INTESA SANPAOLO

PRESS RELEASE

INTESA SANPAOLO: CONSOLIDATED RESULTS AS AT 30 SEPTEMBER 2022

THE RESULTS FOR THE FIRST NINE MONTHS OF 2022 CONFIRM THAT INTESA SANPAOLO IS ABLE TO GENERATE SOLID PROFITABILITY AND CREATE VALUE FOR ALL ITS STAKEHOLDERS EVEN IN COMPLEX CONTEXTS THANKS TO ITS WELL-DIVERSIFIED AND RESILIENT BUSINESS MODEL, WITH NET INCOME - DRIVEN BY NET INTEREST INCOME - OF €4.4 BILLION WHEN EXCLUDING RUSSIA DE-RISKING.

IN Q3 2022, EXPOSURE TO RUSSIA WAS REDUCED BY AROUND 65% (AROUND €2.3 BILLION), AND WAS DOWN TO 0.3% OF THE GROUP'S TOTAL LOANS TO CUSTOMERS.

NET INCOME FOR 9M 2022 WAS €4,367 MILLION WHEN EXCLUDING €1.3 BILLION WRITE-DOWNS FOR RUSSIA AND UKRAINE, FULLY IN LINE WITH THE 2022-2025 BUSINESS PLAN NET INCOME TARGET OF OVER €5 BILLION FOR THIS YEAR. STATED NET INCOME WAS €3,284 MILLION.

INTESA SANPAOLO IS FULLY EQUIPPED TO CONTINUE SUCCEEDING IN THE FUTURE DUE TO THE GROUP'S KEY STRENGTHS, NOTABLY UNDER THE FINANCIAL, OPERATIONAL, TECHNOLOGICAL AND ORGANISATIONAL PROFILE.

THE IMPLEMENTATION OF THE 2022-2025 BUSINESS PLAN IS PROCEEDING AT FULL SPEED, WITH THE KEY INDUSTRIAL INITIATIVES WELL UNDERWAY. THE BUSINESS PLAN FORMULA AND, SPECIFICALLY, THE 2025 NET INCOME TARGET OF €6.5 BILLION ARE CONFIRMED, WITH ADDITIONAL POTENTIAL UPSIDE DERIVING FROM THE INTEREST RATE INCREASE, HIGH FLEXIBILITY IN MANAGING OPERATING COSTS, AND THE ZERO-NPL BANK STATUS.

VALUE GENERATION FOR ALL STAKEHOLDERS IS ALSO GROUNDED IN INTESA SANPAOLO'S STRONG ESG COMMITMENT WHICH IN THE NINE MONTHS OF THE YEAR TRANSLATED, AMONG OTHER ACTIONS, INTO A ONE-OFF CONTRIBUTION OF AROUND €50 MILLION TO THE GROUP'S PEOPLE (EXCLUDING THE MANAGERS) TO MITIGATE THE IMPACT OF INFLATION AS WELL AS INTO SEVERAL HUMANITARIAN INITIATIVES TO SUPPORT PEOPLE OF THE GROUP'S SUBSIDIARY PRAVEX BANK AND THE UKRAINIAN POPULATION.

THE CAPITAL POSITION WAS SOLID AND WELL ABOVE REGULATORY REQUIREMENTS: FULLY LOADED COMMON EQUITY TIER 1 RATIO WAS 12.4% DEDUCTING FROM CAPITAL €2.3 BILLION OF DIVIDENDS ACCRUED IN 9M 2022 AND THE €3.4 BILLION BUYBACK AUTHORISED BY THE ECB, WITHOUT TAKING INTO ACCOUNT A BENEFIT OF AROUND 110 BASIS POINTS DERIVING FROM THE ABSORPTION OF DEFERRED TAX ASSETS (DTAs), OF WHICH AROUND 40 BASIS POINTS OVER THE 2022-2025 BUSINESS PLAN HORIZON.

OPERATING MARGIN WAS UP BY 2% ON 9M 2021, WITH OPERATING INCOME UP BY 0.1% AND OPERATING COSTS DOWN BY 1.8%.

CREDIT QUALITY IMPROVED:
- **GROSS NPLs WERE REDUCED BY 25.5% ON YEAR-END 2021;**
- **NPL RATIO WAS 2.4% GROSS AND 1.3% NET, RESPECTIVELY 1.9% AND 1% ACCORDING TO THE EBA METHODOLOGY; NPL RATIO WOULD BE 2.2% GROSS AND 1.2% NET TAKING INTO ACCOUNT THE REDUCTION DUE TO THE ADDITIONAL DISPOSALS PLANNED IN 2022 ALREADY PROVISIONED FOR IN Q4 2021, RESPECTIVELY 1.7% AND 0.9% ACCORDING TO THE EBA METHODOLOGY;**
- **ANNUALISED COST OF RISK IN 9M 2022 STOOD AT 54 BASIS POINTS, 27 BASIS POINTS WHEN EXCLUDING ADJUSTMENTS FOR THE RUSSIA-UKRAINE EXPOSURE NET OF THE PARTIAL RELEASE OF GENERIC PROVISIONS SET ASIDE IN 2020 FOR FUTURE COVID-19 IMPACTS.**

INTESA SANPAOLO CONTINUES TO OPERATE AS A GROWTH ACCELERATOR IN THE REAL ECONOMY IN ITALY: IN 9M 2022, MEDIUM/LONG-TERM NEW LENDING GRANTED BY THE GROUP TO ITALIAN HOUSEHOLDS AND BUSINESSES AMOUNTED TO AROUND €46 BILLION. IN 9M 2022, THE GROUP FACILITATED THE RETURN TO PERFORMING STATUS OF AROUND 3,200 COMPANIES, THUS SAFEGUARDING OVER 15,000 JOBS. THIS BROUGHT THE TOTAL TO OVER 136,000 COMPANIES SINCE 2014, WITH OVER 680,000 JOBS SAFEGUARDED OVER THE SAME PERIOD.

- **NET INCOME OF €4,367M IN 9M 2022 WHEN EXCLUDING WRITE-DOWNS FOR THE RUSSIA-UKRAINE EXPOSURE (UP 9% VS €4,006M IN 9M 2021). STATED NET INCOME OF €3,284M**

- **OPERATING MARGIN UP BY 2% ON 9M 2021**

- **OPERATING INCOME UP BY 0.1% ON 9M 2021**

- **OPERATING COSTS DOWN BY 1.8% ON 9M 2021**

- **IMPROVEMENT IN CREDIT QUALITY TREND:**
  - **DECREASE IN NPLs:**
    - **GROSS NPL REDUCTION OF AROUND €54BN SINCE THE SEPTEMBER 2015 PEAK**
    - **NPL STOCK DOWN 25.5% GROSS AND 14.8% NET ON YEAR-END 2021**
    - **NPL TO TOTAL LOAN RATIO OF 2.4% GROSS AND 1.3% NET, RESPECTIVELY 1.9% AND 1% ACCORDING TO THE EBA METHODOLOGY; NPL RATIO WOULD BE 2.2% GROSS AND 1.2% NET TAKING INTO ACCOUNT THE REDUCTION DUE TO THE ADDITIONAL DISPOSALS PLANNED IN 2022 ALREADY PROVISIONED FOR IN Q4 2021, RESPECTIVELY 1.7% AND 0.9% ACCORDING TO THE EBA METHODOLOGY**
  - **ANNUALISED COST OF RISK IN 9M 2022 TO 54 BASIS POINTS (FROM 59 BASIS POINTS IN 2021), 27 BASIS POINTS WHEN EXCLUDING ADJUSTMENTS FOR THE RUSSIA-UKRAINE EXPOSURE NET OF PARTIAL RELEASE OF GENERIC PROVISIONS SET ASIDE IN 2020 FOR FUTURE COVID-19 IMPACTS (FROM 25 BASIS POINTS IN 2021 WHEN EXCLUDING PROVISIONS TO ACCELERATE NPL DELEVERAGING)**

- **SOLID CAPITAL POSITION, WELL ABOVE REGULATORY REQUIREMENTS:**
  - **COMMON EQUITY TIER 1 RATIO AS AT 30 SEPTEMBER 2022, AFTER DEDUCTING FROM CAPITAL** [*] **€2.3BN OF DIVIDENDS ACCRUED IN 9M 2022 AND THE €3.4 BN BUYBACK** [°]:
    - **12.6 % PHASED-IN** [1]
    - **12.4% FULLY LOADED** [2] [3] **WITHOUT TAKING INTO ACCOUNT THE BENEFIT OF AROUND 110 BASIS POINTS DERIVING FROM THE ABSORPTION OF DEFERRED TAX ASSETS (DTAs), OF WHICH AROUND 40 BASIS POINTS OVER THE 2022-2025 BUSINESS PLAN HORIZON**

(*) Deducting from capital also the coupons accrued on the Additional Tier 1 issues.

(°) Amount, approved by the Shareholders' Meeting and authorised by the ECB, equivalent to the 2019 suspended dividend.

(1) Calculated including the mitigation of the impact of the first time adoption of IFRS 9.

(2) Calculated excluding the mitigation of the impact of the first time adoption of IFRS 9.

(3) Estimated pro-forma fully loaded Common Equity Tier 1 ratio of 13.6%, taking into account the total absorption of deferred tax assets (DTAs) related to goodwill realignment, loan adjustments, the first time adoption of IFRS 9 and the non-taxable public cash contribution of €1,285m covering the integration and rationalisation charges relating to the acquisition of the Aggregate Set of Banca Popolare di Vicenza and Veneto Banca, as well as the expected absorption of DTAs on losses carried forward and DTAs related to the acquisition of UBI Banca and the agreement with the trade unions of November 2021, and the expected distribution on the 9M 2022 net income of insurance companies.

HIGHLIGHTS:

OPERATING INCOME:	Q3 2022 9M 2022	-6.4% +0.1%	TO €5,015M FROM €5,360M IN Q2 2022 TO €15,796M FROM €15,781M IN 9M 2021
OPERATING COSTS:	Q3 2022 9M 2022	 -1.8%	TO €2,640M IN LINE WITH Q2 2022 TO €7,804M FROM €7,948M IN 9M 2021
OPERATING MARGIN:	Q3 2022 9M 2022	-12.7% +2%	TO €2,375M FROM €2,720M IN Q2 2022 TO €7,992M FROM €7,833M IN 9M 2021
GROSS INCOME:	Q3 2022 9M 2022	€1,838M €6,043M	FROM €2,074M IN Q2 2022 FROM €6,165M IN 9M 2021
NET INCOME:	Q3 2022 9M 2022	€930M €3,284M	FROM €1,330M IN Q2 2022 FROM €4,006M IN 9M 2021

CAPITAL RATIOS: COMMON EQUITY TIER 1 RATIO AFTER DIVIDENDS ACCRUED IN 9M 2022 (°) AND €3.4BN BUYBACK (°°):
12.6% PHASED-IN (4)
12.4% FULLY LOADED (5) (6)

(°) Deducting from capital also the coupons accrued on the Additional Tier 1 issues.
(°°) Amount, approved by the Shareholders' Meeting and authorised by the ECB, equivalent to the 2019 suspended dividend.
(4) Calculated including the mitigation of the impact of the first time adoption of IFRS 9.
(5) Calculated excluding the mitigation of the impact of the first time adoption of IFRS 9.
(6) Estimated pro-forma fully loaded Common Equity Tier 1 ratio of 13.6%, taking into account the total absorption of deferred tax assets (DTAs) related to goodwill realignment, loan adjustments, the first time adoption of IFRS 9 and the non-taxable public cash contribution of €1,285m covering the integration and rationalisation charges relating to the acquisition of the Aggregate Set of Banca Popolare di Vicenza and Veneto Banca, as well as the expected absorption of DTAs on losses carried forward and DTAs related to the acquisition of UBI Banca and the agreement with the trade unions of November 2021, and the expected distribution on the 9M 2022 net income of insurance companies.

