INTESA SANPAOLO

PRESS RELEASE

INTESA SANPAOLO: CONSOLIDATED RESULTS AS AT 31 DECEMBER 2023

THE RESULTS FOR 2023 CONFIRM THAT INTESA SANPAOLO IS ABLE TO GENERATE SUSTAINABLE PROFITABILITY EVEN IN COMPLEX ENVIRONMENTS THANKS TO ITS WELL-DIVERSIFIED AND RESILIENT BUSINESS MODEL, WITH NET INCOME OF €7.7 BILLION DRIVEN BY NET INTEREST INCOME.

SIGNIFICANT CASH RETURN TO SHAREHOLDERS: PROPOSAL FOR TOTAL DIVIDENDS OF €5.4 BILLION (€2.6 BILLION INTERIM DIVIDENDS FOR 2023 PAID IN NOVEMBER 2023 AND €2.8 BILLION PROPOSED REMAINING DIVIDENDS FOR 2023 TO BE PAID IN MAY 2024) TO BE SUBMITTED TO THE SHAREHOLDERS' MEETING AND INTENTION TO EXECUTE A BUYBACK EQUAL TO AROUND 55 BASIS POINTS OF COMMON EQUITY TIER 1 RATIO AS AT 31 DECEMBER 2023, TO BE LAUNCHED IN JUNE 2024, SUBJECT TO APPROVALS FROM THE ECB AND THE SHAREHOLDERS' MEETING.

THE SOLID PERFORMANCE OF INCOME STATEMENT AND BALANCE SHEET IN 2023 TRANSLATED INTO SIGNIFICANT VALUE CREATION FOR ALL THE STAKEHOLDERS, NOT ONLY FOR THE SHAREHOLDERS, WHICH IS ALSO GROUNDED IN THE GROUP'S STRONG ESG COMMITMENT. SPECIFICALLY, €4.6 BILLION TAXES WERE GENERATED (UP BY AROUND €1.4 BILLION ON 2022 DUE TO GROWTH IN NET INTEREST INCOME), THE FOOD AND SHELTER PROGRAMME FOR PEOPLE IN NEED WAS EXPANDED (OVER 36.8 MILLION INTERVENTIONS IN THE PERIOD 2022-2023), INITIATIVES WERE ENHANCED TO FIGHT INEQUALITIES AND FOSTER FINANCIAL, SOCIAL, EDUCATIONAL AND CULTURAL INCLUSION (AROUND €14.8 BILLION OF SOCIAL LENDING AND URBAN REGENERATION IN THE PERIOD 2022-2023), AROUND €1.5 BILLION TO BE CONTRIBUTED IN 2023-2027 TO ADDRESS SOCIAL NEEDS (AROUND €300 MILLION OF WHICH ALREADY CONTRIBUTED IN 2023), INTESA SANPAOLO ACTED AS A STRONG PROMOTER IN THE 2023 RENEWAL OF THE NATIONAL COLLECTIVE LABOUR CONTRACT FOR THE BANKING AND FINANCIAL SECTOR.

INTESA SANPAOLO CONTINUES TO OPERATE AS A GROWTH ACCELERATOR IN THE REAL ECONOMY IN ITALY: IN 2023, MEDIUM/LONG-TERM NEW LENDING GRANTED BY THE GROUP TO ITALIAN HOUSEHOLDS AND BUSINESSES AMOUNTED TO AROUND €40 BILLION. IN 2023, THE GROUP FACILITATED THE RETURN TO PERFORMING STATUS OF AROUND 3,600 COMPANIES, THUS SAFEGUARDING 18,000 JOBS. THIS BROUGHT THE TOTAL TO 140,800 COMPANIES SINCE 2014, WITH 704,000 JOBS SAFEGUARDED OVER THE SAME PERIOD.

INTESA SANPAOLO IS FULLY EQUIPPED TO CONTINUE SUCCEEDING IN THE FUTURE GIVEN THE GROUP'S KEY STRENGTHS – NOTABLY RESILIENT PROFITABILITY, A SOLID CAPITAL POSITION, THE ZERO-NPL BANK STATUS AND HIGH FLEXIBILITY IN MANAGING OPERATING COSTS – AND ITS LEADERSHIP IN WEALTH MANAGEMENT, PROTECTION & ADVISORY WITH AROUND €100 BILLION IN CUSTOMER FINANCIAL ASSETS IDENTIFIED TO FUEL ASSETS UNDER MANAGEMENT GROWTH FACILITATED BY DECLINING INTEREST RATES.

TECHNOLOGY REPRESENTS A FURTHER KEY FACTOR TO SUCCEED, WITH THE NEW CLOUD-NATIVE TECH PLATFORM, THE DIGITAL CHANNELS OF ISYBANK AND FIDEURAM DIRECT AND ARTIFICIAL INTELLIGENCE SOLUTIONS THAT ARE EXPECTED TO GENERATE ADDITIONAL CONTRIBUTION TO 2025 GROSS INCOME OF AROUND €500 MILLION, NOT ENVISAGED IN THE 2022-2025 BUSINESS PLAN.

THE IMPLEMENTATION OF THE 2022-2025 BUSINESS PLAN IS PROCEEDING AT FULL SPEED AND THE KEY INDUSTRIAL INITIATIVES ARE WELL UNDERWAY, WITH THE PROSPECT OF NET INCOME IN 2024 AND 2025 TO EXCEED €8 BILLION.

THE CAPITAL POSITION AS AT 31 DECEMBER 2023 WAS SOLID AND WELL ABOVE REGULATORY REQUIREMENTS: THE COMMON EQUITY TIER 1 RATIO WAS 13.7% AFTER DEDUCTING FROM CAPITAL €2.6 BILLION INTERIM DIVIDENDS FOR 2023 PAID IN NOVEMBER 2023 AND €2.8 BILLION PROPOSED REMAINING DIVIDENDS FOR 2023 (13.2% TAKING INTO ACCOUNT THE IMPACT OF AROUND 55 BASIS POINTS FROM THE BUYBACK INTENDED TO BE LAUNCHED IN JUNE 2024), NOT CONSIDERING A BENEFIT OF AROUND 125 BASIS POINTS DERIVING FROM THE ABSORPTION OF DEFERRED TAX ASSETS (DTAs), OF WHICH AROUND 25 BASIS POINTS WITHIN THE 2024-2025 HORIZON.

GROSS INCOME WAS UP 64.6% AND OPERATING MARGIN WAS UP 31.4% ON 2022, WITH OPERATING INCOME UP 17.2% AND OPERATING COSTS UP 3.6%.

CREDIT QUALITY:
- **NPLS WERE DOWN 9.7% NET AND 7% GROSS ON YEAR-END 2022;**
- **NPL RATIO WAS 1.2% NET AND 2.3% GROSS, RESPECTIVELY 0.9% AND 1.8% ACCORDING TO THE EBA METHODOLOGY;**
- **COST OF RISK IN 2023 STOOD AT 36 BASIS POINTS, 32 BASIS POINTS WHEN EXCLUDING ADJUSTMENTS TO FAVOUR DE-RISKING;**
- **EXPOSURE TO RUSSIA HAS BEEN FURTHER REDUCED: DOWN BY 82% SINCE JUNE 2022 TO 0.1% OF THE GROUP'S TOTAL CUSTOMER LOANS.**

- **NET INCOME OF €7,724M IN 2023, UP 76.4% COMPARED WITH €4,379M IN 2022**

- **GROSS INCOME UP 64.6% ON 2022**

- **OPERATING MARGIN UP 31.4% ON 2022**

- **OPERATING INCOME UP 17.2% ON 2022**

- **OPERATING COSTS UP 3.6% ON 2022**

- **CREDIT QUALITY:**
  - **NPL STOCK DOWN 9.7% NET AND 7% GROSS ON YEAR-END 2022**
  - **NPL RATIO OF 1.2% NET AND 2.3% GROSS, RESPECTIVELY 0.9% AND 1.8% ACCORDING TO THE EBA METHODOLOGY**
  - **COST OF RISK IN 2023 AT 36 BASIS POINTS, 32 BASIS POINTS WHEN EXCLUDING ADJUSTMENTS MADE IN Q4 TO FAVOUR DE-RISKING (FROM 70 BASIS POINTS IN 2022, 30 BASIS POINTS WHEN EXCLUDING ADJUSTMENTS FOR THE EXPOSURE TO RUSSIA AND UKRAINE, FOR OVERLAYS AND TO FAVOUR DE-RISKING, NET OF THE PARTIAL RELEASE OF GENERIC PROVISIONS WHICH WERE SET ASIDE IN 2020 FOR FUTURE COVID-19 IMPACTS)**

- **A SOLID CAPITAL POSITION, WELL ABOVE REGULATORY REQUIREMENTS:**
  - **COMMON EQUITY TIER 1 RATIO AS AT 31 DECEMBER 2023, AFTER DEDUCTING FROM CAPITAL (°) €2.6BN INTERIM DIVIDENDS FOR 2023 PAID IN NOVEMBER 2023 AND €2.8BN PROPOSED REMAINING DIVIDENDS FOR 2023, AT 13.7% (°°) (13.2% TAKING INTO ACCOUNT THE IMPACT OF AROUND 55 BASIS POINTS FROM THE BUYBACK INTENDED TO BE LAUNCHED IN JUNE 2024 (°°°)) NOT CONSIDERING THE BENEFIT OF AROUND 125 BASIS POINTS DERIVING FROM THE ABSORPTION OF DEFERRED TAX ASSETS (DTAs) OF WHICH AROUND 25 WITHIN THE 2024-2025 HORIZON**

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

(°°) Estimated pro-forma Common Equity Tier 1 ratio of 15.1%, 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 2023 net income of insurance companies; 14.5% taking into account the impact of around 55bps from the buyback intended to be launched in June 2024 (°°°).

