



Quality of service and customer satisfaction



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RELEVANT ISSUES

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WHY THESE ISSUES ARE RELEVANT

The Group is focused on providing top-quality banking, financial and insurance products and services to its customers, fostering the development of the areas in which it operates. The service model is organised on business areas with an organisational structure that guarantees monitoring in both Italy and the other countries in which it operates. Dialogue with its customers represents a constant commitment for the Group, in order to maintain the relationship at a level of excellence. Intesa Sanpaolo makes the information it provides to its customers clear and comprehensible in all stages of their relationship with the Bank through simple language and transparent policy statements. Elements of attention for the Group are also the protection of the health and safety of people: the management of physical safety risk is of fundamental importance for the protection of the physical integrity of people, whether they are staff, customers or suppliers.

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
Quality of service and customer satisfaction	Net Promoter Score (*)	NPS Retail: 21; NPS Exclusive: 19; NPS Businesses: 20; NPS Third Sector: 25; NPS Agribusiness: 14. In 2021, the survey consisted of about 470,000 responses from Retail customers, 72,000 from Exclusive customers, 35,000 responses from Business customers, 9,500 responses from Third Sector customers and 13,400 responses from Agribusiness customers.	Enhancing the quality of service levels
	Average response times to customer complaints and appeals (Parent Company) in line with reference regulations (RR)	Investment products and services: 44.5 days (vs RR 60 days); Insurance products and services: 26.8 days (vs RR 45 days); Payment services: 22.5 calendar days (vs RR 15 business days); Ordinary: 21.5 days (vs RR 60 days)	Maintaining high performance levels in listening to customers
	Number of robberies	3 (5 in 2020)	Continuous focus on the safety of customers and employees

(*) The NPS is an indicator that expresses the likelihood of customers to recommend a product, service or company, calculated in index points (between -100 and +100) subtracting the percentage of detractors (dissatisfied customers) from the percentage of promoters (loyal customers) obtained. Findings collected from the Banca dei Territori Division customers. The year 2021 relates only to long-term Intesa Sanpaolo customers and includes for the first time responses from Agribusiness customers, launched in June 2021.

COMPANY POLICIES

In keeping with the values and principles of conduct defined in the Code of Ethics, which are based on listening and dialogue, transparency and fairness, and the protection of safety in business relations, the Group places its focus on the customer and strives to maintain excellent relationships. These values and principles are incorporated in the essential standards of behaviour set out in the Group's Internal Code of Conduct. In addition, for specific areas of activity governing the quality of customer relations, there are governance Guidelines and rules based on the initiation of processes which, adopting models involving high levels of protection, shape conduct according to criteria of considerable good faith and fairness in relations. Customer health and safety aspects also are monitored with policies that establish principles and rules of conduct and define responsibilities in operational relations in branches.

SERVICE QUALITY

Intesa Sanpaolo has adopted a service model focused on business areas with an organisational structure that guarantees monitoring in both Italy and the other countries in which it operates. The Divisions are responsible for developing the best quality service levels through the various channels, in order to improve the efficiency of the commercial products they offer to the various types of customers. Customer satisfaction and service quality are monitored and overseen by the structures that deal with customer satisfaction and customer experience in the various business Divisions.

LISTENING TO RETAIL AND BUSINESS CUSTOMERS IN ITALY

The Banca dei Territori Division has developed a well-structured and extensive system for listening to customers' opinions which is able to identify factors of customer satisfaction and dissatisfaction and to promptly intercept the areas where action is needed, activating dedicated processes and actions for improvement. The Division's listening system is based on a number of tools:

- the NPS (Net Promoter Score) allows a concise and effective understanding of the customer's likelihood to recommend the Bank through a survey differentiated according to customer segment;
- the NSI (Net Satisfaction Index) is the tool for tracing customers' opinions on key moments relating to processes/experiences of interaction with the Bank;
- the SEIok Programme which contributes towards the determination of the Variable Result Bonus for the Network and offers solid support for improvement in the level of service offered to customers.

