

## **PRESS RELEASE**

### **INTESA SANPAOLO: CONSOLIDATED RESULTS AS AT 31 DECEMBER 2020**

RESULTS FOR 2020 CONFIRM INTESA SANPAOLO'S ABILITY TO EFFECTIVELY FACE THE CHALLENGING AFTERMATH OF THE COVID-19 EPIDEMIC. THEY REFLECT THE GROUP'S SUSTAINABLE PROFITABILITY, WHICH DERIVES FROM A SOLID CAPITAL BASE AND A STRONG LIQUIDITY POSITION, A RESILIENT AND WELL-DIVERSIFIED BUSINESS MODEL, AND THE STRATEGIC FLEXIBILITY IN MANAGING OPERATING COSTS. SUBSTANTIAL NPL DELEVERAGING HAS FURTHER REDUCED INTESA SANPAOLO'S LOW RISK PROFILE BOLSTERING THE SUPPORT PROVIDED TO ITALY BY THE GROUP, WHICH IS ALSO COMMITTED TO BECOMING A REFERENCE MODEL IN TERMS OF SUSTAINABILITY AND SOCIAL AND CULTURAL RESPONSIBILITY.

VALUE GENERATION FOR ALL STAKEHOLDERS WILL BE ACCRETED BY THE COMBINATION WITH UBI BANCA, WITH SYNERGIES HIGHER THAN ORIGINAL ESTIMATES, AND BY MORE THAN €6 BILLION OUT OF PRE-TAX PROFIT DEVOTED BY THE GROUP IN 2020 TO FURTHER STRENGTHENING THE SUSTAINABILITY OF RESULTS AND ALLOCATED ON PROVISIONS FOR FUTURE COVID-19 IMPACTS, INCREASE IN THE COVERAGE RATIO OF UBI BANCA LOANS, AND INTEGRATION CHARGES.

INTESA SANPAOLO'S INITIATIVES TO FACE THE COVID-19 IMPACTS:

- PROVIDING SAFE CONDITIONS FOR THE GROUP PEOPLE AND CUSTOMERS;
- SUPPORTING HEALTHCARE INITIATIVES WITH MORE THAN €100 MILLION DONATED;
- PROVIDING €125 MILLION FROM THE FUND FOR IMPACT (EQUAL TO 50%) TO REDUCE SOCIO-ECONOMIC DISTRESS;
- FIRST BANK IN ITALY TO SUSPEND MORTGAGE AND LOAN INSTALMENTS EVEN BEFORE THE REGULATION CAME INTO FORCE (SUSPENSIONS OF PAYMENTS FOR €73 BILLION APPROVED TO DATE, €95 BILLION INCLUDING UBI BANCA), AND TO SIGN THE COLLABORATION PROTOCOL WITH SACE, THUS PROVIDING IMMEDIATE SUPPORT TO ENTERPRISES UNDER THE LIQUIDITY DECREE (€30 BILLION INCLUDING THE SME FUND GRANTED TO DATE, €35 BILLION INCLUDING UBI BANCA);
- UP TO €50 BILLION IN NEW LOANS MADE AVAILABLE TO ENTERPRISES AND PROFESSIONALS TO PROTECT JOBS AND MANAGE PAYMENTS DURING THE EMERGENCY.

THE TRENDS OF THE NEW ENVIRONMENT FIND INTESA SANPAOLO FULLY EQUIPPED, THANKS TO THE GROUP'S COMPETITIVE ADVANTAGES:

- LEADERSHIP IN WEALTH MANAGEMENT & PROTECTION AND STRONGER POSITIONING IN THE HEALTH INSURANCE SECTOR THROUGH RBM;
- EFFECTIVE PROACTIVE CREDIT MANAGEMENT (PULSE) AND GROUP'S STRATEGIC PARTNERSHIPS WITH LEADING NPL INDUSTRIAL PLAYERS;
- STRONG DIGITAL PROPOSITION, WITH AROUND 10.3 MILLION MULTICHANNEL CUSTOMERS (OVER 12 MILLION INCLUDING UBI BANCA) AND AROUND 6.5 MILLION CUSTOMERS USING THE INTESA SANPAOLO APP (OVER 7 MILLION INCLUDING THE UBI BANCA APP), AND STRATEGIC PARTNERSHIP WITH NEXI IN RESPECT OF PAYMENT SYSTEMS;
- AROUND 65,500 GROUP PEOPLE IN SMART WORKING (AROUND 80,500 INCLUDING UBI BANCA) AND OPTIMISATION OF THE DISTRIBUTION MODEL WITH BRANCH RATIONALISATION, THE BANCA 5 - SISALPAY STRATEGIC PARTNERSHIP (MOONEY), AND MOST CUSTOMERS WHO WILL BE SERVED THROUGH ALTERNATIVE CHANNELS;
- LEADERSHIP IN INCLUSION IN SUSTAINABILITY INDICES AND ESG INTERNATIONAL ASSESSMENTS.

THE CAPITAL POSITION WAS SOLID AND WELL ABOVE REGULATORY REQUIREMENTS. PRO-FORMA FULLY LOADED COMMON EQUITY TIER 1 RATIO WAS 15.4% DEDUCTING DIVIDENDS PROPOSED FOR 2020 FROM CAPITAL, 16.9% EXCLUDING THE ACQUISITION OF UBI BANCA, 15.9% WHEN INCLUDING THE ACQUISITION OF UBI BANCA BUT EXCLUDING ASSETS OF THE GOING CONCERN TO BE SOLD TO BPER BANCA.

2020 STATED NET INCOME WAS €3,277 MILLION. PROPOSED CASH DIVIDENDS AMOUNT TO €694 MILLION, THE MAXIMUM DISTRIBUTABLE AMOUNT ACCORDING TO THE ECB RECOMMENDATION.

2020 NET INCOME WAS €3,505 MILLION EXCLUDING THE ITEMS RELATED TO THE ACQUISITION OF UBI BANCA, CONSISTING OF THE EFFECT OF THE PURCHASE PRICE ALLOCATION (INCLUDING NEGATIVE GOODWILL) AND INTEGRATION CHARGES, AND THE ACCOUNTING IMPACT OF THE RELATED GOODWILL IMPAIRMENT OF THE BANCA DEI TERRITORI DIVISION.

EXCLUDING ALSO THE FIVE-MONTH CONTRIBUTION OF UBI BANCA, 2020 NET INCOME WAS €3,083 MILLION, EXCEEDING THE TARGET OF AROUND €3 BILLION MINIMUM NET INCOME SET FOR 2020. EXCLUDING ALSO €2,164 MILLION IN LOAN ADJUSTMENTS FOR FUTURE COVID-19 IMPACTS, NET INCOME WAS €4,539 MILLION (UP AROUND 9% ON 2019).

EXCLUDING THE CONTRIBUTION OF UBI BANCA AND ADJUSTMENTS FOR FUTURE COVID-19 IMPACTS, GROSS INCOME IN 2020 WAS UP AROUND 10% ON 2019. THIS WAS ALSO DUE TO THE RECOVERY, IN THE SECOND HALF OF 2020, IN NET INTEREST INCOME AND, ABOVE ALL, NET FEE AND COMMISSION INCOME, UP AROUND 2% AND 11% RESPECTIVELY ON THE FIRST HALF OF THE YEAR, AND TO OPERATING COSTS DOWN 3.4% IN 2020, WITH A COST/INCOME OF 52.2%.

CREDIT QUALITY IMPROVED. EXCLUDING THE CONTRIBUTION OF UBI BANCA, GROSS NPLs WERE REDUCED BY 34.6% ON YEAR-END 2019 AND BY AROUND €32 BILLION SINCE THE END OF 2017 EXCEEDING BY AROUND €6 BILLION THE €26 BILLION DELEVERAGING TARGET SET FOR THE ENTIRE FOUR-YEAR PERIOD OF THE 2018-2021 BUSINESS PLAN. NPL RATIO WAS 4.9% GROSS AND 2.6% NET (4.4% AND 2.3% INCLUDING THE CONTRIBUTION OF UBI BANCA). COST OF RISK IN 2020 WAS AT 50 BASIS POINTS EXCLUDING THE IMPACT OF LOAN ADJUSTMENTS FOR FUTURE COVID-19 IMPACTS (EQUIVALENT TO 54 BASIS POINTS).

INTESA SANPAOLO CONTINUES TO OPERATE AS A GROWTH ACCELERATOR IN THE REAL ECONOMY IN ITALY. IN 2020, MEDIUM/LONG-TERM NEW LENDING GRANTED BY THE GROUP TO ITALIAN HOUSEHOLDS AND BUSINESSES AMOUNTED TO AROUND €77 BILLION (AROUND €95 BILLION INCLUDING UBI BANCA). IN 2020, THE GROUP FACILITATED THE RETURN TO PERFORMING STATUS OF AROUND 11,500 COMPANIES, THUS SAFEGUARDING AROUND 57,000 JOBS. THIS BROUGHT THE TOTAL TO AROUND 123,000 COMPANIES SINCE 2014, WITH AROUND 616,000 JOBS SAFEGUARDED OVER THE SAME PERIOD.

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

- INITIATIVES TO REDUCE CHILD POVERTY AND SUPPORT PEOPLE IN NEED, DELIVERING, SINCE 2018, AROUND 16.1 MILLION MEALS, 994,000 DORMITORY BEDS, 228,000 MEDICINE PRESCRIPTIONS AND 178,000 ITEMS OF CLOTHING;
- SUPPORT PROVIDED TO HOUSEHOLDS AND ENTERPRISES WHO HAVE BEEN VICTIMS OF NATURAL DISASTERS, BY GRANTING, IN 2020, AROUND 300 MORATORIA FOR AROUND €500 MILLION OF RESIDUAL LOANS AND SUBSIDISED LOANS OF AROUND €163 MILLION (AROUND €497 MILLION SINCE 2018);
- THE FUND FOR IMPACT, WITH €90.6 MILLION GRANTED BY PER MERITO (THE FIRST LINE OF CREDIT WITHOUT COLLATERAL DEDICATED TO ALL ITALIAN UNIVERSITY STUDENTS) SINCE ITS LAUNCH, THE LAUNCH, IN JULY 2020, OF MAMMA@WORK (A SUBSIDISED LOAN TO BALANCE MOTHERHOOD AND WORK) AND, IN AUGUST 2020, OF XME STUDIOSTATION (LOANS TO FAMILIES TO SUPPORT DISTANCE LEARNING, WITH €1.2 MILLION GRANTED IN 2020);
- A €5 BILLION CIRCULAR ECONOMY CREDIT PLAFOND TO SUPPORT SUSTAINABLE DEVELOPMENT (RAISED TO €6 BILLION WITH UBI BANCA), WITH €2.2 BILLION ALREADY DISBURSED (AROUND €1,470 MILLION IN 2020); S-LOAN TO IMPROVE SMES' SUSTAINABILITY PROFILE (A €2 BILLION PLAFOND ALLOCATED AS PART OF THE €50 BILLION IN LENDING DEDICATED TO THE GREEN ECONOMY, WITH AROUND €130 MILLION GRANTED IN 2020);
- IN 2020, AROUND 1,400 START-UPS EVALUATED (AROUND 2,650 SINCE 2018) IN EIGHT ACCELERATION PROGRAMS WITH 155 COACHED START-UPS (AROUND 390 SINCE 2018);
- GIOVANI E LAVORO PROGRAM UNDERWAY AIMED AT INTRODUCING 5,000 YOUNG PEOPLE TO THE ITALIAN LABOUR MARKET: IN 2020, AROUND 5,800 YOUNG PEOPLE APPLIED TO THE PROGRAM (OVER 15,000 SINCE 2019), AROUND 1,700 STUDENTS WERE INTERVIEWED AND AROUND 740 STUDENTS TRAINED / IN TRAINING THROUGH 33 COURSES, WITH AROUND 1,400 COMPANIES INVOLVED SINCE THE LAUNCH OF THE PROGRAM (OVER 3,500 STUDENTS INTERVIEWED AND AROUND 1,500 TRAINED / IN TRAINING SINCE 2019);
- EXHIBITIONS OPENED AFTER THE FIRST LOCKDOWN AND CLOSED ON 3 NOVEMBER DUE TO THE COVID EMERGENCY (*TIEPOLO* IN MILAN, *LIBERTY* IN NAPLES, AND *FUTURO* IN VICENZA), LIVE STREAMING INAUGURATION OF *TIEPOLO* (WHICH HAS BECOME A VIRTUAL TOUR ALLOWING THE PUBLIC TO ACCESS THE EXHIBITION ON LINE) AND *MA NOI RICOSTRUIREMO* AT GALLERIE D'ITALIA IN MILAN, PARTNERSHIP WITH *ARTISSIMA* IN TURIN (WITH THE *FOLLE* DIGITAL EXHIBITION, WITH PHOTOS FROM INTESA SANPAOLO'S *ARCHIVIO PUBLIFOTO*, BROADCAST ON *ARTISSIMA.ART*), LIVE STREAMING CONFERENCES ON THE ROLE OF CULTURAL HERITAGE AS A STRATEGIC ASSET FOR SUSTAINABLE DEVELOPMENT, IN COLLABORATION WITH NATIONAL NEWSPAPER *IL FOGLIO* AND *ANSA*.

