

Access to credit and financial inclusion

COMPANY POLICIES

Intesa Sanpaolo provides a range of products and services that promote financial inclusion and access to credit, in accordance with the Group's Code of Ethics. This code highlights, among the principles of customer relations, this policy's value as a key lever for social inclusion, enabling people to improve their lives and exercise their citizenship rights to the full. The Code of Ethics also outlines Intesa Sanpaolo's commitment to promoting economic and social development in the countries where it operates. In particular, this responsibility results in assisting companies to develop and improve their competitiveness, and to introduce innovations and internationalise their business. Among other initiatives, the 2018-2021 Business Plan launched the Fund for Impact, which is intended to disburse social impact loans of around 1.25 billion euro to sections of society that find it difficult to access credit, despite their potential.

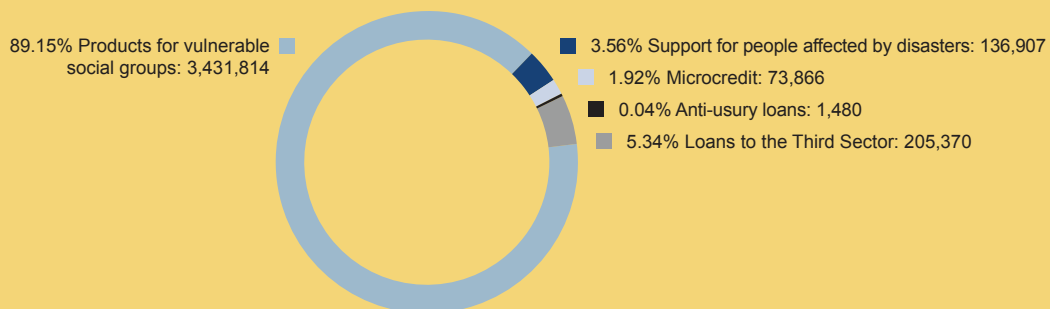
FINANCIAL INCLUSION OF VULNERABLE PEOPLE

Support of people in vulnerable conditions is offered through projects and initiatives aimed at the fair allocation of resources by identifying actors within the territory with whom agreements and synergies can be developed that will make access to credit easier for vulnerable individuals or those who would otherwise have no access to banking.

INITIATIVES WITH HIGH SOCIAL IMPACT

In 2019, the Intesa Sanpaolo Group issued new loans for high social impact activities amounting to about 3.8 billion euro, equal to 6.6% of the total granted, helping to create business and employment opportunities and also to assist people in difficulty with various initiatives: microfinance; anti-usury loans; products and services for associations and entities in the Third Sector; products for the most vulnerable social groups to support their financial inclusion; and loans to support people affected by disasters.

LOANS WITH SOCIAL IMPACT [% AND THOUSANDS OF EURO]



MICROFINANCE AND THE FIGHT AGAINST USURY

There are various partnerships with different entities to provide credit to individuals or small companies in difficulty. Altogether, in 2019 the Group disbursed about 75 million euro in microfinance or anti-usury projects, in Italy and abroad.

The longest-term initiative is the “Prestito della Speranza” loan, promoted since 2010 by the Episcopal Conference of Italy and the Italian Banking Association to support families in temporary difficulty by supporting the start-up of small businesses. The project subsequently focused on Intesa Sanpaolo by providing from 2015 to 2019 about 44.4 million euro for over 5,700 loans, of which 900 in the last two years for about 7.3 million euro. The typical mechanism for the “Prestito della Speranza” loan, whereby an entity – generally philanthropic or religious – provides money for a guarantee fund set up with the Group associated with an agreement with Intesa Sanpaolo, has been replicated with a number of counterparties.

Noteworthy initiatives include Intesa Sanpaolo’s partnership with Fondazione Lombarda Antiusura and Fondazione Welfare Ambrosiano. The initiative entails supporting microfinance initiatives of a social nature, to provide income support for families, and those of a business nature, for the creation of micro and small enterprises. The catchment area is essentially the Milan area, and Intesa Sanpaolo is one of the four financial partners involved.

Lastly, there are a few other ongoing agreements for the credit inclusion of disadvantaged persons or small businesses. These include agreements once again with Fondazione Lombarda Antiusura (in collaboration with Caritas Ambrosiana and Fondazione Cariplo), with Finetica Onlus, and with NEETwork to offer free training placements provided by non-profit organisations, as well as with Adiconsum, Exodus 94, Fondazione San Nicola Medici, Fondazione Antiusura Cavalla, Fondazione Moscati and Fondazione San Matteo for anti-usury initiatives.

