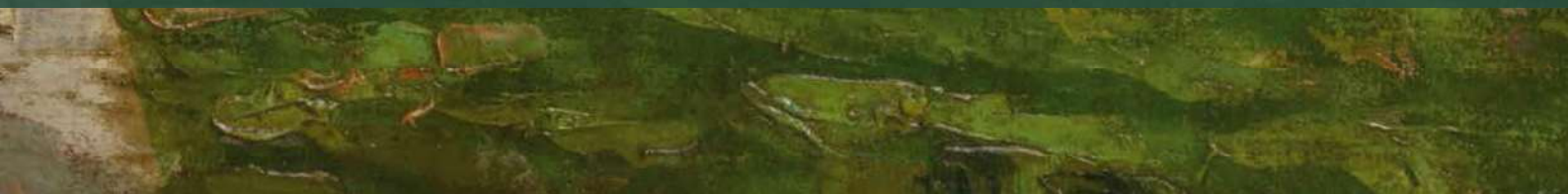


Financial inclusion and
supporting production



Financial inclusion and supporting production

RELEVANT ISSUES

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RELEVANCE OF ISSUES AND MAIN IMPACTS

Intesa Sanpaolo attributes central importance to the economic and social growth of the communities in which it operates, a fundamental element that is deep-rooted in the Group's history and way of operating. The 2022-2025 Business Plan confirmed the role of Intesa Sanpaolo as a real-economy Bank enabling it to guarantee deserving businesses financial support also in times of difficulty, helping them to develop innovative restructuring, revitalisation and growth solutions. The Plan envisages a target of 328 billion euro (of which 285 in Italy) of medium/long-term credit to be provided to the real economy, households and businesses. In addition, the post-pandemic context and the most recent geopolitical and socio-economic developments have hit households and businesses hard. Intesa Sanpaolo has provided them with immediate support with a series of measures aimed at alleviating the economic and social crisis.

In recent years, issues related to financial inclusion and support for the production sector have been even more significant for the Group, so much so that a specific target has been set in the 2022-2025 Business Plan, which commits the Bank to provide 25 billion euro of social credit over the entire period of the Plan.

The Group's activities also include initiatives to support the Third Sector and the financial inclusion of vulnerable groups relating, in particular, to young people and their educational and training needs. The Fund for Impact was also confirmed, providing direct support to people who cannot access credit through traditional financial channels, with dedicated programmes including the special Per Merito plan, a loan in favour of university students.

In addition to the aforementioned initiatives, the Group made a commitment, with its Business Plan, to support credit for urban regeneration, through new loans supporting investments in student housing, sustainable services and infrastructure, over and above the most important urban regeneration initiatives underway in Italy.

PERFORMANCE INDICATORS, RESULTS ACHIEVED AND OBJECTIVE

Macro-issue	Projects/Indicators	2023 Actions/Results Cumulative value since 2022	Plan Objectives for 2025 2022-2025 cumulative value
Real-economy Bank	Medium/long-term credit granted to the real economy	<ul style="list-style-type: none"> ~60.4 billion euro (141.8 billion euro since 2022) of which ~40.3 billion euro in Italy (98.7 billion euro since 2022) 	<ul style="list-style-type: none"> ~328 billion euro of which 285 billion euro in Italy (2022-2025 cumulative value)
Financial inclusion and supporting production	Social lending	<ul style="list-style-type: none"> About 5.5 billion euro disbursed⁽¹⁾, equal to 9.1% of total loans (~14.8 billion euro since 2022) Considering the loans in the social sustainability category, the total disbursed amount was 3.7 billion euro⁽²⁾ 	<ul style="list-style-type: none"> New loans to support non-profit businesses and vulnerable and young people for 25 billion euro
	of which loans to the Third Sector	<ul style="list-style-type: none"> In 2023 loans were granted to support non-profit organisations for a total of 252 million euro 	

⁽¹⁾ Reporting follows the Rules for the classification of credit products and sustainable lending transactions approved by the Group at the end of 2022 and, in addition, the support loans provided in the event of natural disasters and for urban regeneration. It also includes ~750 million euro of green loans provided in 2023 to young people. For further details on reporting in accordance with the aforesaid Rules, one should refer to pages 283 and 309.

⁽²⁾ Excluding loans disbursed to support natural disasters and for urban regeneration purposes. It does not include ~750 million euro of green loans provided in 2023 to young people.

PERFORMANCE INDICATORS, RESULTS ACHIEVED AND OBJECTIVE

Macro-issue	Projects/Indicators	2023 Actions/Results Cumulative value since 2022	Plan Objectives for 2025 2022-2025 cumulative value
Financial inclusion and supporting production	of which Fund for Impact	<ul style="list-style-type: none"> ■ Fund for Impact: 71 million euro made available in 2023 to support the needs of individuals and households to ensure wider and more sustainable access to credit. The main initiatives worth highlighting include: <ul style="list-style-type: none"> ■ Per Merito, the unsecured credit line for university students ■ Mamma@work, a loan to reconcile motherhood with work in the first years of children's life ■ "Per Esempio" – intended for volunteers taking part in Civil Service; "per Crescere", for parents with school-age children, and "per avere Cura", intended for households with members that are not self-sufficient: these three initiatives were launched in 2021 	<ul style="list-style-type: none"> ■ Fund for Impact, which allows the disbursement of loans to sections of society who find it hard to access credit despite their potential
	of which program for urban regeneration	<ul style="list-style-type: none"> ■ In 2023, commitments were made for 639 million euro of new investments in sustainable housing, service and infrastructure initiatives, in addition to the most important urban regeneration initiatives underway in Italy (over 1.2 billion euro since 2022) 	<ul style="list-style-type: none"> ■ New credit for urban regeneration to finance a dedicated program
	Social Bond	<ul style="list-style-type: none"> ■ In May 2023, Intesa Sanpaolo successfully placed a new Senior Preferred Social issue aimed at the sterling market, for a nominal amount of 750 million with maturity in May 2033. The order book closed at more than 1.6 billion and proved to be the largest ever achieved by an Italian bank issuer on this market 	
	Financial education	<ul style="list-style-type: none"> ■ Museo del Risparmio (Savings Museum): financial culture training and dissemination reached about 44,300 users during 2023, of which 34,300 students in schools of all levels of education. Through dedicated educational projects and educational visits, over 1,500 hours of training were provided in which 16,400 students and 3,070 adults and teachers took part 	

