PRESS RELEASE

INTESA SANPAOLO: CONSOLIDATED RESULTS AS AT 30 JUNE 2022

THE RESULTS FOR THE FIRST HALF OF 2022 CONFIRM THAT INTESA SANPAOLO HAS BEEN ABLE TO GENERATE SOLID PROFITABILITY AND CREATE VALUE FOR ALL ITS STAKEHOLDERS EVEN IN COMPLEX CONTEXTS, THANKS TO A WELL-DIVERSIFIED AND RESILIENT BUSINESS MODEL.

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 AN INTEREST RATE INCREASE, HIGH FLEXIBILITY IN MANAGING OPERATING COSTS, AND THE ZERO-NPL BANK STATUS.

NET INCOME FOR H1 2022 WAS €3,276 MILLION WHEN EXCLUDING WRITE-DOWNS FOR RUSSIA AND UKRAINE, FULLY IN LINE WITH THE 2022-2025 BUSINESS PLAN NET INCOME TARGET OF OVER €5 BILLION FOR THIS YEAR. STATED NET INCOME WAS €2,354 MILLION.

VALUE GENERATION FOR ALL STAKEHOLDERS IS ALSO GROUNDED IN INTESA SANPAOLO'S STRONG ESG COMMITMENT WHICH IN THE FIRST HALF OF THE YEAR TRANSLATED, AMONG OTHER ACTIONS, INTO A ONE-OFF CONTRIBUTION OF AROUND €50 MILLION TO THE GROUP'S PEOPLE (EXCLUDING THE MANAGERS) TO MITIGATE THE IMPACT OF INFLATION AND 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 12.5% DEDUCTING FROM CAPITAL €1.6 BILLION OF DIVIDENDS ACCRUED IN H1 2022 AND THE €3.4 BILLION BUYBACK AUTHORISED BY THE ECB, WITHOUT TAKING INTO ACCOUNT A BENEFIT OF AROUND 110 BASIS POINTS DERIVING FROM THE ABSORPTION OF DEFERRED TAX ASSETS (DTAs), OF WHICH AROUND 40 BASIS POINTS OVER THE 2022-2025 BUSINESS PLAN HORIZON.

OPERATING MARGIN WAS UP BY 4.2% ON H1 2021, WITH OPERATING INCOME UP BY 0.9% AND OPERATING COSTS DOWN BY 2.5%.

CREDIT QUALITY IMPROVED:
- **GROSS NPLs WERE REDUCED BY 26.9% ON YEAR-END 2021;**
- **NPL RATIO WAS 2.3% GROSS AND 1.3% NET, RESPECTIVELY 1.8% AND 1% ACCORDING TO THE EBA METHODOLOGY; NPL RATIO WOULD BE 2.2% GROSS AND 1.2% NET TAKING INTO ACCOUNT THE REDUCTION DUE TO THE ADDITIONAL DISPOSALS PLANNED IN 2022 ALREADY PROVISIONED FOR IN Q4 2021, RESPECTIVELY 1.7% AND 1% ACCORDING TO THE EBA METHODOLOGY;**
- **ANNUALISED COST OF RISK IN H1 2022 STOOD AT 61 BASIS POINTS, 27 BASIS POINTS WHEN EXCLUDING ADJUSTMENTS FOR THE RUSSIA-UKRAINE EXPOSURE NET OF THE PARTIAL RELEASE OF GENERIC PROVISIONS SET ASIDE IN 2020 FOR FUTURE COVID-19 IMPACTS.**

INTESA SANPAOLO CONTINUES TO OPERATE AS A GROWTH ACCELERATOR IN THE REAL ECONOMY IN ITALY: IN H1 2022, MEDIUM/LONG-TERM NEW LENDING GRANTED BY THE GROUP TO ITALIAN HOUSEHOLDS AND BUSINESSES AMOUNTED TO AROUND €32 BILLION. IN H1 2022, THE GROUP FACILITATED THE RETURN TO PERFORMING STATUS OF AROUND 2,100 COMPANIES, THUS SAFEGUARDING AROUND 10,000 JOBS. THIS BROUGHT THE TOTAL TO AROUND 135,000 COMPANIES SINCE 2014, WITH AROUND 675,000 JOBS SAFEGUARDED OVER THE SAME PERIOD.

- **NET INCOME OF €3,276M IN H1 2022 WHEN EXCLUDING WRITE-DOWNS FOR THE RUSSIA-UKRAINE EXPOSURE (UP 8.4% VS €3,023M IN H1 2021). STATED NET INCOME OF €2,354M.**

- **OPERATING MARGIN UP BY 4.2% ON H1 2021**

- **OPERATING INCOME UP BY 0.9% ON H1 2021**

- **OPERATING COSTS DOWN BY 2.5% ON H1 2021**

- **IMPROVEMENT IN CREDIT QUALITY TREND:**
  - **DECREASE IN NPLs:**
    - **GROSS NPL REDUCTION OF AROUND €54BN SINCE THE SEPTEMBER 2015 PEAK**
    - **NPL STOCK DOWN 26.9% GROSS AND 13% NET ON YEAR-END 2021**
    - **NPL TO TOTAL LOAN RATIO OF 2.3% GROSS AND 1.3% NET, RESPECTIVELY 1.8% AND 1% ACCORDING TO THE EBA METHODOLOGY; NPL RATIO WOULD BE 2.2% GROSS AND 1.2% NET TAKING INTO ACCOUNT THE REDUCTION DUE TO THE ADDITIONAL DISPOSALS PLANNED IN 2022 ALREADY PROVISIONED FOR IN Q4 2021, RESPECTIVELY 1.7% AND 1% ACCORDING TO THE EBA METHODOLOGY**
  - **ANNUALISED COST OF RISK IN H1 2022 TO 61 BASIS POINTS (FROM 59 BASIS POINTS IN 2021), 27 BASIS POINTS WHEN EXCLUDING ADJUSTMENTS FOR THE RUSSIA-UKRAINE EXPOSURE NET OF PARTIAL RELEASE OF GENERIC PROVISIONS SET ASIDE IN 2020 FOR FUTURE COVID-19 IMPACTS (FROM 25 BASIS POINTS IN 2021 WHEN EXCLUDING PROVISIONS TO ACCELERATE NPL DELEVERAGING)**

- **SOLID CAPITAL POSITION, WELL ABOVE REGULATORY REQUIREMENTS:**
  - **COMMON EQUITY TIER 1 RATIO AS AT 30 JUNE 2022, AFTER DEDUCTING FROM CAPITAL** (*) **€1.6BN OF DIVIDENDS ACCRUED IN H1 2022 AND THE €3.4 BN BUYBACK** (°):
    - **12.7 % PHASED-IN** (1)
    - **12.5% FULLY LOADED** (2) (3) **WITHOUT TAKING INTO ACCOUNT THE BENEFIT OF AROUND 110 BASIS POINTS DERIVING FROM THE ABSORPTION OF DEFERRED TAX ASSETS (DTAs), OF WHICH AROUND 40 OVER THE 2022-2025 BUSINESS PLAN HORIZON**

(*) 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 2019 suspended 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 13.6%, 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 H1 2022 net income of insurance companies.

HIGHLIGHTS:

OPERATING INCOME:	Q2 2022	-1.1%	TO €5,347M FROM €5,409M IN Q1 2022
	H1 2022	+0.9%	TO €10,756M FROM €10,661M IN H1 2021
OPERATING COSTS:	Q2 2022	+4.5%	TO €2,612M FROM €2,499M IN Q1 2022
	H1 2022	-2.5%	TO €5,111M FROM €5,242M IN H1 2021
OPERATING MARGIN:	Q2 2022	-6.0%	TO €2,735M FROM €2,910M IN Q1 2022
	H1 2022	+4.2%	TO €5,645M FROM €5,419M IN H1 2021
GROSS INCOME:	Q2 2022	€2,089M	FROM €2,144M IN Q1 2022
	H1 2022	€4,233M	FROM €4,313M IN H1 2021
NET INCOME:	Q2 2022	€1,330M	FROM €1,024M IN Q1 2022
	H1 2022	€2,354M	FROM €3,023M IN H1 2021

CAPITAL RATIOS: COMMON EQUITY TIER 1 RATIO AFTER DIVIDENDS ACCRUED IN H1 2022 (°) AND €3.4BN BUYBACK (°°):
12.7% PHASED-IN (4)
12.5% 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 2019 suspended 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 13.6%, 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 H1 2022 net income of insurance companies.

