PRESS RELEASE

INTESA SANPAOLO: CONSOLIDATED RESULTS AS AT 30 SEPTEMBER 2023

THE RESULTS FOR THE FIRST NINE MONTHS OF 2023 CONFIRM THAT INTESA SANPAOLO IS ABLE TO GENERATE SUSTAINABLE PROFITABILITY EVEN IN COMPLEX ENVIRONMENTS THANKS TO ITS WELL-DIVERSIFIED AND RESILIENT BUSINESS MODEL, WITH NET INCOME OF €6.1 BILLION DRIVEN BY NET INTEREST INCOME AND EXPECTED TO BE ABOVE €7.5 BILLION IN FULL-YEAR 2023, WITH NET INTEREST INCOME EXPECTED TO BE WELL ABOVE €14 BILLION IN 2023 AND GROW FURTHER IN 2024 AND 2025.

THE SOLID PERFORMANCE OF INCOME STATEMENT AND BALANCE SHEET IN 9M 2023 TRANSLATED INTO SIGNIFICANT VALUE CREATION FOR ALL STAKEHOLDERS WHICH IS ALSO GROUNDED IN THE GROUP'S STRONG ESG COMMITMENT. SPECIFICALLY, AROUND €4.3 BILLION DIVIDENDS WERE ACCRUED (AROUND €2.6 BILLION OF WHICH WILL BE DISTRIBUTED IN NOVEMBER 2023 AS INTERIM DIVIDENDS) AND €4 BILLION TAXES GENERATED (UP BY AROUND €1.1 BILLION ON 9M 2022 DUE TO GROWTH IN NET INTEREST INCOME), THE FOOD AND SHELTER PROGRAMME FOR PEOPLE IN NEED WAS EXPANDED (OVER 32 MILLION INTERVENTIONS IN THE PERIOD 2022 – 9M 2023) AND INITIATIVES WERE ENHANCED TO FIGHT INEQUALITIES AND FOSTER FINANCIAL, SOCIAL, EDUCATIONAL AND CULTURAL INCLUSION (AROUND €13.5 BILLION OF SOCIAL LENDING AND URBAN REGENERATION IN THE PERIOD 2022 – 9M 2023), AROUND €1.5 BILLION TO BE CONTRIBUTED IN 2023-2027 TO ADDRESS SOCIAL NEEDS.

INTESA SANPAOLO CONTINUES TO OPERATE AS A GROWTH ACCELERATOR IN THE REAL ECONOMY IN ITALY: IN 9M 2023, MEDIUM/LONG-TERM NEW LENDING GRANTED BY THE GROUP TO ITALIAN HOUSEHOLDS AND BUSINESSES AMOUNTED TO AROUND €29 BILLION. IN 9M 2023, THE GROUP FACILITATED THE RETURN TO PERFORMING STATUS OF 2,800 COMPANIES, THUS SAFEGUARDING 14,000 JOBS. THIS BROUGHT THE TOTAL TO 140,000 COMPANIES SINCE 2014, WITH 700,000 JOBS SAFEGUARDED OVER THE SAME PERIOD.

INTESA SANPAOLO IS FULLY EQUIPPED TO CONTINUE SUCCEEDING IN THE FUTURE GIVEN THE GROUP'S KEY STRENGTHS, NOTABLY RESILIENT PROFITABILITY, A SOLID CAPITAL POSITION, THE "ZERO-NPL" BANK STATUS AND HIGH FLEXIBILITY IN MANAGING OPERATING COSTS.

TECHNOLOGY REPRESENTS A FURTHER KEY FACTOR TO SUCCEED, WITH THE NEW CLOUD-NATIVE TECH PLATFORM, THE DIGITAL CHANNELS OF ISYBANK AND FIDEURAM DIRECT AND ARTIFICIAL INTELLIGENT SOLUTIONS THAT ARE EXPECTED TO GENERATE ADDITIONAL CONTRIBUTION TO 2025 GROSS INCOME OF AROUND €500 MILLION, NOT ENVISAGED IN THE 2022-2025 BUSINESS PLAN.

THE IMPLEMENTATION OF THE 2022-2025 BUSINESS PLAN IS PROCEEDING AT FULL SPEED AND THE KEY INDUSTRIAL INITIATIVES ARE WELL UNDERWAY, WITH THE PROSPECT THAT 2024 AND 2025 NET INCOME WILL BE HIGHER THAN THAT ENVISAGED FOR 2023.

THE CAPITAL POSITION AS AT 30 SEPTEMBER 2023 WAS SOLID AND WELL ABOVE REGULATORY REQUIREMENTS: FULLY LOADED COMMON EQUITY TIER 1 RATIO WAS 13.6% AFTER DEDUCTING FROM CAPITAL THE DIVIDENDS ACCRUED IN 9M 2023 AND NOT TAKING INTO ACCOUNT A BENEFIT OF AROUND 120 BASIS POINTS DERIVING FROM THE ABSORPTION OF DEFERRED TAX ASSETS (DTAs), OF WHICH AROUND 25 BASIS POINTS WITHIN THE Q4 2023 - 2025 HORIZON.

GROSS INCOME WAS UP 67% AND OPERATING MARGIN WAS UP 36.8% ON 9M 2022, WITH OPERATING INCOME UP 19% AND OPERATING COSTS RISING SLIGHTLY (UP 0.7%).

CREDIT QUALITY:
- **NPLs WERE DOWN 5.3% NET AND 1.4% GROSS ON YEAR-END 2022;**
- **NPL RATIO WAS 1.2% NET AND 2.4% GROSS, RESPECTIVELY 1% AND 1.9% ACCORDING TO THE EBA METHODOLOGY;**
- **ANNUALISED COST OF RISK IN 9M 2023 STOOD AT 28 BASIS POINTS;**
- **EXPOSURE TO RUSSIA HAS BEEN FURTHER REDUCED: DOWN BY AROUND 80% SINCE JUNE 2022 AND NOW BELOW 0.2% OF THE GROUP'S TOTAL CUSTOMER LOANS.**

- **NET INCOME OF €6,122M IN 9M 2023, UP 85.3% COMPARED WITH €3,303M IN 9M 2022**
- **GROSS INCOME UP 67% ON 9M 2022**
- **OPERATING MARGIN UP 36.8% ON 9M 2022**
- **OPERATING INCOME UP 19% ON 9M 2022**
- **OPERATING COSTS SLIGHTLY UP (0.7%) ON 9M 2022**
- **CREDIT QUALITY:**
  - **NPL STOCK DOWN 5.3% NET AND 1.4% GROSS ON YEAR-END 2022**
  - **NPL RATIO OF 1.2% NET AND 2.4% GROSS, RESPECTIVELY 1% AND 1.9% ACCORDING TO THE EBA METHODOLOGY**
  - **ANNUALISED COST OF RISK IN 9M 2023 AT 28 BASIS POINTS (FROM 70 BASIS POINTS IN 2022, 30 BASIS POINTS WHEN EXCLUDING ADJUSTMENTS FOR THE EXPOSURE TO RUSSIA AND UKRAINE, FOR OVERLAYS AND TO FAVOUR DE-RISKING, NET OF THE PARTIAL RELEASE OF GENERIC PROVISIONS WHICH WERE SET ASIDE IN 2020 FOR FUTURE COVID-19 IMPACTS)**
- **A SOLID CAPITAL POSITION, WELL ABOVE REGULATORY REQUIREMENTS:**
  - **COMMON EQUITY TIER 1 RATIO AS AT 30 SEPTEMBER 2023, AFTER DEDUCTING FROM CAPITAL (°) AROUND €4.3BN OF DIVIDENDS ACCRUED IN 9M 2023, AT 13.6% FULLY LOADED (°°) WITHOUT TAKING INTO ACCOUNT THE BENEFIT OF AROUND 120 BASIS POINTS DERIVING FROM THE ABSORPTION OF DEFERRED TAX ASSETS (DTAs) OF WHICH AROUND 25 BASIS POINTS WITHIN THE Q4 2023 - 2025 HORIZON**

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

(°°) Estimated pro-forma fully loaded Common Equity Tier 1 ratio of 14.9%, 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 2023 net income of insurance companies.

