INTESA SANPAOLO

PRESS RELEASE

INTESA SANPAOLO: CONSOLIDATED RESULTS AS AT 31 MARCH 2024

THE RESULTS FOR Q1 2024 HIGHLIGHT THAT INTESA SANPAOLO IS ABLE TO GENERATE SOLID SUSTAINABLE PROFITABILITY: NET INCOME OF €2.3 BILLION, FULLY IN LINE WITH THE TARGET OF OVER €8 BILLION FOR THE CURRENT YEAR.

SIGNIFICANT CASH RETURN TO SHAREHOLDERS: €1.6 BILLION OF DIVIDENDS ACCRUED IN Q1 2024 (IN ADDITION TO REMAINING DIVIDENDS FOR 2023 OF €2.8 BILLION TO BE PAID IN MAY 2024 AND BUYBACK OF €1.7 BILLION TO BE LAUNCHED IN JUNE 2024).

THE SOLID PERFORMANCE OF INCOME STATEMENT AND BALANCE SHEET IN THE QUARTER TRANSLATED INTO SIGNIFICANT VALUE CREATION FOR ALL THE STAKEHOLDERS, NOT ONLY FOR THE SHAREHOLDERS, WHICH IS ALSO GROUNDED IN THE GROUP'S STRONG ESG COMMITMENT. SPECIFICALLY, €1.6 BILLION TAXES WERE GENERATED (UP BY €0.2 BILLION ON Q1 2023 DUE TO GROWTH IN NET INTEREST INCOME), THE FOOD AND SHELTER PROGRAMME FOR PEOPLE IN NEED WAS EXPANDED (OVER 38.3 MILLION INTERVENTIONS IN THE PERIOD 2022 - Q1 2024), INITIATIVES WERE ENHANCED TO FIGHT INEQUALITIES AND FOSTER FINANCIAL, SOCIAL, EDUCATIONAL AND CULTURAL INCLUSION (€15.8 BILLION OF SOCIAL LENDING AND URBAN REGENERATION IN THE PERIOD 2022 - Q1 2024), AROUND €1.5 BILLION TO BE CONTRIBUTED IN 2023-2027 TO ADDRESS SOCIAL NEEDS (AROUND €0.4 BILLION OF WHICH ALREADY CONTRIBUTED IN 2023 - Q1 2024).

INTESA SANPAOLO CONTINUES TO OPERATE AS A GROWTH ACCELERATOR IN THE REAL ECONOMY IN ITALY: IN Q1 2024, MEDIUM/LONG-TERM NEW LENDING GRANTED BY THE GROUP TO ITALIAN HOUSEHOLDS AND BUSINESSES AMOUNTED TO AROUND €9 BILLION. IN Q1 2024, THE GROUP FACILITATED THE RETURN TO PERFORMING STATUS OF AROUND 700 COMPANIES, THUS SAFEGUARDING 3,500 JOBS. THIS BROUGHT THE TOTAL TO 141,500 COMPANIES SINCE 2014, WITH 708,000 JOBS SAFEGUARDED OVER THE SAME PERIOD.

INTESA SANPAOLO IS FULLY EQUIPPED TO CONTINUE SUCCEEDING IN THE FUTURE IN ANY INTEREST RATE SCENARIO, THANKS TO:
- **THE GROUP'S KEY STRENGTHS, NOTABLY: RESILIENT PROFITABILITY, A SOLID CAPITAL POSITION, THE ZERO-NPL BANK STATUS, SIGNIFICANT INVESTMENT IN TECHNOLOGY AND HIGH FLEXIBILITY IN MANAGING OPERATING COSTS;**
- **ITS LEADERSHIP IN WEALTH MANAGEMENT, PROTECTION & ADVISORY WITH AROUND €100 BILLION IN CUSTOMER FINANCIAL ASSETS IDENTIFIED TO FUEL GROWTH IN ASSETS UNDER MANAGEMENT FACILITATED BY DECLINING INTEREST RATES.**

THE CAPITAL POSITION AS AT 31 MARCH 2024 WAS SOLID AND WELL ABOVE REGULATORY REQUIREMENTS: THE COMMON EQUITY TIER 1 RATIO WAS 13.3% AFTER DEDUCTING FROM CAPITAL THE DIVIDENDS ACCRUED IN Q1 2024 AND THE BUYBACK TO BE LAUNCHED IN JUNE 2024, NOT CONSIDERING A BENEFIT OF AROUND 120 BASIS POINTS DERIVING FROM THE ABSORPTION OF DEFERRED TAX ASSETS (DTAs), OF WHICH AROUND 20 BASIS POINTS WITHIN THE Q2 2024 - 2025 HORIZON.

GROSS INCOME WAS UP 16.9% AND OPERATING MARGIN WAS UP 18.2% ON Q1 2023, WITH OPERATING INCOME UP 11.1% (NET INTEREST INCOME UP 20.8%, NET FEE AND COMMISSION INCOME UP 6.3%, INCOME FROM INSURANCE BUSINESS UP 14.6%) AND OPERATING COSTS UP 1.3%.

CREDIT QUALITY:
- **NPL RATIO WAS 1.2% NET AND 2.3% GROSS, RESPECTIVELY 1% AND 2% ACCORDING TO THE EBA METHODOLOGY;**
- **ANNUALISED COST OF RISK IN Q1 2024 STOOD AT 22 BASIS POINTS.**

- **NET INCOME OF €2,301M IN Q1 2024, UP 17.6% COMPARED WITH €1,956M IN Q1 2023**
- **GROSS INCOME UP 16.9% ON Q1 2023**
- **OPERATING MARGIN UP 18.2% ON Q1 2023**
- **OPERATING INCOME UP 11.1% ON Q1 2023 (NET INTEREST INCOME UP 20.8%, NET FEE AND COMMISSION INCOME UP 6.3%, INCOME FROM INSURANCE BUSINESS UP 14.6%)**
- **OPERATING COSTS UP 1.3% ON Q1 2023**
- **CREDIT QUALITY:**
  - **NPL RATIO OF 1.2% NET AND 2.3% GROSS, RESPECTIVELY 1% AND 2% ACCORDING TO THE EBA METHODOLOGY**
  - **ANNUALISED COST OF RISK IN Q1 2024 AT 22 BASIS POINTS**
- **A SOLID CAPITAL POSITION, WELL ABOVE REGULATORY REQUIREMENTS:**
  - **COMMON EQUITY TIER 1 RATIO AT 13.3% (°), AFTER DEDUCTING FROM CAPITAL (°°) €1.6BN OF DIVIDENDS ACCRUED IN Q1 2024 AND €1.7BN OF BUYBACK TO BE LAUNCHED IN JUNE 2024, NOT CONSIDERING THE BENEFIT OF AROUND 120 BASIS POINTS DERIVING FROM THE ABSORPTION OF DEFERRED TAX ASSETS (DTAs) OF WHICH AROUND 20 WITHIN THE Q2 2024 - 2025 HORIZON**

(°) Estimated pro-forma Common Equity Tier 1 ratio of 14.7%, 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 net income of insurance companies.

