



Innovation, digital transformation
and cybersecurity

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RELEVANT ISSUES

Support for innovation	page 118
The processes involved in the Bank's digital transformation	page 120
The physical network channel and integration with online structures	page 121
Cybersecurity	page 123

RELEVANCE OF ISSUES AND MAIN IMPACTS

Intesa Sanpaolo intends to maintain sustainable business growth by leveraging the active involvement of staff and a cutting-edge digital infrastructure: the challenge for the future, in line with the new 2022-2025 Business Plan and ESG objectives, is to accelerate the digital transformation of the Group's customers, extending digitalisation and dematerialisation to all processes: customers can rely on an innovative, inclusive digital platform that is fully integrated with the physical network.

The new Plan also provides for the creation of a new Digital Bank, to effectively serve approximately 4 million retail customers who do not use branches, and reduce the cost of the service, through the use of cutting-edge, cloud-native technology that is adaptable to multi-currency and multinational customers and working in partnership with the leading fintech company, Thought Machine.

The role of Intesa Sanpaolo in supporting companies and start-ups in the development of their innovation processes is absolutely fundamental, also through the promotion and support towards business transformation and multidisciplinary research projects, which are key strategic levers to help them remain competitive in a constantly evolving market. Another equally qualifying aspect is the ability to satisfy customer requirements through an operating machine capable of offering simple solutions that meet their needs, attributing strategic importance to IT security. The protection of information, customers and, in general, the active role in Italy's cyber resilience represent important elements for the Bank, and the continuous strengthening of the control measures activated by the Group allows it to maintain a responsible and transparent approach in relations.

PERFORMANCE INDICATORS, RESULTS ACHIEVED AND OBJECTIVES

Macro-issue	Projects/Indicators	2022 Actions/Results	Plan Objectives for 2025 2022-2025 cumulative value
Innovation, digital transformation and cybersecurity	Digital Bank	<ul style="list-style-type: none"> The setting up of the new Digital Bank Isybank well underway: "Domain Isy Tech" Delivery Unit is already operational with ~ 340 dedicated specialists, a targeted contract with Thought Machine and a defined technology masterplan Definition of Isybank's offer structure and functionalities 	<ul style="list-style-type: none"> Creation of a new Digital Bank to effectively serve a significant portion of ISP customers who do not visit branches: 4 million customers
	Digital payments	<ul style="list-style-type: none"> 136.8 million digital payments in 2022 (~50.6 million in 2021) 	<ul style="list-style-type: none"> Further growth in the payments sector with strategic partnerships by increasing digital payments by 50% to around 75 million in 2025 from 51 million in 2021
Innovation projects	<ul style="list-style-type: none"> 201 innovation projects launched in 2022 In particular: <ul style="list-style-type: none"> 14 multidisciplinary applied research projects underway in the artificial intelligence, robotics and neuroscience fields, 7 of which launched in 2022 	<ul style="list-style-type: none"> Promotion of innovation with the launch of around 800 projects in 2022-2025 Development of multidisciplinary applied research projects 	

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<p>Innovation, digital transformation and cybersecurity</p>	<p>Innovation projects</p>	<ul style="list-style-type: none"> ■ Turin Ecosystem: the fourth class of the programme called “Torino Cities of the Future Accelerator”, managed by Techstars, was launched. Since its launch in 2019, 35 accelerated start-ups (11 Italian teams), over 30 proofs of concept with local stakeholders, ~51 million euro of capital raised, over 310 new resources hired after acceleration ■ Florence Ecosystem: the second class of the three-year programme “Italian Lifestyle Accelerator Programme”, managed by Nana Bianca, was launched. Since its launch in 2021, 6 accelerated Italian start-ups (over 210 candidates, 85% Italian), ~2 million euro of capital raised ■ Naples Ecosystem: the three-year acceleration programme “Terra Next” dedicated to the Bioeconomy and launched in 2022 continues, with Cassa Depositi e Prestiti, Cariplo Factory and local corporate and scientific partners and with the patronage of the “Italian Ministry of the Environment and Energy Security”. 8 accelerated start-ups (~130 candidates, 83% Italian) ■ Venice Ecosystem: launched at the end of December 2022 the new three-year programme “Argo” (Hospitality and Tourism) sponsored by Banca dei Territori and Intesa Sanpaolo Innovation Center, developed by Cassa Depositi e Prestiti, LVenture and with the collaboration of the Italian Ministry of Tourism, aimed at 10 start-ups per year ■ Up2Stars Initiative: the first edition of the initiative developed by Banca dei Territori with the support of Intesa Sanpaolo Innovation Center has reached completion, based on 4 vertical pillars (Digital/Industry 4.0; Bioeconomy, focus on Agritech and Foodtech; Medtech/Healthcare; Aerospace). 40 accelerated start-ups (~490 candidates) ■ In Action ESG Climate: initiative promoted by the Insurance Division with the support of Intesa Sanpaolo Innovation Center, to promote the development of new solutions to combat climate change and support ecological transition through technological innovation and the development of new business models, concluded with prizes awarded to the three best projects submitted with a total contribution of 500,000 euro 	<ul style="list-style-type: none"> ■ Development of international innovation ecosystems by coordinating the network of relationships with businesses, incubators, research centres, universities and other national and international organisations

