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“Intesa Sanpaolo: the engine of Italy’s sustainable and inclusive growth” is an annual event – now in its second year – at which the Group presents its new sustainability initiatives and the results of ongoing projects.

The event, held in Milan on 16 January 2020, at the request of CEO Carlo Messina, showcased Intesa Sanpaolo’s work in community engagement, youth employment, culture, the circular economy and innovation. Discussions took place between the stakeholders and partners with whom the Group is collaborating to achieve the social, cultural and civil growth objectives at the heart of Intesa Sanpaolo’s 2018-2021 Business Plan. As one of Europe’s leading banks, Intesa Sanpaolo aims to set another benchmark through its commitment to social, cultural and environmental sustainability.

The event opened with speeches by Intesa Sanpaolo’s Chairman, **Gian Maria Gros-Pietro**; the Bank’s CEO, **Carlo Messina**; and **Rob Kapito**, Chairman of BlackRock.

These were followed by five round-table discussions on different themes:

- **Greater social cohesion to reduce inequality:** with **Letizia Moratti**, Co-founder of the Fondazione San Patrignano; **Monsignor Vincenzo Paglia**, President of the Pontifical Academy for Life; and **Paolo Petralia**, Director General of the Istituto Gianna Gaslini and President of the Italian Paediatric Hospitals Association (AOPI).
- **Impact banking to promote social inclusion:** with **Giuliano Amato**, Judge of the Italian Constitutional Court; and **Livia Pomodoro**, Chairwoman of the Intesa Sanpaolo Impact Advisory Board.
- **The circular economy as a new growth paradigm:** with **Catia Bastioli**, Chairwoman of Terna and CEO of Novamont; and **Fabrizio Di Amato**, Chairman of Maire Tecnimont.
- **Investing in young people to promote employment:** with **Francesco Colella**, Brand Manager and Co-owner of the Capri Group; **Cristina de’ Stefani**, Managing Director of Morellato Group’s Finance & Corporate Affairs; and **Alessandro Rosina**, Professor of Demography and Director of the Applied Statistics Laboratory at the Università Cattolica of Milan.
- **Art and culture, preserving and promoting Italian excellence:** with **Sylvain Bellenger**, Director of the Museo e Real Bosco di Capodimonte; **Fortunato Ortombina**, Superintendent and Artistic Director of the Gran Teatro La Fenice of Venice; and **Elisabetta Sgarbi**, Publisher at La nave di Teseo and Artistic Director of La Milaneseana.

Then **Paola Pisano**, Minister for Technological Innovation and Digitalization, spoke on the theme of **innovation as a key factor in Italy’s competitiveness**.

Concluding remarks by **Carlo Messina** and Chairman Emeritus of Intesa Sanpaolo, **Giovanni Bazoli**.

Led by **Bruno Vespa**.

1



Greater social cohesion to reduce inequality



Intesa Sanpaolo works each and every day to support the sustainable and long-term growth of Italy's economy, in the belief that a strong and cohesive society offers the foundation necessary for the whole country to develop. Improving the socio-economic standing of citizens is an essential part of this goal.

The number of people living in absolute poverty has grown significantly in recent years. In Italy, this currently represents 1.8 million families and a total of 5 million individuals, or 7% of the population. Over the past 10 years, the prevalence of absolute poverty has doubled in terms of the number of households affected (from 3.5% to 6.9%) and nearly tripled at the individual level (from 3 out of every 100 residents in 2007 to 8.4 out of 100 in 2017). Among children and young people (0 to 17 years), it increased fourfold between 2007 and 2017: minors in absolute poverty represent 12.6% of the population, with an incidence ranging from 10.1% in the Centre to 15.7% in the South.

The scale of this problem drives Intesa Sanpaolo's commitment to promoting greater social cohesion and reducing inequalities. The Bank's strong economic performance and the solidity of its balance sheet enable a structured program of activities to support those in need and who struggle to reach the minimum standards of wellbeing and dignity that should be within everyone's reach.

In 2017, Intesa Sanpaolo set specific, concrete and measurable objectives at the centre of its 2018-2021 Business Plan, including support of charitable bodies and associations. The pursuit of these philanthropic objectives gives meaning to the Group's daily work to strengthen its role as the engine of sustainable and inclusive growth in Italy.

In 2018, the Bank provided €62 million to community development, a figure that makes it one of the leading social enablers in Italy. This marked a major project to redress situations of need, in collaboration with accredited non-profit organisations, public administrations and corporate clients of the Bank.

In order to distribute hot meals (8.7 million provided by the Group in 2018 and 2019) and shelter beds (519,000 spaces provided over the same period), Intesa Sanpaolo concluded agreements with Fondazione Banco Alimentare, the Milan chapter of Associazione Italiana contro le leucemie-linfomi e mieloma, Dynamo Camp, VIDAS, Fondazione TOG, Associazione Diakonia and City Angels Lombardia. The agreement with Fondazione Banco Farmaceutico Onlus enabled the collection and distribution of 131,000 pharmaceutical products in 2018 and 2019. The Golden Links Project, in collaboration with Caritas Italiana and the Comitato Promotore S-Nodi, supported partnerships with Calzedonia, Scarpe & Scarpe, Camomilla Italia and Primadonna, providing 103,000 items of clothing to individuals and families.

Intesa Sanpaolo's online fundraising platform, *For Funding*, aimed at supporting social solidarity projects sponsored by non-profit organisations, collected 25,000 donations for 170 initiatives. Helping children was a focus through regional partnerships and projects.

Some of the most significant projects funded were:

- QU.BI' programme: combatting child poverty in partnership with Fondazione Cariplo, Fondazione Vismara, Fondazione Fiera Milano, Fondazione Invernizzi and Fondazione SNAM;
- The Intesa Sanpaolo programme for children receiving long-term medical care: nurseries in leading hospitals including Regina Margherita in Turin, San Gerardo in Monza, Hospital of Padua, Istituto Gaslini in Genoa, Sant'Orsola Malpighi in Bologna and Santobono Pausilipon in Naples;
- *Una casa per la mia famiglia* ("A home for my family"): free accommodations for the families in the partner hospitals of the programme for children receiving long-term medical care. In partnership with Fondazione Gerolamo Gaslini in Genoa, Comitato Maria Letizia Verga in Monza and Fondazione Santobono Pausilipon in Naples;
- Partnership with the Italian Paediatric Hospitals Association (AOPI) for promoting the child-care model developed by the Intesa Sanpaolo programme for children receiving long-term medical care and the *Una casa per la mia famiglia* programme.