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- **ROBUST NET INCOME IN 2020:**
    - **STATED NET INCOME: €3,277M**
    - **EXCLUDING THE ITEMS RELATED TO THE ACQUISITION OF UBI BANCA <sup>(\*)</sup> AND THE ACCOUNTING IMPACT OF THE RELATED GOODWILL IMPAIRMENT <sup>(\*\*)</sup>: €3,505M**
    - **EXCLUDING ALSO THE FIVE-MONTH CONTRIBUTION OF UBI BANCA: €3,083M VS €4,182M IN 2019**
    - **EXCLUDING, IN ADDITION, LOAN ADJUSTMENTS FOR FUTURE COVID-19 IMPACTS: €4,539M, UP AROUND 9% ON 2019**
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- **GROSS INCOME IN 2020 UP AROUND 10% ON 2019 <sup>(°)</sup> EXCLUDING LOAN ADJUSTMENTS FOR FUTURE COVID-19 IMPACTS**
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- **RECOVERY IN NET INTEREST INCOME AND, ABOVE ALL, NET FEE AND COMMISSION INCOME IN THE SECOND HALF OF 2020, UP AROUND 2% AND 11% RESPECTIVELY ON THE FIRST HALF OF 2020 <sup>(°)</sup>**
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- **OPERATING COSTS DOWN 3.4% ON 2019 <sup>(°)</sup>**
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- **IMPROVEMENT IN CREDIT QUALITY TREND <sup>(°)</sup>:**

- **DECREASE IN NPLs**
    - **GROSS NPL REDUCTION: AROUND €32BN SINCE DECEMBER 2017 AND AROUND €44BN SINCE THE SEPTEMBER 2015 PEAK**
    - **NPL STOCK DOWN 34.6% GROSS AND 27.3% NET ON YEAR-END 2019; NPL TO TOTAL LOAN RATIO OF 4.9% GROSS AND 2.6% NET, 4.4% AND 2.3% RESPECTIVELY INCLUDING THE CONTRIBUTION OF UBI BANCA**
  - **COST OF RISK AT 50 BASIS POINTS IN 2020 EXCLUDING THE IMPACT OF LOAN ADJUSTMENTS FOR FUTURE COVID-19 IMPACTS (EQUIVALENT TO 54 BASIS POINTS)**
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- **SOLID CAPITAL POSITION, WELL ABOVE REGULATORY REQUIREMENTS:**

- **COMMON EQUITY TIER 1 RATIO AS AT 31 DECEMBER 2020, AFTER THE DEDUCTION FROM CAPITAL OF €694M OF DIVIDENDS PROPOSED FOR 2020, OF**
  - **15.4% PRO-FORMA FULLY LOADED <sup>(1)</sup> <sup>(2)</sup>, 16.9% EXCLUDING THE ACQUISITION OF UBI BANCA, 15.9% INCLUDING THE ACQUISITION OF UBI BANCA BUT EXCLUDING ASSETS OF THE GOING CONCERN TO BE SOLD TO BPER BANCA**
  - **14.7% PHASED-IN <sup>(2)</sup> <sup>(\*)</sup>, 16.5% EXCLUDING THE ACQUISITION OF UBI BANCA, 15.3% INCLUDING THE ACQUISITION OF UBI BANCA BUT EXCLUDING ASSETS OF THE GOING CONCERN TO BE SOLD TO BPER BANCA**

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(\*) Effect of the purchase price allocation (including negative goodwill), determined following the outcome of the PPA (Purchase Price Allocation) procedure, and integration charges.

(\*\*) Write-off of goodwill of the Banca dei Territori Division, also related to the increase in the accounting value of the Division following the integration with UBI Banca.

(°) Excluding the contribution of UBI Banca, consolidated from the third quarter of 2020.

(1) Estimated by applying the fully loaded parameters to the financial statements as at 31 December 2020, taking into account the total absorption of deferred tax assets (DTAs) related to goodwill realignment, loan adjustments, the first time adoption of IFRS 9 and the non-taxable public cash contribution of €1,285m covering the integration and rationalisation charges relating to the acquisition of the Aggregate Set of Banca Popolare di Vicenza and Veneto Banca, as well as the expected absorption of DTAs on losses carried forward and DTAs on the acquisition of UBI Banca, deriving from PPA, integration charges and the sale of the going concern to BPER Banca, and the expected distribution of the 2020 net income of insurance companies.

(2) After the deduction of dividends proposed for 2020 and the coupons accrued on the Additional Tier 1 issues.

(\*) Equal to 14% excluding the mitigation of the impact of the first time adoption of IFRS 9, 15.7% excluding also the acquisition of UBI Banca. Equal to 14.6% excluding the mitigation of the impact of the first time adoption of IFRS 9 and including the acquisition of UBI Banca but excluding assets of the going concern to be sold to BPER Banca.

**HIGHLIGHTS:**

<b>OPERATING INCOME <sup>(°)</sup>:</b>	Q4 2020 2020	4.1% -4.2%	€4,251M FROM €4,083M IN Q3 2020 €17,409M FROM €18,167M IN 2019
<b>OPERATING COSTS <sup>(°)</sup>:</b>	Q4 2020 2020	13.3% -3.4%	€2,487M FROM €2,196M IN Q3 2020 €9,086M FROM €9,407M IN 2019
<b>OPERATING MARGIN <sup>(°)</sup>:</b>	Q4 2020 2020	-6.5% -5%	€1,764M FROM €1,887M IN Q3 2020 €8,323M FROM €8,760M IN 2019
<b>GROSS INCOME <sup>(°)</sup>:</b>	Q4 2020 2020	€196M €5,052M	FROM €997M IN Q3 2020 FROM €6,560M IN 2019
<b>NET INCOME:</b>	Q4 2020	€-3,099M €10M	FROM €507M IN Q3 2020, EXCLUDING THE ITEMS RELATED TO THE ACQUISITION OF UBI BANCA <sup>(°)</sup> , THE ACCOUNTING IMPACT OF THE RELATED GOODWILL IMPAIRMENT <sup>(**)</sup> , AND THE CONTRIBUTION OF UBI BANCA
	2020	€3,277M €3,083M	FROM €4,182M IN 2019, EXCLUDING THE ITEMS RELATED TO THE ACQUISITION OF UBI BANCA <sup>(***)</sup> , THE ACCOUNTING IMPACT OF THE RELATED GOODWILL IMPAIRMENT <sup>(**)</sup> , AND THE CONTRIBUTION OF UBI BANCA
<b>CAPITAL RATIOS:</b>	COMMON EQUITY TIER 1 RATIO AFTER DIVIDENDS PROPOSED:		
	15.4%	PRO-FORMA FULLY LOADED <sup>(3)</sup> <sup>(4)</sup> , 16.9% EXCLUDING THE ACQUISITION OF UBI BANCA, 15.9% INCLUDING THE ACQUISITION OF UBI BANCA BUT EXCLUDING ASSETS OF THE GOING CONCERN TO BE SOLD TO BPER BANCA	
	14.7%	PHASED-IN <sup>(4)</sup> <sup>(5)</sup> , 16.5% EXCLUDING THE ACQUISITION OF UBI BANCA, 15.3% INCLUDING THE ACQUISITION OF UBI BANCA BUT EXCLUDING ASSETS OF THE GOING CONCERN TO BE SOLD TO BPER BANCA	

(°) Excluding the five-month contribution of UBI Banca, consolidated from the third quarter of 2020.

(\*) Effect of the purchase price allocation (including negative goodwill), determined following the outcome of the PPA (Purchase Price Allocation) procedure, and integration charges in Q4 2020; provisional negative goodwill in Q3 2020.

(\*\*) Write-off of goodwill of the Banca dei Territori Division, also related to the increase in the accounting value of the Division following the integration with UBI Banca.

(\*\*\*) Effect of the purchase price allocation (including negative goodwill), determined following the outcome of the PPA (Purchase Price Allocation) procedure, and integration charges.

(3) Estimated by applying the fully loaded parameters to the financial statements as at 31 December 2020, taking into account the total absorption of deferred tax assets (DTAs) related to goodwill realignment, loan adjustments, the first time adoption of IFRS 9 and the non-taxable public cash contribution of €1,285m covering the integration and rationalisation charges relating to the acquisition of the Aggregate Set of Banca Popolare di Vicenza and Veneto Banca, as well as the expected absorption of DTAs on losses carried forward and DTAs on the acquisition of UBI Banca, deriving from PPA, integration charges and the sale of the going concern to BPER Banca, and the expected distribution of the 2020 net income of insurance companies.

(4) After the deduction of dividends proposed for 2020 and the coupons accrued on the Additional Tier 1 issues.

(5) Equal to 14% excluding the mitigation of the impact of the first time adoption of IFRS 9, 15.7% excluding also the acquisition of UBI Banca. Equal to 14.6% excluding the mitigation of the impact of the first time adoption of IFRS 9 and including the acquisition of UBI Banca but excluding assets of the going concern to be sold to BPER Banca.

*Turin - Milan, 5 February 2021* – At its meeting today, the Board of Directors of Intesa Sanpaolo approved both parent company and consolidated results for the year ended 31 December 2020<sup>(6)</sup>.

**Results for 2020 confirm Intesa Sanpaolo’s ability to effectively face the challenging aftermath of the COVID-19 epidemic.** They reflect the Group’s sustainable profitability, which derives from a **solid capital base and a strong liquidity position**, a **resilient and well-diversified business model** and the **strategic flexibility in managing operating costs**. **Substantial NPL deleveraging** achieved in the last three years, above all in 2020, has further reduced Intesa Sanpaolo’s low risk profile bolstering **the support provided to Italy by the Group**, which is also committed to **becoming a reference model in terms of sustainability and social and cultural responsibility**.

**Value generation for all stakeholders will be accreted by the combination with UBI Banca and by more than €6 billion out of pre-tax profit devoted by the Group in 2020 to further strengthening the sustainability of results** and allocated on provisions for future COVID-19 impacts, increase in the coverage ratio of UBI Banca loans through the PPA (Purchase Price Allocation) procedure, and integration charges. The integration of UBI Banca, with no social costs, is well under way and ahead of original plan, making it possible to estimate **higher synergies** than those foreseen when the Public Purchase and Exchange Offer was launched.

**The trends of the new environment find Intesa Sanpaolo fully equipped thanks to the Group’s competitive advantages:**

- growing **demand for health, wealth and business protection: Intesa Sanpaolo leadership in Wealth Management & Protection** and stronger positioning in the **health** insurance sector enhanced through the acquisition of RBM;
- **riskier environment: effective proactive credit management** (Pulse) and Group’s **strategic partnerships** with leading NPL industrial players; **Intesa Sanpaolo ranked first among Italian corporates in the “Cyber Resilience amid a Global Pandemic” competition**, organised by AIPSA (Italian Association of Corporate Security Professionals);
- **customer digitalisation: top positioning in Europe for mobile app functionalities** and Group’s **strong digital proposition**, with around **10.3 million multichannel customers** (over 12 million including UBI Banca) and around **6.5 million customers using the Intesa Sanpaolo App** (over 7 million including the UBI Banca App), and **strategic partnership with Nexi in respect of payment systems** (shareholding in the Nexi capital);
- **digital way of working: already around 65,500 Group people in smart working** (around 80,500 including UBI Banca) and **optimisation of the distribution model with over 1,000 branches rationalised** since 2018 and further possible branch reduction following the acquisition of UBI Banca, the Banca 5 - SisalPay strategic partnership (Mooney), and changes in customer behaviour brought about by COVID-19 with most customers who will continue to be served by the Group via its high-quality alternative channels;

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(6) Methodological note on the scope of consolidation on page 27.

