



Financial inclusion and
supporting production

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RELEVANT ISSUES

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RELEVANCE OF ISSUES AND MAIN IMPACTS

Intesa Sanpaolo attributes central importance to the economic and social growth of the communities in which it operates, a fundamental element that is deep-rooted in the Group's history and way of operating. The 2022-2025 Business Plan confirmed the role of Intesa Sanpaolo as a real-economy Bank enabling it to guarantee deserving businesses financial support also in times of difficulty, helping them to develop innovative restructuring, revitalisation and growth solutions. The new Plan envisages a target of 328 billion euro (of which 285 in Italy) of medium/long-term credit to be provided to the real economy, households and businesses. In addition, the context linked to the COVID-19 pandemic and the most recent geopolitical and socio-economic developments has hit families and businesses hard. Intesa Sanpaolo has provided them with immediate support with a series of measures aimed at alleviating the economic and social crisis.

In recent years, issues related to financial inclusion and support for the production sector have been even more significant for the Group, so much so that a specific target has been set in the new 2022-2025 Business Plan, which commits the Bank to provide 25 billion euro of social credit over the entire period of the Plan: the Group's intervention also involves initiatives to support the Third Sector and financial inclusion of vulnerable categories, with particular reference to young people, their education and training. The Fund for Impact was also confirmed, providing direct support to people who cannot access credit through traditional financial channels, with dedicated programmes including the special Per Merito plan, a loan in favour of university students.

In addition to the aforementioned initiatives, the Group made a commitment, with the new Plan, to support credit for urban regeneration, through new loans supporting investments in student housing, sustainable services and infrastructure, over and above the most important urban regeneration initiatives underway in Italy.

PERFORMANCE INDICATORS, RESULTS ACHIEVED AND OBJECTIVES

Macro-issue	Projects/Indicators	2022 Actions/Results	Plan Objectives for 2025 2022-2025 cumulative value
Real-economy Bank	Medium/long-term credit granted to the real economy	<ul style="list-style-type: none"> ~81.4 billion euro of which 58.4 billion euro in Italy 	<ul style="list-style-type: none"> ~328 billion euro of which 285 billion euro in Italy (2022-2025 cumulative value)
Financial inclusion and supporting production	Social lending of which loans to the Third Sector	<ul style="list-style-type: none"> About 9 billion euro disbursed⁽¹⁾, equal to 11% of total loans In 2022 loans were granted to support non-profit organisations for a total of 339 million euro 	<ul style="list-style-type: none"> New loans to support non-profit businesses and vulnerable and young people for 25 billion euro

⁽¹⁾ Excluding loans linked to the COVID-19 emergency and lending for urban regeneration purposes.

PERFORMANCE INDICATORS, RESULTS ACHIEVED AND OBJECTIVES

Macro-issue	Projects/Indicators	2022 Actions/Results	Plan Objectives for 2025 2022-2025 cumulative value
Financial inclusion and supporting production	of which Fund for Impact	<ul style="list-style-type: none"> ▪ Per Merito, the unsecured credit line for university students: over 51 million euro granted ▪ Mamma@work, a loan to reconcile motherhood with work in the first years of children's life: ~1.2 million euro granted in 2022 ▪ "Per Esempio" – intended for volunteers taking part in Civil Service; "per Crescere", for parents with school-age children, and "per avere Cura", intended for families with members that are not self-sufficient: these three initiatives were launched in 2021 ▪ XME StudioStation: the loan to households to assist with distance learning: ~1.8 million euro granted since the launch 	<ul style="list-style-type: none"> ▪ Fund for Impact, which allows the disbursement of loans to sections of society who find it hard to access credit despite their potential
	Loans for urban regeneration	<ul style="list-style-type: none"> ▪ Commitments made to the tune of over 616 million euro of new loans to support investments in student housing, sustainable services and infrastructure, in addition to the most important urban regeneration initiatives currently underway in Italy. Promotion of academic initiatives to define ESG assessment methodologies for the impact of urban regeneration 	<ul style="list-style-type: none"> ▪ New credit for urban regeneration to finance a dedicated programme
	Social Bond	<ul style="list-style-type: none"> ▪ The first Social Bond was successfully placed in October 2022 for a nominal value of 750 million euro. The portfolio mainly consists of loans to SMEs operating in disadvantaged areas (including COVID loans) and non-profit entities operating in sectors of particular social concern (health, education, welfare and solidarity) 	
Educazione finanziaria		<ul style="list-style-type: none"> ▪ Museo del Risparmio (Savings Museum): financial culture training and dissemination reached about 46,000 users during 2022, of which 38,000 students in schools of all levels of education. Through dedicated educational projects and educational visits, over 1,200 hours of training were provided in which 24,000 students and 3,300 adults and teachers took part 	

COMPANY POLICIES

Intesa Sanpaolo provides a range of products and services that promote financial inclusion and access to credit, in compliance with what the Group's Code of Ethics states among its principles on customer relations, convinced that social inclusion enables people to improve their lives and to fully exercise their citizenship rights. The Code of Ethics also outlines Intesa Sanpaolo's commitment to promoting economic and social development in the countries where it operates. In particular, this responsibility results in assisting companies to develop and improve their competitiveness, and to introduce innovations and internationalise their business. Following on from the previous one, the new Business Plan confirmed the Fund for Impact providing direct support to people who cannot access credit through traditional financial channels, with dedicated programmes.

Intesa Sanpaolo confirmed its position as an accelerator for the growth of the real economy in Italy: in support of the National Recovery and Resilience Plan (NRRP), the Group has made available over 400 billion euro of medium/long-term loans for businesses and households.

