



**A strong Bank for a
sustainable world**

A Wealth Management, Protection & Advisory Leader

Zero-NPL, Digital & Fee-Driven

Intesa Sanpaolo 2022-2025 Business Plan

February 4, 2022

Disclaimer

This presentation includes certain forward looking statements, projections, objectives and estimates reflecting the current views of the management of the Company with respect to future events. Forward looking statements, projections, objectives, estimates and forecasts are generally identifiable by the use of the words “may,” “will,” “should,” “plan,” “expect,” “anticipate,” “estimate,” “believe,” “intend,” “project,” “goal” or “target” or the negative of these words or other variations on these words or comparable terminology. These forward-looking statements include, but are not limited to, all statements other than statements of historical facts, including, without limitation, those regarding the Company’s future financial position and results of operations, strategy, plans, objectives, goals and targets and future developments in the markets where the Company participates or is seeking to participate.

Due to such uncertainties and risks, readers are cautioned not to place undue reliance on such forward-looking statements as a prediction of actual results. The Group’s ability to achieve its projected objectives or results is dependent on many factors which are outside management’s control. Actual results may differ materially from (and be more negative than) those projected or implied in the forward-looking statements. Such forward-looking information involves risks and uncertainties that could significantly affect expected results and is based on certain key assumptions.

All forward-looking statements included herein are based on information available to the Company as of the date hereof. The Company undertakes no obligation to update publicly or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as may be required by applicable law. All subsequent written and oral forward-looking statements attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by these cautionary statements.

Key messages

The 2022-2025 Business Plan formula

Final remarks

Intesa Sanpaolo today: an ongoing success story

A proven delivery machine paying ~€19bn in cash dividends⁽¹⁾ since 2014 while strengthening capital in a challenging environment

A fee-driven, efficient and low-risk Wealth Management & Protection Company with fully-owned product factories and ~€1.3 trillion in Customer financial assets

Massive de-risking (~€54bn NPL deleveraging⁽²⁾) with the **lowest-ever NPL stock and ratios**

One of the best Cost/Income ratios in Europe, at 52.5%, with a lean operating model and strong integration capabilities (e.g. UBI Banca)

~€8bn out of 2020-2021 Pre-tax profits **allocated to succeed in the coming years**

A leading Bank in ESG, with a best-in-class position in the main indexes and rankings

Strong digital proposition: 93% of clients⁽³⁾ already multichannel; our Mobile App⁽⁴⁾ recognised by Forrester as #1 “Overall Digital Experience Leader” in Europe

(1) Including €1.5bn to be paid in May 2022, related to 2021 Net income

(2) Since the 30.9.15 peak, including ~€4.8bn 2022 gross NPL disposals already funded in 4Q21 and still booked in NPL as at 31.12.21

(3) Banca dei Territori perimeter (Italian retail and SME Division)

(4) Used by 8.1m clients, Banca dei Territori perimeter (Italian retail and SME Division)

2022-2025 Business Plan highlights

Zero-NPL Bank with no impact from calendar provisioning: net NPL ratio at ~1%⁽¹⁾ and Cost of risk at ~40bps throughout the entire Business Plan horizon

Cost/Income down to 46% in 2025, with **Costs decreasing** in absolute terms despite **€7.1bn in investments**

2.3% CAGR in Revenues, driven by **Commissions and Insurance income**, and **~€1.5 trillion in Customer financial assets**

Leading position in ESG further strengthened: the #1 bank in the world for Social Impact and strong focus on climate, supporting the green transition

Solid capital position: Basel 3/Basel 4 **CET1 ratio** fully phased-in target **>12%**

Growing and sustainable value creation: **€6.5bn Net income** in 2025 with **~14% ROTE⁽²⁾**

Strong value distribution: **70% dividend payout⁽³⁾** in each year of the Business Plan and an **additional €3.4bn capital return to Shareholders in 2022** through buyback⁽⁴⁾

>€22bn total capital return through cash dividends and buyback for 2021-2025⁽⁵⁾, with any additional distribution to be evaluated year-by-year starting from 2023

(1) According to EBA definition

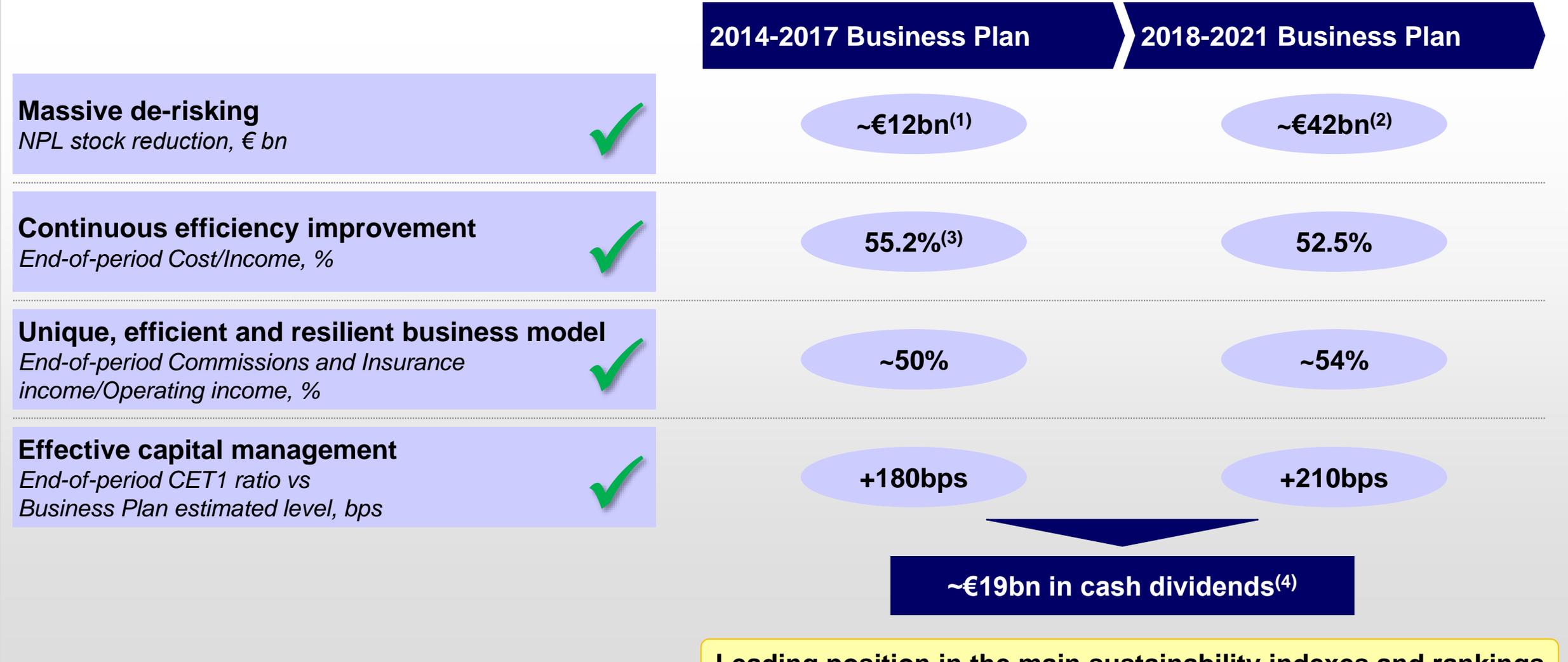
(2) Net income/Tangible Net shareholders' equity (Net shareholders' equity excluding Net income, AT1, Goodwill and other intangibles)

(3) On stated Net Income, subject to shareholder approval

(4) Subject to ECB and shareholder approvals. Buyback amount equivalent to 2019 suspended dividend

(5) Subject to ECB and shareholder approvals and based on the achievement of 2022-2025 Business Plan stated Net income targets. Including €1.4bn 2021 interim dividends paid in November 2021. Buyback amount equivalent to 2019 suspended dividend

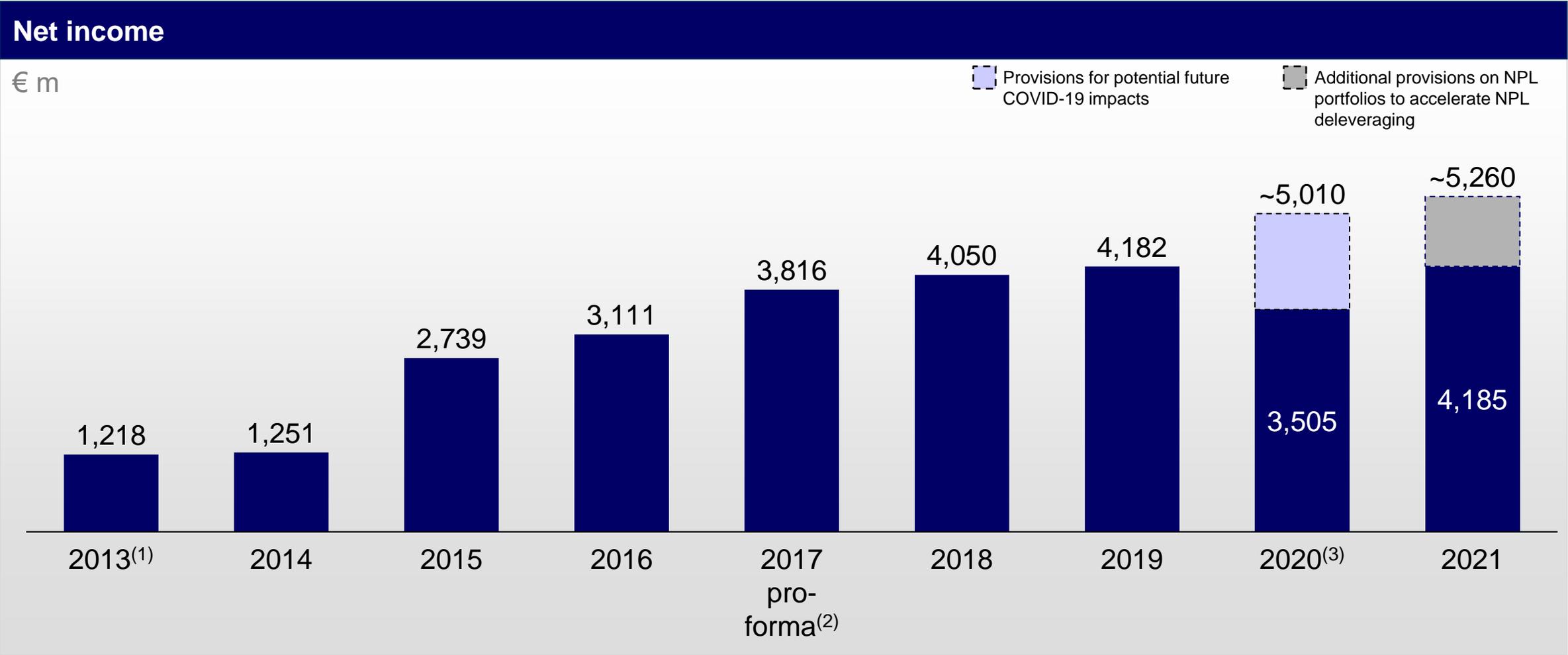
Excellent results delivered over the past two Business Plans...



Leading position in the main sustainability indexes and rankings

(1) Since the 30.9.15 peak
 (2) Including ~€4.8bn 2022 gross NPL disposals already funded in 4Q21 and still booked in NPL as at 31.12.21
 (3) Including the operations of the two former Venetian banks and Morval Group
 (4) Including €1.5bn to be paid in May 2022, related to 2021 Net income

... with Net income structurally growing since 2013 and already at a €5bn run rate...



(1) Excluding goodwill and intangible assets impairment

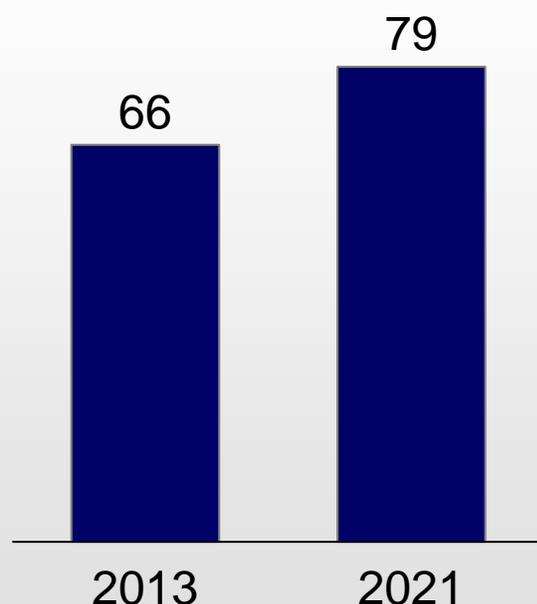
(2) Management data including the contribution of the two former Venetian banks – excluding public cash contribution – and the Morval Group consolidation

(3) Excluding the accounting effect of the combination with UBI Banca and goodwill impairment

... thanks to the contribution from our People, who are our most important asset

Our People are highly motivated...

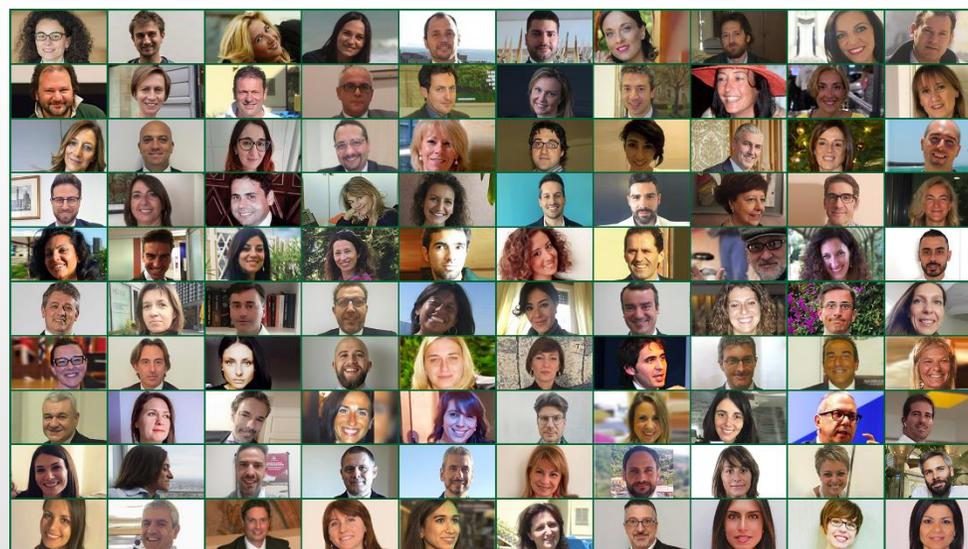
ISP People satisfaction index, %



ISP recognised as Top Employer 2022⁽¹⁾



... and fully committed to the new Business Plan



~58,000 People contributed to defining the 2022-2025 Business Plan strategic priorities

All business units and governance functions involved in the scenario-based planning to develop a post-COVID approach

(1) By Top Employers Institute

The 2022-2025 Business Plan formula

Our People are our most important asset



Massive upfront de-risking, slashing Cost of risk

~1% net NPL ratio⁽¹⁾

~40bps Cost of risk⁽¹⁾



Structural Cost reduction, enabled by technology

€2bn Cost savings

€5bn investments in technology and growth



Growth in Commissions, driven by Wealth Management, Protection & Advisory

~€100bn growth in AuM

~57% of Revenues from fee-based business⁽²⁾



Significant ESG commitment, with a world-class position in Social Impact and strong focus on climate

~€25bn in social lending/contribution to society

~€90bn in new loans to support the green transition

Strong and sustainable value creation and distribution while maintaining a solid capital position and a strong focus on ESG

(1) Throughout the entire Business Plan horizon

(2) Commissions and Insurance income

We will deliver on our strengths...

Business Plan formula	Our strengths
<p>Massive de-risking</p>	<p style="text-align: center;">~1%⁽¹⁾ <i>Best-in-class NPL ratio</i></p> <ul style="list-style-type: none"> ▪ High-quality loan portfolio ▪ Strong proactive credit management ▪ Partnerships with leading NPL industrial players
<p>Structural Cost reduction</p>	<p style="text-align: center;">€2bn <i>Cost savings</i></p> <ul style="list-style-type: none"> ▪ Proven track record ▪ Dedicated centre of excellence at Group level ▪ Partnerships with leading digital players
<p>Growth in Commissions</p>	<p style="text-align: center;">~€100bn <i>Growth in AuM</i></p> <ul style="list-style-type: none"> ▪ Fully-owned product factories ▪ Distinctive advisory networks for Private, Exclusive and Corporate clients ▪ Top-notch digital tools
<p>Significant ESG commitment</p>	<p style="text-align: center;">~€115bn <i>Contribution to society and to support the green transition</i></p> <ul style="list-style-type: none"> ▪ Long-standing commitment to Social Impact ▪ Strong support to the green transition ▪ Leader in the main sustainability indexes and rankings

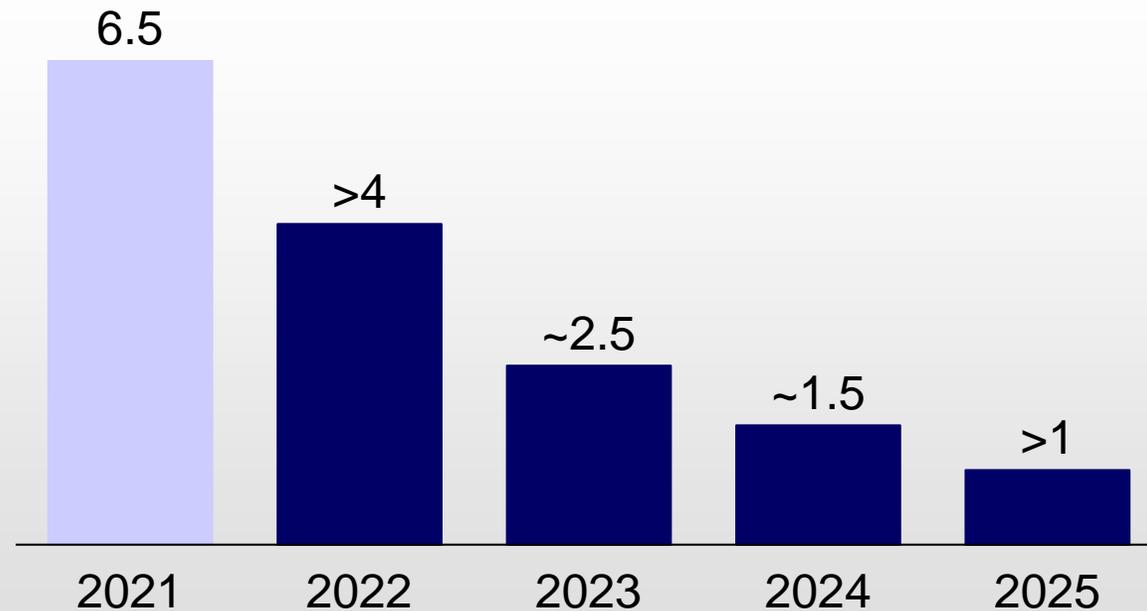
Our People are our most important asset

(1) Net NPL ratio according to EBA definition

... in a favourable macroeconomic scenario supported by Italy's Recovery and Resilience Plan with conservative interest rate assumptions

Italian GDP

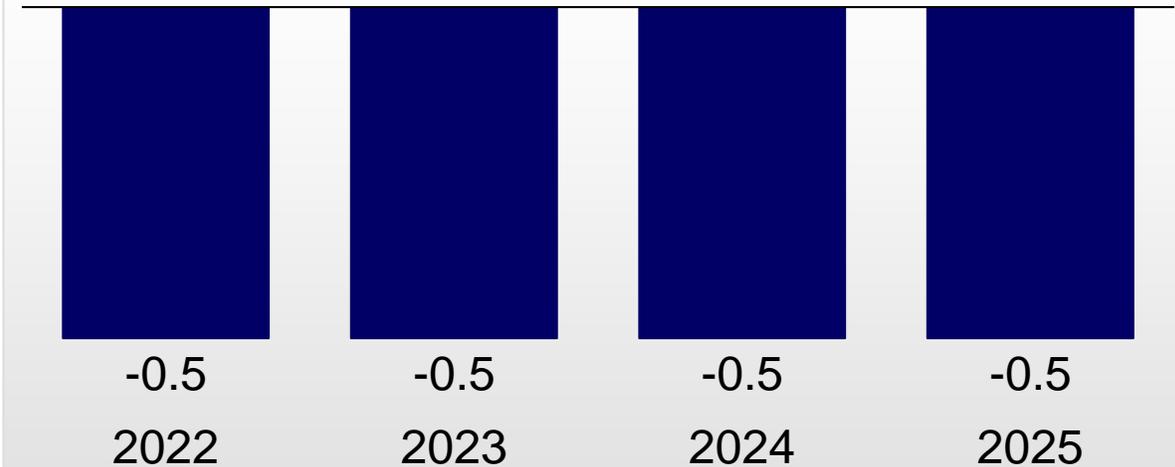
Δ YoY, %



A full implementation of Italy's Recovery and Resilience Plan⁽¹⁾ will structurally lift the Country's growth above 1%

1M Euribor

Yearly average, %



Flat interest rate assumptions

(1) Piano Nazionale di Ripresa e Resilienza

Strong and sustainable value creation and distribution...

Strong and sustainable value creation...

Net income, € bn

ROTE⁽¹⁾, %



>€5bn Net income in 2022

... and distribution for 2021-2025

70%
Payout ratio⁽²⁾
2022-2025

€3.4bn
Buyback⁽³⁾
in 2022

>€22bn⁽⁴⁾

>€6.6bn in 2022⁽⁵⁾

Any additional distribution to be evaluated year-by-year starting from 2023

(1) Net income/Tangible Net shareholders' equity (Net shareholders' equity excluding Net income, AT1, Goodwill and other intangibles)

(2) Subject to shareholder approval. Payout based on stated Net income

(3) Subject to ECB and shareholder approvals. Buyback amount equivalent to 2019 suspended dividend

(4) Subject to ECB and shareholder approvals and based on the achievement of 2022-2025 Business Plan stated Net income targets. Including €1.4bn 2021 interim dividends paid in November 2021

(5) Subject to ECB and shareholder approvals and based on the achievement of 2022 stated Net income target. Including 2022 interim dividend to be paid in November 2022, subject to Board of Directors approval

... while maintaining a solid capital position...