Turin - Milan, 29 July 2022 – At its meeting today, the Board of Directors of Intesa Sanpaolo approved the consolidated half-yearly report as at 30 June 2022 (7).

The results for the first half of 2022 confirm that Intesa Sanpaolo has been able to generate solid profitability and create value for all its stakeholders even in complex contexts, such as the context characterised by the current events involving Russia and Ukraine and the COVID-19 pandemic, **thanks to its well-diversified and resilient business model**. Value generation for all stakeholders is also grounded in the **strong ESG commitment** of Intesa Sanpaolo. In the first half of the year, this translated, among other actions, into a one-off contribution of around €50m to the Group's people (excluding the managers) to mitigate the impact of inflation and into several humanitarian initiatives to support people of the Group's subsidiary Pravex Bank and the Ukrainian population.

Net income for the first half of the year was €3,276m when excluding write-downs of €1.1bn for Russia and Ukraine (°°), fully in line with the 2022-2025 Business Plan net income target of over €5bn for this year. Stated net income amounted to €2,354m. Almost all cross-border loans to Russia are performing and classified in Stage 2.

The formula of the 2022-2025 Business Plan and, specifically, **the 2025 net income target of €6.5bn 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 €4.1bn gross NPL stock reduction in the first half of this year, 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;
  - extension of cybersecurity anti-fraud protection 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;
  - 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;

(7) Methodological note on the scope of consolidation on page 26.

(°°) Equal to €1,126m before tax, of which €1,093m relating to the credit exposure (€794m for the cross-border exposure and €299m, with no tax shield, for the local exposure of the Russian subsidiary Banca Intesa and the Ukrainian subsidiary Pravex Bank) and €33m relating to securities and real estate write-downs; the amount, net of tax, was €922m. Before H1 2022 adjustments, the cross-border on-balance credit exposure to Russia amounted to €3.9bn, net of €0.9bn guarantees by Export Credit Agencies (€0.5bn off-balance, net of €0.5bn guarantees by ECA) and the on-balance credit exposure of the Russian subsidiary Banca Intesa (management data) and the Ukrainian subsidiary Pravex Bank amounted to €1.3bn with a reduction of around €0.3bn on the end of March 2022 at constant exchange rates (€0.2bn off-balance). The credit exposure to Russian counterparties currently included in the SDN lists of names to which sanctions apply amounted to €0.4bn.

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

- the Active Credit Portfolio Steering unit continued to broaden the scope of synthetic credit risk protection schemes, completing three new transactions for a total of €4bn in Q2 2022, including residential mortgages and leasing contracts, in addition to the first Italian credit-risk-transfer transaction on a portfolio of commercial real estate loans (€1.9bn) finalised in Q1 2022;
- the Active Credit Portfolio Steering unit has further strengthened capital efficiency initiatives and in H1 2022 enhanced the credit strategy framework, shifting €11bn in new lending towards economic sectors with the best risk/return profiles;
- 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 230 dedicated specialists; contract with Thought Machine finalised; overall technological masterplan defined;
  - new head of Isybank, new head of Domain Isy Tech and new head of Sales & Marketing Digital Retail Department hired and operative;
  - Isybank offering structure and functionalities defined;
  - insourcing of core capabilities in IT ongoing with around 270 people already hired;
  - AI Lab in Turin already operational (set-up of Centai Institute);
  - around 500 branches closed between Q4 2021 and H1 2022 in light of the launch of the new Digital Bank;
  - digital platform for analytical cost management up and running, with more than 20 efficiency initiatives already identified;
  - selection of tools to support the negotiation and scouting activities of potential suppliers carried out;
  - rationalisation of real estate in Italy in progress, with a reduction of around 260,000 square meters between Q4 2021 and H1 2022;
  - around 1,000 voluntary exits in H1 2022;
  - ongoing implementation of digital functions and services in Serbia and Hungary;
  - alignment of digital channels to the new core banking system in Egypt;
  - functional and technical analysis activities started in Slovakia and Albania for the adoption of the target platform of the new system of core banking;
  - the Intesa Sanpaolo Mobile App was once more recognised by Forrester as "Overall Digital Experience Leader" and this year has ranked first among all the evaluated EMEA banking apps and cited as best practice in several European Banking App categories;

• **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: 26,000 new contracts and €8.2bn in Customer financial asset inflows in H1 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 release), Aladdin Risk and Aladdin Enterprise module for Fideuram Asset Management and Fideuram Asset Management Ireland for investment services;
  - new features for UHNWI (Ultra High Net Worth Individuals) client advisory tools; strengthening of service model for family offices and ongoing project to embed ESG principles in the advisory model and reporting;

- new features of Fideuram's online investment and trading platform released, enabling clients to independently open accounts and subscribe to asset management products;
- multiple new asset management and insurance products launched (e.g. dedicated offer for clients with excess liquidity and capital protection funds);
- continued enhancement of ESG product offering for asset management and insurance;
- 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);
- ESG value proposition initiative launched for the corporate and SME segments of Group banks in Slovakia, Hungary, Croatia, Serbia and Egypt;
- development of synergies underway between the IMI Corporate & Investment Banking Division and the Group's banks in Slovakia, Czech Republic, Hungary and Croatia;
- expansion of digital services in Serbia and Hungary underway;
- accelerated ESG advisory to corporates to steer the energy transition through a scalable approach, with a focus on Energy, Infrastructure and Automotive & Industrials sectors;
- agreement with a leading insurance group finalised to distribute bancassurance products in Slovakia, Croatia, Hungary, Serbia and Slovenia;
- 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 program for people in need**, with **more than 6 million interventions** carried out in H1 2022 concerning meals, beds, medicine prescriptions and items of clothing;
    - **promotion of youth inclusive education and employability**:
      - ▫ "**Giovani e Lavoro**" program aimed **at training and introducing over 3,000 young people to the Italian labour market** over the 2022-2025 Business Plan horizon: in H1 2022, over 5,500 students aged between 18 and 29 applied for the program, around 1,000 students were interviewed and over 400 trained/in training through 17 courses (over 2,600 trained/in training since 2019) and over 2,200 companies involved since the program's inception; started in May the second edition of the **Generation4Universities program** that offers internships to around 100 talented senior year university students from 36 universities, involving 31 top-tier Italian corporations as potential employers;
      - ▫ **inclusive education** programs: **strengthening of partnerships with main Italian universities and schools** (around 600 schools and around 1,900 students in H1 2022) to promote educational inclusion, supporting merit and social mobility; in H1 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 70 students involved in H1 2022);
- **social housing**: set-up of the project underway (development of 6-8 thousand social housing units for youth and seniors);

□ **strong focus on financial inclusion**:
- **over €5bn in social lending** granted (a target of €25bn cumulative flows announced in the Business Plan);
- **lending to third sector**: in H1 2022, **granted** loans supporting non-profit organisations for a total of **€170m**;
- **Fund for Impact**: in H1 2022, **€21m made available** in support of the needs of people and families to ensure wider and more sustainable access to credit, with dedicated programs such as "**Per Merito**" (line of credit without collateral to be reimbursed over 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 no self-sufficient people) and other solutions (e.g. "**Obiettivo Pensione**", "**per Esempio**", "**XME Studio Station**");
- **lending for urban regeneration**: **in H1 2022, committed €500m** in new loans 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**:
- **two new museums opened in May**, doubling the number of the Gallerie d'Italia venues to four (Turin and Naples in addition to Milan and Vicenza); important projects for the transformation of owned buildings: in Turin, museum dedicated to photography, the digital world and ESG topics (currently, among others, two exhibition projects dedicated to climate change); the Naples museum houses 680 artworks from the Bank's collections, from archaeology to a Caravaggio masterpiece, up to modern and contemporary art (currently open to the public the *Restituzioni* exhibition and 231 works of public heritage restored in the 19th edition of the program, curated by the Bank with the Ministry of Culture);
- **almost 185,000 visitors** to the Gallerie d'Italia in H1 2022. 587 workshops for school groups with 12,600 students participating, 129 tours for visitors with special needs with 1,800 participants, free of charge.
- in the Sanctuary of Monte Berico in Vicenza, the official launch of the restoration of the important painting by Paolo Veronese "Dinner of San Gregorio Magno" (40 square meters), a masterpiece of the Venetian Renaissance, as part of the *Restituzioni* program;
- 155 artworks from the owned collections on loan to 34 temporary exhibitions hosted in Italian and locations abroad;
- important partnerships with public and private, national and international players, including Miart of Milan, Turin Book Fair, Archivissima of Turin and National Archaeological Museum of Naples;

