INTESA SANPAOLO

PRESS RELEASE

INTESA SANPAOLO: 2022-2025 BUSINESS PLAN

THE PLAN MARKS INTESA SANPAOLO AS A SOUND BANK FOR A SUSTAINABLE WORLD, A WEALTH MANAGEMENT, PROTECTION & ADVISORY LEADER, A ZERO-NPL, DIGITAL AND FEE-DRIVEN COMPANY, WITH SIGNIFICANT ESG COMMITMENT.

VALUE CREATION OF OVER €520BN FOR ALL STAKEHOLDERS IN 2022-2025.

STRONG AND SUSTAINABLE VALUE CREATION AND DISTRIBUTION TO SHAREHOLDERS:
- **ROTE UP TO AROUND 14% IN 2025;**
- **NET INCOME UP TO €6.5BN IN 2025;**
- **DISTRIBUTION FOR 2021-2025 OF OVER €22BN, OF WHICH OVER €6.6BN IN 2022, THROUGH CASH DIVIDENDS WITH A PAYOUT RATIO OF 70% IN 2022-2025 AND BUYBACK OF €3.4BN IN 2022. ANY ADDITIONAL DISTRIBUTION WILL BE EVALUATED ON A YEARLY BASIS STARTING FROM 2023.**

SOLID CAPITAL POSITION: FULLY PHASED-IN COMMON EQUITY TIER 1 RATIO ABOVE 12% IN 2022-2025 IN ACCORDANCE WITH BASEL 3 / BASEL 4 REGULATIONS.

MASSIVE DE-RISKING:
- **NPL TO TOTAL LOAN RATIO OF 0.8%, NET OF ADJUSTMENTS, IN 2025;**
- **COST OF RISK OF AROUND 40 BASIS POINTS IN 2022-2025.**

STRUCTURAL COST REDUCTION, WHILE SIGNIFICANTLY INVESTING IN TECHNOLOGY AND GROWTH:
- **OPERATING COSTS DOWN AROUND €0.3BN IN 2025, WITH €2BN OF COST SAVINGS AND €1.1BN COSTS FOR GROWTH IN 2022-2025;**
- **COST/INCOME IMPROVEMENT, DOWN TO 46.4% IN 2025;**
- **INVESTMENTS OF €7.1BN IN 2022-2025, OF WHICH €5BN IN TECHNOLOGY AND GROWTH, INCLUDING AROUND €650M IN A NEW DIGITAL BANK.**

SOLID REVENUE GENERATION:
- **OPERATING INCOME UP €2BN IN 2025, OF WHICH €1.6BN FROM COMMISSIONS AND €0.2BN FROM INSURANCE BUSINESS;**
- **NET COMMISSIONS AND INCOME FROM INSURANCE BUSINESS ACCOUNTING FOR 57% OF OPERATING INCOME IN 2025.**

SIGNIFICANT ESG COMMITMENT:
- **CONTRIBUTION, IN 2022-2025, OF AROUND €115BN TO SOCIETY AND GREEN TRANSITION AND AROUND €500M TO SUPPORT PEOPLE IN NEED;**
- **NET-ZERO EMISSIONS, IN TERMS OF OWN EMISSIONS BY 2030 AND IN TERMS OF LOAN AND INVESTMENT PORTFOLIOS, ASSET MANAGEMENT AND INSURANCE BY 2050.**

THE GROUP'S PEOPLE AS ITS MOST IMPORTANT ASSET.

- **STRONG INCREASE IN PROFITABILITY, STRONG AND SUSTAINABLE VALUE CREATION AND DISTRIBUTION TO SHAREHOLDERS:**
  - **ROTE (1) UP TO 13.9% IN 2025 FROM 9.1% IN 2021**
  - **ROE (2) UP TO 11.6% IN 2025 FROM 7.6% IN 2021**
  - **NET INCOME UP TO €6.5BN IN 2025 FROM €4.2BN IN 2021**
  - **DISTRIBUTION FOR 2021-2025 OF OVER €22BN (3), OF WHICH OVER €6.6BN IN 2022 (3) (4), THROUGH CASH DIVIDENDS WITH A PAYOUT RATIO OF 70% (5) IN 2022-2025 AND A BUYBACK OF €3.4BN IN 2022 (6)**

- **SOLID CAPITAL POSITION:**
  - **FULLY PHASED-IN COMMON EQUITY TIER 1 RATIO ABOVE 12% IN 2022-2025 IN ACCORDANCE WITH BASEL 3 / BASEL 4 REGULATIONS**

- **MASSIVE DE-RISKING:**
  - **ZERO-NPL BANK WITH NO IMPACT FROM CALENDAR PROVISIONING**
  - **NPL REDUCTION, IN 2025, TO €9.3BN GROSS FROM €15.2BN IN 2021, AND €4.6BN NET FROM €7.1BN IN 2021**
  - **NPL TO TOTAL LOAN RATIO (7) DOWN TO 1.6% GROSS FROM 2.4% IN 2021, AND 0.8% NET FROM 1.2% IN 2021**
  - **NET ADJUSTMENTS TO LOANS DOWN TO €1.9BN IN 2025 FROM €2.8BN IN 2021 (-9% CAGR (8))**
  - **COST OF RISK DOWN TO AROUND 40 BASIS POINTS IN 2022-2025 AND 38 BASIS POINTS IN 2025 FROM 59 BASIS POINTS IN 2021 (9)**

- **COST REDUCTION:**
  - **€2BN IN COST SAVINGS IN 2022-2025**
  - **OPERATING COSTS DOWN TO €10.6BN IN 2025 FROM €10.9BN IN 2021 (9) (-0.8% CAGR), DESPITE COSTS OF €1.1BN TO SUPPORT GROWTH IN 2022-2025**
  - **IMPROVEMENT IN COST/INCOME, DOWN TO 46.4% IN 2025 FROM 52.5% IN 2017 (9) (-6.1 pp)**

- **INVESTMENTS OF €7.1BN IN 2022-2025, OF WHICH €5BN IN TECHNOLOGY AND GROWTH**

- **SOLID REVENUE GENERATION:**
  - **OPERATING INCOME UP TO €22.8BN IN 2025 FROM €20.8BN IN 2021 (9) (+2.3% CAGR)**
  - **NET FEE AND COMMISSION INCOME UP TO €11.1BN IN 2025 FROM €9.5BN IN 2021 (9) (+3.9% CAGR)**
  - **INCOME FROM INSURANCE BUSINESS UP TO €1.9BN IN 2025 FROM €1.6BN IN 2021 (+3.3% CAGR), ATTRIBUTABLE TO STRONG GROWTH IN THE P&C BUSINESS**
  - **NET FEE AND COMMISSION INCOME AND INCOME FROM INSURANCE BUSINESS ACCOUNTING FOR 57% OF OPERATING INCOME IN 2025 FROM 54% IN 2021**