COMPANY POLICIES

Intesa Sanpaolo provides a range of products and services that promote financial inclusion and access to credit, in compliance with what the Group's Code of Ethics states among its principles on customer relations, convinced that social inclusion enables people to improve their lives and to fully exercise their citizenship rights. 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. Following on from the previous one, the new Business Plan confirmed the Fund for Impact providing direct support to people who cannot access credit through traditional financial channels, with dedicated programmes. Intesa Sanpaolo confirmed its position as an accelerator for the growth of the real economy in Italy: in support of the National Recovery and Resilience Plan (NRRP), the Group has made available over 400 billion euro of medium/long-term loans for businesses and households. In consideration of the growing importance of ESG issues in recent years, both on a political⁽³⁾ and regulatory level⁽⁴⁾ and for greater internal and external transparency with respect to products and transactions deemed sustainable, in 2022 the Group approved the Rules for the classification of sustainable credit products and lending transactions

FINANCIAL INCLUSION

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. To these categories, the Group offers a wide range of financial products and services that are constantly evolving, also thanks to market research and feedback received from customers, adapting the proposal to their needs and preferences. In addition, in compliance with current legislation, Intesa Sanpaolo provides for specific procedures to combat over-indebtedness, as specified in the internal regulations.

In the 2022-2025 Business Plan, Intesa Sanpaolo made a commitment to disburse 25 billion euro of social lending throughout the whole period and in 2023 the Group disbursed new loans for about 5.5 billion euro⁽⁵⁾, equal to 9.1% of all loans disbursed. The Bank has thus contributed to creating business and employment opportunities and to helping people in difficulty through various forms, as set out in the Business Plan: anti-usury loans; products and services aimed at non-profit sector associations and entities; products for the most vulnerable social groups to promote their financial inclusion; loans to support populations affected by disaster situations; and other social loans.

Also as part of the Plan, the Group is in addition committed to supporting credit for urban regeneration with a dedicated programme through sustainable infrastructure and services: during the year, commitments of approximately 639 million euro were made. The commitment of Intesa Sanpaolo to these initiatives envisages development that takes account of the evolution of the Real Estate sector and that makes use of strategic initiatives open to the contribution from industrial and institutional investors, Tier 1 operators in the real estate sector, in order to help amplify the economic, environmental and social impact of urban regeneration through investments and partnerships.

Considering only the loans in the social sustainability category, the total disbursed amount was 3.7 billion euro⁽⁶⁾.

FIGHT AGAINST USURY AND OTHER SOCIAL LOANS

There are various partnerships with different entities to provide credit to individuals or small companies in difficulty. Overall in 2023, the Group disbursed over 74 million euro in social and anti-usury loans in Italy and abroad, including in particular about 3.6 million for the fight against usury. Agreements with Foundations and Associations (e.g. Adiconsum, Exodus 94, Fondazione Lombardia Antiusura) facilitate credit inclusion for disadvantaged individuals and small companies. The guarantees financed with the Usury Prevention Fund allow loans to be raised from the banking system, thus preventing the financial exclusion of weak individuals who might otherwise turn to illegal credit channels.

⁽³⁾ Introduction of the European Climate Law (Regulation EU 2021/1119) by the European Commission, which has undertaken to become the first climate-neutral continent by 2050 and to promote the energy transition of Member countries.

⁽⁴⁾ Publication of the EBA Guidelines on Loan Origination and Monitoring ("LOM") - EBA guidelines EBA/GL/2020/06.

⁽⁵⁾ Reporting follows the Rules for the classification of credit products and sustainable lending transactions approved by the Group at the end of 2022 and, in addition, the support loans provided in the event of natural disasters and for urban regeneration. It also includes ~750 million euro of green loans provided in 2023 to young people. For further details on reporting in accordance with the aforesaid Rules, one should refer to pages 283 and 309 of the Indicators section.

⁽⁶⁾ Excluding loans disbursed to support natural disasters and for urban regeneration purposes. It does not include ~750 million euro of green loans provided in 2023 to young people.

MICROFINANCE IN EGYPT

Microfinance is an activity at the heart of Bank of Alexandria's strategy, as a driver for reducing poverty and encouraging socio-economic development in the country. Bank of Alexandria aims to position itself as a reference for financial inclusion in Egypt, economic empowerment and income support for small businesses and customers with no access to banking, with a greater focus on small farmers, livestock rearers and artisans.

Thanks to the presence of a diversified catalogue of products (in particular in the field of Agribusiness) that was also developed in line with the guidelines of the Central Bank of Egypt, in 2023 the Bank disbursed a total of over 31,200 loans for an overall amount of almost 49 million euro, also providing customers with training services, in collaboration with the World Food Programme (WFP) and making use of partnerships and collaborations with NGOs, Ministries and private entities.

FUND FOR IMPACT

The Fund for Impact, a credit plafond for social impact activities, was established in 2019 and confirmed in the 2022-2025 Business Plan; it enables the disbursement of loans to groups in society that would otherwise find it difficult to access credit despite their potential.

Fund for Impact products provide subsidised rates and long repayment terms (up to 15 years in many cases); in 2023 about 71 million euro was made available. The main dedicated programmes were the following:

- "Per Merito", the unsecured loan active since 2019, mainly intended for university students, which in 2023 financed about 69 million euro (in addition to about 29 million with university guarantees; considering both guarantees, there were almost 13,000 students who received loans during the year);
- "Mamma@work", a loan available since 2020 for working mothers so that they can manage their financial commitments regarding their maternity while maintaining their working position. During 2023, 1.3 million euro were granted to about 250 mothers.
- Some of the solutions introduced under the Fund for Impact during 2021 and 2022 were:
- "Obiettivo Pensione", a product that finances voluntary pension contributions to people who have lost their jobs and are unable to reach retirement;
- "Per Crescere", a loan active since 2021 dedicated to parents with school-age children, aimed at supporting training and education costs for households with an ISEE of not more than 40,000 euro;
- "Per Avere Cura", a product aimed at people with severe disabilities or those who care for a non-self-sufficient family member, in order to make healthcare costs more sustainable;
- "Per Esempio", dedicated to young people who have completed Universal Civil Service engaged in social projects, and who access their first experience of work.

