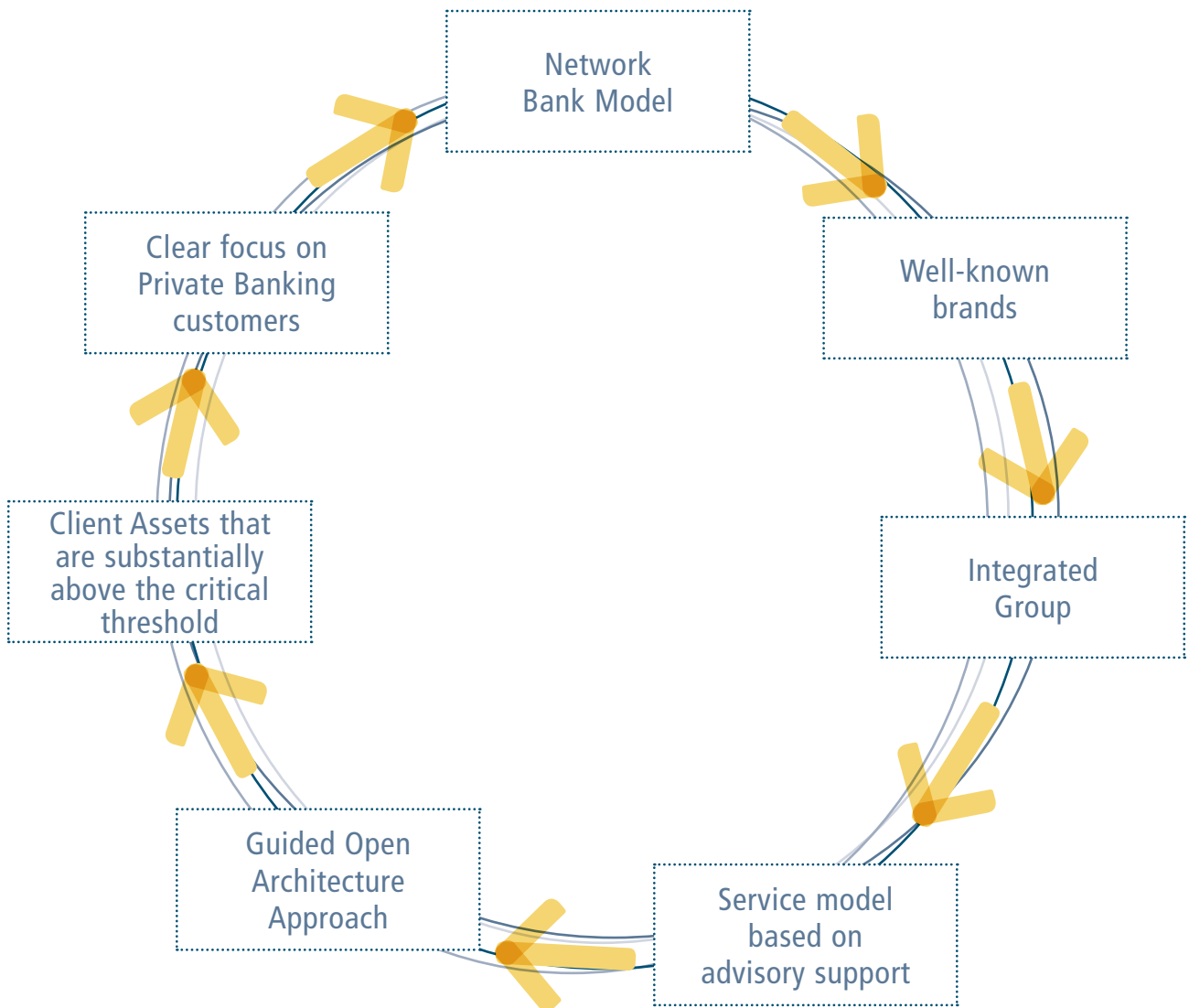


1.3 Key factors in the value creation process



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

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

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

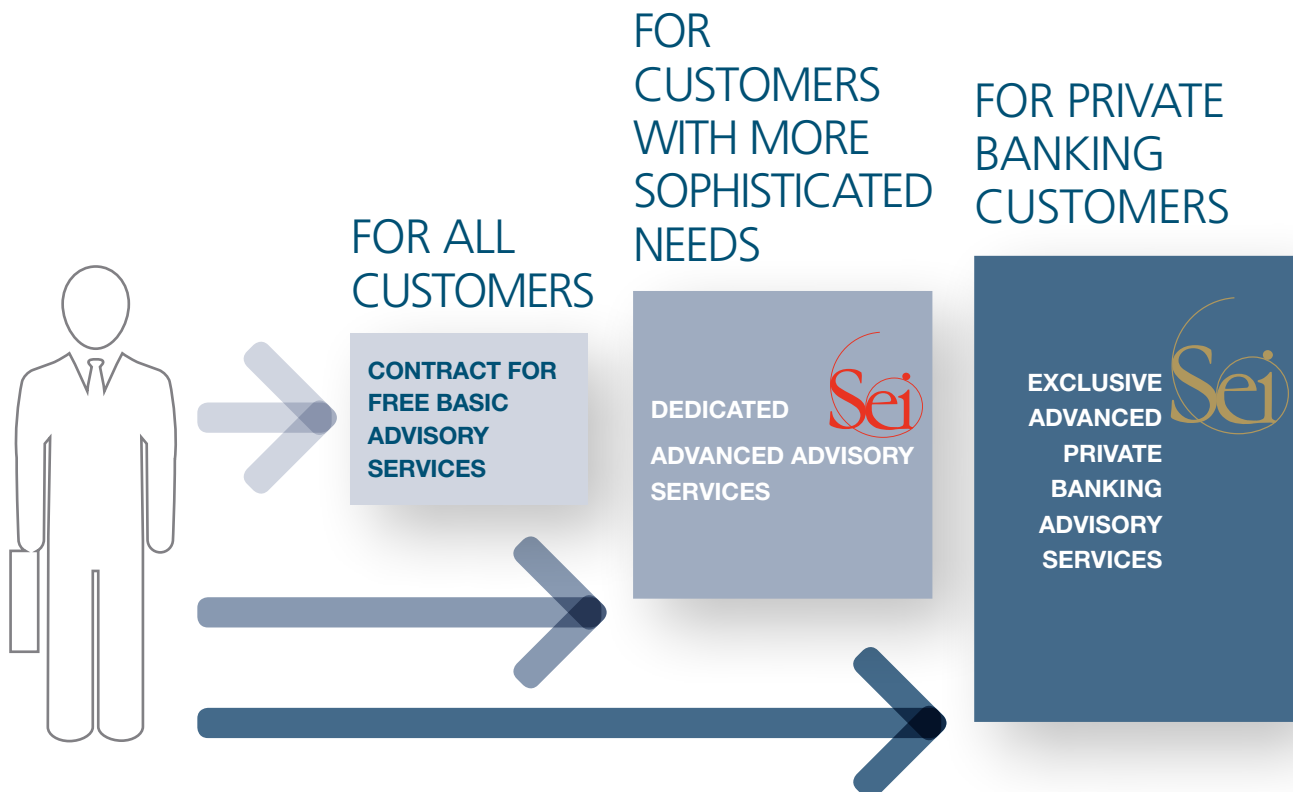
- A **service model based on advisory support**: the professional relationship between each Personal Financial Adviser and customer is based on a financial advisory service model governed by a dedicated contract. These services are delivered in two ways:
 - *Basic Advisory Service*: provided free of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

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

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

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

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



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