Fully phased-in CET1 ratio

%

Basel 3/Basel 4 metrics

>12.0

2022-2025
target

- **Best-in-class leverage ratio at 6.2%⁽¹⁾ and NPL ratio at ~1%⁽²⁾**
- **Comfortably above MREL requirements**

(1) In 2025, fully phased-in
(2) Net NPL ratio according to EBA definition

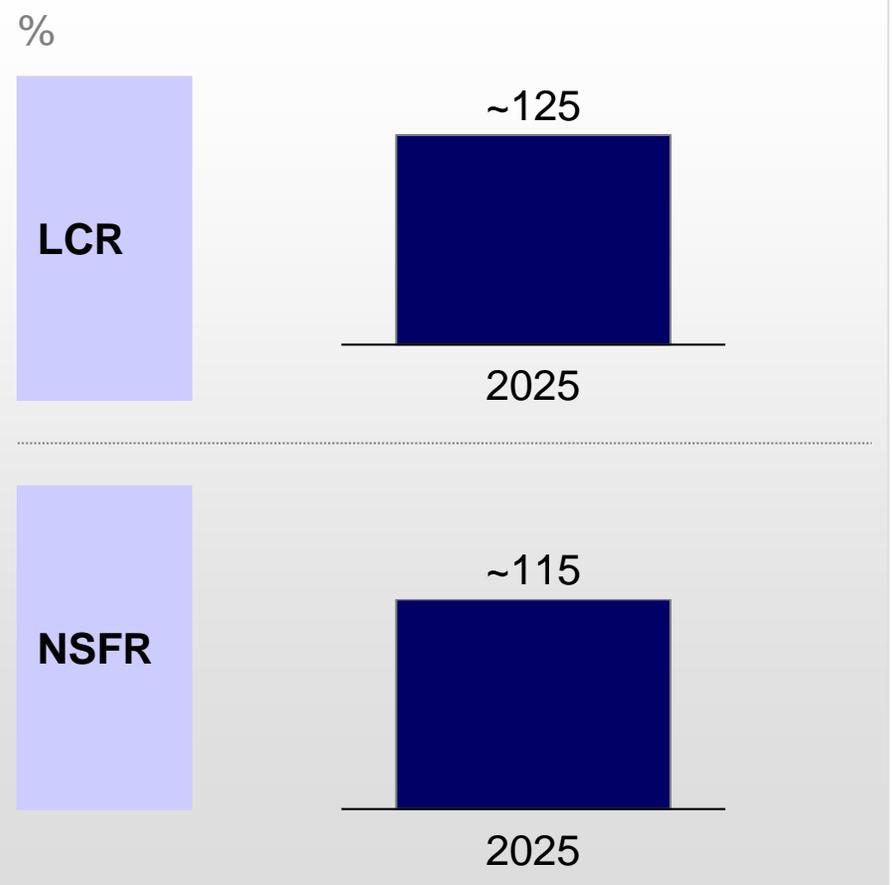
Key highlights

- **~60bps regulatory headwinds**
- **~30bps benefit from continuous RWA optimisation** by strengthening the already best-in-class Active Credit Portfolio Steering team and focusing on synthetic securitisations, credit strategies deployment and capital efficiency initiatives
- **Basel 4 fully phased-in impact in 2025 (~55bps pre-mitigation actions) will be offset by DTA absorption** in the 2026-2029 period

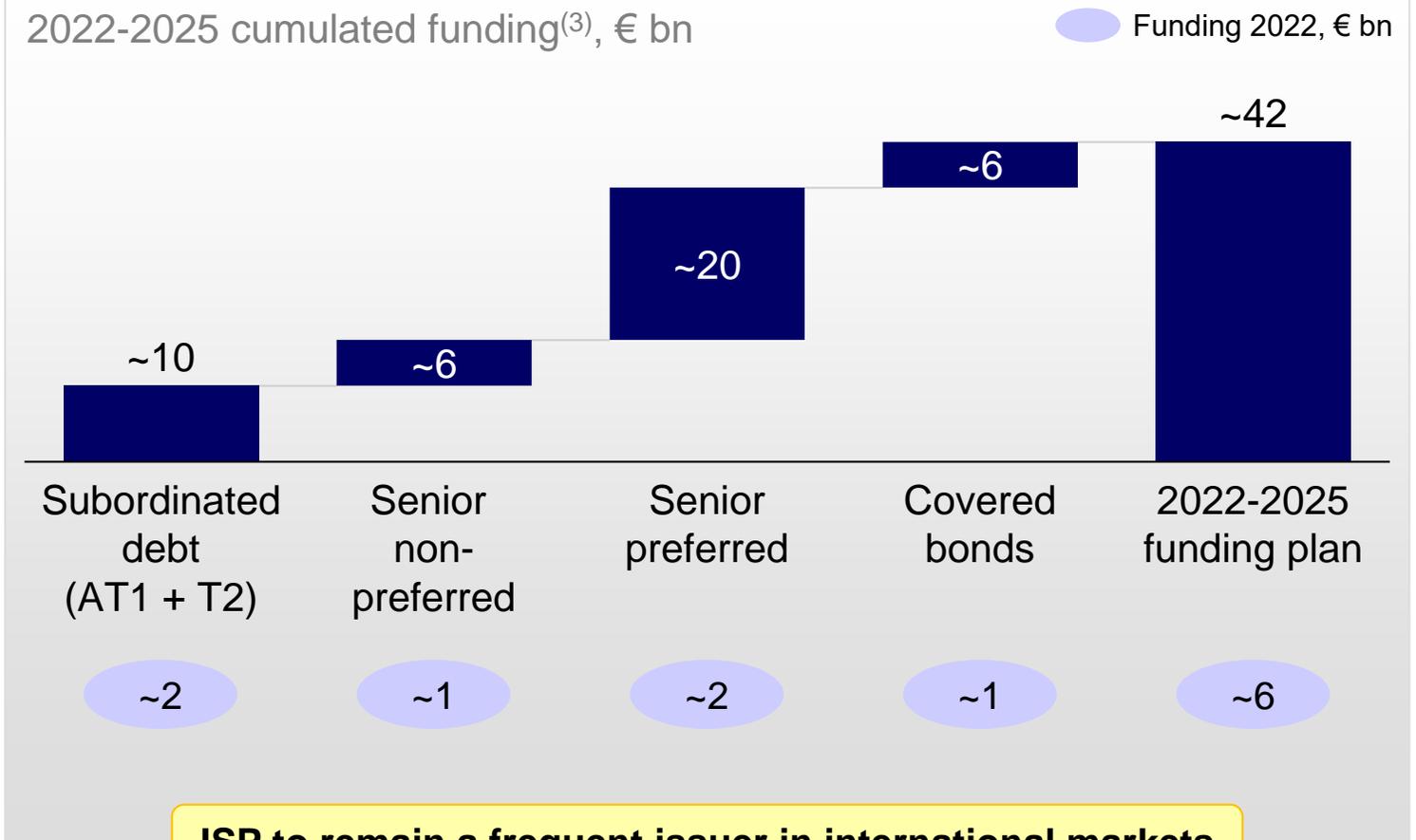
ISP awarded Credit Portfolio Manager of the Year at 2022 Risk Awards by Risk.net

... and a prudent liquidity profile

Liquidity ratios⁽¹⁾ well above regulatory requirements...



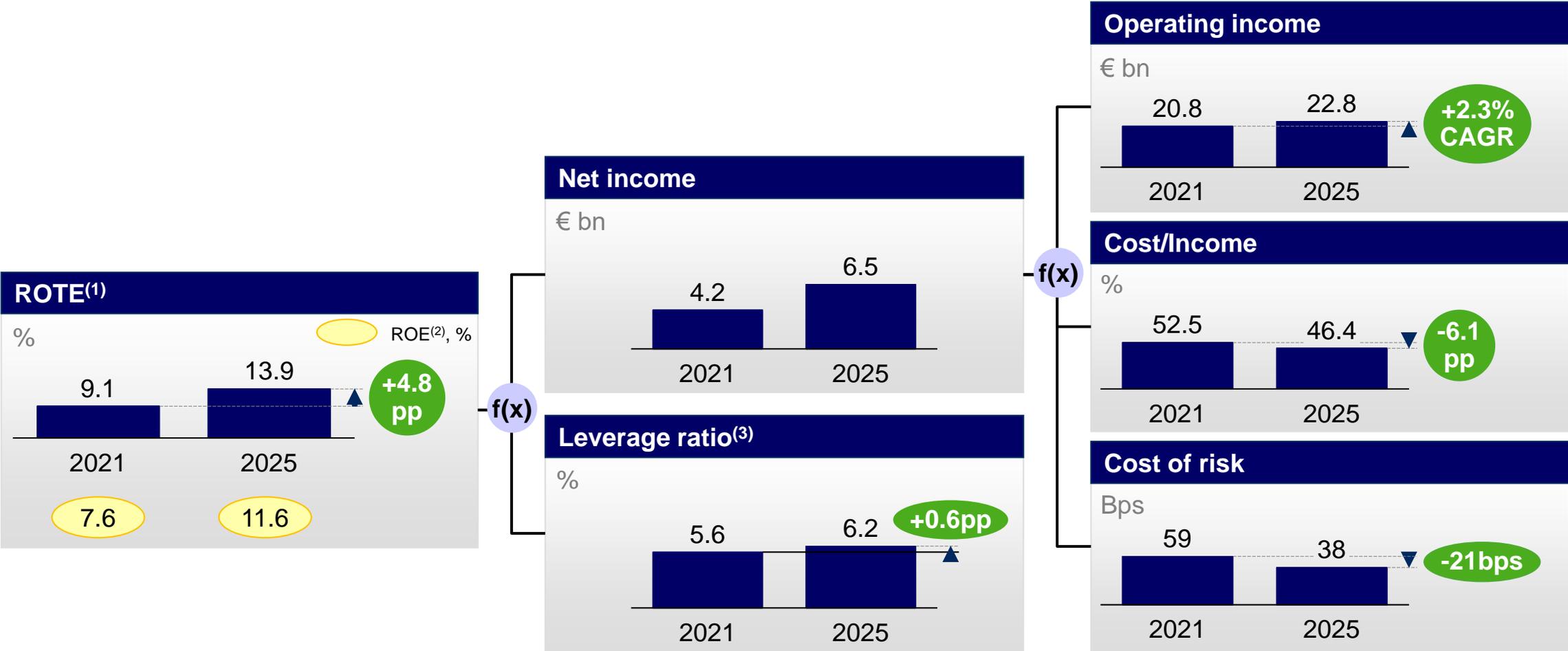
... fostered by a manageable funding plan⁽²⁾



ISP to remain a frequent issuer in international markets

(1) Considering full reimbursement of TLTRO
 (2) Wholesale issuances
 (3) Funding mix and size could change according to market conditions and asset growth

Strong increase in profitability and efficiency



Additional upside potential from interest rate increases: ~€1bn Net interest income growth for every 50bps increase in rates

Note: figures may not add up exactly due to rounding
 (1) Net income/Tangible Net shareholders' equity (Net shareholders' equity excluding Net income, AT1, Goodwill and other intangibles)
 (2) Net income/Net shareholders' equity (Net shareholders' equity excluding Net income and AT1)
 (3) Including exposures with the ECB

Over €520bn to ISP stakeholders

2022-2025, € bn

Shareholders Cash dividends and buyback	>22 ⁽¹⁾	Significant portion of Net income made available for consumption/investments
Households and businesses MLT new lending to the real economy	328	Of which €285bn in Italy
ISP People Personnel expenses	26.5	~100,000 households, ~50m training hours
Suppliers Purchases and investments	17	Benefiting more than 40,000 households
Public sector Taxes ⁽²⁾	15	~75% annual real estate property taxes in Italy
Social lending New lending to support non-profit activities, vulnerable and young people	25	ISP is the largest lender to social sector in Italy
People in need, youth and seniors Investments and donations	~500m	ISP is the #1 bank worldwide for Social Impact
Environment New lending to the green economy, circular economy and green transition	88	Strong focus on supporting Corporates/SMEs in the green transition

(1) Subject to ECB and shareholder approvals and based on the achievement of 2022-2025 Business Plan stated Net income targets. Including €1.4bn 2021 interim dividends paid in November 2021

(2) Direct and indirect

Massive upfront de-risking, slashing Cost of risk...

Initiatives

1 Massive NPL stock reduction and continuous preemption through a modular strategy



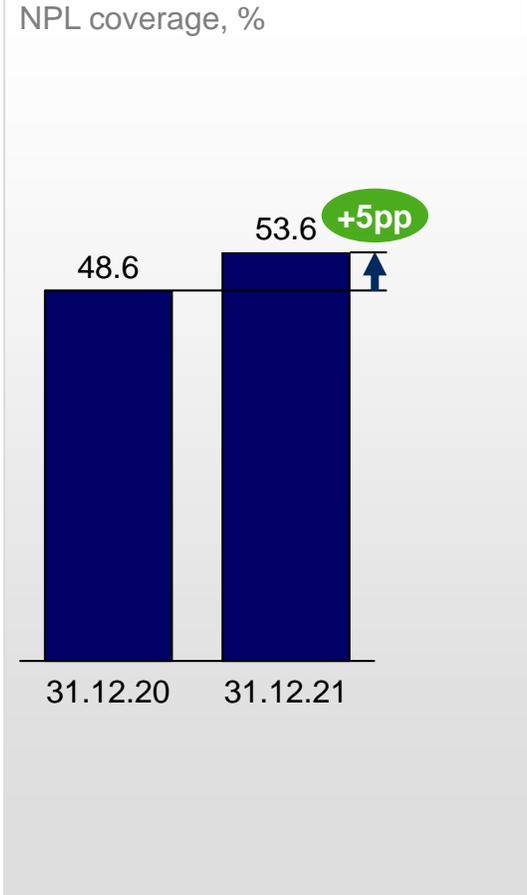
2 A new credit decisioning model



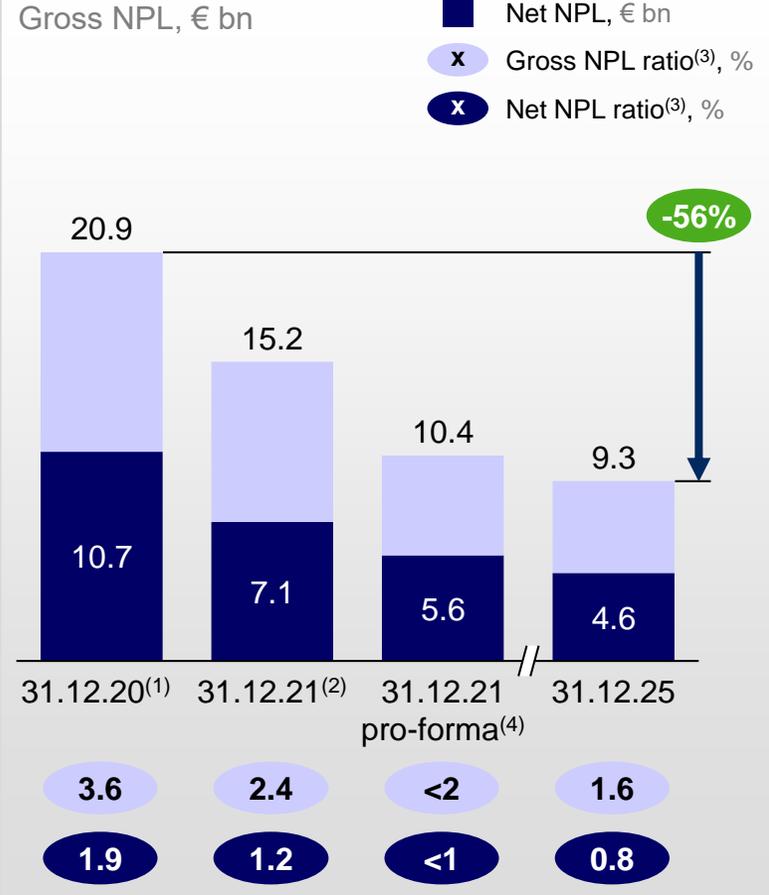
3 Proactive management of other risks



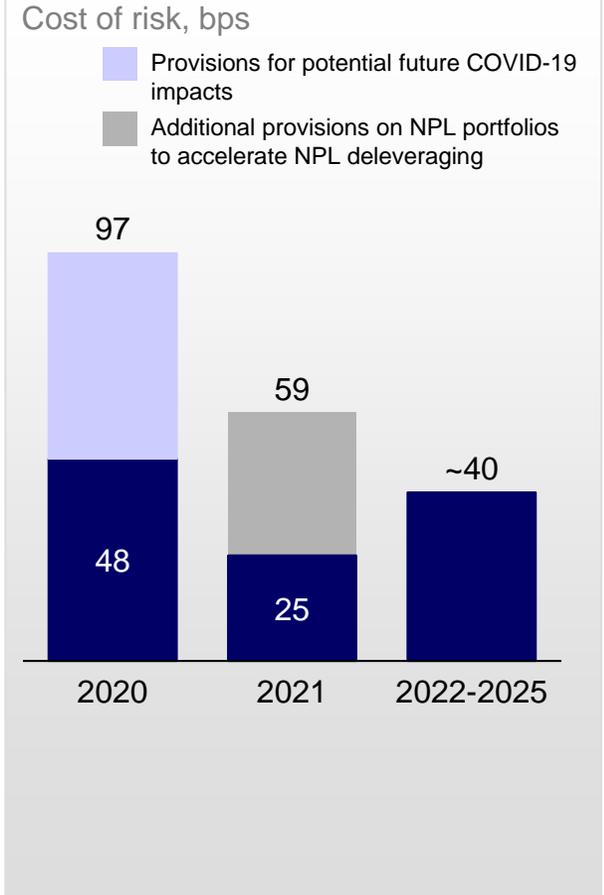
Significant increase in NPL coverage in 2021...



... to achieve and maintain best-in-class NPL ratio and stock...



... driving a sharp decrease in Cost of risk



(1) Excluding €5.4bn gross NPL (€2.1bn net) booked in Discontinued operations
 (2) Excluding €4.5bn gross NPL (€1.2bn net) booked in Discontinued operations
 (3) According to EBA definition
 (4) Taking into account ~€4.8bn gross (~€1.5bn net) 2022 NPL disposals already funded in 4Q21 and still booked in NPL as at 31.12.21

... and positioning ISP among the best banks in Europe for NPL stock and ratios



(1) Including only banks in the EBA Transparency Exercise. Sample: BBVA, Deutsche Bank, ING Group, Nordea, Santander and UniCredit as of 31.12.21; Commerzbank, Crédit Agricole Group and Société Générale as of 30.9.21; BNP Paribas as of 30.6.21
 (2) According to EBA definition. Data as of 30.6.21
 (3) Taking into account ~€4.8bn gross (~€1.5bn net) 2022 NPL disposals already funded in 4Q21 and still booked in NPL as at 31.12.21

Structural Cost reduction, with €2bn Cost savings, despite strong investments in technology and growth

Initiatives

1 A new Digital Bank and footprint optimisation



2 Workforce renewal



3 Smart real estate management



4 Advanced Analytics-empowered Cost management



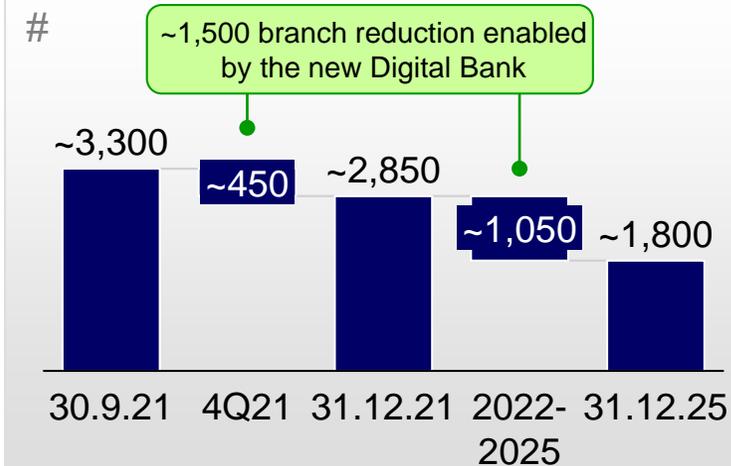
5 IT efficiency



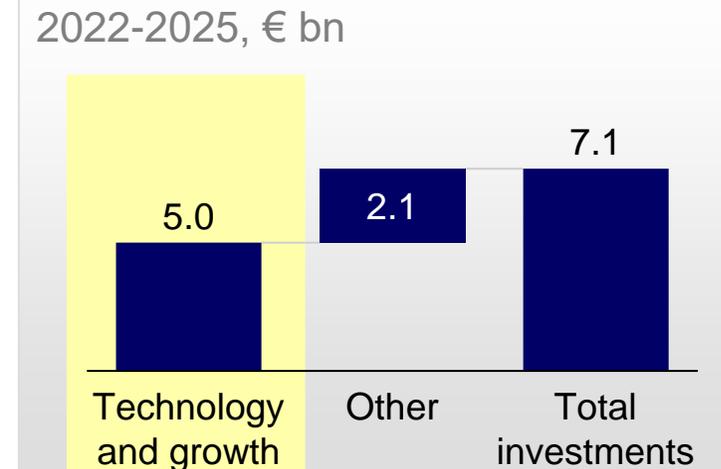
Operating costs evolution



Retail branches in Italy



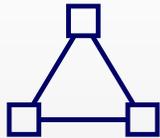
Investments



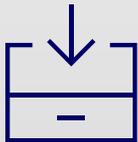
A new Digital Bank to serve ISP Retail clients not using branches, while reducing cost-to-serve

A new Digital Bank to effectively serve a significant portion of ISP clients currently not using branches...

2021



~4m ISP clients already not using branches due to a shift in client behaviour, accelerated by COVID-19...



... generating only ~€200m Revenues with Cost/Income >100%

... with key features...



