

PRESS RELEASE

INTESA SANPAOLO: CONSOLIDATED RESULTS AS AT 31 DECEMBER 2022

THE RESULTS FOR 2022 CONFIRM THAT INTESA SANPAOLO IS ABLE TO GENERATE SOLID PROFITABILITY AND CREATE VALUE FOR ALL ITS STAKEHOLDERS EVEN IN COMPLEX CONTEXTS THANKS TO ITS WELL-DIVERSIFIED AND RESILIENT BUSINESS MODEL, WITH NET INCOME - DRIVEN BY NET INTEREST INCOME - OF €5.5 BILLION WHEN EXCLUDING RUSSIA/UKRAINE DE-RISKING.

IN THE SECOND HALF OF 2022, EXPOSURE TO RUSSIA WAS REDUCED BY 68% (AROUND €2.5 BILLION) TO BELOW 0.3% OF THE GROUP'S TOTAL CUSTOMER LOANS.

NET INCOME FOR 2022 WAS €5,499 MILLION WHEN EXCLUDING €1.4 BILLION PROVISIONS / WRITE-DOWNS FOR RUSSIA AND UKRAINE, EXCEEDING THE 2022-2025 BUSINESS PLAN NET INCOME TARGET OF OVER €5 BILLION FOR 2022. STATED NET INCOME WAS €4,354 MILLION.

€1.6 BILLION REMAINING DIVIDENDS HAVE BEEN PROPOSED FOR 2022, WHICH ADD TO €1.4 BILLION INTERIM DIVIDENDS FOR 2022 ALREADY PAID IN NOVEMBER 2022. THE EXECUTION OF THE BUYBACK FOR THE REMAINING AMOUNT OF €1.7 BILLION AUTHORISED BY THE ECB HAS BEEN APPROVED.

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

THE IMPLEMENTATION OF THE 2022-2025 BUSINESS PLAN IS PROCEEDING AT FULL SPEED, WITH THE KEY INDUSTRIAL INITIATIVES WELL UNDERWAY. THE BUSINESS PLAN FORMULA AND, SPECIFICALLY, THE 2025 NET INCOME TARGET OF €6.5 BILLION ARE CONFIRMED, WITH ADDITIONAL POTENTIAL UPSIDE DERIVING FROM INTEREST RATE INCREASE.

VALUE GENERATION FOR ALL STAKEHOLDERS IS ALSO GROUNDED IN INTESA SANPAOLO'S STRONG ESG COMMITMENT WHICH IN 2022 TRANSLATED, AMONG OTHER ACTIONS, INTO A ONE-OFF CONTRIBUTION OF AROUND €80 MILLION TO THE GROUP'S PEOPLE (EXCLUDING THE MANAGERS) TO MITIGATE THE IMPACT OF INFLATION, AS WELL AS INTO SEVERAL HUMANITARIAN INITIATIVES TO SUPPORT PEOPLE OF THE GROUP'S SUBSIDIARY PRAVEX BANK AND THE UKRAINIAN POPULATION.

THE CAPITAL POSITION WAS SOLID AND WELL ABOVE REGULATORY REQUIREMENTS: FULLY LOADED COMMON EQUITY TIER 1 RATIO WAS 13.5% AFTER DEDUCTING FROM CAPITAL €1.4 BILLION OF INTERIM DIVIDENDS FOR 2022 ALREADY PAID IN NOVEMBER 2022, €1.6 BILLION OF PROPOSED REMAINING DIVIDENDS FOR 2022 AND THE €3.4 BILLION BUYBACK, AND NOT TAKING INTO ACCOUNT A BENEFIT OF AROUND 125 BASIS POINTS DERIVING FROM THE ABSORPTION OF DEFERRED TAX ASSETS (DTAs), OF WHICH OVER 30 BASIS POINTS IN THE PERIOD 2023-2025.

GROSS INCOME WAS UP 11.5% ON 2021 AND OPERATING MARGIN WAS UP 7.4% ON 2021, WITH OPERATING INCOME UP 3.3% AND OPERATING COSTS DOWN 0.4%.

CREDIT QUALITY IMPROVED:

- GROSS NPLs WERE REDUCED BY 30.2% ON YEAR-END 2021;
 - NPL RATIO WAS 2.3% GROSS AND 1.2% NET, RESPECTIVELY 1.9% AND 1% ACCORDING TO THE EBA METHODOLOGY;
 - COST OF RISK IN 2022 STOOD AT 70 BASIS POINTS, 30 BASIS POINTS WHEN EXCLUDING ADJUSTMENTS FOR THE EXPOSURE TO RUSSIA AND UKRAINE, FOR OVERLAYS AND TO FAVOUR DE-RISKING, NET OF THE PARTIAL RELEASE OF GENERIC PROVISIONS WHICH WERE SET ASIDE IN 2020 FOR FUTURE COVID-19 IMPACTS.
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INTESA SANPAOLO CONTINUES TO OPERATE AS A GROWTH ACCELERATOR IN THE REAL ECONOMY IN ITALY: IN 2022, MEDIUM/LONG-TERM NEW LENDING GRANTED BY THE GROUP TO ITALIAN HOUSEHOLDS AND BUSINESSES AMOUNTED TO AROUND €58 BILLION. IN 2022, THE GROUP FACILITATED THE RETURN TO PERFORMING STATUS OF AROUND 4,000 COMPANIES, THUS SAFEGUARDING AROUND 20,000 JOBS. THIS BROUGHT THE TOTAL TO OVER 137,000 COMPANIES SINCE 2014, WITH AROUND 690,000 JOBS SAFEGUARDED OVER THE SAME PERIOD.

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- **NET INCOME OF €5,499M IN 2022 WHEN EXCLUDING PROVISIONS / WRITE-DOWNS OF €1.4BN FOR THE EXPOSURE TO RUSSIA AND UKRAINE (UP 31.4% VS €4,185M IN 2021). STATED NET INCOME OF €4,354M (UP 4% ON 2021)**
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- **GROSS INCOME UP 11.5% ON 2021**
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- **OPERATING MARGIN UP 7.4% ON 2021**
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- **OPERATING INCOME UP 3.3% ON 2021**
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- **OPERATING COSTS DOWN 0.4% ON 2021**
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- **IMPROVEMENT IN CREDIT QUALITY TREND:**
 - **DECREASE IN NPLs:**
 - **GROSS NPL REDUCTION OF AROUND €54BN SINCE THE SEPTEMBER 2015 PEAK**
 - **NPL STOCK DOWN 30.2% GROSS AND 22.3% NET ON YEAR-END 2021**
 - **NPL RATIO OF 2.3% GROSS AND 1.2% NET, RESPECTIVELY 1.9% AND 1% ACCORDING TO THE EBA METHODOLOGY**
 - **COST OF RISK IN 2022 TO 70 BASIS POINTS (FROM 59 BASIS POINTS IN 2021), 30 BASIS POINTS WHEN EXCLUDING ADJUSTMENTS FOR THE EXPOSURE TO RUSSIA AND UKRAINE, FOR OVERLAYS AND TO FAVOUR DE-RISKING, NET OF THE PARTIAL RELEASE OF GENERIC PROVISIONS WHICH WERE SET ASIDE IN 2020 FOR FUTURE COVID-19 IMPACTS (FROM 25 BASIS POINTS IN 2021 WHEN EXCLUDING PROVISIONS TO ACCELERATE NPL DELEVERAGING)**
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- **A SOLID CAPITAL POSITION, WELL ABOVE REGULATORY REQUIREMENTS:**
 - **COMMON EQUITY TIER 1 RATIO AS AT 31 DECEMBER 2022, AFTER DEDUCTING FROM CAPITAL ^(*) €1.4BN OF INTERIM DIVIDENDS FOR 2022 ALREADY PAID IN NOVEMBER 2022, €1.6BN OF PROPOSED REMAINING DIVIDENDS FOR 2022 AND THE €3.4BN BUYBACK ^(°):**
 - **13.8 % PHASED-IN ⁽¹⁾**
 - **13.5% FULLY LOADED ^{(2) (3)} WITHOUT TAKING INTO ACCOUNT THE BENEFIT OF AROUND 125 BASIS POINTS DERIVING FROM THE ABSORPTION OF DEFERRED TAX ASSETS (DTAs), OF WHICH OVER 30 BASIS POINTS IN THE PERIOD 2023-2025**

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

(°) Amount, approved by the Shareholders' Meeting and authorised by the ECB, equivalent to the suspended 2019 dividend.

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

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

(3) Estimated pro-forma fully loaded Common Equity Tier 1 ratio of 14.9%, taking into account the total absorption of deferred tax assets (DTAs) related to goodwill realignment, loan adjustments, the first time adoption of IFRS 9 and the non-taxable public cash contribution of €1,285m covering the integration and rationalisation charges relating to the acquisition of the Aggregate Set of Banca Popolare di Vicenza and Veneto Banca, as well as the expected absorption of DTAs on losses carried forward and DTAs related to the acquisition of UBI Banca and the agreement with the trade unions of November 2021, and the expected distribution on the 2022 net income of insurance companies.

HIGHLIGHTS:

OPERATING INCOME: Q4 2022 +13.1% TO €5,674M FROM €5,015M IN Q3 2022
2022 +3.3% TO €21,470M FROM €20,793M IN 2021

OPERATING COSTS: Q4 2022 +18.6% TO €3,130M FROM €2,640M IN Q3 2022
2022 -0.4% TO €10,934M FROM €10,980M IN 2021

OPERATING MARGIN: Q4 2022 +7.1% TO €2,544M FROM €2,375M IN Q3 2022
2022 +7.4% TO €10,536M FROM €9,813M IN 2021

GROSS INCOME: Q4 2022 €1,301M FROM €1,838M IN Q3 2022
2022 €7,344M FROM €6,586M IN 2021

NET INCOME: Q4 2022 €1,070M FROM €930M IN Q3 2022
2022 €4,354M FROM €4,185M IN 2021

CAPITAL RATIOS: COMMON EQUITY TIER 1 RATIO AFTER INTERIM DIVIDENDS FOR 2022 PAID IN NOVEMBER 2022, PROPOSED REMAINING DIVIDENDS FOR 2022 ^(°) AND €3.4BN BUYBACK ^(°°):
13.8% PHASED-IN ⁽⁴⁾
13.5% FULLY LOADED ^{(5) (6)}

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

^(°°) Amount, approved by the Shareholders' Meeting and authorised by the ECB, equivalent to the suspended 2019 dividend.

⁽⁴⁾ Calculated including the mitigation of the impact of the first time adoption of IFRS 9.

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

⁽⁶⁾ Estimated pro-forma fully loaded Common Equity Tier 1 ratio of 14.9%, taking into account the total absorption of deferred tax assets (DTAs) related to goodwill realignment, loan adjustments, the first time adoption of IFRS 9 and the non-taxable public cash contribution of €1,285m covering the integration and rationalisation charges relating to the acquisition of the Aggregate Set of Banca Popolare di Vicenza and Veneto Banca, as well as the expected absorption of DTAs on losses carried forward and DTAs related to the acquisition of UBI Banca and the agreement with the trade unions of November 2021, and the expected distribution on the 2022 net income of insurance companies.

Turin - Milan, 3 February 2023 – At its meeting today, the Board of Directors of Intesa Sanpaolo approved both parent company and consolidated results for the year ended 31 December 2022 ⁽⁷⁾.

