



**A Strong Bank for  
a Digital World**

# 9M20 Results

**Resilient Profitability and Rock-Solid  
Capital Position Strengthened Further  
Combination with UBI Banca Brings  
Additional Value Creation**

# ISP Delivered Excellent Nine-Month Performance with ~€3bn Minimum Net Income Target for 2020 Already Achieved...

**€3.1bn Net income (the second-best 9M Net income since 2008) excluding the effects of the combination with UBI Banca, €4bn excluding provisions for future COVID-19 impacts**

**€6.4bn stated Net income, including the negative goodwill arising from the combination with UBI Banca<sup>(1)</sup> – to be used in Q4 to offset integration costs, improve efficiency and accelerate NPL deleveraging – and the two-month contribution of the operations of UBI Banca<sup>(2)</sup>**

**Strong Q3 recovery in Net interest income and Commissions, with significant acceleration in AuM Net Inflows<sup>(3)</sup> (€3bn vs €2.2bn in Q2 and €0.5bn in Q1)**

**Strong decrease in Operating costs (-3.7% vs 9M19<sup>(3)(4)</sup>)**

**Annualised cost of risk down to 44bps<sup>(3)</sup> (vs 53bps in FY19) excluding provisions for future COVID-19 impacts**

**The lowest-ever 9M and quarterly Gross NPL inflow<sup>(5)</sup>, with €1bn NPL deleveraging in Q3<sup>(5)</sup> coupled with increased coverage (54.4%<sup>(3)</sup> vs 53.1% in H1)**

**Common Equity ratio up at 15.2%<sup>(6)</sup> (at 15.9% excluding the negative impact from the combination with UBI Banca, ~+100bps in Q3)**

<sup>(1)</sup> €3,264m estimated, net of the impact from the disposal to BPER Banca of a portion of branches and related assets and liabilities. The effective determination of the negative goodwill will result from the outcome of the Purchase Price Allocation procedure envisaged by accounting principle IFRS3. Integration charges related to the combination with UBI Banca and additional provisions to accelerate deleveraging will be booked in Q4

<sup>(2)</sup> €39m for the period 5.8.20-30.9.20, not considering the disposal to BPER Banca of a portion of branches and related assets and liabilities and after €48m (net of tax) of full-year contribution to the Deposit Guarantee Scheme

<sup>(3)</sup> Excluding UBI Banca

<sup>(4)</sup> Data restated for the full line-by-line deconsolidation of the acquiring activities related to the Nexi agreement and to take into account the effects on Operating costs of the Prelios agreement related to UTP servicing and the RBM Assicurazione Salute acquisition

<sup>(5)</sup> Excluding the impact from the adoption of the new Definition of Default applied since November 2019 and excluding UBI Banca

<sup>(6)</sup> Pro-forma fully loaded Basel 3 (30.9.20 financial statements considering the total absorption of DTA related to IFRS9 FTA, goodwill realignment/adjustments to loans/non-taxable public cash contribution of €1,285m covering the integration and rationalisation charges relating to the acquisition of the operations of the two former Venetian banks, the expected absorption of DTA on losses carried forward and arising from the disposal to BPER Banca of a portion of branches and related assets and liabilities and the expected distribution of 9M20 Net income of insurance companies)

# ... Is Fully Equipped for a Challenging Environment...

**Common Equity ratio<sup>(1)</sup> well above regulatory requirements (~+660bps<sup>(2)</sup>) coupled with a strong liquidity position, with LCR and NSFR well above 100% and more than €280bn in Liquid assets<sup>(3)</sup>**

**€36.5bn NPL deleveraging delivered since the September 2015 peak<sup>(4)</sup>, increased coverage and the lowest NPL stock and NPL ratios since 2008**

**Distinctive proactive credit management capabilities (Pulse) coupled with strategic partnerships with leading NPL industrial players (Intrum, Prelios)**

**€1.3bn in provisions for future COVID-19 impacts booked in 9M, of which €430m in Q3<sup>(5)</sup>**

**A Wealth Management and Protection company with more than €1 trillion in Customer financial assets**

**High operating efficiency with Cost/Income ratio at 50.2%<sup>(5)</sup>**

**Successful evolution towards a “light” distribution model, with more than 1,000 branches rationalised since 2018 and significant room for further branch reduction**

**Strong digital proposition, with more than 10m multichannel clients<sup>(5)(6)</sup> and more than 6m clients using ISP App<sup>(5)(6)</sup>**

