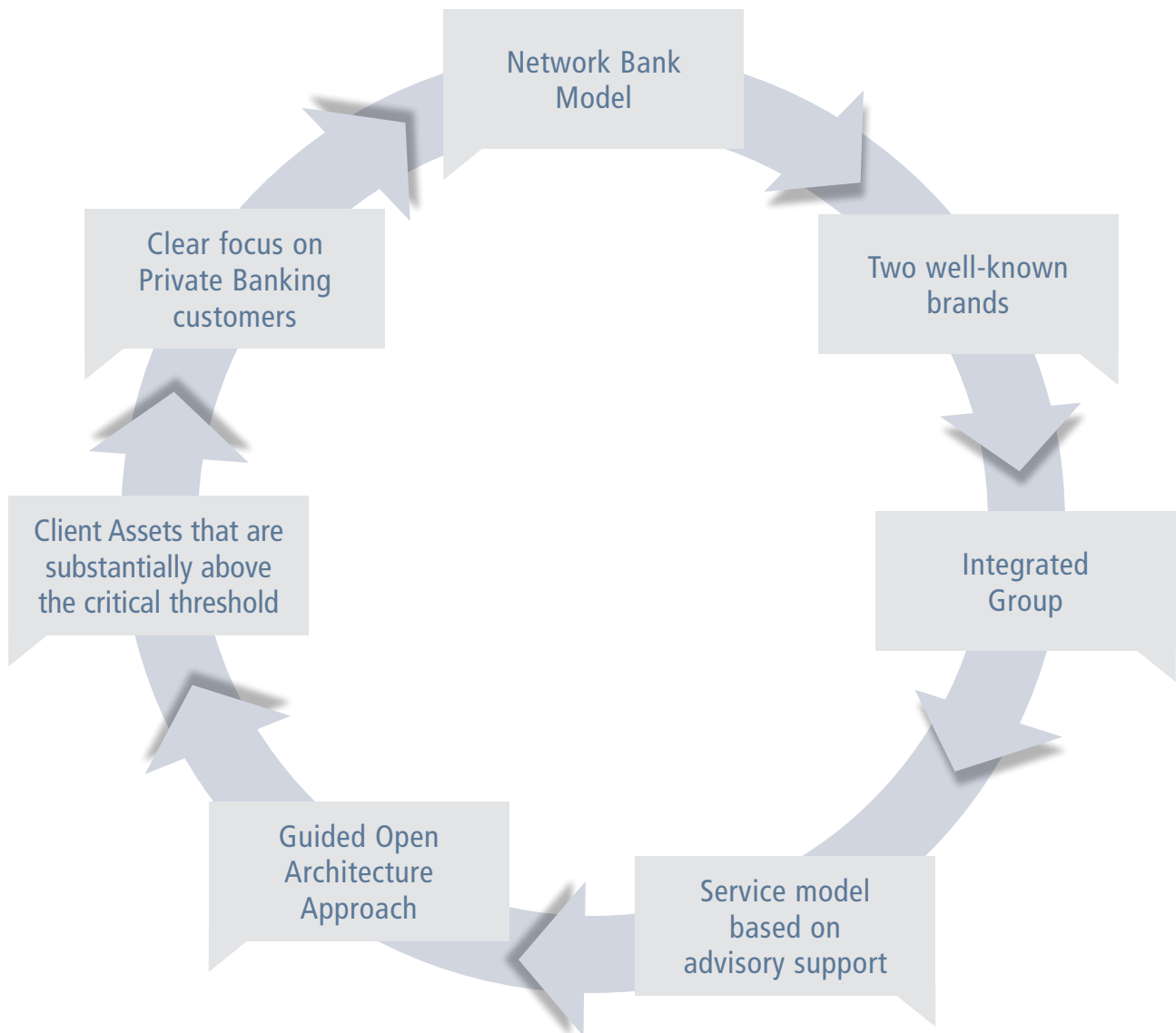


1.3 Key factors in the value-creation process



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

- The **Network Bank Model**: a model centred on the professional relationships between our Personal Financial Advisers and Customers, underpinned by the strength of a Banking Group, a complete offer of products and services, bank branches and leading-edge expertise. A bricks and mortar presence across Italy, with 97 bank branches and approximately 331 Personal Financial Advisers' offices, enables the Group to offer its customers a complete service that enhances their loyalty and strengthens Banca Fideuram's role as a one-stop-shop provider of banking products and services.
- **Two well-known brands**, Banca Fideuram and Sanpaolo Invest, with consolidated reputations of longstanding on the Italian market, which contribute to the strong loyalty of our customers and Personal Financial Advisers. The strength of these brands and their reputations likewise plays a key role in attracting new customers and top professionals in the sector.
- An **Integrated Group** of companies based in and outside Italy with product companies that enable prompt responses to changes in the market, exploiting the related op-

