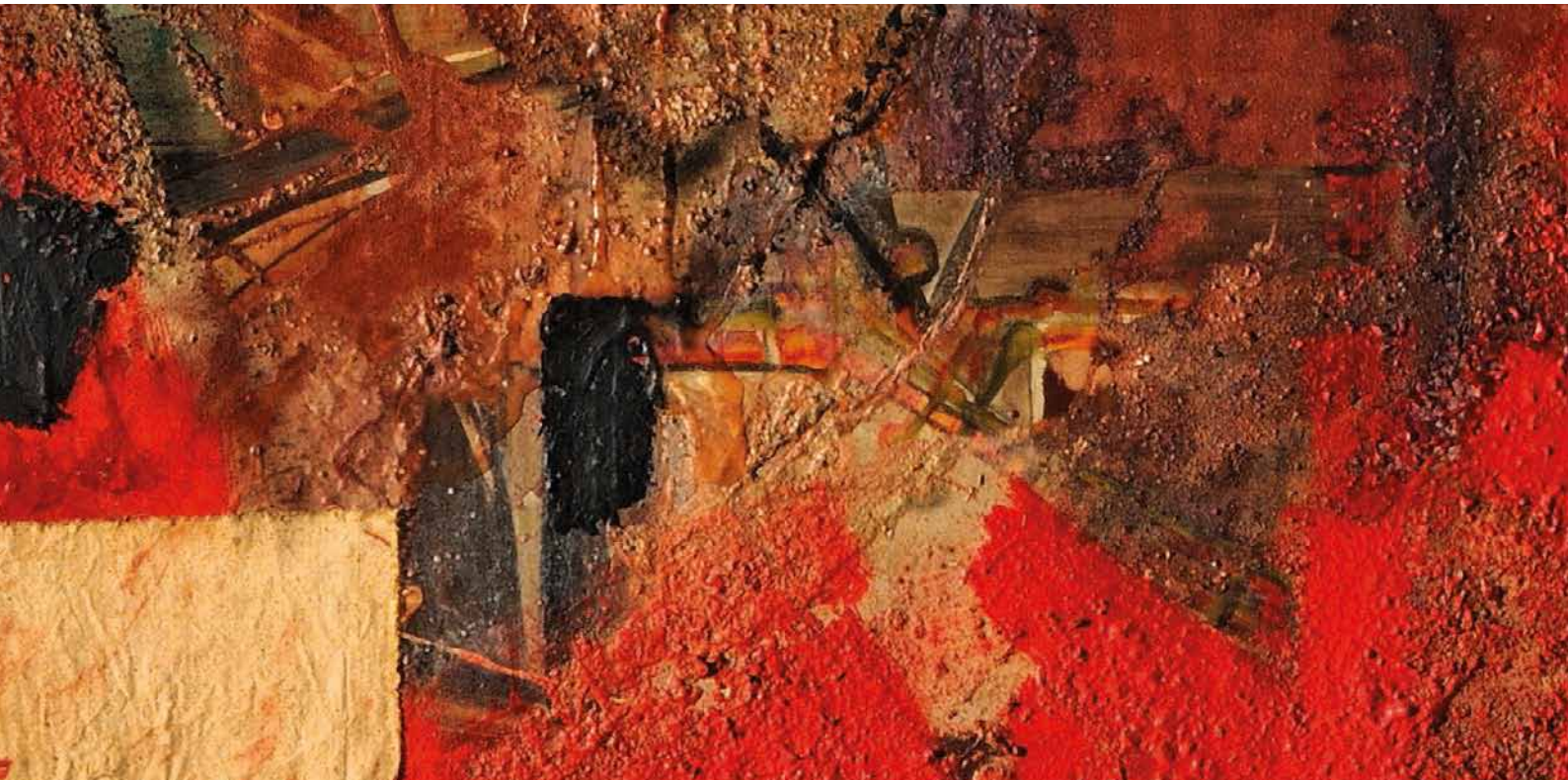


# Sustainability Report 2013





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# Boards, Management, Auditors

## SUPERVISORY BOARD

Chairman	Giovanni Bazoli
Deputy Chairmen	Mario Bertolissi Gianfranco Carbonato
Directors	Gianluigi Baccolini Francesco Bianchi Rosalba Casiraghi Carlo Corradini Franco Dalla Sega Piergiuseppe Dolcini Jean-Paul Fitoussi Edoardo Gaffeo Pietro Garibaldi Rossella Locatelli Giulio Stefano Lubatti Marco Mangiagalli Iacopo Mazzei Beatrice Ramasco Marcella Sarale Monica Schiraldi

## MANAGEMENT BOARD

Chairman	Gian Maria Gros-Pietro
Senior Deputy Chairman	Marcello Sala
Deputy Chairman	Giovanni Costa
Managing Director and Chief Executive Officer	Carlo Messina*
Directors	Carla Patrizia Ferrari Piera Filippi Gaetano Micciché* Francesco Micheli Giuseppe Morbidelli Bruno Picca

### MANAGER RESPONSIBLE FOR PREPARING THE COMPANY'S FINANCIAL REPORTS

Ernesto Riva

### INDEPENDENT AUDITORS

KPMG S.p.A.

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\* General Managers

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## LEGEND

Link to Sustainability  
Report 2013



Link to Website



key

back



Achievements: status

- Achieved/in the completion phase
- Partially achieved/under development
- Not achieved



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## Letter to the stakeholders

This new edition of the Sustainability Report is published alongside the 2014-2017 Business Plan, which confirms Intesa Sanpaolo as a real-economy bank, supporting households and businesses, focusing on meeting a healthy credit demand and managing customers' financial assets responsibly.

The global macroeconomic scenario witnessed a moderate rate of expansion in 2013. In the United States, growth recovery gave a boost to employment trends. Conversely, the economic situation in the Eurozone remained weak, but the first signs of an exit from the recession were seen starting from the second quarter. Nonetheless, the gross domestic product recorded a moderate drop also in 2013 on an average annual basis.

In Italy, the average annual change of GDP remained negative at -1.9% compared to 2012, as a result of the fall in the domestic demand, which was only partially offset by a new improvement in the balance of trade.

This recession scenario continued to take its toll and resulted in a significant loss for the manufacturing industry, as well as in strong imbalances in income distribution and high unemployment rates, especially among young people.

However, the first signs of a turnaround of the cycle, finally observed also in Italy in the fourth quarter of 2013, make it possible to predict the return of a gradual economic recovery in the current year.

Against this backdrop, Intesa Sanpaolo shows some of Europe's best capitalisation levels and achieves financial results which, despite being impacted by a weak credit market and the significant deterioration of credit quality, confirm the bank's liquidity and solidity position. As highlighted by this Report, Intesa Sanpaolo's solidity is the result of the choices made throughout the years, such as focusing on customers' requirements, people's professional skills and the value of the partnerships with local key players. The adoption of innovative financial solutions has enabled to promote shared values, both in economic and social and environmental terms.



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The difficult challenges we have taken on and still lie ahead of us require clear guidelines and concrete actions in order to seize the opportunities deriving from the enhancement of the existing business activities and the development of new growth drivers. One of the key target factors lies in the motivation of Intesa Sanpaolo's people: to this end the Bank undertook to provide its employees with a share ownership instrument that makes it possible to share the results of the Business Plan.

Once again, the Sustainability Report provides an account of the actions taken to hold to the objectives we had set ourselves, as deriving from the dialogue with our stakeholders, and to the commitments that we made by joining the initiatives of major international organisations, such as the United Nations' Global Compact and the Equator Principles, based on the World Bank standards to assess and manage impacts on the environment and communities in financing activities.

These guidelines, as well as the broadest social promotion objectives pursued by the United Nations, inspired the choices made by Intesa Sanpaolo, which fully participates in the global community of businesses bearing witness to the concrete possibility of combining social development and economic growth.

Giovanni Bazoli



Gian Maria Gros-Pietro



Carlo Messina



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## Introduction and methodology

The Sustainability Report 2013 addresses Intesa Sanpaolo's stakeholders and provides an account of the progress made in the economic, environmental and social sectors in terms of meeting the improvement objectives set in the previous reporting cycle. This year's Report features a new structure compared to the previous editions: it details the approach and activities of the Group with regards to the relevant issues resulting from the materiality analysis and breaks down the content by subject areas rather than on the basis of the stakeholders to whom the topics dealt with are referred.

The choice was dictated by the knowledge that the most relevant issues on which this Report is focused have implications for a variety of stakeholders. Thus, the new structure intends to provide a more straightforward identification of the relevant challenges for Intesa Sanpaolo and its stakeholders with a view to greater transparency and access to information.

The stakeholder map [↗](#) was also updated: the revision was based on the criteria for stakeholder selection as defined by the AA1000APS Accountability standard.

The document was drawn up in compliance with the "Sustainability Reporting Guidelines" of the Global Reporting Initiative (GRI 3) and the "Financial Services Sector Supplements".

The Social Report guidelines for the banking sector "The Report to Stakeholders: A Guide for Banks" published by ABI in collaboration with EconomEtica (Multi-University Centre for Economic Ethics and Corporate Social Responsibility) were also taken into consideration.

### MATERIALITY AND REPORTING PRINCIPLES

The content selection took into account the GRI principles of materiality, inclusiveness, sustainability context and completeness. The materiality analysis [↗](#) conducted in compliance with version 4 of the GRI guidelines of the Global Reporting Initiative allowed assessment of the topics based on their materiality both in terms of their possible financial impact on the Bank's activities and in terms of their materiality to the community and stakeholders.

Moreover, the GRI principles were applied for reporting quality criteria definition (balance/neutrality, comparability, accuracy, promptness, clarity and reliability) and for the reporting boundary.

Based on AA1000 methodology, the stakeholder map was also updated during 2013 to bring it more in line with the new business development lines and the social context which continues to be heavily influenced by the economic crisis.

Information in addition to that provided in the Sustainability Report is published on the website – Sustainability Section [↗](#).

In the descriptions and in the GRI Table of Contents, the report includes links to this additional information.

The Sustainability Report is subject to limited review. The assignment was granted to the independent auditors KPMG S.p.A. The report describing the steps involved and related conclusions can be found on page 150 [↗](#).

### THE REPORTING PROCESS

All company departments contribute to the drafting of the Sustainability Report content and deal with dialogue initiatives with stakeholders through the CSR Delegates, appointed by the various heads of Group departments and companies, who work in close contact with the CSR Unit. Data collection is centralised, on the same reporting platform responsible for control of the economic, capital and commercial performance of the Business Units. The reporting process is defined in special "Guidelines for the preparation of the Social Report and related management processes", which became corporate policy in 2009 [↗](#).

### MEASUREMENT SYSTEMS

The indicators illustrated in the Sustainability Report were identified on the basis of reference standard indications, our obligations deriving from the adoption of international sustainability protocols and from the commitment to ensuring that the path to achieving our objectives is measurable. Almost all the data was collected directly, except for certain estimates which are duly specified. To ensure accuracy in the collection and uniformity in the interpretation of the indicators required, the data measurement systems are supported by a technical manual which, for the quantitative indicators, formalises their relevance, the calculation methods and the data source.

### THE REPORTING PERIOD AND BOUNDARY

The Sustainability Report is published on an annual basis. The previous edition was published in April 2013. The data presented herein refer to 2013 and, where possible, are accompanied by data from the previous two years for comparative purposes. The reporting boundary for the Sustainability Report includes active companies important for sustainability reporting purposes and which are included in the 2013 Consolidated Financial Statements. The evaluation criteria adopted for the inclusion of each Group

company in the reporting boundary took into account the features of the companies based on the social and environmental impacts generated, their contribution to the Consolidated Financial Statements in terms of capital and profit and the number of employees. No significant changes in the reporting boundary were recorded in 2013 compared to 2012.

A summary of the 2013 Sustainability Report is also published in the "Report on Operations" in the Intesa Sanpaolo Group Consolidated Financial Statements (see chapters: "Stakeholder map", page 26-27 and "Social and environmental responsibility", page 131-144.

In drawing up this summary, we implemented the

Guidelines issued by the Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili (National Council of Chartered and Certified Accountants) published in March 2009 in the light of changes introduced by Legislative Decree 32/2007.

This edition of the Sustainability Report is also available on the Internet [↗](#).

### This Report meets the requirements of the A+ application level GRI 3 guidelines (Financial Services Sector Supplement)

Application level	Profile	Management approach	Performance indicators
<b>C</b>	Report on the following indicators: 1.1 2.1 - 2.10 3.1 - 3.8 3.10 - 3.12 4.1 - 4.4 4.14 - 4.15	Not Required	Report on a minimum of 10 Performance Indicators, including at least one from each of: Economic, Social and Environmental
<b>C+</b>	Report submitted to external audit		
<b>B</b>	Report on all indicators listed for levels C plus: 1.2 3.9, 3.13 4.5 - 4.13 4.16 - 4.17	Disclosure on Management Approach for each indicator category	Report on a minimum of 20 Performance Indicators, including at least one from each of: Economic, Environmental, Labour, Human Rights, Society, Product Responsibility
<b>B+</b>	Report submitted to external audit		
<b>A</b>	Same as required for level B	Disclosure on Management Approach for each indicator category	Report on each core G3 and Sector Supplement Indicator by reporting with breakdown by indicator or illustrating reasons for omission, with due regard to the materiality principle
<b>A+</b>	Report submitted to external audit		



# **The profile of the Intesa Sanpaolo Group**

## Vision and values

Fully aware of the value of its activities in Italy and abroad, the Group encourages a style of growth that focuses on financial and capital solidity and on sustainable long-term results, and on establishing a trust-based process that stems from customer and shareholder satisfaction, from its employees' sense of belonging and listening to the needs of local communities.

The Group's growth strategy aims at creating solid and sustainable value against an economic, financial, social and environmental backdrop - built upon mutual trust of all its stakeholders and based upon its values.

(from the Code of Ethics )

### **INTEGRITY**

We pursue our goals with honesty, fairness and responsibility, in full and true respect of the rules and professional ethics and in the spirit of signed agreements.

### **EXCELLENCE**

We set ourselves the goal of continuous improvement, forward thinking, anticipating challenges and fostering creativity aimed at innovation, both recognising and rewarding merit.

### **TRANSPARENCY**

We are committed to making transparency the basis of our actions, advertising and contracts in order to allow all our stakeholders to make independent and informed decisions.

### **RESPECT FOR SPECIFIC QUALITIES**

It is our intention to combine large-scale operations with profound local roots and to be a bank with a broad vision, without losing sight of individuals.

### **EQUALITY**

We are committed to eliminating all forms of discrimination from our conduct and to respecting differences in gender, age, ethnic origin, religion, political and union persuasions, sexual orientation, language or disability.

### **VALUES OF THE INDIVIDUAL**

The value of each single person is a guide for our modus operandi: we use listening and dialogue as tools to continuously improve our relationships with all of our stakeholders.

### **RESPONSIBILITY IN THE USE OF RESOURCES**

We aim to use all of our resources attentively, promoting behaviour based on resource optimisation and avoiding waste and ostentation, and we give priority to choices that take sustainability into account.

## Business model

The Intesa Sanpaolo Group is the largest banking group in Italy with around 11.1 million clients and more than 4,700 branches, and is one of the leading banking groups in Europe.

It is the Italian leader in financial activities for households and businesses, especially in banking intermediation, leasing, pension funds, asset management and factoring.

The Group has strategic territorial coverage thanks to its local subsidiaries and is one of the top banking groups in several countries in Central and Eastern Europe and in the Middle East and North Africa, where it serves approximately 8.4 million customers through a network of over 1,400 branches: it ranks first in Serbia, second in Croatia and Slovakia, third in Albania, fifth in Bosnia-Herzegovina, Egypt and Hungary, eighth in Slovenia.

### Leadership in Italy based on the long-term relationship with customers

#### Ranking in Italy

1°	Loans		15.1%
1°	Deposits <sup>1</sup>		16.5%
1°	Asset Management <sup>2</sup>		22.1%
1°	Pension Funds		23.9%
1°	Factoring		32.5%

As at 31 December 2013, the Intesa Sanpaolo Group had total assets of **626,283 million euro**, loans to customers for **343,991 million euro**, direct deposits from banking business amounting to **372,033 million euro** and direct deposits from insurance business and technical reserves amounting to **93,493 million euro**.

Figures as at 31 December 2013 - 1. Includes bonds 2. Mutual funds

The Intesa Sanpaolo Group's structure is set out in five business units (Banca dei Territori Division, Corporate and Investment Banking Division, International Subsidiary Banks Division, Eurizon Capital and Banca Fideuram) which serve different types of customers. In addition there are the Governance Centres comprising: Chief Governance Officer, Chief Financial Officer, Chief Operating Officer, the Chief Lending Officer and Chief Risk Officer and Wealth Management for guidance, coordination and control of the whole Group.

The detail of Intesa Sanpaolo's organisational structure is available on the Group's Internet site [↗](#).

### A presentation of the group - Italian Leader with a european scale

#### ITALY

4,766 Branches

#### OTHER EUROPEAN COUNTRIES

1,280 Branches 5 Representative Offices

#### AMERICA

2 Branches 2 Representative Offices

#### ASIA

5 Branches 5 Representative Offices

#### AFRICA

174 Branches 3 Representative Offices

#### OCEANIA

1 Representative Offices



## Positioning in the sustainability indices

Intesa Sanpaolo is present in some of the major stock indices where the selection of securities is based not only on importance and financial performance but also on conduct marked by corporate social and environmental responsibility. The sustainability criteria – monitored independently through analysis of public documents, questionnaires and direct interviews with the company's stakeholders – require companies to achieve continuous improvement in order to be included in the indices. Intesa Sanpaolo is present in the following indices:

	<ul style="list-style-type: none"> <li>▪ DJSI World, which includes 340 companies;</li> <li>▪ DJSI Europe, comprising 166 companies.</li> </ul> <p>The Dow Jones Sustainability indices select the best companies for each sector, based on a number of sustainability parameters. The result of a company's sustainability evaluation provides an in-depth analysis of its economic, environmental and social performance, as well as of its corporate governance, with particular focus on the risks and opportunities of each sector.</p>
	<ul style="list-style-type: none"> <li>▪ FTSE4Good Europe, which includes 291 European companies;</li> <li>▪ FTSE4Good Global, which includes 735 companies worldwide.</li> </ul> <p>The criteria for inclusion in the FTSE4Good are subdivided into three pillars: environment, social and governance. The issues examined are: environmental management, climate change, human rights, supply chain, corruption and corporate governance.</p>
	<ul style="list-style-type: none"> <li>▪ ESI Excellence Europe, which includes 203 companies;</li> <li>▪ ESI Excellence Global, which includes 88 companies.</li> </ul> <p>The Ethibel methodology integrates the concepts of corporate governance, business ethics and analysis of environmental, social and governance risk. The selection also includes an assessment of controversial activities (involvement in these activities does not automatically result in exclusion).</p>
	<ul style="list-style-type: none"> <li>▪ Vigeo Europe 120, which includes 120 European companies.</li> </ul> <p>The range of Vigeo indices is based on a set of companies listed in the North American, Asian and European markets and included in the Stoxx 1800 benchmark, in which Vigeo covers 94% in terms of market capitalisation. The companies included in the indices are those with the highest scores according to the Vigeo methodology, which envisages over 330 indicators and 38 sustainability criteria.</p>
	<ul style="list-style-type: none"> <li>▪ CDP's Italy 100 Climate Disclosure Leadership Index (CDLI) is an indicator that selects, within the FTSE MIB and FTSE Italia Small and Mid Cap indices, the companies that demonstrated - in their responses to the CDP questionnaire - an effective strategic approach towards reducing carbon footprint and a strong commitment for the completeness and transparency of the information provided.</li> </ul>
	<ul style="list-style-type: none"> <li>▪ ECPI Euro Ethical Equity, which includes 150 companies;</li> <li>▪ ECPI Global Ethical Equity, which includes 300 companies;</li> <li>▪ ECPI EMU Ethical Equity, which includes 300 companies.</li> </ul> <p>The selection method uses a set of indicators covering the following areas: production process, environmental impact, community relations, diversity management, human resources, branch activity, transparency of the financial statements and composition and governance of the Board of Directors.</p>
	<ul style="list-style-type: none"> <li>▪ The UN Global Compact 100 stock index includes the 100 companies adhering to the ten principles of the UN Global Compact and which stood out at the global level both in terms of their attention to sustainability issues and in terms of their performance in the financial sector.</li> </ul>
	<ul style="list-style-type: none"> <li>▪ The Standard Ethics Italian Banks index evaluates banks on the basis of the principles and voluntary guidelines coming from the OECD, the European Union and the United Nations solely on corporate governance matters.</li> </ul>
	<ul style="list-style-type: none"> <li>▪ The Standard Ethics Italian Index evaluates companies on the basis of the principles and voluntary guidelines coming from the OECD, the European Union and the United Nations on sustainability, corporate governance and corporate social responsibility matters. Intesa Sanpaolo was given an EE-rating with positive outlook on a scale from EEE to E-.</li> </ul>
	<ul style="list-style-type: none"> <li>▪ In 2013, Oekom Research once again awarded Intesa Sanpaolo a "Prime" company status for its commitment to social and environmental aspects higher than the industry average.</li> </ul>



## Strategies

In March 2014, Intesa Sanpaolo announced the 2014-2017 Business Plan to markets. The Business Plan provides for a solid and sustainable creation and distribution of value which will benefit all stakeholders through a clear, effective and shared plan of action.

Intesa Sanpaolo has been able to manage the crisis in an efficient manner over the last few years thanks to a clear strategy which focused on asset (capital and liquidity) solidity and at the same time made it possible to achieve financial results capable of ensuring the continued distribution of dividends to Shareholders. The bank emerged from this crisis with a leading position in Europe in terms of capital and liquidity and a market leadership in Italy, with a sound balance sheet, a capital base strengthened by Shareholders in 2011 and subsequently with self-financing that is currently well above regulatory requirements, large liquidity reserves, a clear risk management leadership and a strong competitive position in the main categories of financial services in Italy, despite presenting further margins for growth in the different customer segments (Retail, Private, Enterprise and Corporate).

In 2013 the world economy continued to expand at a moderate and uneven pace. In the United States, growth recovery gave a boost to employment trends. The economic situation in the Eurozone remained weak, but the first signs of an exit from the recession were seen starting from the second quarter.

European GDP is expected to grow by 1.2% a year for the next 4 years. After a deep recession, Italy is also expecting to return to recovery prospects, with an average GDP growth above 1% a year.

From a macro-economic point of view, we should therefore witness the return, after 5-6 years of crisis, to a scenario marked by a moderate yet steady growth and a positive evaluation of revenues and profits in the banking industry. Against this backdrop, the bank has traced a new "path" to follow in the years to come, in order to face new challenges and seize market opportunities both in Italy and abroad. The new strategy is based on some of the priorities that have now become an integral part of Intesa Sanpaolo, which aims to confirm its status as a:

- Bank of the real economy by leveraging a solid balance sheet to satisfy healthy credit demand (€170 Bn of new credit issued in the medium/long-term according to the Plan's time horizon) and managing customers' wealth responsibly;
- Bank with sustainable profitability, whose operating results, productivity, risk profile, liquidity and solidity/lever are carefully balanced;
- Leading bank in the retail and corporate banking sectors in Italy and in some "key" countries;
- Leading European bank in different high-growth/high-value businesses (Private Banking, Asset Management, Insurance);
- Bank focused on an established divisional model and committed to strengthening and simplifying the current Banca dei Territori model, taking into account the evolution of customers' demands;
- International bank playing the role of a "Local bank abroad" for Italian businesses;
- Simple and innovative bank already operating in a multi-channel perspective.

The creation of value will benefit all stakeholders and will be supported by a significant investment plan focused on the enhancement of human resources and technology innovation, which will play a key part in the achievement and success of the Plan.

# CSR management model

## VALUE IDENTITY AND MANAGEMENT MODEL

With the adoption of the Code of Ethics, the charter that expresses the Intesa Sanpaolo Group's identity in terms of values, the management model was designed focusing on the concept of responsibility, and requiring that not only individuals, but also corporate departments, guarantee their commitment to ensure that business activities remain consistent with the stated values.

## CSR IN CORPORATE ACTIVITIES

The CSR Unit, structured in the Governance area reporting directly to the Chief Governance Officer, collaborates with a network of "CSR Delegates", around 70 colleagues who are cultural bearers of social responsibility in their respective operating areas. They provide support to the CSR Unit by opening dialogue with the main stakeholders, defining improvement objectives and supporting their colleagues in implementing projects, managing non-compliance with the Code of Ethics and dealing with monitoring and reporting activities.

## DIALOGUE WITH STAKEHOLDERS

Every year structured dialogue is arranged with the main stakeholders. A wide range of engagement techniques is used: a multi-stakeholder forum, focus groups and online questionnaires for employees and the Trade Unions, interviews with shareholders, customers and NGOs, customer satisfaction surveys and surveys with suppliers. Stakeholder expectations, within the corporate business strategies, allow Intesa Sanpaolo to identify improvement objectives and evaluate related achievements.

## LOCAL AND INTERNATIONAL COMMITMENTS

Intesa Sanpaolo is committed to applying the values of its Code of Ethics to all corporate activities and to gradually implementing the commitments assumed in the improvement plan stated in the Sustainability Report. The Group adopts sustainability standards issued by international organisations and is committed to contributing to greater sustainability in a global context of social justice and environmental protection.

## ACTIVITY MONITORING

The Sustainability Report discloses the outcomes of a CSR management process based on a virtuous circle of stakeholder engagement and listening – definition of improvement objectives – KPI monitoring of the implementation status and finally reporting. The monitoring is completed through integration with the outcomes of an assessment process on the level of incorporation of the values of the Code of Ethics into corporate activities. This process, starting with the ISO 26000 Guidelines, involves an initial self-assessment to be performed by the departments, followed by an independent third-party verification to further study aspects in which the self-assessment indicated potential reputational risks.

## COMPANY REGULATIONS SYSTEM

The values and principles of the Code of Ethics are referred to in the Code of Conduct. In addition, the CSR Unit also takes action to ensure that the social responsibility criteria become a characteristic element of the entire regulations system and in the issue of specific policies where business activities could have a significant impact on society and the environment.

## CSR IN CORPORATE GOVERNANCE

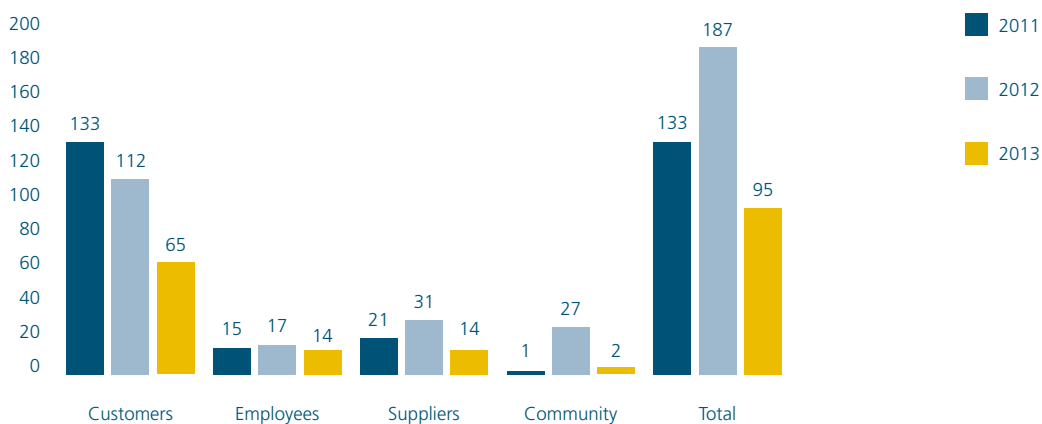
The CSR Unit submits periodic reports to the Control Committee of the Supervisory Board on the outcomes of the monitoring processes of CSR implementation, on the critical elements reported by stakeholders and on corrective measures to keep governance bodies promptly updated on the areas subject to potential reputational risk.

## REPORTS OF NON-COMPLIANCE WITH THE CODE OF ETHICS

95 reports were received in 2013, 70 of which in Italy and 25 abroad. The total number is down from 2012 but it must be read in the light of the fact that as many as 27 of the reports received last year were specifically referred to the opinion-seeking campaign aimed at combating the financing of infrastructures considered harmful to the environment and the local areas. The largest category (21 out of 65) of reports from customers in Italy was related to situations of unexpected inability to meet the payments of mortgage installments and loans following subjective situations worthy of special attention (illnesses, family bereavements, etc.); in second place are 7 reports linked to branch accessibility by the elderly, people with disabilities and parents of small children who reported difficulties as a result of having to access a more remote branch following merger operations. Reports from Employees come mostly from abroad (9 out of 14) and refer to difficulties in relations with colleagues and line managers and demands for more attention to comfort at the workplace. The reports sent by Suppliers are down, and are related to the payment times to settle invoices by suppliers who are also customers and draw attention to the constant monitoring of rights along the supply chain. The report classified as coming from the Community concerned the request to refrain from supporting the gambling sector. Generally speaking, non-discrimination issues are constantly and carefully monitored: no such reports were received during 2013.

See the website [👉](#) for the audit interventions to verify the implementation of environmental and social policies.

### Reports of non-compliance with the Code of Ethics



## CSR milestones

- 2013
- ▶ within the scope of the 2013 engagement processes, the Multistakeholder Forum “Scenari per la sostenibilità: creare valore condiviso (Sustainability scenarios: creating shared value)” was organised.
  - ▶ new monitoring process on the implementation of the Code of Ethics based on the ISO 26000 Guidelines
  - ▶ the Regulations on the matter of environmental and energy policy were updated to take into account the new certification UNI CEI EN ISO 14064:2012
  - ▶ adherence to the London Benchmarking Group for the purposes of reporting community contributions
- 2012
- Policies issued on:
- ▶ the regulations on environmental and energy issues, updated to 2012 to take into account the new energy certification UNI CEI EN ISO 50001:2011
  - ▶ the regulations for the implementation of the Equator Principles at International Subsidiary Banks, which will be gradually adopted by the banks operating in the project finance sector
  - ▶ the regulations for the development of sustainable branches through careful monitoring of the environmental impact.
- 2011
- Policies issued on:
- ▶ granting credit to the arms sector (update to the 2007 version, specifying the operating methods)
  - ▶ environmental and energy impact management (update to the 2007 version)
  - ▶ the purchase and use of paper and derivative materials
  - ▶ environmental and sustainability criteria for the purchase of office machines
  - ▶ sustainable organisation of internal and external communications
  - ▶ Code of Ethics: full autonomy delegated to the International Subsidiary Banks in managing non-compliance reports
  - ▶ admission to the DJSI index
- 2010
- ▶ the model for the implementation and monitoring of the Code of Ethics is extended to the International Subsidiary Banks
  - ▶ the arms policy is extended to the International Subsidiary Banks
  - ▶ the operational policy for the implementation of the Equator Principles is issued
  - ▶ controls regarding the environmental and energy management system and the Project Malawi became part of CSR Unit
- 2009
- ▶ the Code of Ethics is updated on the issue of transparency in remuneration
  - ▶ Code of Ethics and Stakeholder Engagement monitoring dashboards implemented
- 2008
- ▶ publication of the first Group’s Social Report
  - ▶ the Multistakeholder Forum is organised
  - ▶ the arms policy is extended to the Italian Subsidiary Banks
- 2007
- ▶ Intesa Sanpaolo is founded from the merger of Banca Intesa and Sanpaolo IMI
  - ▶ the Code of Ethics of the new Group is approved
  - ▶ 65 CSR Delegates in Italy and abroad are nominated
  - ▶ the arms policy and environmental policy are issued
  - ▶ adherence to Global Compact, UNEP FI and adoption of the Equator Principles
  - ▶ Intesa Sanpaolo listed in the FTSE4Good, ASPI Eurozone and Ethibel Investment Register

# Adoption of international standards and commitments



## Global Compact

United Nations' initiative binding us to respect human and labour rights, to safeguard the environment and to transparency.



## Equator Principles

Guidelines for the evaluation and management of social and environmental risks in project financing, based on criteria recommended by the IFC, a World Bank institution.



## UNEP Finance Initiative

United Nations Environment Programme, which promotes dialogue on the relation between environmental protection, sustainability and financial performance.



## Global Reporting Initiative

Intesa Sanpaolo is accredited as a GRI Organisational Stakeholder and supports GRI's mission for the development of guidelines on sustainability which are globally recognised through a multi-stakeholder process.



## Carbon Disclosure Project

Through adherence to the Carbon Disclosure Project we are committed to disclosing the emissions of greenhouse gases, the identification of risks, opportunities and corporate strategies on the problems related to climate change.









## London Benchmarking Group

In 2013, Intesa Sanpaolo adhered to the London Benchmarking Group, an internationally recognised reporting standard for business investments in the community.

# Global Compact: the 10 principles of the United Nations

Intesa Sanpaolo participates in the Global Compact Advanced Programme and reports on actions taken in compliance with its commitments in the “Advanced Level” communication available on the Global Compact website

	Ten Principles	Performance Indicators
<b>Human rights</b> 	1. Support and respect human rights within their spheres of influence	Economic performance: EC5 Labour practices: LA4, LA6-9, LA13-14 Human Rights: HR1-9 Society: SO5 Product Responsibility: PR1, PR8
	2. Make sure to not be complicit, albeit indirectly, in human rights abuse	Human Rights: HR1-9 Society: SO5
<b>Labour</b>  	3. Uphold the right of workers to freedom of association and recognise the right to collective bargaining	Labour practices: LA4-5 Human Rights: HR1-3, HR5 Society: SO5
	4. Eliminate all forms of forced or compulsory labour	Human Rights: HR1-3, HR7 Society: SO5
	5. Ensure that child labour is abolished	Human Rights: HR1-3, HR6 Society: SO5
	6. Eliminate all forms of discrimination in employment and occupation	Economic performance: EC7 Labour practices: LA2, LA13-14 Human Rights: HR1-4 Society: SO5
<b>Environment</b> 	7. Uphold a preventive approach to environmental challenges	Economic performance: EC2 Environmental performance: EN18, EN26, EN30 Society: SO5
	8. Undertake initiatives that promote greater environmental responsibility	Environmental performance: EN1-8, EN12, EN14, EN16, EN18-20, EN22, EN24, EN26, EN28-30 Society: SO5 Product Responsibility: PR3-4
	9. Encourage the development and diffusion of environmentally friendly technologies	Environmental performance: EN2, EN5-7, EN10, EN18, EN26, EN30 Society: SO5
<b>Anti-corruption</b>  	10. Promote initiatives to prevent corruption in all its forms	Society: SO2-6



We support the United Nations' Global Compact and promote initiatives binding us to respect human and labour rights, to safeguard the environment and fight against corruption.

## THE PROTECTION OF HUMAN RIGHTS

Intesa Sanpaolo supports Human Rights internationally through targeted initiatives especially in countries in need and interventions to support the communities in the areas in which it operates through its own foreign subsidiaries.

The Group's main commitment is in Malawi, one of the 20 poorest countries in the world, which is a recurring victim of natural catastrophes such as floods and droughts and in a constant state of emergency due to hunger and illnesses. Intesa Sanpaolo has been actively engaged in the country for almost 10 years through "Project Malawi", an international cooperation project developed with Fondazione Cariplo and in partnership with international and Italian NGOs and local associations with the aim of helping Malawi achieve the Millennium Development Objectives (MDGs) and in particular objective 6. The key objective is the **fight against HIV/AIDS**, the country's main scourge, starting from the prevention of the virus transmission from mother to child and supplementing health treatments with targeted actions aimed at mitigating the impact of the disease on the population and boosting the country's economy. The objective is to break the vicious circle that is causing people to be born sick and be condemned to poverty, isolation and contagion, depriving them of all future prospects and slowing down the country's development and to help activate a virtuous cycle capable of giving back to the young generations the right to a healthy and forward-looking existence. Numerous direct actions or actions in partnership with companies, trade associations, foundations and embassies have been put in place in the countries where the Group operates, which in some cases saw the involvement of the Group's employees as volunteers.

On the subject of **the right to life and satisfaction of basic needs**, Alexbank ensured access to drinking water and the development of healthcare services in the village of Abwiet as well as the supply of power and the reconstruction of the housing system in the village of Saadna in Egypt; in Hungary, CIB supported and participated in the national food collection in favour of the poor, as is the case in Italy through the support guaranteed by the Group to Banco Alimentare.

On the subject of **personal security and freedom and the protection of ethnic minorities**, Banca Intesa Beograd was involved in a project in Serbia

dedicated to the prevention of people trafficking affecting the gypsy population; in Croatia, PBZ funded mine-clearing operations in a vast agricultural area in the municipality of Antunovac.

**Support to disadvantaged and vulnerable social classes** was guaranteed by the subsidiary in Albania, which collected items of clothing, toys and books for orphan children and poor families; by the Serbian subsidiary which funded a project aimed at the supply of food, basic necessities and heating to the elderly in nursing homes; by the Romanian subsidiary which subsidised the construction of the heating system for a shelter for homeless elderly people and the distribution of hot food for families in need and children on the streets.

The Group also contributed to the fulfilment of the **right to social and economic security and the right to work** with inclusion measures targeted at weak and marginalised categories such as women belonging to poor families through professional training, work opportunities and microcredit in Egypt.

Special attention was paid to the issue of **disabilities** with actions targeted at mentally retarded young people in Egypt (woodworking workshops for access to the job market), young disabled people in Serbia (opening of a centre for the development of social enterprises), people affected by Down syndrome in Romania (interactive laboratories in schools) and people with handicaps in Croatia (rehabilitation and improvement of the quality of life).

## Stakeholder engagement

We attribute great importance to listening and dialogue with our stakeholders, a process we deem essential to focusing our actions on relevant issues. 2013 saw the continued implementation, in collaboration with the concerned Departments, of listening and dialogue with stakeholders. The engagement activities offered an opportunity to focus on areas for improvement and to build the materiality matrix. The Social Report describes the activities developed to meet all the above-mentioned needs.

### STAKEHOLDER MAP

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#### EMPLOYEES:

- Network personnel
- Staff personnel
- Junior employees
- Senior employees
- Managers
- Top management
- Trade unions

#### CUSTOMERS:

- Private and household customers
- Financially vulnerable retail and household customers
- Small and medium enterprises
- Large enterprises
- Start-ups
- Consumer associations
- Public Authorities and Public Administration
- Third sector
- Professional associations

#### SHAREHOLDERS:

- Small investors
- Foundations
- Institutional investors
- Socially responsible investors
- Shareholders' associations

#### SUPPLIERS:

- Large-scale suppliers
- Small-scale suppliers
- Trading partners
- Sub-suppliers

#### ENVIRONMENT:

- Environmental associations
- Future generations
- Scientific community

#### COMMUNITY:

- Associations representing community interest
  - Regulatory authorities
  - National and international public institutions
  - Media
-



## ENGAGEMENT ACTIVITIES

### EMPLOYEES

Listening and engagement methods	Stakeholder requests
<ul style="list-style-type: none"> <li>▪ Climate survey via online questionnaire for clerical staff and middle-managers respondents: 34,696 out of a total of 60,951 people contacted via e-mail</li> <li>▪ Climate survey via online questionnaire for senior managers respondents: 677 senior managers out of a total of 995 people contacted via e-mail</li> <li>▪ Interview and Focus Group with the trade unions participants: 10 trade union representatives of the 9 trade unions present in the Group</li> <li>▪ Focus Group "Life and work in Intesa Sanpaolo" participants: over 400 employees of all the Group's Business Units</li> </ul>	<ul style="list-style-type: none"> <li>▪ Transparency and objectivity in recognising and rewarding merit at all levels of the organisation and in the definition of professional development paths (with special attention to junior and senior employees)</li> <li>▪ Fairness in salaries and management of salary differences between positions and roles</li> <li>▪ Quality of training programmes and updating of skills, experimenting innovative methods for mentoring and sharing skills among colleagues</li> <li>▪ Support with achieving better work/life balance, especially within the framework of the new "Banca Estesa" service model</li> <li>▪ Inclusion of diversity and enhancement of female talent, newly hired personnel and people with disabilities</li> <li>▪ Strengthening of internal cohesion, employees' involvement in the organisation and the sense of belonging to the Group, including looking after the quality of the exchange and feedback between managers and employees</li> </ul>

See chapters "Employees' enhancement" [↗](#) and "Quality of life in the company" [↗](#)

### CUSTOMERS

Listening and engagement methods	Stakeholder requests
<ul style="list-style-type: none"> <li>▪ Benchmark survey targeting retail and household customers respondents: 2,964 Intesa Sanpaolo customers, 11,136 other banks customers</li> <li>▪ Survey on the level of satisfaction of retail and household customers who used the Banca Estesa service respondents: 37,764 customers</li> <li>▪ Survey on the level of satisfaction of private and household customers relating to the "Fuori sede" (Out of branch) offering respondents: 23,307 customers</li> <li>▪ Survey on the level of satisfaction of companies in respect of Banks and Credit Institutions respondents: 2,500 Small and Medium enterprises with a turnover below 2.5 million euro, 2,500 companies with a turnover between 2.5 and 150 million euro</li> <li>▪ Questionnaire to members of the Consumer Associations who participated in the "Formiamo l'Italia dei Consumatori" initiative respondents: 7 national representatives of Consumer Associations</li> <li>▪ Analysis of complaints relating to the Code of Ethics</li> </ul>	<ul style="list-style-type: none"> <li>▪ Easier credit access for enterprises, especially small and medium enterprises, supporting dimensional growth and internationalisation processes, including through the promotion of the spreading of innovative tools</li> <li>▪ Strengthening of the ability to offer consultancy services to companies, with a special focus on guiding start-up growth</li> <li>▪ Young people's financial integration through support to house ownership access, study grants and the start-up of business initiatives</li> <li>▪ Offer innovation in support of elderly customers' requirements</li> <li>▪ Usury prevention</li> <li>▪ Continuation of the initiatives aimed at strengthening service access and searching for new relationship methods with the Bank according to customers' requirements through the "Banca estesa", Offerta Fuori Sede" (Out-of-branch Offering) projects and home-banking services</li> <li>▪ Service quality, including through the guarantee of short response times to customers and efficient complaint management</li> </ul>

See chapters "Offering valued service to customers" [↗](#), "Financial inclusion and economic empowerment" [↗](#), "Support to the business system" [↗](#)

## SHAREHOLDERS AND INVESTORS

Listening and engagement methods	Stakeholder requests
<ul style="list-style-type: none"> <li>▪ Interviews to representatives from Cariplo, Cassa di Risparmio in Bologna and Cariparo Foundations</li> <li>▪ Interviews to representatives of share ownership associations E.Di.Va. - Etica Dignità e Valori e Azione Intesa Sanpaolo</li> <li>▪ Shareholders' Meeting</li> <li>▪ Interview to the analysis office of Etica Sgr, socially responsible mutual investment fund management company</li> </ul>	<ul style="list-style-type: none"> <li>▪ Balance between asset consolidation objectives and medium-term return of the security, including through credit quality improvement</li> <li>▪ Transparency in the governance system for the protection of the representation and safeguarding of all shareholders' interests and management incentive schemes geared towards the creation of value in the long-term</li> <li>▪ Protection of the Group's solidity and management of the Country risk deriving from the Italian current economic situation</li> <li>▪ Credit to enterprises, support to the creation of new business activities and easier access to the job market for young people</li> <li>▪ Promotion of a leadership model capable of creating cohesion and a sense of belonging to the Group</li> <li>▪ Personnel enhancement and motivation to guarantee service excellence</li> <li>▪ Monitoring of environmental and social risks in the supply chain and in lending activities</li> </ul>

See chapters "Protecting solidity and profitability" [↗](#), "Effectiveness of the governance system" [↗](#), "Management of business risks" [↗](#), "Employees' enhancement" [↗](#), "Financial inclusion and economic empowerment" [↗](#), "Support to the business system" [↗](#)

## COMMUNITY AND ENVIRONMENT

Listening and engagement methods	Stakeholder requests
<ul style="list-style-type: none"> <li>▪ Multi-stakeholder Forum "Scenari per la sostenibilità: creare valore condiviso (Sustainability scenarios: creating shared value)".</li> </ul> <p>participants: 20 opinion leaders from universities and research centres, public institutions, the business world, the media and civil society</p>	<ul style="list-style-type: none"> <li>▪ Innovation of credit rating evaluation tools to ensure also the identification of the ability of the entities to be financed to create environmental and social value</li> <li>▪ Development of tools for financing and guiding the growth of Third Sector organisations and social enterprises</li> <li>▪ Development of business initiatives aimed at the employment of young people, women and over fifty-year-olds who have fallen outside the job market</li> <li>▪ Boost to investments for the implementation of safety and upgrade measures in the territory, sustainable mobility, the development of alternative sources of energy and the consolidation of the green industrial chain</li> <li>▪ The Bank's role in the development of the territory, including by aiding the aggregation of public institutions and customers to promote shared projects; to be pursued, for instance, through a redefinition of the role played by the branches in order to allow them to consolidate the ability to liaise and interact with the areas in which they operate</li> <li>▪ Use of the web 2.0 potential for listening to customers' requirements and co-designing new products and services</li> <li>▪ Use of the Bank's tangible and intangible assets, such as real estate assets deriving from non-performing loans, internal skills, networking skills on the territory and the welfare system to promote the development of high-value social projects and partnerships, including social housing</li> <li>▪ Support to the enhancement of the cultural wealth and strengthening of Italy's tourism offering as a driver of growth</li> </ul>

See chapters "Management of business risks" [↗](#), "Offering valued service to customers" [↗](#), "Financial inclusion and economic empowerment" [↗](#), "Green economy development" [↗](#)

# Materiality analysis

## THE IDENTIFICATION OF MATERIAL ISSUES

The 2013 Sustainability Report concentrates on the issues that are of greatest relevance to our core business and the Group's stakeholders. The identification of material issues was conducted through a process in compliance with the leading standards of reference: the Global Reporting Initiative guidelines and the AccountAbility AA1000APS standard. In particular, the analysis and selection of the content of this Report was based on the materiality principle as set out by the GRI – G4 standard with the objective of bringing to light the issues on which the stakeholders' interests and expectations vis-à-vis the Group are focused and evaluating their implications for our business.

The materiality analysis was set out in these stages:

### 1. IDENTIFICATION OF THE ISSUES

The definition of the relevant economic, environmental and social sustainability issues for the Group and our stakeholders – as distinctive elements of Intesa Sanpaolo's reality or recognised as relevant for the entire financial sector – was conducted through:

- the analysis of documentary sources prepared by the Group, including but not limited to, the 2011 and 2012 Sustainability Report, the Policies adopted by the Group, the reports on the monitoring of the application of the Code of Ethics, the internal communication materials available on the company Intranet;
- the analysis of external sources, including the reference standards for the reporting of sustainability performances (GRI 4, SASB), the questionnaires of sustainability rating companies, the complaints to the Code of Ethics, the sustainability reports of other national and international financing Groups, press reviews and programme-related documents of national public Institutions and multilateral Organisations.