- growing **importance of sustainability and social responsibility (ESG)**: Intesa Sanpaolo is the **only Italian bank listed in the Dow Jones Sustainability Indices** and in the **Corporate Knights - 2021 Global 100 Most Sustainable Corporations in the World Index**, ranks **first among European banks** by MSCI, Sustainalytics, and Bloomberg ESG Disclosure Score, **three of the top ESG international assessments**. Furthermore, Intesa Sanpaolo is **included in the Bloomberg Gender-Equality Index (GEI)**, recording for 2021 a score well above the average of the global financial sector and that of Italian companies, and **is the only Italian bank included in the Refinitiv Diversity & Inclusion Index**, which selects the world's top 100 listed companies in terms of diversity and inclusion.

In 2020, the Group recorded:

- **stated net income at €3,277m and net income at:**
  - **€3,505m excluding**
    - **the positive balance of the items related to the acquisition of UBI Banca** (equal to €684m), consisting of the **positive effect of the purchase price allocation** of €2,062m net of tax (including negative goodwill), determined following the outcome of the PPA (Purchase Price Allocation) procedure which included around €2.1bn before tax in loan adjustments, and **integration charges** of €1,378m net of tax (around €2bn before tax, of which around €1.3bn relating to **over 7,200 voluntary exits by 2023**, against which 3,500 hires are planned by the first half of 2024),
    - **the accounting impact of the related write-off of goodwill of the Banca dei Territori Division** (equal to €912m), also in relation to the increase in the accounting value of the Division following the integration with UBI Banca,
  - **€3,083m excluding also the five-month contribution of UBI Banca** (equal to €422m), compared with €4,182m in 2019, **exceeding the minimum net income of around €3bn envisaged for 2020**,
  - **€4,539m when excluding also loan adjustments for future COVID-19 impacts** (equal to €2,164m), **up around 9% on the 2019 net income**;
- **growth in gross income**, up around 10% on 2019 <sup>(°)</sup> **when excluding loan adjustments for future COVID-19 impacts**, also due to the **recovery, in the second half of 2020, in net interest income and, above all, net fee and commission income**, which grew around 2% and 11% respectively on the first half of the year;
- **reduction in operating costs**, down 3.4% on 2019 <sup>(°)</sup>;
- **high efficiency** highlighted by a **cost/income of 52.2%** in 2020 excluding the UBI Banca contribution and 52.4% including it – **a level that puts Intesa Sanpaolo in the top tier amongst European peers**;

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(°) Excluding the contribution of UBI Banca, consolidated from the third quarter of 2020.

- **cost of risk** in 2020 <sup>(°)</sup> at **50bps excluding the impact of adjustments for future COVID-19 impacts** (equivalent to 54bps), below the 53bps of 2019;
- **improving credit quality:**
  - **gross reduction in NPLs** <sup>(°)</sup> <sup>(\*)</sup> was around **€10.8bn in 2020**, around **€44bn since the September 2015 peak**, and around **€32bn since December 2017 exceeding one year early**, and by around **€6bn**, the **deleveraging target of around €26bn set for the entire four-year period of the 2018-2021 Business Plan**;
  - **NPL stock, in December 2020** <sup>(°)</sup> <sup>(\*)</sup>, **decreased 34.6% gross and 27.3% net on December 2019**;
  - **NPL to total loan ratio in December 2020 was 4.9% gross and 2.6% net excluding the contribution of UBI Banca, and 4.4% and 2.3% respectively including it** <sup>(\*\*)</sup>. Based on the EBA methodology, **gross NPL ratio stood at 4.2% excluding the contribution of UBI Banca and at 3.7% including it**.
- **sizeable NPL coverage:**
  - **NPL cash coverage ratio was 49.4%** at the end of December 2020 **excluding the contribution of UBI Banca (48.6% including it)**, with a **cash coverage ratio of 58.8% for the bad loan component excluding the contribution of UBI Banca (58.3% including it)**;
  - **robust reserve buffer on performing loans** amounted to **0.6%** at the end of December 2020 whether or not the contribution of UBI Banca is included;

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<sup>(°)</sup> Excluding the contribution of UBI Banca, consolidated from the third quarter of 2020.

<sup>(\*)</sup> NPLs at year-end 2020 did not include portfolios classified as ready to be sold, accounted under non-current assets held for sale and discontinued operations, equal to around €3.2bn gross and €0.5bn net excluding the contribution of UBI Banca.

<sup>(\*\*)</sup> NPLs at year-end 2020 did not include portfolios classified as ready to be sold, accounted under non-current assets held for sale and discontinued operations. Excluding the contribution of UBI Banca, these were equal to around €3.2bn gross and €0.5bn net; including the contribution, to around €5.4bn gross post PPA (of which €1.5bn related to the going concern to be sold to BPER Banca) and €2.1bn net (of which €0.9bn related to the going concern to be sold to BPER Banca).

- **very solid capital position**, with capital ratios well above regulatory requirements. As at 31 December 2020, after the deduction from capital of €694m of the proposed dividends, the **pro-forma fully loaded Common Equity Tier 1 ratio** came in at **15.4%** <sup>(7)</sup> <sup>(8)</sup>, at **16.9%** excluding the acquisition of UBI Banca and at **15.9%** including the acquisition of UBI Banca but excluding assets of the going concern to be sold to BPER Banca – one of the **highest levels amongst major European banks** – and the Common Equity Tier 1 ratio calculated by applying the transitional arrangements for 2020 came in at 14.7% <sup>(8)</sup> <sup>(9)</sup>, at 16.5% excluding the acquisition of UBI Banca and at 15.3% including the acquisition of UBI Banca but excluding assets of the going concern to be sold to BPER Banca. The aforementioned ratios compare with the SREP requirement for 2020, comprising Capital Conservation Buffer, O-SII Buffer and Countercyclical Capital Buffer <sup>(10)</sup>, which set the fully loaded Common Equity Tier 1 ratio at 8.63% and the phased-in Common Equity Tier 1 ratio at 8.44% applying the new regulatory measure, introduced by the ECB and effective from 12 March 2020, that establishes the partial use of capital instruments that do not qualify as Common Equity Tier 1 to meet the Pillar 2 requirement.
- **strong liquidity position and funding capability** <sup>(°)</sup>, with **liquid assets of €243bn** (€289bn including the contribution of UBI Banca) and **available unencumbered liquid assets of €164bn** (€195bn including the contribution of UBI Banca) **at the end of December 2020. The Basel 3 Liquidity Coverage Ratio and Net Stable Funding Ratio requirements have been comfortably complied with.** The refinancing operations with the ECB to optimise the cost of funding and support businesses in their investment amounted to around €70.9bn as at 31 December 2020 (around €82.9bn including the contribution of UBI Banca) and consisted entirely of TLTROs III.
- **support provided to the real economy** <sup>(°)</sup>, with around **€87bn of medium/long-term new lending** in 2020 (around €105bn including UBI Banca). **Loans** amounting to around **€77bn** were granted **in Italy** (around €95bn including UBI Banca), of which around **€63bn was granted to households and SMEs. In 2020, the Group facilitated the return from non-performing to performing status of around 11,500 Italian companies, thus safeguarding around 57,000 jobs.** This brought the total to around **123,000 companies since 2014, with around 616,000 jobs safeguarded over the same period.**

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(°) Excluding the contribution of UBI Banca, consolidated from the third quarter of 2020.

(7) Estimated by applying the fully loaded parameters to the financial statements as at 31 December 2020, taking into account the total absorption of deferred tax assets (DTAs) related to goodwill realignment, loan adjustments, the first time adoption of IFRS 9 and the non-taxable public cash contribution of €1,285m covering the integration and rationalisation charges relating to the acquisition of the Aggregate Set of Banca Popolare di Vicenza and Veneto Banca, as well as the expected absorption of DTAs on losses carried forward and DTAs on the acquisition of UBI Banca, deriving from PPA, integration charges and the sale of the going concern to BPER Banca, and the expected distribution of the 2020 net income of insurance companies.

(8) After the deduction of dividends proposed for 2020 and the coupons accrued on the Additional Tier 1 issues.

(9) Equal to 14% excluding the mitigation of the impact of the first time adoption of IFRS 9, 15.7% excluding also the acquisition of UBI Banca. Equal to 14.6% excluding the mitigation of the impact of the first time adoption of IFRS 9 and including the acquisition of UBI Banca but excluding assets of the going concern to be sold to BPER Banca.

(10) Countercyclical Capital Buffer calculated taking into account the exposures as at 31 December 2020 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 the 2020-2021 period, where available, or the most recent update of the reference period (requirement was set at zero per cent in Italy for 2020 and Q1 2021).



- **sustainability and social and cultural responsibility** <sup>(°)</sup> which, in the presence of solid financials, translated into the actions shown below, carried out by the Group in Italy:
  - initiatives to **reduce child poverty and support people in need** delivering, since 2018, around **16.1 million meals**, around **994,000 dormitory beds**, around **228,000 medicine prescriptions** and around **178,000 items of clothing**;
  - **support provided to households and enterprises affected by earthquakes and natural disasters, by forgiving mortgages or granting moratoria of mortgages** on damaged properties, with around 300 moratoria in 2020 for around €500m of residual loans, and providing subsidised loans of around €163m in 2020 (around €497m since 2018);
  - **Ecobonus: Intesa Sanpaolo ready to buy tax credits** supporting households, condominiums and businesses with modular and flexible solutions, so that they may benefit from the 110% deduction for expenses relating to energy efficiency and reduction measures of seismic risk;
  - **launch of the Fund for Impact** in Q4 2018, enabling lending of around €1.2bn (raised to around €1.5bn after the acquisition of UBI Banca) to categories that otherwise would have difficulties in accessing credit, despite their potential; launch of the first line of credit without collateral dedicated to all Italian university students studying in Italy or abroad (*Per Merito*), with €51.5m granted in 2020 and €90.6m granted since its launch at the beginning of 2019; launch, in July 2020, of **MAMMA@WORK**, a highly subsidised loan to balance motherhood and work during children's early years of life; launch, in August 2020, of **XME StudioStation**, loans to families to support distance learning (€1.2m granted in 2020); two initiatives announced in January 2020 to support **working mothers in India and people over the age of 50 who have lost their jobs or have difficulties in accessing pension schemes**;
  - a **€5bn Circular Economy credit Plafond** for the period 2018-2021 (raised to **€6bn** with the acquisition of UBI Banca) to support **sustainable development**: since its launch, **€2.2bn** has been already disbursed (around €1,470m in 2020); **the first Sustainability Bond launched** in November 2019, **focused on the Circular Economy** (for an amount of €750m);
  - **new loans for €50bn available to the green economy** to contribute to the realisation of the European green deal in Italy;
  - **S-Loan**, an Intesa Sanpaolo innovative solution launched in July 2020 and targeted at SMEs in order to finance projects to improve their sustainability profile. A **€2bn plafond has been allocated** for S-Loan as part of the aforementioned €50bn dedicated to the green economy. These loans will have a reduced interest rate subject to the monitoring of two ESG KPIs which must be reported in the annual report of the financed enterprises (around €130m granted in 2020).
  - in 2020, **around 1,400 start-ups evaluated** (around 2,650 since 2018) in **eight acceleration programs with 155 coached start-ups** (around 390 since 2018), and introduced to selected investors and ecosystem players (around 5,600 to date);

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(°) Excluding the contribution of UBI Banca, consolidated from the third quarter of 2020.