(°°°) Subject to approvals from the ECB and the Shareholders' Meeting.

HIGHLIGHTS:

OPERATING INCOME:	Q4 2023	+0.1%	TO €6,373M FROM €6,367M IN Q3 2023
	2023	+17.2%	TO €25,138M FROM €21,440M IN 2022
OPERATING COSTS:	Q4 2023	+30.9%	TO €3,468M FROM €2,650M IN Q3 2023
	2023	+3.6%	TO €11,329M FROM €10,934M IN 2022
OPERATING MARGIN:	Q4 2023	-21.8%	TO €2,905M FROM €3,717M IN Q3 2023
	2023	+31.4%	TO €13,809M FROM €10,506M IN 2022
GROSS INCOME:	Q4 2023	€1,986M	FROM €3,328M IN Q3 2023
	2023	€12,058M	FROM €7,325M IN 2022
NET INCOME:	Q4 2023	€1,602M	FROM €1,900M IN Q3 2023
	2023	€7,724M	FROM €4,379M IN 2022

CAPITAL RATIOS: COMMON EQUITY TIER 1 RATIO AFTER DEDUCTION OF INTERIM DIVIDENDS FOR 2023 PAID IN NOVEMBER 2023 AND PROPOSED REMAINING DIVIDENDS FOR 2023 (°): 13.7% (°°) (13.2% TAKING INTO ACCOUNT THE IMPACT OF AROUND 55 BASIS POINTS FROM THE BUYBACK INTENDED TO BE LAUNCHED IN JUNE 2024 (°°°))

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

(°°) Estimated pro-forma Common Equity Tier 1 ratio of 15.1%, 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 2023 net income of insurance companies; 14.5% taking into account the impact of around 55bps from the buyback intended to be launched in June 2024 (°°°).

(°°°) Subject to approvals from the ECB and the Shareholders’ Meeting.

Turin - Milan, 6 February 2024 – At its meeting today, the Board of Directors of Intesa Sanpaolo approved both parent company and consolidated results for the year ended 31 December 2023 [(#)].

The results for 2023 confirm that the Intesa Sanpaolo Group is able to generate sustainable profitability even in complex environments thanks to its well-diversified and resilient business model, with net income of €7.7bn driven by net interest income.

The solid performance of income statement and balance sheet in 2023 translated into significant value creation for all stakeholders, which is also grounded in the Group's strong ESG commitment. Specifically:

- **significant cash return to shareholders: proposal for total dividends of €5.4bn (€2.6bn interim dividends for 2023 paid in November 2023 and €2.8bn proposed remaining dividends for 2023 to be paid in May 2024) to be submitted to the Shareholders' Meeting and intention to execute a buyback equal to around 55bps of Common Equity Tier 1 ratio as at 31 December 2023, to be launched in June 2024, subject to approvals from the ECB and the Shareholders' Meeting**;
- **€4.6bn taxes** [(°)] generated and **increased by around €1.4bn on 2022** [(°°)] as a consequence of the growth in net interest income which drove the increase of around €4.7bn in gross income;
- the **expansion of the food and shelter programme for people in need** (over **36.8 million interventions** in the period 2022-2023);
- the **enhancement of initiatives to fight inequalities and foster financial, social, educational and cultural inclusion** (around **€14.8bn of social lending and urban regeneration** in the period 2022-2023);
- an **amount equal to around €1.5bn** total costs **to be contributed in the five-year period 2023-2027 to support initiatives addressing social needs** (**around €300m already included in the 2023 results** and the remaining portion included, on a pro-rata basis, in the outlook for 2024-2025 net income), with around **1,000 people devoted to supporting these initiatives**;
- **Intesa Sanpaolo acted as a strong promoter in the 2023 renewal of the national collective labour contract for the banking and financial sector**, **which adds to the one-off contribution of around €80m** that the Bank **allocated in 2022** to its people, except the managers, to mitigate the impact of inflation.

Intesa Sanpaolo is fully equipped to continue operating successfully in the future given the Group's key strengths, notably resilient profitability, a solid capital position, the zero-NPL bank status, high flexibility in managing operating costs, and **its leadership in Wealth Management, Protection & Advisory with around €100bn in customer financial assets identified** [(^)] **to fuel assets under management growth facilitated by declining interest rates**. The exposure to **Russia** [(^^)] was further reduced: down by 82% (around €3bn) on end of June 2022 to 0.1% of the Group's total customer loans. Cross-border loans to Russia were largely performing and classified in Stage 2.

(#) Methodological note on the scope of consolidation on page 26.
(°) Direct and indirect taxes.
(°°) Entirely in direct taxes.
(^) Out of direct deposits and assets held under administration.
(^^) On-balance credit exposure to customers, both cross-border and at the Russian subsidiary Banca Intesa, net of guarantees by Export Credit Agencies and after adjustments. As at 31 December 2023, after adjustments, the on-balance cross-border credit exposure to Russia amounted to €0.54bn of which €0.53bn to customers, net of €0.7bn guarantees by Export Credit Agencies (no off-balance to customers and off-balance of €0.07bn to banks, net of €0.3bn guarantees by ECA) and the on-balance credit exposure of the subsidiaries amounted to €0.8bn, of which €0.12bn to customers, for Banca Intesa in Russia and €0.06bn, to banks, for Pravex Bank in Ukraine (off-balance, to customers, of €0.04bn for the Russian subsidiary and €0.03bn for the Ukrainian subsidiary). The credit exposure to Russian counterparties currently included in the SDN lists of names to which sanctions apply amounted to €0.2bn.

Technology is a further key factor to succeed, generating **additional contribution to 2025 gross income of around €500m**, **not envisaged in the 2022-2025 Business Plan** (*):

- **new cloud-native technological platform (isytech)**, already available to mass market retail customers with the recent launch of the digital bank, Isybank, and to be progressively extended to the entire Group: **€2.8bn in IT investments already deployed and around 1,550 IT specialists already hired**, with an **additional contribution to 2025 gross income of around €150m**, not envisaged in the Business Plan;

- **new digital channels**:
  - **Isybank**, **the Group's digital bank** with a **lower-than-30% cost/income** business model and around **one million new customers by 2025 -** with an **additional contribution to gross income of around €200m by 2025 -** not envisaged in the Business Plan: around **60,000 new** non-Intesa Sanpaolo **customers already acquired** and around 300,000 Intesa Sanpaolo customers already migrated;
  - **Fideuram Direct**, **the digital Wealth Management platform for Private Banking**, with around **150,000 customers in 2025 (around 20% of the current customer base of Fideuram)**: **already around 71,000 customers and €2.65bn in assets under management** at end of 2023;
- **artificial intelligence**, with around **150 Apps and 300 specialists in 2025** (already 77 Apps and around 150 specialists at end of 2023) and an **additional contribution to 2025 gross income of** around **€100m**, not envisaged in the Business Plan, **not including** potential **upside** from the adoption of **Generative AI** solutions.

Top-notch digital tools, distinctive advisory networks with over 16,000 people dedicated (°), fully owned product factories (asset management and insurance) and the Group's €1,300bn in customer financial assets empower Intesa Sanpaolo with a unique set of enablers for revenue growth from Wealth Management, Protection & Advisory.

The implementation of the Plan is proceeding at full speed, with the key industrial initiatives well underway. Specifically:

- **massive de-risking, slashing cost of risk**:
  - massive deleveraging, with a €5.4bn gross NPL stock reduction in 2022-2023, reducing the net NPL ratio to 0.9% (°°);
  - the Active Credit Portfolio Steering (ACPS) unit continued expanding the credit risk hedging schemes to optimise capital absorption. In Q4 2023, three new synthetic securitisations were completed: the first on a €3.4bn corporate loan portfolio, and the other two on a €1bn SME loan portfolio and on a €1.6bn residential mortgage portfolio with a high loan-to-value ratio. At the end of 2023, the outstanding volume of synthetic securitisations included in the GARC Programme (Active Credit Risk Management), was equal to around €28bn.
  - the ACPS unit also strengthened the capital efficiency initiatives ahead of Basel 4 and extended the scope of credit strategy to ESG criteria, shifting €20bn of new lending in 2022 and around €18.1bn in 2023 to more sustainable economic sectors with the best risk/return profile;
- **structural cost reduction enabled by technology**:
  - isytech already operational with around 470 dedicated specialists, contract with Thought Machine finalised and technological masterplan defined. The Isybank offering structure and functionalities were defined.
  - insourcing of core capabilities in IT ongoing with around 1,550 people already hired;
  - around 830 branches closed since Q4 2021 in light of the launch of the new Digital Bank;
  - digital platform for analytical cost management up and running, with 37 efficiency initiatives already identified;

(*) Additional contribution to 2025 gross income from isytech, Isybank, Fideuram Direct and Artificial Intelligence, which offsets the impact from higher inflation and the renewal of the labour contract.

