



Innovation, digital transformation  
and cybersecurity



# Innovation, digital transformation and cybersecurity

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## RELEVANCE OF ISSUES AND MAIN IMPACTS

Intesa Sanpaolo intends to maintain sustainable business growth by exploiting the active involvement of people and a cutting-edge digital infrastructure. The challenge for the future, in line with the new 2022-2025 Business Plan and ESG objectives, is to accelerate the digital transformation of the Group's customers, extending digitisation and dematerialisation to all processes: customers can rely on an innovative, inclusive digital platform that is fully integrated with the physical network.

As provided for in the Plan, during 2023 the Group presented Isybank, the new digital bank created to effectively serve retail customers who do not use branches, and reduce the cost of the service, through the use of cutting-edge, cloud-native technology that is adaptable to multi-currency and multinational customers, and working in partnership with the leading fintech company, Thought Machine.

The role of Intesa Sanpaolo in supporting start-ups, which play a catalysing role for sustainable growth geared to the future and to companies for the development of their innovation processes is absolutely fundamental, also through the promotion and support of business transformation and multidisciplinary research projects, which are key strategic levers to help them remain competitive in a constantly evolving market. Another equally qualifying aspect is the ability to satisfy customer requirements through an operating machine capable of offering simple solutions that meet their needs, attributing strategic importance to IT security. The protection of information, customers and, in general, the active role in Italy's cyber resilience represent important elements for the Bank, and the continuous strengthening of the control measures activated by the Group allows it to maintain a responsible and transparent approach in relations.

## PERFORMANCE INDICATORS, RESULTS ACHIEVED AND OBJECTIVE

Macro-issue	Projects/Indicators	2023 Actions/Results	Plan Objectives for 2025
		Cumulative value since 2022	2022-2025 cumulative value
Innovation, digital transformation and cybersecurity	Digital Bank	<ul style="list-style-type: none"> <li>The commercial launch of Isybank in June 2023 with the App release on the iOS and Android stores; launch of Isybank's new official showcase website</li> <li>The plan for the transfer of the business unit from Intesa Sanpaolo to Isybank was defined and the first planned migration of customers was completed</li> </ul>	<ul style="list-style-type: none"> <li>Creation of a new digital bank to effectively serve a significant portion of ISP retail customers who do not visit branches</li> </ul>
	Digital payments	<ul style="list-style-type: none"> <li>266 million in digital payments in 2023 (~136.8 million in 2022)</li> </ul>	<ul style="list-style-type: none"> <li>Further growth in the payments sector with strategic partnerships by increasing digital payments by 50% to around 75 million in 2025 from 51 million in 2021</li> </ul>
	Blocking of fraudulent transactions	<ul style="list-style-type: none"> <li>~41 million euro of fraudulent transactions blocked for retail customers and ~26 million euro for corporate customers</li> </ul>	<ul style="list-style-type: none"> <li>Strengthening of cybersecurity</li> </ul>

## 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
Innovation, digital transformation and cybersecurity	Innovation projects	<ul style="list-style-type: none"> <li>■ 204 innovation projects launched in 2023 (405 projects launched since 2022)</li> <li>In particular:                             <ul style="list-style-type: none"> <li>■ Development of multidisciplinary applied research projects, of which 16 ongoing projects in the neuroscience, artificial intelligence and robotics fields</li> <li>■ Implementation of initiatives for the growth of startups and development of innovation ecosystems in the cities of Turin, Florence, Naples and Venice, Ancona and Taranto</li> <li>■ InAction ESG Climate: second edition of the initiative promoted by the Insurance Division with the support of Intesa Sanpaolo Innovation Center for the development of new solutions to combat climate change and support ecological transition through technological innovation and the development of new business models. In July, 4 companies (among the ~140 candidates) were awarded an overall contribution of ~0.6 million euro. In the two editions, a total of 7 companies were awarded for a total amount of 1.1 million euro</li> <li>■ Up2Stars: second edition of the initiative aimed at 40 start-ups; the acceleration of the start-ups selected for the first call in the “Watertech” sector was completed. The acceleration of 10 start-ups in the field of “Renewable energy and energy efficiency” is underway and the call for applications on “AI for business transformation” has been closed. Overall ~200 applications received in 2023 for the three pathways</li> <li>■ Business transformation: since 2022, 43 companies have been involved in open innovation programmes, 6 of which have been involved in transformative projects in the circular economy field</li> <li>■ Spread of the mindset/culture of innovation: in 2023, 36 positioning and match-making events were held, with &gt;3,000 participants (since 2022, 68 events with &gt;5,200 participants)</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>■ Promotion of innovation with the launch of around 800 projects in 2022-2025</li> <li>■ Development of multidisciplinary applied research projects</li> <li>■ Development of international innovation ecosystems by coordinating the network of relationships with businesses, incubators, research centres, universities and other local and international organisations</li> <li>■ Support for high-potential start-ups</li> <li>■ Dissemination of a mindset/culture in the field of innovation through events and new educational formats</li> </ul>