The results for 2022 confirm that the Intesa Sanpaolo Group is able to generate solid profitability and create value for all its stakeholders even in complex contexts thanks to its well-diversified and resilient business model, with net income - driven by net interest income - of €5.5bn when excluding Russia/Ukraine de-risking. In the second half of 2022, exposure to Russia was reduced by 68% (around €2.5bn) to below 0.3% of the Group’s total customer loans ^(°°).

Value generation for all stakeholders is also grounded in the **strong ESG commitment** of Intesa Sanpaolo. In 2022, this translated, among other actions, into a one-off contribution of around €80m to the Group’s people (excluding the managers) to mitigate the impact of inflation, as well as into several humanitarian initiatives to support people of the Group’s subsidiary Pravex Bank and the Ukrainian population.

The Group’s net income for 2022 was €5,499m when excluding provisions / write-downs of €1.4bn for Russia and Ukraine ^(°°°), exceeding the 2022-2025 Business Plan net income target of over €5bn for 2022. Stated net income amounted to €4,354m. Cross-border loans to Russia were largely performing and classified in Stage 2.

Intesa Sanpaolo is fully equipped to continue operating successfully in the future given the Group’s key strengths, notably resilient profitability, a solid capital position, the “zero-NPL” Bank status and high flexibility in managing operating costs. The formula of the 2022-2025 Business Plan and, specifically, the net income target of €6.5bn for 2025 are confirmed. The implementation of the Plan is proceeding at full speed, with the key industrial initiatives well underway:

• **massive de-risking, slashing cost of risk:**

- massive deleveraging, with a €4.6bn gross NPL stock reduction in 2022, reducing the net NPL ratio to 1% ^(°°°°);
- focus on modular approach and sectorial forward looking, factoring in macroeconomic scenario, and on proactive credit management;
- focus on the action plan dedicated to the Banca dei Territori Division, with strong management of underlying cost of risk and NPL inflows from performing loans, and new solutions for new needs arising in the current scenario;
- risk management capabilities enhanced: comprehensive and robust Risk Appetite Framework encompassing all the key risk dimensions of the Group;
- credit assessment capabilities further strengthened with the introduction of a Sectorial Framework which assesses the forward-looking profile of each economic sector on a quarterly basis across different countries. The sectorial view, approved by a specific management committee, feeds all the credit processes in order to prioritise credit decisions and action plans.
- cybersecurity anti-fraud protection extended to new products and services for retail customers, including the use of Artificial Intelligence; adoption of Open Source Intelligence solutions to empower Cyber Threat Intelligence capability;
- enhanced protection of both the remote access to company applications and the access to corporate workstations enabling multi-factor authentication, improving at the same time user experiences through frictionless processes;
- enhanced protection from cyber-attacks in terms of detection and recovery;

(7) Methodological note on the scope of consolidation on page 29.

(°°) After adjustments, the cross-border on-balance credit exposure to Russia amounted to €1bn of which €0.96bn to customers, net of €0.8bn guarantees by Export Credit Agencies (off-balance of €0.2bn to customers and €0.15bn to banks, net of €0.5bn guarantees by ECA) and the on-balance credit exposure of the subsidiaries amounted to €0.9bn, of which €0.2bn to customers, for Banca Intesa in Russia and €0.06bn, to banks, for Pravex Bank in Ukraine (off-balance, to customers, of €0.1bn for the Russian subsidiary and €0.07bn for the Ukrainian subsidiary). The credit exposure to Russian counterparties currently included in the SDN lists of names to which sanctions apply amounted to €0.4bn.

(°°°) Equal to €1,415m gross, of which €1,298m relating to the credit exposure, and €1,145m net.

(°°°°) In accordance with the EBA methodology.

- set-up of the Anti Financial Crime Digital Hub (AFC Digital Hub), aimed at becoming a national and international centre open to other financial institutions and intermediaries in the system, with the goal of combating money laundering and terrorism through new technologies and Artificial Intelligence, based on a public-private collaboration model which enables the introduction of innovation (applied research) in business processes;
- set-up of the new Anti Financial Crime model based on an international platform and competence centres specialised in Transaction Monitoring and Know Your Customers;
- the Active Credit Portfolio Steering (ACPS) unit has further expanded the credit risk hedging schemes, completing in Q4 2022 a new synthetic securitisation on a portfolio worth around €7.5bn of loans to corporates, one of the largest transactions carried out in Europe in 2022, as well as the first synthetic securitisation on a portfolio worth around €2.3bn of corporate loans and project finance with the highest ESG score in the infrastructure sector. In Q4 2022, the ACPS unit also finalised the sale of a portfolio worth around €3.7bn of leasing receivables. In 2022, the ACPS unit carried out credit risk transfer transactions for a total amount of over €20bn on different asset classes.
- the ACPS unit has further strengthened the capital efficiency initiatives and the credit strategy, shifting €20bn of new lending in 2022 to economic sectors with the best risk/return profile, and broadening the perimeter of alternative financial solutions for “high risk” clients;
- scale up of the Originate-to-Share business model, increasing the distribution capabilities to optimise the return on capital;
- **structural cost reduction enabled by technology:**
 - set-up of the new Digital Bank (Isybank) well underway; Delivery Unit “Domain Isy Tech” already operational with around 340 dedicated specialists; contract with Thought Machine finalised; technological masterplan defined;
 - new head of Isybank, new head of Domain Isy Tech and new head of Sales & Marketing Digital Retail hired and operative;
 - Isybank offering structure and functionalities defined;
 - insourcing of core capabilities in IT ongoing with around 500 people already hired;
 - AI Lab in Turin already operational (set-up of Centai Institute);
 - more than 550 branches closed throughout Q4 2021 and 2022 in light of the launch of the new Digital Bank;
 - digital platform for analytical cost management up and running, with 27 efficiency initiatives already identified;
 - tools implemented to support the negotiation and scouting activities of potential suppliers;
 - rationalisation of real estate in Italy in progress, with a reduction of around 354,000 square meters throughout Q4 2021 and 2022;
 - around 2,000 voluntary exits in 2022;
 - implementation of digital functions and services in Serbia and Hungary completed; implementation in Romania and Slovakia underway;
 - “go live” of the new core banking system in Egypt and alignment of digital channels;
 - ongoing activities to progressively release applications for the target platform in the remaining countries where the International Subsidiary Banks Division operates;

- Digital Process Transformation: processes identified and E2E transformation activities activated, leveraging both on Process Intelligent Automation (e.g. with Artificial Intelligence and/or Robotic Process Automation) and traditional reengineering methods (especially involving procurement processes, customer onboarding, hereditary succession process management, bank account closing process and control management processes);
- in November 2022, the Intesa Sanpaolo Mobile App was recognised by Forrester as the “Global Mobile Banking Apps Leader” ranking first among all the banking apps evaluated in the world;
- **growth in commissions, driven by Wealth Management, Protection & Advisory:**
 - new dedicated service model for Exclusive clients fully implemented;
 - enhancement of the product offering (new AM/Insurance products) and further growth of the advanced advisory service “Valore Insieme” for Affluent and Exclusive clients: 43,000 new contracts and €14.5bn in Customer financial asset inflows in 2022;
 - introduction of new functionalities of Robo4Advisor by BlackRock to generate investment advice on selected products (funds, insurance products and certificates) to support relationship managers;
 - adoption of the BlackRock Aladdin Wealth and Aladdin Risk platforms for investment services: Aladdin Wealth module for the Banca dei Territori Division and Fideuram (first and second release), Aladdin Risk and Aladdin Enterprise module for Fideuram Asset Management and Fideuram Asset Management Ireland and for Eurizon Capital SA and Eurizon SLJ Capital;
 - new features for UHNWI (Ultra High Net Worth Individuals) client advisory tools; strengthening of service model for family offices and integration of ESG principles in the new single advance advisory model planned;
 - second closing of the alternative fund compliant with Art. 8 Fideuram Alternative Investments Sustainable Private Markets completed, and ongoing enrichment of the alternative funds offering from leading international players through partnerships with specialised platforms;
 - new features of Fideuram’s online investment and trading platform released, enabling clients to independently open accounts and subscribe to asset management products and launch of the new Fideuram Direct brand and logo to strengthen the multi-channel offering. The first offer of in-self products and the Remote Advisory Project launched. Alpian, the first Swiss private digital Bank, is fully operational as a mobile-only platform providing multi-currency, wealth management and financial advisory services with experienced consultants.
 - merger between the two Private Banks in Luxembourg completed on 1 January 2023, setting up “Intesa Sanpaolo Wealth Management”, a second Hub (in addition to the Swiss Hub) with over 200 people and €11bn in assets, that will contribute to the growth of commission income abroad;
 - Eurizon offering dedicated to Intesa Sanpaolo Private Banking enriched and multiple new asset management and insurance products launched (e.g. dedicated offer for clients with excess liquidity, capital protection and inflation-linked funds);
 - continued enhancement of ESG product offering for asset management and insurance, with a penetration of around 54% on Eurizon total assets under management;
 - the new organisational set-up of the IMI Corporate & Investment Banking Division launched, with focus on strengthening client advisory activities and Originate-to-Share business;
 - digital platform "IncentNow" launched to provide information to Italian companies and institutions on the opportunities offered by public tenders related to the National Recovery and Resilience Plan;
 - webinars and workshops with clients launched, aimed at educating and sharing views on key topics (e.g. digital transition);
 - commercial initiatives developed to support clients in different sectors (e.g. Energy, TMT, Infrastructure) to optimise the incorporation of European and Italian post-pandemic recovery plans;

- “go live” of Cardea, an innovative and digital platform for financial institutions;
- strengthening of the corporate digital platform (Inbiz) in the European Union with focus on Cash & Trade, leveraging the partnership approach with Fintechs;
- ongoing upgrade of Global Markets IT platforms (e.g. Equity);
- ongoing strengthening of origination activities, both in Italy and abroad, also through the enhancement of the Originate-to-Share model;
- an ESG value proposition initiative launched for the corporate and SME segments of the Group’s banks in Slovakia, Hungary, Croatia, Serbia and Egypt;
- ongoing development of synergies - in Global Markets, Structured Finance and Investment Banking - between the IMI Corporate & Investment Banking Division and the Group’s banks in Slovakia, Czech Republic, Hungary and Croatia with a significant increase in business and pipeline since the start of the Business Plan;
- accelerated ESG advisory to corporates to steer the energy transition through a scalable approach, with a focus on Energy, Infrastructure and Automotive & Industrials sectors;
- the Master Cooperation Agreement with a leading insurance group finalised to distribute bancassurance products in Slovakia, Croatia, Hungary, Serbia and Slovenia. The Local Distribution Agreement concluded in Slovakia, Serbia, Slovenia and Croatia.
- launch of the factoring product “Confirming” in five additional markets: Slovakia, Serbia, Romania, Slovenia and Albania;
- further development in the protection and health insurance business through the establishment of "InSalute Servizi", a new TPA (Third-Party Administrator) in partnership with Reale Group, for the specialised management of health and welfare benefits, with a push toward digital services;
- **significant ESG commitment, with a world-class position in social impact and strong focus on climate** and reinforcement of the ESG governance, with the Risks Committee which in April 2022 became the Risks and Sustainability Committee with enhanced ESG responsibilities:
 - **unparalleled support to address social needs:**
 - **expanding food and shelter programme for people in need** to counter poverty by providing concrete aid throughout the Italian territory and abroad supporting the humanitarian emergency in Ukraine, with **more than 21.3 million interventions** carried out in 2022, providing around 15.9 million meals, over 2.2 million beds, around 3 million medicine prescriptions and 264,000 items of clothing;
 - **promotion of youth inclusive education and employability:**
 - **“Giovani e Lavoro”** programme aimed at **training and introducing more than 3,000 young people to the Italian labour market** over the 2022-2025 Business Plan horizon: in 2022, over 7,500 students aged between 18 and 29 applied for the programme, over 1,650 students were interviewed and over 770 trained/in training through 30 courses (around 3,000 trained/in training since 2019) and around 2,300 companies involved since the programme’s inception in 2019; the second edition of the **Generation4Universities programme** started in May 2022 and ended in December 2022, involving around 100 students from 36 universities and 31 top-tier Italian corporations as potential employers;
 - **inclusive education** programmes: **partnerships strengthened with main Italian universities and schools** (over 1,000 schools and around 4,200 students in 2022) to promote educational inclusion, supporting merit and social mobility; in 2022, the **School4Life** project was launched **to combat early school abandonment**, with companies and schools working together with students, teachers and families; among the projects for the enhancement of talent and merit, there is the **“Tesi in Azienda”** initiative which aims at **orienting students towards the most recent issues in the work environment** (around 150 students involved in 2022);

