

# Economic value generated and distributed

The statement of the economic value created and distributed to stakeholders constitutes the link between the Social Report and the Consolidated Financial Statements. Careful reclassification of the income statement brings out the magnitude of the total economic value created by the Group and its distribution.

Part of the economic value created is retained by the Group for self-finance and part is distributed to the various internal and external stakeholders.

The statement has been prepared in compliance with the model recommended by the Italian Banking Association in December 2010. This broadens the notion of value added to also include the costs incurred for the purchase of goods and services from suppliers within economic value created in accordance with international practice and consistent with GRI recommendations.

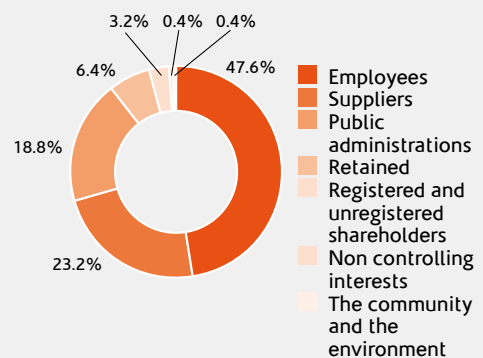
## 2010 results

Again in 2010 the operating results, discussed in depth in the consolidated management report in the 2010 Annual Report, were affected by the economic situation, depressed by a context of crisis not completely recovered from, by uncertainty inherited from the turmoil and imbalances of the last four years, and by sudden and unexpected pressures on financial markets, all factors which perpetuate the disorientation of market participants.

The year was characterised for the Group by a fall in ordinary revenues, which could not be offset by a more severe policy to contain costs, as they continued to be affected by the economic situation, the high loan losses, although now falling, and impairment losses on financial assets.

The year 2010 therefore ended with a fall of 5.0% in the total economic value created from 3,209 million euro to 3,048 million euro. The reduction affected the proportions distributed to the various stakeholders in differing amounts.