The issues identified were set out within a tree diagram organised on three levels of progressive detail. The materiality matrix provides an overview of the general sustainability issues mapped, the prospectus on the side of the matrix specifies the more material aspects in respect of the most relevant issues for the Bank's strategies and our stakeholders.

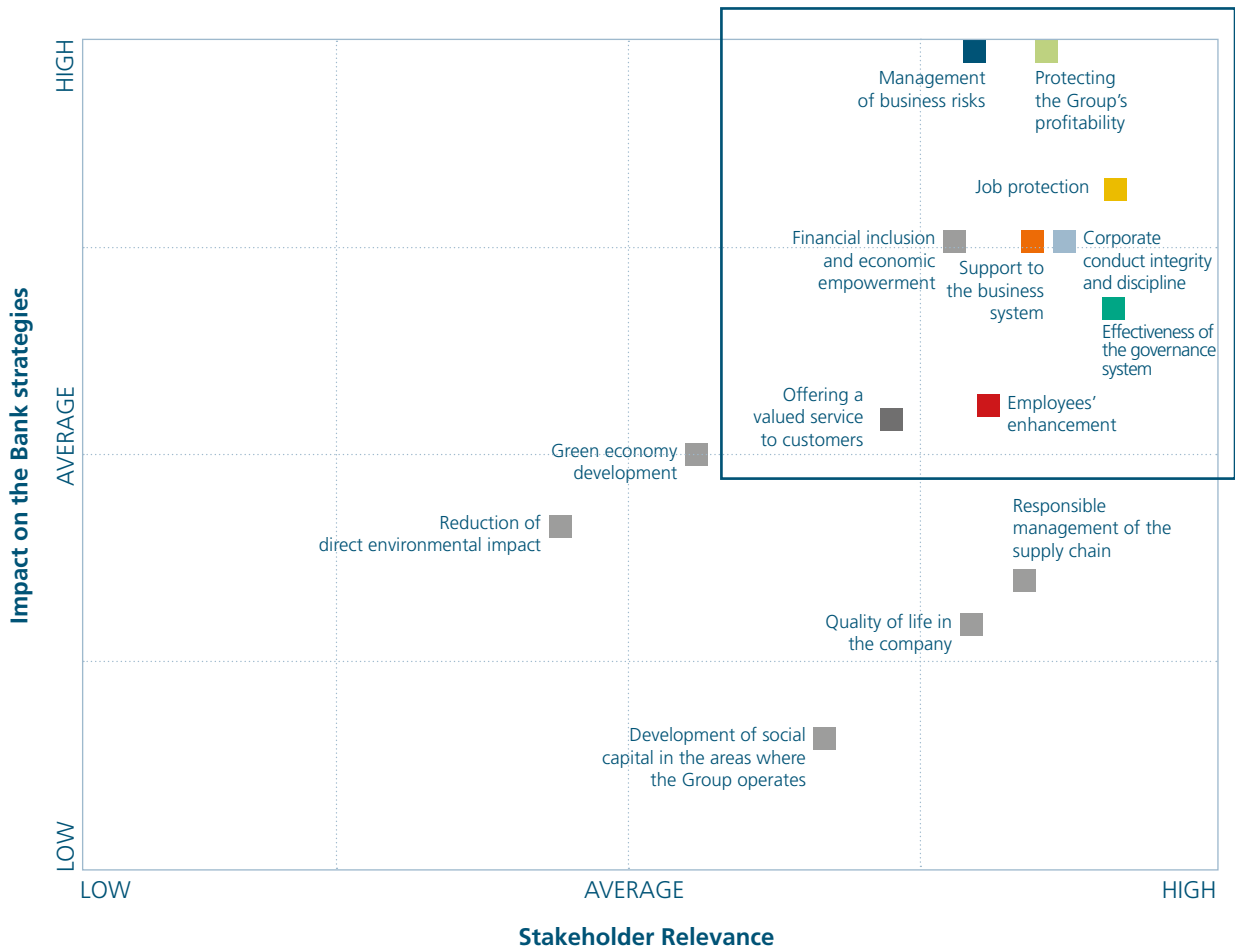
### 2. PRIORITISATION OF THE ISSUES

The relevance of the issues for corporate strategies in terms of reputation or financial impact on the Bank was assessed by taking into account the areas in which the Bank undertook public commitments and focused its activities in 2013. In particular, the following was considered: the improvement objectives formulated in the last Sustainability Report, the reports to the Control Committee, Intesa Sanpaolo's Code of Ethics and the policies adopted, the public statements issued by the top management on the Bank's strategic priorities for 2013. The analysis involved the Corporate Departments to provide a more dynamic and forward-looking vision to the evaluation of the impact of the issues on strategies.

The relevance of the issues for the stakeholders was determined on the basis of the evidence gathered through the listening and engagement activities of the Group's stakeholders described in detail in the section "Stakeholder engagement" [↗](#).

The most relevant subjects with high value on both axes of the matrix are those for which the Group primarily focused its attention in 2013.

## THE 2013 MATERIALITY MATRIX



### MATERIAL ISSUES: THE MOST RELEVANT ASPECTS

The analysis of the issues included in the diagram defined the following detailed aspects:

#### ■ Management of business risks:

- Monitoring of social and environmental risks in investment and lending activities
- Reputation protection
- Adequacy of the internal control system

#### ■ Protecting the Group's solidity and profitability:

- Asset consolidation
- Dividends and attractiveness of the stock on the market
- Prudential liquidity management
- Cost control

#### ■ Job protection:

- Productivity and cohesion
- Employment policies and responsible management of restructuring processes

#### ■ Financial inclusion and economic empowerment:

- Support to families and elderly people, support to first home access
- Financial inclusion of young people, workers on temporary contracts and customers in financial difficulties
- Support to the third sector and social enterprises

#### ■ Support for the business system:

- Access to credit for businesses
- Support to start-ups and strategic projects
- Strengthening of SME's competitive skills

#### ■ Effectiveness of the governance system:

- Governance geared towards the creation of long-term value
- Protection of all shareholders' interests within the Board
- Top management rules and incentives for long-term growth

#### ■ Offering valued service to customers:

- Evolution of the service model and relationship channels
- Quality of products and services
- Dialogue and interaction

#### ■ Employees' enhancement:

- Professional training and development
- Recognition and reward of employees' merit
- Enhancement of diversity

#### ■ Integrity and rigour of the company conduct:

- Compliance with standards
- Fight against corruption
- Proper fulfilment of lobbying activities and influence on the regulatory policies of financial markets

## THE REVIEW OF MATERIAL ISSUES AND COMPARISON WITH THE 2012 MATERIALITY MATRIX

The materiality analysis, summarised by this matrix, makes reference to the definition of materiality as described by the new G4 - Global Reporting Initiative standard and was conducted through an in-depth examination of the relationship between the aspects of an environmental and social nature associated with Intesa Sanpaolo's activities, which were the focus of the matrix relating to the previous year, and the extent of the economic sustainability of the business. Therefore, the analysis highlighted both the issues that measure the Bank's ability to create value for the stakeholders and all the aspects capable of having a more direct impact on the Group's economic performance in the medium term. Due to the greater extent of the areas examined and with a view to preserving its effectiveness in providing an overview of the most relevant aspects for the stakeholders and the Group, the materiality matrix shows the issues in a more summarised form compared to the previous year. The current economic situation in the Group's reference markets, combined with the regulatory policies of the financial sector, have led to a more detailed analysis of the issues relating to the protection of the

Group's solidity and profitability, together with a closer examination of the aspects relating to the effectiveness of the governance system. These issues, especially in terms of the vision from the organisation, thus acquire primary importance in relation to the year 2013. An integral part of the "management of business risks" area is the issue associated with the control and monitoring of environmental risks and the violation of human rights in financing and lending activities.

The issues relating to support for families and the third sector detailed in the matrix of the 2012 Report are included in the "financial inclusion and economic empowerment" area.

The "employees' enhancement" area summarises the issues relating to diversity management in the corporate population, training and development of skills, employment policies and job protection.

The "quality of life in the company" category refers to issues associated with work/life balance, the promotion of health, security and welfare of employees.

The area relating to the responsible management of the supply chain includes transparency and fairness towards suppliers, as well as the adoption of criteria for the enhancement of social and environmental sustainability in suppliers' selection.



# How we do business

Creation of economic value, an effective governance system and careful management of business risks are the cornerstones of our business model, based on transparency and integrity. These elements, as well as attention to the environment and quality of customer service, are a fundamental part of our improvement objectives in being responsible players in the areas in which we do business.

# Protecting solidity and profitability

## ACHIEVEMENTS IN 2013

2013 OBJECTIVE	RESULTS	STATUS
To further strengthen the bases for sustainable growth	Intesa Sanpaolo aims to achieve significant growth in profitability and efficiency, maintaining a low risk profile, arising from the solid generation of revenues, ongoing cost governance and dynamic management of credit and risk, with an efficient use of capital and liquidity. In 2013, we recorded a significant increase in net fee and commission income (+12.8% per annum) and a structural decline in costs (-6.3% per annum).	■
To combine capital solidity and remuneration of capital with a low risk profile	The Core Tier 1 ratio was at 11.3% in December 2013. The coverage ratio on non-performing loans, which is the ratio of net adjustments to loans and total non-performing loans, grew steadily during the year to 46% in December 2013. The liquidity position was further strengthened, also as a result of the restitution of funds obtained from the ECB via LTROs <sup>1</sup> .	■

## ECONOMIC AND FINANCIAL PERFORMANCE IN 2013<sup>2</sup>

The continuing difficult economic scenario in 2013 negatively impacted banking activities both in Italy and in all foreign countries where the Intesa Sanpaolo Group operates. The effects of this crisis have had a strong impact on the Group's income from continuing operations, resulting in a decline in operating income, due above all to the decrease in net interest income and to a significant increase in net adjustments to loans. These two phenomena were essentially responsible for the decrease in the operating margin, which reflected, on the one hand, a decrease in operating net income of 8.9%, a reduction in operating costs of 6.3% and thus a drop in the operating margin of 11.4%, and, on the other, an increase in net adjustments to loans of 51.3%. Net income was also affected by two other events that, by their nature, are not within the scope of ordinary operations: the recognition of the new stake in the Bank of Italy's capital and the impairment of intangible assets. This makes the net result for 2013 – which was

negative for 4,550 million euro – not comparable with that of the previous year, which had closed with a net income of 1,605 million euro.

The persisting headwinds in the macroeconomic scenario and the financial markets' volatility require constant control of the factors enabling the Bank to pursue sustainable profitability: high liquidity, funding capability, low leverage, adequate capital base, prudent asset valuations. Liquidity remained high: as at 31 December 2013, the liquidity reserves which could be placed with the various Central Banks came to 124 billion euro. With regard to funding, the year was characterised by a decrease in direct customer deposits but with positive performance by the demand components (current accounts and deposits). The branch networks continued to be a stable and reliable source of funding, with 79% of direct deposits from banking business coming from retail operations. The internal short-term liquidity indicator, which, for the various short-term time brackets, measures the ratio of available liquidity reserves and expected cash flows to

1. Longer Term Refinancing Operations (LTROs), open market transactions conducted by the European Central Bank to manage interest rates and liquidity in the Eurozone.

2. The figures and comments refer to the reclassified consolidated income statement published in the 2013 Financial Statements of Intesa Sanpaolo; annual percent changes were calculated on restated 2012 figures, where necessary, in order to take into account changes in the scope of consolidation. Amounts are in millions of euro. For additional details or information, see the 2013 Consolidated Financial Statements of Intesa Sanpaolo.



expected and potential cash outflows, at the end of 2013 had significantly higher values, with respect to the limits envisaged by the internal policy. Also the medium to long-term financial balance was strongly positive. The minimum liquidity ratios envisaged by Basel 3 have already been met. The Intesa Sanpaolo Group's leverage continued to be at lower levels than its main competitors, while the ratio of Risk-Weighted Assets to Total Assets was among the highest. The capital base remained high: the Total Capital Ratio was 14.8%, Tier 1 was 12.2% and Core Tier 1 was 11.3%. Prudent asset valuations, particularly difficult in the current volatile market environments, highlighted the need to make, as indicated above, significant impairment of intangible assets with both definite and indefinite lives.

With reference to balance sheet figures as at 31 December 2013, loans to customers by the Intesa Sanpaolo Group were down 8.7% compared to the end of 2012, amounting to approximately 344 billion euro. Direct deposits from banking business were slightly down compared to the end of 2012 (-2.2% to approximately 372 billion), while direct deposits from insurance business, which include technical reserves, increased significantly (+14.3% to approximately 93 billion euro). Indirect deposits exceeded 430 billion euro, up 4%, with assets under management up 11.7%, owing to substantial net inflows and revaluation of assets under management.

## INTESA SANPAOLO SHARE PERFORMANCE: RETURNS

The 2013 performance of Intesa Sanpaolo ordinary shares was comparable to that of banking industry indexes: growing until the last week of January, subsequently decreasing until the last week of March, when the lowest point was reached, recovering in the two months of April and May, dropping in June and then recording a considerable rise up to the peak of the fourth week of October, which - despite a declining trend recorded in the last two months of the year - led to a 38% increase recorded for the stock, compared to the end of 2012. The price of Intesa Sanpaolo savings shares was up by 37.1% at the end of 2013, compared to the end of 2012. The discount with respect to ordinary shares remained at 18% as at the end of 2012. Intesa Sanpaolo's capitalisation rose to 29.2 billion euro at the end of 2013, from 21.1 billion euro at the end of 2012.

## SHAREHOLDERS' RETURNS

Despite a net loss for the year, the Management Board will propose that the Shareholders' Meeting distribute a unit amount of 0.050 euro to the ordinary shares and savings shares, for a total of approximately 822 million euro, to be drawn from the extraordinary reserves.

## CALCULATION AND DISTRIBUTION OF ECONOMIC VALUE<sup>3</sup>

In 2013 the economic value generated by the Intesa Sanpaolo Group was approximately 12.7 billion euro. This amount expresses the value of the wealth produced, most of which is distributed among the various stakeholders with which the Group interacts in various ways on a day-to-day basis. In particular:

- employees and collaborators benefited from around 43% of the economic value generated, for a total of 5.5 billion euro. The caption also includes 77 million euro (before tax) relating to staff exit incentives. In addition to staff pay, the total also includes payments to the network of financial advisors;
- suppliers received approximately 21% of the economic value generated, for a total of around 2.6 billion euro in payment for goods and services;
- the State, Entities and Institutions recorded a total flow of funds of approximately 2.6 billion euro, equal to around 20% of the economic value generated and for the most part referring to current income taxes. In addition to the specific allocation by Group companies of profits to Charity Funds, donations and gifts (approximately 2 million), there were numerous social and cultural initiatives, in addition to initiatives for charities and social and cultural gifts by the Parent Company established in prior years;
- Shareholders and third parties were assigned approximately 6% of the economic value generated. Despite a net loss, allocation to Shareholders of an amount taken from reserves, for a total of 822 million euro, will be proposed to the Shareholders' Meeting, whilst minority interests of 7 million euro were allocated;
- the remaining amount, about 1.1 billion euro, was retained by the corporate system. This refers to prepaid and deferred taxes, amortisation, and provisions for risks and charges. Self-financing is considered an investment that other stakeholder categories make each year to maintain efficiency and allow development of the Bank as a whole.

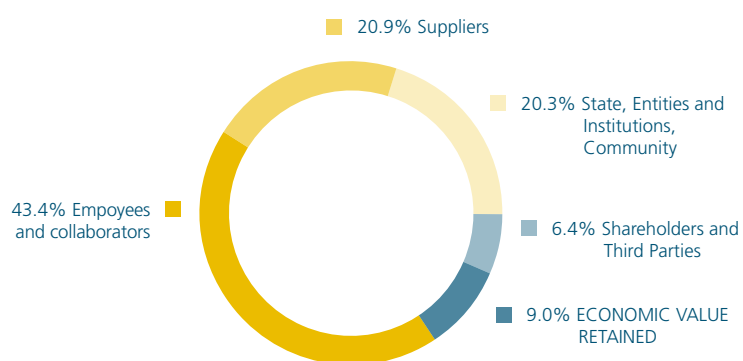
3. The economic value generated is calculated in accordance with ABI instructions and consistent with international reference standards. The calculation is made by reclassifying consolidated income statement items recorded in the financial statements, as required under Bank of Italy Circular No. 262.

Economic value	Million euro	%
ECONOMIC VALUE GENERATED	12,683	100.0%
ECONOMIC VALUE DISTRIBUTED	-11,539	91.0%
Employees and collaborators *	-5,503	43.4%
Suppliers	-2,647	20.9%
State, Entities and Institutions, Community	-2,574	20.3%
Shareholders and Third Parties **	-815	6.4%
ECONOMIC VALUE RETAINED	1,144	9.0%

\* Includes exit incentive charges of 77 million

\*\* The economic value distributed to shareholders (822 million) is taken from reserves.

### Economic Value Generated In 2013



# Effectiveness of the governance system

## ACHIEVEMENTS IN 2013

2013 OBJECTIVE	RESULTS	STATUS
Remuneration policies for top management: Greater moderation in assigning bonuses to top management	Intesa Sanpaolo adopted Directive 2013/36/EU as regards the cap on variable remuneration in advance of a year, setting it at 100% of fixed remuneration. Currently Intesa Sanpaolo is the only entity among the major national and international groups to do so.	■

## INTESA SANPAOLO CORPORATE GOVERNANCE

Intesa Sanpaolo adopts the dual management and control model, consisting of a Supervisory Board and a Management Board.

Detailed information on the corporate governance system is provided in the "Report on Corporate Governance and Ownership Structures – Report on Remuneration" [↗](#).

The **Supervisory Board** oversees the activities of the Management Board and is specifically responsible for approving the key strategic initiatives proposed by the Management Board. The latter is responsible for the management of the Group, in accordance with the strategic guidelines defined by the Supervisory Board. The Managing Director is appointed by the Management Board from among its members, upon proposal by the Supervisory Board, and also acts as Chief Executive Officer.

The Supervisory Board also performs steering and control duties. All Supervisory Board Members have the integrity and professionalism requirements envisaged by law and by the regulations, in addition to the independence requirement envisaged by the Consolidated Law on Finance. In particular, the regulation envisages the absence of any self-employment or established employment, or any other significant relations of an economic or professional nature between the Member and the Bank or its subsidiaries, parent companies or companies subject to joint control. Four Members are enrolled into the Register of Auditors and sixteen are independent, pursuant to the provisions of the Corporate Governance Code.

The Articles of Association allow shareholders possessing 0.5% of the share capital to submit a list of candidates for election as Supervisory Board Member. Upon renewal of the Body in 2013, individuals belonging to two minority lists were also elected as Members,

particularly those belonging to the list submitted jointly by several asset management companies.

The **Management Board** has sole responsibility for the management of the Bank in compliance with general, programme-related and strategic guidelines approved by the Supervisory Board; it resolves on all ordinary and extraordinary transactions which are necessary, useful or appropriate in achieving the corporate purpose.

Six out of the ten Members of the Management Board are executive: the Managing Director as Chief Executive Officer and in relation to the role as head of operational management of the Bank and the Group, three executive Members from the Group's Management (the Head of the Chief Risk Officer Governance Area, the Head of the Chief Operating Officer Governance Area, and the Head of the Corporate and Investment Banking Division) and two "external" Executive Deputy Chairmen, whose executive nature derives from their participation, with voting rights, in the Group's managerial committees and from assignment to specific duties.

**As regards remuneration**, under the Articles of Association, the members of the Supervisory Board are entitled to a fixed remuneration determined by the Shareholders' Meeting for the entire period of their office. The Shareholders' Meeting also establishes the additional remuneration recognised for Members appointed to special offices (Chairman, Deputy Chairman and Secretary of the Board), as well as for the members of the Committees established within the Supervisory Board. The Chairmen of these Committees have waived their remuneration.

The Shareholders' Meeting that appointed the Members in office reduced their remuneration by one-third compared to the amounts resolved in the previous term. This initiative was already implemented by the Board Members in office at that time, who had waived 1/3 of the remuneration for their office with effect from 1 July 2012.

With regard to remuneration of the Management

Board Members, including the Managing Director, and management, limits based on a fair balancing of fixed and variable components are also envisaged and, for the latter, which are connected to results achieved, risk weighting systems are applied, as well as measurement mechanisms aimed at ensuring a connection with effective, long-term performance.

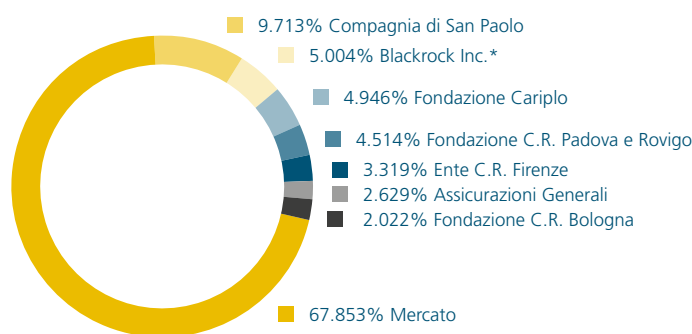
The Chairman of the Management Board waived, as of 1 May 2012, one-third of the remuneration for the position.

In order to ensure that Group governance has the necessary overall coherence, Intesa Sanpaolo is divided into five Business Units, Head Office Departments and Staff Units, most of which are grouped into four governance areas reporting directly to the Managing Director and CEO [➔](#).

## SHAREHOLDER BASE

Share capital subscribed and paid-in totals 8,549,266,378.64 euro, divided into 16,440,896,882 shares of a nominal value of 0.52 euro each, of which 15,508,406,321 ordinary shares (equal to 94.33% of share capital) and 932,490,561 non-convertible savings shares (equal to 5.67% of share capital).

As at 20 March 2014, Intesa Sanpaolo's shareholder base is broken down as follows (holders of stakes of over 2%):



\* in the form of asset management

## RELATIONS WITH SHAREHOLDERS AND THE FINANCIAL COMMUNITY

In its relations with the market, Intesa Sanpaolo adopts a specifically transparent form of conduct, especially with regard to annual and interim financial results and to Group strategies. This also takes place via meetings with the national and international financial community, in a framework of constant dialogue with the market based on correct and timely communication.

During 2013, in a still very difficult economic scenario, communications with the financial community continued to focus on sustainable profitability and the Group's solidity as a safe point of reference for

stakeholders. To guarantee access to all, again in 2013 this information was made available quickly, easily and economically through a number of channels: Internet, conference calls via a toll-free number, brochures and the free distribution of financial statements on request. The Investor Relations section of the website [➔](#) has a well-organised content and thematic updates providing stakeholders with extensive, systematic information.

In order to contribute to the creation of long-term sustainable value, regular and frequent meetings were held with the financial community that consolidated lasting relationships based on mutual trust.

# Management of business risks

## ACHIEVEMENTS IN 2013

2013 OBJECTIVE	RESULTS	STATUS
Implementation of more stringent criteria for the management of environmental risks connected to the disbursement of loans	The Operating Guidelines to implement the new edition of the Equator Principles III were drawn up. The official enactment will take place in early 2014. Screening activities with regard to environmental and social risk from the time of adoption of the Principles until today have involved 263 projects.	■

### CONTROL OF SOCIAL AND ENVIRONMENTAL RISKS IN THE GOVERNANCE PROCESSES

Proper management and monitoring of risks are essential conditions in order to ensure reliable and sustainable generation of value, in order to protect the Group's financial solidity and its reputation.

Policies relating to risk acceptance are defined, within a highly structured context, by the Supervisory Board and Management Board, with the support of specific company bodies such as the Control Committee, the Lending and Risks Commission and the Group Risk Governance Committee. The Chief Risk Officer also reports directly to the CEO, and the Group has developed a broad set of techniques and tools to measure and manage various types of risks. In accordance with the values and principles of the Code of Ethics, the Control Committee monitors social and environmental risks and reports to the Supervisory Board.

231/2001 Model had already been updated in 2012, including environmental offences among those crimes which, if committed by an employee, entail administrative liability by the Bank. The Model has now been integrated with a protocol that outlines the principles to be adopted by all employees in order to prevent the committing of environmental offences.

### MANAGEMENT OF SOCIAL AND ENVIRONMENTAL RISKS IN LOANS: ADOPTION OF THE EQUATOR PRINCIPLES

One of the areas that Intesa Sanpaolo monitors the most, in terms of management of social and environmental risks, is the financing of major industrial and infrastructural projects. Given the substantial size of these projects, which are often in sensitive sectors with social and environmental impact, the risk arising from an inaccurate evaluation of the impacts on society and on the environment may damage the Bank's

operations, as well as its reputation.

To control this risk, the Group has adopted the Equator Principles since their issue in 2007. These principles are a set of voluntary international guidelines to support financial institutions in managing the social and environmental risk resulting from certain types of financing. Until the end of 2013, the Principles were applied to the financing of projects with a capital cost of 10 million US dollars or more; a new version has been introduced starting in 2014. Intesa Sanpaolo has applied the new Equator Principles III since January 2014.

The Principles, based on the World Bank criteria for the protection of natural resources, health, human and labour rights, cultural heritage and biodiversity, with specific reference to respect for local communities, envisage the assignment of a risk category (A, B, or C, where C indicates a low risk level) to projects to be financed, impacted by variables such as the socio-environmental characteristics of the country, the industrial sector and the characteristics of the project in question.

The assessment process adopted by the Bank requires the credit department to approve the loan not only on the basis of financial considerations but also on social and environmental criteria.

In 2013, Intesa Sanpaolo began implementation of the new version of the Principles, namely the Equator Principles III, officially launched in June 2013.

To this end, the Corporate Social Responsibility Unit created a work group involving the participation of representatives from all areas who, to various extents, are or will potentially be involved in their application. The first result of the work group was the drafting of the new Operating Guidelines, officially issued in the early months of 2014. In addition to being revised in terms of accessibility, they are more integrated into the Group's credit policies than the previous ones. In fact, given the expansion of the scope of application of the Principles, which in their prior version solely

referred to project financing activities, reference to the new Guidelines is now present in all of the other lending procedures in order to include, right from the application phase, all loans subject to assessment under the Equator Principles.

These guidelines require higher-risk projects to be assessed by an independent advisor who identifies the main social and environmental impacts and the relative mitigation measures. Monitoring of the projects throughout their entire lifecycle is also envisaged, with frequency based on the level of risk and included in the contractual provisions. Customers are required to submit regular reports demonstrating implementation of the mitigation measures required by the Bank and which may be verified also via on-site inspections. In the event of non-compliance with the agreed conditions, the Bank reserves the right to exercise the appropriate measures, evaluated on a case-by-case basis.

Part of the assessment process also envisages the involvement of the local communities, in order to identify the possible social impacts and identify further mitigation measures. In fact, the Equator Principles imply an ongoing relationship with stakeholders, from the design phase and throughout the entire project,

via a structured and culturally appropriate stakeholder engagement process.

In addition to the adjustment activities, in 2013 we consolidated the process involving the Group's International Subsidiary Banks, namely those that possess all of the requirements for the application of the Principles: specific workshops adapted to the individual contexts were conducted at Banka Koper, Intesa Sanpaolo Bank Romania and CIB Bank. The project, which began in 2011 and will continue in 2014, aims to offer Banks numerous opportunities for training and information, as well as to represent a source of continuity and cohesion with the Parent Company with regard to the issues of social and environmental risk management and, in particular, proper implementation of the Equator Principles.

In terms of participation in the life of the EP Association, Intesa Sanpaolo actively contributes to the debate underway, always participating in the Annual Events and offering its contribution to the discussion of several issues, particularly those linked to the protection of biodiversity, as part of the specific Work Group created in 2013 (Cross Sector Biodiversity Initiative).

### Equator Principles, the commitment strengthens

The tenth anniversary of the Equator Principles on 4 June 2013 marks the official launch of the third version of the Principles, or EPIII, which involved stakeholders within and outside of the EP Association.

The new provisions mainly regard the scope of application, which was expanded: in fact, while project finance operations continue to be subject to screening, the new scope of application also includes loans to businesses for a specific project for a total amount of at least USD 100 million. Secondly, additional requirements are introduced for both financial institutions and customers in terms of the fight against climate change and human rights. Lastly, the level of transparency required for members and sponsors of the projects has been increased.

The EP Association granted its members a transition period up to 31 December 2013, in order to adapt effectively and uniformly. All transactions starting from 1 January 2014 shall comply with the new guidelines.

Sector	A	B	C	n.a.*	Total
Oil and gas	3	5		1	9
Petrochemical		1			1
Wind energy		4			4
Photovoltaic energy			1		1
Energy from biomass			1		1
Energy	1				1
Infrastructure			3	2	5
Mining sector	1				1
Transport		3	1		4
Other	1	1			2
<b>Total</b>	<b>6</b>	<b>14</b>	<b>6</b>	<b>3</b>	<b>29**</b>

The 2013 figures refer to the Equator Principles II.

\* projects in the preliminary phase and therefore not yet classified.

\*\* of which 12 closed, 11 approved by the credit department, 5 in the screening phase and 1 rejected.

There have been 263 loan applications since 2007, which also underwent the Equator Principles screening. The scope of reference regards all Intesa Sanpaolo desks working in project finance, in Italy and abroad, and two International Subsidiary Banks: VUB Banka and Alexbank.



## MANAGEMENT OF SOCIAL AND ENVIRONMENTAL RISKS IN LOANS: ENVIRONMENTAL OFFENCES

The assessment of environmental risk in the disbursement of loans regards not only big projects but also loans granted to all types of Bank customers. A careful assessment of these potential risks also mitigates the risk of environmental offences being committed. Intesa Sanpaolo's 231/2001 Model has included environmental offences as a sensitive area, acknowledging that the illegal acts governed by criminal law to protect the environment implies administrative liability of the relative entities and, consequently, indirect liability of the Bank with regard to the activities of its customers.

With the objective of identifying the most effective methods to assess any environmental risks connected to the activities of corporate customers as well as the most significant indicators to measure them, a work group comprising all bank departments involved was set up.

## CONTROVERSIAL SECTORS

Among the sensitive sectors monitored by the Bank on an ongoing basis, production and trade of military weapons hold particular importance. In fact, this is a complex and controversial area that Intesa Sanpaolo has decided to manage through a restrictive internal policy since 2007.

In accordance with the values and principles in the Code of Ethics, the Bank has decided to take responsibility as financial intermediary, sharply limiting its participation in activities that involve the production and trade of military weapons. More specifically, all transactions involving the import and export of military weapons have been suspended, although they are authorised under Law 185/90. Over the last few years, transactions of this type passing through the Bank's accounts have gradually declined to essentially zero from 2011.

Specific operating methods to limit and control the disbursement of loans and other financial services to companies in this sector have also been defined.

Intesa Sanpaolo has also indicated a number of particularly controversial areas in which it will not participate: weapons that are controversial and/or banned by international treaties, such as nuclear, biological and chemical weapons, cluster and fragmentation bombs, weapons containing depleted uranium and anti-personnel mines.

Concrete application of the policy includes a number of exceptions that consider the interests of national defence, also in the light of an integrated European defence. The Bank has therefore decided to support Inter-governmental programmes between countries that respect democratic principles and to authorise

imports and domestic activities in favour of the national armed forces and relative designated entities.

In 2013, support continued with regard to the International Subsidiary Banks, for which a specific internal policy was issued in 2010. Each Bank, through an appropriately trained contact, monitors and reports to the Corporate Social Responsibility Unit on a quarterly basis regarding all information on operations during the period, in accordance with the principles of the policy.

## ASSESSMENT AND MANAGEMENT OF REPUTATIONAL RISKS

The Group acknowledges the extreme importance of reputational risk which, for the regulatory areas under the responsibility of the Compliance Department, is assessed as part of the compliance risk management process, in the belief that compliance with the regulations and fairness in business are fundamental to banking operations, which by nature are founded on trust.

It has now become increasingly important for companies to be able to detect not only the typical risks, but also a more complex set of risks linked to the failure to safeguard the environment, human rights, and fairness of operating practices, including along the procurement chain. The many risks faced by modern companies, therefore, go beyond the classical ones and are not immediately recognisable, as they require a number of aspects to be considered.

Intesa Sanpaolo has adopted its own Code of Ethics with the specific objective of consciously handling certain reputation risks linked to the relationship with its Stakeholders and which would have otherwise remained latent. Thus, the Code has laid down a set of voluntary commitments towards all stakeholders, which has resulted in the signature of international standards, issue of policies for the most sensitive areas and annual setting of improvement objectives within the scope of the management process of the Sustainability Report.

Following this decision, tools aimed at monitoring the implementation of the declared commitments and improvement objectives were set up. In line with the chosen model, which is aimed at consolidating relations with a view to identifying opportunities and preventing reputational crises, the outcomes of the listening process, which embraces the adherence to international standards of excellence (AA1000), guide the selection of the areas where the monitoring action should be focused on. On the other hand, the need to obtain objective evidence is met through the adoption of the ISO 26000 Guidelines, which represent the international methodological reference expressly dedicated to social responsibility issues, for the purposes of checking the actual integration of the principles of the Code of Ethics in operations. With regard to achievement of the

improvement objectives declared in the sustainability report's management process, the wide range of tools provided by the standards adopted (GRI) and the Tableau de Bord of quantitative indicators provide for an increasingly effective and timely verification. A specific dashboard is dedicated to the integrated assessment of the outcomes of verifications on the efficiency and consistency of the processes and on the effectiveness of initiatives undertaken, determined by listening to Stakeholders.

## MANAGEMENT OF HEALTH AND SAFETY RISKS

The Prevention and Protection Department has created a management system to implement a health and safety policy in compliance with the requirements

defined in the most important national standards (UNI EN ISO 9001 – UNI – INAIL ISPESEL). Inspections to update the Risk Assessment Document available to all personnel continued in 2013.

Particular attention was paid to work-related stress, involving a methodology launched with the University of Milan for workers affected by potential critical conditions. The results showed a very limited presence of significant work-related stress in the overall organisational conditions, but identified areas for improvement. These findings are qualitatively consistent with the figures of the Epidemiology Report on staff subject to health monitoring, which show a good state of health (89.1%) and a disorder/illness frequency lower than that of the general population. The situation in terms of visual disorders and muscular-skeletal system disorders was essentially positive.


### Banca Estesa and safety

In order to meet customers' requirements, the Group extended its opening hours in 2013 at over 500 branches, through the Banca Estesa project. In this respect, specific monitoring was carried out on the adequacy of the health and safety systems for the branches involved in the project, updating the risk assessment in consideration of the longer opening hours and increasing the number of individuals assigned to fire emergencies and first aid.

In terms of safety devices, the methods used to activate the manual access filter were redefined, as well as those for management of the keys to access the safes and cash storage areas.

Measures necessary to ensure the safety of employees and customers were also carefully evaluated. To this end, a specific risk analysis method was developed, which evaluates the impact of the longer opening hours and of the new organisational models that envisage alternating customer assistants at the same counter. As a result, 156 branches that required specific intervention measures were identified.

As evidence of the adequacy of the safety levels achieved, no attempts at robbery were made during the new opening hours in 2013.

In terms of air quality in the workplace, environmental samples were taken in "model branches". This will enable the development of improvement initiatives to choose the air ventilation and filtration system. As regards the management buildings, Intesa Sanpaolo participated in the European research project OFFICAIR  in order to evaluate air quality and

identify effective preventive measures.

The post-robbery support activity continued, with voluntary and prior consent by the interested parties, conducted by the company doctor and, if necessary due to the dynamics of the event, by a psychologist as well.

### Training and inclusion

The Qualified Physicians and Workplace Safety Officers participated in the training event "ICF\* for the introduction, maintenance and development of disabled persons in the company", in order to examine issues regarding disabilities. The information material on seismic risk was made available to all collaborators. Training on the issues of physical safety focused on updates of the company regulations on the conduct to adopt in order to ensure the utmost protection of colleagues and customers. In addition to the Branch Managers, the training plan also involved the Customer Assistants and all branch colleagues via e-learning and distribution of a Handbook.

\* ICF is an WHO classification of functioning, disability and health.



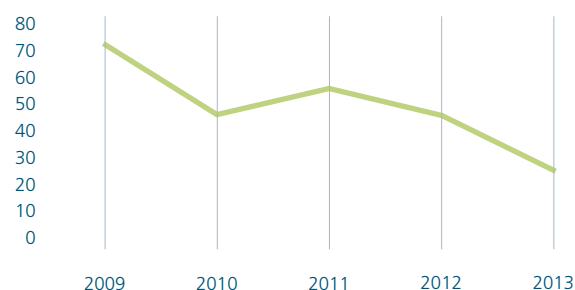
The heads of all Group branches were invited to answer a questionnaire on robbery risk, the results of which are used to update the assessment of said risk. Intesa Sanpaolo has made significant efforts to prevent robberies and to manage emergency situations, particularly in the current scenario that sees a rapid evolution in the methods used to carry out robberies. Efforts have been made to reduce appeal, discouraging potential robberies with the unavailability of immediate cash at the bank counter. To limit access to the branches by ill-intentioned persons, physical infrastructures were strengthened, as well as monitoring of the entrances through remote video surveillance or unarmed security guards.

Constant attention to security resulted in a significant reduction in the number of robberies in Italy: from 123 in 2012 to 105 in 2013 (451 in 2007), down by approximately 15%. Potentially dangerous situations are also declining steadily.

Significant attention was also paid to protecting collaborators and customers in exceptional situations of environmental and social crises: the international crises in Egypt and Ukraine, with adequate countermeasures for subsidiaries Alexbank and Pravex-Bank; bad weather emergencies and social protests in various areas of Italy; prolonged interruption of electricity at the Banca IMI London Branch.

Constant attention to security resulted in a significant reduction in the number of robberies in Italy: from 123 in 2012 to 105 in 2013 (451 in 2007), down by approximately 15%. Potentially dangerous situations are also declining steadily.

### Robberies with potentially dangerous situations for people



The Prevention and Protection Department also assesses and manages health and safety risks for suppliers operating within the Bank's facilities, asking that they adopt the company regulations on such matters and ensure that their employees comply with adequate standards.

In 2013, greater awareness was raised by displaying notices in areas accessed by suppliers, calling attention to the safety rules to be respected within Intesa Sanpaolo's workplaces.

The effectiveness of the measures implemented to reduce the health and safety risks for personnel operating on a contract basis was assessed through a series of inspections outsourced to an external company, with the aim of updating the Risk Assessment Document.

More specifically, 9 risk factors have been identified, to be examined in subsequent phases, with regard to the dangers in the technological areas of the Group's premises: out of the total risk factors identified, 5% are attributable to risks to which suppliers are exposed; out of these, 57% have already been resolved with technical or organisational interventions defined during 2013.

# Integrity and rigour of the company conduct


## PREVENTION OF CORRUPTION

Intesa Sanpaolo has been working for some time now on mitigating the risk of corruption, adopting internal regulatory sources such as: the Group's Code of Ethics, the Group's Internal Code of Conduct and the Organisational, Management and Control Model pursuant to Legislative Decree 231/2001.

The Bank's 231/01 Model was updated following the introduction of new and more stringent regulations (Law 190/2012), carrying out a preliminary mapping of the sensitive company processes with regard to the potential risk of committing the new crime of "active corruption among privates" and envisaging, for the processes

identified, specific control and conduct principles for all employees.

The Compliance, Audit and Internal Auditing Departments ensure implementation of the Model and monitor its compliance.

The required attention to the prevention of corruption risks is very high across all Group companies, both in Italy and in the International Subsidiary Banks, particularly those operating in countries that have specific "anti-corruption" laws. In countries that do not have such laws, subsidiaries are still required to adopt the guidelines of the Parent Company and monitor the areas at greatest risk .


Specialised training to prevent Corruption and Money Laundering in 2013	ITALY	ABROAD	GROUP
No. of collaborators trained	27,816	8,657	36,473
% of collaborators trained	42.7	30.9	39.1

## PROTECTION OF FREE COMPETITION

Intesa Sanpaolo's Antitrust Team constantly oversees and promotes free competition. In this respect, it renews its commitment, aimed in particular at:

- ensuring that the international, community and local rules and procedures on competition are effectively applied and respected at the Group level;
- disseminating a culture of compliance with the antitrust regulations at all levels of the Group and with third-party stakeholders, trade partners, suppliers and customers.

To ensure the pursuit of these objectives and improve relations with the various stakeholders, the Antitrust Team has expanded its responsibilities, handling monitoring of compliance not only with regard to the more classical components of antitrust regulations (concentrations, abuses of dominant position and agreements), but also as regards the EU regulations on government aid and on the recent Italian regulations supporting Italy's competitiveness.


The Antitrust Team contacts are colleagues and Italian and international Group companies on the one hand, and national, EU and international antitrust authorities on the other .

## PROTECTION OF PRIVACY

The Company Safety Unit ensures that personal data are collected and processed in accordance with the legal provisions and the principles expressed in the Code of Ethics.

Particular attention has been paid to the Group's internationalisation and to verification of the characteristics and regulatory contexts of non-European countries in which Group's banks are located.

Constant efforts to raise collaborators' awareness on the attention that, already inherent in normal banking operations, represent the very essence of protecting personal data are fundamental. For this purpose, a new training updating tool was developed in 2013 in order to provide further analysis of less well-known issues.

The methods of processing the personal data of both natural persons and legal entities, institutions or associations are published on the Group's website .

# Offering valued service to customers

## ACHIEVEMENTS IN 2013

2013 OBJECTIVE	RESULTS	STATUS
<p><b>Quality of the relationship:</b> Extension of branch hours in a selection of branches in Italy (Banca Estesa Project)</p>	The Banca Estesa project was implemented at the end of December 2013 in 527 branches. Of these, over 50% have adopted non-stop opening hours.	■
Application of an advisory approach in order to improve relations with retail customers	Banca Estesa is based on a new service model able to meet the requirements of customers with more flexible hours, home advisory service and fully mobile communication with the Bank.	■
Creation of new products/services based on feedback from the customer experience surveys focused on improving customers' quality of life	A mapping of the paths followed by customers (Customer Journey) to access the products and services offered is currently under way, in order to identify the most significant points of contact with the Bank on which to concentrate the customer experience analyses.	□
Improvement of the SElok quality control system: development of the KPIs to monitor the quality provided; creation of a Voice of Customer system for the collection, analysis and activation of specific improvement measures	<ul style="list-style-type: none"> <li>■ The "SElok" portal has become an operational tool used by branches. From 2014, the service quality objective will use internal benchmarks as references, as well as best practices outside of the Group.</li> <li>■ Launched in 2013, the Voice of Customer system is an advanced system that enables systematic collection of ideas and suggestions from our customers, via various listening channels and with rapid activation of responses.</li> </ul>	□
Development of listening and dialogue initiatives to understand the needs of customers and large businesses within the relationship cycle with the Bank	<p>Customer satisfaction initiatives:</p> <ul style="list-style-type: none"> <li>■ Retail and Small Business Customers: telephone interviews with over 200,000 people; benchmark surveys involving nearly 3,000 customers of the Group and over 11,000 customers of other Banks or BancoPosta.</li> <li>■ Corporate Customers: qualitative analysis developed based on personal meetings and discussions with a selected number of entrepreneurs. Online survey on transaction banking products and services: nearly 1,000 businesses involved (approximately 280 individuals surveyed). Questionnaire on Start Up Initiatives: over 400 observers, investors and customers involved.</li> <li>■ International Subsidiary Banks: continuation of Listening 100% involving 9 banks. Nearly 90,000 interviews conducted. 3 banks in first place in their country in terms of quality of customer relations (ECSI index – European Customer Satisfaction Index).</li> </ul> <p>Management of complaints The number of complaints in Italy rose by approximately 9% compared to the prior year. The qualitative aspect of complaints management was reinforced, in order to keep the resolution times below the maximum time envisaged by the regulations.</p>	□

## QUALITY AND INNOVATION

Intesa Sanpaolo revised its relation methods, focusing on customers' needs and new lifestyles in order to improve its offer and the customer experience qualitatively, simultaneously enhancing the branch network. The "**Banca Estesa**" project was established in 2013 for this purpose, the first of its kind in Italy and based on an entirely innovative service model.

This new banking method allows customers to communicate with their advisor during more flexible hours, as well as to use mobile communication with the bank (24 hours a day, 7 days a week), interacting with the reference manager or remote operators or in full autonomy, thanks to the integrated multi-channel platform.

The project encompassed over 500 branches in Italy, the new "Filiali Estese" (flexi branches), open from Monday to Friday from 8:00 am to 8:00 pm and on Saturday morning, involving over 12,000 employees.

This new approach demonstrates full comprehension of customers' requirements: periodic satisfaction surveys indicate that almost one out of two customers visits branches during the new opening hours, and branches adopting the longer opening hours have recorded a greater increase in the satisfaction index compared to ordinary branches.

Another initiative aimed at meeting customer requirements more effectively is the "**Offerta Fuori Sede**" (out-of-branch offering) project, which envisages extension of the advisory services and sales development at customers' homes or workplaces. The project continued in 2013 with the inclusion of new products. There are 850 managers who, after a training programme and relative qualification, are able to work as financial advisors. This pool is in the expansion phase, expected to be extended to approximately 5,000 employees.

Within the Group's international scope, various Banks organised meetings and lessons with Retail and SME customers in order to illustrate performance of the local market and specific products, with the participation of internal and external experts (Academia Workshop in Serbia, Business Breakfast in Slovenia, Hungary and Croatia, Business Club in Slovakia). These initiatives were important opportunities to strengthen relationships with customers and implement best practices.

VÚB Banka in Slovakia developed information and training material on CSR issues for Small Business customers and SMEs and prepared their first sustainability report.

### SEIOK QUALITY MANAGEMENT SYSTEM

Gaining customers' trust and knowing their needs, expectations and level of satisfaction are key to our business.

Based on this purpose, Intesa Sanpaolo launched the SEIok portal (Sistema di Eccellenza Intesa Sanpaolo – Intesa Sanpaolo System of Excellence) in 2010 to

measure and improve the quality provided by the branches and that perceived by customers, based on objective and transparent criteria.

In 2013, the portal – at the beginning a simple consultation interface – became an operational tool of the network: in fact, branches may adjust and improve the results. To achieve the targets, in addition to the internal benchmarks, references to best practices outside of the Group and definite quality objectives were added as well.

## EASY ACCESS TO SERVICES

To facilitate access to banking services by the blind, all of the Group's automatic tellers in Italy (nearly 7,000 ATMs) are equipped with a dedicated interface. ATMs can be used autonomously by the visually-impaired, via high-visibility graphics available on all ATMs, as well as by the blind, via a vocal guide that can be heard on over 5,600 machines using normal headphones.

In Serbia, Banca Intesa Beograd further developed its online applications to adapt to the needs of this customer type.

## CUSTOMER SATISFACTION

In order to improve the customer's "quality of life", Intesa Sanpaolo has begun mapping the Customer Journeys – routes followed by customers in order to access the products and services offered – for all products, identifying the sequence of access points used by customers to relate with our Bank with regard to each individual product.

