

CLIENT VISIT

Jan 18th, 2024

INTESA  SANPAOLO

AGENDA

INTESA DIGITAL BANKING CASE STUDY

THE STORY OF ...

... THE DEEPEST TRANSFORMATION IN THE ITALIAN BANKING INDUSTRY – **impacts 90k+ employees & 20+ million customers.**

... A PLAYER WHICH IS RANKED 3RD IN THE EUROPEAN DIGITAL BANKING AS PER FORRESTER – **started at 7th Rank in 2015**

... A TRANSFORMATION THAT INVOLVED EVERY SINGLE BUSINESS AND IT UNIT OF THE BANK AND TOUCHED THE CORE OF EMPLOYEE AND CUSTOMER EXPERIENCE

... A LEAP FROG IN THE DIGITAL SPACE OF A CENTENARY PLAYER WITH 6K BRANCHES AT THE BEGINNING OF THE JOURNEY – **we are down to 3800 branches and by 2025 the target is to reduce another 1000.**

... A PLAYER THAT OVER THE LAST 5 YEARS BUILT A NO-REGRET PATH TO DIGITAL-FIRST WAY OF DOING BUSINESS - **Isybank launched publicly in June 2023 offers innovative banking features for tech savvy customers. Next goal to migrate its 4 million retail customers to Isybank .**

CHALLENGES AND INNOVATIONS TO BECOME A DIGITAL & RELATIONSHIP BASED COMPANY

BANK'S VISION ...

... AND ACTIONS TAKEN



ACHIEVE BEST COST/INCOME RATIO



**INCREASE FOCUS ON BECOMING AN
EFFICIENT, LOW RISK WEALTH
MANAGEMENT & INSURANCE COMPANY**



INCREASE FEE-BASED BUSINESS



**LEADERSHIP POSITION IN FINANCIAL
SERVICES – PERSONALIZED DIGITAL
EXPERIENCE TO CREATE RETENTION**

**REMOTE CUSTOMER ONBOARDING, ONLINE CARD
SALES, EFFICIENT BRANCH NETWORK**

**NEW DIGITAL COLLABORATION TOOLS, ROBUST
CREDIT DECISION MODEL, INDUSTRIALIZED NPL
HANDLING**

**DIGITAL MARKETING , FINANCIAL COACHING,
PERSONALIZED REMOTE ADVISORY SERVICES**

**INNOVATION IN DIGITAL PAYMENTS, NEW
PLATFORM FOR SME, REVAMP MOBILE APP**

THE DIGITAL JOURNEY:

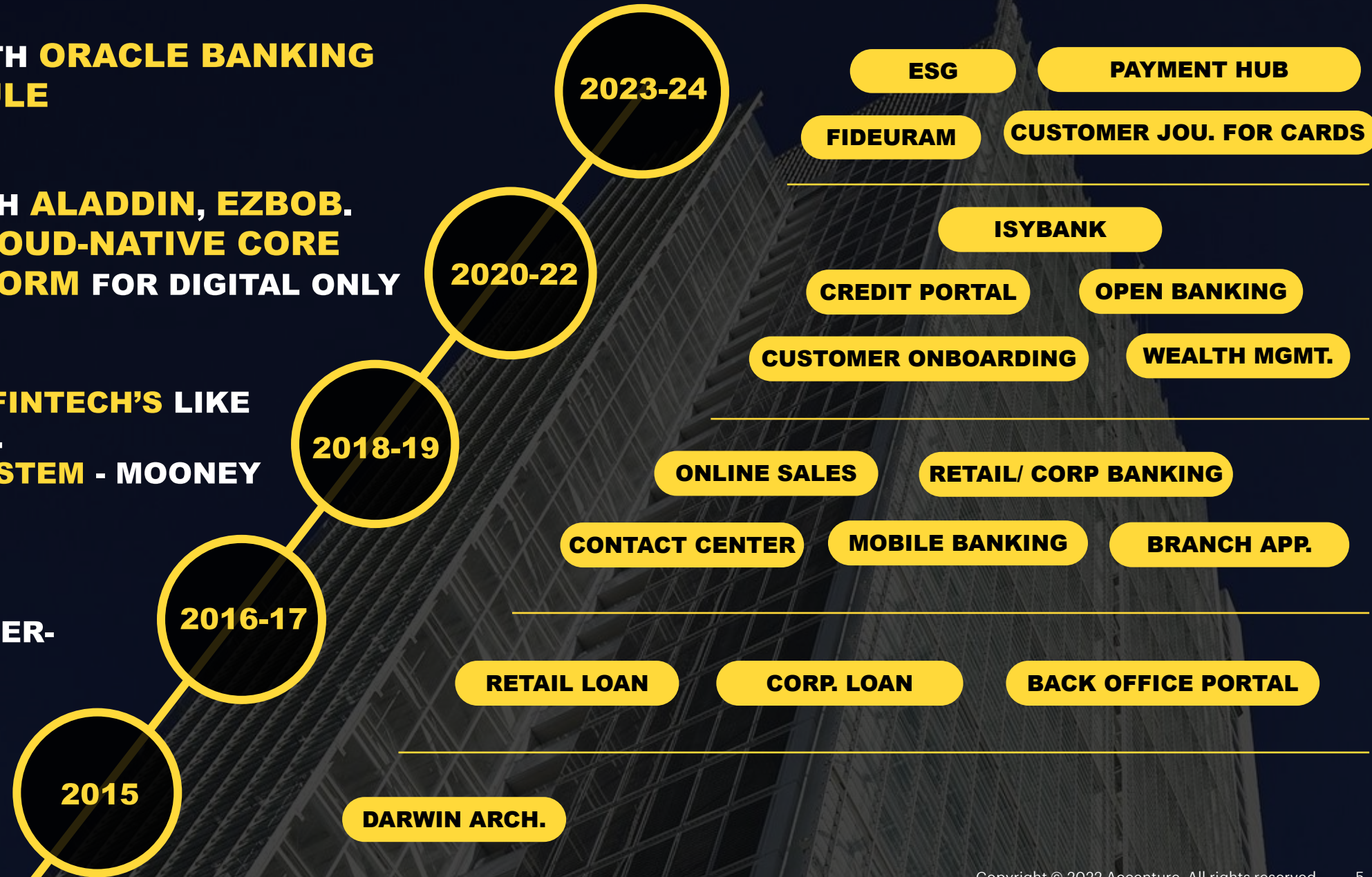
INTEGRATION WITH **ORACLE BANKING PAYMENT MODULE**

INTEGRATION WITH **ALADDIN, EZBOB.**
MIGRATION TO **CLOUD-NATIVE CORE BANKING PLATFORM** FOR DIGITAL ONLY BANK(WIP)