Turin - Milan, 4 November 2022 – At its meeting today, the Board of Directors of Intesa Sanpaolo approved the consolidated interim statement as at 30 September 2022 (°) (7).

The results for the first nine months of 2022 confirm that Intesa Sanpaolo is able to generate solid profitability and create value for all its stakeholders even in complex contexts thanks to its well-diversified and resilient business model, with net income - driven by net interest income - of €4.4bn when excluding Russia de-risking. In Q3 2022, **exposure to Russia was reduced by around 65% (around €2.3bn), and was down to 0.3% of the Group's total loans to customers** (°°).

Value generation for all stakeholders is also grounded in the **strong ESG commitment** of Intesa Sanpaolo. In the first nine months of the year, this translated, among other actions, into a one-off contribution of around €50m to the Group's people (excluding the managers) to mitigate the impact of inflation as well as into several humanitarian initiatives to support people of the Group's subsidiary Pravex Bank and the Ukrainian population.

Net income for the nine months was €4,367m when excluding write-downs of €1.3bn for Russia and Ukraine (°°°), fully in line with the 2022-2025 Business Plan net income target of over €5bn for this year. Stated net income amounted to €3,284m. Cross-border loans to Russia are largely performing and classified in Stage 2.

Intesa Sanpaolo is fully equipped to continue succeeding in the future due to the Group's key strengths, notably under the financial, operational, technological and organisational profile. The formula of the 2022-2025 Business Plan and, specifically, **the 2025 net income target of €6.5bn are confirmed. The implementation of the Plan is proceeding at full speed, with the key industrial initiatives well underway:**

- **massive de-risking, slashing cost of risk**:
  - massive deleveraging, with a €3.9bn gross NPL stock reduction in the first nine months of this year, reducing the net NPL ratio to 1% (°°°°);
  - focus on modular approach and sectorial forward looking, factoring in macroeconomic scenario, and on proactive credit management;
  - focus on the action plan dedicated to the Banca dei Territori Division, with strong management of underlying cost of risk and NPL inflows from performing loans, and new solutions for new needs arising in the current scenario;
  - extension of cybersecurity anti-fraud protection to new products and services for retail customers, including the use of Artificial Intelligence; adoption of Open Source Intelligence solutions to empower Cyber Threat Intelligence capability;

(°) In accordance with Article 65-bis and Article 82-ter of the Issuers' Regulation, effective as of 2 January 2017, Intesa Sanpaolo opted for periodical disclosure, on a voluntary basis, of financial information as at 31 March and 30 September of each financial year, in addition to the annual report and the half-yearly report. This information consists of interim statements approved by the Board of Directors, basically providing continuity with the interim statements published in the past.

(7) Methodological note on the scope of consolidation on page 28.

(°°) After adjustments, the cross-border on-balance credit exposure to Russia amounted to €1.1bn of which €1.05bn to customers (taking into account a disposal of €0.4bn gross, €0.3bn net, finalised at the beginning of October), net of €0.9bn guarantees by Export Credit Agencies (€0.4bn off-balance, net of €0.5bn guarantees by ECA) and the on-balance credit exposure of the Russian subsidiary Banca Intesa and the Ukrainian subsidiary Pravex Bank amounted to €1.07bn of which €0.3bn to customers of the Russian subsidiary (€0.27bn off-balance). The credit exposure to Russian counterparties currently included in the SDN lists of names to which sanctions apply amounted to €0.4bn.

(°°°) Equal to €1,341m gross, of which €1,289m relating to the credit exposure, and €1,083m net.

(°°°°) In accordance with the EBA methodology.

- enhanced protection of both the remote access to company applications and the access to corporate workstations enabling multi-factor authentication, improving at the same time user experiences through frictionless processes;
- set-up of the Anti Financial Crime Digital Hub (AFC Digital Hub), aimed at becoming a national and international centre open to other financial institutions and intermediaries in the system, with the goal of combating money laundering and terrorism through new technologies and Artificial Intelligence, based on a public-private collaboration model which enables the introduction of innovation (applied research) in business processes;
- set-up of the new Anti Financial Crime model based on an international platform and competence centres specialised in Transaction Monitoring and Know Your Customers;
- the Active Credit Portfolio Steering unit completed credit risk protection transactions for a total of €5.9bn in 9M 2022, including the first Italian credit risk transfer transactions on portfolios of commercial real estate and leasing contracts, and has continued to broaden the scope of synthetic schemes as part of the Active Credit Risk Management Programme which includes outstanding volumes of €21bn;
- the Active Credit Portfolio Steering unit has strengthened capital efficiency initiatives and enhanced the credit strategy guidance, shifting €15bn of new lending in 9M 2022 to economic sectors with the best risk/return profile and developed alternative financing solutions for "high risk" clients;
- scale up of the Originate to share business model, increasing the distribution capabilities to optimise the return on capital;

• **structural cost reduction enabled by technology**:
  - set-up of the new Digital Bank (Isybank) well underway; Delivery Unit "Domain Isy Tech" already operational with around 300 dedicated specialists; contract with Thought Machine finalised; technological masterplan defined;
  - new head of Isybank, new head of Domain Isy Tech and new head of Sales & Marketing Digital Retail hired and operative;
  - Isybank offering structure and functionalities defined;
  - insourcing of core capabilities in IT ongoing with around 420 people already hired;
  - AI Lab in Turin already operational (set-up of Centai Institute);
  - more than 500 branches closed between Q4 2021 and 9M 2022 in light of the launch of the new Digital Bank;
  - digital platform for analytical cost management up and running, with 23 efficiency initiatives already identified;
  - selection of tools to support the negotiation and scouting activities of potential suppliers carried out;
  - rationalisation of real estate in Italy in progress, with a reduction of around 275,000 square meters between Q4 2021 and 9M 2022;
  - around 1,950 voluntary exits in 9M 2022;
  - ongoing implementation of digital functions and services in Serbia and Hungary;
  - "go live" of the new core banking system in Egypt and alignment of digital channels;
  - ongoing functional and technical analysis activities in Slovakia and Albania for the adoption of the target platform of the new system of core banking;
  - Digital Process Transformation: processes identified and E2E transformation activities activated, leveraging both on Process Intelligent Automation and traditional reengineering methods (especially involving procurement processes, customer onboarding and control management processes);
  - the Intesa Sanpaolo Mobile App was once more recognised by Forrester as "Overall Digital Experience Leader" and this year has ranked first among all the evaluated EMEA banking apps and cited as best practice in several European Banking App categories;

- **growth in commissions, driven by Wealth Management, Protection & Advisory**:
  - new dedicated service model for Exclusive clients fully implemented;
  - enhancement of the product offering (new AM/Insurance products) and further growth of the advanced advisory service “Valore Insieme” for Affluent and Exclusive clients: 35,000 new contracts and €11bn in Customer financial asset inflows in 9M 2022;
  - introduction of new functionalities of Robo4Advisor by BlackRock to generate investment advice on selected products (funds, insurance products and certificates) to support relationship managers;
  - adoption of the BlackRock Aladdin Wealth and Aladdin Risk platforms for investment services: Aladdin Wealth module for the Banca dei Territori Division and Fideuram (first release), Aladdin Risk and Aladdin Enterprise module for Fideuram Asset Management and Fideuram Asset Management Ireland for investment services;
  - new features for UHNWI (Ultra High Net Worth Individuals) client advisory tools; strengthening of service model for family offices and planned the integration of ESG principles in the new single advance advisory model;
  - first closing of the alternative fund compliant with Art. 8 Fideuram Alternative Investments Sustainable Private Markets completed, and ongoing enrichment of the alternative funds offering from leading international players through partnerships with specialised platforms;
  - new features of Fideuram’s online investment and trading platform released, enabling clients to independently open accounts and subscribe to asset management products and launch of the new Fideuram Direct brand and logo to strengthen the multi-channel offering. Since the beginning of October, Alpian, the first Swiss private digital Bank, has been operational with a mobile-only platform providing multi-currency, wealth management and financial advisory services with experienced consultants.
  - multiple new asset management and insurance products launched (e.g. dedicated offer for clients with excess liquidity and capital protection funds);
  - continued enhancement of ESG product offering for asset management and insurance;
  - digital platform "IncentNow" launched to provide information to Italian companies and institutions on the opportunities offered by public tenders related to the National Recovery and Resilience Plan;
  - webinars and workshops with clients launched, aimed at educating and sharing views on key topics (e.g. digital transition);
  - commercial initiatives developed to support clients in different sectors (e.g. Energy, TMT, Infrastructure) to optimise the incorporation of European and Italian post-pandemic recovery plans;
  - “go live” of Cardea, an innovative and digital platform for financial institutions;
  - strengthening of the corporate digital platform (Inbiz) in the European Union with focus on Cash & Trade, leveraging the partnership approach with Fintechs;
  - ongoing upgrade of Global Markets IT platforms (e.g. Equity);
  - ongoing strengthening of origination activities, both in Italy and abroad, also through the enhancement of the Originate-to-Share model;
  - ESG value proposition initiative launched for the corporate and SME segments of Group banks in Slovakia, Hungary, Croatia, Serbia and Egypt;
  - ongoing development of synergies – in Global Markets, Structured Finance and Investment Banking - between the IMI Corporate & Investment Banking Division and the Group’s banks in Slovakia, Czech Republic, Hungary and Croatia;
  - accelerated ESG advisory to corporates to steer the energy transition through a scalable approach, with a focus on Energy, Infrastructure and Automotive & Industrials sectors;

- the Master Cooperation Agreement with a leading insurance group finalised to distribute bancassurance products in Slovakia, Croatia, Hungary, Serbia and Slovenia. Local Distribution Agreement in Slovakia, Serbia and Slovenia concluded.
- launch of the factoring product “Confirming” in five additional markets: Slovakia, Serbia, Romania, Slovenia and Albania;
- further development in the protection and health insurance business through the establishment of "InSalute Servizi", a new TPA (Third-Party Administrator) in partnership with Reale Group, for the specialised management of health and welfare benefits, with a push toward digital services;

