INTESA SANPAOLO

PRESS RELEASE

INTESA SANPAOLO: CONSOLIDATED RESULTS AS AT 31 DECEMBER 2021

THE RESULTS FOR 2021 HAVE CONFIRMED INTESA SANPAOLO'S ABILITY TO RESPOND EFFECTIVELY TO THE COMPLEXITIES BROUGHT ABOUT BY THE PANDEMIC AND GENERATE VALUE FOR ALL STAKEHOLDERS, ACHIEVING A NET INCOME OF €4.2 BILLION WHILE ALLOCATING - OUT OF THE PRE-TAX PROFIT - €2.2 BILLION IN 2021, OF WHICH €1.7BN IN THE FOURTH QUARTER, TO FURTHER STRENGTHEN THE FUTURE SUSTAINABILITY OF THE GROUP'S RESULTS.

PROPOSED CASH RETURN TO SHAREHOLDERS OF €4.9 BILLION, CONSISTING OF €1.5 BILLION REMAINING DIVIDENDS FOR 2021 - WHICH ADD TO THE €1.4 BILLION INTERIM DIVIDENDS FOR 2021 PAID IN NOVEMBER 2021 - AND A €3.4 BILLION BUYBACK.

THE RESULTS FOR 2021 HAVE BEEN ACHIEVED BY SUCCESSFULLY MITIGATING THE COVID-19 IMPACT:
- **CARE FOR GROUP PEOPLE AND CUSTOMERS;**
- **SUPPORT TO HEALTHCARE INITIATIVES WITH MORE THAN €100 MILLION DONATED;**
- **€150 MILLION FROM THE FUND FOR IMPACT (EQUAL TO 50%) TO REDUCE SOCIO-ECONOMIC DISTRESS;**
- **FIRST BANK IN ITALY TO SUSPEND MORTGAGE AND LOAN INSTALMENTS EVEN BEFORE THE SPECIFIC REGULATION CAME INTO FORCE (SUSPENSIONS OF PAYMENTS FOR €115 BILLION APPROVED TO DATE), AND TO SIGN THE COLLABORATION PROTOCOL WITH SACE, THUS PROVIDING IMMEDIATE SUPPORT TO ENTERPRISES UNDER THE LIQUIDITY DECREE (€43 BILLION INCLUDING THE SME FUND GRANTED TO DATE);**
- **UP TO €50 BILLION IN NEW LOANS MADE AVAILABLE TO ENTERPRISES AND PROFESSIONALS TO PROTECT JOBS AND MANAGE PAYMENTS DURING THE EMERGENCY;**
- **STRONG VALUE PROPOSITION ON DIGITAL CHANNELS.**

VALUE GENERATION FOR ALL STAKEHOLDERS IS ALSO GROUNDED ON THE ROLE OF INTESA SANPAOLO AS AN ENGINE FOR SUSTAINABLE AND INCLUSIVE GROWTH, WITH ESG AND CLIMATE INITIATIVES:
- **LEADERSHIP IN INCLUSION IN SUSTAINABILITY INDICES AND ESG INTERNATIONAL ASSESSMENTS;**
- **COMMITMENT TO ACHIEVING NET-ZERO EMISSIONS BY 2050 - FOR OWN EMISSIONS, LOAN AND INVESTMENT PORTFOLIOS, ASSET MANAGEMENT AND INSURANCE - AS PART OF THE GROUP'S INVOLVEMENT 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).**

THE CAPITAL POSITION WAS SOLID AND WELL ABOVE REGULATORY REQUIREMENTS: PRO-FORMA FULLY LOADED COMMON EQUITY TIER 1 RATIO WAS 15.2% AFTER DEDUCTING FROM CAPITAL €1.9 BILLION OF RESERVES DISTRIBUTED IN OCTOBER 2021, €1.4 BILLION OF INTERIM DIVIDENDS FOR 2021 PAID IN NOVEMBER 2021 AND €1.5 BILLION OF PROPOSED REMAINING DIVIDENDS FOR 2021; THE RATIO WOULD BE 14.2% DEDUCTING ALSO €3.4 BILLION OF PROPOSED BUYBACK.

NET INCOME WAS €4,185 MILLION, UP 19.4% COMPARED ON 2020 EXCLUDING THE ITEMS RELATED TO THE ACQUISITION OF UBI BANCA, WHICH CONSISTED OF THE EFFECT OF THE PURCHASE PRICE ALLOCATION (INCLUDING NEGATIVE GOODWILL) AND INTEGRATION CHARGES, AND THE ACCOUNTING IMPACT OF THE RELATED GOODWILL IMPAIRMENT OF THE BANCA DEI TERRITORI DIVISION.

GROSS INCOME WAS UP 7.3% ON 2020.

OPERATING MARGIN WAS UP 5.4% ON 2020.

CREDIT QUALITY IMPROVED:

- **GROSS NPLs WERE REDUCED BY 27% ON YEAR-END 2020 AND BY AROUND €37 BILLION SINCE THE END OF 2017 EXCEEDING BY AROUND €11 BILLION THE €26 BILLION DELEVERAGING TARGET OF THE 2018-2021 BUSINESS PLAN. THE REDUCTION ON A PRO-FORMA BASIS - TAKING INTO ACCOUNT THE PLANNED REDUCTION IN 2022 DUE TO DISPOSALS ALREADY PROVISIONED FOR IN Q4 2021 - WAS 50.2% ON YEAR-END 2020 AND OF AROUND €42 BILLION SINCE THE END OF 2017 EXCEEDING BY AROUND €16 BILLION THE DELEVERAGING TARGET OF THE 2018-2021 BUSINESS PLAN;**
- **NPL RATIO WAS 3.2% GROSS AND 1.5% NET, RESPECTIVELY BELOW 2% AND 1% ACCORDING TO THE EBA METHODOLOGY AND TAKING INTO ACCOUNT THE PLANNED REDUCTION IN 2022 DUE TO DISPOSALS ALREADY PROVISIONED FOR IN Q4 2021;**
- **COST OF RISK IN 2021 STOOD AT 59 BASIS POINTS, 25 BASIS POINTS WHEN EXCLUDING PROVISIONS TO ACCELERATE NPL DELEVERAGING.**

INTESA SANPAOLO CONTINUES TO OPERATE AS A GROWTH ACCELERATOR IN THE REAL ECONOMY IN ITALY: IN 2021, MEDIUM/LONG-TERM NEW LENDING GRANTED BY THE GROUP TO ITALIAN HOUSEHOLDS AND BUSINESSES AMOUNTED TO AROUND €66 BILLION. IN 2021, THE GROUP FACILITATED THE RETURN TO PERFORMING STATUS OF AROUND 10,000 COMPANIES, THUS SAFEGUARDING AROUND 50,000 JOBS. THIS BROUGHT THE TOTAL TO AROUND 133,000 COMPANIES SINCE 2014, WITH AROUND 665,000 JOBS SAFEGUARDED OVER THE SAME PERIOD. THE GROUP HAS MADE AVAILABLE MORE THAN €400 BILLION IN MEDIUM/LONG TERM LENDING TO BUSINESSES AND HOUSEHOLDS TO SUPPORT ITALY'S RECOVERY AND RESILIENCE PLAN.

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

- **INITIATIVES TO REDUCE CHILD POVERTY AND SUPPORT PEOPLE IN NEED, DELIVERING, SINCE 2018, AROUND 24.8 MILLION MEALS, 1.5 MILLION DORMITORY BEDS, 296,250 MEDICINE PRESCRIPTIONS AND 249,200 ITEMS OF CLOTHING;**
- **THE FUND FOR IMPACT, WITH AROUND €162 MILLION GRANTED, SINCE ITS LAUNCH, BY "PER MERITO" (THE FIRST LINE OF CREDIT WITHOUT COLLATERAL DEDICATED TO ALL UNIVERSITY STUDENTS RESIDING IN ITALY), THE LAUNCH, IN JULY 2020, OF "MAMMA@WORK" (A SUBSIDISED LOAN TO BALANCE MOTHERHOOD AND WORK, WITH AROUND €1 MILLION GRANTED SINCE LAUNCH) AND, IN AUGUST 2020, OF "XME STUDIOSTATION" (LOANS TO FAMILIES TO SUPPORT DISTANCE LEARNING, WITH AROUND €1.7 MILLION GRANTED SINCE LAUNCH);**
- **A CIRCULAR ECONOMY CREDIT PLAFOND TO SUPPORT SUSTAINABLE DEVELOPMENT, WITH AROUND €7.7 BILLION ALREADY DISBURSED; S-LOANS TO IMPROVE SMEs' SUSTAINABILITY PROFILE (A €2 BILLION PLAFOND ALLOCATED, WITH AROUND €1.3 BILLION GRANTED SINCE LAUNCH);**
- **IN 2021, AROUND 780 START-UPS EVALUATED (AROUND 3,420 SINCE 2018) IN SEVEN ACCELERATION PROGRAMMES WITH 209 COACHED START-UPS (AROUND 600 SINCE 2018);**
- **"GIOVANI E LAVORO" PROGRAMME AIMED AT INTRODUCING 5,000 YOUNG PEOPLE TO THE ITALIAN LABOUR MARKET: IN 2021, AROUND 9,000 YOUNG PEOPLE APPLIED TO THE PROGRAMME (OVER 24,000 SINCE 2019), OVER 1,600 STUDENTS WERE INTERVIEWED AND AROUND 750 STUDENTS TRAINED / IN TRAINING THROUGH 29 COURSES, WITH OVER 2,000 COMPANIES INVOLVED SINCE THE LAUNCH OF THE PROGRAMME (OVER 5,200 STUDENTS INTERVIEWED AND OVER 2,200 TRAINED / IN TRAINING SINCE 2019);**
- **GALLERIE D'ITALIA: 14 NEW EXHIBITIONS OPENED IN 2021; MUSEUM FOR ALL, AMONG THE INITIATIVES DEDICATED TO SOCIAL INCLUSION, SET UP AT GALLERIE D'ITALIA IN VICENZA; 166 ARTWORKS FROM OWNED COLLECTIONS WERE ON DISPLAY IN 44 TEMPORARY EXHIBITIONS IN NATIONAL AND INTERNATIONAL MUSEUMS; IMPORTANT PARTNERSHIPS WITH PUBLIC AND PRIVATE ENTITIES.**