**Successful mitigation of COVID-19 impact on ISP People and Clients and support to the economy and society**

- (1) Pro-forma fully loaded Basel 3 (30.9.20 financial statements considering the total absorption of DTA related to IFRS9 FTA, goodwill realignment/adjustments to loans/non-taxable public cash contribution of €1,285m covering the integration and rationalisation charges relating to the acquisition of the operations of the two former Venetian banks, the expected absorption of DTA on losses carried forward and arising from the disposal to BPER Banca of a portion of branches and related assets and liabilities and the expected distribution of 9M20 Net income of insurance companies)
- (2) Calculated as the difference between the Fully Loaded CET1 Ratio vs requirements SREP + Combined Buffer
- (3) Including UBI Banca (€235bn excluding UBI Banca)
- (4) Excluding the impact from the adoption of the new Definition of Default applied since November 2019 and excluding UBI Banca
- (5) Excluding UBI Banca
- (6) More than 12m multichannel clients and more than 7m clients using App when including UBI Banca, not considering the disposal to BPER Banca of a portion of branches and related assets and liabilities

# ... and Ready to Succeed in the Future

## Profitability

Continue delivering best-in-class profitability, with

- **Minimum ~€3bn Net income target in 2020 already achieved (assuming cost of risk of ~90bps)**
- **Minimum ~€3.5bn Net income in 2021 (assuming cost of risk of ~70bps) without considering the combination with UBI Banca**
- **Minimum ~€5bn Net income starting in 2022 including the benefits from the combination with UBI Banca**

## Capital

**Maintain a solid capital position (minimum Common Equity<sup>(1)</sup> ratio of 13%, even when taking into account the potential cash distribution from reserves in light of the 2019 Net income allocated to reserves, subject to ECB approval)**

## Dividend payout

**Deliver payout ratio of 75% in 2020 and 70% in 2021<sup>(2)</sup>**

- **The combination with UBI Banca is well underway and adds significant value by improving asset quality and delivering synergies with no social costs, and with very low execution risk**
- **New Business Plan by the end of 2021, as soon as the macroeconomic scenario becomes clearer**

(1) Pro-forma fully loaded Basel 3 (considering the total absorption of DTA related to IFRS9 FTA, goodwill realignment/adjustments to loans/non-taxable public cash contribution of €1,285m covering the integration and rationalisation charges relating to the acquisition of the operations of the two former Venetian banks, the expected absorption of DTA on losses carried forward and arising from the disposal to BPER Banca of a portion of branches and related assets and liabilities). CET1 ratio fully phased in >12%

(2) Without considering the combination with UBI Banca. The same payout ratios apply when considering the combination with UBI Banca, excluding from 2020 Net income the portion generated by the negative goodwill not allocated to integration costs and accelerated NPL deleveraging

# The Italian Economy Is Resilient Thanks to Strong Fundamentals and Can Leverage on Government Interventions and EU Financial Support

**Strong Italian household wealth at €10.7tn, of which €4.4tn in financial assets, coupled with low household debt**

**Manufacturing companies have stronger financial structures than pre-2008 crisis levels**

**Export-oriented companies highly diversified in terms of industry and size, Italian exports have outperformed Germany's by almost 8pp over the past 5 years<sup>(1)</sup>**

**Banking system by far stronger than pre-2008 crisis levels**

**Extensive support from Government packages, worth more than 6% of 2020 GDP and about 4% of 2021 GDP**

**EU financial support (Next Generation EU) to fund the national recovery and resilience plan providing Italy more than €200bn in grants and loans, of which €25bn in 2021**

- **GDP increased by 16.1% in 3Q20 vs 2Q20, while industrial production is expected to rebound by as much as +30% in the same period**
- **On a yearly basis, GDP is expected to grow by 5.3% in 2021<sup>(2)</sup>, after the forecasted 9.9% decrease in 2020<sup>(2)</sup>**
- **S&P recently upgraded the outlook on Italy rating to “stable”**

(1) At current prices

(2) Source: Consensus estimates, as of mid-October

## **ISP Is Successfully Managing a Challenging Environment**

9M20: Excellent Nine-Month Performance

Combination with UBI Banca

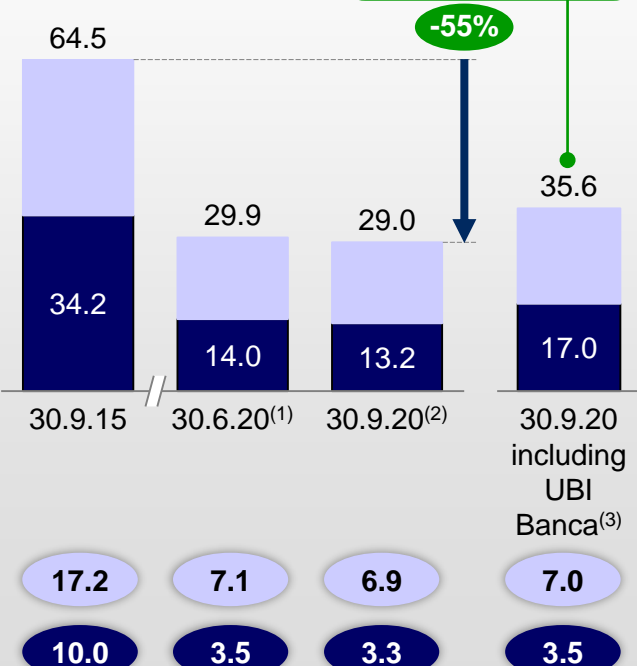
Final Remarks

# In Recent Years, ISP Has More than Halved NPL Stock, Increased NPL Coverage while Significantly Strengthening Capital...