- **significant ESG commitment, with a world-class position in social impact and strong focus on climate** and reinforcement of the ESG governance, with the Risks Committee which in April 2022 became the Risks and Sustainability Committee with enhanced ESG responsibilities:
  - □ **unparalleled support to address social needs**:
    - **expanding food and shelter programme for people in need** to counter poverty by providing concrete aid throughout the Italian territory and abroad supporting the humanitarian emergency in Ukraine, with **more than 14.6 million interventions** carried out in 9M 2022, providing around 10.5 million meals, over 2 million beds, around 2 million medicine prescriptions and 134,000 items of clothing;
    - **promotion of youth inclusive education and employability**:
      - ▫ “**Giovani e Lavoro**” programme aimed **at training and introducing over 3,000 young people to the Italian labour market** over the 2022-2025 Business Plan horizon: in 9M 2022, over 6,300 students aged between 18 and 29 applied for the programme, over 1,200 students were interviewed and over 500 trained/in training through 21 courses (over 2,700 trained/in training since 2019) and over 2,200 companies involved since the programme’s inception in 2019; the second edition of the **Generation4Universities programme**, started in May, is drawing to a close involving around 100 students from 36 universities and 31 top-tier Italian corporations as potential employers;
      - ▫ **inclusive education** programmes: **strengthened partnerships with main Italian universities and schools** (620 schools and over 1,920 students in 9M 2022) to promote educational inclusion, supporting merit and social mobility; in 2022, the **School4Life** project was launched **to combat early school abandonment**, with companies and schools working together with students, teachers and families; among the projects for the enhancement of talent and merit, there is the “**Tesi in Azienda**” initiative which aims at **orienting students towards the most recent issues in the work environment** (over 100 students involved in 9M 2022);
    - **social housing**: set-up of the project underway (development of 6-8 thousand social housing units for youth and seniors);
  - □ **strong focus on financial inclusion**:
    - around **€6.5bn in social lending** granted (a target of €25bn cumulative flows announced in the Business Plan);
    - **lending to the third sector**: in 9M 2022, **granted** loans supporting non-profit organisations for a total of **€310m**;
    - **Fund for Impact**: in 9M 2022, **€37.5m made available** to support the needs of people and families to ensure wider and more sustainable access to credit, with dedicated programmes such as “**Per Merito**” (line of credit without collateral to be reimbursed in 30 years dedicated to university students, studying in Italy or abroad), “**MAMMA@WORK**” (loan to discourage new mothers from leaving work and support motherhood in children’s early years of life), “**per Crescere**” (funds allocated to vulnerable families for the training and education of school-age children) “**per avere Cura**” (lending to support families taking care

of non-self-sufficient people) and other solutions (e.g. "**Obiettivo Pensione**", "**per Esempio**", "**XME Studio Station**");
- **lending for urban regeneration**: **in 9M 2022, around €600m** in new loans **committed** to support investments in **student housing, services and sustainable infrastructure**, in addition to the most important urban regeneration initiatives underway in Italy. Promotion of academic initiatives to define ESG evaluation methodologies for the impact of urban regeneration.

□ **continuous commitment to culture**:
- **Gallerie d'Italia**: **two new museums opened in May** doubling the number of the Gallerie d'Italia venues to four: in Turin, a museum dedicated to photography, the digital world and ESG topics, the Naples museum houses 680 artworks from the Bank's collections, from archeology to contemporary art; **11 exhibitions** in total, from January to September and around **315,000 visitors**; **690 educational workshops** attended by around 15,000 children and young people from local schools and 176 paths designed for vulnerable audiences in which around 2,600 people took part (all activities free of charge);
- **213 artworks** from private art collections on loan for 45 temporary exhibitions hosted in Italy and abroad;
- **training and projects for young people in the art and culture professions**: within the Gallerie d'Italia Academy, conclusion of the second edition of the Executive Course for young managers of cultural heritage, in collaboration with the Ministry of Culture (30 students, 8 scholarships, 60 teachers, 162 hours of lessons) and of the first project of a three-year collaboration between Gallerie d'Italia Turin and IED - *Istituto Europeo di Design* - Turin (21 students of the Photography Course involved); the Euploos Project continues at the Uffizi Galleries in Florence for the digitalisation of their Department of Prints and Drawings (1,364 scientific files and 2,937 images);
- **partnerships with public** and **private**, national and international **institutions and museums**: relationships with Foundations, international fairs (Miart in Milan, Turin Book Fair, Photography Festival in Cortona), Italian museums (including Palazzo Strozzi in Florence and the National Archeological Museum of Naples), support for Bergamo Brescia Italian Capital of Culture 2023, dialogue with foreign offices (Italian Embassy in Brussels, Petit Palais and Italian Embassy in Paris);

□ **promoting innovation**:
- **initiatives for start-ups growth and the development of innovation ecosystems**:
  - ▫ **Turin**: launch of the fourth class of the "**Torino Cities of the Future Accelerator**" programme managed by Techstars; since 2019, 35 start-ups accelerated (11 Italian teams), over 30 proofs of concept with local stakeholders, around €51m in capital raised, over 310 new resources hired after acceleration;
  - ▫ **Florence**: launch of applications for the second class of the three-year "**Italian Lifestyle Accelerator Programme**", managed by Nana Bianca; in the first class, six Italian start-ups accelerated (over 210 candidates, 85% Italian) and over €2m in capital raised;
  - ▫ **Naples**: conclusion of the first class of the acceleration programme "**Terra Next**" (Bioeconomy) for eight start-ups (around 130 candidates, 83% Italian) launched with Cassa Depositi e Prestiti, Cariplo Factory, corporate and scientific partners, with the patronage of the Ministry of Ecological Transition;

- ▫ **Up2Stars** initiative developed by the Banca dei Territori Division with the support of Intesa Sanpaolo Innovation Center, aimed at 40 start-ups on four vertical pillars (Digital/Industry 4.0; Bioeconomy, focus on Agritech and Foodtech; Medtech/Healthcare; Aerospace); three programmes completed (over 450 candidates); the application phase for the fourth programme has begun;
- ▫ **In Action ESG Climate**, an initiative by the **Insurance Division** with the support of Intesa Sanpaolo Innovation Center, to promote the development of new solutions to combat climate change and support green transition through technological innovation and development of new business models, ended with €500,000 awarded to the three best projects presented;
- ▫ **two start-up acceleration programmes for clients** ended in mid-October (over 15 start-ups accelerated);

- **165 innovation projects launched in 9M 2022** (around 800 innovation projects expected to be launched in the 2022-2025 Business Plan horizon);
- **development of multi-disciplinary applied research projects**, of which 12 in progress in the fields of AI, robotics, neuroscience and more than 5 to be launched by the end of 2022;
- **business transformation**: around 25 corporates involved in open innovation programmes; support to Compagnia di San Paolo and Cariplo Foundations on their "Bando Evoluzioni" related to the digitalisation of the non-profit sector completed; a new Circular Economy Open Innovation programme focused on energy launched;
- **diffusion of innovation mindset/culture**: podcasts series on innovation ("A prova di futuro") launched to spread the culture of innovation; 30 positioning and match-making events held, with more than 2,100 participants, and 10 innovation reports on technologies and trends released;
- **Neva SGR** investments in start-ups: over €44m in 9M 2022, of which over €20m in Q3 2022;

□ **accelerating commitment to net-zero emissions**:

- following the Group's participation in the NetZero Banking Alliance (NZBA), the Net Zero Asset Managers Initiative (NZAMI) and in the Net Zero Asset Owner Alliance (NZAOA) (°):
  - ▫ in February 2022, the 2030 targets set for four high-emitting sectors (Oil & Gas, Power Generation, Automotive and Coal Mining - over 60% of financed emissions for NFC in NZBA sectors) were published in the 2022-2025 Business Plan;
  - ▫ in April 2022, Intesa Sanpaolo's commitment to the SBTi validation was published on the SBTi website;
  - ▫ in October 2022, Eurizon Capital SGR, Fideuram Asset Management SGR, Fideuram Asset Management Ireland and the Intesa Sanpaolo Vita Insurance Group published their first interim targets;
- ongoing **active engagement** which includes:
  - ▫ participation in workgroups/workstreams of the **Glasgow Financial Alliance for Net-Zero, NZBA, NZAOA, Institutional Investors' Group on Climate Change**, with concrete contribution to relevant publications and dedicated case studies;

(°) The Group also participates in the Net Zero Insurance Alliance (NZIA).

  - in June 2022, Intesa Sanpaolo became an **investor signatory of the Carbon Disclosure Project (CDP)**;
  - in October 2022, Eurizon joined the **CDP Science-Based Targets Campaign**, promoting the environmental transparency of companies;
- the **Group's Guidelines for the governance of ESG risks** revised in April 2022 in line with regulatory developments and climate and environmental initiatives underway;

□ **supporting clients through the ESG/climate transition**:
- **around €29bn disbursed** between 2021 and 9M 2022 out of the €76bn in new lending available **for the green economy, circular economy and green transition** in relation to the 2021-2026 National Recovery and Resilience Plan;
- **€8bn circular economy credit facility** announced in the 2022-2025 Business Plan: in 9M 2022, 284 projects assessed and validated for an amount of €7.5bn, €3.3bn granted in 131 transactions (of which €2bn related to Green Finance) and €2.6bn disbursed (of which €1.1 bn related to Green Finance); partnerships with the Ellen MacArthur Foundation and Cariplo Factory on Circular Economy Lab renewed;
- the **first six ESG Laboratories** activated (in Venice, Padua, Brescia, Bergamo, Cuneo and Bari-Taranto), a physical and virtual meeting point to support SMEs in approaching sustainability and evolution of advisory services offered by partners (e.g. Circularity, Nativa, CE Lab and others);
- continued enrichment of the **S-loan** product range dedicated to SMEs to finance projects aimed at improving their sustainability profile (five product lines: S-Loan ESG, S-Loan Diversity, S-Loan Climate Change, S-Loan Agribusiness and S-Loan Tourism), with around €1.8bn granted in 9M 2022 (around €3.2bn since launch); in March 2022, Intesa Sanpaolo won the Milano Finanza Banking Awards for its **S-Loan product** and for the dedicated **ESG training platform** for **corporate clients (Skills4ESG)**;
- in October 2021, launch of **Digital Loans** (D-Loans) aimed at improving the digitalisation of companies, with €20m granted in 9M 2022 (€21m since launch);
- in December 2021, launch of **Suite Loans** aimed at incentivising investments in the redevelopment/improvement of hotel facilities and accommodation services: €9m disbursed since launch;
- accelerated **ESG advisory to corporates** to steer the energy transition through a scalable approach, with a focus on Energy, Infrastructure and Automotive & Industrials sectors;
- new Group proposition in **voluntary carbon market** under development, with clear roles assigned to the Banca dei Territori Division and the IMI Corporate & Investment Banking Division and product/service perimeter defined, with initial focus on forest management activities;
- an **ESG value proposition initiative** launched **for the corporate and SME segments of Group banks** in Slovakia, Hungary, Croatia, Serbia and Egypt;
- enhancement of **ESG investment products** both for asset management and insurance, with penetration increasing to 51% of total assets under management for Eurizon;
- launch of the first Net Zero Fund "Eurizon Step 50 Objective Net Zero" which invests in companies with targets for net zero greenhouse gas emissions by 2050;
- continuous commitment to Stewardship activities: in 9M 2022, Eurizon Capital SGR took part in 227 shareholders' meetings (of which 72% are issuers listed abroad) and 414 engagements (of which 54% on ESG issues);

- **Fideuram advisory model** revised to embed ESG principles in need-based financial planning and a comprehensive training programme launched for the ESG certification of bankers with more than 41,000 hours provided in 9M 2022;
- in 9M 2022, the Private Banking Division carried out 40 Customer Events (26 in person and 14 digitally) for a total of 7,823 participants (2,180 in person and 5,643 digitally).