□ **promoting innovation**:
- **139 innovation projects launched** in H1 2022;
- **development of multi-disciplinary applied research projects**, of which 12 in progress in the fields of Artificial Intelligence, robotics and neuroscience;

- **initiatives for start-ups growth and the development of innovation ecosystems**:
  - ▫**Turin**: the third class of the "**Torino Cities of the Future**" program, managed by Techstars, completed; the fourth class is underway; since inception in 2019, 35 accelerated start-ups (11 Italian teams), over 30 proofs of concept with local stakeholders, €48m in capital raised and over 180 new resources hired after acceleration;
  - ▫**Florence**: the first class of the three-year "**Italian Lifestyle Accelerator Program**", managed by Nana Bianca, completed, with six Italian accelerated start-ups (over 210 candidates, 85% Italian) and over €2m in capital raised;
  - ▫**Naples**: first acceleration program "**Terra Next**" (Bioeconomy) for eight start-ups (around 130 candidates, 83% Italian) launched with Cassa Depositi e Prestiti, Cariplo Factory and local scientific partners; patronage of the Ministry of Ecological Transition obtained;
  - ▫**UP2Stars** initiative aimed at 40 start-ups on four vertical pillars (Digital/Industry 4.0; Bioeconomy, focus on Agritech and Foodtech; Medtech/Healthcare; Aerospace). First program completed in May (over 230 candidates); second program finishing in July (over 150 candidates), the application phase for the third program has begun.
  - ▫**two start-up acceleration programs for clients** in progress, with coaching and mentoring activities;
- **business transformation**: over 20 corporates involved in open innovation programs and ongoing support to Compagnia di San Paolo and Cariplo Foundations on their "Bando Evoluzioni" related to the digitisation of the non-profit sector;
- **diffusion of innovation mindset/culture**: podcasts series on innovation ("A prova di futuro") launched to spread the culture of innovation; 25 positioning and match-making events held, with more than 1,700 participants and six innovation reports on technologies and trends released;
- **Neva SGR** investments in start-ups: invested over €20m in Israel in IT, Quantum Computing, Agri-Foodtech and Cybersecurity;

□ **accelerating on commitment to net-zero emissions**:
- following the Group's participation in the NetZero Banking Alliance (NZBA), the Net Zero Asset Managers Initiative (NZAMI), the Net Zero Asset Owner Alliance (NZAOA) and the Net Zero Insurance Alliance (NZIA), in April this year **Intesa Sanpaolo's commitment to the SBTi validation** was published on the SBTi website;
- net-zero targets implemented in all Business Units;
- ongoing active engagement in various **Glasgow Financial Alliance for Net-Zero and Net-Zero Alliance taskforces**;
- in June 2022, the Glasgow Financial Alliance for Net-Zero published an interim report for consultation "**Financial Institution Net-zero Transition Plans**", where, in the Metrics and Targets chapter, Intesa Sanpaolo was cited as a best practice for its target setting announced in the 2022-2025 Business Plan;
- **Group's Guidelines for the governance of ESG risks** revised in April 2022 in line with regulatory developments and climate and environmental initiatives underway;
- the Group is already active in the **regulated carbon markets** under the European Emission Trading Scheme (ETS); as regards the **voluntary market**, a new **service model focused on forest management activities** is under development, with an initial proposition focused on SME lending and advisory;
- in June 2022, Intesa Sanpaolo became an **investor signatory of CDP**, further fostering corporate environmental transparency;

□ **supporting clients through the ESG/climate transition**:
- **around €24bn disbursed** between 2021 and H1 2022 out of the €76bn of new lending available **for the green economy, circular economy and green transition** in relation to the 2021-2026 National Recovery and Resilience Plan;

- **€8bn circular economy credit facility** announced in the 2022-2025 Business Plan: in H1 2022, 192 projects assessed and validated for an amount of €5.3bn, €2.3bn granted in 82 transactions (of which €1.2bn related to Green Finance) and €933m disbursed (of which €584m related to Green Finance); partnership with the Ellen McArthur Foundation renewed;
- the **first three ESG Laboratories** activated (in Venice, Padua and Brescia), 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 enrichment 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 €2.9bn granted since launch (around €1.5bn in H1 2022);
- in October 2021, launch of **Digital Loans** (D-Loans) aimed at improving the digitalisation of companies, with €17.4m granted since launch (€16m in H1 2022);
- in March 2022, Intesa Sanpaolo won the Milano Finanza Banking Awards for its **S-Loan product** and for the **ESG training platform for corporate clients (Skills4ESG)**;
- accelerated **ESG advisory to corporates** to steer the energy transition through a scalable approach;
- an **ESG value proposition initiative launched 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 49% of total assets under management for Eurizon;
- Fideuram **advisory model** revised to embed ESG principles in need-based financial planning and launch of a comprehensive training program for the ESG certification of Fideuram bankers with more than 25,000 hours provided in H1 2022.

Intesa Sanpaolo is the **only Italian bank listed in the Dow Jones Sustainability Indices** and ranks **first among European banks in three of the top ESG international assessments**: MSCI, Sustainalytics and Bloomberg ESG Disclosure Score. Furthermore, Intesa Sanpaolo received the **S&P Global Sustainability Award – Bronze Class** in February 2022 and has been:

- **included for the fifth consecutive year in the Bloomberg Gender-Equality Index (GEI) 2022**, **obtaining a score well above the average** of the global financial sector and of Italian companies;
- the **first bank in Europe in the Refinitiv Diversity & Inclusion Index** among the **top 100 companies for 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 900 professionals hired between 2021 and H1 2022;
  - around 850 people reskilled and around 4.5m training hours delivered in H1 2022;
  - over 100 talent have already completed their training as part of the International Talent Program, which is still underway for around other 200 people;
  - around 430 key people identified among the middle management for dedicated development and training initiatives;
  - live webinars, podcasts, video contents and other ongoing initiatives to foster employee wellbeing;
  - the new long-term incentive plan implemented to support the Business Plan targets and foster individual entrepreneurship;
  - creation of the new leading education player in Italy completed through the combination between Intesa Sanpaolo Formazione and Digit'Ed, a Nextalia Fund company;

- diversity & inclusion goals defined and shared for every organisational unit for 2022, 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;
- Intesa Sanpaolo recognised as Top Employer 2022 by Top Employers Institute and ranked at the top of LinkedIn’s Top Companies 2022 list;
- in Q2 2022, one-off contribution of €48m to Intesa Sanpaolo people, excluding managers and their equivalents, to mitigate the impact of inflation.

In the first half of 2022, the Group recorded:

- **net income at €3,276m when excluding write-downs for Russia and Ukraine** (**up 8.4%** vs €3,023m in H1 2021), **stated** net income **at €2,354m**;
- **growth in operating margin**, up by 4.2% on H1 2021;
- **growth in operating income**, up by 0.9% on H1 2021;
- **operating costs down** by 2.5% on H1 2021;
- **high efficiency**, with a **cost/income of 47.5%** in H1 2022, **a level among the best in the top tier European banks**;
- annualised **cost of risk** in H1 2022 to **61bps** (from 59bps in 2021), **27bps when excluding adjustments for the Russia-Ukraine exposure net of around €0.3bn release, a portion of the around €0.7bn residual amount of generic provisions booked in 2020 for future COVID-19 impacts (**from 25bps in 2021 when excluding provisions to accelerate NPL deleveraging);
- **improving credit quality** (°):
  - gross **NPLs were reduced** by around **€4.1bn since year-end 2021** and by around **€54bn since the September 2015 peak**;
  - **NPL stock decreased 26.9% gross and 13% net on December 2021**;
  - **NPL to total loan ratio** was 2.3% gross and 1.3% net based on the stated figure as at 30 June 2022 (°°), respectively **2.2% and 1.2% on a pro-forma basis taking into account the reduction due to the additional disposals planned in 2022 already provisioned for in Q4 2021** (°°°). According to the **EBA methodology**, **the NPL ratio** was 1.8% gross and 1% net based on the stated figure as at 30 June 2022, respectively **1.7% and 1% on a pro-forma basis taking into account the reduction due to the additional disposals planned in 2022 already provisioned for in Q4 2021**;
- **sizeable NPL coverage**:
  - **NPL cash coverage ratio of 44.8%** at the end of June 2022, **with a cash coverage ratio of 63.9% for the bad loan component**;
  - **robust reserve buffer on performing loans**, amounting to 0.6% at the end of June 2022;

(°) Suspension of payments at the end of June 2022 amounted to around €0.3bn (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 is of around €36bn (around €6bn from SACE and around €30bn from SME Fund).