## 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
Innovation, digital transformation and cybersecurity	Neva SGR investments in start-ups	<ul style="list-style-type: none"> <li>■ Neva SGR: in 2023 ~31 million euro of investments in startups, &gt;85 million euro from 2022. Presentation of the new Neva II Global and Neva II Europe funds that will be launched in the second half of 2024</li> </ul>	<ul style="list-style-type: none"> <li>■ Support to high-potential start-ups by providing non-financial services (e.g. acceleration programmes) and in connection with/with the support of venture capital funds, also thanks to Neva SGR: ~100 million euro of investments in start-ups in 2022-2025</li> </ul>
	Hires in the tech domain	<ul style="list-style-type: none"> <li>■ 686 employees hired in the tech domain</li> </ul>	<ul style="list-style-type: none"> <li>■ Insourcing or reallocation to IT roles and high added values activities: ~2,000 new hires in the tech domain</li> </ul>
	Training to Group's people on cybersecurity	<ul style="list-style-type: none"> <li>■ 83,344 participants; 122,306 hours provided</li> </ul>	<ul style="list-style-type: none"> <li>■ Providing Group's people with excellent training on critical skills for the digital transition</li> </ul>

## COMPANY POLICIES

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

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

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

## SUPPORT FOR INNOVATION

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

### THE PROMOTION OF INNOVATION IN THE BUSINESS PLAN

Intesa Sanpaolo Innovation Center (hereinafter also “Innovation Center” or “Company”) is the Intesa Sanpaolo Group company dedicated to frontier innovation. It explores future scenarios and trends, develops multidisciplinary applied research projects, supports start-ups, accelerates the business transformation of companies according to the criteria of open innovation and the circular economy, promotes the development of innovative ecosystems and spreads the culture of innovation, to make the Intesa Sanpaolo Group the driving force of a more aware, inclusive and sustainable economy.

As part of the 2022-2025 Business Plan, the activities of the Innovation Center have been placed in the fourth pillar, focused on ESG commitment, identifying two lines of activity:

- promoting innovation in the following areas: Research, Start-ups, Ecosystems, Open Innovation and Spreading the culture of innovation and, as regards start-ups, enhancing the support provided by the subsidiary Neva SGR. In the Plan, the Group is committed to: i) promoting innovation with the launch of around 800 projects over the entire 2022-2025 period (around +70% compared to 2018-2021), of which 405 were already launched in 2022 and 2023; ii) investing 100 million euro in start-ups through Neva SGR, of which 85 million was already invested in 2022 and 2023;
- providing support, as the Group’s competence centre for the circular economy (CE), for SMEs/Corporates on their path towards sustainability (for further information, see the chapter “Transition to a sustainable, green and circular economy”).

### RESEARCH

Intesa Sanpaolo Innovation Center, in collaboration with research centres and universities, conducts multidisciplinary applied-research projects. Since the beginning of 2023, the Company has strengthened its “frontier research” approach which, by exploiting, surpassing and enhancing the knowledge of the Artificial Intelligence Lab and the Neuroscience Lab and other skills present, aims to promote multidisciplinary and the generation of new expertise, thanks to the role of Innovation Center as an “innovation orchestrator”, not only for the Group but also involving companies, bodies and scientific partners.

Since the start of research operations (2018), a total of 65 research projects covering multiple pathways have been activated<sup>(1)</sup>. These were redefined at the beginning of 2023, combining new trends, the completed activities and those in the pipeline.

At the end of 2023, 16 projects were underway. During the year, 12 projects were launched (two of which were supported by the activation of the new Innovative Doctorate instrument provided for by the PNRR), including:

- a project in the Climate & Biodiversity pathway, dedicated to studying, according to a neuro-scientific approach, environmental attitudes and their behavioural correlates, evaluating their impact and the most suitable methods to gear them towards a greater focus on the issue of biodiversity by changing the mindset. The research results aim to acquire knowledge on consumer awareness assessment models with respect to aspects related to Climate Change and biodiversity;
- two projects in the Health & Safety and Wellbeing pathway. One dedicated to implementing a cognitive stimulation and social cognition intervention aimed at maintaining cognitive skills and social competences in patients with initial cognitive decline through the use of the humanoid robot Pepper and another (three-year) intervention that aims to develop human-robot interaction (HRI) models to use robots in assistance and social contexts.

Ten research projects have been completed, including the following in the neuro-scientific field:

- one in the Health & Safety and Wellbeing pathway, aimed at analysing the impact of neuro-scientific intervention strategies on corporate wellbeing, which has led, moreover, to the industrialisation of the training programme

<sup>(1)</sup> Agritech, Low Carbon Materials & Decarbonization, Energy transition, Climate & Biodiversity, Health & Safety and Wellbeing, Marketing & Communication, HR-Education & Inclusion and ART, Anti Financial Crime & Fraud Detection, Finance, Insurance & Wealth Management.

regarding cognitive load within the Intesa Sanpaolo platform – CareLab – aimed at the wellbeing of the Group’s people. The project and its industrialisation were mentioned by Top Employers Italia in the 2023 e-Book “For a better world of Work” in the section dedicated to “Pathways for cognitive load, technostress and ageing”;

- two in the HR, Education & Inclusion and Art pathway; one aimed at supporting the IMI Corporate & Investment Banking Division in implementing intervention strategies to enhance cognitive flexibility and logical-strategic reasoning and one focused on the analysis of the impact of self-awareness/mindfulness practices for stress reduction and in support of the cognitive training of the Group’s people who carry out Business Coach activities.

In 2023, 9 scientific publications related to research projects were released (of which two related to research on the sanitisation of environments, two related to research conducted in the analysis of interactions between humanoid robots and humans and one concerning experimentation on the use of robots to support children with autism spectrum disorders) and 27 seminars and workshops were held on frontier issues.