Intesa Sanpaolo is the **only Italian bank listed in the Dow Jones Sustainability Indices** and ranks **first among European banks in three of the top ESG international assessments**: MSCI, Sustainalytics and Bloomberg ESG Disclosure Score. Furthermore, Intesa Sanpaolo received the **S&P Global Sustainability Award - Bronze Class** in February 2022 and has been:

- **included for the fifth consecutive year in the Bloomberg Gender-Equality Index (GEI) 2022**, **obtaining a score well above the average** of the global financial sector and of Italian companies;
- the **first bank in Europe and second worldwide in the 2022 Refinitiv Diversity and Inclusion Index** among the **top 100 companies for diversity and inclusion**;
- **among the first in Europe to receive the Gender Equality European & International Standard (GEEIS Diversity)**, the prestigious international certification assessing the commitment to **diversity and inclusion**;

- **Group's people are its most important asset**:
  - around 1,100 professionals hired between 2021 and 9M 2022;
  - around 1,450 people reskilled and around 8.4m training hours delivered in 9M 2022;
  - over 120 talent have already completed their development path as part of the International Talent Programme, which is still ongoing for around other 200 people: around 150 new talent were selected and started the Programme at the end of October;
  - around 430 key people selected mostly among middle management for dedicated development and training initiatives;
  - live webinars, podcasts, video contents, articles and other ongoing initiatives, also on site, to foster employee wellbeing;
  - the new long-term incentive plan implemented to support the Business Plan targets and foster individual entrepreneurship;
  - the creation of the new leading education player in Italy completed through the combination between Intesa Sanpaolo Formazione and Digit'Ed, a Nextalia Fund company;
  - 2022 diversity & inclusion goals defined and shared for every organisational unit, including the implementation of the new commitment related to gender equality access to senior leadership roles; monitoring of the 2022 goals launched for each Division and Governance Area; collaboration started with ISPROUD, the first employee-based community within the Group, currently welcoming more than 400 LGBTQ+ people and allies;
  - Intesa Sanpaolo recognised as Top Employer 2022 by Top Employers Institute and ranked at the top of LinkedIn's Top Companies 2022 list;
  - in Q2 2022, one-off contribution of €48m to Intesa Sanpaolo people, excluding managers and their equivalents, to mitigate the impact of inflation;

- **cash interim dividend of €1,401m**: the Board of Directors, at its meeting today, decided to distribute 7.38 euro cents per share, before tax, as an interim dividend on the 2022 results. The decision was taken as there were no inconveniences due to the results expected for the fourth quarter 2022 or recommendations from the regulators regarding capital requirements applicable to Intesa Sanpaolo that could preclude the distribution, also in view of capital ratios - both those as at 30 September 2022 and those expected to be recorded at year end - well above the minimum requirements set by supervisory regulations, and, as regards the Common Equity Tier 1 Ratio in particular, also above the minimum level of 12% fully loaded that the Group has set to itself. Furthermore, independent auditors EY S.p.A. today issued the opinion required by Article 2433-bis of the Italian Civil Code. In detail, the Board of Directors decided to distribute €1,401,373,673.21 deriving from 7.38 euro cents on each of the 18,988,803,160 ordinary shares. No distribution will be made to own shares held by the Bank at the record date. The interim dividend will be payable as of 23 November 2022 (with coupon presentation on 21 November and record date on 22 November). Based on the ratio of the aforementioned unit amount to the reference price recorded yesterday by the Intesa Sanpaolo stock, the dividend yield is 3.7%.
- **buyback**: the programme announced on 24 June 2022 was launched on 4 July and completed on 11 October 2022, for an outlay of €1,700m.

In the first nine months of 2022, the Group recorded:

- **net income at €4,367m when excluding write-downs for Russia and Ukraine** (**up 9%** vs €4,006m in 9M 2021), **stated** net income **at €3,284m**;
- **growth in operating margin**, up by 2% on 9M 2021;
- **growth in operating income**, up by 0.1% on 9M 2021;
- **decrease in operating costs** by 1.8% on 9M 2021;
- **high level of efficiency**, with a **cost/income of 49.4%** in 9M 2022, **a level among the best in the top tier European banks**;
- annualised **cost of risk** in 9M 2022 to **54bps** (from 59bps in 2021), **27bps when excluding adjustments for the Russia-Ukraine exposure** net of around €0.3bn release from generic provisions booked in 2020 for future COVID-19 impacts **(**from 25bps in 2021 when excluding provisions to accelerate NPL deleveraging), with a **€0.4bn overlay in generic provisions still available**;
- **improving credit quality** (°):
  - gross **NPLs were reduced** by around **€3.9bn since year-end 2021** and by around **€54bn since the September 2015 peak**;
  - **NPL stock decreased 25.5% gross and 14.8% net on December 2021**;
  - **NPL to total loan ratio** was 2.4% gross and 1.3% net based on the stated figure as at 30 September 2022 (°°), respectively **2.2% and 1.2% on a pro-forma basis taking into account the reduction due to the additional disposals planned in 2022 already provisioned for in Q4 2021** (°°°). According to the **EBA methodology**, **the NPL ratio** was 1.9% gross and 1% net based on the stated figure as at 30 September 2022, respectively **1.7% and 0.9% on a pro-forma basis taking into account the reduction due to the additional disposals planned in 2022 already provisioned for in Q4 2021**.
- **sizeable NPL coverage**:
  - **NPL cash coverage ratio of 46.9%** at the end of September 2022, **with a cash coverage ratio of 65.8% for the bad loan component**;
  - **robust reserve buffer on performing loans**, amounting to 0.6% at the end of September 2022;

(°) Suspension of payments at the end of September 2022 amounted to around €0.1bn (of which around 48% relating to businesses and around 52% to households), no material amount according to the EBA criteria. The amount of loans backed by a state guarantee is of around €35bn (around €6bn from SACE and around €29bn from SME Fund).

(°°) NPLs at the end of September 2022 did not include portfolios classified as ready to be sold, accounted under non-current assets held for sale and discontinued operations, amounting to around €3.8bn gross and €0.9bn net.

(°°°) Planned disposals equal to €0.8bn gross and €0.4bn net.

- **<u>very solid capital position</u>**, with capital ratios well above regulatory requirements. As at 30 September 2022, after deducting from capital [(*)] €2,299m of dividends accrued in 9M 2022 and the €3.4bn buyback [(°)], the Common Equity Tier 1 ratio calculated by applying the transitional arrangements for 2022 came in at 12.6% [(8)] and the **fully loaded Common Equity Tier 1 ratio at 12.4%** [(9)] [(10)] **without taking into account the benefit of around 110bps from the DTA absorption (of which around 40bps over the 2022-2025 Business Plan horizon)**. This compares with a SREP requirement for 2022, comprising Capital Conservation Buffer, O-SII Buffer and Countercyclical Capital Buffer [(**)], equal to 8.92% [(***)]. The first nine months of 2022 recorded around 15bps impact from regulatory headwinds (out of the around 60bps estimated over the 2022-2025 Business Plan horizon) and around 5bps negative impact from the RWA increase due to the events involving Russia and Ukraine.

- **<u>strong liquidity position and funding capability</u>**, with **liquid assets of €301bn** and **high available unencumbered liquid assets of €163bn at the end of September 2022. The Basel 3 Liquidity Coverage Ratio and Net Stable Funding Ratio requirements have been comfortably complied with**. The refinancing operations with the ECB to optimise the cost of funding and support businesses in their investment amounted to around €115bn as at 30 September 2022 and consisted entirely of TLTROs III.

- **<u>support provided to the real economy</u>**, with around **€64bn of medium/long-term new lending** in 9M 2022. **Loans** amounting to around **€46bn were granted in Italy**, of which around **€41bn was granted to households and SMEs**. **In 9M 2022**, the Group facilitated the return from non-performing **to performing status** of around **3,200 companies thus safeguarding** over **15,000 jobs**. This brought the total to over **136,000 companies since 2014**, **thus safeguarding** over **680,000 jobs over the same period**.

(*) Deducting from capital also the coupons accrued on the Additional Tier 1 issues.

(°) Amount, approved by the Shareholders' Meeting and authorised by the ECB, equivalent to the 2019 suspended dividend.

(8) Calculated including the mitigation of the impact of the first time adoption of IFRS 9.

(9) Calculated excluding the mitigation of the impact of the first time adoption of IFRS 9.

(10) Estimated pro-forma fully loaded Common Equity Tier 1 of 13.6%, taking into account the total absorption of deferred tax assets (DTAs) related to goodwill realignment, loan adjustments, the first time adoption of IFRS 9 and the non-taxable public cash contribution of €1,285m covering the integration and rationalisation charges relating to the acquisition of the Aggregate Set of Banca Popolare di Vicenza and Veneto Banca, as well as the expected absorption of DTAs on losses carried forward and DTAs related to the acquisition of UBI Banca and the agreement with the trade unions of November 2021, and the expected distribution on the 9M 2022 net income of insurance companies.

(**) Countercyclical Capital Buffer calculated taking into account the exposure as at 30 September 2022 in the various countries where the Group has a presence, as well as the respective requirements set by the competent national authorities and relating to 2023, where available, or the most recent update of the reference period (requirement was set at zero per cent in Italy for 2022).

(***) Applying the regulatory change introduced by the ECB with effect from 12 March 2020, which establishes that the capital instruments not qualifying as Common Equity Tier 1 may be partially used to meet the Pillar 2 requirement.

The income statement for the third quarter of 2022

The consolidated income statement for Q3 2022 recorded **net interest income** of €2,387m, up 14.1% compared with €2,092m in Q2 2022 and 19.4% compared with €2,000m in Q3 2021.

Net fee and commission income amounted to €2,153m, down 4.5% from €2,255m in Q2 2022. Specifically, commissions on commercial banking activities were up 4.5% and those on management, dealing and consultancy activities were down 7.3%. The latter, which include portfolio management, distribution of insurance products, dealing and placement of securities, etc., recorded decreases of 12.4% in dealing and placement of securities, 2.4% in portfolio management (performance fees contributed €8m in Q3 2022 and €4m in Q2 2022) and 15.2% in distribution of insurance products. Net fee and commission income for Q3 2022 was down 7.3%, compared with €2,323m in Q3 2021. Specifically, commissions on commercial banking activities were up 7.5% and those on management, dealing and consultancy activities were down 15.2%. The latter recorded decreases of 35.9% in dealing and placement of securities, 12.9% in portfolio management (performance fees contributed €52m in Q3 2021) and 11% in distribution of insurance products.

Income from insurance business amounted to €436m from €465m in Q2 2022 and €365m in Q3 2021.

Profits on financial assets and liabilities at fair value amounted to €51m, compared with €560m in Q2 2022. Contributions from customers increased from €88m to €105m, those from capital markets recorded a negative balance of €173m versus a negative balance of €78m, those from trading and treasury decreased from €568m to €129m and those from structured credit products were negative for €10m versus a negative balance of €18m. The profits of €51m for Q3 2022 compare with the €380m profits of Q3 2021 when contributions from customers amounted to €76m, those from capital markets amounted to €158m, those from trading and treasury amounted to €143m and those from structured credit products were €3m.

Operating income amounted to €5,015m, down 6.4% compared with €5,360m in Q2 2022 and 1.6% compared with €5,094m in Q3 2021.

Operating costs amounted to €2,640m, in line with Q2 2022, attributable to increases of 1.2% in personnel expenses and 1.3% in adjustments and a decrease of 3.2% in administrative expenses. Operating costs for Q3 2022 were down 0.5% compared with €2,653m in Q3 2021, attributable to decreases of 0.2% in personnel expenses and 2.9% in administrative expenses and a 4% increase in adjustments.

As a result, **operating margin** amounted to €2,375m, down 12.7% from €2,720m in Q2 2022 and 2.7% from €2,441m in Q3 2021. The cost/income ratio was 52.6% in Q3 2022 versus 49.3% in Q2 2022 and 52.1% in Q3 2021.

Net adjustments to loans amounted to €496m (including €196m for the Russia-Ukraine exposure), compared with €730m in Q2 2022 (which included €292m for the Russia-Ukraine exposure) and €543m in Q3 2021 (which included around €160m set aside with regard to specific NPL portfolios to accelerate NPL deleveraging).

Net provisions and net impairment losses on other assets amounted to €45m, compared with €63m in Q2 2022 and €82m in Q3 2021.

