# PRESS RELEASE

## INTESA SANPAOLO: CONSOLIDATED RESULTS AS AT 30 SEPTEMBER 2021

**THE RESULTS FOR 9M 2021 HAVE CONFIRMED INTESA SANPAOLO'S ABILITY TO RESPOND EFFECTIVELY TO THE COMPLEXITIES BROUGHT ABOUT BY THE PANDEMIC AND HAVE ALREADY MADE IT POSSIBLE TO ACHIEVE THE MINIMUM NET INCOME OF €4 BILLION ENVISAGED FOR FULL-YEAR 2021.**

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**THE RESULTS FOR 9M 2021 REFLECT INTESA SANPAOLO'S SUSTAINABLE PROFITABILITY DERIVING FROM A SOLID CAPITAL BASE AND LIQUIDITY POSITION, A RESILIENT AND WELL-DIVERSIFIED BUSINESS MODEL, STRATEGIC FLEXIBILITY IN MANAGING OPERATING COSTS AND ASSET QUALITY. THESE FEATURES HAVE MADE IT POSSIBLE TO EFFECTIVELY MITIGATE THE IMPACT OF THE ADVERSE SCENARIO OF THE 2021 EBA/ECB STRESS TEST AND ARE REFLECTED IN A LOW RISK PROFILE BOLSTERING THE SUPPORT PROVIDED TO ITALY BY THE GROUP, WHICH IS ALSO COMMITTED TO BECOMING A REFERENCE MODEL IN TERMS OF SUSTAINABILITY AND SOCIAL AND CULTURAL RESPONSIBILITY.**

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**VALUE GENERATION FOR ALL STAKEHOLDERS WILL BE ACCRETED BY SYNERGIES ESTIMATED AT OVER €1 BILLION DERIVING FROM THE MERGER OF UBI BANCA, SUCCESSFULLY COMPLETED WITH NO SOCIAL COSTS, AND BY OVER €6 BILLION IN 2020 AND ALMOST €500 MILLION IN 9M 2021, BOTH OUT OF PRE-TAX PROFIT, DEVOTED BY THE GROUP TO FURTHER STRENGTHENING THE SUSTAINABILITY OF RESULTS.**

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**INTESA SANPAOLO'S INITIATIVES TO FACE THE COVID-19 IMPACTS:**
- **PROVIDING SAFE CONDITIONS FOR THE GROUP PEOPLE AND CUSTOMERS;**
- **SUPPORTING HEALTHCARE INITIATIVES WITH MORE THAN €100 MILLION DONATED;**
- **PROVIDING €150 MILLION FROM THE FUND FOR IMPACT (EQUAL TO 50%) TO REDUCE SOCIO-ECONOMIC DISTRESS;**
- **FIRST BANK IN ITALY TO SUSPEND MORTGAGE AND LOAN INSTALMENTS EVEN BEFORE THE SPECIFIC REGULATION CAME INTO FORCE (SUSPENSIONS OF PAYMENTS FOR €114 BILLION APPROVED TO DATE), AND TO SIGN THE COLLABORATION PROTOCOL WITH SACE, THUS PROVIDING IMMEDIATE SUPPORT TO ENTERPRISES UNDER THE LIQUIDITY DECREE (€42 BILLION INCLUDING THE SME FUND GRANTED TO DATE);**
- **UP TO €50 BILLION IN NEW LOANS MADE AVAILABLE TO ENTERPRISES AND PROFESSIONALS TO PROTECT JOBS AND MANAGE PAYMENTS DURING THE EMERGENCY.**

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**THE TRENDS OF THE NEW ENVIRONMENT FIND INTESA SANPAOLO FULLY EQUIPPED, THANKS TO THE GROUP'S COMPETITIVE ADVANTAGES:**
- **LEADERSHIP IN WEALTH MANAGEMENT & PROTECTION;**
- **EFFECTIVE PROACTIVE CREDIT MANAGEMENT (PULSE) AND GROUP'S STRATEGIC PARTNERSHIPS WITH LEADING NPL INDUSTRIAL PLAYERS;**
- **STRONG DIGITAL PROPOSITION, WITH AROUND 12.5 MILLION MULTICHANNEL CUSTOMERS AND AROUND 7.8 MILLION CUSTOMERS USING THE INTESA SANPAOLO APP, AND STRATEGIC PARTNERSHIP WITH NEXI AS REGARDS PAYMENT SYSTEMS;**
- **SMART WORKING ENABLED FOR AROUND 78,000 GROUP PEOPLE AND OPTIMISATION OF THE DISTRIBUTION MODEL WITH BRANCH RATIONALISATION, THE BANCA 5 - SISALPAY STRATEGIC PARTNERSHIP (MOONEY), AND MOST CUSTOMERS WHO WILL BE SERVED THROUGH ALTERNATIVE CHANNELS;**
- **LEADERSHIP IN INCLUSION IN SUSTAINABILITY INDICES AND ESG INTERNATIONAL ASSESSMENTS, COMMITMENT TO ACHIEVING NET-ZERO EMISSIONS BY 2050 - FOR THE GROUP'S OWN EMISSIONS, ITS LENDING AND INVESTMENT PORTFOLIOS, AND ASSET MANAGEMENT - AND PARTICIPATION IN THE NET-ZERO BANKING ALLIANCE (NZBA) AND IN THE NET ZERO ASSET MANAGERS INITIATIVE (NZAMI).**

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**THE CAPITAL POSITION WAS SOLID AND WELL ABOVE REGULATORY REQUIREMENTS EVEN UNDER THE 2021 EBA/ECB STRESS TEST ADVERSE SCENARIO: PRO-FORMA FULLY LOADED COMMON EQUITY TIER 1 RATIO WAS 15.1% AFTER THE DEDUCTION FROM CAPITAL OF €1.9 BILLION OF RESERVES DISTRIBUTED IN OCTOBER 2021 AND €2.8 BILLION OF DIVIDENDS ACCRUED IN 9M 2021.**

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**NET INCOME WAS €4,006 MILLION. A CASH INTERIM DIVIDEND OF €1,401 MILLION WAS APPROVED, PAYABLE AS OF 24 NOVEMBER 2021.**

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**NET INCOME WAS UP 28.7% ON 9M 2020, EXCLUDING THE PROVISIONAL NEGATIVE GOODWILL GENERATED IN Q3 2020 BY THE ACQUISITION OF UBI BANCA.**

**GROSS INCOME WAS UP 15.6% ON 9M 2020.**

**OPERATING MARGIN WAS UP 9.8% ON 9M 2020.**

**CREDIT QUALITY IMPROVED. GROSS NPLs WERE REDUCED BY 12.6% ON YEAR-END 2020 AND BY AROUND €34 BILLION SINCE THE END OF 2017 EXCEEDING BY AROUND €8 BILLION THE €26 BILLION DELEVERAGING TARGET SET FOR THE ENTIRE FOUR-YEAR PERIOD OF THE 2018-2021 BUSINESS PLAN. NPL RATIO WAS 3.8% GROSS AND 2% NET. ANNUALISED COST OF RISK IN 9M 2021 DECREASED TO 44 BASIS POINTS.**

**INTESA SANPAOLO CONTINUES TO OPERATE AS A GROWTH ACCELERATOR IN THE REAL ECONOMY IN ITALY: IN 9M 2021, MEDIUM/LONG-TERM NEW LENDING GRANTED BY THE GROUP TO ITALIAN HOUSEHOLDS AND BUSINESSES AMOUNTED TO AROUND €50 BILLION. IN 9M 2021, THE GROUP FACILITATED THE RETURN TO PERFORMING STATUS OF AROUND 7,300 COMPANIES, THUS SAFEGUARDING AROUND 36,000 JOBS. THIS BROUGHT THE TOTAL TO AROUND 131,000 COMPANIES SINCE 2014, WITH AROUND 655,000 JOBS SAFEGUARDED OVER THE SAME PERIOD. THE GROUP HAS MADE AVAILABLE MORE THAN €400 BILLION IN MEDIUM/LONG TERM LENDING TO BUSINESSES AND HOUSEHOLDS TO SUPPORT ITALY'S RECOVERY AND RESILIENCE PLAN.**

**THE GROUP'S SOCIAL AND CULTURAL RESPONSIBILITY HAS TRANSLATED, IN ITALY, INTO:**

- **INITIATIVES TO REDUCE CHILD POVERTY AND SUPPORT PEOPLE IN NEED, DELIVERING, SINCE 2018, AROUND 21.9 MILLION MEALS, 1.3 MILLION DORMITORY BEDS, 274,200 MEDICINE PRESCRIPTIONS AND 228,000 ITEMS OF CLOTHING;**
- **THE FUND FOR IMPACT, WITH AROUND €141 MILLION GRANTED, SINCE ITS LAUNCH, BY PER MERITO (THE FIRST LINE OF CREDIT WITHOUT COLLATERAL DEDICATED TO ALL ITALIAN UNIVERSITY STUDENTS), THE LAUNCH, IN JULY 2020, OF MAMMA@WORK (A SUBSIDISED LOAN TO BALANCE MOTHERHOOD AND WORK, WITH AROUND €0.8 MILLION GRANTED SINCE LAUNCH) AND, IN AUGUST 2020, OF "XME STUDIOSTATION" (LOANS TO FAMILIES TO SUPPORT DISTANCE LEARNING, WITH AROUND €1.7 MILLION GRANTED SINCE LAUNCH);**
- **A €6 BILLION CIRCULAR ECONOMY CREDIT PLAFOND TO SUPPORT SUSTAINABLE DEVELOPMENT, WITH AROUND €5.7 BILLION ALREADY DISBURSED; S-LOANS TO IMPROVE SMEs' SUSTAINABILITY PROFILE (A €2 BILLION PLAFOND ALLOCATED, WITH AROUND €1 BILLION GRANTED SINCE LAUNCH);**
- **IN 9M 2021, OVER 290 START-UPS EVALUATED (AROUND 2,930 SINCE 2018) IN FOUR ACCELERATION PROGRAMS WITH 74 COACHED START-UPS (AROUND 460 SINCE 2018);**
- **"*GIOVANI E LAVORO*" PROGRAM UNDERWAY AIMED AT INTRODUCING 5,000 YOUNG PEOPLE TO THE ITALIAN LABOUR MARKET: IN 9M 2021, AROUND 7,000 YOUNG PEOPLE APPLIED TO THE PROGRAM (OVER 22,000 SINCE 2019), AROUND 950 STUDENTS WERE INTERVIEWED AND AROUND 450 STUDENTS TRAINED / IN TRAINING THROUGH 17 COURSES, WITH AROUND 1,800 COMPANIES INVOLVED SINCE THE LAUNCH OF THE PROGRAM (AROUND 4,500 STUDENTS INTERVIEWED AND AROUND 1,900 TRAINED / IN TRAINING SINCE 2019);**
- **IMPORTANT NATIONAL AND INTERNATIONAL PARTNERSHIPS: MIART, "GAZING BALL" BY JEFF KOONS, "UNDER THE SKY OF VENICE"; "SEEING THE INVISIBLE", THE NEW PERMANENT EXHIBITION PATH AT THE GALLERIE D'ITALIA IN VICENZA IN PARTNERSHIP WITH *CSAR* - *UNIVERSITÀ CA' FOSCARI* DEDICATED TO RUSSIAN ICONS FROM THE INTESA SANPAOLO COLLECTION, ENRICHED BY THE CELESTIAL ARCHITECTURES OF VALERY KOSHLYAKOV; THE ADVANCED TRAINING COURSE OF THE GALLERIE D'ITALIA ACADEMY IN "MANAGEMENT OF ARTISTIC HERITAGE AND CORPORATE COLLECTIONS" HAS BEEN COMPLETED.**

