

1.6 Stakeholders

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

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

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

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

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

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

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

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



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

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

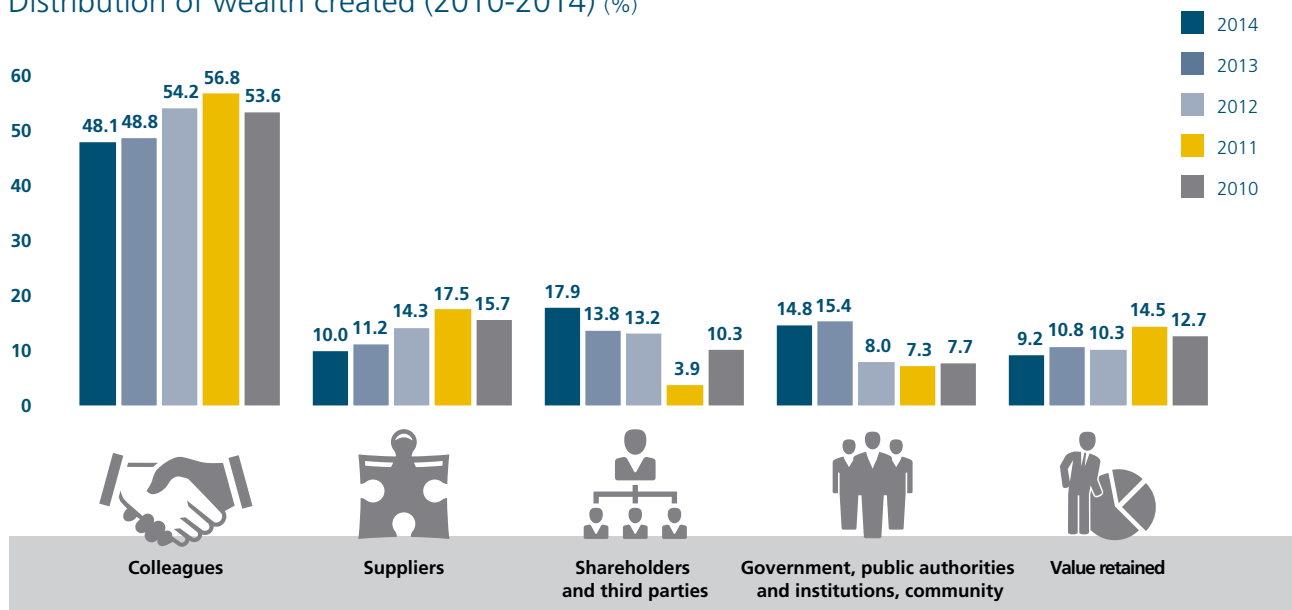
(*) The figure for 2014 includes advance dividends totalling €250m paid in December.

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

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



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



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

CUSTOMERS

- Interest expense

SHAREHOLDERS

- Dividend income

COLLEAGUES

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

SUPPLIERS

- Administrative expenses

COMMUNITY

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

ENVIRONMENT

- Administrative expenses

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

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

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

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



1.7 Risk management

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

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



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