In addition to partnerships, the Bank makes available “Finanziamento Microcredito Imprenditoriale” (“Business microcredit financing”), dedicated to micro-enterprises in the start-up phase of a new business or when investing in growth projects, enabling them to access credit even without collateral. This opportunity was made possible by a special section of the SME Guarantee Fund (Ministry of Economic Development Fund, operational since 2000). The medium/long-term loan, with a maximum duration of 7 years and a maximum amount of 25,000 euro, is designed for the purchase of goods (including raw materials) or key business services (including lease payments), to pay for salaries to new employees or working partners, or to pay for training courses to improve professional quality and technical and managerial skills. Some of the essential characteristics of Business Microcredit Financing are assistance and monitoring services that support the business, offered free of charge by the VOBIS association (Volontari Bancari per le Iniziative nel Sociale, an association of volunteer former bank employees that operates throughout Italy and is purely focused on social solidarity). In 2019, about 700 loans were disbursed for a total of 14.8 million euro.

MICROFINANCE IN COOPERATION WITH NGOS

Bank of Alexandria, in partnership with several NGOs, has launched targeted solutions to contribute to the economic empowerment and financial inclusion of vulnerable segments of society. The solutions, also aimed at the specific needs of non-bank customers, are developed through a multi-stakeholder approach involving partner entities from different sectors. In particular, the beneficiaries are women young people in disadvantaged situations and Egyptian artisans. In 2019 20 loans for a total of more than 47,000 euro were disbursed.

FUND FOR IMPACT – NEW CREDIT ACCESS OPPORTUNITIES

Following the guidelines contained in the 2018-2021 Business Plan, the Fund for Impact was launched with funds of 250 million euro to support the disbursement of around 1.25 billion euro of loans to groups that would otherwise find it difficult to access credit, despite their potential.

The Fund for Impact is based on the experience of Banca Prossima, now integrated in the Impact Department of Banca dei Territori di Intesa Sanpaolo, which has introduced this method of intervention to support the non-profit sector.

In ten months of 2019, the commitment took concrete form with the launch of the “per Merito” initiative, loans for students in any economic and social condition residing in Italy to access Italian and foreign universities or master’s degrees without requiring personal or family guarantees. The loan application is made online, with an increasing credit facility as long as students complete at least 20 credits or 80% of the exams scheduled

per semester. A maximum of 3,000 euro is provided for students that stay in their town or city of residence, and 5,000 euro is provided for those that live away from home to cover the length of the 3-year course, and for an additional two years for those also doing a Master's degree. For studies abroad or master's degrees, the amounts can also be higher, up to a maximum of 50,000 euro for the duration of the studies. Two years after earning the degree, the repayment of what has been used will commence, with instalments up to a maximum of 30 years at a fixed rate defined at stipulation. Repayments can be suspended three times, and there are no additional charges for early repayment. The loan complements and strengthens the solutions offered by universities, scholarships or study grants without replacing the primary role of public institutions in guaranteeing the right to study, supporting students who have not met the requirements for the support provided by universities and thus contributing to fostering university enrolment, a prerequisite for the development of young people's human capital for the country's growth.

In all the "per Merito" initiative financed 3,240 new students in 2019, disbursing about 28 million euro.

NATURAL CATASTROPHES AND DISASTERS

The Intesa Sanpaolo Group confirmed its concrete commitment to support the populations affected by the extraordinary events related to the bad weather that are increasingly affecting the Italian territory by providing new subsidised loans intended for the restoration of damaged properties (houses, shops, offices, artisan workshops, companies), suspensions on existing loans, actions in the area of protection and preferential, simplified and expedited procedures.

In 2019 there were about 1,900 suspensions of repayments on existing loans for a total residual debt of 800 million euro. In addition, about 2,800 subsidised loans were disbursed for over 135 million euro in 2019 and about 335 million euro from 2018.

The Bank has made available a credit line of 4.5 million euro to families and businesses affected by the collapse of the Genoa bridge for the write-off of loans on properties declared uninhabitable (0.5 million euro written off) and 50 million for reconstruction (4.6 million granted); it has also provided for the subscription of the Vicino a Te policy for minors who lost one or both of their parents during the collapse.

This year, among other measures, the Group allocated a credit line of 100 million euro for families and businesses affected by the bad weather emergency in Venice and has provided for the possibility of requesting a 12-month suspension of mortgages.

Intesa Sanpaolo Bank Albania has confirmed its commitment to help the population affected by the earthquake of November 2019, with the Earthquake Relief and Support Plan. Thanks also to a dedicated survey, it intervened to assist affected customers, individuals and businesses by means of a suspension on current loans (suspension of the loan for up to 12 months, rescheduling of the instalment repayment plan) and loans at preferential conditions for damages or for restarting businesses, with very short approval times.

SUPPORT FOR HOUSEHOLDS

Intesa Sanpaolo participates in the Guarantee Fund for Main Home Purchases, established by the 2014 Stability Law. Thanks to the Memorandum of Understanding between ABI and the Italian Ministry of the Economy and Finance, the beneficiaries – young couples, single-parent families with minor children, young people under the age of 35 with a temporary employment contract and tenants of public housing owned by the Istituto Autonomo Case Popolari (Social Housing Authority) – can get a guarantee on the principal amount of their loan (up to 50%).

In 2019, 6,144 mortgages of a value of 633 million euro were issued.