Other income amounted to €4m versus €147m in Q2 2022 (including a capital gain of €194m deriving from the disposal of Intesa Sanpaolo Formazione and a one-off contribution of €48m to Intesa Sanpaolo people to mitigate the impact of inflation), and versus €63m in Q3 2021.

Income (Loss) from discontinued operations was nil, compared with the same result in Q2 2022 and Q3 2021.

Gross income amounted to €1,838m, compared with €2,074m in Q2 2022 and €1,879m in Q3 2021.

Consolidated net income amounted to €930m, after accounting:
- taxes on income of €562m;
- charges (net of tax) for integration and exit incentives of €23m;
- negative effect of purchase price allocation (net of tax) of €51m;
- levies and other charges concerning the banking industry (net of tax) of €266m, deriving from the following pre-tax figures: charges of €1m in relation to the resolution fund, €385m in relation to contributions to the Italian deposit guarantee scheme estimated for the full-year 2022, €3m related to contributions to the deposit guarantee scheme concerning the international network, €5m in relation to levies incurred by international subsidiaries, €3m related to the National Interbank Deposit Guarantee Fund Voluntary Scheme, and positive fair value differences of €5m regarding the *Atlante* fund. In Q2 2022, this caption amounted to €12m, deriving from the following pre-tax figures: recovery of €3m in relation to the resolution fund and charges of €11m in relation to contributions to the deposit guarantee scheme concerning the international network, €6m in relation to levies incurred by international subsidiaries and €2m related to the National Interbank Deposit Guarantee Fund Voluntary Scheme. In Q3 2021, this caption amounted to €210m, deriving from the following pre-tax figures: charges of €306m in relation to contributions to the Italian deposit guarantee scheme estimated for the full-year 2021 and €5m in relation to levies incurred by international subsidiaries, and positive fair value differences of €1m regarding the *Atlante* fund.
- minority interests of €6m.

Net income of €930m in Q3 2022 compares with €1,330m in Q2 2022 and with €983m in Q3 2021.

The income statement for the first nine months of 2022 (°)

The consolidated income statement for the first nine months of 2022 recorded **net interest income** of €6,436m, up 8.2% from €5,950m in the first nine months of 2021.

Net fee and commission income amounted to €6,697m, down 4.5% from €7,009m in 9M 2021. Specifically, commissions on commercial banking activities were up 5.6% and commissions on management, dealing and consultancy activities were down 11.1%. The latter, which include portfolio management, distribution of insurance products, dealing and placement of securities, etc., recorded decreases of 34.5% in dealing and placement of securities, 9.9% in portfolio management (performance fees contributed €20m in 9M 2022 and €174m in 9M 2021) and 0.8% in distribution of insurance products.

Income from insurance business amounted to €1,303m from €1,219m in 9M 2021.

Profits on financial assets and liabilities at fair value amounted to €1,380m, compared with €1,524m in 9M 2021. Contributions from customers increased from €238m to €283m, those from capital markets recorded a negative result of €262m versus a positive result of €573m, those from trading and treasury increased from €703m to €1,391m and those from structured credit products recorded a negative result of €32m versus a positive result of €10m.

Operating income amounted to €15,796m, up 0.1% versus €15,781m in 9M 2021.

Operating costs amounted to €7,804m, down 1.8% from €7,948m in 9M 2021, attributable to decreases of 2% in personnel expenses and 3.7% in administrative expenses and an increase of 3.3% in adjustments.

As a result, **operating margin** amounted to €7,992m, up 2% from €7,833m in 9M 2021. The cost/income ratio was 49.4% in 9M 2022 versus 50.4% in 9M 2021.

Net adjustments to loans amounted to €1,928m (including €1,289m for the Russia-Ukraine exposure and around €300m release of generic provisions set aside in 2020 for future COVID-19 impacts), compared with €1,544m in 9M 2021 (which included around €360m set aside with regard to specific NPL portfolios to accelerate NPL deleveraging).

Net provisions and net impairment losses on other assets amounted to €168m versus €436m in 9M 2021 (including around €125m to strengthen insurance reserves).

(°) The figures for the first half of 2021 were restated as "Redetermined figures" to take into account, 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, not considering the effects attributable to the branches object of sale, as illustrated in the methodological note on the scope of consolidation on page 28.

Other income amounted to €147m (including the capital gain of €194m deriving from the disposal of Intesa Sanpaolo Formazione and the one-off contribution of €48m to Intesa Sanpaolo people to mitigate the impact of inflation) versus €254m in 9M 2021 (including the capital gain of €194m deriving from the disposal of the business line related to the activities of Custodian Bank and Fund Administration of Fideuram Bank Luxembourg).

Income (Loss) from discontinued operations was nil versus €58m in 9M 2021.

Gross income amounted to €6,043m, compared with €6,165m in 9M 2021.

Consolidated net income amounted to €3,284m, after accounting:
- taxes on income of €2,009m, including a benefit of €117m deriving from the tax realignment of intangible assets;
- charges (net of tax) for integration and exit incentives of €62m;
- negative effect of purchase price allocation (net of tax) of €152m;
- levies and other charges concerning the banking industry (net of tax) of €544m, deriving from pre-tax charges of €363m in relation to the contribution to the resolution fund, €385m in relation to contributions to the Italian deposit guarantee scheme estimated for the full-year 2022, €20m in relation to contributions to the deposit guarantee scheme concerning the international network, €17m in relation to levies incurred by international subsidiaries, €5m related to the National Interbank Deposit Guarantee Fund Voluntary Scheme, and negative fair value differences of €2m regarding the *Atlante* fund. In 9M 2021, this caption amounted to €489m, deriving from pre-tax charges of €381m in relation to the contribution to the resolution fund, €306m in relation to contributions to the Italian deposit guarantee scheme estimated for the full-year 2021, €9m in relation to contributions to the deposit guarantee scheme concerning the international network, €16m in relation to levies incurred by international subsidiaries, and negative fair value differences of €1m regarding the *Atlante* fund.
- losses pertaining to minority interests of €8m.

Net income amounted to €3,284m in 9M 2022 versus €4,006m in 9M 2021.

Balance sheet as at 30 September 2022

As regards the consolidated balance sheet figures, as at 30 September 2022 **loans to customers** amounted to €474bn, up 1.7% on year-end 2021 and 2.1% on 30 September 2021 (up 1.5% on Q2 2022 and 2.8% on 9M 2021 when taking into account quarterly and nine-month average volumes [*]). Total **non-performing loans** (bad, unlikely-to-pay, and past due) amounted - net of adjustments - to €6,030m, down 14.8% from €7,077m at year-end 2021. In detail, bad loans decreased to €1,298m from €2,130m at year-end 2021, with a bad loan to total loan ratio of 0.3% (0.5% at year-end 2021), and a cash coverage ratio of 65.8% (70.4% at year-end 2021). Unlikely-to-pay loans decreased to €4,248m from €4,325m at year-end 2021. Past due loans decreased to €484m from €622m at year-end 2021.

Customer financial assets amounted to €1,196bn, down 6.9% on year-end 2021 and 4.3% on 30 September 2021. Under customer financial assets, **direct deposits from banking business** amounted to €551bn, down 1.2% on year-end 2021 and up 2.4% on 30 September 2021. **Direct deposits from insurance business and technical reserves** amounted to €174bn, down 14.9% on year-end 2021 and 14.5% on 30 September 2021. Indirect customer deposits amounted to €643bn, down 11.3% on year-end 2021 and 9.3% on 30 September 2021. **Assets under management** amounted to €427bn, down 10.6% on year-end 2021 and 8.6% on 30 September 2021. As for bancassurance, in 9M 2022 the new business for life policies amounted to €11.5bn. Assets held under administration and in custody amounted to €216bn, down 12.6% on year-end 2021 and 10.7% on 30 September 2021.

Capital ratios as at 30 September 2022, calculated by applying the transitional arrangements for 2022 and deducting from capital [°] €2,299m of dividends accrued in 9M 2022 and the €3.4bn buyback [°°] were as follows:
- Common Equity Tier 1 ratio [11] at 12.6% (14.5% at year-end 2021 [12]),
- Tier 1 ratio [11] at 14.9% (16.4% at year-end 2021 [12]),
- total capital ratio [11] at 17.5% (19.1% at year-end 2021 [12]).

* * *

(*) Excluding the loan to the banks in compulsory administrative liquidation (formerly Banca Popolare di Vicenza and Veneto Banca).

(°) Deducting from capital also the coupons accrued on the Additional Tier 1 issues.

(°°) Amount, approved by the Shareholders' Meeting and authorised by the ECB, equivalent to the 2019 suspended dividend.

(11) Including the mitigation of the impact of the first time adoption of IFRS 9. Excluding the mitigation of the impact of the first time adoption of IFRS 9, capital ratios are 12.4 % for the Common Equity Tier 1 ratio, 14.6% for the Tier 1 ratio and 17.5% for the total capital ratio.

(12) In accordance with the transitional arrangements for 2021. Excluding the mitigation of the impact of the first time adoption of IFRS 9, capital ratios are 14% for the Common Equity Tier 1 ratio, 15.9% for the Tier 1 ratio and 18.9% for the total capital ratio.

As a result of the strategic decisions taken, **Intesa Sanpaolo** has maintained its position as **one of the most solid international banking Groups**. In addition to the asset quality and level of capital ratios commented on above, the Group has continued to build on its key strengths: **robust liquidity** and **low leverage**.

Specifically, with regard to the components of the Group's **liquidity**:
- the high level of available unencumbered liquid assets (including eligible assets with Central Banks received as collateral and excluding eligible assets currently used as collateral) amounted to €163bn at the end of September 2022;
- the high level of liquid assets (comprising available unencumbered liquid assets, excluding eligible assets received as collateral, and eligible assets currently used as collateral) amounted to €301bn at the end of September 2022;
- refinancing operations with the ECB to optimise the cost of funding and support businesses in their investment amounted to around €115bn as at 30 September 2022 and consisted entirely of TLTROs III;
- the sources of funding were stable and well diversified, with retail funding representing 84% of direct deposits from banking business (including securities issued);
- medium/long-term wholesale funding was €3.4bn in 9M 2022 and included benchmark transactions of Additional Tier 1 of €1bn, green senior non-preferred of €1bn and a Tier 2 of £400m (around 87% was placed with foreign investors).

The Group's **leverage ratio** as at 30 September 2022 (which includes exposures to the European Central Bank) was 5.3% applying the transitional arrangements for 2022 and 5.2% fully loaded, best in class among major European banking groups.

* * *

As at 30 September 2022, the Intesa Sanpaolo Group's **operating structure** had a total network of 4,620 branches, consisting of 3,662 branches in Italy and 958 abroad, and employed 95,554 people.

* * *

Breakdown of results by Business Area

The **Banca dei Territori** Division comprises:
- Retail customers (individual customers with financial assets up to €250,000 and annual net income of less than €50,000, businesses/companies with low-complexity needs);
- Exclusive customers (individual customers with financial assets between €250,000 and €1m or annual net income of more than €50,000);
- SME customers (enterprises with group turnover of €350m or less);
- customers that are non-profit organisations.

The division includes the "proximity bank" activities carried out, through the partnership between the subsidiary Banca 5 and the ENEL Group (Mooney), by using alternative channels to bank branches and focused on instant banking and targeting categories of customers who rarely use banking products and services.

In the third quarter of 2022, the Banca dei Territori Division recorded:
- operating income of €2,146m, -2.4% versus €2,198m in Q2 2022;
- operating costs of €1,540m, -1.8% versus €1,568m in Q2 2022;
- operating margin of €606m, -3.9% versus €630m in Q2 2022;
- a cost/income ratio of 71.8% versus 71.3% in Q2 2022;
- net provisions and adjustments of €162m versus €423m in Q2 2022;
- gross income of €443m versus €218m in Q2 2022;
- net income of €73m versus €141m in Q2 2022.

