Interim Statement as at 30 September 2024

This is an English translation of the original Italian document "Resoconto intermedio al 30 settembre 2024". In cases of conflict between the English language document and the Italian document, the interpretation of the Italian language document prevails. The Italian original is available on group.intesasanpaolo.com. This document 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 of approval of this document. Intesa Sanpaolo undertakes no obligation to update publicly or revise any forward-looking statement, 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.

Interim Statement as at 30 September 2024

Intesa Sanpaolo S.p.A. Registered Office: Piazza S. Carlo, 156 10121 Torino Italy Secondary Registered Office: Via Monte di Pietà, 8 20121 Milano Italy Share Capital Euro 10,368,870,930.08 Torino Company Register and Fiscal Code No. 00799960158 “Intesa Sanpaolo” VAT Group representative Vat Code No. 11991500015 (IT11991500015) Included in the National Register of Banks No. 5361 ABI Code 3069.2 Member of the National Interbank Deposit Guarantee Fund and of the National Guarantee Fund and Parent Company of the banking group “Intesa Sanpaolo” included in the National Register of Banking Groups

Contents

THE INTESA SANPAOLO GROUP

The Intesa Sanpaolo Group: presence in Italy

Banks

INTESA SANPAOLO

FIDEURAM INTESA SANPAOLO PRIVATE BANKING

isybank

	Branches
NORTH WEST	1,069
NORTH EAST	700
CENTRE	718
SOUTH	624
ISLANDS	213

Figures as at 30 September 2024

Product Companies[1]

FIDEURAM VITA

INTESA SANPAOLO ASSICURA

INTESA SANPAOLO INSURANCE AGENCY

INTESA SANPAOLO RBM SALUTE

INTESA SANPAOLO VITA

InSalute SERVIZI

Bancassurance and Pension Funds

PRESTITALIA

Consumer Credit[2]

EURIZON ASSET MANAGEMENT

Asset Management

SIREF FIDUCIARIA

Fiduciary Services

1 *Factoring and Leasing activities are carried out directly by Intesa Sanpaolo S.p.A., the Parent Company*
2 *Consumer Credit activities are also carried out directly by Intesa Sanpaolo S.p.A., the Parent Company*

The Intesa Sanpaolo Group: international presence

Banks, Branches and Representative Offices

INTESA SANPAOLO

ALEXBANK | بنك الإسكندرية

BANCA INTESA

BANCA INTESA Beograd

CIB BANK

EXIMBANK

FIRSTBANK

INTESA SANPAOLO BANK Albania

INTESA SANPAOLO BANK LUXEMBOURG

INTESA SANPAOLO BANK Romania

INTESA SANPAOLO BANK Slovenia

INTESA SANPAOLO BANKA Bosna i Hercegovina

INTESA SANPAOLO BANK IRELAND

INTESA SANPAOLO BRASIL SA

INTESA SANPAOLO WEALTH MANAGEMENT Luxembourg

PRAVEX BANK

PRIVREDNA BANKA ZAGREB

REYL INTESA SANPAOLO

VÚB BANKA

AMERICA

Direct Branches	Representative Offices
New York	Washington D.C.

Country	Subsidiaries	Branches
Brazil	Intesa Sanpaolo Brasil	1

AUSTRALIA/OCEANIA

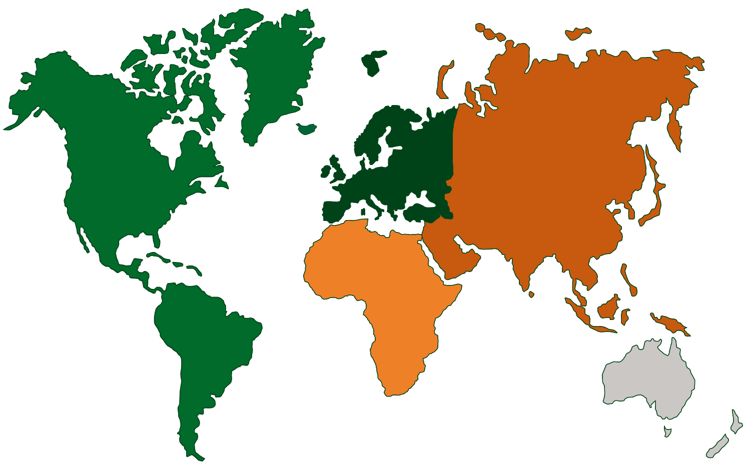
Direct Branches
Sydney

ASIA

Direct Branches	Representative Offices
Abu Dhabi	Beijing
Doha	Beirut
Dubai	Ho Chi Minh City
Hong Kong	Jakarta
Shanghai	Mumbai
Singapore	Seoul
Tokyo	

EUROPE

Direct Branches	Representative Offices
Amsterdam	Brussels*
Frankfurt	
Istanbul	
London	
Madrid	
Paris	
Warsaw	



Country	Subsidiaries	Branches
Albania	Intesa Sanpaolo Bank Albania	35
Belgium	Intesa Sanpaolo Wealth Management	2
Bosnia and Herzegovina	Intesa Sanpaolo Banka Bosna i Hercegovina	43
Croatia	Privredna Banka Zagreb	139
Czech Republic	VUB Banka	1
Hungary	CIB Bank	59
Ireland	Intesa Sanpaolo Bank Ireland	1
Luxembourg	Intesa Sanpaolo Wealth Management	1
	Intesa Sanpaolo Bank Luxembourg	1
Moldova	Eximbank	17
Romania	Intesa Sanpaolo Bank Romania	34
	First Bank	40
Russian Federation	Banca Intesa	27
Serbia	Banca Intesa Beograd	141
Slovakia	VUB Banka	153
Slovenia	Intesa Sanpaolo Bank	40
Switzerland	Reyl Intesa Sanpaolo	3
Ukraine	Pravex Bank	39

AFRICA

Representative Offices	Country	Subsidiaries	Branches
Cairo	Egypt	Bank of Alexandria	172

Figures as at 30 September 2024
** European Regulatory & Public Affairs*

Product Companies

EURIZON ASSET MANAGEMENT

FIDEURAM ASSET MANAGEMENT IRELAND

INTESA INVEST Beograd

INTESA SANPAOLO VITA

意才 YI TSAI

Wealth Management

CIB LEASING

INTESA LEASING Beograd

PBZ LEASING

VÚB OPERATING LEASING

Leasing

Board of Directors, Manager responsible for preparing the Company's financial reports and Independent Auditors

Board of Directors

Chair	Gian Maria GROS-PIETRO
Deputy Chair	Paolo Andrea COLOMBO
Managing Director and Chief Executive Officer	Carlo MESSINA [(a)]
Directors	Franco CERUTI Roberto FRANCHINI [(*)] Anna GATTI Liana LOGIURATO Maria MAZZARELLA Fabrizio MOSCA [(*)] Milena Teresa MOTTA [(*)] Luciano NEBBIA Bruno Maria PARIGI Bruno PICCA Alberto Maria PISANI [(**)] Livia POMODORO Maria Alessandra STEFANELLI Paola TAGLIAVINI Daniele ZAMBONI Maria Cristina ZOPPO [(*)]
Manager responsible for preparing the company's financial reports	Elisabetta STEGHER
Independent Auditors	EY S.p.A.

(a) General Manager
(*) Member of the Management Control Committee
(**) Chair of the Management Control Committee

Introduction

Italian Legislative Decree 25 of 15 February 2016, which implemented the Transparency Directive (2013/50/EU), eliminated the obligation to publish interim statements and gave Consob the option of establishing any additional disclosure obligations with respect to the annual and half-yearly reports. By Resolution 19770 dated 26 October 2016, Consob, pursuant to regulatory delegation provided for in said Decree, approved the changes to the Issuers' Regulation, which have applied since 2 January 2017. Article 82-ter gave listed companies the option to choose whether or not to publish additional periodic financial information, specifying the application principles and criteria to be adopted.
In announcing the 2024 financial calendar to the market, Intesa Sanpaolo reiterated its decision, pursuant to Article 65-bis and the above-mentioned Article 82-ter of the Issuers' Regulation, that it had opted to disclose – on a voluntary basis – financial information as at 31 March and 30 September of each financial year, in addition to the annual and half-yearly reports. This information consists of interim statements approved by the Board of Directors.

As illustrated in detail in the chapter "Criteria for the preparation of the Interim Statement", the Interim Statement as at 30 September 2024 has been prepared, in consolidated form, in compliance with the recognition and measurement criteria required by the IAS/IFRS issued by the International Accounting Standards Board (IASB) and the relative interpretations of the International Financial Reporting Standards Interpretations Committee (IFRS-IC) and endorsed by the European Commission, as provided for by Regulation (EC) no. 1606 of 19 July 2002.
The Interim Statement contains the Balance sheet, the Income statement, the Statement of comprehensive income for the period, the Changes in shareholders' equity, prepared in accordance with Bank of Italy Circular 262/2005, 8th update of 17 November 2022, as well as the Accounting policies and the Report on operations. It is also complemented by information on significant events which occurred during the period in question and the main risks and uncertainties.
The document contains financial information taken from or attributable to the financial statements, as well as other information – for example, figures on quarterly trends, and certain Alternative Performance Measures – not directly attributable to the financial statements. See the chapter Alternative Performance Measures in the Report on operations accompanying the 2023 Consolidated Financial Statements for a definition of these measures and their calculation methods, confirming that, with specific regard to the military conflict between Russia and Ukraine, in line with the ESMA guidance, no new measures have been added, nor have any changes been made to the measures used.

To support the comments on results for the period, the Interim Statement also presents and illustrates reclassified consolidated income statement and balance sheet schedules.
In the reclassified schedules, the figures are usually restated, where necessary and where material, to enable the best like-for-like comparison between the different periods covered, particularly in relation to changes in the scope of consolidation. This uniformity is achieved by presenting "restated" figures, which include/exclude the values of the companies that entered or left the scope of consolidation.
Breakdowns of restatements and reclassifications as compared to the accounting schedules established in Bank of Italy Circular 262 are provided in separate reconciliation tables included in the attachments to this report, as also required by Consob in its Communication 6064293 of 28 July 2006.

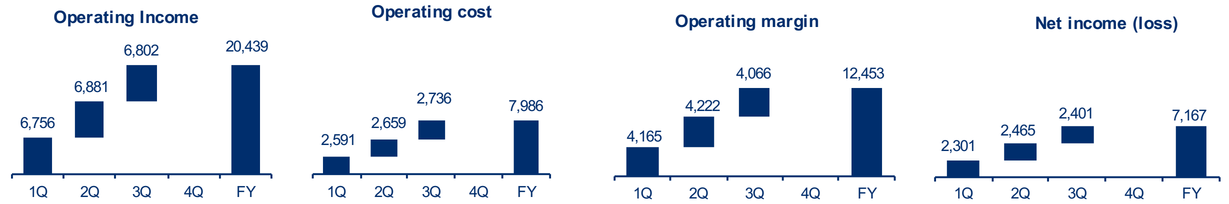
Overview of the nine months of 2024

Income statement figures and Alternative Performance Measures(°)

Consolidated income statement figures (millions of euro)	30.09.2024	30.09.2023	Changes amount	Changes %
Net interest income	11,917	10,691	1,226	11.5
Net fee and commission income	6,970	6,461	509	7.9
Income from insurance business	1,311	1,275	36	2.8
Profits (Losses) on financial assets and liabilities at fair value	251	396	-145	-36.6
Operating income	20,439	18,830	1,609	8.5
Operating costs	-7,986	-7,924	62	0.8
Operating margin	12,453	10,906	1,547	14.2
Net adjustments to loans	-792	-913	-121	-13.3
Net income (loss)	7,167	6,122	1,045	17.1

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

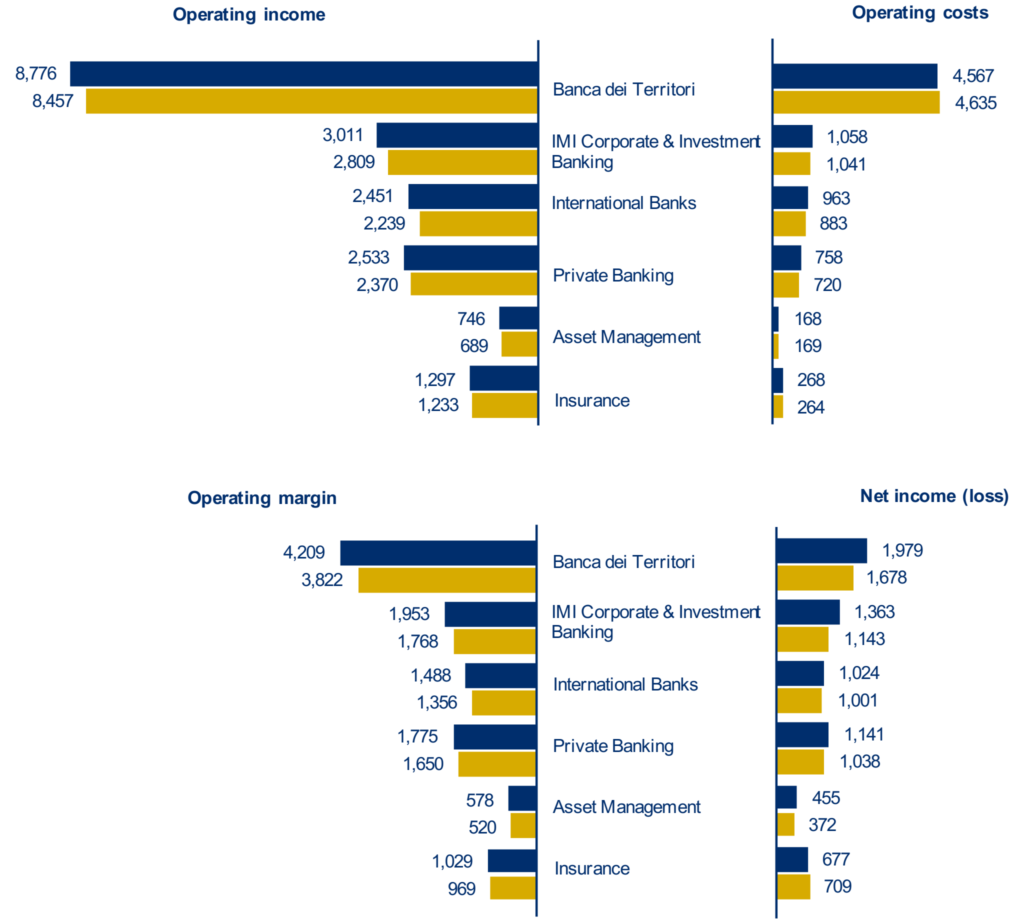
Quarterly development of main consolidated income statement figures
(millions of euro)



30.09.2024
30.09.2023

(°) For more detailed information on the Alternative Performance Measures, see the specific chapter of the Report on operations in the 2023 Annual Report.

Main income statement figures by business area (*) (millions of euro)



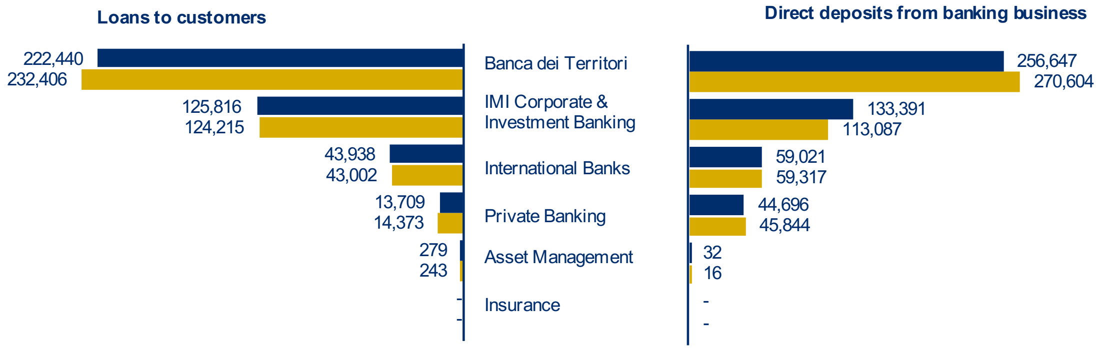
(*) Excluding Corporate Centre

Figures restated, where necessary and material, considering the changes in the scope of consolidation and in business unit constituents. For more details, see the chapter "Breakdown of consolidated results by business area".

Balance sheet figures and Alternative Performance Measures(°)

Consolidated balance sheet figures (millions of euro)	30.09.2024	31.12.2023	Changes amount	Changes %
Banking business financial assets	187,976	169,904	18,072	10.6
Financial assets pertaining to insurance companies	176,671	173,858	2,813	1.6
Loans to customers	421,946	430,493	-8,547	-2.0
Total assets	949,186	965,313	-16,127	-1.7
Direct deposits from banking business	588,930	577,582	11,348	2.0
Direct deposits from insurance business	177,402	172,746	4,656	2.7
Indirect deposits:	779,394	720,392	59,002	8.2
of which: Assets under management	*466,399*	*442,229*	*24,170*	*5.5*
Shareholders' equity	67,088	63,963	3,125	4.9
Loans to customers / Direct deposits from banking business (%) (Loan to deposit ratio)	71.6%	74.5%		

Main balance sheet figures by business area (*) (millions of euro)



(*) Excluding Corporate Centre

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

30.09.2024
31.12.2023

(°) For more detailed information on the Alternative Performance Measures, see the specific chapter of the Report on operations in the 2023 Annual Report.

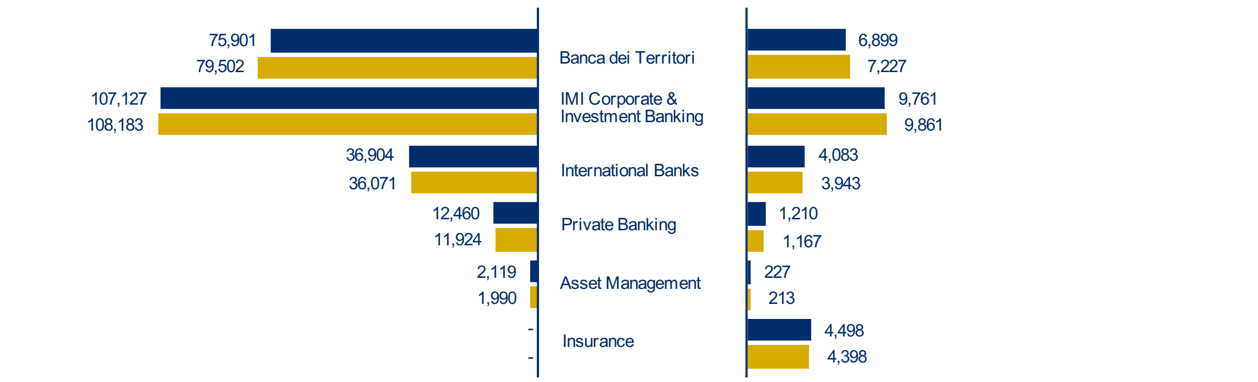
Alternative Performance Measures and other measures(°)

Consolidated capital ratios (%)

	30.09.2024	31.12.2023
Common Equity Tier 1 capital (CET1) net of regulatory adjustments / Risk-weighted assets (Common Equity Tier 1 capital ratio)	13.6	13.7
TIER 1 Capital / Risk-weighted assets	16.6	16.3
Total own funds / Risk-weighted assets	19.4	19.2
Risk-weighted assets (millions of euro)	297,425	302,110
Absorbed capital (millions of euro)	30,168	30,497

Risk-weighted assets by business area (*)
(millions of euro)

Absorbed capital by business area (*)
(millions of euro)

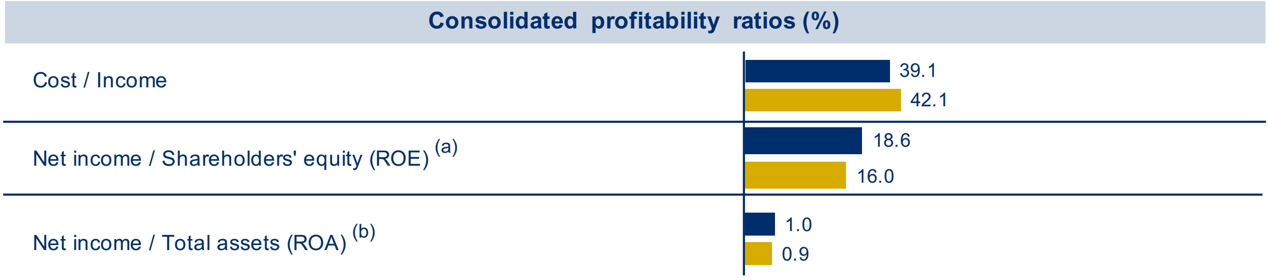


(*) Excluding Corporate Centre

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

30.09.2024
31.12.2023

(°) For more detailed information on the Alternative Performance Measures, see the specific chapter of the Report on operations in the 2023 Annual Report.



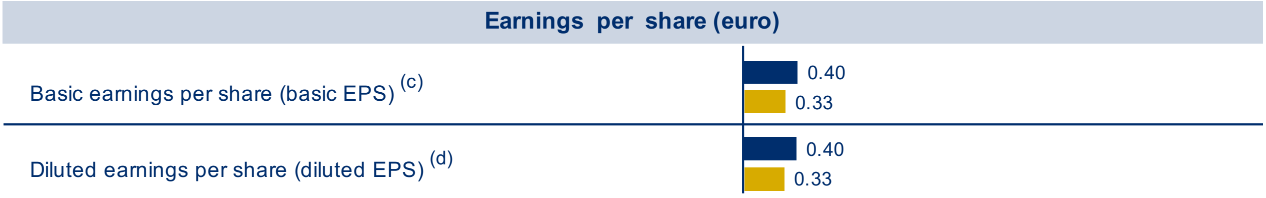
Figures restated, where necessary and material, considering the changes in the scope of consolidation and discontinued operations.

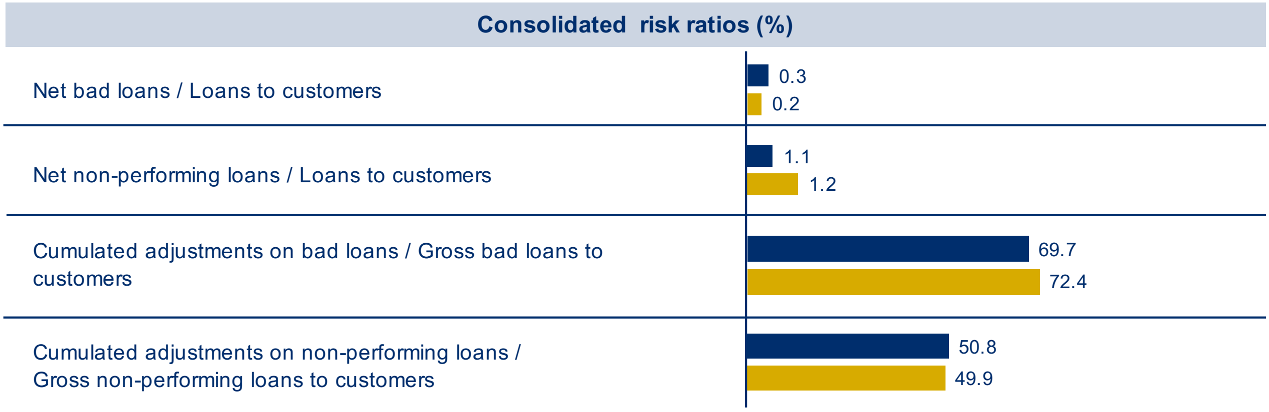
(a) Ratio between net income and shareholders’ equity at the end of the period. Shareholders’ equity does not include AT1 capital instruments and income for the period. The figure for the period has been annualised. The comparative figure has not been restated. You are reminded that it was annualised net of the capital gains recognised in the first half of 2023 for the sale to the Nexi Group of the acquiring business line of PBZ Card and for the sale of Zhong Ou Asset Management.

(b) Ratio between net income and total assets at the end of the period. The figure for the period has been annualised. The comparative figure has not been restated. You are reminded that it was annualised net of the capital gains recognised in the first half of 2023 for the sale to the Nexi Group of the acquiring business line of PBZ Card and for the sale of Zhong Ou Asset Management.

30.09.2024

30.09.2023





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

(c) Net income (loss) attributable to shareholders compared to the weighted average number of outstanding shares, calculated excluding own shares. Intesa Sanpaolo's share capital consists solely of ordinary shares.

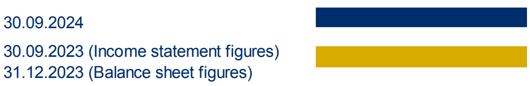
(d) The diluted earnings are calculated taking into account any future issuances of new ordinary shares and excluding own shares (including those purchased in execution of the buyback programme).

Operating structure	30.09.2024	31.12.2023	Changes amount
Number of employees (e)	**94,440**	**95,366**	**-926**
Italy	71,181	72,010	-829
Abroad	23,259	23,356	-97
Number of financial advisors	**5,888**	**5,761**	**127**
Number of branches (f)	**4,289**	**4,259**	**30**
Italy	3,324	3,323	1
Abroad	965	936	29

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

(e) The workforce indicated refers to the exact number of employees at the end of the period, counting part-time workers as equal to 1 unit.

(f) The figure includes Retail/Exclusive Branches, Non-Profit Sector Branches, Agribusiness Branches, SME Branches and Corporate Branches. The comparative figure has not been restated.



The nine months of 2024

Economic trends

In the summer quarter, global growth became more uneven. Business surveys indicated a weakening in manufacturing activity, contrasted by widespread and still robust growth in services. This weakening was more pronounced in Europe and China, while economic growth appeared more resilient in the Americas and India. Energy commodity prices remained relatively stable with limited volatility, despite the ongoing conflicts in Ukraine and the Middle East. The process of disinflation continued, prompting a general easing of monetary policies in the advanced economies. The only country currently raising official rates is Japan, but with considerable caution and from a very low base. The Federal Reserve made an initial cut of 50 basis points to the fed funds target, bringing it to 4.75-5% in September.
In the euro area, economic activity remained weak in both industry and construction. However, solid demand in services supported quarterly GDP growth over the first three quarters. In the summer months, business surveys indicated a worsening in manufacturing, stability at subdued levels in construction, and initial signs of a slowdown in services. For now, the unemployment rate remains stable at its lowest level (6.4% in August). In September, inflation fell to 1.7%, while the rate without fresh food and energy was essentially stable at 2.7%.
In Italy, industrial production saw a further contraction in the July-August period, continuing a trend seen in both the first half of 2024 and much of 2023. In construction, production in August was down 0.3% on the previous year, although with signs of recovery on a quarterly basis. Business surveys provided mixed signals regarding the development of services over the summer months, following moderate growth in the first half of the year. Despite modest overall GDP growth, the employment rate rose to 62.3% in August, and the unemployment rate fell to 6.2%, the lowest level since 2007. Employment growth and above-inflation wage increases have supported a recovery in real household income. So far, this has mainly resulted in an increase in gross savings, which rose to 10.2% of disposable income in the second quarter.
Between June and September, the European Central Bank reduced the deposit rate by 50 basis points to 3.5%. The rate on main refinancing operations fell by 85 basis points, as the central bank implemented the decision to narrow the official interest rate corridor in September. The official rates were reduced by a further 25 basis points on 17 October. On the other hand, the draining of excess reserves has intensified. In addition to the APP (Asset Purchase Programme) portfolio, from July the non-reinvestment of maturities has also been partially extended to the PEPP (Pandemic Emergency Purchase Programme) portfolio. Additionally, the repayment of TLTRO III has not been offset by an increase in demand for liquidity at the regular open market operations.
Over the summer months, the economic data further strengthened expectations of official rate cuts by the central banks. This change in expectations was reflected in a decline in medium- and long-term government bond yields compared to June, with interest rates on maturities over two years falling below December 2023 levels by September. The BTP-Bund spread has narrowed once again, reversing the trend seen following the tensions surrounding French debt at the end of June and early July. The positive performance of Italian debt, despite high net issuances, also reflects improvements in the public accounts already seen in 2024 and the Italian government's commitment to bring the deficit back below 3% by 2026. The increase in rate spreads between the US and the Eurozone was accompanied by a modest and short-lived strengthening of the dollar in the foreign exchange markets. Growing expectations of cuts to US official rates then reversed the trend, with the euro/dollar exchange rate in September over one point stronger than in December 2023.
In the Italian banking market, lending to non-financial companies continued to decline. Despite an improvement in lending conditions and a slight decrease in applied rates, the demand for credit from businesses remained weak in the third quarter, reflecting the reliance on self-financing. In particular, due to the uncertainty surrounding investments, medium- to long-term loans experienced a decline broadly in line with the first half of the year. In contrast, the gradual easing of restrictive monetary policy has started to have a positive impact on the mortgage market. After two years of decline, new loans to households for home purchases began to rise in April, initially at a moderate pace, followed by a sharp increase in July. The mortgage stock started growing again slightly from June, with a 0.6% year-on-year increase in September. Over the summer months, interest rates on new loans to non-financial companies fell slightly, while the fixed rate on home mortgage disbursements remained almost stable, after having fallen by 90 basis points by August 2024 from the peak in November 2023.
In the middle of the year, bank deposits started to grow again, driven by deposits from non-financial companies, which have been rising since January. Household deposits also continued their gradual improvement, with slight rises in August and September, after 18 months of declines. Over the summer, the shifting of savings towards time deposits slowed down. Current accounts returned to modest rates of growth, interspersed with slight contractions, reflecting the trend in current accounts of non-financial companies. Interest rates on new time deposits offered to households decreased at a more moderate pace than in the first half of the year. Interest rates on current accounts remained sticky, with only marginal reductions.
There was also a slowdown in the reallocation of savers' portfolios towards debt securities. Assets under administration continued their double-digit growth driven by the strong inflows up to May, which then weakened from June onwards. In contrast, the asset management industry experienced a recovery, with significant inflows into mutual funds in July and August, becoming more moderate in September, primarily driven by investments in bond funds. The new business for life insurance continued to grow, maintaining the steady improvement since the beginning of the year.

Consolidated results of Intesa Sanpaolo

The consolidated income statement for the first nine months of 2024 posted a *net income* of 7,167 million euro, up by 17.1% (+1,045 million euro) on 6,122 million euro for the same period of 2023. This improvement was driven by the positive performance of the operating margin, with continued revenue growth alongside effective management of costs, which only increased slightly despite substantial investments in technology.

Operating income rose to 20,439 million euro, from 18,830 million euro in the first nine months of 2023 (+1,609 million euro; +8.5%).
The revenue performance continued to be driven primarily by *net interest income*, which grew by 11.5% to 11,917 million euro[1]. The growth of the aggregate was driven by all the main components: by interest income on financial assets in the portfolio, also as a result of increased stock of investment; by interest income on relations with banks, in particular those with the ECB; by other net interest income and by a lower negative contribution from differentials on hedging derivatives. Only customer dealing declined, due to the higher interest expense on securities issued after the significant funding plan implemented in 2023.
Net fee and commission income consolidated its recovery, increasing by 7.9% to 6,970 million euro, driven by the management, dealing and consultancy activities segment, specifically by dealing and placement of securities, as well as by individual and collective portfolio management schemes. Commercial banking activities performed positively, across all the various determinants except for current accounts, also due to more favourable conditions applied to customers. Other net fee and commission income also grew, specifically that connected with lending activities.
The *income from insurance business* also increased, reaching 1,311 million euro (+2.8%), thanks to the improved contribution from the non-life business, while the life business remained largely stable, and total premiums written rose by over 10%.
The increase for the above captions largely offset the decline in *profits (losses) on financial assets and liabilities at fair value*, which fell by 36.6% to 251 million euro despite a significant rebound in the third quarter. It is worth recalling that the performance of this caption should always be viewed in conjunction with the increase in net interest income linked to the growth in transactions in certificates, which has positive effects on net interest income in terms of greater liquidity invested and negative effects on trading related to the management of financial risks in connection with market interest rate movements. The decrease was once again concentrated at the level of “Profits (losses) on trading and on financial instruments under fair value option”, only partially offset by the positive contribution from other components, especially from the disposal/repurchase of financial assets/liabilities.
The caption *other operating income (expenses)*, which includes profits on investments carried at equity and other income/expenses from continuing operations, showed a net balance of -10 million euro, compared to +7 million euro in the first nine months of 2023, having incorporated lower profits on investments carried at equity (from 44 million euro to 32 million euro) and higher operating expenses.

Operating costs increased moderately overall to 7,986 million euro, from 7,924 million euro in the first nine months of 2023 (+62 million euro; +0.8%), reflecting the contrasting trends in the various components.
Personnel expenses increased by 1.5%, despite a reduction in the average workforce (-812 people; -0.9%), as they included salary adjustments resulting from the renewal of the National Collective Bargaining Agreement effective from 1 July 2023 and 1 September 2024. *Administrative expenses* decreased by 1.9% thanks to significant savings achieved in real estate management, IT services, and legal/professional expenses. In contrast, *amortisation and depreciation* increased by 2.8%, reflecting a rise in amortisation related to intangible assets due to investments in technology, offset by a reduction in depreciation for property and equipment due to the streamlining underway.
As a result of the revenue and cost dynamics described above, the *operating margin* rose to 12,453 million euro (+1,547 million euro; +14.2%) and the *cost/income ratio* decreased to 39.1% from 42.1% in the first nine months of 2023.

Net adjustments to loans decreased to 792 million euro (-121 million euro; -13.3%).
The improvement was mainly due to (i) lower adjustments to non-performing exposures in Stage 3 (-29 million euro), particularly bad loans, but above all to (ii) higher recoveries on performing loans (+158 million euro), mainly attributable to transfers to Stage 3 and operational movements of the portfolio, only partially offset by higher net provisions for credit risk associated with commitments and financial guarantees given (+50 million euro). The cost of risk, represented as the ratio of net adjustments to net loans, consequently stood at 25 basis points in annualised terms (36 basis points for the full year 2023).
Other net provisions and net impairment losses on other assets increased overall to 327 million euro from the previous 238 million euro (+37.4%). This caption consisted of: (i) 300 million euro of other net provisions (143 million euro in the first nine months of 2023), which, in addition to 61 million euro of net provisions for legal and tax disputes (+26 million euro), also included 159 million euro to write off the equity contribution from the Russian investee to the consolidated financial statements against the net income accrued during the period (71 million euro in the first nine months of 2023); and (ii) 27 million euro of net impairment losses on other assets (95 million euro, essentially for credit risk on securities in portfolio, in the first nine months of 2023).
Other income (expenses), which include realised gains and losses on investments, equity investments and financial assets at amortised cost other than loans, as well as income/expenses not strictly related to operations, made a positive contribution of 86 million euro, mainly attributable to several commercial agreements entered into by the Group in the first quarter. This amount compares with 319 million euro recorded in the same period of 2023, which included the capital gain of

[1] The periods of the two years under comparison were again characterised by different levels of market interest rates: the average 1-month Euribor was 3.73% in the first nine months of 2024, compared to 3.05% recorded in the first nine months of 2023.

116 million euro from the sale of the PBZ Card acquiring business line to Nexi and 192 million euro[2] from the sale of the equity investment in Zhong Ou Asset Management.
As a result of the accounting entries described above, *gross income* rose to 11,420 million euro (+1,346 million euro; +13.4% compared to the first nine months of 2023).
The change in the taxable base led to an increase in *taxes on income* for the period to 3,703 million euro (+551 million euro; +17.5%), resulting in a tax rate of 32.4% (31.3% in the first nine months of comparison).

The following were recognised after tax: *charges for integration and exit incentives* of 163 million euro (142 million euro in the first nine months of 2023) and negative *effects of purchase price allocation* of 82 million euro (-126 million euro in the first nine months of 2023).
Charges aimed at maintaining the stability of the banking and insurance industry were also recorded after tax, down significantly to 293 million euro (429 million euro before tax), from the previous 504 million euro (738 million euro gross). These essentially consisted of: (i) the amount of the 2024 contributions to the deposit guarantee scheme for the Group's Italian banks (234 million euro net; 349 million euro gross), for which an early call up was made[3]; (ii) the estimated share, based on the information available , of the contribution for 2024 from the Group's insurance companies and distribution companies to the Life Insurance Guarantee Fund being set up (28 million euro net; 41 million euro gross). In contrast, the following main charges were incurred in the first nine months of 2023: (i) 222 million euro net (324 million euro gross) as ordinary contributions to the single resolution fund, already recognised in the first half and relating to the full year 2023, for the Group's Italian and international banks, which will no longer apply in 2024[4]; and (ii) 265 million euro net (395 million euro gross) as the estimate of the contribution to the deposit guarantee scheme for the Group's Italian banks.
After the *allocation of the net income to minority interests* of 12 million euro (28 million euro in the first nine months of 2023), the consolidated income statement for the period January-September 2024 closed, as already stated, with a *net income* of 7,167 million euro, up by 17.1% compared with 6,122 million euro in the same period of 2023.

With regard to the third quarter of 2024, the economic performance generated a net income of 2,401 million euro, compared to 2,465 million euro in the previous three months (-64 million euro; -2.6%).
Compared to the second quarter, operating income, amounting to 6,802 million euro, fell slightly (-79 million euro; -1.1%), across all the main revenue items amid an ongoing reduction in market interest rates[5]. Net interest income decreased by 2.1%, across the various components, although to different extents, except for the contribution from differentials on hedging derivatives, which turned positive. Net fee and commission income fell by 3.4%, reflecting the usual summer slowdown, but remained well above the levels of the 2023 quarters. Income from insurance business declined by 8.9% due to the negative performance of the technical margin, despite growth in the net investment result. These revenue trends were partially offset by a significant recovery in the profits (losses) on financial assets and liabilities at fair value, which increased from 20 million euro to 150 million euro, mainly attributable to the profits (losses) on trading and on financial instruments under fair value option. Other operating expenses were also recorded during the period for a total of 5 million euro (2 million euro in the previous quarter).
Operating costs rose overall to 2,736 million euro (+77 million euro; +2.9%). The increase was mainly in personnel expenses (+3.7%), which included both the contractual adjustments effective from 1 September 2024 and the benefits from the further reduction in the average workforce during the quarter (-409 people; -0.4%). Administrative expenses, on the other hand, decreased by 1.7%, reflecting a degree of seasonality in invoicing, particularly for advertising and promotional expenses, as well as legal and professional fees. Amortisation and depreciation increased by 9.2%, mainly due to higher investments in technology.
The revenue and cost trends resulted in an operating margin of 4,066 million euro (-156 million euro; -3.7%) and a cost/income ratio of 40.2%, slightly up from 38.6% in the second quarter.
Net adjustments to loans decreased to 238 million euro (-82 million euro; -25.6%), with the significant reduction in adjustments to Stage 3 loans (-142 million euro) more than offsetting the lower recoveries on performing loans and the higher provisions for credit risk associated with commitments and financial guarantees given.
Other net provisions and net impairment losses on other assets of 150 million euro were recorded (125 million euro in the previous quarter). The change (+25 million euro) was driven by: (i) +31 million euro from other net provisions, which included 69 million euro for the write off of the equity contribution of the Russian investee to the consolidated financial statements (56 million euro in the second quarter); and (ii) -6 million euro due to lower net impairment losses on other assets.
Other income (expenses), which includes realised gains and losses on investments and income/expenses not strictly related to operations, came to -2 million euro compared to 31 million euro recorded in the previous three months.
As a result, gross income amounted to 3,676 million euro, down from 3,808 million euro in the second quarter (-132 million euro; -3.5%).
Taxes on income for the period also decreased to 1,189 million euro (-45 million euro; -3.6%).
The income statement for the third quarter also reported, net of tax, charges for integration and exit incentives of 61 million euro (46 million euro in the previous three months) and negative effects of the purchase price allocation of 28 million euro (-25 million euro in the second quarter). The levies aimed at maintaining the stability of the banking and insurance system resulted in a positive figure of 1 million euro (4 million euro before tax) compared to charges of 37 million euro (52 million euro before tax) recorded in the second quarter, primarily attributable to the previously mentioned estimate of the Group's contribution for 2024 to the Life insurance guarantee fund being set up.

[2] This figure included the remaining amount received from the buyer as consideration, following the payment of the Chinese local tax on the capital gain, made by Intesa Sanpaolo in September 2023 and recognised under the caption taxes. Considered in net tax terms, the contribution of the capital gain at consolidated level remained unchanged at 154 million euro.

[3] In line with the provisions of the DGS Directive, the Statute of the National Interbank Deposit Guarantee Fund stipulated that the Fund create a financial endowment until the target level of 0.8% of total covered deposits is reached by 3 July 2024. In order to enable the target level to be reached by the deadline set by law, the National Interbank Deposit Guarantee Fund has announced an early call up of the 2024 contribution by 2 July 2024.

[4] The Single Resolution Board (SRB) has announced that in 2024 no contribution will be required from the European banking system, unless specific circumstances or resolution actions lead to use of the Single Resolution Fund.

[5] In the third quarter of 2024, the average 1-month Euribor was 3.55%, compared to 3.77% in the previous three months.

Lastly, the allocation to third parties involved a loss of 2 million euro compared to profits of 1 million euro in the previous three months.

Regarding the balance sheet aggregates, as at 30 September 2024, *loans to customers* amounted to 421.9 billion euro, with no significant changes compared to June (-0.3 billion euro; -0.1%) but a decline compared to December 2023 (-8.5 billion euro; -2%).
The performance continues to be driven by commercial banking loans, which fell to 389.1 billion euro (-1.5 billion euro, -0.4% over the three months; -14 billion euro, -3.5% over the nine months), reflecting the current trend at industry level due to the persistent weakness in demand from businesses, which continue to postpone investment decisions in favour of self-funding, whereas there are increasing signs of recovery in household demand, particularly for mortgages for home purchases, following the easing of monetary policy. The reduction in stocks involved all the technical forms, both medium/long-term loans (216.8 billion euro; -1.5% since June, -4.1% since December), influenced by the predominance of repayments/extinguishments over new disbursements, and shorter-term loans, namely advances (151.1 billion euro; +0.3% in the quarter and -2.8% over the nine months) and current accounts (21.2 billion euro; +6.8% over the three months and -2.1% over the nine months).
The decline in customer dealing was only partially offset by the increase in short-term financial loans, composed of repurchase agreements used in overall treasury management which rose to 20.9 billion euro (+1.1 billion euro, +5.5% from June; +4.3 billion euro, +25.9% from December), and loans represented by securities (7.2 billion euro; +1.9% in the first three months; +23.3% in the first nine months). Net non-performing loans, having benefited from ongoing de-risking initiatives, further decreased to 4.7 billion euro (-0.2 billion euro compared to the end of 2023).
In terms of credit quality, the NPL ratio remained at the June levels, at 2.2% gross and 1.1% net (2.3% and 1.2% respectively in December 2023)[6]. Their coverage ratio rose further to 50.8% (50.7% in June; 49.9% in December) while the coverage ratio on performing loans, at 0.54%, was down slightly (0.56% at the end of the half year; 0.58% at the end of 2023).

On the funding side, *direct deposits from banking business* totalled 588.9 billion euro at the end of September. Despite a slight decrease in the third quarter (-0.9 billion euro, -0.1%), the aggregate increased significantly compared to the end of 2023 (+11.3 billion euro; +2%), reflecting contrasting movements among the different components.
Current accounts and deposits, totalling 394.9 billion euro, are still below the December levels (-14.4 billion euro; -3.5%) despite fluctuating movements during the year (partial recovery in the second quarter followed by a decline in the third quarter). Their share of total direct customer deposits remains at 67%, confirming their role as a key strength in the Group's liquidity position. The downward trend mainly concerned current accounts, due to businesses progressively using liquidity to reduce their reliance on bank credit and households increasingly diversifying their savings, while time deposits remained largely stable.
The performance of current accounts and deposits was offset by the positive trend in other technical forms, such as: (i) short-term financial funding consisting of repurchase agreements and securities lending, used for treasury management, which reached 32.9 billion euro (26.5 billion euro in June and 13 billion euro at the end of 2023); (ii) bonds, amounting to 81.8 billion euro (+3.5 billion euro, +4.5% since December); and (iii) other deposits, amounting to 66.4 billion euro (+4 billion euro, +6.4% over the nine months), as a result of the growth in funding at fair value, almost entirely consisting of investment certificates, which has steadily increased over 2024 to reach 33.6 billion euro (+3.7 billion euro, +12.3% since December).
Subordinated liabilities, on the other hand, decreased to 10.3 billion euro (-0.9 billion euro, -7.8% in the quarter; -1.8 billion euro, -15% over the nine months) as a result of net issuances for a nominal amount of 0.8 billion euro in the first three months of the year, the maturity of nominal 2 billion dollars (1.8 billion euro) in June, the early repayment of a nominal amount of 0.3 billion euro in July, and the maturity of nominal 0.7 billion euro in September.
Lastly, with regard to certificates of deposit, this form of funding, despite increasing over the nine months to 2.6 billion euro (+0.2 billion euro, +9.9%), is now very marginal in terms of the Group's overall funding from customers.
As a result of the different trends in the two aggregates, the loan to deposit ratio decreased to 71.6% from 74.5% in December 2023.

As at 30 September 2024, *direct deposits from insurance business* reached 177.4 billion euro, up on both the end of the half year (+5.5 billion euro; +3.2%) and the end of the previous year (+4.7 billion euro; +2.7%).
The aggregate was composed of 70.6% of insurance liabilities, which rose to 125.2 billion euro (+5.4 billion euro, 4.5% over the nine months), with growth entirely concentrated in the third quarter, exclusively in the life business, also due to a significant rise in collected premiums compared to the first nine months of 2023.
Affected by the market volatility, the financial liabilities of the insurance business – consisting entirely of unit-linked investment contracts included under Financial liabilities designated at fair value pertaining to insurance companies in the reclassified balance sheet – decreased to 50.7 billion euro, almost entirely attributable to the first half (-0.7 billion euro, -1.5% since December), despite an increase in collected premiums. Their weight on the total amounted to 28.6%.
Lastly, the residual portion, amounting to 0.8%, consisted of other insurance deposits – included among financial liabilities at amortised cost pertaining to insurance companies in the reclassified balance sheet and which also include the subordinated liabilities – totalling 1.5 billion euro (+26 million euro; +1.8% since the end of 2023).

At the end of September, *indirect customer deposits*, measured at market prices, amounted to 779.4 billion euro, an increase, over the three months of 22.3 billion euro (+2.9%) and over the nine months of 59 billion euro (+8.2%), reflecting both the positive net inflows and the favourable market price movements.

[6] Based on the EBA definition, as at 30 September 2024 the NPL ratio was 1.9% gross and 0.9% net (1.9% and 1% in June 2024). Compared to the figures as at December 2023 – which were 1.8% and 0.9% respectively – there was a slight increase in the gross NPL ratio due to the reduction in the total exposures used as the denominator of the ratio, which also include exposures to all banks (including therefore both the reserve requirement and on-demand receivables, i.e. current accounts and on-demand deposits).

Specifically, assets under administration reached 313 billion euro (+11.7 billion euro, +3.9% since June; +34.8 billion euro, +12.5% since December), equivalent to 40.2% of total indirect customer deposits, having benefited from the shift in customer investments towards bonds and domestic government bonds driven by high interest rates.
Thanks to a significant increase in net inflows in the third quarter, assets under management rose to 466.4 billion euro (+10.6 billion euro, +2.3% over the three months; +24.2 billion euro, +5.5% over the nine months), corresponding to 59.8% of the total. All the captions recorded increases during the first nine months: mutual funds (+6.2% to 165.2 billion euro), portfolio management schemes (+10.2% to 88.3 billion euro), and, albeit as a small proportion of the total, deposits from institutional customers (+9.8% to 28.8 billion euro) and pension funds (+11.4% to 16.5 billion euro). Total insurance liabilities and insurance financial liabilities increased more moderately (+1.2% to 167.6 billion euro).

Highlights

The military conflict between Russia and Ukraine

The ISP subsidiaries in Russia and Ukraine

The Group is present in Russia and Ukraine through two subsidiaries:
- Joint-Stock Company Banca Intesa (Banca Intesa Russia), 47% owned by Intesa Sanpaolo and 53% by Intesa Sanpaolo Holding International (Luxembourg). This is a Moscow-based corporate bank, which operates with 27 branches and 823 staff. The Group's presence in Russia dates back almost 50 years (initially as a Representative Office, closed in August 2023). The bank has participated in the financing of large national and international Russian projects, also offering a full range of banking services for small and medium-sized enterprises, retail customers and companies. The regional branch network extends from Kaliningrad to Vladivostok;
- Pravex Bank Joint-Stock Company (Pravex), 100%-owned by Intesa Sanpaolo. This is a small commercial bank based in Kyiv, part of the International Banks Division, which operates with 39 branches mainly in the Kyiv region and employs 619 people. Intesa Sanpaolo acquired the bank in 2008 and has been operating in the country continuously since that date.

The observations made in the 2023 Annual Report concerning Intesa Sanpaolo's continued control over the two entities, as reported in Section 5 - Other Aspects of Part A of the Notes to the Consolidated Financial Statements, still apply.

Risk management

In view of the continuing military conflict between Russia and Ukraine, in the third quarter of 2024 the Group maintained the internal controls already described in the previous financial reports.
The situation continues to be monitored both at Parent Company level and in all the Group banks directly involved in the conflict or close to it, where direct and continuous contacts are being maintained.
Appropriate information is also always prepared for the Board Committees and the Board of Directors.