Intesa Sanpaolo's Charity Fund, under the auspices of the Group's Chairman, supports projects to combat educational poverty and school abandonment, especially in city suburbs. In 2019, the Charity Fund, through which the Bank allocates a share of its profits to philanthropic and solidarity projects, paid out €13.5 million.

The Intesa Sanpaolo Onlus Foundation operates in the field of philanthropy and, in line with its stated aims, allocates funds to canteens and shelters, as well as to employees in difficulty and people wishing to exercise their right to study.

Intesa Sanpaolo's commitment to combating financial hardship has also extended to communities and individuals affected by natural disasters and emergencies. More specifically, it assisted:

- Families affected by earthquakes and other natural disasters by means of suspension of mortgage payments on damaged properties (€0.8 billion as at the end of November 2019) and subsidised loans (approximately €130 million granted as at the end of November 2019 and approximately €330 million since 2018);
- Families/companies affected by the Genoa bridge collapse, for which up to €4.5 million was allocated for the unilateral remission of first-home mortgages on properties declared uninhabitable (€0.5 million already granted); €50 million for reconstruction (€4.6 million granted); and underwriting of the *Vicino a Te* insurance policy for children who have lost one or both parents;
- Employees of the former ILVA company and its suppliers who are customers of the Bank granted the possibility to suspend mortgage and personal loan repayments for up to 12 months;
- Families/businesses affected by the severe weather emergency in Venice and surrounding areas for which €100 million has been allocated. Those affected may also request the suspension of loan repayments for 12 months.

Greater social cohesion to reduce inequality

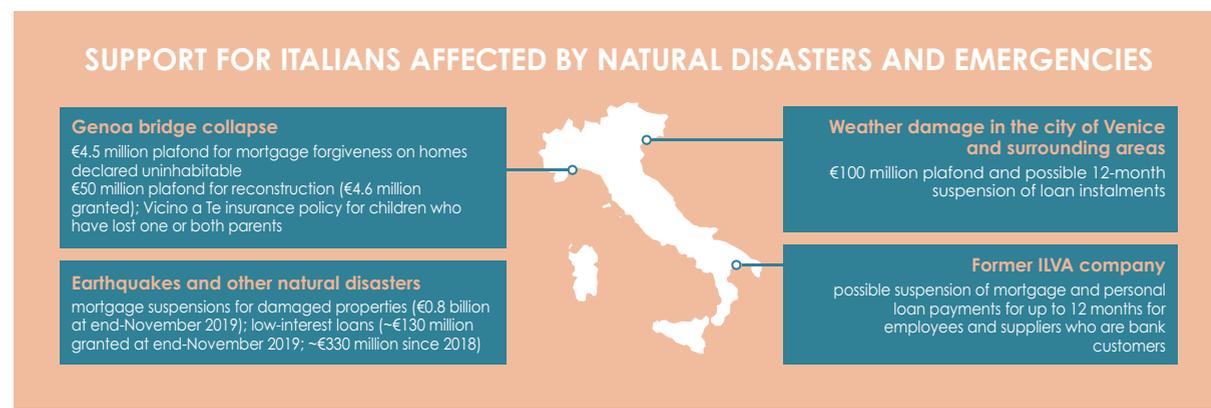
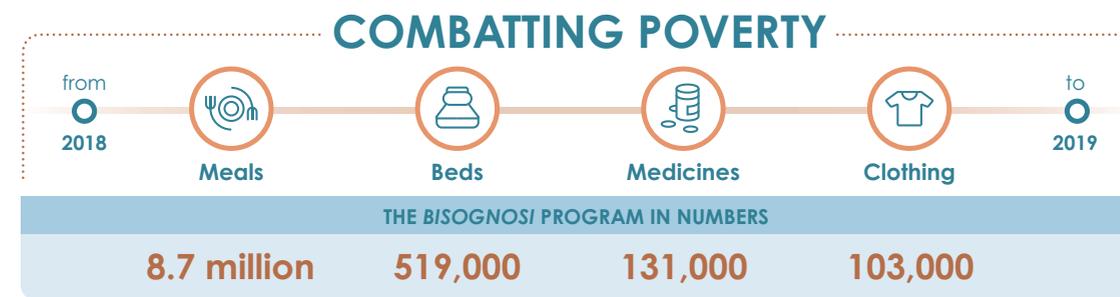
ITALIAN CONTEXT

1.8 million Italian families live in absolute poverty

5 million people, representing 7% of the general population

CONCRETE ACTIONS BY INTESA SANPAOLO

Intesa Sanpaolo is committed to combating poverty by supporting various charities and institutions



Figures at 31.12.2019 – Source: Intesa Sanpaolo

2



Impact banking to promote social inclusion



Providing credit to those with difficulty accessing traditional sources of finance has always been at the heart of Intesa Sanpaolo's commitment to Italy's growth.

The term "impact finance" has gradually become more familiar. This is partly due to the success of Banca Prossima – now part of the Group's Impact Department – which, during its 11 years of service devoted exclusively to the social economy, has promoted an innovative approach that involves granting credit to highly-motivated individuals and organizations with potential and sound projects to develop, but whose asset and income profiles do not fully meet standard credit evaluation criteria.

For Intesa Sanpaolo, being an Impact Bank means making investments that are not only financially profitable but also socially responsible – and that have a positive impact on society more broadly.

Intesa Sanpaolo set the goal of becoming the world's leading impact bank in its 2018-2021 Business Plan. The Group will accomplish this, in part, by extending credit to new categories of beneficiaries with a view to future growth. This is why the €250 million *Fund for Impact* was created, which will enable loans to be granted for a total of €1.25 billion to those individuals, families and businesses excluded from the economy.

University students

Italy ranks second to last in Europe in terms of university graduates: 27% of citizens aged 25 to 34 years versus an EU average of 38% and an OECD average of 44%. Nonetheless, Intesa Sanpaolo expressed its optimism for the future by initiating the activities of the *Fund for Impact* with a focus on the development of higher education for young people, the most valuable form of human capital. The *per Merito* ("for Merit") loan is aimed at all students residing in Italy who attend Italian and foreign universities, or post-graduate studies such as AFAM (Alta Formazione Artistica, Musicale e Coreutica), master's diplomas, Higher Technical Institutes, and other institutions providing high-school diplomas.