PERFORMANCE INDICATORS, RESULTS ACHIEVED AND OBJECTIVES

Macro-issue	Projects/Indicators	2022 Actions/Results	Plan Objectives for 2025 2022-2025 cumulative value
Innovation, digital transformation and cybersecurity	NEVA SGR investments in start-ups	<ul style="list-style-type: none"> ▪ Neva SGR: successful closing of fundraising for the Fondo Neva First (launched in 2020) and the Fondo Neva First Italia (launched in 2021) for a total of 250 million euro. During 2022 investments in start-ups amounted to >54 million euro. The Fondo Sviluppo Ecosistemi di Innovazione launched, aimed at supporting the development of innovation ecosystems: 15 million euro raised in 2022 	<ul style="list-style-type: none"> ▪ Support to high-potential start-ups by providing non-financial services (e.g. acceleration programmes) and in connection with/with the support of venture capital funds, also thanks to NEVA SGR: ~100 million euro of investments in start-ups in 2022-2025
	Blocking of fraudulent transactions	<ul style="list-style-type: none"> ▪ ~38.5 million euro of fraudulent transactions blocked for retail customers and ~8 million euro for corporate customers 	<ul style="list-style-type: none"> ▪ Strengthening of cybersecurity
	Hires in the tech domain	<ul style="list-style-type: none"> ▪ 504 employees hired in the tech domain 	<ul style="list-style-type: none"> ▪ Insourcing or reallocation to IT roles and high added values activities: ~2,000 new hires in the tech domain
	Training to Group personnel on cybersecurity	<ul style="list-style-type: none"> ▪ 85,585 participants; 92,767 hours provided 	<ul style="list-style-type: none"> ▪ Providing Group's people with excellent training on critical skills for the digital transition

COMPANY POLICIES

In a highly digitised and competitive context, characterised by the need to activate continuous processes of transformation and innovation, the commitment of Intesa Sanpaolo is supported by a state-of-the-art infrastructure which ranks the Group's practices as among the best in Europe. In this context, Intesa Sanpaolo proposes to its customers a specialist advisory service capable of guiding them in their innovative processes to address future challenges. Through optimisation of an advanced multi-channel platform geared to offering all customer segments an innovative, safe and efficient range of products and services, the aim is to achieve complete digitisation of the Group's priority processes. The widening of User Experience, due also to agreements and partnerships, and also the new functions that favour the use of mobile devices, represent the crucial elements in the Bank's digitisation process. Strong investment in technologies and strategic vision in this area ensured solidity as a going concern during the recent health emergency, allowing sound management of internal business and the rapid interaction with customers through a wide range of remote services.

The Bank's operations highlight the use of cybersecurity practices, already in line with the best international standards and certified by the national authorities, thanks to attentive data management and a focusing on risk management topics and the ongoing protection of the company's assets. The Board of Directors of Intesa Sanpaolo approves the IT Security Plan each year; in addition, in line with current regulations, cybersecurity is governed by guidelines and integrated processes for the safeguarding of the interests and rights of customers through the Bank's Integrated Internal Control System which defines responsibilities at all levels of the company.

The cybersecurity profile is also based on disseminating an awareness of risks and prevention methods by all the parties involved (Bank structures, employees, customers and suppliers).

SUPPORT FOR INNOVATION

Intesa Sanpaolo has launched a thorough review of its processes with a view to innovation also in consideration of the strong thrust towards a digital world. This transformation has also had important effects on the customer support front: The Group has in fact developed targeted financial solutions and specialist assistance services for companies that invest in research, development and innovation projects by offering them a range of products capable of financing their ideas and initiatives so as to maintain their competitive edge.

THE PROMOTION OF INNOVATION IN THE NEW BUSINESS PLAN

Intesa Sanpaolo Innovation Center is the Intesa Sanpaolo Group's company dedicated to frontier innovation. It explores future scenarios and trends, develops multidisciplinary applied research projects, supports start-ups, accelerates the business transformation of companies according to the criteria of open innovation and the circular economy, promotes the development of innovative ecosystems and spreads the culture of innovation, to make the Intesa Sanpaolo Group the driving force of a more aware, inclusive and sustainable economy.