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

HIGHLIGHTS:

OPERATING INCOME:	Q1 2024	+5.6% +11.1%	TO €6,732M FROM €6,373M IN Q4 2023 FROM €6,057M IN Q1 2023
OPERATING COSTS:	Q1 2024	-25.9% +1.3%	TO €2,570M FROM €3,468M IN Q4 2023 FROM €2,536M IN Q1 2023
OPERATING MARGIN:	Q1 2024	+43.3% +18.2%	TO €4,162M FROM €2,905M IN Q4 2023 FROM €3,521M IN Q1 2023
GROSS INCOME:	Q1 2024	€3,930M	FROM €1,986M IN Q4 2023 FROM €3,363M IN Q1 2023
NET INCOME:	Q1 2024	€2,301M	FROM €1,602M IN Q4 2023 FROM €1,956M IN Q1 2023

CAPITAL RATIOS: COMMON EQUITY TIER 1 RATIO AT 13.3% (°) AFTER DIVIDENDS ACCRUED IN Q1 2024 (°°) AND THE BUYBACK TO BE LAUNCHED IN JUNE 2024

(°) Estimated pro-forma Common Equity Tier 1 ratio of 14.7%, 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 net income of insurance companies.

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

Turin - Milan, 3 May 2024 – At its meeting today, the Board of Directors of Intesa Sanpaolo approved the consolidated interim statement as at 31 March 2024 (*) (**).

The results for the first quarter 2024 highlight that the Intesa Sanpaolo Group is able to generate solid sustainable profitability, with net income of €2.3bn, fully in line with the target of over €8bn for the current year.

The solid performance of income statement and balance sheet in the quarter translated into significant value creation for all stakeholders, which is also grounded in the Group's strong ESG commitment. Specifically:

- **significant cash return to shareholders: €1.6bn of dividends accrued in Q1 2024 (in addition to remaining dividends for 2023 of €2.8bn to be paid in May 2024 and buyback of €1.7bn to be launched in June 2024)**;
- **€1.6bn taxes** (°) generated and **increased by €0.2bn on Q1 2023** (°°) as a consequence of the growth in net interest income which drove the increase of €0.6bn in gross income;
- **expansion of the food and shelter programme for people in need** (over **38.3 million interventions** in the period 2022 - Q1 2024);
- **enhancement of initiatives to fight inequalities and foster financial, social, educational and cultural inclusion** (**€15.8bn of social lending and urban regeneration** in the period 2022 - Q1 2024);
- 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** (**around €0.4bn already included in the results for 2023 and Q1 2024** and the remaining portion included, on a pro-rata basis, in the outlook for net income for full-year 2024 and for 2025), with around **1,000 people devoted to supporting these initiatives**.

Intesa Sanpaolo is fully equipped to continue operating successfully in the future, in any interest rate scenario, thanks to:

- **the Group's key strengths**, notably resilient profitability, a solid capital position, the zero-NPL bank status, significant investment in technology and high flexibility in managing operating costs;
- **its leadership in Wealth Management, Protection & Advisory with around €100bn in customer financial assets identified** (^) **to fuel growth**.

(*) 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 23.

(°) Direct and indirect taxes.

(°°) Entirely in direct taxes.

(^) Out of direct deposits and assets held under administration.

Factors to succeed include:

- as regards **technology**, 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: around **€3bn in IT investments already deployed and around 1,770 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 **one million new customers by 2025 - with an additional contribution to gross income of around €200m by 2025 -** not envisaged in the Business Plan: over **90,000 new** non-Intesa Sanpaolo **customers already acquired** and around 350,000 Intesa Sanpaolo 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 customer base of Fideuram)**: **already around 72,000 customers and over €2.7bn in assets under management** as at 31 March 2024;
  - **artificial intelligence**, with around **150 Apps and 300 specialists in 2025** (already 80 Apps and around 150 specialists as at 31 March 2024) 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;
- as regards **the leadership in Wealth Management, Protection & Advisory**:
  - **top-notch digital tools, distinctive advisory networks with over 16,000 people dedicated**(°)**, fully owned product factories (asset management and insurance) and over €1,300bn in the Group's customer financial assets empower Intesa Sanpaolo with a unique set of enablers for revenue growth from Wealth Management, Protection & Advisory**;
  - **customer financial assets, managed through the 360-degree advisory services provided by the Banca dei Territori Division and the Private Banking Division, amounted to €123bn as at 31 March 2024, increasing by €23bn compared with 31 March 2023**;
  - in the first quarter of 2024, **a Wealth Management Divisions structure** was **established**, to which the pre-existing Private Banking, Asset Management and Insurance divisions report, **providing a single unit overseeing the wealth management activities, with the aim of accelerating growth and increasing the integration of product factories**;
  - in the quarter, **a "Fees & Commissions" Steering Committee was established, chaired directly by the Managing Director and CEO, focused on monitoring, overseeing and coordinating strategies to increase revenues from commissions across all the Group's Divisions**.

(*) 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.

(°) Digital branch relationship managers, relationship managers for Exclusive and Affluent customers, private bankers and financial advisors.