NET PROMOTER SCORE – NPS®

The NPS is an indicator that expresses the likelihood of customers to recommend a product, service or company, calculated in index points (between -100 and +100) subtracting the percentage of detractors (dissatisfied customers) from the percentage of promoters (loyal customers) obtained. Intesa Sanpaolo carries out NPS surveys via telephone, email or Internet Banking on Retail, Retail Business, Business, Third Sector and Agribusiness customers.

The listening system was developed even further during 2021:

- for the NPS, by including the new Sales Region for Agribusiness customers;
- for the NSI of the Online Branch, by adding alongside the existing surveys the new form of customer feedback from the Ellis chatbot, a virtual assistant that customers can "chat" with to simplify their search for information and requests for administrative services;
- for the NSI of the digital channels, by continuing to activate numerous new contact points on the digital channels (in particular on the App for Retail customers).

During 2021, almost 2 million customer feedbacks were collected, an increase of 22% compared to 2020.

In addition, 140,000 responses were analysed relating to questionnaires sent to the Group's people to measure internal perception on process and relationship issues. In particular, with the Quality4Network Programme, the monitoring of satisfaction with the services provided by the central structures to the Network was innovated, strengthened and made continuous, with the aim of improving the quality provided and perceived and making the work of the Group's people easier, in particular of those in contact with customers.

In 2021, some new technological elements were introduced to ensure greater inclusiveness of the surveys and ease in taking part for all recipients, both customers and the Group's people. In this context, the main initiatives included the further development of the surveys to allow full and easy access to visually impaired people and the implementation of the system for collecting oral comments.

Net Promoter Score (NPS) by customer type	2018	2019	2020	2021**
Retail*	16	20	21	21
Exclusive*	3	7	15	19
Business	20	11	22	20
Third Sector*	-	-	25	25
Agribusiness	-	-	-	14

Findings collected from the Banca dei Territori Division customers. In 2019 it was established that the reference survey channel was the telephone. Therefore, since 2019 all data has been calculated by applying a correction that makes it possible to make the votes collected through different channels comparable with those gathered by telephone.

(*) Since 2020, the results for Retail and Exclusive customers refer to the Individuals Service Model in force since January 2020, and are compared with the 2019 and 2018 results (already published in the relevant CNFS), which corresponded to the Retail and Personal segments (both to the previous Service Model). Furthermore, the 2020 figure includes the Third Sector for the first time and the Retail Business responses as part of the general Retail responses.

(**) The year 2021 relates only to long-term Intesa Sanpaolo customers and includes for the first time responses from Agribusiness customers, launched in June 2021.

Excluding former UBI customers (for whom surveys were launched in May 2021), the NPS is growing compared to 2020 on the Exclusive customers, is stable on Retail and Third Sector customers and is slightly decreasing in the Business segment.

In May 2021, surveys were launched on former UBI customers, showing the following results: Retail -9, Exclusive -13, Business -7, Agribusiness -16, Third Sector -11. Former UBI customers show a lower NPS than long-term Intesa Sanpaolo Group customers due to the physiological changes related to integration, in particular the change of branch and relationship manager; however, starting from the last quarter of the year, there has been a trend reversal for these customers with NPS improving.

During the year, the “close the loop” system was further reinforced, i.e. closing the quality circle by identifying and implementing effective actions. The new developments include the identification of Quality and Complaints representatives and the enhancement of customer re-contact initiatives, which enable a strengthening of the relationship, improved NPS data collected and reduced risk of dissatisfaction and complaints thanks to active listening. Finally, a platform has been created that aims to make the processes of continuous enhancement of the service quality more effective, by monitoring in a timely manner the areas of improvement identified starting from listening to the opinions of customers and staff and the effective implementation of consequent actions.

QUALITY AND COMPLAINTS REPRESENTATIVE: MONITORING NETWORK QUALITY

In order to more effectively disseminate the culture of the “customer at the centre” and the quality of the service offered, the Banca dei Territori Division has identified a Quality and Complaints representative for each Regional Governance Centre and for the Agribusiness and Impact Departments. The representatives constantly dialogue with their branches, assisting with the uniform dissemination of good practices throughout the territory, in collaboration with the Quality and Complaints unit. Their action favours the increase of NPS and a potential containment of complaints, through the identification of ideas for improvement to be shared with the network within the framework of targeted action plans.

