





BOARDS, MANAGEMENT, AUDITORS

SUPERVISORY BOARD

Chairman	Giovanni Bazoli
Deputy Chairman	Mario Bertolissi
Members	Luigi Arturo Bianchi Rosalba Casiraghi Franco Dalla Sega Gianluca Ferrero** Jean-Paul Fitoussi Pietro Garibaldi Guido Ghisolfi Giulio Stefano Lubatti Marco Mangiagalli Gianni Marchesini Fabio Pasquini Eugenio Pavarani Gianluca Ponzellini Gian Guido Sacchi Morsiani Marco Spadacini Livio Torio Riccardo Varaldo

MANAGEMENT BOARD

Chairman	Andrea Beltratti
Senior Deputy Chairman	Marcello Sala
Deputy Chairman	Giovanni Costa
Managing Director and Chief Executive Officer	Enrico Tommaso Cucchiani

Members	Aureliano Benedetti Paolo Campaioli Elio Catania Roberto Firpo Emilio Ottolenghi
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GENERAL MANAGERS

Carlo Messina
Gaetano Miccichè
Marco Morelli*

MANAGER RESPONSIBLE FOR PREPARING THE COMPANY'S FINANCIAL REPORTS

Ernesto Riva

INDEPENDENT AUDITORS

Reconta Ernst & Young Spa

* Deputy to the CEO.

** Resigned with effect from 27/04/2012 in compliance with art. 36, Italian law decree 201/2011, converted with amendments to Law 214/2011

LEGENDA

Link Social Report
2011 page



Link Web Site



Link:
the topic is also of
interest to another
stakeholder



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LETTER TO THE STAKEHOLDERS

Intesa Sanpaolo believes that the ability to create shared value for the Bank and for the social context in which the Bank operates is the key to sustainable growth.

In such a difficult year as 2011 was, the activities were mainly geared towards the consolidation of a position of stability and strength, in order to face the challenges of the crisis and exploit future opportunities. We raised the capital ratios to higher levels than those required by regulators and we were able to propose remuneration to our shareholders.

Our commitment towards customers, employees and the community did not flag: this Social Report highlights to all stakeholders the progress made on the targets that we had set ourselves for the 2011-2013 three-year plan, within the framework of a Business Plan based upon no longer realistic scenario projections, following the crisis which led to a slow-down in the global economic and, in some countries such as Italy, to a full-blown recession.

In the interest of those families and people who were hit particularly hard by the crisis, we continued to pursue initiatives aimed at making mortgage rates sustainable and ensuring a decent standard of living. We proposed new products and services to young people, in the knowledge that their projects represent our future. For the “weaker” segments of the population, we developed ad hoc offers, such as the management of immigrant remittances and the development of micro-finance activities, in collaboration with Third sector foundations and organisations. The loans issued to support the most vulnerable segments of the population amounted to 2.3 billion euro.

In order to support businesses, we adhered to institutional initiatives aimed at postponing SME debts towards the credit system and we gave life to new collaboration agreements with trade associations, resulting in some major fund allocations. Looking beyond the crisis scenario, we developed internal expertise centres in order to provide specialised consultancy on the issues that numerous businesses are facing: growth in size, innovation and internationalisation.

For the benefit of those employees who first participated in the achievement of corporate objectives, we aimed at professional development, placing emphasis on operational excellence, transparency, meritocracy and the enhancement of talents. This strategy – which involved almost 90% of the Group’s personnel during the year – resulted in training programmes with investments in the region of 36 million euro. Special attention was paid to the constant improvement of the quality of life in the company and the wellbeing of people: for example, the Intesa Sanpaolo Group Health Fund, which provides health benefits to current employees, their families and retired people, provided 130 million euro after its first year of operations.

With regards to the challenges posed by climate change, we strove to curb the consumption of natural resources and carefully assess the indirect impacts on the environment arising from our relations with customers and suppliers. This led us to lend over 3.7 billion euro to the renewable energy sector, the energy efficiency sector and the safeguarding of the agricultural sector. The focus on resource

containment made it possible to reduce the overall CO₂ emissions by 9.4%. The environmental and energy management system applied to 180 Bank offices has recently been awarded, first Italian company and among the first ones in Europe, ISO 50001:2011 certification.

The environmental protection, as well as labour protection, the safeguarding of human rights and the implementation of policies against corruption are major strategic lines for a Bank with such a strong international vocation which acts as an intermediary for the achievement of the objectives of the different stakeholders. From this understanding stem the commitments we undertook with major international organisations such as the United Nations Global Compact and the Equator Principles guidelines based on the World Bank standards to assess and manage impacts on the environment and communities in project financing.

Equally important, shared and pursued is our commitment towards the promotion of social, cultural and economic growth of the community we operate in. The concept of sustainable development is closely linked to this aspect, with special attention to the new generations. We have always endeavoured to interpret the needs of the territories and meet local expectations, including through the strategic planning of our initiatives or the support to third-party initiatives in the cultural sector, thus regarding them as a basic element of our social responsibility.

In 2011, the Bank's share began to be listed in the Dow Jones Sustainability Indexes and was confirmed in the FTSE4Good and in other indexes which include the companies with the best performances in the social, environmental and governance sector.

The challenges for the current year are to maintain and strengthen a sustainable profitability in the medium-term, developing long-term relations with customers and pursuing defined objectives of improvement towards all stakeholders. Objectives which, this year as well, were the subject of intense listening and dialogue in order to incorporate any possible critical issues in the implementation and any innovative concepts. We believe that these times of listening, against such a complex and ever changing backdrop, are an important leverage to ensure that our activities are always in line with social, environmental and economic instances.

The Social Report – drawn up by adopting the Global Reporting Initiative Guidelines – illustrates this listening process and the coherence of the activities carried out with the commitments undertaken and the company values. The explanation of the initiatives is strongly supported by statistical annexes which enable the stakeholders to assess trends and compare performances.

We are aware that the social challenges and the ongoing crisis will require an even greater commitment on our part in order for our business to be able to generate shared value for the Bank and its stakeholders. Intesa Sanpaolo will not shirk this task, albeit under difficult circumstances.

Giovanni Bazoli



Andrea Beltratti



Enrico Tommaso Cucchiani



THIS REPORT MEETS THE REQUIREMENTS OF THE A+ APPLICATION LEVEL GRI GUIDELINES

INTRODUCTION AND METHODOLOGY

APPLICATION LEVEL	PROFILE DISCLOSURE	MANAGEMENT APPROACH	PERFORMANCE INDICATORS
C	Report on 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
C+	Report externally analysed		
B	Report on all criteria listed for levels C plus: 1.2 3.9 3.13 4.5 - 4.13 4.16 - 4.17	Management Approach Disclosure 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+	Report externally analysed		
A	Same as required for level B	Management Approach Disclosure for each indicator category	Report on each core G3 and Sector Supplement Indicator or report with breakdown by indicator or illustrating reasons for omission, with due regard to the materiality principle
A+	Report externally analysed		

The 2011 Social Report addresses all stakeholders for which the Code of Ethics defines rules of conduct on relations. The report illustrates the action taken in 2011 in holding true to the defined improvement objectives and is drafted in compliance with the Global Reporting Initiative (GRI 3) “Sustainability Reporting Guidelines” and the more recent “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.

The content selection took into account the GRI principles of materiality, inclusiveness, the sustainability context and completeness. Materiality analysis was also conducted  which allowed assessment of the topics based on their materiality to stakeholders and corporate strategies. The method adopted was that of the GRI Technical Protocol “Applying the Report Content Principles”. Moreover, the GRI principles were applied for reporting quality criteria definition (balance/neutrality, comparability, accuracy, promptness, clarity and reliability) and for the reporting boundary.

Information in addition to that provided in the Social Report is published on the website . In the descriptions and in the Summary Table of GRI Indicators, the Report includes links to this additional information.

This edition of the Social Report has been reviewed – in compliance with the drafting principles reported in this methodology section – by the independent auditors, Reconta Ernst & Young. The report describing the steps involved and related conclusions can be found on page 115 .

THE REPORTING PROCESS

All company departments contribute in drafting the Social Report content and to dialogue 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 Social 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 Social Report is published on an annual basis, the previous Report being published in May 2011. The data presented herein refer to 2011 and, where possible, are accompanied by data from the previous two years for comparative purposes. The reporting boundary for the Social Report includes active companies important for sustainability reporting purposes and which are included in the 2011 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 2011 compared to 2010.

A summary of the 2011 Social Report is also published in the “Report on Operations” in the Intesa Sanpaolo Group Consolidated Financial Statements (see chapters: “Stakeholder map”, page 26  and “Social and environmental responsibility”, page 129 ). 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 Social Report is also available on the Internet .



IDENTITY AND GOVERNANCE



MISSION AND VALUES



The Group's mission is to work together to provide excellence in banking and financial services for our customers, leveraging on developing our presence in all the areas in which we operate.

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

The Group competes honestly and fairly on the market, and is always ready to cooperate with other economic entities – both private and public – as necessary, to strengthen the overall capacity for growth in countries in which the Group operates.

The Group assumes responsibility for the prudent management of investments; it is committed to extending access to loans and financial instruments to all and to the sustainable development of businesses, aware that its decisions have a significant impact, both directly and indirectly on the environment and on the community as a whole.

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

(from the Code of Ethics )

INTEGRITY

The Group pursues its goals with honesty, fairness and with a sense of responsibility in full compliance with the rules, professional ethics and spirit of signed agreements.

EXCELLENCE

The Group's aim is to continually improve. It is far-sighted and anticipates challenges, cultivating widespread creativity with the objective of achieving innovation and worth.

TRANSPARENCY

Transparency forms the basis for all our activities, communications and contracts in order to enable stakeholders to make independent, fully informed decisions.

RESPECT FOR SPECIFIC QUALITIES

The Group's intention is to combine its international and national dimension with its local roots, becoming a bank that "thinks big" without losing sight of the individual.

EQUALITY

We are committed to eliminating discrimination from our conduct and to respect differences of gender, age, race, religion, political beliefs, trade union membership and language and disability diversity.

VALUES OF THE INDIVIDUAL

The value of each and every individual guides the entire modus operandi of the Group: we adopt listening and dialogue as tools for continually improving relations with all stakeholders.

RESPONSIBILITY IN THE USE OF RESOURCES

All resources will be deployed with the utmost care, encouraging conduct that prevents waste and ostentation and privileging choices in support of long-term sustainability

STRATEGIES



The global macroeconomic scenario in 2011 was strongly driven by the sovereign debt crisis in the Eurozone, leading to strong tension on the financial markets and a slowing down of the economic cycle. In Italy, added to this serious situation were uncertainties regarding the domestic framework and the insufficient economic growth which led to the year closing in recession.

The markets heavily penalised the banks, particularly due to fears of a potential credit squeeze caused by the stronger capitalisation levels called for by the European supervisory authority.

The risk of a liquidity crisis in the Eurozone was warded off by the European Central Bank's decision to introduce three-year refinancing to support the credit market. The high degree of financial market volatility and the deterioration in the economic context forced Intesa Sanpaolo to constantly monitor factors which – in the medium and long term – allow the Bank to pursue sustainable profitability: strong liquidity, funding capacity, low leverage and suitable capitalisation, through a rapid share capital increase that placed the Bank in a position strong enough to face a future that, though still uncertain, is rich in opportunities.

From a social point of view, as a reflection of the economic crisis, the scenario was characterised by strong impact from labour market trends and higher demand from the production sector for credit and support. The economic crisis ensured that even the effects of climate change and its resulting consequences (natural disasters, depletion of natural resources) were amplified by the greater need for access to funding and technology resources.

In such a scenario, an analysis was arranged to assess the areas of risk and opportunity offered by the Group's strategies, (see "Materiality Analysis" ) that identified the fields of action and priorities, assessing the results emerging from the stakeholder engagements and the impact that economic and social scenarios could have on our medium/long-term business as outlined by the major international organisations (IFC-World Bank, OECD, ILO, etc.).

The projects developed or continued in 2011 confirm Intesa Sanpaolo's commitment to sustaining the economy, guaranteeing credit to households, to the going concern of businesses and their development, reorganisation and innovation projects.

For employees the main lines of action involved the development of human resources and the quality of life in the workplace. To meet environmental needs, new products have been launched to finance renewable energies and the monitoring and mitigation of direct environmental impact has been strengthened. Lastly, work for the community has continued on "Progetto Cultura", a multi-year programme covering a variety of initiatives such as contributing to the awareness and advancement of a society deep-rooted in the shared and incomparable Italian cultural heritage.

THE PROFILE OF THE INTESA SANPAOLO GROUP



The Intesa Sanpaolo Group is the largest banking group in Italy, with about 10.8 million customers and 5,581 branches, and one of the largest in Europe.

It is the Italian leader in financial assets for families and businesses, in particular banking intermediation, pension funds, bancassurance, asset management and factoring.

Furthermore, with its strategic coverage of the territory through its local subsidiaries, the Group is one of the largest banking groups in Central and Eastern Europe, Middle East and North-Africa, where it serves 8.3 million customers through a network of over 1,600 branches: it is the first bank in Serbia, second in Croatia and Slovakia, third in Albania, fifth in Egypt and Hungary, sixth in Bosnia-Herzegovina and eighth in Slovenia.

The Group also has an international network specialised in providing support to corporate customers in 29 countries, particularly the Middle East, North Africa, United States, Russia, China and India.

As at 31st December 2011, the Intesa Sanpaolo Group had total assets of 639,221 million euro, loans to customers of 376,744 million euro and direct customer deposits for 359,991 million euro, direct deposits from insurance business and technical reserves for 73,119 million euro.

The Intesa Sanpaolo Group's structure is divided into five Business Units (Banca dei Territori Division, Corporate and Investment Banking Division, International Subsidiary Banks Division, Eurizon Capital and Banca Fideuram) serving different types of customers, flanked by the Corporate Centre (Human Resources Department, Chief Operating Officer, Chief Financial Officer, Chief Lending Officer and Chief Risk Officer), for planning, coordinating and monitoring the entire Group.

The Group organisational structure is detailed on the Group's website [↗](#).

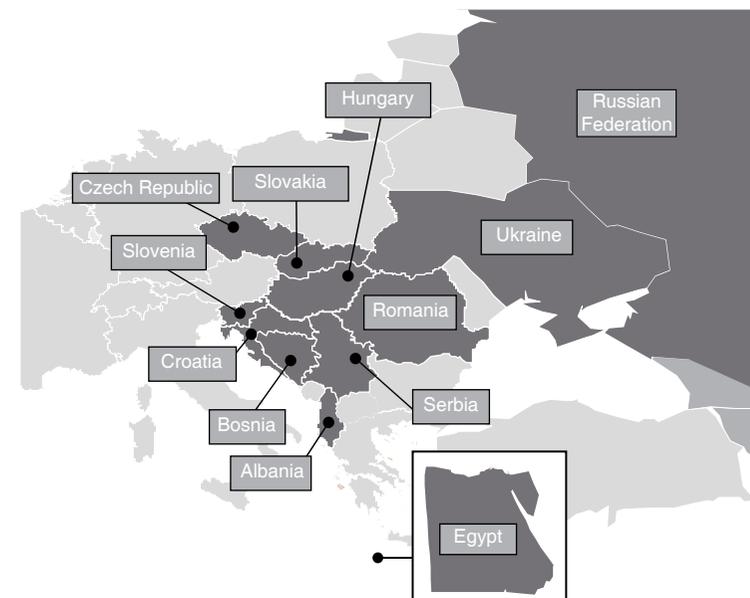
LEADERSHIP IN ITALY BUILT ON LONG-STANDING RELATIONSHIPS WITH CUSTOMERS

			RANKING IN ITALY
Loans		15.7%	1°
Deposits		16.9%	1°
Pension Funds		23.3%	1°
Bancassurance ¹		24.1%	1°
Asset Management ²		25.2%	1°
Factoring		31.8%	1°

1. New production
2. Mutual funds

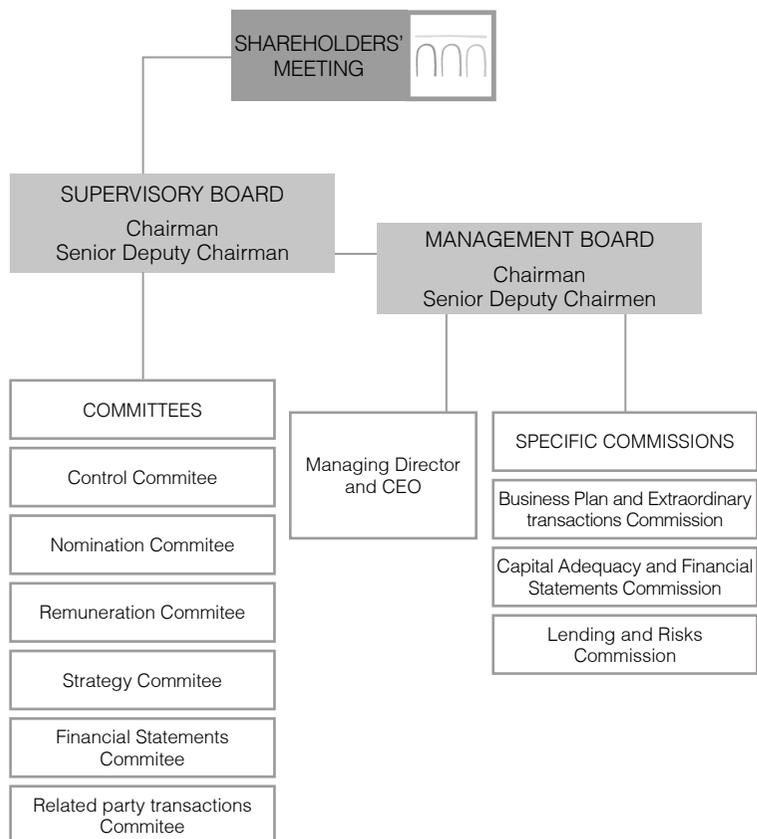
INTERNATIONAL SUBSIDIARY BANKS

~8.3 MILLION CUSTOMERS 1,646 BRANCHES IN 12 COUNTRIES



Figures as at 31st December 2011

GOVERNANCE



Intesa Sanpaolo adheres to the Corporate Governance Code [↗](#) issued by the Corporate Governance Committee of Borsa Italiana (the Italian Stock Exchange). The governance structure complies with the Code's aims and indications to ensure effective and transparent appointment of roles and responsibilities of the Group's bodies and a proper balance between strategic supervision, management and control. Intesa Sanpaolo has adopted the dual management and control model, based on the presence of a Supervisory Board and a Management Board.

The system of corporate governance is fully illustrated in the Report on "Corporate Governance and Ownership Structures-Remuneration Report" [↗](#).

The **Shareholders' Meeting** is the body deemed to represent all Shareholders and its resolutions are binding on all Shareholders, irrespective of their attendance or dissent. The Shareholders' Meeting is amongst other things expected to resolve upon the appointment and dismissal of the Supervisory Board; the responsibilities of its members and, without prejudice to concurrent duties of the Supervisory Board, of members of the Management Board; the allocation of net income; the approval of financial statements unless approved by the Supervisory Board; transactions reserved by law to resolution of the Extraordinary Shareholders' Meeting.

The **Supervisory Board**¹ is appointed by the Shareholders' Meeting and is responsible for guidance, strategic supervision and control. In particular, it appoints members of the Management Board and decides on their remuneration, and approves the Financial Statements and Consolidated Financial Statements. As to its strategic supervisory role, the Supervisory Board, on recommendations from the Management Board, deliberates general, programme-related and strategic guidelines; approves the business and/or financial plans and budgets; authorises strategic transactions; approves strategic guidelines and risk management policies. Regarding its control responsibilities, the Supervisory Board performs all control body tasks as envisaged by law. All the members of the Supervisory Board meet the independence requirement pursuant to the Consolidated Law on Finance. The Law establishes that there be no self-employment, employment or other relations of an economic or professional nature between the Board Member and the Bank as well as between the Board Member and any subsidiaries, parent companies or companies subject to joint control. Nine Board Members are enrolled on the Register of Auditors and eighteen are independent in accordance with the Corporate Governance Code.

The Supervisory Board has set up six internal committees, three of which are specifically indicated in the Articles of Association (Remuneration Committee, Nomination Committee and Control Committee).

NOTES

1. The composition of the Supervisory Board, brief biographical and professional details of its Members and the administration and control offices they hold are available on the Group's website [↗](#).
2. The composition of the Management Board, brief biographical and professional details of its Members and the administration and control offices they hold are available on the Group's website [↗](#).

The **Management Board**², appointed by the Supervisory Board, is entrusted with the management of the company in compliance with all general, programme-related and strategic lines approved by the Supervisory Board; decides upon on all necessary transactions, ordinary or extraordinary, considered useful or appropriate in achieving the corporate purpose. In particular, but by no means exhaustively, the Board has powers regarding the following areas, without prejudice, if any, to concurrent competences of the Supervisory Board: structure, organisation and operation of the Board; strategies and general guidelines of the Bank and the Group; structure and organisation of the Bank and the Group; control and prudential supervision policies; financial reporting, financial statements and relations with independent auditors; Shareholders' Meetings and relations with Bank shareholders.

Of the nine members of the Management Board, six are executive Members: the Managing Director in his capacity as Chief Executive Officer and five Members entrusted with duties related to corporate management and who work in specific Commissions with advisory and investigational functions.

The Management Board, on recommendation of the Supervisory Board, nominates among its members the **Managing Director** who also holds the post of Chief Executive Officer and of General Manager. The Managing Director is the Chief Executive Officer and supervises the corporate management to the extent of his assigned powers. He ensures the implementation of resolutions of the Management Board and ensures that the organisational, administrative and accounting structure is adequate given the nature and size of the Bank. The Management Board has also entrusted the Managing Director with a specific responsibility on risk management and internal control policies.

The last audit carried out by the Management Board, in the light of facts and information provided by Consob, has assessed the requirements of independence pursuant to the Consolidated Law on Finance were met by two directors – Andrea Beltratti and Elio Catania – requirements regarding the inexistence of administrative office held in Group companies or self-employment, established employee or other relations of economic or professional nature with the company or its subsidiaries that could compromise independence ➡.

As regards remunerations, all members of the Supervisory Board receive remuneration defined for the entire period of office and not based on financial instruments, nor on incentives related to economic results. As for the remuneration of members of the Management Board, including the Managing Director, and of management, limitations are set based on a fair balance of fixed and variable components and, for the latter, weighting systems for the risks are applied as are evaluation mechanisms designed to ensure a connection to real and lasting results.

To ensure the necessary overall unity for the Group's governance, the structure of Intesa Sanpaolo is divided into: five Business Units, Head Office Departments and Staff Units, most of which are grouped into four areas of responsibility, reporting directly to the Managing Director and CEO ➡.

INTERNAL CONTROL SYSTEM

The internal control system was designed to achieve constant identification, governance and control of the risks involved in our activities. It is structured on three levels:

- the first is represented by the line controls which are carried out by the operating structures, are built into our procedures and are part of back-office activities;
- the second is entrusted to the Chief Risk Officer and, in addition to the legal area, includes controls on risk management; compliance with standards; anti-money laundering risk; credit granting process; internal validation;
- the third is the internal audit, carried out by the Internal Auditing Department, that operates independently and separate from the operational departments, to identify anomalous trends, violations of procedures and regulations, and to assess the good order of the overall internal control system.

CONTROL OF SOCIAL AND ENVIRONMENTAL RISKS

The Control Committee, reporting to the Supervisory Board, also supervises social and environmental risks, in accordance with the principles and values of the Code of Ethics. It receives a regular report drawn up by the Corporate Social Responsibility Unit – based also on information gathered by the Internal Audit and Compliance Departments – on the outcome of controls, internal processes of adjustment by each corporate unit, the management of corrective actions and anomalies and non-compliances which are deemed to be serious.



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
- 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

OUR VALUES

In July 2007 Intesa Sanpaolo adopted the Code of Ethics, a charter of values that first of all expresses the Bank's identity, what it seeks to be and the principles it adopts in relations with stakeholders. The Intesa Sanpaolo Code of Ethics focuses on the concept of responsibility and requires that not only individuals but also every corporate department guarantee their commitment to ensuring that business activities remain consistent with the values stated.

LOCAL AND INTERNATIONAL COMMITMENTS

The improvement objectives disclosed each year in the Social Report, and which follow the strategic guidelines of the Business Plan, define the milestones in a constant commitment to consolidate the corporate values into the Bank's business activities. The adoption of sustainability standards issued by international organisations defines the Bank's commitment to contribute to greater sustainability in a global context of social justice and environmental protection.

CSR IN CORPORATE ACTIVITIES

The CSR Unit makes use of a support network of "CSR Delegates", colleagues who in addition to their work in the various departments also actively cooperate with the CSR Unit by disseminating the culture of social responsibility. Delegates open dialogue with the main stakeholders in their field of operations, define improvement objectives and support their colleagues in implementing projects, and managing non-compliance of the Code of Ethics and reporting requirements.

DIALOGUE WITH STAKEHOLDERS

Every year since 2007 structured dialogue with the Intesa Sanpaolo's main stakeholders is arranged in accordance with AA1000 quality standards. A wide range of engagement techniques are used: focus groups and online questionnaires for employees and the Trade Unions, interviews with customers and NGOs, customer satisfaction surveys introducing questions on CSR matters and surveys with suppliers and shareholders. The feedback received is analysed to formulate the improvement objectives.

COMPANY REGULATION SYSTEM

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

ACTIVITY MONITORING

The Social Report is the key management process for monitoring activities of social and environmental significance. Listening to stakeholders and the evaluation of trends emerging from the quantity indicators are its driving forces.

The results of stakeholder engagement activities and the assessment of internal departments to verify the adoption of Code of Ethics values in the corporate processes are monitored through two management dashboards allowing trend assessment and the definition of related improvement plans.

CSR IN CORPORATE GOVERNANCE

The CSR Unit reports periodically to the Control Committee of the Supervisory Board on the application status of the Code of Ethics, on critical elements and on stakeholders' reports, as well as on the consequent corrective actions envisaged. Assessment of the critical elements is based on the results of periodic analyses conducted by an independent specialised consulting company to assess consistence of the corporate management processes with the values of the Code of Ethics. The report to the governance bodies also includes a summary of reports from stakeholders of any violation of the corporate principles and values [➔](#).

REPORTS OF NON-COMPLIANCE WITH THE CODE OF ETHICS

In 2011 a total of 170 reports of non-compliance were received: 139 relate to the Group in Italy and 31 from the International Subsidiary Banks. The number of reports has increased slightly and this is due to the stronger capacity of the Group's International Subsidiary Banks to identify and manage this type of event.

	2011	2010	2009
Customers	133	116	45
Employees	15	9	17
Suppliers	21	28	-
Community	1	-	2
Total	170	153	64

See the web site [➔](#) for details of audits completed to verify implementation of the environmental and social policies.

ADOPTION OF INTERNATIONAL STANDARDS AND COMMITMENTS



GLOBAL COMPACT [➔](#)

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



EQUATOR PRINCIPLES [➔](#)

Guidelines of IFC – World Bank – for the evaluation of social and environmental risks in project finance.



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 making public the emissions of greenhouse gases, the identification of risks, opportunities and corporate strategies on the problem of climate change.



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

ADOPTION OF THE EQUATOR PRINCIPLES

The World Bank's guidelines on environmental and human rights protection in project financing were fully integrated into company regulations. More than 80 internal specialists have attended operational training on their application. See chapter "Environment", page 64 [↗](#).

ETERNIT FREE

Intesa Sanpaolo and Legambiente have signed a cooperation agreement with the aim of launching specific initiatives on the issues of environmental sustainability and energy savings. "Eternit Free" is the first project implemented for the disposal of Eternit roofing and its replacement with photovoltaic panels. See chapter "Environment", page 62 [↗](#).

PROJECT MALAWI

Launched in 2005, this project implements action to fight AIDS and develop the country. The project partners have essentially achieved all the quality and quantity objectives set in terms of environmental health, local development, care for orphans and vulnerable children, education and prevention. See chapter "Community", page 72 [↗](#).

	TEN PRINCIPLES	PERFORMANCE INDICATORS
HUMAN RIGHTS	1. Support and respect human rights within their sphere 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 abuses	Human Rights: HR1-9 Society: SO5
LABOUR	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 mandatory 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
ENVIRONMENT	7. Uphold a preventive approach as regards 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 spread of technologies that respect the environment	Environmental performance: : EN2, EN5-7, EN10, EN18, EN26, EN30 Society: SO5
ANTI-CORRUPTION	10. Promote initiatives to prevent corruption in all its forms	Society: SO2-6

Intesa Sanpaolo participates in the Global Compact Advanced Programme and reports on actions taken in compliance with its commitments in the "Advanced Level" disclosure available on the Global Compact website [↗](#).



We attach great importance to listening and dialogue with our stakeholders, a process we deem essential to focusing our actions on relevant issues.

To ensure the engagement be effective and strategic, we adopted the AA1000 series of standards issued by AccountAbility .

2011 saw the continued implementation, with the Departments concerned, of listening and dialogue with stakeholders.

Customers: their perception of the ease of talking with the Bank was overall positive. One of the strengths lies in the branch employees' capacity to establish a relationship of trust and dialogue. At the same, a need emerged for internal organisational process to be streamlined and for greater decision-making flexibility and independence. Support and access to credit for businesses are two important areas meeting the needs of businesses, though the past and ongoing efforts of the Group at this particularly difficult time are generally appreciated. An aspect perceived as crucial in the development of relations between the Bank and its corporate customers is the monitoring of social and environmental risk when assessing creditworthiness.

The NGOs have also requested that more importance be given to the assessment of social and environmental risks, not only in project financing but – more in general – in the financing decisions for corporate customers.

Employees: there is the need to give priority to aspects associated with personal skills enhancement, welfare and health. In particular, the enhancement of talents and career development policies appear to be the main priorities, followed by incentive systems. The appraisal system, the perception of which improved compared to 2010, was on the whole appreciated. Safety is particularly strongly monitored, in terms of both anti-robbery security and awareness and corporate culture. Employees require instead that more attention be paid to the dissemination of home-work balance culture.

Suppliers: the most important aspects in determining the quality of relations with the Bank are the listening and dialogue capacity and the creation of relations based on trust, followed by the Bank's fairness in managing and signing contracts. Suppliers also expressed a strong interest in the Bank's initiatives increasing awareness of the supply chain about social and environmental responsibility.

Shareholders: the E.Di.Va. Association proposed the topics of support for family businesses and credit policies in favour of young people, new families and births.

The engagement activities allowed us to focus on areas for improvement and to build the materiality matrix. The Social Report illustrates the activities developed in order to respond to the issues emerged.

STAKEHOLDER	ENGAGEMENT METHOD
Customers	Italian households and small business customers: surveys of new customer satisfaction Replies: 1137
	Interviews with business customers that used specific services or products associated with the issues: energy, internationalisation and business growth Participants: 17
	Questionnaire to members of the Consumer Associations participating in the "Formiamo l'Italia dei Consumatori" initiative Replies: 16
	Interview with an officer of Confindustria on the agreement "Crescere insieme alle imprese"
	Systematic analysis of national press reports and sector studies on topics of interest
Employees	Questionnaire to a representative sample of Banca dei Territori employees Replies: 1.349
	Focus group for Banca dei Territori network and department staff Participants: 180
	Focus group with the trade unions Participants: 14
Suppliers	Questionnaire to a sample of suppliers Replies: 180
Community and Environment	Interviews with: Amici della Terra Campagna per la Riforma della Banca Mondiale Greenpeace Mani Tese OXFAM Valore sociale See report "The engagement of the NGOs", April 2012 
Shareholders	Interview to "ETICA, DIGNITÀ E VALORI – Associazione Stakeholders – Aziende di Credito Onlus"

See "Stakeholder Engagement in Intesa Sanpaolo, the listening and dialogue initiatives with our stakeholders in 2011" .

THE ISSUE IDENTIFICATION CRITERIA

The 2011 Social Report concentrates on the issues that are of greatest interest and relevance to our core business and the Group's stakeholders. The process of identifying "material" issues, that is to say the risks and opportunities that are most relevant to the Bank, was based on principles set out in the leading standards of reference: the Global Reporting Initiative (GRI 3) guidelines and the Accountability AA1000APS standard.

The analysis was conducted by taking into consideration the Group's mission, values and improvement objectives as reported in the last Social Report, and business strategies set out in the 2011-2013 Business Plan. The issues that emerged from the activities of stakeholder engagement in recent years and the continuous monitoring of the main sustainability trends in the financial sector were also taken into account ➔.

The materiality matrix lists the positioning of the issues both with respect to the relevance and priority given by the stakeholders on our process of stakeholder engagement and the level of priority for the Group, also defined as possible financial or reputational impacts on the Bank. Issues having a high value on both axes are those on which the Group will focus its attention until 2013.

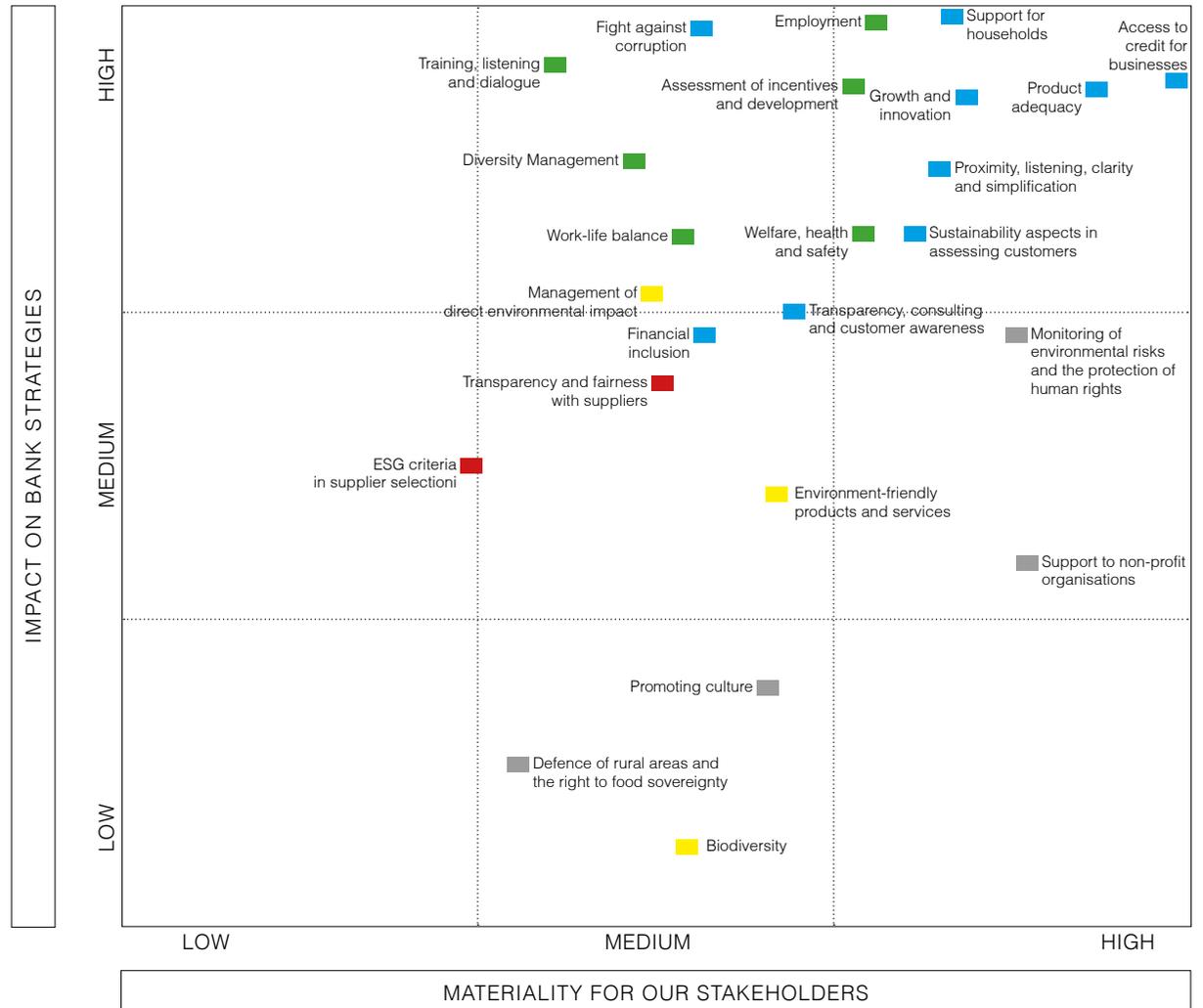
The issues covered in the Social Report were selected on the basis of this analysis which led us to focus on a small number of issues deemed to be of great importance, yet reserving adequate space for other issues on other information sources (website, specific publications, etc.).

MATERIALITY ANALYSIS



ISSUES OF INTEREST TO:

CUSTOMERS EMPLOYEES ENVIROMENT SUPPLIERS COMMUNITY



OUR ACHIEVEMENTS IN 2011

WHAT WE HAVE DONE IN 2011

The process quality management system was fully developed, with fine-tuning of the quality indicators for the service provided by central offices and branches, which recorded an overall improvement of 18% compared to 2010. More streamlined processes were implemented for granting credit to customers with simple financial needs. The service model for retail and SME customers was marked by a customer-led planning logic. The customer satisfaction surveys for large businesses allowed us to strengthen our capacity to provide increasingly targeted advice also in the more complex life phases of the companies.

We continued our support for initiatives in favour of households finding it difficult to meet their mortgage repayments, and developed a new mix of products and services at subsidised rates for young people. The service guaranteeing transparency and competitive costs for managing money transfers for immigrants became fully operative. Development continued both in Italy and in the International Subsidiary Banks of the microcredit projects. For corporate customers we invested in innovation, business-to-business synergy development and internationalisation projects. Our support to the public sector continued.

A new career development model was developed for employees based on individual motivation and the enhancement of diversity, and the personalised growth paths for young, talented people and support for women's managerial growth have continued. The performance appraisal system was further enhanced to better satisfy the different entities within the Group. The People Care system was integrated with corporate welfare action so as to improve the quality of life in the company, also in terms of diversity management.

The Environmental and Energy Management System consolidated its activities in 180 of the Bank's premises. In Italy the use of energy from renewable sources counts for more than 94% of the electricity consumption. Overall energy consumption fell by 5.5% compared to 2010. The commitment to developing sustainable mobility services also continued. The series of actions implemented allowed a decrease in CO₂ emissions of 9.4% compared to 2010. Almost 74% of paper consumed in Italy is recycled, certified or ecological. The financing options available to customers for investments in renewable source energies, which, in 2011 recorded almost 3.7 billion euro, were expanded. The policy on adoption of the Equator Principles was fully implemented by the internal departments. New policies on the management of direct environmental impacts were also adopted.