The implementation of the Plan is proceeding at full speed. Specifically:

- **massive de-risking, slashing cost of risk**:
  - massive deleveraging, with a €5.2bn gross NPL stock reduction in 2022 - Q1 2024, 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. At end of March 2024, the outstanding volume of synthetic securitisations included in the GARC Programme (Active Credit Risk Management), was equal to around €26bn;
  - the ACPS unit also strengthened the capital efficiency initiatives and extended the scope of credit strategy to ESG criteria, shifting over €18bn of new lending in 2023 and €3.7bn in the first quarter of 2024 to more sustainable economic sectors with the best risk/return profile;
- **structural cost reduction enabled by technology**:
  - isytech operational with around 470 dedicated specialists;
  - insourcing of core capabilities in IT ongoing with around 1,770 people already hired;
  - 836 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 39 efficiency initiatives already identified;
  - rationalisation of real estate in Italy in progress, with a reduction of around 491,000 square metres since Q4 2021;
  - around 5,100 voluntary exits since 2022;
  - 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” and “Global Digital Experience Leader” for the second consecutive year, ranking first worldwide among all banking apps evaluated;
- **growth in commissions, driven by Wealth Management, Protection & Advisory**:
  - enhancement of the product offering (new asset management and insurance products) and further growth of the advanced advisory service “Valore Insieme” for Affluent and Exclusive customers: around 58,000 new contracts and €18.4bn in customer financial asset inflows in 2023, around 21,000 new contracts and €5.5bn in customer financial asset inflows in the first quarter of 2024;
  - Intesa Sanpaolo was 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);
  - “Soluzione Domani”, the commercial offer dedicated to Senior customers (over 65 years old and caregivers), was enriched through the launch of the Senior Hub (“SpazioxNoi”), an initiative which, in the first phase, envisages the opening of a multi-service centre dedicated to active aging, well-being and social aggregation;
  - a new digital plan was launched focused on telemedicine and online booking of medical services at InSalute Servizi, an Intesa Sanpaolo Insurance Division company. Since 1 January 2024, InSalute Servizi has become the TPA (Third Party Administrator) of the Intesa Sanpaolo Group Health Fund, with around 245,000 people assisted and more than one million annual reimbursement claims;

(°) According to the EBA methodology.

- an ESG value proposition initiative was 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 a commercial strategy is being defined, with the aim of 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.
- in October 2023, a contract was signed for the acquisition of 99.98% of First Bank, a Romanian commercial bank focused on SME and retail customers; the acquisition, in the final stages of the authorization process by the competent authorities, will strengthen Intesa Sanpaolo Group's presence in Romania and offer new opportunities to Italian corporates;

- **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 Sustainability Committee with enhanced ESG responsibilities;
  - the appointment, in April 2024, of a Chief Sustainability Officer to head a governance area created to consolidate ESG activities and enhance ESG business steering, with a strong commitment to social matters and the fight against inequalities, a continuous support for culture and a significant contribution to sustainability through innovation projects and investment in startups:
  - □ **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, with over **38.3 million interventions** carried out in the period 2022 - Q1 2024, providing around 31.2 million meals, over 3.4 million beds, around 3.3 million medicine prescriptions and over 446,000 items of clothing;
    - **employability**: "**Giovani e Lavoro**" programme aimed at **training and introducing over 3,000 young people to the Italian labour market** over the 2022-2025 Business Plan horizon: in Q1 2024, over 3,500 students aged between 18 and 29 applied for the programme, 850 students were interviewed and around 400 trained/in training through 15 courses (over 4,300 trained/in training since 2019) and over 2,400 companies involved since its inception in 2019;
    - **inequalities and educational inclusion**: **educational inclusion** programme, with **partnerships strengthened with the main Italian universities and schools**. In Q1 2024, over 230 schools and over 3,960 students were involved to promote educational inclusion, supporting merit and social mobility (over 2,470 schools involved in the period 2022 - Q1 2024);
    - **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 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** (**around €0.4bn already included in the 2023 - Q1 2024 results** and the remaining portion included, on a pro-rata basis, in the outlook for 2024-2025 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 Impact**" 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**:
  - **€1bn in social lending and urban regeneration** disbursed in Q1 2024 (€15.8bn in the period 2022 - Q1 2024);
- □ **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 **205,000 visitors** in Q1 2024, reaching a total of around 1.4 million since 2022 (free admission for people up to the age of 18);
- □ **promoting innovation**:
  - **innovation projects: 59 innovation projects released by Intesa Sanpaolo Innovation Center** in Q1 2024 for a total of 464 since 2022;
  - **Neva SGR**: over **€8m investments in start-ups** in Q1 2024 for a total amount of over €93m 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) were published in the 2022-2025 Business Plan; in 2023, targets were set for two additional sectors (Iron & Steel and Commercial Real Estate) and targets for Power Generation and Automotive were revised in line with the value chain and scope chosen for the SBTi submission. In 2023, absolute financed emissions for the aforementioned six NZBA sectors showed a reduction of over 22% versus 2022.
    - ▫ documentation for validation submitted in March 2024 to obtain the SBTi;
  - around **90% of the energy acquired deriving from renewable sources**;
- □ **supporting customers through the ESG/climate transition**:
  - **around €47.2bn disbursed** in the period 2021 - Q1 2024, 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 **€0.6bn of Green Mortgages** in Q1 2024 (€4.9bn in the period 2022 - Q1 2024), 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: **€0.8bn disbursed** in Q1 2024 (€9.4bn in the period 2022 - Q1 2024);
  - **14 ESG Laboratories** activated (in Venice, Padua, Brescia, Bergamo, Cuneo, Bari-Taranto, Rome, Naples-Palermo, Milan, Turin, Florence and Macerata), 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);
  - in 2024, the **S-Loan** product range dedicated to SMEs to finance projects aimed at improving their sustainability profile has been redesigned from six to three lines (S-Loan ESG, S-Loan CER and S-Loan Diversity): around €0.3bn disbursed in Q1 2024 (around €5.5bn since the launch in July 2020);
  - enhancement of **ESG investment products** for asset management, with penetration increasing to around 76% of total assets under management for Eurizon; investment options (articles 8 and 9 of SFDR) underlying the insurance products available to customers exceeding 80%;

(°) On 25 April 2024, the NZIA was discontinued and the United Nations Environment Programme (UNEP) announced the creation of the Forum for Insurance Transition to Net Zero (FIT), a new UN-led and convened structured dialogue and multistakeholder forum to support the necessary acceleration and scaling up of voluntary climate action by the insurance industry and key stakeholders. Intesa Sanpaolo Vita is one of the Founding FIT Participants.

- strong commitment to Stewardship activities: in Q1 2024, Eurizon Capital SGR took part in 201 shareholders' meetings (issuers listed abroad accounted for 97%) and 228 engagements (of which 25% on ESG issues);
- **13 green and social bonds for a total amount of €8.8bn issued** in the period 2022 - Q1 2024.