- **NET INCOME TO €4,185M IN 2021, UP BY 19.4% VERSUS €3,505M IN 2020 EXCLUDING THE ITEMS RELATED TO THE ACQUISITION OF UBI BANCA, CONSISTING OF THE EFFECT OF THE PURCHASE PRICE ALLOCATION (INCLUDING NEGATIVE GOODWILL) AND INTEGRATION CHARGES, AND THE ACCOUNTING IMPACT OF THE RELATED GOODWILL IMPAIRMENT OF THE BANCA DEI TERRITORI DIVISION.**

- **GROSS INCOME UP BY 7.3% ON 2020**

- **OPERATING MARGIN UP BY 5.4% ON 2020**

- **NET FEE AND COMMISSION INCOME UP BY 9.3% ON 2020**

- **OPERATING COSTS DOWN BY 1.1% ON 2020**

- **IMPROVEMENT IN CREDIT QUALITY TREND:**
  - **DECREASE IN NPLs:**
    - **GROSS NPL REDUCTION OF AROUND €37BN SINCE DECEMBER 2017 AND AROUND €50BN SINCE THE SEPTEMBER 2015 PEAK, A REDUCTION OF AROUND €42BN AND €54BN, RESPECTIVELY, ON A PRO-FORMA BASIS TAKING INTO ACCOUNT THE PLANNED REDUCTION IN 2022 DUE TO DISPOSALS ALREADY PROVISIONED FOR IN Q4 2021;**
    - **NPL STOCK DOWN 27% GROSS AND 34.1% NET ON YEAR-END 2020, DOWN 50.2% GROSS AND 48% NET ON A PRO-FORMA BASIS TAKING INTO ACCOUNT THE PLANNED REDUCTION IN 2022 DUE TO DISPOSALS ALREADY PROVISIONED FOR IN Q4 2021;**
    - **NPL TO TOTAL LOAN RATIO OF 3.2% GROSS AND 1.5% NET; ACCORDING TO THE EBA METHODOLOGY, THE RATIO WAS 2.4% GROSS AND 1.2% NET, RESPECTIVELY BELOW 2% AND 1% ON A PRO-FORMA BASIS TAKING INTO ACCOUNT THE PLANNED REDUCTION IN 2022 DUE TO DISPOSALS ALREADY PROVISIONED FOR IN Q4 2021;**
    - **COST OF RISK IN 2021 DOWN TO 59 BASIS POINTS (FROM 97 BASIS POINTS IN 2020), 25 BASIS POINTS WHEN EXCLUDING PROVISIONS TO ACCELERATE NPL DELEVERAGING (FROM 48 BASIS POINTS IN 2020 WHEN EXCLUDING ADJUSTMENTS FOR FUTURE COVID-19 IMPACTS)**

- **SOLID CAPITAL POSITION, WELL ABOVE REGULATORY REQUIREMENTS:**
  - **COMMON EQUITY TIER 1 RATIO AS AT 31 DECEMBER 2021, AFTER DEDUCTING FROM CAPITAL €1.9BN OF RESERVES DISTRIBUTED IN OCTOBER 2021, €1.4BN OF INTERIM DIVIDENDS FOR 2021 PAID IN NOVEMBER 2021 AND €1.5BN OF PROPOSED REMAINING DIVIDENDS FOR 2021 (*):**
    - **14.5% PHASED-IN (1)**
    - **14% FULLY LOADED (2)**
    - **15.2% PRO-FORMA FULLY LOADED (3)**
  - **COMMON EQUITY TIER 1 RATIO AS AT 31 DECEMBER 2021, AFTER DEDUCTING FROM CAPITAL ALSO €3.4BN OF PROPOSED BUYBACK (°):**
    - **13.4% PHASED-IN (1)**
    - **12.9% FULLY LOADED (2)**
    - **14.2% PRO-FORMA FULLY LOADED (3)**

(*) Deducting from capital also the coupons accrued on the Additional Tier 1 issues.
(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 by applying the fully loaded parameters to the financial statements as at 31 December 2021, 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 new agreement with the trade unions of November 2021, and the expected distribution on the 2021 net income of insurance companies.
(°) Subject to ECB approval. Amount equivalent to the suspended 2019 dividend.

HIGHLIGHTS:

OPERATING INCOME:	Q4 2021 2021	-1.4% +1.9%	TO €5,020M FROM €5,092M IN Q3 2021 TO €20,786M FROM €20,400M IN 2020
OPERATING COSTS:	Q4 2021 2021	+14.7% -1.1%	TO €3,027M FROM €2,638M IN Q3 2021 TO €10,920M FROM €11,039M IN 2020
OPERATING MARGIN:	Q4 2021 2021	-18.8% +5.4%	TO €1,993M FROM €2,454M IN Q3 2021 TO €9,866M FROM €9,361M IN 2020
GROSS INCOME:	Q4 2021 2021	€434M €6,639M	FROM €1,892M IN Q3 2021 FROM €6,188M IN 2020
NET INCOME:	Q4 2021 2021	€179M €4,185M	FROM €983M IN Q3 2021 FROM €3,277M IN 2020, FROM €3,505M EXCLUDING THE ITEMS RELATED TO THE ACQUISITION OF UBI BANCA (*) AND THE ACCOUNTING IMPACT OF THE RELATED GOODWILL IMPAIRMENT (**)

CAPITAL RATIOS:

COMMON EQUITY TIER 1 RATIO AFTER DISTRIBUTION OF RESERVES IN OCTOBER 2021, INTERIM DIVIDENDS FOR 2021 PAID IN NOVEMBER 2021 AND PROPOSED REMAINING DIVIDENDS FOR 2021 (°):

14.5% PHASED-IN (4)
14% FULLY LOADED (5)
15.2% PRO-FORMA FULLY LOADED (6)

COMMON EQUITY TIER 1 RATIO DEDUCTING ALSO THE PROPOSED BUYBACK (°°)

13.4% PHASED-IN (4)
12.9% FULLY LOADED (5)
14.2% PRO-FORMA FULLY LOADED (6)

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

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

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

(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 by applying the fully loaded parameters to the financial statements as at 31 December 2021, 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 new agreement with the trade unions of November 2021, and the expected distribution on the 2021 net income of insurance companies.

(°°) Subject to ECB approval. Amount equivalent to the suspended 2019 dividend.

Turin - Milan, 4 February 2022 – At its meeting today, the Board of Directors of Intesa Sanpaolo approved both parent company and consolidated results for the year ended 31 December 2021[(7)].

The results for 2021 have confirmed Intesa Sanpaolo's ability to respond effectively to the complexities brought about by the pandemic and generate value for all stakeholders, achieving a net income of €4.2bn while allocating - out of the pre-tax profit - €2.2 bn in 2021, of which €1.7bn in the fourth quarter, to further strengthen the future sustainability of the Group's results.

In the two-year period 2020-2021, Intesa Sanpaolo allocated around €8bn in total - out of the pre-tax profit - to strengthen the future sustainability of the Group's results. This strengthening is complemented by the envisaged over-€1bn annual synergies from the merger with UBI Banca, successfully completed at no social cost.

Allocations in 2021 related to:
- **€1.6bn in additional provisions to accelerate NPL deleveraging**, **of which €1.2bn in the fourth quarter to reduce gross NPLs by around €7.7bn** (a reduction of around €2.9bn already in the fourth quarter and around €4.8bn planned in 2022 through disposals);
- **€0.3bn to strengthen insurance reserves**, of which €0.2bn in the fourth quarter;
- **€0.3bn charges**, allocated entirely in the fourth quarter, to fund the **2,000 voluntary exits** envisaged in the agreement reached in November 2021 with the trade unions.

The results for 2021 have been achieved by successfully mitigating the COVID-19 impact, specifically through:

- **care for the Group people and customers;**
  - **remote working** enabled for around **78,000 people**;
  - **around 2,400 people hired** in Italy since January 2020;
  - around **100% branches open and fully operational** (advisory only by appointment and cash desk service by appointment only in the Italian areas with a higher level of COVID-19 measures) and **business continuity ensured** by the Bank's efficient multi-channel model (online branch, Internet Banking, App and ATM/cash machines) and by the **remote advisory service** provided by around **30,800 relationship managers**;
- **continuous support to the real economy and society:**
  - **support to healthcare initiatives** with over €100m, including donations coming from the Managing Director and CEO and 21 top managers, who decided to forgo an overall amount of around €6m of the bonus they were awarded under the 2019 Incentive Plan;
  - €150m provided by the **Fund for Impact** (equal to 50%) to reduce the socio-economic distress caused by COVID-19;

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

- **Programma Rinascimento**, providing a total of **€80m** in lending and including impact loans to micro-enterprises and start-ups, for the **recovery and reshaping of their business models** in the pandemic aftermath, leveraging on growth and innovation projects boosting economic growth and social and territorial cohesion, launched in Bergamo in partnership with the Municipality (€30m) and in Florence in partnership with CR Firenze Foundation (€50m);
- the first bank in Italy to **suspend mortgage and loan instalments** even before the specific regulation came into force. Since the beginning of 2020, suspensions of payments for €115bn, renewals included, have been approved (around 77% relating to businesses and around 23% to households). Suspensions of payments currently amount to around €4.9bn (around 89% relating to businesses and around 11% to households) (°).
- the first bank in Italy to sign the collaboration protocol with **SACE**, thus providing immediate support to enterprises under the Liquidity Decree. Overall, including the SME Fund as well, around €43bn in **loans backed by a state guarantee** has been granted to date (around €11bn from SACE and around €32bn from SME Fund).
- **€50bn in new credit made available to enterprises and professionals** to protect jobs and manage payments during the emergency;
- **€10bn in new credit facilities to sustain around 2,500** Italian **industrial supplier value chains** through the enhancement of the "Sviluppo Filiere" Programme.