"Voice of Customer" was launched in 2013, an advanced system for the systematic collection of ideas and suggestions from customers, via various listening channels (interviews, e-mails, complaints, web, social media, chats, phone calls to the call centre, etc.). Once fully operational, the tool will allow us to catalogue and assign a positive or negative opinion to the data collected outside of the surveys, manage and integrate all of the information collected in a structured and unstructured manner and identify the most useful information to improve the quality of services/products provided.

### CUSTOMER SATISFACTION: RETAIL CUSTOMERS IN ITALY

Intesa Sanpaolo carried out surveys on customer satisfaction and on the Customer Experience (Branch Customer Satisfaction) in 2013 as well, through over 200,000 telephone interviews with Retail and Small Business Customers. Positive satisfaction levels were recorded across all segments (Households, Personal and Small Business), with a slight overall improvement in results.

For approximately ten years now, Intesa Sanpaolo has carried out a survey of the population with access to banking services in Italy (Benchmark survey), in order to assess its positioning with respect to the competition

in the Bank-Customer relationship. Over 14,000 Italian Retail customers were interviewed in 2013, of which nearly 3,000 of the Group and over 11,000 of other Banks or BancoPosta. Customers of the Intesa Sanpaolo Group declared an Instinctive satisfaction and a Propensity to recommend its bank lower than the competition: the satisfaction index - NSI<sup>1</sup> is at 8, compared to 12 for the other competitors, while the index on propensity to recommend the bank - NRI<sup>2</sup> is equal to 6, compared to 9 for competitors. In terms of rational satisfaction, the Group is aligned to the industry results (NSI of 24). In particular, the opinions by customers of the Intesa Sanpaolo Group on the branch and on ATMs are positive and higher than those in the overall banking sector. The levels of satisfaction of our customers with regard to other access points examined are positive and essentially in line with market figures.

### CUSTOMER SATISFACTION: SMALL BUSINESS AND SME CUSTOMERS IN ITALY

Each quarter, the Intesa Sanpaolo Group conducts a survey on economic performance, on the demand for credit and on the satisfaction with one's bank, through telephone interviews with approximately 8,000 representative cases of Italian companies (excluding agricultural companies, financial companies and public administration). The Customer Satisfaction index is recorded solely with regard to the "main bank" declared. The results were not positive in 2013, but they indicated improvement and were higher than market values.

### CUSTOMER SATISFACTION: CORPORATE CUSTOMERS<sup>3</sup>

Intesa Sanpaolo aims to work alongside its businesses, sharing the challenges and opportunities of the current economic scenario.

In 2013, a qualitative analysis was conducted through personal interviews with a select number of entrepreneurs representing the main sectors/supply chains, gathering information on the vision, expectations and strategies of customers with the greatest potential, with a particular focus on the topics of innovation and internationalisation.

A survey was also carried out on all customers using transaction banking products, involving nearly 1,000 companies and recording an NPS index - Net Promoter Score (Probability of word-of-mouth recommendation<sup>4</sup>) of + 6.59%.

Surveys were also launched to evaluate the perceived quality and areas of improvement with regard to

Start Up Initiatives: paper questionnaire for over 400 investors, observers and customers connected to the initiative (NPS equal to +50%) and telephone interviews with a selected number of startups.

### CUSTOMER SATISFACTION: INTERNATIONAL SUBSIDIARY BANKS' CUSTOMERS

"Listening 100%", the customer satisfaction project of the Group's International Subsidiary Banks that examines complaints and dissatisfaction reported by customers in order to improve the level of service offered, continued. The monitoring system is adopted by 9 out of 11 banks and in 2013 it conducted a total of nearly 90,000 telephone interviews on representative samples of Retail and SME customers. A benchmark analysis was also conducted on Retail and SME customers abroad with access to banking services, involving over 24,000 customers of other banks.

According to the ECSI – European Customer Satisfaction Index, 3 banks of the Group are ranked first in their country in terms of quality of customer relations.

### COMPLAINT HANDLING

The number of official complaints in Italy<sup>5</sup>, in 2013 increased by approximately 9% on the prior year. The Customer Service and Complaints Office continued with and strengthened the qualitative aspect of handling complaints, in order to keep the resolution times below the maximum time envisaged by regulations.

#### • Investments

The decrease in the overall number of complaints regarding Investment Services (-19%) continued in 2013, largely due to the absence of particularly major issues, as in 2012.

#### • Financing (loans, mortgages and special loans)

The impact of complaints under this category showed a sharp increase, particularly in the "Home mortgage" segment. The main reasons for the complaints were the renegotiation of loans, requests to suspend payments, and the alleged application of interest rates on mortgages, including overdue interest, that exceed the usury threshold rate. Various reports were "induced" by a television programme and were received in a more or less considerable amount by all Banks of the Group.

#### • Bank transfers

There was a sharp increase in complaints regarding bank transfers in 2013 (+31%). Particularly significant among the reasons for the complaints, despite signs of a slowdown in the phenomenon, are reports of

1. NSI= Net Satisfaction Index, equal to the percentage satisfied (rating of 9-10) less the percentage dissatisfied (rating 1-6).

2. NRI= Net Recommendation Index, equal to the percentage of promoters (rating of 9-10 with regard to the probability of recommending the bank) less the percentage of detractors (rating 0-6).

3. With turnover of over 350 million euro.

4. Percentage of promoters (rating 9-10) less percentage of detractors (rating 1-6).

5. The numerical analysis refers to the Group's Italian operations, excluding the International Subsidiary Banks. These phenomena regard the complaints managed by the Parent Company, which cover approximately 71% of the total in Italy, excluding Banca Fideuram and Fideuram Vita, Banca IMI and IMI Investimenti, Eurizon Capital, Leasint, Mediocredito, Intesa Sanpaolo Previdenza, Intesa Sanpaolo Private Banking, Mediofactoring, Neos, Intesa Sanpaolo Personal Finance, Setefi, SIREFID, Intesa Sanpaolo Vita and Centro Leasing.

computer fraud (phishing). Many customers also complained about errors, delays and non-completion of transactions.

#### • Institutional Relations

Claims submitted by customers for assessment by the Banking and Financial Ombudsman (Arbitro Bancario Finanziario) increased, as in 2012, by approximately 21%, amounting to 671, while those submitted for assessment by the Banking Ombudsman (Ombudsman - Giurì Bancario) were 110, down by approximately 22% compared to 2012.

Complaints from the Bank of Italy rose to 1,110 (+17% compared to 947 in 2012) while those from Consob and from the Italian Antitrust Authority were not significant, as in prior years.

### CONSUMER ASSOCIATIONS AND PERMANENT CONCILIATION

The permanent conciliation procedure, which regards products offered to Retail customers (current accounts and connected payment cards, mortgages and personal loans), has maintained and strengthened the relationship of trust between the Bank and customers over time, and has provided an additional opportunity to guarantee and protect their utmost satisfaction with regard to the quality of products and services used. The conciliation procedure is simple, free and fast, with

a maximum resolution time of 60 days. Customers may decide to participate, at no cost and without compromising any other procedures they may wish to take subsequently, protecting their own interests. A total of 296 applications were received as at 31 December 2013.

### DISPUTES

In terms of legal disputes, there were a total of 19,104 disputes pending as at 31 December, for a total of 10,312 million euro. The main types of lawsuits include: bankruptcy revocatory actions (890 million), lawsuits concerning financial services (509 million), lawsuits concerning terms applied to customers (824 million), lawsuits for operational errors (382 million) and labour-related lawsuits (196 million). All lawsuits are covered by special funds.

The issues with the greatest social impact are:

- anatocism;
- investment services;
- class action suits by Altroconsumo

See the Consolidated Financial Statements (pag. 394-400) [➔](#) for a detailed description of the most significant civil and fiscal lawsuits.



# Reduction of direct environmental impacts

## ACHIEVEMENTS IN 2013


2013 OBJECTIVE	RESULTS	STATUS
Continuation of the energy saving plan	The Group accounts for over 16% of the electricity consumed in Italy by the credit and insurance sector, down compared to the prior year. Total electricity consumption in Italy is down 8.8%. Heat consumption in Italy is constant compared to the prior year, despite a 7% increase in area.	■
Adoption of a new UNI EN ISO 14064 standard quality certification for the quantification and reporting of CO <sub>2</sub> emissions	Intesa Sanpaolo is the only bank in Italy to have integrated its Environmental and Energy Management System with the requirements of the UNI EN ISO 14064:2012 international standard, which defines the principles and requirements for quantification and reporting of greenhouse gases (GHG) emissions.	■

Monitoring of the environmental impacts generated by the Bank's activities is carried out by the Environmental Sustainability Office of the CSR Unit, coordinated by the Group's Energy Manager, responsible for monitoring, analysis and management of improvement measures and the use of new technologies, as envisaged by the Environmental and Energy Policy, last updated in January 2014. In 2013, Intesa Sanpaolo continued to carry out measures to reduce its ecological footprint and began to draw up the 2013-2016 Sustainable Energy Action Plan. The energy efficiency measures implemented last year contributed to achieving savings of approximately 8.5 million euro. Intesa Sanpaolo has also actively participated in various Abilab work groups, dedicated to building sector benchmarking and encouraging energy efficiency in banks. The mobility aspects are monitored by the Mobility Manager, who coordinates the initiatives and best solutions to the corporate and personal mobility needs. As protection of the natural and social environment and attention to climate changes are key aspects of our commitment, in line with the environmental and social policies that we already adopt, we will create a branch, for Expo 2015, that incorporates highly innovative solutions and stands out for its sustainability, also in relation to events which will be organised within it. The payment service and ticketing will also meet specific sustainability criteria, permitting dematerialisation in order to reduce the use of paper to a minimum.

## Environmental and Energy Management System

In 2013, as part of the scope in which the Environmental and Energy Management System pursuant to UNI EN ISO 14001:2004 and UNI CEI EN ISO 50001:2011 standards was applied, the Group was among the first companies in Italy to obtain certification for the quantification and reporting of greenhouse gases emissions, as defined by the UNI EN ISO 14064:2012 international standard.

The simultaneous adoption of three standards within the same scope resulted in significant synergies in relation to the adopted procedures and the shared practices.

The Environmental and Energy Management System, which at the end of 2013 counted approximately 200 branches in Piemonte, Lombardia, Veneto, Trentino Alto Adige, Friuli Venezia Giulia, Emilia Romagna, Puglia and, from 2013, Sardegna, oversees the environmental aspects and energy uses that have or may have an effect on the surrounding environment and is subject to constant monitoring and periodic assessments aimed at continuous improvement of environmental and energy performance. For additional information, see the "Environment Paper – Environmental and Energy Management System, 2013 edition" dedicated to this important best practice of Intesa Sanpaolo .



## RENEWABLE SOURCES



Committed to gradually reducing its dependence on fossil sources, the Intesa Sanpaolo Group has consolidated its purchase of electricity in Italy from sources certified as renewable (Guarantee of Origin) at all sites where this is possible. Moreover, although with limits due to architectural barriers and the limited availability of appropriate buildings, expansion of the photovoltaic facilities for the self-generation of electricity continued, with the construction of two photovoltaic plants for a total peak power of approximately 40 kWp. Three large plants are therefore currently operational (>100 kWp), along with four small ones (≤20 kW) and two small, innovative photovoltaic plants in Torino and Venezia Marghera, through which approximately 830 MWh of electricity was produced in 2013. These facilities, together with the purchase of electricity from renewable sources, with coverage exceeding 95% of electricity consumption, are estimated to have avoided over

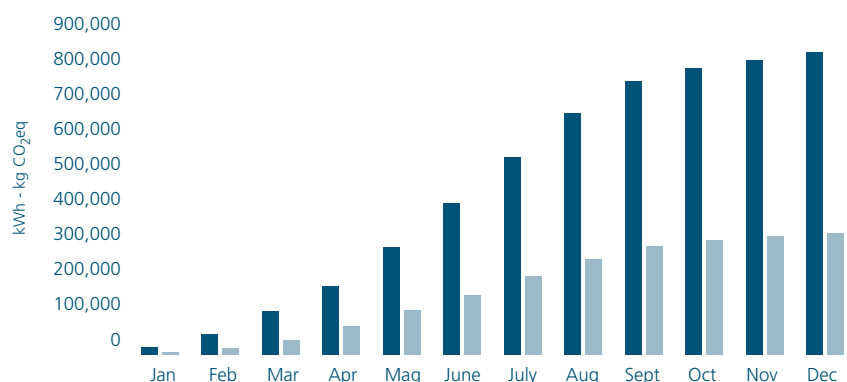
150,000 tons of CO<sub>2</sub> emissions in 2013.

With regard to the self-generation of energy, there is also a small cogeneration plant at the accounting centre in Parma (approximately 3%), in addition to the self-generation of energy from renewable sources through heat pumps used for heating which, in line with Legislative Decree 28/11 implementing Directive 2009/28/EC, correspond to an additional 1,800 tons of CO<sub>2</sub> emissions avoided per year. In fact, based on the aforementioned regulations, the heat (thermal energy) produced by a heat pump that exceeds the quantity of energy required for its operation is considered to be a renewable source.

The commitment in favour of renewable energy continues in the International Subsidiary Banks as well, despite the limitations imposed by national legislation in a number of countries: in particular, approximately 49 MWh of renewable energy was generated at the two photovoltaic plants of Banka Koper in Slovenia.

## Production of electricity from photovoltaic plants in 2013 – Intesa Sanpaolo Group Italia

-  Total cumulative production in the current year, ISP Italia Group (826.73 kWp)
-  Cumulative monthly emissions avoided in the current year (kg CO<sub>2</sub>eq) (1 kWh = 0.395 kg CO<sub>2</sub>eq)





## ENERGY CONSUMPTION AND ENERGY EFFICIENCY

The Intesa Sanpaolo Group continued to limit energy consumption in 2013, through management optimisation actions and energy efficiency measures. The results confirm the important consumption reduction trend achieved in these years: electricity consumption, the energy most used in Italy due to the high level of automation and widespread use of heat pumps, showed a further reduction of 8.8%, potentially corresponding to around 15,300 tons of CO<sub>2</sub> emissions avoided. This result was obtained through reductions in the scope as well as with energy efficiency measures and was achieved despite the extension of opening hours until 8:00 pm and opening on Saturday morning at over 500 Flexi Branches. Note that during the five-year period 2009-2013, electricity consumption (referring to 84% of the Group's consumption in Italy) declined by approximately 24%: a very important achievement that places the Intesa Sanpaolo Group among the leading companies in Italy to have launched energy efficiency activities and for which it is often used as a sector benchmark.

In 2013, sites continued to be equipped with web-managed electricity consumption measurement systems to monitor energy consumption through the increasingly greater use of Dataloggers, which allow switch-on/off of lighting and air conditioning systems based on optimisation programmes. Other important measures to reduce electricity consumption included: introduction in the Moncalieri and Settimo Torinese Data Centres (CED) of high-density rack servers equipped with internal cooling systems, remote switch-off of PCs and gradual replacement of office equipment with more energy-efficient models. Moreover, in the CEDs and main Buildings, 16 UPS units were replaced with new high-efficiency ones in 2013. The "NO-SERVER Branch" project also made a significant contribution to reducing electricity consumption in 2013: with the disposal of approximately 5,000 servers at branches at the end of 2012, it permitted energy savings of over 1,700 MWh, corresponding to approximately 700 tons of CO<sub>2</sub> equivalent not emitted into the atmosphere.

Furthermore, application of a new Building Heat Check-up (CTE) procedure in buildings and branches covered by the SGAE system resulted in significant savings: in the last two winters (2012-13 vs 2010-11), in sites in which it was applied, overall thermal energy savings of approximately 8-9% was achieved.

It should also be noted that renovated or newly-built sites (approximately 100 in 2013) are fitted out in accordance with criteria to improve energy efficiency and management, in line with the internal policy on sustainable branches. Thanks to the measures implemented in recent years, mainly associated with replacement of traditional boilers with condensation boilers, heat pumps and high-yield cooling systems, as well as the replacement of windows with low-E glass, the

Group could claim tax deductions for works improving the energy performance of buildings, confirmed by the relative energy certificates, for a total of approximately 18 million euro in the 2009-2013 period.

The Group's International Subsidiary Banks have also launched major energy efficiency measures in the various branches and main offices. In general, measures regarded replacement of the cooling systems, introduction of LED or high-efficiency lights in the Branches and signage, introduction of an automatic night time switch-off of computers, introduction of automatic light adjustment systems and initiatives to reduce the temperature where it is too high. Note that Banca Koper began testing the Datalogger system in 4 branches, including actuators to switch the lighting and air conditioning systems on and off.

## PAPER

The amount of environment-friendly paper (recycled paper with high post-consumer recycle fibres and certified paper) acquired in Italy for the Group's requirements in 2013 was 93% of the total, with a consequent shift in the procurement of traditional paper.

Thanks to initiatives to dematerialise several printing stages (direct debit notices, credit transfer accounting, loan payment receipts and datasheets for the operational units and back offices), the use of over 670 tons of paper was avoided, corresponding to 1,290 tons of CO<sub>2</sub> not emitted into the atmosphere.

The ongoing campaign to customers promoting online statements further reduced paper consumption by another 427 tons. Along with the adoption of tablets that enable forms in the branch to be signed electronically for the major transactions (deposits, withdrawals, cheque encashment, foreign currency purchases/sales, individual bank transfer orders, giros and purchases of tickets/season passes to events), dematerialisation of the accounting copies for the bank and for customers contributed to avoiding nearly 71 million printouts, equal to 354 tons of paper and approximately 670 tons of CO<sub>2</sub> emissions.

The "Zero Carta" project by the Training Department of Intesa Sanpaolo was completed in 2013: the training offer excludes the printing of paper material (such as the course notes), reducing the use of an additional 5 million sheets of paper.

An initiative launched in 2013 enabled the dematerialisation of all documents provided to members of the Management Board, Supervisory Board and Committees of numerous Group companies. These documents are now available in PDF format through the appropriate enabled devices; in addition to significantly reducing paper consumption, the project also allows strictly confidential data to be processed and distributed through a procedure that ensures high security standards. Application will gradually be extended to the various Group companies.

Excellent performance was also recorded by the International Subsidiary Banks, with high percentages of procurement of environment-friendly paper in Intesa Sanpaolo Bank Albania, Privredna Banka Zagreb, VÚB Banka, Pravex-Bank, Intesa Sanpaolo Banka Bosna i Hercegovina, Banka Koper, and Banca Intesa Russia. As regards recycled paper, good performance was recorded at Intesa Sanpaolo Bank Romania and CIB Bank where, since last May, half of the paper used for printing has been recycled.

Another initiative worthy of mention is that of Slovak VÚB Banka, which has begun using fully biodegradable envelopes and has also launched a project with the paper supplier through which the latter agrees to plant trees following supplies made to VUB.

Many initiatives are also aimed at reducing the use of paper by the International Subsidiary Banks. Among the more structured ones, we highlight the Group Printing Solution Initiative of Intesa Sanpaolo Bank Albania, the Printing Consolidation Project of Banca Intesa Beograd which, among various actions, decided to no longer print its internal newsletter, saving approximately 600 kg of paper, the Online Reporting project for PBZ transactions and the Green Branches of Banca Koper, which in 2013 saved over 50% of the paper consumed in the same branches in 2012. With the same objective, the International Subsidiary Banks Division launched a project in 2013 to largely reduce the use of paper for branch transactions. The pilot project, which began in June in three branches of PBZ, recorded 68% participation of customers with regard to the digital signature. The project will be extended to VÚB Banka and Banca Intesa Beograd in 2014.

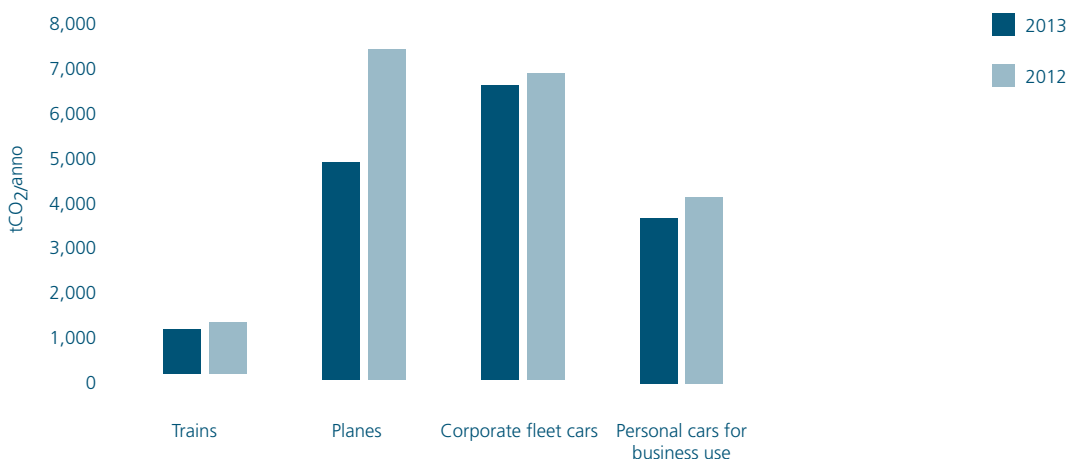
## MOBILITY

Intesa Sanpaolo confirmed its commitment to the issue of sustainable mobility in 2013 as well, seeking and proposing solutions for people's mobility needs. Commitment continues with regard to implementation of the Home-Work Commuting Plans, which, apart from the regulatory requirements, represent a significant opportunity for organisational improvement and management of the personnel mobility.

The most significant actions carried out in 2013 regarded the following:

- online questionnaire on the home-work commuting habits, involving all colleagues who work in the 11 cities analysed by the Home-Work Commuting Plans and not only those who work at the Buildings-Offices for which the Bank is required to set up the Plans each year;
- continuation of the new Business Travel project, created in order to implement an integrated corporate mobility system that promotes responsible conduct with a view to reducing economic and environmental impacts;
- monitoring of the use of shuttles, a fundamental tool to collect data on actual use of the shuttles and consequently evaluate initiatives to promote their use or, alternatively, modify routes and times;
- preparation of a practical guide for Mobility Territorial Delegates who interact with the Group Mobility Manager to provide practical, all-encompassing suggestions on aspects connected to the management of mobility in the Group's premises;
- fine-tuning of the corporate mobility reporting model which, starting from 2012, was simplified and improved; in 2013, the scope of analysis was expanded to include all international companies of the Group.

### CO<sub>2</sub> emissions from corporate mobility in Italy 2013/2012 [tCO<sub>2</sub>/year]



With regard to the mobility measures launched by the International Subsidiary Banks, corporate bike sharing has been implemented in Slovenia, Hungary, Romania, Albania and Croatia. In Hungary, dressing rooms in which employees arriving by bicycle can change have been set up. Gradual replacement of corporate fleet vehicles with more environment-friendly cars continued: Banca Intesa Beograd and PBZ purchased new Euro 5 vehicles, Alexbank began using only natural gas-powered leased vehicles, and Banca Intesa (Russia) reduced its car fleet and purchased Euro 4 vehicles. Also worthy of mention is the use of "Eco-taxis" by PBZ, the second place achieved by Banca Koper in the national contest "Most sustainable fleet car in Slovenia's corporate" and the introduction of a number of free public transport passes for colleagues of Pravex who have to travel within the city for business purposes. Furthermore, investee company Intesa Sanpaolo Card was among

the first companies in Croatia to launch a carpooling system for colleagues in 2012, with approximately 10% of colleagues currently participating.

### Monte San Giorgio Park

The nursery facilities were inaugurated last May, thanks to the Bank's restoration as part of the long-standing collaboration with the province of Torino and the municipality of Piosasco to enhance and manage the area of the Monte San Giorgio provincial Park.

The areas will be used by the Municipality for activities designed to preserve, improve and protect the Park's trees and bring families closer to nature, increasing their environmental awareness, as well as being used by the bank to promote initiatives targeting all of the Group's colleagues. Furthermore, use of the land for local nursery crops and forestry has been restored, aimed at reforestation of areas without vegetation through the production of approximately 3,500 plants per year, approximately equal to the number of children born in the families of the Group's employees each year. During the course of the year, Intesa Sanpaolo signed an agreement with Comitato Parchi per Kyoto (Parks Committee for Kyoto), established by Federparchi-Europarc Italia, Kyoto Club and Legambiente, to provide plants for tree planting and reforestation throughout the entire country.

## REDUCTION OF ATMOSPHERIC EMISSIONS

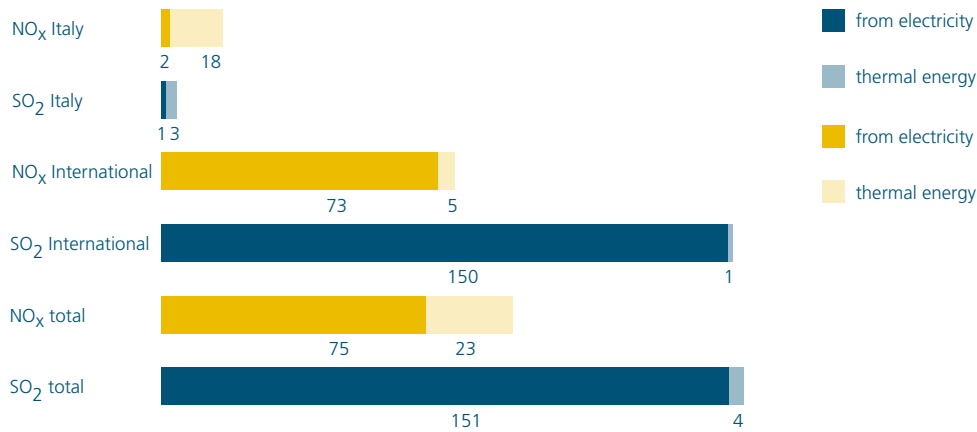
Electrical and heat consumption showed a decline in CO<sub>2</sub> emissions in 2013 as well, largely due to lower energy consumption following management savings activities and increased systems efficiency during the year, equal to approximately 2.7%, offset by an increase of around 0.9% due to updating of the transformation factors from development of the energy production systems, which also consider, in addition to the gases responsible for the greenhouse effect directly attributable to CO<sub>2</sub> equivalent (GWP), the significant gases involved indirectly as well: sulphur dioxide (SO<sub>2</sub>) and nitrogen oxides (NOX). The overall net reduction in CO<sub>2</sub> emissions for electrical and thermal consumption is equal to approximately 1.8%.

CO<sub>2</sub> equivalent emissions generated directly by the company in 2013 (Scope 1: natural gas and diesel oil for independent heating systems and fuel for the corpora-

te fleet) are essentially stable, while indirect emissions (Scope 2: natural gas and diesel oil from the building heating and electricity) are down 3.4%, corresponding to approximately 1,800 tons of CO<sub>2</sub>. However, if we hypothesise that the Intesa Sanpaolo Group uses only electrical energy from non-renewable sources, the reduction would be approximately 7.8% compared to 2012 (equal to over 17,000 tons of CO<sub>2</sub>).

For other emissions (Scope 3: other indirect emissions and mobility, excluding the corporate fleet already reported under Scope 1), the scope of reported activities was expanded in 2013 to include indirect emissions from paper purchased; therefore, the 2012 and 2013 figures are not comparable. However, if we compare Scope 3 to the same Scope in 2012, there is a sharp reduction of approximately 26.4%, mainly due to better management of corporate mobility, as well as to a steady increase in the use of video-conference and personal video-communication technologies.

### NO<sub>x</sub> and SO<sub>2</sub> emissions [t/year] 2013



### WASTE

The quantity of waste produced in Italy in 2013 increased by 19% compared to 2012, mainly due to the disposal of office equipment (+133% for non-hazardous, +98% for hazardous), for which the “special preservation orders” required by the judicial authorities have ceased. Under equal conditions, the quantity of waste disposed would have been essentially stable.

In terms of collection of used toners, two different procedures are in place within the Intesa Sanpaolo Group. The majority of toners used by the Group (about 95%) are collected directly by an external company to be regenerated: in 2013, some 139 tons of cartridges and ink ribbons were sent for recovery. A limited quantity, regarding a number of small Group companies, is disposed through the waste form: this figure increased by 30% in 2013 compared to 2012 due to better reporting of figures.

A better approach in separating paper containing sensitive data from paper waste (forms, newspapers, etc.), along with greater use of shredders, has reduced paper and cardboard disposed of using the waste form by 14%.

As far as the International Subsidiary Banks are concerned, quantity declined by 8% compared to 2012. This reduction is mainly due to halving of the hazardous office equipment quantity not disposed in 2013, attributed to completion of the roll-out process for the office equipment that took place in prior years. It is important to note that many International Subsidiary Banks, even if not provided for by law, have adopted a separated waste collection system for paper and plastic, and Hungarian CIB is collaborating for the disposal of electronic waste with the Hungarian Maltese Charity Service to create a small social business in a socially and economically disadvantaged area.

Also worthy of mention is the study that began in 2013 to calculate the Carbon Footprint of waste produced by offices of the Intesa Sanpaolo Group in Italy. Calculation

of the Carbon Footprint (expressed in Kg CO<sub>2</sub> equivalent) takes into consideration the transport of waste from the place of production to the recipient and the end of the life cycle (recovery, disposal in landfill, energy creation, etc.). These emissions are classified as Scope 3 in accordance with the GHG Protocol “Corporate Value Chain” (Scope 3) Accounting and Reporting Standard (WBCSD - WRI 2011).

### WATER

Use of water in the Intesa Sanpaolo Group is predominantly for hygienic purposes although, in limited cases, it is also used for “technological purposes” in the air-conditioning cooling. The consumption figure, based on the expense incurred during the year, shows an essentially constant trend compared to 2012, both in Italy and abroad, with approximately 26 m<sup>3</sup> consumption per employee. Initial partial results of the study launched at the end of 2012 in the SGAE certified Branches with independent water supply, in collaboration with the Distribution Companies, in order to calculate the estimates based on actual consumption figures, show extremely variable hygienic/sanitary water consumption figures depending on the various types, organisational models and locations of the Branches, but essentially in line with the estimated figures per employee for water consumption for hygienic purposes.

Testing on the potable water distributors connected to the municipal water supply continued at Torino Lingotto Building. Over 10,800 litres of water were consumed in 2013, leading to the reduction of nearly 22,000 small bottles (equal to 430 kg of plastic and approximately 1300 kg of CO<sub>2</sub> emissions avoided).

## ENVIRONMENTAL COSTS AND INVESTMENTS

The total costs sustained by the Intesa Sanpaolo Group for protection of the environment were essentially stable, with slight variations due to normal physiological changes in the scope and specific activities. In general, with a view to continuous improvement, costs regarding environmental certification are up, demonstrating the Group's attention to the environment. Regarding

compliance with environmental regulations, there have been no reports of damage to the environment due to the Bank's operations, or significant fines..

	2013		2012		2011	
	Italy	Abroad	Italy	Abroad	Italy	Abroad
Management of Special Waste	1,585	314	1,639	492	1,814	408
Training	17	66	146	100	191	127
Maintenance, SGAE and Certification	30,755	23,886	28,946	23,984	36,269	18,609

figures in thousands of euro

## SUSTAINABLE EVENTS

The Rules governing sustainability for the organisation of Group's events envisage the use of invitations and documentation in electronic format, the choice of facilities with high energy efficiency, fit-outs that are reusable or created with recycled or recyclable raw materials,

and catering that uses washable tableware and glasses. The 2013 reports submitted by the International Subsidiary Banks and Group departments involved in organising events demonstrate a strong commitment in pursuing the requested criteria and improving the results obtained.



# Our people

Despite an overall economic scenario that is recording persistent difficulties at national and international level, during the year the corporate strategy for employees has created value through an industrial relations system capable of maintaining social cohesion and developing innovative, sustainable solutions focusing on enhancement of the Group's integrated welfare system designed to support employees and their families. By means of structured corporate processes, it has organised merit enhancement initiatives by offering opportunities for involvement in career development projects and paths to motivated and talented employees. In line with consolidated tradition it has also invested in ongoing training focusing on important projects in support of strategic corporate decisions.

## Job protection

The total number of employees in the Intesa Sanpaolo Group is approximately 93,000, of which about 65,000 in Italy and 28,000 abroad. The solutions identified by the Bank and the trade unions in the Group agreement of April 2013 have allowed the identification of measures and tools to structurally reduce costs and to manage any redundancies arising as a result of certain corporate simplification processes or from the rationalisation of central and back offices.

The understandings reached recognise exit incentives for employees that already meet the legal retirement requirements and envisage a public offer to facilitate voluntary use of the Solidarity Fund. An innovative measure was also introduced by which employees with access to the Fund will, in the half-year prior to termination of their employment contracts, see a reduction in working hours (“defensive solidarity”) for 12 working days per month out of the 30 normally paid, thereby receiving remuneration higher than what they would receive from immediate acceptance of the Solidarity Fund.

Also as a result of the partial achievement of cost objectives identified in the agreement, further discussions took place which led to the Agreement of July 2013. This Agreement established an extension to the period granted for employees' subscription to the Solidarity Fund, the promotion of part-time employment - also covering all the suspended applications – and, above all, the option for everyone to request the use of reduced working hours/suspension from duty for a maximum of 10 working days. This measure was chosen by a high number of applicants.

The focus on maintaining gender balance has also continued: in fact, the percentage of female employees is now 54.2%.

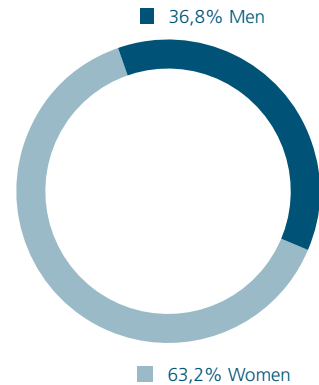
### Breakdown by gender

*The global commitment with respect to the impact of optimisation action has allowed the recruitment of 2,746 employees at Group level (346 in Italy and 2,400 abroad). The investment in the future through the recruitment of young people has continued in line with corporate objectives and the Group turnover rate of -2.31% shows a trend consistent with the structural action planned.*

#### Italy



#### Abroad





Turnover rate [%]	2013	2012	2011
Group turnover rate	-2.31	-3.98	-1.81
Italy	-1.75	-3.98	-1.80
Men	-2.24	-5.39	-2.72
Women	-1.26	-2.53	-0.85
Abroad	-3.59	-3.97	-1.84
Men	-4.12	-2.76	-0.57
Women	-3.28	-4.67	-2.56

The turnover rate is the ratio between total turnover (hirings less terminations) and the number of employees of the previous year

Recruitments during the year (by type of contract)	Italy	Abroad	Total
Permanent contracts	258	1,195	1,453
of which with employment incentives	0	0	0
Apprentice contracts	55	47	102
of which with employment incentives	0	0	0
Non-permanent contracts	33	1,149	1,182
New personnel contracts	0	9	9

### University-Bank partnerships

November 2013 saw the conclusion of the first edition of the Level 1 Master's Degree in Banking and Financial Services Management, launched in 2010 following the agreement with the Business Administration Department of the University of Turin, for young employees recruited under an apprenticeship contract.

The first course certificates were awarded to over 300 apprentices, with a special mention for the authors of the top 30 project works produced as their final examination. The second edition will end in May 2014.

The third edition was launched in October 2013 and met with great success. The new employees enrolled, in addition to the 300 still frequenting previous editions, total 116: of these, 76 are women and 40 men; 76 graduates and 40 high school diploma holders. 4 courses are due to begin between February and May 2014. The venues will be Turin, Naples and Bologna.

Again with regard to partnerships between the Bank and the University of Turin, in April 2013 the first "Corso Universitario Aggiornamento Professionale" – CUAP (University-level Professional Updating Course) began. The CUAP requires university enrolment and the assignment of university education credits on passing the entrance test. The CUAP Workshop on Business Finance represents an important initiative for the development of knowledge and professional skills of medium/long-term credit specialists.

# Employees' enhancement

## ACHIEVEMENTS IN 2013

2013 OBJECTIVE	RESULTS	STATUS
<p><b>Assessment systems:</b></p> <ul style="list-style-type: none"> <li>Constant monitoring on the subject of objectivity of the assessments and the correct identification of the best performers</li> <li>Training for line managers and HR supervisors on the assessment and management of feedback interviews</li> </ul>	<p>To ensure objectivity and fairness in assessments, the "Performer" system is based on the logic of expected profiles, whereby every Employee is assessed objectively and consistent with conduct requirements in relation to the complexity and specifics of their position.</p> <p>Based on identified needs, regular training sessions were held on assessment-related issues and on managing feedback to employees. HR supervisors and line managers received over 2,200 hours of training in 2013, involving more than 290 participants.</p>	<p>■</p> <p>■</p>
<p><b>Remuneration policies and incentive systems:</b></p> <p>Fine-tuning of the drivers for measuring individual and departmental performances</p>	<p>To promote the objectivity and clarity of incentive systems, in 2013 a new web tool was introduced to handle management incentive systems, providing support to the entire bonus awarding process. The objective of "Fine-tuning of the drivers for measuring departmental and individual performance" was also pursued.</p>	<p>■</p>
<p><b>Professional development:</b></p> <p>Extension of the already existing professional development model and support to individual development plans for the consolidation of specialist-professional and managerial skills</p>	<p>The employees "mapped" by professional skills on the On Air platform number almost 30,700. Of these, over 10,700 have applied for a development path. More than 500 assessments were performed, after which over 600 development plans were launched (including those started in 2012) and over 5,500 hours of training were provided.</p> <p>In 2013, the Corporate and Investment Banking Division involved 140 managers in "Feedback 360" processes (with 16 assessors per person), resulting in more than 2,240 observations made among the managers, peers, direct and indirect employees and interdepartmental customers/suppliers. This feedback allowed individual development plans to be created.</p>	<p>■</p>
<p><b>Diversity management:</b></p> <p>Monitoring on the establishment of catchment areas and management appointments in order to ensure the enhancement of female talent</p>	<p>The management processes take into consideration the attention required for the various forms of diversity. In particular, the "On Air" development platform, which focuses on the extent of individual motivation and interest in career development, means that stereotyping, prejudice and barriers are overcome.</p> <p>The 2013 campaign figures show a higher percentage of women candidates (50.13% for a total of 5,383) than men (49.87%). The women selected (post-assessment) as meeting the On Air requirements number 177 out of a total of 503 (around 35%).</p> <p>The "Empowerment al femminile" (Women's Empowerment) training course aims to enhance their awareness of their personal potential. 5 editions were held in 2013 in which 56 professional women employees participated.</p> <p>Female management figures increased by 1.22% in 2013 and represent 27% of the total Senior Managers and 3rd and 4th Level Middle Managers, and 3.34% of the total number of employees.</p>	<p>■</p>

Focus on the issues of integration of people with disabilities and management of inclusion procedures in collaboration with entities and associations operating on the territory	A working group on disabilities was set up, which analysed the action to be taken as priority in 2014.	■
<b>Training:</b> ■ Enhancement of on-site training activities	In 2013 the absolute value of coaching days decreased because the ad hoc training projects, which in 2012 had envisaged structured on-site training activities, had been completed.	□
■ Enhancement of didactic tools and models based on the expected roles and skills for specific professional communities	<ul style="list-style-type: none"> <li>■ Plans for the new “Intesa Sanpaolo Management School” for the training of Group managers.</li> <li>■ Training dedicated to around 600 employees in the Corporate Division (2013-2014) began to enhance their sector-related and/or process-related skills.</li> <li>■ Start-up of the “Create value through credit” project, involving over 11,500 employees from the credit granting process to increase their professional skills in credit-related issues.</li> <li>■ Continuation of classroom and distance learning activities envisaged as part of the Professional Academy Skill paths already active among the various specialists since 2009 (particularly the IT Academy, Risk Academy, OS Academy and Mediofactoring Academy).</li> <li>■ Enhancement of the support tools for initial and final training courses, dedicated to the Banca dei Territori professionals (PRO). In particular: pre- and post-classroom content for further study and dedicated social learning activities were made available.</li> </ul>	■
■ Ongoing training (before, during and after the classroom lessons) and search for new learning formats and products	<ul style="list-style-type: none"> <li>■ Adoption of the LED protocol as standard for planning courses included in the training catalogue, both permanent and ad hoc. In 2013, 100% of classroom and distance learning courses adopted the LED protocol.</li> <li>■ Enhancement of the portability and accessibility of the distance learning clips “Educast”, “Educard” and “Online Lessons”. In 2013, 91 video clips and 106 audio clips were made available on different professional and conduct-related topics.</li> <li>■ Continuation of activities on the social learning platform in support of the various “training” communities.</li> <li>■ Launch of the “Quaderni di Formazione” (Training workbooks): an in-depth, topic-based tool dedicated to all employees in Italy. Three Quaderni were distributed in 2013.</li> </ul>	■
■ Integration of the different didactic methods (classroom, e-learning, social networking, web-TV, Educast)	<ul style="list-style-type: none"> <li>■ Access to the Mylearning platform for all the international subsidiary banks. This increased the training available by remote means and allowed work on shared learning models, all with respect for specific cultural backgrounds.</li> <li>■ Between 2011 and 2013 the increase in items available remotely to employees as add-ons to the classroom training content has been constant. The related attendance has likewise increased.</li> </ul>	■

## ASSESSMENT SYSTEM AND INCENTIVE SYSTEM

Since 2010 Performer has been the main performance appraisal system for the entire Group. To ensure objectivity and fairness in assessments, the system is based on the logic of expected profiles, whereby every employee is assessed objectively and consistent with conduct requirements in relation to the complexity and specifics of their position. The summary final opinion is therefore the result of gap analysis between the expected profile and the profile recorded. The system offers the employee the opportunity to perform a self-assessment of his or her performance, allowing a phase of self-reflection and self-awareness prior to the final appraisal interview with the manager that concludes the process. During the interview, in addition to announcing the final assessment, an individual development plan is also discussed, based on the emerging strengths and areas for improvement.

To guarantee consistent application of principles and the correct use of system operating tools, as standard and

on the basis of identified needs, training sessions are organised on assessment-related issues and on handling feedback to the employees, with a special focus on strengthening leadership and individual development skills. Approximately 2,200 hours of training on Performer were provided during the year to over 290 new managers responsible for performing assessments for the first time. In addition, a new performance appraisal system is being studied for development and implementation in 2014 with the aim of evolving this activity towards a People Portfolio Management logic, completing the assessment process with a mapping and support guide for managers inspired by the situational leadership model. In the Group's international subsidiary banks the common performance management system (GPS, Global Performance System) and the related web platform are now used by all the banks, both for managerial positions (MBO) and remaining employees (of the head office and the network).

In 2013 a new web tool was introduced for the "Management Incentive System", which supports the entire bonus awarding process from objective assignment to payment of the bonus, with the aim of also encouraging objectivity and clarity in the incentive systems.

In this context, the objective of fine-tuning the departmental and individual performance measurement criteria was also pursued by linking the incentive system web tool and Group Tableau de Bord on the one hand, and the inventory of strategic plans and corporate talent management objectives on the other.

Introducing the web tool into an increasingly well-structured, aligned incentive process, into the strategic content and timing and into the company planning and control cycle, allows the objective of transparency and objectivity to be pursued in terms of performance guidance and measurement as well as in terms of the resulting incentive assignment process. For the international subsidiary banks the network's incentive system (GPS) was finalised in methodology terms and customisation was implemented to align to local needs. The related web platform was made available to the banks with a view to official start-up in 2014.

The Group also anticipated the adoption of Directive 2013/36/EU (CRD 4) by one year in terms of the maximum variable remuneration limit, setting this to only 100% of fixed remuneration, the only entity to do so at present among the major international and national groups.

Managers in the Corporate and Investment Banking Division are also involved in the Feedback 360° initiative, now in its second edition, which through questionnaires and individual interviews, with comments involving managers on the same level, direct and indirect employees and interdepartmental customers and suppliers, offers them feedback regarding their own strengths and areas for improvement as seen from the various viewpoints, providing greater awareness of their own managerial action. The initiative has involved 140 managers, with 16 valuers for each individual assessed, for a total of more than 2,200 remarks.

## PROFESSIONAL DEVELOPMENT "ON AIR"



The "On Air" development platform was launched in 2013, involving employees in the Central Departments and the Banca dei Territori Division with the aim of promoting individual motivation through a process starting with self-nomination, and therefore with transparent methods characterised by compliance with the equal opportunities principle.

The "self-nomination" process allows employees to indicate their availability and motivation as regards "joining the field" and welcoming new professional challenges, allowing constant monitoring and development of human capital, also in terms of succession planning for positions as they gradually become available. Downstream of a selection process,

for those meeting the necessary management requirements, a potential assessment is envisaged – in line with the complexity of the position held – followed by feedback and the implementation of an individual development plan lasting 6-9 months to integrate leveraging from self-training, classroom training, e-learning and structured work experience, by involving the direct line manager and with support from a dedicated web platform.

In order to accurately enhance internal professionalism through targeted investment action on the employability of human resources, now and in the future, with a constant focus on new careers as they emerge, On Air has been integrated with an assessment tool that on two thirds of the Bank's population (including all candidates) allows complete mapping of technical and specialist skills and of past professional experience. In 2013 activities focused in particular on skills mapping, whereas 2014 will concentrate on a strong input to assessment activities and the definition of development plans, and On Air will be extended to other Group entities.

As at December 2013, the employees "mapped" in terms of professional skills numbered almost 30,700. Of these, over 10,700 have applied for a growth

path. More than 500 employees participated in the assessment process, after which over 600 development plans were initiated (including those started in 2012 and ending in 2013) and more than 5,500 hours' training were provided as part of individual plans.

For young employees recently joining the Corporate and Investment Banking Division, the "Imagine" initiative, launched in 2009, offers the opportunity for firm, active participation in their own career guidance. This is a 6-month path, during which different meetings and training sessions alternate with the aim of uncovering and enhancing personal resources that, over time, help to align individual aptitudes with the career paths followed, and to foster an openness to change and multi-disciplinarity. Naturally, in this way it also aims to promote personal awareness and the integration of employees into the Division's various departments. 50 young employees and 50 managers have been involved in 5 editions.

In 2013, with strong support from local management, seven of the Group's international subsidiary banks (Alexbank, Banka Koper, CIB Bank, Intesa Sanpaolo Bank Albania, Intesa Sanpaolo Bank Romania, Intesa Sanpaolo Card and VÚB Banka) implemented initiatives to stimulate the generation of ideas from their employees on certain key issues in the life of the Bank: products and services, customer relations approaches, internal processes, cost containment, communications, working environment, image, reputation and social responsibility activities. In addition, to promote innovation and improvement within the organisation, the involvement of employees in the life of the Bank was increased and cooperation and communications improved between the various departments which are expected to cooperate in selecting, and then implementing the chosen initiatives.

## THE VALUE OF DIVERSITY

Through all its processes, Group culture is designed to ensure attention to the various diversities – gender-related, disabilities, generational and cultural – and aims to implement increasingly firm compliance with the principles adopted via the Group Code of Ethics.