State-of-the-art technology

Cloud-native technology in partnership

with leading Fintech Thought Machine

Digital service model

Enhanced digital proposition (App, contact center, ATMs, mooney)

Digital journeys

End-to-end digital journeys powered by AI Sales

AI Lab

AI Lab in Turin with ~50 Italian and international experts

... enabling a structural Cost reduction

Yearly Cost savings due to the new Digital Bank, € bn

>€0.6bn in 2025

~0.8



At run rate (2026-27)

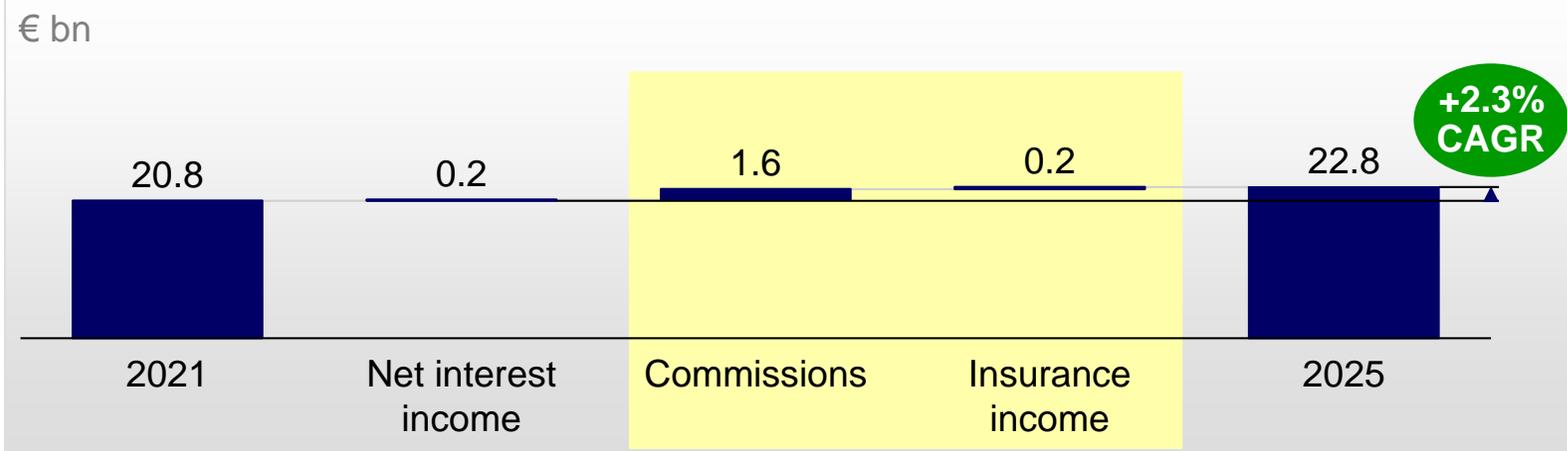
~€650m one-off investment to create a more efficient platform

€2bn Revenue growth, driven by Commissions and Insurance income

Initiatives

- 1 **Dedicated service model for Exclusive clients** 
- 2 **Strengthened leadership in Private Banking** 
- 3 **Continuous focus on fully-owned product factories (Asset management and Insurance)** 
- 4 **Further growth in payments business** 
- 5 **Double-down on Advisory for all Corporate clients** 
- 6 **Growth across International Subsidiary Banks businesses** 

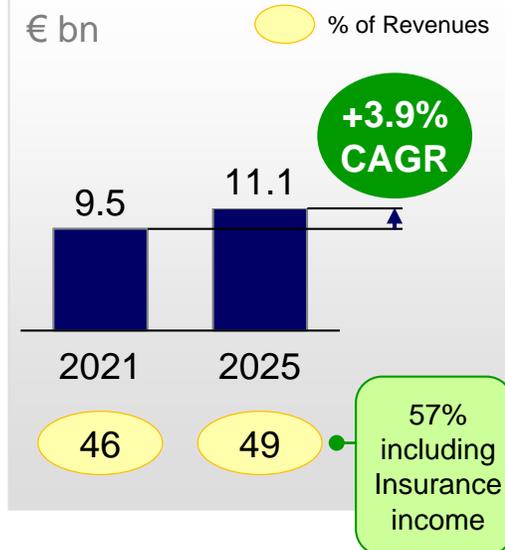
Operating income evolution



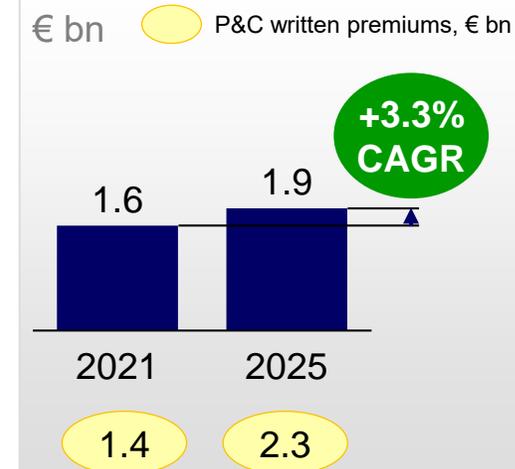
AuM



Commissions

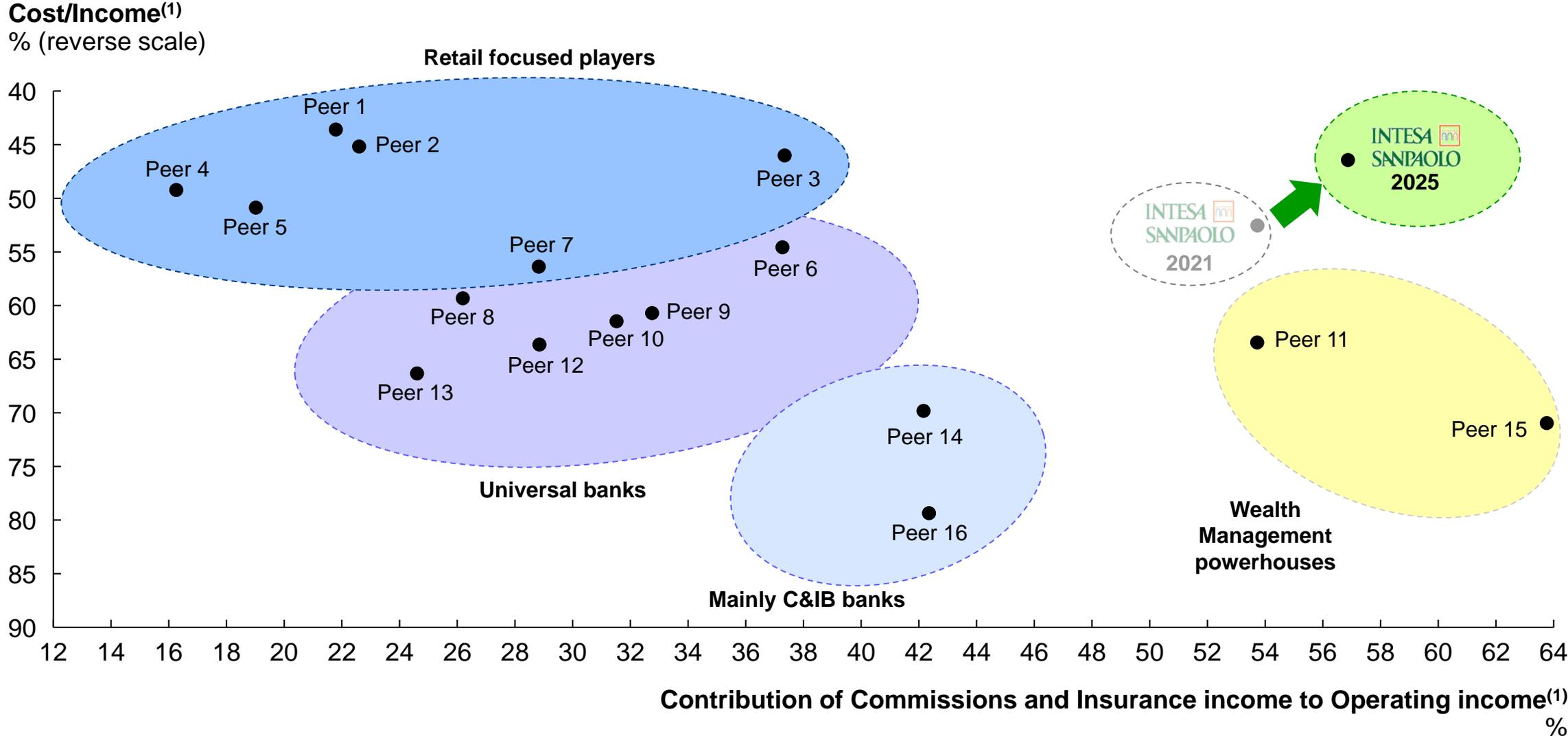


Insurance income



Note: figures may not add up exactly due to rounding

Further strengthening of ISP's fee-driven, efficient and resilient business model



(1) Sample: BBVA, Deutsche Bank, ING Group, Nordea, Santander, UBS and UniCredit as of 31.12.21; Commerzbank, Credit Suisse, HSBC and Standard Chartered as of 30.9.21; Barclays, BNP Paribas, Crédit Agricole S.A., Lloyds Banking Group and Société Générale as of 30.9.21 for Cost/Income and as of 30.6.21 for Contribution of Net fees and commissions and Insurance income to Operating income (Crédit Agricole S.A. as of 31.12.20)

Significant ESG commitment, with a world-class position in Social Impact and strong focus on climate

Initiatives

- 1 Unparalleled support to address social needs 
- 2 Strong focus on financial inclusion 
- 3 Continuous commitment to culture 
- 4 Promoting innovation 
- 5 Accelerating on commitment to Net-Zero 
- 6 Supporting clients through the ESG/climate transition 

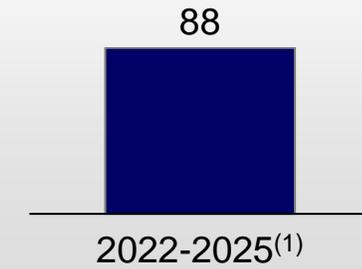
Social lending/contribution to society

Cumulative flows, € bn



New lending to support the green transition

Cumulative flows, € bn



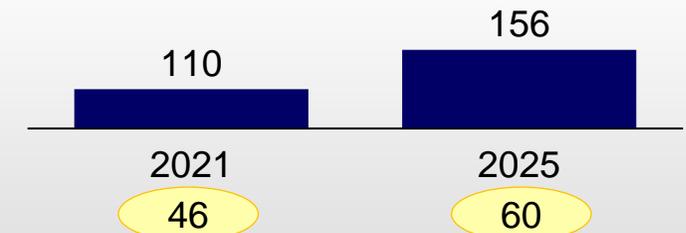
Financed emissions already covered by 2030 Net-Zero aligned targets

% of total financed emissions⁽²⁾



Sustainable investments⁽⁴⁾

€ bn  AuM invested in ESG products, % of total AuM



- Participating in all lending, investments and insurance Net-Zero alliances
- Net-Zero on own emissions by 2030
- Committed to restore and accrete natural capital with more than 100m trees planted⁽⁵⁾

(1) ~€76bn National Recovery and Resilience Plan aligned loans (2021-2026) and ~€12bn Green loans to individuals

(2) On Non-Financial Corporate sectors identified by Net-Zero Banking Alliance

(3) Portfolio composition as of 30.6.21, latest available emissions data as of FY19

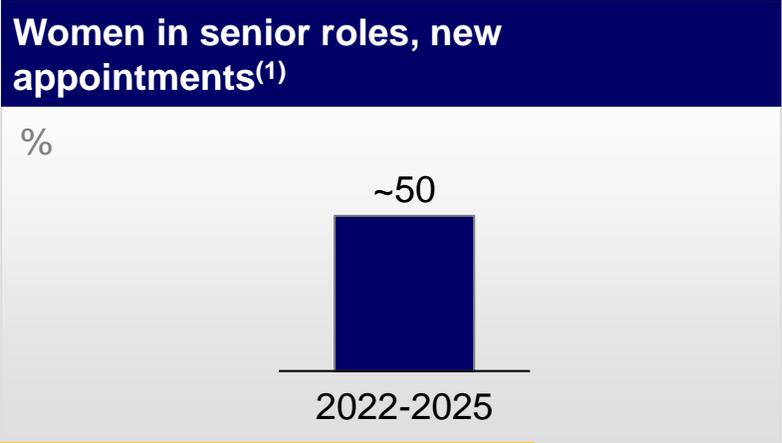
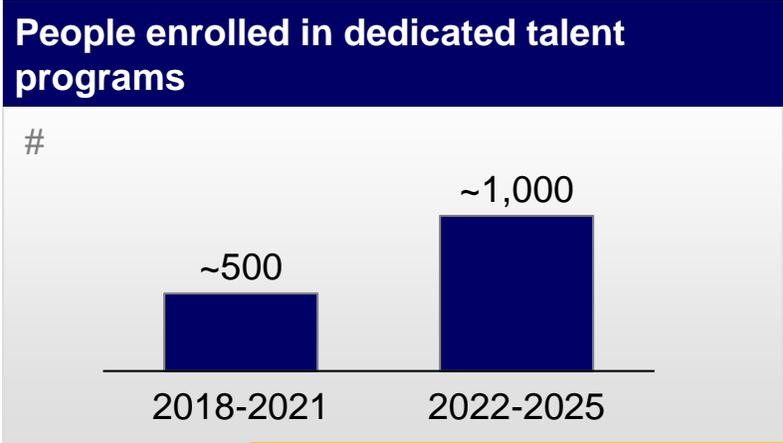
(4) Eurizon perimeter – Funds pursuant to art. 8 and 9 SFDR 2088

(5) Directly and with dedicated financing to our clients

Very significant investments in our People

Our People are our most important asset

- 1 Next way of working 
- 2 Innovative talent strategy 
- 3 Diversity & Inclusion 
- 4 Learning ecosystem 
- 5 Tech-enabled process streamlining 



ISP recognised as Top Employer 2022⁽²⁾



(1) 1-2 organisational levels below the CEO
 (2) By Top Employers Institute

€6.5bn Net income for 2025...

	2025 € bn	CAGR 21-25 %
Operating income	22.8	+2.3
Operating costs	10.6	(0.8)
Cost/Income	46.4%	Δ(6.1)pp
Operating margin	12.2	+5.5
Net adjustments to loans	1.9	(9.0)
Gross income	10.1	+11.1
Net income	6.5	+11.8

**Additional upside potential from interest rate increases:
~€1bn Net interest income growth for every 50bps increase in rates**

... with ~€1.5 trillion in Customer financial assets

	2025 € bn	CAGR 21-25 %
Loans to customers	504	+2.0
Customer financial assets ⁽¹⁾	1,452	+3.3
of which Direct deposits from banking business	613	+2.5
of which Direct deposits from insurance business and technical reserves	220	+1.9
of which Indirect customer deposits	837	+3.9
of which Assets under management	574	+4.9
RWA	369	+3.0

Note: figures may not add up exactly due to rounding

(1) Net of duplications between Direct deposits and Indirect customer deposits

Positive contribution from all business units

	Banca dei Territori		IMI Corporate & Investment Banking		International Subsidiary Banks		Private Banking ⁽¹⁾		Asset Management ⁽¹⁾		Insurance	
	2021	2025	2021	2025	2021	2025	2021	2025	2021	2025	2021	2025
Operating income € bn	8.9	10.0	4.6	4.9	2.0	2.2	2.3	2.9	1.0	1.2	1.6	1.8
Operating costs € bn	6.5	6.0	1.4	1.4	1.1	1.1	0.9	1.0	0.2	0.2	0.4	0.4
Cost/Income %	72.3%	59.8%	29.9%	29.1%	54.4%	51.5%	38.7%	34.2%	23.4%	21.3%	25.5%	21.6%
Net adjustments to loans € bn	1.2	1.5	0.0	0.2	0.2	0.2	0.0	0.0	-	-	-	-
Gross income € bn	1.1	2.4	3.2	3.2	0.7	0.9	1.6	1.8	0.8	0.9	0.8	1.4
Net income € bn	0.4	1.5	2.2	2.2	0.5	0.6	1.1	1.3	0.6	0.7	0.7	1.0

Note: figures may not add up exactly due to rounding

(1) Excluding performance fees

Key messages

The 2022-2025 Business Plan formula

Final remarks

The 2022-2025 Business Plan formula

Our People are our most important asset



Massive upfront de-risking, slashing Cost of risk



Structural Cost reduction, enabled by technology



Growth in Commissions, driven by Wealth Management, Protection & Advisory



Significant ESG commitment, with a world-class position in Social Impact and strong focus on climate

1

Massive NPL stock reduction and continuous preemption through a modular strategy



2

A new credit decisioning model



3

Proactive management of other risks



1 Massive NPL stock reduction and continuous preemption through a modular strategy

Initiatives

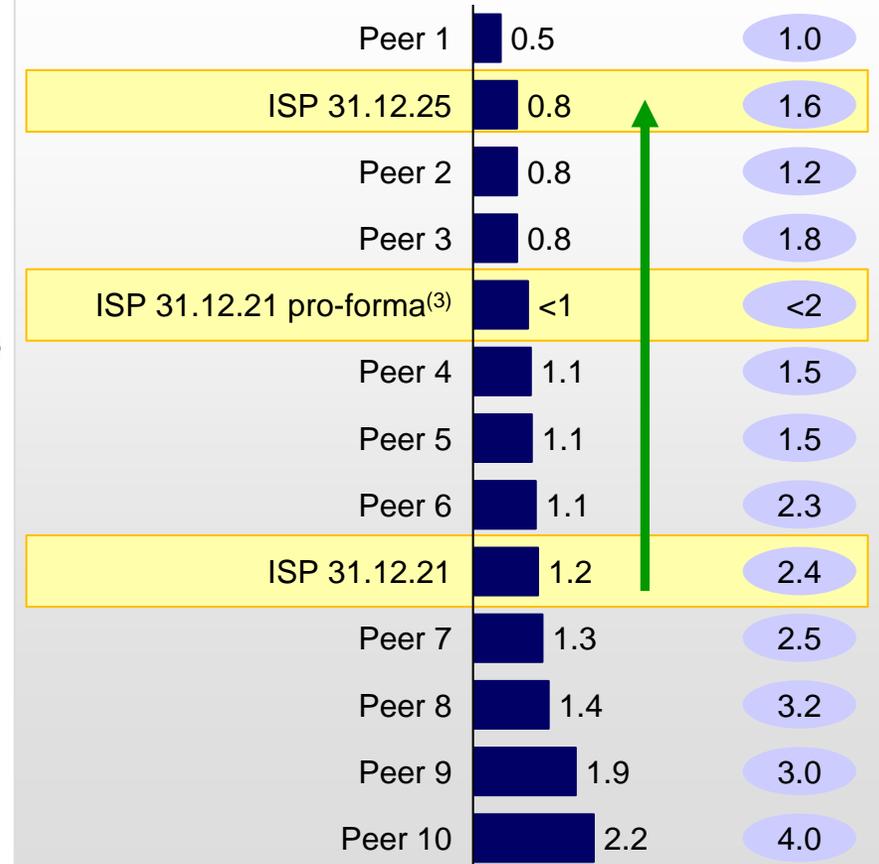
Massive NPL stock reduction and continuous preemption through a modular strategy

- **Proactive management of high-risk positions and Stage 2 loans** with a dedicated approach for retail/SMEs (Pulse 2.0) and a specialised team for international large corporates
- **Strengthening of NPL management:**
 - Further disposal of Bad loans and UTP coupled with new innovative solutions for specific portfolios
 - Strengthening of strategic partnerships (e.g. Intrum, Prelios) leveraging on partners' platforms, skills and strong network of investors
 - Promotion of a Credit Fund for the implementation of innovative structures and solutions (first mover in Italy)
 - Launch of new NPL management processes and tools incorporating sector evolutions and Cost of risk metrics
- **Acceleration of the Back-to-Bonis for going concern companies** focusing on Italian value chains and leveraging international investors and specific industry competencies (e.g. urban regeneration investment platform)
- **Creation of a fast-track plan for gone concern companies**
- **Evolution of Active Credit Portfolio Steering team and solutions** including:
 - Broader scope of synthetic credit risk protection schemes, also on digital lending portfolios, through dedicated partnerships with specialised investors focused on Italy
 - Promotion of alternative financing solutions on "high risk" clients
 - Enhancement of credit strategies to shift new lending towards lower-risk/higher-return sectors

Net NPL ratio⁽¹⁾ for the main European banks⁽²⁾

30.6.21, %

x Gross NPL ratio⁽¹⁾, %



(1) According to EBA definition

(2) Including only banks in the EBA Transparency Exercise. Sample: BBVA, BNP Paribas, Commerzbank, Crédit Agricole Group, Deutsche Bank, ING Group, Nordea, Santander, Société Générale and UniCredit

(3) Taking into account ~€4.8bn gross (~€1.5bn net) 2022 NPL disposals already funded in 4Q21 and still booked in NPL as at 31.12.21

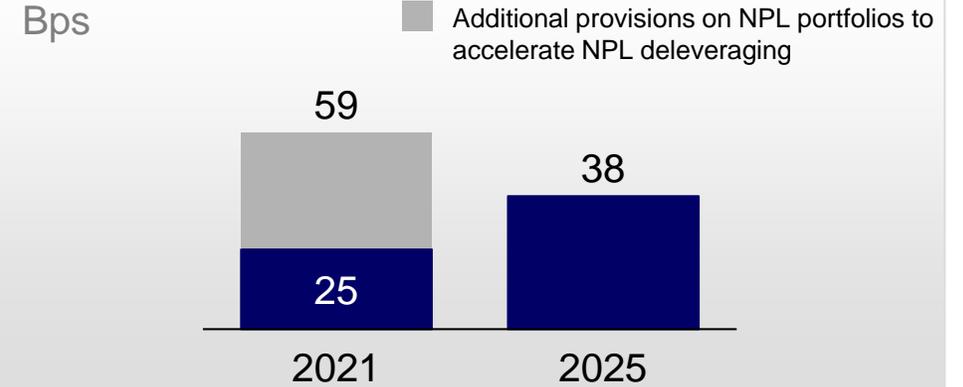
2 A new credit decisioning model

Initiatives

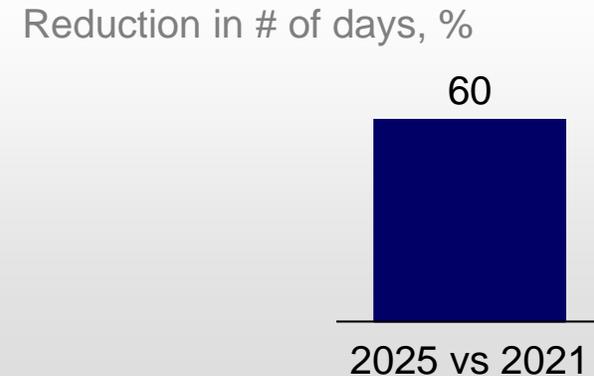
A new credit decisioning model

- **Credit framework evolution**, including:
 - Sector-specific data on both underwriting and action plans, in cooperation with the business units, with the set-up of a new dedicated Steering Committee
 - Climate/ESG components deployed within the entire credit value chain (e.g. ESG sectorial heatmap, ESG score at counterparty level)
- **Upgraded lending decision model**, anchored on rating analysis, integrating forward-looking RAROC and RWA optimisation analyses with credit assessment, in cooperation with the business units
- **Full digitalisation of credit customer journeys**, allowing additional focus on high-value-added activities (e.g. detailed analysis of the transaction structure)
- **Strengthening of impact credit strategic initiatives** (e.g. *Programma Rinascimento*⁽¹⁾)