As part of the 2022-2025 Business Plan, the activities of Intesa Sanpaolo Innovation Center have been placed in the fourth pillar, focused on ESG commitment, identifying two lines of activity:

- promoting innovation in the following areas: Research, Start-ups, Ecosystems, Open Innovation and Spreading the culture of innovation and, as regards start-ups, enhancing the support provided by the subsidiary Neva SGR. In the new Plan, the Group is committed to: i) promoting innovation with the launch of around 800 projects over the entire 2022-2025 period (around +70% compared to 2018-2021), of which 201 were already launched in 2022; ii) investing 100 million euro in start-ups through Neva SGR;
- providing support, as the Group's competence centre for the circular economy (CE), for SMEs/Corporates on their path towards sustainability (for further information, see the chapter "Transition to a sustainable, green and circular economy"). With regard to the areas of the plan indicated above, the main activities carried out are shown below.

RESEARCH

Intesa Sanpaolo Innovation Center, in collaboration with research centres and universities, carries out multidisciplinary research projects in the fields of artificial intelligence (AI), neuroscience (NS) and robotics, thanks also to dedicated laboratories.

In the AI field, frontier experiments are carried out with the development of proprietary and patentable algorithms with a high impact on the business, as well as initiatives on service robotics. Since 2018 - the year the operation started - a total of 25 research projects have been carried out and, at the end of 2022, 6 projects were underway.

In the area of NS, with the scientific partner IMT School for Advanced Studies Lucca, a total of 28 research projects have been conducted with the main objective of designing, developing and experimenting with neuroscientific research frameworks applied to the business context including, for example, the identification of new approaches to training, study and analysis of digital dyslexia, dropping out of school and the impacts of the pandemic. At the end of 2022, 8 research projects were ongoing.

In connection with the research projects, 11 scientific publications were released and 26 seminars were held in 2022.

START-UPS

Intesa Sanpaolo Innovation Center has gained marked skills in supporting the growth of start-ups; this activity is conducted through courses managed directly or in partnership, in the context of actions on innovation Ecosystems or specific projects or for third-party customers.

In this context, in 2022 the Company conducted 12 programmes that led to the analysis of about 800 start-ups, of which 102 were accelerated. Two initiatives are worth mentioning:

- Up2Stars, promoted by Banca dei Territori, aimed at 40 start-ups for the development of four vertical pillars (Digital/Industry 4.0; Bioeconomy, with a focus on Agritech and Foodtech; Medtech/Healthcare; and Aerospace), with about 490 candidate applications;
- In Action ESG Climate, promoted by the Insurance Division, dedicated to promoting the development of new innovative solutions to support environmental sustainability and the circular economy, concluded with prizes awarded to the three best projects submitted with a total contribution of 500,000 euro.

To support the growth of start-ups, Intesa Sanpaolo Innovation Center offers Business Development services in analysing the characteristics of the potential target markets and competition, as well as identifying the most suitable business opportunities and technological solutions and supports the Group in the provision of MLT financing called "Convertibile Impresa", dedicated to innovative start-ups.

ECOSYSTEMS

During 2022, Intesa Sanpaolo Innovation Center conducted initiatives to support the growth of international ecosystems. In particular:

- in Turin, the third class of the “Torino Cities of the Future Accelerator” programme was completed, managed by Techstars together with the Fondazione Cassa di Risparmio di Torino (CRT) and the Fondazione Sviluppo e Crescita. Since its launch in 2019, 35 start-ups (11 Italian teams) chosen from over 1,000 candidates (of which about 17% Italian) have been accelerated, over 30 proofs of concept have been developed with local stakeholders, about 51 million euro of capital have been raised, over 310 new resources have been hired after acceleration, 4 start-ups have been established in Italy and the fourth class has now been launched;
- in Florence, the first class of the three-year “Italian Lifestyle” programme with Nana Bianca was completed and the second class was launched in October. Since its launch, 6 Italian start-ups have been accelerated (more than 210 candidates, 85% Italian), over 2 million euro of capital have been raised, and 6 start-ups have been established in Florence;
- in Naples, the first class of the “Terra Next” acceleration program (Bioeconomy) was completed for 8 start-ups (about 130 candidates, 83% Italian), with Cassa Depositi e Prestiti, Cariplo Factory and corporate and scientific partners and with the patronage of the Italian Ministry of the Environment and Energy Security;
- in Venice, the new three-year programme “Argo” (Hospitality and Tourism) was launched at the end of December 2022, sponsored by Banca dei Territori and Intesa Sanpaolo Innovation Center, developed by Cassa Depositi e Prestiti, LVenture and with the collaboration of the Italian Ministry of Tourism, aimed at 10 start-ups per year.

