

Intellectual Capital

We are committed to optimising and innovating our systems and processes to provide our clients with simple, secure and user-centric solutions that meet the needs and challenges of rapid change.

MATERIAL CLUSTERS

-  INNOVATION FOR CLIENTS
-  SYSTEMIC TRENDS
-  LEAN AND SOLID BANK
-  PEOPLE DEVELOPMENT
-  POSITIVE IMPACT ON SOCIETY

2022 RESULTS

c.545

hires in Digital & Data, mainly tech specialists

-35%

major cyber-security incidents

18

initiatives running in Agile

TARGETS

c.5,000

colleagues participating in digital & data upskilling in 2022-2024

99.95%

availability of direct digital channels in 2024



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We are consolidating our core competencies, setting the ground for a new way of working, reshaping our platforms and their architecture, and paving the way towards a fully digital experience for our people and our clients.

Jingle Pang
Group Digital & Information Officer

In a context of growing demand for instant access to data and digitalized processes and services, coupled with the increasing complexity of cyber threats, we have progressed with the implementation of our **Digital & Data strategy**, a key component of our Group industrial plan **UniCredit Unlocked** announced in 2021.

In 2022 we placed particular emphasis on our ultimate objective to ensure a client approach focused on value creation. At the same time, we maintained a high level of focus on cyber security risk, with continued investment in our detection and defense mechanisms in accordance with our Digital Security Strategy.

DIGITAL & DATA PRIORITIES

	<p>OPTIMISED INVESTMENT MODEL</p> <p>We are working towards reducing complexity and implementing a leaner governance, while also pursuing the simplification of our digital and operational services. These actions will support a more efficient development of new applications and strengthen our customer proximity</p>	<p>2022 PROGRESS</p> <ul style="list-style-type: none"> The first step in rationalizing our investment model to facilitate our digital transformation process is the merger of UniCredit Services, our Digital, Operations and Procurement factory, into UniCredit SpA in 2022
	<p>CORE COMPETENCIES IN-HOUSE</p> <p>The digital transformation process goes hand in hand with prioritising an upskilled workforce and bringing core competencies in-house through dedicated training and new hires</p>	<p>2022 PROGRESS</p> <ul style="list-style-type: none"> Simplification of roles and competencies within the Digital perimeter, reduced from 73 to 39 and from 400 to 200 respectively c.545 new hires, of which 87% in technical roles such as Software & Platform Engineer, Architecture & Infrastructure Engineer, Cyber Engineer, Data & Analytics Engineer
	<p>NEW WAY OF WORKING</p> <p>Our way of working is enabling us to increase efficiency in terms of both shorter development times and costs. Furthermore, it facilitates the maximisation of reusable components, creating economies of scale in the development process of digital services and products</p>	<p>2022 PROGRESS</p> <ul style="list-style-type: none"> 18 initiatives have been developed with the Agile methodology, a key component of our new way of working
	<p>CLIENT APPROACH FOCUSED ON VALUE CREATION</p> <p>We are structuring our services around products and functions which work together to deliver quality at speed and value for our clients</p>	<p>2022 PROGRESS</p> <ul style="list-style-type: none"> Further advancement of our UniCredit Customer Experience (UCX), a strategic pillar of our digital transformation, which provides a unique and consistent digital experience across channels and devices for all client segments

The table on the following page provides a selection of initiatives launched or consolidated in 2022 in key areas of our Digital & Data strategy.