HIGHLIGHTS:

OPERATING INCOME:	Q3 2023 9M 2023	+0.4% +19%	TO €6,367M FROM €6,341M IN Q2 2023 TO €18,765M FROM €15,773M IN 9M 2022
OPERATING COSTS:	Q3 2023 9M 2023	-0.9% +0.7%	TO €2,650M FROM €2,675M IN Q2 2023 TO €7,861M FROM €7,804M IN 9M 2022
OPERATING MARGIN:	Q3 2023 9M 2023	+1.4% +36.8%	TO €3,717M FROM €3,666M IN Q2 2023 TO €10,904M FROM €7,969M IN 9M 2022
GROSS INCOME:	Q3 2023 9M 2023	€3,328M €10,072M	FROM €3,381M IN Q2 2023 FROM €6,032M IN 9M 2022
NET INCOME:	Q3 2023 9M 2023	€1,900M €6,122M	FROM €2,266M IN Q2 2023 FROM €3,303M IN 9M 2022

CAPITAL RATIOS: COMMON EQUITY TIER 1 RATIO AFTER DIVIDENDS ACCRUED IN 9M 2023 (°):
13.6% FULLY LOADED (°°)

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

(°°) Estimated pro-forma fully loaded Common Equity Tier 1 ratio of 14.9%, 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 2023 net income of insurance companies.

Turin - Milan, 3 November 2023 – At its meeting today, the Board of Directors of Intesa Sanpaolo approved the consolidated interim statement as at 30 September 2023 (*) (**).

The results for the first nine months of 2023 confirm that the Intesa Sanpaolo Group is able to generate sustainable profitability even in complex environments thanks to its well-diversified and resilient business model, with net income of €6.1bn driven by net interest income.

The solid performance of income statement and balance sheet in the first nine months of the year translated into significant value creation for all stakeholders which is also grounded in the Group's strong ESG commitment: specifically, around **€4.3bn dividends accrued (around €2.6bn of which will be distributed in November 2023 as interim dividends)** and **€4bn taxes** (°) generated and **increased by around €1.1bn on 9M 2022** (°°) as a consequence of the net interest income growth which has driven the net income increase of around €2.8bn, **expansion of the food and shelter programme for people in need** (over **32 million interventions** in the period 2022 – 9M 2023), **enhancement of initiatives to fight inequalities and foster financial, social, educational and cultural inclusion** (around **€13.5bn of social lending and urban regeneration** in the period 2022 – 9M 2023), an **amount equal to around €1.5bn** total costs **to be contributed in the five-year period 2023-2027 to support initiatives addressing social needs** (already included, on a pro-rata basis, in the outlook for 2023-2025 net income).

Intesa Sanpaolo is fully equipped to continue operating successfully in the future given the Group's key strengths, notably resilient profitability, a solid capital position, the "zero-NPL" Bank status and high flexibility in managing operating costs. The exposure to **Russia** (^) has been further reduced: down by around 80% (€2.9bn) on end of June 2022 and now below 0.2% of the Group's total customer loans. Cross-border loans to Russia were largely performing and classified in Stage 2.

Technology is a further key factor to succeed, generating **additional contribution to 2025 gross income of around €500m**, **not envisaged in the 2022-2025 Business Plan** (^^):

- **new cloud-native technological platform (isytech)**, already available to mass market retail customers with the recent launch of the digital bank, Isybank, and to be progressively extended to the entire Group: **€2.1bn in IT investments already deployed and around 1,300 IT specialists already hired**, with an **additional contribution to 2025 gross income of around €150m**, not envisaged in the Business Plan;
- **new digital channels**:
    - **Isybank**, **the Group's digital bank** with a **lower-than-30% cost/income** business model and around **5 million customers by 2025** (over 2.5 million by the first quarter of 2024), of which around **1 million being new customers -** with an **additional contribution to gross income of around €200m by 2025 -** not envisaged in the Business Plan: around **50,000 new customers already acquired** and a first group of around 300,000 customers already migrated;
    - **Fideuram Direct**, **the digital Wealth Management platform for Private Banking**, with around **150,000 customers in 2025 (around 20% of the current Fideuram customer base)**;

(*) 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.

(**) Methodological note on the scope of consolidation on page 25.

(°) Direct and indirect taxes.

(°°) Entirely in direct taxes.

(^) On-balance credit exposure to customers, both cross-border and at the Russian subsidiary Banca Intesa, net of guarantees by Export Credit Agencies and after adjustments. As at 30 September 2023, after adjustments, the on-balance cross-border credit exposure to Russia amounted to €0.62bn of which €0.61bn to customers, net of €0.8bn guarantees by Export Credit Agencies (no off-balance to customers and off-balance of €0.07bn to banks, net of €0.5bn guarantees by ECA) and the on-balance credit exposure of the subsidiaries amounted to €0.85bn, of which €0.12bn to customers, for Banca Intesa in Russia and €0.09bn, to banks, for Pravex Bank in Ukraine (off-balance, to customers, of €0.05bn for the Russian subsidiary and €0.03bn for the Ukrainian subsidiary). The credit exposure to Russian counterparties currently included in the SDN lists of names to which sanctions apply amounted to €0.2bn.

(^^) Additional contribution to 2025 gross income from isytech, Isybank, Fideuram Direct and Artificial Intelligence, which offsets the impact from higher inflation and the renewal of the labour contract.

- **artificial intelligence**, with around **150 Apps and 300 specialists in 2025** (already 70 Apps and around 150 specialists at end of September 2023) and an **additional contribution to 2025 gross income of** around **€100m**, not envisaged in the Business Plan, **not including** potential **upside** from the adoption of **Generative AI** solutions.

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 €4.8bn gross NPL stock reduction in 2022/9M 2023, reducing the net NPL ratio to 1% (°);
  - the Active Credit Portfolio Steering (ACPS) unit continued expanding the credit risk hedging schemes to optimise capital absorption. In Q3 2023, a new synthetic securitisation was finalised for an amount of around €2.7bn on a corporate loan portfolio with a high ESG score and/or assessed within the circular economy framework. At the end of Q3 2023, the outstanding volume of synthetic securitisations, included in the GARC Programme (Active Credit Risk Management), was equal to around €26.5bn.
  - the ACPS unit also strengthened the capital efficiency initiatives and extended the scope of credit strategy application, shifting €20bn of new lending in 2022 and around €13bn in 9M 2023 to more sustainable economic sectors with the best risk/return profile;
- **structural cost reduction enabled by technology**:
  - isytech already operational with around 465 dedicated specialists, contract with Thought Machine finalised and technological masterplan defined. The Isybank offering structure and functionalities were defined.
  - insourcing of core capabilities in IT ongoing with around 1,040 people already hired;
  - around 810 branches closed since Q4 2021 in light of the launch of the new Digital Bank;
  - digital platform for analytical cost management up and running, with 35 efficiency initiatives already identified;
  - rationalisation of real estate in Italy in progress, with a reduction of around 450,000 square metres since Q4 2021;
  - around 4,200 voluntary exits in 2022 and in 9M 2023;
  - digitalisation projects related to Artificial Intelligence and Digital Ledger Technology launched at Eurizon;
  - the Intesa Sanpaolo Mobile App recognised by Forrester as the “Global Mobile Banking Apps Leader”, ranking first worldwide among all banking apps evaluated;

(°) In accordance with the EBA methodology.