- **strong value proposition on digital channels enabling immediate business reaction:**
  - **enhanced digital service**, with around **12.9 million multichannel customers** and around **8.1 million customers using the Intesa Sanpaolo App**, recognised by Forrester as "Digital Leader" and cited as best practice in several categories among the European Mobile Banking Apps;
  - Intesa Sanpaolo **Artificial Intelligent Sales** awarded as best digital sales innovation programme;
  - **for the second consecutive year, Intesa Sanpaolo has ranked first among big Italian corporates in the competition "Cyber Resilience amid a Global Pandemic"**, organised by *AIPSA* (Italian Association of Corporate Security Professionals).

Value generation for all stakeholders is also grounded on the role of Intesa Sanpaolo as an **engine for sustainable and inclusive growth, with ESG (Environmental, Social, Governance) and climate initiatives**, in particular:
- **dedicated ESG advisory service** and **ESG-linked loans** to **SMEs**;
- **ESG specialist coverage and product team** supporting relationship managers and customers of the **IMI Corporate & Investment Banking Division**;
- **strong focus on ESG funds, with €110bn managed by Eurizon** classified under Articles 8 and 9 of the SFDR Regulation;

(°) Equal to €1.1bn in accordance with EBA criteria (around 91% relating to businesses and around 9% to households).

- **proprietary ESG Scoring** methodology at counterparty level for non-financial companies and its integration underway **into the credit risk appetite framework**;
- dedicated **ESG training for Group people** (**over** 38,000 trained) and **corporate customers** (Skills4capital);
- in July 2021, **update of the coal policy to eliminate** exposures to the **coal mining sector by 2025** and introduction of a **new policy with regard to unconventional Oil & Gas resources providing for immediate stoppage of new loans and elimination** of exposures **by 2030**;
- in September 2021, commitment to adopting and implementing the **Stakeholder Capitalism Metrics** developed by the **World Economic Forum**;
- in Q4 2021, commitment to **achieving net-zero emissions by 2050 -** for own emissions, loan and investment portfolios, asset management and insurance **-** as part of the Group's **involvement 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).**

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; it has also been **included in the Euronext - Borsa Italiana MIB ESG index since the latter's launch in October 2021**.

Furthermore, Intesa Sanpaolo has been **included for the fifth consecutive year in Bloomberg's 2022 Gender-Equality Index (GEI)**, **recording a score well above the average** of the global financial sector and of Italian companies, and is the **first bank in Europe in the Refinitiv Diversity & Inclusion Index among** the **top 100 companies for diversity and inclusion.** Intesa Sanpaolo **has been 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.**

In 2021, the Group recorded:

- **net income at €4,185m** versus €3,277m in 2020, up by 19.4% versus €3,505m when excluding the items related to the acquisition of UBI Banca (*) and the accounting impact of the related goodwill impairment (**);
- **growth in gross income**, up by 7.3% on 2020;
- **growth in operating margin**, up by 5.4% on 2020;
- **growth in operating income**, up by 1.9% on 2020 with **net fee and commission income** up by 9.3%;
- **operating costs down** by 1.1% on 2020;
- **high efficiency,** with a **cost/income of 52.5%** in 2021, **a level among the best in the top tier European banks**;
- **cost of risk** in 2021 down to **59bps** (from 97 bps in 2020), **25bps when excluding provisions to accelerate NPL deleveraging** (from 48bps in 2020 excluding adjustments for future COVID-19 impacts);
- **improving credit quality**:
  - gross **NPLs were reduced** by around **€50bn since the September 2015 peak** and around **€37bn since December 2017, exceeding by around €11bn the deleveraging target of around €26bn of the 2018-2021 Business Plan**;
  - **the reduction amounted** to around **€54bn since the September 2015 peak** and around **€42bn since December 2017 on a pro-forma basis taking into account the planned reduction in 2022 due to disposals already provisioned for in Q4 2021(°), exceeding by around €16bn the deleveraging target of the 2018-2021 Business Plan**;
  - **NPL stock in December 2021 decreased 27% gross and 34.1% net on December 2020**, **down 50.2% gross and 48% net on a pro-forma basis taking into account the planned reduction in 2022 due to disposals already provisioned for in Q4 2021**;
  - **NPL to total loan ratio** was **3.2% gross** and **1.5% net** in December 2021(°°). According to the **EBA methodology, the ratio was 2.4% gross and 1.2% net, respectively below 2% and 1% on a pro-forma basis taking into account the planned reduction in 2022 due to disposals already provisioned for in Q4 2021.**

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

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

(°) Planned disposals equal to €4.8bn gross and €1.5bn net.

(°°) NPLs at the end of December 2021 did not include portfolios classified as ready to be sold, accounted under non-current assets held for sale and discontinued operations, amounting to around €4.5bn gross and €1.2bn net.

- **sizeable NPL coverage**:
  - **NPL cash coverage ratio of 53.6%** at the end of December 2021, **with a cash coverage ratio of 70.4% for the bad loan component**;
  - **robust reserve buffer on performing loans**, amounting to 0.5% at the end of December 2021;
- **very solid capital position**, with capital ratios well above regulatory requirements. As at 31 December 2021, after deducting from capital €1,932m of reserves distributed in October 2021(•), €1,399m of interim dividends for 2021 paid in November 2021(••) and €1,533m of proposed remaining dividends for 2021(*), the Common Equity Tier 1 ratio calculated by applying the transitional arrangements for 2021 came in at 14.5% (8), the fully loaded Common Equity Tier 1 ratio at 14% (9) and the **pro-forma fully loaded Common Equity Tier 1 ratio** at **15.2%**(10). This compares with a SREP requirement for 2021, comprising Capital Conservation Buffer, O-SII Buffer and Countercyclical Capital Buffer (**), equal to 8.64% (8.81% from 1 March 2022) (***). After deducting also €3.4bn of proposed buyback (°), the Common Equity Tier 1 ratio calculated by applying the transitional arrangements for 2021 came in at 13.4% (8), the fully loaded Common Equity Tier 1 at 12.9% (9) and the pro-forma fully loaded Common Equity Tier 1 ratio at 14.2% (10);
- **strong liquidity position and funding capability**, with **liquid assets of €335bn** and **available unencumbered liquid assets of €192bn at the end of December 2021. 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 €132bn as at 31 December 2021, and consisted entirely of TLTROs III.

(•) Compared with the distribution approved at the Shareholders' Meeting, amounting to a total of €1,935m, the deduction is net of the portion not distributed to own shares held by the Bank at the record date, which was equal to €3m.

(••) Compared with the interim dividend approved by the Board of Directors, amounting to a total of €1,401m, the deduction is net of the portion not distributed to own shares held by the Bank at the record date, which was equal to €2m.

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

(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 by applying the fully loaded parameters to the financial statements as at 31 December 2021, 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 new agreement with the trade unions of November 2021, and the expected distribution on the 2021 net income of insurance companies.

(**) *Countercyclical Capital Buffer* calculated taking into account the exposure as at 31 December 2021 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 Q1 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.

(°) Subject to ECB approval. Amount equivalent to the suspended 2019 dividend.

- **<u>support provided to the real economy</u>**, with around **€77bn of medium/long-term new lending** in 2021. **Loans** amounting to around **€66bn were granted in Italy,** of which around **€55bn was granted to households and SMEs**. **In 2021**, the Group facilitated the return from non-performing **to performing status** of around **10,000 companies thus safeguarding** around **50,000 jobs.** This brought the total to around **133,000 companies since 2014, thus safeguarding** around **665,000 jobs over the same period**. The Group has made available more than **€400bn in medium/long term lending** to businesses and households **to support Italy's Recovery and Resilience Plan**.
- **<u>sustainability and social and cultural responsibility</u>** which, in the presence of solid financials, translated into the actions shown below, carried out by the Group in Italy:
  - initiatives **to reduce child poverty** and **support people in need**, delivering, since 2018, around **24.8 million meals**, around **1.5 million dormitory beds**, around **296,250 medicine prescriptions** and around **249,200 items of clothing**;
  - **Ecobonus**: **Intesa Sanpaolo ready to buy tax credits** to support households, condominiums and businesses through modular and flexible financial solutions, allowing them to benefit from the 110% deduction for expenses related to energy efficiency and measures to reduce seismic risk;
  - **launch of the Fund for Impact** in Q4 2018, enabling lending of around €1.5bn to categories that otherwise would have difficulties in accessing credit, despite their potential; launch of the first line of credit without collateral dedicated to all university students residing in Italy studying in Italy or abroad (**"Per Merito"**), with €71m granted in 2021 and around €162m since its launch at the beginning of 2019; in July 2020, launch of **"MAMMA@WORK"**, a highly subsidised loan to balance motherhood and work in children's early years of life, with around €0.8m granted in 2021 and around €1m since the launch of the initiative; launch, in August 2020, of **"XME StudioStation"**, loans to families to support distance learning, with around €0.5m granted in 2021 and around €1.7m granted since launch; loans to support **working mothers in India** and **people over the age of 50 who have lost their jobs or have difficulties in accessing pension schemes**; three additional lending initiatives launched in July 2021: **"per Esempio"** dedicated to volunteers of the Civil Service, **"per Crescere"** dedicated to school age children's parents and **"per avere Cura"** for families with non-self-sufficient relatives;
  - **Circular Economy credit Plafond** to support **sustainable development**: since its inception, around **€7.7bn** already disbursed (around €5.5bn in 2021); in March 2021, issuance of a **Green Bond for €1.25bn** focused on **green mortgages** granted for the construction or the purchase of energy efficient properties (energy classification A or B), in addition to the **three Green Bonds issued** in 2017 and 2019, one for €500m focused on **renewables** and **energy efficiency**, one for €500m related to **renewable energy sectors** (issued by UBI Banca) and one for €750m focused on **circular economy**;
  - **S-Loans**, an Intesa Sanpaolo innovative solution launched in July 2020 and targeted at SMEs, aimed at financing projects to improve their sustainability profile. A **€2bn plafond has been allocated** with a reduced interest rate subject to the monitoring of two ESG KPIs which must be reported in the annual report of the financed enterprises (around €1.2bn granted in 2021 and around €.1.3bn since launch).

