managed assets

Net inflows  
**2.5** €bn  
(+1.9% on 2013)

The Group's two distribution networks brought in €2.5bn net inflows in 2014, which was in line with the previous year (+1.9%).

Analysis of the item shows that inflows into managed assets totalled €3.8bn, down €1.7bn from the figure for 2013, when they benefited from a substantial reallocation of client assets from non-managed assets to managed asset products. Specifically, there was a decline in net inflows into mutual funds (-€2.5bn) and life assurance (-€0.9bn) in 2014 that was only partially offset by increased inflows into discretionary accounts (+€1.6bn).

Non-managed assets showed a net outflow of €1.3bn, a €1.8bn improvement on the net outflow of €3.1bn in the previous year.

### Net inflows

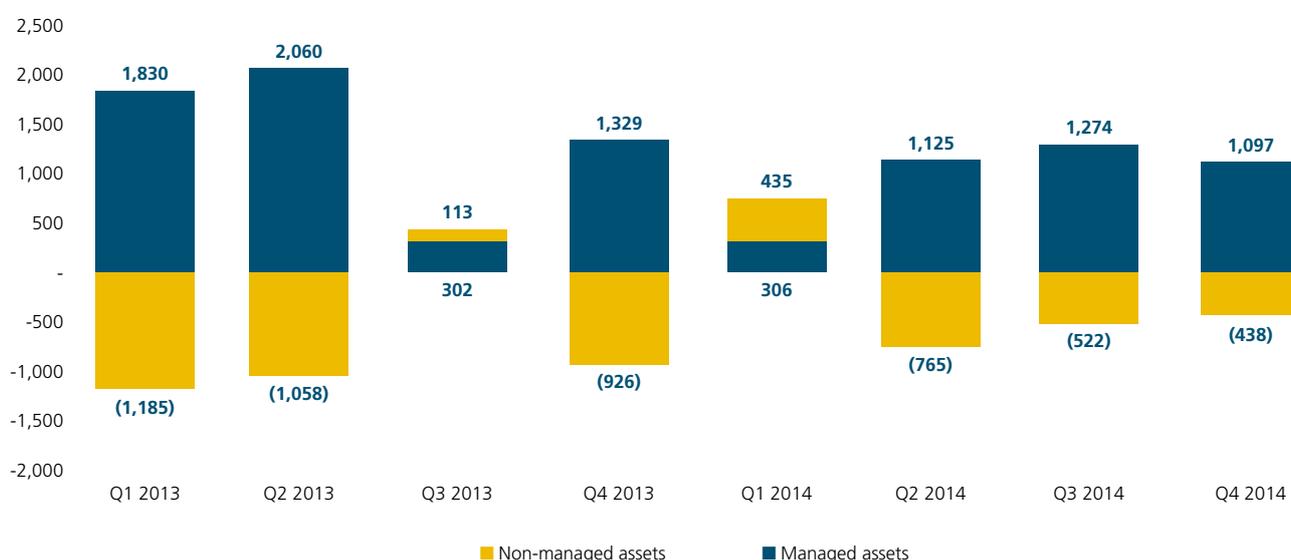
(€m)

	2014	2013	CHANGE	
			AMOUNT	%
Mutual funds	(1,359)	1,170	(2,529)	n.s.
Discretionary accounts	2,057	446	1,611	n.s.
Life insurance	2,937	3,800	(863)	-22.7
<i>including: Fideuram Vita / Intesa Sanpaolo Vita Intesa Sanpaolo Vita unit linked</i>	2,080	3,612	(1,532)	-42.4
Pension funds	167	105	62	59.0
<b>Total managed assets</b>	<b>3,802</b>	<b>5,521</b>	<b>(1,719)</b>	<b>-31.1</b>
<b>Total non-managed assets</b>	<b>(1,290)</b>	<b>(3,056)</b>	<b>1,766</b>	<b>-57.8</b>
<i>including: Securities</i>	(2,174)	(3,186)	1,012	-31.8
<b>Total net inflows</b>	<b>2,512</b>	<b>2,465</b>	<b>47</b>	<b>1.9</b>

n.s.: not significant

### Net inflows

(€m)



# 4.5 Customer segmentation

Total customers numbered approximately 636,000 at 31 December 2014 compared with approximately 623,000 at 31 December 2013.

Assets per client were €142k at 31 December 2014 compared with €134k at 31 December 2013. Approximately 390,000 customers were subscribed to our online services, an increase of 44,000 on 31 December 2013. The number of current accounts opened totalled 515,000 at 31 December 2014 (+30,000 on 31 December 2013).

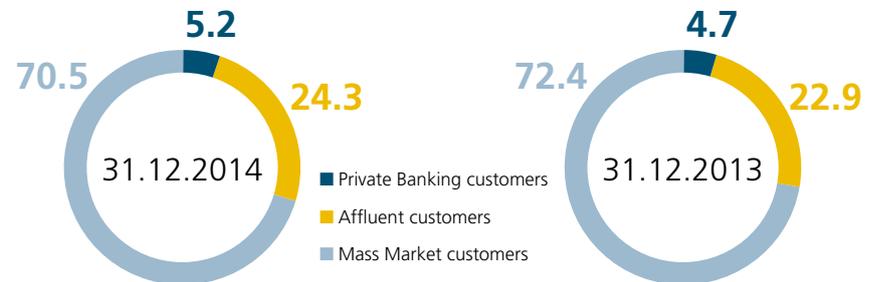
Analysis of the Group's customer distribution shows strong concentration in the Private Banking segment. This focus on high-end customers (approximately 47% of client assets come from Private Banking customers, and this figure is constantly growing) enables our Personal Financial Advisers to target a segment with high growth prospects in the Italian Market. The Group supports this segment with a dedicated service model using ad hoc organisational management (Private Banking Service Line) and customised products and services.

The following tables and graphs show the breakdown of customers by segment, and client assets analysed by type of customer.

### Customers (No.)

	31.12.2014	31.12.2013	CHANGE	
			AMOUNT	%
Private Banking customers	33,256	29,082	4,174	14.4
Affluent customers	154,216	142,676	11,540	8.1
Mass Market customers	448,341	451,582	(3,241)	-0.7
<b>Total</b>	<b>635,813</b>	<b>623,340</b>	<b>12,473</b>	<b>2.0</b>

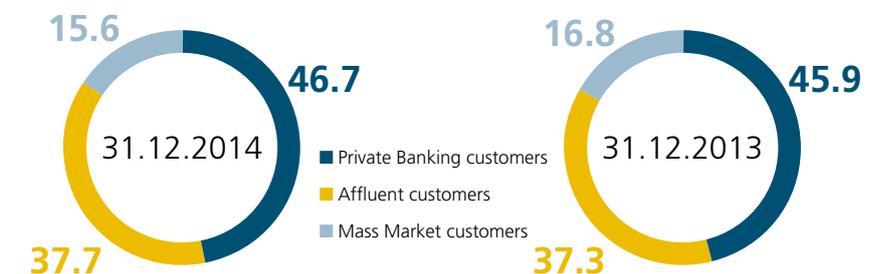
### Analysis of customers by segment



### Client Assets by type of customer (€m)

	31.12.2014	31.12.2013	CHANGE	
			AMOUNT	%
Private Banking customers	42,062	38,399	3,663	9.5
Affluent customers	34,024	31,180	2,844	9.1
Mass Market customers	14,075	14,093	(18)	-0.1
<b>Total</b>	<b>90,161</b>	<b>83,672</b>	<b>6,489</b>	<b>7.8</b>

### Analysis of client assets by type of customer



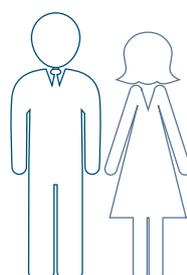
636,000

Customers at 31 December 2014

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142 €K

Assets per client



The Banca Fideuram Group's customers are divided into the following segments:

#### PRIVATE BANKING CUSTOMERS

Customers with financial assets in excess of €500,000

#### AFFLUENT CUSTOMERS

Customers with financial assets of between €100,000 and €500,000

#### MASS MARKET CUSTOMERS

Customers with financial assets of less than €100,000

## 4.6 Advanced advisory service



Banca Fideuram is a leading Italian bank in the provision of financial advisory services and in the distribution, development and management of financial services and products for private individuals.

The Group's principal distinctive strengths, emblematic of its market leadership, are founded on a **network bank model** that anchors the distribution of products and services in the professional relationships between our Personal Financial Advisers and customers, supported by the strength of a banking group with two renowned brands, Banca Fideuram and Sanpaolo Invest, and a network of 96 bank branches located throughout Italy, which make a decisive contribution to customer loyalty. Our **guided open-architecture model** offers third-party products to complement our Group products.

The professional relationship between each Personal Financial Adviser and customer is based on a **financial advisory service model** governed by a specific contract.

These services are delivered in two ways:

- Basic Advisory Service: provided free of charge to all customers and consisting in personalised advisory services regarding the customer's investments, paying careful attention to risk management and the suitability of their overall portfolio.
- SEI Advanced Advisory Service: provided on the basis of a dedicated contract and subject to the payment of commission, consisting in identifying the customer's individual requirements classified by area of need, in analysing their overall position and risk/return profile, in identifying appropriate investment strategies and solutions for each individual area of need and in monitoring them over time.



A total of approximately 60,000 customers were subscribed to our SEI advanced advisory service at the end of December 2014, accounting for approximately €25bn client assets (+€3.5bn on the figure at year-end 2013).



# Banca FIDEURAM

The growth of our SEI advanced advisory service is shown below.

### Customers subscribed to SEI Advanced Advisory Service

(No.)

	31.12.2014	31.12.2013	CHANGE	
			AMOUNT	%
Private Banking customers	12,327	10,774	1,553	14.4
Affluent customers	32,262	29,094	3,168	10.9
Mass Market customers	15,201	14,192	1,009	7.1
<b>Total</b>	<b>59,790</b>	<b>54,060</b>	<b>5,730</b>	<b>10.6</b>

### Quarterly net commission income from SEI Advanced Advisory Service

(€m)



### SEI Advanced Advisory Service client assets

(€m)

	31.12.2014	31.12.2013	CHANGE	
			AMOUNT	%
Private Banking customers	16,312	13,933	2,379	17.1
Affluent customers	7,997	6,985	1,012	14.5
Mass Market customers	901	753	148	19.7
<b>Total</b>	<b>25,210</b>	<b>21,671</b>	<b>3,539</b>	<b>16.3</b>

# 54.9 €m

SEI Advanced Advisory Net fee and commission income

### SEI Advanced Advisory Service commission income

(€m)

	2014	2013	CHANGE	
			AMOUNT	%
Commission income	98.1	71.8	26.3	36.6
Commission expense	(43.2)	(33.9)	(9.3)	27.4
<b>Net fee and commission income</b>	<b>54.9</b>	<b>37.9</b>	<b>17.0</b>	<b>44.9</b>

## 4.7 Reclassified financial statements

### Consolidated balance sheet

(Reclassified - €m)

	31.12.2014	31.12.2013	CHANGE	
			AMOUNT	%
<b>ASSETS</b>				
Cash and cash equivalents	39.3	73.3	(34.0)	-46.4
Financial assets (other than loans and held-to-maturity investments)	2,721.0	2,560.7	160.3	6.3
Held-to-maturity investments	332.9	451.8	(118.9)	-26.3
Loans and advances to banks	3,672.0	3,177.8	494.2	15.6
Loans and advances to customers	5,370.0	4,795.5	574.5	12.0
Hedging derivatives	-	3.5	(3.5)	-100.0
Equity investments	118.8	102.7	16.1	15.7
Property and equipment	36.5	36.9	(0.4)	-1.1
Intangible assets	25.7	23.1	2.6	11.3
Tax assets	171.5	181.7	(10.2)	-5.6
Other assets	734.2	586.0	148.2	25.3
<b>TOTAL ASSETS</b>	<b>13,221.9</b>	<b>11,993.0</b>	<b>1,228.9</b>	<b>10.2</b>
<b>LIABILITIES</b>				
Due to banks	576.0	805.5	(229.5)	-28.5
Due to customers	9,163.6	8,321.9	841.7	10.1
Financial liabilities held for trading	43.7	9.9	33.8	n.s.
Hedging derivatives	1,094.8	605.7	489.1	80.7
Tax liabilities	54.9	80.9	(26.0)	-32.1
Other liabilities	737.4	656.8	80.6	12.3
Provisions for risks and charges	340.8	300.0	40.8	13.6
Equity attributable to non-controlling interests	0.4	0.3	0.1	33.3
Equity attributable to owners of the parent company	1,210.3	1,212.0	(1.7)	-0.1
<b>TOTAL LIABILITIES</b>	<b>13,221.9</b>	<b>11,993.0</b>	<b>1,228.9</b>	<b>10.2</b>

n.s.: not significant

## Consolidated Income Statement

(Reclassified - €m)

	2014	2013	CHANGE	
			AMOUNT	%
Net interest income	120.6	131.6	(11.0)	-8.4
Net profit (loss) on financial assets and liabilities	18.5	(2.2)	20.7	n.s.
Net fee and commission income	789.0	676.4	112.6	16.6
<b>OPERATING INCOME BEFORE NET IMPAIRMENT</b>	<b>928.1</b>	<b>805.8</b>	<b>122.3</b>	<b>15.2</b>
Net impairment	0.9	1.6	(0.7)	-43.8
<b>OPERATING INCOME</b>	<b>929.0</b>	<b>807.4</b>	<b>121.6</b>	<b>15.1</b>
Personnel expenses	(130.5)	(115.7)	(14.8)	12.8
Other administrative expenses	(163.2)	(162.4)	(0.8)	0.5
Depreciation and amortisation	(13.6)	(13.5)	(0.1)	0.7
<b>OPERATING EXPENSES</b>	<b>(307.3)</b>	<b>(291.6)</b>	<b>(15.7)</b>	<b>5.4</b>
Net provisions for risks and charges	(76.9)	(68.4)	(8.5)	12.4
Profit (loss) on equity investments	10.4	6.0	4.4	73.3
Other income (expense)	(2.1)	(9.2)	7.1	-77.2
<b>PROFIT BEFORE TAX</b>	<b>553.1</b>	<b>444.2</b>	<b>108.9</b>	<b>24.5</b>
Income taxes	(145.4)	(139.8)	(5.6)	4.0
Net profit (loss) attributable to non-controlling interests	(0.2)	(0.1)	(0.1)	100.0
<b>NET PROFIT BEFORE NON-RECURRING ITEMS</b>	<b>407.5</b>	<b>304.3</b>	<b>103.2</b>	<b>33.9</b>
Non-recurring income (expenses) net of tax	(5.6)	8.8	(14.4)	n.s.
<b>NET PROFIT</b>	<b>401.9</b>	<b>313.1</b>	<b>88.8</b>	<b>28.4</b>

n.s.: not significant

## 4.8 Economic, financial and sustainability results

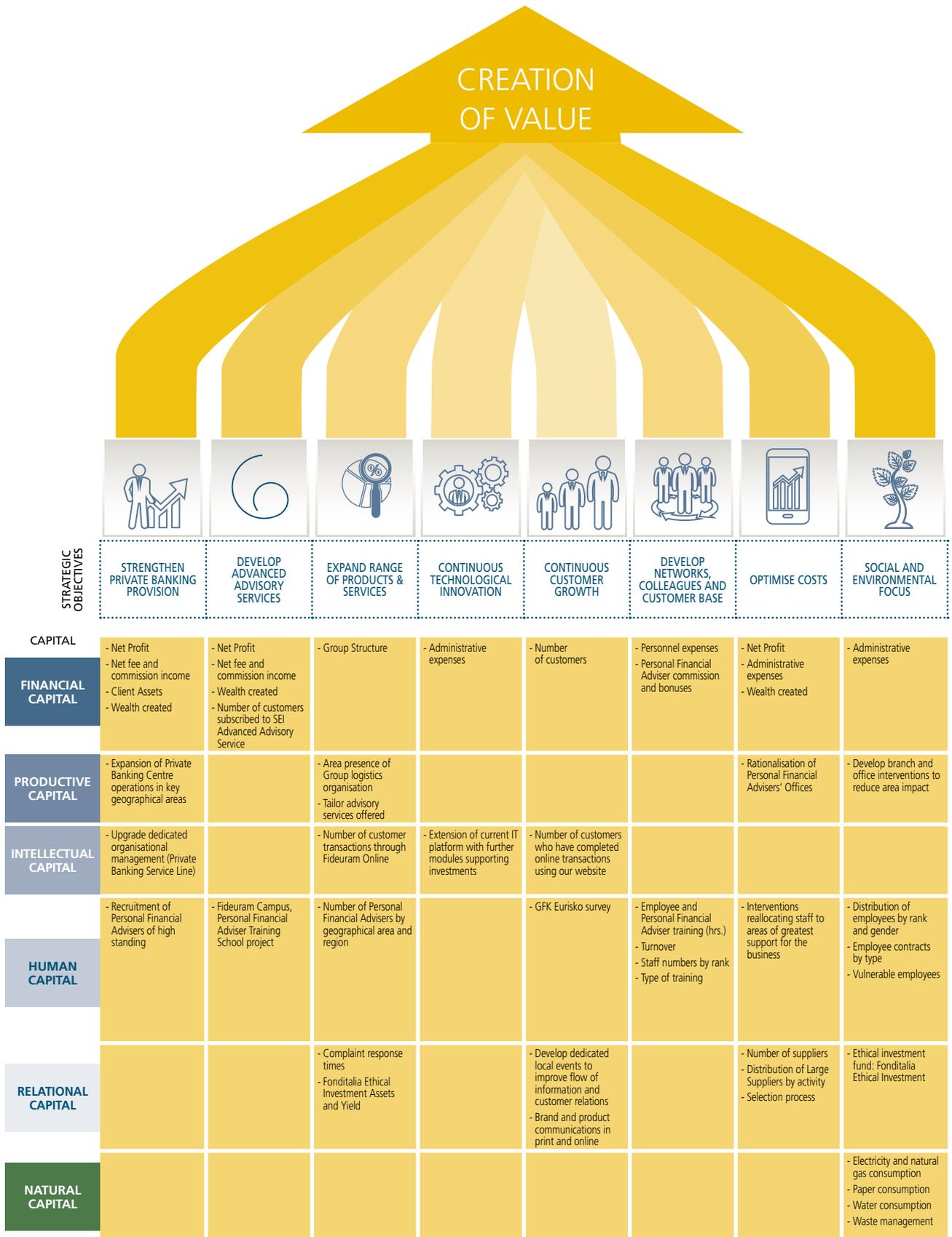
The Banca Fideuram Group uses the resources at its disposal in the value-creation process in accordance with its business model and modifies them in line with its strategies.

The Group has six strategic objectives, which combine to enable it to achieve its prime objective of creating sustainable value over time.

The Group allocates, modifies and makes use of the following types of capital to this end:

<b>FINANCIAL CAPITAL</b>	Funds available to the Group, obtained from diverse internal and external sources of finance for use in the conduct of its business.
<b>PRODUCTIVE CAPITAL</b>	Property owned, bank branches, Personal Financial Advisers' offices and plant and equipment necessary to conduct our business.
<b>INTELLECTUAL CAPITAL</b>	Intangible assets and knowledge that bring the Group a competitive advantage, including the processes and procedures, intellectual property and other intangible assets associated with our brand and its reputation.
<b>HUMAN CAPITAL</b>	The capital formed by the skills, abilities and knowledge of the people who work in the Group, including our Personal Financial Advisers, employees and governance bodies.
<b>RELATIONAL CAPITAL</b>	Intangible resources attributable to the Group's relations with its key stakeholders, necessary to enhance its image, reputation and customer satisfaction.
<b>NATURAL CAPITAL</b>	Set of processes and environmental resources, both renewable and otherwise, which contribute to generating goods or services for the Group's business.

The contributions of these types of capital to the value creation process are summarized below. The table shows how the Group achieves its strategic objectives by combining these different types of corporate capital in line with its business model. To illustrate this concept clearly, the table uses a connections grid showing the relations between the different types of capital, the Group's strategic objectives and its Key Performance Indicators.

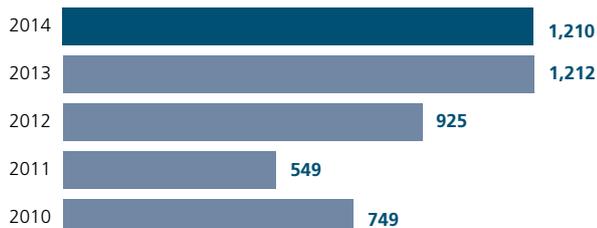


## 4.8.1 Financial Capital

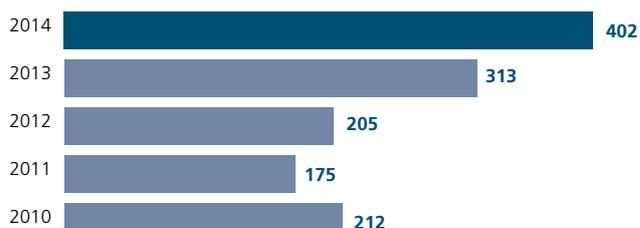
The Group's Financial Capital is the set of funds available to it and the economic performance resulting from the use of these funds.

### KEY INDICATORS

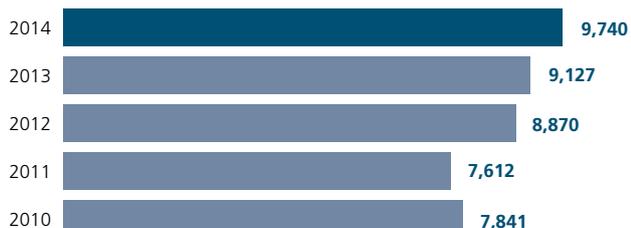
#### Group shareholders' equity (€m)



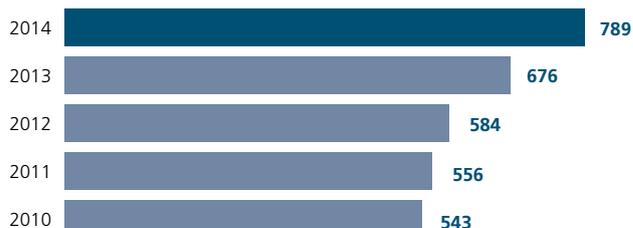
#### Consolidated net profit (€m)



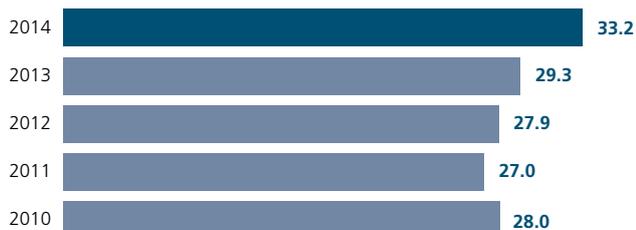
#### Banks and customers deposits (€m)



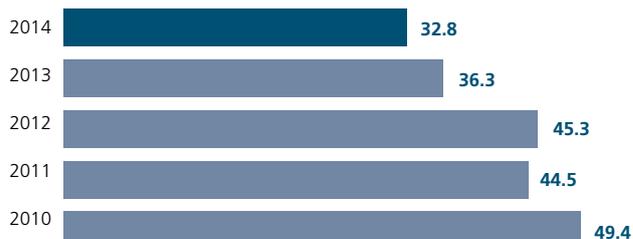
#### Net fee and commission income (€m)



#### Return on equity (%)



#### Cost / Income ratio (%)



## ANALYSIS OF THE INCOME STATEMENT

In a global economic scenario that continues to give conflicting signals, the Banca Fideuram Group ended 2014 with consolidated net profit of €401.9m, up €88.8m (+28.4%) on last year.

### Consolidated Income Statement

(Reclassified - €m)

	2014	2013	CHANGE	
			AMOUNT	%
Net interest income	120.6	131.6	(11.0)	-8.4
Net profit (loss) on financial assets and liabilities	18.5	(2.2)	20.7	n.s.
Net fee and commission income	789.0	676.4	112.6	16.6
<b>OPERATING INCOME BEFORE NET IMPAIRMENT</b>	<b>928.1</b>	<b>805.8</b>	<b>122.3</b>	<b>15.2</b>
Net impairment	0.9	1.6	(0.7)	-43.8
<b>OPERATING INCOME</b>	<b>929.0</b>	<b>807.4</b>	<b>121.6</b>	<b>15.1</b>
Personnel expenses	(130.5)	(115.7)	(14.8)	12.8
Other administrative expenses	(163.2)	(162.4)	(0.8)	0.5
Depreciation and amortisation	(13.6)	(13.5)	(0.1)	0.7
<b>OPERATING EXPENSES</b>	<b>(307.3)</b>	<b>(291.6)</b>	<b>(15.7)</b>	<b>5.4</b>
Net provisions for risks and charges	(76.9)	(68.4)	(8.5)	12.4
Profit (loss) on equity investments	10.4	6.0	4.4	73.3
Other income (expense)	(2.1)	(9.2)	7.1	-77.2
<b>PROFIT BEFORE TAX</b>	<b>553.1</b>	<b>444.2</b>	<b>108.9</b>	<b>24.5</b>
Income taxes	(145.4)	(139.8)	(5.6)	4.0
Net profit (loss) attributable to non-controlling interests	(0.2)	(0.1)	(0.1)	100.0
<b>NET PROFIT BEFORE NON-RECURRING ITEMS</b>	<b>407.5</b>	<b>304.3</b>	<b>103.2</b>	<b>33.9</b>
Non-recurring income (expenses) net of tax	(5.6)	8.8	(14.4)	n.s.
<b>NET PROFIT</b>	<b>401.9</b>	<b>313.1</b>	<b>88.8</b>	<b>28.4</b>

n.s.: not significant

### Quarterly consolidated income statements

(Reclassified - €m)

	2014				2013			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net interest income	25.7	31.8	32.3	30.8	44.1	32.6	30.0	24.9
Net profit (loss) on financial assets and liabilities	10.0	2.2	3.4	2.9	(8.9)	5.0	1.4	0.3
Net fee and commission income	218.4	200.9	190.2	179.5	195.0	168.7	163.8	148.9
<b>OPERATING INCOME BEFORE NET IMPAIRMENT</b>	<b>254.1</b>	<b>234.9</b>	<b>225.9</b>	<b>213.2</b>	<b>230.2</b>	<b>206.3</b>	<b>195.2</b>	<b>174.1</b>
Net impairment	0.3	(0.1)	(0.2)	0.9	(0.9)	1.8	0.5	0.2
<b>OPERATING INCOME</b>	<b>254.4</b>	<b>234.8</b>	<b>225.7</b>	<b>214.1</b>	<b>229.3</b>	<b>208.1</b>	<b>195.7</b>	<b>174.3</b>
Personnel expenses	(37.7)	(32.2)	(30.8)	(29.8)	(32.6)	(27.5)	(24.5)	(31.1)
Other administrative expenses	(45.8)	(39.5)	(38.5)	(39.4)	(48.3)	(38.7)	(36.0)	(39.4)
Depreciation and amortisation	(3.5)	(3.4)	(3.3)	(3.4)	(3.3)	(3.5)	(3.4)	(3.3)
<b>OPERATING EXPENSES</b>	<b>(87.0)</b>	<b>(75.1)</b>	<b>(72.6)</b>	<b>(72.6)</b>	<b>(84.2)</b>	<b>(69.7)</b>	<b>(63.9)</b>	<b>(73.8)</b>
Net provisions for risks and charges	(29.2)	(11.6)	(18.8)	(17.3)	(23.9)	(12.7)	(18.7)	(13.1)
Profit (loss) on equity investments	1.5	2.5	3.8	2.6	(0.1)	1.8	3.3	1.0
Other income (expense)	0.3	(0.4)	(1.6)	(0.4)	(5.6)	(2.2)	(0.9)	(0.5)
<b>PROFIT BEFORE TAX</b>	<b>140.0</b>	<b>150.2</b>	<b>136.5</b>	<b>126.4</b>	<b>115.5</b>	<b>125.3</b>	<b>115.5</b>	<b>87.9</b>
Income taxes	(33.4)	(40.5)	(35.8)	(35.7)	(50.3)	(38.4)	(27.7)	(23.4)
Net profit (loss) attributable to non-controlling interests	(0.1)	-	(0.1)	-	-	-	(0.1)	-
<b>NET PROFIT BEFORE NON-RECURRING ITEMS</b>	<b>106.5</b>	<b>109.7</b>	<b>100.6</b>	<b>90.7</b>	<b>65.2</b>	<b>86.9</b>	<b>87.7</b>	<b>64.5</b>
Non-recurring income (expenses) net of tax	(4.8)	(0.8)	-	-	(0.1)	(0.6)	(0.3)	9.8
<b>NET PROFIT</b>	<b>101.7</b>	<b>108.9</b>	<b>100.6</b>	<b>90.7</b>	<b>65.1</b>	<b>86.3</b>	<b>87.4</b>	<b>74.3</b>

# 928.1 €m

Operating income before net impairment

**Operating income before net impairment** totalled €928.1m, up €122.3m (+15.2%) on 2013 as a result of:

- Lower net interest income (-€11m).
- Improved net profit on financial assets (+€20.7m).
- Strong growth in net fee and commission income (+€112.6m).

## Net interest income

(€m)

	2014	2013	CHANGE	
			AMOUNT	%
Interest expense on due to customers	(30.5)	(30.8)	0.3	-1.0
Interest expense on due to banks	(31.1)	(32.1)	1.0	-3.1
Interest income on debt securities	189.2	201.9	(12.7)	-6.3
Interest income on loans	67.4	62.9	4.5	7.2
Net interest on hedging derivatives	(74.9)	(70.6)	(4.3)	6.1
Other net interest income	0.5	0.3	0.2	66.7
<b>Total</b>	<b>120.6</b>	<b>131.6</b>	<b>(11.0)</b>	<b>-8.4</b>

## Euribor 3 months rate



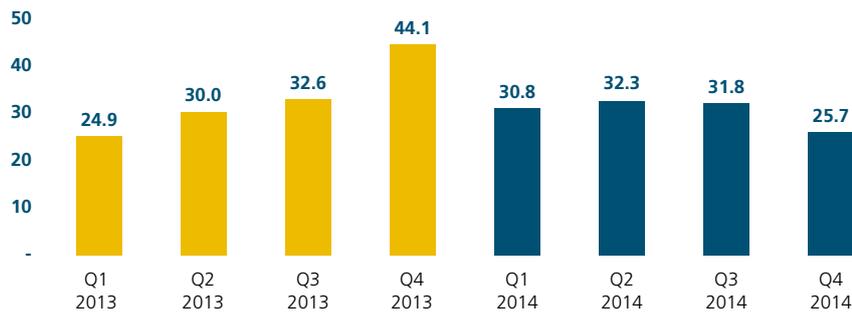
# 120.6 €m

Total net interest and trading income

**Net interest** income totalled €120.6m, down €11m (-8.4%) from last year, largely as a consequence of the reference interest rates falling to minimal levels, accompanied by lower elasticity of the deposit-lending rate spread. The quarter-on-quarter performance of net interest income remained stable in the first nine months of the year, then fell in the fourth quarter as a result of declining average lending interest rates.

## Quarterly net interest income

(€m)



## Net profit (loss) on financial assets and liabilities

(€m)

	2014	2013	CHANGE AMOUNT	%
Net profit (loss) on sale of loans and financial assets	23.6	(11.7)	35.3	n.s.
Net profit (loss) on trading activities	5.1	8.6	(3.5)	-40.7
Net profit (loss) on hedging derivatives	(10.2)	0.9	(11.1)	n.s.
<b>Total</b>	<b>18.5</b>	<b>(2.2)</b>	<b>20.7</b>	<b>n.s.</b>

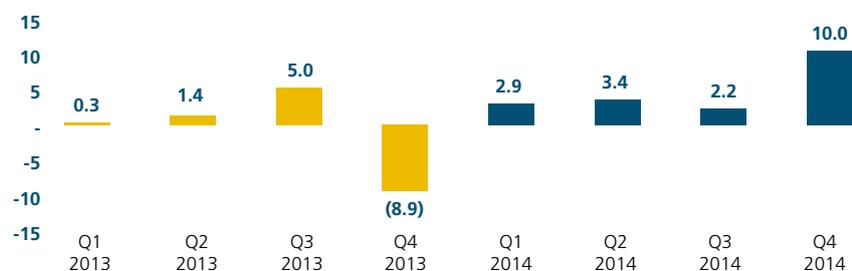
**Net profit on financial assets and liabilities** totalled €18.5m, up €20.7m on the figure for 2013.

Net profit on sale of loans and financial assets came to €23.6m, benefiting from gains on the sale of certain bonds in the investment portfolio, mostly in the last quarter. Net profit on trading activities was €5.1m, down €3.5m from last year, when it included the positive effect of unwinding certain hedging derivatives. Net profit (loss) on hedging derivatives, resulting from the hedge ineffectiveness of the derivatives used to hedge the interest rate risk of the banking book, came to -€10.2m, down €11.1m from the previous year. This decrease was entirely due to the fact that the method used to value hedged securities was changed in the year.

**18.5** €m  
Net profit (loss)  
on financial assets  
and liabilities

## Quarterly net profit (loss) on financial assets and liabilities

(€m)



# 789 €m

## Net fee and commission income

### Net fee and commission income

(€m)

	2014	2013	CHANGE	
			AMOUNT	%
Commission income	1,415.7	1,271.7	144.0	11.3
Commission expense	(626.7)	(595.3)	(31.4)	5.3
<b>Net fee and commission income</b>	<b>789.0</b>	<b>676.4</b>	<b>112.6</b>	<b>16.6</b>

**Net fee and commission income** totalled €789m, up €112.6m (+16.6%) on the €676.4m achieved in 2013.

### Net recurring fees

(€m)

	Q1	Q2	Q3	Q4	TOTAL
2014	189.1	203.5	214.1	219.4	826.1
2013	163.8	177.1	185.7	192.6	719.2
<b>Change</b>	<b>25.3</b>	<b>26.4</b>	<b>28.4</b>	<b>26.8</b>	<b>106.9</b>

# 826.1 €m

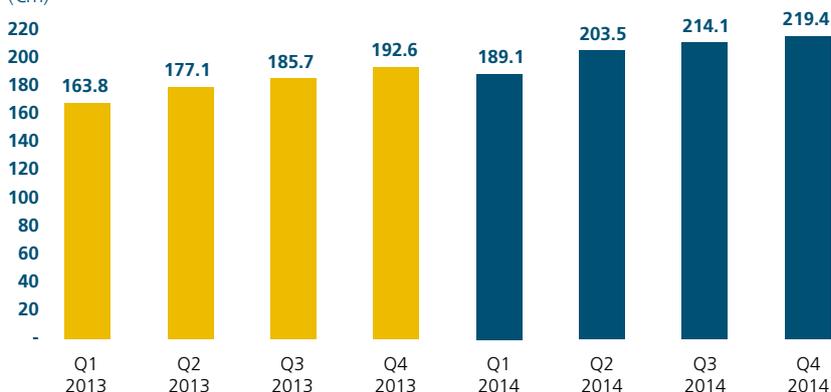
## Net recurring fees

Net recurring fees totalled €826.1m, up €106.9m (+14.9%) on the previous financial year as a result of the strong growth of average managed assets (mutual funds, discretionary accounts and insurance products), which rose from €62.5bn at 31 December 2013 to approximately €69.1bn at the end of December 2014 (+10.6%), while also achieving greater profitability, partly due to the increased proportion of assets invested through our SEI Advanced Advisory Services, which generated €54.7m net fee and commission income compared with €37.4m in 2013 (+46.3%).

The quarter-on-quarter performance of net recurring fees followed an upward trend in 2014, climbing to €219.4m in the fourth quarter of the year, a new record for the Banca Fideuram Group.

### Quarterly net recurring fees

(€m)



## Net performance fees

(€m)

	2014	2013	CHANGE AMOUNT	%
<b>Total</b>	<b>27.7</b>	<b>25.2</b>	<b>2.5</b>	<b>9.9</b>

Performance fees, which are recognised almost entirely on an annual basis in the Banca Fideuram Group, came to €27.7m, up €2.5m on the total for 2013 as a result of the strong performance of our managed asset products (discretionary accounts, mutual funds and unit-linked policies) in relation to their benchmarks.

# 27.7 €m

Net performance fees

## Net front-end fees

(€m)

	Q1	Q2	Q3	Q4	TOTAL
2014	16.5	13.2	10.5	7.9	48.1
2013	11.9	15.0	11.9	13.9	52.7
<b>Change</b>	<b>4.6</b>	<b>(1.8)</b>	<b>(1.4)</b>	<b>(6.0)</b>	<b>(4.6)</b>

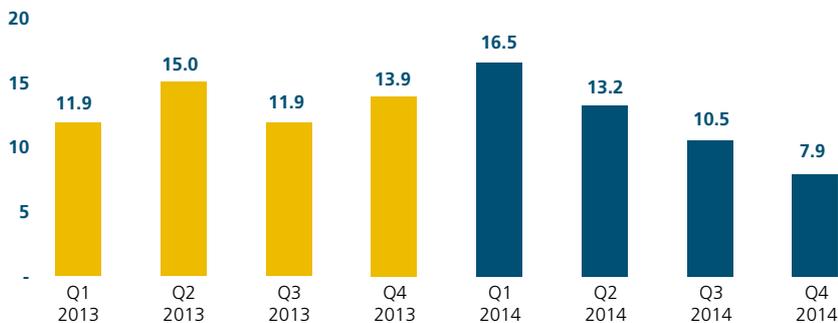
Net front-end fees came to €48.1m, down €4.6m (-8.7%) from the previous financial year, largely as a result of lower bond placement volumes, above all in the last quarter. The Group's two Networks distributed twenty-two bonds in 2014, bringing in approximately €477m of gross inflows compared with €859.3m in 2013.

# 48.1 €m

Net front-end fees

## Quarterly net front-end fees

(€m)



**Other commission expense, net: incentives and others**

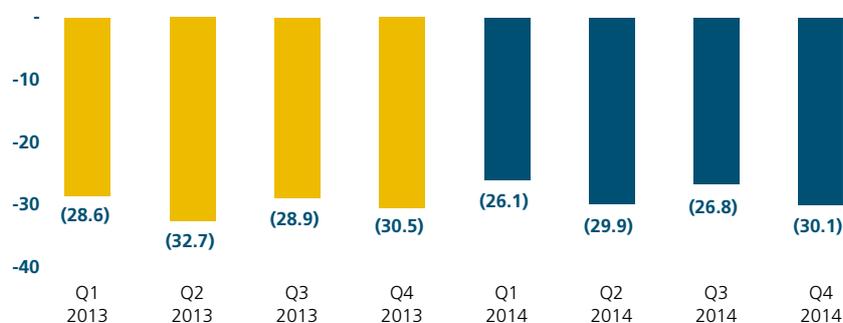
(€m)

	Q1	Q2	Q3	Q4	TOTAL
2014	(26.1)	(29.9)	(26.8)	(30.1)	(112.9)
2013	(28.6)	(32.7)	(28.9)	(30.5)	(120.7)
<b>Change</b>	<b>2.5</b>	<b>2.8</b>	<b>2.1</b>	<b>0.4</b>	<b>7.8</b>

Commission expense for incentives and others totalled €112.9m, down €7.8m from 2013 (-6.5%) as a result of lower incentive payments to and provisions set aside for the Personal Financial Adviser Networks due to the decreased proportion of inflows into managed assets.

**Quarterly other commission expense, net**

(€m)



**Net impairment** came to +€0.9m (€0.6m net write-backs of securities and €0.3m write-backs of loans) compared with +€1.6m in 2013.

**Operating expenses**

(€m)

	2014	2013	CHANGE	
			AMOUNT	%
Personnel expenses	130.5	115.7	14.8	12.8
Other administrative expenses	163.2	162.4	0.8	0.5
Depreciation and amortisation	13.6	13.5	0.1	0.7
<b>Total</b>	<b>307.3</b>	<b>291.6</b>	<b>15.7</b>	<b>5.4</b>

**Operating expenses** totalled €307.3m, up €15.7m (+5.4%) on last year.

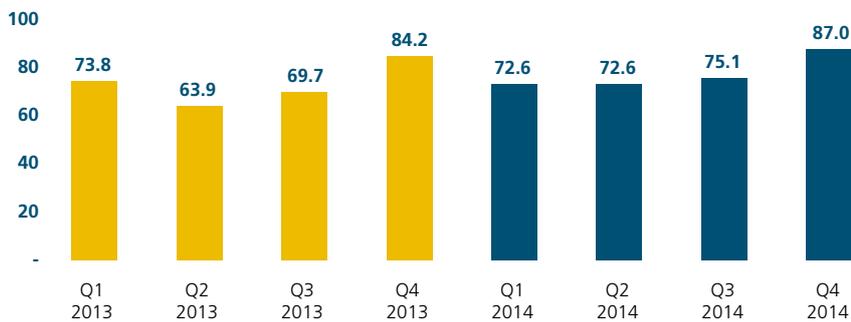
Analysis of the item shows that personnel expenses came to €130.5m, up €14.8m (+12.8%) on 2013, largely as a result of the variable components of remuneration accounting for a greater proportion of the total.

Other administrative expenses totalled €163.2m, which was a slight increase (+€0.8m) on the figure for the previous year, largely as a result of increased professional and insurance costs.

Depreciation and amortisation totalled €13.6m, which was in line with the figure for the previous financial year (-€0.1m).

**307.3** €m  
Operating expenses

### Quarterly operating expenses (€m)



### Net provisions for risks and charge (€m)

	2014	2013	CHANGE AMOUNT	%
Personal Financial Advisers' termination indemnities and incentives	51.8	28.4	23.4	82.4
Litigation, securities in default and complaints	13.5	27.8	(14.3)	-51.4
Network Loyalty Schemes	11.6	12.2	(0.6)	-4.9
<b>Total</b>	<b>76.9</b>	<b>68.4</b>	<b>8.5</b>	<b>12.4</b>

**Net provisions for risks and charges** came to €76.9m, up €8.5m on last year (+12.4%). Analysis of the item shows that the reserve for the termination of Personal Financial Adviser agency agreements increased €23.4m to total €51.8m, principally due to higher market rates causing the discounting of the long-term liability in 2014 to have a greater impact on the expense recorded in the income statement. The reserve for litigation, securities in default and complaints totalled €13.5m, down sharply (-€14.3m) from 2013 as a result of the lower risk of the litigation initiated in the period. The provisions set aside for the Network Loyalty Schemes totalled €11.6m, down €0.6m from the previous year, principally due to a decrease in the provisions linked to annual inflow targets.

**76.9** €m  
Net provisions for risks  
and charges

# 10.4 €m

Profit on equity investments

**Profit on equity investments**, totalling €10.4m, included €10m from the Group's 19.99% interest in Fideuram Vita S.p.A., which achieved a €4.5m increase in net profit on last year thanks to the improved performance of its investment securities. The remaining €0.4m came from the gain on the sale of an equity investment in SIA S.p.A.

**Other income and expense**, which is a residual item for miscellaneous income and expense that cannot be recognised in other items of the income statement, was negative to the tune of €2.1m at year-end 2014, a €7.1m improvement on last year as a result of decreased compensation paid to customers and the fact that a number of non-recurring expenses incurred regarding contingent liabilities in 2013 did not arise in 2014.

**Income taxes**, for which €145.4m was set aside in the period, were up €5.6m on 2013 as a result of increased profit before tax in the period. The tax rate was 26.3%, down from 31.5% in the previous financial year. The decrease was due to the introduction of an additional 8.5% IRES corporate income tax by Decree Law No. 133 of 30 November 2013, which increased current taxes by €17.5m in 2013, corresponding to approximately 4%.

# 5.6 €m

Other income and expense

**Non-recurring income and expenses net of tax**, which include income and expenses other than ordinary operating expenses, were negative to the tune of €5.6m as a result of early-retirement incentive expense (€4.3m) and professional costs connected with the Intesa Sanpaolo business plan (€1.3m). Last year's positive balance of €8.8m comprised €1m early-retirement incentive expense and €9.8m income regarding a tax rebate obtained by subsidiary Fideuram Asset Management (Ireland) for excess tax paid in Ireland in prior years.



## SEGMENT REPORTING

The Group's operating structure covers three main Business Segments related to the types of financial products offered to customers:

**MANAGED FINANCIAL ASSETS SEGMENT**, which extends from mutual funds to SICAVs, speculative funds and individual discretionary accounts.

**LIFE INSURANCE ASSETS SEGMENT**, which covers unit-linked and traditional managed insurance asset products as well as pension and protection products.

**BANKING SERVICES SEGMENT**, which covers the Group's banking and financial services and coordination activities.

The following analyses outline the products and services offered, together with the initiatives and research and development carried out in the year, while also presenting the Group's financial results, transaction data and key profitability indicators by Business Segment. These Segments are analysed using data that show their contribution to Group income after consolidation adjustments.

### Business segmentation at 31 December 2014

(€m)

	MANAGED FINANCIAL ASSETS	LIFE INSURANCE ASSETS	BANKING SERVICES AND OTHER	TOTAL FOR BANCA FIDEURAM GROUP
Net interest income	-	-	120.6	120.6
Net profit (loss) on financial assets and liabilities	-	-	18.5	18.5
Net fee and commission income	523.7	243.0	22.3	789.0
<b>Operating income before net impairment</b>	<b>523.7</b>	<b>243.0</b>	<b>161.4</b>	<b>928.1</b>
Operating expenses	(156.0)	(49.8)	(101.5)	(307.3)
Other	(52.5)	(24.3)	9.1	(67.7)
<b>Profit before tax</b>	<b>315.2</b>	<b>168.9</b>	<b>69.0</b>	<b>553.1</b>
<b>Average Client Assets</b>	<b>45,794</b>	<b>23,302</b>	<b>17,690</b>	<b>86,786</b>
<b>Client Assets</b>	<b>47,432</b>	<b>25,831</b>	<b>16,898</b>	<b>90,161</b>
<b>Key indicators</b>				
Cost / Income Ratio	29.9%	20.5%	59.1%	32.8%
Profit before tax / Average Client Assets	0.7%	0.7%	0.4%	0.6%
Net fee and commission income / Average Client Assets	1.1%	1.0%	0.1%	0.9%



## MANAGED FINANCIAL ASSETS SEGMENT

The Managed Financial Assets Segment covers the Group's discretionary account and mutual fund business, which totalled €47.4bn at 31 December 2014 (52.6% of total client assets), an increase of €2.8bn (+6.4%) on 31 December 2013 as a result of the strong performance of discretionary accounts (+€2.5bn). Net inflows came to €698m, down €918m from 2013.

Its contribution to profit before tax totalled €315.2m, up €53.5m on the previous financial year due to increased net fee and commission income (+€62.3m), which was partially offset by increased operating expenses (+€9.2m). The increase in net recurring fees was due to constant growth in average managed assets and, to a lesser extent, to increased performance fees, which totalled €27.7m, up €2.5m on the figure for 2013.

The ratio of net fee and commission income to client assets was 1.1%, while the ratio of profit before tax to client assets was 0.7%.

Product development continued to be intense in 2014, with a large number of initiatives across the investment spectrum. The focus was on developing flexible and efficient managed asset products with a high service content, such as the Omnia Discretionary Account and Fideuram Vita Insieme family of unit-linked policies. These products have been designed to meet customers' medium- and long-term needs with solutions that can be adapted to the continually changing reference scenario in line with the Banca Fideuram

**47.4** €bn  
Managed  
Financial Assets

### Managed Financial Assets

(€m)

	31.12.2014	31.12.2013	% CHANGE
Net interest income	-	-	-
Net profit (loss) on financial assets and liabilities	-	-	-
Net fee and commission income	523.7	461.4	13.5
<b>Operating income before net impairment</b>	<b>523.7</b>	<b>461.4</b>	<b>13.5</b>
Operating expenses	(156.0)	(146.8)	6.3
Other	(52.5)	(52.9)	-0.8
<b>Profit before tax</b>	<b>315.2</b>	<b>261.7</b>	<b>20.4</b>
<b>Average Client Assets</b>	<b>45.794</b>	<b>43.078</b>	<b>6.3</b>
<b>Client Assets</b>	<b>47.432</b>	<b>44.595</b>	<b>6.4</b>
<b>Key indicators</b>			
Cost / Income Ratio	29.9%	32.2%	
Profit before tax / Average Client Assets	0.7%	0.6%	
Net fee and commission income / Average Client Assets	1.1%	1.1%	

Group's business model, which has always been centred on the provision of advisory support following a Guided Open Architecture approach.

Salient among the new managed asset solutions launched were those enhancing the Group's **own funds**, including a new Fonditalia (FOI) bond fund focused on the High-Yield segment (FOI High Yield Short Duration), developed in partnership with JP Morgan Asset Management, a change to our FOI Ethical Investment fund's investment policy through the addition an equity component that is, as always, governed by ethical criteria for the selection of the financial instruments, and a new Fideuram Master Selection (FMS) balanced fund, which is a multi-manager, multi-asset fund of funds (FMS Balanced) conceived to complete our existing range of funds of funds.

A further important development was the launch of our first capital protection solution, an innovative new fund for the Italian market named Interfund Crescita Protetta 80 ("Interfund Protected Growth 80"). Developed in conjunction with Morgan Stanley Investment Fund, this new fund has been designed for customers who want a formula that protects part of their capital and gives controlled exposure to global stock markets. The fund is available through the Fideuram Vita Insieme family of unit-linked policies and the Omnia Discretionary Account in the Eligo Fondi line.

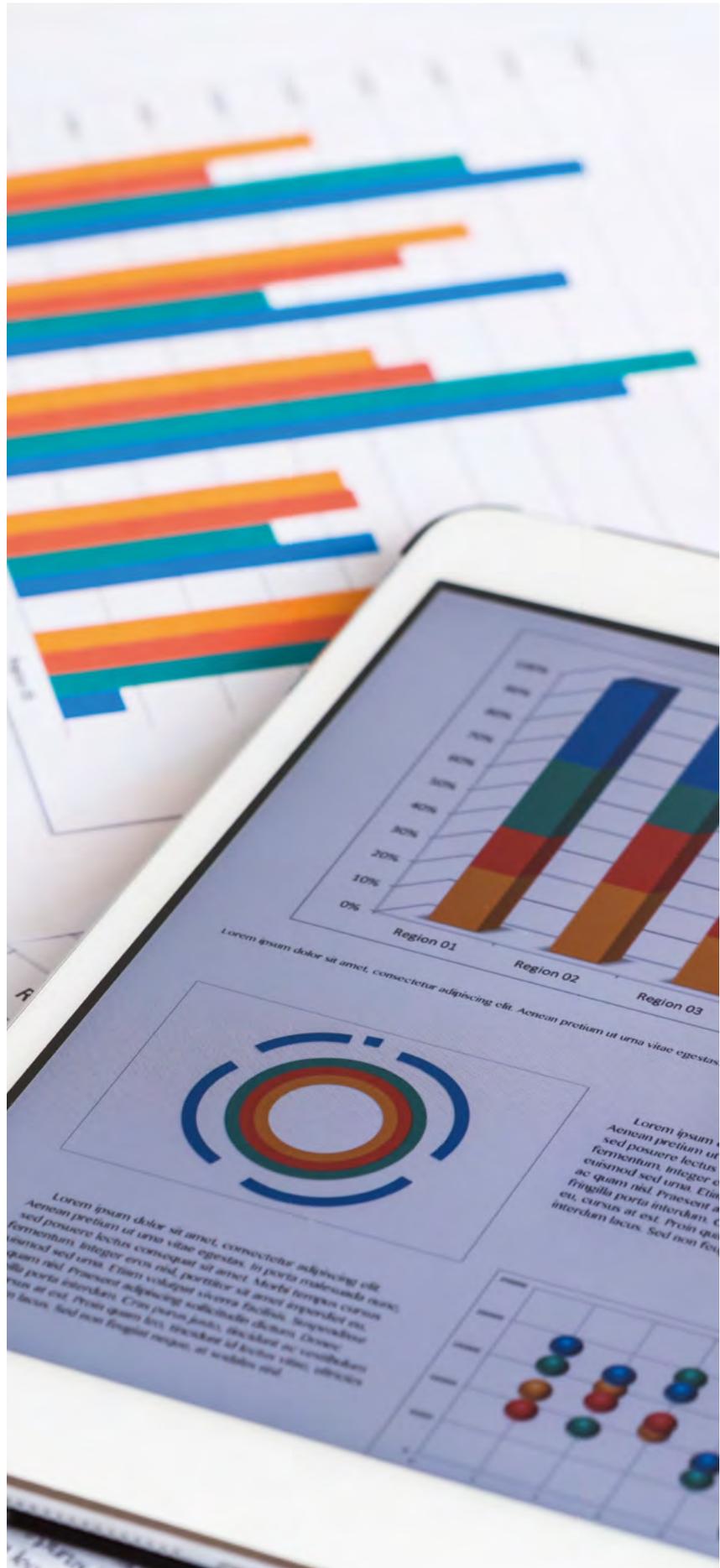
The Fideuram Multibrand range of à la carte **third-party funds** was expanded with the addition of Epsilon Fund, a Luxembourg fund managed by Eurizon Capital S.A., and through evolutionary maintenance of the existing range, mainly by adding new sectors to mutual funds already being distributed and by adding new income distribution and currency hedging classes.

The interventions to our **discretionary accounts** saw us expanding the range of investment solutions offered under the Omnia mandate during the year, launching new lines and services to provide an increasingly complete and customisable management service.

In the first half of 2014, we launched the Active Beta Balanced line, a benchmark line in the Active Beta family that invests mainly in balanced third-party funds selected by Fideuram Investimenti following an approach that combines a variety of management styles.

The following were launched in the second half of the year:

- A new portfolio-management line in the Eligo family named Eligo Titoli, which allows the customer to build their own portfolio by selecting one or more baskets of securities, each with its own investment profile. If the customer selects one or more baskets that include distribution, they can use the Eligo Titoli line's new income distribution service for those baskets.
- A new family of four multi-strategy investment lines named Consilia. The Consilia lines are distinguished by dynamically selecting and combining GP Omnia investment strategies to exploit attractive return opportunities within a predetermined maximum volatility level.



## LIFE INSURANCE ASSETS SEGMENT

This segment covers the Group's life insurance and pension funds business, which totalled €25.8bn at 31 December 2014 (28.7% of total client assets), up €4.3bn on the back of strong life insurance performance (+€4bn). Net inflows came to €3.1bn, down €801m from 2013.

The segment's contribution to profit before tax totalled €168.9m, up €39.7m on the previous financial year due to increased net fee and commission income (+€47.2m), which was partially offset by a rise in operating expenses (+€5.7m). The ratio of net fee and commission income to client assets was 1%, while the ratio of profit before tax to client assets was 0.7%.

The development of our **insurance products** extended across the range.

The Fideuram Vita Insieme family's Class III policies saw the entry bonus version being distributed again, with the bonus now increased to €100K, while the basic version was further enhanced regarding the services and range of mutual funds available, making the financial decumulation plan more flexible, providing a new guided-reallocation option that allows the customer's portfolio to be recalibrated periodically on the basis of Fideuram Investimenti's market-outlook reports, and including the new IFU Crescita Protetta 80 capital protection fund in the range.

In addition, the investment opportunities provided by the Private Banking version were extended still

### Life Insurance Assets

(€m)

	31.12.2014	31.12.2013	% CHANGE
Net interest income	-	-	-
Net profit (loss) on financial assets and liabilities	-	-	-
Net fee and commission income	243.0	195.8	24.1
<b>Operating income before net impairment</b>	<b>243.0</b>	<b>195.8</b>	<b>24.1</b>
Operating expenses	(49.8)	(44.1)	12.9
Other	(24.3)	(22.5)	8.0
<b>Profit before tax</b>	<b>168.9</b>	<b>129.2</b>	<b>30.7</b>
<b>Average Client Assets</b>	<b>23.302</b>	<b>19.411</b>	<b>20.0</b>
<b>Client Assets</b>	<b>25.831</b>	<b>21.501</b>	<b>20.1</b>
<b>Key indicators</b>			
Cost / Income Ratio	20.5%	22.9%	
Profit before tax / Average Client Assets	0.7%	0.7%	
Net fee and commission income / Average Client Assets	1.0%	1.0%	

further with the addition of seven new asset managers with niche funds that are particularly suited to the portfolio diversification needs of these customers.

A new development in our Class I offering was the launch of a with-profits policy in the Fideuram Vita Garanzia e Valore Flex range in the first half of 2014, which offered a guaranteed minimum return of 1% and the option of receiving the annual bonus in the form of a coupon. Sales of this policy were suspended in the second half of the year in the wake of continually-falling market rates to protect the interests of the policyholders already in the portfolio.

# 25.8 €bn

## Life Insurance Assets

Where our pension products were concerned, we revised the Fideuram Pension Fund with a series of substantial enhancements, foremost among which were the addition of multi-sector management, the option of contributing using the financial decumulation plan coupons of the Fideuram Vita Insieme range of products, and the option of using the Fideuram Mobile Solution platform to manage the pension plan online.

Lastly, our range of non-life policies was revised and those products that were not particularly competitive in the market were suspended from 31 December 2014.



## BANKING SERVICES SEGMENT

The Banking Services Segment covers the Group's banking and financial services, together with its central departments, holding activities and finance activities, as well as - generally speaking - the coordination and control activities for its other operating segments.

This segment includes non-managed assets, mainly securities and current accounts, which totalled €16.9bn at 31 December 2014 (18.7% of total client assets), down €678m from the figure at the end of 2013.

Net inflows were negative, with a net outflow of €1.3m, an improvement of €1.8bn on 2013.

The contribution of this segment to profit before tax was €69m. The increase in profit before tax compared with 2013 (+€15.7m) was principally a result of increased operating income before net impairment (+€12.8m).

The ratio of net fee and commission income to client assets was 0.1% while the ratio of profit before tax to client assets was 0.4%.

Initiatives regarding **non-managed asset products** focused both on our range of investments in securities and on our range of banking products.

Where investments in securities were concerned, Banca Fideuram and Sanpaolo Invest participated in numerous Intesa Sanpaolo Group issues, in particular twenty-two primary-market placements of fixed-rate and mixed-rate (specified minimum and maximum) senior bonds with terms of five and six years. Banca Fideuram also participated in the placement of BTP Italia government bonds issued by the Italian Ministry of the Economy and Finance, including on behalf of Sanpaolo Invest, both through our traditional channel and directly through Fideuram Online, and joined the underwriting syndicates for the public offerings of ordinary shares in a variety of companies.

### Banking Services

(€m)

	31.12.2014	31.12.2013	% CHANGE
Net interest income	120.6	131.6	-8.4
Net profit (loss) on financial assets and liabilities	18.5	(2.2)	n.s.
Net fee and commission income	22.3	19.2	16.1
<b>Operating income before net impairment</b>	<b>161.4</b>	<b>148.6</b>	<b>8.6</b>
Operating expenses	(101.5)	(100.7)	0.8
Other	9.1	5.4	68.5
<b>Profit before tax</b>	<b>69.0</b>	<b>53.3</b>	<b>29.5</b>
<b>Average Client Assets</b>	<b>17.690</b>	<b>18.465</b>	<b>-4.2</b>
<b>Client Assets</b>	<b>16.898</b>	<b>17.576</b>	<b>-3.9</b>
<b>Key indicators</b>			
Cost / Income Ratio	59.1%	65.3%	
Profit before tax / Average Client Assets	0.4%	0.3%	
Net fee and commission income / Average Client Assets	0.1%	0.1%	

n.s.: not significant

Where our **banking products** were concerned, we advanced the initiatives supporting the extension of our banking facilities and the acquisition of new customers. During the year we continued to promote our Fideuram Plus current accounts, which offer a promotional gross annual rate up to a given deposit level within a specific time window and under special conditions, while combining competitive interest rates with low fees and charges. Lastly, complet-

ing the interventions to our range of banking products, we also made a series of minor improvements to our lending products.

16.9 €bn

Non-managed Assets



## DISTRIBUTION OF VALUE

The Group's Value-Added Statement below has been prepared using the income-statement figures from the 2014 Consolidated Financial Statements. These figures have been reclassified following the guidelines of the Italian Banking Association (Associazione Bancaria Italiana - ABI), which comply with the Global Reporting Initiative's Guidelines.

The statement prepared using these reclassified figures breaks the economic value added down into three main components:

- Wealth created
- Value distributed
- Economic value retained by the Group.

### Value Added Statement

(€m)

	2014	2013	2012
10. Interest income and similar income	257.1	265.2	259.0
20. Interest expense and similar expense	(121.5)	(118.4)	(123.3)
40. Commission income	1,415.9	1,271.7	1,100
50. Commission expense (not including expense for Personal Financial Advisers Network)	(65.8)	(76.0)	(57.5)
70. Dividends and similar income	0.2	0.1	-
80. Net profit (loss) on trading activities	4.2	7.1	5.5
90. Net profit (loss) on hedging activities	(10.2)	0.9	(6.5)
100. Net profit (loss) on sale/repurchase of:	23.6	(11.7)	(23.8)
a) loans	(1.0)	(6.4)	0.4
b) financial assets available for sale	24.6	(2.7)	(9.0)
c) financial assets held to maturity	-	(2.6)	(15.2)
d) financial liabilities	-	-	-
110. Net profit (loss) on financial assets and liabilities designated at fair value	11.8	11.8	19.4
130. Net impairment of:	0.9	1.6	(3.1)
a) loans	0.3	0.4	(2.8)
b) financial assets available for sale	-	-	-
c) financial assets held to maturity	0.5	0.7	0.1
d) other financial transactions	0.1	0.5	(0.4)
220. Other income/expense	117.7	77.5	44.0
240. Profit (loss) on equity investments	0.4	-	-
270. Gain (loss) on disposal of investments	-	-	-
<b>A Total wealth created</b>	<b>1,634.3</b>	<b>1,429.8</b>	<b>1,213.7</b>
180.b Other administrative expenses (not including indirect taxes and donations/gifts)	(163.0)	(160.7)	(173.3)
<b>Value distributed to suppliers</b>	<b>(163.0)</b>	<b>(160.7)</b>	<b>(173.3)</b>
180.a Personnel expenses (including Personal Financial Advisers Network)	(787.0)	(697.6)	(658.7)
<b>Value distributed to employees and agents/freelances</b>	<b>(787.0)</b>	<b>(697.6)</b>	<b>(658.7)</b>
330. Minority interest	(0.2)	(0.1)	-
<b>Value distributed to third parties</b>	<b>(0.2)</b>	<b>(0.1)</b>	<b>-</b>
Profit distributed to shareholders	(292.2)	(197.0)	(159.8)
<b>Value distributed to shareholders</b>	<b>(292.2)</b>	<b>(197.0)</b>	<b>(159.8)</b>
180.b Other administrative expenses: indirect taxes	(121.5)	(93.2)	(59.4)
290. Income taxes for the year (current taxes)	(119.7)	(126.2)	(37.3)
<b>Value distributed to Central and Branch Administration</b>	<b>(241.2)</b>	<b>(219.4)</b>	<b>(96.7)</b>
180.b Other administrative expenses: donations and gifts	(0.5)	(0.3)	(0.3)
<b>Value distributed to community and environment</b>	<b>(0.5)</b>	<b>(0.3)</b>	<b>(0.3)</b>
<b>B Total value distributed</b>	<b>(1,484.1)</b>	<b>(1,275.1)</b>	<b>(1,088.8)</b>
<b>C Value retained</b>	<b>150.2</b>	<b>154.7</b>	<b>124.9</b>

Creating value for our stakeholders is one of the Banca Fideuram Group's prime objectives. The Group considers it crucial to pursue this objective through constant interaction with all the stakeholders it encounters in the course of its business.

The Value Retained is the difference between the Wealth Created and the Value Distributed, and it is used for productive investments to enable economic growth and financial stability, as well as to ensure the creation of new wealth to the benefit of our stakeholders. The wealth created by the global business of the Group totalled €1.6bn in 2014 (+€204.5m on 2013). This wealth was distributed to stakeholders as follows:

- The remaining €150.2m was retained by the Group to maintain the efficiency of the business complex, and regarded the following items in particular: deferred tax assets and liabilities, amortisation and depreciation, provisions for risks and charges and retained profit.
- Colleagues (employees and Personal Financial Advisers) received 48.1% of the Wealth created, amounting to €787m. This included the remuneration paid to employees and the amounts set aside for and paid to the Personal Financial Adviser Networks.
- Suppliers received 10% of the economic value generated, amounting to €163m paid for goods and services.
- Our shareholder received 17.9% of the wealth created, largely in the form of the dividend, amounting to €292.4m. Shareholders with a non-controlling interest received a total of €0.2m.
- The government, public authorities and institutions received €241.2m, principally in the form of direct and indirect taxes, equating to approximately 14.8% of the Wealth created.
- The community received a total of €0.5m in the form of donations and grants.

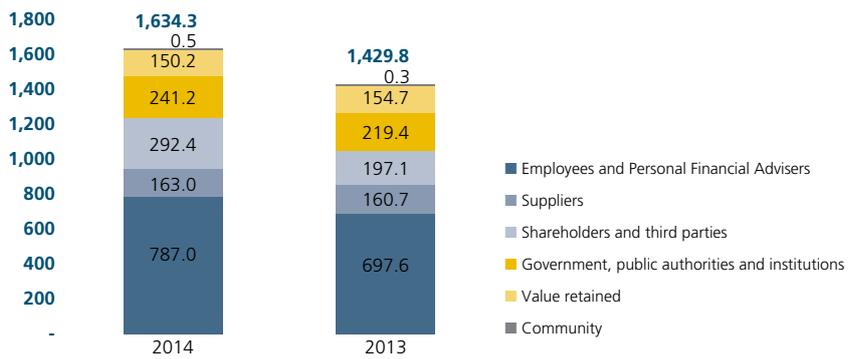
**Value added**

(€m)

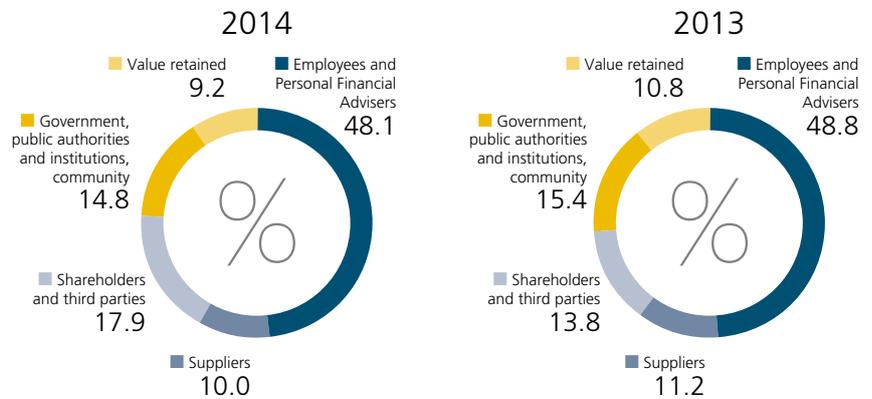
	2014	2013	2012
<b>Wealth created</b>	<b>1,634.3</b>	<b>1,429.8</b>	<b>1,213.7</b>
<b>Value distributed</b>	<b>(1,484.1)</b>	<b>(1,275.1)</b>	<b>(1,088.8)</b>
Employees and Personal Financial Advisers	(787.0)	(697.6)	(658.7)
Suppliers	(163.0)	(160.7)	(173.3)
Shareholders and third parties	(292.4)	(197.1)	(159.8)
Government, public authorities and institutions	(241.2)	(219.4)	(96.7)
Community	(0.5)	(0.3)	(0.3)
<b>Value retained</b>	<b>150.2</b>	<b>154.7</b>	<b>124.9</b>

**Wealth created**

(€m)



**Analysis of wealth created**



## ASSET AND LIABILITY MANAGEMENT

The tables below show the main balance sheet items compared with the corresponding figures at 31 December 2013.

### Consolidated balance sheet

(Reclassified - €m)

	31.12.2014	31.12.2013	CHANGE AMOUNT	%
<b>ASSETS</b>				
Cash and cash equivalents	39.3	73.3	(34.0)	-46.4
Financial assets (other than loans and held-to-maturity investments)	2,721.0	2,560.7	160.3	6.3
Held-to-maturity investments	332.9	451.8	(118.9)	-26.3
Loans and advances to banks	3,672.0	3,177.8	494.2	15.6
Loans and advances to customers	5,370.0	4,795.5	574.5	12.0
Hedging derivatives	-	3.5	(3.5)	-100.0
Equity investments	118.8	102.7	16.1	15.7
Property and equipment	36.5	36.9	(0.4)	-1.1
Intangible assets	25.7	23.1	2.6	11.3
Tax assets	171.5	181.7	(10.2)	-5.6
Other assets	734.2	586.0	148.2	25.3
<b>TOTAL ASSETS</b>	<b>13,221.9</b>	<b>11,993.0</b>	<b>1,228.9</b>	<b>10.2</b>
<b>LIABILITIES</b>				
Due to banks	576.0	805.5	(229.5)	-28.5
Due to customers	9,163.6	8,321.9	841.7	10.1
Financial liabilities held for trading	43.7	9.9	33.8	n.s.
Hedging derivatives	1,094.8	605.7	489.1	80.7
Tax liabilities	54.9	80.9	(26.0)	-32.1
Other liabilities	737.4	656.8	80.6	12.3
Provisions for risks and charges	340.8	300.0	40.8	13.6
Equity attributable to non-controlling interests	0.4	0.3	0.1	33.3
Equity attributable to owners of the parent company	1,210.3	1,212.0	(1.7)	-0.1
<b>TOTAL LIABILITIES</b>	<b>13,221.9</b>	<b>11,993.0</b>	<b>1,228.9</b>	<b>10.2</b>

n.s.: not significant

### Quarterly consolidated balance sheet

(Reclassified - €m)

	31.12.2014	30.9.2014	30.6.2014	31.3.2014	31.12.2013	30.9.2013 (*)	30.6.2013 (*)	31.3.2013 (*)
<b>ASSETS</b>								
Cash and cash equivalents	39.3	22.9	27.0	31.0	73.3	27.4	25.1	29.1
Financial assets (other than loans and held-to-maturity investments)	2,721.0	3,348.9	3,082.0	3,002.2	2,560.7	2,344.7	2,263.8	2,421.3
Held-to-maturity investments	332.9	332.3	332.1	331.7	451.8	522.1	531.5	531.0
Loans and advances to banks	3,672.0	3,440.3	3,813.6	3,796.1	3,177.8	3,775.1	3,932.7	3,661.5
Loans and advances to customers	5,370.0	5,040.0	4,504.3	4,406.8	4,795.5	4,099.3	4,010.8	4,433.4
Hedging derivatives	-	-	-	0.6	3.5	0.2	-	-
Equity investments	118.8	117.8	113.8	108.2	102.7	101.0	98.4	96.0
Property and equipment	36.5	35.9	36.1	36.4	36.9	35.7	35.9	36.4
Intangible assets	25.7	19.8	20.2	21.0	23.1	18.3	18.9	19.2
Tax assets	171.5	151.9	160.3	169.0	181.7	179.4	184.6	198.6
Other assets	734.2	732.9	830.8	684.8	586.0	637.1	757.0	589.4
<b>TOTAL ASSETS</b>	<b>13,221.9</b>	<b>13,242.7</b>	<b>12,920.2</b>	<b>12,587.8</b>	<b>11,993.0</b>	<b>11,740.3</b>	<b>11,858.7</b>	<b>12,015.9</b>
<b>LIABILITIES</b>								
Due to banks	576.0	811.0	906.1	830.5	805.5	756.5	1,269.2	852.1
Due to customers	9,163.6	8,923.2	8,621.9	8,494.4	8,321.9	8,154.5	7,730.2	8,123.9
Financial liabilities held for trading	43.7	33.2	12.1	6.4	9.9	17.2	16.5	41.8
Hedging derivatives	1,094.8	958.8	834.2	719.0	605.7	658.1	694.0	811.1
Tax liabilities	54.9	82.9	89.8	98.7	80.9	62.2	41.9	46.3
Other liabilities	737.4	726.3	876.5	788.3	656.8	701.3	832.7	1,010.7
Provisions for risks and charges	340.8	333.2	325.1	308.3	300.0	288.2	282.8	277.1
Equity attributable to non-controlling interests	0.4	0.3	0.3	0.4	0.3	0.3	0.3	0.2
Equity attributable to owners of the parent company	1,210.3	1,373.8	1,254.2	1,341.8	1,212.0	1,102.0	991.1	852.7
<b>TOTAL LIABILITIES</b>	<b>13,221.9</b>	<b>13,242.7</b>	<b>12,920.2</b>	<b>12,587.8</b>	<b>11,993.0</b>	<b>11,740.3</b>	<b>11,858.7</b>	<b>12,015.9</b>

(\*) Restated taking changes in IAS 19 and in the second revision of Bank of Italy Circular No. 262/2005 into account so that straight comparisons can be made.

Group **financial assets** held for treasury and investment purposes totalled €3.1bn, up €37.9m on the figure at year-end 2013 (+1.3%) due to an increase in financial assets available for sale (+€135.3m) resulting from fair value gains on the back of the improved credit spreads of the issuers of the bonds in the portfolio.

### Financial assets

(€m)

	31.12.2014	31.12.2013	CHANGE AMOUNT	%
Financial assets held for trading	54.8	40.0	14.8	37.0
Financial assets designated at fair value	156.6	146.4	10.2	7.0
Financial assets available for sale	2,509.6	2,374.3	135.3	5.7
Held- to-maturity investments	332.9	451.8	(118.9)	-26.3
Hedging derivatives	-	3.5	(3.5)	-100.0
<b>Total</b>	<b>3,053.9</b>	<b>3,016.0</b>	<b>37.9</b>	<b>1.3</b>

Financial assets designated at fair value increased €10.2m as a result of the returns on the insurance policies taken out as part of the Personal Financial Adviser Networks' Loyalty Schemes. The decrease in held-to-maturity investments (-€118.9m) was due to the repayment of five bonds in the year.

The table below shows the book value of the Group's exposure to sovereign-credit risk.

(€m)

	LOANS	FINANCIAL ASSETS HELD FOR TRADING	HELD-TO- MATURITY INVESTMENTS	FINANCIAL ASSETS AVAILABLE FOR SALE (*)	TOTAL
Belgium	-	-	-	21.6	21.6
Finland	-	-	-	30.3	30.3
France	-	-	-	41.8	41.8
Italy	1,518.1	15.0	17.5	1,078.0	2,628.6
Netherlands	-	-	-	40.7	40.7
<b>Total</b>	<b>1,518.1</b>	<b>15.0</b>	<b>17.5</b>	<b>1,212.4</b>	<b>2,763.0</b>

(\*) Italian government bonds in the available-for-sale portfolio with a total face value of €467.8m covered by financial guarantee contracts.

**3.1** €bn  
Financial assets

**Financial liabilities**

(€m)

	31.12.2014	31.12.2013	CHANGE	
			AMOUNT	%
Financial liabilities held for trading	43.7	9.9	33.8	n.s.
Hedging derivatives	1,094.8	605.7	489.1	80.7
<b>Total</b>	<b>1,138.5</b>	<b>615.6</b>	<b>522.9</b>	<b>84.9</b>

**1.1** €bn  
Financial liabilities

**Financial liabilities**, consisting of derivatives, totalled €1.1bn. This item was up €522.9m (+84.9%) on the figure at 31 December 2013, principally as a result of fair value losses on the derivatives used to hedge the interest-rate risk of fixed-rate bonds in the portfolio. These losses were accompanied by a corresponding increase in the value of the hedged bonds.

**Loans and advances to banks**

(€m)

	31.12.2014	31.12.2013	CHANGE	
			AMOUNT	%
Due from Central Banks	113.4	116.8	(3.4)	-2.9
Current account and demand deposits	406.3	503.2	(96.9)	-19.3
Term deposits	817.4	848.6	(31.2)	-3.7
Repurchase agreements	400.5	125.1	275.4	n.s.
Other	2.6	1.9	0.7	36.8
Debt securities	1,931.8	1,582.2	349.6	22.1
<b>Total</b>	<b>3,672.0</b>	<b>3,177.8</b>	<b>494.2</b>	<b>15.6</b>

**3.7** €bn  
Loans and advances to banks

**Loans and advances to banks** came to €3.7bn, up €494.2m (+15.6%) on the figure at the end of 2013 due to growth in loans under repurchase agreements with Intesa Sanpaolo (+€275.4m) and in debt securities (+€349.6m), which was only partially offset by a decline in term deposits (-€31.2m) and current accounts (-€96.9m).

**Due to banks**

(€m)

	31.12.2014	31.12.2013	CHANGE	
			AMOUNT	%
Current accounts and demand deposits	120.0	102.7	17.3	16.8
Repurchase agreements	455.3	701.8	(246.5)	-35.1
Other debts	0.7	1.0	(0.3)	-30.0
<b>Total</b>	<b>576.0</b>	<b>805.5</b>	<b>(229.5)</b>	<b>-28.5</b>

**Due to banks** totalled €576m, down €229.5m (-28.5%) from the figure at year-end 2013 due to a decrease in repurchase agreements (-€246.5m), which was partially offset by an increase in interbank current account deposits (+€17.3m). The Group continued to be a net lender on the interbank market, with net interbank deposits of €3.1bn (€3.7bn deposits and €0.6bn loans), €2.5bn of which (approximately 80.1% of the total) was held by companies in the Intesa Sanpaolo Group. At 31 December 2013, net interbank deposits totalled €2.4bn, €1.8bn of which were held by companies in the Intesa Sanpaolo Group.

## Loans and advances to customers

(€m)

	31.12.2014	31.12.2013	CHANGE	
			AMOUNT	%
Current accounts	2,514.8	2,178.6	336.2	15.4
Repurchase agreements	652.1	852.7	(200.6)	-23.5
Loans	223.1	188.4	34.7	18.4
Other	415.3	403.7	11.6	2.9
Debt securities	1,555.8	1,163.5	392.3	33.7
Impaired assets	8.9	8.6	0.3	3.5
<b>Total</b>	<b>5,370.0</b>	<b>4,795.5</b>	<b>574.5</b>	<b>12.0</b>

**Loans and advances to customers** came to €5.4bn, up €574.5m on the figure at 31 December 2013 (+12%) due to growth in current account overdrafts (+€336.2m) resulting from increased lending, and in debt securities (+€392.3m), which was only partially offset by a decline in repurchase agreements with institutional customers (-€200.6m). Net problem loans, including loans receivable/overdue by more than 90 days, totalled €8.9m at the end of December 2014, up €0.3m on 31 December 2013 (+3.5%). Item by item, the situation was as follows:

- Non-performing loans came to €0.3m, down €0.7m from the figure at year-end 2013.
- Doubtful loans totalled €6.8m, up €0.2m on 31 December 2013.
- Loans receivable or overdue came to €1.8m, up €0.8m on 31 December 2013.

# 5.4 €bn

Loans and advances  
to customers

## Due to customers

(€m)

	31.12.2014	31.12.2013	CHANGE	
			AMOUNT	%
Current accounts and demand deposits	8,831.7	8,081.7	750.0	9.3
Term deposits	212.6	97.7	114.9	117.6
Repurchase agreements	28.8	46.8	(18.0)	-38.5
Other debts	90.5	95.7	(5.2)	-5.4
<b>Total</b>	<b>9,163.6</b>	<b>8,321.9</b>	<b>841.7</b>	<b>10.1</b>

**Due to customers** totalled €9.2bn, an increase of €841.7m (+10.1%) on the figure at the end of December 2013 as a result of growth in current account deposits (+€750m) and in term deposits by retail customers (+€114.9m), which was partially offset by a decrease in repurchase agreement deposits (-€18m).

# 9.2 €bn

Due to customers

The table below shows the fair value of the Group's financial assets and liabilities stated at amortised cost.

### Financial assets and liabilities stated at amortised cost

(€m)

	31.12.2014		31.12.2013	
	BOOK VALUE	FAIR VALUE	BOOK VALUE	FAIR VALUE
Held- to-maturity investments	332.9	332.7	451.8	444.9
Loans and advances to banks	3,672.0	3,848.2	3,177.8	3,226.9
Loans and advances to customers	5,370.0	5,072.5	4,795.5	4,488.9
<b>Total</b>	<b>9,374.9</b>	<b>9,253.4</b>	<b>8,425.1</b>	<b>8,160.7</b>
Due to banks	576.0	728.4	805.5	866.5
Due to customers	9,163.6	9,163.6	8,321.9	8,321.9
<b>Total</b>	<b>9,739.6</b>	<b>9,892.0</b>	<b>9,127.4</b>	<b>9,188.4</b>

# 40.8

€bn

Provisions for risks and charges

The **provisions for risks and charges** at 31 December 2014 were up €40.8m (+13.6%) on the corresponding figure at the end of 2013, as shown below.

### Provisions for risks and charges

(€m)

	31.12.2014	31.12.2013	CHANGE	
			AMOUNT	%
Litigation, securities in default and complaints	87.4	91.6	(4.2)	-4.6
Personnel expenses	8.0	8.3	(0.3)	-3.6
Personal Financial Advisers' termination indemnities	174.0	125.5	48.5	38.6
Network Loyalty Schemes	68.6	71.1	(2.5)	-3.5
Other	2.8	3.5	(0.7)	-20.0
<b>Total</b>	<b>340.8</b>	<b>300.0</b>	<b>40.8</b>	<b>13.6</b>

The reserve for litigation, securities in default and complaints was down €4.2m (-4.6%) from the figure at the end of 2013 as a result of a number of cases of litigation having been concluded in the year. The reserve for the termination of agency agreements was up €48.5m, largely as a result of new provisions set aside in the year. The provisions for the Network Loyalty Schemes were down €2.5m, principally due to one Loyalty Scheme coming to an end at the end of 2014. The item Other provisions, totalling €2.8m, included the €0.7m estimated expense of a one-off measure agreed by the Interbank Deposit Guarantee Fund and €1.3m provisions for the staff pension and severance fund.

## SHAREHOLDERS' EQUITY

Group shareholders' equity including net profit for the year totalled €1.2bn at 31 December 2014, having changed as follows:

# 1.2 €bn

Shareholders' equity

### Changes in Group Shareholders' Equity

(€m)

<b>Shareholders' equity at 31 December 2013</b>	<b>1,212.0</b>
Dividend distributions	(197.0)
Change in financial assets available for sale	42.9
Extraordinary distribution of dividends	(250.0)
Other changes	0.5
Net profit	401.9
<b>Shareholders' equity at 31 December 2014</b>	<b>1,210.3</b>

The €42.9m increase in financial assets available for sale was principally due to a decrease in the negative reserve generated by fair value gains on securities holdings in the period.

The reserve for available-for-sale financial assets was negative to the tune of -€144.1m at the end of December 2014 and amongst other items included:

- €1.3m losses on securities that had been reclassified as held-to-maturity investments in the first quarter of 2008.
- €27.6m losses on securities that had been reclassified as Loans & Receivables in the third quarter of 2008 following the Group's decision to avail itself of the option provided for by the amendment to IAS 39 in the Annex to Regulation 1004/2008 issued by the European Commission on 15 October 2008.

These reserves are being amortised to profit or loss over the residual life of the respective securities in accordance with IAS 39 paragraph 54. The Group did not hold any treasury shares at 31 December 2014.

### Reconciliation of parent company and Group shareholders' equity and net profit

(€m)

	31.12.2014	
	SHAREHOLDERS' EQUITY	INCLUDING: NET PROFIT
<b>Parent company shareholders' equity</b>	<b>742.1</b>	<b>298.5</b>
Net profit of subsidiaries consolidated line-by-line	338.8	338.8
Effect of consolidation of subsidiaries and associated companies	149.0	10.0
Dividend income from Group companies	-	(239.9)
Write-back of intra-group goodwill	(8.8)	-
Write-back of intercompany securities sales	43.0	(2.8)
Valuation of subsidiaries' available-for-sale financial assets	(50.6)	-
Other differences	(3.2)	(2.7)
<b>Group shareholders' equity</b>	<b>1,210.3</b>	<b>401.9</b>

The new capital adequacy framework for banks issued by the Basel Committee on Banking Supervision and implemented in the legislation of the European Union with EU Regulation 575/2013 came into effect from 1 January 2014. Banca Fideuram's regulatory capital calculated on the basis of its separate accounts totalled €457.6m at 31 December 2014. As a member of the Intesa Sanpaolo Banking Group, Banca Fideuram is subject to the laws and regulations regarding capital requirements on the basis of its separate accounts, but is not required to present this information on a consolidated basis.

Banca Fideuram's regulatory capital components and main capital ratios at 31 December 2014 are shown below.

### Banca Fideuram S.p.A. Capital Ratios

(€m)

	31.12.2014
CET1	457.6
Tier 1	457.6
Regulatory capital	457.6
Total risk-weighted assets	5,242.8
<b>CET1 Ratio</b>	<b>8.7%</b>
<b>Tier 1 Ratio</b>	<b>8.7%</b>
<b>Total Capital Ratio</b>	<b>8.7%</b>

Article 26 subparagraph 2 of Regulation (EU) No. 575/2013 of the European Parliament and of the Council offers the option of including year-end net profit (net of any corresponding dividend) in the calculation of Common Equity Tier 1 capital before formal approval by the competent company body only if:

- The net profit has been verified by the Independent Auditors.
- The Bank has demonstrated to the satisfaction of the competent Supervisory Authority that any foreseeable charge or dividend has been deducted from the amount of that profit.

The schedule for approving the financial statements after the deadline for sending the reporting data at 31 December 2014 to the European Supervisory Authorities meant that the former of these conditions could not be met since the Independent Auditors can only issue their certification after the financial statements have been approved by the competent company body.

Therefore the Common Equity Tier 1 capital and corresponding capital ratios do not take into account the net profit for 2014 or the corresponding dividends which will be submitted for approval to the Shareholders' Meeting of 16 March 2015.

Had it been possible to include the net profit of €298.5m and the corresponding dividends in the amount of €42.2m (net of the €250m advance dividends paid in December 2014), Banca Fideuram's CET1 ratio, Tier1 ratio and Total Capital ratio would have been 14%.

Committed to providing comprehensive information, the Group voluntarily estimates its consolidated capital requirements, taking its membership of the Intesa Sanpaolo Banking Group into account. At 31 December 2014, our Common Equity Tier 1 Ratio was estimated to be 12.7%. Had it been possible to include the net profit of €401.9 m net of the €42.2m dividends to be distributed, the consolidated CET1 ratio, Tier1 ratio and Total Capital ratio would have been 19.2%.

## 4.8.2 Productive Capital

Productive capital consists of property owned, bank branches, Personal Financial Advisers' offices and the plant and equipment necessary to conduct the Group's business.

	2014	2013	2012
Personal Financial Advisers' offices - Fideuram Network (no.)	197	197	196
Personal Financial Advisers' offices - Sanpaolo Invest Network (no.)	127	134	143

### LOGISTICS STRUCTURE SUPPORTING THE NETWORKS

Our Personal Financial Advisers are supported in their work by the Group's logistics organisation, which consists of 96 bank branches and 324 Personal Financial Advisers' Offices (197 for the Fideuram Network and 127 for the Sanpaolo Invest Network). Both networks are organised in areas (five for the Banca Fideuram Network and two for the Sanpaolo Invest Network), each of which is sized to suit the business potential of the territory concerned and may cover several regions or just a few provinces.

In certain major cities, the Personal Financial Advisers' Offices of the Fideuram Network are supplemented by Private Banking Centres to support our top-segment Private Banking customers in the area.

A number of interventions were implemented in 2014, the main aims of which included increasing the space allocated to support the recruitment of new Personal Financial Advisers, optimising the operating synergies of the two networks, enhancing the Group's image and rationalising costs.

New interventions will be launched locally in 2015, focused in particular on rationalising costs through further Group synergies and renewed attention to enhancing the Group's image.

Banca Fideuram

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Bank branches

### ACCESSIBILITY OF SERVICES

Committed to ensuring the accessibility of our banking services, our new branches offer ease of access for people with disabilities and our existing branches have been adapted to this end wherever possible.

In addition, all our ATMs feature a dedicated interface for the visually impaired and, where structurally possible, low-level ATMs have been installed for wheelchair users.



### Fideuram Network - Area Coverage - Logistics structure by region

REGION	BANK BRANCHES			PERSONAL FINANCIAL ADVISERS' OFFICES		
	2014	2013	2012	2014	2013	2012
Piedmont	12	12	12	30	31	31
Valle d'Aosta (*)	-	-	-	1	1	1
Liguria	5	5	5	9	9	9
Lombardy	20	20	20	27	25	25
Venetia	7	7	7	20	20	20
Friuli Venezia Giulia	3	3	3	6	6	6
Trentino Alto Adige (*)	2	2	2	6	6	6
Emilia Romagna	10	10	10	20	20	20
Tuscany	11	11	11	26	26	25
Umbria	1	1	1	4	4	4
The Marches	2	2	2	6	6	6
Latium	7	8	8	12	13	13
Abruzzo	1	1	1	4	4	4
Molise (*)	-	-	-	2	2	2
Campania	6	6	6	8	8	8
Basilicata (*)	-	-	-	1	1	1
Puglia	3	3	3	4	4	4
Calabria	1	1	1	2	2	2
Sicily	4	4	4	6	6	6
Sardinia (*)	1	1	1	3	3	3
<b>Total</b>	<b>96</b>	<b>97</b>	<b>97</b>	<b>197</b>	<b>197</b>	<b>196</b>

### Sanpaolo Invest Network - Area Coverage - Logistics structure by region

REGION	PERSONAL FINANCIAL ADVISERS' OFFICES		
	2014	2013	2012
Piedmont	12	12	13
Valle d'Aosta (*)	1	1	1
Liguria	11	12	12
Lombardy	13	16	16
Venetia	9	10	10
Friuli Venezia Giulia	3	3	3
Trentino Alto Adige (*)	2	2	2
Emilia Romagna	11	11	13
Tuscany	8	8	12
Umbria	5	5	5
The Marches	4	4	4
Latium	18	19	21
Abruzzo	6	6	6
Molise (*)	-	-	-
Campania	7	7	7
Basilicata (*)	1	1	1
Puglia	5	5	5
Calabria	2	2	2
Sicily	5	6	6
Sardinia (*)	4	4	4
<b>Total</b>	<b>127</b>	<b>134</b>	<b>143</b>

(\*) Italian regions with the lowest population density (less than 100 inhabitants per sq. km). Source: ISTAT (Italian Central Statistics Institute) 2012, "Movimento e calcolo della popolazione residente annuale; Variazioni territoriali, denominazione dei comuni, calcolo delle superfici comunali."

### Fideuram Network - Area Coverage - Logistics structure by area

AREA	BANK BRANCHES			PERSONAL FINANCIAL ADVISERS' OFFICES		
	2014	2013	2012	2014	2013	2012
1	17	17	12	40	41	32
2	16	16	15	21	20	20
3	20	20	10	45	44	13
4	20	20	12	49	49	32
5	23	24	10	42	43	20
6			14			35
7			9			16
8			15			28
<b>Total</b>	<b>96</b>	<b>97</b>	<b>97</b>	<b>197</b>	<b>197</b>	<b>196</b>

Logistics structure  
Fideuram Network

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Personal Financial  
Advisers' offices

The area structure of our branches and offices was reorganised in 2013, reducing the Fideuram Network from eight areas to the current five.

### Sanpaolo Invest Network - Area Coverage - Logistics structure by area

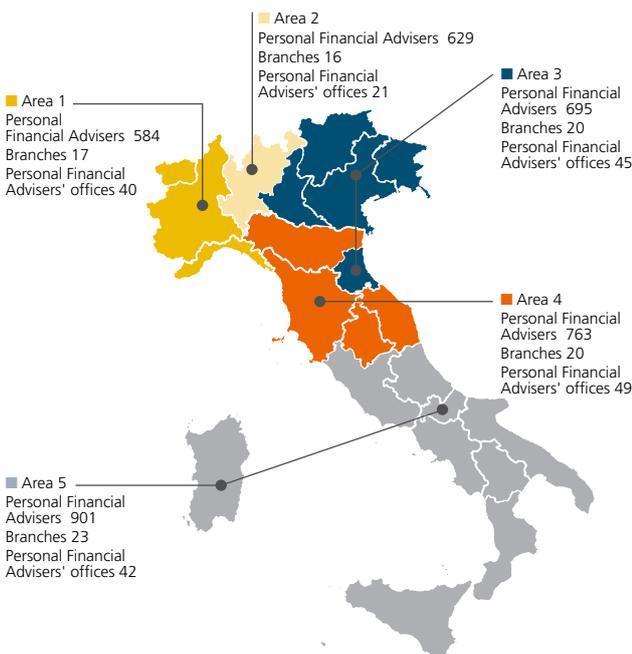
AREA	PERSONAL FINANCIAL ADVISERS' OFFICES		
	2014	2013	2012
1	62	68	70
2	65	66	73
<b>Total</b>	<b>127</b>	<b>134</b>	<b>143</b>

Logistics structure  
Sanpaolo Invest Network

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Personal Financial  
Advisers' offices

### Fideuram Network



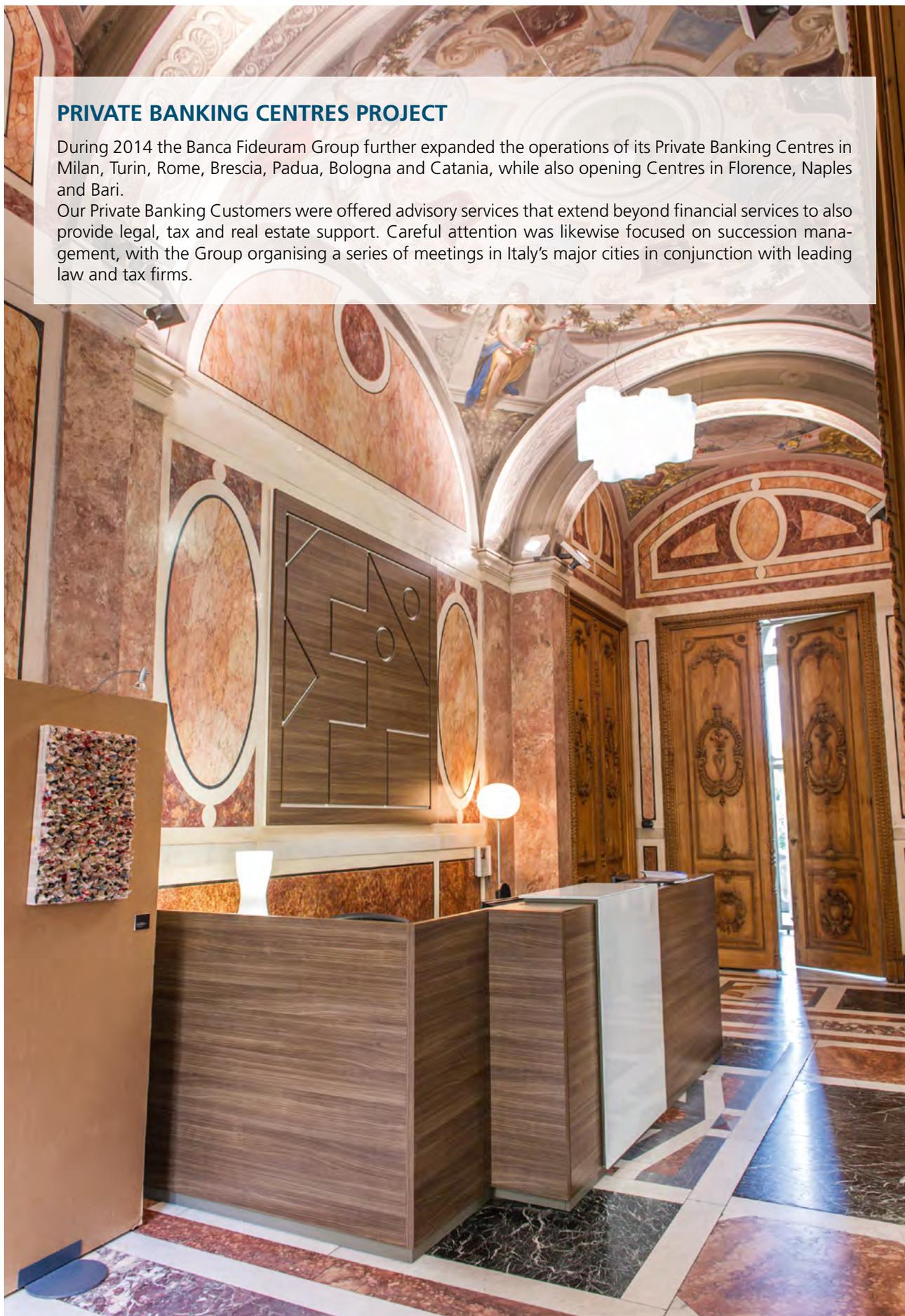
### Sanpaolo Invest Network



## PRIVATE BANKING CENTRES PROJECT

During 2014 the Banca Fideuram Group further expanded the operations of its Private Banking Centres in Milan, Turin, Rome, Brescia, Padua, Bologna and Catania, while also opening Centres in Florence, Naples and Bari.

Our Private Banking Customers were offered advisory services that extend beyond financial services to also provide legal, tax and real estate support. Careful attention was likewise focused on succession management, with the Group organising a series of meetings in Italy's major cities in conjunction with leading law and tax firms.



## 4.8.3 Intellectual Capital

Intellectual capital is comprised of knowledge-based intangible and organisational assets such as intellectual property (copyrights, rights and licenses), organisational capital (systems, procedures, protocols, area organisation and operations outside Italy) and the intangible assets associated with the brand and with the Group's reputation.

	2014	2013	2012
Customers subscribed to SEI Advanced Advisory Service (no.)	59,790	54,060	39,894
Customers online (no.)	390,195	346,288	316,938

## GEOGRAPHICAL DISTRIBUTION OF NETWORKS

The Banca Fideuram Group provides its investment services through two Personal Financial Adviser Networks, the Fideuram and Sanpaolo Invest Networks, which cover the whole of Italy.

Following last year's area and management reorganisation, which reduced the total number of areas from ten in 2012 (eight for the Fideuram Network and two for the Sanpaolo Invest Network) to seven in 2013 (five for the Fideuram Network and two for the Sanpaolo Invest Network), no changes were made to the area organisation in 2014.

The changes which were made to the area organisation of the Networks are shown below.