## START-UPS

Intesa Sanpaolo Innovation Center has gained marked skills in supporting the growth of start-ups; this activity is conducted through courses managed directly or in partnership, in the context of actions on innovation Ecosystems or specific projects or for third-party customers. In this context, in 2023 the Company conducted 8 programmes that led to the analysis of about 420 start-ups, of which 56 were accelerated. It is worth noting the fulfilment of the second edition of the following initiatives:

- Up2Stars, promoted by Banca dei Territori, aimed at 40 startups on 4 vertical pillars (Watertech, Renewable energy and energy efficiency, AI for business transformation, IoT, infrastructure and mobility). During the year, the Watertech project was completed with an acceleration of 10 startups; at the end of 2023, the second acceleration project on Renewable energy and energy efficiency was underway and the call for applications was launched regarding the AI pillar on business transformation. In total, about 200 applications were collected on the calls for applications launched in 2023;
- In Action ESG Climate, promoted by the Insurance Division, dedicated to promoting the development of innovative solutions to support environmental sustainability and the circular economy. In July 2023, the four best projects received awards: in the two editions, a total of 7 startups were awarded prizes amounting to 1.1 million euro.

To support the growth of start-ups, Intesa Sanpaolo Innovation Center offers Business Development services in analysing the characteristics of the potential target markets and competition, and also in identifying the most suitable business opportunities and technological solutions; it also supports the Group in preliminary analyses with a view to the provision of the MLT financing called “Convertibile Impresa”, dedicated to innovative startups.

## ECOSYSTEMS

During 2023, Intesa Sanpaolo Innovation Center conducted initiatives to support the growth of international ecosystems. In particular:

- in Turin, the partnership with the Fondazione Compagnia di San Paolo, Fondazione Sviluppo e Crescita, Fondazione Cassa di Risparmio di Torino and Techstars was renewed to continue supporting the growth of the innovation ecosystem and strengthen the strategic positioning of Turin as an internationally attractive hub, with the signing of a new Memorandum of Understanding lasting two years. As a result of this partnership, a new acceleration programme on trend setting-advanced technologies was launched, which follows the previous programmes on smart mobility and smart cities. At the end of 2023, the 12 startups were chosen (6 Italian teams, over 300 candidates) that will participate in the first class. Since the launch in 2019 of the first programme, 57 startups (17 Italian teams) have been accelerated, over 70 proofs of concept and other collaborations have been developed, over 85 million euro of capital has been raised and ~550 new resources have been hired;
- in Florence in November 2023 the call for applications for the third class was launched, starting in March 2024, of the three-year “Italian Lifestyle Acceleration Program”, managed by Nana Bianca, with the Fondazione Cassa di Risparmio di Firenze. Since its launch<sup>(2)</sup> in 2021, 12 Italian startups have been accelerated, 50 proofs of concept and other collaborations have been developed, ~4 million euro of capital has been raised and over 100 new resources have been hired;
- in Naples, the second class of the three-year “Terra Next” bioeconomy programme was completed with the participation of Cassa Depositi e Prestiti (CDP), Cariplo Factory, various local business and scientific partners and the patronage of the Italian Ministry of the Environment and Energy Security. Since its launch<sup>7</sup> in 2022, 15

<sup>(2)</sup> Data referring to programmes closed as at 31.12.2023.

startups have been accelerated, over 110 proofs of concept and other collaborations have been developed and ~0.8 million euro of capital has been raised;

- the first class of the three-year (Tourism and Traveltech) “Argo” programme was completed in Venice, sponsored by the Banca dei Territori (BdT) Division and Innovation Center and developed by CDP and LVenture with the collaboration of the Ministry of Tourism: 7 startups were accelerated<sup>(3)</sup>, ~1.3 million euro of capital was raised and 6 new resources were hired.

The Company has also supported the BdT Division for the “Next Age” (Silver Economy) three-year acceleration programmes in Ancona, for which the call for applications for the third class was launched in January 2024, and for the “Faros” (Blue Economy) programme in Taranto – the second class will end in February 2024 - promoted by CDP and managed respectively by AC75 Startup Accelerator and Alcube.

Other projects supporting innovation in the regions notably included the involvement of the Innovation Center by the Municipality of Turin in a project to restore tourist navigation and the relaunch of the river areas of the Po (“Fiume di futuro” - “River of the Future” - project), which entails the creation of a River Center, a hub for information and sharing knowledge, for experiences to be enjoyed in close contact with the river with facilities for holding events and innovative activities, and also for enhancing the value and promoting the city and its events from a tourism point of view. At the end of 2023, the Company provided the city with the results of the technology scouting related to river issues of potential interest for visitor engagement.

## OPEN INNOVATION

In order to generate new economic and relational value for the Group and increase the competitiveness of companies, Intesa Sanpaolo Innovation Center, in synergy and coordination with the Banca dei Territori and IMI Corporate & Investment Banking Divisions, offers non-financial and advisory services also to facilitate the meeting between demand and supply of innovation and favour the start of transition programmes towards a circular economy scheme.