The Risk Management and Control Task Force
With regard to the monitoring of credit risk, there were no significant new developments to be reported for the third quarter of 2024. The implementation is continuing under the Credit Action Plan – with regard to the prevention of flows into non-performing status for exposures showing signs of difficulty, without being past-due – of specific diagnostic initiatives on companies in the energy-intensive and gas-intensive industries that are particularly sensitive to fluctuations in energy costs, also connected with the continued military conflict.
In light of the further tightening of the sanctions imposed on Russia by Western countries, in order to ensure regulatory compliance, the close supervision continued through a specific dashboard at Group level, aimed at monitoring the changes in the lists of sanctioned persons and entities at European and international level, identifying sanctioned persons and entities for the purpose of blocking positions and payments, complying with the specific ban on accepting deposits above the threshold set by the European regulations, and identifying and blocking financial instruments subject to sanctions. As at 30 September 2024, the exposure to Russian counterparties included in the OFAC (Office of Foreign Assets Control) SDN and/or EU asset freeze lists amounted to 215 million euro, down on 235 million euro on 30 June and 237 million euro at the end of 2023. Despite the inclusion of new sanctioned parties – as a result of the application of the thirteenth and fourteenth package of sanctions, enacted on 23 February and 24 June 2024 respectively – the Group's overall exposure has reduced over the nine months as a result of a series of repayments of loans already in place with several EU/OFAC SDN sanctioned parties, authorised by the competent Authorities.

Since the beginning of the conflict, the Group has also continued to monitor the evolution of the fallout of the Russian-Ukrainian crisis on the real economy and the main financial variables, also by conducting specific scenario analyses and stress tests to assess the potential impacts in terms of profitability and capital adequacy. Although the situation is constantly evolving, leaving aside extreme scenarios of conflict escalation that could lead to outcomes that are difficult to assess, these analyses confirm the Group's ability to ensure compliance – also through the implementation of specific actions – with the regulatory requirements and the stricter limits set internally.

The Operational Resilience Task Force
Regarding the initiatives implemented from the early stages of the conflict for Pravex employees, to support their expatriation and/or that of their families, where requested, as at 30 September 2024 there were no longer any employees or family

members housed in the Group-owned apartments and residential facilities provided in Bergamo (20 residents at the end of June compared to 64 in December 2023).
As a result, all those who received assistance from the Bank have become independent (some have returned to their home country, while others have settled independently in Italy) while continuing to maintain contact with the staff who assisted them.
With regard to business continuity in Ukraine, also thanks to the actions taken during the more than two years of conflict, it has always been possible to ensure operational capability without the need to implement continuity solutions. To overcome the power supply problems, Starlink satellite equipment was provided to ensure data connection, along with power banks distributed to the headquarters and staff with critical and strategic tasks. Power generators were also installed in all the operational branches. The measures implemented are continuing to enable the uninterrupted provision of services and are still considered valid and sufficient to deal with the situation, even in light of increasing Russian attacks on Ukrainian power plants.
In the third quarter, the number of branches open daily stabilised at the total number of available branches. The decision-making process regarding the operations of the individual branches continues to be based on a risk assessment methodology agreed with the Parent Company, which involves the use of specific indicators, always prioritising the safety of the staff. During the period there were no branches temporarily damaged by Russian attacks.
At Banca Intesa Russia, the systems have always functioned without any operational problems since the beginning of the conflict.
The monitoring is also continuing of the operations of Banca Comerciala Eximbank, the Group’s Moldovan subsidiary, which still has no operational problems to report, despite the temporary worsening of the conflict in the area.
In terms of cybersecurity, the monitoring and threat intelligence activities continue, alongside the continued strengthening of the cybersecurity controls throughout the Intesa Sanpaolo Group. Within the threat intelligence activities aimed at monitoring possible cyber threats to Pravex, the containment measures have enabled the management of the attacks suffered, ensuring service delivery with minimal disruption. Specific educational initiatives on cyber risks, through training courses and in-depth studies on specific topics, are regularly implemented to continually raise awareness among all the Group’s staff.
As usual, the additional costs incurred for business continuity and any losses resulting from physical damage to premises/branches located in the conflict zone form part of the monitoring of the exposure to operational risk, including that relating to the Risk Appetite Framework.

The main accounting aspects and the approach adopted by the Intesa Sanpaolo Group

The main accounting issues arising from the ongoing conflict between the Russian Federation and Ukraine and the Intesa Sanpaolo Group’s approach to addressing them are summarised in the paragraphs below. The situation of the Russian/Ukrainian crisis has been the subject of close attention since the outbreak of hostilities at the end of February 2022. The Group had significant cross-border exposures to counterparties resident in the Russian Federation, as well as, as already mentioned, two subsidiaries operating in the warring countries, which were therefore particularly exposed to the consequences of the conflict: Pravex and Banca Intesa Russia.
At the beginning of 2022, loans to Russian customers represented around 1% (almost 5 billion euro) of the Intesa Sanpaolo Group’s total loans to customers (net of the exposures backed by Export Credit Agency - ECA guarantees). The de-risking has therefore focused on reducing these exposures; the Group already started carrying it out in the second half of 2022 and continued during 2023 and the first nine months of 2024. Total gross exposures (customers, banks and securities) as at 30 September 2024 to counterparties resident in Russia and Ukraine amounted to just 1,541 million euro gross (1,326 million euro after adjustments), a decrease of 348 million euro or -18% (-254 million euro in net values, -16%) from 31 December 2023, when the gross exposures amounted to 1,889 million euro (1,580 million euro in net values). More specifically, as at 30 September 2024, the remaining exposures to customers amounted, in terms of gross values, to 143 million euro (86 million euro net) for Banca Intesa Russia and 469 million euro (372 million euro net) for cross-border exposures to customers resident in Russia (net of ECA guarantees). The exposures to Russian counterparties were also accompanied by gross exposures to banks totalling 626 million euro (616 million euro net) and in securities totalling 2 million euro (1 million euro net)[7]. Gross exposures to customers resident in Ukraine amounted to 184 million euro (137 million euro net), of which 45 million euro (book value nil in net terms) related to the subsidiary Pravex (figures as at 30 June 2024, as described below)[8], in addition to exposures to banks and in Ukrainian short-term government bonds totalling 117 million euro gross (114 million euro net).

That said, the situation as at 30 September 2024 is essentially the same as that described in the Annual Report as at 31 December 2023 and the 2024 Half-yearly Report. The Intesa Sanpaolo Group continued to exercise control over the two banks, which operated on the basis of the Parent Company’s instructions in their respective environments. Consequently, the main methodological choices – both in terms of consolidation of the two subsidiaries and valuation of the credit exposures – are essentially the same as those used in the 2023 Annual Report. Before outlining the valuation issues regarding the two subsidiaries and the aspects related to the valuation of the cross-border exposures, it is necessary to provide some preliminary information about how Pravex and Banca Intesa Russia contributed to the consolidated financial statements as at 30 September 2024. In particular, while it was possible to consolidate an accounting situation aligned to that of the Parent Company for Banca Intesa Russia (therefore, consolidated with reference to the results as at 30 September 2024), for Pravex, the specific situation in the city of Kyiv (where the bank is based), led to the conclusion that – in order to contain the “operational” risk – it was considered more appropriate to use the accounting situation as at 30 June 2024, at the exchange rate of 30 September 2024 for the consolidation. The results of Pravex are therefore incorporated by means of the line-by-line

[7] There were also 37 million euro (32 million euro net) in gross off-balance sheet exposures to customers at Banca Intesa Russia and 19 million euro cross-border (with no impact in terms of net values) with customers resident in Russia (net of ECA). Lastly, there were 27 million euro (gross and net values) of cross-border positions with Russian resident banks.

[8] The cross-border exposures to customers resident in Ukraine are, for the corporate part, backed by guarantees provided by European and US entities, while, for the household part, these mainly relate to exposures disbursed by the subsidiary VUB to Ukrainian families with permanent residence in Slovakia.

consolidation of a consolidation package prepared in accordance with the IAS/IFRS for the previous quarter, in keeping with the approach already adopted for the 2022 and 2023 Annual Reports. However, it is worth recalling here that the balance sheet balances of the Ukrainian subsidiary are substantially immaterial in the context of those of the Intesa Sanpaolo Group. The above method of consolidation is also supported by the fact that the balance sheet management data as at 30 September 2024 do not show any significant differences – in the total aggregates – compared to those at the end of June.
With regard to the valuation choices, the absolutely serious situation in all of Ukraine resulted in the definition, for the purpose of measuring Pravex’s loan portfolio, of a specific approach, significantly based on prudent rationales, in light of the continuation of the conflict and the consequent repercussions on the Ukrainian economy. As at 30 September 2024, as in the 2023 Consolidated Financial Statements, it was considered appropriate to maintain the full write down of Pravex’s on-balance sheet loans to customers, with consequent classification to Stage 3. As a result of that choice, for the purposes of the Group’s consolidated financial statements, the equity of the subsidiary has essentially been reduced to zero. Also for Banca Intesa Russia, an approach to classifying and measuring performing loans continued to be adopted that strongly considers the geopolitical risk deriving from the ongoing crisis. Therefore, as was already the case in the 2023 Annual Report, the assessments carried out as at 30 September 2024 on the loans of the subsidiary included a centrally determined prudent factor that takes account of the worsening of the domestic economic situation in light of the continuation of the conflict and the increased isolation of the Russian economy. As a result of the recomposition of the portfolio following repayments and reclassifications to non-performing loans, the total coverage of performing loans of the Russian subsidiary amounted to around 32% of their gross value, down slightly on 35% in December 2023. As in the past accounting closings, the provision aimed at reducing the equity of the investee to zero has also been maintained. The significant adjustments on the credit exposures of Banca Intesa Russia and Pravex, made on a prudential basis, reflect the current war situation that generates the need for careful consideration of the above-mentioned country risk, with appropriate measurement of the risk that the capital invested abroad is exposed to, connected to the possibility that political or economic circumstances may result in non-repayment of the loan (irrespective of the specific credit risk of the individual counterparty).
For the cross-border positions, the Group continued to adopt the measurement approach guided by the emergence of the so-called “transfer” risk (an approach applied both for the determination of the SICR and the related classification to Stage 2, and for the calculation of the ECL through the application of managerial adjustments) in order to better incorporate provisions related to the risk associated with the current conflict that would otherwise not be properly captured by the risk measurement systems normally used. At the same time, the ratings for the highest risk class already assigned to the most significant counterparties exposed to conflict-related risk have been maintained.

In the first nine months of 2024, the Group recorded a negative profit and loss impact, before tax, of 159 million euro related to the exposures to Russian or Ukrainian counterparties. This impact was essentially due to the provision of 159 million euro made upon consolidation of Banca Intesa Russia to write off its equity contribution to the Group’s consolidated financial statements, while the other effects relating to collections and valuation of other items related to Russian or Ukrainian counterparties were substantially offset. In the first nine months of 2023, there was a total positive impact of 171 million euro, before tax, on loans and securities essentially relating to proceeds from redemptions or disposals, which, net of the charge for the adjustment of the allowance for risks (71 million euro) made upon consolidation of Banca Intesa Russia and aimed at writing off its equity contribution to the Group’s consolidated financial statements, resulted in a net positive profit and loss impact of 100 million euro. With regard to the year 2023, it is worth recalling that the flow of collections and the valuation processes established upon closure of the financial statements led to the recognition of write-backs on loans and securities, before tax, totalling 205 million euro, partially offset by the provision made upon consolidation of Banca Intesa Russia to write off its equity contribution to the Group’s consolidated financial statements, amounting to 114 million euro, with an overall positive impact of 91 million euro.

Other highlights

A description is provided below of the other significant events that occurred during the third quarter of 2024, together with several developments after the end of the period, while details regarding the events in the first half of the year are provided in the Half-yearly Report.

By order no. 0173294 of 17 July 2024, the Supervisory Authority IVASS authorised the merger by incorporation of Intesa Sanpaolo RBM Salute S.p.A., a company specialising in health insurance, into Intesa Sanpaolo Assicura S.p.A., a company specialising in damage insurance coverage for people, vehicles, and home, as well as loan protection. Both companies are 100% controlled by Intesa Sanpaolo Vita S.p.A., the Parent Company of the Intesa Sanpaolo Vita Insurance Group.
The merger plan was approved on 8 April 2024 by the Boards of Directors of Intesa Sanpaolo Assicura S.p.A. and Intesa Sanpaolo RBM Salute S.p.A. and respectively registered with the Company Registers of Turin and Venice Rovigo on 19 July. The merger was approved by the Extraordinary Shareholders’ Meetings of Intesa Sanpaolo Assicura and Intesa Sanpaolo RBM Salute on 11 September 2024 and will have legal effect from 1 December 2024. On that date, the absorbing company will adopt the new name “Intesa Sanpaolo Protezione S.p.A.”. The civil and tax effects, on the other hand, will be effective from 1 January 2024. Since both companies are wholly owned by Intesa Sanpaolo Vita S.p.A., the merger will be carried out through the simplified procedure envisaged in Article 2505 of the Italian Civil Code.
From a strategic perspective, the corporate transaction – which will have no impact on the policies taken out by customers – will enable the streamlining of Intesa Sanpaolo Group’s non-life insurance segment by creating a single hub for asset and personal protection, combining the expertise developed by the two companies and promoting the development of an integrated offering. The relations with the networks (both within the ISP Group and external) will also be simplified and made more efficient by standardising and unifying processes, particularly at the after-sales stage. There will also be benefits in terms of organisational, administrative, and operational simplification.
From 1 December 2024, the name of the parent company Intesa Sanpaolo Vita will also be changed to “Intesa Sanpaolo Assicurazioni S.p.A.” with the related change in the name of the Intesa Sanpaolo Vita Insurance Group to “Intesa Sanpaolo

Assicurazioni Group". This change was approved by the Extraordinary Shareholders' Meeting of the Company held on 11 April 2024 and authorised by IVASS by Order no. 0119676 of 6 May 2024[9].

On 8 August 2024, once the ECB and FINMA authorisations had been obtained (issued on 3 June and 12 July respectively), the CHF 40 million capital increase was completed and registered in the Swiss Company Register for Alpian S.A., the digital wealth bank in the start-up phase set up in 2019 and based in Geneva, which as at 30 June 2024 was 41.626% owned by the Intesa Sanpaolo Group (of which 28.134% held by Fideuram - Intesa Sanpaolo Private Banking and 13.492% by Reyl & Cie) and recognised in the consolidated financial statements under companies subject to significant influence in accordance with IAS 28.
The subscription to the recapitalisation of Alpian was approved by the Boards of Directors of Fideuram - Intesa Sanpaolo Private Banking on 26 February 2024 and of Intesa Sanpaolo, for the issuance of the necessary approval, on the following 27 February with the intention of fully subscribing any unsubscribed capital to ensure the success of the transaction, in view of the asset's strategic importance. In March, Fideuram - Intesa Sanpaolo Private Banking subscribed the capital increase for an amount of CHF 38,572,344.52, equal to its pro-rata share (including the share of Reyl & Cie) and the total of the unsubscribed capital.
The conditions of the recapitalisation enabled the exercise, already authorised by the respective competent bodies, of the anti-dilution option in favour of Fideuram - Intesa Sanpaolo Private Banking and Reyl & Cie, which jointly subscribed a further capital increase at nominal value of CHF 2,431,349.67 on 10 September 2024.
Upon completion of the overall transaction (capital increase and exercise of the anti-dilution option), the Intesa Sanpaolo Group's ownership percentage rose to 61.599% (with 51.141% held by Fideuram - Intesa Sanpaolo Private Banking and 10.458% by Reyl & Cie), resulting in the acquisition of control of the company in accordance with IFRS 10 and its inclusion in the scope of line-by-line consolidation.
Exercising the option provided for by IFRS 3, which grants the acquiring entity 12 months to definitively complete the Purchase Price Allocation (PPA) process, the purchase price allocation and the fair value measurement of Alpian's assets and liabilities (as well as any new intangible assets not previously recognised in the company's financial statements) will be definitively completed by the time of the 2024 Annual Report.

In the quarter being reported, the programme of purchase of own shares for annulment (buyback) – authorised by the ECB by decision notified on 11 March 2024 and approved by the Shareholders' Meeting of Intesa Sanpaolo of 24 April 2024 for a maximum outlay of 1.7 billion euro and a quantity not exceeding 1,000,000,000 shares, with execution of the purchases and annulment of the shares by 25 October 2024 – was continued and subsequently completed.
The programme, which had started on 3 June, ended on 18 October 2024[10]. During the period, a total of 479,128,488 shares were purchased, equal to around 2.62% of the share capital, at an average purchase price of 3.5481 euro per share, for a total countervalue of 1,699,999,992.53 euro.
The transactions took place on the regulated market Euronext Milan managed by Borsa Italiana through the third-party intermediary appointed to execute the programme, in full independence and without any involvement of the Intesa Sanpaolo Group, in accordance with the terms and conditions approved by the above-mentioned Shareholders' Meeting of 24 April 2024.
The annulment of the shares took place on 23 October 2024. While the share capital remained unchanged at 10,368,870,930.08 euro, the number of ordinary shares with no nominal value decreased from 18,282,798,989 to 17,803,670,501. The Articles of Association amended to reflect said annulment were filed with the Turin Company Register on 28 October.

During the period from 9 September to 11 September 2024 an Intesa Sanpaolo ordinary share buyback programme was also implemented to service plans for the assignment of shares, free of charge, to the employees and the Financial Advisors of the Group, in relation to (i) mainly, the Intesa Sanpaolo Group share-based incentive plan for 2023; and (ii) to a lesser extent, the incentive plans of certain subsidiaries (Intesa Sanpaolo Private Banking, for the network in Italy, and Fideuram - Intesa Sanpaolo Private Banking Group for the Relationship Managers of the international commercial networks and non-employee Financial Advisors), also relating to 2023.
These incentive systems are reserved for Risk Takers who accrue a bonus in excess of the so called "materiality threshold"[11], for those who are paid a "particularly high" amount[12] and for those who, among Middle Managers or Professionals that are not Risk Takers, accrue a bonus exceeding both the so called "materiality threshold"[13] and 100% of the fixed remuneration. In addition, the programme was implemented in order to grant, when certain conditions occur, severance payments upon early termination of employment.
Intesa Sanpaolo carried out the purchases according to the methods and within the terms authorised by the Shareholders' Meeting of 24 April 2024, also on behalf of the subsidiaries involved, which thereby concluded the programmes regarding the purchase of the parent company shares approved by their respective corporate bodies within their remits and analogous to

[9] With regard to (i) the merger by incorporation of Intesa Sanpaolo RBM Salute S.p.A. into Intesa Sanpaolo Assicura S.p.A., (ii) the amendments to the Articles of Association of the absorbing company Intesa Sanpaolo Assicura S.p.A. related to the merger and its re-branding, as well as (iii) the amendments to the Articles of Association resulting from the re-branding of Intesa Sanpaolo Vita and the Insurance Group, the Board of Directors of Intesa Sanpaolo had given its prior approval on 28 March 2024.

[10] The purchases were suspended during the three days (from 9 to 11 September 2024) of execution of the share buyback programme relating to plans of assignment, free of charge, of Intesa Sanpaolo ordinary shares to the employees and the financial advisors of the Group.

[11] Equal to 50 thousand euro or one third of the total remuneration (unless otherwise provided for by specific local regulations).

[12] Pursuant to the Group Remuneration and Incentive Policies, for the three-year period 2022-2024 a variable remuneration exceeding 400 thousand euro constitutes a "particularly high" amount.

[13] Pursuant to the Group Remuneration and Incentive Policies, for Middle Managers and Professionals who are not Risk Takers, the materiality threshold is generally equal to 80 thousand euro (unless otherwise provided for by specific local regulations). This threshold is increased to 150 thousand euro in order to significantly reduce the potential competitive disadvantage in the attraction and the retention of the best staff members in countries other than the Group's domestic market and in businesses in which there is a high competitive pressure on the staff (i.e. high cost of living, intense compensation dynamics and high resignation rate) and, outside the EU, in which the regulatory framework concerning the materiality threshold is less strict (or absent).

the programme approved by the Parent Company Shareholders' Meeting.
In the three days during which the programme was executed, a total of 21,000,000 Intesa Sanpaolo ordinary shares were purchased, through the IMI Corporate & Investment Banking Division, tasked with the programme execution, representing around 0.11% of the share capital. The average price was 3.7154 euro per share, for a total countervalue of 78,023,430.57 euro. The Parent Company purchased 10,301,330 shares at an average price of 3.7146 euro per share, for a countervalue of 38,265,555.39 euro.
The transactions were executed in compliance with provisions included in Article 2357 *et seq.* and Article 2359-bis and following of the Italian Civil Code and within the limits determined in the resolutions passed by the competent corporate bodies.
Pursuant to Article 132 of the Consolidated Law on Finance and Article 144-bis, paragraph 1, letter b) of the Issuers' Regulation and subsequent amendments, purchases were executed on the regulated market Euronext Milan managed by Borsa Italiana in accordance with trading methods laid down in the market rules for these transactions.
Moreover, the execution method complied with the conditions and the restrictions under Article 5 of Regulation (EU) no. 596/2014 of the European Parliament and of the Council of 16 April 2014, and Articles 2, 3, and 4 of Commission Delegated Regulation (EU) 2016/1052 of 8 March 2016.
The number of shares purchased daily did not exceed 25% of the daily average volume of the Intesa Sanpaolo ordinary shares traded in August 2024, which was equal to 70.2 million shares, as well as the additional limit, to the above-mentioned regulatory conditions and restrictions, of 15% of the volume traded on the Euronext Milan market on each of the days when purchases were executed.
Note that, pursuant to Article 2357-ter of the Italian Civil Code, the Intesa Sanpaolo Shareholders' Meeting authorised the disposal on the regulated market of own ordinary shares exceeding the actual requirement, under the same conditions as those applied to the purchases, and at a price of no less than the reference price recorded by the share in the stock market session on the day prior to each single disposal transaction, less 10%. Alternatively, these shares may be retained for future incentive plans and/or remuneration payable upon early termination of employment relationship (Severance).

As reported in the Half-yearly Report as at 30 June 2024, to which reference is made, on 19 April, Intesa Sanpaolo and COIMA – a company specialising in investing in, developing and managing Italian real estate assets on behalf of institutional investors – signed an agreement to develop the Banking Group's properties in a changing real estate market environment. The agreement provides for the contribution to several funds established and managed by COIMA of two portfolios of real estate assets held by Intesa Sanpaolo, identified based on their type and the related strategy for enhancing their value.
In the third quarter, the activities continued in view of finalising the operation, expected in the first half of 2025, contingent on the fulfilment of the conditions precedent identified by the parties. Specifically, the definitive list was prepared of investment properties, located in various towns, which are part of the second portfolio, in relation to the scope identified preliminarily on signing the agreement. Note that the first portfolio includes 3 prime assets located in Rome, in Via dei Crociferi 44, and in Milan, in Via Clerici 4-6/Piazza Ferrari 10 and in Via Verdi 9-11-13.
Therefore, as at 30 September 2024, all properties which will be contributed at the closing - amounting to a total of around 0.5 billion euro - were reclassified among assets held for sale.

With regard to de-risking initiatives, it is noted that three projects were launched in the second quarter, for the purpose of disposing of non-performing loans of Intesa Sanpaolo, mainly through contributions to Alternative Investment Funds (AIF) that invest in credit exposures. These projects were finalised in line with the set timeframes. More specifically, the three transactions involved:

– the transfer to an AIF of a portfolio of UTP small ticket loans with a Gross Book Value (GBV) of around 0.2 billion euro;
– the cash sale of bad loans with a GBV of around 0.2 billion euro;
– the transfer of non-performing loans (UTP and past due loans), divided into three distinct perimeters for a total GBV of over 0.6 billion euro, to the same number of AIFs, selected based on the characteristics of the transferred exposures.

The closing of the first two transactions was carried out in July, while the third was partially finalised in July and partially in October. Since the conditions of IFRS 5 had been met, as at 30 September 2024 the exposures not yet transferred were reclassified among assets held for sale, aligning the book values with the expected prices from the sales.

Under the Next Way of Working project – aimed at implementing a new working model based on strengthening individual responsibility and improving work-life balance – the work continued during the third quarter on the preliminary real estate and technological interventions aimed at constructing new workspaces designed to enhance the moments of presence in the office. In line with the schedule for 2024, as at the date of this Interim Statement, the work in Treviso has been completed, while the workspaces in Milan via Bisceglie, Bologna, Padua and Sarmeola di Rubano, Bari, Moncalieri, Chieti, and Rome via Lamaro are undergoing renovation. In Rome, minor refinements are still being made to bring the layout of the spaces in the Via del Corso office to operation. The implementation of the project in Cuneo has already been approved but is scheduled for 2025.
At the same time, to promote increasing access to the flexibility tools by the Network staff who intend to use them on a voluntary basis, a significant expansion of the scope of application of these tools has been implemented in the Banca dei Territori and Private Banking Divisions starting from July.
With the aim of increasing the nationwide coverage, starting from July, new flexible work hub stations have also been set up at certain branches or head office structures, which can be booked by the Network staff and governance structures authorised for flexible work.

The voluntary exit plan also continued in accordance with the trade union agreements of 29 September 2020 and 16 November 2021.
In total, there were 1,511 voluntary exits in the first nine months (405 in the third quarter, of which 377 with effect from 1 July, 295 in the second quarter, of which 265 with effect from 1 April, and 811 in the first quarter, of which 774 with effect from 1° January) for a total of 8,629 exits from the beginning of 2021, against the 9,200 exits expected to take place by the first quarter of 2025 under the terms of the two above-mentioned trade union agreements.

Since January 2024, there were around 1,200 hires (with slight differences in the three quarters) as part of those agreements, for a total of around 4,200 from the beginning of 2021 compared with the 4,600 planned by the end of 2025.
In this regard, it is noted that, on 23 October, Intesa Sanpaolo signed an agreement with Group Trade Union Delegations, which aims at enabling generational change at no social cost, also owing to significant investment in technology. The agreement also aims at defining the steps of a path leading to enabling service and offering models oriented towards greater simplicity and effectiveness for customers, as well as freeing up time for professional development through a major upskilling/reskilling training programme to better address the need for new widespread digital skills and new professions.
The agreement – addressed to all the people who meet pension requirements by 31 December 2030 of the Intesa Sanpaolo Group's Italian companies, including the managers – identifies ways and criteria to reach the target of 4,000 people voluntary leaving the Group by 2027, either by retiring or accessing the Solidarity Fund.
Furthermore, by June 2028, the Group will hire 3,500 young people on indefinite-term contracts, 1,500 of whom as Global Advisors for the Network commercial activities in order to ensure greater proximity to customers, specifically in Wealth Management & Protection. The new hires will sustain the Group's growth and its new activities and are in addition to the aforementioned 4,600 hires by December 2025 already envisaged under the 2022-2025 Business Plan against 9,200 people leaving the Group by the end of the first quarter 2025.
Furthermore, by 2027, 3,000 exits are expected to take place in Italy and 2,000 net exits in the international subsidiaries, the latter entirely involving roles in central functions with no impact on the commercial roles, through actions on natural turnover. Overall, the Group expects savings in personnel expenses in the region of 500 million euro per year on a fully operational basis (starting from 2028) – taking into account the aforementioned hires – and charges in the region of 350 million euro, net of tax, to the be booked in the fourth quarter 2024, not impacting on the prospect of net income of over 8.5 billion euro for the Group in 2024 already disclosed to the market.

Lastly, on 17 October 2024 the Board of Directors of Intesa Sanpaolo approved the creation of the new "Chief Security Officer" Governance Area, reporting directly to CEO Carlo Messina and entrusted to General Antonio De Vita. The new Governance Area will oversee physical security, IT security (cybersecurity) and business continuity to ensure:

- a single point of control for security models and solutions;
- governance of the budget;
- identification of priorities;
- strengthening alignment with the best international security standards and models.

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As already mentioned in the Half-yearly Report, it is envisaged that, at the time of the approval of this Interim Statement, the Board of Directors, exercising the power granted by Article 29.5 of the Articles of Association, will approve an interim dividend taking into account the results for the third quarter of 2024 and those foreseeable for the fourth quarter of 2024, both at consolidated and individual level. Following the approval, the interim dividend will be payable as of 20 November 2024 (with coupon presentation on 18 November and record date on 19 November).

Outlook

The most recent consensus estimates for the fourth quarter point to moderate GDP growth for Italy, the Eurozone and the United States. In the United States, analysts and markets expect the Federal Reserve to cut interest rates again between November and December. In Europe, inflation is expected to rebound temporarily during the fourth quarter of 2024, without this preventing a further 25 basis point cut in official rates by the European Central Bank in December. Euro area yield curves could experience increased volatility due to uncertainty regarding the timing of the economic recovery and the extent of the phase of interest rate cuts. Moreover, the outlook is subject to an unusual level of uncertainty due to the risk of an escalation of the Middle East conflict, which could cause sudden hikes in gas and oil prices, and to the highly uncertain results of the US elections. In that regard, short-term repercussions on markets are possible, especially in the event the results of the election are contested, but also in the case of a harsh break in economic policy.

For the Intesa Sanpaolo Group, the implementation of the 2022-2025 Business Plan is proceeding at full speed, with the prospect of a net income of over 8.5 billion euro (with net interest income of over 15.5 billion euro) for 2024 and around 9 billion euro for 2025.

For 2025 it is envisaged:
- increasing revenues, with: net interest income resilience (in relation to higher contribution from core deposits hedging and increase in loans volume); growth in net fee and commission income and income from insurance business which leverages on the Group’s leadership in Wealth Management, Protection & Advisory; growth in profits from trading;
- decreasing operating costs, despite investment in technology, with: trade union agreement relating to Italy for 4,000 voluntary exits by 2027 of people close to retirement age, 2,350 of which by 2025, and 3,500 new hires of young people by the first half of 2028, 1,500 of which as Global Advisors for the Network commercial activities, specifically in Wealth Management & Protection; by 2027, through natural turnover of people, 3,000 exits in Italy, 1,000 of which by 2025, and 2,000 net exits in international subsidiaries, 500 of which by 2025; additional benefits deriving from technology (e.g., branch network rationalisation and IT processes streamlining); real-estate rationalisation;
- low cost of risk with: low NPL stock; high-quality loan portfolio and overlays; proactive credit management;
- lower levies and other charges concerning the banking and insurance industry due to no further contribution to the deposit guarantee scheme.

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[14] versus the dividend per share for 2023;
- additional distribution for 2024 to be quantified when full-year results are approved;
- additional future distributions 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 around 15% pre Basel 4, at around 14.5% post 2025 Basel 4 impact of around 40 basis points, and at around 15.5% post overall Basel 4 impact of around 60 basis points (of which around 20 in 2026-2033, including around 10 in 2026 relating to FRTB) and including the absorption of DTAs of around 120 basis points (of which around 20 in the period between the fourth quarter of 2024 and 2025 and the remaining basis points mostly by 2028), taking into account the above-mentioned payout ratio envisaged for the years covered by the Business Plan and not considering any additional distribution.

[14] Subject to the approval from the Shareholders’ Meeting.

Consolidated
financial statements

Consolidated balance sheet

(millions of euro)

Assets		30.09.2024	31.12.2023	Changes	
				amount	%
10.	Cash and cash equivalents	56,071	89,270	-33,199	-37.2
20.	Financial assets measured at fair value through profit or loss	150,391	144,594	5,797	4.0
	a) financial assets held for trading	*41,430*	*38,163*	*3,267*	*8.6*
	b) financial assets designated at fair value	*6*	*1*	*5*	
	c) other financial assets mandatorily measured at fair value	*108,955*	*106,430*	*2,525*	*2.4*
30.	Financial assets measured at fair value through other comprehensive income	153,786	140,753	13,033	9.3
40.	Financial assets measured at amortised cost	516,507	518,950	-2,443	-0.5
	a) due from banks	*36,491*	*32,899*	*3,592*	*10.9*
	b) loans to customers	*480,016*	*486,051*	*-6,035*	*-1.2*
50.	Hedging derivatives	6,779	7,006	-227	-3.2
60.	Fair value change of financial assets in hedged portfolios (+/-)	-4,027	-5,695	-1,668	-29.3
70.	Investments in associates and companies subject to joint control	2,799	2,501	298	11.9
80.	Insurance assets	686	813	-127	-15.6
	a) insurance contracts issued that are assets	*459*	*412*	*47*	*11.4*
	b) reinsurance contracts held that are assets	*227*	*401*	*-174*	*-43.4*
90.	Property and equipment	8,964	9,825	-861	-8.8
100.	Intangible assets	9,578	9,524	54	0.6
	of which:				
	- goodwill	*3,701*	*3,672*	*29*	*0.8*
110.	Tax assets	13,150	14,533	-1,383	-9.5
	a) current	*1,921*	*1,932*	*-11*	*-0.6*
	b) deferred	*11,229*	*12,601*	*-1,372*	*-10.9*
120.	Non-current assets held for sale and discontinued operations	1,024	264	760	
130.	Other assets	33,478	31,232	2,246	7.2
Total assets		**949,186**	**963,570**	**-14,384**	**-1.5**

Consolidated balance sheet

(millions of euro)

Liabilities and Shareholders' Equity		30.09.2024	31.12.2023	Changes	
				amount	%
10.	Financial liabilities measured at amortised cost	609,697	642,119	-32,422	-5.0
	a) due to banks	*51,779*	*93,242*	*-41,463*	*-44.5*
	b) due to customers	*446,058*	*440,449*	*5,609*	*1.3*
	c) securities issued	*111,860*	*108,428*	*3,432*	*3.2*
20.	Financial liabilities held for trading	44,540	43,493	1,047	2.4
30.	Financial liabilities designated at fair value	74,773	72,782	1,991	2.7
40.	Hedging derivatives	5,251	5,188	63	1.2
50.	Fair value change of financial liabilities in hedged portfolios (+/-)	-2,032	-3,967	-1,935	-48.8
60.	Tax liabilities	2,467	1,946	521	26.8
	a) current	*418*	*458*	*-40*	*-8.7*
	b) deferred	*2,049*	*1,488*	*561*	*37.7*
70.	Liabilities associated with non-current assets held for sale and discontinued operations	7	2	5	
80.	Other liabilities	17,432	12,741	4,691	36.8
90.	Employee termination indemnities	741	767	-26	-3.4
100.	Allowances for risks and charges	3,848	4,523	-675	-14.9
	a) commitments and guarantees given	*536*	*524*	*12*	*2.3*
	b) post-employment benefits	*95*	*98*	*-3*	*-3.1*
	c) other allowances for risks and charges	*3,217*	*3,901*	*-684*	*-17.5*
110.	Insurance liabilities	125,232	119,849	5,383	4.5
	a) insurance contracts issued that are liabilities	*125,213*	*119,674*	*5,539*	*4.6*
	b) reinsurance contracts held that are liabilities	*19*	*175*	*-156*	*-89.1*
120.	Valuation reserves	-2,083	-2,009	74	3.7
130.	Redeemable shares	-	-	-	
140.	Equity instruments	8,682	7,948	734	9.2
150.	Reserves	16,947	14,697	2,250	15.3
155.	Interim dividend (-)	-	-2,629	-2,629	
160.	Share premium reserve	27,601	28,003	-402	-1.4
170.	Share capital	10,369	10,369	-	-
180.	Treasury shares (-)	-1,595	-140	1,455	
190.	Minority interests (+/-)	142	164	-22	-13.4
200.	Net income (loss) (+/-)	7,167	7,724	-557	-7.2
Total liabilities and shareholders’ equity		**949,186**	**963,570**	**-14,384**	**-1.5**

Consolidated income statement

(millions of euro)

		30.09.2024	30.09.2023	Changes	
				amount	%
10.	Interest and similar income	26,458	23,324	3,134	13.4
	of which: interest income calculated using the effective interest rate method	*22,383*	*20,552*	*1,831*	*8.9*
20.	Interest and similar expense	-12,797	-10,994	1,803	16.4
30.	**Interest margin**	**13,661**	**12,330**	**1,331**	**10.8**
40.	Fee and commission income	8,460	7,963	497	6.2
50.	Fee and commission expense	-2,047	-2,046	1	0.0
60.	**Net fee and commission income**	**6,413**	**5,917**	**496**	**8.4**
70.	Dividend and similar income	600	486	114	23.5
80.	Profits (Losses) on trading	554	-133	687	
90.	Fair value adjustments in hedge accounting	-5	-28	-23	-82.1
100.	Profits (Losses) on disposal or repurchase of:	142	-188	330	
	a) financial assets measured at amortised cost	*46*	*100*	*-54*	*-54.0*
	b) financial assets measured at fair value through other comprehensive income	*82*	*-309*	*391*	
	c) financial liabilities	*14*	*21*	*-7*	*-33.3*
110.	Profits (Losses) on other financial assets and liabilities measured at fair value through profit or loss	2,249	1,028	1,221	
	a) financial assets and liabilities designated at fair value	*-4,400*	*-1,307*	*3,093*	
	b) other financial assets mandatorily measured at fair value	*6,649*	*2,335*	*4,314*	
120.	**Net interest and other banking income**	**23,614**	**19,412**	**4,202**	**21.6**
130.	Net losses/recoveries for credit risks associated with:	-761	-963	-202	-21.0
	a) financial assets measured at amortised cost	*-748*	*-931*	*-183*	*-19.7*
	b) financial assets measured at fair value through other comprehensive income	*-13*	*-32*	*-19*	*-59.4*
140.	Profits (Losses) on changes in contracts without derecognition	-5	11	-16	
150.	**Net income from banking activities**	**22,848**	**18,460**	**4,388**	**23.8**
160.	Insurance service result	1,180	1,543	-363	-23.5
	a) insurance revenue arising from insurance contracts issued	*2,352*	*2,405*	*-53*	*-2.2*
	b) insurance service expenses arising from insurance contracts issued	*-1,118*	*-870*	*248*	*28.5*
	c) insurance revenue arising from reinsurance contracts held	*75*	*148*	*-73*	*-49.3*
	d) insurance service expenses arising from reinsurance contracts held	*-129*	*-140*	*-11*	*-7.9*
170.	Balance of financial income and expenses related to insurance operations	-4,747	-2,604	2,143	82.3
	a) net financial expenses/revenue related to insurance contracts issued	*-4,747*	*-2,604*	*2,143*	*82.3*
	b) net financial expenses/revenue related to reinsurance contracts held	*-*	*-*	*-*	
180.	**Net income from banking and insurance activities**	**19,281**	**17,399**	**1,882**	**10.8**
190.	Administrative expenses:	-7,970	-8,190	-220	-2.7
	a) personnel expenses	*-4,734*	*-4,655*	*79*	*1.7*
	b) other administrative expenses	*-3,236*	*-3,535*	*-299*	*-8.5*
200.	Net provisions for risks and charges	-415	-186	229	
	a) commitments and guarantees given	*-16*	*34*	*-50*	
	b) other net provisions	*-399*	*-220*	*179*	*81.4*
210.	Net adjustments to / recoveries on property and equipment	-472	-502	-30	-6.0
220.	Net adjustments to / recoveries on intangible assets	-765	-687	78	11.4
230.	Other operating expenses (income)	696	705	-9	-1.3
240.	**Operating expenses**	**-8,926**	**-8,860**	**66**	**0.7**
250.	Profits (Losses) on investments in associates and companies subject to joint control	99	216	-117	-54.2
260.	Valuation differences on property, equipment and intangible assets measured at fair value	3	-22	25	
270.	Goodwill impairment	-	-	-	
280.	Profits (Losses) on disposal of investments	-	161	-161	
290.	**Income (Loss) before tax from continuing operations**	**10,457**	**8,894**	**1,563**	**17.6**
300.	Taxes on income from continuing operations	-3,278	-2,743	535	19.5
310.	**Income (Loss) after tax from continuing operations**	**7,179**	**6,151**	**1,028**	**16.7**
320.	Income (Loss) after tax from discontinued operations	-	-	-	
330.	**Net income (loss)**	**7,179**	**6,151**	**1,028**	**16.7**
340.	Minority interests	-12	-29	-17	-58.6
350.	**Parent Company's net income (loss)**	**7,167**	**6,122**	**1,045**	**17.1**
	Basic EPS - Euro	**0.40**	**0.33**		
	Diluted EPS - Euro	**0.40**	**0.33**		

Statement of consolidated comprehensive income

(millions of euro)

		30.09.2024	30.09.2023	Changes	
				amount	%
10.	**Net income (Loss)**	**7,179**	**6,151**	**1,028**	**16.7**
	Other comprehensive income (net of tax) that may not be reclassified to the income statement	**48**	**-77**	**125**	
20.	Equity instruments designated at fair value through other comprehensive income	159	-162	321	
30.	Financial liabilities designated at fair value through profit or loss (change in own credit rating)	-89	6	-95	
40.	Hedging of equity instruments designated at fair value through other comprehensive income	-	-	-	
50.	Property and equipment	-31	-5	26	
60.	Intangible assets	-	-	-	
70.	Defined benefit plans	9	84	-75	-89.3
80.	Non-current assets classified as held for sale	-	-	-	
90.	Share of valuation reserves connected with investments carried at equity	-	-	-	
100.	Financial revenue and expenses related to insurance contracts issued	-	-	-	
	Other comprehensive income (net of tax) that may be reclassified to the income statement	**-171**	**69**	**-240**	
110.	Hedges of foreign investments	9	-2	11	
120.	Foreign exchange differences	-278	-45	233	
130.	Cash flow hedges	208	109	99	90.8
140.	Hedging instruments (not designated elements)	-	-	-	
150.	Financial assets (other than equities) measured at fair value through other comprehensive income	1,062	61	1,001	
160.	Non-current assets held for sale and discontinued operations	-	-	-	
170.	Share of valuation reserves connected with investments carried at equity	8	-19	27	
180.	Financial revenue and expenses related to insurance contracts issued	-1,179	-59	1,120	
190.	Financial revenue and expenses related to reinsurance contracts held	-1	24	-25	
200.	**Total other comprehensive income (net of tax)**	**-123**	**-8**	**115**	
210.	**Total comprehensive income (captions 10 + 200)**	**7,056**	**6,143**	**913**	**14.9**
220.	**Total consolidated comprehensive income pertaining to minority interests**	**-36**	**4**	**-40**	
230.	**Total consolidated comprehensive income pertaining to the Parent Company**	**7,092**	**6,139**	**953**	**15.5**

Changes in consolidated shareholders' equity as at 30 September 2024

(millions of euro)

	30.09.2024												
	Share capital		Share premium reserve	Reserves		Valuation reserves	Equity instruments	Interim dividend	Treasury shares	Net income (loss)	Shareholders' equity	Group shareholders' equity	Minority interests
	ordinary shares	other shares		retained earnings	other								
AMOUNTS AS AT 31.12.2023	**10,491**	**-**	**28,019**	**13,711**	**1,132**	**-2,157**	**7,948**	**-2,629**	**-140**	**7,752**	**64,127**	**63,963**	**164**
Changes in opening balances	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
AMOUNTS AS AT 1.1.2024	**10,491**	**-**	**28,019**	**13,711**	**1,132**	**-2,157**	**7,948**	**-2,629**	**-140**	**7,752**	**64,127**	**63,963**	**164**
ALLOCATION OF NET INCOME OF THE PREVIOUS YEAR (a)													
Reserves	**-**	**-**	**-**	**2,721**	**-**	**-**	**-**	**-**	**-**	**-2,721**	**-**	**-**	**-**
Dividends and other allocations	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2,629**	**-**	**-5,031**	**-2,402**	**-2,392**	**-10**
CHANGES IN THE PERIOD													
Changes in reserves	**-**	**-**	**-**	**-**	**135**	**-**	**-**	**-**	**-**	**-**	**135**	**135**	-
Operations on shareholders' equity													
Issue of new shares	-	-	4	-	-	-	-	-	53	-	57	57	-
Purchase of treasury shares	-	-	-	-	-	-	-	-	-1,510	-	-1,510	-1,508	-2
Interim dividend	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-406	-	-	-	-	-	-	-	-406	-406	-
Changes in equity instruments	-	-	-	-	-	-	734	-	-	-	734	734	-
Derivatives on treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-
Stock options	-	-	-	-	-	-	-	-	-	-	-	-	-
Changes in equity investments	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	16	-	27	-605	-	1	-	-	-	-	-561	-587	26
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**-**	**-123**	**-**	**-**	**-**	**7,179**	**7,056**	**7,092**	**-36**
SHAREHOLDERS' EQUITY AS AT 30.09.2024	**10,507**	**-**	**27,644**	**15,827**	**1,267**	**-2,279**	**8,682**	**-**	**-1,597**	**7,179**	**67,230**	**67,088**	**142**
- Group	**10,369**	**-**	**27,601**	**15,680**	**1,267**	**-2,083**	**8,682**	**-**	**-1,595**	**7,167**	**67,088**		
- minority interests	**138**	**-**	**43**	**147**	**-**	**-196**	**-**	**-**	**-2**	**12**	**142**		

(a) Includes dividends and amounts allocated to the charity allowance of the Parent Company, as well as those relating to consolidated companies, pertaining to minorities.

Changes in consolidated shareholders' equity as at 30 September 2023

(millions of euro)

	30.09.2023												
	Share capital		Share premium reserve	Reserves		Valuation reserves	Equity instruments	Interim dividend	Treasury shares	Net income (loss)	Shareholders' equity	Group shareholders' equity	Minority interests
	ordinary shares	other shares		retained earnings	other								
AMOUNTS AS AT 31.12.2022	**10,537**	**-**	**28,068**	**14,254**	**904**	**-2,583**	**7,211**	**-1,400**	**-124**	**4,402**	**61,269**	**61,103**	**166**
Changes in opening balances	**-**	**-**	**-**	**-59**	**-**	**59**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
AMOUNTS AS AT 1.1.2023	**10,537**	**-**	**28,068**	**14,195**	**904**	**-2,524**	**7,211**	**-1,400**	**-124**	**4,402**	**61,269**	**61,103**	**166**
ALLOCATION OF NET INCOME OF THE PREVIOUS YEAR (a)													
Reserves	**-**	**-**	**-**	**1,338**	**-**	**-**	**-**	**-**	**-**	**-1,338**	**-**	**-**	**-**
Dividends and other allocations	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,400**	**-**	**-3,064**	**-1,664**	**-1,664**	**-**
CHANGES IN THE PERIOD													
Changes in reserves	**-**	**-**	**-57**	**-**	**187**	**-**	**-**	**-**	**-**	**-**	**130**	**130**	-
Operations on shareholders' equity													
Issue of new shares	-	-	7	-	-	-	-	-	1,758	-	1,765	1,765	-
Purchase of treasury shares	-	-	-	-	-	-	-	-	-1,780	-	-1,780	-1,780	-
Interim dividend	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-
Changes in equity instruments	-	-	-	-	-	-	728	-	-	-	728	728	-
Derivatives on treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-
Stock options	-	-	-	-	-	-	-	-	-	-	-	-	-
Changes in equity investments	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-46	-	1	-1,871	-	-	-	-	-	-	-1,916	-1,910	-6
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**-**	**-8**	**-**	**-**	**-**	**6,151**	**6,143**	**6,139**	**4**
SHAREHOLDERS' EQUITY AS AT 30.09.2023	**10,491**	**-**	**28,019**	**13,662**	**1,091**	**-2,532**	**7,939**	**-**	**-146**	**6,151**	**64,675**	**64,511**	**164**
- Group	**10,369**	**-**	**28,003**	**13,516**	**1,091**	**-2,383**	**7,939**	**-**	**-146**	**6,122**	**64,511**		
- minority interests	**122**	**-**	**16**	**146**	**-**	**-149**	**-**	**-**	**-**	**29**	**164**		

(a) Includes dividends and amounts allocated to the charity allowance of the Parent Company, as well as those relating to consolidated companies, pertaining to minorities.

Report on operations

Economic results

General aspects

A condensed reclassified consolidated income statement has been prepared to give a more immediate understanding of results. In addition to the amounts for the reporting period, the format adopted shows the comparative figures for the same period of 2023 and their quarterly movements.
To ensure comparison on a like-for-like basis, the income statement data referring to previous periods are normally restated, where necessary and material, to make them as consistent as possible with the different periods presented, particularly in relation to any changes in the scope of consolidation.
In this Interim Statement, the consolidated income statement figures for the four quarters of 2023 and the first two quarters of 2024 were restated to take account of the following changes in the scope of consolidation, with the usual attribution of the net economic effect to the caption Minority interests:

– the inclusion of the Romanian bank First Bank, acquired on 31 May 2024. Note that, as this acquisition took place near the end of the half year, no economic effects were calculated in the consolidated income statement for the first six months of 2024;
– the inclusion of Alpian S.A., previously consolidated using the equity method. As at 30 June 2024, the Group held a total stake of 41.626% in that company (28.134%-owned by Fideuram - Intesa Sanpaolo Private Banking and 13.492%-owned by Reyl & Cie). Following the completion of the capital increase (in this regard, see the information in the Highlights section of the opening chapter) the percentage of the Group's stake rose to 61.599% (of which 51.141% held by Fideuram - Intesa Sanpaolo Private Banking and 10.458% by Reyl & Cie) resulting in the change to line-by-line consolidation of the company.
  On consolidating the income statement of Alpian for the quarters indicated on a line-by-line basis, the contribution of the company in terms of dividends and profits (losses) on investments carried at equity, included among Other operating income (expenses) of the reclassified consolidated income statement, was derecognised.

Certain aggregations and reclassifications have been made with respect to the model provided in Circular 262 of the Bank of Italy. Breakdowns of restatements, aggregations and reclassifications are provided in separate tables included in the attachments to this report, as also required by Consob in its Communication 6064293 of 28 July 2006.