- the first and second editions of “**Digital Re-start**”, a Private Banking Division programme aimed at training and placing on the labour market **unemployed people aged between 40 and 50** through the financing of 75 scholarships for the Master in **Data Analysis**, ended in 2022. It involved 50 participants, 29 of which have been hired; the third edition is underway.
- **social housing**: the set-up of the initiative was finalised in 2022 and will be followed by the implementation phase to achieve Business Plan targets (promotion of 6-8 thousand social and student housing development);
- **strong focus on financial inclusion**:
 - **€9.3bn in social lending and urban regeneration** granted (a target of €25bn cumulative flows announced in the Business Plan):
 - **lending to the third sector**: in 2022, loans **granted** for a total of **€339m** supporting non-profit organisations;
 - **Fund for Impact**: in 2022, **around €53m made available** to support the needs of people and families to ensure wider and more sustainable access to credit, with dedicated programmes such as “**Per Merito**” (line of credit without collateral to be reimbursed in 30 years dedicated to university students, studying in Italy or abroad), “**MAMMA@WORK**” (loan to discourage new mothers from leaving work and support motherhood in children’s early years of life), “**per Crescere**” (funds allocated to vulnerable families for the training and education of school-age children) “**per avere Cura**” (lending to support families taking care of non-self-sufficient people) and other solutions (e.g. “**Obiettivo Pensione**”, “**per Esempio**”, “**XME Studio Station**”);
 - **lending for urban regeneration**: in 2022, **around €616m** in new loans **committed** to support investments in **student housing, services and sustainable infrastructure**, in addition to the most important urban regeneration initiatives underway in Italy. Promotion of academic initiatives to define ESG evaluation methodologies for the impact of urban regeneration.
- **continuous commitment to culture**:
 - **Gallerie d’Italia: two new museums opened** in 2022 thanks to two major transformations of historical buildings owned by the Bank in Turin and Naples, bringing the number of museum venues to four; **14 exhibitions**, including in Milan the Torlonia collection and the exhibition on patronage; in Naples, *Restituzioni* (over 200 artworks from the public heritage restored with the Ministry of Culture) and *Artemisia* (with the National Gallery, London); the photographic exhibitions in Turin by Paolo Pellegrin and Gregory Crewdson commissioned by the Bank on ESG topics of interest; in Vicenza, the tribute to the Magellan voyage and the inclusive itinerary *Argilla* dedicated to the proprietary collection of Greek vases;
 - around **480,000 visitors** (free admission for people under 18); 1,550 workshops for schools (around 33,000 students); 260 itineraries for vulnerable people (around 3,680 participants), held free of charge at the Gallerie d’Italia; 815 tours for adults and 300 cultural initiatives (around 30,000 people)
 - **277 artworks** from the collections owned by the Bank on loan to 61 temporary exhibitions in national and international venues;
 - **projects for young people: Gallerie d’Italia Academy**: 2nd edition of the Executive Course for young cultural heritage managers (30 students, 8 scholarships, 60 lecturers, 162 hours of lessons). Project with *Istituto Europeo di Design* (21 students from the Photography Course involved); **Euploos Project** for the digitalisation of the drawings of the Uffizi Galleries in Florence (1,754 scientific data sheets, 3,250 images in 2022).
 - **partnerships with national institutions and museums**: Bergamo Brescia Italian Capital of Culture 2023; projects with Banking Foundations; international trade fairs such as Miart in

Milan, *Artissima* and *Salone del Libro* in Turin; collaboration with museums such as Castello di Rivoli, Palazzo Strozzi in Florence, Pinacoteca di Brera in Milan and Museo Archeologico Nazionale in Naples;

□ **promoting innovation:**

- **innovation projects: 201 innovation projects released in 2022 by Intesa Sanpaolo Innovation Center** (around 800 innovation projects expected in the 2022-2025 Business Plan);
- **initiatives for start-up growth and the development of innovation ecosystems:**
 - **Turin:** launch of the fourth class of the “**Torino Cities of the Future Accelerator**” programme managed by Techstars; since 2019, 35 start-ups accelerated (11 Italian teams), over 30 proofs of concept with local stakeholders, around €51m in capital raised and over 310 new resources hired after acceleration;
 - **Florence:** applications launched for the second class of the three-year “**Italian Lifestyle Accelerator Program**”, managed by Nana Bianca; since launch in 2021, six Italian start-ups accelerated (over 210 candidates, 85% Italian) and around €2m in capital raised;
 - **Naples:** the three-year acceleration programme on Bioeconomy “**Terra Next**” started in 2022 continued, with Cassa Depositi e Prestiti, Cariplo Factory, local corporate and scientific partners and the patronage of the Ministry of Environment and Energy Security, eight accelerated start-ups (around 130 candidates, 83% Italian);
 - **Venice:** in late December 2022 a new three-year programme “**Argo**” (Hospitality and Tourism) launched, sponsored by the Banca dei Territori Division and Intesa Sanpaolo Innovation Center, developed by Cassa Depositi e Prestiti, LVenture and with the collaboration of the Ministry of Tourism, and aimed at ten start-ups per year;
 - **Up2Stars:** conclusion of the first edition of the initiative developed by the Banca dei Territori Division with the support of Intesa Sanpaolo Innovation Center, on four vertical pillars (Digital/Industry 4.0; Bioeconomy, focus on Agritech and Foodtech; Medtech/Healthcare; Aerospace), with 40 accelerated start-ups (around 490 candidates);
 - **In Action ESG Climate**, an initiative developed by the **Insurance Division** with the support of Intesa Sanpaolo Innovation Center, to promote the development of new solutions to combat climate change and support green transition through technological innovation and development of new business models, concluded with a total amount of €500,000 awarded to the three best projects presented;
 - **two start-up acceleration programmes for clients** ended in mid-October 2022 (over 15 start-ups accelerated);
- **development of multi-disciplinary applied research projects:** 14 projects in progress (eight in neuroscience filed and six in Artificial Intelligence and robotics fields), of which seven launched in 2022; a three-year collaboration with *Scuola IMT Alti Studi di Lucca* and NS Lab renewed;
- **business transformation:** 25 corporates involved in open innovation programmes; support to Compagnia di San Paolo and Cariplo Foundations for their “**Bando Evoluzioni**” programme related to digitalisation of the non-profit sector completed. In 2022, four projects launched, focused on Circular Economy transformation. A “**Climate Innovation Tech Tour**” realised in Tel Aviv to support clients and start-ups.
- **diffusion of innovation mindset/culture:** a new collection of podcasts on innovation topics (“**A prova di futuro**”) launched to spread the culture of innovation, freely available on the Intesa Sanpaolo website; 32 positioning and match-making events made, with around 2,200 participants, and 15 innovation reports on technologies and trends released (five in Q4 2022, among which a report on “**Decarbonisation**”);

- **Neva SGR** has successfully completed the **€250m** fundraising for its “Fondo Neva First” (launched in 2020) and “Fondo Neva First Italia” (launched in 2021). In 2022 investments in start-ups of more than €54m, of which around €10m in Q4. The “Fondo Sviluppo Ecosistemi di Innovazione” launched, aimed at supporting the development of innovation ecosystems: €15m raised in 2022.
- **accelerating commitment to net-zero emissions:**
 - following the Group’s participation in the NetZero Banking Alliance (NZBA), the Net Zero Asset Managers Initiative (NZAMI) and in the Net Zero Asset Owner Alliance (NZAOA)^(°):
 - in February 2022, the 2030 targets set for four high-emitting sectors (Oil & Gas, Power Generation, Automotive and Coal Mining - over 60% of financed emissions for NFC in NZBA sectors) were published in the 2022-2025 Business Plan;
 - in April 2022, Intesa Sanpaolo’s commitment to the SBTi validation was published on the SBTi website;
 - in October 2022, Eurizon Capital SGR, Fideuram Asset Management SGR, Fideuram Asset Management Ireland and the Intesa Sanpaolo Vita Insurance Group published their first interim targets;
 - ongoing **active engagement** which includes:
 - participation in workgroups/workstreams of the **Glasgow Financial Alliance for Net-Zero, NZBA, NZAOA, Institutional Investors’ Group on Climate Change**, with contribution to relevant publications and dedicated case studies (inclusion of Intesa Sanpaolo targets in the first NZBA 2022 Progress Report, case studies on Intesa Sanpaolo target setting and Transition Finance, etc.);
 - in June 2022, Intesa Sanpaolo became an **investor signatory of the Carbon Disclosure Project (CDP)**;
 - in October 2022, Eurizon joined the **CDP Science-Based Targets Campaign**, promoting the environmental transparency of companies;
 - the **Group’s Guidelines for the governance of ESG risks** were revised in April 2022 in line with regulatory developments and climate and environmental initiatives underway;
 - in November 2022, Intesa Sanpaolo was the only Italian Bank which participated in the COP27 in Sharm El Sheik;
 - new Group proposition in the voluntary carbon market designed, aimed at supporting clients in reducing gross CO₂ emissions, managing residual emissions and protecting and safeguarding forestland;
- **supporting clients through the ESG/climate transition:**
 - **around €32bn disbursed** between 2021 and 2022 out of the €76bn in new lending available **for the green economy, circular economy and green transition** in relation to the 2021-2026 National Recovery and Resilience Plan;
 - in 2022 around **€2.6bn of Green Mortgages** out of the €12bn of new Green lending to individuals over the 2022-2025 Business Plan;
 - **€8bn circular economy credit facility** announced in the 2022-2025 Business Plan: in 2022, 420 projects assessed and validated for an amount of €9.1bn, €4.7bn granted in 230 transactions (of which €2.6bn related to Green Finance) and €3.1bn disbursed (of which €2.2bn related to Green Finance); partnerships with the Ellen MacArthur Foundation and Cariplo Factory on Circular Economy Lab renewed;

^(°) The Group also participates in the Net Zero Insurance Alliance (NZIA).