- the Intesa Sanpaolo *Giovani e Lavoro* program underway, in partnership with Generation, aimed at **training and introducing 5,000 young people to the Italian labour market over a three-year period**: around 5,800 young people, aged 18-29, applied to the program in 2020 (over 15,000 since 2019), around 1,700 students were interviewed and around 740 trained / in training through 33 courses in 2020 (over 3,500 students interviewed and around 1,500 trained / in training since 2019), with around 1,400 companies involved since the launch of the program;
  - the **P-Tech initiative** in partnership with IBM, with the objective of training young professionals in the field of new digital jobs, involving 20 Intesa Sanpaolo people in mentoring activities for 40 young professionals;
  - exhibitions opened after the first lockdown and closed on 3 November due to the COVID emergency (*Tiepolo* in Milan, *Liberty* in Naples, and *Futuro* in Vicenza); the live streaming inauguration of *Tiepolo* reached over 561,000 users, 318,000 views of the video and 13,000 interactions, and that of the *Ma noi Ricostruiremo* exhibition at Gallerie d'Italia in Milan (photos from Intesa Sanpaolo's *Archivio Publifoto*) reached 400,000 users, over 250,000 views of the video and 19,000 interactions; *Tiepolo* has become a virtual tour (22,000 visits and around 9,700 views) allowing the public to access the exhibition on line; Intesa Sanpaolo is partner of *Artissima* in Turin, one of the major international fairs of contemporary art, and the *Folle* digital exhibition, part of the "unplugged" edition of *Artissima 2020*, with photos from Intesa Sanpaolo's *Archivio Publifoto* was broadcast on *artissima.art* reaching over 11,000 views; live streaming conferences were held on the role of cultural heritage as a strategic asset for sustainable development, produced in collaboration with national newspaper *Il Foglio* and the broadcast partnership of ANSA (1.7 million users, over 1.2 million views of the video and over 15,000 interactions).
- **Group's economic and social initiatives to face the COVID-19 impacts**, implemented to date, specifically <sup>(°)</sup>:
    - **safe conditions for the Group people and customers**, in particular with around **65,500 people working from home** (around 80,500 including UBI Banca), around **100% of branches opened and fully operational** (by appointment) and **business continuity** ensured by the effective multichannel bank model (via the online branch, internet banking, App and ATM / cash machines) and the **remote relationship advisory service** provided by around **25,500 relationship managers**;
    - **around 800 people hired** in Italy in 2020 (around 1,050 including UBI Banca);
    - **support to healthcare initiatives with** over €100m, including donations coming from the Managing Director and CEO and 21 top managers, who have decided to forgo an overall amount of around €6m of the bonus they have been awarded under the 2019 Incentive Plan;

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(°) Excluding the contribution of UBI Banca, consolidated from the third quarter of 2020.

- **102,409 doctors and nurses participated in the training course** for COVID-19, delivered in cooperation with Generation, on PPE, NIV and emergency management;
  - €125m provided by the **Fund for Impact** (equal to 50%) to reduce the socio-economic distress caused by COVID-19;
  - **Programma Rinascimento**, providing a total of **€80m** in lending and including impact loans to micro-enterprises and start-ups, for the **recovery and reshaping of their business models** in the pandemic aftermath, leveraging on growth and innovation projects boosting economic growth and social and territorial cohesion, launched in Bergamo in partnership with the Municipality (€30m) and in Florence in partnership with CR Firenze Foundation (€50m);
  - the first bank in Italy to **suspend mortgage and loan instalments** even before the regulation came into force. Since the beginning of 2020, suspensions of payments for around €73bn, renewals included, have been approved (around 74% relating to enterprises and around 26% to households), plus around €22bn by UBI Banca. Suspensions of payments currently amount to around €28bn (around 73% relating to enterprises and around 27% to households), plus around €5bn of UBI Banca.
  - the first bank in Italy to sign the collaboration protocol with **SACE**, thus providing immediate support to enterprises under the Liquidity Decree. Overall, including the SME Fund as well, around €30bn in loans backed by a state guarantee has been granted to date (around €9bn from SACE and around €21bn from SME Fund), plus around €5bn from UBI Banca.
  - also following measures announced by the Government, **€50bn in new credit has been made available to enterprises and professionals** to protect jobs and manage payments during the emergency;
  - **€10bn in new credit facilities to sustain around 2,500 Italian industrial supplier value chains** through the enhancement of the “Sviluppo Filiere” Program.
- **cash dividends of €694m**, the maximum distributable amount according to the ECB recommendation of 15 December 2020 no higher than 20 basis points of the consolidated Common Equity Tier 1 ratio as at 31 December 2020. The Board of Directors, at its meeting today, has adopted a proposal, to be submitted at the next Ordinary Shareholders’ Meeting, regarding **the distribution of 3.57 euro cents per share**, before tax. In detail, the proposal envisages the distribution of €693,667,539.99<sup>(\*)</sup>, deriving from 3.57 euro cents on each of the 19,430,463,305 ordinary shares. No distribution will be made to own shares held by the Bank at the record date. The payment, if approved at the Shareholders’ Meeting, will take place from 26 May 2021 (with coupon presentation on 24 May and record date on 25 May). The dividend yield is 1.8% and is based on the reference price recorded by the Intesa Sanpaolo stock on 4 February 2021.

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(\*) On the basis of a Parent Company net income of around €679m, the proposal envisages a cash distribution of €532,394,694.56 as dividends on the Parent Company’s net income (corresponding to 2.74 euro cents on each share) and €161,272,845.43 as assignment of reserves drawn on the Share Premium Reserve (corresponding to 0.83 euro cents on each share). The assignment of reserves shall be subject to the same tax regime as the distribution of dividends.

## **The income statement for the fourth quarter of 2020** <sup>(°)</sup>

The consolidated income statement for Q4 2020 recorded **net interest income** of €1,755m (excluding the contribution of €432m of UBI Banca), down 3.5% from €1,818m in Q3 2020 (excluding the contribution of €281m of UBI Banca) and up 0.5% from €1,747m in Q4 2019.

**Net fee and commission income** amounted to €2,133m (excluding the contribution of €449m of UBI Banca), up 14.6% from €1,861m in Q3 2020 (excluding the contribution of €272m of UBI Banca). Specifically, commissions on commercial banking activities were up 6% and commissions on management, dealing and consultancy activities were up 16.5%. The latter, which include portfolio management, distribution of insurance products, dealing and placement of securities, etc., recorded increases of 8.6% in dealing and placement of securities, 26.5% in portfolio management (performance fees contributed €147m in Q4 2020 and €8m in Q3 2020), and 7.7% in distribution of insurance products. Net fee and commission income for Q4 2020 was down 1.5% from €2,166m in Q4 2019. Specifically, commissions on commercial banking activities were down 2.6% and those on management, dealing and consultancy activities were down 0.1%. The latter recorded an increase of 1% in dealing and placement of securities, a decrease of 0.6% in portfolio management (performance fees contributed €126m in Q4 2019) and an increase of 0.3% in distribution of insurance products.

**Income from insurance business** amounted to €312m (excluding the contribution of €7m of UBI Banca) from €295m in Q3 2020 (excluding the contribution of €3m of UBI Banca) and €320m in Q4 2019.

**Profits on financial assets and liabilities at fair value** amounted to €63m (excluding the contribution of €126m of UBI Banca), compared with €121m in Q3 2020 (excluding the contribution of €5m of UBI Banca). Contributions from customers amounted to €90m from €91m, those from capital markets recorded a negative balance of €130m versus a negative balance of €212m, those from trading and treasury decreased from €235m to €87m and those from structured credit products increased from €7m to €16m. Profits on financial assets and liabilities at fair value of €63m for Q4 2020 compare with profits of €356m in Q4 2019 when contributions from customers amounted to €139m, those from capital markets to €22m, those from trading and treasury to €198m and those from structured credit products were negative €3m.

**Operating income** amounted to €4,251m (excluding the contribution of €1,039m of UBI Banca), up 4.1% from €4,083m in Q3 2020 (excluding the contribution of €575m of UBI Banca) and down 7.2% from €4,579m in Q4 2019.

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(°) Excluding the five-month contribution of UBI Banca, consolidated from the third quarter of 2020.

**Operating costs** amounted to €2,487m (excluding the contribution of €525m of UBI Banca), up 13.3% from €2,196m in Q3 2020 (excluding the contribution of €360m of UBI Banca), attributable to increases of 5.8% in personnel expenses, 32.3% in administrative expenses and 10.4% in adjustments. Operating costs for Q4 2020 were down 2.7% from €2,556m in Q4 2019, due to personnel expenses down 5.4%, and administrative expenses and adjustments up 0.3% and 3.9%, respectively.

As a result, **operating margin** amounted to €1,764m (excluding the contribution of €514m of UBI Banca), down 6.5% from €1,887m in Q3 2020 (excluding the contribution of €215m of UBI Banca) and 12.8% from €2,023m in Q4 2019. The cost/income ratio was 58.5% in Q4 2020 versus 53.8% in Q3 2020 and 55.8% in Q4 2019. Including the contribution of UBI Banca, the cost/income ratio was 56.9% in Q4 2020 and 54.9% in Q3 2020.

**Net adjustments to loans** amounted to €1,506m (excluding the contribution of €31m net recovery from UBI Banca) and included €852m for future COVID-19 impacts, compared with €853m in Q3 2020 (excluding the contribution of €85m of UBI Banca) which included €430m for future COVID-19 impacts, and €693m in Q4 2019.

**Net provisions and net impairment losses on other assets** amounted to €121m (excluding the contribution of €1m of UBI Banca), compared with €60m in Q3 2020 (excluding the contribution of €7m of UBI Banca) and €168m in Q4 2019.

**Other income** amounted to €59m (no contribution from UBI Banca), compared with €23m in Q3 2020 (no contribution from UBI Banca) and €50m in Q4 2019.

**Income (Loss) from discontinued operations** was null (no contribution from UBI Banca), compared with the null balance of Q3 2020 (no contribution from UBI Banca) and €25m in Q4 2019.

**Gross income** amounted to €196m (excluding the contribution of €544m of UBI Banca) from €997m in Q3 2020 (excluding the contribution of €123m of UBI Banca) and €1,237m in Q4 2019.

**Consolidated net income** for the quarter recorded a negative balance of €902m (excluding both the negative balance of €2,580m of the items related to the acquisition of UBI Banca - consisting of the negative effect of purchase price allocation of €1,202m determined following the outcome of the PPA (Purchase Price Allocation) procedure, and integration charges of €1,378m - and the contribution of €383m of UBI Banca), after accounting:

- taxes on income of €27m (excluding the contribution of €139m of UBI Banca);

- charges (net of tax) for integration and exit incentives of €97m (excluding €1,378m related to the acquisition of UBI Banca and contribution of €9m from UBI Banca);
- negative balance of the effect of purchase price allocation (net of tax) of €25m (excluding the €1,202m negative effect of the PPA related to the acquisition of UBI Banca);
- levies and other charges concerning the banking industry (net of tax) of €40m (excluding recovery of €2m pertaining to UBI Banca), deriving from pre-tax charges of €21m in relation to contributions to the Italian deposit guarantee scheme estimated for full year 2020, €4m in relation to contributions to the deposit guarantee scheme concerning the international network, €5m in relation to levies incurred by international subsidiaries, and €28m in relation to negative fair value differences regarding the *Atlante* fund. In Q3 2020, this caption amounted to €148m (excluding €49m pertaining to UBI Banca), deriving from pre-tax charges of €209m in relation to contributions to the Italian deposit guarantee scheme estimated for full year 2020 (excluding €72m pertaining to UBI Banca), €4m in relation to contributions to the deposit guarantee scheme concerning the international network, and €5m in relation to levies incurred by international subsidiaries. In Q4 2019, this caption amounted to €22m, deriving from pre-tax charges of €11m in relation to contributions to the Italian deposit guarantee scheme, €4m in relation to contributions to the deposit guarantee scheme concerning the international network, and €14m in relation to levies incurred by international subsidiaries.
- impairment of goodwill and other intangible assets (net of tax) of €912m, due to the write-off of goodwill of the Banca dei Territori Division also related to the increase in the accounting value of the Division following the integration with UBI Banca;
- losses pertaining to minority interests of €3m (excluding the contribution of €15m minority interests of UBI Banca).