(°°) NPLs at the end of June 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 €4.1bn gross and €1bn net.

(°°°) Planned disposals equal to €0.8bn gross and €0.4bn net.

- **<u>very solid capital position</u>**, with capital ratios well above regulatory requirements. As at 30 June 2022, after deducting from capital (*) €1,648m of dividends accrued in H1 2022 and the €3.4bn buyback (°), the Common Equity Tier 1 ratio calculated by applying the transitional arrangements for 2022 came in at 12.7% (8) and **the fully loaded Common Equity Tier 1 ratio at 12.5%** (9) (10) **without taking into account the benefit of around 110bps from the DTA absorption (of which around 40bps over the 2022-2025 Business Plan horizon)**. This compares with a SREP requirement for 2022, comprising Capital Conservation Buffer, O-SII Buffer and Countercyclical Capital Buffer (**), equal to 8.91% (***). The first half of 2022 recorded 10bps negative regulatory impact (out of the around 60bps estimated over the 2022-2025 Business Plan horizon) and 20bps negative impact from the RWA increase due to the events involving Russia and Ukraine.

- **<u>strong liquidity position and funding capability</u>**, with **liquid assets of €319bn** and **high available unencumbered liquid assets of €181bn at the end of June 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 €115bn as at 30 June 2022, and consisted entirely of TLTROs III.

- **<u>support provided to the real economy</u>**, with around **€42bn of medium/long-term new lending** in H1 2022. **Loans** amounting to around **€32bn were granted in Italy**, of which around **€29bn was granted to households and SMEs**. **In H1 2022**, the Group facilitated the return from non-performing **to performing status** of around **2,100 companies thus safeguarding** around **10,000 jobs**. This brought the total to around **135,000 companies since 2014**, **thus safeguarding** around **675,000 jobs over the same period**.

(*) 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 2019 suspended 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 of 13.6%, 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 H1 2022 net income of insurance companies.

(**) *Countercyclical Capital Buffer* calculated taking into account the exposure as at 30 June 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 2023, where available, or the most recent update of the reference period (requirement was set at zero per cent in Italy for the first nine months of 2022).

(***) 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 second quarter of 2022 (°)

The consolidated income statement for Q2 2022 recorded **net interest income** of €2,091m, up 6.9% compared with €1,956m in Q1 2022 and 4.8% compared with €1,995m in Q2 2021.

Net fee and commission income amounted to €2,248m, down 1.4% from €2,281m in Q1 2022. Specifically, commissions on commercial banking activities were up 9.8% and those on management, dealing and consultancy activities were down 7.3%. The latter, which include portfolio management, distribution of insurance products, dealing and placement of securities, etc., recorded decreases of 32.4% in dealing and placement of securities and 4% in portfolio management (performance fees contributed €4m in Q2 2022 and €7m in Q1 2022) and an increase of 4.5% in distribution of insurance products. Net fee and commission income for Q2 2022 was down 4.8%, compared with €2,361m in Q2 2021. Specifically, commissions on commercial banking activities were up 4% and those on management, dealing and consultancy activities were down 12.7%. The latter recorded decreases of 46.3% in dealing and placement of securities and 12.8% in portfolio management (performance fees contributed €64m in Q2 2021) and an increase of 9.9% in distribution of insurance products.

Income from insurance business amounted to €465m from €402m in Q1 2022 and €456m in Q2 2021.

Profits on financial assets and liabilities at fair value amounted to €556m, compared with €767m in Q1 2022. Contributions from customers decreased from €88m to €84m, those from capital markets recorded a negative balance of €78m versus a negative balance of €11m, those from trading and treasury decreased from €694m to €568m and those from structured credit products were negative for €18m versus a negative balance of €4m. The profits of €556m for Q2 2022 compare with the €344m profits of Q2 2021 when contributions from customers amounted to €72m, those from capital markets amounted to €97m, those from trading and treasury amounted to €173m and those from structured credit products were €2m.

Operating income amounted to €5,347m, down 1.1% compared with €5,409m in Q1 2022 and up 3.3% compared with €5,175m in Q2 2021.

Operating costs amounted to €2,612m, up 4.5% from €2,499m in Q1 2022, attributable to increases of 2.4% in personnel expenses and 13.6% in administrative expenses and a 2.2% decrease in adjustments. Operating costs for Q2 2022 were down 1.8% compared with €2,659m in Q2 2021, attributable to decreases of 2.4% in personnel expenses and 2.1% in administrative expenses and a 2.3% increase in adjustments.

(°) The figures for Q2 2021 were restated as “Redetermined figures” to take into account the inclusion of the Reyl Group for the period before its acquisition and, 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, not considering the effects attributable to the going concerns object of sale, as illustrated in the methodological note on the scope of consolidation on page 26.

As a result, **operating margin** amounted to €2,735m, down 6% from €2,910m in Q1 2022 and up 8.7% from €2,516m in Q2 2021. The cost/income ratio was 48.8% in Q2 2022 versus 46.2% in Q1 2022 and 51.4% in Q2 2021.

Net adjustments to loans amounted to €730m (including €292m for the Russia-Ukraine exposure), compared with €702m in Q1 2022 (which included €801m for the Russia-Ukraine exposure and around €300m release of generic provisions set aside in 2020 for future COVID-19 impacts) and €599m in Q2 2021.

Net provisions and net impairment losses on other assets amounted to €63m, compared with €60m in Q1 2022 and €220m in Q2 2021 (including around €125m to strengthen insurance reserves).

Other income recorded a positive balance of €147m (including a capital gain of €194m deriving from the disposal of Intesa Sanpaolo Formazione and a one-off contribution of €48m to Intesa Sanpaolo people to mitigate the impact of inflation), compared with a negative balance of €4m in Q1 2022 and of €7m in Q2 2021.

Income (Loss) from discontinued operations was nil, compared with the same result in Q1 2022 and a €10m income in Q2 2021.

Gross income amounted to €2,089m, compared with €2,144m in Q1 2022 and €1,700m in Q2 2021.

Consolidated net income amounted to €1,330m, after accounting:
- taxes on income of €675m, including a benefit of €117m deriving from the tax realignment of intangible assets;
- charges (net of tax) for integration and exit incentives of €23m;
- negative effect of purchase price allocation (net of tax) of €47m;
- levies and other charges concerning the banking industry (net of tax) of €12m, deriving from the following pre-tax figures: recovery of €3m in relation to the resolution fund and charges of €11m in relation to contributions to the deposit guarantee scheme concerning the international network, €6m in relation to levies incurred by international subsidiaries and €2m in relation to the National Interbank Deposit Guarantee Fund Voluntary Scheme. In Q1 2022, this caption amounted to €266m, deriving from pre-tax charges of €365m in relation to the ordinary contribution to the resolution fund estimated for full-year 2022, €6m in relation 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 €7m regarding the *Atlante* fund. In Q2 2021, this caption amounted to €83m, deriving from pre-tax charges of €109m in relation to the contribution to the resolution fund, €4m in relation to contributions to the deposit guarantee scheme concerning the international network and €6m in relation to levies incurred by international subsidiaries;
- minority interests of €2m.

Net income of €1,330m in Q2 2022 compares with €1,024m in Q1 2022 and with €1,507m in Q2 2021.

The income statement for the first half of 2022 (°)

The consolidated income statement for H1 2022 recorded **net interest income** of €4,047m, up 2.5% from €3,947m in H1 2021.