LISTENING TO LARGE CORPORATE CUSTOMERS IN ITALY

As part of maintaining relations with the Large Corporate customers, the customer experience surveys also are designed and conducted regularly on the basis of views shared with the structures responsible for products and services, in order to identify the measures to be taken to improve the range of products and services offered. The results of the surveys are shared on an ongoing basis with the functions engaged in managing relations with customers which, in their approach with the customers, benefit from the information received and can act with greater awareness of and focus on their needs.

During 2021, the IMI Corporate and Investment Banking Division (IMI CIB) designed and developed the following surveys:

- Survey on the satisfaction with the Inbiz portal and on the adoption of the new Client Journey (CJ) modules, in particular treasury, export and user management, developed in several phases, involving about 70 treasurers and more than 1,200 Inbiz users.
- Approximately 200 Italian customers (Corporate, Global Banking & Sovereign Institutions and 52 Foreign Corporate customers) have been involved in a qualitative listening project still in progress to identify investments and customer developments in the digital field, the approach to the National Recovery and Resilience Plan (NRRP), digital needs related to the financial world and expectations towards Financial Institutions in general and IMI CIB in particular.
- About 70 representatives, with the role of Investor Relator of companies belonging to the STAR segment,

were involved in a qualitative online research aimed at understanding how the COVID-19 pandemic had impacted their businesses, but also the ability to react in the short term and the projects for the future. The response rate was 53.5%.

- More than 500 company representatives in the sustainability field of Italian and foreign customers were invited to take part in a research initiative that aims to understand the approach and needs of companies regarding ESG issues to offer solutions in line with the company profile and the constantly evolving market context. The response rate was 16.8%.
- About 30 customers were interviewed by telephone about the service quality offered for Commercial Acquiring services, i.e. the services related to the payment system for large companies, with a particular focus on “red-carpet” assistance. The response rate was 68%.
- 207 customers were involved in an online quantitative study in the Trade Finance area with the aim of assessing corporate customer satisfaction with regard to the management of operations in the international specialist and transactional areas. The response rate was 40%. The Net Promoter Score (NPS) was 51.

LISTENING TO CUSTOMERS IN THE INTERNATIONAL SUBSIDIARY BANKS

In 2021, the International Subsidiary Banks Division implemented a monthly customer listening process, consistent with the methods adopted by the Parent Company, aimed at measuring the quality perceived by customers regarding their relationship with the Bank, the channels used and the products and services offered. Based on this evidence, the banks implemented specific initiatives aimed at improving the level of customer satisfaction and in 2021 this project involved VÚB Banka, PBZ and Banca Intesa Beograd (BIB).

Benchmarking surveys in CIB Bank, Banca Intesa Beograd (BIB), VÚB Banka, Intesa Sanpaolo Bank Slovenia, PBZ, Alexbank in Egypt and Intesa Sanpaolo Bank Albania involved over 12,000 people, including 2,400 direct customers. In addition, the Instant Feedback – NPS listening programme, active in seven banks, allowed about 190,000 customer opinions to be gathered on their relationship with the Bank.

Since 2021, an analysis on the level of complaints has been extended to all the Division’s subsidiaries. With regard to SME customers, Customer Satisfaction surveys were carried out in 2021, both internally and for benchmarking in CIB Bank, BIB and Intesa Sanpaolo Bank Albania, involving over 3,700 companies. The main strengths included the service quality, the staff’s ability to listen and the proactive nature in proposing solutions.

LISTENING TO CUSTOMERS IN THE INSURANCE DIVISION

The Customer Satisfaction survey system in the Insurance Division involves, on a voluntary basis, all the calls received by Customer Service of Intesa Sanpaolo Vita and Intesa Sanpaolo Assicura using a 2-question questionnaire to assess the Service. During the year, the survey addressed to customers following their calls to Customer Service achieved good results. In particular, on a scale from 1 to 5, the average score was 4.3 for general satisfaction and 4.3 for the management of the call.