(°) Digital branch relationship managers, relationship managers for Exclusive and Affluent customers, private bankers and financial advisors.

(°°) In accordance with the EBA methodology.

- rationalisation of real estate in Italy in progress, with a reduction of around 490,000 square metres since Q4 2021;
- around 4,300 voluntary exits since 2022;
- digitalisation projects related to Artificial Intelligence and Digital Ledger Technology launched at Eurizon;
- the Intesa Sanpaolo Mobile App recognised by Forrester as the "Global Mobile Banking Apps Leader" and "Global Digital Experience Leader" for the second consecutive year, ranking first worldwide among all banking apps evaluated;

- **growth in commissions, driven by Wealth Management, Protection & Advisory**:
  - enhancement of the product offering (new AM/Insurance products) and further growth of the advanced advisory service "Valore Insieme" for Affluent and Exclusive customers: around 58,000 new contracts and €18.4bn in customer financial asset inflows in 2023, also thanks to the introduction of a new range of products;
  - Intesa Sanpaolo was the first bank in Italy to offer Nexi SoftPOS in 2023, a solution allowing contactless digital payments from smartphones/tablets without a card payment machine (POS terminal);
  - 100% of Carnegie Fund Services SA, an active player in the distribution of funds, was acquired and on 1 January 2024 was incorporated into Reyl;
  - "Soluzione Domani", the commercial offer dedicated to Senior customers (over 65 years old and caregivers), was enriched through the launch of the Senior Hub ("SpazioxNoi"), an initiative which, in the first phase, envisages the opening of a multi-service centre dedicated to active aging, well-being and social aggregation;
  - a new digital plan was launched focused on telemedicine and online booking of medical services at InSalute Servizi, an Intesa Sanpaolo Insurance Division company. As of 1 January 2024, InSalute Servizi has become the TPA (Third Party Administrator) of the Intesa Sanpaolo Group Health Fund, with around 245,000 people assisted and more than one million annual reimbursement claims.
  - an ESG value proposition initiative was launched for the corporate and SME segments of the Group's banks in Slovakia, Hungary, Croatia, Serbia and Egypt. Priority sectors have been identified for which a commercial strategy is being defined, with the aim of improving the ESG offer in markets where the International Subsidiary Banks Division operates. A project was launched, as part of the S-Loan offer, for the creation of a financing (multi-country) product dedicated to the achievement of green objectives.
  - in October 2023, a contract was signed for the acquisition of 99.98% of First Bank, a Romanian commercial bank focused on SME and retail customers; the acquisition, subject to the approval of competent authorities, will strengthen Intesa Sanpaolo Group's presence in Romania and offer new opportunities to Italian corporates;
- **significant ESG commitment, with a world-class position in social impact and a strong focus on climate** and reinforcement of the ESG governance, with the Risks Committee which in April 2022 became the Risks and Sustainability Committee with enhanced ESG responsibilities:
  - □ **unparalleled support to address social needs**:
    - **expanding food and shelter programme for people in need** to counter poverty by providing concrete aid throughout the Italian territory and abroad supporting the humanitarian emergency in Ukraine, with over **36.8 million interventions** carried out in the period 2022-2023, providing around 30 million meals, around 3.3 million beds, over 3.2 million medicine prescriptions and over 446,000 items of clothing;

- **employability**: "**Giovani e Lavoro**" programme aimed at **training and introducing over 3,000 young people to the Italian labour market** over the 2022-2025 Business Plan horizon: in 2023, over 6,300 students aged between 18 and 29 applied for the programme, over 2,000 students were interviewed and around 920 trained/in training through 37 courses (over 3,900 trained/in training since 2019) and around 2,400 companies involved since its inception in 2019;
- **inequalities and educational inclusion**: **educational inclusion** programme, with **partnerships strengthened with the main Italian universities and schools**. In 2023, over 1,180 schools and over 7,760 students were involved to promote educational inclusion, supporting merit and social mobility (around 2,240 schools involved in the period 2022-2023).
- **social housing**: the Group's ongoing initiatives in terms of promoting housing units have been enhanced, also identifying some new partnerships with leading operators in the sector, to achieve the Business Plan targets (promotion of 6-8 thousand units of social housing and student bed places);
- a **contribution expected to be equal to** a total amount of **around €1.5bn** costs **in the five-year period 2023-2027 to support initiatives addressing social needs** (**around €300m already included in the 2023 results** and the remaining portion included, on a pro-rata basis, in the outlook for 2024-2025 net income), of which around **€1bn from sums allocated to the initiatives** and around €500m from the structure costs of around **1,000 people devoted to supporting these initiatives**;
- a **new organisational unit** set up, **named** "**Intesa Sanpaolo for Social Impact**" and based in Brescia, with steering function in the Group's social impact activities, to strengthen the bank's social impact strategy for the country, the territory and the communities;

□ **strong focus on financial inclusion**:
- **€5.5bn in social lending and urban regeneration** disbursed in 2023 (around €14.8bn in the period 2022-2023, a target of €25bn cumulative flows announced in the Business Plan);

□ **continuous commitment to culture**:
- **Gallerie d'Italia**, the four venues of Intesa Sanpaolo's museum in Milan, Naples, Turin and Vicenza, across a total of 30,000 square metres, welcomed around **680,000 visitors** in 2023, reaching a total of around 1.2 million since 2022 (free admission for people up to the age of 18);

□ **promoting innovation**:
- **innovation projects: 204 innovation projects released by Intesa Sanpaolo Innovation Center** in 2023, for a total of 405 since 2022 (around 800 innovation projects expected in the 2022-2025 Business Plan);
- **Neva SGR**: around **€31m investments in start-ups** in 2023 for a total amount of over €85m since 2022;

□ **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)**:
  - ▫ interim 2030 targets set for four high-emitting sectors (Oil & Gas, Power Generation, Automotive and Coal Mining) were published in the 2022-2025 Business Plan; the first annual reporting as at 31 December 2022 on the four sectors' absolute financed emissions showed a decrease of 62% compared with 31 December 2021; new reporting will be presented in the 2023 TCFD/Climate Report (March 2024);

  - ▫ target setting exercise continued in 2023 on new sectors, together with the elaboration of data and documentation to be submitted by March 2024 to obtain the SBTi validation;
- around **90% of the energy purchased deriving from renewable sources**;

□ **supporting customers through the ESG/climate transition**:
- **around €45bn disbursed** in the period 2021-2023, out of the €76bn in new lending available **for the green economy, circular economy and green transition** in relation to the 2021-2026 National Recovery and Resilience Plan;
- around **€1.7bn of Green Mortgages** in 2023 (€4.3bn in the period 2022-2023), out of the €12bn of new Green lending to individuals over the 2022-2025 Business Plan;
- **€8bn circular economy credit facility** announced in the 2022-2025 Business Plan: **€5.6bn disbursed** in 2023 (€8.7bn in the period 2022-2023);
- **13 ESG Laboratories** activated (in Venice, Padua, Brescia, Bergamo, Cuneo, Bari-Taranto, Rome, Naples-Palermo, Milan, Turin and Florence), physical and virtual meeting points to support SMEs in approaching sustainability, and evolution of advisory services offered by partners (e.g. Circularity, Nativa, CE Lab and others);
- continued success of the **S-Loan** product range dedicated to SMEs to finance projects aimed at improving their sustainability profile (six product lines: S-Loan ESG, S-Loan Diversity, S-Loan Climate Change, S-Loan Agribusiness, S-Loan Tourism and S-Loan CER): around €1.7bn disbursed in 2023 (around €5.2bn since the launch in July 2020);
- **Digital Loans** (D-Loans) aimed at improving the digitalisation of companies, with €25m disbursed since launch in October 2021;
- **Suite Loans** aimed at incentivising investments in the redevelopment/improvement of hotel facilities and accommodation services: €12m disbursed since launch in December 2021;
- enhancement of **ESG investment products** for asset management, with penetration increasing to around 74% of total assets under management for Eurizon; increase in investment options (articles 8 and 9 of SFDR) underlying the insurance products available to customers to around 80%;
- continuous commitment to Stewardship activities: in 2023, Eurizon Capital SGR took part in 1,413 shareholders' meetings (issuers listed abroad accounted for 93%) and 592 engagements (of which 40% on ESG issues);
- **eight green and social bonds for a total amount of €7.8bn issued** in the period 2022-2023.