### Area Structure of the Fideuram Network

AREA	2014	2013	2012
1	Piedmont, Valle d'Aosta and Liguria	Piedmont, Valle d'Aosta and Liguria	Valle d'Aosta and Piedmont
2	Lombardy (excepting provinces of Brescia, Mantua and Cremona)	Lombardy (excepting provinces of Brescia, Mantua and Cremona)	Lombardy (Provinces of Milan, Lodi and Pavia) and Liguria
3	Lombardy (provinces of Brescia, Mantua and Cremona), Venetia, Trentino Alto Adige, Friuli-Venezia Giulia, Emilia Romagna (provinces of Ravenna, Forlì-Cesena, Rimini and Imola agency)	Lombardy (provinces of Brescia, Mantua and Cremona), Venetia, Trentino Alto Adige, Friuli-Venezia Giulia, Emilia Romagna (provinces of Ravenna, Forlì-Cesena, Rimini and Imola agency)	Lombardy (excepting Provinces of Milan, Lodi and Pavia)
4	Emilia Romagna (excepting provinces of Ravenna, Forlì-Cesena, Rimini and Imola agency), Tuscany, Umbria, and the Marches	Emilia Romagna (excepting provinces of Ravenna, Forlì-Cesena, Rimini and Imola agency), Tuscany, Umbria, and the Marches	Venetia, Friuli-Venezia Giulia and Trentino Alto Adige
5	Latium, Sardinia, Campania, Abruzzo, Molise, Basilicata, Puglia, Calabria and Sicily	Latium, Sardinia, Campania, Abruzzo, Molise, Basilicata, Puglia, Calabria and Sicily	Emilia Romagna
6			Tuscany, Umbria and the Marches
7			Latium (excepting the Gaeta town council area), Sardinia
8			Campania, Abruzzo, Molise, Puglia, Basilicata, Calabria and Sicily, Latium (Gaeta town council area only)

### Area Structure of the Sanpaolo Invest Network

AREA	2014	2013	2012
1	Piedmont, Valle d'Aosta, Liguria, Lombardy, Venetia, Friuli-Venezia Giulia, Trentino Alto Adige and Emilia Romagna	Piedmont, Valle d'Aosta, Liguria, Lombardy, Venetia, Friuli-Venezia Giulia, Trentino Alto Adige and Emilia Romagna	Piedmont, Valle d'Aosta, Liguria, Lombardy, Venetia, Friuli-Venezia Giulia, Trentino Alto Adige and Emilia Romagna
2	The Marches, Latium, Sardinia, Abruzzo, Campania, Calabria, Puglia, Molise, Sicily, Basilicata, Tuscany and Umbria	The Marches, Latium, Sardinia, Abruzzo, Campania, Calabria, Puglia, Molise, Sicily, Basilicata, Tuscany and Umbria	The Marches, Latium, Sardinia, Abruzzo, Campania, Calabria, Puglia, Molise, Sicily, Basilicata, Tuscany and Umbria

## ADVISORY SERVICES

MAIN OBJECTIVES FOR 2014	ACTIONS AND RESULTS ACHIEVED
<p><b>BUSINESS GROWTH</b></p> <p>Enhance the SEI Advanced Advisory Service tools for the Private Banking customer segment to support succession management, asset protection and the formulation of sales proposals.</p> <p>Launch family management and real estate asset diagnosis support.</p>	<p>Responding to customers' growing asset protection requirements, we strengthened the needs analysis support our SEI Advanced Advisory Service provides Private Banking customers, developing tools and apps for succession management and asset protection. Our SEI Advanced Advisory Service also benefited from the development and improvement of the tools supporting the formulation of sales proposals. In addition, we introduced the option of whole-family analysis, and launched a pilot project providing real estate reports with land registry data, analysis sheets and fiscal impact estimates for a limited number of customers.</p>

With the coming into force of the Markets in Financial Instruments Directive (MiFID) in 2007, the Group centred its service model on advisory support, providing a service for all its customers and through all its service channels that is based on customer profiling for maximum risk level and on ascertaining that there is an appropriate match between each customer's financial profile and total asset risk.

In 2009, the Group launched a new fee-paying customised advanced advisory service, named SEI, alongside this basic advisory service.

SEI charges commission for activating the service and regular annual commission, both calculated in relation to the customer's assets managed by the Group and their potential.

SEI customers receive regular clear and detailed statements which allow them to track their assets' progress towards their goals and to monitor the suitability of their asset risks with respect to their financial profile.

The "SEI method" is centred on the customer and their needs, which are segmented into six areas: protection, liquidity, reserve, pension, investment and extra-return. SEI provides our Personal Financial Advisers with important support for analysing their customers' needs, for identifying optimum customised solutions that meet them and for monitoring their progress over time. Moreover, it does all this while at the same time constantly monitoring the risk of each customer's total assets in accordance with the MiFID Directive.

A further strength of the service is that SEI can be extended to provide a systematic analysis of all a customer's assets even if they are with other financial brokers, and include the customer's entire family in the diagnosis phase.

## “SEI VERSIONE PRIVATE” FOR PRIVATE BANKING CUSTOMERS

In 2013, we developed an innovative new advanced advisory model that allows us to meet the needs of different types of customers, offering greater service level flexibility by introducing two different versions: “SEI” and “SEI Versione Private” for private banking customers, with the latter offering exclusive benefits, including specialist tax, legal, real estate and succession management advisory services, priority access to Fideuram Fiduciaria’s services and a dedicated contact centre. In addition, the regular statements sent to customers were revised and special new content provided for the Private Banking version.

## WEALTH PROTECTION

The Banca Fideuram Group strengthened its analysis of private banking customers’ needs in areas such as asset management and succession management, extending its customer financial assets risk analysis to incorporate the analysis of non-financial risks as well.

## MAIN IMPROVEMENT OBJECTIVES FOR 2015

### ADVISORY SERVICES

The main objectives for 2015 are as follows:

- Extend the reporting content on the customer’s household unit.
- Extend advisory services to the diagnosis of customers’ real estate assets, incorporating land registry data, real estate reports, analysis sheets, fiscal impact estimates and strategic mapping of real estate and succession management.
- Strengthen our customer profiling model by providing a new questionnaire.



## TOOLS SUPPORTING ADVISORY SERVICES

MAIN OBJECTIVES FOR 2014	ACTIONS AND RESULTS ACHIEVED
<p><b>DIGITAL SERVICES</b></p> <p>Provide digital solutions that support the Banca Fideuram Group's advisory services, including innovative tools for interacting with customers, such as instant messaging, video conferencing, co-browsing and document management. Manage the digital presence of Personal Financial Advisers by creating personal web sites. Offer a product range dedicated to our digital channel.</p>	<p>The design process and phase identifying business requirements were both launched during the year.</p>
<p><b>PORTAL FOR PERSONAL FINANCIAL ADVISERS</b></p> <p>Increase operational efficiency for the Networks and customers alike using a single platform to handle communications and enable rapid access to the applications provided.</p>	<p>A new intranet portal was launched for our Personal Financial Advisers, which brings together and reorganises all the Banca Fideuram Group's information and training tools.</p>
<p><b>SEI APP</b></p> <p>Support communication of the distinctive features of the SEI Advanced Advisory Service to customers in an appealing manner.</p>	<p>Developed an iPad app that our Personal Financial Advisers can use to give their customers interactive presentations on our SEI Advanced Advisory Service.</p>
<p><b>BF IPHONE APP</b></p> <p>Improve the usability of Home Banking services for mobile devices.</p>	<p>Released an iPhone app that enables customers to access Banca Fideuram's main home banking services while on the go.</p>
<p><b>KEY TV COMMUNICATIONS</b></p> <p>Strengthen Key TV's in-house production infrastructure with the transfer of our TG news production facilities. This will enable further cost containment to be achieved and make our in-house television completely independent of external facilities.</p> <p>Launch live web broadcasting (webcasting), which will enable us to provide live broadcasts for the whole network, dedicated programmes for specific geographical areas, and programmes with a high interactive content that enables users to interact using chat.</p>	<p>TG news production was transferred to the TV production facility and completely updated, with a new set and new graphic design.</p> <p>We developed a webcasting infrastructure and tested it with three live broadcasts of particular interest, which involved users by enabling them to interact with the speakers in the studio using a chat function.</p> <p>The number of programme episodes produced increased to 253 in 2014, in addition to which a further 30 productions commissioned for other bank departments and Group networks were completed.</p>
<p><b>UNIFIED CUSTOMER SERVICE FRONT END</b></p> <p>Rationalise and centralise all the functions of the systems currently used by our Network in a single procedure for analysing customer positions, producing reports and preparing sales proposals.</p>	<p>Launched the design process and phase identifying business requirements.</p>

### PORTAL FOR PERSONAL FINANCIAL ADVISERS



In 2014 we launched a new portal for our Personal Financial Advisers, a single IT platform that handles all communications with our Networks effectively, rationalising the Banca Fideuram Group's info-training tools and integrating with existing ap-

plications such as Key TV and our product portfolio. The new portal is managed by an in-house editorial team that is responsible for the news schedule and all content relating to the markets, our Group, its products and the applications supporting our Personal Financial Advisers.



### THE FIDEURAM MOBILE SOLUTION PROJECT

The Fideuram Mobile Solution project was launched in 2011 to streamline the work of our Personal Financial Advisers and enable them to dedicate more time to their customer relations. Supported by leading-edge technologies, our Personal Financial Advisers can access constantly-updated documents ready for use with their customers at any time, including on the move. They can acquire customers' personal documents in digital format using the Easy Doc smartphone app and Customer Compliance Dashboard application, while our customers can authorise transactions using digital signatures, thereby eliminating the need for paper forms. Fideuram Mobile Solution sees the Group deploying a single operating platform that completes the integration of our advisory service sales tools (basic and advanced services) and our platform for the execution of instructions. It enables our Personal Financial Advisers to use their laptops or iPads to prepare sales proposals, verify their suitability, obtain their customers' approval and execute their instructions. Our customers can accept these proposals by using digital signatures without printing out any forms, or by signing pre-completed printed forms.

### SEI ADVANCED ADVISORY SERVICE PRESENTATION APP

We completed the development of an iPad app in the year that our Personal Financial Advisers can use to give their customers attractive, interactive presentations on our SEI advanced advisory service, talking them through the distinctive features of the service in a few simple steps.

### HOME BANKING

We released an iPhone app in the year that provides our customers with swift access to Banca Fideuram's Home Banking and information services even while on the go.

### KEY TV COMMUNICATIONS



Key TV benefited from further significant infrastructure and production developments in 2014. The

transfer of production to the channel's own in-house production and post-production facilities was completed in the year, with the result that our TG news production now has a new studio, new set and new graphic design.

Key TV consistently provided timely, detailed reporting on the markets, and increased its television broadcasts, partly as a result of having conducted a large number of interviews with fund managers from the Group's partner companies, which were translated and dubbed in the studio.

Key TV also extended the scope of its work in the year, becoming a service for other departments and areas of the bank, providing:

- Production services for local network events (opening of offices and customer events)
- Training videos for use in classed-based training
- Video tutorials on the use of Group tools and services, such as the videos

of the "Facciamolo Insieme" ("Let's do it together") series.

Lastly, Key TV's output continued to be outstanding in the year, totalling 253 programme episodes and 30 additional productions commissioned by other departments and the Group networks. The number of unique users was in line with the outstanding figure of over 4,000 achieved in 2013.



## MAIN IMPROVEMENT OBJECTIVES FOR 2015

### TOOLS SUPPORTING ADVISORY SERVICES

The Group's main objectives for 2015 are as follows:

- Launch a digital presence management project for our Personal Financial Advisers to provide them with innovative customer communications tools.
- Enhance our succession management and risk control tools, and develop tools providing asset management needs analysis and supporting the related product range.
- Extend customers' options for accessing Banca Fideuram's home banking services from mobile devices, creating an app for smartphones with the Android operating system, and restyling and finalising the iPhone and iPad app.
- Create a single customer service front end for analysing customer positions, producing reports and preparing sales proposals.
- Strengthen our risk analyses with asset-class and product-portfolio scenario simulations.

### PORTAL FOR PERSONAL FINANCIAL ADVISERS

Major developments are scheduled for the portal for Personal Financial Advisers in 2015, increasingly making it a communication tool for our Personal Financial Advisers to receive and share information. A series of initiatives for increasingly personalising the communications with and information for our Personal Financial Advisers will also be implemented during the year. A key project in this area involves the development of a network clustering platform to interact with predetermined groups of Personal Financial Advisers using messages, content and campaigns tailored to specific sales criteria and requirements. Increasing importance will then be attributed to subject-specific communications and briefings on topics of current interest, using dedicated areas and content.

This move towards more customised, personal communications will take a further significant step forwards with the launch of the Alfabeto platform, which is set to completely transform communications between our Personal Financial Advisers and their customers by customising their generic public web pages and their personalised web pages for each existing and potential customer.

### KEY TV COMMUNICATIONS

Key TV has the following objectives for 2015:

- Consolidate Key TV's role as a communications channel between the Networks and Head Office, providing comprehensive information on sales projects and strategic initiatives, while continuing to provide operational information in synergy with the portal.
- Continue to provide constant, varied information on macro-economic scenarios and the markets, and serve as a primary source of information and training support, including where technical and regulatory matters are concerned (e.g. voluntary disclosures), through programme episodes featuring in-house and external experts.
- Contribute to the dissemination of best practices and work methods, celebrating results and social events with the aim of increasingly making our corporate TV channel a tool for the Network, which our Personal Financial Advisers use to discuss their work and get to know one another.
- Develop and improve the quality of live broadcasts, which have been warmly received by our Personal Financial Advisers because of the opportunity they provide to interact directly with expert speakers on topics of particular interest.

## MARKET RESEARCH



As in prior years, Banca Fideuram invested in market research in 2014 with the aim of gaining a fuller understanding of its economic and competitive situation. During the year, the bank continued to participate in the principal sector surveys, namely GfK Eurisko's Multi-finanziaria survey and the joint GfK Eurisko and Prometeia Household Savings Outlook survey on Italian household savings.

The surveys show that the small improvement in the economic situation revived Italian households' propensity to save despite the fragile scenario.

This encouraging development,

which is expected to increase during the coming three-year period, was not, however, accompanied by a recovery in consumer spending.

Interest in financial services appears to have suffered a further decline, possibly because the products currently offered are not sufficiently innovative to meet household needs. The principal investment choice drivers included security and simplicity, with these surveys suggesting that simplicity is particularly important and that investors are more open to long-term investments than they were in the past.

There was a small increase in the number of investors, while the allocation of investments showed

steady growth in managed asset and insurance instruments, accompanied by a significant decline in bonds and government securities.

There was a slight increase in market participant customer satisfaction with the banking industry, both for banks and insurance companies. Both surveys highlighted the increasing importance of digital services, with over 79% of households now digital households and digital technologies achieving high penetration even in marginal segments of the population. This has made it a key factor in the success of any operator in the sector to develop a service model that combines physical and digital channels effectively.

## FIDEURAM ONLINE

MAIN OBJECTIVES FOR 2014	ACTIONS AND RESULTS ACHIEVED
<p>Enhance Fideuram Online's functions to offer customers an online channel for dialogue with the bank in accordance with our advisory model. The interventions contemplated include further developing our Reports and Statements, Trading (extending the trading range covered) and Banking (implementing the SEPA standards).</p>	<p>Our 2014 initiatives to develop the services provided through our Fideuram Online channel were chiefly focused on enhancing our existing Reporting, Banking and Trading functions and keeping them aligned with developments in the regulatory framework by:</p> <ul style="list-style-type: none"> <li>• Extending the Online Statements and Reports service for our Advisory Services and Products to the entire range of third-party funds distributed by the Group.</li> <li>• Extending our payment functions.</li> <li>• Extending the Web Collaboration digital signature to our 2014 new products.</li> <li>• Launching the online tax position service Posizione Fiscale Online.</li> </ul>

**+12.7%**

Customers were subscribed to Fideuram Online (on 2013)

Fideuram Online continued to achieve solid growth in 2014 regarding both the total number of customers using the service and the total number of transactions completed online.

At the end of the year, over 390,000 customers were subscribed to Fideuram Online (76% Banca Fideuram and 24% Sanpaolo Invest),

an increase of 12.7% on the figure for 2013.

Over 4 million transactions were handled by the service - including stock market instructions, transfers, payments, card top-ups and instructions regarding mutual funds and discretionary accounts - an increase of 18.9% on 2013.

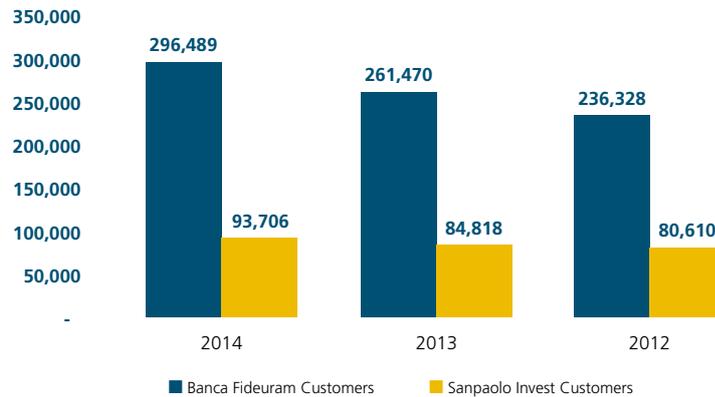
Indeed, the number of online transfers was up 23% on the previous year to over 1,900,000, accounting for 81.6% of all customer transfers.

Fideuram Online was, moreover, once again the most-used channel for trading in securities, with transactions concluded over the Internet accounting for over 82% of all customer transactions.

As the figures show, the Online Statements and Reports service continued to attract new users in 2014:

- The take-up of Online Bank Statements and Securities Reports increased by 22.4% on 2013, with over 157,000 current and deposit accounts having enabled the service.
- The take-up of Online Statements and Reports for Advisory Services and Products increased by 72.4% on 2013, with over 184,000 accounts having enabled the service.

### Customers online



## MAIN IMPROVEMENT OBJECTIVES FOR 2015

### FIDEURAM ONLINE

The Group's objectives for 2015 include continuing to enhance Fideuram Online to offer our customers an efficient and comprehensive online banking channel that provides an additional tool for communicating with their bank and Personal Financial Advisers, focusing in particular on Statements and Reports for Advisory Services and Products, on Banking and on Trading.

### WEBSITE

As in prior years, our website has hosted and supported our corporate communications and information on the initiatives in which the bank has been involved.

Our Interactive Annual Report, in particular, makes the Group's results and data available to investors, shareholders and analysts in a format that offers even simpler and more immediate consultation.



## BELOW-THE-LINE COMMUNICATIONS

Our below-the-line communications supporting the development of the Group's product range in the year continued, as in prior years, to follow the "sguardi" ("looks") approach which has been consolidated over the years and is now recognised as a distinctive feature of our direct and transparent product communications, based on close personal relations between the bank, represented by its Personal Financial Advisers, and its customers.

In 2014 we updated our below-the-line communications to support the development of our product range, with new brochures to present our insurance wrapper products (Fideuram Vita Insieme range) and financial wrapper products (Fideuram Omnia).

In addition, a series of corporate and product developments led us to update our Fonditalia and Fideuram Master Selection brochures.

Lastly, the launch of our Fideuram Pension Fund was supported by a new product brochure.

Our corporate communications in 2014 focused on developing new material for Group companies, specifically new corporate brochures for Fideuram Vita and new corporate leaflets for the Group's Asset Management companies, Fideuram Investimenti and Fideuram Asset Management Ireland, and for the Sanpaolo Invest network.



## OPERATIONS OUTSIDE ITALY

### ASSET MANAGEMENT

The Banca Fideuram Group conducts its asset management activities in Luxembourg and Ireland. At 31 December 2014, 206 personnel were deployed in the companies conducting asset management activities in the Group, over half of whom were employed outside Italy.

Having obtained the authorisation of the Irish Regulator and Luxembourg Supervisory Authority (Central Bank of Ireland and Commission de Surveillance du Secteur Financier) in the first half of 2014, we completed the process of setting up a single fund management company in the Banca Fideuram Group to manage all our mutual funds based outside Italy, transferring the direct management of our Luxembourg funds from Fideuram Gestions to Fideuram Asset Management (Ireland) with effect from 1 April 2014.

This development formed part of the restructuring project designed to create an efficient structure able to harness the opportunities created by European Union Directive 2009/65/EC (UCITS IV Directive), which had also seen the merger of Sanpaolo Invest (Ireland) and Fideuram Asset Management (Ireland) in 2013. The procedure for winding up Sanpaolo Invest (Ireland) was officially completed on 20 March 2014.

During 2014, Fideuram Asset Management (Ireland) continued its ordinary operations as manager of the Fideuram Group's collective savings products (Luxembourg, Irish and Italian collective investment undertakings) and of the products developed by the insurance companies in the Group (Italian pension fund and Irish unit-linked policies).

Client assets in the Luxembourg and Irish products offered by Fideuram Asset Management (Ireland) totalled €38.1bn at 31 December 2014 compared with €34.7bn at 31 December 2013, due both to positive net inflows and strong market performance.

Fideuram Bank (Luxembourg) S.A. plays a leading role in the Banca Fideuram Group's operating structure as the custodian of approximately €37.5bn client assets invested in Luxembourg funds.

The bank operates through a select and extensive network of worldwide correspondent banks, while also acting as Securities Lending Agent for the portfolio, playing a significant role in providing treasury and liquidity management services for the Group's Luxembourg funds.

The bank also acts as global sub-custodian for the Group's Irish fund and provides technological and organisational support in the form of IT and administrative services for a number of its affiliated companies in other countries.

In 2014, the Luxembourg-registered fund management company Fideuram Gestions provided central administration support (including the calculation of Net Asset Value) and acted as Fideuram Asset Management (Ireland)'s transfer agent for Fonditalia, Interfund SICAV and Fideuram Fund.

Client assets in the 121 funds concerned totalled €37.5bn at 31 December 2014.

Following the reorganisation of the Banca Fideuram Group's operations outside Italy, Fideuram Gestions merged with Fideuram Bank (Luxembourg) with effect from 1 January 2015, providing business continuity and improved efficiency.

# 38.1 €bn

Client assets managed  
by Fideuram Asset  
Management (Ireland)

### TREASURY

Part of the Group's treasury and finance activities are conducted in France. These activities are carried out by subsidiary Euro-Trésorerie, which had securities holdings of approximately €1.3bn at 31 December 2014 (€1.5bn at 31 December 2013)

# 1.3 €bn

Securities holdings  
of Euro-Trésorerie

## SYSTEMS AND INFORMATION MANAGEMENT

### ORGANISATION AND SECURITY

The Organisation and Security Department is responsible for directing the development of the bank's and its subsidiaries' organisational model with respect to organisational units, sizing and processes.

We increased our commitment to Project Management activities in 2014, which enabled us to reduce our use of external consultants, working cross-functionally to ensure project plans were respected and monitored, full information was relayed to top management and the departments concerned, and any cross-project impacts were managed effectively.

The portfolio of projects supported included the Bank's main strategic projects (Personal Financial Adviser Portal, iRecruiter, Fideuram Cash Deposit, Team Fideuram and the New Due Diligence Questionnaire, etc.) and a series of Intesa Sanpaolo initiatives for which the department provided internal coordination (FATCA, EBA Fast Closing, Procurement Centralisation and SEPA, etc.).

In the area of risk management regulations and processes, acting pursuant to Italian Legislative Decree No. 231/2001 and Law No. 262/2005 regarding the Manager responsible for the preparation of the company accounts, the department consolidated the documentary presentation of these processes and their classification following the taxonomic criteria adopted by the Intesa Sanpaolo Group.

The Group's internal regulations consist of "Governance Documents", which govern the running of the bank (By-Laws, Code of Ethical Conduct, Group Regulations, Authority and Powers, Guidelines, Department Charts and Organisation Charts), and operational regulations, which govern its corporate processes, single activities and related controls (Rules, Operating Guides and Communications to the Personal Financial Adviser Networks).

The Regulations and Guidelines drawn up by Intesa Sanpaolo in accordance with the principles established by the new supervisory regulations issued by the Bank of Italy in July 2013 were incorporated in the bank's regulations in 2014. Proceeding in accordance with the Intesa Sanpaolo documents, the Bank then drafted its own Regulations and Guidelines where necessary, tailoring them to its own specific organisational and operational context.

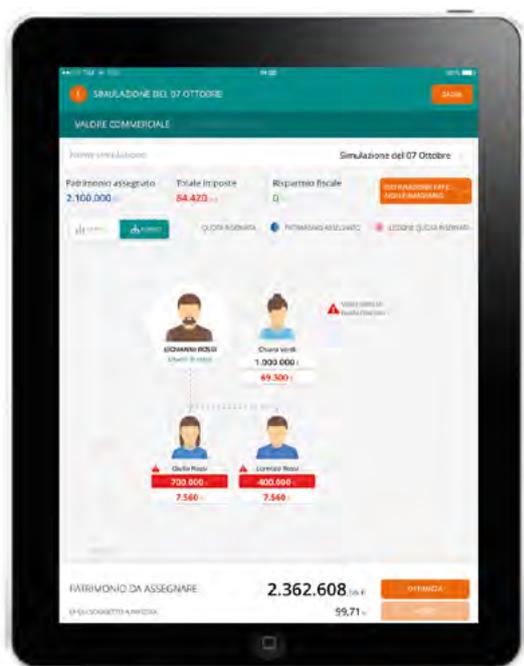
An important part of this was the development of the "Banca Fideuram Integrated Internal Audit System Regulations", with which the Bank adopted the internal audit system reference model, taking its own distinctive characteristics into account and respecting the principles established in the equivalent Intesa Sanpaolo Regulations, specifying the responsibilities of the Company Bodies and Departments with auditing duties, the risk management process and the procedures governing the coordination and cross-functional collaboration of Departments with auditing duties.

The department's work of monitoring the service contracts governing activities outsourced to Intesa Sanpaolo and Intesa Sanpaolo Group Services saw it supervise the periodic Key Performance Indicator (KPI) audits of the services provided, and identify a number of improvements to align them with the latest operating developments. A similar action was carried out for the contracts governing the services Banca Fideuram provides its subsidiaries.

In accordance with the Privacy requirements of Italian Legislative Decree No. 196/2003 - "Codice in materia di protezione dei dati personali" (Code regarding the protection of personal data), the Group updated its data protection audit - required on an annual basis - and carried out its Group Annual Privacy Assessment (Accertamento Privacy Annuale di Gruppo - A.P.A.G.). In conjunction with Intesa Sanpaolo, the Group aligned its internal regulations with the provisions of the Italian Data Protection Authority of 12 May 2011 regarding Data Sharing and the Tracking of Transactions in the Banking Sector ("Prescrizioni in materia di circolazione delle informazioni in ambito bancario e di tracciamento delle operazioni bancarie").

The bank undertook a review of its Operational Continuity governance documents in 2014, which led it to adopt the Intesa Sanpaolo Group Operational Continuity Guidelines, Organisational Model for Crisis Management and Rules for the Operational Continuity Plan, thus bringing the bank into line with the principles established by the aforementioned new Bank of Italy Supervisory Regulations.

The bank's Operational Continuity Plan was approved and the annual technology test sessions on our Operational Continuity and Disaster Recovery solution were carried out, with the related certification being handled by the departments concerned. This certification was planned and performed in accordance with the Bank of Italy's operational continuity test requirements, with the aim of verifying the suitability over time of the measures in place



to tackle "Information System unavailable" crisis scenarios regarding our administrative and sales systems and the Intesa Sanpaolo target system (banking clone and finance systems).

Banca Fideuram passed its "Operational Continuity Test" in December 2014, which involved simulations of "inaccessibility of premises" and "unavailability of essential personnel" scenarios. Designed to verify the effectiveness and adequacy of the planned solutions, the test involved the organisational units of the Finance and Operations departments.

## INFORMATION SYSTEMS AND OPERATING SERVICES

It is essential for the Banca Fideuram Group to constantly develop its business model - centred on the role of its Personal Financial Advisers, on its Advisory Services and on its provision of tailored services for Private Banking customers - for it to maintain its leading position and role as innovator. Acting to support business growth and leverage the opportunities presented by technological innovation, we launched a project to simplify and improve our application platform, carrying out an assessment of the current platform, which identified the following areas for intervention:

- Rationalise the current multiple front ends into a single front end with real-time Position Keeping data that centralises all the functions Personal Financial Advisers require to manage their customer relations with customers.
- Create a single product database and a centralised purchase control engine for all the applications used for preparing proposals and managing orders.
- Enhance Mobility Management through the introduction of a common app development platform.
- Add a layer and extend common services to simplify the architectural model.

The main projects completed in 2014 were as follows:

- **Extension of Fideuram Mobile Solution:** We further extended the range of transactions available, giving priority to those with the highest volumes (reaching 65% of all transactions available) and completed a series of interventions to increase the environment's stability and performance, and to support paperless management of the latest regulatory requirements, namely the US Foreign Account Tax Compliance Act (FATCA) and Italy's Due Diligence Questionnaires (Questionari di Adeguata Verifica - QAV).
- **Personal Financial Adviser Portal:** A work environment was released for the entire Network that integrates all the information and training content and services for Personal Financial Advisers, together with all the tools they need for their work (portfolio analyses, advisory tools and trading transactions).
- **Extension of Product range:** A total of 30 interventions were completed in the year, the most

significant of which concerned the development of the Group's range of insurance products (New Fideuram Pension Fund and Fideuram Vita Insieme), the new Epsilon Fund SICAV, the new Eligo Titoli and Consilia lines (under GP Omnia) and the Protected Funds that are sub-products of the Group's wrapper solutions (Fideuram Vita Insieme and GP Omnia).

- **Enhancements to SEI:** A reporting function was developed which aggregates the positions of multiple customers (group management) and offers customisable content. We also launched an iPad app which enables our Personal Financial Advisers to explain the benefits of the service to their customers simply and intuitively, using a presentation that takes them through analysis by need, investment strategies and solutions, and monitoring over time.
- **Fideuram NEXT:** This succession management app is a native iPad app for use directly with customers. It is fully integrated with the SEI advisory service and can be used to manage existing and potential customers alike, both online and offline.
- **Development of the Fideuram Online platform:** Interventions were completed to align the platform with the latest regulatory requirements, namely Italy's Due Diligence Questionnaires (Questionari di Adeguata Verifica - QAV) and the US Foreign Account Tax Compliance Act (FATCA), and with the development changes made to the products managed. An Android smartphone app is nearing completion, to complement the current web site, iPad and iPhone apps.
- **Management Dashboard:** Supporting our Network management, we created a single, consistent and constantly updated database, and released a sales performance assessment tool featuring an extremely flexible, easy-to-use business intelligence tool.
- **Technological innovation:** We replaced the current PC on free loan with a new, more up-to-date model offering higher performance. Personal Financial Advisers were also offered the alternative of an Apple computer with a hard disk featuring two partitions, one for business and one for private use. We launched a Private Banking cloud on the Group network that enables our Personal Financial Advisers to store and access their documents totally securely from any location using a PC or iPad. We introduced the online management of live events (webinars) with live interaction using chat.

Information Systems managed a total of around 36 development projects to brief and deadline in the year with a total investment of approximately €20m. All the initiatives in 2014 were developed in accordance with the 2012-2014 IT Strategic Plan.

In line with our increasingly structured management of testing and trials (approximately 42 certified sessions, 1,150 test cases and 5,400 hours of trials), we continued our interventions to ensure the ongoing improvement of software already released.

Application errors were negligible at 0.01% of total operations.

In the area of governance, we strengthened our regulatory compliance regarding data access tracking in accordance with the provisions of the Italian Data Protection Authority and Italian Legislative Decree No. 231/2001, and introduced preventive IT risk control for all new projects in conjunction with the Intesa Sanpaolo Group Services Security Department.

In a scenario of increasing complexity and close attention to cost control, we further enhanced our control and monitoring reporting across the entire project portfolio to significantly strengthen governance. We also developed a project document repository to support internal audits (Financial Management Governance and Audit unit).

Our Customers and Networks Contact Center benefited from the launch of a dedicated Fideuram Fiduciaria assistance service, the opening of a dedicated channel for matters of high impact on the Network, and the provision of a series of video-tutorials named Facciamolo Insieme (Let's do it together), developed to reduce the number of calls.

There was a 10% increase in requests for assistance from the Networks, principally as a result of increased use of Fideuram Mobile Solution, new regulatory requirements - Italy's Due Diligence Questionnaires (QAV) and the US Foreign Account Tax Compliance Act (FATCA) - and the increasing use of our new applications (PO, SEI and Personal Financial Adviser Portal). Customer service calls fell by 10%, however, due to the introduction of apps that enable our customers to use their iPhones or iPads to con-

duct trading transactions and access most of the information they need.

Operating Services played an active role in various projects, including those regarding the change in tax rates on financial income and European Banking Authority Fast Closing. We also managed placements and capital increases for 32 securities.

All the Audit and Financial Governance Management controls carried out in the year confirmed that appropriate operational risk management was being implemented, enabling operational losses to be kept to entirely negligible levels.

The Department will principally be involved in the following strategic initiatives in 2015:

- The development of a line of protected capital solutions for the Fideuram Vita Insieme range of insurance products.
- The Alfabeto Fideuram project creating a new digital channel that will bring our Personal Financial Advisers innovative solutions for interacting with their customers, including instant messaging, video conferencing and the co-browsing of reports and proposals.
- The design and development of the IT architecture for the new Private Banking Division, which provides for greater management autonomy in the development of the core software and the centralisation of and sharing of applications by Banca Fideuram and Intesa Sanpaolo Private Banking where possible. The 2015-17 IT Strategic Plan will be drawn up on the basis of the final development choices agreed.

## 4.8.4 Human capital

Human capital consists of the skills, abilities and knowledge of the people who work in the Group and its governance bodies.

	2014	2013	2012
Fideuram Network - Ratio of Customers to Personal Financial Advisers	140:1	137:1	138:1
Sanpaolo Invest Network - Ratio of Customers to Personal Financial Advisers	91:1	87:1	86:1
Ratio of Client Assets to Personal Financial Advisers (€m)	17.9	16.4	15.6
Average training hours per Personal Financial Advisers	51	68	57
Average training hours per employee	18	22	24
No. of Network audits	702	703	704

## PERSONAL FINANCIAL ADVISERS

MAIN OBJECTIVES FOR 2014	ACTIONS AND RESULTS ACHIEVED
Consolidate our "value growth" sales action (Managed Assets) focusing on inflow volumes, meeting insurance needs and growth (recruitment).	<p>The year's performance took the Group to surpass its target of €90bn total client assets.</p> <p>Total net inflows consolidated the results achieved last year at €2.5bn. Inflows from managed asset products totalled €3.8bn, while insurance inflows - driven by the Fideuram Vita Insieme policy - came to approximately €3.4bn.</p> <p>Recruitment in 2014 focused on high-quality candidates and achieved strong results, bringing in over 241 new Personal Financial Advisers.</p>
Consolidate the importance of the SEI Advanced Advisory Service as a distinctive element in our service model and as a development activity supporting profitability and growth.	<p>In 2014, client assets managed through our SEI Advanced Advisory Service exceeded €25bn for over 60,000 customers.</p> <p>The Group's consistently strong performance and year-on-year results are the achievements of a proven business model founded on the values of solidity, innovation and sustainability that enables constant sustainable growth even in a complex economic environment.</p>
Diversify our objectives in line with the specific duties, expertise and potential of the related management positions in order to fully exploit every lever at the Group's and Networks' disposal.	<p>Our management actions in 2014 focused on devoting greater attention to growth (recruiting new Personal Financial Advisers and growing our customer base) and to advancing and monitoring our customer service levels and customer-perceived service quality. Special efforts were concentrated on extending the take-up of our basic and advanced advisory services, asset management, Private Banking service and succession management, while constantly keeping a close eye on compliance-related matters.</p>

## SIZE OF NETWORKS

The Group's distribution division (Fideuram and Sanpaolo Invest Networks) totalled 5,044 Personal Financial Advisers at 31 December 2014, compared with 5,104 at 31 December 2013, as shown below:

### Banca Fideuram Personal Financial Advisers

	BEGINNING OF PERIOD	IN	OUT	NET	END OF PERIOD
1.1.2014 - 31.12.2014	3,569	168	165	3	3,572
1.1.2013 - 31.12.2013	3,538	213	182	31	3,569
1.1.2012 - 31.12.2012	3,345	358	165	193	3,538

### Sanpaolo Invest Personal Financial Advisers

	BEGINNING OF PERIOD	IN	OUT	NET	END OF PERIOD
1.1.2014 - 31.12.2014	1,535	73	136	(63)	1,472
1.1.2013 - 31.12.2013	1,544	94	103	(9)	1,535
1.1.2012 - 31.12.2012	1,505	156	117	39	1,544

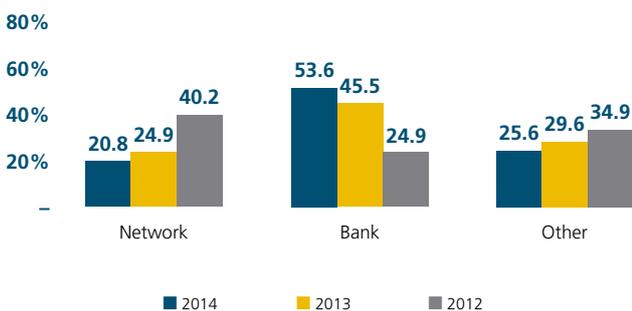
Our recruitment programme brought in 241 new Personal Financial Advisers in 2014 compared with 307 in the corresponding period of 2013. A total of 301 Personal Financial Advisers left the Group during the year, only 31% of whom, however, moved to competitor networks.

The recruitment programme was conducted with the greatest rigour and professionalism by the managements of the Group's two networks, and focused on finding Personal Financial Advisers of high standing in line with the role of market leader which has always distinguished the Banca Fideuram Group.

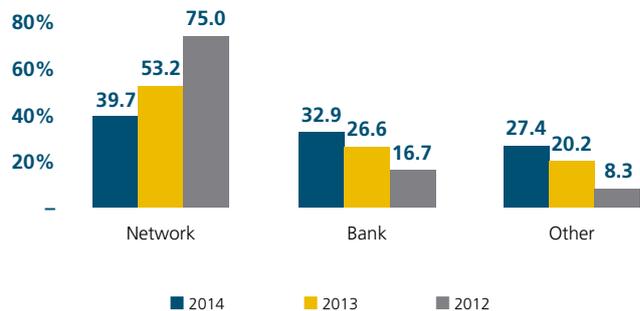
The training and work of these top professionals are guided by the principles of ethics and transparency which differentiate the Group and aim, amongst other things, to secure customer loyalty through the support of financial advisory services that are tailored to each customer's personal investment needs and risk profile.

The strong results achieved were also assisted by the Group's investments in innovative projects, training programmes and tools that support our advisory services.

#### Origin of professionals joining the Fideuram Network



#### Origin of professionals joining the Sanpaolo Invest Network



## Fideuram Network - Personal Financial Advisers - Turnover by rank

RANK	JOINED 2014				JOINED 2013				JOINED 2012			
	BANK	NETWORK	OTHER	TOTAL	BANK	NETWORK	OTHER	TOTAL	BANK	NETWORK	OTHER	TOTAL
Managers	-	-	1	1	-	-	-	-	-	2	-	2
Personal Financial Advisers	90	35	42	167	97	53	63	213	89	142	125	356
<b>Total</b>	<b>90</b>	<b>35</b>	<b>43</b>	<b>168</b>	<b>97</b>	<b>53</b>	<b>63</b>	<b>213</b>	<b>89</b>	<b>144</b>	<b>125</b>	<b>358</b>

RANK	LEFT 2014			LEFT 2013			LEFT 2012		
	COMPETITORS	OTHER	TOTAL	COMPETITORS	OTHER	TOTAL	COMPETITORS	OTHER	TOTAL
Managers	1	1	2	-	-	-	-	2	2
Personal Financial Advisers	28	135	163	16	166	182	12	151	163
<b>Total</b>	<b>29</b>	<b>136</b>	<b>165</b>	<b>16</b>	<b>166</b>	<b>182</b>	<b>12</b>	<b>153</b>	<b>165</b>

## Sanpaolo Invest Network - Personal Financial Advisers - Turnover by rank

RANK	JOINED 2014				JOINED 2013				JOINED 2012			
	BANK	NETWORK	OTHER	TOTAL	BANK	NETWORK	OTHER	TOTAL	BANK	NETWORK	OTHER	TOTAL
Managers	-	1	-	1	-	1	1	2	-	2	-	2
Personal Financial Advisers	24	28	20	72	25	49	18	92	26	115	13	154
<b>Total</b>	<b>24</b>	<b>29</b>	<b>20</b>	<b>73</b>	<b>25</b>	<b>50</b>	<b>19</b>	<b>94</b>	<b>26</b>	<b>117</b>	<b>13</b>	<b>156</b>

RANK	LEFT 2014			LEFT 2013			LEFT 2012		
	COMPETITORS	OTHER	TOTAL	COMPETITORS	OTHER	TOTAL	COMPETITORS	OTHER	TOTAL
Managers	1	2	3	1	1	2	-	1	1
Personal Financial Advisers	64	69	133	24	77	101	40	76	116
<b>Total</b>	<b>65</b>	<b>71</b>	<b>136</b>	<b>25</b>	<b>78</b>	<b>103</b>	<b>40</b>	<b>77</b>	<b>117</b>

## Fideuram Network - Turnover by age and gender

	JOINED 2014			JOINED 2013			JOINED 2012		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
under 30	19	10	29	28	11	39	55	17	72
30 to 50	84	30	114	102	19	121	171	37	208
over 50	17	8	25	40	13	53	65	13	78
<b>Total</b>	<b>120</b>	<b>48</b>	<b>168</b>	<b>170</b>	<b>43</b>	<b>213</b>	<b>291</b>	<b>67</b>	<b>358</b>

	LEFT 2014			LEFT 2013			LEFT 2012		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
under 30	5	1	6	13	3	16	8	2	10
30 to 50	39	9	48	44	15	59	52	7	59
over 50	100	11	111	99	8	107	86	10	96
<b>Total</b>	<b>144</b>	<b>21</b>	<b>165</b>	<b>156</b>	<b>26</b>	<b>182</b>	<b>146</b>	<b>19</b>	<b>165</b>

## Sanpaolo Invest Network - Turnover by age and gender

	JOINED 2014			JOINED 2013			JOINED 2012		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
under 30	8	4	12	3	5	8	10	5	15
30 to 50	29	4	33	46	11	57	63	15	78
over 50	23	5	28	25	4	29	55	8	63
<b>Total</b>	<b>60</b>	<b>13</b>	<b>73</b>	<b>74</b>	<b>20</b>	<b>94</b>	<b>128</b>	<b>28</b>	<b>156</b>

	LEFT 2014			LEFT 2013			LEFT 2012		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
under 30	1	-	1	2	-	2	3	-	3
30 to 50	44	9	53	38	5	43	54	7	61
over 50	72	10	82	51	7	58	49	4	53
<b>Total</b>	<b>117</b>	<b>19</b>	<b>136</b>	<b>91</b>	<b>12</b>	<b>103</b>	<b>106</b>	<b>11</b>	<b>117</b>

## MARKET COVERAGE

The tables below show the regional and area distribution of our Personal Financial Advisers, along with the Group's market penetration.

### Fideuram Network - Area Coverage - Number of Personal Financial Advisers by area

AREA	2014	2013	2012
1	584	579	456
2	629	609	476
3	695	698	392
4	763	758	417
5	901	925	359
6			502
7			449
8			487
<b>Total</b>	<b>3,572</b>	<b>3,569</b>	<b>3,538</b>

### Sanpaolo Invest Network - Area Coverage - Number of Personal Financial Advisers by area

AREA	2014	2013	2012
1	665	680	687
2	807	855	857
<b>Total</b>	<b>1,472</b>	<b>1,535</b>	<b>1,544</b>



### Fideuram Network - Area Coverage - Number of Personal Financial Advisers by region

REGION	2014	2013	2012
Piedmont	448	447	451
Valle d'Aosta	4	5	5
Liguria	132	127	122
Lombardy	776	752	746
Venetia	302	303	292
Friuli Venezia Giulia	90	90	85
Trentino Alto Adige	38	39	40
Emilia Romagna	371	371	359
Tuscany	390	395	390
Umbria	44	42	44
The Marches	76	73	68
Latium	399	408	409
Abruzzo	45	48	46
Molise	15	17	17
Campania	184	187	192
Basilicata	7	6	6
Puglia	75	77	73
Calabria	14	18	21
Sicily	128	129	132
Sardinia	34	35	40
<b>Total</b>	<b>3,572</b>	<b>3,569</b>	<b>3,538</b>

### Sanpaolo Invest Network - Area Coverage - Number of Personal Financial Advisers by region

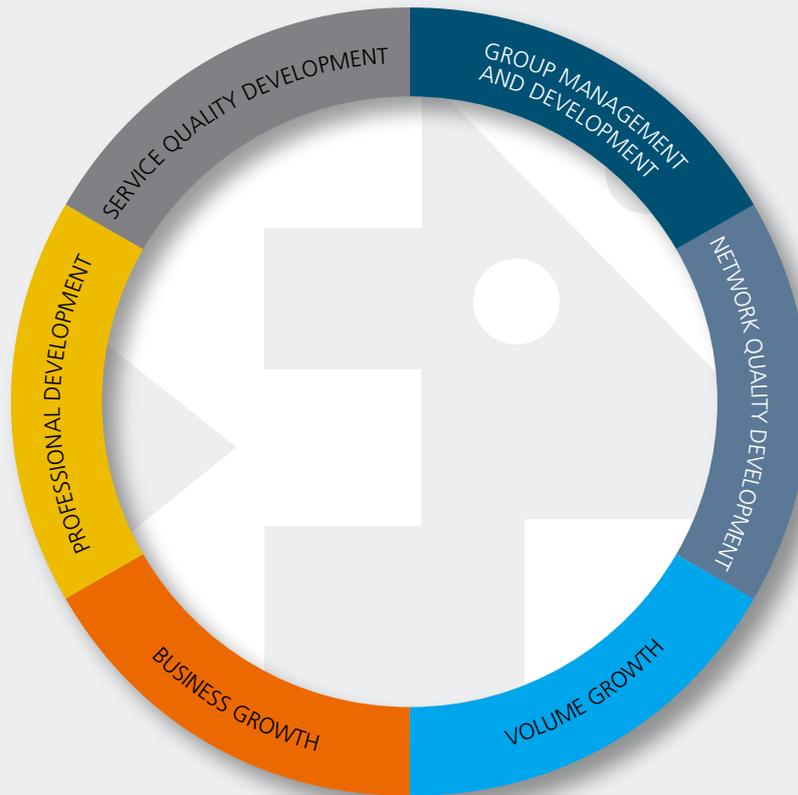
REGION	2014	2013	2012
Piedmont	175	177	184
Valle d'Aosta	4	4	4
Liguria	125	119	112
Lombardy	170	176	178
Venetia	69	80	80
Friuli Venezia Giulia	10	10	10
Trentino Alto Adige	9	12	13
Emilia Romagna	103	102	106
Tuscany	69	81	80
Umbria	25	26	26
The Marches	35	39	42
Latium	321	321	317
Abruzzo	51	54	55
Molise	4	4	4
Campania	124	127	125
Basilicata	10	10	11
Puglia	53	58	62
Calabria	19	19	18
Sicily	71	85	85
Sardinia	25	31	32
<b>Total</b>	<b>1,472</b>	<b>1,535</b>	<b>1,544</b>

## ORGANISATIONAL STRUCTURE

The Banca Fideuram Group revised its Network Management Organisational Model last year as part of its Sustainable Growth project, aiming to make it increasingly effective at responding optimally to future market challenges and to support the needs of its Personal Financial Advisers.

Proceeding in accordance with our highly-successful established Organisational Model, the Group focused on the **roles**, **responsibilities** and principal **activities** of individual **management positions**, introducing functional relations to reduce overlap and maximise the creation of value for our Personal Financial Advisers.

Our management initiatives can thus be summarised in the following six main functional areas:



**GROUP MANAGEMENT AND DEVELOPMENT:** Management activities regarding the management and guidance of the Personal Financial Advisers supervised.

**NETWORK QUALITY DEVELOPMENT:** Management actions focused on the management and guidance of change processes that have a medium- to long-term strategic impact.

**VOLUME GROWTH:** Growth of the group of Personal Financial Advisers supervised in each manager's area through the selection, induction and development of new professionals.

**BUSINESS GROWTH:** Management activities guiding and supporting the qualitative and quantitative growth and development of the client assets managed by the group of Personal Financial Advisers supervised.

**PROFESSIONAL DEVELOPMENT:** Management activities supporting the professional development of Personal Financial Advisers through the acquisition and consolidation of distinctive skills and abilities.

**SERVICE QUALITY DEVELOPMENT:** Management activities developing and improving the service quality offered and provided, along with customer perceptions of service quality.

The main responsibilities and activities of each individual management position are summarised below:

## POSITION

## RESPONSIBILITIES

### AREA MANAGER

Strengthen role of providing **strategic guidance** to maximise sustainable growth in territory and **strategic leadership** of activities carried out in own Area.

Notify their Managers of Area strategies and targets.

Share territory action plan with their managers regarding activities, timing and priorities, also indicating the organisational procedures to be implemented in the Area.

Supervise and ensure the dissemination of Best Practices identified in the Area for each development area.

Periodically verify progress in different development areas, discussing quali-quantitative results and progress of initiatives with Managers, specifying and monitoring any realignment actions necessary.

Ensure values of professionalism, propriety and appropriate business behaviour are applied across territory by Personal Financial Advisers.

### DIVISIONAL MANAGER

Consolidate role as **business point of reference** with objectives of maximising business growth, professional development and quality of service.

Implement management actions for guiding and supporting the qualitative and quantitative growth and development of client assets.

Responsible for management activities supporting Personal Financial Advisers to acquire and consolidate competencies and improve distinctive modes of behaviour.

Responsible for management activities guiding and monitoring quality of service offered and provided, along with customer perceptions of service quality.

### REGIONAL MANAGER

Consolidate role as **management point of reference** for Personal Financial Advisers, increasing support activities directed towards maximising development and growth of own group.

Implement management actions regarding the management, guidance and support of the group of Personal Financial Advisers supervised.

Achieve expansion of own group in territory through constant recruitment drive for high-quality Personal Financial Advisers.

Responsible for professional growth of new Personal Financial Advisers, providing support in the post-induction phase.

Responsible for quality of own group of Personal Financial Advisers, implementing all the management actions required to manage and monitor Network change processes with medium- to long-term strategic impact.



From left to right: **LORIS VENTURA** - Area Manager - Area 4 - *Fideuram Network*, **ANTONIO GRANDI** - Area Manager - Area 1 - *Fideuram Network*, **ROBERTO ALBERTARIO** - Area Manager - Area 2 - *Fideuram Network*, **MATTEO COLAFRANCESCO** - Managing Director and General Manager, Banca Fideuram, **LUCIANO EGIDIO CASTELVERO** - Area Manager - Area 1 - *Sanpaolo Invest Network*, **GABRIELE ROCCATO** - Area Manager - Area 3 - *Fideuram Network*, **DOMENICO VARANESE** - Area Manager - Area 2 - *Sanpaolo Invest Network*, **GIORGIO PIETANESI** - Area Manager - Area 5 - *Fideuram Network*.

Located between our management and Personal Financial Advisers are our Group Managers, who facilitate and promote the prompt and effective dissemination of successful knowledge and experiences over time, while also working as Personal Financial Advisers and tutors for newly-recruited Personal Financial Advisers.

#### Fideuram Network - Personal Financial Advisers - Staff numbers by rank

RANK	2014	2013	2012
Area Managers	5	5	8
Divisional Managers	21	22	24
Regional Managers	106	113	115
Group Managers/Supervisors	309	411	413
Personal Financial Advisers	3,131	3,018	2,978
<b>Total</b>	<b>3,572</b>	<b>3,569</b>	<b>3,538</b>

#### Sanpaolo Invest Network - Personal Financial Advisers - Staff numbers by rank

RANK	2014	2013	2012
Area Managers	2	2	2
Divisional Managers	10	10	10
Regional Managers	55	55	63
Group Managers/Supervisors	170	184	191
Personal Financial Advisers	1,235	1,284	1,278
<b>Total</b>	<b>1,472</b>	<b>1,535</b>	<b>1,544</b>

#### Fideuram Network - Personal Financial Advisers - Average age by rank

RANK	2014	< 30 YEARS	30-40 YEARS	40-50 YEARS	50-60 YEARS	OVER 60 YEARS	AVERAGE AGE
Area Managers	5	-	-	-	3	2	58
Divisional Managers	21	-	-	4	12	5	55
Regional Managers	106	-	-	22	72	12	54
Group Managers/Supervisors	309	-	7	102	153	47	52
Personal Financial Advisers	3,131	80	330	806	1,096	819	52
<b>Total</b>	<b>3,572</b>	<b>80</b>	<b>337</b>	<b>934</b>	<b>1,336</b>	<b>885</b>	<b>52</b>

#### Sanpaolo Invest Network - Personal Financial Advisers - Average age by rank

RANK	2014	< 30 YEARS	30-40 YEARS	40-50 YEARS	50-60 YEARS	OVER 60 YEARS	AVERAGE AGE
Area Managers	2	-	-	-	1	1	62
Divisional Managers	10	-	-	1	8	1	53
Regional Managers	55	-	1	21	27	6	52
Group Managers/Supervisors	170	-	9	76	62	23	51
Personal Financial Advisers	1,235	26	106	481	415	207	51
<b>Total</b>	<b>1,472</b>	<b>26</b>	<b>116</b>	<b>579</b>	<b>513</b>	<b>238</b>	<b>51</b>

#### Fideuram Network - Personal Financial Advisers - Length of service by rank

RANK	2014	< 5 YEARS	5-10 YEARS	10-15 YEARS	15-20 YEARS	OVER 20 YEARS	AVERAGE LENGTH OF SERVICE
Area Managers	5	1	-	-	-	4	22
Divisional Managers	21	-	-	-	3	18	27
Regional Managers	106	3	9	6	36	52	20
Group Managers/Supervisors	309	42	58	33	105	71	15
Personal Financial Advisers	3,131	813	461	248	750	859	14
<b>Total</b>	<b>3,572</b>	<b>859</b>	<b>528</b>	<b>287</b>	<b>894</b>	<b>1,004</b>	<b>14</b>

#### Sanpaolo Invest Network - Personal Financial Advisers - Length of service by rank

RANK	2014	< 5 YEARS	5-10 YEARS	10-15 YEARS	15-20 YEARS	OVER 20 YEARS	AVERAGE LENGTH OF SERVICE
Area Managers	2	1	-	-	-	1	12
Divisional Managers	10	2	1	-	1	6	19
Regional Managers	55	18	4	9	7	17	13
Group Managers/Supervisors	170	47	32	26	29	36	12
Personal Financial Advisers	1,235	533	187	173	156	186	10
<b>Total</b>	<b>1,472</b>	<b>601</b>	<b>224</b>	<b>208</b>	<b>193</b>	<b>246</b>	<b>10</b>

### Fideuram Network - Personal Financial Advisers - Distribution by rank and gender

RANK	2014			2013			2012		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Managers	129	3	132	137	3	140	144	3	147
Personal Financial Advisers	2,912	528	3,440	2,928	501	3,429	2,908	483	3,391
<b>Total</b>	<b>3,041</b>	<b>531</b>	<b>3,572</b>	<b>3,065</b>	<b>504</b>	<b>3,569</b>	<b>3,052</b>	<b>486</b>	<b>3,538</b>

### Sanpaolo Invest Network - Personal Financial Advisers – Distribution by rank and gender

RANK	2014			2013			2012		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Managers	66	1	67	66	1	67	72	3	75
Personal Financial Advisers	1,124	281	1,405	1,181	287	1,468	1,192	277	1,469
<b>Total</b>	<b>1,190</b>	<b>282</b>	<b>1,472</b>	<b>1,247</b>	<b>288</b>	<b>1,535</b>	<b>1,264</b>	<b>280</b>	<b>1,544</b>

## TEAM FIDEURAM

The Team Fideuram project, a radical innovation in our sector launched in 2013, is an agreement between several Personal Financial Advisers - a "Team Leader" and one or more "Team Partners" - who decide to work together to increase and support their customers, each contributing their own particular skills and professional experience.

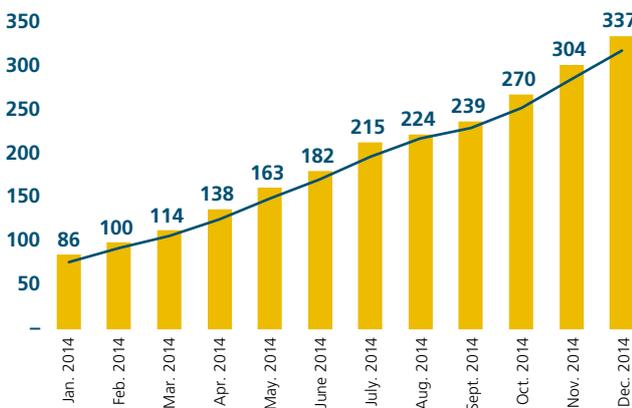
In just over a year since its launch, more than 500 Personal Financial Advisers have come together as Team Fideuram teams (over 11% of the Personal Financial Advisers in the Group's networks), jointly managing a total of around €2.7bn assets for over 24,500 customers.

This constant rapid growth confirms that Team Fideuram meets a real network need. Which is why the teamwork approach of Fideuram Team is set to become the new model for the Personal Financial Adviser profession in the coming years.

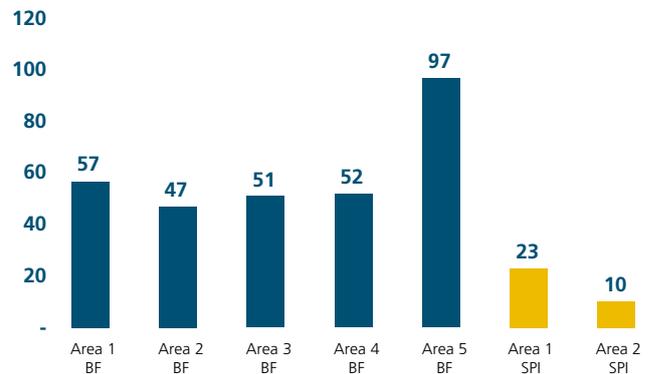
**337** agreements signed in the Network since the launch of Team Fideuram

Trend of continuous growth, with significant acceleration in recent months.

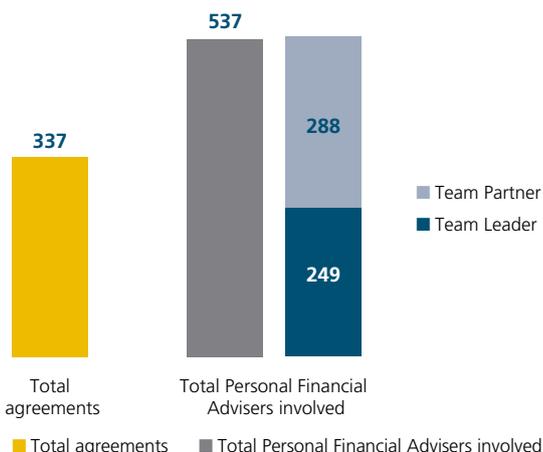
### Number of Team Agreements



### Number of Agreements by Area



### Personal Financial Advisers involved



**537** Personal Financial Advisers involved, comprised of:

- 249 Team Leaders
- 288 Team Partners

N.B.: There may be several agreements between Team Leaders and Team Partners

## CONTRACTUAL RELATIONS

Relations between the Banca Fideuram Group and its Personal Financial Advisers are governed by an open-ended agency contract, without representation, based on Italy's Collective Economic Agreement for Agents in the Commerce sector. This contract both stipulates the basic collective provisions for our Personal Financial Advisers and further benefits which supplement their remuneration, social security and pension provisions, principally by linking them to the achievement of annual sales targets.



## REMUNERATION AND INCENTIVES

The remuneration of the Personal Financial Advisers and Managers in the Group's Networks consists of commission which differs according to position, responsibility and business targets. This commission is supplemented by additional monetary (bonus) and non-monetary (award travel and accommodation) incentives. The bonuses for Personal Financial Advisers and Managers are linked to specific inflow targets, while there are additional bonuses for Managers only which regard specific aspects of their position or are linked to recruitment targets or company profitability. The travel and accommodation incentives are restricted to a small number of Personal Financial Advisers and Managers selected on the basis of their performance rankings.

Dedicated Rules are provided every year, notifying the Networks of the mechanisms that will be used to incentivise them to achieve their business targets. The primary aims of the 2014 bonus scheme were to increase the value aspect of client assets, to support the growth of our SEI Advanced Advisory Service and to maintain our renewed focus on recruitment, emphasising direct sales actions to support succession management. In line with the provisions of the Supervisory Authorities, the bonuses are subjected to controls over a long-term time horizon and therefore based on maintaining effective and lasting medium-term results. The non-monetary incentives took the form of award events for the Networks' top Personal Financial Advisers and Managers.

## NETWORK EVENTS IN 2014

### WRAPPER TOUR

We organised a tour dedicated to our Wrapper products in 2014, consisting of over thirty meetings across Italy that involved a large part of both Networks. During these meetings, Fideuram Investimenti presented analyses of the global economic scenario and the financial and bond markets, accompanied by presentations of our new products, developed to meet the changing needs of customers with regard to diversification, security and the long-term management of their capital. The new product features were explained in relation to the latest visions of the market, paying particular attention to the most recent additions to our range. Each location in the tour hosted a round table with two business partners, who presented the latest developments in their products and/or services.



### FIRST INTER-AREA TENNIS MEETING

The first Banca Fideuram Group Team Tennis Meeting took place between the 27<sup>th</sup> and 29<sup>th</sup> of June. Held at the famous Foro Italico, it saw eight teams representing our two Networks and employees battle it out over three days on courts that have been the scene of many a memorable encounter between champions of international renown. Already veterans of three European Interbank Championships, our players savoured a tournament dedicated to sportsmanship and team spirit. The first trophy was won by Fideuram Network Area 4 in a thrilling final against Fideuram Network Area 1.



### SNOW PARTY

Our 15<sup>th</sup> annual Skiing Competition ("Gara Sociale di Sci"), held in conjunction with our Snow Party ("Festa della Neve") incentive event, took place in Bormio - the second time it has been hosted in this beautiful alpine city.

The corporate theme of the event includes inviting the Personal Financial Advisers from both Networks who ranked as top performers in our Contest. The event is also open to all our Personal Financial Advisers who are skiers or simply share a love of the mountains, giving them the opportunity to take part in a long weekend of sport and fun at the end of March.



## FIRST INTER-AREA REGATTA

The first Banca Fideuram Group Inter-Area Regatta - the "Fideuram Cup" - was held in Santa Marinella near Rome on the 20th and 21st of September. Nine boats raced across the waters off the coast of Cape Linaro. Each of the group's seven areas was represented by a boat, with the exception for Fideuram Network Area 4 which had two, while the ninth boat represented our Head Office. The race took place after the presentation of the crews and allocation of the boats on Friday 19th. At the end of the regatta, the crew representing the Personal Financial Advisers in Fideuram Network Area 5 was declared the winner.



## THE SUPERVIAGGIO AND CONVENTION

In 2014, we held our Superviaggio and Convention in Greece.

The Fideuram and Sanpaolo Invest networks rewarded the top-performing Personal Financial Advisers in our 2013 incentive schemes by inviting them to what have traditionally been our most important events in the year, the Convention and Superviaggio, which were held in Crete and on a cruise of the Aegean Sea, respectively.

The order of the two events was reversed for the first time, with the Convention taking place before the Superviaggio to ensure maximum numbers during Convention week, after which our top-performing Personal Financial Advisers left for the cruise.

The Creta Maris Beach Resort was booked exclusively for the Convention, at which the Managing Director gave a presentation on the macroeconomic scenarios and the Banca Fideuram Group's marketing strategies. The proceedings then ended with the award ceremony for the top Personal Financial Advisers in both networks.

The Superviaggio began with a brief "cultural" stop-over in Athens, after which the participants were transferred to Piraeus to embark on a splendid Aegean cruise to some of the most beautiful islands in the Greek archipelago: Delos, Mykonos, Santorini and Hydra.



## GFK EURISKO MARKET RESEARCH SURVEY

The GFK Eurisko PF Monitor annual market research survey confirmed that the Fideuram Network again led its sector in 2014 in terms of its standing among Italian personal financial advisers, showing that the Banca Fideuram Network:

- Had an exceptionally high percentage of satisfied Personal Financial Advisers at 99% that continues to grow year on year.
- Was considered the best in its sector by 55% of respondents,
- Was the outright leader for brand awareness.

In addition, Banca Fideuram was also ranked number one for:

- Professionalism and dependability.
- Growth potential in its reference market.
- Management excellence.
- Centrality of Personal Financial Advisers in strategic decisions, internal climate and opportunities for career growth.
- Focus on network training and financial advisory services.
- Attentiveness to customer needs.
- Helpfulness and competence of head office staff.

In a market scenario that continues to be difficult for Italy's banks and financial institutions, recognition such as this is especially significant and a source of great satisfaction.

# 99 %

Personal Financial  
Advisers satisfied

## MAIN IMPROVEMENT OBJECTIVES FOR 2015

The Group will continue to deploy recruitment as a strategic lever for growth in 2015, focusing even greater attention on candidates with a strong sales and professional track record from the banking sector and other networks.

Develop dedicated products and services designed to meet customer asset management and protection needs.

Technological innovation with investment plan focused on improving tools for Personal Financial Adviser Networks.

## NETWORK TRAINING



257,115

Training hours

MAIN OBJECTIVES FOR 2014	ACTIONS AND RESULTS ACHIEVED
<p>Consolidate the training programmes launched to date by developing the five areas of expertise covered (Scenarios &amp; Markets, Service Model, Services &amp; Products and Tools &amp; Relationship Management) for each of our four levels of professional development (Entry to the Profession, Basic Training, Advanced Training and Advanced Specialisation).</p>	<p>In 2014, we delivered new courses in all our professional development programmes for Personal Financial Advisers and Managers.</p> <p>Dialogue with our Personal Financial Advisers provided us with further ideas on how to refine our training catalogue, aligning it with network best practice and the most recent challenges of the socio-economic environment.</p>
<p>Establish a certification system that involves partnerships with academic institutions, professional firms and high-profile testimonials</p>	<p>Eight training programmes were developed, four organised around the professional skills of Personal Financial Advisers and four for our Managers, organised by level of expertise and position. The programmes were designed in consultation with our networks and with the support of leading Italian and international partners.</p>
<p>Continual refresher training for our Personal Financial Advisers to ensure they provide our customers with outstanding service and are motivated to anticipate and manage market developments effectively.</p>	<p>Less than two years after opening, Fideuram Campus has come to be recognised as a place of learning and experience sharing, rated 5.4 out of 6 by our Personal Financial Advisers in satisfaction surveys.</p> <p>Following delivery of the courses on the Fideuram Campus and through in-area training, we launched an activity to collate, enhance and disseminate Network best practices.</p>

## FIDEURAM CAMPUS, OUR PERSONAL FINANCIAL ADVISER TRAINING SCHOOL



In 2014 Fideuram Campus consolidated its position to become the place where Network best practice is collated and shared.

The work of collating and enhancing our Personal Financial Advisers' best professional practices is carried out during training meetings (follow-up and experience sharing), held both at Fideuram Campus and in-area, as well as through the creation of innovative teaching tools (class games, films and metaphors) for transferring best practices.

This has increasingly empowered head office and management to guide our Personal Financial Advisers towards fully adopting the Group's distinctive corporate style and model, while simultaneously increasing their involvement, motivation and - consequently - the effectiveness with which they achieve their professional objectives.

### TRAINING PROGRAMMES AND INITIATIVES

The main initiatives implemented in 2014 were as follows:

- A dedicated workshop on asset protection in relation to current market scenarios, for the top-performing Personal Financial Advisers who distinguished themselves through their professionalism and service customisation for our top clients. Private Banking customers' investment choices were analysed both using case studies and through the collection and exchange of the concrete experiences of the Personal Financial Advisers taking part (Advanced Specialisation Course: approximately 220 Personal Financial Advisers over two days).
- A course for Personal Financial Advisers who had consistently provided their customers with the most effective advanced advisory support, designed to broaden their knowledge of economic indicators and market movers. The Personal Financial Advisers

worked to improve their portfolio composition presentation and explanation skills, enhancing their ability to answer even the most knowledgeable customers' "technical" questions clearly and effectively. The course also covered advisory succession planning, using practical case studies focused on recurring needs and the related solutions (Advanced Specialisation Course: approximately 1,100 Personal Financial Advisers over three days).

- A six-month training programme on new customer acquisition for Personal Financial Advisers who had achieved growth and shown strong development potential during the previous three years. The programme was delivered within a framework of providing training as one of a number of tools to support sales initiatives. The programme began with a course on portfolio development and sales network growth and continued in-area with shadow training and training meetings provided by Network Management and Head Office staff. The effectiveness of this training format was testified to by the results, with the Personal Financial Advisers who took part more than trebling their average net inflows in 2014 compared with the average for the previous three years (Fideuram Course: approximately 1,200 Personal Financial Advisers involved).
- All our Personal Financial Advisers were offered basic training courses to develop their relationship-building skills for increasing customer awareness of non-financial risks, and to develop their new customer acquisition and networking skills. The courses were delivered to management in train-the-trainer mode.
- Our Entering the Profession programme for new Personal Financial Advisers was established during the year, starting with a "Welcome Day" that presented the Group and its service model, along with our corporate mission and values. Our new colleagues also received support to help them prepare for the exam that qualifies them for registration in the Italian National Register of Personal Financial Advisers (Albo Promotori Finanziari - APF) and were enrolled in a dedicated course to support their

registration in the Italian Single Register of Insurance Brokers (Registro Unico degli Intermediari assicurativi). The training programme for new Personal Financial Advisers concluded with a two-day course during which they shared their experiences at Fideuram and considered their future professional development. (Entering the Profession programme: approximately 400 new Personal Financial Advisers involved).

After the Entering the Profession programme had been delivered, we designed and issued our management with multimedia teaching aids to support consistently correct dissemination of our product and service information and company procedures.

### INITIATIVES FOR NETWORK MANAGERS

Courses and workshops were provided for each management position in 2014, primarily to develop management's ability to monitor, develop and support the sales competencies of our Personal Financial Advisers (Training, shadow training and coaching) (Management Course: approximately 400 Managers and Group Managers over two days).

### IN-AREA TRAINING INITIATIVES

Alongside the training provided as part of our Campus project, we also provided in-area training which included the following:

- Insurance and pensions training for all the Personal Financial Advisers in both Networks. This training programme also provided a spectrum of courses in these subjects to suit different levels of competency, segmenting the Personal Financial Advisers in relation to quantitative and qualitative criteria. The subjects covered included the usual refresher training to update on the regulatory framework, plus family finance planning, succession planning and relationship-building techniques for increasing customer awareness of non-financial risks.
- The Group provided support for our Personal Financial Advisers with European Financial Planning Associa-

tion (€FPA) certification, designing and delivering structured specialist, insurance and pensions training tailored to the requirements of maintaining their certification. Support in the form of Study Grants was also provided for those Personal Financial Advisers who passed the certification exam in the year.

### ONLINE LEARNING

Lastly, in addition to the above, a full spectrum of online courses was delivered using our Distance Learning portal, providing training and refresher

training updates on compulsory regulatory and legal matters and on our product range.

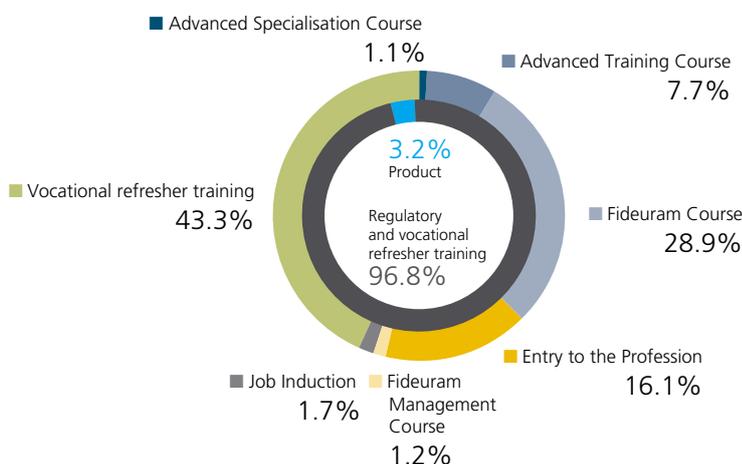
### NEW TEACHING YEAR OF "ESSERE FIDEURAM, ESSERE CONSULENTE" (BEING FIDEURAM, BEING A FINANCIAL ADVISER).

Continuing our commitment to offering employment and cultural growth opportunities to motivated young people of merit who have chosen to embark on the profession of Personal Financial Adviser, we delivered our programme for recent university gra-

duates called "Essere Fideuram, Essere Consulente" ("Being Fideuram, Being a Financial Adviser") for the fifth year in a row in 2014, in conjunction with "Università Cattolica del Sacro Cuore". The programme continued its established format of alternating class-based training and field training, involving around 35 young people. At the end of 2014, we launched the sixth teaching year in the Project, which will end in 2015.

A total of approximately 257,115 hours of training were delivered in 2014, including both class-based and distance learning.

Distribution of Banca Fideuram Group training hours by Training Area, 2014 (%)



### MAIN IMPROVEMENT OBJECTIVES FOR 2015

The main objectives for 2015 include:

- **Leverage the distinctive features of our service model:** Deliver training initiatives that support the ability of our Personal Financial Advisers (especially the Executive segment) to offer solutions that also meet non-financial needs, supporting our development towards a global advisory model.
- **Strengthen role of Network management:** Initiatives for Network management designed to rationalise and strengthen manager competencies, focused in particular on in-area market coverage (for Divisional Managers) and shadow training for Personal Financial Advisers on the correct application of the service model (Regional and Group Managers).
- **Support for short- to medium-term marketing strategies:** Continue and extend the use of training as a tool to support even short-term marketing initiatives, a practice that has proven to be very effective and which allows us to:
  - Work on common programmes, fostering the alignment of in-area business practices and strengthening synergies between Head Office and the Networks.
  - Increase the number of Personal Financial Advisers receiving support and guidance actions for the achievement of corporate objectives, while continuing to provide strong management of the quality of service offered.
  - Collate and disseminate best sales practices, guiding them towards the concrete implementation of our company service model.

## EMPLOYEES

Our human resources play a key role in enabling us to achieve our corporate objectives. To this end, we constantly invest in the professionalism of our employees through organisational and training initiatives that aim to enhance individual competencies and promote their development in the Group.

			31.12.2014	31.12.2013	31.12.2012
Banca Fideuram	ITALY		1,163	1,171	1,175
Sanpaolo Invest SIM	ITALY		53	50	49
Fideuram Fiduciaria	ITALY		19	19	23
Financière Fideuram	FRANCE		1	1	2
Euro-Trésorerie	FRANCE		3	3	3
<b>Asset Management</b>			<b>206</b>	<b>214</b>	<b>211</b>
Fideuram Asset Management (Ireland)	IRELAND		52	53	49
Fideuram Bank (Luxembourg)	LUXEMBOURG		45	48	49
Fideuram Investimenti SGR	ITALY		87	90	90
Fideuram Gestions	LUXEMBOURG		22	23	23
<b>Total</b>			<b>1,445</b>	<b>1,458</b>	<b>1,463</b>

Total Group staff, including secondments to and from other companies in the Intesa Sanpaolo Group not included in the consolidation of the Banca Fideuram Group and atypical staff, came to 1,445 at 31 December 2014 compared with 1,458 at 31 December 2013, a decrease of 13. The breakdown of employees by gender continued to be largely unchanged from the previous financial year, with female employees accounting for 43% of total Group staff while male employees accounted for 57%. Group personnel working in Italy accounted for 91.5% of total employees (91.2% in 2013), while those working outside Italy accounted for 8.5% (8.8% in 2013).

### Banca Fideuram Group employees in and outside Italy

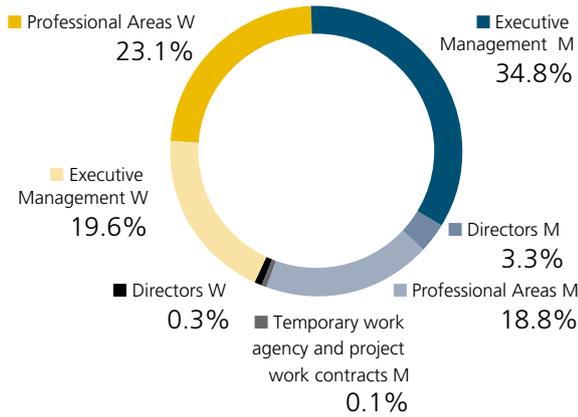
	MEN			WOMEN			TOTAL		
	2014	2013	2012	2014	2013	2012	2014	2013	2012
Directors	48	47	48	4	4	4	52	51	52
Executive Management	503	504	504	283	285	284	786	789	788
Professional Areas	272	278	280	334	339	342	606	617	622
Temporary work agency and project work contracts	1	1	1	-	-	-	1	1	1
<b>Total</b>	<b>824</b>	<b>830</b>	<b>833</b>	<b>621</b>	<b>628</b>	<b>630</b>	<b>1,445</b>	<b>1,458</b>	<b>1,463</b>

### Banca Fideuram Group employees in Italy

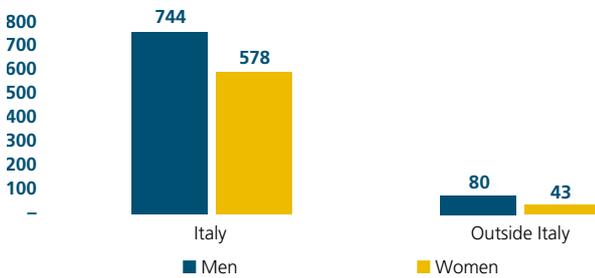
	MEN			WOMEN			TOTAL		
	2014	2013	2012	2014	2013	2012	2014	2013	2012
Directors	42	41	42	4	4	4	46	45	46
Executive Management	457	454	455	258	259	257	715	713	712
Professional Areas	244	249	255	316	322	323	560	571	578
Temporary work agency and project work contracts	1	1	1	-	-	-	1	1	1
<b>Total</b>	<b>744</b>	<b>745</b>	<b>753</b>	<b>578</b>	<b>585</b>	<b>584</b>	<b>1,322</b>	<b>1,330</b>	<b>1,337</b>

### Banca Fideuram Group employees outside Italy

	MEN			WOMEN			TOTAL		
	2014	2013	2012	2014	2013	2012	2014	2013	2012
Directors	6	6	6	-	-	-	6	6	6
Executive Management	46	50	49	25	26	27	71	76	76
Professional Areas	28	29	25	18	17	19	46	46	44
Temporary work agency and project work contracts	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>80</b>	<b>85</b>	<b>80</b>	<b>43</b>	<b>43</b>	<b>46</b>	<b>123</b>	<b>128</b>	<b>126</b>



Employees by geographical area and gender



Employees by category and gender



99.3% of Group staff were employed on open-ended contracts (99.5% in 2013).

Staff contracts

TOTAL

	MEN			WOMEN			TOTAL		
	2014	2013	2012	2014	2013	2012	2014	2013	2012
Open-ended	818	825	831	617	625	628	1,435	1,450	1,459
Fixed-term	4	3	1	3	2	2	7	5	3
Work-entry contracts	-	-	-	-	-	-	-	-	-
Apprenticeship contracts	1	1	-	1	1	-	2	2	-
Temporary work agency and project work contracts	1	1	1	-	-	-	1	1	1
<b>Total</b>	<b>824</b>	<b>830</b>	<b>833</b>	<b>621</b>	<b>628</b>	<b>630</b>	<b>1,445</b>	<b>1,458</b>	<b>1,463</b>

ITALY

	MEN			WOMEN			TOTAL		
	2014	2013	2012	2014	2013	2012	2014	2013	2012
Open-ended	739	741	751	576	583	582	1,315	1,324	1,333
Fixed-term	3	2	1	1	1	2	4	3	3
Work-entry contracts	-	-	-	-	-	-	-	-	-
Apprenticeship contracts	1	1	-	1	1	-	2	2	-
Temporary work agency and project work contracts	1	1	1	-	-	-	1	1	1
<b>Total</b>	<b>744</b>	<b>745</b>	<b>753</b>	<b>578</b>	<b>585</b>	<b>584</b>	<b>1,322</b>	<b>1,330</b>	<b>1,337</b>

OUTSIDE ITALY

	MEN			WOMEN			TOTAL		
	2014	2013	2012	2014	2013	2012	2014	2013	2012
Open-ended	79	84	80	41	42	46	120	126	126
Fixed-term	1	1	-	2	1	-	3	2	-
Work-entry contracts	-	-	-	-	-	-	-	-	-
Apprenticeship contracts	-	-	-	-	-	-	-	-	-
Temporary work agency and project work contracts	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>80</b>	<b>85</b>	<b>80</b>	<b>43</b>	<b>43</b>	<b>46</b>	<b>123</b>	<b>128</b>	<b>126</b>

A total of 141 people, amounting to approximately 9.8% of all employees, were on part-time contracts, 97.9% of them women, to whom this type of contract appeals due to the flexibility it offers in one's work and therefore to meet family commitments.

### Full-time/Part-time Split

#### TOTAL

	MEN			WOMEN			TOTAL		
	2014	2013	2012	2014	2013	2012	2014	2013	2012
Full-time staff	821	826	831	483	492	498	1,304	1,318	1,329
Part-time staff	3	4	2	138	136	132	141	140	134
<b>Total</b>	<b>824</b>	<b>830</b>	<b>833</b>	<b>621</b>	<b>628</b>	<b>630</b>	<b>1,445</b>	<b>1,458</b>	<b>1,463</b>

#### ITALY

	MEN			WOMEN			TOTAL		
	2014	2013	2012	2014	2013	2012	2014	2013	2012
Full-time staff	741	741	751	454	462	464	1,195	1,203	1,215
Part-time staff	3	4	2	124	123	120	127	127	122
<b>Total</b>	<b>744</b>	<b>745</b>	<b>753</b>	<b>578</b>	<b>585</b>	<b>584</b>	<b>1,322</b>	<b>1,330</b>	<b>1,337</b>

#### OUTSIDE ITALY

	MEN			WOMEN			TOTAL		
	2014	2013	2012	2014	2013	2012	2014	2013	2012
Full-time staff	80	85	80	29	30	34	109	115	114
Part-time staff	-	-	-	14	13	12	14	13	12
<b>Total</b>	<b>80</b>	<b>85</b>	<b>80</b>	<b>43</b>	<b>43</b>	<b>46</b>	<b>123</b>	<b>128</b>	<b>126</b>

Personnel aged under 50 accounted for 63.3% of all staff at the end of 2014, while 61.2% of staff were in the 30-50 year-old age group.

### Staff age

#### TOTAL

	DIRECTORS			EXECUTIVE MANAGEMENT			PROFESSIONAL AREAS			TEMPORARY WORK AGENCY AND PROJECT WORK CONTRACTS			TOTAL		
	2014	2013	2012	2014	2013	2012	2014	2013	2012	2014	2013	2012	2014	2013	2012
Up to 30	-	-	-	1	1	2	29	37	48	-	-	-	30	38	50
30 to 50	22	25	27	429	475	516	434	454	470	-	-	-	885	954	1,013
Over 50	30	26	25	356	313	270	143	126	104	1	1	1	530	466	400
<b>Total</b>	<b>52</b>	<b>51</b>	<b>52</b>	<b>786</b>	<b>789</b>	<b>788</b>	<b>606</b>	<b>617</b>	<b>622</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1,445</b>	<b>1,458</b>	<b>1,463</b>

#### ITALY

	DIRECTORS			EXECUTIVE MANAGEMENT			PROFESSIONAL AREAS			TEMPORARY WORK AGENCY AND PROJECT WORK CONTRACTS			TOTAL		
	2014	2013	2012	2014	2013	2012	2014	2013	2012	2014	2013	2012	2014	2013	2012
Up to 30	-	-	-	-	-	-	20	27	39	-	-	-	20	27	39
30 to 50	21	21	23	368	407	450	402	421	436	-	-	-	791	849	909
Over 50	25	24	23	347	306	262	138	123	103	1	1	1	511	454	389
<b>Total</b>	<b>46</b>	<b>45</b>	<b>46</b>	<b>715</b>	<b>713</b>	<b>712</b>	<b>560</b>	<b>571</b>	<b>578</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1,322</b>	<b>1,330</b>	<b>1,337</b>

#### OUTSIDE ITALY

	DIRECTORS			EXECUTIVE MANAGEMENT			PROFESSIONAL AREAS			TEMPORARY WORK AGENCY AND PROJECT WORK CONTRACTS			TOTAL		
	2014	2013	2012	2014	2013	2012	2014	2013	2012	2014	2013	2012	2014	2013	2012
Up to 30	-	-	-	1	1	2	9	10	9	-	-	-	10	11	11
30 to 50	1	4	4	61	68	66	32	33	34	-	-	-	94	105	104
Over 50	5	2	2	9	7	8	5	3	1	-	-	-	19	12	11
<b>Total</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>71</b>	<b>76</b>	<b>76</b>	<b>46</b>	<b>46</b>	<b>44</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>123</b>	<b>128</b>	<b>126</b>

The average age of personnel is shown below:

### Average age of personnel

#### TOTAL

	2014	2013	2012
Men	46.8	46.0	45.2
Women	44.6	43.7	42.8
Directors	51.0	50.8	50.2
Executive Management	48.2	47.4	46.7
Professional Areas	42.3	41.4	40.5

# 46 years old

Average age of personnel



#### ITALY

	2014	2013	2012
Men	47.4	46.6	45.7
Women	44.7	43.8	43.0
Directors	50.8	50.7	50.1
Executive Management	48.7	47.9	47.2
Professional Areas	42.7	41.7	40.8

#### OUTSIDE ITALY

	2014	2013	2012
Men	41.7	40.6	40.1
Women	42.1	41.7	41.1
Directors	52.7	51.7	50.7
Executive Management	43.6	42.4	41.9
Professional Areas	37.7	37.2	36.5

The largest length of service group was general staff with more than 25 years of service, who accounted for 27.8% of all employees. 43.6% of staff had accrued more than 20 years' service.

### Staff length of service

#### TOTAL

	DIRECTORS			EXECUTIVE MANAGEMENT			PROFESSIONAL AREAS			TEMPORARY WORK AGENCY AND PROJECT WORK CONTRACTS			TOTAL		
	2014	2013	2012	2014	2013	2012	2014	2013	2012	2014	2013	2012	2014	2013	2012
Up to 5 years	4	5	6	22	27	34	65	90	118	1	1	1	92	123	159
5 to 10 years	10	6	9	84	98	96	148	146	116	-	-	-	242	250	221
10 to 15 years	13	13	12	157	181	191	153	164	178	-	-	-	323	358	381
15 to 20 years	6	7	5	108	74	61	44	25	29	-	-	-	158	106	95
20 to 25 years	8	9	8	151	165	170	70	78	71	-	-	-	229	252	249
Over 25 years	11	11	12	264	244	236	126	114	110	-	-	-	401	369	358
<b>Total</b>	<b>52</b>	<b>51</b>	<b>52</b>	<b>786</b>	<b>789</b>	<b>788</b>	<b>606</b>	<b>617</b>	<b>622</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1,445</b>	<b>1,458</b>	<b>1,463</b>

#### ITALY

	DIRECTORS			EXECUTIVE MANAGEMENT			PROFESSIONAL AREAS			TEMPORARY WORK AGENCY AND PROJECT WORK CONTRACTS			TOTAL		
	2014	2013	2012	2014	2013	2012	2014	2013	2012	2014	2013	2012	2014	2013	2012
Up to 5 years	3	4	5	13	14	20	51	74	95	1	1	1	68	93	121
5 to 10 years	10	6	9	62	73	73	125	124	102	-	-	-	197	203	184
10 to 15 years	13	13	12	139	162	172	151	162	176	-	-	-	303	337	360
15 to 20 years	6	6	4	101	64	50	43	25	29	-	-	-	150	95	83
20 to 25 years	5	6	5	139	158	164	67	75	68	-	-	-	211	239	237
Over 25 years	9	10	11	261	242	233	123	111	108	-	-	-	393	363	352
<b>Total</b>	<b>46</b>	<b>45</b>	<b>46</b>	<b>715</b>	<b>713</b>	<b>712</b>	<b>560</b>	<b>571</b>	<b>578</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1,322</b>	<b>1,330</b>	<b>1,337</b>

#### OUTSIDE ITALY

	DIRECTORS			EXECUTIVE MANAGEMENT			PROFESSIONAL AREAS			TEMPORARY WORK AGENCY AND PROJECT WORK CONTRACTS			TOTAL		
	2014	2013	2012	2014	2013	2012	2014	2013	2012	2014	2013	2012	2014	2013	2012
Up to 5 years	1	1	1	9	13	14	14	16	23	-	-	-	24	30	38
5 to 10 years	-	-	-	22	25	23	23	22	14	-	-	-	45	47	37
10 to 15 years	-	-	-	18	19	19	2	2	2	-	-	-	20	21	21
15 to 20 years	-	1	1	7	10	11	1	-	-	-	-	-	8	11	12
20 to 25 years	3	3	3	12	7	6	3	3	3	-	-	-	18	13	12
Over 25 years	2	1	1	3	2	3	3	3	2	-	-	-	8	6	6
<b>Total</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>71</b>	<b>76</b>	<b>76</b>	<b>46</b>	<b>46</b>	<b>44</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>123</b>	<b>128</b>	<b>126</b>

The average length of service of personnel is shown below:

### Average staff length of service

#### TOTAL

	2014	2013	2012
Men	17.8	17.0	16.2
Women	17.4	16.6	15.8
Directors	17.1	17.2	16.6
Executive Management	19.8	18.9	18.2
Professional Areas	15.1	14.1	13.3

18 years

Average length of service



#### ITALY

	2014	2013	2012
Men	18.7	17.9	17.0
Women	17.7	16.8	16.0
Directors	16.6	16.8	16.3
Executive Management	20.5	19.7	19.0
Professional Areas	15.6	14.6	13.7

#### OUTSIDE ITALY

	2014	2013	2012
Men	10.1	9.0	9.0
Women	14.0	13.8	13.2
Directors	21.0	20.0	19.0
Executive Management	12.6	11.3	11.5
Professional Areas	8.5	8.1	7.5

43.3% of staff held a University degree and/or postgraduate qualification.

### Education

#### TOTAL

	MEN			WOMEN			TOTAL		
	2014	2013	2012	2014	2013	2012	2014	2013	2012
Degree, Masters or Diploma	358	364	367	267	268	260	625	632	627
Secondary School	393	392	390	309	314	322	702	706	712
Other	73	74	76	45	46	48	118	120	124
<b>Total</b>	<b>824</b>	<b>830</b>	<b>833</b>	<b>621</b>	<b>628</b>	<b>630</b>	<b>1,445</b>	<b>1,458</b>	<b>1,463</b>

#### ITALY

	MEN			WOMEN			TOTAL		
	2014	2013	2012	2014	2013	2012	2014	2013	2012
Degree, Masters or Diploma	306	308	316	247	249	240	553	557	556
Secondary School	376	374	372	298	302	309	674	676	681
Other	62	63	65	33	34	35	95	97	100
<b>Total</b>	<b>744</b>	<b>745</b>	<b>753</b>	<b>578</b>	<b>585</b>	<b>584</b>	<b>1,322</b>	<b>1,330</b>	<b>1,337</b>

#### OUTSIDE ITALY

	MEN			WOMEN			TOTAL		
	2014	2013	2012	2014	2013	2012	2014	2013	2012
Degree, Masters or Diploma	52	56	51	20	19	20	72	75	71
Secondary School	17	18	18	11	12	13	28	30	31
Other	11	11	11	12	12	13	23	23	24
<b>Total</b>	<b>80</b>	<b>85</b>	<b>80</b>	<b>43</b>	<b>43</b>	<b>46</b>	<b>123</b>	<b>128</b>	<b>126</b>

## TURNOVER

A total of 36 new employees were recruited in 2014, 17 through inter-company transfers within the Intesa Sanpaolo Group and the remaining 19 in the market. The gender split for these new employees was 66.7% male staff and 33.3% female staff.

# 36

New employees

A total of 49 staff left the Group, 19 as the result of transfers within the Intesa Sanpaolo Group and 30 as a result of termination of service. 59.6% of these employees were male staff and 40.4% female staff.

### By category of employment

#### TOTAL

	JOINED 2014			JOINED 2013			JOINED 2012		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Directors	3	-	3	-	-	-	-	1	1
Managers	2	5	7	11	4	15	7	2	9
Professional Areas	19	7	26	20	17	37	7	5	12
Temporary work agency and project work contracts	-	-	-	-	-	-	1	-	1
<b>Total</b>	<b>24</b>	<b>12</b>	<b>36</b>	<b>31</b>	<b>21</b>	<b>52</b>	<b>15</b>	<b>8</b>	<b>23</b>

	LEFT 2014			LEFT 2013			LEFT 2012		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Directors	4	-	4	3	-	3	5	1	6
Managers	10	11	21	19	10	29	19	6	25
Professional Areas	16	8	24	12	13	25	14	11	25
Temporary work agency and project work contracts	-	-	-	-	-	-	1	-	1
<b>Total</b>	<b>30</b>	<b>19</b>	<b>49</b>	<b>34</b>	<b>23</b>	<b>57</b>	<b>39</b>	<b>18</b>	<b>57</b>

#### ITALY

	JOINED 2014			JOINED 2013			JOINED 2012		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Directors	3	-	3	-	-	-	-	1	1
Managers	1	4	5	6	4	10	3	2	5
Professional Areas	16	5	21	13	15	28	5	5	10
Temporary work agency and project work contracts	-	-	-	-	-	-	1	-	1
<b>Total</b>	<b>20</b>	<b>9</b>	<b>29</b>	<b>19</b>	<b>19</b>	<b>38</b>	<b>9</b>	<b>8</b>	<b>17</b>

	LEFT 2014			LEFT 2013			LEFT 2012		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Directors	4	-	4	3	-	3	4	1	5
Managers	5	9	14	15	9	24	14	5	19
Professional Areas	12	7	19	9	9	18	9	10	19
Temporary work agency and project work contracts	-	-	-	-	-	-	1	-	1
<b>Total</b>	<b>21</b>	<b>16</b>	<b>37</b>	<b>27</b>	<b>18</b>	<b>45</b>	<b>28</b>	<b>16</b>	<b>44</b>

## OUTSIDE ITALY

	JOINED 2014			JOINED 2013			JOINED 2012		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Directors	-	-	-	-	-	-	-	-	-
Managers	1	1	2	5	-	5	4	-	4
Professional Areas	3	2	5	7	2	9	2	-	2
Temporary work agency and project work contracts	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>4</b>	<b>3</b>	<b>7</b>	<b>12</b>	<b>2</b>	<b>14</b>	<b>6</b>	<b>-</b>	<b>6</b>

	LEFT 2014			LEFT 2013			LEFT 2012		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Directors	-	-	-	-	-	-	1	-	1
Managers	5	2	7	4	1	5	5	1	6
Professional Areas	4	1	5	3	4	7	5	1	6
Temporary work agency and project work contracts	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>9</b>	<b>3</b>	<b>12</b>	<b>7</b>	<b>5</b>	<b>12</b>	<b>11</b>	<b>2</b>	<b>13</b>

## By contract of employment

## TOTAL

	JOINED 2014			JOINED 2013			JOINED 2012		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Open-ended	19	10	29	27	18	45	17	13	30
Fixed-term	5	2	7	3	2	5	1	2	3
Work-entry contracts	-	-	-	-	-	-	-	-	-
Apprenticeship contracts	-	-	-	1	1	2	-	-	-
Temporary work agency and project work contracts	-	-	-	-	-	-	1	-	1
<b>Total</b>	<b>24</b>	<b>12</b>	<b>36</b>	<b>31</b>	<b>21</b>	<b>52</b>	<b>19</b>	<b>15</b>	<b>34</b>

	LEFT 2014			LEFT 2013			LEFT 2012		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Open-ended	26	18	44	33	21	54	37	15	52
Fixed-term	4	1	5	1	2	3	1	4	5
Work-entry contracts	-	-	-	-	-	-	4	4	8
Apprenticeship contracts	-	-	-	-	-	-	-	2	2
Temporary work agency and project work contracts	-	-	-	-	-	-	1	-	1
<b>Total</b>	<b>30</b>	<b>19</b>	<b>49</b>	<b>34</b>	<b>23</b>	<b>57</b>	<b>43</b>	<b>25</b>	<b>68</b>

## ITALY

	JOINED 2014			JOINED 2013			JOINED 2012		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Open-ended	16	8	24	16	17	33	11	13	24
Fixed-term	4	1	5	2	1	3	1	2	3
Work-entry contracts	-	-	-	-	-	-	-	-	-
Apprenticeship contracts	-	-	-	1	1	2	-	-	-
Temporary work agency and project work contracts	-	-	-	-	-	-	1	-	1
<b>Total</b>	<b>20</b>	<b>9</b>	<b>29</b>	<b>19</b>	<b>19</b>	<b>38</b>	<b>13</b>	<b>15</b>	<b>28</b>

	LEFT 2014			LEFT 2013			LEFT 2012		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Open-ended	18	15	33	26	16	42	26	13	39
Fixed-term	3	1	4	1	2	3	1	4	5
Work-entry contracts	-	-	-	-	-	-	4	4	8
Apprenticeship contracts	-	-	-	-	-	-	-	2	2
Temporary work agency and project work contracts	-	-	-	-	-	-	1	-	1
<b>Total</b>	<b>21</b>	<b>16</b>	<b>37</b>	<b>27</b>	<b>18</b>	<b>45</b>	<b>32</b>	<b>23</b>	<b>55</b>

## OUTSIDE ITALY

	JOINED 2014			JOINED 2013			JOINED 2012		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Open-ended	3	2	5	11	1	12	6	-	6
Fixed-term	1	1	2	1	1	2	-	-	-
Work-entry contracts	-	-	-	-	-	-	-	-	-
Apprenticeship contracts	-	-	-	-	-	-	-	-	-
Temporary work agency and project work contracts	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>4</b>	<b>3</b>	<b>7</b>	<b>12</b>	<b>2</b>	<b>14</b>	<b>6</b>	<b>-</b>	<b>6</b>

	LEFT 2014			LEFT 2013			LEFT 2012		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Open-ended	8	3	11	7	5	12	11	2	13
Fixed-term	1	-	1	-	-	-	-	-	-
Work-entry contracts	-	-	-	-	-	-	-	-	-
Apprenticeship contracts	-	-	-	-	-	-	-	-	-
Temporary work agency and project work contracts	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>9</b>	<b>3</b>	<b>12</b>	<b>7</b>	<b>5</b>	<b>12</b>	<b>11</b>	<b>2</b>	<b>13</b>

## By age

### TOTAL

	JOINED 2014			JOINED 2013			JOINED 2012		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
up to 30	3	4	7	7	3	10	7	1	8
from 30 to 50 years	18	5	23	17	14	31	6	7	13
over 50 years	3	3	6	7	4	11	2	-	2
<b>Total</b>	<b>24</b>	<b>12</b>	<b>36</b>	<b>31</b>	<b>21</b>	<b>52</b>	<b>15</b>	<b>8</b>	<b>23</b>

	LEFT 2014			LEFT 2013			LEFT 2012		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
up to 30	2	2	4	2	1	3	4	4	8
from 30 to 50 years	16	11	27	20	19	39	15	7	22
over 50 years	12	6	18	12	3	15	20	7	27
<b>Total</b>	<b>30</b>	<b>19</b>	<b>49</b>	<b>34</b>	<b>23</b>	<b>57</b>	<b>39</b>	<b>18</b>	<b>57</b>

## ITALY

	JOINED 2014			JOINED 2013			JOINED 2012		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
up to 30	2	3	5	3	2	5	3	1	4
from 30 to 50 years	15	3	18	10	13	23	4	7	11
over 50 years	3	3	6	6	4	10	2	-	2
<b>Total</b>	<b>20</b>	<b>9</b>	<b>29</b>	<b>19</b>	<b>19</b>	<b>38</b>	<b>9</b>	<b>8</b>	<b>17</b>

	LEFT 2014			LEFT 2013			LEFT 2012		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
up to 30	1	2	3	1	-	1	3	4	7
from 30 to 50 years	8	8	16	14	16	30	8	6	14
over 50 years	12	6	18	12	2	14	17	6	23
<b>Total</b>	<b>21</b>	<b>16</b>	<b>37</b>	<b>27</b>	<b>18</b>	<b>45</b>	<b>28</b>	<b>16</b>	<b>44</b>

## OUTSIDE ITALY

	JOINED 2014			JOINED 2013			JOINED 2012		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
up to 30	1	1	2	4	1	5	4	-	4
from 30 to 50 years	3	2	5	7	1	8	2	-	2
over 50 years	-	-	-	1	-	1	-	-	-
<b>Total</b>	<b>4</b>	<b>3</b>	<b>7</b>	<b>12</b>	<b>2</b>	<b>14</b>	<b>6</b>	<b>-</b>	<b>6</b>

	LEFT 2014			LEFT 2013			LEFT 2012		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
up to 30	1	-	1	1	1	2	1	-	1
from 30 to 50 years	8	3	11	6	3	9	7	1	8
over 50 years	-	-	-	-	1	1	3	1	4
<b>Total</b>	<b>9</b>	<b>3</b>	<b>12</b>	<b>7</b>	<b>5</b>	<b>12</b>	<b>11</b>	<b>2</b>	<b>13</b>

**Drop-out rate by gender and age**

## TOTAL

	2014	2013	2012
Men	4%	4%	5%
Women	3%	4%	3%
<b>Total</b>	<b>3%</b>	<b>4%</b>	<b>4%</b>
up to 30	11%	6%	13%
from 31 to 50 years	3%	4%	2%
over 50 years	4%	4%	7%

**Joining rate by gender and age**

## TOTAL

	2014	2013	2012
Men	3%	4%	2%
Women	2%	3%	1%
<b>Total</b>	<b>2%</b>	<b>4%</b>	<b>2%</b>
up to 30	18%	20%	8%
from 31 to 50 years	2%	3%	1%
over 50 years	1%	3%	1%

## ITALY

	2014	2013	2012
Men	3%	4%	4%
Women	3%	3%	3%
<b>Total</b>	<b>3%</b>	<b>3%</b>	<b>3%</b>
up to 30	11%	3%	14%
from 31 to 50 years	2%	3%	1%
over 50 years	4%	4%	7%

## ITALY

	2014	2013	2012
Men	3%	3%	1%
Women	2%	3%	1%
<b>Total</b>	<b>2%</b>	<b>3%</b>	<b>1%</b>
up to 30	19%	13%	5%
from 31 to 50 years	2%	3%	1%
over 50 years	1%	3%	1%

## OUTSIDE ITALY

	2014	2013	2012
Men	11%	9%	13%
Women	7%	11%	4%
<b>Total</b>	<b>9%</b>	<b>10%</b>	<b>10%</b>
up to 30	9%	18%	7%
from 31 to 50 years	10%	9%	7%
over 50 years	-	9%	33%

## OUTSIDE ITALY

	2014	2013	2012
Men	5%	15%	6%
Women	7%	4%	-
<b>Total</b>	<b>5%</b>	<b>11%</b>	<b>4%</b>
up to 30	18%	45%	19%
from 31 to 50 years	5%	8%	2%
over 50 years	-	9%	-

Positive turnover (joined 2014/staff at beginning of year) was 2.5%, while negative turnover (left 2014/staff at beginning of year) was 3.4%.