In the first nine months of 2022, the Banca dei Territori Division recorded:
- operating income of €6,526m, -1.4% versus €6,619m in 9M 2021, contributing approximately 41% of the consolidated operating income (42% in 9M 2021);
- operating costs of €4,641m, -3.4% versus €4,803m in 9M 2021;
- operating margin of €1,885m, +3.8% versus €1,816m in 9M 2021;
- a cost/income ratio of 71.1% versus 72.6% in 9M 2021;
- net provisions and adjustments of €459m versus €1,065m in 9M 2021;
- gross income of €1,437m versus €803m in 9M 2021;
- net income of €729m versus €346m in 9M 2021.

The **IMI Corporate & Investment Banking** Division includes:
- Global Corporate, which manages the relationship with corporate customers with a turnover higher than €350m, grouped, in accordance with a sector-based model, in the following seven industries: Automotive & Industrials; Basic Materials & Healthcare; Food & Beverage and Distribution; Retail & Luxury; Infrastructure & Real Estate Partners; Energy; Telecom, Media & Technology;
- International Department, which ensures the development of the division and is responsible for foreign branches, representative offices and foreign subsidiaries carrying out corporate banking (Intesa Sanpaolo Bank Luxembourg, Intesa Sanpaolo Bank Ireland, Intesa Sanpaolo Brasil and Banca Intesa in the Russian Federation);
- Global Banking & Sovereign Institutions, which is responsible for relationships with financial institutions;
- Global Transaction Banking, which is responsible for management of transaction banking services;
- Global Markets & Investment Banking, which operates in investment banking (M&A and advisory), structured finance, capital markets and primary markets (equity and debt capital market).

The division also comprises the management of the Group's proprietary trading.

In the third quarter of 2022, the IMI Corporate & Investment Banking Division recorded:
- operating income of €888m, -24% versus €1,169m in Q2 2022;
- operating costs of €356m, +2.6% versus €347m in Q2 2022;
- operating margin of €532m, -35.3% versus €822m in Q2 2022;
- a cost/income ratio of 40.1% versus 29.7% in Q2 2022;
- net provisions and adjustments of €329m versus €384m in Q2 2022;
- gross income of €202m versus €438m in Q2 2022;
- net income of €134m versus €234m in Q2 2022.

In the first nine months of 2022, the IMI Corporate & Investment Banking Division recorded:
- operating income of €3,451m, -5.7% versus €3,658m in 9M 2021, contributing approximately 22% of the consolidated operating income (23% in 9M 2021);
- operating costs of €1,022m, +2.8% versus €994m in 9M 2021;
- operating margin of €2,429m, -8.8% versus €2,664m in 9M 2021;
- a cost/income ratio of 29.6% versus 27.2% in 9M 2021;
- net provisions and adjustments of €1,461m versus €40m in 9M 2021;
- gross income of €968m versus €2,624m in 9M 2021;
- net income of €539m versus €1,811m in 9M 2021.

The **International Subsidiary Banks** Division is responsible for operations on international markets through commercial banking subsidiaries and associates, and provides guidelines, coordination and support for the Group's subsidiaries. It is responsible for defining the Group's development strategy related to its direct presence abroad, including exploring and analysing new growth opportunities in markets where the Group already has a presence, as well as in new ones. This division also coordinates operations of international subsidiary banks and their relations with the Parent Company's head office departments and the IMI Corporate & Investment Banking Division's branches and offices abroad. The division operates through the South-Eastern Europe HUB, comprising Privredna Banka Zagreb in Croatia, Intesa Sanpaolo Banka Bosna i Hercegovina in Bosnia and Herzegovina and Intesa Sanpaolo Bank in Slovenia, the Central Europe HUB, comprising VUB Banka in Slovakia and Czech Republic and CIB Bank in Hungary, and Intesa Sanpaolo Bank Albania, Intesa Sanpaolo Bank Romania, Banca Intesa Beograd in Serbia, Bank of Alexandria in Egypt, Pravex Bank in Ukraine and Eximbank in Moldova.

In the third quarter of 2022, the International Subsidiary Banks Division recorded:
- operating income of €573m, +5% versus €546m in Q2 2022;
- operating costs of €284m, +8.2% versus €262m in Q2 2022;
- operating margin of €290m, +2% versus €284m in Q2 2022;
- a cost/income ratio of 49.5% versus 48% in Q2 2022;
- net provisions and adjustments of €44m versus €61m in Q2 2022;
- gross income of €248m versus €224m in Q2 2022;
- net income of €186m versus €131m in Q2 2022.

In the first nine months of 2022, the International Subsidiary Banks Division recorded:
- operating income of €1,619m, +10.1% versus €1,471m in 9M 2021, contributing approximately 10% of the consolidated operating income (9% in 9M 2021);
- operating costs of €802m, +3.6% versus €774m in 9M 2021;
- operating margin of €817m, +17.2% versus €697m in 9M 2021;
- a cost/income ratio of 49.5% versus 52.6% in 9M 2021;
- net provisions and adjustments of €245m versus €141m in 9M 2021;
- gross income of €575m versus €561m in 9M 2021;
- net income of €353m versus €393m in 9M 2021.

The **Private Banking** Division serves the top customer segment (Private and High Net Worth Individuals) through Fideuram and its subsidiaries Intesa Sanpaolo Private Banking, IW Private Investments, SIREF Fiduciaria, Fideuram Bank Luxembourg, Reyl Intesa Sanpaolo, Compagnie de Banque Privée Quilvest, Intesa Sanpaolo Private Banking Asset Management and Fideuram Asset Management Ireland.

In the third quarter of 2022, the Private Banking Division recorded:
- operating income of €589m, +1% versus €583m in Q2 2022;
- operating costs of €217m, -5.3% versus €229m in Q2 2022;
- operating margin of €372m, +5.1% versus €354m in Q2 2022;
- a cost/income ratio of 36.8% versus 39.3% in Q2 2022;
- net recoveries of €4m versus €5m in Q2 2022;
- gross income of €376m versus €359m in Q2 2022;
- net income of €235m versus €269m in Q2 2022.

In the first nine months of 2022, the Private Banking Division recorded:
- operating income of €1,749m, -2.9% versus €1,801m in 9M 2021, contributing approximately 11% of the consolidated operating income (11% in 9M 2021 as well);
- operating costs of €666m, +0.2% versus €665m in 9M 2021;
- operating margin of €1,083m, -4.7% versus €1,136m in 9M 2021;
- a cost/income ratio of 38.1% versus 36.9% in 9M 2021;
- net recoveries of €15m versus net provisions and adjustments of €28m in 9M 2021;
- gross income of €1,098m versus €1,302m in 9M 2021;
- net income of €750m versus €863m in 9M 2021.

The **Asset Management** Division develops asset management solutions targeted at the Group's customers, commercial networks outside the Group and the institutional clientele through Eurizon Capital. Eurizon Capital controls Eurizon Capital S.A., a Luxembourg asset management company dedicated to development on international markets, Epsilon SGR, a company specialising in structured products, Eurizon Asset Management Slovakia, which heads up Eurizon Asset Management Hungary and Eurizon Asset Management Croatia (the asset management hub in Eastern Europe), Eurizon Capital Real Asset SGR focused on alternative asset classes, Eurizon SLJ Capital LTD, an English asset management company focused on macroeconomic and currency strategies. Eurizon Capital Asia Limited and the 49% of the Chinese asset management company Penghua Fund Management.

In the third quarter of 2022, the Asset Management Division recorded:
- operating income of €229m, -5.3% versus €242m in Q2 2022;
- operating costs of €52m, +2.9% versus €51m in Q2 2022;
- operating margin of €177m, -7.5% versus €191m in Q2 2022;
- a cost/income ratio of 22.7% versus 20.9% in Q2 2022;
- gross income of €177m versus €191m in Q2 2022;
- net income of €132m versus €157m in Q2 2022.

In the first nine months of 2022, the Asset Management Division recorded:
- operating income of €724m, -22.8% versus €938m in 9M 2021, contributing approximately 5% of the consolidated operating income (6% in 9M 2021);
- operating costs of €152m, -6.2% versus €162m in 9M 2021;
- operating margin of €572m, -26.3% versus €776m in 9M 2021;
- a cost/income ratio of 21% versus 17.3% in 9M 2021;
- gross income of €572m versus €776m in 9M 2021;
- net income of €435m versus €557m in 9M 2021.

The **Insurance** Division develops insurance products tailored for the Group's customers; the Division includes Intesa Sanpaolo Vita (which also controls Intesa Sanpaolo Assicura, Intesa Sanpaolo Life, Intesa Sanpaolo RBM Salute, Cargeas Assicurazioni and Intesa Sanpaolo Insurance Agency) and Fideuram Vita.

In the third quarter of 2022, the Insurance Division recorded:
- operating income of €413m, -6% versus €439m in Q2 2022;
- operating costs of €92m, -0.4% versus €93m in Q2 2022;
- operating margin of €321m, -7.5% versus €347m in Q2 2022;
- a cost/income ratio of 22.3% versus 21.1% in Q2 2022;
- net provisions and adjustments of €3m versus €2m in Q2 2022;
- gross income of €318m versus €345m in Q2 2022;
- net income of €209m versus €236m in Q2 2022.

In the first nine months of 2022, the Insurance Division recorded:
- operating income of €1,237m, +4.8% versus €1,180m in 9M 2021, contributing approximately 8% of the consolidated operating income (7% in 9M 2021);
- operating costs of €269m, -6.3% versus €287m in 9M 2021;
- operating margin of €968m, +8.4% versus €893m in 9M 2021;
- a cost/income ratio of 21.7% versus 24.3% in 9M 2021;
- net provisions and adjustments of €12m versus €155m in 9M 2021;
- gross income of €956m versus €738m in 9M 2021;
- net income of €646m versus €617m in 9M 2021.

Outlook

The industrial initiatives of the 2022-2025 Business Plan are well underway and the net income target of €6.5bn in 2025 is confirmed, with clear and strong upside deriving from the increase of interest rates (net interest income growth of around €2bn in a twelve-month period assuming yearly average Euribor 1-month at 2%).

Net income of more than €4bn is envisaged for 2022 following the reduction of the exposure to Russia and the strong operating performance of the third quarter, despite the worsening of commodity / energy supplies.

A solid capital position is envisaged, with a fully phased-in Common Equity Tier 1 ratio target above 12% over the 2022-2025 Business Plan horizon, in accordance with Basel 3 / Basel 4 regulations.

A strong value distribution is envisaged:
- a payout ratio of 70% of the consolidated net income in each year of the Business Plan (€2.3bn already accrued on the net income of the first nine months 2022, of which €1.4bn payable as an interim dividend on 23 November 2022);
- additional distribution to shareholders of €1.7bn through the buyback launched on 4 July 2022 and concluded on 11 October 2022;
- the decision regarding the buyback for the remaining amount of €1.7bn authorised by the ECB will be taken by the time the results as at 31 December 2022 are approved;
- any additional distribution to be evaluated on a yearly basis starting from 2023.