### HEALTH&BIOTECH ACCELERATOR

During 2023, the Intesa Sanpaolo Vita Insurance Group continued to participate, as an industrial partner, in the Health&BioTech Accelerator, one of the most important innovation acceleration programmes in the health sector. This programme uses an Open Innovation approach in collaboration with international startups and key players in the healthcare sector (such as research institutes and healthcare centres). Thanks to the project, prototypes and innovative solutions were identified (for example physiotherapy with wearable devices, robotics, new digital platforms and solutions for promoting well-being) to be integrated within the insurance core business, also thanks to the creation of InSalute Servizi, set up within the Insurance Group, dedicated to the management of claims and the development of a network of affiliated healthcare facilities. In addition, as part of the digital transformation programmes, the Insurance Group continued to invest in innovative solutions with a view not only to functionality, but also to increasing transparency with respect to the Customer.

## SPREADING THE CULTURE OF INNOVATION

Intesa Sanpaolo Innovation Center promotes the dissemination of knowledge and of the culture of innovation to strengthen the Group’s position as an actor that promotes innovation within its own setup and among customers, favouring matching between innovation supply and demand, taking advantage of the Group’s widespread presence and the relationships and partnerships with the actors of the various Innovation Ecosystems. This activity is mainly run through its own website (since its launch in June 2022, over 270,000 pages have been visited with more than 91,000 users reached), and innovation events for matching innovation supply and demand, and also for positioning meetings.

The 36 innovation events held in 2023 involved over 3,000 participants and 6 of these events focused on issues related to the circular economy. The following are particularly worth noting:

- the moderation, on the sidelines of the COP28 in Dubai, of the round table “How to accelerate the transition towards Circular Economy and its impact on Technologies, Finance and Industries” together with EMF and the IMI Corporate & Investment Banking Division;

<sup>(3)</sup> The number of selected startups was 8, of which one left the programme at the end.

- Hydrogen Observatory: presentation of the report “Osservatorio Idrogeno – il profilo della filiera e le sue potenzialità di crescita” (Hydrogen Observatory – the profile of the supply chain and its growth potential) produced in collaboration with Intesa Sanpaolo’s Research Department and the Associazione H2IT;
- EC Talks: a series of 4 hybrid meetings in collaboration with the Hong Kong Hub, the Ellen MacArthur Foundation and the Italian Chamber of Commerce in Hong Kong and Macau aimed at bringing testimonies on EC issues to the Greater Bay area;
- Next steps towards implementing the strategy: event organised with the Scientific Technical Committee of Ecomondo as part of “Digital Green Week|Circular Economy and Energy Transition: the road to decarbonisation” during which it was possible to share views and ideas with various stakeholders on what the next steps could be to unleash the potential of transition to the EC paradigm.

The Company also analyses innovation trends on issues of particular relevance and produces reports on innovative industrial technologies for the benefit of companies and the Group and other publications on innovation issues. In 2023, 9 reports were produced, including the ITRs (Industry Trend Reports) called “Watertech” and “Sustainable Cities”, the X-plore Silver Economy and Bioplastics, the publication of the “Metaverse and Social Cognition” report and 6 other publications on the world of innovation.

To guide innovation also towards issues of diversity & inclusion, in 2023 the Innovation Center carried out a pilot project, with the collaboration of Intesa Sanpaolo, for the city of Turin, which identified needs and technologies to map and promote the removal of architectural barriers around the Intesa Sanpaolo Skyscraper.

In addition, Intesa Sanpaolo Innovation Center oversees and develops the national and international innovation network and the fastest growing ecosystems (Israel, Dubai, Hong Kong, London, New York) for technological scouting and accompanying customers of the Business Divisions.

## SOLUTIONS FOR INNOVATIVE COMPANIES

Nova+ is the medium-to-long-term loan dedicated to supporting companies investing in research and innovation, which provides for the industrial-technical assessment of the research project carried out by a unit of Bank engineers specialised in the technological sector. Where specific requirements are met (financing for an amount not exceeding 500,000 euro and customers within the scope of Banca dei Territori that are managed in line with a specific procedure), companies that complete projects financed with Nova+ can enjoy a benefit on the interest rate, after providing an affidavit regarding the completion of the project financed by the Bank. At the end of 2023, in line with European technological trends, an update was made to the product’s theme-based lines, which are: Nova+ Digital & Industry 5.0, Nova+ Green, Nova+ Space & Security, Nova+ Health, Nova+ Mobility, Nova+ Agritech. For the Green, Mobility and Agritech lines, there is also the ESG/Environmental Sustainability attribute in accordance with the Rules for the classification of products and sustainable transactions, approved by the Group at the end of 2022.

In 2023, Intesa Sanpaolo launched the agreement signed at the end of 2022 with the European Investment Fund (EIF), which provides for the granting of guarantees to companies under the InvestEU programme. These guarantees aim to facilitate the access to credit of SMEs and Small Midcaps through the concession of medium to long-term loans with a focus on sustainability, supported by a 100 million euro credit line, and on innovation, supported by an additional 200 million euro credit line. During the year, 68 investment projects were supported with loans of over 139 million euro issued. The resources allocated by the EIF will remain available to businesses until October 2026, subject to extensions or the early exhaustion of the budget.

In 2023, the management for the amortisation of the loan portfolio continued (equal to 377 million euro) guaranteed by EIF Innovfin with a 50% ordinary guarantee and linked to research, innovation and development projects, based on the original agreement in 2018, with an availability period that ended at the end of 2022.

Lastly, Intesa Sanpaolo approved 101 projects in 2023 for about 985 million euro of acceptable investments in favour of 223 beneficiaries, acting as a Bank granting specific public subsidies for research and innovation (in particular, the Sustainable Growth Fund, managed by the Italian Ministry of Companies and Made in Italy). In total, 541 projects that had not suffered forfeiture or revocation, were approved under the Sustainable Growth Fund from 2014 to 2023, for a total of about 3.4 billion euro of acceptable investments in favour of 990 beneficiaries.