Intesa Sanpaolo is the **only Italian bank listed in the Dow Jones Sustainability Indices**, ranks **first bank in Europe and second worldwide in the 2024 Corporate Knights "Global 100 Most Sustainable Corporations in the World Index"** and **first among the banks of the peer group by Sustainalytics**. 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 recognized **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 been the first bank in Italy and among the first banks in Europe to obtain **the Gender Equality European & International Standard (GEEIS) - Diversity** certification;

- **Group's people are its most important asset**:
  - around 3,450 professionals hired since 2021;
  - around 4,650 people reskilled and around 27.9 million training hours delivered since 2022;
  - around 270 talented people have already completed their development path as part of the International Talent Program, which is still ongoing for around other 200 people;
  - around 470 key people selected mostly among middle management for dedicated development and training initiatives;
  - monitoring of the diversity & inclusion targets implemented for each Division and Governance Area; collaboration strengthened with ISPROUD, the first employee-based community within the Group (currently over 1,250 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 2024 for the third consecutive year by Top Employers Institute, has received the Best Talent Acquisition Team prize in the 2023 LinkedIn Talent Awards and ranked first in the LinkedIn Top Companies 2024, which recognised Intesa Sanpaolo as the top company in Italy for career development and professional growth.

In the first quarter of 2024, the Group recorded:

- **growth in net income of 17.6% to €2,301m** from €1,956m in Q1 2023;
- **growth in gross income** of 16.9% to €3,930m from €3,363m in Q1 2023;
- **growth in operating margin** of 18.2% on Q1 2023;
- **growth in operating income** of 11.1% on Q1 2023 (net interest income +20.8%, net fee and commission income +6.3%, income from insurance business +14.6%);
- **operating costs** up 1.3% on Q1 2023;
- **high level of efficiency**, with a **cost/income of 38.2%**, **a level among the best in the top tier European banks**;
- annualised **cost of risk** at **22bps,** with **overlays equal to €0.9bn**;
- **credit quality** (°):
  - **NPL ratio** (°°) at end of March 2024 was **1.2% net** and 2.3% gross. According to the **EBA methodology**, the **NPL ratio** was **1% net** and 2% gross;
  - the exposure to **Russia** (^) was further reduced: down by around 84% (over €3bn) on end of June 2022 to 0.1% of the Group's total customer loans. Cross-border loans to Russia were largely performing and classified in Stage 2.
- **sizeable NPL coverage**:
  - **NPL cash coverage ratio of 50.7%** at end of March 2024, **with a cash coverage ratio of 73% for the bad loan component**;
  - **robust reserve buffer on performing loans**, amounting to 0.6% at end of March 2024;

(°) No material payment suspension at the end of March 2024. The amount of loans backed by a state guarantee was nearly €22bn (over €3bn from SACE and over €18bn from SME Fund).

(°°) NPLs at the end of March 2024 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 €0.2bn gross and around €0.1bn net.

(^) 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 31 March 2024, after adjustments, the on-balance cross-border credit exposure to Russia amounted to €0.50bn of which €0.49bn 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 €0.3bn guarantees by ECA) and the on-balance credit exposure of the subsidiaries amounted to €0.8bn, of which €0.11bn to customers, for Banca Intesa in Russia and €0.06bn, to banks, for Pravex Bank in Ukraine (off-balance, to customers, of €0.04bn for the Russian subsidiary and €0.04bn for the Ukrainian subsidiary). The credit exposure to Russian counterparties currently included in the SDN lists of names to which sanctions apply amounted to €0.25bn.

- **very solid capital position**, with capital ratios well above regulatory requirements. As at 31 March 2024, after deducting from capital (°) €1.6bn of dividends accrued in the first quarter and €1.7bn of buyback to be launched in June 2024, the **Common Equity Tier 1 ratio came in at 13.3%** (°°), **not considering the benefit of around 120bps from the DTA absorption, of which around 20bps within the Q2 2024 - 2025 horizon**. This compares with a SREP requirement for 2024, comprising Capital Conservation Buffer, O-SII Buffer and Countercyclical Capital Buffer (*), equal to 9.34% (**).
- **strong liquidity position and funding capability**, with **liquid assets of €270bn** and **high available unencumbered liquid assets of €192bn at end of March 2024. 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 €9bn as at 31 March 2024 and consisted entirely of TLTROs III.
- **Minimum Requirement for own funds and Eligible Liabilities (MREL) comfortably complied with**: at end of March 2024 (#), calculated on risk-weighted assets, the **total MREL ratio was 40.6% and the subordination component was 22.6%**, **compared with requirements of 25.9% and 17.7%, respectively, comprising a Combined Buffer Requirement of 4%**;
- **support provided to the real economy**, with around **€14bn of medium/long-term new lending** in Q1 2024. **Loans** amounting to around **€9bn were granted in Italy**, of which around **€8bn was granted to households and SMEs**. **In Q1 2024**, the Group facilitated the return from non-performing **to performing status** of around **700 Italian companies thus safeguarding 3,500 jobs**. This brought the total to **141,500 companies since 2014**, **thus safeguarding 708,000 jobs over the same period**.

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

(°°) Estimated pro-forma Common Equity Tier 1 ratio of 14.7%, 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 net income of insurance companies.

(*) Countercyclical Capital Buffer calculated taking into account the exposure as at 31 March 2024 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 the first half of 2024).

(**) 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.

(^) Average for the last twelve months.

(#) Preliminary management figures.

The income statement for the first quarter of 2024

The consolidated income statement for Q1 2024 recorded **net interest income** of €3,932m, down 1.6% from €3,995m in Q4 2023 and up 20.8% from €3,254m in Q1 2023.

Net fee and commission income amounted to €2,272m, up 7.7% from €2,110m in Q4 2023. Specifically, commissions on commercial banking activities recorded a 2.6% decrease and commissions on management, dealing and consultancy activities recorded a 12.3% increase. The latter, which include portfolio management, distribution of insurance products, dealing and placement of securities, etc., recorded a 59.5% increase in dealing and placement of securities, a 4.8% increase in portfolio management (performance fees of €10m in Q1 2024 and €21m in Q4 2023) and an 8.7% increase in distribution of insurance products. Net fee and commission income for Q1 2024 was up 6.3% from €2,137m in Q1 2023. Specifically, commissions on commercial banking activities were up 1.9% and those on management, dealing and consultancy activities were up 8.6%. The latter recorded a 31.7% increase in dealing and placement of securities, a 7% increase in portfolio management (no performance fees in Q1 2023) and a 5.3% decrease in distribution of insurance products.

Income from insurance business amounted to €455m, up 16.4% from €391m in Q4 2023 and up 14.6% from €397m in Q1 2023.