Net fee and commission income amounted to €4,529m, down 3% from €4,670m in H1 2021. Specifically, commissions on commercial banking activities were up 4.5% and commissions on management, dealing and consultancy activities were down 9.1%. The latter, which include portfolio management, distribution of insurance products, dealing and placement of securities, etc., recorded decreases of 34.2% in dealing and placement of securities, 8.5% in portfolio management (performance fees contributed €11m in H1 2022 and €120m in H1 2021) and an increase of 4.4% in distribution of insurance products.

Income from insurance business amounted to €867m from €854m in H1 2021.

Profits on financial assets and liabilities at fair value amounted to €1,323m, compared with €1,139m in H1 2021. Contributions from customers increased from €157m to €172m, those from capital markets recorded a negative result of €89m compared with a positive result of €415m, those from trading and treasury increased from €560m to €1,262m and those from structured credit products recorded a negative result of €22m versus a positive result of €7m.

Operating income amounted to €10,756m, up 0.9% versus €10,661m in H1 2021.

Operating costs amounted to €5,111m, down 2.5% from €5,242m in H1 2021, attributable to decreases of 2.8% in personnel expenses and 4% in administrative expenses and an increase of 2.5% in adjustments.

As a result, **operating margin** amounted to €5,645m, up 4.2% from €5,419m in H1 2021. The cost/income ratio was 47.5% in H1 2022 versus 49.2% in H1 2021.

Net adjustments to loans amounted to €1,432m (including €1,093m for the Russia-Ukraine exposure and around €300m release of generic provisions set aside in 2020 for future COVID-19 impacts), from €1,001m in H1 2021.

Net provisions and net impairment losses on other assets amounted to €123m versus €354m in H1 2021 (including around €125m to strengthen insurance reserves).

(°) The figures for the first half of 2021 were restated as "Redetermined figures" to take into account the inclusion of the Reyl Group for the period before its acquisition and, 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, not considering the effects attributable to the going concerns object of sale, as illustrated in the methodological note on the scope of consolidation on page 26.

Other income amounted to €143m (including the capital gain of €194m deriving from the disposal of Intesa Sanpaolo Formazione and the one-off contribution of €48m to Intesa Sanpaolo people to mitigate the impact of inflation) versus €191m in H1 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).

Income (Loss) from discontinued operations was nil versus €58m in H1 2021.

Gross income amounted to €4,233m, compared with €4,313m in H1 2021.

Consolidated net income for the first half amounted to €2,354m, after accounting:
- taxes on income of €1,456m, including a benefit of €117m deriving from the tax realignment of intangible assets;
- charges (net of tax) for integration and exit incentives of €39m;
- negative effect of purchase price allocation (net of tax) of €101m;
- levies and other charges concerning the banking industry (net of tax) of €278m, deriving from pre-tax charges of €362m in relation to the contribution to the resolution fund, €17m in relation to contributions to the deposit guarantee scheme concerning the international network, €12m in relation to levies incurred by international subsidiaries, €2m in relation to the National Interbank Deposit Guarantee Fund Voluntary Scheme, and negative fair value differences of €7m regarding the *Atlante* fund. In H1 2021, this caption amounted to €279m, deriving from pre-tax charges of €381m in relation to the contribution to the resolution fund, €9m in relation to contributions to the deposit guarantee scheme concerning the international network, €11m in relation to levies incurred by international subsidiaries, and negative fair value differences of €2m regarding the *Atlante* fund;
- minority interests of €5m.

Net income amounted to €2,354m in H1 2022 versus €3,023m in H1 2021.

Balance sheet as at 30 June 2022

As regards the consolidated balance sheet figures, as at 30 June 2022 **loans to customers** amounted to €472bn, up 1.2% on year-end 2021 and 1.7% on 30 June 2021 (up 1.4% on Q1 2022 and 2.4% on H1 2021 when taking into account quarterly and half-yearly average volumes [*]). Total **non-performing loans** (bad, unlikely-to-pay, and past due) amounted - net of adjustments - to €6,155m, down 13% from €7,077m at year-end 2021. In detail, bad loans amounted to €1,237m 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 63.9% (70.4% at year-end 2021). Unlikely-to-pay loans amounted to €4,377m from €4,325m at year-end 2021. Past due loans decreased to €541m from €622m at year-end 2021.

Customer financial assets amounted to €1,214bn, down 5.5% on year-end 2021 and 1.8% on 30 June 2021. Under customer financial assets, **direct deposits from banking business** amounted to €549bn, down 1.4% on year-end 2021 and up 3% on 30 June 2021. **Direct deposits from insurance business and technical reserves** amounted to €181bn, down 11.6% on year-end 2021 and 11.5% on 30 June 2021. Indirect customer deposits amounted to €663bn, down 8.6% on year-end 2021 and 5.4% on 30 June 2021. **Assets under management** amounted to €436bn, down 8.6% on year-end 2021 and 5.6% on 30 June 2021. As for bancassurance, in H1 2022 the new business for life policies amounted to €8.1bn. Assets held under administration and in custody amounted to €226bn, down 8.6% on year-end 2021 and 5.1% on 30 June 2021.

Capital ratios as at 30 June 2022, calculated by applying the transitional arrangements for 2022 and deducting from capital [°] €1,648m of dividends accrued in H1 2022 and the €3.4bn buyback [°°] were as follows:
- Common Equity Tier 1 ratio [11] at 12.7% (14.5% at year-end 2021 [12]),
- Tier 1 ratio [11] at 14.9% (16.4% at year-end 2021 [12]),
- total capital ratio [11] at 17.5% (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.

(°°) Amount, approved by the Shareholders' Meeting and authorised by the ECB, equivalent to the 2019 suspended 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 12.5 % for the Common Equity Tier 1 ratio, 14.7% for the Tier 1 ratio and 17.4% 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 €181bn at the end of June 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 €319bn at the end of June 2022;
- refinancing operations with the ECB to optimise the cost of funding and support businesses in their investment amounted to around €115bn as at 30 June 2022 and consisted entirely of TLTROs III;
- the sources of funding were stable and well diversified, with retail funding representing 84% of direct deposits from banking business (including securities issued);
- medium/long-term wholesale funding was €1.7bn in H1 2022 and included a benchmark transaction of Additional Tier 1 bonds of €1bn (around 89% was placed with foreign investors).

The Group's **leverage ratio** as at 30 June 2022 (which, effective from this date, includes exposures to the European Central Bank) was 5.3% applying the transitional arrangements for 2022 and 5.2% fully loaded, best in class among major European banking groups.

* * *

As at 30 June 2022, the Intesa Sanpaolo Group's **operating structure** had a total network of 4,648 branches, consisting of 3,684 branches in Italy and 964 abroad, and employed 96,723 people.

* * *

<u>Breakdown of results by Business Area</u>

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

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

In the second quarter of 2022, the Banca dei Territori Division recorded:
- operating income of €2,198m, +0.8% versus €2,182m in Q1 2022;
- operating costs of €1,557m, +2.3% versus €1,521m in Q1 2022;
- operating margin of €641m, -2.9% versus €660m in Q1 2022;
- a cost/income ratio of 70.8% versus 69.7% in Q1 2022;
- net provisions and adjustments of €423m versus net recoveries of €126m in Q1 2022;
- gross income of €229m versus €787m in Q1 2022;
- net income of €141m versus €515m in Q1 2022.

In the first half of 2022, the Banca dei Territori Division recorded:
- operating income of €4,380m, -0.6% versus €4,408m in H1 2021, contributing approximately 41% of the consolidated operating income (41% in H1 2021 as well);
- operating costs of €3,078m, -3.3% versus €3,182m in H1 2021;
- operating margin of €1,302m, +6.2% versus €1,226m in H1 2021;
- a cost/income ratio of 70.3% versus 72.2% in H1 2021;
- net provisions and adjustments of €297m versus €690m in H1 2021;
- gross income of €1,016m versus €536m in H1 2021;
- net income of €656m versus €326m in H1 2021.