- **growth in commissions, driven by Wealth Management, Protection & Advisory**:
  - enhancement of the product offering (new AM/Insurance products) and further growth of the advanced advisory service "Valore Insieme" for Affluent and Exclusive customers: around 42,300 new contracts and €12.7bn in Customer financial asset inflows in 9M 2023, also thanks to the introduction of a new range of products;
  - Intesa Sanpaolo has been the first bank in Italy to offer Nexi SoftPOS in 2023, a solution allowing contactless digital payments from smartphones/tablets without a card payment machine (POS terminal);
  - acquisition of 100% of Carnegie Fund Services SA, an active player in the distribution of funds;
  - "Soluzione Domani", the commercial offer dedicated to Senior customers (over 65 years old and caregivers), has been enriched through the launch of the Senior Hub, an initiative which, in the first phase, envisages the opening of a multi-service centre dedicated to medical prevention and social aggregation;
  - a new digital plan launched, focused on telemedicine and online booking of medical services at InSalute Servizi, an Intesa Sanpaolo Insurance Division company. Starting from 1 January 2024, InSalute Servizi will be the TPA (Third Party Administrator) of the Intesa Sanpaolo Group Health Fund, with nearly 245,000 people assisted and more than 1 million annual reimbursement claims.
  - an ESG value proposition initiative launched for the corporate and SME segments of the Group's banks in Slovakia, Hungary, Croatia, Serbia and Egypt. Priority sectors have been identified for which the definition of a commercial strategy is underway, aiming at improving the ESG offer in markets where the International Subsidiary Banks Division operates. A project was launched, as part of the S-Loan offer, for the creation of a financing (multi-country) product dedicated to the achievement of green objectives.
- **significant ESG commitment, with a world-class position in social impact and a 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 over **32 million interventions** carried out in the period 2022-9M 2023, providing around 25.6 million meals, around 3.1 million beds, over 3.1 million medicine prescriptions and over 296,000 items of clothing;
    - **employability**: "**Giovani e Lavoro**" programme aimed at **training and introducing more than 3,000 young people to the Italian labour market** over the 2022-2025 Business Plan horizon: in 9M 2023, around 5,600 students aged between 18 and 29 applied for the programme, over 1,400 students were interviewed and around 690 trained/in training through 27 courses (around 3,700 trained/in training since 2019) and around 2,380 companies involved since its inception in 2019;
    - **inequalities and educational inclusion**: **educational inclusion** programme: **partnerships strengthened with main Italian universities and schools**: in 9M 2023 over 500 schools and around 3,600 students were involved to promote educational inclusion, supporting merit and social mobility (over 1,550 schools involved in the period 2022-9M 2023);
    - **social housing**: the Group's ongoing initiatives in terms of promoting housing units have been enhanced, also identifying some new partnerships with leading operators in the sector, to achieve the Business Plan targets (promotion of the development of 6-8 thousand units of social housing and student bed places);
    - a **contribution expected to be equal to** a total amount of **around €1.5bn** costs **in the five-year period 2023-2027 to support initiatives addressing social needs** (already included, on a pro-rata basis, in the outlook for 2023-2025 net income), of which around **€1bn from**

sums allocated to the initiatives and around €500m from the structure costs of around **1,000 people devoted to supporting these initiatives**;
- a **new organisational unit** set up, **named** "**Intesa Sanpaolo for Social**" and based in Brescia, with steering function in the Group's social impact activities, to strengthen the bank's social impact strategy for the country, the territory and the communities;

□ **strong focus on financial inclusion**:
- **€4.2bn in social lending and urban regeneration** granted in 9M 2023 (around €13.5bn in the period 2022-9M 2023, a target of €25bn cumulative flows announced in the Business Plan);

□ **continuous commitment to culture**:
- **Gallerie d'Italia**, the four venues of Intesa Sanpaolo's museum in Milan, Naples, Turin and Vicenza, across a total of 30,000 square metres, welcomed over **515,000 visitors** in 9M 2023, reaching a total of around one million since 2022 (free admission for people under 18);

□ **promoting innovation:**
- **innovation projects**: **135 innovation projects released by Intesa Sanpaolo Innovation Center** in 9M 2023, for a total amount of 336 since 2022 (around 800 innovation projects expected in the 2022-2025 Business Plan);
- **Neva SGR**: around **€25m investments in start-ups** in 9M 2023 (around €5m in Q3 2023) for a total amount of over €79m since 2022;

□ **accelerating on commitment to net-zero emissions**:
- following the Group's participation in the **NetZero Banking Alliance (NZBA)**, the **Net Zero Asset Managers Initiative (NZAMI)**, the **Net Zero Asset Owner Alliance (NZAOA)** and **the Net Zero Insurance Alliance (NZIA)**:
  - ▫ interim 2030 targets set for four high-emitting sectors (Oil & Gas, Power Generation, Automotive and Coal Mining - over 60% of financed emissions for Non-Financial Corporates in NZBA sectors as at 30 June 2021) were published in the 2022-2025 Business Plan; the first annual reporting as at 31 December 2022 on the four sectors' absolute financed emissions shows a decrease of 62% compared with 2021 (see dedicated chapter in 2022 TCFD Report which also includes a high-level Transition Plan under the GFANZ - Glasgow Financial Alliance for Net-Zero - guidelines);
  - ▫ documentation necessary to obtain the SBTi validation under elaboration, to be submitted by March 2024;
- **91% of the energy purchased deriving from renewable sources**;

□ **supporting customers through the ESG/climate transition**:
- **around €41bn disbursed** in the period 2021-9M 2023, 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;
- around **€1.1bn of Green Mortgages** in 9M 2023 (around €3.7bn in the period 2022-9M 2023), out of the €12bn of new Green lending to individuals over the 2022-2025 Business Plan;
- **€8bn circular economy credit facility** announced in the 2022-2025 Business Plan: **€4.5bn disbursed** in 9M 2023 (€7.5bn in the period 2022-9M 2023);
- **12 ESG Laboratories** activated (in Venice, Padua, Brescia, Bergamo, Cuneo, Bari-Taranto, Rome, Naples-Palermo, Milan and Turin), physical and virtual meeting points to support SMEs in approaching sustainability, and evolution of advisory services offered by partners (e.g. Circularity, Nativa, CE Lab and others);
- continued success of the **S-Loan** product range dedicated to SMEs to finance projects aimed at improving their sustainability profile (six product lines: S-Loan ESG, S-Loan Diversity, S-Loan Climate Change, S-Loan Agribusiness, S-Loan Tourism and S-Loan CER): around €1.2bn disbursed in 9M 2023 (around €4.7bn since the launch in July 2020);

- **Digital Loans** (D-Loans) aimed at improving the digitalisation of companies, with €25m disbursed since launch in October 2021;
- **Suite Loans** aimed at incentivising investments in the redevelopment/improvement of hotel facilities and accommodation services: €12m disbursed since launch in December 2021;
- enhancement of **ESG investment products** for asset management, with penetration increasing to around 73% of total assets under management for Eurizon; increase in investment options (articles 8 and 9 of SFDR) underlying the insurance products available to customers to around 76%;
- continuous commitment to Stewardship activities: in 9M 2023, Eurizon Capital SGR took part in 1,273 shareholders' meetings (issuers listed abroad accounted for 93%) and 327 engagements (of which 50% on ESG issues);
- **eight green and social bonds for a total amount of €7.8bn issued** in the period 2022-9M 2023.