Intesa Sanpaolo is the **only Italian bank listed in the Dow Jones Sustainability Indices**, ranks **first bank in Europe and second world-wide in the 2024 Corporate Knights "Global 100 Most Sustainable Corporations in the World Index"** and **first among the banks of the peer group by Sustainalytics**. Furthermore, Intesa Sanpaolo:
- has been **included for the sixth consecutive year in the Bloomberg Gender-Equality Index 2023**, **obtaining a score well above the average** of the global financial sector and of Italian companies;
- has been recognised **in the Refinitiv Global Diversity and Inclusion Index 2023** as the **first bank in Europe, and the only one in Italy** among the **top 100 companies for diversity and inclusion**;
- has ranked **first in the global ESG Corporate Award ranking**, in the Best Company for Diversity Equity & Inclusion category, among large cap companies;
- has been the **first major Italian banking group to obtain the certification for gender parity "Prassi di Riferimento (PDR) 125:2022"** envisaged by the National Recovery and Resilience Plan, thanks to its commitment to diversity and inclusion;
- has undergone two audits, with successful outcome: a mid-term audit to maintain **the Gender Equality European & International Standard (GEEIS-Diversity)** certification achieved in 2021 and an annual audit to reconfirm the National Certification on Gender Equality;
- has received the "Best Improvement" award in relation to the **Parks LGBT+ Diversity Index 2023**;

- **Group's people are its most important asset**:
  - around 3,000 professionals hired since 2021;
  - around 3,850 people reskilled and around 26.1 million training hours delivered since 2022;
  - over 240 talented people have already completed their development path as part of the International Talent Program, which is still ongoing for around other 240 people:
  - around 470 key people selected mostly among middle management for dedicated development and training initiatives;
  - monitoring of the 2023 Diversity & Inclusion targets started for each Division and Governance Area; collaboration strengthened with ISPROUD, the first employee-based community within the Group (currently over 1,000 LGBTQ+ people and allies);
  - Intesa Sanpaolo People satisfaction index continues to grow and has reached its highest level of the past 10 years (84% in 2023 vs 79% in 2021 and 66% in 2013);
  - Intesa Sanpaolo has been recognised as Top Employer 2024 for the third consecutive year by Top Employers Institute and has received the Best Talent Acquisition Team prize in the 2023 LinkedIn Talent Awards;
  - Intesa Sanpaolo acted as a strong promoter in the 2023 renewal of the national collective labour contract for the banking and financial sector, which adds to the one-off contribution of around €80m that the Bank allocated in 2022 to its people, except the managers, to mitigate the impact of inflation.

In 2023, the Group recorded:

- **growth in net income of 76.4% to €7,724m** from €4,379m in 2022;
- **growth in gross income** of 64.6% to €12,058m from €7,325m in 2022;
- **growth in operating margin** of 31.4% on 2022;
- **growth in operating income** of 17.2% on 2022;
- **increase in operating costs** of 3.6% on 2022;
- **high level of efficiency**, with a **cost/income of 45.1%** in 2023, **a level among the best in the top tier European banks**;
- **cost of risk** in 2023 at **36bps, 32bps when excluding adjustments made in Q4 – equal to around €150m – to favour de-risking** (from 70bps in 2022, 30bps when excluding adjustments for the exposure to Russia and Ukraine, for overlays and to favour de-risking, net of release from generic provisions set aside in 2020 for future COVID-19 impacts), with **overlays equal to €0.9bn**;
- **credit quality** (°):
  - **NPL stock** at end of December 2023 (°°) **decreased 9.7% net** and 7% gross, compared with end of December 2022;
  - **NPL ratio** was **1.2% net** and 2.3% gross. According to the **EBA methodology**, **the NPL ratio** was **0.9% net** and 1.8% gross.
- **sizeable NPL coverage**:
  - **NPL cash coverage ratio of 49.8%** at end of December 2023, **with a cash coverage ratio of 72.4% for the bad loan component**;
  - **robust reserve buffer on performing loans**, amounting to 0.6% at end of December 2023;

(°) No material payment suspension at end of December 2023. The amount of loans backed by a state guarantee was around €24bn (around €4bn from SACE and around €20bn from SME Fund).

(°°) NPLs at the end of December 2023 did not include portfolios classified as ready to be sold, accounted under non-current assets held for sale and discontinued operations, which amounted to around €0.2bn gross and around €0.1bn net.

- **very solid capital position**, with capital ratios well above regulatory requirements. As at 31 December 2023, after deducting from capital (°) €2.6bn interim dividends for 2023 paid in November 2023 and €2.8bn proposed remaining dividends for 2023, the **Common Equity Tier 1 ratio came in at 13.7%** (°°) (13.2% taking into account the impact of around 55bps from the buyback intended to be launched in June 2024 (°°°)) **not considering the benefit of around 125bps from the DTA absorption, of which around 25bps within the 2024-2025 horizon**. This compares with a SREP requirement, comprising Capital Conservation Buffer, O-SII Buffer and Countercyclical Capital Buffer (*), equal to 8.83% (**) for 2023 and to 9.33% (**) for 2024. An impact of around 100bps from regulatory headwinds was recorded in 2023. An impact of around 30bps came from the voluntary deduction from capital regarding the calendar provisioning, carried out in Q2 2023, for the subsequent benefits in terms of reduced Pillar 2 requirement and cost of risk in the period 2024-2025 lower than originally envisaged in the 2022-2025 Business Plan (^).
- **strong liquidity position and funding capability**, with **liquid assets of €307bn** and **high available unencumbered liquid assets of €202bn at end of December 2023. The Basel 3 requirements for the Liquidity Coverage Ratio (at 168%** (^^)**) and the Net Stable Funding Ratio (at 121%) 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 €45bn as at 31 December 2023 and consisted entirely of TLTROs III.
- **Minimum Requirement for own funds and Eligible Liabilities (MREL) comfortably complied with**: at end of December 2023 (#), calculated on risk-weighted assets, the **total MREL ratio was 39.8% and the subordination component was 22.7%** (around 39.3% and around 22.2% taking into account the impact of around 55bps from the buyback intended to be launched in June 2024 (°°°)), **compared with requirements** (##) **of 25.9% and 17.6%, respectively, comprising a Combined Buffer Requirement of 4%**;
- **support provided to the real economy**, with around **€60bn of medium/long-term new lending** in 2023. **Loans** amounting to around **€40bn were granted in Italy**, of which around **€35bn was granted to households and SMEs**. **In 2023**, the Group facilitated the return from non-performing **to performing status** of around **3,600 Italian companies thus safeguarding 18,000 jobs**. This brought the total to **140,800 companies since 2014**, **thus safeguarding 704,000 jobs over the same period**.

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

(°°) Estimated pro-forma Common Equity Tier 1 ratio of 15.1%, 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 2023 net income of insurance companies; 14.5% taking into account the impact of around 55bps from the buyback intended to be launched in June 2024 (°°°).

(°°°) Subject to approvals from the ECB and the Shareholders' Meeting.

(*) Countercyclical Capital Buffer calculated taking into account the exposure as at 31 December 2023 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 2025, where available, or the most recent update of the reference period (requirement was set at zero per cent in Italy for 2023 and the first quarter of 2024).

(**) 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.

(^) Assumptions of loan adjustments with a view to subsequently disposing of exposures impacted by the calendar provisioning.

(^^) Average for the last twelve months.

(#) Preliminary management figures.

(##) As at 1 January 2024.

- **significant cash return to shareholders: proposal for total dividends of €5.4bn (€2.6bn interim dividends for 2023 paid in November 2023 and €2.8bn proposed remaining dividends for 2023 to be paid in May 2024) to be submitted to the Shareholders' Meeting and intention to execute a buyback equal to around 55bps of Common Equity Tier 1 ratio, to be launched in June 2024, subject to approvals from the ECB and the Shareholders' Meeting.** The Board of Directors, at its meeting today, decided to submit at the next Ordinary Shareholders' Meeting a proposal regarding **the distribution of 15.20 euro cents per share**, before tax, as **remaining dividend** (which is in addition to the 14.40 euro cents per share paid in November 2023 as interim dividend) and the execution, subject to approval being received from the ECB, of a **purchase of own shares to be launched in June 2024** and **their subsequent annulment**, with details to be disclosed in accordance with applicable regulations, **equal to around 55bps of Common Equity Tier 1 ratio as at 31 December 2023**. Specifically, as regards dividends, the Board of Directors decided to propose, at the next Ordinary Shareholders' Meeting, a total distribution of €5,407,970,787.35 on 2023 net income, which corresponds to a payout ratio of 70% of the consolidated net income. The proposal, given the payment of €2,628,985,341.02 interim dividends (*) in November 2023, regards the distribution of €2,778,985,446.33 (**) as remaining dividends corresponding to 15.20 euro cents for each of the 18,282,798,989 ordinary shares. Dividends will not be paid to own shares held by the Bank at the record date. The dividend distribution, if approved at the Shareholders' Meeting, will take place from 22 May 2024 (with coupon presentation on 20 May and record date on 21 May). **The total dividend per share proposed for 2023 is 29.60 euro cents** (14.40 euro cents as interim dividend paid in November 2023 and 15.20 euro cents as proposed remaining dividend), which is **nearly twice the dividend of 16.39 euro cents paid for 2022**. The dividend yield resulting from the proposed total dividend per share is 12.1% – the ratio of 29.60 euro cents to the average reference price recorded by the Intesa Sanpaolo stock in 2023.