Cost of risk



Lead time corporate loans process



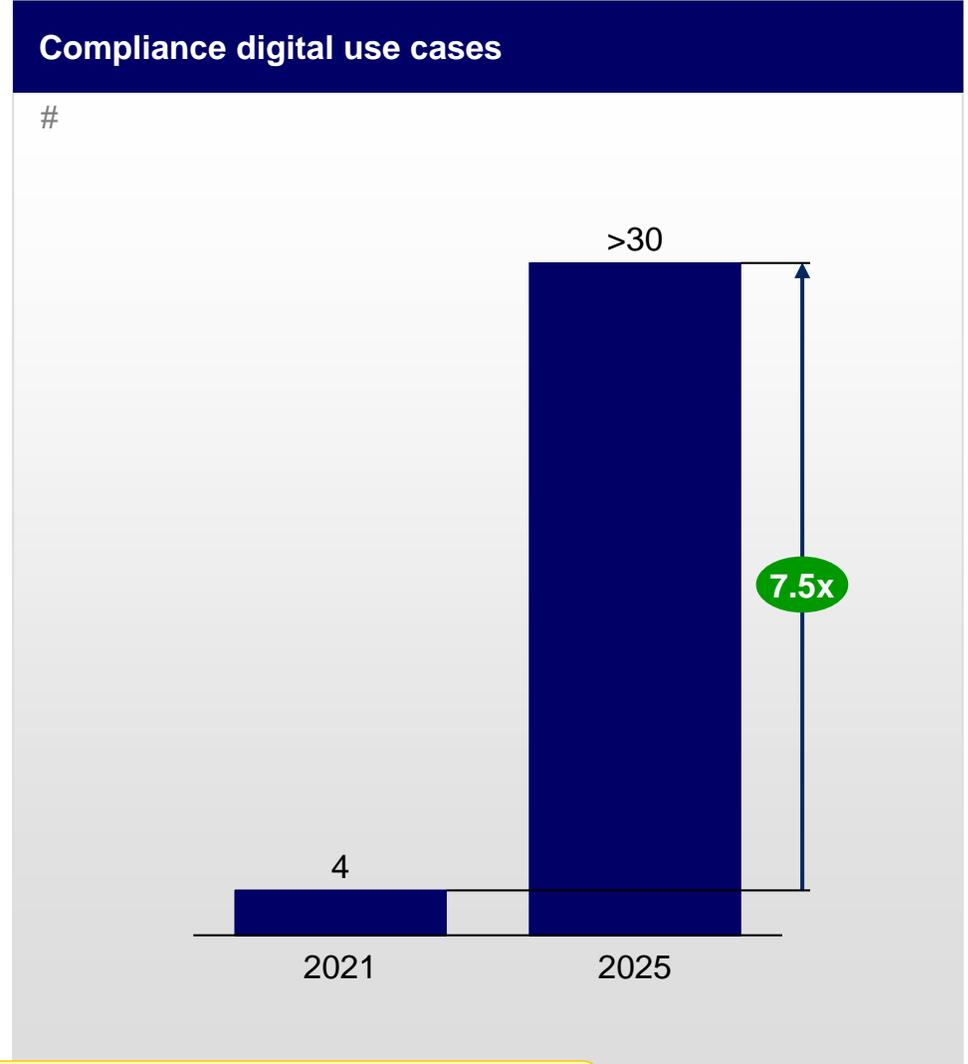
(1) Including impact loans to micro-enterprises and startups for recovery and re-shaping of their business models

3 Proactive management of other risks

Initiatives

Proactive management of other risks

- **Further strengthening of the internal control systems** within the digital evolution of processes, relying on a robust governance framework and effective cooperation between control functions
- **Strong investments in digital and AI-based solutions in Compliance activities**, also through a dedicated newco (AFC Digital Hub), both on traditional and emerging risks (KYC, transaction monitoring, market abuse surveillance, conduct)
- **Further strengthening of the anti-financial crime framework** through specialised competence centres, IT platform upgrading and proprietary detection scenarios
- **Introduction of best-in-class cybersecurity techniques** (e.g. Artificial Intelligence)
- **Ensuring that assessment, monitoring and management of ESG risks are integrated into the Risk Management governance framework** through further development of methodologies and deployment of Risk Management tools, systems and processes for ESG risks, with a particular focus on climate risk
- **Implementation of enhanced risk management lab architecture with Artificial Intelligence and Machine Learning technologies** to rationalise and drive faster change management (e.g. model development, stress testing) and reporting across all risk categories (e.g. non-financial risks)



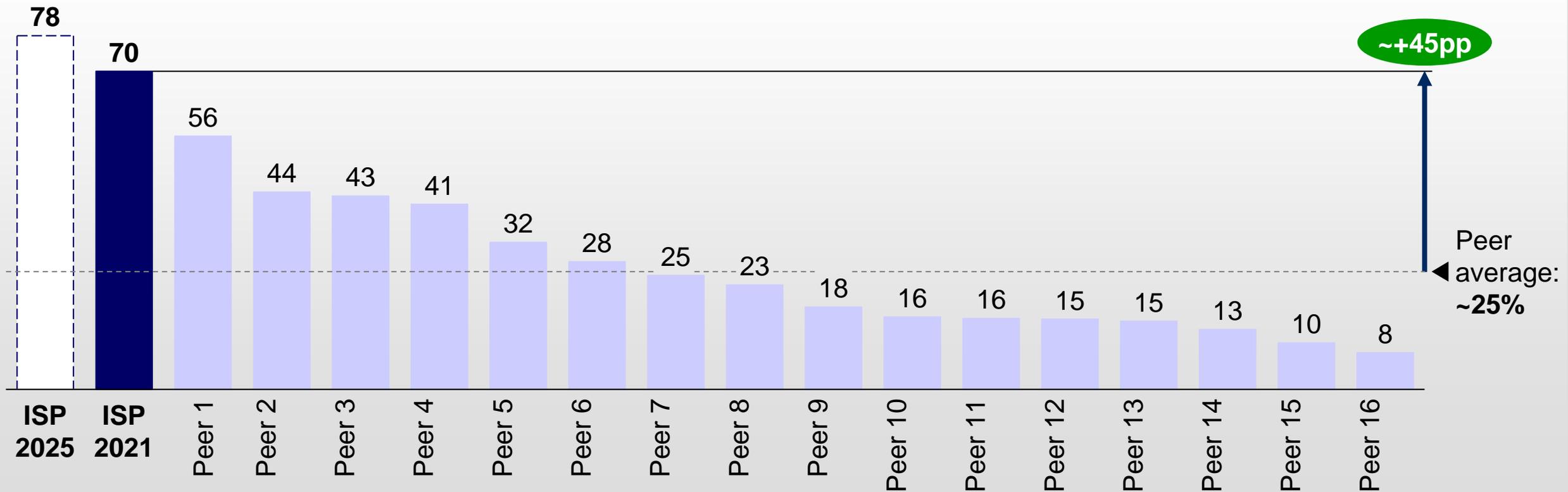
ISP ranked #1, for the second consecutive year, among Italian corporates in the 2021 “Cyber Resilience amid a Global Pandemic” by AIPSA⁽¹⁾

(1) Italian Association of Corporate Security Professionals

Leadership boosted in terms of overall risk profile

Fully phased-in CET1⁽¹⁾/Total illiquid assets⁽²⁾

31.12.21, %



(1) Fully phased-in CET1. Sample: BBVA, Deutsche Bank, ING Group, Nordea, Santander, UBS and UniCredit (31.12.21 data); Barclays, BNP Paribas, Commerzbank, Crédit Agricole S.A., Credit Suisse, HSBC, Lloyds Banking Group, Société Générale and Standard Chartered (30.9.21 data)

(2) Total illiquid assets include net NPL stock, Level 2 assets and Level 3 assets. Sample: BBVA, Deutsche Bank, ING Group, Nordea, Santander, UBS and UniCredit (net NPL 31.12.21 data); Barclays, Commerzbank, Crédit Agricole S.A., Credit Suisse, HSBC, Lloyds Banking Group, Société Générale and Standard Chartered (net NPL 30.9.21 data); BNP Paribas (net NPL 30.6.21 data). Level 2 and Level 3 assets 30.6.21 data (Nordea as of 31.12.21 data)

The 2022-2025 Business Plan formula

Our People are our most important asset



Massive upfront de-risking, slashing Cost of risk



Structural Cost reduction, enabled by technology



Growth in Commissions, driven by Wealth Management, Protection & Advisory



Significant ESG commitment, with a world-class position in Social Impact and strong focus on climate

1 A new Digital Bank and footprint optimisation



2 Workforce renewal



3 Smart real estate management



4 Advanced Analytics-empowered Cost management



5 IT efficiency



1 Structural Cost reduction, enabled by technology

A new Digital Bank to serve ISP Retail clients not using branches, while reducing cost-to-serve...

New Digital Bank key features...



State-of-the-art technology

- **Cloud-native technology** adaptable to multi-currency and multi-country clients, working in partnership with leading Fintech



Digital service model

- **Enhanced digital proposition**, including App, contact center, ATMs and **mooney** (in partnership with **enel**)

Digital journeys

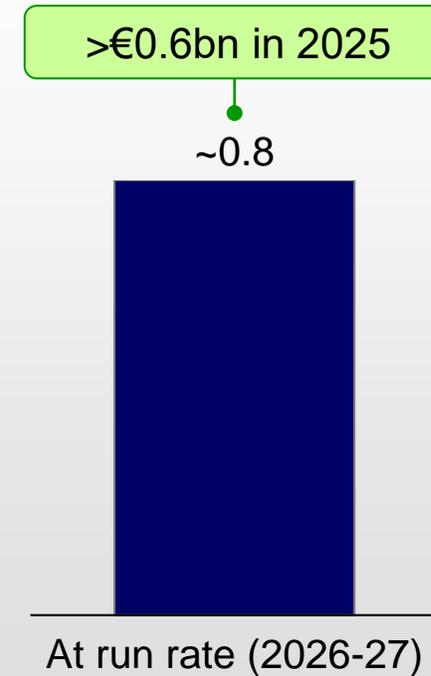
- **End-to-end digital journeys** to provide clients with a best-in-class customer experience powered by AI Sales (ISP AI Sales awarded by EFMA⁽¹⁾ as #1 innovation in digital marketing in 2021)

AI Lab

- **Set up of AI Lab in Turin** with ~50 Italian and international experts dedicated to develop new data analysis methodologies and advanced AI solutions

... enabling a structural Cost reduction

Yearly Cost savings due to the new Digital Bank, € bn

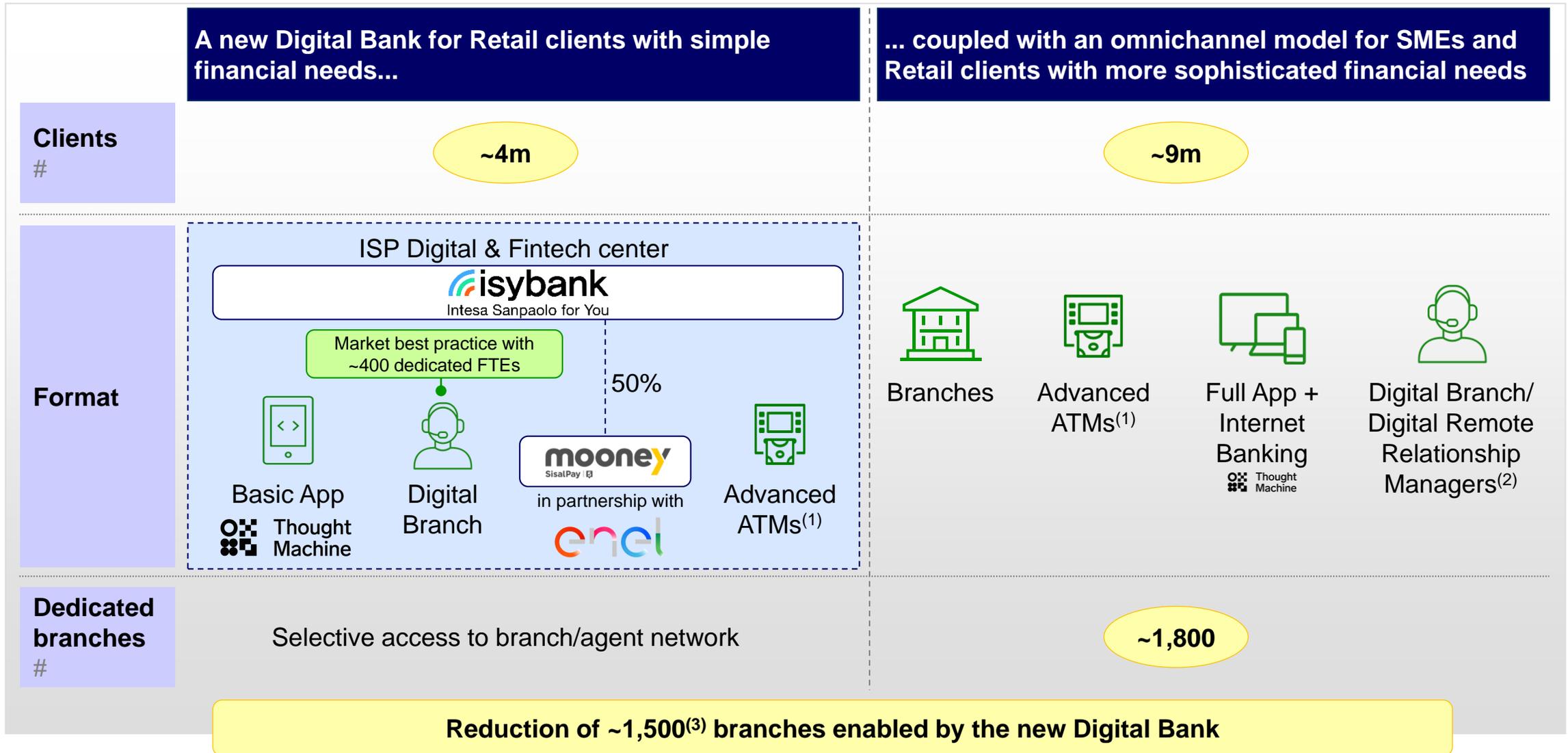


~4m ISP clients already not using branches and generating only ~€200m Revenues with Cost/Income >100%

~€650m one-off investment to develop a more efficient platform

(1) European Financial Marketing Association

1 ... as part of a new omnichannel service model

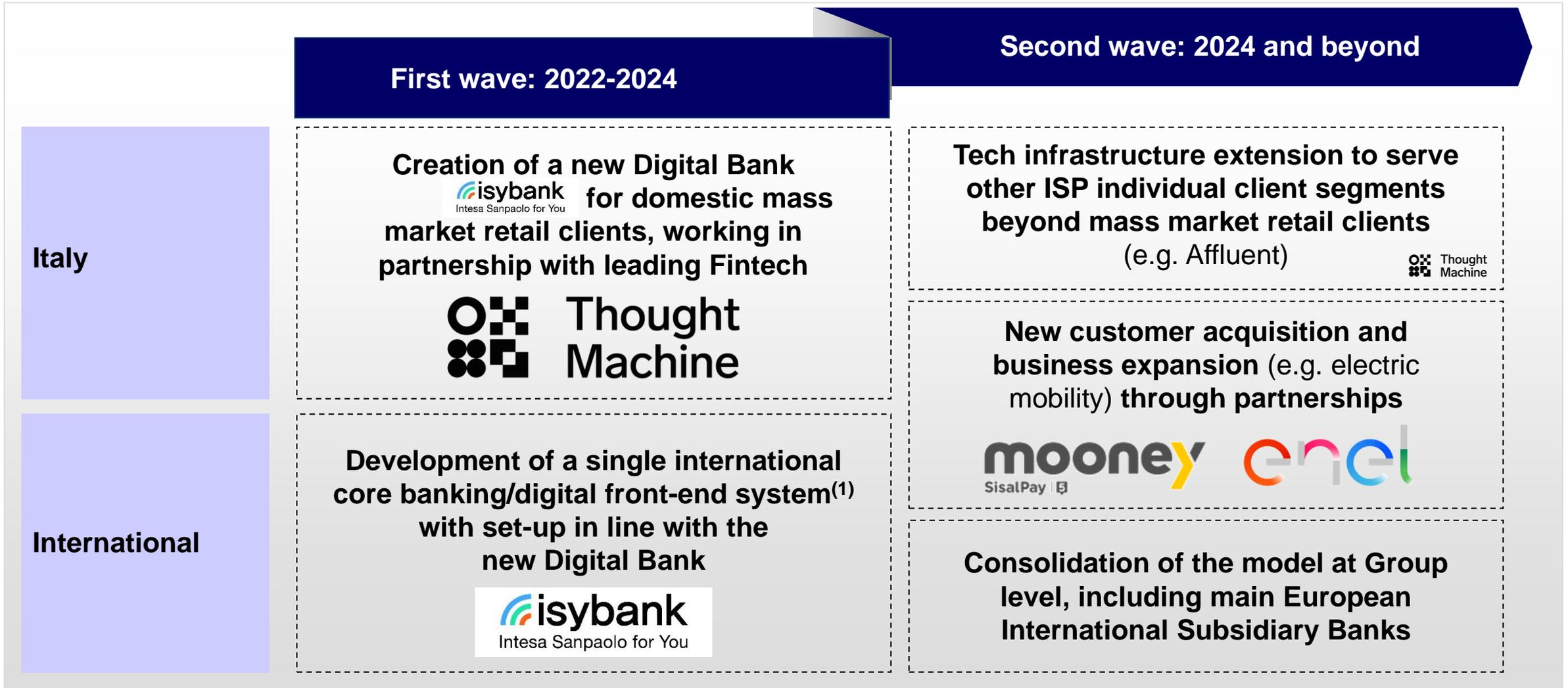


(1) ATM, MTA and Self-service points (Casse Self Assiste)

(2) For clients with assigned Relationship Manager

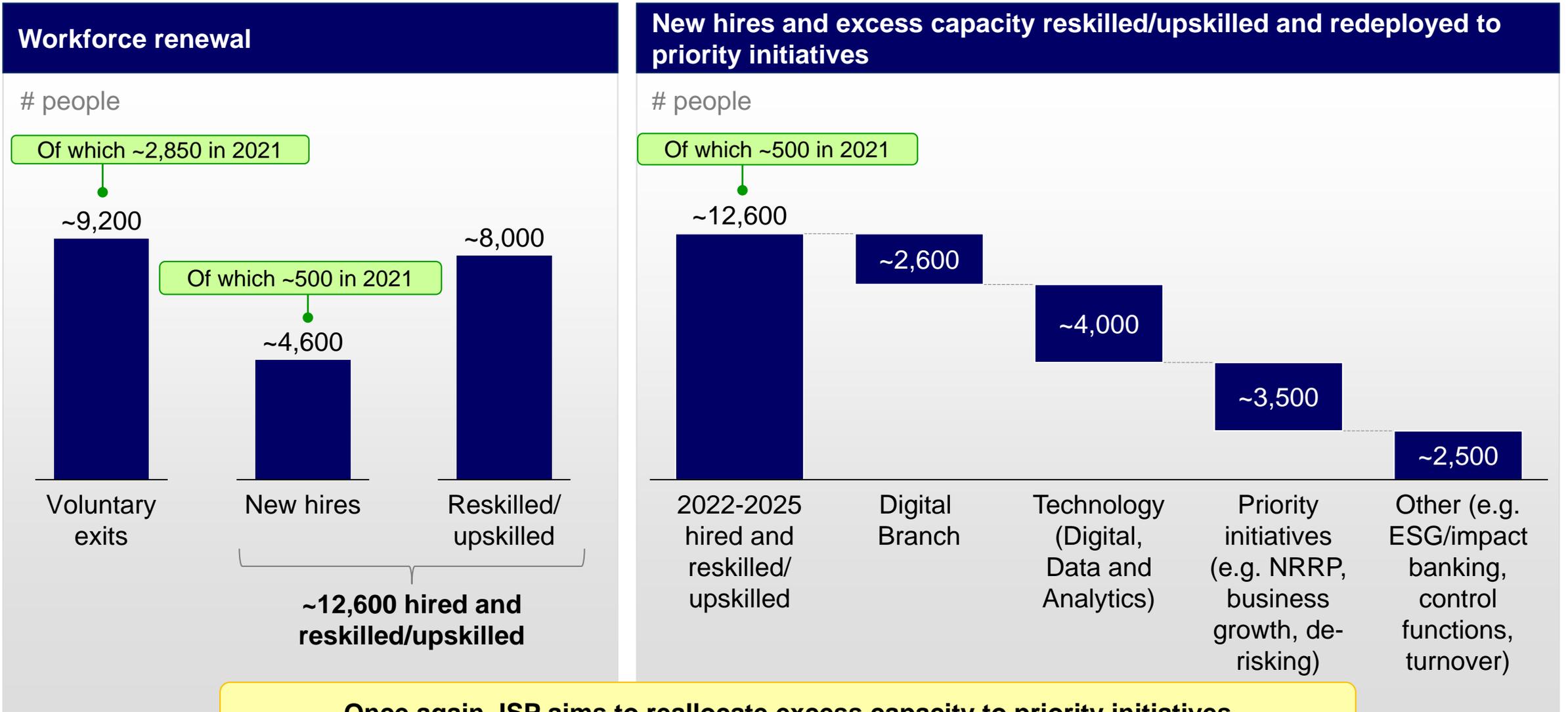
(3) Of which ~450 already closed in 4Q21

1 Tech infrastructure will be extended to the entire Group, including the international network



(1) All services provided by International Value Services (IT factory for the International Subsidiary Banks Division)

2 ~4,600 People hired and ~8,000 reskilled/upskilled



3 Smart real estate management

Initiatives

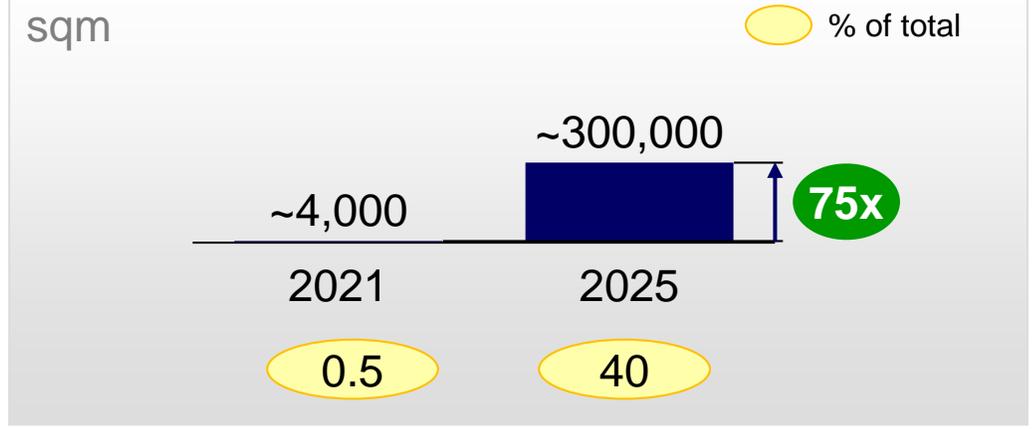
Core assets

- **Implementation of the new “footprint of the future”**, in line with Next way of working and reducing Group carbon emissions
- **Strong modernisation of the work environment** (e.g. smart buildings) to encourage collaboration and incorporate health and wellbeing elements