- the **first eight ESG Laboratories** activated (in Venice, Padua, Brescia, Bergamo, Cuneo, Bari-Taranto, Rome and Naples-Palermo), a physical and virtual meeting point to support SMEs in approaching sustainability and evolution of advisory services offered by partners (e.g. Circularity, Nativa, CE Lab and others);
- continued success of the **S-Loan** product range dedicated to SMEs to finance projects aimed at improving their sustainability profile (five product lines: S-Loan ESG, S-Loan Diversity, S-Loan Climate Change, S-Loan Agribusiness and S-Loan Tourism), with around €2.2bn granted in 2022 (around €3.5bn since launch in July 2020); in March 2022 Intesa Sanpaolo won the Milano Finanza Banking Awards for its **S-Loan product** and for the dedicated **ESG training platform for corporate clients (Skills4ESG)**;
- in October 2021, launch of **Digital Loans (D-Loans)** aimed at improving the digitalisation of companies, with €22m disbursed since launch;
- in December 2021, launch of **Suite Loans** aimed at incentivising investments in the redevelopment/improvement of hotel facilities and accommodation services: €10m disbursed since launch;
- the **ESG/Climate evolution of the Non-Financial Corporate credit framework defined**, leveraging on sectorial heatmap, counterparties' ESG scoring and a new definition of sustainable products;
- accelerated **ESG advisory to corporates** to steer the energy transition through a scalable approach, with a focus on Energy, Infrastructure and Automotive & Industrials sectors;
- an **ESG value proposition initiative defined for the corporate and SME segments of Group banks** in Slovakia, Hungary, Croatia, Serbia and Egypt;
- enhancement of **ESG investment products** both for asset management and insurance, with penetration increasing to 54% of total assets under management for Eurizon;
- launch of two funds "Eurizon Step 50 Objective Net Zero" which invest in companies with targets for net zero greenhouse gas emissions by 2050;
- continuous commitment to Stewardship activities: in 2022, Eurizon Capital SGR took part in 254 shareholders' meetings (of which 73% are issuers listed abroad) and 538 engagements (of which 50% on ESG issues);
- **Fideuram advisory model** revised to incorporate ESG principles in need-based financial planning and a comprehensive ESG certification training programme launched for financial advisors (more than 51,000 hours delivered to 3,057 participants in 2022) and for employed private bankers and agents (around 13,900 hours delivered to 1,043 participants);
- in 2022, the Private Banking Division carried out 47 Customer Events (28 in person and 19 digitally) for a total of 11,150 participants (5,000 in person and 6,150 digitally).

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

- **included for the sixth consecutive year in the Bloomberg Gender-Equality Index 2023, obtaining a score well above the average** of the global financial sector and of Italian companies;
- the **first bank in Europe and second worldwide in the 2022 Refinitiv Diversity and Inclusion Index** among the **top 100 companies for diversity and inclusion**;
- the **first major Italian banking group to obtain the certification for gender parity "Prassi di Riferimento (PDR) 125:2022"** envisaged by the National Recovery and Resilience Plan, thanks to its commitment to diversity and inclusion;
- **among the first in Europe to receive the Gender Equality European & International Standard (GEEIS Diversity)**, the prestigious international certification assessing the commitment to diversity and inclusion;

- **Group's people are its most important asset:**
 - around 1,300 professionals hired throughout 2021 and 2022;
 - in 2022 around 2,000 people reskilled and around 12.6m training hours delivered, of which more than 640,000 on ESG issues;
 - more than 140 talent have already completed their development path as part of the International Talent Program, which is still ongoing for around other 180 people: around 170 new talent have been selected and will start the Program by Q1 2023 (around 150 internal colleagues and 20 hired from external market);
 - around 430 key people selected mostly among middle management for dedicated development and training initiatives;
 - live webinars, podcasts, video contents, articles and other initiatives, also on site, and Employee Assistance Programme (psychological support) to foster employee wellbeing;
 - the new long-term incentive plan implemented to support the Business Plan targets and foster individual entrepreneurship;
 - the creation of the new leading education player in Italy completed through the combination between Intesa Sanpaolo Formazione and Digit'Ed, a Nextalia Fund company;
 - new organisational framework closer to the needs of the Group's people, with greater flexibility in terms of daily work schedule, smart working and the introduction of a four-day working week on a voluntary basis with no change in remuneration;
 - 2022 diversity & inclusion goals defined and shared for every organisational unit, including the implementation of the new commitment related to gender equality access to senior leadership roles; monitoring of the 2022 goals launched for each Division and Governance Area; collaboration started with ISPROUD, the first employee-based community within the Group, currently welcoming more than 400 LGBTQ+ people and allies;
 - Intesa Sanpaolo recognised as Top Employer 2023 for the second consecutive year by Top Employers Institute and ranked at the top of LinkedIn's Top Companies 2022 list;
 - one-off contribution of around €80m to Intesa Sanpaolo people, excluding managers, to mitigate the impact of inflation;

- **buyback:** the Board of Directors, at its meeting today, decided to execute the buyback for the remaining amount of €1.7bn authorised by the ECB. The buyback will be executed in compliance with the terms approved at the Shareholders' Meeting of 29 April 2022, which establish that the purchase of own shares and their annulment should take place by the ex-right date of the dividend related to the financial statements for the year ending 31 December 2022, namely by 22 May 2023. The date of launch of the purchase programme and the related details will be disclosed in the coming days.
- **cash remaining dividends of €1,648m:** the Board of Directors decided to propose, at the next Ordinary Shareholders' Meeting, a total dividend distribution of €3,047,836,282.28 on 2022 net income, corresponding to a payout ratio of 70% of the consolidated net income. The proposal, given the interim dividends of €1,399,608,167.99 ^(*) already paid in November 2022, is to distribute €1,648,228,114.29 as remaining dividends. The remaining dividends correspond to 8.68 euro cents per share ^(**), before tax, based on the current number of 18,988,803,160 ordinary shares representing the share capital. Dividends on the shares annulled upon conclusion of the aforementioned buyback will be assigned, on a proportional basis, to the other outstanding shares with dividend entitlement. Dividends will not be paid to own shares held by the Bank at the record date and their amount will be allocated to the extraordinary reserve. The dividend payment, if approved at the Shareholders' Meeting, will take place from 24 May 2023 (with coupon presentation on 22 May and record date on 23 May). The dividend yield for the remaining dividends is 3.5% based on the ratio of the remaining dividend per share of 8.68 euro cents to the reference price recorded by the Intesa Sanpaolo stock on 2 February 2023. The total dividend yield is 6.5% for 2022 based on the ratio that also includes the dividend per share of 7.38 euro cents already paid as interim dividend in November 2022.

(*) Interim dividends are considered net of the portion not distributed to own shares held by the Bank at the record date, which is equal to €1,765,505.22.

(**) The amount of the dividend per share could increase considering the execution of the aforementioned programme of purchase of own shares for annulment. Intesa Sanpaolo will communicate the final amount of the dividend per share at the end of the programme, and in any case by not later than 18 May 2023.

In 2022, the Group recorded:

- **net income** at €5,499m when excluding provisions / write-downs of €1.4bn for Russia and Ukraine (up 31.4% vs €4,185m in 2021), **stated net income at €4,354m;**
- **growth in gross income**, up 11.5% on 2021;
- **growth in operating margin**, up 7.4% on 2021;
- **growth in operating income**, up 3.3% on 2021;
- **decrease in operating costs**, down 0.4% on 2021;
- **high level of efficiency**, with a **cost/income of 50.9%** in 2022, a level among the best in the top tier European banks;
- **cost of risk** in 2022 to **70bps** (from 59bps in 2021), **30bps when excluding adjustments of around €1.3bn for the exposure to Russia and Ukraine and around €1.2bn as overlays and to favour de-risking**, net of around €0.7bn release from generic provisions set aside in 2020 for future COVID-19 impacts (from 25bps in 2021 when excluding provisions to accelerate NPL deleveraging), with **overlays of €0.9bn in generic provisions still available;**
- **improving credit quality** ^(°):
 - gross NPLs were reduced by around **€4.6bn since year-end 2021** and by around **€54bn since the September 2015 peak;**
 - **NPL stock decreased 30.2% gross and 22.3% net on December 2021;**
 - **NPL ratio was 2.3% gross and 1.2% net** ^(°°). According to the **EBA methodology**, the **NPL ratio was 1.9% gross and 1% net.**
- **sizeable NPL coverage**:
 - **NPL cash coverage ratio of 48.4%** at the end of December 2022, **with a cash coverage ratio of 69.2% for the bad loan component;**
 - **robust reserve buffer on performing loans**, amounting to 0.6% at the end of December 2022;

^(°) Suspension of payments at the end of December 2022 amounted to around €0.1bn (of which around 47% relating to businesses and around 53% to households), no material amount according to the EBA criteria. The amount of loans backed by a state guarantee was of around €32bn (around €5bn from SACE and around €27bn from SME Fund).

^(°°) NPLs at the end of December 2022 did not include portfolios classified as ready to be sold, accounted under non-current assets held for sale and discontinued operations, amounting to around €0.7bn gross and €0.4bn net.

- **very solid capital position**, with capital ratios well above regulatory requirements. As at 31 December 2022, after deducting from capital ^(°) €1,399.6m of interim dividends for 2022 already paid in November 2022 ^(°°), €1,648.2m of proposed remaining dividends for 2022 and the €3.4bn buyback ^(°°°), the Common Equity Tier 1 ratio calculated by applying the transitional arrangements for 2022 came in at 13.8% ⁽⁸⁾ and the **fully loaded Common Equity Tier 1 ratio at 13.5%** ⁽⁹⁾ ⁽¹⁰⁾ **without taking into account the benefit of around 125bps from the DTA absorption (of which over 30bps in the period 2023-2025)**. This compares with a SREP requirement, comprising Capital Conservation Buffer, O-SII Buffer and Countercyclical Capital Buffer ^(*), for 2022 and for 2023 equal, respectively, to 8.95% and 8.91% ^(**).
- **strong liquidity position and funding capability**, with **liquid assets of €298bn** and **high available unencumbered liquid assets of €178bn at the end of December 2022**. **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 €96bn as at 31 December 2022 and consisted entirely of TLTROs III.
- **support provided to the real economy**, with around **€81bn of medium/long-term new lending** in 2022. **Loans amounting to around €58bn were granted in Italy**, of which around **€52bn was granted to households and SMEs**. **In 2022**, the Group facilitated the return from non-performing to performing status of around **4,000 companies thus safeguarding around 20,000 jobs**. This brought the total to over **137,000 companies since 2014, thus safeguarding around 690,000 jobs over the same period**.

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

(°°) Compared with the total interim dividends of €1,401.4m approved by the Board of Directors, the deduction is net of the portion not distributed to own shares held by the Bank at the record date, which is equal to €1.8m.

(°°°) Amount, approved by the Shareholders' Meeting and authorised by the ECB, equivalent to the suspended 2019 dividend.

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

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

(10) Estimated pro-forma fully loaded Common Equity Tier 1 ratio of 14.9%, taking into account the total absorption of deferred tax assets (DTAs) related to goodwill realignment, loan adjustments, the first time adoption of IFRS 9 and the non-taxable public cash contribution of €1,285m covering the integration and rationalisation charges relating to the acquisition of the Aggregate Set of Banca Popolare di Vicenza and Veneto Banca, as well as the expected absorption of DTAs on losses carried forward and DTAs related to the acquisition of UBI Banca and the agreement with the trade unions of November 2021, and the expected distribution on the 2022 net income of insurance companies.

(*) Countercyclical Capital Buffer calculated taking into account the exposure as at 31 December 2022 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 2024, where available, or the most recent update of the reference period (requirement was set at zero per cent in Italy for 2022 and Q1 2023).

(**) Applying the regulatory change introduced by the ECB with effect from 12 March 2020, which establishes that the capital instruments not qualifying as Common Equity Tier 1 may be partially used to meet the Pillar 2 requirement.

The income statement for the fourth quarter of 2022

The consolidated income statement for Q4 2022 recorded **net interest income** of €3,064m, up 28.4% compared with €2,387m in Q3 2022 and 56.7% compared with €1,955m in Q4 2021.