The concept underlying the opportunity of accessing development paths is that of self-nomination, the distinguishing feature of the entire On Air process. Along with further enhancement of individuals, this means of identifying merit and personal motivation for professional growth also offers guarantees in terms of diversity management. Focusing the development process on explicit manifestation of individual motivation offers a natural, direct way of overcoming any form of stereotyping, bias and barriers. The 2013 campaign figures show a higher percentage of women candidates (50.13% for a total of 5,383) than men (49.87%). After confirming that the On Air requirements were met, 177 women were selected

and underwent assessment during the year. Also based on self-nomination is participation in "Allenamento", a neurocognitive empowerment course targeting all Corporate Division employees.

In certain Group entities where female employees predominate, room and importance is naturally given to gender-related initiatives. In VÚB Banka, 74% of employees are women. The "Ladies, let's talk together" initiative has been active for them since 2011, with a dual objective: to verify compatibility of women's working conditions with the principles of the Code of Ethics, taking into consideration that they often have to multitask to balance family duties with their working lives, and to put forward proposals for new procedures and organisational alternatives with a view to possibly improving existing conditions. The initiative is based on gathering information through online surveys and focus groups: the bank's entire female staff has been involved in two editions (in 2013 more than 2,500 women participated in the survey, with a response rate of over 38%, and 48 employees were involved in the

focus groups). The issues discussed at the 2013 edition were associated with equal opportunities, women's presence in managerial office, balancing private life and working life, job satisfaction, assessment of action already in progress and suggestions for corrective action. The specific conditions of women with children

and those over 50 years of age were also discussed. The results are reported to the VUB Board.

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A two-day classroom course is available in the Corporate and Investment Banking Division (5 editions held in 2013), specifically targeting female employees and aiming to strengthen managerial qualities, with reflections on how to increase their self-confidence and awareness of their own potential, consolidating the motivation to embark on a career path and conciliating professional growth with women's motivation. Technical "personal branding" options are also available, focusing on their strengths and designing improvement strategies to build and enhance their professional identity.

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Continuing its partnerships with organisations and associations working on the issues of inclusion in the employment field, in 2013 Intesa Sanpaolo once again received the Diversity & Inclusion Award – Diversitalavoro, awarded to companies that promote job placement policies for disabled persons, focusing on promoting their talent and skills. An interdepartmental work group was also set up with the aim of including increasing numbers of disabled persons and providing them with support in terms of tools and expertise. In addition, a partnership is now in place with the LIA project (Libri Italiani Accessibili, or Accessible Italian Books, coordinated by Associazione Italiana Editori) to study the feasibility of increasingly stronger inclusion of short-sighted or blind people through access to corporate documents and tools: in 2014 the results and potential approaches were discussed within the work group on disabilities to decide on the next steps forward.

## TRAINING

The processes of change and innovation have been accompanied and sometimes even driven by the Training Department, which in this sense has increasingly integrated its strong institutional role of transferring know-how and disseminating values.

### FOR A BANK SERVING HOUSEHOLDS AND BUSINESSES

The "Banca Estesa" project redesigns the methods for relating with customers and enhances the Bank's retail model. The supporting training project aims to share new logics for improving and strengthening the quality of customer service (see the chapter on Offering valued service to customers, [☞](#)). The training project has so far involved around 500 Managers in a structured programme of Branch support action, with particular reference to managing the new opening hours. The workshop lasts two days: the first day discusses the guidelines for the new model with Top Management, and the second covers details of the method and

tools. Again as part of the new approach introduced by Banca Estesa, the Offsite project was launched in support of Out-of-Branch Offerings. Around 1,000 Personal Managers and a number of Branch Managers of Banca dei Territori have already been involved in the project. The workshop allows the proactive approach to be strengthened, whereby it is the Bank that "moves towards" households and businesses through increasing customisation of the services dedicated to them.

The Training Department has offered support to the departments involved in any stage of the credit chain in keeping up with the changes. The "Create value through credit" training project has in this sense allowed fine-tuning of the credit-related processes and effective, proactive management of credit, especially in response to the needs of SMEs. Between May and December 2013, over 11,500 employees participated in a two-day workshop promoting the discussion and standardisation of skills associated with credit and enhancing the Bank's professionalism. The initiative was designed using a methodology which in the two days of classroom training alternated learning content with practical work, analysing and discussing case studies.

Training dedicated to around 600 employees of the Corporate and Investment Banking Division also began in 2013 to enhance sector and process expertise. The "Sector-specific Training", which will continue in 2014, aims to develop the level of service offered to businesses, helping participants transit from the concept of financial advice to that of "business partnership". A specific online platform is also available in support of this course, offering pre- and post-classroom topics for discussion.

The focus on training is not limited to employees, but also offers support to start-ups and young people, as also consolidated through the "Adottup" programme implemented in partnership with Confindustria Piccola Industria (see the chapter on Support to the Business System, [☞](#)).



## DISSEMINATING THE CULTURE OF RESPONSIBILITY

The dissemination of corporate responsibility has been at the heart of intensive planning by the CSR Unit and the Training Department, which worked together to ensure that the transfer of awareness and the dissemination of values in day-to-day work went hand in hand. This was also aided by involvement of the CSR Delegates, specifically committed to the new approach adopted to monitor and control the Code of Ethics. To satisfy this commitment, training was given that aimed to instil a logic and consistency in the "self-assessment" pilot project for departments, with four training sessions on "Self-assessment and responsibility: from tools to skills" which focus on transfer of the ISO 26000 guidelines

and enhancement of the relational skills associated with application of the standard.

For Intesa Sanpaolo Vita employees the project "For a shared identity and culture" was launched, and is still in progress, which makes sharing corporate values the pillars for the integration of cultures and trades. This initiative has so far involved over 100 employees and requires that participants tell their own stories which, in a logic consistent with the Code of Ethics, enhances their experience and "trains" their ability to adopt a "multi-stakeholder vision" in personal and professional situations.

## CSR Drops

Launched in 2013 from interdepartmental activities between the CSR Unit, International Subsidiary Banks Division and the Training Department, the CSR Drops training project is dedicated to the Group's International Subsidiary Banks. The aim of the initiative is to disseminate the Group CSR model, particularly to share the concept of corporate social responsibility as a "way to do business". The project began with a workshop dedicated to the CSR Delegates of the International Subsidiary Banks, in which participants talked about their CSR experiences which were then recounted in the form of group storytelling. The stories they told gave rise to a series of educational videos produced with help from the local teams.

These videos use everyday examples to consolidate the four pillars of CSR: Our choices, The seven values, Dialogue with stakeholders and The culture of responsibility. CSR Drops uses the "sea" as a metaphor for activating true collective stories which, also with the aid of social networking tools, will last over time. CSR Drops will also be accessible remotely by all employees in the International Subsidiary Banks and by its Division from the first quarter of 2014.

A specific plan related to the culture of responsibility was also implemented in one of the International Subsidiary Banks, VÚB Banka, through a project targeting the Bank's managers with the aim of creating CSR awareness as part of normal daily business, involving all employees

and at the same time promoting the gathering of ideas and coherent initiatives. The half-day seminar format is used, organised jointly by the CSR Unit and the VÚB Academy in partnership with an NGO.


# Quality of life in the company

## ACHIEVEMENTS IN 2013

2013 OBJECTIVE	RESULTS	STATUS
<b>Work/life balance:</b> ■ Reduction of overtime	The degree of monitoring of departments with a view to containment objectives remains high.	■
■ Search for solutions capable of meeting flexibility requirements	A feasibility study has been completed on smart working and adoption of the Flexible Work Day promoted by the Municipality of Milan. The project to create the Day Care Centre in Torino Grattacielo was completed.	□
■ Promotion of plans of local action for the search of solutions in support of care needs	Participation continues in the ABI Work Group for the development of people care policies and membership of the IEP-Imprese e Persone (a network of companies proposing to promote and disseminate corporate welfare). The management of Welcare Family continues, and has now become one of the Bank's products for senior customers as part of the "Senior Bonus" programme.	□
■ Continued commitment towards mobility issues as declared in the Home-Work Commuting Plans	Work has continued on completing the Mobility Office programme allowing the payment of travel passes in instalments and the signing of agreements with public transport operators and for the management of company shuttle buses in the Milan area.	□
<b>Welfare and Health:</b> ■ Definition of actions to strengthen the effectiveness of the Health Fund and its sustainability over time	In June 2013 the Fund founders established a technical committee to discuss the sustainability of managing retired members. An agreement was signed in September 2013 offering a better balance between contributions and service in compliance with the principles of fairness and intergenerational solidarity.	■
■ Development of the project for the implementation of the Group's Single Pension Fund	Preliminary analyses and feasibility studies necessary to fine-tune the project, within which discussion began with company members last year, continued and were completed.	□
■ Development of the project for the establishment of the cultural, recreational and sports Association of the Intesa Sanpaolo Group's employees	The Intesa Sanpaolo Employees Association (ALI) has been active as the Group's only association since January 2014. ALI brings together the pre-existing associations to optimise the operating synergies and expand their operations, also in terms of services to individuals. Total members as at February 2014: approximately 20,000.	■



## QUALITY OF LIFE

The corporate welfare system has been structured further as part of an integrated model and includes People Care services, Mobility Management (see the chapter on “Reduction of direct environmental impacts”, ) and ALI, the new cultural, recreational and sports association for Intesa Sanpaolo employees. Starting from constant, structured listening to employee needs, it proposes to act on the main elements of better balancing home life and working life of employees and their families with the aim of promoting sustainable solutions and projects consistent with their expectations. The corporate welfare action was integrated with the regulatory system, which on the one hand offers all colleagues flexible solutions and practices, such as permits, leave, flexible working hours both morning and afternoon, part-time options, etc., and on the other hand subsidies and economic contributions, such

as benefits for families with disabled children, accident policies, loans, mortgages, meal vouchers and, last but not least, the company Social Bonus.

## WORK-LIFE BALANCE INITIATIVES

A series of platforms offering socially useful services and sustainable mobility, the Intesa Sanpaolo People Care system integrates the complex of corporate welfare actions and acts by implementing services and initiatives for work-life balance, sustainable mobility and increasing the wellbeing of employees and the corporate community, through an integrated, multi-disciplinary approach. The actions target the implementation of sustainable initiatives to balance home and working life, given the extent of the area covered, organisational complexity and the different needs of the corporate workforce.



ALI (Associazione Lavoratori Intesa Sanpaolo), the new cultural, recreational and sports association for Intesa Sanpaolo Group employees, was established through a trade union agreement in February 2013 and became operative in January 2014 as the Group's only association, bringing together the pre-existing associations, optimising operating synergies and expanding operations, also in terms of services provided to individuals. This is a new form of corporate welfare which targets the satisfaction of different needs of employees, in service or retired, and their families, with the aim of encouraging aggregation, proposing affordable tourism options, disseminating cultural initiatives, promoting sports events - also for children - and through the Area Councils guaranteeing the value of personal relationships with its members.

## A SERVICE MORE AND MORE APPRECIATED BY EMPLOYEES



Dedicated to families with children of school age there is the “People Junior Campus”, which ended its third season in September 2013. The project concerns the organisation of summer holidays for children between 6 and 17 years of age, with campuses proposed throughout Italy and also abroad, which, as a result of direct support from the Bank, can be accessed at preferential rates. The service also includes the possibility of embarking upon inter-cultural experiences abroad with scholarships destined to employees' children offered by the partnership with Fondazione Intercultura. In 2013 a survey was conducted to verify opinions regarding the support provided to employees in terms of childcare: most responses were positive, with a particularly high percentage participation in the survey (71.43%) and - like last year - the preferred initiative continued to be that of “studies abroad” with 53.9% (31.1% in 2012).

## THE SMART SHOPPING PORTAL



The portal dedicated to online shopping focuses on offering socially useful products and services, such as the textbooks adopted at all levels of Italian schools and a number of supports such as diaries, dictionaries and atlases, all offered with preferential terms and free delivery throughout Italy. After being used for one school year, the books purchased can be added to the second-hand book market managed by the portal, so they can be useful to other employees. The satisfaction questionnaire showed 90% of users satisfied compared to 87% last year). Use of the service tends to be seen as a time-saving exercise (62%) rather than money-related (22%).

## FAMILIES AND CHILDCARE

For small children, Intesa Sanpaolo makes 4 day-care centres available in Milan, Florence, Naples and Torino Moncalieri, which will be joined in 2015 by the new headquarters centre in Turin. These centres meet the requirements of the PAN Consortium quality manual, prepared by a Scientific Committee, covering all aspects of education and organisational management with high quality benchmarks and the use of materials certified by the FSC (Forest Stewardship Council) and PFEC (Programme for the Endorsement of Forest Certification). To integrate the service, a number of agreements are in place with the national PAN Consortium and a pilot project for a corporate day-care centre shared with Telecom Italia became operative in Milan for Intesa Vita staff.

## STRONGER BONDING AMONG EMPLOYEES

People Together is a web page on the company Intranet dedicated to cultural and sporting events promoted by the Human Resources Department. It now has over 9,000 subscribers and highlights the interest in initiatives promoting health and wellbeing.

## HOME CARE AND SUPPORT NEEDS



Launched in 2012, Welcare Family offers a multi-channel service that can also be accessed from home to obtain information, support and home care services and help in managing bureaucratic and administrative, welfare and tax paperwork at subsidised prices or free of charge. The gradual implementation of the network is constant. Through the "Baby Security" initiative organised in Milan, Rome, Turin and Naples, the Bank has allowed employees and their family members the opportunity to learn about prevention and gain correct information on accidents in which babies might choke from swallowing food or foreign bodies. The workshops were held by a doctor, a specialist in basic recovery techniques with theoretical and practical demonstrations on paediatric block-removal manoeuvres and use of the Baby Security Kit, designed by the FIMP (Italian Federation of Paediatricians) and produced by CFI Progetti. In addition, a Kit containing a manual and a device to verify the danger of toys, pieces of food and other objects was distributed free of charge to employees with children attending the Daycare Centres.

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## Health and corporate cohesion

For all Intesa Sanpaolo employees (in service and retired) and their families, a Group Health Fund is in place to guarantee prompt, effective and high-quality supplementary or alternative healthcare to that offered by the Italian National Health Service. The Fund pays for the services through the approved network or by reimbursing health costs incurred directly by its members. Overall the Fund provided services for around 134 million euro in 2011 (its start-up year), 137 million euro in 2012 and approximately 139 million euro (estimated) in 2013, against a total contribution from its members and the respective companies of around 140 million euro per year. The approved network services, which have increased compared to reimbursed services, amounted to a little over 30% of the total expense and mainly referred to hospitalisation, dental care and specialist services check-ups and diagnostics. The Fund divides its intergenerational solidarity into two separate forms of management (in-service members and retired members), at the start of each year transferring a percentage (between 4% and 6% in 2013) of the total annual contributions by in-service members to the service for retired members, provided the in-service segment does not record a loss: for example, in the first two years of the Fund's operations, the management of in-service members transferred 7.5 million euro by way of ordinary solidarity contribution and 4 million euro by way of extraordinary solidarity contribution to partly offset the deficit in operations for retired members. For 2014 the Fund plans to monitor the quality of services available through the approved network and to implement preventive plans under the control of a Scientific Committee due to be set up.

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## SOCIAL COHESION AND PROTECTION

In an economic scenario that on the whole is still problematic, the Bank has agreed upon solutions – some of which innovative – with the employee representatives to limit the effects at social level by pursuing the objective of maintaining market competitiveness without neglecting its consolidated commitment to safeguarding internal cohesion.

Once again in 2013, a company bonus was agreed through the innovative Bonus formula that allows employees to make use of this remuneration in the form of reimbursement of children's school fees, integrated health services and/or supplementary welfare benefits, also in favour of family members, as an alternative to the traditional cash format. This is a sustainable solution, consistent with the promotion of corporate welfare. With the aim of strengthening the Group's unitary identity, the rationalisation project for the supplementary welfare segment continued as presented to the trade unions. The Group now has over 30 Pension Funds following the various mergers and setup of a single Group pension fund is a need strongly felt not only to comply with the guidelines issued by the Supervisory Authority, but also to offer multiple benefits such as decreasing operational, financial and actuarial risks through the transfer of at least a part of the members of pre-existing funds to voluntary capitalisation, standardisation of services, economies of scale and purpose, etc. The progress of the start-up phase of the Group Health Fund was also assessed with the trade unions, resulting in agreeing upon the corrective action needed to ensure balance.

## COMMUNICATING AND LISTENING

In 2013 the Group's International Subsidiary Banks were the lead players in migrating to full integration in internal communications processes with the launch of three projects designed to extend Web TV to the International Subsidiary Banks, to create an international, multilingual house organ and to create a common information area on the Intranet, this too multilingual. Continuous, transparent information is fed through innovative channels and tools that have involved all Group employees. The Intranet has extended its boundaries from 100 to 110 sections with – amongst other things – a space dedicated to Expo 2015. For the employees, the section dedicated to training has been upgraded and those relating to the company bonus, the new welfare system and trade union agreements on employment and productivity are now active. "My Intranet", the customisable desktop available to every employee was upgraded and integrated with real-time communications tools, whilst a search function of operating applications was added to the Intranet Store through which use of the working tools is now simplified and integrated for all employees. The Web TV has added 11 channels dedicated to Intesa Sanpaolo's International Subsidiary

Banks, proposing video clips with subtitles and audio in the various local languages, accessible at work, at home and while travelling through the Extranet platform. From January 2013 the Group's house organ, Mosaico, is online only so as to become increasingly aligned to the need for prompt multimedia information throughout the corporate network.

The structured internal listening system has registered colleagues' perceptions and added 3 listening panels, 49 focus groups, surveys on specific issues and ad hoc surveys for Group departments and companies, in addition to the climate surveys in Italy and abroad. The climate survey involved 60,951 professional staff and middle managers, with a participation level of around 57%, 995 executives with a participation of approximately 68% and 23,170 employees from the International Subsidiary Banks with a participation of 40.4%. 35 local sessions of "Life and Work in Intesa Sanpaolo" were held, attended by over 400 employees from all company departments involved in the life of the Bank. The "Insieme per il Piano d'Impresa" (Together for the Business Plan) initiative involved around 6,000 employees with sales responsibilities in all of Intesa Sanpaolo's countries of operation, to gather responses and ideas to guide Group development through the Business Plan. The initiative was implemented by means of an online survey and 11 focus groups, 3 of which abroad.



# The Bank as growth driver

Intesa Sanpaolo develops its offer and services with the aim of generating economic growth for the Bank and the areas in which it operates. The support provided to households, vulnerable social groups as well as to businesses and the public administration, also in times of recession, makes it possible to create new jobs and develop business initiatives and wellbeing for the community by reactivating a virtuous cycle that generates solid and long-term value.

# Financial inclusion and economic empowerment

## ACHIEVEMENTS IN 2013

2013 OBJECTIVE	RESULTS	STATUS
<p><b>Households and seniors:</b> Development of an offer for the entire family unit and focus on solutions for senior customers</p>	<p><b>Home mortgages:</b></p> <ul style="list-style-type: none"> <li>Renegotiations. Over 36,400 in Italy for a corresponding residual debt amount of approximately 1.8 billion euro.</li> <li>Moratorium on instalments. The participation in the initiatives of the Italian Banking Association (ABI) and the Ministry of Economy and Finance allowed the payment suspension of instalments for almost 3,200 mortgages for a corresponding residual debt amount of approximately 242 million euro.</li> </ul> <p><b>Household support:</b></p> <ul style="list-style-type: none"> <li>Over 10 million euro loans to more than 2,000 households through the "Prestito Nuovi Nati" ("new-born loan").</li> <li>Microcredit e and anti-usury initiatives in Italy for more than 9.3 million euro.</li> </ul> <p><b>Solutions for senior customers:</b> Dedicated offer: New savings book, a top-up prepaid card and an account with special fee facilities. The "Riconoscimento Senior" (Senior bonus) plan has been active since April 2013 and it includes facilities for health care, social assistance and purchase facilities.</p>	■
<p><b>Young customers:</b> Consolidation of the offer addressed to young people (especially Superflash)</p>	<ul style="list-style-type: none"> <li>Dedicated Superflash offer including transactional products, lending, savings and welfare plans.</li> <li>Bridge Loan to fund university studies under particularly favourable conditions. A total of around 6,000 loans has been disbursed for over 67 million euro to date.</li> <li>Launch of a welfare offer which provided credit facilities for young people in view of their high vulnerability in this area.</li> </ul>	□
<p><b>New Italians:</b> Development of new fund transfer services addressed to "new Italians"</p>	<p>Three complementary services enable to transfer money to all countries worldwide: Getmoney to Family, Express to Family, Money Transfer Western Union. Over 87,400 transactions were handled in 2013 with remittances of almost 52.8 million euro.</p>	■
<p><b>Partnership with the Third Sector:</b> Stimulus for the creation of networks among non-profit operators and other players</p>	<p>Banca Prossima: at the end of 2013, over 26,500 customers (+21% compared to 2012), with deposits of around 4.8 billion and investments of around 1.2 billion. Numerous projects were developed in partnership with and in support to the Third Sector.</p>	■

The persistent economic downturn and the consequent slowdown in the production cycle have hindered and in some cases made it difficult to meet the primary needs of families and of the most vulnerable social groups: young people, the elderly and immigrants. Against this backdrop, Intesa Sanpaolo has continued to guarantee innovative financial solutions by also adhering to different types of support initiatives at the banking system level, such as the set-up of guarantee funds and the option of a temporary suspension of the payment of mortgage instalments for households affected by job losses or pay cuts.

## HOME PURCHASE, CREDIT ACCESS AND FAMILY SUPPORT

In 2013, there was a high number of requests for renegotiation of the conditions and contractual terms of the mortgages entered into in the last few years. These requests, which highlight the increased difficulties for families to sustain the monthly mortgage cost, were met with a concrete answer: the arrangement of forms of renegotiation - for both fixed rate and variable rate mortgages - with a restructuring of the instalment, the cost of which becomes more sustainable by extending the residual maturity of the mortgage. Over 36,400 renegotiations were completed in 2013, for a corresponding residual debt amount of approximately 1.8 billion euro.

Concurrently, Intesa Sanpaolo entered into some high-profile institutional agreements developed within the scope of ABI's memorandum of understanding **"Percorso Famiglie"** ("Family Path") in collaboration with the Government and Consumer Associations, which entails a harmonised series of subsidies for home purchase, child birth, education, etc. In this framework, the payment suspension of mortgage instalments for households in temporary financial difficulties was implemented by subscribing to the Italian Banking Association's **"Piano Famiglie"** (household plan) and to the **Ministry of the Economy and Finance's Solidarity fund for first home purchase mortgages** as a result of which the payment of almost 3,200 mortgages was suspended in 2013 alone for a corresponding residual debt amount of around 242 million euro.

In order to meet the requirements of the most vulnerable social groups, such as young people and students, Intesa Sanpaolo adhered to some initiatives promoted by the Youth and civil service Department, such as the

subscription to a Fund with an initial budget of 50 million euro, which pursues the objective of allowing young couple or single-parent households to obtain a mortgage for first home purchase. Since 2014, access to the Fund has been available to young people under 35 years of age under a temporary work contract. 47 applications were accepted in 2013 for a corresponding amount of over 5 million euro.

The Serbian bank Intesa Beograd continued to guarantee its support to young couples with low salaries by issuing almost 9 million euro for first home purchase in 2013. A similar initiative is also active in Romania, where the local subsidiary developed an offer targeted at young people renting State-owned homes in order to help them purchase leased residential property and in Slovakia, where VÚB Banka issued almost 230,000 euro loans in favour of newly-married couples.

Still on the subject of loans, **"Prestito Nuovi Nati"** ("new-born loan") enabled Intesa Sanpaolo to issue over 10 million euro in 2013, amounting to more than 2,000 applications in favour of households with new-born or adopted children in the years 2012, 2013 and 2014. The initiative benefits from the partial guarantee of a specific fund set up at the Department for Family Policies.

In order to aid the recovery of Italian household consumption, Intesa Sanpaolo launched the **"Rata Leggera"** ("light instalment") initiative in early December 2013. Households are already making regular first home purchase mortgage payments are given the opportunity to "lighten" the instalment burden with the suspension of the payment of the principal amount for one year without any ancillary costs. The facility enables to release resources from the family budget which may be allocated to projects or expenditure with a higher degree of confidence.

### Prestito della Speranza (A loan for hope)

For the past 5 years, Intesa Sanpaolo has been involved in "Prestito della Speranza", a micro-finance project promoted by the Italian Episcopal Conference (CEI) in collaboration with the Italian Banking Association (ABI) to support the income of families in temporary difficulties (social microcredit) and to support business activities as well as the creation of micro and small enterprises (business microcredit). For the project, CEI provided a 30 million euro guarantee fund to cover the loans issued by the banks.

In 2013, Intesa Sanpaolo issued over 500 loans to households, amounting to 2.8 million euro and to 19 new family businesses, for a total disbursement of 366 thousand euro. Overall, disbursements amount to over 10.5 million euro since 2009..

Intesa Sanpaolo has implemented the "Anticipazione Sociale" project since 2005, designed for laid-off employees. In 2013 Italian companies continued to make recourse to extraordinary lay-off payments and employees often receive the indemnity from INPS, the Italian Social Security Authority, after 7/8 months following the request.

Anticipazione Sociale offers the opportunity to open a time-release credit facility with particularly favourable

terms. It can be used until INPS credits the worker's current account with the salary integration. Through agreements signed with the Authorities and local institutions in Lombardy, Piedmont, Emilia Romagna, Tuscany and Veneto, the worker does not bear any charges as these are covered by the project partners. More than 16,000 households have received almost 78 million euro in financial support from 2006 to date. Since October 2013, the Anticipazione Sociale product for



the province of Milan also included a social buffer project in partnership with Fondazione Welfare Ambrosiano.

The Group's International Subsidiary Banks also developed financial inclusion initiatives.

Special attention was paid to the women's world. In Egypt, Alexbank supported a project aimed at the training and employment of marginalised women in local companies or through their own businesses developed thanks to microcredit. In Serbia, Banca Intesa Beograd continued to disburse loans allocated to the start-up or consolidation of new businesses led by women for a total amount of 87,000 euro (slightly down from 2012). In Croatia, the collaboration between PBZ and Adria Women's Association for the development of female enterprises through dedicated training initiatives continued, while Slovakia VÚB Banka entered the fourth consecutive year of the project launched with the women's magazine "Emma" aimed at training future female entrepreneurs, including new high-school graduates, women on maternity leave and unemployed women. The courses, held by bank managers as well, were attended by 15 women.

The widespread unemployment issue was addressed with ad hoc products, such as loans inclusive of insurance in the event of job loss or disability due to accidents with the option to defer the payment of instalments in Serbia (almost 20 million disbursed). In Croatia, PBZ collaborates with the Croatian Employment Service for the organisation of professional training courses. PBZ offers a work contract to those who succeed in completing the initiative (43 young people employed in 2013).

## PAVING THE WAY FOR THE FUTURE: YOUNG PEOPLE AND STUDENTS

Development of the commercial product mix continued to focus particularly on the very young, for whom special subsidies and dedicated promotions were arranged to facilitate their approach to the world of banking and allow easier financial inclusion.

"Superflash" is the umbrella brand dedicated entirely to young people and is characterised by a product mix aimed at meeting their expectations regarding transactional products, lending, savings and welfare plans in a simple manner. Superflash also represents a new communication model for the Bank, which speaks the language of young people through the media they use: a section of the Bank's website entirely dedicated to the segment, a Superflash Facebook page, which provides support and is also dedicated to product updates, promotions and events, a Twitter page and greater focus on places of social gathering (universities and events) to meet young people and disseminate the Superflash brand. In 2013 alone, over 24,300 loans were disbursed for a total of 254.5 million euro.

As regards welfare, the Group considered the importance of dedicating specific facilities to young people. The two solutions launched at the end of 2012 – an open-ended

pension fund, "Il Mio Domani" ("my tomorrow"), and an individual welfare plan, "Il Mio Futuro" ("my future") – are addressed to all customer groups, including the unemployed and temporary workers. The products entail a reduced eligibility threshold which enables access at very low amounts and do not require an initial upfront in the event of TFR (employee severance indemnity) payment by the employer. Around 65 thousand plans have been activated since the launch of the two products.


Bridge Loan, on the other hand, was designed to give university students an opportunity to fund their studies at particularly favourable conditions. It is targeted at students enrolled in one of the partner Universities and its eligibility requirements do not take into account household income, but are solely based on university attendance and merit, without the need for any personal guarantees. To date, there are 20 partner universities, for a total of around 6,000 loans granted and disbursements amounting to approximately 69 million (263 loans in 2013 amounting to approximately 3 million euro).

The Slovak bank VÚB also offers products dedicated to young people (loans and mortgages) under special terms. Almost 189 million euro loans were disbursed in 2013, slightly down from 2012. The Bank also continued to issue loans to students who achieved good academic results, amounting to 870,000 euro in total, recording an increase of almost 50% compared to 2012. The Croatian PBZ also provides support to students and in 2013 issued loans to cover university fees and board and lodging costs.

## THE RELATIONSHIP VALUE: PROJECTS FOR SENIOR CUSTOMERS

Over time, our senior customers (28% of retail customers in Italy) have developed a long-standing and loyal relationship with the Bank, and they are now expecting to maximise its value: they have been our customers for many years, they have often never changed banks and in many cases Intesa Sanpaolo has also become the family bank.

They are also demanding dedicated products that are easy to use and understand as well as safe and useful when it comes to the generational hand-over, in order to ensure that the family's wealth is transferred in an informed way.

With a view to enhancing and recognising its relationship with senior customers, the Bank launched the "Riconoscimento Senior" (Senior Bonus) programme in April 2013, which includes: special partnerships with clinics and diagnostics practices which apply a direct discount on the service provided; social assistance, welfare and tax services under special terms or free of charge, accessible both locally at ACLI - Christian Associations of Italian Workers centres and through the portal ; opportunities to purchase selected leisure products and services at special rates through the Bonus Intesa Sanpaolo programme. More than 210,300



customers were able to access this programme. Moreover, the offer is broken down into three lines of dedicated products: "Libretto Pensione per Te" (pension for you savings book), "Carta Pensione" (pension card), and "Conto Facile" with a formula dedicated to senior customers. The latter offer proved to be especially popular thanks to the very favourable rate applied to the fee compared to the standard fee, with around 64,500 accounts opened as at 31 December 2013. On the same date, over 18,800 "Libretto Pensione per Te" savings books and around 2,400 "Carta Pensione" cards were issued.

The International Subsidiary Banks also developed several initiatives in favour of senior customers: specific products for pensioners are offered in Serbia (almost 24 million euro disbursed), in Slovenia and in Romania. Loans at favourable rates have already been active since 2011 in Bosnia and Herzegovina, where almost 11 million euro was disbursed in 2013.

## A BRIDGE TO THE WORLD: REMITTANCE MANAGEMENT

Our Bank pays special attention to immigrant customers, who represent a large volume (over 635,000 customers). In order to meet these customers' requirements with regard to the transfer of savings to their countries of origin, Intesa Sanpaolo has developed three complementary services which make the product range comprehensive and competitive in terms of characteristics and costs: Getmoney to Family, which enables to send money to the migrants' main countries of origin thanks to agreements entered into with local banks; Express to Family, designed to transfer money to Intesa Sanpaolo Group banks located in Albania, Egypt, Romania, Serbia and Ukraine and Money Transfer

Western Union, which thanks to its widespread agent network enables to receive money worldwide. In 2013, overall the three services handled more than 87,400 transactions for a total amount of 52.8 million euro remittances.


In the second half of 2013, Intesa Sanpaolo adhered to an ABI (Italian Banking Association) protocol which, thanks to the involvement of the Microfinance Institutions of some of the New Italians' countries of origin, Money Transfer Operators and Banks, pursues the objective of channelling migrants' remittances thus facilitating the allocation of savings.

## INTESA SANPAOLO AND THE THIRD SECTOR TO CREATE SOCIAL VALUE AND DEVELOPMENT


Intesa Sanpaolo attributes a great deal of importance to the Third Sector, which represents a significant part of the economy and of Italian society: at the end of 2013, over 70,000 Group customers were recorded in the "non-profit" sector, for a total amount of over 2.5 billion euro in loans and around 12 billion euro in direct and indirect deposits. These figures, combined with the projects developed and the offer dedicated to the non-profit segment in the last few years, bear witness to the dynamism of the relations entertained by the Bank in this sector.

In many of the initiatives launched, the collaboration with VoBIS (Volontari Bancari per le Iniziative Sociali), a national non-profit association comprising former bank employees who offer their expertise to citizens and non-profit organisations, providing applicants with mentoring and tutoring activities, proved to be particularly valuable.

## Banca Prossima


Operations in this sector are partly carried out by Banca Prossima , which has been pursuing this mission since 2008 and has been the only rating provider for all non-profit counterparties of the Group since 2011. Banca Prossima has achieved some significant results over the past few years: at the end of 2013, it managed relations with over 26,500 customers (+21% compared to 2012), with deposits of around 4.8 billion (2.1 for direct and indirect deposits referred to non-institutional customers alone, +21%) and investments of around 1.2 billion (+18%). The majority of the customers acquired by Banca Prossima have joined the Group for the first time and this confirms the extensive and ever increasing ability to control a segment which, aside from its current economic importance (around 1,000,000 collaborators including employees, temporary workers and external staff; 4.8 million volunteers; revenues amounting to around 4.5% of GDP), plays a highly significant social role in terms of its presence in social and health care assistance, education and sport, especially within the context of the Public Administration's partial withdrawal from the welfare sector. Banca Prossima's activity in the Third Sector is not limited to lending, but, through **FITS!**, a business operating foundation established by the bank, also intends to contribute to its development and the attainment of the utmost economic and operational efficiency.

At the end of 2013, Banca Prossima promoted, in partnership with some shareholders' foundations and Third Sector entities, the "Fiducia e nuove risorse per il Terzo Settore" (Confidence and new resources for the growth of the Third Sector) Manifesto, which is aimed

at creating a network of operators providing sources of financing at a moderate cost in order to support non-profit investments .

The first lines of action will entail a campaign on energy efficiency, a debate on European tender access, the

issue of bonds for the development of the non-profit sector and the study of a procurement centre capable of significantly reducing costs and thus enabling the Organisations to focus on their mission in a more efficient manner.

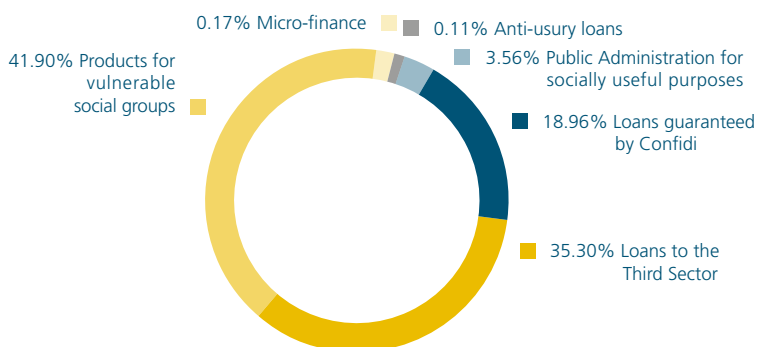
In order to help non-profit organisations find sources of financing for their projects, in 2011 Banca Prossima developed **Terzo Valore** , a fundraising portal which enables individuals and legal entities to lend money to non-profit projects directly, without the use of intermediaries and with capital repayment guaranteed by the bank.

In addition to the traditional contribution that people can give to the social world – donations – Terzo Valore provides an entirely new method on the Italian scenario: Prestobene, the first loan taken out directly by an individual or non-profit organisation, which will then repay it at an agreed interest rate. In the interest of the utmost transparency, the portal provides a detailed account on the progress of the projects. At the end of the year, 32 projects in the education, religious, social-assistance and cultural sectors were completed. In February 2013, an agreement was signed between Fondazione Cariplo and Banca Prossima for an initiative aimed at the promotion and support of social housing, which will use this Internet platform to access the financial resources not covered by the Foundation's contribution.

The most significant partnerships with the Third Sector include: **Consorzio SPIN-Sport Insieme**, a non-profit entity deriving from the collaboration with the leading sports Promoting Entities at national level (ACSI, AICS, ASI, CSI, ENDAS, LIBERTAS, UISP, USACLI) to build new sports facilities, renovate or adapt the existing ones to promote the practice of sport in Italy. SPIN credit access model is innovative: the association takes on the risk investing its own capital (minimum 20% of the amount) and undertakes a project study and analysis process together with the Consorzio. Banca Prossima's credit decisions are supported by SPIN's certification, which investigates some aspects, such as the investment's economic and financial sustainability, the cost adequacy and the necessary authorisation process, which are key factors for the success of the project. 15 projects were financed in 2013, for a total amount of about 5 million euro. 50 projects have been financed since 2011 for a total of 17 million euro.

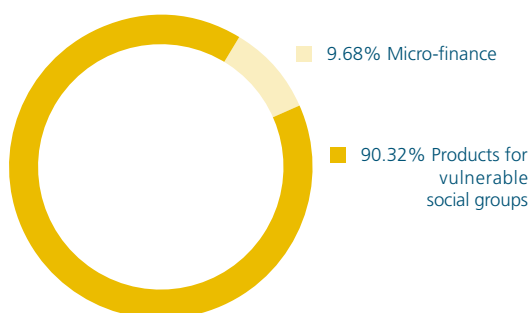
Our willingness to play a part in the social growth of the communities where we operate has resulted in numerous micro-finance projects and initiatives aimed at the prevention of usury, which involved us as partners of shareholders' foundations and Onlus associations.

### Initiatives with high social impact 2013: Italy



*In 2013, Intesa Sanpaolo issued loans for high social impact activities amounting to over 3.6 billion euro (1.28% on total loans from commercial activities), contributing to creating business and employment opportunities as well as assisting people in difficult situations in several ways: microcredit; anti-usury loans; loans to the Public Administration to develop socially useful services and activities; credit facilities granted to small and medium enterprises belonging to CONFIDI (consortia or cooperatives for collective credit guarantee); products and services destined to Third Sector associations and entities; products dedicated to the most vulnerable social groups to aid their financial inclusion.*

### Initiatives with high social impact 2013: abroad



The most significant initiatives entail Intesa Sanpaolo's participation as partner to Fondazione Lombarda Antiusura and Fondazione Welfare Ambrosiano.

**Fondazione Lombarda Antiusura** has been operating since 1997 to defend individuals or small businesses in financial dire straits or at risk of usury. The Foundation, set up by Cariplo S.p.A. in collaboration with Fondazione Cariplo and Caritas Ambrosiana, provides the guarantees required to cover the credit granted free of charge. The selection of the applications takes place through sector experts, employees or retired members of the Group, who act as a listening and guidance centre in identifying the financing solutions required to remedy critical situations. Thanks to the Foundation – acting as guarantor or to cover interest – 553 entities have been able to gain access to Intesa Sanpaolo loans for a total of over 8.9 million euro since it was set up.

**Fondazione Welfare Ambrosiano**, an entity financed by the Municipality of Milan, which also involves the participation of Fondazione Lombarda Antiusura, entails microcredit initiatives both of a "social" nature to provide income support to households in temporary difficulties and of a business nature, for the creation of micro and small enterprises. The catchment area is essentially the Milan area. Intesa Sanpaolo is one of the four financial partners involved in the initiative: in 2013, it granted 58 loans for a total of around 289 thousand euro. Other two projects, launched in 2011, cover the Piedmont and Lombardy areas in particular:

- the "Microcredito per il lavoro" (employment microcredit), in collaboration with Fondazione Lombarda Antiusura Onlus, is aimed at Italian and foreign individual and family businesses located in the Lombardy Region; the loans are backed by the guarantee of a fund set up by the Foundation which accounts for 90% of the loan.
- the "Finanziamento a valere sul Fondo Regionale di garanzia per il Microcredito – Regione Piemonte assistito da garanzia FINPIEMONTE" (loan to the guarantee regional fund for microcredit – Piedmont Region backed by FINPIEMONTE guarantee), dedicated to newly set-up small businesses and self-employed workers with operational headquarters in Piedmont, for the business start-up phase. The loans are backed by a guarantee of 80% of the capital issued, released by Finpiemonte.

Major initiatives were launched during the year:

- the agreement with Fondazione San Patrignano, launched dated May 2013, which entails microcredit activities for the integration of the San Patrignano Community Youth in the job market. Thanks to a guarantee fund of 250,000 euro established by Fondazione San Patrignano and assigned to Banca Prossima, Intesa Sanpaolo has allocated a maximum of 750,000 euro to grant loans in favour of residents of the Community who wish to start up businesses.

The project entails a training stage with the support of Bocconi University and guidance through the first business experience with the 250 "Credit Angels" of Vobis association.

- the agreement with Fondazione San Bernardino (Diocese of Milan): "Fondo Famiglia e Lavoro" ("family and work fund"), a microcredit project promoted in February 2013 by the Diocese of Milan and coordinated by our Bank, which was joined by another 4 banks (Monte dei Paschi di Siena, Banca Popolare di Milano, Unione di Banche Italiane and Credito Valtellinese). The Fund is aimed at facilitating credit access for families from the Diocese of Milan who have lost their main source of income from employment or freelance work but who still retain an income, albeit modest, coming from one of their household members or have a project to generate a household income again. Fondazione San Bernardino, the guarantee fund manager on behalf of the Diocese, is in charge of selecting the Fund subscription applications and, thanks to this guarantee fund, Intesa Sanpaolo is able to issue loans at favourable terms.

The banks belonging to the Banche dei Territori Division also renewed their commitment to supporting the social and business context in which the microcredit projects targeted at the most disadvantaged social groups and to micro-enterprises in difficulty operate and which were activated in collaboration with local Foundations and institutions and Third Sector Associations. Overall, the numerous microcredit and anti-usury initiatives in Italy resulted in disbursements of more than 9.3 million euro.

Numerous projects were launched by our International Subsidiary Banks.

In Egypt, microcredit activities have been developed since 2007, both for loans to individuals who have no access to banks and for the development of small businesses. Thanks to the widespread presence of dedicated branches, the managed portfolio recorded a growth in 2013 compared to 2012 and loans were disbursed for a total amount of over 25 million euro, with an increase of approximately 1.5% on the previous year. Since 2013, Alexbank's commitment has been included within the scope of a dedicated project - "Bank the Unbanked" – with a view to increasing penetration and diversifying the offer in terms of products (introduction of savings methods, cards, insurance products) and channels (mobile banking).

The agricultural sector is particularly important in Slovenia, where Banca Koper renewed the offer dedicated to this type of customer in order to best adapt to farmers' specific requirements and their activities, with special reference to seasonal factors. Loans for almost 2.4 million euro were disbursed in 2013. At the end of the year, the Slovenian subsidiary also entered into an agreement with the European Investment Fund in order to launch enterprise microcredit programmes starting from 2014.

## NATURAL DISASTERS: OUR SUPPORT TO HOUSEHOLDS AND BUSINESSES

The environmental and social emergencies of 2013 once again saw Intesa Sanpaolo working alongside households and economic operators. Measures were taken both through ad hoc loans and the suspension of the instalments payable for existing loans taken out independently and by promptly adhering to all legal initiatives. In particular, the suspension of the instalments on mortgages and loans was granted and credit facilities were issued following the earthquake in the provinces of Massa Carrara and Lucca, the floods in the Tuscany Region and those that hit the provinces of Matera and Potenza, the tornado that swept across the high and central Polesine region and the one that hit the provinces of Udine and Pordenone, the floods in Sardinia, the blizzard that hit the Belluno area and the bad weather that affected the provinces of Cremona, Mantova and Brescia.

Furthermore, the suspension of repayments of mortgages/loans applied to inhabitants of the Emilia Romagna region and the provinces of Mantova and Rovigo hit by the earthquake in May 2012 was extended to 31 December 2013.

A total of 95 million euro was disbursed overall and 639 suspensions were activated, for a corresponding amount of approximately 83 million.

## GROWING WITH OUR STAKEHOLDERS: FINANCIAL CULTURE FOR INFORMED CHOICES

A commitment which falls within the realm of the Intesa Sanpaolo Group's expertise is the dissemination of knowledge related to economic/financial issues, to make people more aware of their financial choices, with special attention to the new generations. The Bank undertook numerous initiatives by providing, without marketing purposes, its experience and advice on asset management and family budget issues.

We adhere to the financial education initiatives promoted in Italy by the PattiChiari Consortium and targeted at students. "L'impronta economica teens" (the teens economic footprint), in particular, is a didactic package which introduces the basic concepts laying the foundation for a first understanding of the economic rules and which provides a final test in the form of a contest entitled "Sviluppa la tua idea imprenditoriale" ("develop your business idea"), where students are asked to come up with a real Business Plan. "Settimane dell'educazione finanziaria" ("financial education weeks") are also organised for secondary school students and held at different Italian cities.

Another project promoted by Intesa Sanpaolo since the 2008/2009 school year, together with Osservatorio Permanente Giovani-Editori (Permanent Observatory Youth and Media), is "Cultura finanziaria a scuola: per prepararsi a scegliere" ("financial culture at school:

get ready to make choices"). Developed within the scope of the Il Quotidiano in Classe (Daily newspaper in the classroom) initiative, the project provides useful information support tools to make informed choices about one's future and foster a culture geared towards responsible citizenship. The initiative relies on a series of tools: a "Workbook," prepared with the involvement of Intesa Sanpaolo Research Department, to support lecturers in conducting the learning activities; video clips; an annual training meeting for lecturers with the participation of university professors, Bank's representatives and training experts. For further information, visit the Observatory's website [👉](#).

Within the scope of the collaboration with Consumer Associations, the project "Mettere in comune competenze" (skills pooling) was launched in 2011, with a four year plan, which stems from the Bank's intention to improve the mutual knowledge and collaboration skills to the benefit of customers and consumers.

The project is set out in four stages: the training of Consumer Associations' managers, the development of a training plan targeted at all Intesa Sanpaolo employees which was held in 2013, the meetings on the territory which will involve both local organisations from the Associations and Intesa Sanpaolo's Regional Governance Centres. In the last phase of the project, the Intesa Sanpaolo Group's top managers and the Associations' managers will pool together their skills and guidelines in a series of meetings specialised by key business area, such as retail, legal and customer service.

The Group's International Subsidiary Banks also gave rise to numerous financial education initiatives which involved different segments of the population. In Serbia, Banca Intesa Beograd promoted a project on the credit sector for secondary school students in collaboration with the local network of the United Nations Global Compact. In Slovenia, Banca Koper continued to pursue the digital literacy programme for elderly people in collaboration with Università Popolare di Capodistria to aid access to banking services through the use of new technologies. In Hungary, CIB Bank participated in the "Finance Compass" programme launched by the Hungarian Bank to raise awareness among citizens as to the financial issues associated with day-to-day life through the publication of press articles. In Slovakia, VÚB Banka has proposed for several years a training project targeted at primary school students which is based on the use of an interactive online game to disseminate basic concepts on the world of finance and make children more responsible towards the use of money.