- **NET INCOME TO €4,006M IN 9M 2021, UP BY 28.7% VERSUS €3,112M IN 9M 2020 EXCLUDING THE PROVISIONAL NEGATIVE GOODWILL GENERATED IN Q3 2020 BY THE ACQUISITION OF UBI BANCA**

- **GROSS INCOME UP BY 15.6% ON 9M 2020**

- **OPERATING MARGIN UP BY 9.8% ON 9M 2020**

- **NET FEE AND COMMISSION INCOME UP BY 11.5% ON 9M 2020**

- **OPERATING COSTS DOWN BY 2.3% ON 9M 2020**

- **IMPROVEMENT IN CREDIT QUALITY TREND:**
  - **DECREASE IN NPLs**
    - **GROSS NPL REDUCTION: AROUND €34BN SINCE DECEMBER 2017 AND AROUND €47BN SINCE THE SEPTEMBER 2015 PEAK**
    - **GROSS NPL STOCK DOWN 12.6% GROSS AND 14.9% NET ON YEAR-END 2020, NPL TO TOTAL LOAN RATIO OF 3.8% GROSS AND 2% NET**
  - **ANNUALISED COST OF RISK IN 9M 2021 DOWN TO 44 BASIS POINTS**

- **SOLID CAPITAL POSITION, WELL ABOVE REGULATORY REQUIREMENTS:**
  - **COMMON EQUITY TIER 1 RATIO AS AT 30 SEPTEMBER 2021, AFTER THE DEDUCTION FROM CAPITAL OF €1.9BN OF RESERVES DISTRIBUTED IN OCTOBER 2021 AND €2.8BN OF DIVIDENDS ACCRUED IN 9M 2021** (°)
    - **14.3% PHASED-IN** (1) (2)
    - **13.8% FULLY LOADED** (1) (3)
    - **15.1% PRO-FORMA FULLY LOADED** (1) (*)

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(°) Of which €1.4bn was approved as an interim dividend payable as of 24 November 2021.

(1) After the deduction of reserves distributed in October 2021, dividends accrued in 9M 2021 and the coupons accrued on the Additional Tier 1 issues.

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

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

(*) Estimated by applying the fully loaded parameters to the financial statements as at 30 September 2021, 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 on the acquisition of UBI Banca, and the expected distribution on the 9M 2021 net income of insurance companies.

**HIGHLIGHTS:**

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|---|---|---|---|
| **OPERATING INCOME:** | Q3 2021<br>9M 2021 | -1.8%<br>+3.4% | TO €5,092M FROM €5,184M IN Q2 2021<br>TO €15,766M FROM €15,251M IN 9M 2020 |
| **OPERATING COSTS:** | Q3 2021<br>9M 2021 | -1.1%<br>-2.3% | TO €2,638M FROM €2,668M IN Q2 2021<br>TO €7,893M FROM €8,082M IN 9M 2020 |
| **OPERATING MARGIN:** | Q3 2021<br>9M 2021 | -2.5%<br>+9.8% | TO €2,454M FROM €2,516M IN Q2 2021<br>TO €7,873M FROM €7,169M IN 9M 2020 |
| **GROSS INCOME:** | Q3 2021<br>9M 2021 | €1,892M<br>€6,205M | FROM €1,700M IN Q2 2021<br>FROM €5,366M IN 9M 2020 |
| **NET INCOME:** | Q3 2021<br>9M 2021 | €983M<br>€4,006M | FROM €1,507M IN Q2 2021<br>FROM €6,376M IN 9M 2020, FROM €3,112M EXCLUDING THE NEGATIVE GOODWILL (°) |

**CAPITAL RATIOS:** COMMON EQUITY TIER 1 RATIO AFTER DISTRIBUTION OF RESERVES IN OCTOBER 2021 AND AFTER DIVIDENDS ACCRUED IN 9M 2021:

14.3% PHASED-IN (4) (5)
13.8% FULLY LOADED (4) (6)
15.1% PRO-FORMA FULLY LOADED (4) (*)

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(°) Provisional negative goodwill generated in Q3 2020 by the acquisition of UBI Banca.

(4) After the deduction of reserves distributed in October 2021, dividends accrued in 9M 2021 and the coupons accrued on the Additional Tier 1 issues.

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

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

(*) Estimated by applying the fully loaded parameters to the financial statements as at 30 September 2021, 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 on the acquisition of UBI Banca, and the expected distribution on the 9M 2021 net income of insurance companies.

*Turin - Milan, 3 November 2021* – At its meeting today, the Board of Directors of Intesa Sanpaolo approved the consolidated interim statement as at 30 September 2021[(*)] [(7)].

**The results for the first nine months of 2021 have confirmed Intesa Sanpaolo's ability to respond effectively to the complexities brought about by the pandemic and have already made it possible to achieve the minimum net income of €4bn envisaged for full-year 2021**.

The results reflect Intesa Sanpaolo's **sustainable profitability** deriving from a **solid capital base and liquidity position**, a **resilient and well-diversified business model**, **strategic flexibility in managing operating costs** and **asset quality**. These features **have made it possible to effectively mitigate the impact of the adverse scenario of the 2021 EBA/ECB stress test** and are reflected in a low risk profile bolstering **the support provided to Italy by the Group**, which is also committed **to becoming a reference model in terms of sustainability and social and cultural responsibility**.

**Value generation for all stakeholders will be accreted by synergies** estimated at **over €1bn** deriving from **the merger of UBI Banca**, **successfully completed with no social costs**, and **by over €6bn in 2020 and almost €500m in 9M 2021**, both out of pre-tax profit, **devoted by the Group to further strengthening the sustainability of results**.

**The trends of the new environment find Intesa Sanpaolo fully equipped thanks to the Group's competitive advantages**:
- growing **demand for** health, wealth and business **protection**: **Intesa Sanpaolo leadership in Wealth Management & Protection**;
- **riskier environment**: **effective proactive credit management** (Pulse) and Group's **strategic partnerships** with NPL leading industrial players; **for the second consecutive year**, **the Bank has ranked first**, **among Italian corporates**, **in the "Cyber Resilience amid a Global Pandemic" competition** organised by *AIPSA* (Italian Association of Corporate Security Professionals);
- **customer digitalisation**: **top positioning in Europe for mobile app functionalities** and Group's **strong digital proposition**, with around **12.5 million multichannel customers** and around **7.8 million customers using the Intesa Sanpaolo App**, and s**trategic partnership with Nexi in payment systems** (stake in Nexi share capital);
- **digital way of working**: **smart working enabled for around 78,000 Group people** and successful **evolution towards a "light" distribution model** with significant room for further branch reduction following the acquisition of UBI Banca, the Banca 5 - SisalPay (Mooney) strategic partnership, and changes in the behaviour of customers brought about by COVID-19 with most of them who will continue to be served by the Group via its high-quality alternative channels;

(*) 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 25.

- growing **importance of sustainability and social responsibility (ESG)**. Intesa Sanpaolo is the **only Italian bank listed in the Dow Jones Sustainability Indices** and in the **2021 Corporate Knights "Global 100 Most Sustainable Corporations in the World Index"** and ranks **first among European banks in three of the top ESG international assessments**: MSCI, Sustainalytics and Bloomberg ESG Disclosure Score. Intesa Sanpaolo has also been **included in the Euronext - *Borsa Italiana* MIB ESG index since the latter's launch in October 2021**; furthermore, the Bank is **listed in the Bloomberg Gender-Equality Index (GEI)**, **recording for 2021 a score well above the average** of the global financial sector and of Italian companies, and is the **only Italian bank in the Refinitiv Diversity & Inclusion Index**, which selects the **world's top 100 listed companies for diversity and inclusion**. Intesa Sanpaolo is **committed to achieving a net-zero emissions target by 2050 -** for the Group's own emissions, its lending and investment portfolios, and asset management **-** and **has joined the Net-Zero Banking Alliance (NZBA)** and, through the subsidiaries Eurizon Capital SGR, Fideuram Asset Management SGR and Fideuram Asset Management Ireland, the **Net Zero Asset Managers Initiative (NZAMI)**.