For all the initiatives that refer to the Fund for Impact, the compilation of an "impact detector" questionnaire (RIM) was made mandatory, since it is essential for calculating the social impact attributable to the product. One of the main activities carried out in 2022 concerned the measurement of the impact, in both qualitative and monetary terms, of the loans under the Fund for Impact. Questionnaires, related data and calculations are now available for all products, as well as first forecasts of the impact generated by the loans disbursed, since their inception and up to 31 December 2023.

IMPACT DETECTOR (RIM)

The impact detector or RIM is a questionnaire given to customers interested in products provided under the Fund for Impact (“Per Merito”, “Mamma@work” and other loans as above). Impact analysis for some products goes far beyond well-being aspects, relating for example to impacts such as long-term increase in net income, higher tax revenues, increased employability or lower chances of developing illnesses. The most common impact is higher long-term income. As regards “Per Merito”, as a result of the 5,101 loans amounting to 88 million euro granted during 2023, it is estimated that the product can generate for the beneficiary students (more precisely those who, in the absence of the loan, would have had to give up their studies, change their course programme, defer completion or abandon the course altogether) impacts in social, tax, welfare and economic terms. Overall, it is estimated that all the benefits generated by the product for the 2023 loans amount to about 79 million euro, against a cost that borrowers will have to bear of 60 million euro.

A different version of the RIM is used to assess the impacts of loans on the Third Sector, supported by the Solidarity and Development Fund. In 2023, the Group published the results for the year 2022, which emerged from the survey on the expected effects of loans to Third Sector organisations (for further information see the document published on the Group’s website [i]). In 2023 this survey continued: 662 questionnaires were filled in, which correspond to loans of around 261 million euro disbursed during the year. The official results show that: (i) in 56% of cases, there would have been no alternatives to the loan provided by Intesa Sanpaolo; (ii) every million euros lent will generate 14 new jobs and will preserve another 58; (iii) at full capacity; the beneficiaries of the initiatives will be about 1.2 million; (iv) over 19 thousand jobs will be created or preserved in the funded organisations and another 9 thousand as an indirect effect on the reference communities (e.g. integration into employment of people who have received professional training).

NATURAL DISASTERS

The Intesa Sanpaolo Group confirmed its concrete commitment to support the populations affected by natural disasters affecting the Italian territory by activating dedicated credit lines, 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.

During 2023, almost 6,000 subsidized loans were disbursed for over 700 million euros.

SUPPORT FOR HOUSEHOLDS

Intesa Sanpaolo participates in the Guarantee Fund for Main Home Purchases, established by the 2014 Italian Stability Law. The so-called “Sostegni-bis” Decree published in May 2021 refinanced the Fund for the years 2021 and 2022, also extending the benefits for 2023 with Decree Law 132/2023.

Also in 2023, the Bank therefore offered mortgages to individuals identified as being priority borrowers (for example young people who are not yet 36 years old or single-parent households with children) at favourable conditions ranging from exemption/cancellation of the substitute tax, to the possibility of accessing high Loan To Value (LTV) features also with State guarantees and the benefit of highly competitive interest rates. In 2023, around 12,600 mortgages of a value of around 1.4 billion euro were issued.

The Group also signed up to the Agreement for women victims of violence which ABI and the main trade unions also signed. For women included in certified security programmes, who are in economic difficulty, the agreement provides for the suspension of repayment of the principal in mortgages and personal loans for a period of 18 months. When signing up to the Agreement, the Bank also provided for the suspension of the entire instalment to offer greater support. The protocol that was scheduled to have an initial validity of two years has been further extended until November 2025.

ABI has widely announced a new initiative aimed at enhancing the current renegotiation instruments for customers - so as to support households - with variable rate mortgages and no ceiling. This initiative is consistent with the plans already made by Intesa Sanpaolo, which has for years been offering customers the opportunity to renegotiate their mortgage loans, by identifying the type of renegotiation best suited to their needs through an assessment of the various solutions, including the suspension of the payment of instalments.

In April 2023, Intesa Sanpaolo supplemented the features of “Confronta luce e gas col partner Switcho” - the first service that helps customers to save on domestic electricity and gas bills, in a free, digital and innovative way - by renewing its desire to make functional solutions and resources available in order to support Italian households in coping with energy costs and daily expenses. In 2023, about 30,000 users sent a utility bill in order to compare proposals and more than 4,000 changed providers in favour of a more advantageous offer.

SOLUTIONS FOR YOUNG CUSTOMERS

Intesa Sanpaolo focuses on young people and their needs through a dedicated comprehensive offer. The main solutions are as follows:

- “Mutuo Giovani”: an offer that facilitates young people (under 36) with a house purchase by accepting requests of up to 100% of the property value, providing for subsidised rates, elimination of application fees and instalment collection costs. Can also be applied for by workers with non-standard and increasing protection employment contracts. Disbursements at the end of December 2023 (excluding the Guarantee Fund for Main Home Purchases - see the previous paragraph), stood at around 1.4 billion euro to over 11,300 young people; also for the year 2023 the Bank extended the exemption from the substitute tax to its under-36 customers who do not meet the income requirements pursuant to Art. 64(6) of Italian Decree Law no. 73 of 25 May 2021 (ISEE - indicator of equivalent economic situation - not exceeding 40,000 euro for the year);
- The “StudioSi” initiative, which supports students engaged in tertiary education courses consistent with the National Smart Specialisation Strategy (NSSS), who are resident or enrolled in universities in certain Italian regions. The initiative allows for the granting of zero-interest loans to university students, up to 50,000 euro to be repaid in a maximum of 20 years without guarantees, to cover tuition fees, purchase of books and other costs associated with studying. Furthermore, with reference to the Fund for Impact, one should also note the “Per Merito” loan, which facilitates young students gaining access to studies (see the relevant paragraph);
- “XME Conto UP!” (dedicated to minors) offers current account fees, a debit card, bank transfers and ATM withdrawals free of charge and with stamp duty paid by the Bank. During 2023, fees on other payment services (for example with the Flash Nominativa prepaid card) were also cancelled; During the year, 65,057 contracts were signed. In addition, until the end of November 2023, new customers up to the age of 35 who opened an “XME Conto” account were able to benefit from the same benefits dedicated to the XME Conto UP!;
- “SMART SAVE”, the first of the investment services designed from a digital perspective that allows customers to subscribe to funds starting from 5 euro and to manage all transactions directly via the App. During 2023 4,372 contracts were signed;
- The pre-paid “Flash Up Studio” card for students attending the partner Universities. It can be requested free of charge directly via the App: it can be used to make payments, receive scholarships, any emoluments and, if applicable, allows the holder to use university services and access University premises.