## THE PROCESSES INVOLVED IN THE BANK'S DIGITAL TRANSFORMATION

With the 2022-25 Business Plan, Intesa Sanpaolo has continued the journey it embarked on a few years ago, concerning digitisation, innovation and multi-channelling. This journey involves the gradual, in-depth revision of the IT platform, improvements in efficiency of the operating model and the transformation towards the cloud. The main actions in 2023 were as follows:

- in June, the new digital bank Isybank was commercially launched (with the release of the App on the iOS and Android stores and activation of the official showcase website), with a new cloud-native digital platform, Isytech, developed in partnership with the leading fintech Thought Machine, which serves customers in the Retail segment that are mainly digital users of banking services and geared to mobile banking. In line with the needs of this group of customers, Isybank has been designed according to criteria of simplicity, accessibility, inclusiveness and security, maintaining the possibility of a direct relationship with the managers of the Digital Branch, since Intesa Sanpaolo's approach is to preserve the value of people in their interaction with the customer. During the year, the development of new features continued in order to further enhance the App and the transformation and simplification of the operating model;
- the two programmes continued to effectively support the transformation path: in the New Group Technology area (which aims to transform the IT operating model by aligning it with the best practices of IT structures in digital market businesses), the adoption of new ways of working to oversee applications was extended to the internal structures; within the Falcon area (which aims to bring IT competence back in house through the hiring of ~2,000 resources throughout the Plan) 686 new employees have been hired, in line with the planned budget. In addition, the training course to support the growth of internal skills continued;
- as regards the agreement signed with TIM and Google for the migration of a significant part of Intesa Sanpaolo's information system onto Google's cloud services, which will meet the more stringent international standards of security and confidentiality of information, the migration continued of the applications onto the Google Cloud Platform (since the start of the Plan, 274 applications have been migrated and 71 new applications have been created directly on the Cloud); Italy's Milan and Turin Regions have been fully activated, allowing Italian households and businesses to enjoy the technological and economic advantages of cloud computing in a secure and sustainable manner and making a key contribution to the acceleration of Italy's digitisation.

With the Opening Future portal, a communication hub developed by the Group in collaboration with Google Cloud and Noovle (cloud company of the TIM Group), further initiatives have been made aimed at increasing and spreading a digital culture and building green IT in Italy. Taking advantage of the local and international technological capabilities of partner companies in technology (5G, IoT) and artificial intelligence, the free training offer has been enhanced for the community (students, teachers, SMEs and startups). In addition, the Centre of Excellence is operational in Turin for the development of new products and specific training initiatives accelerated by artificial intelligence. During 2023, over 1,800 SMEs, startups and fintechs were involved and ~5,000 people (students and teachers) took part in training initiatives.

During 2023, the Alxeleration programme was launched, to scale up the adoption of artificial intelligence in the Group in a sustainable, responsible and uniform manner across all Divisions, fostering new business opportunities, increasing operational efficiency and further improving risk management. The programme is based on the creation of an ecosystem that has among its foundations: a coherent and common database, the cloud, the consolidation of skills, the signing of agreements with technological partners (e.g. Microsoft, Google) and academics (e.g. London University, Fujitsu), CENTAI (Intesa Sanpaolo's research centre for artificial intelligence) and the dissemination of an AI culture within the Group. Over 75 use cases have been launched, thanks to over 150 dedicated AI Specialists, and workshops have also been launched aimed at testing Generative AI.

As regards innovation in customer interaction procedures, further developments have been released to enhance the integration of contact channels and improve the offer and user experience; thanks to this commitment, the Intesa Sanpaolo App was also confirmed in 2023 as the first Overall Leader. The Intesa Sanpaolo Mobile App is used as a gateway by over 12.5 million multi-channel customers, with over two billion logins and 178 million transactions in a year, and supports the purchase of products and services on the Group's digital channels, which account for almost 40% of Banca dei Territori's total sales.

In addition, in 2023:

- the digitisation of the "New Concession" processes is being extended to the SME Retail segment, factoring the innovative and digital elements already developed for the Corporate and SME customers;
- the path involving the strong acceleration of digital payments continued with new solutions and functional innovations to make mobile phones one of the key channels in customer interactions; the "no hardware"

SoftPOS solution has been made available - developed as a preview by Nexi for Intesa Sanpaolo customers - which allows merchants to use their smartphones or tablets to accept payments made by their customers with contactless cards from the main circuits and through digital wallets. With the aim of achieving the complete dematerialisation of processes, the method of managing the signature on the contractual kit has been fully dematerialised for the Customer Journey Commercial Cards and Short Term Distribution and Signature Commitments and a new feature has been integrated into Inbiz that allows customers to use, for the signing of products and services, remote Digital Signatures issued by third-party Certification Authorities, as an alternative to those issued by the Bank (MyKey/Bancalidentity);

- in the insurance sector, the range of products offered on apps and internet banking has been expanded: the new “Il Mio Domani” and “Il Mio Futuro” products that accompany customers towards their future retirement pension and the “Smartphone Protection” policy that focuses on the culture of protecting their assets;
- the Fideuram Direct digital platform, aimed at savers and traders who invest remotely in the financial markets, has been enhanced with Direct Advisory, the new remote advisory service for managing investments; in addition, the migration of Fideuram customers to the MyKey platform has been completed along with the activation of the Digital Branch for Fideuram’s direct-channel customers.

