

Key factors in the value creation process

THE 2014-2017 BUSINESS PLAN

With the new Business Plan approved last March, the Intesa Sanpaolo Group introduced the 2014-2017 objective of pursuing a new growth phase based on an innovative strategy which, focusing on employees and adopting a clear and effective business model, aims at increasing profitability in a sustainable manner, optimising capital and liquidity.

The new strategy is based on certain priorities in the genetic make-up of Intesa Sanpaolo, which aims to consolidate its reputation as a real-economy bank, supporting households and businesses, leveraging a sound balance sheet and leadership, satisfying a robust credit demand and responsibly managing the financial wealth of customers. Intesa Sanpaolo wishes to be a Bank with sustainable profitability, in which the operating results, productivity, risk profile, liquidity and solidity/leverage are carefully balanced.

The Plan defines actions in the following areas:

- **New Growth Bank**, to develop revenues with innovative growth drivers capable of identifying new market opportunities;
- **Core Growth Bank**, to capture the untapped revenue potential of existing business, in terms of revenue development, reduction in operating costs, and credit and risk governance;
- **Capital-Light Bank**, to optimise the use of capital and liquidity, deleveraging the bank's non-core assets;
- **People and Investments**, as key enablers to maximise the contribution of each of the three Banks to the Group's result.

A number of initiatives were implemented from both the organisational standpoint as well as with regard to product innovation, improvement of customer service and development of Intesa Sanpaolo's human capital (see Parent Company's 2014 Financial Statements, p. 34).

Over its duration period, the Business Plan proposes the generation of a return higher than the cost of capital both at overall Group level and at individual Business Unit level. Achieving these objectives will allow the creation of shared value for all stakeholders.

These were our objectives for stakeholders and the progress made in 2014 since the launch of the Business Plan:

Stakeholders	Benefits	2014 results [€ bn]	2017 objectives [€ bn]
Shareholders	Dividends	1.2	~10
Households and businesses	New medium/long-term credit granted to the real economy	34	~170
Third sector	New medium/long-term credit granted to social businesses	0.20	~1.2
Employees	Personnel expenses	5.1	~21
Suppliers	Procurement and investments	2.6	~10
Public sector	Direct and indirect taxes	2.7	~10