Total staff turnover (joined+left/average staff) was 5.9% in 2014 (5.0% in Italy and 15.3% outside Italy).

The Group companies outside Italy do not have any internal policies regarding the nationality of recruits or that favour local people.

## CAREER DEVELOPMENT

Career development is focused on merit, assessed in relation to results achieved, competencies possessed and individual ability. Where higher-level appointments are concerned, the ma-

agement competencies possessed are assessed prospectively to ensure they are aligned with the related job requirements and accompanied by appropriate abilities and attitudes.

### Career development

#### TOTAL

	2014				2013				2012			
	MEN	% WOMEN	%	TOTAL	MEN	% WOMEN	%	TOTAL	MEN	% WOMEN	%	TOTAL
Promotions to Director	2	12.5	-	2	2	4.0	-	2	-	-	-	-
Promotions within Executive Management	1	6.3	-	1	21	42.0	8	19.0	5	18.5	5	17.9
Promotions to Executive Management	8	50.0	4	12	9	18.0	7	16.7	5	18.5	7	25.0
Promotions within Professional Areas	5	31.2	10	15	18	36.0	27	64.3	17	63.0	16	57.1
<b>Total</b>	<b>16</b>	<b>100.0</b>	<b>14</b>	<b>100.0</b>	<b>50</b>	<b>100.0</b>	<b>42</b>	<b>100.0</b>	<b>27</b>	<b>100.0</b>	<b>28</b>	<b>100.0</b>

#### ITALY

	2014				2013				2012			
	MEN	% WOMEN	%	TOTAL	MEN	% WOMEN	%	TOTAL	MEN	% WOMEN	%	TOTAL
Promotions to Director	2	12.5	-	2	2	4.3	-	2	-	-	-	-
Promotions within Executive Management	1	6.3	-	1	18	39.1	6	15.0	4	15.4	5	17.9
Promotions to Executive Management	8	50.0	4	12	9	19.6	7	17.5	5	19.2	7	25.0
Promotions within Professional Areas	5	31.2	10	15	17	37.0	27	67.5	17	65.4	16	57.1
<b>Total</b>	<b>16</b>	<b>100.0</b>	<b>14</b>	<b>100.0</b>	<b>46</b>	<b>100.0</b>	<b>40</b>	<b>100.0</b>	<b>26</b>	<b>100.0</b>	<b>28</b>	<b>100.0</b>

#### OUTSIDE ITALY

	2014				2013				2012			
	MEN	% WOMEN	%	TOTAL	MEN	% WOMEN	%	TOTAL	MEN	% WOMEN	%	TOTAL
Promotions to Director	-	-	-	-	-	-	-	-	-	-	-	-
Promotions within Executive Management	-	-	-	-	3	75.0	2	100.0	1	100.0	-	1
Promotions to Executive Management	-	-	-	-	-	-	-	-	-	-	-	-
Promotions within Professional Areas	-	-	-	-	1	25.00	-	1	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4</b>	<b>100.0</b>	<b>2</b>	<b>100.0</b>	<b>1</b>	<b>100.0</b>	<b>-</b>	<b>1</b>

## Percentage of employees receiving regular assessments of performance and career development

### TOTAL

	2014	2013	2012
% employees	96.5	96.9	95.9

### ITALY

	2014	2013	2012
% employees	96.7	97.1	96.0

### OUTSIDE ITALY

	2014	2013	2012
% employees	94.8	94.1	95.1



Employees on open-ended contracts who are not in managerial evaluation systems undergo an annual performance review if they have been present for a period of more than 110 working days in the reference year.

## CONTRACTUAL RELATIONS

The National Collective Bargaining Agreement covers all our employees in Italy, who account for 91.5% of total Group staff.

The Italian companies in the Group adhere to the following collective bargaining agreements:

- Agreement for senior managers employed by credit, financial and operating institutions (approximately 3.5% of employees).
- Agreement for executive managers and professional area personnel employed by credit, financial and operating institutions (approximately 96.5% of employees).

In Italy, collective bargaining agreements provide for the prior information of and consultation with workforce representatives in cases of significant restructuring, with a procedure that has a total duration of 45 days at company level and 50 days at Group-level.

The basic remuneration of female staff provided for by the National Collective Bargaining Agreement does not differ from that paid to male staff where either grading or seniority is concerned.

The minimum remuneration applicable in the Group for new recruits is likewise that provided for by the sector National Collective Bargaining Agreement for the different personnel categories in question. Outside Italy, they are aligned with the regulatory provisions and cost of living in the countries concerned.

## RELATIONSHIPS WITH TRADE UNION ORGANISATIONS

We held numerous information and discussion meetings with Trade Union Organisations in 2014, focused on matters of specific company interest.

Agreements were reached at Intesa Sanpaolo Group level regarding Employee Stock Ownership, the Management of Industrial Relations, Flexible Working Hours, Equal Opportunities, the Traceability of Bank Transactions, the determination of Performance Bonuses and the related Joint Account. We held the annual meetings provided by the National Collective Bargaining Agreement and the Group Agreement to present our corporate data and position, and also addressed specific problems regarding staff and work organisation in the local meetings held in accordance with the former said agreement.

Approximately 43% of staff are members of a trade union.

Employees dedicated approximately 5,714 hours to trade union activities in 2014, equal to 851 working days.

The Banca Fideuram Group's regulations - in line with those of the Intesa Sanpaolo Group - improve on the provisions of Italy's national collective bargaining agreements, with special provisions regarding flexible working hours, reduced lunch breaks, area mobility, leave for family/personal reasons and study, part-time employment, pensions and insurance cover.

## Disciplinary action taken against colleagues

(No.)

### TOTAL

	2014	2013	2012
Written warning and verbal or written reprimand	3	5	-
Reduction in pay	-	-	-
Suspension from service without pay (from 1 to 10 days)	1	3	2
Dismissal for cause or justified reason	-	1	-
Disciplinary penalties for corruption of colleagues	-	-	-
Dismissals for corruption	-	-	-

### ITALY

	2014	2013	2012
Written warning and verbal or written reprimand	-	5	-
Reduction in pay	-	-	-
Suspension from service without pay (from 1 to 10 days)	1	3	2
Dismissal for cause or justified reason	-	1	-
Disciplinary penalties for corruption of colleagues	-	-	-
Dismissals for corruption	-	-	-

### OUTSIDE ITALY

	2014	2013	2012
Written warning and verbal or written reprimand	3	-	-
Reduction in pay	-	-	-
Suspension from service without pay (from 1 to 10 days)	-	-	-
Dismissal for cause or justified reason	-	-	-
Disciplinary penalties for corruption of colleagues	-	-	-
Dismissals for corruption	-	-	-

## VULNERABLE EMPLOYEES

Staff belonging to categories of vulnerable persons as defined by Italian law 68/1999 totalled 91 as follows:

### Vulnerable employees

TOTAL	2014	2013	2012
Disabled	52	52	52
Other	39	40	42
<b>Total</b>	<b>91</b>	<b>92</b>	<b>94</b>

ITALY	2014	2013	2012
Disabled	52	52	52
Other	39	40	42
<b>Total</b>	<b>91</b>	<b>92</b>	<b>94</b>

OUTSIDE ITALY	2014	2013	2012
Disabled	-	-	-
Other	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

Approximately 16,779 hours of leave were granted in the year to employees with serious illnesses or to care for family members with serious diseases.

## DEVELOPMENT OF HUMAN RESOURCES



Our commitment to promoting the professional development of our colleagues continued in 2014, diversifying our training programmes in relation both to individual and company needs, while focusing closely on innovation, customer support, developments in the business and change.

The most significant initiatives were as follows:

- An intervention for the bank's and its subsidiaries' managements designed and taught by in-house resources to disseminate a detailed shared understanding of our corporate business model through focusing on its distinctive factors in terms of service and the provision of related supporting tools.
- A workshop for our Information Systems Department to share the most important IT innovation processes both in Italy and internationally, providing a common perspective on current transformations and how they can be harnessed into competitive advantages for the bank.
- An initiative to enhance the activity and resource management capabilities of our Information Systems and Operating Services Department professionals with coordination responsibilities, continuing the work of and aligned with a similar initiative for the Department's Management that began in 2013 and ended in 2014. The initiative was organised in a modular format to achieve the most effective results, alternating class-based teaching stages with individual teacher/participant interaction.

- *Ad hoc* training on particularly significant specialist subjects, delivered with competence and authority by colleagues who are experts in the subjects concerned. The subjects covered included derivatives, the US Foreign Account Tax Compliance Act (FATCA), Risk Management, and the optimal use of advanced technological devices.
- Updating Bank personnel on sector regulations and safety matters. This included continuing our class-based training initiatives on Italian Legislative Decree No. 231/01, drawing up our 2014-2016 anti-money laundering training plan with the first initiatives for Branch staff, and launching a series of interventions together with a safety specialist on how to use the defibrillators provided in the bank's main offices, which will be delivered to a large number of bank and subsidiary company staff.
- A series of meetings, initially for our legal department and then extended to other organisational units, in which a number of the Bank's foremost external legal experts provided practical and direct coverage of subjects of particular professional interest to the participants, including our agency contact, developments in civil procedure and bankruptcy law, and the provisions of criminal procedure of greatest relevance to the Bank.
- A further commitment to increasing the language skills of our staff, including using sector funds allocated to finance training.

Work also began on drafting the 2015-2016 personal development plans, following the completion of almost all the initiatives planned for the previous two-year period. The structure of the Group training catalogue was revised appropriately and expanded further to meet the specific needs identified with the departments concerned.

Other salient professional development actions included the following:

- Following the positive launch results of Individual coaching, we have committed further efforts to deploying this tool, which enables us to meet the needs of individual staff members through the highest levels of personalisation, empowering them through greater awareness of any difficulties in their patterns of thought, emotion, and behaviour to manage and overcome them, in the conviction that a person's primary limits are those they impose upon themselves. The coaching programmes are delivered to carefully selected and targeted key figures able to set in motion an extensive "cascade" through the organisation, promoting the achievement of significant results in terms of taking responsibility, stimulating innovation, increasing engagement, and improving individual and group performance. Initially launched for our Talent population, the programmes are currently being delivered to Executives and Managers by in-house coaches certified to internationally-recognised standards of excellence.
- Following two years' successful testing, we have now permanently introduced Process Improvement Laboratories to promote innovation and the optimisation of activities. Adopting a bottom-up logic, the laboratories provide a space for input from and the involvement of our people, who are empowered to play an active role in redesigning the work processes in which they are involved, proposing solutions that simplify, that are suitable for concrete application, and that improve and advance our current processes while offering an appropriate cost/benefit ratio. The interaction this method entails enables substantial educational paybacks to be achieved, increasing involvement, motivation and team spirit in our departments.

Facilitating the participation of part-time staff, we continued to plan half-day training initiatives, where possible also involving full-time staff with the aim of promoting integration and the exchange of ideas and experiences between all staff. Vulnerable employees received the same attention to promote their participation in the courses provided.

We also provide training initiatives to support outside working hours for the Group's Executive Management and Professionals, who continued to particularly appreciate "Free18", a dedicated portal providing access to a wide variety of teaching publications and aids, including multimedia teaching aids, catering for an extensive choice of personal and professional interests. Employees logged 14,650 training hours on this initiative.

# 26,322

Training hours

## Training by Subject Matter

### TOTAL

SUBJECT MATTER	2014		2013		2012	
	HOURS	%	HOURS	%	HOURS	%
Management	7,387	28.1	8,863	27.6	6,377	18.1
Sales & Marketing	15	0.1	-	-	622	1.8
Operations	188	0.7	53	0.2	36	0.1
Lending	90	0.3	712	2.2	1,314	3.7
Finance	2,308	8.8	2,868	8.9	2,216	6.3
Outside Italy	-	-	-	-	-	-
Information Technology	1,535	5.8	1,878	5.8	947	2.7
Specialist	10,412	39.5	14,435	44.9	16,712	47.3
Languages	4,387	16.7	3,327	10.4	7,057	20.0
<b>Total hours delivered</b>	<b>26,322</b>	<b>100.0</b>	<b>32,136</b>	<b>100.0</b>	<b>35,281</b>	<b>100.0</b>

### ITALY

SUBJECT MATTER	2014		2013		2012	
	HOURS	%	HOURS	%	HOURS	%
Management	7,301	29.4	8,825	28.7	6,329	18.6
Sales & Marketing	15	0.1	-	-	622	1.8
Operations	-	-	-	-	-	-
Lending	90	0.4	712	2.3	1,314	3.9
Finance	1,976	8.0	2,437	7.9	1,860	5.5
Outside Italy	-	-	-	-	-	-
Information Technology	1,395	5.6	1,712	5.5	915	2.7
Specialist	10,201	41.1	14,248	46.3	16,545	48.8
Languages	3,830	15.4	2,855	9.3	6,356	18.7
<b>Total hours delivered</b>	<b>24,808</b>	<b>100.0</b>	<b>30,789</b>	<b>100.0</b>	<b>33,941</b>	<b>100.0</b>

### OUTSIDE ITALY

SUBJECT MATTER	2014		2013		2012	
	HOURS	%	HOURS	%	HOURS	%
Management	86	5.7	38	2.8	48	3.6
Sales & Marketing	-	-	-	-	-	-
Operations	188	12.4	53	3.9	36	2.7
Lending	-	-	-	-	-	-
Finance	332	21.9	431	32.0	356	26.6
Outside Italy	-	-	-	-	-	-
Information Technology	140	9.3	166	12.3	32	2.4
Specialist	211	13.9	187	13.9	167	12.4
Languages	557	36.8	472	35.1	701	52.3
<b>Total hours delivered</b>	<b>1,514</b>	<b>100.0</b>	<b>1,347</b>	<b>100.0</b>	<b>1,340</b>	<b>100.0</b>

## Training by type of delivery

## TOTAL

	2014	2013	2012
Class-based training	25,701	28,459	29,059
Distance learning	621	3,677	6,222
<b>Total hours of training delivered</b>	<b>26,322</b>	<b>32,136</b>	<b>35,281</b>
No. of participants	1,125	1,413	1,432
Average hours per participant	23	23	25

## ITALY

	2014	2013	2012
Class-based training	24,331	27,128	28,009
Distance learning	477	3,661	5,932
<b>Total hours of training delivered</b>	<b>24,808</b>	<b>30,789</b>	<b>33,941</b>
No. of participants	1,038	1,319	1,357
Average hours per participant	24	23	25

## OUTSIDE ITALY

	2014	2013	2012
Class-based training	1,370	1,331	1,050
Distance learning	144	16	290
<b>Total hours of training delivered</b>	<b>1,514</b>	<b>1,347</b>	<b>1,340</b>
No. of participants	87	94	75
Average hours per participant	17	14	18

## Training by health and safety training hours

## TOTAL

	2014	2013	2012
Hours of health and safety training	404	739	3,959
No. of participants	89	256	1,337

## ITALY

	2014	2013	2012
Hours of health and safety training	396	703	3,959
No. of participants	88	241	1,337

## OUTSIDE ITALY

	2014	2013	2012
Hours of health and safety training	8	36	-
No. of participants	1	15	-

## Training by category and type

(average hours per person)

## TOTAL

	2014	2013	2012
<b>Directors</b>			
Male	31	33	28
Female	33	44	15
<b>Executive Management</b>			
Male	21	24	29
Female	24	22	27
<b>Professional Areas</b>			
Male	29	19	20
Female	21	21	18

## ITALY

	2014	2013	2012
<b>Directors</b>			
Male	33	37	29
Female	33	44	15
<b>Executive Management</b>			
Male	22	25	31
Female	24	22	28
<b>Professional Areas</b>			
Male	29	20	21
Female	21	21	18

## OUTSIDE ITALY

	2014	2013	2012
<b>Directors</b>			
Male	11	8	20
Female	-	-	-
<b>Executive Management</b>			
Male	11	12	5
Female	18	13	16
<b>Professional Areas</b>			
Male	29	7	11
Female	16	10	15

Dedicated induction training programmes are provided for new staff, whereas targeted refresher training programmes are provided for staff who are changing positions.



Special attention was dedicated to training initiatives focused on preventing corruption, including the continuation of our class-based and distance training regarding Italian Legislative Decree No. 231/2001.

### Dedicated corruption prevention training TOTAL

	2014	2013	2012
Directors	2.5%	4.9%	2.7%
Executive Management	52.9%	49.6%	55.2%
Professional Areas	44.6%	45.5%	42.1%
Training hours	699	1,088	3,481
No. of participants	119	490	1,151

### Training on Italian Legislative Decree no. 231/2001

	2014	2013	2012
Training hours pursuant to Italian Legislative Decree No. 231/2001	43	414	551
No. of participants	39	377	180

Italian Legislation that only applies to staff resident in Italy.

The decrease in training hours pursuant to Italian Legislative Decree No. 231/200 in 2014 was due to compliance with the related compulsory refresher training requirements (Class-based and Online), launched for the employees of the Group's Italian companies and almost entirely completed in 2012 and 2013.

### ITALY

	2014	2013	2012
Directors	2.7%	5.3%	2.8%
Executive Management	53.4%	49.4%	55.4%
Professional Areas	43.9%	45.3%	41.8%
Training hours	653	1,035	3,375
No. of participants	73	437	1,104

699

Training hours on corruption prevention

### OUTSIDE ITALY

	2014	2013	2012
Directors	2.2%	1.9%	2.1%
Executive Management	52.2%	50.9%	49.0%
Professional Areas	45.6%	47.2%	48.9%
Training hours	46	53	106
No. of participants	46	53	47

**Absence rate by reason (out of theoretical working days)**

(%)

## TOTAL

ABSENCE RATE BY REASON	2014		2013	2012
	MEN	WOMEN	TOTAL	TOTAL
Illness	3.17	4.93	3.97	3.76
Accidents	0.13	0.16	0.15	0.10
Personal and family reasons	0.21	0.56	0.35	0.44
Public service leave	-	-	0.03	0.08
Blood donor leave	0.07	0.02	0.04	0.04
Disability	0.40	1.22	0.77	0.71
Other	0.02	0.01	0.07	0.01

## ITALY

ABSENCE RATE BY REASON	2014		2013	2012
	MEN	WOMEN	TOTAL	TOTAL
Illness	3.38	4.91	4.12	3.90
Accidents	0.14	0.17	0.17	0.11
Personal and family reasons	0.19	0.59	0.36	0.48
Public service leave	-	-	0.03	0.09
Blood donor leave	0.07	0.02	0.04	0.04
Disability	0.44	1.31	0.84	0.78
Other	0.02	0.01	0.02	-

## OUTSIDE ITALY

ABSENCE RATE BY REASON	2014		2013	2012
	MEN	WOMEN	TOTAL	TOTAL
Illness	1.19	5.11	2.37	2.30
Accidents	0.01	0.02	0.01	-
Personal and family reasons	0.32	0.18	0.16	0.08
Public service leave	-	-	-	-
Blood donor leave	0.01	0.04	0.01	0.02
Disability	-	-	-	-
Other	-	-	0.59	0.12

The absence rate is the ratio of the total number of days absent to total theoretical working days shown as a percentage (220)

## EMPLOYEE HEALTHCARE, PENSIONS AND SERVICES

In line with Intesa Sanpaolo's human resource management policies and related tools, we offer a complete spectrum of staff benefits and concessions, including:

- Complementary social security
- Supplementary health care
- Accident insurance covering activities at work and outside work
- Company obligations in the event of the death in service or total permanent disability of employees
- Special staff conditions for bank transactions and loans.

The Group includes company welfare in its internal regulations, offering its employees flexible work solutions such as leave, parental leave, flexible working start and finish times, and part-time work. The regulations likewise provide for special economic terms and benefits, including for families of children with disabilities, recreational and sports clubs, and company benefits to cover employees' nursery, infant and primary school fees.

These benefits are the same for full-time and part-time employees.

### Parental leave

#### ITALY

	2014	2013
Number of employees who took parental leave	98	98
Male	4	7
Female	94	91
Number of employees who returned at end of leave	75	62
Male	4	7
Female	71	55
Number of employees who returned and were still employees of the bank for the next 12 months	93	91
Male	5	4
Female	88	87
Parental leave return rate <sup>1</sup>	77%	63%
Male	100%	100%
Female	76%	60%
Retention rate of returned employees who were still employees <sup>2</sup>	95%	n.a.
Male	71%	n.a.
Female	97%	n.a.

1. Number of employees who returned at end of leave over number of employees who took parental leave.

2. Number of employees who took parental leave in 2013, returned to work in the next 12 months and were still employees at 31.12.2014 over the number of employees who took parental leave in 2013.

n.a.: data not available.

## SUPPLEMENTARY PENSION FUNDS



Almost all the employees of Banca Fideuram and the Italian companies in the Group pay voluntary contributions to the Sanpaolo IMI Group Pension Fund.

Each member of the Fund has an individual defined contribution account. The final benefit depends on the sum of the payments made and the investment performance achieved.

Outside Italy, subsidiaries Fideuram Asset Management (Ireland), Fideuram Bank (Luxembourg) and Fideuram Gestions have each set up a defined-contribution supplementary pension scheme for their employees. The related group policies, which comply with all the relevant local supplementary pension scheme legislation, have been taken out with life insurance companies authorised to operate in Ireland and Luxembourg.

## HEALTH AND SAFETY



Banca Fideuram's commitment to occupational health and safety starts with the creation and management of working environments that respect all the relevant laws and standards, including full compliance with the provisions of Italian Legislative Decree No. 81/2001. Banca Fideuram does not have any formal Health and Safety Committees on which a given percentage of the workforce is represented, or any formal agreements on these matters with trade unions. An Accident Prevention, Safety and Environmental Protection Service has been established to ensure that occupational health and safety, and environmental protection laws and regulations are complied with correctly.

A total of 84 health and safety at work inspections were carried out across the Group in 2014. During the year, 26 employees were involved in accidents at work with work absence, and said absences totalled approximately 3,413 hours or 455 working days. Only 2 of these accidents occurred in the workplace, while the remaining 24 accidents occurred on the journey between home and work.

There were no employees in the Group engaged in professional activities where a high percentage of practitioners suffer from or are at a high risk of acquiring specific diseases.

There were no raids on Banca Fideuram premises in 2014.

### Health and Safety: rates

	2014				2013		2012	
	ITALY		OUTSIDE ITALY		ITALY		ITALY	
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
Accident rate	2.4	1.9	1.5	2.8	1.7	0.9	1.4	1.0
at work	0.2	0.2	-	-	0.1	-	0.1	-
travelling	2.3	1.7	1.5	2.8	1.6	0.9	1.3	1.0
Occupational illness rate	-	-	-	-	-	-	-	-
Accident severity rate	37.5	46.6	1.5	5.6	44.6	1.9	28.3	1.0
Absentee rate	4.3%	7.1%	1.5%	5.3%	5.8%	3.1%	5.6%	2.5%

The accident rate is the ratio of the total number of accidents in the year to the total number of theoretical working hours, multiplied by 200,000.

The occupational illness rate is the ratio of the total number of occupational illness claims divided by the total number of theoretical working hours, multiplied by 200,000.

The accident severity rate is the ratio of the total number of working days lost (to accidents at work and occupational illnesses) to the total number of theoretical working hours, multiplied by 200,000.

The absentee rate is the ratio of the total number of days lost (to illness, accidents, public service leave, leave for blood donations etc., absences pursuant to Italian Law 104/92 and trade union meetings/strikes) to the total number of theoretical working days of all employees at period-end, shown as a percentage.

The standardisation factor of 200,000 is specified by the Global Reporting Initiative (GRI) and is derived from 50 working weeks at 40 hours per 100 employees.

There were no occupational illness claims by or serious accidents involving employees.

### Accidents by type

	2014		2013		2012	
	ITALY	OUTSIDE ITALY	ITALY	OUTSIDE ITALY	ITALY	OUTSIDE ITALY
	Accidents driving vehicles	10	1	12	-	9
Falling/Slipping	11	1	4	1	6	-
Raids	-	-	-	-	-	-
Other	3	-	3	-	-	-

## INTERNAL AUDIT

### COMPLIANCE

The Banca Fideuram Group considers compliance risk management to be of strategic importance, in the conviction that respect for the law and regulations, together with high standards of propriety in all business relations, are essential in banking, which is by its very nature built on trust.

Compliance Risk is managed by a dedicated Compliance Unit in accordance with the supervisory regulations issued by the Bank of Italy on 10 July 2007 and the regulatory provisions issued jointly by the Italian National Commission for Listed Companies and the Stock Exchange (CONSOB) and the Bank of Italy on 29 October 2007. The Compliance Unit is independent from the operating departments and separate from the Internal Audit Unit, and reports directly to the Corporate Risk Manager, who acts as the Group's Compliance Officer. The Compliance Officer reports to top management.

The Compliance Model is governed by the "Banca Fideuram Regulations implementing Group Compliance Guidelines" ("Implementing Regulations" hereinafter) approved by the Banca Fideuram Board of Directors, adopting the Intesa Sanpaolo "Group Compliance Guidelines" ("Guidelines" hereinafter) and adapting them to the Banca Fideuram Group's operating context and applicable regulations. These Regulations specify the reference regulatory frameworks, compliance roles, responsibilities and main processes with a view to mitigating compliance risk through the synergistic action of all bank staff.

During 2014, we embarked upon an initiative to revise our current Compliance Model, in line with a similar initiative taken by Intesa Sanpaolo, to ensure its full compliance with the Supervisory Regulations of the Bank of Italy regarding internal audit systems, issued in July 2013, ("New Regulations" hereinafter).

The New Regulations make the compliance unit responsible for compliance risk management in every regulatory area applicable to the

bank's business, with the option of grading its duties for those regulations that require appropriate forms of specialist supervision.

In line with the updating of the Intesa Sanpaolo Guidelines, Banca Fideuram updated its Implementing Regulations in November 2014 to incorporate the provisions of the Bank of Italy's New Regulations. The Implementing Regulations were in particular updated to identify every regulatory area applicable to Banca Fideuram's operations and to identify any Units in the bank assigned specialist management responsibilities regarding given regulations.

The Compliance Unit is in particular responsible for establishing our compliance risk management guidelines, policies and methodology rules. The Compliance Unit is also responsible for identifying and assessing compliance risk, including through coordinating other units and departments, proposing organisational interventions for mitigating compliance risk, ensuring the alignment of the company bonus system, assessing the compliance of innovative projects, transactions and new products and services in advance, providing consultancy and support for management bodies and business units on all matters where compliance risk is significant, monitoring ongoing compliance conditions, and fostering a corporate culture focused on honesty, propriety and respect for the letter and spirit of the law and regulations.

The aforementioned Implementing Regulations require the Compliance Unit to submit an annual report to the Board of Directors, identifying and assessing the main compliance risks to which the Group is exposed, detailing the activities carried out, any critical situations identified and corrective actions formulated, and providing an annual programme setting out the related management interventions. The Unit also prepares detailed reports providing information on particularly significant events when they occur.

The Compliance Unit is directly responsible for performing all the tasks

that current regulations require of a compliance unit with respect to the regulatory frameworks considered to be most important by the Supervisory Authorities or regarding which it is in any case considered necessary to provide centralised compliance risk management (investment services, market abuse, transparency of contractual conditions, customer protection regulations and initiatives, lending of money at exorbitant interest rates, administrative responsibility of legal persons, insurance and pensions brokerage, remuneration and incentive systems, solicitation to the public and systems of payment).

For all other regulatory areas applicable to the Bank that present compliance risks for which Specialist Units with all the necessary competencies have been identified, the duties assigned by the regulations to the compliance function have been assigned to said Units, without this altering the Compliance Unit's responsibility for assessing the suitability of the specialist controls used for managing the non-compliance risk profiles, specifying - in collaboration with the Specialist Units - the risk assessment methods and risk mitigation procedures, and auditing the suitability of said procedures for preventing non-compliance risk.

The regulatory areas covered by Specialist Units - identified on the basis of a continuously-updated detailed analysis of those areas considered to present appreciable risks for the Bank - are as follows: tax regulations, capital adequacy, IT security, privacy protection, business continuity, safety at work, environmental protection, anti-money laundering, combating the financing of international terrorism, embargoes, transactions with related parties, associated parties, obligations of bank managers, Code of Ethical Conduct and social responsibility, Internal Code of Conduct, and internal and external outsourcing.

The Unit's activities during the year were focused on those regulatory areas considered most important regarding compliance risk, as follows:

- In the investment services segment, the Unit continued its activities supervising the organisational and procedural system that supports the bank's service model, including with respect to recently issued regulations, such as, for example, the revision of the Markets in Financial Instruments Directive (MiFid), the compliance Guidelines of the European Securities and Market Authority (ESMA), and the Bank of Italy's new Supervisory Regulations on remuneration and incentive policies and practices. In addition, the Unit also completed a series of governance and organisational interventions, preparing and updating regulations, processes and procedures, aiming in particular to strengthen customer service, the management of conflicts of interest and personal transactions, the process of approving new products and services, the launching of new activities and entry into new markets. The compliance activities also included providing the necessary training initiatives, clearing new products and services and monitoring customer transactions to prevent any market abuse.
- The Unit monitored regulatory developments concerning banking products and services, in particular with regard to transparency, consumer credit and the lending of money at exorbitant interest rates, developing and updating regulations, procedures and operating practices to prevent any offences or breaches of the regulations in force regarding said products and services, and providing guidance and support to the Group's business departments to ensure correct management regarding customer protection legislation.
- The Model of organisation, management and control was managed in accordance with Italian Legislative Decree No. 231/2001, ensuring its alignment with company regulations and updating it for the new offences defined.

### Corruption risk monitoring

The Banca Fideuram Group has for several years deployed dedicated tools for managing and preventing the risk of corruption offences. The internal regulations that enable us to

mitigate corruption risk are principally the following:

- The Intesa Sanpaolo Group Code of Ethical Conduct.
- The Group Internal Code of Conduct.
- The Model of Organisation, Management and Control in accordance with Italian Legislative Decree No. 231/2001 (updated for the new offence of corruption between private individuals).

The attention devoted to preventing corruption risks is very considerable across the entire Group, and our Italian companies have updated all the organisational and control models in accordance with Italian Legislative Decree No. 231/2001.

### GROUP ANTI-MONEY LAUNDERING AND EMBARGO UNIT

The Banca Fideuram Group's Model of Organisation, Management and Control assigns responsibility for anti-money laundering and embargo matters to the Group Anti-Money Laundering and Embargo Unit in accordance with the related Bank of Italy regulations and Intesa Sanpaolo Guidelines. The Unit reports directly to the Corporate Risk Manager, who acts as the Group's Anti-Money Laundering Officer and Delegate in accordance with article 42 of Italian Legislative Decree No. 231/2007. The Anti-Money Laundering Officer reports to top management.

The Group Anti-Money Laundering and Embargo Unit is responsible for managing compliance risk where money laundering, combating the financing of terrorism and embargo management are concerned, acting as follows:

- Formulating the Banca Fideuram Group's general compliance risk management guidelines.
- Continuously monitoring Italian and international regulatory developments with the support of the relevant units, verifying the suitability of the corporate processes and procedures in place for ensuring compliance with the applicable laws and regulations, and proposing appropriate orga-

nisational and procedural modifications.

- Providing consultancy for the bank's and its subsidiaries' units and departments, and developing appropriate training programmes.
- Providing appropriate periodic information to the company bodies and Top Management.
- Performing the specific compliance actions required for the bank and its Italian subsidiaries, including in particular Enhanced Due Diligence, controls on the appropriate management of the Single Information Archive and the analysis of operating unit reports of suspicious transactions to assess whether or not they require reporting to the Financial Information Unit as well founded.

The Group's complex anti-money laundering and embargo activities are governed by their own regulations ("Regulations regarding Anti-Money Laundering and Combating the Financing of Terrorism" and "Embargo Management Regulations"), approved by the Banca Fideuram Board of Directors, which have adopted the equivalent Intesa Sanpaolo Group Regulations, adapting them to the Banca Fideuram Group's operating context and applicable regulations. These Regulations incorporate and coordinate all the regulatory and operative provisions in effect.

The Group Anti-Money Laundering and Embargo Unit continued its routine monitoring activities in 2014, namely:

- The proper running of the Single Information Archive, implementing automatic tools for cross-checking the Archive and management systems.
- Monitoring potentially suspicious transactions to assess whether or not they require reporting to the competent authorities.
- Appropriate customer due diligence.

Lastly, the unit completed the main projects launched to strengthen anti-money laundering and embargo-management, and to bring the systems and procedures into line with the new Bank of Italy provisions implementing Italian and international legislation.

## INTERNAL AUDITING

Internal auditing is carried out by the following organisational units:

- The Networks Audit Unit, which is responsible for auditing the Personal Financial Advisers in the Fideuram and Sanpaolo Invest Networks, as well as the Group's Area Branches and Local Branches.
- The Central Departments and Subsidiaries Audit Unit, which is responsible for auditing the activities of the Group's central departments (including with respect to ICT service processes) and subsidiaries (as an outsourcer for internal audit unit operations), as well as for monitoring the proper performance of internal audits.

The Head of the Audit Department, appointed by the Board of Directors, enjoys the necessary autonomy and independence from the operating departments and reports directly to the Board of Directors, Board of Statutory

Auditors and Internal Audit Committee. The duties of the Head of the Audit Department are clearly defined and approved by resolution of the Board of Directors, which also specifies their authority and responsibilities, including the requirements regarding their reporting to the Board of Directors and Internal Audit Committee.

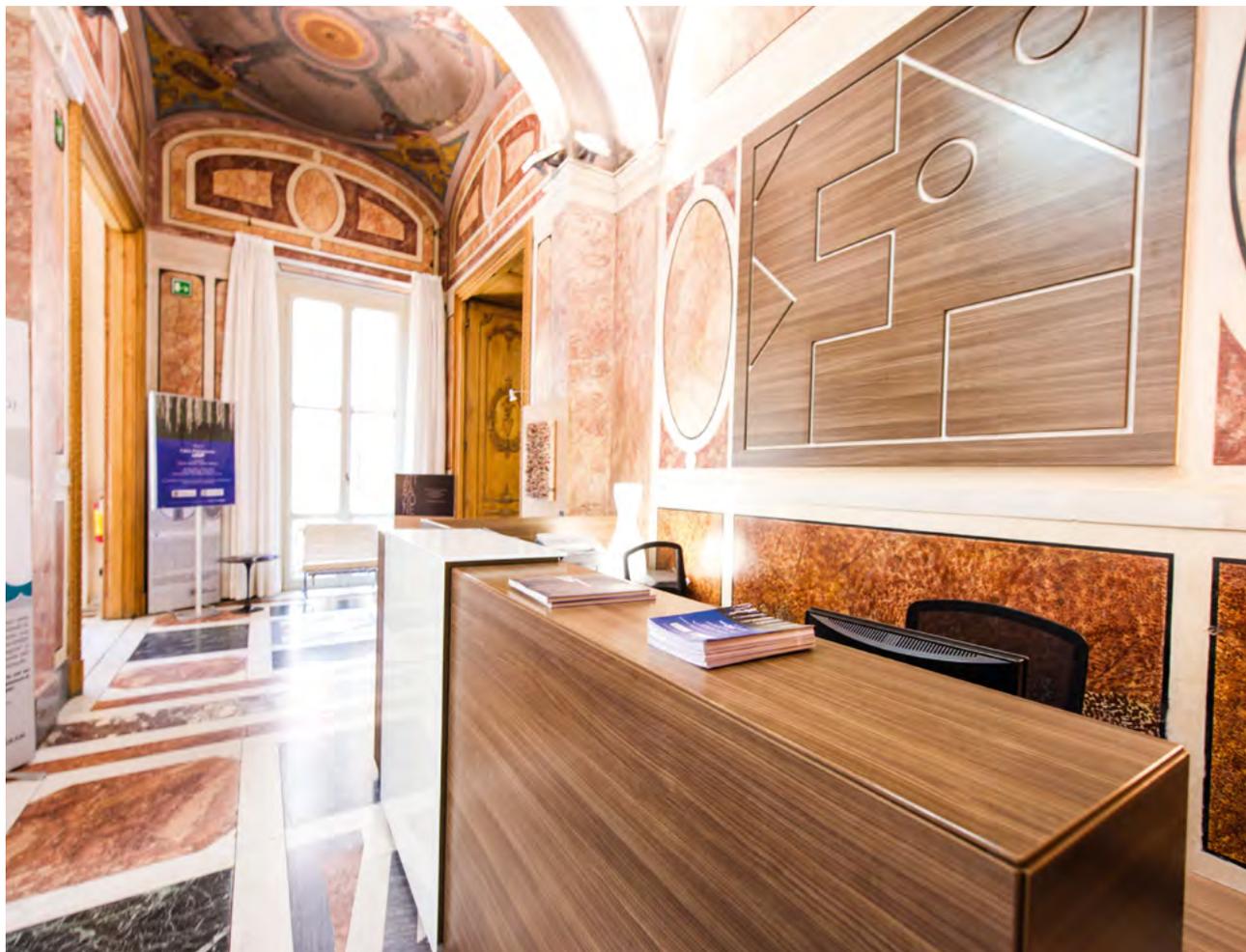
The Head of the Audit Department is in particular required to report monthly to the Board of Statutory Auditors and Internal Audit Committee, and six-monthly to the Board of Directors, on the activities they have performed, including the internal auditing carried out in accordance with specific service contracts for Sanpaolo Invest, Fideuram Investimenti, Fideuram Fiduciaria, Fideuram Asset Management (Ireland), Fideuram Gestions, Euro Trésorerie and Financière Fideuram.

The Head of the Audit Department also reports quarterly to the Super-

visory Board on the results of the actions carried out in respect of the Model of organisation, management and control in accordance with Italian Legislative Decree No. 231/2001.

Audit activities follow an annual programme that is presented to the Board of Directors following examination by the Board of Statutory Auditors, the Internal Audit Committee and, for those aspects within its remit, the Supervisory Board established in accordance with Italian Legislative Decree No. 231/2001.

Audits of the distribution division and bank branches are conducted both through on-the-spot investigations and through a dedicated remote audit IT tool (Audit Information System) developed and constantly updated and implemented for monitoring specific operating areas. During 2014, a total of 702 audits were carried out across all the Personal Financial Adviser operating areas of both distribu-



tion networks (502 for Banca Fideuram and 200 for Sanpaolo Invest), 164 of which (approximately 23% of the total) involved further on-the-spot investigations (129 for Banca Fideuram and 35 for Sanpaolo Invest).

A total of 3,827 alerts from the Audit Information System were noted and individually validated (2,757 for Banca Fideuram and 1,070 for Sanpaolo Invest), concerning 2,586 Personal Financial Advisers (1,825 for Banca Fideuram and 761 for Sanpaolo Invest). The Department examined 147 cases of customer complaints (113 for Banca Fideuram and 34 for Sanpaolo Invest) to investigate the work of our Personal Financial Advisers.

The Audit Department also provides constant and independent supervision of the proper conduct of the bank's operations and processes to prevent or detect the occurrence of anomalous and risky conduct or situations, supervising maintenance of the value of activities, including those connected with the bank's ethical commitments and social responsibility. Internal Auditing also supports the 231 Supervisory Board in overseeing compliance with the principles and values in the Code of Ethical Conduct.

## 702

### Audit on Personal Financial Adviser operations

## FINANCIAL MANAGEMENT GOVERNANCE

Italian Law No. 262/2005 brought in a number of important new requirements regarding the roles and duties of Boards of Auditors and Supervisory Boards, the composition of Boards of Directors, the provisions regarding conflicts of interest and the protection of non-controlling shareholders. In addition, specific regulations were introduced governing the figure of the Manager responsible for the preparation of the company accounts, who reports directly to the Internal Audit Committee and Board of Directors. The Manager responsible for the preparation of the company accounts is in particular required to provide suitable administrative and accounting procedures for preparing the financial statements and all other financial communications and to certify that the accounts comply with the International Accounting Standards/ International Financial Reporting Standards (IAS/IFRS) issued by the International Accounting Standards Board (IASB) and endorsed by the European Commission. Banca Fideuram has formulated specific guidelines and coordination rules for its Model of Financial Management Governance, which was developed taking into account international frameworks such as the recommendations of the Committee of Sponsoring Organizations of the Treadway Commission

(CoSo) and the Control Objectives for IT and related technology (COBIT).

The audits carried out in 2014 were conducted on those processes assessed as posing the greatest potential risk and regarded certain areas of the administrative accounts management of financial and insurance products and mutual funds, of the management of Personal Financial Adviser commission, Finance, risk control, planning and monitoring, outsourcer monitoring and the monitoring of certain processes supporting the business (Administration, Regulatory and Fiscal Requirements), as well as the processes for managing the Group's technological infrastructure and the applications for its administrative processes.

Upon completion of said activities, the system of internal controls on the financial information of Banca Fideuram and its subsidiaries was considered to be suitable.

## INTERNAL AUDIT SYSTEM ON THE IMPLEMENTATION OF THE CODE OF ETHICAL CONDUCT

In accordance with the law and Supervisory regulations, Banca Fideuram has put an internal audit system in place to monitor, measure and audit, among other things, the risks deriving from failure to implement the Code of Ethical Conduct.

### **SOCIAL, ENVIRONMENTAL, AND REPUTATIONAL RISK CONTROL**

Effective risk management and control are essential to ensure the dependable and sustainable creation of value to protect the bank's financial solidity and reputation.

The 231/2001 Model, which was previously updated in 2012 to include environmental offences including those which entail administrative responsibility for the bank if committed by an employee, has now been supplemented with a protocol illustrating the principles all employees are required to adopt to prevent the risk of committing environmental offences.

### **SOCIAL AND ENVIRONMENTAL RISK MANAGEMENT IN LOANS: ENVIRONMENTAL OFFENCES**

The assessment of environmental risk in lending is not limited to large projects, but extends to all the loans the bank grants to any of its different types of customers. A thorough assessment of these potential risks also mitigates the risk that environmental offences will be committed. Banca Fideuram Model 231/2001 has for several years included environmental offences as a sensitive area, recognising that offences in environmental criminal law entail the administrative responsibility of legal persons and consequentially an indirect responsibility of the bank for its customers' actions.

### **CONTROVERSIAL SECTORS**

Underlining the importance the bank attributes to ethics and consistent conduct marked by rigour and integrity, we adopted the Intesa Sanpaolo S.p.A. Code of Ethical Conduct and Group Internal Code of Conduct, assuming our responsibilities as a financial intermediary and adopting a specific Environmental Policy.

### **ASSESSMENT AND MANAGEMENT OF REPUTATIONAL RISK**

Banca Fideuram recognizes the extreme importance of reputational risk, which is - in the Compliance Unit's areas of responsibility - assessed in the compliance risk management system, in the conviction that respect for the law and regulations, together with high standards of propriety in all business relations, are essential in banking, which is naturally built on trust.

The Bank adopted the Intesa Sanpaolo Group Code of Ethical Conduct with the objective of explicitly managing certain reputational risks connected with relations with its stakeholders that would otherwise remain latent. The Code specifies a framework of voluntary commitments to all our stakeholders, in accordance with which the bank has committed to international standards, issued policies for the most sensitive areas, and sets improvement objectives every year as part of its sustainability-reporting management process.

Following this decision, we put a series of tools in place to monitor implementation of the related commitments and achievement of the specified improvement objectives.

## 4.8.5 Relational capital

This capital consists of intangible resources attributable to the Group's relations with its key stakeholders, necessary to enhance its image, reputation and customer satisfaction.

	2014	2013	2012
The average length of customer relationship (years)	12.7	12.7	12.6
Complaints (No.)	2,159	2,120	2,043
New Fonditalia Ethical Fund customers (No.)	652	1,887	1,628
New customer net inflows into Fonditalia Ethical Fund (€/1000)	6,031	13,172	14,744

## CUSTOMERS

MAIN OBJECTIVES FOR 2014	ACTIONS AND RESULTS ACHIEVED
Organise local customer events that examine matters of current interest and support a greater understanding of them.	A number of customer events were organised during 2014 with the aim both of consolidating the loyalty of our top customers and developing new contacts. These initiatives all helped strengthen personal relationships and create a stronger financial culture. Assets and succession management and our SEI Advanced Advisory Service provided the subjects for the majority of these customer events.
Conduct an analysis of the perceptions of potential customers regarding our advanced advisory service and perform an audit of the service quality provided in relation to that of our main competitors.	Market research on the delivery methods of our advanced advisory service enabled us to acquire a greater understanding of our target market during the year, and to make a comprehensive assessment of the service offered by our competitors.
Strengthen our customer profiling model by providing a new questionnaire.	A new, more comprehensive profiling questionnaire was drawn up in 2014 in accordance with the guidelines of the European Securities and Market Authority (ESMA). Our risk profile measurement methodology was refined with the input of over 600 Personal Financial Advisers from the Fideuram and Sanpaolo Invest networks, who supported us in a pilot project involving their top customers. The new questionnaire will become fully operational in the second quarter of 2015.

(follows)

(continued)

MAIN OBJECTIVES FOR 2014	ACTIONS AND RESULTS ACHIEVED
<p>Continue our development work in the managed financial assets and managed insurance assets segments, focusing in particular on asset management solutions that provide a complete, structured response to socio-economic developments. We shall, moreover, also continue our development work on non-managed assets solutions and banking services to provide an appropriate spectrum of solutions to meet the needs of existing and potential customers.</p>	<p>Our product development initiatives in 2014 were principally focused on strengthening products with a high service content to continue providing solutions that meet growing customer demand for individual and household asset management solutions that offer simplicity and transparency. These initiatives were conceived in line with our guided open architecture advisory service model.</p> <p>The main new developments were as follows:</p> <ul style="list-style-type: none"> <li>• Our range of own funds was enhanced with the launch of an innovative fund for the Italian market, named Interfund Crescita Protetta 80, developed in partnership with Morgan Stanley Investment Fund, which offers controlled exposure to global stock markets using a ratcheting protection mechanism that increases with the growth in value of the fund. The fund was added to the Omnia Discretionary Account opportunity set and to the Class III Unit-Linked policies in the Fideuram Vita Insieme family.</li> <li>• Where our discretionary accounts were concerned, we extended our Omnia range of solutions and services with the introduction of two new lines. The first offers guided investment in third-party balanced funds, while the second offers guided investment following a multi-strategy, multi-line and multi-manager approach.</li> <li>• Our insurance product development firstly concerned the Class III policies in the Fideuram Vita Insieme family, which were enhanced by making the financial decumulation plan more flexible, providing a new guided-reallocation option, and updating the range of mutual funds to include the new IFU Crescita Protetta 80 capital protection fund. We then added a new policy to our Fideuram Vita Garanzia e Valore Flex range, a Class I with-profits policy with a guaranteed minimum return of 1% and the option of receiving the annual bonus in the form of a coupon. Our pension products saw the revision of the Fideuram Pension Fund with the introduction of multi-sector management, the option of contributing using the financial decumulation plan coupons of the Fideuram Vita Insieme family of products and the option of using the Fideuram Mobile Solution platform to manage the pension plan online.</li> </ul> <p>Where our banking services were concerned, we advanced the initiatives supporting the extension of our banking facilities with the launch of our new Fideuram Plus current accounts, and continued to participate in Group and underwriting syndicate public bond issues.</p>

In line with our corporate Mission,

“ To help our customers manage their assets wisely, based on a detailed analysis of their real needs and risk profile. To offer financial and insurance advisory services with the support of expert professionals, acting with total transparency and complete respect for the rules ”

the Group has developed its own distinctive customer service model over the years, characterised by the completeness and quality of support provided. The Group principally operates in the Private Banking segment, providing a service that offers substantial added value in the form of advisory support delivered through highly professional Personal Financial Advisers. Analysis and a close understanding of our customers, enhanced by the insights of the main market research initiatives in Italy, enable the Group to extend and develop its services in line with our customers' evolving needs.

### CUSTOMER PROFILE

At 31 December 2014, the Fideuram and Sanpaolo Invest Networks served a total of approximately 636,000 customers, an increase of 13,000 (+2.1%) on the figure at 31 December 2013, with this growth principally being in high-end customers in the Private Banking segment. Assets per client were €142k at 31 December 2014, compared with €134k at 31 December 2013.

	2014	2013	2012
Customers (thousands)	636	623	620
Client Assets (€m)	90,161	83,672	79,296

### DISTRIBUTION OF CUSTOMERS BY AGE

The age profile of our customers has not changed significantly in recent years, with a clear majority being in the 53 to 67 age group, which has high disposable income together with substantial assets and property.

No. of Customers (thousands)	2014		2013		2012	
	No.	%	No.	%	No.	%
up to 32 years	42	6.7	39	6.3	36	5.9
33 - 42 years	75	12.0	78	12.7	82	13.3
43 - 52 years	144	23.0	145	23.5	149	24.3
53 - 67 years	196	31.4	194	31.5	194	31.6
over 67 years	168	26.9	160	26.0	153	24.9
<b>Total (*)</b>	<b>625</b>	<b>100.0</b>	<b>616</b>	<b>100.0</b>	<b>614</b>	<b>100.0</b>

(\*) excluding legal persons.

### DISTRIBUTION OF CUSTOMERS BY LENGTH OF RELATIONSHIP

The average length of relationship was 12.7 years in 2014. This was in line with the figure for the previous year and testifies to the strong customer loyalty built over years of stable relationships with our Personal Financial Advisers.

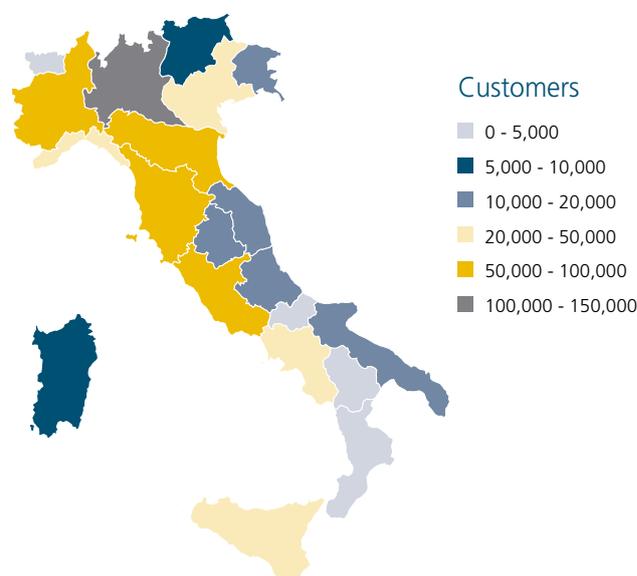
No. of Customers (thousands)	2014		2013		2012	
	No.	%	No.	%	No.	%
0-1 years	75	11.8	74	11.9	71	11.5
2-4 years	96	15.1	85	13.6	75	12.1
5-7 years	70	11.0	68	10.9	70	11.3
8-10 years	55	8.6	52	8.3	56	9.0
11-20 years	216	34.0	224	36.0	229	36.9
over 20 years	124	19.5	120	19.3	119	19.2
<b>Total</b>	<b>636</b>	<b>100.0</b>	<b>623</b>	<b>100.0</b>	<b>620</b>	<b>100.0</b>

### DISTRIBUTION OF CUSTOMERS BY GEOGRAPHICAL AREA

As in prior years, approximately 87% of our customers in 2014 were residents of the Central and Northern Regions of Italy, where most of the country's wealth is concentrated.

(No. of Customers thousands)	2014		2013		2012	
	No.	%	No.	%	No.	%
North-East	132	20.8	129	20.7	129	20.8
North-West	240	37.7	235	37.7	235	37.8
Central	179	28.1	176	28.3	173	28.0
South	54	8.5	53	8.5	53	8.6
Islands	31	4.9	30	4.8	30	4.8
<b>Total</b>	<b>636</b>	<b>100.0</b>	<b>623</b>	<b>100.0</b>	<b>620</b>	<b>100.0</b>

Geographical distribution of customers in 2014





During 2014 the Banca Fideuram Group continued to support the main **Quality Commitments** promoted by the PattiChiari Consortium, consisting in a series of rules, tools and services adopted by the subscribing banks to promote transparency in customer dialogue and facilitate comparisons of and transfers between products.

Banca Fideuram is currently subscribed to the following PattiChiari initiatives:

#### CONTI CORRENTI A CONFRONTO (CURRENT ACCOUNTS COMPARED)

- Comparison engine for current accounts.
- Average current account closure times.

#### TRASFERIBILITÀ DEI SERVIZI (TRANSFER OF SERVICES)

- Automatic transfer of payment services.
- Automatic transfer of securities dossiers.
- Automatic collection order transfer. ("RIBA")
- List of current account services.

Banca Fideuram provided all the info-training aids required to meet these commitments, including brochures and website information for its customers, employees and networks.

## EXTERNAL COMMUNICATIONS

Our external communications were mainly focused on two areas in 2014:

- Publicising the successful growth of our SEI Advanced Advisory Service as a continuation of the campaign launched in late 2013, with the aim of increasing visibility with our target group of high-level Private Banking customers, supporting and recognising our Personal Financial Adviser Networks in their advisory work and facilitating recruitment.
- Communications with our networks as part of local and online marketing initiatives.

The Banca Fideuram Group continued to advertise its SEI Advanced Advisory Service in 2014, supporting its solid growth with an advertising campaign centred on a slogan that puns on the fact that SEI not only means "you are", but is also the number six in Italian: "SEI is a prime number".

Drawing on the internal communications expertise of the Intesa Sanpaolo Group and the support of the advertising agency stv DDB, the campaign highlighted the values of excellence and superior support that have constantly distinguished the services the Group provides its most demanding customers.

Launched in December 2013, the campaign appeared in leading titles of the financial press and sector magazines throughout 2014.

Banca Fideuram took advantage of a large advertising hoarding adjacent to a major Personal Financial Adviser office in Piazza dei Martiri, Naples, to wish the city a Merry Christmas in 2014, making a big impact with the hoarding's size and vibrant colours.

The networks strengthened their local communications activities in the year, with individual Personal Financial Advisers and Network Managers developing local initiatives that sponsored sports and cultural events to raise awareness of the financial advisory support they provide. Many sports teams, dance schools and sports clubs benefited from charitable donations that helped secure the success of their events, while also raising brand awareness of our Group brands at local level.

The Personal Financial Advisers of the two networks took part in numerous local conferences and seminars on financial affairs, aiming to help increase the participants' financial literacy.

Our Personal Financial Advisers continued to build their web presence in 2014, harnessing the full potential of social and professional networks to consolidate their relations with existing customers and introduce themselves to potential customers.

**Sei è un numero primo.**

Banca Fideuram è oggi leader del mercato italiano dell'advisory, grazie a Sei, il servizio di consulenza evoluta.

A cinque anni dal suo lancio, Sei ha superato i 23 miliardi di capitali gestiti ed è stato utilizzato da circa 4.200 private banker di Banca Fideuram e Sanpaolo Invest, soddisfacendo oltre 57.000 clienti. Un altro grande risultato per il Gruppo Fideuram, già leader nella promozione finanziaria in Italia.

**Banca FIDEURAM**  
www.bancafideuram.it

INTESA SANPAOLO

Comunicazione pubblicitaria e promozionale.

## FINANCIAL STATEMENTS OSCARS

Banca Fideuram was awarded first prize in the “Major and Large Listed and Unlisted Banks and Financial Companies” category of the 2014 “Oscar di Bilancio” Financial Statement Oscars, established by the Italian Public Relations Institute (IPR) in 1954 and organised by the Italian Public Relations Federation (FERPI) under the High Patronage of the President of Italy. The jury summarised the basis of its decision as follows: “The financial statements and explanatory notes are of the highest standard. The integrated financial statements are well presented and adhere to current guidelines. The explanatory notes are of high quality, and the section of the financial statements on the segmentation of disputes and contingent liabilities stands out for its clarity. The information about social responsibility is detailed and complete, and the data is comprehensive and well structured. The Corporate Governance section of the website is likewise of a high standard.”

Accepting the award, Banca Fideuram’s Managing Director and General Manager Matteo Colafrancesco commented as follows: “Solidity, innovation, efficiency and sustainability are the pillars upon which Banca Fideuram’s history of success has been built. The result,” he continued, “is constant growth that is sustainable over time. The actively guided flow of managed assets into the market fuels a healthy economy, creating a virtuous circle of profits and results. Our integrated financial statements enable us to highlight these qualities. While many banks still see their financial statements as no more than a financial and accounting report, for us they have become a true communication tool for presenting our values and results to the market and our customers.”

Banca Fideuram also took the Oscar in this category in 2010. Under the rules, winners can take part in but not win the Financial Statements Oscars for three years after they have won. Banca Fideuram opted to take part every year, testifying to its commitment to the growth of the Oscars and to developing integrated financial communications, in which the bank has distinguished itself for the excellence of its reporting and for being one of the very first Italian companies to pursue the benefits of Integrated Reporting.



## AMBROGIO LORENZETTI PRIZE

**GOVERNANCE** INSIGHT

10 giugno 2014  
**Premio Ambrogio Lorenzetti**  
 per la governance delle imprese



Banca Fideuram was one of the winners of the third annual Ambrogio Lorenzetti Prize awarded by GC Governance Consulting.

The prize was established to disseminate and strengthen the culture of corporate governance in Italy, and to raise

awareness of current best practice, bringing recognition to companies that have adopted good business management practices involving effective and transparent corporate governance structures and procedures.

This year's winners of the unlisted companies category included Banca Fideuram (the only bank to achieve this result), on the grounds of its "innovative excellence in financial communication". Summing up, the jury commended the bank as follows: "Banca Fideuram has combined traditional financial statements with reporting of the company's business, social, governance and sustainability performance, setting a new benchmark in communication."

## PROMOTING A FINANCIAL CULTURE

The Banca Fideuram Group believes in the importance of disseminating a solid financial culture among its customers. Increased financial awareness helps foster a common language and strengthen the dialogue between our customers and their Personal Financial Advisers, which has always been a cornerstone of the Group's mission and service model. Financial Culture means awareness in relations, in setting objectives, in clarity of choice and in a shared understanding of the associated risks and opportunities.

We organised a wide range of initiatives promoting financial culture for existing and potential customers in 2014.

The mainstay of these was a series of financial workshops designed to provide information on subjects of particular importance and relevance to our customers. We also held a nationwide tour on the subject of succession management, to complement the Wine & Finance workshops that we have been running at local level for several years now. All of the above involved the contribution of professionals from both inside and outside the Group, including academics, internal fund managers and the Group's most prestigious regular partners.

Another major initiative aimed at disseminating financial culture is our publication Private News, a regular newsletter designed and produced exclusively for SEI Versione Private customers. Each issue takes an in-depth look at a specific topic, selected to suit the distinctive characteristics of high-end customers. The newsletter is brought out in three different versions, depending on the subject area of the topic covered: "prospettive" (outlooks) - which regards the world of finance, "asset reali" (tangible assets) - which provides in-depth coverage of matters relating to non-financial assets, real estate assets and more, and "focus" - which is centred on legal matters, tax and succession management.

Lastly, being committed to supporting initiatives that provide in-depth information on subjects connected with the financial markets, the Group has contributed to the dissemination of the book "Investire con le obbligazioni", about investing in bonds, by Luca Bagato and Patrizia Bussoli (an employee of Fideuram Investimenti), producing 500 copies of an exclusive edition with a preface by Matteo Colafrancesco, the Group's Managing Director. The book is an effective vehicle for disseminating financial culture, not only for our colleagues and Personal Financial Advisers, but for the Group's top customers as well.

## CUSTOMER EVENTS

### SUCCESSION MANAGEMENT

In view of the success of last year's tour held in conjunction with the law firm Studio Legale Chiomenti, we continued our meetings on succession management in 2014. The Fideuram and Sanpaolo Invest networks took part in 19 local meetings on the subject in conjunction with Alessandro Gallo, a strategic consultant from IAMA Consulting. Some 2,500 guests took part in the initiative, with meetings in the cities of Busto Arsizio, Monza, Bergamo, Milan, Lecco, Florence, Verona, Padua, Trento, Barletta, Ancona, Caravaggio, Treviso, Prato, Siena, Pisa, La Spezia and Perugia.



### WINE & FINANCE

Our evenings for existing and potential customers on the subject of "Wine & Finance - Knowing how to choose makes all the difference", were held in conjunction with FondiOnline, strengthening the Group's personal relationships using an innovative format.

Drawing on an amusing parallel with the world of finance, an expert talked guests through the rudiments of wine-making and the main techniques of wine-tasting, highlighting the importance of having an adviser to turn to, whether you want to find your way around the world of finance or choose the best wine.

At the request of our networks, we organised 26 events between June and December, attracting over 2,000 guests, including 1,500 existing and potential customers. The events were held in Matera, Vasto, Pescara, Porto San Giorgio, L'Aquila, Rome, Sarzana, Perugia, Siena, Naples, Capriva, Verona, Taranto, Ragusa, Florence, Modena, Arenzano, Milan, Messina, Bologna, Prato, Albenga, Palermo, Cassano D'Adda and Catania.



## ROUND TABLES – FINANCIAL APERITIFS

These meetings for existing and potential customers provided an introduction to the worlds of fund management and distribution, adopting a transparent, comparative approach. Organised in conjunction with our main third-party partners and moderated by an independent expert on the funds market, the meetings focused on topics connected with market performance, strategies for managing periods of high volatility effectively, and the investment process. A total of 20 Round Tables were held, attracting over 1,200 guests in the cities of Milan, Bergamo, Cassano D'Adda, Biella, La Spezia, Bologna, Prato, Rome, Reggio Emilia, Grosseto and Macerata.



## SEI GROWTH PREMIUM EVENTS

During the year, we continued our premium events named "Cibo&Vino: alla ricerca dell'abbinamento perfetto" ("Food & Wine: in search of the perfect combination") for existing and potential SEI growth customers, organised in conjunction with FondiOnline. Art, taste, wine and gastronomy came together in perfect harmony at these events, sending out an important message: there's no such thing as the best wine, but certain combinations of wines and foods bring out the best in each other. By the same token, there's no such thing as a best fund, but a certain fund will generate value effectively in a given portfolio, built to meet specific needs. The events were held in prestigious venues in Rome, namely the magnificent Terrazza Caffarelli that forms part of the Capitoline Museums, and the prestigious Galleria del Cardinale in Palazzo Colonna. Here, our guests had the opportunity to visit the great halls of the Palace as well as savour a gastronomic dinner and wine-tasting.



## BANK AND ART TOGETHER

### **TURIN - TEATRO REGIO, PREVIEW PERFORMANCE OF "TOSCA", 11 March**

In keeping with the Banca Fideuram Group's commitment to supporting significant cultural events, 2014 saw us once again sponsor a production by Turin's Teatro Regio, one of Italy's best-known and most historic theatres, in this case the famous "Tosca", a melodrama in three acts by Giacomo Puccini, with performances on 13, 16 and 18 March.

In recognition of this support, the theatre put on a preview performance of Tosca exclusively for our Group on 11 March. The event was attended by over 1,400 guests, made up of customers and Personal Financial Advisers from our two networks.



### **TURIN – TEATRO REGIO, SISTINE CHAPEL CHOIR CONCERT, 8 May**

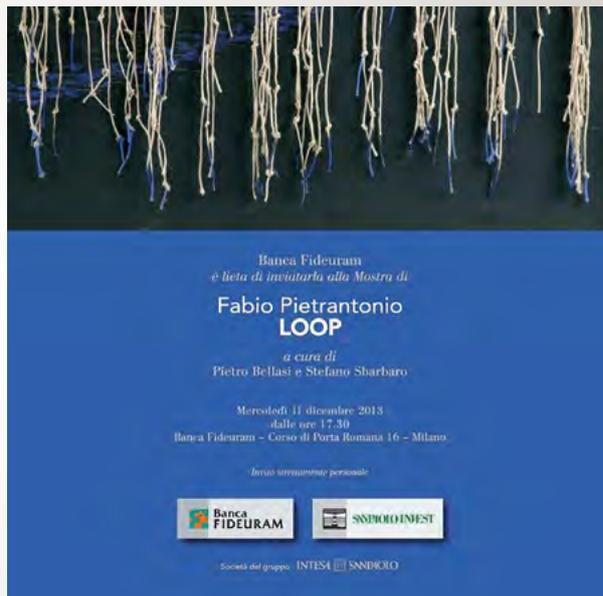
The Banca Fideuram Group was sole sponsor of the "CANTATE DOMINO CANTICUM NOVUM" concert held as part of the Turin International Book Fair, at which the Pope was guest of honour. The Sistine Chapel Choir, which has been the Pope's private choir since the early centuries of the Church, performed at the Teatro Regio in Turin. It is made up of 20 permanent adult singers and 35 boy choristers, known as the Pueri Cantores. Over the years, the choir has boasted a string of illustrious members, including Giovanni da Palestrina, yet despite its long history dating back centuries, has very rarely performed outside the Vatican. The concert was a memorable occasion for the 600 guests of Banca Fideuram, made up of customers, managers and Personal Financial Advisers.



**FABIO PIETRANTONIO'S "LOOP" EXHIBITION**

Following the opening of Fabio Pietrantonio's first exhibition in Milan in December 2013, further exhibitions of his works were held in Banca Fideuram and Sanpaolo Invest offices in the main Italian cities of Rome, Florence, Naples, Bari and Turin in 2014.

Guided tours with the artist and curator were organised in each of these locations, and social occasions for Personal Financial Advisers, customers and modern art lovers.

**"ONE TORINO" EXHIBITION #2**

In the last two months of 2014, five exclusive evenings were held in Palazzo Cavour, the venue of the exhibition "Shit and Die", curated by Maurizio Cattelan, Myriam Ben Salah and Marta Papini.

Over 300 Banca Fideuram and Sanpaolo Invest customers took part in the events, enjoying private tours led by the curators.



## OPENING OF NEW OFFICES

A number of prestigious new offices were opened in 2014.

On 23 and 24 September, Managing Director Matteo Colafrancesco opened two new Banca Fideuram and Sanpaolo Invest offices in Bari and Caserta. The Bari offices are located in a prestigious building in Corso Cavour, a stone's throw from the historic Teatro Petruzzelli. The new office in Caserta is also located in a prime city centre site, in Corso Trieste, not far from the Reggia del Vanvitelli. The official openings featured evening programmes with an exclusive concert and art exhibitions.

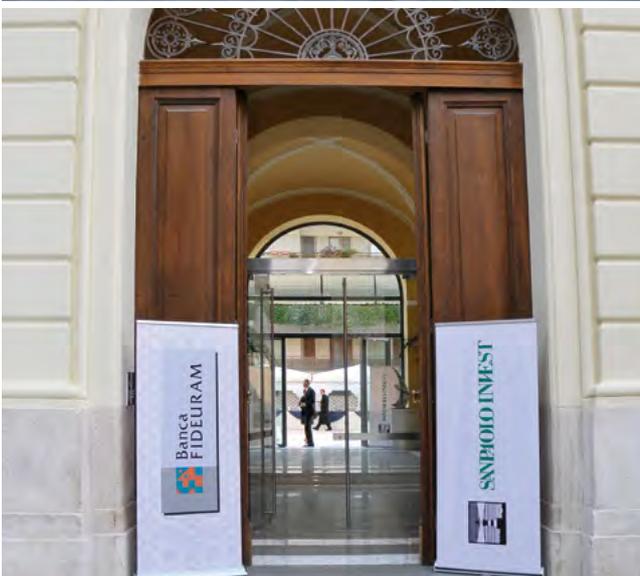
Banca Fideuram opened its new Naples office on 3 October, located in the Palazzo Partanna building in Piazza dei Martiri, in the Chiaia district. The ribbon-cutting ceremony was preceded by a press conference at which Managing Director Matteo Colafrancesco underlined the Group's commitment to the Naples area and southern Italy in general, which remains strong notwithstanding the current challenging economic climate. The celebrations continued at the Teatro San Carlo, which staged a performance of "L'elisir d'amore" by Gaetano Donizetti, for an audience of over 1,000 people.

The last office opening of the year was in Rovigo on 11 December, where guests were given a tour of the new Banca Fideuram offices before attending a concert organised in conjunction with the Rovigo-based Conservatorio Francesco Venezze. The concert was held in the splendid Sala del Grano venue of Confindustria, the Italian General Confederation of Enterprises, Professions and Self-Employment. Giuseppe Verdi was the focus of the musical programme, performed by young musicians who had already gained their diplomas and acquired substantial artistic experience before enrolling in the specialisation courses at the Conservatorio Venezze.

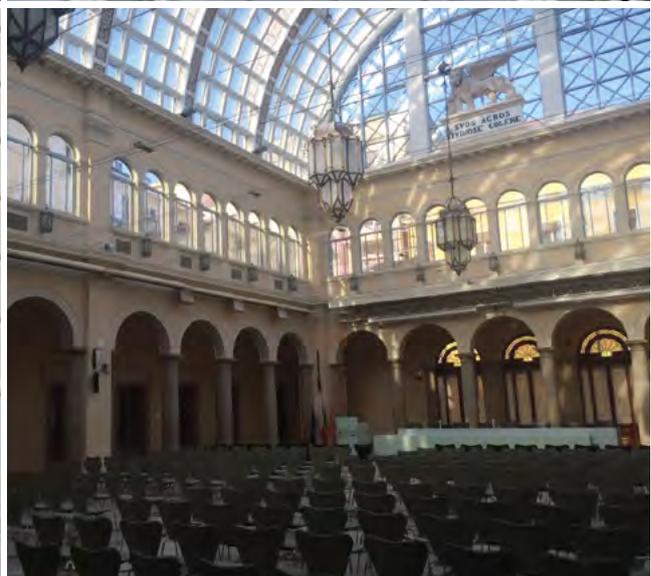
BARI



NAPLES



CASERTA



ROVIGO

## CUSTOMER ASSISTANCE SERVICE

Our Customer Assistance Service provides information on the Group's products and services, and on each customer's overall position, which can also be viewed on the Fideuram Online website.

2014 saw the introduction of the Fideuram Online App, which enables customers to access information on their assets and conduct trading transactions in a few simple steps on their iPhones.

This innovation reduced the number of customer service calls by 10% to approximately 305,000 for the whole year. Perceived quality of service was gratifyingly high, as was the level of service delivered, in terms of the percentage of calls processed out of the total received.

**305,000**  
Customer contacts

## CUSTOMER FEEDBACK

The Group's Italian companies received a total of 2,159 customer complaints in 2014.

Complaints regarding investment and ancillary services continued to fall in absolute terms, particularly where bonds in default were concerned (-47%).

Response times continued to be comfortably below the maximum levels specified by the relevant legislation, with an average response time of 24 days (30 days legal maximum) for banking service complaints and 40 days (90 days legal maximum) for investment service complaints.

At 31 December 2014 there were 113 complaints regarding irregularities by personal financial advisers.

Complaints to the Banking and Financial Services Ombudsman increased slightly compared with the previous financial year (rising from 22 to 26), as did those to the Banking Ombudsman "Jury" (from 13 to 18).

**40** days

Average processing time for investment service complaints (\*)

(\*) compared with 90 days maximum legal requirement.

### Complaints by type

	2014	2013	2012
Complaints regarding investment services	313	378	460
- of which securities in default	44	83	106
- of which structured securities	2	3	8
Cheques and bills	39	36	68
Transfers, wages and pensions	40	42	62
Cards (*)	1,066	896	750
Loans	4	7	-
Current and deposit accounts	334	340	425
Mortgages and special loans	5	-	3
Insurance products	-	-	21
Remote banking	83	74	126
Other	275	347	128
<b>Total</b>	<b>2,159</b>	<b>2,120</b>	<b>2,043</b>

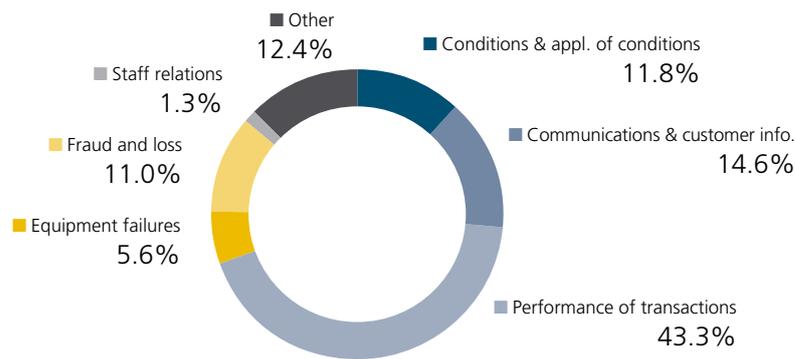
(\*) The figure for 2014 includes 794 unrecognised payment card transactions, which are no longer included in the Complaints Register as of 1<sup>st</sup> March 2014.

The category Other for the most part comprises customer complaints regarding general aspects of their relations with the bank that are not directly connected with investment services or banking and financial services. These include customer complaints regarding privacy and the capitalisation of interest as shown below:

### Other complaints

	2014	2013	2012
Italy			
For Privacy	3	15	8
For Capitalisation of interest due	-	-	-
Outside Italy			
For Privacy	-	-	-
For Capitalisation of interest due	-	-	-

## Complaints by reason, 2014



## TRANSPARENCY WITH CUSTOMERS

The regulations on the transparency of banking transactions and services allowed us to present the information we provide our customers in every phase of their relations with the bank in a manner that is clearer and easier to understand.

Simplicity of language and transparency of information have been core objectives in:

- Analysing all our products and taking any corrective actions necessary to make them easier to understand.
- Rewriting all the transparency documents provided for our customers to make it easier for them to understand the products and services offered, their features, risks, economic terms and conditions, and the entitlements offered and procedures for exercising them.
- Drafting the periodic summary document presenting

updated financial terms and conditions so that it does so consistently. The structure and wording of all our documents was revised and new report and summary documents produced as well as being made available to all customers online.

- Enhancing bank statements with new condensed statements (“Annual expenditure statement”) that make it easy to see the total costs of one’s banking services, presenting them in uniform expenditure categories that can be compared year on year.

The in-house training and information provided for branch staff combines traditional tools and innovative solutions, including Intranet communications, supplementary material supporting training catalogue courses, Web TV and e-learning modules.

## MAIN IMPROVEMENT OBJECTIVES FOR 2015

### CUSTOMERS

Our main improvement objectives for 2015 include:

- Organising local customer events that examine matters of current interest and support a greater understanding of them.
- Extending the reporting content on the customer’s household unit.
- Extending consulting to the diagnosis of customers’ real estate assets, with the addition of land registry data, real estate reports, itemised data sheets, tax impact estimates and strategic mapping of real estate and succession management.
- Strengthening our customer profiling model by providing a new questionnaire.
- Launching a digital presence management project for our Personal Financial Advisers to provide them with innovative tools for communicating with their customers.

## SUPPLIERS

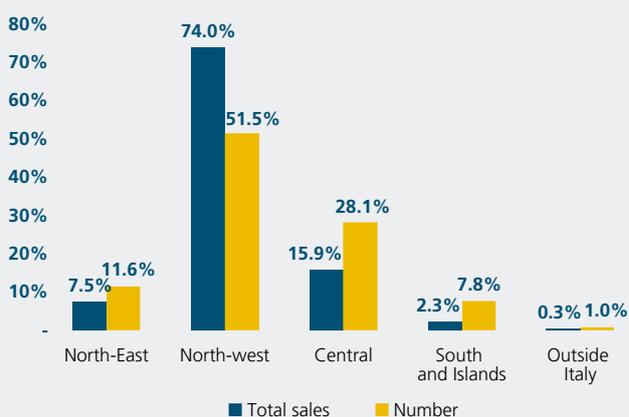
MAIN OBJECTIVES FOR 2014	ACTIONS AND RESULTS ACHIEVED
Complete the operational and management conversion of the Fideuram Network Personal Financial Advisers' offices from standard cost management with costs borne by the Network to a new logistical model with costs borne by the bank.	76 Personal Financial Advisers' offices were converted in 2014 in accordance with the new logistical model, thus streamlining costs and optimising resources and consumption.
Create synergies where possible to reduce costs across our many Personal Financial Advisers' offices.	The process of creating synergies between offices continued in 2014, bringing Banca Fideuram and Sanpaolo Invest Personal Financial Advisers together at certain offices and reducing their operating costs.

## PROFILE OF SUPPLIERS

The work of revising and rationalising the phases in our goods and services procurement procedures continued during 2014, in accordance and in line with our internal spending regulations. Banca Fideuram, Sanpaolo Invest and Fideuram Investimenti had commercial dealings with 1,286 suppliers during the year for a total value of approximately €129.3m. A total of 103 of these partners were classed as Large Suppliers, meaning they each supplied goods or services with an annual value in excess of €155k, accounting for €109.4m altogether.

	2014	2013	2012
Total sales by large suppliers (€m)	109.4	112.1	122.8
Large suppliers (No.)	103	104	128

Geographical distribution of Large Suppliers in and outside Italy by total sales and number, 2014

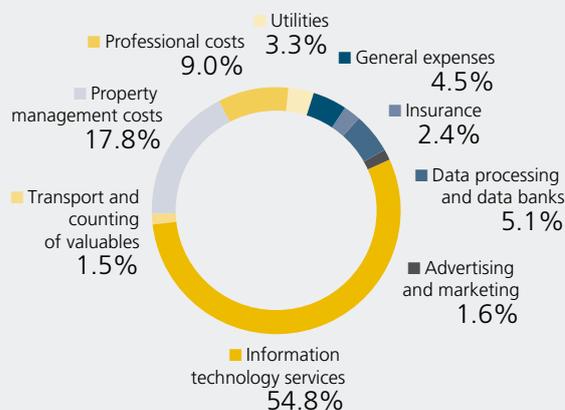


Our Large Suppliers are mainly located in Italy, which accounts for 99.7% of the total.

### Distribution of Large Suppliers by activity

%	2014	2013	2012
Insurance	2.4	2.7	3.1
Data processing and data banks	5.1	4.7	3.4
Advertising and marketing	1.6	2.2	3.3
Information technology services	54.8	56.1	51.9
Transport and counting of valuables	1.5	2.5	2.2
General expenses	4.5	4.7	5.8
Property management costs	17.8	17.7	17.5
Professional costs	9.0	6.7	10.6
Utilities	3.3	2.7	2.2

### Distribution of Large Suppliers by activity



## SUPPLY CHAIN MANAGEMENT

Like its parent company, Banca Fideuram pursues economic growth in a manner consistent with safeguarding the environment and respecting human rights and workers' rights. This enhances the quality of our relationships with suppliers and our procurement policies.

The project for centralising the Banca Fideuram Group's Procurement with that of Intesa Sanpaolo was completed in 2014. The project unified procurement rules and processes, applying parent company Intesa Sanpaolo's model as the model for all Fideuram Group companies, raising awareness of aspects related to social and environmental responsibility. This saw Banca Fideuram adopting the "Guidelines for Group Purchases" and related Operational Guides, applying the same criteria as its parent company and aligning the social and environmental awareness and responsibility processes of every department involved in the sourcing process, from requests for quotations to calls for tenders and supplementary information.

The parent company's procurement centralisation project has made the process of identifying suppliers more uniform through the signing of contracts and agreements with Intesa Sanpaolo's suppliers. The bank has informed suppliers of the new processes and new business communication procedures, thus increasing the transparency of relationships and providing the necessary information for inclusion in the parent company's Suppliers Register.

Although aligned with the parent company's directives and therefore able to use the latter's suppliers for certain activities, Banca Fideuram was not able to draw upon the Suppliers Register on the Intesa site in 2014 because the centralisation process was not fully completed until early 2015. Banca Fideuram will be able to use the Suppliers Portal from 2015, enabling it to manage its tendering procedures on-line, which will make its supplier relations even fairer and more transparent.

## SELECTION POLICIES

Banca Fideuram continued its work of improving quality standards in 2014 by selecting suppliers on the basis of legal and ethical integrity, technical and professional suitability, reliability with respect to data protection and privacy, and commercial competitiveness.

Suppliers who meet these requirements are entered in the Suppliers Database, from which the Fideuram Group Suppliers Register is compiled, for suppliers with total sales exceeding €50,000. The Register is updated annually, removing suppliers who do not meet the requirements of economic, social and environmental reliability, who have been in breach of contract or failed to fulfil their data protection commitment, or who have repeatedly turned down or failed to respond to calls for sealed bids.

To maximise the reliability of supplier selection in these respects, the bank awarded several contracts preferen-

tially to suppliers of the parent company, thereby achieving substantial economies of scale and meeting the stipulated social and environmental responsibility criteria.

From the second half of 2014, Banca Fideuram adopted its parent company's procurement management guidelines, from supplier selection to the awarding of contracts.

The guiding principle of our sourcing strategy is to purchase the goods or services that offer the best value for money in order to maximise the Group's economic returns by containing costs and maintaining appropriate quality and service levels, while complying with the general policies on the environment and overall sustainability. Traceability is a key element of this principle, in the form of documenting the decision-making processes.

Suppliers are selected by comparing bids submitted by multiple tenderers.

Banca Fideuram uses the same criteria for awarding contracts as its parent company, namely: Request for Quotation (RFQ), Request for Proposal (RFP), Request For Information (RFI) and, where comparisons cannot be made, Direct Negotiation.

Market comparisons are not required for non-recurrent purchases with a value of less than €25,000 that are not connected with other initiatives or covered by framework agreements or contracts.

The choice of supplier for a purchase is guided by the following criteria together with the size and type of supply:

- Size of the company and its operational organisation.
- Market position in accordance with procurement requirements.
- Type of purchase required.
- Supplier's specialisation in the product category to which the supply relates.
- Significance of the activity for the Intesa Sanpaolo Group as a percentage of its total value of production.
- Technical/economic assessment of the supplier on the basis of total sales, rating, quantities ordered, quality and punctuality of supply, etc.

For market comparisons, Banca Fideuram requires the involvement of at least three suppliers, and at least five suppliers for supplies in excess of €50,000.

Market comparisons for amounts exceeding €25,000 and €150,000 for certain product categories require sealed bids.

Depending on the request strategy (RFQ or RFP), the assessment is either based exclusively on an economic analysis (best price) or on a technical/economic analysis (best proposal in terms of meeting combined technical and price requirements), in accordance with the assessment criteria specified before the suppliers' bids are opened. The technical assessment can also include social and/or environmental responsibility criteria. Conversely,

if following an RFI strategy, the purchaser may obtain information, solutions and pricing in the form of indicative quotations, and specify the sourcing strategy to be applied for the purchase.

The winning bidder is selected upon completion of all the procedures required for the request strategy adopted, in accordance with the award criteria specified and when agreement has been reached on the contractual conditions.

## SOCIAL AND ENVIRONMENTAL RESPONSIBILITY

Having implemented the Intesa Sanpaolo guidelines in the supplier selection phase, Banca Fideuram gathers information on the bidder's social and environmental responsibility, and then assesses its suitability on the basis of technical and sustainability ratings before awarding the contract.

The contractual clauses to be signed by suppliers also include an undertaking to comply with the principles set out in Banca Fideuram's Model of Organisation, Management and Control (Italian legislative Decree 231/2001), Internal Code of Conduct and Code of Ethical Conduct. Under the terms of all procurement contracts, furthermore, suppliers are required to ensure that their representatives, employees and contractors respect the principles set out in these documents.

The selection criteria applied in the bid assessment phase are not confined to best price alone, but also take account of the activities performed. Unjustifiably low bids are excluded on the grounds that they may involve improper conduct by the supplier, such as social security evasion or non-compliance with legal requirements or safety regulations.

In accordance with current regulations, Banca Fideuram has verified the due compliance of contracted suppliers with respect to their employees, requiring submission of the documents testifying to employer payment of all the required social security contributions and application of the minimum wage. The bank has also conducted the necessary checks on compliance with the social criteria applicable to the technical conditions

of contracts (equipment maintenance) and staff (cleaning), through regular inspection of the suppliers' social security payment certificates (Documento Unico di Regolarità Contributiva - DURC) and Chamber of Commerce registration.

Furthermore, it has conducted the necessary checks on compliance with environmental criteria regarding the use of legally-compliant cleaning products, the preferential use of electricity from renewable or equivalent sources where possible, and the on-site auditing of internal and external personnel.

Banca Fideuram has adopted and implemented parent company Intesa Sanpaolo's guidelines on the specifi-

cations for white copier paper, using the services of the parent company's own supplier, thus ensuring the same type of supply. Blank paper and Banca Fideuram headed paper is all ecological Forest Stewardship Council (FSC) certified paper from sustainably-managed forests.

In line with the environmental and energy policies of our parent company, we have adopted an approach for many years that has improved energy efficiency by using renewable sources and eliminating waste, monitoring direct impact (connected with the use of natural resources), and indirect impact (connected with the procurement of goods and services, and with the design and distribution of insurance and financial products).

## MAIN IMPROVEMENT OBJECTIVES FOR 2015

### SUPPLIERS

Our main improvement objectives for 2015 include:

- Completing the operational and administrative conversion of the remaining offices to the New Logistical Model for Personal Financial Advisers' offices.
- Fine-tuning the project for centralising the Banca Fideuram Group's Procurement with that of Intesa Sanpaolo.
- Increasing the transparency of supplier relations management and supplier selection criteria.

## COMMUNITY

Banca Fideuram's charitable and other donations totalled €250k in 2014 and were distributed to a number of respected bodies operating in the humanitarian, aid, scientific research, arts and environmental sectors.



Implementing our community commitments, following detailed enquiries and a diligent selection process, we granted 30 requests for support in the

year out of a total of 55 received, donating a total of €247k as follows:

- €98k to associations operating in the arts, scientific research and sports sectors.
- €149k to humanitarian and aid initiatives.

## ARTS, SCIENTIFIC RESEARCH AND SPORT

Banca Fideuram renewed its support for the Italian association of umbilical cord blood donors (Associazione Donatrici Italiane Sangue Cordone Ombelicale Onlus - ADISCO), a non-profit organisation based in Turin, which was founded partly for the purpose of raising public awareness of the benefits of donating cord blood - a substance rich in stem cells that can be used in transplant operations and the treatment of

disease. The bank made a donation to the association for it to continue building a residential establishment for young patients with oncological diseases, located in the grounds of the Regina Margherita Children's Hospital in Turin, following a similar donation to the project last year.

We also made a substantial donation to the "*Rianimami*" ("Resuscitate me") project of the non-profit organisation Associazione per il Policlinico ONLUS which supports the Milan General Hospital. The aim of the project is to equip 50 first-aid-qualified police patrols with a defibrillator each, partly in preparation for EXPO 2015.

Lastly, the bank made a donation to support the important local social and healthcare work of the Croce Verde voluntary association.

In the field of scientific research, Banca Fideuram supported the Italian Cancer Research Society (AIRC), founded in 1965 by a group of researchers at Italy's National Cancer Institute (Istituto dei Tumori) in Milan, including Professor Umberto Veronesi. The donation was to support the funding of a programme entitled



"In viaggio con la ricerca" (Travelling with research), which provides young research scientists with professional development opportunities in and outside Italy, with a view to developing more innovative and effective cancer treatments.

The bank also made a donation to the Motor Neurone Disease charity Associazione Insieme Contro le Malattie del Motoneurone Onlus (ICOMM), a non-profit organisation operating

in the field of research into Amyotrophic Lateral Sclerosis (ALS), in close partnership with the Università Cattolica del Sacro Cuore in Rome. The donation will be used to fund a research project into the genetic variants found in ALS patients, with the aim of improving our ability to diagnose, prevent and treat the disease in people at risk.

The bank also offered a substantial donation to the Università Campus Bio-Medico in Rome, in support of a lung cancer prevention project to provide free lung screening for 500 people.

Recognising the considerable human and social value of sport, Banca Fideuram renewed its support of the non-profit organisation Freewhite Sport Disabled, making a donation to help its work promoting mountain sports for people with disabilities.

In the same spirit, Banca Fideuram financed the activities organised by the Turin para-rowing society "Società Canottieri Armida" to disseminate the values and stimuli of outdoor sports.

## HUMANITARIAN AND AID INITIATIVES

In 2014, Banca Fideuram continued the support for humanitarian and aid initiatives to which it has been committed in recent years. We supported the “Gruppo Abele” Association, founded by Don Luigi Ciotti in Turin to combat social marginalisation and inequality, and to support cooperative development projects in Africa and Mexico. We likewise supported a project of the Association “Medici con l’Africa CUAMM” (“Doctors with Africa”) for preventing the spread of Ebola by setting up dedicated isolation centres in Sierra Leone, and the “Una Strada per Tutti” project (“One road for all”) of the “Associazione Malattie Rare Mauro Baschirotto ONLUS” (a non-profit organisation for people with rare diseases) to buy a drive-from-wheelchair car.

Banca Fideuram also accepted new applications for support from charities



including the Associazione Assohandicap ONLUS for young people with disabilities, the Italian Leukaemia society “Associazione Italiana Contro le Leucemie” ONLUS (AIL) and the Fondazione “Prima del Dopo Capodarco” ONLUS for young people with disabilities who have lost their parents, testifying to our commitment to helping their valuable work with disadvantaged young people, medical patients and the most vulnerable sections of society.

Lastly, Banca Fideuram confirmed its financial support for the “Fondazione Manuli” ONLUS for people with Alzheimer’s disease and their families, the “Associazione Andrea Tudisco” ONLUS which supports children needing medical care away from home and their families, and the “Fondazione Francesca Rava” – N.P.H. ONLUS for children and adolescents living in poverty worldwide.

## CHARITABLE ACTIVITIES OF SANPAOLO INVEST AND OTHER GROUP COMPANIES

In 2014, Sanpaolo Invest set aside a total of €35k for charity which was distributed to respected bodies in the humanitarian and aid sectors. The company financed and contributed to the implementation of the following initiatives:

- **Associazione Amici di Alessandra Onlus**, for the completion of two classrooms at the “Les Anges” primary school at Uvira in Congo, and the renovation of a diabetic treatment room and purchase of an ultrasound scanner in the city of Bukavu in the province of South Kivu (Democratic Republic of the Congo).
- **Progetto Etiopia Onlus – Lanciano**, a non-profit organisation that not only undertakes cultural initiatives, but is also engaged in humanitarian and literacy activities. The activities planned for the year include the extension of the drinking water distribution system in the village of Agamsa, 180 km south-west of Addis Ababa.
- **Associazione Ersilia Onlus**, a humanitarian non-profit cultural association that undertakes projects dedicated to the world’s poor, including care for the elderly, missionary work in Africa and Peru, and education and aid for families in severe poverty. One of the Association’s projects for

2014-2015 is “Sulla strada con...centomila passi” (“On the road with... 100,000 steps”) for supporting homeless people back into work. This wide-ranging project will be implemented in stages to achieve its goals, and the many activities involved will be undertaken at the headquarters of the Associazione Ersilia by volunteers.

- **Fondazione Maria Grazia Balducci Rossi Onlus** provides care and assistance for those in greatest need. The foundation has already been able to launch a number of project initiatives independently at the Yakassé-Féyassé Mission Health Centre in the Ivory Coast. The Foundation’s project “Prevenzione madre della salute delle donne” (“Prevention is the mother of women’s health”) aims to purchase medical equipment for the preventive diagnosis of tumorous diseases, in particular an ultrasound scanner with probes, pap test kits and swab kits.
- **Fondazione “Il meglio di te” Onlus**, a non-profit humanitarian organisation founded in Naples in 2005 with the aim of helping those most in need. The Foundation’s work is focused on children, who have always been the innocent victims of war, poverty and malnutrition. Its past projects include “Progetto Nisida” (2005), aimed at helping young people from the Nisida young offenders institution into employment. The organisation’s charitable aim is to support young people while they are in custody, providing them with cultural guidance and training that is completed in post-custody work placements designed to support them into employment.
- **Associazione Malattie Rare “Mauro Baschirotto”** founded the B.I.R.D. Institute Europe. The institute’s principal aim is to make a significant contribution to the diagnosis and treatment of rare and/or genetic diseases.



The association's current work includes a project set up to help Chiara Lucchini achieve her dream of learning to drive. Chiara, a university student, suffers from a rare genetic disease which has sapped all her muscle strength, leaving her unable to stand. The project includes the purchase of a car with a joystick control system.

The Group companies outside Italy - Fideuram Gestions, Fideuram Bank (Luxembourg) and Fideuram Asset Management (Ireland) - made donations to the following organisations in 2014:

- **Ènnerdaach ASBL:** a non-profit organisation set up for the purpose of providing temporary accommodation for homeless people and helping them regain their independence after their stay with the association.

- **“Santa Maria degli Angeli” Italian nursery school:** a school run by the Franciscan Missionary Sisters of the Sacred Heart and recognised by the Luxembourg Ministry of Education.
- **Temple Street Children’s Hospital:** a children’s hospital in Dublin.
- **Médecins Sans Frontières (MSF - Doctors without borders):** an international humanitarian organisation that provides medical aid for populations in distress, to victims of armed conflict, epidemics and natural disasters.
- **Istituto della cultura italiana (Italian Culture Institute):** an institute that promotes Italian culture in Luxembourg.

## OUR ETHICAL FUND

The Fonditalia Ethical Investment fund was launched on the Italian market on 1 October 2012. This ethical investment solution, marketed by Banca Fideuram and Sanpaolo Invest, provides an appropriate response to investors’ changing needs in line with the advisory model developed by the Group, bringing customers the opportunity to make investment choices that combine financial sustainability and social value.

The fund invests in the government bonds of countries distinguished for devoting special attention to social and environmental matters, in supranational bonds that support developing countries, in funds specialising in microcredit financing and in fair trade funds and other financial instruments with positive social and/or environmental impacts.

An additional ethical characteristic of the fund is that it supports scientific research by donating a percentage of the commission on the sale of units in the fund to the Italian Multiple Sclerosis Society (AISM) and its Foundation (FISM).

An Ethical Committee with a consultative and proactive role has been established to ensure the investment choices made are consistent with the ethical principles of the Fonditalia Ethical Investment fund, tasked with verifying that the composition of the fund portfolio

is at all times aligned with its underlying ethical principles, and with formulating opinions on the ethical status of the investments when appropriate. The Ethical Committee is made up of management and other professionals with proven social, economic, environmental or financial sustainability experience and recognised academic experts.

It generally meets at six-monthly intervals and is currently made up of:

- Matteo Colafrancesco, Managing Director and General Manager of Banca Fideuram and Managing Director of Sanpaolo Invest SIM.
- Gianluca La Calce, Managing Director and General Manager of Fideuram Investimenti SGR S.p.A.
- Marco Ercole Oriani, Director of the Department of Economics and Company Management at the Università Cattolica del Sacro Cuore.

- Giuseppe Russo, Independent Non-Executive Director of Banca Fideuram and member of the Internal Audit Committee.



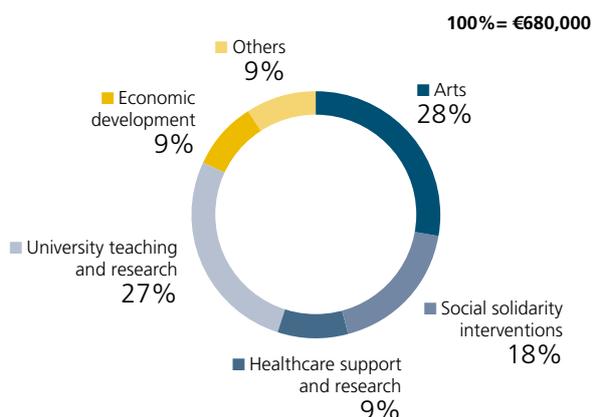
(€k)

	31.12.2014		31.12.2013	
	ASSETS	RETURN	ASSETS	RETURN
Fonditalia Ethical Investment Class R	23,783,768	2.9421%	22,511,616	-0.8520%
Fonditalia Ethical Investment Class T	1,084,754	2.9902%	594,776	-0.7818%

In 2014 the Group's total donations to local charities and sponsorship were made entirely in cash. The Banca Fideuram Group prefers long-term commitments that leverage synergies and partnership. Our donations, calculated following the guidelines of the London Benchmarking Group (LBG), are classified by objective as follows:

- 18% "local investments" which include long-term strategic partnerships.
- 41% "donations" which meet specific needs and requests.
- 41% "marketing initiatives" which support events that simultaneously promote our brand and business.

Group donations to area by type of support, 2014



## MEDIA RELATIONS

Media relations have always played a prime role in Banca Fideuram's external communications.

Our Media Relations work in 2014 again ensured our community of stakeholders was kept informed of the most important developments regarding the Group, our Networks and our subsidiaries through articles, interviews, editorials and other contributions published in major newspapers. Media relations put the bank's results in the public eye, enabling us to provide detailed information on the trends that led to these results, along with insights into the projects and new developments we are working on, duly highlighting the bank's pioneering role in the provision of financial advisory and private banking services in Italy, as well as in the technological support we provide our sales networks.

The main subjects reported on in the year included:

- Our quarterly, half-year and annual financial results, which showed record levels of client assets and profitability.
- The 2014 Financial Statements Oscars, which we won in the "Major and Large Listed and Unlisted Banks and Financial Companies" category.
- The steady growth of our SEI advanced advisory service, with client assets that exceeded €25bn in the year.
- The services which, although not strictly speaking financial services, are provided to our Private Banking customers through our Private Service Line.
- The benefits that our Fideuram Mobile Solution platform offers our Personal Financial Advisers and customers, and the launch of the "Alfabeto Fideuram" project.
- Our recruitment data.

- Our local events, including the tours on Succession Management and on our Wrapper, Insurance and Financial products.

In 2014, members of the Group's management team took part in round tables and gave interviews in which they were able to outline the most significant initiatives undertaken. The Group's fund managers gave numerous interviews to the specialist press, sector TV and radio, and took part in surveys, commenting on market performance and the main financial industry trends.

## THE FINANCIAL SYSTEM AND OTHER INSTITUTIONS

Banca Fideuram and its subsidiaries are members of a number of industry associations, including the Italian Banking Association (ABI), Italian Association of Investment Advisory Companies (Assoreti), the Italian Association for Limited Liability Companies (Assonime) and the Italian Association of Fund Managers (Assogestioni).

The bank's Chairman is also a Director of the ABI and a member of Assonime's General Council, while the bank's Managing Director and General Manager is Chairman of the Board of Directors of Assoreti.

## CORPORATE EVENTS

### CONSULENTIA 2014

Banca Fideuram and Sanpaolo Invest were among the sponsors of Consulentia 2014, a two-day conference organised by the Italian Association of Financial Consultants (ANASF) held on 6 and 7 February 2014 at the Auditorium Parco della Musica in Rome.

The conference included a wide range of presentations and round tables for Financial Consultants, providing an important forum for discussion of current and future trends in the sector. It was attended by the main Financial Consultant Networks and several major asset management companies, which presented their market strategies. As sponsors, Banca Fideuram and Sanpaolo Invest had a stand in the exhibition area, which provided a useful place to meet Financial Consultants from all the networks.

