

INTESA SANPAOLO

The Intesa Sanpaolo Group is one of the top banking groups in Europe with a significant ESG commitment, a world-class position in Social Impact and strong focus on climate.

The Intesa Sanpaolo Group is the leading banking group in Italy, with 13.6 million customers and approximately 3,500 branches and is the leading provider of financial products and services to both households and enterprises in Italy.

The Group has a strategic international presence, with approximately 950 branches and 7.1 million customers. It is among the top players in several countries in Central Eastern Europe and in the Middle East and North Africa, through its local subsidiary banks: the Intesa Sanpaolo Group ranks first in Serbia, second in Croatia and Slovakia, fourth in Albania and Slovenia, sixth in Bosnia and Herzegovina and Egypt, seventh in Moldova and eighth in Hungary.

The Group operates through six business units, reporting directly to the CEO

The Banca dei Territori division: focus on the market and centrality of the territory for stronger relations with individuals, small and medium-sized enterprises and non-profit entities. The division includes the activities in industrial credit, leasing and factoring, as well as those of the digital bank subsidiary isybank (which also operates in instant banking through Mooney, the partnership with the ENEL Group).

The IMI & Corporate and Investment Banking division: a global partner which, taking a medium-long term view, supports corporates, financial institutions and public administration, both nationally and internationally. Its main activities include capital markets & investment banking. The division is present in 25 countries where it facilitates the cross-border activities of its customers through a specialist network made up of branches, representative offices, and subsidiary banks focused on corporate banking.

The International Subsidiary Banks division: includes the following commercial banking subsidiaries: Intesa Sanpaolo Bank Albania in Albania, Intesa Sanpaolo Banka Bosna i Hercegovina in Bosnia and Herzegovina, Privredna Banka Zagreb in Croatia, the Prague branch of VUB Banka in the Czech Republic, Bank of Alexandria in Egypt, Eximbank in Moldova, CIB Bank in Hungary, Intesa Sanpaolo Bank Romania in Romania, Banca Intesa Beograd in Serbia, VUB Banka in Slovakia, Intesa Sanpaolo Bank in Slovenia and Pravex Bank in Ukraine.

The Private Banking division: serves the customer segment consisting of Private clients and High Net Worth Individuals with the offering of products and services tailored for this segment. The division includes Fideuram - Intesa Sanpaolo Private Banking, with 6,663 private bankers.

The Asset Management division: asset management solutions targeted at the Group's customers, commercial networks outside the Group, and the institutional clientele. The division includes Eurizon, with 310 billion euro of assets under management.

The Insurance division: insurance and pension products tailored for the Group's clients. The division holds direct deposits of 175 billion euro and includes Intesa Sanpaolo Vita - which controls Intesa Sanpaolo Assicura, Intesa Sanpaolo Life, Intesa Sanpaolo RBM Salute and Intesa Sanpaolo Insurance Agency – and Fideuram Vita.

GOVERNANCE AT A GLANCE

A one-tier corporate governance system has been in force in Intesa Sanpaolo since 27 April 2016, based on a Board of Directors and a Management Control Committee established within the Board. Both the Board of Directors and the Management Control Committee are appointed at the Shareholders' Meeting.

This system has been identified as the most suitable for ensuring efficient management and effective control within the Bank. Its adoption and the new Articles of Association were approved by the Shareholders at an extraordinary meeting held on 26 February 2016.

The previous two-tier governance system, adopted by Intesa Sanpaolo at the time of its creation, was based on a Supervisory Board appointed at the Shareholders' Meeting, responsible for major strategic operations, and on a Management Board appointed by the Supervisory Board, responsible for the management of the Bank and with a mandate to elect the CEO from its members.

The one-tier governance system combines, in practice, the simultaneous exercise of strategic supervision and control, which has already demonstrated its efficiency and effectiveness in the implementation of the two-tier system previously in place.

The main advantages of the one-tier governance system are that it:

- centralises the strategic supervision and management roles in a single body, ensuring the following benefits:
 - a more direct relationship between those in charge of determining the strategic direction (the Board in its plenary session) and those in charge of implementing it (the Managing Director);
 - immediacy in the flow of information, thus saving time and costs;
 - greater interaction and dialogue between those in charge of ensuring that management is consistent with strategic guidelines (the Board as a whole, but especially the non-executive members) and the Managing Director;
- ensures the effectiveness of the control function which remains centralised in a committee (the Management Control Committee) established within the Board and, therefore, participating in strategic decisions.