Despite the financial crisis that affected most countries in which the Group operates, in 2011 we achieved satisfactory operating results. The economic value generated was 12.6 billion euro. Though a net loss was recorded, as proposed by the Shareholders' Meeting, an amount was allocated from reserves to Shareholders for a total of 822 million euro. The corresponding average dividend yield in 2011 was 3.02% on ordinary shares and 3.57% on savings shares.

IN 2010 WE SAID WE WOULD HAVE:

Enhanced the quality of our customers relations by innovating and simplifying language, procedures and methods of relating with our customers through:

- simpler communications and offers of information devices and services to foster informed choices;
- organisation increasingly targeted to customer needs;
- making use of innovation as a driving force for internal processes and services offered.

Further innovated the Bank's commercial offer to strengthen its social role through:

- strengthening projects and services for access to credit for the most disadvantaged groups;
- support for companies in development, innovation and internationalisation plans;
- taking part in large infrastructure projects.

Involved and listened to employees emphasising their skills and ensuring opportunities for growth through:

- enhancement of employees' skills by introducing assessment systems that promote career guidance;
- improve the quality of life in the Company;
- listening and involving people to foster a proactive attitude.

Further developed environmental initiatives to provide a decisive contribution in the fight against climate change through:

- interventions to reduce the ecological footprint and assess criteria for safeguarding biodiversity;
- supporting customers in pursuing the fight against climate change by offering products for adopting renewable energy;
- strengthening processes and services to identify risks and opportunities arising from customers' and suppliers' attention to social and environmental issues.

Protected the value of long-term profitability and safeguarded it by strengthening the fundamental bases for the Group's sustainable growth.

ECONOMIC REPORT



ECONOMIC AND FINANCIAL PERFORMANCE IN 2011¹

The sovereign debt crisis in the Eurozone has led to strong financial market tension and a slowdown in the economic cycle, which in Italy became a recession. In this difficult context the Intesa Sanpaolo Group has nevertheless improved the operating margin to 7,648 million euro, up 5.9% on the 7,225 million euro of 2010. Income before tax from continuing operations, however, was penalised by deteriorating credit quality and the significant write-downs that proved necessary after the Greek debt crisis. Significant non-recurring items (expense associated with the exit incentive programme and, above all, impairment losses on certain intangible assets) led to a net loss of 8,190 million.

The deteriorating macroeconomic scenario and strong volatility of the financial markets have called for constant monitoring of factors that in the medium and long term will offer sustainable profitability: liquidity remained high, with liquid assets at the end of 2011 of approximately 100 billion euro; as regards funding, the branch network remains a steady and reliable source of funds with 79% of direct deposits from banking business coming from retail operations; leverage is still at levels lower than the major competitors; the capital base has remained high (Total Capital Ratio stands at 14.3%, Tier 1 at 11.5%, Core Tier 1 at 10.1%), confirming Intesa Sanpaolo as one of the most solid European banking groups.

The performance of the balance sheet aggregates confirmed the Group's sound financial position. Loans remained steady (-0.5% to 377 billion euro), whilst the decrease in direct customer deposits from banking business (-10.5% to 360 billion euro) is associated with the recomposition of funding sources. Indirect deposits totalled 406 billion euro, with balances falling due to the lower value of portfolio assets, resulting from the heavy downturns in stock exchange prices and the sovereign debt crisis.

CALCULATION AND DISTRIBUTION OF ECONOMIC VALUE

The economic value generated by Intesa Sanpaolo in 2011² was 12.6 billion euro. This amount expresses the value of the wealth produced and distributed among the various stakeholders. In particular:

- employees and collaborators benefited from more than half the economic value generated, for a total of 6.6 billion euro. This item includes 718 million euro (before tax) relating to staff exit plans. In addition to staff pay, the total also includes payments to financial advisors network;
- suppliers received over 20% of the economic value generated, for a total of around 3 billion euro in payment for goods and services;
- the government, organisations and institutions saw an inflow of resources amounting to 4 billion euro, just under one third of the economic value generated and for the most part referring to substitute tax paid on exercise of the tax realignment option on goodwill. Group companies used 7 million euro to the benefit of the community, through the allocation of profits to charities and as donations and gifts;
- despite the net losses, as proposed by the Shareholder's Meeting, an amount was allocated from reserves to Shareholders for a total of 822 million euro, whilst minority interests were allocated profits of 63 million euro.

As a result of these trends, in 2011 the net balance between economic value generated and distributed was negative. Part of the higher economic value distributed were drawn from retained profits allocated to the Extraordinary Reserve, making it possible to remunerate shareholders in a manner consistent with the sustainable profitability of the Group.

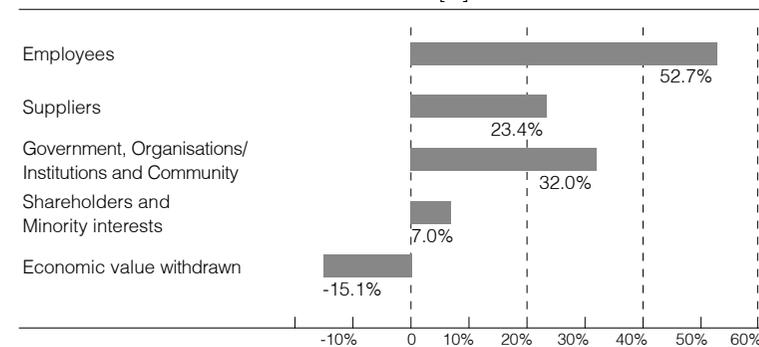
DISTRIBUTION OF ECONOMIC VALUE

[Million euro]	2011		2010		2009	
Economic value generated	12,615	100.0%	14,955	100.0%	14,907	100.0%
Economic value distributed	-14,516	115.1%	-12,197	81.6%	-13,495	90.5%
Employees*	-6,650	52.7%	-6,089	40.8%	-6,138	41.2%
Suppliers	-2,950	23.4%	-3,041	20.3%	-3,172	21.2%
Government, Organisations/ Institutions and Community	-4,031	32.0%	-1,963	13.1%	-3,019	20.3%
Shareholders and Minority interests**	-885	7.0%	-1,104	7.4%	-1,166	7.8%
Economic value retained (withdrawn) by the corporate system	-1,901	-15.1%	2,758	18.4%	1,412	9.5%

* The item includes incentive costs relating to staff exit for 718 million euro.

** The economic value distributed to shareholders (822 million euro) is charged to reserves.

ECONOMIC VALUE DISTRIBUTED IN 2011 [%]



NOTES

1. The figures and comments refer to the reclassified consolidated income statement published in the Intesa Sanpaolo 2011 Annual Report. Changes in annual percentages are calculated on 2010 figures, restated on a consistent basis to take into account changes in the scope of consolidation. The amounts are expressed in million euro. For further details or clarification, reference should be made to the Intesa Sanpaolo 2011 consolidated financial statements [↗](#).

2. The economic value generated is calculated in accordance with ABI instructions issued, 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 Regulation no. 262.

SOCIAL REPORT



STAKEHOLDER MAP



CUSTOMERS	EMPLOYEES	SHAREHOLDERS	SUPPLIERS	ENVIRONMENT	COMMUNITY
Families	Apprentices	Institutional Investors	Trading partners	Environmental Associations	Associations representing our Stakeholders
Small and Medium Enterprises	Professionals	Small Investors	Large-scale suppliers	Future Generations	National and international public institutions
Corporates	Middle and Junior Managers	Foundations	Small-scale suppliers		Non-profit bodies
Consumer associations	Senior Managers	Market			Territory
Public Authorities and Public Administration	Trade unions				Media

ISSUES

Financial inclusion ➞	Recruitment policy ➞	Share performance ➞	Transparency ➞	The environmental and energy management system ➞	Micro-finance and anti-usury ➞
Quality of relations ➞	People development ➞	Dividends ➞	Promoting social and environmental sustainability ➞	Renewable sources ➞	Support for social enterprise ➞
Support to production ➞	The value of differences ➞	Relations with shareholders and the financial community ➞		Energy efficiency ➞	Donations ➞
Disputes and controversial sectors ➞	Training ➞			Mobility ➞	International solidarity initiatives ➞
	Quality of life ➞			Reduction of emissions ➞	Sponsorships ➞
	Health and safety ➞			Water, paper consumption, waste ➞	Our cultural heritage ➞
				Green products and services ➞	Media relations ➞
				Investing in renewable energy ➞	
				Equator Principles ➞	
				Environmental culture ➞	

CUSTOMERS



To capture the customers' point of view, listen to changing needs and develop quality services and products that meet the needs of households and businesses now but with an eye on the future: this is the path we are following.

For this reason, beginning with quality of service that is carefully monitored by a wide-ranging management system, the 2011 projects met the needs of the community, young people and businesses that invest in innovation.

Each of these projects stems from partnerships we created and supported in order to activate synergies among those operating in the social and economic context, making available our services and expertise.



SUSTAINABILITY OF FIRST HOME MORTGAGE INSTALMENTS

In 2011 Intesa Sanpaolo continued its support for households by reinforcing its rescheduling solutions to render mortgage instalments sustainable and to guarantee that dignified standards of living are maintained. In addition to existing solutions to reduce the burden of floating-rate mortgages, there are now new rescheduling options for fixed-rate mortgages that retain the security of a constant rate yet review the rate conditions and duration of the loans. In 2011 a total of over 7,500 mortgage positions were renegotiated. New regulatory measures have also been adopted to provide support to customers in difficulty, such as the Development Decree which can extend the repayment plan by up to a maximum 5 years.

In terms of instalment payment suspension Intesa Sanpaolo continued its participation in initiatives in favour of households in difficulty due to job loss or being laid off. In addition to adopting the moratorium offered by the Ministry of the Economy and Finance's Solidarity Fund, over 8,000 positions were suspended as part of the Household Plan initiative promoted by ABI and the consumer associations that envisages a 12-month suspension of mortgage instalments.

NATURAL DISASTERS

Yet again 2011 saw floods that severely hit households and businesses in certain Italian regions. Intesa Sanpaolo allocated a total of 50 million euro to loans with particularly favourable terms to renovate homes, stores and workshops in Lombardy, Liguria, Tuscany and in the Messina province. A 12-month moratorium is also envisaged for loan repayments.

PROJECTS FOR YOUNG CUSTOMERS

The new Superflash product operates alongside the "Bridge" product , launched in 2003, the first and the most widely available loan for university students and researchers granted to students of 25 partner universities based on academic merit. The objective is to trigger a principle of economic responsibility in young people and encourage them to complete their studies on schedule (Bridge students have completed 74% of their exams on schedule vs. a national average of 55%). Financing granted to date has exceeded 53 million euro.

With reference to the International Subsidiary Banks, VUB Banka in Slovakia has reviewed its terms on a loan for young people that have achieved good academic results, participate in academic activities or are involved in voluntary work. Intesa Sanpaolo Banka Bosna i Hercegovina has introduced a current account with basic services and an interest-free instalment credit card paid.

YOUNG CUSTOMERS: THE SUPERFLASH PRODUCT

In September 2011 Superflash launched its new approach to Intesa Sanpaolo's young customers. Superflash is the umbrella brand for customers in the 18-35 age range with dedicated services, special initiatives and its own website and branches. The mix was developed to provide products and services on concessional terms. These include a charge-free account for the 18-26 age range, a loan with no start-up charges or stamp duty, savings products with limited operating costs compared to traditional savings plans, a mortgage with special rates, no start-up charges and a free insurance policy for temporary workers which obliges the insurance company to pay the monthly mortgage payments in the event of job loss.

See Superflash website  – Facebook page .

PROJECTS AND THE FUTURE

To help young people plan their future education and employment, the Superflash website  provides: "Orienta-Mente", e-learning paths to find the plan of action that best meets their expectations; "Neo Impresa"  offering services, products and consulting for the implementation of a new business idea; "Officine Formative"  with education programmes offering know-how on business start-up.

Superflash is also a virtual noticeboard where voluntary work demand and supply needs meet up for non-profit organisations operating in Italy and worldwide.

AGREEMENT WITH WESTERN UNION

A focus on the more vulnerable members of society led Intesa Sanpaolo to complete its range of services dedicated to the financial inclusion of new Italians.

To complete the range of services dedicated to immigrants and, in particular, to meet a demand to send money abroad, which in 2010 was estimated at 7.5 billion euro in Italy, Intesa Sanpaolo has signed an agreement with Western Union for a money transfer service and has created “Flash People”, a new prepaid card. The services offered are complementary to each other and best meet the needs expressed by various types of customers: the Western Union money transfer allows money to be sent quickly around the world and particularly to countries that have few banks, while the anonymous card which can be topped up allows remittances to be made in a flexible way and at reduced cost to countries that have a greater presence of banks.

The Western Union money transfer service operates through a network of over 400,000 authorised agents and is available through the ATM network (over 7,100 ATMs in Italy), on the Internet Banking channel available 24/7 and through mobile banking for SIM Noverca holders.

From start-up of the service over 3,000 remittances have been handled and more than 7,600 agreements signed (up to 31st January 2012).

VULNERABLE SOCIAL GROUPS

The process of integration and financial inclusion of new Italians continues not only in the employment market but above all at social level by helping to improve their social conditions and integration into the community. Intesa Sanpaolo considers the need of these customers to transfer funds and has created services offering full transparency of all transactions and targeting the removal of remittances from unconventional channels. In 2011 the partnership with ABI and CESPI continued on a project promoted by the World Bank to monitor the cost of migrant remittances at global level. The project website [↗](#) provides comparative information on the methods and costs of sending remittances.

Intesa Sanpaolo has operated the “Anticipazione Sociale” project since 2005, designed for laid off workers that begin to receive INPS (Italy’s social security agency) benefits only 5/6 months after application. In 2011 Italian businesses further increased their use of lay-off schemes as exceptional and extraordinary measures (502 million euro compared to 379 million euro in 2010). For workers who do not receive advances from their employer, we offer current account credit in monthly instalments proportionate to the amount of unemployment benefit due to workers. The loan is repaid when the delayed benefits are received from the INPS. Through agreements signed with the Authorities and local institutions in Lombardy, Piedmont, Emilia Romagna and Tuscany, the worker does not bear any charges (stamp duty and/or interest) as these are covered by the project partners. More than 7,300 households have received almost 35 million euro in financial support.

Fully aware that in Italy there are over 1.4 million businesses operated by women (in 2011 alone these increased by 2.1%), Intesa Sanpaolo has developed an insurance policy to protect business activities and freelancers. “Business Gemma” envisages a wide range of insurance cover and welfare support for women during their business activities in the event of maternity leave, welfare needs, help through difficult periods, legal aid and healthcare.

INTERNATIONAL SUBSIDIARY BANKS’ MICRO-FINANCE PROJECTS

The Group’s Banks have set up important initiatives in support of households, start-up and development of microbusinesses and protection services for pensioners. Banca Intesa Zao has financed the development of microbusinesses, disbursing over 85 million euro to more than 3,600 applicants. Intesa Sanpaolo Bank Romania, Banca CR Firenze Romania and Intesa Sanpaolo Banka Bosna i Hercegovina have developed a made-to-measure product for pensioners with concessional terms on basic services. In the Balkans, the partnership has continued with ALDA (Association of Local Democracy Agency) to create social projects. The Egyptian AlexBank has continued to finance microbusiness start-ups with disbursements of over 23 million euro.

THE QUALITY OF RELATIONSHIPS



CUSTOMER SERVICE AND NEW COMMUNICATION CHANNELS

SKILLS POOLING

2011 saw the start of the four-stage path in the skills pooling project “Mettere in comune le competenze”. Intesa Sanpaolo and the Consumer Associations work together to improve mutual know-how to the benefit of customers and consumers. The first stage offered an exchange of know-how and skills, to be followed by the direct involvement of local residents in disseminating a basic awareness of banking and financial matters. The first consumer education initiative, “Formiamo l’Italia dei Consumatori”, was implemented through a series of eight seminars on economic and financial issues. Intesa Sanpaolo specialists “tutored” the Associations’ central management on aspects of the banking industry, the ABC of credit and the basics of risks and returns, from asset management to derivatives, and concluding with an in-depth study of the regulatory framework. The course provided tools and techniques for a better awareness of financial market trends which can be adapted, replicated and multiplied in the community by association representatives and the Bank’s customers and consumers.

For more information on this and on additional financial awareness initiatives, see the website [👉](#).

SIMPLIFICATION OF CREDIT ACCESS PROCEDURES

To reduce response times to customers in a scenario of overall review of the credit process, in 2011 a simplified procedure was launched for granting credit, initially for “Micro” Small Business customers, one-man businesses, private partnerships and small joint stock companies with simple financial needs that expect a fast, accurate response from the Bank.

The required support documentation has been streamlined and the electronic credit facility application simplified to reduce credit disbursement time by over 50%. A new rating model has also been introduced: simpler and faster as a result of a questionnaire with only four questions but in any event targeted and with an improved predictive capacity.

EASY ACCESS TO SERVICES

As in Italy there are 320,000 blind people and over a million with serious visual impairment, all 7,100 ATMs in Italy have been fitted with a high-visibility display. This is activated before entering the card by pressing key 5, which is easy to find thanks to a raised mark. The blind are accompanied step by step through the operations by a sound guiding system heard by linking a normal headset to the jack available on 5,400 ATMs.

Alongside the constant presence and dedication of people working in all the operating units, the Bank keeps open numerous channels for listening and dialogue with customers. The Customer Service, which now includes almost 450 employees, is dedicated to rapid, expert responses to a wide range of customer queries in relation to products and services offered by the Group’s Banks in Italy. From 2011 “Intesa Sanpaolo Servizio Clienti”, the Intesa Sanpaolo Group Facebook page, has been available online. This is a page for any information or reports on products and services, open to everyone who – through a simple “post” – can publish their queries on the noticeboard.

Certain International Subsidiary Banks of the Group, such as Banca Intesa Beograd and Privredna Banka Zagreb, have introduced new communication channels and support services through social networks (Facebook, Twitter, etc.).

SUPERFLASH BRANCHES OPENED

Superflash branches have been opened with the aim of offering young customers an area and a streamlined, effective relational model where they feel comfortable. They also are meeting points, places where young people can exchange ideas and launch their own projects, investing in themselves and in their future. The branches play a fundamental role in this new form of banking which sees “young people talking with young people”, the staff – all under 35 – acting as the branch contacts for young customers.

In 2011 branches were already opened in Turin, Milan and Naples.

THE SEIok QUALITY MANAGEMENT SYSTEM

SEIok is the quality management system of processes which aims to constantly improve customer service. The development of “Intesa Sanpaolo System of Excellence” was completed between 2010 and 2011 with the fine-tuning of indicators on the quality of service provided by branches and central offices.

The System includes a regulatory definition of the processes and standards of branch and central services, followed by analysis – through monitoring of specific indicators – of the quality of “service provided”. The “perceived service” is also analysed through targeted customer satisfaction surveys. This activity is flanked by listening to our customers and the analysis and handling of their complaints.

To facilitate monitoring, a true “quality dashboard” of specific indicators was created to monitor the progress of all the items that make up the quality index.

In 2011 the average result of the 36 performance indicators for levels of service provided by branches recorded an overall improvement of 18% compared to 2010, confirming the efforts to achieve the gradually defined “excellence” targets.

CUSTOMER SATISFACTION SURVEYS

Gaining customer trust, knowing their level of satisfaction, expectations and needs is key to our business.

The Customer Satisfaction survey, conducted through approximately 275,000 telephone interviews to customers that had visited branches in Italy, allowed measurement of the perceived quality at individual branch level and to gather the reasons for satisfaction/dissatisfaction underlying evaluation of the data. Analysis of the 2011 results shows that Intesa Sanpaolo considerably improved on the good results already achieved in 2010, strengthening its awareness of the central nature of branch-customer relations.

The outcomes of the surveys were included in the incentive system of employees working in the branches and, together with the outcomes of the analysis of the quality provided, contributed to determining 15% of the variable remuneration.

EMPLOYEES

INDIVIDUAL CUSTOMERS IN ITALY

Customers’ opinions on branch personnel were positive once again in 2011, in line with the market. The satisfaction with branch layout and organisation improved compared to 2010 results and was higher than that of the market. Satisfaction with the ATMs was also higher than that of the banking system.

Compared to 2010, improvements were recorded both in the mortgages area (in line with that of competitors) and the current accounts area where the gap compared with the banking system is narrowing (page 85 [↗](#)).

SMALL BUSINESS CUSTOMERS IN ITALY

Aspects for improvement compared to the market emerge from the benchmark survey in various issues covered, except in terms of satisfaction with branch contacts and current accounts.

Compared to 2010, the survey also recorded an improvement in the areas concerning branches and the collection and payment services, whilst a deterioration was seen in financing (both short-term and medium/long-term) which is common to the banking system as a whole. Lastly, the likelihood of recommending Intesa Sanpaolo services increased compared to 2010, partly narrowing the gap with the system: this means that relations with the bank are gradually improving (page 85 [↗](#)).

MEDIUM AND LARGE BUSINESSES

Through customer satisfaction surveys and ongoing synergies between local units and product structures, listening translates to improvement action that expresses structural benefits both for customers and the Bank. Using customised measurement and statistical models, customer satisfaction surveys were conducted in 2011 and targeted all customers of specific product types (around 7,000 companies). In each of the three surveys, the overall satisfaction rating – calculated by means of a suitable weighting given to the scores obtained – was between 60% and 75%. It also emerged that customers were willing to be contacted again for further information on improving the quality of services offered.

During the year Intesa Sanpaolo implemented improvement and corrective actions triggered by the 2010 survey of medium-sized businesses. These actions enhanced the Bank's consulting capacity with specific skills in the commercial sector, a more targeted assistance in the more complex stages of the life of businesses and the expansion of customer care to improve operational aspects of the offer.

INTERNATIONAL SUBSIDIARY BANKS' CUSTOMERS

“Listening 100%”, the International Subsidiary Banks programme continued, allowing reliable indicators of customer satisfaction to be measured at various operational levels, from the Bank as a whole to individual branch level, covering the sales and market divisions. The monitoring system was adopted by 9 of the 11 banks with a total of about 100,000 telephone interviews of sample groups representing individual and SME customers. The data collected in February 2012 on a representative sample of individual customers showed a general improvement in satisfaction across the different banks involved in the survey, albeit with different sizes and characteristics from country to country; this confirms the leadership in customer satisfaction in many of the countries where the Group's Subsidiary Banks operate (page 86 [↗](#)).

During the year the second stage of the “Listening 100% Education Programme” was also launched, involving 8 International Subsidiary Banks and 1 product company. The programme aims to disseminate and enhance the culture of customer satisfaction at the various operational levels and in the different company departments, as well as to promote improvement plans. The programme has a top-down structure involving three events: the main event dedicated to top/middle managers and area managers, the second targeting branch managers and the third reserved for all employees.

The objective is to share and consolidate the results of market research with a desire to disseminate success stories and capture key aspects of relations between the Bank and its customers with a view to improvement.

Lastly, the first edition of the “Customer Satisfaction Award” was completed. This international competition on customer care involves the students of a number of the main local universities in countries where the Group operates. Already implemented in Egypt, the project was extended to Bosnia, Albania, Slovenia, Serbia and Slovakia. The initiative aims to recognise and reward project excellence on customer care issues.

EMPLOYEES

TARGET	OBJECTIVES	METHODS
Customer Satisfaction in the branches. Intesa Sanpaolo individual and small business customers in Italy. Survey: March-October 2011.	Assess customer satisfaction and their willingness to use word of mouth.	274,926 telephone interviews with individual and small business customers.
Benchmark survey. Individual and small business customers in Italy. Survey: June-July 2011.	Assess satisfaction of: <ul style="list-style-type: none"> branch and contact personnel branch office environment products and services relations with the banking industry word of mouth. 	9,800 telephone interviews with individual customers: 1,842 Intesa Sanpaolo customers. 7,958 customers of other banks or Bancoposta. 9,919 telephone interviews with small business customers: 1,832 Intesa Sanpaolo customers, 8,087 customers of other banks.
Italian customers of the Corporate Division and its Product Companies. Survey: June, July and September 2011.	Assess customers' perception of the consulting and specialist services offered by product type and contacts.	Online questionnaires sent to 1,400 Trade and Internationalisation service customers. Online questionnaires sent to 5,500 Leasint service customers.
Individual and SME customers abroad. Quarterly/yearly survey.	Assess satisfaction of: <ul style="list-style-type: none"> branch and contact personnel branch organisation services post-sales assistance word of mouth the Bank's image. 	About 98,000 interviews involving 9 Banks, of which: <ul style="list-style-type: none"> 92,500 for quarterly monitoring of individual customers 5,500 for yearly monitoring of SME customers.
Benchmark survey. Individual and SME banking customers abroad. Yearly survey (1 for SMEs and 2 for individual customers).	Assess satisfaction (see previous survey) and customer loyalty in comparison with competitors.	About 26,500 telephone interviews with representative samples of other banks' customers (Individual and SME customers).
Individual customers abroad. Yearly survey.	Assess customer satisfaction levels regarding: <ul style="list-style-type: none"> Internet use and accessibility reasons for dissatisfaction, if any, about the Internet banking service. 	Over 2,500 replies to an online questionnaire in less than 2 months' observation. 5 Banks involved.

COMPLAINTS	Italy % change 2011/2010	Abroad % change 2011/2010
Investment services complaints	-17%	23%
securities in default	15%	-59%
structured securities	-39%	31%
Cheques and collection orders	-7%	5%
Bank transfers, Salaries and Pensions	-10%	4%
Cards	-3%	14%
Credits	-1%	-1%
current accounts and term deposits	-9%	49%
Mortgages and special loans	-38%	48%
Insurance products	-5%	-31%
Remote banking	-33%	4%
Other	9%	-5%
TOTAL	-9%	13%

In 2011 a decrease of around 9% was confirmed in the number of complaints received by the banks in Italy. The focus on Customer Service and Complaint Handling continued and was further enhanced with a view to optimising the handling of complaint letters and the information needed to manage investigations, reducing times as much as possible and not only meeting but beating the maximum reply deadlines envisaged in regulations.

- **Investments**

Again in 2011 the total number of complaints regarding investments services fell due to the absence of particular problems and to an ending of the problems relating to securities issued by the Lehman Brothers Group;

- **Current accounts, loans, customer information and requests for documentation**

No particular impact of this type of complaint emerged. Essentially, a number of cases already seen in previous years re-emerged, such as portability and the rescheduling of mortgages, cancellation of mortgage guarantees and credit facility transactions in general, also in reference to changes in the fees regime on which regulatory amendments were made during the year;

- **Payment cards**

Customer complaints relating to cases of reversal of payment card transactions were in line with the 2010 results, also in terms of outlay;

- **Institutional relations**

52 claims were submitted by customers to the Banking Ombudsman for assessment, whilst 390 were filed with the Banking and Financial Arbitrator.

The number of queries received from the Bank of Italy Supervisory Authorities requesting responses and/or updates numbered 728, while 4 requests were received from Consob and 7 from the AGCM, the Italian Competition Authority.

CONSUMER ASSOCIATIONS AND STANDING CONCILIATION PROCEDURE

The standing conciliation procedure, which concerns products offered to individual customers (current accounts and linked payment cards, mortgages and personal loans), has gradually become a tool used to preserve and strengthen the relationship of trust between the Bank and its customers and an additional opportunity to ensure and protect customers' full satisfaction with the quality of the products and services used. It is the first agreement of its kind in Europe, in operation since 2006, and was made possible through dialogue and the long-term relationships established with Consumer Associations.

The conciliation procedure is simple, free of charge and rapid, and envisages a maximum case resolution time of 60 days. Customers may decide to participate without incurring any expenses and knowing that the procedure will in no way compromise any other processes that they should wish to undertake, even at a later date, to protect their interests. A total of 260 claims were received as at 31st December 2011.

SUPPORTING PRODUCTION



2011 saw a difficult social and economic context in which even the competitive capacity of businesses slowly dropped to attention level. It is in such a context that Intesa Sanpaolo's capacity and propensity to better understand businesses and their operating and strategic needs becomes even more important. The Bank offers its services as partner in the growth and development stages, but above all in times of difficulty, remaining close to the business customers and rapidly understanding and, more importantly, satisfying their increasingly complex and important needs.

In this context, Intesa Sanpaolo has continued its participation in institutional initiatives to extend small business borrowing terms against the credit system, and in initiatives specifically developed for freelance professionals, a category excluded from public moratoria. In terms of figures: in July 2011 the extended borrowing terms for SMEs (joint notice by ABI and Ministry of the Economy and Finance) amounted to over 2,200 million euro. A further extension to loan repayment deadlines involved over 1,100 businesses and referred to a total residual debt of more than 565 million euro.

New agreements with the trade associations – Confcommercio and Rete Imprese Italia – made funding available to businesses for a total of 8 billion euro, for purposes including sustaining recovery, meeting short and medium/long-term financial needs and facilitating the launch of recapitalisation projects. A determining factor in this framework was the involvement of Confidi, the guarantee authorities operating in Italy. Intesa Sanpaolo has cooperation agreements in force with more than 300 of the 600 existing authorities and to facilitate operations created a Confidi Portal, i.e. a web interface that allows partner Confidi organisations to monitor the performance of guaranteed financing transactions.

BUSINESSES: NETWORKING WITHOUT GIVING UP INDEPENDENCE

The relaunch of business competition can make use of the synergies offered by innovative business combination tools. For this reason we have optimised a service model dedicated to the start-up of business networks. Mediocredito Italiano specialists set up centres of expertise focusing on the main sectors of the Italian economy and on innovation and internationalisation issues. The Research Service and Mediocredito launched a "Business networks observatory" with the aim of understanding its structural characteristics and developments to enhance the Group's offer model.

In this respect the R.I.S.E. and Energy4Life networks already started up in the renewable energy sector and Ribes in the biomedical systems segment.

THE NEW AGREEMENT WITH CONFINDUSTRIA

The Intesa Sanpaolo and Confindustria Piccola Industria partnership launched in previous years to provide businesses with tools to overcome the crisis and begin the recovery process continued in 2011.

The new agreement covers a common line of action for the relaunch of Italian small and medium-sized enterprises and confirmed a limit of 10 billion euro for action and investments associated with numerous areas that deal with the hottest topics for companies: dimensional growth, development of human resources, energy efficiency improvements, internationalisation, innovation and research, business network building and other forms of alliance.

The Bank-customer dialogue tools were also optimised and enhanced. Amongst others, "Modello diagnostico di autovalutazione finanziaria" (Financial Self-Assessment Diagnostics Model) is now available as an online tool available to all Confindustria members, providing companies with a customised risk profile to identify the best growth strategies.

TRAINING AND EMPLOYMENT

Enhancement of employees is a strategic growth objective for SMEs: the "Formazione e Lavoro" (Training and Employment) loan targets investments in the field of training, company welfare and career development. A specific cooperation agreement between Intesa Sanpaolo and Fondimpresa, a bilateral organisation for training set up by Confindustria and trade unions, allows member companies to benefit from an advance on contributions paid to INPS for their training projects.



To identify and provide training for the most promising start-ups and, through localised events on the more strategic markets, bringing them into contact with investors and other innovation stakeholders with the aim of developing investments, partnerships and commercial agreements: this is the core objective of the Start-up Initiative.

Two years on, here are the results 19 events in Italy, France, Germany, UK and USA. Of around 1,000 start-ups involved, 231 took part in training courses and 156 met with 2,200 Italian and international investors. For start-ups these meetings generated more than 2,000 statements of interest from potential investors, identifying no less than 41 “success stories” among the companies they met.

New editions of the Start-up Initiative also saw the investment proposal extended to growing companies, consolidating the bond with the venture capital system and – for the first time – in January 2011 a first edition of the Start-up Initiative was held with support from Banca Prossima dedicated entirely to social impact projects to promote inclusion of the weaker social groups.

The Start-up Initiative was included in the G20 Research Group publication on “Sustaining growth and employment” as a highly significant project that illustrates the dynamic nature of the Italian innovative start-up scenario.

NOVA+ LOANS

YEAR	APPLICATIONS	DISBURSEMENTS [€/000]
2010	72	179,294
2011	244	467,618

THE PRODUCTS FOR BUSINESSES PLANNING INNOVATION

Innovation and Research are fundamental Intesa Sanpaolo drivers for relaunching production in the areas in which the Bank operates; for this reason we developed a service model that combines expert knowledge of the areas with the specialist skills demanded by our customers. A pool of Mediocredito Italiano engineers specialised by product sector provides support to companies’ investment decisions by offering financial support and technical and industrial assessments, and acts as liaison between SMEs and the universities to encourage dialogue between research groups and entrepreneurs. A specialised series of loans, “Nova+”, includes solutions differentiated by investment characteristics, and in 2011 alone a total of 467 million euro was disbursed on more than 240 loan applications (to date a total of almost 900 million euro has been disbursed).

To encourage research and the growth of Italian companies, the activities of the “Atlante Venture” and “Atlante Venture Mezzogiorno” funds continued to invest in the risk capital of innovative businesses, with a particular focus on those active in high technology sectors. To facilitate the launch of quality start-ups the “Atlante Seed” fund was set up, dedicated to businesses that have not yet fully optimised their business formula and which need to refine their technology. New, high-potential companies are therefore able to find the capital necessary to continue their business activities and reach a size that makes them attractive to venture capitalists or business angels.

INTERACTION BETWEEN THE FINANCIAL, BUSINESS AND ACADEMIC SECTORS

Intesa Sanpaolo Eurodesk provides assistance and advisory services to companies wishing to access European Union financing opportunities, particularly in the research, development and technological innovation fields. It also acts as partner in certain research and innovation projects financed by the European Commission, for which it handles the business modelling and facilitates dialogue with the financial, business and academic communities.

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, guiding relations with the sector stakeholders (businesses, universities and European institutions). The website [👉](#) offers a free service providing news, tenders and events relating to European policy and financing.

A new desk, “Social Innovation & International Cooperation” was set up in 2011 in answer to the central role played by social inclusion and innovation as the drivers for growth and development in the new EU strategy “Europa 2020”. This Desk monitors and analyses the main developments in European policy and financing opportunities in the fields of inclusion, social innovation and international cooperation.

SUPPORT FOR PUBLIC ADMINISTRATIONS

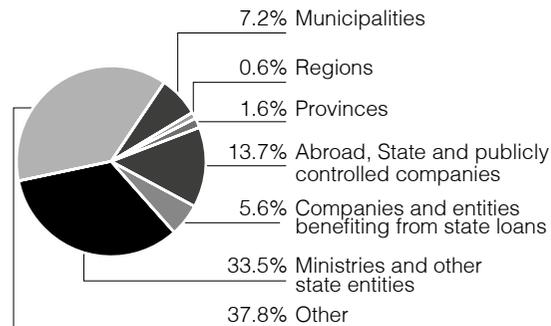
Support for public and private organisations that work together to create large infrastructures and improve services of general interest (SGI) continued in 2011 through Banca Infrastrutture Innovazione e Sviluppo, dedicated to this type of customer. The bank is committed to facilitating the implementation of large infrastructural works of national interest. In addition to this type of financing, also important is the contribution to projects that meet the needs of weaker social groups, the implementation of which helps sustain the employment market and the input generated by new constructions. In particular: the loan for construction of a care home for the elderly in the province of Padua and loans granted to ALER (Azienda Lombarda per l'Edilizia Residenziale della Provincia di Bergamo), ITEA (Istituto Trentino per l'Edilizia Abitativa) and to Azienda Casa Emilia Romagna-Parma for social housing projects. Constantly active in education initiatives, the bank contributed to the modernisation of buildings of the Università degli Studi di Bologna and supported Università Cattolica del Sacro Cuore activities through factoring without recourse of receivables.

In 2011, to overcome the delay in Public Administration payments for supply services, planning and public works, and to guarantee the necessary liquidity to companies forced to face a critical situation, BIIS adopted factoring without recourse. 85 agreements were signed throughout Italy with various public entities, amongst which the Regional Governments of Basilicata and Sardinia, the Municipal Authorities of Milan, Brescia, Modena, Pescara, Imperia and Nuoro, and the Provincial Governments of Turin, Alessandria, La Spezia, Milan, Varese, Treviso, Florence and Potenza, for a total of over 500 million euro.

The total financing allocated by BIIS in 2011 amounted to over 3 billion euro, of which, in Italy, 1,662 million euro are destined to local or public entities and 996 million euro to socially useful sectors.

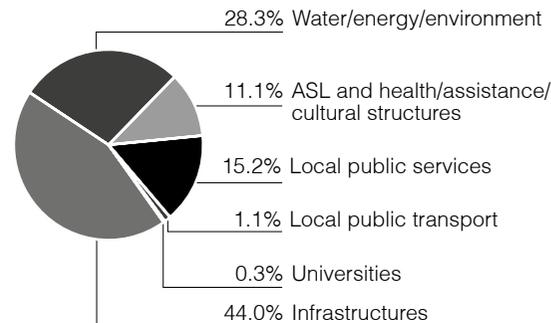
LOANS TO LOCAL AND/OR PUBLIC ENTITIES [%]

ITALY 2011



LOANS TO SOCIALLY USEFUL SECTORS [%]

ITALY 2011



INTERNATIONALISATION: SOCIAL AND ENVIRONMENTAL VARIABLES

As part of the research on emerging markets, markets which are increasingly important also for Italian businesses pursuing internationalisation objectives, Intesa Sanpaolo makes Country Reports available to businesses-prepared by the Research Department and including information on the economy, trade and industry, banks and markets of over 30 countries.

With the aim of providing a snapshot of the social aspects of each country examined, analysis of the traditional macro-economic variables is regularly accompanied by social and political indicators such as the perceived corruption index, life expectancy and a quality indicator of the education system. As a pilot project, the Asian Country Reports also provide certain indicators on environment quality and energy consumption, such as per capita CO₂ emissions, the PM10 level and per capita electricity consumption, which will gradually be extended to inclusion in all Country Reports.

DISPUTES AND CONTROVERSIAL SECTORS



For a complete description of civil and financial disputes, please refer to the Consolidated Financial Statements 2011 [↗](#).
This section describes some of the issues having the greatest social interest, referring to relations with customers.