Intesa Sanpaolo is the **only Italian bank listed in the Dow Jones Sustainability Indices, in the CDP Climate A List 2022 and in the 2023 Corporate Knights "Global 100 Most Sustainable Corporations in the World Index"** and ranks **first among the banks of the peer group by** Sustainalytics and Bloomberg (ESG Disclosure Score) **international assessments**. Furthermore, Intesa Sanpaolo:

- has been **included for the sixth consecutive year in the Bloomberg Gender-Equality Index 2023**, **obtaining a score well above the average** of the global financial sector and of Italian companies;
- has been recognised **in the Refinitiv Global Diversity and Inclusion Index 2023** as the **first bank in Europe, and the only one in Italy** among the **top 100 companies for diversity and inclusion**;
- has ranked **first in the global ESG Corporate Award ranking**, in the Best Company for Diversity Equity & Inclusion category, among large cap companies;
- has been the **first major Italian banking group to obtain the certification for gender parity "Prassi di Riferimento (PDR) 125:2022"** envisaged by the National Recovery and Resilience Plan, thanks to its commitment to diversity and inclusion;
- has undergone a mid-term audit, with successful outcome, to maintain **the Gender Equality European & International Standard (GEEIS-Diversity)** certification achieved in 2021;

- **Group's people are its most important asset**:
  - around 2,600 professionals hired since 2021;
  - around 3,350 people reskilled in the period 2022-9M 2023; around 20.5m training hours delivered since 2022;
  - over 230 talented people have already completed their development path as part of the International Talent Program, which is still ongoing for around other 250 people:
  - around 470 key people selected mostly among middle management for dedicated development and training initiatives;
  - monitoring of the 2023 Diversity & Inclusion targets started for each Division and Governance Area; collaboration strengthened with ISPROUD, the first employee-based community within the Group (around 1000 LGBTQ+ people and allies);
  - Intesa Sanpaolo People satisfaction index continues to grow and has reached its highest level of the past 10 years (84% in 2023 vs 79% in 2021 and 66% in 2013);
  - Intesa Sanpaolo has been recognised as Top Employer 2023 for the second consecutive year by Top Employers Institute and has received the Best Talent Acquisition Team prize in the 2023 LinkedIn Talent Awards.

In the first nine months of 2023, the Group recorded:

- **growth in net income** **of 85.3% to €6,122m** from €3,303m in 9M 2022;
- **growth in gross income** of 67% to €10,072m from €6,032m in 9M 2022;
- **growth in operating margin** of 36.8% on 9M 2022;
- **growth in operating income** of 19% on 9M 2022;
- **increase in operating costs** of 0.7% on 9M 2022;
- **high level of efficiency**, with a **cost/income of 41.9%** in 9M 2023, **a level among the best in the top tier European banks**;
- annualized **cost of risk** in 9M 2023 at **28bps** (from 70bps in 2022, 30bps when excluding adjustments for the exposure to Russia and Ukraine, for overlays and to favour de-risking, net of release from generic provisions set aside in 2020 for future COVID-19 impacts), with **overlays of €0.9bn**;
- **credit quality** (°):
  - **NPL stock** at end of September 2023 (°°) **decreased 5.3% net** and 1.4% gross on end of December 2022;
  - **NPL ratio** was **1.2% net** and 2.4% gross. According to the **EBA methodology**, **the NPL ratio** was **1% net** and 1.9% gross.
- **sizeable NPL coverage**:
  - **NPL cash coverage ratio of 50.4%** at end of September 2023, **with a cash coverage ratio of 68.7% for the bad loan component**;
  - **robust reserve buffer on performing loans**, amounting to 0.6% at end of September 2023;

(°) No material payment suspension at end of September 2023. The amount of loans backed by a state guarantee was of around €26.5bn (around €4.5bn from SACE and around €22bn from SME Fund).

(°°) NPLs at the end of September 2023 did not include portfolios classified as ready to be sold, accounted under non-current assets held for sale and discontinued operations, which amounted to around €0.3bn gross and were no material net.

- <u>**very solid capital position**</u>, with capital ratios well above regulatory requirements. As at 30 September 2023, after deducting from capital (°) around €4.3bn of dividends accrued in 9M 2023, the **fully loaded Common Equity Tier 1 ratio came in at 13.6% (°°) without taking into account the benefit of around 120bps from the DTA absorption, of which around 25bps within the Q4 2023 - 2025 horizon**. This compares with a SREP requirement, comprising Capital Conservation Buffer, O-SII Buffer and Countercyclical Capital Buffer (*), for 2023 equal to 8.82% (**). An impact of around 80bps from regulatory headwinds was recorded in 9M 2023. An impact of around 30bps came from the voluntary deduction from capital regarding the calendar provisioning carried out in Q2 2023 for the subsequent benefits in terms of a reduced Pillar 2 requirement and a cost of risk in the period 2024-2025 lower than originally envisaged in the 2022-2025 Business Plan (^).
- <u>**strong liquidity position and funding capability**</u>, with **liquid assets of €280bn** and **high available unencumbered liquid assets of €182bn at end of September 2023. The Basel 3 requirements for the Liquidity Coverage Ratio (at 169% (^^)) and the Net Stable Funding Ratio (at 121%) 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 €45bn as at 30 September 2023 and consisted entirely of TLTROs III.
- <u>**support provided to the real economy**</u>, with around **€44bn of medium/long-term new lending** in 9M 2023. **Loans** amounting to around **€29bn were granted in Italy**, of which around **€26bn was granted to households and SMEs**. **In 9M 2023**, the Group facilitated the return from non-performing **to performing status** of **2,800 companies thus safeguarding 14,000 jobs**. This brought the total to **140,000 companies since 2014**, **thus safeguarding 700,000 jobs over the same period**.

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

(°°) Estimated pro-forma fully loaded Common Equity Tier 1 ratio of 14.9%, 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 2023 net income of insurance companies.

(*) Countercyclical Capital Buffer calculated taking into account the exposure as at 30 September 2023 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 2025, where available, or the most recent update of the reference period (requirement was set at zero per cent in Italy for 2023).

(**) 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.

(^) Assumptions of loan adjustments with a view to subsequently disposing of exposures impacted by the calendar provisioning.

(^^) Average for the last twelve months.

- **<u>cash interim dividends of €2,633m</u>**: at its meeting today, the Board of Directors decided to distribute 14.40 euro cents per share, before tax, as interim dividends on the 2023 results, there being no inconveniences deriving from the results expected for the fourth quarter 2023 or recommendations from the regulators regarding capital requirements applicable to Intesa Sanpaolo that could preclude the distribution, also considering the capital ratios, both those as at 30 September 2023 and those expected to be recorded at year end, which stand 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 €2,632,723,054.42 deriving from 14.40 euro cents on each of the 18,282,798,989 ordinary shares. No distribution will be made to own shares held by the Bank at the record date. Interim dividends will be payable as of 22 November 2023 (with coupon presentation on 20 November and record date on 21 November). **The interim dividend per share nearly doubled in 2023 on 2022**, from 7.38 euro cents up to 14.40 euro cents. The dividend yield, as the ratio of the latter amount to the reference price recorded yesterday by the Intesa Sanpaolo stock, is 5.7%.

The income statement for the third quarter of 2023

The consolidated income statement for Q3 2023 recorded **net interest income** of €3,813m, up 6.4% from €3,584m in Q2 2023 and 59.7% from €2,387m in Q3 2022.

Net fee and commission income amounted to €2,095m, down 5.5% from €2,216m in Q2 2023. Specifically, commissions on commercial banking activities were down 0.3% and commissions on management, dealing and consultancy activities were down 6.7%. The latter, which include portfolio management, distribution of insurance products, dealing and placement of securities, etc., recorded a 20.2% decrease in dealing and placement of securities, a 2.2% decrease in portfolio management (performance fees of €1m in Q3 2023 and none in Q2 2023) and an 8.7% decrease in distribution of insurance products. Net fee and commission income for Q3 2023 was down 2.7% from €2,153m in Q3 2022. Specifically, commissions on commercial banking activities were down 7.1% and those on management, dealing and consultancy activities were up 0.6%. The latter recorded a 14.9% increase in dealing and placement of securities, a 3.1% increase in distribution of insurance products and a 5% decrease in portfolio management (performance fees contributed €8m in Q3 2022).

