



Innovation, digital transformation and
cybersecurity



Innovation, digital transformation and cybersecurity

RELEVANT ISSUES:

Support for innovation	page 106
The digitalisation processes paving the way towards an integrated multichannel Bank	page 108
The physical network channel and integration with online structures	page 109
Cybersecurity	page 112

WHY THESE ISSUES ARE RELEVANT

Intesa Sanpaolo intends to maintain sustainable business growth through the active involvement of its people and its cutting-edge digital infrastructure. Thanks to these two enabling factors, as outlined in the 2018-2021 Business Plan, Intesa Sanpaolo is able to provide its customers with innovative, high-quality products, expanding its range of services and available channels, as well as their accessibility.

The role of Intesa Sanpaolo in supporting companies in the development of their innovation processes is fundamental, a key strategic lever for them to remain competitive in a constantly evolving market.

Another equally qualifying aspect is the ability to satisfy customer requirements through an operating machine capable of offering simple solutions that meet their needs, attributing strategic importance to IT security. The protection of information, customers and, in general, the active role in Italy's cyber resilience represent important elements for the Bank, and the continuous strengthening of the control measures activated by the Group allows it to maintain a responsible and transparent approach in relations.

PERFORMANCE INDICATORS, RESULTS ACHIEVED AND OBJECTIVES

Macro-issue	Projects/Indicators	2021 Actions/Results (cumulative value since the start of 2018 or 2020 value)	2021 objectives
Innovation, digital transformation and cybersecurity	Start-up Project	~780 start-ups analysed (~3,420 since 2018) in 7 acceleration programmes with 209 start-ups assisted in 2021 (~600 since 2018) introducing them to selected investors and ecosystem players (~6,150 to date)	
	Expansion of the multichannel platform and digital transformation	<ul style="list-style-type: none"> ▪ ~12.9 million multi-channel customers (~+1.3 million compared to 2020, including UBI Banca and considering the sale of branches performed in 1H21) equal to about 96% of customers ▪ ~8.1 million customers using the Intesa Sanpaolo App in 2021 ▪ 3.6 million of digital sales (+76% compared to 2020, including UBI Banca and considering the sale of branches performed in 1H21) ▪ 76% of activities digitised (60% in 2020) ▪ 47 companies of the Group introduced into the cybersecurity Model (100%) 	<p>70% of activities digitised</p> <p>100% of the companies of the Group introduced into the cybersecurity Model</p>
	Blocking of fraudulent transactions	<ul style="list-style-type: none"> ▪ Fraudulent transactions blocked for ~€91 million euro for retail customers and ~93 million euro for business customers 	Strengthening of cybersecurity
	Training to Group personnel on cybersecurity	<ul style="list-style-type: none"> ▪ 79,241 participants; 213,796 hours provided 	

COMPANY POLICIES

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

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

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

SUPPORT FOR INNOVATION

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

In particular, Intesa Sanpaolo Innovation Center is the Intesa Sanpaolo Group company that focuses on the development of applied research projects, supports high-potential start-ups and accelerates the transformation of companies based on open innovation and circular economy criteria to make Intesa Sanpaolo the driving force behind a more environmentally and socially conscious economy.

SOLUTIONS FOR INNOVATIVE COMPANIES

NOVA+ is the medium-to-long-term loan dedicated to supporting companies investing in Research and Innovation (R&I) and which provides for the industrial-technical assessment of the research project carried out by a structure of Bank engineers specialised in the technological sector. In 2021 a new version of NOVA+ was released, dedicated to companies investing in R&I and in the enhancement of intellectual property. The restyling of NOVA+ came about from the need for alignment with the missions of the NRRP and the strategic lines dictated by the R&I European Program (Horizon Europe 2021-2027) in terms of sustainability and digitisation and, at the same time, to seize the opportunities offered by the Transition 4.0 Plan, geared to stimulating investments in green and digital innovation and in design and creative aesthetics.

Lastly, Intesa Sanpaolo approved 60 projects in 2021 for about 448 million euro of acceptable investments in favour of 93 beneficiaries, as a Bank granting specific public subsidies for research and innovation (in particular, the Sustainable Growth Fund, managed by the Italian Ministry of Economic Development - MISE). In total, 414 projects were approved under the Sustainable Growth Fund from 2014 to 2021, also considering the business coming from UBI, for a total of about 2.1 billion euro of acceptable investments in favour of 707 beneficiaries.