## THE INVOLVEMENT OF PEOPLE AND THE SPREAD OF DIGITAL CULTURE

The OTTOMILA! change management system also accompanied the almost 45,000 people of the Banca dei Territori (BdT) Division in 2023 in achieving the objectives of the 2022-2025 Business Plan. Within an agreed framework of values, about 50 concrete and easily replicable initiatives were identified during the year, tailored to the needs of the different realities. The strategic activities of OTTOMILA! include an attention for environmental and inclusion issues, but the central focus is on digital transformation with the Vividigitale format, which confirms its informative function for aspects related to digital issues, process automation and new platforms. First and foremost, it is addressed to digital culture disseminators, people from the BdT network chosen from time to time in each branch, to be the first disseminators within each organisational unit. The Vivichat remote meetings have also been confirmed: an informative and in-depth programme dedicated to priority issues, strategic projects and new services and products. Overall, the two formats totalled 195 online sessions, reaching around 84,000 participants. In addition to these tools there is also the awareness-raising activity of people also through the publication on the OTTOMILA! portal of specific content, dedicated, among others, to the conscious and safe use of new tools and processes, the remote collaboration and management of the relationship with customers even remotely, providing food for thought and encouraging the contributions from the Group’s people. The involvement and active participation of people also continued with the Altimetro, the well-established and recognised tool that through the compilation of an anonymous and voluntary quarterly questionnaire, aims to encourage discussion within the workplace, stimulating dialogue and reflections on those aspects that already work in order to achieve improvements together.

## THE PHYSICAL NETWORK CHANNEL AND INTEGRATION WITH ONLINE STRUCTURES

The branches continue to represent the physical space for personal relations with customers in the distribution network, particularly with regard to more complex/advanced transactions. The adoption of the more up-to-date branch layout allows a significant change to the physical place where the Bank comes into contact with its customers, with modular spaces that have been made as welcoming as possible and functional areas for specific activities (customer reception areas, living areas and self-service banking areas etc.). The new branch layout, which also adapts to host artistic and cultural events, at the end of 2023 was present in 406 branches, including 30 Business branches, with an increase of over 35 units compared to 2022.

Isybank is the Group’s digital bank, created to meet the needs of mainly digital customers who prefer to manage their account and products connected independently by smartphone and/or through the support of the Digital Branch managers. The customer can open the current account directly from the dedicated App in a few minutes. The account is already active upon completion of the onboarding process and the linked debit card is simultaneously active in its digital version.

The offer, available via the Isybank website [\[i\]](#), is constantly developing and includes cards, digital payments and some loan products. The product catalogue will be completed by the end of 2024. A distinctive element of the offer is the Digital Branch, which allows the relationship with an expert bank manager: this represents a plus compared to the offer of other digital banks and fintechs.

Throughout 2023, thanks to its service model that was specialised according to the customer segment, the Digital Branch continued the journey started in 2022 aimed at constantly improving the quality perceived by the customer as regards the assistance and advice they are offered, also by expanding the perimeter of the customers served. In fact, the Service dedicated to Fideuram customers was launched in May 2023 and then started operating normally for over one million customers in October with high levels of service; at the same time, with the commercial launch of Isybank in June, the customer assistance service for the first account holders of the new digital bank began and the inbound and outbound support for Intesa Sanpaolo customers whose accounts were being migrated was also launched.

With a view to innovating and constantly improving the service experience with the Digital Branch, the technological development and updating of the Ellis chatbot also continued, both for Intesa Sanpaolo and for Isybank. Work additionally included the activities dedicated to supplementing the Ellis voicebot - made available to the first 2 million customers via the Bank's freephone number - with the aim of completing the roll out to all customers, while expanding the use cases managed end-to-end and supporting the Digital Branch in ensuring high levels of service.

During 2023, the Digital Branch continued its training activities for customers, by organising webinars dedicated to them with the aim of encouraging an increasingly aware, widespread and secure dissemination of the various features available on digital services, thus continuing to foster the transition to digital operation and promoting inclusiveness with respect to senior customers (over 65).

During 2023, the International Subsidiary Banks Division continued activities related to the following projects:

- the Adopting Group Distribution Model (AGDM) project merged into the broader Retail+ programme, activated in PBZ, VÚB Banka, BIB and CIB Bank. The programme consists of 4 actions: (i) "Process simplification", which optimises branch processes and improves user experience; (ii) "SFE & Productivity enhancement" which, in continuity with the previous AGDM, improves the efficiency of the commercial proposal in line with customer needs; (iii) "HR enablement" with training dedicated to managers to improve their interaction with customers; (iv) "Physical network" which has become the container of the AGDM activities, for the development of the physical network with a view to transforming branches into high-value consulting centres for customers.
- DigiCal, the internet and mobile banking channel, continued with its strategy for digitising processes for Retail and Small Business customers, enhancing quality and standardising its processes, in preparation for the migration to the most advanced technologies, planned for 2024. Through the DigiCal ABC platform, the manager's activity can be optimised through the use of a single application for branches of the International Subsidiary Banks and make sales processes paperless, by dematerialising contracts through the use of "Danube" tablets.