OPEN INNOVATION

In order to generate new economic and relational value for the Group and increase the competitiveness of companies, Intesa Sanpaolo Innovation Center, in synergy and coordination with the Banca dei Territori and IMI CIB Divisions, offers non-financial and advisory services with proposals to customers of transformative programmes on innovation/circular economy issues.

SPREADING THE CULTURE OF INNOVATION

Intesa Sanpaolo Innovation Center promotes the spreading of knowledge and the culture of innovation mainly through the Company’s new website (since its launch in June 2022, over 81,000 pages have been visited with more than 37,000 users reached), and innovation events (32, about 2,200 participants) for matching innovation supply and demand, and also for positioning meetings.

Intesa Sanpaolo Innovation Center also analyses cross-industry innovation trends, produces innovation reports for the benefit of companies and the Group (9 in 2022) and publications on innovation issues (6 in 2022), including the “Decarbonisation Report” which illustrates the technologies for capturing and storing CO₂ already emitted into the environment and to reduce the production of new CO₂ as well as the new materials to help with decarbonisation.

The activities in 2022 also included the launch of a collection of 10 podcasts on innovation themes (“A prova di futuro” - Future-proof), told by the staff of Intesa Sanpaolo Innovation Center, who are part of the broader “Intesa Sanpaolo On Air” project.

In addition, Intesa Sanpaolo Innovation Center oversees and develops the national and international innovation network and the fastest growing ecosystems (Israel, Dubai, Hong Kong, London, New York) for technological scouting and accompanying customers of the Business Divisions. In particular, the “Tech Tour Climate Change” event held at the end of 2022 in Tel Aviv is worth mentioning, aimed at Group customers and personnel taking part in the Climate Solutions Festival 2022, an event organised by Startup Nation Central, Israel, which involved the participation of key-note speakers, debates and presentations of Israeli start-ups that offer concrete solutions in the field of climate change.

HEALTH&BIOTECH ACCELERATOR

During 2022, the Insurance Group continued to take part, in its capacity as industrial partner and through its subsidiary Intesa Sanpaolo RBM Salute, in the Health&BioTech Accelerator, one of the most important innovation acceleration programmes in the health sector, which uses an Open Innovation approach in collaboration with international start-ups and key players in the healthcare industry (such as research institutes, clinics and healthcare centres, retirement homes). Thanks to the project, prototypes and innovative solutions were identified (for example physiotherapy with wearable devices, robotics and new digital platforms) to be integrated within the insurance core business, also thanks to the creation of InSalute Servizi, set up within the Intesa Sanpaolo Vita Insurance Group, dedicated to the management of claims and the development of a network of affiliated healthcare facilities. In addition, as part of the digital transformation programmes, the Insurance Group continues to invest in new and innovative solutions with a view not only to functionality, but also to increasing transparency with respect to the Customer.

SOLUTIONS FOR INNOVATIVE COMPANIES

NOVA+ is the medium-to-long-term loan dedicated to supporting companies investing in research and innovation and which provides for the industrial-technical assessment of the research project carried out by a structure of Bank engineers specialised in the technological sector. From August 2022 onwards, where specific requirements are met (financing for an amount not exceeding 500,000 euro and customers within the scope of Banca dei Territori managed in line with a specific procedure), companies that complete projects financed with NOVA+ can enjoy a benefit on the interest rate, after providing an affidavit regarding the completion of the project being financed by the Bank. During 2022, loans totalling 10 million euro were disbursed.

In 2022, Intesa Sanpaolo also continued to build the portfolio of new loans (up to 300 million euro) guaranteed by FEI Innovfin with an ordinary guarantee of 50% and linked to research, innovation and development projects, based on the original agreement of 2018, up to the end of the period of availability at 31 December 2022. The agreement is part of the initiatives envisaged under the Community programme “InnovFin – EU Finance for innovators” and is supported by the European Investment Bank Group and the European Union through “Horizon 2020” (European Framework Programme for Research and Innovation). This agreement made it possible to finance in a very short time and with particularly favourable conditions over two hundred SMEs and Small Mid-Caps distributed throughout Italy and with medium-low ratings, since they were also able to count on a specific “COVID-19 Line” of up to 60 million euro, reserved for working capital needs, with 80% coverage, fully used in the previous year.

Lastly, Intesa Sanpaolo approved 31 projects in 2022 for about 314 million euro of acceptable investments in favour of 61 beneficiaries, acting as a Bank granting specific public subsidies for research and innovation (in particular, the Sustainable Growth Fund, managed by the Italian Ministry of Companies and Made in Italy). In total, 441 projects that had not suffered forfeiture or revocation, were approved under the Sustainable Growth Fund from 2014 to 2022, for a total of about 2.4 billion euro of acceptable investments in favour of 760 beneficiaries.