The initiative is in addition to the one already active for customers from Non-Life business, who in 2021 expressed a significant level of satisfaction; in particular, on a scale from 0 to 10, the average scores were as follows: 8.9 for roadside assistance; 8.6 for Motor liability claims; 8.8 for Land Vehicles Insurance claims; 7.9 for Home Assistance and 8.2 for Home Claims.

LISTENING TO CUSTOMERS IN FIDEURAM - INTESA SANPAOLO PRIVATE BANKING

In 2021, a Customer Satisfaction survey of the Private Banking Division was carried out on the Fideuram and Sanpaolo Invest Networks and the Intesa Sanpaolo Private Banking Network, which took account of the distinctive characteristics of the two service models.

The survey allowed a more in-depth analysis of aspects such as the various points of contact with the customer, including relationships with Private Bankers, customer assistance and online services. The survey received 30,589 replies from customers (21,582 for the Fideuram Network, 5,876 for the Sanpaolo Invest Network and 3,131 for the Intesa Sanpaolo Private Banking Network). The results confirmed a high level of customer satisfaction with all three Networks: the relationship with Private Bankers is always one of the fundamental elements for the appreciation of the service offered; in particular, customers recognise their helpfulness, expertise, ability to offer solutions and also their courtesy.

The following aspects emerged from the survey:

- Fideuram and Sanpaolo Invest Networks: in the current context, there is a further strengthening in appreciation for the solidity, reliability, being part of a large Group, multi-channelling, presence of top-level professionals and the level of attention paid to customers’ needs. Customers indicated financial and equity advice but also online banking as some of the most valuable instruments in their relationship with the Bank. In 2021, the NPS was 49 and the Customer Satisfaction Index (CSI) was 8.5.

- Intesa Sanpaolo Private Banking Network: in addition to belonging to a large group, the professionalism of bankers and branch staff, understanding of customer needs, the ability to make them feel privileged, as well as attention to privacy and the ability to anticipate critical issues, continue to be highly appreciated. In 2021, the NPS was 55 and the CSI was 8.6.

SURVEY ON ESG PRODUCTS IN THE PRIVATE BANKING DIVISION CUSTOMERS

In the customer satisfaction questionnaires addressed to the customers of the Private Banking Division, the opportunity was taken to ask some questions dedicated to issues related to sustainable investments (Environmental, Social, Governance and Sustainable and Responsible Investment) in order to survey the knowledge of customers and their propensity to invest their assets in products with ESG characteristics. As regards customers of the Fideuram and Sanpaolo Invest Networks, the survey found that ESG issues are known to over 60% of customers and 45% of them believe that ESG investments create value for themselves and for the community and the environment, confirming the figures from the previous year's survey. The percentage rises to 59% and 61% if we consider, respectively, the private customer segment and the segment of customers with an aggressive or dynamic risk profile. Moreover, 40% of customers (31% in 2020) are willing to invest more than 30% of their assets in sustainable products. As regards Intesa Sanpaolo Private Banking customers, it emerges that these types of investments are known by over 50% of customers, that 36% already hold some of them in their portfolios (27% in 2020) and that over 64% of the sample would prefer to invest in ESG/RSI instruments, provided the levels of yields are the same.

MANAGEMENT OF COMPLAINTS

The Intesa Sanpaolo Group maintains an ongoing dialogue with its customers to ensure that their relationship remains excellent. The careful and prompt management of complaints and other requests made by customers expressing their dissatisfaction is of fundamental importance for consolidating the relationship of trust and addressing critical situations.

In Italian law, the regulations issued by the relevant supervisory authorities provide for specific information requirements by the Compliance Function, with the aim of reporting at least once a year to corporate bodies and authorities on the overall situation of complaints received, as well as on the adequacy of the procedures and organisational solutions adopted.

The regulatory, procedural and organisational framework adopted by the Group is defined by the Guidelines for managing complaints, protests to the Supervisory Authority and appeals to alternative dispute resolution Bodies, issued by the Board of Directors of the Bank on 5 July 2016 and updated in October 2021.