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

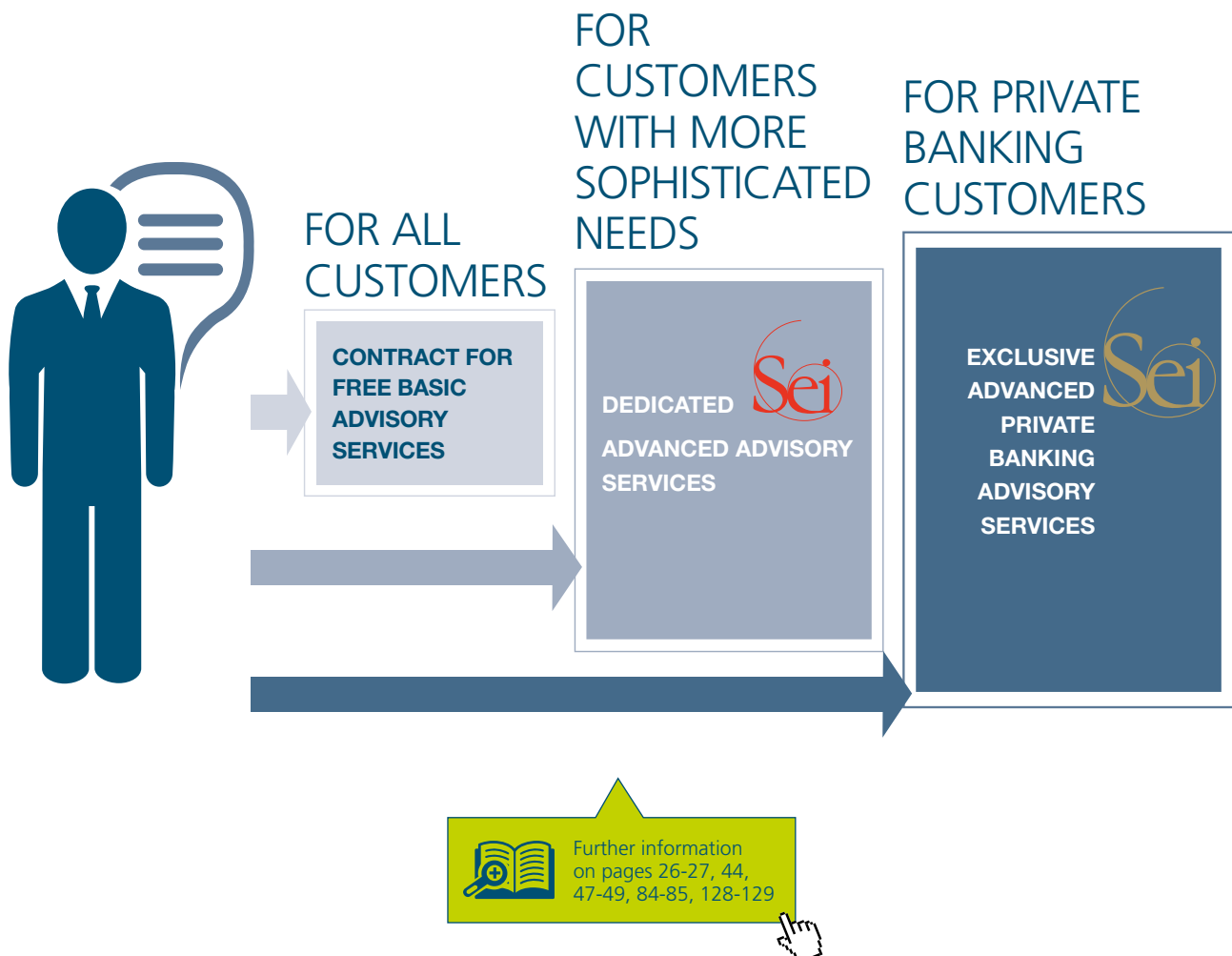
- A **service model based on advisory support**: the professional relationship between each Personal Financial Adviser and customer is based on a financial advisory service model governed by a dedicated contract. These services are delivered in two ways:
 - *Basic Advisory Service*: provided free of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

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

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

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

- **Client Assets that are substantially above the critical threshold** necessary to obtain significant economies of scale and ensure the creation of value in a manner that is sustainable over time.
- A **clear focus on Private Banking customers**, a segment accounting for approximately 46% of Banca Fideuram's client assets and which has high growth prospects on the Italian market. The Group supports its *Private Banking customers* with a dedicated service model using ad hoc organisational management (*Private Banking Service Line*) and a complete array of special products and services.



4.8 Economic, financial and sustainability results

The Group uses its own resources in the value creation process and adapts them in line with its strategies and business model. As explained in the section on Strategies, the Group has six strategic objectives which combine to enable its prime objective of creating value over time to be achieved.

The Group allocates, modifies and makes use of the different types of capital at its disposal to achieve these goals.

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

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