Income from insurance business amounted to €419m, compared with €459m in Q2 2023 and €439m in Q3 2022.

Profits on financial assets and liabilities at fair value amounted to €52m, compared with €75m in Q2 2023. Contributions from customers amounted to €88m from €80m, those from capital markets recorded a negative balance which reached €342m from €68m, those from trading and treasury increased to €303m from €63m, and those from structured credit products recorded a positive balance of €3m versus a zero balance. Profits of €52m for Q3 2023 are compared with profits of €51m of Q3 2022 when contributions from customers amounted to €105m, those from capital markets were negative for €173m, those from trading and treasury amounted to €129m and those from structured credit products were negative for €10m.

Operating income amounted to €6,367m, up 0.4% from €6,341m in Q2 2023 and up 26.9% from €5,018m in Q3 2022.

Operating costs amounted to €2,650m, down 0.9% from €2,675m in Q2 2023, due to decreases of 0.8% in personnel expenses and 2.9% in administrative expenses and an increase of 2.8% in adjustments. Operating costs for Q3 2023 were up 0.4% from €2,640m in Q3 2022, due to increases of 2.2% in administrative expenses and 4.8% in adjustments and a decrease of 1.2% in personnel expenses.

As a result, **operating margin** amounted to €3,717m, up 1.4% from €3,666m in Q2 2023 and 56.3% from €2,378m in Q3 2022. The cost/income ratio was 41.6% in Q3 2023 versus 42.2% in Q2 2023 and 52.6% in Q3 2022.

Net adjustments to loans amounted to €357m (including recoveries of €4m relating to the exposure to Russia and Ukraine), compared with €367m in Q2 2023 (including recoveries of €115m relating to the exposure to Russia and Ukraine) and €496m in Q3 2022 (including €196m for the exposure to Russia and Ukraine).

Net provisions and net impairment losses on other assets amounted to €47m (including €32m for the exposure to Russia and Ukraine), compared with €121m in Q2 2023 (including €20m for the exposure to Russia and Ukraine) and €42m in Q3 2022.

Other income amounted to €15m, compared with €203m in Q2 2023 (including a capital gain of €157m deriving from the sale of the stake held in Zhong Ou Asset Management) and €4m in Q3 2022.

Income (Loss) from discontinued operations was nil, the same as in Q2 2023 and Q3 2022.

Gross income amounted to €3,328m, compared with €3,381m in Q2 2023 and €1,844m in Q3 2022.

Consolidated net income amounted to €1,900m, after recording:
- taxes on income of €1,066m;
- charges (net of tax) for integration and exit incentives of €56m;
- negative effect of purchase price allocation (net of tax) of €36m;
- levies and other charges concerning the banking industry (net of tax) of €264m, deriving from the following pre-tax figures: charges of €395m in relation to contributions to the Italian deposit guarantee scheme estimated for full-year 2023 and €6m in relation to levies incurred by international subsidiaries, and positive fair value differences of €8m regarding the *Atlante* fund. In Q2 2023, this caption amounted to €11m, deriving from the following pre-tax figures: recoveries of €7m in relation to the resolution fund, charges of €6m in relation to contributions to the deposit guarantee scheme concerning the international network and €6m in relation to levies incurred by international subsidiaries and negative fair value differences of €9m regarding the *Atlante* fund. In Q3 2022, this caption amounted to €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 full-year 2022, €3m in relation to contributions to the deposit guarantee scheme concerning the international network, €5m in relation to levies incurred by international subsidiaries, €3m in relation to the National Interbank Deposit Guarantee Fund Voluntary Scheme, and positive fair value differences of €5m regarding the *Atlante* fund.
- minority interests of €6m.

Net income of €1,900m in Q3 2023 is compared with €2,266m in Q2 2023 and €957m in Q3 2022.

The income statement for the first nine months of 2023

The consolidated income statement for 9M 2023 recorded **net interest income** of €10,651m, up 65.5% from €6,436m in 9M 2022.

Net fee and commission income amounted to €6,448m, down 3.7% from €6,697m in 9M 2022. Specifically, commissions on commercial banking activities were down 2.9% and commissions on management, dealing and consultancy activities were down 2.7%. The latter, which include portfolio management, distribution of insurance products, dealing and placement of securities, etc., recorded a 7.7% decrease in portfolio management (performance fees amounted to €1m in 9M 2023 versus €20m in 9M 2022), a 1.2% decrease in distribution of insurance products and a 12% increase in dealing and placement of securities.

Income from insurance business amounted to €1,275m, compared with €1,280m in 9M 2022.

Profits on financial assets and liabilities at fair value amounted to €389m, compared with €1,380m in 9M 2022. Contributions from customers amounted to €257m from €283m, those from capital markets recorded a negative balance which reached €345m from €262m, those from trading and treasury decreased to €473m from €1,391m and those from structured credit products recorded a positive balance of €4m versus a negative balance of €32m.

Operating income amounted to €18,765m, up 19% from €15,773m in 9M 2022.

Operating costs amounted to €7,861m, up 0.7% from €7,804m in 9M 2022, due to increases of 1.9% in administrative expenses and 4.6% in adjustments and a decrease 0.5% in personnel expenses.

As a result, **operating margin** amounted to €10,904m, up 36.8% from €7,969m in 9M 2022. The cost/income ratio was 41.9% in 9M 2023 versus 49.5% in 9M 2022.

Net adjustments to loans amounted to €913m (including recoveries of around €170m relating to the exposure to Russia and Ukraine), compared with €1,928m in 9M 2022 (including €1,289m for the exposure to Russia and Ukraine and around €300m release of generic provisions set aside in 2020 for future COVID-19 impacts).

Net provisions and net impairment losses on other assets amounted to €238m (including €71m for the exposure to Russia and Ukraine), compared with €156m in 9M 2022.

Other income amounted to €319m (including capital gains of €192m deriving from the sale of the stake held in Zhong Ou Asset Management and €116m deriving from the sale of the acquiring business in Croatia), compared with €147m in 9M 2022 (including a capital gain of €194m deriving from the sale of Intesa Sanpaolo Formazione and a one-off contribution of €48m to Intesa Sanpaolo people to mitigate the impact of inflation).

Income (Loss) from discontinued operations was nil, the same as in 9M 2022.

Gross income amounted to €10,072m, compared with €6,032m in 9M 2022.

Consolidated net income amounted to €6,122m, after recording:

- taxes on income of €3,150m;
- charges (net of tax) for integration and exit incentives of €142m;
- negative effect of purchase price allocation (net of tax) of €126m;
- levies and other charges concerning the banking industry (net of tax) of €503m, deriving from the following pre-tax figures: charges of €323m in relation to the contribution to the resolution fund, €395m in relation to contributions to the Italian deposit guarantee scheme estimated for full-year 2023, €8m in relation to the contribution to the deposit guarantee scheme concerning the international network and €18m in relation to levies incurred by international subsidiaries, and positive fair value differences of €7m regarding the *Atlante* fund. In 9M 2022, this caption amounted to €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 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.
- minority interests of €29m.

Net income of €6,122m in 9M 2023 is compared with €3,303m in 9M 2022.

Balance sheet as at 30 September 2023

With regard to the consolidated balance sheet figures, as at 30 September 2023 **loans to customers** amounted to €434bn, down 2.9% on year-end 2022 and 8.5% on 30 September 2022 (down 1% on Q2 2023 and 5.4% on 9M 2022 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 €5,207m, down 5.3% compared with €5,496m at year-end 2022. In detail, bad loans amounted to €1,218m compared with €1,131m at year-end 2022, with a bad loan to total loan ratio of 0.3% (0.3% at year-end 2022 as well), and a cash coverage ratio of 68.7% (69.2% at year-end 2022). Unlikely-to-pay loans decreased to €3,570m from €3,952m at year-end 2022. Past due loans amounted to €419m from €413m at year-end 2022.