In the first nine months of 2021, the Group recorded:

- **net income at €4,006m** versus €6,376m in 9M 2020, up by 28.7% versus €3,112m when excluding the provisional negative goodwill generated in Q3 2020 by the acquisition of UBI Banca;
- **growth in gross income**, up by 15.6% on 9M 2020;
- **growth in operating margin**, up by 9.8% on 9M 2020;
- **growth in operating income**, up by 3.4% on 9M 2020 with **net fee and commission income** up by 11.5%;
- **operating costs down** by 2.3% on 9M 2020;
- **high efficiency,** with a **cost/income of 50.1%** in 9M 2021, **a level among the best in the top tier European banks**;
- annualised **cost of risk** in 9M 2021 down to **44bps** (34bps when excluding provisions regarding specific NPL portfolios to accelerate NPL deleveraging), with **conservative net adjustments to loans which are still based on the December 2020 macroeconomic scenario and therefore do not consider the improved 9M 2021 scenario**, versus the 48bps of full-year 2020 excluding adjustments for future COVID-19 impacts (equivalent to 49bps);
- **improving credit quality**:
  - gross **NPL reduction** was around **€47bn since the September 2015 peak** and around **€34bn since December 2017, exceeding in advance, and by around €8bn, the deleveraging target of around €26bn set for the entire four-year period of the 2018-2021 Business Plan**;
  - **NPL stock, in September 2021, decreased 12.6% gross and 14.9% net on December 2020**;

- **NPL to total loan ratio** was **3.8% gross and 2% net** in September 2021 (°). Based on the **EBA methodology, NPL to total loan ratio stood at 2.9% gross and 1.5% net**.

- **sizeable NPL coverage**:
  - **NPL cash coverage ratio of 49.9%** at the end of September 2021, **with a cash coverage ratio of 60.7% for the bad loan component**;
  - **robust reserve buffer on performing loans**, amounting to 0.6% at the end of September 2021;

- **very solid capital position**, with capital ratios well above regulatory requirements. As at 30 September 2021, after the deduction from capital of €1,932m of reserves distributed in October 2021 (•) and €2,804m of dividends accrued in 9M 2021 (of which €1,401m was approved as an interim dividend payable as of 24 November 2021), the Common Equity Tier 1 ratio calculated by applying the transitional arrangements for 2021 came in at 14.3% (8) (9), the fully loaded Common Equity Tier 1 ratio at 13.8% (8) (10) and the **pro-forma fully loaded Common Equity Tier 1 ratio** at **15.1%** (8) (*), **top level among leading European banks**. This compares with a SREP requirement for 2021, comprising Capital Conservation Buffer, O-SII Buffer and Countercyclical Capital Buffer (**), equal to 8.64% (***). Under the 2021 EBA/ECB stress test adverse scenario, the fully loaded Common Equity Tier 1 ratio for 2023 - calculated on balance sheet figures as at 31 December 2020 - stands at 9.38%. The ratio would stand at 9.97% when restoring the actual neutral effect on capital ratios of the 2018-2021 Long-term Incentive Plan LECOIP 2.0 based on financial instruments (which is not captured by the stress test assumption of a static balance sheet) and taking into account the sale transactions of the going concerns, related to the acquisition of UBI Banca in 2020, finalised in H1 2021, other things being equal. The pro-forma fully loaded ratio would stand at 11.5% (□).

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(°) NPLs at the end of September 2021 did not include portfolios classified as ready to be sold, accounted under non-current assets held for sale and discontinued operations, amounting to around €4.7bn gross and €1.7bn net.

(•) Compared with the distribution approved at the Shareholders' Meeting, amounting to a total of €1,935m, the deduction is net of the portion not distributed to own shares held by the Bank at the record date, which was equal to €3m.

(8) After the deduction of reserves distributed in October 2021, dividends accrued in 9M 2021 and the coupons accrued on the Additional Tier 1 issues.

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

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

(*) Estimated by applying the fully loaded parameters to the financial statements as at 30 September 2021, 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 on the acquisition of UBI Banca, and the expected distribution on the 9M 2021 net income of insurance companies.

(**) *Countercyclical Capital Buffer* calculated taking into account the exposure as at 30 September 2021 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 2022, where available, or the most recent update of the reference period (requirement was set at zero per cent in Italy for 2021).

(***) Applying the regulatory change introduced by the ECB with effect from 12 March 2020, allowing the Pillar 2 requirement to be met partially using equity instruments not classified as Common Equity Tier 1.

(□) Calculated also considering the DTA absorptions indicated in note (*).

- **strong liquidity position and funding capability**, with **liquid assets of €335bn** and **available unencumbered liquid assets of €181bn at the end of September 2021. 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 €131bn as at 30 September 2021, and consisted entirely of TLTROs III.

- **support provided to the real economy**, with around **€58bn of medium/long-term new lending** in 9M 2021. **Loans** amounting to around **€50bn were granted in Italy,** of which around **€42bn was granted to households and SMEs**. **In 9M 2021**, the Group facilitated the return from non-performing **to performing status** of around **7,300 companies thus safeguarding** around **36,000 jobs.** This brought the total to around **131,000 companies since 2014, thus safeguarding** around **655,000 jobs over the same period**. The Group has made available more than **€400bn in medium/long term lending** to businesses and households **to support Italy's Recovery and Resilience Plan**.

- **sustainability and social and cultural responsibility** which, in the presence of solid financials, translated into the actions shown below, carried out by the Group in Italy:
  - initiatives **to reduce child poverty** and **support people in need**, delivering, since 2018, around **21.9 million meals**, around **1.3 million dormitory beds**, around **274,200 medicine prescriptions** and around **228,000 items of clothing**;
  - **Ecobonus**: **Intesa Sanpaolo ready to buy tax credits** to support households, condominiums and businesses through modular and flexible financial solutions in order to benefit from the 110% deduction for expenses related to energy efficiency and measures to reduce seismic risk;
  - **launch of the Fund for Impact** in Q4 2018, enabling lending of around €1.5bn to categories that otherwise would have difficulties in accessing credit, despite their potential; launch of the first line of credit without collateral dedicated to all Italian university students studying in Italy or abroad (***Per Merito***), with €50m granted in 9M 2021 and around €141m since its launch at the beginning of 2019; in July 2020, launch of **MAMMA@WORK**, a subsidised loan to balance motherhood and work in children's early years of life, with around €0.6m granted in 9M 2021 and around €0.8m since the launch of the initiative; launch, in August 2020, of **XME StudioStation**, loans to families to support distance learning, with around €0.5m granted in 9M 2021 and around €1.7m granted since launch; loans to support **working mothers in India** and **people over the age of 50 who have lost their jobs or have difficulties in assessing pension schemes** (€0.1m granted in 9M 2021); three additional lending initiatives launched in July 2021: ***"per Esempio"*** dedicated to volunteers of Civil Service, ***"per Crescere"*** dedicated to school age children's parents and ***"per avere Cura"*** for families with non-self-sufficient relatives;
  - **€6bn Circular Economy credit Plafond** to support **sustainable development**: since its launch, around **€5.7bn** already disbursed (around €3.5bn in 9M 2021); in March 2021, issuance of a **Green Bond for €1.25bn** focused on **green mortgages** granted for the construction or the purchase of energy efficient properties (energy classification A or B), in addition to the **three Green Bonds issued** in 2017 and 2019, one for €500m focused on **renewables** and **energy efficiency**, one for €500m related to **renewable**

**energy sectors** (issued by UBI Banca) and one for €750m focused on **circular economy**;

- **S-Loans**, an Intesa Sanpaolo innovative solution launched in July 2020 and targeted at SMEs, aimed at financing projects to improve their sustainability profile. A **€2bn plafond has been allocated** with a reduced interest rate subject to the monitoring of two ESG KPIs which must be reported in the annual report of the financed enterprises (around €900m granted in 9M 2021 and around €1bn since launch).
- **D-Loans,** a digital loan solution launched in October 2021, aimed at improving the digitalisation of companies;
- in 9M 2021, **over 290 start-ups evaluated** (around 2,930 since 2018) in **four acceleration programs with 74 coached start-ups** (around 460 since 2018), and introduced to selected investors and ecosystem players (around 6,150 to date);
- the Intesa Sanpaolo "*Giovani e Lavoro"* program underway, in partnership with Generation, aimed at **training** and **introducing 5,000 young people to the Italian labour market over a three-year period**: around 7,000 young people, aged 18-29, applied to the program in 9M 2021 (over 22,000 since 2019), around 950 students were interviewed and around 450 trained / in training through 17 courses in 9M 2021 (around 4,500 students interviewed and around 1,900 trained / in training since 2019), with around 1,800 companies involved since the launch of the program;
- the **P-Tech initiative** in partnership with IBM, with the objective of training young professionals in the field of new digital jobs, involving 20 Intesa Sanpaolo people in mentoring activities for 40 young professionals;
- Intesa Sanpaolo is the Main Sponsor of the **Generation4Universities** project, developed by Generation Italy and McKinsey & Company, aimed at facilitating talented senior-year university students to start a successful professional career. The program, which ended in July this year, involved 70 students from 31 universities and 18 top-tier Italian corporations as potential employers.
- important national and international partnerships: **miart** (international fair of modern and contemporary art in Milan), "**Gazing Ball**" by **Jeff Koons** (sculpture exhibited at Gallerie d'Italia in Milan in synergy with the exhibition at Palazzo Strozzi in Florence); "**Under the Sky of Venice**" (artworks from the Intesa Sanpaolo collections exhibited in **Vladivostok** in Russia as part of the official cultural programme of the **Eastern Economic Forum**); "**Seeing the invisible**", the new permanent exhibition path at the Gallerie d'Italia in Vicenza in partnership with ***CSAR - Università Ca' Foscari*** dedicated to the **Russian icons from the Intesa Sanpaolo collection**, enriched by an immersive, multimedia and multisensorial experience and dialogues with the Celestial Architectures of **Valery Koshlyakov**, one of the greatest contemporary Russian artists; the advanced training course in **"Management of artistic heritage and corporate collections" has been completed**, first initiative of **the Gallerie d'Italia Academy**: **37 students, 80 teachers, 164 hours of remote lectures and webinars, 10 scholarships made available by Compagnia di Sanpaolo and Cariplo Foundation, four live streams from Gallerie d'Italia and 1563 Foundation of Turin**.