Support for households was also reflected in the renegotiation of mortgages, more than 63,000 in 2019, and more than 3,200 suspensions overall, defined as a result of system agreements and to provide support to households affected by natural disasters, noted above. Moreover, during 2019 initiatives were taken to suspend loan instalments (up to 12 months) for employees of companies in crisis situations and in some cases also due to related events (e.g. former Ilva of Taranto), which provided an immediate signal of support to the families of employees of the companies directly affected. Also to support retail customers, funding continued for APE (cash advances against pension entitlement) requests, a system introduced on a trial basis by the 2017 Budget Act and extended to 2020 for workers who, having turned 63 and with a minimum of 20 years of contributions, wish to retire early.

In 2019, 1,555 applications were received, bringing the total number to 9,264, and 1,327 were accepted, for a total of 6,769 since the start of the initiative, with a total of 66.7 million euro disbursed.

SOLUTIONS FOR YOUNG CUSTOMERS

Solutions for young customers include:

- mortgages, in particular Mutuo Giovani, with a total disbursement – also considering the Guarantee Fund for Main Home Purchases – of about 2.5 billion euro to over 21,700 young people;
- loans, with the product dedicated to young university students "per Merito" with the aim of facilitating access to studies, the details of which are outlined in the section "Fund for Impact - New credit access opportunities";
- current accounts, with the XME Conto product, with preferential conditions and tax paid by the Bank, up to 35 years of age, with just under 898,000 holders at the end of 2019 and with XME Conto UP! for those under 18, completely free until the age of 18;
- savings with XME Salvadanaio, the digital piggy bank that can be used by children and adults alike, which allows them to set retained sums of money, either manually or automatically for rounding off payment transactions made by card. The "children's version" of XME Salvadanaio is called XME dindi, a technological piggy bank that, in addition to collecting coins and banknotes, makes it possible to see the money saved in XME Salvadanaio, the progress in achieving the set objectives and to monitor the balance of XME Conto UP! through the touch screen on the device. In 2019, the product was proposed on World Savings Day in order to spread a financial culture and attention to savings from a very young age.

REMITTANCE MANAGEMENT

Intesa Sanpaolo offers specific products for foreign customers in Italy who need to send money to their home countries. In 2019, around 95,000 remittances were made, amounting to approximately 47 million euro.

PROJECT FOR THE FINANCIAL INCLUSION OF IMMIGRANTS

The financial inclusion project for immigrants was developed on the basis of the results of a study on the current process and the future impact of immigrant integration dynamics on the sustainable growth of the country. The analysis resulted in internal Intesa Sanpaolo Group projects focused on training and change management, business development and change management.

SUPPORTING THE THIRD SECTOR

For some time now Intesa Sanpaolo has made available an offer dedicated to Third Sector organisations, first through Banca Prossima and then (after its merger in 2019 into Intesa Sanpaolo) through the Impact Department, into which it was incorporated.

At the end of 2019, there were about 66,000 customers, and direct and indirect deposits of about 5.8 billion euro, of which roughly 4.1 billion euro was in direct deposits, and about 2 billion euro in loans. The intangible assets of Third Sector entities play an important role in making their long-term financial exposure sustainable. To this end, specific rating models have been developed that better suit the characteristics of customers from the non-profit and religious sectors, particularly with respect to the qualitative section. As a guarantee of its activities, the articles of association of Banca Prossima envisage a Fund for the development of social enterprises, to which at least 50% of the remaining profits net of allocation to legal and statutory reserves and the reconstitution of the share premium reserve initially used to set up the Fund were allocated each year.

The Fund continued to function even after the incorporation of Banca Prossima, through the creation of a plafond of around 0.1% of the shareholders' equity of Intesa Sanpaolo.

CROWDFUNDING PLATFORMS

For Funding is the social crowdfunding platform of the Intesa Sanpaolo Group aimed at organisations, non-profit associations and foundations which want to launch a fundraising campaign with the participation of a wider donor community. The fundraising initiatives are selected by the Intesa Sanpaolo team, which evaluates the beneficiary organisation and the type of projects in order to support the most deserving projects. Once the project has been published on the platform, donors may contribute to the fundraising process with a donation made through the website using a credit card, by online bank transfer, or with a bank transfer made at their own bank or at any Intesa Sanpaolo branch. Each transaction is free for both the donor and the beneficiary.

In 2019 For Funding became a unique, distinctive model in the world of social crowdfunding, incorporating the Terzo Valore platform developed by Banca Prossima for non-profit organisations. Supporters can underwrite part of the loan at a rate of their own choosing that is below a maximum level stated by the organisation itself. In fact, about half of lenders lend at zero interest. In 2019, 0.8 million euro were disbursed by the Bank and 0.9 million euro by third parties.

EDUCATION AND SPREAD OF FINANCIAL CULTURE

The demand for economic-financial education in Italy is constantly growing, a clear fact for the Savings Museum, which in 2019 continued its financial education projects and content aimed at informing and spreading awareness of financial services as well as avoiding the spread of over-indebtedness.