Lastly, during 2023, an offer dedicated to young people for the purchase of their main house was developed among the International Subsidiary Banks, also making use of state programmes supporting the young generations. This offer is active in five banks: CIB Bank, EXIMBANK, ISP Slovenia, PBZ and VUB Banka; in 2023, a total of almost 3,300 loans for approximately 275 million euro were disbursed.

WOMEN'S ENTERPRISE SOLUTIONS

The Business Gemma loan is a medium-long term loan aimed at supporting any type of investment or liquidity need related to the professional economic activity of female and self-employed companies. It is mainly characterised by its modular outline and adaptability to different needs, thanks also to the possibility of suspending the payment of the principal for up to 12 months when certain events occur in the life of the entrepreneur or self-employed worker (for example maternity). It is also possible to request the guarantee of the Special Section of the Guarantee Fund for SMEs dedicated to female entrepreneurship at no additional cost. In 2023, 114 loans were disbursed for a total of almost 7.3 million euro.

In the International Subsidiary Banks area, the Women in Business programme of the European Bank for Reconstruction and Development (EBRD), active in Albania and Serbia, continued in 2023 with the aim of supporting micro, small and medium-sized enterprises run by women in the Western Balkans, offering subsidised loans, technical advice and the sharing of know-how. In 2023 BIB disbursed 173 loans to local SMEs run by women for about 3.2 million euro, while ISP Albania disbursed 14 loans for about 940 thousand euro, with a focus on the tourism and agricultural development sectors. In addition to these initiatives, BIB, also in collaboration with EBRD, promoted webinars and organised meetings: in particular, this year one training activity focusing on pricing strategies and discounts was delivered by experts in the sector.

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. This award, in 2023 reaching its seventh edition, is given to small and medium-sized enterprises that have implemented effective and innovative policies and strategies to guarantee men and women equal opportunities and equal recognition in their careers. With about 1,100 candidates from all over Italy for the 2023 edition, 100 SMEs were celebrated during three events held between October and November, entitled “Women and companies looking to the future”. The events were an occasion for sharing views and opinions on corporate policies and best practices aimed at eliminating the gender gap, for an effective debate that aims to inspire and develop the corporate culture of Italian SMEs.

REMITTANCE MANAGEMENT

Intesa Sanpaolo continued to offer specific products for foreign customers in Italy, who need to send money to their countries of origin, through the Money Transfer service in partnership with Western Union. The Express to Family service is also available as a result of agreements with some subsidiaries of the International Banks Division: Alexbank, ISP Albania, BIB, Pravex Bank and Eximbank. The service can be used at Intesa Sanpaolo branches by account holders and occasional customers.

During 2023, a total of about 42,200 remittances were made with a total of about 23.8 million euro.

PERMANENT OBSERVATORY ON FINANCIAL INCLUSION PROJECT

In recent years, there has been a growing interest and attention to the issue of financial inclusion. Several national and international initiatives, including legislative initiatives, have highlighted the role that financial inclusion can play in reducing inequalities and providing full access to rights. In 2021, a Permanent Observatory on Financial Inclusion was established to systemise the connections between all the actors met in the past in various working groups, inside and outside the Bank, in institutions, research centres, universities, foundations and so as not to lose the wealth of people, proposals and knowledge acquired with the first phase of the study project on financial inclusion of migrants (2018-2020). The objective of the Permanent Observatory, in addition to constantly monitoring the phenomenon of financial exclusion and measuring the effectiveness of the adopted measures and strategies, is therefore to facilitate network connections and the progress of effective proposals at the system level. In 2023, a second phase of the project was launched with the forecast of a new edition of the 2018 study, updating the work to the latest data available after the pandemic crisis and the subsequent crisis linked to the Ukrainian conflict that had a significant impact on migrants.

SUPPORTING THE THIRD SECTOR

The Impact Department operates with respect to the Third Sector with an offer dedicated to its organisations, total deposits of about 9.3 billion euro, of which about 6.7 billion in direct deposits, as well as loans for about 2.8 billion; during 2023, loans were also disbursed for 252 million euro.

In 2023, the agreement promoted by Intesa Sanpaolo, Fondazione Cariplo, CSVnet Lombardia, Fondazione ONC, Cooperfidi Italia, Fondazione Peppino Vismara and Fondazione Social Venture Giordano Dell'Amore was renewed, which allows the disbursement of loans at subsidised rates, on the basis of a system of guarantees and hedge funds aimed at supporting access to credit for entities active in Lombardy and in the provinces of Novara and Verbano Cusio Ossola.

In ways similar to those of the Fund for Impact, the Solidarity and Development Fund supports the operations of the Impact Department of Intesa Sanpaolo, facilitating the granting of credit to customers in the Third Sector with good prospects but difficulties in accessing credit.