In 2021, a total of 146,575 complaints¹ were registered at a Group level, broken down as follows:

- Banca dei Territori Division: 2021 was characterised, among other things, by the integration of UBI Banca into Intesa Sanpaolo. This led to complaints (2,798) relating, in particular, to organisational and process issues resulting from contract migrations. These requests, concentrated in the first months of the year, were constantly monitored by the Integration Project so as to identify corrective actions. The requests recorded totalled 81,972 (13% lower than in 2020) of which 63,930 related to the Banks and Companies of the Group² (-3% compared to 2020), 9,313 submitted to Prestitalia (-33%) and 8,729 submitted by former Accedo customers (-38%). The decrease is attributable to the progressive reduction of requests related to the COVID-19 emergency and to the ending of requests relating to the late/failed dispatch of documentation requests aimed at signing up to the Fondo Indennizzo Risparmiatori [Savers' Compensation Fund] (FIR) for compensation for damages resulting from investments in securities issued by the former Venetian Banks. There was an increase in the number of communications relating, more generally, to the quality of the service provided to customers, fraud on payment systems and site and APP malfunctions. Finally, with regard to the management of complaints related to loans with assignment of one-fifth of salary or pension (Prestitalia and former Accedo), the decrease was attributable to the adjustments made to the early repayment procedures of this type of loan, in line with the consolidated guidelines following the ruling of the Court of Justice of the European Union in September 2019 (the "Lexitor ruling") concerning the return of up-front charges, incurred at the time of signing the agreement. During 2021, 60,087 complaints and reiterations were settled, of which 17,352 were accepted and, among these, 2,958 entailed disbursements; a further 2,764 complaints and reiterations relating to the previous activities of Accedo and 2,856 referring to Prestitalia entailed disbursements. Excluding requests submitted by former Accedo customers and Prestitalia customers who, in exchange for the early repayment of loans with assignment of one-fifth of salary, claimed the pro-rata

¹ The claims include complaints and their possible reiteration (customer appeals), appeals to out-of-court dispute resolution bodies (ADR appeals) and requests for clarifications made by supervisory authorities in response to customer reports (reports).

² Banks and Companies of the Banca dei Territori Division (Intesa Sanpaolo, Intesa Sanpaolo Provis, Banca5).

refund of fees and/or charges paid at the time of disbursement, the following are the complaints and reiterations submitted for the various product/service categories:

- payment systems: 20,984 requests (+2%), of which 17,883 complaints and reiterations, mainly relating to the results of requests for the disclaimers of transactions made with payment cards or through internet banking services, as well as errors or delays in the execution of transactions;
 - organisational and management issues and functions of Internet sites: 18,785 requests (+8%) of which 18,358 complaints and reiterations. No longer impacted by the effects directly related to the health emergency, this growth is mainly attributable to some organisational criticalities, already emerged in previous years and amplified during the year, largely concerning the difficulties in contacting the Bank raised by customers and the malfunctioning of the site and APP;
 - loans: 13,706 requests (-11%), of which 12,603 complaints and reiterations. The decrease is attributable to the progressive reduction of requests related to the health emergency (604 complaints and reiterations compared to 2,841 in 2020);
 - current accounts, deposits and securities accounts: 6,505 requests (-3%), of which 6,157 complaints and reiterations, due to errors or delays in processing transactions, mainly in relation to the delayed or failed closure of accounts, economic terms and conditions and their application, and communication problems on the part of the Bank;
 - insurance products: 2,497 requests (-10%), of which 2,436 complaints and reiterations; the prevailing reasons concerned errors or delays in the execution of transactions and communication problems;
 - investment services: 1,453 requests (-48%), of which 1,316 complaints and reiterations. The decrease was mostly due to the progressive ending of requests relating to the late/failed dispatch of documentation requests aimed at signing up to the Fondo Indennizzo Risparmiatori [Savers' Compensation Fund] (FIR) for compensation for damages resulting from investments in securities issued by the former Venetian Banks; customer complaints mainly contest errors and anomalies in transactions for the purchase and sale of financial instruments, delays in the transfer of securities to other intermediaries, and dissatisfaction with the performance of financial products.
- IMI Corporate & Investment Banking Division: the number of requests was modest due to the type of transactions carried out and customers served, with 548 requests received from foreign entities (535 from Banca Intesa – Federazione Russa, 8 from International branches and 5 from Intesa Sanpaolo Bank Luxembourg). During 2021, 549 complaints were processed, of which only 316 were accepted and, among these, 6 involved disbursements.
 - Private Banking Division: a total of 4,410 complaints were recorded, with an increase of 18%. Most of the requests were on account of errors in executing orders due to malfunctions of the new “Alfabeto” website; of complaints relating to fraud on credit transfers and payment cards, errors or delays in the closure or transfer of current accounts and securities accounts and in the liquidation of insurance policies. During 2021, 4,132 complaints and reiterations were settled, of which 1,927 were accepted and, among these, 294 entailed disbursements.
 - International Subsidiary Banks: a total of 48,202 requests were registered, with a reduction of 6%. The complaints focused mainly on five companies (VUB Banka, Privredna Banka Zagreb, Banca Intesa Beograd, CIB Bank and PBZ Card) which registered 94% of requests for the Division and referred mainly to fraud events and/or malfunctions in the payment systems. During 2021, 49,285 complaints were processed, of which 23,047 were accepted and, among these, 4,675 involved disbursements.
 - Insurance Division: 11,233 requests were registered (+10% compared to 2020); the scope of reference for the measurement of complaints was expanded compared to 2020, also including the new Companies that entered the area managed by the Division in 2021¹. On a like-for-like basis, it would show an increase of about 1%. The total requests recorded by the Life insurance companies were substantially in line with the previous year; on a like-for-like basis, excluding the new Companies in the area, the trend of claims would show a decrease of 24%, focused mainly on the settlement area, which in 2020 had recorded an increase in claims due to delays in the collection of documentation relating to claims recorded in the Covid-19 emergency period and the performance of the financial markets that had negatively affected the settlement values of finance policies. The total requests recorded by the Non-Life Companies show a growth of 2%; Intesa Sanpaolo Assicura, however, recorded a decrease of 9%, thanks to the decrease in complaints relating to motor cover and improvements made to the administrative and liquidation area. Finally, Intesa Sanpaolo RBM Salute recorded a growth of 20% compared to 2020, relating to the constant and progressive increase in complaints from policyholders of the Fondo Metasalute and the number of claims after the first pandemic phase, a circumstance that strongly affected the frequency of contacts by policyholders with the Company, as well as the resonance effect, among policyholders, attributable to the penalty imposed by AGCM in July 2021. During the year, 10,873 requests were processed, of which 2,994 were accepted and, among these, 215 involved disbursements.
 - Asset Management Division: 210 requests were recorded, with a decrease of 23%, mainly attributable to the containment of the effects of the Covid-19 pandemic that in 2020 had recorded an increase in complaints due to the volatility in the markets. The disputes mainly concerned transactions with Eurizon Capital SGR and in particular the collective asset management. In 2021, 201 requests were processed, of which 7 were accepted with a disbursement.

¹ In the Life Business: Assicurazioni Vita and Lombarda Vita (from April 2021); the two Companies were merged by incorporation into Intesa Sanpaolo Vita on 31 December 2021. In the Non-Life Business: Cargeas Assicurazioni (from May 2021).

CUSTOMER PROTECTION AND RESPONSIBLE SALES

TRANSPARENCY TO CUSTOMERS

Intesa Sanpaolo makes the information it provides to its customers clear and comprehensible in all stages of their relationship with the Bank through the simplicity of its language, transparent policy statements, and the consistency among the various documents on the same products/services. The main offer documents, drawn up in line with the clarity and intelligibility requirements, can be found in branches and also on the Bank's website, under the Banking Transparency section [i]. These include Product and Service information sheets, Specific Guides and Information documents on the conditions offered to all type of customers.

INVESTMENTS: ADVISORY SERVICE

In terms of investments, Intesa Sanpaolo offers its customers the highest possible form of protection with its advisory service. As regards transactions relating to financial products or investment services, personalised recommendations are made consistent with the customer's financial profile. With this in mind, a series of specific rules that Bank personnel must observe is fully operational. After the entry into force of the MiFID II Directive and European Regulations in the area of investor protection¹, these Rules were strengthened in order to provide investors with higher levels of protection and increased transparency in trading on the financial instruments' markets. In particular, Intesa Sanpaolo introduced new obligations in terms of the governance of financial instruments, knowledge and expertise requirements for personnel responsible for providing investment services and ex ante and ex post information on the costs, charges and incentives of the products and services available.