Customer financial assets amounted to €1,243bn, up 3.3% on year-end 2022. Under customer financial assets, **direct deposits from banking business** amounted to €558bn, up 2.3% on year-end 2022 and 1.3% on 30 September 2022. **Direct deposits from insurance business** amounted to €168bn, down 3.3% on year-end 2022. Indirect customer deposits amounted to €684bn, up 4.1% on year-end 2022 and 7.2% on 30 September 2022. **Assets under management** amounted to €429bn, down 0.4% on year-end 2022 and up 0.4% on 30 September 2022. As for bancassurance, in 9M 2023 the new business for life policies amounted to €12.1bn. Assets held under administration and in custody amounted to €255bn, up 12.5% on year-end 2022 and 21.1% on 30 September 2022.

Capital ratios as at 30 September 2023, fully loaded and deducting from capital (°) around €4.3bn of dividends accrued in 9M 2023, were as follows:
- Common Equity Tier 1 ratio at 13.6% (13.5% at year-end 2022),
- Tier 1 ratio at 16.2% (16% at year-end 2022),
- total capital ratio at 19.2% (19% at year-end 2022).

* * *

(*) 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.

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 €182bn at end of September 2023;
- 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 €280bn at end of September 2023;
- liquidity indicators well above regulatory requirements: Liquidity Coverage Ratio at 169% [°] and Net Stable Funding Ratio at 121%;
- refinancing operations with the ECB to optimise the cost of funding and support businesses in their investment amounted to around €45bn as at 30 September 2023 and consisted entirely of TLTROs III;
- the sources of funding were stable and well diversified, with retail funding representing 80% of direct deposits from banking business (including securities issued);
- medium/long-term wholesale funding was €17.2bn in 9M 2023 and included benchmark transactions of Tier 2 of €1bn, green senior non-preferred of €2.25bn and of £600m, green senior preferred of €2.25bn, social senior preferred of £750m, senior preferred of €3.75bn and $1.25bn, senior non-preferred of $1.5bn, covered bonds of €1.25bn and Additional Tier 1 of €1.25bn (around 90% was placed with foreign investors).

The Group's **leverage ratio** as at 30 September 2023 (which includes exposures to the European Central Bank) was 5.7% fully loaded, best in class among major European banking groups.

* * *

As at 30 September 2023, the Intesa Sanpaolo Group's **operating structure** had a total network of 4,293 branches, consisting of 3,349 branches in Italy and 944 abroad, and employed 94,194 people.

* * *

(°) Average for the last twelve months.

Breakdown of results by Business Area

The **Banca dei Territori** Division includes:
- Retail customers (individuals and enterprises with less complex financial needs);
- Exclusive customers (individuals with more complex financial needs);
- Enterprise customers (enterprises with more complex financial needs, generally Small and Medium Enterprises);
- customers that are non-profit organisations.

The division includes Isybank, the digital bank subsidiary (which also operates in instant banking through Mooney, the partnership with the ENEL Group).

The Banca dei Territori Division recorded:

(millions of euro)	Q3 2023	Q2 2023	% changes
Operating income	2,783	2,914	-4.5%
Operating costs	-1,560	-1,573	-0.8%
Operating margin	1,224	1,341	-8.8%
cost/income ratio	*56.0%*	*54.0%*	
Total net provisions and adjustments	-244	-456	
Gross income	979	885	
Net income	423	576	

(millions of euro)	9M 2023	9M 2022	% changes
Operating income	8,482	6,546	29.6%
contribution to the Group's operating income	*45%*	*42%*	
Operating costs	-4,636	-4,641	-0.1%
Operating margin	3,846	1,905	101.9%
cost/income ratio	*54.7%*	*70.9%*	
Total net provisions and adjustments	-916	-459	
Gross income	2,930	1,457	
Net income	1,695	743	

The **IMI Corporate & Investment Banking** Division comprises:

- Client Coverage & Advisory, including Institutional Clients which manages the relationship with financial institutions and 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;
- Distribution Platforms & GTB, including Global Transaction Banking which manages transaction banking services and IMI CIB International Network 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 & Markets, which operates specifically in structured finance, primary markets and capital markets (equity and debt capital markets).

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

The IMI Corporate & Investment Banking Division recorded:

(millions of euro)	Q3 2023	Q2 2023	% changes
Operating income	926	990	-6.5%
Operating costs	-362	-370	-2.4%
Operating margin	564	619	-8.9%
cost/income ratio	*39.1%*	*37.4%*	
Total net provisions and adjustments	-112	43	
Gross income	452	662	
Net income	293	453	

(millions of euro)	9M 2023	9M 2022	% changes
Operating income	2,887	3,424	-15.7%
contribution to the Group's operating income	*15%*	*22%*	
Operating costs	-1,066	-1,022	4.3%
Operating margin	1,821	2,402	-24.2%
cost/income ratio	*36.9%*	*29.8%*	
Total net provisions and adjustments	-117	-1,461	
Gross income	1,704	941	
Net income	1,141	520	

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 Danube HUB, comprising VUB Banka in Slovakia and in the Czech Republic and Intesa Sanpaolo Bank Romania, and through Intesa Sanpaolo Bank Albania, CIB Bank in Hungary, Banca Intesa Beograd in Serbia, Bank of Alexandria in Egypt, Pravex Bank in Ukraine and Eximbank in Moldova.

The International Subsidiary Banks Division recorded:

(millions of euro)	Q3 2023	Q2 2023	% changes
Operating income	763	752	1.5%
Operating costs	-289	-281	2.7%
Operating margin	474	470	0.8%
cost/income ratio	*37.9%*	*37.4%*	
Total net provisions and adjustments	-63	-62	
Gross income	412	409	
Net income	322	313	

(millions of euro)	9M 2023	9M 2022	% changes
Operating income	2,180	1,619	34.7%
contribution to the Group’s operating income	*12%*	*10%*	
Operating costs	-838	-802	4.5%
Operating margin	1,342	817	64.3%
cost/income ratio	*38.4%*	*49.5%*	
Total net provisions and adjustments	-130	-245	
Gross income	1,333	575	
Net income	1,001	353	

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, Intesa Sanpaolo Wealth Management, Reyl Intesa Sanpaolo, Fideuram - Intesa Sanpaolo Private Banking Asset Management and Fideuram Asset Management Ireland.

The Private Banking Division recorded:

(millions of euro)	Q3 2023	Q2 2023	% changes
Operating income	797	812	-1.9%
Operating costs	-233	-240	-3.0%
Operating margin	564	573	-1.4%
cost/income ratio	*29.2%*	*29.5%*	
Total net provisions and adjustments	-16	-17	
Gross Income	549	556	
Net income	337	358	

(millions of euro)	9M 2023	9M 2022	% changes
Operating income	2,364	1,749	35.2%
contribution to the Group’s operating income	*13%*	*11%*	
Operating costs	-702	-666	5.4%
Operating margin	1,662	1,083	53.5%
cost/income ratio	*29.7%*	*38.1%*	
Total net provisions and adjustments	-44	15	
Gross income	1,618	1,098	
Net income	1,038	750	

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.