The Antitrust Authority started some proceedings against the Bank, the more significant ones being:

- **Simplified Mortgage Cancellation.**

In 2009 the Bank received two penalties for a total of 325,000 euro. In 2010 the Lazio Regional Administrative Court partially accepted the appeal of the Bank by ordering the repayment of a penalty of 160,000 euro. With regard to the 165,000 euro penalty the Bank filed an appeal with the State Council, which by the sentence pronounced in August 2011 confirmed the decision of the Regional Administrative Court, thereby deciding the legality of the penalty.

- **“Passive” mortgage transferability (transferring mortgages to other banks).**

In July 2010 the Competition Authority started proceedings which terminated with a penalty of 40,000 euro. The Authority, while accepting the Bank’s defence, deemed there had been an unfair commercial practice in the delay time for the completion of part of the transferability operations. The Bank decided to challenge this order, and in April 2011 filed an appeal with the Lazio Regional Administrative Court.

- **Economic terms for certain current accounts.**

In 2011 the Competition Authority started proceedings against Intesa Sanpaolo and one of the Group’s banks - Banca dell’Adriatico - regarding an alleged unfair commercial practice: the alleged lack of adequate information to current account holders of the existence of a special economic term included in certain current account agreements, the “unit cost per transaction” (also known as the “line entry cost”).

The proceedings terminated in October 2011. Considering the arguments submitted by Intesa Sanpaolo, the Competition Authority recognised that the current account contractual formats currently used contain the necessary information. Nevertheless it considered the conduct adopted in the past to be unfair, inflicting a penalty on Intesa Sanpaolo only (as the Parent Company) of 120,000 euro.

- **Competition Authority proceedings against MasterCard, Intesa Sanpaolo and other Italian banks.**

The proceedings aim to assess whether a cartel has been formed in the credit cards industry. On 31st December 2010 the Bank filed an appeal with the Lazio Regional Administrative Court against the Competition Authority Order of 3rd November 2010. The Lazio Regional Administrative Court ordered cancellation of the penalty on 11st July 2011.

On 25th November 2011 the Competition Authority filed new proceedings with the State Council for full reversal of the Lazio Regional Administrative Court decision.

The forthcoming decision of the State Council could involve:

confirmation of the previous Lazio Regional Administrative Court decision;

reversal of the previous Lazio Regional Administrative Court decision with subsequent confirmation and/or partial redefinition of the administrative penalty;

remand to the Lazio Regional Administrative Court for examination of the merits.

- **AMO (Anti-Monopoly Office) investigation of VUB Banka and another two Slovak banks.**

In June 2009, the Slovak Anti-Monopoly Office sanctioned VUB Banka and two other banks for a total of 10 million euro, 3.8 of which to the subsidiary VUB for the alleged formation of a cartel. Following an appeal by VUB, the Bratislava Court cancelled the penalty in December 2010. The Slovak Anti-Monopoly Office filed an appeal with the Supreme Court of Slovakia. Decision is still pending.

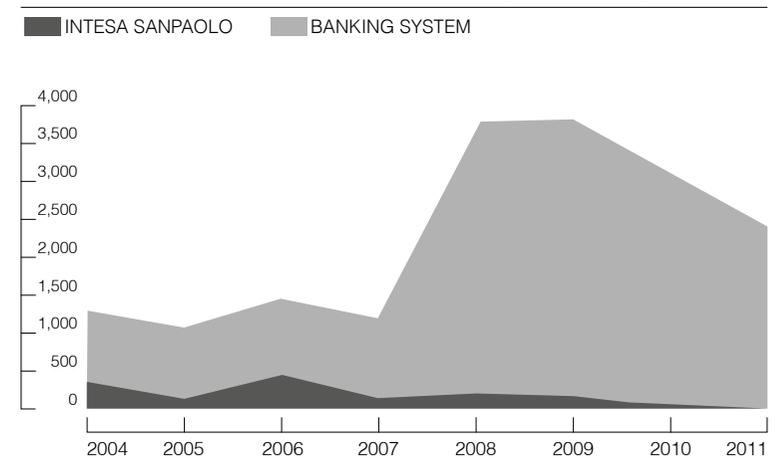
THE ARMS SECTOR

The complex and controversial issue of arms production and trade has been well represented in the Bank's strategies for some time. We are aware that Intesa Sanpaolo is fully responsible for how it conducts its business as a financial intermediary. Consequently, in 2007 the Bank adopted an internal policy that calls for the suspension of all operations (financing and transactions) pertaining to the import and export of arms and weapon systems, even if considered legal by Law 185/90. At the end of 2011 a new internal regulation was issued that further defines the operating methods for managing the provision of financial services to businesses involved in the production and marketing of arms-related material. The document specifies certain particularly controversial sectors with which the Intesa Sanpaolo Group intends to refuse business, particularly those relating to controversial arms and/or arms banned by international treaties, such as nuclear, biological and chemical weapons, cluster and shell fragmentation munitions, weapons containing depleted uranium and anti-personnel mines.

The general aim of the policy is to avoid association of the Group's banks and companies with activities involving the production and marketing of arms-related material, in compliance with the values and principles expressed in our Code of Ethics. However, exceptions to the strict application of the policy are considered on the one hand where interests of national defence are concerned and also with a view to integrated European defence, and on the other hand where continuity of customer relations is at risk. It was therefore decided to support the existing inter-governmental programmes in countries that observe democratic principles, adopt international treaties and codes on arms production and marketing and which are not blacklisted by humanitarian organisations and arms study and control institutions; inter-governmental programmes in which the end buyer is not a third country and does not participate in the same programmes; and the authorisation of imports and national business in favour of the national armed forces and related governing authorities. It was also decided to compromise with customers if they had already begun or agreed upon transactions prior to official issue of the policy. In these cases only when it is not possible to transfer the operations to other banks, can authorisation to proceed with the transaction be granted.

During the last few years authorised operations have progressively been reduced. In the last year a further decrease was recorded which allowed the total authorisations issued for confirmed exports to be substantially zeroed. With regard to the inter-governmental programmes, the provisional figures for 2011 further decreased with around 95 million euro traded (180 in 2010). In 2011 support to International Subsidiary Banks was further consolidated to ensure proper implementation of the policy governing funding and transactions to companies dealing in the arms sector. The delegates appointed in each bank to monitor application of the policy and to provide quarterly reports containing full information on operations conducted in line with the policy's principles have duly submitted their reports.

AUTHORISED AMOUNTS FOR EXPORT (LAW 185/90)
COMPARISON INTESA SANPAOLO – BANKING SYSTEM [MILLION EURO]



Source: Government annual report to Parliament



EMPLOYEES

Innovation and future building have been the drivers for our employee enhancement initiatives, recognising diversity as an organisational value. In order for the guidelines to become firm action, engagement and listening to individuals have characterised all spheres of action, from the difficult decisions to reduce staff costs to requalification, training and development and an integrated company welfare system.

RECRUITMENT POLICY



In a scenario characterised by falling production and changing demand, the 2011-2013 Business Plan has identified an objective for operating costs, particularly staff costs, that is more crucial than ever to guaranteeing the solidity of the company. Intesa Sanpaolo has pursued this objective through constant attention to involvement of the trade unions, adopting decisions that aim to minimise social impact. A trade union agreement signed in July 2011 covers agreed exit incentives for up to 5,000 human resources and extensive reassignment and requalification of staff expected to enhance the local branches on the network. By the same Agreement the company is also committed to creating steady employment through new recruitments from 2013 if the expected exit trend is confirmed. In 2011 over 4,000 people were hired (942 in Italy and 3,071 abroad). In selecting staff, particular attention was paid to seeking out human resources from candidates falling under the protected categories group, monitoring résumés from orientation sessions and those submitted by candidates on the Bank's website. Lastly, as part of its recruitment practices Intesa Sanpaolo hires in the actual areas of operations³.

PROXIMITY TO YOUNG PEOPLE

The Bank's strong commitment and proximity to young people was confirmed in 2011 both through constant cooperation with the main Italian universities and business schools with testimonials and participation in classes by the Bank's managers and through internal listening processes, for example the "I Giovani di Intesa Sanpaolo si raccontano". In this initiative, the employees closest in age terms to the project target, that is, young graduates seeking employment, tell their personal success stories as Intesa Sanpaolo staff. The winners of the competition organised on the Company Intranet saw their stories told in photographs used to create the graphics for the stands and informative material distributed during recruitment and career guidance initiatives. Among the university/company partnerships, the two-year Level one master course in Banking and Financial Services Management, created in partnership with the Business School of Turin University, offered employees hired with apprenticeship contracts the opportunity to follow a legally-valid course of studies as an enhancement to the mandatory training plan through the class credits scheme. 601 young people attended the master course and 17 two-year courses were launched.

The "Jobs & Careers" section  of the website was further extended and filled with new content on company culture and study grant opportunities available to deserving students and graduates.

STAFF BREAKDOWN AND DEVELOPMENT

Taking into consideration the scope of the Social Report, the Intesa Sanpaolo Group workforce numbers about 97,860 people of which almost 67,700 in Italy and over 30,160 abroad.

The number of female employees in Italy has reached 49% and 63% abroad. The average age is 44 years in Italy and 38 abroad; the percentage of graduates is 41%. In Italy part-time personnel reaches 11.7%, almost three points above the Italian average (8.8%)¹.

The Group turnover rate of -1.81% decreased in line with the structural action envisaged in the Business Plan.

TURNOVER [%]²

TOTAL TURNOVER RATE	2011	2010	2009
Italy	- 1.8	0.9	- 2.9
Abroad	- 1.8	- 4.8	- 9.8

For the fourth year running, in 2011 Intesa Sanpaolo was voted one of the best place to work for newly-graduated: these are the results of the 'Recent Graduate Survey', commissioned by Cesop Communications .

NOTES

1. ABI (2011), Rapporto sul mercato del lavoro nell'industria finanziaria, Rome, Bancaria Editrice.
2. Ratio between total turnover (hirings less terminations) and the number of employees of the previous year.
3. In the International Subsidiary Banks and product companies, CEOs are all local residents and 7 out of 13 are nationals of the country of operations.

ON AIR, THE NEW PROFESSIONAL DEVELOPMENT MODEL

The projects dedicated to employee enhancement have been developed on the basis of a defined reference model governing professional development. The main project is “ON Air” which is based on individual motivation, promotion of diversity and creation of “talent pools”, i.e. pools of motivated, talented human resources that guarantee efficient cover of the business needs. In 2011 the Model was implemented through a pilot project in three areas of the Banca dei Territori Division and involving over 6,000 staff. Important goals were achieved in terms of promoting individual motivation, implemented on a self-nomination basis allowing staff to “join the playing field” and with guidance on the main steps to professional growth through setting-up of the pools and the implementation of career paths.

The systems to assess potential were also reviewed and structured on the basis of this model, broken down into three types of Assessment Centre responding to the profiles envisaged by the various professional paths.

PEOPLE DEVELOPMENT



Great importance has been placed on targeted listening to employees with a view to full professional enhancement and guidance, verifying development opportunities by introducing logics of transfers within the country or between different business areas. For increasingly more careful resource planning and in view of the exit of management staff, parameters have been defined for establishing a pool of candidates that can be guided towards covering managerial positions. Among those adopted, the fundamental criterion is ensuring that at least 50% of the proposed candidates are women.

TALENT ENHANCEMENT COMMUNITIES

The enhancement projects for young and talented staff continue to be based on “communities”, segments of the corporate population to be guided along personal development paths.

The “Emerging” community includes 103 young, high-potential graduates up to 32 years of age and with a permanent contract. These employees, selected from among those self-nominated, attend a two-year course launched in September 2010 in partnership with the Bocconi Business School, the Master Degree in Banking & Business Administration. Among the other personal and professional development initiatives, “Action Learning FAI” saw young employees’ involvement in creating web pages dedicated to cultural heritage protection as part of the FAI (Fondo Ambiente Italiano) website.

With the aim of building multi-disciplinary professional profiles and enhancing the exceptional skills of young people working in the Business Divisions, specific tutoring and one-to-one projects were implemented. These involve rotation among key structures and staff activities .

“Talent” is the second community on the Group’s Talent Management platform, set up with the aim of supporting the professional growth of future managers from an international viewpoint.

This community involves 96 employees, 66 of which in Italy and 30 from the Group’s International Subsidiary Banks, selected on merit and skills. Women account for 36% of this community. The initiatives targeting the Talent Community include participation in an Executive Programme in Banking Management - in English only - established in partnership with the Bocconi Business School, and programmes to strengthen managerial skills and experience in the field of strategically important international projects. The initiatives will be further developed and completed in 2012.

PERFORMER

“Performer”, the performance measurement system introduced in 2010, was designed to enhance performance excellence wherever it lies, taking into account the different levels of complexity associated with employees’ duties. To help managers to be more objective in identifying excellent performance regardless of employee grade or seniority, “Performer” introduced the concept of professional seniority, i.e. expected organisational conduct that envisages different levels of intensity. This makes it easier to intercept individual talent and promote diversity.

In 2011 “Performer” was fine-tuned further to respond more adequately to the specific feature of the Group’s different areas, simplifying and streamlining the processes with suitable IT support and tools. In particular, the options both for managers and for employees and the Performer system to complete an assessment was strengthened and extended. The system has now been adopted for all employees in Italy and extended to around 700 employees in the foreign units of the Corporate Division.

REMUNERATION POLICIES AND INCENTIVE SYSTEMS

In implementing the latest regulatory provisions we have completed further fine-tuning of the incentive systems, reinforcing their alignment to the risks assumed, connection with multi-year objectives and the use of quality objectives, in any event measurable, by extending the systems to all levels of the organisation.

Our incentive systems have always been fully disclosed to employees and are based on the use of indicators and rules that promote sustainable performance, envisage minimum thresholds below which bonuses are not awarded and apply the principle of symmetry for which the extent of the incentives are related to results actually achieved at Group, Business Unit and individual level.

In 2011 the new project on the assessment and incentive system for the Group’s International Subsidiary Banks also began. During the year the performance assessment and incentives system were designed in line with Parent Company policy and in compliance with local specifications. The focus was on the dissemination and promotion of the concept of performance based on assessment and on recognition of merit.

The project is the result of a preparatory stage that involved detailed mapping of the current situation (systems in use at present ensured that 73.5% of individuals were appraised in 2011) so that the necessary adjustments could be planned.

Introduction of the new policy in the International Subsidiary Banks represents the start of standardisation of the performance appraisal processes and tools at all levels of the organisation which will continue in 2012.

PROMOTIONS BY GENDER

	2011	2010	2009	
Italy	Total promotions during the year	8,520	7,537	4,756
	men	3,485	3,277	2,364
	women	5,035	4,260	2,392
	Percentage of employees promoted	13%	11%	7%
Abroad	Total promotions during the year	3,722	3,890	2,519
	men	2,071	2,290	1,281
	women	1,651	1,600	1,238
	Percentage of employees promoted	12%	13%	8%



Launched at the end of 2007 and starting with an extensive information-gathering survey involving more than 1,700 female staff, the Gemma Project aims to promote corporate talent, especially among female employees, to consolidate the values of inclusion rather than discrimination expressed in the Code of Ethics.

The Gemm@ online community was opened in 2009, a direct and immediate tool for updating the project's positive action in a virtual meeting and listening community for all employees to discuss topics of common interest. To date it has 14,200 registered members and around 3,000 daily users.

MEETINGS ON THE ROAD

Meetings on the Road is an initiative that allows community participants to meet in person. The meetings are held in Italy and their guests are well-known experts that contribute to the Gemm@ blog key topics, sharing their own career and life experiences. In 2011 meetings were held in Florence, Naples, Rome, Vicenza and Palermo, fuelling the debate on the usefulness of the female quotas in taking women to positions among top management, the challenges and milestones that female entrepreneurs have to overcome and achieve, how to be both woman and researcher in the scientific field and, more in general, what are the keys to becoming successful women.

DIVERSITY MANAGEMENT: A STRATEGIC ISSUE

The action in support of and promotion of gender, ability, culture and generational diversity continued in 2011 starting with updating of the Group's Code of Ethics to integrate a number of principles that call for an increasing consideration of diversity as an organisational asset worthy of respect and enhancement.

The same attention is paid to the structure of management processes. The Performer assessment system, now in its second cycle of use, supports the promotion of excellence also in the less complex roles with a traditional high presence of female employees. Moreover, adoption of the self-nomination mechanism in the pilot project for the new On Air development model and selection processes for access to the Talent Community (36% women) has allowed a means of expression of the motivation and talent of the Group's female employees.

During the year Banca dei Territori Division conducted a project to define the managerial exchange pools to implement planned management of the nominees and especially to prepare staff in good time to cover management roles. This project had a second objective, that of implementing monitoring action to develop talent wherever it may lie, following the logics of diversity management, i.e. with a suitable balance of gender, age and professional experience. This approach has brought out the female talent in the company, with women being appointed to 35% of new roles throughout the Division.

Another social group on which attention has been focused is young people. With its "Linea Verde" project, Banca dei Territori has kept up their involvement in the division's activities, fully aware that the initial period spent in the company is particularly delicate in terms of motivation and guidance towards professional growth. The project consists in analysing and monitoring their career development, particularly young people recruited in the last four years, to support and best use the skills of each individual.

Intesa Sanpaolo maintains constant monitoring of non-discrimination issues. In Italy no reports worthy of mention were received, whereas nine reports were received through the Code of Ethics mailbox from International Subsidiary Banks, four of which proved true and gave rise to written disciplinary warnings.

MANAGERIAL GROWTH FOR WOMEN

The Mentorship initiative dedicated to young managers is designed to build significant relations within the company with the most expert members of staff, to strengthen the professional and individual growth. The course lasts 6 months and involves training both Mentors – senior managers – and

Mentees, after which development continues in the form of one-to-one meetings. For the 2012 edition the pool of Mentees will be open to wider levels of the organisation.

The “Role of the Non-executive Director” course was dedicated to around 30 female Senior Managers, with in-depth study of corporate law to prepare women for roles in the Board of Directors, in line with recent regulatory proposals for female representation.

Intesa Sanpaolo is also a founder member of “Valore D”, an association established to support female leadership.

TRAINING IN THE PLURAL

A number of company-wide training projects are dedicated to the issue of managing variety within the company in terms of the working together of different cultures, genders, generations and abilities.

The “Leadership Lab” initiative is also active, dedicated to managers and with the aim of strengthening gender leadership in terms of the specific breakdown of male and female among the ranks. The Lab provides participants with the opportunity to understand their own personal abilities, learn to assess opportunities and overcome potential duress associated with gender diversity, increasing their self-confidence and awareness of their own special potential. In the period May-July 2011, 150 male and female branch and Centro Imprese managers participated in the Leadership Lab.

“Empowerment al Femminile” was dedicated to the young women professionals included in a development path: two days of classroom training to increase women’s leadership skills and overcome restricting beliefs.

REAL ANSWERS TO DIFFERENT NEEDS

Fully aware that the option of conciliating life and job timing creates conditions for the development of corporate diversity, enabling the different talents to grow towards leadership positions, the People Care Office was established with the task of promoting the development of initiatives to increase the balance between private and professional life. In addition to initiatives already illustrated in the paragraph on the quality of life in the company (page 46 ) a series of studies have been implemented on aspects of diversity management, in partnership with the Bocconi Business school and Università Cattolica of Milan, with a view to identifying answers to customers’ needs.

JOINT COMMITTEES ON EQUAL OPPORTUNITIES AND TRAINING

The activity of these committees benefited from the firm proposals emerging from the brainshop on diversity (of gender, ability, generation and culture). Specific training projects were shared on promoting female talent and disseminating the concept of merit associated with the achievement of objectives and not merely the length of time and service with the company, balancing time between personal life and job, promoting well-being in the company and initiatives for the integration of differently-abled employees in the work environment. The training plans were designed to enhance human resources through guidance, individual promotion, and the search for relations fairness and transparency as a growth factor within the corporate community. A number of training sessions were launched also by recourse to financing from Fondo Banche e Assicurazioni (Bank and Insurance Fund), through agreements signed with the trade unions. Among these, specific training on health and safety in the workplace were financed.

The members of the joint committees are company officers and two experts per trade union, thereby representing all employees in Italy.

WESION - PROGRAMMES FOR THE FUTURE

Between 2010 and 2011 the Corporate and Investment Banking Division held ten editions of this residential training initiative, which through testimonials, open mind sensitisation seminars and creativity labs explained the departments' strategies and generated ideas for implementation of the Business Plan.

The 1,500 participants in the Wesion sessions came up with over one thousand ideas through the input of six strategic drivers: excellence, simplicity, synergy, risk, being us and working the system. Screening of the most significant ideas (around 250) in line with the business plan gradually translated to a feasibility study on certain ideas whilst others were merged into existing projects or projects at implementation stage.



This is a new audio podcast training channel which completes the multimedia range of channels available for distance learning (e-learning, social learning, WebTv). All employees can listen to the available programmes from their work station, download them to the PC and mobile media, or send them to personal mailboxes for download from the Internet. In the first few weeks after its launch the new channel had an audience of almost 10,000 listeners.

TRAINING



DISSEMINATING CULTURE AND FUELLING INNOVATION

The inspiration behind Intesa Sanpaolo training is the desire to disseminate culture and experience to accompany its employees into the future and to fuel all levels of the innovation environment. A major investment in resources is expected to build and develop distinctive professional and managerial awareness and skills to help the company to grow.

The culture of values was preferred to strengthen the corporate identity by constant association with the principles of the Code of Ethics and with real operational conduct. Innovation does not only mean visualising and creating new channels, tools and learning methods, but also providing all company departments with stimuli and initiatives that contribute to the development of innovative drivers.

Over 150 made-to-measure training projects are now offered alongside the 250 "headings" always available, broken down by topic, and have involved investments in training for 36 million euro. For all the channels (classroom, e-learning and WebTv) this commitment has produced 1,300,000 training days involving 85,350 employees in Italy and abroad. These important figures are constantly accompanied by their efficiency results, expanded involvement and a constant willingness to listen. In fact, investment continued in relation to monitoring training efficiency with a series of actions in the last part of the year which, on the one hand, will lead to increasingly wide use of the learning assessment tools for self-certification purposes, and on the other hand to the option of aggregate and structured reading of the feedback from participants contained in the satisfaction questionnaires (over 140,000 in 2011).

AWARENESS AND VALUES TO REMAIN IN PROXIMITY TO OUR CUSTOMERS

Specific projects are dedicated to the branches whereby individuals are involved in sharing corporate values and disseminating awareness and professional skills to improving performance and customer satisfaction. In particular these have accompanied the roles of Branch Manager and Customer Assistants through the "Insieme - Crescere attraverso il confronto" (Together - Growing by Comparison) project. This initiative involved around 4,500 branch managers and staff as a continuation of the "Fiducia" project launched in 2009. Web-based and classroom training are alternated in an analysis and testing workshop that fine-tunes the most effective new quality solutions and business models. The communities are managed by dedicated editorial staff proposing training and professional growth paths, and have ensured that a constant listening channel is open to the needs of the network, along with an area dedicated to sharing ideas and best practices .

CUSTOMERS

EXCELLENCE AND INNOVATION CULTURE

A major contribution comes from the university/company partnerships in terms of virtuous exchange and key ingredient to innovation. In addition to the Level one Master Degree in Banking and Financial Services Management mentioned previously, targeting employees hired under a professional apprenticeship contract (see the “Proximity to Young People” page 39 [↗](#)), cooperation with the universities of Padua, Turin and the Università Cattolica of Milan continued with its objective of certification of technical and financial skills for the bankers of Intesa Sanpaolo Private Banking, issued by the Italian Private Banking Association, which guarantees the achievement of a high level of professional skills made available to customers.

CUSTOMERS

A department dedicated to professional requalification has been set up as a centre which will follow the process of change deriving from review of the distribution model indicated in the Business Plan. Employees interested in a change of professional role will be included in a modular training path designed according to Learning Experience Design logics.

RESPONSIBILITY KNOW-HOW

In 2011 a true training strategy on CSR issues was implemented. On the “easymanager” portal, a tool used by the Training Department to communicate with over 1,700 managers in the Group, one of the threads introduced is “Ethics and Responsibility”, with courses, handouts, stimuli and best practices. The “WEnterprise” and “HR Camp” initiatives have consolidated cooperation between the company and the Third Sector, combining the management training of over 250 IT and resource management staff on the transmission of values and development of the “wider responsibility” concept in partnership with local ONLUS (non-profit) associations. Training for CSR Delegates also continued with two one-day meetings that led to creation of the “CSR Delegates Manifesto”. Lastly, courses on application of the Equator Principles continued in Milan, Rome, London and New York (page 64 [↗](#)).

ENVIRONMENT

CULTURE AND COHESION

The Group’s International Subsidiary Banks saw intense training activity. Through the Leadership Development Programme over 500 managers were trained on cultural awareness, the promotion of cultural diversity, integration, sense of belonging, shared values and behaviour. An interactive method (Empathic Design Experience) characterised the second phase of the Education Programme (Listening 100%) to generate positive ideas and sensitise employees on customer satisfaction issues (page 31 [↗](#)).

CUSTOMERS

LEARNING EXPERIENCE DESIGN

Learning Experience Design (LED) is the new design protocol that will gradually be applied to all training initiatives. It allows migration from the creation of individual learning initiatives to the proposal of learning experiences that go beyond traditionally-recognised training. The key features of the LED protocol are: enhancement of the learning experience, and the internal handling of customers and services covered by the training. LED also promotes a new use of spaces and a different use of language for the development of distance social relations. In June 2011 LED was officially prized with the HR Innovation Award by Milan Polytechnic, and was selected by ADI Design as a candidate for the 2013 Golden Compass Award.



Employment is one of Italy’s emergency situations. It is overcome not only by recruiting young people but also by creating the conditions for new types of employment. Officine Formative (OFF) is Intesa Sanpaolo’s project that provides unemployed students and potential entrepreneurs with a remote training course to learn the features necessary to transform a rough idea into a potential business. On completion of the course, candidates with the best ideas can access a development and consolidation period for their project with the research and innovation laboratory of the Training Department and with initiative partners. OFF uses a web portal [↗](#) and a profile on the main social networks (over 70,000 page visits in the first two months after launch).

CUSTOMERS

INVOLVEMENT AND LISTENING

Innovative channels and tools have strengthened the continuous and transparent reporting to involve all the persons working in the Group. The new Intranet, with its 80 sites and over 200 applications, represents the Intesa Sanpaolo map of knowledge. Banca dei Territori's WebTV, with 31 profiled channels, proposes national and local issues useful with regard to employment and life in the company. The new online house organ offers a multimedia overview (texts, photos and videos) about the company. A real, structured internal listening system has indicated employees' perceptions, in addition to the climate surveys (2 per year for all employees in Italy and abroad), area listening panels, focus groups and surveys on specific issues. The climate survey recorded a participation of more than 50% in Italy and of 48% abroad. The panels and focus groups involved 5,700 employees.



gusti giusti

Mangia bene, vivi in forma.

DIET EDUCATION

Gusti Giusti is a diet education project which, starting with meals served in the staff cafeterias, calls employees' attention to the principles of a healthy, tasty diet. The new menus have introduced a greater use of fresh vegetables, whole grains, pulses, extra-virgin olive oil and spices. Not only new flavours with less seasoning, but also a greater selection of vegetarian dishes. After the pilot project, conducted jointly with Slow Food and CTO Maria Adelaide in Turin, successfully completed in 2010 in the Milan-Lorenteggio and Moncalieri (Turin) cafeterias, in 2011 the project continued and the guidelines established were fully adopted in the public tenders to choose new catering managers for application in all company cafeterias.

SUPPLIERS

QUALITY OF LIFE



QUALITY OF LIFE

To develop an integrated corporate welfare and people care system combining corporate efficiency objectives with work-life balance to improve the quality of life in the company and job wellbeing: this is one of the goals set by Intesa Sanpaolo in the more general framework of the Business Plan. The corporate welfare system has been developed as an integrated system to offer traditional and innovative solutions to meet the specific needs and interests of employees. In April 2011 this approach led to Intesa Sanpaolo achieving first place in the "Best integrated conciliation system" category of the "Premio Famiglia Lavoro" (Family Work Award) organised by the Lombardy Region and ALTIS (Università Cattolica School of Business and Society).

THE GROUP HEALTH FUND

January 2011 saw the operational start-up of the Intesa Sanpaolo Group Health Fund. The memorandum of understanding signed with the trade unions in 2010 agreed on the merger of the Support Funds into a single entity offering health services integrated with those of the Italian National Health Service on all hospital and specialist treatments required by employees in service, members of their families and retired staff of the entire Group. One year on, the services provided to members are equal to about 130 million euro, a figure that places the Fund among the sector leaders in Italy.

COMMUNITY

CONCILIATION INITIATIVES

The Intesa Sanpaolo People Care system, advanced by Human Resources Department, integrates all corporate welfare actions by acting on key elements for a better work-life balance of employees and their families, also from a diversity management viewpoint.

The approach on these issues is multidisciplinary and integrated, providing services and initiatives not only to promote "work-life balance" but also sustainable mobility and the wellbeing of staff and the corporate community →.

Among the most significant conciliation initiatives implemented were those for infants. The success of the experience in Milan and Florence led to two new crèches being established in Naples and in Moncalieri (Turin) in September 2011.

Architectural rules and education standards are combined into objectives in line with environmental sustainability principles that make preferential use of certified FSC (Forest Stewardship Council) and PFEC (Programme for the Endorsement of Forest Certification) materials. As an integration to the service, to date the PAN Consortium Agreement on Crèches

COMMUNITY

now has around 120 structures among its members for a total of 362 places. A further 70 places were made available by crèches operated by the founding networks of the PAN Consortium that have agreed to cooperate.

Parenting support has been an important activity developed in 2011, also involving the organisation of summer holidays for children through the “People Junior Campus” project and the purchase of school text books, the first proposal of “People Smart Shopping”. Other areas of action included the issue of sustainable mobility (page 57 [↗](#)).

ENVIRONMENT

SURVEY ON HOME CARE AND SUPPORT NEEDS

More than 3,000 employees answered the questionnaire issued in partnership with the ISTUD Foundation to identify home care and support needs for employees’ families. More than 90% of respondents considered home care to be very useful. The positive replies regarding the possibility of accessing a pool of qualified caregivers and of making use of a multichannel service to handle related welfare and tax administration paperwork exceeded 85%. Lastly, 73% considered flexible working hours the most desirable means of conciliation. Also taking into consideration the structured listening process promoted by the CSR Unit and the results of the questionnaire, a project has been launched to create a multichannel service in cooperation with a non-profit sector partner, providing guidance and information to employees with responsibility for family members that are not self-sufficient.

COMMUNITY

FLEXIBILITY AND PART-TIME

Intesa Sanpaolo has defined specific flexibility formats through trade union agreements that go beyond legal obligations. In particular, paid leave for fathers to attend antenatal courses and if home removals are required on the birth of a child. To take care of sick children between the ages of 3 and 8, 5 days’ unpaid leave is envisaged in addition to the 5 provided for by law. Each year up to 5 days’ unpaid leave can be requested for personal or family reasons and an additional 3 months post-maternity leave has been agreed up to the child’s 3rd birthday.

Part-time employment formats are the most diversified and cover horizontal, vertical or mixed contracts including different types of working hours ranging from a minimum of 15 to 32.5 hours per week. The assessment of applications considers cases of family care and support for the disabled as priority.

Lastly, sabbaticals are envisaged for a maximum of one year for study, family or personal reasons and to undertake voluntary work.

Again on the issue of flexibility, surveys have been designed to assess the implementation of the new initiatives (see “Real answers to different needs” section, page 43 [↗](#)).

COMMUNITY



“People Junior Campus - Vacanze per crescere” (Holidays for Growth) is an online catalogue of all-inclusive solutions for the summer and winter holidays of employees’ children aged 6-17, designed to promote growth and learning. Available places are distributed throughout Italy in city campuses, sports centres, places of adventure and study and campuses abroad. Thanks also to the direct support of the Bank, priority placements and discounted fares (subject to availability), weeks in unique facilities, travel solutions, free insurance and travel kits are made available. The satisfaction questionnaire recorded a redemption of 85%, a satisfaction score of an average 6.7 (on a scale of 1 to 7) and strong appreciation of the price-quality ratio and campus times.

SUPPLIERS

The families’ support also includes the possibility of embarking upon inter-cultural experiences abroad with one-year and six-month stays, thanks to the allocation of grants destined to employees’ children (Intercultura grants).



“People Smart Shopping” is the service that offers online shopping of school text books adopted by all levels in Italian schools and accessory products such as dictionaries, atlases, diaries, etc. at exclusive prices and with home delivery throughout Italy.

After initial use the books purchased continue to “live” and be useful to other employees through the resale of used books. The satisfaction questionnaire recorded a 56% redemption and a satisfaction score of 5.2 (on a scale of 1 to 7).

POST-ROBBERY SUPPORT

Post-robbery support activities continued with help from specialists at University of Milan. More than 800 employees made use of the consultations and related medical visits. The support, arranged after voluntary consent obtained in advance from the interested parties, was provided by the company doctor and – in cases considered more critical (given the dynamics of the event) – also by a psychologist.

INITIATIVES FOR DIFFERENTLY-ABLED STAFF

To promote the inclusion of differently-abled staff many different initiatives were developed. With help from the Milan Institute for the Blind, the third edition of “Guida per la salute e sicurezza sul luogo di lavoro” (Guide to Health and Safety in the Workplace) was translated into Braille.

To manage emergencies within the company a course for “employees responsible for differently-abled staff” was created. Around 1,100 employees have been appointed to this role.

A further training course was dedicated to company designers and technicians on awareness, overcoming architectural barriers and ergonomic workplace design, with a particular focus on use by differently-abled staff and customer access to Bank premises.

CUSTOMERS

HEALTH AND SAFETY



HEALTH AND SAFETY RISK MANAGEMENT

Risk assessment of the health and safety of employees in the workplace is the mission of the Prevention and Protection Department, which has created a management system to implement a health and safety policy in compliance with the requirements defined in the most important standards (UNI EN ISO 9001 - UNI - INAIL ISPEL).

The risk management is divided into several steps to allow risk identification, identification of prevention and protection procedures, and definition of a plan of action with identification of the company departments involved in its implementation, followed by actual implementation of the action planned.

For each Group Bank and company in Italy a “Risk Assessment Document” is prepared, updated by the introduction of a specific annex describing the methods adopted by Intesa Sanpaolo – inspired by UNI-INAIL Guidelines – for its Management System. As of last year the Risk Assessment Document includes the results of the work-related stress risk assessment.

The Risk Assessment Document is a source of regular reporting to the trade unions as part of the Commission for Monitoring Safety and Sustainable Development (page 43 [↗](#)).

The methodology adopted is divided into two macro steps: a preliminary assessment and, if appropriate, an in-depth assessment. The method is applied by a special multi-disciplinary work group that has planned, coordinated and applied the entire assessment process.

In 2011 monitoring continued on the conditions of wellbeing and safety perceived in the workplace, also through an online questionnaire prepared with the consulting support of the University of Milan.

The reports received on air quality, microclimate, lighting, acoustics, comfort and satisfaction with the workplace were processed by the Occupational Medicine Department of the University of Milan to complete a specific survey to identify improvement action needed in relation to design and maintenance standards for company premises.

Health monitoring activity for employees has also continued in line with the schedules prepared by the qualified physicians, who in consultation with the Occupational Medicine Department of the University of Milan prepared the periodic epidemiology report.

The tasks undertaken by the Company Safety Unit involved over 1,500 site inspections of workplaces to assess health and safety risks and around 5,000 health monitoring visits. Also in accordance with the annual plan, instrumental asbestos and radon monitoring was also carried out and, where necessary, indoor air quality tests. In this respect, a specific project implemented with

the Occupational Medicine Department of the University of Milan and the University of Insubria is now nearing completion.

COMBATING AND PREVENTING ROBBERIES

The commitment to branch robbery prevention was further strengthened by arranging innovative and better targeted combating and mitigation action for the risks run by customers and personnel in the branch.

The Bank has made major investments in recent years in research and the preparation of new technologies, tools and organisational structures to meet employee safety needs at branches. This need has gradually changed as a result of developments in the way robberies are carried out, which has led the Bank to adopt innovative, state-of-the-art solution, for example including remote monitoring.

Prevention action has centred on people safety, adopting a global, workforce-wide approach to guarantee a long-term modular protection system able to rapidly adapt to contextual changes and different risk scenarios. Security is therefore no longer a mere product but a process that involves specific risk assessment, planning and management of related solutions (technological, organisational and regulatory) and efficiency monitoring.

The combating strategy adopted by the Bank envisages reducing appeal to potential robberies, entrance monitoring through remote video control of the premises and ongoing training of branch employees to adapt their conduct to defined rules. In fact it is through branch operator conduct that planned security becomes effective and can also have a positive effect on the sense of security perceived by Bank's customers.

CUSTOMERS

HEALTH AND SAFETY TRAINING AVAILABLE TO EVERYONE

A “miaformazione” dashboard has been created on the company Intranet for all the company training courses on health and safety in the workplace, including the e-learning course “Tutti al sicuro”. In addition to training support and tools dedicated to prevention, also available are description sheets on the training courses and WebTv programmes, learning materials and info-training media.