Profits on financial assets and liabilities at fair value recorded a positive balance of €79m, compared with a negative balance of €91m in Q4 2023. Contributions from customers amounted to €70m from €80m, those from capital markets recorded a negative balance of €145m from a negative balance of €136m, those from trading and treasury a positive balance of €148m compared with a negative balance of €36m, and those from structured credit products amounted to €6m from €1m. The positive balance of €79m for Q1 2024 compared with the positive balance of €262m of Q1 2023 when contributions from customers amounted to €89m, those from capital markets were €65m, those from trading and treasury €107m and those from structured credit products €1m.

Operating income amounted to €6,732m, up 5.6% from €6,373m in Q4 2023 and up 11.1% from €6,057m in Q1 2023.

Operating costs amounted to €2,570m, down 25.9% from €3,468m in Q4 2023, due to decreases of 27.1% in personnel expenses, 32.1% in administrative expenses and 3.3% in adjustments. Operating costs for Q1 2024 were up 1.3% from €2,536m in Q1 2023, due to increases of 2.1% in personnel expenses and 6.9% in adjustments, and a decrease of 3.3% in administrative expenses.

As a result, operating margin amounted to €4,162m, up 43.3% from €2,905m in Q4 2023 and up 18.2% from €3,521m in Q1 2023. The cost/income ratio was 38.2% in Q1 2024 versus 54.4% in Q4 2023 and 41.9% in Q1 2023.

Net adjustments to loans amounted to €236m (including recoveries of €5m relating to the exposure to Russia and Ukraine), compared with €616m in Q4 2023 (including €148m to favour de-risking and recoveries of €35m relating to the exposure to Russia and Ukraine) and €189m in Q1 2023 (including recoveries of €52m relating to the exposure to Russia and Ukraine).

Net provisions and net impairment losses on other assets amounted to €53m (including €34m for the exposure to Russia and Ukraine), compared with €332m in Q4 2023 (including €43m for the exposure to Russia and Ukraine) and €70m in Q1 2023 (including €19m for the exposure to Russia and Ukraine).

Other income amounted to €57m, compared with €29m in Q4 2023 and €101m in Q1 2023 (including a €116m capital gain deriving from the sale of the acquiring business in Croatia).

Income (Loss) from discontinued operations was nil, the same as in Q4 2023 and Q1 2023.

Gross income amounted to €3,930m, compared with €1,986m in Q4 2023 and €3,363m in Q1 2023.

Consolidated net income amounted to €2,301m, after recording:

- taxes on income of €1,278m;
- charges (net of tax) for integration and exit incentives of €56m;
- negative effect of purchase price allocation (net of tax) of €29m;
- levies and other charges concerning the banking industry (net of tax) of €257m, deriving from pre-tax charges of €3m in relation to the resolution fund, €356m in relation to contributions to the Italian deposit guarantee scheme, of €1m in relation to contributions to the deposit guarantee scheme concerning the international network, €6m in relation to levies incurred by international subsidiaries and of €15m in relation to negative fair value differences regarding the *Atlante* fund. In Q4 2023, this caption recorded recoveries of €18m, deriving from the following pre-tax figures: recoveries of €39m in relation to contributions to the Italian deposit guarantee scheme, charges of €9m in relation to contributions to the deposit guarantee scheme concerning the international network and €6m in relation to levies incurred by international subsidiaries, and positive fair value differences of €7m regarding the *Atlante* fund. In Q1 2023, this caption amounted to €228m, deriving from the following pre-tax figures: charges of €330m in relation to the ordinary contribution to the resolution fund estimated for full-year 2023, €2m in relation to contributions to the deposit guarantee scheme concerning the international network, €6m in relation to levies incurred by international subsidiaries, and positive fair value differences of €8m regarding the *Atlante* fund.
- minority interests of €9m.

Net income of €2,301m in Q1 2024 is compared with €1,602m in Q4 2023 and €1,956m in Q1 2023.

Balance sheet as at 31 March 2024

With regard to the consolidated balance sheet figures, as at 31 March 2024 **loans to customers** amounted to €423bn, down 1.5% on year-end 2023 and down 5.9% on 31 March 2023 (down 0.2% on Q4 2023 and 3.5% on Q1 2023 when taking into account quarterly average volumes (*)). Total **non-performing loans** (bad, unlikely-to-pay, and past due) amounted - net of adjustments - to €4,955m, down 0.2% compared with €4,965m at year-end 2023. In detail, bad loans amounted to €987m compared with €937m at year-end 2023, with a bad loan to total loan ratio of 0.2% (0.2% at year-end 2023 as well), and a cash coverage ratio of 73% (72.4% at year-end 2023). Unlikely-to-pay loans amounted to €3,541m from €3,571m at year-end 2023. Past due loans amounted to €427m from €457m at year-end 2023.

Customer financial assets amounted to €1,334bn, up 2.2% on year-end 2023 and up 9.8% on 31 March 2023. Under customer financial assets, **direct deposits from banking business** amounted to €576bn, in line with year-end 2023 and up 7.8% on 31 March 2023. **Direct deposits from insurance business** amounted to €174bn, up 0.6% on year-end 2023 and down 1% on 31 March 2023. Indirect customer deposits amounted to €750bn, up 3.9% on year-end 2023 and up 10.8% on 31 March 2023. **Assets under management** amounted to €453bn, up 2.1% on year-end 2023 and up 4.2% on 31 March 2023. As for bancassurance, in Q1 2024 the new business for life policies amounted to €3.6bn. Assets held under administration and in custody amounted to €297bn, up 6.7% on year-end 2023 and up 22.7% on 31 March 2023.

Capital ratios as at 31 March 2024, deducting from capital (°) €1.6bn of dividends accrued in the first quarter and €1.7bn of the buyback to be launched in June 2024, were as follows:
- Common Equity Tier 1 ratio at 13.3% (13.7% at year-end 2023, 13.2% proforma after deducting the buyback),
- Tier 1 ratio at 15.9% (16.3% at year-end 2023, 15.7% proforma after deducting the buyback),
- total capital ratio at 18.9% (19.2% at year-end 2023, 18.6% proforma after deducting the buyback).

* * *

(*) 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 €192bn at end of March 2024;
- 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 €270bn at end of March 2024;
- 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 €9bn as at 31 March 2024 and consisted entirely of TLTROs III;
- the sources of funding were stable and well diversified, with retail funding representing 77% of direct deposits from banking business (including securities issued);
- medium/long-term wholesale funding was €1.6bn in Q1 2024.

The **MREL ratio** as at 31 March 2024 [(*)], calculated on risk-weighted assets, was 40.6% for the total and 22.6% for the subordination component, compared with requirements of 25.9% and 17.7%, respectively, comprising a Combined Buffer Requirement of 4%.