- **<u>Group's economic and social initiatives to face the COVID-19 impacts</u>**, implemented to date, specifically:
  - **safe conditions for the Group people and customers**, in particular with around **78,000 people working from home**, around **100% of branches opened and fully operational** (by appointment) and **business continuity** ensured by the effective multichannel bank model (via the online branch, internet banking, App and ATM / cash machines) and the **remote relationship advisory service** provided by around **31,100 relationship managers**;
  - **around 1,800 people hired** in Italy since January 2020;
  - **support to healthcare initiatives** with over €100m, including donations coming from the Managing Director and CEO and 21 top managers, who decided to forgo an overall amount of around €6m of the bonus they were awarded under the 2019 Incentive Plan;
  - €150m provided by the **Fund for Impact** (equal to 50%) to reduce the socio-economic distress caused by COVID-19;
  - **Programma Rinascimento**, providing a total of **€80m** in lending and including impact loans to micro-enterprises and start-ups, for the **recovery and reshaping of their business models** in the pandemic aftermath, leveraging on growth and innovation projects boosting economic growth and social and territorial cohesion, launched in Bergamo in partnership with the Municipality (€30m) and in Florence in partnership with CR Firenze Foundation (€50m);
  - the first bank in Italy to **suspend mortgage and loan instalments** even before the specific regulation came into force. Since the beginning of 2020, suspensions of payments for €114bn, renewals included, have been approved (around 77% relating to businesses and around 23% to households). Suspensions of payments currently amount to around €11.9bn (around 87% relating to businesses and around 13% to households) (°).
  - the first bank in Italy to sign the collaboration protocol with **SACE**, thus providing immediate support to enterprises under the Liquidity Decree. Overall, including the SME Fund as well, around €42bn in loans backed by a state guarantee has been granted to date (around €11bn from SACE and around €31bn from SME Fund).
  - **€50bn in new credit made available to enterprises and professionals** to protect jobs and manage payments during the emergency;
  - **€10bn in new credit facilities to sustain around 2,500** Italian **industrial supplier value chains** through the enhancement of the "Sviluppo Filiere" Program.

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(°) Equal to €1.7bn in accordance with EBA criteria (around 71% relating to businesses and around 29% to households).

- **<u>cash interim dividend of €1,401m</u>**: the Board of Directors, at its meeting today, decided to **distribute 7.21 euro cents per share**, before tax, as an interim dividend on the 2021 results. The decision was made as there were no inconveniences due to the results expected for the fourth quarter 2021 or recommendations from the regulators regarding capital requirements applicable to Intesa Sanpaolo, which could preclude the distribution, also in view of capital ratios, both those as at 30 September 2021 and those expected to be recorded at the year end, well above the minimum requirements set by supervisory regulations, and, for the Common Equity Tier 1 Ratio in particular, also well above the minimum level of 12% fully loaded and 13% pro-forma fully loaded (*) set by the Group itself. Furthermore, independent auditors E&Y 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 €1,400,936,404.29, deriving from 7.21 euro cents on each of the 19,430,463,305 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 24 November 2021 (with coupon presentation on 22 November and record date on 23 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 2.9%; including in the ratio the unit amount of 13.53 euro cents per share paid out in total for 2020 (3.57 euro cents in May 2021 and 9.96 euro cents in October 2021), the dividend yield corresponding to the total amount distributed this year is 8.3%.

(*) Estimated by applying the fully loaded parameters, 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 on the acquisition of UBI Banca.

## The income statement for the third quarter of 2021 (°)

The consolidated income statement for Q3 2021 recorded **net interest income** of €1,999m, up 0.2% compared with €1,995m in Q2 2021 and down 6.1% compared with €2,129m in Q3 2020.

**Net fee and commission income** amounted to €2,325m, down 1.9% from €2,370m in Q2 2021. Specifically, commissions on commercial banking activities were up 1.1% while commissions on management, dealing and consultancy activities were down 4.5%. The latter, which include portfolio management, distribution of insurance products, dealing and placement of securities, etc., recorded decreases of 26.7% in dealing and placement of securities and 2.2% in portfolio management (performance fees contributed €50m in Q3 2021 and €64m in Q2 2021) and an increase of 4.7% in distribution of insurance products. Net fee and commission income for Q3 2021 was up 8.3% compared with €2,147m in Q3 2020. Specifically, commissions on commercial banking activities were up 8.6% and those on management, dealing and consultancy activities were up 6.5%. The latter recorded increases of 9.3% in dealing and placement of securities, 11.2% in portfolio management (performance fees contributed €35m in Q3 2020) and 1.3% in distribution of insurance products.

**Income from insurance business** amounted to €365m from €456m in Q2 2021 and €353m in Q3 2020.

**Profits on financial assets and liabilities at fair value** amounted to €378m, compared with €344m in Q2 2021. Contributions from customers amounted to €74m from €72m, those from capital markets increased from €97m to €158m, those from trading and treasury decreased from €173m to €143m and those from structured credit products amounted to €3m from €2m. The Q3 2021 profits of €378m compare with the €127m profits of Q3 2020 when contributions from customers amounted to €100m, those from capital markets were negative for €205m, those from trading and treasury amounted to €224m and those from structured credit products were €7m.

**Operating income** amounted to €5,092m, down 1.8% compared with €5,184m in Q2 2021 and up 7% compared with €4,757m in Q3 2020.

**Operating costs** amounted to €2,638m, down 1.1% from €2,668m in Q2 2021, attributable to decreases of 0.8% in personnel expenses and 2.5% in administrative expenses and an increase of 0.3% in adjustments. Operating costs for Q3 2021 were down 2.4% compared with €2,703m in Q3 2020, attributable to decreases of 0.2% in personnel expenses, 6.7% in administrative expenses and 3.5% in adjustments.

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(°) The figures for the first two quarters of 2021 and the four quarters of 2020 were prepared to take into account the inclusion of the UBI Banca Group and the Reyl Group for the period before their acquisition and, 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 going concerns object of sale, as illustrated in the methodological note on the scope of consolidation on page 25.

As a result, **operating margin** amounted to €2,454m, down 2.5% from €2,516m in Q2 2021 and up 19.5% from €2,054m in Q3 2020. The cost/income ratio was 51.8% in Q3 2021 versus 51.5% in Q2 2021 and 56.8% in Q3 2020.

**Net adjustments to loans** amounted to €543m (including around €160m set aside with regard to specific NPL portfolios to accelerate NPL deleveraging), from €599m in Q2 2021 (which included around €200m set aside with regard to specific NPL portfolios to accelerate NPL deleveraging) and from €972m in Q3 2020 (which included €430m for future COVID-19 impacts).

**Net provisions and net impairment losses on other assets** amounted to €82m, compared with €220m in Q2 2021 (which included around €125m to replenish insurance reserves also in accordance with *IVASS* Regulation no. 22/2008 regarding the measurement of risks on existing policies) and with €64m in Q3 2020.

**Other income** was positive by €63m versus a negative result of €7m in Q2 2021 and a positive result of €22m in Q3 2020.

**Income (Loss) from discontinued operations** was nil versus €10m in Q2 2021 and €80m in Q3 2020.

**Gross income** amounted to €1,892m from €1,700m in Q2 2021 and €1,120m in Q3 2020.

**Consolidated net income** for the quarter amounted to €983m, after accounting:
- taxes on income of €619m;
- charges (net of tax) for integration and exit incentives of €41m;
- effect of purchase price allocation (net of tax) of €51m;
- levies and other charges concerning the banking industry (net of tax) of €210m, deriving from the following pre-tax figures: charges of €306m in relation to contributions to the Italian deposit guarantee scheme estimated for full-year 2021 and €5m in relation to levies incurred by international subsidiaries, and positive fair value differences of €1m regarding the *Atlante* fund. In Q2 2021, this caption amounted to €83m, deriving from pre-tax charges of €109m in relation to the contribution to the resolution fund, €4m in relation to contributions to the deposit guarantee scheme concerning the international network and €6m in relation to levies incurred by international subsidiaries. In Q3 2020, the caption amounted to €178m, deriving from pre-tax charges of €253m in relation to contributions to the Italian deposit guarantee scheme, €4m in relation to contributions to the deposit guarantee scheme concerning the international network, €5m in relation to levies incurred by international subsidiaries, and negative fair value differences for €1m regarding the *Atlante* fund.
- losses pertaining to minority interests of €12m.

Net income of €983m in Q3 2021 compares with €1,507m in Q2 2021 and with €3,810m in Q3 2020, €546m when excluding the provisional negative goodwill generated by the acquisition of UBI Banca.

## The income statement for the first nine months of 2021 (°)

The consolidated income statement for 9M 2021 recorded **net interest income** of €5,946m, down 4.2% from €6,206m in 9M 2020.

**Net fee and commission income** amounted to €7,008m, up 11.5% from €6,283m in 9M 2020. Specifically, commissions on commercial banking activities were up 6.4% and commissions on management, dealing and consultancy activities were up 13.1%. The latter, which include portfolio management, distribution of insurance products, dealing and placement of securities, etc., recorded increases of 41.8% in dealing and placement of securities, 14% in portfolio management (performance fees contributed €170m in 9M 2021 and €79m in 9M 2020), and 3.6% in distribution of insurance products.

**Income from insurance business** amounted to €1,219m from €1,249m in 9M 2020.

**Profits on financial assets and liabilities at fair value** amounted to €1,517m, compared with €1,482m in 9M 2020. Contributions from customers declined from €362m to €231m, those from capital markets increased from €202m to €573m, those from trading and treasury decreased from €938m to €703m while those from structured credit products recorded a positive result of €10m versus a negative result of €19m.

**Operating income** amounted to €15,766m, up 3.4% versus €15,251m in 9M 2020.

**Operating costs** amounted to €7,893m, down 2.3% from €8,082m in 9M 2020, attributable to decreases of 0.6% in personnel expenses, 5.9% in administrative expenses and 3.3% in adjustments.

As a result, **operating margin** amounted to €7,873m, up 9.8% from €7,169m in 9M 2020. The cost/income ratio was 50.1% in 9M 2021 versus 53% in 9M 2020.

**Net adjustments to loans** amounted to €1,544m (including around €360m set aside with regard to specific NPL portfolios to accelerate NPL deleveraging), from €3,053m in 9M 2020 (which included €1,395m for future COVID-19 impacts).

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(°) The figures for the first half of 2021 and for full-year 2020 were prepared to take into account the inclusion of the UBI Banca Group and the Reyl Group for the period before their acquisition and, 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 going concerns object of sale, as illustrated in the methodological note on the scope of consolidation on page 25.

**Net provisions and net impairment losses on other assets** amounted to €436m (including around €125m to replenish insurance reserves also in accordance with *IVASS* Regulation no. 22/2008 regarding the measurement of risks on existing policies), versus €244m in 9M 2020.

**Other income** amounted to €254m (including the capital gain of €194m deriving from the sale of the business line related to the activities of Custodian Bank and Fund Administration of Fideuram Bank Luxembourg) versus €35m in 9M 2020.