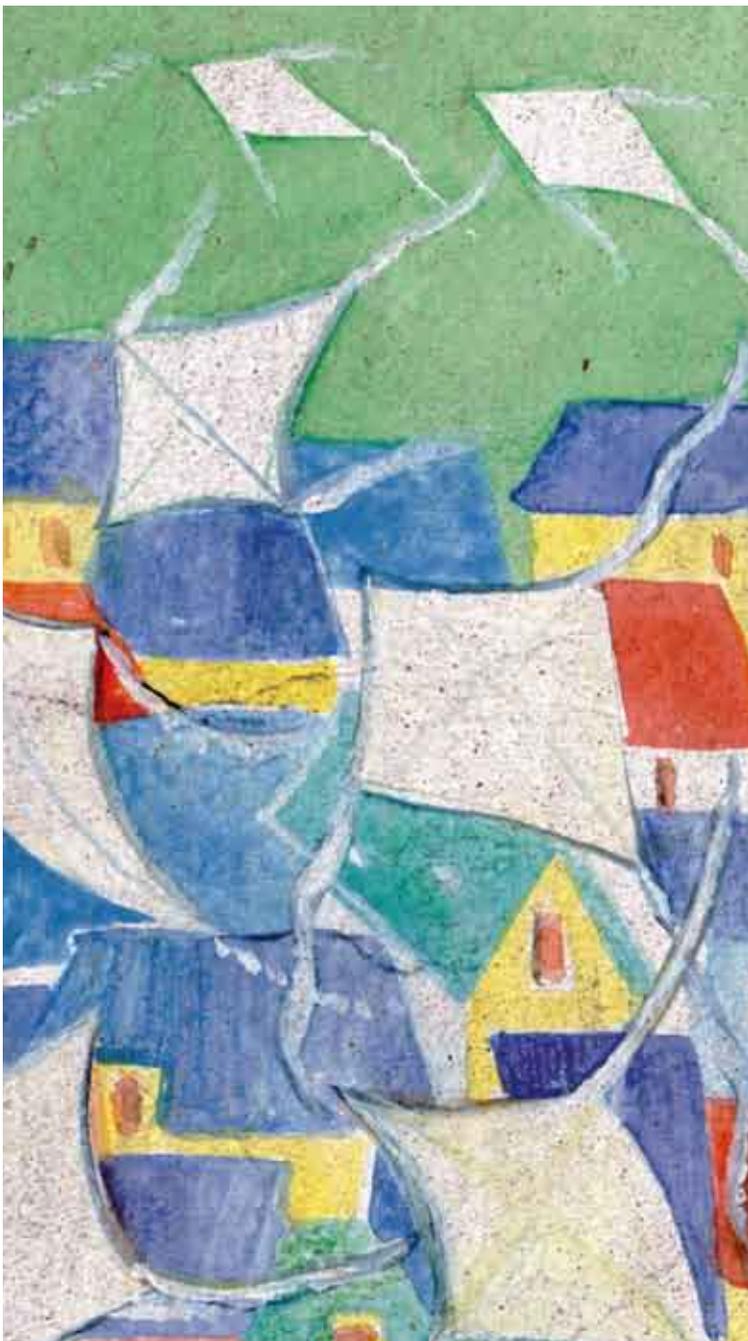
Now added to the dashboard is “In-forma al pc: pillole formative sullo stretching alla scrivania” offering keep fit ideas on short stretching exercises to do while sitting at a PC. Around fifty ideas will be identified in partnership with the Qualified Physician Coordinators of the Intesa Sanpaolo Group and will gradually be made available.

THE BRANCH REMOTE MONITORING SYSTEM

Intesa Sanpaolo has adopted an innovative branch remote monitoring system that involves continuous video monitoring by a control centre operator. The system is based on CCTV cameras that offer a detailed panorama of the branch premises and allow the display of all forms of unconventional behaviour by suspect persons and faster activation of procedures to handle the situation and avoid risks to persons present on the Bank's premises. Highly appreciated by customers and employees for the guarantees given by constant monitoring, the system is recognisable by the presence of monitors in the entrance and main areas that display the control centre operator's view, thereby providing an effective robbery prevention system. At the end of 2011 this system was already installed in hundreds of branches, a number that will further increase in 2012.

CUSTOMERS

SHAREHOLDERS



In 2011 the goal of sustainable growth continued to be at the core of our strategy in a macroeconomic scenario that is still unstable due to the persistence of the crisis. Intesa Sanpaolo's strategic decisions were confirmed by the 2011-2013/2015 Business Plan, which focuses on its key priority of assuring sustainable profitability in the medium term through developing long lasting customer relations, fine-tuning cost control and investments while at the same time monitoring asset quality and strengthening liquidity and capitalisation.

INTESA SANPAOLO SHARE PERFORMANCE: RETURNS

In 2011, the Intesa Sanpaolo share price recorded a trend linked to the banking sector indexes: a rise until mid-February, when the peak was hit, and a subsequent downward trend which lasted until almost mid-September, when the low was reached, then followed by a recovery, with the share recording a 33.7% drop at the end of the year compared to the start of the year.

At the end of 2011 the Intesa Sanpaolo savings share recorded a 42.9% drop compared to the start of the year. The discount with respect to ordinary shares increased, achieving 25% from 13% at the beginning of the year.

At the end of 2011, the total capitalisation of Intesa Sanpaolo decreased to 20.9 billion euro, compared to 26.3 billion euro at the beginning of the year.

DIVIDENDS

The Management Board will propose to the Shareholders' Meeting to allocate a unit amount of 0.05 euro on ordinary shares and savings shares from the Extraordinary Reserve, with total amounting to approximately 822 million euro. This corresponds to an average dividend yield of 3.02% on ordinary shares and 3.57% on savings shares for the year.

RELATIONS WITH SHAREHOLDERS AND THE FINANCIAL COMMUNITY

In 2011, in an economic scenario that remained extremely difficult, relations with the financial community concentrated on sustainable profitability. We believe that the Bank's capacity to generate constant growth in profitability is also determined from high-level liquidity, low leverage, the sound capital base and low risk profile. Based on these indicators the Group represents a certain reference for its investors and a reliable partner for businesses among the sector leaders at international level. Financial disclosures were focused on the objectives of the 2011-2013/2015 Business Plan, submitted on 6 April 2011, with the key priority of being able to convey the Group's ability to soundly generate value for all stakeholders.

In 2011, to guarantee equal access, information was made available promptly, easily and simply through a range of channels: Internet, conference calls via a toll-free number, brochures and free distribution of financial statements on request. The Investor Relations section of the website [offers](#) well-defined content and theme updates to ensure that stakeholder access to information is more extensive and systematic.

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.

CREDIT RATING

The ratings assigned to Intesa Sanpaolo, despite being tied to the rating assigned to the country, continue to reflect good profitability, adequate asset quality, a sound capital ratio and good liquidity profile.

MOODY'S

Long-term debt	A2 *
Short-term debt	P-1 *
Financial strength	C+ *
Outlook	Long-term rating under observation

FITCH

Long-term debt	A-
Short-term debt	F2
Viability	a-
Support	2
Outlook	Negative

STANDARD & POOR'S

Long-term debt	BBB+
Short-term debt	A-2
Outlook	Negative

*Rating under observation due to a possible downgrade.

INCLUSION IN ETHICAL INDEXES

Ethical indexes are characterised by the criteria applied in selecting the stocks they include. In addition to financial performance, companies' social responsibility performance (environmental sustainability, rights of company, supplier chain and distributor employees, respect for human rights, relations with stakeholders and anti-corruption policies) is also assessed. Intesa Sanpaolo has been listed in the indexes of FTSE4Good, ASPI Eurozone and the Ethibel Investment Register since 2007. In 2011, Intesa Sanpaolo began to be listed in the Dow Jones Sustainability Index.

SUPPLIERS



Transparent relations along the entire procurement process and dissemination of the social and environmental responsibility culture: these are the guidelines that we followed while monitoring administrative expenses with an approach inspired by conservative buying decisions and a sense of saving. The technological developments were geared towards guaranteeing negotiation fairness, transparent communications and quality in managing the relations with our suppliers.

TRANSPARENCY IN PROCUREMENT PROCESSES AND THE SELECTION OF SUPPLIERS

The sustainability programme along Intesa Sanpaolo's procurement chain was geared towards choices based on the principles of transparency and fairness in 2011 as well. Such principles have made it possible for us to consolidate relations with our suppliers.

Transparency was one of the keywords which characterised the development of the e-sourcing Portal, set up in 2010 and which is now becoming fully operational in its renewed shape. The Portal provides a Web-based negotiating system: In fact, those who apply are required to register online, where, if invited to take part in a bid, they can follow all the stages of the process in a transparent manner.

The developments envisaged for the new management process of invoices have also been implemented during the year, ensuring improved monitoring activities, greater traceability of documents and improved compliance with payment terms. Meanwhile, the electronic billing system has also got underway, generating benefits in terms of transmission time between the Bank and its suppliers.

PROMOTING SOCIAL AND ENVIRONMENTAL SUSTAINABILITY

Intesa Sanpaolo guides and directs its suppliers towards sustainable practices with the gradual renewal of the product catalogue, which provides for the introduction of green products replacing existing ones. During 2011, with the aim to gain a better understanding of suppliers and their sustainability policies, access to the e-sourcing Portal was renewed for both regular and first-time suppliers. The online registration process includes a questionnaire which also asks for information relating to social and environmental responsibility practices. The answers submitted by the candidates, who are also required to consult the Organisation, Management and Control Model (Legislative Decree 231/2001), the Group's Internal Code of Conduct and the Code of Ethics, will obtain, once the system has become fully operational, a score which will help establish a Social Responsibility Rating, a project which is currently being implemented.

Of 1,600 suppliers registered on the Portal, over 400 have completed their registration. Out of these, 14% declare to publish a social and environmental report, 7% hold SA 8000 certification, 26% have a code of ethics or policies describing their social commitment, 21% hold environmental certifications and 15% have an environmental policy.

During 2011, the assessment of contract management procedures continued to be carried out on a regular basis in order to prevent and identify any critical situations or conduct.

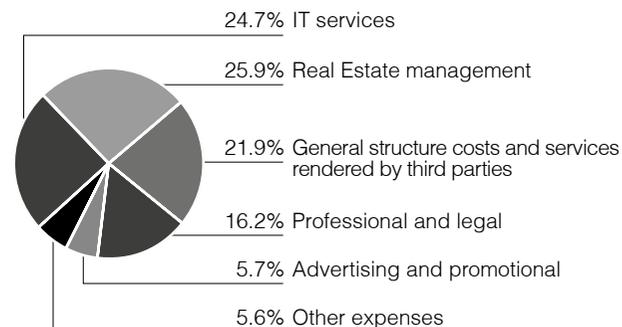
The Group International Subsidiary Banks' Procurement Policy, implemented with the aim to disseminate a procurement management model based on criteria of quality and social responsibility was completed at all international subsidiaries. The assessment phase of the policy operations involved Intesa Sanpaolo Bank Albania, Intesa Sanpaolo Bank Romania, Pravex-Bank, Bank of Alexandria, CIB Bank and Privredna Banka Zagreb.

ENVIRONMENT

CUSTOMERS EMPLOYEES SHAREHOLDERS SUPPLIERS ENVIRONMENT COMMUNITY

In 2011, the overall expenses incurred by Intesa Sanpaolo for purchases totalled 2.9 billion euro, divided as follows:

BREAKDOWN OF 2011 ADMINISTRATIVE EXPENSES BY CATEGORY [%]



THE E-SOURCING PORTAL

Started in 2010, the initiative recorded a strong growth during 2011. The e-sourcing Portal, thanks to its module-based structure, provides a global overview of the entire procurement process, from the start of the requirement to the stipulation of the contractual relationship and payment for the service. In addition to the centralised Suppliers List, the Portal includes an area dedicated to online purchases, an area for communications with suppliers and another for document archiving purposes. A module for the management of accounting communications will be put in place in 2012; this will enable the suppliers to view data relating to orders, invoices and payments. Thanks to its innovative features, the Portal classifies suppliers on the basis of technical, economic and financial parameters as well as according to environmental and social responsibility criteria.

ENVIRONMENT



We tackle climate change with a holistic approach: our commitment towards direct environmental impacts has earned us some prestigious awards as a result of our environmental policy. Indirect impacts are managed both through the offer of financing products for renewable energy and energy savings and through international participation in UNEP FI projects, for which we signed the world's first research on the financial materiality of climate change.

DIRECT IMPACTS



The direct impacts generated from the Bank's activities are monitored by the Environmental Sustainability team of the CSR Unit, coordinated by the Group's Energy Manager, with monitoring, analysis and guidance tasks for the definition of improvements, including, based on a cost-benefit analysis, the use of new technologies in accordance with the Environmental and Energy Policy updated in 2011.

2011 saw the continuation of the Sustainable Energy Action Plan, which pursues the aim of reducing the ecological footprint through the improvement of energy/environmental aspects. The best results were achieved in the reduction of energy consumption, waste, paper and in the use of ecological paper. The Plan currently underway will continue until 2013. Furthermore, Intesa Sanpaolo has participated actively in various work groups of Abilab focused on setting benchmarks for the sector and promote the application of new technologies to improve energy efficiency.

Issues related to mobility are handled by the Mobility Manager who coordinates the initiatives and best solutions for the needs of corporate and personal mobility.

ENVIRONMENTAL AND ENERGY MANAGEMENT SYSTEM (SGAE)

In 2011 the Intesa Sanpaolo Group has consolidated the UNI EN ISO 14001 and UNI CEI EN 16001 certified Environmental Management System in around 180 sites, thus preparing the gradual expansion of its perimeter and the transition to a new UNI CEI EN ISO 50001 energy certification which best guides companies in understanding and measuring different types of energy consumption by type of user.

The most significant aspects considered by our environmental policy – energy consumption, polluting emissions, paper consumption, waste, harmful substances, water and maintenance – are managed with integrated procedures of excellence. The gradual improvement of performances can be obtained through the definition of qualitative and quantitative objectives to be achieved, including with the application of the best solutions available on the market.

The certified branches and buildings represent a geographically significant sample through which their performances are monitored and measured, ensuring that they match the targets that have been set by means of specific procedures and regular audits. More specifically, following an extensive survey of the facilities, a new system has been put in place in SGAE sites whereby the technological plants are turned on and off via a web-based schedule and reports are sent automatically in case the consumptions exceed the profiles set for the different branch types. The progressive improvement measures implemented at the sites are also accompanied by specific training for the delegates at the certified sites.

EMPLOYEES

A "770 WATT COMPANY"

Intesa Sanpaolo is gradually reducing the pro capita index relating to energy consumption. The average power use in Italy has gone from 820 watts per employee in 2009 to 770 watts in 2011.

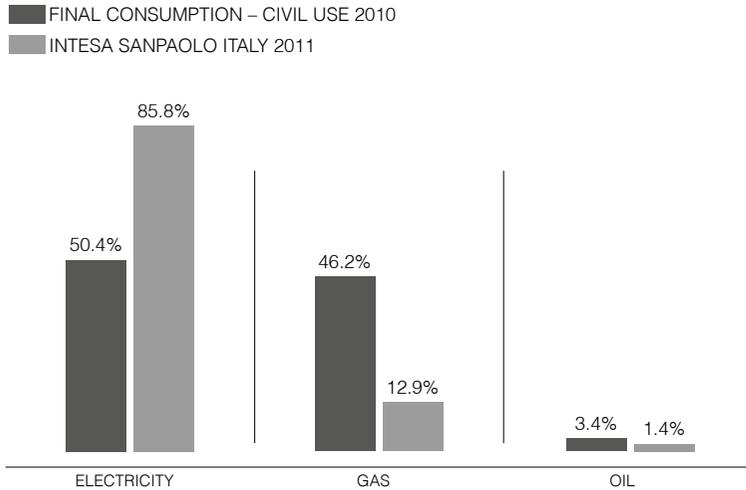
NEW TURIN HEADQUARTERS

Environmental sustainability criteria and energy efficiency for the entire life cycle of the building were adopted in the planning of the "New Turin Headquarters". Thanks to its building and management features, the executive plan of the building was given a score of 3.5 according to the Sustainable Building Council protocol (on a scale ranging from -1 to 5, where 3 corresponds to the "best available building practice").

The complex process of running the site and the construction work is now subject to an Environmental Management System. The General Contractor was awarded the relevant certification in October 2011 according to the international UNI EN ISO 14001:2004 standard and Registration according to the European EMAS III standard is pending.

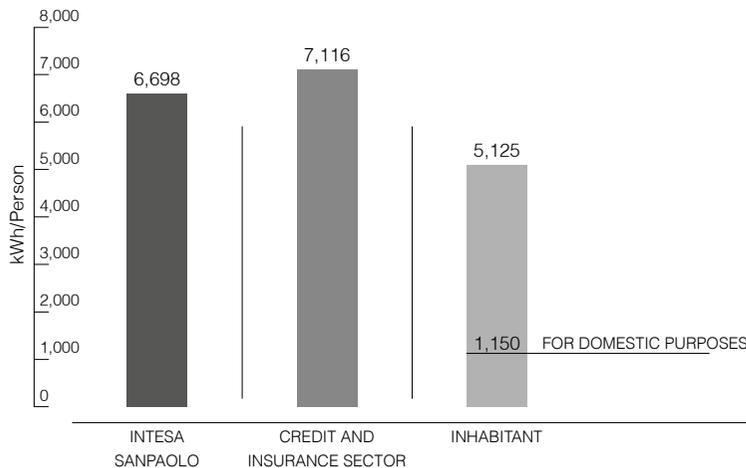
In order to promote the dissemination of the technical and scientific know-how developed during the construction of the tower, the professionals directly involved in the activities will be the lecturers of the II Level Master's degree for graduates in engineering and architecture from the Politecnico of Turin "Design and construction of skyscrapers". The Master, presented in February 2012 at the head office of Castello del Valentino, entails Intesa Sanpaolo's active participation and collaboration.

PERCENTAGE OF ENERGY CONSUMPTION PER SOURCE IN ITALY [%]



Source: Ministry of Economic Development, Energy Department (2009). Bilancio Energetico Nazionale 2010. Final consumption, civil use 2010 – Italy (processed by).

PRO CAPITA ELECTRICITY CONSUMPTION IN ITALY [kWh/PERSON]



Source: Electricity consumption Terna, 2009-2010 – Italy.

NOTES

1. Renewable Energy Certificate System.

The Group has consolidated the use of electricity produced from renewable sources wherever possible at all sites. In Italy this type of supply, mainly generated by hydroelectric plants, exceeded 94% of electricity consumption (over 185,000 tonnes of annual CO₂ emissions avoided), which are flanked by RECS¹, certified supplies and a limited self-production from co-generation.

The self-production of photovoltaic electric energy is difficult to implement due to the technical and architectural limitations of Intesa Sanpaolo's properties, therefore few significant sites with innovative or large photovoltaic plants are currently being developed. Among these, we recall the high-performance photovoltaic tracker built at a branch in Turin and characterised by a liquid cooling system of the photovoltaic cells which, in 2011, produced renewable energy in line with the annual climate performance and with the high performance forecast (around 1,300 kWh/kWp per year). Customers and visitors can see its actual efficiency through an LCD display located inside the branch. Furthermore, a 9 kWp plant built in Marghera at a "close to energy 0" branch type was connected to the power grid at the end of 2011 and further plants will be completed during the year.

Initiatives for the use of renewable energy have also been launched abroad: in Slovenia, the photovoltaic plants of Banka Koper, at the branches of Koper and Sežana, produced around 50,000 kWh in 2011, while in Hungary, CIB Bank focused its attention on solar energy to produce 62% of sanitary hot water consumed.

ENERGY AND ENERGY EFFICIENCY

2011 confirms yet another reduction in energy consumption achieved as a result of better management but also through measures aimed at increasing energy efficiency for significant energy consumptions: lighting, air conditioning and office equipment. In-depth consumption analyses, carried out with on-site measurements and also assisted with web-based temperature detections, were continued throughout the year. These measurements and the unit target fine-tuning have made it possible to implement more effective improvement measures as they are closely connected with the critical issues of each operating point.

All energy saving initiatives carried out, prevalently of an operational type and within the scope of the Sustainable Energy Action Plan, have made it possible to reduce total energy consumption in Italy by 5.5% compared to 2010, corresponding to about 8,700 TOE, of which 6.9% for electricity consumption and 2.1% for heat consumption. More specifically, electricity consumption savings in 2011 was almost equal to 46 GWh compared to annual consumption in 2008, whereas, as for heat consumption, part of the savings are due to the growing use of heat pumps and management efficiencies, as well as a result of a less harsh winter conditions. Great attention was paid to new branches and those undergoing renovation, where extensive use was made of double glazing, high performance condensing boilers, refrigeration units and heat pumps.

Energy saving initiatives put in place by International Subsidiary Banks include numerous measures to reduce energy consumption linked to artificial lighting: in some of its offices, CIB

Bank replaced the old lighting systems with other more efficient ones and installed automatic shut-down systems for lighting devices, while VUB Banka replaced traditional lamps with LED technology at some of its branches. Lastly, Pravex Bank and Banca Koper built low-environmental impact branches.

2011 saw the adoption of an internal policy relating to the purchase of office machines (see website [↗](#)) which defines the minimum environmental criteria and the operating procedures for the assessment, during the acquisition phase, of the environmental impacts generated – directly or indirectly – by the office machines. Thanks to the gradual replacement of around 35,000 machines with other more energy-efficient ones, in 2011 it was possible to obtain electricity savings of 1% compared to 2010 (cumulative electricity savings of 3.1% compared to the 2008 reference baseline). Such savings are added to the results achieved by the procedure which has now been in place for some time and which can remotely shut down almost all PCs at the branches at night time and during the holidays (at least 5 GWh/year corresponding to 2,000 tonnes of CO₂ emissions avoided).

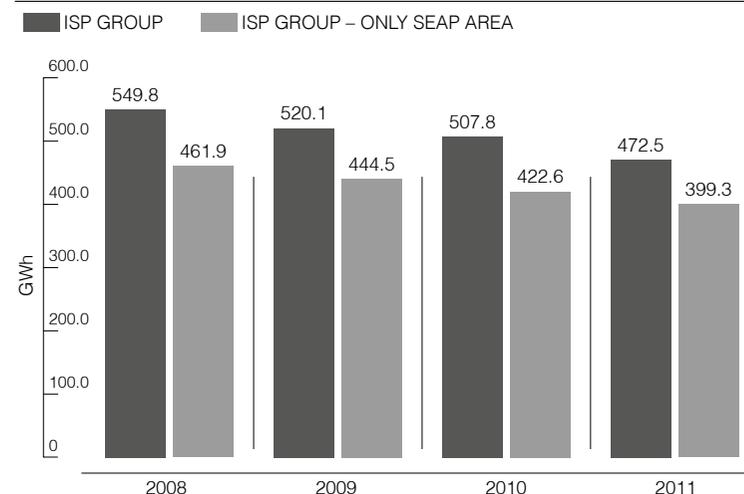
2011 saw the continuation of the activity for the replacement of illuminated signs, in particular in the branches of the Sicilian Region, where around 570 signs were replaced with LED ones. Against this backdrop, around 500 sites in Italy qualified for the European “Greenlight” Programme, which recognises the Intesa Sanpaolo Group among the companies with the best performances at European level. With regards to the International Subsidiary Banks, the Croatian bank Privedna also started the Greenlight certification process, while the Ukrainian Pravex purchased 900 “green” PCs in 2011, which will result in energy savings of 30%.

MOBILITY

Intesa Sanpaolo confirmed its commitment towards the sustainable mobility in 2011 as well, by seeking and proposing solutions for travel needs of its employees. During the year, the definition of the strategies and guidelines on the matter of Mobility Management took on an even more prominent role as the function became part of the People Care Office of the Human Resources Department (page 38 [↗](#)) which promotes the development of the initiatives aimed at increasing the wellbeing of individuals and of the business community with the objective of improving private/professional life balance. The Mobility Manager is supported by 5 Mobility Territorial Delegates with the aim to extend supervision to all the main offices of the Bank at the national level, in order to detect and interpret the mobility demand expressed on the territory through the dissemination of culture and initiatives promoted by the Group.

With the aim of further reducing the environmental impact, a mobility analysis is carried out on a regular basis. This enables ongoing monitoring and subsequent interventions on CO₂ emissions according to type of carrier (rail, plane, corporate fleet vehicles and personal cars used on company business). The implementation of practical solutions in support of employees’ mobility is still underway, for instance with the “Bicinbanca” project, the shuttle system and the subscription for public transport passes through the dedicated “Mobility Office” portal available on the Intranet. The gradual extension of the use of remote communications systems is still taking place via videoconferences and “Lync”, a new

INTESA SANPAOLO ELECTRICITY CONSUMPTION IN ITALY



MONTE SAN GIORGIO PARK

In June 2010, Intesa Sanpaolo signed an agreement with the Province of Turin and the Municipality of Piosasco to restore the vivarium located in the provincial Monte San Giorgio park. The primary objective of this initiative is to create a green area that will gradually host tall native trees.

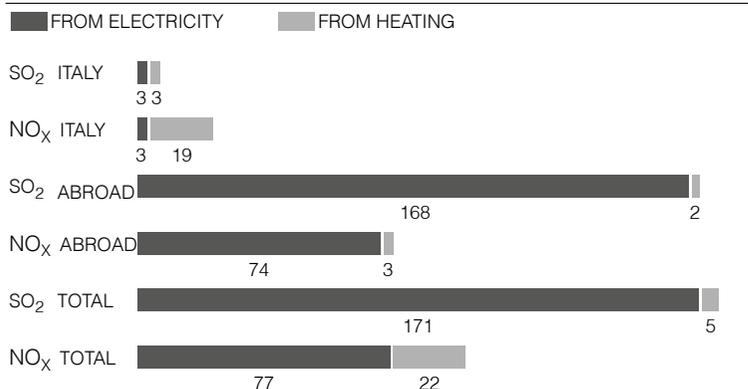
The green area produces over 3,500 trees every year, as many as the number of the Group employees’ children born, which will be destined to reforestation projects throughout Italy.

The nursery was inaugurated in June 2011 and at the end of the year a new Agreement was signed for the purposes of undertaking restructuring work on the facilities located inside the park.

The area will be an educational meeting place for employees and their families.

EMPLOYEES

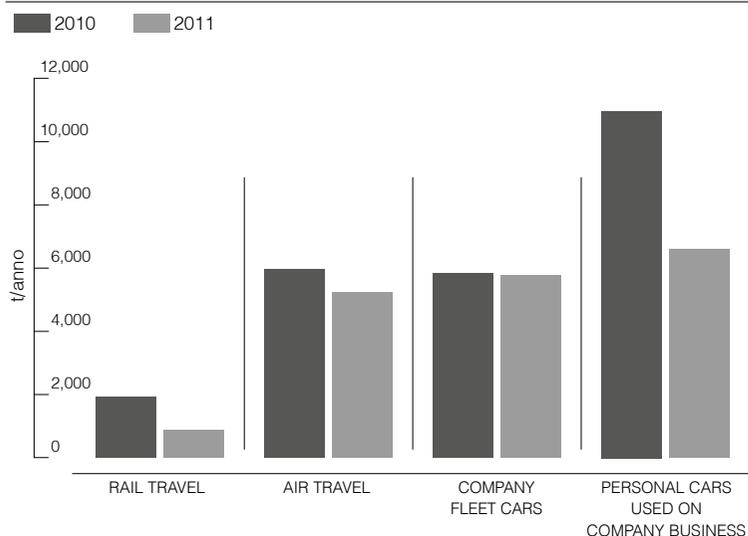
NO_x SO₂ EMISSIONS [t/p.a.] 2011



CONVERSION FACTORS FOR CALCULATING EMISSIONS	ITALY	ABROAD
g NO _x / kWh	0.210	0.676
g NO _x / m ³ Gas	0.914	0.603
g NO _x / l Oil	0.214	0.070
g SO ₂ / kWh	0.191	1.536
g SO ₂ / m ³ Gas	0.143	0.404
g SO ₂ / l Oil	0.033	0.036

The breakdown of each foreign countries is available online via the Intesa Sanpaolo Group's website [🔗](#).

COMPANY MOBILITY CO₂ EMISSIONS 2010/2011



software application which enables to chat, make telephone calls and video calls directly from one's computer and manage meetings with multiple attendees. The "Piani Spostamento Casa - Lavoro" (Home-Work Commuting Plans - PSCL) which, aside from the legal obligation, represent a great opportunity for the organisational and management improvement of all colleagues' mobility activities, are still being implemented. Since 2009, with the project "Mettete dei fiori nei vostri motori" (Put flowers in your engine), the Group has launched a structured process of analysis of the employees' mobility requirements in order to identify initiatives meeting such needs. To this end, in 2011 the Home-Work Commuting Plans were updated and delivered to the municipal Administrations, thus highlighting the results achieved by the initiatives set out in the previous Plan and the «12 for 2012» actions which will be promoted during 2012.

With reference to the mobility actions launched by International Subsidiary Banks, the corporate bike sharing has been operating in Slovenia, Romania, Hungary, Albania and at Intesa Sanpaolo Card, as well as a car pooling service in the Croatian PBZ and in Intesa Sanpaolo Card.

EMPLOYEES

THE REDUCTION OF ATMOSPHERIC EMISSIONS

In 2011 there was a further reduction in CO₂ emissions by 6.1% in electricity and heat consumption. 2.5% of this reduction can be traced back to the update of processing factors following the evolution of energy production systems which take into account, in addition to greenhouse gases directly traced in CO₂ equivalent (GWP), even the most significant gases involved in an indirect manner: sulphur dioxide (SO₂) and nitrogen oxides (NO_x).

CO₂ EMISSIONS [TONNES]

	2011				2010				REDUCTION COMPARED TO 2010
	ELECTRICITY	NATURAL GAS	DIESEL	TOTAL	ELECTRICITY	NATURAL GAS	DIESEL	TOTAL	
Italy	6,076	40,930	5,283	52,289	11,859	40,372	6,650	58,881	-6,592
Abroad	44,693	8,272	1,074	54,039	45,452	7,412	1,514	54,378	-339
Total	50,769	49,202	6,357	106,328	57,311	47,784	8,164	113,259	-6,930

Since 2010, the whole Italian perimeter, through projection of the data, was the reference scenario for the monitoring of CO₂ emissions deriving from corporate mobility. The reduction highlighted in 2011 is equal to around 25% and mainly derives from the adoption of new conversion factors in line with the best sector standard and international parameters. In any event, a positive trend has been recorded with regards to a reduction in the use of personal cars. Central-level multi-conference monitoring confirms a growing trend up by 24%.

For the Intesa Sanpaolo Group's activities as a whole, the measures undertaken to reduce emissions have helped to reduce direct emissions by 0.7% (Scope 1: heating and company fleet) and indirect

emissions by 10.2% (Scope 2: building heating and electricity) and emissions for Scope 3 by 32.7% (mobility and other indirect emissions). The reduction in Scope 2 emissions is due to a constant decrease in the use of traditional energy in Italy: furthermore, it must be pointed out that, thanks to the high use of energy from renewable sources, the incidence of traditional energy is minimal compared to the Group's total energy consumption.

The data estimate, based on expenditure incurred during the year, shows a reduction in consumption compared to 2010 in Italy and consumption per employee of around 30 cubic metres. In order to assess the reliability of the data, a targeted analysis on the actual consumption data in a metropolitan sample area was carried out once again: the result was actual consumption per employee of about 25 cubic metres (35 cubic metres in 2010). Thanks to this analysis, it is therefore possible to record a downward trend in the Group's consumption. Conversely, the data relating to International Subsidiary Banks is stable as the recorded consumption per employee was equal to 22 cubic metres.

In 2011, a new company policy on the matter of sustainability for the purchase and use of paper and derivative materials was issued , thanks to which in Italy the use of recycled (almost 50% of consumption) and FSC¹ and ECF/TCF² certified ecological paper made it possible to reach 74% of the total paper consumption. An improvement in the use of ecological paper is gradually being recorded in International Subsidiary Banks as well.

The increased awareness of this issues among colleagues, coupled with a more conscious and responsible use of paper, has made it possible to reduce total consumption by 12%. In this context, the installation of Internet workstations available to customers in each branch for viewing "Information sheets" has enabled to reduce consumption by over 170 tonnes.

On the front of outsourced services, a reduction in paper consumption is recorded for customer communication services as a result of the extension of "Online reporting" initiatives, the digitisation of paper documents and the optimisation of printouts for internal purposes, which have enabled the Group to avoid the consumption of around 860 tonnes of paper.

The combination of the aforesaid paper consumption reduction initiatives has enabled to cut down CO₂ emissions by almost 2,500 tonnes. The International Subsidiary Banks have also launched paper consumption reduction activities: the use of the digital signature in some Koper Bank branches is particularly worthy of note.

WATER

PAPER

POLICY ON SUSTAINABLE EVENTS

The Group's new Rules governing the sustainability in the organisation of communications events and training courses were issued in March 2011 .

This regulation sets out the criteria and rules for improving the environmental sustainability of internal and external communications, training courses and other associated events. The key environmental sustainability criteria, to be updated over time with a view to ongoing improvements, should be borne in mind at all stages of an event, namely: the preparatory and promotional stages; the organisation and running of the event, in particular as far as concerns the means of transport employed, the nature of the location providing accommodation, the catering facilities and displays; the dismantling site and departing.

The main criteria to be adopted include:

- sending invitations and documents in electronic format;
- printing double-sided documents using certified ecological and/or recycled paper;
- choosing, where possible, sites that are accessible by public transport or by collective forms of transport;
- using, where possible, displays, facilities and gadgets that are reusable, or are made from certified recycled or recyclable raw materials;
- using washable cutlery and crockery for catering purposes and choosing local and seasonal products obtained and supplied via a short supply chain;
- arranging for the use of tap water that is filtered and/or carbonated on the premises.

NOTES

1. FSC (Forest Stewardship Council): indicates that a part of the cellulose used for paper production comes from certified forests.

2. ECF/TCF: ECF (Elementary Chlorine Free): indicates that the cellulose used for paper production is bleached without using chlorine dioxide. TCF (Totally Chlorine Free): indicates that the paper is made from cellulose bleached without using any chlorine.

COLLECTION OF PLASTIC BOTTLE CAPS

In 2011, at its main facilities in Turin and Milan, Intesa Sanpaolo has begun collecting plastic bottle caps with the aim of supporting some solidarity projects.

The caps gathered in 2011, estimated at around 2,600 kg, were collected by the Centro per la Mondialità e lo Sviluppo Reciproco - Turin section, by the Avis of Santo Stefano Ticino and by the Associazione per le Malattie del Sangue di Milano, all of which devolved the proceeds to solidarity projects. Containers for collection have been placed on the buildings' various floors and in their main entrances in order to encourage employees to participate in the initiative. Intesa Sanpaolo has joined the initiative with enthusiasm as it believes that this action is of great ecological and social value and it represents an important means of safeguarding the environment.

COMMUNITY

EXPENSES AND INVESTMENTS IN THE ENVIRONMENT [THOUSAND EURO]

		2011	2010	2009
Italy	Management of special waste	1,814	1,945	1,905
	Training	191	109	13
	Maintenance, SGAE and certification	36,268	47,482	46,591
Abroad	Management of special waste	408	424	258
	Training	127	98	114
	Maintenance, SGAE and certification	18,609	10,729	6,509

WASTE

2011 recorded an overall reduction in the amount of waste produced (-17%) thanks to both the gradual improvement in the use of municipal waste collection and the almost total elimination of cartridge and toner disposal in Italy. Indeed, since 2009, Intesa Sanpaolo has been operating a "Full Service" which is responsible for their collection by the external photocopier and printer maintenance company and their subsequent reuse: in 2011, the service collected around 179 tonnes of toners and cartridges.

With regards to hazardous waste, a slight increase was recorded compared to 2010 only for the office machines category, mainly imputable to the disposal of cathode tube monitors (replaced with other more energy-efficient LCD monitors) by Cassa di Risparmio di Firenze and Casse del Centro banks, the management of which has recently fallen under the direct control of the Parent Company.

A significant increase in the amount of hazardous waste is also recorded abroad and is mainly attributable to the replacement of office machines and cathode tube monitors with more energy-efficient equipment. On the recyclable waste front, some banks launched employee awareness measures as well as the sale of paper and PET, the proceeds of which will be destined to humanitarian actions.

ENVIRONMENT-RELATED EXPENSES AND INVESTMENTS

2011 recorded a decrease in the plants maintenance expenses in Italy as a result of a 3% reduction in the scope as well as better ordinary plants management and a significant reduction in extraordinary maintenance service calls. On the contrary, the expenses relating to the certification of management systems, linked to the SGAE area, recorded a slight increase. Abroad, the increase in expenses is related to the progressive implementation of procedures for better environmental protection. With regard to compliance with environmental laws, there were no reports of environmental damage, nor significant penalties relating to these events.

2011 AWARDS

The implementation of the activities undertaken to reduce the ecological footprint enabled Intesa Sanpaolo to obtain, in 2011 as well, a number of prestigious awards . At the national level, to name but a few, the Aifin Award in the sector "Initiatives for environmental protection and support", as well as the Green Globe Banking Award concerning the development of eco-efficient products, activities and investments, for the protection and enhancement of the "natural capital" of the territories where the banks operate.

INDIRECT IMPACTS



Intesa Sanpaolo is well aware that its responsibility towards the environment does not stop at the impacts generated directly but it extends to include also the impacts potentially generated by its intermediation activities with customers and the choice of its suppliers.

More specifically, the Group provides individuals, businesses and public entities with specific investment products within the scope of energy efficiency and renewable energy; it takes active part, through targeted investments and project financing, in the construction of plants for the production of energy from renewable sources and, at the same time, pays the utmost attention to the environmental impacts of the large infrastructure and industrial projects it is involved in; it undertakes strategic investments in leading Italian companies in the renewable energy sector. These actions fall within the scope of the collaboration agreement with the Ministry of the Environment – renewed in 2011 – to consolidate cooperation even further in terms of energy saving and the promotion of renewable energy.

GREEN PRODUCTS AND FUNDING

In 2011, the Bank continued to provide individuals and businesses with a wide range of financing and advisory services to support investments in the sectors of energy from renewable sources, energy efficiency and the environment, which recorded an increase of around 34% compared to 2010. Despite the change in the regulatory framework relating to the Fourth Energy Account, during 2011 the photovoltaic sector continued to be most heavily invested in, supporting the design, production and installation of plans for the production of electricity.

In terms of personal loans to private customers, destined to finance the installation of photovoltaic panels as well as the purchase of ecological vehicles, with “Prestito Ecologico” (Ecological Loan), around 10,000 loans were allocated in 2011, for a total amount of around 180 million euro.

Intesa Sanpaolo continues to play an active role in respect of production companies in the renewable energy and energy saving sector. With reference to small businesses and professionals, around 600 loans were disbursed, for a total of approximately 103 million euro.

With regard to businesses, in 2011, medium and long-term loans amounting to about 1,224 million euro were granted to support projects related to the use of photovoltaic panels, biomass and hydroelectric plants and energy efficiency measures. To best support entrepreneurs in this sector, Mediocredito Italiano Energy Desk continues to liaise with institutional entities and to operate with businesses by providing a comprehensive service that ranges from credit to advice on new technology trends. In 2011, the Energy Desk reviewed 457 projects (+ 38% compared to 2010), the most part of which in the photovoltaic sector. Mediocredito Italiano also implemented, in collaboration with RINA S.p.A., the “Green Ship” product, aimed at financing installations on board of ships, with a view to improving their environmental impact.

At the end of 2011, the experience of the Intesa Sanpaolo Group on the matter culminated in IMPRES@MBIENTE , the portal dedicated to Intesa Sanpaolo Group’s corporate customers operating in the sector of environmental sustainability and renewable energy.