The loan does not require any personal or family guarantees and offers a line of credit of up to €5,000 per year for students living away from their hometown – €3,000 for those who study in their hometown – and up to 5 years' coverage for tuition, travel, housing and study abroad. Graduates can choose to start repaying the loan up to two years after completing their studies, thus giving them time to find work. Loans can be repaid for a period of up to 30 years, with very low monthly instalments at a fixed rate defined when the loan is taken out. Since February 2019, roughly €28 million has been granted to 3,240 students thanks to *per Merito*.

The *Fund for Impact* will soon be used to extend credit to two other categories.

Women, working mothers and female entrepreneurs

Women often find it difficult to combine motherhood and work due to inadequate support policies and, in many areas of the world, difficultly accessing credit.

It was decided to concentrate on two geographical areas:

- Italy, where women's participation in the workforce is 49%, against a European average of 62% (second to last), with a gender gap of 20% (against a European average of 11%);

- Asia (India, Indonesia, the Philippines, Thailand, Vietnam), where women contribute significantly to the livelihoods of their families but have difficulty accessing credit to start or strengthen micro-enterprises - despite very high loan repayment rates.

This is why Intesa Sanpaolo is launching *L'Impatto è donna* ("Impact is woman"), a project that places trust in women, near and far, providing them with new opportunities. Backed by the *Fund for Impact*, the project will be divided into two complementary activities:

- In Italy, an initiative led directly by Intesa Sanpaolo (with the support of bank volunteers from Vo.B.I.S.) aimed specifically at women who are forced to choose between work and motherhood. The project will deploy two tools: a loan for new working mothers to supplement their personal income so they can keep their jobs and, secondly, funding for startups founded by young mothers enabling them to become entrepreneurs; and
- In India, a micro-credit initiative dedicated to women and families, supported by Intesa Sanpaolo but managed locally by the Bank's partner, CreditAccess, a company founded in 2007 by Paolo Brichetti that finances the start-up or development of women-led micro-enterprises.

People over 50 facing difficulties accessing their pensions

Due to the loss of employment, increasing numbers of people are having to accept more precarious contracts or take jobs that do not correspond to their professional experience. The Italian National Institute of Statistics (ISTAT) found that in the decade 2009-2019, the number of unemployed people over the age of 50 increased 207% (+260% for women and +184% for men). Among jobless Italians over 50, 61.4% do not find a new job within a year; only 38.6% were unemployed for less than 12 months. ISTAT reports that in 2019, there were 559,000 unemployed people in this age group. They find themselves in a position where they struggle to find new jobs and see their pensions diminish due to a lack of contributions.

Intesa Sanpaolo has decided to create a loan aimed at three main targets:

- Unemployed people who have reached or are close to reaching retirement age, but whose contribution requirements have not been met;
- Unemployed people who voluntarily pay pension contributions but have suspended payments due to financial difficulties;
- Employees who have an early retirement agreement with their employer (with payment of contributions).

The collaboration between Intesa Sanpaolo, the network of Patronage Institutions, trade unions, employers' associations and INPS (the national social welfare institution) will allow the applicant's social security position and access requirements to be verified.

This initiative is fully in line with Intesa Sanpaolo's Impact objectives, given that it allows disadvantaged groups to acquire a right, allowing workers to make decisions with peace of mind and move on from a period of instability and anxiety for the future.

Impact banking to promote social inclusion



Impact investing provides access to credit to those who are often excluded from traditional sources of finance

For the past 11 years, Banca Prossima – now part of the Group's Impact Department – has been devoted exclusively to the social economy, promoting an innovative approach that involves granting credit to highly motivated organizations and individuals with potential and sound projects to develop, but who have capital and income profiles that do not fully meet standard credit evaluation criteria. This experience drives the Group's impact banking, with investments that are not only profitable but also socially responsible, with a positive and inclusive impact on society.

Intesa Sanpaolo's Fund for Impact

Intesa Sanpaolo established the €250 million Impact Fund as part of its 2018-2021 Business Plan. The Fund can provide credit for up to €1.25 billion to individuals and organizations including new families, university students, researchers, naturalized immigrants, workers undertaking qualification courses and women-led start ups

The Impact Fund's three initiatives

per Merito	L'impatto è donna	Diritto alla pensione
		
University students	Women, working mothers and female entrepreneurs	People over 50 experiencing difficulties accessing their pensions
A loan for university students. All students are eligible on the sole condition that they remain committed to their studies	The project has two themes: In Italy , an ISP initiative targeting women who must choose between work and motherhood. There are two tools available: Credit for working mothers as a form of income support. Financing of startups for young mothers to become entrepreneurs	The program serves three main targets: Unemployed people who are close to reaching or have reached retirement age, but who have not made sufficient pension contributions Unemployed people who normally pay pension contributions but have been unable to continue due to economic difficulties Employed people who have an early retirement agreement with their employers
The loan does not require any personal or family guarantees		
"per Merito": launched in February 2019, ~€28 million granted in 2019 to 3,240 students. Since 2003, Intesa Sanpaolo has funded the university studies of ~15,000 young people – a total of ~€171 million	In India , Intesa Sanpaolo supports a microcredit initiative dedicated to women and families operated by a local partner (CreditAccess)	

Figures at 31.12.2019 – Source: Intesa Sanpaolo

3



The circular economy and sustainability in Intesa Sanpaolo



Intesa Sanpaolo has always been at the forefront of sustainability, a commitment embedded in the Group's 2018-2021 Business Plan. The initiatives implemented so far have earned Intesa Sanpaolo recognition from many leading sustainability indices – among them the Dow Jones Sustainability Index (World and Europe) and the Carbon Disclosure Project's Climate Change A List 2019. The latter rates 179 of the world's top companies according to their environmental strategies and involvement in the fight against climate change.

Corporate Knights, a Canadian research and rating company specialized in sustainability, ranked Intesa Sanpaolo 39th out of 7,400 publicly-traded companies in its 2020 standings; Intesa Sanpaolo is the only Italian bank included in the Top 100 Most Sustainable Companies in the World listing.

Intesa Sanpaolo's commitment to the circular economy – an economic model that aims to decouple development from the exploitation of finite natural resources and redesign industrial systems – stems from this engagement and a strong tendency towards innovation. Indeed, Intesa Sanpaolo sees the circular economy as an innovative and strategic challenge that will bring major benefits at a global level and provides an opportunity to create new value and growth.

A commitment to environmental sustainability has led to continuous actions to limit the Group's CO₂ emissions, thanks to a multi-year action plan and a commercial offering of green financial products and services, with funding totalling more than €1.9 billion in 2018.