The Asset Management Division recorded:

(millions of euro)	Q3 2023	Q2 2023	% changes
Operating income	223	231	-3.3%
Operating costs	-57	-59	-2.8%
Operating margin	166	172	-3.5%
cost/income ratio	*25.8%*	*25.6%*	
Total net provisions and adjustments	0	2	
Gross income	166	173	
Net income	113	130	

(millions of euro)	9M 2023	9M 2022	% changes
Operating income	689	724	-4.8%
contribution to the Group's operating income	*4%*	*5%*	
Operating costs	-169	-152	11.2%
Operating margin	520	572	-9.1%
cost/income ratio	*24.5%*	*21.0%*	
Total net provisions and adjustments	0	0	
Gross income	520	572	
Net income	372	435	

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, Intesa Sanpaolo Insurance Agency and InSalute Servizi) and Fideuram Vita.

The Insurance Division recorded:

(millions of euro)	Q3 2023	Q2 2023	% changes
Operating income	404	444	-9.0%
Operating costs	-93	-89	4.6%
Operating margin	311	355	-12.4%
cost/income ratio	*22.9%*	*20.0%*	
Total net provisions and adjustments	18	37	
Gross income	330	392	
Net income	233	276	

(millions of euro)	9M 2023	9M 2022	% changes
Operating income	1,233	1,224	0.7%
contribution to the Group’s operating income	*7%*	*8%*	
Operating costs	-264	-269	-1.9%
Operating margin	969	955	1.5%
cost/income ratio	*21.4%*	*22.0%*	
Total net provisions and adjustments	57	0	
Gross income	1,026	955	
Net income	709	698	

Outlook

For 2023, operating margin is expected to significantly increase − as a result of solid revenue growth driven by net interest income (net interest income expected to be well above €14bn in 2023 and grow further in 2024 and 2025) coupled with a continuous focus on cost management − and net adjustments to loans are expected to strongly decrease, triggering net income growth to above €7.5bn.

The implementation of the 2022-2025 Business Plan is proceeding at full speed and the key industrial initiatives are well underway, with the prospect of 2024-2025 net income to exceed net income envisaged for 2023.

A strong value distribution is envisaged:
- cash payout ratio of 70% of the consolidated net income for each year of the Business Plan;
- cash interim dividends of around €2.6bn on the 2023 results, approved by the Board of Directors at its today’s meeting – to be distributed in November 2023;
- additional distribution for 2023 to be quantified at approval of full-year results in early February 2024;
- any additional distribution for 2024 and 2025 to be evaluated year by year.

A solid capital position is envisaged, with the fully loaded Common Equity Tier 1 ratio − confirming the Basel 3/Basel 4 target of above 12% over the 2022-2025 Business Plan horizon − expected to stand in 2025 at above 14.5% pre Basel 4, above 14% post Basel 4 and above 15% post Basel 4 including the absorption of DTAs (the vast majority of which will be absorbed by 2028), taking into account the above-mentioned payout ratio envisaged for the years covered by the Business Plan and not considering any additional distribution.

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For consistency purpose:

- the income statement figures for the four quarters 2022 and the balance sheet figures for the fourth quarter 2022 are reported on a restated basis following the retrospective adoption of IFRS 17 and IFRS 9 by the Group’s insurance companies as of 1 January 2022;
- the income statement figures for the first quarter 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 commission expense;
- the income statement figures for the first two quarters 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.

* * *

In order to present more complete information on the results generated in the first nine months of 2023, 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)

	30.09.2023	30.09.2022	Changes	
			amount	%
Net interest income	10,651	6,436	4,215	65.5
Net fee and commission income	6,448	6,697	-249	-3.7
Income from insurance business	1,275	1,280	-5	-0.4
Profits (Losses) on financial assets and liabilities designated at fair value	389	1,380	-991	-71.8
Other operating income (expenses)	2	-20	22	
Operating income	**18,765**	**15,773**	**2,992**	**19.0**
Personnel expenses	-4,797	-4,821	-24	-0.5
Administrative expenses	-2,085	-2,047	38	1.9
Adjustments to property, equipment and intangible assets	-979	-936	43	4.6
Operating costs	**-7,861**	**-7,804**	**57**	**0.7**
Operating margin	**10,904**	**7,969**	**2,935**	**36.8**
Net adjustments to loans	-913	-1,928	-1,015	-52.6
Other net provisions and net impairment losses on other assets	-238	-156	82	52.6
Other income (expenses)	319	147	172	
Income (Loss) from discontinued operations	-	-	-	-
Gross income (loss)	**10,072**	**6,032**	**4,040**	**67.0**
Taxes on income	-3,150	-2,035	1,115	54.8
Charges (net of tax) for integration and exit incentives	-142	-62	80	
Effect of purchase price allocation (net of tax)	-126	-96	30	31.3
Levies and other charges concerning the banking industry (net of tax)	-503	-544	-41	-7.5
Impairment (net of tax) of goodwill and other intangible assets	-	-	-	-
Minority interests	-29	8	-37	
Net income (loss)	**6,122**	**3,303**	**2,819**	**85.3**

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

(millions of euro)

	2023			2022			
	Third quarter	Second quarter	First quarter	Fourth quarter	Third quarter	Second quarter	First quarter
Net interest income	3,813	3,584	3,254	3,064	2,387	2,092	1,957
Net fee and commission income	2,095	2,216	2,137	2,222	2,153	2,255	2,289
Income from insurance business	419	459	397	395	439	449	392
Profits (Losses) on financial assets and liabilities designated at fair value	52	75	262	-2	51	560	769
Other operating income (expenses)	-12	7	7	-12	-12	-12	4
Operating income	**6,367**	**6,341**	**6,057**	**5,667**	**5,018**	**5,344**	**5,411**
Personnel expenses	-1,612	-1,625	-1,560	-1,921	-1,632	-1,613	-1,576
Administrative expenses	-710	-731	-644	-865	-695	-718	-634
Adjustments to property, equipment and intangible assets	-328	-319	-332	-344	-313	-309	-314
Operating costs	**-2,650**	**-2,675**	**-2,536**	**-3,130**	**-2,640**	**-2,640**	**-2,524**
Operating margin	**3,717**	**3,666**	**3,521**	**2,537**	**2,378**	**2,704**	**2,887**
Net adjustments to loans	-357	-367	-189	-1,185	-496	-730	-702
Other net provisions and net impairment losses on other assets	-47	-121	-70	-114	-42	-62	-52
Other income (expenses)	15	203	101	55	4	147	-4
Income (Loss) from discontinued operations	-	-	-	-	-	-	-
Gross income (loss)	**3,328**	**3,381**	**3,363**	**1,293**	**1,844**	**2,059**	**2,129**
Taxes on income	-1,066	-1,000	-1,084	-45	-560	-699	-776
Charges (net of tax) for integration and exit incentives	-56	-44	-42	-78	-23	-23	-16
Effect of purchase price allocation (net of tax)	-36	-44	-46	-50	-32	-30	-34
Levies and other charges concerning the banking industry (net of tax)	-264	-11	-228	-32	-266	-12	-266
Impairment (net of tax) of goodwill and other intangible assets	-	-	-	-	-	-	-
Minority interests	-6	-16	-7	-12	-6	8	6
Net income (loss)	**1,900**	**2,266**	**1,956**	**1,076**	**957**	**1,303**	**1,043**

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

Intesa Sanpaolo Group

Reclassified consolidated balance sheet

(millions of euro)