The portal is a useful tool for all the Bank’s stakeholders, which may use IMPRES@MBIENTE to retrieve information on environmental sustainability.

The portal is an area which gives companies dealing with alternative energy, environmental technologies, environmental protection and health and safety at work the opportunity to showcase their products and services. It aims at creating synergies among the Banks, the companies supplying and those demanding products and services related to sustainability.

In the Italian banking scenario, it is the first initiative designed to improve the visibility of the commercial offering provided by companies operating in the sector of environmental sustainability and to increase investments in this sector.

With the new IMPRES@MBIENTE portal, the Bank confirms its commitment to supporting sustainable social and environmental choices.

FINANCING IN FAVOUR OF THE ENVIRONMENT

In 2011, of the total funds allocated at Group level, almost 1.02% was for financing the sectors of renewable energy, agriculture and environmental protection. The amount is equal to around 3.6 billion euro in Italy, to which around 131 million euro must be added to account for international funds as well.

INTESA SANPAOLO AGAINST ASBESTOS

Intesa Sanpaolo, which has long been committed towards the environment including with specific products, appointed Legambiente to draw up a “Dossier Amianto 2011” (2011 Asbestos Analysis) ➡, in order to verify the presence of asbestos on the Italian territory and the economic implications tied to its disposal. The research, available on the Group’s website, shows that the fibrous texture of asbestos gives the material properties which are harmful to people’s health and result in serious pathologies, mainly of the breathing apparatus and that, to date, there are still around 32 million tonnes of asbestos distributed across Italy.

Intesa Sanpaolo thus signed an Operational Protocol in cooperation with Legambiente which disciplines the Bank’s financial support within the scope of the “Eternit Free Province” project promoted by Legambiente and AzzeroCO₂ aimed at the replacement and disposal of eternit with photovoltaic plants.

In order to best meet companies’ demands in this regard, two new financing projects were launched in 2011, namely “Sostenibilità Business” (Business Sustainability) and “Sostenibilità a Breve Termine” (Short-term sustainability) dedicated to investments aimed at the sustainable development of the territory and environmental protection, including the removal of asbestos.

A significant number of financing was granted for plants for the production of energy from renewable sources through Leasint, the Intesa Sanpaolo Group’s company dedicated to lease transactions. In 2011, 386 contracts were signed with the “Leasenergy” product for an equivalent value of approximately 1.38 billion euro. In its activities in support of the environment, Leasint overall contributed to the development of around 1000 plants for the production of energy from renewable sources, amounting to over 1.5 Gigawatts.

The Group also relies on the support of Agriventure, a company dedicated to the food farming, agro-industrial and agro-energy sector which provides advisory services to businesses in the field along the entire chain. Agriventure activities are intrinsic to environmental protection issues, as companies in this sector are those mainly responsible for maintaining the delicate environmental balance and for the promotion of rural areas, so much so that the Bank’s financing operations often integrate EU funds aimed at the promotion and development of rural areas.

It is also important to remember the support to the Third sector provided through Banca Prossima which, acting not only as a financial partner but also as an energy manager, is able to conduct a verification of the project and confirm the validity of the offer proposed by the installer. This approach has often resulted in a review of the project offering, thus enabling the Bank’s customers to develop plants that are more in line with the actual needs or to cut down the costs estimated at the outset.

In 2011, “Start-Up Initiative” (page 34 ➡) increased its presence in the Cleantech sector with new international road shows in London and Paris and with the Milan’s edition of the Cleantech Growth Arena. In addition, the selection of the new businesses participating in the Cleantech Start-Up Initiative of the September 2011 edition saw the participation of a high number of foreign start-ups, especially European. In addition, it must be said that, in support of renewable energy in the Mediterranean area, in February 2011, Intesa Sanpaolo joined, as associate partner, “Desertec Industrial Initiative”, the partnership among some of the leading industrial and financial companies in Europe and the Middle East and North Africa area (MENA).

The sector of renewable energies also sees the active involvement of Banca IMI and BIIS engaged in project financing transactions in Italy and abroad for photovoltaic, wind energy and hydroelectricity projects.

The Group’s International Subsidiary Banks are also very active in their offerings of green products. In 2011, Banka Koper offered financing for photovoltaic projects in the amount of around 8 million euro and signed a cooperation agreement with the Slovenian Environmental Public Fund under which the Bank finances environmental investments (households and companies) on behalf of the fund. It also financed the agro-energies sector for an amount of around 2 million euro. The Slovak VUB provides support to renewable energy through co-financing for the development of renewable energy in cooperation with the European Investment Bank (EIB) and EBRD, as well as financing for energy efficiency in the renovation and reconstruction of residential buildings. CIB Bank participates in the national programme for the promotion of environmental projects (Széchenyi Plan) by advancing the loan subsequently issued by the national funds of the same project. Since October 2011 Intesa Sanpaolo Romania has provided financing for agricultural investments, including investments for the production of energy and the use of renewable sources, amounting to around 20 million euro.

The Croatian PBZ offers financing to private entities wishing to purchase or build class A+, A or B residential buildings and for those wishing to start up energy efficiency initiatives in existing buildings. The Ukrainian PRAVEX offers personal loans for the purchase of ecological vehicles at particularly favourable conditions.

Finally, as from January 2011, the CSR Unit started mapping the presence, in the various Group's components, of products and services for customers with environmental purposes. The aim is to create and keep updated a global snapshot of the interactions among the various departments to highlight any critical issues and possible future developments. This activity gave rise to the following: an internal working table, the so-called Green Table, aimed at improving the exchange of knowledge and information among the various internal structures dealing with environmental issues and activating synergies and joint actions, and a CO₂ Table aimed at gaining further insight into the Carbon Market.

INVESTING IN RENEWABLE ENERGY

Of particular interest in the environmental field is the activity carried out by Equiter, the Intesa Sanpaolo Group's company investing part of its capital in companies and projects aimed at developing the eco-sustainable growth of the country. Equiter participates in two joint ventures, Enerpoint Energy and Gica, respectively active in the dissemination of renewable energy and combating climate change.

Equiter is also a shareholder in Enerpoint Spa, a leading Italian company active in the photovoltaic industry downstream (distribution, sales and installation). Since its foundation in 2001 to date, Enerpoint has sold around 260 MW of photovoltaic panels and installed, through its network of installers, over 20,000 plants, 40 MW of which consisting of large photovoltaic systems, holding a significant share of the domestic market. The electricity produced by the plants installed by the company so far has avoided the emission of over 290,000 tonnes of CO₂.

Equiter is also a member of the "Ambienta I" fund, an Italian private equity fund investing 217 million euro in non-listed companies operating in the areas of renewable energy, energy efficiency, waste treatment and waste water and in combating pollution.

Finally, also in 2011, Equiter maintained its membership in the Associazione Produttori di Energia da Fonti Rinnovabili (APER), a reference point for operators in the field and an efficient tool to disseminate the culture of environmental sustainability.

On the subject of start-up investments, it is important to remember that the Atlante Ventures Mezzogiorno Fund, belonging to the Intesa Sanpaolo Group, acquired 25% of Samares, a company founded in 2008 and engaged in the development of innovative software and hardware solutions for the energy consumption monitoring and renewable energy market. Finally, our subsidiary company "Novamont", world leader in the biodegradable plastics market, started a joint venture with an ENI Group Company to construct a green chemistry complex in Porto Torres which entails a manufacturing chain integrated upstream with vegetable raw materials and the construction of a research centre focused on green chemistry, with a view to protecting and increasing employment levels.

PARTNERSHIP FOR INNOVATION

Through Intesa Sanpaolo Eurodesk (see "Customers" section [↗](#)), we adhered to the Energy Efficient Buildings European Initiative. E2B EI is an association consisting of public and private entities launched by the European Commission to promote the development of new technologies in the energy efficiency of buildings.

Intesa Sanpaolo Eurodesk is a partner in five major transnational research projects co-financed by the European Commission in renewable sources and energy efficiency.

In December 2011, the research project 'Valuable EneRgY for a Smart School' (VERYSCHOOL), coordinated by Agenzia per l'Energia e lo Sviluppo Sostenibile (AESS) of Modena and financed by the European Commission within the scope of the Competitiveness and Innovation Framework Programme, was officially launched. The project will be implemented by a consortium of thirteen international partners, including Intesa Sanpaolo Eurodesk. The objective will be the development of ad hoc IT solutions to manage energy consumption in schools. Through VERYSCHOOL, the project partners will study the integration of different existing technologies (such as LED lighting, smart meters, energy consumption simulation software, etc) in order to bring them into line with the requirements of European school buildings.

PROJECTS BY CATEGORY AND SECTOR

	A	B	C	n.d.*	TOTAL
Oil&Gas		3			3
Petrochemical		2			2
Wind power		5	4	1	10
Solar power	1	7	5	1	14
Biomass energy		1			1
Energy		5			5
Infrastructures		4	3		7
Manufacturing		1			1
Total**	1	28	12	2	43

* Projects refused in the preliminary phase and hence not yet classified.

** Of which 27 closed, 5 approved by the Credit Department, 1 under screening process and 10 refused.

“DEAL OF THE YEAR 2011”: DESERT SUNLIGHT

Sponsored by General Electric and by the Florida NextEra utility, Desert Sunlight is one of the largest photovoltaic projects in the world which envisages the construction and operation of a plant with a nominal capacity of 550 megawatts which will meet the energy requirements of around 160,000 families and will generate a reduction in CO₂ emissions equal to around 300,000 tonnes a year. The plant, the construction of which started in September 2011, is located in California in areas under the Federal Bureau of Land Management and will be fully operational in 2015. Its construction was entrusted to the First Solar group, a world’s leading company in the sector of the production of “thin-film” photovoltaic panels.

The project saw the participation of several international financial institutes, including Intesa Sanpaolo, and 80% of its financing value is backed up by the American energy department.

Desert Sunlight was awarded the 2011 “North American solar deal of the year” by the specialised Project Finance Magazine.

PROJECT FINANCING AND ADOPTION OF THE EQUATOR PRINCIPLES

Intesa Sanpaolo adopts the Equator Principles, a set of international standards issued in 2003 by a group of international banks which, based on the World Bank’s criteria for the protection of natural resources, health and human rights, cultural property and biodiversity, enable to identify and manage the potential risks deriving from the projects it finances. The Principles are applicable to the financing of projects with a capital cost equal to or greater than 10 million U.S. dollars and provide their classification based on three levels of risk (A being the highest risk and C the lowest) according to the social-environmental characteristics of the country, of the industrial sector (World Bank and OECD classifications) and the typical characteristics of the evaluation process adopted by the Bank, which provides that credit decisions be made on the basis of not only financial considerations, but also on considerations of a social and environmental nature.

The Bank strongly encouraged the Principles implementation process with specific Operating Guidelines issued in June 2010. Such guidelines provide for the highest risk projects to be evaluated by an independent consultant who is responsible for identifying the main social and environmental impacts and the relevant mitigation measures. Furthermore, projects are monitored throughout their entire life cycle with predetermined frequency based on their level of risk and included in the contractual obligations. Customers are required to submit regular reports as evidence of the implementation of the mitigation activities set forth by the Bank, which may also be verified with on-site inspections.

Part of the process entails the participation of the local communities in order to understand the possible social impacts and evaluate further mitigation measures. The Equator Principles provide for ongoing relations with the stakeholders in the planning stage as well as throughout the entire operations of the project. In the “Desert Sunlight” case, for instance, the public consultation and participation process has led to a better management process of the impacts identified and has helped consolidate the Bank’s and customers’ ability to identify the monitoring areas more efficiently.

The activities undertaken in 2011 mainly concerned the sharing and use of the internal regulations with operational training sessions dedicated to all project finance specialists. Almost all of the Bank’s branches where project financing transactions are carried out were involved in the specialised training programme: Banca IMI in Milan and London, Banca Infrastrutture Innovazione e Sviluppo in Milan and Rome, the foreign office in New York and the one in Hong Kong, carried out in the first few months of 2012. Furthermore, a process has got underway aimed at the involvement of the Group’s International Subsidiary Banks operating in project financing. In Bratislava, in the office of VUB Banka, a first workshop was held on the application of the Equator Principles in company processes.

Intesa Sanpaolo takes an active part in the international debate promoted by the EPFI (Equator Principles Financial Institutions) Association, participating in work groups and conference calls with the other participating banks, but also with the reference stakeholders, especially the IFC, the non-government Organisations and sector enterprise associations.

EMPLOYEES

ENVIRONMENTAL CULTURE



In 2011, the “Ambientiamo” training project was consolidated even further. The project has evolved over time and has now become a real permanent training platform focused on the environment. Intesa Sanpaolo’s employees can avail themselves of a series of multimedia content, which are integrated through all available remote tools: video, e-learning, web TV, radio and company magazines, edu-card and mail. The social networking area “Ecopost” was also renewed, enabling colleagues to share links, experiences and ideas to spread best practices across the entire Group.

Intesa Sanpaolo participated in the Energy saving day “M’illumino di meno” – Special edition for the 150th anniversary of Italy’s Unification. ATM monitors displayed a message inviting users to turn off their lights at home or limit their use. It was also the ideal occasion to inaugurate the first Intesa Sanpaolo branch powered with an innovative photovoltaic plant. Furthermore, in corporate training areas, some important initiatives were carried out to raise employees’ awareness: not to use the lift, to light a symbolic tri-coloured lamp by riding a stationary bike, to refrain from using computers during training sessions and to limit the use of lights. The Hungarian CIB Bank and Banca Intesa ZAO adhered to “Earth Hour”, an initiative promoted by the WWF. For the “World Environment Day” held on 5th June, several initiatives were launched to increase awareness among customers and employees in Italy and in many International Subsidiary Banks. Among the various initiatives, we point out the organisation of a cycling competition among the employees of Intesa Sanpaolo Bank Albania and the planting, by the top management of Pravex of 60 trees in one of the city’s parks. Furthermore, agreements were made in favour of employees for the purchase of environmentally friendly products. On the subject of waste, Intesa Sanpaolo Romania participated in the initiative “Let’s do it in Romania” during which a few employees in various places of the country helped “clean up” several parts of the country.

In 2011 Intesa Sanpaolo adhered to the “European Sustainable Energy Week”, by organising three conferences on energy saving and on the support to the Municipalities participating in the Mayors’ Pact. In implementation of the Agreement with the Ministry of the Environment, a round of conferences was held to raise awareness and finance the Italian Municipalities in the implementation of Sustainable Energy Action Plans.

Finally, the Intranet site on Environmental Sustainability was completely revised and enriched with new content: an internal photography contest on the Environment enabled to improve the pages also including photographs sent by colleagues.

EMPLOYEES

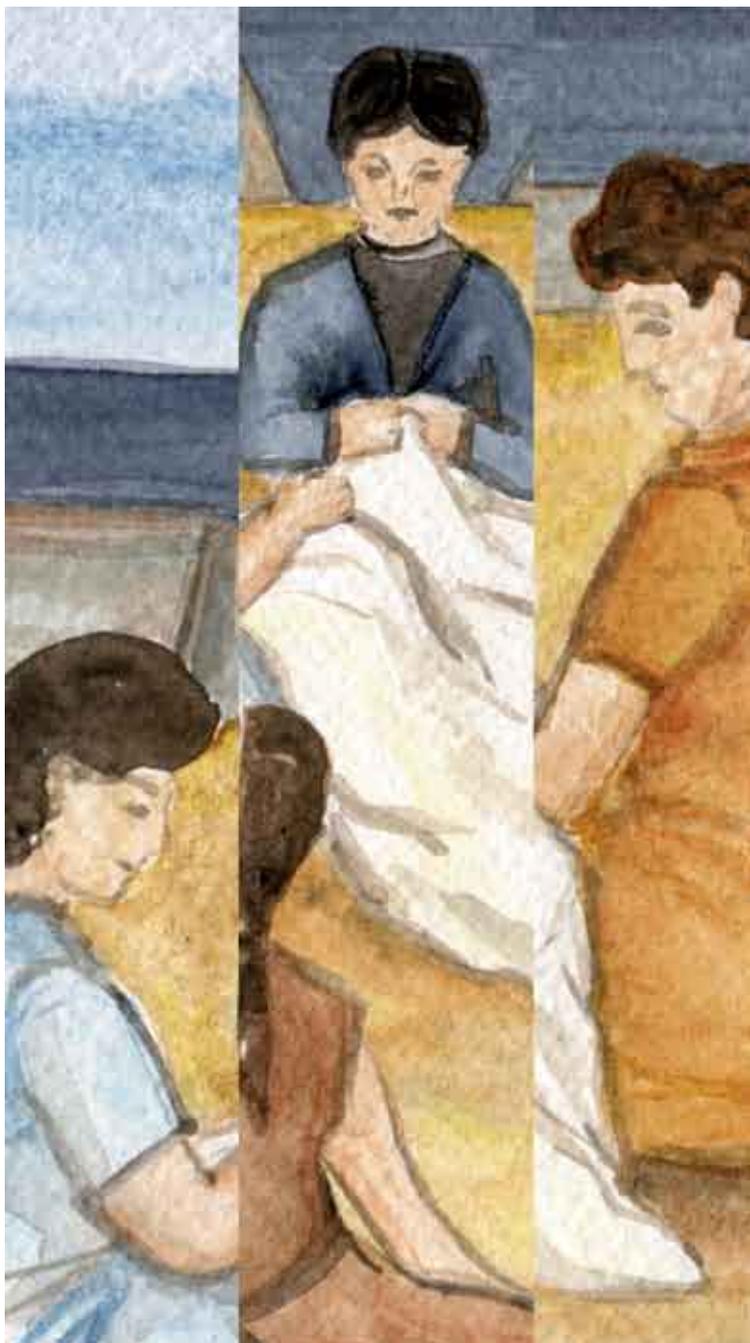
PUBLICATIONS ON THE MATTER OF ENERGY AND THE ENVIRONMENT

On the subject of studies on renewable energy, Studi e Ricerche per il Mezzogiorno, the centre which carries out research activities on economic issues related to Southern Italy, in 2011 published a research on renewable energy (solar, wind and biomass in particular), presenting the results of the project to national and international events and seminars. A chapter of the research also made its way into the annual Report on the economy of the South of Italy drawn up by Svimez. The energy matter, subject to constant monitoring, is one of the key elements of the Permanent Observatory on the Economic Relations between Italy and the Mediterranean, the new web portal launched by SRM in 2011. Renewable energy was also a topic dealt with in SRM’s first annual report on “The economic relations between Italy and Mediterranean area” presented at an international conference in Naples. All of SRM’s studies and researches are available on the dedicated Internet page [↗](#).

In addition, in 2011, in collaboration with the Ministry of the Environment and Simest, Intesa Sanpaolo released the publication “Fare energia con l’impresa. Guida agli strumenti per investire nelle energie rinnovabili” (Business and finance together for sustainable energy. A guide to the tools for investing in renewable energy) [↗](#) which aims at providing a summary overview for entrepreneurs wishing to receive advice on renewable energy sources in Italy and in Mediterranean countries.

Finally, as proof of the significance that Intesa Sanpaolo attributes to environmental issues, an “Environment Paper” [↗](#), rich of information and updates, is published on a yearly basis.

COMMUNITY



The projects we have directly put in place, alongside those implemented in collaboration with local key players, arise from our commitment to playing a leading role in the social and cultural growth of the community to which we belong.

The aim is to be close to people and their projects with our ability to forge alliances and break new ground where this was previously not possible. For this reason, we have worked with the Third Sector, foundations, non-profit associations (Onlus) and local organisations in the world of culture to play an active role in social development.

MICRO-FINANCE AND THE FIGHT AGAINST USURY



The micro-finance initiatives implemented by local subsidiary Banks in partnership with the shareholders' Foundations and non-profit associations introduce new opportunities for persons who would otherwise find access to bank loans difficult as a result of inadequacy or lack of real guarantees. The initiatives launched so far in Italy and abroad (page 28 [↗](#)), have provided 115.5 million euro in financing, thus contributing to create business and employment opportunities and helping people in need to overcome times of crisis. In many of the initiatives launched, the collaboration with Vo.B.I.S. (Volontari Bancari per le Iniziative Sociali), a national non-profit association comprising former bank employees who put their skills at the service of citizens and non-profit organisations, proved to be particularly valuable.

Cassa di Risparmio del Veneto continued to support the projects launched in the last few years:

- “Microcredito Sociale Caritas”, the activity which involves granting credit to private entities, in collaboration with the Fondazione Cariparo and Dioceses of Padua, Rovigo and Chioggia and thanks to the risk guarantee fund specifically set up by the partners taking part in the initiative;
- “Microcredito Antiusura”, which avails itself of the collaboration of the Fondazione Beato Tovini of Verona, the only manager in the Veneto region of anti-usury funds granted by the State in support of individuals.

CUSTOMERS

A total of 92 loans for about 362,000 euro were granted.

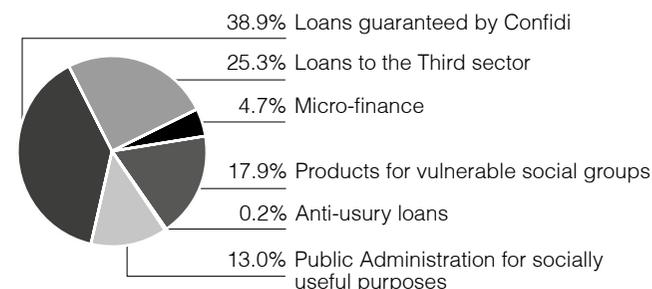
“Microcredito d’impresa” was added to these initiatives thanks to an agreement entered into in November by the Cassa with Fondazione Cariparo, the Chambers of Commerce and the Provinces of Padua and Rovigo and the Vo.B.I.S Association. The project also provides training and consultancy services free of charge.

Cassa di Risparmio di Venezia continued with the programmes started a few years ago: “Microcredito Sociale S. Matteo”, in collaboration with Caritas, and the project “Terre in Valigia” which provided more than 165,000 euro overall in financing for 87 applications.

The “Progetto di microcredito sociale e culturale” (Social and cultural micro-finance project), activated by Cassa di Risparmio del Friuli Venezia Giulia with Fondazione Cassa di Risparmio di Gorizia and Caritas is developed in the territory of the Diocese of Gorizia and is managed by Caritas Diocesana. Most of the loans were requested to pay overdue utility bills, the purchases of cars, rent payment and medical expenses.

In Tuscany, the Cassa di Risparmio di Pistoia e Pescia, in collaboration with the Fondazione CR Pistoia e Pescia, Fondazione Unraggioluce Onlus and Arciconfraternita della Misericordia of Pistoia, continued to pursue the financing project aimed at private entities, social cooperatives

INITIATIVES WITH HIGH SOCIAL IMPACT [%]



In Italy, the total of high social impact loans is equal to 2.3 billion euro (0.72% on the credit total).

COLLABORATION WITH FONDAZIONE LOMBARDA ANTIUSURA

Intesa Sanpaolo is partner of Fondazione Lombarda Antiusura (Lombardy Anti-Usury Foundation) which defends individuals or small businesses in financial dire straits or at risk of usury. Since 1997, the Foundation, set up by Cariplo S.p.A. in collaboration with Fondazione Cariplo and Caritas, has provided the guarantees required to cover the credit granted free of charge. The selection of the applications is performed through sector experts, employees or retired members of the Group, who act as a listening and guidance centre in identifying the funding required to remedy critical situations. Thanks to the work of the Foundation – acting as guarantor or to cover interest – 434 entities have been able to gain access to Intesa Sanpaolo loans for a total of almost 7.3 million euro since it was set up.

EMPLOYEES

The Foundation is also the Bank’s partner in the Anticipazione Sociale project (see “Customers” section p. 28 [↗](#)).

IL PRESTITO DELLA SPERANZA

Intesa Sanpaolo has adhered to the “Prestito della Speranza”, a micro-finance project launched in 2009 by the Italian Episcopal Conference (CEI) in collaboration with the Italian Banking Association (ABI) to support families in need. CEI provided a 30 million euro guarantee fund to cover the loans issued by the banks.

During 2010, the project was relaunched thanks to a new framework agreement between ABI and CEI which modified the access conditions to social micro-finance, thus extending the number of potential beneficiaries. Furthermore, a new loan form was introduced to start or support business activities: enterprise micro-finance.

As regards social micro-finance, in 2011, 1,280 applications were submitted to Intesa Sanpaolo, which confirms its role as the leading banking partner of the initiative. In 2011, the Bank funded 461 applications for a total of 2.9 million euro. Since the start of the project, 594 households have received approximately 3.5 million euro in financial support.

Within the scope of enterprise micro-finance, Intesa Sanpaolo activated a specific product for small business customers which provides financing up to a maximum of 25,000 euro in order to support new activities or existing businesses affected by the economic difficulties of the current economic situation. In 2011, 160 applications were made, 19 of which were accepted, with credit issued amounting to a total of 343,000 euro.

Within the scope of the project, the Vo.B.I.S. association performs guidance and tutoring activities in favour of applicants.

and small female enterprises, granting 113,000 euro. Within the scope of a project financed by the European Community, the initiative was selected, together with other three cases in Belgium, France and Great Britain, for the CAPIC “Cooperation for affordable personal inclusive credit” project, with the aim of promoting cooperation at European level on social micro-finance issues, identify best practices for the parties involved and disseminate the knowledge in other 5 European countries, through the making of a video and the preparation of a training module.

Three new initiatives were activated by Intesa Sanpaolo in 2011:

- in collaboration with the Fondazione Lombarda Antiusura Onlus, the “Microcredito per il lavoro” (Employment micro-finance), financing project 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 Microcredito Milano Business” (Milano Business Micro-finance Loan) started in October with the Fondazione Welfare Ambrosiano, in order to make credit access easier for people in situations of temporary vulnerability, who habitually conduct or intend to start up a business in the Municipality of Milan. The guarantee fund accounts for 80% of the loan and is managed by Banca Prossima. Furthermore, the Foundation relies on the cooperation of Vo.B.I.S. volunteers for the purposes of assessing loan applications;
- the “Loan to the guarantee Regional Fund for Micro-finance - Piedmont Region backed by FINPIEMONTE guarantee”, aimed at 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, guarantee which is released by the regional investment company.

Other initiatives aimed at combating usury are:

- the partnership between Banco di Napoli and FINETICA Onlus, which set up a guarantee fund to the State Anti-usury Fund. In addition to providing information and credit support services to applicants (individuals and small businesses), the non-profit organisation completes the preparatory stage);
- Banca CR Firenze’s project aimed at individuals and small businesses, in collaboration with the Fondazione Toscana per la Prevenzione dell’Usura, involves assumption of 50% of the risk by the Fondazione, thanks to a special guarantee fund. 15 loans were granted in 2011 for a total 191,000 euro.



BANCA PROSSIMA

Banca Prossima is the Intesa Sanpaolo Group bank with the mission of serving lay and religious non-profit organisations thanks to a specific service model and products dedicated to the Third Sector. As the Group's centre of excellence for the evaluation of this type of customers, it was given rating rights for all non-profit customers. The evaluation model of social businesses, developed by Banca Prossima, was then extended to all the Group's banks in Italy whose customers fall within this segment. Four years after its start-up, it can boast around 17,000 customers and over 4.2 billion euro in deposits and loans with excellent credit quality.

In 2011, Compagnia di San Paolo, Fondazione Cassa di Risparmio di Padova e Rovigo and Fondazione Cariplo became part of the Group's shareholder base alongside Intesa Sanpaolo, which was previously the sole shareholder.

The Bank's main strength lies in its personnel. Employees combine their professional skills with experience gained in non-profit organisations and are constantly trained to timely meet the demands of the Third Sector.

During 2011, the Bank continued to pursue its offering of specific products and services:

- "Prossima Stipendi", financing solution to prevent delays in the payments to social businesses by the Public Administration and guarantee that salaries are paid on time and companies continue to run uninterrupted;
- "Anticipazione 5x1.000", offer of financial solutions to provide, prior to the actual payment by Agenzia delle Entrate, the sums allocated to non-profit organisations by tax payers;
- "Terzo set-ORE", initiative aimed at promoting the culture of voluntary work, raising awareness of the active citizenship theme among young people. It is a virtual message board in the "Social Commitment" section of the website Superflash , where non-profit organisations, customers of Banca Prossima, can introduce themselves and reach out to young people in their search for volunteers.

EMPLOYEES

Lastly, the Fondazione per l'Innovazione del Terzo settore – FITS! (Foundation for the Innovation of the Third Sector) was set with the aim of providing consultancy and support activities for non-profit projects in every sector; promotion of synergies with profit entities for the incorporation of legal entities such as companies, consortia and associations; communication initiatives to enhance the experience of Banca Prossima.

Terzo Valore  is a fundraising portal designed by Banca Prossima which enables to donate or lend money directly without intermediaries. Thanks to the portal, everyone can become a "social banker", thus contributing to the development of non-profit projects selected by the Bank, with two entirely new methods on the Italian scenario:

- "Prestobene", the first loan taken out directly by an individual or non-profit organisation, with the option to choose the interest rate between zero and the maximum rate specified by the applicant;
- "Donobene," a donation method which reinvests the contribution paid: the first non-profit organisation benefiting from it undertakes to transfer it to others after having used it, thereby activating a virtuous circle. With a sole donation it is possible to support multiple "joint solidarity" projects among non-profit organisations.

Terzo Valore also values transparency and the amounts loaned or donated are entered in the portal. Although the initiative has only been running since March, 14 projects have already been published for a value of over one million euro. The number of lenders was around 60 between individuals and businesses, with total loans issued amounting to around 500,000 euro. The employees of Banca Prossima are actively involved in the search for projects to finance. Some have independently created a Facebook group called "Amici di Terzo Valore" which, to date, counts around 80 registered members. Non-profit organisations have shown a great deal of interest in the initiative, which enables to establish an increasingly tight bond with its backers and the option to access loans at very favourable rates.



Building new sports facilities, renovate or update existing ones, promoting sport across Italy: these are the objectives that gave rise to Consorzio Spin - SPort INsieme , a new non-profit entity deriving from the collaboration between Intesa Sanpaolo, Banca Prossima and seven of the leading sports Promoting Entities at national level: ACSI, AICS, CSI, ENDAS, LIBERTAS, UISP, USACLI, which account for 70% of basic sport exercises, with around 3.7 million participants.

The CONI 2010 census shows a rise in the demand for sports, however the complex of sporting facilities in Italy is inadequate, both in terms of quality and quantity of the dedicated areas and in terms of investments allocated to the sector.

SPIN addresses those companies or associations which manage the facilities and which are often not able to provide professional organisational solutions and qualified management tools. The consortium, with the aid of the adhering promoting entities, expresses its opinion on the feasibility of the investment costs, on the financial sustainability of the project and on the promoter's ability to reach the objectives. SPIN's assessment rates credit access applications for the financing of sports projects.

In 2011, the Consortium examined 76 projects for a total value of 43 million euro. The investments are mainly geared towards projects of redevelopment, restructuring and updating of sporting facilities.

PARTNERSHIP WITH THE THIRD SECTOR

Despite the economic crisis, the Third Sector in Italy is currently expanding and, thanks to its close ties with the territory, it is able to overcome the increasingly high difficulties that public entities must face in order to provide citizens with adequate services. Intesa Sanpaolo has established a strong collaboration with Third Sector organisations over the years, developing numerous projects in support of the communities where it operates.

The first project, launched in 2004, was Consorzio PAN Progetto Asili Nido , (Crèche project), established with the leading social business networks (CGM, DROM – Legacoop, FISM, Con-Opera) in order to meet the needs of high-quality services for children and to help women return to work after maternity leave. PAN aims to facilitate the establishment of new crèches and childcare facilities supporting social businesses in the planning and operational management stages. It provides financial support in the start-up phase and ensures high quality standards to households with the option to apply for financing at special rates to pay the fees.

Figures after 7 years of work: 428 PAN affiliated crèches, 12,500 children, over 3,000 employees, 90% of whom are highly educated young women.

Over 6.4 million euro were disbursed to finance start-ups and to purchase furniture, which were repaid almost entirely

With similar methods to those of the Consorzio PAN, the Bank's commitment was widened to other social areas: the disabled and community welfare, which gave rise to projects such as:

- "AL.FA – Un'altra famiglia dopo di noi" to promote the creation of sheltered communities for people with disabilities and offer insurance solutions for their families. The offer of a life-insurance policy in favour of people with disabilities continued to be provided during the year. At the end of 2011, 280 policies were taken out with total premiums amounting to 11.4 million euro.
- "Welfare Lecco" to build the first social guarantee consortium in Italy.

The Group's International Subsidiary Banks also launched numerous initiatives in support of local non-profit organisations. Specific projects in support of NGOs were launched by the Egyptian Alexbank. The Hungarian CIB includes, within its commercial offering, two products for NGOs – Non-Profit Classic and Non-Profit Plus Account – designed according to the frequency of the banking transactions carried out, in order to provide better conditions both in terms of monthly fee and interest rates. A similar initiative was launched by Intesa Sanpaolo Bank Albania: following a survey conducted to identify the specific needs of the Third Sector, more favourable conditions were granted in terms of fees to organisations. In Serbia, Banca Intesa Beograd entered into an agreement with Euclid, international network of the Third Sector, with the aim of supporting the activities of non-profit organisations in the country and collecting data and information on their requirements in terms of financial products/services to create an ad hoc service model.

DONATIONS



Donations from Intesa Sanpaolo's Fund for charitable social and cultural contributions, issued on the basis of the annual Plan approved by the Supervisory Board, sought to meet the needs of the territory that are not covered by "large" Foundations, with particular attention to small and medium sized organisations and favouring the social impact of the projects.

Particularly significant was the implementation of "territorial donations", which enable the branches of Intesa Sanpaolo and the banks of the Banca dei Territori Division, which do not have their own charity fund, to be able to rely on a new means of integrating the traditional role of "local bank", with a significant philanthropic, social and cultural commitment, strengthening the synergies with public institutions and non-profit entities dedicated to local communities.

At the central level, the Fund's activities were carried on with the usual break-down by reference areas. In the social area, the interventions were mainly aimed at scientific research in the health field; participation in the challenge against social exclusion; family support; the development of initiatives for the elderly and disabled people in difficult conditions; social integration.

In the cultural area, training projects were supported according to criteria of international excellence, to continually add new lustre to the traditions of theatre, opera, ballet and music as well as for the dissemination of art, music and theatre both to disadvantaged people and in schools in favour of children who do not have sufficient financial means.

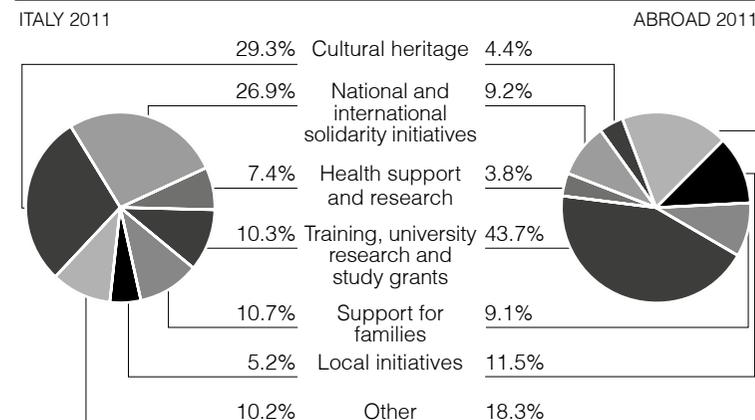
In the religious field, resources were allocated to initiatives of solidarity and charity.

Among the initiatives supported, we recall the support provided to educational projects relating to the 150th anniversary of the Unification of Italy, the support to the Fondazione Piazza dei Mestieri of Turin, the contribution to the Fondazione Opera Immacolata Concezione of Padua and the project in support of the Hospice Casa Vidas aimed at ensuring qualified assistance to patients affected by terminal illnesses

At the international level, the Bank continues to support the long-term Project Malawi and interventions in favour of poorer countries for projects favouring health rights, the availability of primary goods, education and self-sufficiency. Among the interventions launched by the Group Banks both in Italy and abroad , we recall "Perform a miracle - and save a child's life!", launched by the Croatian PBZ to help undernourished children in the Democratic Republic of the Congo.

Approximately 19.9 million euro in total was disbursed in 2011, 13.5 million of which by Group companies in Italy and 6.4 million euro by International Subsidiary Banks.

DONATION DISTRIBUTED [%]



FONDAZIONE PIAZZA DEI MESTIERI – TURIN

The Foundation, supported by Intesa Sanpaolo with an intervention plan for the 2010-2013 period, intends to tackle the lack of school attendance and juvenile distress through personalised training programmes and guidance in job inclusion (85/90% of students find a job in line with the studies undertaken). The availability of study grants provides financial support to the young people involved and creates the conditions for a more modern relationship model with trainers, which is typically developed on university campuses.

FONDAZIONE OPERA IMMACOLATA CONCEZIONE – PADUA

For the 2010-2012 period, Intesa Sanpaolo supports, through an intervention plan, an initiative aimed at favouring the integration between young disabled people and non self-sufficient elderly people in order to create a community based on mutual support. In addition to providing dwellings equipped for young disabled people in the "Casa della Sussidiarietà", the project also ensures that they are trained to become helpers of non self-sufficient elderly people.



THE THIRD PHASE OF THE PROJECT

The third phase of the three-year period of activities got under way at the end of 2011. The third phase, which once again sees the involvement of the four associations already operating in the two previous three-year periods, entails further strengthening of the activities launched as from 2005, with the aim of ensuring that Malawi communities and local authorities are increasingly involved and undertake this project in the spirit of total sustainability.

AIDS PREVENTION

The healthcare intervention by the community of Sant'Egidio is based on the application of the DREAM (Drug Resource Enhancement against Aids and Malnutrition) protocol. The said protocol is now fully integrated in Malawi's national health system and, in view of the positive results achieved, since July 2011, the Malawian Ministry of Health has decided to adopt it both for mother/child prophylaxis and to check the progress of the disease through laboratory analyses. The DREAM technicians were involved in the preparation of the five-year Government's strategy plan for the use of molecular biology laboratories. The Community of Sant'Egidio takes an active part in professional HIV/AIDS training activities on behalf of the Ministry and the molecular biology laboratories of Project Malawi are used to host the lectures of the National Medical College. The Blantyre laboratory, built and equipped by Project Malawi, is the only one in the whole country to conduct viral resistance testing. At the end of 2011, at the DREAM centres of Project Malawi, one HIV-positive patient every 20 was treated at national level and the mortality rate was halved compared to the country's average.