CROWDFUNDING PLATFORMS

For Funding is the Group's social crowdfunding platform aimed at non-profit organisations that want to start a fundraising campaign to support high-impact projects and represents a unique and distinctive model in the world of social crowdfunding and funding for non-profit projects. The initiatives are selected by an internal team which assesses the beneficiary organisation and the type of projects so as to enhance the value of the most deserving ones and every transaction is free for the donor and the beneficiary. In 2023, For Funding raised about 10.2 million euro in donations⁽⁷⁾, confirming a continuous growth in volumes on an annual basis after being ranked in 2020 as the leading Italian Donation Crowdfunding platform. To stimulate donations and increase their impact, Intesa Sanpaolo is personally committed through its own donations. For some products subscribed by customers, the Bank donates part of its margins to For Funding projects with a mission consistent with that of the products themselves; in particular:

- for each Green Mortgage, 30 euro are donated to environmental sustainability projects. In 2023, these donations supported the "Forestami - Dona per un futuro più verde" project of the Fondazione di Comunità Milano, aimed at urban forestation in the city through the planting of 3 million new trees by 2030 and the "Priceless Planet" project of the Fondazione Donor, in adherence to the Mastercard initiative to plant 100 million trees in the world by 2025;
- for each S-Loan subscribed by customer companies, 200 euros are donated to projects with a high social impact. In 2023, donations supported the "Obiettivo Remain" project of the Associazione Volare, an initiative that aims to facilitate remote working through the creation of equipped and modern offices that are more suited to those who work and their social fabric and the "Quotidianità che Cura" project of the Associazione Casa OZ, an entity specialised in offering support to sick and disabled children and young people and their households, through daytime activities and hospitality in "OZ Residences";
- 50% of Exclusive credit card interchange fees support projects to help social vulnerabilities. In 2023, contributions were made to the "Percorsi per Ripartire Insieme" project of the Comunità Sant'Egidio, aimed at distributing basic necessities and offering counselling, advisory and guidance services in Italy, and to the "Accoglienza e cure umanitarie" of the Fondazione Bambino Gesù, to enhance the reception activities of the Bambino Gesù Children's Hospital dedicated to households suffering economic hardship, coming from all over Italy and from countries in difficulty, guaranteeing free treatment, accommodation and assistance also through cultural mediation.

As part of the For Funding platform, the FORMULA programme dedicated to environmental sustainability, social inclusion and access to the labour market for people in hardship continued throughout 2023. Since the launch of the programme, every three months the Group's territorial structures identify excellent non-profit organisations at local level which implement actions for the assistance and development of communities in their area. The Bank then defines a dedicated project with the organisation and launches a fundraising action to support the programme through the For Funding platform. For these projects, Intesa Sanpaolo allocates 1.5 euro for many of the products purchased by customers online (increased to 2 euro per product purchased online starting from 01.07.2023) and promotes donations through its own channels.

In 2023, a total of about 7.1 million euro⁽⁷⁾ was raised (including donations from the Bank and customers) as part of the FORMULA programme, intended in part for the implementation of 52 projects at the local level (about 5.9 million euro⁽⁷⁾) and socially significant actions throughout Italy, promoted through the "Custodi del Bello" and the "Innovazione digitale affianco alla vita dei più fragili" projects of the Fondazione Don Carlo Gnocchi (about 1.2 million euro).

⁽⁷⁾ Including 740,000 euro of Intesa Sanpaolo donations for local Formula projects supported in the last quarter of 2023 and disbursed in January 2024.

SOCIAL BOND

In October 2022, Intesa Sanpaolo placed its first Social Bond in Senior Preferred format for a nominal value of 750 million euro, with maturity in January 2030. Demand raised more than 1.3 billion orders, with around 70% of investors specialising in ESG issues. The first “Social” issue by Intesa Sanpaolo was the largest issue for an Italian bank issuer in this format.

In May 2023, Intesa Sanpaolo successfully placed a new Senior Preferred Social issue aimed at the sterling market, for a nominal amount of 750 million euro with maturity in May 2033. The order book closed at more than 1.6 billion and proved to be the largest ever achieved by an Italian bank issuer on this market.

Both issues are dedicated to financing or refinancing the social categories described in the Group's Green, Social and Sustainability Bond Framework [1], in line with the ICMA Green Bond Principles 2021, Social Bond Principles 2021 and Sustainability Guidelines 2021. The Group undertakes to report annually until maturity, following a Portfolio approach, on the use of income through the Green and Social Bond Report [2], a dedicated report subjected to an external assurance process. The social portfolio, on the basis of which the issues were finalised, mainly consists of loans to SMEs operating in disadvantaged areas (including COVID loans) and non-profit entities operating in sectors of particular social concern (health, education, welfare and solidarity). The success of the transactions proved the clear appreciation shown by investors for the Group's commitment towards ESG and sustainability issues. The Green and Social Bond Report was published in March 2024 with the numerical and qualitative evidence referring to the year 2023.

ISP SOCIAL LOAN PORTFOLIO			ISP SOCIAL FUNDING	
Eligible categories	Signed Amount (€)*	Main impacts*	ISIN	Allocated Amount (€)
Access to Essential Services	1,141,043,200			
Healthcare	391,011,008	■ 8.5 million beneficiaries served	XS2545759099	750 m
Education	92,565,527			
Entertainment and sport	115,687,498	■ 104 thousand jobs created and retained		
Welfare and solidarity	480,155,082			
Art and culture, including restoration of artistic heritage	61,624,084			
Socioeconomic Advancement and Empowerment	681,096,502			
S-Loans	536,695,539	■ 3,906 students that, in the absence of the loan, would have had to give up on their studies	XS2630420268**	863 m
D-Loans	13,122,529	■ 913 S-Loans and 51 D-Loans disbursed		
Access to affordable financial products	131,278,434			
Employment generation and programs designed to prevent and/or alleviate unemployment stemming from crises	7,708,615,197			
SMEs in socioeconomic disadvantaged areas	3,206,718,845	■ 83 thousand jobs created in 17 thousand SMEs located in socioeconomically disadvantaged areas	XS2630420268**	
Relief from natural disaster and health or social emergencies	4,501,896,352	■ 6,5 thousand SMEs avoided shutdown through COVID-19 loans, retaining 60 thousand jobs		
Total	9,530,754,899	<ul style="list-style-type: none"> ■ Over 8.5 million beneficiaries served ■ 97 thousand jobs created ■ 150 thousand jobs retained 	1,613 m	1,613 m

* As at 31 December 2023.

** As at 31 December 2023. The list is not exhaustive. For a complete impact profile of the three social eligible categories, please refer to the Green and Social Bond Report [2].