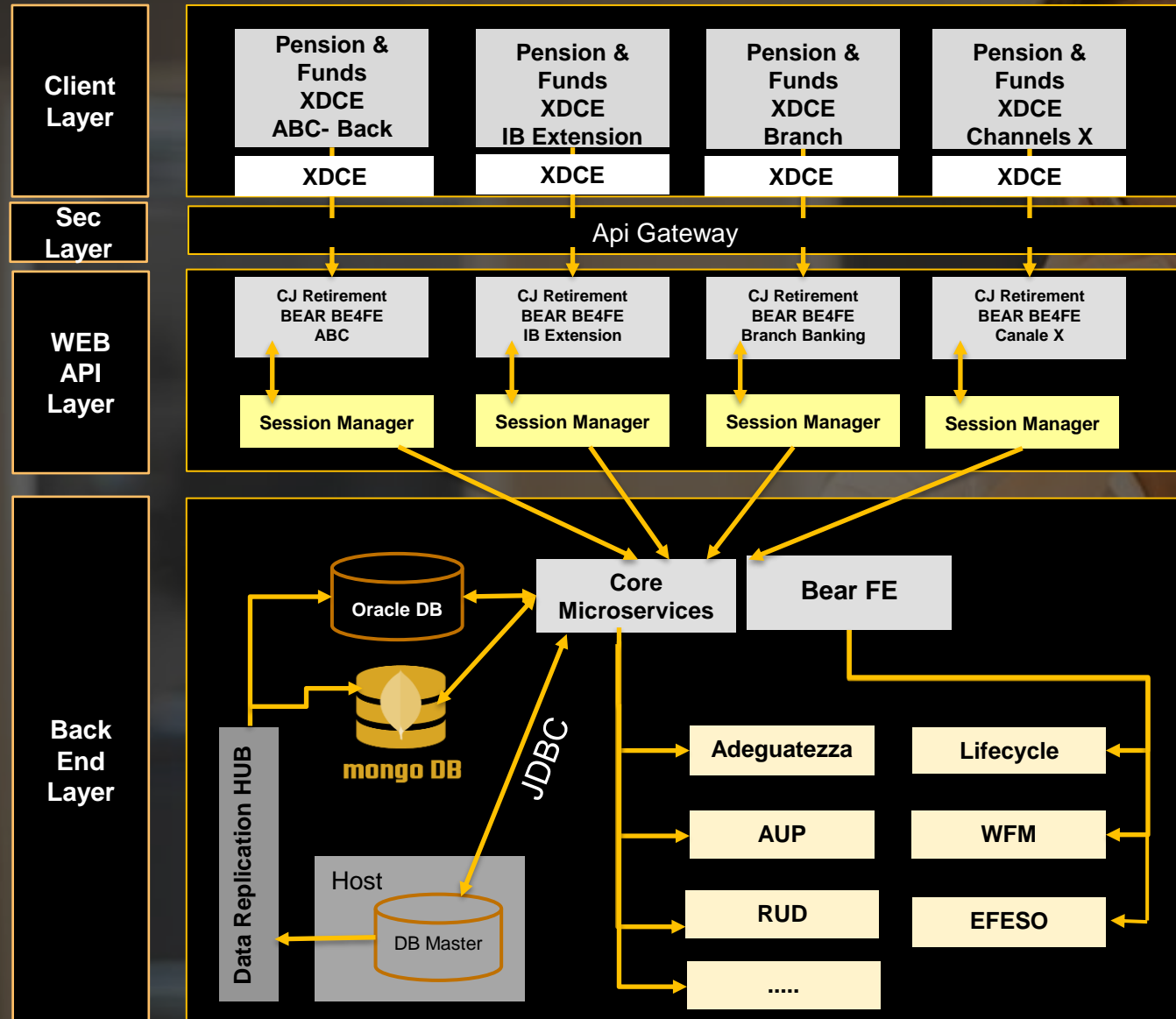
INTEGRATION TO **FINTECH'S** LIKE CRIF, MENIGA ETC.
PAYMENTS ECOSYSTEM - MOONEY AND BANCOMAT

FJORD DESIGNED THE NEW CUSTOMER-CENTRIC UI

NEW DARWIN ARCHITECTURE



ARCHITECTURE - COMPONENTS



Key Principals:-

- Leave data at the edge & build a flexible data platform instead of building from scratch.
- Hollow out the core, and migrate customization to microservices
- Focus on integration rather than re-engineering systems
- Move all non-differentiating functions to SaaS
- Follow the architecture blueprint to the dot.

EXPLOITING THE POTENTIAL OF DIGITAL – TOUCHPOINT REDEFINITION

REMOTE CUSTOMER ONBOARDING



Activation of simple multi-channel sales processes with real time decision making.

- Integration with FinTech's like CRIF for liveliness detection, **digital identity capture** (eIDAS compliant).
- CRIF APIs also provide AI Powered face detection & geolocation capture. MRZ, OCR, eID & NFC reading support.