(*) Interim dividends are considered net of the portion not distributed to the 25,956,343 own shares held by the Bank at the record date, amounting to €3,737,713.40.

(**) From the Parent Company's net income of around €7,292m, an amount of around €276m is to be allocated to unavailable reserve, relating to fair value valuation effects, while an amount of around €1,991m is to be allocated to non-distributable reserve, corresponding to two and a half times the amount – around €797m – of the one-off tax calculated on the increase in net interest income, in lieu of the payment of this tax, pursuant to Decree Law no. 104 of 10 August 2023 converted with amendments by Law no. 136 of 9 October 2023. The proposal of the Board of Directors, therefore, envisages the cash distribution of €2,373,107,308.77 as remaining dividends on the Parent Company's net income (corresponding to 12.98 euro cents on each share) and €405,878,137.56 as assignment of reserves drawn on the Share Premium Reserve (corresponding to 2.22 euro cents on each share). The assignment of reserves will be subject to the same tax regime as the distribution of dividends.

<u>The income statement for the fourth quarter of 2023</u>

The consolidated income statement for Q4 2023 recorded **net interest income** of €3,995m, up 4.8% from €3,813m in Q3 2023 and 30.4% from €3,064m in Q4 2022.

Net fee and commission income amounted to €2,110m, up 0.7% from €2,095m in Q3 2023. Specifically, commissions on commercial banking activities were unchanged and commissions on management, dealing and consultancy activities were up 2.9%. The latter, which include portfolio management, distribution of insurance products, dealing and placement of securities, etc., recorded a 23.4% increase in dealing and placement of securities, no changes in portfolio management (performance fees of €21m in Q4 2023 and €1m in Q3 2023) and a 6.3% decrease in distribution of insurance products. Net fee and commission income for Q4 2023 was down 5% from €2,222m in Q4 2022. Specifically, commissions on commercial banking activities were down 3.3% and those on management, dealing and consultancy activities were down 2.9%. The latter recorded a 13.8% increase in dealing and placement of securities, a 6.4% decrease in portfolio management (performance fees contributed €24m in Q4 2022) and a 15% decrease in distribution of insurance products.

Income from insurance business amounted to €391m, compared with €419m in Q3 2023 and €395m in Q4 2022.

Profits on financial assets and liabilities at fair value recorded a negative balance of €91m, compared with a positive balance of €52m in Q3 2023. Contributions from customers amounted to €80m from €88m, those from capital markets recorded a negative balance decreasing to €136m from €342m, those from trading and treasury a negative balance of €36m compared with a positive balance of €303m, and those from structured credit products amounted to €1m from €3m. The negative balance of €91m for Q4 2023 compared with the negative balance of €2m of Q4 2022 when contributions from customers amounted to €91m, those from capital markets were negative for €74m, those from trading and treasury were negative for €2m and those from structured credit products were negative for €17m.

Operating income amounted to €6,373m, up 0.1% from €6,367m in Q3 2023 and up 12.5% from €5,667m in Q4 2022.

Operating costs amounted to €3,468m, up 30.9% from €2,650m in Q3 2023, due to increases of 35.5% in personnel expenses, 29.2% in administrative expenses and 11.9% in adjustments. Operating costs for Q4 2023 were up 10.8% from €3,130m in Q4 2022, due to increases of 13.7% in personnel expenses, 6% in administrative expenses and 6.7% in adjustments.

As a result, **operating margin** amounted to €2,905m, down 21.8% from €3,717m in Q3 2023 and up 14.5% from €2,537m in Q4 2022. The cost/income ratio was 54.4% in Q4 2023 versus 41.6% in Q3 2023 and 55.2% in Q4 2022.

Net adjustments to loans amounted to €616m (including €148m to favour de-risking and recoveries of €35m relating to the exposure to Russia and Ukraine), compared with €357m in Q3 2023 (including recoveries of €4m relating to the exposure to Russia and Ukraine) and €1,185m in Q4 2022 (including around €10m for the exposure to Russia and Ukraine, around €1bn for overlays and to favour de-risking and around €0.2bn release of generic provisions set aside in 2020 for future COVID-19 impacts).

Net provisions and net impairment losses on other assets amounted to €332m (including €43m for the exposure to Russia and Ukraine), compared with €47m in Q3 2023 (including €32m for the exposure to Russia and Ukraine) and €114m in Q4 2022 (including €59m for the exposure to Russia and Ukraine).

Other income amounted to €29m, compared with €15m in Q3 2023 and €55m in Q4 2022.

Income (Loss) from discontinued operations was nil, the same as in Q3 2023 and Q4 2022.

Gross income amounted to €1,986m, compared with €3,328m in Q3 2023 and €1,293m in Q4 2022.

Consolidated net income amounted to €1,602m, after recording:
- taxes on income of €288m, including a benefit of €352m deriving from the recognition of deferred tax assets relating to former UBI Banca;
- charges (net of tax) for integration and exit incentives of €80m;
- negative effect of purchase price allocation (net of tax) of €35m;
- recoveries relating to levies and other charges concerning the banking industry (net of tax) of €18m, deriving from the following pre-tax figures: recoveries of €39m in relation to contributions to the Italian deposit guarantee scheme, charges of €9m in relation to contributions to the deposit guarantee scheme concerning the international network and €6m in relation to levies incurred by international subsidiaries, and positive fair value differences of €7m regarding the *Atlante* fund. In Q3 2023, this caption amounted to €264m, deriving from the following pre-tax figures: charges of €395m in relation to contributions to the Italian deposit guarantee scheme estimated for full-year 2023 and €6m in relation to levies incurred by international subsidiaries, and positive fair value differences of €8m regarding the *Atlante* fund. In Q4 2022, this caption amounted to €32m, deriving from pre-tax charges of €6m in relation to the resolution fund, €14m in relation to contributions to the Italian deposit guarantee scheme, €5m 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 €13m regarding the *Atlante* fund.
- losses pertaining to minority interests of €1m.

Net income of €1,602m in Q4 2023 is compared with €1,900m in Q3 2023 and €1,076m in Q4 2022.

The income statement for 2023

The consolidated income statement for 2023 recorded **net interest income** of €14,646m, up 54.2% from €9,500m in 2022.

Net fee and commission income amounted to €8,558m, down 4% from €8,919m in 2022. Specifically, commissions on commercial banking activities were down 3% and commissions on management, dealing and consultancy activities were down 2.8%. The latter, which include portfolio management, distribution of insurance products, dealing and placement of securities, etc., recorded a 12.5% increase in dealing and placement of securities, a 7.4% decrease in portfolio management (performance fees amounted to €22m in 2023 versus €44m in 2022), a 4.7% decrease in distribution of insurance products.

Income from insurance business amounted to €1,666m, compared with €1,675m in 2022.

Profits on financial assets and liabilities at fair value amounted to €298m, compared with €1,378m in 2022. Contributions from customers amounted to €337m from €374m, those from capital markets recorded a negative balance which increased to €481m from €336m, those from trading and treasury decreased to €437m from €1,389m and those from structured credit products recorded a positive balance of €5m versus a negative balance of €49m.

Operating income amounted to €25,138m, up 17.2% from €21,440m in 2022.

Operating costs amounted to €11,329m, up 3.6% from €10,934m in 2022, due to increases of 3.5% in personnel expenses, 3.1% in administrative expenses and 5.2% in adjustments.

As a result, **operating margin** amounted to €13,809m, up 31.4% from €10,506m in 2022. The cost/income ratio was 45.1% in 2023 versus 51% in 2022.

Net adjustments to loans amounted to €1,529m (including €148m to favour de-risking and recoveries of €206m relating to the exposure to Russia and Ukraine), compared with €3,113m in 2022 (including around €1.3bn for the exposure to Russia and Ukraine, around €1.2bn for overlays and to favour de-risking and around €0.7bn release of generic provisions set aside in 2020 for future COVID-19 impacts).

Net provisions and net impairment losses on other assets amounted to €570m (including €114m for the exposure to Russia and Ukraine), compared with €270m in 2022 (including €80m for the exposure to Russia and Ukraine).

Other income amounted to €348m (including capital gains of €192m deriving from the sale of the stake held in Zhong Ou Asset Management and €116m deriving from the sale of the acquiring business in Croatia), compared with €202m in 2022 (including a capital gain of €195m deriving from the sale of Intesa Sanpaolo Formazione and a one-off contribution of €41m to Intesa Sanpaolo people to mitigate the impact of inflation).

Income (Loss) from discontinued operations was nil, the same as in 2022.

Gross income amounted to €12,058m, compared with €7,325m in 2022.