- **SIGNIFICANT ESG COMMITMENT: IN 2022-2025, CONTRIBUTION OF AROUND €115BN TO SOCIETY AND THE GREEN TRANSITION AND AROUND €500M TO SUPPORT PEOPLE IN NEED**

- **THE GROUP'S PEOPLE AS ITS MOST IMPORTANT ASSET**

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(1) ROTE: net income / tangible net shareholders' equity (net shareholders' equity excluding net income, AT1, goodwill and other intangibles).
(2) ROE: net income / net shareholders' equity (net shareholders' equity excluding net income and AT1).
(3) Subject to shareholder approval and ECB approval and based on the achievement of the 2022-2025 Business Plan stated net income targets. Including €1.4bn interim dividends for 2021 paid in November 2021.
(4) Including the interim dividend for 2022 payable in November 2022, subject to Board of Directors approval.
(5) Subject to shareholder approvals. Calculated on the stated net income.
(6) Subject to shareholder approval and ECB approval. Amount equivalent to the suspended 2019 dividend.
(7) In accordance with the EBA methodology.
(8) CAGR: compound average growth rate.
(9) The figures for the first two quarters of 2021 were prepared to take into account the inclusion of the UBI Banca Group and the Reyl Group for the period before their acquisition and, on the basis of management figures, the reallocation of the contribution from the going concerns object of sale to income (loss) from discontinued operations, as well as the inclusion of the contribution of insurance companies Assicurazioni Vita (formerly Aviva Vita), Lombarda Vita and Cargeas, net of the effects attributable to the going concerns object of sale.

HIGHLIGHTS FOR 2025

CAPITAL RATIOS:	**FULLY PHASED-IN COMMON EQUITY TIER 1 RATIO ABOVE 12% IN 2022-2025 IN ACCORDANCE WITH BASEL 3 / BASEL 4 REGULATIONS**	
OPERATING INCOME:	**+2.3%** (10)	AT **€22.8BN** FROM €20.8BN IN 2021 (11)
OPERATING COSTS:	**-0.8%** (10)	AT **€10.6BN** FROM €10.9BN IN 2021 (11)
OPERATING MARGIN:	**+5.5%** (10)	AT **€12.2BN** FROM € 9.9BN IN 2021 (11)
NET ADJUSTMENTS TO LOANS:	**-9%** (10)	AT **€1.9BN** FROM €2.8BN IN 2021 (11)
GROSS INCOME:	**+11.1%** (10)	AT **€10.1BN** FROM €6.6BN IN 2021 (11)
NET INCOME:	**+11.8%** (10)	AT **€6.5BN** FROM €4.2BN IN 2021 (11)

VALUE CREATION OF OVER €520BN FOR ALL STAKEHOLDERS (2022-2025 TOTAL)

SHAREHOLDERS:	**OVER €22BN** (12) **FOR 2021-2025 FROM CASH DIVIDENDS WITH A PAYOUT RATIO OF 70%** (13) **AND A BUYBACK OF €3.4BN** (14)	• **SIGNIFICANT PORTION OF NET INCOME MADE AVAILABLE FOR CONSUMPTION/INVESTMENTS**
HOUSEHOLDS AND BUSINESSES:	**MEDIUM/LONG-TERM NEW LENDING TO THE REAL ECONOMY OF €328BN**	• **OF WHICH €285BN IN ITALY**
GROUP PEOPLE:	**PERSONNEL EXPENSES OF €26.5BN**	• **AROUND 100,000 HOUSEHOLDS** • **AROUND 50 MILLION TRAINING HOURS**
SUPPLIERS:	**PURCHASES AND INVESTMENTS OF €17BN**	• **BENEFITTING MORE THAN 40,000 HOUSEHOLDS**
PUBBLIC SECTOR:	**TAXES** (15) **OF €15BN**	• **AROUND 75% OF ITALY'S ANNUAL TAX REVENUES FROM REAL ESTATE PROPERTIES**
SOCIAL LENDING:	**NEW LENDING OF €25BN TO SUPPORT NON-PROFIT ACTIVITIES, VULNERABLE INDIVIDUALS AND YOUNG PEOPLE**	• **INTESA SANPAOLO IS THE LARGEST LENDER TO SOCIAL SECTOR IN ITALY**
PEOPLE IN NEED, YOUTH AND SENIORS:	**INVESTMENTS AND DONATIONS AMOUNTING TO AROUND €500M**	• **INTESA SANPAOLO IS THE FIRST BANK WORLDWIDE FOR SOCIAL IMPACT**
ENVIRONMENT:	**NEW LENDING OF AROUND €88BN TO GREEN ECONOMY, CIRCULAR ECONOMY AND GREEN TRANSITION**	• **STRONG FOCUS ON SUPPORTING THE GREEN TRANSITION OF CORPORATES AND SMEs**

(10) CAGR 2021-2025 (compound average growth rate).

(11) The figures for the first two quarters of 2021 were prepared to take into account the inclusion of the UBI Banca Group and the Reyl Group for the period before their acquisition and, on the basis of management figures, the reallocation of the contribution from the going concerns object of sale to income (loss) from discontinued operations, as well as the inclusion of the contribution of insurance companies Assicurazioni Vita (formerly Aviva Vita), Lombarda Vita and Cargeas, net of the effects attributable to the going concerns object of sale.

(12) Subject to shareholder approval and ECB approval and based on the achievement of the 2022-2025 Business Plan stated net income targets. Including €1.4bn interim dividends for 2021 paid in November 2021.

(13) Subject to shareholder approvals. Calculated on the stated net income.

(14) Subject to shareholder approval and ECB approval. Amount equivalent to the suspended 2019 dividend.

(15) Direct and indirect.

Turin - Milan, 4 February 2022 – The Board of Directors of Intesa Sanpaolo today approved the **2022-2025 Business Plan**. **Around 58,000 Group people have contributed to defining its strategic priorities and all the business units and governance functions have been involved in its** scenario-based **planning** to develop a post-COVID approach. The Plan is grounded on the **commitment of the Group's people - its most important asset - to deliver on its targets**.

For the Group, the Plan envisages **strong and sustainable value creation and distribution**, **solid capital position and a significant ESG** (Environmental, Social, Governance) **commitment**.