In June 2017, Intesa Sanpaolo was the first Italian bank to issue a Green Bond, raising €500 million to finance renewable energy and energy efficiency projects. Green Bond proceeds financed 75 projects and brought annual savings of more than 353,000 tons of CO₂ emissions (equivalent to the annual emissions of approximately 66,000 inhabitants).

In 2018, the Eurizon Fund Absolute Green Bond was launched, the first by an Italian asset manager, specialised in international bond markets to finance environmental projects.

The Group's first Sustainability Bond was successfully placed in November 2019, raising €750 million against demand of more than €3.5 billion. The bond will support funding by Intesa Sanpaolo's €5 billion dedicated circular economy credit facility.

The Intesa Sanpaolo Innovation Center, the Group company dedicated to the study of new business models and accelerating innovation in business, oversees all activities related to the circular economy.

The initiatives include:

- Creation of a €5 billion dedicated circular economy credit facility for the period 2018-2021, in close partnership with the Ellen MacArthur Foundation, of which the Bank has been the sole Financial Services Global Partner since 2016. The aim is to support SMEs and corporates with innovative and transformational projects that incorporate the principles of the circular economy. Over the past two years, 63 projects have been financed for a total of about €760 million;
- Circular Economy Lab: established in 2018 in partnership with Fondazione Cariplo, its aim is creating value for the Group's client companies by developing circular research and innovation programmes;
- De-risking finance: an agreement was signed with Bocconi University regarding research activities related to the circular economy and financial portfolio de-risking;
- Open Innovation: facilitating the engagement of 12 industrial companies, the gathering of 250-plus innovation ecosystem players and the presentation of 30-plus startups to clients;
- Promoting the circular economy through the *CE Startup Initiative*, the Intesa Sanpaolo Innovation Center's acceleration programme for startups, with events held in Italy and abroad, including in the Hub branches of the Group's Corporate & Investment Banking division in London, Hong Kong and Dubai. Seven events dedicated to the circular economy have been held, with more than 150 startups involved and five exclusive CE awards presented to the most innovative companies;
- Lead Partner of the Ellen MacArthur Foundation for the creation of the 'Cities and Circular Economy for Food' report, presented at the World Economic Forum Annual Meeting in Davos on 24 January 2019.

In addition to these projects, there are also initiatives to promote a culture, training and advocacy in support of circular economy education. Examples include workshops for managers and employees and support for projects for young people, including lectures attended by more than 600 students and the BIOCIRCE master's degree "Bioeconomy in the Circular Economy" at four Italian universities (Turin, Milan Bicocca, Bologna and Naples Federico II).

The circular economy as a new paradigm for growth

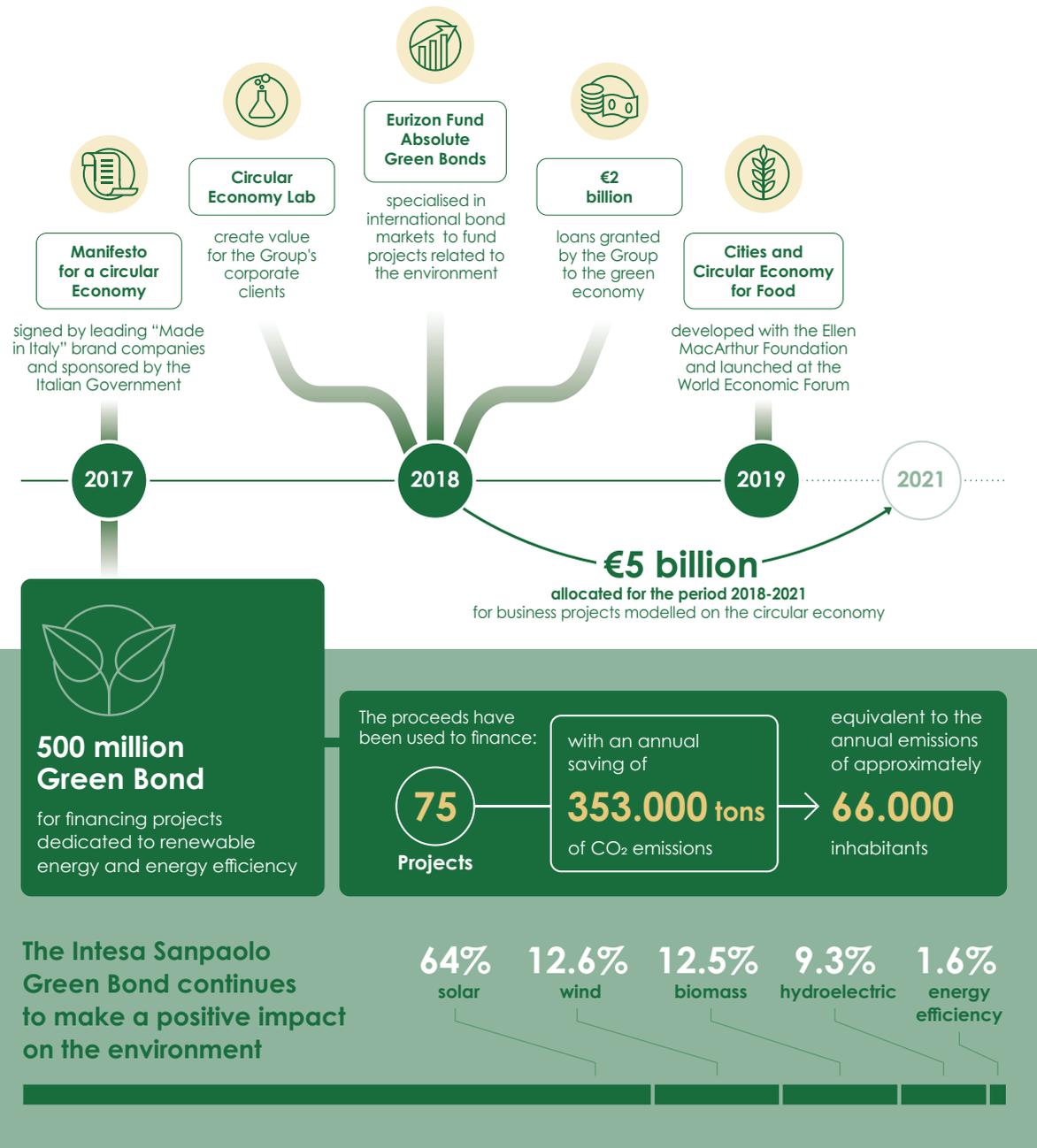
The circular economy is increasingly important to ensure the sustainability of our planet.