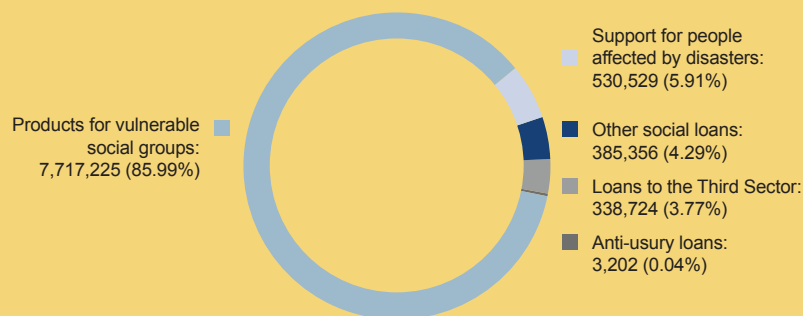
In consideration of the growing importance of ESG issues in recent years, both on a political⁽¹⁾ and regulatory level⁽²⁾ and for greater internal and external transparency with respect to products and transactions deemed sustainable, in 2022 the Group approved the Rules for the classification of sustainable credit products and lending transactions.

FINANCIAL INCLUSION

Support of people in vulnerable conditions is offered through projects and initiatives aimed at the fair allocation of resources by identifying actors within the territory with whom agreements and synergies can be developed that will make access to credit easier for vulnerable individuals or those who would otherwise have no access to banking. In the new 2022-2025 Business Plan, Intesa Sanpaolo made a commitment to disburse 25 billion euro of social lending throughout the whole period and in 2022 the Group disbursed new loans for about 9 billion euro⁽³⁾, equal to 11% of all loans disbursed. The Bank has thus contributed to creating business and employment opportunities and to helping people in difficulty through various forms, as provided for in the new Plan: anti-usury loans; products and services for associations and bodies in the Third Sector; products dedicated to the most vulnerable social groups to promote their financial inclusion; loans to support populations affected by calamitous events; other social loans.

Also as part of the new Plan, the Group is committed to supporting credit for urban regeneration with a dedicated programme through investments in hospitals, smart mobility, broadband networks and education, sustainable infrastructure and services: during the year, commitments of approximately 616 million euro were made. The commitment of Intesa Sanpaolo to these initiatives envisages development that takes account of the evolution of the Real Estate sector and that makes use of strategic initiatives open to the contribution from industrial and institutional investors, Tier 1 operators in the real estate sector, national credit agencies and supranational bodies, in order to help amplify the economic, environmental and social impact of urban regeneration through investments and partnerships.

SOCIAL LENDING⁽³⁾: LOANS DISBURSED [% AND THOUSANDS OF EURO]



The 2022 data incorporate what is indicated in the Rules for the classification of sustainable credit products and lending transactions approved by the Group during the year. Specifically, subsidized loan disbursements are included in the category "Other social loans".

⁽¹⁾ Introduction of the European Climate Law (Regulation EU 2021/1119) by the European Commission, which has undertaken to become the first climate-neutral continent by 2050 and to promote the energy transition of Member countries.

⁽²⁾ Publication of the EBA Guidelines on Loan Origination and Monitoring ("LOM") - EBA guidelines EBA/GL/2020/06 and compliance with the currently defined principles within the Green, Social and Sustainability Bond Framework.

⁽³⁾ Excluding loans linked to the COVID-19 emergency and lending for urban regeneration purposes.

FIGHT AGAINST USURY AND OTHER SOCIAL LOANS

There are various partnerships with different entities to provide credit to individuals or small companies in difficulty. Overall in 2022, the Group disbursed about 389 million euro in anti-usury loans and other social loans, including in particular about 3.2 million for the fight against usury in Italy and abroad.

Agreements with foundations and associations (e.g. Adiconsum, Exodus 94, Fondazione San Nicola Medici, etc.) facilitate credit inclusion for disadvantaged individuals and small companies. The guarantees financed with the Usury Prevention Fund allow loans to be raised from the banking system, thus preventing the financial exclusion of weak individuals who might otherwise turn to illegal credit channels.

In addition, the Bank makes available the “Finanziamento Microcredito Imprenditoriale” (“Business microcredit loan”), dedicated to micro-enterprises in the start-up phase of a new business or at times of growth, providing access to credit even without collateral. This opportunity is suitable for the purchase of capital goods or services for the business, paying salaries to new employees and paying for training courses. The product features include assistance services offered free of charge by the VOBIS association (Volontari Bancari per le Iniziative nel Sociale - Banking Volunteers for Social Initiatives). During 2022, applications were implemented to allow loan requests to be accepted also from freelance professionals and unrecognized associations.

In 2022, over 550 loans were disbursed, for a total of 16.7 million euro.

MICROFINANCE IN EGYPT

Microfinance is an activity at the heart of Bank of Alexandria’s strategy, as a driver for reducing poverty and encouraging socio-economic development in the country. Bank of Alexandria aims to position itself as a reference for financial inclusion, economic empowerment and income support for small businesses and customers with no access to banking, with a greater focus on small farmers and artisans.

In 2022 the Bank activated its offer of new products in the Agribusiness sector also in line with the guides of the Central Bank of Egypt, providing a total of 32,000 loans for a total amount of about 57 million euro, also providing customers with training services on the responsible management of waste generated in agriculture, in collaboration with the World Food Programme (WFP).

FUND FOR IMPACT

The Fund for Impact, a credit plafond for social impact activities, was established in 2019 and confirmed in the 2022-2025 Business Plan; it enables the disbursement of loans to groups in society that would otherwise find it difficult to access credit despite their potential.

The following are the main products that used the Fund for Impact:

- “per Merito”, the unsecured loan active since 2019, mainly intended for university students, which in 2022 financed 6,000 students by providing them with over 51 million euro;
- “Mamma@work”, a loan available since 2020 for working mothers so that they can manage their financial commitments regarding their maternity while maintaining their working position. In 2022, the product financed 75 mothers (about 250 from the start of the initiative), for a total agreed amount of about 1.2 million euro;
- “XME StudioStation”, a loan to households to assist with distance learning; conceived during the pandemic, this product ceased to be offered during 2022, after supporting more than 1,300 households with loans totalling about 1.8 million euro.

Some of the solutions introduced under the Fund for Impact during 2021 and 2022 were:

- “Obiettivo Pensione”, a product that funds missing pension contributions for people who have lost their jobs and are waiting to retire;
- “Per Crescere”, a loan dedicated to parents with school-age children, aimed at supporting training and education costs for households with an ISEE of not more than 40,000 euro;
- “Per Avere Cura”, a product aimed at people with severe disabilities or those who care for a non-self-sufficient family member, in order to make healthcare costs more sustainable;
- “Per Esempio”, dedicated to young people who carry out the Universal Civil Service involved in social assistance projects, entering the world of work for the first time.