THE PROCESSES INVOLVED IN THE BANK’S DIGITAL TRANSFORMATION

With the new 2022-25 Business Plan, Intesa Sanpaolo continues the journey - already embarked on in previous years - in terms of digitisation, innovation and multi-channelling. This journey involves the gradual, in-depth revision of the IT platform, improvements in efficiency of the operating model and the transformation towards the cloud. The main actions in 2022 were as follows:

- the project was launched for the creation of the new Digital Bank “Isybank”; the partnership was signed with the leading fintech company Thought Machine enabling the use of cutting-edge, cloud-native technologies adaptable to more transverse customers operating for example in various currencies and in various countries; the service model and the offering structure were defined, and its functions are currently being developed that will enable Isybank (starting from 2023) to serve Retail customers who do not normally use branches;
- to effectively support the transformation process, two programmes were launched: “New DSI”, which aims to transform the IT operating model by aligning it with the best practices of IT structures in digital market entities and “Falcon”, which aims to bring IT competence back within the Company by hiring ~2,000 resources over the period of the Plan. During the year, new ways of working were introduced, the transformation of the first pilot structures was carried out, specific roles were brought in for the monitoring and development of capabilities (New DSI) and 504 resources were hired, mainly aimed at the Isybank project, in line with the planned schedule;
- as part of the agreement signed with TIM and Google for the migration of a significant part of Intesa Sanpaolo’s information system onto Google’s cloud services, which will meet the higher international standards of security and confidentiality of information, the migration continued of the applications onto the Google Cloud Platform (to date 83 applications have been migrated and 27 new applications have been created directly on the cloud); Italy’s Milan Region was created and the Turin Region is in the process of completion: both will provide Italian households and businesses with secure and sustainable access to the technological and economic advantages of cloud computing, making a key contribution to the acceleration of Italy’s digitisation.

The development continued of the Opening Future portal, a communication hub developed by the Group in collaboration with Google Cloud and Noovle (cloud company of the TIM Group) aimed at increasing and

spreading a digital culture and building green IT in Italy. Taking advantage of the local and international technological capabilities of partner companies in technology (5G, IoT) and artificial intelligence, the free training offer for the community continued (students, teachers, SMEs and start-ups). In addition, a Centre of Excellence has been set up in Turin for the development of new products and specific training initiatives accelerated by artificial intelligence.

As regards innovation in the methods of interaction with customers, some developments were released to further integrate the contact channels and improve the range and user experience. As a result of these efforts, the Intesa Sanpaolo App was once more recognised by Forrester as “Overall Digital Experience Leader”, ranking first among all the EMEA (Europe, Middle East and Africa) banking apps, and was cited as best practice in various categories of banking apps rated in the world. The Intesa Sanpaolo Mobile App is used as a gateway by over 12 million multi-channel customers, with around 1.5 billion logins and 146 million transactions a year, and supports the purchase of products and services on the Group’s digital channels, which account for almost 40% of Banca dei Territori’s total sales.

In addition, in 2022:

- the digitisation of the new credit granting process for Corporate and SME customers was completed, allowing a stable and significant reduction in average resolution times;
- in the payments sector, the scope of new digital payment products and services in a multi-channel perspective was expanded (the Customer Journey for new Commercial Cards was activated), leveraging strategic partnerships;
- the signing of contracts remotely on Inbiz has become a target process for Intesa Sanpaolo and therefore an ordinary tool in the Bank-customer relationship, evolving Inbiz from being a transactional platform to a relational portal, generating positive impacts in the ESG field and strengthening Intesa Sanpaolo’s role as an Impact Bank with a focus on environmental sustainability (helping to save paper and reduce CO₂ emissions associated with the management of paper-based documents);
- the digital onboarding model was also extended to the Global Corporate segment;
- Fideuram customers are in the process of being migrated to the MyKey platform.

THE SPREAD OF DIGITAL CULTURE

The Ottomila! change management system continued in 2022, supporting almost 47,000 employees from the Banca dei Territori Division in achieving the objectives of the 2018-2021 Business Plan, and it continues to accompany staff from the Group in implementing the new 2022-2025 Business Plan. The commitment to continue the journey with determination towards an increasingly widespread and profound digital culture intensified through the spaces on the Ottomila! portal dedicated to managing relations with customers, even remotely, to the conscious and safe use of new tools and processes and to offer information content and stimulate sharing ideas also with a view to greater awareness and satisfaction. This commitment to spreading the digital culture was further strengthened in the Vividigitale project. The format evolved through the delivery of 97 sessions and has become an engine for providing insights on all digital issues and automated processes, aimed primarily at digital culture disseminators, namely staff in the Group chosen from time to time in each branch to be the initial disseminators within each organisational unit. At the same time, moments for in-depth analysis were consolidated through Vivichat remote meetings: an informative schedule providing insights on priority issues, as well as new services and products. Through 117 sessions, it reached about 39,000 people in the Group. The active involvement of personnel also continued thanks to Altimetro, the well-established and recognised tool within the Banca dei Territori which, through the completion of an anonymous and voluntary questionnaire, aims to encourage discussion within the workplace, stimulating engagement and reflections on those aspects that already work well in order to achieve improvements jointly.