- **D-Loans,** a digital loan solution launched in October 2021, aimed at improving the digitalisation of companies (€1.1m granted since launch);
- in 2021, **around 780 start-ups evaluated** (around 3,420 since 2018) in **seven acceleration programmes with 209 coached start-ups** (around 600 since 2018), and introduced to selected investors and ecosystem players (around 6,150 to date);
- the Intesa Sanpaolo "Giovani e Lavoro*"* programme underway, in partnership with Generation, aimed at **training** and **introducing 5,000 young people to the Italian labour market**: around 9,000 young people, aged 18-29, applied to the programme in 2021 (over 24,000 since 2019), over 1,600 students were interviewed and around 750 trained / in training through 29 courses in 2021 (over 5,200 students interviewed and over 2,200 trained / in training since 2019), with over 2,000 companies involved since the launch of the programme;
- the **P-Tech initiative** in partnership with IBM, with the objective of training young professionals in the field of new digital skills, involving 20 Intesa Sanpaolo people in mentoring activities for 40 young professionals;
- Intesa Sanpaolo is the Main Sponsor of the **Generation4Universities** project, developed by Generation Italy and McKinsey & Company, aimed at facilitating talented senior-year university students to start a successful professional career. The programme, which ended in July 2021, involved 70 students from 31 universities and 18 top-tier Italian corporations as potential employers.
- **Gallerie d'Italia**: **14 new exhibitions** opened **in 2021**. In Q4 2021, "The Grand Tour" in Milan, in partnership with the Hermitage Museum of St. Petersburg and the Museo Archeologico Nazionale of Naples, accompanied by an innovative digital experience; "How we will be" in Vicenza, a selection of photos from the ISP Publifoto Archive; two paintings by Cima da Conegliano, "Illustrious guests" at the Turin Skyscraper from *Petit Palais* of Paris and *Pinacoteca Nazionale* of Bologna. The two new construction sites of the Gallerie d'Italia in Turin and Naples have considerably advanced. **Museum for all**: among the initiatives dedicated to social inclusion, opening of the educational-exhibition project "Clay. Stories of Vases" set up at Gallerie d'Italia in Vicenza, in collaboration with *Università degli Studi* of Padua, equipped with audio, video and tactile supports to be widely accessible. In 2021, **166 artworks** from owned collections were on display in **44 temporary exhibitions** in national and international museums. **Important partnerships** with public and private entities: Artissima - International Contemporary Art Fair in Turin with enhancement of masterpieces from the Intesa Sanpaolo collections; International Book Fair, Turin; Municipality of Milan, support for the traditional Christmas exhibition at Palazzo Marino "The Renaissance in Bergamo and Brescia".

- **<u>cash return to shareholders of €4.9bn</u>**, consisting of **€1.5bn remaining dividends for 2021** and a **€3.4bn buyback** (°). The Board of Directors, at its meeting today, has decided to submit at the next Ordinary Shareholders' Meeting a proposal regarding **the distribution of 7.89 euro cents per share**, before tax, as **remaining dividend** and, subject to approval being received from the ECB, a **purchase of own shares** to be launched in 2022 and **their subsequent annulment**, **for a countervalue of €3.4bn**, with timing and ways to be disclosed in accordance with applicable regulations.

  In detail, with regard to dividends, the Board of Directors has decided to propose the distribution of €2,931,791,814.36 in total on the 2021 net income, which taking into account the interim dividends paid in November 2021 equal to € 1,398,728,259.60 (*) leads to the proposal for a distribution of €1,533,063,554.76 (**) as remaining dividends, deriving from 7.89 euro cents on each of the 19,430,463,305 ordinary shares. No distribution will be made to own shares held by the Bank at the record date. The dividend payment, if approved at the Shareholders' Meeting, will take place from 25 May 2022 (with coupon presentation on 23 May and record date on 24 May). The dividend yield is 2.9% and is based on the reference price recorded by the Intesa Sanpaolo stock on 3 February 2022.

(°) Amount equivalent to the suspended 2019 dividend.

(*) Interim dividends are considered net of the portion not distributed to own shares held by the Bank at the record date, which was equal to of €2,208,144.69.

(**) On the basis of the Parent Company's net income of around €2,948m of which around €233m to be allocated to reserves as fair value valuations effect, the proposal envisages a cash distribution of €1,299,897,995.10 as remaining dividends on the Parent Company's net income (corresponding to 6.69 euro cents on each share) and €233,165,559.66 as assignment of reserves drawn on the Share Premium Reserve (corresponding to 1.20 euro cents on each share). The assignment of reserves shall be subject to the same tax regime as the distribution of dividends.

The income statement for the fourth quarter of 2021 (°)

The consolidated income statement for Q4 2021 recorded **net interest income** of €1,954m, down 2.3% compared with €1,999m in Q3 2021 and 5.7% compared with €2,072m in Q4 2020.

Net fee and commission income amounted to €2,532m, up 8.9% from €2,325m in Q3 2021. Specifically, commissions on commercial banking activities were down 1.8% while commissions on management, dealing and consultancy activities were up 15.4%. The latter, which include portfolio management, distribution of insurance products, dealing and placement of securities, etc., recorded increases of 9.7% in dealing and placement of securities, 17.3% in portfolio management (performance fees contributed €191m in Q4 2021 and €50m in Q3 2021) and 4% in distribution of insurance products. Net fee and commission income for Q4 2021 was up 3.7%, compared with €2,442m in Q4 2020. Specifically, commissions on commercial banking activities were up 0.6% and those on management, dealing and consultancy activities were up 5.9%. The latter recorded increases of 0.9% in dealing and placement of securities and 6.2% in portfolio management (performance fees contributed €183m in Q4 2020) and a decrease of 0.2% in distribution of insurance products.

Income from insurance business amounted to €410m from €365m in Q3 2021 and €436m in Q4 2020.

Profits on financial assets and liabilities at fair value amounted to €108m, compared with €378m in Q3 2021. Contributions from customers increased to €80m from €74m, those from capital markets decreased from €158m to €118m, those from trading and treasury recorded a negative balance of €89m versus a positive balance of €143m and those from structured credit products were negative for €1m versus a positive balance of €3m. The Q4 2021 profits of €108m compare with the €193m profits of Q4 2020 when contributions from customers amounted to €97m, those from capital markets were negative for €90m, those from trading and treasury amounted to €170m and those from structured credit products were €16m.

Operating income amounted to €5,020m, down 1.4% compared with €5,092m in Q3 2021 and 2.5% compared with €5,149m in Q4 2020.

Operating costs amounted to €3,027m, up 14.7% from €2,638m in Q3 2021, attributable to increases of 12.2% in personnel expenses, 21.9% in administrative expenses and of 11.9% in adjustments. Operating costs for Q4 2021 were up 2.4%, compared with €2,957m in Q4 2020, attributable to increases of 5.6% in personnel expenses and 7.3% in adjustments and a 5.7% decrease in administrative expenses.

(°) The figures for the first two quarters of 2021 and the four quarters of 2020 were prepared to take into account the inclusion of the UBI Banca Group and the Reyl Group for the period before their 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 €1,993m, down 18.8% from €2,454m in Q3 2021 and 9.1% from €2,192m in Q4 2020. The cost/income ratio was 60.3% in Q4 2021 versus 51.8% in Q3 2021 and 57.4% in Q4 2020.

Net adjustments to loans amounted to €1.222m (including additional provisions of around €1,247m to accelerate NPL deleveraging), from €543m in Q3 2021 (which included additional provisions of €162m to accelerate NPL deleveraging) and from €1,440m in Q4 2020 (which included €852m for future COVID-19 impacts).

Net provisions and net impairment losses on other assets amounted to €415m (including around €170m to strengthen insurance reserves), compared with €82m in Q3 2021 and with €121m in Q4 2020.

Other income amounted to €78m (including a capital gain of €97m deriving from the sale of the acquiring business of former UBI Banca) versus €63m in Q3 2021 and €62m in Q4 2020.

Income (Loss) from discontinued operations was nil, compared with the same result in Q3 2021 and €129m in Q4 2020.

Gross income amounted to €434m from €1,892m in Q3 2021 and €822m in Q4 2020.

Consolidated net income amounted to €179m, after accounting:
- taxes on income of €82m;
- charges (net of tax) for integration and exit incentives of €291m (including €212m, €316m pre-tax, related to the 2,000 voluntary exits envisaged in the agreement with the trade unions of November 2021);
- positive balance of the effect of purchase price allocation (net of tax) of €46m;
- levies and other charges concerning the banking industry (net of tax) of €22m, deriving from pre-tax charges of €25m in relation to contributions to the Italian deposit guarantee scheme, €6m in relation to levies incurred by international subsidiaries and negative fair value differences of €1m regarding the *Atlante* fund. In Q3 2021, this caption amounted to €210m, deriving from the following pre-tax figures: charges of €306m in relation to the contribution to the Italian deposit guarantee scheme and €5m in relation to levies incurred by international subsidiaries, and positive fair value differences of €1m regarding the *Atlante* fund. In Q4 2020, this caption amounted to €38m, deriving from the following pre-tax figures: recovery of €1m in relation to the resolution fund and charges of €18m in relation to contributions to the Italian deposit guarantee scheme, €4m in relation to contributions to the deposit guarantee scheme concerning the international network, €5m in relation to levies incurred by international subsidiaries, and negative fair value differences of €29m regarding the *Atlante* fund.
- losses pertaining to minority interests of €94m.