Initiative	Output
  <p>UCX CONSUMER FINANCE ITALY An optimised credit origination process developed under our UniCredit Customer Experience (UCX) programme aimed at providing a unique and seamless digital experience across all devices and channels for our retail clients. Deployed on our new cloud digital platform, its modular components are scalable to other e-banking segments thus optimising investments, while process automation features ensure efficiencies.</p>	<ul style="list-style-type: none"> • Faster approval and disbursement of credit • Clients can autonomously: <ul style="list-style-type: none"> • view the status of their requests and loan approvals • request banking products and services
   <p>UC HEDGE An online platform facilitating SME and corporate clients in the end-to-end management of foreign exchange (FX) risk, alleviating their operational needs. Currently available in Italy and Germany, the service was developed using an Agile methodology, while the code was produced entirely in-house. Deployed on our new cloud digital platform, its universal, modular components are scalable to any country and e-banking segment.</p>	<ul style="list-style-type: none"> • The service offers clients: <ul style="list-style-type: none"> • FX Risk Transparency based on exposure • FX Risk Analysis, simulating hedging strategies • FX Risk Hedging, executing trades directly through UC Hedge
 <p>UNICREDIT UNIVERSITY DIGITAL A platform to enhance our in-house digital capabilities, offering on the one hand general courses related to cutting edge technology for all employees to increase their digital awareness, and on the other, providing professional and technical development paths for colleagues working in the Digital & Data perimeter.</p>	<ul style="list-style-type: none"> • 39 development paths, one for each digital role • 3 proficiency levels for each development path • 268 colleagues reskilled • c.2,000 colleagues upskilled
 <p>LIVING DIGITAL DAYS Colleagues from across the Group took part in a 3-day expo conference where our digital and business technology experts shared the details on the transformative initiatives being implemented to build an integrated, fast, and digital bank to the benefit of our clients and employees.</p>	<ul style="list-style-type: none"> • >13,000 colleagues participated in person or online • c.25 exhibition stands in 7 cities Group-wide • c.40 speakers
  <p>DIGITAL ACCESSIBILITY EDUCATION A specialised training programme dedicated to designers and developers on the topic of digital accessibility, with the purpose of supporting the further development of digital products and services which are fully accessible to all users.</p>	<ul style="list-style-type: none"> • 6 training sessions • c.80 participants
  <p>MYONE UCX/UI An initiative in Italy which, thanks to a unique omnichannel process, offers both clients and employees a simpler interface (UI) and a more intuitive user experience (UCX) in the management of debit cards. Based on cloud and micro frontend with the creation from scratch of a digital asset and an end-to-end development team for modification and maintenance activities.</p>	<ul style="list-style-type: none"> • >100k MyOne debit cards issued as of April 2022 rollout • Available 24h/7
  <p>DIGITAL HUB A dedicated space in one of our headquarters in Milan was redesigned to allow colleagues from different teams and business lines to work together, breaking the traditional 'silos' structure, and encouraging cross collaboration on digital workstreams.</p>	<ul style="list-style-type: none"> • >900 colleagues from various functions within Group Digital & Information involved
  <p>DESIGN STUDIO Development of innovative, customer-centric digital solutions which provide clients with a seamless interaction with the bank and its partners. Qualities such as empathy, vision, creativity, groundedness and openness are key features of the design process.</p>	<ul style="list-style-type: none"> • Team of 20 colleagues with Design Thinking competencies • c.20 products designed

LEGEND



OPTIMISED INVESTMENT MODEL



CORE COMPETENCIES IN-HOUSE



NEW WAY OF WORKING



CLIENT APPROACH FOCUSED ON VALUE CREATION

DATA AT THE SERVICE OF OUR SUSTAINABILITY GOALS: ESG GLOBAL INFRASTRUCTURE

In order to support the full embedding of ESG criteria in business and successfully **leverage the power of data**, we have developed the ESG Global Infrastructure. Part of a holistic data architecture, it is capable of collecting, enriching and aggregating granular ESG data, facilitating the integration of sustainability factors in our lending

processes through a single ecosystem from which all ESG data needs can be readily accessed. The ESG Global Infrastructure also supports our Net Zero climate change commitments with regard to target setting, monitoring and analysis.

ENTRY POINT

Sustainability Front End (S-FE)

The relationship manager gathers the sustainability KPIs of the loan to be issued via a survey. The S-FE is interlinked to the underwriting system, thus providing them with a seamless user experience

CORE

Sustainability Classification Engine (S-CE)

ESG loans and clients' capacity to address climate change risk are assessed in real-time. Classification leverages on both the survey data and on external information, and will accommodate the implications of relevant ESG regulation as it evolves

OUTPUT

The gathered data is distributed across all relevant processes including green and social bonds issuance, and internal and regulatory reporting

The infrastructure has been developed by a cross-functional team to maximise synergies, while its unique integrated platform foundation means it can be used across all geographies but also account for local context

and requirements.