The Group's **leverage ratio** as at 31 March 2024 (which includes exposures to the European Central Bank) was 5.8%, best in class among major European banking groups.

* * *

The Intesa Sanpaolo Group's **operating structure** as at 31 March 2024 had a total network of 4,244 branches, consisting of 3,310 branches in Italy and 934 abroad, and employed 93,910 people.

* * *

(°) Average for the last twelve months.
(*) Preliminary management figures.

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)	Q1 2024	Q4 2023	% changes
Operating income	2,941	2,790	5.4%
Operating costs	-1,476	-1,919	-23.1%
Operating margin	1,465	871	68.2%
cost/income ratio	*50.2%*	*68.8%*	
Total net provisions and adjustments	-267	-508	
Gross income	1,198	380	
Net income	588	249	

(millions of euro)	Q1 2024	Q1 2023	% changes
Operating income	2,941	2,777	5.9%
contribution to the Group's operating income	*44%*	*46%*	
Operating costs	-1,476	-1,503	-1.8%
Operating margin	1,465	1,274	15.0%
cost/income ratio	*50.2%*	*54.1%*	
Total net provisions and adjustments	-267	-217	
Gross income	1,198	1,057	
Net income	588	689	

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 eight industries: Automotive & Industrials; Basic Materials & Healthcare; Food & Beverage and Distribution; Retail & Luxury; Infrastructure; Real Estate; 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 and Intesa Sanpaolo Brasil);
- 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)	Q1 2024	Q4 2023	% changes
Operating income	1,009	971	3.9%
Operating costs	-348	-428	-18.7%
Operating margin	661	543	21.7%
cost/income ratio	*34.5%*	*44.1%*	
Total net provisions and adjustments	37	-45	
Gross income	698	498	
Net income	468	336	

(millions of euro)	Q1 2024	Q1 2023	% changes
Operating income	1,009	951	6.1%
contribution to the Group's operating income	*15%*	*16%*	
Operating costs	-348	-325	7.1%
Operating margin	661	626	5.6%
cost/income ratio	*34.5%*	*34.2%*	
Total net provisions and adjustments	37	-41	
Gross income	698	585	
Net income	468	394	

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)	Q1 2024	Q4 2023	% changes
Operating income	788	746	5.6%
Operating costs	-298	-360	-17.2%
Operating margin	490	386	26.9%
cost/income ratio	*37.8%*	*48.3%*	
Total net provisions and adjustments	-19	-130	
Gross income	472	258	
Net income	318	172	

(millions of euro)	Q1 2024	Q1 2023	% changes
Operating income	788	663	18.9%
contribution to the Group's operating income	*12%*	*11%*	
Operating costs	-298	-268	11.2%
Operating margin	490	395	24.1%
cost/income ratio	*37.8%*	*40.4%*	
Total net provisions and adjustments	-19	-2	
Gross income	472	513	
Net income	318	366	

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)	Q1 2024	Q4 2023	% changes
Operating income	858	821	4.5%
Operating costs	-239	-281	-14.9%
Operating margin	619	540	14.6%
cost/income ratio	*27.9%*	*34.2%*	
Total net provisions and adjustments	-5	-66	
Gross income	634	488	
Net income	409	328	

(millions of euro)	Q1 2024	Q1 2023	% changes
Operating income	858	754	13.8%
contribution to the Group's operating income	*13%*	*12%*	
Operating costs	-239	-229	4.4%
Operating margin	619	525	17.9%
cost/income ratio	*27.9%*	*30.4%*	
Total net provisions and adjustments	-5	-12	
Gross income	634	513	
Net income	409	343	

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)	Q1 2024	Q4 2023	% changes
Operating income	240	219	9.6%
Operating costs	-54	-76	-28.9%
Operating margin	186	143	30.1%
cost/income ratio	*22.5%*	*34.7%*	
Total net provisions and adjustments	0	0	
Gross income	216	143	
Net income	163	103	

(millions of euro)	Q1 2024	Q1 2023	% changes
Operating income	240	235	2.1%
contribution to the Group's operating income	*4%*	*4%*	
Operating costs	-54	-52	3.8%
Operating margin	186	183	1.6%
cost/income ratio	*22.5%*	*22.1%*	
Total net provisions and adjustments	0	-2	
Gross income	216	181	
Net income	163	129	

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

The Insurance Division recorded:

(millions of euro)	Q1 2024	Q4 2023	% changes
Operating income	441	380	16.1%
Operating costs	-86	-115	-25.2%
Operating margin	355	265	34.0%
cost/income ratio	*19.5%*	*30.3%*	
Total net provisions and adjustments	1	4	
Gross income	356	269	
Net income	241	167	

(millions of euro)	Q1 2024	Q1 2023	% changes
Operating income	441	384	14.8%
contribution to the Group's operating income	*7%*	*6%*	
Operating costs	-86	-82	4.9%
Operating margin	355	302	17.5%
cost/income ratio	*19.5%*	*21.4%*	
Total net provisions and adjustments	1	2	
Gross income	356	304	
Net income	241	201	

Outlook

The implementation of the 2022-2025 Business Plan is proceeding at full speed, with the prospect of net income in 2024 and 2025 to exceed €8bn.

For 2024 it is envisaged:
- solid revenue growth, driven by a further increase in net interest income and growth in net fee and commission income and income from insurance business which leverages on the Group's leadership in Wealth Management, Protection & Advisory;
- stable operating costs, despite investment in technology, mainly attributable to lower personnel expenses;
- low cost of risk deriving from the zero-NPL bank status and the high-quality loan portfolio;
- lower levies and other charges concerning the banking industry due to no further contribution to the resolution fund.

A strong value distribution is envisaged:
- cash payout ratio of 70% of the consolidated net income for each year of the Business Plan, with an increase in the dividend per share for 2024 and 2025 (*) versus the dividend per share for 2023;
- buyback of €1.7bn to be launched in June 2024;
- additional distribution for 2024 and 2025 to be evaluated year by year.

A solid capital position is envisaged, with the 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% pre Basel 4, above 13.5% post Basel 4 and above 14.5% 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 the buyback to be launched in June 2024 and not considering any additional distribution.

* * *

(*) Subject to the approval from the Shareholders' Meeting.

For consistency purpose, the income statement figures relating to the Business areas for the four quarters of 2023 were restated following the reallocation of some items among the Business areas and the Corporate Centre.

* * *

In order to present more complete information on the results generated in the first quarter 2024, 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 statement in accordance with art. 26 (2) of Regulation EU n. 575/2013 and with ECB Decision no. 2015/656.