Over the four-year Plan horizon, Intesa Sanpaolo is committed to **creating value of over €520 billion for all stakeholders**:

- for **shareholders**: over €22 billion (16) for 2021-2025 from cash dividends with a payout ratio of 70% each year of the Plan (17) and a €3.4 billion buyback in 2022 (18);
- for **households** and **businesses**: medium/long-term new lending to the real economy of €328 billion, of which €285 billion in Italy;
- for **the Group's people**: personnel expenses of €26.5 billion;
- for **suppliers**: purchases and investments of €17 billion;
- for the **public sectors**: taxes (direct and indirect) of €15 billion;
- for **social lending**: new lending of €25 billion to support non-profit activities, vulnerable individuals and young people, which makes the Group stand out as the largest social sector lender in Italy;
- for **people in need, youth and seniors**: investments and donations of around €500 million, distinguishing the Group as the first Bank worldwide for social impact;
- for the **environment**: new lending to the green economy, the circular economy and the green transition of €88 billion, with a strong focus on supporting the green transition of corporates and SMEs.

Through the 2022-2025 Business Plan, Intesa Sanpaolo intends to further strengthen its role as a **leading bank in ESG**. It envisages doing this by committing funds in 2022-2025 for around **€115 billion to society and the green transition** and around **€500 million in support of people in need**, as well as working towards achieving a **net-zero emission target**, in terms of own emissions by 2030 and in terms of loan and investment portfolios, asset management and insurance by 2050, and, in addition, **protecting and restoring natural capital with more than 100 million trees planted over the four-year Plan horizon**, directly as a Group or with dedicated financing for its clients, and the adoption of a **specific policy on biodiversity**.

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(16) Subject to shareholder approval and ECB approval and based on the achievement of the 2022-2025 Business Plan stated net income targets. Including €1.4bn interim dividends for 2021 paid in November 2021.
(17) Subject to shareholder approvals. Calculated on the stated net income.
(18) Subject to shareholder approval and ECB approval. Amount equivalent to the suspended 2019 dividend.

In a favourable macroeconomic scenario, supported by Italy's National Recovery and Resilience Plan and based on conservative interest rate assumptions, the **Plan formula, which is based on Intesa Sanpaolo's key strengths, envisages**:

1. **massive de-risking, slashing cost of risk**;
2. **structural cost reduction enabled by technology**;
3. **growth in commissions, driven by Wealth Management, Protection & Advisory**;
4. **significant ESG commitment, with a world-class positioning in social impact and strong focus on climate**;
5. **the Group's people as its most important asset**.

Specifically, the 2022-2025 Business Plan forecasts:

- **macroeconomic scenario:**
  - **Italian GDP growth above 4% in 2022, of around 2.5% in 2023 and around 1.5% in 2024, and above 1% in 2025**;
  - **average 1-month Euribor stable at -0.5% over the four-year period**;
- **strong increase in profitability, strong and sustainable value creation and distribution to shareholders**:
  - **ROTE** (19) **up to 13.9% in 2025** from 9.1% in 2021;
  - **ROE** (20) **up to 11.6% in 2025** from 7.6% in 2021;
  - **net income up to €6.5 billion in 2025** from €4.2 billion in 2021 (+11.8% CAGR (21));
  - **distribution for 2021-2025 of over €22 billion** (22)**, of which over €6.6 billion in 2022** (22) (23)**, through cash dividends with a payout ratio of 70% each year of the Plan** (24) **and a buyback of €3.4 billion in 2022** (25)**; any additional distribution will be evaluated on a yearly basis starting from 2023**;
  - **gross income up to €10.1 billion in 2025** from €6.6 billion in 2021 (26) (+11.1% CAGR);
  - **operating margin up to €12.2 billion in 2025** from €9.9 billion in 2021 (26) (+5.5% CAGR);

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(19) ROTE: net income / tangible net shareholders' equity (net shareholders' equity excluding net income, AT1, goodwill and other intangibles).
(20) ROE: net income / net shareholders' equity (net shareholders' equity excluding net income and AT1).
(21) CAGR: compound average growth rate.
(22) Subject to shareholder approval and ECB approval and based on the achievement of the 2022-2025 Business Plan stated net income targets. Including €1.4bn interim dividends for 2021 paid in November 2021.
(23) Including the interim dividend for 2022 payable in November 2022, subject to Board of Directors approval.
(24) Subject to shareholder approvals. Calculated on the stated net income.
(25) Subject to shareholder approval and ECB approval. Amount equivalent to the suspended 2019 dividend.
(26) The figures for the first two quarters of 2021 were prepared to take into account the inclusion of the UBI Banca Group and the Reyl Group for the period before their acquisition and, on the basis of management figures, the reallocation of the contribution from the going concerns object of sale to income (loss) from discontinued operations, as well as the inclusion of the contribution of insurance companies Assicurazioni Vita (formerly Aviva Vita), Lombarda Vita and Cargeas, net of the effects attributable to the going concerns object of sale.

- **solid capital position**:
  - **fully phased-in Common Equity Tier 1 ratio above 12% in 2022-2025 in accordance with Basel 3 / Basel 4 regulations**, taking into account estimated negative regulatory impact of around 60 basis points and benefits from continuous RWA optimisation of around 30 basis points, with a Basel 4 negative fully phased-in impact in 2025 of around 55 basis points before mitigation actions, which will be offset by the benefit from the DTA absorption over the four-year period 2026-2029;
  - **fully phased-in leverage ratio** (*) **of 6.2% in 2025** versus 5.6% in 2021 **and MREL requirements comfortably exceeded**;

- **prudent liquidity profile**:
  - **Liquidity Coverage Ratio of around 125% in 2025** (□);
  - **Net Stable Funding Ratio of around 115% in 2025** (□);
  - a funding plan envisaging **cumulative wholesale issuances in 2022-2025 of around €42 billion in total**, consisting of **subordinated debt of around €10 billion**, **senior non-preferred bonds of around €6 billion**, **senior preferred bonds of around €20 billion and covered bonds of around €6 billion**, and enabling Intesa Sanpaolo to remain **a frequent issuer in international markets**;

- **massive de-risking, slashing cost of risk**:
  - **becoming a zero-NPL bank, with no impact from calendar provisioning**;
  - **NPL reduction in 2025 to €9.3 billion gross**, from €15.2 billion in 2021, and **€4.6 billion net**, from €7.1 billion in 2021;
  - **NPL to total loan ratio** (27) **down in 2025 to 1.6% gross,** from 2.4% in 2021, and **0.8% net**, from 1.2% in 2021;
  - **net adjustments to loans down in 2025 to €1.9 billion** from €2.8 billion in 2021 (28) (**-9%** CAGR);
  - **cost of risk down to around 40 basis points in 2022-2025 and 38 basis points in 2025** from 59 basis points in 2021 (28) (**-21 basis points**);