"A circular economy is an economic system designed to reuse materials in successive production cycles, thus reducing waste to a minimum"

Ellen MacArthur Foundation (EMF)



Intesa Sanpaolo's **Circular Economy** program actively supports the transition to a circular economy



Figures at 31.12.2019 – Source: Intesa Sanpaolo

4



Investing in young people to promote employment



Intesa Sanpaolo has always focused its engagement on young people, education, training and entering the workforce. These elements are part of the Group's 2018-2021 Business Plan and they are now more important as they are aimed at Italy's economic development, the creation of new jobs, the enhancement of Italian talent and the reduction of inequalities between the various regions of the country.

Intesa Sanpaolo has decided to make an active contribution to tackling Italy's problem of youth unemployment by addressing the disparity between labour supply and demand and the skills gap between young unemployed people and the needs of businesses.

Youth unemployment is one of the most economically and socially relevant issues for the future of Italy. In 2018, there were 1.3 million unemployed young people in our country, of which approximately 25% were concentrated in five provinces (Naples, Rome, Bari, Milan and Turin). At the same time, companies reported difficulty filling some 730,000 jobs, including in the most advanced sectors such as tech but also in entry-level positions.

Youth and work

The *Giovani e Lavoro* ("Youth and Work") programme launched in 2019 aims to offer free training courses to 5,000 unemployed young people aged between 18 and 29 over the next three years. This will help them acquire the skills that companies are seeking and assist them in meeting companies looking to employ young people. The project aims to have at least 75-80% of participants hired.

Paradoxically, the phenomenon of youth unemployment contrasts with the difficulty companies face in finding trained workers. As part of this project, Intesa Sanpaolo is addressing one of the most pressing issues – namely, young people's access to the world of work – from two perspectives: firstly, by offering young people the tools to compete in their search for work by introducing them to a profession; secondly, by responding to the needs expressed by companies to employ motivated staff who already have some core experience.

The programme was launched in areas with the greatest potential for development, starting in 2019 in Naples, Rome and Milan, and extending in 2020 to Bari, Turin and other provinces.

Training courses are focused on the professional sectors identified as among the most difficult to fill in the Italian labour market: Hospitality, Food and Beverage, retail sales and Java development. Other courses will be developed in 2020.

Given its social nature, all costs of the programme, including the selection of candidates and the provision of training courses, are fully covered by Intesa Sanpaolo, making it free of charge for both candidates and the companies interested in hiring.

Giovani e Lavoro numbers to date: out of more than 9,300 candidates, over 700 students have been placed in the classroom, with a recruitment rate of 80% for the first students to graduate. Over 1,000 companies have participated in local meetings.

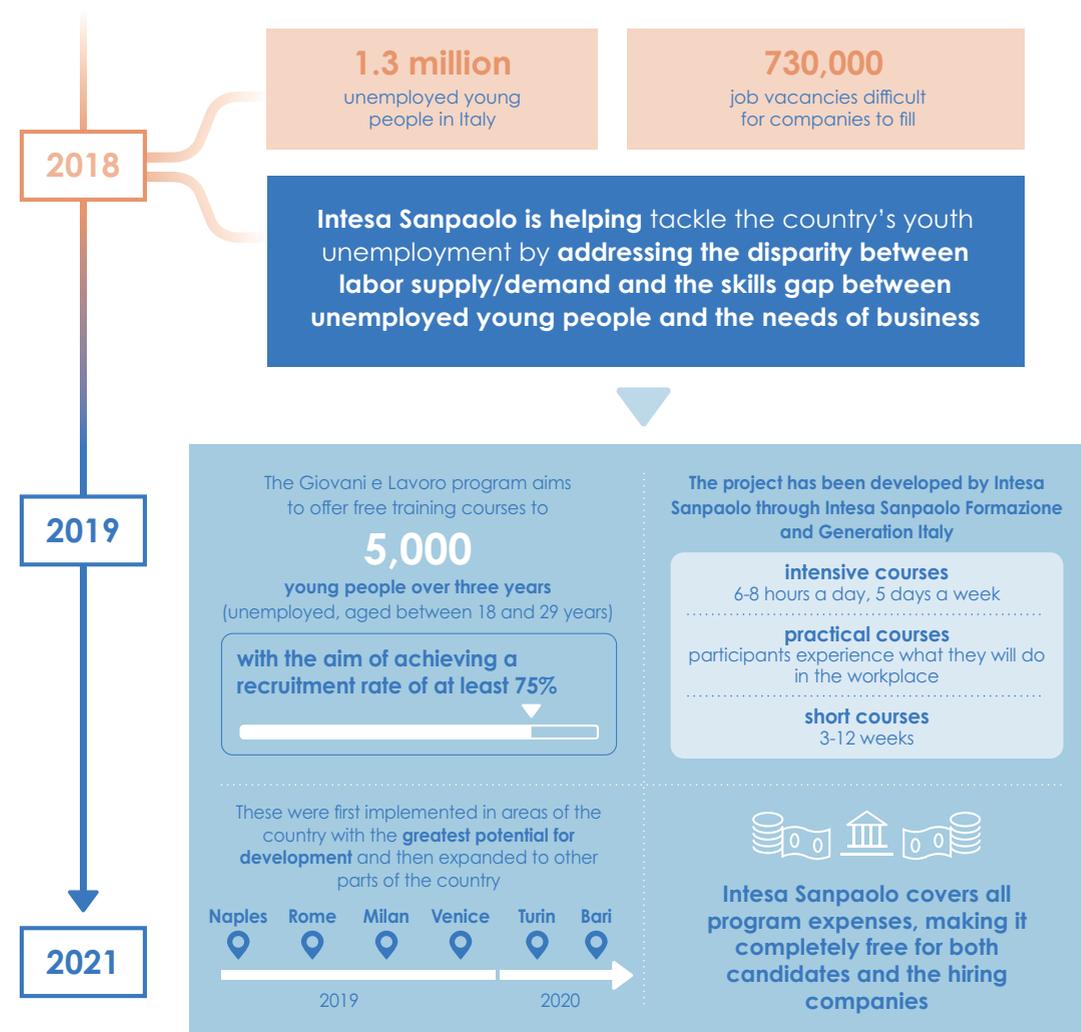
The project has been developed by Intesa Sanpaolo through Intesa Sanpaolo Formazione – the Group company that designs, organises and manages training and education programmes – and is carried out in collaboration with Generation Italy, the non-profit initiative created by McKinsey & Company in 2015.