DEVELOPMENT AND GROWTH OF START-UPS

Intesa Sanpaolo Innovation Center aims to be a player in the innovation ecosystem to support start-ups by managing their acceleration pathways personally or with specialised, Italian and international partners.

In 2021, 7 acceleration pathways were held with about 780 start-ups applying to take part, of which approximately

210 completed the acceleration programme.

In 2021, 2 editions of the Startup Initiative were performed, a programme provided directly by Intesa Sanpaolo Innovation Center dedicated to the most promising innovative companies: BioItaly, promoted by Intesa Sanpaolo Innovation Center; Immediate, commissioned by a Group customer. In total, about 170 start-ups applied to take part and 40 of these completed the acceleration programme.

As part of the development of the Turin ecosystem - the result of the three-year agreement signed in 2019 with Techstars by Intesa Sanpaolo Innovation Center, Compagnia di San Paolo and Fondazione Cassa di Risparmio di Torino - the second class of the acceleration programme on Smart Mobility was held with the Intesa Sanpaolo Innovation Center contributing to supporting the business development of the 12 participating start-ups (selected from 397 candidates - including 66 Italian ones - from 54 countries) by promoting collaboration with Corporate customer companies and, locally, with the Municipality of Turin and local companies. The applications for the third class of the programme, which will see the focus expanded from "Smart Mobility" to "Smart City" (Torino Cities of the Future Accelerator Program) and will start in 2022, numbered 341 coming from 59 countries (67 Italian). Since the start of the partnership with Techstars 23 start-ups have concluded the acceleration programme, 18 experimental trials have been launched, 15 start-ups have raised a total of about 21 million euro from international investors and 2 foreign start-ups have opened a branch in Italy.

To support the international positioning of the Turin ecosystem, in 2021 a collaboration was started with a company operating in the advisory and promotion services of start-up ecosystems and the agreement envisaged the inclusion of Turin for two years (2021-2022) in the publication "The Global Startup Ecosystem Report", where over 140 international ecosystems are mapped.

As part of the activities to support the development of new innovation ecosystems, Intesa Sanpaolo Innovation Center, in the course of 2021, launched two further three-year initiatives: the first in Florence, launched on 4 October in partnership with Fondazione CR Firenze, Fondazione per la Ricerca e l'Innovazione and the Nana Bianca accelerator, with a focus on digital solutions applied to tourism, fashion and food&wine (Italian Lifestyle Accelerator Program); the second is being looked into in Naples on the theme of BioEconomy (TerraNext).

Other important programmes that have benefited from the support of the Innovation Center, include "B-Heroes", now in its fourth edition with the involvement of more than 500 innovative Italian companies and the conclusion of the acceleration programme for 16 start-ups, "Accelerate in Israel", a Public Notice of the Embassy of Italy in Tel Aviv for the support of innovative solutions in the field of mobility in Israel (with 33 applications) and "Digithon", the largest Italian digital marathon dedicated to start-ups (with about 390 applications).

In addition, Intesa Sanpaolo Innovation Center contributed to the selection and identification of innovative start-ups and SMEs for the Mediterranean Aerospace Matching event promoted by ICE - Italian Trade Agency and Distretto Tecnologico Aerospaziale (DTA) that was held in Grottaglie in October 2021.

To support the growth of start-ups, Business Development services were offered in analysing the characteristics of the potential target markets and competition, as well as identifying the most suitable business opportunities and technological solutions.

The MLT loan instrument called "Convertibile Impresa" is running at full steam and is dedicated to innovative start-ups and developed by Intesa Sanpaolo and Intesa Sanpaolo Innovation Center.

OPEN INNOVATION

Working with research institutes and universities, Intesa Sanpaolo Innovation Center has created laboratories for applied research projects to generate know-how through collaboration between the academic world, the Group and the business customers. In particular, there are two operative laboratories: one on themes of Artificial Intelligence and one on Neuroscience.

Artificial Intelligence Lab has the Fondazione ISI from Turin as its leading partner to develop and test mathematical models and algorithms as part of applied cutting-edge research on issues of interest to the Group and/or its customers. At the end of 2021, there were 7 research projects in progress in the fields of finance, insurance risk management, AML and robotics in communication and social media. As a result of a total of 22 research projects developed by the Laboratory (also with other partners, for example the Turin Polytechnic, University of Turin and Milan Polytechnic), 5 Italian patent applications were filed, one of which was granted in November 2021.