THE CAPITAL AND OPERATING HIGHLIGHTS OF THE GROUP

31st December 2022

NET INCOME	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)
INCOME BEFORE TAX FROM CONTINUING OPERATIONS	7,344 million euro
OPERATING MARGIN	10,536 million euro
OPERATING INCOME	21,470 million euro
OPERATING COSTS	10,934 million euro
CAPITAL RATIOS	COMMON EQUITY TIER 1 RATIO AFTER INTERIM DIVIDENDS FOR 2022 PAID IN NOVEMBER 2022, PROPOSED REMAINING DIVIDENDS FOR 2022 (*) AND €3.48N BUYBACK (**): 13,8% PHASED-IN (1) 13,5% FULLY LOADED (2) (3)

Methodological note on the scope of consolidation on page 29 of the press release dated 3th February 2023 (results as at 31st December 2022)

(*) 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

BOARD OF DIRECTORS

Gian Maria Gros-Pietro	Chair
Paolo Andrea Colombo ^(#) ^(##)	Deputy Chair
Carlo Messina ^(*)	Managing Director and CEO
Franco Ceruti	Director
Paola Tagliavini ^(#) ^(##)	Director
Liana Logiurato ^(##)	Director
Luciano Nebbia	Director
Bruno Picca ^(#)	Director
Livia Pomodoro ^(##)	Director
Maria Alessandra Stefanelli ^(##)	Director
Bruno Maria Parigi ^(##)	Director
Daniele Zamboni ⁽¹⁾ ^(#) ^(##)	Director
Maria Mazzarella ⁽¹⁾ ^(##)	Director
Anna Gatti ⁽¹⁾ ^(##)	Director
Fabrizio Mosca ^(#) ^(##) ^(###)	Director
Milena Teresa Motta ^(#) ^(##) ^(###)	Director
Maria Cristina Zoppo ^(#) ^(##) ^(###)	Director
Alberto Maria Pisani ⁽¹⁾ ^(#) ^(##) ^(###)	Chair of the MCC
Roberto Franchini ⁽¹⁾ ^(#) ^(##) ^(###)	Director

(*) Was appointed Managing Director and CEO by the Board of Directors on 29 April 2022. He is the only executive director on the Board

(#) Is enrolled on the Register of Statutory Auditors and has practiced as an auditor or been a member of the supervisory body of a limited company

(##) Meets the independence requirements pursuant to Article 13.4.3 of the Articles of Association, the Corporate Governance Code, Article 148, paragraph 3 of the Consolidated Law on Finance (TUF), and banking regulations

(###) Management control committee

(1) Is a representative of the Minority Slate

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Consolidated income statement figures

Consolidated income statement figures - Redetermined figures (millions of euro)		Changes	
		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
Operating income	21.470 20.793	677	3,3
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
Net income (loss)	4.354 4.185	169	4,0

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

Consolidated capital ratios (%)

	31.12.2022	31.12.2021
Common Equity Tier 1 capital (CET1) net of regulatory adjustments/ Risk-weighted assets (Common Equity Tier 1 capital ratio)	13,8	14,7
TIER 1 Capital / Risk-weighted assets	16,2	16,4
Total own funds / Risk-weighted assets	19,1	19,1
Risk-weighted assets (millions of euro)	295.443	326.903
Absorbed capital (millions of euro)	29.574	30.763

Earnings per share (euro)

	31.12.2021	31.12.2020
Basic earnings per share (basic EPS) ^(a) - euro	0,22	0,18
Diluted earnings per share (diluted EPS) ^(b) - euro	0,22	0,18

^(a) Net income (loss) attributable to shareholders compared to the average number of outstanding shares. Intesa Sanpaolo's share capital consists solely of ordinary shares.

^(b) The diluted EPS is calculated taking into account the effects of any future issues of new ordinary shares.

Price/book value

	31.12.2022	2022	2021	2020	2019	2018
Market capitalisation	39.459	38.433	44.535	34.961	36.911	44.947
Group's shareholders' equity	61.655	62.715	64.823	60.920	54.996	53.646
Price / book value	0,64	0,61	0,69	0,57	0,67	0,84

Pay-out ratio

	2022	2021	2020	2019	2018
Net consolidated income (*)	4.354	4.185	3.505	4.182	4.050
Dividends (**)	3.048	2.932	2.626	-	3.449
Pay-out ratio	70%	70%	70%	0%	85%

(*) For the purpose of calculating the payout, the consolidated net income for 2020, equal to 3,277 million euro, was adjusted, excluding the items related to the acquisition of UBI Banca consisting of the effects of purchase price allocation, including negative goodwill (+2,062 million euro) and charges for integration (-1,378 million euro), as well as the write-off of goodwill of the Banca dei Territori Division (-912 million euro).