Consolidated net income amounted to €7,724m, after recording:

- taxes on income of €3,438m, including a benefit of €352m deriving from the recognition of deferred tax assets relating to former UBI Banca;
- charges (net of tax) for integration and exit incentives of €222m;
- negative effect of purchase price allocation (net of tax) of €161m;
- levies and other charges concerning the banking industry (net of tax) of €485m, deriving from the following pre-tax figures: charges of €323m in relation to the contribution to the resolution fund, €356m in relation to contributions to the Italian deposit guarantee scheme, €17m in relation to the contribution to the deposit guarantee scheme concerning the international network and €24m in relation to levies incurred by international subsidiaries, and positive fair value differences of €14m regarding the *Atlante* fund. In 2022, this caption amounted to €576m, deriving from pre-tax charges of €369m in relation to the contribution to the resolution fund, €399m in relation to contributions to the Italian deposit guarantee scheme, €25m in relation to contributions to the deposit guarantee scheme concerning the international network, €23m in relation to levies incurred by international subsidiaries, €5m related to the National Interbank Deposit Guarantee Fund Voluntary Scheme and negative fair value differences of €15m regarding the *Atlante* fund.
- minority interests of €28m.

Net income of €7,724m in 2023 is compared with €4,379m in 2022.

Balance sheet as at 31 December 2023

With regard to the consolidated balance sheet figures, as at 31 December 2023 **loans to customers** amounted to €430bn, down 3.9% on year-end 2022 (down 0.5% on Q3 2023 and 4.8% on 2022 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 €4,965m, down 9.7% compared with €5,496m at year-end 2022. In detail, bad loans amounted to €937m compared with €1,131m at year-end 2022, with a bad loan to total loan ratio of 0.2% (0.3% at year-end 2022), and a cash coverage ratio of 72.4% (69.2% at year-end 2022). Unlikely-to-pay loans decreased to €3,571m from €3,952m at year-end 2022. Past due loans amounted to €457m from €413m at year-end 2022.

Customer financial assets amounted to €1,306bn, up 8.4% on year-end 2022. Under customer financial assets, **direct deposits from banking business** amounted to €576bn, up 5.6% on year-end 2022. **Direct deposits from insurance business** amounted to €173bn, down 0.5% on year-end 2022. Indirect customer deposits amounted to €722bn, up 10% on year-end 2022. **Assets under management** amounted to €444bn, up 3.2% on year-end 2022. As for bancassurance, in 2023 the new business for life policies amounted to €14.9bn. Assets held under administration and in custody amounted to €278bn, up 22.8% on year-end 2022.

Capital ratios as at 31 December 2023, deducting from capital [°] €2.6bn interim dividends for 2023 paid in November 2023 and €2.8bn proposed remaining dividends for 2023, were as follows:
- Common Equity Tier 1 ratio at 13.7% (13.5% at year-end 2022),
- Tier 1 ratio at 16.3% (16% at year-end 2022),
- total capital ratio at 19.2% (19% at year-end 2022).

Capital ratios as at 31 December 2023, deducting from capital also the impact of around 55bps from the buyback intended to be launched in June 2024 [°°], were as follows:
- Common Equity Tier 1 ratio at 13.2%,
- Tier 1 ratio at 15.7%,
- total capital ratio at 18.6%.

* * *

(*) 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.

(°°) Subject to approvals from the ECB and the Shareholders’ Meeting.

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 €202bn at end of December 2023;
- 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 €307bn at end of December 2023;
- liquidity indicators well above regulatory requirements: Liquidity Coverage Ratio at 168% (°) and Net Stable Funding Ratio at 121%;
- refinancing operations with the ECB to optimise the cost of funding and support businesses in their investment amounted to around €45bn as at 31 December 2023 and consisted entirely of TLTROs III;
- the sources of funding were stable and well diversified, with retail funding representing 78% of direct deposits from banking business (including securities issued);
- medium/long-term wholesale funding was €22.4bn in 2023 and included benchmark transactions of Tier 2 of €1bn, green senior non-preferred of €2.25bn and of £600m, green senior preferred of €2.25bn, social senior preferred of £750m, senior preferred of €5.5bn and $4.25bn, senior non-preferred of $1.5bn, covered bonds of €1.25bn and Additional Tier 1 of €1.25bn (around 91% was placed with foreign investors).

The **MREL ratio** as at 31 December 2023 (*), calculated on risk-weighted assets, was 39.8% for the total and 22.7% for the subordination component (around 39.3% and around 22.2% taking into account the impact of around 55bps from the buyback intended to be launched in June 2024 (**)), compared with requirements (***) of 25.9% and 17.6%, respectively, comprising a Combined Buffer Requirement of 4%.

The Group's **leverage ratio** as at 31 December 2023 (which includes exposures to the European Central Bank) was 5.8%, best in class among major European banking groups.

* * *

The Intesa Sanpaolo Group's **operating structure** as at 31 December 2023 had a total network of 4,259 branches, consisting of 3,323 branches in Italy and 936 abroad, and employed 94,368 people.

* * *

(°) Average for the last twelve months.
(*) Preliminary management figures.
(**) Subject to approvals from the ECB and the Shareholders' Meeting.
(***) As at 1 January 2024.

Breakdown of results by Business Area

The **Banca dei Territori** Division includes:

- Retail customers (individuals and enterprises with less complex financial needs);
- Exclusive customers (individuals with more complex financial needs);
- Enterprise customers (enterprises with more complex financial needs, generally Small and Medium Enterprises);
- customers that are non-profit organisations.

The division includes Isybank, the digital bank subsidiary (which also operates in instant banking through Mooney, the partnership with the ENEL Group).

The Banca dei Territori Division recorded:

(millions of euro)	Q4 2023	Q3 2023	% changes
Operating income	2,803	2,783	0.7%
Operating costs	-1,919	-1,560	23.0%
Operating margin	884	1,224	-27.8%
cost/income ratio	*68.5%*	*56.0%*	
Total net provisions and adjustments	-515	-244	
Gross income	385	979	
Net income	250	423	

(millions of euro)	2023	2022	% changes
Operating income	11,285	8,847	27.6%
contribution to the Group's operating income	*45%*	*41%*	
Operating costs	-6,555	-6,397	2.5%
Operating margin	4,730	2,450	93.1%
cost/income ratio	*58.1%*	*72.3%*	
Total net provisions and adjustments	-1,432	-1,307	
Gross income	3,315	1,154	
Net income	1,945	494	

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

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

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

The IMI Corporate & Investment Banking Division recorded:

(millions of euro)	Q4 2023	Q3 2023	% changes
Operating income	1,023	925	10.5%
Operating costs	-436	-362	20.7%
Operating margin	587	564	4.0%
cost/income ratio	*42.6%*	*39.1%*	
Total net provisions and adjustments	-76	-112	
Gross income	511	452	
Net income	337	293	

(millions of euro)	2023	2022	% changes
Operating income	3,910	4,298	-9.0%
contribution to the Group’s operating income	*16%*	*20%*	
Operating costs	-1,502	-1,419	5.8%
Operating margin	2,408	2,879	-16.4%
cost/income ratio	*38.4%*	*33.0%*	
Total net provisions and adjustments	-193	-1,695	
Gross income	2,215	1,184	
Net income	1,478	656	

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 Danube HUB, comprising VUB Banka in Slovakia and in the Czech Republic and Intesa Sanpaolo Bank Romania, and through Intesa Sanpaolo Bank Albania, CIB Bank in Hungary, Banca Intesa Beograd in Serbia, Bank of Alexandria in Egypt, Pravex Bank in Ukraine and Eximbank in Moldova.

The International Subsidiary Banks Division recorded:

(millions of euro)	Q4 2023	Q3 2023	% changes
Operating income	746	763	-2.2%
Operating costs	-360	-289	24.5%
Operating margin	386	474	-18.5%
cost/income ratio	*48.2%*	*37.9%*	
Total net provisions and adjustments	-130	-63	
Gross income	258	412	
Net income	172	322	

(millions of euro)	2023	2022	% changes
Operating income	2,925	2,227	31.3%
contribution to the Group's operating income	*12%*	*10%*	
Operating costs	-1,197	-1,118	7.1%
Operating margin	1,728	1,109	55.8%
cost/income ratio	*40.9%*	*50.2%*	
Total net provisions and adjustments	-260	-365	
Gross income	1,591	779	
Net income	1,173	504	

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, Intesa Sanpaolo Wealth Management, Reyl Intesa Sanpaolo, Fideuram - Intesa Sanpaolo Private Banking Asset Management and Fideuram Asset Management Ireland.

The Private Banking Division recorded:

(millions of euro)	Q4 2023	Q3 2023	% changes
Operating income	821	797	3.0%
Operating costs	-281	-233	20.9%
Operating margin	540	564	-4.4%
cost/income ratio	*34.3%*	*29.2%*	
Total net provisions and adjustments	-67	-16	
Gross Income	487	549	
Net income	328	337	

(millions of euro)	2023	2022	% changes
Operating income	3,184	2,475	28.6%
contribution to the Group's operating income	*13%*	*12%*	
Operating costs	-983	-921	6.7%
Operating margin	2,201	1,554	41.6%
cost/income ratio	*30.9%*	*37.2%*	
Total net provisions and adjustments	-110	1	
Gross income	2,106	1,555	
Net income	1,366	1,034	

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.