During the year, the initiatives in the field of Robotics showed a marked acceleration thanks to the study of applications in the social field, such as those proving useful as an educational support of children on the autism spectrum (in partnership with the University of Turin and the Fondazione Paideia), and to the study of robotic service applications, for example for sanitising environments (in collaboration with the Turin Polytechnic). During 2021, 4 scientific publications were submitted and accepted and, as part of the dissemination of the knowledge, 18 seminars were held, 15 of which were also open to the general public.

The Neuroscience Lab was launched in partnership with the IMT School for Advanced Studies in Lucca and aims to design, develop and test neuroscience research frameworks applied to business issues. At the end of

2021, 8 research projects were ongoing with orders from within the Intesa Sanpaolo Group on topics of Health and Safety, Neuromarketing, Continuous Learning and Finance. During the year, 5 scientific publications were made, including one on Healthy Ageing presented at a conference of the Ferrero Foundation and published in "Medicina del lavoro di Torino" (Occupational Medicine of Turin). As part of the dissemination of knowledge, 21 seminars were held (15 of which also open to the general public). The Neuroscience Lab also contributed to the "4weeks4inclusion" initiative on the topic of neurodiversity and to the creation of an App, as part of the research project with the Museo del Risparmio (Museum of Saving).

In addition, in support of the dissemination of innovative know-how, Intesa Sanpaolo Innovation Center analyses cross-industry innovation trends and prepares innovation reports and videos for the benefit of SMEs and the Group. In 2021 a total of 8 Industry Trend Reports (ITR) were produced which analyse the major technological innovations in the main industries and the publication "ITR 2021: Persone e Tecnologia" was produced, which takes an in-depth look at issues such as the enhancement and development of human capital, organisational changes and new leadership styles.

During 2021, the Insurance Division took part in its capacity of industrial partner, through its subsidiary Intesa Sanpaolo RBM Salute, in the Health&BioTech Accelerator, one of the most important innovation acceleration programmes in the health sector, which uses an Open Innovation approach in collaboration with international start-ups and key players in the healthcare industry (such as research institutes, clinics and healthcare centres, retirement homes). Thanks to the project, prototypes and innovative solutions (for example robotics and new digital platforms) were identified to be integrated into the insurance core business, for which specific projects have been launched that will also continue in 2022. In addition, as part of the digital transformation programmes, the Insurance Group continues to invest in new and innovative solutions with a view not only to functionality, but also to increasing transparency with respect to the Customer.

THE DIGITALISATION PROCESSES PAVING THE WAY TOWARDS AN INTEGRATED MULTICHANNEL BANK

Intesa Sanpaolo has continued on the path of Group transformation to establish itself as a digital company, with the ongoing in-depth revision of its IT platform, which has enabled remote interaction between customers and the Bank to become increasingly efficient. In addition, it has continued the gradual expansion of the multi-channel services targeting customers, with a focus on the use of mobile devices, confirming the results envisaged by the Business Plan in 2021.

Following the measures implemented in response to the COVID-19 emergency, the digital transformation processes continued, to enable all customers and the Group's people to operate remotely in a fully effective, efficient and safe manner, through the dissemination and development of new technologies and tools to facilitate remote collaboration, interaction and sharing of information, while moving forward with the commitment to reduce environmental impacts with a view to increased sustainability. In addition, the anti-fraud protection systems for data, infrastructure and the identities used to access IT systems were strengthened and internal security safeguards were reinforced.

As part of the agreement signed with TIM and Google, activities began to develop the Google Cloud Platform in Italy (which will meet the higher international standards of security and confidentiality of information and was designed based on the regulatory requirements and in agreement with the stricter requirements of Intesa Sanpaolo). The activities to migrate applications were started and the creation of the new Region Clouds in Italy was launched, based on green solutions which will lower CO₂ emissions. In addition, the Opening Future portal was released, a communication hub developed by the Group in collaboration with Google Cloud and Noovle (cloud company of the TIM Group), activating the first training and digital development initiatives dedicated to students, SMEs and start-ups.

Thanks to the progress Intesa Sanpaolo has made in the area of multichannel and digital banking activities, it has already achieved notable results in terms of customer engagement and the volume of services offered. In Italy¹, the main results recorded include:

- about 12.9 million multi-channel customers (+1.3 million compared to 2020, including UBI Banca and considering the sale of branches performed in 1H21) equal to about 96% of customers;
- about 8.1 million customers using the Intesa Sanpaolo App in 2021;
- 76% of activities digitised (60% in 2020);
- 47 Group Companies introduced into the Cybersecurity Model (100%);
- about 86% of the Retail customer product range available via multichannel platforms (including the current account, payment cards and personal loans);
- over 761,000 active customers already reached by the Intesa Sanpaolo Investo App, through which the customers of the Banca dei Territori completed almost 54% of their online trading transactions in 2021.