These products provide discounted rates and long repayment terms (up to 15 years in many cases); since their creation they have enabled about 70 people/households to be supported, with loans of about 500,000 euro, of which over 260,000 in 2022.

For the initiatives that refer to the Fund for Impact, with the exception of the “XME StudioStation”, the completion of an “impact detector” questionnaire (RIM: see the special insight) was made mandatory and is a prerequisite for calculating the social impact attributable to the product. One of the main activities carried out in 2022 concerned the measurement of the impact, in both qualitative and monetary terms, of the loans under the Fund for Impact. Questionnaires, related data and calculations are now available for all Impact products (except “XME Studio Station”), as well as first forecasts of the impact generated by the loans disbursed, since their inception and up to 31 December 2022.

IMPACT DETECTOR (RIM)

The impact detector or RIM is a questionnaire given to customers interested in products provided under the Fund for Impact (“Per Merito”, “Mamma@work” and other loans as above). Impact analysis for some products goes far beyond well-being aspects, relating for example to impacts such as long-term increase in net income, higher tax revenues, increased employability or lower chances of developing illnesses. The most common impact is higher long-term income. As regards “Per Merito”, it is estimated that the product can generate for the beneficiary students (more precisely those who, in the absence of the loan, would have had to give up their studies, change their course programme, defer completion or abandon the course altogether) an increase in their future income which, cumulatively and discounted, amounts to about 26 million euro, against costs incurred of 9 million euro.

A different version of the RIM is used to assess the impacts of loans on the Third Sector, supported by the Solidarity and Development Fund. In 2022, the survey of the expected effects of credit on Third Sector organisations began. A total of 620 completed questionnaires are available for 2022, which correspond to loans of around 194 million euro. The first results show that: i) in two thirds of cases, there would have been no alternatives to the loan from Intesa Sanpaolo; ii) every million euros lent will generate 15 new jobs and preserve another 100, for a total of over 22,000 jobs to be created or preserved; iii) 1.85 million beneficiaries will be affected.

SUPPORT FOR HOUSEHOLDS

Intesa Sanpaolo participates in the Guarantee Fund for Main Home Purchases, established by the 2014 Italian Stability Law. The so-called “Sostegni-bis” Italian Decree published in May 2021 refinanced the Fund for the years 2021 and 2022.

Also in 2022, the Bank offered mortgages to individuals identified as being of priority (for example young people who are not yet 36 years old or single-parent families with children) at favourable conditions ranging from exemption/cancellation of the substitute tax, to the possibility of accessing high Loan To Value (LTV) also with the guarantee of the State and the benefit of very competitive rates. As at December 2022, almost 39,000 mortgages were disbursed with a value of about 5 billion euro.

The Group also signed up to the Agreement for women victims of violence which ABI and the main trade unions also signed. For women included in certified security programmes, who are in economic difficulty, the agreement provides for the suspension of repayment of the principal in mortgages and personal loans for a period of 18 months. When signing up to the Agreement, the Bank also provided for the suspension of the entire instalment to offer greater support. In November 2021, the protocol was extended for a further two years. Lastly, in October 2022 Intesa Sanpaolo prepared a package of aid, totalling 8 billion euro, to assist households following the significant increase in energy costs (higher electricity and gas bills) and main consumer goods. The initiative is organised around three main measures:

- promotion of “XME Spensierata” (from 1 October to 31 December) to pay expenses and energy bills by instalments and to ask for immediate liquidity at zero interest rate with repayment in 3 or 6 months;
- new personal loan “Oggi Insieme” (from 1 October) which can only be taken out at branches for amounts of up to 6,000 euro for 20 years with a highly discounted rate and dedicated to families with an ISEE of less than €40,000;
- flexibility options (from 1 October to 31 December) with no charge for existing mortgages and new mortgage applications.

SOLUTIONS FOR YOUNG CUSTOMERS

Intesa Sanpaolo focuses on young people and their needs through a dedicated comprehensive offer, which concerns:

- “Mutuo Giovani”: an offer that facilitates young people (under 36) with a house purchase by accepting requests of up to 100% of the property value, providing for subsidised rates, elimination of application fees and instalment collection costs. Can also be applied for by workers with non-standard and increasing protection employment contracts. The “Mutuo Giovani” has thus gained a positioning on the market which sees the Group as the main lender of this target clientele. Disbursements in December 2022, also considering the Guarantee Fund for Main Home Purchases (see the previous paragraph), were around 6.9 billion euro to over 53,000 young people; also for the year 2022 the Bank extended the exemption from the substitute tax to its under-36 customers who do not meet the income requirements pursuant to Art. 64(6) of Italian Decree Law no. 73 of 25 May 2021;
- “XME Prestito Giovani”, designed for customers under the age of 35, can also be activated via the App or via the Internet and provides for favourable terms and allows, at no additional cost, to defer payment of instalments or change the amount as needed. It can also be applied for in the case of a fixed-term or non-standard employment contract or if the person is a freelancer. The “StudioSi” initiative is also added to the offer, which supports students engaged in tertiary education courses consistent with the National Smart Specialisation Strategy (NSSS), who are resident or enrolled in universities in certain Italian regions. The initiative allows for the granting of zero-interest loans to university students, up to 50,000 euro to be repaid in a maximum of 20 years without guarantees, to cover tuition fees, purchase of books and other costs associated with studying. Furthermore, with reference to the Fund for Impact, one should also note the “Per Merito” loan, which facilitates young students gaining access to studies;
- “XME Conto Under 35” and “XME Conto UP!” (dedicated to minors) offer current account fees, a debit card, bank transfers and ATM withdrawals free of charge and with stamp duty paid by the Bank. During 2022, fees on other payment services (for example with the Flash Nominativa prepaid card) were also cancelled;
- “SMART SAVE”, the first of the investment services designed from a digital perspective that allows customers to subscribe to funds starting from 5 euros and to manage all transactions directly via the App;
- The pre-paid “Flash Up Studio” card for students attending the partner Universities. It can be requested free of charge directly via the App: it can be used to make payments, receive scholarships, any emoluments and, if applicable, allows the holder to use university services and access University premises.