INTERNATIONAL SOLIDARITY INITIATIVES



PROJECT MALAWI 

Project Malawi is a humanitarian initiative launched in 2005 by Intesa Sanpaolo and Fondazione Cariplo to fight AIDS starting from prevention of transmission from mother to child and contributing to the overall development of Malawi, one of the poorest countries in the world.

The integrated approach includes the involvement of four partners in various fields: healthcare (Comunità di Sant'Egidio with the DREAM protocol), care for orphans and vulnerable children (Save the Children), education and prevention (Malawi MAGGA and SAM Scouts) and local development and micro-finance (CISP). In 2011, the second phase of the project came to an end.

All partner associations reached and, in some cases, exceeded the objectives set in 2008. In the healthcare sector, 4 laboratories and 9 clinical centres, with the related 11 maternity units, were made operational. 17,600 patients started antiretroviral therapy, over 5,000 HIV-positive pregnant women were referred to vertical prevention programme and over 4,300 children were born healthy thanks to the use of tri-therapy. Around 420,000 medical visits and 200,000 laboratory tests were carried out.

Training of almost 800 local health operators on the use of the DREAM protocol continued. Each month 40 tons of food were distributed to patients and their families. Over 100 day care centres run by local community members have been home to about 4,000 orphans and vulnerable children aged between 3-6, while trained volunteer educators organised support meetings and prevention and leisure activities for around 3,200 children aged between 7-13. Adults and chronically ill children have received home care by 510 volunteers of the communities involved.

In support of businesses, 3 representation offices were set up alongside as many information and service centres; agreements were entered into with local micro-finance institutions for individual and group loans; training and refresher courses for around 930 SME business owners were organised (370 of them were assisted in the presentation of project plans to micro-finance institutions: return rate of 95%). 96 income-generating activities were set up, involving about 2,500 families and 93 informal groups of savings and credit were established in rural areas, with over 2,000 direct beneficiaries. 175 scout units were activated in schools, involving almost 30,000 young people in activities to raise awareness about the risks of HIV/AIDS transmission and in sex education. Around 2,500 young people benefited from free HIV testing and counselling service at the Scout Centre in Blantyre. The third phase of the project got under way at the end of 2011.

SPONSORSHIPS



Intesa Sanpaolo has always strived to promote social and cultural, as well as economic growth, fostering cohesion and producing value and wellbeing for the community in the territories where it operates.

The Bank's commitment is made concrete with activities planned and implemented independently and directly, and through partnerships and sponsorships in support of projects designed and promoted by third parties. The decision to participate in a wide range of fields aims to pursue various objectives:

- work closely with organisations and associations operating in the Italian economic scenario for the definition of innovative projects, which meet the requirements of the business sectors;
- promote the dissemination of culture as a common heritage with the support of initiatives aimed at promoting their use to an increasingly wider audience (collaborations with Teatro alla Scala of Milan, MITO, the Comitato Italia 150, the Cinema Museum of Turin, Theatres and music Festivals);
- support research to promote new opportunities for economic and social development and provide education support to deserving young students (agreement with Bocconi University, LUISS, Associazione Sant'Anna, Alma Mater, masters and study grants);
- contribute to the dissemination of business/financial knowledge and culture for new generations in particular: "Cultura finanziaria a scuola" (Financial culture at school) project, Financial education of Patti Chiari, "Festival dell'Economia" (Festival of the Economy);
- promote the values of sport, foster the development of physical exercise among young people and promote the image of Italian sport at an international level;
- establish deep-rooted ties with the territory, promote and participate in activities with high ethical and social value within the scope of CSR (Biennale Democrazia, Colletta alimentare).

These initiatives firmly express the active role of the Group in the life of the country and are an opportunity to create and consolidate constructive relations with the different communities and territories in which the Bank operates.

Worthy of note is the collaboration, within the scope of the project "I luoghi del cuore", with the Fondo Ambiente Italiano (Italian Environmental Fund) which aims to raise the citizens' awareness of the value of artistic, monumental and natural heritage and the importance of safeguarding it. The project was extended abroad as well and involved Banca Intesa Beograd in Serbia and VUB Banka in Slovakia.

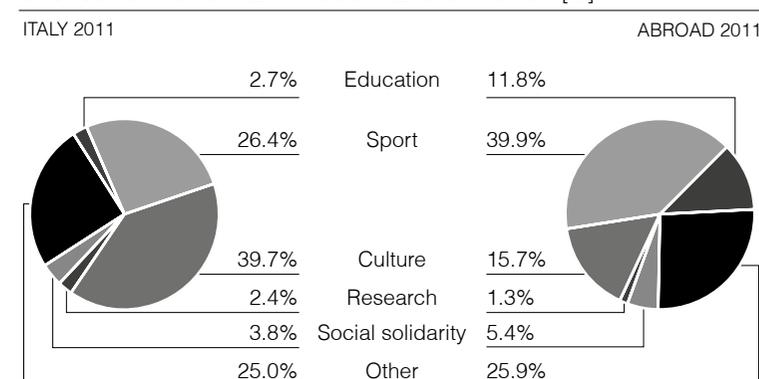
The Banks of the Group launched numerous initiatives, in Italy and abroad, aimed at promoting the aspects of excellence of each territory .

In 2011, sponsorships were overall equal to 39 million euro, of which 35.2 by Italian Group Companies and 3.8 from the International Subsidiary Banks.

Intesa Sanpaolo participated in the Esperienza Italia project, a major cultural operation to celebrate the 150th Anniversary of Italy's Unification in Turin and Piedmont.

The event gathered over two million visitors in 9 months in Turin. Esperienza Italia was a large cultural receptacle of themed exhibitions, conventions, shows and sports events dedicated to the country's history and future and its strength lay in 5 major exhibition shows. The Bank's commitment was especially focused on "Fare gli Italiani" (Making Italians), a large exhibition on the history of Italian identity which, in view of the success recorded, with over 450,000 visitors, will be replicated in 2012. Within the scope of the partnership for Esperienza Italia, the Bank provided its active support to events with the project "Le Radici della Crescita", an interactive and multimedia exhibition of the Historical Map, the Bank's Historical Archive project, which conveys, in a direct and effective manner, the history of Intesa Sanpaolo and the 250 institutes which make up its genealogic tree. The initiative, which is a result of a major digitalisation process of the archive heritage, provides a glimpse into the economic, social, cultural and political life of the territories where the Group is rooted.

SPONSORSHIPS TO THE VARIOUS AREAS OF ACTION [%]





Piazza Scala, Milan

The Milanese exhibition venue, inaugurated on 3rd November, is part of an architectural complex located in the heart of Milan, comprising 18th – and 19th – century buildings of major architectural significance: Palazzo Anguissola Antona Traversi and Palazzo Brentani. By transforming offices and reception rooms into exhibition areas, the historical buildings have become a museum venue which has already attracted over 51,000 visitors in the first two months of opening. The exhibition displays 135 19th-century works of the Fondazione Cariplo, partner of the project, together with 62 art pieces belonging to Intesa Sanpaolo's 19th-century collection. The exhibition path ranges from Neoclassicism, documented by Canova's bas-reliefs, to the prelude to Futurism, with four masterpieces by Umberto Boccioni: Lombard 19th-century paintings also take pride of place in the exhibition. By 2012, Milan's Gallerie will be enriched with an additional section displaying a series of 20th-century works, property of Intesa Sanpaolo, housed in the early 20th-century building overlooking Piazza Scala.

Palazzo Zevallos, Naples

It is home to Caravaggio's masterpiece (The Martyrdom of Saint Ursula) and to important 18th- and 19th-century views of the city of Naples and the Campania region by Gaspar van Wittel and Anton Sminck Van Pitloo. There were over 24,000 visitors in 2011.

Palazzo Leoni Montanari, Vicenza

Opened in 1999, the Gallerie house a collection of Russian icons and 18th-century Venetian paintings and propose a rich schedule of initiatives every year to involve the wider public: music, dance, theatre workshops, conferences, and educational workshops for younger people. There were over 37,000 visitors during the year.

Progetto Cultura, through a three-year plan of interventions prepared by a scientific committee, pursues two objectives: 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 protection and development of the proprietary artistic heritage, where works of art can be found in abundance, is one of the main guidelines of Progetto Cultura. The commitment in this area resulted in numerous interventions, among which we note the project involving the scientific cataloguing of the 20th-century works and a systematic restoration activity of numerous works, including ten large canvases (16th – 17th-century) at the Centro Conservazione e Restauro "La Venaria Reale". Arte in Banca, a series of mini-displays of selected works from the contemporary art collection in the windows of the Group's branches, which saw the involvement of Mario Schifano and Enrico Baj, continued. Finally, in autumn, with the opening of the new museum pole, the Gallerie di Piazza Scala, alongside those of Vicenza and Naples, one of the most important objectives was achieved: the sharing of its art treasures with the community.

The Bank participated in many temporary Italian and international exhibitions, among which the Martirio di Sant'Orsola (The Martyrdom of Saint Ursula) by Caravaggio at the Puškin Museum of Moscow stands out. The exhibition in Gorizia, titled "Dal Paesaggio al territorio" (From the landscape to the territory) took on a special significance: around 70 works from the Bank's 20th-century collection, a concise and emblematic preview of the next opening of the section dedicated to the 20th-century at the Gallerie di Piazza Scala.

Thanks to "Invito a Palazzo" (Invitation to Palazzo), traditional event promoted by ABI and dedicated to the 150th anniversary of Italy's Unification, the Group's most beautiful bank buildings were opened to the public for viewing, including Ca' de Sass in Milan, accessible to visitors for the first time ever. Intesa Sanpaolo is also involved in safeguarding the country's cultural heritage. The 2011 edition of "Restituzioni" saw the restoration of 88 works, including masterpieces such as the glazed terracotta frieze commissioned by Lorenzo il Magnifico to the Villa Medicea at Poggio a Caiano, or San Michele Arcangelo, the silver and gold silver statue of the Cappella del Tesoro di San Gennaro of Naples. Among such works, the restoration of the monastic complex of San Masseo in Assisi is also worthy of note.

EDITORIAL AND MUSICAL INITIATIVES 

Dissemination, protection and public access: these are the objectives pursued by the projects promoted in 2011. In addition to the editorial series "Vox Imago" and "Musei e Gallerie di

Milano”, the publication of the mini-guides on historical sites continued, with the volume on Palazzo Turinetti in Turin. Among the editorial projects coordinated directly, we recall the Arabic-English edition of the final volume concerning the cataloguing of the Arabic manuscripts held at the Ambrosiana Library and the publication “Il palazzo del Banco di Napoli”.

With a view to sharing and disseminating the documentary and library heritage, the Bank established a solid collaboration with associations and bodies of high cultural and educational standing, including the Pinacoteca Ambrosiana Library, the Casa del Manzoni, the Fondazione Valla, the Fondazione Feltrinelli, the Associazione Bancaria Italiana (ABI - Italian Banking Association) and the Associazione Amico Libro.

Significant interventions were carried out for the purposes of disseminating ancient, classical and contemporary music through the support of some of the most important and historical musical organisations, such as Associazione Alessandro Scarlatti, Festival Pianistico Internazionale of Brescia and Bergamo, Società del Quartetto of Milan and Milano Musica - Associazione per la Musica Contemporanea.

THE DOCUMENTARY HERITAGE

Expanding public access to historical documents is an objective that the Historical Archives constantly pursue. After years of being closed, the IMI archive heritage in Roma-Acilia, a one-of-a-kind legacy for the vast wealth of information on Italian industry and economic politics, was reopened to the public.

The dissemination to the general public was enriched with two new channels: the “Monografie” and “Quaderni fotografici” series of the Historical Archive, the first issue of which retraces the steps of the history behind the worksite of the Palazzo delle Colonne in Via Verdi in Milan.

MEDIA RELATIONS



The main objective is to communicate the initiatives of the Group that are strategic or important from an operational viewpoint to all stakeholders, ensuring the utmost transparency. Information is made available through the dedicated section of the website  and individuals or entities can also subscribe to a mailing-list to receive press releases and information about major corporate events directly by e-mail or mobile phone. There is also an option for requesting that documentation is mailed to the user’s home address.

Intesa Sanpaolo adheres to UPA (Utenti Pubblicità Associati) and “Codice di Autodisciplina Pubblicitaria” (Publicity Governance Code), promoted by the Istituto di Autodisciplina Pubblicitaria (IAP) to ensure that publicity is transparent, true and correct. The close collaboration with these Associations through ongoing dialogue and exchange of information, ensures that any updates or amendments in the regulations to which we have adhered are immediately put into effect. As for advertisements of investment products, all scripts are always submitted to the Legal Affairs Department and to the Compliance Department and when necessary, communicated to Consob to examine their compliance with laws and their adherence to the principles of truthfulness and transparency.

The 2011 edition of the multimedia “Vox Imago” series was dedicated to the analysis of the grand opera Pagliacci by Ruggero Leoncavallo, continuing a collaboration begun in 2004 with Teatro alla Scala, Mondadori Electa, Musicom.it, Rai Trade, Philip Gossett and Ipotesi Cinema. To disseminate the knowledge of music and drama through the performances of internationally famous artists and historical and philological study of the works of great composers, the two traditional box and digipack sets also accompanied the Christmas cards sent to customers and employees in the Group in Italy and abroad. A great deal of new features were introduced: brand new graphic design, new English edition, identification of a clear and legible font which will become the distinguishing feature for the Group’s institutional cultural initiatives. A public event was dedicated to the project with the projection of films accompanied by the piano music by the famous musicologist Gossett.

MUSEI E GALLERIE DI MILANO

Devoted to scientific and protection purposes, the “Musei e Gallerie di Milano” series was enriched with the catalogue dedicated to the works of the Diocesan Museum. Over a span of 39 years, the project gave rise to the publication of 69 volumes and represents a key tool for the knowledge, study and development of the city’s artistic heritage. The catalogue of works includes the scientific contributions of hundreds of specialists, including many young people, who examined tens of thousands of various items. With total, critical rigour, details are noted relating to features, sizes, techniques, origin, change in ownership, conferring events, critical acclaim through exhibitions and publications, bibliography and indexes.

IMPROVEMENT OBJECTIVES 2011-2013

CUSTOMERS



BANK THAT ADOPTS INNOVATION AT ALL LEVELS

- Develop a range of innovative products to promote financial inclusion for the most disadvantaged groups.
- Support production with initiatives that promote innovation and research.

QUALITY IN RELATIONS WITH CUSTOMERS

- Excel in relations through simplification and research to strengthen the bank-customer level of trust; optimise behavior, procedures and service level.
- Full implementation of the Banca Semplice (Simple Bank) project: simplify products, procedures, increase decision-making powers, reduce bureaucracy.
- Reduce average credit access times by 50%.
- Promote listening and dialogue initiatives in order to understand the needs along the customer's entire life cycle.

GREATER CREDIT TOWARDS THE ECONOMY

- New financing products and development of agreements for supporting start-ups, established companies and companies being re-structured.

DEVELOPMENT OF INTERNATIONAL ACTIVITIES

- Support internationalisation of Italian companies that want to combine economic growth and respect for human rights and the environment; extend the offer for sustainable internationalization.

EMPLOYEES



DEVELOPMENT OF INDIVIDUALS

- Adopt the new professional development model to manage career paths and personal development of employees.
- Implement projects to develop talent.
- Fine-tune the assessment system to more effectively highlight the specific entities within the Group.
- Adopt incentive systems that include transparent mechanisms that are also based on criteria of quality.

DIVERSITY MANAGEMENT

- Increase female presence in key positions within the Group through specific development paths.

CORPORATE WELFARE AND WORK-LIFE BALANCE

- Initiate a plan of "inter-generation solidarity" progressively accompanying the transition from full activity to retirement, by exploiting the personal experience and encouraging generational turnover.
- Promote greater balance between life and working time by supporting initiatives fostering commitments for family care, with particular emphasis on flexibility in working hours and adopting vertical and horizontal part-time employment options, telecommuting and incentive measures for parental leave to contribute to a more balanced distribution of work and family responsibilities of parents.

TRAINING

- Development of formats and new channels of learning and strengthening existing ones.

SUSTAINABLE GROWTH

- Further strengthen the foundations for the Group's sustainable growth.
- Combine sound equity and return on capital with a low risk profile of the commercial bank business model that characterises the Group.

LISTENING AND DIALOGUE

- Increasing listening and engagement.

TRANSPARENCY

- Extend the e-sourcing Portal and on-line tenders.

PROMOTE SOCIAL AND ENVIRONMENTAL SUPPLIER SUSTAINABILITY

- Qualify suppliers also on the basis of environmental and social requisites.
- Further training for buyers on Social and Environmental Responsibility.

MANAGEMENT OF DIRECT ENVIRONMENTAL IMPACTS

- Progressive reduction of electricity consumption in the Parent Company and Italian Subsidiaries.
- Monthly monitoring of energy consumption in large buildings and adoption of improvements.
- Reduce gases present in the refrigeration units, which are harmful to the ozone.
- Extension of the use of environmentally friendly/recycled paper.

MANAGEMENT OF INDIRECT ENVIRONMENTAL IMPACTS

- Develop operational policies for managing environmental risks and energy efficiency.
- Innovate the offer of financial products for energy saving and renewable resources.

SUPPORT TO THE THIRD SECTOR

- Expand the specialised offer for the growth of social enterprise and non-profit organisations.

SUPPORT TO CULTURE AND SOCIAL SOLIDARITY INITIATIVES

- Support cultural activities also through sponsorship and donations.

SHAREHOLDERS



SUPPLIERS



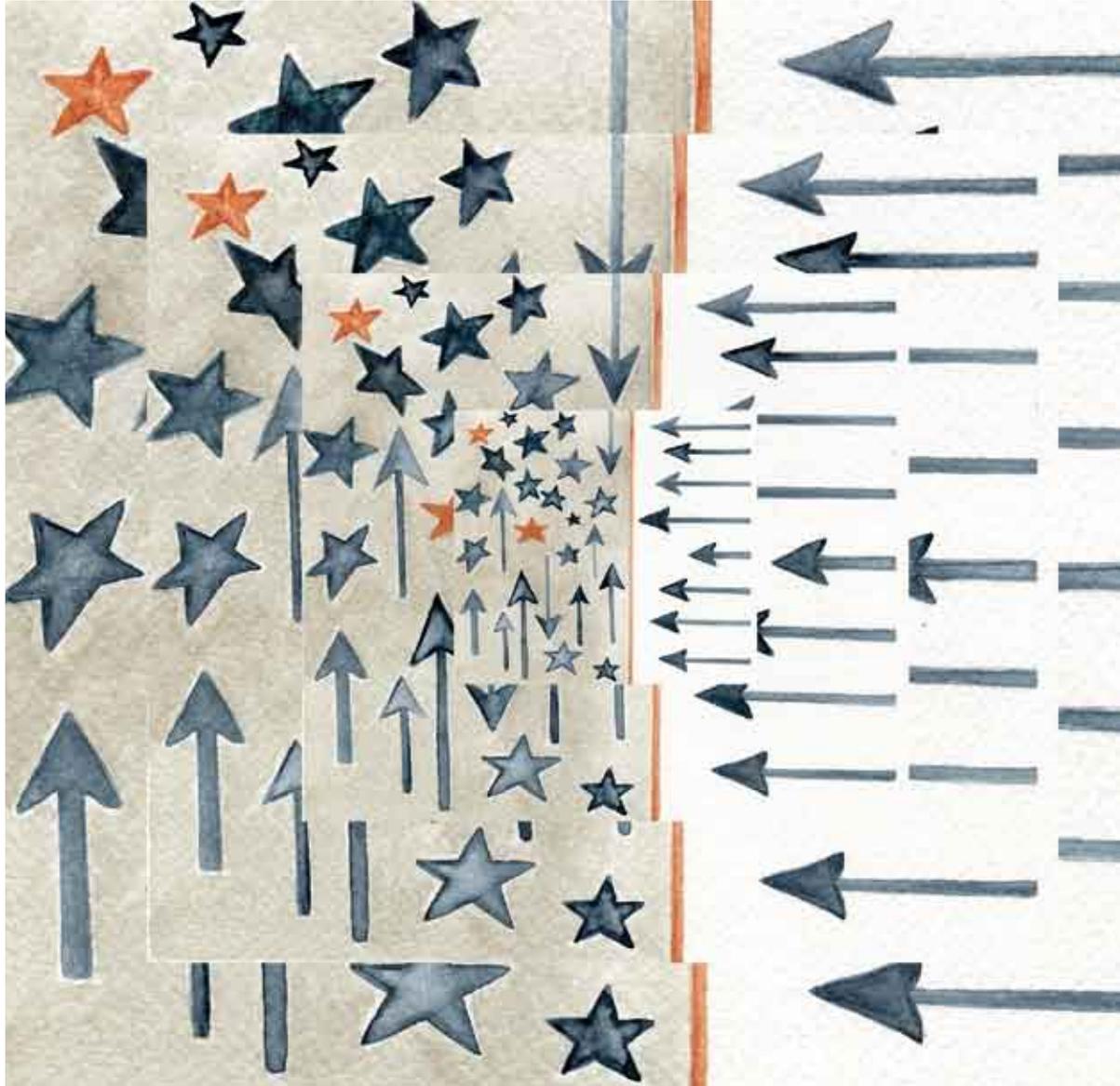
ENVIRONMENT



COMMUNITY



INDICATORS



KEY INDICATORS ¹

ECONOMIC INDICATORS	2011	2010	2009
Loans to customers [million euro]	376,744	379,235	374,033
Direct customer deposits [million euro]	433,110	427,191	421,944
Consolidated shareholders' equity [million euro]	47,040	53,533	52,681
Consolidated net income [million euro]	-8,190	2,705	2,805
Total Assets [million euro]	639,221	658,757	624,844
Generated economic value ² [million euro]	12,615	14,955	14,907
Distributed economic value ³ [million euro]	14,516	12,197	13,495
SOCIAL INDICATORS			
Customers [million euro]	19	19,8	19,7
Complaints [no.]	104,569	98,823	106,475
Customers involved in customer satisfaction activities [no.]	412,500	396,176	121,570
Employees [no.]	97,862	100,740	101,687
Staff turnover rate [%]	-1.8	-0.9	-5.2
Training days during the year [no.]	987,226	950,686	936,195
Female management/total management ratio [%]	21.6	19.4	18.8
Donations [thousand euro]	19,908	22,056	16,030
ENVIRONMENTAL INDICATORS			
CO ₂ emissions per employee [kg]	1,055	1,095	1,470
Electricity consumption per employee [kWh]	5,797	5,975	6,099
Paper consumption per employee [kg]	92	101	99

1. Economic indicators refer to the scope of consolidation for the Consolidated Financial Statements, whilst social and environmental indicators were based on the Social Report reporting boundary which includes operational companies with an impact on sustainability reporting.
2. The economic value generated 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 "Calculation and distribution of economic value".
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".

MAIN ECONOMIC AND FINANCIAL INDICATORS ¹

INDICATORS	2011	2010
PERSONNEL EFFICIENCY INDICATORS [MILION EURO]		
Loans to customers / Number of employees	3.76	3.72
Operating income / Number of employees	0.17	0.16
Customer financial assets ² / Number of employees	7.65	8.14
BALANCE SHEET INDICATORS		
Shareholders' equity / Loans to customers	12.5%	14.1%
Shareholders' equity / Customer financial assets ²	6.1%	6.5%
CAPITAL RATIO³		
Core Tier 1 ratio (Tier 1 capital net of non-eligible instruments / risk-weighted assets)	10.1%	7.9%
Tier 1 ratio (Tier 1 capital / risk-weighted assets)	11.5%	9.4%
Total capital ratio (regulatory capital / risk-weighted assets)	14.3%	13.2%
PROFIT INDICATORS		
Parent Company net income / Average shareholders' equity	-	5.1%
Operating costs / Operating income (Cost income ratio)	54.4%	56.3%
RISK INDICATORS		
Net doubtful loans to customers / Loans to customers	2.4%	2.0%
Net substandard and restructured loans to customers / Loans to customers	3.3%	3.2%
Adjustments to doubtful loans to customers / Gross doubtful loans to customers	64.0%	64.2%

1. The indicators were calculated with reference to reclassified statements and figures published in the Intesa Sanpaolo Group's 2011 consolidated financial statements. The 2010 figures were restated where necessary to take into account changes in the scope of consolidation.
2. Customer financial assets: direct and indirect deposits, after netting, referred to components of indirect deposits which are also included in direct deposits (insurance business financial liabilities designated at fair value and fund-based bonds designated at fair value issued by Group companies and placed by the networks).
3. The ratios were calculated using the methodology set out in the Basel II Accord.

STATEMENT OF CALCULATION AND DISTRIBUTION OF VALUE ADDED [MILLION EURO]

The statement of calculation and distribution of economic value generated by the Group, as detailed below, was prepared according to income statement items used in the 2011 consolidated financial statements, subjected to audit and approval of the Supervisory Board on 26th April 2012. These items were reclassified in accordance with the ABI (Italian Banking Association) instructions, complying with GRI-G3 guidance. The statement resulting from such reclassification separates economic value into its three macro-components: economic value generated, distributed and withheld/drawn by the Group.

VOCI DI BILANCIO		2011	2010	2009
10.	Interest and similar income	19,149	17,500	19,607
20.	Interest and similar expense	-7,762	-6,879	-8,370
40.	Fee and commission income	6,298	6,494	6,141
50.	Fee and commission expense ¹	-851	-893	-836
70.	Dividends and similar income	542	490	479
80.	Profits (Losses) on trading	-204	243	855
90.	Fair value adjustments in hedge accounting	-8	-182	-41
100.	Profits (Losses) on disposal or repurchase of:	753	229	316
	a) loans	-16	-11	-16
	b) financial assets available for sale	590	235	320
	c) investments held to maturity	-1	0	0
	d) financial liabilities	180	5	12
110.	Profits (Losses) on financial assets and liabilities designated at fair value	-210	179	81
130.	Net losses / recoveries on impairment of:	-5,021	-2,896	-3,711
	a) loans	-4,229	-2,818	-3,448
	b) financial assets available for sale	-776	-79	-256
	c) investments held to maturity	-2	0	0
	d) other financial activities	-14	1	-7
150.	Net insurance premiums	9,260	8,483	6,579
160.	Other net insurance income (expense)	-10,016	-9,050	-7,251
220.	Other operating expenses (income)	494	528	519
240. (Parzial)	Profits (Losses) on investments in associates and companies subject to joint control (realised gains/losses) ²	20	7	365
270.	Profits (Losses) on disposal of investments	171	8	5
310.	Income (Loss) after tax from discontinued operations	0	694	169
A	TOTAL ECONOMIC VALUE ADDED	12,615	14,955	14,907

VOCI DI BILANCIO		2011	2010	2009
A	TOTAL ECONOMIC VALUE ADDED	12,615	14,955	14,907
180.b (parzial)	Other administrative expenses (net of indirect taxes and donations) ³	-2,950	-3,041	-3,172
	ECONOMIC VALUE DISTRIBUTED TO SUPPLIERS	-2,950	-3,041	-3,172
180.a	Personnel expenses ⁴	-6,650	-6,089	-6,138
	ECONOMIC VALUE DISTRIBUTED TO EMPLOYEES	-6,650	-6,089	-6,138
330.	Minority interests	-63	-71	-133
	ECONOMIC VALUE DISTRIBUTED TO THIRD PARTIES	-63	-71	-133
340. (parzial)	Parent company income (loss) - Share attributed to shareholders ⁵	-822	-1,033	-1,033
	ECONOMIC VALUE DISTRIBUTED TO SHAREHOLDERS	-822	-1,033	-1,033
180.b (parzial)	Other administrative expenses: indirect taxes	-663	-638	-648
290. (parzial)	Income taxes for the year (current taxes) ⁶	-3,361	-1,308	-2,344
	ECONOMIC VALUE DISTRIBUTED TO STATE, AUTHORITIES AND INSTITUTES	-4,024	-1,946	-2,992
180.b (parzial)	Other administrative expenses: donations	-3	-3	-7
340. (parzial)	Parent company income (loss) - Share attributed to charities ⁷	-4	-14	-20
	ECONOMIC VALUE DISTRIBUTED TO COMMUNITY AND ENVIRONMENT	-7	-17	-27
B	TOTAL ECONOMIC VALUE DISTRIBUTED	-14,516	-12,197	-13,495
C	TOTAL ECONOMIC VALUE RETAINED⁸	-1,901	2,758	1,412

- 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".
- 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.
- 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.
- The figures differ from those of the income statement in the annual report as they include also remuneration paid to the financial advisors networks. For 2011, the item includes incentive costs relating to staff exit for 718 million.
- For 2011, the economic value distributed to shareholders is charged to reserves.
- 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.
- The figures include amounts allocated to the charity funds operated by Group banks.
- Net adjustments to/recoveries and provisions, deferred tax assets and liabilities and consolidated income net of dividends of the Parent Company.

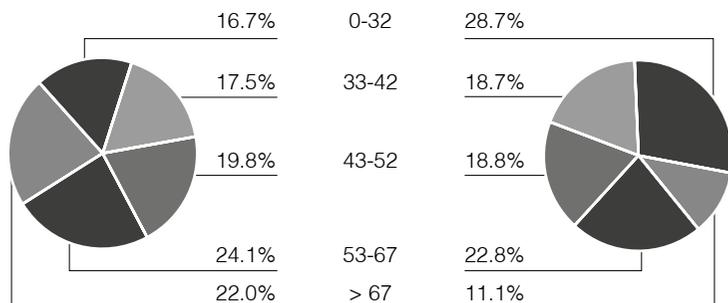
CUSTOMERS

COMPOSITION

RETAIL CUSTOMERS BY AGE GROUP: YEARS [%]

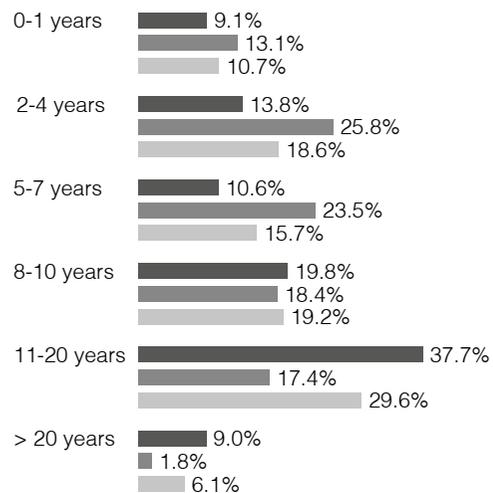
ITALY 2011

ABROAD 2011



RETAIL CUSTOMERS BY SENIORITY [YEARS]

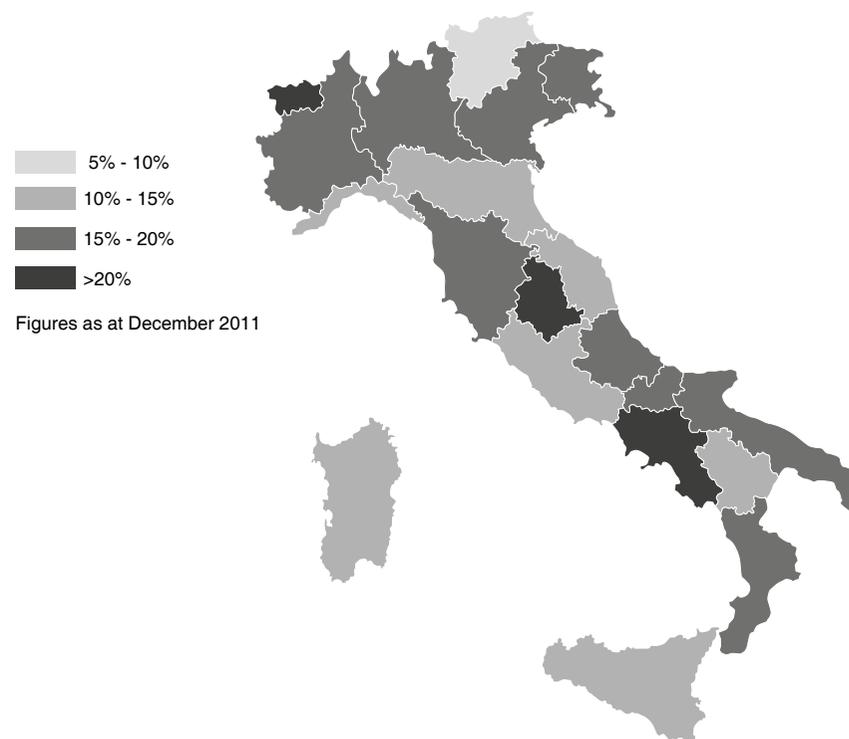
■ ITALY ■ ABROAD ■ GROUP



Average seniority in Italy: 11 years

Average seniority abroad: 6 years

BRANCH OFFICE MARKET SHARE



Figures as at December 2011

In Italy, Intesa Sanpaolo has an extensive, well distributed network of branches with a market share of over 15% in 16 out of 20 regions. There are 5,600 Italian branches. Abroad, the Group has 1,600 branches in 12 Central and Eastern Europe countries and in the Mediterranean countries.

PRESENCE IN ITALIAN REGIONS WITH A LOW DENSITY POPULATION*	2011		2010	
	BRANCHES	ATM**	BRANCHES	ATM**
Molise	22	26	22	26
Sardegna	100	143	98	133
Basilicata	34	36	34	36
Valle d'Aosta	29	47	29	45

PRESENCE IN ITALIAN REGIONS WITH A LOW DENSITY POPULATION*	PERCENTAGE CHANGE 2011/2010	
	BRANCHES	ATM**
Molise	0.0%	0.0%
Sardegna	2.0%	7.5%
Basilicata	0.0%	0.0%
Valle d'Aosta	0.0%	4.4%

* Source: ISTAT 2010, 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 km².

**The area distribution of ATMs refers only to Banca dei Territori.

PRESENCE IN FOREIGN COUNTRIES	2011		2010	
	BRANCHES	ATM	BRANCHES	ATM
Albania	31	58	32	55
Bosnia-Herzegovina	53	87	54	86
Croatia	217	655	220	643
Romania*	92	80	97	84
Serbia	208	259	206	252
Slovakia	245	560	245	554
Slovenia	55	93	54	93
Hungary	128	186	145	212
Egypt	200	251	200	248
Russian Federation	75	68	78	67
Ukraine	342	313	410	317

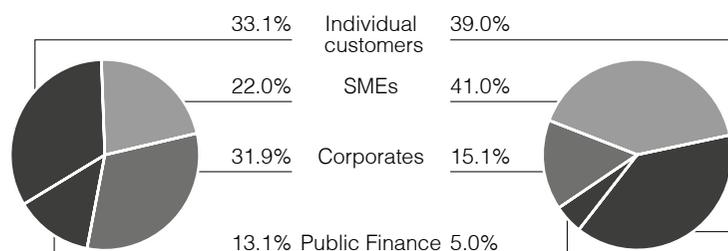
PRESENCE IN FOREIGN COUNTRIES	PERCENTAGE CHANGE 2011/2010	
	BRANCHES	ATM
Albania	-3.1%	5.5%
Bosnia-Herzegovina	-1.9%	1.2%
Croatia	-1.4%	1.9%
Romania*	-5.2%	-4.8%
Serbia	1.0%	2.8%
Slovakia	0.0%	1.1%
Slovenia	1.9%	0.0%
Hungary	-11.7%	-12.3%
Egypt	0.0%	1.2%
Russian Federation	-3.8%	1.5%
Ukraine	-16.6%	-1.3%

*Includes C.R. Firenze Romania Bank

LOANS TO CUSTOMERS BY TYPE [%]

ITALY 2011

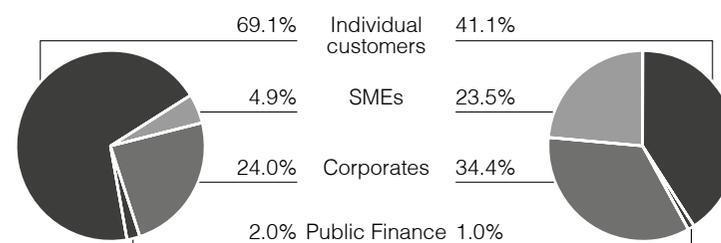
ABROAD 2011



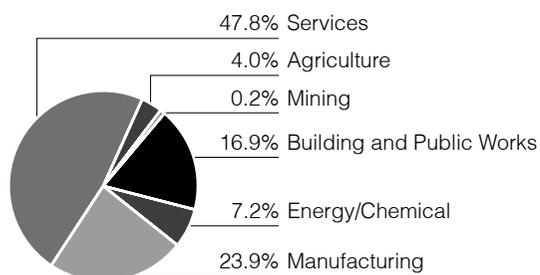
DUE TO CUSTOMERS BY TYPE [%]

ITALY 2011

ABROAD 2011



LOANS BY INDUSTRIAL SECTOR: ITALY 2011



ETHICAL FUNDS	2011	2010	2009
Ethical Funds: assets [thousand euro]	350,800	419,000	431,000
Ethical international equity assets [thousand euro]	85,800	107,300	110,000
Ethical bonds assets [thousands euro]	181,100	213,700	218,000
Ethical diversified assets [thousands euro]	83,900	98,000	103,000
Ethical international equity performance [%]	-8.2	10.6	22.7
Ethical bond performance [%]	2.7	2.0	7.8
Ethical diversified performance [%]	-0.6	1.1	8.9
Percentage of ethical funds over total assets of funds [%]	0.5	0.7	0.8

During 2011, the application of these criteria determined a variation in the investible universe, and consequently the inclusion or exclusion of certain issuing bodies from the fund portfolio. The reasons for inclusion include 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 issuance of loans. Certain exclusions for 2011 referred to a number of European blue chips due to problems relating to the environment and human resources, labour law disputes, relations with market competitors and involvement in the nuclear energy sector.

The return on ethics system funds is interesting if compared with the market index trends, especially for the bonds segment. 2011 was strongly characterised by the drop in Italian government security prices, the widening returns spread against the German government securities and the serious difficulties of the equity segment. Given these considerations, the result achieved by the funds was significant, which we present net of commissions and operating costs.

The share ownership practices in operation mainly target large institutional investors that request them. This activity translates to 'soft 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 aspects.