* * *

For consistency purpose, the income statement figures for the first quarter and the second quarter of 2021 were restated as "Redetermined figures" following:

- the sales transactions regarding going concerns, finalised in the first half of 2021. The related items were deconsolidated line by line and the contribution to the income statement was allocated - on the basis of management figures - to income/loss from discontinued operations.
- the acquisition of the control of Lombarda Vita and Aviva Vita (renamed Assicurazioni Vita) finalised in April 2021, and Cargeas finalised at the end of May 2021. The related items were consolidated line by line on the basis of management figures, excluding the items attributable to customers involved in the sale transactions regarding the going concerns finalised in the first half of 2021, with the allocation of the corresponding net income to minority interests; with regard to Lombarda Vita and Aviva Vita, the contribution in terms of profits on investments carried at equity was eliminated and allocated to minority interests.

Moreover:

- the income statement figures for the first quarter and the second quarter of 2021 were restated following the acquisition of the REYL Group (finalised at the beginning of June 2021). The related items were consolidated line by line and the corresponding net income was attributed to minority interests;
- the income statement figures for the four quarters of 2021 and the first quarter of 2022 were restated following the reallocation of some charges relating to the incentive system of the Banca dei Territori Division and Fideuram from personnel expenses to fee and commissions expense;
- the income statement figures for the four quarters of 2021 and the first two quarters of 2022 were restated following the acquisition of the control of Quilvest (finalised at the end of June 2022) with the related items consolidated line by line and the corresponding net income attributed to minority interests, as well as the sale of the business line as part of the *Progetto Formazione* (finalised at the end of June 2022) with the related items deconsolidated line by line and the corresponding net income attributed to losses pertaining to minority interests;
- the balance sheet figures for the four quarters of 2021 and the first quarter of 2022 were restated following the acquisition of the control of Quilvest; the related items were consolidated line by line and the corresponding net equity was attributed to minority interests.

The income statement figures for the first quarter of 2021 related to the business areas were restated to attribute the related items regarding the acquisition of Lombarda Vita, Assicurazioni Vita (formerly Aviva Vita), Cargeas and REYL and reallocate some items between Business areas and Corporate Centre.

* * *

In order to present more complete information on the results generated in the first nine months of 2022, the reclassified consolidated income statement and the reclassified consolidated balance sheet included in the interim statement approved by the Board of Directors are attached. Please note that the auditing firm is completing the activities for the issue of a statement in accordance with Article 26 (2) of Regulation EU no. 575/2013 and ECB Decision no. 2015/656.

* * *

The manager responsible for preparing the company's financial reports, Fabrizio Dabbene, declares, pursuant to paragraph 2 of Article 154-bis of the Consolidated Law on Finance, that the accounting information contained in this press release corresponds to the document results, books and accounting records.

* * *

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This press release contains certain forward-looking statements, projections, objectives, estimates and forecasts reflecting the Intesa Sanpaolo management's current views with respect to certain future events. Forward-looking statements, projections, objectives, estimates and forecasts are generally identifiable by the use of the words "may," "will," "should," "plan," "expect," "anticipate," "estimate," "believe," "intend," "project," "goal" or "target" or the negative of these words or other variations on these words or comparable terminology. These forward-looking statements include, but are not limited to, all statements other than statements of historical facts, including, without limitation, those regarding Intesa Sanpaolo's future financial position and results of operations, strategy, plans, objectives, goals and targets and future developments in the markets where Intesa Sanpaolo participates or is seeking to participate.

Due to such uncertainties and risks, readers are cautioned not to place undue reliance on such forward-looking statements as a prediction of actual results. The Intesa Sanpaolo Group's ability to achieve its projected objectives or results is dependent on many factors which are outside management's control. Actual results may differ materially from (and be more negative than) those projected or implied in the forward-looking statements. Such forward-looking information involves risks and uncertainties that could significantly affect expected results and is based on certain key assumptions.

All forward-looking statements included herein are based on information available to Intesa Sanpaolo as of the date hereof. Intesa Sanpaolo undertakes no obligation to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable law. All subsequent written and oral forward-looking statements attributable to Intesa Sanpaolo or persons acting on its behalf are expressly qualified in their entirety by these cautionary statements.

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Intesa Sanpaolo Group

Reclassified consolidated statement of income

(millions of euro)

	30.09.2022	30.09.2021	Changes	
			amount	%
Net interest income	6,436	6,016	420	7.0
Net fee and commission income	6,697	7,103	-406	-5.7
Income from insurance business	1,303	1,176	127	10.8
Profits (Losses) on financial assets and liabilities designated at fair value	1,380	1,525	-145	-9.5
Other operating income (expenses)	-20	93	-113	
Operating income	**15,796**	**15,913**	**-117**	**-0.7**
Personnel expenses	-4,821	-4,968	-147	-3.0
Administrative expenses	-2,047	-2,118	-71	-3.4
Adjustments to property, equipment and intangible assets	-936	-904	32	3.5
Operating costs	**-7,804**	**-7,990**	**-186**	**-2.3**
Operating margin	**7,992**	**7,923**	**69**	**0.9**
Net adjustments to loans	-1,928	-1,550	378	24.4
Other net provisions and net impairment losses on other assets	-168	-433	-265	-61.2
Other income (expenses)	147	254	-107	-42.1
Income (Loss) from discontinued operations	-	-	-	-
Gross income (loss)	**6,043**	**6,194**	**-151**	**-2.4**
Taxes on income	-2,009	-1,526	483	31.7
Charges (net of tax) for integration and exit incentives	-62	-148	-86	-58.1
Effect of purchase price allocation (net of tax)	-152	-85	67	78.8
Levies and other charges concerning the banking industry (net of tax)	-544	-502	42	8.4
Impairment (net of tax) of goodwill and other intangible assets	-	-	-	-
Minority interests	8	73	-65	-89.0
Net income (loss)	**3,284**	**4,006**	**-722**	**-18.0**

Figures restated, where necessary and material, considering the changes in the scope of consolidation.

Intesa Sanpaolo Group

Reclassified consolidated statement of income – Redetermined figures

(millions of euro)

	30.09.2022	30.09.2021 Redetermined figures	Changes amount	Changes %
Net interest income	6,436	5,950	486	8.2
Net fee and commission income	6,697	7,009	-312	-4.5
Income from insurance business	1,303	1,219	84	6.9
Profits (Losses) on financial assets and liabilities designated at fair value	1,380	1,524	-144	-9.4
Other operating income (expenses)	-20	79	-99	
Operating income	**15,796**	**15,781**	**15**	**0.1**
Personnel expenses	-4,821	-4,917	-96	-2.0
Administrative expenses	-2,047	-2,125	-78	-3.7
Adjustments to property, equipment and intangible assets	-936	-906	30	3.3
Operating costs	**-7,804**	**-7,948**	**-144**	**-1.8**
Operating margin	**7,992**	**7,833**	**159**	**2.0**
Net adjustments to loans	-1,928	-1,544	384	24.9
Other net provisions and net impairment losses on other assets	-168	-436	-268	-61.5
Other income (expenses)	147	254	-107	-42.1
Income (Loss) from discontinued operations	-	58	-58	
Gross income (loss)	**6,043**	**6,165**	**-122**	**-2.0**
Taxes on income	-2,009	-1,527	482	31.6
Charges (net of tax) for integration and exit incentives	-62	-148	-86	-58.1
Effect of purchase price allocation (net of tax)	-152	-85	67	78.8
Levies and other charges concerning the banking industry (net of tax)	-544	-489	55	11.2
Impairment (net of tax) of goodwill and other intangible assets	-	-	-	-
Minority interests	8	90	-82	-91.1
Net income (loss)	**3,284**	**4,006**	**-722**	**-18.0**

Redetermined figures have been prepared to take into account the reallocation, based on management data, of the contribution from the going concerns object of disposal to income (loss) from discontinued operations, as part of the acquisition of the UBI Group, 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 branches object of disposal.

Intesa Sanpaolo Group

Quarterly development of the reclassified consolidated statement of income

(millions of euro)

	2022			2021			
	Third quarter	Second quarter	First quarter	Fourth quarter	Third quarter	Second quarter	First quarter
Net interest income	2,387	2,092	1,957	1,955	2,000	2,002	2,014
Net fee and commission income	2,153	2,255	2,289	2,518	2,323	2,381	2,399
Income from insurance business	436	465	402	410	365	438	373
Profits (Losses) on financial assets and liabilities designated at fair value	51	560	769	111	380	346	799
Other operating income (expenses)	-12	-12	4	18	26	18	49
Operating income	**5,015**	**5,360**	**5,421**	**5,012**	**5,094**	**5,185**	**5,634**
Personnel expenses	-1,632	-1,613	-1,576	-1,826	-1,636	-1,654	-1,678
Administrative expenses	-695	-718	-634	-869	-716	-730	-672
Adjustments to property, equipment and intangible assets	-313	-309	-314	-337	-301	-298	-305
Operating costs	**-2,640**	**-2,640**	**-2,524**	**-3,032**	**-2,653**	**-2,682**	**-2,655**
Operating margin	**2,375**	**2,720**	**2,897**	**1,980**	**2,441**	**2,503**	**2,979**
Net adjustments to loans	-496	-730	-702	-1,222	-543	-599	-408
Other net provisions and net impairment losses on other assets	-45	-63	-60	-415	-82	-218	-133
Other income (expenses)	4	147	-4	78	63	-7	198
Income (Loss) from discontinued operations	-	-	-	-	-	-	-
Gross income (loss)	**1,838**	**2,074**	**2,131**	**421**	**1,879**	**1,679**	**2,636**
Taxes on income	-562	-670	-777	-78	-614	-78	-834
Charges (net of tax) for integration and exit incentives	-23	-23	-16	-291	-41	-55	-52
Effect of purchase price allocation (net of tax)	-51	-47	-54	46	-51	-18	-16
Levies and other charges concerning the banking industry (net of tax)	-266	-12	-266	-23	-210	-83	-209
Impairment (net of tax) of goodwill and other intangible assets	-	-	-	-	-	-	-
Minority interests	-6	8	6	104	20	62	-9
Net income (loss)	**930**	**1,330**	**1,024**	**179**	**983**	**1,507**	**1,516**

Figures restated, where necessary and material, considering the changes in the scope of consolidation.

Intesa Sanpaolo Group

Quarterly development of the reclassified consolidated statement of income – Redetermined figures

(millions of euro)

	2022			2021			
	Third quarter	Second quarter	First quarter	Fourth quarter	Third quarter	Second quarter Redetermined figures	First quarter Redetermined figures
Net interest income	2,387	2,092	1,957	1,955	2,000	1,997	1,953
Net fee and commission income	2,153	2,255	2,289	2,518	2,323	2,369	2,317
Income from insurance business	436	465	402	410	365	456	398
Profits (Losses) on financial assets and liabilities designated at fair value	51	560	769	111	380	346	798
Other operating income (expenses)	-12	-12	4	18	26	21	32
Operating income	**5,015**	**5,360**	**5,421**	**5,012**	**5,094**	**5,189**	**5,498**
Personnel expenses	-1,632	-1,613	-1,576	-1,826	-1,636	-1,652	-1,629
Administrative expenses	-695	-718	-634	-869	-716	-734	-675
Adjustments to property, equipment and intangible assets	-313	-309	-314	-337	-301	-299	-306
Operating costs	**-2,640**	**-2,640**	**-2,524**	**-3,032**	**-2,653**	**-2,685**	**-2,610**
Operating margin	**2,375**	**2,720**	**2,897**	**1,980**	**2,441**	**2,504**	**2,888**
Net adjustments to loans	-496	-730	-702	-1,222	-543	-599	-402
Other net provisions and net impairment losses on other assets	-45	-63	-60	-415	-82	-220	-134
Other income (expenses)	4	147	-4	78	63	-7	198
Income (Loss) from discontinued operations	-	-	-	-	-	10	48
Gross income (loss)	**1,838**	**2,074**	**2,131**	**421**	**1,879**	**1,688**	**2,598**
Taxes on income	-562	-670	-777	-78	-614	-81	-832
Charges (net of tax) for integration and exit incentives	-23	-23	-16	-291	-41	-55	-52
Effect of purchase price allocation (net of tax)	-51	-47	-54	46	-51	-18	-16
Levies and other charges concerning the banking industry (net of tax)	-266	-12	-266	-23	-210	-83	-196
Impairment (net of tax) of goodwill and other intangible assets	-	-	-	-	-	-	-
Minority interests	-6	8	6	104	20	56	14
Net income (loss)	**930**	**1,330**	**1,024**	**179**	**983**	**1,507**	**1,516**

Redetermined figures have been prepared to take into account the reallocation, based on management data, of the contribution from the going concerns object of disposal to income (loss) from discontinued operations, as part of the acquisition of the UBI Group, 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 branches object of disposal.