The reclassifications and aggregations of captions in the reclassified consolidated income statement refer to:

– dividends relating to shares or units in portfolio and dividends collected or paid within the framework of securities lending, which have been reallocated to the caption Profits (losses) on financial assets and liabilities at fair value;
– insurance companies' portions of Net interest income, Dividends, Profits (Losses) on other financial assets and liabilities at fair value, Net losses/recoveries for credit risk associated with financial assets measured at amortised cost and with financial assets measured at fair value through other comprehensive income, which are posted, along with the Insurance service result and the Balance of financial income and expenses related to insurance operations, in the specific caption Income from insurance business. The Insurance service result is considered excluding the related operating costs (personnel expenses, administrative expenses and amortisation/depreciation) and the fees and commissions paid to financial advisors of the Private Banking Division for placing and managing insurance products which, in line with the representation of costs by the nature of the expense, are attributed to the specific captions;
– differentials on derivatives, classified to the trading book and contracted to hedge transactions in foreign currencies, which have been allocated among Net interest income owing to the close correlation;
– net fee and commission income, which includes the above-mentioned fees and commissions paid to financial advisors of the Private Banking Division for placing and managing insurance products, in line with the representation of costs by the nature of the expense;
– Profits (losses) on trading, Fair value adjustments in hedge accounting, Profits (losses) on other financial assets and liabilities measured at fair value through profit or loss, Profits (losses) on disposal or repurchase of financial assets measured at fair value through other comprehensive income and on disposal or repurchase of financial liabilities – for the portion contributed by the banking segment – which have been reallocated to the single caption Profits (losses) on financial assets and liabilities at fair value, except for any amounts relating to adjustments on portions of loans mandatorily measured at fair value which, as they relate to the measurements of credit positions, are reclassified to the caption Net adjustments to loans in order to permit unitary representation of the adjustments relating to the same position;
– the share of the premium on the issue of the certificates paid to the networks for their placement, which is reclassified from Profits (losses) on trading and Profits (losses) on other financial assets and liabilities measured at fair value through profit or loss to Net fee and commission income;
– the return components of the insurance policies taken out to cover contractual indemnities and retention plans for financial advisors, which are deducted directly from Profits (Losses) on financial assets and liabilities at fair value, in accordance with the valuation effect of the assets in question, rather than being presented – as attributable to the advisors – among Other net provisions and net impairment losses on other assets (for valuation effects) or among Net fee and commission income or Other operating income (expenses), depending on the type of insurance policy used (for effects from realisation);

- the operating income and costs of entities operating in sectors entirely distinct from banking and finance, synthetically reallocated to Other operating income (expenses), including that of the entities not subject to management and coordination within the framework of the Group (Risanamento and its subsidiaries);
- the costs of several incentive systems for employees of the Group's distribution networks, where funded by fee and commission income generated by the networks in question on the basis of deterministic quantification criteria correlated to the revenues concerned, which are reclassified from Personnel expenses to Fee and commission expense by analogy to the accounting treatment of incentive systems for non-employee financial advisors;
- the recoveries of expenses and indirect taxes, which are deducted from Administrative expenses, rather than being included under Other operating income (expenses), as well as the amounts relating to certain taxes of some international subsidiary banks, which – due to their nature – have been reclassified from Administrative expenses to Taxes on income;
- operating costs, which include the above operating costs relating to the Insurance service result attributed to the specific captions (personnel expenses, administrative expenses and amortisation/depreciation), in line with the representation of costs by the nature of the expense;
- profits and losses on disposal or repurchase of financial assets measured at amortised cost (loans and debt securities representing loans), which have been allocated to Net adjustments to loans;
- the portion of net losses/recoveries for credit risk associated with financial assets measured at amortised cost (loans and debt securities representing loans) and financial assets measured at fair value through other comprehensive income contributed by the banking segment, the effects on the income statement of the changes in contracts without derecognition as well as the net provisions for risks and charges for credit risk relating to commitments and guarantees given, attributed to the single caption Net adjustments to loans. The caption also includes any amounts relating to credit risk adjustments to portions of loans mandatorily measured at fair value, which, as they relate to the measurement of credit positions, are reclassified to the caption Net adjustments to loans to permit unitary representation of the adjustments relating to the same position;
- the reversal in the time value of Employee termination indemnities and Allowances for risks and charges, which has been included among Net interest income, as a phenomenon deriving directly from the application of the amortised cost criterion, in the absence of changes in projected future cash flows, in keeping with the treatment of the time value of financial assets measured at amortised cost;
- Net losses for credit risk associated with financial assets measured at amortised cost other than loans and net impairment losses on equity investments, as well as property and equipment and intangible assets (including property and other assets, also those resulting from the enforcement of guarantees or purchase at auction and intended for sale on the market in the near future), which have been reclassified to Other net provisions and net impairment losses on other assets. This last caption consequently includes – in addition to the provisions for risks and charges other than those relating to commitments and guarantees – the valuation effects of the assets other than loans, with the sole exception of impairment losses on intangible assets that have been reclassified to Impairment (net of tax) of goodwill and other intangible assets;
- realised profits (losses) on financial assets measured at amortised cost other than loans, on equity investments and on other investments, which have been reclassified to Other income (expenses). Accordingly, in addition to the income and expenses not strictly related to operations, this caption represents the summary of the effects from the realisation of assets other than loans. Profits (Losses) realised on debt securities represent an exception; in view of their business model, which involves management closely correlated with the other financial instruments, they are classified to Profits (Losses) on financial assets and liabilities at fair value;
- the amount paid by Intesa Sanpaolo to the National Resolution Fund under the settlement agreement signed by Intesa Sanpaolo (as the absorbing company of the former UBI Banca) and the Bank of Italy (as the managing entity of the National Resolution Fund) – aimed at regulating an aspect of the contract signed on 18 January 2017 between UBI Banca and the National Resolution Fund for the transfer from the Fund to UBI Banca of the entire share capital of Nuova Banca delle Marche S.p.A., Nuova Banca dell'Etruria e del Lazio S.p.A. and Nuova Cassa di Risparmio di Chieti S.p.A. – which was reclassified from Other operating expenses (income) to Taxes on income;
- Charges (net of tax) for integration and exit incentives, which are reclassified from Personnel expenses, Administrative expenses and other captions of the income statement to a separate caption;
- the Effects of purchase price allocation, net of tax, which are indicated in a specific caption. They normally represent adjustments to and any impairment losses on financial assets and liabilities as well as property, equipment and intangible assets which are measured at fair value as provided for by IFRS 3;
- levies and other charges aimed at maintaining the stability of the banking and insurance industry, with the latter relating to the Group's contribution to the Life Insurance Guarantee Fund estimated based on the information available at the date, which have been reclassified, net of tax, to the specific caption;
- impairment of goodwill and other intangible assets, which – where present – is shown net of tax in this specific caption, as stated above.

Reclassified consolidated income statement

(millions of euro)

	30.09.2024	30.09.2023	Changes	
			amount	%
Net interest income	11,917	10,691	1,226	11.5
Net fee and commission income	6,970	6,461	509	7.9
Income from insurance business	1,311	1,275	36	2.8
Profits (Losses) on financial assets and liabilities at fair value	251	396	-145	-36.6
Other operating income (expenses)	-10	7	-17	
Operating income	**20,439**	**18,830**	**1,609**	**8.5**
Personnel expenses	-4,900	-4,826	74	1.5
Administrative expenses	-2,068	-2,108	-40	-1.9
Adjustments to property, equipment and intangible assets	-1,018	-990	28	2.8
Operating costs	**-7,986**	**-7,924**	**62**	**0.8**
Operating margin	**12,453**	**10,906**	**1,547**	**14.2**
Net adjustments to loans	-792	-913	-121	-13.3
Other net provisions and net impairment losses on other assets	-327	-238	89	37.4
Other income (expenses)	86	319	-233	-73.0
Income (Loss) from discontinued operations	-	-	-	-
Gross income (loss)	**11,420**	**10,074**	**1,346**	**13.4**
Taxes on income	-3,703	-3,152	551	17.5
Charges (net of tax) for integration and exit incentives	-163	-142	21	14.8
Effect of purchase price allocation (net of tax)	-82	-126	-44	-34.9
Levies and other charges concerning the banking and insurance industry (net of tax)	-293	-504	-211	-41.9
Impairment (net of tax) of goodwill and other intangible assets	-	-	-	-
Minority interests	-12	-28	-16	-57.1
Net income (loss)	**7,167**	**6,122**	**1,045**	**17.1**

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

Quarterly development of the reclassified consolidated income statement

(millions of euro)

	2024			2023			
	Third quarter	**Second quarter**	**First quarter**	**Fourth quarter**	**Third quarter**	**Second quarter**	**First quarter**
Net interest income	3,942	4,028	3,947	4,009	3,826	3,597	3,268
Net fee and commission income	2,307	2,387	2,276	2,115	2,099	2,220	2,142
Income from insurance business	408	448	455	391	419	459	397
Profits (Losses) on financial assets and liabilities at fair value	150	20	81	-90	55	77	264
Other operating income (expenses)	-5	-2	-3	-28	-11	9	9
Operating income	**6,802**	**6,881**	**6,756**	**6,397**	**6,388**	**6,362**	**6,080**
Personnel expenses	-1,679	-1,619	-1,602	-2,200	-1,621	-1,636	-1,569
Administrative expenses	-713	-725	-630	-925	-718	-739	-651
Adjustments to property, equipment and intangible assets	-344	-315	-359	-371	-332	-322	-336
Operating costs	**-2,736**	**-2,659**	**-2,591**	**-3,496**	**-2,671**	**-2,697**	**-2,556**
Operating margin	**4,066**	**4,222**	**4,165**	**2,901**	**3,717**	**3,665**	**3,524**
Net adjustments to loans	-238	-320	-234	-616	-354	-370	-189
Other net provisions and net impairment losses on other assets	-150	-125	-52	-332	-47	-121	-70
Other income (expenses)	-2	31	57	29	15	203	101
Income (Loss) from discontinued operations	-	-	-	-	-	-	-
Gross income (loss)	**3,676**	**3,808**	**3,936**	**1,982**	**3,331**	**3,377**	**3,366**
Taxes on income	-1,189	-1,234	-1,280	-288	-1,067	-1,000	-1,085
Charges (net of tax) for integration and exit incentives	-61	-46	-56	-80	-56	-44	-42
Effect of purchase price allocation (net of tax)	-28	-25	-29	-35	-36	-44	-46
Levies and other charges concerning the banking and insurance industry (net of tax)	1	-37	-257	18	-264	-12	-228
Impairment (net of tax) of goodwill and other intangible assets	-	-	-	-	-	-	-
Minority interests	2	-1	-13	5	-8	-11	-9
Net income (loss)	**2,401**	**2,465**	**2,301**	**1,602**	**1,900**	**2,266**	**1,956**

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

Operating income

In an economic environment featuring weak growth and continuing uncertainty at international level, in the first nine months of 2024, the Intesa Sanpaolo Group achieved excellent results in terms of profitability, liquidity and capital strength, which translated into the best performance in terms of net income and gross operating margin since 2007, the year the Group was established. Operating income in the first nine months of 2024 amounted to 20,439 million euro, up by 8.5% on the 18,830 million euro in the same period of 2023. This was driven by an increase in net interest income, which benefited from high interest rates, the favourable development of net fee and commission income and income from insurance business, only partly offset by the decline in profits (losses) on financial assets and liabilities at fair value and, to a lesser extent, the trend in other operating income (expenses).

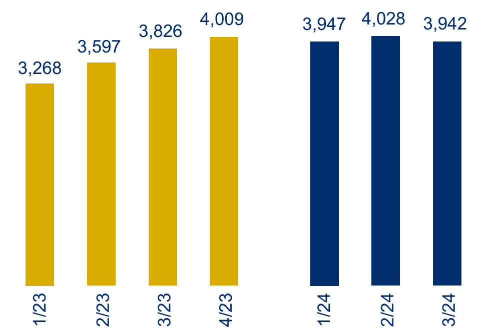
Net interest income

(millions of euro)

	30.09.2024	30.09.2023	Changes	
			amount	%
Relations with customers	10,521	10,159	362	3.6
Securities issued	-3,443	-2,311	1,132	49.0
Customer dealing	**7,078**	**7,848**	**-770**	**-9.8**
Instruments measured at amortised cost which do not constitute loans	1,377	1,174	203	17.3
Other financial assets and liabilities measured at fair value through profit or loss	133	137	-4	-2.9
Other financial assets measured at fair value through other comprehensive income	1,740	1,077	663	61.6
Financial assets and liabilities	**3,250**	**2,388**	**862**	**36.1**
Relations with banks	**549**	**219**	**330**	
Differentials on hedging derivatives	**-132**	**-480**	**-348**	**-72.5**
Other net interest income	**1,172**	**716**	**456**	**63.7**
Net interest income	**11,917**	**10,691**	**1,226**	**11.5**

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

Quarterly development
Net interest income
(millions of euro)



Net interest income was 11,917 million euro, up by 11.5% on the first nine months of 2023. In particular, financial assets and liabilities made a higher contribution (+36.1%, or +862 million euro) thanks to the positive performance of other financial assets measured at fair value through other comprehensive income (+663 million euro), which benefited from income from the liquidity generated by certificates, and securities measured at amortised cost (+203 million euro). Other financial assets and liabilities at fair value through profit or loss were almost stable.
Good performance was also recorded by both net interest income on relations with banks (+330 million euro), thanks to the positive contribution from relations with the ECB, which benefited from lower interest expense on the TLTROs as a result of repayments, and negative differentials on hedging derivatives, which decreased by 72.5%.
In contrast, customer dealing recorded a decline (-9.8%, or -770 million euro): the increase in interest on customer dealing was more than offset by higher interest expense on securities issued.
Finally, other net interest income, inclusive of that accrued on non-performing assets, reached 1,172 million euro, recording an increase of 456 million euro.

The performance of relations with banks reflected the improvement both in terms of end-of-period and average balances of the difference between the amounts of on-demand deposits at the ECB and the funds obtained through TLTROs, in addition to the different average interest rate for the period. Specifically, within the relations with banks, the TLTROs III with the ECB resulted in an interest expense of 526 million euro in the nine months, compared to 1,498 million euro in the same period of 2023, against balances reduced to zero on 25 September 2024 following the repayment of the residual amount (60 million euro) still outstanding at the end of the half year. In the first nine months of 2023, instead, the average outstanding TLTRO stock was 63.8 billion euro with rates applied (deposit facility rates) gradually rising but still below those in force in 2024: the weighted average rate amounted to 3.1% in the period January-September 2023 compared to 3.9% in the same period of 2024.
The liquidity invested in on-demand deposits (overnight deposits) with the ECB generated interest income of 1,570 million euro, compared to 2,295 million euro in the nine months of 2023, which recorded significantly higher average balances compared to 2024 against lower rates applied (deposit facility rates).

(millions of euro)

	2024			Changes %	
	Third quarter (a)	Second quarter (b)	First quarter (c)	(a/b)	(b/c)
Relations with customers	3,472	3,497	3,552	-0.7	-1.5
Securities issued	-1,176	-1,165	-1,102	0.9	5.7
Customer dealing	**2,296**	**2,332**	**2,450**	**-1.5**	**-4.8**
Instruments measured at amortised cost which do not constitute loans	456	498	423	-8.4	17.7
Other financial assets and liabilities measured at fair value through profit or loss	36	38	59	-5.3	-35.6
Other financial assets measured at fair value through other comprehensive income	597	585	558	2.1	4.8
Financial assets and liabilities	**1,089**	**1,121**	**1,040**	**-2.9**	**7.8**
Relations with banks	**166**	**207**	**176**	**-19.8**	**17.6**
Differentials on hedging derivatives	**20**	**-76**	**-76**		**-**
Other net interest income	**371**	**444**	**357**	**-16.4**	**24.4**
Net interest income	**3,942**	**4,028**	**3,947**	**-2.1**	**2.1**

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

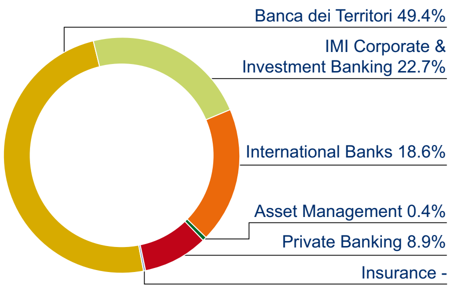
The net interest income recorded in the third quarter of 2024 showed a value lower than that of the second quarter, and substantially in line with the figure for the first quarter of the year, demonstrating resilience against the decreasing trend in interest rates.

(millions of euro)

	30.09.2024	30.09.2023	Changes	
			amount	%
Banca dei Territori	5,039	4,910	129	2.6
IMI Corporate & Investment Banking	2,318	1,991	327	16.4
International Banks	1,895	1,744	151	8.7
Private Banking	912	933	-21	-2.3
Asset Management	45	6	39	
Insurance	-	-	-	-
Total business areas	**10,209**	**9,584**	**625**	**6.5**
Corporate Centre	1,708	1,107	601	54.3
Intesa Sanpaolo Group	**11,917**	**10,691**	**1,226**	**11.5**

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

Business areas
Net interest income



The Banca dei Territori Division, which accounts for 49.4% of the operating business areas' results, recorded net interest income of 5,039 million euro, up compared to the first nine months of 2023 (+2.6%, equal to +129 million euro), due to the performance of market interest rates, which favoured the profitability of customer dealing.
A higher contribution to net interest income was also provided by the IMI Corporate & Investment Banking Division (+16.4%, or +327 million euro), mainly attributable to the operations of Global Markets, by the International Banks Division, formerly the International Subsidiary Banks Division (+8.7%, or +151 million euro), primarily due to the positive performance of the subsidiaries operating in Croatia, Slovakia, Serbia and Egypt, and by Asset Management (+39 million euro).
Conversely, the Private Banking Division showed a negative trend (-2.3%, equal to -21 million euro), due to higher interest expense on funding from customers, only partly offset by the increase in interest income on debt securities and on interbank relations.
The Corporate Centre's net interest income grew sharply (+601 million euro), benefiting from short-term market interest rates higher than the first nine months of 2023.

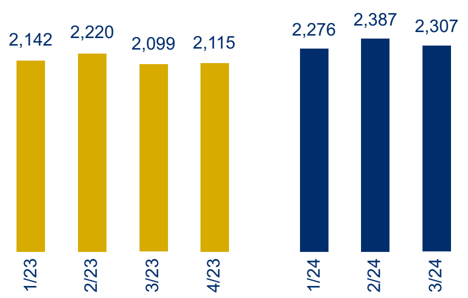
Net fee and commission income

(millions of euro)

	30.09.2024			30.09.2023			Changes	
	Income	Expense	**Net**	Income	Expense	**Net**	**amount**	**%**
Guarantees given / received	380	-238	142	360	-244	116	26	22.4
Collection and payment services	633	-110	523	592	-103	489	34	7.0
Current accounts	987	-	987	1,025	-	1,025	-38	-3.7
Credit and debit cards	715	-397	318	675	-366	309	9	2.9
Commercial banking activities	**2,715**	**-745**	**1,970**	**2,652**	**-713**	**1,939**	**31**	**1.6**
Dealing and placement of securities	1,025	-210	815	781	-205	576	239	41.5
Currency dealing	12	-4	8	11	-4	7	1	14.3
Portfolio management	2,800	-778	2,022	2,627	-736	1,891	131	6.9
Distribution of insurance products	1,181	-	1,181	1,168	-	1,168	13	1.1
Other	440	-186	254	355	-160	195	59	30.3
Management, dealing and consultancy activities	**5,458**	**-1,178**	**4,280**	**4,942**	**-1,105**	**3,837**	**443**	**11.5**
Other net fee and commission income	**917**	**-197**	**720**	**876**	**-191**	**685**	**35**	**5.1**
Net fee and commission income	**9,090**	**-2,120**	**6,970**	**8,470**	**-2,009**	**6,461**	**509**	**7.9**

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

Quarterly development
Net fee and commission income
(millions of euro)



The net fee and commission income earned in the first nine months of 2024 amounted to 6,970 million euro, up by 7.9% from the 6,461 million euro recorded in the same period of 2023.
This result was driven by the increase in fees and commissions on management, dealing and consultancy activities (+11.5%, or +443 million euro) and, to a lesser extent, on commercial banking (+1.6%, or +31 million euro). In detail, in the first type of fees and commissions, there was an increase in the contribution from dealing and placement of securities (+41.5%, or +239 million euro), supported by new placements, portfolio management schemes (+6.9%, or +131 million euro), both collective and individual, which showed accelerating net inflows, and other management and dealing commissions (+59 million euro), in particular related to advisory activities.
In the commercial banking area, there was an increase for fee and commission income on collection and payment services (+34 million euro), on guarantees given/received (+26 million euro) and on ATM and credit card services (+9 million euro), partly offset by current accounts (-38 million euro), related to the Bank's reduction of the account maintenance fees charged to customers.
Lastly, other net fee and commission income increased (+35 million euro), mainly due to higher fee and commission income on loans.

(millions of euro)

	2024			Changes %	
	Third quarter (a)	**Second quarter (b)**	**First quarter (c)**	(a/b)	(b/c)
Guarantees given / received	44	50	48	-12.0	4.2
Collection and payment services	178	178	167	-	6.6
Current accounts	332	328	327	1.2	0.3
Credit and debit cards	102	120	96	-15.0	25.0
Commercial banking activities	**656**	**676**	**638**	**-3.0**	**6.0**
Dealing and placement of securities	230	282	303	-18.4	-6.9
Currency dealing	2	3	3	-33.3	-
Portfolio management	683	679	660	0.6	2.9
Distribution of insurance products	404	402	375	0.5	7.2
Other	97	84	73	15.5	15.1
Management, dealing and consultancy activities	**1,416**	**1,450**	**1,414**	**-2.3**	**2.5**
Other net fee and commission income	**235**	**261**	**224**	**-10.0**	**16.5**
Net fee and commission income	**2,307**	**2,387**	**2,276**	**-3.4**	**4.9**

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

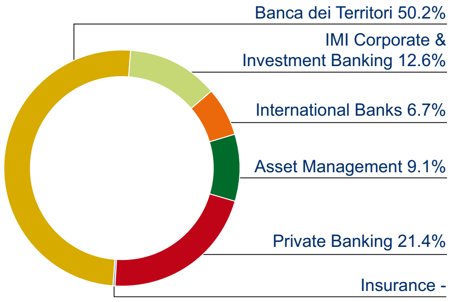
In the third quarter of 2024, this caption's value was lower than in the second quarter, due to the usual seasonal slowdowns in operations during the summer, and higher than the value recorded in the first quarter.

(millions of euro)

	30.09.2024	30.09.2023	Changes	
			amount	**%**
Banca dei Territori	3,651	3,466	185	5.3
IMI Corporate & Investment Banking	916	810	106	13.1
International Banks	485	450	35	7.8
Private Banking	1,558	1,385	173	12.5
Asset Management	663	619	44	7.1
Insurance	3	2	1	50.0
Total business areas	**7,276**	**6,732**	**544**	**8.1**
Corporate Centre	-306	-271	35	12.9
Intesa Sanpaolo Group	**6,970**	**6,461**	**509**	**7.9**

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

Business areas
Net fee and commission income



With regard to the business areas, the Banca dei Territori Division, which accounts for 50.2% of the business areas' results, recorded an increase in fee and commission income in the first nine months of 2024 (+5.3%, or +185 million euro), specifically that deriving from assets under management. The other Divisions also posted an increase in fee and commission income, specifically: Private Banking (+12.5%, or +173 million euro), attributable to recurring fees related to the increase in average assets under management, and up-front fees, as a result of increased placements, IMI Corporate & Investment Banking Division (+13.1%, or +106 million euro), essentially due to the performance of structured finance and investment banking, International Banks (+7.8%, or +35 million euro), due to the positive contribution of all subsidiaries, and Asset Management (+7.1%, or +44 million euro).
The Corporate Centre recorded an increase in the negative balance of net fee and commission income, which grew from -271 million euro in the first nine months of 2023 to -306 million euro in the same period of 2024.

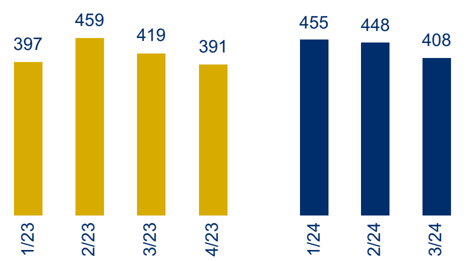
Income from insurance business

(millions of euro)

	30.09.2024			30.09.2023			Changes	
	Life	Non-life	**Total**	Life	Non-life	**Total**	**amount**	**%**
TECHNICAL MARGIN	**630**	**355**	**985**	**929**	**338**	**1,267**	**-282**	**-22.3**
Contractual service margin release	809	48	857	907	50	957	-100	-10.4
Claims, expected expenses and other amounts	471	895	1,366	503	805	1,308	58	4.4
Insurance revenue	**1,280**	**943**	**2,223**	**1,410**	**855**	**2,265**	**-42**	**-1.9**
Total actual claims and expenses	-634	-584	-1,218	-599	-490	-1,089	129	11.8
Other Insurance Expenses	-16	-4	-20	118	-27	91	-111	
Insurance expenses	**-650**	**-588**	**-1,238**	**-481**	**-517**	**-998**	**240**	**24.0**
NET INVESTMENT RESULT	**280**	**31**	**311**	**-35**	**10**	**-25**	**336**	
Net financial income and expenses related to insurance contracts issued	-4,740	-7	-4,747	-2,598	-6	-2,604	2,143	82.3
Net interest income	1,657	39	1,696	1,534	21	1,555	141	9.1
Dividends	386	-	386	326	-	326	60	18.4
Gains/losses on disposal	196	6	202	-956	2	-954	1,156	
Valuation gains/losses	2,616	-	2,616	1,462	-	1,462	1,154	78.9
Net fee and commission income	165	-7	158	197	-7	190	-32	-16.8
Income from insurance business gross of consolidation effects	**910**	**386**	**1,296**	**894**	**348**	**1,242**	**54**	**4.3**
Consolidation effects	**15**	**-**	**15**	**33**	**-**	**33**	**-18**	**-54.5**
INCOME FROM INSURANCE BUSINESS	**925**	**386**	**1,311**	**927**	**348**	**1,275**	**36**	**2.8**

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

Quarterly development
Income from insurance business
(millions of euro)



Income from insurance business includes the cost and revenue captions of the insurance business, including the reinsurance component, of the Group's life and non-life companies. In the reporting period, it amounted to 1.311 million euro, up by 2.8% on the same period in 2023. This trend is attributable to the non-life business, which benefited from the higher insurance revenue as well as from the financial components, specifically net interest income and realised gains, with substantial stability in the life business. The performance of the latter was the result of the increase in the net investment result, related to the different trends in interest rates in the two compared periods, and the downturn in the technical margin, attributable to the increase in insurance expenses, as well as the reduction in the release of the contractual service margin (CSM) as a result of the increase in surrenders that affected the entire insurance sector.

(millions of euro)

	2024			Changes %	
	Third quarter (a)	**Second quarter (b)**	**First quarter (c)**	(a/b)	(b/c)
TECHNICAL MARGIN	**286**	**356**	**343**	**-19.7**	**3.8**
Contractual service margin release	274	290	293	-5.5	-1.0
Claims, expected expenses and other amounts	471	463	432	1.7	7.2
Insurance revenue	**745**	**753**	**725**	**-1.1**	**3.9**
Total actual claims and expenses	-438	-416	-364	5.3	14.3
Other Insurance Expenses	-21	19	-18		
Insurance expenses	**-459**	**-397**	**-382**	**15.6**	**3.9**
NET INVESTMENT RESULT	**121**	**85**	**105**	**42.4**	**-19.0**
Net financial income and expenses related to insurance contracts issued	-1,919	-894	-1,934		-53.8
Net interest income	579	621	496	-6.8	25.2
Dividends	118	170	98	-30.6	73.5
Gains/losses on disposal	-25	196	31		
Valuation gains/losses	1,313	-60	1,363		
Net fee and commission income	55	52	51	5.8	2.0
Income from insurance business gross of consolidation effects	**407**	**441**	**448**	**-7.7**	**-1.6**
Consolidation effects	**1**	**7**	**7**	**-85.7**	**-**
Income from insurance business	**408**	**448**	**455**	**-8.9**	**-1.5**

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

Income from insurance business, inclusive of the life and non-life segments, showed a lower value in the third quarter of 2024 than in the first two quarters of 2024, as a result of the downtrend in the technical margin.

(millions of euro)

Business	**30.09.2024**		**30.09.2023**
		of which new business	
Life insurance business	**11,741**	***11,522***	**10,735**
Premiums issued on traditional products	8,343	*8,261*	8,056
Premiums issued on unit-linked products	1,617	*1,497*	991
Premiums issued on multi-line products	1,121	*1,110*	961
Premiums issued on pension funds	657	*653*	722
Premiums issued on capitalisation products	3	*1*	5
Non-life insurance business	**1,134**	***261***	**1,080**
Premiums issued	1,134	*261*	1,080
Premiums ceded to reinsurers	**-126**	***-25***	**-126**
Net premiums issued from insurance products	**12,749**	***11,758***	**11,689**
Business on unit-linked contracts	1,960	*1,932*	1,615
Total business from investment contracts	**1,960**	***1,932***	**1,615**
Total business	**14,709**	***13,690***	**13,304**

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

In the first nine months of 2024, business in the insurance segment amounted to 14.7 billion euro, at higher levels than the business recorded in the same period of 2023 (13.3 billion euro). The growth in premiums was mainly the result of the increase in the life business, specifically in unit-linked policies of a mainly insurance nature (+0.6 billion euro), traditional products (+0.3 billion euro) and multi-line policies (+0.2 billion euro), while there was a slight decrease in pension funds (-0.1 billion euro). Primarily Class III financial unit-linked policies grew (+0.3 billion euro). In the non-life business (+0.1 billion euro), there was good performance in the non-motor segment (excluding CPI – Credit Protection Insurance).
New business totalled 13.7 billion euro, accounting for over 90% of the total collected premiums of the Group's insurance companies.

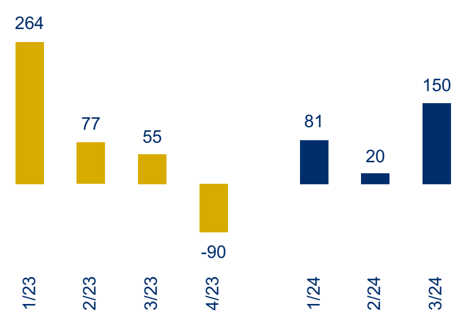
Profits (Losses) on financial assets and liabilities at fair value

(millions of euro)

	30.09.2024	30.09.2023	Changes	
			amount	%
Profits (losses) on trading and on financial instruments under fair value option	-429	-192	237	
Profits (losses) on hedges under hedge accounting	-5	-28	-23	-82.1
Profits (losses) on assets mandatorily measured at fair value through profit or loss	226	210	16	7.6
Profits (losses) on dividends and on disposal of assets measured at fair value through other comprehensive income and disposal of assets at amortised cost	445	386	59	15.3
Profits (losses) on the buyback of financial liabilities	14	20	-6	-30.0
Profits (Losses) on financial assets and liabilities at fair value	**251**	**396**	**-145**	**-36.6**

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

Quarterly development
Profits (Losses) on financial assets and liabilities at fair value
(millions of euro)



In the first nine months of 2024, profits (losses) on financial assets and liabilities at fair value, amounting to 251 million euro, declined by 145 million euro on the same period in 2023. In interpreting this performance it should be considered that the transactions in certificates generated positive effects on net interest income in terms of greater liquidity invested and negative effects on trading related to the management of financial risks as a result of the market interest rate conditions.
The decrease, amounting to 36.6%, was attributable to profits (losses) on trading and on financial instruments under fair value option (-237 million euro), due in particular to the transactions in certificates described above, as well as the negative impact of the Own Credit Risk (OCR) of the certificates. There was also a slight decrease in the profits (losses) on the repurchase of financial liabilities (-6 million euro). In contrast, a positive contribution derived from the profits (losses) on dividends and on disposal of assets measured at fair value through other comprehensive income and disposal of assets at amortised cost (+59 million euro), following the divestment of HTCS securities, mainly consisting of government bonds, the profits (losses) on hedges under hedge accounting, which reduced the loss from -28 million euro in the first nine months of 2023 to -5 million euro, and the assets measured at fair value through profit or loss, with an increase of 16 million euro, mainly attributable to loans.

(millions of euro)

	2024			Changes %	
	Third quarter (a)	Second quarter (b)	First quarter (c)	(a/b)	(b/c)
Profits (losses) on trading and on financial instruments under fair value option	-5	-190	-234	-97.4	-18.8
Profits (losses) on hedges under hedge accounting	-	-7	2		
Profits (losses) on assets mandatorily measured at fair value through profit or loss	58	107	61	-45.8	75.4
Profits (losses) on dividends and on disposal of assets measured at fair value through other comprehensive income and disposal of assets at amortised cost	86	123	236	-30.1	-47.9
Profits (losses) on the buyback of financial liabilities	11	-13	16		
Profits (Losses) on financial assets and liabilities at fair value	**150**	**20**	**81**		**-75.3**

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

Income for the third quarter 2024 was significantly higher than both the first and second quarters. Specifically, there was significant improvement in profits (losses) on trading and on financial instruments under fair value option.

Other operating income (expenses)
In the first nine months of 2024, this caption showed other operating expenses of -10 million euro, compared to other operating income of 7 million euro in the same period of 2023. This caption includes both operating income and expenses - including those of subsidiaries not subject to management and coordination and operating in sectors completely distinct from banking and finance – and profits on equity investments carried at equity. The trend in this caption was due to the increase in other operating expenses (+5 million euro) and the lower contribution from dividends and profits on investments carried at equity (-12 million euro), attributable in particular to the Chinese subsidiary Penghua Fund Management.

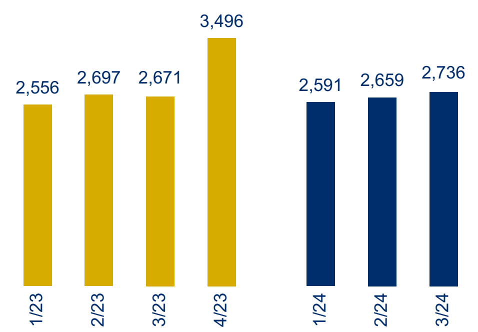
Operating costs

(millions of euro)

	30.09.2024	30.09.2023	Changes	
			amount	%
Wages and salaries	3,384	3,360	24	0.7
Social security charges	855	853	2	0.2
Other	661	613	48	7.8
Personnel expenses	**4,900**	**4,826**	**74**	**1.5**
Information technology expenses	608	632	-24	-3.8
Management of real estate assets expenses	248	284	-36	-12.7
General structure costs	316	304	12	3.9
Professional and legal expenses	184	194	-10	-5.2
Advertising and promotional expenses	102	93	9	9.7
Indirect personnel costs	125	119	6	5.0
Other costs	374	362	12	3.3
Indirect taxes and duties	134	141	-7	-5.0
Recovery of expenses and charges	-23	-21	2	9.5
Administrative expenses	**2,068**	**2,108**	**-40**	**-1.9**
Property and equipment	396	421	-25	-5.9
Intangible assets	622	569	53	9.3
Adjustments	**1,018**	**990**	**28**	**2.8**
Operating costs	**7,986**	**7,924**	**62**	**0.8**

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

Quarterly development
Operating costs
(millions of euro)



In the first nine months of 2024, operating costs amounted to 7,986 million euro, up slightly on the figure recorded in the same period of 2023 (+0.8%).
Personnel expenses, amounting to 4,900 million euro, were up (+1.5%), mainly as a consequence of the renewal of the National Collective Bargaining Agreement at the end of 2023, partially offset by the savings due to the exits negotiated with the trade unions.
Administrative expenses amounted to 2,068 million euro, down by 1.9%. The main savings were recorded in property management expenses (-36 million euro), mainly due to lower energy tariffs and the actions to reduce consumption, in information technology expenses (-24 million euro), related to lower outsourcing costs, and in legal and professional fees (-10 million euro) and indirect taxes and duties (-7 million euro), due to higher recoveries.
Adjustments to property, equipment and intangible assets, which in accordance with IFRS 16 also include the share relating to rights of use acquired under operating leases, increased (+2.8%) on the first nine months of 2023, due to the intangible assets, driven by technology investments focused on software which continue the process of development already reported in the previous year.
Despite the significant investments in technology, the cost/income ratio in the first nine months of 2024 amounted to a record low (39.1%) compared to a higher value in the same period of 2023 (42.1%).

(millions of euro)

	2024			Changes %	
	Third quarter (a)	**Second quarter (b)**	**First quarter (c)**	(a/b)	(b/c)
Wages and salaries	1,164	1,120	1,100	3.9	1.8
Social security charges	290	284	281	2.1	1.1
Other	225	215	221	4.7	-2.7
Personnel expenses	**1,679**	**1,619**	**1,602**	**3.7**	**1.1**
Information technology expenses	207	208	193	-0.5	7.8
Management of real estate assets expenses	86	83	79	3.6	5.1
General structure costs	108	106	102	1.9	3.9
Professional and legal expenses	60	67	57	-10.4	17.5
Advertising and promotional expenses	35	45	22	-22.2	
Indirect personnel costs	41	46	38	-10.9	21.1
Other costs	141	129	104	9.3	24.0
Indirect taxes and duties	44	48	42	-8.3	14.3
Recovery of expenses and charges	-9	-7	-7	28.6	-
Administrative expenses	**713**	**725**	**630**	**-1.7**	**15.1**
Property and equipment	131	126	139	4.0	-9.4
Intangible assets	213	189	220	12.7	-14.1
Adjustments	**344**	**315**	**359**	**9.2**	**-12.3**
Operating costs	**2,736**	**2,659**	**2,591**	**2.9**	**2.6**

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

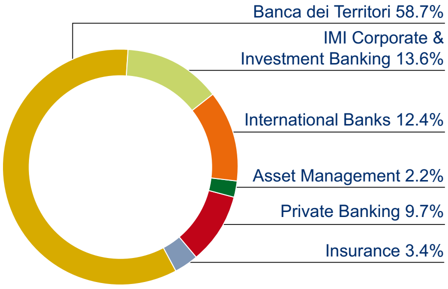
Operating costs in the third quarter of 2024 grew compared to the values recorded in the first two quarters of 2024, mainly due to higher personnel expenses.

(millions of euro)

	30.09.2024	**30.09.2023**	**Changes**	
			amount	**%**
Banca dei Territori	4,567	4,635	-68	-1.5
IMI Corporate & Investment Banking	1,058	1,041	17	1.6
International Banks	963	883	80	9.1
Private Banking	758	720	38	5.3
Asset Management	168	169	-1	-0.6
Insurance	268	264	4	1.5
Total business areas	**7,782**	**7,712**	**70**	**0.9**
Corporate Centre	204	212	-8	-3.8
Intesa Sanpaolo Group	**7,986**	**7,924**	**62**	**0.8**

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

Business areas
Operating costs



At the level of operating costs, the Banca dei Territori Division, which accounts for 58.7% of the costs of the operating business areas, reported a decrease (-1.5%, or -68 million euro), due to savings on administrative expenses. Asset Management also reported a slight decrease (-0.6%) related to personnel expenses. Conversely, there were increases for IMI Corporate & Investment Banking (+1.6%, or +17 million euro) and for International Banks (+9.1%, or +80 million euro), attributable to personnel and administrative expenses, for the Private Banking Division (+5.3%, or +38 million euro), related to all expense captions, and for Insurance (+1.5%, +4 million euro), attributable to depreciation, amortisation and personnel expenses.
The Corporate Centre recorded a decrease (-3.8%, or -8 million euro), thanks to higher charge backs by the Corporate Centre to the business units for pure services and guidance and control services, as well as the reduction in personnel expenses.

Operating margin

The operating margin in the period under review amounted to 12,453 million euro, up by 14.2% on the amount recorded in the same period of the previous year, due to the increase in revenues, while operating costs grew slightly.

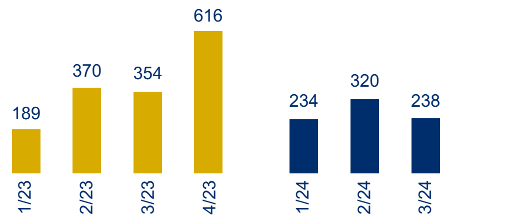
Net adjustments to loans

(millions of euro)

	30.09.2024	30.09.2023	Changes	
			amount	%
Bad loans	-143	-275	-132	-48.0
Unlikely to pay	-501	-494	7	1.4
Past due loans	-308	-212	96	45.3
Stage 3 loans	**-952**	**-981**	**-29**	**-3.0**
of which debt securities	*-1*	*-3*	*-2*	*-66.7*
Stage 2 loans	**93**	**85**	**8**	**9.4**
of which debt securities	*6*	*-7*	*13*	
Stage 1 loans	**88**	**-62**	**150**	
of which debt securities	*12*	*21*	*-9*	*-42.9*
Net losses/recoveries on impairment of loans	**-771**	**-958**	**-187**	**-19.5**
Profits/losses from changes in contracts without derecognition	**-5**	**11**	**-16**	
Net provisions for risks and charges for credit risk associated with commitments and financial guarantees given	**-16**	**34**	**-50**	
Net adjustments to loans	**-792**	**-913**	**-121**	**-13.3**

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

Quarterly development
Net adjustments to loans
(millions of euro)



Net adjustments to loans amounted to 792 million euro, down on those recorded in the first nine months of 2023 (913 million euro).
The trend in the caption was essentially attributable to write-backs on Stage 1 loans (+150 million euro) and, to a lesser extent, Stage 2 loans (+8 million euro) – mainly attributable to transfers to Stage 3 and to operational movements of the portfolio – and a reduction in adjustments to Stage 3 non-performing loans (-29 million euro), with the latter resulting from -132 million euro due to bad loans, +7 million euro to unlikely-to-pay loans, and +96 million euro to past due loans.
In September 2024, the ratio of gross non-performing loans to total loans was 2.2%, slightly lower than the December 2023 figure (2.3%).
The annualised cost of credit – expressed as the ratio of net adjustments to net loans – decreased in the first nine months of the current year to 25 basis points, without release of prudential provisions (overlays), compared to 36 basis points in 2023. That amount, which is a record low, was favoured by low inflows from performing loans to non-performing loans in the first nine months of 2024 (1.8 billion euro net of outflows from non-performing loans to performing loans).
In September 2024, the coverage ratio for non-performing loans rose to 50.8%. In detail, bad loans required net adjustments of 143 million euro, down by 48% on the figure for the first nine months of 2023 (275 million euro), with a coverage ratio of 69.7%. Net adjustments to unlikely-to-pay loans, totalling 501 million euro, were up (1.4%) from 494 million euro recorded in the same period of 2023; the coverage ratio for these exposures amounted to 40.1%. Adjustments to past-due loans amounted to 308 million euro (212 million euro in the first nine months of 2023), with a coverage ratio of 31%. The coverage ratio for forborne positions within the non-performing loan category was 47.3%. Finally, the coverage of performing loans was 0.5% and incorporated the physiological risk inherent in the loan portfolio.

(millions of euro)

	2024			Changes %	
	Third quarter (a)	**Second quarter (b)**	**First quarter (c)**	(a/b)	(b/c)
Bad loans	-47	-35	-61	34.3	-42.6
Unlikely to pay	-112	-227	-162	-50.7	40.1
Past due loans	-89	-128	-91	-30.5	40.7
Stage 3 loans	**-248**	**-390**	**-314**	**-36.4**	**24.2**
of which debt securities	*-*	*-*	*-1*	*-*	
Stage 2 loans	**68**	**23**	**2**		
of which debt securities	*2*	*3*	*1*	*-33.3*	
Stage 1 loans	**-13**	**51**	**50**		**2.0**
of which debt securities	*1*	*5*	*6*	*-80.0*	*-16.7*
Net losses/recoveries on impairment of loans	**-193**	**-316**	**-262**	**-38.9**	**20.6**
Profits/losses from changes in contracts without derecognition	**2**	**-7**	**-**		**-**
Net provisions for risks and charges for credit risk associated with commitments and financial guarantees given	**-47**	**3**	**28**		**-89.3**
Net adjustments to loans	**-238**	**-320**	**-234**	**-25.6**	**36.8**

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

At the quarterly level, in the third quarter of 2024 adjustments were lower than in the second quarter, and in line with the figure of the first quarter.

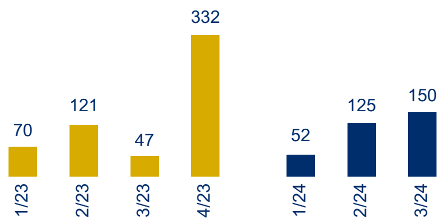
Other net provisions and net impairment losses on other assets

(millions of euro)

	30.09.2024	30.09.2023	Changes	
			amount	%
Other net provisions	-300	-143	157	
Net impairment losses on instruments measured at amortised cost and on instruments measured at fair value through other comprehensive income	-13	-83	-70	-84.3
Net impairment losses on other assets	-14	-12	2	16.7
Other net provisions and net impairment losses on other assets	**-327**	**-238**	**89**	**37.4**

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

Quarterly development
Other net provisions and net impairment losses on other assets
(millions of euro)



Within the layout of the reclassified income statement, this caption primarily consists of other net provisions for risks and charges and net impairment losses on other assets and on securities measured at amortised cost and at fair value. In the first nine months of 2024, other net provisions and net impairment losses on other assets amounted to 327 million euro, higher than the 238 million euro recorded in the same period of the previous year. The increase is related to the caption Other net provisions, which rose from 143 million euro in the first nine months of 2023 to 300 million euro in the same period of 2024, largely attributable to the higher charges to offset the net income (loss) of the Russian subsidiary BIR recognised upon consolidation to write off its equity contribution to the Group's consolidated financial statements. Conversely, net adjustments to instruments measured at amortised cost and to instruments measured at fair value through other comprehensive income decreased to -13 million euro from the -83 million euro in the first nine months of 2023, mainly referring to the credit risk component inherent in those portfolios.

(millions of euro)

	2024			Changes %	
	Third quarter (a)	Second quarter (b)	First quarter (c)	(a/b)	(b/c)
Other net provisions	-139	-108	-53	28.7	
Net impairment losses on instruments measured at amortised cost and on instruments measured at fair value through other comprehensive income	-7	-10	4	-30.0	
Net impairment losses on other assets	-4	-7	-3	-42.9	
Other net provisions and net impairment losses on other assets	**-150**	**-125**	**-52**	**20.0**	

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

In terms of economic performance, the third quarter of 2024 recorded higher provisions than both the second quarter and, to a greater extent, the first quarter. Specifically, other net provisions grew, also relating to charges for the consolidation entry relating to the above-mentioned Russian bank.

Other income (expenses)
In this caption of the reclassified income statement, the "profits (losses) on financial assets measured at amortised cost other than loans, equity investments and other investments" are aggregated together with other income and expenses not strictly linked to operations.
In the first nine months of 2024, other income amounted to 86 million euro, compared to a much higher figure of 319 million euro in the same period of 2023, which included 192 million euro in profits on the disposal, finalised in May 2023, of the stake held in Zhong Ou Asset Management Company Limited (ZOAM) and 116 million euro in profits on the disposal to Nexi of the acquiring business line of the subsidiary PBZ operating in Croatia.

Gross income (loss)

In the first nine months of 2024, income before tax from continuing operations came to 11,420 million euro, up by 13.4% compared with 10,074 million euro for the same period in 2023.

Taxes on income

Current and deferred taxes came to 3,703 million euro for a tax rate of 32.4%, around 1 percentage point higher than the figure recorded in the first nine months of 2023 (31.3%).

Charges (net of tax) for integration and exit incentives

This caption, the main component of which relates to adjustments to property, equipment and intangible assets, rose to 163 million euro from 142 million euro in the same period of the previous year.

Effect of purchase price allocation (net of tax)

This caption comprises amounts attributable to the revaluation of loans, debts, real estate and the recognition of new intangible assets, in application of IFRS 3, upon recognition of acquisition of equity investments and/or aggregate assets. In the first nine months of 2024, this caption amounted to -82 million euro, compared to the -126 million euro recorded in the same period of 2023.

Levies and other charges concerning the banking and insurance industry (net of tax)

The caption includes the levies imposed by legislative provisions and/or aimed at maintaining the stability of the banking and insurance industry and consequently outside the company management. In the first nine months of 2024, those charges amounted to 293 million euro, compared with 504 million euro in the same period of the previous year, which included 222 million euro in charges for the European Resolution Fund, which is currently funded for the EU countries in the banking union.
The levies recognised during the reporting period may be broken down as follows: 236 million euro attributable to deposit guarantee funds, 2 million euro to the European Resolution Fund, 16 million euro to levies recognised by the international banks, 11 million euro to the write-down of the Atlante Fund, and 28 million euro to the new Life Insurance Guarantee Fund (23 million euro relating to the insurance segment and 5 million euro to the banking segment).

Minority interests

In the first nine months of 2024, the caption showed net income of 12 million euro attributable to minority interests relating to companies subject to line-by-line scope of consolidation, compared with 28 million euro in the same period of 2023.

Net income (loss)

The Intesa Sanpaolo Group closed the first nine months of 2024 with a net income of 7,167 million euro, up 17.1% on the same period of 2023. This result represents the best nine-month performance since 2007, underscoring a diversified business model, with leadership in Wealth Management, Protection & Advisory, which enabled the Group to swiftly take advantage of the first signs of improvement in assets under management. The double-digit increase was the result of the healthy revenue performance, which benefited from the strong momentum of the interest component and the recovery of net fee and commission income and income from insurance business, as well as the limited adjustments to loans and the focused management of operating costs, despite significant investments in technology.

Balance sheet aggregates

General aspects

A reclassified consolidated balance sheet has been prepared to permit a more immediate understanding of the Group's assets and liabilities.
In addition to the amounts as at the reporting date, the format adopted shows the comparative figures as at 31 December 2023 and their quarterly development. To enable a like-for-like comparison, the figures from the previous periods are normally restated, where necessary and material, to make them as consistent as possible, particularly in relation to any changes in the scope of consolidation.
Following the acquisition, on 31 May 2024, of almost all the capital of the Romanian bank First Bank S.A. and its subsequent inclusion in the scope of consolidation, in the Half-yearly Report as at 30 June 2024, the reclassified balance sheet data as at 31 March 2024 and for the four quarters of 2023 were restated to reflect the balance sheet entries of the acquired bank, with the usual attribution of the company's shareholders' equity to the caption Minority interests.
In this Interim Statement as at 30 September 2024, the figures for the four quarters of 2023 and the two quarters of 2024 were restated to reflect the entry into the line-by-line scope of consolidation of Alpian S.A. – Swiss company of the Fideuram Group previously consolidated using the equity method[15] – with the usual attribution of the company's shareholders' equity to the caption Minority interests.