The opening session, "The role of the Financial Consultant: beyond the crisis in the banking distribution model", included a round table centred on research by the Università Bocconi on European best practices for tied agents, and the potential of the network system compared with the bank system. The speakers at the opening round table included M. Antonello Piancastelli, Joint General Manager of Banca Fideuram.



### SALONE DEL RISPARMIO 2014

Banca Fideuram was a partner of the annual Salone del Risparmio again in 2014. Organised by Assogestioni, the Italian Association of Fund Managers, the conference was held in Milan from 26 to 28 March, in Palazzo Roetgen, at the Università Bocconi. The three-day conference for the financial services industry attracted over 10,000 unique visitors and included meetings, cultural projects and opportunities for investors to further their knowledge. The Banca Fideuram Group was represented by the Banca Fideuram and Fideuram Investimenti brands in the exhibition area, and organised a conference session on the subject of "Investing over the long term: financial bubbles and diversification", with speakers Gianluca La Calce, Managing Director of Fideuram Investimenti, James Holmes, Head of Historical Research at Winton Capital and Sandy Rattray, Managing Director of AHL & MSS (Man Group).



**IL SALONE DEL  
RISPARMIO**

INVESTIMENTI, MERCATI, FORMAZIONE

## EFPA MEETING 2014

Banca Fideuram and Sanpaolo Invest took part as gold partners in the National Convention of EFPA Italia (the Italian branch of the European Financial Planning Association), which was held in Lecce on 5 and 6 June 2014, on the subject "Beyond the MiFID, for effective sustainable investment".

The convention was attended by over 500 investment professionals from all over Italy, who took the opportunity to share their knowledge and experience in the training sessions and exhibition areas, where Banca Fideuram had a stand.

Now an annual fixture, the convention provides an important forum for professionals both with and without certification from across Italy who share a pan-European vision. The two-day programme consisted of seminars, conference sessions and debates with the industry's leading experts, and the participants included Financial Consultants from the biggest networks and major asset management companies.

Banca Fideuram's Corporate Risk Manager Salvatore Aprile represented the Group in the debate between industry operators, regulators and Network Risk Management specialists, held as part of the conference session on the "MiFID review: the challenges and opportunities of regulatory compliance".



## 4.8.6 Natural Capital

This capital includes the processes and environmental resources which contribute to generating goods and services for the Group's business.



### THE ENVIRONMENT

#### ENVIRONMENTAL POLICY



The Banca Fideuram Group's environmental policy is focused on

containing and rationalising energy consumption by continuously monitoring the maintenance activities that make it possible to reduce polluting emissions, paper, water, electricity and gas consumption, and waste in order to make a positive contribution to sustainable development, although there is no department specifically dedicated to energy management.

In line with the environmental and energy policies of the Intesa Sanpaolo Group, we have for many years

adopted an approach that has improved energy efficiency through using renewable sources and eliminating waste, monitoring both direct impacts (connected with the use of natural resources) and indirect impacts (connected with the procurement of goods and services and with the design and distribution of insurance and financial products).

In accordance with this environmental policy, during 2014 Banca Fideuram disposed of hazardous and non-hazardous waste properly, ensuring compliance with current legislation, including the new Waste-tracking system provisions (Sistema di controllo della tracciabilità dei rifiuti - SISTRI).

Banca Fideuram pays careful attention to its paper consumption, rationalising its purchasing and stock procedures, although it does not have any designated members of staff specifically responsible or any dedicated policies.

Given the nature of Banca Fideuram's operations it has no significant direct impact on the environment, but we take our commitment to the environment very seriously, with initiatives to monitor and increase the efficiency of our properties.

#### ENERGY

MAIN OBJECTIVES FOR 2014	ACTIONS AND RESULTS ACHIEVED
Steadily replace incandescent light bulbs with LED and high-performance fluorescent light bulbs.	LED light fittings have been installed in all Personal Financial Advisers' offices that have been relocated.
Replace climate-control systems that use non-ecological refrigerant gases.	In addition to using new-generation systems in our relocated Personal Financial Advisers' offices, we replaced eight climate-control systems that used non-ecological gases in existing Personal Financial Advisers' offices.

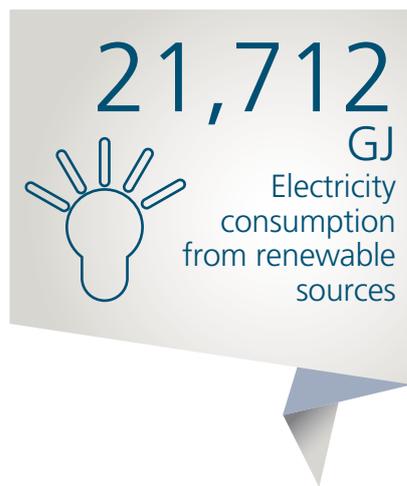
In 2014, we continued monitoring and supervising the migration of Personal Financial Advisers' offices to direct management by Banca Fideuram, with 76 offices completing their transition to the New Logistical Model (NLM).

The project to bring our Personal Financial Advisers' offices directly under the management of Banca Fideuram led to significant increases in natural gas, diesel and water consumption in 2014, as detailed below, while continuing unchanged our policy of buying renewable electricity from the same supplier as the Intesa Sanpaolo

Group. The effects of the New Logistical Model are above all visible in the figures for 2014, which include the consumption of the previous 76 Personal Financial Advisers' offices plus the 24 offices which migrated across in the closing months of 2013 and were included fully the following year.

In 2014 our electricity consumption for lighting, climate control and equipment such as PCs, monitors, photocopiers and faxes totalled 36,168 GJ, and our consumption of natural gas for workplace heating in accordance with Group environmental policies totalled 34,591 GJ.

It should also be noted that 21,712 GJ of our total electricity consumption in 2014 came from renewable sources, with consumption from non-renewable sources being reduced to 1,349 GJ.



### Electricity consumption

		2014	2013	2012
Total electricity consumption (*)	GJ	36,168	28,420	21,554

The conversion factor used is that adopted by the Global Reporting Initiative: 0.0036.

### Natural gas consumption

		2014	2013	2012
Natural gas consumption (methane) (*)	GJ	34,591	10,281	11,365

The conversion factor used is that adopted by the Global Reporting Initiative: 0.003901.

### Heating oil consumption

		2014	2013	2012
Heating oil consumption (*)	L	47,048	21,200	17,500

(\*) The increase on 2013 was principally due to the area reorganisation of the Personal Financial Advisers' offices and one of our headquarters as a result of the transition to the New Logistical Model with direct management, including of expenditure commitments, by Banca Fideuram S.p.A..

## MAIN IMPROVEMENT OBJECTIVES FOR 2015

Our main objectives for 2015 include:

- Continuing to replace incandescent light bulbs with LED and high-performance fluorescent lighting.
- Steadily replacing climate-control systems that use non-ecological refrigerant gases.



**OTHER SUPPLIES AND WASTE DISPOSAL**

MAIN OBJECTIVES FOR 2014	ACTIONS AND RESULTS ACHIEVED
Replace individual printers, photocopiers and faxes with all-in-one printers or central printers for each office/floor.	In 2014, a significant number of individual printers were replaced by multifunction networked printers shared by several users, with a consequent reduction in toner consumption.
Use lightweight ecological paper.	Banca Fideuram started to use the same paper supplier as Intesa Sanpaolo from the second half of 2014, following the centralising of purchasing, thus being certain of complying with the same environmental protection requirements.
Digital archiving.	The work of digitising all documentation was completed in 2014.

**Paper consumption**

In 2014 the Group consumed a total of 70.5 metric tonnes of paper (+3.9% on 2013).

The increase in consumption was due to the fact that for logistical reasons Banca Fideuram provided its subsidiaries with blank paper for part of 2014.

Banca Fideuram adopted and implemented the Intesa Sanpaolo guidelines on the specifications for white copier paper in 2014, using the same supplier, which ensured the same type of supply.

Blank paper and headed paper was all ecological Forest Stewardship Council (FSC) certified paper from sustainably managed forests.

The plan to transition to paperless documents continued with the expansion of our digital document system and the increased take-up of online statements by customers.

**100%**  
FSC-certified ecological paper

**Paper consumption**

		2014	2013	2012
Total paper consumption	Metric tonnes	70.5	67.8	66.7
Paper consumption per head	kg/No. of staff	60	58	56

**MAIN IMPROVEMENT OBJECTIVES FOR 2015**

Our main objectives for 2015 include:

- Continuing to replace individual printers, photocopiers and faxes with all-in-one printers or with central printers for each office/floor.
- Introducing a centralised paper purchasing system with the supplier determined at Intesa Sanpaolo level, reducing autonomy in the choice of paper supplier.
- Extending digital archiving to cover more types of documents.



### Water consumption

Water consumption increased compared with the previous year (+44%) due to the reorganisation of our area branches and offices as a result of many Personal Financial Advisers' offices adopting the New Logistical Model. Consumption per employee was approximately 60 cubic metres. The water used came from the public water supply or other water-supply companies.

### Water consumption

		2014	2013	2012
Total water consumption (*)	cu. m	70,672	49,044	45,789
Water consumption per head	cu. m/No. of staff	60	42	38

(\*) The increase on 2013 was principally due to the area reorganisation of the Personal Financial Advisers' offices as a result of the transition to the New Logistical Model with direct management, including of expenditure commitments, by Banca Fideuram S.p.A..



### Waste

A total of 70.9 metric tonnes of waste was produced in 2014, 69.4 tonnes of which underwent separate waste collection for recycling and 1.5 tonnes of which went to landfill or was incinerated. The increase in waste produced was due to the Personal Financial Advisers' offices applying the new logistical model and the increase in floor space occupied by the bank. In addition, the decrease in the number of employees skewed the waste produced per capita.

In 2014 the bank implemented Italy's waste disposal regulations, joined the SISTRI electronic waste tracking system register and complied with EC waste disposal directives, adopting suitable processes and procedures for separate waste collection. Most of the waste collected by separate waste collection was paper and cardboard, which accounted for approximately 75% of separately-collected waste.

### Annual waste production

		2014	2013	2012
Total waste (*)	Metric tonnes	70.9	41.2	54.8
Total waste per head	kg/No. of staff	61	35	46
Total special waste (non-hazardous)	Metric tonnes	69.4	39.9	53.5
Total hazardous waste	Metric tonnes	1.5	1.3	1.3

(\*) The increase on 2013 was principally due to the area reorganisation of the Personal Financial Advisers' offices as a result of the transition to the New Logistical Model with direct management, including of expenditure commitments, by Banca Fideuram S.p.A..

### Total weight of waste by method of disposal

		2014	2013	2012
Recycled	Metric tonnes	-	-	-
Reused/recovered	Metric tonnes	61.2	29.2	48.1
Landfill	Metric tonnes	9.7	12.0	6.7
Incineration	Metric tonnes	-	-	-



### Toner consumption

Banca Fideuram's consumption of toner and ink cartridges increased slightly from 3,392 kg to 3,565 kg and complied with current waste disposal and monitoring regulations. Used toner cartridges and hazardous waste (fluorescent tubes and batteries etc.) were disposed of separately and appropriately, in accordance with current regulations, using specialist companies and maintaining the related compulsory registers and documentation.

### Annual consumption of toner and ink cartridges

		2014	2013	2012
Toner	Kg.	3,565	3,392	3,952

## 4.9 Events after the reporting period and outlook

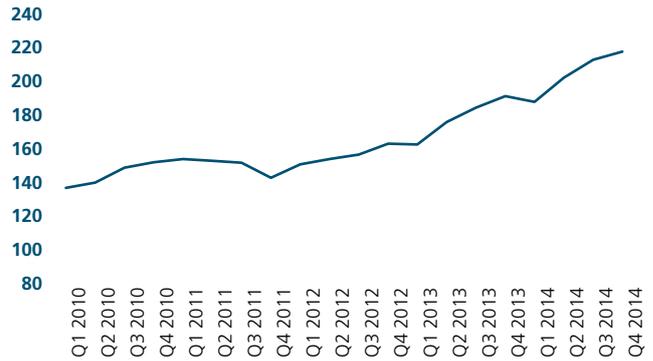
Total net inflows in January 2015 were positive to the tune of approximately €145m.

There were no significant events after the reporting period.

The Group's performance in the last quarter of 2014 could drive a further acceleration in recurring fees which, combined with constant risk control, makes it likely we will see further strong performance in 2015. We have deferred our initial profitability analysis to the approval of the results for the first quarter, when the trends, performance and pricing of client assets should be confirmed.

### Quarterly net recurring fees 2010 - 2014

(€m)





# 5. Growth prospects

Drivers of the managed assets market 2015-2017:

- **greater propensity** for managed assets
- **recovery** in the financial markets
- **growth** of personal financial adviser networks
- **development** of financial advisory service



## 5.1 Reference market: outlook

## 5.1 Reference market: outlook

### MANAGED SAVINGS ENVIRONMENT

#### Assets (source Bank of Italy) (€bn)

	2013	2012	2011	2010	2009
<b>Household financial assets in Italy (HFA)</b>	<b>3,873</b>	<b>3,775</b>	<b>3,576</b>	<b>3,732</b>	<b>3,704</b>
Managed assets (MA)	1,096	1,040	882	930	904
- Mutual funds	206	189	192	229	247
- Discretionary accounts	640	624	439	468	450
- Life insurance technical reserves (*)	456	426	416	414	381
- Pension funds (*)	76	69	60	56	50
- Adjustments	(282)	(268)	(225)	(237)	(224)
<b>MA as % of HFA</b>	<b>28%</b>	<b>28%</b>	<b>25%</b>	<b>25%</b>	<b>24%</b>

#### Flows (source Bank of Italy) (€bn)

	16	12	43	26	50
<b>Household financial assets in Italy (HFA)</b>					
Managed assets (MA)	52	(17)	(34)	3	17
- Mutual funds	16	(11)	(30)	(19)	(7)
- Discretionary accounts	23	(11)	(16)	6	7
- Life insurance technical reserves (*)	30	10	2	33	42
- Pension funds (*)	7	5	5	5	9
- Adjustments	(24)	(10)	5	(22)	(34)
<b>MA as % of HFA</b>	<b>n.s.</b>	<b>n.s.</b>	<b>n.s.</b>	<b>12%</b>	<b>34%</b>

(\*) Life insurance and Pension funds of 2012 are estimated.

n.s.: not significant

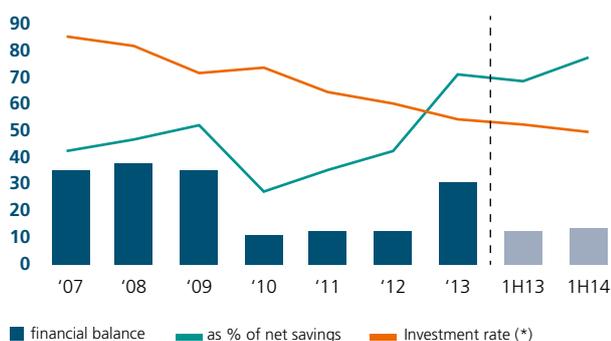
The 2011 sovereign debt crisis placed Italian households in a very fragile position that led to sharp contractions in disposable income and, consequently, in consumer spending and saving to an extent not seen since the post-war years. In 2014, Italian household savings were directed towards financial assets<sup>1</sup> due to attractive investment opportunities on the financial markets and a further decline in house buying as a result of the property market crisis and the increased tax burden on property, which led to a more cautious approach to bricks and mortar investments (Fig. 1).

The resilience of savings in financial assets and above all the appreciation of share and bond prices contributed to a rise in household financial assets, which reached a historic peak of €4,035bn in June 2014, almost €185bn more than at the end of 2006. Year on year growth accelerated significantly, rising to 7.6% compared with 2.6% at the end of 2013 (Fig. 2).

Figure 1

Figure 2

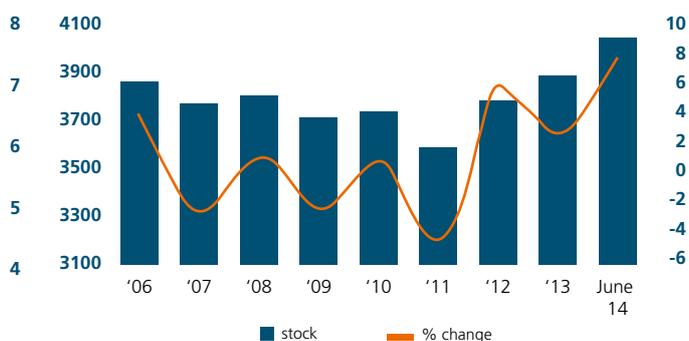
#### Households' financial balance (€bn) and investment rate (%)



(\*) Ratio of gross fixed capital formation, consisting exclusively of housing purchases for consumer households, to gross disposable income.

Source: Prometeia processing of ISTAT data.

#### Italian households' stocks of financial assets (€bn and %)



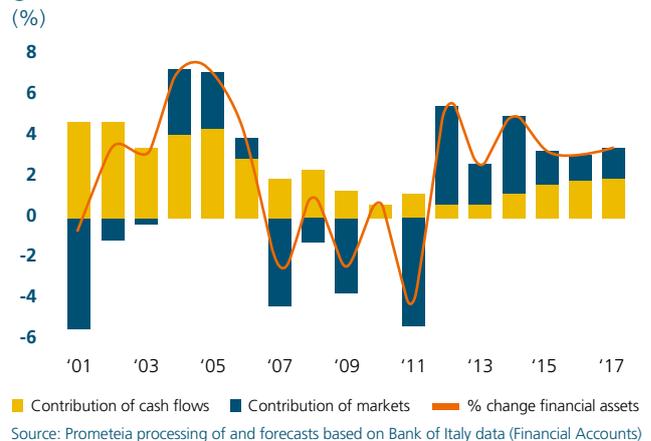
Source: Prometeia processing of Bank of Italy data (Financial Accounts)

1. The information presented in this section has been obtained from the Italian Household Savings Outlook published by Prometeia.

Real household disposable income or purchasing power is anticipated to have risen in 2014, the first time it has done so following eight consecutive years of decline, countering the downturn in consumer spending. In the coming years, the economic recovery should, although slow, consolidate this growth in household disposable income, simultaneously driving a recovery in consumer spending and the accumulation of household savings. In the absence of shocks on the financial markets, the new savings inflows anticipated in the forecast period could enable average annual growth of financial assets that is consistently above 3%, with a positive and growing contribution from new savings inflows (Fig. 3).

The composition of household financial assets (Table 1) typically reflects the wider macroeconomic and financial scenario. The main change in the most recent period is the European Central Bank's expansionary monetary policy, which has changed the financial market scenario and banks' product design policies. The resultant high liquidity should continue to buoy the stock markets, albeit with more modest upside margins, as a result of increased uncertainty over corporate profit trends due to the less intense recovery in the economic cycle.

Figure 3  
Contribution of cash flows and markets to growth of household financial assets (%)



### Estimated 2014-2017 increase in household financial assets in Italy

+410 €bn



Table 1 Household financial assets in Italy (% breakdown and volume in €bn)

	2011	2012	2013	2014	2015	2016	2017	('17-'13)
Cash assets	31.3	31.2	31.1	30.1	29.6	29.2	28.8	-2.3
- demand deposits	17.1	16.0	16.1	15.8	15.5	15.1	14.7	-1.4
Total securities	20.3	18.8	16.1	15.0	13.7	12.8	12.3	-3.8
- private residents	10.6	10.0	8.4	6.7	5.5	4.7	4.1	-4.3
Units in mutual funds	6.6	7.2	7.8	8.9	9.5	10.0	10.5	2.7
Shares and equity investments	19.5	21.2	23.1	24.1	24.5	24.6	24.8	1.7
Technical reserves	19.0	18.5	18.9	19.1	19.8	20.5	21.0	2.1
- life reserves	11.7	11.3	11.8	12.2	13.0	13.6	14.1	2.3
- pension funds	1.5	1.7	2.1	2.1	2.2	2.4	2.5	0.4
- entitlements	4.7	4.5	4.1	3.8	3.7	3.5	3.4	-0.6
- damages reserves	1.1	1.0	1.0	0.9	1.0	1.0	1.0	0.0
Other	3.3	3.1	3.0	2.9	2.9	2.8	2.7	-0.3
Total financial assets	100.0	100.0	100.0	100.0	100.0	100.0	100.0	
Total FA (€bn)	3,575	3,771	3,870	4,064	4,198	4,327	4,474	
Annual change in %	-4.2	5.5	2.6	5.0	3.3	3.1	3.4	

Source: Prometeia processing of and forecasts based on Bank of Italy (Financial Accounts) and Prometeia data, Forecast Report (October 2014).

The reallocation of household portfolios will therefore continue into the coming years, producing record levels of diversification. Managed asset products are projected to rise from 26.7% of total assets in 2013 to 31.5% at the end of the next three-year period, partly closing the gap that separates Italy from the major European economies. The percentage of debt securities in portfolios is anticipated to fall to unprecedented levels of

around 12%, with a big decrease in bank stocks, which are expected to have halved between 2012 and 2017, falling to around 4% and ending the unusual situation in Italy which saw the retail market directly financing the banks' medium-term funding needs.

The scenario has space for strong growth both of the mutual funds component, which it is anticipated will rise to 10.5% of financial assets by the end of 2017,

returning to 2006 levels, and of the insurance and pensions component.

The household financial portfolios scenario outlined above suggests that the performance of asset management services is likely to be more buoyant in the next three-year period than it was in the previous one. The economic conditions of households are expected to improve – albeit at a more modest pace than anticipated some months ago – leading to further growth in savings, although there could be some ups and downs between this year and the next.

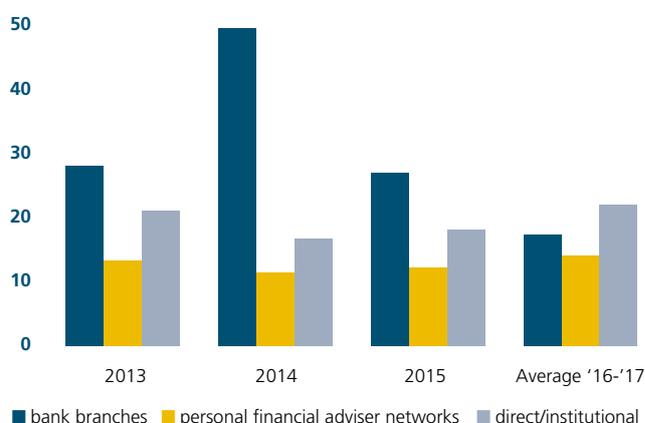
Inflows into managed savings instruments (mutual funds and discretionary accounts, net of duplication) are projected to exceed €60bn in the 2015-2017 period, in line with the previous three-year period (Fig. 4).

The personal financial adviser networks are likely to continue experiencing strong growth, assuming the financial markets remain positive on average in the forecast period. Net inflows in particular, which declined to €11.5bn in 2014 due to a slowing in the reallocation away from securities under management and an increased preference for insurance policies, are expected to accelerate in the final years of the forecast period to exceed €14bn in 2017 (Fig.4). With growth of stocks consistently above 10% year on year, the personal financial adviser networks could increase their market share by 1.3% in the next three years, with assets of more than €215bn at year-end 2017 (Table 2).

The personal financial adviser networks, which already benefit from a more diverse range of distinctively innovative products and a wider array of financial advisory service delivery solutions, could gain from the new competitive framework introduced by the second Markets in Financial Instruments Directive (MiFID II).

A number of personal financial adviser networks and private banking institutions have already enhanced their services, both to meet different customer needs, including for services other than financial services (financial and real estate advisory services, pension and succession planning and insurance cover, etc.), and to provide a wider array of service delivery solutions (breadth of product range, reporting and continuous portfolio monitoring etc.).

Net inflows into asset management products<sup>(\*)</sup> (€bn)



(\*) Mutual funds and discretionary accounts, net of duplication.

Source: Prometeia processing of and forecasts based on Bank of Italy and Assogestioni data.

Likewise, they have already adopted, or are in the process of adopting, advisory-service-explicit remuneration models, thus already moving more closely into line with the new Markets in Financial Instruments Directive (MiFID).

Thanks to the positive performance of our personal financial adviser networks and banking channel, retail customer stocks of managed asset products may be expected to grow by an average of 8.5% per year in the 2015-2017

### Personal Financial Advisers Distribution Channel

+ 1.3% 2014 market share vs. 2017

+ 56.3 €bn 2014 managed assets vs. 2016

Table 2 Managed assets (\*) by distribution channel (€bn and %)

	2010	2011	2012	2013	2014	2015	2016	2017
Bank branches	316.0	268.5	271.0	315.5	381.0	417.9	444.0	476.0
% change	-6.2	-15.0	0.9	16.4	20.7	9.7	6.2	7.2
MS	38.7	35.8	33.5	34.9	37.0	37.5	37.3	37.1
Personal financial advisers	119.9	113.1	128.0	143.2	161.4	178.4	196.3	217.7
% change	12.4	-5.7	13.2	11.8	12.7	10.5	10.0	10.9
MS	14.7	15.1	15.8	15.8	15.7	16.0	16.5	17.0
Institutional sellers	380.5	369.3	409.5	445.6	488.1	518.1	548.9	588.7
% change	9.9	-2.9	10.9	8.8	9.6	6.1	5.9	7.3
MS	46.6	49.2	50.6	49.3	47.4	46.5	46.2	45.9

(\*) Mutual funds and discretionary accounts, net of duplication.

Source: Prometeia processing of and forecasts based on Bank of Italy, Assoreti and Assogestioni data.

period (from 18% in 2014), accounting for 54.1% of total managed assets at year-end 2017 (+1.5% percentage points compared with year-end 2014). Retail customer stocks of managed asset products could already exceed 2007 levels by the end of next year.

Total net inflows into asset management instruments (mutual funds and discretionary accounts, net of duplication) may have exceeded €75bn by 2014 and could rise to an average of almost €55bn in the 2015-2017 period. In the final two years of the forecast period, the slowdown

in the banking channel will be offset by acceleration of the personal financial adviser networks and the consolidation of institutional demand, which will buoy increased inflows into discretionary accounts. Conversely, where retail customers are concerned, following the significant growth in discretionary accounts over the last two years, in a very positive market phase, the solutions proposed could shift more towards mutual funds, which are more suitable for bringing the international financial markets with the highest anticipated growth rates into their portfolios.

### Drivers of the managed assets market

	CENTRAL SCENARIO	RISKS
<b>Macro scenario</b>	<ul style="list-style-type: none"> <li>- Growth in propensity to save and improvement in investments in financial assets</li> <li>- Greater demand for medium- to long-term investments</li> </ul>	<ul style="list-style-type: none"> <li>- More prolonged weak macroeconomic scenario</li> </ul>
<b>Financial markets</b>	<ul style="list-style-type: none"> <li>- Prospects of stock market recovery</li> <li>- Bond market tensions due to expectations of monetary policy reversal</li> </ul>	<ul style="list-style-type: none"> <li>- Fragility linked to solidity of economic recovery</li> <li>- Greater impact of rising long-term yields on economic recovery</li> </ul>
<b>Distribution channels</b>	<ul style="list-style-type: none"> <li>- Growth of personal financial adviser networks</li> <li>- Slowdown in bank branches</li> <li>- Banks' range development policies geared to supporting service profitability</li> </ul>	<ul style="list-style-type: none"> <li>- Negative repercussions for personal financial adviser networks in event of deterioration in financial markets</li> <li>- Containment of managed asset product distribution if banks have increased need to rebalance funding gap</li> </ul>

Consequently, mutual fund stocks will continue to grow more vigorously on average, with an anticipated average of 9.1% per year compared with 5.3% for discretionary accounts due to the pressures, albeit limited, on bond prices. Asset management product stocks, which returned to the levels at year-end 2007 in March of this year, are expected to grow by an average of 7.6% per year in the three-year forecast period, exceeding €1,280bn at year-end 2017 (Table 3).

**Table 3 Managed assets market (€bn and % change)**

STOCK	2012	2013	SEPT-14	2014	2015	2016	2017
Mutual funds, Italian and outside Italy (*)	449.7	516.5	597.9	611.1	675.3	729.0	793.7
% change	8.4	14.9	15.8	18.3	10.5	7.9	8.9
Discretionary accounts (°)	466.5	502.9	536.1	547.5	575.3	602.8	639.6
% change	6.3	7.8	6.6	8.9	5.1	4.8	6.1
- mutual funds (°)	107.7	115.1	123.9	128.1	136.1	142.8	151.0
% change	4.5	6.9	7.7	11.3	6.3	4.9	5.8
- securities (°)	358.9	387.8	412.2	419.5	439.2	460.1	488.6
% change	6.8	8.1	6.3	8.2	4.7	4.8	6.2
Total (net of duplication)	808.6	904.3		1,030.5	1,114.5	1,189.1	1,282.4
% change	7.7	11.8		14.0	8.1	6.7	7.8
<b>NET INFLOWS</b>							
Mutual funds, Italian and outside Italy (*)	3.5	46.2	56.9	70.0	45.0	36.0	37.5
Discretionary accounts (°)	-10.5	18.2	7.2	15.0	16.4	17.6	21.3
- mutual funds (°)	-3.5	2.8	4.7	8.0	4.9	3.8	4.0

(\*) Net of duplication. For mutual funds outside Italy, Prometeia estimates using Assogestioni and Bank of Italy data.

(°) Estimate of discretionary accounts opened by Italian investors. Latest figures June 2014.

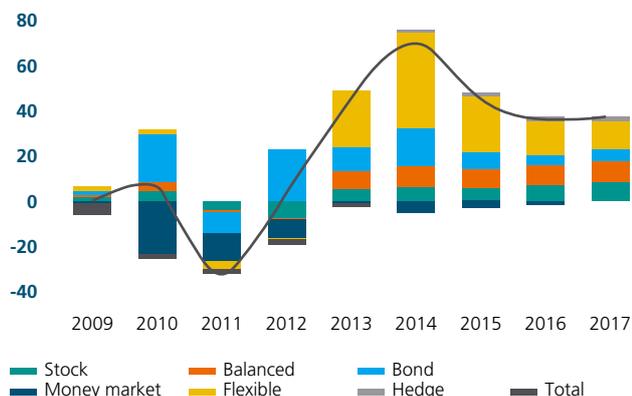
Source: Prometeia processing of and forecasts based on Bank of Italy and Assogestioni data.

Where the mutual funds market is concerned, there are likely to be significant net inflows into products diversifying across stocks and bonds, including those deploying an active management logic to manage rising rates, although inflows into flexible mutual funds will be lower than in the last two-year period due to the decreased contribution of unit investment trusts distributed by banks, which are frequently included in this asset class. Demand for stock funds is expected to consolidate among institutional customers in particular thanks to the positive outlook for this class of securities, while there could be a decline in the contribution of bond funds, which it is anticipated will account for 15% of total net inflows in the next three-year period compared with 40% in the 2012-2014 period. The contribution of money market funds is likely to remain negative due to continuing low interest on cash deposits (Fig. 5).

Figure 5

### Net inflows by mutual fund asset class<sup>(\*)</sup>

(€bn)



(\*) Including estimated funds outside Italy, net of duplication.

Source: Prometeia estimates using Assogestioni data.

The scenario is therefore currently favourable for further expansion of the asset management market in response to a greater awareness of the need to diversify financial portfolios and extend the investment time horizon.

A pressing requirement for the entire "Italian system" today, however, is to create a more favourable environment for using savings to cover the needs of a progressively ageing population. This would support the growth of medium- to long-term institutional investors and hence stimulate demand for institutional financial solutions from asset managers, while also increasing the industry's role in financing the economy and the infrastructure investments needed to support Italy's economic recovery, which is currently the subject of close scrutiny by the European institutions.







# 6. Governance

**Banca Fideuram**  
is a subholding company  
of the Intesa Sanpaolo  
Banking Group

Banca Fideuram heads an **integrated  
group of companies that specialise  
in the distribution and management  
of financial and asset management  
products and services**

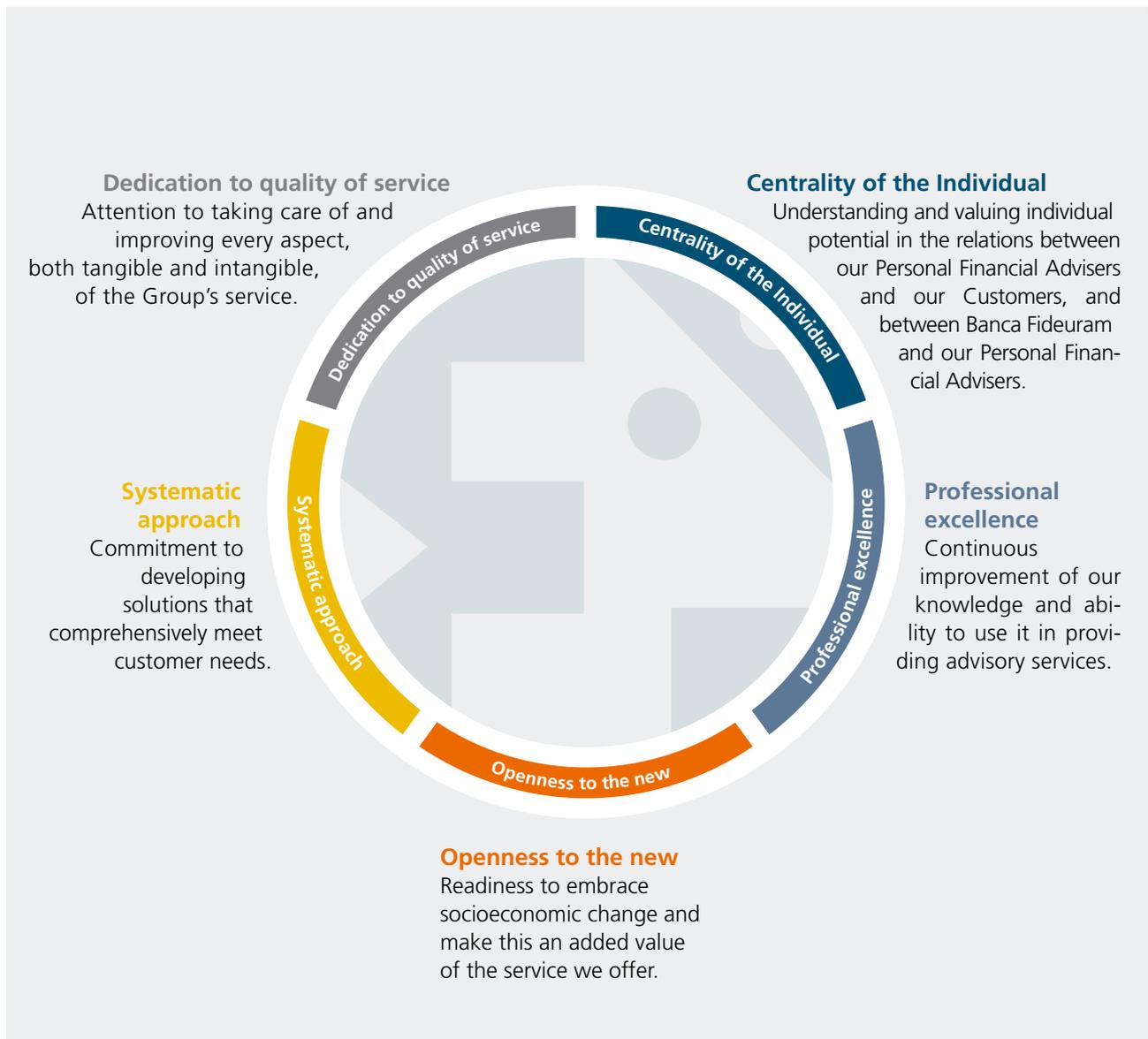
- 6.1 The values and history of the Group
- 6.2 Organisational structure
- 6.3 Ownership structure
- 6.4 Role of subholding company
- 6.5 Company management
- 6.6 Remuneration policies
- 6.7 Internal audit system
- 6.8 Insider information
- 6.10 Shareholders' meetings
- 6.10 Board of statutory auditors
- 6.11 Management

## 6.1 The values and history of the Group

Banca Fideuram has adopted the Intesa Sanpaolo Group Code of Ethical Conduct as part of a broad vision of social and environmental responsibility centred on strong relationships with its stakeholders.

The values and principles set out in the Code of Ethical Conduct are an expression of the rich corporate cultures that are the living heritage of the Intesa Sanpaolo Group, and the source of concrete rules of behaviour which guide our relations with each and every stakeholder.

Our growth strategy aims to create value that is solid and sustainable from an economic, financial, social and environmental standpoint, built on the trust of our stakeholders and based on the principles of our Code of Ethical Conduct and on the values that have always distinguished Banca Fideuram's culture and tradition.



## Short history

### 1968

Fideuram was acquired by Istituto Mobiliare Italiano (IMI) in order to operate in the mutual fund sector, taking over the business of International Overseas Services (IOS). Fideuram offered Italian investors the Fonditalia and Interfund "historical" Luxembourg mutual funds through a Network of approximately 300 Personal Financial Advisers.

### 1992

Banca Fideuram was formed through the merger of two companies in the IMI Group: Banca Manusardi, which was previously listed on the Milan stock exchange, and Fideuram. The shares continued to be listed under the new company name.

### 1997

Banca Fideuram launched a personalised financial planning service benefiting from an advanced technological platform to the advantage of its customers. This service was given the English name "personal financial planning".

Net profit	€107.4 m
Client assets	€25,440 m
Personal Financial Advisers	2,813

Fideuram started offering its first Italian mutual funds: Imirend and Imicapital.

### 1984

Net profit	€78.0 m
Client assets	€20,317 m
Personal Financial Advisers	2,729 (No.)

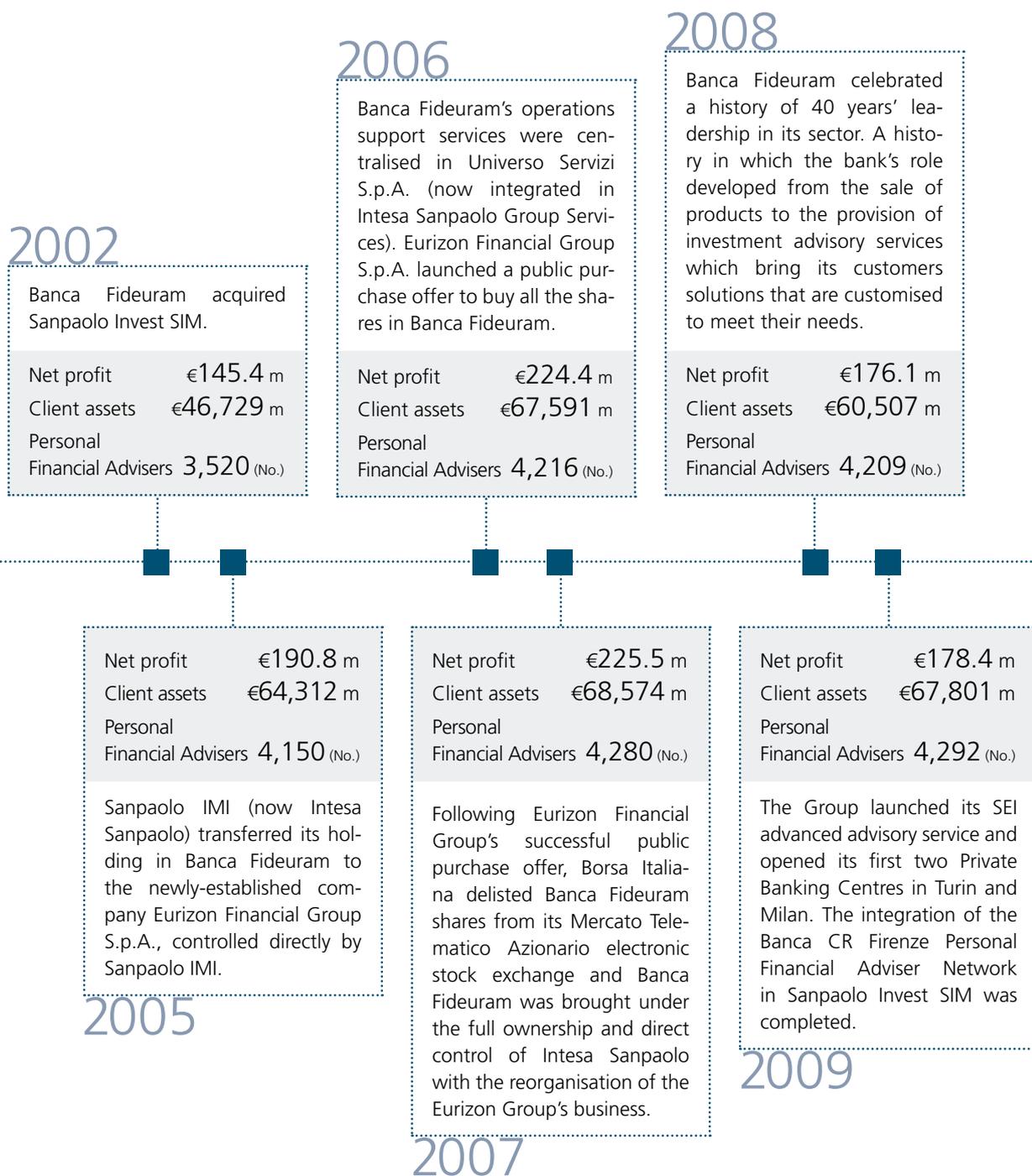
Banca Fideuram was included in the MIB 30 Italian blue-chip index.

### 1996

Net profit	€152.0 m
Client assets	€32,167 m
Personal Financial Advisers	3,168 (No.)

Establishment of the subsidiary Fideuram Bank (Luxembourg).

### 1998



## 2010

The Intesa Sanpaolo Group's project to reorganise its insurance and pensions division saw it spin off the Eurizon Vita company division serving the Banca Fideuram and Sanpaolo Invest Personal Financial Adviser Networks to form Fideuram Vita. Banca Fideuram took a 19.99% stake in the share capital of the new life insurance company, while Intesa Sanpaolo held the remaining 80.01%.

Net profit €216.6 m  
 Client assets €71,591 m  
 Personal Financial Advisers 4,349 (No.)

## 2012

Launch of the Fideuram Campus Personal Financial Adviser Training School with the creation of customised training programmes. The Banca Fideuram Group launched its first ethical investment solution for the Italian market, Fonditalia Ethical Investment, conceived in conjunction with the Italian Multiple Sclerosis Society/Foundation (AISM/FISM). Fideuram Asset Management (Ireland) Ltd applied for authorisation to act as a management company in accordance with the UCITS IV Directive.

Net profit €205.1 m  
 Client assets €79,296 m  
 Personal Financial Advisers 5,082 (No.)

## 2013

The Banca Fideuram Group's Personal Financial Adviser Networks underwent a series of area and management reorganisation initiatives with the aim of enabling them to respond to market needs. Fideuram Asset Management (Ireland) Ltd was authorised to act as a management company in accordance with the UCITS IV Directive and the procedure for winding up Sanpaolo Invest (Ireland) Ltd was approved.

Net profit €313.1 m  
 Client assets €83,672 m  
 Personal Financial Advisers 5,140 (No.)

Net profit €175.1 m  
 Client assets €70,949 m  
 Personal Financial Advisers 4,850 (No.)

Banca Fideuram acquired Banca Sara S.p.A., which was subsequently spun off to Banca Fideuram and Sanpaolo Invest SIM. Banca Fideuram and Fideuram Bank (Luxembourg) signed a contract of sale regarding their holdings in Fideuram Bank (Suisse), transferring total ownership of the latter to Banca Credinvest S.A. Banca Fideuram launched its Fideuram Mobile Solution project, further streamlining the operations of its Personal Financial Advisers and enabling them to dedicate even more time to customer relations.

## 2011

Net profit €401.9 m  
 Client assets €90,161 m  
 Personal Financial Advisers 5,044 (No.)

- As part of the strategic initiatives for reorganising Banca Fideuram's subsidiaries operating in the managed assets sector outside Italy and having obtained the necessary authorisation from the local authorities, as of 1 April 2014, the direct management of the Banca Fideuram Group's Luxembourg funds was transferred from Fideuram Gestions to Fideuram Asset Management (Ireland) Ltd, which became the only management company for the Group's funds outside Italy.
- The reorganisation of the Intesa Sanpaolo Group led to the creation of a Private Banking Division, including Banca Fideuram and its subsidiaries, with the following mission: To serve upper affluent customers (Private Banking customers and High Net Worth Individuals), creating value for the Group with products and services conceived for excellence, while ensuring the increased profitability of client assets through constant development of the product range and service delivery solutions.

## 2014

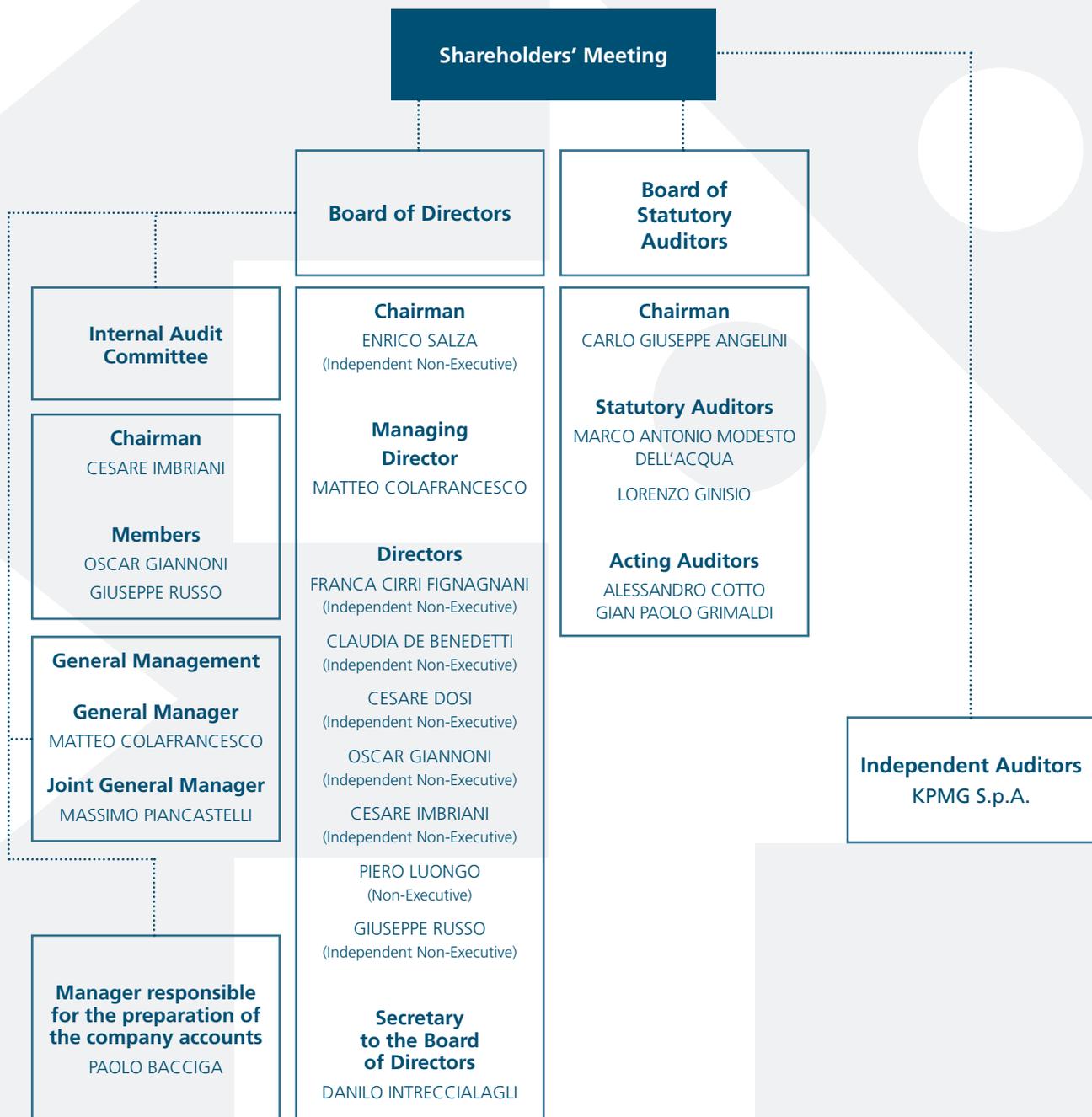
## 6.2 Organisational structure

Banca Fideuram's model of governance comprises the following company bodies:

- The Shareholders' Meeting, which expresses the corporate will.
- The Board of Directors, appointed by the Shareholders' Meeting for a period of three financial years and vested with all management powers regarding the bank.
- The Chairman of the Board of Directors – appointed by the Board of Directors from among its members - who is the bank's legal representative in dealings with third parties and in legal proceedings.
- The Managing Director, appointed by the Board of Directors, which determines his/her powers in accordance with the by-laws.
- The Internal Audit Committee, established within the Board and made up of three of its independent, non-executive members, which is a technical body that acts in an advisory and investigative capacity.
- Pursuant to the by-laws, the General Management comprises a General Manager, if appointed, and one or more persons who may be appointed Joint General Manager and Deputy General Manager. They execute, in accordance with the duties and competencies assigned by the Board of Directors, the decisions taken by the Board of Directors and company bodies, managing the bank's current business, organising its activities and deciding the appointment and assignment of personnel. The General Management, each member of which is appointed by the Board of Directors, currently comprises the General Manager (position filled by the Managing Director) and Joint General Manager.
- The Board of Statutory Auditors, appointed by the Shareholders' Meeting for a period of three financial years and made up of three Statutory Auditors and two Acting Auditors, which acts in a supervisory role regarding compliance with the law, regulations and by-laws, respect for the principles of good management, and, in particular, regarding the suitability of the organisational, administrative and accounting solutions adopted by the bank and their operation in practice. The Board of Statutory Auditors also performs the duties of a Supervisory Board pursuant to Italian Legislative Decree No. 231/2001.
- The Manager responsible for the preparation of the company accounts, appointed as provided for in the by-laws, who is in charge of the internal audit system with regard to accounting and financial reporting.

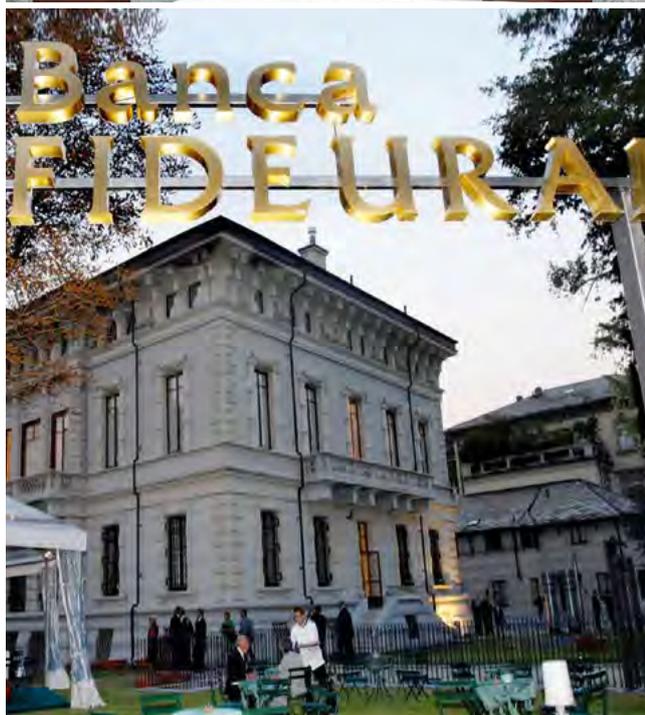
The powers and operating procedures of the Company Bodies are set out in laws and regulations, in the by-laws and in resolutions of the competent bodies. In particular, the Board of Directors has approved Banca Fideuram's "Regulations governing the operation of the Board of Directors with respect to multiple appointments", implementing the internal regulations that implement the Bank of Italy's supervisory regulations.

The statutory audit is carried out by an independent auditing company that meets the requirements of Italian law. Banca Fideuram has appointed KPMG S.p.A. as the independent auditors for its separate and consolidated financial statements for the 2013 to 2021 financial years.



## 6.3 Ownership structure

The bank's fully paid-up share capital pursuant to article 5 of the by-laws is €186,255,207.16 divided into 980,290,564 ordinary shares with a par value of €0.19 each, wholly owned by Intesa Sanpaolo S.p.A., which - as the parent company of the banking group of that name - is also responsible for the bank's management and coordination.



## 6.4 Role of subholding company

Intesa Sanpaolo plays a management and coordination role, issuing directives and formulating instructions to govern company operating procedures and ensure that uniform organisational and management rules are adopted, ensuring levels of integration suitable for achieving shared strategic goals of maximising value and optimising the synergies of belonging to the Group, leveraging the characteristics of its different members. Banca Fideuram heads an integrated group of companies both in and outside Italy that specialise in the distribution and management of financial products.

Alongside the distribution of financial products, the Group also distributes insurance and pension products

provided by Fideuram Vita S.p.A., an insurance company in the Intesa Sanpaolo Group.

### Equity investments at 31.12.2014

COMPANY	REGISTERED OFFICE	OWNERSHIP		
		% DIRECT	% INDIRECT	TOTAL %
Sanpaolo Invest SIM S.p.A.	Rome	100.000	-	100.000
Fideuram Fiduciaria S.p.A.	Turin	100.000	-	100.000
Fideuram Investimenti SGR S.p.A.	Milan	99.500	-	99.500
Fideuram Asset Management (Ireland) Ltd	Dublin	100.000	-	100.000
Fideuram Bank (Luxembourg) S.A.	Luxembourg	100.000	-	100.000
Fideuram Gestions S.A.	Luxembourg	100.000	-	100.000
Financière Fideuram S.A.	Paris	99.999	-	99.999
Euro-Trésorerie S.A.	Paris	-	99.999	99.999



## 6.5 Company management

### Composition and role of the Board of Directors

The bank's current Board of Directors comprises 9 members, appointed by the Ordinary Shareholders' Meeting of 20 April 2012, whose term of office ends with the Shareholders' Meeting called to approve the financial statements for the 2014 financial year.

Within the bank's Board of Directors, the title of Executive Director may only be applied to the Managing Director and General Manager, in consideration of his/her assigned duties and powers of executive management and for the direction of the bank's business and of the Personal Financial Adviser networks.

Seven of the other Directors meet the requirements of independence specified in article 13 of the by-laws. These directors:

- 1) Are not employed by and do not have ongoing consultancy or remunerated work or other financial relations with the bank or its subsidiaries, parent companies or companies in which it has a joint controlling interest able to compromise their independence.
- 2) Are not executive directors of the bank or its subsidiaries, parent companies or companies in which it has a joint controlling interest.
- 3) Are not relatives up to the second degree of consanguinity or affinity of any people in the situations specified in point (2) above.

Pursuant to said article 13 of the by-laws, the Board of Directors issued a specific regulation setting the maximum number of appointments outside the Intesa Sanpaolo Group that may be held by Directors (five for Executive Directors and ten for Non-Executive Directors).

On the basis of the declarations of the individual Directors concerned, all the Directors respect the limits on the total number of appointments they may each respectively hold.

In accordance with article 17 of the by-laws, the Board of Directors is in charge of the bank's ordinary and extraordinary management, excepting in those matters where Italian law restricts decision-making power to the Shareholders' Meeting. In particular, the Board of Directors has the authority to make decisions concerning, inter alia, general management policy, strategic policy and operations, strategic business and financial plans and the system of corporate governance, the approval of internal regulations, the appointment/dismissal of General Management and company audit unit managers, and the purchase and sale of equity investments.

The Board of Directors likewise has the authority to make decisions concerning the following:

- Mergers and spin-offs in the cases and following the procedures provided for by the laws and regulations in force.
- The establishment and closure of sub-offices.
- Reductions in the share capital in cases of the withdrawal of shareholders.
- Amendments to the by-laws in line with regulatory provisions.

The Board of Directors must be kept constantly informed of all decisions taken by delegated bodies through information supplied at regular intervals by the Managing Director and General Manager.

The Board of Directors also receives and examines the regular information provided by the company audit units, the Group Operational Continuity Plan Manager, the Manager responsible for the preparation of the company accounts and the Supervisory Board established pursuant to Italian Legislative Decree 231/2001. Meetings of the Board of Directors, which the by-laws stipulate must as a rule be held at two-month intervals, are normally held every month.

OFFICE	NAME	DATE OF APPOINTMENT	% OF MEETINGS ATTENDED	NUMBER OF OTHER OFFICES HELD IN THE INTESA SANPAOLO GROUP	EXECUTIVE	NON EXECUTIVE	INDEPENDENT AS DEFINED IN THE BY-LAWS
Chairman	Enrico Salza	20/04/12	100%	-	-	X	X
Managing Director / General Manager	Matteo Colafrancesco	20/04/12	100%	2	X	-	-
Director	Franca Cirri Fignagnani	20/04/12	92%	1	-	X	X
Director	Claudia De Benedetti	20/06/13	100%	-	-	X	X
Director	Cesare Dosi	16/10/14	100%	-	-	-	-
Director	Oscar Giannoni	20/04/12	92%	-	-	X	X
Director	Cesare Imbriani	20/04/12	92%	-	-	X	X
Director	Piero Luongo	20/04/12	54%	1	-	X	-
Director	Giuseppe Russo	20/04/12	100%	-	-	X	X

The Board of Directors also retains sole responsibility for the following duties:

- Examining and approving the strategic business and financial plans of the bank and its subsidiaries, the bank's system of corporate governance and the group structure, as well as formulating directives governing relations with subsidiaries.
- Approving the budget and separate and consolidated monthly, quarterly, half-year and annual financial statements.
- Assessing the suitability of the organisational, administrative and general accounting systems of the bank and of its strategically significant subsidiaries, put in place by the Managing Director and General Manager, paying particular attention to the internal audit system and management of conflicts of interest.

- Delegating authority to the Managing Director and General Manager and to the Joint General Manager, and revoking such authority, specifying the limits to and procedures for the exercise of said authority. Deciding, with the agreement of the Board of Statutory Auditors, the remuneration of Directors with special positions or duties.
- Deciding, in accordance with Group policies, the remuneration of the members of General Management.
- Evaluating general performance, taking into consideration, in particular, the information received

from company bodies and regularly comparing the results achieved with those planned.

- Examining and providing prior approval for strategically, economically or financially significant transactions by the bank and its subsidiaries, paying particular attention to situations in which one or more Directors have a potential direct or indirect conflict of interest, or, more generally, to transactions with related parties.
- Reporting to the Shareholders at the Shareholders' Meeting on activities carried out and planned.

12 Meetings in 2014

92.3% average attendance at meetings

## Chairman

In accordance with the provisions of the by-laws, the Chairman is empowered to act as the bank's legal representative. The Board of Directors has in addition assigned non-managerial duties and powers to the Chairman that are instrumental in the operation of the bank, including:

- Supervising the Managing Director and General Manager's implementation of the resolutions of the Board of Directors.
- Acting on the decisions of the Board of Directors, having taken due note of the opinion of the Managing Director and General Manager, with respect to the bank's share capital and the purchase and sale of equity investments.
- Proposing the appointment and dismissal of members of General Management to the Board of Directors in consultation with the Managing Director and General Manager and specifying their duties and responsibilities.
- Formulating and managing media communications, branding and charitable activities in consultation with the Managing Director and General Manager.



Chairman

**Enrico Salza**

**Independent  
Non-Executive**

% Board of Directors meetings attended: **100%**

Length of service / first appointed: **20 April 2012**

Other significant offices held:

- Chairman of the Board of Directors of Tecnoholding S.p.A.
- Chairman of the Board of Directors of Tecnoinvestimenti S.r.l.
- Director of the Italian Banking Association (ABI) and member of the Governing Council of the Italian Association for Limited Liability Companies (Assonime)

## Internal Audit Committee

The Board of Directors is supported in its corporate duties by a Technical Committee set up from among its members, which acts proactively in an advisory and investigative capacity regarding the internal audit system, risk management and the accounting information system. The following participate in the work of the Committee: the Chairman of the Board of Statutory Auditors or another member of the Board of Statutory Auditors appointed by said Chairman, the Managing Director and General Manager, the Head of the Audit Department and the Corporate Risk Manager, as well as the Head of

parent company Intesa Sanpaolo's Internal Audit Department or another Director appointed by the latter.

The Internal Audit Committee conducts prior assessments of the action plans and periodic information prepared by the company's Internal Audit Managers for the Board, receives the monthly information provided by the Head of the Audit Department, and prepares an annual report on the work carried out for internal audits, the risk management system and accounting information system.

**11**  
Meetings  
in 2014

## Managing Director and General Manager

The Managing Director and General Manager is responsible for the operational management of the bank and of the Personal Financial Adviser Networks, with full powers of ordinary and extraordinary management in accordance with the general planning and strategic policies decided by the Board of Directors, with the sole exception of those powers which by law may not be delegated and those restricted to the Board of Directors or other company bodies.



Managing Director  
and General Manager

**Matteo  
Colafrancesco**

Executive Director

% Board of Directors meetings attended: **100%**

Length of service / first appointed: **29 June 2007**

Other significant offices held:

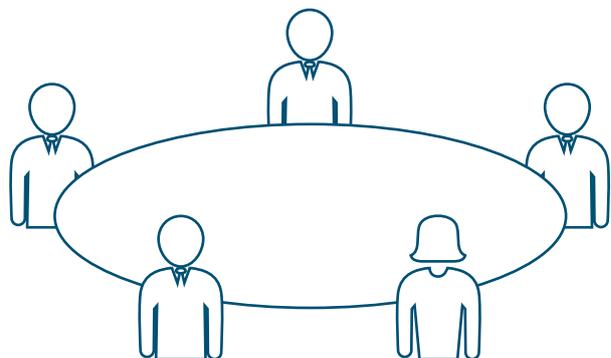
- Managing Director of Sanpaolo Invest SIM S.p.A.
- Deputy Chairman of the Board of Directors of Intesa Sanpaolo Private Banking S.p.A.
- Chairman of the Board of Directors of Assoreti (Italian Association of Investment Advisory Companies)

### Percentage and number of members of the Board of Directors:

	2014	
	no.	%
Women	2	22
Men	7	78
<b>Total</b>	<b>9</b>	<b>100</b>

### Composition of the Board of Directors by age:

	2014
	no.
Up to 30 years old	-
From 30 to 50 years old	-
Over 50 years old	9



## 6.6 Remuneration policies

Banca Fideuram has adopted a traditional management and auditing system. Consequently, the Shareholders' Meeting has sole authority to decide the remuneration policies for Directors.

In accordance with article 2364 of the Italian Civil Code, the Shareholders' Meeting is, moreover, responsible for determining - in accordance with Group guidelines - the annual remuneration of the members of the Board of Directors it has appointed, together with any compensation payable for attending Board meetings. The Shareholders' Meeting is also responsible for approving the remuneration policies for employees and for colleagues that are not salaried

employees of the company, as well as for approving remuneration schemes based on financial instruments, in line with current laws and regulations.

In accordance with the Supervisory Regulations, the remuneration policy document is drawn up by our parent company for the entire banking group in order to ensure its overall consistency, provide the necessary guidance for its implementation and to verify its correct application at Group level.

The remuneration of Directors with special positions or duties is decided by the Board of Directors in accordance with article 2389 of the Italian Civil Code and in compliance with

the by-laws and the remuneration policies approved by the Shareholders' Meeting, having taken due note of the opinion of the Board of Statutory Auditors.

The Managing Director, as General Manager, and the Joint General Manager, are entitled to a fixed gross salary and a variable bonus, linked to the achievement of targets set in advance by the Board of Directors, in accordance with the guidelines of parent company Intesa Sanpaolo and the Supervisory Regulations regarding remuneration and bonus policies and practices.

Details of the remuneration paid to the Directors are provided in the Notes to the Financial Statements.

## 6.7 Internal audit system

The internal audit system is an essential core component of the bank's corporate processes, designed to ensure - through managing the related risks - that the bank and its subsidiaries are managed properly with a view to achieving their set objectives and, at the same time, to safeguarding their stakeholders' interests.

Banca Fideuram combines profitability with the informed undertaking of risks through the effective monitoring and management of the risks connected with the bank's processes and the due and effective management of the bank and its subsidiaries.

The internal audit system operates in accordance with the relevant laws and regulations in force and, in particular, the related provisions of the Bank of Italy's supervisory regulations, the Italian Finance Consolidation Act and the provisions implementing it issued by the Italian National Commission for Listed Companies and the Stock Exchange (CONSOB) and the Bank of Italy, as well as the internal regulations of the Intesa Sanpaolo Group.

Banca Fideuram's internal audit system, which has been organised in accordance with the law and Supervisory Regulations, is based on a set of rules, duties, resources, processes, procedures and organisational structures that aim to ensure alignment with company strategies and achievement of the following objectives:

- Due implementation of company strategies and policies.
- Risk containment within the limits specified in the bank's Risk Appetite Framework (RAF).
- Protection of the value of assets and protection against loss.
- Effectiveness and efficiency of corporate processes.
- Reliability and security of corporate information and IT procedures.
- Risk prevention regarding the bank's involvement, including unintentionally, in unlawful activities (particularly with regard to money laundering, the lending of money at exorbitant interest rates and the financing of terrorism).
- Compliance of operations with supervisory regulations and internal policies, procedures and regulations.

The internal audit system plays a crucial role and involves the entire company organisation (company bodies, departments, and personnel at all levels). The system takes the form of a body of "Governance Documents", which govern the running of the bank (including the By-Laws, Code of Ethical Conduct, Group Regulations, Policies, Guidelines, Organisation Charts and the Organisational Model pursuant to Italian Legislative Decree 231/01), and operational regulations, which govern its corporate processes, single activities and related controls.

In line with the new Supervisory Regulations of the Bank of Italy on internal audits (Bank of Italy Circular 263/2006, Title V, Section 7), Intesa Sanpaolo approved its "Integrated Internal Audit System Regulations", which specifies the internal audit system for the entire Banking Group.

The Bank, which is subject to said supervisory regulations, has consequently both adopted the aforesaid regulations and approved, at its Board Meeting of 10 November 2014, its own regulations that reflect the specific nature of its own operations and that comply with the guidelines and decisions of its parent company.

This regulations document constitutes the reference framework for the bank's internal audit system, setting out the auditing principles and rules for the documents issued in compliance with specific Supervisory Regulations.

It in particular sets out the reference principles and specifies the tasks and responsibilities of the company bodies and departments with audit duties that variously contribute to the proper functioning of the internal audit system. It also sets out the coordination procedures and flows of information which foster integration of the system.

More specifically, the company rules delineate organisational solutions that:

- Ensure there is sufficient separation between operating and audit departments and avoid situations where there could be a conflict of interest in the allocation of responsibilities.
- Are able to adequately identify, measure and monitor the main risks assumed in the various operating areas.
- Ensure that there are reliable information systems and appropriate reporting procedures in place at the various different levels with governance and control responsibilities.
- Allow for any issues encountered by the operating units, as well as by the audit unit, to be promptly reported to the appropriate levels so that they may be dealt with immediately.
- Ensure adequate levels of operational continuity.

The Internal Audit Committee plays a core role in the bank's internal audit system, acting proactively in an advisory and investigative capacity regarding the internal audit system, risk management and the information and accounting system.

From an operational standpoint, the internal audit and risk management system comprises three levels:

- The first level consists of the line audits performed by the organisational and business units.
- The second consists of risk and compliance audits which aim, inter alia, to ensure:
  - The correct implementation of the risk management process.
  - Compliance with the operating limits assigned to the various units.
  - Compliance of company operations with regulations, including self-regulatory, if applicable.

The units responsible for these audits ("level II units") contribute to the development of the risk management policies and process. Banca Fideuram's level II units include the Risk Management, Compliance, Anti-Money Laundering and Embargo Units and its parent company's Internal Validation Service, which has risk management duties as specified in the relevant regulations in its areas of competence.

- The third level ("level III units") consists of the internal audits that aim to identify any breaches of procedure or of the regulations as well as to periodically assess the completeness, suitability, functionality (in terms of efficiency and effectiveness) and reliability of the organisational structure and other components of the internal audit system and information system (ICT Audit), at pre-determined intervals to suit the nature and intensity of the risks.

The company audit units that perform the required activities enjoy the necessary autonomy and independence from the operating departments and have unrestricted access to company data, archives and assets in the performance of their respective duties.

These units are organisationally separate.

In order to ensure their independence, these units:

- Have the authority, resources and competencies required to perform the duties assigned to them.
- Have a budget over which they have independent control.
- Have access to all internal and external data (e.g. regarding outsourced activities).
- Have a sufficient number of human resources with the necessary technical and professional competencies who receive continuous training.

An Audit Coordination Committee was established in 2014 as an advisory body made up of management professionals at the bank with the purpose of strengthening interfunctional cooperation and coordination regarding the Banca Fideuram Group's internal audit system.

The Committee operates within the guidelines drawn up by the Company Bodies and on the basis of the operational and functional powers delegated to it by the bank's Board of Directors.

## INTERNAL AUDIT COMMITTEE

The Internal Audit Committee has the following duties:

- Assist the Board of Directors in the performance of its duties of establishing guidelines and periodic checks on the suitability and effective operation of the bank's and its subsidiaries' internal audit systems.
- Provide prior evaluation of the action plans and periodic information prepared by the bank's internal audit unit managers for the Board of Directors, and receive the periodic reports prepared for the Committee in accordance with the bank's current internal regulations.
- Evaluate, together with the Manager responsible for the preparation of the company accounts and the Independent Auditors, the suitability and effective operation of the bank's accounting system, and the suitability of the accounting policies used and their compatibility for the purposes of preparing the separate and consolidated financial statements, through prompt examination of the annual and interim accounts, together with the results presented in the Independent Auditors' reports.
- Maintain close contacts with the Board of Statutory Auditors, through the Chairman of the Board of Statutory Auditors' participation in the Committee's meetings, in order to ensure a prompt two-way exchange of information on matters pertaining to the internal audit system.
- Report to the Board of Directors upon the approval of the financial statements on the activities carried out and on the suitability of the bank's and its subsidiaries' internal audit systems.
- Perform the duties required by the Bank of Italy's Supervisory Regulations regarding risk assets and conflicts of interest in respect of related parties and of the dedicated decision-making procedures approved by the Board of Directors.
- Evaluate the acceptance and rejection of customer complaints regarding the bonds of corporate issuers in default, examining the investigations carried out by the competent offices of the bank in accordance with the criteria and management approaches specified by the Committee itself.
- Provide prior evaluation of proposals for compensation for damages to customers for any offences committed by Personal Financial Advisers that are being handled by the Board of Directors.
- Perform any additional duties provided for by current company regulations or assigned by the Board of Directors.

## Supervisory Board

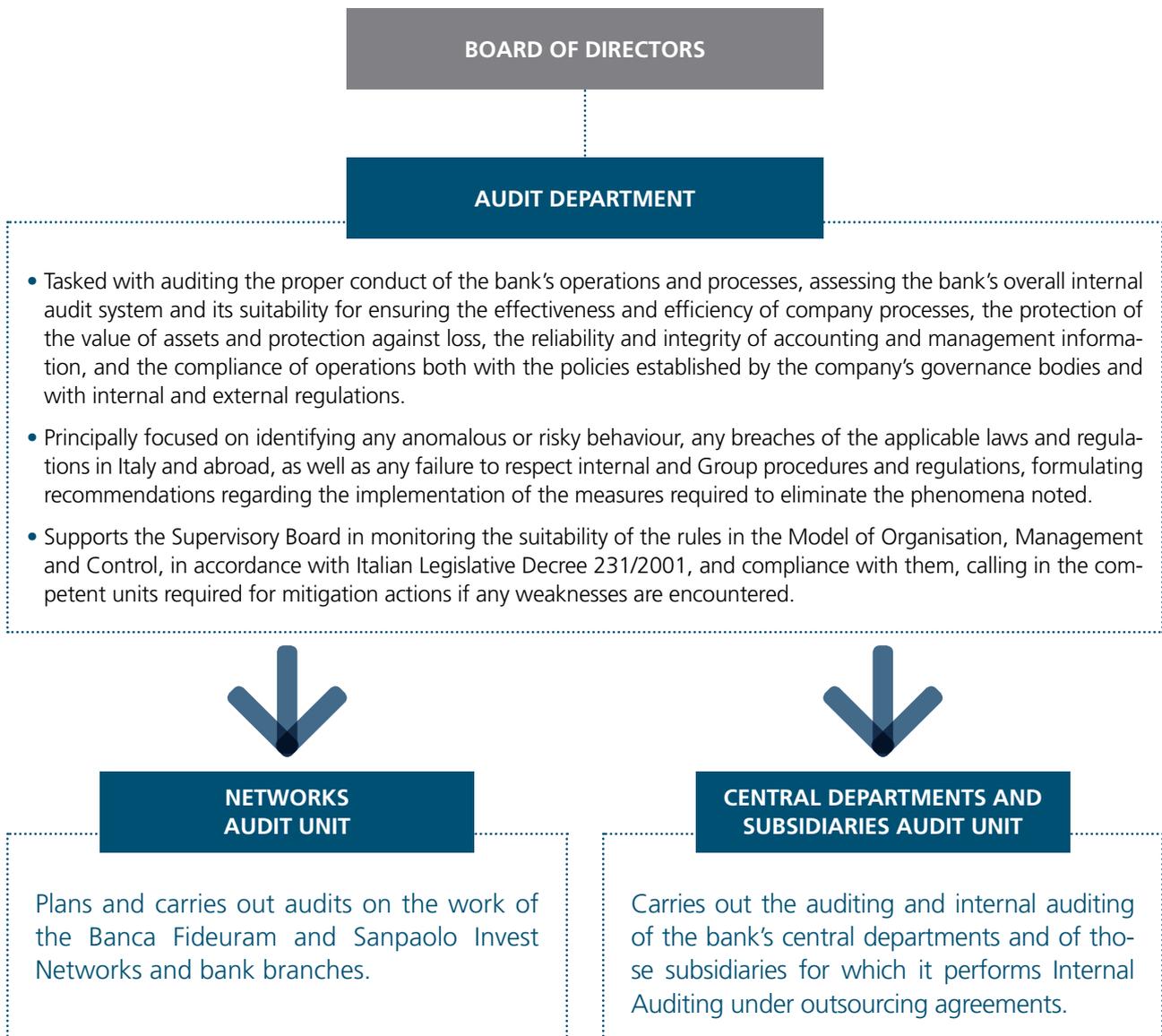
Banca Fideuram adopted the "Model of organisation, management and control in accordance with Italian Legislative Decree No. 231 of 8 June 2001" (most recently updated at its Board Meeting of 18 July 2013), which aims to prevent the possibility of the offences specified in the Decree from being committed and, consequently, the administrative responsibility of the bank. The duties of supervising the operation, effectiveness and suitability of the model and compliance with it, of preventing the offences specified in Italian Legislative Decree 231/2001, and of updating the model, are entrusted to a Supervisory Board vested with autonomous powers of initiative and control that is autonomous, independent, professional and operates with continuity of action. The work,

operation and duties of the Supervisory Board are, in addition to being specified in the Model, also governed by the related "Regulations governing the Supervisory Board established in accordance with Italian Legislative Decree No. 231/2001" as most recently approved by the Board of Directors on 18 July 2013. The Supervisory Board duties provided for by Italian Legislative Decree No. 231/2001 are assigned to the Board of Statutory Auditors. This option was chosen by the bank in accordance with the provisions of the law and the Supervisory Authorities, with article 14 of Law No. 183/2011 specifically permitting joint stock companies to assign the duties of the Supervisory Board to the Board of Statutory Auditors in order to streamline their corporate controls. The statuto-

ry auditors of the Board of Statutory Auditors are, therefore, also members of the Supervisory Board, which can also include acting auditors, who are permitted to stand in for statutory auditors - solely for performing the duties of members of the Supervisory Board - in those cases provided for by the Model when there are causes for the suspension of statutory auditors or statutory auditors are temporarily prevented from attending. No acting auditor has ever needed to stand in for a statutory auditor to date. The Supervisory Board sends a dedicated report at least six-monthly to the Board of Directors on the suitability of and compliance with the related Model of Organisation, Management and Control. The Supervisory Board held 9 meetings in 2014.

## Audit

The Audit Department reports directly to the Board of Directors.



The Audit Department is responsible for ensuring the constant independent supervision of the internal audit system and the proper conduct of the bank's operations, aligning its activities with the most commonly accepted professional standards and best practices in Italy and worldwide. The internal audit activities operate as an independent information and control tool both for the purposes of complying with the provisions of the Supervisory Authorities and for the specific requirements of risk control and ensuring efficient and effective organisation.

The **Audit Department** submits periodic reports to the Company Bodies, which include:

- Monthly, as a rule: a report on the work carried out in the period and on any specific related matters, submit-

ted to the Internal Audit Committee and Board of Statutory Auditors.

- Quarterly: a report on the work carried out in relation to 231, outlining the audits performed, the results obtained, any weaknesses identified and the actions proposed for eliminating them, submitted to the Supervisory Board established in accordance with Italian Legislative Decree 231/2001.
- Half-yearly: a report on the work carried out, outlining the audits performed, the results obtained, any weaknesses identified and the actions proposed for eliminating them, and a report on the completeness, suitability, functionality and reliability of the internal audit system in the areas of the department's competence. These reports are submitted to the Board of Directors

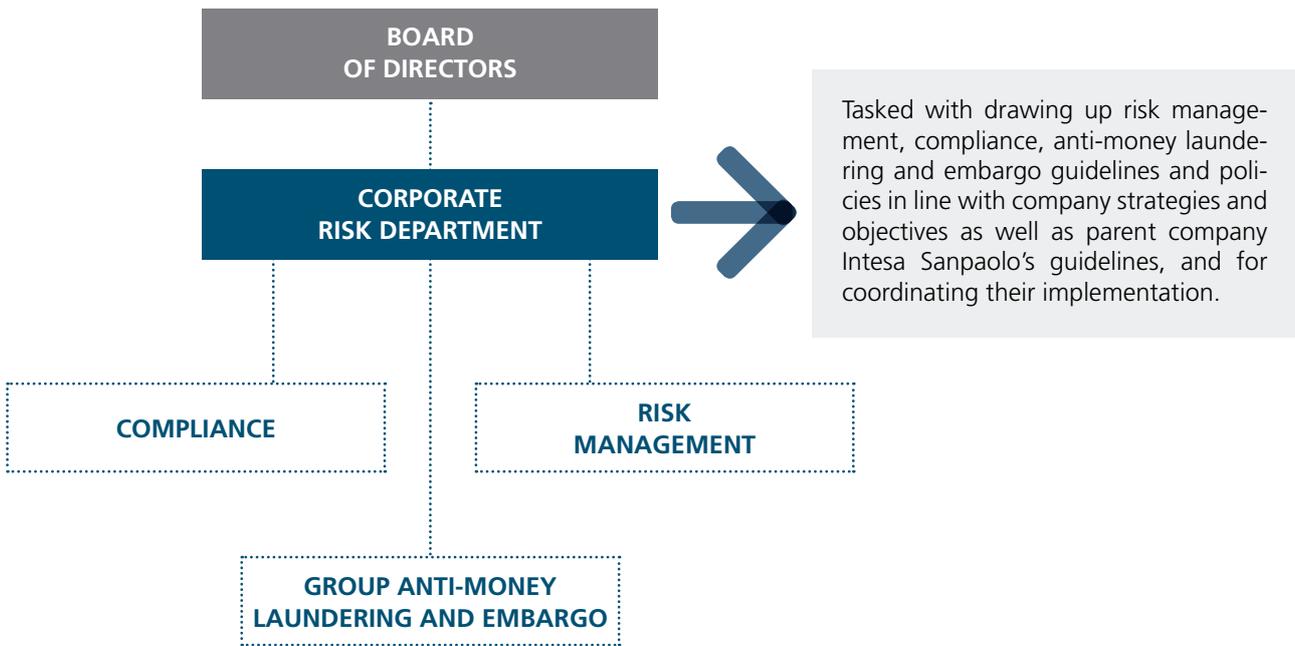
and Board of Statutory Auditors, following their prior submission to the Internal Audit Committee.

- Yearly: a Work Plan specifying the auditing work planned, taking the risks associated with the various different activities and company departments into account. This plan also contains a dedicated section on auditing the information system (ICT auditing). Along with this report, the department also submits a long-term plan for its activities, specifying them in relation to the bank's strategic plan, within the framework of the Intesa Sanpaolo Group strategic plan. Both documents are submitted to the Board of Statutory Auditors, following their prior submission to the Internal Audit Committee, and approved by the Board of Directors.

- Yearly: a report on the audits carried out on important operational functions that have been outsourced, submitted to the Internal Audit Committee, Board of Directors and Board of Statutory Auditors.

The Head of the Audit Department provides prompt notification of any significant issues of financial or reputational impact to the Chairman of the Board of Directors, the Managing Director and General Manager, the Chairman of the Internal Audit Committee, the Chairman of the Board of Statutory Auditors and the Internal Audit Department of parent company Intesa Sanpaolo, presenting the related information at the earliest practicable meeting of the Internal Audit Committee and, where necessary, of the Board of Directors.

## Corporate Risk Department



Compliance risk is managed by the **Compliance Unit** in the Corporate Risk Department, which is autonomous and independent of the operating departments, and also organisationally and operationally separate from the Audit Department. In 2014 the Compliance Model was revised to bring it in line with the Supervisory Regulations on internal audit systems issued by the Bank of Italy in July 2013.

The current compliance risk Model is set out in the "Banca Fideuram Regulations implementing Group

Compliance Guidelines", which were approved by the Board of Directors at its meeting of 10 November 2014 and which adapt the guiding policies, organisational architecture and general processes of compliance provided for at Intesa Sanpaolo Group level to its own operating context.

These Regulations specify the compliance responsibilities and macro processes with a view to mitigating compliance risk through the synergistic action of all bank staff.

The Compliance Unit is responsible for continuously identifying the laws and sector regulations which apply to the bank, measuring and evaluating their impact on company processes and procedures, while verifying the suitability and effectiveness of the bank's application of them, in addition to assisting the Supervisory Board in performing the audit and control activities carried out pursuant to Italian Legislative Decree 231/2001.

The Compliance Unit follows a risk-based approach to managing non-

compliance risk where the laws and regulations applicable to its operations are concerned, verifying that suitable internal procedures are in place to prevent this risk. It supports company departments with the ex ante evaluation of the regulatory compliance of innovative projects. It proposes organisational and procedural interventions to ensure the appropriate management of any compliance risks identified, evaluating the effectiveness of said changes over time.

The Head of the Corporate Risk Department is also the bank's Compliance Officer.

The Compliance Unit submits periodic reports to the Company Bodies on the suitability of the compliance management provided, as follows:

- Half-yearly: a report on the audits carried out, the results obtained, any weaknesses identified and the actions proposed for eliminating them, and a report on the completeness, suitability, functionality and reliability of the internal audit system in the areas of its competence. This report is submitted to the Board of Directors and Board of Statutory Auditors, following its prior submission to the Internal Audit Committee.
- Half-yearly: a report on the work carried out in relation to 231, outlining the audits performed, the results obtained, any weaknesses identified and the actions proposed for eliminating them, submitted to the Supervisory Board established in accordance with Italian Legislative Decree 231/2001.
- Yearly: a Work Plan identifying and assessing the main risks to which the Bank is exposed, and planning the related management interventions, taking into account any deficiencies noted in the audits and any new risks identified. The Work Plan is submitted to the Board of Statutory Auditors following its prior submission to the Internal Audit Committee and approval by the Board of Directors.

In second level internal auditing, the **Risk Management Unit** is independent from the operating departments and separate from the Internal Audit Unit, and reports directly to the Corporate Risk Mana-

ger, who in turn reports to top management. The Risk Management Unit also reports functionally to the Central Risk Management Unit of parent company Intesa Sanpaolo.

The Risk Management Unit, which is independent from the departments in charge of the "operational management" of risk, is responsible for continuously monitoring the suitability of the risk management process and the effectiveness of the actions taken to rectify any deficiencies identified.

The Risk Management Unit is, in particular, responsible for auditing risk management, specifying the appropriate methods, criteria and tools for measuring and controlling financial, credit and operational risk in line with the regulatory provisions of the Supervisory Authorities, the guidelines of parent company Intesa Sanpaolo and the directives of the Board of Directors.

In respect of the Risk Management Unit, the bank approved the current "Banca Fideuram Operational Risk Management Regulations" which implement the "Group Operational Risk Management Guidelines" by adapting the guiding policies, organisational architecture and principal macro processes provided for Operational Risk Management at Intesa Sanpaolo Group level to its own operating context.

In particular, the Risk Management Unit works with our parent company to develop and implement the Risk Appetite Framework ("RAF" hereinafter) and related risk management policies through a suitable risk management process. The Risk Management Unit is also required to ensure effective current and prospective measurement, management and control of the bank's and its subsidiaries' exposure to the different types of risk - particularly financial risk - and to submit proposals to Top Management regarding the operating limits structure adopted in line with the Group RAF, and with the capital allocated. It constantly monitors the actual risk assumed by the bank and its alignment with the risk objectives, as

well as compliance with the operating limits specified in the RAF for the operating departments in relation to each different type of risk.

The Risk Management Unit also ensures that the metrics used by the risk measurement and control systems are aligned with the company activity processes and assessment methods specified by Intesa Sanpaolo.

Where credit risk is concerned, the Risk Management Unit is required to provide effective monitoring through dedicated second level audits on lending to retail customers and to banks, insurance companies and financial institutions. Where operational risk is concerned, the Risk Management Unit is in charge of designing, developing and maintaining the bank's and its subsidiaries' internal operational risk management and measurement system (model, regulations and processes), ensuring it complies with the regulations in force and international best practice, implementing the "Group Operational Risk Management Guidelines".

The Risk Management Unit submits periodic reports to the Company Bodies, as follows:

- Half-yearly: a report on the audits carried out, the results obtained, any weaknesses identified and the actions proposed for eliminating them, and a report on the completeness, suitability, functionality and reliability of the internal audit system in the areas of its competence. These reports are submitted to the Board of Directors and Board of Statutory Auditors, following their prior submission to the Internal Audit Committee.
- Half-yearly: a report on the work carried out in relation to 231, outlining the audits performed, the results obtained, any weaknesses identified and the actions proposed for eliminating them, submitted to the Supervisory Board established in accordance with Italian Legislative Decree 231/2001.
- Yearly: a Work Plan identifying and assessing the main risks to which the Bank is exposed, and planning the related management interventions, taking into account

any deficiencies noted in the audits and any new risks identified. The Work Plan is submitted to the Board of Statutory Auditors following its prior submission to the Internal Audit Committee and approval by the Board of Directors.

**The Group Anti-Money Laundering and Embargo Unit** in the Corporate Risk Department is independent of the Group risk management units and is directly responsible for managing compliance risk where money laundering, combating the financing of terrorism and embargo management are concerned, taking part in the related operational and reputational risk management activities. It is also responsible for supervising the criteria for the feeding and management of the Single Information Archive, as well as for providing the notifications and communications that current legislation requires of Banca Fideuram. The Head of the Anti-Money Laundering Unit is also a Delegated Officer of the bank and its Italian subsidiaries

pursuant to article 42 of Italian Legislative Decree No. 231/2007 and reports functionally to the Head of the Anti-Money Laundering Unit of parent company Intesa Sanpaolo.

The Group Anti-Money Laundering and Embargo Unit submits periodic reports to the Company Bodies, as follows:

- Half-yearly: a report on the audits carried out, the results obtained, any weaknesses identified and the actions proposed for eliminating them, and a report on the completeness, suitability, functionality and reliability of the internal audit system in the areas of its competence. These reports are submitted to the Board of Directors and Board of Statutory Auditors, following their prior submission to the Internal Audit Committee.
- Half-yearly: a report on the work carried out in relation to 231, outlining the audits performed, the results obtained, any weaknesses identified and the actions proposed for eliminating them, submit-

ted to the Supervisory Board established in accordance with Italian Legislative Decree 231/2001.

- Yearly: a Work Plan identifying and assessing the main risks to which the Bank is exposed, and planning the related management interventions, taking into account any deficiencies noted in the audits and any new risks identified. The Work Plan is submitted to the Board of Directors and Board of Statutory Auditors following its prior submission to the Internal Audit Committee.

Likewise, for the Corporate Risk Department, if any critical issues are found then a report must be sent promptly to the Managing Director and the General Manager, so that they can determine what, if any, management actions need to be taken, and to the Chairman of the Board of Directors, the Chairman of the Internal Audit Committee, the Chairman of the Board of Statutory Auditors and the Internal Audit Department of parent company Intesa Sanpaolo.

## 6.8 Confidential information

The Board of Directors implemented the Intesa Sanpaolo "Regulations governing the communication of insider information to the market" by issuing its own internal regulations in compliance with Italian market abuse law and regulations.

## 6.9 Shareholders' meetings

The practice adopted to date by the Board of Directors has always been as follows:

- To ensure Shareholders are provided with information on the bank at Shareholders' Meetings.
- To promote the attendance of Shareholders' Meetings by all the Directors.

Shareholders' Meetings are called in accordance with the by-laws, giving written notice delivered at least eight days in advance by registered mail with return receipt to all shareholders in the list of shareholders, sent to their respective places of domicile or, if a shareholder has specifically requested it for this purpose, to their fax number

or e-mail address. In the 2014 financial year, Banca Fideuram Shareholders' Meetings were held:

- On 3 April 2014 - An ordinary general meeting to approve the annual financial statements, to appoint a Director and the Board of Statutory Auditors, confirming the assignment of the duties and functions of a Supervisory Board to the latter in accordance with Italian Legislative Decree No. 231 of 8 June 2001.
- On 6 May 2014 - An ordinary general meeting to approve the Remuneration Policies and authorise the purchase and disposal of ordinary shares in parent company Intesa Sanpaolo S.p.A. in accordance with article 2359 of the Italian Civil Code.

- On 18 December 2014 - An ordinary general meeting to approve the proposed distribution of available accumulated income to the Shareholder and to appoint a Director.

3  
Meetings  
in 2014

## 6.10 Board of statutory auditors

The term of the bank's current Board of Statutory Auditors, appointed by the Shareholders' Meeting on 3 April 2014, ends with the Shareholders' Meeting called to approve the 2016 financial statements. As of 20 April 2012, the Board of Statutory Auditors also performs the duties of a Supervisory Board pursuant to Italian Legislative Decree No. 231/2001.

In consideration of these further duties, the Board of Statutory Auditors receives all the information sent to the Board of Directors and Internal Audit Committee as well as that specifically sent to the Board of Statutory Auditors itself. The Board of Statutory Auditors receives suitable flows of periodic information from the other Company Bodies and Departments, including risk management and control audits, in order to perform its duties.

The Board of Statutory Auditors, which has autonomous powers of initiative and oversight, takes part in every meeting of the Board of Directors and is therefore continuously informed about the bank's activities. In accordance with the combined provisions of article 2381 of the Italian Civil Code and article 19 of the by-laws, and to ensure that the Board of Sta-

OFFICE	NAME	% OF MEETINGS ATTENDED (SHAREHOLDERS' MEETING, BOARD OF DIRECTORS & BOARD OF STATUTORY AUDITORS)	NUMBER OF OTHER OFFICES HELD IN THE INTESA SANPAOLO GROUP
Chairman	Carlo Giuseppe Angelini	100%	1
Statutory Auditor	Marco Antonio Modesto Dell'Acqua	92%	2
Statutory Auditor	Lorenzo Ginisio	100%	4

tutory Auditors possesses every information tool necessary to perform its duties effectively, the Directors report to the Board of Statutory Auditors at least quarterly on the work they have carried out and on the most significant economic, financial and asset-related activities of the bank and its subsidiaries, as well as, in particular, on the transactions in which they have a direct or indirect interest, or which have been influenced by the party that plays a management and coordinating role. In accordance with Italian Legislative Decree No. 39/2010 (the Italian Auditing Consolidation Act - Testo Unico della Revisione), the Board of Statutory Auditors performs the supervisory duties provided for by the auditing regulations regarding, inter alia, the financial reporting process, the effectiveness of the control, internal auditing and

risk management systems, and the annual audit. The Board of Statutory Auditors is in addition required to evaluate the Independent Auditors' proposals, submitted with the aim of gaining appointment, as well as the work plan prepared for the audit and the results set out in the report and letter of comments.

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## Meetings in 2014

**97.3% average attendance at meetings**

## 6.11 Management



From left:

<b>Fabio Cubelli</b>	Managing Director and General Manager, Fideuram Vita, Head of Banking Services, Banca Fideuram
<b>Stéphane Vacher</b>	Marketing and Communications Manager
<b>M. Antonello Piancastelli</b>	Joint General Manager and Business Coordination Manager, Banca Fideuram, General Manager of Sanpaolo Invest
<b>Matteo Colafrancesco</b>	Managing Director and General Manager, Banca Fideuram
<b>Andrea Chioatto</b>	Head of Operational Governance, Banca Fideuram
<b>Claudio Colombatto</b>	Information Systems and Operating Services Manager
<b>Gianluca La Calce</b>	Managing Director and General Manager of Fideuram Investimenti
<b>Paolo Bacciga</b>	Manager responsible for the preparation of the company accounts, Administration and Reporting Manager
<b>Pier Luigi Sappa</b>	Human Resources and General Affairs Manager
<b>Gianluca Serafini</b>	Finance and Treasury Manager

**The Board of Directors**  
Rome, 23 February 2015



# 7. Consolidated financial statement

Consolidated balance sheet

Consolidated income statement

Consolidated statement of comprehensive income

Statement of changes in consolidated equity

Statement of consolidated cash flows

Notes to the consolidated financial statements

**Consolidated balance sheet**

(€k)

	31.12.2014	31.12.2013
<b>ASSETS</b>		
10. Cash and cash equivalents	39,290	73,342
20. Financial assets held for trading	54,813	40,043
30. Financial assets designated at fair value	156,641	146,356
40. Financial assets available for sale	2,509,587	2,374,296
50. Held-to-maturity investments	332,881	451,753
60. Loans and advances to banks	3,672,033	3,177,817
70. Loans and advances to customers	5,369,981	4,795,505
80. Hedging derivatives	-	3,513
90. Adjustments to financial assets subject to macro-hedging	-	-
100. Equity investments	118,757	102,686
110. Reinsurers' share of technical reserves	-	-
120. Property and equipment	36,516	36,938
130. Intangible assets	25,682	23,065
Including: goodwill	-	-
140. Tax assets	171,528	181,720
a) Current	47,177	35,955
b) Deferred	124,351	145,765
Including: convertible to tax credits (Italian law No. 214/2011)	445	775
150. Non-current assets held for sale and disposal groups	-	90
160. Other assets	734,215	585,837
<b>TOTAL ASSETS</b>	<b>13,221,924</b>	<b>11,992,961</b>

Chairman of the Board  
of Directors  
**Enrico Salza**

Managing Director  
**Matteo Colafrancesco**

Manager Responsible for the  
Preparation of the Company Accounts  
**Paolo Bacciga**

**Consolidated balance sheet**

(€K)

	31.12.2014	31.12.2013
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
10. Due to banks	575,952	805,492
20. Due to customers	9,163,623	8,321,926
30. Debt on issue	-	-
40. Financial liabilities held for trading	43,723	9,931
50. Financial liabilities designated at fair value	-	-
60. Hedging derivatives	1,094,785	605,744
70. Adjustments to financial liabilities subject to macro-hedging	-	-
80. Tax liabilities	54,916	80,901
a) Current	28,688	59,027
b) Deferred	26,228	21,874
90. Liabilities associated with non-current assets held for sale	-	-
100. Other liabilities	710,426	631,592
110. Provision for employment termination indemnities	26,989	25,051
120. Provisions for risks and charges	340,793	300,025
a) Pensions and other commitments	1,310	960
b) Other provisions	339,483	299,065
130. Technical reserves	-	-
140. Valuation reserves	(130,385)	(171,466)
150. Redeemable shares	-	-
160. Equity instruments	-	-
170. Reserves	743,386	874,928
180. Share premium reserve	9,138	9,138
190. Share capital	186,255	186,255
200. Treasury shares	-	-
210. Equity attributable to non-controlling interests	389	339
220. Net profit (loss) for the year	401,934	313,105
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>13,221,924</b>	<b>11,992,961</b>

Chairman of the Board  
of Directors  
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Managing Director  
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Manager Responsible for the  
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**Paolo Bacciga**

## Consolidated Income Statement

(€k)

	2014	2013
10. Interest income and similar income	257,113	265,228
20. Interest expense and similar expense	(121,458)	(118,392)
<b>30. Net interest income</b>	<b>135,655</b>	<b>146,836</b>
40. Fee and commission income	1,415,869	1,271,691
50. Fee and commission expense	(645,780)	(610,072)
<b>60. Net fee and commission income</b>	<b>770,089</b>	<b>661,619</b>
70. Dividends and similar income	170	97
80. Net profit (loss) on trading activities	4,170	7,143
90. Net profit (loss) on hedging derivatives	(10,193)	887
100. Net profit (loss) on sale or repurchase of:	23,637	(11,662)
a) Loans	(1,017)	(6,365)
b) Financial assets available for sale	24,654	(2,710)
c) Held-to-maturity investments	-	(2,587)
d) Financial liabilities	-	-
110. Net profit (loss) on financial assets and liabilities designated at fair value	11,768	11,764
<b>120. Total net interest and trading income</b>	<b>935,296</b>	<b>816,684</b>
130. Net impairment of:	929	1,625
a) Loans	279	399
b) Financial assets available for sale	(1)	(1)
c) Held-to-maturity investments	575	732
d) Other financial transactions	76	495
<b>140. Operating income</b>	<b>936,225</b>	<b>818,309</b>
150. Net insurance premiums	-	-
160. Other income/expense from insurance activities	-	-
<b>170. Operating income from financing and insurance activities</b>	<b>936,225</b>	<b>818,309</b>
180. Administrative expenses:	(422,610)	(371,425)
a) Personnel expenses	(137,693)	(117,304)
b) Other administrative expenses	(284,917)	(254,121)
190. Net provisions for risks and charges	(82,811)	(74,006)
200. Depreciation of property and equipment	(2,502)	(2,913)
210. Amortisation of intangible assets	(11,147)	(10,590)
220. Other income/expense	117,714	77,471
<b>230. Operating expenses</b>	<b>(401,356)</b>	<b>(381,463)</b>
240. Profit (loss) on equity investments	10,453	5,969
250. Net fair value gains (losses) on property and equipment and intangible assets	-	-
260. Goodwill impairment	-	-
270. Gain (loss) on disposal of investments	-	-
<b>280. Profit (loss) before tax</b>	<b>545,322</b>	<b>442,815</b>
290. Income taxes	(143,213)	(129,581)
<b>300. Profit (loss) after tax</b>	<b>402,109</b>	<b>313,234</b>
310. Profit (loss) after tax from discontinued operations	-	-
<b>320. Net profit (loss) for the year</b>	<b>402,109</b>	<b>313,234</b>
330. Net profit (loss) for the year attributable to non-controlling interests	(175)	(129)
<b>340. Parent company interest in net profit (loss) for the year</b>	<b>401,934</b>	<b>313,105</b>

Chairman of the Board  
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**Enrico Salza**

Managing Director  
**Matteo Colafrancesco**

Manager Responsible for the  
Preparation of the Company Accounts  
**Paolo Bacciga**

**Consolidated statement of comprehensive income**

(€k)

	<b>2014</b>	<b>2013</b>
<b>10. Net profit (loss) for the year</b>	<b>402,109</b>	<b>313,234</b>
<b>Other comprehensive income after tax not transferred to income statement</b>	<b>(1,790)</b>	<b>(1,375)</b>
20. Property and equipment	-	-
30. Intangible assets	-	-
40. Defined-benefit plans	(1,721)	(1,321)
50. Non-current assets held for sale	-	-
60. Valuation reserves related to investments carried at equity	(69)	(54)
<b>Other comprehensive income after tax that may be transferred to income statement</b>	<b>42,871</b>	<b>136,350</b>
70. Hedges of net investments in foreign operations	-	-
80. Exchange rate differences	-	-
90. Cash flows hedges	-	-
100. Financial assets available for sale	36,771	134,021
110. Non-current assets held for sale	-	-
120. Valuation reserves related to investments carried at equity	6,100	2,329
<b>130. Total other comprehensive income after tax</b>	<b>41,081</b>	<b>134,975</b>
<b>140. Total comprehensive income</b>	<b>443,190</b>	<b>448,209</b>
150. Total comprehensive income attributable to non-controlling interests	175	128
160. Total comprehensive income attributable to parent company	443,015	448,081

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## Statement of changes in consolidated equity

(€k)

	BALANCE AT 31.12.2013	CHANGE TO OPENING BALANCE	BALANCE AT 1.1.2014	ALLOCATION OF INCOME FOR THE PREVIOUS YEAR		CHANGES IN THE YEAR								TOTAL COMPREHENSIVE INCOME AT 31.12.2014	SHAREHOLDERS' EQUITY AT 31.12.2014	EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY	EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS
				RESERVES	DIVIDENDS AND OTHER	CHANGES IN RESERVES	TRANSACTIONS INVOLVING SHAREHOLDERS' EQUITY										
							ISSUE OF NEW SHARES	PURCHASE OF TREASURY SHARES	DISTRIBUTION OF EXTRAORDINARY DIVIDENDS	CHANGE IN EQUITY INSTRUMENTS	DERIVATIVES BASED ON TREASURY SHARES	STOCK OPTIONS	CHANGES IN EQUITY INVESTMENTS				
<b>Share capital:</b>	<b>186,398</b>	-	<b>186,398</b>	-	-	-	-	-	-	-	-	-	<b>(8)</b>	-	<b>186,390</b>	<b>186,255</b>	<b>135</b>
a) Ordinary shares	186,398	-	186,398	-	-	-	-	-	-	-	-	-	(8)	-	186,390	186,255	135
b) Other shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Share premium reserve</b>	<b>9,138</b>	-	<b>9,138</b>	-	-	-	-	-	-	-	-	-	-	-	<b>9,138</b>	<b>9,138</b>	-
<b>Reserves:</b>	<b>874,997</b>	-	<b>874,997</b>	<b>116,098</b>	-	<b>2,292</b>	-	<b>(250,000)</b>	-	-	-	-	<b>80</b>	-	<b>743,467</b>	<b>743,386</b>	<b>81</b>
a) From net income	762,029	-	762,029	116,098	-	2,292	-	(250,000)	-	-	-	-	80	-	630,499	630,418	81
b) Other	112,968	-	112,968	-	-	-	-	-	-	-	-	-	-	-	112,968	112,968	-
<b>Valuation reserves</b>	<b>(171,468)</b>	-	<b>(171,468)</b>	-	-	-	-	-	-	-	-	-	-	<b>41,081</b>	<b>(130,387)</b>	<b>(130,385)</b>	<b>(2)</b>
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net profit (loss) for the year</b>	<b>313,234</b>	-	<b>313,234</b>	<b>(116,098)</b>	<b>(197,136)</b>	-	-	-	-	-	-	-	-	<b>- 402,109</b>	<b>402,109</b>	<b>401,934</b>	<b>175</b>
<b>Shareholders' equity</b>	<b>1,212,299</b>	-	<b>1,212,299</b>	-	<b>(197,136)</b>	<b>2,292</b>	-	<b>(250,000)</b>	-	-	-	-	<b>72</b>	<b>443,190</b>	<b>1,210,717</b>	<b>1,210,328</b>	<b>389</b>
Equity attributable to owners of the parent company	1,211,960	-	1,211,960	-	(197,038)	2,293	-	(250,000)	-	-	-	-	98	443,015	1,210,328		
Equity attributable to non-controlling interests	339	-	339	-	(98)	(1)	-	-	-	-	-	-	(26)	175	389		

Chairman of the Board  
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Managing Director  
**Matteo Colafrancesco**

Manager Responsible for the  
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**Paolo Bacciga**

## Statement of changes in consolidated equity

(€k)

	BALANCE AT 31.12.2012	CHANGE TO OPENING BALANCE	BALANCE AT 1.1.2013 (*)	ALLOCATION OF INCOME FOR THE PREVIOUS YEAR		CHANGES IN THE YEAR								TOTAL COMPREHENSIVE INCOME AT 31.12.2013	SHAREHOLDERS' EQUITY AT 31.12.2013	EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY	EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS
				RESERVES	DIVIDENDS AND OTHER	CHANGES IN RESERVES	TRANSACTIONS INVOLVING SHAREHOLDERS' EQUITY										
							ISSUE OF NEW SHARES	PURCHASE OF TREASURY SHARES	DISTRIBUTION OF EXTRAORDINARY DIVIDENDS	CHANGE IN EQUITY INSTRUMENTS	DERIVATIVES BASED ON TREASURY SHARES	STOCK OPTIONS	CHANGES IN EQUITY INVESTMENTS				
<b>Share capital:</b>	<b>186,398</b>	-	<b>186,398</b>	-	-	-	-	-	-	-	-	-	-	<b>186,398</b>	<b>186,255</b>	<b>143</b>	
a) Ordinary shares	186,398	-	186,398	-	-	-	-	-	-	-	-	-	-	186,398	186,255	143	
b) Other shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Share premium reserve</b>	<b>9,138</b>	-	<b>9,138</b>	-	-	-	-	-	-	-	-	-	-	<b>9,138</b>	<b>9,138</b>	-	
<b>Reserves:</b>	<b>831,150</b>	-	<b>831,150</b>	<b>45,441</b>	<b>(1,594)</b>	-	-	-	-	-	-	-	-	<b>874,997</b>	<b>874,928</b>	<b>69</b>	
a) From net income	718,182	-	718,182	45,441	(1,594)	-	-	-	-	-	-	-	-	762,029	761,960	69	
b) Other	112,968	-	112,968	-	-	-	-	-	-	-	-	-	-	112,968	112,968	-	
<b>Valuation reserves</b>	<b>(304,003)</b>	<b>(2,440)</b>	<b>(306,443)</b>	-	-	-	-	-	-	-	-	-	<b>134,975</b>	<b>(171,468)</b>	<b>(171,466)</b>	<b>(2)</b>	
<b>Equity instruments</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Treasury shares</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Net profit (loss) for the year</b>	<b>205,228</b>	-	<b>205,228</b>	<b>(45,441)</b>	<b>(159,787)</b>	-	-	-	-	-	-	-	<b>313,234</b>	<b>313,234</b>	<b>313,105</b>	<b>129</b>	
<b>Shareholders' equity</b>	<b>927,911</b>	<b>(2,440)</b>	<b>925,471</b>	-	<b>(159,787)</b>	<b>(1,594)</b>	-	-	-	-	-	-	<b>448,209</b>	<b>1,212,299</b>	<b>1,211,960</b>	<b>339</b>	
<b>Equity attributable to owners of the parent company</b>	<b>927,699</b>	<b>(2,440)</b>	<b>925,259</b>	-	<b>(159,787)</b>	<b>(1,593)</b>	-	-	-	-	-	-	<b>448,081</b>	<b>1,211,960</b>			
<b>Equity attributable to non-controlling interests</b>	<b>212</b>	-	<b>212</b>	-	-	<b>(1)</b>	-	-	-	-	-	-	<b>128</b>	<b>339</b>			

(\*) Restated taking changes in IAS 19 into account so that straight comparisons can be made.