PUBLIC ADMINISTRATION

LOANS TO SOCIALLY USEFUL SECTORS [MILLION EURO]		2011	2010
Italy	Water/energy/environment	237	130
	ASL and health/assistance/cultural structures	130	491
	Local public services	177	493
	Local public transport	11	31
	Universities	4	5
	Infrastructures	437	871
	Other sectors	1,662	1,180
	including:		
	Municipalities	139	133
	Regions	10	363
	Provinces	31	70
	Companies and entities benefiting from state loans	108	178
	Ministries and other state entities	646	262
Other	728	174	
TOTAL ¹		2,658	3,201
Abroad	Water/energy/environment	93	35
	Infrastructures	76	144
	Other sectors	264	529
	including:		
	State and other state entities	4	279
	Financial Intermediaries	0	61
State control companies	260	189	
TOTAL ¹		433	708

1. The figure does not include disbursements for assignments of credit during 2010 in relation to contracts stipulated prior to this period.

CUSTOMER SATISFACTION: CUSTOMERS IN ITALY

	INDEX	2011		2010		2009	
		BANKING INDUSTRY	INTESA SANPAOLO	BANKING INDUSTRY	INTESA SANPAOLO	BANKING INDUSTRY	INTESA SANPAOLO
INDIVIDUAL CUSTOMERS IN ITALY							
Branch office staff	NSI	65	64	62	63	59	59
Branch office environment	NSI	56	58	54	54	50	50
Current account	NSI	36	33	35	27	32	25
ATM terminals	NSI	68	71	70	70	65	65
Internet banking	NSI	74	75	74	73	68	68
Investments	NSI	17	12	14	5	6	-5
Mortgages	NSI	50	53	41	33	40	33
Loans/financing	NSI	54	43	47	46	45	51
Overall rationale	NSI	48	44	46	42	43	39
NPS index	NPS	-1	-9	-5	-14	-12	-22
IPS index	IPS	35	28	32	24	22	13
Customers interviewed (no.)		9,800	1,842	9,100	1,918	4,800	993
SMALL BUSINESSES IN ITALY							
Contact staff	NSI	48	48	46	42	39	35
Branch office staff	NSI	63	59	62	59	57	52
Branch office environment	NSI	57	54	55	49	52	43
Current account	NSI	23	20	21	16	13	7
Collections and payments	NSI	39	34	36	30	28	20
POS	NSI	41	34	37	30	34	27
Internet/remote banking	NSI	65	61	65	59	60	52
Short-term loans	NSI	19	12	22	20	10	8
Medium to long-term loans	NSI	22	14	22	24	12	7
Overall rationale	NSI	40	36	39	34	31	23
NPS index	NPS	-10	-17	-12	-20	-21	-32
IPS index	IPS	28	22	25	17	12	1
Customers interviewed (no.)		9,919	1,832	9,100	1,658	4,800	999
TOTAL CUSTOMERS (INDIVIDUALS + SMALL BUSINESSES)							
NPS index*	NPS	-3	-10	-6	-15	-13	-23
IPS index*	IPS	34	28	31	23	21	12

NSI = Net Satisfaction Index, equal to the percentage satisfied (rating of 8-10) less the percentage dissatisfied (rating 1-5).

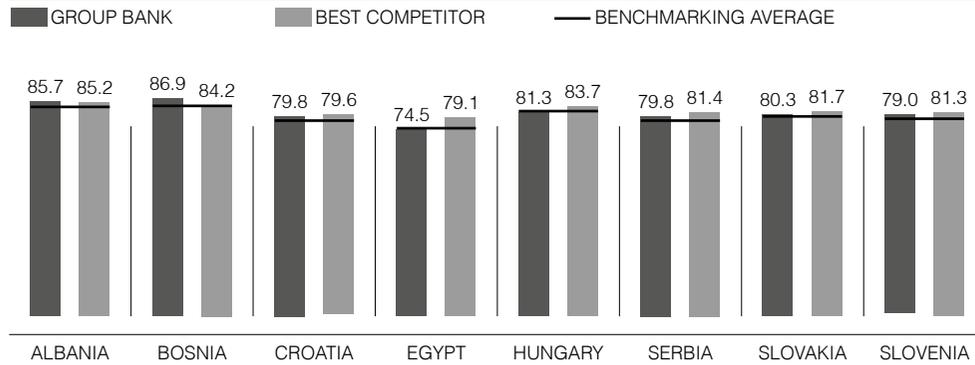
NPS = Net Promoter Score, equal to the percentage of promoters (giving a rating of 9-10 in relation to the probability of recommending the bank) less the percentage of detractors (rating 0-6).

IPS = Intesa Sanpaolo Promoter Score, equal to the percentage of promoters (giving a rating of 8-10 in relation to the probability of recommending the bank) less the percentage of detractors (rating 0-5).

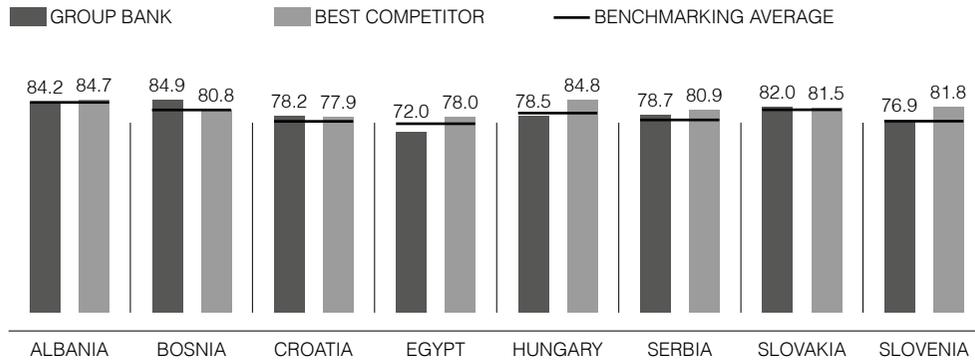
*the NPS and IPS of total customers is equal to the weighted average of the NPS and IPS of the individual segments.

CUSTOMER SATISFACTION: INTERNATIONAL SUBSIDIARY BANK'S CUSTOMERS

INTERNATIONAL SUBSIDIARY BANKS - ECSI 2011



INTERNATIONAL SUBSIDIARY BANKS - ECSI 2010



International subsidiary banks of the Intesa Sanpaolo Group compared with the best competitor and benchmarking average in their respective markets. European Customer Satisfaction Index (ECSI).

COMPLAINTS

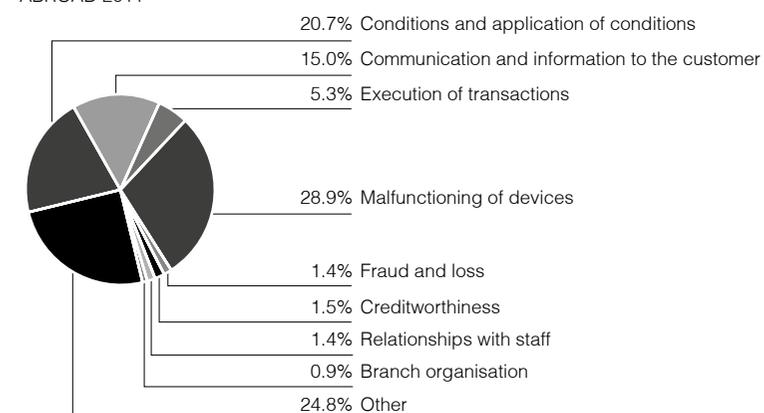
COMPLAINTS BY TYPE		2011	2010	2009
Italy	Investment services complaints	3,428	4,139	8,911
	securities in default	1,476	1,287	2,044
	structured securities	28	46	28
	Cheques and collection orders	1,910	2,052	2,154
	Bank transfers, Salaries and Pensions	1,961	2,173	2,486
	Cards	3,306	3,404	3,794
	Credits	3,309	3,353	2,833
	Current accounts and term deposits	6,286	6,892	8,473
	Mortgages and special loans	1,628	2,646	3,940
	Insurance products	4,968	5,235	4,424
	Remote banking	255	380	1,113
	Other	3,740	3,431	2,574
	TOTAL	30,791	33,705	40,702
	Abroad	Investment services complaints	647	526
securities in default		84	205	141
structured securities		47	36	62
Cheques and collection orders		44	42	56
Bank transfers, Salaries and Pensions		7,681	7,384	4,676
Cards		15,811	13,859	12,440
Credits		6,613	6,669	8,781
Current accounts and term deposits		16,860	11,284	8,086
Mortgages and special loans		3,723	2,523	2,963
Insurance products		717	1,038	362
Remote banking		10,232	9,793	11,244
Other		11,450	12,000	16,371
TOTAL		73,778	65,118	65,773

COMPLAINTS BY MOTIVATION 2011

ITALY 2011



ABROAD 2011



OTHER COMPLAINTS		2011	2010	2009
Italy	Ethical	139	151	60
	For privacy	163	397	594
	For anatocism	818	797	521
Abroad	Ethical	31	2	4
	For privacy	75	75	103
	For anatocism	2	5	2

CONTROVERSIAL SECTORS

SUMMARY OF DATA ON AUTHORISATIONS ISSUED FOR EXPORTS LISTED IN THE PARLIAMENTARY REPORT. [MILLION EURO]

	2004	2005	2006	2007	2008	2009	2010	2011
Sanpaolo IMI Group	366.1	173	448.3					
Banca Intesa Group	23.2	0.2	46.9					
Intesa Sanpaolo Group				198.2	177.6	186.1	1	0.004
Pro-forma total	389.3	173.2	495.2	198.2	177.6*	186.1*	1.0*	0.004

*CR La Spezia data excluded, the company was 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]

	2004	2005	2006	2007	2008	2009	2010	2011
Sanpaolo IMI Group	384.3	568.1	558.3					
Banca Intesa Group	11.4	0.8						
Intesa Sanpaolo Group				341.2	668.9	806.1	180	95
Pro-forma total	395.7	568.9	558.3	341.2	668.9	806.1	180	95

Source: Report to Parliament.

EMPLOYEES

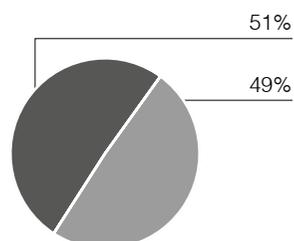
STAFF BREAKDOWN

EMPLOYEES BY CATEGORY AND GENDER [%]		2011	2010	2009
Italy	Senior Managers	1.5	1.5	1.5
	men	1.3	1.3	1.3
	women	0.2	0.2	0.2
	Middle and Junior Managers	41.5	38.5	37.8
	men	25.7	24.6	24.4
	women	15.9	13.9	13.4
	Clerical Staff	56.9	60.0	60.8
	men	23.6	25.1	25.7
Abroad	women	33.3	34.9	35.0
	Senior Managers	2.2	2.0	1.9
	men	1.4	1.3	1.3
	women	0.8	0.7	0.6
	Middle and Junior Managers	21.5	20.3	17.9
	men	13.2	12.4	10.5
	women	8.3	7.9	7.3
	Clerical Staff	76.3	77.7	80.2
men	22.0	22.4	24.4	
women	54.3	55.3	55.8	

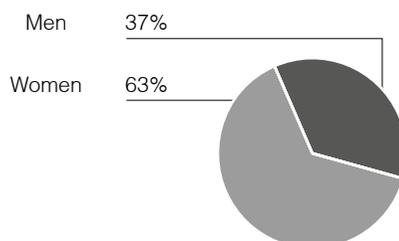
Intesa Sanpaolo figures regarding the percentage of employees by category are in line with Industry figures: senior managers (2.2%), middle and junior managers (38.6%) and clerical staff (59.1%).

BREAKDOWN OF EMPLOYEES BY GENDER [%]

ITALY 2011



ABROAD 2011



AVERAGE AGE OF EMPLOYEES		2011	2010	2009
Italy	Men	45.9	45.4	44.7
	Women	42.1	41.3	40.6
	Senior Managers	50.5	50.1	49.6
	Middle and Junior Managers	47.4	47.0	46.3
	Clerical Staff	41.5	40.9	40.3
Abroad	Men	41.1	40.2	39.4
	Women	36.8	36.1	35.3
	Senior Managers	42.9	43.3	42.6
	Middle and Junior Managers	43.8	43.2	42.5
	Clerical Staff	36.7	36.0	35.4

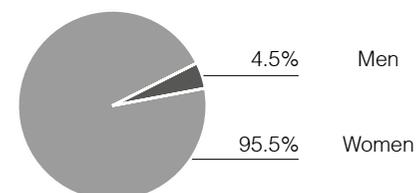
Intesa Sanpaolo and the Italian Industry figures are comparable: men (44.9 years), women (41.3 years), senior managers (49.8 years), middle and junior managers (46.9 years), clerical staff (42.5 years).

PART-TIME EMPLOYEES BY GENDER [%]		2011	2010	2009
Italy	Part-time employees/total employees	11.7	11.6	11.5
	Male part-time employees	4.5	4.7	4.9
	Female part-time employees	95.5	95.3	95.1
Abroad	Part-time employees/total employees	0.6	0.6	0.6
	Male part-time employees	8.9	9.3	13.1
	Female part-time employees	91.1	90.7	86.9

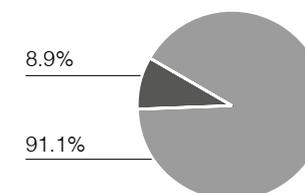
In Italy part-time employees reach 11.7%, almost three points above the Italian average (8.8%).

PART-TIME EMPLOYEES BY GENDER [%]

ITALY 2011



ABROAD 2011



*All Italian Industry figures refer to: ABI (2011) Rapporto 2011 sul mercato del lavoro nell'industria finanziaria, Rome: Bancaria Editrice.

EMPLOYEES BY TYPE OF CONTRACT [%]		2011	2010	2009
Italy	Permanent contracts	97.1	95.8	94.7
	Non-permanent contracts	0.2	0.6	1.3
	Apprenticeship	1.7	2.6	3.3
	New recruits	0.2	0.3	0.8
	Employment contract - apprentices	0.5	0.5	0.0
	Employment contract - permanent	0.2	0.2	0.0
Abroad	Permanent contracts	92.0	93.1	94.7
	Non-permanent contracts	7.8	6.7	5.2
	Apprenticeship and other types of contract	0.2	0.2	0.2

The Italian Industry figures refer to: permanent contracts (96.6%), non-permanent (1.0%), apprenticeships (2.3%) and new recruits (0.3%).

AVERAGE EMPLOYEE SENIORITY [YEARS]		2011	2010	2009
Italy	Men	19.8	19.3	18.7
	Women	17.4	16.5	15.9
	Senior Managers	19.0	18.4	18.1
	Middle and Junior Managers	22.1	21.6	21.0
	Clerical Staff	16.1	15.6	15.1
Abroad	Men	12.8	12.5	11.8
	Women	9.4	8.8	8.2
	Senior Managers	10.1	11.0	10.6
	Middle and Junior Managers	16.4	15.9	15.3
	Clerical Staff	9.1	8.7	8.2

EMPLOYEES BY LEVEL OF EDUCATION AND GENDER [%]		2011	2010	2009
Italy	University graduates	30.8	30.2	29.2
	Men	15.1	14.9	14.6
	Women	15.7	15.3	14.6
	Highschool graduates	61.6	62.1	62.9
	Men	30.3	30.8	31.3
	Women	31.3	31.4	31.6
	Other	7.6	7.7	8.0
	Men	5.3	5.4	5.6
	Women	2.3	2.3	2.4
Abroad	University graduates	65.1	60.1	58.6
	Men	25.1	23.6	23.2
	Women	40.0	36.6	35.4
	Highschool graduates	29.1	30.0	34.4
	Men	7.8	7.9	9.1
	Women	21.3	22.1	25.3
	Other	5.8	9.9	7.0
	Men	3.7	4.6	4.0
	Women	2.1	5.3	3.0

NUMBER OF EMPLOYEES BELONGING TO PROTECTED CATEGORIES [%]		2011	2010	2009
Italy	Disabled	4.3	4.1	4.1
	Protected Categories	1.7	1.7	1.8
Abroad	Disabled	1.1	1.2	1.2
	Protected Categories	0.7	0.7	0.7

EMPLOYEES BY AGE [%]		2011	2010	2009
Italy	< 30	9.1	10.9	11.9
	31-50	62.6	63.6	65.9
	> 50	28.3	25.5	22.2
Abroad	< 30	28.9	32.1	35.9
	31-50	55.3	53.4	51.0
	> 50	15.9	14.6	13.2

HIRES BY GENDER AND AGE		2011	2010	2009
Italy	Total	942	2,436	2,453
	Men	488	1,061	1,067
	Women	454	1,375	1,386
	<=30	621	1,858	2,069
	31-50	304	562	375
	>50	17	16	9
Abroad	Total	3,071	3,026	2,147
	Men	1,112	1,130	837
	Women	1,959	1,896	1,310
	<=30	2,007	1,970	1,493
	31-50	1,018	898	606
	>50	46	158	48

TERMINATIONS BY GENDER AND AGE		2011	2010	2009
Italy	Total	2,185	1,804	4,504
	Men	1,446	1,017	2,563
	Women	739	787	1,941
	<=30	453	814	1,222
	31-50	460	509	574
	>50	1,272	481	2,708
Abroad	Total	3,637	4,579	5,656
	Men	1,175	1,724	1,890
	Women	2,462	2,855	3,766
	<=30	1,844	2,401	2,939
	31-50	1,388	1,581	1,809
	>50	405	597	908

TERMINATIONS RATE BY GENDER AND AGE [%]		2011	2010	2009
Italy	Total	3.2	2.6	6.5
	Men	4.2	2.8	7.2
	Women	2.2	2.3	5.8
	<=30	7.4	10.7	14.8
	31-50	1.1	1.1	1.3
	>50	6.6	2.7	17.6
Abroad	Total	12.1	14.9	17.4
	Men	10.7	15.5	16.1
	Women	12.9	14.5	18.2
	<=30	21.2	24.4	25.3
	31-50	8.3	9.6	10.9
	>50	8.5	13.3	21.2

TURNOVER BY GENDER AND AGE		2011	2010	2009
Italy	Total	-1,243	632	-2,051
	Men	-958	44	-1,496
	Women	-285	588	-555
	<=30	168	1,044	847
	31-50	-156	53	-199
>50	-1,255	-465	-2,699	
Abroad	Total	-566	-1,553	-3,509
	Men	-63	-594	-1,053
	Women	-503	-959	-2,456
	<=30	163	-431	-1,446
	31-50	-370	-683	-1,203
	>50	-359	-439	-860

Within the Intesa Sanpaolo, Network Banks and Intesa Sanpaolo Group Services perimeter, the non-permanent contracts in effect as at 1st January 2011 were broken down as follows: 44.1% recruited for maternity leave replacements/long absences and 55.9% to meet exceptional/seasonal needs.

94.3% of non-permanent contracts were terminated (92% due to contract expiry, 2.3% due to resignations); of these 14.9% were rehired during 2011:

- 3.9% on permanent contracts

- 8.2% on non-permanent contracts

- 2.8% on apprenticeships or temporary contracts

The remaining personnel, equal to 5.7%, is still in the company via non-permanent contracts (5%) or with permanent contracts confirmed (0.7%).

TURNOVER RATE BY GENDER AND AGE [%]		2011	2010	2009
Italy	Total	-1.8	0.9	-2.9
	Men	-2.7	0.1	-4.0
	Women	-0.8	1.7	-1.6
	<=30	2.8	15.9	11.4
	31-50	-0.4	0.1	-0.4
>50	-6.2	-2.5	-14.9	
Abroad	Total	-1.8	-4.8	-9.8
	Men	-0.6	-5.1	-8.2
	Women	-2.6	-4.7	-10.6
	<=30	1.9	-4.2	-11.1
	31-50	-2.2	-4.0	-6.8
	>50	-7.0	-8.9	-16.7

PROFESSIONAL AND CAREER DEVELOPMENT

NUMBER OF PROMOTIONS BY GENDER		2011	2010	2009
Italy	Total	8,520	7,537	4,756
	Men	3,485	3,277	2,364
	Women	5,035	4,260	2,392
Abroad	Total	3,722	3,890	2,519
	Men	2,071	2,290	1,281
	Women	1,651	1,600	1,238

BASIC AVERAGE SALARY BY CATEGORY AND GENDER [€/000]		2011	2010	2009
Italy	Senior Managers	138.8	139.8	130.4
	men	141.1	141.4	131.8
	women	123.0	127.0	121.6
	Middle and Junior Managers	52.7	53.2	52.4
	men	55.2	55.7	54.7
	women	48.6	49.0	48.2
	Clerical Staff	33.9	33.8	33.2
	men	35.6	35.5	35.0
women	32.7	32.5	31.9	
Abroad	Senior Managers	55.0	65.8	61.7
	men	60.2	70.1	63.7
	women	45.6	56.8	57.2
	Middle and Junior Managers	21.4	19.8	20.2
	men	20.4	18.2	18.6
	women	23.1	22.3	22.5
	Clerical Staff	10.9	9.9	9.5
	men	11.9	10.8	10.2
women	10.5	9.5	9.2	

Within the Group, the minimum salary applied for newly-hired personnel is that laid down by the national collective bargaining agreement (CCNL) for the various personnel categories. Abroad, the minimum salary 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.

BREAKDOWN OF BRANCH EMPLOYEES BY CATEGORY AND GENDER [%]		2011	2010	2009
Italy	Managers	11.6	11.8	12.2
	Men	8.1	8.4	8.7
	Women	3.5	3.5	3.5
	Family bankers	53.0	51.9	51.2
	Men	20.3	20.2	20.1
	Women	32.7	31.6	31.1
	Other	35.4	36.3	36.6
	Men	17.3	17.9	18.1
	Women	18.1	18.4	18.5
Abroad	Managers	9.3	8.5	8.0
	Men	4.2	4.0	3.9
	Women	5.1	4.5	4.1
	Family bankers	51.9	54.0	53.3
	Men	17.3	16.8	15.7
	Women	34.6	37.2	37.6
	Other	38.8	37.5	38.7
	Men	9.2	10.4	10.9
	Women	29.6	27.1	27.8

REMUNERATIONS BY CATEGORY AND GENDER* [€/000]		2011
Italy	Senior Managers - men	198.5
	Senior Managers - women	168.7
	Middle and Junior Managers - men	58.7
	Middle and Junior Managers - women	50.8
	Clerical Staff - men	36.2
	Clerical Staff - women	33.1
Abroad	Senior Managers - men	76.7
	Senior Managers - women	55.8
	Middle and Junior Managers - men	22.1
	Middle and Junior Managers - women	25.4
	Clerical Staff - men	12.9
	Clerical Staff - women	11.8

*Includes basic average gross remuneration and additional amounts.

TRAINING

CONTENT TRAINING [%]		2011	2010	2009
Italy	Managerial	21.7	18.5	21.3
	Commercial	11.7	13.3	6.3
	Operative	14.7	13.3	12.3
	Credit	5.9	6.8	9.2
	Finance	31.1	33.8	28.9
	Abroad	1.2	0.4	0.4
	Computer	2.5	1.5	1.9
	Specialist	6.6	6.8	13.0
	Linguistic	4.7	5.7	6.7
Abroad	Managerial	12.7	10.1	17.8
	Commercial	19.5	30.6	17.6
	Operative	14.2	15.0	15.8
	Credit	16.2	10.1	5.9
	Finance	4.8	4.4	2.7
	Abroad	0.1	0.3	0.2
	Computer	6.8	8.1	14.5
	Specialist	16.3	10.5	12.4
	Linguistic	9.3	10.9	13.2

In 2011 Intesa Sanpaolo received funds for 12.3 million euro for training, benefits and grants for apprentices.

TRAINING ACTIVITIES FOR THE PREVENTION OF CORRUPTION [%]		2011
Italy	Senior Managers	25.6
	Middle and Junior Managers	22.9
	Clerical Staff	23.3
	Participants	23.2
	Numer of hours of specific training	65,815
Abroad	Senior Managers	4.2
	Middle and Junior Managers	27.6
	Clerical Staff	30.4
	Participants	29.2
	Numer of hours of specific training	30,513

TRAINING BY CATEGORY AND GENDER [AVERAGE HOURS]		2011	2010	2009
Italy	Senior Managers	41.2	42.1	32.7
	men	38.8	41.7	31.8
	women	57.5	45.7	40.5
	Middle and Junior Managers	54.6	53.0	56.9
	men	53.8	52.9	57.1
	women	55.7	53.1	56.7
	Clerical Staff	46.9	47.1	46.5
	men	42.7	43.1	42.2
	women	49.9	50.0	49.6
Abroad	Senior Managers	27.9	88.3	75.7
	men	27.5	91.8	72.0
	women	28.7	81.4	83.5
	Middle and Junior Managers	25.5	29.6	36.9
	men	19.2	22.1	27.2
	women	35.3	41.2	50.9
	Clerical Staff	24.4	28.3	17.3
	men	23.3	26.8	18.0
	women	24.9	28.9	17.0

TRAINING BY TYPE		2011	2010	2009
Italy	Classroom training [% of hours]	53.5	63.4	61.1
	Distance training [% of hours]	46.5	36.6	38.9
	Number of participants	64,434	64,542	63,330
	Training days [classroom + distance]*	870,982	796,559	824,701
	Training days per employee	12.9	11.4	11.9
Abroad	Classroom training [% of hours]	91.6	86.9	91.2
	Distance training [% of hours]	8.4	13.1	8.8
	Number of participants	20,916	21,760	32,046
	Training days [classroom + distance]	116,244	154,127	111,494
	Training days per employee	3.9	5.0	3.4

*Does not include WebTv training.

TRAINING ON HEALTH AND SAFETY		2011	2010	2009
Italy	Number of days training on health and safety	35,124	34,676	8,436
	Health and safety training costs [thousand euro]	481	752	507
Abroad	Number of days training on health and safety	6,869	3,593	1,059
	Health and safety training costs [thousand euro]	55	34	23

INTERNAL COMMUNICATION

INTERNAL COMMUNICATION	2011	2010	2009
Company Intranet: average monthly individual accesses	69,042	79,004	78,129
WebTv: total accesses*	1,202,440	583,860	597,041
"house organ": average number of copies produced/printed	72,000	72,000	78,000

*The figure for 2011 is not comparable with those of previous years because have changed metrics.

WORKING ENVIRONMENT		2011	2010	2009
Italy	Analysis of environment [% participating in selected sample]	54.2	64.6	35.5
	Index of employee satisfaction [%]	64.4	69.8	62.3
	Change in employee satisfaction index from the previous period	-5.4	7.5	2.4
	Number of environment analyses	2	2	2
	No. of internal communication events	264	272	344
	Number of focus groups	50	4	87
	Participants in focus groups	635	21	649
Abroad	Analysis of environment [% participating in selected sample]*	47.8	55.3	55.9
	Index of employee satisfaction [%]	74.8	74.5	n.d.**
	Change in employee satisfaction index from the previous period	0.3	1.8	n.d.**
	Number of environment analyses	1	1	1
	No. of internal communication events	179	163	129
	Number of focus groups	10	0	0
	Participants in focus groups	1,675	0	0

* The figure refers to 10 out of 12 International Subsidiary Banks in 2010 and 9 out of 11 in 2009.

**Average figures not significant as the results of the individual banks are very different from each other, depending on the context.

UNION LEAVE AND LITIGATION

UNION LEAVE		2011	2010	2009
Italy	Percentage of employees belonging to a union [%]	78.2	76.5	79.3
	Days absent due to union activities (all leave granted to union organisers)	80,270	87,792	99,462
	Days absent due to meetings/strikes (even if not organisers)	26,490	22,201	15,497
	Days absent due to strikes	16,575	15,888	5,991
	Days absent due to meetings	9,915	6,313	9,506
Abroad	Percentage of employees belonging to a union	30,8	30,2	28,5
	Days absent due to union activities (all leave granted to union organisers)	573	551	606
	Days absent due to meetings/strikes (even if not organisers)	22,263	153	100
	Days absent due to strikes	22,092	10	0
	Days absent due to meetings	171	143	100

The National Collective Contract for the sector covers all employees in Italy.

DISCIPLINARY MEASURES AGAINST EMPLOYEES		2011	2010	2009
Italy	Written censure and verbal or written reprimand	213	175	151
	Reduction in remuneration (up to four hours)	0	0	0
	Suspension from work with subtraction of remuneration (from one to ten days)	284	179	349
	Justified dismissal	40	29	50
	No. of disciplinary sanctions towards employees for corruption	0	0	0
	No. of dismissals for corruption	0	0	0
Abroad	Written censure and verbal or written reprimand	671	645	1,312
	Reduction in remuneration (up to four hours)	216	52	92
	Suspension from work with subtraction of remuneration (from one to ten days)	3	10	5
	Justified dismissal	179	311	199
	No. of disciplinary sanctions towards employees for corruption	0	3	0
	No. of dismissals for corruption	5	11	0

COURT CASES INVOLVING CURRENTLY EMPLOYED STAFF		2011	2010	2009
Italy	Termination of employment	57	19	28
	Establishment and development of work relations	101	63	84
	Duties and qualifications	76	68	68
	Welfare and assistance	8	8	108
	Economic treatment	138	111	134
	Anti-union behaviour	7	10	10
	Active (undertaken by the Bank against employees)	9	8	8
	Causes for mobbing	0	0	0
	Miscellaneous	53	32	46
	Requests sent to the Provincial Employment Office	48	241	221
Abroad	Termination of employment	189	132	123
	Establishment and development of work relations	16	16	18
	Duties and qualifications	35	33	45
	Welfare and assistance	6	0	1
	Economic treatment	30	45	41
	Anti-union behaviour	0	0	0
	Active (undertaken by the Bank against employees)	99	100	90
	Causes for mobbing	0	0	0
	Miscellaneous	47	59	58

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.

CORPORATE WELFARE, HEALTH AND SAFETY

CONTRIBUTIONS FOR WORKERS [THOUSAND EURO]		2011	2010	2009
Italy	Insurance and accident policies	8,146	8,608	9,560
	Loyalty bonus	12,888	10,462	13,362
	Contributions for children/students	4,706	4,514	4,708
	Cultural and recreational activities	2,524	2,710	3,390
	Grants for disabled children	1,771	1,753	1,665
Abroad	Insurance and accident policies	1,288	2,799	1,839
	Loyalty bonus	225	219	156
	Contributions for children/students	227	237	183
	Cultural and recreational activities	1,384	1,184	3,167
	Grants for disabled children	46	10	10

ABSENCE RATE ACCORDING TO REASON (ON THEORETICAL WORKING DAYS) [%]		2011	2010	2009
Italy	Percentage of total theoretical working days	6.3	7.0	8.3
	Illness	2.9	3.0	3.9
	Accident	0.1	0.1	0.1
	Child care	2.1	2.2	2.3
	Personal and family reasons	0.4	0.5	0.6
	Leave for public duties	0.1	0.1	0.1
	Leave for blood donation	0.1	0.1	0.1
	Disability	0.5	0.5	0.5
	Other	0.2	0.5	0.7
	Abroad	Percentage of total theoretical working days	11.8	12.4
Illness		2.1	2.2	2.3
Accident		0.1	0.1	0.1
Child care		6.9	6.2	5.2
Personal and family reasons		2.3	3.5	3.5
Other		0.4	0.4	0.3

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

MEDICAL BENEFITS		2011	2010	2009
Italy	Health insurance policies [thousand euro]	82,082	76,443	66,402
	Medical benefits: number of beneficiaries	69,430	70,723	70,986
	Complementary welfare [thousand euro]	148,474	130,853	130,540
	Supplemental retirement benefits: number of beneficiaries	66,464	66,919	75,778
Abroad	Health insurance policies [thousand euro]	2,896	6,444	16,796
	Medical benefits: number of beneficiaries	11,013	13,680	18,833
	Complementary welfare [thousand euro]	4,950	5,078	6,098
	Supplemental retirement benefits: number of beneficiaries	6,798	7,127	7,113

CREDIT FACILITIES FOR EMPLOYEES		2011	2010	2009
Italy	Mortgages	3,500	3,487	3,463
	Total cost of mortgages granted [thousand euro]	504,598	494,232	471,850
	Loans	7,007	8,621	14,945
	Total amount loaned [thousand euro]	122,891	158,789	254,845
Abroad	Mortgages	1,170	2,174	1,760
	Total cost of mortgages granted [thousand euro]	51,875	37,588	26,971
	Loans	8,011	8,312	6,743
	Total amount loaned [thousand euro]	78,296	82,141	62,548

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.

ACCIDENTS PER YEAR		2011	2010	2009
Italy	Accidents inside the Company	228	326	283
	Accidents outside the Company	629	654	714
	Total accidents throughout the year	857	980	997
	Percentage of accidents [%]	1.3	1.4	1.4
Abroad	Accidents inside the Company	39	179	290
	Accidents outside the Company	156	43	91
	Total accidents throughout the year	195	222	381
	Percentage of accidents [%]	0.6	0.7	1.2

ROBBERIES		2011	2010	2009
Italy	Robberies	165	268	366
	No. of robberies per 100 branches	3.3	5.1	6.7
Abroad	Robberies	21	14	25
	No. of robberies per 100 branches	1.3	0.8	1.3

INJURIES BY TYPE		2011
Italy	Driving accidents	417
	Tumbles / slips	292
	Robbery	28
	Other cases	120
Abroad	Driving accidents	17
	Tumbles / slips	130
	Robbery	3
	Other cases	45

HEALTH AND SAFETY		2011
Italy	No. appeals for occupational diseases	7
	No. serious injuries	68
	No. serious injuries with final judgment	0
	Employees work deaths with final judgment	0
Abroad	No. appeals for occupational diseases	0
	No. serious injuries	5
	No. serious injuries with final judgment	0
	Workplace fatalities with final judgment	0

HEALTH AND SAFETY: RATES*		2011
Italy	Injury rate	0.013
	Occupational diseases rate	0.000
	Absentee rate	0.030
Abroad	Injury rate	0.006
	Occupational diseases rate	0.000
	Absentee rate	0.022
Group	Injury rate	0.011
	Occupational diseases rate	0.000
	Absentee rate	0.027

*Injury rate calculated as the ratio between the total number of injuries during the year and the average workforce. The occupational diseases rate is the total number of claims for occupational diseases divided by the average workforce. The absenteeism rate is the ratio between the number of days lost for sickness and injuries and the average workforce figure multiplied by 220.

SHAREHOLDERS

COMMUNICATIONS	2011
Institutional presentations	60
Financial disclosures published	206
Number of roadshows	24
Europe	19
United States	5
Meetings with investors and analysts	311
Requests received and resolved by the shareholders' help desk	12.000

RECOMMENDATIONS	DECEMBER 2011	DECEMBER 2010
Buy	54%	56%
Hold	37%	28%
Sell	9%	16%

In 2011 the share price was monitored and covered by 35 analysts, up from 43 in 2010. Their opinions were clearly influenced by the severe financial crisis, which reduced prospective outlook for the banking industry, and the resulting caution was reflected in the recommendations, although the majority of opinions remained positive.

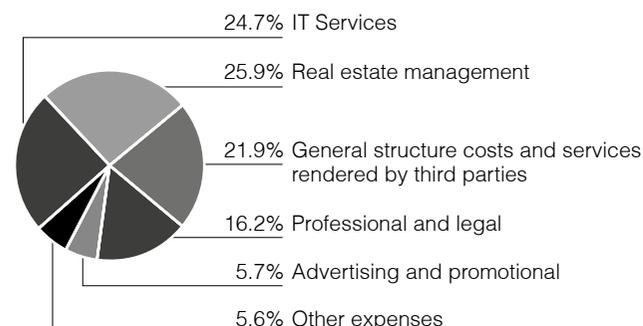
SUPPLIERS

SUPPLIERS (ITALY)	2011	2010
Number of suppliers	49.634	41.167
Number of suppliers registered on the portal	1.600	2.000
Number of suppliers registered on the portal and that subscribe the Code of Ethics*	3%	5%
Number of suppliers assessed by Bank personnel	758	209

*During 2011, with the aim of gaining a better understanding of suppliers and their sustainability policies and to guarantee transparency in relations, access to the e-sourcing Portal was renewed for both regular and first-time suppliers. In this way the registered users count increased from zero to over 1,600.

BREAKDOWN OF ADMINISTRATIVE EXPENSES BY CATEGORY [%]	2011	2010	2009
IT services	24.7	26.0	26.9
Real estate management	25.9	25.4	24.9
General structure costs and services rendered by third parties	21.9	19.9	19.4
Professional and legal	16.2	17.5	17.7
Advertising and promotional	5.7	5.6	5.4
Other expenses	5.6	5.6	5.7

BREAKDOWN OF 2011 ADMINISTRATIVE EXPENSES BY CATEGORY



ENVIRONMENT

DIRECT IMPACTS

PARAMETERS		UNITS	2011	2010	2009
Italy	Total Employees + Advisors	number	70,541	72,644	72,170
	Employees	number	67,697	69,996	69,255
	Advisors	number	2,844	2,648	2,915
	Business trips	number	663,484	648,300	539,000
	Total transport	km	144,747,716	134,730,358	121,700,000
	Floor area	m ²	3,026,062	3,057,999	3,302,469
Abroad	Total Employees + Advisors	number	30,227	30,795	32,601
	Employees	number	30,165	30,744	32,432
	Advisors	number	62	51	169
	Business trips	number	n.d.	n.d.	n.d.
	Total transport	km	n.d.	n.d.	n.d.
	Floor area	m ²	698,502	853,469	856,580

TRANSPORT		UNITS	2011	2010	2009
Italy	Air travel	km	40,542,409	29,699,175	35,900,000
	Rail travel	km	24,600,435	23,718,224	20,600,000
	Fleet	km	43,026,559	35,217,083	27,800,000
	Personal cars	km	36,578,313	46,095,875	37,400,000
	Videoconferences	number	10,976	8,844	n.d.
	Total transport per employee	km/emp.	218	208	226

*Primary energy consumption to produce cogenerated intermediate energy is included in the direct consumption of primary energy.