Certain aggregations and reclassifications have been made with respect to the model provided in Circular 262 of the Bank of Italy. Breakdowns of restatements, aggregations and reclassifications are provided in separate tables included in the attachments to this report, as also required by Consob in its Communication 6064293 of 28 July 2006.

Aggregations and reclassifications of captions in the consolidated reclassified balance sheet refer to:
– the separate presentation of financial assets of the banking segment constituting Due from banks and Loans to customers, regardless of the accounting portfolios to which they have been allocated;
– the separate presentation of financial assets of the banking segment not constituting loans, divided into financial assets measured at amortised cost, financial assets measured at fair value through profit or loss and financial assets measured at fair value through other comprehensive income, net of the amounts reclassified to Due from banks and Loans to customers;
– the separate presentation of financial assets and liabilities of the insurance segment, grouped based on the valuation method adopted for the purposes of IFRS 9 (fair value or amortised cost);
– the aggregation in one single caption of Property, equipment and intangible assets, broken down into the sub-captions Assets owned and Rights of use acquired under leases;
– the inclusion of Hedging derivatives of the banking segment and Fair value change of financial assets/liabilities in hedged portfolios under Other assets/Other liabilities;
– the inclusion of Insurance assets in Other assets;
– the separate presentation of Due to banks at amortised cost of the banking segment;
– the aggregation of Due to customers at amortised cost and Securities issued of the banking segment into one caption;
– the aggregation in one single caption (Allowances for risks and charges) of allowances for specific purposes (Employee termination indemnities and Allowances for risks and charges regarding: commitments and guarantees given, post-employment benefits and other allowances for risks and charges);
– the reclassification of Lease payables to a specific sub-caption of Other liabilities;
– the presentation of Reserves as an aggregate and net of any own shares.

[15] In this regard, see that set out in the paragraph "General aspects" of the chapter "Economic results".

Reclassified consolidated balance sheet

(millions of euro)

Assets	30.09.2024	31.12.2023	Changes	
			amount	%
Cash and cash equivalents	56,071	89,717	-33,646	-37.5
Due from banks	34,139	31,299	2,840	9.1
Loans to customers	421,946	430,493	-8,547	-2.0
Loans to customers measured at amortised cost	*419,559*	*428,759*	*-9,200*	*-2.1*
Loans to customers measured at fair value through other comprehensive income and through profit or loss	*2,387*	*1,734*	*653*	*37.7*
Financial assets measured at amortised cost which do not constitute loans	62,868	60,145	2,723	4.5
Financial assets measured at fair value through profit or loss	45,608	42,027	3,581	8.5
Financial assets measured at fair value through other comprehensive income	79,500	67,732	11,768	17.4
Financial assets pertaining to insurance companies measured at amortised cost	2	5	-3	-60.0
Financial assets pertaining to insurance companies measured at fair value through profit or loss	103,872	101,718	2,154	2.1
Financial assets pertaining to insurance companies measured at fair value through other comprehensive income	72,797	72,135	662	0.9
Investments in associates and companies subject to joint control	2,799	2,490	309	12.4
Property, equipment and intangible assets	18,542	19,409	-867	-4.5
Assets owned	*17,285*	*18,020*	*-735*	*-4.1*
Rights of use acquired under leases	*1,257*	*1,389*	*-132*	*-9.5*
Tax assets	13,150	14,536	-1,386	-9.5
Non-current assets held for sale and discontinued operations	1,024	265	759	
Other assets	36,868	33,342	3,526	10.6
Total Assets	**949,186**	**965,313**	**-16,127**	**-1.7**

Liabilities	30.09.2024	31.12.2023	Changes	
			amount	%
Due to banks at amortised cost	51,013	92,545	-41,532	-44.9
Due to customers at amortised cost and securities issued	555,320	547,652	7,668	1.4
Financial liabilities held for trading	44,528	43,487	1,041	2.4
Financial liabilities designated at fair value	24,088	21,344	2,744	12.9
Financial liabilities at amortised cost pertaining to insurance companies	2,247	2,199	48	2.2
Financial liabilities held for trading pertaining to insurance companies	64	90	-26	-28.9
Financial liabilities designated at fair value pertaining to insurance companies	50,685	51,438	-753	-1.5
Tax liabilities	2,467	1,947	520	26.7
Liabilities associated with non-current assets held for sale and discontinued operations	7	2	5	
Other liabilities	21,716	15,125	6,591	43.6
of which lease payables	*1,117*	*1,232*	*-115*	*-9.3*
Insurance liabilities	125,232	119,849	5,383	4.5
Allowances for risks and charges	4,589	5,308	-719	-13.5
of which allowances for commitments and financial guarantees given	*536*	*525*	*11*	*2.1*
Share capital	10,369	10,369	-	-
Reserves	42,953	42,560	393	0.9
Valuation reserves	-1,805	-1,711	94	5.5
Valuation reserves pertaining to insurance companies	-278	-298	-20	-6.7
Interim dividend	-	-2,629	-2,629	
Equity instruments	8,682	7,948	734	9.2
Minority interests	142	364	-222	-61.0
Net income (loss)	7,167	7,724	-557	-7.2
Total liabilities and shareholders' equity	**949,186**	**965,313**	**-16,127**	**-1.7**

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

Quarterly development of the reclassified consolidated balance sheet

(millions of euro)

Assets	2024			2023			
	30/9	30/6	31/3	31/12	30/9	30/6	31/3
Cash and cash equivalents	56,071	55,582	51,462	89,717	85,839	80,085	77,885
Due from banks	34,139	33,028	29,041	31,299	30,151	30,167	30,553
Loans to customers	421,946	422,216	424,234	430,493	434,709	438,497	450,833
Loans to customers measured at amortised cost	*419,559*	*420,420*	*421,899*	*428,759*	*432,823*	*436,583*	*448,392*
Loans to customers measured at fair value through other comprehensive income and through profit or loss	*2,387*	*1,796*	*2,335*	*1,734*	*1,886*	*1,914*	*2,441*
Financial assets measured at amortised cost which do not constitute loans	62,868	60,779	62,749	60,145	57,809	60,215	58,932
Financial assets measured at fair value through profit or loss	45,608	41,914	42,029	42,027	45,654	48,436	45,990
Financial assets measured at fair value through other comprehensive income	79,500	77,018	77,230	67,732	60,366	59,430	53,377
Financial assets pertaining to insurance companies measured at amortised cost	2	2	5	5	2	3	3
Financial assets pertaining to insurance companies measured at fair value through profit or loss	103,872	101,961	103,265	101,718	99,226	102,480	103,096
Financial assets pertaining to insurance companies measured at fair value through other comprehensive income	72,797	69,150	70,928	72,135	69,136	71,724	72,562
Investments in associates and companies subject to joint control	2,799	2,621	2,495	2,490	2,554	2,593	2,387
Property, equipment and intangible assets	18,542	18,611	18,651	19,409	18,947	18,952	19,521
Assets owned	*17,285*	*17,276*	*17,257*	*18,020*	*17,532*	*17,502*	*18,040*
Rights of use acquired under leases	*1,257*	*1,335*	*1,394*	*1,389*	*1,415*	*1,450*	*1,481*
Tax assets	13,150	14,095	14,470	14,536	15,872	16,082	17,106
Non-current assets held for sale and discontinued operations	1,024	1,139	732	265	258	615	244
Other assets	36,868	36,406	35,936	33,342	28,207	27,468	24,246
Total Assets	**949,186**	**934,522**	**933,227**	**965,313**	**948,730**	**956,747**	**956,735**

Liabilities	2024			2023			
	30/9	30/6	31/3	31/12	30/9	30/6	31/3
Due to banks at amortised cost	51,013	48,176	55,998	92,545	97,432	94,123	120,108
Due to customers at amortised cost and securities issued	555,320	557,052	545,019	547,652	534,466	533,734	516,604
Financial liabilities held for trading	44,528	45,078	44,737	43,487	47,428	47,639	45,682
Financial liabilities designated at fair value	24,088	23,314	23,218	21,344	16,388	13,608	10,893
Financial liabilities at amortised cost pertaining to insurance companies	2,247	2,185	2,222	2,199	2,422	2,326	2,275
Financial liabilities held for trading pertaining to insurance companies	64	107	67	90	193	96	111
Financial liabilities designated at fair value pertaining to insurance companies	50,685	50,775	51,748	51,438	50,715	53,160	54,099
Tax liabilities	2,467	2,700	2,672	1,947	3,117	2,939	1,965
Liabilities associated with non-current assets held for sale and discontinued operations	7	17	5	2	13	-	-
Other liabilities	21,716	15,513	15,690	15,125	11,162	22,132	17,738
of which lease payables	*1,117*	*1,185*	*1,245*	*1,232*	*1,244*	*1,275*	*1,306*
Insurance liabilities	125,232	119,676	120,561	119,849	115,616	119,381	119,815
Allowances for risks and charges	4,589	4,520	5,161	5,308	4,909	4,956	5,645
of which allowances for commitments and financial guarantees given	*536*	*495*	*496*	*525*	*538*	*539*	*673*
Share capital	10,369	10,369	10,369	10,369	10,369	10,369	10,369
Reserves	42,953	43,933	50,153	42,560	42,464	42,585	45,538
Valuation reserves	-1,805	-2,079	-1,977	-1,711	-1,917	-1,709	-1,794
Valuation reserves pertaining to insurance companies	-278	-366	-302	-298	-466	-375	-420
Interim dividend	-	-	-2,629	-2,629	-	-	-1,400
Equity instruments	8,682	8,652	7,889	7,948	7,939	7,217	7,214
Minority interests	142	134	325	364	358	344	337
Net income (loss)	7,167	4,766	2,301	7,724	6,122	4,222	1,956
Total Liabilities and Shareholders' Equity	**949,186**	**934,522**	**933,227**	**965,313**	**948,730**	**956,747**	**956,735**

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

BANKING BUSINESS

Loans to customers

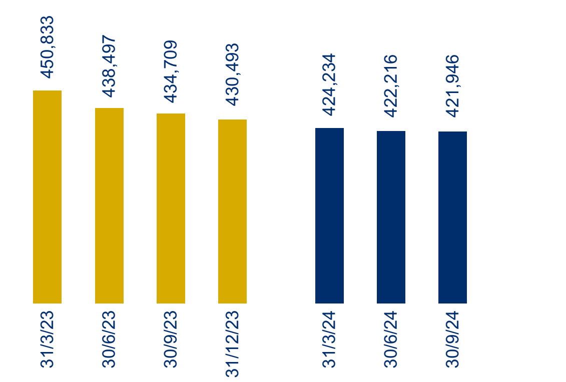
Loans to customers: breakdown

(millions of euro)

	30.09.2024		31.12.2023		Changes	
		% breakdown		% breakdown	amount	%
Current accounts	21,208	5.0	21,663	5.0	-455	-2.1
Mortgages	216,774	51.4	225,928	52.4	-9,154	-4.1
Advances and other loans	151,072	35.8	155,436	36.1	-4,364	-2.8
Commercial banking loans	**389,054**	**92.2**	**403,027**	**93.5**	**-13,973**	**-3.5**
Repurchase agreements	**20,940**	**5.0**	**16,636**	**3.9**	**4,304**	**25.9**
Loans represented by securities	**7,215**	**1.7**	**5,850**	**1.4**	**1,365**	**23.3**
Non-performing loans	**4,737**	**1.1**	**4,980**	**1.2**	**-243**	**-4.9**
Loans to customers	**421,946**	**100.0**	**430,493**	**100.0**	**-8,547**	**-2.0**

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

Quarterly development
Loans to customers
(millions of euro)



As at 30 September 2024, loans to customers of the Group totalled 421.9 billion euro, down slightly (-2%) from the end of 2023. This was driven by commercial banking loans (-3.5%, or -14 billion euro), which registered a decrease in mortgage loans (-9.1 billion euro), particularly to businesses, in advances and other loans (-4.4 billion euro) and in current account facilities (-0.5 billion euro). With regard to businesses, the ISP Group's policy has been based on close attention to risk, as well as safeguarding profitability in a highly competitive environment. For their part, businesses, in response to high interest rates, have limited their use of bank loans, relying instead on their own liquidity or alternative sources of funding. Additionally, the expiry of loans granted during the pandemic to support the economy using state aid has continued.
Among the other components, which represent a less significant proportion of the total aggregate, there was a sharp increase in repurchase agreements (+25.9%, or +4.3 billion euro) and loans represented by securities (+23.3%, or +1.4 billion euro). Lastly, non-performing loans decreased slightly from the end of 2023 (-0.2 billion euro).

In the first nine months of 2024, the Group made total medium/long-term disbursements of 48.4 billion euro, consisting of 30.5 billion euro for Italy and 17.9 billion euro for the international operations.
In the domestic market, the Banca dei Territori recorded loans of 21.1 billion euro, of which 12.8 billion euro to households (retail and exclusive segments), 6.6 billion euro to SMEs (companies with a turnover of up to 350 million euro), 1.3 billion euro to agribusiness, and 0.4 billion euro to the non-profit sector, third party networks, Prestitalia and Isybank. In addition, disbursements of the IMI Corporate & Investment Banking Division amounted to 9 billion euro and Originate to Share (OTS) operations totalled 0.4 billion euro.
For the international operations, the loans included IMI C&IB international, for 10 billion euro, and the International Banks Division (formerly International Subsidiary Banks), for 7.9 billion euro.
As at 30 September 2024, the Intesa Sanpaolo Group's share of the Italian domestic market was estimated at 18.1% for total loans to customers. This estimate was based on the sample deriving from the ten-day report of the Bank of Italy for September, as the global banking system figures were not yet available.

With regard to the specific measures to support the production system, established in response to the COVID-19 pandemic, Intesa Sanpaolo was the first Bank in Italy to sign the collaboration protocol with SACE. Overall, Intesa Sanpaolo provided a plafond of 50 billion euro dedicated to loans in favour of companies under which, also through the SME Fund, a total of 49 billion euro[16] in loans backed by government guarantee were disbursed from the start of the pandemic (in application of the "*Liquidità*" Decree Law no. 23 of 8 April 2020): 13.4 billion euro backed by SACE guarantee and around 35.6 billion euro backed by SME Fund guarantee. The data regarding the monitoring of the guarantees from the "Fondo Centrale di Garanzia" (Central Guarantee Fund), despite showing higher impairment rates than the rest of the loans, do not identify significant risks, thanks to the careful and timely management.
At consolidated level, also considering the operations in the other countries where the Group has a presence, in September 2024 the residual debt of exposures subject to government guarantee schemes totalled 17.5 billion euro, compared to 20.1 billion euro at the end of June and 24.5 billion euro in December 2023. The decrease, essentially attributable to the Parent Company, was correlated with the redemptions during the period.

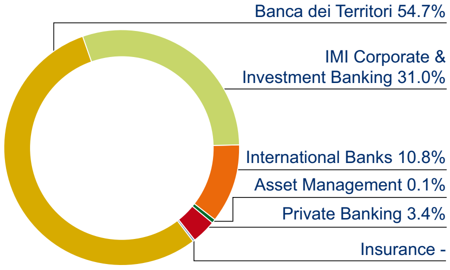
Under the Bank's initiatives related to the measures established by the "Rilancio" Decree (Decree Law 34/2020) for the relaunch of the construction sector, Intesa Sanpaolo – through the Banca dei Territori and IMI Corporate & Investment Banking Divisions – has purchased tax credits of 36.5 billion euro (35.3 billion euro as at 30 June 2024 and 27.1 billion euro as at 31 December 2023) from the start of the operations through to 30 September 2024. In addition, there is an amount of 2.4 billion euro of contracts signed and applications received, which will be assessed in light of the changed regulatory framework introduced by Legislative Decree no. 39 of 29 March 2024 converted into Law no. 67 of 23 May 2024.
Net of the overall decreases of around 13.8 billion euro (attributable to offsetting carried out during the period, deferrals recognised, resales carried out as well as fair value adjustments, where required by the business model of reference), as at 30 September 2024 tax credits of 22.7 billion euro (23.3 billion euro in June and 20.1 billion euro at the end of 2023) were recognised in the financial statements under caption 130 Other assets of the Consolidated balance sheet, which in the Reclassified consolidated balance sheet converge in the caption Other assets.

(millions of euro)

	30.09.2024	31.12.2023	Changes	
			amount	%
Banca dei Territori	222,440	232,406	-9,966	-4.3
IMI Corporate & Investment Banking	125,816	124,215	1,601	1.3
International Banks	43,938	43,002	936	2.2
Private Banking	13,709	14,373	-664	-4.6
Asset Management	279	243	36	14.8
Insurance	-	-	-	-
Total business areas	**406,182**	**414,239**	**-8,057**	**-1.9**
Corporate Centre	15,764	16,254	-490	-3.0
Intesa Sanpaolo Group	**421,946**	**430,493**	**-8,547**	**-2.0**

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

Business areas
Loans to customers



In the breakdown by business area, the Banca dei Territori Division, which accounts for 54.7% of the aggregate of the Group's business areas, recorded a decrease from the beginning of the year (-4.3%, or -10 billion euro), essentially due to the performance of loans to businesses which, in response to high interest rates, have limited their use of bank loans, relying instead on their own liquidity or alternative sources of funding. The loans of the Private Banking Division also decreased (-4.6%, or -0.7 billion euro), due to the reduction in current account facilities and mortgages. In contrast, the loans of the IMI Corporate & Investment Banking Division increased (+1.3%, or +1.6 billion euro), due to the positive performance of Global Markets as well as international and institutional customers, as well as those of the International Banks Division (+2.2%, or +0.9 billion euro), mainly attributable to the higher contribution from the subsidiaries operating in Slovakia and Croatia.
The loans of the Asset Management Division, which are relatively modest in scope owing to its line of business, increased by 14.8%.

The Corporate Centre's loans decreased by 3%.

[16] Including the former UBI Banca Group and considering the sale of branches carried out in the first half of 2021.

Loans to customers: credit quality

(millions of euro)

	30.09.2024		31.12.2023		Change
	Net exposure	**% breakdown**	**Net exposure**	**% breakdown**	**Net exposure**
Bad loans	1,109	0.3	940	0.2	169
Unlikely to pay	3,187	0.7	3,575	0.9	-388
Past due loans	441	0.1	465	0.1	-24
Non-Performing Loans	**4,737**	**1.1**	**4,980**	**1.2**	**-243**
Non-performing loans in Stage 3 (subject to impairment)	*4,704*	*1.1*	4,932	*1.2*	*-228*
Non-performing loans measured at fair value through profit or loss	*33*	*-*	*48*	*-*	*-15*
Performing loans	**409,920**	**97.2**	**419,568**	**97.4**	**-9,648**
Stage 2	*32,833*	*7.8*	*36,275*	*8.4*	*-3,442*
Stage 1	*376,296*	*89.2*	*382,604*	*88.8*	*-6,308*
Performing loans measured at fair value through profit or loss	*791*	*0.2*	*689*	*0.2*	*102*
Performing loans represented by securities	**7,215**	**1.7**	**5,850**	**1.4**	**1,365**
Stage 2	*228*	*0.1*	*339*	*0.1*	*-111*
Stage 1	*6,987*	*1.6*	*5,511*	*1.3*	*1,476*
Loans held for trading	**74**	**-**	**95**	**-**	**-21**
Total loans to customers	**421,946**	**100.0**	**430,493**	**100.0**	**-8,547**
of which forborne performing	***4,439***		***4,797***		***-358***
of which forborne non-performing	***1,616***		***1,806***		***-190***
Loans to customers classified as non-current assets held for sale	**387**		**139**		**248**

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

As at 30 September 2024, the net non-performing loans of the Group amounted to 4,737 million euro, lower than the figure recorded as at 31 December 2023 (4,980 million euro), and representing a new all-time low, continuing the virtuous trend already recorded in the previous quarters, in line with the status of Zero NPL Bank declared in the 2022-2025 Business Plan. The ratio of non-performing loans to total net loans to customers came to 1.1% (0.9% according to the EBA definition) with the coverage ratio for non-performing loans increasing to 50.8% from 49.9% at the end of 2023.
In further detail, in September 2024 bad loans amounted to 1,109 million euro (+18% from 31 December 2023), net of adjustments, representing 0.3% of total net loans with a coverage ratio of 69.7%. Loans included in the unlikely-to-pay category amounted to 3.2 billion euro, down by 10.9%, accounting for 0.7% of total net loans to customers, with a coverage ratio of 40.1%. Past due loans amounted to 441 million euro (-5.2% from the end of 2023), with a coverage ratio of 31%. Within the non-performing loan category, forborne exposures, generated by forbearance measures for borrowers experiencing difficulty in meeting their financial obligations, amounted to 1.6 billion euro, with a coverage ratio of 47.3%. Forborne exposures in the performing loan category amounted to 4.4 billion euro.

At the end of September 2024, net performing loans amounted to 409.9 billion euro, down by 9.6 billion euro (-2.3%) on the end of 2023, with an overall coverage ratio of 0.54% of which 4.56% (from 4.59% at the end of 2023) for Stage 2 loans and 0.17% (0.18% at the end of December 2023) for Stage 1 loans. In terms of stock, net loans in Stage 1 decreased by 1.6% to 376.3 billion euro and those in Stage 2 fell by 9.5% to 32.8 billion euro.

Other banking business financial assets and liabilities: breakdown

(millions of euro)

Type of financial instruments	Financial assets measured at fair value through profit or loss	Financial assets measured at fair value through other comprehensive income	Instruments measured at amortised cost which do not constitute loans	TOTAL Banking business financial assets	Banking business financial liabilities held for trading (*)
Debt securities issued by Governments					
30.09.2024	6,639	53,398	42,648	**102,685**	X
31.12.2023	5,953	44,780	38,014	**88,747**	X
Changes amount	686	8,618	4,634	**13,938**	X
Changes %	11.5	19.2	12.2	**15.7**	X
Other debt securities					
30.09.2024	5,111	24,799	20,220	**50,130**	X
31.12.2023	4,379	21,660	22,131	**48,170**	X
Changes amount	732	3,139	-1,911	**1,960**	X
Changes %	16.7	14.5	-8.6	**4.1**	X
Equities					
30.09.2024	3,955	1,303	X	**5,258**	X
31.12.2023	2,385	1,292	X	**3,677**	X
Changes amount	1,570	11	X	**1,581**	X
Changes %	65.8	0.9	X	**43.0**	X
Quotas of UCI					
30.09.2024	4,509	X	X	**4,509**	X
31.12.2023	3,817	X	X	**3,817**	X
Changes amount	692	X	X	**692**	X
Changes %	18.1	X	X	**18.1**	X
Due to banks and to customers					
30.09.2024	X	X	X	**X**	-9,191
31.12.2023	X	X	X	**X**	-8,713
Changes amount	X	X	X	**X**	478
Changes %	X	X	X	**X**	5.5
Financial derivatives					
30.09.2024	21,553	X	X	**21,553**	-22,130
31.12.2023	24,218	X	X	**24,218**	-25,051
Changes amount	-2,665	X	X	**-2,665**	-2,921
Changes %	-11.0	X	X	**-11.0**	-11.7
Credit derivatives					
30.09.2024	3,841	X	X	**3,841**	-3,685
31.12.2023	1,275	X	X	**1,275**	-1,137
Changes amount	2,566	X	X	**2,566**	2,548
Changes %		X	X		
TOTAL 30.09.2024	**45,608**	**79,500**	**62,868**	**187,976**	**-35,006**
TOTAL 31.12.2023	**42,027**	**67,732**	**60,145**	**169,904**	**-34,901**
Changes amount	**3,581**	**11,768**	**2,723**	**18,072**	**105**
Changes %	**8.5**	**17.4**	**4.5**	**10.6**	**0.3**

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

(*) The amount of the item does not include certificates which are included in the direct deposits from banking business table.

The table above shows the breakdown of other financial assets and liabilities, excluding those pertaining to insurance companies. Financial liabilities held for trading do not include certificates, which are included in the direct deposits from banking business aggregates.
The Intesa Sanpaolo Group's other financial assets, excluding those of the insurance companies, amounted to 188 billion euro, up by 18.1 billion euro compared to the end of the year (+10.6%). Financial liabilities held for trading increased slightly (+0.3%), amounting to 35 billion euro.

The increase in total financial assets was essentially due to the performance of debt securities (+15.9 billion euro) and, to a lesser extent, to equities and units of UCIs (+2.3 billion euro), while the decline in financial derivatives (-2.7 billion euro) was offset by an increase in credit derivatives (+2.6 billion euro).

Financial assets measured at fair value through profit or loss amounted to 45.6 billion euro, up by 3.6 billion euro from the end of 2023, attributable to a general increase in the main components, in particular government debt securities, equities and units of UCIs.
Instruments measured at amortised cost which do not constitute loans amounted to 62.9 billion euro, up by 4.5%, due to the performance of government debt securities. HTC debt securities have primarily been classified to Stage 1 (90%).
Financial assets measured at fair value through other comprehensive income, which reached 79.5 billion euro, also increased from the end of 2023 (+17.4%), essentially due to the performance of debt securities. HTCS debt securities have been classified almost exclusively to Stage 1 (98.5%).

Debt securities: stage allocation

(millions of euro)

Debt securities: stage allocation	Financial assets measured at fair value through other comprehensive income	Instruments measured at amortised cost which do not constitute loans	TOTAL
Stage 1			
30.09.2024	77,034	56,697	**133,731**
31.12.2023	64,752	53,141	**117,893**
Changes amount	12,282	3,556	**15,838**
Changes %	19.0	6.7	**13.4**
Stage 2			
30.09.2024	1,163	6,159	**7,322**
31.12.2023	1,688	6,982	**8,670**
Changes amount	-525	-823	**-1,348**
Changes %	-31.1	-11.8	**-15.5**
Stage 3			
30.09.2024	-	12	**12**
31.12.2023	-	22	**22**
Changes amount	-	-10	**-10**
Changes %	-	-45.5	**-45.5**
TOTAL 30.09.2024	**78,197**	**62,868**	**141,065**
TOTAL 31.12.2023	**66,440**	**60,145**	**126,585**
Changes amount	**11,757**	**2,723**	**14,480**
Changes %	**17.7**	**4.5**	**11.4**

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

The reduction from December in securities classified as Stage 2, which totalled -1.3 billion euro, was attributable for 61% to instruments measured at amortised cost which do not constitute loans and for the remainder to securities measured at fair value through other comprehensive income.

Customer financial assets

(millions of euro)

	30.09.2024		31.12.2023		Changes	
		% breakdown		% breakdown	amount	%
Direct deposits from banking business	588,930	42.7	577,582	44.3	11,348	2.0
Direct deposits from insurance business	177,402	12.9	172,746	13.2	4,656	2.7
Indirect customer deposits	779,394	56.6	720,392	55.2	59,002	8.2
Netting (a)	-167,572	-12.2	-165,543	-12.7	2,029	1.2
Customer financial assets	**1,378,154**	**100.0**	**1,305,177**	**100.0**	**72,977**	**5.6**

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

(a) The netting relates to components of indirect customer deposits that also constitute types of direct deposits (financial liabilities of the insurance segment measured at fair value and insurance liabilities).

As at 30 September 2024 customer financial assets, after netting, reached 1,378 billion euro, up from the year-end (+5.6%, or +73 billion euro), driven by indirect customer deposits (+8.2%, or +59 billion euro) and, to a lesser extent, by direct deposits from banking business (+2%, or +11.3 billion euro). Direct deposits from insurance business also increased (+2.7%, or 4.7 billion euro) compared to the end of December.

Direct deposits from banking business

The table below sets out amounts due to customers, securities issued and certificates, the latter measured at fair value, which represent an alternative form of funding to bonds.

(millions of euro)

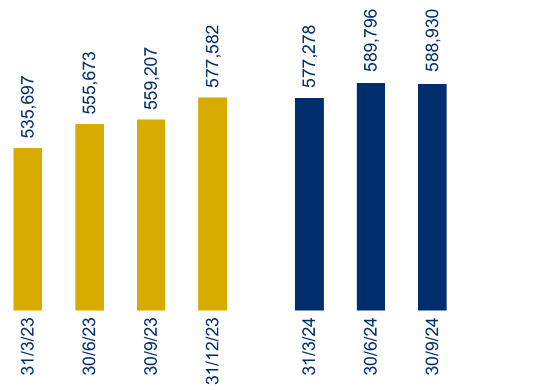
	30.09.2024		31.12.2023		Changes	
		% breakdown		% breakdown	amount	%
Current accounts and deposits	394,919	67.0	409,350	70.8	-14,431	-3.5
Repurchase agreements and securities lending	32,905	5.6	13,009	2.3	19,896	
Bonds	81,816	13.9	78,321	13.6	3,495	4.5
Certificates of deposit	2,566	0.4	2,334	0.4	232	9.9
Subordinated liabilities	10,336	1.8	12,158	2.1	-1,822	-15.0
Other deposits	66,388	11.3	62,410	10.8	3,978	6.4
of which measured at fair value (*)	*33,610*	*5.7*	*29,930*	*5.2*	*3,680*	*12.3*
Direct deposits from banking business	**588,930**	**100.0**	**577,582**	**100.0**	**11,348**	**2.0**

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

(*) Figures relating to investment certificates and other forms of funding included in the Balance sheet under “Financial liabilities held for trading” and “Financial liabilities designated at fair value”. Specifically:
- as at 30 September 2024, this caption consisted of 9,522 million euro of certificates classified under “Financial liabilities held for trading” and 24,088 million euro of certificates (24,084 million euro) and other forms of funding (4 million euro) classified under “Liabilities designated at fair value”;
- as at 31 December 2023, this caption consisted of 8,586 million euro of certificates classified under “Financial liabilities held for trading” and 21,344 million euro of certificates (21,340 million euro) and other forms of funding (4 million euro) classified under “Liabilities designated at fair value”.

Bearer instruments issued are conventionally fully attributed to funding from customers.

Quarterly development
Direct deposits from banking business
(millions of euro)



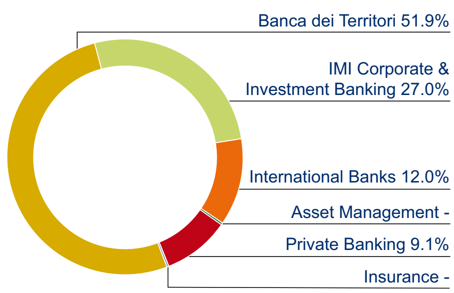
The Group's direct deposits from banking business totalled 588.9 billion euro, up from the end of the year, essentially due to an increase in repurchase agreements (+19.9 billion euro), bonds (+3.5 billion euro) and other deposits (+4 billion euro), thanks to the performance of certificates and commercial paper, which offset the decline in current accounts and deposits (-14.4 billion euro).
The recomposition within the direct deposits aggregate, already underway in 2023, should be viewed in a scenario of continued high interest rates, where companies used their liquidity to reduce their use of bank loans, and retail customers redirected a portion of their available funds held on current accounts to more remunerative investment products, such as certificates and asset under management products, as well as government and corporate bond issues, which increased the dossiers of assets under administration (+34.8 billion euro).
As at 30 September 2024, the Intesa Sanpaolo Group's direct deposits (deposits and bonds) represented an estimated share of the domestic market of 21.5%. As described above with reference to loans, this estimate is based on the sample deriving from the ten-day report produced by the Bank of Italy.

(millions of euro)

	30.09.2024	31.12.2023	Changes	
			amount	%
Banca dei Territori	256,647	270,604	-13,957	-5.2
IMI Corporate & Investment Banking	133,391	113,087	20,304	18.0
International Banks	59,021	59,317	-296	-0.5
Private Banking	44,696	45,844	-1,148	-2.5
Asset Management	32	16	16	
Insurance	-	-	-	-
Total business areas	**493,787**	**488,868**	**4,919**	**1.0**
Corporate Centre	95,143	88,714	6,429	7.2
Intesa Sanpaolo Group	**588,930**	**577,582**	**11,348**	**2.0**

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

Business areas
Direct deposits from banking business



In the analysis of funding by sector, the Banca dei Territori Division, which accounts for 51.9% of the aggregate attributable to the Group's operating business areas, came in below the levels of the end of 2023 (-5.2%, or -14 billion euro), in view of the decrease in amounts due to customers. In response to continued high interest rates, businesses used their liquidity to limit the use of bank loans, and households redirected a portion of their available funds on current accounts to more remunerative investment products.
There was also a decrease for Private Banking (-2.5%, or -1.1 billion euro), due to the reduction in time deposits, only partly offset by the increase in current account deposits, and for the International Banks (-0.5%, or -0.3 billion euro). In contrast, direct deposits for IMI Corporate & Investment Banking rose significantly (+18%, or +20.3 billion euro), thanks to the increase in operations in Global Markets and, to a lesser extent, the growth in operations in certificates.
The significant growth in the Corporate Centre funding (+6.4 billion euro) was mainly attributable to transactions in wholesale securities and repurchase agreements.

Indirect customer deposits

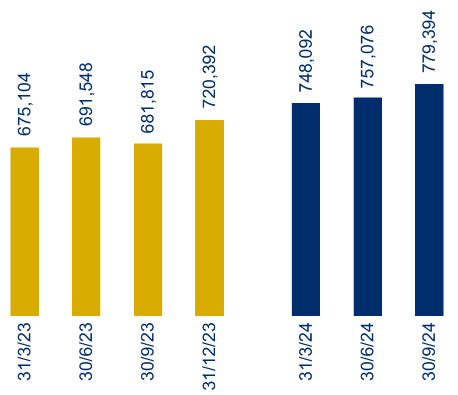
(millions of euro)

	30.09.2024	% breakdown	31.12.2023	% breakdown	Changes amount	Changes %
Mutual funds [(a)]	165,191	21.2	155,524	21.6	9,667	6.2
Open-ended pension funds and individual pension plans	16,549	2.1	14,855	2.1	1,694	11.4
Portfolio management	88,278	11.3	80,076	11.1	8,202	10.2
Insurance liabilities and insurance financial liabilities	167,572	21.5	165,543	23.0	2,029	1.2
Relations with institutional customers	28,809	3.7	26,231	3.6	2,578	9.8
Assets under management	**466,399**	**59.8**	**442,229**	**61.4**	**24,170**	**5.5**
Assets under administration and in custody	**312,995**	**40.2**	**278,163**	**38.6**	**34,832**	**12.5**
Indirect customer deposits	**779,394**	**100.0**	**720,392**	**100.0**	**59,002**	**8.2**

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

(a) This caption does not include funds held by Group insurance companies and managed by the Group's asset management companies, whose values are included in the insurance liabilities and insurance financial liabilities, and the funds established by third parties and managed by Group companies, whose values are included in assets under administration and in custody.

Quarterly development
Indirect customer deposits
(millions of euro)



As at 30 September 2024, indirect customer deposits exceeded 779 billion euro and were up by 8.2% from the end of 2023. The trend was due to assets under administration and assets under management, which benefited from strong market performance, as well as positive net inflows.

Assets under management, which at 466.4 billion euro accounted for about 60% of the total aggregate, recorded an increase (+5.5%, or +24.2 billion euro). This increase was attributable to mutual funds (+9.7 billion euro), portfolio management schemes (+8.2 billion euro), relations with institutional customers (+2.6 billion euro), insurance liabilities and insurance financial liabilities (+2 billion euro) and open pension funds and individual pension policies (+1.7 billion euro). In the first nine months of 2024, the new life business of the insurance companies of the Intesa Sanpaolo Group, including pension products, amounted to 13.5 billion euro. Assets under administration, amounting to 313 billion euro, increased (+12.5%, or +34.8 billion euro), concentrated in securities and third-party products in custody, to which investors have transferred part of their liquidity in order to benefit from higher yields.

Amounts due from and to banks - net interbank position

(millions of euro)

	30.09.2024	31.12.2023	Changes	
			amount	%
Cash and cash equivalents	**52,839**	**85,722**	**-32,883**	**-38.4**
- Current accounts and on demand deposits with Central Banks (*)	*48,719*	*81,881*	*-33,162*	*-40.5*
- Current accounts and on demand deposits with banks	*4,120*	*3,841*	*279*	*7.3*
Due from banks	**34,139**	**31,299**	**2,840**	**9.1**
- Reserve requirement (**)	*6,779*	*7,773*	*-994*	*-12.8*
- Time deposits	*3,779*	*3,949*	*-170*	*-4.3*
- Repurchase agreements	*14,108*	*8,957*	*5,151*	*57.5*
- Other	*9,473*	*10,620*	*-1,147*	*-10.8*
Total due from banks	**86,978**	**117,021**	**-30,043**	**-25.7**
- Demand deposits and time deposits	*6,797*	*6,980*	*-183*	*-2.6*
- TLTRO III	*-*	*45,060*	*-45,060*	
- Repurchase agreements	*27,012*	*21,911*	*5,101*	*23.3*
- Other debts	*17,204*	*18,594*	*-1,390*	*-7.5*
Total due to banks	**51,013**	**92,545**	**-41,532**	**-44.9**
NET INTERBANK POSITION	**35,965**	**24,476**	**11,489**	**46.9**

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

(*) Of which with European Central Bank: 43,839 million euro as at 30 September 2024 and 75,162 million euro as at 31 December 2023.

(**) Of which with European Central Bank: 3,821 million euro as at 30 September 2024 and 4,603 million euro as at 31 December 2023.

As at 30 September 2024, the Group's net interbank position – calculated considering all the on-demand liquidity, both with Central Banks and at other banks, recognised under "Cash and cash equivalents", and no longer just that with the ECB – presented a positive imbalance of 36 billion euro, an improvement compared to 24.5 billion euro at the end of 2023.
The change was driven by a 44.9% reduction in liabilities, mainly attributable to the total repayment of the TLTROs III during the first nine months (36 billion euro in March, 9 billion euro in June, and 60 million euro in September).
On the side of assets held at banks, there was also a decrease, although smaller (-25.7%), mainly due to liquidity in on-demand deposits with central banks (-33.2 billion euro), and in particular with the ECB (-31.3 billion euro). Amounts due from banks grew by a total of 9.1%, which reflected the movements, also in opposite directions, of the different technical forms through which normal interbank operations are carried out.

INSURANCE BUSINESS

Financial assets and liabilities pertaining to insurance companies

(millions of euro)

Type of financial instruments	Financial assets pertaining to insurance companies measured at fair value through profit or loss and Hedging derivatives	Financial assets pertaining to insurance companies measured at fair value through other comprehensive income	Financial assets pertaining to insurance companies measured at amortised cost	TOTAL Financial assets pertaining to insurance companies	Due to Banks and Financial Derivatives pertaining to insurance companies (*)	
Debt securities issued by Governments						
30.09.2024	5,385	54,754	-	**60,139**	X	
31.12.2023	4,536	55,834	-	**60,370**	X	
Changes amount	849	-1,080	-	**-231**	X	
Changes %	18.7	-1.9	-	**-0.4**	X	
Other debt securities						
30.09.2024	3,581	18,036	-	**21,617**	X	
31.12.2023	3,185	16,294	-	**19,479**	X	
Changes amount	396	1,742	-	**2,138**	X	
Changes %	12.4	10.7	-	**11.0**	X	
Equities						
30.09.2024	6,101	7	-	**6,108**	X	
31.12.2023	5,523	7	-	**5,530**	X	
Changes amount	578	-	-	**578**	X	
Changes %	10.5	-	-	**10.5**	X	
Quotas of UCI						
30.09.2024	88,581	-	-	**88,581**	X	
31.12.2023	87,998	-	-	**87,998**	X	
Changes amount	583	-	-	**583**	X	
Changes %	0.7	-	-	**0.7**	X	
Due from banks and loans to customers						
30.09.2024	148	-	2	**150**	X	
31.12.2023	425	-	5	**430**	X	
Changes amount	-277	-	-3	**-280**	X	
Changes %	-65.2	-	-60.0	**-65.1**	X	
Due to banks						
30.09.2024	X	X	X	**X**	762	(**)
31.12.2023	X	X	X	**X**	740	(**)
Changes amount	X	X	X	**X**	22	
Changes %	X	X	X	**X**	3.0	
Financial derivatives						
30.09.2024	76	-	-	**76**	64	(***)
31.12.2023	51	-	-	**51**	90	(***)
Changes amount	25	-	-	**25**	-26	
Changes %	49.0	-	-	**49.0**	-28.9	
Credit derivatives						
30.09.2024	-	-	-	**-**	-	(***)
31.12.2023	-	-	-	**-**	-	(***)
Changes amount	-	-	-	**-**	-	
Changes %	-	-	-	**-**	-	
TOTAL 30.09.2024	**103,872**	**72,797**	**2**	**176,671**	**826**	
TOTAL 31.12.2023	**101,718**	**72,135**	**5**	**173,858**	**830**	
Changes amount	**2,154**	**662**	**-3**	**2,813**	**-4**	
Changes %	**2.1**	**0.9**	**-60.0**	**1.6**	**-0.5**	

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

(*) This amount does not include "Financial liabilities designated at fair value pertaining to insurance companies" included in the table on direct deposits from insurance business.

(**) Value included in the Balance sheet under "Financial liabilities at amortised cost pertaining to insurance companies".

(***) Value included in the Balance Sheet under "Financial liabilities held for trading pertaining to insurance companies".

Financial assets and amounts due to banks, and financial derivatives pertaining to insurance companies, summarised in the table above, amounted to 176.7 billion euro and 826 million euro, respectively. Financial assets were up on the figure at the end of 2023 (+1.6%), due to the increase in other debt securities (+2.1 billion euro), equities (+0.6 billion euro) and units of UCIs (+0.6 billion euro), partially offset by the decline in due from banks and customers (-0.3 billion euro) and government debt securities (-0.2 billion euro).

Direct deposits from insurance business

(millions of euro)

	30.09.2024				31.12.2023				Changes	
	Life	Non-life	Total	% breakdown	Life	Non-life	Total	% breakdown	amount	%
Liabilities for remaining coverage (*)	123,020	983	124,003	69.9	117,353	944	118,297	68.5	5,706	4.8
of which: Present value of cash flows	*114,427*	*185*	*114,612*	*64.6*	*108,482*	*193*	*108,675*	*62.9*	*5,937*	*5.5*
of which: Adjustment for non-financial risks	*450*	*17*	*467*	*0.3*	*387*	*16*	*403*	*0.2*	*64*	*15.9*
of which: Contractual service margin	*8,143*	*315*	*8,458*	*4.8*	*8,484*	*336*	*8,820*	*5.1*	*-362*	*-4.1*
Liabilities for incurred claims	561	668	1,229	0.7	667	885	1,552	0.9	-323	-20.8
Total Insurance liabilities	**123,581**	**1,651**	**125,232**	**70.6**	**118,020**	**1,829**	**119,849**	**69.4**	**5,383**	**4.5**
Investment contracts										
Unit linked (**)	50,685	-	50,685	28.6	51,438	-	51,438	29.8	-753	-1.5
Total Financial liabilities	**50,685**	**-**	**50,685**	**28.6**	**51,438**	**-**	**51,438**	**29.8**	**-753**	**-1.5**
Other insurance deposits (***)	**1,485**	**-**	**1,485**	**0.8**	**1,459**	**-**	**1,459**	**0.8**	**26**	**1.8**
Direct deposits from insurance business	**175,751**	**1,651**	**177,402**	**100.0**	**170,917**	**1,829**	**172,746**	**100.0**	**4,656**	**2.7**

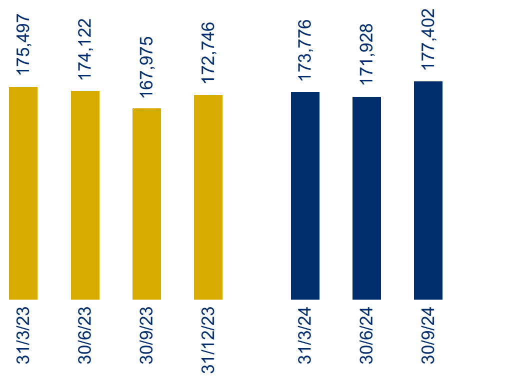
Figures restated, where necessary and material, considering the changes in the scope of consolidation and discontinued operations.

(*) The value of the Liabilities for remaining coverage in the Non-Life columns also includes the liabilities measured using the simplified Premium Allocation Approach, which does not require the opening in the individual breakdown captions.

(**) Values included in the Balance Sheet under "Financial liabilities designated at fair value pertaining to insurance companies".

(***) Values included in the Balance Sheet under "Financial liabilities at amortised cost pertaining to insurance companies". The caption includes subordinated liabilities.

Quarterly development
Direct deposits from insurance business
(millions of euro)



Direct deposits from insurance business stood at 177.4 billion euro as at 30 September 2024, up (+2.7%, or +4.7 billion euro) on the end of 2023. The change was attributable to insurance liabilities (+4.5%, or +5.4 billion euro), particularly liabilities for remaining coverage. In contrast, there was a decrease in the financial liabilities of the life business (-1.5%, or -0.8 billion euro), consisting of unit-linked products. Other insurance deposits, which represent a marginal component of the total aggregate and include subordinated liabilities, were up by 1.8% compared to December 2023.

NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS AND RELATED LIABILITIES

This caption contains assets and related liabilities which no longer refer to continuing operations as they are being disposed of.

As at 30 September 2024, assets held for sale amounted to 1 billion euro, primarily consisting of: (i) properties, including those, valued at around 0.5 billion euro, which are part of the transfer set out in the agreement signed between Intesa Sanpaolo and COIMA, due to be completed in the first half of 2025; (ii) portfolios of non-performing loans totalling 0.5 billion euro gross (0.4 billion euro net) due to be sold to alternative investment funds that invest in credit exposures, as part of a comprehensive project initiated in the second quarter of 2024 and completed in October 2024. The associated liabilities amounted to 7 million euro.

At the end of 2023, assets held for sale amounted to 0.3 billion euro, including a portfolio consisting of both unlikely-to-pay loans and high-risk performing positions with a total gross book value of around 0.2 billion euro (0.1 billion euro net). The majority of this exposure was sold on 15 April 2024, with residual marginal exposures that will be sold towards the end of the year. The associated liabilities amounted to 2 million euro.

SHAREHOLDERS' EQUITY

As at 30 September 2024, the Group's Shareholders' equity came to 67,088 million euro, compared to 63,963 million euro as at 31 December 2023, which included the interim dividends on the 2023 net income paid in November 2023 (-2.6 billion euro). The aggregate comprises the net income earned in the first nine months of the current year (7,167 million euro) and includes the distribution in May of the final cash dividends to shareholders (-2.8 billion euro) from the 2023 consolidated net income, with a total payout ratio – interim and final – of 70%.

The shareholders' equity as at 30 September 2024 also includes a deduction of around 1.4 billion euro related to purchases made under the programme of purchase of own shares for annulment (buyback), which was authorised by the ECB by decision notified on 11 March 2024 for a maximum amount of 1.7 billion euro. The execution of the programme – in accordance with the terms and conditions approved by the Shareholders' Meeting of Intesa Sanpaolo on 24 April 2024 – began on 3 June and ended on 18 October 2024.

Valuation reserves

(millions of euro)

	Reserve 31.12.2023	Change of the period	Reserve 30.09.2024
Financial assets measured at fair value through other comprehensive income (debt instruments)	-1,508	-106	-1,614
Financial assets measured at fair value through other comprehensive income (equities)	-476	159	-317
Property and equipment	1,863	-24	1,839
Foreign investment hedges	-24	9	-15
Cash flow hedges	-318	176	-142
Foreign exchange differences	-1,248	-236	-1,484
Non-current assets held for sale and discontinued operations	-	-	-
Financial liabilities designated at fair value through profit or loss (change in its creditworthiness)	-125	-89	-214
Actuarial profits (losses) on defined benefit pension plans	-187	8	-179
Portion of the valuation reserves connected with investments carried at equity	1	8	9
Legally-required revaluations	311	1	312
Valuation reserves (excluding valuation reserves pertaining to insurance companies)	**-1,711**	**-94**	**-1,805**
Valuation reserves pertaining to insurance companies	**-298**	**20**	**-278**

Bank valuation reserves were negative (-1,805 million euro), up by 94 million euro compared to 31 December 2023 (-1,711 million euro). The negative impact was mainly due to the exchange rate differences, primarily related to the devaluation of the Egyptian pound, the reserves on debt securities and the financial liabilities designated at fair value through profit or loss. The negative value of the valuation reserves of the insurance companies, amounting to -278 million euro, showed a decrease of the negative value compared to the end of 2023.

OWN FUNDS AND CAPITAL RATIOS

(millions of euro)

Own funds and capital ratios	30.09.2024	31.12.2023
Own funds		
Common Equity Tier 1 capital (CET1) net of regulatory adjustments	40,555	41,476
Additional Tier 1 capital (AT1) net of regulatory adjustments	8,702	7,707
TIER 1 CAPITAL	**49,257**	**49,183**
Tier 2 capital net of regulatory adjustments	8,451	8,799
TOTAL OWN FUNDS	**57,708**	**57,982**
Risk-weighted assets		
Credit and counterparty risks	254,382	260,815
Market and settlement risks	13,311	12,621
Operational risks	29,550	28,471
Other specific risks (a)	182	203
RISK-WEIGHTED ASSETS	**297,425**	**302,110**
% Capital ratios		
Common Equity Tier 1 capital ratio	13.6%	13.7%
Tier 1 capital ratio	16.6%	16.3%
Total capital ratio	19.4%	19.2%

(a) The caption includes all other elements not contemplated in the foregoing captions that are considered when calculating total capital requirements.

Own Funds, risk-weighted assets and the capital ratios as at 30 September 2024 were calculated according to the harmonised rules and regulations for banks and investment companies contained in Directive 2013/36/EU (CRD IV) and in Regulation (EU) 575/2013 (CRR) of 26 June 2013, as amended respectively by Directive 2019/878/EU (CRD V) and by Regulation (EU) 876/2019 (CRR II), which transpose the banking supervision standards defined by the Basel Committee (the Basel 3 Framework) to European Union laws, and on the basis of the related Bank of Italy Circulars.

Own funds

As at 30 September 2024, Own funds amounted to 57,708 million euro.