- **structural cost reduction**, **while significantly investing in technology and growth**:
  - **€2 billion cost savings in 2022-2025**;
  - **operating costs down to €10.6 billion in 2025** from €10.9 billion in 2021 (28) (**-0.8%** CAGR), **despite costs of €1.1 billion to support growth in 2022-2025**;
  - **cost/income improvement, down to 46.4% in 2025** from 52.5% in 2021 (28) (**-6.1 percentage points**);
  - **€7.1 billion investments in 2022-2025, of which €5 billion in technology and growth, which include an investment of around €650 million in the new Digital Bank** to create a more efficient platform enabling a **structural operating cost reduction equal to yearly cost savings of around €0.8 billion at run rate (2026-2027), of which over €0.6 billion already in 2025**;

(*) Including exposures to the ECB.
(□) Taking into account full repayment of the TLTRO.
(27) In accordance with the EBA methodology.
(28) The figures for the first two quarters of 2021 were prepared to take into account the inclusion of the UBI Banca Group and the Reyl Group for the period before their acquisition and, on the basis of management figures, the reallocation of the contribution from the going concerns object of sale to income (loss) from discontinued operations, as well as the inclusion of the contribution of insurance companies Assicurazioni Vita (formerly Aviva Vita), Lombarda Vita and Cargeas, net of the effects attributable to the going concerns object of sale.

- **solid revenue generation**:
  - **operating income up to €22.8 billion in 2025** from €20.8 billion in 2021 (29) (**+2.3%** CAGR);
  - **net fee and commission income up to €11.1 billion in 2025** from €9.5 billion in 2021 (29) (**+3.9%** CAGR), with **assets under management increasing by around €100 billion to reach €574 billion** from €474 billion (**+4.9%** CAGR);
  - **income from insurance business up to €1.9 billion in 2025** from €1.6 billion in 2021 (29) (**+3.3%** CAGR), driven by **the strong development of the P&C business with premiums growing by €0.9 billion to €2.3 billion from €1.4 billion**;
  - **net fee and commission income and income from insurance business accounting for 57% of operating income** in 2025 from 54% in 2021 (29);
  - **net interest income up to €8.1 billion in 2025** from €7.9 billion in 2021 (29) (**+0.5%** CAGR), with **loans to customers up by 2%** CAGR, and with **additional upside potential of around €1 billion for every 50 basis-point rise in market interest rates**.

The formula of the Plan includes the following initiatives:

1. **<u>massive de-risking, slashing cost of risk</u>**:
   - **massive NPL stock reduction and continuous pre-emption through a modular strategy:**
     - **proactive management of high-risk positions and Stage 2 loans**, with a dedicated approach for retail/SMEs (Pulse 2.0) and a specialised team for international large corporates;
     - **strengthening of NPL management**:
       - further disposal of bad loans and unlikely-to-pay loans (UTP), coupled with new innovative solutions for specific portfolios;
       - strengthening of strategic partnerships (e.g. Intrum, Prelios) leveraging on the partners’ platforms, skills and strong network of investors;
       - promotion of a Credit Fund for implementing innovative structures and solutions (the first mover in Italy);
       - launch of new NPL management processes and tools incorporating sector evolution and cost-of-risk metrics;
     - **acceleration of back-to-performing for going concern companies**, focusing on Italian value chains and leveraging international investors and specific industry competences (e.g. urban regeneration investment platform);
     - **creation of a fast-track plan for gone concern companies**;

(29) The figures for the first two quarters of 2021 were prepared to take into account the inclusion of the UBI Banca Group and the Reyl Group for the period before their acquisition and, on the basis of management figures, the reallocation of the contribution from the going concerns object of sale to income (loss) from discontinued operations, as well as the inclusion of the contribution of insurance companies Assicurazioni Vita (formerly Aviva Vita), Lombarda Vita and Cargeas, net of the effects attributable to the going concerns object of sale.

- **evolution of Active Credit Portfolio Steering team and solutions**, including:
  - broader scope of synthetic credit risk protection schemes, including on digital lending portfolios, through dedicated partnerships with specialised investors and focus on Italy;
  - promotion of alternative financing solutions on "high risk" clients;
  - enhancement of credit strategies to shift new lending towards lower-risk/higher return sectors;

- **new credit decisioning model**:
  - **evolution of the credit framework**, including:
    - sector-specific data on both underwriting and action plans, in cooperation with the business units, setting up a new dedicated Steering Committee;
    - climate/ESG components (e.g. ESG sectorial heatmap, ESG score at a counterparty level) deployed within the entire credit value chain;
  - **upgraded lending decision model**, anchored on rating analysis, integrating analyses of forward-looking RAROC and RWA optimisation with credit worthiness assessment, in cooperation with the business units;
  - **full digitalisation of credit customer journeys**, allowing additional focus on high-value-added activities (e.g. detailed analysis of the transaction structure);
  - **strengthening of impact credit strategic initiatives** (e.g. *Programma Rinascimento*);

- **proactive management of other risks**:
  - **further strengthening of the internal control systems** within the digital evolution of processes, relying on a robust governance structure and effective cooperation between control functions;
  - **strong investments in digital and artificial intelligence solutions in Compliance** activities, including through a dedicated newco (AFC Digital Hub), for both traditional and emerging risks (KYC, transaction monitoring, market abuse surveillance, conduct);
  - **further strengthening of the anti-financial crime framework** through specialised competence centres, IT platform upgrading and proprietary detection scenarios;
  - **introduction of best-in-class cybersecurity techniques** (e.g. Artificial Intelligence);
  - **ensure that assessment, monitoring and management of ESG risks are integrated into the Risk Management governance framework** through further development of methodologies and deployment of Risk Management tools, systems and processes for ESG risks, with a particular focus on climate risk;
  - **implementation of enhanced risk management lab architecture with Artificial Intelligence and Machine Learning technologies** to rationalise and drive faster change management (e.g. model development, stress testing) and reporting across all risk categories (e.g. non-financial risks);

2. <u>**structural cost reduction enabled by technology**</u>:

- **new Digital Bank and footprint optimisation**:
  - **a new Digital Bank to effectively serve retail clients not using branches, while reducing cost-to-serve**:
    - dedicated to around **4 million Intesa Sanpaolo clients already not using branches** and generating around **€200 million revenues** with a **cost/income above 100%**;
    - **state-of-the-art technology, cloud-native** technology adaptable to multi-currency and multi-country clients, working in partnership with **Thought Machine**, a leading fintech company;
    - **digital service model, with enhanced digital preposition** including APP (recognised by Forrester as Overall Digital Experience Leader in Europe), contact centre, ATM and **Mooney** (in partnership with **Enel**);
    - **end-to-end digital journeys** to provide clients with a best-in-class customer experience empowered by Intesa Sanpaolo Artificial Intelligent Sales, which was awarded as #1 innovation in Digital Marketing in 2021 by EFMA (European Financial Marketing Association);
    - **set up of AI Lab in Turin** with around 50 Italian and international experts dedicated to the development of new data analysis methodologies and advanced Artificial Intelligence solutions;
  - a **new omnichannel service model** which includes (i) the new Digital Bank for around 4 million retail clients with simple financial needs, who will have selective access to the branch/agent, enabling the streamlining of the network by about 1,500 branches (of which around 450 already closed in the fourth quarter of 2021), and (ii) an omnichannel model for around 9 million SME and retail clients with more sophisticated financial needs, who will have around 1,800 dedicated branches;
  - **tech infrastructure which will be extended to the entire Group, including the international network**:
    - **first wave in 2022-2024**: **in Italy, the creation of the new Digital Bank for mass market retail clients**, working in partnership with Thought Machine and, **for the international network**, **the development of a single digital core banking front-end system** with a set-up in line with the new Digital Bank;
    - **second wave from 2024**: **in Italy**, the extension of the tech infrastructure developed in partnership with Thought Machine, to serve other **Intesa Sanpaolo individual client segments beyond mass market retail clients** (e.g. affluent); **both in Italy and internationally**, **acquisition of new clients and business expansion** (e.g. electric mobility) through partnerships with Mooney and Enel; **in the international network**, consolidation of the model **at Group level**, **including** the main **European banks of the International Subsidiary Banks Division**;

- **hiring of around 4,600 people and reskilling/redeployment of around 8,000 people, allocated to priority initiatives**: **around 2,600 to the Digital Branch**, **4,000**

to technology (digital, data and analytics), **3,500 to priority initiatives** (e.g. *PNRR* (°), business growth, de-risking) **and 2,500 to other** (e.g. ESG / Impact Banking, control functions, turnover);

- **smart real estate management**, extending **headquarters with a new layout to around 300,000 square metres in 2025** from around 4,000 in 2021 **and downsizing real estate in Italy to 3,200,000 square metres in total in 2025** from 4,050,000 in 2021 **(-21%):**
  - **for core assets**:
    - **implementation of the new "footprint of the future"**, in line with the Next Way of Working organisational model and reducing the Group's carbon emissions;
    - **strong modernisation of the work environment** (e.g. smart buildings) to encourage collaboration and incorporate elements to improve health and well-being;
  - **for non-core assets, full valorisation** combining:
    - disposals;
    - active management (e.g. rent, new business);

- **cost management empowered by Advanced Analytics tools**, with **cost savings for other administrative costs of around €0.8 billion in 2022-2025**, resulting - in the presence of an increase of €0.2 billion due to inflation and €0.5 billion costs to support growth - in a **reduction in administrative costs of €0.1 billion**:
  - **innovative cost management including through Advanced Analytics**:
    - **innovative Advanced Analytics approach to proactively manage operating costs** through best-in-class tech infrastructure and tools (e.g. sophisticated supplier/activity benchmarking);
    - **innovative Advanced Analytics approach to effectively steer investments** towards key strategic initiatives;
    - **dedicated organisational unit**;
  - **new digital negotiation factory**:
    - **launch of a new negotiation factory** to maximise efficiency and further optimise the supplier base, leveraging on state-of-the-art tools and methodologies (e.g. Cleansheet, contract teardown);
    - **continuous focus on sustainable procurement**, with the evolution of the Group's supplier base in line with the overall ESG strategy (e.g. suppliers evaluated through ESG criteria);

- **IT efficiency through end-to-end transformation of Group IT**, **investing €4.8 billion in IT**:
  - **strengthening core IT capabilities**:
    - **insourcing or re-skilling of high-value-added IT roles** (e.g. cloud engineers and Artificial Intelligence engineers) **and activities** (e.g. software development);
    - **re-design of IT factory operating model** in accordance with Big Tech best practices;
    - **creation of competence centres for best-in-class IT solutions**;

(°) *PNRR*: National Recovery and Resilience Plan.

- **achieving IT back-end efficiency**:
  - **optimisation of IT infrastructure** through modernisation in cloud of **legacy systems**, enabled by the Skyrocket agreement with Google and TIM;
- **technological modernisation of the Bank, including strategic partnerships with leading Fintechs**:
  - **partnership with Thought Machine regarding the core banking system**, in relation to digital-native components of the core banking, extensible over time to other IT domains, enabling digital products;
  - **partnership with Aladdin by BlackRock regarding the Wealth Advisory platform,** in relation to Robo4Advisory & RoboAdvisory solutions enabling real-time development of highly tailored investment portfolios and best-in-class risk analytics and portfolio insights to support customer engagement;
  - **partnership with Kyriba regarding large/mid corporates and SMEs,** in relation to best solutions for transaction banking, driving an increase in fee-based income at international level;
  - **partnership with a number of Fintech companies regarding other infrastructure components**, in relation to originate-to-share, a channel/workbench for the IMI Corporate & Investment Banking Division and the Banca dei Territori Division, and a multi-cloud infrastructure (e.g. Skyrocket);

3. <u>**growth in commissions, driven by Wealth Management, Protection & Advisory**</u>

- **a dedicated service model in the Banca dei Territori Division for the segment of Exclusive clients, composed of over one million of upper-Affluent clients**, **driving an increase in assets under management for this client segment by around €20 billion** to €131 billion in 2025 from €111 billion in 2021 (**+17%**), in the presence of over €80 billion of direct deposits and assets held under administration in 2021:
  - **dedicated commercial organisation and tools**:
    - **creation of a dedicated commercial organisation with around 4,200 highly specialised relationship managers in around 470 dedicated advisory centres**;
    - **further development of *Valore Insieme***, a sophisticated 360-degree advisory tool covering clients' financial and non-financial needs (including P&C and real estate) for a best-in-class client experience, based on a dynamic commercial proposition which combines evolving client preferences and market insights, with tailored advisory services dedicated to Exclusive clients, **doubling financial assets of covered clients to €100 billion in 2025** from €52 billion in 2021;
  - **dedicated centre of excellence in the Banca dei Territori Division**:
    - **centre of excellence for a unique value proposition** to Exclusive and Affluent clients, empowered by fully owned product factories **Eurizon, Intesa Sanpaolo Vita** and **Intesa Sanpaolo Assicura**;

  - **advanced technology platform to further enhance Intesa Sanpaolo's key strengths in Wealth Management** to develop highly tailored investment solutions and drive growth in assets under management through **Aladdin by BlackRock**, distinctively leveraged by Intesa Sanpaolo to cover around **4 million clients** (Private, Exclusive and Affluent) and over **€600 billion customer financial assets**:
    - **unique end-to-end approach**, enabling fully integrated processes (risk management, compliance, asset allocation, investment management and operations), which combines comprehensive portfolio management tools with sophisticated risk analytics and operations;
    - **innovative real-time client proposition**, with customised portfolios for all clients, supporting the switch of deposits into investments (Robo4Advisory & RoboAdvisory);
    - **cutting-edge sustainability tooling**, adding an ESG dimension to the traditional risk-return profile of product offering;