ENERGY*		UNITS	2011	2010	2009	
Italy	Direct consumption of primary energy (not renewable)	GJ	829,983	853,593	1,032,283	
	Intermediate energy consumption	GJ	1,767,099	1,882,622	1,933,647	
	Primary energy consumption for production intermediate energy	GJ	1,828,975	1,994,001	2,056,944	
	Energy use					
	Total energy consumption	MWh	689,602	729,641	793,308	
		kTEP	132	141	148	
	Total electricity consumption	MWh	472,485	507,755	520,074	
	Energy from renewable sources	%	94.3	92.4	92.1	
	Energy from cogeneration	%	2.6	2.4	2.3	
	Electricity per employee	kWh/coll.	6,698	6,990	7,206	
	Electricity per m ²	kWh/m ²	156	166	157	
	Total heat energy consumption	MWh	217,116	221,886	273,233	
	Natural gas	MWh	197,381	195,844	244,572	
	Oil	MWh	19,736	26,042	28,661	
	Fleet					
	Total energy from the Fleet (petrol + oil)	MWh	22,609	22,134	21,523	
	Abroad	Direct consumption of primary energy (not renewable)	GJ	118,953	99,926	229,645
		Intermediate energy consumption	GJ	448,361	455,505	428,313
		Primary energy consumption for production intermediate energy	GJ	1,174,770	1,188,296	1,216,867
Energy use						
Total energy consumption		MWh	156,672	153,400	182,417	
		kTEP	31	30	34	
Total electricity consumption		MWh	111,644	110,315	118,976	
Energy from renewable sources		%	2.1	0.1	0.3	
Energy from cogeneration		%	0.0	0.0	0.0	
Electricity per employee		kWh/coll.	3,694	3,582	3,649	
Electricity per m ²		kWh/m ²	160	129	139	
Total heat energy consumption		MWh	45,028	43,085	63,442	
Natural gas		MWh	40,782	36,975	59,127	
Oil		MWh	4,246	6,110	4,314	
Fleet						
Total energy from the Fleet (petrol + oil)		MWh	n.d.	n.d.	n.d.	

CO ₂ EMISSIONS		UNITS	2011	2010	2009
Italy	Total CO ₂ emissions	tCO ₂	70,653	83,250	93,184
	Direct+indirect emissions				
	Scope 1	tCO ₂	48,349	49,813	58,761
	Scope 2	tCO ₂	9,926	15,047	18,156
	Total Scope 1 + 2	tCO ₂	58,275	64,860	76,918
	Total Scope 1+2/employee	tCO ₂ / employee	0.8	0.9	1.1
	Business Travel				
	Scope 3	tCO ₂	12,378	18,390	16,267
Abroad	Total CO ₂ emissions	tCO ₂	54,040	54,378	82,960
	Direct+indirect emissions				
	Scope 1	tCO ₂	6,709	5,630	14,875
	Scope 2	tCO ₂	47,331	48,748	68,085
	Total Scope 1 + 2	tCO ₂	54,040	54,378	82,960
	Total Scope 1+2/employee	tCO ₂ / employee	1.8	1.8	2.5
	Business Travel				
	Scope 3	tCO ₂	n.d.	n.d.	n.d.

PAPER		UNITS	2011	2010	2009
Italy	Total paper consumption	tonnes	6,600	7,697	7,737
	Total paper consumption/employee	kg/employee	93.6	106.0	107.2
	Recycled paper as a % of the total	%	48.9	0.2	0.0
	FSC ecological paper as a % of the total	%	0.9	0.1	41.2
	ECF/TCF paper as a % of the total	%	5.4	5.2	n.d.
	FSC and ECF/TCF paper as a % of the total	%	18.6	65.8	n.d.
	Other certified paper as a % of the total	%	0.3	n.d.	n.d.
Abroad	Total paper consumption	tonnes	2,631	2,820	2,640
	Total paper consumption/employee	kg/employee	87.0	91.6	81.0
	Recycled paper as a % of the total	%	5.7	4.0	9.0
	FSC ecological paper as a % of the total	%	24.2	0.1	16.9
	ECF/TCF paper as a % of the total	%	26.6	23.9	34.2
	FSC and ECF/TCF paper as a % of the total	%	4.5	26.6	n.d.
	Other certified paper as a % of the total	%	0.0	n.d.	n.d.

CONVERSION FACTORS TO CALCULATE CO ₂ EQUIVALENT EMISSIONS		UNITS	2011	2010	2009
Electric Energy	ITALY	kg/kWh	0.415	0.450	0.501
	Central Europe	kg/kWh	0.388	0.664	0.476
	Southern Mediterranean and Asia	kg/kWh	0.517	0.459	0.576
	Suoth Eastern Europe	kg/kWh	0.476	0.523	0.576
	Central Eastern Europe	kg/kWh	0.293	0.310	0.576
	Commonwealth of Independent States	kg/kWh	0.388	0.321	0.576
	Gas	ITALY	kg/m ³	1.970	1.979
Central Europe		kg/m ³	1.969	1.963	1.824
Southern Mediterranean and Asia		kg/m ³	-	1.938	2.208
Suoth Eastern Europe		kg/m ³	1.932	1.934	2.208
Central Eastern Europe		kg/m ³	1.921	1.917	2.208
Commonwealth of Independent States	kg/m ³	1.929	1.934	2.208	
Oil	ITALY	kg/liter	2.650	2.528	2.600
	Central Europe	kg/liter	-	2.628	2.470
	Southern Mediterranean and Asia	kg/liter	2.472	2.470	2.990
	Suoth Eastern Europe	kg/liter	2.490	2.407	2.990
	Central Eastern Europe	kg/liter	2.577	2.569	2.990
	Commonwealth of Independent States	kg/liter	-	2.254	2.990

The review of equivalent CO₂ 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. Details on the individual foreign countries are available on the Intesa Sanpaolo Group's web site [👉](#).

WASTE: DISPOSAL METHOD OR RECOVERY		UNITS	2011	2010	2009
Italy	Recycling	tonnes	1,944	2,443	2,809
	Recovery	tonnes	585	699	707
	Reuse	tonnes	369	438	436
	Landfill	tonnes	127	140	587
	Incinerator	tonnes	n.d.	n.d.	n.d.
	Abroad	Recycling	tonnes	478	512
Recovery		tonnes	25	38	33
Reuse		tonnes	15	22	22
Landfill		tonnes	36	23	10
Incinerator		tonnes	n.d.	n.d.	n.d.

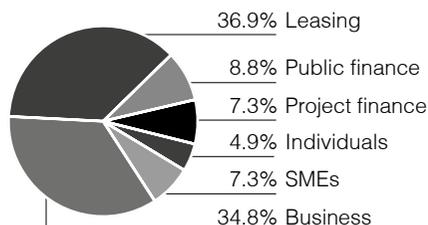
WASTE		UNITS	2011	2010	2009
Italy	Total Waste	tonnes	3,026	3,720	4,539
	Total Waste/employee	kg/employee	42,9	51,2	62,9
	Total Special waste	tonnes	2,952	3,635	4,085
	Total Hazardous waste	tonnes	73	85	455
Abroad	Total Waste	tonnes	554	595	542
	Total Waste/employee	kg/employee	18,3	19,3	16,6
	Total Special waste	tonnes	526	583	541
	Total Hazardous waste	tonnes	28	12	2

The measurement is based on audits and reports provided by suppliers.

WATER		UNITS	2011	2010	2009
Italy	Total water consumed	m³	1,803,531	3,302,738	3,071,432
	Total water consumption/employee	m³/employee	25.6	45.5	42.6
Abroad	Total water consumed	m³	653,282	637,481	621,271
	Total water consumption/employee	m³/employee	21.6	20.7	19.1

INDIRECT IMPACTS

FINANCING FOR ENERGY EFFICIENCY AND RENEWABLE ENERGY [%]



Within the Group, the total financing for energy efficiency and renewable energy projects was 3.7 billion euro (1.02% of total loans).

EQUATOR PRINCIPLES				
COUNTRIES	REGION	SECTOR	CATEGORY	N. PROJECTS
OECD high income	Oceania	Infrastructures	C	2
		Total Oceania		
	Europe	Wind power	C	4
			B	4
			n.d.*	1
		Solar power	C	5
			B	7
			n.d.*	1
			Total Europe	
	North America	Petrochemical	B	1
		Solar power	A	1
		Energy	B	4
		Infrastructures	B	1
		Total North America		
	Non OECD	Africa	Manufacturing	B
Energy			B	1
Total Africa			2	
Asia		Petrochemical	B	1
		Total Asia		
East Europe		Wind power	B	1
		Total East Europe		
Latin America		Oil&Gas	B	3
		Total Latin America		
TOTAL**				43

Classification according to World Bank.

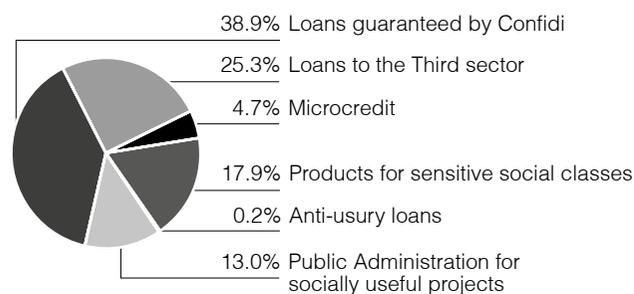
* Projects declined in the preliminary phase and hence not yet classified.

**Of which 27 closed, 5 approved by credit function, 1 in screening phase and 10 declined.

COMMUNITY

BANCA PROSSIMA	2011	2010	2009
Customers	16,702	11,469	7,062
Borrowing customers	4,050	2,375	1,443
Loans [thousand euro]	626,512	371,009	204,404
Direct deposits [thousand euro]	837,020	623,522	361,807
Indirect deposits [thousand euro]	2,779,439	2,567,164	285,234
Short-term loans [thousand euro]	354,647	187,413	109,259
Medium-term loans [thousand euro]	271,865	183,569	95,145

INITIATIVES WITH HIGH SOCIAL IMPACT 2011 [%]



In Italy the total financing for high social impact projects was 2.3 billion euro (0.72% of total loans). Loans for Public Administration were granted ASL and healthcare facilities, universities and local public service facilities. The other loans are aimed at families and SME customers.

MEDIA RELATIONS	2011	2010	2009
Press releases	929	842	761
Press conferences	216	185	184
Product presentations and initiatives	139	144	130

DONATIONS IN THE VARIOUS AREAS OF ACTION [THOUSAND EURO]		2011	2010	2009
Italy	Cultural Heritage	3,955	3,458	2,878
	National and international solidarity initiatives	3,643	5,702	3,927
	Health support and research	1,000	1,256	1,039
	Training, university research and study grants	1,396	1,135	809
	Support for families	1,452	1,020	819
	Local initiatives	699	1,117	656
	Miscellaneous	1,386	1,595	716
	Total	13,530	15,283	10,844
	Abroad	Cultural Heritage	283	290
National and international solidarity initiatives		583	888	572
Health support and research		241	268	45
Training, university research and study grants		2,787	3,100	2,936
Support for families		582	351	265
Local initiatives		731	292	44
Miscellaneous		1,169	1,585	676
Total		6,378	6,773	5,187

SPONSORSHIPS TO THE VARIOUS AREAS OF INTERVENTION [THOUSAND EURO]		2011	2010	2009
Italy	Education	957	1,105	1,034
	Sport	9,314	9,433	10,337
	Culture	13,984	11,441	14,390
	Research	834	875	695
	Social Solidarity	1,320	709	1,016
	Other	8,814	9,914	6,469
	Total	35,223	33,476	33,941
Abroad	Education	452	515	180
	Sport	1,532	1,817	2,725
	Culture	603	976	800
	Research	49	311	31
	Social Solidarity	207	649	353
	Other	992	794	813
	Total	3,835	5,063	4,902

PROFILE DISCLOSURES

PROFILE DISCLOSURE	DESCRIPTION	REPORTED	CROSS-REFERENCE/DIRECT ANSWER	REASON FOR OMISSION OR PARTIAL REPORTING	EXPLANATION	CORE
1. STRATEGY AND ANALYSIS						
1.1	Statement from the most senior decision-maker for the relevance of sustainability for the organization.	Fully	p. 6-7 ↗ , 12 ↗ , Results 2011 ↗			■
1.2	Description of key impacts, risks, and opportunities.	Fully	p. 6-7 ↗ , 12 ↗ , 14-15 ↗ , 20 ↗ , 21 ↗ , 76-77 ↗ , Results 2011 ↗			■
2. ORGANIZATIONAL PROFILE						
2.1	Name of the organization.	Fully	Cover			■
2.2	Primary brands, products, and/or services.	Fully	p. 13 ↗ , A presentation of the Group ↗ , Our brand ↗			■
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	Fully	p. 13 ↗ , Organisational structure ↗			■
2.4	Location of organization's headquarters.	Fully	p. 116 ↗			■
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. 13 ↗ , A presentation of the Group ↗			■
2.6	Nature of ownership and legal form.	Fully	p. 116 ↗ , Shareholder base ↗			■
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	Fully	p. 13 ↗ , 83 ↗ , 84 ↗ , A presentation of the Group ↗			■
2.8	Scale of the reporting organization.	Fully	p. 13 ↗ , 80 ↗ , A presentation of the Group ↗ , Shareholder base ↗ , Financial Reports (Reports 2011, p. 8-9, 26, 32-33, 54, 86-120, 148, 158, 171-177, 254-255) ↗ .			■
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	Fully	p. 9 ↗ , Shareholder base ↗			■
2.10	Awards received in the reporting period.	Fully	p. 39 ↗ , 46 ↗ , 60 ↗ , Awards ↗			■
3. REPORT PARAMETERS						
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	Fully	p. 9 ↗			■
3.2	Date of most recent previous report (if any).	Fully	p. 9 ↗			■
3.3	Reporting cycle (annual, biennial, etc.)	Fully	p. 9 ↗			■
3.4	Contact point for questions regarding the report or its contents.	Fully	p. 116 ↗			■
3.5	Process for defining report content.	Fully	p. 8-9 ↗ , 19 ↗ , 20 ↗ , 25 ↗			■
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers).	Fully	p. 9 ↗ , Organisational structure ↗			■

PROFILE DISCLOSURE	DESCRIPTION	REPORTED	CROSS-REFERENCE/DIRECT ANSWER	REASON FOR OMISSION OR PARTIAL REPORTING	EXPLANATION	CORE
3.7	State any specific limitations on the scope or boundary of the report.	Fully	p. 8-9 ↗			■
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. 13 ↗ , Organisational structure ↗			■
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. 9 ↗ , 58-59 ↗ , 97 ↗ , 100 ↗			■
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. 9 ↗			■
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Fully	p. 9 ↗			■
3.12	Table identifying the location of the Standard Disclosures in the report.	Fully	p. 103-114 ↗			■
3.13	Policy and current practice with regard to seeking external assurance for the report.	Fully	p. 8-9 ↗ , 115 ↗			■
4. GOVERNANCE, COMMITMENTS AND ENGAGEMENT						
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. 14-15 ↗ , Report on Corporate Governance and Ownership Structures - Report on Remuneration (p. 34-43, 53-56, 91, 94) ↗			■
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	Fully	p. 14-15 ↗ , Report on Corporate Governance and Ownership Structures - Report on Remuneration (p. 30-31, 50-51) ↗ , Management Board ↗			■
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. 14-15 ↗ , Report on Corporate Governance and Ownership Structures (p. 33-34, 49-52) ↗			■
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Fully	p. 14-15 ↗ , Report on Corporate Governance and Ownership Structures - Report on Remuneration (p. 83-88) ↗ , Shareholders' meeting ↗		According to Italian law, participation by committees composed of representatives of employees in highest governance bodies is not envisaged. Employees holding ordinary shares of the Bank may exercise their voting rights and take part in the 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. 14-15 ↗ , Report on Corporate Governance and Ownership Structures - Report on Remuneration (p. 103-106, 117) ↗			■
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Fully	p. 14-15 ↗ , Report on Corporate Governance and Ownership Structures - Report on Remuneration (p. 73-82) ↗			■
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. 14-15 ↗ , Report on Corporate Governance and Ownership Structures - Report on Remuneration (p. 31-32, 52-53) ↗			■

PROFILE DISCLOSURE	DESCRIPTION	REPORTED	CROSS-REFERENCE/DIRECT ANSWER	REASON FOR OMISSION OR PARTIAL REPORTING	EXPLANATION	CORE
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. 11 ↗ , 16-18 ↗ , 21 ↗ , 37 ↗ , 64 ↗ , Code of Ethics ↗ , Report on Corporate Governance and Ownership Structures - Report on Remuneration (p. 15) ↗ , Policies ↗ , Code of Conduct ↗			■
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	p. 14-15 ↗ , 17 ↗ , Prevention and mitigation of risks ↗			■
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	Fully	p. 14-15 ↗ , Report on Corporate Governance and Ownership Structures - Report on Remuneration (p. 45, 59-60) ↗			■
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	Fully	p. 14-15 ↗ , Report on Corporate Governance and Ownership Structures - Report on Remuneration (p. 65) ↗ , Prevention and mitigation of risks ↗			■
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	Fully	p. 17 ↗ , 18 ↗ , Adherence to international standards ↗			■
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations.	Fully	Our partnerships in sustainability ↗			■
4.14	List of stakeholder groups engaged by the organization.	Fully	p. 25 ↗			■
4.15	Basis for identification and selection of stakeholders with whom to engage.	Fully	p. 19 ↗ , The dialogue with Stakeholders ↗			■
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Fully	p. 19 ↗ , The dialogue with Stakeholders ↗			■
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. 19 ↗ , The dialogue with Stakeholders ↗			■

DISCLOSURE ON MANAGEMENT APPROACH

G3	DESCRIPTION	REPORTED	CROSS-REFERENCE/ DIRECT ANSWER	REASON FOR OMISSION OR PARTIAL REPORTING	EXPLANATION	TO BE REPORTED IN	CORE
DISCLOSURE ON MANAGEMENT APPROACH PS							
Portafoglio prodotti:							
FS1	Policies with specific environmental and social components applied to business lines.	Fully	p. 15 ↗ , 16-17 ↗ , 37 ↗ , 55 ↗ , 59 ↗ , 64 ↗ , Policies ↗ , Equator Principles ↗ , Mediocredito Italiano (Energy) ↗				■
FS2	Procedures for assessing and screening environmental and social risks in business lines.	Fully	p. 37 ↗ , 64 ↗ , Equator Principles ↗				■
FS3	Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions.	Fully	p. 64 ↗ , Equator Principles ↗				■
FS4	Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines.	Fully	p.45 ↗ , 64 ↗ , 65 ↗				■
FS5	Interactions with clients/investees/business partners regarding environmental and social risks and opportunities.	Fully	p.19 ↗ , 20 ↗ , 37 ↗ , 64 ↗ , The dialogue with stakeholders ↗				■
	Audits	Fully	p. 15 ↗ , 17 ↗ , Internal control system for the application of the Code of Ethics ↗ , Prevention and mitigation of risks ↗				■
	Active Ownership	Fully	Responsible Investment ↗				■
Disclosure on Management Approach EC							
	Economic Performance	Fully	p. 23 ↗ , 80-81 ↗ , Financial Reports (Reports 2011, p. 13, 29-42) ↗				■
	Market presence	Fully	p. 13 ↗ , 80 ↗ , 82-84 ↗ , A presentation of the Group ↗				■
	Indirect economic impacts	Fully	p. 26-28 ↗ , 33-35 ↗ , 66-70 ↗				■
Disclosure on Management Approach EN							
	Materials	Fully	p. 59-60 ↗ , 100 ↗				■
	Energy	Fully	p. 55-57 ↗ , 99 ↗				■
	Water	Fully	p. 59 ↗ , 100 ↗				■
	Biodiversity	Fully	p. 64 ↗				■
	Emissions, effluents and waste	Fully	p. 57-58 ↗ , 60 ↗ , 100-101 ↗				■
	Products and services	Fully	p. 61-64 ↗				■
	Compliance	Fully	Internal control system for the application of the Code of Ethics ↗				■
	Transport	Fully	p. 57-58 ↗ , 99-100 ↗				■
	Overall	Fully	p. 54 ↗ , Environment ↗				■
Disclosure on Management Approach LA							
	Employment	Fully	p. 39 ↗				■
	Labor/management relations	Fully	p. 43 ↗ , Labour/management relations ↗				■
	Occupational health and safety	Fully	p. 48-49 ↗ , Code of Ethics (p. 13) ↗				■
	Training and education	Fully	p. 44-45 ↗ , Code of Ethics (p. 13) ↗				■
	Diversity and equal opportunity	Fully	p. 42-43 ↗ , Code of Ethics (p. 13) ↗				■

G3	DESCRIPTION	REPORTED	CROSS-REFERENCE/ DIRECT ANSWER	REASON FOR OMISSION OR PARTIAL REPORTING	EXPLANATION	TO BE REPORTED IN	CORE
Disclosure on Management Approach HR							
	Investment and procurement practices	Fully	p. 52-53 ↗ , 61-64 ↗ Code of Ethics (p. 7) ↗				■
	Non-discrimination	Fully	p. 11 ↗ , 42-43 ↗ , Code of Ethics (p. 13) ↗				■
	Freedom of association and collective bargaining	Fully	Code of Ethics (p. 7) ↗ , Labour/management relations ↗				■
	Child labor	Fully	Code of Ethics (p. 7) ↗				■
	Forced and compulsory labor	Fully	Code of Ethics (p. 7) ↗				■
	Security practices	Fully	p. 48-49 ↗ , Code of Ethics (p. 13) ↗				■
	Indigenous rights	Fully	p. 11 ↗ , 64 ↗ , Code of Ethics (p. 10) ↗				■
Disclosure on Management Approach SO							
	Community	Fully	p. 66 ↗ , Code of Ethics (p. 17-18) ↗				■
	Corruption	Fully	p. 11 ↗ , Monitoring against corruption ↗				■
	Public policy	Fully	Relationship with community and international institutions ↗				■
	Anti-competitive behavior	Fully	p. 11 ↗ , Code of Ethics (p. 4) ↗ , Protection of free competition ↗				■
	Compliance	Fully	Code of Ethics (p. 5) ↗				■
Disclosure on Management Approach PR							
	Customer health and safety	Fully	p. 48-49 ↗ , Code of Ethics (p. 8,10) ↗ , Health and safety ↗				■
	Product and service labelling	Fully	p. 11 ↗ , 29 ↗ , 75 ↗ , Code of Ethics (p. 8) ↗ , Transparency to customers ↗				■
FS15	Policies for the fair design and sale of financial products and services.	Fully	p. 29 ↗ , Code of Ethics (p. 8) ↗ , Business Model ↗				■
	Marketing communications	Fully	p. 11 ↗ , Code of Ethics (p. 8) ↗ , Transparency to customers ↗				■
	Customer privacy	Fully	p. 11 ↗ , Code of Ethics (p. 10) ↗ , Privacy ↗				■
	Compliance	Fully	p. 15 ↗ , 75 ↗ , Internal control system for the application of the Code of Ethics ↗ , Code of Ethics (p. 5) ↗				■

PERFORMANCE INDICATORS

G3	DESCRIPTION	REPORTED	CROSS-REFERENCE/ DIRECT ANSWER	REASON FOR OMISSION OR PARTIAL REPORTING	EXPLANATION	TO BE REPORTED IN	CORE
DISCLOSURE ON MANAGEMENT APPROACH PS							
Product portfolio							
FS6	Percentage of the portfolio for business lines by specific region, size (e.g. micro/SME/large) and by sector.	Fully	p. 13 ↗ , 64 ↗ , 83-84 ↗ , About us (A presentation of the Group p. 5) ↗				■
FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose.	Fully	p. 67 ↗ , 102 ↗				■
FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose.	Fully	p. 61 ↗ , 101 ↗				■
Audit							
FS9	Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures.	Fully	p. 15 ↗ , 17 ↗ , Internal control system for the application of the Code of Ethics ↗				■
Active ownership							
FS10	Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues.	Fully	Responsible Investment ↗		Active share transactions are not effected		■
FS11	Percentage of assets subject to positive and negative environmental or social screening.	Fully	p. 84 ↗ , Responsible Investment ↗				■
FS12	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	Responsible Investment ↗		Active share transactions are not effected		■
ECONOMIC							
Economic performance							
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. 23 ↗ , 71 ↗ , 73 ↗ , 80-81 ↗		Breakdown of community investments by type isn't available because we haven't activities of voluntary work by employees		■
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	Partially	p. 6-7 ↗ , 54-65 ↗ , Climate Change ↗	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 2011 p. 263-267,286) ↗				■
EC4	Significant financial assistance received from government.	Fully	p. 84 ↗ , Financial Reports (Report 2011, p. 68, 69, 122, 158, 187-188, 250) ↗		This indicator is accountable only for the areas relating to finance activity		■

G3	DESCRIPTION	REPORTED	CROSS-REFERENCE/ DIRECT ANSWER	REASON FOR OMISSION OR PARTIAL REPORTING	EXPLANATION	TO BE REPORTED IN	CORE
Market presence							
EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.	Fully	p. 92 ↗				
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	Fully	p. 52-53 ↗ , 98 ↗		An in-house rule favouring the choice of suppliers on a local basis has not been issued		■
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	Fully	p. 39 ↗				■
Indirect economic impacts							
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	Fully	p. 35 ↗ , 64 ↗ , 84 ↗ , 102 ↗ , Support for Public Administration ↗				■
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	Fully	p. 20 ↗ , 27-28 ↗ , 33-37 ↗ , Business Plan 2011-2013/2015 ↗ , Macroeconomics - Macroeconomic Outlook ↗				
ENVIRONMENTAL							
Materials							
EN1	Materials used by weight or volume.	Fully	p. 59-60 ↗ , 100 ↗				■
EN2	Percentage of materials used that are recycled input materials.	Fully	p. 59 ↗ , 100 ↗				■
Energy							
EN3	Direct energy consumption by primary energy source.	Fully	p. 99 ↗				■
EN4	Indirect energy consumption by primary source.	Fully	p. 99 ↗				■
EN5	Energy saved due to conservation and efficiency improvements.	Fully	p. 56-57 ↗				
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. 61-64 ↗				
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Fully	p. 57-58 ↗ , 99 ↗		Only areas relating to the mobility of employees are accounted because they are the only ones relevant for the financial sector		
Water							
EN8	Total water withdrawal by source.	Fully	p. 59 ↗ , 101 ↗				■

G3	DESCRIPTION	REPORTED	CROSS-REFERENCE/ DIRECT ANSWER	REASON FOR OMISSION OR PARTIAL REPORTING	EXPLANATION	TO BE REPORTED IN	CORE
Biodiversity							
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 (see page 20) ↗		■
Emissions, effluents and waste							
EN16	Total direct and indirect greenhouse gas emissions by weight.	Fully	p. 58-59 ↗ , 100 ↗				■
EN17	Other relevant indirect greenhouse gas emissions by weight.	Not		Not material	There are no further significant greenhouse gas emissions		■
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Fully	p. 55-59 ↗ , 100 ↗				
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. 58 ↗		This indicator is accountable only for the areas relating to finance activity		■
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. 60 ↗ , 100-101 ↗		This indicator is accountable only for the areas relating to finance activity		■
EN23	Total number and volume of significant spills.	Not		Not applicable	Not applicable for financial activity		■
Products and services							
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Fully	p. 55-64 ↗				■
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	Not		Not material	Not material for financial activity		■
Compliance							
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Fully	p. 60 ↗				■
Transport							
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. 57-58 ↗ , 99 ↗				

G3	DESCRIPTION	REPORTED	CROSS-REFERENCE/ DIRECT ANSWER	REASON FOR OMISSION OR PARTIAL REPORTING	EXPLANATION	TO BE REPORTED IN	CORE
Overall							
EN30	Total environmental protection expenditures and investments by type.	Fully	p. 60 ↗				
LABOR PRACTICES AND DECENT WORK							
Employment							
LA1	Total workforce by employment type, employment contract, and region.	Fully	p. 89-90 ↗				■
LA2	Total number and rate of employee turnover by age group, gender, and region.	Fully	p. 39 ↗ , 91-92 ↗				■
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	Fully	p. 96 ↗				
Labor/management relations							
LA4	Percentage of employees covered by collective bargaining agreements.	Fully	p. 95 ↗				■
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	Fully	p. 95 ↗				■
Occupational health and safety							
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. 43 ↗ , 48 ↗				
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	Fully	p. 96-97 ↗		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. 46 ↗ , 48-49 ↗ , Health and Safety ↗				■
LA9	Health and safety topics covered in formal agreements with trade unions.	Fully	p. 48 ↗ , Health and Safety ↗				
Training and education							
LA10	Average hours of training per year per employee by employee category.	Fully	p. 94 ↗				■
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Fully	p. 39 ↗ , 44-45 ↗ , 47 ↗ , Training ↗				
LA12	Percentage of employees receiving regular performance and career development reviews.	Fully	p. 41 ↗				
Diversity and equal opportunity							
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. 89-90 ↗ , Supervisory Board ↗ , Management Board ↗		In the Supervisory Board one Director out of 18 is a woman. None of the Board members belong to minority groups		■
LA14	Ratio of basic salary of men to women by employee category.	Fully	p. 92 ↗				■

G3	DESCRIPTION	REPORTED	CROSS-REFERENCE/ DIRECT ANSWER	REASON FOR OMISSION OR PARTIAL REPORTING	EXPLANATION	TO BE REPORTED IN	CORE
HUMAN RIGHTS							
Diversity and equal opportunity							
HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.	Partially	p. 37 ↗ , 64 ↗ , 88 ↗ , 101 ↗	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	next report	■
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	Partially	p. 53 ↗ , 98 ↗	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. 93 ↗ , 94 ↗				
Non-discrimination							
HR4	Total number of incidents of discrimination and actions taken.	Fully	p. 42 ↗ , 95 ↗				■
Freedom of association and collective bargaining							
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. 3,7,16) ↗ , Relazioni Sindacali ↗				■
Child labor							
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. 18 ↗ , 64 ↗				■
Forced and compulsory labor							
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. 18 ↗ , 64 ↗				■
Security practices							
Indigenous rights							
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		
SOCIETY							
Community							
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. 64 ↗ , Equator Principles ↗				■
FS13	Access points in low-populated or economically disadvantaged areas by type.	Fully	p. 82-83 ↗				■
FS14	Initiatives to improve access to financial services for disadvantaged people.	Fully	p. 21 ↗ , 27-28 ↗ , 67-72 ↗ , 102 ↗				■

G3	DESCRIPTION	REPORTED	CROSS-REFERENCE/ DIRECT ANSWER	REASON FOR OMISSION OR PARTIAL REPORTING	EXPLANATION	TO BE REPORTED IN	CORE
Corruption							
SO2	Percentage and total number of business units analyzed for risks related to corruption.	Fully	Monitoring against corruption ↗				■
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	Fully	p. 93 ↗				■
SO4	Actions taken in response to incidents of corruption.	Fully	p. 95 ↗				■
Public policy							
SO5	Public policy positions and participation in public policy development and lobbying.	Fully	Relationship with community and international institutions ↗				■
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	Fully	Policies ↗ (Policy concerning the financing of political parties)				
Anti-competitive behavior							
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	Fully	p. 36 ↗ , Protection of free competition ↗				
Compliance							
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Fully	p. 36 ↗ , Financial Reports (Report 2011 p. 384-388) ↗				■
PRODUCT RESPONSIBILITY							
Customer health and safety							
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. 48-49 ↗ , Health and Safety ↗		This indicator is accountable only for the areas relating to finance activity		■
Product and service labelling							
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 customers ↗		This indicator is accountable only for the areas relating 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. 36 ↗ , Financial Reports (Report 2011 p. 384-387) ↗				
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	Fully	p. 30-31 ↗ , 85-86 ↗				
FS16	Initiatives to enhance financial literacy by type of beneficiary.	Fully	p. 29 ↗ , Financial Education ↗				■
Marketing communications							
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	Fully	p. 75 ↗				■
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		
Customer privacy							
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	Fully	p. 87 ↗ , Privacy ↗				
Compliance							
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	Fully	p. 36 ↗ , Financial Reports (Report 2011 p. 384-387) ↗				■

ADDITIONAL INDICATORS

CUSTOMERS	
Customer complaints by type	p. 32  , 87 
Quality systems (certifications, codes of conduct adopted)	p. 48  , 55  , Certifications 
Customers: Direct channels	Proximity 

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Breakdown of employees in branches according to role and gender	p. 93 
No. of participants in training (enrolled)	p. 94 
Training according to content	p. 93 
Training: no. training days per year, average per employee and method	p. 94 
Internal communication	p. 94 
Industrial relations: no. of days of absence and reason	p. 95 
Contentious: cases pending	p. 95 
Contentious: disciplinary provisions	p. 95 
Number of robberies	p. 97 

SHAREHOLDERS	
Recommendations by analysts	p. 98 
Rating	p. 51 
Communication with investors and analysts	p. 98 

SUPPLIERS	
No. suppliers in Italy	p. 98 
Breakdown of administrative costs by type	p. 98 

COMMUNITIES	
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AUDITORS' REPORT
(Translation from the original Italian text)

To the Management Board of Intesa Sanpaolo S.p.A.

1. We have carried out the compliance procedures and analyses on the Social Report of the Intesa Sanpaolo Group as of December 31, 2011, described in paragraph 2. of this report.

The procedures were carried out to evaluate the Management Board's statements, included in the paragraph "Introduction and Methodology" of the Social Report of the Intesa Sanpaolo Group as of December 31, 2011, on the basis of which it has been prepared in accordance with the Sustainability Reporting Guidelines issued by GRI - Global Reporting Initiative - and the social report guidelines for the banking sector prepared by the Association of Italian Banks (ABI) "Accounting to stakeholders. A guide for banks". The preparation of the Social Report in accordance with the guidelines above mentioned is the responsibility of Intesa Sanpaolo S.p.A.'s Management Board.

2. In order to evaluate the Management Board's statements mentioned in paragraph 1., we have performed certain procedures, as recommended by the Research Document n.1 issued by the Work Group for the Social Report (GBS) and in accordance with the criteria stated by the Audit Standard "International Standard on Assurance Engagements 3000", issued by the International Auditing and Assurance Standard Board ("IAASB"), which are summarized as follows:

- ▶ verified that the financial data and information are consistent with those included in the financial statements of Intesa Sanpaolo S.p.A. and the consolidated financial statements of the Intesa Sanpaolo Group as of December 31, 2011 with respect to which we issued our auditors' report dated April 23, 2012;
- ▶ analyzed the operation of the processes underlying the generation, recording and management of quantitative data. In particular, we have performed the following procedures:
 - ▶ interviews and discussions with management and personnel, to obtain an overview of the activity of the Intesa Sanpaolo Group, to gather information on the information technology, accounting and reporting systems used in preparing the Social Report, and to document the processes and procedures used to gather, combine, process and transmit data and information of the Group's operating units and departments to the function responsible for preparing the Social Report;

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 Consob al procedimento n. 2 del 6/8/1993 del 30/7/1997
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- ▶ sample-based analysis of supporting documentation used in preparing the Social Report to confirm the reliability of the information derived from interview, the effectiveness of procedures and their adequacy in relation to business objectives and the operation of the internal control system in managing the data and information;
- ▶ analyzed the completeness and consistency of the qualitative information included in the Social Report. This activity was carried out in line with the above mentioned guidelines;
- ▶ verified the process of the stakeholders' involvement, in terms of the methods used, completeness of the stakeholders and analysis of data findings in comparison with them, compared to the information reported in the Social Report;
- ▶ obtained the representation letter on the compliance of Social Report with the guidelines indicated in paragraph 1. and on the reliability and completeness of the information and data contained therein.

The Social Report presents, for comparative purposes, data of the preceding year, for which reference should be made to our auditors' report dated May 30, 2011.

3. Based on the procedures performed, we believe that the Social Report of the Intesa Sanpaolo Group as of December 31, 2011 complies with the guidelines and principles which form the basis of the preparation and which are described in the paragraph "Introduction and Methodology" of the Social Report. Moreover, the financial data included in the Social Report are consistent with the data and the information included in the financial statements of Intesa Sanpaolo S.p.A. and in the consolidated financial statements of the Intesa Sanpaolo Group as of December 31, 2011 and the other data and information are consistent with the documentation and meet the content requirements established by the guidelines and principles governing the preparation of the Social Report.

4. We draw your attention to the section "Improvement Objectives" which highlights the activities that the Intesa Sanpaolo Group has planned to carry out.

Turin, May 28, 2012

Reconta Ernst & Young S.p.A.
Signed by: Guido Celona
(Partner)

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Intesa Sanpaolo Spa

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Secondary Registered Office: Via Monte di Pietà 8, 20121 Milano
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VAT number 10810700152

Member of the National Interbank Deposit Guarantee Fund and of the National Guarantee Fund included in the National Register of Banks No. 5361 and Parent Company of "Intesa Sanpaolo" Group, included in the National Register of Banking Groups

COLLECTION “XX - VEL - XXI” FOR INTESA SANPAOLO

The 2011 Social Report is consistent in graphics terms with the previous year’s edition; a series of works specifically created starting from the memory of the 20th century that produce contemporary aesthetics and implement the Collection “XX-vel-XXI”.

For this edition, the images selection was made from the database of the valuable collections that will be exhibited in Spring 2012 at the historic offices of Banca Commerciale Italiana, Piazza della Scala, Milan, organised by Intesa Sanpaolo and Fondazione CARIPLO.

The publication is rounded out with works by the painter Maya Di Giulio and the designer Francesco Civelli.

The artistic work, conceived and directed by Ettore Lariani, involves three steps:

- selection of 20th century works from images that were freely selected and downloaded from the <Intesa Sanpaolo Cultural Heritage> website, based on symbolic and metaphorical relevance to the section titles and paragraphs of the 2011 Social Report;
- paintings by Maya Di Giulio who subjectively interprets each work in watercolours, removing and/or changing colours and subjects. She therefore does not make copies, but transfers shapes and colours that the original paintings (or rather their web-simulacra) transmit to her;
- digital processing by Francesco Civelli: once the new paintings are scanned, the IT artist processes them exploiting the potential of the digital world through non-replicable processes, therefore turning them into objects as opposed to paintings/interpretations of web-simulacra.

The two-step approach is a metaphor for the artistic and technical processes of our time, where a “sensorial” technique - to create with hands, brushes and paints - is moved towards immaterial technical reproduction every time it is reproduced in print or online.

Work title	Page	Author of the painting that inspired the work
Cover		Maya Di Giulio
Boards, Management, Auditors	2	Renato Mambor
Identity and governance	10	Attilio Rossi
Economic report	22	Oscar Ricciardi
Social report	24	Moses Levy
Customers	26	Emilio Tadini
Employees	38	Carlo Domenici
Shareholders	50	Italo Valenti
Suppliers	52	Carlo Domenici
Environment	54	Giulio Allori
Community	66	Gabriele Mucchi
Indicators	79	Franco Angeli

Intesa Sanpaolo respects the environment: this Report has been printed on certified ecological paper.



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