Even if the transitional period of IFRS 9 has ended, own funds take account of the provisions of the 2019 Budget Act, which temporarily called for - up to 2028 - the adjustments upon first-time adoption of the Standard to be applied in instalments for tax purposes, with the recognition of the resulting DTAs. These DTAs were fully included in the calculation of the thresholds established in Article 48 CRR, over the same time period. Moreover, it is noted that the Intesa Sanpaolo Group did not apply either the new transition regime for IFRS 9 (in force up to 31 December 2024), or the FVOCI prudential filter. These were both introduced by Regulation (EU) no. 873/2020 (Quick Fix) in the context of the pandemic.

Own Funds also take into account the applicable amount, object of deduction from CET1, related to the minimum coverage of losses on non-performing exposures, known as Minimum Loss Coverage, based on the provisions of Regulation (EU) 630/2019 of 17 April 2019.

As at 30 September 2024, own funds take account of the deduction following the authorisation from the ECB for the purchase of own shares for annulment (buyback), as approved by the Shareholders' Meeting on 24 April 2024, for a total amount of 1.7 billion euro[17].

Moreover, in compliance with Article 3 of the CRR ("Application of stricter requirements by institutions"), the calculation of the own funds as at 30 September 2024 included the voluntary deduction of around 31 basis points from the CET 1 of the calendar provisioning[18] on exposures within the scope of Pillar 2.

Since 30 June 2023, the Intesa Sanpaolo Group has been complying with EBA Q&A 2021_6211, which clarifies that the amount of goodwill to deduct from an institution's CET 1 must be that relating to directly controlled insurance companies, recognised at the date of acquisition of the significant investment in those companies, without considering the goodwill referring to subsequent acquisitions made. The latter amount was included in the calculation of risk-weighted assets (RWA), thus falling under the ordinary treatment that the Group reserves for equity investments in insurance companies.

In the calculation of own funds as at 30 September 2024, foreseeable charges[19] were considered, while it was not included any net income of the third quarter of 2024, in compliance with the ECB's recent guidance, which specifically states that a supervised entity is not allowed to include any interim or year-end profits in CET1 capital in case it adopts a distribution policy that does not specify any upper limit for cash dividends and any share buybacks, and it does not commit not to distribute neither via cash dividends nor via share buybacks the profits that it wants to include in CET1.

[17] As stated in the opening chapter of this Interim Statement, the own share buyback programme authorised by the ECB on 11 March 2024 and launched on 3 June 2024, ended on 18 October 2024, in compliance with the terms authorised by the Shareholders' Meeting of Intesa Sanpaolo.

[18] The addendum to ECB Guidance on non-performing loans of 2018 contemplates the possibility that banks "deduce" on their own initiative specific amounts from CET 1, to anticipate supervisory requests, in the event of divergence between the prudential framework, which expects adjustments not based on credit risk measurement criteria, and the accounting framework.

[19] Coupons accrued on the Additional Tier 1 issues (299 million euro).

Risk-weighted assets
As at 30 September 2024, risk-weighted assets came to 297,425 million euro, resulting primarily from credit and counterparty risk and, to a lesser extent, operational and market risks.
Common Equity Tier 1 Capital and risk-weighted assets as at 30 September 2024 take account of the impact of the application of the "Danish Compromise" (Art. 49.1 of Regulation (EU) 575/2013), as per the specific authorisation received from the ECB in 2019, according to which insurance investments are treated as risk-weighted assets instead of being deducted from capital.

Capital ratios
On the basis of the foregoing, capital ratios as at 30 September 2024 highlighted a Common Equity ratio of 13.6%, a Tier 1 ratio of 16.6% and a Total capital ratio of 19.4%.
Finally, on 30 November 2023, Intesa Sanpaolo announced that it had received notification of the ECB's final decision concerning the capital requirement that the Bank has to meet, on a consolidated basis, as of 1 January 2024, following the results of the Supervisory Review and Evaluation Process (SREP).
The overall requirement to be met in terms of Common Equity Tier 1 ratio is currently 9.37%, inclusive of the Capital Conservation Buffer, O-SII Buffer and Countercyclical Capital Buffer[20] requirements.

Reconciliation of Shareholders' equity and Common Equity Tier 1 capital

(millions of euro)

	30.09.2024	31.12.2023
Group Shareholders' equity	67,088	63,963
Minority interests	142	164
Shareholders' equity as per the Balance Sheet	**67,230**	**64,127**
Interim dividend (a)	-	2,629
Adjustments for instruments eligible for inclusion in AT1 or T2 and net income for the period		
- Other equity instruments eligible for inclusion in AT1	-8,702	-7,707
- Minority interests eligible for inclusion in AT1	-	-
- Minority interests eligible for inclusion in T2	-	-
- Ineligible minority interests on full phase-in	-142	-164
- Ineligible net income for the period (b)	-5,792	-5,787
- Own shares included under regulatory adjustments (c)	1,734	165
- Other ineligible components on full phase-in	-198	-325
Common Equity Tier 1 capital (CET1) before regulatory adjustments	**54,130**	**52,938**
Regulatory adjustments (d)	**-13,575**	**-11,462**
Common Equity Tier 1 capital (CET1) net of regulatory adjustments	**40,555**	**41,476**

(a) As at 31 December 2023, the Shareholders' equity as per the Balance Sheet did not include the interim dividend of 2,629 million euro (net of the undistributed portion in respect of the own shares held at the record date).

(b) Common Equity Tier 1 capital as at 30 September 2024 includes other foreseeable charges, while it does not include any net income of the 3rd quarter of 2024, in compliance with the ECB's recent guidance, which specifically states that a supervised entity is not allowed to include any interim or year-end profits in CET1 capital in case it adopts a distribution policy that does not specify any upper limit for cash dividends and any share buybacks, and it does not commit not to distribute neither via cash dividends nor via share buybacks the profits that it wants to include in CET1.

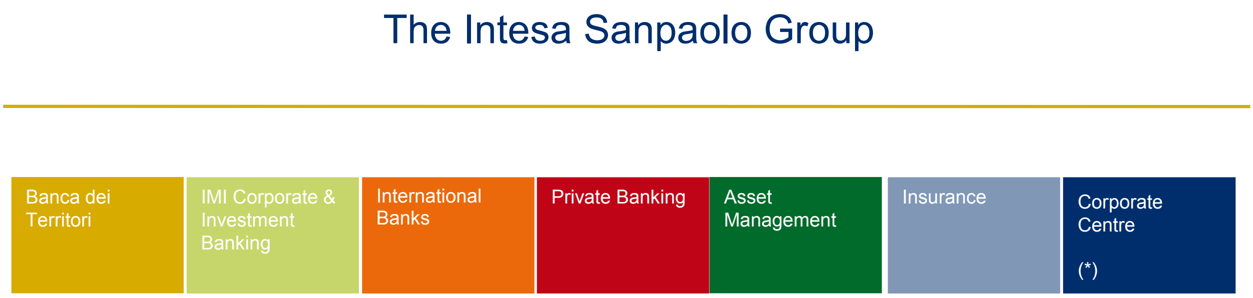
(c) The amount includes, in addition to the book value of own shares, the unused portion of the ceiling for which the Bank has received the buyback authorisations.

(d) The regulatory adjustments include the book value of own shares and the shares for which the Group has already received the buyback authorisation, in addition to 941 million euro of Article 3 CRR deduction (for the calendar provisioning on exposures included within the scope of Pillar 2).

[20] The Countercyclical Capital Buffer is calculated taking into account the exposure as at 30 September 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 2024).

Breakdown of consolidated results by business area

The Intesa Sanpaolo Group organisational structure is based on Business Units. In addition, there is the Corporate Centre, which is charged with providing guidance, coordination and control for the entire Group.



(*) Includes Group Treasury & Capital Management and the NPE Head Office Department

The Intesa Sanpaolo Group's segment reporting is based on the elements that management uses to make its own operating decisions (the "management approach") and is therefore consistent with the disclosure requirements of IFRS 8.
In addition to reflecting the operating responsibilities assigned in accordance with the Group's organisational structure, the business areas are an aggregation of business lines similar in the type of products and services they sell.

The table below shows the main data summarising the trend of the business areas of the Intesa Sanpaolo Group in the first nine months of 2024 compared to the like-for-like data.

The following itemised analysis of the business areas illustrates the income statement figures and the main balance sheet aggregates. Finally, for each business area, the capital absorbed based on Risk Weighted Assets (RWAs) was also calculated. RWAs were determined in accordance with the provisions in force (Circular 285) issued by the Bank of Italy following the implementation of Directive 2013/36/EU (CRD IV) and Regulation (EU) 575/2013 (CRR) of 26 June 2013, amended by Regulation (EU) 876/2019 of 20 May 2019, known as CRR II, which transpose the banking supervision standards defined by the Basel Committee (the Basel 3 Framework) to European Union laws. Absorbed capital also takes account of the regulatory changes 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. For each Division, the absorbed capital is supplemented, where necessary, with management data on "economic" capital to take into account the risks not covered by the regulatory metric.

Division figures for the comparative periods have been restated to reflect the changes in scope of the Business Units, where necessary and if they are material. In particular:
- the entry into the scope of consolidation of the Romanian bank First Bank S.A. (International Banks Division, formerly International Subsidiary Banks Division), acquired on 31 May 2024. Note that, as this acquisition took place near the end of the half year, no income effects were calculated for the first six months of 2024, only balance sheet effects;
- the entry into the line-by-line scope of consolidation of Alpian S.A. (Private Banking Division), previously consolidated using the equity method, following the completion of the capital increase which brought the Group's percentage ownership to 61.599% (of which 51.141% held by Fideuram - Intesa Sanpaolo Private Banking and 10.458% by Reyl & Cie);
- the reallocation, from the first quarter of 2024 Banca Intesa Russia from the IMI Corporate & Investment Banking Division to the Corporate Centre, with no impact on net income.

Breakdown of financial highlights by business area

(millions of euro)

	Banca dei Territori	IMI Corporate & Investment Banking	International Banks	Private Banking	Asset Management	Insurance	Corporate Centre	Total
Operating income								
30.09.2024	8,776	3,011	2,451	2,533	746	1,297	1,625	20,439
30.09.2023	8,457	2,809	2,239	2,370	689	1,233	1,033	18,830
% change	3.8	7.2	9.5	6.9	8.3	5.2	57.3	8.5
Operating costs								
30.09.2024	-4,567	-1,058	-963	-758	-168	-268	-204	-7,986
30.09.2023	-4,635	-1,041	-883	-720	-169	-264	-212	-7,924
% change	-1.5	1.6	9.1	5.3	-0.6	1.5	-3.8	0.8
Operating margin								
30.09.2024	4,209	1,953	1,488	1,775	578	1,029	1,421	12,453
30.09.2023	3,822	1,768	1,356	1,650	520	969	821	10,906
% change	10.1	10.5	9.7	7.6	11.2	6.2	73.1	14.2
Net income (loss)								
30.09.2024	1,979	1,363	1,024	1,141	455	677	528	7,167
30.09.2023	1,678	1,143	1,001	1,038	372	709	181	6,122
% change	17.9	19.2	2.3	9.9	22.3	-4.5		17.1

(millions of euro)

	Banca dei Territori	IMI Corporate & Investment Banking	International Banks	Private Banking	Asset Management	Insurance	Corporate Centre	Total
Loans to customers								
30.09.2024	222,440	125,816	43,938	13,709	279	-	15,764	421,946
31.12.2023	232,406	124,215	43,002	14,373	243	-	16,254	430,493
% change	-4.3	1.3	2.2	-4.6	14.8	-	-3.0	-2.0
Direct deposits from banking business								
30.09.2024	256,647	133,391	59,021	44,696	32	-	95,143	588,930
31.12.2023	270,604	113,087	59,317	45,844	16	-	88,714	577,582
% change	-5.2	18.0	-0.5	-2.5		-	7.2	2.0
Risk-weighted assets								
30.09.2024	75,901	107,127	36,904	12,460	2,119	-	62,914	297,425
31.12.2023	79,502	108,183	36,071	11,924	1,990	-	64,440	302,110
% change	-4.5	-1.0	2.3	4.5	6.5	-	-2.4	-1.6
Absorbed capital								
30.09.2024	6,899	9,761	4,083	1,210	227	4,498	3,490	30,168
31.12.2023	7,227	9,861	3,943	1,167	213	4,398	3,688	30,497
% change	-4.5	-1.0	3.6	3.7	6.6	2.3	-5.4	-1.1

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

BUSINESS AREAS

Banca dei Territori

(millions of euro)

Income statement	30.09.2024	30.09.2023	Changes	
			amount	%
Net interest income	5,039	4,910	129	2.6
Net fee and commission income	3,651	3,466	185	5.3
Income from insurance business	-	-	-	-
Profits (Losses) on financial assets and liabilities at fair value	85	84	1	1.2
Other operating income (expenses)	1	-3	4	
Operating income	**8,776**	**8,457**	**319**	**3.8**
Personnel expenses	-2,464	-2,446	18	0.7
Administrative expenses	-2,102	-2,188	-86	-3.9
Adjustments to property, equipment and intangible assets	-1	-1	-	-
Operating costs	**-4,567**	**-4,635**	**-68**	**-1.5**
Operating margin	**4,209**	**3,822**	**387**	**10.1**
Net adjustments to loans	-813	-834	-21	-2.5
Other net provisions and net impairment losses on other assets	-75	-78	-3	-3.8
Other income (expenses)	17	-	17	-
Income (Loss) from discontinued operations	-	-	-	-
Gross income (loss)	**3,338**	**2,910**	**428**	**14.7**
Taxes on income	-1,095	-960	135	14.1
Charges (net of tax) for integration and exit incentives	-61	-42	19	45.2
Effect of purchase price allocation (net of tax)	-16	-19	-3	-15.8
Levies and other charges concerning the banking and insurance industry (net of tax)	-187	-211	-24	-11.4
Impairment (net of tax) of goodwill and other intangible assets	-	-	-	-
Minority interests	-	-	-	-
Net income (loss)	**1,979**	**1,678**	**301**	**17.9**

(millions of euro)

	30.09.2024	31.12.2023	Changes	
			amount	%
Loans to customers	222,440	232,406	-9,966	-4.3
Direct deposits from banking business	256,647	270,604	-13,957	-5.2
Risk-weighted assets	75,901	79,502	-3,601	-4.5
Absorbed capital	6,899	7,227	-328	-4.5

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

The **Banca dei Territori's** operating income in the first nine months of 2024 amounted to 8,776 million euro, representing around 43% of the Group's consolidated revenues, and was up (+3.8%) on the same period of the previous year.
In detail, net interest income increased (+2.6%), due to the trend in market interest rates, which favoured the profitability of customer dealing. Net fee and commission income also increased (+5.3%), largely driven by the assets under management segment, bolstered by higher placement levels than in the first nine months of 2023, by the non-life insurance segment and by the higher contribution from advisory services. Within the commercial banking fees, there was a positive contribution from cards and other payment services, against a decrease in fee and commission income on current accounts, related to the decrease in the account maintenance fees charged by the Bank to customers, and on loans and guarantees. Among the other revenue components, which provide a marginal contribution to the Division's operating income, the profits (losses) on financial assets and liabilities at fair value came to 85 million euro (1.2%) and other net operating income amounted to 1 million euro (compared to a net expense of 3 million euro in the same period of previous year). Operating costs of 4,567 million euro decreased by 1.5% thanks to the containment of administrative expenses, particularly those related to property management, IT services, and legal fees. As a result of the above, the operating margin rose to 4,209 million euro compared to 3,822 million euro in the first nine months of 2023 (+10.1%) and the gross income came to 3,338 million euro, up 14.7%, also benefiting from lower net adjustments to loans and provisions. Lastly, after allocation to the Division of taxes of 1,095 million euro, charges for integration of 61 million euro, the effects of purchase price allocation of 16 million euro and the levies and other charges concerning the banking and insurance industry of 187 million euro, net income came to 1,979 million euro, up by 17.9% on 1,678 million euro in the same period of 2023.

In quarterly terms, the operating margin decreased on the second quarter of 2024, attributable to a reduction in revenues, with operating costs remaining largely stable. Gross income and net income were also slightly higher than in the previous quarter.

The balance sheet figures at the end of September 2024 showed a decline in total intermediated volumes of funding and deposits from the end of December 2023 (-4.8%). In detail, loans to customers, amounting to 222,440 million euro, decreased (-4.3%, or -10 billion euro) mainly due to the trend in loans to businesses, which, in response to high interest rates, limited their use of bank loans, relying instead on their own liquidity or alternative sources of funding. In a highly competitive environment, the Division maintained profitability, while closely controlling risk in credit provision. Direct deposits from banking business, amounting to 256,647 million euro, stood at lower levels than the end of December (-5.2%, equal to -14 billion euro) in relation to the decrease in amounts due to customers. Businesses drew on their liquidity to reduce their use of bank loans, and retail customers redirected a portion of their available funds on current accounts to more remunerative investment products, such as Intesa Sanpaolo certificates structured by the IMI Corporate & Investment Banking Division and asset management products, as well as government and corporate bond issuances, which increased the dossiers of the assets under administration.

IMI Corporate & Investment Banking

(millions of euro)

Income statement	30.09.2024	30.09.2023	Changes	
			amount	%
Net interest income	2,318	1,991	327	16.4
Net fee and commission income	916	810	106	13.1
Income from insurance business	-	-	-	-
Profits (Losses) on financial assets and liabilities at fair value	-223	8	-231	
Other operating income (expenses)	-	-	-	-
Operating income	**3,011**	**2,809**	**202**	**7.2**
Personnel expenses	-381	-371	10	2.7
Administrative expenses	-665	-658	7	1.1
Adjustments to property, equipment and intangible assets	-12	-12	-	-
Operating costs	**-1,058**	**-1,041**	**17**	**1.6**
Operating margin	**1,953**	**1,768**	**185**	**10.5**
Net adjustments to loans	84	-18	102	
Other net provisions and net impairment losses on other assets	-11	-61	-50	-82.0
Other income (expenses)	-	-	-	-
Income (Loss) from discontinued operations	-	-	-	-
Gross income (loss)	**2,026**	**1,689**	**337**	**20.0**
Taxes on income	-645	-527	118	22.4
Charges (net of tax) for integration and exit incentives	-18	-19	-1	-5.3
Effect of purchase price allocation (net of tax)	-	-	-	-
Levies and other charges concerning the banking and insurance industry (net of tax)	-	-	-	-
Impairment (net of tax) of goodwill and other intangible assets	-	-	-	-
Minority interests	-	-	-	-
Net income (loss)	**1,363**	**1,143**	**220**	**19.2**

(millions of euro)

	30.09.2024	31.12.2023	Changes	
			amount	%
Loans to customers	125,816	124,215	1,601	1.3
Direct deposits from banking business [(1)]	133,391	113,087	20,304	18.0
Risk-weighted assets	107,127	108,183	-1,056	-1.0
Absorbed capital	9,761	9,861	-100	-1.0

(1) The item includes certificates.

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

In the first nine months of 2024, the **IMI Corporate & Investment Banking Division** recorded operating income of 3,011 million euro (representing almost 15% of the Group's consolidated total), up by 7.2% compared to the same period of last year.
In detail, net interest income, amounting to 2,318 million euro, was up 16.4%, mainly due to the operations of Global Markets. Net fee and commission income, amounting to 916 million euro, increased by 13.1%, essentially due to the performance of the structured finance and investment banking segments. The profits (losses) on financial assets and liabilities at fair value, which amounted to a loss of 223 million euro, showed a sharp decrease compared to the profit of 8 million euro in the same period of 2023, mainly attributable to the results of trading activities in the Global Markets area. The segment was negatively impacted by the management of financial risks related to funding in certificates due to the market interest rate conditions, which also had positive effects on net interest income in terms of greater liquidity invested, as well as the negative contribution from the Own Credit Risk (OCR) of the certificates, impacted by the tightening of Intesa Sanpaolo's credit spread. Operating costs amounted to 1,058 million euro, an increase of 1.6%, attributable to personnel and administrative expenses. As a result of the above revenue and cost trends, the operating margin came to 1,953 million euro, up 10.5% compared to the value recorded in the first nine months of last year. The trend was similar for gross income, which rose to 2,026 million euro (+20%), thanks to recoveries on loans, essentially attributable to the performing portfolio, and lower provisions. Lastly, net income reached 1,363 million euro, above the 1,143 million euro realised in the same period of 2023 (+19.2%).

In the third quarter of 2024, the IMI Corporate & Investment Banking Division saw a decrease in the operating margin compared to the second quarter, due to a fall in revenues, only partially offset by lower operating costs. In contrast, gross income and net income were up, benefiting from the recoveries on loans recognised in the quarter compared to adjustments recognised in the previous quarter.

The Division’s intermediated volumes increased compared to the end of 2023 (+9.2%). Specifically, direct deposits from banking business, amounting to 133,391 million euro, were up (+18%, or +20.3 billion euro) thanks to the increase in operations in Global Markets and, to a lesser extent, the growth in operations in certificates. Loans to customers, amounting to 125,816 million euro, increased (1.3%, or 1.6 billion euro) due to the positive performance of the Global Markets operations, as well as operations with international and institutional customers, partially offset by the decline in Global Corporate.

International Banks (formerly International Subsidiary Banks)

(millions of euro)

Income statement	30.09.2024	30.09.2023	Changes	
			amount	%
Net interest income	1,895	1,744	151	8.7
Net fee and commission income	485	450	35	7.8
Income from insurance business	-	-	-	-
Profits (Losses) on financial assets and liabilities at fair value	124	99	25	25.3
Other operating income (expenses)	-53	-54	-1	-1.9
Operating income	**2,451**	**2,239**	**212**	**9.5**
Personnel expenses	-496	-452	44	9.7
Administrative expenses	-372	-337	35	10.4
Adjustments to property, equipment and intangible assets	-95	-94	1	1.1
Operating costs	**-963**	**-883**	**80**	**9.1**
Operating margin	**1,488**	**1,356**	**132**	**9.7**
Net adjustments to loans	-45	-71	-26	-36.6
Other net provisions and net impairment losses on other assets	-10	-59	-49	-83.1
Other income (expenses)	2	122	-120	-98.4
Income (Loss) from discontinued operations	-	-	-	-
Gross income (loss)	**1,435**	**1,348**	**87**	**6.5**
Taxes on income	-345	-277	68	24.5
Charges (net of tax) for integration and exit incentives	-35	-33	2	6.1
Effect of purchase price allocation (net of tax)	-2	-2	-	-
Levies and other charges concerning the banking and insurance industry (net of tax)	-17	-22	-5	-22.7
Impairment (net of tax) of goodwill and other intangible assets	-	-	-	-
Minority interests	-12	-13	-1	-7.7
Net income (loss)	**1,024**	**1,001**	**23**	**2.3**

(millions of euro)

	30.09.2024	31.12.2023	Changes	
			amount	%
Loans to customers	43,938	43,002	936	2.2
Direct deposits from banking business	59,021	59,317	-296	-0.5
Risk-weighted assets	36,904	36,071	833	2.3
Absorbed capital	4,083	3,943	140	3.6

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

The **International Banks Division** is responsible for the Group's activities in foreign markets through commercial banking subsidiaries and associates, mainly active in retail banking.

In the first nine months of 2024, the Division's operating income came to 2,451 million euro, up on the same period of the previous year (+9.5%, +15.6% at constant exchange rates). A detailed analysis shows that net interest income came to 1,895 million euro (+8.7%), mainly due to the favourable performance of PBZ – including Intesa Sanpaolo Bank (Slovenia) and Intesa Sanpaolo Banka Bosna i Hercegovina (+55 million euro) –, VUB Banka (+43 million euro), Banca Intesa Beograd, including Intesa Leasing Beograd (+41 million euro), and Bank of Alexandria (+36 million euro), only partly offset by the fall for CIB Bank (-42 million euro). Net fee and commission income, amounting to 485 million euro, was up (+7.8%) thanks to the positive contribution from all the investee companies. Within the other comprehensive income, there was an increase in profits (losses) on financial assets and liabilities at fair value (+25 million euro), mainly attributable to the subsidiary operating in Hungary, and a slight reduction in other operating expenses (-1 million euro).
Operating costs, amounting to 963 million euro, were up (+9.1%; +13.5% at constant exchange rates) essentially due to personnel and administrative expenses.
As a result of the above revenue and cost trends, the operating margin increased by 9.7%, amounting to 1,488 million euro. Gross income, amounting to 1,435 million euro, increased by 6.5% on the figure for the same period of the previous year. The Division ended the first nine months of 2024 with a net income of 1,024 million euro, compared to 1,001 million euro in the same period of the previous year (+2.3%).

At quarterly level, in the third quarter of 2024 there was a decline in the operating margin compared to the second quarter, attributable to both a reduction in revenues and the increase in operating costs. Gross income and net income were also lower than in the previous quarter.

Intermediated volumes of the Division showed a moderate rise (+0.6%) at the end of September 2024 compared to the end of December 2023, attributable to the increase in loans to customers (+2.2%) despite a slight reduction in direct deposits from banking business (-0.5%). The performance of the loans was mainly attributable to the increase recorded by the subsidiaries operating in Slovakia and Croatia. For the deposits, the decrease was mainly attributable to the subsidiary operating in Egypt, partially offset by the strong performance recorded in Serbia and Croatia.

Private Banking

(millions of euro)

Income statement	30.09.2024	30.09.2023	Changes	
			amount	%
Net interest income	912	933	-21	-2.3
Net fee and commission income	1,558	1,385	173	12.5
Income from insurance business	-	-	-	-
Profits (Losses) on financial assets and liabilities at fair value	42	41	1	2.4
Other operating income (expenses)	21	11	10	90.9
Operating income	**2,533**	**2,370**	**163**	**6.9**
Personnel expenses	-374	-365	9	2.5
Administrative expenses	-305	-286	19	6.6
Adjustments to property, equipment and intangible assets	-79	-69	10	14.5
Operating costs	**-758**	**-720**	**38**	**5.3**
Operating margin	**1,775**	**1,650**	**125**	**7.6**
Net adjustments to loans	-20	-29	-9	-31.0
Other net provisions and net impairment losses on other assets	-33	-15	18	
Other income (expenses)	20	-	20	-
Income (Loss) from discontinued operations	-	-	-	-
Gross income (loss)	**1,742**	**1,606**	**136**	**8.5**
Taxes on income	-567	-524	43	8.2
Charges (net of tax) for integration and exit incentives	-14	-17	-3	-17.6
Effect of purchase price allocation (net of tax)	-15	-17	-2	-11.8
Levies and other charges concerning the banking and insurance industry (net of tax)	-20	-21	-1	-4.8
Impairment (net of tax) of goodwill and other intangible assets	-	-	-	-
Minority interests	15	11	4	36.4
Net income (loss)	**1,141**	**1,038**	**103**	**9.9**

(millions of euro)

	30.09.2024	31.12.2023	Changes	
			amount	%
Assets under management (1)	167,937	157,436	10,501	6.7
Risk-weighted assets	12,460	11,924	536	4.5
Absorbed capital	1,210	1,167	43	3.7

(1) Figures restated in line with consolidated reporting criteria of indirect customer deposits.

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

The **Private Banking Division** serves the top customer segment (Private and High Net Worth Individuals), creating value by offering top products and services. The Division coordinates the operations of Fideuram - Intesa Sanpaolo Private Banking, Intesa Sanpaolo Private Banking, Fideuram - Intesa Sanpaolo Private Banking Asset Management SGR, IW Private Investments SIM, SIREF Fiduciaria, Fideuram Asset Management (Ireland), Fideuram Asset Management UK, the Swiss banking group Reyl (present in Switzerland, the United Kingdom, Singapore, the United Arab Emirates and Malta) and Intesa Sanpaolo Wealth Management, a Luxembourg private bank with branches also in Belgium and, from August, of Alpian S.A., a Swiss digital bank in the start-up phase. Moreover, with the goal of offering a large, dedicated range of products, using digital solutions that will be expanded over time, the Fideuram Direct business line, created in 2023, meets the needs of customers that want to independently handle their investments and online trading.

In the first nine months of 2024, the Division achieved gross income of 1,742 million euro, up by 136 million euro (+8.5%) compared to the amount in the same period of 2023. The operating margin showed a positive trend (+125 million euro), attributable to higher operating income (+163 million euro), against an increase in operating costs (+38 million euro). The revenue performance was mainly attributable to net fee and commission income (+173 million euro), particularly for recurring fee and commission income, in connection with the increase in average assets under management, and upfront fees, related to the higher contribution from the receipt and transmission of orders and the placement of Intesa Sanpaolo mutual funds and bonds. In contrast, net interest income fell to 912 million euro (-21 million euro), due to higher interest expense on customer deposits, only partly offset by the increase in interest on debt securities and on interbank relationships. Among the other revenue components, other net operating income (+10 million euro) and profits (losses) on financial assets and liabilities at fair value (+1 million euro) were up. For operating costs, there was an increase in administrative expenses due to higher charges for services rendered by third parties, in personnel expenses due to the strengthening of the international component, and in amortisation for software and rights of use on leased assets. The Division closed the first nine months of 2024 with net income of 1,141 million euro, up by 9.9% on the same period of 2023.

The values of assets gathered have been recognised in accordance with the reporting criteria for indirect customer deposits used in the Intesa Sanpaolo Group's consolidated financial statements, involving in particular the elimination of customer current accounts correlated with investment transactions, bonds and certificates that, despite being part of customers' assets, are already included in direct customer deposits. In addition, third-party products were reallocated from assets under management to assets under administration.

As at 30 September 2024, assets gathered, which also include the contribution of the trust mandates for SIREF Fiduciaria, amounted to 328.9 billion euro (+25.3 billion euro compared to the end of December 2023). This trend was due to the market performance, which had a favourable impact on assets and, to a lesser extent, to positive net inflows. The assets under management component amounted to 167.9 billion euro (+10.5 billion euro).

Asset Management

(millions of euro)

Income statement	30.09.2024	30.09.2023	Changes	
			amount	%
Net interest income	45	6	39	
Net fee and commission income	663	619	44	7.1
Income from insurance business	-	-	-	-
Profits (Losses) on financial assets and liabilities at fair value	1	19	-18	-94.7
Other operating income (expenses)	37	45	-8	-17.8
Operating income	**746**	**689**	**57**	**8.3**
Personnel expenses	-74	-76	-2	-2.6
Administrative expenses	-87	-87	-	-
Adjustments to property, equipment and intangible assets	-7	-6	1	16.7
Operating costs	**-168**	**-169**	**-1**	**-0.6**
Operating margin	**578**	**520**	**58**	**11.2**
Net adjustments to loans	-	-	-	-
Other net provisions and net impairment losses on other assets	-	-	-	-
Other income (expenses)	30	-	30	-
Income (Loss) from discontinued operations	-	-	-	-
Gross income (loss)	**608**	**520**	**88**	**16.9**
Taxes on income	-150	-144	6	4.2
Charges (net of tax) for integration and exit incentives	-	-	-	-
Effect of purchase price allocation (net of tax)	-3	-3	-	-
Levies and other charges concerning the banking and insurance industry (net of tax)	-	-	-	-
Impairment (net of tax) of goodwill and other intangible assets	-	-	-	-
Minority interests	-	-1	-1	
Net income (loss)	**455**	**372**	**83**	**22.3**

(millions of euro)

	30.09.2024	31.12.2023	Changes	
			amount	%
Assets under management	326,982	311,291	15,691	5.0
Risk-weighted assets	2,119	1,990	129	6.5
Absorbed capital	227	213	14	6.6

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

The **Asset Management Division** pursues the mission of developing the best asset management solutions aimed at the Group's customers and its presence on the open market segment through the subsidiary Eurizon Capital SGR and its subsidiaries.

Operating income in the first nine months of 2024, amounting to 746 million euro, was up by 8.3% compared to the same period of the previous year, due to the performance of net interest income (+39 million euro) and net fee and commission income (+44 million euro). The latter have benefited from the growth in placement fees for mutual funds and incentive fees, partially offset by the reduction in recurring fee and commission income as a result of the decrease in average assets under management, of customer investment choices in the new macroeconomic reference environment of positive interest rates, and of the product innovation by Eurizon Capital SGR and its subsidiaries to improve the competitiveness of the mutual funds against other alternative financial products. Within the other revenue components, the contribution from the fair value measurement of the financial portfolio was a positive 1 million euro (19 million euro in the first nine months of 2023). The Chinese subsidiary Penghua, consolidated at equity, provided a positive contribution to operating income of 37 million euro, compared to 45 million euro in the same period of the previous year. Operating costs decreased slightly (-0.6%) due to personnel expenses. As a result of the above revenue and cost trends, the operating margin came to 578 million euro, up 11.2% on the same period of 2023. The Division closed the first nine months of 2024 with net income of 455 million euro (+22.3%).

As at 30 September 2024, assets under management of the Asset Management Division came to 327 billion euro, up by 15.7 billion euro (+5%) compared to the end of 2023. This trend was attributable to the revaluation of assets under management, correlated with the positive performance of the markets, only slightly offset by the modest net outflows (-0.7 billion euro). The net outflows were attributable to mandates received from Group counterparties insurance and pension products (-3.7 billion euro), which were only partially offset by net inflows on mutual funds (+1.2 billion euro) portfolio management schemes for retail and private customers (+1 billion euro), and institutional mandates from non-captive customers (+0.8 billion euro).

As at 30 September 2024, Eurizon Capital's Italian market share of assets under management was 15.8% (gross of duplications). Excluding the closed-end funds segment, in which the company has a limited presence, the share of assets under management at the end of September rose to 16.2%.

Insurance

(millions of euro)

Income statement	30.09.2024	30.09.2023	Changes	
			amount	%
Net interest income	-	-	-	-
Net fee and commission income	3	2	1	50.0
Income from insurance business	1,297	1,243	54	4.3
Profits (Losses) on financial assets and liabilities at fair value	-	-	-	-
Other operating income (expenses)	-3	-12	-9	-75.0
Operating income	**1,297**	**1,233**	**64**	**5.2**
Personnel expenses	-106	-105	1	1.0
Administrative expenses	-135	-135	-	-
Adjustments to property, equipment and intangible assets	-27	-24	3	12.5
Operating costs	**-268**	**-264**	**4**	**1.5**
Operating margin	**1,029**	**969**	**60**	**6.2**
Net adjustments to loans	-	-	-	-
Other net provisions and net impairment losses on other assets	-	57	-57	
Other income (expenses)	-	-	-	-
Income (Loss) from discontinued operations	-	-	-	-
Gross income (loss)	**1,029**	**1,026**	**3**	**0.3**
Taxes on income	-308	-296	12	4.1
Charges (net of tax) for integration and exit incentives	-14	-13	1	8
Effect of purchase price allocation (net of tax)	-7	-6	1	16.7
Levies and other charges concerning the banking and insurance industry (net of tax)	-23	-	23	-
Impairment (net of tax) of goodwill and other intangible assets	-	-	-	-
Minority interests	-	-2	-2	
Net income (loss)	**677**	**709**	**-32**	**-4.5**

(millions of euro)

	30.09.2024	31.12.2023	Changes	
			amount	%
Direct deposits from insurance business (1)	177,405	172,746	4,659	2.7
Risk-weighted assets	-	-	-	-
Absorbed capital	4,498	4,398	100	2.3

(1) Including the subordinated securities issued by the companies.

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

The **Insurance Division** includes Intesa Sanpaolo Vita, Fideuram Vita, Intesa Sanpaolo Assicura and Intesa Sanpaolo RBM Salute, with the mission of synergically developing the insurance product mix targeting Group customers. The scope of the Insurance Division also includes Intesa Sanpaolo Insurance Agency and InSalute Servizi. From 1 December 2023 a secondary office of Intesa Sanpaolo Vita, called Intesa Sanpaolo Vita Dublin Branch, was established in Dublin, specialized in managing unit-linked policies.

In the first nine months of 2024, the Division reported income from insurance business of 1,297 million euro, up (+4.3%, or +54 million euro) compared to the same period of 2023, as a result of the contribution of the non-life business, while the life business remained largely stable. The non-life business benefited from the higher insurance revenues, as well as the financial components, specifically net interest income and realised gains, while the performance of the life business was attributable, on one hand, to the increase in the net investment result and, on the other, to the fall in the technical margin. Gross income, amounting to 1,029 million euro was essentially stable (+0.3%) due to higher operating income (+5.2%) against a moderate increase in operating costs (+1.5%).
The cost/income ratio, at 20.7%, remained at very good levels, lower than those recorded in the first nine months of 2023.
Lastly, net income came to 677 million euro (-4.5%) after the attribution of taxes of 308 million euro, charges for integration and exit incentives of 14 million euro, effects of purchase price allocation of 7 million euro and levies and charges of the banking and insurance system of 23 million euro, with the latter relating to the Guarantee Fund for life insurance policies pursuant to Law no. 213 of 30 December 2023. Net of the Guarantee Fund, net income would have been down by 1.4%.

Direct deposits from insurance business, amounting to 177,405 million euro, were up (+2.7%, or +4.7 billion euro) on the end of December 2023, essentially attributable to insurance liabilities.

The Division’s collected premiums for life policies and pension products, amounting to 13.7 billion euro, increased by 10.9% compared to the first nine months of last year, due to the growth in inflows on traditional products (+4.7%) and unit-linked products (+32.6%). In contrast, inflows for pension funds segment decreased (-8.9%).

Collected premiums for the protection business totalled 1.1 billion euro, up by 5% on the same period of 2023. Premiums in the non-motor business (excluding CPI – Credit Protection Insurance) rose by 3.6%, mainly driven by the Businesses, Home and Family, and Accident Lines of Business (LoBs). The motor component (+7.9%) and credit-related products (+33.5%) also increased.

Corporate Centre

The Corporate Centre is responsible for guidance, coordination and control of the whole Group, as well as for the NPE Department, as well as the Treasury, Funding and Strategic ALM activities.

The Corporate Centre Structures generated an operating margin of 1,421 million euro in the first nine months of 2024, compared to 821 million euro in the same period of the previous year. This performance was mainly attributable to the growth in operating income, due to the performance of net interest income, which benefited from the rise in short-term market interest rates. Operating costs declined, due to higher charge backs by the Corporate Centre to the business units for pure services and guidance and control services and a reduction in personnel expenses. Gross income amounted to 1,242 million euro compared to 975 million euro in the same period of 2023. The first nine months of 2024 closed with a net income of 528 million euro, compared to a net loss of 181 million euro in the same period of last year. The income statement of the Corporate Centre includes charges aimed at maintaining the stability of the banking industry, after tax, totalling 46 million euro compared to 250 million euro in the first nine months of 2023, which included 222 million euro related to the European resolution fund that is currently funded for the EU countries of the banking union.

Treasury and Funding activities

In the third quarter of 2024, Intesa Sanpaolo confirmed its systemic role as a “critical participant” in the ECB’s cash (T2) and securities (T2S) settlement systems, keeping stable market shares at national and European level.
Regarding the European Collateral Management System (ECMS) project, in September the Governing Council of the ECB decided to postpone the migration from 18 November 2024 to the first half of 2025. The rescheduling of the project will allow the Eurosystem and all the counterparties (including Intesa Sanpaolo) to approach the new launch date with greater assurance regarding the functioning of the new platform and better technical and operational readiness.
Finally, the participation in the trials conducted by the ECB regarding the digitalisation of wholesale payment systems continued, which could lead, in the coming years, to cash and securities settlement solutions based on new technologies (such as Distributed Ledger Technology).

After the initial easing in June 2024, the ECB further reduced the overnight deposit rate by 25 basis points and the other two Eurosystem key interest rates by 60 basis points in September, in order to lessen the level of monetary policy restriction. There was a further 25 basis point reduction in official rates on 17 October.
Inflation expectations, price dynamics, and the degree of monetary policy transmission to the market influenced the Governing Council's decision, which reiterated that future actions will be data-dependent and undertaken as needed in upcoming meetings to ensure inflation swiftly returns to its medium-term target of 2%.

Regarding the dollar, at the meeting on 18 September, the Fed cut rates by 50 basis points, lowering the Fed Funds Target Range to 4.75-5%, ending the long cycle of restrictive monetary policy that began in March 2022, which had raised rates from 0.25% to 5.50%, the highest level reached in the last 20 years. The Governor of the Federal Reserve indicated that core inflation is moving towards the medium-term target of 2% and the Fed is now also focusing on the labour market in particular.

During the quarter, Intesa Sanpaolo’s euro liquidity position remained very solid, with a significant excess of liquidity even after the repayment of the last tranche of the TLTRO at the end of June. Also for the dollar, the liquidity position remained abundant and the wholesale market funding activities did not experience any stress situations.

Outstandings for short-term securities funding remained stable over the period.

The total amount of the Group’s medium/long-term issues placed during the quarter on the domestic market, through own networks and direct listing, came to 2,716 million euro, of which 2,560 million euro in certificates placed through own networks, 145 million euro in issues placed through a senior preferred fixed-rate issue placed through the Private Banking Division and lastly 11 million euro of securities traded on the MOT and/or EuroTLX market of Borsa Italiana (direct listing).
Among the securities placed, there was a predominance of financial instruments made up of 34% of index-linked structures, 30% of equity-linked structures and 30% of interest rate- and exchange rate-linked structures, while the plain vanilla issuance component accounted for 6%.
A breakdown by average maturity shows that 68% are comprised of instruments with 5-year maturities and 24% with 6- and 8-year maturities, with the remaining 8% consisting of securities with 10-year maturities.

During the quarter, a total of 1,602 million euro in institutional unsecured funding transactions were placed, of which 1,500 million euro in debt securities issued by the Bank and 102 million euro of securities (bonds and certificates) placed by the IMI Corporate & Investment Banking Division on third-party networks.

With regard to bond funding, a non-preferred senior public issuance for institutional investors of 1,500 million euro was carried out in September. These are fixed-rate securities with an annual coupon of 3.85%, an 8-year maturity and redeemable in advance by the issuer in the seventh year.

With regard to the Covered Bond issue programme under the covered bond issue programme guaranteed by UBI Finance, the 24th series matured in July for an amount of 750 million euro.
Within the covered bond programme guaranteed by ISP OBG, the 21st retained series matured in August, for an amount of 1,250 million euro.

For the management of collateral, Intesa Sanpaolo also uses the A.Ba.Co. (Collateralised Bank Assets) procedure, which allows bank loans disbursed to non-financial companies to be used to secure loan transactions with the Bank of Italy. As at 30 September 2024, the outstanding amount, gross of haircuts applicable to loans lodged as pledge by the Group, came to around 16.2 billion euro.

The quarter was marked by a sharp but brief episode of volatility in August, after which equity markets reached new highs, supported by rate cuts from both the Fed and the ECB. The market narrative has shifted back to expectations of a soft landing for the US economy, while credit prospects in Europe appear more fragile due to the structural weakness of the German manufacturing sector and the fiscal outlook in France. Taking advantage of the spread correction, the portfolio allocation for French government issuers was increased slightly, from a very low weighting. In September, following a sharp decline in rates that brought expectations for the ECB's terminal rate to well below 2%, rate sensitivity was significantly reduced, awaiting more information on the evolution of the European business cycle.

In the third quarter, repo market trading volumes for Italian government bonds increased compared to the previous quarter, with rates settling above the deposit facility level, and the spread between core countries' government bond rates and Italian rates narrowing significantly.

In the period, Intesa Sanpaolo carried out securities financing transactions with underlying mainly consisting of own retained bonds on both short and medium/long-term maturities for a total amount, outstanding as at 30 September 2024, of around 18 billion euro.

Strategic ALM

With regard to the Group’s Asset & Liability Management (ALM), operational management of the financial risks of the Group’s banking book is carried out by the Group Treasury & Capital Management area under the supervision of the CRO Area. Interest rate risk is monitored and managed by examining the sensitivity of the market value of the various positions in the banking book to parallel shifts in the interest rate curve and the sensitivity of net interest income to the market views; moreover, specific scenario analysis techniques on rate developments are used, as well as behavioural scenarios for specific positions. The strategic choices on interest rate risk are made by the Group Financial Risk Committee, Asset & Liability Committee - ALCO session, within the limits established by the Board of Directors: Group Treasury & Capital Management performs an active role in the dynamic management of interest rate risk within the limits assigned and supports the Committee’s decision-making activity by formulating analyses and proposals. The structural component of liquidity risk is managed, based on the liquidity policies defined at Group level, as part of the funding plan, which is used to monitor the current and future short and long-term liquidity balances, defining the funding plan on the various channels and instruments (domestic/international, retail/corporate, secured/unsecured, preferred/non preferred/subordinate). The funding plan optimises the various forms of funding in compliance with the liquidity indicators (LCR, NSFR and the other indicators of the Risk Appetite Framework), the rating targets, the various regulatory capital buckets and the MREL buffers, in line with the loan-deposit targets of the Business Units. The structural component of foreign exchange risk is managed, based on the related policies established at Group level, by monitoring the Group’s overall position, also with a view to optimising the capital ratios.

Risk management

THE CORE PRINCIPLES OF RISK MANAGEMENT

The policies relating to risk taking and the processes for the management of the risks to which the Group is or could be exposed are approved by the Board of Directors of Intesa Sanpaolo as the Parent Company, with the support of the Risk and Sustainability Committee. The Management Control Committee, which is the body with control functions, supervises the adequacy, efficiency, functionality and reliability of the risk management process and of the Risk Appetite Framework (RAF).
The Managing Director and CEO has the power to submit proposals for the adoption of resolutions concerning the risk system and implements all the resolutions of the Board of Directors, with particular reference to the implementation of the strategic guidelines, the RAF and the risk governance policies.
The Corporate Bodies also benefit from the action of some managerial committees on risk management. These committees, which include the Steering Committee, operate in compliance with the primary responsibilities of the Corporate Bodies regarding the internal control system and the prerogatives of corporate control functions, and in particular the risk control function.
The Chief Risk Officer Governance Area, directly reporting to the Managing Director and CEO, in which the risk management functions are concentrated, including the controls on the risk management and internal validation process, represents a relevant component of the "second line of defence" of the internal control system that is separate and independent from the business supporting functions. This Area is responsible for: i) governing the macro process of definition, approval, control and implementation of the Group's Risk Appetite Framework with the support of the other corporate functions involved; ii) assisting the Corporate Bodies in setting and implementing the Group's risk management guidelines and policies, in accordance with the company's strategies and objectives; iii) coordinating and verifying their implementation by the responsible units of the Group, also within the various corporate areas; iv) guaranteeing the measurement and control of the Group's exposure to various types of risk and v) implementing the second level controls on credit and other risks, in addition to ensuring the validation of internal risk measurement and management systems.
The Parent Company performs a guidance and coordination role with respect to the Group companies[21], aimed at ensuring effective and efficient risk management at Group level, exercising responsibility in setting the guidelines and methodological rules for the risk management process, and pursuing, in particular, integrated information at Group level to the Bodies of the Parent Company, with regard to the completeness, adequacy, functioning and reliability of internal control system. For the corporate control functions in particular, there are two different types of models within the Group: i) the centralised management model based on the centralisation of the activities at the Parent Company and ii) the decentralised management model that involves the presence of locally established corporate control functions that conduct their activities under the direction and coordination of the same corporate control functions of the Parent Company, to which they report in functional terms.
Irrespective of the control model adopted within their company, the Corporate Bodies of the Group companies are aware of the choices made by the Parent Company and are responsible for the implementation, within their respective organisations, of the control strategies and policies pursued and promoting their integration within the Group controls.
The risk measurement and management tools contribute to defining a risk-monitoring framework at Group level, capable of assessing the risks assumed by the Group from a regulatory and economic point of view. The level of absorption of economic capital, defined as the maximum "unexpected" loss the Group might incur over a year, at a given confidence level, is a key measure for determining the Group's financial structure, risk appetite and for guiding operations, ensuring a balance between risks assumed and shareholder returns. It is estimated on the basis of the current situation and also at a forecast level, in line with the Group Risk Appetite Framework approved by the Board of Directors of the Parent Company, based on the budget assumptions and the forecast macroeconomic scenario, and in relation to stress scenarios. The economic capital together with the risk capital calculated on a regulatory basis is a fundamental element in the assessment of the Group's capital adequacy within the ICAAP.
The assessment of capital is included in business reporting and is submitted quarterly to the Steering Committee, the Risk and Sustainability Committee and the Board of Directors of the Parent Company, as part of the Tableau de Bord of Group Risks. Risk hedging, given the nature, frequency and potential impact of the risk, is based on a constant balance between mitigation/hedging action, control procedures/processes and capital protection measures.

Since the beginning of the conflict, the Intesa Sanpaolo Group has continued to carefully monitor the evolution of the fallout of the Russian-Ukrainian crisis – as well as the other situations of geopolitical tension – on the real economy and the main financial variables, also by conducting specific scenario analyses and stress tests to assess the potential impacts in terms of profitability and capital adequacy. Although the situation is constantly evolving, leaving aside extreme scenarios of conflict escalation that could lead to outcomes that are difficult to assess, these analyses confirm the Group's ability to ensure compliance – also through the implementation of specific actions – with the regulatory requirements and the stricter limits set internally.

[21] In this regard, it is specified that Intesa Sanpaolo does not exercise management and coordination over Risanamento S.p.A. or its subsidiaries pursuant to Articles 2497 *et seq.* of the Italian Civil Code.

With specific regard to risk management, details concerning credit risk are provided in the paragraph “The valuation impacts for the ISP Group of the military conflict between Russia and Ukraine”, and there continue to be no significant impacts of the Russian-Ukrainian conflict on the metrics for measuring the counterparty risk and market risks in the Group’s trading book and banking book. Likewise, in light of the low exposure to Russian and Ukrainian counterparties, there were no significant impacts on the Group’s consolidated liquidity position. With regard to foreign exchange risk, there continue to be no significant impacts due to the low exposures. With regard to operational risks, the additional costs incurred for business continuity and any losses resulting from physical damage to premises/branches located in the conflict zone form part of the monitoring of the exposure to the risk, including that relating to the Risk Appetite Framework. Lastly, with regard to the monitoring of insurance risks, the focus remains on exposures to countries involved in the conflict, which are still entirely residual in nature compared to the total assets.