The lead project remains the SAVE Tour (Sustainability, Action, Voyage, Experience), a journey through the Italian regions in collaboration with Italscania and the European Investment Bank Institute, for students of all levels and age groups. The initiative, recognised by the Ministry of Education and Research, consists of multimedia courses and didactic workshops revolving around economic-financial education and environmental sustainability and held in a Discovery Truck set up with video and games stations (for more information [1]). The first edition of the SAVE tour of Italy took place from October 2018 to April 2019 and covered Central and Southern Italy, crossing eight Regions and engaging about 10,000 students. The second edition, launched in October 2019, will involve 21 cities through Calabria, Sicily and Sardinia, as well as Turin, Genoa and Naples. The Savings Museum pays special attention to children and young people who, due to geographical and/or socio-economic barriers, benefit from fewer educational opportunities. In 2019 it carried out specific projects for this group, to which were added personalised financial education activities for groups of people in economically and socially fragile conditions:

Project	Partner Entities	Description	Events and users involved
MOney Learning	European Investment Bank and the Fondazione per la Scuola della Compagnia di Sanpaolo	Primary school students located in mountainous areas or more than 80 km from Turin, transported by bus without any expense for the families, have access to the Savings Museum, which offers them a free guided tour and an educational workshop.	The current 2019-2022 edition is extended to schools in the regions bordering Piedmont (Liguria, Lombardy, Valle d'Aosta), located at a maximum distance of 200 km from Turin. The initiative engages about 2,000 children a year.
SKY IS THE LIMIT	GLT Foundation	Dedicated specifically to lower secondary school students of "outlying" schools, to train them to think of themselves as active builders of their professional future, equipping them with planning skills and entrepreneurship.	The pilot phase started in 2019 for 100 students coming from schools located in difficult neighbourhoods of Turin
Fuoriclasse della Scuola project	Ministry of Education and Research, Feduf, Confindustria and ABI	Financial and Business Education Campus for winners of the student School Olympics from all over Italy.	The fourth edition involved 78 secondary school students.
Welcom-ED	University of Turin	Interactive modular course on topics like saving, basic financial terminology, simple budgeting and planning techniques and operations of the most popular financial instruments.	over 500 migrants
L.E.I. (Labour, Emancipation, Inclusion)	Compagnia di Sanpaolo, Casa Circondariale di Torino (Turin prison) and its cooperatives	Project for the reintegration of women inmates into society, with a special focus based on the informed management of money and self-employment.	On average 60 inmates are involved in the training.

Among the most important events promoted and coordinated by the Savings Museum in 2019 are the following:

Project	Partner Entities	Description
Art of Saving	Various realities of the Intesa Sanpaolo Group, like International Subsidiary Banks Division, Gallerie d'Italia and Historical Archives	World Savings Day (31 October); 190 volunteer staff and 15,000 students involved; the International Subsidiary Banks Division joined with 9 out of 11 subsidiaries.
Exhibition "Tommaso Bonaventura 100 MARKS - Berlin 2019"	CAMERA – Centro Italiano per la Fotografia, Fondazione Museo storico del Trentino, Centro Ricerca Archiviazione della Fotografia di Spilimbergo (CRAF)	A photographic and video account of the Begrüssungsgeld, the welcome money that the citizens of the former East Germany received when they crossed the Berlin Wall between 1970 and 1989.
Convention "New Italians: information needs and integration" - 24 January 2019	University of Turin	Seminar addressed to CPIA teachers and associations to reflect on opportunities for economic and labour inclusion of migrants and asylum seekers
EDUTAINMENT event. A winning combination of learning and fun – 23 May 2019		Experiential and interactive event to take stock of the tools and new frontiers of edutainment applied to economic-financial education.
Seminar "Educating children and young people about economic citizenship: comparing experiences" - 26 September 2019	USR Piemonte and Fondazione Scuola della Compagnia di Sanpaolo	Seminar addressed to primary school teachers and educators aimed at spreading new teaching approaches and evaluation methods in financial education.
Sky Is the Limit initiative. Workshop on inclusive education – 10 October 2019	Global Thinking Foundation	Seminar for teachers and educators to promote good practices of inclusive and innovative education

Moreover, through a specific range of financial education and sustainability workshops, participation was confirmed in national events such as the International Book Fair, the Sustainable Finance Forum, World Investor Week and European Money Week. Finally, international networking activities were consolidated through the organisation, together with the International Federation of Finance Museums (IFFM), of the Financial Education Summit in Ottawa on 31 October, which brought together the main stakeholders working at a European and international level on the issues of financial inclusion and literacy.

The partnership with the Osservatorio Permanente Giovani-Editori for the Financial Culture at School project continued in 2019 with the aim of supporting young people's critical reading and the act of referring to quality information.