# Support to the business system

## ACHIEVEMENTS IN 2013

2013 OBJECTIVE	RESULTS	STATUS
<p><b>Support to new businesses and employment:</b> new credit lines addressed to Small Business customers and aimed at supporting new businesses</p>	<ul style="list-style-type: none"> <li>▪ Support to more than 4,500 new business activities with almost 450 million euro of medium/long-term loans and over 19,000 new businesses with 578 million euro of new short-term loans.</li> <li>▪ After the launch of an Agreement with Ente Cassa di Risparmio di Firenze in 2012 to support employment, in 2013 the project was extended to the territories of Foligno, Spoleto and Pistoia and enabled the disbursement of more than 100 loans amounting to almost 6.2 million euro.</li> <li>▪ Collaboration with the leading credit guarantee consortia continued. To date, over 83,000 outstanding guaranteed loans have been granted, for a corresponding amount of approximately 4.7 billion euro</li> </ul>	■
<p><b>Innovation and Start-up:</b> Undertaking of initiatives to assist start-ups and developing companies</p>	<ul style="list-style-type: none"> <li>▪ Intesa Sanpaolo StartUp Initiative continued its acceleration process for growing businesses: more than 60 editions in four years. 101 start-ups were presented to investors in 2013.</li> <li>▪ Nova+: loans for business innovation amounted to over 360 million in favour of 333 initiatives.</li> </ul>	■
<p><b>Business development agreements:</b> Definition of a new agreement with Confindustria focused on size growth, internationalisation and new businesses</p>	<ul style="list-style-type: none"> <li>▪ New Agreement with Confindustria Piccola Industria entered into in March 2013: 10 billion euro were allocated to support SMEs.</li> <li>▪ New 2013 ABI (Italian Banking Association) credit agreement updating the loan payment suspension and extension measures provided for by the previous agreement. The transactions subject to suspension were more than 12,700 overall for a total residual debt amount of over 3 billion and around 490 million of extended debt. For the extensions, the accepted applications were more than 1,000 for a total residual/deferred debt of over 337 million, while recapitalisation loans were 39 for a total amount of 14.4 million.</li> </ul>	■




## CREDIT ACCESS AND SUPPORT TO NEW ENTREPRENEURSHIP

In March 2013, Intesa Sanpaolo entered into a new agreement with **Confindustria Piccola Industria** which envisages the allocation of a 10 billion euro credit line, 200 million of which is dedicated to new business projects. The collaboration, launched in 2009, was focused on the dialogue between businesses and the Bank and on SME credit access through credit facilities. The areas considered to be of strategic importance to recovery include: international business development, size growth and new high quality business projects. The agreement also confirms the Group's offering in these

three areas: innovation and research, business networks and other forms of collaboration, energy efficiency and environmental sustainability. The enhancement of local characteristics is also of pivotal importance: the Local Delegates for the implementation of the agreement (between the Bank and Confindustria) are tasked with disseminating its content at the local level. Tavolo Nazionale di Coordinamento e Monitoraggio analyses the requests and demands coming from the local areas and combines the best experiences achieved at the local level. 17 regional meetings were held in 2013, for a total of approximately 90 agreements entered into with Confindustria's provincial and regional associations.

### AdottUP

The AdottUP project was created with a view to the promotion of new high quality enterprises: the Confindustria Piccola Industria programme for the adoption of start-ups, of which Intesa Sanpaolo is a strategic partner. AdottUp turns the best entrepreneurial ideas into sustainable businesses thanks to the training provided by established companies which become their "tutors" and guide them through their development.

Intesa Sanpaolo gathers business idea applications, submits them to a joint Committee (Intesa Sanpaolo and Confindustria) which evaluates them, selects them and provides high level training and work areas, and creates the "Vetrina delle migliori idee" (showcase of the best ideas) : a dedicated area on Confindustria's website which provides members with an overview of the best projects, thus enabling them to review the selected ideas and apply to become their "tutors".

160 business ideas were submitted and evaluated from April to October. 65 of these were selected by the Committees and contacted for further information.

In addition to the specific support (including Neolmpresa, Officine Formative and StartUp Initiative), Intesa Sanpaolo also provides credit lines both for the tutor company and for the tutee.

In 2013, overall Intesa Sanpaolo provided support to more than 4,500 new business activities with almost 450 million euro of medium/long-term loans (including the new "Finanziamento Neolmpresa" (Neolmpresa Loan), specific for start-ups) and over 19,000 new businesses with around 578 million euro of new short-term loans.

### OFFICINE FORMATIVE (OFF)

Officine Formative is Intesa Sanpaolo's project that provides unemployed students and potential entrepreneurs with a free training course to learn the features necessary to transform a rough idea into a potential business. The course is split in two phases: *Think it*, online modules for basic skills transfer and *Make it*, modules by attendance to develop the skills to transform business ideas into companies. At the end of the course, the best business ideas arising from the workshop activities and satisfying the necessary requirements can access the Start-up Initiative selection.

### NEO IMPRESA

To overcome the difficulties in accessing the job market, Intesa Sanpaolo has created the Neo Impresa portal. The portal supports people wishing to start up a business or take over an existing business, and helps to identify available private and public financing.

Neolmpresa is divided into three sections, each corresponding to a crucial step in starting a business

initiative: from creation of the idea ("Think it"), to its planning and economic assessment ("Make it") and on to the proposal of a dedicated banking product and an indication of ordinary and alternative funding sources such as tenders and subsidies ("Finance it").

In September, Intesa Sanpaolo also entered into the **agreement signed by ABI and the Business Associations**, which identifies measures in favour of Small and Medium Enterprises. In an economic downturn scenario, the agreement aims to guarantee the availability of adequate financial resources for SMEs which, despite the liquidity tensions, are still showing positive prospects of development and going concern assumptions. The agreement repropose measures aimed at the suspension and extension of loans similar to those already provided for by the New Measures relating to Credit for SMEs of February 2012 (agreement terminated on 30 September 2013). As regards both agreements, the transactions subject to suspension were more than 12,700 overall for a total residual debt amount of over 3 billion and around 490 million of extended debt. For the extensions, the accepted

applications were more than 1,000 for a total residual/deferred debt of over 337 million, while recapitalisation loans were 39 for a total amount of 14.4 million.

### **AGREEMENT WITH ENTE CASSA DI RISPARMIO DI FIRENZE: “SVET, SVILUPPO ECONOMICO DEL TERRITORIO” (LOCAL ECONOMIC DEVELOPMENT)**

In September 2012, the Bank launched a type of local employment support by involving SMEs and craftsmen from the Provinces of Florence, Arezzo and Grosseto that have been in business for at least two years. The aim of the project is to put in place measures capable of slowing down the reduction in employment levels by supporting investments in the sectors with the greatest growth opportunities.

The Entity allocated a credit line of 4.8 million with Cassa di Risparmio di Firenze by waiving its remuneration for a 5-year period: this enabled the bank to issue 5-year unsecured loans at especially low fixed rates. The project sets the example of a partnership model with local foundations and in 2013 it was developed also with Fondazioni Cassa di Risparmio di Foligno, Fondazioni Cassa di Risparmio di Spoleto and Fondazioni Cassa di Risparmio di Pistoia.

Overall, almost 100 loans were disbursed totalling about 6 million euro.

### **AGREEMENTS WITH CONFIDI AND BUSINESS ASSOCIATIONS TO AID CREDIT ACCESS**

The Intesa Sanpaolo Group collaborates with the leading guarantee consortia which release guarantees on loans issued with hedging that generally does not fall below 50%, thereby providing small and medium enterprises with easier credit access. To date, over 83,000 guaranteed loans have been granted, for a corresponding amount of approximately 4.7 billion euro. Some of these guarantee consortia also entail anti-usury operations (see chapter Financial inclusion and economic empowerment, [☞](#)).

### **BUSINESSES: NETWORKING TO OVERCOME SIZE LIMITATIONS**

The relaunch of business competition can make use of the synergies offered by innovative business combination tools. For this reason, with the support of specialist Mediocredito Italiano expertise and the involvement of the main institutions and business associations, Intesa Sanpaolo has promoted targeted actions to promote the dissemination of awareness of this specific issue among business owners and has provided full support to networking projects promoted by Banca dei Territori. The service model dedicated to the development of business networks led to the setup of a “National Observatory” by the Research Department in partnership with Mediocredito Italiano and the Business Marketing Department, with the aim of assessing the positive effects of the network system on business performance and, in more general terms,

on the competitiveness of the Italian production sector. The studies conducted as part of the National Observatory gradually extend to other areas through the setup of Regional Laboratories involving local Associations and Institutions in order to provide concrete support to the local areas, both in terms of financial offering and advice to entrepreneurs and in terms of raising awareness among Institutions on specific industrial policy actions in support of the competitiveness of the local economy.

The fourth National Observatory describes the second half of 2013 as a turning point, with a record of 389 new network contracts and 1,555 companies involved. At the end of December, the networks recorded at the Chamber of Commerce were 1,353 for a total of 6,435 member companies

### **INNOVATION FOR GROWTH**

Innovation is the strategic key to a competitive repositioning of companies on the global market and represents one of the main levers available to generate growth and new jobs.

Our offer includes financing, assistance and advisory services through specialised dedicated structures.

## Nova+ loans

The Nova+ financing programme continued to support Italian companies investing in innovation and research. More specifically, Nova+ supplements the traditional creditworthiness analysis with a technical and business assessment of the investment plans, conducted by a team of engineers specialised in the various product sectors and with in-depth knowledge of technology trends. In this regard, Mediocredito Italiano continues to make use of partnerships with a number of reputable Italian universities which offer their technical and scientific support to assess the technological risk of the more complex and ambitious projects.

Two new loan facilities were activated in 2013, namely "Nova+ FNI Disegni" and "Nova+ FNI Brevetti", supporting the industrialisation plans of SME's models, design and patents through loans included in a portfolio of operations backed by a guarantee on the funds of the Italian National Innovation Fund.

Over 360 million euro loans were disbursed overall for 333 initiatives in 2013.

Year	Projects financed	Disbursements €/000
2011	244	467,618
2012	291	369,140
2013	333	360,091

## SERVICES TO COMPANIES FOR ACCESS TO EUROPEAN FUNDING

IntesaSanpaolo Eurodesk is the Intesa Sanpaolo Group company based in Brussels and Milan which provides assistance and advisory services to companies wishing to access European Union funding opportunities, with a particular focus on research and development and innovation.

The company also acts as partner in the research and innovation projects funded by the European Commission, thus involving the Group right from the initial stages of development of the project ideas and enabling it to better evaluate the relative risks and

potential. This activity aims to facilitate the dialogue between the financial, business and academic worlds.

Through its specialist desks, Intesa Sanpaolo Eurodesk monitors EU policy in the strategic business sectors for European competition, i.e. agro-food, health, renewable energies, IT and communications, and collaboration with third party countries, guiding relations with the sector stakeholders (businesses, universities and European institutions). The Desks rely on a communication channel available for free on the company's website [👉](#), where news, tenders and events concerning European policies and funds are accessible to the general public.

## Intesa Sanpaolo Start-Up Initiative

The Bank continues its acceleration process for growing businesses: a structured and continuous process of research, training, selection and presentation to investors of high-tech start-up companies, which in four years has seen more than 60 editions, increased the number of countries, technologies and business sectors, and developed partnerships worldwide with the Global Social Venture Competition of Berkeley University and in Italy with the Università Cattolica/Altis and the San Michele Valore Impresa Association, in partnership with Banca Prossima.

Three years on from the launch, 39 Italian editions and 24 international events have been held. Of over 2,100 start-ups involved, 591 took part in training courses and 454 met with more than 5,000 Italian and international investors. For the start-ups these meetings generated around 2,400 statements of interest from potential investors, identifying 65 "success stories" among the companies they met.

The activity conducted by **Fondazione Ricerca e Imprenditorialità** continued with a number of leading Italian industrial groups (Telecom Italia, Enel, Finmeccanica) and top research centres (Italian Institute of Technology - IIT, Fondazione Politecnico di Milano, Scuola Superiore Sant'Anna di Pisa), in order to support the growth of companies in the high-tech sectors, through entrepreneurial training, development and industrial tutoring. 123 service subscription requests have

been processed to date. Intesa Sanpaolo also participates in the project by integrating all the initiatives already undertaken by the Bank in order to provide assistance and consultancy to SMEs, Start-Ups, and university spin-offs with the Foundation's activities. In particular, the Bank pools together all the experience acquired, including that through Intesa Sanpaolo StartUp Initiative. The specialist technological desk, **Technological Opportunity Proposal**, is dedicated to large companies and,



according to an open innovation approach based on the capacity to seize upon the best opportunities beyond the corporate context, proposes to customers investment opportunities in growing companies that produce innovative technologies. In 2013, the portfolio of customers involved in the ICT, Media Cleantech and Industrial sectors was expanded, encompassing 90 of the leading Italian and European companies.

### **PROMOTING BUSINESS SUSTAINABILITY: ETHICAL FUNDS AND ACTIVE SHAREHOLDING**

Intesa Sanpaolo is aware of the positive influence that major institutional investors and banks are able to exert in the activation of sustainability dynamics among the companies they invest in or liaise with. The choice to establish a dialogue with the portfolio companies, to select virtuous issuers, to exercise voting rights or participate in working groups with international organisations in order to contribute to drafting rules, regulations and research, translates into the influence that the investor exerts in the life of companies and in its ability to have a partial impact on the development and growth policies with attention to economic, financial, environmental and social sustainability.

#### **ISSUE OF INTESA SANPAOLO BANCA PROSSIMA SPECIAL SERIES BONDS**

In October 2013, Intesa Sanpaolo issued "Banca Prossima Special Series" Bonds, aimed at establishing funds to be used for financing Third Sector entities. In view of the peculiar allocation of the funds collected, the Bonds are issued at lower rates than those normally adopted for securities with the same characteristics in terms of rate type and maturity. The funds collected will be entirely transferred by Intesa Sanpaolo to Banca Prossima and will be used solely for the purpose of financing non-profit organisations. The return on the

bonds has lower values than those normally adopted on the market; the higher cost incurred by the investor in terms of lower return will be entirely transferred to the benefit of the borrower.

#### **ETHICAL FUNDS**

Investments in ethical funds are selected on the basis of positive criteria (inclusive principle) to identify the presence of good social and environmental governance in companies or institutions under analysis and negative criteria (exclusive principle) for those areas of activity that are considered to be in contrast with the ethical principles asserted by the funds. The "best in class" principle is also used to identify companies that, in certain markets at risk, stand out for their social-environmental initiatives. Environmental screening is entirely subject to the principle of "best in class" given that all the companies listed with major capitalisation have a notable impact on the environment, and this principle facilitates the selection of the most "virtuous" securities.

During 2013, the application of these criteria led to a variation in the investible universe, and consequently the inclusion or exclusion of certain issuing bodies from the fund portfolio. The reasons for inclusion comprise programmes to reduce greenhouse gases, the protection of biodiversity, the use of clean technologies, the involvement of suppliers and protection of minorities in the workforce. The reasons for exclusion include involvement in the arms sector, the breach of anti-trust rules, accounting fraud and discrimination in the granting of loans. The exclusions for 2013 were related to 18 companies for environmental issues, labour law disputes on fair conduct in market competition, product safety or exposure to controversial sectors.

#### **Share Ownership**

The share ownership practices target large institutional investors that request them. This activity translates mainly to engagement practices involving direct communication with the management boards of investee companies, posing questions and notes on topics of particular interest to customers on social, environmental and corporate governance issues.

The FAPA - one of the primary pension funds of Intesa Sanpaolo personnel - is the first in Italy to adopt a share ownership strategy, interacting directly with a number of large companies included in the portfolio. The dialogue focused on the chain of suppliers and allowed assessment of the companies' conduct and recommendations for improvement measures. Thanks to this activity, in 2013, the FAPA won the award for best responsible investor in Italy and adhered to the Principles for Responsible Investment, the sustainable investment principles set forth by the United Nations in 2005 and which involve the participation of companies for a total amount of 30 thousand billion dollars of assets under management.

## FONDITALIA ETHICAL INVESTMENT

Fonditalia Ethical Investment is the socially responsible investment solution of the Fideuram Group which integrates income objectives with financial sustainability and social value aspects. The sub-fund invests in the bonds of those States that stand out for the special focus on social and environmental issues, in bonds issued by Supranational Bodies in favour of developing economies and in funds specialised in microfinance, and in fair trade funds and similar instruments targeting sustainable development.

An Ethics Committee composed of managerial and other professionals with proven experience in social, economic, environmental and financial sustainability, as well as qualified academic professionals, is tasked with verifying consistency between the actual fund portfolio composition and the ethical principles characterising the same, thereby formulating, where applicable, its own opinions on the ethics of the investments.

A further element characterising the ethics behind the sub-fund is given by its commitment to supporting scientific research, through the placement of share units and through the donation in favour of the AISM and its Foundation (FISM), the amount of which is proportional to the fund fees.

The sub-fund assets as at 31 December 2013 amounted to 23,091,952 euro.

## SUPPORT TO PUBLIC ADMINISTRATION AND SOLUTIONS TO GUARANTEE LIQUIDITY TO CREDIT COMPANIES

The factoring of receivables to the Public Administration is a rather complex and at the same time highly relevant issue, especially in view of the large volume of receivables that companies claim against central and local public Entities and the major payment delays accumulated in that regard. As at 31 December 2013, 135 SME applications were received relating to the factoring of receivables to the Public Administration for a total of more than 4.5 million euro.

In 2013, in order to meet the liquidity requirements of the Public Administration's suppliers, it was decided to carry out an organic review and simplification of the regulations on the matter of Factoring of Receivables to the Public Administration, thereby supporting and raising the Network's awareness with regards to this opportunity. In addition to simple advance on receivables, it was also decided to provide the option of "without recourse" factoring, a method which enables the company to assign receivables without being held liable for the debtor's default, if any. Specific agreements were entered into with numerous Local Entities all over Italy, including the Municipalities of Florence and Varese and the Provinces of Alessandria, Padova, Ravenna and Pesaro-Urbino, Matera and Nuoro. This was also the context for the renewal of the agreement with Roma Capitale for the factoring

without recourse of receivables claimed from the Municipality by cooperatives that provide personal and community services, such as associations that support the disabled and elderly, day-care centres and park maintenance services.

With regard to urban and local development projects, we note the subscription by the Bank – acting as lead arranger of a pool of banks – of the loan to Arexpo for the purpose of acquiring the areas and covering the infrastructure costs relating to the venue destined to host the universal event Expo 2015 "Nutrire il pianeta. Energia per la vita" (Feeding the Planet – Energy for Life). The International Subsidiary Banks of the Intesa Sanpaolo Group also put in place initiatives to provide support to the Public Administration. In Serbia, Banca Intesa Beograd activated credit lines in collaboration with development banks in order to finance socially useful projects such as the construction of crèches, animal shelters and gyms for elementary schools, the reconstruction of roads, the management of waste and water systems. In Croatia, PBZ participated in the national railway financing for the purpose of modernising the infrastructure system and the local roads and motorways for the creation of new links.

# Green economy development

## ACHIEVEMENTS IN 2013

2013 OBJECTIVE	RESULTS	STATUS
<p><b>Green loans:</b> Adaptation of environmental products addressed to small business customers for the purposes of energy efficiency</p>	<p>The adaptation of environmental products addressed to small business customers will be implemented during 2014, since 2013 marked a year of regulatory changes regarding environmental matters, which terminated towards the end of the year.</p> <p>For this customer segment (small businesses and professionals), in 2013 medium and long-term loans continued to be granted to support projects related to the use of photovoltaic panels, biomass and hydroelectric plants and energy efficiency measures.</p>	<p>□</p>
<p>Innovation of the offer targeted at businesses for energy saving and the use of renewable energies</p>	<ul style="list-style-type: none"> <li>■ Within the scope of the “sustainable energy programme”, Mediocredito Italiano provides tailor-made financial solutions and specialised advisory services dedicated to businesses investing in plants for the generation of energy from renewable sources or in energy efficiency processes. 164 loans for a total of over 213 million euro were disbursed in 2013.</li> <li>■ In 2013, 120 contracts were signed for the “Leasenergy” and “Leasenergy 20-200” products for a total of around 250 million euro. As part of its activities in support of green energy development, Leasint entered into 1,787 lease contracts overall, thus contributing to the construction of renewable source energy production plants totalling more than 2.2 Gigawatt.</li> <li>■ In the first months of 2013, Leasint completed an innovative product to support the offer from Energy Service Companies aimed at updating public lighting systems. Although the amounts financed so far are still modest (contracts entered into for 6 million euro with additional 8 million euro pending resolutions), the model presents some very interesting characteristics for all key players and paves the way for the renovation of public facilities.</li> <li>■ Corporate energy loans: Banca Prossima provides credit support to the energy efficiency projects of non-profit Organisations.</li> </ul>	<p>■</p>

## PRODUCTS AND SERVICES FOR THE ENVIRONMENT

The pursuit of the sustainability of their own environmental choices is an increasingly pressing issue for those companies that are aware of the impact that could potentially be generated either directly or indirectly by their business activities. Intesa Sanpaolo considers environmental protection as an integral part of its business strategy and for years it has been committed to promoting responsible resource management in order to reduce its carbon footprint and evaluate – with the utmost care - the consequences of its economic activities on the environment. The responsibility towards the territory and the community thus implies an integrated approach encompassing all areas of the Bank's operations and proves to be all the more significant in consideration of the very role played by the Bank as financial intermediary.

In order to boost and support the green economy, over the years Intesa Sanpaolo has developed a wide and diversified range of financing and advisory products dedicated to all types of customers, whether in Italy or abroad.

Moreover, according to the study presented by ABI's Renewable Energies Observatory, the sector that made the largest investments in Italy during the crisis was the Green Economy, so much so that from 2007 to 2011 the banking system financed projects for around 25 billion euro, to which the Intesa Sanpaolo Group contributed approximately 10 billion euro.

In terms of personal loans to retail customers, in 2013 about 181 "Prestito Multiplo esigenze ecologiche" loans were disbursed for a total of approximately 9.8 million euro. In the second half of the year, a new financing solution was launched for environment-friendly customers: the "Mutuo Domus - Case prefabbricate in legno" loan, which is granted for the purchase, construction or restructuring of pre-fabricated wooden homes.

With reference to Small Business and SME customers, in 2013 medium and long-term loans continued to be granted to support projects related to the use of photovoltaic panels, biomass and hydroelectric plants and energy efficiency measures.

Loans in the photovoltaic sector are still showing a downward trend both as a result of the difficult economic period and owing to the dramatic reduction in public incentives. In particular, with reference to SME customers, the number of loans is in line with the previous year, but they are dedicated to smaller scale projects, which led to a decrease in the total amount of disbursements by over 70%.

Within the scope of the Sustainable Energy programme, Mediocredito Italiano provides "tailor-made" financial solutions and specialised advisory services dedicated to businesses investing in plants for the generation of energy from renewable sources or in energy efficiency processes. The offer is targeted at companies operating in any sector, excluding arms, and is set out in five credit lines: Photovoltaic, Bioenergy, Hydroelectric,

Wind Power, Energy Efficiency.

The Sustainable Energy Programme stands out for the contribution by the Energy Desk, a team of specialised professionals capable of: supporting entrepreneurs both during the evaluation phase of the project specifications and during the construction of the financial structure of the transaction; evaluating projects from a technological and environmental as well as from an economic and financial point of view; selecting technical and industrial partners, and guiding entrepreneurs through the processes required in order to access the incentives available.

A significant number of loans for plants designed to produce energy from renewable sources were disbursed through the Intesa Sanpaolo Group companies dedicated to leasing transactions. In 2013, with the "Leasenergy" and "Leasenergy 20-200" products, 120 contracts were entered into for a total amount of approximately 250 million euro, down from 2012. Overall, 1,787 lease contracts were entered into, contributing to the construction of plants for the production of energy from renewable sources, amounting to over 2.2 Gigawatt. In addition, Leasint is in the process of extending its offer and, in the first months of 2013, it completed an innovative product to support the offer from energy service companies aimed at updating public lighting systems. By entering into a lease contract where it acts as User, the Energy Service Company obtains the resources necessary to finance the renovation of the public lighting facility according to the most advanced sustainability criteria. Thus, the Energy Service Company is able to provide the client Public Entity with a public lighting service which includes both the construction of the new plant and its maintenance. The technology used makes it possible to contain costs and obtain a new plant with lower environmental impact (as a result of the fact that less energy is absorbed). Although the amounts financed so far are still modest (contracts entered into for 6 million euro with additional 8 million euro pending resolutions), the model paves the way for the renovation of public facilities. Agriventure, an Intesa Sanpaolo Group company dedicated to the agricultural, agro-food and agro-energy sectors, provides consulting services to businesses in the production chain, from the primary industry to initial transformation. Thanks to Agriventure's expertise, in 2013 an important convention was held in collaboration with the Cuneo Chamber of Commerce on the way the exploitation of renewable energy could lead to long-term benefits for the territory, with a driving effect on the entire national economy.

Banca Prossima supports the energy efficiency projects of non-profit Organisations (NPO) with solutions that help customers optimise the financial flows generated by the investment and thus reduce financing costs. Through the collaboration of Fondazione per l'Innovazione del Terzo Settore (Foundation for the Innovation of the Third Sector) (FITS!) and of Gestore Servizi Energetici (GSE) a

## Fiper Agreement

At the beginning of 2014, an agreement was entered into between Fiper, Federazione Italiana dei Produttori di Energia da fonti Rinnovabili (Italian Producer of Renewable Energy Federation), and the Intesa Sanpaolo Group for the support and development of the production activities tied to the wood-energy sector (biomass and biogas district heating systems). The agreement, which currently involves solely the sector companies operating in Lombardy, where a large number of plants is located, will subsequently be extended to other regions as well. Fiper gathers 83 virgin wood biomass district heating plants at the national level, representing almost the entire group of the plants in Italy and 22 biogas plants. In addition to the traditional products and services dedicated to businesses, the partnership agreement also entails specific financial instruments for companies operating in the agricultural and renewable energy sector, as well as financial support to investments in modernisation, farming reconversion and requalification of the production chain, investments in fixed plants and machinery and improvement measures (e.g. property upgrade, purchase, construction and renovation).

one-of-a-kind national programme has been devised, with the aim of encouraging non-profit organisations to increase their energy efficiency by conducting energy audits at moderate prices and constantly monitoring the quality of their measures.


Following a pre-feasibility analysis and the NPO's confirmation of its interest to proceed, the Energy Service Company conducts the energy audit, defines the plan of action and, if the latter is approved by the NPO, prepares the business plan required for Banca Prossima to issue the loan necessary to carry out the measure. The Energy Service Company undertakes full responsibility for the quality of the measures, whereas the Bank will be responsible for the economic sustainability of the NPO, as well as for providing specific financial instruments such as to allow the same NPO to complete the efficiency measure, even in the absence of any public incentives. The financial solutions proposed by Banca Prossima offer the customer a wide range of customisation options: starting from its energy saving plan, the organisation can select a loan whose rate of repayment corresponds with energy bill savings. In so doing, the impact of the investment on the financial flows is neutralised and, from the moment the loan repayment is completed, all the "energy savings" turn into positive cash flows for the customer. The interest rate will derive immediate benefits from the energy efficiency measure: indeed, the investment makes the non-profit organisation more sustainable and thus reduces its risk level and credit access cost.

Intesa Sanpaolo Start-Up Initiative has increased its presence in the Cleantech sector with an international road show in the United Kingdom, three editions dedicated to industrial sectors (agrifood, construction and transport) and a domestic edition focused on technology applications. During this last edition, in collaboration with International Venture Club and Tech Tour, the cross-border associations of European Venture Capital funds, a round table was held on Cleantech investments by companies.

Furthermore, Intesa Sanpaolo renewed its partnership with the Desertec Industrial Initiative association which presented some major international studies in the

year (Desert power: getting started) on the sector's development potential and on the actions that must be taken in order to use the potential of the desert areas, as specified by the vision of the Desertec project.

In an especially difficult economic context that is increasingly depleting the resources available to individual States for infrastructure and social measures, the availability of Structural Funds has acquired an increasingly strategic importance and their timely and efficient use has become more and more challenging. Equiter is among the Group companies that have already taken on this challenge for some years: aside from committing its own venture capital in the environment, infrastructure and utilities sectors, it also manages three closed-end funds, established with a capital base of approximately 190 million euro from the European Regional Development Fund, dedicated to financing urban development and energy retrofit projects. Within the scope of the Jessica initiative, established with the support of the European Investment Bank and the Sicily, Sardinia and Campania regional authorities, Equiter selects projects capable of repaying the loan amount thereby helping to overcome those inefficiencies and gaps in the market which prevent the possibility of obtaining sufficient funding. The projects can include a wide array of measures: urban redevelopment, the revitalisation of disused or deteriorated areas, the upgrade of mobility systems, the creation of urban parks and social gathering centres or the improvement of energy efficiency. These measures must be implemented in strict adherence to the values enshrined in the Union's scope of action: social inclusion, sustainable growth, environmental protection, dissemination of legal, safety-conscious actions.

The activity of the Internet portal **Impres@mbiente**  also continues: a tool dedicated to companies wishing to adopt a "green" approach to their business activities, allowing customers to promote the products and services they offer to their potential customers.

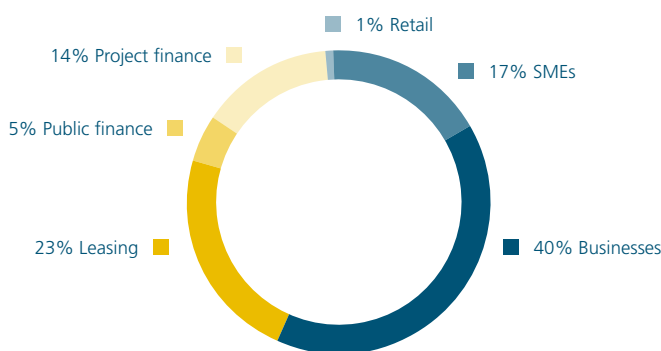
The Group's International Subsidiary Banks also provide a wide range of products and services in support of the green economy. In 2013, Privredna Banka Zagreb



disbursed over 17 million euro for the purchase or construction of properties with energy class above B and for the improvement of the energy efficiency of existing properties through the insulation of the building enclosure and re-roofing, as well as for the installation of solar panels or geothermal plants. Banka Koper, which is always actively engaged within the scope of green products, disbursed over 7 million euro to its retail customers in 2013, for energy efficiency and renewable energy financing purposes. The Slovak bank VÚB also financed energy efficiency measures on properties for

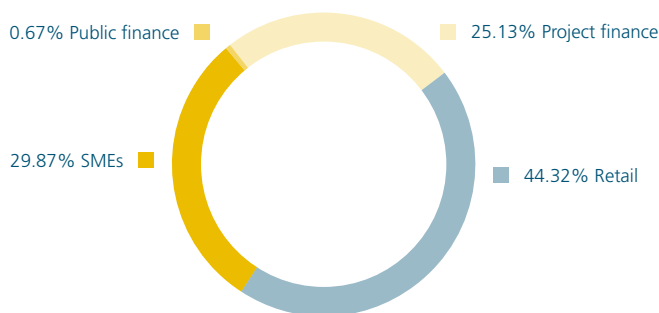
a total amount of over 2 million euro. Several banks entered into agreements with public and private funds specialised in energy efficiency promotion. For example, Banca Intesa Beograd works with the Green for Growth Fund for the financing of energy efficiency measures and disbursed almost 1 million euro to retail customers in 2013. Intesa Sanpaolo Bank Romania acquired new customers in the renewable energy sector by financing two photovoltaic projects for a total of 3.9 million euro and continues to support its customers within the scope of micro-hydroelectric plants.

**Loans for energy efficiency and renewable energy: Italy [%]**



*In 2013, over 0.4% of the total receivables from Intesa Sanpaolo's business activities referred to renewable energy, agriculture and environmental protection sectors, for a total of around 1.2 billion euro.*

**Loans for energy efficiency and renewable energy: abroad [%]**



**ENVIRONMENTAL CULTURE**

Raising awareness both inside and outside of the Bank as to the importance of protecting the environment and promoting good practices is one of the primary objectives of Intesa Sanpaolo's Environment and Energy Policy. Employee training and awareness-raising actions involved the continued dissemination of the "Ambientiamo" platform, which promotes good practices to be implemented both at home and in the office through educational games, videos, quizzes and multimedia insights into specific topics. In 2013, it was enriched with a module dedicated to the products that the Intesa Sanpaolo Group offers in support of the development of renewable energy, energy savings and environmental sustainability. This tool proved to be very popular among employees, both from a professional and personal point of view: from 2010 to date, the training modules have been accessed around 90,000 times. An e-learning course is available to employees working

in the central units and in the operating units involved in the application of the Environmental and Energy Management System. The course provides an insight into the objectives of the System, the requirements of the international reference standards and their application within Intesa Sanpaolo. Over 1,000 people have been trained over the past few years. People operating outside of the Bank who are interested in the application of the System are also made aware of this issue: maintenance and cleaning companies, contractors of works for the outfitting or renovation of operating units, providers of goods and services operating within the Bank's premises. In the 2012-2013 period, meetings were held with the managers of 30 service companies, during which the good practices implemented within the Bank's premises and the regulatory requirements – with which suppliers are not always familiar – were highlighted. Other awareness-raising actions, targeted at a wider

audience, are conducted through the participation in initiatives promoted by entities or organisations both in Italy and abroad. Intesa Sanpaolo takes part each year in RAI's Radio2 broadcast "M'illumino di meno", "World Environment Day", "EU Sustainable Energy Week" and "European Week for Waste Reduction" with communication campaigns that target customers through the use of IT tools available on the ATMs, the website and at Branches.

The International Subsidiary Banks also promoted training and communication initiatives and projects on environmental matters. They all adhered to the "World

Environment Day" with original initiatives aimed at raising awareness among customers as well as among employees and their families. On that occasion, Alex Bank promoted a campaign entitled "A touch of Green" aimed at sharing environmental tips and suggestions among colleagues. The Earth Hour campaign promoted by the WWF was also highly popular in terms of participation, as was the photography contest "My green land" proposed by Banca Intesa Russia. Finally, at the local level, Intesa Sanpaolo Bank Albania adhered to the initiative "Let's clean Albania in 1 day" involving some employees on a voluntary basis.

## Research and Innovation

The Intesa Sanpaolo Group, through its subsidiary Intesa Sanpaolo Eurodesk  is actively engaged in technology research and innovation projects co-financed by the European Commission.

Intesa Sanpaolo Eurodesk is a partner of five European projects in the energy and environment sector:

- EC2 (Europe – China Clean Energy Centre), which aims to create a Euro-Chinese Centre dedicated to Clean Energy;
- FC DISTRICT (New  $\mu$  CHP technologies for energy efficient and sustainable districts), which aims to develop the prototype of an energy-efficient district by exploiting small power generators based on micro-cogeneration and placed near the end users;
- E-HUB (Energy-Hub for residential and commercial districts and transport) which aims to develop an integrated system of renewable energy sources and microgeneration,
- NEED4B (New Energy Efficient Demonstration for Buildings) to develop an easily repeatable methodology for the design, construction and maintenance of new low energy consumption buildings;
- VERYSCHOOL (Valuable Energy for a smart School), which aims to develop ad hoc ICT solutions to manage energy consumption in schools.

Tutte le strutture aziendali interessate alla tematica ambientale si ritrovano regolarmente attorno al "Tavolo Verde", gruppo di lavoro interfunzionale coordinato dall'Unità CSR, che affronta di volta in volta tematiche di attualità sul tema e offre uno spazio di condivisione delle novità normative e delle best practice interne.

Nel corso del 2013 sono stati realizzati tre incontri focalizzati rispettivamente sull'efficienza energetica (nuovi prodotti e approfondimento della normativa), sulla valutazione del rischio ambientale nell'erogazione del credito e su nuove iniziative e servizi della Banca a favore della green economy.

## Environmental protection: from cost to opportunity

The October 2013 edition of the Report analysing industrial sectors, the result of the collaboration between Intesa Sanpaolo Research Department and Prometeia dedicated a focus to the subject of the impact of environmental certifications on business performances. The dissemination of voluntary environmental protection tools (ISO 14000, FSC, EMAS, Biological) appears to be a rather significant phenomenon in the Italian manufacturing sector: around 7% of companies, equal to slightly below 30% of the manufacturing turnover, appears to have adopted those tools and is showing a level of attention to environmental issues which is not to be taken for granted in the highly difficult last few years. In the 2008-2011 period, these companies recorded better performances both in terms of growth and profitability: therefore, environmental protection appears to have translated into a benefit both in terms of cost reduction and market opportunities for the companies that supported it. These companies are equipped with a complex set of strategies, where the choice of a greater focus on the environment is combined with an array of other strategic levers: indeed, these companies focus greater attention not only on the environment issue, but also on technology, quality, marketing and internationalisation, which, thanks to a better strategic positioning, have gained importance in the Italian manufacturing sector.

The in-depth analysis was presented to the public in October 2013 at a Convention dedicated to "I settori industriali al 2015. Competitività e ambiente: due sfide per la ripresa" (Industrial sectors in 2015. Competitiveness and environment: two challenges for recovery). The round table was attended by entrepreneurs and managers who confirmed that, in the concrete operations of their respective companies, the attention to the environment turned into a competitive lever, promoting technology innovation and the relationship with the market.

# Responsible management of the supply chain

## ACHIEVEMENTS IN 2013

2013 OBJECTIVE	RESULTS	STATUS
<p><b>Supplier relations:</b> Extension of the e-sourcing Portal and use of online tenders to promote the transparency of procurement procedures</p>	<p>The increase in the number of online tenders, which are conducted through the e-sourcing Portal, improved both communications and transparency of procurement procedures. Throughout the entire tender stage, each supplier, through the FAQ area, can communicate and interact with the relevant buyer and, through the special section, can view all the documents, thus keeping constantly up-to-date with the answers provided by the buyer to other tender participants (maximum transparency and fairness). In 2013, 2,700 suppliers completed their registration on the Portal (about 1,400 in 2012). Number of online tenders in 2013: 1,382 (499 in 2012)</p>	■
<p>Full implementation of the module for the management of accounting communications with suppliers</p>	<p>In the last quarter of 2013, the implementation – partly on SAP and partly manually – of the module for the management of accounting communications, which gives suppliers full visibility of their orders, payments and invoices, was launched.</p>	■
<p><b>Green procurement:</b> Further increase of the use of ecological and recycled paper</p>	<p>The digitisation initiatives aimed at cutting down paper consumption and at procuring ecological and recycled paper continued in Italy. In 2013, the procurement of ecological and recycled paper recorded +12% compared to 2012</p>	■
<p>Replacement/purchase of low-environmental impact office equipment</p>	<p>Around 3,000 monitors, 12,000 desktops, 2,800 notebooks and around 500 printers were purchased in 2013</p>	■
<p>Purchase of green energy more in line with the highest environmental sustainability requirements</p>	<p>The figures highlight a constantly growing trend in the use of energy from renewable sources both in Italy and at International Subsidiary Banks. Electricity: ratio of consumption from renewable sources to total consumption: 76%</p>	■
<p><b>Sustainability culture:</b> Suppliers' qualification including on the basis of environmental and social requirements</p>	<p>A redefinition of the supplier's qualification including in the social and environmental sectors, is still being analysed within the scope of the procurement centralisation project</p>	□
<p>Additional training of procurement managers on the issues of social and environmental sustainability</p>	<p>The structured training on social and environmental sustainability issues was launched in 2013 with a training event that involved all buyers and Procurement Managers. It will continue with training targeted at the Procurement CSR Delegate, which will act as a de-multiplier. Training sessions broken down by product category have been hypothesised.</p>	■



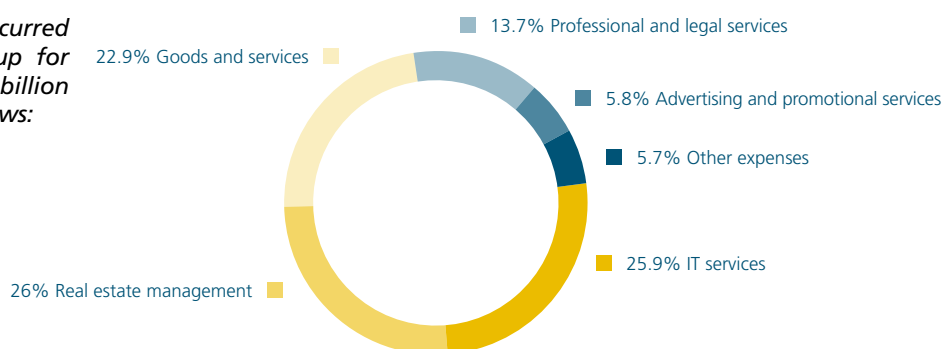
Intesa Sanpaolo is aware that the quality of supplier relations and the procurement policies adopted can also create the necessary conditions to foster an economic development focusing on the protection of the environment and the respect for human rights and workers.

In 2013, the Bank developed the Group Procurement Centralisation Project. Designed mainly to standardise the procurement rules and processes and to apply a standard model within the Intesa Sanpaolo companies, the project also proposes greater awareness of social and environmental responsibility issues. Thus, it is in this context that the new "Group Procurement Guidelines"

and the related "Implementing Rules" were issued. The new version includes, within the scope of the "centralised procurement" model, the "local" product categories which draw from local supplies in the case of goods or services for which the procurement market is typically local or closely tied to the specific market. The Guidelines, which are described in more detail in the related Rules, combine social and environmental responsibility criteria in a transversal and well-structured manner and require all the departments involved to take them in due consideration during the sourcing process, from the request for quotation to the request for the offer and supporting information.

### 2013 Breakdown of administrative expenses by category

*In 2013 the overall expenses incurred by the Intesa Sanpaolo Group for procurement totalled over 2.6 billion euro, with breakdown as follows:*



### EQUAL ACCESS AND TRANSPARENCY IN THE SUPPLIER SELECTION PROCESS

The relations held by the Parent Company with its suppliers were inspired by principles of transparency and fairness during 2013 as well. In order to guarantee this, the monitoring of the e-sourcing Portal and the constant upgrade of its functions is of primary importance. Among the other functions, the Portal provides a Web-based negotiating system: applicants are required to register online, where, if invited to take part in a tender, they can follow all the stages of the process in a transparent manner. Thus, each supplier, through a special section, can interact with the relative buyer and view the documents available or the progress of the tender itself. There were almost 1,400 online tenders in 2013 compared to almost 500 in 2012 and this constant and significant increase enabled to improve communications and the level of transparency of the relationship itself.

With regard to the monitoring of payment times, the module for the management of accounting communications, which gives suppliers full visibility of their orders, payments and invoices, was completed and implemented in 2013. However, it must be specified that the introduction of obligations associated with Tender Joint Liability caused a relative slowdown in the positive trend; this is primarily due to the availability of the supplementary documentation required of suppliers, or lack thereof.

### PROMOTION OF SOCIAL AND ENVIRONMENTAL RESPONSIBILITY

The Portal is an online platform where the registration phase requires suppliers to complete, in addition to their personal details, also a questionnaire dedicated to social and environmental responsibility, even if the required supplier assessment obligations have not yet been fulfilled through the technical and sustainability ratings. Still in this stage, candidates are required to state that they have read the Organisational, Management and Control Model (Legislative Decree 231/2001), the Group's Internal Code of Conduct and Intesa Sanpaolo's Code of Ethics. Should the candidates then become our suppliers, among the contractual clauses to be signed, there is also the commitment to adhering to the principles contained in the above-mentioned documents, including on behalf of their own officers/employees/collaborators.

Finally, the overall sustainability of the contract is considered in the assessments of bids. In other words, the selection criteria are not based solely on the search for the best price for the Bank, but also evaluate the actual adequacy of the price offered by the supplier in relation to the activities carried out, thereby excluding excessively low offers or offers that are not otherwise justified, which may underlie irregular conduct on the part of the service provider, such as tax avoidance or the failure to fulfil legal obligations or comply with safety regulations.

At the end of 2013 around 5,300 suppliers were registered on the Portal. Around 2,700 of these completed the registration. An in-depth analysis of the answers provided by the latter to social and environmental responsibility questions showed the following breakdown: 11% declare to publish a social and environmental report, 3% hold SA 8000 certification, 17% have a code of ethics or policies describing their social commitment, 12% hold environmental certifications and 7% have an environmental policy.

The statements provided by suppliers are verified through a sample monitoring system which focuses on the product categories most at risk and on cases considered worth studying further (in 2013, several audits were conducted in order to check compliance with contractual terms and 20 of these were environmental audits). The verification of compliance with the social criteria is conducted by in-house staff and refers to property service specifications (plant and system maintenance) and to persons (cleaning staff), and envisages checks on the expiry of Chamber of Commerce documentation and the Single Register of Contributions Paid.

However, for investigations into compliance with environmental criteria – for example, energy efficiency, the use of cleaning products that meet regulatory standards and contractual clauses relating to compliance with environmental regulations – site inspections are performed by either in-house staff or by external companies. 800 document verifications were conducted in 2013.

## PROCUREMENT SUSTAINABILITY CRITERIA

For quite some time now, Intesa Sanpaolo has introduced criteria for the respect of the environment into its procurement practices. The said respect for the environment has already taken shape since 2011 with the issue of two policies: one sets the criteria for the procurement of paper with environmental sustainability characteristics, while the other defines the minimum criteria and the operating procedures for the evaluation of the procurement of office equipment with reduced environmental impact.

With regard to paper procurement, the attention to the use of ecological paper (high post-consumption recycled fibre content paper and certified paper) ensured that procurement in Italy reached 93% of the total requirement in 2013.

In relation to the procurement of office equipment with low environmental impact, around 3,000 monitors, 12,000 desktops, 2,800 notebooks and around 500 printers were purchased in 2013.

With regard to the procurement of other materials, Intesa Sanpaolo introduced the use of 92.06% recycled pens, 57% recycled pencils featuring NF environment certificates, 100% recycled PVC purses and three-stud folders in 100% recycled paperboard.

Finally, the procurement of electricity with certified origin from renewable sources is now a well-established practice in Italy at all sites where such is allowed and it has reached 95% of electricity consumption.

The chapter “Reduction of direct environmental impact” (page 47) provides an account of the positive impact of these practices on the environment.

## Promotion of social and environmental responsibility at International Subsidiary Banks: a few good practices

All the Group's International Subsidiary Banks implemented the International Subsidiary Banks' Procurement Policy, created in 2009 with the aim of disseminating a procurement management model based on criteria of quality and social responsibility. Below are some examples of good practices regarding specific CSR aspects.