THE BASEL 3 REGULATIONS

The Intesa Sanpaolo Group, in relation to the implementation of the Basel Committee agreements (“Basel 3”), has undertaken adequate project initiatives in order to improve the measurement systems and the related risk management systems, to guarantee ongoing regulatory compliance. In the first nine months of 2024, the project work also continued on the preparations for the incorporation of the restructuring of the Basel Committee agreements (“Basel 4”).
With regard to credit risk, there were no changes with respect to 30 June 2024.
The periodic updating and alignment to changes in regulations governing IRB systems and their extension continue in accordance with the Regulatory Roadmap agreed with the Supervisory Authorities.
With regard to both counterparty risk and operational risks, there were also no changes in the scope of application compared to 30 June 2024.
The annual Internal Capital Adequacy Assessment Process (ICAAP) Report, based on the extensive use of internal risk measurement methodologies, internal capital and total capital available, was approved and sent to the ECB in March 2024.
As part of its adoption of Basel 3, the Group publishes information concerning capital adequacy, exposure to risks and the general characteristics of the systems aimed at identifying, monitoring and managing them in a document entitled “Basel 3 - Pillar 3” or simply “Pillar 3”. The document is published on the website (group.intesasanpaolo.com) on a quarterly basis.

THE VALUATION IMPACTS FOR THE ISP GROUP OF THE MILITARY CONFLICT BETWEEN RUSSIA AND UKRAINE

As at 30 September 2024, the Group had the following on-balance sheet exposures to counterparties resident in Russia and Ukraine, net of ECA guarantees and gross/net of adjustments made:

(millions of euro)

	30.09.2024 (*)				31.12.2023 (**)			
	Gross exposure		Net exposure		Gross exposure		Net exposure	
	Russia	Ukraine	Russia	Ukraine	Russia	Ukraine	Russia	Ukraine
Loans to customers	**612**	**184**	**458**	**137**	**872**	**186**	**643**	**123**
Banca Intesa Russia	*143*	*-*	*86*	*-*	*197*	*-*	*117*	*-*
Pravex	*-*	*45*	*-*	*-*	*-*	*62*	*-*	*-*
Cross-border exposures	*469*	*139*	*372*	*137*	*675*	*124*	*526*	*123*
Due from banks	**626**	**70**	**616**	**69**	**707**	**59**	**696**	**59**
Banca Intesa Russia	*610*	*-*	*602*	*-*	*691*	*-*	*683*	*-*
Pravex	*-*	*70*	*-*	*69*	*-*	*59*	*-*	*59*
Cross-border exposures	*16*	*-*	*14*	*-*	*16*	*-*	*13*	*-*
Securities	**2**	**47**	**1**	**45**	**12**	**53**	**10**	**49**
Banca Intesa Russia	*1*	*-*	*1*	*-*	*11*	*-*	*10*	*-*
Pravex	*-*	*42*	*-*	*42*	*-*	*48*	*-*	*47*
IMI C&IB Division	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*
Insurance Division	*1*	*5*	*-*	*3*	*1*	*5*	*-*	*2*

(*) In addition to the on-balance sheet exposures shown in the table, there are off-balance sheet exposures to customers for 37 million euro (32 million euro net) at Banca Intesa Russia, and 29 million euro (gross and net value) at Pravex, in addition to 19 million euro (book value nil in net terms) in cross-border off-balance sheet exposures to resident customers in Russia, net of ECA, and 8 million euro (gross and net value) to customers resident in Ukraine.
There is also 27 million euro (gross and net value) in cross-border off-balance sheet exposures to banks resident in Russia and 9 million euro (gross and net value) in cross-border off-balance sheet exposures to banks resident in Ukraine.
Lastly, the cross-border exposures to customers resident in Ukraine are, for the corporate part, backed by guarantees provided by European and US persons, while, for the household part, the amounts as at 30 September 2024 and the increase of around 15 million euro compared to 31 December 2023 mainly relate to exposures disbursed by the subsidiary VUB to households with permanent residence in Slovakia.

(**) In addition to the on-balance sheet exposures shown in the table, there are off-balance sheet exposures to customers for 46 million euro (39 million euro net) at Banca Intesa Russia, and 34 million euro (gross and net value) at Pravex, in addition to 24 million euro (book value nil in net terms) in cross-border off-balance sheet exposures to resident customers in Russia, net of ECA, and 25 million euro (24 million euro net) to customers resident in Ukraine.
There is also 66 million euro (gross and net value) in cross-border off-balance sheet exposures to banks resident in Russia and 10 million euro (gross and net value) in cross-border off-balance sheet exposures to banks resident in Ukraine.
Lastly, the cross-border exposures to customers resident in Ukraine are, for the corporate part, backed by guarantees provided by European and US persons, while, for the household part, mainly relate to exposures disbursed by the subsidiary VUB to households with permanent residence in Slovakia.

As shown in the table, as at 30 September 2024, the remaining on-balance sheet exposures to the total counterparties resident in Russia amounted, in terms of gross values, to 143 million euro (86 million euro net) for Banca Intesa Russia and 469 million euro (372 million euro net) for cross-border exposures to customers resident in Russia (net of ECA guarantees). These were accompanied by exposures to banks totalling 626 million euro (616 million euro net) and in securities totalling 2 million euro (1 million euro net). Exposures to customers resident in Ukraine amounted to 184 million euro (137 million euro net), of which 45 million euro (book value nil in net terms) related to the subsidiary Pravex Bank. These were accompanied by exposures to banks of 70 million euro (69 million euro net) and in securities totalling 47 million euro (45 million euro net). The majority of the exposures to Russian[22] and Ukrainian counterparties essentially consist of loans to customers subject to measurement in accordance with IFRS 9 “Financial Instruments”.

During the first nine months of 2024, the gross on-balance sheet exposure to the total counterparties resident in Russia and Ukraine decreased by 348 million euro (-18% from the end of the previous year). That decrease mainly involved cross-border exposures to customers resident in Russia for 206 million euro, primarily as a result of repayments on various exposures, 54 million euro for exposures to customers of the investee Banca Intesa Russia, and 91 million euro for exposures to banks and debt securities of Banca Intesa Russia. The overall net exposure (customers, banks, and securities) as at 30 September 2024 to counterparties resident in Russia and Ukraine, amounting to 1,326 million euro, decreased by 254 million euro (-16%) from 1,580 million euro on 31 December 2023.

As at 30 September 2024, the Group companies other than those operating in the countries involved in the conflict had a total of 8 million euro of gross on-balance sheet non-performing loans to counterparties resident in Russia. The non-performing loans of the Russian investee amounted to 38 million euro (40 million euro as at 31 December 2023), while the classification

[22] For these purposes, the small exposures to Belarusian counterparties have for simplicity been treated and disclosed together with the exposures to the Russian Federation.

of the entire portfolio of the Ukrainian subsidiary to bad loan status led to the recognition of 45 million euro in bad loans (62 million euro as at 31 December 2023). In line with the disclosure already provided in the Annual Report as at 31 December 2023, with regard to the portfolio that did not show specific signs of deterioration, the analyses of IFRS 9 and the related Annexes show no indications or examples aimed at setting out specific guidelines for the measurement of Expected Credit Losses in contexts of war or defining specific methods of increasing credit risk due to sudden, serious geopolitical crises such as the current one. The most pertinent references to the current scenario seem to be those set out in the Application Guidance of the standard. These allow/suggest the use of collective assessment to verify the existence of a Significant Increase in Credit Risk (SICR) with a view to staging the credit exposures[23], as well as, in line with the treatment set out for capturing the critical issues of another recent emergency situation (COVID-19[24]), using management overlays in the calculation of the ECL, to define the most suitable methods to incorporate the aspects linked to the ongoing conflict into provisions.

For the cross-border positions, the approaches used to determine the ECL as at 30 September 2024 were the same as those already adopted in 2022 and maintained throughout 2023. Specifically, the following were confirmed: classification to Stage 2 of counterparties in scope guided by the emergence of “via transfer” risk, namely the risk that counterparties will not honour their debt payment commitments as a result of restrictions in their countries of residence and not due to aspects directly pertaining to their business; the choice to use the through-the-cycle PD associated to the assigned rating to calculate the ECL, without applying forward-looking conditioning and the application of a prudential buffer to the LGD that ensures equivalence with the use of an estimated loss rate according to an approach based on the transfer of the risk of the country of residence under Pillar 2 modelling (unconditional LGD set by the transfer risk model of 55%). Lastly, adjustments have been applied to a counterparty (increases in the ECL as calculated above) to capture potential expected losses not adequately measured by the estimates.

The banks of the International Banks Division adopt the ratings of the Parent Company and the centrally determined “transfer risk” parameter of LGD on the Group’s common cross-border customers. For the other exposures, the ratings are determined by local models, in line with the instructions received from the Parent Company’s Group Rating Desk.

With reference to loans to customers disbursed by Pravex, the choice adopted starting with the 2022 Financial Statements to classify loans to customers as non-performing loans (bad loans), with full write-down of the on-balance sheet component, has been maintained.
With regard to Banca Intesa Russia, in line with the actions taken starting in 2022, these exposures were maintained in Stage 2 with a valuation that comprises prudential factors determined centrally, considering the geopolitical context. As a result of the provisions made, the total coverage of performing loans of the Russian subsidiary amounted to around 32.4% of their gross value (35% in December 2023). The Parent Company and two subsidiaries had provided Banca Intesa Russia with loans to support the bank’s operations with a gross residual value as at 30 September 2024 of 117 million euro.

The choices regarding the valuation of the real estate assets of the two investees were confirmed: the value of investment assets, branches and owner-occupied properties of Pravex were fully written down, with the sole exception of the headquarters in Kyiv, for which it was decided to keep the value unchanged and confirm the book values of the real estate assets of Banca Intesa Russia.

The securities portfolio of the investee Banca Intesa Russia, amounting to 1 million euro (11 million euro as at 31 December 2023), consisted of one Russian government security. The securities portfolio of the subsidiary Pravex, amounting to 42 million euro (48 million euro as at December 2023), consisted of short-term government securities and securities issued by central banks as an investment of part of the liquidity from the reduction of the loan portfolio.

Overall, there were profit and loss impacts on the Russian and Ukrainian exposures as at 30 September 2024, gross of tax effects, totalling net charges of 159 million euro. Those charges mainly refer to additional provisions for risks and charges made on consolidation of the investee Banca Intesa Russia to write off its equity contribution to the Group’s consolidated financial statements, which was positive at the end of the first nine months of 2024 due to the investees’ positive operating performance, with a total allowance of around 308 million euro as at 30 September 2024.

[23] In particular, see IFRS 9 B5.5.1, IFRS 9 B5.5.4, IFRS 9 B5.5.5, IFRS 9 B5.5.18 and IFRS 9 B5.5.52.

[24] “IFRS 9 and COVID-19 - Accounting for expected credit losses applying IFRS 9 Financial Instruments in the light of current uncertainty resulting from the COVID-19 pandemic.”

CREDIT RISK

The Intesa Sanpaolo Group has developed a set of techniques and tools for credit risk measurement and management which ensures analytical control over the quality of loans to customers and financial institutions, and exposures subject to country risk.
In particular, with regard to loans to customers, risk measurement is performed by means of different internal rating models according to borrower segment (Corporate, Retail SME, Retail, Sovereigns, Public Sector Entities and Banks). These models make it possible to summarise the counterparty's credit quality in a measure, the rating, which reflects the probability of default over a period of one year, adjusted on the basis of the average level of the economic cycle. These internally calculated ratings are then made comparable with those awarded by rating agencies, by means of a consistent scale of reference.
Ratings and credit-risk mitigating factors (guarantees, loan types and covenants) play a key role in the loan granting and managing process.

Credit quality

(millions of euro)

	30.09.2024			31.12.2023			Change
	Gross exposure	Total adjustments	Net exposure	Gross exposure	Total adjustments	Net exposure	Net exposure
Bad loans	3,661	-2,552	1,109	3,400	-2,460	940	169
Unlikely to pay	5,321	-2,134	3,187	5,889	-2,314	3,575	-388
Past due loans	639	-198	441	649	-184	465	-24
Non-Performing Loans	**9,621**	**-4,884**	**4,737**	**9,938**	**-4,958**	**4,980**	**-243**
Non-performing loans in Stage 3 (subject to impairment)	*9,555*	*-4,851*	*4,704*	*9,860*	*-4,928*	*4,932*	*-228*
Non-performing loans measured at fair value through profit or loss	*66*	*-33*	*33*	*78*	*-30*	*48*	*-15*
Performing loans	**412,128**	**-2,208**	**409,920**	**422,020**	**-2,452**	**419,568**	**-9,648**
Stage 2	*34,402*	*-1,569*	*32,833*	*38,021*	*-1,746*	*36,275*	*-3,442*
Stage 1	*376,935*	*-639*	*376,296*	*383,310*	*-706*	*382,604*	*-6,308*
Performing loans measured at fair value through profit or loss	*791*	*-*	*791*	*689*	*-*	*689*	*102*
Performing loans represented by securities	**7,231**	**-16**	**7,215**	**5,875**	**-25**	**5,850**	**1,365**
Stage 2	*238*	*-10*	*228*	*358*	*-19*	*339*	*-111*
Stage 1	*6,993*	*-6*	*6,987*	*5,517*	*-6*	*5,511*	*1,476*
Loans held for trading	**74**	**-**	**74**	**95**	**-**	**95**	**-21**
Total loans to customers	**429,054**	**-7,108**	**421,946**	**437,928**	**-7,435**	**430,493**	**-8,547**
of which forborne performing	***4,756***	***-317***	***4,439***	***5,134***	***-337***	***4,797***	***-358***
of which forborne non-performing	***3,064***	***-1,448***	***1,616***	***3,230***	***-1,424***	***1,806***	***-190***
Loans to customers classified as non-current assets held for sale	**469**	**-82**	**387**	**181**	**-42**	**139**	**248**

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

As at 30 September 2024, the Group's gross non-performing loans amounted to 9.6 billion euro, down by 0.3 billion euro (-3.2%) compared to December 2023. The NPL ratio was 2.2% gross and 1.1% net (1.9% and 0.9%, respectively, gross and net according to the EBA methodology). This result was also attributable to the ongoing de-risking initiatives, and also reflect an amount of non-performing loans classified as assets held for sale, having met the conditions for applicability based on IFRS 5, with a gross book value of around 0.5 billion euro at the end of September 2024. The process of NPL deleveraging also continued to benefit from modest new inflows from performing loans due to the performance of the prevention initiatives.
During the first nine months, gross inflows came to 2.3 billion euro (0.7 billion euro in the first quarter, 0.8 billion euro in the second and 0.8 billion euro in the third quarter), in line with the figure recorded in the nine months of 2023. In net terms, that is, net of outflows to performing loans, inflows came to 1.8 billion euro (0.6 billion euro in the first three months, 0.7 billion euro in the second quarter, and 0.5 billion euro in the third quarter), compared to 1.6 billion euro in the first nine months of 2023. The table shows that the decrease from the end of 2023 in gross non-performing loans was due to unlikely-to-pay loans (-9.6%, or -568 million euro) and past-due loans (-1.5%, or -10 million euro), against an increase in bad loans of 261 million euro (+7.7%).

As at 30 September 2024, the net non-performing loans of the Group amounted to 4,737 million euro, lower than the figure recorded as at 31 December 2023 (4,980 million euro), and representing a new all-time low, continuing the virtuous trend already recorded in the previous quarters. The ratio of non-performing loans to total net loans to customers came to 1.1% (0.9% according to the EBA definition) with the coverage ratio for non-performing loans increasing to 50.8% from 49.9% at the end of 2023. In further detail, in September 2024 bad loans amounted to 1,109 million euro (+18% from 31 December 2023), net of adjustments, representing 0.3% of total net loans with a coverage ratio of 69.7%. Loans included in the unlikely-to-pay category amounted to 3.2 billion euro, down by 10.9%, accounting for 0.7% of total net loans to customers, with a coverage ratio of 40.1%. Past due loans amounted to 441 million euro (-5.2% from the end of 2023), with a coverage ratio of 31.0%. Within the non-performing loan category, forborne exposures, generated by forbearance measures for borrowers experiencing difficulty in meeting their financial obligations, amounted to 1.6 billion euro, with a coverage ratio of 47.3%. Forborne exposures in the performing loan category amounted to 4.4 billion euro. At the end of September 2024, net performing loans amounted to 409.9 billion euro, down by 9.6 billion euro (-2.3%) on the end of 2023, with an overall coverage ratio of 0.54% of which 4.56% (from 4.59% at the end of 2023) for Stage 2 loans and 0.17% (0.18% at the end of December 2023) for Stage 1 loans. In terms of stock, net loans in Stage 1 decreased by 1.6% to 376.3 billion euro and those in Stage 2 fell by 9.5%, amounting to 32.8 billion euro.

Macroeconomic scenario for forward-looking conditioning

For the purposes of forward-looking conditioning of the ECL estimation parameters, Intesa Sanpaolo’s policy envisages the use of the macroeconomic scenario produced and updated by the CFO Area Research Department on at least a half-yearly basis (June/December). In September 2024, the CFO Research Department updated the macroeconomic scenario - substantially in line with June – and set up alternative scenarios in addition to the base scenario.

Note that, in compliance with the Group Impairment Policy, on an ordinary basis, and in the absence of significant changes in the macroeconomic scenario, the conditioning of the calculation parameters on a half-yearly basis (June-December) were revised.

With regard to the Eurozone, the projections of growth of 0.7% in 2024 were substantially confirmed, and those for 2025 were revised slightly downwards to 1.2%. The beginning of 2024 was better than expected, but the lack of signs of acceleration in the second half meant that the annual average growth in the Eurozone was revised by just 0.1% and that that revision was offset by a reduction in the 2025 projections.

With regard to Italy, GDP growth estimates are confirmed at 0.7% in 2024 and 1.2% in 2025. In 2024, contained growth is expected in line with the Eurozone, still driven by services. The moderate recovery expected for 2025 is entirely driven by domestic demand, especially for consumer spending (services) and investments in machinery (expected to start again thanks to adherence to the new tax incentives). Construction will be crucial: while residential buildings will be slowed by the elimination of the support offered by tax incentives (Superbonus), the non-residential component will accelerate, supported by the infrastructure works included in the NRRP.

Inflation is expected to fall below the ECB target from the second half of 2025. More specifically, the inflation forecasts for the Eurozone, compared to June, have been revised slightly upwards for both 2024 (from 2.3% to 2.5%) and 2025 (from 1.7% to 2%). The additional contribution to disinflation from energy, food and non-energy goods could almost lose all its steam. It follows that the fate of inflation will depend increasingly on the services component, which has so far shown the greatest viscosity.

With regard to expectations regarding monetary policy decisions, the start of the interest rate reduction phase took place on schedule. As inflation is no longer perceived as a threat, while employment growth is slowing, the reduction in official interest rates might be faster in the coming months than expected in June. The central scenario incorporates the assumption that the reduction in the deposit rate will continue in 2025, to 2.0-2.5%, with a gradual reduction of 25 basis points per quarter and with a possible final acceleration once it is certain that inflation will return to 2%.

That forecast has been drawn up in a context where the main uncertainties of the scenario are linked to geopolitical risk: the conflicts in Ukraine and the Middle East, presidential elections in the United States, tensions between China and Taiwan and structural fiscal plans in the Eurozone.

The CFO Research Department produced alternative scenarios (best case and worst case), created according to the standard methodology set out in the Impairment Policy. With regard to the favourable scenario, the assumptions adopted yield similar results for all the variables, compared to the June scenarios. In relation to the methodology set out, in addition to the shock on internal demand, the adverse scenario assumes two temporary adverse shocks linked to the escalation of the conflict in the Middle East and the tensions on the supply chains that impact the trends in production prices and manufacturing, with slightly recessive impacts on the GDPs in the Eurozone and Italy.

Managerial adjustments to the results of the models

As at 30 September 2024, there were no changes to the approaches introduced in the 2023 Financial Statements, which were applied in the same way also in the Half-Yearly Report 2024. The planned reassessment of the assumptions (such as emerging risks identified and associated sector-specific vulnerabilities) were carried out, and did not result in substantial changes. The estimates were revised, along with the evidence updated to 30 September.

Note that, starting with the 2023 Financial Statements, approaches based on two complementary elements were introduced:

- the adjustment to the outcomes of the forward-looking conditioning model, due to the introduction of a factor derived from “extreme scenarios”, aimed at capturing the impacts of increased uncertainty in the macroeconomic conditions (due, for example, to geopolitical risks or repercussions connected to the higher-than-expected inflation) not captured by the current methodology based on the most-likely and alternative scenarios;
- the risk-sensitive post-model adjustments, aimed at reinforcing the provisioning on selected portfolios in relation to potential vulnerabilities and credit risk divergences not captured by the models used, especially in the current economic environment often characterised by crises that affect individual product sectors asymmetrically.

Given the above, adjustment allowances for performing exposures as at 30 September 2024 included prudential elements of 0.9 billion euro relating to both on-balance and off-balance sheet exposures, substantially unchanged from June 2024 and December 2023.

MARKET RISKS

TRADING BOOK

Below is a summary of the daily managerial VaR for the trading book only, which also shows the overall exposure of the main risk-taking centres.

Daily managerial VaR of the trading book

In the third quarter of 2024, as shown in the table below, compared to the averages for the second quarter of 2024, there was a decrease in trading managerial risks, which declined from 30.9 million euro (average value in the second quarter of 2024) to 24.0 million euro (average value in the third quarter of 2024). That decrease is mainly attributable to the management of exposure to interest rate risk of the trading book of the IMI C&IB Division.

(millions of euro)

	2024					2023			
	average 3rd quarter	minimum 3rd quarter	maximum 3rd quarter	average 2nd quarter	average 1st quarter	average 4th quarter	average 3rd quarter	average 2nd quarter	average 1st quarter
Total Group Trading Book (a)	**24.0**	**19.4**	**30.8**	**30.9**	**31.9**	**26.4**	**33.7**	**35.5**	**27.9**
of which: Group Treasury & Capital Management	*12.1*	*11.0*	*13.0*	*13.1*	*6.2*	*3.8*	*3.7*	*4.4*	*5.1*
of which: IMI C&IB Division	*14.7*	*11.0*	*19.6*	*20.3*	*23.3*	*23.3*	*31.1*	*33.7*	*25.3*

The table shows the historical variability of the daily managerial VaR calculated on the quarterly time series of Intesa Sanpaolo Group (including the subsidiaries in the perimeter), Group Treasury & Capital Management and IMI C&IB Division respectively. The values calculated on the Group perimeter (average, minimum and maximum) do not correspond to the sum of the values of the individual columns, because they are recalculated on the aggregate time series which also includes the subsidiaries in the perimeter.
(a) The Group Trading Book figure includes the managerial VaR of Group Treasury & Capital Management, IMI C&IB Division (Trading Book perimeter) and the subsidiaries in the perimeter.

As shown in the table below, the average VaR for the first nine months of 2024 came to 28.9 million euro, down slightly on the 32.3 million euro recorded in the first nine months of 2023. That change is mainly due to the lower volatility recorded on the credit spread in 2024 as well as the decreased exposure to interest rate risk of the IMI C&IB Division's book.

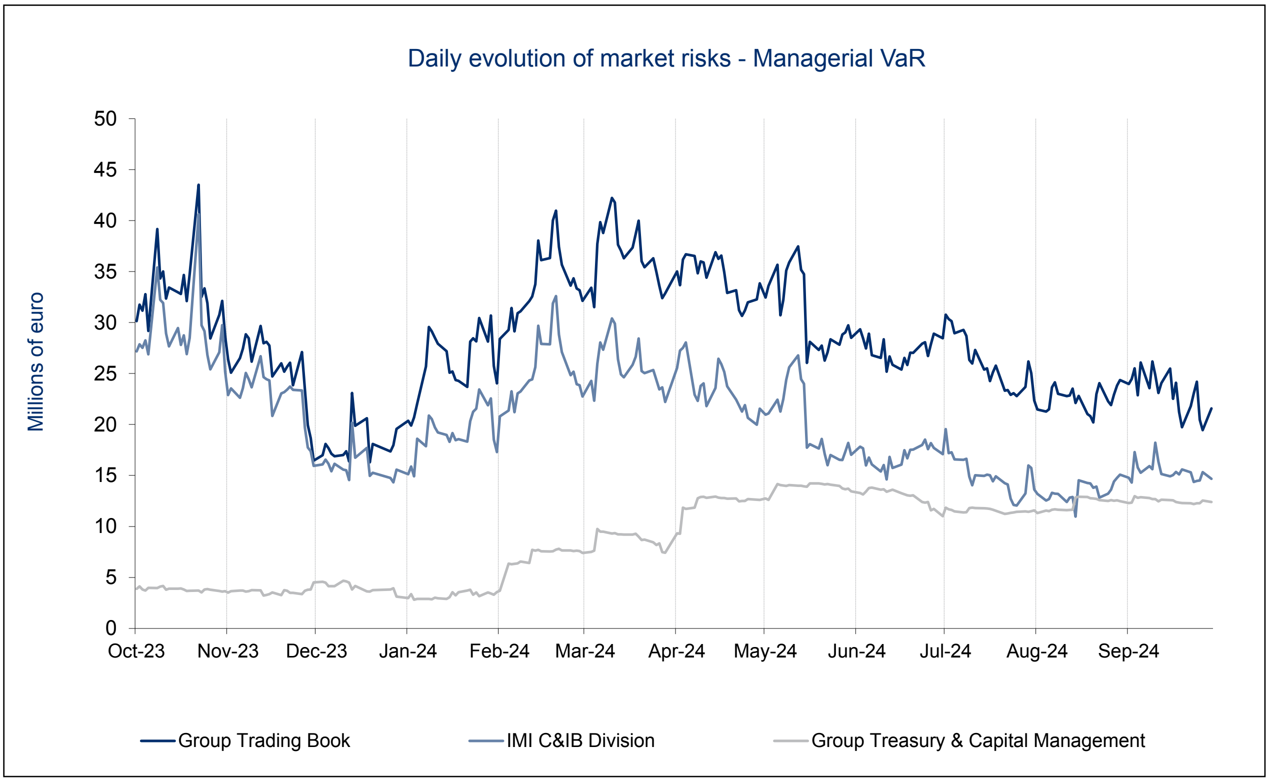
(millions of euro)

	2024			2023		
	average 30.09	minimum 30.09	maximum 30.09	average 30.09	minimum 30.09	maximum 30.09
Total Group Trading Book (a)	**28.9**	**19.4**	**42.2**	**32.3**	**21.5**	**45.9**
of which: Group Treasury & Capital Management	*10.5*	*2.8*	*14.2*	*4.4*	*3.1*	*6.3*
of which: IMI C&IB Division	*19.3*	*11.0*	*32.6*	*30.0*	*19.5*	*43.7*

The table shows the historical variability of the daily managerial VaR calculated on the time series for the first nine months of the year for Intesa Sanpaolo Group (including the subsidiaries in the perimeter), Group Treasury & Capital Management and IMI C&IB Division respectively. The values calculated on the Group perimeter (average, minimum and maximum) do not correspond to the sum of the values of the individual columns, because they are recalculated on the aggregate time series which also includes the subsidiaries in the perimeter.

(a) The Group Trading Book figure includes the managerial VaR of Group Treasury & Capital Management, IMI C&IB Division (Trading Book perimeter) and the subsidiaries in the perimeter.

In addition, as shown in the graph below, the main contribution to the movements in the Trading VaR continues to be the trading conducted by the IMI C&IB Division.



The breakdown of the Group's risk profile in the trading book in the third quarter of 2024 shows a prevalence of interest rate risk and credit spread risk, accounting for 46% and 31% respectively, of the Group's total managerial VaR. The individual "risk-taking centres", on the other hand, show a prevalence of interest rate risk and exchange rate risk for the Group Treasury & Capital Management (85% and 11%, respectively) and of interest rate risk and credit spread risk for the IMI C&IB Division (26% and 46%, respectively).

Contribution of risk factors to total managerial VaR[a]

3rd quarter 2024	Shares	Interest rates	Credit spreads	Foreign exchange rates	Other parameters	Commodities
Group Treasury & Capital Management	3%	85%	1%	11%	0%	0%
IMI C&IB Division	12%	26%	46%	6%	4%	6%
Group Total	**8%**	**46%**	**31%**	**8%**	**3%**	**4%**

(a) The table sets out the contribution of risk factors considering 100% the overall capital at risk, calculated as the average of daily estimates in the third quarter of 2024, broken down between Group Treasury & Capital Management and IMI C&IB Division, in addition to the distribution of the Group's overall capital at risk (including the subsidiaries in the perimeter).

Risk control with regard to the activity of the Intesa Sanpaolo Group also uses scenario analyses and stress tests. The impact of selected scenarios relating to the evolution of stock prices, interest rates, credit spreads, foreign exchange rates, commodity prices and inflation at the end of September is summarised in the following table:

(millions of euro)

	EQUITY		INTEREST RATES		CREDIT SPREADS		FOREIGN EXCHANGE RATES		COMMODITIES		INFLATION	
	Crash	Bullish	+40bps	lower rate	-25bps	+25bps	-5%	+5%	Crash	Bullish	Up	Down
Total Trading Book	54	69	-42	26	19	0	23	-14	-12	11	2	4

In particular:
- for stock market positions, there would not be potential losses either in the case of sudden increases in stock prices or in the case of sharp decreases therein;
- for positions in interest rates, there would be potential losses of 42 million euro in the event of a 40 basis point rise in interest rates;
- for positions in credit spreads, there would be no losses, whether the credit spreads expanded or narrowed;
- for positions in exchange rates, there would be potential losses of 14 million euro in the event of a 5% appreciation of the Euro against the other currencies;
- for positions in commodities, there would be a loss of 12 million euro in the event of a fall in prices of commodities other than precious metals;
- lastly, for positions linked to inflation, there would be no potential losses, either in the event of a rise or a fall in inflation.

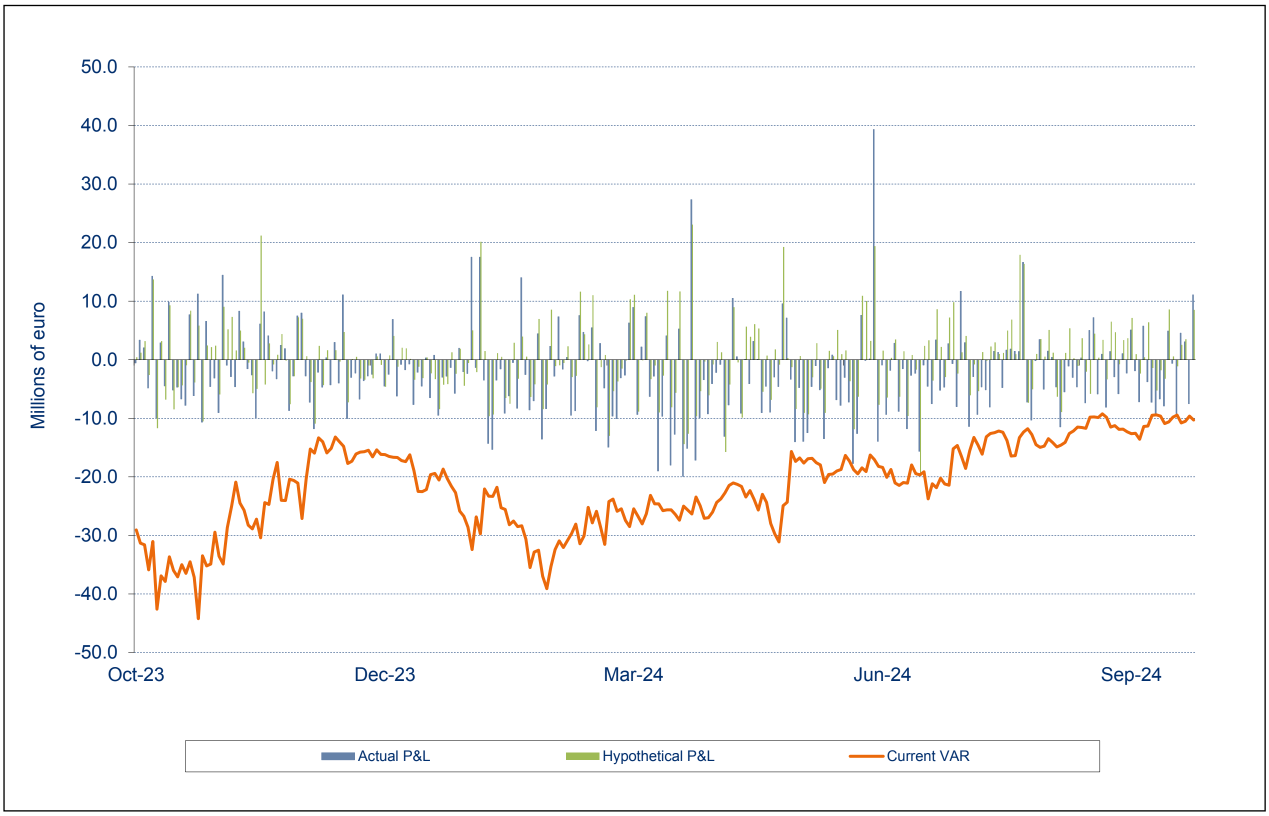
With regard to the use of the overall limit relating to trading and the hold to collect and sell (HTCS) business model, there was a reduction in market managerial VaR in the third quarter of 2024 from 139.6 million euro (average managerial VaR second quarter of 2024) to 136.8 million euro (average managerial VaR third quarter of 2024).

Backtesting

The soundness of the VaR calculation methods must be monitored daily via backtesting which, for the regulatory backtesting, compares:
- the daily estimates of value at risk;
- the daily profits/losses based on backtesting which are determined using actual daily profits and losses achieved by individual desks, net of components which are not considered in backtesting: these include, for example, fees and financial costs of managing the positions that are regularly reported within the managerial area.

Backtesting allows verification of the model's capability of correctly seizing, from a statistical viewpoint, the variability in the daily valuation of trading positions, covering an observation period of one year (approximately 250 estimates). Any critical situations relative to the adequacy of the internal model are represented by situations in which daily profits/losses based on backtesting highlight more than four occasions, in the year of observation, in which the daily loss is higher than the value at risk estimate. Current regulations require that backtesting is performed by taking into consideration both the actual and hypothetical P&L series.

During the last twelve months there were no backtesting exceptions for the regulatory VaR measure of Intesa Sanpaolo.



BANKING BOOK

At the end of September 2024, interest rate risk generated by the Intesa Sanpaolo Group's banking book, measured through shift sensitivity of the economic value, amounted to -2,269 million euro.
The sensitivity of net interest income – assuming a +50, -50 and +100 basis point change in interest rates – amounted to 130 million euro, -149 million euro and 189 million euro, respectively, at the end of September 2024.
Interest rate risk, measured in terms of VaR, recorded a value of 595 million euro at the end of September 2024.
The table below shows the changes in the main risk measures during the third quarter of 2024, with regard to the Group's banking book.

(millions of euro)

	3rd quarter 2024			30.09.2024	30.06.2024
	average	minimum	maximum		
Shift Sensitivity of the Economic Value +100 bp	-2,391	-2,269	-2,466	-2,269	-2,312
Shift Sensitivity of Net Interest Income -50bp	-110	-55	-149	-149	-73
Shift Sensitivity of Net Interest Income +50bp	95	65	130	130	149
Shift Sensitivity of Net Interest Income +100bp	139	83	189	189	241
Value at Risk - Interest Rate	623	595	647	595	657

Lastly, the table below shows a sensitivity analysis of the banking book to price risk, measuring the impact on shareholders' equity of a price shock of ±10% for the minority interests, mainly held under the HTCS business model. That risk amounted to +/-75 million euro at the end of September 2024.

Price risk: impact on Shareholders' Equity

(millions of euro)

		Impact on shareholders' equity at 30.09.2024	Impact on shareholders' equity at 30.06.2024	Impact on shareholders' equity at 31.03.2024	Impact on shareholders' equity at 31.12.2023
Price shock	10%	75	70	57	52
Price shock	-10%	-75	-70	-57	-52

LIQUIDITY RISK

The Group's liquidity position, supported by suitable high-quality liquid assets (HQLA) and the significant contribution from stable customer deposits, remained within the risk limits set out in the current Group Liquidity Policy in the third quarter of 2024.
The levels for both the regulatory indicators – Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) – are above the minimum regulatory requirements.
Over the last 12 months, the Liquidity Coverage Ratio of the Intesa Sanpaolo Group, measured according to Delegated Regulation (EU) 2015/61, has amounted to an average of 161.5% (168.1% in December 2023).
At the end of September 2024, the value of the total unencumbered HQLA reserves, at the various Treasury Departments of the Group, amounted to 130.9 billion euro (160.3 billion euro at the end of 2023). Adding the other marketable reserves and/or eligible Central Bank reserves, including retained self-securitisations, the Group's total unencumbered liquidity reserves amounted to 209.5 billion euro (202.2 billion euro at the end of 2023).
The total unencumbered reserves of the Group increased mainly due to the higher liquidity surplus from operations of the Group's Commercial Network.
Reserves HQLA decreased due to the almost total repayment of the TLTRO tranches during the first half, which freed up collateral non-HQLA eligible for use at the Central Bank.

(millions of euro)

	Unencumbered (net of haircut)	
	30.09.2024	31.12.2023
HQLA Liquidity Reserves	**130,932**	**160,309**
Cash and Deposits held with Central Banks (HQLA)	48,606	80,461
Highly liquid securities (HQLA)	71,276	68,522
Other HQLA securities not included in LCR	11,050	11,326
Other eligible and/or marketable reserves	**78,525**	**41,877**
Total Group's Liquidity Buffer	**209,457**	**202,186**

The NSFR was higher than the minimum regulatory requirement of 100%, supported by a solid base of stable deposits from customers, in addition to adequate wholesale medium/long-term securitised funding. As at 30 September 2024, the Intesa Sanpaolo Group's NSFR, measured in accordance with regulatory instructions, was 122.3% (121.1% at the end of 2023).
The stress tests, in view of the high liquidity reserves, yielded results in excess of the target threshold for the Intesa Sanpaolo Group, with a liquidity surplus capable of meeting extraordinary cash outflows for a period longer than 3 months.
Adequate and timely information regarding the development of market conditions and the position of the Bank and/or Group was regularly provided to the corporate bodies and internal committees in order to ensure full awareness and manageability of the main risk factors.

INFORMATION ON FINANCIAL PRODUCTS

FAIR VALUE MEASUREMENT OF FINANCIAL ASSETS AND LIABILITIES

Fair value hierarchy – Assets and liabilities measured at fair value on a recurring basis: fair value by level

(millions of euro)

Assets / liabilities at fair value	30.09.2024			31.12.2023		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
1. Financial assets measured at fair value through profit or loss	112,648	28,450	9,293	107,488	27,918	9,188
a) Financial assets held for trading	14,646	26,616	168	11,546	26,487	130
of which: Equities	*3,481*	-	*28*	*1,892*	-	*23*
of which: quotas of UCI	*776*	-	*5*	*444*	-	*6*
b) Financial assets designated at fair value	-	2	4	-	1	-
c) Other financial assets mandatorily measured at fair value	98,002	1,832	9,121	95,942	1,430	9,058
of which: Equities	*6,176*	*272*	*99*	*5,578*	*205*	*210*
of which: quotas of UCI	*84,159*	*202*	*7,948*	*83,672*	*192*	*7,501*
2. Financial assets measured at fair value through other comprehensive income	143,595	9,755	436	130,591	9,489	673
of which: Equities	*577*	*497*	*236*	*458*	*497*	*344*
3. Hedging derivatives	-	6,779	-	-	7,006	-
4. Property and equipment	-	-	6,609	-	-	7,222
5. Intangible assets	-	-	-	-	-	-
Total	**256,243**	**44,984**	**16,338**	**238,079**	**44,413**	**17,083**
1. Financial liabilities held for trading	8,578	35,810	152	7,829	35,614	50
2. Financial liabilities designated at fair value	4,810	69,806	157	91	72,660	31
3. Hedging derivatives	-	5,251	-	-	5,188	-
Total	**13,388**	**110,867**	**309**	**7,920**	**113,462**	**81**

The table above shows the figures for the entire Group, including the insurance companies, which are applying IFRS 9 Financial Instruments from 2023, for which the application had been deferred under the Deferral Approach.
Looking at the table, with regard to assets, level 3 instruments, which allow for more discretion in fair value measurement, they represent a small portion of the portfolio, with an impact of 5.1% on total assets (5.7% as at 31 December 2023).
Level 3 financial assets refer mainly to UCI units under Financial assets mandatorily measured at fair value, and are mainly attributable to equity and bond funds of insurance companies.
With regard to the banking segment, the UCI units under Financial assets mandatorily measured at fair value are mainly attributable to the Parent Company and in terms of composition they relate, in order of significance, to real estate funds, private equity funds, private debt funds, infrastructure funds, hedge funds, and venture capital funds.
The caption also includes 228 million euro relating to interests held by the bank in the Atlante Fund and in the Italian Recovery Fund (formerly Atlante Fund II), alternative investment funds to support Italian banks in their recapitalisation transactions and in the management of the bad loans in the sector.
Property and equipment measured at level 3 fair value includes real estate assets and valuable art assets, which represent 40.5% of the balance sheet assets at level 3 fair value.
A total of 80.7% of assets measured at fair value are determined based on market prices (level 1), and therefore without any discretion by the valuator.
A total of 89% of the liabilities at fair value are attributable to Level 2, primarily to Financial liabilities designated at fair value.

Fair value hierarchy – Assets and liabilities measured at fair value on a recurring basis: fair value by level *(of which: Banking Group and Other companies)*

(millions of euro)

Assets / liabilities at fair value	30.09.2024			31.12.2023		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
1. Financial assets measured at fair value through profit or loss	14,830	27,521	4,216	11,703	27,257	3,940
a) Financial assets held for trading	14,618	26,616	168	11,521	26,485	130
of which: Equities	*3,481*	*-*	*28*	*1,892*	*-*	*23*
of which: quotas of UCI	*776*	*-*	*5*	*444*	*-*	*6*
b) Financial assets designated at fair value	-	2	4	-	1	-
c) Other financial assets mandatorily measured at fair value	212	903	4,044	182	771	3,810
of which: Equities	*163*	*272*	*11*	*137*	*205*	*128*
of which: quotas of UCI	*49*	*202*	*3,477*	*45*	*192*	*3,130*
2. Financial assets measured at fair value through other comprehensive income	73,386	7,251	352	61,003	7,135	480
of which: Equities	*577*	*490*	*236*	*458*	*490*	*344*
3. Hedging derivatives	-	6,731	-	-	6,982	-
4. Property and equipment	-	-	6,602	-	-	7,214
5. Intangible assets	-	-	-	-	-	-
Total	**88,216**	**41,503**	**11,170**	**72,706**	**41,374**	**11,634**
1. Financial liabilities held for trading	8,574	35,802	152	7,825	35,611	50
2. Financial liabilities designated at fair value	4,810	19,121	157	91	21,222	31
3. Hedging derivatives	-	5,199	-	-	5,105	-
Total	**13,384**	**60,122**	**309**	**7,916**	**61,938**	**81**

With regard to the assets of the Banking Group and Other companies, level 3 instruments, which allow for more discretion in fair value measurement, account for a small portion of the portfolio, with an impact of 7.9% on total assets (9.3% as at 31 December 2023).
A total of 62.6% of assets measured at fair value are determined based on market prices (level 1), and therefore without any discretion by the valuator.
Property and equipment measured at level 3 fair value includes real estate assets and valuable art assets, which represent 59.1% of the balance sheet assets at level 3 fair value.
A total of 81.5% of liabilities are classified in level 2 and the share of level 3 instruments is less than 1% of total liabilities.
Lastly, the caption "Other assets", not directly included in the table above, comprised tax credits recognised and measured at fair value for 12 billion euro as at 30 September 2024, of which 3.8 billion euro held under the Hold to Collect and Sell business model and 8.2 billion euro held under the Other/Trading business model. The fair value of those credits was determined with reference to the changes in interest rates. Given the specific characteristics of the credits in question, they have been assigned to level 3, also in line with the considerations set out in the clarification note issued by the Bank of Italy on 24 July 2023 ("Clarification Note on credit risk").

Fair value hierarchy – *Assets and liabilities measured at fair value on a recurring basis: fair value by level* *(of which Insurance Companies)*

(millions of euro)

Assets / liabilities at fair value	30.09.2024			31.12.2023		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
1. Financial assets measured at fair value through profit or loss	97,818	929	5,077	95,785	661	5,248
a) Financial assets held for trading	28	-	-	25	2	-
of which: Equities	-	-	-	-	-	-
of which: quotas of UCI	-	-	-	-	-	-
b) Financial assets designated at fair value	-	-	-	-	-	-
c) Other financial assets mandatorily measured at fair value	97,790	929	5,077	95,760	659	5,248
of which: Equities	*6,013*	-	*88*	*5,441*	-	*82*
of which: quotas of UCI	*84,110*	-	*4,471*	*83,627*	-	*4,371*
2. Financial assets measured at fair value through other comprehensive income	70,209	2,504	84	69,588	2,354	193
of which: Equities	-	*7*	-	-	*7*	-
3. Hedging derivatives	-	48	-	-	24	-
4. Property and equipment	-	-	7	-	-	8
5. Intangible assets	-	-	-	-	-	-
Total	**168,027**	**3,481**	**5,168**	**165,373**	**3,039**	**5,449**
1. Financial liabilities held for trading	4	8	-	4	3	-
2. Financial liabilities designated at fair value	-	50,685	-	-	51,438	-
3. Hedging derivatives	-	52	-	-	83	-
Total	**4**	**50,745**	**-**	**4**	**51,524**	**-**

With regard to the assets of the Insurance Companies, level 3 instruments, which allow for more discretion in fair value measurement, account for a limited portion of the portfolio, with an impact of 2.9% on total assets (3.1% as at 31 December 2023).
95.1% of financial assets measured at fair value in the insurance segment are determined based on market prices (level 1), and therefore without any discretion by the valuator.
Liabilities at fair value were almost entirely measured using level 2 inputs and attributable to Financial liabilities designated at fair value.

INFORMATION ON STRUCTURED CREDIT PRODUCTS

The risk exposure in structured credit products came to 6,213 million euro as at 30 September 2024, a net increase of 1,745 million euro compared to the stock of 4,468 million euro as at 31 December 2023. The exposure includes investments in CLOs (Collateralised Loan Obligations) of 2,971 million euro, in ABSs (Asset-Backed Securities) of 3,173 million euro and in CDOs (Collateralised Debt Obligations) of 69 million euro, which continued to be a marginal activity also in the first nine months 2024.

(millions of euro)

Accounting categories	30.09.2024				31.12.2023	changes	
	Collateralized Loan Obligations	Asset Backed Securities	Collateralized Debt Obligations	Total		absolute	%
Financial assets held for sale	411	676	-	**1,087**	**775**	312	40.3
Financial assets mandatorily measured at fair value	-	3	-	**3**	**3**	-	-
Financial assets measured at fair value through other comprehensive income	1,572	694	-	**2,266**	**2,106**	160	7.6
Financial assets measured at amortised cost	988	1,800	69	**2,857**	**1,584**	1,273	80.4
Total	**2,971**	**3,173**	**69**	**6,213**	**4,468**	**1,745**	**39.1**

In this disclosure, structured credit products include debt securities held by the Group divided into tranches upon issuance consisting of various degrees of subordination and not issued within transactions originated by entities of the Intesa Sanpaolo Group or by public entities, in addition to those issued within transactions where the Group finances its corporate and financial institution customers[25].

The performance of the portfolio in the first nine months of 2024 shows higher overall investments than disposals and redemptions, with a total increase of 1,745 million euro, mainly attributable to the operations of the IMI Corporate & Investment Banking Division.

Exposures measured at fair value (CLO and ABS debt securities) increased by 472 million euro, from 2,884 million euro in December 2023 to 3,356 million euro in September 2024. The increase was attributable to higher investments totalling 1,622 million euro, of which 877 million euro relating to financial assets held for trading and 745 million euro to financial assets measured at fair value through other comprehensive income, offset by redemptions and disposals totalling 1,150 million euro, of which 565 million euro relating to the first component and 585 million euro to the second component.

Exposures classified among assets measured at amortised cost (CLO, ABS and CDO debt securities) amounted to 2,857 million euro in September 2024, compared with a balance of 1,584 million euro in December 2023, a net increase of 1,273 million euro, generated by higher investments of 1,509 million euro, only partially offset by disposals and reimbursements of 236 million euro.

From the perspective of the income statement, the overall profit of +13 million euro as at 30 September 2024 compares with a profit of +3 million euro as at 30 September 2023.

The performance of assets held for trading in the first nine months of the year, caption 80 of the income statement, amounted to +9 million euro and related to the CLO and ABS exposures (+8 million euro from realisation impacts and +1 million euro from valuation effects), whereas as at 30 September 2023 it amounted to +4 million euro, relating to exposures in CLO and ABS (+7 million euro from realisation impacts and -3 million euro from valuation effects).

The profits (losses) from financial assets mandatorily measured at fair value as at 30 September 2024 were essentially nil, the same as the situation as at 30 September 2023.

The exposures to debt securities classified as assets measured at fair value through other comprehensive income recorded a net increase in fair value of +20 million euro in the first nine months of 2024 through a shareholders' equity reserve (from a reserve of -30 million euro in December 2023 to -10 million euro in September 2024), in addition to impacts from sales from the portfolio of +4 million euro (which were not present as at 30 September 2023).

For the debt securities classified as assets measured at amortised cost, the zero figure as at 30 September 2024 compares with the figure of -1 million euro as at 30 September 2023 attributable to losses on disposals.

[25] This is implemented by the Group through its subsidiary Duomo Funding Plc.