Excluding the goodwill impairment of the Banca dei Territori Division, net income for Q4 2020 was €10m and compares with €507m in Q3 2020 (excluding the provisional negative goodwill of €3,264m generated by the acquisition of UBI Banca <sup>(e)</sup> and the contribution of €39m of UBI Banca) and €872m in Q4 2019. Still excluding the goodwill impairment of the Banca dei Territori Division, net income for Q4 2020 amounted to €393m including the contribution of UBI Banca and was negative €2,187m including also the items related to the acquisition of UBI Banca (consisting of the effect of purchase price allocation determined with the outcome of the PPA procedure and integration charges), compared with net income of Q3 2020 which was €546m including the contribution of UBI Banca and €3,810m including also the provisional negative goodwill arising from the acquisition of UBI Banca. Net income for Q4 2020 recorded a negative balance of €3,099m including the goodwill impairment of the Banca dei Territori Division, the contribution of UBI Banca, and the items related to the acquisition of UBI Banca consisting of the effect of the purchase price allocation and integration charges.

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<sup>(e)</sup> Negative goodwill amounted to €3,264m after the deduction of the portion allocated to the going concern to be sold to BPER Banca. That was a provisional figure, given that the final amount would be finally redetermined at the time of preparation of the 2020 financial statements following the outcome of the PPA procedure through the exact calculation, as at the date of acquisition, of the fair value of identifiable assets acquired and liabilities assumed of the UBI Banca Group.

## **The income statement for 2020** <sup>(°)</sup>

The consolidated income statement for 2020 recorded **net interest income** of €7,070m (excluding the contribution of €713m of UBI Banca), up 0.9% from €7,005m in 2019.

**Net fee and commission income** amounted to €7,582m (excluding the contribution of €721m of UBI Banca), down 4.8% from €7,962m in 2019. Specifically, commissions on commercial banking activities were down 6.3% and commissions on management, dealing and consultancy activities were down 2.4%. The latter, which include portfolio management, distribution of insurance products, dealing and placement of securities, etc., recorded decreases of 3.3% in dealing and placement of securities, 2.7% in portfolio management (performance fees contributed €166m in 2020 and €140m in 2019), and 0.6% in distribution of insurance products.

**Income from insurance business** amounted to €1,343m (excluding the contribution of €10m of UBI Banca) from €1,268m in 2019.

**Profits on financial assets and liabilities at fair value** amounted to €1,441m (excluding the contribution of €131m of UBI Banca), compared with €1,928m in 2019. Contributions from customers decreased from €534m to €422m, those from capital markets recorded a negative balance of €22m versus a positive balance of €181m, those from trading and treasury decreased from €1,187m to €1,043m, and those from structured credit products recorded a negative balance of €3m versus a positive balance of €25m.

**Operating income** amounted to €17,409m (excluding the contribution of €1,614m of UBI Banca), down 4.2% from €18,167m in 2019.

**Operating costs** amounted to €9,086m (excluding the contribution of €885m of UBI Banca), down 3.4% from €9,407m in 2019, attributable to decreases of 3.8% in personnel expenses and 5.4% in administrative expenses and an increase of 3.5% in adjustments.

As a result, **operating margin** amounted to €8,323m (excluding the contribution of €729m of UBI Banca), down 5% from €8,760m in 2019. The cost/income ratio was 52.2% in 2020 versus 51.8% in 2019. Including the contribution of UBI Banca, the cost/income ratio of 2020 was 52.4%.

**Net adjustments to loans** amounted to €4,160m (excluding the contribution of €54m of UBI Banca) from €2,089m in 2019, and included €2,164m for future COVID-19 impacts.

**Net provisions and net impairment losses on other assets** amounted to €338m (excluding the contribution of €8m of UBI Banca), compared with €254m in 2019.

**Other income** amounted to €64m (no contribution from UBI Banca), compared with €55m in 2019.

**Income (Loss) from discontinued operations** amounted to €1,163m (no contribution from UBI Banca) including the Nexi capital gain of €1,110m, compared with €88m in 2019.

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(°) Excluding the five-month contribution of UBI Banca, consolidated from the third quarter of 2020.

**Gross income** amounted to €5,052m (excluding the contribution of €667m of UBI Banca), from €6,560m in 2019.

**Consolidated net income** for 2020 amounted to €2,171m (excluding both the positive balance of €684m of the items related to the acquisition of UBI Banca - consisting of the positive effect of purchase price allocation net of tax, including negative goodwill, of €2,062m determined following the outcome of the PPA (Purchase Price Allocation) procedure, and integration charges of €1,378m (net of tax) - and the contribution of €422m of UBI Banca), after accounting:

- taxes on income of €1,190m (excluding the contribution of €170m of UBI Banca);
- charges (net of tax) for integration and exit incentives of €174m (excluding €1,378m related to the acquisition of UBI Banca and contribution of €9m from UBI Banca);
- negative balance of the effect of purchase price allocation (net of tax) of €102m (excluding the €2,062m positive effect of the PPA related to the acquisition of UBI Banca);
- levies and other charges concerning the banking industry (net of tax) of €465m (excluding €47m pertaining to UBI Banca), deriving from pre-tax charges of €340m in relation to contributions to the resolution fund, €230m in relation to contributions to the Italian deposit guarantee scheme, €21m in relation to contributions to the deposit guarantee scheme concerning the international network, €51m in relation to levies incurred by international subsidiaries, and €28m in relation to negative fair value differences regarding the *Atlante* fund. In 2019, this caption amounted to €360m deriving from the following pre-tax figures: charges of €316m in relation to contributions to the resolution fund, €138m in relation to contributions to the Italian deposit guarantee scheme, €19m in relation to contributions to the deposit guarantee scheme concerning the international network, €53m in relation to levies incurred by international subsidiaries, and positive fair value differences of €13m regarding the *Atlante* fund.
- impairment of goodwill and other intangible assets (net of tax) of €912m, due to the write-off of goodwill of the Banca dei Territori Division also related to the increase in the accounting value of the Division following the integration with UBI Banca;
- minority interests of €38m (excluding the contribution of €19m of UBI Banca).

Excluding the goodwill impairment of the Banca dei Territori Division, net income for 2020 was €3,083m and compares with €4,182m in 2019. Still excluding the goodwill impairment of the Banca dei Territori Division, net income for 2020 was €3,505m including the contribution of UBI Banca and €4,189m including also the items related to the acquisition of UBI Banca (consisting of the effect of purchase price allocation, including negative goodwill, and integration charges). Net income for 2020 was €3,277m including the goodwill impairment of the Banca dei Territori Division, the contribution of UBI Banca, and the items related to the acquisition of UBI Banca consisting of the effect of the purchase price allocation, including negative goodwill, and integration charges.



## **Balance sheet as at 31 December 2020** <sup>(°)</sup>

As regards the consolidated balance sheet figures, as at 31 December 2020 **loans to customers** amounted to €402bn (excluding the contribution of €60bn of UBI Banca), up 1.7% on year-end 2019 (down 0.2% on Q3 2020 and up 5.2% on 2019 when taking into account quarterly and yearly average volumes <sup>(11)</sup>). Total **non-performing loans** (bad, unlikely-to-pay, and past due) amounted - net of adjustments - to €10,342m (excluding €401m contribution of UBI Banca and around €2.1bn related to the portfolios classified at year-end 2020 as ready to be sold, accounted under non-current assets held for sale and discontinued operations, of which around €1.6bn pertaining to UBI Banca), down 27.3% from €14,222m at year-end 2019. In detail, bad loans decreased to €3,912m (excluding the contribution of €91m of UBI Banca) from €6,740m at year-end 2019, with a bad loan to total loan ratio of 1% (1.7% as at year-end 2019), and a cash coverage ratio of 58.8% (65.3% as at year-end 2019). Unlikely-to-pay loans decreased to €5,945m (excluding the contribution of €278m of UBI Banca) from €6,738m at year-end 2019. Past due loans decreased to €485m (excluding the contribution of €32m of UBI Banca) from €744m at year-end 2019.

**Customer financial assets** amounted to €1,010bn (excluding the contribution of €157bn of UBI Banca), up 5.1% on year-end 2019. Under customer financial assets, **direct deposits from banking business** amounted to €457bn (excluding the contribution of €68bn of UBI Banca) up 7.4% on year-end 2019. **Direct deposits from insurance business and technical reserves** amounted to €173bn (excluding the contribution of €3bn of UBI Banca), up 4% on year-end 2019. Indirect customer deposits amounted to €552bn (excluding the contribution of €89bn of UBI Banca), up 3.3% on year-end 2019. **Assets under management** amounted to €370bn (excluding the contribution of €73bn of UBI Banca), up 3.2% on year-end 2019. As for bancassurance, in 2020 the new business for life policies amounted to €16.6bn (excluding the contribution of UBI Banca). Assets held under administration and in custody amounted to €182bn (excluding the contribution of €16bn of UBI Banca), up 3.4% on year-end 2019.

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(°) Excluding the contribution of UBI Banca, consolidated from the third quarter of 2020. UBI Banca figures did not include the items related to the going concern to be sold to BPER Banca, accounted under non-current assets held for sale and discontinued operations.

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

**Capital ratios** as at 31 December 2020, calculated by applying the transitional arrangements for 2020 and deducting from capital €694m of dividends proposed for 2020, were as follows:

- Common Equity Tier 1 ratio <sup>(12)</sup> at 14.7% (13.9% at year-end 2019 <sup>(13)</sup>),
- Tier 1 ratio <sup>(12)</sup> at 16.9% (15.3% at year-end 2019 <sup>(13)</sup>),
- total capital ratio <sup>(12)</sup> at 19.6% (17.7% at year-end 2019 <sup>(13)</sup>).

The estimated pro-forma Common Equity Tier 1 ratio for the Group on a **fully loaded basis** was 15.4%, 16.9% excluding the acquisition of UBI Banca, 15.9% including the acquisition of UBI Banca but excluding assets of the going concern to be sold to BPER Banca (14.1% at year-end 2019). It was calculated by applying the fully loaded parameters to the financial statements as at 31 December 2020, taking into account the total absorption of deferred tax assets (DTAs) related to goodwill realignment, loan adjustments, the first time adoption of IFRS 9 and the non-taxable public cash contribution of €1,285m covering the integration and rationalisation charges relating to the acquisition of the Aggregate Set of Banca Popolare di Vicenza and Veneto Banca, as well as the expected absorption of DTAs on losses carried forward and DTAs on the acquisition of UBI Banca, deriving from PPA, integration charges and the sale of the going concern to BPER Banca, and the expected distribution of the 2020 net income of insurance companies.

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

Specifically, with regard to the components of the Group's **liquidity**:

- the high level of available unencumbered liquid assets (including eligible assets with Central Banks received as collateral and excluding eligible assets currently used as collateral) amounted to €164bn at the end of December 2020 (€195bn when including the contribution of UBI Banca);
- the high level of liquid assets (comprising available unencumbered liquid assets, excluding eligible assets received as collateral, and eligible assets currently used as collateral) amounted to €243bn at the end of December 2020 (€289bn when including the contribution of UBI Banca);

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(12) After the deduction of the dividends proposed for 2020 and the coupons accrued on the Additional Tier 1 issues. Excluding the acquisition of UBI Banca, capital ratios are 16.5% for the Common Equity Tier 1 ratio, 19% for the Tier 1 ratio and 21.6% for the total capital ratio.

Excluding the mitigation of the impact of the first time adoption of IFRS 9, capital ratios are 14% for the Common Equity Tier 1 ratio, 16.2% for the Tier 1 ratio and 19.2% for the total capital ratio; excluding also the acquisition of UBI Banca, they are respectively 15.7%, 18.2% and 21%. Excluding the mitigation of the impact of the first time adoption of IFRS 9 and including the acquisition of UBI Banca but excluding assets of the going concern to be sold to BPER Banca, capital ratios are 14.6% for the Common Equity Tier 1 ratio, 16.8% for the Tier 1 ratio and 19.9% for the total capital ratio.