FINANCIAL EDUCATION TRAINING INITIATIVES WITH CONSUMERS

In 2019, the "Mettere in comune competenze" ("Skills pooling") project offered two training courses for managers of Consumer Associations, one locally in Florence for associations in Tuscany, and one nationally in Rome. At the events, lasting 8 days for a total of 56 hours of training, 66 delegates from 15 different consumer associations belonging to the CNCU (National Council of Consumers and Users) were involved. The seminars dealt with finance, markets, credit, insurance products and regulatory areas.

SUPPORTING PRODUCTION AND INNOVATION

Intesa Sanpaolo puts itself forward as a point of reference, and not just financially, to support the country's economic system in every phase of the economy, even in the most delicate areas, for the business and associative world, helping its customers in a consolidated and long-term model founded on quality, reliability and trust.

With regard to over a million of companies and 200,000 SME customers, the Group puts forward solutions that support the future of Made in Italy in the world and contribute to sharing their internationalisation, capitalisation, innovation and development processes, with particular attention to the topic of economic, social and environmental sustainability, as stated in the 2018-2021 Business Plan.

SUPPORT FOR BUSINESSES

In 2019, Intesa Sanpaolo allocated about 58 billion euro of new medium-long term loans to the real economy. Around 48 billion euro was granted in Italy, 38 billion euro of which to households and SMEs.

In 2019 the Group facilitated the return from non-performing to performing status of around 18,500 Italian companies, with a positive impact on employment through the protection of approximately 93,000 jobs.

The internationalisation process of Italian businesses is supported, directly or through the Group's main subsidiaries abroad, by:

- Group network with presence of branches and offices in around 40 countries worldwide and coverage across 85 countries thanks to agreements with other Banks;
- a service model that leverages specialised product expertise (trade finance, cash management and internationalisation), the presence of specialised desks (Corporate Desk and Multinational Clients Desk), with consultancy provided by specialists in financial support and Trade and Cash Management needs;
- an offering of domestic and cross-border products, which, in the purely transactional area, aims to offer corporate customers the opportunities (open banking) offered by the entry into force of PSD2.

To promote the international development of businesses Intesa Sanpaolo also organises various types of events in Italy and accompanies businesses on missions abroad in cooperation with various partners, institutional bodies and trade associations.

The growth of Italian SMEs is also supported by the Intesa Sanpaolo Structured Finance and Advisory units and the partnership with Elite of Borsa Italiana, supporting the growth and investment plans of virtuous SMEs through innovative financial solutions that give companies high visibility to institutional investors and enhance their reputation and financial culture.

In partnership with Confindustria, in 2019 Intesa Sanpaolo brought 67 companies representing Italy and economic sectors to three Elite Lounges (an international programme to accompany the most ambitious companies in their development phases), one of which was dedicated to women's entrepreneurship and another one that saw the involvement of some finalists in the Imprese Vincenti programme.

In 2019, in partnership with Elite, the Intesa Sanpaolo Basket Bond Programme was set up, an operation to allow SMEs to issue bonds and subsequent securitisation through "Notes" to institutional investors. The Programme, structured in several tranches, provides for the subscription of bonds for a total amount of up to 1 billion euro and seeks to involve a total of about 200 SMEs throughout Italy.

With regard to the financing of SMEs we note our efforts in the world of culture, and in particular the film world and the advance tax credit, thus giving substance to the important new development introduced by Italian Cinema Law no. 220/2016 (assignability of the tax credit) and responding to the pressing demand of industry operators.

IMPRESE VINCENTI PROGRAMME

In 2019, the Group launched the first edition of Imprese Vincenti, the programme to promote Italian entrepreneurial excellence, i.e. small and medium-sized enterprises that stand out nationally for growth and creation of value and jobs. The aim is to provide media visibility and services to accompany growth, in collaboration with important partners and with the support of the Intesa Sanpaolo Formazione companies, Intesa Sanpaolo Forvalue and Intesa Sanpaolo Innovation Center. The first edition saw excellent results, with about 1,800 companies nominated and 120 companies selected and celebrated as winning companies.

INDUSTRIAL DIALOGUE AND THE PRODUCTION CHAINS DEVELOPMENT PROGRAM

Dialogo Industriale ("Industrial Dialogue") was born with the aim of increasing the "strength of the relationship" of managers with companies, identifying a common language for a better understanding of their needs, oriented to offer solutions better suited to the objectives and peculiarities of each company. It combines company requirements and credit quality, supporting the creation of sustainable business.

In 2019, functions were developed and implemented in order to extend the use of the platform to potential new customers, to enhance the information assets linked to the industrial supply chains and to encourage commercial-credit collaboration.

The Sviluppo Filiera ("Supply Chain Development") programme continued concurrently with Dialogo Industriale, with the aim of facilitating access to credit, focusing on the relationship that links lead companies with the suppliers' network and enabling a more detailed understanding of the financial requirements of individual supply chains. At the end of 2019, there were around 680 participating lead companies with potentially 15,600 suppliers and a workforce of 93,000 employees.