Net income of €179m in Q4 2021 compares with €983m in Q3 2021 and the negative result of €3,099m of Q4 2020 (€393m positive when excluding the items related to the UBI Banca acquisition, consisting of the effect of the purchase price allocation - including negative goodwill - and integration charges, and the accounting impact of the related write-off of goodwill of the Banca dei Territori Division).

The income statement for 2021 [(°)]

The consolidated income statement for 2021 recorded **net interest income** of €7,900m, down 4.6% from €8,278m in 2020.

Net fee and commission income amounted to €9,540m, up 9.3% from €8,725m in 2020. Specifically, commissions on commercial banking activities were up 4.9% and commissions on management, dealing and consultancy activities were up 11%. The latter, which include portfolio management, distribution of insurance products, dealing and placement of securities, etc., recorded increases of 30.3% in dealing and placement of securities, 11.6% in portfolio management (performance fees contributed €361m in 2021 and €262m in 2020), and 2.6% in distribution of insurance products.

Income from insurance business amounted to €1,629m from €1,685m in 2020.

Profits on financial assets and liabilities at fair value amounted to €1,625m, compared with €1,675m in 2020. Contributions from customers declined from €458m to €311m, those from capital markets increased from €112m to €691m, those from trading and treasury decreased from €1,107m to €614m and those from structured credit products recorded a positive result of €9m versus a negative result of €3m.

Operating income amounted to €20,786m, up 1.9% versus €20,400m in 2020.

Operating costs amounted to €10,920m, down 1.1% from €11,039m in 2020, attributable to decreases of 5.8% in administrative expenses and 0.6% in adjustments and a 1% increase in in personnel expenses.

As a result, **operating margin** amounted to €9,866m, up 5.4% from €9,361m in 2020. The cost/income ratio was 52.5% in 2021 versus 54.1% in 2020.

Net adjustments to loans amounted to €2,766m (including additional provisions of around €1,615m to accelerate NPL deleveraging), from €4,493m in 2020 (which included €2,247m for future COVID-19 impacts).

(°) The figures for the first half of 2021 and for full-year 2020 were prepared to take into account the inclusion of the UBI Banca Group and the Reyl Group for the period before their 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.

Net provisions and net impairment losses on other assets amounted to €851m (including around €295m to strengthen insurance reserves) versus €365m in 2020.

Other income amounted to €332m (including the capital gain of €194m deriving from the sale of the business line related to the activities of Custodian Bank and Fund Administration of Fideuram Bank Luxembourg and €97m deriving from the sale of the acquiring business of former UBI Banca) versus €97m in 2020.

Income (Loss) from discontinued operations amounted to €58m versus €1,588m in 2020 (including the Nexi capital gain of €1,110m).

Gross income amounted to €6,639m, compared with €6,188m in 2020.

Consolidated net income amounted to €4,185m, after accounting:
- taxes on income of €1,623m, including a benefit of around €460m deriving from the tax realignment of intangible assets;
- charges (net of tax) for integration and exit incentives of €439m (including €212m, €316m pre-tax, related to the 2,000 voluntary exits envisaged in the agreement with the trade unions of November 2021);
- effect of purchase price allocation (net of tax) of €39m;
- levies and other charges concerning the banking industry (net of tax) of €511m, deriving from pre-tax charges of €381m in relation to the contribution to the resolution fund, €331m in relation to contributions to the Italian deposit guarantee scheme, €9m in relation to contributions to the deposit guarantee scheme concerning the international network, €22m in relation to levies incurred by international subsidiaries, and negative fair value differences of €2m regarding the *Atlante* fund. In 2020, this caption amounted to €513m, deriving from pre-tax charges of €370m in relation to the contribution to the resolution fund, €271m in relation to the contributions to the Italian deposit guarantee scheme, €21m in relation to contributions to the deposit guarantee scheme concerning the international network, €51m in relation to levies incurred by international subsidiaries, and negative fair value differences of €29m regarding the *Atlante* fund.
- losses pertaining to minority interests of €158m.

Net income of €4,185m in 2021 compares with €3,277m in 2020 and increases by 19.4% versus €3,505m when excluding the items related to the UBI Banca acquisition, consisting of the effect of the purchase price allocation (including negative goodwill) and integration charges, and the accounting impact of the related write-off of goodwill of the Banca dei Territori Division.

Balance sheet as at 31 December 2021

As regards the consolidated balance sheet figures, as at 31 December 2021 **loans to customers** amounted to €465bn, up 0.5% on year-end 2020 (down 0.1% on Q3 2021 and up 3% on 2020 when taking into account quarterly and yearly average volumes [*]). Total **non-performing loans** (bad, unlikely-to-pay, and past due) amounted - net of adjustments - to €7,077m, down 34.1% from €10,743m at year-end 2020. In detail, bad loans decreased to €2,130m from €4,003m at year-end 2020, with a bad loan to total loan ratio of 0.5% (0.9% at year-end 2020), and a cash coverage ratio of 70.4% (58.3% at year-end 2020). Unlikely-to-pay loans decreased to €4,325m from €6,223m at year-end 2020. Past due loans amounted to €622m from €517m at year-end 2020.

Customer financial assets amounted to €1,276bn, up 7.6% on year-end 2020. Under customer financial assets, **direct deposits from banking business** amounted to €556bn, up 5.5% on year-end 2020. **Direct deposits from insurance business and technical reserves** amounted to €204bn, up 0.6% on year-end 2020. Indirect customer deposits amounted to €719bn, up 9.3% on year-end 2020. **Assets under management** amounted to €474bn, up 8% on year-end 2020. As for bancassurance, in 2021 the new business for life policies amounted to €17.7bn. Assets held under administration and in custody amounted to €245bn, up 12% on year-end 2020.

Capital ratios as at 31 December 2021, calculated by applying the transitional arrangements for 2021 [(11)], and after deducting from capital €1,932m of reserves distributed in October 2021 [(•)], €1,399m of interim dividends paid in November 2021 [(••)] and €1,533m of proposed remaining dividends for 2021 were as follows [(°)]:

- Common Equity Tier 1 ratio [(11)] at 14.5% (14.7% at year-end 2020 [(12)]),
- Tier 1 ratio [(11)] at 16.4% (16.9% at year-end 2020 [(12)]),
- total capital ratio [(11)] at 19.1% (19.6% at year-end 2020 [(12)]);

deducting also €3.4bn of proposed buyback [(°°)], were as follows:

- Common Equity Tier 1 ratio [(13)] at 13.4%,
- Tier 1 ratio [(13)] at 15.3%,
- total capital ratio [(13)] at 18.1%.

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

(•) Compared with the distribution approved at the Shareholders' Meeting, amounting to a total of €1,935m, the deduction is net of the portion not distributed to own shares held by the Bank at the record date, which was equal to €3m.

(••) Compared with the interim dividend approved by the Board of Directors, amounting to a total of €1,401m, the deduction is net of the portion not distributed to own shares held by the Bank at the record date, which was equal to €2m.

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

(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 14% for the Common Equity Tier 1 ratio, 15.9% for the Tier 1 ratio and 18.9% for the total capital ratio.

(12) In accordance with the transitional arrangements for 2020. Excluding the mitigation of the impact of the first time adoption of IFRS 9, capital ratios are 14% for the Common Equity Tier 1 ratio, 16.2% for the Tier 1 ratio and 19.2% for the total capital ratio.

(13) 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 12.9% for the Common Equity Tier 1 ratio, 14.8% for the Tier 1 ratio and 17.8% for the total capital ratio.

(°°) Subject to ECB approval. Amount equivalent to the suspended 2019 dividend.

The estimated **pro-forma** Common Equity Tier 1 ratio for the Group on a **fully loaded basis** was 15.2% (14.2% deducting from capital also €3.4bn of proposed buyback [°]), calculated by applying the fully loaded parameters to the financial statements as at 31 December 2021 and 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 new agreement with the trade unions of November 2021, and the expected distribution on the 2021 net income of insurance companies.

* * *

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 €192bn at the end of December 2021;
- 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 €335bn at the end of December 2021;
- refinancing operations with the ECB to optimise the cost of funding and support businesses in their investment amounted to around €132bn as at 31 December 2021 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 €6.8bn in 2021 and included benchmark transactions of senior non-preferred bonds of €1.75bn, senior green bond of €1.25bn and Tier 2 of $1.5bn (around 92% were placed with foreign investors).

The Group's **leverage ratio** as at 31 December 2021 was 6.6% applying the transitional arrangements for 2021 and 6.5% fully loaded, best in class among major European banking groups.

* * *

As at 31 December 2021, the Intesa Sanpaolo Group's **operating structure** had a total network of 4,719 branches, consisting of 3,740 branches in Italy and 979 abroad, and employed 97,698 people.

* * *

[°] Subject to ECB approval. Amount equivalent to the suspended 2019 dividend.

Breakdown of results by business area

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

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

In the fourth quarter of 2021, the Banca dei Territori Division recorded:
- operating income of €2,257m, +1.2% versus €2,231m in Q3 2021;
- operating costs of €1,689m, +6.4% versus €1,588m in Q3 2021;
- operating margin of €567m, -11.8% versus €643m in Q3 2021;
- a cost/income ratio of 74.9% versus 71.2% in Q3 2021;
- net provisions and adjustments of €288m versus €375m in Q3 2021;
- gross income of €239m versus €320m in Q3 2021;
- net income of -€14m versus €35m in Q3 2021.