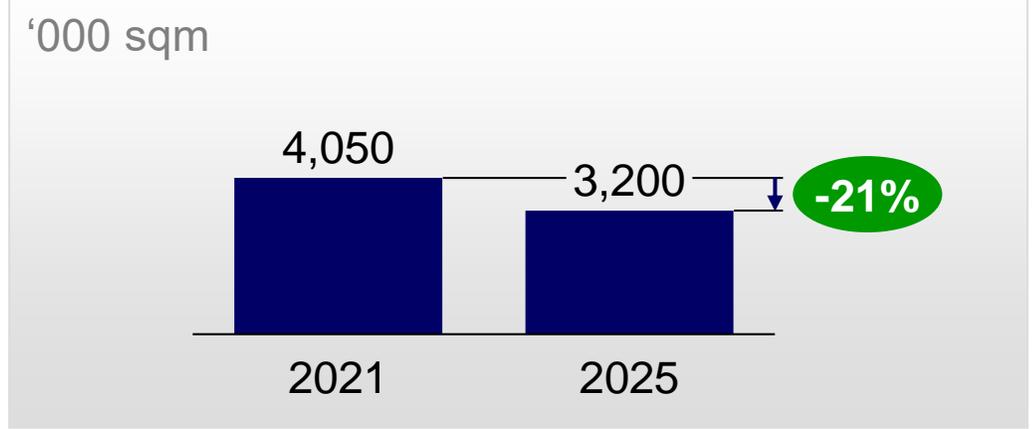
Non-core assets

- **Full valorisation of the non-core real estate portfolio** through a combination of:
 - Disposals
 - Active management (e.g. rent, new businesses)

Headquarters with new layout



Real estate in Italy



4 Advanced Analytics-empowered Cost management

Initiatives

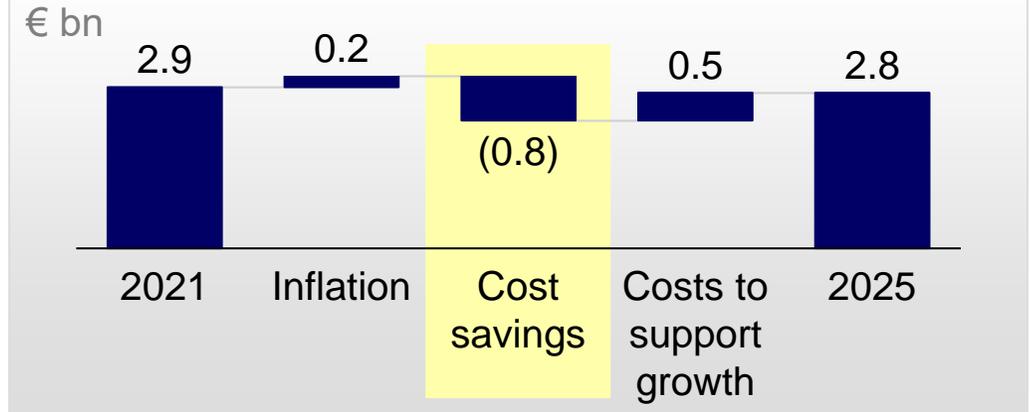
Innovative Cost management also through AA

- **Innovative Advanced Analytics approach to proactively manage Costs** through best-in-class tech infrastructure and tools (e.g. sophisticated supplier/activities benchmarking)
- **Innovative Advanced Analytics enabled approach to effectively steer CAPEX deployment** towards key strategic initiatives
- **Dedicated organisational unit**

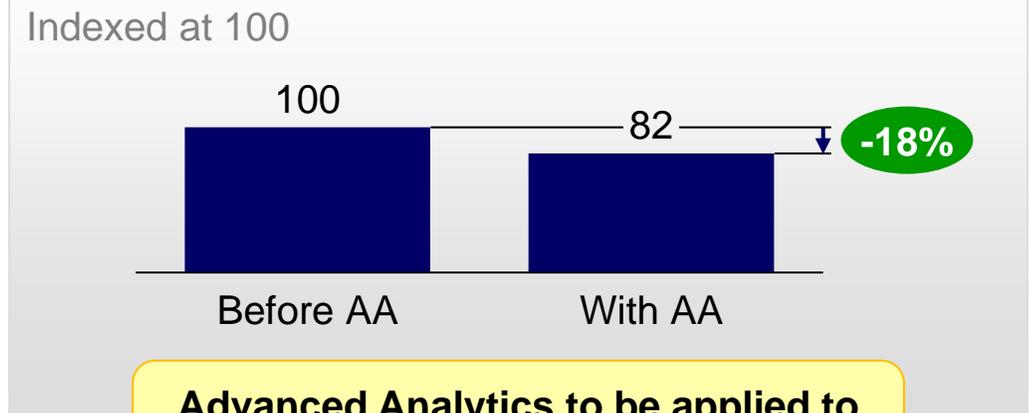
New digital negotiation factory

- **Launch of a new “digital negotiation factory”** to maximise efficiency and further optimise the supplier base, leveraging on state-of-the-art tools and methodologies (e.g. Cleansheet, contract teardown)
- **Continuous focus on sustainable procurement**, with the evolution of the Group's supplier base in line with the overall ESG strategy (e.g. suppliers evaluated through ESG criteria)

Administrative expenses



Example of Cost reduction driven by Advanced Analytics



Advanced Analytics to be applied to more than 50 optimisation initiatives

5 IT efficiency through end-to-end transformation of Group IT...

End-to-end transformation of Group IT

Strengthen core IT capabilities

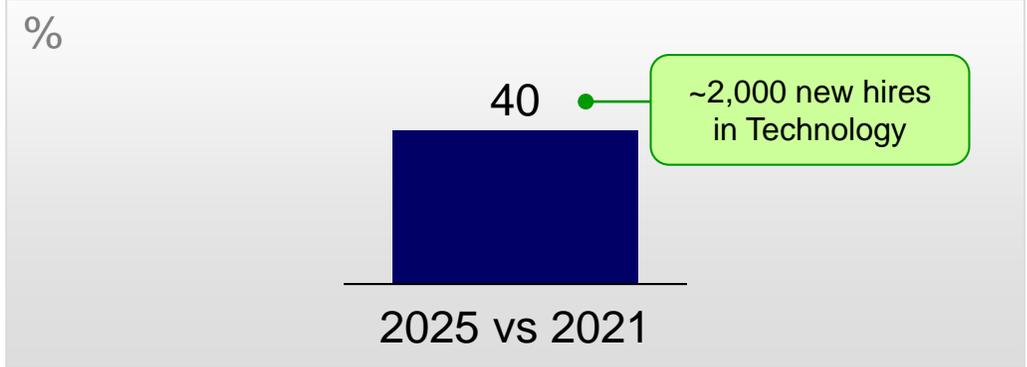
- **Insourcing or re-skilling of high-value-added IT roles** (e.g. cloud engineers, AI engineers) and **activities** (e.g. development of software solutions)
- **Re-design of IT factory operating model** according to Big Tech best practices
- **Creation of competence centers for best-in-class IT solutions**

Achieve IT back-end efficiency

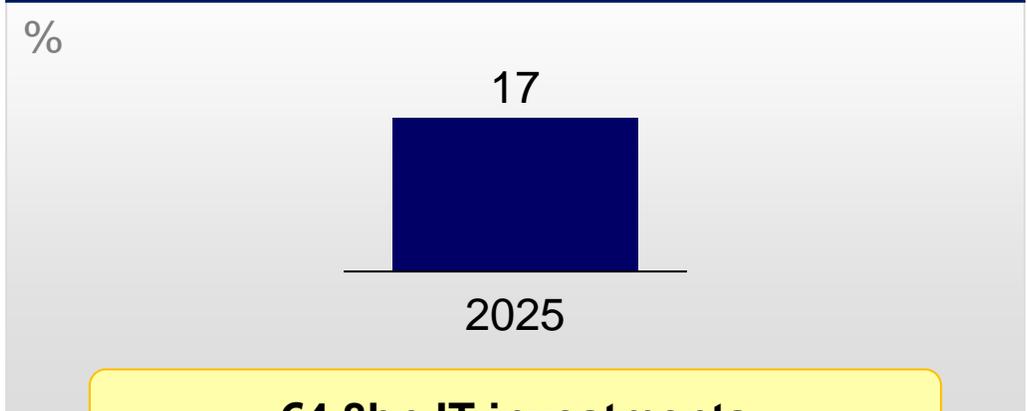
- **Optimisation of IT infrastructure** through modernisation in cloud of **legacy systems**, enabled by Skyrocket agreement with Google and TIM



Reduction of external FTEs for software development



IT Cost savings



€4.8bn IT investments

5 ... leveraging on cutting-edge partnerships

Group infrastructure technological modernisation through multiple strategic partnerships


End-to-end technological modernisation of the Bank, including strategic partnerships with leading Fintechs

- Core banking system**
 - Digital-native core banking components, extendible over time to other IT domains
 - Enabling digital products
- Wealth advisory platform**
 - Robo4Advisory & RoboAdvisory solutions, enabling real-time development of highly-tailored investment portfolios
 - Best-in-class risk analytics and portfolio insights to support customer engagement
- Large/Mid-corporates and SMEs**
 - Leading solution for transaction banking, driving an increase in fee-based income at the international level
- Other infrastructure components**
 - Originate-to-Share
 - Channel/workbench for IMI C&IB and Banca dei Territori
 - Multi-cloud infrastructure (e.g. Skyrocket)

The 2022-2025 Business Plan formula

Our People are our most important asset



Massive upfront de-risking, slashing Cost of risk



Structural Cost reduction, enabled by technology



Growth in Commissions, driven by Wealth Management, Protection & Advisory



Significant ESG commitment, with a world-class position in Social Impact and strong focus on climate

1 Dedicated service model for Exclusive clients



2 Strengthened leadership in Private Banking



3 Continuous focus on fully-owned product factories (Asset management and Insurance)



4 Further growth in payments business



5 Double-down on Advisory for all Corporate clients



6 Growth across International Subsidiary Banks businesses



1 A dedicated service model in Banca dei Territori for Exclusive clients



(1) Clients currently served by Banca dei Territori with one of the following features: high income/spending or combinations of significant AuM/age/complex investment products

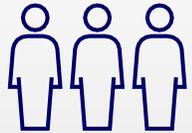
(2) Italian retail and SME Division

1A Commercial organisation and tools dedicated to Exclusive clients

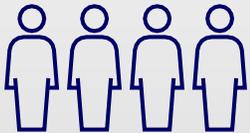
Creation of a new dedicated commercial organisation...



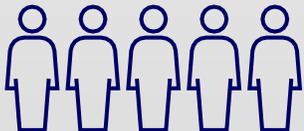
~470
dedicated advisory centers



12
Commercial Directors



~55
Area Managers



~4,200
Relationship Managers

**Dedicated steering unit within
Banca dei Territori**



... further strengthened by an upgraded sophisticated tool for a best-in-class client experience



Holistic client advisory tool

360-degree advisory tool covering client financial and non-financial needs (including P&C and real estate)

Dynamic client proposition

Adjustment of client proposition combining evolving client preferences and market insights

Dedicated offering

Tailored advisory services dedicated to Exclusive clients

**€100bn⁽¹⁾ in Customer financial assets within
Valore Insieme in 2025 (vs €52bn in 2021)**

(1) Exclusive and Affluent clients

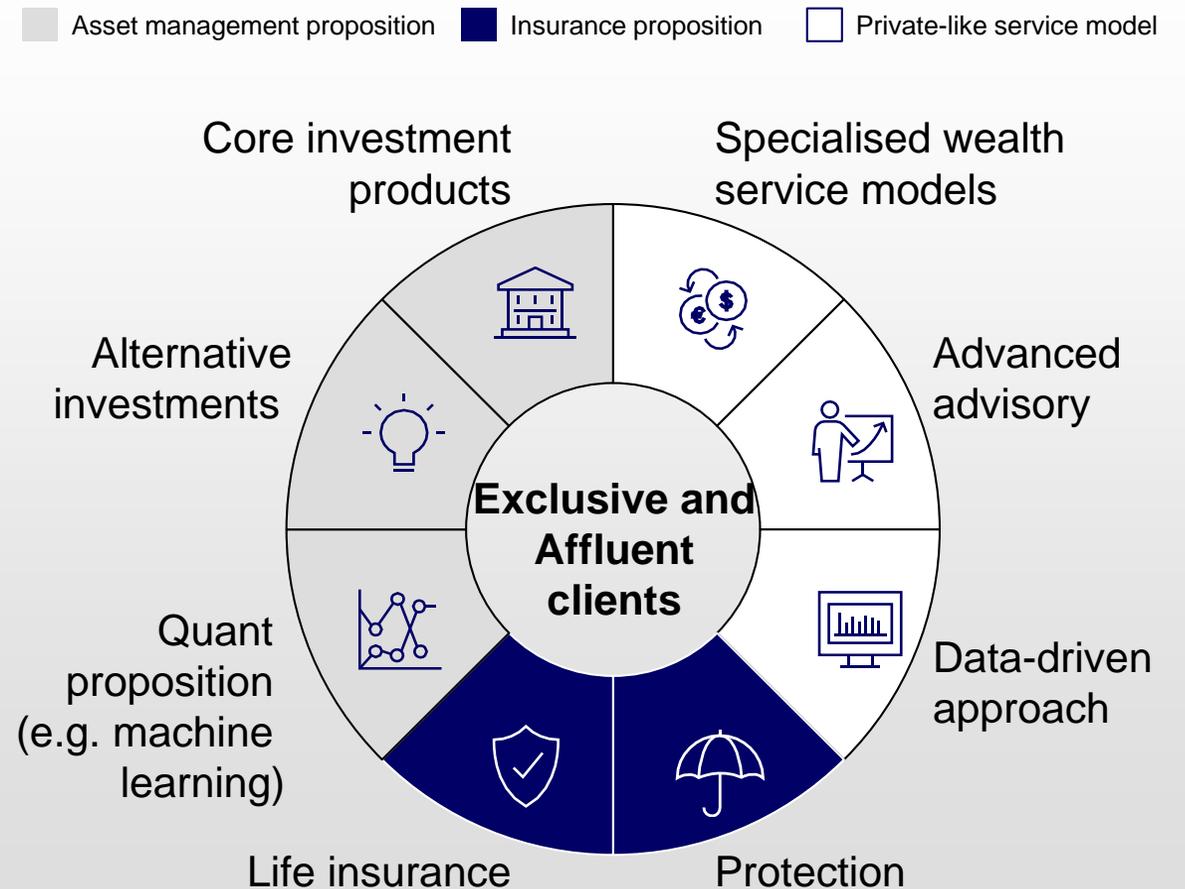
1B Distinctive Banca dei Territori Investment Center

Dedicated center of excellence in Wealth Management & Protection...

Center of excellence in Banca dei Territori, empowered by fully-owned product factories



... for a unique value proposition to Exclusive and Affluent clients

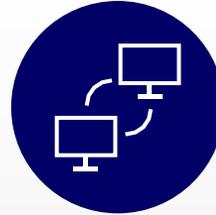


An advanced investment management platform to develop highly-tailored investment solutions...

Aladdin[®]
by BlackRock

An end-to-end portfolio management solution in partnership with BlackRock to serve ~4m ISP clients (Private, Exclusive and Affluent)

... distinctively leveraged by ISP to drive growth in AuM



Unique end-to-end approach

Enabling fully-integrated processes (Risk, Compliance, asset allocation, investment management and operations), combining comprehensive portfolio management tools with sophisticated risk analytics and operations



Innovative real-time client proposition

Customised portfolios at scale, supporting the conversion of deposits into investments (Robo4Advisory & RoboAdvisory)

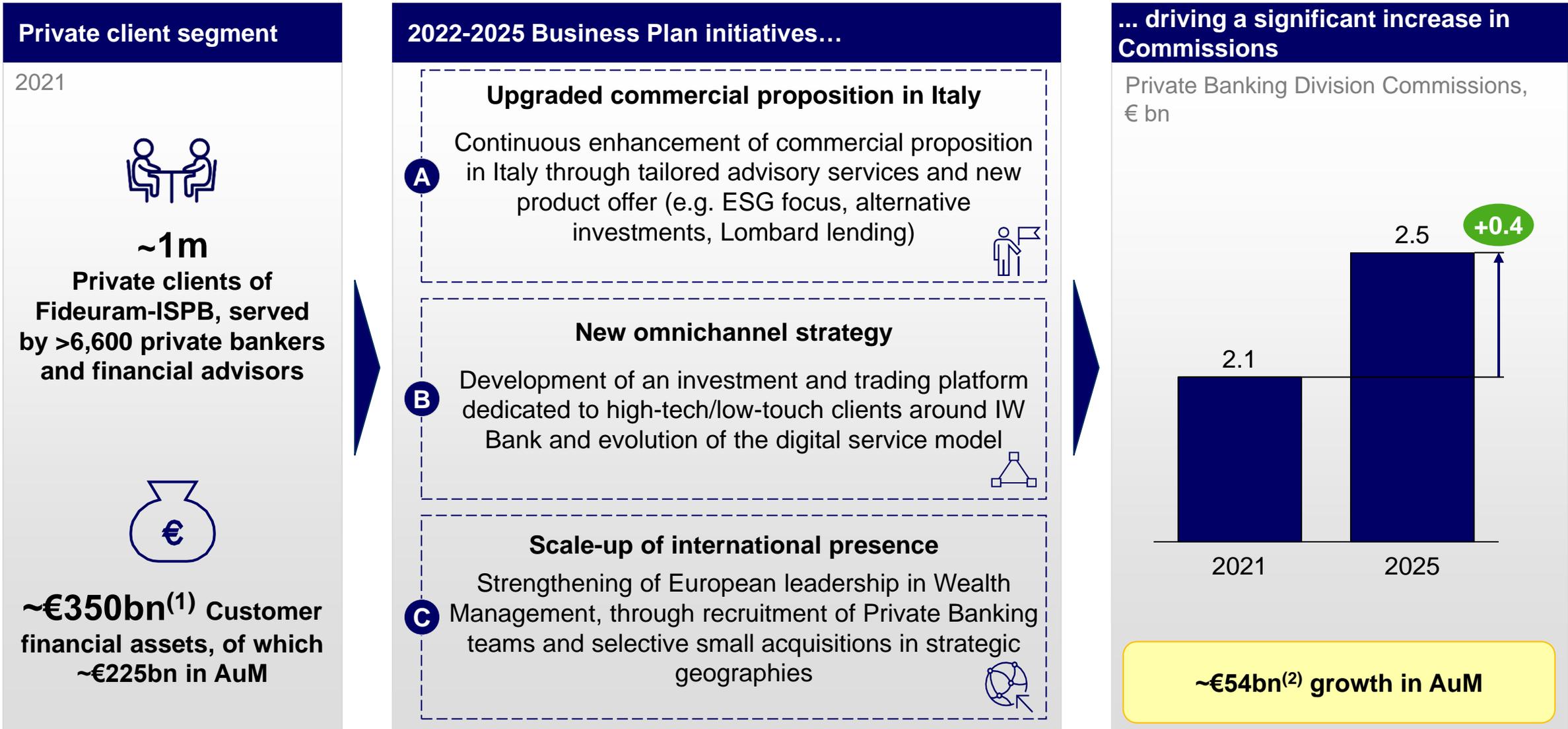


Cutting-edge sustainability tooling

Adding an ESG dimension to the traditional risk-return profile of product offering

>€600bn in Customer financial assets on the platform

2 Strengthened leadership in Private Banking



Note: figures may not add up exactly due to rounding
 (1) Including CBPQ; ~€360bn including 1875 Finance
 (2) Private Banking Division

2A Upgraded commercial proposition in Italy – Private Banking

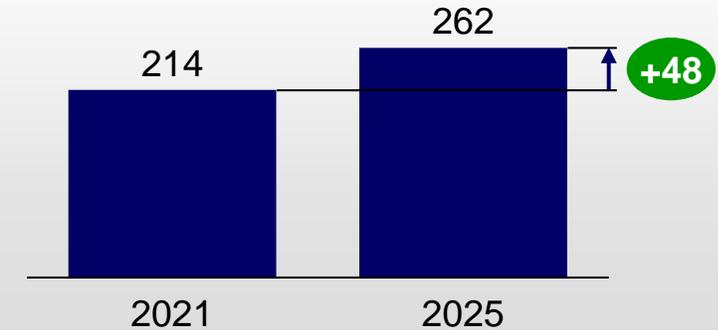
Initiatives

Upgraded commercial proposition in Italy

- **Further evolution of service model** (e.g. selected openings of new UHNWI⁽¹⁾ advisory centers) **and advisory tools for segments with sophisticated needs** (UHNWI⁽¹⁾, family offices, institutional clients)
- **Strengthening the premium advisory model** embedding ESG principles and enriching real estate advisory
- **Upgrading product suite in innovative domains** (e.g. alternative investments, ESG-related products), with continued collaboration with Eurizon/Epsilon/Eurizon Capital Real Asset (ECRA) and leveraging on external partnerships
- **Introduction of a state-of-the-art CRM suite** to enhance the commercial proposition to Private clients
- **Expanding lending to Private clients:**
 - Upgrading product catalog (e.g. new Lombard loans, mortgages for HNWI⁽²⁾)
 - Strengthening the credit platform in terms of support tools and capabilities
 - Streamlining processes and procedures to create swim lanes for HNWI⁽²⁾ clients

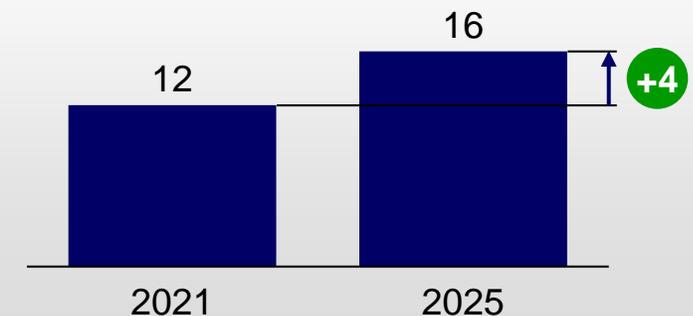
Private Banking clients AuM in Italy

€ bn



Net loans to Private Banking clients in Italy

Stock, € bn



(1) Ultra High Net Worth Individuals

(2) High Net Worth Individuals

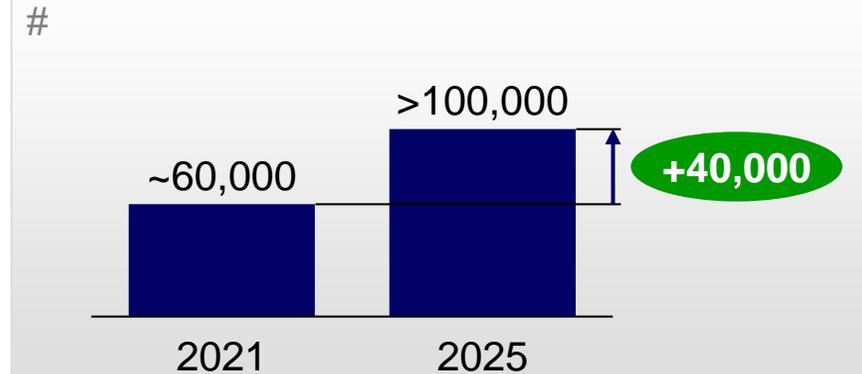
2B New omnichannel strategy – Private Banking