The Remote Offer service, active in PBZ, ISP Slovenia, ISP Albania and CIB Bank, assists customers remotely by sending and finalising the commercial offers made to them via online channels. More specifically, since 2023 CIB Bank has been able to take advantage of the advanced online interaction services that provide an even more effective customer care service. New customers can open a current account through a completely online process in ISP Slovenia, ISP Albania, CIB Bank and ISP Romania. As regards these last two banks, in particular, this service is provided solely via the use of the mobile App.

Finally, for VÚB Banka and BIB, some advanced anti-fraud mechanisms have been activated that protect the customer, by assessing the risk of online transactions and blocking those at risk, where appropriate.

## ACCESSIBILITY FOR PEOPLE WITH DISABILITIES

Transactions for customers with visual disabilities are carried out, in Italy, with ATMs equipped with a highly readable graphic interface for visually-impaired people, while for blind customers over 6,400 machines are equipped with headphones for listening to voice guidance. The monitoring of the accessibility and usability of buildings and services led to the conclusion of the census of 2,599 operating points (consisting mainly of Retail, Exclusive, Business, Private and Corporate branches, satellite agencies of the various branch types, and detached and company branches) out of a total of 4,169, i.e. about 62% of the total, inspecting the user-friendliness of automated equipment and the accessibility of various areas with the use of tactile routes for the visually impaired. You can find specific information on the accessibility of branches on the Intesa Sanpaolo website [\[1\]](#). In particular, there is information on the accessibility of branches and self-service areas for individuals with reduced mobility; visitors can also find out, for example, if there are accessible cashier desks, adequate space for manoeuvring in corridors, lifts or lifting platforms, or stair lifts to connect the various floors.

In the area of digital accessibility, in 2022, accessibility settings were introduced on the website and on the App to facilitate the digital inclusion of all customers with visual impairments. During 2023, in compliance with the relevant legislation, in order to direct assessment and remediation activities on the digital touchpoints (sites and apps) of the Group's Italy perimeter and facilitate the activation of new developments in terms of accessibility, notices about accessibility were published on all touchpoints within the area, a feedback management mechanism in response to any customer reports was activated and remedial actions were initiated on some priority touchpoints.

In 2023, the analysis of legislation for the appropriate adaptation of mobile and web applications continued within the International Subsidiary Banks, as regards DigiCal, in line with the European Accessibility Act, which allows the use of platforms for people with disabilities, offering the service in English and in the local language. The mapping activities on accessibility conducted in 2022 concerned 100% of business-operating properties (branches, head offices, etc.) and considered several common parameters (accessibility from the outside, to the cashiers and to relationship managers, etc.). The highest levels of accessibility from outside referred to Croatia (95%) and Slovenia (93%) with an improving trend observable in all countries in the International Subsidiary Banks area, taking into account the changes in the number of branches. During 2024, a survey will be launched to update the previously surveyed details of premises in the International Subsidiary Banks area, taking branch networks and head offices into consideration.

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

## DIGITAL OFFER FOR CREDIT

The activity of granting credit to retail customers, in terms of products and processes, is carried out in a multi-channel perspective. The customer can sign for the loan via several channels: in the Branch, in self mode via internet banking and the App, through Remote Offering, or through Out-of-branch Offering. In addition, the loan request can be resumed, managed and concluded via a different channel than the one used to open it.

- XME Prestito Facile/XME Prestito Giovani, the fast and flexible solution for customers needing liquidity, which allows customers to sign in self-service mode and to change instalments and defer payment;
- XME Prestito Diretto which allows the purchase at zero rate of a wide range of products and services offered by commercial partners;
- XME Spensierata is the open-ended credit line that helps customers manage their daily expenses by paying expenses already incurred in instalments, or by obtaining the liquidity necessary to meet their purchases (expenses already incurred or to be incurred), optimizing the management of the family budget.

In credit to SMEs, in November 2023 the User Journey (UJ) for credit was released: a new dematerialised and digitised process that simplifies the process of granting credit products for all Business customers. The new credit UJ, aimed at SME Retail and SME Corporate/Corporate customers, can currently be used for the remote offering of the Opening of Current Account Credit (APC), the POS Transaction Advance (ATP) and the Circolante Impresa loan for companies.

## CYBERSECURITY

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

The Group's cybersecurity model has a well-structured approach in the three main macro-areas (Guidance, Control, Active Monitoring). In accordance with this model, appropriate roles and responsibilities have been defined, including: (i) the Corporate Bodies and Committees that assume general responsibility for the guidance and control of cybersecurity, supported by the Governance Functions that ensure its effective management; (ii) a Group Information Security Officer who ensures the protection of information and infrastructure and fosters

appropriate cyber-culture initiatives for customers and for the Group's staff; (iii) the relevant functions that provide services, design and release cybersecurity solutions in compliance with the relevant regulations.

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

Given the growing importance of cybersecurity, also in relation to the Business Plan, the Intesa Sanpaolo Board of Directors annually approves the IT Security Plan which organises, in a structured and coordinated way, the challenges introduced by cyber space through the measures established by the Group functions that are responsible for guaranteeing the relevant safeguards. The clear definition of responsibilities in disseminating a cybersecurity culture to protect every component of the company's assets is the main theme. In particular, the IT Security Plan provides for the implementation of a Group cybersecurity strategy based on perfect knowledge of the elements of the area to be protected, which grows together with the services offered and the new risks that heavily depend on behaviour and the human factor. This strategy is based on four main pillars:

- protecting customers: protecting customers against the increase and sophistication of fraud and attacks, consolidating trust in digital services;
- protecting the Bank: developing the ability for protection and recovery from new attacks on the digital infrastructures used by the Bank and Third Parties;
- ensuring compliance with cyber legislation: transforming internal safeguards and processes to ensure constant compliance with legislation and the laws;
- adopting the cyber strategy and enabling trust in digital services, which is achieved by guaranteeing customers, even those with little familiarity in the digital field, secure access to online services, by ensuring security and resilience of services and cyber training on the entire value chain and developing the governance model, in order to foster the growth of controls and strategic skills.