In 2021, the Banca dei Territori division recorded:
- operating income of €8,938m, +0.8% versus €8,867m in 2020, contributing approximately 43% of the consolidated operating income (43% in 2020 as well);
- operating costs of €6,465m, -2.9% versus €6,661m in 2020;
- operating margin of €2,473m, +12.1% versus €2,206m in 2020;
- a cost/income ratio of 72.3% versus 75.1% in 2020;
- net provisions and adjustments of €1,355m versus €3,013m in 2020;
- gross income of €1,130m versus -€778m in 2020;
- net income of €385m versus -€1,523m in 2020.

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 eight industries: Automotive & Industrials; Basic Materials & Healthcare; Food & Beverage and Distribution; Retail & Luxury; Infrastructure & Real Estate Partners; Public Finance; Energy; Telecom, Media & Technology;
- International Department, which ensures the development of the division and is responsible for foreign branches, representative offices and foreign subsidiaries carrying out corporate banking (Intesa Sanpaolo Bank Luxembourg, Intesa Sanpaolo Bank Ireland, Intesa Sanpaolo Brasil and Banca Intesa in the Russian Federation);
- 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 fourth quarter of 2021, the IMI Corporate & Investment Banking Division recorded:

- operating income of €970m, -15.2% versus €1,145m in Q3 2021;
- operating costs of €376m, +9.8% versus €343m in Q3 2021;
- operating margin of €594m, -25.9% versus €802m in Q3 2021;
- a cost/income ratio of 38.8% versus 30% in Q3 2021;
- net recoveries of €15m versus €13m in Q3 2021;
- gross income of €609m versus €815m in Q3 2021;
- net income of €427m versus €555m in Q3 2021.

In 2021, the IMI Corporate & Investment Banking Division recorded:

- operating income of €4,571m, +2.8% versus €4,445m in 2020, contributing approximately 22% of the consolidated operating income (22% in 2020 as well);
- operating costs of €1,365m, +2.3% versus €1,334m in 2020;
- operating margin of €3,206m, +3.1% versus €3,111m in 2020;
- a cost/income ratio of 29.9% versus 30% in 2020;
- net provisions and adjustments of €24m versus €518m in 2020;
- gross income of €3,182m versus €2,658m in 2020;
- net income of €2,202m versus €1,791m in 2020.

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

In the fourth quarter of 2021, the International Subsidiary Banks Division recorded:
- operating income of €500m, -0.8% versus €504m in Q3 2021;
- operating costs of €298m, +11.4% versus €267m in Q3 2021;
- operating margin of €202m, -14.5% versus €237m in Q3 2021;
- a cost/income ratio of 59.6% versus 53% in Q3 2021;
- net provisions and adjustments of €90m versus €47m in Q3 2021;
- gross income of €115m versus €190m in Q3 2021;
- net income of €70m versus €142m in Q3 2021.

In 2021, the International Subsidiary Banks Division recorded:
- operating income of €1,972m, +3.4% versus €1,908m in 2020, contributing approximately 9% of the consolidated operating income (9% in 2020 as well);
- operating costs of €1,072m, +4.1% versus €1,030m in 2020;
- operating margin of €900m, +2.5% versus €878m in 2020;
- a cost/income ratio of 54.4% versus 54% in 2020;
- net provisions and adjustments of €231m versus €262m in 2020;
- gross income of €675m versus €623m in 2020;
- net income of €463m versus €381m in 2020.

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 Bank, SIREF Fiduciaria, Intesa Sanpaolo Private Bank (Suisse) Morval, REYL & Cie, Intesa Sanpaolo Private Banking Asset Management and Fideuram Asset Management Ireland.

In the fourth quarter of 2021, the Private Banking Division recorded:

- operating income of €596m, +1.2% versus €589m in Q3 2021;
- operating costs of €255m, +15.6% versus €220m in Q3 2021;
- operating margin of €341m, -7.5% versus €368m in Q3 2021;
- a cost/income ratio of 42.8% versus 37.5% in Q3 2021;
- net provisions and adjustments of €5m versus €12m in Q3 2021;
- gross income of €335m versus €356m in Q3 2021;
- net income of €213m versus €231m in Q3 2021.

In 2021, the Private Banking Division recorded:

- operating income of €2,376m, +6.9% versus €2,222m in 2020, contributing approximately 11% of the consolidated operating income (11% in 2020 as well);
- operating costs of €906m, +4.3% versus €869m in 2020;
- operating margin of €1,470m, +8.6% versus €1,353m in 2020;
- a cost/income ratio of 38.1% versus 39.1% in 2020;
- net provisions and adjustments of €34m versus €64m in 2020;
- gross income of €1,631m versus €1,285m in 2020;
- net income of €1,076m versus €866m in 2020.

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 Pramerica (merged by incorporation on 1 July 2021), Eurizon Capital SA, a Luxembourg asset management company dedicated to development on international markets, Epsilon SGR, a company specialising in structured products, Eurizon Asset Management Slovakia, which heads up 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 owns 49% of the Chinese asset management company Penghua Fund Management.

In the fourth quarter of 2021, the Asset Management Division recorded:
- operating income of €406m, +32.9% versus €305m in Q3 2021;
- operating costs of €76m, +32.6% versus €57m in Q3 2021;
- operating margin of €330m, +32.9% versus €248m in Q3 2021;
- a cost/income ratio of 18.7% versus 18.8% in Q3 2021;
- gross income of €330m versus €248m in Q3 2021;
- net income of €230m versus €181m in Q3 2021.

In 2021, the Asset Management Division recorded:
- operating income of €1,344m, +21.6% versus €1,105m in 2020, contributing approximately 6% of the consolidated operating income (5% in 2020);
- operating costs of €239m, +9.6% versus €218m in 2020;
- operating margin of €1,105m, +24.6% versus €887m in 2020;
- a cost/income ratio of 17.8% versus 19.7% in 2020;
- gross income of €1,105m versus €887m in 2020;
- net income of €787m versus €594m in 2020.

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 fourth quarter of 2021, the Insurance Division recorded:
- operating income of €392m, +9% versus €360m in Q3 2021;
- operating costs of €115m, +19.2% versus €96m in Q3 2021;
- operating margin of €277m, +5.3% versus €263m in Q3 2021;
- a cost/income ratio of 29.3% versus 26.8% in Q3 2021;
- net provisions and adjustments of €179m versus €24m in Q3 2021;
- gross income of €98m versus €240m in Q3 2021;
- net income of €96m versus €178m in Q3 2021.

In 2021, the Insurance Division recorded:
- operating income of €1,572m, -1.9% versus €1,603m in 2020, contributing approximately 8% of the consolidated operating income (8% in 2020 as well);
- operating costs of €401m, +1.8% versus €394m in 2020;
- operating margin of €1,171m, -3.1% versus €1,209m in 2020;
- a cost/income ratio of 25.5% versus 24.6% in 2020;
- net provisions and adjustments of €334m versus €26m in 2020;
- gross income of €837m versus €1,183m in 2020;
- net income of €712m versus €691m in 2020.

Outlook

In 2022, the Intesa Sanpaolo Group is expected to record revenue growth and continuous cost management, driving increases in operating margin and, also due to a strong reduction in the cost of risk, in gross income, and a net income exceeding 5 billion euro.

The Group’s dividend policy envisages the distribution of cash dividends corresponding to a payout ratio of 70% on the 2022 results.

* * *

For consistency purpose, the income statement and balance sheet figures for the first quarter of 2020 were restated following the acquisition of RBM Assicurazione Salute, finalised in May 2020. The related items were consolidated line by line, including the corresponding net income under minority interests and the corresponding shareholders' equity under shareholders' equity minority interests. These figures are reported in the attached statements.

Moreover, the income statement and balance sheet figures for the four quarters of 2020 were also restated following i) on one side, the acquisition of UBI Banca finalised in August 2020 (the related items were consolidated line by line for the first seven months of 2020 with reference to the income statement, including the corresponding net income under minority interests, and for the first two quarters of 2020 with reference to the balance sheet, including the corresponding shareholders' equity under shareholders' equity minority interests), and ii) on the other side, the sales transactions regarding the going concerns, finalised in H1 2021 (the related items were deconsolidated line by line since 1 January 2020 and the contribution to the income statement was allocated - on the basis of management figures - to income/loss from discontinued operations and the contribution to the balance sheet was allocated to non-current assets held for sale and discontinued operations and to liabilities associated with non-current assets held for sale and discontinued operations). These figures are reported in the attached statements as "Redetermined figures".

The "Redetermined figures" of the income statement for the four quarters of 2020 and the first quarter 2021 include the restatement done:
- following 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 H1 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.
- following 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.

Finally, the balance sheet figures for the four quarters of 2020 and the first quarter 2021 include the restatement done following the acquisition of the control of Lombarda Vita, Assicurazioni Vita (formerly Aviva Vita), Cargeas and the REYL Group. The related items were consolidated line by line, including the corresponding shareholders' equity under shareholders' equity minority interests.

The income statement and balance sheet figures related to the Business areas for the four quarters of 2020 and the first quarter 2021 were restated to attribute the related items regarding the acquisition of UBI Banca, Lombarda Vita, Assicurazioni Vita (formerly Aviva Vita), Cargeas and Reyl and to reallocate some items between Business areas and Corporate Centre.

* * *

In order to present more complete information on the results generated as at 31 December 2021, the reclassified consolidated income statement and the reclassified consolidated balance sheet approved by the Board of Directors are attached. Please note that the auditing firm is completing the auditor review of the financial statements, as well as the activities for the issue of the statement in accordance with art. 26 (2) of Regulation EU n. 575/2013 and with ECB Decision no. 2015/656. The parent company draft financial statements and the consolidated financial statements as at 31 December 2021 will be submitted for approval at the meeting of the Board of Directors scheduled for 1 March 2022. The parent company draft financial statements and the consolidated financial statements as at 31 December 2021 will be submitted for examination of the auditing firm in charge of auditing the annual report and will be made available for shareholders and the market by 29 March 2022. The parent company financial statements will be submitted for the approval of shareholders at the Ordinary Meeting scheduled for 29 April 2022.