### Supplier selection transparency

- Intesa Sanpaolo Bank Albania, Pravex-Bank, Privredna Banka Zagreb and VÚB Banka have implemented an e-sourcing portal where the tender processes and the relevant information are published

### Screening of suppliers on the basis of social and environmental responsibility criteria

- Banca Intesa Beograd has introduced a CSR questionnaire in the letters of invitation to potential suppliers, which is divided into 5 areas: governance, customer relations, work environment, environment, community. The scores obtained in CSR practices are of key importance in the supplier selection process
- CIB Bank, during the supplier selection process, in the event of equivalent offers, gives priority to suppliers with better practices from an environmental responsibility point of view
- Banca Intesa Russia uses a preliminary CSR questionnaire where the answers, combined with the other criteria, create the supplier's overall rating
- Pravex-Bank asks suppliers to complete a specific CSR questionnaire as a mandatory requirement

### Monitoring of suppliers with regard to social and environmental responsibility practices

- Intesa Sanpaolo Bank Albania is actively engaged with regards to the respect for human rights. In particular, it visits its main suppliers' facilities in order to assess their employees' working conditions.

# The Bank in the community

Intesa Sanpaolo aims to be a key player in the areas in which it operates by acting as a financial intermediary as well as by supporting the most vulnerable people and promoting enhancement of culture and knowledge as development incentives, thereby allocating part of its corporate profits to such purposes. Some business initiatives are also geared towards projects that may create value for the community, thus allowing the Bank to build and consolidate constructive relationships with the different entities operating in the local areas.

# Social capital development in the areas where the Group operates

## ACHIEVEMENTS IN 2013

2013 OBJECTIVE	RESULTS	STATUS
<p><b>Donations:</b></p> <ul style="list-style-type: none"> <li>Focus on the social commitment towards the most vulnerable people</li> </ul>	<p>The 2013 Donation Plan of the Charitable Fund highlighted the importance, during the current crisis period, to focus on projects with a highly significant social impact. Net of the international measures taken in favour of poor countries, 83% of domestic central donations were issued to provide support to disadvantaged people (77% in 2012). With reference to local donations, the measures in favour of disadvantaged people were essentially stable between 2012 and 2013 and exceeded 60% of the total amount allocated thereto.</p>	■
<p><b>Sponsorships:</b></p> <ul style="list-style-type: none"> <li>Development of relations with local communities, partnerships with universities/business associations and centres of excellence</li> </ul>	<p>The numerous initiatives developed and promoted by the Bank at local level ensured a constant and productive dialogue with households, businesses and the community.</p> <p>An ongoing commitment, driven by specific projects and aimed at promoting cultural, social and economic growth in the areas where the Bank operates and creating value and wellbeing for the community.</p>	■
<p><b>Culture and works of art</b></p> <ul style="list-style-type: none"> <li>Enhancement of Gallerie d'Italia by rearranging exhibition areas; creation of exhibitions and monographs; initiatives aimed at facilitating access by young people, the elderly and those who are in social and economic difficulties</li> </ul>	<p>The Gallerie d'Italia museums received around 243,000 visitors overall. Temporary and monograph exhibitions enriched the intense cultural activity. Almost 400 events and concerts were organised or held.</p> <p>26 teaching groups were conducted free of charge at Gallerie d'Italia (Milan) for vulnerable categories.</p>	■
<ul style="list-style-type: none"> <li>Initiatives aimed at enabling public access to collections not yet on display</li> </ul>	<p>Numerous initiatives were developed: eighteen works of art were included in exhibitions held by prestigious national and international museum institutions. Approximately thirty Russian icons were loaned to the Diocesan Museum of Naples for an exhibition dedicated to the Mother of God. Since March 2013, the painting cycle of the ancient Oratorio della Compagnia di San Paolo, now destroyed, has been exhibited in the Sacristy of Sant'Uberto church inside the Reggia di Venaria Reale. Following extensive restoration, the ten canvases of Piedmont's seventeenth century were gathered and exhibited to the public. 11 works belonging to the Bank's collections were gratuitously loaned and are now exhibited in the permanent collection at the Reggia.</p>	■
<ul style="list-style-type: none"> <li>Continuity of the Restituzioni project</li> </ul>	<p>The 2013 edition enabled the restoration of 45 works of art, for a total of around 270 individual artefacts coming from 41 different locations, from archaeological sites to museums and churches. 16 government departments responsible for cultural heritage were involved, in addition to the Vatican Museums, competent in 11 Italian regions. The exhibition was held in Naples, at Capodimonte Museum and at Palazzo Zevallos Stigliano and also involved the Diocesan Museum of Naples, the Chapel and Museum of the Treasure of St. Gennaro, and the Santi Apostoli church.</p>	■

### Protection of historical documentary sources

- Protection of historical documentary sources at risk, enhancement of accessibility and promotion of the access to the Bank's exhibition areas

- A digital repository system was implemented with regards to some especially valuable documentary archives. A digital conversion process of audio and video records is currently underway, starting from those which are exposed to the highest preservation risk.
- The new inventory publication site – which in 2013 was enriched with over 13,000 new records – received 4,000 visits during the year, 3,767 of which from Italy and 239 from abroad; around 65% of these were first visits to the site. The number of page views is over 38,000.



### Editorial and musical initiatives

- Cataloguing of the public and private heritage

- Analytical and scientific cataloguing of the public artistic heritage edited in the dedicated volume Museo d'Arte Antica del Castello Sforzesco. Scultura lapidea. Tomo II (Castello Sforzesco's Museum of Ancient Art. Stone sculpture. Volume II). Overall, 363 works were recorded.



- Musical culture training and education

- Musical training sessions addressed to teachers with exercises on Mozart's "Die Zauberflöte" by musicologist Carlo Delfrati, held at Intesa Sanpaolo museum venues in Milan, Vicenza and Naples.
- In partnership with Alessandro Scarlatti Association in Naples, creation, training and specific performances of a permanent children's choir coming from a destitute area of the city. Training commitment addressed to young people with extension of the educational lessons focused on choral music and dedicated to children.

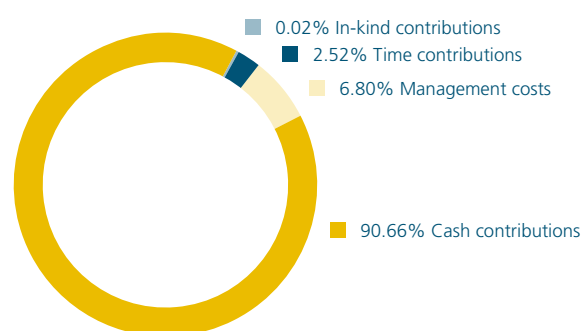


In 2013, Intesa Sanpaolo became a member of the London Benchmarking Group (LBG) and therefore committed itself to reporting its contributions to the community according to this international standard and providing the breakdowns required in order to submit a summary representation, comparable with other companies, of its endeavours towards the community.

The model entails the analysis of the contributions according to different perspectives: type, reason for the contribution, scope of the intervention and geographic location.

In 2013, the Intesa Sanpaolo Group recorded overall contributions to the community amounting to 58.2 million euro, equivalent to 2.3% of the operating result before tax<sup>1</sup>, the majority of which (over 52.7 million euro) in cash.

### Overall contributions to the community by type



### Overall contributions to the community by type [thousands euro]

**2013**

Cash contributions	52,744
In-kind contributions	12
Time contributions	1,468
Management costs	3,953
<b>Total contributions</b>	<b>58,177</b>

1. Operating result before tax, equal to 2,489 million euro, as shown in the reclassified income statement included in Intesa Sanpaolo 2013 Financial Statements.

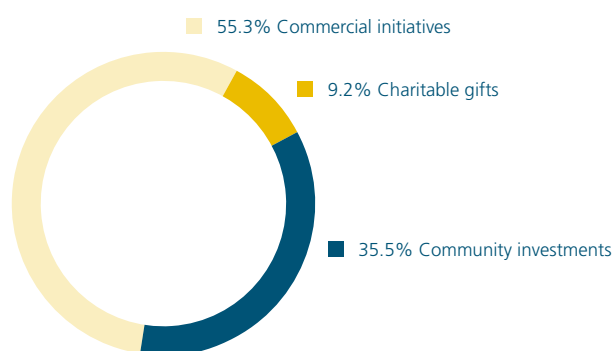
2.5% of contributions to the community, for an amount equal to approximately 1.5 million euro, comprises time contributions (corporate voluntary work). Among the initiatives, Banca Intesa Beograd launched a programme called “Intesa from the Heart”, which started with a campaign for the protection of Carska Bara’s natural reserve and with a project in support of elderly people in difficult conditions in Serbia. Thanks to this programme, Banca Intesa Beograd received the Virtus award, granted by the Trag Foundation, in the voluntary work category. CIB Bank organised two days during which several volunteers contributed to charitable initiatives, the first in favour of Bátor Tabor, a centre offering recreational therapeutic programmes to sick children and their families, and the second aimed at collecting food in favour of families in difficult conditions. In 2013, around 300 colleagues participated in this last initiative and made it possible to collect 5 tons of long-life foodstuffs. Thanks to this initiative, CIB

Bank received the title of Best CSR Bank Hungary 2013 awarded by the London Global Banking and Finance Review site.

The Group Banks, both in Italy and abroad, entitled employees to take paid leave to donate their blood; moreover, associations are active in Italy and Albania for the purpose of grouping together employee donors and providing support for the organisation and facilitating blood donations.

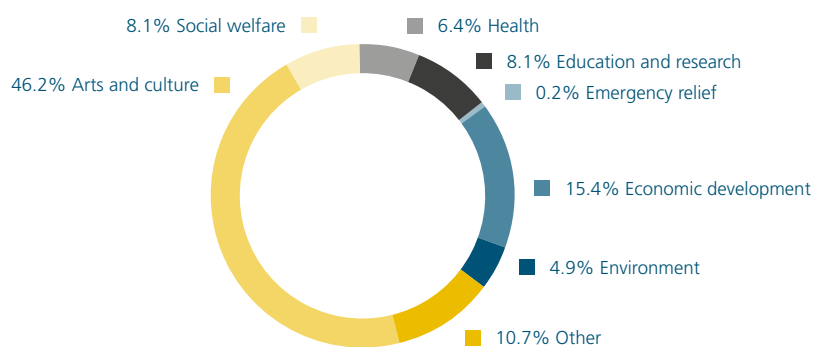
With regards to the analysis of the contributions by reason, over half (55.3%) of the contributions in cash consists of commercial initiatives (sponsorships and other contributions of a commercial nature) which have a direct benefit for the community. 35.5% consists of investments in the community, namely contributions characterised by long-term plans, strategic partnerships and prevalently of sizeable amounts. The remaining 9.2% comprises charitable gifts of lesser amounts.

### Cash contributions to the community by reason



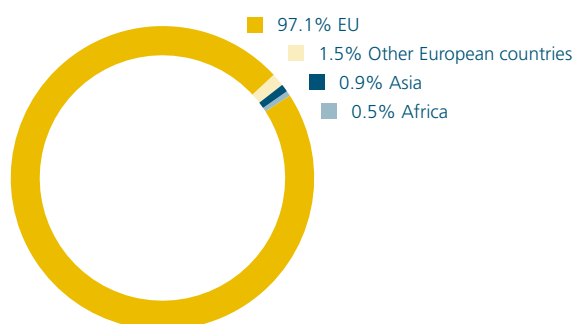
Cash contributions to the community by reason – Group [thousands euro]	2013
Charitable gifts	4,870
Community investments	18,717
Commercial initiatives with community benefit	29,157
<b>Total cash contributions to the community</b>	<b>52,744</b>

### Cash contributions to the community by scope of intervention



Cash contributions to the community by scope of intervention – Group [thousands euro]	2013
Arts and culture	24,390
Social welfare	4,285
Health	3,354
Education and research	4,274
Emergency relief	101
Economic development	8,124
Environment	2,572
Other	5,643
<b>Total cash contributions to the community</b>	<b>52,744</b>

### Cash contributions to the community by geographic area





## DONATIONS


Intesa Sanpaolo's donations are in support of solidarity (projects in developing countries, missionary work and charitable initiatives that have an important humanitarian or religious value), social (health assistance and research; support for professional training and qualifications, scholarships for disadvantaged people, support to vulnerable, emarginated persons or people in need), cultural (by supporting projects with specific educational content), and religious projects or initiatives.

Contributions, whether of an occasional nature or falling within the scope of investments in the community, are issued centrally, through a special "Fund for charitable, social and cultural donations" on the basis of an annual Donation Plan, by the Group Banks operating through their own charitable fund, and through "local donations" which envisage the selection of worthy initiatives to be decentralised and are reserved for the Banks which do not have their own charitable fund.

The 2013 Donation Plan of the Charitable Fund highlighted the importance, during the current crisis period, to focus on projects with a highly significant social impact. Net of the international measures taken in favour of poor countries, 83% of domestic central donations were issued to provide support to disadvantaged people (77% in 2012). In particular, among the projects in favour of disadvantaged people, we recall the contribution to Caritas Diocesana di Torino for the eviction emergency, namely the housing support provided to socially vulnerable families and the support to Fondazione Banco Alimentare for the management of food supplies in favour of needy and marginalised people.

Within the scope of donations in the form of investments in the community, Project Malawi, the international cooperation project which has now advanced to its third stage, continues to play a leading role.

## PROJECT MALAWI: AN INVESTMENT IN INTERNATIONAL SOLIDARITY

Project Malawi , pan international cooperation programme launched in 2005 together with Fondazione Cariplo to fight against the AIDS plague in Malawi starting from the prevention of virus transmission from mother to child, combines health care with targeted actions aimed at limiting the impact of the disease on the population and relaunching the country's economy. The project will come to an end in September 2014 after almost ten years.

In 2013, the project advanced to over half of the third three-year period, during which the project partners (Comunità di Sant'Egidio, CISP, Save the Children and MAGGASAM<sup>1</sup>) continued to operate in the emergency areas identified in the previous two three-year periods: the Blantyre, Lilongwe and Balaka districts, located in the

country's central and southern regions, where the disease is more widely spread. The scope of the interventions includes health care (DREAM programme<sup>2</sup>), assistance to orphans and vulnerable children, local development and education and prevention, for which individual and collective actions are taken in order to address the social and economic problems generated by the spread of the disease from multiple aspects and thus ensure its containment in a more efficient manner.

## THE COMMITMENT TO SUSTAINABILITY

Since 2011, all partners have reviewed their activities by including a series of actions aimed at the sustainability of the intervention: Comunità di Sant'Egidio organised training courses for health and community operators, medicine students and laboratory technicians, it took measures to ensure a greater level of integration between the system of DREAM laboratories and health centres and the system operating in the country and endeavoured to disseminate best practices on HIV/AIDS treatment through scientific research and educational events. Save the Children focused its efforts on strengthening the ability of the communities to support children affected by the virus through training courses, workshops, networking meetings and the exchange of good practices and by promoting both direct monitoring activities among local development organisations and action plans aimed at gathering financial resources as well. The intervention of Magga and Sam followed the same direction as it focused on the improvement of liaison and coordination actions with local authorities through engagement meetings with stakeholders at different administrative levels, as well as orientation meetings and monitoring activities in schools. Lastly, CISP provided training for government officers to promote local development, with special reference to the identification and development of income generating activities and loans and saving groups in rural areas.

Therefore, the objective in the last three years of intervention was to obtain an even higher level of involvement among communities and local authorities so as to allow the population to take full control of these activities in Malawi and with a view to the autonomous continuation of the initiative following the termination of the partnership with Intesa Sanpaolo and Fondazione Cariplo.

1. Malawi guides and scouts

2. Drug Resources Enhancement Against AIDS and Malnutrition



## PROJECT MALAWI: EVALUATION OF THE BENEFITS AND IMPACT IN 2013<sup>1</sup>

### INPUT

Cash contributions	2,154,551 euro	Donation in favour of the four Project Malawi partners and operating costs. The project does not entail time or in-kind contributions.
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### OUTPUT

Additional funds collected in favour of the project	929,406 euro	Fondazione Cariplo (project co-founder), other funds.
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Description of the benefits for the community		High-quality care for approximately 16,500 HIV+ patients with special focus on the prevention of virus transmission between mother and child (over 1,200 healthy babies born from HIV-positive mothers in the year); support to around 14,500 children in villages; around 2,400 families received support and were involved in economic development initiatives; around 9,300 people were tested for HIV; prevention activity for around 27,000 young pupils in schools.
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Number of direct beneficiaries	70,845	
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### IMPACT

Description of the long-term impact on the community		Prevention of the propagation of the HIV virus infection among the Malawi population and mitigation of the health, social-economic and psychological impact of the HIV/AIDS virus on individuals, families and the country. The result is achieved through highly therapeutic quality of treatments, community services for children and other vulnerable categories, strengthening of the ability of families and communities to deal with poverty, better information on AIDS/HIV and virus transmission prevention among young people.
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### OUTPUT MAPPING AND IMPACT

#### Output and impact on people. Beneficiary breakdown:

a. experienced a positive change in their conduct thanks to the support provided by the project	27,688	Number of young people who received training on HIV/AIDS virus transmission prevention and young people who were tested (tests conducted by MAGGA)
b. developed new skills or improved their current skills	2,396 <sup>2</sup>	Activities in support of the social and economic development in villages; training activities in favour of small entrepreneurs (conducted by CISP)
c. experienced an improvement in their quality of life thanks to the support provided by the project	40,761	16,503 HIV-positive patients accessed high-quality health care and 1,234 healthy babies were born from HIV-positive mothers in the year (treatments provided by Comunità di Sant'Egidio – DREAM protocol); 3,496 children aged between three and six years of age were received in day care centres, 5,796 children between 7 and 13 years of age took part in Children Clubs, health check-ups for 3,859 children under three years of age, 1,327 HIV-positive people received support (by Save the Children); 8,546 people received VCT (voluntary counselling and testing).

#### Output and impact on organisations. Areas of benefit:

a. supply of new products/services	Health care and high-quality therapeutic assistance for people affected by AIDS
b. improvement of management systems	IT software for Comunità di Sant'Egidio
c. increased use of staff/voluntary members	Over 40% of the project resources are allocated to personnel expenses
d. training of staff/voluntary members	Around 7% of project expenses are allocated to training
e. lobby activities for regulatory changes	Alignment of the national protocol to the CSE – DREAM protocol

1. The data refer to a one-year period of the Malawi Project, in particular the period between 1 October 2012 and 30 September 2013

2. If we consider that the entire family benefits from the support and social and economic development, the number of beneficiaries becomes 10,542, based on the average household composition in Malawi in 2013 (4.4).

## SUPPORT TO CULTURE

Progetto Cultura, a strategic reference framework containing the multi-year planning of the Bank's cultural initiatives, continues to be one of the main pillars of the investments in the community. 2013 saw the preparation of the 2014-2016 Three-Year Plan, which strengthens the values and objectives outlined in the previous plan: sharing its own historical, artistic, architectural and archive heritage with the community and a specific schedule of innovative cultural and scientific proposals.

### INTESA SANPAOLO'S ARTISTIC HERITAGE AND PUBLIC ACCESS


The promotion of the Bank's artistic heritage, which aims to encourage its enjoyment by an increasingly wider public, is one of the key scopes of action of the Progetto Cultura which is implemented according to various guidelines: scientific study and cataloguing of the works; restoration activity; museum projects creating permanent displays of a part of the collections; planning and organisation of temporary exhibitions; loan of works to temporary exhibitions.

In 2013, Gallerie d'Italia  – a network of museums owned by the Bank which includes Gallerie di Piazza Scala in Milan, Palazzo Leoni Montanari in Vicenza and Palazzo Zevallos Stigliano in Naples – offered numerous exhibitions to the public, receiving around 243,000 visitors during the year. To name but a few, these included the temporary exhibitions in Milan: Canova. L'ultimo capolavoro (Canova. The last masterpiece). Le metope del Tempio e Wunderkammer (The Metopes of the Temple and Wunderkammer). Arte, Natura, Meraviglia ieri e oggi (Art, nature, yesterday's and today's wonders); in Naples: the exhibitions Ogni universo è un possibile linguaggio (Every universe is a possible language). Gastone Novelli: dipinti e disegni (paintings and drawings) (1957-1964) and Giuditta e Oloferne. Louis Wilson interprete di Caravaggio (Louis Wilson – an interpretation of Caravaggio); Vicenza hosted the temporary exhibition Arazzi nei Palazzi. Opere di Renata Bonfanti e Sandra Marconato (Tapestries inside Palaces. Works by Renata Bonfanti and Sandra Marconato).



Gallerie d'Italia are not just exhibition venues or locations used for the preservation and enhancement of the Bank's heritage but they also aim to become a vehicle of society's cultural and civil growth. Therefore, numerous initiatives are planned to promote the participation of an increasingly wide-ranging audience: free educational tours for schools, initiatives addressed to families, activities targeted at summer camp students and drawing courses. Several initiatives were proposed in order to mitigate social vulnerability and difficult conditions, including "Due passi nei Musei di Milano" (A short walk through Milano's museums), an artistic/therapeutic tour organised in partnership with Fondazione Manuli for people affected by Alzheimer and their families; the partnership with Casa di Carità di Milano; the creation of


a guided tour for the visually impaired and blind and art therapy projects for the psychiatric Day Hospital centre of ASL 6 (Local Health Authority), Vicenza.

### PROTECTION OF THE COUNTRY'S ARTISTIC AND CULTURAL HERITAGE


The activity aimed at the protection and enhancement of the country's artistic and cultural heritage saw the continuation of the *Restituzioni* project , a programme for the restoration of works of art belonging to the public heritage promoted and managed by Intesa Sanpaolo in collaboration with the Italian government departments responsible for architectural, archaeological and historical-artistic heritage; the 2013 edition enabled the restoration of 45 works of art (around 270 individual artefacts) coming from different locations, including archaeological sites, museums and churches. The exhibition was held in Naples at the Capodimonte Museum and at Palazzo Zevallos Stigliano and recorded over 85,000 visitors.

### EDITORIAL AND MUSICAL INITIATIVES AND THE PROTECTION OF HISTORICAL DOCUMENTARY SOURCES

The editorial and musical initiatives  promoted in 2013 were aimed at dissemination, protection and public participation. In addition to the editorial series *Vox Imago*  (dedicated to the in-depth analysis of grand opera with the 2013 edition being focused on *La Traviata* by Verdi), *Musei* and *Gallerie di Milano*, the publication of the mini-guides on historical sites continued, which this year were dedicated to Palazzo del Banco di Napoli. The integrated web management of the Group's book heritage was fine-tuned for the purposes of a widespread distribution of the publications. Significant interventions were carried out for the purposes of disseminating ancient, classical and contemporary music: in addition to the contributions for the organisation of a series of concerts, the collaboration with major music organisations for the planning of training programmes targeted at young people including disabled people and study sessions open to the general public. In 2013, the host cities of the Intesa Sanpaolo museums organised a series of seminars dedicated to lecturers and aimed at illustrating the interdisciplinary references of the *Vox Imago* series for the inclusion of the project in the ministerial educational programme. Overall, the meetings involved more than 400 teachers from junior and senior high schools.

The activities of the Historical Archive  were also aimed at promoting use of the documents stored by improving access and through the online publication of a new version of the inventory publication site. In 2013, the site was accessed over 4,000 times, 65% of which were first views. The significant increase in the web offering was also coupled with greater availability of access to the Archive's exhibition areas with the organisation of lessons, guided tours and professional seminars.

## The Savings Museum

Intesa Sanpaolo's Museo del Risparmio (Savings Museum) , based in Turin, stems from the idea of creating a unique, innovative and entertaining place dedicated to children and their families, where it is possible to approach the concept of savings and investment with a simple language. In 2013, numerous initiatives were launched in order to disseminate financial education among an increasingly wide user base by participating in high-profile events, hosting training sessions and through partnerships with local entities and associations. Some specific activities were dedicated to primary school children, including "Da Grande per un giorno" (Grown-up for a day), which involved around 40 children in a playful work, salary and savings management experience.

## COMMERCIAL INITIATIVES IN THE COMMUNITY

Within the scope of the commercial initiatives addressed to the community, the Group's interventions were mainly aimed at the furtherance of the following objectives:

- safeguarding the country's cultural heritage, by promoting and sharing the Group's artistic heritage with the public, supporting the main cultural and music initiatives and making them accessible to a wide and varied audience. These activities include collaboration with theatres and cultural festivals, such as the MITO International Music Festival and the "I Luoghi del Cuore" (Places of the heart) project, developed with FAI-Fondo per l'Ambiente Italiano (Italian environmental fund) ;
- promoting training opportunities for young people, for example with the "Cultura finanziaria a scuola" (Financial culture at school) project, implemented in 1,170 Italian high schools;
- supporting research to promote new opportunities for economic and social development through partnerships with leading foundations and institutions;
- supporting local economic growth by fostering

dialogue between the bank and businesses, promoting the Made in Italy image abroad and consolidating relations with trade associations;

- promoting sustainability as a value for businesses and a confidence factor for customers through participation in initiatives within the scope of Corporate Ethics and Social Responsibility;
- disseminating the values of sport, especially among young people.

Intesa Sanpaolo is Global Banking Partner at Expo Milano 2015, the universal exhibition dedicated to the topic Nutrire il pianeta – Energia per la Vita (Feeding the Planet – Energy for Life) which sets out to address the problem associated with human nutrition, while respecting the earth from which mankind derives vital yet exhaustible resources. Food, sustainability, research and development are the key issues on which the event is focused in an attempt to find a way to guarantee food and water for the entire population around the globe. Intesa Sanpaolo's commitment within the scope of sustainable development is entirely in line with the event's topic and bears witness to the Bank's intention to be at the forefront in taking on the most current challenges regarding social responsibility.

## MITO Settembre Musica - 7th edition

Since its launch 7 years ago, the Bank has provided its support to MITO, the International Music Festival which brings together the cities of Turin and Milan and which, through a rich programme of daily concerts accessible to all and at moderate prices makes the cities's enchanting places come alive throughout the whole of September, including those places that are not normally associated with music, including squares, courtyards and public areas. The event also involved hospitals, reception centres, nursing homes and penitentiaries. MITO Educational aims to bring young people closer to music, as well as anyone who is approaching music culture for the first time. MITO is also committed to the environment, with a special focus on ecology and carbon offsetting.

## Biennale Democrazia

This is a cultural event held in Torino which has now come to its third edition and whose primary objectives are training and dissemination of culture and education geared towards democratic practice and active citizenship, especially targeted at the young generations in order to raise awareness on civil and democratic cohabitation, economic development and shared values. The project takes shape in a series of preparatory moments and intermediate stages (school workshops, initiatives addressed to young people, discussion workshops, and specific proposals) which culminate in five days of public events every two years: lessons, debates, readings, international fora, in-depth seminars. Intesa Sanpaolo takes part in the development of the event by hosting two Financial Education seminars at the Savings Museum. In the last edition, Biennale Democrazia dedicated a special focus group to Africa, with the objective of launching a debate and evaluating scenarios for the development and democratisation of the area through the testimony of the key players of its most recent history.



# **Improvement objectives**

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# Improvement objectives

## IMPROVEMENT OBJECTIVES: THE GUIDELINES OF THE 2014-2017 BUSINESS PLAN

The commitments undertaken by Intesa Sanpaolo through the 2014-2017 Business Plan are aimed at a solid and sustainable creation and distribution of value. The main objectives for 2017 to work alongside our stakeholders are:

### THE BANK AS GROWTH DRIVER

#### Creating value

- Gradual improvement of the results until the achievement, in 2017, of a net income of 4.5 billion euro and returns above the cost of capital for each Business Unit and at Group level.

#### Real-economy Bank

- Supporting the economy by matching healthy credit demand (170 billion euro medium/long-term new lending in the Plan's time frame);
- revenues from proprietary trading activities below 1%;
- responsible management of customers' financial assets.

### HOW WE DO BUSINESS


- Bank focused on an established divisional model and committed to strengthening and simplifying the current Banca dei Territori model, taking into account the evolution of customers' demands;
- international bank playing the role of the "Local Bank abroad" for Italian companies;
- simple and innovative bank and development of an integrated multi-channel model.

### OUR PEOPLE

- Technical and management training for professional skill development: 5 million cumulative training days and investments of over 1 billion euro in the four-year period;
- inter-functional and international career paths;
- leadership development: career advancement paths for colleagues with coordination duties;
- internal policies and communications to foster a Group culture based on outstanding services and support for families and businesses;
- internal policies for the enhancement of the corporate welfare and employment support;
- around 4,500 people involved in professional re-allocation and requalification initiatives to support the development of the new business initiatives under the Plan.

### THE BANK IN THE COMMUNITY

- Around 10 billion euro of (direct and indirect) tax will be paid in the four-year period;
- around 1.2 billion euro of medium/long-term lending to support social ventures.

We shall publish, on the website of Intesa Sanpaolo, under the Sustainability  section, a document containing the stakeholders' requests resulting from the 2013 engagement processes and the objectives pursued by the internal departments.

# Indicators



# Key indicators<sup>1</sup>

<b>Economic indicators</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
Loans to customers [million euro]	343,991	376,625	376,744
Direct customer deposits [million euro]	372,033	380,353	359,991
Direct deposits from insurance business and technical reserves [million euro]	93,493	81,766	73,119
Consolidated shareholders' equity [million euro]	44,515	49,613	47,040
Consolidated net income [million euro]	-4,550	1,605	-8,190
Total assets [million euro]	626,283	673,472	639,221
Generated Economic value <sup>2</sup> [million euro]	12,683	14,073	12,615
Distributed Economic value <sup>3</sup> [million euro]	11,539	11,731	14,516
<b>Social indicators</b>			
Customers [millions]	19.6	19.2	19.0
Complaints [No.]	108,356	103,677	104,569
Customers involved in customer satisfaction activities [No.]	281,865	139,187	412,500
Employees [No.]	93,212	95,402	97,862
Staff turnover rate [%]	-2.3	-3.9	-1.8
Training hours provided (classroom + remote) <sup>4</sup>	4,084,788	4,434,594	4,132,268
Training hours per employee	43.8	46.5	42.2
Female management/total management ratio [%]	22.4	21.6	21.6
Community contributions [million euro] <sup>5</sup>	58.2	-	-
Community contributions: % on operating result before tax <sup>6</sup>	2.3	-	-
<b>Environmental indicators</b>			
CO <sub>2</sub> emissions per employee - excluding corporate fleet [Kg]	1,039	1,037	1,055
Electricity consumption per employee [kWh]	5,300	5,638	5,797
Paper consumption per employee [Kg]	89	92	92

1. Economic indicators refer to the scope of consolidation for the Consolidated Financial Statements, whilst social and environmental indicators were based on the Sustainability Report boundary which includes operational companies with an impact on sustainability reporting.

2. The generated economic value expresses the value of the wealth produced in the year as required by the Global Reporting Initiative, GRI-G3 guidelines. For more details see the Chapter "Protecting solidity and profitability".

3. The distributed economic value is the share of generated economic value attributed to the different stakeholders. For more details see the Chapter "Calculation and distribution of economic value".

4. Does not include WebTV training

5. Indicator introduced in 2013 following adherence to London Benchmarking Group. Includes cash donations, goods and services donated to the community, contributions in terms of time and operating costs.

6. Current result net of taxes, equal to 2,489 million euro, presented in the reclassified Profit and Loss Account included in the Intesa Sanpaolo 2013 Report.

# Main economic and financial indicators<sup>1</sup>

<b>Personnel efficiency indicators [million euro]</b>	<b>2013</b>	<b>2012</b>
Loans to customers / Number of employees	3.67	3.92
Operating income / Number of employees	0.17	0.19
Customer financial assets <sup>2</sup> / Number of employees	8.56	8.26

<b>Balance sheet indicators</b>		
Shareholders' equity / Loans to customers	12.9%	13.1%
Shareholders' equity / Customer financial assets <sup>2</sup>	5.5%	6.2%

<b>Capital ratios<sup>3</sup></b>		
Core Tier 1 ratio (Tier 1 capital net of non-eligible instruments / risk-weighted assets)	11.3%	11.2%
Tier 1 ratio (Tier 1 capital / risk-weighted assets)	12.2%	12.1%
Total capital ratio (regulatory capital / risk-weighted assets)	14.8%	13.6%

<b>Profit indicators</b>		
Parent Company net income / Average shareholders' equity	-9.7%	3.3%
Operating costs / Operating income (Cost income ratio)	51.3%	49.8%

<b>Risk indicators</b>		
Net doubtful loans to customers / Loans to customers	3.8%	3.0%
Net substandard and restructured loans to customers / Loans to customers	4.7%	3.8%
Adjustments to doubtful loans to customers / Gross doubtful loans to customers	62.5%	60.5%

1. The indicators were calculated with reference to reclassified statements and figures published in the Intesa Sanpaolo Group's 2013 consolidated financial statements. The 2012 figures were restated where necessary to take into account changes in the scope of consolidation.

2. Customer financial assets: direct deposits from banking business, direct deposits from insurance business and technical reserves and indirect deposits, after netting, referred to components of indirect deposits which are also included in direct deposits.

3. The ratios were calculated using the methodology set out in the Basel II Accord.

# Statement of calculation and distribution of Economic Value

FINANCIAL STATEMENT CAPTIONS		[million euro]		
		2013	2012	2011
10.	Interest and similar income	17,403	19,700	19,149
20.	Interest and similar expense	-7,518	-8,418	-7,762
40.	Fee and commission income	7,435	6,641	6,298
50.	Fee and commission expense <sup>1</sup>	-1,079	-1,050	-851
70.	Dividends and similar income	250	507	542
80.	Profits (Losses) on trading	597	549	-204
90.	Fair value adjustments in hedge accounting	-28	-8	-8
100.	Profits (Losses) on disposal or repurchase of:	728	1,348	753
	a) loans	1	-3	-16
	b) financial assets available for sale	739	270	590
	c) investments held to maturity	-2	-14	-1
	d) financial liabilities	-10	1,095	180
110.	Profits (Losses) on financial assets and liabilities designated at fair value	492	1,294	-210
130.	Net adjustments to/recoveries on impairment of:	-7,005	-4,521	-5,021
	a) loans	-6,597	-4,308	-4,229
	b) financial assets available for sale	-296	-161	-776
	c) investments held to maturity	0	1	-2
	d) other financial activities	-112	-53	-14
150.	Net insurance premiums	11,921	5,660	9,260
160.	Other net insurance income (expense)	-13,750	-8,145	-10,016
220.	Other operating expenses (income)	643	486	494
240. (Parzial)	Profits (Losses) on investments in associates and companies subject to joint control (realised gains/losses) <sup>2</sup>	2,579	0	20
270.	Profits (Losses) on disposal of investments	15	30	171
310.	Income (Loss) after tax from discontinued operations	0	0	0
<b>A</b>	<b>Total economic value generated</b>	<b>12,683</b>	<b>14,073</b>	<b>12,615</b>

1. The figures differ from those of the income statement in the annual report as remuneration to the financial advisors networks was reclassified to "Personnel expenses".  
 2. The figures differ from those of the income statement in the annual report due to the exclusion of realised gains/losses, now recognised in a separate caption.

FINANCIAL STATEMENT CAPTIONS		[million euro]		
		2013	2012	2011
180.b (partial)	Other administrative expenses (net of indirect taxes and donations) <sup>3</sup>	-2,647	-2,799	-2,950
	ECONOMIC VALUE DISTRIBUTED TO SUPPLIERS	-2,647	-2,799	-2,950
180.a	Personnel expenses <sup>4</sup>	-5,503	-6,031	-6,650
	ECONOMIC VALUE DISTRIBUTED TO EMPLOYEES	-5,503	-6,031	-6,650
330.	Minority interests	7	-49	-63
	ECONOMIC VALUE DISTRIBUTED TO THIRD PARTIES	7	-49	-63
340. (parzial)	Parent Company net income - Share allocated to Shareholders <sup>5</sup>	-822	-832	-822
	ECONOMIC VALUE DISTRIBUTED TO SHAREHOLDERS	-822	-832	-822
180.b (parzial)	Other administrative expenses: indirect taxes	-879	-714	-663
290. (parzial)	Income taxes for the year (current taxes) <sup>6</sup>	-1,693	-1,303	-3,361
	ECONOMIC VALUE DISTRIBUTED TO THE GOVERNMENT, ORGANISATIONS AND INSTITUTIONS	-2,572	-2,017	-4,024
180.b (parzial)	Other administrative expenses: donations and gifts	-2	-2	-3
340. (parzial)	Parent Company net income (loss) - Share allocated to charities <sup>7</sup>	0	-1	-4
	ECONOMIC VALUE DISTRIBUTED TO COMMUNITY AND ENVIRONMENT	-2	-3	-7
<b>B</b>	<b>Total economic value distributed</b>	<b>-11,539</b>	<b>-11,731</b>	<b>-14,516</b>
<b>C</b>	<b>Total economic value retained (withdrawn) by the corporate system<sup>8</sup></b>	<b>1,144</b>	<b>2,342</b>	<b>-1,901</b>

3. The figures differ from those of the income statement in the annual report due to the exclusion of indirect taxes and donations and gifts, now recognised in a separate caption.

4. The figures differ from those of the income statement in the annual report as they also include remuneration paid to the financial agents networks. For 2013 the amount includes 77 million euro relating to charges for exit incentives (144 million euro in 2012).

5. For 2013 and 2012 the economic value distributed to shareholders was drawn from reserves.

6. The figures differ from those of the income statement in the annual report due to the exclusion of deferred tax assets and liabilities, now recognised in a separate caption.

7. The figures include amounts allocated to the charity funds operated by Group banks.

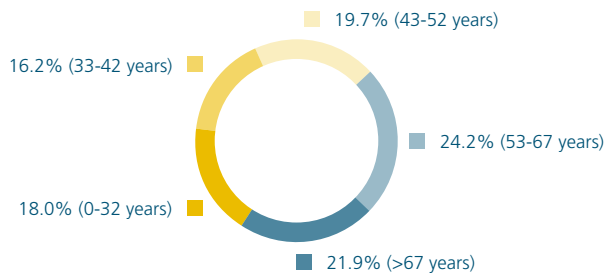
8. Net adjustments to/recoveries and provisions, deferred tax assets and liabilities and consolidated income net of dividends of the Parent Company.

# Customers

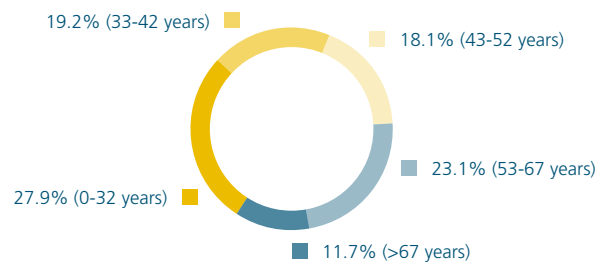
## COMPOSITION

### Retail customers by age group: years [%]

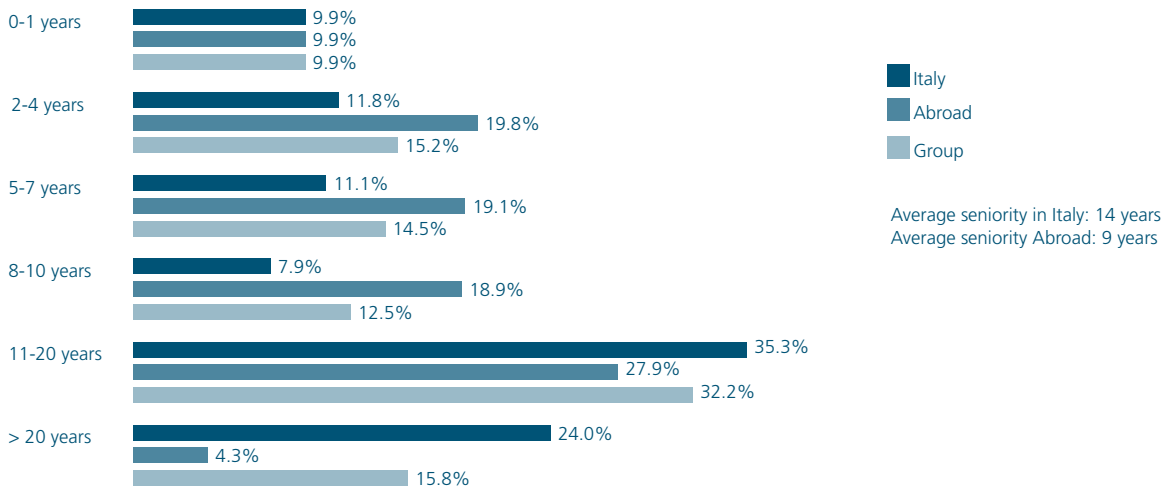
#### Italy



#### Abroad



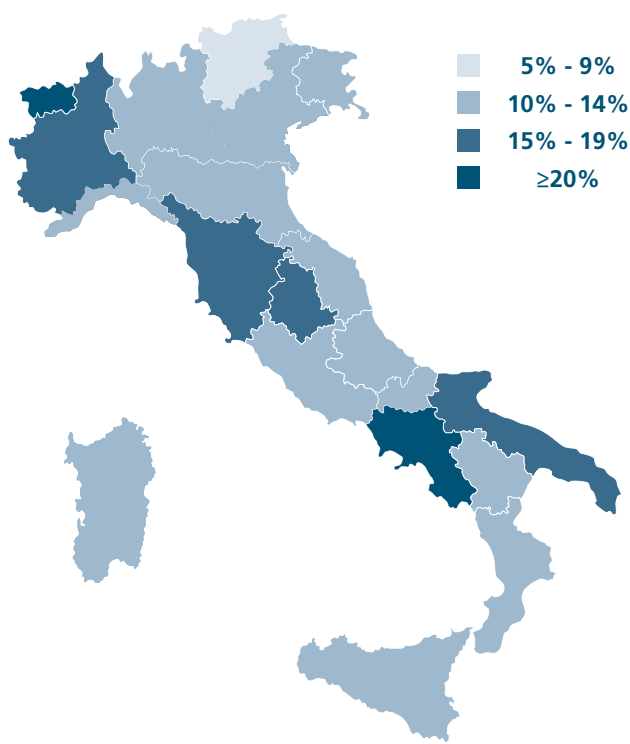
### Retail customers by seniority [years]



## BRANCH OFFICE MARKET SHARE IN ITALIAN REGIONS

In Italy, Intesa Sanpaolo has an extensive, well distributed network of branches with a market share not less than 13% in most of the Italian regions. There are more than 4,700 Italian branches.

Abroad, the Group has over 1,400 branches in 12 Central and Eastern European countries and in the Mediterranean countries.



Figures as at December 2013

Presence in Italian regions with a low density population*	2013		2012		2011	
	Branches	Atms	Branches	Atms	Branches	Atms
Molise	15	24	22	27	22	26
Sardegna	94	141	101	142	100	143
Basilicata	26	27	32	34	34	36
Valle d'Aosta	28	46	28	45	29	47

Presence in Italian regions with a low density population*	Change 2013/2012		Change 2012/2011	
	Branches	Atms	Branches	Atms
Molise	-31.8%	-11.1%	0.0%	3.8%
Sardegna	-6.9%	-0.7%	1.0%	-0.7%
Basilicata	-18.8%	-20.6%	-5.9%	-5.6%
Valle d'Aosta	0.0%	2.2%	-3.4%	-4.3%

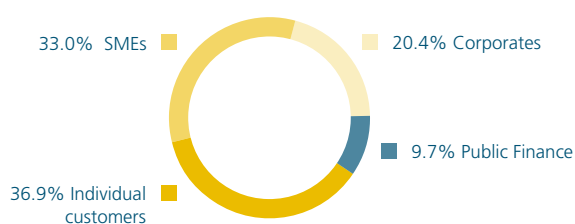
\* Source: ISTAT 2011, Changes and calculation of the annual resident population; changes in areas, municipality names, calculation of municipal areas. The regions considered are those with less than 100 inhabitants per Km<sup>2</sup>.