Among the projects concerning advisory services, "Valore Insieme" is a global consultancy solution provided by branch managers through an innovative relations platform that provides advanced and personalised consultancy in all phases of the construction, protection and transfer of investment portfolios, also through dedicated investment products. It is a service aimed at those looking for an exclusive relationship that combines an innovative platform and ongoing professional support from a dedicated manager.

THE COMPLIANCE CLEARING OF NEW PRODUCTS AND SERVICES

The new products and services and their subsequent variations are subject to the Product Governance process with the involvement of the Bank's various structures in order to assess all the characteristics of the product and clearly identify the customer segment it is intended for with the aim of protecting the customer. This process is constantly subject to verification by the Compliance Function to ensure substantial and formal compliance with internal and external regulations and the underlying assessments. The Product Governance process allows the transparent management of the individual phases that involve the concept, development, clearing, approval and monitoring of the products or services analysed. Every activity entails the participation of a number of structures so as to assess the characteristics of individual products and services, whether provided by the Bank or by third party producers, as required by the regulations². Products and services undergo periodic, after-sales monitoring so as to assess their coherence over time with the predefined parameters of target markets and with the characteristics of reference customers.

Compliance assessments, nevertheless as part of the Product Governance assessments, are carried out in accordance with the principles of fairness and protection of the interests of customers, and also relate to the quality of the information provided, the consistency of the services, products or transactions with the needs and characteristics of the target customers.

The entire process is regulated by internal Guidelines and by specific process guides which the Bank has adopted, which identify in detail the activities and structures involved. To manage the entire process, the Bank has provided itself with an IT tool in order to: standardise the information of the products or services, store the documentation in a single repository and trace the decision-making process, thus ensuring a strengthening of the control measures.

¹ Directive 2014/65/EU (MiFID II), Regulation (EU) No 600/2014 (MiFIR) and Regulation (EU) No 1286/2014 (PRIIPs).

² Bank of Italy - supplement in 2019 to the Supervisory Instructions on "Transparency of the banking and financial transactions and services" with specific provisions on product governance; IVASS - Letter "Directive (EU) 2016/97 on insurance distribution and EIOPA preparatory guidelines on product governance and control by insurance companies and distributors of insurance products" dated 4 September 2017 and Regulation 45 laying down provisions on the governance and control requirements for insurance products in force since 31 March 2021; Consob - Intermediaries Regulation, amended by Resolution 21466 in force since 31 March 2021.

DIALOGUE WITH CONSUMER ASSOCIATIONS

Intesa Sanpaolo has for some time been involved in a long-established, open and constructive dialogue, at a national level, with the Consumer Associations belonging to the National Council of Consumers and Users (Ministry of Economic Development). In this context, on 21 July it renewed the Framework Agreement “Innoviamo le Relazioni 2.0” (Let’s Innovate Relationships 2.0) which provides for the formation of 3 permanent discussion groups on the issues of greatest interest: Products and Services, Banking and insurance education and Local Relations; Regulations and Authority, Customer Care and Conciliation; Educational and Sustainability-Impact. During 2021, 4 theme-based discussion groups were held concerning: Products and services (superbonus); Customer Care (fraud); the Renewal of the Framework Agreement 2021/2023; Conciliation.

In addition, with a view to further developing cooperation with the Consumer Associations, a series of meetings were arranged with the regional delegations from Valle d’Aosta, Liguria, Veneto, Marche, Umbria, Abruzzo, Puglia, Calabria and Sicily. In 2021, the training initiatives as part of the Project “Mettere in comune competenze” (Sharing Expertise) saw the creation of 6 webinars with the national delegates of the Associations, while a further 7 webinars were held on a local basis, involving the regional representatives of the Associations in Southern Italy. Intesa Sanpaolo is also a member of the Executive Committee of Consumers’ Forum, an independent association encompassing the most important consumer associations, numerous industrial and service companies and their trade associations, and the Institutions.