NON-FINANCIAL SERVICES

In a situation with high innovative potential, Intesa Sanpaolo Forvalue is the Group company that offers companies advanced solutions for business development, contributing to the development of the following areas:

- servitisation (or product as a service) as a circular business model that companies can use to improve the productivity of resources employed and to reduce costs;
- the model provides for the renunciation of asset ownership while maintaining access to it and its performance, in the short or long term. For such cases Intesa Sanpaolo Forvalue offers Simple Rent, the rental solution designed to meet the needs of mobility (Simple Rent Auto) and the management of companies' capital goods (Simple Rent Beni Strumetali);
- lean thinking, to integrate technology into business processes as a source of sustainable competitive advantage;
- open innovation through collaboration with networks of expertise (universities, polytechnics, research centres, accelerators, incubators, start-ups, consulting companies, technology suppliers and customers) to identify solutions that can lead to the development of new businesses in new markets. Intesa Sanpaolo Forvalue offers the Club Forvalue, a platform that supports entrepreneurs by offering information, training, innovation and personalised consultancy services.

CORPORATE WELFARE SERVICES

The Welfare Hub service offers corporate welfare programmes through a digital multimedia and multi-channel platform (navigable from PCs, tablets, smartphones) that allows the company to offer its employees a set of goods and services called Flexible Benefits that enjoy tax benefits both for the company that offers them and for the employee who receives them. At the end of 2019, around 1,900 companies were using the platform.

CORPORATE CREDIT AGREEMENTS

With the aim of continuing to support businesses and respond to the developments occurring within the European regulatory context, and with the "Imprese in Ripresa 2.0" ("Recovering companies") initiative, operational since January 2019, the new Credit Agreement signed by ABI and the main trade associations introduced adjustments to the SME loan suspension and extension measures set out in the previous Credit Agreement of 2015.

In 2019, the Group received more than 900 requests for the suspension or extension of loans.

Within the framework of the Industria 4.0 national plan, in order to support and foster innovation processes, investment in new technologies and the digitalisation of businesses, the following sectoral agreements were entered into or continued in 2019:

Sector agreement	Purpose
FEDERLEGNO ARREDO Italian Federation of Wood, Cork, Furniture, Lighting and Furniture Industries	Innovation and circular economy processes based on a model of sustainable development of the supply chain and, more generally, of the "home system" which includes the wood trade, the wood-building sector and the home-furnishing-design world. 1 billion euro credit line
CONFAGRICOLTURA	Reinforcement of supply chains, internationalisation, innovation, digitalisation, e-commerce and initiatives dedicated to promoting training and welfare in agriculture
CNA National Confederation of Crafts and Small and Medium Enterprises	Spread the culture of corporate welfare through the innovative "Welfare Hub" platform that allows taking advantage of the opportunities granted by tax regulations and the advantages offered by the flexible benefits
CONFCOMMERCIO	Access to credit for micro-enterprises and SMEs through the provision of a guarantee on a first portfolio of 100 million euro of new loans (Tranched Cover)
FIPE (Italian association in the sector of public-related activities)	For the benefit of more than 100,000 member companies operating in the catering, entertainment and tourism sector, it provides for the reduction to zero of POS merchant commissions for payments under 15 euro, loans at preferential conditions and training to encourage investment, with the aim of providing companies with tailor-made tools for day-to-day operations and responding to new needs to increase the quality of services and the ability to compete

In 2019, support for the internationalisation of companies continued in the context of the agreement signed with SACE to guarantee the International+ medium/long-term loans with SACE guarantee from Intesa Sanpaolo. Furthermore, after 10 years of cooperation with Confindustria Piccola Industria, a partnership born as a response to the recession and that then evolved into a support for quality growth, the credit line of the 2017-2019 three-year agreement "Designing the future" dedicated to competitiveness and digital transformation of companies to seize the opportunities offered by the fourth industrial revolution has been increased from 90 to 100 billion euro.

Within the context of Industry 4.0, in 2019 support for SMEs took the form of over 601.9 million euro of loans issued in response to over 2,229 requests processed.

Agreements and partnerships have been established with the European Investment Bank (EIB) and the European Investment Fund (EIF), and the use of the EIB funds still available and linked to the agreements signed – for a total of 1,035 million euro – has continued to be used to support investments by SMEs in all sectors, to finance energy efficiency projects in the public, industrial and residential sectors carried out throughout the country mainly by energy service companies (so-called ESCOs). In October, two further agreements were signed with the EIB for two loans of 100 million euro each, the first for SMEs and Midcap companies operating in the agriculture and bio-economy sectors, and the second for the financing of small and medium-sized renewable energy projects in Italy in the wind, geothermal, biomass and photovoltaic sectors. The agreement with the EIF calls for the creation of a portfolio with an InnovFin guarantee for new loans of up to 300 million euro for research, innovation and development projects, and continued in 2019 with the construction of portfolios of new financing guaranteed by the SME Guarantee Fund. Operations which began in 2018 with the admission of four portfolios for a total value of loans of 1.2 billion euro, continued in July 2019 with a new initiative that benefits from the guarantees of the consortium company promoted by Confcommercio

alongside the SME Guarantee Fund.