THE PHYSICAL NETWORK CHANNEL AND INTEGRATION WITH ONLINE STRUCTURES

The branches continue to represent the physical space for personal relations with customers in the distribution network, particularly with regard to more complex/advanced transactions. The adoption of the more up-to-date branch layout allows a significant change to the physical place where the Bank comes into contact with its customers, with modular spaces that have been made as welcoming as possible and functional areas for specific activities (customer reception areas, living areas and self-service banking areas etc.). The new branch layout, which also adapts to host artistic and cultural events, at the end of 2022 was present in 371 branches, including 26 Business branches, with an increase of over 58 units compared to 2021.

The year 2022 was a year of consolidation regarding people's digital behaviour, increasingly directed towards a conscious use of multi-channelling by choosing on each occasion the most functional channel to meet the needs of the moment. The 2022-2025 Business Plan incorporates this trend, providing for developments in the Online Branch towards a model that assigns it an even more important role in managing the relationship with customers. In this context, on 1 April 2022, the Digital Branch was established with the aim of providing assistance and consultancy services that have been further expanded and enriched with the launch of commercial activities, also through a range of services delivered remotely.

The organisational structure of the Digital Branch has evolved towards a service model mirroring that of the physical network (with over 2,000 digital managers organised in branch and area offices) and specialised in line with the customer segment. This new structure aims to reduce times and improve the quality of the service offered by defining the specific skills of digital managers, according to customer needs, and enriching the customer relationship management platform with new features to provide them with support.

With a view to innovation and constant improvement of the service experience with the Digital Branch, the technological development activities of the Ellis chatbot (operating 24 hours a day, 7 days a week) also continued, with new features available to customers via the App and Internet Banking, as well as the introduction on the Bank's showcase site for potential new customers [i], recording conversation success rates and high levels of service. In order to encourage guided interaction with the Digital Branch via App, a feature was activated to easily identify the reason for contact and to put the customer quickly in communication with the first available manager based on the request made.

Finally, with the aim of continuing to promote the transition to digital and promoting inclusion also with respect to senior customers (over 65), the Digital Branch continued its training activities dedicated to customers, organising 30 webinars dedicated to them and aimed at encouraging an increasingly aware and secure dissemination of the various features made available by the Bank.

In 2022, the International Subsidiary Banks Division continued the following projects:

- Adopting Group Distribution Model (AGDM), for the implementation of the new commercial service model in nine banks (AlexBank was added to the areas of consolidation in 2022). Customised advisory services were reinforced by reaching over 3,850 managers dedicated to covering all segments (Classic, Premium, Magnifica and Small Business). Furthermore, the use of digital channels (advanced ATMs) achieved 90% of withdrawals, and 56% of deposits made in self-service mode.
- DigiCal, with the aim of continuing to digitise existing processes and to develop new ones for Retail and Small Business customers. In particular, the DigiCal ABC project has allowed the adoption of a single branch application, common to all subsidiaries, optimizing the activities of the manager and making sales processes completely paperless. The use of Danube tablets for collecting digital signatures in PBZ, VÚB Banka, BIB, CIB Bank, Intesa Sanpaolo Bank in Slovenia and Intesa Sanpaolo Bank Albania has contributed to the dematerialisation of contracts by improving the Customer Experience. The Digital Onboarding project also allowed the online opening of current accounts through the DigiCal App in CIB Bank, Intesa Sanpaolo Bank Slovenia and Intesa Sanpaolo Bank Albania. In 2022, the implementation of the Digital Onboarding project was completed for the upcoming launch in Intesa Sanpaolo Bank Romania.

The implementation of the Remote Offer service, which was accelerated by the recent health emergency and initially active in PBZ and Intesa Sanpaolo Bank Slovenia, was extended in 2022 to Intesa Sanpaolo Bank Albania and CIB Bank, allowing customers to be assisted remotely by sending and finalising commercial offers on online channels. In addition, through the website it is possible to sign online multi-channel contracts for customers of PBZ, Intesa Sanpaolo Bank Albania and Alexbank branches.

In view of the changeover to the euro on 1 January 2023, PBZ was the first bank in Croatia to display balances, positions and documents in both currencies (HRK/EUR) on its mobile and internet channels, starting in July 2022.