WOMEN’S ENTERPRISE SOLUTIONS

The Business Gemma loan is a medium-long term loan aimed at supporting any type of investment or liquidity need related to the professional economic activity of female and self-employed companies. It is mainly characterised by its modular outline and adaptability to different needs, thanks also to the possibility of suspending the payment of the principal for up to 12 months when certain events occur in the life of the entrepreneur or self-employed worker (for example maternity). It is also possible to request the guarantee of the Special Section of the Guarantee Fund for SMEs dedicated to female entrepreneurship at no additional cost. In 2022, about 100 loans were disbursed for a total of over 3.6 million euro.

In the International Subsidiary Banks area, the Women in Business programme of the European Bank for Reconstruction and Development (EBRD), active in Albania and Serbia, continued in 2022 with the aim of supporting micro, small and medium-sized enterprises run by women in the Western Balkans, offering subsidised loans, technical advice and the sharing of know-how. In 2022, Banca Intesa Beograd (BIB) disbursed 771 loans to local SMEs for about 10 million euro, whereas Intesa Sanpaolo Bank Albania disbursed 15 loans for about 794,000 euro, with a focus on the tourism and agricultural development sectors. In addition to these initiatives, BIB, again in collaboration with the EBRD, promoted webinars and organised meetings with experts in digital marketing and e-commerce, in line with global economic trends.

WOMEN VALUE COMPANY AWARD

In support of gender equality and the enhancement of the role of women in entrepreneurship, Intesa Sanpaolo promotes the “Women Value Company - Intesa Sanpaolo” award together with the Marisa Bellisario Foundation. In its sixth iteration in 2022, the award is given to small and medium-sized enterprises that implemented concrete and innovative policies and strategies to guarantee men and women equal opportunities and equal recognition in their careers. From about 800 candidates from all over Italy for the 2022 edition, 100 SMEs received awards in the final event that was held in June 2022, entitled “The enhancement of female talent and gender equality in successful business strategies”. The event was an occasion for sharing views and opinions on corporate policies and best practices aimed at eliminating the gender gap, for an effective debate that aims to inspire and develop the corporate culture of Italian SMEs.

REMITTANCE MANAGEMENT

In 2022, initiatives were promoted with Western Union aimed at reducing or eliminating the costs of sending remittances. To support customers during the period June - October, the Group offered the possibility of sending money through the Western Union Money Transfer service with fees reduced to 0% or 50%.

During 2022, about 57,000 remittances were made for a total of almost 36 million euro.

Furthermore, as a concrete sign of closeness to the Ukrainian population affected by the serious humanitarian emergency, Intesa Sanpaolo:

- joined Western Union’s initiative to eliminate the cost of remittances to Ukraine during the month of March, also providing for the possibility of collecting remittances destined for Ukraine from neighbouring countries given the high percentage of the population seeking refuge in these countries;
- activated easy procedures, in the process of opening an account but also in pricing, in order to make a current account available for refugees arriving in Italy;
- refunded the commission fees for all foreign transfers, in euro, executed to Ukraine (transfer transactions carried out from 24 February 2022 until 30 April 2022).

PERMANENT OBSERVATORY ON FINANCIAL INCLUSION PROJECT

In recent years, there has been a growing interest and attention to the issue of financial inclusion. Several national and international initiatives, including legislative initiatives, have highlighted the role that financial inclusion can play in reducing inequalities and providing full access to rights. In 2021, a Permanent Observatory on Financial Inclusion was established to systemise the connections between all the actors met in the past in various working groups, inside and outside the Bank, in institutions, research centres, universities, foundations and so as not to lose the wealth of people, proposals and knowledge acquired with the study project on financial inclusion of migrants (2018-2020). The objective of the Permanent Observatory, in addition to constantly monitoring the phenomenon of financial exclusion and measuring the effectiveness of the adopted measures and strategies, is therefore to facilitate network connections and the progress of effective proposals at the system level. A new edition of the 2018 study is also planned for the two-year period 2022-2023, updating the work to the latest data available after the pandemic crisis and the subsequent crisis linked to the Ukrainian conflict which had a significant impact on the foreign component of the population.

PROGRAMMES SUPPORTING THE AREA AND INITIATIVES IN COLLABORATION WITH THE DIOCESES

The year 2022 saw the completion of the initiatives that Intesa Sanpaolo had implemented from 2020 onwards to deal with the economic and social emergency deriving from the spread of COVID-19. These initiatives were supported by Intesa Sanpaolo also through the Impact Loans, which are innovative and sustainable, long-term financing tools that are qualified as a form of patient capital with very modest costs.

In 2022, the Bergamo Renaissance Programme, in collaboration with the Municipality of Bergamo and the Fondazione CESVI (Bergamo), and the Florence Renaissance Programme, in collaboration with the Fondazione CR Firenze (Florence), were completed, intended for start-ups, micro-enterprises and SMEs for the realization of development and innovation projects with impacts on the territory. As regards the Bergamo Renaissance Programme, in 2022 a total of about 400,000 euro was disbursed. With regard to the Florence Renaissance Programme, the amount disbursed in 2022 was about 2.9 million euro.

As part of the initiatives in collaboration with the Dioceses, the programme “Fondo Sorriso” (Smile Fund) in Turin is particularly worthy of note. It was in collaboration with the local Dioceses and intended for households and/or small/micro enterprises, in order to contain the social and economic emergency deriving from the pandemic and linked to unemployment and loss of work and sales turnover. In 2022, the scope of intervention of this initiative was expanded to start-ups and to the entire territory of the Piedmont Region.

SUPPORTING THE THIRD SECTOR

The Impact Department operates with respect to the Third Sector with an offer dedicated to its organisations, total deposits of about 9.2 billion euro, of which about 7 billion in direct deposits, as well as loans for about 2.9 billion; during 2022, loans were also disbursed for 339 million euro.