Intesa Sanpaolo Group

Reclassified consolidated balance sheet

(millions of euro)

Assets	30.09.2022	31.12.2021	Changes	
			amount	%
Cash and cash equivalents	118,368	15,693	102,675	
Due from banks	39,734	162,139	-122,405	-75.5
Loans to customers	473,746	465,871	7,875	1.7
Loans to customers measured at amortised cost	*470,866*	*464,075*	*6,791*	*1.5*
Loans to customers designated at fair value through other comprehensive income and through profit or loss	*2,880*	*1,796*	*1,084*	*60.4*
Financial assets measured at amortised cost which do not constitute loans	49,056	43,325	5,731	13.2
Financial assets at fair value through profit or loss	51,671	51,638	33	0.1
Financial assets at fair value through other comprehensive income	52,209	67,058	-14,849	-22.1
Financial assets pertaining to insurance companies measured at fair value pursuant to IAS 39	173,252	206,800	-33,548	-16.2
Financial assets pertaining to insurance companies measured at amortised cost pursuant to IAS 39	80	85	-5	-5.9
Investments in associates and companies subject to joint control	1,990	1,652	338	20.5
Property, equipment and intangible assets	19,947	20,141	-194	-1.0
Assets owned	*18,401*	*18,616*	*-215*	*-1.2*
Rights of use acquired under leases	*1,546*	*1,525*	*21*	*1.4*
Tax assets	19,391	18,808	583	3.1
Non-current assets held for sale and discontinued operations	1,123	1,422	-299	-21.0
Other assets	22,438	16,184	6,254	38.6
Total Assets	**1,023,005**	**1,070,816**	**-47,811**	**-4.5**

Liabilities	30.09.2022	31.12.2021	Changes	
			amount	%
Due to banks at amortised cost	158,971	165,262	-6,291	-3.8
Due to customers at amortised cost and securities issued	536,726	545,101	-8,375	-1.5
Financial liabilities held for trading	53,856	56,308	-2,452	-4.4
Financial liabilities designated at fair value	6,501	3,674	2,827	76.9
Financial liabilities pertaining to insurance companies measured at amortised cost pursuant to IAS 39	2,244	2,139	105	4.9
Financial liabilities pertaining to insurance companies measured at fair value pursuant to IAS 39	72,812	84,770	-11,958	-14.1
Tax liabilities	3,581	2,292	1,289	56.2
Liabilities associated with non-current assets held for sale and discontinued operations	89	30	59	
Other liabilities	20,020	21,974	-1,954	-8.9
of which lease payables	*1,368*	*1,398*	*-30*	*-2.1*
Technical reserves	99,751	118,296	-18,545	-15.7
Allowances for risks and charges	5,525	6,816	-1,291	-18.9
of which allowances for commitments and financial guarantees given	*563*	*508*	*55*	*10.8*
Share capital	10,369	10,084	285	2.8
Reserves	44,509	44,856	-347	-0.8
Valuation reserves	-1,898	-709	1,189	
Valuation reserves pertaining to insurance companies	-762	476	-1,238	
Interim dividend	-	-1,399	-1,399	
Equity instruments	7,203	6,282	921	14.7
Minority interests	224	379	-155	-40.9
Net income (loss)	3,284	4,185	-901	-21.5
Total liabilities and shareholders' equity	**1,023,005**	**1,070,816**	**-47,811**	**-4.5**

Figures restated, where necessary and material, considering the changes in the scope of consolidation and discontinued operations.

Intesa Sanpaolo Group

Quarterly development of the reclassified consolidated balance sheet

(millions of euro)

Assets	2022			2021			
	30/9	30/6	31/3	31/12	30/9	30/6	31/3
Cash and cash equivalents	118,368	18,370	18,666	15,693	16,250	15,623	14,652
Due from banks	39,734	138,555	158,521	162,139	164,909	148,223	128,207
Loans to customers	473,746	471,649	468,995	465,871	463,917	463,904	465,231
Loans to customers measured at amortised cost	*470,866*	*469,338*	*466,416*	*464,075*	*461,525*	*461,955*	*463,699*
Loans to customers designated at fair value through other comprehensive income and through profit or loss	*2,880*	*2,311*	*2,579*	*1,796*	*2,392*	*1,949*	*1,532*
Financial assets measured at amortised cost which do not constitute loans	49,056	49,850	56,111	43,325	41,286	42,615	44,857
Financial assets at fair value through profit or loss	51,671	51,943	52,875	51,638	59,926	59,827	55,458
Financial assets at fair value through other comprehensive income	52,209	59,213	65,016	67,058	63,806	66,660	61,039
Financial assets pertaining to insurance companies measured at fair value pursuant to IAS 39	173,252	180,637	196,949	206,800	205,631	206,138	206,388
Financial assets pertaining to insurance companies measured at amortised cost pursuant to IAS 39	80	80	81	85	82	80	79
Investments in associates and companies subject to joint control	1,990	1,902	1,633	1,652	1,738	1,707	1,708
Property, equipment and intangible assets	19,947	19,965	19,891	20,141	19,415	19,459	18,916
Assets owned	*18,401*	*18,389*	*18,345*	*18,616*	*17,803*	*17,819*	*17,161*
Rights of use acquired under leases	*1,546*	*1,576*	*1,546*	*1,525*	*1,612*	*1,640*	*1,755*
Tax assets	19,391	18,745	18,610	18,808	18,805	19,014	19,582
Non-current assets held for sale and discontinued operations	1,123	1,303	1,556	1,422	3,181	1,566	3,173
Other assets	22,438	20,103	16,461	16,184	14,482	14,675	14,514
Total Assets	**1,023,005**	**1,032,315**	**1,075,365**	**1,070,816**	**1,073,428**	**1,059,491**	**1,033,804**

Liabilities	2022			2021			
	30/9	30/6	31/3	31/12	30/9	30/6	31/3
Due to banks at amortised cost	158,971	152,413	180,234	165,262	179,552	164,875	151,787
Due to customers at amortised cost and securities issued	536,726	536,958	539,278	545,101	525,546	520,960	513,930
Financial liabilities held for trading	53,856	55,227	58,729	56,308	57,535	57,336	53,547
Financial liabilities designated at fair value	6,501	4,753	3,848	3,674	3,266	3,361	3,116
Financial liabilities pertaining to insurance companies measured at amortised cost pursuant to IAS 39	2,244	2,297	2,280	2,139	2,563	2,518	2,414
Financial liabilities pertaining to insurance companies measured at fair value pursuant to IAS 39	72,812	74,454	80,086	84,770	83,093	83,010	82,040
Tax liabilities	3,581	2,806	2,296	2,292	2,627	2,497	3,310
Liabilities associated with non-current assets held for sale and discontinued operations	89	92	37	30	1,404	78	3,585
Other liabilities	20,020	28,532	23,553	21,974	24,984	31,700	26,301
of which lease payables	*1,368*	*1,417*	*1,389*	*1,398*	*1,523*	*1,574*	*1,713*
Technical reserves	99,751	104,809	113,471	118,296	118,616	119,475	119,943
Allowances for risks and charges	5,525	5,709	6,481	6,816	6,873	7,042	7,437
of which allowances for commitments and financial guarantees given	*563*	*561*	*562*	*508*	*534*	*548*	*576*
Share capital	10,369	10,369	10,084	10,084	10,084	10,084	10,084
Reserves	44,509	46,216	48,995	44,856	46,508	46,671	47,529
Valuation reserves	-1,898	-1,603	-1,320	-709	-569	-476	-738
Valuation reserves pertaining to insurance companies	-762	-523	120	476	677	661	777
Interim dividend	-	-	-1,399	-1,399	-	-	-
Equity instruments	7,203	7,204	7,220	6,282	6,279	6,269	6,202
Minority interests	224	248	348	379	384	407	1,024
Net income (loss)	3,284	2,354	1,024	4,185	4,006	3,023	1,516
Total Liabilities and Shareholders' Equity	**1,023,005**	**1,032,315**	**1,075,365**	**1,070,816**	**1,073,428**	**1,059,491**	**1,033,804**

Figures restated, where necessary and material, considering the changes in the scope of consolidation and discontinued operations.

Intesa Sanpaolo Group

Breakdown of financial highlights by business area

(millions of euro)

	Banca dei Territori	IMI Corporate & Investment Banking	International Subsidiary Banks	Private Banking	Asset Management	Insurance	Corporate Centre	Total
Operating income								
30.09.2022	6,526	3,451	1,619	1,749	724	1,237	490	15,796
30.09.2021 (Redetermined figures)	6,619	3,658	1,471	1,801	938	1,180	114	15,781
% change	-1.4	-5.7	10.1	-2.9	-22.8	4.8		0.1
Operating costs								
30.09.2022	-4,641	-1,022	-802	-666	-152	-269	-252	-7,804
30.09.2021 (Redetermined figures)	-4,803	-994	-774	-665	-162	-287	-263	-7,948
% change	-3.4	2.8	3.6	0.2	-6.2	-6.3	-4.2	-1.8
Operating margin								
30.09.2022	1,885	2,429	817	1,083	572	968	238	7,992
30.09.2021 (Redetermined figures)	1,816	2,664	697	1,136	776	893	-149	7,833
% change	3.8	-8.8	17.2	-4.7	-26.3	8.4		2.0
Net income (loss)								
30.09.2022	729	539	353	750	435	646	-168	3,284
30.09.2021	346	1,811	393	863	557	617	-581	4,006
% change		-70.2	-10.2	-13.1	-21.9	4.7	-71.1	-18.0

(millions of euro)

	Banca dei Territori	IMI Corporate & Investment Banking	International Subsidiary Banks	Private Banking	Asset Management	Insurance	Corporate Centre	Total
Loans to customers								
30.09.2022	253,410	149,186	40,614	14,839	471	-	15,226	473,746
31.12.2021	250,592	152,543	38,970	14,450	783	-	8,533	465,871
% change	1.1	-2.2	4.2	2.7	-39.8	-	78.4	1.7
Direct deposits from banking business								
30.09.2022	290,717	94,398	53,112	56,180	17	-	56,254	550,678
31.12.2021	291,697	94,844	51,504	55,895	21	-	63,287	557,248
% change	-0.3	-0.5	3.1	0.5	-19.0	-	-11.1	-1.2

Figures restated, where necessary and material, considering the changes in the scope of consolidation and in business unit constituents and discontinued operations. Redetermined figures have been prepared to take into account the reallocation, based on management data, of the contribution from the going concerns object of disposal to income (loss) from discontinued operations, as part of the acquisition of the UBI Group, 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 branches object of disposal.