In addition, preparatory activities were launched in line with the SME Initiative, a dedicated SME initiative promoted by the European Union and the EIB Group (the European Investment Bank and the European Investment Fund) which aims to stimulate SME financing by providing partial risk coverage for SME loan portfolios by the original financial institutions.

The Bank is committed to providing more than 300 million euro in loans to SMEs.

SUPPORT FOR NEW BUSINESSES

In 2018, Intesa Sanpaolo joined the "Resto al Sud" initiative to support young people with new entrepreneurial businesses in the Southern Regions. The project, promoted by the Italian Ministry of the Economy, has access to 1.25 billion euro from the Development and Cohesion Fund.

The amount eligible for funding can be up to 50,000 euro per applicant, with a maximum of 200,000 euro for projects with several applicants and maximum coverage by the Bank of 65% and the remaining 35% by the public.

In 2019, regulatory changes were made that extended the range of beneficiaries to those under the age of 46 and to freelancers, resident or willing to move to the target regions of the initiative, and the benefits to the territories affected by the earthquakes of 2016-2017, thus including specific territories of Lazio, Marche and Umbria (regions to that point not included in the measure).

Intesa Sanpaolo was one of the first Banks to offer financing in response to the initiative, raising awareness about the project among thousands of young people at more than 70 regional meetings. Overall, 822 loans were disbursed for a total of 35.7 million euro in 2019.

"Finanziamento Microcredito Imprenditoriale" ("Business microcredit financing") supported micro-enterprises in launching a new business or investing in growth projects, offering them access to credit even without collateral. More details are available in the section Microfinance and the fight against usury.

In support of new entrepreneurship during 2019 a commercial offer was launched dedicated to New Entrepreneurs who received a VAT number no more than 12 months ago and to all innovative start-ups registered in the special section of the Company Register.

The offer includes a current account and associate cards with no fee for the first three years and a reduced fee for the following two years. Further benefits are also offered in the first three years for other products that can complete the offer at the customer's request, like Internet Banking, POS and Digifattura.

Finally, a new payment system was developed through an agreement with an Italian fintech start-up, Matipay, which allows purchasing services and products online with cash using the physical network of banknote readers and vending machine token holders, making it possible to reach non-bank customers like young people who do not yet have a credit card.

WOMEN'S ENTERPRISE SOLUTIONS

The Business Gemma loan supports businesses run by women and self-employed women. While the original agreement underlying the product signed by ABI, the government and trade associations expired in 2018, the Bank has maintained the loan which benefits free of charge from the guarantee of the special section of the SME Fund for Women's Entrepreneurship and allows the Bank to request the suspension of the capital portion of the instalments for up to 12 months during the amortisation period.

267 loans were disbursed for a total of 10.1 million euro in 2019.

Among International Subsidiary Banks, Banca Intesa Beograd and Intesa Sanpaolo Bank Albania signed agreements with the European Bank for Reconstruction and Development (EBRD) as part of the Women in Business programme which, in support of micro, small and medium enterprises run by women in the Western Balkans, has offered subsidised loans, technical consulting and the sharing of know-how for women who benefit from the initiative. In 2019, Banca Intesa Beograd disbursed 355 loans for more than 3.6 million euro, and Intesa Sanpaolo Bank Albania, having renewed the programme with a new line of credit of 5 million euro, made available approximately 670 thousand euro for 21 loans to female entrepreneurs.

WOMEN VALUE COMPANY AWARD

In support of gender equality and the enhancement of the role of women in entrepreneurship, Intesa Sanpaolo promotes the "Women Value Company - Intesa Sanpaolo" award together with the Marisa Bellisario Foundation. In its fourth iteration in 2019, the award is given to small and medium-sized enterprises that implemented concrete and innovative policies and strategies to guarantee men and women equal opportunities and equal recognition in their careers. In 2019, in partnership with Elite, the London Stock Exchange Group's international programme dedicated to companies with high growth potential, the first Lounge edition was held dedicated entirely to female leadership for 20 Italian companies with a strong focus on gender diversity. Thanks in part to the Bellisario Foundation, companies have been identified among the top organisations of the common Intesa Sanpaolo Women Value Company business development programme.

SUPPORT FOR INNOVATION

Intesa Sanpaolo Innovation Center is the Group company dedicated to exploring and learning new business models, creating assets and skills to support the long-term competitiveness of the Group and its customers. Addressing the ecosystem of innovative start-ups, it creates a network of relationships with businesses, incubators, research centres, universities and local and international organisations to facilitate the meeting of supply and demand for innovation. The Intesa Sanpaolo Innovation Center also oversees the development of the culture of innovation with events and information initiatives both inside and outside the Group, that are also promoted via a network of specialist representatives in the Regional Governance Centres of Banca dei Territori. These initiatives contribute to strengthening the Group's position as an innovation leader, developing relations with other institutional stakeholders in the national and international ecosystem, maximising all possible collaborations.