Chairman of the Board  
of Directors  
**Enrico Salza**

Managing Director  
**Matteo Colafrancesco**

Manager Responsible for the  
Preparation of the Company Accounts  
**Paolo Bacciga**

## Statement of consolidated cash flows (indirect method)

(€k)

	2014	2013
<b>A. OPERATING ACTIVITIES</b>		
<b>1. Operations</b>	<b>625,718</b>	<b>383,716</b>
Net profit	401,934	313,105
Net profit (loss) on financial assets held for trading and on assets/liabilities designated at fair value	(14,422)	(12,771)
Net profit (loss) on hedging activities	10,193	(887)
Net impairment	(930)	(1,626)
Net depreciation and amortisation	13,649	13,503
Net provisions for risks and charges and other expense/income	83,425	74,688
Uncollected net insurance premiums	-	-
Uncollected other insurance income/expense	-	-
Unpaid taxes and tax credits	143,213	3,380
Net adjustments to net value after tax of disposal groups	-	-
Other adjustments	(11,344)	(5,676)
<b>2. Cash from/used in financing activities</b>	<b>(844,834)</b>	<b>(274,780)</b>
Financial assets held for trading	(14,767)	(670)
Financial assets designated at fair value	1,300	79,297
Financial assets available for sale	383,762	(371,659)
Loans and advances to banks: demand deposits	96,928	(78,588)
Loans and advances to banks: other receivables	(591,208)	741,913
Loans and advances to customers	(563,767)	(626,195)
Other assets	(157,082)	(18,878)
<b>3. Cash from/used in financial liabilities</b>	<b>527,420</b>	<b>43,503</b>
Due to banks: demand deposits	17,229	(38,856)
Due to banks: other debts	(246,769)	3,594
Due to customers	841,697	293,136
Debt on issue	-	-
Financial liabilities held for trading	26,260	(17,366)
Financial liabilities designated at fair value	-	-
Hedging derivatives	10,398	(52,137)
Other liabilities	(121,395)	(144,868)
<b>Net cash from/used in operating activities</b>	<b>308,304</b>	<b>152,439</b>
<b>B. INVESTING ACTIVITIES</b>		
<b>Net cash from</b>	<b>137,983</b>	<b>94,613</b>
Disposal of equity investments	90	-
Dividend income from equity investments	97	69
Sale of held-to-maturity investments	137,793	94,544
Sale of property and equipment	3	-
Sale of intangible assets	-	-
Sale of subsidiaries and company divisions	-	-
<b>Cash used in</b>	<b>(33,301)</b>	<b>(42,063)</b>
Acquisition of equity investments	-	-
Purchase of held-to-maturity investments	(17,441)	(27,293)
Acquisition of property and equipment	(2,088)	(2,817)
Purchase of intangible assets	(13,772)	(11,953)
Acquisition of subsidiaries and company divisions	-	-
<b>Net cash from/used in investing activities</b>	<b>104,682</b>	<b>52,550</b>
<b>C. FUNDING ACTIVITIES</b>		
Issue/purchase of treasury shares	-	-
Issue/purchase of equity instruments	-	-
Distribution of dividends and other	(447,038)	(159,787)
<b>Net cash from/used in funding activities</b>	<b>(447,038)</b>	<b>(159,787)</b>
<b>NET CASH GENERATED/USED IN THE YEAR</b>	<b>(34,052)</b>	<b>45,202</b>
<b>Reconciliation</b>		
Cash and cash equivalents at beginning of year	73,342	28,140
Net cash generated/used in the year	(34,052)	45,202
Cash and cash equivalents: effect of changes in exchange rates	-	-
Cash and cash equivalents at end of year	39,290	73,342

Chairman of the Board  
of Directors  
**Enrico Salza**

Managing Director  
**Matteo Colafrancesco**

Manager Responsible for the  
Preparation of the Company Accounts  
**Paolo Bacciga**

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## PART A - ACCOUNTING POLICIES

### A.1 - GENERAL

#### SECTION 1 - DECLARATION OF COMPLIANCE WITH THE INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Banca Fideuram Group's Consolidated Financial Statements have been prepared pursuant to Italian Legislative Decree No. 38 of 28 February 2005 in accordance with the International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), as endorsed by the European Commission up to 31 December 2014, following the procedure provided for by EC Regulation No. 1606/2002. With a view to adopting effective guidelines for the application of these accounting standards, this Report was prepared in accordance with the interpretations provided by the International Financial Reporting Interpretations Committee (IFRIC). There were no derogations from the application of the IAS/IFRS.

The Consolidated Financial Statements at 31 December 2014 have been prepared in accordance with Bank of Italy Circular No. 262 of 22 December 2005, and its subsequent amendments and interpretation guidelines. Special attention was focused on the third amendment of 22 December 2014, which required the regulation to be reprinted in full.

The main developments in accounting standards in the year were the obligatory application from 1 January 2014 of the new International Financial Reporting Standards on consolidation and joint arrangements (IFRS 10, IFRS 11 and IFRS 12), and the amendments to IAS 32 on offsetting financial assets and liabilities, and to IAS 39 on the novation of derivatives and continuation of hedge accounting. These developments have not had any significant impact on the accounting treatment of assets and liabilities.

The European Commission endorsed the following International Financial Reporting Standards with Regulation 1254/2012: IFRS 10 (Consolidated Financial Statements), IFRS 11 (Joint Arrangements) and IFRS 12 (Disclosure of Interests in Other Entities), and brought in a number of amendments to IAS 27 (Separate Financial Statements) and IAS 28 (Investments in Associates and Joint Ventures). The new provisions on consolidation brought in by Regulation 1254/2012 were subsequently supplemented by Regulations 313/2013 and 1174/2013, both of which also came into force on 1 January 2014. International Financial Reporting Standard IFRS 10 identifies control as the sole basis for consolidation, applicable to all types of entities regardless of their nature. An investor controls an investee when the investor is exposed, or has rights, to variable re-

turns from its involvement with the investee and has the ability to affect those returns through its power over the investee. IFRS 11 specifies the accounting requirements for entities that jointly control an arrangement. IFRS 12 specifies the disclosure requirements for subsidiaries, joint arrangements, associates and unconsolidated structured entities. The application of IFRS 10 in the Banca Fideuram Group has not required any changes to the scope of consolidation.

EU Regulation 1256/2012 endorsed a series of amendments to IAS 32 on offsetting financial assets and liabilities. The Group's current transactions in financial instruments resulted in the amendments to IAS 32 having no impact on the accounting treatment of assets and liabilities.

Lastly, EU Regulation 1375/2013 endorsed the amendment to IAS 39 specifying that the novation of a derivative designated as a hedging instrument as a result of laws or regulations need not cause the discontinuation of hedge accounting, on condition that any contractual amendments regarding the derivative are limited to those needed for the instrument to be novated to a central counterparty.

The new International Financial Reporting Standards, or amendments to the latest existing standards, and the related European Commission Regulations endorsing them (making their application compulsory after 31 December 2014) are listed below:

- Regulation No. 634/2014: Amendment to IFRIC Interpretation 21 on Levies.
- Regulation No. 1361/2014: Amendment to IFRS 3 Business Combinations, IFRS 13 Fair Value Measurement and to IAS 40 Investment Property.

#### SECTION 2 - BASIS OF PREPARATION

The Consolidated Financial Statements of the Banca Fideuram Group comprise the compulsory consolidated statements provided for by IAS 1 (namely a balance sheet, income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows) and the present Notes to the Consolidated Financial Statements, accompanied by the Directors' Report. The information specified as compulsory content for "Directors' Reports" by Bank of Italy Circular No. 262/2005 is presented in the following sections and paragraphs of the Integrated Financial Report:

- Section 3. Operating and market context
- Section 4. Performance (paragraphs 4.1 to 4.4, 4.7, 4.8.1 and 4.9)
- Section 5. Growth prospects
- Section 6. Governance (paragraph 6.2)

The Notes to the Consolidated Financial Statements present all the information provided for by the regulations, together with the additional information considered necessary to provide a faithful and proper representation of the Group's position. These financial statements have been prepared on the assumption of business continuity. There is no uncertainty regarding the Group's ability to continue in business. The compulsory tables and details required by the Bank of Italy are identified separately using the numbering specified by said Supervisory Authority.

The financial statements and Notes to the financial state-

ments present the data for the period together with the corresponding data at 31 December 2013 for the purposes of comparison.

The schedules contain reconciliation statements for the financial statements and reclassified financial statements in paragraph 4.7 of the Integrated Financial Report.

The Financial Statements use the euro as their functional currency. The figures in the Financial Statements and Notes are stated in thousands of euro unless specified otherwise.

## SECTION 3 - SCOPE AND METHODS OF CONSOLIDATION

The companies consolidated line by line in the Banca Fideuram S.p.A. consolidated financial statements at 31 December 2014 are listed below.

### 1. Equity investments in wholly owned subsidiaries

COMPANIES	OPERATIONAL HEAD OFFICE	REGISTERED OFFICE	TYPE OF OWNERSHIP (*)	OWNERSHIP		% VOTES (**)
				HELD BY	% OWNED	
1. Banca Fideuram S.p.A. Share capital: EUR 186,255,207.16 in shares of EUR 0.19 each	Rome	Rome				
2. Sanpaolo Invest SIM S.p.A. Share capital: EUR 15,264,760 in shares of EUR 140 each	Rome	Rome	1	BF	100.000%	
3. Fideuram Investimenti SGR S.p.A. Share capital: EUR 25,850,000 in shares of EUR 517 each	Milan	Milan	1	BF	99.500%	
4. Fideuram Fiduciaria S.p.A. Share capital: EUR 1,551,000 in shares of EUR 517 each	Milan	Turin	1	BF	100.000%	
5. Fideuram Asset Management (Ireland) Ltd Share capital: EUR 1,000,000 in shares of EUR 1,000 each	Dublin	Dublin	1	BF	100.000%	
6. Fideuram Gestions S.A. Share capital: EUR 10,000,000 in shares of EUR 100 each	Luxembourg	Luxembourg	1	BF	100.000%	
7. Fideuram Bank (Luxembourg) S.A. Share capital: EUR 30,000,000 in shares of EUR 1,225.94 each	Luxembourg	Luxembourg	1	BF	100.000%	
8. Financière Fideuram S.A. Share capital: EUR 346,761,600 in shares of EUR 25 each	Paris	Paris	1	BF	99.999%	
9. Euro-Trésorerie S.A. Share capital: EUR 250,038,322.20 in shares of EUR 15.3 each	Paris	Paris	1	FF	99.999%	

#### LEGEND

(\*) Type of ownership 1 = majority voting rights at general shareholders' meetings.

Held by: BF = Banca Fideuram FF = Financière Fideuram

(\*\*) Voting rights at general shareholders' meetings. Voting rights are only shown when they differ from % capital ownership.

### 2. Significant judgements and assumptions made in determining scope of consolidation

The consolidated financial statements include Banca Fideuram and its direct and indirect subsidiaries and associate companies.

An entity is considered to be controlled by Banca Fideuram when the latter is exposed, or has rights to, variable returns from its involvement with the entity, while simultaneously having the ability to affect those returns through its power over the entity.

Banca Fideuram is considered to control an entity if and only if the Group has all of the following elements:

- Power over the entity to direct the relevant activities.
- Exposure to variable returns from its involvement with the investee entity.

- The ability to use its power over the entity to affect the amount of the returns.

Potential principal-agent relationships are also taken into consideration when assessing whether or not the bank controls an entity. The Group takes the following elements into consideration when assessing whether it acts as a principal or as an agent:

- The decision-making rights over the relevant activities of the entity.
- The significance of rights held by other entities.
- The remuneration to which the Group is entitled.
- The exposure to variable returns from the equity investment.

Relevant activities are those which significantly affect the returns of the associate company.

Generally speaking, when relevant activities are managed through voting rights, the following factors provide evidence of control:

- The possession, directly or indirectly (through subsidiary companies) of more than half the voting rights of an entity.
- The possession of half (or less than half) the general meeting voting rights, and the practical ability to unilaterally manage the relevant activities through:
  - Control of more than half the voting rights through agreement with other investors.
  - The power to determine the financial and operating policies of the equity investment entity through by-law or contractual clauses.
  - The power to appoint or remove the majority of the members of the Board of Directors or equivalent company governing body.

All the subsidiaries were consolidated line-by-line. Since all the assets and liabilities of these subsidiaries are consolidated, their book value is offset by the corresponding share of shareholders' equity held by the Group. The differences resulting from said offsetting at the date of initial consolidation are, if positive, recognised as intangible assets under the item goodwill or other intangible assets, following the allocation of any components to the assets and liabilities of the subsidiaries. If negative, they are recognised as negative goodwill in the income statement. Goodwill is subject to a periodic test on the appropriateness of its carrying value. If the recoverable value of the goodwill is less than its carrying value, the difference is recognised in the income statement. There were no entries for goodwill in the financial statements at 31 December 2014. All relations with respect to assets and liabilities, and all income and expenses between consolidated companies are eliminated.

The financial statements used for the line-by-line consolidation were those at 31 December 2014, as approved by the competent bodies of the subsidiaries, adjusted where necessary to align them with Group accounting policies.

The scope of consolidation of the Banca Fideuram Group changed with respect to the situation at 31 December 2013, with Sanpaolo Invest (Ireland) Ltd no longer being included since the process for winding up the company was completed at the end of March 2014.

A company is considered to be an associate company if it is subject to significant influence, which is to say if Banca Fideuram holds 20% or more of the voting rights directly or indirectly, or if it is able to participate in determining the company's financial and management policies by virtue of special legal ties even though it has less voting rights. Banca Fideuram holds 19.99% of the share capital of Fideuram Vita S.p.A, which is considered an associate company and consolidated using the equity method.

Associate companies are consolidated using the equity method. This method involves initially recognising the equity investment at cost and subsequently adjusting the value in relation to the Group interest in the subsidiary's shareholders' equity. The difference between the carrying value of the equity investment and the interest in the subsidiary's shareholders' equity is recognised as an increase or decrease in the carrying value of the equity investment. The Group interest in the subsidiary's operating profit is recognised in a separate item of the consolidated income statement.

#### SECTION 4 - EVENTS AFTER THE REPORTING PERIOD

There were no significant events after the reporting period requiring any changes to be made to the consolidated financial statements at 31 December 2014.

#### SECTION 5 - OTHER ASPECTS

The Banca Fideuram Group's Consolidated Financial Statements are audited by KPMG S.p.A. The table below provides detailed information on the remuneration that the Banca Fideuram Group paid KPMG in the 2014 financial year, in accordance with article 2427 of the Italian Civil Code and article 149 duodecies of the Regulations for Listed Companies Issuing Financial Statements (No. 11971) issued by the Italian National Commission for Listed Companies and the Stock Exchange (CONSOB).

(€k)	
TYPE OF SERVICES	KMPG S.p.A.
Independent statutory audit (*)	809
Other services	197
<b>Total</b>	<b>1,006</b>

(\*) This figure includes €104k remuneration paid for auditing the mutual funds managed by Group companies. These costs are borne directly by the funds.

All figures are net of VAT and expenses.

## A.2 - MAIN FINANCIAL STATEMENT ITEMS

This section sets out the accounting policies adopted to prepare the consolidated financial statements at 31 December 2014.

### SECTION 1 - FINANCIAL ASSETS HELD FOR TRADING

Financial assets held for trading include the following:

- Debt securities and equities purchased principally to obtain short-term profit
- Derivatives with positive values, except for those designated as hedging instruments.

Transfers to other categories of financial assets are not permissible except in exceptional circumstances that are difficult to account for in the short term. In these cases debt securities and equities that are no longer held for trading may be transferred to the other categories provided for by IAS 39 when the conditions for such transfers occur. The transfer value is the fair value at the moment of transfer.

The initial recognition of these financial assets is at the settlement date for debt securities and equities and at the subscription date for derivatives. Financial assets held for trading are initially recognised in the balance sheet at fair value, without taking the transaction costs or income directly attributable to the instrument itself into account.

After their initial recognition, financial assets held for trading are measured at fair value with a balancing entry in the income statement. The fair value of financial instruments listed on active markets is taken to be their market value. In the absence of an active market, the fair value is determined on the basis of the prices of recent transactions and the market values of similar financial instruments, as well as taking the results of measurement models (mainly based on objective financial variables) into account.

Derivatives are treated as assets in the financial statements if their fair value is positive and as liabilities if their fair value is negative.

### SECTION 2 - FINANCIAL ASSETS AVAILABLE FOR SALE

These include financial assets that are not classified as loans, held-to-maturity investments, financial assets held for trading or financial assets designated at fair value. It is permissible to transfer debt securities to Held-to-maturity investments or Loans (providing it is intended to hold them for the foreseeable future). The transfer value is the fair value at the moment of transfer.

The initial recognition of these financial assets is at the settlement date for debt securities and equities. Available-for-sale financial assets are initially recognised in

the balance sheet at their fair value, which is usually their purchase price plus any transaction costs, if material and determinable, directly attributable to them. After their initial recognition, financial assets available for sale are measured at fair value with a balancing entry in a specific reserve in shareholders' equity, and any changes in the year are recognised in the statement of comprehensive income. The amortised cost of debt securities is always recognised in the income statement. Certain unlisted equities, the fair value of which cannot be determined in a reliable or verifiable manner, are carried in the financial statements at cost and written down in those cases where impairment is verified. The valuations recorded in the shareholders' equity reserve are recognised in the income statement upon disposal or when impairment is verified. In the event of impairment losses, the loss is measured as the difference between the book value and fair value of the asset. If the reasons for any impairment cease to apply, write-backs are recorded in the income statement for debt securities and in shareholders' equity for equities. The value of the write-backs may never exceed the amortised cost that the financial instrument would have had if it had not previously been written down.

### SECTION 3 - HELD-TO-MATURITY INVESTMENTS

Held-to-maturity investments are quoted non-derivative financial instruments that have fixed or determinable payments and fixed maturities, which the Group intends and has the ability to hold until maturity. The only transfers permitted are to Financial assets available for sale. Whenever a significant sum of investments in this category is sold or transferred prior to maturity in the course of a financial year, the remaining held-to-maturity investments must be transferred to Financial assets available for sale and the portfolio in question cannot be used for the subsequent two financial years unless the sales or transfers:

- were so close to maturity that fluctuations in market interest rates would not have had a significant effect on the fair value of the assets.
- Occurred after practically all the principal of the investment had been repaid.
- Were attributable to an isolated uncontrollable non-recurring event that could not, therefore, reasonably have been foreseen.

The initial recognition of these investments is at their settlement date. When initially recognised, held-to-maturity investments are recorded in the balance sheet at their fair value, which is usually their purchase price plus any transaction costs directly attributable to their purchase.

They are subsequently measured at amortised cost, using the effective interest method. Gains and losses on held-to-maturity investments are recognised in the income statement when these assets are written off or when their value declines, as well as through the amortisation of the difference between book value and maturity value.

Held-to-maturity investments are monitored for any objective signs of impairment. Impairment losses are recognised in the income statement and calculated as the difference between the asset's book value and the present value of estimated future cash flows, discounted at the original effective interest rate. If the reasons for any impairment cease to apply as a result of events subsequent to the write-downs, write-backs are recorded in the income statement. The write-backs may not exceed the amortised cost that the financial instrument would have had if it had not previously been written down.

## SECTION 4 - LOANS

Loans include non-derivative financial assets, including debt securities, that provide for fixed or determinable payments and do not have a quoted price on an active market and were not designated at purchase as financial assets available for sale. This item also includes business loans. Transfers to other categories of financial assets provided for by IAS 39 are not permitted.

The loans are recognised in the financial statements at the time the contract is signed, which is generally the disbursement date. When initially recognised, loans are recorded in the balance sheet at their fair value, which is usually their purchase price plus any transaction costs, if material and determinable, directly attributable to their disbursement.

They are subsequently valued at amortised cost, using the effective interest method. The amortised cost method is not used for loans with such a short duration that the impact of discounting may be deemed negligible. Such loans are measured at historical cost. The same measurement criterion is adopted for loans without a specified maturity and for revocable loans.

Business loans are recorded when the related income is recognised or when the related service has been provided.

The book value of loans is periodically checked for any impairment that could lead to a reduction in their estimated realisable value, considering both the solvency of any specific debtors with payment difficulties and the debt servicing difficulties of debtors' market sectors or countries of residence, also taking into account any collateral and any negative economic trends regarding comparable categories of loans.

The classification criteria used, based on the related Bank of Italy regulations, are set out below:

- Non-performing loans: loans to parties that are insolvent or in a substantially equivalent situation.
- Doubtful loans: loans to parties that are in a situation that is objectively one of temporary difficulty which they are likely to overcome in an appropriate period of time.
- Restructured loans: loans in which a pool of banks (or a single-lender bank) grants a deferment of a debt

and renegotiates the loan at interest rates that are below market rates.

- Overdue loans: Loans to parties which have payments overdue or past due at period end as defined by the relevant Bank of Italy regulations.
- Performing loans: Loans to parties that did not present any specific insolvency risks at the valuation date.

The decision to designate a loan as an impaired loan is taken by the bank's operating units in conjunction with its central credit control units.

Loans which have been individually assessed for impairment and found not to be individually impaired are collectively evaluated for impairment. This evaluation is performed on groups of loans with similar credit risk characteristics and the related loss rates are estimated taking historical loss rates into account and other observable data available at the evaluation date, which enable the impairment of each group of loans to be estimated. The evaluations take the country risk of the counterparties into account. Collectively determined write-downs are recorded in the income statement.

The method used for estimating the realisable value of impaired loans, which is formalised in decisions by senior management and other administrative bodies that have been conferred with specific decision-making powers, is based on the present value of the expected cash flows of the principal and interest of the loans. The core elements used to calculate the present value of the flows are the estimated collections (expected financial flows) and related due dates, together with the discount rate to apply.

The write-downs, which are analytical and collective, are write-downs to the amount recorded under balance sheet assets in accordance with the above principles, and are reinstated by write-backs relating to the income statement item for net write-downs to loans if the reasons for the write-downs cease to apply or the amounts recovered exceed the original write-downs.

## SECTION 5 - FINANCIAL ASSETS DESIGNATED AT FAIR VALUE

Financial instruments designated at fair value with a balancing entry in the income statement, classified as such in accordance with the applicable legislation. Transfers to other categories of financial assets are not permitted.

The Banca Fideuram Group has adopted the Fair Value Option for the insurance policies taken out to insure the market yields of the Personal Financial Adviser Networks' Loyalty Schemes and the Intesa Sanpaolo shares purchased under the bonus schemes for Group management.

The recognition and valuation methods adopted are the same as those set out in section 1 regarding financial assets held for trading.

## SECTION 6 - HEDGING TRANSACTIONS

The Group uses derivative contracts to hedge the interest rate risk of certain of its fixed-rate securities. These hedging transactions aim to neutralise any potential losses from changes in the fair value of financial instruments recorded in the financial statements with the potential income obtained from the hedging instruments.

The hedging derivatives are, like all derivatives, initially recognised and subsequently measured at fair value. In particular, where fair value hedges are concerned, the change in fair value of the hedged instrument is offset by the change in fair value of the hedging instrument. This offsetting is carried out by recording the changes in value of the hedged item (where changes generated by the underlying risk factor are concerned) and of the hedging instrument in the income statement. Any difference, indicating the extent to which the hedge is only partially effective, is the net financial effect.

The relationship between the hedging instruments and items hedged is documented formally and the effectiveness of the hedging verified at regular intervals. A hedge is considered to be effective when the fair value changes of the hedged item are completely offset by the fair value changes of the hedging instrument, keeping the ratio of these changes between 80% and 125%. If hedging effectiveness tests find the hedges are not effective, accounting of the hedging transactions is suspended from the date of the last effectiveness test that had a positive result. The hedging derivative contract is transferred to financial instruments and the hedged financial instrument is measured using the method applicable to its classification in the financial statements.

## SECTION 7 - EQUITY INVESTMENTS

This item includes interests in companies over which the Group exercises significant influence.

A company is considered to be subject to significant influence when the Group is able to participate in deciding its administrative, financial and management choices by virtue of legal and de facto ties, and this is assumed to be the case when the Group holds 20% or more of the voting rights.

The equity investments are recognised at acquisition cost and subsequently measured using the equity method. The equity method involves adjusting the book value of the equity investment in relation to the Group interest in the subsidiary's shareholders' equity. The difference between the value of the equity investment and the interest in the subsidiary's shareholders' equity is included in the carrying value of the equity investment. The Group interest in the subsidiary's operating profit is recognised in the consolidated income statement. If there is evidence of the impairment of an equity investment, the recoverable value of the equity investment is estimated. If the recoverable value is less

than the book value, the difference is recognised in the income statement. If the reasons for any impairment cease to apply as a result of events subsequent to the write-downs, write-backs are recorded in the income statement.

## SECTION 8 - PROPERTY AND EQUIPMENT

Property and equipment includes land, immovable property used for operating purposes, technical plant and equipment, furniture and furnishings, machinery, equipment and works of art.

Immovable property used for operating purposes is defined as buildings owned (or leased under financial leasing contracts) that are used for the production and supply of services or for administrative purposes, and which have a useful life that is longer than one year.

Property and equipment are initially recognised at cost, with the latter understood to mean both the purchase price and any related direct charges incurred for the purchase or commissioning of the asset. Any expenses subsequent to purchase increase the book value of the asset or are recorded as separate assets only when they lead to an increase in the future economic benefits deriving from use of the investments. Other expenses incurred subsequent to purchase are recorded in the income statement for the financial year when they are incurred.

Subsequent to their initial recognition, property and equipment are measured at cost, deducting any depreciation and impairment.

The depreciable value is distributed systematically over the useful life of the asset on a straight-line basis with the exception of for the following:

- Land, which has an indefinite useful life and is not, therefore, depreciable. The value of land is, moreover, also accounted for separately from the value of buildings, even when they are purchased together. This splitting of the value of land and the value of buildings is performed on the basis of a survey by independent experts solely for buildings held on a "ground-to-roof" basis.
- Works of art, since their useful life cannot be estimated and their value is not normally likely to decline over time.

The useful life of property and equipment subject to depreciation is verified periodically. If the initial estimates require adjustment, the related depreciation rates are also changed.

In addition, at every accounting date, the bank also evaluates whether there is any evidence of an asset having been impaired. In such cases the book value and recoverable value of the asset are compared. Any adjustments required are recorded in the income statement. Should the reasons for the impairment cease to apply, a write-back is recorded that cannot, however, exceed the value the asset

would have had, net of any depreciation calculated, had there not been any previous impairment.

Tangible fixed assets are eliminated from the balance sheet upon disposal or when an asset is permanently withdrawn from use and no future economic benefits are expected from its disposal.

## SECTION 9 - INTANGIBLE ASSETS

Intangible assets are identifiable non-monetary assets without physical substance, possessed for long-term use. They include software developed in-house or purchased from third parties.

Intangible assets are recognised at cost, adjusted for any related expenses only if the future economic benefits attributable to the assets are likely to be obtained and the cost of the assets themselves can be calculated reliably. When this is not the case, the cost of the intangible asset is recognised in the income statement for the year in which it was borne. The cost of assets with a finite useful life is amortised on a straight-line basis, calculated in relation to the anticipated flow of the economic benefits of the asset. If there is evidence of the impairment of an asset, the asset's recoverable value is estimated. The impairment is recognised in the income statement as the difference between the asset's book value and recoverable value.

Expenses regarding the in-house development of software are recognised in the financial statements as intangible assets following verification of the technical feasibility of completion and their ability to generate future economic benefits. During the development phase, these assets are valued at cost, complete with any related direct expenses, including expenses for the personnel involved in the projects. If the verification has a negative outcome, the expenses are recognised in the income statement.

## SECTION 10 - NON-CURRENT ASSETS HELD FOR SALE

Non-current assets or groups of assets/liabilities for which a sale process has been launched and which it is considered highly likely will be sold are classified under assets as "Non-current assets held for sale and disposal groups" or under liabilities as "Liabilities associated with non-current assets held for sale and disposal groups". These assets/liabilities are recognised at the lower of book value and fair value, less costs to sell. Any income and expense (net of tax effect) regarding disposal groups or recognised as such in the course of the financial year, is recorded in a separate item in the income statement.

## SECTION 11 - CURRENT AND DEFERRED TAX ASSETS AND LIABILITIES

Income taxes, calculated in accordance with national tax legislation, are recognised as costs on an accruals basis in line with the accounting treatment of the costs

and income that generated them. They therefore represent the balance of current and deferred tax assets and liabilities for the year.

Current tax assets and liabilities are the net balance of the Group companies' tax positions with the inland revenues in and outside Italy. More specifically, they are the net balance of the current tax liabilities for the year, calculated on the basis of a cautious forecast of the tax burden due for the year, determined on the basis of current tax legislation, and current tax assets represented by advance tax payments and other tax credits for withholding taxes paid, as well as other tax credits from prior years which Group companies have requested be offset against taxes for subsequent years.

Current tax assets also include tax credits for which Group companies have requested rebates from the competent tax authorities.

The Italian companies in the Banca Fideuram Group avail themselves of the "Istituto del Consolidato Fiscale Nazionale" tax consolidation regime introduced by Italian Legislative Decree No. 344 of 12.12.2003 as subsidiaries of Intesa Sanpaolo. This tax consolidation regime provides for the aggregation of the taxable income of all the subsidiaries and a single payment of IRES corporate income tax by Parent Company Intesa Sanpaolo.

Deferred tax assets and liabilities are calculated using the balance sheet liability method, which takes into account the tax effect of the timing differences between the book values of the assets and liabilities and their tax values which result in taxable or tax-deductible amounts arising in future periods. To this end, "taxable timing differences" are taken to be differences that result in taxable amounts arising in future periods, and "deductible timing differences" are taken to be differences that result in tax-deductible amounts arising in future financial years.

Deferred tax assets and liabilities are calculated applying the tax rates specified by current tax legislation, for each consolidated company, to the taxable timing differences for which it is probable that taxes will have to be paid, and to the deductible timing differences for which there is reasonable certainty of recovery. When the deferred tax assets and liabilities refer to components recognised in the income statement, they are recorded in a balancing entry under income taxes. Whereas when the deferred tax assets and liabilities regard transactions that have had a direct effect on shareholders' equity without impacting the income statement (such as, for example, the valuation of available-for-sale financial instruments), they are recorded as a balancing entry under shareholders' equity, in respect of the related reserves, if any.

## SECTION 12 - PROVISIONS FOR RISKS AND CHARGES

### Pensions and similar obligations

Pension funds are established in accordance with company agreements as defined-benefit schemes.

The liability in respect of these schemes and the related

pension cost of current employees are calculated using the Projected Unit Credit method, which discounts at a market interest rate the future outflows estimated on the basis of statistical historical analyses and demographic data. The contributions paid in each year are considered as separate units, recognised and measured individually to determine the final obligation. The discount rate used is set in relation to the market yields of primary corporate bonds at the measurement dates, taking the average residual maturity of the liability into account. The present value and obligation at the accounting reference date is in addition adjusted to take into account the fair value of any assets serving the scheme.

Any actuarial gains and losses (which is to say any changes in the present value of the obligation resulting from changes in the actuarial criteria and from adjustments on the basis of past experience) are recognised in the Statement of Comprehensive Income.

### Other provisions

The other provisions for risks and charges are provisions for liabilities of uncertain amount or due date that are recognised in the financial statements for the following reasons:

- There is a present obligation (legal or implicit) arising from a past event.
- It is probable that financial resources will have to be disbursed to fulfil the commitment.
- It is possible to make a reliable estimate of the probable future disbursement.

When the effect of deferring meeting the estimated expense becomes a significant factor, the Group calculates the provisions as amounting to the present value of the expenses it is envisaged will be required to discharge the obligations. In those cases where the provisions are discounted, the total amount of the provisions recorded in the financial statements increases in each financial year to reflect the passing of time. The provisions set aside are reassessed at every accounting reference date and adjusted to reflect the best current estimate.

These provisions include the provisions set aside to cover potential losses on legal disputes, including claims from receivers, estimated disbursements arising from customer complaints regarding the brokerage of securities, the provisions for the reserve for the termination of Personal Financial Adviser agency agreements, the provisions set aside for employee expenses, the provisions set aside for the Network Loyalty Schemes and the provisions for losses connected with ongoing tax disputes.

The reserve for the termination of agency agreements, which is determined using actuarial methods, includes the provisions for Personal Financial Advisers' termination indemnities and the "meritocratic bonus".

The Network Loyalty Schemes - long-term incentive schemes which entitle the Personal Financial Advisers to a bonus that is linked to the stock of financial assets under their management - involve setting aside provi-

sions that are the best estimate of the amounts due to the Personal Financial Advisers calculated using actuarial valuations.

The provision for personnel expenses principally includes early retirement incentives and the provision set aside to pay seniority bonuses to employees, determined on the basis of an independent actuary's report, using the methods specified in IAS 19.

The provision is reversed with a balancing entry in the income statement when it becomes unlikely that it will be necessary to use resources to fulfil the obligation.

### SECTION 13 - DEBTS AND DEBT ON ISSUE

The items Due to banks and Due to customers cover all the technical forms of borrowing from said counterparties. These financial liabilities are initially recognised in the balance sheet at fair value, which is usually the amount collected, increased by any transaction costs directly attributable to the individual borrowing transaction. The debts, with the exception of on-demand and short-term items which continue to be recognised at collection value, are subsequently measured at amortised cost using the effective interest rate method, with the related effect being recognised in the income statement.

### SECTION 14 - FINANCIAL LIABILITIES HELD FOR TRADING

Financial liabilities held for trading include any negative valuations of derivative contracts held for trading and liabilities regarding technical short positions generated by dealing in securities. The same accounting policies as for financial assets held for trading are used.

### SECTION 16 - FOREIGN EXCHANGE TRANSACTIONS

Foreign exchange transactions are recognised in the functional currency upon initial recognition, applying the exchange rate at the transaction date.

Items in foreign currencies are measured as follows at each accounting date:

- Monetary items are converted using the exchange rate at the accounting date.
- Non-monetary items measured at historical cost are converted using the exchange rate at the date of the transaction.
- Non-monetary items measured at fair value are converted using the exchange rate at the accounting date.

Exchange rate differences arising from the settlement of monetary items or from the conversion of monetary items at a different rate from the initial conversion (or conversion from the preceding financial statements) are recognised in the income statement for the period in which they arise.

When a profit or loss relating to a non-monetary item is recognised in shareholders' equity, the exchange rate difference of this item is likewise recognised in shareholders' equity. When a profit or loss is recognised in the income statement, the relative exchange rate difference is also recognised.

## SECTION 18 - OTHER INFORMATION

### Provision for employment termination indemnities

Following the coming into force of the complementary social security reform provided for by Italian Legislative Decree No. 252/2005, the provision for employment termination indemnities only regards contributions accrued up until 31.12.2006. The provision for employment termination indemnities accrued up until 31.12.2006 therefore continues to be considered a "defined benefit" scheme, consequently making it necessary to perform an actuarial valuation which, however, differs from the calculation method adopted up until 31 December 2006 in no longer making the benefit proportional to the period of employment. This is because the employment period of the measurement is considered to have been accrued in full as a result of the change to the accounting treatment of the provision from 1 January 2007.

The Provision for employment termination indemnities thus constitutes a "post-employment benefit" classified as:

- A "defined contribution scheme" for the employment termination indemnity contributions accrued from 1 January 2007 (which is to say after 1 January 2007, the date when the complementary social security reform provided for by Italian Decree Law No. 252 of 5 December 2005 came into force), irrespective of whether the employee opts for complementary social security or for the contributions to be paid to the Treasury fund managed by Italy's Department of Social Security (INPS). The value of these contributions, which is recorded under personnel expenses, is calculated on the basis of the contributions due without applying actuarial calculation methods.
- A "defined benefit scheme" and therefore recognised on the basis of its actuarial value calculated using the Projected Unit Credit method for the employment termination indemnity contributions accrued up until 31 December 2006. These contributions are recognised on the basis of their actuarial value without prorating for length of service since the current service cost of the Provision for employment termination indemnities has almost been accrued in full, and it is considered that its revaluation for future years would not generate significant benefits for the employees. The discount rate used is set with reference to market yield, taking into account the average residual maturity of the liability, weighted in relation to the percentage of the amount paid and advanced, for each maturity, with respect to the total amount to be paid and advanced for the entire obligation to be

discharged in full. The service costs of the scheme are recognised under personnel expenses and the actuarial gains and losses are recognised in the valuation reserves, with the effects for the year being recorded in the Statement of Comprehensive Income.

### Accrued expenses and deferred income

Accrued expenses and deferred income, which consist of expense and income accrued on assets and liabilities in the year, are recorded in the financial statements as adjustments to the related assets and liabilities.

### Leasehold improvements

The costs incurred in renovating leasehold property are capitalised in consideration of the fact that the Group has control of the assets for the term of the lease and can derive future economic benefits from them. These costs are recognised as Other assets and depreciated over a period not exceeding the lease term.

### Provisions for guarantees and commitments

The individual and collective provisions set aside to cover the estimated possible disbursements connected with the credit risk of guarantees and commitments, determined adopting the same accounting treatment as for loans above, are stated under Other liabilities.

### Valuation reserves

This item includes the valuation reserves regarding financial assets available for sale, the revaluation reserves stated in accordance with special laws and the revaluation reserves for the net liabilities (assets) for defined-benefit personnel schemes.

### Share-based payments

Share-based payments, settled in cash, refer to the remuneration and incentive schemes for the Group's management and employees.

The remuneration and incentive schemes for management provide for the acquisition of Intesa Sanpaolo shares under the schemes, which are recorded under financial assets designated at fair value. The amounts due to personnel under the schemes are recorded under other liabilities as a balancing entry in personnel expenses, and adjusted for any fluctuations in the fair value of the shares until the liability is settled.

The remuneration scheme for employees refers to a financial-instrument based investment plan named the Leveraged Employee Co-Investment Plan (LECOIP). The LECOIP is an employee stock ownership plan that the Intesa Sanpaolo Group offered all employees concomitantly with the launch of its 2014-2017 Business Plan. Having allocated Intesa Sanpaolo ordinary shares acquired on the market to each employee free of charge (free shares), the employees were given the opportunity of a long-term Investment Plan, the term of which is aligned with the Group Business Plan, involving the subscription of certain financial instruments (Certificates) issued by Credit Suisse. The employees could, as

an alternative to this opportunity, sell the free shares allocated. Those that opted to join the Investment Plan, were allocated additional Intesa Sanpaolo ordinary shares directly by the parent company (matching shares), and subscribed new-issue Intesa Sanpaolo ordinary shares in a cash capital increase reserved for employees in which the shares were discounted from their market value (discounted shares). The cost of the plan is being systematically recognised in the income statement from 1 December 2014 (the date the shares were allocated) until the Certificates mature. The portion of the cost attributable to the free shares is recorded as a balancing entry in prepaid expenses, whereas the portion attributable to the matching and discounted shares (being borne by Intesa Sanpaolo) is recorded as a balancing entry in a shareholders' equity reserve. The shares acquired for the plan that remained after the allocation of shares to employees are recognised as financial assets available for sale.

### Financial Guarantees

The financial guarantee contracts the Group uses to cover counterparty risk provide for the reimbursement of any loss incurred regarding the asset covered as a result of the default of the debtor/issuer, upon payment of commission that is systematically recognised in the income statement during the term of the contract. If securities designated as available for sale are protected by financial guarantees, the accounting treatment of the financial instruments remains unchanged and the securities are measured at fair value without taking the guarantees into account.

### Recognition of costs and income

Costs are recognised in the income statement in the periods in which the related income is recognised. If the association of costs and income can only be made in a generic and indirect manner, the costs are recognised in more than one period following rational, systematic procedures. Costs that cannot be associated with related income are recognised in the income statement immediately.

Income is recognised at the time it becomes receivable, and services at the time they are provided.

Specifically:

- Interest income is recognised on an accrual basis applying the contractual interest rate or the effective interest rate when the amortised cost method is being used. The item interest income (or interest expense) also includes the gains (or losses) accrued on financial derivatives contracts at the accounting reference date. Default interest is recognised at the time of collection.
- Dividends are recognised in the income statement during the year their distribution is decided.
- Fee and commission income on services is recorded, on the basis of contractual agreements, in the period when the services are provided.
- For transactions in financial instruments, the difference between the fair value of the instruments and the amount paid or received is recognised in the income

statement only in cases where the fair value can be reliably determined.

- Profit and loss on trading in financial instruments are recognised in the income statement when the sale is completed, as the difference between the amount paid or collected and the book value of the instruments.
- The income deriving from the sale of non-financial assets is recognised at the time their sale is completed.

### Purchases and sales of financial assets

The Group recognises purchases and sales of financial assets at their settlement date, taking said purchases and sales to be those conducted on the basis of contracts that require the asset to be delivered within a period of time that is in accordance with market regulations or conventions, with the exception of that specified for derivatives.

### Write-off policy

Financial assets are written off in the financial statements when the contractual rights to the cash flows deriving from said assets expire or when the financial assets are sold, largely transferring all the risks/benefits connected with them. Financial liabilities are written off when they mature or are settled.

### Business combinations

The transfer of control of a company (or of an integrated group of businesses and assets that is run and managed jointly) constitutes a business combination transaction.

IFRS 3 is the reference accounting standard for business combinations and requires an acquirer to be identified for all business combination transactions. The acquirer is normally identified as the entity obtaining control of another entity or group of assets. The acquisition and therefore the initial consolidation of the acquired entity is recognised at the date when the acquirer effectively obtains control of the entity or assets acquired.

The cost of a business combination transaction must be calculated as the sum of the following:

- The fair value at the transaction date of the assets acquired, of the liabilities assumed, including any potential liabilities, and of the equity instruments issued by the acquirer in exchange for control.
- Any additional charges directly attributable to the business combination.

Business combination transactions are recorded using the purchase method, which involves recognising:

- The assets, liabilities and contingent liabilities of the acquired entity at their respective fair values at the date of acquisition, including any intangible assets identifiable not already recognised in the financial statements of the acquired entity.
- Non-controlling interests in the acquired entity in proportion to the related interest in the net fair values.
- The goodwill held by the Group, calculated as the difference between the cost of the business combination and the interest in the net fair value of the identifiable assets, liabilities and contingent liabilities.

Any positive difference between the Group's interest in the net fair value of the assets, liabilities and contingent liabilities acquired and the cost of the business combination is recognised in the income statement.

The fair value of the assets, liabilities and contingent liabilities of the acquired entity may be calculated on a provisional basis before the end of the financial year in which the business combination takes place and must be finalised within twelve months of the date of acquisition.

Transactions for the purposes of reorganisation between two or more entities or businesses which are already members of the Banca Fideuram Group, or which belong to the Intesa Sanpaolo Group, and do not involve changes in the control structures irrespective of the percentage of non-controlling interests before and after the transaction (referred to as business combinations of entities subject to joint control) do not constitute business combinations, being excluded from the scope of IFRS 3. Such transactions are considered to have no economic substance unless they result in a significant change in cash flows. Hence, in the absence of any specific IAS/IFRS Standard or Interpretation, and in accordance with IAS 8 - which requires a company, in the absence of any specific Standard or Interpretation, to use its own judgment in applying an accounting policy which provides relevant, reliable and cautious information that reflects the economic substance of the transaction - these transactions are recognised maintaining continuity between the values stated by the acquired entity and the values stated in the financial statements of the acquiring entity. In accordance with this policy, the same values are recorded in the balance sheet as if the companies (or company divisions) involved in the business combination had always been combined. The businesses acquired are stated in the financial statements of the acquiring company at the same values that they had in the financial statements of the transferor company. Any difference between the price paid/received and the net book value of the businesses transferred is recorded directly as a balancing entry in shareholder's equity net of any deferred tax assets and liabilities (if necessary).

### Use of estimates and assumptions in the preparation of the financial statements

The preparation of financial statements may also require the use of estimates and assumptions that can have significant effects on the amounts stated in the balance sheet and income statement, and on the information on assets and contingent liabilities provided in the financial statements. The preparation of these estimates involves using the information available and adopting subjective valuations, which are also based on historical experience, to formulate reasonable assumptions for reporting management performance. The estimates and assumptions used may by their nature vary from year to year, such that one cannot rule out the possibility of the values currently stated in the financial statements differing, even significantly, in subsequent years as a result of changes in the subjective valuations used.

Subjective valuations by company directors are mainly required for:

- Quantifying impairment losses on loans and, as a rule, other financial assets.
- The valuation models used for the fair value measurement of financial instruments not listed on active markets.
- Quantifying staff provisions and provisions for risks and charges.
- Making estimates and assumptions regarding the recoverability of deferred tax assets.
- Calculating the prepaid expenses on the Personal Financial Adviser Network bonuses linked to specified inflow targets.

### Fair value measurements

The fair value of an asset or liability is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants (i.e. not a forced liquidation or below-cost sale) at the measurement date. Fair value is a market-based measurement and not an entity-specific measurement. The concept of fair value implicitly assumes that the entity is engaged in normal business operations and has no intention of liquidating its assets, of significantly reducing its assets or of entering into transactions with unfavourable conditions.

The fair value of financial instruments is measured using a hierarchy of criteria based on the origin, type and quality of information used. This hierarchy assigns the highest priority to quoted prices (unadjusted) in active markets and less importance to unobservable inputs.

Three different levels of inputs are identified:

- Level 1: The inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability being measured, either directly or indirectly.
- Level 3: Unobservable inputs.

A market is considered to be active when the quoted prices representing effective, standard market transactions that have occurred over an appropriate reference period are readily and regularly available through stock exchanges, dealers, brokers, sector companies, pricing services or authorised bodies.

In cases where there is a significant reduction in the volume or level of transactions compared with normal business for the asset or liability (or for similar assets or liabilities) shown by a number of indicators (number of transactions, limited significance of market prices, significant increase in liquidity risk premiums, widening or narrowing bid-ask spread, fall or total lull in market for new issues, lack of information in the public domain), an analysis must be carried out on the transactions or quoted prices. A fall in the volume or level of business on its own does not indicate that the transaction price or quoted price does not represent the fair value or that the transaction in that market is not an ordinary transaction. If it is established that a transaction

or quoted price does not represent the fair value (e.g. non-ordinary transactions), then it is necessary to make an adjustment to the transaction prices or quoted prices if those prices are being used as the fair value measurement basis and this adjustment must be significant with respect to the overall fair value measurement.

If the instrument is not quoted on an active market or if the market is not operating normally, which is to say when there is an insufficient number of continuous transactions and the bid-ask spread and volatility are not sufficiently low, the fair value of the financial instruments is mainly determined using measurement techniques that aim to establish the price at which the asset would be sold or the liability transferred in an ordinary transaction between market participants at the measurement date under current market conditions.

These techniques include:

- The use of market values that can be indirectly linked to the financial instrument being measured and can be obtained from products with similar risk characteristics (Level 2).
- Measurements based even only partially on inputs that are not obtained from observable market parameters, using estimates and assumptions formulated by the valuer (Level 3).

The following are considered to be Level 1 financial instruments: quoted shares, bonds quoted on the EuroMTS platforms and bonds for which major international pricing services have provided executable quotes continuously. Conversely, any financial instruments which do not belong to the above categories cannot be considered Level 1 instruments.

Level 1 financial instruments are priced using the current "bid" price for financial assets and the current "ask" price for financial liabilities in the entity's principal market at the end of the reference period.

If the financial instruments have a negligible bid-ask spread or the characteristics of the financial assets and liabilities create positions that offset market risk, the Group uses the average market price (at the last day in the reference period as above) instead of the bid price or ask price.

If the prices of the financial instruments are not quoted on active markets, the fair value is established using measurement models that use market parameters or inputs, other than quoted prices included within Level 1, that are directly or indirectly observable (Level 2). In these cases, the valuations are not based on the prices of the financial instrument being valued, but on prices or credit spreads obtained from the quoted prices of instruments that are broadly similar in terms of risk, using a given pricing model. This approach consists in researching transactions on active markets in instruments which are comparable in terms of risk with the instrument being valued. The Level 2 measurement methods allow one to use the prices of financial instruments quoted on active markets (model calibration) without including subjective parameters - which is to say parameters whose value cannot be obtained from the prices of financial instruments quoted on active markets

or cannot be set at levels replicating quoted prices on active markets - able to substantially impact the final measurement price.

The fair value of non-quoted bonds is established using an appropriate credit spread, identified from quoted and liquid financial instruments with similar characteristics. The sources of the credit spread are quoted and liquid securities of the same issuer, credit default swaps relating to the same reference entity, and quoted and liquid securities issued by issuers with the same rating and in the same sector.

For short-term assets and liabilities, the book value is considered to equate reasonably well to the fair value.

Foreign exchange derivatives that are not traded on regulated markets are referred to as being traded Over The Counter (OTC), which is to say traded bilaterally with market counterparties, and are measured using special pricing models fed by input parameters (such as interest rate, exchange rate and volatility curves) observed in the market.

In addition, non-performance risk is also taken into account in determining the fair value. This risk includes changes in the credit risk of the counterparty and changes in the credit risk of the issuer (own credit risk).

The Bilateral Credit Value Adjustment (BCVA) model fully measures the effects of changes in the credit risk of the counterparty and of changes in own credit risk. The BCVA is in fact the sum of the following two addends calculated to express the default potential of both counterparties:

- The CVA (Credit Value Adjustment), which is a negative value that takes into consideration scenarios in which the counterparty defaults first and the Group has a positive exposure to the counterparty. In these scenarios, the Group suffers a loss equal to the cost of replacing the derivative.
- The DVA (Debt Value Adjustment), which is a positive value that takes into consideration scenarios in which the Group defaults before the Counterparty and has a negative exposure to the Counterparty. In these scenarios, the Group benefits from a gain equal to the cost of replacing the derivative.

The BCVA depends on the exposure, the probability of default and the Loss Given Default of the counterparties. Lastly, the BCVA needs to be calculated taking any counterparty risk mitigation agreements into consideration, and collateral and netting agreements for each individual counterparty in particular. If netting agreements are in place with a given counterparty, the BCVA is calculated taking into account the portfolio containing all the netting transactions with that counterparty.

The measurement method adopted for a given financial instrument is maintained over time and only changed if there are substantial changes in market conditions or subjective changes regarding the issuer of the financial instrument. The fair value disclosures incorporated in the notes to the financial statements use this fair value measurement hierarchy to provide analyses of the financial assets and liabilities by fair value level.

### Amortised cost measurements

The amortised cost of a financial asset or liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation, calculated using the effective interest method, of any difference between that initial amount and the maturity amount, and minus any reduction for impairment.

The effective interest rate is the rate that discounts the contractual future cash payments or receipts up to maturity or the next repricing date to the present value of a financial asset or liability. The present value is calculated by applying the effective interest rate to the future receipts or payments throughout the useful life of the financial asset or financial liability or for a shorter period in certain conditions (e.g. change in market interest rates).

Subsequent to the initial recognition, the amortised cost allows one to add income and subtract costs from the value of the financial instrument throughout its useful life using the process of amortisation. The manner in which amortised cost is calculated differs depending on whether a fixed or floating rate financial asset or liability is concerned, and - for floating-rate financial instruments - on whether the interest rate variability is known in advance or not. For instruments with a fixed rate or which have a fixed rate for given periods of time, the future cash flows are quantified using the known interest rate (single or multiple) over the life of the instrument. For floating-rate financial assets and liabilities where the variability is not known in advance (e.g. index-linked), the cash flows are calculated using the last known interest rate. Whenever the interest rate changes, the amortisation schedule and effective yield rate are recalculated for the whole of the useful life of the instrument, which is to say to maturity. The adjustment is recognised as cost or income in the income statement.

Amortised cost measurements are used for loans, held-to-maturity investments, available-for-sale debt securities and debts.

Financial assets and liabilities traded in arm's-length transactions are initially recognised at fair value, which is normally the amount received or paid, including - for instruments valued at amortised cost - any directly related transaction costs, commission and fees.

Amortised cost measurements are not used for financial assets and liabilities with maturities so short that the financial impact of discounting may be deemed negligible for loans without a specified maturity or for revocable loans.

### Impairment of assets

#### *Financial assets*

At every accounting date, financial assets that are not classified as Financial assets held for trading or Financial assets designated at fair value undergo an impairment test to check for any objective evidence that their recoverable value is less than their carrying value.

The assets are considered impaired if there is objective evidence that their future cash flows will be lower than originally estimated as a result of specific events. It must be possible to quantify the impairment reliably and it must be related to actual and not merely anticipated events.

The impairment is assessed individually for financial assets that show specific evidence of impairment, or collectively for financial assets that do not require individual assessment or which have been individually assessed for impairment and found not to be individually impaired.

Where Loans and advances to customers and Loans and advances to banks are concerned, individual assessments for impairment are performed for loans classified as non-performing loans, doubtful loans, restructured loans and overdue loans in accordance with the Bank of Italy rules, in line with the International Accounting Standards and International Financial Reporting Standards. Impaired loans are individually assessed for impairment and each loan is written down by the difference between its carrying value at the time of the impairment assessment (amortised cost) and the present value of estimated future cash payments, calculated using the original effective interest rate.

These estimated future cash payments take the anticipated payback period and the estimated realisable values of any guarantees into account, together with the estimated cost of securing repayment of the loan. Cash payments regarding loans that are expected to be repaid in the short term are not discounted since the financial factor is deemed negligible. Loans which have been individually assessed for impairment and found not to be individually impaired are collectively evaluated for impairment. This evaluation is performed on groups of loans with similar credit risk characteristics and the related loss rates are estimated taking historical loss rates into account that are based on observable data available at the evaluation date, which enable the impairment inherent in each group of loans to be evaluated.

The impairment is measured in relation to the fair value of the financial asset.

*Other non-financial assets*

Property and equipment and Intangible assets with a finite useful life undergo impairment tests if there is evidence that the carrying value can no longer be recovered. The recoverable value is calculated in relation to the fair value of the property, equipment or intangible asset less the costs of disposal, or in relation to its value in use if this is determinable and exceeds its fair value.

For buildings, fair value is mainly determined on the basis of an independent expert's valuation, which is updated periodically whenever a change in property market trends means that previous valuations may no

longer be valid and under all circumstances every three years. Any impairment is only recognised when the fair value less costs to sell or the value in use is less than the carrying value for a continuous period of three years.

For other property and equipment and intangible assets (other than those recognised following business combination transactions), the carrying value is normally taken to be the value in use since the latter is estimated using an amortisation process based on the value that the asset actually contributes to the production process, whereas determination of the fair value would be extremely subjective.

### A.3. - TRANSFERS OF FINANCIAL ASSETS DISCLOSURES

In accordance with the related compulsory disclosure requirements, the Group states that it availed itself of the amendment to IAS 39 introduced by EC Regulation 1004/2008 and reclassified €593.3m available-for-sale bonds as Loans & Receivables in the third quarter of 2008.

If the Group had not availed itself of the option to reclassify these bonds, they would have suffered a further loss of approximately €300.1m as the difference between the theoretical total negative reserve at 31 December 2014 (€340.3m) and the total negative reserve recorded under shareholders' equity at the reclassification date (€40.2m).

#### A.3.1 Reclassified financial assets: book value, fair value and effect on total comprehensive income

TYPE OF FINANCIAL INSTRUMENT	SOURCE CATEGORY	DESTINATION CATEGORY	BOOK VALUE AT 31.12.2014	FAIR VALUE AT 31.12.2014	COMPREHENSIVE INCOME WITHOUT TRANSFER (BEFORE TAX)		COMPREHENSIVE INCOME FOR THE YEAR (BEFORE TAX)	
					ESTIMATIONS	OTHER	ESTIMATIONS (*)	OTHER
Debt securities	Financial assets available for sale	Loans and advances to banks	16,371	14,776	1,210	740	(350)	629
Debt securities	Financial assets available for sale	Loans and advances to customers	1,519,031	1,219,872	14,446	41,882	318,993	43,274

(\*) Includes changes in fair value attributable to interest-rate hedging.

#### A.3.4 Effective interest rate and anticipated financial flows of reclassified assets

TYPE OF FINANCIAL INSTRUMENT	SOURCE CATEGORY	DESTINATION CATEGORY	EFFECTIVE INTEREST RATE	ANTICIPATED FINANCIAL FLOWS
Debt securities	Financial assets available for sale	Loans and advances to banks and to customers	5.6%	1,898,678

## A.4 - FAIR VALUE DISCLOSURES

### QUALITATIVE INFORMATION

#### A.4.1 FAIR VALUE LEVELS 2 AND 3: MEASUREMENT TECHNIQUES AND INPUTS USED

The Group has developed a pricing methodology for the measurement of financial instruments which implements the provisions of the IAS/IFRS international accounting standards. EU regulation No. 1255/2012, which adopts International Financial Reporting Standard 13 (IFRS 13), defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This introduced a market-based measurement criterion that is not specific to the entity holding the asset or liability. In addition, the fair value measurement must incorporate a counterparty risk premium in the form of a Credit Value Adjustment (CVA) for the assets and a Debit Value Adjustment (DVA) for the liabilities.

The Group consistently calculates the fair value of financial instruments directly from their market value. Whenever possible, the official prices on an active market are always adopted as this market value, otherwise the value is obtained using pricing models based on the values of comparable securities and on market parameters.

In the absence of an active market, the fair value is determined using measurement techniques which ultimately aim to establish the price that the financial instrument would have had on the measurement date in an arm's-length exchange motivated by normal business considerations.

These techniques include:

- Reference to market values that can be indirectly linked to the financial instrument being valued and that can be obtained from products with similar risk characteristics (comparable approach).
- Valuations performed using - even only partially - inputs that are not obtained from observable market parameters, using estimates and assumptions formulated by the valuer (mark-to-model).

Which of these different measurement methods is chosen is not arbitrary, since they have to be applied in hierarchical order and presented by level. Absolute priority is given to the quoted active market prices of the assets and liabilities being measured (Level 1 - effective market quotes) or of similar assets and liabilities (Level 2 - comparable approach), and the lowest priority to unobservable inputs, which are accordingly more subjective (Level 3 - Mark-to-Model Approach).

The portfolio of Level 2 Financial assets designated at fair value consisted of the insurance policies that the Group took out to insure the market yields of the Personal Financial Adviser Networks' Loyalty Schemes. The fair value of Class I policies is determined using a pro-

spective actuarial method based on the principle of the initial equivalence of the average present values of the contractual commitments of the insurer and the average present values contracted by the policyholder/contracting party. The fair value of Class III policies is calculated as the value of the units at the accounting date plus any pure premiums not yet invested at the valuation date.

A mark-to-model approach is used for the valuation of derivatives, fed by market data providers and based on commonly-accepted valuation processes. Hedging and treasury derivatives taken out in ordinary investment activities - interest and exchange rate derivatives in particular - that are not traded on regulated markets but traded bilaterally with market counterparties, are known as "over the counter" (OTC) instruments and valued using special pricing models. A new method for determining the fair value of these derivatives has steadily become consolidated practice in recent years, both among the main brokers of OTC derivatives and on regulated markets (central counterparties), which is based on the Eonia rate instead of the traditional Euribor rate. During the financial crisis there was an appreciable widening of the Euribor/Eonia spread (historically narrow and very stable). In consideration of the increasing consensus among operators on the use of the Eonia curve (benchmark rate for transaction agreements with a Credit Support Annex - CSA), the Banca Fideuram Group has decided to use two different curves for pricing derivatives from December 2012, choosing between them depending on whether the transaction has a CSA or not. In the former case the fair value is determined using the Eonia rate (risk-free rate), while in the latter case it is determined using the Euribor rate (which is considered to take counterparty risk into account). Banca Fideuram played an active role in the Intesa Sanpaolo project to implement the new Eonia discounting method across the entire Group, involving the full implementation of CSAs and the payment of collateral between companies included in the consolidation, together with the development of new risk management methods (and the related IT support) for verifying the hedging relations. The derivatives in the bank portfolio consisted principally of Interest Rate Swaps. The Group as a rule uses fair value hedge derivatives to reduce its exposure to adverse fair value movements due to interest rate risk. The Risk Management Unit is responsible for assessing hedge effectiveness, carrying out prior assessments of the conditions that make hedge accounting applicable and formally documenting each hedging relationship. These assessments use prospective tests when the hedges are taken out, followed by retrospective tests at monthly intervals.

## QUANTITATIVE INFORMATION

### A.4.5 FAIR VALUE HIERARCHY

#### A.4.5.1 Assets and liabilities measured at fair value on a recurring basis: analysis by fair value level

FINANCIAL ASSETS/LIABILITIES DESIGNATED AT FAIR VALUE	31.12.2014			31.12.2013		
	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 1	LEVEL 2	LEVEL 3
1. Financial assets held for trading	15,011	39,802	-	30,077	9,966	-
2. Financial assets designated at fair value	3,288	153,353	-	2,619	143,737	-
3. Financial assets available for sale	2,509,493	89	5	2,374,201	89	6
4. Hedging derivatives	-	-	-	-	3,513	-
5. Property and equipment	-	-	-	-	-	-
6. Intangible assets	-	-	-	-	-	-
<b>Total</b>	<b>2,527,792</b>	<b>193,244</b>	<b>5</b>	<b>2,406,897</b>	<b>157,305</b>	<b>6</b>
1. Financial liabilities held for trading	-	43,723	-	-	9,931	-
2. Financial liabilities designated at fair value	-	-	-	-	-	-
3. Hedging derivatives	-	1,094,785	-	-	605,744	-
<b>Total</b>	<b>-</b>	<b>1,138,508</b>	<b>-</b>	<b>-</b>	<b>615,675</b>	<b>-</b>

#### A.4.5.2 Annual changes in assets measured at fair value on a recurring basis (Level 3)

	FINANCIAL ASSETS HELD FOR TRADING	FINANCIAL ASSETS DESIGNATED AT FAIR VALUE	FINANCIAL ASSETS AVAILABLE FOR SALE	HEDGING DERIVATIVES	PROPERTY AND EQUIPMENT	INTANGIBLES ASSETS
<b>1. Opening balance</b>	-	-	<b>6</b>	-	-	-
<b>2. Increases</b>	-	-	-	-	-	-
2.1 Purchases	-	-	-	-	-	-
2.2 Profits recognised under:	-	-	-	-	-	-
2.2.1 Income statement	-	-	-	-	-	-
- including capital gains	-	-	-	-	-	-
2.2.2 Shareholders' equity	X	X	-	-	-	-
2.3 Transfers from other levels	-	-	-	-	-	-
2.4 Other increases	-	-	-	-	-	-
<b>3. Decreases</b>	-	-	<b>1</b>	-	-	-
3.1 Sales	-	-	-	-	-	-
3.2 Redemptions	-	-	-	-	-	-
3.3 Losses recognised under:	-	-	<b>1</b>	-	-	-
3.3.1 Income statement	-	-	<b>1</b>	-	-	-
- including losses	-	-	-	-	-	-
3.3.2 Shareholders' equity	X	X	-	-	-	-
3.4 Transfers to other levels	-	-	-	-	-	-
3.5 Other decreases	-	-	-	-	-	-
<b>4. Closing balance</b>	<b>-</b>	<b>-</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>-</b>

#### A.4.5.4 Assets and liabilities not measured at fair value or measured at fair value on a non-recurring basis: analysis by fair value level

##### ASSETS AND LIABILITIES NOT MEASURED AT FAIR VALUE OR MEASURED AT FAIR VALUE ON A NON-RECURRING BASIS

	31.12.2014				31.12.2013			
	BOOK VALUE	LEVEL 1	LEVEL 2	LEVEL 3	BOOK VALUE	LEVEL 1	LEVEL 2	LEVEL 3
1. Held-to-maturity investments	332,881	332,676	-	-	451,753	444,934	-	-
2. Loans and advances to banks	3,672,033	-	3,328,483	519,724	3,177,817	-	2,542,701	684,232
3. Loans and advances to customers	5,369,981	-	2,368,411	2,704,079	4,795,505	-	1,761,955	2,726,944
4. Investment property and equipment	-	-	-	-	-	-	-	-
5. Non-current assets held for sale and disposal groups	-	-	-	-	90	-	-	-
<b>Total</b>	<b>9,374,895</b>	<b>332,676</b>	<b>5,696,894</b>	<b>3,223,803</b>	<b>8,425,165</b>	<b>444,934</b>	<b>4,304,656</b>	<b>3,411,176</b>
1. Due to banks	575,952	-	120,625	607,773	805,492	-	349,986	516,493
2. Due to customers	9,163,623	-	9,068,664	94,959	8,321,926	-	8,246,190	75,736
3. Debt on issue	-	-	-	-	-	-	-	-
4. Liabilities associated with non-current assets held for sale and discontinued operations	-	-	-	-	-	-	-	-
<b>Total</b>	<b>9,739,575</b>	<b>-</b>	<b>9,189,289</b>	<b>702,732</b>	<b>9,127,418</b>	<b>-</b>	<b>8,596,176</b>	<b>592,229</b>

## PART B - NOTES TO THE CONSOLIDATED BALANCE SHEET

## ASSETS

## SECTION 1 - CASH AND CASH EQUIVALENTS - ITEM 10

## 1.1 Cash and cash equivalents: analysis

	31.12.2014	31.12.2013
a) Cash	39,290	30,258
b) Demand deposits with Central Banks	-	43,084
<b>Total</b>	<b>39,290</b>	<b>73,342</b>

## SECTION 2 - FINANCIAL ASSETS HELD FOR TRADING - ITEM 20

## 2.1 Financial assets held for trading: analysis

	31.12.2014			31.12.2013		
	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 1	LEVEL 2	LEVEL 3
<b>A. Cash assets</b>						
1. Debt securities	15,000	30	-	30,016	58	-
1.1 Structured securities	-	-	-	31	-	-
1.2 Other debt securities	15,000	30	-	29,985	58	-
2. Equities	-	-	-	-	-	-
3. Units in mutual funds	11	-	-	61	-	-
4. Loans	-	-	-	-	-	-
4.1 Repurchase agreement assets	-	-	-	-	-	-
4.2 Other	-	-	-	-	-	-
<b>Total A</b>	<b>15,011</b>	<b>30</b>	<b>-</b>	<b>30,077</b>	<b>58</b>	<b>-</b>
<b>B. Derivatives</b>						
1. Financial derivatives	-	39,772	-	-	9,908	-
1.1 Held for trading	-	39,772	-	-	9,908	-
1.2 Connected with fair value option	-	-	-	-	-	-
1.3 Other	-	-	-	-	-	-
2. Credit derivatives	-	-	-	-	-	-
2.1 Held for trading	-	-	-	-	-	-
2.2 Connected with fair value option	-	-	-	-	-	-
2.3 Other	-	-	-	-	-	-
<b>Total B</b>	<b>-</b>	<b>39,772</b>	<b>-</b>	<b>-</b>	<b>9,908</b>	<b>-</b>
<b>Total (A+B)</b>	<b>15,011</b>	<b>39,802</b>	<b>-</b>	<b>30,077</b>	<b>9,966</b>	<b>-</b>

## 2.2 Financial assets held for trading: analysis by debtors/issuers

	31.12.2014	31.12.2013
<b>A. Cash assets</b>		
<b>1. Debt securities</b>	<b>15,030</b>	<b>30,074</b>
a) Governments and Central Banks	14,999	29,984
b) Other public entities	-	-
c) Banks	30	89
d) Other issuers	1	1
<b>2. Equities</b>	-	-
a) Banks	-	-
b) Other issuers:	-	-
- Insurance companies	-	-
- Financial Institutions	-	-
- Non-financial companies	-	-
- Other	-	-
<b>3. Units in mutual funds</b>	<b>11</b>	<b>61</b>
<b>4. Loans</b>	-	-
a) Governments and Central Banks	-	-
b) Other public entities	-	-
c) Banks	-	-
d) Other parties	-	-
<b>Total A</b>	<b>15,041</b>	<b>30,135</b>
<b>B. Derivatives</b>		
a) Banks	688	8,252
- fair value	688	8,252
b) Customers	39,084	1,656
- fair value	39,084	1,656
<b>Total B</b>	<b>39,772</b>	<b>9,908</b>
<b>Total (A+B)</b>	<b>54,813</b>	<b>40,043</b>

## 2.3 Cash financial assets held for trading: changes in the year

	DEBT SECURITIES	EQUITIES	UNITS IN MUTUAL FUNDS	LOANS	TOTAL
<b>A. Opening balance</b>	<b>30,074</b>	-	<b>61</b>	-	<b>30,135</b>
<b>B. Increases</b>	<b>3,545,780</b>	<b>3,163</b>	<b>300</b>	-	<b>3,549,243</b>
B.1 Purchases	3,544,178	3,163	298	-	3,547,639
B.2 Increases in fair value	2	-	1	-	3
B.3 Other increases	1,600	-	1	-	1,601
<b>C. Decreases</b>	<b>3,560,824</b>	<b>3,163</b>	<b>350</b>	-	<b>3,564,337</b>
C.1 Sales	3,529,910	3,110	350	-	3,533,370
C.2 Redemptions	30,027	-	-	-	30,027
C.3 Decreases in fair value	-	-	-	-	-
C.4 Transfers to other categories	-	-	-	-	-
C.5 Other decreases	887	53	-	-	940
<b>D. Closing balance</b>	<b>15,030</b>	-	<b>11</b>	-	<b>15,041</b>

## SECTION 3 - FINANCIAL ASSETS DESIGNATED AT FAIR VALUE - ITEM 30

## 3.1 Financial assets designated at fair value: analysis

	31.12.2014			31.12.2013		
	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 1	LEVEL 2	LEVEL 3
1. Debt securities	2	153,353	-	2	143,737	-
1.1 Structured securities	-	-	-	-	-	-
1.2 Other debt securities (*)	2	153,353	-	2	143,737	-
2. Equities	3,286	-	-	2,617	-	-
3. Units in mutual funds	-	-	-	-	-	-
4. Loans	-	-	-	-	-	-
4.1 Structured	-	-	-	-	-	-
4.2 Other	-	-	-	-	-	-
<b>Total</b>	<b>3,288</b>	<b>153,353</b>	<b>-</b>	<b>2,619</b>	<b>143,737</b>	<b>-</b>
<b>Cost</b>	<b>1,927</b>	<b>108,272</b>	<b>-</b>	<b>2,110</b>	<b>107,971</b>	<b>-</b>

(\*) The level 2 debt securities regard the insurance policies that the Group took out to insure the market yields of the Personal Financial Adviser Networks' Loyalty Schemes.

## 3.2 Financial assets designated at fair value: analysis by debtor/issuer

	31.12.2014	31.12.2013
<b>1. Debt securities</b>	<b>153,355</b>	<b>143,739</b>
a) Governments and Central Banks	2	2
b) Other public entities	-	-
c) Banks	-	-
d) Others issuers	153,353	143,737
<b>2. Equities</b>	<b>3,286</b>	<b>2,617</b>
a) Banks	3,286	2,617
b) Other issuers:	-	-
- Insurance companies	-	-
- Financial Institutions	-	-
- Non-financial companies	-	-
- Other	-	-
<b>3. Units in mutual funds</b>	-	-
<b>4. Loans</b>	-	-
a) Governments and Central Banks	-	-
b) Other public entities	-	-
c) Banks	-	-
d) Other parties	-	-
<b>Total</b>	<b>156,641</b>	<b>146,356</b>

## 3.3 Financial assets designated at fair value: changes in the year

	DEBT SECURITIES	EQUITIES	UNITS IN MUTUAL FUNDS	LOANS	TOTAL
<b>A. Opening balance</b>	<b>143,739</b>	<b>2,617</b>	-	-	<b>146,356</b>
<b>B. Increases</b>	<b>16,584</b>	<b>923</b>	-	-	<b>17,507</b>
B.1 Purchases	5,736	-	-	-	5,736
B.2 Increases in fair value	10,733	852	-	-	11,585
B.3 Other increases	115	71	-	-	186
<b>C. Decreases</b>	<b>6,968</b>	<b>254</b>	-	-	<b>7,222</b>
C.1 Sales	-	254	-	-	254
C.2 Redemptions	6,260	-	-	-	6,260
C.3 Decreases in fair value	-	-	-	-	-
C.4 Other decreases	708	-	-	-	708
<b>D. Closing balance</b>	<b>153,355</b>	<b>3,286</b>	-	-	<b>156,641</b>

**SECTION 4 - FINANCIAL ASSETS AVAILABLE FOR SALE - ITEM 40****4.1 Financial assets available for sale: analysis**

	31.12.2014			31.12.2013		
	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 1	LEVEL 2	LEVEL 3
1. Debt securities	2,312,364	-	-	2,180,872	-	-
1.1 Structured securities	-	-	-	-	-	-
1.2 Other debt securities	2,312,364	-	-	2,180,872	-	-
2. Equities	569	89	5	-	89	6
2.1 Valued at fair value	569	89	-	-	89	-
2.2 Valued at cost	-	-	5	-	-	6
3. Units in mutual funds	196,560	-	-	193,329	-	-
4. Loans	-	-	-	-	-	-
<b>Total</b>	<b>2,509,493</b>	<b>89</b>	<b>5</b>	<b>2,374,201</b>	<b>89</b>	<b>6</b>

**4.2 Financial assets available for sale: analysis by debtor/issuer**

	31.12.2014	31.12.2013
<b>1. Debt securities</b>	<b>2,312,364</b>	<b>2,180,872</b>
a) Governments and Central Banks	1,212,367	1,406,687
b) Other public entities	-	-
c) Banks	728,889	525,608
d) Other issuers	371,108	248,577
<b>2. Equities</b>	<b>663</b>	<b>95</b>
a) Banks	569	-
b) Other issuers:	94	95
- Insurance companies	-	-
- Financial Institutions	-	-
- Non-financial companies	94	95
- Other	-	-
<b>3. Units in mutual funds (*)</b>	<b>196,560</b>	<b>193,329</b>
<b>4. Loans</b>	<b>-</b>	<b>-</b>
a) Governments and Central Banks	-	-
b) Other public entities	-	-
c) Banks	-	-
d) Other parties	-	-
<b>Total</b>	<b>2,509,587</b>	<b>2,374,296</b>

(\*) Principally bond funds.

**4.3 Financial assets available for sale hedged with micro-hedging**

	31.12.2014	31.12.2013
<b>1. Financial assets hedged with fair value micro-hedging</b>	<b>1,289,698</b>	<b>1,149,419</b>
a) Interest rate risk	1,173,003	1,109,433
b) Price risk	-	-
c) Exchange rate risk	-	-
d) Credit risk	-	-
e) Other risks	116,695	39,986
<b>2. Financial assets hedged with micro-hedging of financial flows</b>	<b>-</b>	<b>-</b>
a) Interest rate	-	-
b) Exchange risk	-	-
c) Other	-	-
<b>Total</b>	<b>1,289,698</b>	<b>1,149,419</b>

## 4.4 Financial assets available for sale: changes in the year

	DEBT SECURITIES	EQUITIES	UNITS IN MUTUAL FUNDS	LOANS	TOTAL
<b>A. Opening balance</b>	<b>2,180,872</b>	<b>95</b>	<b>193,329</b>	-	<b>2,374,296</b>
<b>B. Increases</b>	<b>1,505,314</b>	<b>4,652</b>	<b>4,283</b>	-	<b>1,514,249</b>
B.1 Purchases	1,265,495	4,213	2,845	-	1,272,553
B.2 Increases in fair value	188,991	42	1,438	-	190,471
B.3 Write-backs recognised in:	-	-	-	-	-
- income statement	-	X	-	-	-
- shareholders' equity	-	-	-	-	-
B.4 Transfers from other categories	-	-	-	-	-
B.5 Other increases	50,828	397	-	-	51,225
<b>C. Decreases</b>	<b>1,373,822</b>	<b>4,084</b>	<b>1,052</b>	-	<b>1,378,958</b>
C.1 Sales	1,158,501	4,083	-	-	1,162,584
C.2 Redemptions	186,405	-	-	-	186,405
C.3 Decreases in fair value	5,000	-	1,048	-	6,048
C.4 Impairment write-downs	-	1	-	-	1
- income statement	-	1	-	-	1
- shareholders' equity	-	-	-	-	-
C.5 Transfers to other categories	-	-	-	-	-
C.6 Other decreases	23,916	-	4	-	23,920
<b>D. Closing balance</b>	<b>2,312,364</b>	<b>663</b>	<b>196,560</b>	-	<b>2,509,587</b>

## SECTION 5 - HELD-TO-MATURITY INVESTMENTS - ITEM 50

## 5.1 Held-to-maturity investments: analysis

	TOTAL 31.12.2014				TOTAL 31.12.2013			
	BOOK VALUE	FAIR VALUE			BOOK VALUE	FAIR VALUE		
		LEVEL 1	LEVEL 2	LEVEL 3		LEVEL 1	LEVEL 2	LEVEL 3
<b>1. Debts securities (*)</b>	<b>332,881</b>	<b>332,676</b>	-	-	<b>451,753</b>	<b>444,934</b>	-	-
- Structured securities	-	-	-	-	-	-	-	-
- Other debt securities	332,881	332,676	-	-	451,753	444,934	-	-
<b>2. Loans</b>	-	-	-	-	-	-	-	-

(\*) Includes bonds totalling €315,410k previously in the available-for sale portfolio and reclassified in the first quarter of 2008. A €1,348k negative reserve has been recorded under shareholders' equity in respect of these bonds, which is being amortised to profit or loss over the residual life of each bond.

## 5.2 Held-to-maturity investments: analysis by debtor/issuer

	31.12.2014	31.12.2013
<b>1. Debt securities</b>	<b>332,881</b>	<b>451,753</b>
a) Governments and Central Banks	17,471	17,004
b) Other public entities	-	-
c) Banks	275,707	380,795
d) Other issuers	39,703	53,954
<b>2. Loans</b>	-	-
a) Governments and Central Banks	-	-
b) Other public entities	-	-
c) Banks	-	-
d) Other parties	-	-
<b>Total</b>	<b>332,881</b>	<b>451,753</b>
<b>Total fair value</b>	<b>332,676</b>	<b>444,934</b>

## 5.4 Held-to-maturity investments: changes in the year

	DEBT SECURITIES	LOANS	TOTAL
<b>A. Opening balance</b>	<b>451,753</b>	-	<b>451,753</b>
<b>B. Increases</b>	<b>19,911</b>	-	<b>19,911</b>
B.1 Purchases	17,441	-	17,441
B.2 Write-backs	641	-	641
B.3 Transfers from other categories	-	-	-
B.4 Other increases	1,829	-	1,829
<b>C. Decreases</b>	<b>138,783</b>	-	<b>138,783</b>
C.1 Sales	-	-	-
C.2 Redemptions	137,793	-	137,793
C.3 Write-downs	66	-	66
C.4 Transfers to other categories	-	-	-
C.5 Other decreases	924	-	924
<b>D. Closing balance</b>	<b>332,881</b>	-	<b>332,881</b>

## SECTION 6 - LOANS AND ADVANCES TO BANKS - ITEM 60

## 6.1 Loans and advances to banks: analysis

	31.12.2014				31.12.2013			
	BOOK VALUE	FAIR VALUE			BOOK VALUE	FAIR VALUE		
		LEVEL 1	LEVEL 2	LEVEL 3		LEVEL 1	LEVEL 2	LEVEL 3
<b>A. Due from Central Banks</b>	<b>113,403</b>	-	-	<b>113,403</b>	<b>116,822</b>	-	-	<b>116,822</b>
1. Term deposits	-	X	X	X	-	X	X	X
2. Statutory reserve	113,403	X	X	X	116,822	X	X	X
3. Repurchase agreement assets	-	X	X	X	-	X	X	X
4. Other	-	X	X	X	-	X	X	X
<b>B. Loans and advances to banks</b>	<b>3,558,630</b>	-	<b>3,328,483</b>	<b>406,321</b>	<b>3,060,995</b>	-	<b>2,542,701</b>	<b>567,410</b>
1. Loans	1,626,870	-	1,220,549	406,321	1,478,764	-	911,354	567,410
1.1 Current accounts and demand deposits	406,321	X	X	X	503,249	X	X	X
1.2 Term deposits	817,442	X	X	X	848,587	X	X	X
1.3 Other loans:	403,107	X	X	X	126,928	X	X	X
- Repurchase agreement assets	400,517	X	X	X	125,071	X	X	X
- Finance leases	-	X	X	X	-	X	X	X
- Other	2,590	X	X	X	1,857	X	X	X
2. Debt securities	1,931,760	-	2,107,934	-	1,582,231	-	1,631,347	-
2.1 Structured securities	-	X	X	X	-	X	X	X
2.2 Other debt securities	1,931,760	X	X	X	1,582,231	X	X	X
<b>Total</b>	<b>3,672,033</b>	-	<b>3,328,483</b>	<b>519,724</b>	<b>3,177,817</b>	-	<b>2,542,701</b>	<b>684,232</b>

Fair value - Level 3 includes the statutory reserve and current accounts.

## 6.2 Loans and advances to banks hedged with micro-hedging

	31.12.2014	31.12.2013
<b>1. Loans hedged with fair value micro-hedging</b>	<b>397,799</b>	<b>115,569</b>
a) Interest rate risk	397,799	115,569
b) Exchange rate risk	-	-
c) Credit risk	-	-
d) Other risks	-	-
<b>2. Loans hedged with micro-hedging of financial flows</b>	-	-
a) Interest rate	-	-
b) Exchange rate	-	-
c) Other	-	-
<b>Total</b>	<b>397,799</b>	<b>115,569</b>

## SECTION 7 - LOANS AND ADVANCES TO CUSTOMERS - ITEM 70

## 7.1 Loans and advances to customers: analysis

	31.12.2014						31.12.2013					
	BOOK VALUE		FAIR VALUE				BOOK VALUE		FAIR VALUE			
	PERFORMING	IMPAIRED (*)	LEVEL 1	LEVEL 2	LEVEL 3	PERFORMING	IMPAIRED	LEVEL 1	LEVEL 2	LEVEL 3		
	PURCHASED OTHER					PURCHASED OTHER						
<b>Loans</b>	<b>3,805,262</b>	<b>- 8,917</b>	<b>-1,110,100</b>	<b>2,704,079</b>		<b>3,623,424</b>	<b>- 8,570</b>	<b>- 911,791</b>	<b>2,726,944</b>			
1. Current accounts	2,514,847	- 8,121	X	X	X	2,178,589	- 7,812	X	X	X		
2. Repurchase agreement assets	652,060	- -	X	X	X	852,759	- -	X	X	X		
3. Loans	223,059	- 597	X	X	X	188,371	- 298	X	X	X		
4. Credit cards, personal loans and loans with repayments deducted directly from wages	68,342	- 199	X	X	X	59,762	- 320	X	X	X		
5. Finance leases	-	- -	X	X	X	-	- -	X	X	X		
6. Factoring	-	- -	X	X	X	-	- -	X	X	X		
7. Other transactions	346,954	- -	X	X	X	343,943	- 140	X	X	X		
<b>Debt securities</b>	<b>1,555,802</b>	<b>- -</b>	<b>-1,258,311</b>	<b>-</b>		<b>1,163,511</b>	<b>- -</b>	<b>- 850,164</b>	<b>-</b>			
8. Structured securities	-	- -	X	X	X	-	- -	X	X	X		
9. Other debt securities	1,555,802	- -	X	X	X	1,163,511	- -	X	X	X		
<b>Total</b>	<b>5,361,064</b>	<b>- 8,917</b>	<b>-2,368,411</b>	<b>2,704,079</b>		<b>4,786,935</b>	<b>- 8,570</b>	<b>-1,761,955</b>	<b>2,726,944</b>			

(\*) Impaired assets comprised non-performing loans totalling €349k, doubtful loans totalling €6,768k and loans receivable or overdue totalling €1,800k.

Fair Value - Level 3 includes current accounts, repurchase agreements and impaired loans.

## 7.2 Loans to customers: analysis by debtors/issuers

	31.12.2014			31.12.2013		
	PERFORMING	IMPAIRED		PERFORMING	IMPAIRED	
		PURCHASED	OTHER		PURCHASED	OTHER
<b>1. Debt securities</b>	<b>1,555,802</b>	-	-	<b>1,163,511</b>	-	-
a) Governments	1,518,149	-	-	1,156,028	-	-
b) Other public entities	7,663	-	-	7,483	-	-
c) Other issuers	29,990	-	-	-	-	-
- Non-financial companies	-	-	-	-	-	-
- Financial institutions	29,990	-	-	-	-	-
- Insurance companies	-	-	-	-	-	-
- Other	-	-	-	-	-	-
<b>2. Loans to</b>	<b>3,805,262</b>	-	<b>8,917</b>	<b>3,623,424</b>	-	<b>8,570</b>
a) Governments	-	-	-	-	-	-
b) Other public entities	428	-	-	413	-	-
c) Other parties	3,804,834	-	8,917	3,623,011	-	8,570
- Non-financial companies	808,317	-	4,469	692,993	-	3,755
- Financial companies	862,013	-	-	926,815	-	120
- Insurance companies	83,315	-	-	94,958	-	-
- Other	2,051,189	-	4,448	1,908,245	-	4,695
<b>Total</b>	<b>5,361,064</b>	-	<b>8,917</b>	<b>4,786,935</b>	-	<b>8,570</b>

## 7.3 Loans and advances to customers hedged with micro-hedging

	31.12.2014	31.12.2013
<b>1. Loans hedged with fair value micro-hedging</b>	<b>1,518,149</b>	<b>1,156,766</b>
a) Interest rate risk	1,518,149	1,156,766
b) Exchange rate risk	-	-
c) Credit risk	-	-
d) Other risks	-	-
<b>2. Loans hedged with micro-hedging of financial flows</b>	-	-
a) Interest rate	-	-
b) Exchange rate	-	-
c) Other	-	-
<b>Total</b>	<b>1,518,149</b>	<b>1,156,766</b>

## SECTION 8 - HEDGING DERIVATIVES - ITEM 80

### 8.1 Hedging derivatives: analysis by type of hedge and level

	FAIR VALUE 31.12.2014			NOMINAL VALUE 31.12.2014	FAIR VALUE 31.12.2013			NOMINAL VALUE 31.12.2013
	LEVEL 1	LEVEL 2	LEVEL 3		LEVEL 1	LEVEL 2	LEVEL 3	
<b>A. Financial derivatives</b>	-	-	-	-	-	<b>3,513</b>	-	<b>173,881</b>
1. Fair value	-	-	-	-	-	3,513	-	173,881
2. Financial flows	-	-	-	-	-	-	-	-
3. Investments outside Italy	-	-	-	-	-	-	-	-
<b>B. Credit derivatives</b>	-	-	-	-	-	-	-	-
1. Fair value	-	-	-	-	-	-	-	-
2. Financial flows	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	<b>3,513</b>	-	<b>173,881</b>

## SECTION 10 - EQUITY INVESTMENTS - ITEM 100

## 10.1 Equity investments: information on equity relationships

	REGISTERED OFFICE	OPERATIONAL HEAD OFFICE	TYPE OF RELATIONSHIP	OWNERSHIP		% VOTES
				ASSOCIATE COMPANY	% OWNED	
<b>B. Companies subject to significant influence</b>						
1. Fideuram Vita S.p.A.	Rome	Rome	1	Banca Fideuram	19.990	
2. Consorzio Studi e Ricerche Fiscali	Rome	Rome	1	Banca Fideuram	7.500	
3. SMIA S.p.A.	Rome	Rome	1	Banca Fideuram	0.634	
4. Intesa Sanpaolo Group Services S.C.p.A.	Turin	Turin	1	Banca Fideuram	0.007	
				Sanpaolo Invest	0.001	
				Fideuram Investimenti	0.001	
5. Infogroup S.C.p.A.	Florence	Florence	1	Banca Fideuram	0.002	

Type of relationship:

1. Companies subject to significant influence.

## 10.2 Significant equity investments: book value, fair value and dividends received

B. Companies subject to significant influence	BOOK VALUE	FAIR VALUE	DIVIDEND INCOME
1. Fideuram Vita S.p.A.	118,427		

## 10.3 Significant equity investments: accounting information

	CASH AND CASH EQUIVALENTS	FINANCIAL ASSETS	NON-FINANCIAL ASSETS	FINANCIAL LIABILITIES	NON-FINANCIAL LIABILITIES	TOTAL REVENUES	NET INTEREST INCOME	DEPRECIATION AND AMORTISATION	PROFIT (LOSS) BEFORE TAX	NET PROFIT (LOSS) AFTER TAX	NET PROFIT (LOSS) AFTER TAX FROM DISCONTINUED OPERATIONS	NET PROFIT (LOSS) FOR THE YEAR	OTHER COMPREHENSIVE INCOME AFTER TAX	TOTAL COMPREHENSIVE INCOME
<b>B. Company</b>														
Fideuram Vita	X	24,213,326	1,013,156	23,496,073	1,137,979	2,379,362	X	X	70,685	50,208	-	50,208	30,172	80,380

## Reconciliation of financial statement data and book value of the equity investment

Shareholders' equity of Fideuram Vita S.p.A.	592,430
Interest held by Banca Fideuram	19.99%
Consolidated book value of the equity investment	118,427

## 10.4 Non-significant equity investments accounting information

	BOOK VALUE OF THE EQUITY INVESTMENTS	TOTAL ASSETS	TOTAL LIABILITIES	TOTAL REVENUE	NET PROFIT (LOSS) AFTER TAX	NET PROFIT (LOSS) AFTER TAX FROM DISCONTINUED OPERATIONS	NET PROFIT (LOSS) FOR THE YEAR	OTHER COMPREHENSIVE INCOME AFTER TAX	TOTAL COMPREHENSIVE INCOME
Companies subject to significant influence	330	1,580,442	1,126,053	1,714,502	(7,783)	-	(7,783)	(29,778)	(37,561)

## 10.5 Equity investments: changes in the year

	31.12.2014	31.12.2013
<b>A. Opening balance</b>	<b>102,686</b>	<b>95,036</b>
<b>B. Increases</b>	<b>16,071</b>	<b>7,740</b>
B.1 Purchases	-	-
B.2 Write-backs	-	-
B.3 Revaluations	-	-
B.4 Other increases (*)	16,071	7,740
<b>C. Decreases</b>	<b>-</b>	<b>90</b>
C.1 Sales	-	-
C.2 Write-downs	-	-
C.3 Other decreases	-	90
<b>D. Closing balance</b>	<b>118,757</b>	<b>102,686</b>
<b>E. Total revaluations</b>	<b>-</b>	<b>-</b>
<b>F. Total adjustments</b>	<b>-</b>	<b>-</b>

(\*) Includes the effect of adjusting the value of the equity investment in Fideuram Vita to bring it into line with the subsidiary's shareholders' equity.

## 10.6 Significant judgements and assumptions made in determining joint control or significant influence

A company is considered subject to significant influence if Banca Fideuram holds 20% or more of the voting rights directly or indirectly, or if it is able to participate in determining the company's financial and management policies due to special legal ties even in the case of holding fewer voting rights.

## 10.8 Commitments regarding equity investments in entities subject to significant influence

The bank's commitments included approximately €363m put options that Banca Fideuram issued to Intesa Sanpaolo under the agreement between them regarding the latter's holding in Fideuram Vita (amounting to 80.01% of the shares in the company).