*** Public Issue GBP 750 m printed in May 2023.

EDUCATION AND SPREAD OF FINANCIAL CULTURE

In 2023, the Museum of Saving expanded its financial education and economic citizenship initiatives for the conscious management of financial and natural resources: by combining digital, in-person and hybrid methods, a total of 44,300 users were reached including 34,300 school students from all levels.

Through dedicated educational projects and educational visits, over 1,500 hours of training were provided for a total of about 1,100 sessions, including 84 informative and in-depth analysis webinars, followed by 16,400 students and 3,070 adults and teachers; the activities of the MdR are included in the calendars of events run by local institutions, thus allowing an increase in the number of visitors from abroad and from other Italian regions. In addition, the network of partnerships with the Third Sector has produced an increase in the number of on-site activities, especially for adults.

The main projects and events aimed at schools include:

- “Percorsi per le Competenze Trasversali e l’Orientamento (PCTO)”: six ten-hour modules on the following topics: Currency; INFOMANIA; ABC of Finance; The great financial crises; Business with respect to ethics and sustainability; Thinking about the future, Protecting yourself against risks. The new “PCTO Moda” on fashion (Fashion and Design Institutes), to stimulate a reflection on the culture of entrepreneurship;
- “S.A.V.E. Virtual Tour”: multimedia course on savings and sustainability education;
- “ECO-Quiz”: during the Turin Economy Festival, 1,600 students were involved in online classes and in a national challenge on sustainable development;
- webinar “L’educazione finanziaria incontra la storia” and SAVE TALKS – The ambassadors of change, with the best practices for the circular economy;
- for the sports world, workshops for 240 athletes from the Atalanta youth teams. The MdR has signed up to the BSFC SCHOOL project, promoted by Brescia Calcio and Intesa Sanpaolo for Brescia’s high schools, and the “Campioni di Vita” initiative, supported by Intesa Sanpaolo to promote dialogue between young people and Italy’s Paralympic champions;
- “Il Mio posto nel Mondo”: the eighth edition of the festival dedicated to human capital, with the Fondazione Teatro Donizetti and the Fondazione Teatro Grande di Brescia.

There is also an increase in attendance at events for adults and an increase in visitors in the 18-25 age group; during 2023 several initiatives were held for the adult public, including:

- “Economia è donna”, a webinar dedicated to women regarding the relationship between women and the economy; “Quando il tuo amore ti chiede lo scontrino” (When your partner asks for the receipt), a hybrid event for the International Day for the Elimination of Violence against Women. Economic violence has been the focus of a number of activities dedicated to women together with the importance of economic independence, both for personal serenity and as a tool for the prevention and reintegration of women victims of violence; it has also been the theme of various interventions that the MdR has been asked to provide at various events;
- “La cittadinanza attiva si impara in famiglia” (Active citizenship is learnt at home): a series of webinars with the Movimento Italiani Genitori to reflect on children’s education towards economic citizenship;
- “MICA il solito Lab”: fun workshops for children and families to learn the basics of saving;
- the MdR – RIDAP (Italian Adult Education Network) cycle of webinars for teachers and principals of CPIAs (Provincial Centres for Adult Education);
- about 90 training modules provided to people in conditions of economic vulnerability, in collaboration with the prison in Turin and non-profit associations;
- “FAI META”, an online financial education training course in ten lessons.

The MdR is increasingly inclusive. The collaboration with the Ente Nazionale Sordi (ENS - National Deaf Authority) has involved a large number of deaf people in guided tours and financial education courses.

On the MdR website, a new blog offers financial and sustainability educational tips, news from the economic/financial world, analysis of the Museum’s activities, events and surveys.

The exchange of experiences and projects with foreign partners continued, in particular between the International Federation of Finance Museums, an international network co-founded by the MdR and FLITIN (Financial LITeracy International Network), the network of Ambassadors of the Intesa Sanpaolo Group for the dissemination of financial education in Italy, Albania, Bosnia and Herzegovina, Croatia, Egypt, Slovakia, Moldova, Romania, Serbia, Slovenia, Ukraine and Hungary. The initiatives promoted by FLITIN include:

- “S.A.V.E. Ambassadors International Edition”, dedicated to education for economic citizenship and sustainability;
- “Money Master Challenge”, an international contest on basic financial culture;
- “World Savings Day”: financial education initiative involving 7,350 students from 55 schools.

The partnership with the Osservatorio Permanente Giovani-Editori (Young Publishers' Forum) for the Young Factor project continued in 2023, with the aim of supporting young people's critical reading and economic and financial literacy. The initiative succeeded in continuing with the project in schools, involving nearly 700,000 pupils. Developed within the scope of the initiative "Il Quotidiano in Classe" (Daily Newspaper in Class), the project intends to facilitate the spread of an economic-financial culture among young people, providing them with useful knowledge support so as to make informed choices about their future and to foster the creation of responsible citizens.

The project also saw the creation of a roadshow entitled "Inspire a generation" with face-to-face meetings in some schools in Milan, Verona, Parma, Palermo and Rome that involved journalists and economists in a constant and fruitful interaction with young people on the topics and keywords included in the workbook created by the Observatory (also with the contribution of the Research Department of Intesa Sanpaolo) and distributed for the 2023-24 school year.

SUPPORTING PRODUCTION

Intesa Sanpaolo offers itself as a point of reference, and not just in financial terms, to support the country's economic system and the world of business and associations, also during the phase of reviving the economy in the post-pandemic period. The Group assists its customers in a consolidated and long-term relationship model founded on quality, reliability and trust. With regard to businesses and SME customers, the Group offers solutions that support the future of Made in Italy in the world and contribute to sharing their internationalisation, capitalisation, development and digitisation programmes, with particular attention to ESG issues and ecological transition, as stated in the 2022-2025 Business Plan.

SUPPORT FOR BUSINESSES IN ITALY

In 2023, Intesa Sanpaolo allocated a total of approximately 60.4 billion euro in new medium-long term loans to the real economy with approximately 40.3 billion euro in Italy, of which around 35 billion was disbursed to households and SMEs. In 2023, the Group facilitated the return from non-performing to performing status of around 3,600 Italian companies (over 140,800 since 2014), with a positive impact on employment through the protection of about 18,000 jobs (704,000 since 2014).