The **IMI Corporate & Investment Banking** Division includes:
- 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;
- International Department, which ensures the development of the division and is responsible for foreign branches, representative offices and foreign subsidiaries carrying out corporate banking (Intesa Sanpaolo Bank Luxembourg, Intesa Sanpaolo Bank Ireland, Intesa Sanpaolo Brasil and Banca Intesa in the Russian Federation);
- Global Banking & Sovereign Institutions, which is responsible for relationships with financial institutions;
- Global Transaction Banking, which is responsible for management of transaction banking services;
- Global Markets & Investment Banking, which operates in investment banking (M&A and advisory), structured finance, capital markets and primary markets (equity and debt capital market).

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

In the second quarter of 2022, the IMI Corporate & Investment Banking Division recorded:
- operating income of €1,169m, -16.2% versus €1,395m in Q1 2022;
- operating costs of €346m, +8.9% versus €318m in Q1 2022;
- operating margin of €822m, -23.6% versus €1,076m in Q1 2022;
- a cost/income ratio of 29.6% versus 22.8% in Q1 2022;
- net provisions and adjustments of €384m (including €268m for the Russia-Ukraine exposure) versus €748m in Q1 2022 (including €679m for the Russia-Ukraine exposure);
- gross income of €438m versus €328m in Q1 2022;
- net income of €234m versus €170m in Q1 2022.

In the first half of 2022, the IMI Corporate & Investment Banking Division recorded:
- operating income of €2,563m, +2.5% versus €2,501m in H1 2021, contributing approximately 24% of the consolidated operating income (23% in H1 2021);
- operating costs of €665m, +2.6% versus €648m in H1 2021;
- operating margin of €1,898m, +2.4% versus €1,853m in H1 2021;
- a cost/income ratio of 25.9%, in line with H1 2021;
- net provisions and adjustments of €1,131m (including €947m for the Russia-Ukraine exposure) versus €53m in H1 2021;
- gross income of €767m versus €1,800m in H1 2021;
- net income of €404m versus €1,247m in H1 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 second quarter of 2022, the International Subsidiary Banks Division recorded:
- operating income of €546m, +9.3% versus €500m in Q1 2022;
- operating costs of €262m, +2.2% versus €256m in Q1 2022;
- operating margin of €284m, +16.9% versus €243m in Q1 2022;
- a cost/income ratio of 48% versus 51.3% in Q1 2022;
- net provisions and adjustments of €61m (including €24m for the Russia-Ukraine exposure) versus €141m in Q1 2022 (including €122m for the Russia-Ukraine exposure);
- gross income of €224m versus €103m in Q1 2022;
- net income of €131m versus €35m in Q1 2022.

In the first half of 2022, the International Subsidiary Banks Division recorded:
- operating income of €1,045m, +8.1% versus €967m in H1 2021, contributing approximately 10% of the consolidated operating income (9% in H1 2021);
- operating costs of €518m, +2.4% versus €506m in H1 2021;
- operating margin of €527m, +14.3% versus €461m in H1 2021;
- a cost/income ratio of 49.6% versus 52.3% in H1 2021;
- net provisions and adjustments of €202m (including €146m for the Russia-Ukraine exposure) versus €94m in H1 2021;
- gross income of €327m versus €371m in H1 2021;
- net income of €166m versus €251m in H1 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, Reyl Intesa Sanpaolo, Compagnie de Banque Privée Quilvest, Intesa Sanpaolo Private Banking Asset Management and Fideuram Asset Management Ireland.

In the second quarter of 2022, the Private Banking Division recorded:
- operating income of €571m, +1.1% versus €565m in Q1 2022;
- operating costs of €217m, +3.8% versus €209m in Q1 2022;
- operating margin of €353m, -0.5% versus €355m in Q1 2022;
- a cost/income ratio of 38.1% versus 37.1% in Q1 2022;
- net recoveries of €5m versus €6m in Q1 2022;
- gross income of €358m versus €361m in Q1 2022;
- net income of €269m versus €245m in Q1 2022.

In the first half of 2022, the Private Banking Division recorded:
- operating income of €1,135m, -4% versus €1,182m in H1 2021, contributing approximately 11% of the consolidated operating income (11% in H1 2021 as well);
- operating costs of €427m, +1.4% versus €421m in H1 2021;
- operating margin of €708m, -7% versus €761m in H1 2021;
- a cost/income ratio of 37.6% versus 35.6% in H1 2021;
- net recoveries of €11m versus net provisions and adjustments of €16m in H1 2021;
- gross income of €719m versus €939m in H1 2021;
- net income of €514m versus €631m in H1 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 second quarter of 2022, the Asset Management Division recorded:
- operating income of €242m, -4.4% versus €253m in Q1 2022;
- operating costs of €51m, +2.5% versus €49m in Q1 2022;
- operating margin of €191m, -6.1% versus €204m in Q1 2022;
- a cost/income ratio of 20.9% versus 19.5% in Q1 2022;
- gross income of €191m versus €204m in Q1 2022;
- net income of €157m versus €145m in Q1 2022.

In the first half of 2022, the Asset Management Division recorded:
- operating income of €495m, -21.8% versus €633m in H1 2021, contributing approximately 5% of the consolidated operating income (6% in H1 2021);
- operating costs of €100m, -4.8% versus €105m in H1 2021;
- operating margin of €395m, -25.2% versus €528m in H1 2021;
- a cost/income ratio of 20.2% versus 16.6% in H1 2021;
- gross income of €395m versus €528m in H1 2021;
- net income of €302m versus €376m in H1 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, Cargeas Assicurazioni and Intesa Sanpaolo Insurance Agency) and Fideuram Vita.

In the second quarter of 2022, the Insurance Division recorded:
- operating income of €439m, +14% versus €385m in Q1 2022;
- operating costs of €92m, +9.7% versus €84m in Q1 2022;
- operating margin of €347m, +15.2% versus €301m in Q1 2022;
- a cost/income ratio of 21% versus 21.8% in Q1 2022;
- net provisions and adjustments of €2m versus €8m in Q1 2022;
- gross income of €345m versus €294m in Q1 2022;
- net income of €236m versus €201m in Q1 2022.

In the first half of 2022, the Insurance Division recorded:
- operating income of €824m, +0.4% versus €821m in H1 2021, contributing approximately 8% of the consolidated operating income (8% in H1 2021 as well);
- operating costs of €176m, -7.4% versus €190m in H1 2021;
- operating margin of €648m, +2.7% versus €631m in H1 2021;
- a cost/income ratio of 21.4% versus 23.1% in H1 2021;
- net provisions and adjustments of €9m versus €132m in H1 2021;
- gross income of €639m versus €499m in H1 2021;
- net income of €437m versus €439m in H1 2021.

Outlook

The industrial initiatives of the 2022-2025 Business Plan are well underway and the net income target of 6.5 billion euro in 2025 is confirmed.

For 2022, a best-in-class profitability is envisaged:
- net income of more than 4 billion euro assuming no critical changes to commodity / energy supplies;
- net income well above 3 billion euro even assuming, on a very conservative basis, a coverage of around 40% on the Russia-Ukraine exposure, which implies the transfer of most of the exposure to Stage 3.

A solid capital position is envisaged, with a fully phased-in Common Equity Tier 1 ratio target above 12% over the 2022-2025 Business Plan horizon, in accordance with Basel 3 / Basel 4 regulations.

A strong value distribution is envisaged:
- a payout ratio of 70% of the consolidated net income in each year of the Business Plan (1,648 million euro already accrued on H1 2022 net income);
- the Board of Directors today envisaged the distribution of a cash interim dividend of at least 1.1 billion euro on the 2022 results. The Board will discuss the resolution regarding the interim dividend on 4 November 2022, when it meets to approve the consolidated results as at 30 September 2022, in relation to both the results of the third quarter 2022 and those foreseeable for the fourth quarter 2022.
- additional distribution to shareholders of 3.4 billion euro through a buyback [(*)], of which 1.7 billion euro underway and 1.7 billion euro to be executed subject to resolution, by the date of approval of the results as at 31 December 2022, of the Board of Directors;
- any additional distribution to be evaluated on a yearly basis starting from 2023.

The outlook for 2022 is subject to fine-tuning in the coming months based on the evolution of the events involving Russia and Ukraine.

* * *

(*) Amount equivalent to the 2019 suspended dividend.

For consistency purpose, the income statement figures for the first and second quarters 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;
- the acquisition of the REYL Group, finalised at the beginning of June 2021. The related items were consolidated line by line, including the corresponding net income under 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.