* * *

The manager responsible for preparing the company's financial reports, Elisabetta Stegher, 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)

	31.03.2024	31.03.2023	Changes	
			amount	%
Net interest income	3,932	3,254	678	20.8
Net fee and commission income	2,272	2,137	135	6.3
Income from insurance business	455	397	58	14.6
Profits (Losses) on financial assets and liabilities at fair value	79	262	-183	-69.8
Other operating income (expenses)	-6	7	-13	
Operating income	**6,732**	**6,057**	**675**	**11.1**
Personnel expenses	-1,592	-1,560	32	2.1
Administrative expenses	-623	-644	-21	-3.3
Adjustments to property, equipment and intangible assets	-355	-332	23	6.9
Operating costs	**-2,570**	**-2,536**	**34**	**1.3**
Operating margin	**4,162**	**3,521**	**641**	**18.2**
Net adjustments to loans	-236	-189	47	24.9
Other net provisions and net impairment losses on other assets	-53	-70	-17	-24.3
Other income (expenses)	57	101	-44	-43.6
Income (Loss) from discontinued operations	-	-	-	-
Gross income (loss)	**3,930**	**3,363**	**567**	**16.9**
Taxes on income	-1,278	-1,084	194	17.9
Charges (net of tax) for integration and exit incentives	-56	-42	14	33.3
Effect of purchase price allocation (net of tax)	-29	-46	-17	-37.0
Levies and other charges concerning the banking industry (net of tax)	-257	-228	29	12.7
Impairment (net of tax) of goodwill and other intangible assets	-	-	-	-
Minority interests	-9	-7	2	28.6
Net income (loss)	**2,301**	**1,956**	**345**	**17.6**

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)

	2024	2023			
	First quarter	Fourth quarter	Third quarter	Second quarter	First quarter
Net interest income	3,932	3,995	3,813	3,584	3,254
Net fee and commission income	2,272	2,110	2,095	2,216	2,137
Income from insurance business	455	391	419	459	397
Profits (Losses) on financial assets and liabilities at fair value	79	-91	52	75	262
Other operating income (expenses)	-6	-32	-12	7	7
Operating income	**6,732**	**6,373**	**6,367**	**6,341**	**6,057**
Personnel expenses	-1,592	-2,184	-1,612	-1,625	-1,560
Administrative expenses	-623	-917	-710	-731	-644
Adjustments to property, equipment and intangible assets	-355	-367	-328	-319	-332
Operating costs	**-2,570**	**-3,468**	**-2,650**	**-2,675**	**-2,536**
Operating margin	**4,162**	**2,905**	**3,717**	**3,666**	**3,521**
Net adjustments to loans	-236	-616	-357	-367	-189
Other net provisions and net impairment losses on other assets	-53	-332	-47	-121	-70
Other income (expenses)	57	29	15	203	101
Income (Loss) from discontinued operations	-	-	-	-	-
Gross income (loss)	**3,930**	**1,986**	**3,328**	**3,381**	**3,363**
Taxes on income	-1,278	-288	-1,066	-1,000	-1,084
Charges (net of tax) for integration and exit incentives	-56	-80	-56	-44	-42
Effect of purchase price allocation (net of tax)	-29	-35	-36	-44	-46
Levies and other charges concerning the banking industry (net of tax)	-257	18	-264	-11	-228
Impairment (net of tax) of goodwill and other intangible assets	-	-	-	-	-
Minority interests	-9	1	-6	-16	-7
Net income (loss)	**2,301**	**1,602**	**1,900**	**2,266**	**1,956**

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	31.03.2024	31.12.2023	Changes	
			amount	%
Cash and cash equivalents	51,156	89,270	-38,114	-42.7
Due from banks	29,006	31,216	-2,210	-7.1
Loans to customers	423,254	429,540	-6,286	-1.5
Loans to customers measured at amortised cost	*420,919*	*427,806*	*-6,887*	*-1.6*
Loans to customers measured at fair value through other comprehensive income and through profit or loss	*2,335*	*1,734*	*601*	*34.7*
Financial assets measured at amortised cost which do not constitute loans	62,521	59,965	2,556	4.3
Financial assets measured at fair value through profit or loss	42,027	42,026	1	-
Financial assets measured at fair value through other comprehensive income	77,214	67,716	9,498	14.0
Financial assets pertaining to insurance companies measured at amortised cost	5	5	-	-
Financial assets pertaining to insurance companies measured at fair value through profit or loss	103,265	101,718	1,547	1.5
Financial assets pertaining to insurance companies measured at fair value through other comprehensive income	70,928	72,135	-1,207	-1.7
Investments in associates and companies subject to joint control	2,502	2,501	1	-
Property, equipment and intangible assets	18,595	19,349	-754	-3.9
Assets owned	*17,216*	*17,975*	*-759*	*-4.2*
Rights of use acquired under leases	*1,379*	*1,374*	*5*	*0.4*
Tax assets	14,467	14,533	-66	-0.5
Non-current assets held for sale and discontinued operations	731	264	467	
Other assets	35,925	33,332	2,593	7.8
Total Assets	**931,596**	**963,570**	**-31,974**	**-3.3**

Liabilities	31.03.2024	31.12.2023	Changes	
			amount	%
Due to banks at amortised cost	55,963	92,497	-36,534	-39.5
Due to customers at amortised cost and securities issued	543,667	546,206	-2,539	-0.5
Financial liabilities held for trading	44,737	43,486	1,251	2.9
Financial liabilities designated at fair value	23,218	21,344	1,874	8.8
Financial liabilities at amortised cost pertaining to insurance companies	2,222	2,199	23	1.0
Financial liabilities held for trading pertaining to insurance companies	67	90	-23	-25.6
Financial liabilities designated at fair value pertaining to insurance companies	51,748	51,438	310	0.6
Tax liabilities	2,670	1,946	724	37.2
Liabilities associated with non-current assets held for sale and discontinued operations	5	2	3	
Other liabilities	15,669	15,096	573	3.8
of which lease payables	*1,230*	*1,217*	*13*	*1.1*
Insurance liabilities	120,561	119,849	712	0.6
Allowances for risks and charges	5,143	5,290	-147	-2.8
of which allowances for commitments and financial guarantees given	*495*	*524*	*-29*	*-5.5*
Share capital	10,369	10,369	-	-
Reserves	50,153	42,560	7,593	17.8
Valuation reserves	-1,977	-1,711	266	15.5
Valuation reserves pertaining to insurance companies	-302	-298	4	1.3
Interim dividend	-2,629	-2,629	-	-
Equity instruments	7,889	7,948	-59	-0.7
Minority interests	122	164	-42	-25.6
Net income (loss)	2,301	7,724	-5,423	-70.2
Total liabilities and shareholders' equity	**931,596**	**963,570**	**-31,974**	**-3.3**