The Asset Management Division recorded:

(millions of euro)	Q4 2023	Q3 2023	% changes
Operating income	219	223	-1.7%
Operating costs	-76	-57	32.0%
Operating margin	143	166	-13.4%
cost/income ratio	*34.6%*	*25.8%*	
Total net provisions and adjustments	0	0	
Gross income	143	166	
Net income	103	113	

(millions of euro)	2023	2022	% changes
Operating income	908	962	-5.6%
contribution to the Group's operating income	*4%*	*4%*	
Operating costs	-245	-222	10.4%
Operating margin	663	740	-10.4%
cost/income ratio	*27.0%*	*23.1%*	
Total net provisions and adjustments	0	0	
Gross income	663	740	
Net income	475	550	

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 RBM Salute, Intesa Sanpaolo Insurance Agency and InSalute Servizi) and Fideuram Vita.

The Insurance Division recorded:

(millions of euro)	Q4 2023	Q3 2023	% changes
Operating income	381	404	-5.8%
Operating costs	-115	-93	24.2%
Operating margin	265	311	-14.8%
cost/income ratio	*30.3%*	*22.9%*	
Total net provisions and adjustments	4	18	
Gross income	269	330	
Net income	167	233	

(millions of euro)	2023	2022	% changes
Operating income	1,613	1,589	1.5%
contribution to the Group's operating income	*6%*	*7%*	
Operating costs	-379	-385	-1.6%
Operating margin	1,234	1,204	2.5%
cost/income ratio	*23.5%*	*24.2%*	
Total net provisions and adjustments	61	101	
Gross income	1,295	1,313	
Net income	876	933	

Outlook

The implementation of the 2022-2025 Business Plan is proceeding at full speed and the key industrial initiatives are well underway, with the prospect of net income in 2024 and 2025 to exceed €8bn.

For 2024 it is envisaged:
- solid revenue growth, driven by a further increase in net interest income and growth in net fee and commission income and income from insurance business which leverages on the Group's leadership in Wealth Management, Protection & Advisory;
- stable operating costs, despite investment in technology, mainly attributable to lower personnel expenses;
- low cost of risk deriving from the zero-NPL bank status and the high-quality loan portfolio;
- lower levies and other charges concerning the banking industry due to no further contribution to the resolution fund.

A strong value distribution is envisaged:
- cash payout ratio of 70% of the consolidated net income for each year of the Business Plan, with an increase in the dividend per share for 2024 and 2025 versus the dividend per share for 2023 (*);
- intention to execute a buyback equal to around 55bps of the Common Equity Tier 1 ratio as at 31 December 2023 to be launched in June 2024 (**);
- any additional distribution for 2024 and 2025 to be evaluated year by year.

A solid capital position is envisaged, with the Common Equity Tier 1 ratio – confirming the Basel 3/Basel 4 target of above 12% over the 2022-2025 Business Plan horizon – expected to stand, in 2025, at above 14% pre Basel 4, above 13.5% post Basel 4 and above 14.5% post Basel 4 including the absorption of DTAs (the vast majority of which will be absorbed by 2028), taking into account the above-mentioned payout ratio envisaged for the years covered by the Business Plan and the impact of around 55bps from the buyback intended to be launched in June 2024 (**) and not considering any additional distribution.

* * *

(*) Subject to the approval from the Shareholders' Meeting.
(**) Subject to approvals from the ECB and the Shareholders' Meeting.

For consistency purpose:

- the income statement figures for the four quarters 2022 and the balance sheet figures for the fourth quarter 2022 are reported on a restated basis following the retrospective adoption of IFRS 17 and IFRS 9 by the Group's insurance companies as of 1 January 2022;
- the income statement figures for the first quarter 2022 were restated following the reallocation of some charges relating to the incentive system of the Banca dei Territori Division and Fideuram from personnel expenses to fee and commission expense;
- the income statement figures for the first two quarters 2022 were restated following the acquisition of the control of Quilvest (finalised at the end of June 2022) with the related items consolidated line by line and the corresponding net income attributed to minority interests, as well as the sale of the business line as part of the *Progetto Formazione* (finalised at the end of June 2022) with the related items deconsolidated line by line and the corresponding net income attributed to losses pertaining to minority interests.

* * *

In order to present more complete information on the results generated as at 31 December 2023, 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 2023 will be submitted for approval at the meeting of the Board of Directors scheduled for 27 February 2024. The parent company draft financial statements and the consolidated financial statements as at 31 December 2023 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 24 March 2024. The parent company financial statements will be submitted for the approval of shareholders at the Ordinary Meeting scheduled for 24 April 2024.

* * *

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

* * *

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

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

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

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

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Intesa Sanpaolo Group

Reclassified consolidated statement of income

(millions of euro)

	31.12.2023	31.12.2022	Changes	
			amount	%
Net interest income	14,646	9,500	5,146	54.2
Net fee and commission income	8,558	8,919	-361	-4.0
Income from insurance business	1,666	1,675	-9	-0.5
Profits (Losses) on financial assets and liabilities designated at fair value	298	1,378	-1,080	-78.4
Other operating income (expenses)	-30	-32	-2	-6.3
Operating income	**25,138**	**21,440**	**3,698**	**17.2**
Personnel expenses	-6,981	-6,742	239	3.5
Administrative expenses	-3,002	-2,912	90	3.1
Adjustments to property, equipment and intangible assets	-1,346	-1,280	66	5.2
Operating costs	**-11,329**	**-10,934**	**395**	**3.6**
Operating margin	**13,809**	**10,506**	**3,303**	**31.4**
Net adjustments to loans	-1,529	-3,113	-1,584	-50.9
Other net provisions and net impairment losses on other assets	-570	-270	300	
Other income (expenses)	348	202	146	72.3
Income (Loss) from discontinued operations	-	-	-	-
Gross income (loss)	**12,058**	**7,325**	**4,733**	**64.6**
Taxes on income	-3,438	-2,080	1,358	65.3
Charges (net of tax) for integration and exit incentives	-222	-140	82	58.6
Effect of purchase price allocation (net of tax)	-161	-146	15	10.3
Levies and other charges concerning the banking industry (net of tax)	-485	-576	-91	-15.8
Impairment (net of tax) of goodwill and other intangible assets	-	-	-	-
Minority interests	-28	-4	24	
Net income (loss)	**7,724**	**4,379**	**3,345**	**76.4**

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

(millions of euro)

	2023				2022			
	Fourth quarter	Third quarter	Second quarter	First quarter	Fourth quarter	Third quarter	Second quarter	First quarter
Net interest income	3,995	3,813	3,584	3,254	3,064	2,387	2,092	1,957
Net fee and commission income	2,110	2,095	2,216	2,137	2,222	2,153	2,255	2,289
Income from insurance business	391	419	459	397	395	439	449	392
Profits (Losses) on financial assets and liabilities designated at fair value	-91	52	75	262	-2	51	560	769
Other operating income (expenses)	-32	-12	7	7	-12	-12	-12	4
Operating income	**6,373**	**6,367**	**6,341**	**6,057**	**5,667**	**5,018**	**5,344**	**5,411**
Personnel expenses	-2,184	-1,612	-1,625	-1,560	-1,921	-1,632	-1,613	-1,576
Administrative expenses	-917	-710	-731	-644	-865	-695	-718	-634
Adjustments to property, equipment and intangible assets	-367	-328	-319	-332	-344	-313	-309	-314
Operating costs	**-3,468**	**-2,650**	**-2,675**	**-2,536**	**-3,130**	**-2,640**	**-2,640**	**-2,524**
Operating margin	**2,905**	**3,717**	**3,666**	**3,521**	**2,537**	**2,378**	**2,704**	**2,887**
Net adjustments to loans	-616	-357	-367	-189	-1,185	-496	-730	-702
Other net provisions and net impairment losses on other assets	-332	-47	-121	-70	-114	-42	-62	-52
Other income (expenses)	29	15	203	101	55	4	147	-4
Income (Loss) from discontinued operations	-	-	-	-	-	-	-	-
Gross income (loss)	**1,986**	**3,328**	**3,381**	**3,363**	**1,293**	**1,844**	**2,059**	**2,129**
Taxes on income	-288	-1,066	-1,000	-1,084	-45	-560	-699	-776
Charges (net of tax) for integration and exit incentives	-80	-56	-44	-42	-78	-23	-23	-16
Effect of purchase price allocation (net of tax)	-35	-36	-44	-46	-50	-32	-30	-34
Levies and other charges concerning the banking industry (net of tax)	18	-264	-11	-228	-32	-266	-12	-266
Impairment (net of tax) of goodwill and other intangible assets	-	-	-	-	-	-	-	-
Minority interests	1	-6	-16	-7	-12	-6	8	6
Net income (loss)	**1,602**	**1,900**	**2,266**	**1,956**	**1,076**	**957**	**1,303**	**1,043**

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

Intesa Sanpaolo Group

Reclassified consolidated balance sheet

(millions of euro)