Moreover:

- 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 commissions expense;
- 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, finalised at the end of June 2022; the related items were consolidated line by line and the corresponding net equity was attributed to minority interests.

* * *

In order to present more complete information on the results generated in the first half of 2022, the reclassified consolidated income statement and the reclassified consolidated balance sheet included in the report approved by the Board of Directors are attached. Please note that the auditing company in charge of performing the limited review of the half-yearly report has not yet completed its analysis.

* * *

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

* * *

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

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

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

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

* * *

Investor Relations
+39.02.87943180
investor.relations@intesasanpaolo.com

Media Relations
+39.02.87962326
stampa@intesasanpaolo.com

group.intesasanpaolo.com

Intesa Sanpaolo Group

Reclassified consolidated statement of income

(millions of euro)

	30.06.2022	30.06.2021	Changes	
			amount	%
Net interest income	4,047	4,013	34	0.8
Net fee and commission income	4,529	4,764	-235	-4.9
Income from insurance business	867	811	56	6.9
Profits (Losses) on financial assets and liabilities designated at fair value	1,323	1,140	183	16.1
Other operating income (expenses)	-10	65	-75	
Operating income	**10,756**	**10,793**	**-37**	**-0.3**
Personnel expenses	-3,181	-3,324	-143	-4.3
Administrative expenses	-1,307	-1,354	-47	-3.5
Adjustments to property, equipment and intangible assets	-623	-606	17	2.8
Operating costs	**-5,111**	**-5,284**	**-173**	**-3.3**
Operating margin	**5,645**	**5,509**	**136**	**2.5**
Net adjustments to loans	-1,432	-1,007	425	42.2
Other net provisions and net impairment losses on other assets	-123	-351	-228	-65.0
Other income (expenses)	143	191	-48	-25.1
Income (Loss) from discontinued operations	-	-	-	-
Gross income (loss)	**4,233**	**4,342**	**-109**	**-2.5**
Taxes on income	-1,456	-921	535	58.1
Charges (net of tax) for integration and exit incentives	-39	-107	-68	-63.6
Effect of purchase price allocation (net of tax)	-101	-34	67	
Levies and other charges concerning the banking industry (net of tax)	-278	-292	-14	-4.8
Impairment (net of tax) of goodwill and other intangible assets	-	-	-	-
Minority interests	-5	35	-40	
Net income (loss)	**2,354**	**3,023**	**-669**	**-22.1**

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)

	30.06.2022	30.06.2021 Redetermined figures	Changes amount	Changes %
Net interest income	4,047	3,947	100	2.5
Net fee and commission income	4,529	4,670	-141	-3.0
Income from insurance business	867	854	13	1.5
Profits (Losses) on financial assets and liabilities designated at fair value	1,323	1,139	184	16.2
Other operating income (expenses)	-10	51	-61	
Operating income	**10,756**	**10,661**	**95**	**0.9**
Personnel expenses	-3,181	-3,273	-92	-2.8
Administrative expenses	-1,307	-1,361	-54	-4.0
Adjustments to property, equipment and intangible assets	-623	-608	15	2.5
Operating costs	**-5,111**	**-5,242**	**-131**	**-2.5**
Operating margin	**5,645**	**5,419**	**226**	**4.2**
Net adjustments to loans	-1,432	-1,001	431	43.1
Other net provisions and net impairment losses on other assets	-123	-354	-231	-65.3
Other income (expenses)	143	191	-48	-25.1
Income (Loss) from discontinued operations	-	58	-58	
Gross income (loss)	**4,233**	**4,313**	**-80**	**-1.9**
Taxes on income	-1,456	-922	534	57.9
Charges (net of tax) for integration and exit incentives	-39	-107	-68	-63.6
Effect of purchase price allocation (net of tax)	-101	-34	67	
Levies and other charges concerning the banking industry (net of tax)	-278	-279	-1	-0.4
Impairment (net of tax) of goodwill and other intangible assets	-	-	-	-
Minority interests	-5	52	-57	
Net income (loss)	**2,354**	**3,023**	**-669**	**-22.1**

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			
	Second quarter	First quarter	Fourth quarter	Third quarter	Second quarter	First quarter
Net interest income	2,091	1,956	1,954	1,999	2,000	2,013
Net fee and commission income	2,248	2,281	2,508	2,315	2,373	2,391
Income from insurance business	465	402	410	365	438	373
Profits (Losses) on financial assets and liabilities designated at fair value	556	767	108	378	344	796
Other operating income (expenses)	-13	3	16	25	16	49
Operating income	**5,347**	**5,409**	**4,996**	**5,082**	**5,171**	**5,622**
Personnel expenses	-1,609	-1,572	-1,820	-1,633	-1,650	-1,674
Administrative expenses	-695	-612	-845	-693	-706	-648
Adjustments to property, equipment and intangible assets	-308	-315	-338	-302	-300	-306
Operating costs	**-2,612**	**-2,499**	**-3,003**	**-2,628**	**-2,656**	**-2,628**
Operating margin	**2,735**	**2,910**	**1,993**	**2,454**	**2,515**	**2,994**
Net adjustments to loans	-730	-702	-1,222	-543	-599	-408
Other net provisions and net impairment losses on other assets	-63	-60	-415	-82	-218	-133
Other income (expenses)	147	-4	78	63	-7	198
Income (Loss) from discontinued operations	-	-	-	-	-	-
Gross income (loss)	**2,089**	**2,144**	**434**	**1,892**	**1,691**	**2,651**
Taxes on income	-675	-781	-82	-619	-82	-839
Charges (net of tax) for integration and exit incentives	-23	-16	-291	-41	-55	-52
Effect of purchase price allocation (net of tax)	-47	-54	46	-51	-18	-16
Levies and other charges concerning the banking industry (net of tax)	-12	-266	-22	-210	-83	-209
Impairment (net of tax) of goodwill and other intangible assets	-	-	-	-	-	-
Minority interests	-2	-3	94	12	54	-19
Net income (loss)	**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			
	Second quarter	First quarter	Fourth quarter	Third quarter	Second quarter Redetermined figures	First quarter Redetermined figures
Net interest income	2,091	1,956	1,954	1,999	1,995	1,952
Net fee and commission income	2,248	2,281	2,508	2,315	2,361	2,309
Income from insurance business	465	402	410	365	456	398
Profits (Losses) on financial assets and liabilities designated at fair value	556	767	108	378	344	795
Other operating income (expenses)	-13	3	16	25	19	32
Operating income	**5,347**	**5,409**	**4,996**	**5,082**	**5,175**	**5,486**
Personnel expenses	-1,609	-1,572	-1,820	-1,633	-1,648	-1,625
Administrative expenses	-695	-612	-845	-693	-710	-651
Adjustments to property, equipment and intangible assets	-308	-315	-338	-302	-301	-307
Operating costs	**-2,612**	**-2,499**	**-3,003**	**-2,628**	**-2,659**	**-2,583**
Operating margin	**2,735**	**2,910**	**1,993**	**2,454**	**2,516**	**2,903**
Net adjustments to loans	-730	-702	-1,222	-543	-599	-402
Other net provisions and net impairment losses on other assets	-63	-60	-415	-82	-220	-134
Other income (expenses)	147	-4	78	63	-7	198
Income (Loss) from discontinued operations	-	-	-	-	10	48
Gross income (loss)	**2,089**	**2,144**	**434**	**1,892**	**1,700**	**2,613**
Taxes on income	-675	-781	-82	-619	-85	-837
Charges (net of tax) for integration and exit incentives	-23	-16	-291	-41	-55	-52
Effect of purchase price allocation (net of tax)	-47	-54	46	-51	-18	-16
Levies and other charges concerning the banking industry (net of tax)	-12	-266	-22	-210	-83	-196
Impairment (net of tax) of goodwill and other intangible assets	-	-	-	-	-	-
Minority interests	-2	-3	94	12	48	4
Net income (loss)	**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

(millions of euro)