In ways similar to those of the Fund for Impact, the Solidarity and Development Fund supports the operations of the Impact Department of Intesa Sanpaolo, facilitating the granting of credit to customers in the Third Sector with good prospects but difficulties in accessing credit.

CROWDFUNDING PLATFORMS

For Funding is the Group’s social crowdfunding platform aimed at non-profit organisations that want to start a fundraising campaign to support high-impact projects and represents a unique and distinctive model in the world of social crowdfunding and funding for non-profit projects. The initiatives are selected by an internal team which assesses the beneficiary organisation and the type of projects so as to enhance the value of the most deserving ones and every transaction is free for the donor and the beneficiary. In 2022, For Funding raised about 12.5 million euro in donations, confirming a continuous growth in volumes on an annual basis after being ranked in 2020 as the leading Italian Donation Crowdfunding platform.

To stimulate donations and increase their impact, Intesa Sanpaolo is personally committed through its own donations. For some products subscribed by customers, the Bank donates part of its margins to For Funding projects with a mission consistent with that of the products themselves; in particular:

- for each Green Mortgage and for some types of loans, 30 euro and 10 euro are donated respectively to environmental sustainability projects. In 2022 these donations supported “Ri-party-amo”, in partnership with WWF Italia and Jova Beach Party to support cleaning activities, naturalistic works, environmental awareness initiatives and the project “Forestami - Dona per un futuro più verde” (Forestami - Donations for a greener future) of the Fondazione di Comunità Milano, for the urban forestation of the city through the planting of 3 million new trees by 2030;
- for each S-Loan subscribed by customer companies, 200 euros are donated to projects with a high social impact. In 2022, donations helped to support the project “A Scuola di Inclusione: giocando si impara” (School of Inclusion: Learning through play) promoted by the Unione Italiana Lotta alla Distrofia Muscolare - National Department (UILDM), for the construction of playgrounds for children with disabilities in 16 Italian regions;
- 50% of Exclusive credit card interchange fees support projects to help social vulnerabilities. In 2022, the contributions were allocated to the project “Prendersi cura non ha scadenza” (Caring has no expiry date) of the Fondazione Don Gino Rigoldi, aimed at distributing food parcels and basic necessities and economic support for families, and the project “Percorsi per Ripartire insieme” (Pathways for Starting Over Together) of the Comunità S. Egidio, aimed at distributing essential goods in Italy and offering listening, counselling and guidance services to families and needy people.

As part of the For Funding platform, the FORMULA programme dedicated to environmental sustainability, social inclusion and access to the labour market for people in hardship continued throughout 2022. Since the launch of the programme, every three months the Bank’s territorial structures identify excellent non-profit

organisations at local level which carry out interventions that are essential for the assistance and development of communities in their area, with which the Bank defines a dedicated project and launches a fundraising to support the programme through the For Funding platform.

For these projects, Intesa Sanpaolo allocates 1.5 euro for many of the products purchased by customers online and promotes donations on its own channels.

In 2022, a total of about 6.7 million euro was raised (including donations from the Bank and customers) under the FORMULA programme, partly for the implementation of 36 projects at local level (around 4 million euro) and partly to support environmental sustainability programmes throughout Italy promoted through the Ri-Party-Amo initiative (about 2.7 million euro).

SOCIAL BOND

In October 2022, Intesa Sanpaolo successfully placed its first Social Bond in Senior Preferred format for a nominal value of 750 million euro, with maturity in January 2030. Demand raised more than 1.3 billion orders, with around 70% of investors specialising in ESG issues.

The first “Social” issue by Intesa Sanpaolo is the largest issue for an Italian bank issuer in this format. This issue is dedicated to financing or refinancing the social categories described in the Group’s Green, Social and Sustainability Bond Framework [1]; in accordance with the recommendation of the ICMA Green Bond Principles 2021, Social Bond Principles 2021 and Sustainability Guidelines 2021, the Group will report annually, until maturity, on the use of the proceeds through a dedicated Report, which will undergo an external assurance process. In March 2023, the second Green and Social Bond Report based on reporting according to the “Portfolio approach” has been published on the Group’s website [2].

The social portfolio mainly consists of loans to SMEs operating in disadvantaged areas (including COVID loans) and non-profit entities operating in sectors of particular social concern (health, education, welfare and solidarity).

The success of the issuance thus demonstrated the strong appreciation by investors for the Group’s commitment to ESG and sustainability issues.

INVESTMENT IN THE IMPACT FUND OLTRE III

In 2022 Intesa Sanpaolo signed a commitment of 8 million euro in the Oltre III fund, the third fund launched by Oltre Impact SGR, which achieved funding of 72 million euro, for investments in projects with a social and environmental impact. Oltre is the first impact fund manager and top performer in Italy in the impact investing (equity) segment. The subscription is in line with the strong commitment in the ESG field undertaken by Intesa Sanpaolo in the 2022-2025 Business Plan.

The new fund will invest in social SMEs capable of generating a measurable social and/or environmental impact; the main investment sectors of Oltre III concern, for example, healthcare based on physical and digital models, the silver economy and care for the elderly, education and training at all levels and targeting all ages. The raising of capital for the Oltre III fund will also continue in 2023 with a target of 100 million euro. Through the 123 million euro managed by the three investment vehicles, Oltre has provided support for the growth of over 45 impact enterprises and made the first 6 successful exits.

This impact investment is in addition to the one already completed during 2021 and concerning the Fondo Si – Social Impact for a total amount of 5 million euro.

EDUCATION AND SPREAD OF FINANCIAL CULTURE

In 2022, the Museo del Risparmio (MdR - Savings Museum) consolidated and expanded its financial education and economic citizenship initiatives to raise awareness among young people and adults about the importance of informed management of resources, whether financial or natural. By combining online, face-to-face and hybrid modes, a total of 46,000 users were reached, including about 38,000 students from schools of all levels of education.