¹ Excluding Fideuram - Intesa Sanpaolo Private Banking and Banca 5.

The main innovations in the digital area in 2021 concerned:

- The continuous developments, identified as priorities, in terms of innovation in the methods of interaction with customers, by digitising and supplementing the contact channels so as to improve the offer and the user experience. This commitment has led to the recognition by Forrester Research for the Intesa Sanpaolo Mobile App as Digital Leader in Europe, in particular for its features and user experience.
- The extension of the new “fully digital” process for Commercial Cards to the entire network and the release of the new process of granting credit to all branches of the Banca dei Territori Division and the Corporate Areas of the IMI Corporate & Investment Banking Division, with the aim of redesigning interaction with Business customers to provide products and services based on a digital and omnichannel experience; the release of the new Retail Rating Model, which speeds up and automates the calculation process facilitating the relationship with the customer; the activation on all channels of the new “fully digital” Customer Journey for MiFID profiling and for the opening of the administered deposit for natural persons; in the insurance field, the Lifecycle of XME Protezione was also activated and the RBM Salute module was integrated into the Insurance App.
- The expansion of the scope of new digital payment services in a multi-channel perspective such as: the activation of BANCOPAY on all the Intesa Sanpaolo-Nexi POSs, the Instant Issuing service and the Smart Control platform that generates virtual cards to make remote commercial purchases.

The relationship with Business and Corporate customers also continues to develop digitally thanks to a multi-year transformation programme and the Inbiz Portal for companies. Following the COVID-19 health emergency and also thanks to the identity model and digital signature MyKey Inbiz, the business world digitisation programme continued in 2021. The Group’s ambition was to make it easier for customers to manage independently and remotely their relationship with the Bank and, as regards the Business and Corporate customers, the main innovations in the digital field concerned:

- the extension of the new Investment section of the NDCE (New Digital Customer Experience) Business to all customers who have My Key Business;
- the release of Inbiz Start that allows remote signing of contracts and the possibility of remote recognition of users;
- the release of the Dynamic Discounting service that allows customers to use liquidity to prepay invoices through a discount agreed between buyer and supplier.

THE SPREAD OF DIGITAL CULTURE

The Ottomila! change management system also continued in 2021, supporting over 48,000 people from the Banca dei Territori Division in achieving the objectives of the 2018-2021 Business Plan. The commitment to embark on a path towards a “new normal”, even within the general pandemic scenario, has resulted in the resumption of some activities that were temporarily suspended in 2020. These include the Altimetro, the tool that through the compilation of an anonymous and voluntary questionnaire, aims to encourage discussion within the workplace, stimulating engagement and reflections on those aspects that already work in order to achieve improvements together. At the same time, attention to issues related to digital transformation has assumed an increasingly central role, through the implementation and consolidation of spaces on the Ottomila! portal dedicated to managing the relationship with customers also on a remote basis, the conscious and safe use of new tools, to offer informative content and stimulate the sharing of experiences among people. This commitment to the dissemination of the digital culture was further confirmed in the Vividigitale project, the remote sharing format that in particular targets the digital culture communicators who are chosen from time to time in each branch and act as true points of reference for the people in the Group and customers, involved in 90 information sessions. At the same time, in order to make it easier to disseminate information related to services and products, and to accompany staff in the adoption and use of new platforms, the remote Vivichat meetings continued to provide moments of in-depth analysis: a schedule of almost 190 information sessions that have reached a total of about 60,000 participants.

THE PHYSICAL NETWORK CHANNEL AND INTEGRATION WITH ONLINE STRUCTURES

The branches continue to represent the physical space for personal relations with customers in the distribution network, particularly with regard to more complex/advanced transactions. The adoption of the more up-to-date Branch Layout allows a significant change to the physical place where the Bank comes into contact with its customers, with modular spaces that have been made as welcoming as possible and functional areas for specific activities (customer reception areas, living areas and self-service banking areas etc.). The new branch

layout, which also adapts to host artistic and cultural events, at the end of 2021 is present in 313 branches, of which 18 are Business branches, with an increase of over 40 units compared to 2020.

Behavioural changes and people's preferences, also following the pandemic, the digitisation and offer of integrated models and the rationalisation of the distribution network have represented a strong accelerator during 2021 of the remote assistance and advisory activities performed by the Online Branch.