**Income (Loss) from discontinued operations** amounted to €58m versus €1,459m in 9M 2020 (including the Nexi capital gain of €1,110m).

**Gross income** amounted to €6,205m, compared with €5,366m in 9M 2020.

**Consolidated net income** amounted to €4,006m, after accounting:
- taxes on income of €1,541m, including a benefit of around €460m deriving from the tax realignment of intangible assets;
- charges (net of tax) for integration and exit incentives of €148m;
- effect of purchase price allocation (net of tax) of €85m;
- levies and other charges concerning the banking industry (net of tax) of €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 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. In 9M 2020, this caption amounted to €475m, deriving from the pre-tax charges of €371m in relation to the contribution to the resolution fund, €253m in relation to the contributions to the Italian deposit guarantee scheme, €17m in relation to contributions to the deposit guarantee scheme concerning the international network and €46m in relation to levies incurred by international subsidiaries.
- losses pertaining to minority interests of €64m.

Net income of €4,006m in 9M 2021 compares with €6,376m in 9M 2020 and increases by 28.7% versus €3,112m when excluding the provisional negative goodwill generated in Q3 2020 by the acquisition of UBI Banca.

## Balance sheet as at 30 September 2021

As regards the consolidated balance sheet figures, as at 30 September 2021 **loans to customers** amounted to €463bn, up 0.1% on year-end 2020 and down 0.2% on 30 September 2020 (up 0.2% on Q2 2021 and 3.5% on 9M 2020 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 €9,141m, down 14.9% from €10,743m at year-end 2020. In detail, bad loans decreased to €3,583m from €4,003m at year-end 2020, with a bad loan to total loan ratio of 0.8% (0.9% at year-end 2020), and a cash coverage ratio of 60.7% (58.3% at year-end 2020). Unlikely-to-pay loans decreased to €4,961m from €6,223m at year-end 2020. Past due loans amounted to €597m from €517m at year-end 2020.

**Customer financial assets** amounted to €1,241bn, up 4.7% on year-end 2020 and 7.7% on 30 September 2020. Under customer financial assets, **direct deposits from banking business** amounted to €536bn, up 1.7% on year-end 2020 and 3.6% on 30 September 2020. **Direct deposits from insurance business and technical reserves** amounted to €204bn, up 0.2% on year-end 2020 and 3.5% on 30 September 2020. Indirect customer deposits amounted to €704bn, up 6.9% on year-end 2020 and 11% on 30 September 2020. **Assets under management** amounted to €464bn, up 5.7% on year-end 2020 and 9.3% on 30 September 2020. As for bancassurance, in 9M 2021 the new business for life policies amounted to €13.3bn. Assets held under administration and in custody amounted to €240bn, up 9.5% on year-end 2020 and 14.5% on 30 September 2020.

**Capital ratios** as at 30 September 2021, calculated by applying the transitional arrangements for 2021 (11), and after the deduction from capital of €1,932m of reserves distributed in October 2021 (•) and €2,804m of dividends accrued in 9M 2021 (of which €1,401m was approved as an interim dividend payable as of 24 November 2021), were as follows:

- Common Equity Tier 1 ratio (12) at 14.3% (14.7% at year-end 2020 (13)),
- Tier 1 ratio (12) at 16.2% (16.9% at year-end 2020 (13)),
- total capital ratio (12) at 19% (19.6% at year-end 2020 (13)).

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

(•) Compared with the distribution approved at the Shareholders' Meeting, amounting to a total of €1,935m, the deduction is net of the portion not distributed to own shares held by the Bank at the record date, which was equal to €3m.

(11) Including the mitigation of the impact of the first time adoption of IFRS 9.

(12) After the deduction of reserves distributed in October 2021, dividends accrued in 9M 2021 and the coupons accrued on the Additional Tier 1 issues.
Excluding the mitigation of the impact of the first time adoption of IFRS 9, capital ratios are 13.8% for the Common Equity Tier 1 ratio, 15.7% for the Tier 1 ratio and 18.8% for the total capital ratio.

(13) In accordance with the transitional arrangements for 2020. 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, 16.2% for the Tier 1 ratio and 19.2% for the total capital ratio.

The estimated **pro-forma** Common Equity Tier 1 ratio for the Group on a **fully loaded basis** was 15.1%, calculated by applying the fully loaded parameters to the financial statements as at 30 September 2021 and 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 on the acquisition of UBI Banca, and the expected distribution on the 9M 2021 net income of insurance companies.

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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 €181bn at the end of September 2021;
- 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 €335bn at the end of September 2021;
- refinancing operations with the ECB to optimise the cost of funding and support businesses in their investment amounted to around €131bn as at 30 September 2021 and consisted entirely of TLTROs III;
- the sources of funding were stable and well diversified, with retail funding representing 83% of direct deposits from banking business (including securities issued);
- medium/long-term wholesale funding was €6.7bn in 9M 2021 and included benchmark transactions of senior non-preferred bonds of €1.75bn, senior green bond of €1.25bn and Tier 2 of $1.5bn (around 92% were placed with foreign investors).

The Group's **leverage ratio** as at 30 September 2021 was 6.7% applying the transitional arrangements for 2021 and 6.5% fully loaded, best in class among major European banking groups.

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As at 30 September 2021, the Intesa Sanpaolo Group's **operating structure** had a total network of 5,201 branches, consisting of 4,207 branches in Italy and 994 abroad, and employed 97,600 people.

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## 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 SisalPay (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 2021, the Banca dei Territori Division recorded:
- operating income of €2,231m, +0.6% versus €2,217m in Q2 2021;
- operating costs of €1,588m, -0.4% versus €1,594m in Q2 2021;
- operating margin of €643m, +3.1% versus €624m in Q2 2021;
- a cost/income ratio of 71.2% versus 71.9% in Q2 2021;
- net provisions and adjustments of €375m versus €389m in Q2 2021;
- gross income of €320m versus €235m in Q2 2021;
- net income of €35m versus €141m in Q2 2021.

In the first nine months of 2021, the Banca dei Territori division recorded:
- operating income of €6,681m, +1.3% versus €6,594m in 9M 2020, contributing approximately 42% of the consolidated operating income (43% in 9M 2020);
- operating costs of €4,775m, -2.8% versus €4,911m in 9M 2020;
- operating margin of €1,906m, +13.3% versus €1,683m in 9M 2020;
- a cost/income ratio of 71.5% versus 74.5% in 9M 2020;
- net provisions and adjustments of €1,067m versus €2,299m in 9M 2020;
- gross income of €891m versus -€587m in 9M 2020;
- net income of €398m versus -€501m in 9M 2020.

The **IMI Corporate & Investment Banking** Division includes:
- Global Corporate, which manages the relationship with corporate clients with a turnover higher than €350m, grouped, in accordance with a sector-based model, in the following eight industries: Automotive & Industrials; Basic Materials & Healthcare; Food & Beverage and Distribution; Retail & Luxury; Infrastructure & Real Estate Partners; Public Finance; 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 2021, the IMI Corporate & Investment Banking Division recorded:
- operating income of €1,145m, +7.3% versus €1,067m in Q2 2021;
- operating costs of €343m, +2.3% versus €335m in Q2 2021;
- operating margin of €802m, +9.6% versus €732m in Q2 2021;
- a cost/income ratio of 30% versus 31.4% in Q2 2021;
- net recoveries of €13m versus €17m in Q2 2021;
- gross income of €815m versus €749m in Q2 2021;
- net income of €555m versus €513m in Q2 2021.

In the first nine months of 2021, the IMI Corporate & Investment Banking Division recorded:
- operating income of €3,600m, +2.6% versus €3,509m in 9M 2020, contributing approximately 23% of the consolidated operating income (23% in 9M 2020 as well);
- operating costs of €989m, +1.6% versus €973m in 9M 2020;
- operating margin of €2,611m, +3% versus €2,536m in 9M 2020;
- a cost/income ratio of 27.5% versus 27.7% in 9M 2020;
- net provisions and adjustments of €38m versus €365m in 9M 2020;
- gross income of €2,573m versus €2,171m in 9M 2020;
- net income of €1,775m versus €1,449m in 9M 2020.

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 is in charge of the Group's operations in the following geographical areas: i) South-Eastern Europe, through Privredna Banka Zagreb in Croatia, Banca Intesa Beograd in Serbia, Intesa Sanpaolo Banka Bosna i Hercegovina in Bosnia and Herzegovina, Intesa Sanpaolo Bank Albania and Intesa Sanpaolo Bank Romania; ii) Central-Eastern Europe, through Intesa Sanpaolo Bank in Slovenia, VUB Banka in Slovakia and CIB Bank in Hungary; iii) CIS and South Mediterranean, through Pravex Bank in Ukraine, Eximbank in Moldova and Bank of Alexandria in Egypt.

In the third quarter of 2021, the International Subsidiary Banks Division recorded:
- operating income of €504m, +1.1% versus €499m in Q2 2021;
- operating costs of €267m, +4.5% versus €256m in Q2 2021;
- operating margin of €237m, -2.6% versus €243m in Q2 2021;
- a cost/income ratio of 53% versus 51.3% in Q2 2021;
- net provisions and adjustments of €47m versus €40m in Q2 2021;
- gross income of €190m versus €205m in Q2 2021;
- net income of €142m versus €147m in Q2 2021.

In the first nine months of 2021, the International Subsidiary Banks Division recorded:
- operating income of €1.471m, +4.1% versus €1,413m in 9M 2020, contributing approximately 9% of the consolidated operating income (9% in 9M 2020 as well);
- operating costs of €773m, +1.8% versus €759m in 9M 2020;
- operating margin of €698m, +6.7% versus €654m in 9M 2020;
- a cost/income ratio of 52.5% versus 53.7% in 9M 2020;
- net provisions and adjustments of €141m versus €175m in 9M 2020;
- gross income of €561m versus €485m in 9M 2020;
- net income of €393m versus €302m in 9M 2020.

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 Bank, SIREF Fiduciaria, Intesa Sanpaolo Private Bank (Suisse) Morval, REYL & Cie, Intesa Sanpaolo Private Banking Asset Management and Fideuram Asset Management Ireland.