(13) In accordance with the transitional arrangements for 2019. Excluding the mitigation of the impact of the first time adoption of IFRS 9, capital ratios are 13% for the Common Equity Tier 1 ratio, 14.3% for the Tier 1 ratio and 17% for the total capital ratio.

- refinancing operations with the ECB to optimise the cost of funding and support businesses in their investment amounted to around €70.9bn as at 31 December 2020 (around €82.9bn including the contribution of UBI Banca) and consisted entirely of TLTROs III;
- the sources of funding were stable and well diversified, with retail funding representing 83% of direct deposits from banking business <sup>(°)</sup> (including securities issued);
- medium/long-term wholesale funding <sup>(°)</sup> was €7.1bn in 2020 and included benchmark transactions of senior bonds of GBP350m and €1.25bn and Additional Tier 1 of €3bn (around 85% were placed with foreign investors).

The Group's **leverage ratio** as at 31 December 2020 was 7.2% applying the transitional arrangements for 2020 and 6.9% fully loaded – 7.9% and 7.6%, respectively, when excluding the acquisition of UBI Banca – best in class among major European banking groups.

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As at 31 December 2020, the Intesa Sanpaolo Group's **operating structure** had a total network of 6,314 branches (including 1,765 UBI Banca branches), consisting of 5,299 branches in Italy (including 1,764 UBI Banca branches) and 1,015 abroad (including one UBI Banca branch), and employed 105,615 people (including 19,474 UBI Banca people).

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<sup>(°)</sup> Excluding the contribution of UBI Banca, consolidated from the third quarter of 2020.

## **Breakdown of results by business area** <sup>(°)</sup>

The **Banca dei Territori** Division comprises:

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

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

In the fourth quarter of 2020, the Banca dei Territori Division recorded:

- operating income of €2,092m, +3.8% versus €2,016m in Q3 2020;
- operating costs of €1,353m, +10.2% versus €1,227m in Q3 2020;
- operating margin of €739m, -6.3% versus €789m in Q3 2020;
- a cost/income ratio of 64.7% versus 60.9% in Q3 2020;
- net provisions and adjustments of €743m versus €526m in Q3 2020;
- gross income of -€4m versus €293m in Q3 2020;
- net income of -€17m (excluding €912m of write-off of goodwill related to the integration with UBI Banca) versus €195m in Q3 2020.

In 2020, the Banca dei Territori Division recorded:

- operating income of €8,083m, -3.7% versus €8,392m in 2019, contributing approximately 46% of the consolidated operating income (46% in 2019 as well);
- operating costs of €5,065m, -4.3% versus €5,291m in 2019;
- operating margin of €3,018m -2.7% versus €3,101m in 2019;
- a cost/income ratio of 62.7% versus 63% in 2019;
- net provisions and adjustments of €2,663m, versus €1,622m in 2019;
- gross income of €385m versus €1,590m in 2019;
- net income of €235m (excluding €912m of write-off of goodwill related to the integration with UBI Banca) versus €1,000m in 2019.

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(°) Figures relating to UBI Banca have been temporarily allocated to a separate business area.

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

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

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

In the fourth quarter of 2020, the IMI Corporate & Investment Banking Division recorded:

- operating income of €869m, +0.8% versus €862m in Q3 2020;
- operating costs of €300m, +12.9% versus €266m in Q3 2020;
- operating margin of €569m, -4.6% versus €597m in Q3 2020;
- a cost/income ratio of 34.5% versus 30.8% in Q3 2020;
- net provisions and adjustments of €161m versus €114m in Q3 2020;
- gross income of €473m, -1.8% versus €482m in Q3 2020;
- net income of €337m, +3.9% versus €324m in Q3 2020.

In 2020, the IMI Corporate & Investment Banking Division recorded:

- operating income of €4,325m, +5.4% versus €4,105m in 2019, contributing approximately 25% of the consolidated operating income (23% in 2019);
- operating costs of €1,098m, -4.4% versus €1,148m in 2019;
- operating margin of €3,227m, +9.1% versus €2,957m in 2019;
- a cost/income ratio of 25.4% versus 28% in 2019;
- net provisions and adjustments of €510m versus €262m in 2019;
- gross income of €2,782m, +3.1% versus €2,698m in 2019;
- net income of €1,875m, +2.5% versus €1,830m in 2019.

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

In the fourth quarter of 2020, the International Subsidiary Banks Division recorded:

- operating income of €495m, +4.3% versus €475m in Q3 2020;
- operating costs of €258m, +6.6% versus €242m in Q3 2020;
- operating margin of €237m, +1.8% versus €233m in Q3 2020;
- a cost/income ratio of 52.1% versus 51% in Q3 2020;
- net provisions and adjustments of €87m, versus €50m in Q3 2020;
- gross income of €151m, -17.6% versus €183m in Q3 2020;
- net income of €95m, -29% versus €133m in Q3 2020.

In 2020, the International Subsidiary Banks Division recorded:

- operating income of €1,908m, -4.5% versus €1,998m in 2019, contributing approximately 11% of the consolidated operating income (11% in 2019 as well);
- operating costs of €981m, -1% versus €991m in 2019;
- operating margin of €927m, -7.9% versus €1,007m in 2019;
- a cost/income ratio of 51.4% versus 49.6% in 2019;
- net provisions and adjustments of €262m versus €72m in 2019;
- gross income of €672m, -28.8% versus €944m in 2019;
- net income of €473m, -34.6% versus €723m in 2019.

The **Private Banking** Division serves the top customer segment (Private and High Net Worth Individuals) through Fideuram and its subsidiaries Fideuram Investimenti, Intesa Sanpaolo Private Banking, SIREF Fiduciaria, Intesa Sanpaolo Private Bank (Suisse) Morval and Fideuram Asset Management Ireland.

In the fourth quarter of 2020, the Private Banking Division recorded:

- operating income of €509m, +6.2% versus €479m in Q3 2020;
- operating costs of €162m, +6.8% versus €151m in Q3 2020;
- operating margin of €348m, +6% versus €328m in Q3 2020;
- a cost/income ratio of 31.7% versus 31.6% in Q3 2020;
- net provisions and adjustments of €6m versus €9m in Q3 2020;
- gross income of €333m, +4.3% versus €319m in Q3 2020;
- net income of €230m, +6.5% versus €216m in Q3 2020.

In 2020, the Private Banking Division recorded:

- operating income of €1,944m, -1.4% versus €1,971m in 2019, contributing approximately 11% of the consolidated operating income (11% in 2019 as well);
- operating costs of €604m, -1.6% versus €614m in 2019;
- operating margin of €1,340m, -1.3% versus €1,357m in 2019;
- a cost/income ratio of 31.1% versus 31.2% in 2019;
- net provisions and adjustments of €54m versus €32m in 2019;
- gross income of €1,282m, -3.9% versus €1,334m in 2019;
- net income of €873m, -4.9% versus €918m in 2019.

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

In the fourth quarter of 2020, the Asset Management Division recorded:

- operating income of €318m, +63.9% versus €194m in Q3 2020;
- operating costs of €47m, +19% versus €39m in Q3 2020;
- operating margin of €271m, +75.3% versus €155m in Q3 2020;
- a cost/income ratio of 14.7% versus 20.3% in Q3 2020;
- gross income of €271m, +75.2% versus €155m in Q3 2020;
- net income of €192m, +67.4% versus €115m in Q3 2020.

In 2020, the Asset Management Division recorded:

- operating income of €867m, +3.2% versus €840m in 2019, contributing approximately 5% of the consolidated operating income (5% in 2019 as well);
- operating costs of €156m, -0.6% versus €157m in 2019;
- operating margin of €711m, +4.1% versus €683m in 2019;
- a cost/income ratio of 18% versus 18.7% in 2019;
- gross income of €711m, +4.1% versus €683m in 2019;
- net income of €519m, +0.2 versus €518m in 2019.



The **Insurance** Division develops insurance products tailored for the Group's clients and coordinates the operations of Intesa Sanpaolo Vita (which controls Intesa Sanpaolo Assicura, Intesa Sanpaolo Life, and Intesa Sanpaolo RBM Salute) and Fideuram Vita.

In the fourth quarter of 2020, the Insurance Division recorded:

- operating income of €301m, +5.4% versus €286m in Q3 2020;
- operating costs of €71m, +16.3% versus €61m in Q3 2020;
- operating margin of €230m, +2.4% versus €224m in Q3 2020;
- a cost/income ratio of 23.7% versus 21.5% in Q3 2020;
- net provisions and adjustments of €1m versus €7m in Q3 2020;
- gross income of €229m, +5.6% versus €217m in Q3 2020;
- net income of €212m, +45.3% versus €146m in Q3 2020.

In 2020, the Insurance Division recorded:

- operating income of €1,257m, +3.4% versus €1,216m in 2019, contributing approximately 7% of the consolidated operating income (7% in 2019 as well);
- operating costs of €241m, +7.6% versus €224m in 2019;
- operating margin of €1,016m, +2.4% versus €992m in 2019;
- a cost/income ratio of 19.2% versus 18.4% in 2019;
- net provisions and adjustments of €17m versus €2m in 2019;
- gross income of €999m, +0.9% versus €990m in 2019;
- net income of €686m, +3.8% versus €661m in 2019.

## **Outlook**

In 2021, the Intesa Sanpaolo Group, including the acquisition of UBI Banca, is expected to record a net income exceeding €3.5bn, with a cost of risk below 70bps.

As regards the Group's dividend policy, in addition to €694m in cash dividends for 2020 to be paid out this May, in line with the 2018-2021 Business Plan it is envisaged, subject to ECB indications in respect of dividend policies after 30 September 2021 – the deadline for the recommendation of 15 December 2020:

- for the 2020 results, a cash distribution from reserves, possibly by the end of 2021, that adds to the aforementioned dividends and leads to the payment of a total amount corresponding to a payout ratio of 75% of the €3,505m adjusted net income<sup>(14)</sup>,
- for the 2021 results, the payment of an amount of cash dividends corresponding to a payout ratio of 70%, to be partially distributed as interim dividend this year<sup>(15)</sup>.

Taking into account the Group's aforementioned dividend policy for 2020 and 2021 results, capital ratios remain strong, with a pro-forma fully loaded Common Equity Tier 1 ratio minimum at 13%<sup>(16)</sup> in 2021 (at 12% fully phased-in<sup>(17)</sup>).

Based on the current level of completion of the integration process of UBI Banca, synergies are expected to grow to over €1,000m – fully implemented in 2024 and at a level above 80% in 2023 – from around €700m estimated when the Public Purchase and Exchange Offer was launched. Of this, over €700m, from around €550m, relates to costs and over €300m, from around €150m, to revenues.

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(14) Excluding from the stated net income the items related to the acquisition of UBI Banca consisting of the effect of the purchase price allocation, including negative goodwill, and integration charges, as well as the write-off of goodwill of the Banca dei Territori Division.

(15) Subject to approval by the ECB and the Shareholders' Meeting of the amendment to the Articles of Associations allowing the Board of Directors to pass resolution in respect of interim dividend distribution.

(16) Estimated by applying the fully loaded parameters, taking into account the total absorption of deferred tax assets (DTAs) related to goodwill realignment, loan adjustments, the first time adoption of IFRS 9 and the non-taxable public cash contribution of €1,285m covering the integration and rationalisation charges relating to the acquisition of the Aggregate Set of Banca Popolare di Vicenza and Veneto Banca, as well as the expected absorption of DTAs on losses carried forward and DTAs on the acquisition of UBI Banca deriving from PPA, integration charges and the sale of the going concern to BPER Banca.

(17) When not taking into account the DTA absorption mentioned in note 16.

For consistency purpose, the income statement figures for the first three quarters of 2019 were restated following the agreement, signed in December 2019, in respect of the transfer to Nexi of the Intesa Sanpaolo business line consisting of the acquiring activities. The related items were deconsolidated line by line and the business line's contribution to the income statement was included under Income (Loss) from discontinued operations.

For these same quarters, the income statement and balance sheet figures relating to the Banca dei Territori Division and the IMI Corporate & Investment Banking Division were restated following the incorporation, in November 2019, of the Mediocredito Italiano subsidiary into the Parent Company, while the figures of the Divisions for the four quarters of 2019 were restated due to the allocation from the Corporate Centre of cost components and the income statement and balance sheet items relating to bad loans, previously allocated under the NPE Department (formerly, Capital Light Bank).