* * *

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

* * *

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

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

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

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

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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)

	2021	2020	Changes	
			amount	%
Net interest income	7,966	7,799	167	2.1
Net fee and commission income	9,634	8,344	1,290	15.5
Income from insurance business	1,586	1,353	233	17.2
Profits (Losses) on financial assets and liabilities designated at fair value	1,626	1,589	37	2.3
Other operating income (expenses)	106	12	94	
Operating income	**20,918**	**19,097**	**1,821**	**9.5**
Personnel expenses	-6,824	-6,196	628	10.1
Other administrative expenses	-2,892	-2,693	199	7.4
Adjustments to property, equipment and intangible assets	-1,246	-1,159	87	7.5
Operating costs	**-10,962**	**-10,048**	**914**	**9.1**
Operating margin	**9,956**	**9,049**	**907**	**10.0**
Net adjustments to loans	-2,772	-4,214	-1,442	-34.2
Other net provisions and net impairment losses on other assets	-848	-346	502	
Other income (expenses)	332	73	259	
Income (Loss) from discontinued operations	-	1,163	-1,163	
Gross income (loss)	**6,668**	**5,725**	**943**	**16.5**
Taxes on income	-1,622	-1,361	261	19.2
Charges (net of tax) for integration and exit incentives	-439	-1,563	-1,124	-71.9
Effect of purchase price allocation (net of tax)	-39	1,960	-1,999	
Levies and other charges concerning the banking industry (net of tax)	-524	-512	12	2.3
Impairment (net of tax) of goodwill and other intangible assets	-	-912	-912	
Minority interests	141	-60	201	
Net income (loss)	**4,185**	**3,277**	**908**	**27.7**

Figures restated, where necessary and material, considering the changes in the scope of consolidation. The figures for the UBI Group and the insurance companies Assicurazioni Vita (former Aviva Vita), Lombarda Vita and Cargeas have not been restated.

Intesa Sanpaolo Group

Reclassified consolidated statement of income – Redetermined figures

(millions of euro)

	2021 Redetermined figures	2020 Redetermined figures	Changes amount	%
Net interest income	7,900	8,278	-378	-4.6
Net fee and commission income	9,540	8,725	815	9.3
Income from insurance business	1,629	1,685	-56	-3.3
Profits (Losses) on financial assets and liabilities designated at fair value	1,625	1,675	-50	-3.0
Other operating income (expenses)	92	37	55	
Operating income	**20,786**	**20,400**	**386**	**1.9**
Personnel expenses	-6,773	-6,705	68	1.0
Other administrative expenses	-2,899	-3,078	-179	-5.8
Adjustments to property, equipment and intangible assets	-1,248	-1,256	-8	-0.6
Operating costs	**-10,920**	**-11,039**	**-119**	**-1.1**
Operating margin	**9,866**	**9,361**	**505**	**5.4**
Net adjustments to loans	-2,766	-4,493	-1,727	-38.4
Other net provisions and net impairment losses on other assets	-851	-365	486	
Other income (expenses)	332	97	235	
Income (Loss) from discontinued operations	58	1,588	-1,530	-96.3
Gross income (loss)	**6,639**	**6,188**	**451**	**7.3**
Taxes on income	-1,623	-1,510	113	7.5
Charges (net of tax) for integration and exit incentives	-439	-1,549	-1,110	-71.7
Effect of purchase price allocation (net of tax)	-39	1,960	-1,999	
Levies and other charges concerning the banking industry (net of tax)	-511	-513	-2	-0.4
Impairment (net of tax) of goodwill and other intangible assets	-	-912	-912	
Minority interests	158	-387	545	
Net income (loss)	**4,185**	**3,277**	**908**	**27.7**

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.

Intesa Sanpaolo Group

Quarterly development of the reclassified consolidated statement of income

(millions of euro)

	2021				2020			
	Fourth quarter	Third quarter	Second quarter	First quarter	Fourth quarter	Third quarter	Second quarter	First quarter
Net interest income	1,954	1,999	2,000	2,013	2,191	2,103	1,754	1,751
Net fee and commission income	2,532	2,325	2,382	2,395	2,597	2,141	1,752	1,854
Income from insurance business	410	365	438	373	319	298	367	369
Profits (Losses) on financial assets and liabilities designated at fair value	108	378	344	796	194	130	266	999
Other operating income (expenses)	16	25	16	49	14	1	12	-15
Operating income	**5,020**	**5,092**	**5,180**	**5,626**	**5,315**	**4,673**	**4,151**	**4,958**
Personnel expenses	-1,844	-1,643	-1,659	-1,678	-1,824	-1,608	-1,393	-1,371
Other administrative expenses	-845	-693	-706	-648	-889	-662	-585	-557
Adjustments to property, equipment and intangible assets	-338	-302	-300	-306	-321	-304	-269	-265
Operating costs	**-3,027**	**-2,638**	**-2,665**	**-2,632**	**-3,034**	**-2,574**	**-2,247**	**-2,193**
Operating margin	**1,993**	**2,454**	**2,515**	**2,994**	**2,281**	**2,099**	**1,904**	**2,765**
Net adjustments to loans	-1,222	-543	-599	-408	-1,475	-938	-1,398	-403
Other net provisions and net impairment losses on other assets	-415	-82	-218	-133	-122	-67	262	-419
Other income (expenses)	78	63	-7	198	62	23	-18	6
Income (Loss) from discontinued operations	-	-	-	-	-	-	1,134	29
Gross income (loss)	**434**	**1,892**	**1,691**	**2,651**	**746**	**1,117**	**1,884**	**1,978**
Taxes on income	-82	-619	-82	-839	-167	-319	-314	-561
Charges (net of tax) for integration and exit incentives	-291	-41	-55	-52	-1,485	-28	-35	-15
Effect of purchase price allocation (net of tax)	46	-51	-18	-16	-1,227	3,237	-24	-26
Levies and other charges concerning the banking industry (net of tax)	-22	-210	-83	-209	-38	-197	-86	-191
Impairment (net of tax) of goodwill and other intangible assets	-	-	-	-	-912	-	-	-
Minority interests	94	12	54	-19	-16	-	-10	-34
Net income (loss)	**179**	**983**	**1,507**	**1,516**	**-3,099**	**3,810**	**1,415**	**1,151**

Figures restated, where necessary and material, considering the changes in the scope of consolidation. The figures for the UBI Group and the insurance companies Assicurazioni Vita (former Aviva Vita), Lombarda Vita and Cargeas have not been restated.

Intesa Sanpaolo Group

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

(millions of euro)

	2021				2020			
	Fourth quarter	Third quarter	Second quarter Redetermined figures	First quarter Redetermined figures	Fourth quarter Redetermined figures	Third quarter Redetermined figures	Second quarter Redetermined figures	First quarter Redetermined figures
Net interest income	1,954	1,999	1,995	1,952	2,072	2,129	2,037	2,040
Net fee and commission income	2,532	2,325	2,370	2,313	2,442	2,147	2,014	2,122
Income from insurance business	410	365	456	398	436	353	456	440
Profits (Losses) on financial assets and liabilities designated at fair value	108	378	344	795	193	127	306	1,049
Other operating income (expenses)	16	25	19	32	6	1	29	1
Operating income	**5,020**	**5,092**	**5,184**	**5,490**	**5,149**	**4,757**	**4,842**	**5,652**
Personnel expenses	-1,844	-1,643	-1,657	-1,629	-1,746	-1,648	-1,663	-1,648
Other administrative expenses	-845	-693	-710	-651	-896	-742	-746	-694
Adjustments to property, equipment and intangible assets	-338	-302	-301	-307	-315	-313	-314	-314
Operating costs	**-3,027**	**-2,638**	**-2,668**	**-2,587**	**-2,957**	**-2,703**	**-2,723**	**-2,656**
Operating margin	**1,993**	**2,454**	**2,516**	**2,903**	**2,192**	**2,054**	**2,119**	**2,996**
Net adjustments to loans	-1,222	-543	-599	-402	-1,440	-972	-1,543	-538
Other net provisions and net impairment losses on other assets	-415	-82	-220	-134	-121	-64	251	-431
Other income (expenses)	78	63	-7	198	62	22	-	13
Income (Loss) from discontinued operations	-	-	10	48	129	80	1,230	149
Gross income (loss)	**434**	**1,892**	**1,700**	**2,613**	**822**	**1,120**	**2,057**	**2,189**
Taxes on income	-82	-619	-85	-837	-191	-322	-362	-635
Charges (net of tax) for integration and exit incentives	-291	-41	-55	-52	-1,485	-27	-22	-15
Effect of purchase price allocation (net of tax)	46	-51	-18	-16	-1,227	3,237	-24	-26
Levies and other charges concerning the banking industry (net of tax)	-22	-210	-83	-196	-38	-178	-91	-206
Impairment (net of tax) of goodwill and other intangible assets	-	-	-	-	-912	-	-	-
Minority interests	94	12	48	4	-68	-20	-143	-156
Net income (loss)	**179**	**983**	**1,507**	**1,516**	**-3,099**	**3,810**	**1,415**	**1,151**

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.