Net fee and commission income amounted to €2,222m, up 3.2% from €2,153m in Q3 2022. Specifically, commissions on commercial banking activities were down 4% and those on management, dealing and consultancy activities were up 6.7%. The latter, which include portfolio management, distribution of insurance products, dealing and placement of securities, etc., recorded increases of 24.6% in dealing and placement of securities, 1.5% in portfolio management (performance fees contributed €24m in Q4 2022 and €8m in Q3 2022) and 13.7% in distribution of insurance products. Net fee and commission income for Q4 2022 was down 11.8%, compared with €2,518m in Q4 2021. Specifically, commissions on commercial banking activities were up 5% and those on management, dealing and consultancy activities were down 21%. The latter recorded decreases of 27.1% in dealing and placement of securities, 23.6% in portfolio management (performance fees contributed €193m in Q4 2021) and 2.6% in distribution of insurance products.

Income from insurance business amounted to €402m from €436m in Q3 2022 and €410m in Q4 2021.

Profits on financial assets and liabilities at fair value were negative for €2m, compared with a positive balance of €51m in Q3 2022. Contributions from customers recorded a positive balance down from €105m to €91m, those from capital markets were negative for €74m versus a negative balance of €173m, those from trading and treasury were negative for €2m versus a positive balance of €129m and those from structured credit products were negative for €17m versus a negative balance of €10m. The negative result of €2m for Q4 2022 compares with the positive balance of €111m of Q4 2021 when contributions from customers amounted to €83m, those from capital markets were €118m, those from trading and treasury were negative for €89m and those from structured credit products negative for €1m.

Operating income amounted to €5,674m, up 13.1% compared with €5,015m in Q3 2022 and 13.2% compared with €5,012m in Q4 2021.

Operating costs amounted to €3,130m (including €36m, booked under personnel expenses, as one-off contribution to the Intesa Sanpaolo people to mitigate the impact of inflation), up 18.6% compared with €2,640m in Q3 2022, attributable to increases of 17.7% in personnel expenses, 24.5% in administrative expenses and 9.9% in adjustments. Operating costs for Q4 2022 were up 3.2% compared with €3,032m in Q4 2021, attributable to increases of 5.2% in personnel expenses and 2.1% in in adjustments and a decrease of 0.5% in administrative expenses.

As a result, **operating margin** amounted to €2,544m, up 7.1% from €2,375m in Q3 2022 and 28.5% from €1,980m in Q4 2021. The cost/income ratio was 55.2% in Q4 2022 versus 52.6% in Q3 2022 and 60.5% in Q4 2021.

Net adjustments to loans amounted to €1,185m (including around €10m for the exposure to Russia and Ukraine, around €1bn as overlays and to favour de-risking, and around €0.2bn of release of generic provisions set aside in 2020 for future COVID-19 impacts), compared with €496m in Q3 2022 (which included €196m for the exposure to Russia and Ukraine) and €1,222m in Q4 2021 (which included additional loan adjustments of €1,247m to accelerate NPL deleveraging).

Net provisions and net impairment losses on other assets amounted to €113m (which included €59m for the exposure to Russia and Ukraine), compared with €45m in Q3 2022 and €415m in Q4 2021 (the latter included around €170m to strengthen insurance reserves).

Other income amounted to €55m, compared with €4m in Q3 2022 and €78m in Q4 2021 (the latter included the capital gain of €97m deriving from the sale of the acquiring business of former UBI Banca).

Income (Loss) from discontinued operations was nil, compared with the same result in Q3 2022 and Q4 2021.

Gross income amounted to €1,301m, compared with €1,838m in Q3 2022 and €421m in Q4 2021.

Consolidated net income amounted to €1,070m, after recording:

- taxes on income of €50m, including a benefit of €320m deriving from the recognition of deferred tax assets related to former UBI Banca;
- charges (net of tax) for integration and exit incentives of €78m;
- negative effect of purchase price allocation (net of tax) of €59m;
- levies and other charges concerning the banking industry (net of tax) of €32m, deriving from pre-tax charges of €6m in relation to the resolution fund, €14m in relation to contributions to the Italian deposit guarantee scheme, €5m related to contributions to the deposit guarantee scheme concerning the international network, €6m in relation to levies incurred by international subsidiaries and negative fair value differences of €13m regarding the *Atlante* fund. In Q3 2022, this caption amounted to €266m, deriving from the following pre-tax figures: charges of €1m in relation to the resolution fund, €385m in relation to contributions to the Italian deposit guarantee scheme estimated for full-year 2022, €3m in relation to contributions to the deposit guarantee scheme concerning the international network, €5m in relation to levies incurred by international subsidiaries and €3m in relation to the Voluntary Scheme of the Interbank Deposit Protection Fund, and positive fair value differences of €5m regarding the *Atlante* fund. In Q4 2021, this caption amounted to €23m, deriving from pre-tax charges of €1m in relation to the resolution fund, €25m in relation to contributions to the Italian deposit guarantee scheme, €6m in relation to levies incurred by international subsidiaries and negative fair value differences of €1m regarding the *Atlante* fund.
- minority interests of €12m.

Net income of €1,070m in Q4 2022 compares with net income of €930m in Q3 2022 and €179m in Q4 2021.

The income statement for 2022 ^(°)

The consolidated income statement for 2022 recorded **net interest income** of €9,500m, up 20.2% from €7,905m in 2021.

Net fee and commission income amounted to €8,919m, down 6.4% from €9,527m in 2021. Specifically, commissions on commercial banking activities were up 5.4% and commissions on management, dealing and consultancy activities were down 13.8%. The latter, which include portfolio management, distribution of insurance products, dealing and placement of securities, etc., recorded decreases of 32.8% in dealing and placement of securities, 13.7% in portfolio management (performance fees contributed €44m in 2022 and €367m in 2021) and 1.2% in distribution of insurance products.

Income from insurance business amounted to €1,705m from €1,629m in 2021.

Profits on financial assets and liabilities at fair value amounted to €1,378m, compared with €1,635m in 2021. Contributions from customers increased from €321m to €374m, those from capital markets recorded a negative result of €336m versus a positive result of €691m, those from trading and treasury increased from €614m to €1,389m and those from structured credit products recorded a negative result of €49m versus a positive result of €9m.

Operating income amounted to €21,470m, up 3.3% versus €20,793m in 2021.

Operating costs amounted to €10,934m (including €36m, booked under personnel expenses, as one-off contribution to the Intesa Sanpaolo people to mitigate the impact of inflation), down 0.4% from €10,980m in 2021, attributable to unchanged personnel expenses, administrative expenses down 2.7% and adjustments up 3%.

As a result, **operating margin** amounted to €10,536m, up 7.4% from €9,813m in 2021. The cost/income ratio was 50.9% in 2022 versus 52.8% in 2021.

Net adjustments to loans amounted to €3,113m (including around €1.3bn for the exposure to Russia and Ukraine, around €1.2bn as overlays and to favour de-risking, and around €0.7bn release of generic provisions set aside in 2020 for future COVID-19 impacts), compared with €2,766m in 2021 (which included additional loan adjustments of €1,615m to accelerate NPL deleveraging).

Net provisions and net impairment losses on other assets amounted to €281m (including €80m for the exposure to Russia and Ukraine), compared with €851m in 2021 (including around €295m to strengthen insurance reserves).

^(°) The figures for the first half of 2021 were restated as “Redetermined figures” to take into account, on the basis of management figures, the reallocation of the contribution from the going concerns object of sale to income (loss) from discontinued operations, as well as the inclusion of the contribution of insurance companies Assicurazioni Vita (formerly Aviva Vita), Lombarda Vita and Cargeas, net of the effects attributable to the branches object of sale, as illustrated in the methodological note on the scope of consolidation on page 29.

Other income amounted to €202m (including the capital gain of €195m deriving from the disposal of Intesa Sanpaolo Formazione and the one-off contribution of €41m to Intesa Sanpaolo people to mitigate the impact of inflation), compared with €332m in 2021 (including the capital gain of €194m deriving from the disposal of the business line related to the activities of Custodian Bank and Fund Administration of Fideuram Bank Luxembourg and the capital gain of €97m deriving from the sale of the acquiring business of former UBI Banca).

Income (Loss) from discontinued operations was nil versus €58m in 2021.

Gross income amounted to €7,344m, up 11.5% compared with €6,586m in 2021.

Consolidated net income amounted to €4,354m, after recording:

- taxes on income of €2,059m, including benefits of €117m deriving from the tax realignment of intangible assets and €320m from the recognition of deferred tax assets related to former UBI Banca;
- charges (net of tax) for integration and exit incentives of €140m;
- negative effect of purchase price allocation (net of tax) of €211m;
- levies and other charges concerning the banking industry (net of tax) of €576m, deriving from pre-tax charges of €369m in relation to the contribution to the resolution fund, €399m in relation to contributions to the Italian deposit guarantee scheme, €25m in relation to contributions to the deposit guarantee scheme concerning the international network, €23m in relation to levies incurred by international subsidiaries, €5m in relation to the Voluntary Scheme of the Interbank Deposit Protection Fund and negative fair value differences of €15m regarding the *Atlante* fund. In 2021, this caption amounted to €512m, deriving from pre-tax charges of €382m in relation to the contribution to the resolution fund, €331m in relation to contributions to the Italian deposit guarantee scheme, €9m in relation to contributions to the deposit guarantee scheme concerning the international network, €22m in relation to levies incurred by international subsidiaries and negative fair value differences of €2m regarding the *Atlante* fund.
- minority interests of €4m.

Net income amounted to €4,354m in 2022, up 4% compared with €4,185m in 2021.

Balance sheet as at 31 December 2022

As regards the consolidated balance sheet figures, as at 31 December 2022 **loans to customers** amounted to €447bn, down 4.1% on year-end 2021 (down 5.8% on Q3 2022 and up 1.9% on 2021 when taking into account quarterly and yearly average volumes ^(*)). Total **non-performing loans** (bad, unlikely-to-pay, and past due) amounted - net of adjustments - to €5,496m, down 22.3% from €7,077m at year-end 2021. In detail, bad loans decreased to €1,131m from €2,130m at year-end 2021, with a bad loan to total loan ratio of 0.3% (0.5% at year-end 2021), and a cash coverage ratio of 69.2% (70.4% at year-end 2021). Unlikely-to-pay loans decreased to €3,952m from €4,325m at year-end 2021. Past due loans decreased to €413m from €622m at year-end 2021.

Customer financial assets amounted to €1,222bn, down 4.8% on year-end 2021. Under customer financial assets, **direct deposits from banking business** amounted to €545bn, down 2.1% on year-end 2021. **Direct deposits from insurance business and technical reserves** amounted to €174bn, down 15.1% on year-end 2021. Indirect customer deposits amounted to €675bn, down 7% on year-end 2021. **Assets under management** amounted to €430bn, down 9.9% on year-end 2021. As for bancassurance, in 2022 the new business for life policies amounted to €15.8bn. Assets held under administration and in custody amounted to €245bn, down 1.2% on year-end 2021.

Capital ratios as at 31 December 2022, calculated by applying the transitional arrangements for 2022 and deducting from capital ^(°) €1,399.6m of interim dividends for 2022 already paid in November 2022 ^(°°), €1,648.2m of proposed remaining dividends for 2022 and the €3.4bn buyback ^(°°°) were as follows:

- Common Equity Tier 1 ratio ⁽¹¹⁾ at 13.8% (14.5% at year-end 2021 ⁽¹²⁾),
- Tier 1 ratio ⁽¹¹⁾ at 16.2% (16.4% at year-end 2021 ⁽¹²⁾),
- total capital ratio ⁽¹¹⁾ at 19.1% (19.1% at year-end 2021 ⁽¹²⁾).