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	2024	2023			
	31/3	31/12	30/9	30/6	31/3
Cash and cash equivalents	51,156	89,270	85,585	79,875	77,700
Due from banks	29,006	31,216	30,116	30,128	30,468
Loans to customers	423,254	429,540	433,710	437,497	449,860
Loans to customers measured at amortised cost	*420,919*	*427,806*	*431,824*	*435,583*	*447,419*
Loans to customers measured at fair value through other comprehensive income and through profit or loss	*2,335*	*1,734*	*1,886*	*1,914*	*2,441*
Financial assets measured at amortised cost which do not constitute loans	62,521	59,965	57,626	60,052	58,744
Financial assets measured at fair value through profit or loss	42,027	42,026	45,652	48,434	45,988
Financial assets measured at fair value through other comprehensive income	77,214	67,716	60,310	59,369	53,314
Financial assets pertaining to insurance companies measured at amortised cost	5	5	2	3	3
Financial assets pertaining to insurance companies measured at fair value through profit or loss	103,265	101,718	99,226	102,480	103,096
Financial assets pertaining to insurance companies measured at fair value through other comprehensive income	70,928	72,135	69,136	71,724	72,562
Investments in associates and companies subject to joint control	2,502	2,501	2,558	2,599	2,395
Property, equipment and intangible assets	18,595	19,349	18,888	18,892	19,462
Assets owned	*17,216*	*17,975*	*17,486*	*17,457*	*17,995*
Rights of use acquired under leases	*1,379*	*1,374*	*1,402*	*1,435*	*1,467*
Tax assets	14,467	14,533	15,871	16,080	17,104
Non-current assets held for sale and discontinued operations	731	264	256	614	243
Other assets	35,925	33,332	28,198	27,458	24,236
Total Assets	**931,596**	**963,570**	**947,134**	**955,205**	**955,175**

Liabilities	2024	2023			
	31/3	31/12	30/9	30/6	31/3
Due to banks at amortised cost	55,963	92,497	97,390	94,077	120,018
Due to customers at amortised cost and securities issued	543,667	546,206	533,143	532,468	515,369
Financial liabilities held for trading	44,737	43,486	47,428	47,639	45,681
Financial liabilities designated at fair value	23,218	21,344	16,388	13,608	10,893
Financial liabilities at amortised cost pertaining to insurance companies	2,222	2,199	2,422	2,326	2,275
Financial liabilities held for trading pertaining to insurance companies	67	90	193	96	111
Financial liabilities designated at fair value pertaining to insurance companies	51,748	51,438	50,715	53,160	54,099
Tax liabilities	2,670	1,946	3,116	2,938	1,964
Liabilities associated with non-current assets held for sale and discontinued operations	5	2	13	-	-
Other liabilities	15,669	15,096	11,138	22,107	17,716
of which lease payables	*1,230*	*1,217*	*1,231*	*1,260*	*1,292*
Insurance liabilities	120,561	119,849	115,616	119,381	119,815
Allowances for risks and charges	5,143	5,290	4,897	4,944	5,630
of which allowances for commitments and financial guarantees given	*495*	*524*	*538*	*539*	*673*
Share capital	10,369	10,369	10,369	10,369	10,369
Reserves	50,153	42,560	42,464	42,585	45,538
Valuation reserves	-1,977	-1,711	-1,917	-1,709	-1,794
Valuation reserves pertaining to insurance companies	-302	-298	-466	-375	-420
Interim dividend	-2,629	-2,629	-	-	-1,400
Equity instruments	7,889	7,948	7,939	7,217	7,214
Minority interests	122	164	164	152	141
Net income (loss)	2,301	7,724	6,122	4,222	1,956
Total Liabilities and Shareholders' Equity	**931,596**	**963,570**	**947,134**	**955,205**	**955,175**

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								
31.03.2024	2,941	1,009	788	858	240	441	455	6,732
31.03.2023	2,777	951	663	754	235	384	293	6,057
% change	5.9	6.1	18.9	13.8	2.1	14.8	55.3	11.1
Operating costs								
31.03.2024	-1,476	-348	-298	-239	-54	-86	-69	-2,570
31.03.2023	-1,503	-325	-268	-229	-52	-82	-77	-2,536
% change	-1.8	7.1	11.2	4.4	3.8	4.9	-10.4	1.3
Operating margin								
31.03.2024	1,465	661	490	619	186	355	386	4,162
31.03.2023	1,274	626	395	525	183	302	216	3,521
% change	15.0	5.6	24.1	17.9	1.6	17.5	78.7	18.2
Net income (loss)								
31.03.2024	588	468	318	409	163	241	114	2,301
31.03.2023	689	394	366	343	129	201	-166	1,956
% change	-14.7	18.8	-13.1	19.2	26.4	19.9		17.6

(millions of euro)

	Banca dei Territori	IMI Corporate & Investment Banking	International Subsidiary Banks	Private Banking	Asset Management	Insurance	Corporate Centre	Total
Loans to customers								
31.03.2024	228,993	124,506	41,262	13,557	263	-	14,673	423,254
31.12.2023	232,406	124,215	42,050	14,372	243	-	16,254	429,540
% change	-1.5	0.2	-1.9	-5.7	8.2	-	-9.7	-1.5
Direct deposits from banking business								
31.03.2024	263,425	119,302	55,851	43,822	25	-	93,501	575,926
31.12.2023	270,604	113,087	57,910	45,805	16	-	88,714	576,136
% change	-2.7	5.5	-3.6	-4.3	56.3	-	5.4	-
Risk-weighted assets								
31.03.2024	78,411	110,159	35,112	11,979	2,022	-	65,550	303,233
31.12.2023	79,502	108,183	36,071	11,924	1,990	-	64,440	302,110
% change	-1.4	1.8	-2.7	0.5	1.6	-	1.7	0.4
Absorbed capital								
31.03.2024	7,128	10,016	3,858	1,160	216	4,756	3,708	30,842
31.12.2023	7,227	9,852	3,928	1,167	213	4,398	3,689	30,474
% change	-1.4	1.7	-1.8	-0.6	1.4	8.1	0.5	1.2

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