Presence in foreign countries	2013		2012		2011	
	Branches	Atms	Branches	Atms	Branches	Atms
Albania	31	55	31	59	31	58
Bosnia & Herzegovina	51	82	54	90	53	87
Croatia	203	657	211	670	217	655
Romania	76	88	86	95	77	80
Serbia	192	255	199	257	208	259
Slovakia	239	573	242	566	245	560
Slovenia	52	95	54	93	55	93
Hungary	95	156	108	171	128	186
Egypt	174	275	200	262	200	251
Russian Federation	69	65	76	68	75	68
Ukraine	260	316	259	309	342	313

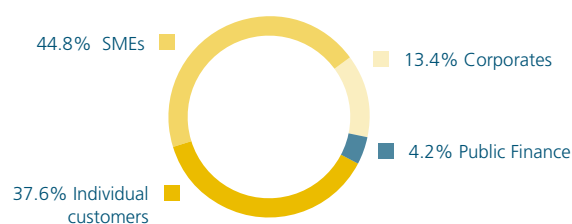
Presence in foreign countries	Change 2013/2012		Change 2012/2011	
	Branches	Atms	Branches	Atms
Albania	0.0%	-6.8%	0.0%	1.7%
Bosnia & Herzegovina	-5.6%	-8.9%	1.9%	3.4%
Croatia	-3.8%	-1.9%	-2.8%	2.3%
Romania	-11.6%	-7.4%	11.7%	18.8%
Serbia	-3.5%	-0.8%	-4.3%	-0.8%
Slovakia	-1.2%	1.2%	-1.2%	1.1%
Slovenia	-3.7%	2.2%	-1.8%	0.0%
Hungary	-12.0%	-8.8%	-15.6%	-8.1%
Egypt	-13.0%	5.0%	0.0%	4.4%
Russian Federation	-9.2%	-4.4%	1.3%	0.0%
Ukraine	0.4%	2.3%	-24.3%	-1.3%

### Loans to customer by type [%]

#### Italy

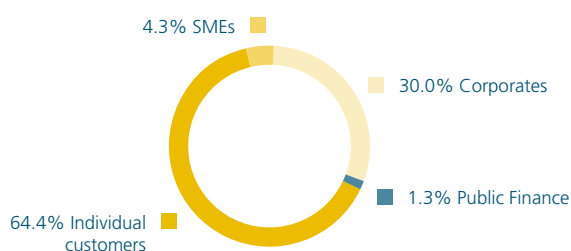


#### Abroad

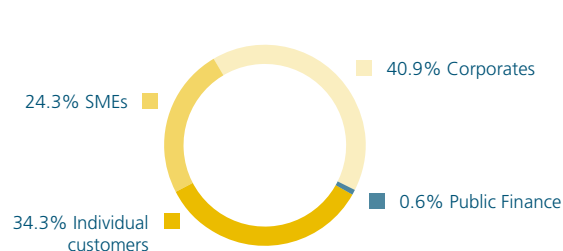


### Due to customers by type [%]

#### Italy

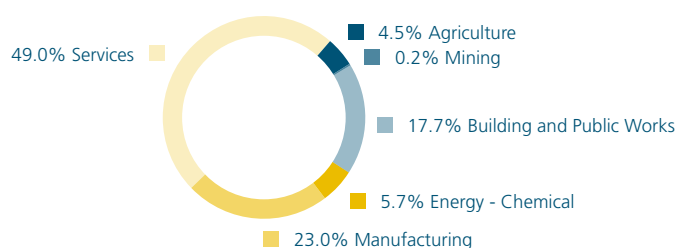


#### Abroad





## Loans by industrial sector: Italy 2013



Ethical funds	2013	2012	2011
Ethical Funds: assets [thousands euro]	404,828	378,171	350,800
Ethical international equity assets [thousands euro]	80,382	76,039	85,800
Ethical bond assets [thousands euro]	230,235	216,373	181,100
Ethical diversified assets [thousands euro]	94,211	85,758	83,900
Ethical international equity performance [%]	25.2	10.2	-8.2
Ethical bond performance [%]	3.6	12.0	2.7
Ethical diversified performance [%]	6.1	9.9	-0.6
Percentage of ethical funds over total assets of funds [%]	0.5	0.5	0.5

The return on ethics system funds is interesting, especially for the consolidation of the excellent performance of the previous year

## PUBLIC ADMINISTRATION

Loans to socially useful sectors [milioni di euro]	2013	2012	2011
	Italy	Italy	Italy
Water/energy/environment	53	251	237
ASL and health/assistance/cultural structures	11	611	130
Local public services	107	71	177
Local public transport	0	29	11
Universities	0	134	4
Infrastructures	315	261	437
Other sectors	10	775	1,662
of which:			
Municipalities	10	225	139
Regions	0	27	10
Provinces	0	55	31
Companies and entities benefiting from state loans	0	48	108
Ministries and other state entities	0	261	646
Other	0	159	728
<b>Total</b>	<b>496</b>	<b>2,132</b>	<b>2,658</b>
	<b>Abroad</b>	<b>Abroad</b>	<b>Abroad</b>
Water/energy/environment	0	58	93
Infrastructures	13	8	76
Other sectors	13	38	264
of which:			
Central government and state entities	0	0	4
Financial intermediaries	0	0	0
State-controlled companies	13	38	260
<b>Total</b>	<b>26</b>	<b>105</b>	<b>433</b>

## CUSTOMER SATISFACTION: CUSTOMERS IN ITALY BENCHMARK SURVEY ON INDIVIDUAL CUSTOMERS\*

	Index	2013	
		Banking industry	Intesa Sanpaolo Group
<b>Individual customers in Italy</b>			
Instinctive satisfaction	NSI	12	8
Branch office staff	NSI	34	33
Branch			
Branch environment and climate	NSI	21	24
Privacy in doing transactions at the branch	NSI	32	35
Branch organisation and efficiency	NSI	12	14
Investments	NSI	11	10
ATM'S	NSI	33	39
Internet banking	NSI	53	56
App Mobile banking	NSI	43	35
Phone banking	NSI	41	34
Contact Center	NSI	25	26
Rational satisfaction	NSI	24	24
Likelihood to recommend the bank (word of mouth)	NRI	9	6
<b>Customers interviewed [No.]</b>		<b>11,136</b>	<b>2,964</b>

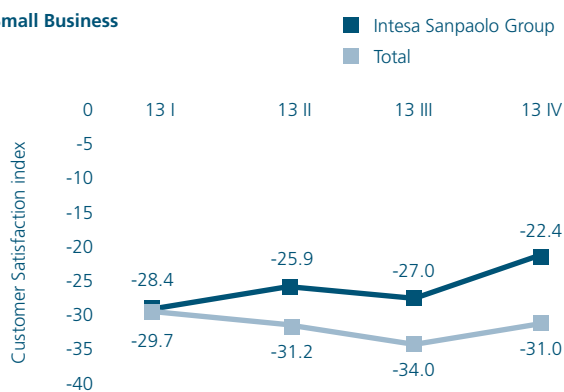
NSI=Net Satisfaction Index, equal to the percentage satisfied (rating of 9-10) less the percentage dissatisfied (rating 1-6).

NRI=Net Recommendation Index, equal to the percentage of promoters (rating of 9-10 to the likelihood to recommend the bank) less the percentage of dissatisfied (rating 0-6).

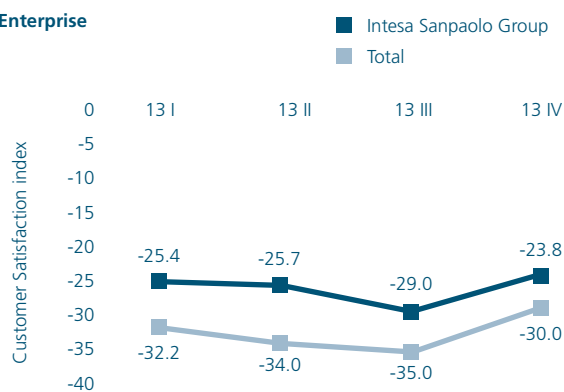
\* In 2013, the Private Benchmark survey was amended: the focus of the research moved from products/services to various Touch Points. This different approach, therefore, does not allow comparison with previous years.

## BENCHMARK SURVEY ON SMALL BUSINESSES AND ENTERPRISES

Small Business



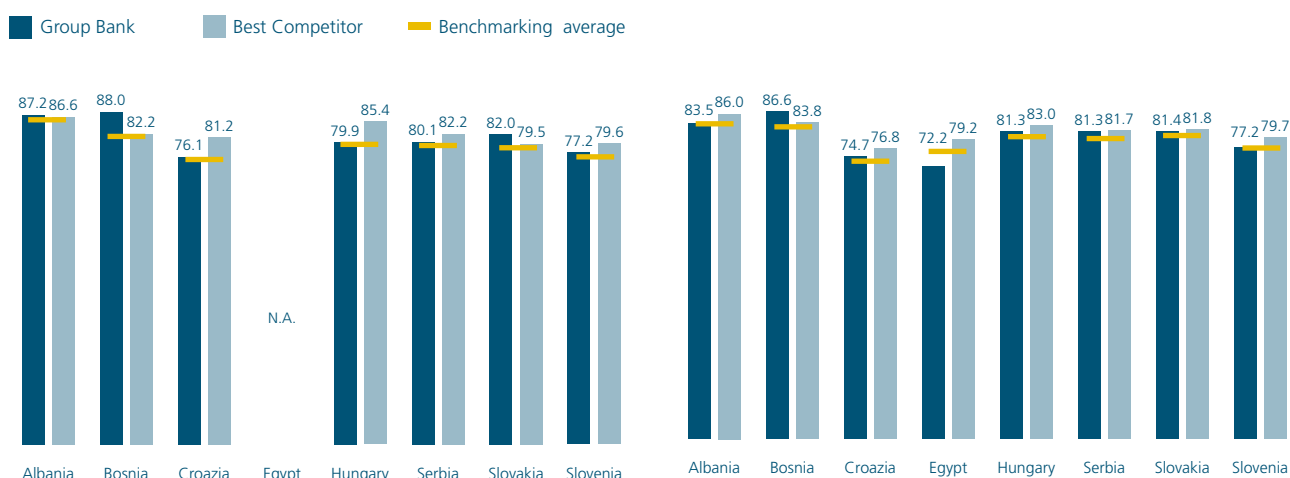
Enterprise



## CUSTOMER SATISFACTION: INTERNATIONAL SUBSIDIARY BANKS' CUSTOMERS

### ECSI second half 2013

### ECSI first half 2013



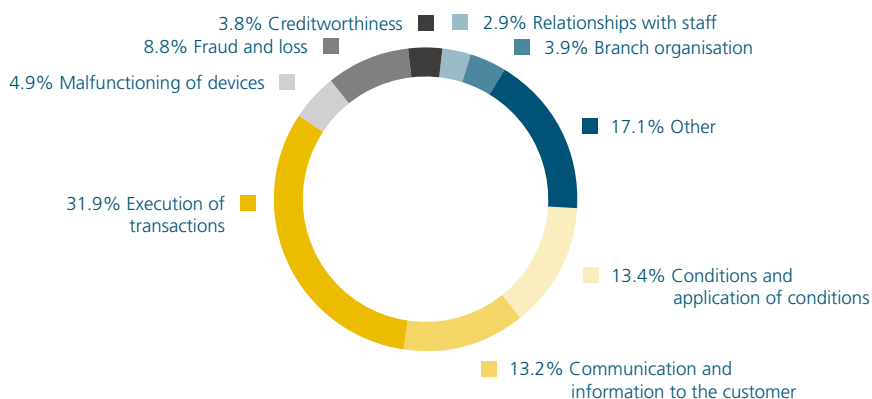
Intesa Sanpaolo Group's International Subsidiary Banks compared with their best competitors and the benchmark average in their respective markets.  
Calculation method: European Customer Satisfaction Index (ECSI)

## COMPLAINTS

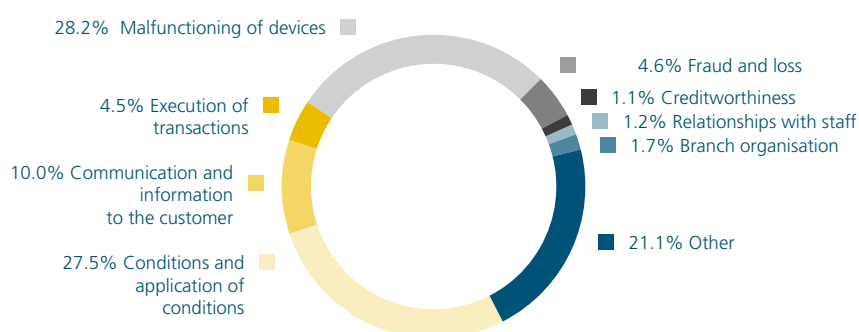
Complaints by type	2013		2012		2011	
	Italy	Abroad	Italy	Abroad	Italy	Abroad
Investment services complaints	1,694	581	2,102	559	3,428	647
securities in default	309	251	665	171	1,476	84
structured securities	10	47	32	61	28	47
Cheques and collection orders	1,579	62	1,793	50	1,910	44
Bank transfers, salaries and pensions	4,078	9,439	3,117	8,032	1,961	7,681
Cards	3,229	20,168	3,020	21,260	3,306	15,811
Credits	6,241	6,424	4,717	5,967	3,309	6,613
Current accounts and deposits	5,384	13,379	6,026	13,860	6,286	16,860
Mortgages and special loans	3,578	2,994	1,853	4,088	1,628	3,723
Insurance products	3,436	814	5,001	632	4,968	717
Remote banking	461	9,304	414	8,623	255	10,232
Other	3,829	11,682	2,696	9,867	3,740	11,450
<b>Total</b>	<b>33,509</b>	<b>74,847</b>	<b>30,739</b>	<b>72,938</b>	<b>30,791</b>	<b>73,778</b>

## Complaints by reason [%]

## Italy



## Abroad



Other complaints	2013		2012		2011	
	Italy	Abroad	Italy	Abroad	Italy	Abroad
Ethical	70	25	162	25	139	31
For privacy	184	278	172	67	163	75
For anatocism	1,573	1	979	2	818	2

## CONTROVERSIAL SECTORS

## Summary of data on authorisations issued for exports listed in the Parliamentary Report [million euro]

	2006	2007	2008	2009	2010	2011	2012	2013
Sanpaolo IMI Group	448.3							
Banca Intesa Group	46.9							
Intesa Sanpaolo Group		198.2	177.6	186.1	1	0.004	0	n.d.
<b>Pro-forma total</b>	<b>495.2</b>	<b>198.2</b>	<b>177.6*</b>	<b>186.1*</b>	<b>1.0*</b>	<b>0.004</b>	<b>0</b>	<b>n.d.</b>

\* excluding figures for CR La Spezia, sold on 2/1/2011 (87.5 million euro in 2008; 47.2 million euro in 2009; 38.4 million euro in 2010)

## Inter-governmental programmes: amounts reported by the Bank to the Ministry of Economy and Finance [million euro]

	2006	2007	2008	2009	2010	2011	2012	2013
Sanpaolo IMI Group	558.3							
Banca Intesa Group								
Intesa Sanpaolo Group		341.2	668.9	806.1	180	95	126	n.d.
<b>Pro-forma total</b>	<b>558.3</b>	<b>341.2</b>	<b>668.9</b>	<b>806.1</b>	<b>180</b>	<b>95</b>	<b>126</b>	<b>n.d.</b>

Source: Report to Parliament

# Employees

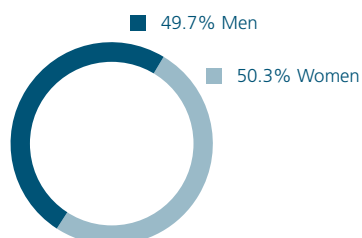
## STAFF BREAKDOWN

Employees by category and gender [%]	2013		2012		2011	
	Italy	Abroad	Italy	Abroad	Italy	Abroad
Senior Managers	1.5	2.1	1.6	2.2	1.5	2.2
Men	1.3	1.3	1.4	1.4	1.3	1.4
Women	0.2	0.8	0.2	0.8	0.2	0.8
Middle and Junior Managers	42.2	22.4	42.1	21.9	41.5	21.5
Men	25.5	13.7	25.5	13.4	25.7	13.2
Women	16.7	8.7	16.6	8.5	15.9	8.3
Clerical Staff	56.4	75.5	56.3	75.9	56.9	76.3
Men	22.9	21.7	23.1	22.2	23.6	22.0
Women	33.4	53.8	33.2	53.7	33.3	54.3

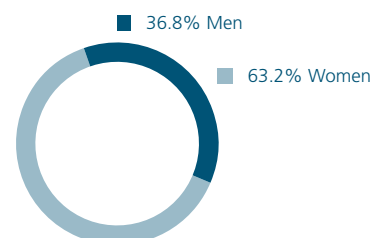
Intesa Sanpaolo figures regarding the percentage of employees by category are in line with Italian banking industry figures: senior managers (2.2%), middle and junior managers (40%) and clerical staff (57.8%).

## Breakdown of employees by gender

### Italy



### Abroad



Women employed in the Italian banking system represent 44.0% of total employees, compared to 56.0% of men. The Intesa Sanpaolo data show an even distribution.

Average age of employees	2013		2012		2011	
	Italy	Abroad	Italy	Abroad	Italy	Abroad
Men	47.0	42.3	46.2	41.5	45.9	41.1
Women	43.6	38.1	42.8	37.6	42.1	36.8
Senior Managers	51.4	43.9	51.0	43.2	50.5	42.9
Middle and Junior Managers	48.5	45.1	47.7	44.7	47.4	43.8
Clerical staff	42.7	38.0	41.9	37.3	41.5	36.7

Intesa Sanpaolo and the Italian Industry figures for the major banks are comparable: men (45.8 years), women (42.8 years), senior managers (50.1 years), middle and junior managers (47.7 years) and clerical staff (43.6).

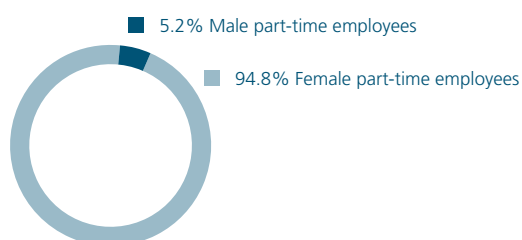
In the International Subsidiary Banks, the CEOs are all local residents and 5 out of 11 are nationals of the country of operations. On average, 80% of the first managerial level is made up of local staff. All figures referring to the Italian banking system are taken from: ABI (2013) Rapporto 2013 sul mercato del lavoro nell'industria finanziaria, Bancaria Editrice.

Part-time employees by gender [%]	2013		2012		2011	
	Italy	Abroad	Italy	Abroad	Italy	Abroad
Part-time employees/total employees	13.6	0.6	12.3	0.6	11.7	0.6
Male part-time employees	5.2	10.7	4.4	8.6	4.5	8.9
Female part-time employees	94.8	89.3	95.6	91.4	95.5	91.1

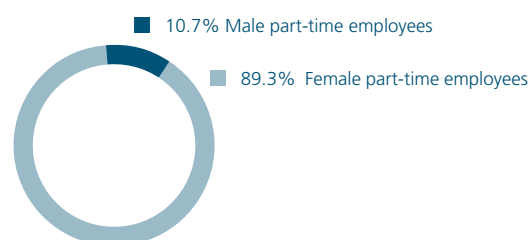
In Italy part-time employees reach 13.6%, four points above the Italian banking industry figure (9.3%)

## Part-time employees by gender [%]

### Italy



### Abroad



Employees by type of contract [%]	2013		2012		2011	
	Italy	Abroad	Italy	Abroad	Italy	Abroad
Permanent contracts	98.6	91.2	98.1	91.3	97.1	92.0
Non-permanent contracts	0.1	8.6	0.1	8.5	0.2	7.8
Apprenticeship	0.6	0.2	0.9	0.2	1.7	0.2
New recruits	0.0	-	0.0	-	0.2	-
Employment contract - apprentices	0.4	-	0.5	-	0.5	-
Employment contract - permanent	0.2	-	0.2	-	0.2	-

The Italian Industry figures for bank employees are the following: permanent contracts (98.1%), non-permanent (0.52%), apprenticeships (1.2%) and new recruits (0.1%).

Employees by level of education and gender [%]	2013		2012		2011	
	Italy	Abroad	Italy	Abroad	Italy	Abroad
University graduates	32.2	66.4	31.3	65.8	30.8	65.1
Men	15.7	25.3	15.3	25.7	15.1	25.1
Women	16.5	41.0	16.0	40.1	15.7	40.0
High school graduates	60.2	28.0	60.6	28.7	61.6	29.1
Men	29.0	7.8	29.3	7.7	30.3	7.8
Women	31.3	20.2	31.3	21.0	31.3	21.3
Other	7.6	5.6	8.1	5.6	7.6	5.8
Men	5.1	3.7	5.4	3.6	5.3	3.7
Women	2.5	2.0	2.7	1.9	2.3	2.1

Intesa Sanpaolo and the Italian Industry figures for academic qualifications in the major banks are comparable: graduates and post-graduates (34.7%), high school graduates (58.8%), other (6.5%).

Average employee seniority [years]	2013		2012		2011	
	Italy	Abroad	Italy	Abroad	Italy	Abroad
Men	20.6	14.5	20.0	13.5	19.8	12.8
Women	18.7	10.5	17.9	9.8	17.4	9.4
Senior Managers	19.2	11.8	18.9	10.6	19.0	10.1
Middle and Junior Managers	23.0	17.8	22.4	17.1	22.1	16.4
Clerical staff	17.1	10.2	16.4	9.5	16.1	9.1

Number of employees belonging to protected categories [%]	2013		2012		2011	
	Italy	Abroad	Italy	Abroad	Italy	Abroad
Disabled	4.5	1.2	4.4	1.2	4.3	1.1
Protected categories	1.6	0.6	1.7	0.5	1.7	0.7

Breakdown of employees by age [%]	2013		2012		2011	
	Italy	Abroad	Italy	Abroad	Italy	Abroad
<=30	5.5	21.8	7.1	24.5	9.1	28.9
31-50	62.3	59.2	63.6	58.2	62.6	55.3
>50	32.2	19.0	29.3	17.3	28.3	15.9

The Italian Industry figures for the percentage breakdown of bank employees by age range are: <30 (7.2%), 31-50 (61.3%), >50 (31.5%).

Recruitments by gender and age	2013		2012		2011	
	Italy	Abroad	Italy	Abroad	Italy	Abroad
Total	346	2,400	467	2,512	942	3,071
Men	214	741	251	858	488	1,112
Women	132	1,659	216	1,654	454	1,959
<=30	174	1,576	232	1,671	621	2,007
31-50	159	769	219	802	304	1,018
>50	13	55	16	39	17	46

Recruitments by gender and age [%]	2013		2012		2011	
	Italy	Abroad	Italy	Abroad	Italy	Abroad
Men	0.7	7.2	0.8	8.0	1.4	10.1
Women	0.4	9.4	0.7	9.0	1.4	10.2
<=30	4.9	25.8	4.9	23.4	10.1	23.0
31-50	0.4	4.6	0.5	4.7	0.7	6.1
>50	0.1	1.0	0.1	0.8	0.1	1.0

Terminations by gender and age	2013		2012		2011	
	Italy	Abroad	Italy	Abroad	Italy	Abroad
Total	1,504	3,443	3,212	3,717	2,185	3,637
Men	955	1,184	2,137	1,164	1,446	1,175
Women	549	2,259	1,075	2,553	739	2,462
<=30	92	1,413	198	1,884	453	1,844
31-50	297	1,583	310	1,391	460	1,388
>50	1,115	447	2,704	442	1,272	405



Termination rate by gender and age [%]	2013		2012		2011	
	Italy	Abroad	Italy	Abroad	Italy	Abroad
Total	2.3	12.3	4.8	12.8	3.2	12.1
Men	2.9	11.5	6.5	10.8	4.2	10.7
Women	1.7	12.8	3.2	13.9	2.2	12.9
<=30	2.6	23.2	4.2	26.3	7.4	21.2
31-50	0.7	9.5	0.7	8.2	1.1	8.3
>50	5.3	8.4	13.9	8.8	6.6	8.5

Turnover by gender and age	2013		2012		2011	
	Italy	Abroad	Italy	Abroad	Italy	Abroad
Total	-1,158	-1,043	-2,745	-1,205	-1,243	-566
Men	-741	-443	-1,886	-306	-958	-63
Women	-417	-600	-859	-899	-285	-503
<=30	82	163	34	-213	168	163
31-50	-138	-814	-91	-589	-156	-370
>50	-1,102	-392	-2,688	-403	-1,255	-359

Turnover rate by gender and age [%]	2013		2012		2011	
	Italy	Abroad	Italy	Abroad	Italy	Abroad
Total	-1.7	-3.6	-4.0	-4.0	-1.8	-1.8
Men	-2.2	-4.1	-5.4	-2.8	-2.7	-0.6
Women	-1.3	-3.3	-2.5	-4.7	-0.8	-2.6
<=30	2.3	2.7	0.7	-2.9	2.8	1.9
31-50	-0.3	-4.7	-0.2	-3.4	-0.4	-2.2
>50	-5.0	-6.9	-12.2	-7.4	-6.2	-7.0

## EMPLOYEES' ENHANCEMENT

Number of promotions by gender	2013		2012		2011	
	Italy	Abroad	Italy	Abroad	Italy	Abroad
Total	949	1,655	4,765	2,222	8,520	3,722
Men	588	783	1,843	1,082	3,485	2,071
Women	361	872	2,922	1,140	5,035	1,651
Percentage of employees promoted	1%	6%	7%	8%	13%	12%

Basic average gross salary by category and gender [thousands euro]	2013		2012		2011	
	Italy	Abroad	Italy	Abroad	Italy	Abroad
Senior Managers	138.8	61.1	139.3	59.1	138.8	55.0
Men	141.8	68.1	141.7	64.8	141.1	60.2
Women	120.7	48.8	125.0	48.4	123.0	45.6
Middle and Junior Managers	52.4	22.2	52.4	22.0	52.7	21.4
Men	55.1	21.4	55.1	21.7	55.2	20.4
Women	48.3	23.5	48.4	22.3	48.6	23.1
Clerical staff	33.8	11.7	33.9	11.3	33.9	10.9
Men	35.5	12.8	35.6	12.8	35.6	11.9
Women	32.6	11.2	32.8	10.7	32.7	10.5

Within the Group, the minimum remuneration applied for new recruits is that laid down by the national collective bargaining agreement (CCNL) for the various personnel categories. Abroad, the minimum remuneration is linked to the particular country's own regulations, as well as to the relative cost of living. Basic pay levels for female staff are not different, in comparable grade or seniority terms, from those of male staff.

Remuneration by category and gender* [€/000]	2013		2012		2011	
	Italy	Abroad	Italy	Abroad	Italy	Abroad
Male Senior Managers	178.7	79.4	167.7	76.1	198.5	76.7
Female Senior Managers	146.6	56.4	144.6	57.6	168.8	55.8
Male Middle and Junior Managers	57.9	23.4	57.6	23.5	58.7	22.1
Female Middle and Junior Managers	50.1	25.3	50.2	23.9	50.8	25.4
Male clerical staff	36.0	13.7	36.2	13.7	36.2	12.9
Female clerical staff	33.1	12.2	33.3	11.4	33.1	11.8
Average annual remuneration of all employees	45.0	16.6	45.0	15.8	45.7	15.9

\* Includes the basic gross average remuneration and the variable component.

Performance appraisal	2013	2012	2011
	Abroad	Abroad	Abroad
Percentage of employees subject to the annual performance appraisal	72.1%	79.3%	73.5%
men	85.4%	n.d.	n.d.
women	64.4%	n.d.	n.d.
Number of employees subject to the annual performance appraisal	20,200	23,094	22,165
men	8,794	n.d.	n.d.
women	11,406	n.d.	n.d.

In Italy all employees are subject to the performance appraisal. In 2012 and 2013 in the International Subsidiary Banks figures were not recorded by gender.

Breakdown of branch employees by category and gender [%]	2013		2012		2011	
	Italy	Abroad	Italy	Abroad	Italy	Abroad
Managers	10.5	10.3	11.6	10.1	11.6	9.3
Men	7.3	4.4	8.1	4.3	8.1	4.2
Women	3.2	5.9	3.5	5.8	3.5	5.1
Family bankers	62.1	53.3	60.9	49.8	53.0	51.9
Men	23.6	12.4	23.2	11.8	20.3	17.3
Women	38.4	40.9	37.8	38.0	32.7	34.6
Other	27.4	36.4	27.5	40.1	35.4	38.8
Men	13.1	11.4	13.3	12.0	17.3	9.2
Women	14.3	25.0	14.2	28.1	18.1	29.6

## TRAINING

Training by content [%]	2013		2012		2011	
	Italy	Abroad	Italy	Abroad	Italy	Abroad
Managerial	8.1	11.0	10.7	13.9	21.7	12.7
Commercial	4.1	16.4	5.1	26.9	11.7	19.5
Operative	11.3	23.9	13.7	18.3	14.7	14.2
Credit	9.0	10.2	5.4	9.1	5.9	16.2
Finance	37.4	4.4	35.0	3.3	31.1	4.8
Abroad	1.0	0.3	0.3	0.2	1.2	0.1
Computer	3.0	10.1	1.1	7.1	2.5	6.8
Specialist	22.4	19.0	24.8	14.1	6.6	16.3
Linguistic	3.8	4.6	3.9	7.0	4.7	9.3

Subsidies and benefits received related to employees [thousands euro]	2013		2012		2011	
	Italy	Abroad	Italy	Abroad	Italy	Abroad
Subsidies and benefits received - related to employees	13,257	2,051	20,591	2,253	10,228	2,083
Subsidies and benefits received - employees: amount related to funded training (Italy only)	12,917	-	12,967	-	0	-
Subsidies and benefits received - employees : other	341	2,051	7,624	2,253	0	0

Training costs [thousands euro]	2013		2012		2011	
	Italy	Abroad	Italy	Abroad	Italy	Abroad
Training costs	25,400,000	5,300,000	36,700,000	5,700,000	30,900,000	5,300,000
Traning costs per employee	389	185	552	192	447	171

Specific anti-corruption training [%]	2013		2012		2011	
	Italy	Abroad	Italy	Abroad	Italy	Abroad
Senior Managers	24.6%	7.7%	65.4%	40.0%	25.6%	4.2%
Middle and Junior Managers	41.6%	33.4%	84.6%	38.0%	22.9%	27.6%
Clerical Staff	43.9%	30.8%	77.9%	30.4%	23.3%	30.4%
Participants	42.7%	30.9%	80.5%	32.3%	23.2%	29.2%
Number of hours for specific training	52.246	55.069	160.236	52.015	65.815	30.513

Training by category and gender [average hours]	2013		2012		2011	
	Italy	Abroad	Italy	Abroad	Italy	Abroad
Senior Managers	34.9	44.8	36.1	49.3	41.2	27.9
Men	33.7	33.9	35.3	44.7	38.8	27.5
Women	42.1	63.7	41.1	57.9	57.5	28.7
Middle and Junior Managers	55.6	34.8	53.7	31.2	54.6	25.5
Men	54.3	31.6	52.1	28.8	53.8	19.2
Women	57.7	39.9	56.3	34.9	55.7	35.3
Clerical Staff	46.5	26.9	52.4	32.2	46.9	24.4
Men	43.2	25.3	48.6	29.2	42.7	23.3
Women	48.8	27.6	55.1	33.4	49.9	24.9

Training by type	2013		2012		2011	
	Italy	Abroad	Italy	Abroad	Italy	Abroad
Classroom training [% of hours]	42.8	81.0	50.6	85.7	53.5	91.6
Remote training [% of hours]	57.2	19.0	49.4	14.3	46.5	8.4
Number of participants	64,306	21,131	65,269	20,623	64,434	20,916
Training hours provided (classroom + remote)*	3,270,443	814,345	3,492,434	942,160	3,385,808	746,460
Training hours per employee	50.2	29.1	52.7	32.3	50.0	24.7

\* Does not include Web TV training.

Hours' training on health and safety	2013		2012			
	Italy	Abroad	Italy	Abroad		
Number of hours' training on health and safety			115,599	15,109	123,175	11,649
Health and safety training costs [thousands of euro]			1,047	45	614	36

Figures were first reported in 2012

## INTERNAL COMMUNICATION

Internal Communication	2013	2012	2011
Web TV: total access*	637,161	933,954	1,202,440
"House Organ": average number of copies produced/printed**	0	10,000	72,000

\* The average daily individual accesses to the Bank's Intranet amounted to 64,000

\*\*Since 2013 the house organ is on-line only. Total accesses were 590.444

Working environment	2013		2012		2011	
	Italy	Abroad	Italy	Abroad	Italy	Abroad
Analysis of environment (% participating in selected sample)	57.0	40.4	60.5	0.0	54.2	47.8
Index of employee satisfaction [%]	43.8	73.5	53.1	0.0	64.4	74.8
Change in employee satisfaction index from the previous period	-9.3	-1.3	-11.3	0.0	-5.4	0.3
Number of environment analyses	1	1	2	0	2	1
Number of internal communication events	143	201	137	175	264	179
Number of focus groups	49	19	35	9	50	10
Participants in focus groups	543	2.617	362	2,942	635	1,675

## UNION LEAVE AND DISPUTES

Union leave	2013		2012		2011	
	Italy	Abroad	Italy	Abroad	Italy	Abroad
Percentage of employees belonging to a union [%]	76,1	31,4	76,2	31,1	78,2	30,8
Days absent due to union activities (all leave granted to union organisers)	80.493	703	84.700	720	80.270	573
Days absent due to meetings/strikes (even if not union organisers)	44.600	197	53.798	288	26.490	22.263
Days absent due to strikes	36.229	0	36.632	0	16.575	22.092
Days absent due to meetings	8.371	197	17.166	288	9.915	171

The industry National Collective Contract covers all Group employees in Italy.

Disciplinary measures against employees	2013		2012		2011	
	Italy	Abroad	Italy	Abroad	Italy	Abroad
Written censure and verbal or written reprimand	335	440	239	673	213	671
Reduction in remuneration	0	94	0	396	0	216
Suspension from work with subtraction of remuneration (from one to ten days)	256	2	218	1	284	3
Justified dismissal	36	235	39	221	40	179
Disciplinary sanctions on employees for corruption	0	0	0	1	0	0
Dismissals for corruption	0	1	0	3	0	5

In Italy, in cases of significant company restructuring, collective bargaining provides for timely information and prior consultation with employee representatives under a procedure lasting a total of 45 days and, for restructuring at a Group level, the period is extended to 50 days.

Court cases involving employees	2013		2012		2011	
	Italy	Abroad	Italy	Abroad	Italy	Abroad
Termination of employment	40	145	34	187	57	189
Establishment and development of work relations	96	12	109	10	101	16
Duties and qualifications	40	38	58	35	76	35
Welfare and assistance	11	2	8	3	8	6
Economic treatment	131	24	128	29	138	30
Anti-union behaviour	3	0	12	0	7	0
Active (undertaken by the Bank against employees)	11	94	15	106	9	99
Mobbing lawsuits	0	0	0	0	0	0
Other	25	62	34	42	53	47
Requests sent to the Provincial Employment Office	51	-	56	-	48	-

## CORPORATE WELFARE, HEALTH AND SAFETY

Contributions for employees [thousands euro]	2013		2012		2011	
	Italy	Abroad	Italy	Abroad	Italy	Abroad
Insurance and accident policies	4,388	1,702	6,865	700	8,146	1,288
Loyalty bonus	13,203	233	16,993	202	12,888	225
Contributions for children/students	2,929	78	4,456	142	4,706	227
Cultural and recreational activities	3,003	1,196	3,021	1,580	2,524	1,384
Grants for disabled children	1,783	17	1,819	25	1,771	46

Medical benefits	2013		2012		2011	
	Italy	Abroad	Italy	Abroad	Italy	Abroad
Healthcare policies [thousands of euro]	73,905	2,910	89,207	2,796	82,082	2,896
Medical benefits: beneficiaries	70,867	8,189	67,837	8,136	69,430	11,013
Supplementary retirement benefits [thousands of euro]	126,390	4,675	132,101	4,770	148,474	4,950
Supplementary retirement benefits: beneficiaries	62,387	6,493	68,154	6,152	66,464	6,798

Credit facilities for employees	2013		2012		2011	
	Italy	Abroad	Italy	Abroad	Italy	Abroad
Mortgages	2,952	856	3,119	856	3,500	1,170
Total mortgages disbursed [thousands of euro]	441,901	38,517	457,456	34,027	504,598	51,875
Loans	6,177	3,797	6,870	4,567	7,007	8,011
Total loans disbursed [thousands of euro]	102,254	33,477	114,214	68,807	122,891	78,296

Credit facilities offered to all employees with a permanent employment contract, with the exception of subsidised loans, which were also offered to employees hired under apprenticeship contracts.

Absence rate according to reason (on theoretical working days) [%]	2013		2012		2011	
	Italy	Abroad	Italy	Abroad	Italy	Abroad
Percentage of total theoretical working days	7.0	14.9	7.1	14.6	6.3	11.8
Illness	3.1	2.3	3.3	2.3	2.9	2.1
Accident	0.1	0.1	0.1	0.1	0.1	0.1
Child care	2.1	8.0	2.2	8.1	2.1	6.9
Personal and family reasons	0.8	4.0	0.3	3.5	0.4	2.3
Leave for public duties	0.1	-	0.1	-	0.1	-
Leave for blood donation	0.1	-	0.1	-	0.0	-
Disability	0.6	-	0.8	-	0.5	-
Other	0.1	0.5	0.3	0.6	0.2	0.4

The days lost are calculated on the basis of calendar working days and include accidents requiring first aid.

Parental leave	2013
	Italy
Number of employees entitled to parental leave	65,196
men	32,411
women	32,785
Number of employees that took parental leave	3,490
men	111
women	3,379
Number of employees that returned to work after parental leave ended	2,515
men	107
women	2,408
Number of employees returned to work after parental leave ended that were still employed 12 months after their return to work	1,338
men	49
women	1,289

Indicator calculated starting from 2013

Parental leave - rates [%]	2013
	Italia
Return to work rate after parental leave <sup>1</sup>	72.1
men	96.4
women	71.3
Retention rate of employees that took paternal leave <sup>2</sup>	53.2
men	45.8
women	53.5

1. Calculated as No. of employees that returned to work at the end of parental leave on the No. of employees that took parental leave

2. Calculated as the No. of employees returned to work that, in the following 12 months, are still part of the bank staff on the No. of employees that returned to work after parental leave ended.

Accidents per year	2013		2012		2011	
	Italy	Abroad	Italy	Abroad	Italy	Abroad
Accidents inside the Company	211	24	225	36	228	39
Accidents outside the Company	601	131	680	101	629	156
Total accidents throughout the year	812	155	905	137	857	195
Percentage of accidents [%]	1.2	0.6	1.4	0.5	1.3	0.6

Accidents by type	2013		2012		2011	
	Italy	Abroad	Italy	Abroad	Italy	Abroad
Accidents while driving	344	29	410	24	417	17
Falls/slips	285	80	316	58	292	130
Robberies	20	8	30	9	28	3
Other	163	38	149	46	120	45

Robberies	2013		2012		2011	
	Italy	Abroad	Italy	Abroad	Italy	Abroad
Robberies	105	24	123	17	165	21
Robberies per 100 branches	2.5	1.7	2.6	1.2	3.3	1.3

Health and safety	2013		2012		2011	
	Italy	Abroad	Italy	Abroad	Italy	Abroad
No. of claims filed due to occupational diseases	7	0	4	0	7	0
No. of serious/very serious accidents	103	15	152	8	68	5
No. of serious/very serious accidents with final judgement	0	1	0	1	0	0
Deaths in the workplace with final judgement	0	0	0	0	0	0

Health and safety: rates	2013		2012		2011	
	Italy	Abroad	Italy	Abroad	Italy	Abroad
Accident rate	1.741	0.791	1.898	0.670	1.740	0.891
in the workplace	0.452	0.122	0.472	0.176	0.463	0.178
while travelling	1.289	0.668	1.426	0.494	1.277	0.713
Occupational disease rate	0.000	0.000	0.000	0.000	0.000	0.000
Severity index	32.865	20.042	29.984	16.933	26.917	34.805
Absenteeism rate	4.294	2.428	4.606	2.410	3.829	2.568

The accident rate is calculated as the ratio between the total number of accidents during the year and the total hours worked. The professional disease rate is the total number of claims for professional diseases divided by the total number of hours worked. The absenteeism rate is the percentage ratio between the number of days lost for illness accidents, public office, leave for blood donation and other leave, absences pursuant to Italian Law 104/92, meetings/strikes and theoretical working days. The calculation method for the aforementioned rates changed in 2012. The values for previous years were recalculated to allow comparison.



# Shareholder

Communications	2013	2012	2011
Institutional presentations	60	60	60
Financial disclosures published	246	222	206
Roadshows*	18	22	24
Europe	13	14	19
United States	5	5	5
Asia	-	3	-
Meetings with investors and analysts	357	265	311
Requests received and resolved by the shareholders' help desk	12,000	12,000	12,000

\*2013 figures related to organised events, therefore not comparable with 2012 and 2011

Recommendations [%]	Dicembre 2013	Dicembre 2012	Dicembre 2011
Buy	28	39	54
Hold	36	32	37
Sell	36	29	9

In 2013, the Group's share was monitored and covered by 33 analysts, against 31 in 2012. Their opinions were still influenced by the financial crisis, which has reduced the prospective outlook for the banking industry. The resulting caution was reflected in the recommendations, although the majority of opinions remained positive.

## GOVERNANCE

Governance structure and composition			
Management Board	2013	Supervisory Board	2013
Members of the Management Board	10	Members of the Supervisory Board	19
By gender:		By gender:	
men	8	men	14
women	2	women	5
By age:		By age:	19
<=30	0	<=30	0
30-50	1	30-50	3
>50	9	>50	16

### Total by gender (Supervisory Board + Management Board)

Men	 22
Women	 7

### Total by age (Supervisory Board + Management Board)

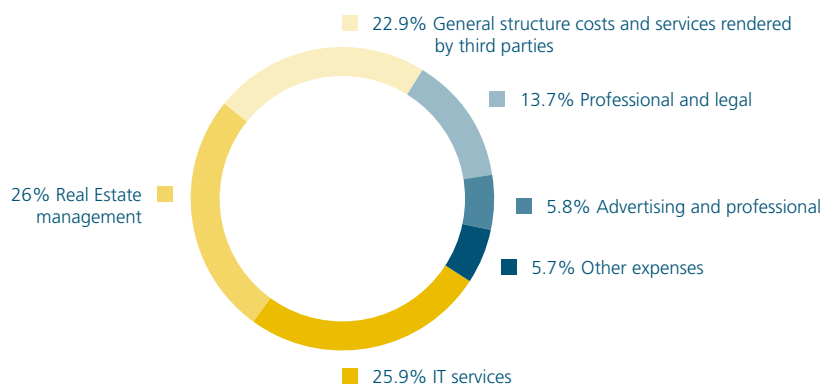
≤30 Years	 0
30/50 Years	 4
>50 Years	 25

# Suppliers

Suppliers (Italy)	2013	2012	2011
Suppliers	31,580	34,960	49,634
Suppliers registered on the portal having read the Code of Ethics	5,300	3,700	1,600
Suppliers registered on the portal having read the Code of Ethics [%]	17%	11%	3%
Checks on suppliers in relation to labour law [No.]	800	850	758

Breakdowns of administrative expenses by category [%]	2013	2012	2011
IT services	25.9	25.2	24.7
Real Estate management	26.0	27.4	25.9
General structure costs and services rendered by third parties	22.9	23.0	21.9
Professional and legal	13.7	13.1	16.2
Advertising and professional	5.8	5.3	5.7
Other expenses	5.7	6.0	5.6

## Breakdowns of administrative expenses by category [%]



# Environment

## DIRECT IMPACTS

Parameters	Unit	2013		2012		2011	
		Italy	Abroad	Italy	Abroad	Italy	Abroad
Operatives = Employees + Advisors	number	67,491	28,066	68,347	29,154	70,541	30,227
Employees	number	65,196	28,016	66,264	29,138	67,697	30,165
Advisors	number	2,295	50	2,083	16	2,844	62
Total business trips	number	627,525	31,319	729,940	35,175	663,484	n.d.
Total transportation	km	135,735,691	52,906,273	154,325,428	56,348,490	144,747,716	n.d.
Surface area	m <sup>2</sup>	3,183,724	694,498	2,975,404	728,312	3,026,062	698,502

Transportation	Unit	2013		2012		2011	
		Italy	Abroad	Italy	Abroad	Italy	Abroad
Air travel	km	39,245,037	6,189,590	54,633,420	11,673,114	40,542,409	n.d.
Rail travel	km	28,170,323	554,608	26,444,221	621,602	24,600,435	n.d.
Fleet	km	46,001,593	41,784,351	47,770,502	39,755,530	43,026,559	n.d.
Personal cars	km	22,318,737	4,377,724	25,477,285	4,298,245	36,578,313	n.d.
Videoconferences	number	13,617	3,415	12,942	1,717	10,976	n.d.
<i>Total transport per employee away on a business trip</i>	km/ empl.	216	1,689	211	1,602	218	n.d.

Energy consumption by source	Unit	2013		2012		2011	
		Italy	Abroad	Italy	Abroad	Italy	Abroad
<b>Direct consumption of primary energy (non-renewable)</b>	GJ	743,884	230,188	739,175	221,114	800,313	116,975
Natural gas consumption for independent heating system	GJ	497,733	132,722	478,732	127,464	539,865	106,962
Natural gas consumption for co-generation	GJ	121,533	0	107,382	0	116,227	0
Diesel oil consumption for independent heating system	GJ	37,448	14,912	62,493	14,868	62,416	10,012
Petrol consumption for the fleet	GJ	3,634	30,962	4,170	31,401	10,852	0
Diesel oil consumption for the fleet	GJ	83,534	51,591	86,399	47,381	70,954	0
<b>Indirect consumption of primary energy (intermediate energy)</b>	GJ	1,522,007	462,960	1,666,266	423,768	1,765,413	447,324
Electricity consumed	GJ	1,446,123	377,130	1,585,933	392,902	1,700,947	401,919
<i>Electricity per operative</i>	kWh/ operative	5,952	3,733	6,446	3,744	6,698	3,694
<i>Electricity per m<sup>2</sup></i>	kWh/m <sup>2</sup>	126	151	148	150	156	160
Electricity from renewable sources	%	94.9	2.4	94.9	0.1	94.3	2.1
Electricity from cogeneration	%	3.1	0.0	2.5	0.0	2.6	0.0
Natural gas consumption for building heating	GJ	64,986	32,379	69,831	29,915	55,933	40,154
Diesel oil consumption for building heating	GJ	10,897	1,237	10,503	951	8,533	5,251
<b>Total direct + indirect energy</b>	GJ	2,265,890	693,147	2,405,442	644,882	2,565,726	564,298
<i>Total direct + indirect energy per operative</i>	kWh/ operative	33.6	24.7	35.2	22.1	36.4	18.7
<b>Primary energy consumption for intermediate energy production</b>	GJ	1,555,722	930,713	1,715,481	1,122,956	1,827,290	1,173,732

Greenhouse gas emissions [CO <sub>2</sub> ]	Unit	2013		2012		2011	
		Italy	Abroad	Italy	Abroad	Italy	Abroad
Total CO <sub>2</sub> emissions	tCO <sub>2</sub> eq	73,337	65,038	78,759	66,270	70,653	54,040
<b>Direct + indirect emissions</b>							
Scope 1	tCO <sub>2</sub> eq	44,571	14,470	45,085	13,909	48,349	6,709
Scope 2	tCO <sub>2</sub> eq	7,779	44,917	9,214	45,326	9,926	47,331
Total Scope 1 + 2	tCO <sub>2</sub> eq	52,350	59,387	54,299	59,234	58,275	54,040
Total Scope 1 + 2 / operative	tCO <sub>2</sub> eq/ operative	0.8	2.1	0.8	2.0	0.8	1.8
<b>Other indirect emissions (Scope 3)</b>							
Business trips	tCO <sub>2</sub> eq	9,418	1,534	12,530	2,358	12,378	n.d.
Paper purchased	tCO <sub>2</sub> eq	11,569	4,117	11,930	4,678	n.d.	n.d.

Total emissions in 2012 were recalculated introducing contributions related to paper that was purchased during the period

Use of raw materials - Paper	Unit	2013		2012		2011	
		Italy	Abroad	Italy	Abroad	Italy	Abroad
Paper purchased	tonnes	6,321	2,164	6,506	2,450	6,600	2,631
<i>Paper purchased / operative</i>	kg/ operative	93.7	77.1	95.2	84.0	93.6	87.0
Recycled paper as a % of the total	%	67.6	12.6	65.2	7.4	48.9	5.7
(FSC) ecological paper as a % of the total	%	3.4	26.3	3.5	25.5	0.9	24.2
ECF/TCF paper as a % of the total	%	1.0	23.1	1.4	24.1	5.4	26.6
FSC and ECF/TCF paper as a % of the total	%	21.0	12.9	14.4	6.6	18.6	4.5
Other certified paper as a % of the total	%	0.0	2.6	0.1	2.4	0.3	0.0

Water consumption by source	Unit	2013		2012		2011	
		Italy	Abroad	Italy	Abroad	Italy	Abroad
Total water consumed	m <sup>3</sup>	1,884,267	596,240	1,834,279	585,193	1,803,531	653,282
<i>Total water consumption / operative</i>	m <sup>3</sup> / operative	27.9	21.2	26.8	20.1	25.6	21.6

Total weight of waste by type	Unit	2013		2012		2011	
		Italy	Abroad	Italy	Abroad	Italy	Abroad
Total Waste	tonnes	2,454	592	2,057	643	3,026	554
<i>Total Waste / operative</i>	kg/ operative	36.4	21.1	30.1	22.0	42.9	18.3
Special waste	tonnes	2,353	577	2,006	602	2,952	526
Hazardous waste	tonnes	101	15	51	41	73	28

Total weight of waste by disposal method	Unit	2013		2012		2011	
		Italy	Abroad	Italy	Abroad	Italy	Abroad
recycling	tonnes	963	365	1,465	477	1,944	478
reuse/recovery	tonnes	1,082	107	472	109	954	40
landfill	tonnes	117	16	112	55	127	36
incineration	tonnes	292	104	9	2	0	0

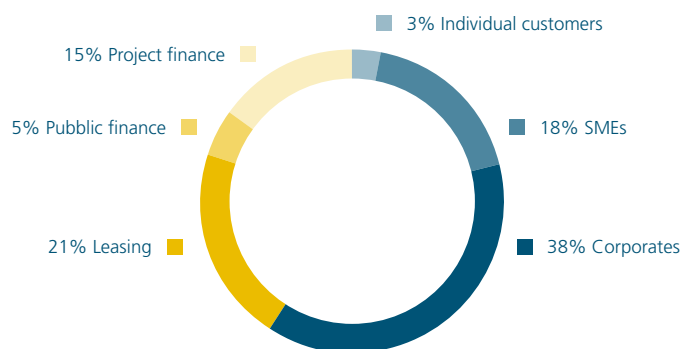
The data was partially estimated on the basis of the information received from waste disposal service providers.