* * *

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

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

(°°) Compared with the total interim dividends of €1,401.4m approved by the Board of Directors, the deduction is net of the portion not distributed to own shares held by the Bank at the record date, which is equal to €1.8m.

(°°°) Amount, approved by the Shareholders' Meeting and authorised by the ECB, equivalent to the suspended 2019 dividend.

(11) Including the mitigation of the impact of the first time adoption of IFRS 9. Excluding the mitigation of the impact of the first time adoption of IFRS 9, capital ratios are 13.5 % for the Common Equity Tier 1 ratio, 16% for the Tier 1 ratio and 19% for the total capital ratio.

(12) In accordance with the transitional arrangements for 2021. 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, 15.9% for the Tier 1 ratio and 18.9% for the total capital ratio.

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 €178bn at the end of December 2022;
- 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 €298bn at the end of December 2022;
- refinancing operations with the ECB to optimise the cost of funding and support businesses in their investment amounted to around €96bn as at 31 December 2022 and consisted entirely of TLTROs III;
- the sources of funding were stable and well diversified, with retail funding representing 85% of direct deposits from banking business (including securities issued);
- medium/long-term wholesale funding was €6.3bn in 2022 and included benchmark transactions of Additional Tier 1 of €1bn, green senior non-preferred of €1bn, Tier 2 of £400m, social senior preferred of €750m and senior preferred and senior non-preferred of \$2bn in total (around 91% was placed with foreign investors).

The Group's **leverage ratio** as at 31 December 2022 (which includes exposures to the European Central Bank) was 5.6% applying the transitional arrangements for 2022 and 5.5% fully loaded, best in class among major European banking groups.

* * *

As at 31 December 2022, the Intesa Sanpaolo Group's **operating structure** had a total network of 4,565 branches, consisting of 3,611 branches in Italy and 954 abroad, and employed 95,574 people.

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Breakdown of results by Business Area

The **Banca dei Territori** Division includes:

- 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 Mooney, the partnership between the subsidiary Banca 5 (renamed Isybank as of 1 January 2023) and the ENEL Group - 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 2022, the Banca dei Territori Division recorded:

- operating income of €2,288m, +6.6% versus €2,146m in Q3 2022;
- operating costs of €1,756m, +14% versus €1,540m in Q3 2022;
- operating margin of €532m, -12.2% versus €606m in Q3 2022;
- a cost/income ratio of 76.8% versus 71.8% in Q3 2022;
- net provisions and adjustments of €848m versus €162m in Q3 2022;
- gross income of -€316m versus €443m in Q3 2022;
- net income of -€258m versus €73m in Q3 2022.

In 2022, the Banca dei Territori Division recorded:

- operating income of €8,813m, -0.5% versus €8,853m in 2021, contributing approximately 41% of the consolidated operating income (43% in 2021);
- operating costs of €6,397m, -1.6% versus €6,499m in 2021;
- operating margin of €2,416m, +2.6% versus €2,354m in 2021;
- a cost/income ratio of 72.6% versus 73.4% in 2021;
- net provisions and adjustments of €1,306m versus €1,352m in 2021;
- gross income of €1,121m versus €1,013m in 2021;
- net income of €471m versus €316m in 2021.

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

- Client Coverage & Advisory, including Institutional Clients which manages the relationship with financial institutions and Global Corporate which manages the relationship with corporate customers with a turnover higher than €350m, grouped, in accordance with a sector-based model, in the following seven industries: Automotive & Industrials; Basic Materials & Healthcare; Food & Beverage and Distribution; Retail & Luxury; Infrastructure & Real Estate Partners; Energy; Telecom, Media & Technology;
- Distribution Platforms & GTB, including Global Transaction Banking which manages transaction banking services and International Network which ensures the development of the Division and is responsible for foreign branches, representative offices and foreign subsidiaries carrying out corporate banking (Intesa Sanpaolo Bank Luxembourg, Intesa Sanpaolo Bank Ireland, Intesa Sanpaolo Brasil and Banca Intesa in the Russian Federation);
- Global Banking & Markets, which operates specifically in structured finance, primary markets and capital markets (equity and debt capital markets).

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

In the fourth quarter of 2022, the IMI Corporate & Investment Banking Division recorded:

- operating income of €883m, -0.6% versus €888m in Q3 2022;
- operating costs of €397m, +11.4% versus €356m in Q3 2022;
- operating margin of €486m, -8.6% versus €532m in Q3 2022;
- a cost/income ratio of 44.9% versus 40.1% in Q3 2022;
- net provisions and adjustments of €234m versus €329m in Q3 2022;
- gross income of €252m versus €202m in Q3 2022;
- net income of €142m versus €134m in Q3 2022.

In 2022, the IMI Corporate & Investment Banking Division recorded:

- operating income of €4,333m, -6.5% versus €4,636m in 2021, contributing approximately 20% of the consolidated operating income (22% in 2021);
- operating costs of €1,418m, +3.4% versus €1,372m in 2021;
- operating margin of €2,915m, -10.7% versus €3,264m in 2021;
- a cost/income ratio of 32.7% versus 29.6% in 2021;
- net provisions and adjustments of €1,695m versus €25m in 2021;
- gross income of €1,220m versus €3,239m in 2021;
- net income of €681m versus €2,247m in 2021.

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

In the fourth quarter of 2022, the International Subsidiary Banks Division recorded:

- operating income of €608m, +6% versus €573m in Q3 2022;
- operating costs of €316m, +11.4% versus €284m in Q3 2022;
- operating margin of €292m, +0.8% versus €290m in Q3 2022;
- a cost/income ratio of 52% versus 49.5% in Q3 2022;
- net provisions and adjustments of €120m versus €44m in Q3 2022;
- gross income of €204m versus €248m in Q3 2022;
- net income of €152m versus €186m in Q3 2022.

In 2022, the International Subsidiary Banks Division recorded:

- operating income of €2,227m, +12.9% versus €1,972m in 2021, contributing approximately 10% of the consolidated operating income (9% in 2021);
- operating costs of €1,118m, +4.3% versus €1,072m in 2021;
- operating margin of €1,109m, +23.2% versus €900m in 2021;
- a cost/income ratio of 50.2% versus 54.4% in 2021;
- net provisions and adjustments of €365m versus €231m in 2021;
- gross income of €779m versus €676m in 2021;
- net income of €504m versus €463m in 2021.

The **Private Banking** Division serves the top customer segment (Private and High Net Worth Individuals) through Fideuram and its subsidiaries Intesa Sanpaolo Private Banking, IW Private Investments, SIREF Fiduciaria, Fideuram Bank Luxembourg and Compagnie de Banque Privée Quilvest merged on 1 January 2023 and named Intesa Sanpaolo Wealth Management, Reyl Intesa Sanpaolo, Fideuram - Intesa Sanpaolo Private Banking Asset Management and Fideuram Asset Management Ireland.

In the fourth quarter of 2022, the Private Banking Division recorded:

- operating income of €726m, +23.2% versus €589m in Q3 2022;
- operating costs of €255m, +17.3% versus €217m in Q3 2022;
- operating margin of €471m, +26.7% versus €372m in Q3 2022;
- a cost/income ratio of 35.1% versus 36.8% in Q3 2022;
- net provisions and adjustments of €14m versus net recoveries of €4m in Q3 2022;
- gross income of €457m versus €376m in Q3 2022;
- net income of €284m versus €235m in Q3 2022.

In 2022, the Private Banking Division recorded:

- operating income of €2,475m, +3.3% versus €2,395m in 2021, contributing approximately 12% of the consolidated operating income (12% in 2021 as well);
- operating costs of €921m, +0.8% versus €914m in 2021;
- operating margin of €1,554m, +4.9% versus €1,481m in 2021;
- a cost/income ratio of 37.2% versus 38.2% in 2021;
- net recoveries of €1m versus net provisions and adjustments of €34m in 2021;
- gross income of €1,555m versus €1,641m in 2021;
- net income of €1,034m versus €1,076m in 2021.

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

In the fourth quarter of 2022, the Asset Management Division recorded:

- operating income of €238m, +4% versus €229m in Q3 2022;
- operating costs of €70m, +34.7% versus €52m in Q3 2022;
- operating margin of €168m, -5% versus €177m in Q3 2022;
- a cost/income ratio of 29.4% versus 22.7% in Q3 2022;
- gross income of €168m versus €177m in Q3 2022;
- net income of €115m versus €132m in Q3 2022.

In 2022, the Asset Management Division recorded:

- operating income of €962m, -28.4% versus €1,344m in 2021, contributing approximately 4% of the consolidated operating income (6% in 2021);
- operating costs of €222m, -7.1% versus €239m in 2021;
- operating margin of €740m, -33% versus €1,105m in 2021;
- a cost/income ratio of 23.1% versus 17.8% in 2021;
- no net provisions and adjustments versus net recoveries of €1m in 2021;
- gross income of €740m versus €1,106m in 2021;
- net income of €550m versus €787m in 2021.

The **Insurance** Division develops insurance products tailored for the Group's customers; the Division includes Intesa Sanpaolo Vita (which also controls Intesa Sanpaolo Assicura, Intesa Sanpaolo Life, Intesa Sanpaolo RBM Salute and Intesa Sanpaolo Insurance Agency) and Fideuram Vita.

In the fourth quarter of 2022, the Insurance Division recorded:

- operating income of €370m, -10.5% versus €413m in Q3 2022;
- operating costs of €116m, +25.6% versus €92m in Q3 2022;
- operating margin of €254m, -20.8% versus €321m in Q3 2022;
- a cost/income ratio of 31.3% versus 22.3% in Q3 2022;
- net recoveries of €102m versus net provisions and adjustments of €3m in Q3 2022;
- gross income of €364m versus €318m in Q3 2022;
- net income of €225m versus €209m in Q3 2022.

In 2022, the Insurance Division recorded:

- operating income of €1,607m, +2.2% versus €1,572m in 2021, contributing approximately 7% of the consolidated operating income (8% in 2021);
- operating costs of €385m, -4.2% versus €402m in 2021;
- operating margin of €1,222m, +4.4% versus €1,170m in 2021;
- a cost/income ratio of 24% versus 25.6% in 2021;
- net recoveries of €90m versus net provisions and adjustments of €335m in 2021;
- gross income of €1,320m versus €835m in 2021;
- net income of €870m versus €712m in 2021.

Outlook

The industrial initiatives of the 2022-2025 Business Plan are well underway and the net income target of €6.5bn for 2025 is confirmed, with clear and strong upside deriving from the increase of interest rates.

For 2023 operating margin is expected to significantly increase - as a result of solid growth in revenues driven by net interest income (net interest income growth of around €2.5bn in 2023 on 2022, assuming yearly average Euribor 1-month at 2.5%), coupled with a continuous focus on cost management - and net adjustments to loans are expected to strongly decrease, leading to a net income well above the 2022 net income - calculated excluding the Russia/Ukraine de-risking - of €5.5bn.

A strong value distribution is envisaged:

- a cash payout ratio of 70% of the consolidated net income for each year of the Business Plan;
- distribution to shareholders of €1.7bn through a buyback to be launched in the coming days;
- any additional distribution to be evaluated on a yearly basis.