The "CresciBusiness" programme continued, instituted at the end of 2022 with the aim of accompanying micro, small businesses and freelancers on a path of digital and sustainable growth. In 2023, the program was enhanced with an offer dedicated to the freelance world, with facilitated conditions on dedicated products and services, as well as a project aimed at young entrepreneurs (18-35 year-old) to support them in starting up, developing and protecting their business thanks to an offer of products and services at facilitated conditions, the dissemination of financial education regarding state incentives and the promotion of tools that facilitate access to credit. In addition, during 2023 the first edition of "CresciBusiness-Digitalizziamo" took place, a wide-ranging project that focuses on and gives value to smaller businesses that have always been points of reference and excellence in the national areas. Out of over 2,000 candidate companies, 120 were selected as representatives of the digital transformation within the Italian business fabric; these companies were met during a tour over 120 stages in Italy, which took place between September and October.

In 2023, Intesa Sanpaolo concretely supported companies in the PNRR field thanks to "Incent Now", the platform of an external consultant, offered free of charge to the Bank's customers, allowing them to find their way through the range of calls for tenders and now having more than 13,000 members. In addition, thanks to the Group's specialised partners, some informative webinars were held to illustrate opportunities and offer consultancy services. For the 15,000 customers awarded incentive grants, Intesa Sanpaolo has made available a wide range of financial products to provide advanced sums or to supplement public subsidies.

In line with the launch in 2022 of the offer dedicated to Special Economic Zones (ZES) and Simplified Logistics Zones (ZLS), during 2023 agreements were signed with the ZES Sardegna and the ZES Adriatica, with the intention of accompanying investments made by companies in these strategic areas.

In relation to the Superbonus and other building tax bonuses, in 2023 the Bank also continued to support businesses and households thanks to the re-assignment of tax credits that allowed it to expand its tax capacity. As part of its mission to support the country's economy, it is also remembered that, in light of the interventions envisaged by the "Relaunch" Decree (Legislative Decree 34/2020) for the recovery of the construction sector and the energy requalification of buildings, the Intesa Sanpaolo Group has activated dedicated solutions not only for those who intend to transfer their tax credit directly but also for companies that apply discounts on the

invoice for the purchase of tax credits and the related settlement. At the end of 2023, tax credits of 20.1 billion were recorded in the balance sheet.

In addition, initiatives to support companies to promote the increase in digital payments continued throughout the year: for Confcommercio, Confesercenti and Federalberghi members, there was a planned rebate of fees charged on transactions with a value of 15 euro or less (so-called POS micropayments) until 31.12.2023.

The growth of Italian SMEs is supported by the Corporate Finance structures and the partnership with Elite, a company part of the Euronext Group, through innovative financial solutions that give companies high visibility with respect to institutional investors and enhance their reputation and financial culture. In 2023, Intesa Sanpaolo took 51 companies representing all of Italy and its economic sectors and 24 innovative start-ups to three Elite Lounges (an international programme to accompany the most ambitious companies in their development phases) in hybrid, physical and digital versions.

In 2023, the Intesa Sanpaolo Basket Bond Programme continued in partnership with Elite, which envisages the subscription by Intesa Sanpaolo of bonds issued by enterprises in support of their development plans and a potential, subsequent securitisation through “Notes” targeting institutional investors. Since its launch at the end of 2023, the programme has recorded the subscription of bonds for a total amount of 160 million euro, involving 21 enterprises throughout Italy.

The “Imprese Vincenti” programme continued - an initiative that highlights the paths of growth, digital transformation and business models developed by companies. The objective is to provide visibility, support programmes on development, advisory skills and workshops in cooperation with key partners. The fourth edition, which ended in March 2023, recorded excellent results: over 4,000 candidate companies, 140 companies selected and celebrated as the Imprese Vincenti during the 14-stage Tour throughout Italy. The fifth edition of the programme started in November 2023 and will run throughout 2024. This edition focuses on growth projects and on the sustainable impact of SMEs on communities and territories.

“RESTO AL SUD”: SUPPORT FOR NEW BUSINESSES

The “Resto al Sud” initiative continued, which since 2018 has supported the creation and development of new businesses and freelance activities in Southern Italy and subsequently extended to the municipalities affected by the 2016-2017 earthquake and to the lagoon, lake and island areas of Central-Northern Italy with the name “Resto Qui”. The initiative, managed by Invitalia, has a budget of 1.25 billion euro and is aimed at those aged between 18 and 55 who intend to create a business (as sole proprietorship, a company or cooperative), start a freelance activity (as sole proprietorship or a company) or develop a company already established after 21/06/2017. The incentive that operates in all economic sectors with the exception of agriculture, provides a real mix of benefits:

- subsidised bank loan, equal to 50% of the approved investment;
- non-repayable contribution, awarded by Invitalia, equal to 50% of the approved amount;
- interest rate subsidy, paid by Invitalia, to cover the interest portion of the loan;
- guarantee 662/96, equal to 80%, to support the request for the loan.

Intesa Sanpaolo, in partnership with Invitalia, helped to promote awareness of the project and, in 2023, held the first event under the CresciBusiness Programme dedicated to young entrepreneurs. In total, Intesa Sanpaolo provided almost 1,300 loans for over 45.4 million euro in 2023 under the “Resto al Sud” programme, confirming the Bank’s role and commitment to supporting more inclusive finance.

CORPORATE CREDIT AGREEMENTS

During the first months of the year, the agreements signed at the end of 2022 with Confcommercio, Confesercenti, Federalberghi and Confartigianato were arranged throughout Italy, in addition to the agreement signed with Confapi, with about eighty local events. A new agreement was signed with Fipe Confcommercio, with the provision of solutions dedicated to the growth and development of business for companies in the sector. Support for tourism companies was reconfirmed through consolidation of the agreement with Federalberghi, Federturismo, Confindustria Alberghi and Federterme, by raising the ceiling for new loans to the sector to 10 billion euro, three billion of which for companies in Southern Italy. A new agreement was also signed with Faita Federcamping, with initiatives dedicated to the growth of outdoor tourism companies.