In the emergency phase, the Online Branch accompanied customers, both individuals and retail businesses, in digital transition and subsequently launched a training programme (also through specific webinars) dedicated to customers with more modest digital culture, with the aim of protecting them from the risks of fraud and ensuring conscious and safe access to the Bank's multi-channel services.

The year 2021 was a year of strong acceleration in the processes of entry and reception of new Group people active in the Online Branch, significantly strengthening its overall capacity with the aim of providing customers with an increasingly timely and qualified service, differentiated by needs and consistent with the new context. To complete the organisational actions, a programme of technological development at the Online Branch was launched which, through new tools and processes, aimed to improve the ability to dialogue with customers and offer them a better experience in contacts. This programme saw the introduction of the Ellis chatbot, an application to allow continuous support to customers who choose chat as a contact mode; the video banking service was also activated.

In 2021, Banca 5 confirmed itself as a leading-edge product factory that offers open banking solutions through the digital and physical channels of its partners. In particular, the partnership with Mooney has made it possible to offer collection and payment services (withdrawals, bank transfers, MAV, bills, prepaid card top-ups, etc.) and other commercial services (SPID recognition, telephone top-ups) on a widespread network of over 45,000 points in Italy (the first proximity banking network in Italy), improving and ensuring their accessibility for all citizens. Similarly, in relation to the partnership with Mooney, attention has also been paid to local micro-enterprises, offering account management solutions through innovative Payment Initiation Service solutions, thus making their activity increasingly easier.

In 2021, the International Subsidiary Banks Division continued its projects:

- Adopting Group Distribution Model (AGDM), for the implementation of the new commercial service model in eight Banks in the area. In 2021, personalised advice was strengthened, reaching over 1,250 dedicated managers. The use of digital channels (advanced ATMs) has achieved 87% of withdrawals, and 47% of customers' total deposits are made in self-service mode.
- DigiCal, with the aim of continuing to digitise the existing processes for Retail and small business customers. In particular, the DigiCal ABC project has allowed the adoption of a single branch application, common to all subsidiaries, optimizing the activities of the manager and making sales processes completely paperless. The use of Danube tablets for collecting digital signatures in PBZ, VÚB Banka, BiH, CIB Bank, Intesa Sanpaolo Bank in Slovenia and Intesa Sanpaolo Bank Albania has contributed to the dematerialisation of contracts by simplifying and improving the Customer Experience.

In the context of the health emergency, the implementation of the Remote Offer service, active in PBZ and Intesa Sanpaolo Bank in Slovenia, was extended in 2021 to Intesa Sanpaolo Bank Albania and CIB Bank, allowing customers to be assisted remotely via chat by sending and finalising commercial offers on online channels. In addition, the Public Portal has allowed for the branches of PBZ, Intesa Sanpaolo Bank Albania and Alexbank to sign the online multi-channel contract.

ACCESSIBILITY FOR PEOPLE WITH DISABILITIES

Transactions for customers with visual disabilities are carried out, in Italy, with ATMs equipped with a highly readable graphic interface for visually-impaired people, while for blind customers over 6,400 machines are equipped with headphones for listening to voice guidance. The monitoring of the accessibility and usability of buildings and services led to the conclusion of the census of 2,889 operating points (consisting mainly of Retail, Exclusive, Business, Private and Corporate branches, satellite agencies of the various branch types, and detached and company branches) out of a total of 4,493, i.e. about 64% of the total, inspecting the user-friendliness of automated equipment and the accessibility of various areas with the use of tactile routes for the visually impaired. You can find specific information on the accessibility of branches on the Intesa Sanpaolo website [1].

In particular, there is information on the accessibility of branches and self-service areas for individuals with reduced mobility; visitors can also find out, for example, if there are accessible cashier desks, adequate space for manoeuvring in corridors, lifts or lifting platforms, or stair lifts to connect the various floors.

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

During 2021, the surveying of the premises of the International Subsidiary Banks continued its progress, taking into consideration the branch networks and head offices. The mapping activities concerned 100% of business-operating properties (branches, head offices, etc.) and considered several common parameters (accessibility from the outside, to the cashiers and to relationship managers, etc.). The highest levels of accessibility from the outside are currently found in Croatia (97%) and Slovenia (91%).