- ✓ **100%** removal of manual interface.
- ✓ Omnichannel – reach cust. anytime anywhere
- ✓ **450** Branches **closed** in 2021 & **1000** more planned by 2025.
- ✓ Target to save **600 Million** annually by 2025

CONTACT CENTER



Contact center transformation into a sales unit thanks to the activation of the online branch

- Contact center is now **integrated** into the customer journey, to help customer in the **selling process**.
- Customers can now apply, **digitally sign** the contract, and immediately get a digital credit card .

- ✓ **70% Card** sales are from the digital channel.
- ✓ **93% Customer** are on the digital channel

PHYSICAL NETWORK DIGITIZATION



Branch network evolution in terms of format, dematerialization and service model

- Dematerialization, **graphometric** signature, **simplification** of business processes with the aim to make it a paperless branch.
- **4 Million** customers identified to be moved to **digital only bank**

- ✓ **Paperless branch 2+ billion paper sheets saved**
- ✓ **Minimum waiting time** for customers

UPGRADING ASSISTANCE SERVICES-

NEW TECHNOLOGIES AND DIGITAL TOOLS TO MAXIMISE "HUMAN TOUCH" EFFECTIVENESS

SMART LENDING



Best-in-class digital automated solution that covers all elements of **compliance, risk** and **decisioning**.

- Partnered with **EZBOB** for better risk management and make more informed **Credit Decisions**.
- **3500** data points from **40** data source evaluation in a matter of seconds.

- ✓ **15%** of all loan app. is from remote channel.
- ✓ **60%** processing time reduction in credit decisions.

NON PERFORMING LOANS PORTAL



Industrialized NPL disposal process with enhanced **tracking** and **monitoring**.

- Track each NPL through the **recovery** & write off process.
- Collection of **documents**, Analysis of **Customer Financials** (exposure), Cause of crisis, **Guarantee, Credit Rating** etc. to help define a **Recovery Strategy** and negotiate a proposal & sign a new contract.

- ✓ **3.6% NPL** reduction since 2020.
- ✓ **100% Centralized System** for NPL recovery.
- ✓ **€70 bn** NPL migrated to this new platform.

WEALTH MANAGEMENT



Advance risk analytics & Personalized Wealth management service

- Integration with **Blackrock's Aladdin** platform.
- E2E portfolio mgmt. including personalized **Remote Advisory, Collaboration Tools** for relationship manager to assist customers with financial coaching.
- Rebalancing & investment suggestions directly on **digital channels**

- ✓ **5%** of all **investment** already come from **remote channel**.
- ✓ Increase of **€ 350 bn** in Customer **Asset & € 54 bn** growth in **AUM**
- ✓ **€400 million** Growth target in commission income by 2025

THE DIGITIZATION OF INTESA SANPAOLO: RESULTS ACHIEVED

LARGEST BANK IN ITALY
~ **14 MLN** MULTI-CHANNEL CUSTOMERS

2X DIGITAL ADOPTION GROWTH VS
EUROPEAN AVERAGE
13% SALES FROM DIGITAL CHANNEL

300K+ PRODUCTS SOLD
VIA DIGITAL CHANNELS

ZERO PAPERWORK
IN BRANCH TO
FOCUS ON VALUE
INTERACTIONS



**FIRST BANK
IN ITALY**

"INTESA SANPAOLO IS THE FIRST
BANK IN ITALY FOR INTERNET
BANKING AND MOBILE APP"

FORRESTER®



**THIRD BANK
IN EUROPE**

"INTESA SANPAOLO IS THE THIRD
BANK IN EUROPE FOR DIGITAL
TRANSFORMATION"

FORRESTER®

A low-angle, upward-looking photograph of the Intesa Sanpaolo building. The building's facade is composed of a grid of light-colored rectangular panels. A large, semi-transparent dark grey arrow points from the right towards the center of the image. Overlaid on this arrow is the text 'Q & A' in a large, white, bold, sans-serif font. At the bottom of the image, the 'INTESA SANPAOLO' logo is visible in green 3D letters, with a small red and white logo between the two words. The sky is a clear, deep blue.

Q & A

INTESA  **SANPAOLO**