## SECTION 12 - PROPERTY AND EQUIPMENT - ITEM 120

### 12.1 Functional property and equipment: analysis of assets measured at cost

	31.12.2014	31.12.2013
<b>1. Owned assets</b>	<b>36,516</b>	<b>36,938</b>
a) land	21,323	21,323
b) buildings	8,535	8,232
c) furniture	3,966	4,458
d) electronic equipment	946	1,263
e) other	1,746	1,662
<b>2. Assets purchased under financial leasing agreements</b>	<b>-</b>	<b>-</b>
a) land	-	-
b) buildings	-	-
c) furniture	-	-
d) electronic equipment	-	-
e) other	-	-
<b>Total</b>	<b>36,516</b>	<b>36,938</b>

## 12.5 Functional property and equipment: changes in the year

	LAND	BUILDINGS	FURNITURE	ELECTRONIC EQUIPMENT	OTHER	TOTAL
<b>A. Gross opening balance</b>	<b>21,323</b>	<b>75,230</b>	<b>36,132</b>	<b>43,985</b>	<b>42,320</b>	<b>218,990</b>
A.1 Total net depreciation	-	(66,998)	(31,674)	(42,722)	(40,658)	(182,052)
<b>A.2 Net opening balance</b>	<b>21,323</b>	<b>8,232</b>	<b>4,458</b>	<b>1,263</b>	<b>1,662</b>	<b>36,938</b>
<b>B. Increases</b>	-	<b>712</b>	<b>745</b>	<b>268</b>	<b>364</b>	<b>2,089</b>
B.1 Purchases	-	-	745	210	117	1,072
B.2 Expenditures for capitalised improvements	-	712	-	58	246	1,016
B.3 Write-backs	-	-	-	-	-	-
B.4 Increases in fair value recognised in:	-	-	-	-	-	-
a) shareholders' equity	-	-	-	-	-	-
b) income statement	-	-	-	-	-	-
B.5 Positive exchange rate differences	-	-	-	-	-	-
B.6 Transfers from investment property	-	-	-	-	-	-
B.7 Other increases	-	-	-	-	1	1
<b>C. Decreases</b>	-	<b>409</b>	<b>1,237</b>	<b>585</b>	<b>280</b>	<b>2,511</b>
C.1 Sales	-	-	3	-	-	3
C.2 Amortization	-	409	1,234	579	280	2,502
C.3 Impairment write-downs recognised in:	-	-	-	-	-	-
a) shareholders' equity	-	-	-	-	-	-
b) income statement	-	-	-	-	-	-
C.4 Decreases in fair value recognised in:	-	-	-	-	-	-
a) shareholders' equity	-	-	-	-	-	-
b) income statement	-	-	-	-	-	-
C.5 Negative exchange rate differences	-	-	-	-	-	-
C.6 Transfer to:	-	-	-	-	-	-
a) investment tangible assets	-	-	-	-	-	-
b) assets held for sale	-	-	-	-	-	-
C.7 Other decreases	-	-	-	6	-	6
<b>D. Net closing balance</b>	<b>21,323</b>	<b>8,535</b>	<b>3,966</b>	<b>946</b>	<b>1,746</b>	<b>36,516</b>
D.1 Total net depreciation	-	67,407	32,908	43,301	40,938	184,554
<b>D.2 Gross closing balance</b>	<b>21,323</b>	<b>75,942</b>	<b>36,874</b>	<b>44,247</b>	<b>42,684</b>	<b>221,070</b>
<b>E. Valuation at cost</b>	-	-	-	-	-	-

The depreciation rates applied to property and equipment were as follows (% range):

Buildings: 3%

Furniture: between 12% and 15%

Electronic equipment: between 20% and 40%

Other: between 7.5% and 30%

## SECTION 13 - INTANGIBLE ASSETS - ITEM 130

## 13.1 Intangible assets: analysis by type of asset

	31.12.2014		31.12.2013	
	FINITE LIFE	INDEFINITE LIFE	FINITE LIFE	INDEFINITE LIFE
<b>A.1 Goodwill</b>	<b>X</b>	-	<b>X</b>	-
A.1.1 Group interests	X	-	X	-
A.1.2 Third party interests	X	-	X	-
<b>A.2 Other intangible assets</b>	<b>25,682</b>	-	<b>23,065</b>	-
A.2.1 Assets valued at cost:	25,682	-	23,065	-
a) Internally generated intangible assets	-	-	-	-
b) Other assets	25,682	-	23,065	-
A.2.2 Assets valued at fair value:	-	-	-	-
a) Internally generated intangible assets	-	-	-	-
b) Other assets	-	-	-	-
<b>Total</b>	<b>25,682</b>	-	<b>23,065</b>	-

## 13.2 Intangible assets: changes in the year

	GOODWILL	OTHER INTANGIBLE ASSETS: GENERATED INTERNALLY		OTHER INTANGIBLE ASSETS: OTHER		TOTAL
		FINITE LIFE	INDEFINITE LIFE	FINITE LIFE	INDEFINITE LIFE	
<b>A. Gross opening balance</b>	-	-	-	<b>86,346</b>	-	<b>86,346</b>
A.1 Total net adjustments	-	-	-	(63,281)	-	(63,281)
<b>A.2 Net opening balance</b>	-	-	-	<b>23,065</b>	-	<b>23,065</b>
<b>B. Increases</b>	-	-	-	<b>13,772</b>	-	<b>13,772</b>
B.1 Purchases	-	-	-	13,772	-	13,772
B.2 Increases in internally generated intangible assets	X	-	-	-	-	-
B.3 Write-backs	X	-	-	-	-	-
B.4 Increases in fair value recognised in:	-	-	-	-	-	-
- shareholders' equity	X	-	-	-	-	-
- income statement	X	-	-	-	-	-
B.5 Positive exchange rate differences	-	-	-	-	-	-
B.6 Other increases	-	-	-	-	-	-
<b>C. Decreases</b>	-	-	-	<b>11,155</b>	-	<b>11,155</b>
C.1 Sales	-	-	-	-	-	-
C.2 Write-downs	-	-	-	11,147	-	11,147
- Depreciation and amortization	X	-	-	11,147	-	11,147
- Write-downs	-	-	-	-	-	-
+ shareholders' equity	X	-	-	-	-	-
+ income statement	-	-	-	-	-	-
C.3 Decreases in fair value recognised in:	-	-	-	-	-	-
- shareholders' equity	X	-	-	-	-	-
- income statement	X	-	-	-	-	-
C.4 Transfers to non-current assets held for sale	-	-	-	-	-	-
C.5 Negative exchange rate differences	-	-	-	-	-	-
C.6 Other decreases	-	-	-	8	-	8
<b>D. Net closing balance</b>	-	-	-	<b>25,682</b>	-	<b>25,682</b>
D.1 Total net adjustments	-	-	-	74,428	-	74,428
<b>E. Gross closing balance</b>	-	-	-	<b>100,110</b>	-	<b>100,110</b>
<b>F. Valuation at cost</b>	-	-	-	-	-	-

The amortisation rate applied to intangible assets, mainly software, was 33.33%.

## SECTION 14 - TAX ASSETS AND TAX LIABILITIES - ASSETS ITEM 140 AND LIABILITIES ITEM 80

## 14.1 Deferred tax assets: analysis

	31.12.2014	31.12.2013
<b>Breakdown of deferred tax assets:</b>		
- Incentive payments to Personal Financial Adviser Networks	10,908	19,317
- Provisions for future charges	47,322	47,980
- Financial assets available for sale (*)	45,829	52,777
- Losses carried forward (**)	12,965	19,548
- Other	7,327	6,143
<b>Total</b>	<b>124,351</b>	<b>145,765</b>

(\*) The decrease in this item was due to fair value losses on financial assets available for sale.

(\*\*) Deferred tax assets in respect of losses carried forward regarded the tax benefit of the losses accrued in prior years by the Group's French subsidiaries.

## 14.2 Deferred tax liabilities: analysis

	31.12.2014	31.12.2013
<b>Breakdown of deferred tax liabilities:</b>		
- Financial assets available for sale	11,373	8,034
- Other	14,855	13,840
<b>Total</b>	<b>26,228</b>	<b>21,874</b>

## 14.3 Changes in deferred tax assets (balancing entry in income statement)

	31.12.2014	31.12.2013
<b>1. Opening balance</b>	<b>91,405</b>	<b>90,686</b>
<b>2. Increases</b>	<b>20,078</b>	<b>23,390</b>
2.1 Deferred tax assets recognised in the year	20,078	23,390
a) from prior years	-	936
b) due to changes in accounting policies	-	-
c) write-backs	-	-
d) other	20,078	22,454
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	-	-
<b>3. Decreases</b>	<b>33,419</b>	<b>22,671</b>
3.1 Deferred tax assets reversed in the year	31,972	16,193
a) reversals	31,972	16,193
b) write-downs for uncollectibility	-	-
c) changes in accounting policies	-	-
d) other	-	-
3.2 Reduction in tax rates	-	-
3.3 Other decreases	1,447	6,478
a) conversion to tax credits in accordance with Italian law No. 214/2011	-	-
b) other	1,447	6,478
<b>4. Closing balance</b>	<b>78,064</b>	<b>91,405</b>

## 14.3.1 Changes in deferred tax assets pursuant to law 214/2011 (balancing entry in income statement)

	31.12.2014	31.12.2013
<b>1. Opening balance</b>	<b>775</b>	<b>461</b>
<b>2. Increases</b>	<b>94</b>	<b>449</b>
<b>3. Decreases</b>	<b>424</b>	<b>135</b>
3.1 Reversals	424	135
3.2 Conversion to tax credits	-	-
a) from operating losses	-	-
b) from tax losses	-	-
3.3 Other decreases	-	-
<b>4. Closing balance</b>	<b>445</b>	<b>775</b>

**14.4 Changes in deferred tax liabilities (balancing entry in income statement)**

	<b>31.12.2014</b>	<b>31.12.2013</b>
<b>1. Opening balance</b>	<b>13,651</b>	<b>11,521</b>
<b>2. Increases</b>	<b>11,765</b>	<b>10,773</b>
2.1 Deferred tax liabilities recognised in the year	11,765	10,773
a) from prior years	-	-
b) due to changes in accounting policies	-	-
c) other	11,765	10,773
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	-	-
<b>3. Decreases</b>	<b>10,750</b>	<b>8,643</b>
3.1 Deferred tax liabilities reversed in the year	162	196
a) reversals	162	196
b) due to changes in accounting policies	-	-
c) other	-	-
3.2 Reductions in tax rates	-	-
3.3 Other decreases	10,588	8,447
<b>4. Closing balance</b>	<b>14,666</b>	<b>13,651</b>

**14.5 Change in deferred tax assets (balancing entry in shareholders' equity)**

	<b>31.12.2014</b>	<b>31.12.2013</b>
<b>1. Opening balance</b>	<b>54,360</b>	<b>96,581</b>
<b>2. Increases</b>	<b>2,150</b>	<b>210</b>
2.1 Deferred tax assets recognised in the year	1,752	210
a) from prior years	-	-
b) due to changes in accounting policies	-	-
c) other	1,752	210
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	398	-
<b>3. Decreases</b>	<b>10,223</b>	<b>42,431</b>
3.1 Deferred tax assets reversed in the year	9,131	42,409
a) reversals	60	2,147
b) write-downs for uncollectibility	-	-
c) due to changes in accounting policies	-	-
d) other	9,071	40,262
3.2 Reductions in tax rates	-	-
3.3 Other decreases	1,092	22
<b>4. Closing balance (*)</b>	<b>46,287</b>	<b>54,360</b>

(\*) Principally deferred tax assets regarding losses on debt securities in the available-for sale portfolio.

**14.6 Changes in deferred tax liabilities (balancing entry in shareholders' equity)**

	<b>31.12.2014</b>	<b>31.12.2013</b>
<b>1. Opening balance</b>	<b>8,223</b>	<b>7,851</b>
<b>2. Increases</b>	<b>5,538</b>	<b>4,300</b>
2.1 Deferred tax liabilities recognised in the year	5,538	4,300
a) from prior years	-	-
b) due to changes in accounting policies	-	-
c) other	5,538	4,300
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	-	-
<b>3. Decreases</b>	<b>2,199</b>	<b>3,928</b>
3.1 Deferred tax liabilities reversed in the year	2,199	3,928
a) reversals	1,757	3,874
b) due to changes in accounting policies	-	-
c) other	442	54
3.2 Reductions in tax rates	-	-
3.3 Other decreases	-	-
<b>4. Closing balance (*)</b>	<b>11,562</b>	<b>8,223</b>

(\*) Principally deferred tax liabilities regarding gains on debt securities in the available-for sale portfolio.

## 14.7 Other information

The Italian companies in the Banca Fideuram Group availed themselves of the "Istituto del Consolidato Fiscale Nazionale" tax consolidation regime for the 2013-2015 three-year period as subsidiaries of Intesa Sanpaolo. This

tax consolidation regime, which is governed by special regulations, provides for the aggregation of the taxable income of all the Group companies involved, and a single payment of IRES corporate income tax by Intesa Sanpaolo in its role as consolidating company.

## SECTION 15 - NON-CURRENT ASSETS HELD FOR SALE AND DISPOSAL GROUPS AND ASSOCIATED LIABILITIES - ASSETS ITEM 150 AND LIABILITIES ITEM 90

### 15.1 Non-current assets held for sale and disposal groups: analysis by type of asset

	31.12.2014	31.12.2013
<b>A. Individual assets</b>		
A.1 Financial assets	-	-
A.2 Equity investments	-	90
A.3 Property and equipment	-	-
A.4 Intangible assets	-	-
A.5 Other non-current assets	-	-
<b>Total A</b>	-	90
measured at cost	-	90
measured at fair value level 1	-	-
measured at fair value level 2	-	-
measured at fair value level 3	-	-
<b>B. Discontinued operations</b>		
B.1 Financial assets held for trading	-	-
B.2 Financial assets designed at fair value	-	-
B.3 Financial assets available for sale	-	-
B.4 Held-to-maturity investments	-	-
B.5 Loans and advances to banks	-	-
B.6 Loans and advances to customers	-	-
B.7 Equity investments	-	-
B.8 Tangible assets	-	-
B.9 Intangible assets	-	-
B.10 Other assets	-	-
<b>Total B</b>	-	-
measured at cost	-	-
measured at fair value level 1	-	-
measured at fair value level 2	-	-
measured at fair value level 3	-	-
<b>C. Liabilities associated with individual assets held for sale</b>		
C.1 Debts	-	-
C.2 Securities	-	-
C.3 Other liabilities	-	-
<b>Total C</b>	-	-
measured at cost	-	-
measured at fair value level 1	-	-
measured at fair value level 2	-	-
measured at fair value level 3	-	-
<b>D. Liabilities associated with discontinued operations</b>		
D.1 Due to banks	-	-
D.2 Due to customers	-	-
D.3 Debt securities in issue	-	-
D.4 Financial liabilities held for trading	-	-
D.5 Financial liabilities valued at fair value	-	-
D.6 Provisions	-	-
D.7 Other liabilities	-	-
<b>Total D</b>	-	-
measured at cost	-	-
measured at fair value level 1	-	-
measured at fair value level 2	-	-
measured at fair value level 3	-	-

## SECTION 16 - OTHER ASSETS - ITEM 160

### 16.1 Other assets: analysis

	31.12.2014	31.12.2013
Clearing accounts and other receivables	211,109	154,998
Due from Personal Financial Advisers	190,683	143,921
Prepaid expenses relating to Network incentives (*)	150,954	151,595
Due from tax authorities (**)	144,888	106,900
Other accrued income and prepaid expenses	13,493	8,056
Due from Intesa Sanpaolo under Italy's tax consolidation regime	11,604	1,738
Other	11,484	18,629
<b>Total</b>	<b>734,215</b>	<b>585,837</b>

(\*) Prepaid expenses regarding the bonuses for meeting net inflow targets set out in the 2008-2014 plans, linked to the duration of contractual relationships with customers.

(\*\*) Principally stamp duty due on managed financial products in accordance with art. 13, subparagraph 2-ter of the table of rates included in Italian Presidential Decree No. 642/72.

## LIABILITIES

### SECTION 1 - DUE TO BANKS - ITEM 10

#### 1.1 Due to banks: analysis

	31.12.2014	31.12.2013
<b>1. Due to Central Banks</b>	-	-
<b>2. Due to banks</b>	<b>575,952</b>	<b>805,492</b>
2.1 Current accounts and demand deposits	119,946	102,717
2.2 Term deposits	-	-
2.3 Loans	455,327	701,768
2.3.1 Repurchase agreement liabilities (*)	455,327	701,768
2.3.2 Other	-	-
2.4 Debts from commitments to repurchase own equity instruments	-	-
2.5 Other debts	679	1,007
<b>Total</b>	<b>575,952</b>	<b>805,492</b>
Fair value - level 1	-	-
Fair value - level 2	120,625	349,986
Fair value - level 3	607,773	516,493
<b>Total Fair value</b>	<b>728,398</b>	<b>866,479</b>

(\*) Mainly repurchase agreements with Intesa Sanpaolo Group companies.

Fair Value - Level 3 includes repurchase agreements with maturities of over one year.

### SECTION 2 - DUE TO CUSTOMERS - ITEM 20

#### 2.1 Due to customers: analysis

	31.12.2014	31.12.2013
1. Current accounts and demand deposits	8,831,686	8,081,718
2. Term deposits	212,630	97,723
3. Loans	28,758	46,832
3.1 Repurchase agreement liabilities	28,758	46,832
3.2 Other	-	-
4. Debts from commitments to repurchase own equity instruments	-	-
5. Other debts	90,549	95,653
<b>Total</b>	<b>9,163,623</b>	<b>8,321,926</b>
Fair value - level 1	-	-
Fair value - level 2	9,068,664	8,246,190
Fair value - level 3	94,959	75,736
<b>Total Fair value</b>	<b>9,163,623</b>	<b>8,321,926</b>

Fair Value - Level 3 includes term deposits with maturities of over one year.

## SECTION 4 - FINANCIAL LIABILITIES HELD FOR TRADING - ITEM 40

## 4.1 Financial liabilities held for trading: analysis

	31.12.2014					31.12.2013				
	NOMINAL VALUE	FAIR VALUE			FV*	NOMINAL VALUE	FAIR VALUE			FV*
		LEVEL 1	LEVEL 2	LEVEL 3			LEVEL 1	LEVEL 2	LEVEL 3	
<b>A. Cash Liabilities</b>										
1. Due to banks	-	-	-	-	-	-	-	-	-	-
2. Due to customers	-	-	-	-	-	-	-	-	-	-
3. Debt securities	-	-	-	-	-	-	-	-	-	-
3.1 Bonds	-	-	-	-	-	-	-	-	-	-
3.1.1 Structured	-	-	-	-	X	-	-	-	-	X
3.1.2 Other bonds	-	-	-	-	X	-	-	-	-	X
3.2 Other securities	-	-	-	-	-	-	-	-	-	-
3.2.1 Structured	-	-	-	-	X	-	-	-	-	X
3.2.2 Other	-	-	-	-	X	-	-	-	-	X
<b>Total A</b>	-	-	-	-	-	-	-	-	-	-
<b>B. Derivatives</b>										
1. Financial derivatives	X	-	43,723	-	X	X	-	9,931	-	X
1.1 Held for trading	X	-	43,723	-	X	X	-	9,931	-	X
1.2 Connected with fair value option	X	-	-	-	X	X	-	-	-	X
1.3 Other	X	-	-	-	X	X	-	-	-	X
2. Credit derivatives	X	-	-	-	X	X	-	-	-	X
2.1 Held for trading	X	-	-	-	X	X	-	-	-	X
2.2 Connected with fair value option	X	-	-	-	X	X	-	-	-	X
2.3 Other	X	-	-	-	X	X	-	-	-	X
<b>Total B</b>	<b>X</b>	-	<b>43,723</b>	-	<b>X</b>	<b>X</b>	-	<b>9,931</b>	-	<b>X</b>
<b>Total (A+B)</b>	<b>X</b>	-	<b>43,723</b>	-	<b>X</b>	<b>X</b>	-	<b>9,931</b>	-	<b>X</b>

FV\*: Fair value calculated excluding any changes in value due to changes in the credit worthiness the issuer with respect to the issue date.

## SECTION 6 - HEDGING DERIVATIVES - ITEM 60

## 6.1 Hedging derivatives: analysis by type of hedge and level

	31.12.2014			NOMINAL VALUE 31.12.2014	31.12.2013			NOMINAL VALUE 31.12.2013
	LEVEL 1	LEVEL 2	LEVEL 3		LEVEL 1	LEVEL 2	LEVEL 3	
<b>A. Financial derivatives</b>								
1. Fair value	-	1,094,785	-	3,227,186	-	605,744	-	2,714,111
2. Financial flows	-	-	-	-	-	-	-	-
3. Investments outside Italy	-	-	-	-	-	-	-	-
<b>B. Credit derivatives</b>								
1. Fair value	-	-	-	-	-	-	-	-
2. Financial flows	-	-	-	-	-	-	-	-
<b>Total</b>	-	<b>1,094,785</b>	-	<b>3,227,186</b>	-	<b>605,744</b>	-	<b>2,714,111</b>

The increased negative fair value of the hedging derivatives, corresponding to the increased book value of the hedged assets, was mainly due to interest rate trends.

## 6.2 Hedging derivatives: analysis by portfolio hedged and type of hedging

	FAIR VALUE					MACRO-HEDGING	HEDGING OF FINANCIAL FLOWS		INVESTMENTS OUTSIDE ITALY
	MICRO-HEDGING						MICRO-HEDGING	MACRO-HEDGING	
	INTEREST RATE RISK	EXCHANGE RATE RISK	CREDIT RISK	PRICE RISK	OTHER RISKS				
1. Financial assets available for sale	367,775	-	-	-	18,996	X	-	X	X
2. Loans	708,014	-	-	X	-	X	-	X	X
3. Financial assets held to maturity	X	-	-	X	-	X	-	X	X
4. Portfolio	X	X	X	X	X	-	X	-	X
5. Other transactions	-	-	-	-	-	X	-	X	-
<b>Total assets</b>	<b>1,075,789</b>	-	-	-	<b>18,996</b>	-	-	-	-
1. Financial liabilities	-	-	-	X	-	X	-	X	X
2. Portfolio	X	X	X	X	X	-	X	-	X
<b>Total liabilities</b>	-	-	-	-	-	-	-	-	-
1. Anticipated transactions	X	X	X	X	X	X	-	X	X
2. Portfolio of financial assets and liabilities	X	X	X	X	X	-	X	-	-

## SECTION 10 - OTHER LIABILITIES - ITEM 100

### 10.1 Other liabilities: analysis

	31.12.2014	31.12.2013
Due to Personal Financial Advisers	350,807	300,518
Clearing accounts and other payables	91,098	76,079
Due under past Loyalty Schemes	71,468	51,391
Amounts to be collected by customers	60,662	40,708
Due to tax authorities	40,974	33,447
Due to suppliers	33,897	41,306
Payroll and social security payables	32,379	15,983
Due to pension and social security institutions	12,602	9,380
Due to Intesa Sanpaolo under Italy's tax consolidation regime	9,556	35,208
Other	6,983	27,572
<b>Total</b>	<b>710,426</b>	<b>631,592</b>

## SECTION 11 - PROVISION FOR EMPLOYMENT TERMINATION INDEMNITIES - ITEM 110

### 11.1 Provision for employment termination indemnities: changes in the year

	31.12.2014	31.12.2013
<b>A. Opening balance</b>	<b>25,051</b>	<b>25,092</b>
<b>B. Increases</b>	<b>3,793</b>	<b>2,062</b>
B.1 Provision for the year	639	726
B.2 Other increases	3,154	1,336
<b>C. Decreases</b>	<b>1,855</b>	<b>2,103</b>
C.1 Indemnities paid	1,195	789
C.2 Other decreases	660	1,314
<b>D. Closing balance</b>	<b>26,989</b>	<b>25,051</b>

The main actuarial criteria and reference rates used to determine the provision for employment termination indemnities were as follows:

- Discount rate 0.99%
- Anticipated rate of increase in remuneration 2.53%
- Annual inflation rate 1.5%

## SECTION 12 - PROVISIONS FOR RISKS AND CHARGES - ITEM 120

## 12.1 Provisions for risks and charges: analysis

	31.12.2014	31.12.2013
<b>1. Company pension funds</b>	<b>1,310</b>	<b>960</b>
<b>2. Other provisions for risks and charges</b>	<b>339,483</b>	<b>299,065</b>
2.1 Litigation	77,268	81,267
2.2 Personnel expenses	7,964	8,340
2.3 Reserve for the termination of PFA agency agreements	174,023	125,552
2.4 Network loyalty schemes	68,597	71,057
2.5 Other provisions	11,631	12,849
<b>Total</b>	<b>340,793</b>	<b>300,025</b>

The main actuarial assumptions and reference rates used to determine the provision for company pension funds were as follows:

- Discount rate 1.76%
- Anticipated rate of increase in remuneration 2.51%
- Annual inflation rate 1.5%

## 12.2 Provisions for risks and charges: changes in the year

	TOTAL	
	PENSION FUNDS	OTHER PROVISIONS
<b>A. Opening balance</b>	<b>960</b>	<b>299,065</b>
<b>B. Increases</b>	<b>350</b>	<b>89,157</b>
B.1 Provisions for the year	73	87,036
B.2 Changes due to the passage of time	-	920
B.3 Changes due to changes in the discount rate	-	866
B.4 Other increases	277	335
<b>C. Decreases</b>	<b>-</b>	<b>48,739</b>
C.1 Utilisation in the year	-	22,567
C.2 Changes due to changes in the discount rate	-	-
C.3 Other decreases	-	26,172
<b>D. Closing balance</b>	<b>1,310</b>	<b>339,483</b>

## 12.3 Defined-benefit company pension funds

The actuarial values required for the defined-benefit complementary social security funds in accordance with the application of IAS 19 "Employee benefits" were calculated by an Independent Actuary using the projected unit credit method. Banca Fideuram is a joint obligor in the external fund "Cassa di Previdenza Integrativa per il Personale dell'Istituto Bancario San Paolo di Torino" (Pension Fund for Istituto Bancario San Paolo di Torino Personnel), a fund which has legal personality together with complete financial and asset management independence.

## 12.4 Provisions for risks and charges - other provisions

Other provisions for risks and charges comprised the following:

- The Provisions for litigation, which comprised the provisions set aside to cover potential losses on litigation, including claims from receivers and the provisions connected with the Group policy regarding corporate securities in default.
- The Provisions for personnel expenses, which include the provisions set aside to pay seniority bonuses to employees.
- The Reserve for the termination of Personal Financial Adviser agency agreements determined using actuarial valuations that take the indemnities actually accrued into account, together with the composition of the Network and the indemnities paid to Personal Financial Advisers.
- The Provisions for the Network Loyalty Schemes, which represent the best estimate of the amount required to discharge the obligation at the accounting reference date, calculated using actuarial valuations.
- The Other provisions are principally comprised of the expenses that the Group could incur to settle a dispute with the Italian Inland Revenue concerning the tax deduction of the Banca Fideuram Personal Financial Adviser Network Loyalty Schemes and the estimated expense of a one-off measure agreed by the Interbank Deposit Guarantee Fund.

## Other provisions for risks and charges: changes in the year

	LITIGATION	PERSONNEL EXPENSES	RESERVE FOR THE TERMINATION OF PERSONAL FINANCIAL ADVISER AGENCY AGREEMENTS	NETWORK LOYALTY SCHEMES	OTHER PROVISIONS
<b>A. Opening balance</b>	<b>81,267</b>	<b>8,340</b>	<b>125,552</b>	<b>71,057</b>	<b>12,849</b>
<b>B. Increases</b>	<b>17,335</b>	<b>1,519</b>	<b>51,757</b>	<b>17,899</b>	<b>647</b>
B.1 Provisions for the year	17,082	430	51,359	17,518	647
- of which return on policies for network loyalty schemes	-	-	-	5,892	-
B.2 Changes due to the passage of time	253	179	398	90	-
B.3 Changes due to fluctuations in the discount rate	-	866	-	-	-
B.4 Other increases	-	44	-	291	-
<b>C. Decreases</b>	<b>21,334</b>	<b>1,895</b>	<b>3,286</b>	<b>20,359</b>	<b>1,865</b>
C.1 Utilisation in the year	14,550	646	3,286	2,220	1,865
C.2 Changes due to fluctuations in the discount rate	-	-	-	-	-
C.3 Other decreases	6,784	1,249	-	18,139	-
<b>D. Closing balance</b>	<b>77,268</b>	<b>7,964</b>	<b>174,023</b>	<b>68,597</b>	<b>11,631</b>

## SECTION 15 - EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY – ITEMS 140, 160, 170, 180, 190, 200 AND 220

## 15.1 “Share capital” and “Treasury shares”: analysis

The share capital and additional paid-in capital were the same as the amounts for the corresponding items in Banca Fideuram’s shareholders’ equity.

At 31 December 2014, the share capital totalled €186,255,207 divided into 980,290,564 ordinary shares with a par value €0.19.

The Group did not hold any treasury shares at 31 December 2014.

## 15.2 Share capital - Number of shares held by parent company: changes in the year

	ORDINARY	OTHER
<b>A. Shares at beginning of financial year</b>	<b>980,290,564</b>	-
- full paid-up	980,290,564	-
- partially paid-up	-	-
A.1 Treasury shares (-)	-	-
<b>A.2 Outstanding shares: opening balance</b>	<b>980,290,564</b>	-
<b>B. Increases</b>	-	-
B.1 New issues	-	-
- Cash issues:	-	-
- business combination transactions	-	-
- conversion of bonds	-	-
- exercise of warrants	-	-
- other	-	-
- Free issues:	-	-
- for employees	-	-
- for directors	-	-
- other	-	-
B.2 Sale of treasury shares	-	-
B.3 Other increases	-	-
<b>C. Decreases</b>	-	-
C.1 Cancellation	-	-
C.2 Purchase of treasury shares	-	-
C.3 Company sale transactions	-	-
C.4 Other decreases	-	-
<b>D. Outstanding shares: closing balance</b>	<b>980,290,564</b>	-
D.1 Treasury shares (+)	-	-
D.2 Shares at end of financial year	980,290,564	-
- full paid-up	980,290,564	-
- partially paid-up	-	-

**15.4 Reserves: other information**

The reserves totalled €743,386k and include Banca Fideuram's legal reserve and other reserves.

The legal reserve, established in accordance with the law, is required to total at least one fifth of the share capital. In the past it was made up of retained annual net profit in the amount of one twentieth.

The item Other reserves comprises Banca Fideuram's remaining reserves and Group changes in the shareholders' equity of the companies included in the consolidation.

The Group's valuation reserves were negative to the tune of €130,385k and comprised the valuation reserves for available-for-sale assets, which were negative to the tune of €144,081k, the valuation reserve for actuarial gains and losses on defined benefit plans, which was negative to the tune of €5,604, the foreign exchange valuation reserve, which was positive at €358k, and the reserves in compliance with special revaluation laws, which were also positive, totalling €18,942k.

**SECTION 16 - EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS - ITEM 210****Item 16.1 - Detail of item 210 - "Equity attributable to non-controlling interests"**

	31.12.2014	31.12.2013
<b>Equity investments in consolidated companies with significant non-controlling interests</b>		
1. Fideuram Investimenti SGR S.p.A.	386	310
2. Fideuram Gestions S.A.	-	23
3. Other investments	3	6
<b>Total</b>	<b>389</b>	<b>339</b>

## OTHER INFORMATION

### 1. Guarantees and commitments

	31.12.2014	31.12.2013
<b>1. Financial guarantees</b>	<b>77,160</b>	<b>71,366</b>
a) Banks	17,575	15,734
b) Customers	59,585	55,632
<b>2. Commercial guarantees</b>	<b>4,682</b>	<b>5,182</b>
a) Banks	-	-
b) Customers	4,682	5,182
<b>3. Commitments to grant finance</b>	<b>1,344</b>	<b>2,733</b>
a) Banks	991	2,165
i) certain to be called on	991	2,165
ii) not certain to be called on	-	-
b) Customers	353	568
i) certain to be called on	-	144
ii) not certain to be called on	353	424
<b>4. Commitments underlying credit derivatives: protection sales</b>	-	-
<b>5. Assets pledged as security for third-party liabilities</b>	-	-
<b>6. Other commitments</b>	<b>362,915</b>	<b>362,915</b>
<b>Total</b>	<b>446,101</b>	<b>442,196</b>

### 2. Assets pledged as security for own liabilities and commitments

	31.12.2014	31.12.2013
1. Financial assets held for trading	-	-
2. Financial assets designated at fair value	-	-
3. Financial assets available for sale	1,445,229	684,101
4. Financial assets held to maturity	-	248,025
5. Due from banks	706,848	30,391
6. Loans to customers	1,081,986	983,810
7. Property and equipment	-	-

### 5. Administration and trading on behalf of third parties

	31.12.2014
<b>1. Execution of customer instructions</b>	
a) Purchases	705,418
1. Settled	705,418
2. Not settled	-
b) Sales	787,232
1. Settled	787,232
2. Not settled	-
<b>2. Portfolio management</b>	
a) Individual	19,881,696
b) Collective	40,436,717
<b>3. Custody and administration of securities</b>	
a) Third-party securities held on deposit: connected with activities as depository bank (excluding portfolio management)	49,711,469
1. Securities issued by companies included in the consolidation	-
2. Other securities	49,711,469
b) Third-party securities held on deposit (excluding portfolio management): other	41,201,146
1. Securities issued by companies included in the consolidation	-
2. Other securities	41,201,146
c) Third-party securities deposited with third parties	45,060,706
d) Portfolio securities deposited with third parties	12,217,224
<b>4. Other transactions</b>	<b>17,677,212</b>

## 6. Financial assets subject to offsetting, enforceable master netting arrangements or similar agreements

	GROSS FINANCIAL ASSETS	FINANCIAL LIABILITIES SET OFF IN THE FINANCIAL STATEMENTS	NET FINANCIAL ASSETS RECOGNISED IN THE FINANCIAL STATEMENTS	RELATED AMOUNTS NOT SET OFF IN THE FINANCIAL STATEMENTS		NET AMOUNT AT 31.12.2014	NET AMOUNT AT 31.12.2013
				FINANCIAL INSTRUMENTS	CASH DEPOSITS HELD AS COLLATERAL		
1. Derivatives	370	-	370	7	-	363	8,647
2. Repurchase agreements	1,052,577	-	1,052,577	1,051,661	-	916	5,907
3. Securities lending	-	-	-	-	-	-	-
4. Other	-	-	-	-	-	-	-
<b>Total at 31.12.2014</b>	<b>1,052,947</b>	<b>-</b>	<b>1,052,947</b>	<b>1,051,668</b>	<b>-</b>	<b>1,279</b>	<b>X</b>
<b>Total at 31.12.2013</b>	<b>989,377</b>	<b>-</b>	<b>989,377</b>	<b>971,923</b>	<b>2,900</b>	<b>X</b>	<b>14,554</b>

## 7. Financial liabilities subject to offsetting, enforceable master netting arrangements or similar agreements

	GROSS FINANCIAL LIABILITIES	FINANCIAL ASSETS SET OFF IN THE FINANCIAL STATEMENTS	NET FINANCIAL LIABILITIES SET OFF IN THE FINANCIAL STATEMENTS	RELATED AMOUNTS NOT SET OFF IN THE FINANCIAL STATEMENTS		NET AMOUNT AT 31.12.2014	NET AMOUNT AT 31.12.2013
				FINANCIAL INSTRUMENTS	CASH DEPOSITS PLEGGED AS COLLATERAL		
1. Derivatives	1,135,643	-	1,135,643	812,209	264,803	58,631	67,116
2. Repurchase agreements	455,327	-	455,327	455,327	-	-	-
3. Securities lending	-	-	-	-	-	-	-
4. Other transactions	-	-	-	-	-	-	-
<b>Total at 31.12.2014</b>	<b>1,590,970</b>	<b>-</b>	<b>1,590,970</b>	<b>1,267,536</b>	<b>264,803</b>	<b>58,631</b>	<b>X</b>
<b>Total at 31.12.2013</b>	<b>1,308,699</b>	<b>-</b>	<b>1,308,699</b>	<b>1,116,823</b>	<b>124,760</b>	<b>X</b>	<b>67,116</b>

The Group subordinates Over-The-Counter (OTC) derivatives transactions and most of its repurchase and reverse repurchase agreement transactions to the ISDA Master Agreement and Global Master Repurchase Agreements (GMRA) respectively.

These agreements enable the Group to reduce counterparty risk using what are known as close-out netting clauses under which the agreement is terminated and the net amount owing is settled. Pursuant to these clauses, when certain termination events occur - including non-performance of the contract, failure to deliver collateral and the insolvency of one of the parties - the contractual obligations arising from the individual transactions are terminated and replaced by a single obligation to pay the creditor the global net amount resulting from offsetting the current market values of the previous obligations, with which the parties settle their mutual accounts.

The Group enters into financial guarantee agreements in accordance with the ISDA Credit Support Annex (CSA) standard for OTC derivatives and in accordance with the GMRA standard for repurchase and reverse repurchase agreement transactions, which provide for the bilateral exchange of collateral in the form of cash and/or government securities. In accordance with the terms of the CSA and GMRA, the Group is able to make use of the assets held as collateral, including thorough disposal and transfers to third parties as collateral.

Information on the measurement criteria adopted for the above financial assets and liabilities is provided in section A of the Accounting Policies.

Schedule 6 presents the financial derivatives subject to netting agreements recognised in balance sheet assets and the repurchase agreements recognised in Loans and advances to banks and customers.

Schedule 7 presents the financial derivatives subject to netting agreements recognised in balance sheet liabilities and the repurchase agreements recognised in Due to banks.

## PART C - NOTES TO THE CONSOLIDATED INCOME STATEMENT

## SECTION 1 - INTEREST - ITEMS 10 AND 20

## 1.1 Interest income and similar income: analysis

	DEBT SECURITIES	LOANS	OTHER TRANSACTIONS	2014 TOTAL	2013 TOTAL
1. Financial assets held for trading	120	-	-	120	316
2. Financial assets designated at fair value	-	-	-	-	-
3. Financial assets available for sale	75,077	-	-	75,077	69,051
4. Held-to-maturity investments	1,902	-	-	1,902	2,565
5. Loans and advances to banks	67,728	12,121	-	79,849	112,154
6. Loans and advances to customers	44,339	55,327	-	99,666	80,763
7. Hedging derivatives	X	X	-	-	-
8. Other assets	X	X	499	499	379
<b>Total</b>	<b>189,166</b>	<b>67,448</b>	<b>499</b>	<b>257,113</b>	<b>265,228</b>

## 1.3 Interest income and similar income: other information

## 1.3.1 Interest income on financial assets denominated in foreign currencies

	2014	2013
On financial assets denominated in foreign currencies	4,675	605

## 1.4 Interest expense and similar expense: analysis

	DEBTS	SECURITIES	OTHER TRANSACTIONS	2014 TOTAL	2013 TOTAL
1. Due to Central Banks	1	X	-	1	-
2. Due to banks	16,004	X	-	16,004	16,862
3. Due to customers	30,531	X	-	30,531	30,773
4. Debt on issue	X	-	-	-	-
5. Financial liabilities held for trading	-	-	-	-	-
6. Financial liabilities designated at fair value	-	-	-	-	-
7. Other liabilities and provisions	X	X	13	13	148
8. Hedging derivatives	X	X	74,909	74,909	70,609
<b>Total</b>	<b>46,536</b>	<b>-</b>	<b>74,922</b>	<b>121,458</b>	<b>118,392</b>

**1.5 Interest expense and similar expense: hedging gains and losses**

	2014	2013
A. Hedging gains	15.818	38.925
B. Hedging losses	90.727	109.534
<b>C. Net gains / losses (A-B)</b>	<b>(74.909)</b>	<b>(70.609)</b>

**1.6 Interest expense and similar expense: other information****1.6.1 Interest expense on liabilities denominated in foreign currencies**

	2014	2013
On liabilities denominated in foreign currencies	4,728	346

**SECTION 2 - FEE AND COMMISSION INCOME AND EXPENSE - ITEMS 40 AND 50****2.1 Fee and commission income: analysis**

	2014	2013
<b>a) Guarantees given</b>	<b>490</b>	<b>524</b>
<b>b) Credit derivatives</b>	-	-
<b>c) Management, brokerage and advisory services:</b>	<b>1,381,089</b>	<b>1,235,756</b>
1. Trading in financial instruments	1,533	2,122
2. Currency trading	139	121
3. Portfolio management:	161,774	136,011
3.1 Individual	144,822	116,546
3.2 Collective	16,952	19,465
4. Custody and administration of securities	7,249	7,562
5. Depository bank	18,190	16,626
6. Placement of securities	16,441	35,685
7. Receipt and transmission of instructions	19,689	18,472
8. Advisory services	105,964	82,708
8.1 Regarding investments	105,964	82,708
8.2 Regarding investment structure	-	-
9. Supply of third-party services	1,050,110	936,449
9.1 Portfolio management	723,782	666,692
9.1.1 Individual	1,446	1,799
9.1.2 Collective	722,336	664,893
9.2 Insurance products	323,219	267,081
9.3 Other products	3,109	2,676
<b>d) Collection and payment services</b>	<b>6,664</b>	<b>6,733</b>
<b>e) Securitization services</b>	-	-
<b>f) Factoring services</b>	-	-
<b>g) Tax collection services</b>	-	-
<b>h) Management of multilateral trading systems</b>	-	-
<b>i) Processing and management of current accounts</b>	<b>5,391</b>	<b>5,271</b>
<b>j) Other services</b>	<b>14,005</b>	<b>14,043</b>
<b>k) Securities lending transactions</b>	<b>8,230</b>	<b>9,364</b>
<b>Total</b>	<b>1,415,869</b>	<b>1,271,691</b>

## 2.2 Fee and commission expense: analysis

	2014	2013
a) Guarantees received	15,221	15,293
b) Credit derivatives	-	-
c) Management and brokerage services:	621,129	584,826
1. Trading in financial instrument	3,493	5,209
2. Currency trading	-	1
3. Portfolio management:	30,819	38,482
3.1 Owned	30,819	38,482
3.2 On behalf of third parties	-	-
4. Custody and administration of securities	6,565	6,175
5. Placement of financial instruments	277	873
6. Sales of financial products, products and services through non-branch channels	579,975	534,086
d) Collection and payment services	3,086	2,864
e) Other services	1,396	1,468
f) Securities lending transactions	4,948	5,621
<b>Total</b>	<b>645,780</b>	<b>610,072</b>

## SECTION 3 - DIVIDENDS AND SIMILAR INCOME - ITEM 70

### 3.1 Dividends and similar income: analysis

	2014		2013	
	DIVIDEND INCOME	INCOME FROM UNITS IN MUTUAL FUNDS	DIVIDEND INCOME	INCOME FROM UNITS IN MUTUAL FUNDS
A. Financial assets held for trading	-	-	-	-
B. Financial assets available for sale	-	-	-	-
C. Financial assets designated at fair value	73	-	28	-
D. Equity investments	97	X	69	X
<b>Total</b>	<b>170</b>	<b>-</b>	<b>97</b>	<b>-</b>

**SECTION 4 - NET PROFIT (LOSS) ON TRADING ACTIVITIES - ITEM 80****4.1 Net profit (loss) on trading activities: analysis**

	PROFITS	TRADING PROFITS	LOSSES	TRADING LOSSES	NET PROFITS OR LOSSES
<b>1. Financial assets held for trading</b>	<b>3</b>	<b>1,481</b>	-	<b>(63)</b>	<b>1,421</b>
1.1 Debt securities	2	1,480	-	(33)	1,449
1.2 Equities	-	-	-	(30)	(30)
1.3 Units in mutual funds	1	1	-	-	2
1.4 Loans	-	-	-	-	-
1.5 Other	-	-	-	-	-
<b>2. Financial liabilities held for trading</b>	-	-	-	-	-
2.1 Debt securities	-	-	-	-	-
2.2 Debts	-	-	-	-	-
2.3 Other	-	-	-	-	-
<b>3. Other financial assets and liabilities: exchange rate differences</b>	<b>X</b>	<b>X</b>	<b>X</b>	<b>X</b>	<b>10,366</b>
<b>4. Derivatives:</b>	-	<b>590</b>	-	<b>(675)</b>	<b>(7,617)</b>
4.1 Financial derivatives:	-	590	-	(675)	(7,617)
- Debt derivatives and interest rate derivatives	-	590	-	(674)	(84)
- Equity derivatives and index derivatives	-	-	-	(1)	(1)
- Currencies and gold	X	X	X	X	(7,532)
- Other	-	-	-	-	-
4.2 Credit derivatives	-	-	-	-	-
<b>Total</b>	<b>3</b>	<b>2,071</b>	-	<b>(738)</b>	<b>4,170</b>

**SECTION 5 - NET PROFIT (LOSS) ON HEDGING DERIVATIVES - ITEM 90****5.1 Net profit (loss) on hedging derivatives: analysis**

	2014	2013
<b>A. Profit on:</b>		
A.1 Fair value hedge derivatives	3,880	233,114
A.2 Hedged financial assets (fair value)	476,169	-
A.3 Hedged financial liabilities (fair value)	-	-
A.4 Financial derivatives hedging financial flows	-	-
A.5 Assets and liabilities denominated in foreign currencies	-	-
<b>Total profit on hedging derivatives (A)</b>	<b>480,049</b>	<b>233,114</b>
<b>B. Loss on:</b>		
B.1 Fair value hedge derivatives	(486,036)	-
B.2 Hedged financial assets (fair value)	(4,206)	(232,227)
B.3 Hedged financial liabilities (fair value)	-	-
B.4 Financial derivatives hedging financial flows	-	-
B.5 Assets and liabilities denominated in foreign currencies	-	-
<b>Total loss on hedging derivatives (B)</b>	<b>(490,242)</b>	<b>(232,227)</b>
<b>C. Net profit (loss) on hedging derivatives (A-B)</b>	<b>(10,193)</b>	<b>887</b>

**SECTION 6 - NET PROFIT (LOSS) ON SALES/REPURCHASES - ITEM 100****6.1 Net profit (loss) on sales/repurchases: analysis**

	2014			2013		
	PROFIT	LOSS	NET PROFIT/ LOSS	PROFIT	LOSS	NET PROFIT/ LOSS
<b>Financial assets</b>						
1. Loans and advances to banks	13	-	13	42	(312)	(270)
2. Loans and advances to customers	9	(1,039)	(1,030)	-	(6,095)	(6,095)
3. Financial assets available for sale	25,954	(1,300)	24,654	2,849	(5,559)	(2,710)
3.1 Debt securities	25,558	(1,300)	24,258	2,848	(5,559)	(2,711)
3.2 Equity	396	-	396	1	-	1
3.3 Units in mutual funds	-	-	-	-	-	-
3.4 Loans	-	-	-	-	-	-
4. Held-to-maturity investments	-	-	-	-	(2,587)	(2,587)
<b>Total assets</b>	<b>25,976</b>	<b>(2,339)</b>	<b>23,637</b>	<b>2,891</b>	<b>(14,553)</b>	<b>(11,662)</b>
<b>Financial liabilities</b>						
1. Due to banks	-	-	-	-	-	-
2. Due to customers	-	-	-	-	-	-
3. Debt on issue	-	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**SECTION 7 - NET PROFIT (LOSS) ON FINANCIAL ASSETS AND LIABILITIES DESIGNATED AT FAIR VALUE - ITEM 110****7.1 Net profit (loss) on financial assets/liabilities designated at fair value: analysis**

	PROFIT	PROFIT ON DISPOSAL	LOSS	LOSS ON DISPOSAL	NET PROFIT OR LOSS
<b>1. Financial assets</b>	<b>11,585</b>	<b>186</b>	-	<b>(3)</b>	<b>11,768</b>
1.1 Debt securities (*)	10,733	115	-	(3)	10,845
1.2 Equities	852	71	-	-	923
1.3 Units in mutual funds	-	-	-	-	-
1.4 Loans	-	-	-	-	-
<b>2. Financial liabilities</b>	-	-	-	-	-
2.1 Debt securities	-	-	-	-	-
2.2 Due to banks	-	-	-	-	-
2.3 Due to customers	-	-	-	-	-
<b>3. Financial assets and liabilities denominated in foreign currencies: exchange rate differences</b>	<b>X</b>	<b>X</b>	<b>X</b>	<b>X</b>	-
<b>4. Credit and financial derivatives</b>	-	-	-	-	-
<b>Total</b>	<b>11,585</b>	<b>186</b>	-	<b>(3)</b>	<b>11,768</b>

(\*) The profit regarded the insurance policies taken out as part of the Personal Financial Adviser loyalty schemes.

## SECTION 8 - NET IMPAIRMENT OF FINANCIAL ASSETS - ITEM 130

## 8.1 Net impairment of loans: analysis

	WRITE-DOWNS			WRITE-BACKS				2014 TOTAL	2013 TOTAL
	SPECIFIC		PORTFOLIO	SPECIFIC		PORTFOLIO			
	WRITE-OFFS	OTHER		INTEREST	OTHER WRITE-BACKS	INTEREST	OTHER WRITE-BACKS		
<b>A. Loans and advances to banks</b>	-	-	(114)	-	-	-	50	(64)	(248)
- Loans	-	-	-	-	-	-	-	-	(20)
- Debt securities	-	-	(114)	-	-	-	50	(64)	(228)
<b>B. Loans and advances to customers</b>	-	(1,625)	(162)	7	2,054	-	69	343	647
Purchased impaired loans	-	-	-	-	-	-	-	-	-
- Loans	-	-	X	-	-	-	X	-	-
- Debt securities	-	-	X	-	-	-	X	-	-
Other receivables	-	(1,625)	(162)	7	2,054	-	69	343	647
- Loans	-	(1,625)	(11)	7	2,054	-	-	425	219
- Debt securities	-	-	(151)	-	-	-	69	(82)	428
<b>C. Total</b>	-	(1,625)	(276)	7	2,054	-	119	279	399

## 8.2 Net impairment of financial assets available for sale: analysis

	WRITE-DOWNS		WRITE-BACKS		2014 TOTAL	2013 TOTAL
	SPECIFIC		SPECIFIC			
	WRITE-OFFS	OTHER	INTEREST	OTHER WRITE-BACKS		
A. Debt securities	-	-	-	-	-	-
B. Equities	-	(1)	X	X	(1)	(1)
C. Units in mutual funds	-	-	X	-	-	-
D. Loans to banks	-	-	-	-	-	-
E. Loans to customers	-	-	-	-	-	-
<b>F. Total</b>	-	(1)	-	-	(1)	(1)

## 8.3 Net impairment of held-to-maturity financial assets: analysis

	WRITE-DOWNS			WRITE-BACKS				2014 TOTAL	2013 TOTAL
	SPECIFIC		PORTFOLIO	SPECIFIC		PORTFOLIO			
	WRITE-OFFS	OTHER		INTEREST	OTHER WRITE-BACKS	INTEREST	OTHER WRITE-BACKS		
A. Debt securities	-	-	(66)	-	-	-	641	575	732
B. Loans to banks	-	-	-	-	-	-	-	-	-
C. Loans to customers	-	-	-	-	-	-	-	-	-
<b>D. Total</b>	-	-	(66)	-	-	-	641	575	732

## 8.4 Net impairment of other financial transactions: analysis

	WRITE-DOWNS			WRITE-BACKS				2014 TOTAL	2013 TOTAL
	SPECIFIC		PORTFOLIO	SPECIFIC		PORTFOLIO			
	WRITE-OFFS	OTHER		INTEREST	OTHER WRITE-BACKS	INTEREST	OTHER WRITE-BACKS		
A. Guarantees issued	-	(35)	-	-	111	-	-	76	495
B. Credit derivatives	-	-	-	-	-	-	-	-	-
C. Commitments to grant finance	-	-	-	-	-	-	-	-	-
D. Other transactions	-	-	-	-	-	-	-	-	-
<b>E. Total</b>	-	<b>(35)</b>	-	-	<b>111</b>	-	-	<b>76</b>	<b>495</b>

## SECTION 11 - ADMINISTRATIVE EXPENSES - ITEM 180

### 11.1 Personnel expenses: analysis

	2014	2013
<b>1) Employees</b>	<b>135,659</b>	<b>115,543</b>
a) Wages and salaries	92,183	81,312
b) Social security contributions	22,263	19,513
c) Termination indemnities	771	800
d) Pension costs	-	-
e) Provision for employee termination indemnities	614	682
f) Provision for retirement benefits and similar obligations:	73	78
- defined contribution	-	-
- defined benefit	73	78
g) Payments to external supplementary pension funds:	6,262	6,268
- defined contribution	6,262	6,268
- defined benefit	-	-
h) Costs arising from payment agreement based on own equity instruments	-	-
i) Other employee benefits	13,493	6,890
<b>2) Other staff</b>	<b>185</b>	<b>126</b>
<b>3) Directors and auditors</b>	<b>1,849</b>	<b>1,635</b>
<b>4) Retired staff</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>137,693</b>	<b>117,304</b>

### 11.2 Average number of employees by category

	2014
<b>Employees:</b>	<b>1,381</b>
a) Executives	51
b) Managers	757
c) Other employees	573
<b>Other staff</b>	<b>1</b>

### 11.3 Defined-benefit company pension funds: costs and income

Actuarial expenses of €73k on external funds were recognised in the year.

### 11.4 Other employee benefits

Includes €5,892k early retirement incentives. The remainder mainly regarded seniority and other bonuses.

## 11.5 Other administrative expenses: analysis

	<b>2014</b>	<b>2013</b>
<b>IT costs</b>	<b>15,060</b>	<b>15,526</b>
- Software maintenance and upgrades	8,499	8,709
- Maintenance and rental of electronic equipment	998	1,382
- Data transmission	742	903
- Rental of office equipment	3,811	3,495
- Telephone	1,015	1,086
- Recovery of IT costs	(5)	(49)
<b>Property management costs</b>	<b>42,345</b>	<b>42,112</b>
- Property rent	30,692	30,499
- Maintenance of rented property	969	813
- Maintenance of own property	122	122
- Security	695	723
- Cleaning	1,574	1,916
- Power	3,941	3,616
- Miscellaneous building costs	4,882	4,718
- Recovery of property management costs	(530)	(295)
<b>General expenses</b>	<b>16,454</b>	<b>16,136</b>
- Postage and telegraphic expenses	3,608	3,507
- Office supplies	1,820	1,886
- Transport and counting of valuables	398	489
- Couriers and transport	1,811	1,778
- Search and information services	4,177	4,107
- Other expenses	4,740	4,493
- Recovery of general expenses	(100)	(124)
<b>Professional and insurance costs</b>	<b>15,170</b>	<b>12,513</b>
- Professional fees	5,932	2,773
- Legal advice and court fees	4,344	5,100
- Bank and customer insurance premiums	4,978	4,686
- Recovery of professional and insurance costs	(84)	(46)
<b>Promotional and advertising expenses</b>	<b>4,426</b>	<b>4,979</b>
- Advertising and entertainment	4,426	4,979
- Recovery of promotional and advertising expenses	-	-
<b>Indirect personnel expenses</b>	<b>3,804</b>	<b>3,580</b>
- Indirect personnel expenses	3,871	3,647
- Recovery of indirect personnel expenses	(67)	(67)
<b>Services by third parties</b>	<b>66,165</b>	<b>66,114</b>
- Expenses for services by third parties	23,506	22,252
- Expenses for outsourcing within the Group	42,749	43,937
- Recovery of services by third parties	(90)	(75)
<b>Total other administrative costs net of indirect taxes</b>	<b>163,424</b>	<b>160,960</b>
<b>Indirect taxes</b>		
- Stamp duty	119,776	91,541
- Substitute tax (Italian Presidential Decree. 601/73)	284	272
- Local council property tax	563	880
- Other indirect taxes	1,849	1,745
- Recovery of indirect taxes	(979)	(1,277)
<b>Total Indirect taxes</b>	<b>121,493</b>	<b>93,161</b>
<b>Total other administrative expenses</b>	<b>284,917</b>	<b>254,121</b>

**SECTION 12 - NET PROVISIONS FOR RISKS AND CHARGES - ITEM 190****12.1 Net provisions for risks and charges: analysis**

	2014	2013
Litigation and claims from receivers	12,799	25,292
Termination of Personal Financial Adviser agency agreements	51,757	28,379
Costs relating to the Personal Financial Adviser Networks' Loyalty Schemes (*)	17,608	17,810
Other	647	2,525
<b>Total</b>	<b>82,811</b>	<b>74,006</b>

(\*) Includes €5,892k gains on the insurance policies taken out under the Personal Financial Adviser loyalty schemes. At 31.12.2013 included gains totalling €5,611k.

**SECTION 13 - DEPRECIATION OF PROPERTY AND EQUIPMENT - ITEM 200****13.1 Net adjustments to property and equipment: analysis**

	DEPRECIATION	IMPAIRMENT LOSSES	WRITE-BACKS	NET ADJUSTMENTS
<b>A. Property and equipment</b>				
A.1 Owned	2,502	-	-	2,502
- Functional property and equipment	2,502	-	-	2,502
- Investment property and equipment	-	-	-	-
A.2 Purchased under finance lease arrangements	-	-	-	-
- Functional property and equipment	-	-	-	-
- Investment property and equipment	-	-	-	-
<b>Total</b>	<b>2,502</b>	<b>-</b>	<b>-</b>	<b>2,502</b>

**SECTION 14 - AMORTISATION OF INTANGIBLE ASSETS - ITEM 210****14.1 Amortisation of intangible assets: analysis**

	AMORTISATION	IMPAIRMENT LOSSES	WRITE-BACKS	NET ADJUSTMENTS
<b>A. Intangible assets</b>				
A.1 Owned	11,147	-	-	11,147
- Generated internally	-	-	-	-
- Other	11,147	-	-	11,147
A.2 Purchased under finance lease arrangements	-	-	-	-
<b>Total</b>	<b>11,147</b>	<b>-</b>	<b>-</b>	<b>11,147</b>

**SECTION 15 - OTHER INCOME (EXPENSE) - ITEM 220****15.1 Other expense: analysis**

	2014	2013
Depreciation of leasehold improvements	1,719	1,393
Settlement of litigation	755	2,223
Personal Financial Advisers - related expenses	613	2,171
Brokerage expenses	365	3,050
Other expenses	483	1,436
<b>Total</b>	<b>3,935</b>	<b>10,273</b>

**15.2 Other income: analysis**

	2014	2013
Recovery of indirect taxes	119,901	86,626
Other income	1,748	1,118
<b>Total</b>	<b>121,649</b>	<b>87,744</b>

**SECTION 16 - PROFIT (LOSS) ON EQUITY INVESTMENTS - ITEM 240****16.1 Profit (loss) on equity investments: analysis**

	2014	2013
<b>1) Jointly-controlled entities</b>		
A. Income	-	-
1. Revaluations	-	-
2. Profit from sales	-	-
3. Write-backs	-	-
4. Other income	-	-
B. Expenses	-	-
1. Write-downs	-	-
2. Impairment	-	-
3. Losses from sales	-	-
4. Other	-	-
<b>Net profit (loss)</b>	-	-
<b>2) Entities subject to significant influence</b>		
A. Income	10,453	5,969
1. Revaluations (*)	10,036	5,465
2. Profit on sales	417	-
3. Write-backs	-	-
4. Other income	-	504
B. Expenses	-	-
1. Write-downs	-	-
2. Impairment	-	-
3. Losses from sales	-	-
4. Other	-	-
<b>Net profit (loss)</b>	<b>10,453</b>	<b>5,969</b>
<b>Total</b>	<b>10,453</b>	<b>5,969</b>

(\*) Regards the holding in Fideuram Vita S.p.A. carried at equity.

**SECTION 20 - INCOME TAXES - ITEM 290****20.1 Income taxes analysis**

	<b>2014</b>	<b>2013</b>
1. Current taxes (-)	(119,716)	(134,210)
2. Changes to current taxes for prior years (+/-)	-	7,978
3. Reduction in current taxes (+)	-	31
3.bis Reduction in current taxes due to tax credit pursuant to Italian Law No. 214/2011 (+)	-	-
4. Change in deferred tax assets (+/-)	(11,894)	7,197
5. Change in deferred tax liabilities (+/-)	(11,603)	(10,577)
<b>6. Taxes for the year (-)</b>	<b>(143,213)</b>	<b>(129,581)</b>

**20.2 Reconciliation of theoretical tax burden and actual financial statement tax burden**

	<b>2014</b>
<b>Taxable income</b>	<b>545,322</b>
Standard tax rate applicable	32.50%
Theoretical tax burden	177,230
<b>Tax impact with respect to:</b>	
Different tax rates applying to foreign subsidiaries	(48,513)
Non-deductible costs	1,866
Consolidation adjustments	1,281
IRAP regional business tax and minor effects	11,349
<b>Actual tax burden</b>	<b>143,213</b>

**SECTION 22 - NET PROFIT (LOSS) FOR THE YEAR ATTRIBUTABLE TO NON-CONTROLLING INTERESTS - ITEM 330****22.1 Analysis of item 330 "Net profit (loss) for the year attributable to non-controlling interests"**

	<b>2014</b>	<b>2013</b>
<b>Equity investments in consolidated companies with significant non-controlling interests</b>		
Fideuram Investimenti SGR S.p.A.	174	120
Other investments	1	9
<b>Total</b>	<b>175</b>	<b>129</b>

**SECTION 24 - EARNINGS PER SHARE****24.1 Average number of diluted capital ordinary shares**

	<b>2014</b>		<b>2013</b>	
	<b>ORDINARY SHARES</b>	<b>SAVINGS SHARES</b>	<b>ORDINARY SHARES</b>	<b>SAVINGS SHARES</b>
Weighted average shares (number)	980,290,564	-	980,290,564	-
Income attributable to different share classes (€k)	401,934	-	313,105	-
Basic earnings per share (€)	0,410	-	0,319	-
Diluted earnings per share (€)	0,410	-	0,319	-

## PART D - TOTAL COMPREHENSIVE INCOME

## COMPONENTS OF TOTAL COMPREHENSIVE INCOME

	GROSS AMOUNT	INCOME TAX	NET AMOUNT
<b>10. Net profit (Loss) for the year</b>	<b>X</b>	<b>X</b>	<b>402,109</b>
<b>Other comprehensive income not transferred to the income statement:</b>	<b>(2,862)</b>	<b>1,072</b>	<b>(1,790)</b>
20. Property and equipment	-	-	-
30. Intangible assets	-	-	-
40. Defined-benefit plans	(2,767)	1,046	(1,721)
50. Non-current assets held for sale	-	-	-
60. Valuation reserves related to investments carried at equity	(95)	26	(69)
<b>Other comprehensive income that may be transferred to income statement:</b>	<b>61,673</b>	<b>(18,802)</b>	<b>42,871</b>
<b>70. Hedging of investments outside Italy</b>	-	-	-
a) Changes in fair value	-	-	-
b) Transfers to income statement	-	-	-
c) Other changes	-	-	-
<b>80. Exchange rate differences</b>	-	-	-
a) Changes in value	-	-	-
b) Transfers to income statement	-	-	-
c) Other changes	-	-	-
<b>90. Hedging of cash flows</b>	-	-	-
a) Changes in fair value	-	-	-
b) Transfers to income statement	-	-	-
c) Other changes	-	-	-
<b>100. Financial assets available for sale</b>	<b>52,385</b>	<b>(15,614)</b>	<b>36,771</b>
a) Changes in fair value	54,131	(16,508)	37,623
b) Transfers to income statement	(5,920)	3,676	(2,244)
- Adjustments for impairment losses	-	-	-
- Income/(losses) on disposal	(5,920)	3,676	(2,244)
c) Other changes	4,174	(2,782)	1,392
<b>110. Non-current assets held for sale</b>	-	-	-
a) Changes in fair value	-	-	-
b) Transfers to income statement	-	-	-
c) Other changes	-	-	-
<b>120. Valuation reserves related to investments carried at equity</b>	<b>9,288</b>	<b>(3,188)</b>	<b>6,100</b>
a) Changes in fair value	12,337	(4,234)	8,103
b) Transfers to income statement	(519)	178	(341)
- Adjustments for impairment losses	-	-	-
- Income/(losses) on disposal	(519)	178	(341)
c) Other changes	(2,530)	868	(1,662)
<b>130. Total other comprehensive income</b>	<b>58,811</b>	<b>(17,730)</b>	<b>41,081</b>
<b>140. Total comprehensive income (Items 10+130)</b>	<b>X</b>	<b>X</b>	<b>443,190</b>
<b>150. Total comprehensive income attributable to non-controlling interests</b>	<b>X</b>	<b>X</b>	<b>175</b>
<b>160. Total comprehensive income attributable to parent company</b>	<b>X</b>	<b>X</b>	<b>443,015</b>

## PART E - INFORMATION ON RISK AND RELATED HEDGING POLICIES

### Introduction

The Banca Fideuram Group considers the effective management and organisation of risk control essential for ensuring the dependable and sustainable creation of value in a context of controlled risk, in which capital adequacy, stable profits, substantial liquidity and a strong reputation represent the foundation stones for preserving present and future profitability.

Our risk management strategy is based on a complete and coherent vision of risk, considering both the macro-economic scenario and specific risk profile of the Banca Fideuram Group, stimulating the growth of risk culture and strengthening our transparent presentation of portfolio risk.

The underlying principles of risk management and control organisation are as follows:

- Clearly identify the responsibilities pertaining to the assumption of risks.
- Implement measurement and control systems aligned with international best practice.
- Maintain organisational separation of the departments responsible for management and the departments responsible for control.

The Banca Fideuram Group has formulated Risk Management Guidelines which implement the Guidelines issued by Intesa Sanpaolo. These documents specify the roles and responsibilities of the Company Bodies, departments and units, together with the methods and procedures required to ensure prudent corporate risk management.

The Company Bodies play a core role in the Group's risk management and control, each of which has specified competencies for ensuring appropriate risk management, identifying strategic and management policies, continuously verifying their effectiveness and specifying the duties and responsibilities of the departments and units involved in the processes.

The following are involved in this work:

- The Company Bodies (Board of Directors and Board of Statutory Auditors).
- The Managing Director.
- The Internal Audit Department.
- Banking Services Senior Managers, Administration Planning Senior Managers and Finance Senior Managers, each in their respective areas of responsibility.
- Legal & Corporate Affairs.
- Risk Management.

Banca Fideuram has also established special committees (the Credit Quality Committee, Investments Committee and Operational Risk Committee), which have consultative roles and duties that include monitoring the risk management process and disseminating risk culture.

Risk Management is responsible for the following in the risk management process:

- Drawing up risk management guidelines and policies in line with the Group's strategies and objectives as well as Intesa Sanpaolo's guidelines, and coordinating their implementation.
- Ensuring effective measurement and control of exposure to the various different types of risk.

The Risk Management Unit, which is part of the Corporate Risk Department, is independent from the company departments with operational management duties in risk areas, and reports hierarchically to the Managing Director and functionally to the Intesa Sanpaolo Risk Management Department.

The dissemination of risk culture is supported through the publication and constant updating of internal regulations and through special training and refresher training courses for the personnel involved, using training catalogue courses and dedicated class-based training courses.

## 1.1 CREDIT RISK

### QUALITATIVE INFORMATION

#### GENERAL INFORMATION

The Banca Fideuram Group's lending activities support its core business of providing investment services to private customers. Loans and advances to customers principally consisted of repayable-upon-demand current account overdrafts to counterparties who also receive investment services. Loans are mainly granted in the technical form of agreeing a current account overdraft facility and are linked directly to the bank's private banking business. Lines of credit granted are normally supported by collateral in the form of products distributed by the Banca Fideuram Group (mutual funds and discretionary accounts), or equities or bonds listed on major regulated markets, or to a marginal extent by irrevocable mandates to sell financial instruments selected from those distributed by the Group.

Loans and advances to banks are predominantly short-term interbank loans, principally to leading banks in the euro area.

#### CREDIT RISK MANAGEMENT POLICIES

##### Organisational aspects

The Group's credit risk policies are formulated by the Board of Directors and governed by internal lending regulations following guidelines issued by Intesa Sanpaolo. These regulations ensure appropriate loan portfolio risk management, governing the authority to grant loans and specifying the company bodies so authorised together with their related limits.

The internal regulations also specify the organisational units responsible for managing credit risk, problem loans and impaired loans.

Credit risk management is carried out by a central unit that is separate from those in charge of granting and managing loans.

##### Management, measurement and control systems

The Group's credit strategies are directed towards the efficient selection of individual lenders. Irrespective of any collateral, the granting of any loan is always subject to an appropriate analysis of the applicant's creditworthiness and their current and prospective ability to generate adequate cash flows to repay the debt. The quality of the loan portfolio is ensured through the adoption of special operating procedures at every stage in the life of each loan, which use special monitoring systems to obtain prompt notification of any symptoms of impairment in the collateral securing the loans granted. In addition, dedicated application procedures monitor any signs of impaired loan positions. This monitoring is carried out during every stage in the loan management process (enquiry, granting and monitoring) and consists of a critical analysis of all the relevant indicators and the periodic review of every position. Further controls are carried out by our central departments on both the nature and quality of the over-

all exposures. In addition, special controls are carried out to limit the concentration of exposure within the Intesa Sanpaolo Group. Risk monitoring and measurement tools and techniques developed within the Group are also used to this end.

##### Credit risk mitigation techniques

In order to mitigate the credit risk of loans and advances to customers, the Group normally obtains collateral, bank guarantees or irrevocable mandates to sell financial instruments. Loans secured by collateral accounted for 82.3% of loans and advances to customers at 31 December 2014, net of exposure to equities.

The types of collateral obtained are principally products distributed by the Banca Fideuram Group (mutual funds and discretionary accounts) or financial instruments listed on major regulated markets. Bonds are only accepted as collateral if the issuer or loan has an appropriate rating (by leading rating agencies). The value of the financial instruments obtained as collateral is discounted differentially in relation to the type of product and technical form concerned as a precautionary measure when calculating the credit limit to be granted, with a view to protecting the Group against any fluctuations in market value. The concentration of collateral in issuers is very low, excepting for mutual funds and other products distributed by the Banca Fideuram Group. There were no encumbrances at the time this report was prepared capable of undermining the legal validity of any collateral, which is moreover subject to periodic verification. The Group used bilateral netting agreements, which offset creditor and debtor positions in the event of the default of one counterparty, to mitigate counterparty risk regarding Over The Counter derivatives (unregulated) and Security Financing Transactions (SFT), specifically securities issued and repurchase agreements. ISDA and ISMA/TBMA agreements were used to this end, which also enable one to reduce the regulatory capital allocation while operating in accordance with supervisory regulations.

##### Impaired financial assets

The potential impairment of financial assets undergoes detailed ongoing monitoring, examining positions due/overdue and carefully analysing all the other indicators available. Loans assessed as high risk, confirmed over time, are identified and allocated to other categories appropriate to their risk profile. These loans are classified as non-performing loans when the borrower is insolvent or in a substantially equivalent situation, as doubtful loans when the borrower is in a situation which is objectively one of temporary difficulty that they are likely to overcome in an appropriate period of time, and as restructured loans when a deterioration in the financial conditions of the debtor leads the Group to agree to a change in the original contractual conditions. Lastly, loans that are due and/or past due

which have exceeded the objective overdue payment conditions specified by the Bank of Italy are also considered problem loans. The Group's internal lending regulations govern the procedures for transferring performing positions to impaired assets, and specify the different types of problem loans, their management and the company bodies empowered to authorise the transfer of positions between different classes of loans. Non-performing loans net of write-downs accounted for a very small percentage of total loans (0.01% of loans and advances to customers). Loss forecasts are

formulated analytically for each individual loan on the basis of all the relevant valuation factors (debtor assets, employment income and estimated recovery date etc.). The valuations are examined at regular intervals and revised if any significant new elements emerge. The impairment of performing loans and overdue loans is determined on a collective basis, adopting a historical/statistical approach to estimate the impairment losses that are deemed to have effectively been incurred at the reference date without the amounts yet being known at the time of valuation.

### Loans and advances to customers: credit quality

(€m)

	31.12.2014		31.12.2013		CHANGE
	NET EXPOSURE	%	NET EXPOSURE	%	NET EXPOSURE
Non-performing loans	0.3	-	1.0	-	(0.7)
Doubtful loans and restructured loans	6.8	0.1	6.6	0.1	0.2
Loans receivable/overdue	1.8	-	1.0	-	0.8
<b>Impaired assets</b>	<b>8.9</b>	<b>0.1</b>	<b>8.6</b>	<b>0.1</b>	<b>0.3</b>
Performing loans	3,805.3	70.9	3,623.4	75.6	181.9
Securities	1,555.8	29.0	1,163.5	24.3	392.3
<b>Loans and advances to customers</b>	<b>5,370.0</b>	<b>100.0</b>	<b>4,795.5</b>	<b>100.0</b>	<b>574.5</b>

## QUANTITATIVE INFORMATION

### A. CREDIT QUALITY

#### A.1 Impaired and performing loans: amounts, adjustments, changes and financial and geographical distribution

##### A.1.1 Distribution of financial assets by asset class and credit quality (book value)

	BANKING GROUP					OTHER COMPANIES		TOTAL	
	NON- PERFORMING LOANS	DOUBTFUL LOANS	RESTRUCTURED LOANS	OVERDUE LOANS, IMPAIRED	OVERDUE LOANS, NOT IMPAIRED	OTHER ASSETS	IMPAIRED		OTHER
1. Financial assets held for trading	-	-	-	-	-	54,802	-	-	54,802
2. Financial assets available for sale	-	-	-	-	-	2,312,364	-	-	2,312,364
3. Held-to-maturity investments	-	-	-	-	-	332,881	-	-	332,881
4. Loans and advances to banks	-	-	-	-	-	3,672,033	-	-	3,672,033
5. Loans and advances to customers	349	6,768	-	1,800	59,601	5,301,463	-	-	5,369,981
6. Financial assets designated at fair value	-	-	-	-	-	153,355	-	-	153,355
7. Financial assets held for sale	-	-	-	-	-	-	-	-	-
8. Hedging derivatives	-	-	-	-	-	-	-	-	-
<b>Total 31.12.2014</b>	<b>349</b>	<b>6,768</b>	<b>-</b>	<b>1,800</b>	<b>59,601</b>	<b>11,826,898</b>	<b>-</b>	<b>-</b>	<b>11,895,416</b>
<b>Total 31.12.2013</b>	<b>1,004</b>	<b>6,544</b>	<b>-</b>	<b>1,022</b>	<b>66,905</b>	<b>10,717,706</b>	<b>-</b>	<b>-</b>	<b>10,793,181</b>

## A.1.2 Distribution of exposures by asset class and credit quality (gross and net values)

	IMPAIRED ASSETS			PERFORMING ASSETS			TOTAL (NET EXPOSURE)
	GROSS EXPOSURE	SPECIFIC ADJUSTMENTS	NET EXPOSURE	GROSS EXPOSURE	PORTFOLIO ADJUSTMENTS	NET EXPOSURE	
<b>A. Banking Group</b>							
1. Financial assets held for trading	-	-	-	X	X	54,802	54,802
2. Financial assets available for sale	-	-	-	2,312,364	-	2,312,364	2,312,364
3. Held-to-maturity investments	-	-	-	333,077	(196)	332,881	332,881
4. Loans and advances to banks	-	-	-	3,672,876	(843)	3,672,033	3,672,033
5. Loans and advances to customers	15,792	(6,875)	8,917	5,364,396	(3,332)	5,361,064	5,369,981
6. Financial assets designated at fair value	-	-	-	X	X	153,355	153,355
7. Financial assets held for sale	-	-	-	-	-	-	-
8. Hedging derivatives	-	-	-	X	X	-	-
<b>Total A</b>	<b>15,792</b>	<b>(6,875)</b>	<b>8,917</b>	<b>11,682,713</b>	<b>(4,371)</b>	<b>11,886,499</b>	<b>11,895,416</b>
<b>B. Other companies included in the consolidation</b>							
1. Financial assets held for trading	-	-	-	X	X	-	-
2. Financial assets available for sale	-	-	-	-	-	-	-
3. Held-to-maturity investments	-	-	-	-	-	-	-
4. Loans and advances to banks	-	-	-	-	-	-	-
5. Loans and advances to customers	-	-	-	-	-	-	-
6. Financial assets designated at fair value	-	-	-	X	X	-	-
7. Financial assets held for sale	-	-	-	-	-	-	-
8. Hedging derivatives	-	-	-	X	X	-	-
<b>Total B</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total 31.12.2014</b>	<b>15,792</b>	<b>(6,875)</b>	<b>8,917</b>	<b>11,682,713</b>	<b>(4,371)</b>	<b>11,886,499</b>	<b>11,895,416</b>
<b>Total 31.12.2013</b>	<b>15,465</b>	<b>(6,895)</b>	<b>8,570</b>	<b>10,602,847</b>	<b>(5,470)</b>	<b>10,784,611</b>	<b>10,793,181</b>

Performing loans included:

- Loans not yet overdue totalling €648k, regarding debts subject to renegotiation.
- Loan repayment instalments overdue with a repayment plan or bullet repayment of the entire amount due totalling €59,147k (comprised of €50,729k less than three months overdue, €6,975k between three and six months overdue and €1,442k between six months and one year overdue).
- Residual debts with payment plans (€335k less than three months overdue and €120k between three and six months overdue).

### A.1.3 Banking Group - Cash and off-balance-sheet exposure of loans and advances to banks: gross and net values

	GROSS EXPOSURE	SPECIFIC ADJUSTMENTS	PORTFOLIO ADJUSTMENTS	NET EXPOSURE
<b>A. Cash exposures</b>				
a) Non-performing loans	-	-	X	-
b) Doubtful loans	-	-	X	-
c) Restructured loans	-	-	X	-
d) Overdue loans	-	-	X	-
e) Other assets	4,677,673	X	(1,014)	4,676,659
<b>Total A</b>	<b>4,677,673</b>	-	<b>(1,014)</b>	<b>4,676,659</b>
<b>B. Off-balance-sheet exposures</b>				
a) Impaired	-	-	X	-
b) Other	273,026	X	-	273,026
<b>Total B</b>	<b>273,026</b>	-	-	<b>273,026</b>
<b>Total A+B</b>	<b>4,950,699</b>	-	<b>(1,014)</b>	<b>4,949,685</b>

### A.1.6 Banking Group - Cash and off-balance-sheet exposure to customers: gross and net values

	GROSS EXPOSURE	SPECIFIC ADJUSTMENTS	PORTFOLIO ADJUSTMENTS	NET EXPOSURE
<b>A. Cash exposure</b>				
a) Non-performing loans	4,630	(4,281)	X	349
b) Doubtful loans	9,229	(2,461)	X	6,768
c) Restructured loans	-	-	X	-
d) Overdue loans	1,933	(133)	X	1,800
e) Other assets	7,173,425	X	(3,357)	7,170,068
<b>Total A</b>	<b>7,189,217</b>	<b>(6,875)</b>	<b>(3,357)</b>	<b>7,178,985</b>
<b>B. Off-balance-sheet exposures</b>				
a) Impaired	1,301	(379)	X	922
b) Other	112,024	X	-	112,024
<b>Total B</b>	<b>113,325</b>	<b>(379)</b>	-	<b>112,946</b>
<b>Total (A+B)</b>	<b>7,302,542</b>	<b>(7,254)</b>	<b>(3,357)</b>	<b>7,291,931</b>

### A.1.7 Banking Group - Cash exposure of loans and advances to customers: changes in gross impaired loans exposure

	NON-PERFORMING LOANS	DOUBTFUL LOANS	RESTRUCTURED LOANS	OVERDUE LOANS
<b>A. Gross exposure at beginning of period</b>	<b>4,868</b>	<b>9,481</b>	-	<b>1,116</b>
- Including: loans disposed of but not written off	-	-	-	-
<b>B. Increases</b>	<b>565</b>	<b>349</b>	-	<b>2,074</b>
B.1 Transfers from performing loans	205	216	-	2,069
B.2 Transfers from other categories of impaired exposures	106	104	-	-
B.3 Other increases	254	29	-	5
<b>C. Decreases</b>	<b>803</b>	<b>601</b>	-	<b>1,257</b>
C.1 Transfers to performing loans	-	354	-	277
C.2 Write-offs	68	20	-	-
C.3 Collections	735	-	-	876
C.4 Disposals	-	-	-	-
C.4 bis Losses on sales	-	-	-	-
C.5 Transfers to other categories of impaired exposures	-	106	-	104
C.6 Other decreases	-	121	-	-
<b>D. Gross exposure at end of period</b>	<b>4,630</b>	<b>9,229</b>	-	<b>1,933</b>
- Including: loans disposed of but not written off	-	-	-	-

**A.1.8 Banking Group - Cash exposure of loans and advances to customers: changes in total adjustments**

	NON-PERFORMING LOANS	DOUBTFUL LOANS	RESTRUCTURED LOANS	OVERDUE LOANS
<b>A. Total adjustments at beginning of period</b>	<b>3,864</b>	<b>2,937</b>	-	<b>94</b>
- Including: loans disposed of but not written off	-	-	-	-
<b>B. Increases</b>	<b>1,288</b>	<b>712</b>	-	<b>236</b>
B.1 Adjustments	677	712	-	236
B.1.bis Losses on sales	-	-	-	-
B.2 Transfers from other categories of impaired exposures	106	-	-	-
B.3 Other increases	505	-	-	-
<b>C. Decreases</b>	<b>871</b>	<b>1,188</b>	-	<b>197</b>
C.1 Write-backs from year-end valuations	68	1,062	-	197
C.2 Write-backs following collections	734	-	-	-
C.2.bis Gains on sales	-	-	-	-
C.3 Write-offs	68	20	-	-
C.4 Transfers to other categories of impaired exposures	-	106	-	-
C.5 Other decreases	1	-	-	-
<b>D. Total adjustments at end of period</b>	<b>4,281</b>	<b>2,461</b>	-	<b>133</b>
- Including: loans disposed of but not written off	-	-	-	-

**A.2 Classification of exposures by external and internal rating****A.2.1 Banking Group - Distribution of cash and off-balance-sheet loan exposures by external rating**

	EXTERNAL RATING CLASS						NO RATING	TOTAL
	CLASS 1	CLASS 2	CLASS 3	CLASS 4	CLASS 5	CLASS 6		
<b>A. Cash exposures</b>	<b>217,718</b>	<b>2,408,960</b>	<b>5,378,933</b>	<b>106,485</b>	-	<b>9,191</b>	<b>3,930,928</b>	<b>12,052,215</b>
<b>B. Derivatives</b>	<b>286</b>	<b>79</b>	<b>316</b>	-	-	-	<b>39,084</b>	<b>39,765</b>
B.1 Financial derivatives	286	79	316	-	-	-	39,084	39,765
B.2 Credit derivatives	-	-	-	-	-	-	-	-
<b>C. Guarantees issued</b>	-	-	<b>785</b>	-	-	<b>922</b>	<b>80,135</b>	<b>81,842</b>
<b>D. Commitments to grant finance</b>	-	-	<b>990</b>	-	-	-	<b>354</b>	<b>1,344</b>
<b>E. Other</b>	-	-	<b>254,770</b>	-	-	-	<b>8,251</b>	<b>263,021</b>
<b>Total</b>	<b>218,004</b>	<b>2,409,039</b>	<b>5,635,794</b>	<b>106,485</b>	-	<b>10,113</b>	<b>4,058,752</b>	<b>12,438,187</b>

	Rating agency (ECAI)	CREDIT RATING					
		CLASS 1	CLASS 2	CLASS 3	CLASS 4	CLASS 5	CLASS 6
	Standard & Poor's	from AAA to AA-	from A+ to A-	from BBB+ to BBB-	from BB+ to BB-	from B+ to B-	CCC+ and below
	Moody's	from Aaa to Aa3	from A1 to A3	from Baa1 to Baa3	from Ba1 to Ba3	from B1 to B3	Caa1 and below
	Fitch	from AAA to AA-	from A+ to A-	from BBB+ to BBB-	from BB+ to BB-	from B+ to B-	CCC+ and below

### A.3 Distribution of secured loan exposures by type of guarantee

#### A.3.1 Banking Group - Exposure of secured loans to banks

	NET EXPOSURE	COLLATERAL			
		BUILDINGS - MORTGAGES	BUILDINGS - FINANCIAL LEASING	SECURITIES	OTHER COLLATERAL
<b>1. Cash exposure of secured loans</b>	<b>400,517</b>	-	-	<b>400,517</b>	-
1.1 Fully secured	400,517	-	-	400,517	-
- including impaired	-	-	-	-	-
1.2 Partially secured	-	-	-	-	-
- including impaired	-	-	-	-	-
<b>2. Off-balance-sheet exposure of secured loans</b>	<b>-</b>	-	-	-	-
2.1 Fully secured	-	-	-	-	-
- including impaired	-	-	-	-	-
2.2 Partially secured	-	-	-	-	-
- including impaired	-	-	-	-	-

#### A.3.2 Banking Group - Exposure of secured loans and advances to customers

	NET EXPOSURE	COLLATERAL			
		BUILDINGS - MORTGAGES	BUILDINGS - FINANCIAL LEASING	SECURITIES	OTHER COLLATERAL
<b>1. Cash exposure of secured loans</b>	<b>3,730,484</b>	<b>223,344</b>	-	<b>2,668,866</b>	<b>194,760</b>
1.1 Fully secured	2,967,356	223,344	-	2,130,772	135,389
- including impaired	3,216	597	-	2,536	83
1.2 Partially secured	763,128	-	-	538,094	59,371
- including impaired	3,035	-	-	2,230	98
<b>2. Off-balance-sheet exposure of secured loans</b>	<b>59,658</b>	<b>203</b>	-	<b>53,457</b>	<b>5,456</b>
2.1 Fully secured	54,518	203	-	49,485	4,625
- including impaired	575	-	-	575	-
2.2 Partially secured	5,140	-	-	3,972	831
- including impaired	200	-	-	100	-

PERSONAL GUARANTEES									TOTAL
CREDIT LINKED NOTES	CREDIT DERIVATIVES				ENDORSEMENT CREDIT				
	GOVERNMENTS AND CENTRAL BANKS	OTHER PUBLIC ENTITIES	BANKS	OTHER PARTIES	GOVERNMENTS AND CENTRAL BANKS	OTHER PUBLIC ENTITIES	BANKS	OTHER PARTIES	
-	-	-	-	-	-	-	-	-	400,517
-	-	-	-	-	-	-	-	-	400,517
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-

PERSONAL GUARANTEES									TOTAL
CREDIT LINKED NOTES	CREDIT DERIVATIVES				ENDORSEMENT CREDIT				
	GOVERNMENTS AND CENTRAL BANKS	OTHER PUBLIC ENTITIES	BANKS	OTHER PARTIES	GOVERNMENTS AND CENTRAL BANKS	OTHER PUBLIC ENTITIES	BANKS	OTHER PARTIES	
-	-	-	-	-	-	-	557,009	1,232	3,645,211
-	-	-	-	-	-	-	477,009	673	2,967,187
-	-	-	-	-	-	-	-	-	3,216
-	-	-	-	-	-	-	80,000	559	678,024
-	-	-	-	-	-	-	-	422	2,750
-	-	-	-	-	-	-	-	55	59,171
-	-	-	-	-	-	-	-	55	54,368
-	-	-	-	-	-	-	-	-	575
-	-	-	-	-	-	-	-	-	4,803
-	-	-	-	-	-	-	-	-	100

## B. DISTRIBUTION AND CONCENTRATION OF LOANS

### B.1 Banking Group - Distribution of cash and off-balance-sheet exposure of loans and advances to customers by sector (book values)

	GOVERNMENTS			OTHER PUBLIC ENTITIES			FINANCIAL INSTITUTIONS		
	NET EXPOSURE	SPECIFIC ADJUSTMENTS	PORTFOLIO ADJUSTMENTS	NET EXPOSURE	SPECIFIC ADJUSTMENTS	PORTFOLIO ADJUSTMENTS	NET EXPOSURE	SPECIFIC ADJUSTMENTS	PORTFOLIO ADJUSTMENTS
<b>A. Cash exposures</b>									
A.1 Non-performing loans	-	-	X	-	-	X	-	-	X
A.2 Doubtful loans	-	-	X	-	-	X	-	-	X
A.3 Restructured loans	-	-	X	-	-	X	-	-	X
A.4 Overdue loans	-	-	X	-	-	X	-	-	X
A.5 Other exposures	2,762,988	X	(878)	8,091	X	-	1,094,450	X	(476)
<b>Total A</b>	<b>2,762,988</b>	-	<b>(878)</b>	<b>8,091</b>	-	-	<b>1,094,450</b>	-	<b>(476)</b>
<b>B. Off-balance-sheet exposures</b>									
B.1 Non-performing loans	-	-	X	-	-	X	-	-	X
B.2 Doubtful loans	-	-	X	-	-	X	-	-	X
B.3 Other impaired assets	-	-	X	-	-	X	-	-	X
B.4 Other exposures	990	X	-	62	X	-	33,118	X	-
<b>Total B</b>	<b>990</b>	-	-	<b>62</b>	-	-	<b>33,118</b>	-	-
<b>Total 31.12.2014</b>	<b>2,763,978</b>	-	<b>(878)</b>	<b>8,153</b>	-	-	<b>1,127,568</b>	-	<b>(476)</b>
<b>Total 31.12.2013</b>	<b>2,611,975</b>	-	<b>(737)</b>	<b>7,919</b>	-	-	<b>830,973</b>	<b>(388)</b>	<b>(1,297)</b>

INSURANCE COMPANIES			NON-FINANCIAL COMPANIES			OTHER PARTIES		
NET EXPOSURE	SPECIFIC ADJUSTMENTS	PORTFOLIO ADJUSTMENTS	NET EXPOSURE	SPECIFIC ADJUSTMENTS	PORTFOLIO ADJUSTMENTS	NET EXPOSURE	SPECIFIC ADJUSTMENTS	PORTFOLIO ADJUSTMENTS
-	-	X	155	(730)	X	194	(3,551)	X
-	-	X	4,313	(1,015)	X	2,455	(1,446)	X
-	-	X	-	-	X	-	-	X
-	-	X	1	-	X	1,799	(133)	X
342,028	X	(1)	906,868	X	(577)	2,055,643	X	(1,425)
<b>342,028</b>	-	<b>(1)</b>	<b>911,337</b>	<b>(1,745)</b>	<b>(577)</b>	<b>2,060,091</b>	<b>(5,130)</b>	<b>(1,425)</b>
-	-	X	145	(339)	X	-	-	X
-	-	X	460	(40)	X	117	-	X
-	-	X	200	-	X	-	-	X
6,116	X	-	35,163	X	-	28,324	X	-
<b>6,116</b>	-	-	<b>35,968</b>	<b>(379)</b>	-	<b>28,441</b>	-	-
<b>348,144</b>	-	<b>(1)</b>	<b>947,305</b>	<b>(2,124)</b>	<b>(577)</b>	<b>2,088,532</b>	<b>(5,130)</b>	<b>(1,425)</b>
<b>347,922</b>	-	-	<b>784,471</b>	<b>(2,459)</b>	<b>(679)</b>	<b>2,177,394</b>	<b>(4,502)</b>	<b>(1,697)</b>

## B.2 Banking Group - Geographical distribution of cash and off-balance-sheet exposure of loans and advances to customers (book values)

	ITALY		OTHER EUROPEAN COUNTRIES	
	NET EXPOSURE	TOTAL ADJUSTMENTS	NET EXPOSURE	TOTAL ADJUSTMENTS
<b>A. Cash exposures</b>				
A.1 Non-performing loans	349	(4,281)	-	-
A.2 Doubtful loans	6,767	(2,461)	1	-
A.3 Restructured loans	-	-	-	-
A.4 Overdue loans	1,800	(133)	-	-
A.5 Other exposures	6,251,263	(3,188)	569,918	(138)
<b>Total A</b>	<b>6,260,179</b>	<b>(10,063)</b>	<b>569,919</b>	<b>(138)</b>
<b>B. Off-balance-sheet exposures</b>				
B.1 Non-performing loans	145	(339)	-	-
B.2 Doubtful loans	577	(40)	-	-
B.3 Other impaired assets	200	-	-	-
B.4 Other exposures	70,790	-	32,983	-
<b>Total B</b>	<b>71,712</b>	<b>(379)</b>	<b>32,983</b>	<b>-</b>
<b>Total 31.12.2014</b>	<b>6,331,891</b>	<b>(10,442)</b>	<b>602,902</b>	<b>(138)</b>
<b>Total 31.12.2013</b>	<b>6,114,128</b>	<b>(10,708)</b>	<b>439,552</b>	<b>(897)</b>

## B.3 Banking Group - Geographical distribution of cash and off-balance-sheet exposure of loans and advances to banks (book values)

	ITALY		OTHER EUROPEAN COUNTRIES	
	NET EXPOSURE	TOTAL ADJUSTMENTS	NET EXPOSURE	TOTAL ADJUSTMENTS
<b>A. Cash exposures</b>				
A.1 Non-performing loans	-	-	-	-
A.2 Doubtful loans	-	-	-	-
A.3 Restructured loans	-	-	-	-
A.4 Overdue loans	-	-	-	-
A.5 Other exposures	3,925,220	(611)	724,215	(401)
<b>Total A</b>	<b>3,925,220</b>	<b>(611)</b>	<b>724,215</b>	<b>(401)</b>
<b>B. Off-balance-sheet exposures</b>				
B.1 Non-performing loans	-	-	-	-
B.2 Doubtful loans	-	-	-	-
B.3 Other impaired assets	-	-	-	-
B.4 Other exposures	17,891	-	365	-
<b>Total B</b>	<b>17,891</b>	<b>-</b>	<b>365</b>	<b>-</b>
<b>Total 31.12.2014</b>	<b>3,943,111</b>	<b>(611)</b>	<b>724,580</b>	<b>(401)</b>
<b>Total 31.12.2013</b>	<b>3,564,870</b>	<b>(455)</b>	<b>418,114</b>	<b>(534)</b>

AMERICA		ASIA		REST OF THE WORLD	
NET EXPOSURE	TOTAL ADJUSTMENTS	NET EXPOSURE	TOTAL ADJUSTMENTS	NET EXPOSURE	TOTAL ADJUSTMENTS
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
348,887	(31)	-	-	-	-
<b>348,887</b>	<b>(31)</b>	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
348,887	(31)	-	-	-	-
<b>206,974</b>	<b>(154)</b>	-	-	-	-

AMERICA		ASIA		REST OF THE WORLD	
NET EXPOSURE	TOTAL ADJUSTMENTS	NET EXPOSURE	TOTAL ADJUSTMENTS	NET EXPOSURE	TOTAL ADJUSTMENTS
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
13,235	(1)	13,424	(1)	565	-
<b>13,235</b>	<b>(1)</b>	<b>13,424</b>	<b>(1)</b>	<b>565</b>	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
13,235	(1)	13,424	(1)	565	-
<b>114,402</b>	<b>(69)</b>	<b>12,675</b>	<b>(1)</b>	<b>468</b>	<b>(1)</b>

## D. DISCLOSURES ON STRUCTURED ENTITIES (OTHER THAN SECURITISATION VEHICLES)

### D.2 Unconsolidated structured entities

#### D.2.2 Other structured entities

Fee and commission income from mutual fund management totalled €512,632k.

## E. DISPOSAL TRANSACTIONS

### A. Financial assets disposed of but not written off

#### QUALITATIVE INFORMATION

The item Financial assets disposed of but not written off regarded repurchase agreements.

In 2012 the Group entered into six repurchase agreements with Banca IMI in order to improve the overall risk/return ratio of the portfolio. The repurchase agreements had the same terms as the maturities of a number of BTP Italian government bonds with a total face value of €467.8m and maturities between 2019 and 2033 that Banca Fideuram acquired from market counterparties in previous years. These bonds were already recorded under financial assets available for sale and hedged against interest rate risk using interest rate swaps. The liquidity obtained from this transaction was used to purchase bonds issued by Intesa Sanpaolo. The group simultaneously entered into six financial guarantee contracts to cover the associated credit risk, again with Banca IMI, which on average expire three years before the maturities of the related bonds. The cost of these guarantees recorded in the 2014 income statement was €15.1m.

The bank went through a rigorous process to determine how these repurchase agreements should be recognised, analysing the underlying aims of the contractual agree-

ments in the light of the guidance provided by the Supervisory Authorities in document No. 6 of 8 March 2013 on the Accounting treatment of long-term structured repurchase transactions, issued jointly by the Bank of Italy, the Italian National Commission for Listed Companies and the Stock Exchange (CONSOB) and the Italian Insurance Regulator (IVASS).

The analysis considered the structure, cash flows and risks connected with the transactions concerned to verify whether they could be considered term-structured repurchase transactions as described in this document and whether, in accordance with the principle of substance over form, they accord with the guidelines provided in IAS 39, Guidance on Implementing, paragraph B.6, on the basis of which the substance of the transaction is substantially the same as a derivative contract and a credit default swap in particular.

The aforementioned transactions clearly differ in certain respects from term-structured repurchase transactions as described in the Document.

The differences are specifically as follows:

- The BTP Italian government bonds and the Interest Rate Swaps hedging interest rate risk were already held by the bank through independent purchases made in prior years (between 2008 and 2010).
- Said transactions were entered into with different market counterparties from the repurchase agreements.
- The cash flows from the transactions are not substantially the same as those of credit derivatives.
- The different management purpose of the transactions considered as a whole, which aim to cover counterparty risk through the purchase of a financial guarantee.

The transactions were therefore recognised separately depending on the type of contract concerned.

#### QUANTITATIVE INFORMATION

##### E.1 Banking group - Financial assets disposed of but not written off: Book value and full value

	FINANCIAL ASSETS HELD FOR TRADING			FINANCIAL ASSETS DESIGNATED AT FAIR VALUE			FINANCIAL ASSETS AVAILABLE FOR SALE		
	A	B	C	A	B	C	A	B	C
<b>A. Cash assets</b>	-	-	-	-	-	-	<b>607,773</b>	-	-
1. Debt securities	-	-	-	-	-	-	607,773	-	-
2. Equities	-	-	-	-	-	-	-	-	-
3. Units in mutual funds	-	-	-	-	-	-	-	-	-
4. Loans	-	-	-	-	-	-	-	-	-
<b>B. Derivatives</b>	-	-	-	<b>X</b>	<b>X</b>	<b>X</b>	<b>X</b>	<b>X</b>	<b>X</b>
<b>Total 31.12.2014</b>	-	-	-	-	-	-	<b>607,773</b>	-	-
Including impaired	-	-	-	-	-	-	-	-	-
<b>Total 31.12.2013</b>	-	-	-	-	-	-	<b>538,279</b>	-	-
Including impaired	-	-	-	-	-	-	-	-	-

#### LEGEND

A = Financial assets disposed of recognised in full (book value)  
 B = Financial assets disposed of and partially recognised (book value)  
 C = Financial assets disposed of and partially recognised (full value)

HELD-TO-MATURITY INVESTMENTS			LOANS AND ADVANCES TO BANKS			LOANS AND ADVANCES TO CUSTOMERS			TOTAL	
A	B	C	A	B	C	A	B	C	31.12.2014	31.12.2013
-	-	-	189	-	-	30,642	-	-	638,604	773,330
-	-	-	189	-	-	30,642	-	-	638,604	773,330
X	X	X	X	X	X	X	X	X	-	-
X	X	X	X	X	X	X	X	X	-	-
-	-	-	-	-	-	-	-	-	-	-
X	X	X	X	X	X	X	X	X	-	-
-	-	-	189	-	-	30,642	-	-	638,604	X
-	-	-	-	-	-	-	-	-	-	X
197,925	-	-	30,391	-	-	6,735	-	-	X	773,330
-	-	-	-	-	-	-	-	-	X	-

## E.2 Banking group - Financial liabilities regarding financial assets disposed of but not written off: book value

	FINANCIAL ASSETS HELD FOR TRADING	FINANCIAL ASSETS DESIGNATED AT FAIR VALUE	FINANCIAL ASSETS AVAILABLE FOR SALE	HELD-TO-MATURITY INVESTMENTS	LOANS AND ADVANCES TO BANKS	LOANS AND ADVANCES TO CUSTOMERS	TOTAL
<b>1. Due to customers</b>		-	-	-	203	28,555	28,758
a) regarding assets recognised in full		-	-	-	203	28,555	28,758
b) regarding assets partially recognised		-	-	-	-	-	-
<b>2. Due to banks</b>		-	455,327	-	-	-	455,327
a) regarding assets recognised in full		-	455,327	-	-	-	455,327
b) regarding assets partially recognised		-	-	-	-	-	-
<b>3. Due on issue</b>		-	-	-	-	-	-
a) regarding assets recognised in full		-	-	-	-	-	-
b) regarding assets partially recognised		-	-	-	-	-	-
<b>Total 31.12.2014</b>	-	-	455,327	-	203	28,555	484,085
<b>Total 31.12.2013</b>	-	-	472,021	196,249	30,485	3,239	701,994

## E.3 Banking Group - Disposal transactions with transfer of liabilities exclusively for assets disposed of: fair value

	FINANCIAL ASSETS HELD FOR TRADING		FINANCIAL ASSETS DESIGNATED AT FAIR VALUE		FINANCIAL ASSETS AVAILABLE FOR SALE	
	A	B	A	B	A	B
<b>A. Cash assets</b>						
1. Debt securities	-	-	-	-	607,773	-
2. Equities	-	-	-	-	-	-
3. Mutual funds	-	-	-	-	-	-
4. Loans	-	-	-	-	-	-
<b>B. Derivatives</b>	-	-	X	X	X	X
<b>Total assets</b>	-	-	-	-	607,773	-
<b>C. Associated liabilities</b>						
1. Due to customers	-	-	-	-	-	-
2. Due to banks	-	-	-	-	607,773	-
3. Debt on issue	-	-	-	-	-	-
<b>Total liabilities</b>	-	-	-	-	607,773	-
<b>Net value 31.12.2014</b>	-	-	-	-	-	-
<b>Net value 31.12.2013</b>	-	-	-	-	5,448	-

A = Financial assets disposed of recognised in full  
B = Financial assets disposed of and partially recognised

HELD-TO-MATURITY INVESTMENTS (FAIR VALUE)		LOANS AND ADVANCES TO BANKS (FAIR VALUE)		LOANS AND ADVANCES TO CUSTOMERS (FAIR VALUE)		TOTAL	
A	B	A	B	A	B	31.12.2014	31.12.2013
-	-	202	-	31,102	-	639,077	770,112
X	X	X	X	X	X	-	-
X	X	X	X	X	X	-	-
-	-	-	-	-	-	-	-
X	X	X	X	X	X	-	-
-	-	202	-	31,102	-	639,077	770,112
-	-	203	-	28,555	-	X	X
-	-	-	-	-	-	X	X
-	-	-	-	-	-	X	X
-	-	203	-	28,555	-	636,531	762,942
-	-	(1)	-	2,547	-	2,546	X
(238)	-	442	-	1,518	-	X	7,170

## 1.2 MARKET RISK

### QUALITATIVE INFORMATION

Banca Fideuram adheres to the directives of Intesa Sanpaolo concerning the governance and supervision of market risk, regarding which its role extends to the entire Banca Fideuram Group with centralisation and monitoring functions. This governance and control is based, amongst other things, on extending the policies adopted by the Board of Directors to the entire Group and on the functional coordination provided by the bank's related departments.