(**) For 2021 and 2020 the amounts allocated were partially from reserves. In November 2021, an allocation was distributed totalling 1,399 million euro (net of the undistributed portion for own shares held at the record date, for a total of 2.2 million euro). In November 2022, an allocation was distributed totalling 1,400 million euro (net of the undistributed portion for own shares held at the record date, for a total of 1.8 million euro).

Dividend yield

	2022	2021	2020	2019	2018
Dividend per share (*)	0,161	0,151	0,135	-	0,197
Average stock price	2,024	2,292	1,799	2,108	2,567
Dividend yield	7,95%	6,59%	7,50%	-	7,67%

(*) The amount of the 2022 dividend per share could increase considering the execution of the programme of purchase of own shares for annulment which started on 13 February 2023.

Shareholder structure of Intesa Sanpaolo (holders of shares exceeding 3% - as at 31st december 2022)

SHAREHOLDER	ORDINARY SHARES	% HELD
Compagnia di San Paolo	1.188.947.304	6,119%
Fondazione Cariplo	961.333.900	5,063%

Presence in Italy



NORTH WEST		
INTESA SANPAOLO	Subsidiaries	
Branches	Company	Branches
1.058	Banca 5 ¹	1
	Fideuram	109

NORTH EAST		
INTESA SANPAOLO	Subsidiaries	
Branches	Company	Branches
710	Fideuram	60

CENTRE		
INTESA SANPAOLO	Subsidiaries	
Branches	Company	Branches
740	Fideuram	48

SOUTH		
INTESA SANPAOLO	Subsidiaries	
Branches	Company	Branches
626	Fideuram	34

ISLANDS		
INTESA SANPAOLO	Subsidiaries	
Branches	Company	Branches
215	Fideuram	10

Figures as at 31st December 2022

International presence

AMERICA	
Direct Branches	Representative Offices
New York	Washington D.C.

Country	Subsidiaries	Branches
Brazil	Intesa Sanpaolo Brasil	1

AUSTRALIA/OCEANIA	
Direct Branches	
Sydney	

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

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



Country	Subsidiaries	Branches
Albania	Intesa Sanpaolo Bank Albania	35
Belgium	Compagnie de Banque Privée Quilvest ¹	2
Bosnia and Herzegovina	Intesa Sanpaolo Banka Bosna i Hercegovina	45
Croatia	Privredna Banka Zagreb	146
Czech Republic	VUB Banka	1
Hungary	CIB Bank	60
Ireland	Intesa Sanpaolo Bank Ireland	1
	Compagnie de Banque Privée Quilvest ¹	1
Luxembourg	Fideuram Bank Luxembourg ¹	1
	Intesa Sanpaolo Bank Luxembourg	1
Moldova	Eximbank	17
Romania	Intesa Sanpaolo Bank Romania	34
Russian Federation	Banca Intesa	27
Serbia	Banca Intesa Beograd	146
Slovakia	VUB Banka	159
Slovenia	Intesa Sanpaolo Bank	41
Switzerland	Reyl & Cie	3
Ukraine	Pravex Bank	43

AFRICA			
Representative Offices	Country	Subsidiaries	Branches
Cairo	Egypt	Bank of Alexandria	174

Figures as at 31st December 2022

(*) European Regulatory & Public Affairs

Operating structure

Operating structure	31.12.2022	31.12.2021	Changes amount
Number of employees ^(c)			
Italy	95.574	97.687	-2.113
Abroad	73.283	75.289	-2.006
Number of financial advisors	22.291	22.398	-107
	5.709	5.654	55
Number of branches ^(d)			
Italy	4.565	4.719	-154
Abroad	3.611	3.740	-129
	954	979	-25

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

^(c) The workforce indicated refers to the exact number of employees at the end of the period, counting part-time workers as equal to 1 unit.^(d) The figure includes Retail/Exclusive Branches, Non-Profit Sector Branches, Agribusiness Branches, SME Branches and Corporate Branches.