Through dedicated educational projects and educational visits, over 1,200 hours of training were provided for a total of about 790 sessions, including 79 informative and in-depth analysis webinars, in which 24,000 students and 3,300 adults and teachers took part. The following were the main projects and events aimed at schools:

- PCTO (Italian acronym for Life Skills and Guidance Programmes) MdR: six ten-hour modules for upper secondary schools (Money; Find your way in economic information; Financial instruments; Financial crises; Ethical and sustainable business; Risk and planning);

- S.A.V.E. Virtual Tour: multimedia path dedicated to education on savings and sustainability, enriched in 2022 with the SAVE Ambassador initiative that allows students to develop active research projects on how to make their cities more sustainable from a social and environmental point of view;
- School for Life: project against dropping out from school, targeting lower secondary school pupils, developed by Intesa Sanpaolo and ELIS Consortium and with the contribution of the Museo del Risparmio, through 121 training sessions for students in central and southern Italy;
- ECO-Quiz: over 2,000 students took part in online lessons and a national quiz competition on savings and money themes on the occasion of the Turin Festival of Economics;
- “Il Mio posto nel Mondo” (My Place in the World): online festival dedicated to investing in human capital, organised in collaboration with the Museo Egizio, Lavazza Museum and Museo della Chimica;
- Sky is no Limit: an event dedicated to middle school pupils to promote greater awareness on the opportunities and challenges in the world of work.

The programme for adults offered various cycles of events:

- “Non più vittime” (No More Victims): a series of webinars in collaboration with Stati Generali delle Donne and CUG INPS to raise awareness against economic violence against women;
- “La cittadinanza attiva si impara in famiglia” (Active citizenship is learnt at home): a series of webinars in collaboration with Movimento Italiani Genitori to stimulate reflection on children’s education towards economic citizenship;
- “MICA il solito Lab” (Not the same old workshop): cycle of workshops for children and families to learn the basics on saving in a playful and fun way.

In 2022, 30 financial education training modules were provided to individuals in conditions of economic vulnerability, in partnership with the Turin Prison and various non-profit associations. The new items introduced in 2022 include: “FAI META. Cura il tuo denaro” (SCORE A TRY. Take care of your money), a modular programme on financial education in 10 “lessons” targeting adults, the two podcasts “MICA solo parole” and “Casa Mica” and two educational fairy tales for children.

In October 2022, the Museo del Risparmio and the Bank of Italy, with the International Federation of Finance Museums, organised the international conference “Digitalization and Financial Awareness” with the participation of financial education experts from all over the world. FLITIN (Financial Literacy International Network) was also set up at the same time. This is a network of ambassadors from the Intesa Sanpaolo Group which aims to disseminate financial education in Italy, Albania, Bosnia and Herzegovina, Croatia, Egypt, Czech Republic, Moldova, Romania, Serbia, Slovenia, Ukraine and Hungary. The Museo del Risparmio and the Banks of the International Subsidiary Banks Division worked together on developing some informative initiatives for schools on the occasion of World Savings Day, which involved over 7,300 students from 55 schools in 7 different countries.

The partnership with the Osservatorio Permanente Giovani-Editori (Young Publishers’ Forum) for the Young Factor project continued in 2022, with the aim of supporting young people’s critical reading and economic and financial literacy. The initiative succeeded in continuing with the project in schools, involving over 661,000 pupils. Developed within the scope of the initiative “Il Quotidiano in Classe” (Daily Newspaper in Class) – which through the reading and comparison of different newspapers aims to help young people to develop that essential critical spirit in order to become tomorrow’s free citizens – the project intends to facilitate the spread of an economic-financial culture among young people, providing them with useful knowledge support so as to make informed choices about their future and to foster the creation of responsible citizens. Teachers and classes participating in the project include focused studies in their syllabus on the main topics underlying the economy, finance and the rules that govern financial and banking activities. The educational work is inspired by current issues (the economic crisis, the performance of financial markets, etc.) and allows the various topics to be looked at in detail and related to the youngsters’ daily reality. In June 2022, an international conference was held in Milan, entitled “Young Factor: un dialogo tra giovani, economia e finanza” (Young Factor: a dialogue between young people and the economic and financial world). For the first time ever, the meeting brought together the Vice-President of the European Central Bank, six governors of central banks (Italy, France, Germany, Spain, Portugal and Holland), national and international bankers and 350 students from all over Europe with the aim of sharing views and ideas on how to enhance economic and financial literacy among young people and their sense of belonging to the European Union. At the end of the conference, the governors there and the president of the Osservatorio Permanente Giovani-Editori signed a document of understanding testifying to their commitment and willingness to promote this common project at an international level.

SUPPORTING PRODUCTION

Intesa Sanpaolo offers itself as a point of reference, and not just in financial terms, to support the country's economic system and the world of business and associations, also during the phase of reviving the economy in the post-pandemic period. The Group assists its customers in a consolidated and long-term relationship model founded on quality, reliability and trust. With regard to businesses and SME customers, the Group offers solutions that support the future of Made in Italy in the world and contribute to sharing their internationalisation, capitalisation, development and digitisation programmes, with particular attention to ESG issues and ecological transition, as stated in the 2022-2025 Business Plan.

SUPPORT FOR BUSINESSES IN ITALY

In 2022, Intesa Sanpaolo allocated a total of approximately 81.4 billion euro in new medium-long term loans to the real economy with approximately 58.4 billion euro in Italy, of which around 52 billion was disbursed to households and SMEs. In 2022 the Group facilitated the return from non-performing to performing status of around 4,000 Italian companies (over 137,000 since 2014), with a positive impact on employment through the protection of about 20,000 jobs (690,000 since 2014).

As part of "Motore Italia", Intesa Sanpaolo's programme to support the relaunch of the Italian production system in line with the key priorities in the NRRP, the "Motore Italia Transizione Energetica" initiative was launched in 2022. As part of this initiative, the Bank envisaged new business support tools to address the new crisis scenario following the recent geopolitical tensions and the consequent increases in commodity and energy prices. In fact, it provided some solutions aimed at spreading the financial impact of the increased charges over a longer period, accompanied by proposals aimed at supporting investments in the production of energy from alternative sources for personal consumption, with a view to gradual liberation from traditional energy sources. In addition, to encourage investments in renewable energy by all companies, the Bank together with SACE allocated a provision of 10 billion euro. In September 2022, with a view to supporting the higher costs related to energy price increases, this ceiling was increased by 2 billion euro. In addition to this, with the aim of supporting liquidity needs for payments and guaranteeing the continuity of production of SMEs, specific credit lines were made available, with favourable terms and backed by guarantees from the Guarantee Fund for SMEs and SACE. The financing is intended to cover incremental costs and enables the payment of energy bills with an extension of payments of up to 36 months and with a 1-year grace period.