University and schools

Intesa Sanpaolo collaborates in various ways with roughly two-thirds of Italian universities by providing honour loans, supporting professorships and first- and second-level master's degrees, and granting scholarships to students and PhD students. Employees of the Group also provide teaching or customised projects to universities. Among the relationships and collaborations with foreign universities, the partnership with the University of Oxford is particularly noteworthy.

Intesa Sanpaolo also organised the *Z Lab* project for secondary schools in 18 cities. This is a training initiative that fulfills the government's *Programme for transversal skills and orientation* (formerly the *Alternanza scuola-lavoro* programme), offering students in high schools and technical/professional institutes a three-year learning and practical experience carried out entirely on the Group's premises.

Investing in young people to promote employment



Figures at 31.12.2019 – Source: Intesa Sanpaolo

5



Art and culture: preserving and promoting Italian excellence



Preserving, promoting and sharing Italy's historical and artistic heritage is widely recognised as an integral part of Intesa Sanpaolo's social role. Intesa Sanpaolo believes that as the leading Italian bank, it must contribute not only to economic growth, but also to the country's cultural and civic development.

Progetto Cultura

Intesa Sanpaolo has a long tradition of actively contributing to the cultural life of the country. The concrete manifestation of this commitment is *Progetto Cultura* – a strategic 'container' that brings together all of the Bank's cultural activities, renewed every three years and developed together with a Scientific Committee – and through the support given to numerous initiatives throughout Italy.

One of the main objectives of *Progetto Cultura* is to preserve, promote and share with the public the Group's considerable artistic heritage, which represents one of the largest collections in Europe. Art and culture have always been one of the cornerstones of Intesa Sanpaolo's identity and this is now reflected in the Bank's balance sheet. Indeed, beginning in 2017, Intesa Sanpaolo began valuing its artistic heritage. In a move regarded as a first in Europe, Intesa Sanpaolo adjusted the value of its collection – as reported in its balance sheet – to bring it in line with current art market valuations (fair value). This is a major development in terms of economic and cultural impact, given that, in addition to increasing the value of the Bank's assets with positive repercussions for shareholders, it signifies that art is becoming fully integrated into the world of credit and finance.

Intesa Sanpaolo's artistic, architectural and archival heritage is made up of thousands of works ranging from the 5th century BC to the 20th century. Around 1,000 of these are on permanent display, including masterpieces by Caravaggio, Tiepolo, Canaletto, Boccioni, Fontana and Manzoni. The Group's Gallerie d'Italia museums in Milan, Naples and Vicenza host a permanent collection of more than 30,000 works of art, on display in these historic buildings.

A fourth Gallerie d'Italia museum, in Turin's Piazza San Carlo, will open in two years. To be housed in the historic Palazzo Turinetti - the legal seat of Intesa Sanpaolo – the new space will mainly feature photography, with a selection of works from the Bank's collections. Key among these will be the Publifoto archive, one of the most important corporate collections in Europe, with some 7 million images of events, personalities and places taken between the early 1930s and the 1990s.

In addition to the permanent collections of the Gallerie d'Italia, temporary exhibitions are organised based on original scientific projects. In 2019, 18 major shows attracted more than 500,000 visitors.

The Gallerie d'Italia also serve as training and social integration spaces. The *Careers in Art* programme is a work-study initiative for introducing students to professionals in the art world. Programmes dedicated to individuals with special needs aim to give full accessibility to cultural heritage.

Numerous international projects have been undertaken with some of the world's most prominent institutions, which engage with the Bank for collaborations and exchanges of artworks. These include the Hermitage Museum in St. Petersburg, with which there is a three-year agreement; the Pushkin Museum in Moscow; the Metropolitan Museum of Art in New York; the National Gallery in London; and the Guggenheim in Bilbao. Many leading Italian cultural institutions have also been involved in Intesa Sanpaolo's projects, including Palazzo Strozzi, Pinacoteca di Brera, Castello di Rivoli and Palazzo Ducale di Mantova.

Since 1989, *Restituzioni* – a major restoration programme for Italy's artistic and monumental heritage that is promoted, supported and curated by Intesa Sanpaolo, in collaboration with public institutions and the Superintendencies – has restored over 1,500 artworks that have been given back to the community.

In December 2019, Italy's Ministry of Economic Development issued a new commemorative postage stamp for Christmas to celebrate the artistic value of the Bank's collection and the cultural activities linked to the Group's artistic heritage. The stamp reproduced a painting from Intesa Sanpaolo's collection entitled *Madonna and Child with the young Saint John and Saint Jerome*, which was painted by Francesco Raibolini, known as Il Francia, and his workshop in the first decade of the 16th century.

Partnerships and sponsorships

Intesa Sanpaolo supports major public and private bodies throughout Italy to promote a love of culture and familiarity with Italy's heritage among the general public. This demonstrates the Bank's pivotal role in the cultural as well as economic development of the country and its communities.

The main areas of activity involve the dissemination of culture through music, theatre, dance, cinema, art, publishing and literature, photography and sport, with a particular focus on young people.

Intesa Sanpaolo has partnerships with Italy's leading opera houses, including Milan's Teatro alla Scala – for which it has supported the *La Scala Under 30* project and other initiatives – as well as the Teatro Regio in Turin, the Teatro La Fenice in Venice, the Teatro San Carlo in Naples and the Maggio Musicale Fiorentino arts festival. The Group also supports a number of theatres and in partnership with the FAI (Italian Environmental Fund) manages the *I Luoghi del Cuore* project.

The Group collaborates with numerous music festivals, such as MITO SettembreMusica, PianoCity Milano, Torino Jazz Festival, JazzMI, the Umbria Jazz Festival in Perugia, Opera Italiana is in the Air in Naples and the Rossini Opera Festival in Pesaro. In terms of literary festivals, the Bank has links with the International Book Fair in Turin, Capalbio Libri, the Milanese and Book City in Milan, the Premio Campiello in Venice and also supports film festivals such as that of Turin.

Additionally, the Bank supports events such as the Biennale Democrazia in Turin, the Festival of Economics in Trento and cultural/artistic events such as "Leonardo: The Machinery of Imagination" scheduled at the Gallery of Modern Art in Palermo and the Jewish Renaissance exhibition at the Meis National Museum of Italian Judaism and the Shoah in Ferrara. Intesa Sanpaolo was also Gold Partner of Matera, the 2019 European Capital of Culture.