These pillars have enabled the operational projects to be identified together with the investments necessary for the implementation of the initiatives set out in the master plan, geared towards increasing the levels of:

- prevention/cyber hygiene, meaning the Bank's ability to guarantee cybersecurity best practices and the awareness of appropriate behaviour on the part of all employees and company staff;
- process resilience and operational recovery, i.e. the ability to guarantee the survival of the Bank in the face of cyber-attacks and the continuity in providing services to customers;
- third party protection, to protect company data and services even when their management is supported by external suppliers;
- anti-fraud, to protect customers from attacks directly aimed at them;
- governance and guidance of the Group, to ensure the overall uniformity and effectiveness of the adopted cyber strategies, as well as their certification by external parties and the full involvement and commitment of the Bank's management and senior management.

Some of the most important initiatives for the Bank are:

- the ongoing activities aimed at improving levels of protection for customers in a period of continuing growth in the use of digital services offered:
  - the enhancement of cybersecurity and the resilience of the systems and the applications dedicated for that purpose in services offered to customers;
  - the strengthening of anti-fraud systems (e.g. introduction of Artificial Intelligence algorithms, analysis of the usual behaviour of each individual customer and verification of transactions through geolocation) also to counteract the growing phenomena of fraud and money muling, i.e. the transfer of illicitly obtained money via various payment instruments;
  - progressive elimination of "transferable" codes through Social Engineering techniques, relying on biometric recognition, on authorisations that require non-transferable security codes (e.g. dynamic QR Codes) and on the verification of the actual identity of the customer through electronic documents (passport and electronic identity card);
- increasing attention to the security of Third Parties that provide services to the Bank, through specific methods of assessment, classification and verification of suppliers for the aspects of cybersecurity and business continuity, adoption of preventive measures and checks for alternatives to the more critical services;

- strengthening of advanced prevention measures such as, for example, the use of strong authentication for the most critical services, event monitoring and correlation (Global Defense Center), endpoint protection, Threat Intelligence and the continuous enhancement of internal processes for controlled recovery and communication to the outside in the event of a critical event.

With regard to anti-fraud monitoring, the Bank keeps its system constantly updated and capable of real-time analysis of transactions carried out by customers via digital channels and of detecting, through a risk assessment system, any potentially anomalous transactions, by also considering the characteristics of the instructions and the devices used (e.g. Checks on the customer's actual possession of the Bank's App; the Group also acts in collaboration with the Authorities to combat new techniques used by fraudsters, and makes use of every channel to raise awareness among customers to actively address attempts of phishing and to remind them that their credentials are personal and must be well guarded and never disclosed to third parties. Cyber awareness communications have been extended to all customers, in order to prevent fraud and scams deriving from Social Engineering techniques and the spread of Malware.

During 2023, the entire financial system confirmed a growing trend of attempted attacks that required Intesa Sanpaolo to block fraudulent transactions amounting to around 41 million euro for retail customers and about 26 million euro for corporate customers.

Intesa Sanpaolo pays particular attention to increasing the skills of sector specialists through partnerships with universities (for example Bocconi University, Cattolica University, Milan Polytechnic, Turin Polytechnic, IISole24Ore Business School, Padua University, Alma Mater Studiorum di Bologna) and has continued with its initiatives to increase the cybersecurity culture of the financial system by participating in national and international working groups (for example Europol, ECSO, Agency for National Cybersecurity, CERTFin) by developing awareness-raising content for the community, guiding the relevant legislation and providing evidence to support the public/private sector about their experience in the world of cybersecurity. Intesa Sanpaolo strengthened its collaboration with Consumer Associations (for the initiative "Mettere in comune competenze 2023" [Sharing Expertise]) and with the Museum of Saving by taking part in the training events for primary and secondary schools and their teachers, assisting, for example, with the various initiatives: "Metti in pratica la Cybersecurity", "Sicurezza informatica e cultura digitale nelle scuole: come proteggerci e sensibilizzare", "Sicurezza informatica e cultura digitale: Cryptovalute e Intelligenza Artificiale". In addition, it continued its collaboration with CERTFin for the implementation of the new mass dissemination campaigns, called "I Navigati". In the second half of 2023, the first season of the cyber awareness podcast called "L'arte della difesa digitale" (The Art of Digital Defence) was launched within Intesa Sanpaolo On Air.

With regard to the Group's personnel, Intesa Sanpaolo continuously carries out customised training at all hierarchical levels through periodic planning of simulation initiatives with Top Management, remote or classroom-based training, checks on the effectiveness of awareness-raising initiatives for all personnel, as well as sector certifications for safety specialists.

The monitoring of cybersecurity and business continuity integrated within the Crisis Management mechanisms confirmed the effectiveness in the management of events connected to natural disasters and also in relation to the pandemic emergency and the recent geopolitical tensions, allowing the continuity of services and the protection of customers and the Group's people.

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