Currently live in Italy, the ESG Global Infrastructure will be rolled out in Germany and Austria in 2023, with countries in our Central Europe and Eastern Europe regions to follow.

Cyber Security

During recent years the relevance of cyber threats has increased and new threats have emerged in all industry sectors. Moreover, the first half of 2022 saw a dramatic increase in the risk of cyber threats due to the changing geopolitical context.

In order to meet these challenges, our **Digital Security Strategy** defines a set of steps to identify, remediate and manage risks while staying safe, fostering a homogeneous approach across the Group and proactively ensuring we are ready for the unexpected.

POLICY FRAMEWORK

Our **Digital Security Global Policy** sets principles and guidelines concerning the definition, implementation and continuous improvement of digital security to ensure a suitable level of oversight and protection of digital assets, data and information. It is part of a wider set of policies addressing specific cyber security topics, which together provide a solid framework to effectively respond to the dynamism of the threat landscape and evolving regulatory requirements.

GOVERNANCE AND OVERSIGHT

Both the **Digital Security Global Policy** and the **Digital Security Strategy** are approved by UniCredit's Board of Directors, assisted by the Board Committees. The Board also oversees the overall execution of the Digital Security Strategy and the management of major digital security issues. Furthermore, it approves reports from Internal Audit and other functions responsible for assessing security. A selection of dedicated cyber risk KPIs are incorporated in the Group's Risk Appetite Framework (RAF) which is submitted on a quarterly basis to the Board. Moreover, our Digital Security Strategy is monitored periodically, both internally and through a third party assessment on an annual basis.

THREAT DETECTION AND RESPONSE

Detection processes and the capabilities of our Security Operation Centre run on a continuous basis to manage cyber security incidents.

ICT security incident management activities aim to ensure prompt detection of, and an adequate response to, ICT security incidents, minimising negative impacts to business operations and ensuring the best possible levels of information confidentiality, integrity and availability. The process is directly linked to crisis management, guaranteeing the activation of appropriate levels of communication and support when necessary.

Digital security proficiency is key, with growing cyber threats requiring increasingly stronger skills and specific expertise. Through our **UniCredit University Security** initiative we equip employees to reduce cyber security risks by leveraging an innovative e-learning catalogue. Mandatory courses are distributed group-wide in local languages.

2022 HIGHLIGHTS

8
training courses released

>118k
hours of training

7
phishing simulations involving all employees carried out

-35%
major security incidents

➤ [More information about Cyber Risk in the Risk Management Chapter](#)

Our Story, Your Story



Category: Digital & Data



Country: Germany



Values: Integrity, Caring

Optimising our digital portfolio through leading data analysis technology

Germany launches the OneWealth platform

Embedding digital in the way we do business is essential if we want to build our competitive bank for tomorrow. With the launch of **OneWealth** in the beginning of 2022, we offered our **Wealth Management & Private Banking** clients holistic portfolio advice using a portfolio and risk analysis tool. Together with their advisor, our clients can build a portfolio that is tailored to their needs, while our portfolio and risk analysis enables them to understand exactly which interrelationships and decisions affect their overall investment and how.

With OneWealth, consultants no longer only look at individual components of a portfolio but analyse it as a whole. More than **3,000 daily updated risk factors** and a variety of market scenarios are considered - this way,

clients can identify when and why there is a need for action and anticipate future market developments in their investment decisions.