Art and culture: preserving and promoting Italian excellence

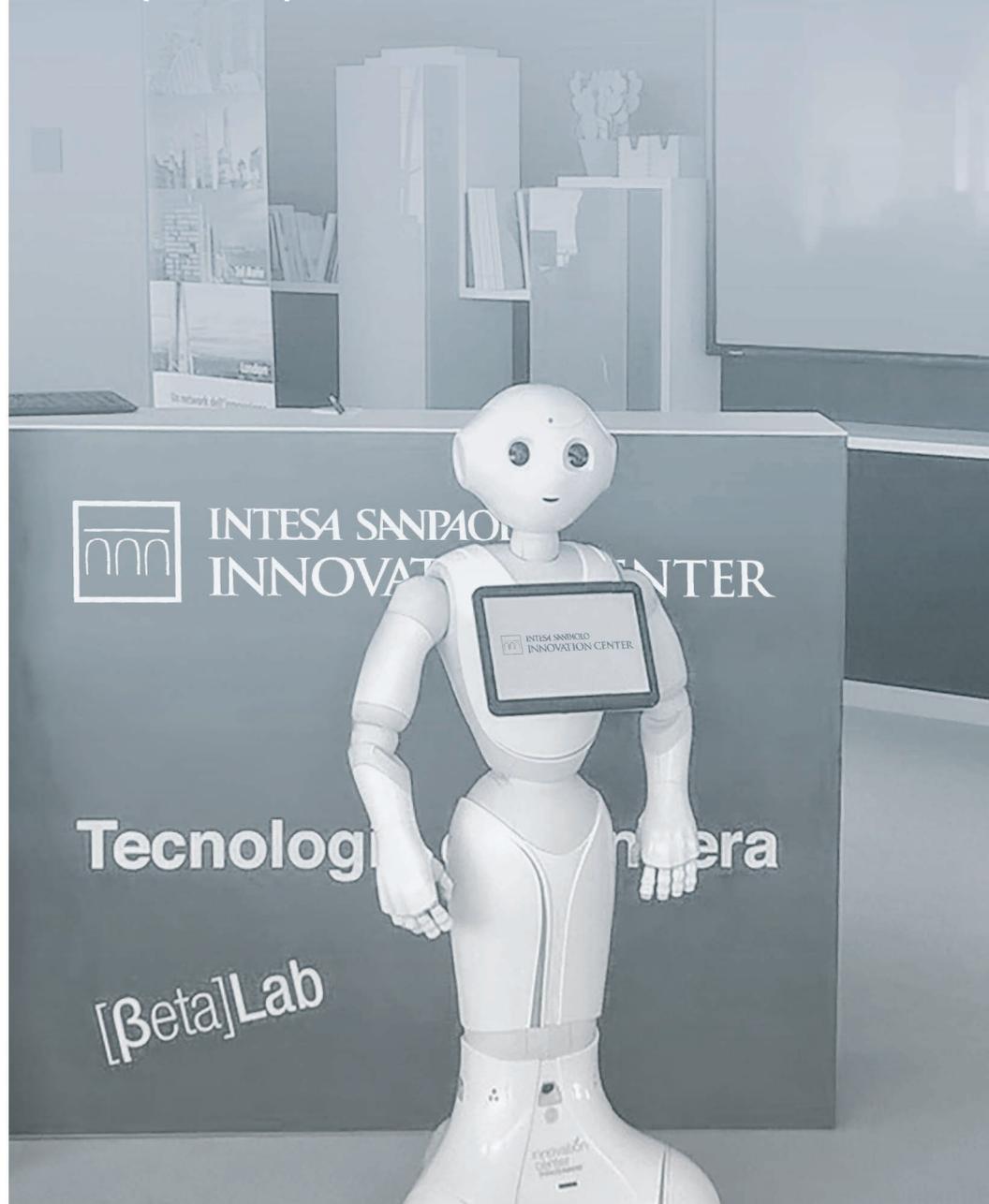


Figures at 31.12.2019 – Source: Intesa Sanpaolo

6



Innovation to promote Italy's competitiveness



Intesa Sanpaolo's innovation objectives are delivered through a dedicated company – the Intesa Sanpaolo Innovation Center – that explores and learns new business models and acts as a driving force for Italy's New Economy, by adopting the principles of the circular and data-driven economies.

In terms of innovation, Italy shows a wide gap compared with other European countries and ranks at the bottom among European peers in the Assirm Innovation Index that measures a country's ability to promote and generate innovation. The ratio of R&D investment to GDP is approximately 1.4% and venture capital investments are still low compared with other European countries (approximately US \$250 million invested in the third quarter of 2019, out of US \$25.8 billion at the European level). Nevertheless, innovation in Italy can still find fertile ground: the range of players in the innovation ecosystem is wide and varied. It is therefore crucial to identify opportunities to ensure the support and development of innovation, as well as policies that promote innovation in Italy.

Intesa Sanpaolo has taken up the challenge of innovation in Italy and intends to play a primary role in the development of the New Economy. This is reflected in the Group's leading position in the market of innovative companies:

- The Group's share in the startup market is around 24%, actively engaging with some 2,500 startups out of a total 10,600 (source: Min. Econ. Dev.); and
- The Group's market share among innovative SMEs is around 50%, with some 600 out of a total of over 1,200 (source: Min. Econ. Dev.).

Initiatives by the Intesa Sanpaolo Innovation Center, the company dedicated to the continuous search for innovation on behalf of clients, are concentrated in four key areas:

1. Analysis of trends, megatrends and frontier innovation: research activities for highly innovative and complex solutions through the creation of artificial intelligence and neuroscience labs in partnership with top research centres;
2. Startup development and support: evaluation and development of the growth potential of startups, development of scoring and financing products for innovative companies, coaching for internationalization, networking and partnerships with the main players in the ecosystem (investors, accelerators and consultants);
3. Open innovation: advising in the development of programmes for continuous innovation and the transformation of companies, services for matching companies and startups, and initiatives dedicated to technology scouting to support companies transitioning to the New Economy;
4. Spreading of an innovation culture and development of innovation networks: initiatives aimed at strengthening the Group's position as a stakeholder that promotes innovation by its customers and the matching of supply and demand, taking advantage of the Group's widespread presence and its partnerships with players in a variety of ecosystems.