In support of the Motore Italia Energy Transition plan, the following agreements were signed: three-year agreement with Confindustria which provides companies with liquidity of 150 billion euros and broad and structured collaboration; collaboration protocol with ANCI to promote in the territories the diffusion of Renewable Energy Communities (CERs), which represent a virtuous project for the self-production of electricity from green sources: groups of families, businesses or Third Sector entities choose to join together to self-produce and consume energy electricity from renewable sources, making energy shareable at zero km); collaboration agreement with GSE to promote the integration of ESG issues and sustainable development in the financial sector and in the national business fabric.

Environmental, social and governance sustainability was at the heart of the addenda signed with Confartigianato Imprese and then with Anita Confindustria. As regards the world of professionals, a protocol was signed with Adepp, the association of private welfare institutions, to facilitate access to credit for freelance professionals. Lastly, an agreement was signed with the National Council of Accountants and Accounting Experts.

The placement of EIB funding on the Network continued in 2023. In the second half of 2023, a new funding agreement was signed with the EIB for 300 million euro intended for investment projects for Midcap, with a focus on innovation (projects and counterparties with innovative characteristics). At the end of the year, another EIB funding agreement of 100 million euro was signed, intended for the agriculture and bio-economy sectors, with a focus on investment projects in the field of environmental sustainability and climate action.

In 2023, the agreement was renewed between the Italian Trade Agency (ICE) and Intesa Sanpaolo for the international promotion and expansion of Italian businesses. The agreement is based on mutual collaboration and aims to continue to support the needs of the Group's corporate customers in their international business projects with advisory, training and information services. The agreement was also renewed between Intesa Sanpaolo and SACE SRV, a company in the SACE Group, offering an international credit recovery service to the Bank's corporate customers.

ESG PLATFORM, INDUSTRIAL DIALOGUE AND THE PRODUCTION CHAINS DEVELOPMENT PROGRAMME

To assist with collecting information on the ESG performance of companies, a new ESG Platform was introduced in 2023 with shared access between the customer and business account manager, in order to analyse a company's profile and positioning in terms of ESG with respect to the reference benchmarks. In December 2023, the exchange of information was activated with the Dialogo Industriale platform, created with the aim of increasing the relationship of account managers with companies, allowing a better understanding of their needs geared to offering the most suitable solutions for the specific needs of each company. The overall assessment of a company's risk profile also involved the collection within the Dialogo Industriale of a set of information, certified by the customer, related to the possession of insurance policies to cover risks. The prospective and sustainability analysis of the customer company's project through customisation of a Business Plan was further integrated into the Bank's processes for a full enhancement of the information set created in Dialogo Industriale and used in other areas of analysis, including creditworthiness.

The "Sviluppo Filiere" programme continued, designed to support businesses of all sectors and sizes by facilitating access to credit and focusing on the relationship between the lead companies and their network of direct and indirect suppliers and/or their reseller network, enabling a better understanding of the financial needs of the individual sectors. In this context, the Bank decided to develop offerings dedicated to the sectors that felt the greatest impact of the NRRP, containing products and services to support the specific characteristics of the various businesses, also with regard to ESG and digitalisation. As regards the ESG area, the "Programma Sviluppo Filiere - Filiere Sostenibili" was created in April 2023 and since then it has assisted lead companies and suppliers in the process of improving their sustainability profile.

At the end of 2023, the leading companies participating in the Programma Sviluppo Filiere related to over 880 supply chains with a potential of about 20,500 suppliers and a workforce of over 113,000 employees.

SUPPORT FOR THE INTERNATIONALISATION OF BUSINESSES

Intesa Sanpaolo assists Italian businesses and their subsidiaries abroad by providing financial and advisory support for their various needs related to internationalisation with support from:

- a foreign network consisting of subsidiary Banks, international branches and representative offices in around 40 countries worldwide with specialised Desks (Corporate Desks and Multinational Desks), and widespread coverage in other countries through cooperation agreements with other Banks;
- a service model that makes use of Internationalisation Specialists throughout Italy who represent a point of reference for the international Network and operate in constant contact with the Italian network with the aim of supporting Italian companies and their foreign subsidiaries in international markets; in addition, for every need and for identifying the best financial solutions in terms of import and export trade, Intesa Sanpaolo supports Italian businesses through a widespread network of Foreign Development Experts and Sales Global Transaction Banking Specialists dedicated to the needs of Trade Finance and Cash Management;
- a Business Strategy team that supports customers in implementing foreign development projects by identifying qualified partners, in Italy and abroad, who can provide specialist assistance and advice to expand their business abroad even in the most difficult markets;
- a wide range of domestic and cross-border products supporting the multiple requirements of business customers.

In addition, to facilitate international development of businesses and promote knowledge of the international network and its available services, Intesa Sanpaolo organises various types of events (face-to-face or online) on internationalisation in Italy and abroad, accompanies businesses on missions abroad in cooperation with various external partners, institutional bodies and trade associations, and arranges various forms of internal and external communication tools. During 2023, further agreements were signed with external consultants to support the international promotion of companies.

CORPORATE WELFARE SERVICES

The Welfare Hub service, provided by Intesa Sanpaolo to its customers allows companies to provide bonuses to their employees in the form of welfare services, as an alternative to paying them in their salaries, thus taking advantage of the tax benefits provided by law for both the company and the employees. The service takes the form of a digital platform accessible via PCs, tablets, smartphones and Apps.

During 2023, the platform was completely restyled with a view to improving the user experience (simplification of navigation logics, revision and improvement of search tools, manuals and documents to assist users).

The necessary interventions were also performed to guarantee customer companies the possibility of applying the tax changes included in the Labour Decree (increase in fringe benefit limits for employees with children and payment of sums in the form of subsidies or reimbursements for the payment of domestic bills for water, electricity and natural gas), already introduced in 2022.

Welfare Hub is also proposed as a sustainability tool by the Programma Sviluppo Filiera and by S-Loan financing and at the end of 2023, 6,236 companies had joined the service in its standard version and 224 in the corporate groups version (involving main contracting parties and adherents).