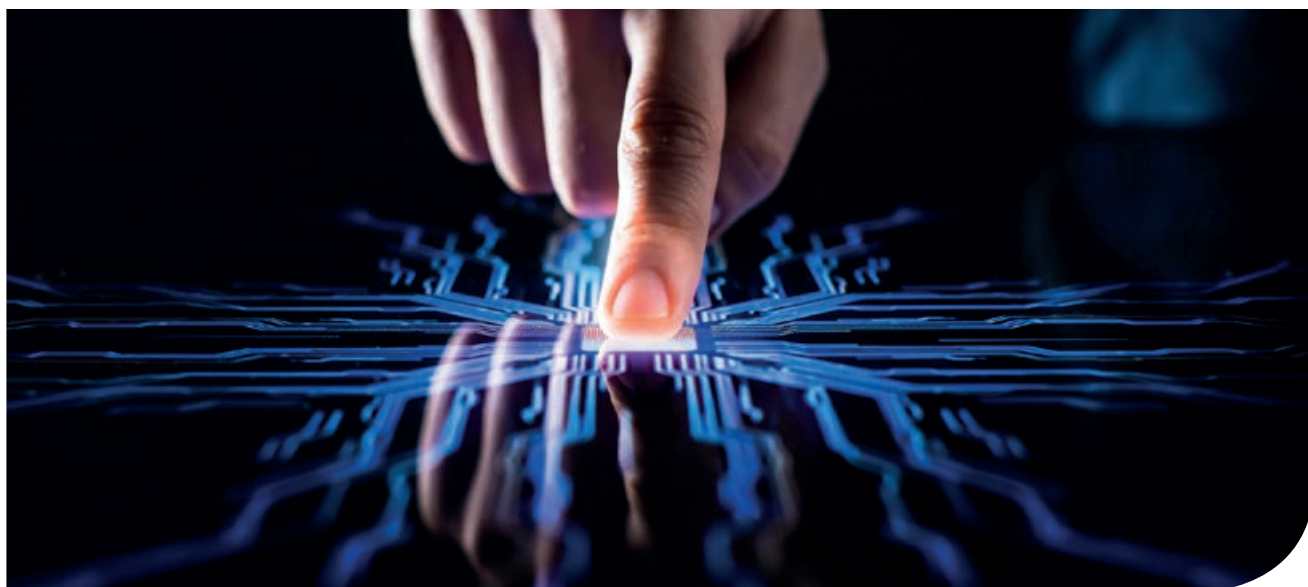
With just a few clicks, advisors can create investment proposals and tailor the investment strategy precisely to the needs and risk range of clients. Contract creation and client communications are carried out on a **consistently digital basis**. Printouts are just as unnecessary as the cumbersome switching between different banking systems. The workflows are thus greatly simplified, leaving more time for the exchange with the clients.

This has revealed additional potential of our clients' assets and has given them more choice and flexibility for their investments - as well as a whole new view into the potential future of their assets. Together with their advisor, our clients can determine how they can fully exploit their risk variant and the performance strength of their assets as well as how they can further **diversify and develop** their portfolio. They can do this through understanding the future scenarios and opportunities of their selected assets, which the new tool supports.

Like our people, our clients are experiencing first-hand what it truly means to "**live digital**". OneWealth made an important contribution to achieving the strategic goals of simplification and client centricity. In this way, OneWealth is helping **UniCredit HypoVereinsbank** achieve its ambitious growth plans in the German wealth management and private banking market.



[Watch the video](#)





Category: Digital & Data



Country: Romania



Values: Integrity, Ownership, Caring

IOANA - The digital guide for UniCredit Romania

UniCredit puts “**living digital**” at the forefront when it comes to creating a best-in-class experiences for our clients. Ioana, the **vocal guide** introduced as part of the digital transformation strategy, was launched to interact with all private individual customers of UniCredit Bank and UniCredit Consumer Financing. Ioana enables human-like interactions in **Contact Center IVR** using **Natural Language Understanding** capabilities in Romanian, allowing individuals to self-serve and successfully resolve issues, while benefiting from a shorter time to answer and

improved customer experience. Further, it runs reactive and proactive initiatives for customers’ activation and digital acquisition while delivering administrative and commercial outbound campaigns (extending our reach).

Through Ioana, we deliver an intuitive service experience that anticipates the caller’s needs and allows them to interact with the system naturally, and in their own words, through simple voice indications. In terms of the benefits to the Bank, we achieved internal efficiency in our remote servicing model by delivering services with zero waiting time for the clients, addressing increased demands at constant headcount, using efficiencies to cross-sell, and more.

Leveraging on **Mediatek Data Contact Center software** and **Nuance enhanced capabilities**, Ioana’s role and contribution continues to evolve as we add new skills in accordance with the business strategy. The last one was launched in November 2022 and since then, the vocal guide is performing in IVR full caller identification, guiding the customer to log into Mobile Banking before transferring the call to a Contact Center Agent. Through Ioana, we can merge both the **best of digital and human interaction**, complementing one another to result in a streamlined approach to modern-day banking.