ACCESSIBILITY FOR PEOPLE WITH DISABILITIES

Transactions for customers with visual disabilities are carried out, in Italy, with ATMs equipped with a highly readable graphic interface for visually-impaired people, while for blind customers over 6,400 machines are equipped with headphones for listening to voice guidance. The monitoring of the accessibility and usability of buildings and services led to the conclusion of the census of 2,877 operating points (consisting mainly of Retail, Exclusive, Business, Private and Corporate branches, satellite agencies of the various branch types, and detached and company branches) out of a total of 4,445, i.e. about 65% of the total, inspecting the user-friendliness of automated equipment and

the accessibility of various areas with the use of tactile routes for the visually impaired. You can find specific information on the accessibility of branches on the Intesa Sanpaolo website [1]. In particular, there is information on the accessibility of branches and self-service areas for individuals with reduced mobility; visitors can also find out, for example, if there are accessible cashier desks, adequate space for manoeuvring in corridors, lifts or lifting platforms, or stair lifts to connect the various floors.

In addition, in 2022, accessibility settings were introduced on the website and on the App to facilitate the digital inclusion of all customers with visual impairments.

As part of the DigiCal model, there is continued updating, in the International Subsidiary Banks, of mobile and web applications according to WCAG 2.0 (Web Content Accessibility Guidelines) accessibility standards, which allow persons with disabilities to use the platforms, offering a service in English and in the local language.

During 2022, the updating of surveys of premises in the International Subsidiary Banks area continued its progress, taking branch networks and head offices into consideration. The mapping activities concerned 100% of business-operating properties (branches, head offices, etc.) and considered several common parameters (accessibility from the outside, to the cashiers and to relationship managers, etc.). The highest levels of accessibility from outside are currently found in Croatia (95%) and Slovenia (93%) with an improving trend observable in all countries in the International Subsidiary Banks area, taking into account the changes in the number of branches.

There is continued collaboration with the Fondazione LIA (Libri Italiani Accessibili - Accessible Italian Books Foundation), which has been working for years with Associazione Italiana Editori (the Italian Publishers Association) and Unione Italiana Ciechi e Ipovedenti (Italian Association for the Blind and Visually Impaired) in order to improve the accessibility of the Group's documents published on the Internet and on the Intranet.

DIGITAL OFFER FOR CREDIT

The activity of granting credit to retail customers, in terms of products and processes, is carried out in a multi-channel perspective. In fact, the offer received from the traditional branch can be completed and concluded by customers directly via their mobile devices, independently or with the assistance of the branch. As regards consumer credit, it is worth mentioning:

- XME Prestito Facile/XME Prestito Giovani, the fast and flexible solution for customers needing liquidity, which allows customers to sign in self-service mode and to change instalments and defer payment;
- XME Prestito Diretto which allows the purchase at zero rate of a wide range of products and services offered by commercial partners;
- XME Spensierata is the open-ended credit line that helps customers manage their daily expenses by paying expenses already incurred in instalments, or by obtaining the liquidity necessary to meet their purchases (expenses already incurred or to be incurred), optimizing the management of the family budget.

In SME credit, Circolante Impresa Smart remains available, the totally digital short-term loan that allows customers to sign for the loan independently that is made available, based on a new online calculation model, according to their repayment capacity.

CYBERSECURITY

The Group considers the protection of customers' information a matter of strategic importance and in general contributes actively to the cybernetic resilience of Italy's Economy. Cybersecurity is governed by guidelines and integrated processes for the protection of the interests and rights of customers and the Group's people, with rules set out in the Bank's Integrated Internal Control System.

The Group's cybersecurity model has a risk-based approach and is organised in three main macro-areas (Guidance, Control, Active Monitoring). In accordance with this model, appropriate roles and responsibilities have been defined, including: the Corporate Bodies and Committees that assume general responsibility for the guidance and control of cybersecurity, supported by the Governance Functions that ensure its effective management; a Group Information Security Officer who ensures the protection of information and infrastructure, ensures consistency among the internal rules and compliance with the regulatory framework; the Relevant Functions that provide services, design and release cybersecurity solutions in compliance with the relevant regulations.

Cybersecurity tasks are carried out according to common guidelines within the Group. The cybersecurity management model and system are reviewed and updated annually or in response to legislative, regulatory, organisational and technological changes, also with a view to continuous improvement. The cybersecurity structure annually conducts specific strategic intelligence activities aimed at identifying the most relevant risk scenarios for Intesa Sanpaolo.