Assets	30.06.2022	31.12.2021	Changes	
			amount	%
Cash and cash equivalents	18,370	15,693	2,677	17.1
Due from banks	138,555	162,139	-23,584	-14.5
Loans to customers	471,649	465,871	5,778	1.2
Loans to customers measured at amortised cost	*469,338*	*464,075*	*5,263*	*1.1*
Loans to customers designated at fair value through other comprehensive income and through profit or loss	*2,311*	*1,796*	*515*	*28.7*
Financial assets measured at amortised cost which do not constitute loans	49,850	43,325	6,525	15.1
Financial assets at fair value through profit or loss	51,943	51,638	305	0.6
Financial assets at fair value through other comprehensive income	59,213	67,058	-7,845	-11.7
Financial assets pertaining to insurance companies measured at fair value pursuant to IAS 39	180,637	206,800	-26,163	-12.7
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	1,902	1,652	250	15.1
Property, equipment and intangible assets	19,965	20,141	-176	-0.9
Assets owned	*18,389*	*18,616*	*-227*	*-1.2*
Rights of use acquired under leases	*1,576*	*1,525*	*51*	*3.3*
Tax assets	18,745	18,808	-63	-0.3
Non-current assets held for sale and discontinued operations	1,303	1,422	-119	-8.4
Other assets	20,103	16,184	3,919	24.2
Total Assets	**1,032,315**	**1,070,816**	**-38,501**	**-3.6**

Liabilities	30.06.2022	31.12.2021	Changes	
			amount	%
Due to banks at amortised cost	152,413	165,262	-12,849	-7.8
Due to customers at amortised cost and securities issued	536,958	545,101	-8,143	-1.5
Financial liabilities held for trading	55,227	56,308	-1,081	-1.9
Financial liabilities designated at fair value	4,753	3,674	1,079	29.4
Financial liabilities pertaining to insurance companies measured at amortised cost pursuant to IAS 39	2,297	2,139	158	7.4
Financial liabilities pertaining to insurance companies measured at fair value pursuant to IAS 39	74,454	84,770	-10,316	-12.2
Tax liabilities	2,806	2,292	514	22.4
Liabilities associated with non-current assets held for sale and discontinued operations	92	30	62	
Other liabilities	28,532	21,974	6,558	29.8
of which lease payables	*1,417*	*1,398*	*19*	*1.4*
Technical reserves	104,809	118,296	-13,487	-11.4
Allowances for risks and charges	5,709	6,816	-1,107	-16.2
of which allowances for commitments and financial guarantees given	*561*	*508*	*53*	*10.4*
Share capital	10,369	10,084	285	2.8
Reserves	46,216	44,856	1,360	3.0
Valuation reserves	-1,603	-709	894	
Valuation reserves pertaining to insurance companies	-523	476	-999	
Interim dividend	-	-1,399	-1,399	
Equity instruments	7,204	6,282	922	14.7
Minority interests	248	379	-131	-34.6
Net income (loss)	2,354	4,185	-1,831	-43.8
Total liabilities and shareholders' equity	**1,032,315**	**1,070,816**	**-38,501**	**-3.6**

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**			
	30/6	**31/3**	**31/12**	**30/9**	**30/6**	**31/3**
Cash and cash equivalents	18,370	18,666	15,693	16,250	15,623	14,652
Due from banks	138,555	158,521	162,139	164,909	148,223	128,207
Loans to customers	471,649	468,995	465,871	463,917	463,904	465,231
Loans to customers measured at amortised cost	*469,338*	*466,416*	*464,075*	*461,525*	*461,955*	*463,699*
Loans to customers designated at fair value through other comprehensive income and through profit or loss	*2,311*	*2,579*	*1,796*	*2,392*	*1,949*	*1,532*
Financial assets measured at amortised cost which do not constitute loans	49,850	56,111	43,325	41,286	42,615	44,857
Financial assets at fair value through profit or loss	51,943	52,875	51,638	59,926	59,827	55,458
Financial assets at fair value through other comprehensive income	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	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	81	85	82	80	79
Investments in associates and companies subject to joint control	1,902	1,633	1,652	1,738	1,707	1,708
Property, equipment and intangible assets	19,965	19,891	20,141	19,415	19,459	18,916
Assets owned	*18,389*	*18,345*	*18,616*	*17,803*	*17,819*	*17,161*
Rights of use acquired under leases	*1,576*	*1,546*	*1,525*	*1,612*	*1,640*	*1,755*
Tax assets	18,745	18,610	18,808	18,805	19,014	19,582
Non-current assets held for sale and discontinued operations	1,303	1,556	1,422	3,181	1,566	3,173
Other assets	20,103	16,461	16,184	14,482	14,675	14,514
Total Assets	**1,032,315**	**1,075,365**	**1,070,816**	**1,073,428**	**1,059,491**	**1,033,804**

Liabilities	**2022**		**2021**			
	30/6	**31/3**	**31/12**	**30/9**	**30/6**	**31/3**
Due to banks at amortised cost	152,413	180,234	165,262	179,552	164,875	151,787
Due to customers at amortised cost and securities issued	536,958	539,278	545,101	525,546	520,960	513,930
Financial liabilities held for trading	55,227	58,729	56,308	57,535	57,336	53,547
Financial liabilities designated at fair value	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	2,297	2,280	2,139	2,563	2,518	2,414
Financial liabilities pertaining to insurance companies measured at fair value pursuant to IAS 39	74,454	80,086	84,770	83,093	83,010	82,040
Tax liabilities	2,806	2,296	2,292	2,627	2,497	3,310
Liabilities associated with non-current assets held for sale and discontinued operations	92	37	30	1,404	78	3,585
Other liabilities	28,532	23,553	21,974	24,984	31,700	26,301
of which lease payables	*1,417*	*1,389*	*1,398*	*1,523*	*1,574*	*1,713*
Technical reserves	104,809	113,471	118,296	118,616	119,475	119,943
Allowances for risks and charges	5,709	6,481	6,816	6,873	7,042	7,437
of which allowances for commitments and financial guarantees given	*561*	*562*	*508*	*534*	*548*	*576*
Share capital	10,369	10,084	10,084	10,084	10,084	10,084
Reserves	46,216	48,995	44,856	46,508	46,671	47,529
Valuation reserves	-1,603	-1,320	-709	-569	-476	-738
Valuation reserves pertaining to insurance companies	-523	120	476	677	661	777
Interim dividend	-	-1,399	-1,399	-	-	-
Equity instruments	7,204	7,220	6,282	6,279	6,269	6,202
Minority interests	248	348	379	384	407	1,024
Net income (loss)	2,354	1,024	4,185	4,006	3,023	1,516
Total Liabilities and Shareholders' Equity	**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								
30.06.2022	4,380	2,563	1,045	1,135	495	824	314	10,756
30.06.2021 (Redetermined figures)	4,408	2,501	967	1,182	633	821	149	10,661
% change	-0.6	2.5	8.1	-4.0	-21.8	0.4		0.9
Operating costs								
30.06.2022	-3,078	-665	-518	-427	-100	-176	-147	-5,111
30.06.2021 (Redetermined figures)	-3,182	-648	-506	-421	-105	-190	-190	-5,242
% change	-3.3	2.6	2.4	1.4	-4.8	-7.4	-22.6	-2.5
Operating margin								
30.06.2022	1,302	1,898	527	708	395	648	167	5,645
30.06.2021 (Redetermined figures)	1,226	1,853	461	761	528	631	-41	5,419
% change	6.2	2.4	14.3	-7.0	-25.2	2.7		4.2
Net income (loss)								
30.06.2022	656	404	166	514	302	437	-125	2,354
30.06.2021	326	1,247	251	631	376	439	-247	3,023
% change		-67.6	-33.9	-18.5	-19.7	-0.5	-49.4	-22.1

(millions of euro)

	Banca dei Territori	IMI Corporate & Investment Banking	International Subsidiary Banks	Private Banking	Asset Management	Insurance	Corporate Centre	Total
Loans to customers								
30.06.2022	254,916	153,210	39,820	14,607	308	-	8,788	471,649
31.12.2021	250,592	152,543	38,970	14,450	783	-	8,533	465,871
% change	1.7	0.4	2.2	1.1	-60.7	-	3.0	1.2
Direct deposits from banking business								
30.06.2022	290,507	92,522	52,465	55,926	17	-	57,923	549,360
31.12.2021	291,697	94,844	51,529	55,895	21	-	63,262	557,248
% change	-0.4	-2.4	1.8	0.1	-19.0	-	-8.4	-1.4

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.