Initiatives

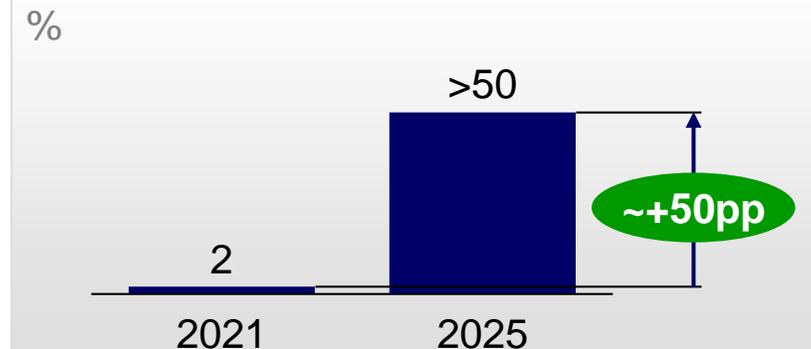
New omnichannel strategy

- **New fully-digital channel** for clients who prefer self investment and reinforcement of hybrid coverage model for financial advisors
- **Development of digital products and services** (e.g. RoboAdvisor, self-service channels)
- **Scale-up of the investments and trading platform (IW Bank)** to offer top-notch services to high-tech/low-touch clients
- **Introduction of Advanced Analytics systems** to manage the customer journey across channels and maximise cross-selling
- **Strengthening of data-driven culture and capabilities** to steer the commercial proposition of the networks
- **Development of an online advisory tool dedicated to international clients**, leveraging the innovative digital platform of Alpiam
- **New branch model** to optimise territorial footprint and boost efficiency

Digital channel clients

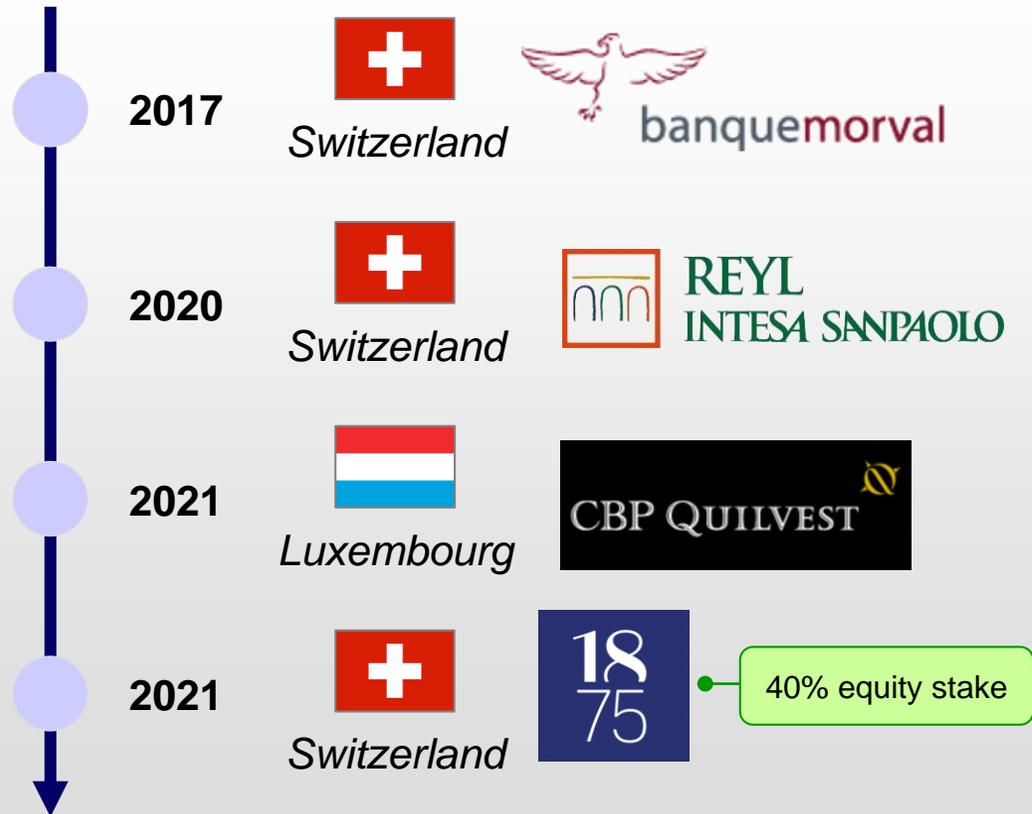


Digital channel clients with advisory and AuM products



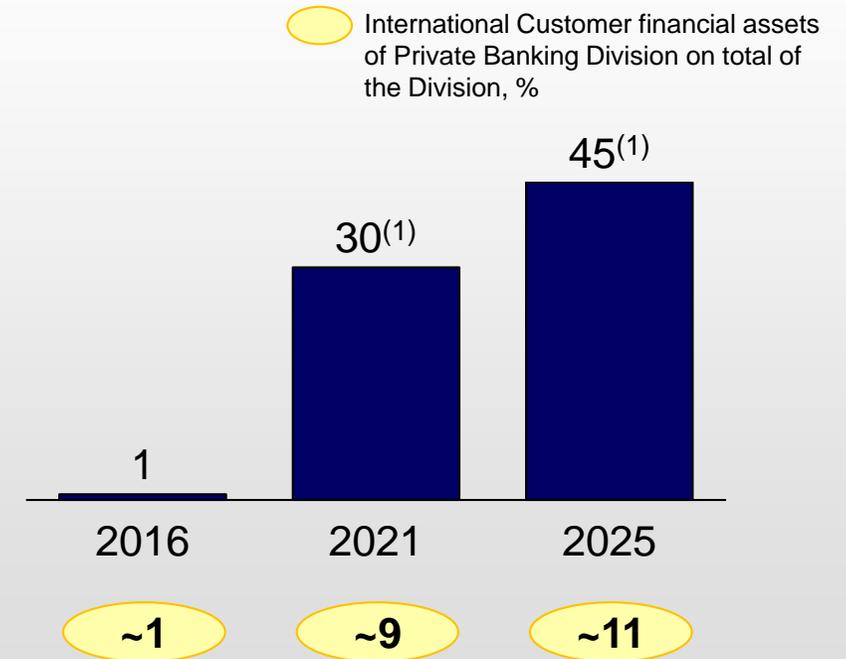
2C Scale-up of international presence – Private Banking

ISP has built a consolidated presence in Wealth Management through strategic acquisitions in selected markets...



... and will further strengthen its European presence in the future

Private Banking Division international Customer financial assets, € bn



Further selective growth leveraging on existing platforms (client acquisitions and recruitment of Private Banking teams)

(1) Not including 1875 Finance, 40% owned by Reyl (€11bn Customer financial assets as of 31.12.21)

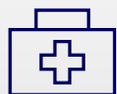
3 Continuous focus on fully-owned product factories

Fully-owned product factories

2021

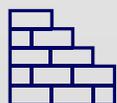


~€457bn AuM⁽¹⁾



~€19bn

Life written premiums



€1.4bn

P&C written premiums

2022-2025 Business Plan initiatives...

A

Asset management

Innovative product offering (e.g. liquidity conversion, alternative investments, ESG), international expansion and end-to-end digitalisation

B

Life insurance

Enhanced Life offer to address specific needs (e.g. generational transition, wealth protection), client segments (e.g. Silver generation, Millennials, HNWI⁽³⁾) and digital attitude

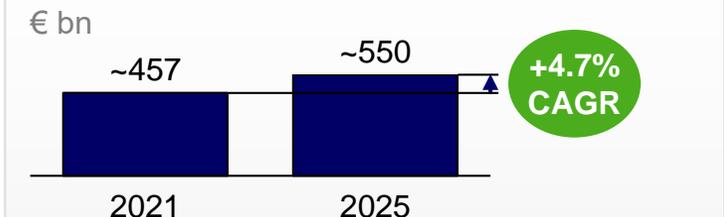
C

P&C insurance

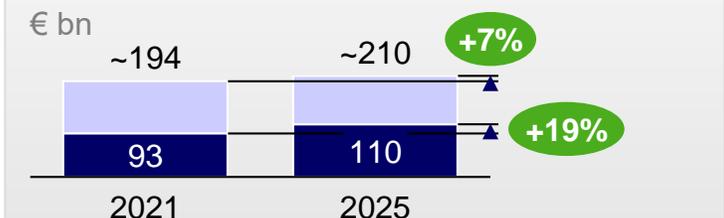
Development of innovative ecosystems for individuals (e.g. "Caring program", Healthcare Initiatives) and dedicated offering to corporates

... to drive significant growth in ISP product factories

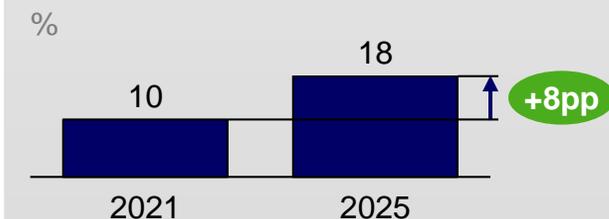
AuM⁽¹⁾



Life reserves (AuM)



P&C non-motor product penetration on ISP clients⁽⁴⁾



(1) Eurizon Capital SGR and subsidiaries, Fideuram Asset Management SGR and Fideuram Asset Management Ireland (net of duplications)

(2) Excluding Ramo I component of multi-line products

(3) High Net Worth Individuals

(4) Individuals. Not including Credit Protection Insurance

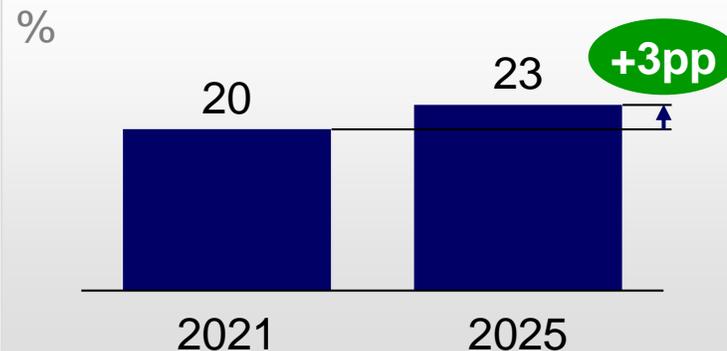
3A Continuous focus on fully-owned product factories – Asset management

Initiatives

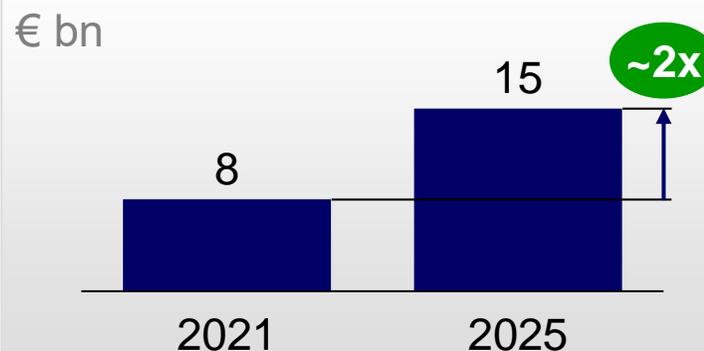
Asset management

- **Enhancement of value proposition across all segments** (Banca dei Territori, Private Banking and Insurance) through new approaches (e.g. Machine Learning) and innovative products (e.g. Eurizon Capital Real Assets)
- **International growth**, with focus on Europe (e.g. strengthened Sales teams, enlarged offer in the UK) and Asia (e.g. Hong Kong Hub)
- **Further strengthening of ESG** (products, reporting, competences, marketing, corporate governance) and **focus on climate and transition to Net-Zero**
- **Strong upgrade of digital** (e.g. introduction of Aladdin suite, digital support for distributors, process automation, paperless, new collaboration tools)

Mutual fund penetration of ISP clients



Alternative investments AuM (Eurizon)



(1) High Net Worth Individuals

3B Continuous focus on fully-owned product factories – Life insurance

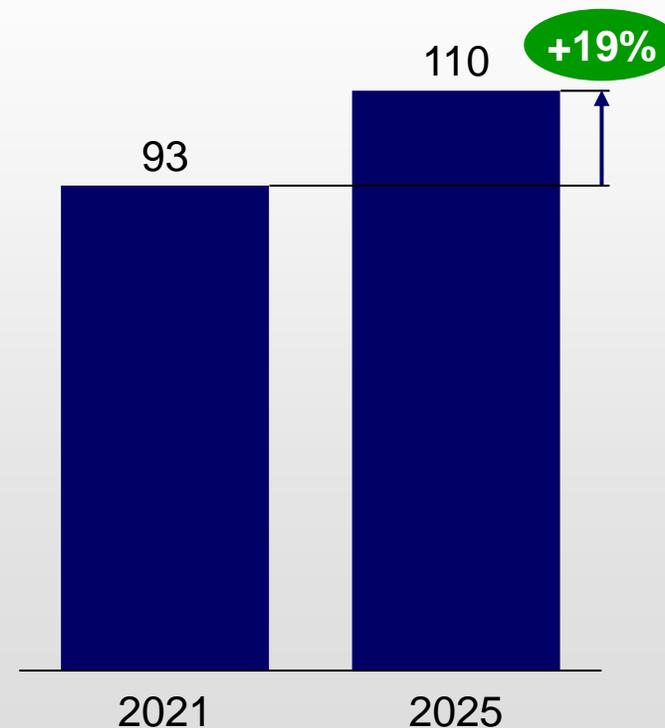
Initiatives

Life insurance

- **Consolidate market leadership in unit-linked segment**, with new investment strategies to reduce volatility
- **Strengthened focus on target markets to address specific needs** (e.g. generational transition, wealth protection, insurance guarantees, long-term savings), **client segments** (e.g. Silver generation, Millennials, HNWI⁽¹⁾) and **digital attitude** (e.g. customer journey, digital product features)
- **Dedicated offer for clients with excess liquidity/simplified investment needs**
- **Strong ESG commitment** through:
 - Carbon intensity reduction path toward Net-Zero for direct investments
 - Enhancement of unit-linked/multi-line offer with ESG investment options

Capital light products⁽²⁾ reserves (AuM)

€ bn



(1) High Net Worth Individuals

(2) Unit-linked and multi-line (excluding Ramo I component) products

3C Continuous focus on fully-owned product factories – P&C insurance

Initiatives

Retail P&C

- **"Caring Program", dedicated products and services for Seniors, developed together with Banca dei Territori:**
 - Ensuring access to a high-standard of healthcare and assistance
 - Promoting the growth of widely-distributed networks of facilities to ensure healthcare services
 - Supporting the optimisation of individual and family wealth through financial and real estate decumulation instruments

The program includes (i) health insurance protection products dedicated to the elderly, (ii) financial and savings products to ensure an additional annuity on top of the social security system, (iii) assistance services supporting family caregivers

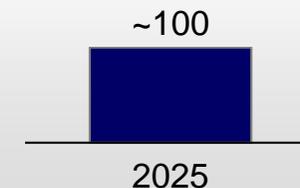
- **Innovative, personalised and comprehensive healthcare offer** (e.g. online booking, telemedicine) for **families and individuals**
- **Continuation of digital transformation** to maximise operating efficiency and provide clients with a better level of service and distinctive digital products

Commercial lines and Small Business P&C

- **Creation of a product offer for Commercial lines** (corporates) through standardised and tailor-made solutions in partnership with leading market players
- **Development of models to include benefits from corporate insurance in Group credit assessments**

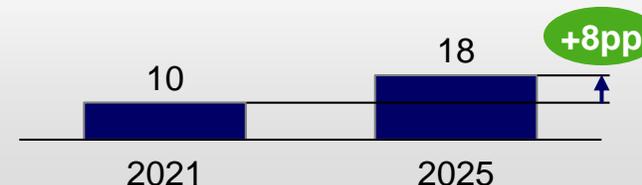
Additional Revenues from "Caring Program"⁽¹⁾

€ m



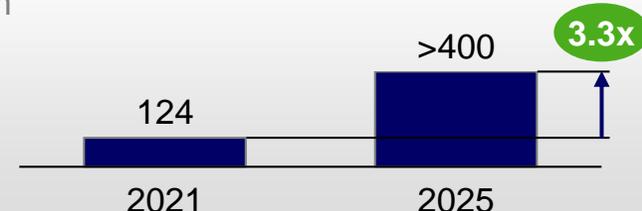
P&C non-motor product penetration on ISP clients⁽²⁾

%



Commercial lines gross written premiums

€ m



(1) At Group level

(2) Exclusive and other retail individual business segments. Not including Credit Protection Insurance

4 Further growth in payments business

Payments business

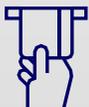
2021



~11m debit cards
(#1 in Italy)



~3m credit cards
(#1 in Italy)



>430,000 POS (#1 in Italy by transaction volumes)

Strategic payments partnerships

nexi

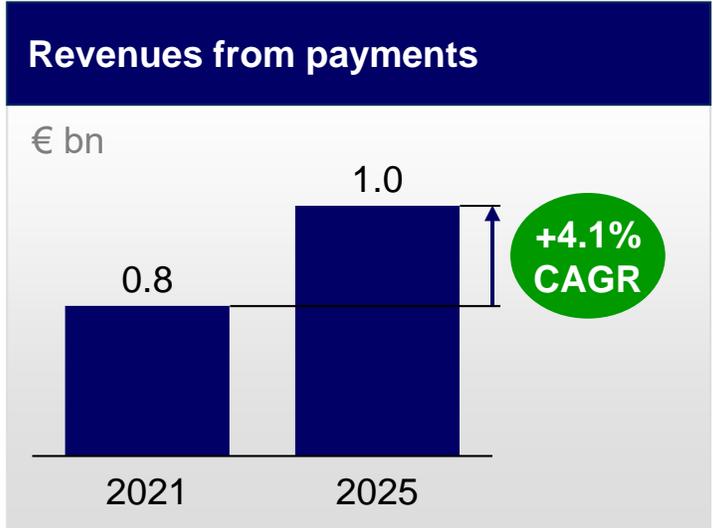
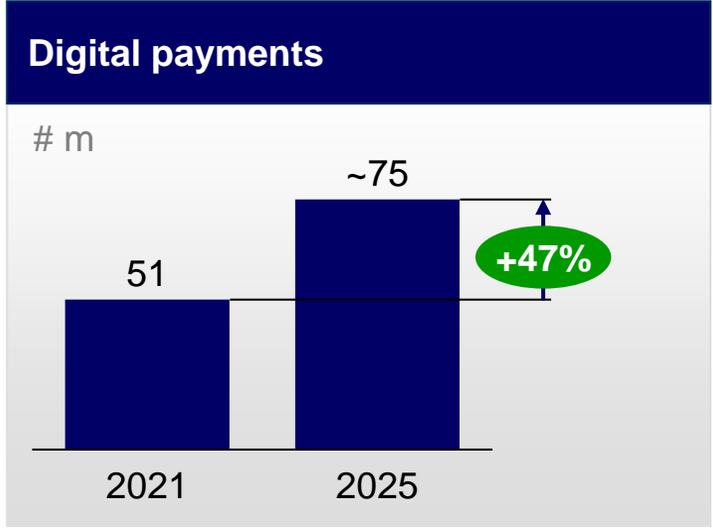
A Innovative acquiring and processing solutions offered based on a product factory (Nexi) and distributor (ISP) logic

mooney in partnership with **enel**
SisalPay | E

B Strengthened commercial focus (additional products distributed – e.g. POS) across >45,000 sales points in Italy

BANCOMAT[®] SpA

C Evolution of Bancomat and Bancomat Pay in Italy and Europe with a focus on issuing and digital payments



5 Double-down on advisory for all Corporate clients, boosting fee-based business

Corporate clients

2021



~14,100 clients:
~2,200 Corporates⁽¹⁾ and ~11,900 Top SMEs



~€3bn Revenues

2022-2025 Business Plan initiatives

- A** **Leading Recovery Plan partner for Italian enterprises**
Support to the real economy through dedicated teams and selected initiatives (e.g. energy transition)
- B** **Global advisor for Corporate clients**
Strengthen client-centric service model (including 250 advisory centers and eight core sectors), global focus on infrastructure, energy transition and equities
- C** **State-of-the-art international offer through IMI C&IB**
Tailor-made solutions for Structured Finance & Investment Banking, Capital Markets, Working Capital – with strong focus on Equity and ESG
- D** **Top-notch digital platforms**
Innovative international digital platforms further strengthened by partnerships with Fintechs (e.g. Kyriba for transaction banking)




(1) Global Corporate clients
(2) IMI C&IB Division excluding Global Markets

5A Leading Recovery Plan partner for Italian Enterprises

Support the real economy through a dedicated program with initiatives related to the Recovery Plan

Dedicated teams

- **Set-up of cross-functional teams dedicated to Recovery Plan missions**, involving all Group internal capabilities

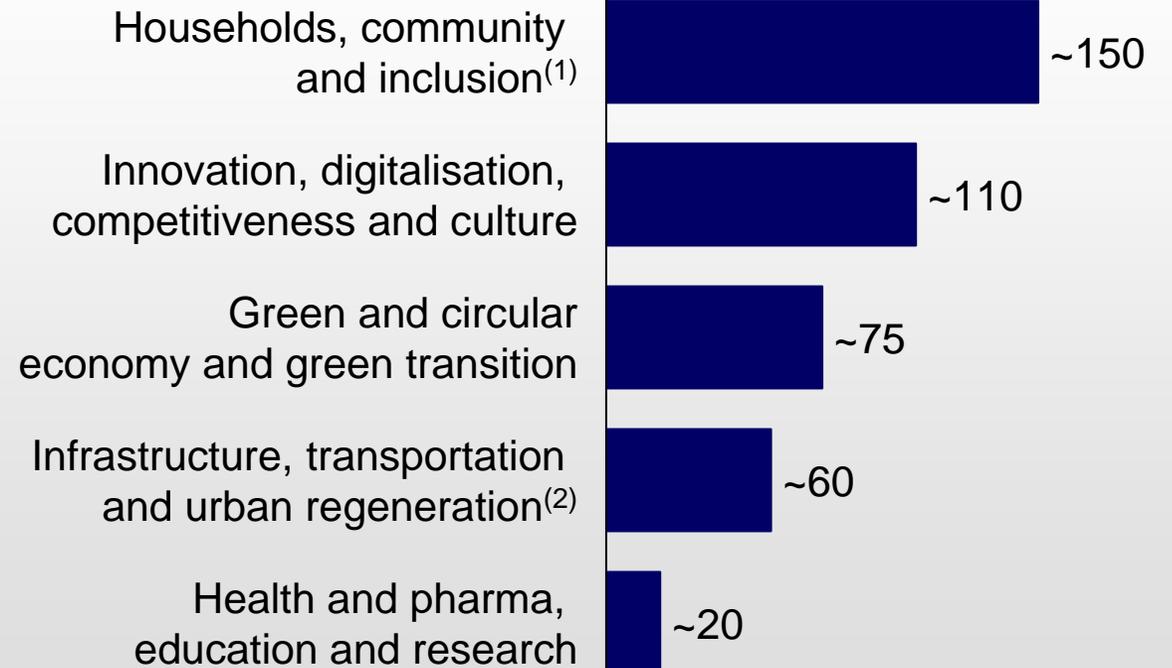
Identified initiatives

- **Support to corporate digitalisation and Transition 4.0**
- **Strengthening the Southern Italian Economy (“Mezzogiorno“)**, supporting local champions
- **Support for energy transition, sustainable infrastructure and urban regeneration**
- **Relaunch of tourism**