(millions of euro)

Income statement results broken down by accounting category	**30.09.2024**				**30.09.2023**	**changes**	
	Collateralized Loan Obligations	Asset Backed Securities	Collateralized Debt Obligations	**Total**		**absolute**	**%**
Financial assets held for sale	5	4	-	**9**	**4**	5	
Financial assets mandatorily measured at fair value	-	-	-	**-**	**-**	-	-
Financial assets measured at fair value through other comprehensive income	4	-	-	**4**	**-**	4	-
Financial assets measured at amortised cost	-	-	-	**-**	**-1**	-1	
Total	**9**	**4**	**-**	**13**	**3**	**10**	

INFORMATION ON ACTIVITIES PERFORMED THROUGH SPECIAL PURPOSE ENTITIES (SPES)

For the purpose of this analysis, legal entities established to pursue a specific, clearly defined and limited objective (raising funds on the market, acquiring/selling/managing assets both for asset securitisations, acquisition of funding through self-securitisations and the issuance of covered bonds, developing and/or financing specific business initiatives, undertaking leveraged buy-out transactions, or managing credit risk inherent in an entity's portfolio) are considered Special Purpose Entities (SPEs).

The sponsor of the transaction is normally an entity which requests the structuring of a transaction that involves the SPE for the purpose of achieving certain objectives. In some cases, the sponsor may be the Bank itself, which establishes a SPE to achieve one of the aims mentioned above.

For the SPE categories identified as non-consolidated structured entities, no changes have been made to the criteria applied by the Intesa Sanpaolo Group to decide whether to include said entities in the scope of consolidation, compared to the information provided in 2023 Annual Report.

With regard to the Covered Bond issue programme under the covered bond issue programme guaranteed by UBI Finance, in the third quarter the 24th series matured in July for an amount of 750 million euro.

Within the covered bond programme guaranteed by ISP OBG, the 21st retained series matured in August, for an amount of 1,250 million euro.

INFORMATION ON LEVERAGED TRANSACTIONS

In line with the ECB reference regulations, "Guidance on Leveraged Transactions", the scope of leveraged transactions includes exposures in which the borrower's level of leverage, measured as the ratio of total financial debt to EBITDA, is greater than 4, as well as exposures where the borrower is owned by one or more financial sponsors. Moreover, counterparties with Investment Grade ratings, private individuals, credit institutions, financial institutions and companies in the financial sector in general, public entities, non-profit entities, as well as counterparties with credit facilities below a certain materiality threshold (5 million euro), Retail SME counterparties and Corporate SME counterparties (the latter if not owned by financial sponsors) are explicitly excluded from that scope. Specialised lending transactions (project finance, real estate and asset financing) and certain other types of credit facilities, such as trade finance transactions, are also excluded.

As at 30 September 2024, for the Intesa Sanpaolo Group, the transactions that meet the definition of Leveraged Transactions as per the ECB Guidance amounted to 27.9 billion euro, relating to 2,032 credit lines. The geographical distribution shows that more than half of the transactions, in terms of volume, were with domestic counterparties (59%). The main economic macro-sectors of the counterparties concerned were the industrial, services and financial sectors.

In accordance with the requirements of the ECB Guidance, as part of the Credit Risk Appetite specific limits for the outstanding stock of leveraged transactions and limits on new transaction flows were submitted for approval to the Board of Directors, in line with the Group's risk appetite on these types of operations.

INFORMATION ON INVESTMENTS IN HEDGE FUNDS

The Parent Company's hedge fund portfolio as at 30 September 2024 amounted to 244 million euro for the trading book and 197 million euro for the banking book for a total of 441 million euro, compared to 163 million euro and 184 million euro, respectively, for a total of 347 million euro as at 31 December 2023.
The investments in the banking book are recognised under financial assets mandatorily measured at fair value and pertain to funds that adopt medium/long-term investment strategies and average redemption times that are longer than those of UCITS (Undertakings for Collective Investment Schemes in Transferable Securities) funds.
In the first nine months of 2024, there was an increase of 94 million euro on the end of the previous year, including investments of 79 million euro, increases in fair value of 23 million euro and impacts from repayments of -8 million euro.
Specifically, the investments were mainly made in the trading book (69 million euro) in UCITS hedge funds that better meet the capital absorption requirements in accordance with the CRR2. The positive changes in fair value were made up of 11 million euro for the banking book and 12 million euro for the trading book, while the repayments referred to the banking book.
In terms of effects on the income statement, as at 30 September 2024 there was an overall profit of +23 million euro, attributable to the valuation effects of funds in the portfolio, including financial assets mandatorily measured at fair value (+11 million euro) and financial assets held for trading (+12 million euro). As at 30 September 2023, the result in the income statement totalled +12 million euro, entirely attributable to valuation effects of funds held among financial assets mandatorily measured at fair value (+12 million euro) and among financial assets held for trading (-1 million euro), in addition to realisation impacts on the trading segment (+1 million euro).
In the Intesa Sanpaolo Group, as at 30 September 2024 Eurizon Capital SGR held hedge funds for a total of 13 million euro (substantially stable compared to June 2024 and December 2023), with an impact from valuation on the income statement of -0.2 million euro (as at 30 September 2023 the impact was +2 million euro, also from valuation, for exposures amounting to 52 million euro). Hedge funds are held according to a seeding approach that involves setting up a service portfolio consisting of shares of mutual funds for which marketing has begun in support of the funds.

INFORMATION ON TRADING TRANSACTIONS IN DERIVATIVES WITH CUSTOMERS

Considering relations with customers only, as at 30 September 2024, the Intesa Sanpaolo Group, in relation to derivatives trading with retail customers, non-financial companies and public entities (therefore excluding banks, financial and insurance companies), presented a positive fair value, not having applied netting agreements, of 2,807 million euro (2,830 million euro as at 31 December 2023). The notional value of these derivatives totalled 46,867 million euro (40,555 million euro as at 31 December 2023).
The positive fair value of contracts outstanding with the 10 customers with the highest exposures was 1,587 million euro (1,628 million euro as at 31 December 2023).
Conversely, the negative fair value referring to total contracts outstanding, determined with the same criteria, for the same types of contracts and with the same counterparties, totalled 2,286 million euro as at 30 September 2024 (3,545 million euro as at 31 December 2023). The notional value of these derivatives totalled 50,293 million euro (60,349 million euro as at 31 December 2023).
The fair value of derivative financial instruments entered into with customers was determined considering, as for all other OTC derivatives, the creditworthiness of the single counterparty ("Bilateral Credit Value Adjustment"). With regard to contracts outstanding as at 30 September 2024, this led to a negative impact of -14 million euro under "Profits (Losses) on trading" in the income statement (positive impact of 10 million euro as at 30 September 2023).
For details of the methodologies used in determining the fair value of financial instruments, see the paragraphs specifically dedicated to this subject in the 2023 Annual Report.
The figures reported above do not include the fair value of derivatives embedded in structured bond issues as well as the related hedges taken out by the Group.

OPERATIONAL RISKS

Operational risk is the risk of incurring losses resulting from inadequate or failed internal processes, people and systems or from external events[26].
The Intesa Sanpaolo Group has long defined the overall operational, ICT and security risk governance framework by setting up a Group policy and organisational processes for measuring, managing and controlling these risks.
To determine its capital requirements, the Group uses a combination of the methods allowed under applicable regulations (advanced measurement approach partially used along with the standardised approach and basic indicator approach). The capital absorption resulting from this process amounted to 2,364 million euro as at 30 September 2024, corresponding to the figure as at 30 June 2024.

Legal risks

Legal risks are thoroughly analysed by the Parent Company and Group companies. Provisions are made to the allowances for risks and charges in the event of disputes for which it is probable that funds will be disbursed and where the amount of the disbursement may be reliably estimated. For the main pending disputes, the significant developments in the quarter are described below. For the main pending disputes, the significant developments in the quarter are described below. For broader information regarding the disputes below and the pending significant ones, see the Notes to the 2023 Annual Report and the 2024 Half-yearly Report of the Intesa Sanpaolo Group.

Dispute regarding financial derivative instruments
With regard to derivative transactions, the legal risks linked to legal proceedings with local authorities, their subsidiaries and individuals continue to be subject to careful monitoring.
Specifically, disputes are pending with 18 local authorities, with possible or likely risk, for total claims of 85 million euro, and disputes with 4 Companies controlled by public entities, with total claims of 37 million euro. Disputes with individuals, assessed as having possible or likely risk, total 164, and of these, 43 positions also regard requests for refunds of amounts on other accounts held with the Bank. Net of those latter positions, the total value of the claims lodged in the proceedings regarding only derivatives amounts to around 137 million euro.

Disputes linked to Group acquisitions/integrations - former UBI Good Banks
Following the incorporation of UBI Banca, Intesa Sanpaolo took over the management of the “Good Banks dispute”, namely all the disputes regarding events or acts that occurred prior to 10 May 2017 and referring to the operations of the three banks impacted by the resolution orders (the “Old Banks”) or “Good Banks”, which were then acquired by UBI Banca.
Within the disputes regarding the mis-selling of shares and subordinated bonds of the banks undergoing resolution, by favourable ruling no. 22115 of 5 August 2024 in the Fox Petroli case, the First Division of the Court of Cassation held that Intesa Sanpaolo lacked the capacity to be sued, confirming that the claims made relate to liabilities not transferred to the Bridge Institutions (the Good Banks), but remained with the banks under resolution (the Old Banks).

Italian Antitrust Authority proceedings against Intesa Sanpaolo RBM Salute
In May 2023, the AGCM initiated proceedings against Intesa Sanpaolo RBM Salute (ISP RBM) for alleged unfair business practices, purported to have been adopted from January 2023, aimed at hindering the exercise of consumers’ rights arising from the contractual relationship, leading them to give up financial and welfare benefits provided by the insurance coverage held by them.
In its communication dated 15 February 2024, the Authority issued its conclusions on the preliminary findings, based on which it upheld the claims made in the decision to initiate proceedings and also considered that the unfair business practice was still ongoing.
ISP RBM submitted a defence brief, in which it highlighted, among other things, the strategic and operational measures it had already taken prior to the commencement of the proceedings and the further improvements these measures had brought to the service levels provided to the policyholders.
With order dated 20 May 2024, the AGCM ruled that ISP RBM’s conduct constituted an ongoing unfair business practice, prohibiting its dissemination or continuation, and imposing an administrative fine of 2.5 million euro.
On 19 July 2024, ISP RBM submitted an appeal to the Lazio Regional Administrative Court, requesting the annulment of the administrative fine.
On 2 August 2024, ISP RBM submitted the plan to the AGCM for complying with the ban on continuing the prohibited conduct.
On 22 October 2024, the Authority informed ISP RBM that it had acknowledged the documentation submitted regarding the measures adopted as compliance.

Nuova Casar
This involves a legal action brought in 2002 against the Bank to obtain payment of around 7.2 million euro plus interest by Nuova Casar, in its capacity as the transferee of the credit from a mortgage loan of 11.3 million euro from 1991 provided by Sanpaolo di Torino to Finedilturistica (which became insolvent in 1997), with the credit secured by a mortgage and an independent guarantee issued by Banco di Napoli (now Intesa Sanpaolo) and two other banks, each covering up to 25%.
At first instance, the case ended in 2013 with the Naples Court rejecting Nuova Casar’s claim, on the grounds that the guarantee issued by Banco di Napoli was null and void due to the invalidity of the loan granted by Sanpaolo di Torino.

[26] As far as the financial losses component is concerned, the Operational Risk includes the following risks: legal, conduct, compliance, financial crime, fiscal, IT and Cyber, physical security, business continuity, third-party, data quality, fraud, process and employer. Strategic and reputational risk are not included.

The decision was appealed by the counterparty before the Naples Court of Appeal, which in 2023 referred the case back for a technical accounting appraisal, following which negotiations for a settlement commenced and were concluded in the first ten days of October 2024.

Armonia SPV S.r.l.
At the end of May 2024, Armonia SPV S.r.l. issued a formal notice claiming damages of around 98 million euro, plus arrears interest, additional damages and costs, alleging the non-existence of certain receivables purchased from UBI Factor (now Intesa Sanpaolo), which were subject to legal proceedings at the time of the 2019 sale.
The Bank responded to the notice by sending a communication rejecting the claims in full, and to date, no responses have been received.

Municipality of Turin
In July 2024, the Municipality of Turin filed a civil action before the Court of Turin to challenge the derivative contract entered into in 2007 (2007 swap) governed by an ISDA agreement of 2004, subject to English jurisdiction and law. The contract was signed to renegotiate previous transactions carried out in 2003 and 2006, as part of the Entity's debt restructuring, an initiative in which other banks have also participated over the years.
The Municipality has made:
– as the main claim demand, for compensation for damages due to contractual breach related to an advisory agreement for the management of the Entity's debt of December 2003 and for pre-contractual liability concerning the preliminary phase leading to the signing of the derivatives agreements;
– in the alternative, demand the nullity of the 2007 swap, on the one hand, due to the lack of indication in the MtM contracts of its calculation formula and the probability scenarios and, on the other, due to the failure to comply with the requirements established by the specific applicable regulations regarding the use of these financial instruments by Public Entities.

The main claim is quantified at around 27 million euro.
The first hearing, initially scheduled for 16 October, was postponed to 18 December 2024 by request made by the Bank, which the Municipality agreed to.

IMI/SIR
In the review proceedings pending before the Court of Appeal of Rome, Giovanni Acampora's defence counsel submitted the death certificate for his client on 11 September 2024, resulting in the interruption of the proceedings pursuant to Article 300 of the Italian Code of Civil Procedure. The Court pronounced the interruption of the proceedings at the hearing on 1 October. The Bank will resume the proceedings within three months by summoning Acampora's heirs.

Reyl & Cie (Switzerland) – Proceedings pursuant to Legislative Decree 231/2001 of the Public Prosecutor's Office of the Court of Milan
In the criminal proceedings pursuant to Legislative Decree 231/01 pending before the Court of Milan, in order to avoid a lengthy dispute and without admitting any liability for the circumstances alleged, at the hearing of 3 July 2024 the bank filed a petition to apply a financial penalty (plea bargain), which was accepted by the Public Prosecutor.
At the preliminary hearing on 24 September 2024, the Judge postponed the hearing to 24 October 2024 to allow the other parties involved (Banca Cramer and the Bosia brothers) additional time to reach an agreement with the Prosecutor to settle the case. With the other parties having failed to reach an agreement with the Prosecutor, at the hearing on 24 October 2024 the Public Prosecutor requested the issuance of an indictment order against the Bosia brothers and Banca Cramer. The Judge then deferred the decision to the hearing on 4 February 2025 regarding both Reyl's plea bargain request and the position of the other parties involved.

Lawsuit against two Hungarian subsidiaries of Intesa Sanpaolo
The lawsuit is connected with a lease agreement terminated by one of the subsidiaries in 2010. During 2011, the tenant initiated proceedings in civil court, and during 2021, it supplemented its initial claim, formulating new claims and, as a result, increasing the total of the claims to around 31 million euro.
In July 2022, the Court rejected all the plaintiff company's claims, finding that it lacked standing. The plaintiff filed an appeal against that decision.
In December 2022, the Court of Appeal partially upheld the adverse party's appeal, ordering one of the two defendant companies to pay around 9.5 million euro. The subsidiary filed an appeal with the Supreme Court, which overturned the second-instance decision, upholding the ruling of the First Instance Court.
The plaintiff then brought an action before the Constitutional Court and initiated review proceedings before the Court of First Instance. Both proceedings failed the admissibility test.
The opponent submitted an appeal against the ruling of the Court of First Instance (on the admissibility test), which was rejected by the Court of Appeal. No further appeals were lodged during the third quarter and the ruling has therefore become final.

Labour litigation
With regard to labour litigation, as was the case as at 31 December 2023 and 30 June 2024, there were no significant pending disputes in terms of importance or number as at 30 September 2024. In general, all labour litigation is covered by specific provisions adequate to meet any outlays.

Tax litigation

The tax litigation risks of the Group (considering the subsidiaries subject to line-by-line consolidation) are covered by adequate provisions for risks and charges.

With regard to **Intesa Sanpaolo** (ISP), as at 30 September 2024 the claims increased by 1.3 million euro, while the provisions decreased by 0.4 million euro. There are 444 pending litigation proceedings (448 as at 30 June 2024) for a total amount claimed (taxes, penalties and interest) of 108.3 million euro (107 million euro as at 30 June 2014), considering both administrative and judicial proceedings at various instances.

In relation to these proceedings, the actual risks were quantified at 40.7 million euro as at 30 September 2024 (41.1 million euro as at 30 June 2024).

Compared to 30 June 2024, for the Parent Company, the main events that gave rise to significant movements in the amount claimed (1.3 million euro) consisted of:
– an increase (2.8 million euro), due to: i) new disputes for 0.1 million euro for municipal property tax (IMU) disputes on terminated lease contracts; ii) new disputes for 2.4 million euro for registration tax, of which 2.2 million euro for registration on judicial documents relating to the former Banca Apulia position discussed below; iii) new disputes for 0.1 million euro for mortgage and land registry taxes; and iv) accrued interest expenses of 0.2 million euro;
– a decrease (1.5 million euro), due to: i) settlements of disputes regarding registration tax for 1.1 million euro concerning the former Banca Apulia position; and ii) settlements of disputes on municipal property tax (IMU) on properties from both terminated and current leasing contracts for 0.4 million euro.

Also compared to 30 June 2024, for the Parent Company, the main changes in provisions (-0.4 million euro) consisted of:
– an increase (0.2 million euro), due to: i) new municipal property tax (IMU) disputes on terminated lease contracts amounting to 0.1 million euro; and ii) legal fees and interest accrued on outstanding disputes amounting to 0.1 million euro;
– a decrease (0.6 million euro) attributable to: i) uses (0.2 million euro) for legal fees; and ii) releases to the income statement (0.4 million euro) almost entirely attributable to the closure of municipal property tax (IMU) disputes on terminated lease contracts.

For details of the main outstanding disputes, see the Half-yearly Report as at 30 June 2024, except for the following.

Former Banca Apulia – Registration tax on ruling of the Civil Court of Bari
On 15 July 2024, the Italian Revenue Agency – Provincial Directorate of Bari issued a notice of assessment for registration tax of 1.1 million euro related to a 2023 ruling by the Court of Bari. This ruling ordered Intesa Sanpaolo, as the successor of Banca Apulia, to pay the Municipality of Bari 18 million euro, including 1 million euro in interest (based on a guarantee provided by the bank in favour of the consortium that carried out the contract for the construction of the San Nicola Stadium in Bari), and also ordered the consortium to indemnify Intesa Sanpaolo with respect to the ruling. This notice was annulled by way of internal review and replaced by a new notice, with amended grounds, served on 8 August 2024 for an almost identical amount (difference of a few thousand euro). Substantively, the claim is considered illegitimate: a) regarding the order for Intesa Sanpaolo to pay the Municipality the amount of 18 million euro, based on the guarantee provided, because this involves the application of a proportional registration tax (542 thousand euro), whereas it involves a reimbursement of an amount paid by the Municipality to the Consortium under the contract, subject to VAT of around 50% and, therefore, to a fixed registration tax on the basis of the VAT-registration tax alternativity principle; and b) regarding the order for the Consortium to indemnify Intesa Sanpaolo up to the amount of 18 million euro, because again this involves the application of a proportional registration tax (542 thousand euro) on an amount that also falls within the scope of the contract, for which the Municipality obtained the right to restitution from the Consortium by means of a favourable civil ruling, and therefore the grounds set out in point a) also apply. Intesa Sanpaolo will appeal against this latest notice within the legal time limits.

Intesa Sanpaolo (and subsidiaries) – IRES tax contributions for charges for integration of the Venetian banks from ISP to the subsidiaries
As reported in the Consolidated Financial Statements as at 31 December 2023, as well as the previous interim reports of 2024 (to which reference is made for more details), from the end of 2023 to the start of 2024, ISP, as the incorporating and/or consolidating entity, was served “orders” and “questionnaires” by several Regional and Provincial Directorates of the Italian Revenue Agency, relating to the tax period 2017. Those documents set out IRES (Corporate Income Tax) claims regarding the tax treatment that the Italian companies of the Group applied to the income recognised through profit and loss at the time, against the commitment that the Parent Company unilaterally took on, to hold them harmless from the charges that would arise for those companies following the integration into the Group of Banca Popolare di Vicenza and Veneto Banca, the so-called “Venetian Banks” (these were charges for IT integration, charges for exit incentives for employees, and charges for the closure/merger of branches, etc.).
In the case in question, the subsidiaries considered IRES inapplicable to that income, while the Directorates argued that it should have been taxed.
During numerous meetings initially held with the Collaborative Compliance Office and subsequently with each Directorate, we set out the reasons why the alleged disputes should be considered entirely unfounded.
Lastly, it has been agreed with the Italian Revenue Agency that the contributions due from ISP to the companies concerned a) are covered by Article 88, paragraph 3 of the Income Tax Code, and are therefore only taxable on a cash basis (in other words only if and to the extent they have been actually paid/received, excluding instances where contributions were not made due to the subsequent merger of the subsidiary into ISP); and b) are, in any event, only taxable outside the ISP tax consolidation scheme (because within the consolidation, the taxation on the subsidiary is matched by a deduction for the consolidating parent company).

Specifically, it was agreed that:

1. as ISP did not pay any income to the subsidiaries during 2017, no voluntary correction will be made for that year;
2. for subsidiaries merged before the contribution was received, the dispute should be permanently abandoned for both the subsidiaries and, correspondingly, for the absorbing company ISP;
3. regarding the subsidiaries that received the contribution during the tax periods from 2018 to 2022, the intention is to ensure that they include the contribution in the calculation of their taxable income in the year it is received, and, in the same year, ISP will deduct the corresponding cost for IRES (Corporate Income Tax) and the related surcharge. Operationally, this adjustment will be carried out by voluntary correction in accordance with Article 13, Legislative Decree 18 December 1997, no. 472, with supplementary tax returns “unfavourable” to the subsidiaries and “favourable” to ISP. The regularization for the tax years 2018-2022 would be completed by 31 December 2024, through responses from the companies concerned to specific requests/questionnaires that the Agency’s Directorates are expected to start sending shortly.

The total cost for net taxes, penalties, and interest to settle the position for all the years for the companies concerned (including those not part of the ISP Group, namely SEC Servizi and Intrum, whose charge will be borne by ISP) is essentially nil at Group level. This is because the costs incurred are offset by the benefit to ISP from the ability to deduct for tax purposes not only (i) the additional contributions to be paid now to compensate the companies for the tax charge due from them to settle the position but also (ii) the contributions paid in the period 2018-2022, for which no DTAs were recognised.

Banco Sudameris Brasil - Direct taxes year 1995 (PDD1 dispute)

With regard to the dispute with the Brazilian tax authorities (value of around 41.6 million euro), concerning taxes on income and social security contributions for the year 1995 for the company Banco Sudameris Brasil (now Banco Santander Brasil) - better known as the “PDD1 dispute” – the proceedings are pending in second instance. The hearing initially scheduled for 18 September has been postponed twice by the court and is expected to be rescheduled by the end of the year. The law firm representing the bank has submitted a brief memorandum for the hearing. For a detailed analysis of the case, see the consolidated financial statements as at 31 December 2021 and 31 December 2022.

With regard to Intesa Sanpaolo’s international branches, details are provided in the Half-yearly Report as at 30 June 2024. The only new development has been the commencement in August 2024 of a tax audit for the 2021-2023 tax periods on the Shanghai branch. No issues have been raised for the time being.

INSURANCE RISKS

Investment portfolios

The investments of the insurance companies of the Intesa Sanpaolo Group (Intesa Sanpaolo Vita, Intesa Sanpaolo Assicura, Fideuram Vita and Intesa Sanpaolo RBM Salute) are made with their shareholders' fund and to cover contractual obligations with customers. These refer to traditional adjustable life insurance policies, unit-linked policies, pension funds and non-life policies.
As at 30 September 2024, the investment portfolios, recorded at book value, amounted to 179,766 million euro. Of these, a part amounting to 92,772 million euro relates to traditional adjustable life policies (the financial risk of which is shared with the policyholders by virtue of the mechanism whereby the returns on assets subject to separately managed account determined), non-life policies and shareholders' fund. The other component, whose risk is borne solely by the policyholders, consists of investments related to Unit-linked policies and pension funds and amounted to 86,994 million euro.
Considering the various types of risks, the analysis of investment portfolios, described below, concentrates on the assets held to cover traditional adjustable life policies, non-life policies and shareholders' fund.
In terms of breakdown by asset class, net of derivative financial instruments, around 84% of assets, amounting to 78,191 million euro, were bonds, whereas assets subject to equity risk represented around 2% of the total and amounted to 2,161 million euro. The remainder (12,408 million euro) consisted of investments relating to UCI, Private Equity and Hedge Funds (around 14%).
The carrying value of derivatives came to around 12 million euro, of which around 16 million euro relating to effective management derivatives, and the remaining portion (around -4 million euro) is attributable to hedging derivatives.
At the end of the first nine months of 2024, investments made with the shareholders' fund of Intesa Sanpaolo Vita and Fideuram Vita amounted to around 1,611 million euro at market value, and presented a risk in terms of VaR (99% confidence level, 10-day holding period) of around 19 million euro.
The breakdown of the bond portfolio in terms of fair value sensitivity to interest rate changes showed that a +100 basis points parallel shift in the curve leads to a decrease of around -4,561 million euro.
The distribution of the portfolio by rating class was as follows: AAA/AA bonds represented around 4.7% of total investments and A bonds around 12.3%; low investment grade securities (BBB) represented around 80.2% of the total and the portion of speculative grade or unrated was minimal (2.8%); and in the BBB area a considerable proportion was made up of securities issued by the Italian Republic.
The analysis of the exposure in terms of the issuers/counterparties produced the following results: securities issued by Governments and Central Banks made up around 71.2% of the total investments, while financial companies (mostly banks) contributed around 19.3% of exposure and industrial securities made up around 9.5%.
With regard to the third quarter of 2024, the fair value sensitivity of bonds to a change in issuer credit rating, intended as a market credit spread shock of +100 basis points, was -4,829 million euro, with -3,976 million euro due to government issuers and -853 million euro to corporate issuers (financial institutions and industrial companies).

Accounting policies

Criteria for the preparation of the Interim Statement

General preparation principles

As known, with Legislative Decree 25 of 15 February 2016, Directive 2013/50/EU, amending Directive 2004/109/EC (i.e. "Transparency Directive"), has been transposed into the Italian legal system. By transposing the European regulation, the provisions concerning financial reports were changed, among others, innovating the rules regarding the publication, by the listed issuers with Italy as Member State of origin, of additional periodic information other than the annual report and half-yearly report. The wording of Article 154-ter (Financial reports), paragraphs 5 and 5-bis, of the Consolidated Law on Finance, allows CONSOB to arrange, towards the issuers stated above, the obligation to publish the additional periodic information. However, in exercising its duties – and following a consultation process – CONSOB has given the issuers the choice on publishing the Interim Statements.
In this context, Intesa Sanpaolo publishes – on a voluntary basis – financial information as at 31 March and 30 September of each financial year, in addition to the annual report and half-yearly report. This information consists of interim statements on operations approved by the Board of Directors, basically providing continuity with the interim statements published in the past.

The Interim Statement as at 30 September 2024 has been prepared, in consolidated form, in compliance with the recognition and measurement criteria required by the IAS/IFRS issued by the International Accounting Standards Board (IASB) and the relative interpretations of the International Financial Reporting Standards Interpretations Committee (IFRS-IC) and endorsed by the European Commission as provided for by Community Regulation 1606 of 19 July 2002.

The accounting standards adopted in preparation of this Consolidated interim report on operations, with regard to the classification, recognition, measurement and derecognition of the balance sheet assets and liabilities, and the recognition methods for revenues and costs, have remained unchanged compared to those adopted for the Intesa Sanpaolo Group 2023 Annual Report, which should be consulted for the complete details.

Regarding the use of estimates and assumptions in preparing financial disclosures, as previously stated in the Half-yearly Report as at 30 June 2024, the updating of the useful life of property, equipment and intangible assets has a positive impact on the income statement for 2024, as a result of lower amortisation and depreciation, estimated at around 20 million euro for owner-occupied properties and around 68 million euro for software.

With regard to the evolution of accounting regulations, Regulation no. 2579/2023 *Amendments to IFRS 16 Lease – Lease liabilities in a sale and leaseback* of 20 November 2023 and Regulation no. 2822/2023 – *Amendments to IAS 1 Presentation of Financial Statements – Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants* of 19 December 2023, and Regulation no. 1317/2024 *Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7* of 15 May 2024 are applicable from 1 January 2024. There were no significant aspects of this for the Group. Below is a brief summary of their main content.

<u>Regulation no. 2579/2023 – amendments to IFRS 16 Leases – Lease Liability in a Sale and Leaseback</u>
Regulation no. 2579/2023 of 20 November 2023 amending IFRS 16 Leases with respect to lease liabilities in a sale and leaseback transaction, published by the IASB on 22 September 2022.
The limited amendments introduced relate to the recognition of sale and leaseback transactions[27] by the seller-lessee in the event of variable lease payments and when the transfer of the asset is a sale pursuant to IFRS 15.
The amendment was requested by the IFRS-IC, which identified a gap in the rules governing the recognition of right-of-use assets and lease liabilities in sale and leaseback transactions with variable lease payments. Specifically, reference is made to variable lease payments that are not based on an index or rate, e.g., those based on a percentage of the lessee-seller's sales generated by the use of the asset.
The amendments clarify that:
- upon initial recognition, the seller-lessee shall also include variable lease payments, including those that are not based on an index or rate, in the measurement of the lease liabilities in sale and leaseback transactions;
- subsequent to initial recognition, the seller-lessee applies the provisions of IFRS 16 to subsequently measure lease liabilities in a way that ensures that no gains or losses are recognised on the part of the right of use retained.

The seller-lessee may adopt different approaches in order to comply with the new provisions. Indeed, in response to the feedback received following the publication of the Exposure Draft, the IASB decided not to introduce specific requirements to measure the lease liability in a sale and leaseback, leaving the definition of an accounting policy to individual entities[28].
The amendments are mandatory for annual reporting periods beginning on or after 1 January 2024. A seller-lessee applies the amendments retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application of IFRS 16, i.e., 1 January 2019.

[27] Sale and leaseback transactions are transactions in which an entity sells one of its assets and then immediately leases it back from the new owner.
[28] Example No. 25 "Subsequent measurement of a right of use and lease liability in a sale and leaseback transaction with variable payments that do not depend on an index or rate" of the Illustrative Examples – which accompany, but are not part of, the Standard – identifies two possible approaches that may be used to measure the lease liability.

These amendments are not particularly significant for the Intesa Sanpaolo Group given the characteristics of its existing sale and leaseback agreements, which have no variable or insignificant variable payments.

Regulation no. 2822/2023 – amendments to IAS 1 Presentation of Financial Statements – Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants
Regulation no. 2822 of 19 December 2023 was published in December 2023, introducing some limited amendments to IAS 1 Presentation of Financial Statements.
The clarifications aim to promote consistency in applying IAS 1 across companies to determine whether, in the statement of financial position, payables and other liabilities with an uncertain settlement date are to be classified as current (due or potentially to be paid within one year) or non-current.
Specifically, IAS 1 requires that an entity may classify a liability as non-current only where the entity has the right at the reporting date to defer settlement of the liability for at least twelve months. However, the right to defer settlement of a liability may be subject to covenants. The amendments to IAS 1 specify that covenants to be met after the reporting date (for example, a covenant based on the entity's financial position six months after the end of the reporting period), do not influence the classification of the payable as current or non-current at the reporting date.
On the other hand, the entity shall disclose information in the notes that enables users of financial statements to understand the risk that the liabilities could become repayable within 12 months after the reporting period.
Given the content of the amendment and the obligation to apply the formats set forth in Bank of Italy Circular no. 262/05, the limited amendments to IAS 1 are not significant for banks.

Regulation no. 1317/2024 Supply Finance Arrangements – Amendments to IAS 7 and IFRS 7
The amendments to IAS 7 *Statement of Cash Flows* and to IFRS 7 *Financial Instruments: Disclosures* aim to introduce new transparency requirements for supplier finance arrangements (also known as "supply chain finance" or reverse factoring). The new requirements aim to provide users of financial statements with information that enables them to assess the effects of those arrangements on the entity's liabilities and cash flows, to understand the effect of supplier finance arrangements on a company's exposure to liquidity risk and how the company might be affected if the arrangements were no longer available to it.
The proposed amendments introduced by Regulation no. 1317 of 15 May 2024 concern entities that enter into finance agreements in the role of purchasers, and not the financing entities. Therefore, the case has no direct effect for the Intesa Sanpaolo Group, which acts solely as a financier in supply finance arrangements.

The Interim Statement as at 30 September 2024, drawn up in euro as the functional currency, contains the consolidated balance sheet, the consolidated income statement, the statement of consolidated comprehensive income and the changes in consolidated shareholders' equity, prepared in accordance with the 8th update to Circular 262, together with these accounting policies and a report on operations. It also includes information on significant events during the period and the main risks and uncertainties.
Unless otherwise specified, amounts are stated in millions of euro.
In addition to the amounts for the reporting period, the financial statements also indicate the corresponding comparison figures for the period ended 30 September 2023 for the Income statement and as at 31 December 2023 for the Balance sheet.

The assets held for sale as at 30 September 2024 mainly included: (i) the investment in Cronos Vita Assicurazioni, in which Intesa Sanpaolo Vita holds a 22.5% stake, as part of the system-wide transaction aimed at protecting the policyholders of Eurovita involving the five leading Italian insurance companies, for which there was a clear intention from the outset on the part of the shareholder companies to hold the investment for a limited period of time (already held for sale at the end of December 2023); (ii) properties including those subject to transfer under the agreement between Intesa Sanpaolo and COIMA signed on 19 April 2024, for a total value of around 0.5 billion euro, due to be completed by the first half of 2025; and (iii) portfolios of non-performing loans totalling 0.5 billion euro gross (0.4 billion euro net) due to be sold to alternative investment funds that invest in credit exposures under a comprehensive project initiated in the second quarter of 2024 and completed in October 2024.
With regard to the portfolio comprised of both unlikely-to-pay exposures and high-risk performing positions, for a gross book value of around 0.2 billion euro (0.1 billion euro net), which were classified among assets held for sale as at 31 December 2023, the sale of almost all of the exposures was finalised on 15 April 2024, with residual marginal exposures that will be sold in the final part of the year.

The Interim Statement as at 30 September 2024 is accompanied by the certification by the Manager responsible for preparing the Company's financial reports, in accordance with Article 154-bis of the Consolidated Law on Finance. The consolidated financial statements are subject to review by the Independent Auditors EY S.p.A. according to the approach required for the issuance of the certification required by Article 26, paragraph 2, of European Union Regulation no. 575/2013 and the European Central Bank Decision no. 2015/656.
With regard to auditing activity, as previously reported, on 30 April 2019 the ordinary shareholders' meeting awarded EY S.p.A. the engagement for the independent audit of the accounts for the financial years 2021 to 2029.

Scope of consolidation and consolidation methods

Scope of consolidation

The Consolidated financial statements include Intesa Sanpaolo and the companies that it directly and indirectly controls and consider in the scope of consolidation – as specifically set out by IAS/IFRS – also the companies operating in dissimilar sectors from the Parent Company as well as private equity investments. Similarly, structured entities are included when the requisite of effective control recurs, even if there is no stake in the company.
Companies are considered subsidiaries where Intesa Sanpaolo is exposed to, or has rights to, variable returns from its involvement with them, and has the ability to affect those returns by exercising its own power over the entity in question.
Control only exists if all of the following conditions are met:
– the power to direct the relevant activities of the subsidiary;
– the exposure, or rights, to variable returns from the involvement with the investee;
– the ability to use the power over the investee to affect the amount of the investor's returns.
Companies are considered as subject to joint control if control is directly or indirectly contractually shared by the Parent Company with one or more other parties external to the Group, or where the decisions about the relevant activities require the unanimous consent of all the parties sharing control.
Companies are considered associates, that is subject to significant influence, when Intesa Sanpaolo, directly or indirectly, holds 20% or more of the voting rights (including "potential" voting rights) or when the Parent Company – despite a lower percentage of voting rights due to specific legal agreements such as the participation of voting syndicates – has the power of participating in the determination of the financial and operating policies of the company.
Certain companies in which the Parent Company holds an equity stake exceeding 20% of voting share capital are excluded from the scope of consolidation and are classified based on the provisions of IFRS 9, since they are of limited absolute amount, or since Intesa Sanpaolo, directly or indirectly, exclusively holds rights on a portion of the rewards of the investment, and does not have access to management policies and may exercise limited governance rights to safeguard its economic interest.
Equity investments held, directly or through funds, in companies involved in the venture capital business are also excluded from the line-by-line scope of consolidation. These equity investments are included in the category of Financial assets measured at fair value through profit or loss.
Companies for which the shares have been received as pledges with voting rights exceeding 20% are not consolidated, in consideration of the substance underlying the pledge, which has the purpose of guaranteeing loans and not of exercising control and direction over financial and economic policies in order to benefit from the economic return on the shares.
Intesa Sanpaolo does not perform management and coordination activity over Risanamento S.p.A. and its subsidiaries pursuant to Article 2497 et seq. of the Italian Civil Code.

Compared to 31 December 2023, the scope of line-by-line consolidation saw the entry of:
− First Bank SA – Romania following its acquisition by Intesa Sanpaolo S.p.A. on 31 May 2024;
− Alpian S.A. due to the change in the consolidation method from Equity to Line-by-Line following the increase in the percentage ownership with resulting change in classification from associate to subsidiary with effect from 1 August 2024.

With regard to the exits, mention is made, solely for the sake of completeness, of those resulting from the elimination from the Company Register of entities in liquidation, and in particular of:
− IN.FRA - Investire nelle Infrastrutture S.r.l. in liquidation;
− Compagnia Italiana Finanziaria S.r.l. in liquidation;
− Iniziative Logistiche S.r.l. in liquidation.

In addition, Lux Gest Asset Management S.A. was transferred to third parties.

Consolidation methods

The methods used for line-by-line consolidation of subsidiaries and consolidation by the equity method of associates and companies subject to joint control have remained unchanged with respect to those adopted for the 2023 Intesa Sanpaolo Group Annual Report, to which reference should therefore be made.
The financial statements of the Parent Company and of other companies used to prepare the Quarterly Report as at 30 September 2024 refer to the same date.
In certain limited cases, for subsidiaries which are not material, the latest official figures are used.
Where necessary – and only in wholly marginal cases – the financial statements of consolidated companies which are drawn up using different accounting criteria are restated to be compliant with the standards used by the Group.
With regard to the Ukrainian subsidiary Pravex, as a result of the continuation of the critical situation in Kyiv (where the subsidiary's offices are located) now ongoing since mid-October 2022, due to the repeated Russian bombings of the main Ukrainian power plants, it was decided, with a view to reducing "operational" risk, that it was best to retain, in the September 2024 consolidation, the accounting statement of June 2024 produced by Pravex for the consolidation. Consequently, for the Quarterly Report as at 30 September 2024, the balance sheet and income statement results of Pravex have been included based on a consolidation package, prepared in compliance with the IAS/IFRS, as set out in the Group Accounting Policies, related to 30 June 2024, using the exchange rate as at 30 September 2024 for conversion into Euro.
The decision to use the data as at 30 June 2024 for the line-by-line consolidation of Pravex, also taken in light of the low materiality of the subsidiary, and motivated by objective operational restrictions, is also based on the indications in IFRS 10, though for specific cases.
The financial statements of non-Eurozone companies are translated into euro by applying the spot exchange rate at period-end to assets and liabilities in the Balance sheet, and the average exchange rate for the period to Income statement captions.

Declaration of the Manager responsible for preparing the Company’s financial reports

The Manager responsible for preparing the Company’s financial reports, Elisabetta Stegher, declares, pursuant to par. 2 of art. 154-bis of the Italian Consolidated Law on Finance, that the accounting information contained in this Interim Statement as at 30 September 2024 corresponds to corporate records, books and accounts.

Milan, 31 October 2024

Elisabetta Stegher

Manager responsible for preparing
the Company’s financial reports

Attachments

Reconciliation between published consolidated financial statements and adjusted consolidated financial statements

Reconciliation between published consolidated balance sheet as at 31 December 2023 and adjusted consolidated balance sheet as at 31 December 2023

Reconciliation between published consolidated income statement for the period ended 30 September 2023 and adjusted consolidated income statement for the period ended 30 September 2023

Reconciliation between adjusted/published consolidated financial statements and restated consolidated financial statements

Reconciliation between adjusted/published consolidated balance sheet as at 31 December 2023 and restated consolidated balance sheet as at 31 December 2023

Reconciliation between adjusted/published consolidated income statement for the period ended 30 September 2023 and restated consolidated income statement for the period ended 30 September 2023

Reconciliation between consolidated income statement for the period ended 30 September 2024 and restated consolidated income statement for the period ended 30 September 2024

Restated consolidated financial statements

Restated consolidated balance sheet

Restated consolidated income statement

Reconciliation between restated consolidated financial statements and reclassified consolidated financial statements

Reconciliation between restated consolidated balance sheet and reclassified consolidated balance sheet

Reconciliation between restated consolidated income statement and reclassified consolidated income statement

Reconciliation between published consolidated financial statements and adjusted consolidated financial statements

Reconciliation between published consolidated balance sheet as at 31 December 2023 and adjusted consolidated balance sheet as at 31 December 2023

The published consolidated balance sheet as at 31 December 2023 did not require any adjustments.

Reconciliation between published consolidated income statement for the period ended 30 September 2023 and adjusted consolidated income statement for the period ended 30 September 2023

The published consolidated income statement as at 30 September 2023, did not require any adjustments.

Reconciliation between adjusted/published consolidated financial statements and restated consolidated financial statements

Reconciliation between adjusted/published consolidated balance sheet as at 31 December 2023 and restated consolidated balance sheet as at 31 December 2023

(millions of euro)

Assets		31.12.2023	Changes in the scope of consolidation (a)	31.12.2023 Restated
10.	Cash and cash equivalents	89,270	447	89,717
20.	Financial assets measured at fair value through profit or loss	144,594	5	144,599
	a) financial assets held for trading	*38,163*	*1*	*38,164*
	b) financial assets designated at fair value	*1*	*4*	*5*
	c) other financial assets mandatorily measured at fair value	*106,430*	*-*	*106,430*
30.	Financial assets measured at fair value through other comprehensive income	140,753	16	140,769
40.	Financial assets measured at amortised cost	518,950	1,212	520,162
	a) due from banks	*32,899*	*79*	*32,978*
	b) loans to customers	*486,051*	*1,133*	*487,184*
50.	Hedging derivatives	7,006	-	7,006
60.	Fair value change of financial assets in hedged portfolios (+/-)	-5,695	-	-5,695
70.	Investments in associates and companies subject to joint control	2,501	-11	2,490
80.	Insurance assets	813	-	813
	a) insurance contracts issued that are assets	*412*	*-*	*412*
	b) reinsurance contracts held that are assets	*401*	*-*	*401*
90.	Property and equipment	9,825	27	9,852
100.	Intangible assets	9,524	33	9,557
	of which:			
	- goodwill	*3,672*	*-*	*3,672*
110.	Tax assets	14,533	3	14,536
	a) current	*1,932*	*-*	*1,932*
	b) deferred	*12,601*	*3*	*12,604*
120.	Non-current assets held for sale and discontinued operations	264	1	265
130.	Other assets	31,232	10	31,242
Total assets		**963,570**	**1,743**	**965,313**

(a) The restatement refers to the entry of First Bank and Alpian (Fideuram Group Company).

(millions of euro)

Liabilities and Shareholders' Equity		31.12.2023	Changes in the scope of consolidation (a)	31.12.2023 Restated
10.	Financial liabilities measured at amortised cost	642,119	1,509	643,628
	a) due to banks	*93,242*	*48*	*93,290*
	b) due to customers	*440,449*	*1,461*	*441,910*
	c) securities issued	*108,428*	*-*	*108,428*
20.	Financial liabilities held for trading	43,493	1	43,494
30.	Financial liabilities designated at fair value	72,782	-	72,782
40.	Hedging derivatives	5,188	-	5,188
50.	Fair value change of financial liabilities in hedged portfolios (+/-)	-3,967	-	-3,967
60.	Tax liabilities	1,946	1	1,947
	a) current	*458*	*-*	*458*
	b) deferred	*1,488*	*1*	*1,489*
70.	Liabilities associated with non-current assets held for sale and discontinued operations	2	-	2
80.	Other liabilities	12,741	14	12,755
90.	Employee termination indemnities	767	-	767
100.	Allowances for risks and charges	4,523	18	4,541
	a) commitments and guarantees given	*524*	*1*	*525*
	b) post-employment benefits	*98*	*1*	*99*
	c) other allowances for risks and charges	*3,901*	*16*	*3,917*
110.	Insurance liabilities	119,849	-	119,849
	a) insurance contracts issued that are liabilities	*119,674*	*-*	*119,674*
	b) reinsurance contracts held that are liabilities	*175*	*-*	*175*
120.	Valuation reserves	-2,009	-	-2,009
130.	Redeemable shares	-	-	-
140.	Equity instruments	7,948	-	7,948
150.	Reserves	14,697	-	14,697
155.	Interim dividend (-)	-2,629	-	-2,629
160.	Share premium reserve	28,003	-	28,003
170.	Share capital	10,369	-	10,369
180.	Treasury shares (-)	-140	-	-140
190.	Minority interests (+/-)	164	200	364
200.	Net income (loss) (+/-)	7,724	-	7,724
Total liabilities and shareholders' equity		**963,570**	**1,743**	**965,313**

(a) The restatement refers to the entry of First Bank and Alpian (Fideuram Group Company).

Reconciliation between adjusted/published consolidated income statement for the period ended 30 September 2023 and restated consolidated income statement for the period ended 30 September 2023

(millions of euro)

		30.09.2023	Change in the scope of consolidation (a)	30.09.2023 Restated
10.	Interest and similar income	23,324	75	23,399
	of which: interest income calculated using the effective interest rate method	*20,552*	*75*	*20,627*
20.	Interest and similar expense	-10,994	-35	-11,029
30.	**Interest margin**	**12,330**	**40**	**12,370**
40.	Fee and commission income	7,963	17	7,980
50.	Fee and commission expense	-2,046	-4	-2,050
60.	**Net fee and commission income**	**5,917**	**13**	**5,930**
70.	Dividend and similar income	486	-	486
80.	Profits (Losses) on trading	-133	7	-126
90.	Fair value adjustments in hedge accounting	-28	-	-28
100.	Profits (Losses) on disposal or repurchase of:	-188	-	-188
	a) financial assets measured at amortised cost	*100*	*-*	*100*
	b) financial assets measured at fair value through other comprehensive income	*-309*	*-*	*-309*
	c) financial liabilities	*21*	*-*	*21*
110.	Profits (Losses) on other financial assets and liabilities measured at fair value through profit or loss	1,028	-	1,028
	a) financial assets and liabilities designated at fair value	*-1,307*	*-*	*-1,307*
	b) other financial assets mandatorily measured at fair value	*2,335*	*-*	*2,335*
120.	**Net interest and other banking income**	**19,412**	**60**	**19,472**
130.	Net losses/recoveries for credit risk associated with:	-963	-	-963
	a) financial assets measured at amortised cost	*-931*	*-*	*-931*
	b) financial assets measured at fair value through other comprehensive income	*-32*	*-*	*-32*
140.	Profits (Losses) on changes in contracts without derecognition	11	-	11
150.	**Net income from banking activities**	**18,460**	**60**	**18,520**
160.	Insurance service result	1,543	-	1,543
	a) insurance revenue arising from insurance contracts issued	*2,405*	*-*	*2,405*
	b) insurance service expenses arising from insurance contracts issued	*-870*	*-*	*-870*
	c) insurance revenue arising from reinsurance contracts held	*148*	*-*	*148*
	d) insurance service expenses arising from reinsurance contracts held	*-140*	*-*	*-140*
170.	Balance of financial income and expenses related to insurance operations	-2,604	-	-2,604
	a) net financial expenses/revenue related to insurance contracts issued	*-2,604*	*-*	*-2,604*
	b) net financial expenses/revenue related to reinsurance contracts held	*-*	*-*	*-*
180.	**Net income from banking and insurance activities**	**17,399**	**60**	**17,459**
190.	Administrative expenses:	-8,190	-53	-8,243
	a) personnel expenses	*-4,655*	*-29*	*-4,684*
	b) other administrative expenses	*-3,535*	*-24*	*-3,559*
200.	Net provisions for risks and charges	-186	-	-186
	a) commitments and guarantees given	*34*	*-*	*34*
	b) other net provisions	*-220*	*-*	*-220*
210.	Net adjustments to / recoveries on property and equipment	-502	-5	-507
220.	Net adjustments to / recoveries on intangible assets	-687	-6	-693
230.	Other operating expenses (income)	705	-1	704
240.	**Operating expenses**	**-8,860**	**-65**	**-8,925**
250.	Profits (Losses) on investments in associates and companies subject to joint control	216	6	222
260.	Valuation differences on property, equipment and intangible assets measured at fair value	-22	-	-22
270.	Goodwill impairment	-	-	-
280.	Profits (Losses) on disposal of investments	161	-	161
290.	**Income (Loss) before tax from continuing operations**	**8,894**	**1**	**8,895**
300.	Taxes on income from continuing operations	-2,743	-2	-2,745
310.	**Income (Loss) after tax from continuing operations**	**6,151**	**-1**	**6,150**
320.	Income (Loss) after tax from discontinued operations	-	-	-
330.	**Net income (loss)**	**6,151**	**-1**	**6,150**
340.	Minority interests	-29	1	-28
350.	**Parent Company's net income (loss)**	**6,122**	**-**	**6,122**

(a) The restatement refers to the economic results of the first 9 months of 2023 of First Bank and Alpian.