- **strengthened leadership in Private Banking, with initiatives dedicated to around one million Private clients of Fideuram - Intesa Sanpaolo Private Banking, with growth of around €54 billion in assets under management as regards this client segment** from around €225 billion in 2021, in the presence of around €125 billion of direct deposits and assets held under administration in 2021, with a growth of €48 billion in Italy from €214 billion in 2021:
  - **upgraded commercial proposition in Italy through tailored advisory services and the offer of new products**:
    - **further evolution of the service model** (e.g. selected openings of advisory centres for UHNWI clients - Ultra High Net Worth Individuals) **and advisory tools for client segments with sophisticated needs** (UHNWI, family offices, institutional clients);
    - **strengthening the premium advisory model**, embedding ESG principles and enriching real estate advisory;
    - **enriching product offering in innovative domains** (e.g. alternative investments, ESG products), in continued cooperation with Eurizon / Epsilon / Eurizon Capital Real Asset (ECRA) and leveraging on external partnerships;
    - **introduction of a state-of-the-art CRM suite** to enhance the commercial proposition to Private clients;
    - **expanding lending to Private clients**, upgrading the product catalogue (e.g. new Lombard loans, mortgages for HNWI - High Net Worth Individuals), strengthening the credit platform in terms of support tools and capabilities, streamlining processes and procedures to create swim lanes for HNWI clients;
  - **new omnichannel strategy**:
    - **new fully digital channel** for clients who prefer self-investment and reinforcement of hybrid coverage model for financial advisors;
    - **development of digital products and services** (e.g. RoboAdvisor, self-service channels);

- **scale-up of the investments and trading platform of IW Bank** to offer top-notch services to high-tech/low-touch clients;
- **introduction of Advanced Analytics systems** to manage the customer journey across channels and maximise cross-selling;
- **strengthening of data-driven culture and capabilities** to steer the commercial proposition of the networks;
- development of an **online advisory tool** dedicated to **international clients**, leveraging the innovative digital platform of Alpian;
- **new branch model** to optimise territorial footprint and boost efficiency;

• **scale-up of international presence** with further selective growth in client acquisition and recruitment of Private Bankers - leveraging on existing platforms as a result of acquisitions in selected markets that have strengthened Intesa Sanpaolo presence in Wealth Management - as well as a stronger presence in Europe, **increasing international customer financial assets of the Private Banking Division by €15 billion** from €30 billion in 2021;

● **continuous focus on fully owned product factories in asset management, as well as in life and P&C insurance**, **increasing assets under management**, net of duplications, **to around €550 billion** in 2025 from around €457 billion in 2021 (**+4.7% CAGR**), **life reserves to around €210 billion** from around €194 billion **(+7%)**, **of which unit-linked products to €110 billion** from €93 billion (**+19%**), and **penetration rate on Intesa Sanpaolo clients of P&C non-motor retail product to 18% from 10%**:

• **asset management**:
  - **enhancement of value proposition across all segments** (Banca dei Territori, Private Banking and Insurance Divisions) **through new approaches** (e.g. machine learning) **and innovative products** (e.g. Eurizon Capital Real Assets);
  - **international growth, with focus in Europe** (e.g. strengthening of sales teams, enlarged offer in the United Kingdom) **and Asia** (e.g. the Hong Kong Hub);
  - **further strengthening of ESG** (products, reporting, competences, marketing, corporate governance) and **focus on climate and on transition to net-zero emissions**;
  - **strong upgrade of digital** (e.g. introduction of Aladdin, digital support for distributors, process automation, paperless, new collaboration tools);

• **life insurance**:
  - **consolidated leadership in the unit-linked segment**, with new investment strategies to reduce volatility;
  - **strengthened focus on target markets to address specific needs** (e.g. generational transition, wealth protection, insurance guarantees and long-term savings), **client segments** (e.g. millennials, silver generation, High Net Worth Individuals) and **digital attitude** (e.g. customer journey and digital products);

    - **offer dedicated to clients with excess liquidity / simplified investment needs**;
    - **strong ESG commitment** through carbon intensity reduction path for direct investments and enhancement of unit-linked / multi-line offer with ESG investment options;
  - **P&C Insurance**:
    - **for retail** "**Caring Programme**", **dedicated products and services for Seniors, developed together with the Banca dei Territori Division**, which includes health insurance protection products dedicated to the elderly, financial and savings products to ensure an additional annuity on top of the social security system, and assistance services supporting family caregivers; **innovative, personalised and comprehensive health-related solutions for families and individuals** (e.g. online booking, telemedicine); **continuation of digital transformation** to maximise operating efficiency and provide clients with a better level of service and distinctive digital products;
    - **commercial lines and small businesses**: creation of a **product offer for commercial lines** (corporates) through **standardised and tailor-made solutions** in partnership with leading market players and development of **models including benefits from corporate insurance** in Group credit assessments;

- **further growth in payments business**, in which Intesa Sanpaolo is already a leader in Italy in terms of number of debit cards (around 11 million), credit cards (around 3 million) and transaction volumes through over 430,000 POS, **leveraging on its strategic partnerships**, **with an increase in digital payments of 50% to around €75 million** in 2025 from €51 million in 2021 **and in revenues from payments to €1 billion** from €0.8 billion (**+4.1% CAGR**):
  - **partnership with Nexi**: offering of innovative acquiring and processing solutions, based on a product factory (Nexi) and distributor (Intesa Sanpaolo) logic;
  - **partnership with Mooney**: strengthened commercial focus (distribution of additional products, e.g. POS) across over 45,000 points of sale in Italy;
  - **partnership with Bancomat**: evolution of Bancomat and Bancomat Pay in Italy and throughout Europe with a focus on issuing and digital payments;

- **double-down on Advisory for all corporate clients**, including through the extension of products and services reserved for around 2,200 corporate clients to the segment of the around 11,900 top SME clients, **increasing commissions from corporates and top SMEs to €1.7 billion** in 2025 from €1.4 billion in 2021 (**+ 4.9% CAGR**):
  - **leading *PNRR* partner for Italian enterprises**, **supporting the real economy** through a dedicated programme with identified initiatives related to the *PNRR* which makes **available over €400 billion** in cumulative medium/long-term new lending over the period 2021-2026:
    - **set-up of cross-functional teams dedicated to the *PNRR* missions**, involving all the Group internal capabilities;

- **identified initiatives** to support **enterprises digitalisation** and **Transition 4.0**, strengthen **Southern Italy's economy** sustaining local champions, support **energy transition**, **sustainable infrastructure** and **urban regeneration**, and relaunch **tourism**;