Expected medium/long-term new lending

€ bn



>€400bn cumulative new lending in 2021-2026 horizon

(1) Including ~€145bn to households

(2) Including more than €5bn for urban regeneration

5B Global advisor for Corporate clients

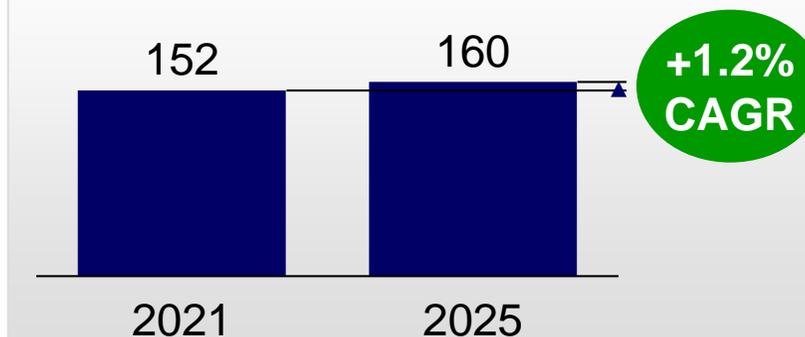
Initiatives

Global advisor for Corporate clients

- **Enhancement of Originate-to-Share model, coupled with strengthened credit risk management** (e.g. strengthened plafond, extension to new asset classes)
- **Further strengthening of coverage network**, organised across eight industries with highly specialised origination teams (e.g. global strategic coverage, network origination coverage)
- **Senior product specialists across value-added services** (e.g. Fixed Income Credit & Commodities, Equity, Global Transaction Banking) to maximise cross-selling
- **Tailored service model offered to Banca dei Territori champions** (e.g. dedicated advisory branches, senior “banker-like” relationship managers)

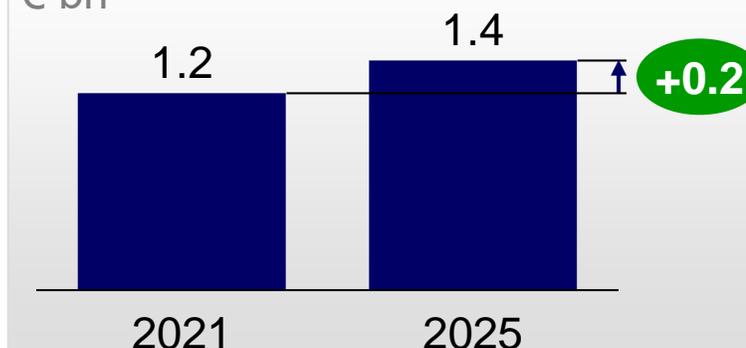
IMI C&IB Loans to customers

€ bn



IMI C&IB Commissions

€ bn



Distinctive international offer with top-notch digital platforms

Initiatives

- C

State-of-the-art international offer through IMI C&IB

 - **Specialised offer for energy transition and infrastructure sector**
 - **Strengthened market activity**, expanding into innovative asset classes while maintaining proactive risk control
 - **Upgraded offer to serve at-scale global investors mainly through the Originate-to-Share model** (e.g. private equity funds, insurance companies, sovereign wealth funds)
 - **Ad-hoc solutions for new high-growth industrial sectors** (e.g. Space, Fintech)
 - **New offering for family offices**

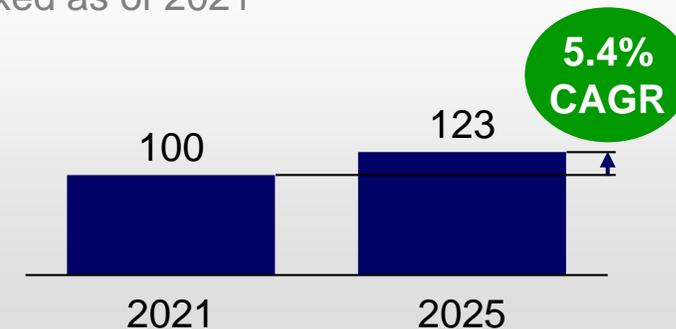
- D

Top-notch digital platforms

 - **“One stop shop” digital platform for the Transaction Banking business** (e.g. liquidity management), including partnerships with Fintechs
 - **Strengthened equity platforms**
 - **International growth of brokerage business**, including partnerships with leading banking groups
 - **New digital platform for financial institutions**

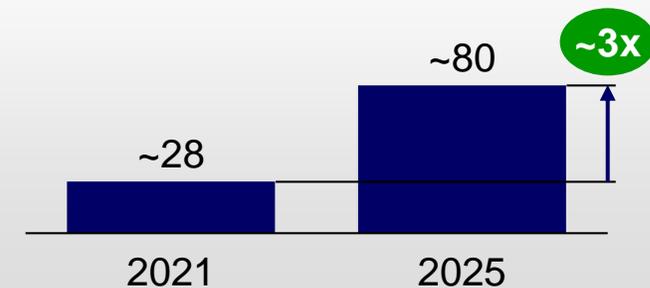
IMI C&B international clients Operating income

Indexed as of 2021



IMI C&B Corporate clients with digital contracts

%



6 Growth across International Subsidiary Banks businesses

2021, % of International Subsidiary Banks Division Operating income

Evolution of international presence

Fully-fledged business model enhancing Commissions and including digital banking

~99

Main European Subsidiaries



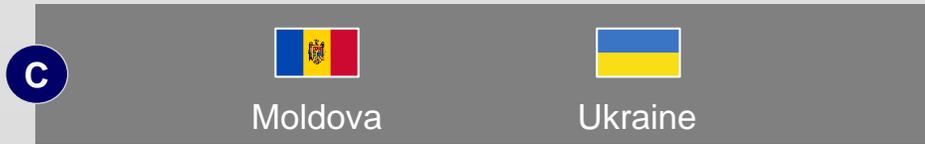
Wealth Management focus

<1



Niche players

~1



(1) Presence in Czech Republic through a branch

6A Full-fledged business model enhancing Commissions across main European subsidiaries

Initiatives

Wealth Management boost

- **Strengthening presence in Affluent and Private Banking segment**, enhancing fee-based business through service model fine-tuning

Business growth in Insurance

- **Set-up of a "best-in-class" commercial machine to enhance current Bancassurance portfolio** with a more comprehensive product offering, including potential partnerships

Fee-based offer enhancement for Mid/Large Corporates

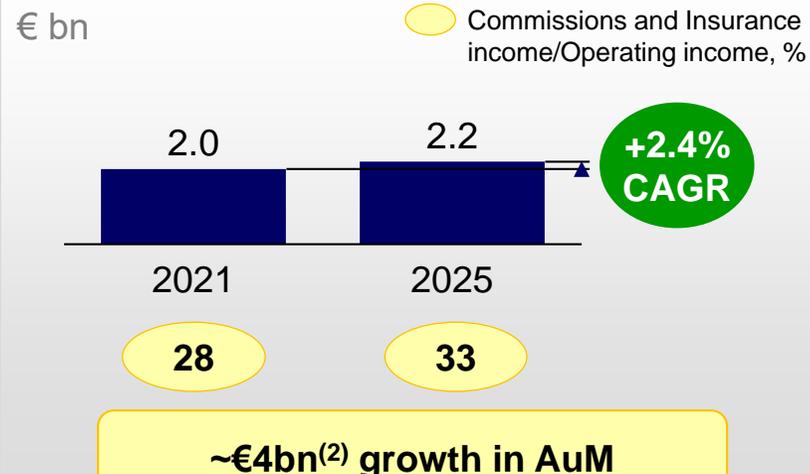
- **Development of synergies with IMI C&IB** with a focus on Debt (e.g. Structured finance and DCM) and Hedging (e.g. FX, IRS) businesses
- **Scale-up of synergies with Banca dei Territori** to optimise coverage of Italian Mid-Corporates with an international footprint
- **Focus on new business opportunities related to the ESG transition and on financial inclusion**

Focus on digital banking

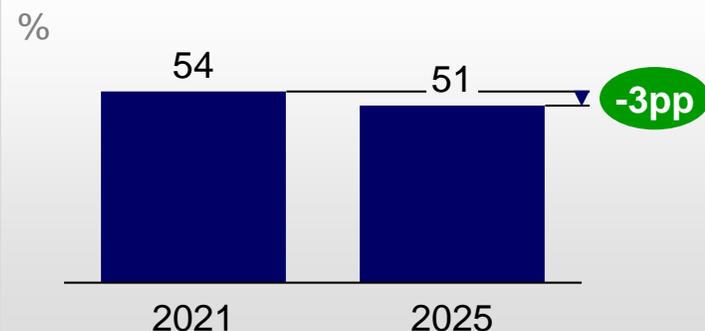
- **Reshape of digital proposition and enhancement of omnichannel distribution** to accelerate digital customer penetration

Additional IT convergence push via a single platform (leveraging on International Value Services⁽¹⁾)

ISBD⁽²⁾ Operating income



ISBD⁽²⁾ Cost/Income



(1) IT factory for the International Subsidiary Banks Division

(2) International Subsidiary Banks Division

6B China as a Wealth Management growth option

Initiatives

x ISP shareholding, %

Yi Tsai⁽¹⁾

100%

- **Scale-up of Yi Tsai network**, leveraging:
 - Unique advisory model
 - Broadened product offering
 - Synergies with local product factories
 - Continuous footprint expansion in key regions

Penghua⁽²⁾

49%

- **Direct platforms and selected partnerships** to boost distribution capacity
- **Product and distribution synergies with Eurizon Capital and other ISP business units in the HNWI⁽³⁾ segment**

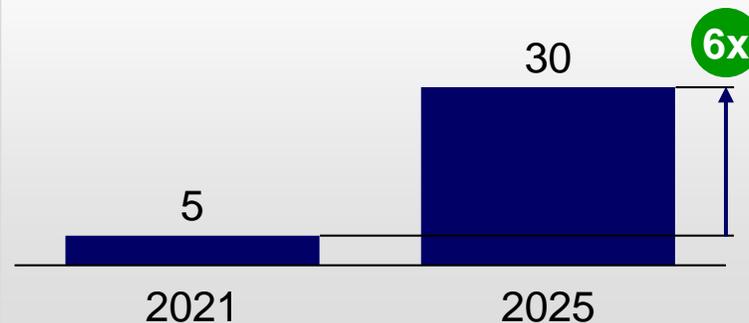
Bank of Qingdao

14%⁽⁴⁾

- **Enhancement of the strategic cooperation between the Group and Bank of Qingdao** for access to selected local banking capabilities

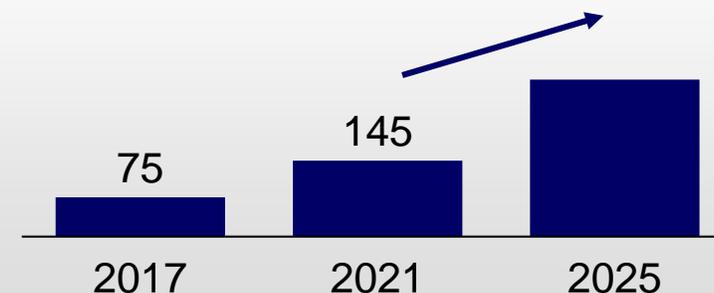
Yi Tsai network growth

Provinces/cities with a presence, #



Penghua Assets under management

€ bn



(1) Network of financial advisors

(2) Asset manager

(3) High Net Worth Individual

(4) Regulatory approval to raise holding to 17.5% obtained in January 2022

The 2022-2025 Business Plan formula

Our People are our most important asset



Massive upfront de-risking, slashing Cost of risk



Structural Cost reduction, enabled by technology



Growth in Commissions, driven by Wealth Management, Protection & Advisory



Significant ESG commitment, with a world-class position in Social Impact and strong focus on climate

- 1 Unparalleled support to address social needs 
- 2 Strong focus on financial inclusion 
- 3 Continuous commitment to culture 
- 4 Promoting innovation 
- 5 Accelerating on commitment to Net-Zero 
- 6 Supporting clients through the ESG/climate transition 

Unparalleled support to address social needs

Supporting people in need



- **Expanding food and shelter program for people in need** distributing:
 - Meals
 - Bed places
 - Medicines
 - Clothes

Food and shelter program interventions
of interventions⁽¹⁾, m



Fostering youth education and employability



- **Launch of employability programs for more than 3,000 young people** (e.g. *Giovani e Lavoro* and *Generation4Universities*) **and involvement of more than 4,000 schools and universities in inclusive education programs** (e.g. *WeBecome* project)
- **Promoting social housing for youth in Italy** (e.g. students, young workers)

Social housing units for youth
#



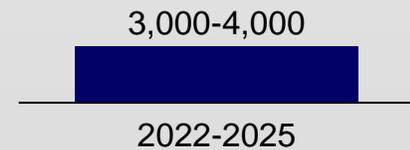
One of the largest social housing programs in Italy

Assisting senior population



- **Creating ~30 senior community hubs** to provide, at the local level, **social and leisure activities** and dedicated **health and social assistance services**
- **Promoting senior social housing development in Italy** (e.g. seniors with low income, living alone)

Social housing units for seniors
#

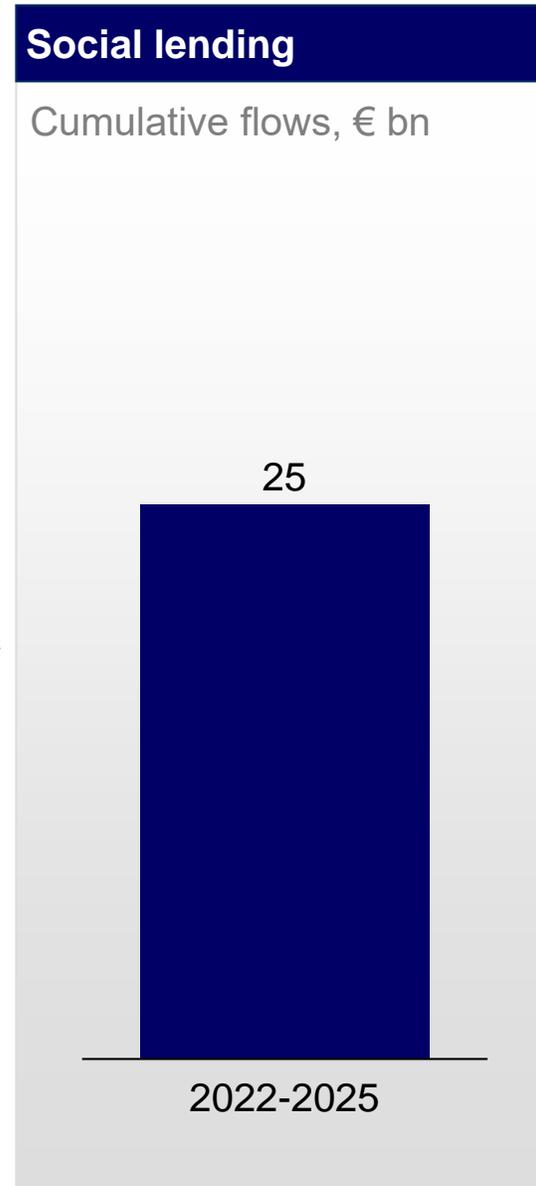


~€500m total contribution⁽²⁾ to address social needs

(1) Meals, bed places, medicines and clothes
(2) Through investments and donations

2 Strong focus on financial inclusion through social lending

Initiatives	
Lending to third sector	<ul style="list-style-type: none"> ▪ Lending and dedicated services for non-profit organisations to promote territorial initiatives that benefit communities and the environment
Fund for Impact	<ul style="list-style-type: none"> ▪ Direct support to individuals unable to access credit through traditional financial channels, with dedicated programs such as: <ul style="list-style-type: none"> – MAMMA@WORK: a highly-subsidised loan to balance motherhood and work in their children’s early years of life – “Per Merito”: the first line of credit without collateral dedicated to university students – XME StudioStation: loans to families to assist with distance learning
Lending for urban regeneration	<ul style="list-style-type: none"> ▪ Dedicated program for urban regeneration: <ul style="list-style-type: none"> – Investments in hospitals, smart mobility, broadband networks and education – Service and sustainable infrastructure
Lending to vulnerable and underserved individuals	<ul style="list-style-type: none"> ▪ Direct support to vulnerable and underserved individuals (e.g. loans to young couples, single-parent families, young people) ▪ Support to families affected by natural disasters through subsidised loans ▪ Partnerships to provide micro-credit to individuals or small companies in difficulty



3 Continuous commitment to culture

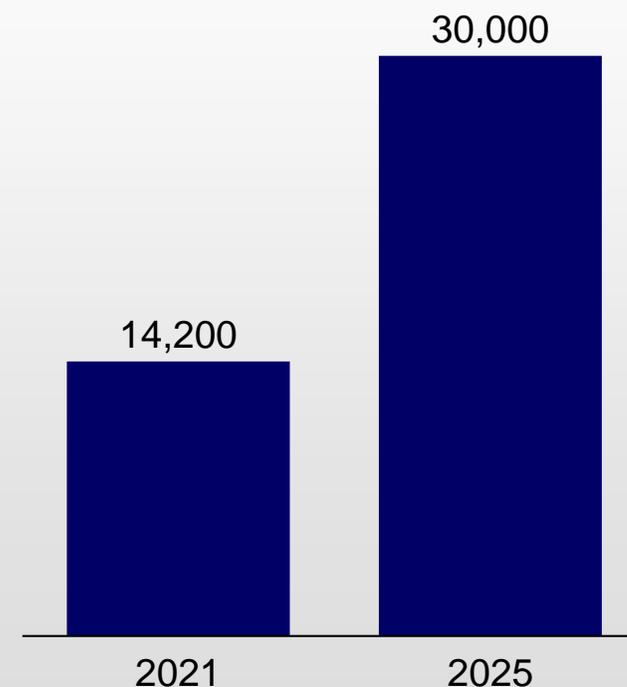
Initiatives

Continuous commitment to culture

- **Two new museums for Gallerie d'Italia in Turin and Naples⁽¹⁾** and expansion of exhibition spaces in Milan and Vicenza
- Multi-year program of **original temporary exhibitions, educational labs** with schools and **social inclusion projects** dedicated to **vulnerable categories**
- **Creation of a center of excellence in the new Gallerie d'Italia in Turin to promote the value of photography**, both as an artistic expression and as a way to communicate the Bank's attention to the communities in which it operates and the broader role it plays in society, the economy and culture
- **"Restituzioni" Program**, dedicated to **restoration and valorisation** of the **national heritage** curated by the Bank in collaboration with the Cultural Ministry (over 2,000 national artworks restored since 1989)
- **Professional education programs in art and culture** (Gallerie d'Italia Academy master programs)
- **Partnerships** with museums, public/private institutions in Italy and abroad
- **Sponsorship of cultural activities and events** (e.g. opera, music, film-making)

Gallerie d'Italia exhibition space

Sqm



One of the most important corporate art collections in the world

(1) Transformation of Palazzo Turinetti in Piazza San Carlo in Turin and of the former Banco di Napoli building in Naples into new museums

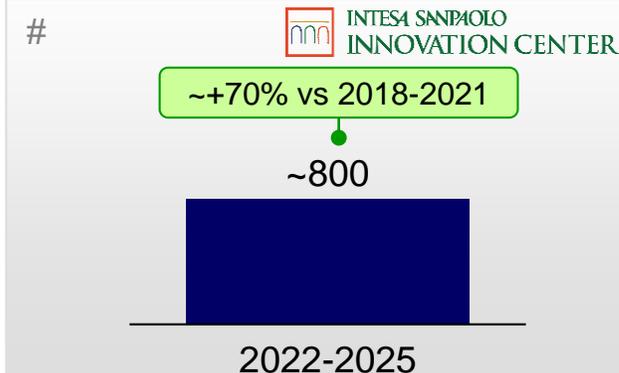
4 Promoting innovation, pursuing a new frontier

Initiatives

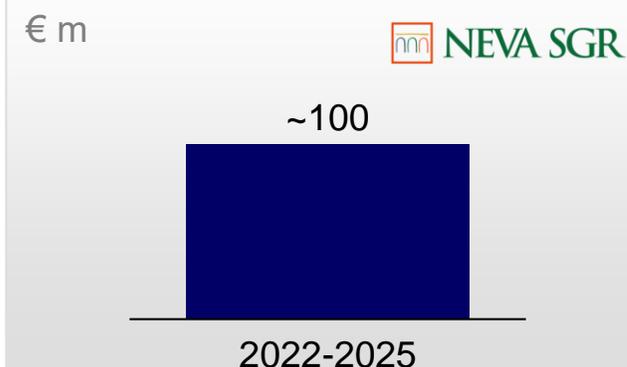
Promoting innovation

- **Development of multidisciplinary applied research projects** (e.g. AI, neuroscience, robotics) via collaboration with top-notch research centers, promoting technology transfer and spin-offs and creating intangible assets and intellectual property
- **Support to high-potential startups** through non-financial services (e.g. acceleration programs) and the connection/support of venture capital funds, also thanks to NEVA SGR
- **Support to the development of innovation ecosystems** with an international perspective, coordinating the network of relationships with corporates, incubators, R&D centers, universities, national and international institutions
- **Acceleration of business transformation and support to corporates' long-term development** (e.g. scouting new technologies) promoting de-risking and competitiveness through **Open Innovation programs**
- **Diffusion of innovation mindset/culture** through **events** and new **educational formats** (e.g. positioning and match-making events, dissemination to retail and corporate clients and to high schools, universities and postgraduate)

Innovation projects⁽¹⁾



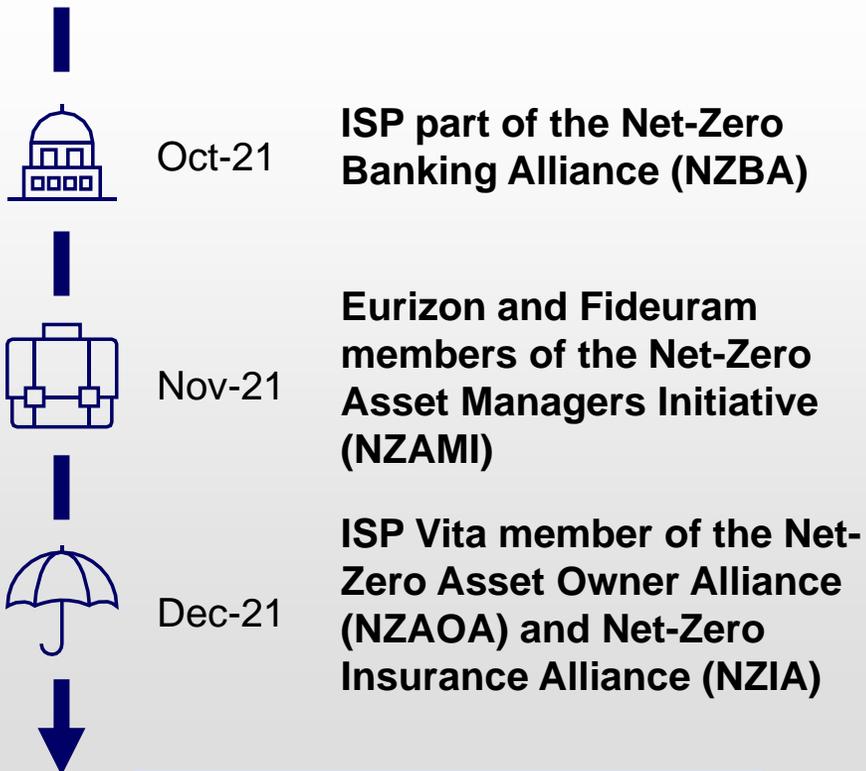
NEVA SGR investments in startups



(1) E.g. applied research projects, business transformation projects, acceleration programs, scientific reports, events

5 Strong focus on climate and environmental initiatives...

Participating in all lending, investments and insurance Net-Zero Alliances...