The Investment Committee established with the adoption of the Investment Policy meets quarterly as a rule to analyse investment performance, proposing strategic guidelines to the Managing Director.

The Managing Director reports quarterly to the Board of Directors on the investment choices made and on the performance of the Group's portfolios and risk management. The Finance Manager informs the Managing Director about the investment choices made and the profitability of the portfolios at least quarterly, and likewise keeps the Investment Committee periodically informed.

The Risk Management Unit continually monitors market risk exposure and compliance with the limits specified by the Investment Policy.

The Risk Management Director periodically informs the Managing Director, Investment Committee and Finance Director regarding the levels of exposure to the different types of risk subject to operating limits. Similar information is presented to the Board of Directors on a quarterly basis.

The composition of the securities holdings is governed by limits with respect to asset allocation, rating, currency area, geographical area, sector concentration and counterparty. Market risk limits are likewise specified.

The Investment Policy splits investments in securities into a liquidity portfolio, an investment portfolio and a service portfolio.

The former has a cautious minimum limit of assets deemed eligible by the Central Bank with financial characteristics that limit their risk to ensure immediate liquidity. The size of the Investment Portfolio depends on the structure of the Group's inflows, investments and shareholders' equity. The service portfolio is largely tailored to support the requirements of the Group's retail customer transactions and use of its cash surplus. It also includes a securities component resulting from secondary market transactions with customers, certain Intesa Sanpaolo Group bond issues, and foreign exchange and exchange rate derivative transactions, which are likewise engaged in to meet the needs of the Group's customers and asset management companies.

#### 1.2.1 Interest rate risk and price risk - Regulatory trading book

The trading book is largely tailored to support the requirements of the Group's retail customers. It includes a securities component resulting from secondary market transactions with customers and foreign exchange and exchange rate derivative transactions, which are likewise engaged in to meet the needs of the Group's customers and asset management companies.

#### 1.2.2 Interest rate risk and price risk - Bank portfolio

The bank portfolio comprises long-term investment securities and interest rate hedging derivatives. The Group's investment portfolio totalled €6.3bn at 31 December 2014 and comprised securities classified as financial assets available for sale, held-to-maturity investments and debt securities classified as loans and advances to banks and customers.

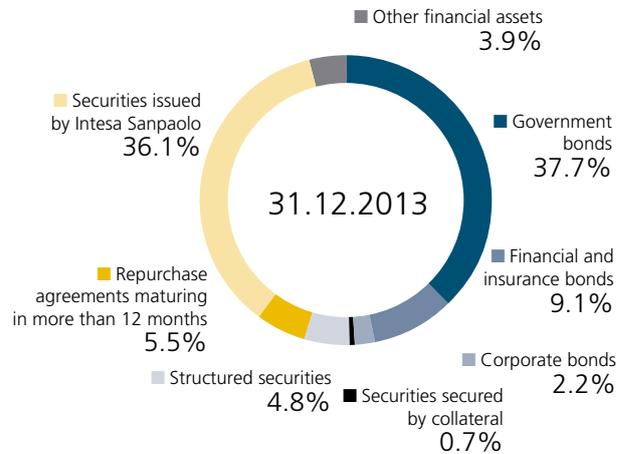
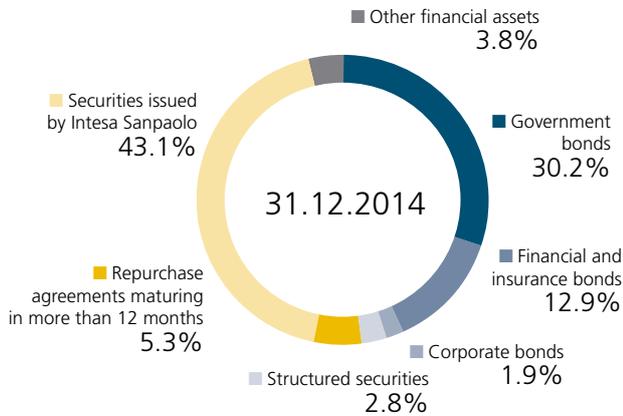
### Banking Book

(€m)

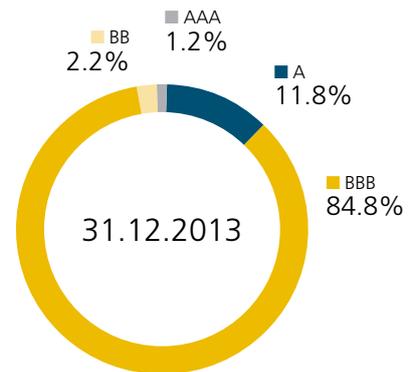
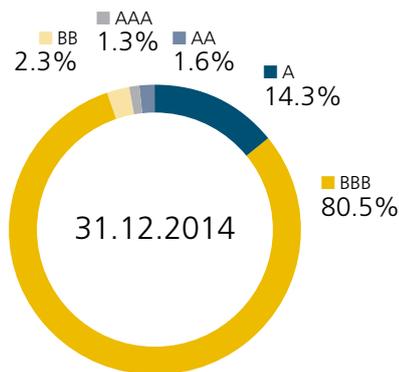
	31.12.2014	31.12.2013	CHANGE	
			AMOUNT	%
Financial assets available for sale	2,509.6	2,374.3	135.3	5.7
Held-to-maturity investments	332.9	451.8	(118.9)	-26.3
Debt securities classified as loans and advances to banks	1,931.8	1,582.2	349.6	22.1
Debt securities classified as loans and advances to customers	1,555.8	1,163.5	392.3	33.7
Hedging derivatives	-	3.5	(3.5)	-100.0
<b>Total</b>	<b>6,330.1</b>	<b>5,575.3</b>	<b>754.8</b>	<b>13.5</b>

At 31 December 2014, the Group portfolio was predominantly held by Banca Fideuram and Euro-Trésorerie, and had the following overall composition with respect to product type and rating.

### Analysis by product type



### Analysis by rating



The market risk of this portfolio mainly regards the management of investments in securities. The Group's exposure to interest rate risk is, moreover, also influenced by other typical banking balance sheet items (customer deposits and loans). The financial risk of the bank portfolio is measured using the following methods:

- Value at Risk (VaR) for the available-for-sale portfolio only.
- Sensitivity analysis for the entire bank portfolio.

The Value at Risk is the maximum potential amount that the portfolio could lose over the next working day with a confidence interval of 99%, and is calculated using the same method adopted by Intesa Sanpaolo (volatility of the individual risk factors and the historical correlations observed between them). VaR is a risk measurement applied to securities available for sale which takes interest rates and credit spreads into account. At the end of December 2014, the Value at Risk calculated for a one-day time horizon was €12.5m, with the main component being credit spread risk.

The Group used derivatives (mainly interest rate swaps) to hedge interest rate risk following a strategy that invol-

ved buying swaps linked to the individual fixed-coupon bonds in the portfolio. This strategy made the Group's long-term securities holdings less sensitive to interest rate risk. Where risk concentration is concerned, the securities holdings are highly-diversified as a result of the stringent limits specified by the Investment Policy, which limits the maximum exposure to any single corporate Group to 5% of the total holdings with the sole exception of Intesa Sanpaolo.

The Banca Fideuram Group's total exposure to interest rate risk is monitored using Asset Liability Management (ALM) techniques to determine the shift sensitivity of fair value and net interest income.

The shift sensitivity, which measures the change in fair value of the bank portfolio resulting from an upward parallel movement in the interest rate curve, is calculated taking into account the risk generated by customer demand deposits and other assets and liabilities of the bank portfolio sensitive to shifts in the interest rate curve. The shift sensitivity for an upward parallel movement of 100 basis points in the interest rate curve was -€2.50m at the end of December 2014.

The Group has developed a pricing methodology for the measurement of financial instruments which rigorously implements the provisions of the IAS/IFRS international financial reporting standards.

As of 1 January 2013, the Group applies IFRS 13 endorsed by EU Regulation 1255/2012. The first new requirement brought in by IFRS 13 regards the definition of fair value, considered as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In addition, the fair value measurement must incorporate a counterparty risk premium in the form of a Credit Value Adjustment (CVA) for assets and a Debit Value Adjustment (DVA) for liabilities.

The Group consistently calculates the fair value of financial instruments directly from their market value. Wherever possible, the official prices on active markets are adopted as this market value, otherwise the value is obtained using pricing models based on the values of comparable securities and on market parameters. In situations where the market is not operating normally, which is to say when there is an insufficient number of continuous transactions and the bid/ask spread and volatility are not sufficiently narrow, it is however necessary to abandon the principle of obtaining the fair value directly from market prices and to apply models that mostly use market parameters to calculate an appropriate fair value for the financial instruments. The following are considered in assessing whether a market is operating normally:

Availability of price contributions

- Reliability of price contributions
- Size of the bid-ask spread.

In the absence of an active market, the fair value is determined using measurement techniques which ultimately aim to establish the price that the financial instrument would have had on the measurement date in an arm's-length exchange motivated by normal business considerations.

These techniques include:

- Reference to market values that can be indirectly linked to the financial instrument being valued and that can be obtained from products with similar risk characteristics (comparable approach).
- Valuations performed using - even only partially - inputs that are not obtained from observable market parameters, using estimates and assumptions formulated by the valuer (mark-to-model).

Which of these methodologies is chosen is not arbitrary, since they have to be applied in hierarchical order and presented by level. Absolute priority is given to the quoted active market prices of the assets and liabilities being measured (Level 1 - effective market quotes) or of similar assets and liabilities (Level 2 - comparable approach), and the lowest priority to unobservable inputs, which are accordingly more subjective (Level 3 - Mark-to-Model Approach). The priority of market prices is put into practice through a process based on market-maker prices. The valuation price is calculated as the average of the prices available, selected using objectively-identified criteria. The number of contributions, the bid/ask spread and the reliability of the contributors are monitored regularly, enabling the Group to keep market prices as the appropriate prime parameter for the determination of fair value.

All the Group's available-for-sale securities were valued at market bid prices (mark to market) to ensure the maximum transparency of the values in the financial statements. This ensures the overall holdings meet the ready liquidity criteria for items in the financial statements.

The portfolio of Level 2 Financial assets designated at fair value consisted of the insurance policies that the Group took out to insure the market yields of the Personal Financial Adviser Networks' Loyalty Schemes. The fair value of Class I policies is determined using a prospective actuarial method based on the principle of the initial equivalence of the average present values of the contractual commitments of the insurer and the average present values contracted by the policyholder/contracting party. The fair value of Class III policies is the value of the units at the accounting date plus any pure premiums not yet invested at the valuation date.

The derivatives in the bank portfolio consisted principally of Interest Rate Swaps. The Group as a rule uses fair value hedge derivatives to reduce its exposure to adverse fair value movements due to interest rate risk.

The Risk Management Unit is responsible for assessing hedge effectiveness, carrying out prior assessments of the conditions that make hedge accounting applicable and formally documenting each hedging relationship. These assessments use prospective tests when the hedges are taken out, followed by retrospective tests at monthly intervals.

An approach consistent with fair value measurement hierarchy Level 2 is used for the measurement of derivatives, based on commonly-accepted valuation processes and fed by market data providers. Hedging derivatives taken out in ordinary investment activities - interest and exchange rate derivatives in particular - that are not traded on regulated markets but traded bilaterally with market counterparties, are known as "over the counter" (OTC) instruments and measured using special pricing models. A new method for determining the fair value of these derivatives has steadily become consolidated practice in recent years, both among the main brokers of OTC derivatives and on regulated markets (central counterparties), which is based on the Eonia rate instead of the traditional Euribor rate. During the financial crisis there was an appreciable widening of the Euribor/Eonia spread (historically narrow and very stable). In consideration of the increasing consensus among operators on the use of the Eonia curve (benchmark rate for transaction agreements with a Credit Support Annex - CSA), the Banca Fideuram Group decided to use two different curves for pricing derivatives as of December 2012, choosing between them depending on whether the transaction has a CSA or not. In the former case, the fair value is determined using the Eonia rate (risk-free rate), while in the latter case it is determined using the Euribor rate (which is considered to take counterparty risk into account). Banca Fideuram played an active role in the Intesa Sanpaolo project to implement the new Eonia discounting method across the entire Group, involving the implementation of CSAs and the payment of collateral between companies included in the consolidation, together with the development of new risk management methods (and the related IT support) for monitoring the hedging relations.

## 1.2.3 Exchange rate risk

### QUALITATIVE INFORMATION

Exchange rate risk is defined as the possibility of fluctuations in market exchange rates generating either positive or negative changes in the value of the Group's net assets. The principle sources of exchange rate risk are:

- Loans to and deposits by institutional customers in foreign currencies.
- Purchases of securities and other financial instruments in foreign currencies.
- Buying and selling of foreign currencies.

- Collection or payment of interest, commission, dividends or administrative expenses in foreign currencies.

Spot and forward transactions on foreign exchange markets were mainly entered into with the aim of optimising proprietary risk arising in relation to the buying and selling of foreign currencies to and from customers. Exchange rate risk is mitigated by the practice of funding in the same currency as the assets, while the residual exposures are included in the trading book.

### QUANTITATIVE INFORMATION

#### 1. Distribution by currency of denomination of assets and liabilities and derivatives

	CURRENCY					
	US DOLLAR	STERLING	YEN	CANADIAN DOLLAR	SWISS FRANC	OTHER CURRENCIES
<b>A. Financial assets</b>	<b>328,337</b>	<b>854</b>	<b>3,808</b>	<b>143</b>	<b>2,876</b>	<b>4,536</b>
A.1 Debt securities	116,695	-	-	-	-	-
A.2 Equities	-	-	-	-	-	-
A.3 Loans and advances to banks	209,354	799	1,529	94	1,865	4,359
A.4 Loans and advances to customers	2,288	55	2,279	49	1,011	177
A.5 Other financial assets	-	-	-	-	-	-
<b>B. Other assets</b>	<b>474</b>	<b>498</b>	<b>62</b>	<b>83</b>	<b>187</b>	<b>352</b>
<b>C. Financial liabilities</b>	<b>419,673</b>	<b>25,563</b>	<b>52,152</b>	<b>4,247</b>	<b>2,268</b>	<b>18,938</b>
C.1 Due to banks	321	446	67	62	86	1,074
C.2 Due to customers	419,352	25,117	52,085	4,185	2,182	17,864
C.3 Debt securities	-	-	-	-	-	-
C.4 Other financial liabilities	-	-	-	-	-	-
<b>D. Other liabilities</b>	<b>45</b>	-	-	-	-	<b>175</b>
<b>E. Financial derivatives</b>						
- Options						
+ Long positions	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-
- Other derivatives						
+ Long positions	1,911,069	255,644	111,192	8,876	8,151	67,243
+ Short positions	1,813,072	232,953	62,907	4,791	8,575	54,469
<b>Total assets</b>	<b>2,239,880</b>	<b>256,996</b>	<b>115,062</b>	<b>9,102</b>	<b>11,214</b>	<b>72,131</b>
<b>Total liabilities</b>	<b>2,232,790</b>	<b>258,516</b>	<b>115,059</b>	<b>9,038</b>	<b>10,843</b>	<b>73,582</b>
<b>Balance (+/-)</b>	<b>7,090</b>	<b>(1,520)</b>	<b>3</b>	<b>64</b>	<b>371</b>	<b>(1,451)</b>

## 1.2.4 Derivatives

### A. FINANCIAL DERIVATIVES

#### A.1 Regulatory trading book: period-end notional values and average values

	31.12.2014 TOTAL		31.12.2013 TOTAL	
	OVER THE COUNTER	CENTRAL COUNTERPARTIES	OVER THE COUNTER	CENTRAL COUNTERPARTIES
<b>1. Debt securities and interest rate derivatives</b>	-	-	2,165	11
a) Options	-	-	-	-
b) Swap	-	-	-	-
c) Forward	-	-	2,165	11
d) Futures	-	-	-	-
e) Other	-	-	-	-
<b>2. Equity derivatives and index derivatives</b>	-	-	-	-
a) Options	-	-	-	-
b) Swap	-	-	-	-
c) Forward	-	-	-	-
d) Futures	-	-	-	-
e) Other	-	-	-	-
<b>3. Currencies and gold</b>	3,523,960	-	2,715,009	-
a) Options	-	-	-	-
b) Swap	-	-	-	-
c) Forward	3,523,960	-	2,715,009	-
d) Futures	-	-	-	-
e) Other	-	-	-	-
<b>4. Commodities</b>	-	-	-	-
<b>5. Other underlyings</b>	-	-	-	-
<b>Total</b>	3,523,960	-	2,717,174	11
<b>Average value</b>	1,607,545	-	1,588,107	33

#### A.2 Bank portfolio: period-end notional values and average values

##### A.2.1 Hedging

	31.12.2014 TOTAL		31.12.2013 TOTAL	
	OVER THE COUNTER	CENTRAL COUNTERPARTIES	OVER THE COUNTER	CENTRAL COUNTERPARTIES
<b>1. Debt securities and interest rate derivatives</b>	3,120,111	-	2,848,111	-
a) Options	-	-	-	-
b) Swap	3,120,111	-	2,848,111	-
c) Forward	-	-	-	-
d) Futures	-	-	-	-
e) Other	-	-	-	-
<b>2. Equity derivatives and index derivatives</b>	-	-	-	-
a) Options	-	-	-	-
b) Swap	-	-	-	-
c) Forward	-	-	-	-
d) Futures	-	-	-	-
e) Other	-	-	-	-
<b>3. Currencies and gold</b>	107,075	-	39,881	-
a) Options	-	-	-	-
b) Swap	107,075	-	39,881	-
c) Forward	-	-	-	-
d) Futures	-	-	-	-
e) Other	-	-	-	-
<b>4. Commodities</b>	-	-	-	-
<b>5. Other underlyings</b>	-	-	-	-
<b>Total</b>	3,227,186	-	2,887,992	-
<b>Average value</b>	3,067,034	-	2,856,005	-

## A.2.2 Other derivatives

	31.12.2014 TOTAL		31.12.2013 TOTAL	
	OVER THE COUNTER	CENTRAL COUNTERPARTIES	OVER THE COUNTER	CENTRAL COUNTERPARTIES
<b>1. Debt securities and interest rate derivatives</b>	-	-	-	-
a) Options	-	-	-	-
b) Swap	-	-	-	-
c) Forward	-	-	-	-
d) Futures	-	-	-	-
e) Other	-	-	-	-
<b>2. Equity derivatives and index derivatives</b>	<b>494,501</b>	-	<b>494,501</b>	-
a) Options	494,501	-	494,501	-
b) Swap	-	-	-	-
c) Forward	-	-	-	-
d) Futures	-	-	-	-
e) Other	-	-	-	-
<b>3. Currencies and gold</b>	-	-	-	-
a) Options	-	-	-	-
b) Swap	-	-	-	-
c) Forward	-	-	-	-
d) Futures	-	-	-	-
e) Other	-	-	-	-
<b>4. Commodities</b>	-	-	-	-
<b>5. Other underlyings</b>	-	-	-	-
<b>Total</b>	<b>494,501</b>	-	<b>494,501</b>	-
<b>Average value</b>	<b>494,501</b>	-	<b>494,501</b>	-

## A.3 Financial derivatives: gross positive fair value - distribution by product

## POSITIVE FAIR VALUE

	31.12.2014 TOTAL		31.12.2013 TOTAL	
	OVER THE COUNTER	CENTRAL COUNTERPARTIES	OVER THE COUNTER	CENTRAL COUNTERPARTIES
<b>A. Regulatory trading book</b>	<b>39,772</b>	-	<b>9,908</b>	-
a) Options	-	-	-	-
b) Interest rate swap	-	-	-	-
c) Cross currency swap	-	-	-	-
d) Equity swaps	-	-	-	-
e) Forward	39,772	-	9,908	-
f) Futures	-	-	-	-
g) Other	-	-	-	-
<b>B. Hedging bank portfolio</b>	-	-	<b>3,513</b>	-
a) Options	-	-	-	-
b) Interest rate swap	-	-	2,844	-
c) Cross currency swap	-	-	669	-
d) Equity swaps	-	-	-	-
e) Forward	-	-	-	-
f) Futures	-	-	-	-
g) Other	-	-	-	-
<b>C. Bank portfolio other derivatives</b>	-	-	-	-
a) Options	-	-	-	-
b) Interest rate swap	-	-	-	-
c) Cross currency swap	-	-	-	-
d) Equity swaps	-	-	-	-
e) Forward	-	-	-	-
f) Futures	-	-	-	-
g) Other	-	-	-	-
<b>Total</b>	<b>39,772</b>	-	<b>13,421</b>	-

## A.4 Financial derivatives: gross negative fair value - distribution by product

## NEGATIVE FAIR VALUE

	31.12.2014 TOTAL		31.12.2013 TOTAL	
	OVER THE COUNTER	CENTRAL COUNTERPARTIES	OVER THE COUNTER	CENTRAL COUNTERPARTIES
<b>A. Regulatory trading book</b>	<b>43,723</b>	-	<b>9,931</b>	-
a) Options	-	-	-	-
b) Interest rate swap	-	-	-	-
c) Cross currency swap	-	-	-	-
d) Equity swaps	-	-	-	-
e) Forward	43,723	-	9,931	-
f) Futures	-	-	-	-
g) Other	-	-	-	-
<b>B. Hedging bank portfolio</b>	<b>1,094,785</b>	-	<b>605,744</b>	-
a) Options	-	-	-	-
b) Interest rate swap	1,075,789	-	605,744	-
c) Cross currency swap	18,996	-	-	-
d) Equity swaps	-	-	-	-
e) Forward	-	-	-	-
f) Futures	-	-	-	-
g) Other	-	-	-	-
<b>C. Bank portfolio other derivatives</b>	-	-	-	-
a) Options	-	-	-	-
b) Interest rate swap	-	-	-	-
c) Cross currency swap	-	-	-	-
d) Equity swaps	-	-	-	-
e) Forward	-	-	-	-
f) Futures	-	-	-	-
g) Other	-	-	-	-
<b>Total</b>	<b>1,138,508</b>	-	<b>615,675</b>	-

## A.5 OTC financial derivatives: regulatory trading book - notional values, gross positive and negative fair values by counterparty - contracts other than netting agreements

	GOVERNMENTS AND CENTRAL BANKS	OTHER PUBLIC ENTITIES	BANKS	FINANCIAL INSTITUTIONS	INSURANCE COMPANIES	NON-FINANCIAL COMPANIES	OTHER PARTIES
<b>1. Debt securities and interest rate derivatives</b>							
- notional values	-	-	-	-	-	-	-
- positive fair value	-	-	-	-	-	-	-
- negative fair value	-	-	-	-	-	-	-
- future exposure	-	-	-	-	-	-	-
<b>2. Equity derivatives and index derivatives</b>							
- notional values	-	-	-	-	-	-	-
- positive fair value	-	-	-	-	-	-	-
- negative fair value	-	-	-	-	-	-	-
- future exposure	-	-	-	-	-	-	-
<b>3. Currencies and gold</b>							
- notional values	-	-	49,460	1,476,943	320,002	-	5,109
- positive fair value	-	-	318	32,966	6,116	-	2
- negative fair value	-	-	1,594	917	130	-	224
- future exposure	-	-	15,263	-	3,200	-	51
<b>4. Other values</b>							
- notional values	-	-	-	-	-	-	-
- positive fair value	-	-	-	-	-	-	-
- negative fair value	-	-	-	-	-	-	-
- future exposure	-	-	-	-	-	-	-

## A.6 OTC financial derivatives: regulatory trading book - notional values, gross positive and negative fair values by counterparty - compensation agreements

	GOVERNMENTS AND CENTRAL BANKS	OTHER PUBLIC ENTITIES	BANKS	FINANCIAL INSTITUTIONS	INSURANCE COMPANIES	NON-FINANCIAL COMPANIES	OTHER PARTIES
<b>1. Debt securities and interest rate derivatives</b>							
- notional values	-	-	-	-	-	-	-
- positive fair value	-	-	-	-	-	-	-
- negative fair value	-	-	-	-	-	-	-
<b>2. Equity derivatives and index derivatives</b>							
- notional values	-	-	-	-	-	-	-
- positive fair value	-	-	-	-	-	-	-
- negative fair value	-	-	-	-	-	-	-
<b>3. Currencies and gold</b>							
- notional values	-	-	1,672,446	-	-	-	-
- positive fair value	-	-	370	-	-	-	-
- negative fair value	-	-	40,858	-	-	-	-
<b>4. Other values</b>							
- notional values	-	-	-	-	-	-	-
- positive fair value	-	-	-	-	-	-	-
- negative fair value	-	-	-	-	-	-	-

## A.7 OTC financial derivatives: bank portfolio book - notional values, gross positive and negative fair values by counterparty - contracts other than compensation agreements

	GOVERNMENTS AND CENTRAL BANKS	OTHER PUBLIC ENTITIES	BANKS	FINANCIAL INSTITUTIONS	INSURANCE COMPANIES	NON-FINANCIAL COMPANIES	OTHER PARTIES
<b>1. Debt securities and interest rate derivatives</b>							
- notional values	-	-	-	-	-	-	-
- positive fair value	-	-	-	-	-	-	-
- negative fair value	-	-	-	-	-	-	-
- future exposure	-	-	-	-	-	-	-
<b>2. Equity derivatives and index derivatives</b>							
- notional values	-	-	494,501	-	-	-	-
- positive fair value	-	-	-	-	-	-	-
- negative fair value	-	-	-	-	-	-	-
- future exposure	-	-	13,159	-	-	-	-
<b>3. Currencies and gold</b>							
- notional values	-	-	-	-	-	-	-
- positive fair value	-	-	-	-	-	-	-
- negative fair value	-	-	-	-	-	-	-
- future exposure	-	-	-	-	-	-	-
<b>4. Other values</b>							
- notional values	-	-	-	-	-	-	-
- positive fair value	-	-	-	-	-	-	-
- negative fair value	-	-	-	-	-	-	-
- future exposure	-	-	-	-	-	-	-

### A.8 OTC financial derivatives: bank portfolio - notional values, gross positive and negative fair values by counterparty - compensation agreements

	GOVERNMENTS AND CENTRAL BANKS	OTHER PUBLIC ENTITIES	BANKS	FINANCIAL INSTITUTIONS	INSURANCE COMPANIES	NON-FINANCIAL COMPANIES	OTHER PARTIES
<b>1. Debt securities and interest rate derivatives</b>							
- notional values	-	-	3,120,111	-	-	-	-
- positive fair value	-	-	-	-	-	-	-
- negative fair value	-	-	1,075,789	-	-	-	-
<b>2. Equity derivatives and index derivatives</b>							
- notional values	-	-	-	-	-	-	-
- positive fair value	-	-	-	-	-	-	-
- negative fair value	-	-	-	-	-	-	-
<b>3. Currencies and gold</b>							
- notional values	-	-	107,075	-	-	-	-
- positive fair value	-	-	-	-	-	-	-
- negative fair value	-	-	18,996	-	-	-	-
<b>4. Other values</b>							
- notional values	-	-	-	-	-	-	-
- positive fair value	-	-	-	-	-	-	-
- negative fair value	-	-	-	-	-	-	-

### A.9 Residual life of OTC financial derivatives: notional values

	UP TO 1 YEAR	BETWEEN 1 AND 5 YEARS	OVER 5 YEARS	TOTAL
<b>A. Regulatory trading book</b>	<b>3,523,960</b>	-	-	<b>3,523,960</b>
A.1 Debt derivatives and interest rate derivatives	-	-	-	-
A.2 Equity derivatives and index derivatives	-	-	-	-
A.3 Currency derivatives and gold derivatives	3,523,960	-	-	3,523,960
A.4 Financial derivatives on other instruments	-	-	-	-
<b>B. Bank portfolio</b>	-	<b>356,101</b>	<b>3,365,586</b>	<b>3,721,687</b>
B.1 Debt derivatives and interest rate derivatives	-	310,800	2,809,311	3,120,111
B.2 Equity derivatives and index derivatives	-	-	494,501	494,501
B.3 Currency derivatives and gold derivatives	-	45,301	61,774	107,075
B.4 Financial derivatives on other instruments	-	-	-	-
<b>Total 31.12.2014</b>	<b>3,523,960</b>	<b>356,101</b>	<b>3,365,586</b>	<b>7,245,647</b>
<b>Total 31.12.2013</b>	<b>2,720,174</b>	<b>154,000</b>	<b>3,225,493</b>	<b>6,099,667</b>

## C. FINANCIAL AND CREDIT DERIVATIVES

### C.1 OTC financial and credit derivatives: net fair values and future exposure by counterparty

	GOVERNMENTS AND CENTRAL BANKS	OTHER PUBLIC ENTITIES	BANKS	FINANCIAL INSTITUTIONS	INSURANCE COMPANIES	NON- FINANCIAL COMPANIES	OTHER PARTIES
<b>1) Bilateral agreements: financial derivatives</b>							
- Positive fair value	-	-	363	-	-	-	-
- Negative fair value	-	-	1,135,636	-	-	-	-
- Future exposure	-	-	34,660	-	-	-	-
- Net counterparty risk	-	-	35,023	-	-	-	-
<b>2) Bilateral agreements: credit derivatives</b>							
- Positive fair value	-	-	-	-	-	-	-
- Negative fair value	-	-	-	-	-	-	-
- Future exposure	-	-	-	-	-	-	-
- Net counterparty risk	-	-	-	-	-	-	-
<b>3) Cross-product agreements</b>							
- Positive fair value	-	-	-	-	-	-	-
- Negative fair value	-	-	-	-	-	-	-
- Future exposure	-	-	-	-	-	-	-
- Net counterparty risk	-	-	-	-	-	-	-

## 1.3 LIQUIDITY RISK

### QUALITATIVE INFORMATION

The Banca Fideuram Group manages liquidity risk in accordance with Intesa Sanpaolo's Liquidity Risk Governance Guidelines, which ensure prompt implementation of national and supranational legal and regulatory changes.

The cardinal principles of said regulatory changes have been to introduce prudential rules regarding both short-term liquidity risk management and long-term liquidity risk management (structural liquidity).

The Banca Fideuram Group's solidity is based on balance sheet liabilities that are mainly centred on private customer deposits. These are deposits that benefit from considerable stability over time, meaning that the Group does not need to depend on the interbank market and can thus avoid exposure to the risk of a liquidity crisis in that market.

In addition to the stability of customer deposits, where interest-bearing assets are concerned, the Group has an investment portfolio that is governed by stringent liquidity limits for securities (readily-negotiable and eligible for Central Bank refinancing) in accordance with the provisions of the Group Investment Policy based on highly-prudential criteria suitable for ensuring high and stable liquidity.

The introduction of said Policy also involved setting up an operational limit monitoring and reporting unit in line with the revised Group regulations.

Liquidity-risk exposure is monitored constantly to ensure compliance with the operational limits and the regulations of the Banca Fideuram Liquidity Risk Governance Policy, as updated to align them with the Intesa Sanpaolo Group's Financial Guidelines and approved by the Board of Directors on 16 April 2014. The main new provisions regarded the introduction of the new Basel III Liquidity Reserve classification criteria and the new ratios for measuring both short-term soundness (Liquidity Coverage Ratio - LCR) and longer-term soundness (Net Stable Funding Ratio - NSFR).

The methods adopted to measure the Group's exposure to liquidity risk follow the cardinal principles of the European Banking Authority (EBA) and the provisions of the Supervisory Regulations and ensure that the assets and liabilities items are calculated in a wholly suitable manner for providing an appropriate representation of anticipated cash flows.

## QUANTITATIVE INFORMATION

### 1. Distribution of financial assets and liabilities by remaining contractual term (euro)

	DEMAND DEPOSITS	BETWEEN MORE THAN 1 AND 7 DAYS	BETWEEN MORE THAN 7 AND 15 DAYS	BETWEEN MORE THAN 15 DAYS AND 1 MONTH	BETWEEN MORE THAN 1 MONTH AND 3 MONTHS	BETWEEN MORE THAN 3 MONTHS AND 6 MONTHS	BETWEEN MORE THAN 6 MONTHS AND 1 YEAR	BETWEEN MORE THAN 1 AND 5 YEARS	OVER 5 YEARS	UNSPECIFIED MATURITY
<b>Cash assets</b>	<b>3,400,108</b>	<b>319,732</b>	<b>226,830</b>	<b>466,687</b>	<b>217,602</b>	<b>182,378</b>	<b>302,468</b>	<b>2,744,920</b>	<b>3,596,185</b>	<b>113,403</b>
A.1 Government securities	-	-	-	-	29,679	13,424	27,736	411,669	2,095,027	-
A.2 Other debt securities	1,626	-	1,037	10,444	17,307	12,098	100,263	1,983,370	1,329,685	-
A.3 Units in mutual funds	196,571	-	-	-	-	-	-	-	-	-
A.4 Loans	3,201,911	319,732	225,793	456,243	170,616	156,856	174,469	349,881	171,473	113,403
- Banks	333,023	-	100,023	404,441	165,782	149,678	160,238	97,000	-	113,403
- Customers	2,868,888	319,732	125,770	51,802	4,834	7,178	14,231	252,881	171,473	-
<b>Cash liabilities</b>	<b>8,497,514</b>	<b>25,979</b>	<b>3,748</b>	<b>9,542</b>	<b>24,165</b>	<b>47,527</b>	<b>63,106</b>	<b>220,061</b>	<b>326,947</b>	<b>-</b>
B.1 Deposits and current accounts	8,404,410	25,398	1,099	3,070	5,322	47,232	63,106	93,681	-	-
- Banks	92,891	25,001	-	-	-	-	-	-	-	-
- Customers	8,311,519	397	1,099	3,070	5,322	47,232	63,106	93,681	-	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	93,104	581	2,649	6,472	18,843	295	-	126,380	326,947	-
<b>Off-balance-sheet transactions</b>										
C.1 Financial derivatives with exchange of capital										
- Long positions	189,493	23,237	841,063	245,474	626,015	1,808	1,727	45,327	61,774	-
- Short positions	-	513,419	810,689	288,610	612,280	-	-	26	-	-
C.2 Financial derivatives without exchange of capital										
- Long positions	-	74	63	334	1,389	8,338	10,110	-	-	-
- Short positions	-	-	338	363	11,695	5,126	32,492	-	-	-
C.3 Deposits and loans receivable										
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.4 Commitments to grant finance										
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.5 Financial guarantees issued	-	-	-	-	-	460	200	115	3	17
C.6 Financial guarantees received	-	-	-	-	-	-	-	-	-	-
C.7 Credit derivatives with exchange of capital										
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.8 Credit derivatives without exchange of capital										
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-

**(US dollar)**

	DEMAND DEPOSITS	BETWEEN MORE THAN 1 AND 7 DAYS	BETWEEN MORE THAN 7 AND 15 DAYS	BETWEEN MORE THAN 15 DAYS AND 1 MONTH	BETWEEN MORE THAN 1 MONTH AND 3 MONTHS	BETWEEN MORE THAN 3 MONTHS AND 6 MONTHS	BETWEEN MORE THAN 6 MONTHS AND 1 YEAR	BETWEEN MORE THAN 1 AND 5 YEARS	OVER 5 YEARS	UNSPECIFIED MATURITY
<b>Cash assets</b>	<b>70,321</b>	<b>57,707</b>	<b>2,529</b>	-	<b>82,449</b>	-	<b>2,529</b>	<b>45,301</b>	<b>61,774</b>	-
A.1 Government securities	-	-	-	-	-	-	-	-	-	-
A.2 Other debt securities	-	-	2,529	-	-	-	2,529	45,301	61,774	-
A.3 Units in mutual funds	-	-	-	-	-	-	-	-	-	-
A.4 Loans	70,321	57,707	-	-	82,449	-	-	-	-	-
- Banks	69,303	57,707	-	-	82,449	-	-	-	-	-
- Customers	1,018	-	-	-	-	-	-	-	-	-
<b>Cash liabilities</b>	<b>419,321</b>	-	-	-	-	-	-	-	-	-
B.1 Deposits and current accounts	419,224	-	-	-	-	-	-	-	-	-
- Banks	321	-	-	-	-	-	-	-	-	-
- Customers	418,903	-	-	-	-	-	-	-	-	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	97	-	-	-	-	-	-	-	-	-
<b>Off-balance-sheet transactions</b>										
C.1 Financial derivatives with exchange of capital										
- Long positions	11,969	527,426	529,135	287,468	555,566	491	983	-	-	-
- Short positions	213,003	57,837	624,464	243,955	566,478	906	4,352	45,301	61,774	-
C.2 Financial derivatives without exchange of capital										
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.3 Deposits and loans receivable										
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.4 Commitments to grant finance										
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.5 Financial guarantees issued	-	-	-	-	-	-	143	-	-	-
C.6 Financial guarantees received	-	-	-	-	-	-	-	-	-	-
C.7 Credit derivatives with exchange of capital										
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.8 Credit derivatives without exchange of capital										
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-

**(Sterling)**

	DEMAND DEPOSITS	BETWEEN MORE THAN 1 AND 7 DAYS	BETWEEN MORE THAN 7 AND 15 DAYS	BETWEEN MORE THAN 15 DAYS AND 1 MONTH	BETWEEN MORE THAN 1 MONTH AND 3 MONTHS	BETWEEN MORE THAN 3 MONTHS AND 6 MONTHS	BETWEEN MORE THAN 6 MONTHS AND 1 YEAR	BETWEEN MORE THAN 1 AND 5 YEARS	OVER 5 YEARS	UNSPECIFIED MATURITY
<b>Cash assets</b>	<b>802</b>	-	-	-	-	-	-	-	-	
A.1 Government securities	-	-	-	-	-	-	-	-	-	
A.2 Other debt securities	-	-	-	-	-	-	-	-	-	
A.3 Units in mutual funds	-	-	-	-	-	-	-	-	-	
A.4 Loans	802	-	-	-	-	-	-	-	-	
- Banks	799	-	-	-	-	-	-	-	-	
- Customers	3	-	-	-	-	-	-	-	-	
<b>Cash liabilities</b>	<b>25,540</b>	-	-	-	-	-	-	-	-	
B.1 Deposits and current accounts	25,536	-	-	-	-	-	-	-	-	
- Banks	446	-	-	-	-	-	-	-	-	
- Customers	25,090	-	-	-	-	-	-	-	-	
B.2 Debt securities	-	-	-	-	-	-	-	-	-	
B.3 Other liabilities	4	-	-	-	-	-	-	-	-	
<b>Off-balance-sheet transactions</b>										
C.1 Financial derivatives with exchange of capital										
- Long positions	488	25,348	185,062	-	44,745	-	-	-	-	
- Short positions	8,987	2,500	175,889	-	45,578	-	-	-	-	
C.2 Financial derivatives without exchange of capital										
- Long positions	-	-	-	-	-	-	-	-	-	
- Short positions	-	-	-	-	-	-	-	-	-	
C.3 Deposits and loans receivable										
- Long positions	-	-	-	-	-	-	-	-	-	
- Short positions	-	-	-	-	-	-	-	-	-	
C.4 Commitments to grant finance										
- Long positions	-	-	-	-	-	-	-	-	-	
- Short positions	-	-	-	-	-	-	-	-	-	
C.5 Financial guarantees issued	-	-	-	-	-	-	-	-	-	
C.6 Financial guarantees received	-	-	-	-	-	-	-	-	-	
C.7 Credit derivatives with exchange of capital										
- Long positions	-	-	-	-	-	-	-	-	-	
- Short positions	-	-	-	-	-	-	-	-	-	
C.8 Credit derivatives without exchange of capital										
- Long positions	-	-	-	-	-	-	-	-	-	
- Short positions	-	-	-	-	-	-	-	-	-	

**(Japanese yen)**

	DEMAND DEPOSITS	BETWEEN MORE THAN 1 AND 7 DAYS	BETWEEN MORE THAN 7 AND 15 DAYS	BETWEEN MORE THAN 15 DAYS AND 1 MONTH	BETWEEN MORE THAN 1 MONTH AND 3 MONTHS	BETWEEN MORE THAN 3 MONTHS AND 6 MONTHS	BETWEEN MORE THAN 6 MONTHS AND 1 YEAR	BETWEEN MORE THAN 1 AND 5 YEARS	OVER 5 YEARS	UNSPECIFIED MATURITY
<b>Cash assets</b>	<b>1,853</b>	<b>40</b>	<b>227</b>	<b>460</b>	<b>1,010</b>	<b>43</b>	<b>39</b>	<b>151</b>	-	-
A.1 Government securities	-	-	-	-	-	-	-	-	-	-
A.2 Other debt securities	-	-	-	-	-	-	-	-	-	-
A.3 Units in mutual funds	-	-	-	-	-	-	-	-	-	-
A.4 Loans	1,853	40	227	460	1,010	43	39	151	-	-
- Banks	1,529	-	-	-	-	-	-	-	-	-
- Customers	324	40	227	460	1,010	43	39	151	-	-
<b>Cash liabilities</b>	<b>52,123</b>	-	-	-	-	-	-	-	-	-
B.1 Deposits and current accounts	52,123	-	-	-	-	-	-	-	-	-
- Banks	67	-	-	-	-	-	-	-	-	-
- Customers	52,056	-	-	-	-	-	-	-	-	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	-	-	-	-	-	-	-	-	-	-
<b>Off-balance-sheet transactions</b>										
C.1 Financial derivatives with exchange of capital										
- Long positions	19,541	1,251	65,448	-	24,953	-	-	-	-	-
- Short positions	550	1,052	32,966	-	28,297	-	-	-	-	-
C.2 Financial derivatives without exchange of capital										
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.3 Deposits and loans receivable										
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.4 Commitments to grant finance										
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.5 Financial guarantees issued	-	-	-	-	-	-	-	-	-	-
C.6 Financial guarantees received	-	-	-	-	-	-	-	-	-	-
C.7 Credit derivatives with exchange of capital										
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.8 Credit derivatives without exchange of capital										
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-

**(Swiss franc)**

	DEMAND DEPOSITS	BETWEEN MORE THAN 1 AND 7 DAYS	BETWEEN MORE THAN 7 AND 15 DAYS	BETWEEN MORE THAN 15 DAYS AND 1 MONTH	BETWEEN MORE THAN 1 MONTH AND 3 MONTHS	BETWEEN MORE THAN 3 MONTHS AND 6 MONTHS	BETWEEN MORE THAN 6 MONTHS AND 1 YEAR	BETWEEN MORE THAN 1 AND 5 YEARS	OVER 5 YEARS	UNSPECIFIED MATURITY
<b>Cash assets</b>	<b>2,424</b>	-	-	-	75	253	125	-	-	-
A.1 Government securities	-	-	-	-	-	-	-	-	-	-
A.2 Other debt securities	-	-	-	-	-	-	-	-	-	-
A.3 Units in mutual funds	-	-	-	-	-	-	-	-	-	-
A.4 Loans	2,424	-	-	-	75	253	125	-	-	-
- Banks	1,865	-	-	-	-	-	-	-	-	-
- Customers	559	-	-	-	75	253	125	-	-	-
<b>Cash liabilities</b>	<b>2,203</b>	-	-	-	-	-	-	-	-	-
B.1 Deposits and current accounts	2,188	-	-	-	-	-	-	-	-	-
- Banks	86	-	-	-	-	-	-	-	-	-
- Customers	2,102	-	-	-	-	-	-	-	-	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	15	-	-	-	-	-	-	-	-	-
<b>Off-balance-sheet transactions</b>										
C.1 Financial derivatives with exchange of capital										
- Long positions	-	1,506	6,645	-	-	-	-	-	-	-
- Short positions	-	1,930	6,645	-	-	-	-	-	-	-
C.2 Financial derivatives without exchange of capital										
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.3 Deposits and loans receivable										
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.4 Commitments to grant finance										
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.5 Financial guarantees issued	-	-	-	-	-	-	-	-	-	-
C.6 Financial guarantees received	-	-	-	-	-	-	-	-	-	-
C.7 Credit derivatives with exchange of capital										
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.8 Credit derivatives without exchange of capital										
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-

**(Other currencies)**

	DEMAND DEPOSITS	BETWEEN MORE THAN 1 AND 7 DAYS	BETWEEN MORE THAN 7 AND 15 DAYS	BETWEEN MORE THAN 15 DAYS AND 1 MONTH	BETWEEN MORE THAN 1 MONTH AND 3 MONTHS	BETWEEN MORE THAN 3 MONTHS AND 6 MONTHS	BETWEEN MORE THAN 6 MONTHS AND 1 YEAR	BETWEEN MORE THAN 1 AND 5 YEARS	OVER 5 YEARS	UNSPECIFIED MATURITY
<b>Cash assets</b>	<b>4,596</b>	-	-	-	-	-	-	-	-	
A.1 Government securities	-	-	-	-	-	-	-	-	-	
A.2 Other debt securities	-	-	-	-	-	-	-	-	-	
A.3 Units in mutual funds	-	-	-	-	-	-	-	-	-	
A.4 Loans	4,596	-	-	-	-	-	-	-	-	
- Banks	4,454	-	-	-	-	-	-	-	-	
- Customers	142	-	-	-	-	-	-	-	-	
<b>Cash liabilities</b>	<b>23,173</b>	-	-	-	-	-	-	-	-	
B.1 Deposits and current accounts	23,166	-	-	-	-	-	-	-	-	
- Banks	1,136	-	-	-	-	-	-	-	-	
- Customers	22,030	-	-	-	-	-	-	-	-	
B.2 Debt securities	-	-	-	-	-	-	-	-	-	
B.3 Other liabilities	7	-	-	-	-	-	-	-	-	
<b>Off-balance-sheet transactions</b>										
C.1 Financial derivatives with exchange of capital										
- Long positions	3,665	14,744	48,233	8,054	1,422	-	-	-	-	
- Short positions	2,747	16,684	30,349	8,059	1,422	-	-	-	-	
C.2 Financial derivatives without exchange of capital										
- Long positions	-	-	-	-	-	-	-	-	-	
- Short positions	-	-	-	-	-	-	-	-	-	
C.3 Deposits and loans receivable										
- Long positions	-	-	-	-	-	-	-	-	-	
- Short positions	-	-	-	-	-	-	-	-	-	
C.4 Commitments to grant finance										
- Long positions	-	-	-	-	-	-	-	-	-	
- Short positions	-	-	-	-	-	-	-	-	-	
C.5 Financial guarantees issued	-	-	-	-	-	-	2	-	-	
C.6 Financial guarantees received	-	-	-	-	-	-	-	-	-	
C.7 Credit derivatives with exchange of capital										
- Long positions	-	-	-	-	-	-	-	-	-	
- Short positions	-	-	-	-	-	-	-	-	-	
C.8 Credit derivatives without exchange of capital										
- Long positions	-	-	-	-	-	-	-	-	-	
- Short positions	-	-	-	-	-	-	-	-	-	

## 2. Disclosures on pledged assets recognised in the financial statements

	PLEGGED		NOT PLEGGED		TOTAL 31.12.2014	TOTAL 31.12.2013
	BOOK VALUE	FAIR VALUE	BOOK VALUE	FAIR VALUE		
1. Cash and cash equivalents	-	X	39,290	X	39,290	73,342
2. Debt securities (*)	2,909,356	2,916,774	3,391,836	3,262,896	6,301,192	5,552,180
3. Equities	-	-	3,949	3,949	3,949	2,712
4. Loans	324,707	X	5,229,745	X	5,554,452	5,227,580
5. Other financial assets	-	X	236,343	X	236,343	206,811
6. Non-financial assets	-	X	1,086,698	X	1,086,698	930,336
<b>Total 31.12.2014</b>	<b>3,234,063</b>	<b>2,916,774</b>	<b>9,987,861</b>	<b>3,266,845</b>	<b>13,221,924</b>	<b>X</b>
<b>Total 31.12.2013</b>	<b>2,614,014</b>	<b>2,294,633</b>	<b>9,378,947</b>	<b>2,989,210</b>	<b>X</b>	<b>11,992,961</b>

## 3. Disclosures on own assets pledged not recognised in the financial statements

	PLEGGED	NOT PLEGGED	TOTAL 31.12.2014	TOTAL 31.12.2013
1. Financial assets	-	1,060,206	1,060,206	910,990
- Securities	-	1,060,206	1,060,206	910,990
- Other	-	-	-	-
2. Non-financial assets	-	-	-	-
<b>Total 31.12.2014</b>	<b>-</b>	<b>1,060,206</b>	<b>1,060,206</b>	<b>X</b>
<b>Total 31.12.2013</b>	<b>55,354</b>	<b>855,636</b>	<b>X</b>	<b>910,990</b>

## 1.4 OPERATIONAL RISK

### QUALITATIVE INFORMATION

Operational risk is defined as the risk of loss arising from inadequate or dysfunctional internal processes, human resources or systems, or from external events. Operational risk includes legal risk, which is to say the risk of loss arising from failure to comply with laws or regulations, from contractual or extra-contractual responsibilities or other disputes, Information and Communication Technology risk and model risk, but does not include strategic risk or reputational risk.

Intesa Sanpaolo has drawn up regulations and organisational processes for measuring, managing and monitoring operational risk. The Intesa Sanpaolo Group assigns responsibility for operational risk management to its Board of Management, which is charged with developing the Group's risk management policies, and to its Supervisory Board, which is charged with approving and monitoring the implementation of said policies, as well as ensuring the smooth operation, efficiency and effectiveness of the operational risk management and control system. The Group Controls and Operational Risk Coordination Committee is responsible, amongst other things, for periodically verifying the Group's overall operational risk profile, providing for any corrective actions, coordinating and monitoring the effectiveness of the principal mitigation activities undertaken and approving operational risk transfer strategies. The Group has a centralised operational risk management unit in its Risk Management Department. This unit is responsible for designing, implementing and supervising the

methodological and organisational framework adopted, as well as for measuring risk profiles, verifying the effectiveness of risk mitigation measures and reporting to company senior management.

In accordance with current legislation and regulations, the companies in the Banca Fideuram Group are responsible for identifying, measuring, managing and mitigating risk, each having specified internal units, coordinated by Banca Fideuram's Operational Risk Management Unit, which are responsible for their Operational Risk Management processes.

Banca Fideuram has developed its own system of governance for the operational risk management process, within which the Board of Directors is responsible for the development and strategic supervision of risk management policies, and for ensuring the smooth operation, efficiency and effectiveness of the operational risk management and control system over time, while also deciding matters regarding compliance with the criteria for calculating the bank's capital requirement. The Internal Audit Committee is responsible for monitoring the suitability of the operational risk management and control system and ascertaining whether it complies with the related regulatory requirements. The Managing Director is responsible for ensuring the suitability and effectiveness over time of the risk management and control systems and the procedures used for determining the capital requirement. The Internal Audit Department is responsible for periodically auditing the operational risk management system and for reporting on it to the Company Bodies.

The Operational Risk Committee is a consultative body that analyses the reports on the operational risk profile and proposes any actions required to prevent and mitigate operational risk. The Decentralised Operational Risk Management Unit in the Risk Management Department is responsible for organising and maintaining the body of activities provided for by the operational risk management system (collection and structured recording of information on operational loss events, scenario analyses and the assessment of risks associated with the bank's operating context).

The other companies in the Banca Fideuram Group have developed appropriate Operational Risk Management governance systems in accordance with the parent company's guidelines.

The Integrated Self-Diagnosis Process, which is performed annually, supports the following:

- The identification, measurement, monitoring and mitigation of operational risk through identifying the principal critical operational risk issues and formulating the most appropriate mitigation actions.
- The creation of substantial synergies with the Group's specialist Human Resources and General Affairs units in charge of the development of operating processes and business continuity, with Financial Management Governance and with the Compliance and Audit units that manage compliance with certain specific laws, regulations and related matters (Italian Legislative Decree 231/01 and Law 262/05) or carry out effectiveness tests on the controls on company processes.

Overall, the Self-Diagnosis process showed good operational risk management and contributed to extending the dissemination of a corporate culture focused on continuous operational risk management.

The data collection process for operational loss events (operational loss data obtained from internal and external sources) provides significant information on prior exposure, while also contributing to our knowledge and understanding of operational risk on the one hand and to assessing the effectiveness of or potential weaknesses in the internal audit system on the other.

The internal model for calculating capital absorption has been designed to combine all the main sources of information, whether quantitative (operational loss) or qualitative (self-diagnosis). The quantitative part is based on an analysis of the historical data regarding internal events (monitored by decentred units, verified appropriately by the central unit and managed by a dedicated data processing system) and external events (monitored by the Operational Riskdata eXchange Association). The qualitative part (scenario analyses) is focused on the prospective valuation of the risk profile of each unit, and is based on the structured and organised collection of subjective estimates which are provided directly by Management with the aim of measuring the potential financial impact of particularly severe operational risk events.

The capital at risk is therefore considered to be the minimum amount at Group level which would be required to meet the maximum potential loss that could be incurred. The capital at risk is estimated using a Loss Distribution Approach model (an actuarial statistical model

for calculating the Value at Risk of operational losses), which is applied both to the quantitative data and the results of the scenario analysis over a one-year time horizon, with a confidence interval of 99.9%. This method also involves applying a correction factor obtained from qualitative risk analyses of the operating context in order to take the effectiveness of the internal controls in the various different organisational units into account. Operational risk monitoring is carried out using an integrated reporting system that provides Management with information to support the management and/or mitigation of the risks assumed.

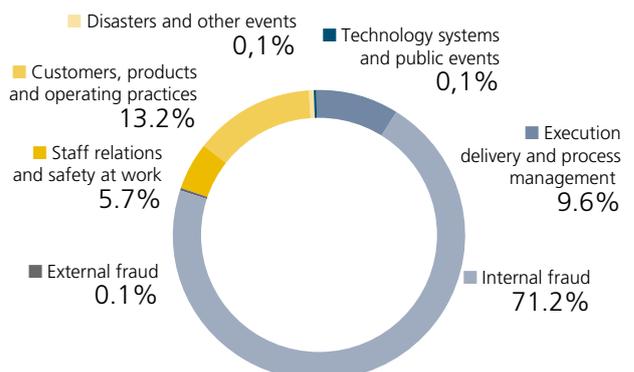
A structured training programme has been launched for staff actively involved in the operational risk governance process to provide continuous support for the process. The Group adopts a traditional policy for transferring operational risk (to cover offences such as employee misconduct, theft and damage, the transport of valuables, computer fraud, forgery, fire and earthquake damage and third-party liability), with a view to mitigating its impact. In order to achieve optimal use of the operational risk transfer instruments available and to leverage the financial benefits while complying with all the related regulatory requirements, the Group has taken out an insurance policy known as an Operational Risk Insurance Programme which provides additional cover and significantly higher limits than traditional policies, transferring the risk of substantial operational losses to the insurance market. Our internal model's insurance mitigation component has been authorised by the Bank of Italy and its management and capital requirement benefits were again evident in 2014.

The Banca Fideuram Group has also taken out a traditional insurance policy to cover any cases of misconduct by the Personal Financial Advisers in the Group's Sales Networks.

## QUANTITATIVE INFORMATION

The Banca Fideuram Group calculates its capital requirement using the AMA (Advanced Measurement Approaches) method authorised by the Supervisory Authority. The operational losses recorded in the year are analysed by type of event below.

### Analysis of operational loss 2014 Financial year



## Legal and tax risk

The Group is involved in civil and tax law suits as well as in criminal proceedings against third parties as part of its normal business operations.

The Group monitors pending cases constantly in consultation with external legal advisers, examining them in the light of the relevant contractual documents, the conduct concerned, internal investigations and any critical matters highlighted by the aforesaid legal advisers during lawsuits. The Group has set aside provisions for legal disputes to cover, amongst other things, the liabilities that could, according to internal and external legal advice, be incurred as a result of pending legal and other disputes. At 31 December 2014, these provisions totalled €87.4m. The total provisions and the amount of the individual provisions set aside are calculated on the basis of external and internal legal advisers' estimations of the proceedings having negative outcomes. As a consequence of said process, certain pending proceedings in which the Group is involved and regarding which a negative outcome is considered either remote or not quantifiable are not included in the provisions for legal disputes. The number and value of pending proceedings at 31 December 2014 were not sufficient to have any eventual significant impact on the business, assets or financial situation of the Group and may be classified as follows:

### 1) Cases regarding alleged unlawful and/or improper conduct by former personal financial advisers

The majority of legal proceedings against the Group regard requests for compensation for damages in response to alleged unlawful conduct by former Banca Fideuram or Sanpaolo Invest personal financial advisers. The Group's involvement where damaging events of this kind are concerned is linked to the fact that it is considered jointly and severally liable with its personal financial advisers pursuant to article 31, subparagraph 3 of the Italian Finance Consolidation Act (TUF), which specifies that the broker is jointly and severally responsible for any damages to third parties caused by the financial adviser, even when responsibility for said damages has been ascertained in a court of criminal law. This type of complaint is in most cases due to acts of appropriation, forged signatures on contractual forms and the issue of false reports to customers. In July 2014, Banca Fideuram renewed a personal financial adviser misconduct insurance policy with Lloyd's of London, through the broker AON S.p.A., which covers claims consequent upon unlawful acts committed by Banca Fideuram and Sanpaolo Invest personal financial advisers for amounts in excess of €3m. The annual per-claim limit provided for in the policy is €16m (to cover all complaints, including out-of-court settlements, regarding the unlawful/improper conduct of a single personal financial adviser). At 31 December 2014, none of the unlawful acts which had emerged during the period of cover had reached said €3m excess.

### 2) Cases regarding securities in default and losses on investments in financial products

Legal disputes initiated by customers requesting the cancellation of and/or compensation for damages arising from the purchase of securities in default and cases in which the customer alleges non-compliance with the regulations governing the provision of investment services and activities, consequently requesting the cancellation of transactions, refunding of the principal invested and/or compensation for damages.

### 3) Disputes initiated by former personal financial advisers regarding alleged breaches of their agency contract

There are a small number of legal disputes of this kind initiated by former Banca Fideuram and Sanpaolo Invest personal financial advisers, resulting from the bank's and stockbroker's normal operations, which involve complaints regarding alleged breach of contract. They are mainly requests for the payment of various different termination indemnities, commission and compensation for damages.

### 4) Disputes regarding banking and other operations

These cases are mainly requests for compensation regarding banking operations (e.g. capitalisation of interest, claims from receivers and the disposal of pledged assets) and/or miscellaneous complaints which do not fall within any other category.

### 5) Disputes regarding supervisory investigations

This category concerns two pending judgements, one at the Rome Court of Appeal (remitted from the Court of Cassation) and one at the Court of Cassation. These see Sanpaolo Invest opposing the Italian Ministry of the Economy and Finance and the Italian National Commission for Listed Companies and the Stock Exchange (CONSOB), which launched two penalty proceedings following supervisory investigations, one regarding the years 1992-1997, and the other regarding 2005. In particular, Sanpaolo Invest and the managers involved contest the imposition of financial penalties totalling €213,000 in the first case and €296,500 in the second, and the inefficiencies and/or omissions in its management processes alleged by the Supervisory Authority. The CONSOB's investigations into the years 1992-1997 led to the formulation of a number of objections regarding the alleged inadequacy of the procedures in place with Personal Financial Advisers for the provision of services and, likewise, the alleged inadequacy of the controls on said procedures, failure to notify the Board of Statutory Auditors of the Personal Financial Advisers' irregularities and failure to provide for a register of the audits performed. The Rome Court of Appeal found in favour of the defence presented by Sanpaolo Invest and the managers concerned, annulling the penalties. The Court of Cassation overturned the Rome Court of Appeal's judgment

following an appeal by the CONSOB and Italian Ministry of the Economy and Finance, remitting the case to the Rome Court of Appeal. The Court of Appeal, to which the case was remitted on 11 February 2011, ruled that the penalties against Sanpaolo Invest and its managers be annulled. On 28 March 2012, the Italian Ministry of the Economy and Finance and the CONSOB filed an appeal in Cassation against the Rome Court of Appeal's decision of 11 February 2011. The company and managers have filed their defence.

The CONSOB's 2005 investigation was launched in relation to an audit of the efficiency of the management processes and internal audit system. The penalty proceedings for alleged violations of regulatory provisions, principally regarding internal auditing, led to the imposition of administrative monetary penalties totalling €296,500. Sanpaolo Invest presented submissions and filed statements in the course of the proceedings, highlighting that its procedures complied with the applicable regulations. The appeal against these penalties at the Rome Court of Appeal was rejected. The company and managers therefore filed an appeal, which is currently still pending, at the Court of Cassation.

## 6) Tax dispute

Banca Fideuram received a report from the Latium Regional Tax Police (Polizia Tributaria) concerning the 2003 and 2004 tax years, questioning the tax period adopted by the bank for the tax deduction regarding the Personal Financial Adviser Network Loyalty Schemes, together with a number of other lesser matters.

Following this report, the bank was served a notice of assessment by the competent office of the Italian Inland Revenue regarding Corporate Income Tax (IRPEG) and Regional Business Tax (IRAP) for the year 2003, against which the bank promptly appealed. The bank filed an appeal in second instance following the adverse judgement of the Provincial Tax Commission, the hearing for which was held on 11 May 2010 and again found against the bank. The bank therefore filed an appeal with the Court of Cassation. As a further consequence of the visit by the Tax Police and regarding the same financial statement items as for 2003, the bank subsequently received notices of assessment regarding IRES corporate income tax and IRAP regional business tax for the 2004 tax year, against which the bank filed an appeal with the Tax Commission within the required time.

The bank subsequently reached a legal settlement regarding the main item while pursuing the dispute regarding a number of lesser items in the court of second instance, where the court found in favour of the bank excepting for one small amount. The dispute is currently pending in the Court of Cassation following a subsequent appeal lodged by the Italian Inland Revenue on the 19 September 2013. An additional consequence of said report regarding the 2003 and 2004 tax years was that the bank was also served a notice of assessment for a smaller amount regarding VAT. The bank's appeal against this notice of assessment was granted by the Rome Provincial Tax Commission, but the Inland Revenue subsequently lodged an appeal with the Latium Regional Tax Commission and this appeal was upheld. The bank has in turn lodged an appeal in Cassation. The provisions for risks and charges are more than sufficient to cover the remaining items still to be settled.

In the first half of 2014, the Latium Regional Office of the Inland Revenue - Large Taxpayers Office - conducted a general inspection of Banca Fideuram regarding IRES corporate income tax, IRAP regional business tax, VAT and withholding agent activities for the 2010 tax year, with said inspection subsequently being partially extended to 2009. The inspection was completed on 23 May with the notification of a report contesting the deductibility of certain items for the purposes of IRES corporate income tax and IRAP regional business tax, and alleging non-compliance with respect to withholding tax on interest earned on accounts outside Italy linked to mutual funds distributed by the company, demanding the payment of taxes totalling €3.4m plus financial penalties and interest.

The bank settled with the Latium Regional Office of the Inland Revenue on 27 November 2014 in compliance with the assessment regarding IRES and IRAP, paying a total of €943k in taxes, financial penalties and interest. Conversely, the bank decided not to comply with the assessment alleging non-compliance with respect to withholding tax on interest paid by Fideuram Bank (Luxembourg) to the Luxembourg mutual funds, assessed at €2.2m plus financial penalties and interest, considering its conduct to have been correct. The Inland Revenue consequently served notices of assessment and of financial penalties on 22 December, against which the bank lodged an appeal with the Provincial Tax Commission.

## PART F - INFORMATION ON CONSOLIDATED SHAREHOLDERS' EQUITY

## SECTION 1 - CONSOLIDATED SHAREHOLDERS' EQUITY

## A. QUALITATIVE INFORMATION

Capital management in the Banca Fideuram Group is principally directed towards ensuring that the shareholders' equity and capital ratios of the parent company and its banking and financial subsidiaries are consistent with their risk profiles and capital requirements.

The banking and financial companies in the Banca Fideuram Group are required to comply with the Basel Committee capital requirements under the rules laid down by the Bank of Italy.

These rules provide for a notion of regulatory capital that is distinct from the shareholders' equity recorded in the accounts, and which is calculated as the algebraic sum of positive and negative items that are included on the basis of capital quality.

The Group companies monitor their respect for the regulatory capital ratios during the year and on a quarterly basis, taking appropriate direction and control actions with regard

to the capital items when necessary. Whenever a company transaction is to be conducted, the capital adequacy is assessed together with any related interventions that may be required regarding the shareholders' equity and/or capital items that impact on the minimum capital requirements.

The share capital and share premium reserve were the same as the amounts for the corresponding items in the shareholders' equity of Banca Fideuram and of non-controlling shareholders. The item Other reserves comprises Banca Fideuram's remaining reserves and any changes in the shareholders' equity of the companies included in the consolidation and of third parties.

At 31 December 2014, Banca Fideuram's share capital totalled €186,255,207 divided into 980,290,564 ordinary shares with a par value of €0.19.

The Group did not hold any treasury shares at 31 December 2014.

## B. QUANTITATIVE INFORMATION

## B.1 Consolidated shareholders' equity: analysis by type of company

	BANKING GROUP	INSURANCE COMPANIES	OTHER COMPANIES	CONSOLIDATION ELIMINATIONS AND ADJUSTMENTS	TOTAL	THIRD PARTIES
Capital	186,390	-	-	-	186,390	135
Share premium reserve	9,138	-	-	-	9,138	-
Reserves	743,467	-	-	-	743,467	81
Capital instruments	-	-	-	-	-	-
Treasury shares (-)	-	-	-	-	-	-
Valuation reserves:	(130,387)	-	-	-	(130,387)	(2)
- Financial assets available for sale	(155,321)	-	-	-	(155,321)	(1)
- Property and equipment	-	-	-	-	-	-
- Intangible assets	-	-	-	-	-	-
- Hedging of foreign investments	-	-	-	-	-	-
- Hedging of financial flows	-	-	-	-	-	-
- Exchange rate differences	358	-	-	-	358	-
- Non-current assets held for sale	-	-	-	-	-	-
- Actuarial Profit (Loss) on defined-benefit pension plans	(5,482)	-	-	-	(5,482)	(1)
- Valuation reserves related to investments carried at equity	11,116	-	-	-	11,116	-
- Special revaluation laws	18,942	-	-	-	18,942	-
Profit (Loss) for the year (+/-) of group and third parties	402,109	-	-	-	402,109	175
<b>Shareholders' equity</b>	<b>1,210,717</b>	-	-	-	<b>1,210,717</b>	<b>389</b>

**B.2 Valuation reserves for financial assets available for sale: analysis**

	BANKING GROUP		INSURANCE COMPANIES		OTHER COMPANIES		CONSOLIDATION ELIMINATIONS AND ADJUSTMENTS		TOTAL	
	POSITIVE RESERVE	NEGATIVE RESERVE	POSITIVE RESERVE	NEGATIVE RESERVE	POSITIVE RESERVE	NEGATIVE RESERVE	POSITIVE RESERVE	NEGATIVE RESERVE	POSITIVE RESERVE	NEGATIVE RESERVE
1. Debt securities	39,037	(179,760)	-	-	-	-	-	-	39,037	(179,760)
2. Equities	799	(55)	-	-	-	-	-	-	799	(55)
3. Units in mutual funds	178	(4,281)	-	-	-	-	-	-	178	(4,281)
4. Loans	-	-	-	-	-	-	-	-	-	-
<b>Total 31.12.2014</b>	<b>40,014</b>	<b>(184,096)</b>	-	-	-	-	-	-	<b>40,014</b>	<b>(184,096)</b>
<b>Total 31.12.2013</b>	<b>21,803</b>	<b>(208,756)</b>	-	-	-	-	-	-	<b>21,803</b>	<b>(208,756)</b>

**B.3 Valuation reserves for financial assets available for sale: changes in the year**

	DEBT SECURITIES	EQUITIES	UNITS IN MUTUAL FUNDS	LOANS
<b>1. Opening balance</b>	<b>(182.103)</b>	<b>912</b>	<b>(5.762)</b>	-
<b>2. Increases</b>	<b>49.361</b>	<b>388</b>	<b>2.384</b>	-
2.1 Increases in fair value	46.523	375	1.061	-
2.2 Reversals from negative reserves to the income statement	473	-	-	-
- following impairment	-	-	-	-
- following disposal	473	-	-	-
2.3 Other increases	2.365	13	1.323	-
<b>3. Decreases</b>	<b>7.981</b>	<b>556</b>	<b>725</b>	-
3.1 Reductions in fair value	1.443	89	701	-
3.2 Adjustments for impairment losses	-	-	-	-
3.3 Reversals from positive reserves to the income statement: following disposal	2.885	168	5	-
3.4 Other decreases	3.653	299	19	-
<b>4. Closing balance</b>	<b>(140.723)</b>	<b>744</b>	<b>(4.103)</b>	-

**B.4 Valuation reserves for defined-benefit plans: changes in the year**

	ACTUARIAL GAINS / (LOSSES)
<b>1. Opening balance</b>	<b>(3,815)</b>
<b>2. Increases</b>	<b>908</b>
2.1 Actuarial gains	26
2.2 Other increases	882
<b>3. Decreases</b>	<b>2,698</b>
3.1 Actuarial losses	2,058
3.2 Other decreases	640
<b>4. Closing balance</b>	<b>(5,605)</b>

## PART G - BUSINESS COMBINATION TRANSACTIONS REGARDING COMPANIES OR COMPANY DIVISIONS

### SECTION 1 - TRANSACTIONS COMPLETED IN THE YEAR

The bank did not engage in any business combination transactions in the year as governed by IFRS 3.

As part of the project reorganising Banca Fideuram's subsidiaries operating in the managed assets sector outside Italy, an extraordinary transaction was completed within the Banca Fideuram Group - which was therefore outside the scope of application of IFRS 3 - that involved transferring the business of Sanpaolo Invest (Ireland) to Fideuram Asset Management (Ireland).

The project, which was approved by the Banca Fideuram Board of Directors in 2012, aims to create an efficient structure able to fully harness the opportunities created by European Union Directive 2009/65/CE (UCITS IV Directive) by:

- Creating a single management company for the funds set up outside Italy through centralising the management of all the Banca Fideuram Group's Irish and Luxembourg funds at Fideuram Asset Management (Ireland).
- Achieving improved focus for its operations through the direct management of its Luxembourg funds by Fideuram Asset Management (Ireland) under the European Passport regime.
- Simplifying the corporate structure of our companies operating in Luxembourg.

Where the reorganisation referred to in the first bullet point above was concerned, in 2013 the Central Bank of Ireland authorised Fideuram Asset Management (Ireland)

to operate as an asset management company in accordance with the UCITS IV Directive. Following this authorisation, the acquisition of Sanpaolo Invest (Ireland) by Fideuram Asset Management (Ireland) was completed. In the first quarter of 2014, the process of winding up Sanpaolo Invest was completed.

Where the project referred to in the second bullet point was concerned, having obtained the necessary authorisation from the local authorities, the direct management of the Banca Fideuram Group's Luxembourg funds under the European Passport regime was transferred from Fideuram Gestions to Fideuram Asset Management (Ireland) with effect from 1 April 2014.

### SECTION 2 - TRANSACTIONS COMPLETED AFTER YEAR-END

As part of the reorganisation of Banca Fideuram's subsidiaries outside Italy operating in the managed assets sector, on 17 July 2014, the bank's Board of Directors authorised the project for reorganising its Luxembourg subsidiaries through the merger of Fideuram Gestions and Fideuram Bank Luxembourg. The merger was approved by the Boards of Directors of Fideuram Bank Luxembourg and Fideuram Gestions on 4 November 2014, was then approved by their Shareholders' Meetings of 18 December 2014 and was lastly authorised by the local Supervisory Authorities and came into effect on 1 January 2015.

## PART H - TRANSACTIONS WITH RELATED PARTIES

### OPERATING ASPECTS

Banca Fideuram is wholly owned and controlled directly by Intesa Sanpaolo S.p.A. The "Group Regulations governing the management of transactions with Intesa Sanpaolo S.p.A. related parties and Intesa Sanpaolo Group associated parties" and the related Addendum containing the Banca Fideuram S.p.A. rules and decision-making procedures supplementing said Group Regulations (referred to jointly as the "Regulations" hereinafter), which were approved by the Board of Directors on 27 June 2012 following favourable consultation with the Internal Audit Committee and Board of Statutory Auditors, came into effect on 31 December 2012.

The Regulations take into account the regulations issued by the Italian National Commission for Listed Companies and the Stock Exchange (CONSOB), implementing both article 2391-bis of the Italian Civil Code and the supervisory regulations brought in by the Bank of Italy on 12 December 2011 regarding bank and banking group risk assets and conflicts of interest in respect of associated parties, the latter issued to implement article 53, subparagraph 4 et seq. of the Italian Banking Consolidation Act and in accordance with resolution No. 277 of the Italian Interministerial Committee for Credit and Savings (CICR) of 29 July 2008.

The parties considered significant by the Regulations include related parties as defined by IAS 24.

The Regulations govern the following aspects:

- The criteria for identifying related parties and associated parties.
- The investigative and decision-making process for transactions with related parties and associated parties, together with the process for providing information to the Company Bodies on said transactions.
- Information provided to the market on transactions with related parties.
- The prudential limits for and the requirements for periodically notifying the Bank of Italy about risk assets in respect of associated parties.
- The rules regarding controls and organisational supervision.
- The general disclosure and abstention rules for the management of the personal interests of company directors, employees and agents/freelancers, including those other than associated parties.

In accordance with said Regulations, the following are considered Intesa Sanpaolo related parties: parties holding a controlling interest or a major interest sufficient to exert significant influence, subsidiaries and associate companies, joint ventures, the Group's pension funds, Intesa Sanpaolo directors and key managers and their close relatives, and significant equity investments.

Associated parties are comprised of the parties of each bank in the Group (including Banca Fideuram) and each significant authorised intermediary with regulatory capital exceeding 2% of consolidated shareholders' equity. The following are considered associated parties in respect of each bank or authorised intermediary:

- i) Shareholders with a controlling interest or a major interest sufficient to exert significant influence, or which are in any case required to apply for authorisation in accordance with article 19 of the Italian Banking Consolidation Act (TUB), or are empowered to appoint a member of the Board of Directors with management or strategic supervisory authority, and their related company groups.
- ii) Subsidiaries, joint subsidiaries and associate companies, as well as entities in whom the latter have a controlling interest, including jointly with others.
- iii) Company directors and their relatives up to the second degree of consanguinity or affinity and significant equity investments.

As a self-regulatory measure, Intesa Sanpaolo has extended the regulations governing transactions with related parties, governing risk assets and governing conflicts of interest with associated parties to shareholders of Intesa Sanpaolo and their related company groups that hold more than 2% of Intesa Sanpaolo's share capital solely in shares owned or managed. This makes it possible to achieve a higher standard of monitoring of transactions with Intesa Sanpaolo's major shareholders - subjecting them to the investigative and decision-making requirements, and to the requirements regarding the subsequent provision of information to the Company Bodies and to the market, specified for transactions with related parties and associated parties - and to contain the risk assets in respect of said parties within the prudential limits specified by the Bank of Italy.

The Regulations specify the various investigative safeguards that need to be observed in carrying out transactions with Intesa Sanpaolo related parties and Group associated parties in order to satisfy the requirements of substantially proper conduct in respect of the transactions, requiring, amongst other things, a detailed examination of the motives and interests, of the asset-related, economic and financial effects, and of the conditions of the transaction.

In line with the regulations adopted by the Italian National Commission for Listed Companies and the Stock Exchange (CONSOB) and the Bank of Italy, the regulations also provide for complete or partial exemptions from their application. The procedure has a number of different decision-making levels, differentiated as follows:

- Transactions of negligible amount: with a value of €250k or less for natural persons and €1m or less for legal persons (exempted from application of the regulations).
- Transactions of minor significance: with a value above the thresholds for transactions of negligible amount or equal to the thresholds for transactions of major significance specified below.
- Transactions of major significance: with a value that is above the 5% threshold of the indicators specified by the Italian National Commission for Listed Companies and the Stock Exchange (CONSOB) and the Bank of Italy (approximately €2bn for the Intesa Sanpaolo Group).
- Strategic transactions as defined in the Intesa Sanpaolo S.p.A. By-laws.
- Transactions requiring the approval of the shareholders' meeting in accordance with the By-Laws.

The Internal Audit Committee, made up of three members of the Banca Fideuram Board of Directors that meet the necessary requirements of independence, plays a consultative role in the process for approving transactions with Intesa Sanpaolo related parties and Group associated parties. The Committee may, when it deems appropriate, call upon independent experts regarding the significance or special economic or structural characteristics of a transaction or the nature of the related party or associated party.

Transactions of major significance require the company departments to involve the Committee in the investigative and negotiation phases by sending a complete flow of prompt information and entitling the committee to request further information and formulate observations.

Transactions with a related party or associated party that is not exempt in accordance with the Regulations are normally subject to Intesa Sanpaolo's approval in the form of a resolution of the Board of Directors, following consultation with the Internal Audit Committee.

The Regulations provide for specific supervisory actions in cases where the Board of Directors resolution classes a transaction of minor or major significance, despite the Committee having expressed a contrary opinion.

The Regulations likewise specify the general criteria for the

information to be provided, at least quarterly, to the Board of Directors and Board of Statutory Auditors on transactions with associated parties completed in the reference period in order to provide a complete overview of all the most significant transactions entered into, as well as the amounts and principal characteristics of all transactions delegated. The information must be on all the transactions, even where there was no decision-making procedure, that exceed the thresholds for transactions of negligible amount. Banking inflow transactions conducted under arm's length or standard conditions are excluded, as are loans and banking inflows between-group companies (providing they do not regard a subsidiary in which a significant interest is held by another related party or associated party and do not involve non-market or non-standard conditions).

Ordinary transactions between group companies and transactions between group companies under arm's length conditions, on the other hand, require the provision of aggregate information on an annual basis.

With the aim of providing complete information, it should be noted that Banca Fideuram is required to comply with article 136 of the Italian Banking Consolidation Act (TUB) and adopt an escalated decision-making procedure (unanimous resolution of the Board of Directors and vote in favour by the members of the Board of Auditors) to permit its Directors to enter into liabilities with the bank either directly or indirectly.

More specifically, the escalated decision-making procedure specified in article 136 of the Italian Banking Consolidation Act (TUB) requires that the transaction receive the unanimous approval of the Board of Directors and a vote in favour by every member of the Board of Statutory Auditors, including when related parties and associated parties are involved. It is compulsory to obtain the agreement of every member of the Board of Statutory Auditors before the transaction can proceed.

Moreover, the requirements of article 2391 of the Italian Civil Code regarding the interests of Directors also apply.

## 1. Information on remuneration of senior managers with strategic responsibilities

### Form of remuneration

(€k)

Short-term benefits	
Post-employment benefits	
Other long-term benefits	
Employment termination indemnity	
Payment in shares	
<b>Total</b>	

<b>31.12.2014</b>
<b>AMOUNT PAYABLE FOR THE YEAR</b>
3,758
242
290
-
359
<b>4,649</b>

## 2. Information on transactions with related parties

The principal transactions in the year were as follows: The Banca Fideuram Board of Directors meeting of 14 April 2014 approved the amendment to the service contract in place with Intesa Sanpaolo Group Services S.c.p.A. This resulted in the Group paying a total of approximately €38.2m for the company's services in 2014, around €2m less than in 2013. The Board of Directors also approved the revision of the service contract with Intesa Sanpaolo S.p.A. at the same meeting, which provides for a total payment of approximately €321k for 2014.

As part of the reorganisation of Banca Fideuram's subsidiaries outside Italy operating in the managed assets sector, having obtained the necessary authorisation from the local authorities, the direct management of the Banca Fideuram Group's Luxembourg funds under the European Passport regime was transferred from Fideuram Gestions to Fideuram Asset Management (Ireland) with effect from 1 April 2014.

This reorganisation also saw the Banca Fideuram Board of Directors' meeting of 17 July 2014 authorise the project for reorganising the Group's Luxembourg subsidiaries through the merger of Fideuram Gestions and Fideuram Bank Luxembourg. The merger was approved by the Boards of Directors of Fideuram Bank Luxembourg and Fideuram Gestions on 4 November 2014, was then approved by their Shareholders' Meetings of 18 December 2014 and was lastly authorised by the local Supervisory Authorities and came into effect on 1 January 2015.

In accordance with the law and the internal procedures issued by Intesa Sanpaolo and Banca Fideuram, all transactions with related parties during 2014 were conducted under arms-length conditions as for unrelated parties of corresponding nature and risk, or - in the absence of any reference - under mutually-beneficial conditions, verified taking all the related circumstances, the distinctive characteristics of the transaction and Group interests into account. The bank did not in any case engage in any atypical or unusual transactions and/or transactions under non-standard financial and contractual conditions for the types of related parties concerned.

Banca Fideuram's relations with its subsidiaries, as well as its relations with Intesa Sanpaolo and the latter's subsidiaries, may be considered to form part of the bank's ordinary operations. Banca Fideuram uses the brokerage services of Banca IMI for buying and selling securities. These transactions are conducted under arm's-length conditions. The Group networks distributed,

under arm's length conditions, bonds issued by Intesa Sanpaolo and Banca IMI, achieving total sales of approximately €467.3m in 2014 (€859m in 2013). There were no insider transactions during 2014 with individuals performing director-level, management or auditing functions at Banca Fideuram, Intesa Sanpaolo or any other companies in the Group.

All amounts receivable and payable, and all income and expenses at 31 December 2014 between the companies in the Intesa Sanpaolo Group are summarised in the tables below:

### Assets 31.12.2014

(€k)

	TRANSACTIONS WITH INTESA SANPAOLO GROUP	
	AMOUNT	%
Debt securities	2,498,551	39.7
Equities and mutual funds	3,855	1.9
Loans and advances to banks	1,285,885	73.9
Loans and advances to customers	82,291	2.2
Financial derivatives	6,438	16.2
Other	12,645	1.7

### Liabilities 31.12.2014

(€k)

	TRANSACTIONS WITH INTESA SANPAOLO GROUP	
	AMOUNT	%
Due to banks	455,327	79.1
Due to customers	523,878	5.7
Financial derivatives	579,589	50.9
Other	15,410	2.2
Guarantees and commitments	363,700	81.5

### Income Statement 2014

(€k)

	TRANSACTIONS WITH INTESA SANPAOLO GROUP	
	AMOUNT	%
Interest income	103,956	40.4
Interest expense	(62,678)	51.6
Commission income	341,329	24.1
Commission expense	(24,659)	3.8
Operating income on financial activities	(252,253)	n.s.
Administrative expenses	(44,528)	10.5

n.s.: not significant

## Relationships with companies in the Intesa Sanpaolo Group

(€k)

	ASSETS	LIABILITIES	GUARANTEES AND COMMITMENTS	INCOME	EXPENSES
<b>Parent Company</b>					
Intesa Sanpaolo S.p.A.	3,549,427	15,927	363,700	127,581	9,047
<b>Companies controlled by the Parent Company</b>					
Banca dell'Adriatico S.p.A.	40	-	-	123	-
Banca di Trento e Bolzano S.p.A.	8	-	-	10	-
Banca IMI S.p.A.	14,488	1,028,961	-	20,401	369,192
Banca Monte Parma S.p.A.	-	-	-	1	-
Banco di Napoli S.p.A.	188	15	-	389	85
Cassa di Risparmio del Friuli Venezia Giulia S.p.A.	30	13	-	28	57
Cassa di Risparmio del Veneto S.p.A.	17	15	-	55	37
Cassa di Risparmio dell'Umbria S.p.A.	10	-	-	38	-
Cassa di Risparmio di Civitavecchia S.p.A.	4	-	-	8	-
Cassa di Risparmio di Firenze S.p.A.	63	13	-	167	43
Cassa di Risparmio di Forlì e della Romagna S.p.A.	68	-	-	120	-
Cassa di Risparmio di Pistoia e della Lucchesia	11	1	-	36	-
Cassa di Risparmio di Rieti S.p.A.	6	-	-	8	-
Cassa di Risparmio in Bologna S.p.A.	45	41	-	114	178
CIB Bank Ltd	62	-	-	-	-
Consorzio Studi e Ricerche Fiscali	-	260	-	-	160
Eurizon Capital S.A.	96	-	-	414	-
Eurizon Capital SGR S.p.A.	801	-	-	3,626	-
Fideuram Vita S.p.A.	240,089	504,075	-	333,442	8,597
Infogroup S.C.p.A.	-	75	-	-	150
Intesa Sanpaolo Assicura S.p.A.	29	890	-	594	1
Intesa Sanpaolo Bank Ireland Plc	82,402	-	-	37	6
Intesa Sanpaolo Group Services S.c.p.A.	8	4,677	-	-	38,412
Intesa Sanpaolo Immobiliare S.A.	-	-	-	-	269
Intesa Sanpaolo Life Ltd	487	283	-	2,088	643
Intesa Sanpaolo Private Banking S.p.A.	-	-	-	2	-
Intesa Sanpaolo Servitia S.A.	-	-	-	-	69
Intesa Sanpaolo Vita S.p.A.	1,037	18,508	-	3,526	1,103
Setefi - Servizi Telematici Finanziari per il Terziario S.p.A.	-	450	-	-	3,841
Société Européenne de Banque S.A.	249	-	-	249	-

## PART I - PAYMENT AGREEMENTS BASED ON OWN EQUITY INSTRUMENTS

### A. QUALITATIVE INFORMATION

#### 1.1 Bonus scheme based on financial instruments

The Supervisory Regulations regarding the remuneration and bonus and incentive scheme policies and practices of banks and banking groups stipulate, inter alia, that part of the bonuses awarded to "Risk Takers" (at least 50%) be in the form of financial instruments allocated over a long-term time horizon.

To this end, the Banca Fideuram Group bank has purchased Intesa Sanpaolo shares for a total value of €3.3m. These shares are recorded under financial assets designated at fair value.

The shares will be assigned to the participants in accordance with the implementation regulations of the bonus systems, which as a rule require the participants to have been in continuous service up until the moment the shares are actually delivered, and make each deferred part of the bonus (whether in the form of cash or financial instruments) subject to an ex-post correction mechanism (known as a malus condition) which can reduce the amount paid and the number of any shares allocated in relation to the extent to which certain specific financial/asset targets that measure the sustainability of the results achieved over time have been met.

#### 1.2 Leveraged Co-Investment Plan (LECOIP)

Intesa Sanpaolo announced an incentive scheme for Group employees concomitantly with the launch of its 2014-2017 Business Plan, in the form of a stock ownership plan named the Leveraged Employee Co-Investment Plan (LECOIP).

Following the allocation, free of charge, of Intesa Sanpaolo ordinary shares acquired on the market (Free Shares), the employees were given the opportunity to benefit from a long-term Investment Plan, the term of which is aligned with said Company Plan, involving the subscription of certain financial instruments - LECOIP Certificates - issued by a finance company outside the Intesa Sanpaolo Group. Those employees that opted to join the Investment Plan were additionally allocated new-issue Intesa Sanpaolo ordinary shares (Matching Shares) and subscribed new-issue Intesa Sanpaolo ordinary shares in a cash capital increase reserved for employees in which the shares were discounted from their market value (Discounted Shares).

In accordance with the operation of the Plan, the Group companies bought Intesa Sanpaolo ordinary shares on the market for their employees (Free Shares). Conversely, Intesa Sanpaolo assumed the obligation of allocating the Matching and Discounted shares to all Group company employees.

The LECOIP Certificates confer the following rights:

- The right to receive upon maturity an amount in cash (or in Intesa Sanpaolo ordinary shares) equal to the original market value of the Free Shares and Matching Shares.
- The right to receive, again upon maturity, a portion of any appreciation in value of the shares with respect to their original market value.

Participation in the Plan did not require any cash payments by the employees. Upon subscription of the Certificates, the issuer and employees simultaneously entered into a forward contract for the shares allocated. The proceeds of the sale were used by the employees to subscribe the discounted shares, with the remainder being used to purchase the Certificates.

The offer period for employees to join the Investment Plan ended on 31 October 2014. The date of allocation of the shares was 1 December 2014, which thus marked the beginning of the vesting period ending in April 2018.

The cost of this employee benefit is the fair value of the shares allocated, calculated at the allocation date and recognised under personnel expenses. The cost of the Matching Shares and Discounted Shares borne directly by Intesa Sanpaolo was recorded as a balancing entry to an increase in shareholders' equity through the use of a specific reserve. The fair value of the Free Shares and Matching Shares was determined using the market value of the shares at the allocation date. The fair value of the subscription discount on the Discounted Shares was calculated using the stock market price of the shares at the allocation date and the related discount. The cost for those employees who joined the stock ownership plan only, without joining the Investment Plan (and therefore only received the Free Shares), was recognised in full at the moment of allocation, since these shares are not subject to any vesting conditions.

Conversely, for employees joining the LECOIP Investment Plan, it is a condition of the Plan that they remain in service for the length of the Plan, in addition to which there are specific performance conditions for Risk Takers and Senior Managers, which require the completion of a given period of service and the achievement of specified bank net worth and profit targets. The portion resulting from Intesa Sanpaolo's direct allocation of shares to employees of the other Group companies (part of the Matching Shares and Discounted Shares), which was in effect a contribution to its subsidiaries, was recognised as an increase in the value of the equity investments with a corresponding increase in the beneficiary companies' shareholders' equity.

The income statement and balance sheet effects of the Plan, estimated weighting the vesting conditions appropriately (including the likelihood of the employees re-

maining in the Group for the duration of the Plan), will be recognised over the entire vesting period, which is to say over the duration of the Plan.

## B. QUANTITATIVE INFORMATION

### 2.1 Bonus scheme based on financial instruments

	NUMBER OF SHARES	PER-SHARE FAIR VALUE
<b>Intesa Sanpaolo Shares at 31 December 2013</b>	<b>1,458,819</b>	<b>1,7940</b>
- Shares allocated in the year	102,414	2,4840
<b>Intesa Sanpaolo Shares at 31 December 2014</b>	<b>1,356,405</b>	<b>2,4220</b>

### 2.2 LECOIP investment plan

STOCK OWNERSHIP PLAN		
	NUMBER OF SHARES	AVERAGE PER-SHARE FAIR VALUE
<b>TOTAL EMPLOYEES</b>	73,368	2.4007

LECOIP PLAN										
	FREE SHARES		MATCHING SHARES		DISCOUNTED SHARES		SELL TO COVER SHARES		TOTAL NUMBER OF SHARES ALLOCATED	NUMBER OF CERTIFICATES
	NUMBER OF SHARES	AVERAGE PER-SHARE FAIR VALUE	NUMBER OF SHARES	AVERAGE PER-SHARE FAIR VALUE	NUMBER OF SHARES	AVERAGE PER-SHARE FAIR VALUE	NUMBER OF SHARES	AVERAGE PER-SHARE FAIR VALUE		
<b>TOTAL EMPLOYEES</b>	559,642	2.3284	1,590,534	2.3072	8,600,704	0.3699	1,581,122	2.4007	12,332,002	2,150,176

The income statement effects of the two Plans totalled approximately €605k in 2014, with €176k relating to the employees who joined the Stock Ownership Plan only (and not the Investment Plan) and the remaining €429k relating to the LECOIP Plans, including reimbursement of the beneficiaries' sell-to-cover tax, amounting to 1/40th of the total value of the Plan (approximately €17.3m).





## **8. Certification of the consolidated financial statements**



## 8. Certification of the consolidated financial statements

1. The undersigned Matteo Colafrancesco, as Banca Fideuram Managing Director and General Manager, and Paolo Bacciga, as Banca Fideuram Manager responsible for the preparation of the company accounts, hereby state, also taking account of the provisions of article 154 bis, subparagraphs 3 and 4, of Italian Legislative Decree No. 58 of 24 February 1998, that the consolidated financial statements:
  - are suitable for the characteristics of the Group, and
  - that the Group has fully applied the administrative and accounting procedures for preparing the consolidated financial statements during 2014.
2. The evaluation of the suitability and effective application of the administrative and accounting procedures for preparing the consolidated financial statements at 31 December 2014 was carried out using methodologies developed in line with the COSO framework and, for the IT part, COBIT, which are widely accepted internationally as reference frameworks for internal audit systems<sup>1</sup>.
3. In addition, the undersigned also certify as follows:
  - 3.1 The consolidated financial statements at 31 December 2014:
    - have been prepared in accordance with the applicable International Financial Reporting Standards recognised in the European Community pursuant to Regulation (EC) 1606/2002 of the European Parliament and of the Council of 19 July 2002,
    - correspond with the accounting books and records,
    - are suitable for providing a faithful and proper representation of the financial performance and cash flows of the issuer and of the group of companies included in the consolidation.
  - 3.2 The Directors' Report contains a reliable analysis of the performance, operating results and financial position of the issuer and of the companies included in the consolidation, together with a description of the main risks and uncertainties to which they are exposed, and a reliable analysis of the information on significant transactions with related parties.

23 February 2015

Matteo Colafrancesco

Managing Director and  
General Manager



Paolo Bacciga

Manager responsible for the preparation  
of the company accounts



1. The COSO Framework was developed by the Committee of Sponsoring Organizations of the Treadway Commission, a US body dedicated to improving the quality of company information by providing guidance on ethical standards and an effective system of corporate governance and organisation. The COBIT Framework - Control Objectives for IT and related technology - is a set of guidance materials developed by the IT Governance Institute, a US body that aims to develop and improve corporate standards in the IT sector.



## **9. Independent Auditors' Report**



**KPMG S.p.A.**  
**Revisione e organizzazione contabile**  
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PEC kpmgspa@pec.kpmg.it

(Translation from the Italian original which remains the definitive version)

## **Report of the auditors in accordance with articles 14 and 16 of Legislative decree no. 39 of 27 January 2010**

To the shareholder of  
Banca Fideuram S.p.A.

- 1 We have audited the consolidated financial statements of the Banca Fideuram Group as at and for the year ended 31 December 2014, comprising the balance sheet, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes thereto. The parent's directors are responsible for the preparation of these financial statements in accordance with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2 We conducted our audit in accordance with the auditing standards recommended by Consob, the Italian Commission for Listed Companies and the Stock Exchange. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement and are, as a whole, reliable. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors. We believe that our audit provides a reasonable basis for our opinion.

Reference should be made to the report dated 31 March 2014 for our opinion on the prior year consolidated financial statements, which included the corresponding figures presented for comparative purposes.

- 3 In our opinion, the consolidated financial statements of the Banca Fideuram Group as at and for the year ended 31 December 2014 comply with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05. Therefore, they are clearly stated and give a true and fair view of the financial position of the Banca Fideuram Group as at 31 December 2014, the results of its operations and its cash flows for the year then ended.

- 4 The directors of Banca Fideuram S.p.A. are responsible for the preparation of a directors' report comprised of Chapter 3 "Operating and market context", paragraphs from 4.1 to 4.4, 4.7, 4.8.1 and 4.9 of Chapter 4 "Performance", Chapter 5 "Growth prospects" and paragraph 6.2 of Chapter 6 "Governance" in accordance with the applicable laws and regulations. Our responsibility is to express an opinion on the consistency of the directors' report with the financial statements to which it refers, as required by the law. For this purpose, we have performed the procedures required by the Italian Standard on Auditing 001 issued by the Italian Accounting Profession and recommended by Consob. In our opinion, the directors' report is consistent with the consolidated financial statements of the Banca Fideuram Group as at and for the year ended 31 December 2014.

Rome, 10 March 2015

KPMG S.p.A.

(signed on the original)

Giuseppe Scimone  
Director of Audit



**KPMG S.p.A.**  
**Revisione e organizzazione contabile**  
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**(Translation from the Italian original which remains the definitive version)**

## **Limited assurance report on the sustainability disclosure**

To the board of directors of  
Banca Fideuram S.p.A.

1 We have reviewed the 2014 sustainability disclosure of the Banca Fideuram Group (the “Group”), comprised of the following sections of the Group’s 2014 Integrated Annual Report:

- Section 1 “Business model”;
- Section 2.1 “Managing director’s statement”;
- Sections 4.1 “Highlights”, 4.5 “Customer segmentation”, 4.8.1 “Financial capital” “Distribution of value” paragraph, 4.8.2 “Productive capital”, 4.8.3 “Intellectual capital”, 4.8.4 “Human capital”, 4.8.5 “Relational capital” and 4.8.6 “Natural capital”;
- Sections 6.2 “Organisational structure”, 6.3 “Ownership structure”, 6.4 “Role of subholding company” and 6.5 “Company management”;
- Sections 10.1 “Sustainability reporting methodology” and 10.2 “Overview table of GRI indicators”.

The parent’s directors are responsible for the preparation of the sustainability disclosure in accordance with the “G4 - Sustainability Reporting Guidelines” issued in 2013 by GRI - Global Reporting Initiative, as set out in the “Sustainability reporting methodology” section. They are also responsible for determining the Group’s objectives in respect of sustainable development performance and reporting, including the identification of stakeholders and material issues, and for establishing and maintaining appropriate performance management and internal control systems from which the reported performance information is derived. Our responsibility is to issue this report based on our review.

2 We carried out our work in accordance with the criteria established for review engagements by “International Standard on Assurance Engagements 3000 - Assurance Engagements other than Audits or Reviews of Historical Financial Information” (“ISAE 3000”), issued by the International Auditing and Assurance Standards Board. That standard requires that we comply with applicable ethical requirements (the “Code of Ethics for Professional Accountants” issued by the International Ethics Standards Board for Accountants, “IESBA”), including independence requirements, and that we plan and perform the engagement to obtain limited assurance about whether the sustainability disclosure is free from material misstatement. A limited assurance engagement on a

sustainability disclosure consists of making inquiries, primarily of persons responsible for the preparation of information presented in the sustainability disclosure, and applying analytical and other evidence gathering procedures, as appropriate. As provided for by the G4 Sustainability Reporting Guidelines, the “Overview table of GRI indicators” section of the Group’s 2014 Integrated Annual Report sets out the indicators that have been subjected to an external assurance engagement. Our procedures included:

- comparing the financial information and data presented in the “Distribution of value” paragraph of the sustainability disclosure to the corresponding information and data included in the Group’s consolidated financial statements as at and for the year ended 31 December 2014, on which we issued our report dated 10 March 2015 pursuant to articles 14 and 16 of Legislative decree no. 39 of 27 January 2010;
- analysing how the processes underlying the generation, recording and management of quantitative data included in the sustainability report operate. In particular, we have performed the following procedures:
  - interviews and discussions with management of Banca Fideuram S.p.A. and the personnel of Sanpaolo Invest SIM S.p.A. to gather information on the IT, accounting and reporting systems used in preparing the sustainability disclosure, and on the processes and internal control procedures used to gather, combine, process and transmit data and information to the office that prepares the sustainability disclosure;
  - sample-based analysis of documentation supporting the preparation of the sustainability disclosure to obtain evidence of processes, their adequacy and that the internal control system correctly manages data and information in relation to the objectives described in the sustainability disclosure;
- analysing the compliance of the qualitative information included in the sustainability report with the guidelines referred to in paragraph 1 hereof and its overall consistency, in particular with reference to the sustainability strategy and policies and the determination of material issues for each stakeholder category;
- analysing the stakeholder involvement process, in terms of methods used and completeness of persons involved, by reading the minutes of the meetings or any other information available about the salient features identified;
- obtaining the representation letter signed by the legal representative of Banca Fideuram S.p.A. on the compliance of the sustainability disclosure with the guidelines indicated in paragraph 1 and on the reliability and completeness of the information and data contained therein.