In 2022, the offer dedicated to Special Economic Zones (SEZs) and Simplified Logistic Zones (SLZs) was launched, with the aim of supporting, through a set of financial and non-financial solutions, the promotion of companies located in these areas.

With regard to the Superbonus and other tax bonuses on building improvements, in 2022 the Bank provided continuity and support to businesses and households, within the limits of its tax capacity, even when the market demand slowed down. In October 2022, Intesa Sanpaolo signed the first credit reassignment agreement aimed at increasing its tax capacity and providing further support, above all, to the construction sector.

The following initiatives to support businesses also continued: "Micropagamenti" (Micropayments), which provides for the reimbursement to small companies taking part of commission fees charged on transactions of 10 euro or less, and "Pay by Link", available for Intesa Sanpaolo-Nexi physical POS, which allows the merchant to accept remote payments, without having an e-commerce site.

The growth of Italian SMEs is supported by the Corporate Finance structures and the partnership with Elite, a company launched by Borsa Italiana in 2012 and today part of the Euronext Group, through innovative financial solutions that give companies high visibility with respect to institutional investors and enhance their reputation and financial culture. In 2022, Intesa Sanpaolo took 53 companies representing all of Italy and its economic sectors and 21 innovative start-ups to three Elite Lounges (an international programme to accompany the most ambitious companies in their development phases) in hybrid, physical and digital versions.

In 2022, the Intesa Sanpaolo Basket Bond Programme continued in partnership with Elite, which envisages the subscription by Intesa Sanpaolo of bonds issued by enterprises in support of their development plans and a potential, subsequent securitisation through "Notes" targeting institutional investors. Since its launch at the end of 2022, the Programme has recorded the subscription of bonds for a total amount of 160 million euro, involving 21 enterprises throughout Italy.

For the enhancement of Italian entrepreneurial excellence, in 2022 the Group created the fourth edition of "Imprese Vincenti" (Winning Companies), the programme that highlights the growth and digital transformation programmes and the business models developed by companies providing the thrust in the Italian economy

in this revival phase. The objective is to provide visibility, development support programmes, strategic skills advice, training and workshops in collaboration with key partners. The fourth edition recorded excellent results: over 4,000 candidate companies, 140 companies selected and celebrated as “Imprese Vincenti” (Winning Companies) during the twelve-stage Tour throughout the country, scheduled between October 2022 and February 2023, as well as two special events dedicated to Agrifood and the Third Sector. The 2022 edition is focused on the territories and also on the initiatives of corporate development and on the growth guidelines of the NRRP, with the aim of giving value and voice to companies that are starting to grow again or are investing in order to do so, following the strategies supported by the NRRP.

With the aim of acting as a point of reference for Italian companies, in November 2022 Intesa Sanpaolo launched the first edition of the “Digitalizziamo” (Let’s digitise) Project. The initiative aims to enhance Italian SMEs belonging to specific product sectors (trade, tourism, crafts and personal services) that have over the last two years distinguished themselves from a digital point of view, demonstrating resilience and entrepreneurial flexibility in responding to the needs of their customers, the post-pandemic period and the energy crisis. The selected companies will be able to take advantage of strategic advisory services and specific workshop sessions for the enhancement of their business from a digital point of view, services that will be provided by the project partners. The final phase will involve the companies in a series of celebratory events all over Italy, to promote the initiative at national level and afford them due recognition.

RESTO AL SUD: SUPPORT FOR NEW BUSINESSES

Since 2018, Intesa Sanpaolo has been a member of the “Resto al Sud” (I’m staying in the South) initiative, which supports the creation and development of new businesses and freelance activities in Southern Italy. Subsequently, the measure was extended to the municipalities affected by the 2016-2017 earthquake and to the island, lagoon and lake areas of Central Northern Italy where, at a communicative level, it was renamed “Resto Qui” (I’m staying here). The initiative, managed by Invitalia, has a budget of 1.25 billion euro and is aimed at those aged between 18 and 55 who intend to create a business (as sole proprietorship, a company or cooperative), start a freelance activity (as sole proprietorship or a company) or develop a company already established after 21/06/2017. The incentive that operates in all economic sectors with the exception of agriculture, provides a real mix of benefits:

- subsidised bank loan, equal to 50% of the approved investment;
- non-repayable contribution, awarded by Invitalia, equal to 50% of the approved amount;
- interest rate subsidy, paid by Invitalia, to cover the interest portion of the loan;
- guarantee 662/96, equal to 80%, to support the request for the loan.

In partnership with Invitalia, Intesa Sanpaolo helped to promote awareness of the project to thousands of potential beneficiaries during more than 50 dedicated local meetings (2018-2019) and a new cycle of additional analyses divided into 6 meetings as part of the 2022 Roadshow “Intesa Sanpaolo al fianco dei piccoli imprenditori” (Intesa Sanpaolo alongside small entrepreneurs). Overall, the “Resto al Sud” loans disbursed by Intesa Sanpaolo in 2022 amounted to approximately 1,430 for a total of over 53 million euro, confirming the role and commitment of the Bank also in support of more inclusive finance. With this in mind, the “Resto al Sud” initiative is also included in “CresciBusiness” (Business Growth), the new Intesa Sanpaolo Programme dedicated to micro and small enterprises, to accompany them on a path of digital and sustainable transformation.

CORPORATE CREDIT AGREEMENTS

The post-pandemic situation has been strongly impacted by the international geopolitical crisis which, as already mentioned, has had serious repercussions on the country’s economy, in particular as a result of the increase in the price of commodities and the cost of energy. In view of this, new cooperation agreements were signed with leading industry associations with the shared goal of supporting businesses in tackling the high energy costs: these include the agreements with Confapi, Anita Confindustria, Finco and Ucimu.