Net-Zero emissions in 2050

... while bringing ISP's own emissions to zero by 2030...



Net-Zero own emissions target already in 2030, with ~60% reduction already achieved in 2020 vs 2008



100% renewable energy⁽¹⁾ at Group level in 2030 (level already achieved in Italy⁽²⁾ in 2021)

... and protecting and restoring natural capital



Committed to planting 100m trees, directly and through dedicated financing to our clients



Adoption of a specific policy on biodiversity

(1) Purchased
(2) Branches and buildings

5

... with ambitious 2030 financed emissions reduction targets already set for priority high-emitting sectors, starting from a contained emissions baseline

Net-Zero aligned targets for 2030 in high-emitting sectors⁽¹⁾...

	Sector and scope	Metrics	Baseline 2019 ⁽³⁾	Target 2030 ⁽⁴⁾
High-emitting sectors ⁽¹⁾	Oil & Gas ⁽²⁾ (Scope 1, 2, 3)	gCO ₂ e/MJ	64	52-58
	Power generation (Scope 1, 2)	kgCO ₂ e/MWh	214	110
	Automotive (Scope 3)	gCO ₂ e/km	162	95
	Coal mining (<i>exclusion policy</i>)	€ bn exposure	0.2	0 by 2025

... disclosed ahead of peers and covering a large part of the high-emitting portfolio

- Starting point on emissions intensity lower than European peers⁽⁵⁾ in high-emitting sectors
- 2030 targets disclosed more than a year ahead of the Net-Zero Banking Alliance deadline
- Over 60% of the Non-Financial Corporates portfolio financed emissions⁽⁶⁾ covered by 2030 reduction targets
- Committed to request SBTi certification

(1) Sectors consistent with Net-Zero Banking Alliance. Reference scenario: IEA Net-Zero 2050
 (2) The Group already has a policy in place to phase out unconventional Oil & Gas by 2030
 (3) Portfolio composition as of 30.6.21, latest available emissions data as of FY19
 (4) Targets may be updated over time following the evolution of the emission calculation methodology, the regular updates required by NZBA, SBTi and any issuance of new external guidelines
 (5) Only banks that have disclosed emission intensity
 (6) In sectors identified by Net-Zero Banking Alliance

6 Enabling the transition through sustainable lending...

Initiatives

Sustainable lending for Retail clients

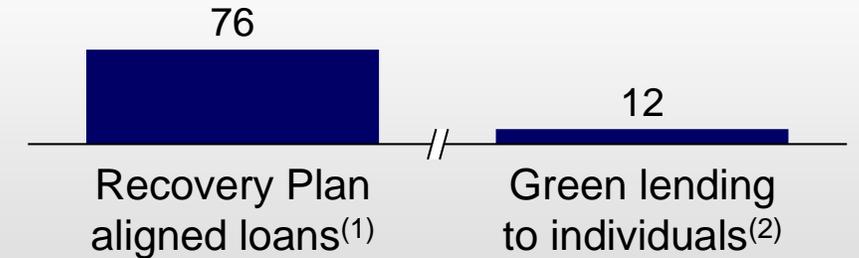
- Further boost of sustainable lending for Retail clients with a focus on the green energy transition

Support to SMEs/Corporates on the sustainability journey

- Strengthening of sustainable lending to SMEs/Corporates (e.g. sustainable finance, ESG advisory)
- Dedicated Partner of  and strategic Partner of 
- New ESG Labs, in collaboration with specialised partners to support SMEs/Corporates in ESG transition
- Skills4ESG platform for client training and engagement

New lending to support the green transition

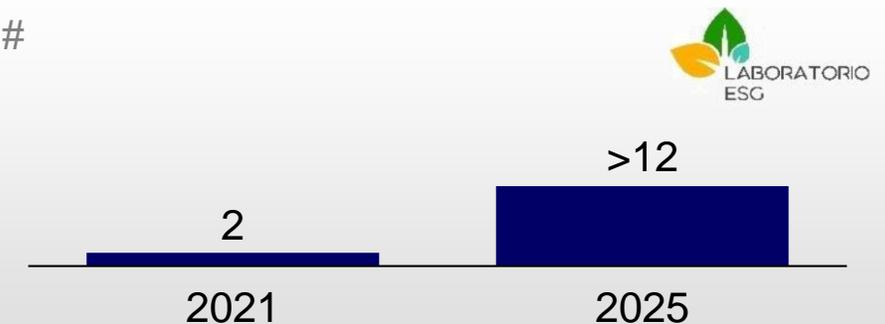
Cumulative flows, € bn



Of which €8bn dedicated to circular economy

ESG Labs

#

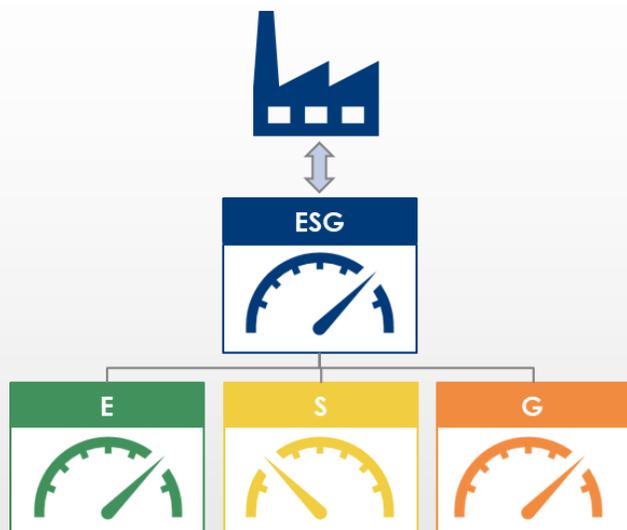


- ~100 dedicated ESG specialists
- At least one ESG Lab in each regional governance centre

(1) 2021-2026
(2) 2022-2025

6 ... with client assessment based on ISP proprietary ESG scoring

Proprietary ESG scoring methodology...



Assessment across **140 quantitative KPIs** using **20+ descriptors**

Synthetic ESG score at counterparty level

- **Quantitative/fact-based approach combining multiple input sources** (internal and external)
- **Coverage of both Corporates and SMEs**
- **Structured use of Advanced Analytics** (e.g. news/web scraping)
- **Leverage direct client access to integrate/enrich ESG information**

... integrated in ISP credit risk appetite framework

- **Proprietary ESG scoring fully embedded in the ISP credit risk appetite frameworks:**
 - **Key component for sustainable lending assessment together with considerations at sector level** (ESG/climate sectorial heatmap)
 - **Also included in the credit assessment of the entire ISP client base, in line with expected regulatory evolution**
- **Inclusion of ESG scoring within the credit strategies framework**

6 New frontier in sustainable investments and protection

Initiatives

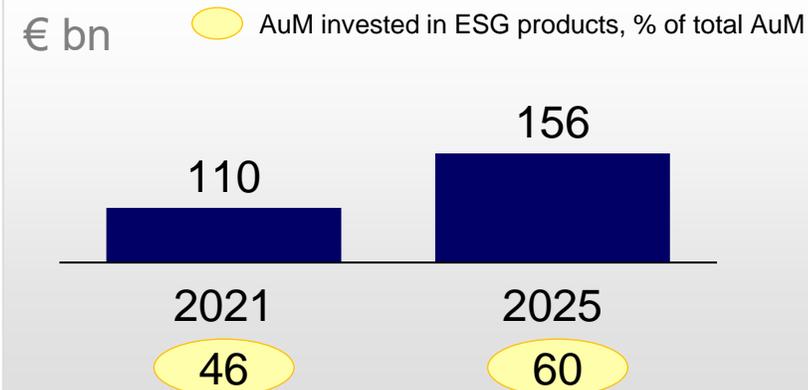
Enhancement of ESG proposition in Asset management

- **Expansion of the ESG asset management offering** (e.g. SFDR articles 8 and 9, alternative investments)
- **Further development of the Eurizon proprietary ESG scoring**, with the extension to new asset classes (e.g. alternative investments/funds)
- **Development of dedicated ESG advisory services for Fideuram**

Development of dedicated ESG insurance offering

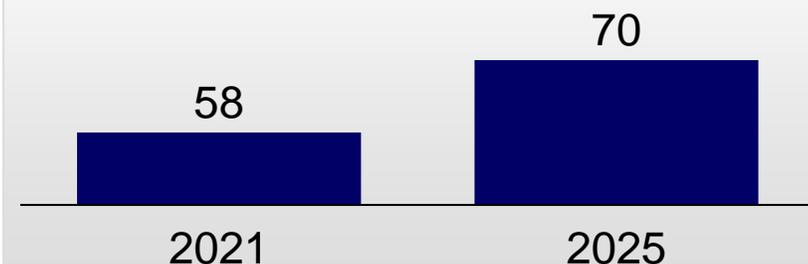
- **Development of dedicated non-life ESG offer** (e.g. products for companies adopting eco-sustainable behaviour, green vehicles)
- **Enrichment of ESG/climate offer** within Group Life commercial proposition (e.g. ESG unit-linked)

Sustainable investments⁽¹⁾



New ESG funds⁽¹⁾

New ESG funds as percentage of total new funds introduced, %



(1) Eurizon perimeter – Funds pursuant to art. 8 and 9 SFDR 2088

The 2022-2025 Business Plan formula

Our People are our most important asset



Massive upfront de-risking, slashing Cost of risk



Structural Cost reduction, enabled by technology



Growth in Commissions, driven by Wealth Management, Protection & Advisory



Significant ESG commitment, with a world-class position in Social Impact and strong focus on climate

1 Next way of working



2 Innovative talent strategy



3 Diversity & Inclusion



4 Learning ecosystem



5 Tech-enabled process streamlining



ISP recognised as Top Employer 2022⁽¹⁾



(1) By Top Employers Institute

Business Plan targets enabled by very significant investments in our People (1/2)

Initiatives

1 Next way of working

- **“Next way of working” at large-scale** (hybrid physical-remote) guaranteeing maximum flexibility to all employees while upgrading IT equipment and workplace layouts
- **Large-scale employee wellbeing and safety initiatives** (e.g. new office spaces, gyms, healthy food, business trip safety)
- **New incentive plans** (including LTI⁽¹⁾) to foster individual entrepreneurship

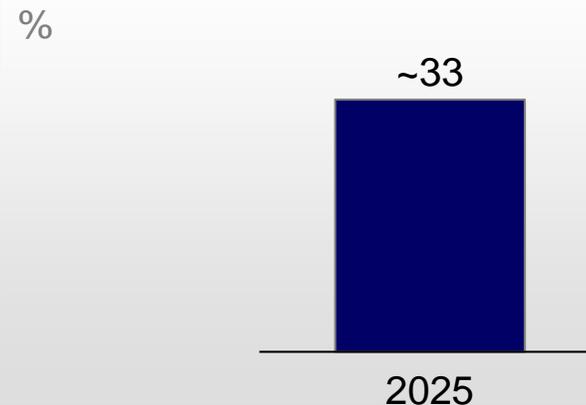
2 Innovative talent strategy

- **“Future leaders” program** targeting ~1,000 talents and key people at Group level
- **International footprint reinforcement** with distinctive capabilities in key markets (e.g. IMI C&IB, Wealth Management) and **insourcing of core capabilities in the digital space**

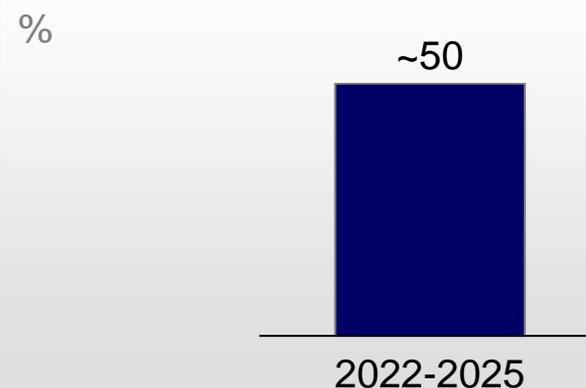
3 Diversity & Inclusion

- **Promotion of an inclusive and diverse environment** thanks to a set of dedicated initiatives and a focus on gender equality

Days worked remotely (excluding branch network)



Women in senior roles, new appointments⁽²⁾



(1) Long Term Incentives

(2) 1-2 organisational levels below the CEO

Business Plan targets enabled by very significant investments in our People (2/2)

Initiatives

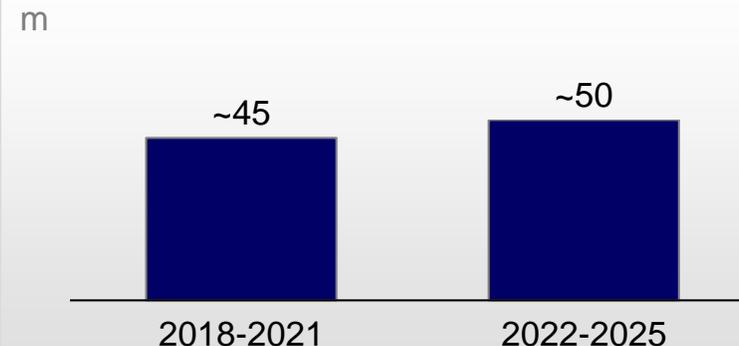
4 Learning ecosystem

- **Reskilling/upskilling program**, tailored to employee needs, to deploy excess capacity towards Business Plan priorities (e.g. ESG, digital, credit initiatives)
- **Creation of the leading education player in Italy**, leveraging on ISP innovative learning infrastructure, to:
 - Position itself as an aggregator of best Italian players in the industry
 - Offer ISP People best-in-class training on critical capabilities for both the digital (i.e. cybersecurity, digital data, cloud) and ecological transition (i.e. sustainability, circular economy)
 - Invest in top-notch learning technologies (e.g. AI) to provide an increasingly more effective learning experience
- **New “job communities”**, clusters of professionals with homogeneous skillsets, learning paths and titles, aimed at defining a coherent development model throughout the Group

5 Tech-enabled process streamlining

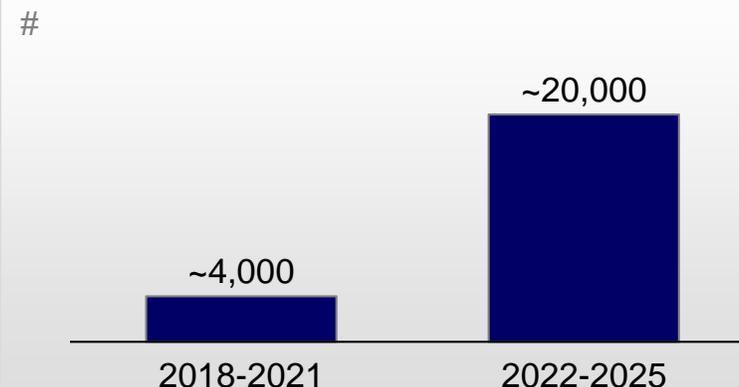
- **Cloud infrastructure** enabling a new Group “HR platform”
- **Organisational streamlining** to improve efficiency and time-to-market (e.g. aggregation of selected activities)
- **Innovative organisational models** in selected areas of the Group, enhancing agility and entrepreneurship

Training hours



100% ISP People trained on ESG

People in "job communities"



Agenda

Key messages

The 2022-2025 Business Plan formula

Final remarks

2022-2025 Business Plan highlights

Zero-NPL Bank with no impact from calendar provisioning: net NPL ratio at ~1%⁽¹⁾ and Cost of risk at ~40bps throughout the entire Business Plan horizon

Cost/Income down to 46% in 2025, with **Costs decreasing** in absolute terms despite **€7.1bn in investments**

2.3% CAGR in Revenues, driven by **Commissions and Insurance income**, and **~€1.5 trillion in Customer financial assets**

Leading position in ESG further strengthened: the #1 bank in the world for Social Impact and strong focus on climate, supporting the green transition

Solid capital position: Basel 3/Basel 4 **CET1 ratio** fully phased-in target **>12%**

Growing and sustainable value creation: **€6.5bn Net income** in 2025 with **~14% ROTE⁽²⁾**

Strong value distribution: **70% dividend payout⁽³⁾** in each year of the Business Plan and an **additional €3.4bn capital return to Shareholders in 2022** through buyback⁽⁴⁾

>€22bn total capital return through cash dividends and buyback for 2021-2025⁽⁵⁾, with any additional distribution to be evaluated year-by-year starting from 2023

(1) According to EBA definition

(2) Net income/Tangible Net shareholders' equity (Net shareholders' equity excluding Net income, AT1, Goodwill and other intangibles)

(3) On stated Net Income, subject to shareholder approval

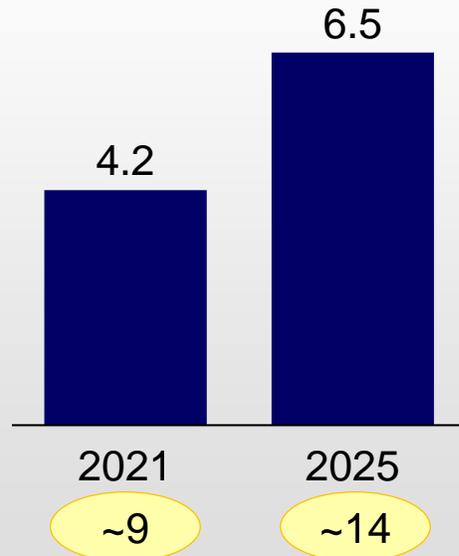
(4) Subject to ECB and shareholder approvals. Buyback amount equivalent to 2019 suspended dividend

(5) Subject to ECB and shareholder approvals and based on the achievement of 2022-2025 Business Plan stated Net income targets. Including €1.4bn 2021 interim dividends paid in November 2021. Buyback amount equivalent to 2019 suspended dividend

Strong and sustainable value creation and distribution, while maintaining a solid capital position...

Strong and sustainable value creation...

Net income, € bn ROTE⁽¹⁾, %



>€5bn Net income in 2022

... and distribution for 2021-2025...

70% Payout ratio⁽²⁾ 2022-2025 **€3.4bn** Buyback⁽³⁾ in 2022

>€22bn⁽⁴⁾

>€6.6bn in 2022⁽⁵⁾

... while maintaining a solid capital position

Fully phased-in CET1 ratio, %

Basel 3/Basel 4 metrics

>12.0

2022-2025 target

Best-in-class leverage ratio at 6.2%⁽⁶⁾ and NPL ratio at ~1%⁽⁷⁾

Any additional distribution to be evaluated year-by-year starting from 2023

(1) Net income/Tangible Net Shareholders' Equity (Net Shareholders' Equity excluding Net income, AT1, Goodwill and other intangibles)

(2) Subject to shareholder approval. Payout based on stated Net income

(3) Subject to ECB and shareholder approvals. Buyback amount equivalent to 2019 suspended dividend

(4) Subject to ECB and shareholder approvals and based on the achievement of 2022-2025 Business Plan Stated Net income targets. Including €1.4bn in 2021 interim dividends paid in November 2021

(5) Subject to ECB and shareholder approvals and based on the achievement of 2022 Stated Net income target. Including 2022 interim dividend to be paid in November 2022, subject to Board of Directors approval

(6) In 2025, fully phased-in

(7) Net NPL ratio according to EBA definition

... and delivering over €520bn to ISP stakeholders

2022-2025, € bn

Shareholders Cash dividends and buyback	>22 ⁽¹⁾	Significant portion of Net income made available for consumption/investments
Households and businesses MLT new lending to the real economy	328	Of which €285bn in Italy
ISP People Personnel expenses	26.5	~100,000 households, ~50m training hours
Suppliers Purchases and investments	17	Benefiting more than 40,000 households
Public sector Taxes ⁽²⁾	15	~75% annual real estate property taxes in Italy
Social lending New lending to support non-profit activities, vulnerable and young people	25	ISP is the largest lender to social sector in Italy
People in need, youth and seniors Investments and donations	~500m	ISP is the #1 bank worldwide for Social Impact
Environment New lending to the green economy, circular economy and green transition	88	Strong focus on supporting Corporates/SMEs in the green transition

(1) Subject to ECB and shareholder approvals and based on the achievement of 2022-2025 Business Plan stated Net income targets. Including €1.4bn 2021 interim dividends paid in November 2021

(2) Direct and indirect

The 2022-2025 Business Plan formula

Our People are our most important asset



Massive upfront de-risking, slashing Cost of risk

~1% net NPL ratio⁽¹⁾

~40bps Cost of risk⁽¹⁾



Structural Cost reduction, enabled by technology

€2bn Cost savings

€5bn investments in technology and growth



Growth in Commissions, driven by Wealth Management, Protection & Advisory

~€100bn growth in AuM

~57% of Revenues from fee-based business⁽²⁾



Significant ESG commitment, with a world-class position in Social Impact and strong focus on climate

~€25bn in social lending/contribution to society

~€90bn in new loans to support the green transition

A Wealth Management, Protection & Advisory Leader
Zero-NPL, Digital & Fee-Driven

(1) Throughout the entire Business Plan horizon

(2) Commissions and Insurance income