Assets	30.09.2023	31.12.2022	Changes	
			amount	%
Cash and cash equivalents	85,585	112,924	-27,339	-24.2
Due from banks	30,116	31,273	-1,157	-3.7
Loans to customers	433,710	446,854	-13,144	-2.9
Loans to customers measured at amortised cost	*431,824*	*444,244*	*-12,420*	*-2.8*
Loans to customers designated at fair value through other comprehensive income and through profit or loss	*1,886*	*2,610*	*-724*	*-27.7*
Financial assets measured at amortised cost which do not constitute loans	57,626	52,690	4,936	9.4
Financial assets at fair value through profit or loss	45,652	46,546	-894	-1.9
Financial assets at fair value through other comprehensive income	60,310	48,008	12,302	25.6
Financial assets pertaining to insurance companies measured at amortised cost	2	3	-1	-33.3
Financial assets pertaining to insurance companies measured at fair value through profit or loss	99,226	103,052	-3,826	-3.7
Financial assets pertaining to insurance companies measured at fair value through other comprehensive income	69,136	69,792	-656	-0.9
Investments in associates and companies subject to joint control	2,558	2,013	545	27.1
Property, equipment and intangible assets	18,888	19,742	-854	-4.3
Assets owned	*17,486*	*18,248*	*-762*	*-4.2*
Rights of use acquired under leases	*1,402*	*1,494*	*-92*	*-6.2*
Tax assets	15,871	18,130	-2,259	-12.5
Non-current assets held for sale and discontinued operations	256	638	-382	-59.9
Other assets	28,198	22,922	5,276	23.0
Total Assets	**947,134**	**974,587**	**-27,453**	**-2.8**

Liabilities	30.09.2023	31.12.2022	Changes	
			amount	%
Due to banks at amortised cost	97,390	137,489	-40,099	-29.2
Due to customers at amortised cost and securities issued	533,143	528,795	4,348	0.8
Financial liabilities held for trading	47,428	46,512	916	2.0
Financial liabilities designated at fair value	16,388	8,795	7,593	86.3
Financial liabilities pertaining to insurance companies measured at amortised cost	2,422	2,522	-100	-4.0
Financial liabilities held for trading pertaining to insurance companies	193	171	22	12.9
Financial liabilities pertaining to insurance companies designated at fair value	50,715	54,212	-3,497	-6.5
Tax liabilities	3,116	2,021	1,095	54.2
Liabilities associated with non-current assets held for sale and discontinued operations	13	15	-2	-13.3
Other liabilities	11,138	9,399	1,739	18.5
of which lease payables	*1,231*	*1,321*	*-90*	*-6.8*
Insurance liabilities	115,616	117,575	-1,959	-1.7
Allowances for risks and charges	4,897	5,812	-915	-15.7
of which allowances for commitments and financial guarantees given	*538*	*711*	*-173*	*-24.3*
Share capital	10,369	10,369	-	-
Reserves	42,464	43,002	-538	-1.3
Valuation reserves	-1,917	-1,939	-22	-1.1
Valuation reserves pertaining to insurance companies	-466	-519	-53	-10.2
Interim dividend	-	-1,400	-1,400	
Equity instruments	7,939	7,211	728	10.1
Minority interests	164	166	-2	-1.2
Net income (loss)	6,122	4,379	1,743	39.8
Total liabilities and shareholders' equity	**947,134**	**974,587**	**-27,453**	**-2.8**

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	2023			2022
	30/9	30/6	31/3	31/12
Cash and cash equivalents	85,585	79,875	77,700	112,924
Due from banks	30,116	30,128	30,468	31,273
Loans to customers	433,710	437,497	449,860	446,854
Loans to customers measured at amortised cost	*431,824*	*435,583*	*447,419*	*444,244*
Loans to customers designated at fair value through other comprehensive income and through profit or loss	*1,886*	*1,914*	*2,441*	*2,610*
Financial assets measured at amortised cost which do not constitute loans	57,626	60,052	58,744	52,690
Financial assets at fair value through profit or loss	45,652	48,434	45,988	46,546
Financial assets at fair value through other comprehensive income	60,310	59,369	53,314	48,008
Financial assets pertaining to insurance companies measured at amortised cost	2	3	3	3
Financial assets pertaining to insurance companies measured at fair value through profit or loss	99,226	102,480	103,096	103,052
Financial assets pertaining to insurance companies measured at fair value through other comprehensive income	69,136	71,724	72,562	69,792
Investments in associates and companies subject to joint control	2,558	2,599	2,395	2,013
Property, equipment and intangible assets	18,888	18,892	19,462	19,742
Assets owned	*17,486*	*17,457*	*17,995*	*18,248*
Rights of use acquired under leases	*1,402*	*1,435*	*1,467*	*1,494*
Tax assets	15,871	16,080	17,104	18,130
Non-current assets held for sale and discontinued operations	256	614	243	638
Other assets	28,198	27,458	24,236	22,922
Total Assets	**947,134**	**955,205**	**955,175**	**974,587**

Liabilities	2023			2022
	30/9	30/6	31/3	31/12
Due to banks at amortised cost	97,390	94,077	120,018	137,489
Due to customers at amortised cost and securities issued	533,143	532,468	515,369	528,795
Financial liabilities held for trading	47,428	47,639	45,681	46,512
Financial liabilities designated at fair value	16,388	13,608	10,893	8,795
Financial liabilities pertaining to insurance companies measured at amortised cost	2,422	2,326	2,275	2,522
Financial liabilities held for trading pertaining to insurance companies	193	96	111	171
Financial liabilities pertaining to insurance companies designated at fair value	50,715	53,160	54,099	54,212
Tax liabilities	3,116	2,938	1,964	2,021
Liabilities associated with non-current assets held for sale and discontinued operations	13	-	-	15
Other liabilities	11,138	22,107	17,716	9,399
of which lease payables	*1,231*	*1,260*	*1,292*	*1,321*
Insurance liabilities	115,616	119,381	119,815	117,575
Allowances for risks and charges	4,897	4,944	5,630	5,812
of which allowances for commitments and financial guarantees given	*538*	*539*	*673*	*711*
Share capital	10,369	10,369	10,369	10,369
Reserves	42,464	42,585	45,538	43,002
Valuation reserves	-1,917	-1,709	-1,794	-1,939
Valuation reserves pertaining to insurance companies	-466	-375	-420	-519
Interim dividend	-	-	-1,400	-1,400
Equity instruments	7,939	7,217	7,214	7,211
Minority interests	164	152	141	166
Net income (loss)	6,122	4,222	1,956	4,379
Total Liabilities and Shareholders' Equity	**947,134**	**955,205**	**955,175**	**974,587**

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								
30.09.2023	8,482	2,887	2,180	2,364	689	1,233	930	18,765
30.09.2022	6,546	3,424	1,619	1,749	724	1,224	487	15,773
% change	29.6	-15.7	34.7	35.2	-4.8	0.7	91.0	19.0
Operating costs								
30.09.2023	-4,636	-1,066	-838	-702	-169	-264	-186	-7,861
30.09.2022	-4,641	-1,022	-802	-666	-152	-269	-252	-7,804
% change	-0.1	4.3	4.5	5.4	11.2	-1.9	-26.2	0.7
Operating margin								
30.09.2023	3,846	1,821	1,342	1,662	520	969	744	10,904
30.09.2022	1,905	2,402	817	1,083	572	955	235	7,969
% change		-24.2	64.3	53.5	-9.1	1.5		36.8
Net income (loss)								
30.09.2023	1,695	1,141	1,001	1,038	372	709	166	6,122
30.09.2022	743	520	353	750	435	698	-196	3,303
% change				38.4	-14.5	1.6		85.3

(millions of euro)

	Banca dei Territori	IMI Corporate & Investment Banking	International Subsidiary Banks	Private Banking	Asset Management	Insurance	Corporate Centre	Total
Loans to customers								
30.09.2023	236,098	130,426	41,867	14,411	235	-	10,673	433,710
31.12.2022	247,913	129,791	40,212	15,104	282	-	13,552	446,854
% change	-4.8	0.5	4.1	-4.6	-16.7	-	-21.2	-2.9
Direct deposits from banking business								
30.09.2023	274,002	105,976	55,707	44,413	17	-	77,769	557,884
31.12.2022	291,089	94,785	54,364	50,447	26	-	54,675	545,386
% change	-5.9	11.8	2.5	-12.0	-34.6	-	42.2	2.3

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