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

DIGITAL OFFER FOR CREDIT

The activity of granting credit to retail customers, in terms of products and processes, is carried out in a multi-channel perspective. In fact, the offer received from the traditional branch can be completed and concluded by customers directly via their mobile devices, independently or with the assistance of the branch. Intesa Sanpaolo also expanded its range of products for sale or that can be self-managed via the App or internet in 2021. As regards consumer credit, it is worth mentioning:

- XME Prestito Facile which, in addition to having self-service signing, allows the customer also to independently change the instalment and postpone payment;
- XME Prestito Diretto which allows the purchase at zero rate of a wide catalogue of products and services offered by commercial partners. Since November 2021, customers have also been able to request the XME Prestito Diretto while browsing in online stores of some selected partners;
- XME Spensierata is the line of credit that allows customers to pay for the expenses already incurred in instalments settled on their current account, or to obtain the necessary liquidity to meet their purchases, thus optimising the management of the family budget.

As regards lending to SMEs, the first totally digital short-term loan product, Circolante Impresa Smart, is available. On the one hand, the signing process allows customers to independently sign the loan. On the other hand, the evaluation process is based on the new online calculation model for the rating of SMEs, which can automatically verify their loan repayment capacity. In October 2021, the Circolante Impresa Smart loan received the Honourable Mention in the Innovative Product of the Year category at the Global SME Finance Awards 2021.

CYBERSECURITY

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

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

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

Given the growing importance of cybersecurity issues, including in relation to the Business Plan, the Intesa Sanpaolo Board of Directors annually approves the IT Security Plan which guides, in a structured and coordinated way, the challenges introduced by cyber space through the measures established by the Group functions responsible for guaranteeing the relevant protective measures. The clear definition of responsibilities in disseminating a cybersecurity culture to protect every component of the company's assets is the main theme. In particular, the Plan provides for the implementation of a Group cybersecurity strategy based on perfect knowledge of the elements of the area to be protected, which grows together with the services offered and the new risks that heavily depend on behaviour and the human factor. This strategy is based on four main pillars - Excellence in fundamentals, Sensitivity and dynamism, People and Processes, Group Governance - which have allowed the operational projects to be defined together with the investments necessary for the implementation of the initiatives set out in the Master Plan, geared towards increasing the levels of cyber resilience and cyber readiness in the Group.

Some of the most important initiatives for the Bank are:

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

With regard to anti-fraud monitoring, the Bank keeps its system constantly updated and capable of real-time analysis of transactions carried out by customers via digital channels and of detecting, through a risk assessment system, any potentially anomalous transactions, also seeking verification of the device in use through the use of innovative solutions; furthermore, the Group acts in collaboration with the Authorities to combat new techniques used by the fraudsters, and makes use of every channel to raise awareness among customers to actively address attempts of phishing and to remind them that their credentials are personal and must be well guarded and never disclosed to third parties. It systematically updates the security section of its website and the Mobile App with new training content, examples of fraud attempts, insights, FAQs on cyber topics and sending communications to Intesa Sanpaolo customers for the prevention of the phishing phenomenon.

During 2021, the entire financial system confirmed a growing trend of attempted attacks that required Intesa Sanpaolo to block fraudulent transactions amounting to around 91 million euro for retail customers and about

93 million euro for business customers.

During 2021, Intesa Sanpaolo paid particular attention to increasing the skills of sector specialists through collaborative projects with universities (e.g. Bocconi University, Milan and Turin Polytechnics, IISole24Ore Business School) and to supporting the working group promoted by Carnegie Endowment for International Peace on the Cybersecurity Workforce.

The Bank also activated initiatives to increase the cybersecurity culture of the financial system by participating in national and international working groups (for example Europol, ECSO, EBF, Association for Financial Markets in Europe, ENISA) by developing awareness content for the community, guiding the relevant legislation and providing evidence to support the public/private sector about their experience in the world of cybersecurity (for example, collaboration on cyber issues for the Italian Financial Banking Arbitrator). In this context, Intesa Sanpaolo participated in the “Deploy Your Talent” project with the aim of relaunching STEM subjects (Science, Technology, Engineering, Mathematics) overcoming gender stereotypes; it provided support for the creation of educational workshops for primary and secondary school pupils (“Drizza le Antenne” - 1,250 pupils, 26 schools - dangers present on the Internet and how to avoid them); it spoke at the ABI Banche e Sicurezza event on the theme “The safety of innovation: safe banks at the service of citizens” and collaborated with CERTFin for the realisation of the mass dissemination campaign, called “I Navigati”.

As regards the people of the Group, Intesa Sanpaolo continuously carries out customised training at all levels of the hierarchy, including Top Management, through simulations, distance or classroom training and checks on the effectiveness of the awareness initiatives.

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

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