A review is less in scope than an audit carried out in accordance with ISAE 3000 and, therefore, it does not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified during an audit.

Reference should be made to the report dated 31 March 2014 for our conclusion on the corresponding information and data of the prior year sustainability disclosure presented for comparative purposes.

- 3 Based on the procedures performed, nothing has come to our attention that causes us to believe that the 2014 sustainability disclosure of the Banca Fideuram Group is not prepared, in all material respects, in accordance with the “G4 .- Sustainability Reporting Guidelines” issued in 2013 by GRI - Global Reporting Initiative, as set out in the “Sustainability reporting methodology” section.

Rome, 10 March 2015

KPMG S.p.A.

(signed on the original)

Marco Maffei  
Director of Audit





# 10. Schedules

## 10.1 Sustainability reporting methodology

The Banca Fideuram Group's Integrated Annual Report sets out the relationship between the Group's corporate strategies and its management of stakeholder relations, while also reporting on the Group's main activities in 2014. Our sustainability reporting therefore forms an integral part of the Directors' Report accompanying the consolidated financial statements, highlighting the interconnectedness of the financial and non-financial information in the value creation process. Our sustainability reporting has consequently been designed to address all the stakeholders identified in the Banca Fideuram Group's Code of Ethical Conduct.

### REFERENCE STANDARDS

The Group's sustainability reporting has been prepared in accordance with the G4 Sustainability Reporting Guidelines drawn up by the Global Reporting Initiative (GRI) in 2013. This document represents a significant improvement in the sustainability reporting process initiated in 2013 with the adoption of the GRI-G3 guidelines.

The GRI-G4 guidelines offer two options for the preparation of sustainability reporting in accordance with the guidelines: Core and Comprehensive. Both options can apply for any organisation, irrespective of its size, sector or location. The choice of option does not have any effect on the quality of the reporting. The Group has prepared this Integrated Annual Report in line with the Core option, considered more in keeping with the principles of conciseness and connectivity of an Integrated Report.

The sustainability reporting has also been prepared in accordance with the Italian Banking Association (ABI) guidelines on the application of the Global Reporting Initiative (GRI) indicators, and with the Social Report guidelines for the banking sector ("Il rendiconto agli stakeholder: una guida per le banche" - "The report to stakeholders: a guide for banks") published by the ABI in conjunction with EconomEtica (the Italian Inter-university Centre for economic ethics and corporate social responsibility).

### REPORTING PRINCIPLES

The Report contents have been selected based on the principles outlined in the "Integrated Reporting" Framework of the IIRC, in the GRI-Global Reporting Initiative (GRI-G4) guidelines, and the AA1000APS AccountAbility standard.

In particular, the materiality principle set out in GRI-G4, which considers information relevant when its omission could significantly influence the decisions of users of the report, has been adopted to define the material topics for

reporting the most significant risks and opportunities for the Group. An aspect is defined as material if it simultaneously:

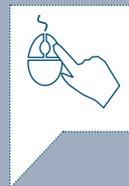
- Reflects the organisation's significant economic, environmental and social impacts (defined on the basis of Management opinion).
- Substantively influences the assessments and decisions of stakeholders (defined on the basis of a specific stakeholder engagement).

The Group has adopted the definition of materiality in the International Integrated Reporting framework in implementing the materiality definition process. Consequently, in this document, significance for the organisation and for its stakeholders is taken to mean the potential to affect, positively or negatively, the ability to create value for the Group.

The principles of relevance, stakeholder inclusiveness, sustainability context and completeness were also taken into account in determining the reporting content.

The information quality criteria and scope of reporting were likewise determined applying the related GRI principles (balance, comparability, accuracy, timeliness, reliability and clarity).

The sustainability reporting was reviewed in accordance with the applicable criteria set out in the International Standard on Assurance Engagements 3000 - Assurance Engagements other than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board (IAASB). The auditors KPMG S.p.A. were appointed to perform this limited review.



The Integrated Annual Report is available in both Italian and English on the Banca Fideuram website. In addition, an interactive Annual Report with multimedia information (audio and video aids) is available on our homepage, supplementing and enhancing the financial reporting with a varied array of external corporate communications.

## THE REPORTING PROCESS

All our company departments contribute to drafting the content of our sustainability reporting and operate to establish and maintain strong stakeholder dialogues. Data collection for the report is centralised at the Administration and Reporting Department and implemented by sending specific requests. The dedicated team not only reports on sustainability performance, but also disseminates information on environmental, social and governance topics within the Group.

This year, the Banca Fideuram Group is publishing its second Integrated Annual Report, prepared in accordance with the principles set out in the final version of the International Integrated Reporting Framework published in December 2013. The reporting approach reflects the philosophy so insightfully described by Professor Mervyn E. King, Chairman of the International Integrated Reporting Council: "Integrated reporting is a journey. Organisations are unlikely to achieve perfection in the first year. However, as reporting processes for the production of the supporting information are designed and improved and as the executive team begins to benefit from a more informed implementation of the governing structure's decisions, reporting will improve."

## MEASUREMENT SYSTEMS

The indicators used in our sustainability reporting have been chosen on the basis of reference standards and the Group's commitment to making the journey of achieving our objectives measurable. Almost all the data are direct measurements obtained from accounting data and other information systems, with the exception of a small number of estimates, which are all appropriately identified. To ensure accuracy of measurement and period-on-period comparability in interpreting the indicators, the Group departments that provide the data for the non-financial indicators have been equipped with appropriate information to ensure the measurement methods are applied correctly. The financial indicators come from the accounting system and are in line with the International Financial Reporting Standards.

## PERIOD AND SCOPE OF REPORTING

The Group's sustainability reporting is published annually. The data presented refer to the 2014 financial year and are, where applicable, compared with the previous two years. The scope of reporting refers to the companies included in the consolidated financial statements that are relevant to sustainability, with any limitations appropriately identified. There were no significant changes in the scope of reporting in 2014 compared with 2013, and therefore no restatements of any social or environmental information.

The Banca Fideuram Group's sustainability reporting at 31 December 2014 is provided in the following sections and paragraphs of the Integrated Annual Report:

- Section 1. Business model
- Section 2. Strategies: paragraph 2.1

- Section 4. Performance: paragraphs 4.1, 4.5, 4.8.1 (Distribution of Value), 4.8.2, 4.8.3, 4.8.4, 4.8.5 and 4.8.6
- Section 6. Governance: paragraphs 6.2, 6.3, 6.4 and 6.5
- Section 10. Schedules: paragraphs 10.1 and 10.2.

## MATERIALITY ANALYSIS

The materiality analysis process involved Group Management and stakeholders and was carried out in four stages, as follows:

1) **Identification of a list of topics**, in line with the strategic objectives of the Group, though an analysis of subjects relevant to the banking sector, (for example, "Sustainability Topics for Sectors: what do stakeholders want to know", provided by the GRI in 2013, and "Material Sustainability Issues for the Financial Sector", provided by the Sustainability Accounting Standards Board - SASB), study of our internal documents (minutes of the company bodies and Code of Ethical Conduct), and a benchmark analysis of the documents published by our main competitors, as well as by reviewing a media search on coverage of the Group in 2014.

2) **Categorisation and selection of material topics** through an internal assessment by the Administration and Reporting Department. A shortlist of topics relevant to value creation in the Group was drawn up during this phase. The topics identified in the first phase were assigned to six categories: Customers, Personal Financial Advisers, Employees, Suppliers, the Community, and Institutions and Governance.

3) **Prioritisation of material topics** was carried out through interviews with Group management and with questionnaires submitted to external stakeholders, in order to take both internal and external perspectives into consideration. During the interview process, interviewees were provided with a list of 74 relevant topics and asked to assign a relevance score of 1 to 4 to each of them.

For the internal perspective, management were asked to provide input on the following two aspects:

- The criticality of the topic in terms of its influence on the ability to create value for the Group.
- The topic's capacity to generate opportunities for the Group, influencing its ability to create value in the medium to long term.

For the external perspective, the aspects that guided the stakeholders' scoring of priorities were as follows:

- The topic's impact on expectations of the Banca Fideuram Group.
- The relevance of the topic in terms of the need for information on the performance, actions and future plans of the Group.

## 4) Process Review by Management

The results of the materiality analysis were reviewed by the Group's Management.

The materiality analysis will be reviewed annually in accordance with the above process.

## MATERIALITY ANALYSIS PROCESS

PHASES	1 - Identification of a list of topics	2 - Categorisation and selection of material topics	3 - Prioritisation of material topics	4 - Process Review by Management
OBJECTIVES	<ul style="list-style-type: none"> <li>- Identify the material topics for the sector, for the Banca Fideuram Group and for its stakeholders</li> <li>- Identify and prioritise significant stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>- Identify the material topics for the creation of value in the Banca Fideuram Group through an internal analysis</li> </ul>	<ul style="list-style-type: none"> <li>- Assess the potential of each topic identified to generate risks and opportunities with respect to the ability to create prospective value.</li> <li>Internal analysis</li> <li>External analysis (Stakeholder Analysis)</li> </ul>	<ul style="list-style-type: none"> <li>- Review the prioritisation of the topics in relation to their impact on the Group's strategies</li> <li>- Report procedure followed and results obtained</li> </ul>
OUTPUTS	<ul style="list-style-type: none"> <li>Tree of topics</li> <li>Stakeholders tree</li> </ul>	<ul style="list-style-type: none"> <li>Shortlist of material topics</li> </ul>	<ul style="list-style-type: none"> <li>Preparation of materiality matrix</li> </ul>	<ul style="list-style-type: none"> <li>Sharing of materiality analysis with Group Management</li> <li>Publication of Integrated Annual Report focused on material aspects</li> </ul>

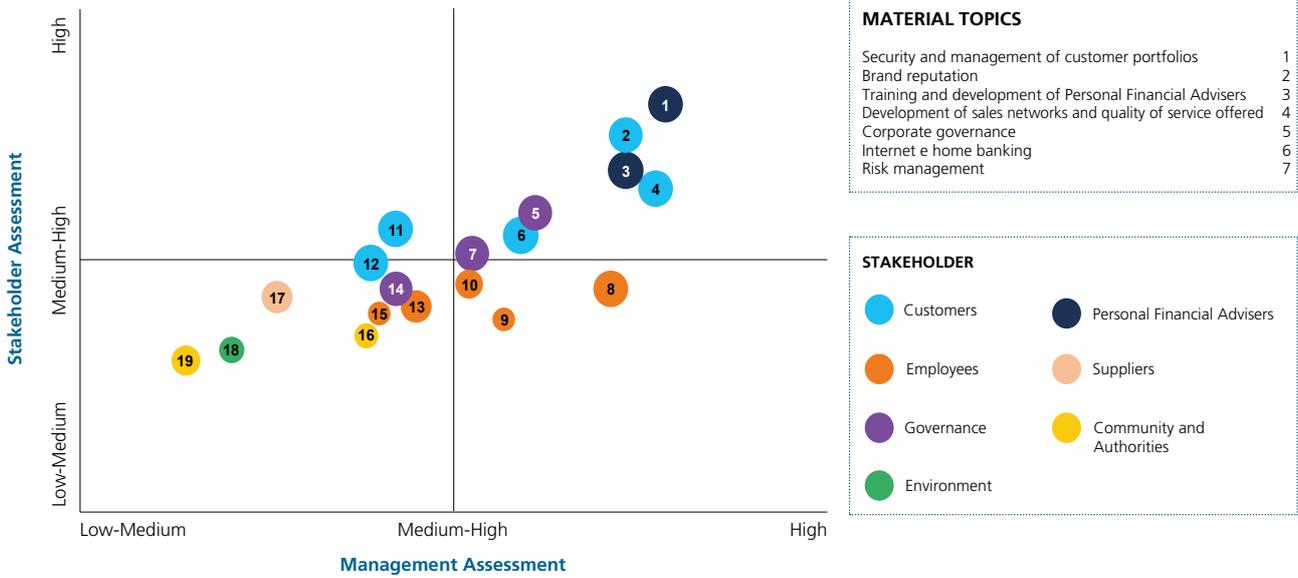
The materiality matrix below shows the positioning of topics in relation to their priority for the Group and relevance for stakeholders.

The area between the two variables is divided into bands of increasing materiality for the creation of value. The relevant topics are those in the top right-hand quadrant of the grid and it is on these that the Banca Fideuram Group

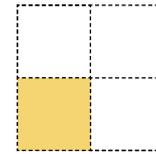
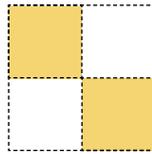
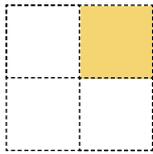
prevalently focused its reporting in 2014. The sizes of the circles in the chart are directly proportional to the importance of the individual topics in the value creation process, and were defined in relation to the contribution of each topic to the various different drivers.

The materiality matrix provides an accurate guide for selecting the most representative indicators of the results achieved and of future prospects.

## MATERIALITY MATRIX



The relevance assessments of the individual topics are shown in relation to the matrix quadrants below:



HIGH MATERIALITY		MEDIUM-HIGH MATERIALITY		MEDIUM-LOW MATERIALITY	
1:	Security and management of customer portfolios	8:	Employee professional development systems	13:	People care
2:	Brand Reputation	9:	Performance management and remuneration systems with reward mechanisms	14:	Monitoring of sustainability objectives
3:	Personal Financial Adviser training and development	10:	Employee training	15:	Equal opportunities
4:	Development of sales networks and quality of services offered	11:	Suitability of financial products offered	16:	Supporting and safeguarding employment
5:	Corporate governance	12:	Customer satisfaction	17:	Supply chain management
6:	Internet and home banking			18:	Management of environmental impacts
7:	Risk management			19:	Active social support

The table below shows the material topics and their related indicators when they are linked to given GRI-G4 aspects. Topics with medium to low materiality for both management and stakeholders (in the lower left quadrant)

are not shown in the table. A number of indicators in the Society (SO), Human Resources (HR) and Environmental (E) categories are not reported in the GRI Content Index since they are not material.

### GRI-G4 CORE OPTION CROSS-REFERENCE TABLE (HIGH RELEVANCE)

MACRO-CATEGORY	TOPIC	RELATED GRI-G4 ASPECT	GRI-G4 INDICATORS	IMPACT INSIDE ORGANISATION	IMPACT OUTSIDE ORGANISATION
Security and management of customer portfolios	Transparent management of customer portfolios	Product responsibility Complaints Compliance	PR3, PR4, PR7, PR8, PR9, FS6, FS15, FS16	Banca Fideuram Group Personal Financial Advisers	Customers Supervisory Authorities Community
	Fraud protection				
Brand Reputation and data security	IT security in terms of computer fraud protection and customer data protection (privacy)	Privacy Compliance Risk management Public Policy Anti-corruption	PR8, PR9, SO3, SO4, SO5, SO6, SO7, SO8	Banca Fideuram Group	Customers Supervisory Authorities Community
	Brand reputation				
Personal Financial Adviser training and development	Recruitment and induction of young talent in sales network through diverse systems of entry to the profession	Training and education Economic performance Product responsibility	LA9	Banca Fideuram Group Personal Financial Advisers	Customers Supervisory Authorities Community
	Monitoring of Personal Financial Adviser-customer relations				
	Specialist training for Personal Financial Advisers				
	Further development of tools supporting advisory services				
Development of sales network and quality of services offered	Strengthening retention mechanisms (both for Personal Financial Advisers and customers)	Product responsibility Compliance Training and education Economic performance	LA1, LA9, LA10, LA11, EC1, EC4	Banca Fideuram Group Personal Financial Advisers	Customers Supervisory Authorities Community
	Strengthening the sales network and dedicated channels for contacting existing and potential customers				
	Customisation of product offering to meet customer needs				
	Development of advisory services, aiming to anticipate market demand				
Equal opportunities	Prompt and effective response to customer needs	Diversity and equal opportunities Governance Equitable remuneration of men women Non-discrimination Procurement Policies	LA1, LA2, LA3, LA12, LA13, LA16, EC9	Banca Fideuram Group Employees	Community Suppliers
	Promotion of financial literacy and responsible investment management culture				
Internet and home banking	E-banking and virtualisation of services	Product responsibility Stakeholder engagement	General standard disclosure FS13, FS14	Banca Fideuram Group	Customers Community
	Availability of diversified and interactive channels for Bank-customer communications				
Risk management	Anti-competitive and antitrust policies	Risk management Anti-corruption Conflicts of interest Anti-competitive behaviour	General standard disclosure SO3, SO4, SO5, SO6, SO7, SO8	Banca Fideuram Group	Supervisory Authorities Community
	Conflict of interest management				
	Policies and initiatives to limit the risk of incidents of corruption occurring				
	Management of business-related risks				

## GRI-G4 CORE OPTION CROSS-REFERENCE TABLE (MEDIUM-HIGH RELEVANCE)

MACRO-CATEGORY	TOPIC	RELATED GRI-G4 ASPECT	GRI-G4 INDICATORS	IMPACT INSIDE ORGANISATION	IMPACT OUTSIDE ORGANISATION
Employee professional development systems	Transparency and clarity in management of decision-making processes	Governance Human resource management Performance management systems	LA2, LA13	Banca Fideuram Group Employees Personal Financial Advisers Directors	Community
	Mapping out clear and transparent development paths for the entire company population				
	Transfer and sharing of competencies between colleagues				
	Attraction ability, development and retention mechanisms				
Performance management and remuneration systems with reward mechanisms	Performance management system (assessment of employee performance and transparency of criteria used)	Governance Human resource management Performance management systems	LA2, LA11, LA13	Banca Fideuram Group Employees Personal Financial Advisers Directors	Community
	Remuneration systems with reward mechanisms for management and colleagues (MBO, bonuses, balanced management of remuneration differentials etc.)				
Employee training	On-the-job training	Training and education Economic performance Product responsibility	LA9, LA10, LA11	Banca Fideuram Group Employees Personal Financial Advisers	
	Induction of new employees and young colleagues				
	Monitoring quality and effectiveness of training				
	Training programmes tailored to individual positions and needs				
Suitability of financial products offered	Cost of financial product appropriate for quality of service offered	Product responsibility Complaints Compliance Training and education Product and service information and prospectuses Product portfolio	PR3, PR4, PR7, FS6, FS7	Banca Fideuram Group Personal Financial Advisers	Customers Community
	Appropriateness of products offered for customers' financial literacy				
	Ease of understanding and relevance of information provided (e.g. prospectuses)				
	Inclusion of ethical, social and environmental criteria in evaluation of investments (e.g. green bond and social venture fund)				
Customer satisfaction	Accessibility of services for customers with physical disabilities	Product responsibility Complaints Compliance Customer satisfaction	PR5, PR8, PR9, FS13, FS14	Banca Fideuram Group Personal Financial Advisers	Customers Community Supervisory Authorities
	Customer satisfaction surveys on quality of services offered by the Group				
	Effective management of customer reports and complaints to improve service				

## STAKEHOLDER ENGAGEMENT

The Banca Fideuram Group developed and implemented its stakeholder involvement process adopting the principles set out in the AA1000APS standard developed by AccountAbility (the Institute of Social and Ethical Accountability), which identifies the foundations on which effective stakeholder involvement is built in the following principles:

**Inclusiveness:** promoting stakeholder participation in the development and achievement of an accountable and strategic approach to sustainability.

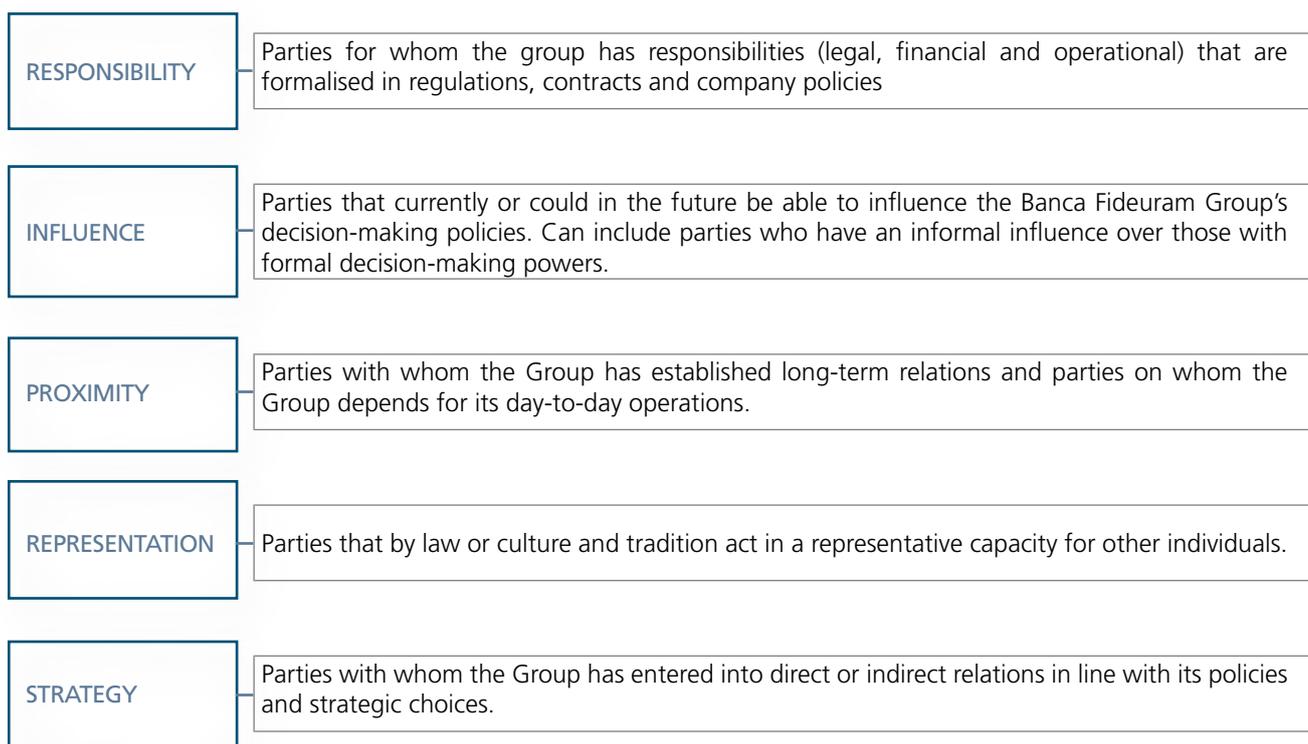
**Materiality:** determining the relevance and significance of an issue to an organisation and its stakeholders.

**Responsiveness:** an organisation's ability to respond to stakeholder issues, through decisions, actions, results and communication.

A management model has been designed to enable us to monitor the entire engagement process with the objective of adhering to the three principles of the AA1000APS standard. This monitoring extends from the mapping of stakeholders and quality assessment of engagement initiatives to the proposals and weaknesses that emerge, and the action plan resulting from balancing corporate strategy and input from stakeholders.

The stakeholders involved the materiality analysis process were selected at the end of the phase involving Group Management.

The stakeholders were selected to meet the following requirements:



Groups of stakeholders representing customers, Personal Financial Advisers and employees, suppliers and associations were identified and grouped as follows:

STAKEHOLDER	
CATEGORY	GROUPS INTERVIEWED
Customers	<ul style="list-style-type: none"> <li>Banca Fideuram customers</li> <li>Sanpaolo Invest Network customers</li> </ul>
Personal Financial Advisers	<ul style="list-style-type: none"> <li>Fideuram Network Area Managers</li> <li>Sanpaolo Invest Network Area Managers</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>Suppliers</li> </ul>
Employees	<ul style="list-style-type: none"> <li>Employees</li> </ul>
Community	<ul style="list-style-type: none"> <li>Societies and Associations</li> </ul>

## 10.2 Overview table of GRI indicators

KPMG S.p.A. have provided a limited “external assurance” audit on all the Group’s sustainability reporting in accordance with ISAE 3000. Information on the scope of these activities and the work carried out is provided in the Independent Auditors’ Report.

### GENERAL STANDARD DISCLOSURES

GENERAL STANDARD DISCLOSURES	PAGE/S WHERE INFORMATION REQUIRED BY THE INDICATOR IS PROVIDED	OMISSIONS	REASONS FOR OMISSIONS	EXTERNAL ASSURANCE
<b>Strategy and Analysis</b>				
G4-1	Pages 24-25			✓
<b>Organisational Profile</b>				
G4-3	Front cover			✓
G4-4	Pages 7-9, 12-16, 44-45			✓
G4-5	Back cover			✓
G4-6	Pages 6, 175			✓
G4-7	Page 174			✓
G4-8	Pages 6, 32-33, 43, 59-63, 73-75, 77			✓
G4-9	Pages 40-43, 46-47, 73-75, 105, 192-198			✓
G4-10	Pages 105-107			✓
G4-11	Page 116			✓
G4-12	Pages 144-146			✓
G4-13	Pages 202			✓
G4-14	The Banca Fideuram Group adopts a precautionary approach to the assessment and management of economic, environmental and social risk.			✓
G4-15	Pages 134, 150			✓
G4-16	Page 150			✓
<b>Identification of material aspects and scope of reporting</b>				
G4-17	Pages 6, 175			✓
G4-18	Pages 314-324			✓
G4-19	Pages 314-324			✓
G4-20	Pages 314-324			✓
G4-21	Pages 314-324			✓
G4-22	Pages 314-324			✓
G4-23	Pages 314-324			✓
<b>Stakeholder Involvement</b>				
G4-24	Pages 17- 20			✓
G4-25	Pages 314-324			✓
G4-26	Pages 314-324			✓
G4-27	Pages 314-324			✓
<b>Report Profile</b>				
G4-28	Pages 314-324			✓
G4-29	Pages 314-324			✓
G4-30	Pages 314-324			✓
G4-31	Page 349			✓
G4-32	Pages 314-324			✓
G4-33	Pages 308-310, 314-324			✓
<b>Governance</b>				
G4-34	Pages 172-173, 176-178, 187-188 A delegation process has not yet been formalised for social and environmental topics. However responsibility for these topics lies with The Board of Directors. Information on other delegation mechanisms is provided in the section on the Banca Fideuram Model of Governance.			✓
G4-37	Pages 117, 175			✓
G4-38	Pages 173, 176-179			✓
G4-39	Pages 173, 177-178			✓
G4-41	Pages 178, 182			✓
<b>Ethics and Integrity</b>				
G4-56	Page 168			✓

## SPECIFIC STANDARD DISCLOSURES

SPECIFIC STANDARD DISCLOSURES	PAGE/S WHERE INFORMATION REQUIRED BY THE INDICATOR IS PROVIDED	OMISSIONS	REASONS FOR OMISSIONS	EXTERNAL ASSURANCE
<b>Category: Economic indicators</b>				
DMA: Economic Performance	Pages 64-65			✓
G4-EC1	Pages 19, 64-65, 150			✓
FS EC1	Page 150			
G4-EC3	Page 124			✓
G4-EC4	The Group has not received any significant financial assistance from government bodies.			✓
DMA: Market presence	Page 6			✓
G4-EC5	Page 116			✓
G4-EC6	Page 114			✓
DMA: Procurement Policies	Pages 144-146			✓
G4-EC9	Pages 144-146			✓
<b>Category: Environmental Indicators</b>				
DMA: Raw Materials	Pages 153-155			✓
G4-EN1	Page 155		The data refer to Banca Fideuram S.p.A.	✓
G4-EN2	Page 155		The data refer to Banca Fideuram S.p.A.	✓
DMA: Energy	Pages 153-154		The data refer to Banca Fideuram S.p.A.	✓
G4-EN3	Page 154 The data on consumption are taken from supplier invoices.		The data refer to Banca Fideuram S.p.A.	✓
G4-EN6	Page 154 It is not currently possible to measure the energy savings achieved through the improvement initiatives completed.			✓
DMA: Water	Page 156			✓
G4-EN8	Page 156 The data on consumption are taken from supplier invoices.			✓
G4-EN9	Page 156			✓
DMA: Waste	Page 156			✓
G4-EN23	Page 156			✓
DMA: Compliance with Laws and Regulations	Pages 126-130			✓
G4-EN29	The Group did not receive any reports of failure to comply with environmental laws and regulations in 2014.			✓
<b>Category: Human Resource Indicators</b>				
DMA: Human Resource Management	Page 105			✓
G4-LA1	Pages 92-93, 105-109, 113-114			✓
DMA: Diversity and Equal Opportunities	The Group's corporate culture is committed through all its management processes to diversity of every kind - gender, ability, generational and cultural - and ensures equal treatment.			✓
G4-LA2	Page 124			✓
G4-LA3	Page 124			✓
DMA: Contractual Practices	Page 116			✓
G4-LA4	Page 116			✓
DMA: Health and Safety at Work	Page 125			✓
G4-LA5	Page 125			✓
G4-LA6	Page 125			✓
G4-LA7	Page 125			✓
G4-LA8	Page 125			✓
DMA: Training and Education	Pages 119-120			✓
G4-LA9	Pages 119-122			✓
G4-LA10	Pages 121-122			✓
G4-LA11	Page 116			✓
G4-LA12	Pages 96-97, 105-109, 118, 179			✓
DMA: Remuneration System	Page 116			✓
G4-LA13	Page 116			✓
G4-LA16	The Group did not receive any formal reports by employees of negative incidents to do with working practices in 2014.			✓

SPECIFIC STANDARD DISCLOSURES	PAGE/S WHERE INFORMATION REQUIRED BY THE INDICATOR IS PROVIDED	OMISSIONS	REASONS FOR OMISSIONS	EXTERNAL ASSURANCE
<b>Category: Human Rights Indicators</b>				
G4-HR3	The Group did not receive any reports of incidents of discrimination in 2014.			✓
<b>Category: Social Indicators</b>				
DMA: Local Communities	Pages 147-150 The Banca Fideuram Group is attentive to the needs of and its social impact on the communities where it operates, supporting social initiatives and the activities of societies, associations and institutions within the area.			✓
DMA: Anti-corruption	Page 127			✓
G4-SO4	Page 127			✓
G4-SO5	Page 117			✓
G4-SO6	Banca Fideuram has a policy which governs the funding of public parties.			✓
DMA: Anti-Competitive Behaviour	The Banca Fideuram Group has activities in place carried out by its internal auditing units to monitor compliance with current regulations regarding anti-competitive behaviour, anti-money laundering and embargoes, and operates in close collaboration with the relevant authorities.			✓
G4-SO7	No legal action for unfair competition, antitrust or monopolistic behaviour was initiated against the Group in 2014.			✓
DMA: Compliance with Laws and Regulations	Pages 130, 286-289			✓
G4-SO8	Pages 287-289			✓
DMA: Product and Service Labelling	Pages 142-143			✓
G4-PR3	Page 143			✓
G4-PR6	Page 130 The Banca Fideuram Group does not finance or invest in the equities of companies which operate in sensitive or controversial sectors, or in blacklisted countries.			✓
DMA: Marketing Communications	The Group's marketing and communication activities are carried out in full compliance with national and European regulations.			✓
G4-PR7	No incidents of non-compliance with regulations or voluntary codes on marketing activities including advertising, promotion and sponsorship were reported in 2014.			✓
DMA: Privacy	Pages 87-89			✓
G4-PR8	Pages 142-143			✓
DMA: Compliance with Laws and Regulations	Pages 126-130			✓
G4-PR8	Pages 287-289			✓
<b>FINANCIAL SERVICES SECTOR DISCLOSURES (FSSS)</b>				
SECTOR SPECIFIC INDICATORS	PAGE/S WHERE INFORMATION REQUIRED BY THE INDICATOR IS PROVIDED	OMISSIONS	REASONS FOR OMISSIONS	EXTERNAL ASSURANCE
FS6	Pages 40-41			✓
FS8	Pages 149			✓
FS9	Pages 129-130			✓
FS13	Page 74			✓
FS14	Page 73			✓
FS15	Page 44			✓
FS16	Page 136			✓

## ADDITIONAL INDICATORS

INDICATORS	PAGE/S WHERE INFORMATION REQUIRED BY THE INDICATOR IS PROVIDED	EXTERNAL ASSURANCE
<b>CUSTOMERS</b>		
Customer complaints by type	Page 142	✓
Customer complaints by reason	Page 143	✓
<b>SHAREHOLDERS</b>		
Rating	Page 18	✓
<b>COLLEAGUES</b>		
Level of education	Page 109	✓
Numbers participating (enrolled) in training activities.	Page 121	✓
Training by subject matter	Page 120	✓
Trade union freedom: days of work absence for trade union reasons	Page 117	✓
<b>PERSONAL FINANCIAL ADVISERS</b>		
Ratio of customers to Personal Financial Advisers	Page 90	✓
Ratio of client assets to Personal Financial Advisers	Page 90	✓
Network audits	Pages 90, 129	✓
Size of distribution Networks	Page 91	✓
Origin of professionals joining Networks (%)	Page 91	✓
Turnover by rank and origin	Page 92	✓
Turnover by staff age and gender	Page 92	✓
Total number of Personal Financial Advisers by Network, area and geographical distribution, gender and rank, average age and length of service.	Pages 93, 96-97	✓
Number of Personal Financial Adviser training hours and average number of training days	Pages 102-104	✓
Training by subject matter	Page 104	✓

## 10.3 Basis of preparation of the reclassified financial statements

The balance sheet and income statement at 31 December 2014 are a reclassified balance sheet and reclassified income statement to facilitate comparison of the figures for different periods and to enable a clearer and more immediate understanding of the Group's financial position. These statements were prepared using appropriate groupings of the items in the official Bank of Italy schedules. Moreover, the reclassified income statement has been changed as follows to provide a clearer presentation of the Group's operating performance:

- Net profit (loss) on financial assets, fee and commission income and expense, and the provisions have been stated net of the returns on the insurance policies taken out as part of the Personal Financial Adviser Networks' Loyalty Schemes, recognised in the official Bank of Italy schedule as net profit (loss) on assets designated at fair value, which - in pertaining to the Personal Financial Advisers - have been recognised as commission expense and provisions.
- Net profit on financial assets and personnel expenses have been stated net of the change in fair value attributable to the Intesa Sanpaolo shares purchased under the employee bonus systems.
- Expenses for stamp duty on current and deposit accounts, which are recognised in the official Bank of Italy schedule under administrative expenses, have been stated net of income from amounts recovered with the exception of the portion not charged to customers, which was stated under commission expense.
- Fee and commission income has been stated net of the amount related to net interest income.
- Non-recurring income and expenses have been reclassified in a separate item of their own, "non-recurring income (expenses) net of tax".

## 10.4 Reconciliation statements

### Reconciliation of consolidated balance sheet and reclassified consolidated balance sheet

(€m)

RECLASSIFIED BALANCE SHEET - ASSETS	RESTATED CONSOLIDATED BALANCE SHEET - ASSETS	31.12.2014	31.12.2013
Cash and cash equivalents		39.3	73.3
	<i>Item 10. Cash and cash equivalents</i>	39.3	73.3
Financial assets (other than loans and held-to-maturity investments)		2,721.0	2,560.7
	<i>Item 20. Financial assets held for trading</i>	54.8	40.0
	<i>Item 30. Financial assets designed at fair value</i>	156.6	146.4
	<i>Item 40. Financial assets available for sale</i>	2,509.6	2,374.3
Held-to-maturity investments		332.9	451.8
	<i>Item 50. Held-to-maturity investments</i>	332.9	451.8
Loans and advances to banks		3,672.0	3,177.8
	<i>Item 60. Loans and advances to banks</i>	3,672.0	3,177.8
Loans and advances to customers		5,370.0	4,795.5
	<i>Item 70. Loans and advances to customers</i>	5,370.0	4,795.5
Hedging derivatives		-	3.5
	<i>Item 80. Hedging derivatives</i>	-	3.5
Equity investments		118.8	102.7
	<i>Item 100. Equity investments</i>	118.8	102.7
Property and equipment		36.5	36.9
	<i>Item 120. Property and equipment</i>	36.5	36.9
Intangible assets		25.7	23.1
	<i>Item 130. Intangible assets</i>	25.7	23.1
Tax assets		171.5	181.7
	<i>Item 140. Tax assets</i>	171.5	181.7
Other assets		734.2	586.0
	<i>Item 150. Non-current assets held for sale and disposal groups</i>	-	0.1
	<i>Item 160. Other assets</i>	734.2	585.9
<b>Total assets</b>	<b>Total assets</b>	<b>13,221.9</b>	<b>11,993.0</b>

RECLASSIFIED BALANCE SHEET - LIABILITIES	RESTATED BALANCE SHEET - LIABILITIES	31.12.2014	31.12.2013
Due to banks		576.0	805.5
	<i>Item 10. Due to banks</i>	576.0	805.5
Due to customers		9,163.6	8,321.9
	<i>Item 20. Due to customers</i>	9,163.6	8,321.9
Financial liabilities held for trading		43.7	9.9
	<i>Item 40. Financial liabilities held for trading</i>	43.7	9.9
Hedging derivatives		1,094.8	605.7
	<i>Item 60. Hedging derivatives</i>	1,094.8	605.7
Tax liabilities		54.9	80.9
	<i>Item 80. Tax liabilities</i>	54.9	80.9
Other liabilities		737.4	656.8
	<i>Item 100. Other liabilities</i>	710.4	631.7
	<i>Item 110. Provision for employment termination indemnities</i>	27.0	25.1
Provision for risks and charges		340.8	300.0
	<i>Item 120. Provision for risks and charges</i>	340.8	300.0
Equity attributable to non-controlling interests		0.4	0.3
	<i>Item 210. Equity attributable to non-controlling interests</i>	0.4	0.3
Equity attributable to owners of the parent company		1,210.3	1,212.0
	<i>Items 140, 160, 170, 180, 190, 200, 220 Equity attributable to owners of the parent company</i>	1,210.3	1,212.0
<b>Total liabilities</b>	<b>Total liabilities and shareholders' equity</b>	<b>13,221.9</b>	<b>11,993.0</b>

## Reconciliation of consolidated income statement and reclassified consolidated income statement

(€m)

RECLASSIFIED CONSOLIDATED INCOME STATEMENT	CONSOLIDATED INCOME STATEMENT	2014	2013
Net interest income		120.6	131.6
	<i>Item 30. Net interest income</i>	135.7	146.8
	- <i>Item 60. (partial) Net fee and commission income related to net interest income</i>	(15.1)	(15.2)
Net profit (loss) on financial assets and liabilities		18.5	(2.2)
	<i>Item 70. Dividends and similar income</i>	0.2	0.1
	<i>Item 80. Net profit (loss) on trading activities</i>	4.2	7.2
	<i>Item 90. Net profit (loss) on hedging derivatives</i>	(10.2)	0.9
	<i>Item 100. Net profit (loss) on sales and repurchases</i>	23.6	(11.7)
	<i>Item 110. Net profit (loss) on financial assets and liabilities designed at fair value</i>	11.8	11.8
	- <i>Item 60. (partial) Return on insurance policies for Network loyalty schemes</i>	(3.9)	(4.6)
	- <i>Item 180. a) (partial) Return on Intesa Sanpaolo Shares for bonus scheme</i>	(1.3)	(0.3)
	- <i>Item 190 (partial) Return on insurance policies for Network loyalty schemes</i>	(5.9)	(5.6)
Net fee and commission income		789.0	676.4
	<i>Item 60. Net fee and commission income</i>	770.0	661.6
	- <i>Item 60. (partial) Net fee and commission income related to net interest income</i>	15.1	15.2
	- <i>Item 60. (partial) Return on insurance policies for Network loyalty schemes</i>	3.9	4.6
	- <i>Item 180.b) (partial) Indirect taxes</i>	-	(5.0)
<b>Operating income before net impairment</b>		<b>928.1</b>	<b>805.8</b>
Net impairment		0.9	1.6
	<i>Item 130. Net impairment</i>	0.9	1.6
<b>Operating income</b>		<b>929.0</b>	<b>807.4</b>
Personnel expenses		(130.5)	(115.7)
	<i>Item 180. a) Personnel expenses</i>	(137.7)	(117.3)
	- <i>Item 180. a) (partial) Early retirement incentive expenses</i>	5.9	1.3
	- <i>Item 180.a) (partial) Return on Intesa Sanpaolo Shares for bonus scheme</i>	1.3	0.3
Other administrative expenses		(163.2)	(162.4)
	<i>Item 180. b) Other administrative expenses</i>	(284.9)	(254.1)
	- <i>Item 180. b) (partial) Costs for services by third parties</i>	-	0.1
	- <i>Item 180. b) (partial) Professional costs for Intesa Sanpaolo Business Plan</i>	1.9	-
	- <i>Item 180.b) (partial) Indirect taxes</i>	-	5.1
	- <i>Item 220. (partial) Recovery of indirect taxes</i>	119.8	86.5
Depreciation and amortisation		(13.6)	(13.5)
	<i>Item 200. Depreciation of property and equipment</i>	(2.5)	(2.9)
	<i>Item 210. Amortisation of intangible assets</i>	(11.1)	(10.6)
<b>Operating expenses</b>		<b>(307.3)</b>	<b>(291.6)</b>
Net provisions for risks and charges		(76.9)	(68.4)
	<i>Item 190. Net provisions for risks and charges</i>	(82.8)	(74.0)
	- <i>Item 190. (partial) Return on insurance policies for Network loyalty schemes</i>	5.9	5.6
		5.9	5.6
Profit (loss) on equity investments		10.4	6.0
	<i>Item 240. Profit (loss) on equity investments</i>	10.4	6.0
Other income (expense)		(2.1)	(9.2)
	<i>Item 220. Other income/ expense</i>	117.7	77.4
	- <i>Item 180. (partial) Indirect taxes</i>	-	(0.1)
	- <i>Item 220. (partial) Recovery indirect taxes</i>	(119.8)	(86.5)
<b>Profit before tax</b>		<b>553.1</b>	<b>444.2</b>
Income taxes		(145.4)	(139.8)
	<i>Item 290. Income taxes</i>	(143.2)	(129.6)
	- <i>Item 290. (partial) Tax rebate for Fideuram Asset Management (Ireland)</i>	-	(9.8)
	- <i>Item 290. (partial) Tax impact of early retirement incentive expenses</i>	(1.6)	(0.4)
	- <i>Item 290. (partial) Tax impact of professional costs for Intesa Sanpaolo Business Plan</i>	(0.6)	-
Net profit (loss) attributable to non-controlling interests		(0.2)	(0.1)
	<i>Item 330. Net profit (loss) for the year attributable to non-controlling interests</i>	(0.2)	(0.1)
<b>Net profit before non-recurring items</b>		<b>407.5</b>	<b>304.3</b>
Non-recurring income (expenses) net of tax		(5.6)	8.8
	- <i>Voce 180.a) (partial) Early retirement incentive expenses</i>	(5.9)	(1.3)
	- <i>Item 180.b) (partial) Professional costs for Intesa Sanpaolo Business Plan</i>	(1.9)	-
	- <i>Item 180. b) (partial) Costs for services by third parties</i>	-	(0.1)
	- <i>Item 290. (partial) Tax impact of early retirement incentive expenses</i>	1.6	0.4
	- <i>Item 290. (partial) Tax impact of Professional costs for Intesa Sanpaolo Business Plan</i>	0.6	-
	- <i>Item 290. (partial) Tax rebate for Fideuram Asset Management (Ireland)</i>	-	9.8
<b>Net profit</b>	<b>Item 340. Parent company interest in net profit (loss) for the year</b>	<b>401.9</b>	<b>313.1</b>



# 11. Glossary

**Adviser**

Financial adviser who assists companies involved in corporate finance transactions. Tasks include providing advisory services and preparing valuations.

**Additional Tier 1 capital (AT1)**

Comprised of equity instruments other than ordinary shares (which are included in CET1) that comply with the regulatory requirements for inclusion in this tier of regulatory capital (such as savings shares). A series of items are subsequently deducted from the total.

**American Option**

An option that may be exercised at any time before and not only at the expiry date of the option.

**Amortised cost**

Differs from cost in providing for the cumulative amortisation of the difference between the value at initial recognition of an asset or liability and its nominal value using the effective interest rate method.

**Asset allocation**

Procedure adopted by an asset manager that consists in distributing a portfolio across a variety of financial instruments in different investment markets.

**Asset Backed Securities (ABS)**

Debt securities, generally issued by companies known as Special Purpose Vehicles (SPV), which are secured by pools of different assets (mortgage loans, consumer loans or credit card transaction receivables, etc.) which can solely be used to satisfy the rights incorporated in the financial instruments. The repayment of the principal and payment of interest depend on the performance of the securitised assets and any additional guarantees supporting the transaction. ABSs are issued in separate tranches (senior, mezzanine and junior) with different priorities regarding the repayment of the principal and payment of interest. They are named in relation to the type of assets in the pool, for example Mortgage Backed Securities (MBSs) when the underlying assets are mortgages, Commercial Mortgage Backed Securities (CMBSs) when the underlying assets are commercial mortgages, Collateralised Loan Obligations (CLOs) when the underlying assets are bonds with low rating profiles, and Collateralised Debt Obligations (CDOs) when the underlying assets are debts.

**Asset class**

Class of financial assets (at first level of analysis: shares, bonds, cash, other).

**Asset gathering**

The activity of gathering assets, in the Banca Fideuram Group's case through Personal Financial Advisers in Italy who are members of the Italian Association of Companies Selling Financial Products and Investment Services (Assoreti).

**Asset Liability Management (ALM)**

Body of techniques that enables the integrated man-

agement of financial statement assets and liabilities, typically used for measuring interest rate risk.

**Asset management**

The activity of managing and administering assets on behalf of customers.

**Associazione Bancaria Italiana (ABI - Italian Banking Association)**

The association that represents, defends and promotes the interests of the Italian banking and financial system.

**Associazione fra le Società per Azioni (Assonime - Association of Italian Joint Stock Companies)**

The association representing Italian joint stock companies of all kinds (industrial, financial, insurance and service companies). Its mission is to contribute to building a regulatory system that is favourable to economic activity, to interpret, adapt and apply legislation for effective operation of the market and, lastly, to assist member companies in their application of the law.

**Associazione Italiana Revisori Contabili (ASSIREVI - Italian Association of Auditors)**

A private association that promotes and conducts scientific analysis supporting the adoption of auditing standards, and the study of the development of the related laws and regulations. It is also engaged in resolving professional, legal and tax problems of common interest to its members.

**Associazione Nazionale fra le Imprese Assicuratrici (ANIA - Italian National Association of Insurance Companies)**

The body representing insurance companies that operate in Italy. Represents its members and the Italian insurance market in dealings with the main political and administrative institutions and undertakes its own and joint research into resolving technical, economic, administrative, tax and legal problems concerning the insurance industry.

**Auditing**

The body of activities for monitoring company processes and accounting, carried out both by internal departments (internal audits) and by independent auditors (external audits).

**Automated Teller Machine (ATM)**

Automatic machine that allows customers to make cash withdrawals, pay in cash or cheques, obtain account information, pay utilities and top up mobile phones etc. The terminal is activated by the customer inserting a magnetic/chip card and entering their personal identification number.

**Backtesting**

Historical testing to assess the reliability of asset portfolio risk source measurements.

**Bancassurance**

The offer of insurance products through a bank's branch network.

**Bank for International Settlements (BIS)**

International organisation with head office in Basel, founded in 1930. Its activities include providing financial assistance to national monetary institutions and promoting general rules regarding the world banking system.

**Bank of Italy**

A public-law institution that acts in the general interest in the monetary and financial sector, maintaining price stability, the stability and effective operation of the financial system and undertaking other duties assigned by Italian law.

**Banking book**

The portion of a bank's holdings, and securities holdings in particular, that is not held for trading purposes.

**Banking direct inflows**

Deposits by and bonds issued by banks.

**Basel Committee**

International forum for regular periodic cooperation on banking supervisory matters with two main objectives: to disseminate and enhance understanding of key supervisory issues and to improve the quality of banking supervision worldwide.

**Basel II**

The common name for the New Capital Accord which came into effect on 1 January 2007.

The Accord is based on three "pillars":

- Pillar 1: while the objective of a minimum capital requirement of 8% of risk-weighted assets remains unchanged, a new system of rules was developed for measuring typical banking and financial sector risks (credit risk, counterparty risk, market risk and operational risk) that provides for alternative calculation approaches with different levels of complexity and offers the option, following prior authorisation by the Regulator, of internally-developed approaches.
- Pillar 2: requires banks to adopt processes and tools that equip them with an Internal Capital Adequacy Assessment Process (ICAAP) that is appropriate for every type of risk, including forms other than those covered by the minimum capital requirement (first pillar), for the purposes of assessing current and prospective risk in a manner that takes strategies and developments in the reference scenario into account. The Supervisory Authorities are tasked with examining the ICAAP process, formulating an overall judgement and specifying appropriate corrective measures where necessary.
- Pillar 3: introduces obligations regarding the publication of information on capital adequacy, risk exposure and the general characteristics of the systems in place for identifying, measuring and managing risk.

**Basel III**

Set of reforms drawn up by the Basel Committee on Banking Supervision following the 2007-2008 financial crisis with the aim of improving the existing capital adequacy framework for the banking sector (Basel II), the effectiveness of supervision and the ability of intermediaries to manage the risks they assume.

**Basis point (BP)**

Unit of measurement for interest rate spread or changes in interest rates, equal to one hundredth of a percentage point. Example: If rates rise from 9.65% to 9.80%, they have risen by 15 basis points.

**Benchmark**

Financial parameter or indicator or financial instrument with characteristics that brokers consider sufficiently representative to be adopted as a reference for understanding whether a financial instrument with similar characteristics has performed better or worse than the benchmark over a given period.

**Best practice**

Generally speaking, identifies a way of doing something that may be considered representative of the best level of knowledge and its implementation within a given technical and/or professional area.

**Bid-ask spread**

The difference between the prices quoted for an immediate sale and an immediate purchase of a given financial instrument or group of financial instruments.

**Board of Directors**

Company body responsible by law for the management of a company and the direction of its business.

**Board of Statutory**

Auditors Internal supervisory body in joint stock companies.

**Bond**

Security in the form of a loan contracted between a legal person and members of the public that incorporates two rights: the right to repayment of the nominal value upon maturity and the right to the payment of interest on the amount (coupon). Bonds pay interest, calculated in relation to the nominal value, that can be fixed, floating or index-linked, which is to say linked to price indices or reference rates using specific mechanisms.

**Borsa Italiana S.p.A.**

The private company managing the organisation and operation of Italy's financial markets.

**BOT**

A BOT (Buono Ordinario del Tesoro) is a short-term Italian Treasury Bill used to meet Italian government borrowing requirements. It has a variable maturity and does not pay regular coupons but only repays the principal upon maturity.

**Branches**

The bank's area branches.

**Broker**

A financial intermediary who executes their customers' instructions to buy and sell for which they receive payment in commission that is usually stated as a percentage of the value of the transaction.

**BTP**

A BTP (Buono del Tesoro Poliennale) is a medium-to-long-term Italian government bond issued to finance public debt, which pays a fixed-rate yield.

**Budget**

The planned future costs and income of a company.

**Business model**

The system of inputs, added-value activities and outputs by means of which an organisation creates and preserves value in the short, medium and long term.

**Call option**

An option contract that, upon payment of a premium, gives the buyer the right to buy a given asset at a price set by the contract (exercise price or strike price) on or by a given date.

**Capital**

The assets forming the inputs in an organisation's business model, which are used, improved, consumed, changed or influenced through its activities in the process of creating value.

**Cash Generating Unit (CGU)**

A cash generating unit is the smallest identifiable group of assets generating cash inflows that are largely independent of the cash inflows generated by other assets or groups of assets.

**CCT**

Acronym of Certificato di Credito del Tesoro, Italy's Treasury Credit Certificate, which is a medium-to-long-term Italian government bond issued to finance public debt. These floating-rate securities offer a coupon that is indexed to the BOT treasury bill yield, increased by a given amount.

**Client Assets**

These assets comprise:

- Managed assets, which include mutual funds and pension funds, discretionary accounts and life insurance technical reserves.
- Non-managed assets, which include securities deposited (net of units in Group funds), accident insurance technical reserves and current account overdrafts.

**Collateral**

Pledge of financial instruments or cash offered as security by a borrower to a lender that the lender can take possession of or sell on the market if the borrower defaults on their obligations. Collateral provides banks

with a guarantee, in relation to their market counterparties, of the successful conclusion of the transactions in progress and of future transactions, effectively releasing the risk profile of its investments from considerations connected with the counterparty risk.

**Commissione Nazionale per le Società e la Borsa (CONSOB - Italian National Commission for Listed Companies and the Stock Exchange)**

An entirely autonomous administrative body with the status of a legal person and the object of promoting the protection of investors' interests and of ensuring the effective operation, transparency and growth of the Italian securities market.

**Common Equity Tier 1 capital (CET1)**

Common Equity Tier 1 Capital as defined by the new regulatory provisions for banks set down in European Union Regulation No. 575/2013 (Capital Requirements Regulation or CCR) and by Directive 2013/36/EU (Capital Requirements Directive CRD IV), which implement the standards developed by the Basel Committee on Banking Supervision (Basel III) in the European Union. CET1 is calculated as the algebraic sum of ordinary shares issued by the Bank that meet the classification criteria for regulatory purposes, the share premium deriving from the issue of the instruments included in CET1, profits carried forward, revaluation reserves and other reserves.

A series of items are then deducted from this total (e.g. shortfall of expected losses to provisions, equity investments, deferred tax assets), which moreover benefit from the allocation mechanism and, in the transitional period, gradual application through the phase-in arrangements.

**Common Equity Tier 1 ratio (CET1 ratio)**

Ratio between the bank's Common Equity Tier 1 capital and total risk-weighted assets (RWA).

**Community Directives**

European Union legal acts directed at member states, which are obliged to achieve the objectives specified in the directives and in their turn issue implementation legislation for application within each individual state.

**Compound interest**

Percentage of principal formed when accrued interest is added to the principal and generates interest in its turn.

**Core Business**

Principal business towards which company strategies and policies are directed.

**Corporate Customers**

Customer segment made up of medium and large enterprises (mid-corporate and large corporate).

**Corporate governance**

The body of rules and regulations that govern the life of a company, in particular with respect to the transparency of its documents and company minutes, and

to the completeness of the information it provides the market.

### **Corporate social responsibility (CSR)**

Corporate social responsibility is the voluntary integration of social and environmental matters in a company's business operations and stakeholder relations.

### **Cost/Income Ratio**

The ratio between administrative expenses and depreciation and amortisation, on the one hand, and operating income before net impairment on the other (including other income, net, and net profit on equity investments). One of the key ratios showing the efficient running of a bank: the lower it is, the higher the efficiency.

### **Counterparty risk**

The risk of a potential loss due to a counterparty failing to meet their contractual obligations.

### **Country Risk Premium (CRP)**

A cost of capital component aimed specifically at compensating the risk associated with a given country (which is to say the risk connected with economic, financial, political and currency instability).

### **Country risk**

Set of economic, financial and political factors that may make it difficult to obtain the repayment of debts contracted by trusted foreign clients irrespective of their individual solvency.

### **Covered bond**

Covered Bank Bonds that may, in addition to being secured by the issuing bank, also be secured by a pool of mortgages or other high-quality loans held for this purpose by a Special Purpose Vehicle.

### **Covered warrant**

A type of warrant issued by a broker that gives the holder the right to buy (call) or put (sell) a specific amount of underlying assets at a given date and specific price (strike price).

### **Credit Risk Adjustment (CRA)**

Technique that aims to measure the penalisation due to a counterparty's creditworthiness, used to determine the fair value of unlisted derivatives.

### **Credit risk**

The risk that a change in the credit rating of a trusted counterparty with whom a bank has an exposure could generate a corresponding change in value of the credit position.

### **CTZ**

Acronym of Certificato del Tesoro Zero Coupon, Italy's Zero Coupon Treasury Certificate, which does not have a coupon and only pays interest upon repayment.

### **Currency**

A generally-accepted means of payment for the purchase of goods and services, and the universal means of

exchange. Its use is founded on the economic operators' confidence in the issuing body, the central bank.

### **Default**

The situation in which it is impossible for a party to meet their contracted financial obligations.

### **Deficit**

A situation in which spending exceeds revenue. A Public Deficit is when the difference between government revenue and spending forms a public debt.

### **Depository bank**

A bank providing third parties with a custody and administration service for assets (cash and financial instruments) under management with an asset management company. In the case of mutual funds and pension funds, the depository bank also acts in a supervisory role with respect to the work of the asset management company, regarding both respect for the fund regulations and the correct accounting of the transactions conducted, and calculates the Net Asset Value (NAV).

### **Derivative**

Generic term for a type of financial instrument, the price/return of which is based on the price/return of other assets known as underlying assets, which can be financial instruments, indices, interest rates, currencies or raw materials.

### **Dividend**

Amount distributed by a company to its shareholders by way of remuneration for the capital they have invested (risk capital), representing the distribution of net profit for the year.

### **Doubtful loan**

Loan to a party that is in a situation which is objectively one of temporary difficulty that they are likely to overcome in an appropriate period of time.

### **Dow Jones**

Index showing the performance of the New York Stock Exchange.

### **Duration**

Financial duration of a security, or its residual life, weighted by the flow of coupons that the security will pay in the future. The duration is generally used to measure investments in bonds: the duration expressed in years and days indicates the date by which the holder of a bond regains possession of the principal initially invested, taking the coupons into account. It is an indicator of the interest rate risk of a bond or bond portfolio. In its most frequent configuration it is calculated as the average due date of the projected cash flows, weighted for the contribution of the current value of each flow to the price.

### **Earnings per Share (EPS)**

Ratio of net profit to the average number of outstanding shares at period end, net of treasury shares.

**E-banking**

The use of an electronic network (Internet or similar) that allows customers to carry out a vast range of banking and financial transactions online.

**ECB reference interest rates**

Interest rates set by the Governing Council that reflect European Central Bank monetary policy. Currently include the minimum bid rate on the main refinancing transactions, the interest rate on the marginal lending facility and the interest rate on the deposit facility of the central bank.

**Economic Value Added (EVA)**

An internal financial ratio used to calculate the monetary value created by a company in a given period. It is calculated by subtracting the shareholder's expected return on shareholders' equity from net profit. The expected return is generally taken to equal the net return on 12-month Treasury Bills issued at the beginning of the year, plus a market risk premium, which is assumed to be constant at 4.5 percent over the periods concerned.

**Effective interest rate**

The effective interest rate is the rate that discounts the current value of the future cash flows arising from a loan - in relation to both principal and interest - to the amount disbursed inclusive of the costs/income arising from the loan. This method of accounting using financial logic makes it possible to spread the economic effect of costs/income throughout the residual life of the loan.

**E-learning**

Distance training using computer aids.

**Embedded derivative**

Embedded derivatives are clauses (contractual terms) incorporated in a financial instrument that produce identical effects to those of a stand-alone derivative.

**Embedded value**

The value of a Group's adjusted shareholders' equity plus the value of its business portfolio at the valuation date.

**Emerging markets**

The financial markets of developing countries. These markets offer considerable opportunities to obtain high yields, but are characterised by high risk and volatility.

**Endorsement credit**

Operation through which a bank or finance company undertakes to bear or guarantee a customer's debt to a third-party.

**Euribor**

Reference interbank rate used in European Union countries. Calculated as the weighted average of the interest rates at which the major banks operating in the European Union grant loans. Calculated daily and used

as a parameter for setting the variable interest rates on loans.

**Euro area**

The geographical area covered by the member states of the European Union that have adopted the euro, often referred to as the eurozone.

**Euro overnight index average (EONIA)**

The effective overnight euro interest rate for the inter-bank market. Calculated as a weighted average of all overnight unsecured lending transactions in the inter-bank market, initiated within the euro area by a panel of contributing banks.

**European Bank for Reconstruction and Development (EBRD)**

International bank that provides financial assistance to European countries embarking on processes of economic reform.

**European Banking Authority (EBA)**

EU body established by Regulation (EU) No. 1093/2010 made up of representatives of the member states' central banks and supervisory authorities and operating as part of the framework of regulatory activities regarding banking policy. Promotes cooperation and convergence in the financial supervisory practices of the different member states.

**European Banking Federation (EBF)**

Association of banks in Europe that provides a forum for the discussion and agreement of proposals and initiatives regarding banking and the banking industry.

**European Central Bank (ECB)**

European community institution tasked with managing monetary policy in the euro area with the objective of maintaining price stability. The main governing bodies of the ECB are the Governing Council, Executive Board and General Council.

**European Commission**

Executive body of the European Union tasked with the implementation of European Laws (Directives, Regulations and Decisions), and the financial statements and programmes of the European Parliament and Council. Has power of legislative initiative and negotiates international agreements, mainly regarding commerce and cooperation. The President and members of the European Commission are appointed by the member states following the prior approval of the European Parliament.

**European Financial Reporting Advisory Group (EFRAG)**

A committee set up to assist the European Commission with prior technical advice regarding the endorsement of new International Financial Reporting Standards (IFRS).

**European Financial Stability Facility (EFSF)**

A special purpose vehicle created by members of the European Union with the aim of establishing a Europe-

an financial stabilisation mechanism in response to the sovereign debt crises that started in 2010.

### **European Insurance and Occupational Pensions Authority (EIOPA)**

EU body established by Regulation (EU) No. 1094/2010 with responsibilities of providing effective supervision of the insurance market, especially regarding oversight of cross-border groups, of promoting greater EU harmonisation of insurance and pensions rules, and of protecting consumers.

### **European Investment bank (EIB)**

European Union financing institution that supports public or private investment projects in line with EU objectives.

### **European Option**

An option that may exercised only at the expiry date of the option.

### **European Securities and Market Authority (ESMA)**

EU body established by Regulation (EU) No. 1095/2010 responsible for safeguarding the stability of the European Union's financial system by ensuring the integrity, transparency, efficiency and orderly functioning of securities markets, as well as enhancing investor protection.

### **European Stability Mechanism (ESM)**

Financial stability mechanism with a maximum lending capacity of €500bn that provides financial assistance to euro area Member States experiencing or threatened by financing difficulties. The main difference with respect to the earlier European Financial Stability Facility (EFSF) regards private sector involvement. The ESM is able to provide loans, buy government bonds on the primary and secondary markets and recapitalise banks, albeit not yet directly.

### **European Systemic Risk Board (ESRB)**

EU body established by Regulation (EU) No. 1092/2010. The ESRB is tasked with the macro-prudential oversight of the financial system in the European Union, monitoring and assessing systemic risk in order to contribute to the prevention or mitigation of systemic risks to financial stability.

### **European Union (EU)**

Currently made up of 28 members, the European Union is governed by five institutions: the European Parliament, the European Council, the European Commission, the Court of Justice and the Court of Auditors.

### **European Union regulations**

Regulations that are directly applicable and compulsory in all member states of the European Union without any national transposition legislation being required.

### **Exchange rate risk**

The risk that the fair value or future cash flows of a financial instrument could fluctuate as a result of exchange rate fluctuations.

### **Exchange rate**

The ratio between two different currencies stated as the value of one country's currency expressed in the currency of another.

### **Exchange-traded funds (ETF)**

Mutual funds which track a given stock market index. The certificates representing units can be traded on regulated markets.

### **Fair value hedge**

A hedge of the exposure to fluctuations in fair value of a recognised asset or liability that is attributable to a particular risk.

### **Fair value option (FVO)**

The fair value option permits entities to designate a financial instrument to be measured at fair value. The option can also be exercised for financial instruments that are not derivatives and not held for trading, allowing them to be measured at fair value in the income statement.

### **Fair value**

The purchase price for which an asset can be traded or a liability settled in a free transaction between informed and independent parties.

### **Fairness/Legal opinion**

Opinion provided upon request by experts recognised for their professionalism and competence regarding the congruence of economic conditions and/or the legitimacy and/or technical aspects of a given transaction.

### **Federal funds rate**

Short-term interest rate in the United States federal funds market, in which banks excess reserves with the Federal Reserve are traded. Although a market rate, the Federal Reserve announces a short-term rate target for its open market transactions, and the effective rate is generally close to this target rate.

### **Federal Reserve**

The Federal Reserve (Bank) or just Fed is the Central Bank of the United States.

### **Financial Crisis Advisory Group (FCAG)**

Body supporting the International Accounting Standards Board (IASB) and Financial Accounting Standards Board (FASB), tasked with considering critical financial reporting issues and proposing solutions to overcome them.

### **Financial instruments quoted in an active market**

A financial instrument is considered to be quoted in an active market when the price quotations representing effective, standard market transactions that have occurred over a normal reference period are readily and regularly available through stock exchanges, dealers, brokers, sector companies, pricing services or authorised bodies.

**Financial intermediary**

Professional figure who provides the public with financial products and services (purchase of equities, granting of loans, provision of payable services and foreign exchange broking).

**Financial Stability Board (FSB)**

International body tasked with monitoring the global financial system in order to develop and promote policies in the interest of financial stability.

**Forwards**

Forward contracts on interest rates, exchange rates or stock market indices, generally traded in Over The Counter markets, in which the conditions are stipulated when the contract is agreed but performance occurs at a predetermined future date, through the receipt or payment of differentials calculated with reference to parameters that differ depending on the subject of the contract.

**Front-end fees**

Fees paid by customers when signing a contract and when making any subsequent payments.

**FTSE MIB**

The principal benchmark index for the Italian equity markets. The index measures the performance of the 40 most-capitalised Italian shares and seeks to replicate the broad sector weights of the Italian stock market. The FTSE MIB Index is market capitalisation-weighted after adjusting constituents for float.

**Funding**

Obtaining, in various forms, the funds needed to finance company operations or specific financial transactions.

**Futures**

Standardised forward contracts with which the parties commit to exchanging assets or commodities at a predetermined price on a future date. These contracts are as a rule traded on regulated markets, where their performance is guaranteed. In practice, futures on assets often do not involve the physical exchange of the underlying asset.

**Gain**

Positive economic amount resulting from the sale of an asset at a higher price than the purchase price.

**Global reporting initiative (GRI)**

An independent international organisation with the object of developing and disseminating guidelines for the proper reporting of three elements of sustainability: the economy, environment and society.

**Goodwill**

The goodwill paid for the acquisition of an equity investment in a subsidiary equals the difference between the purchase price and the corresponding portion of shareholders' equity for the part that cannot be attributed to the separable assets of the company purchased.

**Gross Domestic Product (GDP)**

The total value of the end goods and services produced by a country in a given period of time using its own home market input. When calculated at current prices, it is known as nominal GDP; when calculated at constant prices (base-year prices), it is known as real GDP.

**Gross inflows**

Assets gathered through new business in mutual funds, discretionary accounts and life insurance (inflows) gross of payments (outflows) in the same period.

**Guided Open Architecture**

A service that offers third-party products alongside and to complement our Group products with a view to providing investors with a complete range of products.

**Hang Seng**

Hong Kong stock market index.

**Hedge accounting**

Rules regarding the accounting of hedging transactions.

**Hedge fund**

Mutual funds that use hedging instruments to obtain a better risk/return ratio. They are not limited in terms of objective or investment instrument and can even finance positions through high levels of borrowing.

**Hedging**

Hedging transactions are entered into to cover the risk of undesirable fluctuations in exchange rates, securities, interest rates and commodities etc.

**Holding**

Company A company that has controlling interests in several companies.

**Home Banking**

Banking service for private customers which allows them to use a computer at home to execute transactions such as payment instructions and utility payments, to request services such as the issue of new cheque books and to obtain information on their banking situation.

**IAS/IFRS**

The international accounting standards issued by the International Accounting Standards Board (IASB), adopted by the countries of the European Union from 2005 for companies listed on the stock exchange.

**Impaired loans**

Loans that show evidence of a possible decline in value (impairment loss) as a result of events occurring after their initial recognition. Include loans that have been given the status of non-performing loans, doubtful loans, restructured loans and overdue loans in accordance with the Bank of Italy rules in line with the IAS/IFRS.

**Impairment**

A financial asset is considered to be impaired when its

book value is higher than its estimated recoverable value.

### **Impairment test**

An impairment test is an estimate of the recoverable value (which is the higher of fair value less costs to sell and the value in use) of an asset or group of assets. IAS 36 requires the following to undergo an impairment test on an annual basis:

- Intangible assets with an indefinite useful life.
- Goodwill acquired in a business combination transaction.
- Any asset, if there is an indication that it may have suffered a permanent impairment loss.

### **In the money**

Expression regarding option contracts. A call option is in the money when the market price is higher than the strike price, whereas a put option is in the money when the market price is lower than the strike price.

### **Index-Linked Policies**

A life insurance policy where the benefit upon maturity depends on the performance of a reference parameter that can be a share price index, a basket of securities or other indicator.

### **Indirect inflows**

Securities and other instruments not issued by a bank but received by it in custody, under management or in relation to the management of personal estates.

### **Inflation**

Phenomenon in which price changes impact on asset purchasing power expressed in nominal terms. Measured statistically by an index regarding a basket of specific goods.

### **Information system**

The system of infrastructures, personnel and procedures used to manage important information for a company. The part of this system which is managed using information technology is generally called the information technology (IT) system.

### **Initial public offering (IPO)**

Offering to the public of the shares of a company that intends to be listed on a regulated market.

### **Insolvency**

Situation in which a debtor is no longer able to meet their financial commitments as they fall due.

### **Institute of International Finance (IIF)**

The IIF is the biggest global association of financial institutions. Founded in 1983 in response to the international debt crisis, the IIF has evolved to meet the changing needs of the financial community, supporting the financial industry in prudently managing risks and developing best practices and standards with a view to fostering global financial stability.

### **Institutional investors**

Entities such as banks, insurance companies, asset management companies and stockbrokers which invest in securities for professional reasons.

### **Integrated Report**

A document reporting on how the governance, business model and overall vision of an organisation, its operating context, opportunities and risks, strategy and plans for the allocation of its resources, its performance and future prospects contribute to the creation and preservation of value in the short, medium and long term.

### **Integrated reporting**

Body of processes and activities through which an organisation communicates its ability to create and preserve value in the short, medium and long term, integrating financial reporting with reporting on strategies, future development plans, risks, opportunities and topics relating to governance and to economic, environmental and social impacts.

### **Interbank market**

A residual money market, offered by banks with excess funds and taken up by banks that need additional funds to meet their liquidity requirements. The introduction of the euro created a single large European interbank market with the Euribor as its reference rate.

### **Interest rate risk**

The financial risk to which a bank is exposed as a result of a fluctuation in interest rates, which can be measured in terms of potential changes in future net interest income or in the current value of shareholders' equity (considered as the difference between the current value of interest-bearing assets and interest-bearing liabilities).

### **Interest Rate Swap (IRS)**

A contract in which the counterparties agree to exchange cash flows, paying a fixed/floating or floating/floating rate on a given notional principal amount.

### **Interest**

Remuneration for principal borrowed.

### **International Accounting Standards Board (IASB)**

The international body that issues the IFRS international accounting standards.

### **International Banking Federation (IBFed)**

The body that represents the major national banking associations, founded with the object of promoting effective action and agreed responses to questions of mutual interest.

### **International Financial Reporting Interpretations Committee (IFRIC)**

The IASB committee that issues the official interpretations of IAS/IFRS international financial reporting standards.

**International Integrated Reporting Council (IIRC)**

An international committee whose mission is to create a global framework that integrates, financial, environmental, social and governance information in a manner that is clear, concise, cohesive, comparable and able to respond to the complexities of the current socio-economic environment, cohesively integrating different reporting models.

**International Monetary Fund (IMF)**

An organisation of almost two hundred member countries working to foster global monetary cooperation, develop international trade and support the resolution of financial crises caused by balance of payment imbalances.

**International Organization of Securities Commissions (IOSCO)**

An organisation made up of representatives of the supervisory authorities overseeing the securities markets. Promotes regulatory standards with a view to improving efficient operation of the markets. The organisation also aims to strengthen cooperation between its member authorities.

**International Valuation Standards Council (IVSC)**

An independent organisation of valuation experts with the object of developing high quality international valuation standards and taking part in the international debate of valuation experts, cooperating with other international organisations.

**Investment grade**

Term used for high-quality bonds that have received a medium-to-high rating.

**ISIN**

A 12-character code that uniquely identifies the securities in circulation of all member countries of the International Organization for Standardization (ISO) at and issued subsequent to the project launch date.

**ISTAT**

Italy's National Institute of Statistics, founded in 1926, which produces statistics on all aspects of Italian economic and social life.

**Istituto per la Vigilanza sulle Assicurazioni (IVASS - Italian insurance regulator)**

Independent authority that works to ensure the stability of the market and insurance companies, as well as the transparency of insurance products, in the interest of insureds and users in general.

**Joint venture**

The cooperation of two or more companies, often from different countries, with the purpose of engaging in a specific economic activity. The purpose of cooperation can be to obtain a financial or production solution, and the pooling of know-how can be a decisive factor. Joint ventures are a common solution in industrialised and developing countries alike.

**Junior bond**

In a securitisation transaction, the most subordinated tranche of securities issued and the first to absorb any losses that may be encountered in the process of recovering the underlying assets.

**Liquidity**

Convertibility into cash. When liquidity regards an investment, it refers to the potential of that investment to be converted into cash quickly and without difficulty.

**Liquidity risk**

The risk of an entity encountering difficulties in obtaining the funds to meet the obligations deriving from financial instruments.

**Lock-up**

Period of time during which management and large investors are prohibited from selling their shares.

**London Benchmarking Group (LBG)**

A network of companies committed to measuring and reporting the value and impact of their community investment. The London Benchmarking Group has drawn up a comprehensively-structured reporting model that has become an internationally-recognised standard, widely endorsed by many organisations, including the main sustainability indices (such as the Dow Jones Sustainability Index).

**Long position**

The market purchase of a security with the expectation that the asset will rise in value on any market.

**Mark to Market**

A process for valuing a portfolio of securities or other financial instruments on the basis of market prices.

**Market**

A place where demand and supply for one or more goods or services meet, and where this meeting leads to the determination of a price at which sellers are prepared to sell their assets and buyers to purchase them.

**Market Capitalisation**

A company's value on the stock market: the sum of the market price of its different classes of shares, multiplied by the number of shares issued.

**Market making**

A financial activity carried out by specialist brokers with the aim of ensuring the liquidity and depth of the market, both through their continuous presence and through their function as a competitive guide for determining prices.

**Market risk**

The risk of losses on balance-sheet and off-balance-sheet positions that could result from unfavourable fluctuations in market prices. The variables that constitute the different types of risks forming market risk are: interest rates (interest rate risk), market prices (price risk) and exchange rates (exchange rate risk).

**Material aspects**

Material Aspects are those that reflect the organization's significant economic, environmental and social impacts; or substantively influence the assessments and decisions of stakeholders.

**Materiality**

Consists in determining the relevance and significance of a topic for an organisation and its stakeholders. A topic is material to an organisation and its stakeholders if it influences their decisions, actions and performance.

**Mercato interbancario dei depositi (e-MID - interbank market of deposits)**

Electronic market for trading in interbank deposits operated by the company e-MID S.p.A.

**Mercato Telematico Azionario (MTA - electronic stock exchange)**

The electronic stock exchange division of the Italian stock exchange on which ordinary shares, preference shares, savings shares, convertible bonds, pre-emption rights, warrants, covered warrants and shares in closed-ended equity and real-estate funds are traded.

**Merger**

Transaction in which a number of legal entities are replaced with one.

**Mezzanine bond**

In a securitisation transaction, the intermediate subordinated tranche between the junior tranche and senior tranche.

**MiFID**

The Markets in Financial Instruments Directive is directive 2004/39/CE of the European Parliament and of the Council of 21 April 2004 regarding investment services in the financial instruments sector.

**Monte Titoli S.p.A.**

Joint stock company that acts as Italy's centralised manager of the shares and bonds issued by private companies. Financial instruments listed in Italy must be entered in Monte Titoli's dematerialisation and centralisation system, which records every change of ownership.

**Morgan Stanley Capital International All Country World Index (MSCI ACWI)**

An index measuring the stock performance of principal listed companies worldwide. The vast measurement basis of the index reflects the average situation of stock markets worldwide and provides information on the performance of a hypothetical equity investment on the world market, measured as the weighted average of the performance of the regional markets. The MSCI ACWI is made up of 44 country indices, comprising 23 of securities traded on developed country markets and 21 of securities traded on emerging country markets.

**Mutual fund**

Independent assets in the form of a diversified portfolio

of financial assets divided up into units belonging to a large number of holders and managed by a special management company.

**NASDAQ**

Acronym of National Association of Securities Dealers Automated Quotation. The US electronic stock exchange for securities which usually have lower capitalisation than those listed on the New York Stock Exchange.

**Net Asset Value (NAV)**

In company financial statements, the net asset value is the value of the assets that can be ascribed to a given class of a company's shares. It is used by analysts to quantify the difference between a company's shareholders' equity and the capitalisation of its shares on the stock market, with a view to obtaining information on whether the shares are overvalued or undervalued.

**Net inflows**

Assets gathered through new business in mutual funds, discretionary accounts and life insurance (inflows) net of payments (outflows) in the same period.

**Network italiano per il business reporting (NIBR - Italian business reporting network)**

The Italian business reporting network is the official Italian participant of the World Intellectual Capital Initiative (WICI) at global and European level with the object of making a substantial contribution to the development of Business Reporting, particularly in its non-financial aspects and where intangibles are concerned, through identifying sector KPIs that are critical for the development of organisations and for the management of their capacity to create value.

**New York Stock Exchange (NYSE)**

The New York Stock Exchange is the world's largest stock exchange by market capitalisation of its listed companies. The NYSE was founded in 1817 and merged with Euronext in 2007, creating a global capital market that includes the principal European markets in addition to the NYSE.

**Nikkei 225**

Tokyo stock market index of the top 225 shares listed in the first section of the stock exchange, with the highest capitalisation and liquidity.

**Nominal value**

For shares: the fraction of share capital represented by a single share. For bonds: the value that the issuer commits to repaying upon maturity and on which the interest is calculated. Does not change over time and is not influenced by the issuer's financial situation. In the case of shares it can only be changed by means of a change to the Articles of Association and the consequent splitting or consolidation of shares. The nominal value (also known as par value or face value) is not the same as the issue price (shares can be issued for a higher amount than their nominal value, that is to say with a premium, while bonds can not only be issued above par but below

par as well); nor is it the same, for shares, as the current value or market value.

### **Non-performing loan**

Loan to a party that is insolvent or in a substantially equivalent situation.

### **Official reserves**

The official reserves held by central banks consist of universally-accepted means of payment, mainly dollars and gold, on which they can draw to finance the import of essential goods in the event of a crisis or to intervene on the foreign exchange market to support their currency.

### **Online trading**

System for trading financial assets on the stock exchange using a computer.

### **Open market operations**

The purchase or sale of government bonds by a country's central bank with the aim of controlling the monetary base of an economy.

### **Operational risk**

The risk of loss arising from inadequate or dysfunctional internal processes, human resources or systems, or from external events. This definition includes legal risk.

### **Option**

The entitlement but not the obligation, acquired through the payment of a premium, to buy (call option) or sell (put option) a financial instrument at a predetermined price (strike price) by or at a given future date.

### **Organisation for Economic Cooperation and Development (OECD)**

An international organisation with head office in Paris set up to promote maximum economic development, full employment and the growth of international trade.

### **Organismo Italiano di Contabilità (OIC - Italian accounting standards body)**

Standards setting organisation for accounting matters in Italy. Issues accounting standards for financial statements regarding matters not provided for by the IAS/IFRS, provides support regarding the application of the IAS/IFRS in Italy, and assists Italian lawmakers in the issue of accounting regulations.

### **Organismo Italiano di Valutazione (OIV - Italian valuation standards body)**

The Italian valuation standards body was founded in November 2011 with the object of providing and updating Italian Valuation Standards for the measurement of companies, financial instruments and real assets, participating in the international debate of valuation experts and becoming a reference body for Italian lawmakers.

### **Out of the money**

Said of a call option when the strike price is above the spot price of the underlying asset, and of a put option when the strike price is below the spot price.

### **Outright Monetary Transaction (OMT)**

Programme launched by the Governing Council of the European Central Bank in 2012. Provides for unlimited purchases, without the subordination of private investors, of short-term government bonds issued by euro area countries which have declared they are in economic difficulty. Requires the submission of a formal request for help to the ESM bailout fund in order to be activated, and that the specified conditions of the intervention be respected in the future.

### **Outsourcing**

Use of an outside company to provide goods or services.

### **Over The Counter (OTC)**

Transactions entered into directly by the parties concerned without using a regulated market.

### **Overdue loan**

Loans to parties with loans that are overdue or past due at period end according to Bank of Italy rules.

### **Overnight**

Interbank transaction in which one bank lends money to another bank with the commitment that the loan will be repaid the following day. The interest is also paid upon repayment.

### **Own funds (regulatory capital)**

In the new regulatory framework, own funds are composed of the sum of Tier 1 capital and Tier 2 capital.

### **PattiChiari**

A project formed by a consortium of Italian banks to offer simple, modern, certified tools that enable customers to make a better choice of financial products by ensuring clarity, ease of understanding and ease of comparison.

### **Pay-out**

The percentage of a company's income that is distributed to shareholders in the form of a dividend related to the company's total income.

### **Pension funds**

Bodies/management companies (in certain cases with the status of a legal person) which pay out supplementary pension benefits.

### **Performance fees**

Recurring fees withheld by an asset management company exclusively on the basis of the performance of the product managed. The percentage charged is usually linked to any increase in the value of a unit with respect to a reference parameter. This reference parameter can be a benchmark or another indicator, such as the rate of inflation, for example.

### **Performance**

Result obtained by a mutual fund over a given period of time. Performance is measured by the increase in value of a unit in the reference period with respect to a benchmark.

**Performing loan**

Loan to a party that did not present any specific insolvency risks at period end.

**Personal Financial Adviser**

A natural person who - as an employee, agent or authorised representative - is professionally engaged in the off-site offer of financial instruments and/or investment services in accordance, in Italy, with the provisions of the Italian Finance Consolidation Act (TUF) and the laws and regulations implementing them. The work of a Personal Financial Adviser is carried out exclusively in the interest of a single principal. In order to practice the profession in Italy, a Personal Financial Adviser must be registered in a register kept for the purpose by the Italian National Commission for Listed Companies and the Stock Exchange (CONSOB).

**Plain vanilla (derivatives)**

Products whose price depends on the price of the underlying instrument, which is quoted on regulated markets.

**Portfolio**

The real and financial assets held by an individual investor.

**Position**

Market commitment to buy or sell financial instruments.

**Pre-emption right**

Right of shareholders or holders of convertible bonds to buy a number of shares or bonds that is proportional to those already held, which can be sold on the stock market if the right is not exercised.

**Price risk**

The risk that the fair value or future cash flows of a financial instrument could fluctuate following fluctuations in market prices (other than the fluctuations caused by interest rate risk or exchange rate risk) arising from factors specific to the individual instrument or to its issuer, or due to factors that influence all similar financial instruments traded on the market.

**Pricing**

Generally speaking, the procedures used to calculate the returns/yields and/or costs of the products and services offered by a bank.

**Primary market**

Complex of underwriting or sale transactions for the public issuance of securities.

**Prime rate**

The interest rate that banks offer for loans to their most important customers. The Prime Rate depends on general market conditions, the availability of reserves and the amount of the loan, and can vary from one country to another.

**Private banking**

Financial services for the global management of private customers' financial requirements.

**Prospectus**

A document for the public providing detailed information on a company making a public offering.

**Prudential filters**

Filters used in calculating regulatory capital that apply corrections to the financial statement items in order to maintain the quality of regulatory capital and reduce any potential volatility that could arise from the application of the IAS/IFRS international financial reporting standards.

**Public offer for sale**

Offering, to the public, of a block of shares by the controlling group, through a placement.

**Public offer for subscription**

An offer to the public of shares in the process of issue regarding which the old shareholders have waived their pre-emption rights either partially or totally.

**Public purchase and exchange offer**

A mixed purchase and exchange offering in which shares can be purchased or exchanged with others.

**Public Purchase Offer (PPO)**

Transaction by which a substantial number of shares in a listed company is purchased in order to acquire control of said company. The Italian National Commission for Listed Companies and the Stock Exchange (CONSOB) has set the maximum ownership limit for any controlling shareholder at 30%, above which it is obligatory to launch a PPO for the remaining shares on the market.

**Put option**

An option contract that, upon payment of a premium, gives the buyer the right but not the obligation to sell a given asset at a predetermined price (strike price).

**Rating Agency**

Independent company that specialises in assigning credit ratings to the issuers of financial instruments. The rating is expressed as a combination of letters and/or digits.

**Rating**

An assessment of the creditworthiness of a company or of the debt securities it issues on the basis of the financial soundness of the company and of its prospects. This assessment is carried out by specialist agencies.

**Recession**

Commonly used to mean an extended decline in Gross Domestic Product (GDP). In economics, means a decline in GDP for at least two consecutive quarters.

**Recurring fees**

Fees withheld by an asset management company by way of remuneration for their management activities, calculated in relation to the market value of the assets managed.

**Repurchase agreements**

Financial instruments largely consisting in lending agreements in accordance with which the holder sells securities to or buys them from a bank or other financial institution at a predetermined price with a commitment to buy back or resell the same securities at a future date.

**Residual public purchase offer**

Public purchase offer provided for by Italian law to protect non-controlling shareholders against the possibility of shares being delisted or traded irregularly. A shareholder owning more than 90% of the ordinary share capital of a listed company is required to launch a residual public purchase offer.

**Restructured loan**

Loan in which a pool of banks (or a single-lender bank) grants a deferment of a debt and renegotiates the loan at interest rates that are below market rates.

**Retail**

A customer segment that principally comprises private individuals, professionals, retailers and the owners of small enterprises.

**Return On Assets (R.O.A.)**

The ratio of net profit to total assets.

**Return On Equity (R.O.E.)**

The ratio of net profit to average shareholders' equity.

**Return**

The total profit on an investment expressed as a percentage of the capital invested.

**Risk factors**

The factors that give rise to the risk of a financial instrument or portfolio (e.g. exchange rates, interest rates etc.).

**Risk Management**

The acquisition, measurement, evaluation and global management of the various different types of risk and their respective hedging.

**Risk Weighted Assets (RWA)**

Cash and off-balance-sheet assets (derivatives and guarantees) classified and weighted in relation to different risk ratios in accordance with the banking regulations issued by the supervisory authorities for calculating capital ratios.

**Risk-free interest rate**

The interest rate of a risk-free investment, which is to say an investment where there is no uncertainty regarding the cash flows generated. Risk-free investments are generally exemplified by short-term government securities, since the fact that governments have the power to print money makes it extremely unlikely they will not comply with their financial obligations. The risk-free interest rate can be measured in real terms (after taking price fluctuations into account) or in nominal terms (in

which case the nominal risk-free rate is the expected real risk-free rate plus the expected inflation rate). The return required of any security can be expressed as the sum of the nominal risk-free rate plus the risk premium.

**Risk-weighted assets**

Cash and off-balance-sheet assets (derivatives and guarantees) classified and weighted in relation to risk ratios in accordance with the banking regulations issued by the supervisory authorities for calculating capital ratios.

**Scope of sustainability reporting**

Identifies the boundaries of the economic, social and environmental impacts of the material aspects identified. Impacts can occur internally and/or externally to the organisation.

**Secondary market**

Market on which previously-issued financial instruments are bought and sold.

**Sector**

Subdivision of a multi-sector fund or multi-sector SICAV, distinguished by its management characteristics. A sector represents capital that is independent of the asset management company's capital and of all the other funds or sectors that it manages.

**Securitisation**

Transactions in which pools of assets are transferred to a "Special Purpose Vehicle" company and the latter issues securities with different degrees of subordination regarding potential losses on the underlying assets.

**Segment reporting**

The reporting of financial results by business segment and geographical area.

**SEI Advanced Advisory Service**

A service Banca Fideuram launched in 2009 on which customers pay commission. The service consists in identifying each customer's individual requirements classified by "area of need", in analysing their development over time, in analysing and providing advisory support regarding their overall position, including any portfolios held with third-party institutions, in providing in-depth risk-return profile analysis, in identifying appropriate investment strategies and solutions for each individual area of need and in monitoring the portfolio by area of need.

**Senior bond**

In a securitisation transaction, the most privileged tranche in terms of priority of payment of principal and interest.

**Sensitivity**

The sensitivity with which given assets or liabilities react to fluctuations in interest rates or other key parameters.

**Settlement risk**

The risk, arising in securities transactions, of the counterparty not fulfilling their obligation to deliver the securities or pay the amount owed after maturity.

**Share capital**

The sum of the nominal values of all the shares issued by a company, corresponding to the capital received from shareholders at its foundation and subsequent changes.

**Shareholders' equity**

On a company balance sheet, the shareholders' equity is the difference between the assets and liabilities.

**Short position**

The market sale of a security with the expectation that the asset will fall in value.

**Società di gestione del risparmio (SGR - asset management company)**

A joint stock company under Italian law with registered office and general management in Italy that is authorised to provide collective asset management and individual portfolio management services for third parties, together with any other services and activities provided for by the relevant laws and regulations in force.

**Società di intermediazione mobiliare (SIM - stockbrokers)**

An intermediary authorised to provide investment services including, amongst others, dealing on their own behalf and on behalf of third parties, the receipt and transmission of trading orders, the broking of services and asset management.

**Società di investimento a capitale variabile (SICAV - open-ended investment company)**

A mutual fund with the structure of a joint stock company and the exclusive object of investing its assets. In contrast to a mutual fund, in which one owns units, one owns shares in a SICAV. The subscribers of a SICAV are therefore entitled to take part in the Shareholders' Meeting.

**Special Purpose Vehicle (SPV)**

Special Purpose Vehicles are companies that are set up by one or more entities to fulfil a specific objective.

**Speculative grade**

Issuers with a low rating.

**Spin off**

This is when part of the assets of a company are separated from it to form a new legal entity.

**Spread**

The difference between the interest rates of different securities with the same maturities. Frequently used by Banca Fideuram to measure the difference in yield between the ten-year Bund, Germany's ten-year government bond, and Italy's equivalent, the Buono del Tesoro Poliennale (BTP). When the BTP/Bund spread widens it means that the interest the Italian government has to pay market investors rises in comparison with the equivalent German government bond. In practice it is a

measure of Italy's risk compared to benchmark country Germany.

**Stakeholder engagement**

The process of exchanging information with, listening to and learning from stakeholders with the intention of building mutual understanding and trust regarding problems of mutual interest. Its value lies in the possibility of combining the achievement of corporate goals with meeting the expectations of stakeholders.

**Stakeholders**

Parties who for various reasons interact with the activities of a company, being involved in its results, influencing its performance and evaluating its economic, social and environmental impact.

**Statutory reserve**

The minimum amount that a bank is required to hold by way of reserves under the Eurosystem. Compliance with this requirement is assessed on the basis of the average daily reserve holdings over a maintenance period.

**Stock exchange list**

List of quoted prices of securities listed on a stock exchange.

**Stock exchange price**

The value of a security in official trading.

**Stock options**

Option contracts which grant the entitlement to purchase shares in a company within a predetermined time and at a predetermined price. They are used as a form of supplementary remuneration in bonus and loyalty schemes.

**Stress test**

A simulation procedure used to measure the impact of extreme market scenarios on the bank's total risk exposure.

**Strike price**

The exercise price of an option.

**Structured security**

A security comprising a fixed component which is similar to a normal bond and a derivative component which is similar to an option, linked to the performance of an external factor.

**Subprime**

A subprime mortgage is, by definition, a mortgage granted to a party who would not have been able to obtain a more favourable rate on the credit market. Subprime debtors typically have low credit ratings and credit histories of defaults, attachments, bankruptcy and late payment. Because subprime debtors are considered to be at a high risk of insolvency, subprime mortgages typically have less favourable conditions than other types of lending. These conditions include higher interest rates, fees and premiums.

**Sustainability Reporting**

The process by which an organisation measures, communicates and takes responsibility for its performance from the standpoint of achieving the objective of sustainable development.

**Swaps**

Transactions that generally consist in the exchange of cash flows between operators in accordance with different types of contracts. In the case of an interest rate swap, the counterparties exchange payment cash flows, which may or may not be linked to interest rates, calculated on a notional principal amount (e.g.: one counterparty pays a fixed-rate while the other pays a floating-rate). In the case of a currency swap, the counterparties exchange specific amounts in different currencies, repaying them over time following predetermined procedures, which may regard both the notional principal and the interest-rate-linked cash flows.

**Tax rate**

Effective tax rate, resulting from the relationship between income taxes and income before taxes.

**Technical form**

The type of contract used for a given inflow or investment relationship.

**Tier 1 capital (T1)**

Comprised of Common Equity Tier 1 capital (CET1) plus additional Tier 1 capital (AT1).

**Tier 1 ratio**

Ratio of the bank's Tier 1 capital to its total risk-weighted assets (RWA).

**Tier 2 capital (T2)**

Principally comprised of eligible subordinated liabilities and any excesses of write-downs for anticipated losses (excess reserves) for loan positions risk-weighted following the IRB approach.

**Time value**

Change in the financial value of an instrument in relation to the different time horizon at which given cash flows become available or fall due.

**Total Capital Ratio**

Ratio of "own funds" to total risk-weighted assets (RWA).

**Trading book**

The portion of a bank's securities or financial instruments in general that is held for trading purposes.

**Underlying instrument**

Financial instrument that determines the value of a derivative instrument or structured security.

**Unemployment rate**

The percentage of workers, or rather of the workforce, which is not able to find a job.

**Unit-Linked Policies**

Life insurance policies where the benefits are linked to the value of investment funds. A policy may provide a capital guarantee or guaranteed minimum return.

**Value added**

The total wealth created by a company and distributed to its stakeholders (community, financial partners, human resources, business partners/shareholders and Local and Government Bodies) or reinvested in the company (undistributed net profit and depreciation allowances). The difference between gross production and the consumption of goods and services.

**Value in use**

The present value of the future cash flows expected to be derived from an asset or cash-generating unit.

**VaR**

Criterion for measuring market risk that follows a probabilistic approach, quantifying the risk in relation to the maximum loss that may be expected with a certain probability, on the basis of historical price fluctuations, with respect to a single position or an entire portfolio of securities for a specific time horizon.

**Volatility**

Statistical indicator for measuring the price fluctuation of a financial instrument with respect to its average price in a given period. The greater the volatility of a financial instrument, the riskier it is.

**World Bank**

Bank which contributes to the development of emerging countries as one of its principal objectives.

**World Intellectual Capital Initiative (WICI)**

A global network which aims to establish a new and broader conceptual framework for Business Reporting that is able to provide more satisfactory and exhaustive reporting than traditional financial information on the various different dimensions of corporate performance, including with respect to intangibles, and to provide a wider platform for non-financial information (KPIs) that enables one to measure the capacity of companies to create value sustainably over time.

**Write-back**

Restoring (writing back) the value of assets items that were written down in prior financial years.

**Write-down**

The writing down of assets items in financial statements (to a lower value).





## **12. Contact us**

## Banca Fideuram and Sanpaolo Invest Branches and Personal Financial Advisers' Offices

### BANCA FIDEURAM BRANCHES

Abbiategrosso - Alba - Alessandria - Ancona - Arezzo - Asti - Bari - Belluno - Bergamo - Biella - Bologna - Bolzano - Brescia - Busto Arsizio - Cagliari - Caserta - Catania - Cernusco Sul Naviglio - Cesena - Como - Cremona - Cuneo - Darfo - Empoli - Ferrara - Florence - Foggia - Forlì - Frosinone - Genoa - Ivrea - La Spezia - Latina - Lecce - Lecco - Livorno - Lodi - Lucca - Macerata - Mantua - Massa - Messina - Milan - Modena - Moncalieri - Montecatini Terme - Monza - Naples - Novara - Padua - Palermo - Parma - Pavia - Perugia - Pescara - Piacenza - Pisa - Pordenone - Prato - Ravenna - Reggio Calabria - Reggio Emilia - Rho - Rimini - Rome - Rovigo - Salerno - Sanremo - Savona - Seregno - Sesto San Giovanni - Siena - Syracuse - Turin - Trento - Treviglio - Treviso - Trieste - Udine - Varese - Verbania - Verona - Vicenza

### BANCA FIDEURAM PERSONAL FINANCIAL ADVISERS' OFFICES

Acqui Terme - Adrano - Albenga - Aosta - Argenta - Ascoli Piceno - Aulla - Avellino - Aversa - Bassano Del Grappa - Bibbiena - Bra - Brunico - Campobasso - Carate Brianza - Carpi - Casale Monferrato - Casalgrande - Cascine Di Buti - Castel San Giovanni - Castelfranco Veneto - Castelnuovo Garfagnana - Cavalese - Cecina - Chiavari - Chieri - Città di Castello - Cittadella - Cles - Conegliano - Crema - Domodossola - Faenza - Feltre - Fermo - Foligno - Follonica - Fossano - Gaeta - Gorizia - Grosseto - Guastalla - Imola - Imperia - Isernia - Jesi - L'Aquila - Lamezia Terme - Lanciano - Lugo - Monselice - Montebelluna - Montevarchi - Novi Ligure - Oderzo - Omegna - Orbassano - Oristano - Ovada - Pesaro - Pinerolo - Pieve Di Sacco - Pistoia - Poggibonsi - Pontedera - Portoferraio - Potenza - Rieti - Rivarolo Canavese - Rivoli - Rome - Rovereto - Saluzzo - San Daniele Del Friuli - San Giovanni In Persiceto - Santa Croce Sull'Arno - Saronno - Sarzana - Sassari - Sassuolo - Schio - Sinalunga - Sondrio - Taranto - Teramo - Terni - Thiene - Tolmezzo - Turin - Trapani - Valdagno - Valenza - Velletri - Venice - Vercelli - Viareggio - Vigevano - Viterbo - Voghera

### SANPAOLO INVEST PERSONAL FINANCIAL ADVISERS' OFFICES

Abbiategrosso - Acquapendente - Agrigento - Alba Adriatica - Albenga - Alessandria - Ancona - Anzio - Aosta - Aprilia - Arezzo - Asti - Aversa - Avezzano - Bari - Barletta - Bergamo - Biella - Bologna - Bolzano - Brescia - Busalla - Cagliari - Caorle - Caserta - Cassino - Ceccano - Cerea - Chiavari - Città di Castello - Civitanova Marche - Civitavecchia - Como - Conegliano Veneto - Cosenza - Cremona - Faenza - Ferrara - Florence - Foggia - Foligno - Forlì - Formia - Frattamaggiore - Frosinone - Gallarate - Genoa - Grottaferrata - Imperia - Ivrea - L'Aquila - La Spezia - Latina - Lecce - Livorno - Lodi - Lucca - Luino - Macerata - Matera - Messina - Milan - Modena - Monfalcone - Montebelluna - Montepulciano - Monza - Naples - Nervi - Novara - Olbia - Ortona - Ostia - Padua - Palermo - Parma - Pavia - Perugia - Pesaro - Pescara - Piacenza - Pinerolo - Pisa - Prato - Ragusa - Rapallo - Ravenna - Reggio Calabria - Rieti - Rimini - Rivoli - Rome - Salerno - Sanremo - Sant'Agnello - Sarzana - Sassari - Savona - Siena - Susa - Taranto - Terni - Thiene - Turin - Tremestieri Etneo - Trento - Treviglio - Treviso - Trieste - Udine - Valenza - Vasto - Ventimiglia - Verbania - Vercelli - Verona - Vicenza - Vignola - Viterbo - Voghera

(at 31 December 2014)

## Banca Fideuram in a click

Banca Fideuram's Mobile Banking provides access to banking services and information at any time of the day or night.



The dedicated “**Banca Fideuram**” app can be downloaded free of charge from the **App Store / iTunes** for iPhones and iPads, or from **Google play** for devices using the Android operating system. Customers using smartphones with other operating systems can simply enter [www.bancafideuram.it](http://www.bancafideuram.it) in their browser app to be transferred to the mobile site automatically.

### Contacts

Website: [www.bancafideuram.it](http://www.bancafideuram.it)

Fideuram Customer Freephone number: 800.546.961

Fideuram online Customer Freephone number: 800.099.300

Email: [DAB-BilancioconsolidatoBF@bancafideuram.it](mailto:DAB-BilancioconsolidatoBF@bancafideuram.it)

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