In the third quarter of 2021, the Private Banking Division recorded:
- operating income of €589m, -0.4% versus €591m in Q2 2021;
- operating costs of €220m, -1.8% versus €224m in Q2 2021;
- operating margin of €368m, +0.5% versus €366m in Q2 2021;
- a cost/income ratio of 37.4% versus 38% in Q2 2021;
- net provisions and adjustments of €12m versus €9m in Q2 2021;
- gross income of €356m versus €358m in Q2 2021;
- net income of €231m versus €237m in Q2 2021.

In the first nine months of 2021, the Private Banking Division recorded:
- operating income of €1,781m, +8.8% versus €1,637m in 9M 2020, contributing approximately 11% of the consolidated operating income (11% in 9M 2020 as well);
- operating costs of €652m, +2.2% versus €638m in 9M 2020;
- operating margin of €1,129m, +13% versus €999m in 9M 2020;
- a cost/income ratio of 36.6% versus 39% in 9M 2020;
- net provisions and adjustments of €28m versus €57m in 9M 2020;
- gross income of €1,295m versus €948m in 9M 2020;
- net income of €862m versus €635m in 9M 2020.

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 Pramerica (merged by incorporation on 1 July 2021), Eurizon Capital SA, 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 the Croatian company PBZ Invest (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 owns 49% of the Chinese asset management company Penghua Fund Management.

In the third quarter of 2021, the Asset Management Division recorded:
- operating income of €305m, -8.1% versus €332m in Q2 2021;
- operating costs of €57m, +5.1% versus €55m in Q2 2021;
- operating margin of €248m, -10.7% versus €278m in Q2 2021;
- a cost/income ratio of 18.8% versus 16.4% in Q2 2021;
- gross income of €248m versus €278m in Q2 2021;
- net income of €181m versus €204m in Q2 2021.

In the first nine months of 2021, the Asset Management Division recorded:
- operating income of €938m, +30.5% versus €719m in 9M 2020, contributing approximately 6% of the consolidated operating income (5% in 9M 2020);
- operating costs of €163m, +4.5% versus €156m in 9M 2020;
- operating margin of €775m, +37.7% versus €563m in 9M 2020;
- a cost/income ratio of 17.4% versus 21.7% in 9M 2020;
- net recoveries of €1m versus no provisions and adjustments in 9M 2020;
- gross income of €776m versus €563m in 9M 2020;
- net income of €557m versus €379m in 9M 2020.

The **Insurance** Division develops insurance products tailored for the Group's clients; the Division includes Intesa Sanpaolo Vita (which controls Intesa Sanpaolo Assicura, Intesa Sanpaolo Life, and Intesa Sanpaolo RBM Salute), Fideuram Vita and, in addition, the companies whose control was acquired following the acquisition of UBI Banca (Bancassurance Popolari, Lombarda Vita, Assicurazioni Vita - formerly Aviva Vita - and Cargeas).

In the third quarter of 2021, the Insurance Division recorded:
- operating income of €360m, -17.6% versus €437m in Q2 2021;
- operating costs of €96m, -5.5% versus €102m in Q2 2021;
- operating margin of €263m, -21.3% versus €335m in Q2 2021;
- a cost/income ratio of 26.8% versus 23.4% in Q2 2021;
- net provisions and adjustments of €24m, versus €128m in Q2 2021;
- gross income of €240m versus €207m in Q2 2021;
- net income of €178m versus €214m in Q2 2021.

In the first nine months of 2021, the Insurance Division recorded:
- operating income of €1,180m, +0.2% versus €1,178m in 9M 2020, contributing approximately 7% of the consolidated operating income (8% in 9M 2020);
- operating costs of €286m, +3.6% versus €276m in 9M 2020;
- operating margin of €894m, -0.9% versus €902m in 9M 2020;
- a cost/income ratio of 24.2% versus 23.4% in 9M 2020;
- net provisions and adjustments of €155m versus €26m in 9M 2020;
- gross income of €739m versus €876m in 9M 2020;
- net income of €617m versus €476m in 9M 2020.

## Outlook

In 2021, the Intesa Sanpaolo Group is expected to achieve a full-year net income exceeding €4 billion.

As regards the Group's dividend policy, it envisages the distribution of cash dividends corresponding to a payout ratio of 70% for the 2021 results, as indicated in the 2018-2021 Business Plan. In respect of this distribution, the Board of Directors today approved an interim dividend of €1.4 billion payable as of 24 November 2021.

* * *

For consistency purpose, the income statement and balance sheet figures for the first quarter of 2020 were restated following the acquisition of RBM Assicurazione Salute, finalised in May 2020. The related items were consolidated line by line, including the corresponding net income under minority interests and the corresponding shareholders' equity under shareholders' equity minority interests. These figures are reported in the attached statements.

Moreover, the income statement and balance sheet figures for the four quarters of 2020 were also restated following i) on one side, the acquisition of UBI Banca finalised in August 2020 (the related items were consolidated line by line for the first seven months of 2020 with reference to the income statement, including the corresponding net income under minority interests, and for the first two quarters of 2020 with reference to the balance sheet, including the corresponding shareholders' equity under shareholders' equity minority interests), and ii) on the other side, the sales transactions regarding the going concerns, finalised in H1 2021 (the related items were deconsolidated line by line since 1 January 2020 and the contribution to the income statement was allocated - on the basis of management figures - to income/loss from discontinued operations and the contribution to the balance sheet was allocated to non-current assets held for sale and discontinued operations and to liabilities associated with non-current assets held for sale and discontinued operations). These figures are reported in the attached statements as "Redetermined figures".

The "Redetermined figures" of the income statement for the four quarters of 2020 and the first quarter 2021 include the restatement done:

- following 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 H1 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.
- following the acquisition of the REYL Group, finalised at the beginning of June 2021. The related items were consolidated line by line, including the corresponding net income under minority interests.

Finally, the balance sheet figures for the four quarters of 2020 and the first quarter 2021 include the restatement done following the acquisition of the control of Lombarda Vita, Assicurazioni Vita (formerly Aviva Vita), Cargeas and the REYL Group. The related items were consolidated line by line, including the corresponding shareholders' equity under shareholders' equity minority interests.

The income statement and balance sheet figures related to the Business areas for the four quarters of 2020 and the first quarter 2021 were restated to attribute the related items regarding the acquisition of UBI Banca, Lombarda Vita, Assicurazioni Vita (formerly Aviva Vita), Cargeas and Reyl and to reallocate some items between Business areas and Corporate Centre.

* * *

*In order to present more complete information on the results generated as at 30 September 2021, 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)

| | 30.09.2021 | 30.09.2020 | Changes | |
|---|---|---|---|---|
| | | | amount | % |
| Net interest income | 6,012 | 5,608 | 404 | 7.2 |
| Net fee and commission income | 7,102 | 5,747 | 1,355 | 23.6 |
| Income from insurance business | 1,176 | 1,034 | 142 | 13.7 |
| Profits (Losses) on financial assets and liabilities designated at fair value | 1,518 | 1,395 | 123 | 8.8 |
| Other operating income (expenses) | 90 | -2 | 92 | |
| **Operating income** | **15,898** | **13,782** | **2,116** | **15.4** |
| Personnel expenses | -4,975 | -4,372 | 603 | 13.8 |
| Other administrative expenses | -2,052 | -1,804 | 248 | 13.7 |
| Adjustments to property, equipment and intangible assets | -908 | -838 | 70 | 8.4 |
| **Operating costs** | **-7,935** | **-7,014** | **921** | **13.1** |
| **Operating margin** | **7,963** | **6,768** | **1,195** | **17.7** |
| Net adjustments to loans | -1,550 | -2,739 | -1,189 | -43.4 |
| Other net provisions and net impairment losses on other assets | -433 | -224 | 209 | 93.3 |
| Other income (expenses) | 254 | 11 | 243 | |
| Income (Loss) from discontinued operations | - | 1,163 | -1,163 | |
| **Gross income (loss)** | **6,234** | **4,979** | **1,255** | **25.2** |
| Taxes on income | -1,540 | -1,194 | 346 | 29.0 |
| Charges (net of tax) for integration and exit incentives | -148 | -78 | 70 | 89.7 |
| Effect of purchase price allocation (net of tax) | -85 | 3,187 | -3,272 | |
| Levies and other charges concerning the banking industry (net of tax) | -502 | -474 | 28 | 5.9 |
| Impairment (net of tax) of goodwill and other intangible assets | - | - | - | - |
| Minority interests | 47 | -44 | 91 | |
| **Net income (loss)** | **4,006** | **6,376** | **-2,370** | **-37.2** |

Figures restated, where necessary and material, considering the changes in the scope of consolidation. The figures for the UBI Group and the insurance companies Assicurazioni Vita (former Aviva Vita), Lombarda Vita and Cargeas have not been restated.

# Intesa Sanpaolo Group

## Reclassified consolidated statement of income – Redetermined figures

(millions of euro)

| | 30.09.2021 Redetermined figures | 30.09.2020 Redetermined figures | Changes amount | Changes % |
|---|---|---|---|---|
| Net interest income | 5,946 | 6,206 | -260 | -4.2 |
| Net fee and commission income | 7,008 | 6,283 | 725 | 11.5 |
| Income from insurance business | 1,219 | 1,249 | -30 | -2.4 |
| Profits (Losses) on financial assets and liabilities designated at fair value | 1,517 | 1,482 | 35 | 2.4 |
| Other operating income (expenses) | 76 | 31 | 45 | |
| **Operating income** | **15,766** | **15,251** | **515** | **3.4** |
| Personnel expenses | -4,924 | -4,954 | -30 | -0.6 |
| Other administrative expenses | -2,059 | -2,187 | -128 | -5.9 |
| Adjustments to property, equipment and intangible assets | -910 | -941 | -31 | -3.3 |
| **Operating costs** | **-7,893** | **-8,082** | **-189** | **-2.3** |
| **Operating margin** | **7,873** | **7,169** | **704** | **9.8** |
| Net adjustments to loans | -1,544 | -3,053 | -1,509 | -49.4 |
| Other net provisions and net impairment losses on other assets | -436 | -244 | 192 | 78.7 |
| Other income (expenses) | 254 | 35 | 219 | |
| Income (Loss) from discontinued operations | 58 | 1,459 | -1,401 | -96.0 |
| **Gross income (loss)** | **6,205** | **5,366** | **839** | **15.6** |
| Taxes on income | -1,541 | -1,319 | 222 | 16.8 |
| Charges (net of tax) for integration and exit incentives | -148 | -64 | 84 | |
| Effect of purchase price allocation (net of tax) | -85 | 3,187 | -3,272 | |
| Levies and other charges concerning the banking industry (net of tax) | -489 | -475 | 14 | 2.9 |
| Impairment (net of tax) of goodwill and other intangible assets | - | - | - | - |
| Minority interests | 64 | -319 | 383 | |
| **Net income (loss)** | **4,006** | **6,376** | **-2,370** | **-37.2** |