The commitment to the agrifood sector was renewed through a new agreement with Coldiretti, aimed at assisting businesses in relation to the measures envisaged by the NRRP and supporting the plans for investment and the relaunch of the entire sector through dedicated loans. Similar attention was devoted to the Tourism sector, through an agreement with the key reference associations, such as Confindustria Alberghi, Federalberghi, Federterme and Faita Federcamping, aimed at facilitating access to public

incentives (e.g. the Tourism Bonus) in this situation as well, in support of investment programmes for the renovation and improvement of facilities, also with a view to sustainability, thanks to the integration with the loan products and solutions provided by the Bank, such as S-Loan Turismo and Suite Loan. The commitment to micro and small businesses in the Trade, Tourism, and Craft sectors was also relaunched, through agreements with Confcommercio, Confesercenti, Federalberghi, and Confartigianato, providing specific solutions aimed, for example, at promoting an increase in the use of electronic money for their members, thanks to the refund of fees charged on transactions made for amounts of up to 15 euro (POS micropayments) until 31 December 2023.

The Roadshow with Confindustria also continued throughout Italy and led to the organisation on the local individual level of the agreement signed in October 2021, with the aim of facilitating access to measures for the widest range of companies.

The placement of EIB funding on the Network continued in 2022. In the second half of 2022, two new funding agreements were signed with the EIB for a total of 600 million euro for investment projects for SMEs and Midcaps, with a focus on environmental sustainability and climate action investment projects, which will continue in 2023.

In addition, the Bank continued to disburse loans under the SME Initiative, an initiative promoted by the European Investment Fund (EIF), providing credit at subsidised rates for investment projects of companies operating in the Southern regions of Italy. With this instrument, the Group undertook to disburse loans for a total of at least 350 million euro in favour of SMEs with a benefit for them of a 50 bps discount on the reference pricing. The objective was reached in the second half of 2022.

In September 2022, the agreement was renewed between the Italian Trade Agency (ICE) and Intesa Sanpaolo for the international promotion and expansion of Italian Businesses. The Agreement is based on mutual collaboration and aims to continue to support the needs of the corporate customers of the Intesa Sanpaolo Group in their international business projects with advisory, training and information services. In April 2022, the agreement was also renewed between Intesa Sanpaolo and SACE SRV, a company in the SACE Group, offering an international credit recovery service to the Bank's corporate customers.

“DIALOGO INDUSTRIALE” AND THE “SVILUPPO FILIERE” PROGRAMME

“Dialogo Industriale” (Industrial Dialogue) was created with the aim of increasing the strength of dealings of managers with companies, identifying a common language for a better understanding of their needs, oriented to offering solutions better suited to the objectives and peculiarities of each company.

In 2022, the scope of the ESG information on the platform that can be collected in interviews with customers, strategic for assessing a company's ESG profile, was expanded.

In order to support businesses of every sector and every size, facilitating their access to credit, in particular in the post-COVID recovery phase, the “Sviluppo Filiere” (Supply Chain Development) programme continued, focusing attention on the relationship that links lead companies with their network of direct and indirect suppliers and/or their network of retailers, enabling a more detailed understanding of the financial requirements of individual supply chains.

Agreements were signed with the involvement of direct and indirect suppliers and the involvement of the supply chain downstream of the retailers. An offer is being developed to support the sustainable evolution of the supply chains, with the engagement of the chain leader and the suppliers to improve their sustainability profile. At the end of December 2022, there were around 830 participating lead companies with potentially over 19,600 suppliers and a workforce of over 112,000 employees.

SUPPORT FOR THE INTERNATIONALISATION OF BUSINESSES

Intesa Sanpaolo assists Italian businesses and their subsidiaries abroad by providing financial and advisory support for their various needs related to internationalisation with support from:

- a foreign network consisting of subsidiary Banks, international branches and representative offices in around 40 countries worldwide with specialised Desks (Corporate Desks and Multinational Desks), and a coverage in over 80 countries through cooperation agreements with other banks;
- a service model that makes use of Internationalisation Specialists throughout Italy who represent a point of reference for the international Network and operate in constant contact with the Italian network with the aim of supporting Italian companies and their foreign subsidiaries in international markets; in addition, for every need and for identifying the best financial solutions in terms of import and export trade, Intesa Sanpaolo supports Italian businesses through a widespread network of Foreign Development Experts and Sales Global Transaction Banking Specialists dedicated to the needs of Trade Finance and Cash Management;

- a Business Strategy team that supports customers in implementing foreign development projects by identifying qualified partners, in Italy and abroad, who can provide specialist assistance and advice to expand their business abroad even in the most difficult markets;
- a wide range of domestic and cross-border products supporting the multiple requirements of business customers.

In addition, to facilitate international development of businesses and promote knowledge of the international network and its available services, Intesa Sanpaolo organises various types of events (face-to-face or online) on internationalisation in Italy and abroad, accompanies businesses on missions abroad in cooperation with various external partners, institutional bodies and trade associations, and arranges various forms of internal and external communication tools.

CORPORATE WELFARE SERVICES

The Welfare Hub service, provided by Intesa Sanpaolo to its Business customers allows companies to provide bonuses to their employees in the form of welfare services, as an alternative to paying them in their salaries, thus taking advantage of the tax benefits provided by law for both the company and the employees. The digital platform is accessible via PCs, tablets, smartphones and App and was restyled during 2022 to offer employees an increasingly simple and immediate user experience, enhancing its contents and advantages and increasing the tools available.

In addition, the programme undertaken in 2021 to offer welfare solutions that would have positive effects on the reference area of employees and companies was continued: in addition to agreements with sports facilities and those offering leisure courses, since July 2022 it has also been possible to make agreements with local businesses, so that each employee can shop in the store of their liking using their “welfare credit”. During 2022, the necessary measures were also taken to implement the regulatory changes introduced by the “Aiuti” Decrees, including the service to provide sums as a contribution/reimbursement for the payment of domestic utilities i.e. the integrated water supply, electricity and natural gas.

The Welfare Hub was proposed as a sustainability tool by the “Sviluppo Filiere” Programme and by the S-Loan project and, at the end of 2022, it had 5,220 companies that had signed up to the platform (using the standard version or the version dedicated to company groups).