- **global advisor for corporate clients, increasing commissions of the IMI Corporate & Investment Banking Division by €0.2 billion to €1.4 billion** in 2025 from €1.2 billion in 2021:
  - **enhancement of the Originate-to-Share model**, **coupled with strengthened credit risk management** (e.g. strengthened plafond, extension to new asset classes);
  - **further strengthening of the coverage network**, organised across eight industries with highly specialised origination teams (e.g. global strategic coverage, network origination coverage);
  - **senior product specialists across value-added services** (e.g. Fixed Income Credit & Commodities, Equity, Global Transaction Banking) to maximise cross-selling;
  - **tailored service model offered to the best clients of the Banca dei Territori Division** (e.g. dedicated branches for advisory, senior banker-like relationship managers);
- **distinctive international offer of the IMI Corporate & Investment Banking Division with top-notch digital platforms**:
  - **specialised offer for energy transition and infrastructure sector, strengthened market activity** expanding into innovative asset classes while maintaining proactive risk control, **upgraded offer to serve at-scale global investors mainly through an Originate-to-Share model** (e.g. private equity funds, insurance companies, sovereign wealth funds), ***ad hoc*** **solutions for new high-growth industrial sectors** (e.g. space, Fintech), **new offering for family offices**;
  - **top-notch digital platforms**, **with a "one stop shop" digital platform for the Transaction Banking business** (e.g. liquidity management), including in partnerships with Fintechs, **strengthened equity platforms**, **international growth of the brokerage business** including in partnership with leading banking groups and a **new digital platform for financial institutions**;

- **growth across the International Subsidiary Banks Division's business activities, with the Division achieving increase in operating income**, **up to €2.2 billion** in 2025 from €2 billion in 2021 (**+2.4% CAGR**), **improvement in cost/income, down to 51%** from 54%, and **growth of around €4 billion in assets under management**, including through an **additional push to IT convergence via a single platform leveraging on International Value Services**, **the IT factory for the Division**:
  - **full-fledged business model across main European subsidiaries**, **with an increase in commissions**:

- **boost of Wealth Management with a reinforced presence in the Affluent and Private Banking segments**, enhancing the fee-based business through the fine-tuning of the service model;
- **growth in the insurance business**, **setting-up a best-in-class commercial machine to enhance the current bancassurance portfolio** with a more comprehensive product offering, including through potential partnerships;
- **enhancement of the fee-based offer for mid/large corporates**, **developing synergies with the IMI Corporate & Investment Banking Division** with focus on debt (e.g. structured finance and DCM) and hedging (e.g. FX, IRS) business activities, **and strengthening synergies with the Banca dei Territori Division** to optimise coverage of Italian mid-corporates with an international footprint, and **focussing on new business opportunities relating to ESG transition** and **financial inclusion**;
- **focus on digital banking**, **reshaping the digital proposition and enhancing the omnichannel distribution** to accelerate digital customer penetration;

• **China as a Wealth Management growth option**:
- **for Yi Tsai, the wholly owned subsidiary**: **scale-up of its network** leveraging the unique advisory model, the broadening of the product offering, synergies with local product factories, and the continuous footprint expansion in key regions;
- **for Penghua, the 49%-owned company**: **direct platforms** and **selected partnerships** to boost distribution capacity and **product and distribution synergies with Eurizon Capital and other business units of Intesa Sanpaolo in the High Net Worth Individual segment**;
- **for Bank of Qingdao, the 14%-owned bank**: **enhancement of the strategic cooperation with the Group** for the access to selected local banking capabilities;

4. **<u>significant ESG commitment, with a world-class position in social impact and strong focus on climate</u>**:

● **unparalleled support to address social needs, with a total contribution, through investments and donations, of around €500m**:

• **supporting people in need**, **through the expansion of the food and shelter programme for people in need carrying on around 50 million interventions in 2022-2025** (including meals, beds, medicines and clothes);

• **fostering youth education and employability**:
- **launch of employability programmes for over 3,000 young people** (e.g. "*Giovani e Lavoro*" and Generation4Universities) **and involvement of more than 4,000 schools and universities in inclusive education programmes** (e.g. WeBecome project);
- **promoting 3,000-4,000 social housing units for youth** (e.g. students, young workers) **in Italy in 2022-2025**;

• **assisting senior population**:

- **creating around 30 senior community hubs** to provide, at a local level, **social and leisure activities and** dedicated **health and social assistance services**;
- **promoting 3,000-4,000 social housing units for seniors** (e.g. seniors with low income, living alone) **in Italy in 2022-2025**;

- **strong focus on financial inclusion, through €25 billion cumulative social lending in 2022-2025**:
  - **lending to the third sector, with lending and dedicated services to non-profit organisations** to promote territorial initiatives that benefit communities and the environment;
  - **Fund for Impact for direct support to individuals unable to access credit through traditional financial channels**, with dedicated programmes such as:
    - **MAMMA@WORK**, a highly subsidised loan to balance motherhood and work in children's early years of life;
    - **"Per Merito"**, the first line of credit without collateral dedicated to university students;
    - **XME StudioStation**, loans to families to assist with distance learning;
  - **lending for urban regeneration** through a dedicated programme:
    - **investments in hospitals, smart mobility, broadband networks and education**;
    - **service and sustainable infrastructure**;
  - **lending to vulnerable individuals**:
    - **direct support to vulnerable individuals and with difficulties in accessing credit** (e.g. loans to young couples, single-parent families, young people);
    - **support to families affected by natural disasters** through subsidised loans;
    - **partnerships to provide micro-credit** to individuals or small companies in difficulty;

- **continuous commitment to culture**:
  - **two new museums of Gallerie d'Italia in Turin and Naples** and expansion of exhibition spaces in Milan and Vicenza, **more than doubling exhibition spaces of Gallerie d'Italia - one of the most important corporate art collections in the world - to 30,000 square metres in 2025** from 14,200 square metres in 2021;
  - multi-year programme of **original temporary exhibitions**, **educational labs** with schools, and **social inclusion projects** dedicated to **vulnerable categories**;
  - **creation of a centre of excellence at new Gallerie d'Italia in Turin to promote the value of photography**, both as artistic expression and as a way to communicate the Bank's attention to the communities in which it operates and the broader role it plays in society, the economy and culture;
  - **"Restituzioni" Programme dedicated to restoration and valorisation of the national heritage** and curated by the Bank in collaboration with the Ministry of Culture (over 2,000 national artworks restored since 1989);
  - **professional education in art and culture** (Gallerie d'Italia Academy master programmes);
  - **partnerships** with museums, public/private institutions in Italy and abroad;
  - **sponsorship of activities and events in the field of culture** (e.g. opera, music, film-making);

