

## 8. Corporate social responsibility

### 8.1. Distribution of global added value

The following is a summary of the 2015 results in the various areas of the Banking Group's social responsibility. In particular, the profit and loss figures for the year have been restated according to the GAV (Global Added Value) method. GAV represents the wealth that the Group has generated and distributed to the various classes of stakeholders in its daily operations (for example, first and foremost, Financial Advisor networks and human resources). GAV is equal to the difference between total revenues and total costs of goods and services (so-called "consumption").

A significant role is played by shareholders, who expect a return from the financial means they have committed to the business, and by the State, i.e., the central and local administrative bodies as a whole, to which a significant part of the wealth that is produced is conferred in the form of direct and indirect taxes.

Great attention has also been paid to the needs of the community and the environment through charitable initiatives, as well as social and cultural works.

Lastly, there is the Group as a "business system" that must be able to rely on adequate resources to allocate to production investments and everyday operations. This is essential to guarantee the Group's economic growth and stability and, consequently, ensure the creation of new wealth for all stakeholders.

From a methodological standpoint, Value Added is obtained by reclassifying items of the profit and loss account of the Consolidated Financial Statements with the aim of highlighting the process involved in the formation of value added, in its various formulations, as well as its distribution.

The statements for the determination and distribution of Value Added were prepared based on the figures reported in the Consolidated Financial Statements for 2014-2015 and using the ABI guidelines as a reference.

The comparative figures for 2014 have been restated primarily to reclassify amongst staff expenses the net provisions for incentives and indemnities for the network of Financial Advisors, recoveries of expenses and indemnities charged to Financial Advisors and net provisions for staff expenses.

#### The distribution of Value Added

In 2015, the Banca Generali Group reported net revenues of 791.4 million euros, up by 95.8 million euros (+13.8%) compared to 2014, whereas consumption decreased by 11.3 million euros. The remarkable revenue increase was driven by the rise in the fee aggregate which offset the strong decline of interest income and, albeit to a lower extent, net income from trading activities.

The trend of consumption was instead mainly attributable to the decrease in general and administrative expense, as a result of the absence of non-recurring charges incurred in the previous year, the lower impact of provisions and adjustments, and the reduction in interest expense.

During the process of allocating Value Added, the new contributions paid to the Resolution and Deposit Protection Funds were classified according to the interpretation that views them as taxes.

Similarly, the net provisions for incentives and indemnities for the network of Financial Advisors, recoveries of expenses and indemnities charged to Financial Advisors and net provisions for staff were classified as staff expenses during the allocation process.

Therefore, gross GAV reached 661.5 million euros and was broken down as follows:

- > Human Resources (employees and other workers): approximately 13.3% of the gross GAV generated, for a total of 87.9 million euros, inclusive of provisions for the restructuring plan of 10.2 million euros (13.1% in 2014);
- > Financial Advisors: 42.1% of gross GAV, for a total of 278.8 million euros, inclusive of net provisions for incentives, recruitment plans and other contractual indemnities of 34.3 million euros (up from 41.8% in 2014);
- > Shareholders: 21.0% of gross GAV, a slight increase from 20.3% in 2014, due to the rise in the dividend approved from 0.98 euros to 1.20 euros;
- > State: approximately 10.5% of gross GAV, or 85.9 million euros, essentially in line with the previous year, due to the combined effect of the lesser estimated income tax burden and new contribution charges.

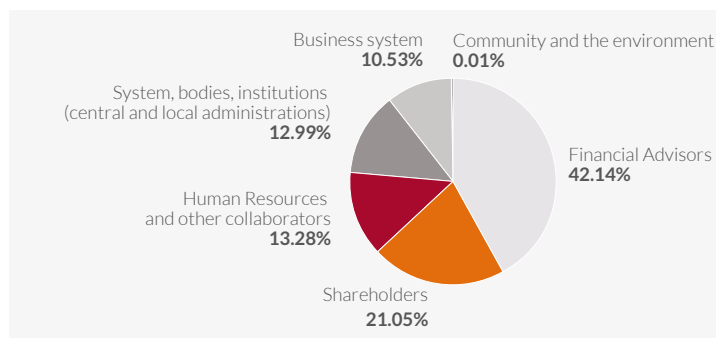
The business system retained, in the form of undistributed profits, depreciation and amortisation, an overall amount of 69.6 million euros, or 10.5% of GAV (9.3% in 2014). The amount is to be regarded as an investment that the other categories of stakeholders make each year in order to keep the company in efficient condition and foster its development.