A solid capital position is envisaged, with the fully phased-in Common Equity Tier 1 ratio expected to be close to 13% at the end of 2023 considering regulatory headwinds, above 13% in 2024 and above 13.5% in 2025 pre Basel 4 (above 13% post Basel 4, at around 14% including DTA absorption), taking into account the cash payout ratio of 70% and not considering any additional distribution – confirming the Basel 3/Basel 4 fully phased-in Common Equity Tier 1 ratio target of above 12% over the 2022-2025 Business Plan time horizon.

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For consistency purpose, the income statement figures for the first quarter and the second quarter of 2021 were restated as “Redetermined figures” following:

- the sales transactions regarding going concerns, finalised in the first half of 2021. The related items were deconsolidated line by line and the contribution to the income statement was allocated - on the basis of management figures - to income/loss from discontinued operations.
- the acquisition of the control of Lombarda Vita and Aviva Vita (renamed Assicurazioni Vita) finalised in April 2021, and Cargeas finalised at the end of May 2021. The related items were consolidated line by line on the basis of management figures, excluding the items attributable to customers involved in the sale transactions regarding the going concerns finalised in the first half of 2021, with the allocation of the corresponding net income to minority interests; with regard to Lombarda Vita and Aviva Vita, the contribution in terms of profits on investments carried at equity was eliminated and allocated to minority interests.

Moreover:

- the income statement figures for the first quarter and the second quarter of 2021 were restated following the acquisition of the REYL Group (finalised at the beginning of June 2021). The related items were consolidated line by line and the corresponding net income was attributed to minority interests;
- the income statement figures for the four quarters of 2021 and the first quarter of 2022 were restated following the reallocation of some charges relating to the incentive system of the Banca dei Territori Division and Fideuram from personnel expenses to fee and commission expense;
- the income statement figures for the four quarters of 2021 and the first two quarters of 2022 were restated following the acquisition of the control of Quilvest (finalised at the end of June 2022) with the related items consolidated line by line and the corresponding net income attributed to minority interests, as well as the sale of the business line as part of the *Progetto Formazione* (finalised at the end of June 2022) with the related items deconsolidated line by line and the corresponding net income attributed to losses pertaining to minority interests;
- the balance sheet figures for the four quarters of 2021 and the first quarter of 2022 were restated following the acquisition of the control of Quilvest; the related items were consolidated line by line and the corresponding net equity was attributed to minority interests.

The income statement figures for the first quarter of 2021 related to the business areas were restated to attribute the related items regarding the acquisition of Lombarda Vita, Assicurazioni Vita (formerly Aviva Vita), Cargeas and REYL and reallocate some items between Business areas and Corporate Centre.

* * *

In order to present more complete information on the results generated as at 31 December 2022, 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 2022 will be submitted for approval at the meeting of the Board of Directors scheduled for 28 February 2023. The parent company draft financial statements and the consolidated financial statements as at 31 December 2022 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 27 March 2023. The parent company financial statements will be submitted for the approval of shareholders at the Ordinary Meeting scheduled for 28 April 2023.

* * *

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

* * *

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

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

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

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Intesa Sanpaolo Group

Reclassified consolidated statement of income

	2022	2021	(millions of euro)	
			Changes amount	%
Net interest income	9,500	7,971	1,529	19.2
Net fee and commission income	8,919	9,621	-702	-7.3
Income from insurance business	1,705	1,586	119	7.5
Profits (Losses) on financial assets and liabilities designated at fair value	1,378	1,636	-258	-15.8
Other operating income (expenses)	-32	111	-143	
Operating income	21,470	20,925	545	2.6
Personnel expenses	-6,742	-6,794	-52	-0.8
Administrative expenses	-2,912	-2,987	-75	-2.5
Adjustments to property, equipment and intangible assets	-1,280	-1,241	39	3.1
Operating costs	-10,934	-11,022	-88	-0.8
Operating margin	10,536	9,903	633	6.4
Net adjustments to loans	-3,113	-2,772	341	12.3
Other net provisions and net impairment losses on other assets	-281	-848	-567	-66.9
Other income (expenses)	202	332	-130	-39.2
Income (Loss) from discontinued operations	-	-	-	-
Gross income (loss)	7,344	6,615	729	11.0
Taxes on income	-2,059	-1,604	455	28.4
Charges (net of tax) for integration and exit incentives	-140	-439	-299	-68.1
Effect of purchase price allocation (net of tax)	-211	-39	172	
Levies and other charges concerning the banking industry (net of tax)	-576	-525	51	9.7
Impairment (net of tax) of goodwill and other intangible assets	-	-	-	-
Minority interests	-4	177	-181	
Net income (loss)	4,354	4,185	169	4.0

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

Intesa Sanpaolo Group

Reclassified consolidated statement of income – Redetermined figures

	(millions of euro)			
	2022	2021	Changes	
		Redetermined figures	amount	%
Net interest income	9,500	7,905	1,595	20.2
Net fee and commission income	8,919	9,527	-608	-6.4
Income from insurance business	1,705	1,629	76	4.7
Profits (Losses) on financial assets and liabilities designated at fair value	1,378	1,635	-257	-15.7
Other operating income (expenses)	-32	97	-129	
Operating income	21,470	20,793	677	3.3
Personnel expenses	-6,742	-6,743	-1	-
Administrative expenses	-2,912	-2,994	-82	-2.7
Adjustments to property, equipment and intangible assets	-1,280	-1,243	37	3.0
Operating costs	-10,934	-10,980	-46	-0.4
Operating margin	10,536	9,813	723	7.4
Net adjustments to loans	-3,113	-2,766	347	12.5
Other net provisions and net impairment losses on other assets	-281	-851	-570	-67.0
Other income (expenses)	202	332	-130	-39.2
Income (Loss) from discontinued operations	-	58	-58	
Gross income (loss)	7,344	6,586	758	11.5
Taxes on income	-2,059	-1,605	454	28.3
Charges (net of tax) for integration and exit incentives	-140	-439	-299	-68.1
Effect of purchase price allocation (net of tax)	-211	-39	172	
Levies and other charges concerning the banking industry (net of tax)	-576	-512	64	12.5
Impairment (net of tax) of goodwill and other intangible assets	-	-	-	-
Minority interests	-4	194	-198	
Net income (loss)	4,354	4,185	169	4.0

Redetermined figures have been prepared to take into account the reallocation, based on management data, of the contribution from the going concerns object of disposal to income (loss) from discontinued operations, as part of the acquisition of the UBI Group, as well as the inclusion of the contribution of insurance companies Assicurazioni Vita (formerly Aviva Vita), Lombarda Vita and Cargeas, net of the effects attributable to the branches object of disposal.

Intesa Sanpaolo Group

Quarterly development of the reclassified consolidated statement of income

(millions of euro)

	2022				2021			
	Fourth quarter	Third quarter	Second quarter	First quarter	Fourth quarter	Third quarter	Second quarter	First quarter
Net interest income	3,064	2,387	2,092	1,957	1,955	2,000	2,002	2,014
Net fee and commission income	2,222	2,153	2,255	2,289	2,518	2,323	2,381	2,399
Income from insurance business	402	436	465	402	410	365	438	373
Profits (Losses) on financial assets and liabilities designated at fair value	-2	51	560	769	111	380	346	799
Other operating income (expenses)	-12	-12	-12	4	18	26	18	49
Operating income	5,674	5,015	5,360	5,421	5,012	5,094	5,185	5,634
Personnel expenses	-1,921	-1,632	-1,613	-1,576	-1,826	-1,636	-1,654	-1,678
Administrative expenses	-865	-695	-718	-634	-869	-716	-730	-672
Adjustments to property, equipment and intangible assets	-344	-313	-309	-314	-337	-301	-298	-305
Operating costs	-3,130	-2,640	-2,640	-2,524	-3,032	-2,653	-2,682	-2,655
Operating margin	2,544	2,375	2,720	2,897	1,980	2,441	2,503	2,979
Net adjustments to loans	-1,185	-496	-730	-702	-1,222	-543	-599	-408
Other net provisions and net impairment losses on other assets	-113	-45	-63	-60	-415	-82	-218	-133
Other income (expenses)	55	4	147	-4	78	63	-7	198
Income (Loss) from discontinued operations	-	-	-	-	-	-	-	-
Gross income (loss)	1,301	1,838	2,074	2,131	421	1,879	1,679	2,636
Taxes on income	-50	-562	-670	-777	-78	-614	-78	-834
Charges (net of tax) for integration and exit incentives	-78	-23	-23	-16	-291	-41	-55	-52
Effect of purchase price allocation (net of tax)	-59	-51	-47	-54	46	-51	-18	-16
Levies and other charges concerning the banking industry (net of tax)	-32	-266	-12	-266	-23	-210	-83	-209
Impairment (net of tax) of goodwill and other intangible assets	-	-	-	-	-	-	-	-
Minority interests	-12	-6	8	6	104	20	62	-9
Net income (loss)	1,070	930	1,330	1,024	179	983	1,507	1,516

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

Intesa Sanpaolo Group

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

(millions of euro)

	2022				2021			
	Fourth quarter	Third quarter	Second quarter	First quarter	Fourth quarter	Third quarter	Second quarter Redetermined figures	First quarter Redetermined figures
Net interest income	3,064	2,387	2,092	1,957	1,955	2,000	1,997	1,953
Net fee and commission income	2,222	2,153	2,255	2,289	2,518	2,323	2,369	2,317
Income from insurance business	402	436	465	402	410	365	456	398
Profits (Losses) on financial assets and liabilities designated at fair value	-2	51	560	769	111	380	346	798
Other operating income (expenses)	-12	-12	-12	4	18	26	21	32
Operating income	5,674	5,015	5,360	5,421	5,012	5,094	5,189	5,498
Personnel expenses	-1,921	-1,632	-1,613	-1,576	-1,826	-1,636	-1,652	-1,629
Administrative expenses	-865	-695	-718	-634	-869	-716	-734	-675
Adjustments to property, equipment and intangible assets	-344	-313	-309	-314	-337	-301	-299	-306
Operating costs	-3,130	-2,640	-2,640	-2,524	-3,032	-2,653	-2,685	-2,610
Operating margin	2,544	2,375	2,720	2,897	1,980	2,441	2,504	2,888
Net adjustments to loans	-1,185	-496	-730	-702	-1,222	-543	-599	-402
Other net provisions and net impairment losses on other assets	-113	-45	-63	-60	-415	-82	-220	-134
Other income (expenses)	55	4	147	-4	78	63	-7	198
Income (Loss) from discontinued operations	-	-	-	-	-	-	10	48
Gross income (loss)	1,301	1,838	2,074	2,131	421	1,879	1,688	2,598
Taxes on income	-50	-562	-670	-777	-78	-614	-81	-832
Charges (net of tax) for integration and exit incentives	-78	-23	-23	-16	-291	-41	-55	-52
Effect of purchase price allocation (net of tax)	-59	-51	-47	-54	46	-51	-18	-16
Levies and other charges concerning the banking industry (net of tax)	-32	-266	-12	-266	-23	-210	-83	-196
Impairment (net of tax) of goodwill and other intangible assets	-	-	-	-	-	-	-	-
Minority interests	-12	-6	8	6	104	20	56	14
Net income (loss)	1,070	930	1,330	1,024	179	983	1,507	1,516

Redetermined figures have been prepared to take into account the reallocation, based on management data, of the contribution from the going concerns object of disposal to income (loss) from discontinued operations, as part of the acquisition of the UBI Group, as well as the inclusion of the contribution of insurance companies Assicurazioni Vita (formerly Aviva Vita), Lombarda Vita and Cargeas, net of the effects attributable to the branches object of disposal.