- **promoting innovation pursuing a new frontier, including through Intesa Sanpaolo Innovation Center, through the launch of around 800 projects in 2022-2025 (up around 70% on 2018-2021)**:
  - **development of multidisciplinary applied research projects** (e.g. Artificial Intelligence, neuroscience, robotics) via collaboration with top-notch research centres, promoting technology transfer and spin-offs, and creating intangible assets and intellectual property;
  - **support to high-potential start-ups** through non-financial services (e.g. acceleration programmes) and the connection with/support from venture capital funds, also thanks to NEVA SGR (**around €100 million investments of NEVA SGR in start-ups in 2022-2025**);
  - **support to the development of innovation ecosystems** with an international perspective, coordinating the network of relationships with enterprises, incubators, R&D centres, universities and other national and international institutions;
  - **acceleration of business transformation and support to enterprises' long-term development** (e.g. scouting on new technologies) promoting de-risking and competitiveness through **Open Innovation programmes**;
  - **diffusion of innovation mindset/culture through events and new educational formats** (e.g. positioning and match-making events, dissemination to retail and corporate clients and to high schools, universities and postgraduate);
- **strong focus on climate and environmental initiatives:**
  - **commitment to net-zero emissions for own emissions and for loan and investment portfolios and asset management and insurance**, as part of the Group's involvement, since the last quarter of 2021, in the NetZero Banking Alliance (NZBA), the Net Zero Asset Managers Initiative (NZAMI), as well as the Net Zero Asset Owner Alliance (NZAOA) and the Net Zero Insurance Alliance (NZIA):
    - **net-zero own emissions by 2030**;
    - **net-zero emissions for loan and investment portfolios and asset management and insurance by 2050**;
    - **reduction targets for 2030 already set -** more than one year ahead of the NZBA deadline **- with respect to financed emissions in priority high-emitting sectors**, **covering over 60% of non-financial companies' portfolio financed emissions** in the sectors identified by the NZBA;
    - **commitment to requesting the SBTi certification**;
  - **commitment to protecting and restoring natural capital**:
    - **planting more than 100 million trees over the four-year Plan horizon** directly as a Group or with dedicated financing for its clients;
    - **adopting a specific policy on biodiversity**;
- **supporting clients in ESG/climate transition:**
  - **sustainable lending, making available cumulative flows of new lending equal to €88 billion** (€76 billion in relation to the *PNRR* in 2021-2026 and €12 billion to individuals in 2022-2025), of which €8 billion allocated to the circular economy:
    - **sustainable lending to retail clients**: further boost with a focus on green energy transition;

- **support to SMEs and large corporates on their sustainability journey**, with strengthened **sustainable lending** (e.g. sustainable finance, ESG advisory), the **dedicated Circular Economy Lab** in collaboration with Cariplo Factory, the Group's role as **Strategic Partner of the MacArthur Foundation**, **new ESG Labs** in collaboration with specialised partners to **support SMEs and corporates in the ESG transition with at least one ESG Lab in each Regional Governance Centre in 2025**, the **Skills4ESG platform for clients' training and engagement**;

- **client assessment based on Intesa Sanpaolo proprietary ESG scoring**:
  - **synthetic ESG score at counterparty level based on 140 quantitative KPIs using over 20 descriptors**: **quantitative fact-based approach** combining multiple input sources (internal and external), **coverage of both corporates and SMEs**, structured use of **Advanced Analytics** (e.g. news/web scraping), **direct client access** to integrate/enrich ESG information;
  - **proprietary ESG scoring fully embedded in Intesa Sanpaolo's credit risk appetite framework**: a key component for sustainable credit assessment together with considerations at a sector level (ESG/climate sectorial heatmap), also included in the **credit worthiness assessment of the entire Intesa Sanpaolo client base**, in line with the expected regulatory evolution;
  - **inclusion of ESG scoring within the credit strategies framework**;
- **new frontier in sustainable investments and protection**, with a **growth** for Eurizon **in assets under management invested in ESG products to €156 billion in 2025** from €110 billion in 2021, **increasing their weight** on total assets under management **to 60%** from 46% **and the number of new ESG funds on total new funds to 70%** from 58%:
  - **enhancement of ESG proposition in assets under management**: **expansion of the ESG offering** (e.g. Articles 8 and 9 of the SFDR, alternative investments), **further development of the Eurizon proprietary ESG scoring** with the extension to new asset classes (e.g. funds/alternative investments), **development of dedicated ESG advisory services for Fideuram**;
  - **development of dedicated ESG insurance offering**: **development of a dedicated non-life ESG offer** (e.g. products for companies adopting eco-sustainable behaviour, green vehicles) and **enrichment of ESG/climate offer** within the Group's **life commercial proposition** (e.g. ESG unit-linked);

5. <u>**the Group's people as its most important asset**</u>:

- **achievement of the Plan's targets enabled by significant investments in the Group's people**:
  - **"Next way of working"**:

- **“Next way of working” model applied at large scale** (hybrid: physical/remote) offering maximum flexibility to all the Group’s people while upgrading IT equipment and workplace layout;
- **large-scale initiatives for well-being and safety of the Group’s people** (e.g. new office spaces, gyms, healthy food, business trip safety);
- **new incentive plans** (including long-term incentive plans) to foster individual entrepreneurship;

• **innovative talent strategy**:
  - **“Future leaders” programme** involving around 1,000 talent and key people at Group level;
  - **reinforcing the international footprint** with distinctive capabilities in key markets (e.g. IMI Corporate & Investment Banking, Wealth Management) and **insourcing of core capabilities in the digital space**;

• **diversity & inclusion**:
  - **promotion of an inclusive and diverse environment** thanks to a set of dedicated initiatives and a focus on gender equality;

• **learning ecosystem**:
  - **reskilling/upskilling programme**, tailored to people’s needs in order to deploy excess capacity towards the Business Plan priorities (e.g. ESG, digital, credit initiatives);
  - **creation of a leading education player in Italy,** leveraging on Intesa Sanpaolo innovative learning infrastructure, to be an aggregator of best Italian players in the industry, to offer Group people a best-in-class training on critical capabilities for both the digital (e.g. cybersecurity, digital data, cloud) and ecological transition (e.g. sustainability, circular economy), and to invest in top-notch learning technologies (e.g. Artificial Intelligence) providing an increasingly effective learning experience;
  - **new “job communities”** composed of clusters of professionals with homogeneous skillsets, learning paths and titles, with the aim of defining a coherent development model within the Group;

• **process streamlining enabled by technology**:
  - **cloud infrastructure** for a new Group “HR platform”;
  - **organisational streamlining** to improve efficiency and time-to-market (e.g. aggregation of selected activities);
  - **innovative organisational models** in selected areas of the Group enhancing agility and entrepreneurship.

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