Distribution of economic value generated



<b>Determination and distribution of economic value created</b> (thousands of euro)	<b>2010</b>	<b>2009</b>	<b>Change</b>	
Interest income and similar	3,525,312	4,213,948	-688,636	-16.3%
Interest expenses and similar charges	(1,378,714)	(1,718,320)	-339,606	-19.8%
Commission income	1,378,117	1,329,184	+48,933	+3.7%
Commission expenses	(196,892)	(199,009)	-2,117	-1.1%
Dividends and similar income	24,099	10,609	+13,490	+127.2%
Net trading income (loss)	(56,891)	13,864	-70,755	-510.4%
Net hedging income (loss)	67,209	15,960	+51,249	+321.1%
Income (loss) from disposal or repurchase of:	17,057	122,115	-105,058	-86.0%
a) loans	(3,850)	(81)	-3,769	-4653.1%
b) available-for-sale financial assets	31,245	30,516	+729	+2.4%
c) held-to-maturity investments	-	37,441	-37,441	-100.0%
d) financial liabilities	(10,338)	54,239	-64,577	-119.1%
Net income/expenses on financial assets and liabilities at fair value	6,669	(25,151)	+31,820	-126.5%
Net impairment losses on:	(756,653)	(914,371)	+157,718	+17.2%
a) loans	(706,932)	(865,211)	+158,279	+18.3%
b) available-for-sale financial assets	(42,364)	(43,883)	+1,519	+3.5%
c) held-to-maturity investments	-	-	-	-
d) other financial transactions	(7,357)	(5,277)	-2,080	-39.4%
Net insurance premiums	-	169,176	-169,176	-100.0%
Other income/expense on insurance operations	-	(149,127)	-149,127	+100.0%
Other net operating income/(expense)	239,430	235,042	+4,388	+1.9%
Profits (losses) of equity investments (for the part from disposals)	81,233	203	+81,030	+39916.3%
Profits (losses) on disposal of investments	14,458	100,099	-85,641	-85.6%
Post-tax profit (loss) from discontinued operations	83,368	5,155	+78,213	+1517.2%
<b>TOTAL ECONOMIC VALUE GENERATED</b>	<b>3,047,802</b>	<b>3,209,377</b>	<b>-161,575</b>	<b>-5.0%</b>
b) other administrative expenses (exclusive of indirect taxes grants and donations)	706,522	714,970	-8,448	-1.2%
<b>ECONOMIC VALUE DISTRIBUTED TO SUPPLIERS</b>	<b>706,522</b>	<b>714,970</b>	<b>-8,448</b>	<b>-1.2%</b>
a) personnel expense <sup>1</sup>	1,451,584	1,477,200	-25,616	-1.7%
<b>ECONOMIC VALUE DISTRIBUTED TO EMPLOYEES</b>	<b>1,451,584</b>	<b>1,477,200</b>	<b>-25,616</b>	<b>-1.7%</b>
Profit (loss) for the year attributable to non controlling shareholders	13,602	17,048	-3,446	-20.2%
<b>ECONOMIC VALUE ATTRIBUTABLE TO NON CONTROLLING INTERESTS</b>	<b>13,602</b>	<b>17,048</b>	<b>-3,446</b>	<b>-20.2%</b>
Share of profit destined to dividend payments <sup>2</sup>	95,872	191,744	-95,872	-50.0%
<b>ECONOMIC VALUE DISTRIBUTED TO SHAREHOLDERS (REGISTERED SHAREHOLDERS AND UNREGISTERED SHAREHOLDERS)</b>	<b>95,872</b>	<b>191,744</b>	<b>-95,872</b>	<b>-50.0%</b>
b) other administrative expenses: indirect and capital taxes	210,714	216,195	-5,481	-2.5%
Current taxes on income for the year <sup>3</sup>	360,790	472,485	-111,695	-23.6%
<b>ECONOMIC VALUE DISTRIBUTED TO CENTRAL AND LOCAL PUBLIC ADMINISTRATIONS</b>	<b>571,504</b>	<b>688,680</b>	<b>-117,176</b>	<b>-17.0%</b>
b) other administrative expenses – grants and donations <sup>4</sup>	6,354	7,245	-891	-12.3%
Share of profits allocated to the fund for social purposes <sup>5</sup>	6,526	8,605	-2,079	-24.2%
<b>ECONOMIC VALUE DISTRIBUTED TO THE COMMUNITY AND THE ENVIRONMENT</b>	<b>12,880</b>	<b>15,850</b>	<b>-2,970</b>	<b>-18.7%</b>
<b>TOTAL ECONOMIC VALUE DISTRIBUTED</b>	<b>2,851,964</b>	<b>3,105,492</b>	<b>-253,528</b>	<b>-8.2%</b>
Net provisions for risks and charges	27,209	36,932	-9,723	-26.3%
Net impairment losses on property, equipment and investment property	109,838	117,408	-7,570	-6.4%
Net impairment losses on intangible assets	130,500	150,770	-20,270	-13.4%
Profits (losses) of equity investments (the fair value part: write-downs/write-backs, impairment losses/reversals, other expenses/income)	(17,794)	(35,375)	+17,581	+49.7%
Change in fair value of property, equipment and investment property and intangible assets	-	-	-	-
Net impairment losses on goodwill	5,172	-	-	-
Change in deferred tax assets and liabilities	(128,810)	(235,600)	+106,790	-45.3%
Profit allocated to reserves <sup>2</sup>	69,723	69,750	-27	-0.0%
<b>TOTAL ECONOMIC VALUE RETAINED</b>	<b>195,838</b>	<b>103,885</b>	<b>+91,953</b>	<b>+88.5%</b>

<sup>1</sup> Inclusive of board members' remuneration and expenses for external distribution networks (e.g. agents and financial advisors)

<sup>2</sup> The figures for 2010 are based on the allocation of profits proposed to the Shareholders' Meeting

<sup>3</sup> Includes the changes in current taxes of prior years and the reduction in current taxes for the year

<sup>4</sup> Includes sponsorships with social and environmental value (e.g. cause-related marketing)

<sup>5</sup> Includes the shares of profits allocated by the network banks to their respective funds for social purposes.