Furthermore, the income statement figures for the four quarters of 2019 were restated following the agreement, signed in December 2019, in respect of the strategic partnership with Prelios, which includes a contract for the servicing of an unlikely-to-pay loan portfolio of the Intesa Sanpaolo Group to be provided by Prelios, estimating the commissions theoretically owed to Prelios and recognising these, on one hand, to "administrative expenses", and, on the other, to "taxes on income" and "minority interests".

Finally, the income statement and balance sheet figures for the four quarters of 2019 and the first quarter of 2020 were restated following the acquisition of *RBM Assicurazione Salute*, finalised in May 2020. The related items were consolidated line by line, including the corresponding net income under minority interests and the corresponding shareholders' equity under shareholders' equity minority interests.

\* \* \*

*In order to present more complete information on the results generated as at 31 December 2020, the reclassified consolidated income statement and the reclassified consolidated balance sheet approved by the Board of Directors are attached. Please note that the auditing firm is completing the auditor review of the financial statements, as well as the activities for the issue of the statement in accordance with art. 26 (2) of Regulation EU n. 575/2013 and with ECB Decision no. 2015/656. The parent company draft financial statements and the consolidated financial statements as at 31 December 2020 will be submitted for approval at the meeting of the Board of Directors scheduled for 23 March 2021. The parent company draft financial statements and the consolidated financial statements as at 31 December 2020 will be submitted for examination of the auditing firm in charge of auditing the annual report and will be made available for shareholders and the market by 26 March 2021. The parent company financial statements will be submitted for the approval of shareholders at the Ordinary Meeting scheduled for 28 April 2021.*

\* \* \*

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

\* \* \*

The content of this document has a merely informative and provisional nature and is not to be construed as providing investment advice. The statements contained herein have not been independently verified. No representation or warranty, either express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness, correctness or reliability of the information contained herein. Neither the Company nor any of its representatives shall accept any liability whatsoever (whether in negligence or otherwise) arising in any way in relation to such information or in relation to any loss arising from its use or otherwise arising in connection with this document. By accessing these materials, you agree to be bound by the foregoing limitations.

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

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

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

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# Intesa Sanpaolo Group

## Reclassified consolidated statement of income

	2020		2019		(millions of euro) Changes	
	Consolidated figure (a)	Of which: UBI Group (b)	Consolidated figure net of UBI Group (c) = (a) - (b)	Consolidated figure (d)	amount (e) = (c) - (d)	% (e) / (d)
Net interest income	7,783	713	7,070	7,005	65	0.9
Net fee and commission income	8,303	721	7,582	7,962	-380	-4.8
Income from insurance business	1,353	10	1,343	1,268	75	5.9
Profits (Losses) on financial assets and liabilities designated at fair value	1,572	131	1,441	1,928	-487	-25.3
Other operating income (expenses)	12	39	-27	4	-31	
<b>Operating income</b>	<b>19,023</b>	<b>1,614</b>	<b>17,409</b>	<b>18,167</b>	<b>-758</b>	<b>-4.2</b>
Personnel expenses	-6,139	-608	-5,531	-5,748	-217	-3.8
Other administrative expenses	-2,679	-219	-2,460	-2,601	-141	-5.4
Adjustments to property, equipment and intangible assets	-1,153	-58	-1,095	-1,058	37	3.5
<b>Operating costs</b>	<b>-9,971</b>	<b>-885</b>	<b>-9,086</b>	<b>-9,407</b>	<b>-321</b>	<b>-3.4</b>
<b>Operating margin</b>	<b>9,052</b>	<b>729</b>	<b>8,323</b>	<b>8,760</b>	<b>-437</b>	<b>-5.0</b>
Net adjustments to loans	-4,214	-54	-4,160	-2,089	2,071	99.1
Other net provisions and net impairment losses on other assets	-346	-8	-338	-254	84	33.1
Other income (expenses)	64	-	64	55	9	16.4
Income (Loss) from discontinued operations	1,163	-	1,163	88	1,075	
<b>Gross income (loss)</b>	<b>5,719</b>	<b>667</b>	<b>5,052</b>	<b>6,560</b>	<b>-1,508</b>	<b>-23.0</b>
Taxes on income	-1,360	-170	-1,190	-1,825	-635	-34.8
Charges (net of tax) for integration and exit incentives	-1,561	-1,387	-174	-106	68	64.2
Effect of purchase price allocation (net of tax)	1,960	2,062	-102	-117	-15	-12.8
Levies and other charges concerning the banking industry (net of tax)	-512	-47	-465	-360	105	29.2
Impairment (net of tax) of goodwill and other intangible assets	-912	-	-912	-	912	-
Minority interests	-57	-19	-38	30	-68	
<b>Net income (loss)</b>	<b>3,277</b>	<b>1,106</b>	<b>2,171</b>	<b>4,182</b>	<b>-2,011</b>	<b>-48.1</b>

Figures restated, where necessary and material, considering the changes in the scope of consolidation. The figures concerning UBI Group have not been restated.

# Intesa Sanpaolo Group

## Quarterly development of the reclassified consolidated statement of income

	2020						2019				(millions of euro)			
	Fourth quarter			Third quarter			Second quarter	First quarter	Fourth quarter	Third quarter	Second quarter	First quarter		
	Consolidated figure (a)	Of which: UBI Group (b)	Consolidated figure net of UBI Group (c) = (a) - (b)	Consolidated figure (a)	Of which: UBI Group (b)	Consolidated figure net of UBI Group (c) = (a) - (b)								
Net interest income	2,187	432	1,755	2,099	281	1,818	1,750	1,747	1,747	1,741	1,761	1,756		
Net fee and commission income	2,582	449	2,133	2,133	272	1,861	1,744	1,844	2,166	1,966	1,965	1,865		
Income from insurance business	319	7	312	298	3	295	367	369	320	321	304	323		
Profits (Losses) on financial assets and liabilities designated at fair value	189	126	63	126	5	121	263	994	356	480	634	458		
Other operating income (expenses)	13	25	-12	2	14	-12	12	-15	-10	5	10	-1		
<b>Operating income</b>	<b>5,290</b>	<b>1,039</b>	<b>4,251</b>	<b>4,658</b>	<b>575</b>	<b>4,083</b>	<b>4,136</b>	<b>4,939</b>	<b>4,579</b>	<b>4,513</b>	<b>4,674</b>	<b>4,401</b>		
Personnel expenses	-1,808	-371	-1,437	-1,595	-237	-1,358	-1,380	-1,356	-1,519	-1,422	-1,419	-1,388		
Other administrative expenses	-885	-131	-754	-658	-88	-570	-583	-553	-752	-637	-625	-587		
Adjustments to property, equipment and intangible assets	-319	-23	-296	-303	-35	-268	-267	-264	-285	-261	-252	-260		
<b>Operating costs</b>	<b>-3,012</b>	<b>-525</b>	<b>-2,487</b>	<b>-2,556</b>	<b>-360</b>	<b>-2,196</b>	<b>-2,230</b>	<b>-2,173</b>	<b>-2,556</b>	<b>-2,320</b>	<b>-2,296</b>	<b>-2,235</b>		
<b>Operating margin</b>	<b>2,278</b>	<b>514</b>	<b>1,764</b>	<b>2,102</b>	<b>215</b>	<b>1,887</b>	<b>1,906</b>	<b>2,766</b>	<b>2,023</b>	<b>2,193</b>	<b>2,378</b>	<b>2,166</b>		
Net adjustments to loans	-1,475	31	-1,506	-938	-85	-853	-1,398	-403	-693	-473	-554	-369		
Other net provisions and net impairment losses on other assets	-122	-1	-121	-67	-7	-60	262	-419	-168	-19	-37	-30		
Other income (expenses)	59	-	59	23	-	23	-21	3	50	-2	1	6		
Income (Loss) from discontinued operations	-	-	-	-	-	-	1,134	29	25	22	22	19		
<b>Gross income (loss)</b>	<b>740</b>	<b>544</b>	<b>196</b>	<b>1,120</b>	<b>123</b>	<b>997</b>	<b>1,883</b>	<b>1,976</b>	<b>1,237</b>	<b>1,721</b>	<b>1,810</b>	<b>1,792</b>		
Taxes on income	-166	-139	-27	-320	-31	-289	-313	-561	-312	-532	-446	-535		
Charges (net of tax) for integration and exit incentives	-1,484	-1,387	-97	-27	-	-27	-35	-15	-27	-27	-30	-22		
Effect of purchase price allocation (net of tax)	-1,227	-1,202	-25	3,237	3,264	-27	-24	-26	-12	-37	-28	-40		
Levies and other charges concerning the banking industry (net of tax)	-38	2	-40	-197	-49	-148	-86	-191	-22	-96	-96	-146		
Impairment (net of tax) of goodwill and other intangible assets	-912	-	-912	-	-	-	-	-	-	-	-	-		
Minority interests	-12	-15	3	-3	-4	1	-10	-32	8	15	6	1		
<b>Net income (loss)</b>	<b>-3,099</b>	<b>-2,197</b>	<b>-902</b>	<b>3,810</b>	<b>3,303</b>	<b>507</b>	<b>1,415</b>	<b>1,151</b>	<b>872</b>	<b>1,044</b>	<b>1,216</b>	<b>1,050</b>		

Figures restated, where necessary and material, considering the changes in the scope of consolidation. The figures concerning UBI Group have not been restated.

# Intesa Sanpaolo Group

## Reclassified consolidated balance sheet

Assets	31.12.2020			31.12.2019			(millions of euro) Changes	
	Consolidated figure (a)	Of which: UBI Group (b)	Consolidated figure net of UBI Group (c) = (a) - (b)	Consolidated figure (d)	amount (e) = (c) - (d)	% (e) / (d)		
Due from banks	108,040	19,936	88,104	47,170	40,934	86.8		
Loans to customers	461,572	59,748	401,824	395,229	6,595	1.7		
<i>Loans to customers measured at amortised cost</i>	460,143	59,509	400,634	394,093	6,541	1.7		
<i>Loans to customers designated at fair value through other comprehensive income and through profit or loss</i>	1,429	239	1,190	1,136	54	4.8		
Financial assets measured at amortised cost which do not constitute loans	47,102	9,367	37,735	25,888	11,847	45.8		
Financial assets at fair value through profit or loss	57,065	2,580	54,485	48,636	5,849	12.0		
Financial assets at fair value through other comprehensive income	57,585	3,389	54,196	72,046	-17,850	-24.8		
Financial assets pertaining to insurance companies measured at fair value pursuant to IAS 39	177,170	2,764	174,406	168,233	6,173	3.7		
Financial assets pertaining to insurance companies measured at amortised cost pursuant to IAS 39	1,211	1	1,210	649	561	86.4		
Investments in associates and companies subject to joint control	1,996	613	1,383	1,240	143	11.5		
Property, equipment and intangible assets	19,044	2,693	16,351	17,157	-806	-4.7		
<i>Assets owned</i>	17,238	2,369	14,869	15,659	-790	-5.0		
<i>Rights of use acquired under leases</i>	1,806	324	1,482	1,498	-16	-1.1		
Tax assets	19,503	4,310	15,193	15,476	-283	-1.8		
Non-current assets held for sale and discontinued operations	28,702	25,620	3,082	494	2,588			
Other assets	23,624	1,421	22,203	24,352	-2,149	-8.8		
<b>Total Assets</b>	<b>1,002,614</b>	<b>132,442</b>	<b>870,172</b>	<b>816,570</b>	<b>53,602</b>	<b>6.6</b>		