Assets	31.12.2023	31.12.2022	Changes	
			amount	%
Cash and cash equivalents	89,270	112,924	-23,654	-20.9
Due from banks	31,216	31,273	-57	-0.2
Loans to customers	429,540	446,854	-17,314	-3.9
Loans to customers measured at amortised cost	*427,806*	*444,244*	*-16,438*	*-3.7*
Loans to customers designated at fair value through other comprehensive income and through profit or loss	*1,734*	*2,610*	*-876*	*-33.6*
Financial assets measured at amortised cost which do not constitute loans	59,965	52,690	7,275	13.8
Financial assets measured at fair value through profit or loss	42,026	46,546	-4,520	-9.7
Financial assets measured at fair value through other comprehensive income	67,716	48,008	19,708	41.1
Financial assets pertaining to insurance companies measured at amortised cost	5	3	2	66.7
Financial assets pertaining to insurance companies measured at fair value through profit or loss	101,718	103,052	-1,334	-1.3
Financial assets pertaining to insurance companies measured at fair value through other comprehensive income	72,135	69,792	2,343	3.4
Investments in associates and companies subject to joint control	2,501	2,013	488	24.2
Property, equipment and intangible assets	19,349	19,742	-393	-2.0
Assets owned	*17,975*	*18,248*	*-273*	*-1.5*
Rights of use acquired under leases	*1,374*	*1,494*	*-120*	*-8.0*
Tax assets	14,533	18,130	-3,597	-19.8
Non-current assets held for sale and discontinued operations	264	638	-374	-58.6
Other assets	33,332	22,922	10,410	45.4
Total Assets	**963,570**	**974,587**	**-11,017**	**-1.1**

Liabilities	31.12.2023	31.12.2022	Changes	
			amount	%
Due to banks at amortised cost	92,497	137,489	-44,992	-32.7
Due to customers at amortised cost and securities issued	546,206	528,795	17,411	3.3
Financial liabilities held for trading	43,486	46,512	-3,026	-6.5
Financial liabilities designated at fair value	21,344	8,795	12,549	
Financial liabilities measured at amortised cost pertaining to insurance companies	2,199	2,522	-323	-12.8
Financial liabilities held for trading pertaining to insurance companies	90	171	-81	-47.4
Financial liabilities designated at fair value pertaining to insurance companies	51,438	54,212	-2,774	-5.1
Tax liabilities	1,946	2,021	-75	-3.7
Liabilities associated with non-current assets held for sale and discontinued operations	2	15	-13	-86.7
Other liabilities	15,096	9,399	5,697	60.6
of which lease payables	*1,217*	*1,321*	*-104*	*-7.9*
Insurance liabilities	119,849	117,575	2,274	1.9
Allowances for risks and charges	5,290	5,812	-522	-9.0
of which allowances for commitments and financial guarantees given	*524*	*711*	*-187*	*-26.3*
Share capital	10,369	10,369	-	-
Reserves	42,560	43,002	-442	-1.0
Valuation reserves	-1,711	-1,939	-228	-11.8
Valuation reserves pertaining to insurance companies	-298	-519	-221	-42.6
Interim dividend	-2,629	-1,400	1,229	87.8
Equity instruments	7,948	7,211	737	10.2
Minority interests	164	166	-2	-1.2
Net income (loss)	7,724	4,379	3,345	76.4
Total liabilities and shareholders' equity	**963,570**	**974,587**	**-11,017**	**-1.1**

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	2023				2022
	31/12	30/9	30/6	31/3	31/12
Cash and cash equivalents	89,270	85,585	79,875	77,700	112,924
Due from banks	31,216	30,116	30,128	30,468	31,273
Loans to customers	429,540	433,710	437,497	449,860	446,854
Loans to customers measured at amortised cost	*427,806*	*431,824*	*435,583*	*447,419*	*444,244*
Loans to customers designated at fair value through other comprehensive income and through profit or loss	*1,734*	*1,886*	*1,914*	*2,441*	*2,610*
Financial assets measured at amortised cost which do not constitute loans	59,965	57,626	60,052	58,744	52,690
Financial assets measured at fair value through profit or loss	42,026	45,652	48,434	45,988	46,546
Financial assets measured at fair value through other comprehensive income	67,716	60,310	59,369	53,314	48,008
Financial assets pertaining to insurance companies measured at amortised cost	5	2	3	3	3
Financial assets pertaining to insurance companies measured at fair value through profit or loss	101,718	99,226	102,480	103,096	103,052
Financial assets pertaining to insurance companies measured at fair value through other comprehensive income	72,135	69,136	71,724	72,562	69,792
Investments in associates and companies subject to joint control	2,501	2,558	2,599	2,395	2,013
Property, equipment and intangible assets	19,349	18,888	18,892	19,462	19,742
Assets owned	*17,975*	*17,486*	*17,457*	*17,995*	*18,248*
Rights of use acquired under leases	*1,374*	*1,402*	*1,435*	*1,467*	*1,494*
Tax assets	14,533	15,871	16,080	17,104	18,130
Non-current assets held for sale and discontinued operations	264	256	614	243	638
Other assets	33,332	28,198	27,458	24,236	22,922
Total Assets	**963,570**	**947,134**	**955,205**	**955,175**	**974,587**

Liabilities	2023				2022
	31/12	30/9	30/6	31/3	31/12
Due to banks at amortised cost	92,497	97,390	94,077	120,018	137,489
Due to customers at amortised cost and securities issued	546,206	533,143	532,468	515,369	528,795
Financial liabilities held for trading	43,486	47,428	47,639	45,681	46,512
Financial liabilities designated at fair value	21,344	16,388	13,608	10,893	8,795
Financial liabilities measured at amortised cost pertaining to insurance companies	2,199	2,422	2,326	2,275	2,522
Financial liabilities held for trading pertaining to insurance companies	90	193	96	111	171
Financial liabilities designated at fair value pertaining to insurance companies	51,438	50,715	53,160	54,099	54,212
Tax liabilities	1,946	3,116	2,938	1,964	2,021
Liabilities associated with non-current assets held for sale and discontinued operations	2	13	-	-	15
Other liabilities	15,096	11,138	22,107	17,716	9,399
of which lease payables	*1,217*	*1,231*	*1,260*	*1,292*	*1,321*
Insurance liabilities	119,849	115,616	119,381	119,815	117,575
Allowances for risks and charges	5,290	4,897	4,944	5,630	5,812
of which allowances for commitments and financial guarantees given	*524*	*538*	*539*	*673*	*711*
Share capital	10,369	10,369	10,369	10,369	10,369
Reserves	42,560	42,464	42,585	45,538	43,002
Valuation reserves	-1,711	-1,917	-1,709	-1,794	-1,939
Valuation reserves pertaining to insurance companies	-298	-466	-375	-420	-519
Interim dividend	-2,629	-	-	-1,400	-1,400
Equity instruments	7,948	7,939	7,217	7,214	7,211
Minority interests	164	164	152	141	166
Net income (loss)	7,724	6,122	4,222	1,956	4,379
Total Liabilities and Shareholders' Equity	**963,570**	**947,134**	**955,205**	**955,175**	**974,587**

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								
2023	11,285	3,910	2,925	3,184	908	1,613	1,313	25,138
2022	8,847	4,298	2,227	2,475	962	1,589	1,042	21,440
% change	27.6	-9.0	31.3	28.6	-5.6	1.5	26.0	17.2
Operating costs								
2023	-6,555	-1,502	-1,197	-983	-245	-379	-468	-11,329
2022	-6,397	-1,419	-1,118	-921	-222	-385	-472	-10,934
% change	2.5	5.8	7.1	6.7	10.4	-1.6	-0.8	3.6
Operating margin								
2023	4,730	2,408	1,728	2,201	663	1,234	845	13,809
2022	2,450	2,879	1,109	1,554	740	1,204	570	10,506
% change	93.1	-16.4	55.8	41.6	-10.4	2.5	48.2	31.4
Net income (loss)								
2023	1,945	1,478	1,173	1,366	475	876	411	7,724
2022	494	656	504	1,034	550	933	208	4,379
% change				32.1	-13.6	-6.1	97.6	76.4

(millions of euro)

	Banca dei Territori	IMI Corporate & Investment Banking	International Subsidiary Banks	Private Banking	Asset Management	Insurance	Corporate Centre	Total
Loans to customers								
31.12.2023	232,411	127,167	42,050	14,372	243	-	13,297	429,540
31.12.2022	247,913	129,791	40,212	15,104	282	-	13,552	446,854
% change	-6.3	-2.0	4.6	-4.8	-13.8	-	-1.9	-3.9
Direct deposits from banking business								
31.12.2023	270,365	113,450	57,910	45,805	16	-	88,590	576,136
31.12.2022	291,089	94,785	54,364	50,447	26	-	54,675	545,386
% change	-7.1	19.7	6.5	-9.2	-38.5	-	62.0	5.6
Risk-weighted assets								
31.12.2023	80,484	110,836	36,071	11,924	1,990	-	60,805	302,110
31.12.2022	84,302	101,018	35,056	12,757	1,798	-	60,512	295,443
% change	-4.5	9.7	2.9	-6.5	10.7	-	0.5	2.3
Absorbed capital								
31.12.2023	6,914	9,537	3,905	1,111	212	4,156	3,175	29,010
31.12.2022	7,242	8,698	3,793	1,154	195	4,954	3,487	29,523
% change	-4.5	9.6	3.0	-3.7	8.7	-16.1	-8.9	-1.7

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