Work also continued throughout the year on permanent conciliation and its role as an out-of-court solution instrument adopted and managed together with the Consumer Associations. In 2021, 189 applications for permanent conciliation were received.

CUSTOMER HEALTH AND SAFETY

In all its offices and branches the Intesa Sanpaolo Group protects the health and safety of all the people who work and pass through them by implementing operational rules and technological safety measures, supported by IT tools and the promotion of a health and safety culture. During the health emergency, the Group guaranteed customer services thanks to branches being open (almost 100%) performing all transactions; a system of restricted admissions was introduced, with specific appointments, together with the definition of essential transactions to be performed face-to-face and the extension of multi-channel services.

PHYSICAL SAFETY

As part of the protection of the health and safety of people, the management of the physical safety risk is of fundamental importance for the protection of the physical integrity of people, whether they are staff, customers or suppliers of the Group.

To this end, the Corporate and Physical Security Function operates directly for the Companies in Italy according to a centralised management model or providing guidance and support to the Companies operating on the basis of a decentralised management model. The monitoring is based on the analysis of the risk context in which the Group operates, conducted according to established methods and practices at international level, and on the study of the development of risks and threats looking to the future. Following these assessments, the Corporate and Physical Security Function updates or defines new defence strategies and the related countermeasures of a formative, organisational, technological or human methodological nature. In addition, it defines the functional requirements of physical security systems and verifies their effectiveness in mitigating risks; it manages the alarm signals that arrive in the Control Room, verifies them and, where necessary, takes action.

The role of guidance and functional coordination for the International Subsidiary Banks is initiated with operational linkage mechanisms with the Decentralised Safety Functions of the Banks in the International Subsidiary Banks Division, in line with the provisions of the “Physical Safety Guidelines for the Intesa Sanpaolo Group”.

With regard to the security of the Group personnel in Italy when travelling to foreign countries, during 2021 the initiatives in the field of Travel Security were consolidated. In fact, a system is in place to support this kind of travel and for the analysis of country risk levels, through the adoption of appropriate procedures. In addition, there is constant monitoring of those travelling abroad and/or expatriates of the Group, in order to mitigate any accidents and/or emergencies, also with the support of qualified Partners.

With regard to the risks associated with predatory crimes, the risks of robbery and theft continue to be analysed and measured including on-site checks on the level of protection of the most exposed sites. In 2021 in Italy there was 1 completed incident and 3 attempted robberies, compared to 7 completed incidents, also taking into account former UBI incidents, and 4 attempts in 2020. The year 2021 also confirmed a 64% reduction in events compared to 2020. As regards the theft risk which generally, unlike robberies, does not impact on the

health and safety of people, 15 attacks on ATM machines were recorded during the year (5 completed and 10 attempted). It should also be noted that there is a growing phenomenon of attacks on ATM equipment that involves physical and IT techniques, which continue to be investigated and combated.

Another control area of the risk of attacks to the physical safety of staff covers acts of aggression, not for predatory purposes, that take the form of harm to the people of the Group. The trend of the phenomenon has been growing over recent years. Some time ago, the Intesa Sanpaolo Group launched the actions for its measurement, analysis and containment. This trend is also under observation by ABI, due to its growth in the financial services sector in activities involving customer contact. In 2021, 240 cases of aggression were recorded (21 of a physical nature and the rest verbal), compared to 262 in 2020 (19 of a physical nature). The mitigation actions, enhanced in 2021, involved the training of personnel exposed to risk and responsible for managing events, and for measuring and managing the events themselves (investigation, psychological support, legal action) with the contribution of the Banca dei Territori Division and the Safety and Protection and Legal Affairs Head Office Departments.

In 2021, the activities conducted by the Corporate and Physical Security Function did not stop even when there were limitations imposed by the pandemic, continuing both physically, through inspections with specific assessments and analyses on the Bank's premises, and remotely, through the use of the Group's "data lakes" and with interviews with the Heads of the Structures. In both cases, the methods used were based on the ISO 31000:2018 standard, with the aim of prevention, to reduce the likelihood of robberies and thefts, and protection, to reduce their impact.