Intesa Sanpaolo Group

Reclassified consolidated balance sheet

(millions of euro)

Assets	**31.12.2021**	**31.12.2020**	**Changes**	
			amount	**%**
Cash and cash equivalents	14,756	14,630	126	0.9
Due from banks	162,121	105,261	56,860	54.0
Loans to customers	465,254	462,802	2,452	0.5
Loans to customers measured at amortised cost	*463,458*	*461,373*	*2,085*	*0.5*
Loans to customers designated at fair value through other comprehensive income and through profit or loss	*1,796*	*1,429*	*367*	*25.7*
Financial assets measured at amortised cost which do not constitute loans	43,325	47,102	-3,777	-8.0
Financial assets at fair value through profit or loss	51,636	57,074	-5,438	-9.5
Financial assets at fair value through other comprehensive income	66,841	57,590	9,251	16.1
Financial assets pertaining to insurance companies measured at fair value pursuant to IAS 39	206,800	205,537	1,263	0.6
Financial assets pertaining to insurance companies measured at amortised cost pursuant to IAS 39	85	161	-76	-47.2
Investments in associates and companies subject to joint control	1,652	1,671	-19	-1.1
Property, equipment and intangible assets	20,134	19,131	1,003	5.2
Assets owned	*18,613*	*17,311*	*1,302*	*7.5*
Rights of use acquired under leases	*1,521*	*1,820*	*-299*	*-16.4*
Tax assets	18,808	19,777	-969	-4.9
Non-current assets held for sale and discontinued operations	1,422	28,702	-27,280	-95.0
Other assets	16,169	14,564	1,605	11.0
Total Assets	**1,069,003**	**1,034,002**	**35,001**	**3.4**

Liabilities	**31.12.2021**	**31.12.2020**	**Changes**	
			amount	**%**
Due to banks at amortised cost	165,250	115,944	49,306	42.5
Due to customers at amortised cost and securities issued	543,418	514,229	29,189	5.7
Financial liabilities held for trading	56,306	59,044	-2,738	-4.6
Financial liabilities designated at fair value	3,674	3,032	642	21.2
Financial liabilities pertaining to insurance companies measured at amortised cost pursuant to IAS 39	2,139	2,023	116	5.7
Financial liabilities pertaining to insurance companies measured at fair value pursuant to IAS 39	84,770	80,699	4,071	5.0
Tax liabilities	2,285	3,370	-1,085	-32.2
Liabilities associated with non-current assets held for sale and discontinued operations	30	35,676	-35,646	
Other liabilities	21,954	24,365	-2,411	-9.9
of which lease payables	*1,394*	*1,762*	*-368*	*-20.9*
Technical reserves	118,296	121,360	-3,064	-2.5
Allowances for risks and charges	6,815	7,194	-379	-5.3
of which allowances for commitments and financial guarantees given	*508*	*626*	*-118*	*-18.8*
Share capital	10,084	10,084	-	-
Reserves	44,856	44,775	81	0.2
Valuation reserves	-709	-515	194	37.7
Valuation reserves pertaining to insurance companies	476	809	-333	-41.2
Interim dividend	-1,399	-	1,399	-
Equity instruments	6,282	7,464	-1,182	-15.8
Minority interests	291	1,172	-881	-75.2
Net income (loss)	4,185	3,277	908	27.7
Total liabilities and shareholders' equity	**1,069,003**	**1,034,002**	**35,001**	**3.4**

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

Intesa Sanpaolo Group

Quarterly development of the reclassified consolidated balance sheet

(millions of euro)

Assets	2021				2020			
	31/12	30/9	30/6	31/3	31/12	30/9 Redetermined figures	30/6 Redetermined figures	31/3 Redetermined figures
Cash and cash equivalents	14,756	15,133	14,628	13,709	14,630	13,791	15,189	12,808
Due from banks	162,121	164,890	148,205	128,188	105,261	80,901	70,709	74,062
Loans to customers	465,254	463,295	463,297	464,661	462,802	464,438	464,001	466,721
Loans to customers measured at amortised cost	*463,458*	*460,903*	*461,348*	*463,129*	*461,373*	*462,973*	*462,538*	*465,242*
Loans to customers designated at fair value through other comprehensive income and through profit or loss	*1,796*	*2,392*	*1,949*	*1,532*	*1,429*	*1,465*	*1,463*	*1,479*
Financial assets measured at amortised cost which do not constitute loans	43,325	41,286	42,615	44,857	47,102	43,453	41,926	35,744
Financial assets at fair value through profit or loss	51,636	59,924	59,826	55,455	57,074	61,248	62,151	57,190
Financial assets at fair value through other comprehensive income	66,841	63,589	66,415	60,778	57,590	80,626	83,536	81,220
Financial assets pertaining to insurance companies measured at fair value pursuant to IAS 39	206,800	205,631	206,138	206,388	205,537	197,806	194,504	186,749
Financial assets pertaining to insurance companies measured at amortised cost pursuant to IAS 39	85	82	80	79	161	155	156	153
Investments in associates and companies subject to joint control	1,652	1,738	1,707	1,708	1,671	1,536	1,517	1,324
Property, equipment and intangible assets	20,134	19,408	19,451	18,908	19,131	19,508	21,086	20,700
Assets owned	*18,613*	*17,800*	*17,815*	*17,158*	*17,311*	*17,744*	*19,299*	*18,877*
Rights of use acquired under leases	*1,521*	*1,608*	*1,636*	*1,750*	*1,820*	*1,764*	*1,787*	*1,823*
Tax assets	18,808	18,805	19,014	19,582	19,777	19,490	19,575	19,869
Non-current assets held for sale and discontinued operations	1,422	3,181	1,566	3,169	28,702	29,504	29,235	27,460
Other assets	16,169	14,456	14,653	14,499	14,564	14,750	19,035	19,219
Total Assets	**1,069,003**	**1,071,418**	**1,057,595**	**1,031,981**	**1,034,002**	**1,027,206**	**1,022,620**	**1,003,219**

Liabilities	2021				2020			
	31/12	30/9	30/6	31/3	31/12	30/9 Redetermined figures	30/6 Redetermined figures	31/3 Redetermined figures
Due to banks at amortised cost	165,250	179,514	164,840	151,746	115,944	118,555	125,315	134,613
Due to customers at amortised cost and securities issued	543,418	523,699	519,223	512,263	514,229	505,284	495,185	490,011
Financial liabilities held for trading	56,306	57,533	57,335	53,544	59,044	57,024	55,731	54,997
Financial liabilities designated at fair value	3,674	3,266	3,361	3,116	3,032	2,978	2,288	845
Financial liabilities pertaining to insurance companies measured at amortised cost pursuant to IAS 39	2,139	2,563	2,518	2,414	2,023	1,957	1,889	937
Financial liabilities pertaining to insurance companies measured at fair value pursuant to IAS 39	84,770	83,093	83,010	82,040	80,699	77,304	76,370	72,019
Tax liabilities	2,285	2,618	2,490	3,303	3,370	2,879	2,751	3,079
Liabilities associated with non-current assets held for sale and discontinued operations	30	1,404	78	3,585	35,676	34,737	33,858	30,038
Other liabilities	21,954	24,955	31,674	26,283	24,365	32,237	38,970	31,448
of which lease payables	*1,394*	*1,519*	*1,570*	*1,708*	*1,762*	*1,734*	*1,744*	*1,768*
Technical reserves	118,296	118,616	119,475	119,943	121,360	118,337	115,308	111,516
Allowances for risks and charges	6,815	6,873	7,041	7,437	7,194	6,529	5,163	5,784
of which allowances for commitments and financial guarantees given	*508*	*534*	*548*	*576*	*626*	*547*	*559*	*514*
Share capital	10,084	10,084	10,084	10,084	10,084	10,076	9,086	9,086
Reserves	44,856	46,508	46,671	47,529	44,775	44,787	42,419	42,380
Valuation reserves	-709	-569	-476	-738	-515	-894	-1,441	-1,833
Valuation reserves pertaining to insurance companies	476	677	661	777	809	596	403	182
Interim dividend	-1,399	-	-	-	-	-	-	-
Equity instruments	6,282	6,279	6,269	6,202	7,464	7,446	5,971	5,972
Minority interests	291	299	318	937	1,172	998	10,788	10,994
Net income (loss)	4,185	4,006	3,023	1,516	3,277	6,376	2,566	1,151
Total Liabilities and Shareholders' Equity	**1,069,003**	**1,071,418**	**1,057,595**	**1,031,981**	**1,034,002**	**1,027,206**	**1,022,620**	**1,003,219**

Figures restated, where necessary and material, considering the changes in the scope of consolidation and discontinued operations. Redetermined figures have been prepared to take into account the inclusion of the UBI Group for the pre-acquisition period and the reallocation of the going concerns object of disposal to non-current assets held for sale and discontinued operations and associated liabilities.

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 (Redetermined figures)
Operating income								
2021	8,938	4,571	1,972	2,376	1,344	1,572	13	20,786
2020	8,867	4,445	1,908	2,222	1,105	1,603	250	20,400
% change	0.8	2.8	3.4	6.9	21.6	-1.9	-94.8	1.9
Operating costs								
2021	-6,465	-1,365	-1,072	-906	-239	-401	-472	-10,920
2020	-6,661	-1,334	-1,030	-869	-218	-394	-533	-11,039
% change	-2.9	2.3	4.1	4.3	9.6	1.8	-11.4	-1.1
Operating margin								
2021	2,473	3,206	900	1,470	1,105	1,171	-459	9,866
2020	2,206	3,111	878	1,353	887	1,209	-283	9,361
% change	12.1	3.1	2.5	8.6	24.6	-3.1	62.2	5.4
Net income (loss)								
2021	385	2,202	463	1,076	787	712	-1,440	4,185
2020	-1,523	1,791	381	866	594	691	477	3,277
% change		22.9	21.5	24.2	32.5	3.0		27.7

(millions of euro)

	Banca dei Territori	IMI Corporate & Investment Banking	International Subsidiary Banks	Private Banking	Asset Management	Insurance	Corporate Centre	Total
Loans to customers								
31.12.2021	250,984	152,082	38,970	13,833	783	-	8,602	465,254
31.12.2020	251,809	145,974	36,079	12,128	452	-	16,360	462,802
% change	-0.3	4.2	8.0	14.1	73.2	-	-47.4	0.5
Direct deposits from banking business								
31.12.2021	296,250	88,931	51,529	54,212	21	-	64,622	555,565
31.12.2020	267,450	92,938	46,308	49,841	14	-	70,214	526,765
% change	10.8	-4.3	11.3	8.8	50.0	-	-8.0	5.5

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 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.