Given the growing importance of cybersecurity, also in relation to the new Business Plan, the Intesa Sanpaolo Board of Directors annually approves the IT Security Plan which organises, in a structured and coordinated way, the challenges introduced by cyber space through the measures established by the Group functions that are responsible for guaranteeing the relevant safeguards. The clear definition of responsibilities in disseminating a cybersecurity culture to protect every component of the company's assets is the main theme. In particular, the IT Security Plan provides for the implementation of a Group cybersecurity strategy based on perfect knowledge of the elements of the area to be protected, which grows together with the services offered and the new risks that heavily depend on behaviour and the human factor. This strategy is based on four main pillars:

- protecting customers: protecting customers against the increase and sophistication of fraud and attacks, consolidating trust in digital services;
- protecting the Bank: developing the ability for protection and recovery from new attacks on the digital infrastructures used by the Bank and Third Parties;
- ensuring compliance with cyber legislation: transforming internal safeguards and processes to ensure constant compliance with legislation and the laws;
- adopting the cyber strategy and enabling trust in digital services, which is achieved by guaranteeing customers, even those with little familiarity in the digital field, secure access to online services, by ensuring security and resilience of services and cyber training on the entire value chain and developing the governance model, in order to foster the growth of controls and strategic skills.

These pillars have enabled the operational projects to be defined together with the investments necessary for the implementation of the initiatives set out in the Master Plan, geared towards increasing the levels of cyber resilience and cyber readiness in the Group.

Some of the most important initiatives for the Bank are:

- continuing activities aimed at improving levels of protection for customers in a period of rapid growth in the use of digital services offered:
 - enhancing cybersecurity and the resilience of the systems and applications dedicated for that purpose in services offered to customers;
 - strengthening of anti-fraud monitoring, especially in view of the pandemic situation and recent geopolitical tensions that may facilitate attacks on customers less accustomed to operating through digital channels, also through the use of artificial intelligence and machine learning and the reinforcement of the interaction of such technologies with the operational processes.
- increasing attention to the security of Third Parties that provide services to the Bank, through specific methods of assessment, classification and verification of suppliers for the aspects of cybersecurity and business continuity (contracting, service provision, contract closure);
- enhancement of the security measures adopted by staff such as, for example:
 - extension of services with multifactor authentication;
 - enhancement of internal processes and communications to be activated if a critical event occurs so as to reduce the relevant risks.

With regard to anti-fraud monitoring, the Bank keeps its system constantly updated and capable of real-time analysis of transactions carried out by customers via digital channels and of detecting, through a risk assessment system, any potentially anomalous transactions, also seeking verification of the device in use through the use of innovative solutions; furthermore, the Group acts in collaboration with the Authorities to combat new techniques used by the fraudsters, and makes use of every channel to raise awareness among customers to actively address attempts of phishing and to remind them that their credentials are personal and must be well guarded and never disclosed to third parties. It systematically updates the security section of its website and the Mobile App with new training content, examples of fraud attempts, insights, FAQs on cyber topics and sending communications to Intesa Sanpaolo customers for the prevention of the phishing phenomenon. During 2022, the entire financial system confirmed a growing trend of attempted attacks that required Intesa Sanpaolo to block fraudulent transactions amounting to around 38.5 million euro for retail customers and about 8 million euro for corporate customers. Intesa Sanpaolo pays particular attention to increasing the skills of sector specialists through collaborations with universities (for example Bocconi University, Milan Polytechnic, Turin Polytechnic, IISole24Ore Business

School, Bologna Business School, University of Florence) and has activated initiatives to increase the cybersecurity culture of the financial system by participating in national and international working groups (for example Europol, ECSO, EBF, Association for Financial Markets in Europe, ENISA) by developing awareness content for the community, guiding the relevant legislation and providing evidence to support the public/private sector about their experience in the world of cybersecurity. In this context, Intesa Sanpaolo provided support for the creation of educational workshops for primary and secondary school pupils (“Drizza le Antenne” - 1,880 pupils, 18 schools - dangers present on the Internet and how to avoid them); it spoke at the ABI Banche e Sicurezza event on the theme “NRRP and cybersecurity: are we at the turning point?” and collaborated with CERTFin for the realisation of new mass dissemination campaigns, called “I Navigati”. As regards the people of the Group, Intesa Sanpaolo continuously carries out customised training at all levels of the hierarchy, including Top Management, through simulations, distance or classroom training and checks on the effectiveness of the awareness raising initiatives.

The monitoring of cybersecurity and business continuity integrated within the Crisis Management mechanisms confirmed the effectiveness not only in the management of events connected to natural disasters, but also in relation to the pandemic emergency and recent geopolitical tensions, allowing the continuity of services and the protection of customers and people in the Group.

Lastly, Intesa Sanpaolo continued its commitment in making sure that third parties maintain their certifications for their cybersecurity and business continuity activities to guarantee the quality and adequate supervision of the services provided (see [i]).