#### Breakdown and distribution of Global Gross Added Value

ITEMS (€ THOUSAND)	2015	2014 RESTATED	CHANGE
<b>A. Total net revenues</b>	791,414	695,663	95,751
<b>B. Total consumption</b>	-129,915	-141,264	11,349
<b>C. Net result from insurance operations</b>	-	-	-
<b>D. Gross core added value</b>	661,499	554,399	107,100
<b>E. Global gross added value</b>	<b>661,493</b>	<b>557,432</b>	<b>104,061</b>
Divided among:			
<b>1. Shareholders</b>	<b>139,237</b>	<b>113,431</b>	<b>25,806</b>
Private shareholders <sup>(1)</sup>	139,237	113,431	25,806
Minority interests (+/-) for the year	-	-	-
<b>2. Human resources</b>	<b>366,623</b>	<b>305,959</b>	<b>60,664</b>
Employee expense; expense for indefinite - and fixed-term contracts	85,865	71,153	14,712
Financial Advisor expense, including net payments on account	278,751	233,137	45,614
Expense for other collaborators	2,007	1,669	338
<b>3. System, entities, institutions (central and peripheral administrations)</b>	<b>85,931</b>	<b>85,923</b>	<b>8</b>
Indirect and income taxation	42,538	41,639	899
Expense for contribution to Resolution and Deposit Guarantee funds	8,711	-	8,711
Income taxes for the year	34,682	44,284	-9,602
<b>4. Community and the environment</b>	<b>70</b>	<b>225</b>	<b>-155</b>
Charitable gifts	70	225	-155
<b>5. Banca Generali Group</b>	<b>69,632</b>	<b>51,894</b>	<b>17,738</b>
Change in reserves	64,322	47,474	16,848
Amortisation and depreciation	5,310	4,420	890
<b>Global Gross Added Value</b>	<b>661,493</b>	<b>557,432</b>	<b>104,061</b>

(1) Figures take into account the official dividend approved.

#### Breakdown of Total Added Value



## Statement of determination of the Global Added Value

ITEMS (€ THOUSAND)	2015	2014 RESTATED	CHANGE
10. Interest income and similar revenues	69,743	117,712	-47,969
40. Fee income	651,960	484,619	167,341
70. Dividends and similar income	3,120	2,570	550
80. Net income (loss) from trading activities	4,489	4,584	-95
90. Net profit from hedging	-	-	-
100. Gain (loss) from sale or repurchase of:	21,301	47,786	-26,485
a) receivables	1,700	3,120	-1,420
b) AFS financial assets	19,601	44,666	-25,065
c) HTM financial assets	-	-	-
d) financial liabilities	-	-	-
110. Net profit from financial assets and liabilities at fair value	-	-	-
220. Other operating expenses/income <sup>(4)</sup>	40,841	38,392	2,449
240. Gain (loss) of equity investments	-40	-	-40
<b>A. Total net revenues</b>	<b>791,414</b>	<b>695,663</b>	<b>95,751</b>
20. Interest expense and similar charges	-3,513	-10,707	7,194
50. Fee expense <sup>(1)</sup>	-34,560	-29,257	-5,303
180.b Other general and administrative expense <sup>(2)</sup>	-82,701	-86,594	3,893
130. Net adjustments/reversals due to impairment of:	-6,471	-10,995	4,524
a) receivables	-1,121	-7,530	6,409
b) AFS financial assets	-2,845	-3,035	190
c) HTM financial assets	-2,575	-286	-2,289
d) other financial operations	70	-144	214
190. Net provisions for liabilities and contingencies <sup>(3)</sup>	-2,670	-3,711	1,041
200. Net adjustments/reversal of property and equipment (excluding amortisation and depreciation)	-	-	-
210. Net adjustments/reversal of intangible assets (excluding amortisation and depreciation)	-	-	-
260. Adjustments of goodwill	-	-	-
<b>B. Total consumption</b>	<b>-129,915</b>	<b>-141,264</b>	<b>11,349</b>
<b>D. Gross core added value</b>	<b>661,499</b>	<b>554,399</b>	<b>107,100</b>
250. Net result of fair value measurement of tangible and intangible assets	-	1	-1
270. Gains (losses) from disposal of investments	-6	-18	12
310. Income (loss) of disposal groups, net of taxes	-	3,051	-3,051
<b>E. Global gross added value</b>	<b>661,493</b>	<b>557,432</b>	<b>104,061</b>
Amortisation and depreciation	-5,310	-4,420	-890
<b>F. Net global added value</b>	<b>656,183</b>	<b>553,012</b>	<b>103,171</b>
180.a Staff expenses <sup>(5)</sup>	-366,623	-305,959	-60,664
180.b Other general and administrative expense: indirect taxation <sup>(6)</sup>	-42,538	-41,639	-899
180.b Other general and administrative expense: charges for resolution and deposit protection funds <sup>(6)</sup>	-8,711	-	-8,711
180.b Other general and administrative expense: charitable gifts <sup>(6)</sup>	-70	-225	155
<b>G. Pre-tax result</b>	<b>238,241</b>	<b>205,189</b>	<b>33,052</b>
290. Income taxes for the period on operating activities	-34,682	-44,284	9,602
330. Minority interests (+/-) for the year	-	-	-
<b>H. Profit (loss) of the Parent Company for the year</b>	<b>203,559</b>	<b>160,905</b>	<b>42,654</b>

(1) This figure differs from that included in the profit and loss account in the financial statements, as the compensation for the Financial Advisor network have been reclassified to "Staff expenses".

(2) This figure differs from that included in the profit and loss account in the Financial Statements, due to the exclusion of indirect and direct taxes, contributions to the Resolution and Deposit Protection funds and charitable gifts (which have been stated in the related specific items).

(3) This figure differs from that included in the profit and loss account in the Financial Statements, due to the exclusion of net provisions for incentives and indemnities in favour of the Financial Advisor network and net provisions for personnel.

(4) This figure differs from that included in the profit and loss account in the Financial Statements, due to the exclusion of expenses recovered from Financial Advisors and staff contingencies (which have been stated in the related specific items).

(5) This figure differs from that included in the profit and loss account in the Financial Statements, as it includes remuneration paid to the Financial Advisor network and the relevant provisions.

(6) This figure is stated as a specific item in the statement of determination of Added Value.