Intesa Sanpaolo Group

Reclassified consolidated balance sheet

Assets	31.12.2022	31.12.2021	(millions of euro) Changes	
			amount	%
Cash and cash equivalents	112,924	15,693	97,231	
Due from banks	31,273	162,139	-130,866	-80.7
Loans to customers	446,854	465,871	-19,017	-4.1
<i>Loans to customers measured at amortised cost</i>	<i>444,244</i>	<i>464,075</i>	<i>-19,831</i>	<i>-4.3</i>
<i>Loans to customers designated at fair value through other comprehensive income and through profit or loss</i>	<i>2,610</i>	<i>1,796</i>	<i>814</i>	<i>45.3</i>
Financial assets measured at amortised cost which do not constitute loans	52,690	43,325	9,365	21.6
Financial assets at fair value through profit or loss	46,546	51,638	-5,092	-9.9
Financial assets at fair value through other comprehensive income	48,008	67,058	-19,050	-28.4
Financial assets pertaining to insurance companies measured at fair value pursuant to IAS 39	172,725	206,800	-34,075	-16.5
Financial assets pertaining to insurance companies measured at amortised cost pursuant to IAS 39	80	85	-5	-5.9
Investments in associates and companies subject to joint control	2,013	1,652	361	21.9
Property, equipment and intangible assets	20,335	20,141	194	1.0
<i>Assets owned</i>	<i>18,841</i>	<i>18,616</i>	<i>225</i>	<i>1.2</i>
<i>Rights of use acquired under leases</i>	<i>1,494</i>	<i>1,525</i>	<i>-31</i>	<i>-2.0</i>
Tax assets	18,273	18,808	-535	-2.8
Non-current assets held for sale and discontinued operations	638	1,422	-784	-55.1
Other assets	23,324	16,184	7,140	44.1
Total Assets	975,683	1,070,816	-95,133	-8.9
Liabilities	31.12.2022	31.12.2021	Changes	
			amount	%
Due to banks at amortised cost	137,476	165,262	-27,786	-16.8
Due to customers at amortised cost and securities issued	528,795	545,101	-16,306	-3.0
Financial liabilities held for trading	46,512	56,308	-9,796	-17.4
Financial liabilities designated at fair value	8,795	3,674	5,121	
Financial liabilities pertaining to insurance companies measured at amortised cost pursuant to IAS 39	2,544	2,139	405	18.9
Financial liabilities pertaining to insurance companies measured at fair value pursuant to IAS 39	71,744	84,770	-13,026	-15.4
Tax liabilities	2,306	2,292	14	0.6
Liabilities associated with non-current assets held for sale and discontinued operations	15	30	-15	-50.0
Other liabilities	9,696	21,974	-12,278	-55.9
<i>of which lease payables</i>	<i>1,321</i>	<i>1,398</i>	<i>-77</i>	<i>-5.5</i>
Technical reserves	100,117	118,296	-18,179	-15.4
Allowances for risks and charges	5,862	6,816	-954	-14.0
<i>of which allowances for commitments and financial guarantees given</i>	<i>711</i>	<i>508</i>	<i>203</i>	<i>40.0</i>
Share capital	10,369	10,084	285	2.8
Reserves	43,756	44,856	-1,100	-2.5
Valuation reserves	-1,939	-709	1,230	
Valuation reserves pertaining to insurance companies	-696	476	-1,172	
Interim dividend	-1,400	-1,399	1	0.1
Equity instruments	7,211	6,282	929	14.8
Minority interests	166	379	-213	-56.2
Net income (loss)	4,354	4,185	169	4.0
Total liabilities and shareholders' equity	975,683	1,070,816	-95,133	-8.9

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

Intesa Sanpaolo Group

Quarterly development of the reclassified consolidated balance sheet

(millions of euro)

Assets	2022				2021			
	31/12	30/9	30/6	31/3	31/12	30/9	30/6	31/3
Cash and cash equivalents	112,924	118,368	18,370	18,666	15,693	16,250	15,623	14,652
Due from banks	31,273	39,734	138,555	158,521	162,139	164,909	148,223	128,207
Loans to customers	446,854	473,746	471,649	468,995	465,871	463,917	463,904	465,231
<i>Loans to customers measured at amortised cost</i>	<i>444,244</i>	<i>470,866</i>	<i>469,338</i>	<i>466,416</i>	<i>464,075</i>	<i>461,525</i>	<i>461,955</i>	<i>463,699</i>
<i>Loans to customers designated at fair value through other comprehensive income and through profit or loss</i>	<i>2,610</i>	<i>2,880</i>	<i>2,311</i>	<i>2,579</i>	<i>1,796</i>	<i>2,392</i>	<i>1,949</i>	<i>1,532</i>
Financial assets measured at amortised cost which do not constitute loans	52,690	49,056	49,850	56,111	43,325	41,286	42,615	44,857
Financial assets at fair value through profit or loss	46,546	51,671	51,943	52,875	51,638	59,926	59,827	55,458
Financial assets at fair value through other comprehensive income	48,008	52,209	59,213	65,016	67,058	63,806	66,660	61,039
Financial assets pertaining to insurance companies measured at fair value pursuant to IAS 39	172,725	173,252	180,637	196,949	206,800	205,631	206,138	206,388
Financial assets pertaining to insurance companies measured at amortised cost pursuant to IAS 39	80	80	80	81	85	82	80	79
Investments in associates and companies subject to joint control	2,013	1,990	1,902	1,633	1,652	1,738	1,707	1,708
Property, equipment and intangible assets	20,335	19,947	19,965	19,891	20,141	19,415	19,459	18,916
<i>Assets owned</i>	<i>18,841</i>	<i>18,401</i>	<i>18,389</i>	<i>18,345</i>	<i>18,616</i>	<i>17,803</i>	<i>17,819</i>	<i>17,161</i>
<i>Rights of use acquired under leases</i>	<i>1,494</i>	<i>1,546</i>	<i>1,576</i>	<i>1,546</i>	<i>1,525</i>	<i>1,612</i>	<i>1,640</i>	<i>1,755</i>
Tax assets	18,273	19,391	18,745	18,610	18,808	18,805	19,014	19,582
Non-current assets held for sale and discontinued operations	638	1,123	1,303	1,556	1,422	3,181	1,566	3,173
Other assets	23,324	22,438	20,103	16,461	16,184	14,482	14,675	14,514
Total Assets	975,683	1,023,005	1,032,315	1,075,365	1,070,816	1,073,428	1,059,491	1,033,804
Liabilities								
Due to banks at amortised cost	137,476	158,971	152,413	180,234	165,262	179,552	164,875	151,787
Due to customers at amortised cost and securities issued	528,795	536,726	536,958	539,278	545,101	525,546	520,960	513,930
Financial liabilities held for trading	46,512	53,856	55,227	58,729	56,308	57,535	57,336	53,547
Financial liabilities designated at fair value	8,795	6,501	4,753	3,848	3,674	3,266	3,361	3,116
Financial liabilities pertaining to insurance companies measured at amortised cost pursuant to IAS 39	2,544	2,244	2,297	2,280	2,139	2,563	2,518	2,414
Financial liabilities pertaining to insurance companies measured at fair value pursuant to IAS 39	71,744	72,812	74,454	80,086	84,770	83,093	83,010	82,040
Tax liabilities	2,306	3,581	2,806	2,296	2,292	2,627	2,497	3,310
Liabilities associated with non-current assets held for sale and discontinued operations	15	89	92	37	30	1,404	78	3,585
Other liabilities	9,696	20,020	28,532	23,553	21,974	24,984	31,700	26,301
<i>of which lease payables</i>	<i>1,321</i>	<i>1,368</i>	<i>1,417</i>	<i>1,389</i>	<i>1,398</i>	<i>1,523</i>	<i>1,574</i>	<i>1,713</i>
Technical reserves	100,117	99,751	104,809	113,471	118,296	118,616	119,475	119,943
Allowances for risks and charges	5,862	5,525	5,709	6,481	6,816	6,873	7,042	7,437
<i>of which allowances for commitments and financial guarantees given</i>	<i>711</i>	<i>563</i>	<i>561</i>	<i>562</i>	<i>508</i>	<i>534</i>	<i>548</i>	<i>576</i>
Share capital	10,369	10,369	10,369	10,084	10,084	10,084	10,084	10,084
Reserves	43,756	44,509	46,216	48,995	44,856	46,508	46,671	47,529
Valuation reserves	-1,939	-1,898	-1,603	-1,320	-709	-569	-476	-738
Valuation reserves pertaining to insurance companies	-696	-762	-523	120	476	677	661	777
Interim dividend	-1,400	-	-	-1,399	-1,399	-	-	-
Equity instruments	7,211	7,203	7,204	7,220	6,282	6,279	6,269	6,202
Minority interests	166	224	248	348	379	384	407	1,024
Net income (loss)	4,354	3,284	2,354	1,024	4,185	4,006	3,023	1,516
Total Liabilities and Shareholders' Equity	975,683	1,023,005	1,032,315	1,075,365	1,070,816	1,073,428	1,059,491	1,033,804

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

Intesa Sanpaolo Group

Breakdown of financial highlights by business area

	(millions of euro)							
	Banca dei Territori	IMI Corporate & Investment Banking	International Subsidiary Banks	Private Banking	Asset Management	Insurance	Corporate Centre	Total
Operating income								
2022	8,813	4,333	2,227	2,475	962	1,607	1,053	21,470
2021 (Redetermined figures)	8,853	4,636	1,972	2,395	1,344	1,572	21	20,793
% change	-0.5	-6.5	12.9	3.3	-28.4	2.2		3.3
Operating costs								
2022	-6,397	-1,418	-1,118	-921	-222	-385	-473	-10,934
2021 (Redetermined figures)	-6,499	-1,372	-1,072	-914	-239	-402	-482	-10,980
% change	-1.6	3.4	4.3	0.8	-7.1	-4.2	-1.9	-0.4
Operating margin								
2022	2,416	2,915	1,109	1,554	740	1,222	580	10,536
2021 (Redetermined figures)	2,354	3,264	900	1,481	1,105	1,170	-461	9,813
% change	2.6	-10.7	23.2	4.9	-33.0	4.4		7.4
Net income (loss)								
2022	471	681	504	1,034	550	870	244	4,354
2021	316	2,247	463	1,076	787	712	-1,416	4,185
% change	49.1	-69.7	8.9	-3.9	-30.1	22.2		4.0

	(millions of euro)							
	Banca dei Territori	IMI Corporate & Investment Banking	International Subsidiary Banks	Private Banking	Asset Management	Insurance	Corporate Centre	Total
Loans to customers								
31.12.2022	247,522	132,927	40,212	15,104	282	-	10,807	446,854
31.12.2021	250,592	152,543	38,970	14,450	783	-	8,533	465,871
% change	-1.2	-12.9	3.2	4.5	-64.0	-	26.6	-4.1
Direct deposits from banking business								
31.12.2022	291,089	94,785	54,364	50,447	26	-	54,675	545,386
31.12.2021	291,697	94,844	51,504	55,895	21	-	63,287	557,248
% change	-0.2	-0.1	5.6	-9.7	23.8	-	-13.6	-2.1

Figures restated, where necessary and material, considering the changes in the scope of consolidation and in business unit constituents and discontinued operations. Redetermined figures have been prepared to take into account the reallocation, based on management data, of the contribution from the going concerns object of disposal to income (loss) from discontinued operations, as part of the acquisition of the UBI Group, as well as the inclusion of the contribution of insurance companies Assicurazioni Vita (formerly Aviva Vita), Lombarda Vita and Cargeas, net of the effects attributable to the branches object of disposal.