DEVELOPMENT AND GROWTH OF START-UPS

Start up Initiative [1] is an international acceleration programme of the Intesa Sanpaolo Innovation Center dedicated to the most promising innovative companies, preparing them to face the market with coaching initiatives, and introducing them to players in the innovation ecosystem. The best start-ups are also presented at specific events (Investor Arena Meetings).

In 2019, 6 acceleration programmes were implemented, of which 124 start-ups (235 from 2018) were presented to about 850 investors and other players in the ecosystem (about 1,600 from 2018).

In 2018, a Memorandum of Understanding was signed with Compagnia di San Paolo and Fondazione Cassa di Risparmio di Torino to pool resources and expertise and define a joint strategic plan on innovation. The first concrete realisation of this collaboration is the partnership with the American accelerator Techstars, one of the first in the world, for the exclusive European launch of three acceleration programmes related to Smart Mobility between 2020 and 2022. The programme lasted 13 weeks and collected 293 applications, 49 of which were Italian. The start-ups will be guided by about 100 mentors. The 10 start-ups selected at the end of the programme will receive an investment in equity and potential follow-up in the form of convertible notes.

Furthermore, as part of the activities in support of the acceleration programmes, the partnership continued with B-Heroes, an acceleration, mentorship, investment and communication programme aimed at innovative start-ups, which reached its third edition in 2019 with the involvement of over 1,000 start-ups and over 500 meetings in the area.

For digital learning, the "Officine Formative" project provides online acceleration courses for early-stage start-ups aimed at providing the necessary entrepreneurial skills, free of charge, to create and launch a start-up on the market and raise capital from investors. There are 21 courses on the site, with over 100 lessons on various topics. So far, over 1,750 hours of lessons have been provided on the website to over 3,900 registered users. In order to support the growth of start-ups, international expansion programmes with assistance and consultancy services are also carried out to support the growth of start-ups abroad. Business development services were offered in the analysis of the potential target markets and competition's characteristics, as well as identifying the most suitable business opportunities and technological solutions.

Intesa Sanpaolo Innovation Center has created a qualitative assessment model to support the Bank's credit granting process to innovative start-ups in the Company Register. The Diligence Assessment Tool Scorecard (DATS) associates traditional credit assessment based on economic and financial aspects with a long-term vision that harnesses the growth potential of start-ups.

OPEN INNOVATION

In collaboration with the Intesa Sanpaolo Innovation Center, Intesa Sanpaolo manages the Tech-Marketplace, the digital platform that promotes interactions between start-ups and small/medium-sized enterprises, with approximately 6,000 businesses representing the demand for innovation and more than 11,000 technology supplier profiles.

Working with research institutes and universities, Intesa Sanpaolo Innovation Center creates laboratories for applied research projects that generate know-how in the academic world, the Group and corporate customers. One of the projects involves Artificial Intelligence in partnership with the ISI Fondazione of Turin to design, develop and test mathematical models and algorithms as part of applied cutting-edge research on issues of interest to the Group and/or customers. In particular, in 2019 5 challenges were concluded, and for 3 of them the research results were brought into production. Furthermore, 6 challenges are still ongoing.

As regards the protection and development of intellectual property, two patent applications have been filed and two scientific publications and a position paper have been produced. Regarding the dissemination of knowledge, 6 seminars were organised on topics related to the application frontier in the industrial field of artificial intelligence and over 40 events in humanoid robotics. The Lab Neuroscience, launched in partnership with IMT School for Advanced Studies of Lucca with the aim of designing, developing and testing the field of neuroscience with respect to business issues, in 2019 concluded 6 challenges. As far as the protection and development of intellectual property is concerned, 4 scientific papers are being prepared and a neuroscientific publication has been chosen, conducted at the Pontifical Academy of Rome and presented at the RoboEtica event. With regard to the dissemination of knowledge, 3 events have been organised with Banca IMI and more than 10 workshops.

The Group provides many loans for businesses that invest in innovation and research, most notably Nova+, a loan issued on the basis of technical and industrial assessments of the innovation and research project conducted by a team of engineers specialising in the technology sector, which in 2019 funded 41 projects for about 42 million euro. A total of 335 projects (Nova+) were funded in the period 2014-2019 for about 370 million euro.

The Innovfin guarantee, issued by the European Investment Fund (EIF) with the financial support of the European Union, aims to facilitate access to credit for Small and Medium-sized Enterprises and Small MidCaps. In 2019, 38 loans were disbursed for approximately 58 million euro.

Furthermore, as a bank granting specific public subsidies for research and innovation (in particular, the Sustainable Growth Fund, managed by the Ministry of Economic Development), in 2019 Intesa Sanpaolo approved 41 projects for about 106 million euro of investments in 88 beneficiaries (of which 55 SMEs). In total, 240 projects were approved under the Sustainable Growth Fund from 2014 to 2019, for a total of about 1.2 billion euro of investments in 394 beneficiaries (of which 222 SMEs).