Liabilities	31.12.2020			31.12.2019			Changes	
	Consolidated figure (a)	Of which: UBI Group (b)	Consolidated figure net of UBI Group (c) = (a) - (b)	Consolidated figure (d)	amount (e) = (c) - (d)	% (e) / (d)		
Due to banks at amortised cost	115,943	17,093	98,850	103,316	-4,466	-4.3		
Due to customers at amortised cost and securities issued	512,463	67,719	444,744	414,578	30,166	7.3		
Financial liabilities held for trading	59,033	959	58,074	45,226	12,848	28.4		
Financial liabilities designated at fair value	3,032	223	2,809	4	2,805			
Financial liabilities pertaining to insurance companies measured at amortised cost pursuant to IAS 39	1,928	-	1,928	818	1,110			
Financial liabilities pertaining to insurance companies measured at fair value pursuant to IAS 39	77,207	270	76,937	75,935	1,002	1.3		
Tax liabilities	3,029	802	2,227	2,322	-95	-4.1		
Liabilities associated with non-current assets held for sale and discontinued operations	35,676	32,015	3,661	41	3,620			
Other liabilities	24,007	8,330	15,677	23,433	-7,756	-33.1		
<i>of which lease payables</i>	1,747	304	1,443	1,496	-53	-3.5		
Technical reserves	96,811	2,403	94,408	89,243	5,165	5.8		
Allowances for risks and charges	7,164	1,009	6,155	5,132	1,023	19.9		
<i>of which allowances for commitments and financial guarantees given</i>	626	123	503	482	21	4.4		
Share capital	10,084	-	10,084	9,086	998	11.0		
Reserves	44,775	-	44,775	38,250	6,525	17.1		
Valuation reserves	-515	25	-540	-157	383			
Valuation reserves pertaining to insurance companies	809	3	806	504	302	59.9		
Equity instruments	7,441	388	7,053	4,103	2,950	71.9		
Minority interests	450	97	353	554	-201	-36.3		
Net income (loss)	3,277	1,106	2,171	4,182	-2,011	-48.1		
<b>Total liabilities and shareholders' equity</b>	<b>1,002,614</b>	<b>132,442</b>	<b>870,172</b>	<b>816,570</b>	<b>53,602</b>	<b>6.6</b>		

Figures restated, where necessary and material, considering the changes in the scope of consolidation and discontinued operations. The figures concerning UBI Group have not been restated.

# Intesa Sanpaolo Group

## Quarterly development of the reclassified consolidated balance sheet

(millions of euro)

Assets	31.12.2020			30.09.2020			2020		2019			
	Consolidated figure (a)	Of which: UBI Group (b)	Consolidated figure net of UBI Group (c) = (a) - (b)	Consolidated figure (a)	Of which: UBI Group (b)	Consolidated figure net of UBI Group (c) = (a) - (b)	30/6	31/3	31/12	30/9	30/6	31/3
Due from banks	108,040	19,936	88,104	85,307	15,133	70,174	61,649	67,440	47,170	71,958	77,141	85,515
Loans to customers	461,572	59,748	401,824	489,148	85,247	403,901	403,337	404,900	395,229	395,193	394,253	395,595
<i>Loans to customers measured at amortised cost</i>	<i>460,143</i>	<i>59,509</i>	<i>400,634</i>	<i>487,629</i>	<i>84,996</i>	<i>402,633</i>	<i>402,075</i>	<i>403,626</i>	<i>394,093</i>	<i>394,289</i>	<i>393,243</i>	<i>394,990</i>
<i>Loans to customers designated at fair value through other comprehensive income and through profit or loss</i>	<i>1,429</i>	<i>239</i>	<i>1,190</i>	<i>1,519</i>	<i>251</i>	<i>1,268</i>	<i>1,262</i>	<i>1,274</i>	<i>1,136</i>	<i>904</i>	<i>1,010</i>	<i>605</i>
Financial assets measured at amortised cost which do not constitute loans	47,102	9,367	37,735	43,453	7,913	35,540	33,937	29,353	25,888	24,104	20,396	19,995
Financial assets at fair value through profit or loss	57,065	2,580	54,485	61,317	2,192	59,125	59,943	55,431	48,636	54,542	52,693	47,626
Financial assets at fair value through other comprehensive income	57,585	3,389	54,196	80,621	10,306	70,315	73,403	71,865	72,046	75,052	65,996	66,406
Financial assets pertaining to insurance companies measured at fair value pursuant to IAS 39	177,170	2,764	174,406	170,471	2,693	167,778	165,342	158,687	168,233	167,083	159,220	155,289
Financial assets pertaining to insurance companies measured at amortised cost pursuant to IAS 39	1,211	1	1,210	1,050	1	1,049	735	604	649	603	615	738
Investments in associates and companies subject to joint control	1,996	613	1,383	1,766	294	1,472	1,462	1,273	1,240	1,113	1,071	1,075
Property, equipment and intangible assets	19,044	2,693	16,351	20,096	3,085	17,011	17,057	16,970	17,157	16,957	16,963	16,967
<i>Assets owned</i>	<i>17,238</i>	<i>2,369</i>	<i>14,869</i>	<i>18,248</i>	<i>2,639</i>	<i>15,609</i>	<i>15,626</i>	<i>15,505</i>	<i>15,659</i>	<i>15,415</i>	<i>15,393</i>	<i>15,385</i>
<i>Rights of use acquired under leases</i>	<i>1,806</i>	<i>324</i>	<i>1,482</i>	<i>1,848</i>	<i>446</i>	<i>1,402</i>	<i>1,431</i>	<i>1,465</i>	<i>1,498</i>	<i>1,542</i>	<i>1,570</i>	<i>1,582</i>
Tax assets	19,503	4,310	15,193	19,256	3,860	15,396	15,805	15,992	15,476	15,575	16,139	16,870
Non-current assets held for sale and discontinued operations	28,702	25,620	3,082	2,601	6	2,595	2,593	765	494	2,554	803	1,236
Other assets	23,624	1,421	22,203	21,762	2,677	19,085	23,385	25,141	24,352	24,501	23,586	22,444
<b>Total Assets</b>	<b>1,002,614</b>	<b>132,442</b>	<b>870,172</b>	<b>996,848</b>	<b>133,407</b>	<b>863,441</b>	<b>858,648</b>	<b>848,421</b>	<b>816,570</b>	<b>849,235</b>	<b>828,876</b>	<b>829,756</b>
<b>Liabilities</b>												
Due to banks at amortised cost	115,943	17,093	98,850	118,554	16,566	101,988	108,601	120,110	103,316	119,509	120,232	123,326
Due to customers at amortised cost and securities issued	512,463	67,719	444,744	535,391	98,091	437,300	426,533	424,533	414,578	415,128	411,588	416,505
Financial liabilities held for trading	59,033	959	58,074	57,022	850	56,172	55,132	54,376	45,226	53,938	51,187	48,433
Financial liabilities designated at fair value	3,032	223	2,809	2,978	230	2,748	2,060	762	4	4	4	4
Financial liabilities pertaining to insurance companies measured at amortised cost pursuant to IAS 39	1,928	-	1,928	1,857	-	1,857	1,771	818	818	879	847	846
Financial liabilities pertaining to insurance companies measured at fair value pursuant to IAS 39	77,207	270	76,937	73,960	252	73,708	72,860	68,822	75,935	74,405	72,027	70,955
Tax liabilities	3,029	802	2,227	2,584	274	2,310	2,204	2,581	2,322	2,520	2,015	2,634
Liabilities associated with non-current assets held for sale and discontinued operations	35,676	32,015	3,661	2,380	-	2,380	2,381	50	41	256	254	260
Other liabilities	24,007	8,330	15,677	32,335	9,030	23,305	33,789	27,078	23,433	32,298	26,573	22,710
<i>of which lease payables</i>	<i>1,747</i>	<i>304</i>	<i>1,443</i>	<i>1,817</i>	<i>404</i>	<i>1,413</i>	<i>1,439</i>	<i>1,469</i>	<i>1,496</i>	<i>1,523</i>	<i>1,547</i>	<i>1,553</i>
Technical reserves	96,811	2,403	94,408	94,536	2,339	92,197	89,950	87,060	89,243	89,337	84,807	82,648
Allowances for risks and charges	7,164	1,009	6,155	6,610	1,991	4,619	4,564	5,139	5,132	5,169	5,265	5,698
<i>of which allowances for commitments and financial guarantees given</i>	<i>626</i>	<i>123</i>	<i>503</i>	<i>565</i>	<i>73</i>	<i>492</i>	<i>517</i>	<i>477</i>	<i>482</i>	<i>423</i>	<i>450</i>	<i>449</i>
Share capital	10,084	-	10,084	10,076	-	10,076	9,086	9,086	9,086	9,086	9,086	9,085
Reserves	44,775	-	44,775	44,787	-	44,787	42,419	42,380	38,250	38,197	38,232	41,704
Valuation reserves	-515	25	-540	-894	26	-920	-1,441	-1,833	-157	-194	-474	-877
Valuation reserves pertaining to insurance companies	809	3	806	596	1	595	403	182	504	727	322	137
Equity instruments	7,441	388	7,053	7,423	398	7,025	5,549	5,550	4,103	4,103	4,103	4,103
Minority interests	450	97	353	277	56	221	221	576	554	563	542	535
Net income (loss)	3,277	1,106	2,171	6,376	3,303	3,073	2,566	1,151	4,182	3,310	2,266	1,050
<b>Total Liabilities and Shareholders' Equity</b>	<b>1,002,614</b>	<b>132,442</b>	<b>870,172</b>	<b>996,848</b>	<b>133,407</b>	<b>863,441</b>	<b>858,648</b>	<b>848,421</b>	<b>816,570</b>	<b>849,235</b>	<b>828,876</b>	<b>829,756</b>

Figures restated, where necessary and material, considering the changes in the scope of consolidation and discontinued operations. The figures concerning UBI Group have not been restated.



# Intesa Sanpaolo Group

## Breakdown of financial highlights by business area

	Banca dei Territori	IMI Corporate & Investment Banking	International Subsidiary Banks	Private Banking	Asset Management	Insurance	Corporate Centre	Total Intesa Sanpaolo Group (net of UBI Group)	UBI Group	Total Intesa Sanpaolo Group
(millions of euro)										
<b>Operating income</b>										
2020	8,083	4,325	1,908	1,944	867	1,257	-975	17,409	1,614	19,023
2019	8,392	4,105	1,998	1,971	840	1,216	-355	18,167		18,167
% change	-3.7	5.4	-4.5	-1.4	3.2	3.4		-4.2		
<b>Operating costs</b>										
2020	-5,065	-1,098	-981	-604	-156	-241	-941	-9,086	-885	-9,971
2019	-5,291	-1,148	-991	-614	-157	-224	-982	-9,407		-9,407
% change	-4.3	-4.4	-1.0	-1.6	-0.6	7.6	-4.2	-3.4		
<b>Operating margin</b>										
2020	3,018	3,227	927	1,340	711	1,016	-1,916	8,323	729	9,052
2019	3,101	2,957	1,007	1,357	683	992	-1,337	8,760		8,760
% change	-2.7	9.1	-7.9	-1.3	4.1	2.4	43.3	-5.0		
<b>Net income (loss)</b>										
2020	-677	1,875	473	873	519	686	-1,578	2,171	1,106	3,277
2019	1,000	1,830	723	918	518	661	-1,468	4,182		4,182
% change		2.5	-34.6	-4.9	0.2	3.8	7.5	-48.1		

	Banca dei Territori	IMI Corporate & Investment Banking	International Subsidiary Banks	Private Banking	Asset Management	Insurance	Corporate Centre	Total Intesa Sanpaolo Group (net of UBI Group)	UBI Group	Total Intesa Sanpaolo Group
<b>Loans to customers</b>										
31.12.2020	207,533	135,004	36,079	9,853	452	-	12,903	401,824	59,748	461,572
31.12.2019	194,358	131,884	34,038	9,329	435	-	25,185	395,229		395,229
% change	6.8	2.4	6.0	5.6	3.9	-	-48.8	1.7		
<b>Direct deposits from banking business</b>										
31.12.2020	229,677	88,183	46,308	41,145	14	-	51,642	456,969	68,030	524,999
31.12.2019	199,256	86,850	43,420	39,537	10	-	56,439	425,512		425,512
% change	15.3	1.5	6.7	4.1	40.0	-	-8.5	7.4		

Figures restated, where necessary and material, considering the changes in the scope of consolidation and in business unit constituents and discontinued operations. The figures concerning UBI Group have not been restated.