Reconciliation between consolidated income statement for the period ended 30 September 2024 and restated consolidated income statement for the period ended 30 September 2024

(millions of euro)

		30.09.2024	Changes in the scope of consolidation (a)	30.09.2024 Restated
10.	Interest and similar income	26,458	51	26,509
	of which: interest income calculated using the effective interest rate method	*22,383*	*51*	*22,434*
20.	Interest and similar expense	-12,797	-21	-12,818
30.	**Interest margin**	**13,661**	**30**	**13,691**
40.	Fee and commission income	8,460	13	8,473
50.	Fee and commission expense	-2,047	-3	-2,050
60.	**Net fee and commission income**	**6,413**	**10**	**6,423**
70.	Dividend and similar income	600	-	600
80.	Profits (Losses) on trading	554	4	558
90.	Fair value adjustments in hedge accounting	-5	-	-5
100.	Profits (Losses) on disposal or repurchase of:	142	-	142
	a) financial assets measured at amortised cost	*46*	-	*46*
	b) financial assets measured at fair value through other comprehensive income	*82*	-	*82*
	c) financial liabilities	*14*	-	*14*
110.	Profits (Losses) on other financial assets and liabilities measured at fair value through profit or loss	2,249	-	2,249
	a) financial assets and liabilities designated at fair value	*-4,400*	-	*-4,400*
	b) other financial assets mandatorily measured at fair value	*6,649*	-	*6,649*
120.	**Net interest and other banking income**	**23,614**	**44**	**23,658**
130.	Net losses/recoveries for credit risk associated with:	-761	-	-761
	a) financial assets measured at amortised cost	*-748*	-	*-748*
	b) financial assets measured at fair value through other comprehensive income	*-13*	-	*-13*
140.	Profits (Losses) on changes in contracts without derecognition	-5	-	-5
150.	**Net income from banking activities**	**22,848**	**44**	**22,892**
160.	Insurance service result	1,180	-	1,180
	a) insurance revenue arising from insurance contracts issued	2,352	-	2,352
	b) insurance service expenses arising from insurance contracts issued	-1,118	-	-1,118
	c) insurance revenue arising from reinsurance contracts held	75	-	75
	d) insurance service expenses arising from reinsurance contracts held	-129	-	-129
170.	Balance of financial income and expenses related to insurance operations	-4,747	-	-4,747
	a) net financial expenses/revenue related to insurance contracts issued	-4,747	-	-4,747
	b) net financial expenses/revenue related to reinsurance contracts held	-	-	-
180.	**Net income from banking and insurance activities**	**19,281**	**44**	**19,325**
190.	Administrative expenses:	-7,970	-40	-8,010
	a) personnel expenses	*-4,734*	*-22*	*-4,756*
	b) other administrative expenses	*-3,236*	*-18*	*-3,254*
200.	Net provisions for risks and charges	-415	1	-414
	a) commitments and guarantees given	*-16*	-	*-16*
	b) other net provisions	*-399*	*1*	*-398*
210.	Net adjustments to / recoveries on property and equipment	-472	-3	-475
220.	Net adjustments to / recoveries on intangible assets	-765	-5	-770
230.	Other operating expenses (income)	696	-	696
240.	**Operating expenses**	**-8,926**	**-47**	**-8,973**
250.	Profits (Losses) on investments in associates and companies subject to joint control	99	6	105
260.	Valuation differences on property, equipment and intangible assets measured at fair value	3	-	3
270.	Goodwill impairment	-	-	-
280.	Profits (Losses) on disposal of investments	-	-	-
290.	**Income (Loss) before tax from continuing operations**	**10,457**	**3**	**10,460**
300.	Taxes on income from continuing operations	-3,278	-3	-3,281
310.	**Income (Loss) after tax from continuing operations**	**7,179**	**-**	**7,179**
320.	Income (Loss) after tax from discontinued operations	-	-	-
330.	**Net income (loss)**	**7,179**	**-**	**7,179**
340.	Minority interests	-12	-	-12
350.	**Parent Company's net income (loss)**	**7,167**	**-**	**7,167**

(a) The restatement refers to the economic results of the first 6 months of 2024 of First Bank and the first 7 months of Alpian.

Restated consolidated financial statements

Restated consolidated balance sheet

(millions of euro)

Assets		30.09.2024	31.12.2023 Restated	Changes amount	%
10.	Cash and cash equivalents	56,071	89,717	-33,646	-37.5
20.	Financial assets measured at fair value through profit or loss	150,391	144,599	5,792	4.0
	a) financial assets held for trading	*41,430*	*38,164*	*3,266*	*8.6*
	b) financial assets designated at fair value	*6*	*5*	*1*	*20.0*
	c) other financial assets mandatorily measured at fair value	*108,955*	*106,430*	*2,525*	*2.4*
30.	Financial assets measured at fair value through other comprehensive income	153,786	140,769	13,017	9.2
40.	Financial assets measured at amortised cost	516,507	520,162	-3,655	-0.7
	a) due from banks	*36,491*	*32,978*	*3,513*	*10.7*
	b) loans to customers	*480,016*	*487,184*	*-7,168*	*-1.5*
50.	Hedging derivatives	6,779	7,006	-227	-3.2
60.	Fair value change of financial assets in hedged portfolios (+/-)	-4,027	-5,695	-1,668	-29.3
70.	Investments in associates and companies subject to joint control	2,799	2,490	309	12.4
80.	Insurance assets	686	813	-127	-15.6
	a) insurance contracts issued that are assets	*459*	*412*	*47*	*11.4*
	b) reinsurance contracts held that are assets	*227*	*401*	*-174*	*-43.4*
90.	Property and equipment	8,964	9,852	-888	-9.0
100.	Intangible assets	9,578	9,557	21	0.2
	of which:				
	- goodwill	*3,701*	*3,672*	*29*	*0.8*
110.	Tax assets	13,150	14,536	-1,386	-9.5
	a) current	*1,921*	*1,932*	*-11*	*-0.6*
	b) deferred	*11,229*	*12,604*	*-1,375*	*-10.9*
120.	Non-current assets held for sale and discontinued operations	1,024	265	759	
130.	Other assets	33,478	31,242	2,236	7.2
Total assets		**949,186**	**965,313**	**-16,127**	**-1.7**

(millions of euro)

Liabilities and Shareholders' Equity		30.09.2024	31.12.2023 Restated	Changes amount	Changes %
10.	Financial liabilities measured at amortised cost	609,697	643,628	-33,931	-5.3
	a) due to banks	*51,779*	*93,290*	*-41,511*	*-44.5*
	b) due to customers	*446,058*	*441,910*	*4,148*	*0.9*
	c) securities issued	*111,860*	*108,428*	*3,432*	*3.2*
20.	Financial liabilities held for trading	44,540	43,494	1,046	2.4
30.	Financial liabilities designated at fair value	74,773	72,782	1,991	2.7
40.	Hedging derivatives	5,251	5,188	63	1.2
50.	Fair value change of financial liabilities in hedged portfolios (+/-)	-2,032	-3,967	-1,935	-48.8
60.	Tax liabilities	2,467	1,947	520	26.7
	a) current	*418*	*458*	*-40*	*-8.7*
	b) deferred	*2,049*	*1,489*	*560*	*37.6*
70.	Liabilities associated with non-current assets held for sale and discontinued operations	7	2	5	
80.	Other liabilities	17,432	12,755	4,677	36.7
90.	Employee termination indemnities	741	767	-26	-3.4
100.	Allowances for risks and charges	3,848	4,541	-693	-15.3
	a) commitments and guarantees given	*536*	*525*	*11*	*2.1*
	b) post-employment benefits	*95*	*99*	*-4*	*-4.0*
	c) other allowances for risks and charges	*3,217*	*3,917*	*-700*	*-17.9*
110.	Insurance liabilities	125,232	119,849	5,383	4.5
	a) insurance contracts issued that are liabilities	*125,213*	*119,674*	*5,539*	*4.6*
	b) reinsurance contracts held that are liabilities	*19*	*175*	*-156*	-89.1
120.	Valuation reserves	-2,083	-2,009	74	3.7
130.	Redeemable shares	-	-	-	
140.	Equity instruments	8,682	7,948	734	9.2
150.	Reserves	16,947	14,697	2,250	15.3
155.	Interim dividend (-)	-	-2,629	-2,629	
160.	Share premium reserve	27,601	28,003	-402	-1.4
170.	Share capital	10,369	10,369	-	-
180.	Treasury shares (-)	-1,595	-140	1,455	
190.	Minority interests (+/-)	142	364	-222	-61.0
200.	Net income (loss) (+/-)	7,167	7,724	-557	-7.2
Total liabilities and shareholders' equity		**949,186**	**965,313**	**-16,127**	**-1.7**

Restated consolidated income statement

(millions of euro)

		30.09.2024 Restated	30.09.2023 Restated	Changes amount	%
10.	Interest and similar income	26,509	23,399	3,110	13.3
	of which: interest income calculated using the effective interest rate method	*22,434*	*20,627*	*1,807*	*8.8*
20.	Interest and similar expense	-12,818	-11,029	1,789	16.2
30.	**Interest margin**	**13,691**	**12,370**	**1,321**	**10.7**
40.	Fee and commission income	8,473	7,980	493	6.2
50.	Fee and commission expense	-2,050	-2,050	-	-
60.	**Net fee and commission income**	**6,423**	**5,930**	**493**	**8.3**
70.	Dividend and similar income	600	486	114	23.5
80.	Profits (Losses) on trading	558	-126	684	
90.	Fair value adjustments in hedge accounting	-5	-28	-23	-82.1
100.	Profits (Losses) on disposal or repurchase of:	142	-188	330	
	a) financial assets measured at amortised cost	*46*	*100*	*-54*	*-54.0*
	b) financial assets measured at fair value through other comprehensive income	*82*	*-309*	*391*	
	c) financial liabilities	*14*	*21*	*-7*	*-33.3*
110.	Profits (Losses) on other financial assets and liabilities measured at fair value through profit or loss	2,249	1,028	1,221	
	a) financial assets and liabilities designated at fair value	*-4,400*	*-1,307*	*3,093*	
	b) other financial assets mandatorily measured at fair value	*6,649*	*2,335*	*4,314*	
120.	**Net interest and other banking income**	**23,658**	**19,472**	**4,186**	**21.5**
130.	Net losses/recoveries for credit risk associated with:	-761	-963	-202	-21.0
	a) financial assets measured at amortised cost	*-748*	*-931*	*-183*	*-19.7*
	b) financial assets measured at fair value through other comprehensive income	*-13*	*-32*	*-19*	*-59.4*
140.	Profits (Losses) on changes in contracts without derecognition	-5	11	-16	
150.	**Net income from banking activities**	**22,892**	**18,520**	**4,372**	**23.6**
160.	Insurance service result	1,180	1,543	-363	-23.5
	a) insurance revenue arising from insurance contracts issued	2,352	2,405	-53	-2.2
	b) insurance service expenses arising from insurance contracts issued	-1,118	-870	248	28.5
	c) insurance revenue arising from reinsurance contracts held	75	148	-73	-49.3
	d) insurance service expenses arising from reinsurance contracts held	-129	-140	-11	-7.9
170.	Balance of financial income and expenses related to insurance operations	-4,747	-2,604	2,143	82.3
	a) net financial expenses/revenue related to insurance contracts issued	-4,747	-2,604	2,143	82.3
	b) net financial expenses/revenue related to reinsurance contracts held	-	-	-	
180.	**Net income from banking and insurance activities**	**19,325**	**17,459**	**1,866**	**10.7**
190.	Administrative expenses:	-8,010	-8,243	-233	-2.8
	a) personnel expenses	*-4,756*	*-4,684*	*72*	*1.5*
	b) other administrative expenses	*-3,254*	*-3,559*	*-305*	*-8.6*
200.	Net provisions for risks and charges	-414	-186	228	
	a) commitments and guarantees given	*-16*	*34*	*-50*	
	b) other net provisions	*-398*	*-220*	*178*	*80.9*
210.	Net adjustments to / recoveries on property and equipment	-475	-507	-32	-6.3
220.	Net adjustments to / recoveries on intangible assets	-770	-693	77	11.1
230.	Other operating expenses (income)	696	704	-8	-1.1
240.	**Operating expenses**	**-8,973**	**-8,925**	**48**	**0.5**
250.	Profits (Losses) on investments in associates and companies subject to joint control	105	222	-117	-52.7
260.	Valuation differences on property, equipment and intangible assets measured at fair value	3	-22	25	
270.	Goodwill impairment	-	-	-	
280.	Profits (Losses) on disposal of investments	-	161	-161	
290.	**Income (Loss) before tax from continuing operations**	**10,460**	**8,895**	**1,565**	**17.6**
300.	Taxes on income from continuing operations	-3,281	-2,745	536	19.5
310.	**Income (Loss) after tax from continuing operations**	**7,179**	**6,150**	**1,029**	**16.7**
320.	Income (Loss) after tax from discontinued operations	-	-	-	
330.	**Net income (loss)**	**7,179**	**6,150**	**1,029**	**16.7**
340.	Minority interests	-12	-28	-16	-57.1
350.	**Parent Company's net income (loss)**	**7,167**	**6,122**	**1,045**	**17.1**

Reconciliation between restated consolidated financial statements and reclassified consolidated financial statements

Reconciliation between restated consolidated balance sheet and reclassified consolidated balance sheet

(millions of euro)

Assets		30.09.2024	31.12.2023 Restated
Cash and cash equivalents		**56,071**	**89,717**
Caption 10	Cash and cash equivalents	56,071	89,717
Due from banks		**34,139**	**31,299**
Caption 40a (partial)	Financial assets measured at amortised cost - Loans to Banks (Contribution of banking business)	34,078	31,253
Caption 20a (partial)	Financial assets held for trading - Due from banks (Contribution of banking business)	-	-
Caption 20b (partial)	Financial assets designated at fair value - Due from banks (Contribution of banking business)	3	4
Caption 20c (partial)	Other financial assets mandatorily measured at fair value - Due from banks (Contribution of banking business)	58	42
Caption 30 (partial)	Financial assets measured at fair value through other comprehensive income - Due from banks (Contribution of banking business)	-	-
Loans to customers		**421,946**	**430,493**
Loans to customers measured at amortised cost		***419,559***	***428,759***
Caption 40b (partial)	Financial assets measured at amortised cost - Loans to customers (Contribution of banking business)	412,327	422,890
Caption 40b (partial)	Financial assets measured at amortised cost - Debt securities (public entities, non-financial companies and others) (Contribution of banking business)	7,232	5,869
Loans to customers measured at fair value through other comprehensive income and through profit or loss		***2,387***	***1,734***
Caption 20a (partial)	Financial assets held for trading - Loans to customers (Contribution of banking business)	74	95
Caption 20b (partial)	Financial assets designated at fair value - Loans to customers (Contribution of banking business)	-	-
Caption 20c (partial)	Other financial assets mandatorily measured at fair value - Loans to customers (Contribution of banking business)	824	737
Caption 30 (partial)	Financial assets measured at fair value through other comprehensive income - Loans to customers (Contribution of banking business)	1,489	902
Financial assets measured at amortised cost which do not constitute loans		**62,868**	**60,145**
Caption 40a (partial)	Financial assets measured at amortised cost - Debt securities (banks) (Contribution of banking business)	2,413	1,725
Caption 40b (partial)	Financial assets measured at amortised cost - Debt securities (Governments, financial and insurance companies) (Contribution of banking business)	60,455	58,420
Financial assets measured at fair value through profit or loss		**45,608**	**42,027**
Caption 20a (partial)	Financial assets held for trading (Contribution of banking business)	41,328	38,042
Caption 20b (partial)	Financial assets designated at fair value - Debt securities (Contribution of banking business)	3	1
Caption 20c (partial)	Other financial assets mandatorily measured at fair value (Contribution of banking business)	4,277	3,984
Financial assets measured at fair value through other comprehensive income		**79,500**	**67,732**
Caption 30 (partial)	Financial assets measured at fair value through other comprehensive income (Contribution of banking business)	79,500	67,732
Financial assets pertaining to insurance companies measured at amortised cost		**2**	**5**
Caption 40a (partial)	Financial assets measured at amortised cost - Loans to Banks (Contribution of insurance business)	-	-
Caption 40b (partial)	Financial assets measured at amortised cost - Loans to customers (Contribution of insurance business)	2	5
Financial assets pertaining to insurance companies measured at fair value through profit or loss		**103,872**	**101,718**
Caption 20a (partial)	Financial assets held for trading (Contribution of insurance business)	28	27
Caption 20b (partial)	Financial assets designated at fair value (Contribution of insurance business)	-	-
Caption 20c (partial)	Other financial assets mandatorily measured at fair value (Contribution of insurance business)	103,796	101,667
Caption 50 (partial)	Hedging derivatives (Contribution of insurance business)	48	24
Financial assets pertaining to insurance companies measured at fair value through other comprehensive income		**72,797**	**72,135**
Caption 30 (partial)	Financial assets measured at fair value through other comprehensive income (Contribution of insurance business)	72,797	72,135
Equity investments		**2,799**	**2,490**
Caption 70	Investments in associates and companies subject to joint control	2,799	2,490
Property, equipment and intangible assets		**18,542**	**19,409**
Assets owned		***17,285***	***18,020***
Caption 90 (partial)	Property and equipment	7,707	8,463
Caption 100	Intangible assets	9,578	9,557
Rights of use acquired under leases		***1,257***	***1,389***
Caption 90 (partial)	Property and equipment	1,257	1,389
Tax assets		**13,150**	**14,536**
Caption 110	Tax assets	13,150	14,536
Non-current assets held for sale and discontinued operations		**1,024**	**265**
Caption 120	Non-current assets held for sale and discontinued operations	1,024	265
Other assets		**36,868**	**33,342**
Caption 50	Hedging derivatives (Contribution of banking business)	6,731	6,982
Caption 60	Fair value change of financial assets in hedged portfolios (+/-)	-4,027	-5,695
Caption 80	Insurance assets	686	813
Caption 130	Other assets	33,478	31,242
Total Assets		**949,186**	**965,313**

(millions of euro)

Liabilities		30.09.2024	31.12.2023 Restated
Due to banks at amortised cost		**51,013**	**92,545**
Caption 10 a)	Financial liabilities measured at amortised cost - Due to banks (Contribution of banking business)	51,016	92,549
- Caption 10 a) (partial)	Financial liabilities measured at amortised cost - Due to banks (of which lease payables) (Contribution of banking business)	-3	-4
Due to customers at amortised cost and securities issued		**555,320**	**547,652**
Caption 10 b)	Financial liabilities measured at amortised cost - Due to customers (Contribution of banking business)	445,938	441,773
Caption 10 c)	Financial liabilities measured at amortised cost - Securities issued (Contribution of banking business)	110,493	107,101
- Caption 10 b) (partial)	Financial liabilities measured at amortised cost - Due to customers (of which lease payables) (Contribution of banking business)	-1,111	-1,222
Financial liabilities held for trading		**44,528**	**43,487**
Caption 20	Financial liabilities held for trading (Contribution of banking business)	44,528	43,487
Financial liabilities designated at fair value		**24,088**	**21,344**
Caption 30	Financial liabilities designated at fair value (Contribution of banking business)	24,088	21,344
Financial liabilities at amortised cost pertaining to insurance companies		**2,247**	**2,199**
Caption 10 a) (partial)	Financial liabilities measured at amortised cost - Due to banks (Contribution of insurance business)	763	741
Caption 10 b) (partial)	Financial liabilities measured at amortised cost - Due to customers (Contribution of insurance business)	120	137
Caption 10 c) (partial)	Financial liabilities measured at amortised cost - Securities issued (Contribution of insurance business)	1,367	1,327
- Caption 10 a) (partial)	Financial liabilities measured at amortised cost - Due to banks (of which lease payables) (Contribution of insurance business)	-	-
- Caption 10 b) (partial)	Financial liabilities measured at amortised cost - Due to customers (of which lease payables) (Contribution of insurance business)	-3	-6
Financial liabilities held for trading pertaining to insurance companies		**64**	**90**
Caption 20 (partial)	Financial liabilities held for trading (Contribution of insurance business)	12	7
Caption 40 (partial)	Hedging derivatives (Contribution of insurance business)	52	83
Financial liabilities designated at fair value pertaining to insurance companies		**50,685**	**51,438**
Caption 30 (partial)	Financial liabilities designated at fair value (Contribution of insurance business)	50,685	51,438
Tax liabilities		**2,467**	**1,947**
Caption 60	Tax liabilities	2,467	1,947
Liabilities associated with non-current assets held for sale and discontinued operations		**7**	**2**
Caption 70	Liabilities associated with non-current assets held for sale and discontinued operations	7	2
Other liabilities		**21,716**	**15,125**
Caption 40	Hedging derivatives (Contribution of banking business)	5,199	5,105
Caption 50	Fair value change of financial liabilities in hedged portfolios (+/-)	-2,032	-3,967
Caption 80	Other liabilities	17,432	12,755
Caption 10 a) (partial)	Financial liabilities measured at amortised cost - Due to banks (of which lease payables) (Contribution of banking business)	3	4
Caption 10 a) (partial)	Financial liabilities measured at amortised cost - Due to banks (of which lease payables) (Contribution of insurance business)	-	-
Caption 10 b) (partial)	Financial liabilities measured at amortised cost - Due to customers (of which lease payables) (Contribution of banking business)	1,111	1,222
Caption 10 b) (partial)	Financial liabilities measured at amortised cost - Due to customers (of which lease payables) (Contribution of insurance business)	3	6
Insurance liabilities		**125,232**	**119,849**
Caption 110	Insurance liabilities	125,232	119,849
Allowances for risks and charges		**4,589**	**5,308**
Caption 90	Employee termination indemnities	741	767
Caption 100 a)	Allowances for risks and charges - Loan commitments and guarantees given	536	525
Caption 100 b)	Allowances for risks and charges - Post-employment benefits	95	99
Caption 100 c)	Allowances for risks and charges - Other allowances for risks and charges	3,217	3,917
Share capital		**10,369**	**10,369**
Caption 170	Share capital	10,369	10,369
Reserves		**42,953**	**42,560**
Caption 130	Redeemable shares	-	-
Caption 150	Reserves	16,947	14,697
Caption 160	Share premium reserve	27,601	28,003
- Caption 180	Treasury shares (-)	-1,595	-140
Valuation reserves		**-1,805**	**-1,711**
Caption 120	Valuation reserves (Contribution of banking business and including IAS19 Reserves pertaining to insurance business)	-1,805	-1,711
Valuation reserves pertaining to insurance companies		**-278**	**-298**
Caption 120	Valuation reserves (Contribution of insurance business)	-278	-298
Interim dividend		**-**	**-2,629**
Caption 155	Interim dividend (-)	-	-2,629
Equity instruments		**8,682**	**7,948**
Caption 140	Equity instruments	8,682	7,948
Minority interests		**142**	**364**
Caption 190	Minority interests	142	364
Net income (loss)		**7,167**	**7,724**
Caption 200	Net income (loss) (+/-)	7,167	7,724
Total Liabilities and Shareholders' Equity		**949,186**	**965,313**

Reconciliation between restated consolidated income statement and reclassified consolidated income statement

(millions of euro)

Captions		30.09.2024 Restated	30.09.2023 Restated
Net interest income		**11,917**	**10,691**
Caption 30	Interest margin	13,691	12,370
- Caption 30 (partial)	Net interest income (Contribution of insurance business)	-1,696	-1,554
- Caption 30 (partial)	Interest margin - Reclassification of operations of entities not subject to management and coordination	-1	6
- Caption 30 (partial)	Interest margin (Effect of purchase price allocation)	46	83
+ Caption 60 (partial)	Net fee and commission income (Periodic fees and commissions on current accounts with positive balances (negative rates)	1	1
- Caption 30 (partial)	Components of net interest income relating to Profits (losses) on trading (Dividends received and paid within securities lending operations)	1	6
+ Caption 80 (partial)	Hedging swap differentials	-76	-168
+ Caption 190 a) (partial)	Personnel expenses (Time value employee termination indemnities and other)	-29	-32
+ Caption 190 b) (partial)	Other administrative expenses (Amounts attributed to Net interest income - For Funding initiative)	-1	-
+ Caption 200 b) (partial)	Net provisions for risks and charges (Time value allowances for risks and charges)	-19	-21
Net fee and commission income		**6,970**	**6,461**
Caption 60	Net fee and commission income	6,423	5,930
- Caption 60 (partial)	Net fee and commission income - Insurance segment	503	447
- Caption 60 (partial)	Net fee and commission income - Reclassification of operations of entities not subject to management and coordination	2	2
- Caption 60 (partial)	Net fee and commission income (Periodic fees and commissions on current accounts with positive balances (negative rates)	-1	-1
+ Caption 80 (partial)	Profits (Losses) on trading (Placement of Certificates)	55	41
+ Caption 110 a) (partial)	Profits (Losses) on other financial assets and liabilities measured at fair value through profit or loss (a) financial assets and liabilities designated at fair value (Placement of Certificates)	139	170
+ Caption 110 b) (partial)	Profits (Losses) on other financial assets and liabilities measured at fair value through profit or loss (b) other financial assets mandatorily measured at fair value (Return components of insurance policies taken out for the benefit of financial advisor networks)	4	2
+ Caption 160b) (partial)	Insurance service expenses arising from insurance contracts issued (Contribution of banking business) Fee and commission income Private Banking Division financial advisors	-42	-36
+ Caption 190 a) (partial)	Personnel expenses (Charges for incentive systems for employees of the distribution networks)	-60	-49
+ Caption 190 b) (partial)	Other administrative expenses (Recovery of expenses)	-53	-45
Income from insurance business		**1,311**	**1,275**
Caption 160	Insurance service result	1,180	1,543
Caption 170	Balance of financial income and expenses related to insurance operations	-4,747	-2,604
+ Caption 30 (partial)	Net interest income (Contribution of insurance business)	1,696	1,554
+ Caption 60 (partial)	Net fee and commission income (Contribution of insurance business)	-503	-447
+ Caption 70 (partial)	Dividend and similar income on equity instruments held for trading, measured at fair value through profit or loss or for which the option has been exercised of their designation at fair value through other comprehensive income (including dividends on UCIs) (Contribution of insurance business)	386	327
+ Caption 80 (partial)	Profits (Losses) on trading (Contribution of insurance business)	-26	-70
+ Caption 90 (partial)	Fair value adjustments in hedge accounting (Contribution of insurance business)	-	-
+ Caption 100 b) (partial)	Profits (Losses) on disposal or repurchase of financial assets measured at fair value through other comprehensive income - Contribution of insurance business	-155	-476
+ Caption 110 a) (partial)	Profits (Losses) on other financial assets and liabilities measured at fair value through profit or loss - Contribution of insurance business	-3,485	-1,233
+ Caption 110 b) (partial)	Profits (Losses) on other financial assets and liabilities measured at fair value through profit or loss (b) other financial assets mandatorily measured at fair value (Contribution of insurance business)	6,487	2,300
+ Caption 130 b) (partial)	Net adjustments/recoveries for credit risk associated with financial assets measured at fair value through other comprehensive income (Contribution of insurance business)	-4	-12
- Caption 160 b) (partial)	Insurance service expenses arising from insurance contracts issued - Personnel expenses	256	239
- Caption 160 b) (partial)	Insurance service expenses arising from insurance contracts issued - Other Administrative Expenses	130	125
- Caption 160 b) (partial)	Insurance service expenses arising from insurance contracts issued - Depreciation Property and Equipment	18	17
- Caption 160 b) (partial)	Insurance service expenses arising from insurance contracts issued - Amortisation of Intangible Assets	36	29
- Caption 160 b) (partial)	Insurance service expenses arising from insurance contracts issued (Contribution of banking business) Fee and commission income Private Banking Division financial advisors	42	36
- Caption 160 b) (partial)	Costs for insurance services deriving from insurance contracts issued - release of insurance liabilities	-	-52
+ Caption 210 (partial)	Net adjustments to / recoveries on property and equipment of insurance business	-	-1

(millions of euro)

Captions		30.09.2024 Restated	30.09.2023 Restated
Profits (Losses) on financial assets and liabilities at fair value		**251**	**396**
Caption 80	Profits (Losses) on trading	558	-126
Caption 90	Fair value adjustments in hedge accounting	-5	-28
Caption 110 a)	Profits (Losses) on other financial assets and liabilities measured at fair value through profit or loss (a) financial assets and liabilities designated at fair value	-4,400	-1,307
Caption 110 b)	Profits (Losses) on other financial assets and liabilities measured at fair value through profit or loss (b) other financial assets mandatorily measured at fair value	6,649	2,335
Caption 100 b)	Profits (Losses) on disposal or repurchase of financial assets measured at fair value through other comprehensive income	82	-309
Caption 100 c)	Profits (Losses) on disposal or repurchase of financial liabilities	14	21
+ Caption 70 (partial)	Dividend and similar income on equity instruments held for trading, measured at fair value through profit or loss or for which the option has been exercised of their designation at fair value through other comprehensive income (including dividends on UCIs) (Contribution of banking business)	214	150
+ Caption 30 (partial)	Components of net interest income relating to Profits (losses) on trading (Dividends received and paid within securities lending operations)	-1	-6
- Caption 80 (partial)	Profits (Losses) on trading (Placement of Certificates)	-55	-41
- Caption 80 (partial)	Profits (Losses) on trading (Contribution of insurance business)	26	70
- Caption 80 (partial)	Hedging swap differentials	76	168
- Caption 90 (partial)	Fair value adjustments in hedge accounting (Contribution of insurance business)	-	-
- Caption 100 b) (partial)	Profits (Losses) on disposal or repurchase of financial assets measured at fair value through other comprehensive income (Contribution of insurance business)	155	476
+ Caption 100 a) (partial)	Profits (Losses) on disposal or repurchase of financial assets measured at amortised cost - Debt securities (governments, financial and insurance companies) - Effect associated with profits (losses) on trading	107	124
+ Caption 100 a) (partial)	Profits (Losses) on disposal or repurchase of financial assets measured at amortised cost - Debt securities (Banks) (Contribution of banking business) - Effect associated with profits (losses) on trading	6	3
- Caption 110 a) (partial)	Profits (Losses) on other financial assets and liabilities measured at fair value through profit or loss (a) financial assets and liabilities designated at fair value (Placement of Certificates)	-139	-170
- Caption 110 a) (partial)	Profits (Losses) on other financial assets and liabilities measured at fair value through profit or loss (a) financial assets and liabilities designated at fair value (Contribution of insurance business)	3,485	1,233
- Caption 110 b) (partial)	Profits (Losses) on other financial assets and liabilities measured at fair value through profit or loss (b) other financial assets mandatorily measured at fair value (Contribution of insurance business)	-6,487	-2,300
- Caption 110 b) (partial)	Profits (Losses) on other financial assets and liabilities measured at fair value through profit or loss (b) other financial assets mandatorily measured at fair value (Return components of insurance policies taken out for the benefit of financial advisor networks)	-52	-23
- Caption 110 b) (partial)	Profits (Losses) on other financial assets and liabilities measured at fair value through profit or loss (b) other financial assets mandatorily measured at fair value (Charges concerning the banking industry)	16	-7
- Caption 110 b) (partial)	Profits (Losses) on other financial assets and liabilities measured at fair value through profit or loss (b) other financial assets mandatorily measured at fair value (amounts attributed to net adjustments on loans)	-	131
- Caption 100 c) (partial)	Profits (Losses) on disposal or repurchase of financial liabilities (Effect of purchase price allocation) (Contribution of banking business)	-	-1
+ Caption 230 (partial)	Other operating expenses (income) (Trading and valuation of other assets)	2	3

(millions of euro)

Captions		30.09.2024 Restated	30.09.2023 Restated
Other operating income (expenses)		**-10**	**7**
Caption 70	Dividend and similar income	600	486
Caption 230	Other operating expenses (income)	696	704
+ Caption 30 (partial)	Interest margin - Reclassification of operations of entities not subject to management and coordination	1	-6
+ Caption 60 (partial)	Net fee and commission income - Reclassification of operations of entities not subject to management and coordination	-2	-2
+ Caption 110 b) (partial)	Profits (Losses) on other financial assets and liabilities measured at fair value through profit or loss (b) other financial assets mandatorily measured at fair value (Return components of insurance policies taken out for the benefit of financial advisor networks)	3	7
- Caption 70 (partial)	Dividend and similar income on equity instruments held for trading, designated at fair value through profit or loss or for which the option has been exercised of their designation at fair value through other comprehensive income (including dividends on UCIs) (Contribution of banking business)	-214	-150
- Caption 70 (partial)	Dividend and similar income on equity instruments held for trading, designated at fair value through profit or loss or for which the option has been exercised of their designation at fair value through other comprehensive income (including dividends on UCIs) (Contribution of insurance business)	-386	-327
- Caption 230 (partial)	Other operating expenses (income) (Recovery of expenses)	-16	-24
- Caption 230 (partial)	Other operating expenses (income) (Recovery of indirect taxes)	-796	-671
- Caption 230 (partial)	Other operating expenses/(income) (Non-recurring income/expenses or income/expenses not linked to continuing operations)	-10	12
- Caption 230 (partial)	Other operating expenses (income) (Valuation effects of other assets)	8	-
- Caption 230 (partial)	Other operating expenses (income) (Impairment losses on repurchased property and equipment)	-	-
- Caption 230 (partial)	Other operating expenses (income) (Charges/revenues from integration)	6	7
- Caption 230 (partial)	Other operating expenses (income) (Trading and valuation of other assets)	-2	-3
- Caption 230 (partial)	Other operating expenses (income) (National Resolution Fund settlement agreement)	130	-
+ Caption 190 b) (partial)	Other administrative expenses (Reconciliation of non-banking, financial and insurance entity operations - operating leases)	-6	-7
+ Caption 210 (partial)	Net adjustments to / recoveries on property and equipment (Reconciliation of non-banking, financial and insurance entity operations - operating leases)	-51	-50
+ Caption 220 (partial)	Net adjustments to / recoveries on intangible assets (Reconciliation of non-banking, financial and insurance entity operations - operating leases)	-3	-4
+ Caption 250 (partial)	Profits (losses) on investments in associates and companies subject to joint control (carried at equity)	32	35
Operating income		**20,439**	**18,830**
Personnel expenses		**-4,900**	**-4,826**
Caption 190 a)	Personnel expenses	-4,756	-4,684
- Caption 190 a) (partial)	Personnel expenses (Charges for integration and exit incentives)	23	15
- Caption 190 a) (partial)	Personnel expenses (Time value employee termination indemnities and other)	29	32
- Caption 190 a) (partial)	Personnel expenses (Charges for incentive systems for employees of the distribution networks)	60	49
+ Caption 160 b) (partial)	Insurance service expenses arising from insurance contracts issued - Personnel expenses	-256	-239
+ Caption 230 (partial)	Other operating expenses (income) (Recovery of expenses)	-	1
Other administrative expenses		**-2,068**	**-2,108**
Caption 190 b)	Other administrative expenses	-3,254	-3,559
- Caption 190 b) (partial)	Other administrative expenses (Amounts attributed to Net interest income - For Funding initiative)	1	-
- Caption 190 b) (partial)	Other administrative expenses (Charges for integration)	26	32
- Caption 190 b) (partial)	Other administrative expenses (Resolution fund and deposit guarantee scheme)	372	745
- Caption 190 b) (partial)	Other administrative expenses (Recovery of expenses)	53	45
- Caption 190 b) (partial)	Other administrative expenses (Reconciliation of non-banking, financial and insurance entity operations - operating leases)	6	7
- Caption 190 b) (partial)	Other administrative expenses (extraordinary taxes on international subsidiaries)	46	53
+ Caption 160 b) (partial)	Insurance service expenses arising from insurance contracts issued - Other Administrative Expenses	-130	-125
+ Caption 230 (partial)	Other operating expenses (income) (Recovery of indirect taxes)	796	671
+ Caption 230 (partial)	Other operating expenses (income) (Recovery of expenses)	16	23
Adjustments to property, equipment and intangible assets		**-1,018**	**-990**
Caption 210	Net adjustments to / recoveries on property and equipment	-475	-507
Caption 220	Net adjustments to / recoveries on intangible assets	-770	-693
- Caption 210 (partial)	Net adjustments to / recoveries on property and equipment of insurance business	-	1
- Caption 210 (partial)	Net adjustments to / recoveries on property and equipment (Charges for integration)	38	43
- Caption 210 (partial)	Net adjustments to / recoveries on property and equipment (Impairment)	7	9
- Caption 210 (partial)	Net adjustments to / recoveries on property and equipment (Reconciliation of non-banking, financial and insurance entity operations - operating leases)	51	50
+ Caption 160 b) (partial)	Insurance service expenses arising from insurance contracts issued - Depreciation Property and Equipment	-18	-17
+ Caption 160 b) (partial)	Insurance service expenses arising from insurance contracts issued - Amortisation of Intangible Assets	-36	-29
- Caption 220 (partial)	Net adjustments to / recoveries on intangible assets (Charges for integration)	139	105
- Caption 220 (partial)	Net adjustments to / recoveries on intangible assets (Impairment)	1	4
- Caption 220 (partial)	Net adjustments to/recoveries on intangible assets (Effect of purchase price allocation)	42	40
- Caption 220 (partial)	Net adjustments to / recoveries on intangible assets (Reconciliation of non-banking, financial and insurance entity operations - operating leases)	3	4
Operating costs		**-7,986**	**-7,924**
Operating margin		**12,453**	**10,906**

(millions of euro)

Captions		30.09.2024 Restated	30.09.2023 Restated
Net adjustments to loans		**-792**	**-913**
Caption 140	Profits/losses from changes in contracts without derecognition	-5	11
Caption 200 a)	Net provisions for risks and charges for credit risk related to commitments and guarantees given	-16	34
+ Caption 100 a) (partial)	Profits (losses) on disposal or repurchase of financial assets at amortised cost - Loans (Contribution of banking business)	-78	-44
+ Caption 100 a) (partial)	Profits (losses) on disposal or repurchase of financial assets at amortised cost - Debt securities (public entities, non-financial companies and others) (Contribution of banking business)	8	17
- Caption 100 a) (partial)	Profits (Losses) on disposal or repurchase of financial assets measured at amortised cost - Loans (Effect of purchase price allocation) (Contribution of banking business)	35	60
+ Caption 110 b) (partial)	Profits (Losses) on other financial assets and liabilities measured at fair value through profit or loss (b) other financial assets mandatorily measured at fair value (amounts attributed to net adjustments on loans)	-	-131
+ Caption 130 a) (partial)	Net adjustments/recoveries for credit risk associated with financial assets measured at amortised cost - Loans (Contribution of banking business)	-754	-879
+ Caption 130 a) (partial)	Net adjustments/recoveries for credit risk associated with financial assets measured at amortised cost - Debt securities (public entities, non-financial companies and others) (Contribution of banking business)	9	-5
+ Caption 130 b) (partial)	Net adjustments/Recoveries for credit risk associated with financial assets designated at fair value through other comprehensive income - Loans (Contribution of banking business)	1	16
+ Caption 200 b) (partial)	Net provisions for risks and charges (Provisions for non-recurring expenses)	8	8
Other net provisions and net impairment losses on other assets		**-327**	**-238**
Caption 260	Valuation differences on property, equipment and intangible assets measured at fair value	3	-22
Caption 200 b)	Net provisions for risks and charges - Other net provisions	-398	-220
+ Caption 110 b) (partial)	Profits (Losses) on other financial assets and liabilities measured at fair value through profit or loss (b) other financial assets mandatorily measured at fair value (Return components of insurance policies taken out for the benefit of financial advisor networks)	45	14
+ Caption 130 a) (partial)	Net adjustments/recoveries for credit risk associated with financial assets measured at amortised cost - Debt securities (Governments, financial and insurance companies) (Contribution of banking business)	-3	-48
+ Caption 130 a) (partial)	Net adjustments/recoveries for credit risk associated with financial assets measured at amortised cost - Debt securities due to Banks (Contribution of banking business)	-	1
+ Caption 130 b) (partial)	Net adjustments/Recoveries for credit risk associated with financial assets designated at fair value through other comprehensive income - Debt securities (Contribution of banking business)	-10	-36
- Caption 200 b) (partial)	Net provisions for risks and charges - Other net provisions (Contribution to the Life Insurance Guarantee Fund)	41	-
- Caption 200 b) (partial)	Net provisions for risks and charges (Charges for integration)	-	-
- Caption 200 b) (partial)	Net provisions for risks and charges (Time value allowances for risks and charges)	19	21
- Caption 200 b) (partial)	Net provisions for risks and charges (Effect of purchase price allocation)	-	-2
- Caption 200 b) (partial)	Net provisions for risks and charges (Provisions for non-recurring expenses)	-8	-8
+ Caption 160 b) (partial)	Costs for insurance services deriving from insurance contracts issued - release of insurance liabilities	-	52
- Caption 260 (partial)	Valuation differences on property, equipment and intangible assets measured at fair value	-	24
+ Caption 210 (partial)	Net adjustments to / recoveries on property and equipment (Impairment)	-7	-9
+ Caption 220 (partial)	Net adjustments to / recoveries on intangible assets (Impairment)	-1	-4
+ Caption 230 (partial)	Other operating expenses (income) (Impairment losses on repurchased property and equipment)	-	-
+ Caption 230 (partial)	Other operating expenses (income) (Valuation effects of other assets)	-8	-
+ Caption 250 (partial)	Profits (Losses) on investments in associates and companies subject to joint control (Adjustments/recoveries due to impairment of associates)	-	-1
Other income (expenses)		**86**	**319**
Caption 250	Profits (Losses) on investments in associates and companies subject to joint control	105	222
Caption 280	Profits (Losses) on disposal of investments	-	161
Caption 100 a) (partial)	Profits (losses) on disposal or repurchase of financial assets at amortised cost - Debt securities (Governments, financial and insurance companies) (Contribution of banking business)	110	124
Caption 100 a) (partial)	Profits (Losses) on disposal or repurchase of financial assets measured at amortised cost - Debt securities (Banks) (Contribution of banking business)	6	3
- Caption 100 a) (partial)	Profits (Losses) on disposal or repurchase of financial assets measured at amortised cost - Debt securities (governments, financial and insurance companies) - Effect associated with profits (losses) on trading	-107	-124
- Caption 100 a) (partial)	Profits (Losses) on disposal or repurchase of financial assets measured at amortised cost - Debt securities (Banks) (Contribution of banking business) - Effect associated with profits (losses) on trading	-6	-3
+ Caption 230 (partial)	Other operating expenses/(income) (Non-recurring income/expenses or income/expenses not linked to continuing operations)	10	-12
+ Caption 260 (partial)	Valuation differences on property, equipment and intangible assets measured at fair value	-	-24
- Caption 250 (partial)	Profits (Losses) on investments in associates and companies subject to joint control (carried at equity)	-32	-35
- Caption 250 (partial)	Profits (Losses) on investments in associates and companies subject to joint control (Adjustments/recoveries due to impairment of associates)	-	1
- Caption 280 (partial)	Profits (Losses) on disposal of investments (Effect of purchase price allocation)	-	6
Income (Loss) from discontinued operations		**-**	**-**
Caption 320	Income (Loss) after tax from discontinued operations	-	-
+ Caption 320 (partial)	Income (Loss) after tax from discontinued operations (Tax)	-	-
Gross income (loss)		**11,420**	**10,074**

		(millions of euro) 30.09.2024 Restated	30.09.2023 Restated
Captions		**30.09.2024** Restated	**30.09.2023** Restated
Taxes on income		**-3,703**	**-3,152**
Caption 300	Taxes on income from continuing operations	-3,281	-2,745
+ Caption 190 b) (partial)	Other administrative expenses (extraordinary taxes on international subsidiaries)	-46	-53
+ Caption 230 (partial)	Other operating expenses (income) (National Resolution Fund settlement agreement)	-130	-
- Caption 300 (partial)	Taxes on income from continuing operations (Charges for integration)	-69	-60
- Caption 300 (partial)	Taxes on income from continuing operations (Effect of purchase price allocation)	-41	-60
- Caption 300 (partial)	Taxes on income from continuing operations (Resolution fund and deposit guarantee scheme)	-136	-234
- Caption 300 (partial)	Taxes on income from continuing operations (Impairment of goodwill and other intangible assets)	-	-
- Caption 320 (partial)	Income (Loss) after tax from discontinued operations (Tax)	-	-
Charges (net of tax) for integration and exit incentives		**-163**	**-142**
+ Caption 190 a) (partial)	Personnel expenses (Charges for integration and exit incentives)	-23	-15
+ Caption 190 b) (partial)	Other administrative expenses (Charges for integration)	-26	-32
+ Caption 200 b) (partial)	Net provisions for risks and charges (Charges for integration)	-	-
+ Caption 210 (partial)	Net adjustments to / recoveries on property and equipment (Charges for integration)	-38	-43
+ Caption 220 (partial)	Net adjustments to / recoveries on intangible assets (Charges for integration)	-139	-105
+ Caption 230 (partial)	Other operating expenses (income) (Charges/revenues from integration)	-6	-7
+ Caption 300 (partial)	Taxes on income from continuing operations (Charges for integration)	69	60
Effect of purchase price allocation (net of tax)		**-82**	**-126**
+ Caption 30 (partial)	Interest margin (Effect of purchase price allocation)	-46	-83
+ Caption 100 a) (partial)	Profits (Losses) on disposal or repurchase of financial assets measured at amortised cost - Loans (Effect of purchase price allocation) - (Contribution of banking business)	-35	-60
+ Caption 100 c) (partial)	Profits (Losses) on disposal or repurchase of financial liabilities (Effect of purchase price allocation) (Contribution of banking business)	-	1
+ Caption 200 b) (partial)	Net provisions for risks and charges (Effect of purchase price allocation)	-	2
+ Caption 220 (partial)	Net adjustments to/recoveries on intangible assets (Effect of purchase price allocation)	-42	-40
+ Caption 280 (partial)	Profits (Losses) on disposal of investments (Effect of purchase price allocation)	-	-6
+ Caption 300 (partial)	Taxes on income from continuing operations (Effect of purchase price allocation)	41	60
Levies and other charges concerning the banking and insurance industry (net of tax)		**-293**	**-504**
+ Caption 110 b) (partial)	Profits (Losses) on other financial assets and liabilities measured at fair value through profit or loss (b) other financial assets mandatorily measured at fair value (Charges concerning the banking industry)	-16	7
+ Caption 200 b) (partial)	Net provisions for risks and charges - Other net provisions (Contribution to the Life Insurance Guarantee Fund)	-41	-
+ Caption 190 b) (partial)	Other administrative expenses (Resolution fund and deposit guarantee scheme)	-372	-745
+ Caption 300 (partial)	Taxes on income from continuing operations (Resolution fund and deposit guarantee scheme)	136	234
Impairment (net of tax) of goodwill and other intangible assets		**-**	**-**
Caption 270	Goodwill impairment	-	-
+ Caption 300 (partial)	Taxes on income from continuing operations (Impairment of goodwill and other intangible assets)	-	-
Minority interests		**-12**	**-28**
Caption 340	Minority interests	-12	-28
Net income (loss)		**7,167**	**6,122**

Contacts

Intesa Sanpaolo S.p.A.

Registered office
Piazza San Carlo, 156
10121 Turin
Telephone: +39 011 555 1

Secondary registered office
Via Monte di Pietà, 8
20121 Milan
Telephone: +39 02 879 11

Investor Relations & Price-Sensitive Communication
Telephone: +39 02 8794 3180
Fax: +39 02 8794 3123
E-mail investor.relations@intesasanpaolo.com

Media Relations
Telephone: +39 02 8796 3845
Fax: +39 02 8796 2098
E-mail stampa@intesasanpaolo.com

Internet: group.intesasanpaolo.com

Editing and production: Agema®

MIX
Paper | Supporting responsible forestry
FSC® C003526
www.fsc.org

“*Panta Rhei*, the aphorism attributed to Heraclitus, captures my artistic ethos - that everything flows and changes, nothing stands still and that all things are in a state of flux - perfectly”.

Alfredo Pini was born in Mirandola in 1958. Despite graduating with a diploma from vocational business school, in 1985, he devoted himself entirely to his true passion in life: painting. He moved to Ferrara, where he opened the *Lacerba* art gallery, visited the studios of various artists and enrolled in a number of painting courses. This led him to connect with a number of prominent contemporary artists, including Primo Conti, Bruno Cassinari, Mario Schifano, Bruno Ceccobelli, Concetto Pozzati and Omar Galliani.

In 1987, he began exhibiting work and enrolled in the DAMS (Drama, Art and Music Studies) degree programme at the University of Bologna, whose teachers included Renato Barilli, Umberto Eco and Alfredo De Paz.

Through his work as a painter, he established increasingly close collaborative ties with various galleries in cities in Italy, Spain and the United States, where he continues to present his works in solo and group exhibitions today.

Pini is a figurative artist whose style is characterised by rapid and expressive brush-strokes that capture the movement and vitality of the subjects he depicts.

Cover:

Alfredo Pini
(Mirandola, 1958)
Landscape, 20th century
oil on canvas, 49 x 68 cm

While this piece from the Intesa Sanpaolo collection retains the artist’s signature pulsating energy, it shows him adopting a slower and more reflective approach. Featuring stunning mountains with patches of snow in the background and a light blue sky populated with white clouds, which - much like the cerulean blue vein-like stream coursing down the mountainside - provides a subtle hint that spring is imminent, this landscape painting depicts a natural setting that, while imposing, is not oppressive.

Enlivened by small touches of colour provided by the cloths hung out to dry in the open air and the bell tower of the small church flanked by soaring green conifers, the small village in the middle of the composition is painted with heart-felt affection. Here, a quiet rural community reliant on hard work and household tasks lives and breathes.

A lone figure, portrayed from behind, ascends a white path cutting through the middle of a grassy expanse caressed by the wind and sun.

In this painting, there is a sense of a memory evoking a simple, tranquil and almost meditative life created by brush-strokes that, in contrast to the excitable and synthetic ones of the artist’s best-known works, are vibrant yet robust. The “flux” captured in this work is not that synonymous with the hectic, breakneck pace of the modern cities that Alfredo Pini often depicts on his canvases, but rather a slow and natural one that conveys the passing of the seasons and our ancient relationship with planet Earth.