Redetermined figures have been prepared to take into account the inclusion of the UBI Group for the pre-acquisition period and, based on management figures, the reallocation of the contribution from the going concerns object of disposal to income (loss) from discontinued operations, as well as the inclusion of the contribution from the insurance companies Assicurazioni Vita (former 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)

| | 2021 | | | 2020 | | | |
|---|---|---|---|---|---|---|---|
| | Third quarter | Second quarter | First quarter | Fourth quarter | Third quarter | Second quarter | First quarter |
| Net interest income | 1,999 | 2,000 | 2,013 | 2,191 | 2,103 | 1,754 | 1,751 |
| Net fee and commission income | 2,325 | 2,382 | 2,395 | 2,597 | 2,141 | 1,752 | 1,854 |
| Income from insurance business | 365 | 438 | 373 | 319 | 298 | 367 | 369 |
| Profits (Losses) on financial assets and liabilities designated at fair value | 378 | 344 | 796 | 194 | 130 | 266 | 999 |
| Other operating income (expenses) | 25 | 16 | 49 | 14 | 1 | 12 | -15 |
| **Operating income** | **5,092** | **5,180** | **5,626** | **5,315** | **4,673** | **4,151** | **4,958** |
| Personnel expenses | -1,642 | -1,657 | -1,676 | -1,824 | -1,608 | -1,393 | -1,371 |
| Other administrative expenses | -694 | -708 | -650 | -889 | -662 | -585 | -557 |
| Adjustments to property, equipment and intangible assets | -302 | -300 | -306 | -321 | -304 | -269 | -265 |
| **Operating costs** | **-2,638** | **-2,665** | **-2,632** | **-3,034** | **-2,574** | **-2,247** | **-2,193** |
| **Operating margin** | **2,454** | **2,515** | **2,994** | **2,281** | **2,099** | **1,904** | **2,765** |
| Net adjustments to loans | -543 | -599 | -408 | -1,475 | -938 | -1,398 | -403 |
| Other net provisions and net impairment losses on other assets | -82 | -218 | -133 | -122 | -67 | 262 | -419 |
| Other income (expenses) | 63 | -7 | 198 | 62 | 23 | -18 | 6 |
| Income (Loss) from discontinued operations | - | - | - | - | - | 1,134 | 29 |
| **Gross income (loss)** | **1,892** | **1,691** | **2,651** | **746** | **1,117** | **1,884** | **1,978** |
| Taxes on income | -619 | -82 | -839 | -167 | -319 | -314 | -561 |
| Charges (net of tax) for integration and exit incentives | -41 | -55 | -52 | -1,485 | -28 | -35 | -15 |
| Effect of purchase price allocation (net of tax) | -51 | -18 | -16 | -1,227 | 3,237 | -24 | -26 |
| Levies and other charges concerning the banking industry (net of tax) | -210 | -83 | -209 | -38 | -197 | -86 | -191 |
| Impairment (net of tax) of goodwill and other intangible assets | - | - | - | -912 | - | - | - |
| Minority interests | 12 | 54 | -19 | -16 | - | -10 | -34 |
| **Net income (loss)** | **983** | **1,507** | **1,516** | **-3,099** | **3,810** | **1,415** | **1,151** |

Figures restated, where necessary and material, considering the changes in the scope of consolidation. The figures for the UBI Group and the insurance companies Assicurazioni Vita (former Aviva Vita), Lombarda Vita and Cargeas have not been restated.

# Intesa Sanpaolo Group

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

(millions of euro)

| | 2021 | | | 2020 | | | |
|---|---|---|---|---|---|---|---|
| | Third quarter | Second quarter Redetermined figures | First quarter Redetermined figures | Fourth quarter Redetermined figures | Third quarter Redetermined figures | Second quarter Redetermined figures | First quarter Redetermined figures |
| Net interest income | 1,999 | 1,995 | 1,952 | 2,072 | 2,129 | 2,037 | 2,040 |
| Net fee and commission income | 2,325 | 2,370 | 2,313 | 2,442 | 2,147 | 2,014 | 2,122 |
| Income from insurance business | 365 | 456 | 398 | 436 | 353 | 456 | 440 |
| Profits (Losses) on financial assets and liabilities designated at fair value | 378 | 344 | 795 | 193 | 127 | 306 | 1,049 |
| Other operating income (expenses) | 25 | 19 | 32 | 6 | 1 | 29 | 1 |
| **Operating income** | **5,092** | **5,184** | **5,490** | **5,149** | **4,757** | **4,842** | **5,652** |
| Personnel expenses | -1,642 | -1,655 | -1,627 | -1,744 | -1,646 | -1,662 | -1,646 |
| Other administrative expenses | -694 | -712 | -653 | -898 | -744 | -747 | -696 |
| Adjustments to property, equipment and intangible assets | -302 | -301 | -307 | -315 | -313 | -314 | -314 |
| **Operating costs** | **-2,638** | **-2,668** | **-2,587** | **-2,957** | **-2,703** | **-2,723** | **-2,656** |
| **Operating margin** | **2,454** | **2,516** | **2,903** | **2,192** | **2,054** | **2,119** | **2,996** |
| Net adjustments to loans | -543 | -599 | -402 | -1,440 | -972 | -1,543 | -538 |
| Other net provisions and net impairment losses on other assets | -82 | -220 | -134 | -121 | -64 | 251 | -431 |
| Other income (expenses) | 63 | -7 | 198 | 62 | 22 | - | 13 |
| Income (Loss) from discontinued operations | - | 10 | 48 | 129 | 80 | 1,230 | 149 |
| **Gross income (loss)** | **1,892** | **1,700** | **2,613** | **822** | **1,120** | **2,057** | **2,189** |
| Taxes on income | -619 | -85 | -837 | -191 | -322 | -362 | -635 |
| Charges (net of tax) for integration and exit incentives | -41 | -55 | -52 | -1,485 | -27 | -22 | -15 |
| Effect of purchase price allocation (net of tax) | -51 | -18 | -16 | -1,227 | 3,237 | -24 | -26 |
| Levies and other charges concerning the banking industry (net of tax) | -210 | -83 | -196 | -38 | -178 | -91 | -206 |
| Impairment (net of tax) of goodwill and other intangible assets | - | - | - | -912 | - | - | - |
| Minority interests | 12 | 48 | 4 | -68 | -20 | -143 | -156 |
| **Net income (loss)** | **983** | **1,507** | **1,516** | **-3,099** | **3,810** | **1,415** | **1,151** |

Redetermined figures have been prepared to take into account the inclusion of the UBI Group for the pre-acquisition period and, based on management figures, the reallocation of the contribution from the going concerns object of disposal to income (loss) from discontinued operations, as well as the inclusion of the contribution from the insurance companies Assicurazioni Vita (former 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 | 30.09.2021 | 31.12.2020 | Changes | |
|---|---|---|---|---|
| | | | amount | % |
| Due from banks | 169,805 | 108,310 | 61,495 | 56.8 |
| Loans to customers | 463,295 | 462,802 | 493 | 0.1 |
| *Loans to customers measured at amortised cost* | *460,903* | *461,373* | *-470* | *-0.1* |
| *Loans to customers designated at fair value through other comprehensive income and through profit or loss* | *2,392* | *1,429* | *963* | *67.4* |
| Financial assets measured at amortised cost which do not constitute loans | 41,286 | 47,102 | -5,816 | -12.3 |
| Financial assets at fair value through profit or loss | 59,924 | 57,074 | 2,850 | 5.0 |
| Financial assets at fair value through other comprehensive income | 63,589 | 57,590 | 5,999 | 10.4 |
| Financial assets pertaining to insurance companies measured at fair value pursuant to IAS 39 | 205,631 | 205,537 | 94 | - |
| Financial assets pertaining to insurance companies measured at amortised cost pursuant to IAS 39 | 997 | 1,562 | -565 | -36.2 |
| Investments in associates and companies subject to joint control | 1,738 | 1,671 | 67 | 4.0 |
| Property, equipment and intangible assets | 19,408 | 19,131 | 277 | 1.4 |
| *Assets owned* | *17,800* | *17,311* | *489* | *2.8* |
| *Rights of use acquired under leases* | *1,608* | *1,820* | *-212* | *-11.6* |
| Tax assets | 18,805 | 19,777 | -972 | -4.9 |
| Non-current assets held for sale and discontinued operations | 3,181 | 28,702 | -25,521 | -88.9 |
| Other assets | 23,759 | 24,744 | -985 | -4.0 |
| **Total Assets** | **1,071,418** | **1,034,002** | **37,416** | **3.6** |

| Liabilities | 30.09.2021 | 31.12.2020 | Changes | |
|---|---|---|---|---|
| | | | amount | % |
| Due to banks at amortised cost | 179,514 | 115,944 | 63,570 | 54.8 |
| Due to customers at amortised cost and securities issued | 523,699 | 514,229 | 9,470 | 1.8 |
| Financial liabilities held for trading | 57,533 | 59,044 | -1,511 | -2.6 |
| Financial liabilities designated at fair value | 3,266 | 3,032 | 234 | 7.7 |
| Financial liabilities pertaining to insurance companies measured at amortised cost pursuant to IAS 39 | 2,563 | 2,023 | 540 | 26.7 |
| Financial liabilities pertaining to insurance companies measured at fair value pursuant to IAS 39 | 83,093 | 80,699 | 2,394 | 3.0 |
| Tax liabilities | 2,618 | 3,370 | -752 | -22.3 |
| Liabilities associated with non-current assets held for sale and discontinued operations | 1,404 | 35,676 | -34,272 | -96.1 |
| Other liabilities | 24,955 | 24,365 | 590 | 2.4 |
| *of which lease payables* | *1,519* | *1,762* | *-243* | *-13.8* |
| Technical reserves | 118,616 | 121,360 | -2,744 | -2.3 |
| Allowances for risks and charges | 6,873 | 7,194 | -321 | -4.5 |
| *of which allowances for commitments and financial guarantees given* | *534* | *626* | *-92* | *-14.7* |
| Share capital | 10,084 | 10,084 | - | - |
| Reserves | 46,508 | 44,775 | 1,733 | 3.9 |
| Valuation reserves | -569 | -515 | 54 | 10.5 |
| Valuation reserves pertaining to insurance companies | 677 | 809 | -132 | -16.3 |
| Equity instruments | 6,279 | 7,464 | -1,185 | -15.9 |
| Minority interests | 299 | 1,172 | -873 | -74.5 |
| Net income (loss) | 4,006 | 3,277 | 729 | 22.2 |
| **Total liabilities and shareholders' equity** | **1,071,418** | **1,034,002** | **37,416** | **3.6** |