The programme's figures to date:

1. Analysis of trends, megatrends and frontier innovation:

- Innovation reports on the main technological trends and product sectors;
- €3 million in 2019 to support R&D in the field of artificial intelligence by leading research centers;
- Six active research projects and five concluded in 2019 in the field of artificial intelligence, that led to significant improvements in decision-making processes and risk assessment/coverage;
- Creation of humanoid robotics applications involving the use of Pepper-type robots for the promotion of Banca dei Territori products (more than 40 events created, including Panini, Lucca Comics 2019, XME Dindi), the NAO robot as a therapeutic aid in rehabilitation contexts (in collaboration with the University of Turin) and a robot for human interaction;
- Two patents filed (in the fields of cybersecurity and investment strategy risk analysis), one currently being submitted (early warning – analysis on the solvency of corporate customers); and
- Six active projects (and six completed in 2019) in neuroscience, pertaining to various areas of investigation including art, training, human resources management, customer experience and cognitive ergonomics.

2. Development and promotion of startups:

- Approximately 1,300 start-ups analysed in 2019, of which more than 120 were supported through six accelerator programmes and presented to 850 investors and ecosystem players;
- Techstars accelerator programme to support ecosystem development and open innovation by Italian companies, attracting international startups; and
- Supporting access to capital markets: €100 million for direct investments through Neva Finventures and the crowdfunding equity platform BackToWork24 (with investments from Neva).

3. Open innovation:

- Approximately 400 companies were analysed in 2019, of which around 90 were selected to take part in transformation programmes; and
- 30 business development contracts signed to support the growth of startup businesses (e.g. Yobs, Enerpaper).

4. Spreading innovation culture and development of innovation networks:

- Six internationalization programmes carried out in the main foreign innovation ecosystems;
- 26 impact events held both nationally and internationally to promote the dissemination of the knowledge and culture of innovation and to facilitate the matching of companies and startups; and
- Attracting international players to Italy in order to develop an innovation ecosystem through new agreements and major partnerships.

Innovation to promote Italy's competitiveness

When it comes to innovation, Italy lags behind its neighbours in Europe and ranks lowest of all European countries in the Assirm Innovation Index.

The ratio of R&D investment to GDP is ~1.4% and venture capital investment is still limited compared to other European countries

Intesa Sanpaolo has taken up the challenge of bringing innovation to Italy and will play a major role in developing the new economy.

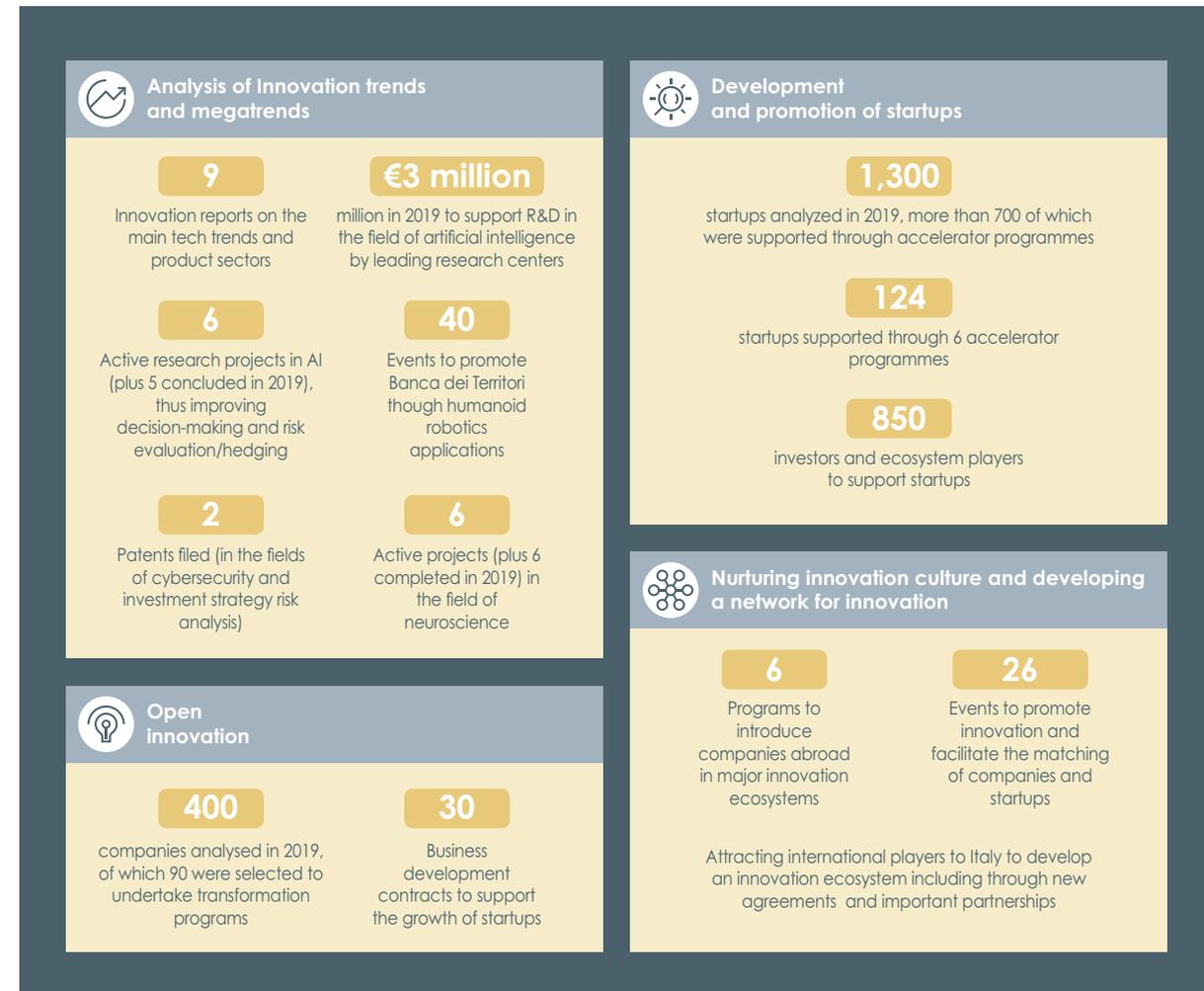
Group market share of **STARTUP**
(active engagement with some 2,500 startups out of approx. 10,600)

24%

50%

Group market share of **INNOVATIVE SMEs**
(engaged with approx. 600 Innovative SMEs out of over 1,200)

The "Innovazione" program is supported by the Group via the **Intesa Sanpaolo Innovation Center**, which aims to explore new business models and drive the New Economy in Italy.



Figures at 31.12.2019 – Source: Intesa Sanpaolo