Conversion factors for calculating equivalent CO <sub>2</sub> emissions	Unit	2013			2012			2011		
		Electricity	Gas	Diesel oil	Electricity	Gas	Diesel oil	Electricity	Gas	Diesel oil
Italy	kg/kWh	0.395	1.957	2.650	0.398	1.974	2.650	0.415	1.970	2.650
Central Europe	kg/kWh	0.378	1.954	-	0.396	1.939	-	0.388	1.969	-
Southern Mediterranean and Asia	kg/kWh	0.459	-	2.462	0.452	-	2.468	0.517	-	2.472
South eastern Europe	kg/kWh	0.520	1.917	2.477	0.465	1.917	2.483	0.476	1.932	2.490
Central eastern Europe	kg/kWh	0.273	1.902	2.564	0.268	1.904	2.578	0.293	1.921	2.577
Commonwealth of Independent States	kg/kWh	0.446	1.917	-	0.521	1.916	-	0.388	1.929	-

The review of equivalent CO<sub>2</sub> conversion factors, for all countries covered by the Group, was completed by processing the latest information available from the most authoritative international sources and guidelines, such as the United Nations Framework Convention on Climate Change, the International Energy Agency and the Intergovernmental Panel on Climate Change. In particular, for Italy the ABI Guidelines were used. The breakdown for foreign countries is available online on the Intesa Sanpaolo Group's website [↗](#).

## INDIRECT IMPACTS

### Financing for energy efficiency and renewable energy



*During 2013 more than 0.4% of overall Intesa Sanpaolo's commercial loans were related to renewable energy, agriculture and environment protection sectors, for a total of about 1.2 billion euro*

## EQUATOR PRINCIPLES II FRAMEWORK

Countries	Region	Sector	Category	No. of projects
OECD High-income	Middle East	Oil&gas	B	1
		<b>Total Middle East</b>		<b>1</b>
	Europe	Wind power	B	4
		Biomass energy	C	1
		Transports	B	2
			C	1
		Infrastructures	n.a.*	2
			C	3
		Oil&gas	n.a.*	1
			B	1
<b>Total Europa</b>		<b>15</b>		
North America	Oil&gas	B	3	
	Petrochemical	B	1	
	<b>Total Nord America</b>		<b>4</b>	
OECD Non high-income	Eastern Europe	Oil&gas	A	1
		<b>Total Est Europa</b>		<b>1</b>
Non-OECD	North Africa	Energy	A	1
		Oil&gas	A	2
		Other	A	1
		Other	B	1
		Transports	B	1
	<b>Total Nord Africa</b>		<b>6</b>	
	Asia	Mining	A	1
		<b>Total Asia</b>		<b>1</b>
	Eastern Europe	Photovoltaic energy	C	1
		<b>Total Asia</b>		<b>1</b>
	<b>TOTAL</b>		<b>29 (**)</b>	

Classification according to the World Bank

\* Category unavailable as it is in the preliminary phase

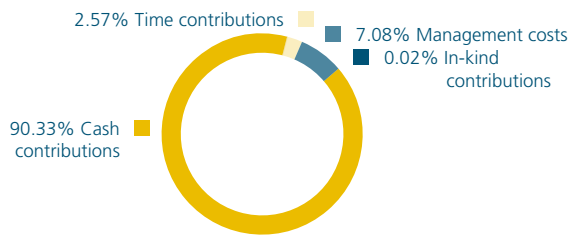
\*\* Of which 12 closed, 11 approved by credit department, 5 under screening and 1 refused.

# Community

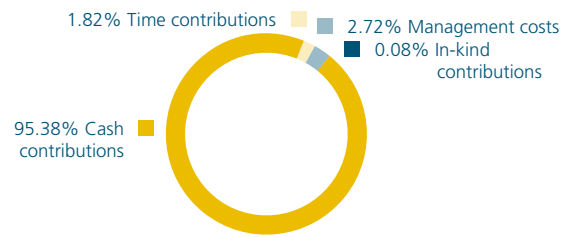
Contributions to the community by type [thousands euro]	2013	
	Italy	Abroad
Cash contributions	49,134	3,610
In-kind contributions	9	3
Time contributions	1,399	69
Management costs	3,850	103

## Contributions to the community by type [%]

### Italy

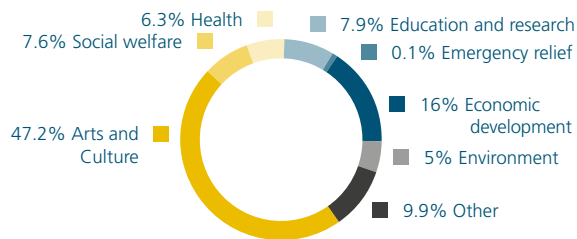


### Abroad

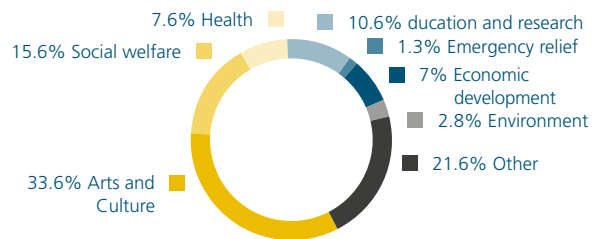


## Cash contributions to the community by scope of intervention

### Italy



### Abroad

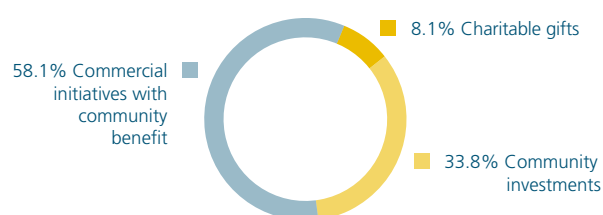


Cash contributions to the community by scope of intervention [thousands euro]	2013	
	Italy	Abroad
Cash contributions to the community - Arts and Culture	23,178	1,212
Cash contributions to the community - Social welfare	3,722	563
Cash contributions to the community - Health	3,080	275
Cash contributions to the community - Education and research	3,892	382
Cash contributions to the community - Emergency relief	55	47
Cash contributions to the community - Economic development	7,872	252
Cash contributions to the community - Environment	2,472	101
Cash contributions to the community - Other	4,865	778

Cash contributions to the community by reason [thousands euro]	2013	
	Italy	Abroad
Total cash contributions to the community	49,134	3,610
Charitable gifts	3,982	887
Community investments	16,615	2,102
Commercial initiatives with community benefit	28,537	620

## Cash contributions to the community by reason [%]

### Italy



### Abroad

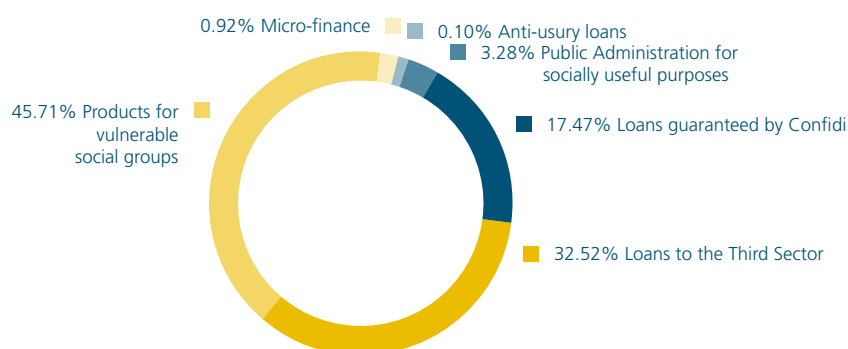


Banca Prossima	2013	2012	2011*
Customers	26,663	21,989	16,702
Borrowing customers	6,000	5,246	4,050
Loans [thousands of euro]	1,171,792	991,512	625,939*
Direct deposits [thousands of euro]	1,385,786	975,956	837,524*
Indirect deposits [thousands of euro]	3,388,055	3,329,105	2,807,434*

\* Figures are restated to take into account changes in the scope of consolidation

Media relations	2013	2012	2011
Press releases	384	915	929
Press conferences	74	202	216
Product presentations and initiatives	105	120	139

## Initiatives with high social impact: Group



Loans to the Public Administration were issued to ASL (local health authorities) and healthcare facilities, universities and local public service companies. The other loans are for households and SME customers.





# **GRI Table of Contents**

# G3 Content Index - Financial services sector supplement

## PROFILE DISCLOSURES

GRI	Description	Reported	Cross-reference/Direct answer	Reason for omission or partial reporting	Explanation	Core
<b>1. Strategy and analysis</b>						
1.1	Statement from the most senior decision-maker of the organization for the relevance of sustainability.	Fully	p. 8-9 <a href="#">↗</a> , 17 <a href="#">↗</a> , 2013 Results <a href="#">↗</a>			■
1.2	Description of key impacts, risks, and opportunities.	Fully	p. 8-9 <a href="#">↗</a> , 17 <a href="#">↗</a> , 32 <a href="#">↗</a> , 37-41 <a href="#">↗</a> , 43 <a href="#">↗</a> , 47 <a href="#">↗</a> , 58-59 <a href="#">↗</a> , 64 <a href="#">↗</a> , 70 <a href="#">↗</a> , 77 <a href="#">↗</a> , 83 <a href="#">↗</a> , 88 <a href="#">↗</a> , 92-93 <a href="#">↗</a> , 102 <a href="#">↗</a> , 2013 Results <a href="#">↗</a>			■
<b>2. Organizational profile</b>						
2.1	Name of the organization.	Fully	Copertina			■
2.2	Primary brands, products, and/or services.	Fully	p. 15 <a href="#">↗</a> , A presentation of the Group <a href="#">↗</a> , Our brand <a href="#">↗</a>			■
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	Fully	p. 15 <a href="#">↗</a> , Organisational structure <a href="#">↗</a>			■
2.4	Location of organization's headquarters.	Fully	p. 152 <a href="#">↗</a> Shareholder base <a href="#">↗</a>			■
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	Fully	p. 15 <a href="#">↗</a> , A presentation of the Group <a href="#">↗</a>			■
2.6	Nature of ownership and legal form.	Fully	p. 152 <a href="#">↗</a> , Shareholder base <a href="#">↗</a>			■
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	Fully	p. 15 <a href="#">↗</a> , 109-111 <a href="#">↗</a> , A presentation of the Group <a href="#">↗</a>			■
2.8	Scale of the reporting organization.	Fully	p. 15 <a href="#">↗</a> , 106-107 <a href="#">↗</a> , A presentation of the Group <a href="#">↗</a> , Shareholder base <a href="#">↗</a> , Financial Reports (Report 2013, p. 8-9, 26-27, 32-33, 58, 88-118, 148, 158, 172-178, 267-269) <a href="#">↗</a>			■
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	Fully	p. 10-11 <a href="#">↗</a> , Shareholder base <a href="#">↗</a>			■
2.10	Awards received in the reporting period.	Fully	p. 62 <a href="#">↗</a> , Awards <a href="#">↗</a>			■

GRI	Description	Reported	Cross-reference/Direct answer	Reason for omission or partial reporting	Explanation	Core
<b>3. Report parameters</b>						
3.1	Reporting period (e.g., fiscal/ calendar year) for information provided.	Fully	p. 10 <a href="#">↗</a>			■
3.2	Date of most recent previous report (if any).	Fully	p. 10 <a href="#">↗</a>			■
3.3	Reporting cycle (annual, biennial, etc.)	Fully	p. 10 <a href="#">↗</a>			■
3.4	Contact point for questions regarding the report or its contents.	Fully	p. 152 <a href="#">↗</a>			■
3.5	Process for defining report contents.	Fully	p. 10-11 <a href="#">↗</a> , 24-29 <a href="#">↗</a>			■
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers).	Fully	p. 10-11 <a href="#">↗</a> , Organisational structure <a href="#">↗</a>			■
3.7	Statement on any specific limitations on the scope or boundary of the report.	Fully	p. 10-11 <a href="#">↗</a>			■
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	Fully	p. 15 <a href="#">↗</a> , Organisational structure <a href="#">↗</a> , A presentation of the Group <a href="#">↗</a>			■
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report.	Fully	p. 10 <a href="#">↗</a> , 130 <a href="#">↗</a>			■
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement.	Fully	p. 10-11 <a href="#">↗</a>			■
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Fully	p. 10-11 <a href="#">↗</a> , 50-51 <a href="#">↗</a>			■
3.12	Table identifying the location of the Standard Disclosures in the report.	Fully	p. 136-148 <a href="#">↗</a>			■
3.13	Policy and current practice with regard to seeking external assurance for the report.	Fully	p. 10-11 <a href="#">↗</a> , 150-151 <a href="#">↗</a>			■
<b>4. Governance, commitments and engagement</b>						
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	Fully	p. 35-36 <a href="#">↗</a> , Report on Corporate Governance and Ownership Structures - Report on Remuneration (p. 17-18, 34-42, 54-56, 91, 94) <a href="#">↗</a>			■
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	Fully	p. 35 <a href="#">↗</a> , Report on Corporate Governance and Ownership Structures - Report on Remuneration (p. 30, 51-53) <a href="#">↗</a>			■
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	Fully	p. 35 <a href="#">↗</a> , Report on Corporate Governance and Ownership Structures - Report on Remuneration (p. 33, 51-52, 91-95) <a href="#">↗</a>			■

GRI	Description	Reported	Cross-reference/Direct answer	Reason for omission or partial reporting	Explanation	Core
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Fully	p. 35-36 <a href="#">↗</a> , Report on Corporate Governance and Ownership Structures - Report on Remuneration (p. 86-88) <a href="#">↗</a> Italian law does not envisage participation in commissions set up by worker representatives in Boards. Employees owning ordinary bank shares have the right to vote and to take part in Ordinary and Extraordinary Shareholders' meetings.			■
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	Fully	p. 35 <a href="#">↗</a> , Report on Corporate Governance and Ownership Structures - Report on Remuneration (p. 103-108, 110-114) <a href="#">↗</a>			■
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Fully	p. 35-36 <a href="#">↗</a> , Report on Corporate Governance and Ownership Structures - Report on Remuneration (p. 75-77) <a href="#">↗</a>			■
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics.	Fully	p. 35-36 <a href="#">↗</a> , Report on Corporate Governance and Ownership Structures - Report on Remuneration (p. 31, 34, 55) <a href="#">↗</a>			■
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	Fully	p. 14 <a href="#">↗</a> , 20-21 <a href="#">↗</a> , Report on Corporate Governance and Ownership Structures - Report on Remuneration (p. 15) <a href="#">↗</a> , Group's internal code of conduct <a href="#">↗</a>			■
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	Fully	18-19 <a href="#">↗</a> , p. 35-36 <a href="#">↗</a> , 37-41 <a href="#">↗</a> , Prevention and mitigation of risks <a href="#">↗</a>			■
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	Fully	p. 35-36 <a href="#">↗</a> , Report on Corporate Governance and Ownership Structures - Report on Remuneration (p. 46-47, 59-60) <a href="#">↗</a>			■
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	Fully	p. 35-41 <a href="#">↗</a> , Report on Corporate Governance and Ownership Structures - Report on Remuneration (p. 65) <a href="#">↗</a> , Prevention and mitigation of risks <a href="#">↗</a>			■
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	Fully	p. 21 <a href="#">↗</a> , 22-23 <a href="#">↗</a> , Adherence to international standards <a href="#">↗</a>			■
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations.	Fully	Our partnerships in sustainability <a href="#">↗</a>			■
4.14	List of stakeholder groups engaged by the organization.	Fully	p. 24 <a href="#">↗</a>			■
4.15	Basis for identification and selection of stakeholders with whom to engage.	Fully	p. 24 <a href="#">↗</a> , The dialogue with Stakeholders <a href="#">↗</a>			■

4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Fully	p. 10 <a href="#">↗</a> , 24 <a href="#">↗</a> The dialogue with Stakeholders <a href="#">↗</a>				■
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns.	Fully	p. 25-26 <a href="#">↗</a> , The dialogue with Stakeholders <a href="#">↗</a>				■

## DISCLOSURE ON MANAGEMENT APPROACH

G3	Description	Reported	Cross-reference/Direct answer	Reason for omission	Explanation	To be reported in	Core
<b>Disclosure on management approach ps</b>							
<b>Product Portfolio:</b>							
	Product Portfolio	Fully	p. 15 <a href="#">↗</a> , Code of Ethics (p. 5, 9-10) <a href="#">↗</a> , Responsible Investments <a href="#">↗</a> , Equator Principles <a href="#">↗</a>				■
FS1	Policies with specific environmental and social components applied to business lines.	Fully	p. 18-19 <a href="#">↗</a> , 31 <a href="#">↗</a> , 35-36 <a href="#">↗</a> , 37-41 <a href="#">↗</a> , 55 <a href="#">↗</a> , 69 <a href="#">↗</a> , 91 <a href="#">↗</a> Policies <a href="#">↗</a> , Equator Principles <a href="#">↗</a>				■
FS2	Procedures for assessing and screening environmental and social risks in business lines.	Fully	p. 37-41 <a href="#">↗</a> , Rules on the granting of credit in the armament sector <a href="#">↗</a> , Equator Principles <a href="#">↗</a> , Environmental policy <a href="#">↗</a>				■
FS3	Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions.	Fully	p. 37-38 <a href="#">↗</a> , Equator Principles <a href="#">↗</a>				■
FS4	Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines.	Fully	p. 38 <a href="#">↗</a> , 63 <a href="#">↗</a> , 86-87 <a href="#">↗</a>				■
FS5	Interactions with clients/investees/ business partners regarding environmental and social risks and opportunities.	Fully	p. 24-26 <a href="#">↗</a> , 37-39 <a href="#">↗</a> , 81 <a href="#">↗</a> , The dialogue with stakeholders <a href="#">↗</a>				■
	Audits	Fully	p. 18-19 <a href="#">↗</a> , 37 <a href="#">↗</a> , 42 <a href="#">↗</a> , Internal control system for the application of the Code of Ethics <a href="#">↗</a> , Prevention and mitigation of risks <a href="#">↗</a>				■
	Active Ownership	Fully	p. 81 <a href="#">↗</a> , Responsible Investment <a href="#">↗</a>				■
<b>Disclosure on Management Approach EC</b>							
	Economic Performance	Fully	p. 17 <a href="#">↗</a> , 32-34 <a href="#">↗</a> , p. 105 <a href="#">↗</a> , Financial Reports (Reports 2013, p. 13-14, 22-27, 29-32) <a href="#">↗</a> , 2013 Results <a href="#">↗</a>				■
	Market presence	Fully	p. 15 <a href="#">↗</a> , 104 <a href="#">↗</a> , 108-111 <a href="#">↗</a> , A presentation of the Group <a href="#">↗</a>				■
	Indirect economic impacts	Fully	p. 70-71 <a href="#">↗</a> , 74 <a href="#">↗</a> , 83 <a href="#">↗</a> , 86 <a href="#">↗</a> , 88 <a href="#">↗</a> , 91-93 <a href="#">↗</a>				■

G3	Description	Reported	Cross-reference/Direct answer	Reason for omission	Explanation	To be reported in	Core
<b>Disclosure on Management Approach EN</b>							
	Materials	Fully	p. 49-50 <a href="#">↗</a> , 52 <a href="#">↗</a> , 129 <a href="#">↗</a>				■
	Energy	Fully	p. 47 <a href="#">↗</a> , 49 <a href="#">↗</a> , 128 <a href="#">↗</a>				■
	Water	Fully	p. 52 <a href="#">↗</a> , 129 <a href="#">↗</a>				■
	Biodiversity	Fully	p. 37-38 <a href="#">↗</a>				■
	Emissions, effluents and waste	Fully	p. 51-52 <a href="#">↗</a> , 129 <a href="#">↗</a>				■
	Products and services	Fully	p. 83-87 <a href="#">↗</a>				■
	Compliance	Fully	Internal control system for the application of the Code of Ethics <a href="#">↗</a>				■
	Transport	Fully	p. 50-51 <a href="#">↗</a> , 128-129 <a href="#">↗</a>				■
	Overall	Fully	p. 47-49 <a href="#">↗</a> , Environment <a href="#">↗</a>				■
<b>Disclosure on Management Approach LA</b>							
	Employment	Fully	p. 55-57 <a href="#">↗</a>				■
	Labor/management relations	Fully	p. 55 <a href="#">↗</a> , 65 <a href="#">↗</a> , 67 <a href="#">↗</a> , Labour/management relations <a href="#">↗</a>				■
	Occupational health and safety	Fully	p. 40-41 <a href="#">↗</a> , Code of Ethics (p. 7, 13-14) <a href="#">↗</a>				■
	Training and education	Fully	p. 38 <a href="#">↗</a> , 40-41 <a href="#">↗</a> , 62-63 <a href="#">↗</a> , 86-87 <a href="#">↗</a> , Code of Ethics (p. 7, 13-14) <a href="#">↗</a>				■
	Diversity and equal opportunity	Fully	p. 61-62 <a href="#">↗</a> , Code of Ethics (p. 7, 13-14) <a href="#">↗</a>				■
<b>Disclosure on Management Approach HR</b>							
	Investment and procurement practices	Fully	p. 8-9 <a href="#">↗</a> , 22-23 <a href="#">↗</a> , 37-38 <a href="#">↗</a> , 89-90 <a href="#">↗</a> , Code of Ethics (p. 9-10, 15) <a href="#">↗</a>				■
	Non-discrimination	Fully	p. 14 <a href="#">↗</a> , 22-23 <a href="#">↗</a> , 61-62 <a href="#">↗</a> , Code of Ethics (p. 8, 11, 13, 15) <a href="#">↗</a>				■
	Freedom of association and collective bargaining	Fully	Code of Ethics (p. 7) <a href="#">↗</a> , Labour/management relations <a href="#">↗</a>				■
	Child labor	Fully	Code of Ethics (p. 7) <a href="#">↗</a>				■
	Forced and compulsory labor	Fully	Code of Ethics (p. 7) <a href="#">↗</a>				■
	Security practices	Fully	p. 40-41 <a href="#">↗</a> , Code of Ethics (p. 7, 10) <a href="#">↗</a>				■
	Indigenous rights	Fully	p. 14 <a href="#">↗</a> , 37-38 <a href="#">↗</a> , Code of Ethics (p. 16,17) <a href="#">↗</a>				■
<b>Disclosure on Management Approach SO</b>							
	Community	Fully	p. 91-93 <a href="#">↗</a> , Code of Ethics (p. 17-18) <a href="#">↗</a>				■
	Corruption	Fully	p. 14 <a href="#">↗</a> , 42 <a href="#">↗</a> , Monitoring against corruption <a href="#">↗</a>				■
	Public policy	Fully	p. 14 <a href="#">↗</a> , Relationship with community and international institutions <a href="#">↗</a>				■
	Anti-competitive behavior	Fully	p. 14 <a href="#">↗</a> , Code of Ethics (p. 3-7) <a href="#">↗</a> , Protection of free competition <a href="#">↗</a>				■
	Compliance	Fully	Code of Ethics (p. 5, 20-21) <a href="#">↗</a>				■

## Disclosure on Management Approach PR

	Customer health and safety	Fully	p. 40-41 <a href="#">↗</a> , Code of Ethics (p. 7,10) <a href="#">↗</a>				■
	Product and service labelling	Fully	Code of Ethics (p. 8) <a href="#">↗</a> , Transparency to customers <a href="#">↗</a> , Financial Education <a href="#">↗</a>				■
<b>FS15</b>	Policies for the fair design and sale of financial products and services.	Fully	Code of Ethics (p. 8) <a href="#">↗</a> , Business Model <a href="#">↗</a>				■
	Marketing communications	Fully	p. 14 <a href="#">↗</a> , 76 <a href="#">↗</a> Code of Ethics (p. 8) <a href="#">↗</a> , Transparency to customers <a href="#">↗</a> , Financial Education <a href="#">↗</a>				■
	Customer privacy	Fully	p. 42 <a href="#">↗</a> , Code of Ethics (p. 10) <a href="#">↗</a> , Privacy <a href="#">↗</a>				■
	Compliance	Fully	p. 37-42 <a href="#">↗</a> , Internal control system for the application of the Code of Ethics <a href="#">↗</a> , Code of Ethics (p. 5) <a href="#">↗</a>				■

## PERFORMANCE INDICATORS

G3	Description	Reported	Cross-reference/Direct answer	Reason for omission	Explanation	To be reported in	Core
<b>Product and service impact</b>							
<b>Product portfolio</b>							
<b>FS6</b>	Percentage of the portfolio for business lines by specific region, size (e.g. micro/SME/large) and by sector.	Fully	p. 15 <a href="#">↗</a> , 108 <a href="#">↗</a> , About us, A presentation of the Group (p. 5) <a href="#">↗</a>				■
<b>FS7</b>	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose.	Fully	p. 74 <a href="#">↗</a> , 133 <a href="#">↗</a>				■
<b>FS8</b>	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose.	Fully	p. 86 <a href="#">↗</a> , 130 <a href="#">↗</a>				■
<b>Audit</b>							
<b>FS9</b>	Audit sull'attuazione delle politiche socio-ambientali e delle procedure di risk assessment	Fully	p. 18-19 <a href="#">↗</a> , 37-41 <a href="#">↗</a> , Internal control system for the application of the Code of Ethics <a href="#">↗</a>				■
<b>Active ownership</b>							
<b>FS10</b>	Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues.	Fully	p. 81 <a href="#">↗</a> , The equity and corporate portfolio of FAPA (the pension fund) in 2013 was made up of 443 companies. The engagement initiatives undertaken were 10 (2.26% of the total).				■
<b>FS11</b>	Percentage of assets subject to positive and negative environmental or social screening.	Fully	p. 37-38 <a href="#">↗</a> , 81 <a href="#">↗</a>				■
<b>FS12</b>	Voting polic(ies) applied to environmental or social issues for shares over which the reporting organization holds the right to vote shares or advises on voting.	Fully	p. 81 <a href="#">↗</a> , Responsible Investment <a href="#">↗</a> , Supplementary pensions <a href="#">↗</a>				■



G3	Description	Reported	Cross-reference/Direct answer	Reason for omission	Explanation	To be reported in	Core
<b>Economic</b>							
<b>Economic performance</b>							
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	Fully	p. 32-34 <a href="#">↗</a> , 93-95 <a href="#">↗</a> , 106-107 <a href="#">↗</a> , 132-133 <a href="#">↗</a>				■
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	Partially	p. 8-9 <a href="#">↗</a> , 83-87 <a href="#">↗</a> , 90 <a href="#">↗</a> , Climate Change <a href="#">↗</a>	Not available	At present assessments are not carried out on physical changes due to climate change	Long-term	■
EC3	Coverage of the organization's defined benefit plan obligations.	Fully	Financial Reports (Report 2013 p. 263-267, 286) <a href="#">↗</a>				■
EC4	Significant financial assistance received from government.	Fully	p. 120 <a href="#">↗</a>				■
<b>Market presence</b>							
EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.	Fully	p. 119 <a href="#">↗</a>				■
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	Partially	p. 89-90 <a href="#">↗</a>	Not material	An in-house rule favouring the choice of suppliers on a local basis has not been issued. The issue is not material (see Materiality analysis p. 28 <a href="#">↗</a> )		■
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	Fully	p. 56 <a href="#">↗</a> , p. 115 <a href="#">↗</a>				■
<b>Indirect economic impacts</b>							
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	Fully	p. 82 <a href="#">↗</a> , 93 <a href="#">↗</a> , Support for Public Administration <a href="#">↗</a>				■
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	Fully	p. 8-9 <a href="#">↗</a> , 17 <a href="#">↗</a> , 27-29 <a href="#">↗</a> , 70-76 <a href="#">↗</a> , 77-80 <a href="#">↗</a> , Macroeconomics <a href="#">↗</a>				■
<b>Environmental</b>							
<b>Materials</b>							
EN1	Materials used by weight or volume.	Fully	p. 49-50 <a href="#">↗</a> , 52 <a href="#">↗</a> , 129 <a href="#">↗</a>				■
EN2	Percentage of materials used that are recycled input materials.	Fully	p. 49 <a href="#">↗</a> , 129 <a href="#">↗</a>				■
<b>Energy</b>							
EN3	Direct energy consumption by primary energy source.	Fully	p. 128 <a href="#">↗</a>				■
EN4	Indirect energy consumption by primary source.	Fully	p. 128 <a href="#">↗</a>				■
EN5	Energy saved due to conservation and efficiency improvements.	Fully	p. 47-49 <a href="#">↗</a>				■

G3	Description	Reported	Cross-reference/Direct answer	Reason for omission	Explanation	To be reported in	Core
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	Fully	p. 83-87 <a href="#">↗</a>				
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Fully	p. 47 <a href="#">↗</a> , 51 <a href="#">↗</a>		Only areas relating to the mobility of employees are accounted because they are the only ones relevant for the financial sector.		
<b>Water</b>							
EN8	Total water withdrawal by source.	Fully	p. 52 <a href="#">↗</a> , 129 <a href="#">↗</a>				■
<b>Biodiversità</b>							
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Not		Not material	There are no locations in protected areas and areas of high biodiversity value		■
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	Not		Not material	We do not report on this issue as the disclosure is not material to our business as may be seen from the materiality analysis <a href="#">↗</a>		■
<b>Emissions, effluents and waste</b>							
EN16	Total direct and indirect greenhouse gas emissions by weight.	Fully	p. 51-52 <a href="#">↗</a> , 129 <a href="#">↗</a>				■
EN17	Other relevant indirect greenhouse gas emissions by weight.	Not	There are no further significant greenhouse gas emissions	Not material			■
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Fully	p. 51-52 <a href="#">↗</a>				
EN19	Emissions of ozone-depleting substances by weight.	Not		Not applicable	Not applicable for financial activity		■
EN20	NOx, SOx, and other significant air emissions by type and weight.	Fully	p. 52 <a href="#">↗</a>				■
EN21	Total water discharge by quality and destination.	Not		Not applicable	Not applicable for financial activity		■
EN22	Total weight of waste by type and disposal method.	Fully	p. 52 <a href="#">↗</a> , 129 <a href="#">↗</a>				■
EN23	Total number and volume of significant spills.	Not		Not applicable	Not applicable for financial activity		■
<b>Prodotti e servizi</b>							
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Fully	p. 47-53 <a href="#">↗</a>				■
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	Not		Not material	Not material for financial activity		■
<b>Compliance</b>							
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Fully	p. 53 <a href="#">↗</a>				■

G3	Description	Reported	Cross-reference/Direct answer	Reason for omission	Explanation	To be reported in	Core
<b>Transport</b>							
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	Fully	p. 50-51 <a href="#">↗</a> , 129 <a href="#">↗</a>				
<b>Overall</b>							
EN30	Total environmental protection expenditures and investments by type.	Fully	p. 53 <a href="#">↗</a>				
<b>Labor practices and decent work</b>							
<b>Employment</b>							
LA1	Total workforce by employment type, employment contract, and region.	Fully	p. 56-57 <a href="#">↗</a> , 115-116 <a href="#">↗</a>				■
LA2	Total number and rate of employee turnover by age group, gender, and region.	Fully	p. 57 <a href="#">↗</a> , 117-118 <a href="#">↗</a>				■
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	Fully	p. 123 <a href="#">↗</a>				
<b>Labor/management relations</b>							
LA4	Percentage of employees covered by collective bargaining agreements.	Fully	p. 122 <a href="#">↗</a>				■
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	Fully	p. 122 <a href="#">↗</a>				■
<b>Occupational health and safety</b>							
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	Fully	p. 40 <a href="#">↗</a> All employees in Italy				
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	Fully	p. 124-125 <a href="#">↗</a> This indicator is relevant only for Intesa Sanpaolo employees. The systematic gathering of data relevant to supervised workers is not monitored in the company DataBase				■
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	Fully	p. 40-41 <a href="#">↗</a> , Health and Safety <a href="#">↗</a>				■
LA9	Health and safety topics covered in formal agreements with trade unions.	Fully	p. 40-41 <a href="#">↗</a> , Health and Safety <a href="#">↗</a>				

G3	Description	Reported	Cross-reference/Direct answer	Reason for omission	Explanation	To be reported in	Core
<b>Training and education</b>							
LA10	Average hours of training per year per employee by employee category.	Fully	p. 121 <a href="#">↗</a>				■
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Fully	p. 62-63 <a href="#">↗</a> , Training <a href="#">↗</a>				■
LA12	Percentage of employees receiving regular performance and career development reviews.	Fully	p. 119 <a href="#">↗</a>				■
<b>Diversity and equal opportunity</b>							
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	Fully	p. 115-117 <a href="#">↗</a> , 126 <a href="#">↗</a> , Supervisory Board <a href="#">↗</a> , Management Board <a href="#">↗</a>				■
LA14	Ratio of basic salary of men to women by employee category.	Fully	p. 119 <a href="#">↗</a>				■
<b>Human rights</b>							
<b>Diversity and equal opportunity</b>							
HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.	Partially	p. 23 <a href="#">↗</a> , 37-38 <a href="#">↗</a> , 39 <a href="#">↗</a> , 81 <a href="#">↗</a> , 89-90 <a href="#">↗</a>	Not available	All project finance investments and transactions dealing with the trading and production of arms and arms systems are subjected to screening. The percentage of these investments compared to the total has not been calculated to date	mid-term	■
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	Partially	p. 89-90 <a href="#">↗</a> , 127 <a href="#">↗</a>	Not available	At present contracts refused as a result of due diligence on human rights are not considered	mid-term	■
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	Fully	p. 121 <a href="#">↗</a>				■
<b>Non-discrimination</b>							
HR4	Total number of incidents of discrimination and actions taken.	Fully	p. 19 <a href="#">↗</a> , 123 <a href="#">↗</a>				■
<b>Freedom of association and collective bargaining</b>							
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	Fully	Code of Ethics (p. 3, 7, 13-14, 16) <a href="#">↗</a> , Labour/management relations <a href="#">↗</a>				■

G3	Description	Reported	Cross-reference/Direct answer	Reason for omission	Explanation	To be reported in	Core
<b>Child labor</b>							
HR6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.	Fully	p. 22 <a href="#">↗</a> , 37-38 <a href="#">↗</a>				■
<b>Forced and compulsory labor</b>							
HR7	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor.	Fully	p. 22 <a href="#">↗</a> , 37-38 <a href="#">↗</a>				■
<b>Security practices</b>							
<b>Indigenous rights</b>							
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	Fully	There are no incidents of violations involving rights of indigenous people				
<b>Society</b>							
<b>Community</b>							
SO1	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	Fully	p. 37-38 <a href="#">↗</a> , Equator Principles <a href="#">↗</a>				■
FS13	Access points in low-populated or economically disadvantaged areas by type.	Fully	p. 109 <a href="#">↗</a>				■
FS14	Initiatives to improve access to financial services for disadvantaged people.	Fully	p. 44 <a href="#">↗</a> , 70-76 <a href="#">↗</a>				■
<b>Corruption</b>							
SO2	Percentage and total number of business units analyzed for risks related to corruption.	Fully	p. 42 <a href="#">↗</a> , Monitoring against corruption <a href="#">↗</a>				■
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	Fully	p. 42 <a href="#">↗</a> , 121 <a href="#">↗</a>				■
SO4	Actions taken in response to incidents of corruption.	Fully	p. 122 <a href="#">↗</a>				■
<b>Public policy</b>							
SO5	Public policy positions and participation in public policy development and lobbying.	Fully	Relationship with community and international institutions <a href="#">↗</a>				■
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	Fully	Policies <a href="#">↗</a> (Policy concerning the financing of political parties)				
<b>Anti-competitive behavior</b>							
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	Fully	In 2013 the local antitrust Authority confirmed two fines at the closure of legal proceedings: CIB Bank Hungary (2.8 million euro) and VUB Banka, Slovakian Republic (3.8 million euro). CIB has appealed against this decision to the local preliminary court while VUB has presented a formal complaint to the Slovakian Constitutional Court for infringement of the right to a fair trial				

G3	Description	Reported	Cross-reference/Direct answer	Reason for omission	Explanation	To be reported in	Core
<b>Compliance</b>							
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Fully	p. 46 <a href="#">↗</a> , Financial Reports (Report 2013 p. 394-400) <a href="#">↗</a>				■
<b>Product responsibility</b>							
<b>Customer health and safety</b>							
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	Fully	p. 40-41 <a href="#">↗</a> , Health and Safety <a href="#">↗</a> This indicator is accountable only for relevant issues related to finance activity				■
<b>Product and service labelling</b>							
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	Fully	Transparency to customer <a href="#">↗</a> This indicator is accountable only for relevant issues related to finance activity				■
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	Fully	p. 46 <a href="#">↗</a> , Financial Reports (Report 2013 p. 384-389) <a href="#">↗</a>				
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	Fully	p. 45-46 <a href="#">↗</a> , 112-113 <a href="#">↗</a>				
FS16	Initiatives to enhance financial literacy by type of beneficiary.	Fully	p. 76 <a href="#">↗</a> , Financial Education <a href="#">↗</a>				■
<b>Marketing communications</b>							
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	Fully	Transparency to customers <a href="#">↗</a>				■
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	Fully	There have been no accidents as such				
<b>Customer privacy</b>							
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	Fully	p. 42 <a href="#">↗</a> , 114 <a href="#">↗</a> , Privacy <a href="#">↗</a>				
<b>Compliance</b>							
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	Fully	p. 46 <a href="#">↗</a> , Financial Reports (Report 2013 p. 384-389) <a href="#">↗</a>				■

# Additional indicators

Customers	Cross-reference/Direct answer
Customer complaints by type	p. 45-46 <a href="#">↗</a> , 113-114 <a href="#">↗</a>
Quality systems (certifications, codes of conduct adopted)	p. 40 <a href="#">↗</a> , 48 <a href="#">↗</a> , Certifications <a href="#">↗</a>
Customers: Direct channels	Proximity <a href="#">↗</a>

Employees	Cross-reference/Direct answer
Breakdown of employees by level of education and gender	p. 116 <a href="#">↗</a>
Breakdown of branch employees by category and gender	p. 120 <a href="#">↗</a>
No. of participants in training (enrolled)	p. 121 <a href="#">↗</a>
Training by content	p. 120 <a href="#">↗</a>
Training: No. training hours per year, average per employee and method	p. 121 <a href="#">↗</a>
Training cost and training cost per employee	p. 120 <a href="#">↗</a>
Internal communication	p. 122 <a href="#">↗</a>
Industrial relations: No. of days of absence and reason	p. 122 <a href="#">↗</a>
Litigation: pending cases	p. 123 <a href="#">↗</a>
Litigation: disciplinary provisions	p. 122 <a href="#">↗</a>
Parental leaves	p. 124 <a href="#">↗</a>
Parental leaves - rates	p. 124 <a href="#">↗</a>
Robberies: number	p. 125 <a href="#">↗</a>
Robberies: number per 100 branches	p. 125 <a href="#">↗</a>

Shareholders	Cross-reference/Direct answer
Recommendations by analysts	p. 126 <a href="#">↗</a>
Communication with investors and analysts	p. 126 <a href="#">↗</a>

Suppliers	Cross-reference/Direct answer
No. suppliers in Italy	p. 127 <a href="#">↗</a>
Breakdown of administrative costs by type	p. 127 <a href="#">↗</a>

Community	Cross-reference/Direct answer
Media relations: communication activities	p. 133 <a href="#">↗</a>
Community contributions by typology	p. 93-94 <a href="#">↗</a> , 132 <a href="#">↗</a>
Cash contribution to the community by areas of intervention	p. 95 <a href="#">↗</a> , 132 <a href="#">↗</a>
Cash contribution to the community by reason	p. 94 <a href="#">↗</a> , 133 <a href="#">↗</a>
Cash contribution to the community by geographical area	p. 95 <a href="#">↗</a>

# GRI Certification on A+ Application Level



## Statement GRI Application Level Check

GRI hereby states that **Intesa Sanpaolo** has presented its report "Sustainability Report 2013" to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level A+.

GRI Application Levels communicate the extent to which the content of the G3 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3 Guidelines. For methodology, see [www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf](http://www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf)

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 28 April 2014

A handwritten signature in black ink, appearing to read "Ásthildur Hjaltadóttir".

Ásthildur Hjaltadóttir  
Director Services  
Global Reporting Initiative



The "+" has been added to this Application Level because Intesa Sanpaolo has submitted (part of) this report for external assurance. GRI accepts the reporter's own criteria for choosing the relevant assurance

*The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. [www.globalreporting.org](http://www.globalreporting.org)*

**Disclaimer:** Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 16 April 2014. GRI explicitly excludes the statement being applied to any later changes to such material.



# Auditors' Report



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(Translation from the Italian original which remains the definitive version)

## Limited assurance report on the sustainability report

To the Management board of  
Intesa Sanpaolo S.p.A.

- 1 We have reviewed the sustainability report 2013 of the Intesa Sanpaolo Group (the "Group"). The parent's Management board is responsible for the preparation of the sustainability report in accordance with the Sustainability Reporting Guidelines (version 3) issued in 2011 by GRI - Global Reporting Initiative, the Sustainability Reporting Guidelines & Financial Services Sector Supplement issued in 2008 by GRI and the guidelines for the preparation of Social reports for the banking sector "The Report to stakeholders: A guide for banks", issued by ABI (the Italian Banking Association), as set out in the "Introduction and methodology" section. It is 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 (IAASB). That Standard requires that we comply with applicable ethical requirements (the Code of Ethics for Professional Accountants issued by the International Federation of Accountants, IFAC), including independence requirements, and that we plan and perform the engagement to obtain limited assurance about whether the report is free from material misstatement. A limited assurance engagement on a sustainability report consists of making inquiries, primarily of persons responsible for the preparation of information presented in the sustainability report, and applying analytical and other evidence gathering procedures, as appropriate. These procedures included:
  - comparing the information and data presented in the "Protecting solidity and profitability" section of the sustainability report to the corresponding information and data included in the Group's consolidated financial statements as at and for the year ended 31 December 2013, on which we issued our report dated 3 April 2014 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 Intesa Sanpaolo S.p.A. and personnel of Intesa Sanpaolo Group Services S.C.p.A., Banca CR Firenze S.p.A., Banco di Napoli S.p.A., Banca Fideuram S.p.A. and Cassa di Risparmio del Veneto S.p.A., to gather information on the IT, accounting and reporting systems used in preparing the sustainability report, 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 report;

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- sample-based analysis of documentation supporting the preparation of the sustainability report to confirm the effectiveness of processes, their adequacy in relation to the objectives described, and that the internal control system correctly manages data and information included in the sustainability report;
- analysing the compliance of the qualitative information included in the sustainability report with the guidelines referred to in paragraph 1 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 on the compliance of the sustainability report 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 offers a lower level of assurance that we have become aware of all significant matters and events that would be identified during an audit.

The sustainability report includes the corresponding information and data of the prior year sustainability report for comparative purposes, with respect to which reference should be made to the report of other auditors dated 22 April 2013.

- 3 Based on the procedures performed, nothing has come to our attention that causes us to believe that the sustainability report 2013 of the Intesa Sanpaolo Group is not prepared, in all material respects, in accordance with the Sustainability Reporting Guidelines (version 3) issued in 2011 by GRI - Global Reporting Initiative, the Sustainability Reporting Guidelines & Financial Services Sector Supplement issued in 2008 by GRI and the guidelines for the preparation of Social reports for the banking sector "The Report to stakeholders: A guide for banks" issued by ABI, as set out in the "Introduction and methodology" section.

Milan, 16 April 2014

KPMG S.p.A.

(signed on the original)

Domenico Fumagalli  
Director

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GALLERIE D'ITALIA.  
THREE MUSEUMS, ONE CULTURAL NETWORK FOR ITALY.

Intesa Sanpaolo's Gallerie d'Italia project enables the bank to share its artistic and architectural heritage with the wider public. With 1,000 artworks on display in historic palazzos in three cities, its museum network is truly one of a kind.

The **Gallerie di Piazza Scala**, Milano: this prestigious architectural complex houses a selection of two hundred 19th-century masterpieces by painters from Lombardy, as well as an exhibition charting the leading figures and tendencies in Italian art from the latter half of the twentieth century.

The **Gallerie di Palazzo Leoni Montanari**, Vicenza: home to the most important collection of Russian icons in the West and examples of 18th-century painting from Veneto.

The **Gallerie di Palazzo Zevallos Stigliano**, Napoli: the galleries host the *Martyrdom of Saint Ursula*, one of Caravaggio's very last paintings, in addition to southern Italian landscapes dating from the 17th to the early 20th centuries.

*On the cover*



**Alberto Burri**

(Città di Castello 1915 – Nice 1995)

*Red Black, 1953*

oil, paint, canvas and ground pumice stone on canvas,  
98.8 x 85.2 cm

Intesa Sanpaolo Collection

Gallerie d'Italia-Piazza Scala, Milano

Alberto Burri is one of Italy's most important post-Second World War artists. After graduating with a degree in medicine in 1940, he joined the army as a medical officer but was taken prisoner by the British in Tunisia in 1943. The following year he was transferred by the Americans to a prison camp in Texas, where he began experimenting with art. On his return to Italy, he gave up medicine to dedicate himself exclusively to painting.

The lack of faith in art and the languages of art after the War moved Burri, like his contemporaries, to seek out new means of expressing the creative angst which radiates from his work, making it the focus of his personal vision of the individual.

*Red Black* marks a significant hiatus in the "Art Informel" period of the early 1950s, the elegance of its forms contrasting sharply with the *brutality* of the materials. In this piece, it is as though Burri wanted to return to traditional techniques and evocative gestures as opposed to direct compositions. The painting enhances the continuity of the artist's language, as reflected in the close ties between colour and matter which transcend the complexity and variety of the media.

The choice of this work highlights the value of identity, the power of design and the courage to innovate.