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 | 2021 | | | 2020 | | | |
|---|---|---|---|---|---|---|---|
| | 30/9 | 30/6 | 31/3 | 31/12 | 30/9 Redetermined figures | 30/6 Redetermined figures | 31/3 Redetermined figures |
| Due from banks | 169,805 | 152,688 | 132,423 | 108,310 | 85,578 | 76,486 | 77,211 |
| Loans to customers | 463,295 | 463,297 | 464,661 | 462,802 | 464,438 | 464,001 | 466,721 |
| *Loans to customers measured at amortised cost* | *460,903* | *461,348* | *463,129* | *461,373* | *462,973* | *462,538* | *465,242* |
| *Loans to customers designated at fair value through other comprehensive income and through profit or loss* | *2,392* | *1,949* | *1,532* | *1,429* | *1,465* | *1,463* | *1,479* |
| Financial assets measured at amortised cost which do not constitute loans | 41,286 | 42,615 | 44,857 | 47,102 | 43,453 | 41,926 | 35,744 |
| Financial assets at fair value through profit or loss | 59,924 | 59,826 | 55,455 | 57,074 | 61,248 | 62,151 | 57,190 |
| Financial assets at fair value through other comprehensive income | 63,589 | 66,415 | 60,778 | 57,590 | 80,626 | 83,536 | 81,220 |
| Financial assets pertaining to insurance companies measured at fair value pursuant to IAS 39 | 205,631 | 206,138 | 206,388 | 205,537 | 197,806 | 194,504 | 186,749 |
| Financial assets pertaining to insurance companies measured at amortised cost pursuant to IAS 39 | 997 | 906 | 920 | 1,562 | 1,444 | 1,101 | 944 |
| Investments in associates and companies subject to joint control | 1,738 | 1,707 | 1,708 | 1,671 | 1,536 | 1,517 | 1,324 |
| Property, equipment and intangible assets | 19,408 | 19,451 | 18,908 | 19,131 | 19,508 | 21,086 | 20,700 |
| *Assets owned* | *17,800* | *17,815* | *17,158* | *17,311* | *17,744* | *19,299* | *18,877* |
| *Rights of use acquired under leases* | *1,608* | *1,636* | *1,750* | *1,820* | *1,764* | *1,787* | *1,823* |
| Tax assets | 18,805 | 19,014 | 19,582 | 19,777 | 19,490 | 19,575 | 19,869 |
| Non-current assets held for sale and discontinued operations | 3,181 | 1,566 | 3,169 | 28,702 | 29,504 | 29,235 | 27,460 |
| Other assets | 23,759 | 23,972 | 23,132 | 24,744 | 22,575 | 27,502 | 28,087 |
| **Total Assets** | **1,071,418** | **1,057,595** | **1,031,981** | **1,034,002** | **1,027,206** | **1,022,620** | **1,003,219** |

| Liabilities | 2021 | | | 2020 | | | |
|---|---|---|---|---|---|---|---|
| | 30/9 | 30/6 | 31/3 | 31/12 | 30/9 Redetermined figures | 30/6 Redetermined figures | 31/3 Redetermined figures |
| Due to banks at amortised cost | 179,514 | 164,840 | 151,746 | 115,944 | 118,555 | 125,315 | 134,613 |
| Due to customers at amortised cost and securities issued | 523,699 | 519,223 | 512,263 | 514,229 | 505,284 | 495,185 | 490,011 |
| Financial liabilities held for trading | 57,533 | 57,335 | 53,544 | 59,044 | 57,024 | 55,731 | 54,997 |
| Financial liabilities designated at fair value | 3,266 | 3,361 | 3,116 | 3,032 | 2,978 | 2,288 | 845 |
| Financial liabilities pertaining to insurance companies measured at amortised cost pursuant to IAS 39 | 2,563 | 2,518 | 2,414 | 2,023 | 1,957 | 1,889 | 937 |
| Financial liabilities pertaining to insurance companies measured at fair value pursuant to IAS 39 | 83,093 | 83,010 | 82,040 | 80,699 | 77,304 | 76,370 | 72,019 |
| Tax liabilities | 2,618 | 2,490 | 3,303 | 3,370 | 2,879 | 2,751 | 3,079 |
| Liabilities associated with non-current assets held for sale and discontinued operations | 1,404 | 78 | 3,585 | 35,676 | 34,737 | 33,858 | 30,038 |
| Other liabilities | 24,955 | 31,674 | 26,283 | 24,365 | 32,237 | 38,970 | 31,448 |
| *of which lease payables* | *1,519* | *1,570* | *1,708* | *1,762* | *1,734* | *1,744* | *1,768* |
| Technical reserves | 118,616 | 119,475 | 119,943 | 121,360 | 118,337 | 115,308 | 111,516 |
| Allowances for risks and charges | 6,873 | 7,041 | 7,437 | 7,194 | 6,529 | 5,163 | 5,784 |
| *of which allowances for commitments and financial guarantees given* | *534* | *548* | *576* | *626* | *547* | *559* | *514* |
| Share capital | 10,084 | 10,084 | 10,084 | 10,084 | 10,076 | 9,086 | 9,086 |
| Reserves | 46,508 | 46,671 | 47,529 | 44,775 | 44,787 | 42,419 | 42,380 |
| Valuation reserves | -569 | -476 | -738 | -515 | -894 | -1,441 | -1,833 |
| Valuation reserves pertaining to insurance companies | 677 | 661 | 777 | 809 | 596 | 403 | 182 |
| Equity instruments | 6,279 | 6,269 | 6,202 | 7,464 | 7,446 | 5,971 | 5,972 |
| Minority interests | 299 | 318 | 937 | 1,172 | 998 | 10,788 | 10,994 |
| Net income (loss) | 4,006 | 3,023 | 1,516 | 3,277 | 6,376 | 2,566 | 1,151 |
| **Total Liabilities and Shareholders' Equity** | **1,071,418** | **1,057,595** | **1,031,981** | **1,034,002** | **1,027,206** | **1,022,620** | **1,003,219** |

Figures restated, where necessary and material, considering the changes in the scope of consolidation and discontinued operations. Redetermined figures have been prepared to take into account the inclusion of the UBI Group for the pre-acquisition period and the reallocation of the going concerns object of disposal to non-current assets held for sale and discontinued operations and associated liabilities.

# 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 (Redetermined figures) |
|---|---|---|---|---|---|---|---|---|
| **Operating income** | | | | | | | | |
| 30.09.2021 | 6,681 | 3,600 | 1,471 | 1,781 | 938 | 1,180 | 115 | 15,766 |
| 30.09.2020 | 6,594 | 3,509 | 1,413 | 1,637 | 719 | 1,178 | 201 | 15,251 |
| % change | 1.3 | 2.6 | 4.1 | 8.8 | 30.5 | 0.2 | -42.8 | 3.4 |
| **Operating costs** | | | | | | | | |
| 30.09.2021 | -4,775 | -989 | -773 | -652 | -163 | -286 | -255 | -7,893 |
| 30.09.2020 | -4,911 | -973 | -759 | -638 | -156 | -276 | -369 | -8,082 |
| % change | -2.8 | 1.6 | 1.8 | 2.2 | 4.5 | 3.6 | -30.9 | -2.3 |
| **Operating margin** | | | | | | | | |
| 30.09.2021 | 1,906 | 2,611 | 698 | 1,129 | 775 | 894 | -140 | 7,873 |
| 30.09.2020 | 1,683 | 2,536 | 654 | 999 | 563 | 902 | -168 | 7,169 |
| % change | 13.3 | 3.0 | 6.7 | 13.0 | 37.7 | -0.9 | -16.7 | 9.8 |
| **Net income (loss)** | | | | | | | | |
| 30.09.2021 | 398 | 1,775 | 393 | 862 | 557 | 617 | -596 | 4,006 |
| 30.09.2020 | -501 | 1,449 | 302 | 635 | 379 | 476 | 3,636 | 6,376 |
| % change | | 22.5 | 30.1 | 35.7 | 47.0 | 29.6 | | -37.2 |

(millions of euro)

| | Banca dei Territori | IMI Corporate & Investment Banking | International Subsidiary Banks | Private Banking | Asset Management | Insurance | Corporate Centre | Total |
|---|---|---|---|---|---|---|---|---|
| **Loans to customers** | | | | | | | | |
| 30.09.2021 | 251,057 | 149,034 | 37,642 | 13,181 | 397 | - | 11,984 | 463,295 |
| 31.12.2020 | 251,809 | 145,974 | 36,079 | 12,128 | 452 | - | 16,360 | 462,802 |
| % change | -0.3 | 2.1 | 4.3 | 8.7 | -12.2 | - | -26.7 | 0.1 |
| **Direct deposits from banking business** | | | | | | | | |
| 30.09.2021 | 286,836 | 80,912 | 49,283 | 51,957 | 16 | - | 66,742 | 535,746 |
| 31.12.2020 | 267,450 | 92,938 | 46,308 | 49,841 | 14 | - | 70,214 | 526,765 |
| % change | 7.2 | -12.9 | 6.4 | 4.2 | 14.3 | - | -4.9 | 1.7 |

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 inclusion of the UBI Group for the pre-acquisition period and, based on management figures, the reallocation of the contribution from the going concerns object of disposal to income (loss) from discontinued operations, as well as the inclusion of the contribution from the insurance companies Assicurazioni Vita (former Aviva Vita), Lombarda Vita and Cargeas, net of the effects attributable to the branches object of disposal.