## NPL Stock

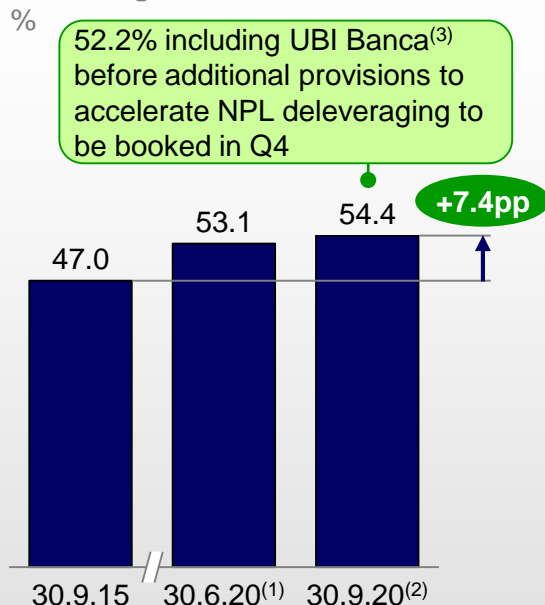
Excluding UBI Banca  
€ bn

- Net NPL
- Net NPL ratio, %
- Gross NPL ratio, %



## NPL Coverage ratio

Excluding UBI Banca  
%

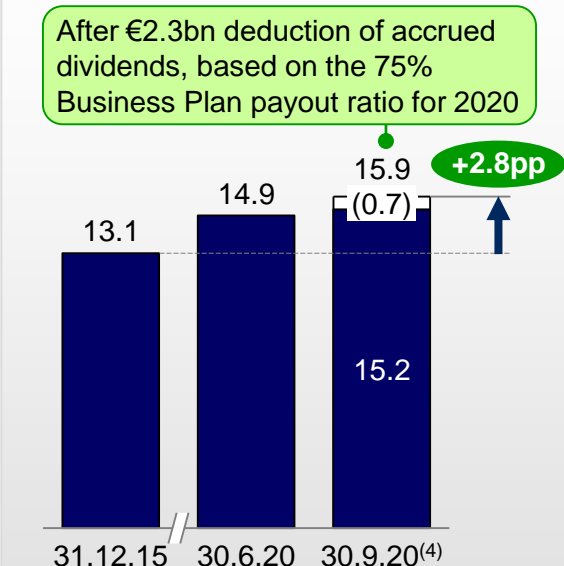


In Q4 additional LLPs to accelerate NPL deleveraging using part of the Negative goodwill

## ISP Fully Loaded CET1 Ratio

%

Impact from the combination with UBI Banca



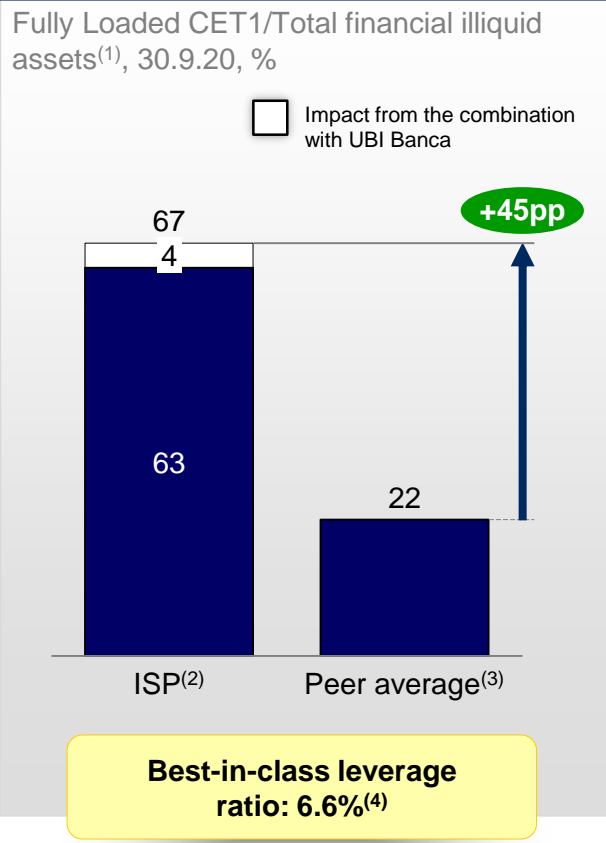
- Q3 internal capital generation more than offsets the negative impact from the combination with UBI Banca
- €13.4bn in cash dividends paid over the past 6 years<sup>(5)</sup>

A very resilient business model, with 56% of 9M Gross income<sup>(6)</sup> from Wealth Management and Protection activities

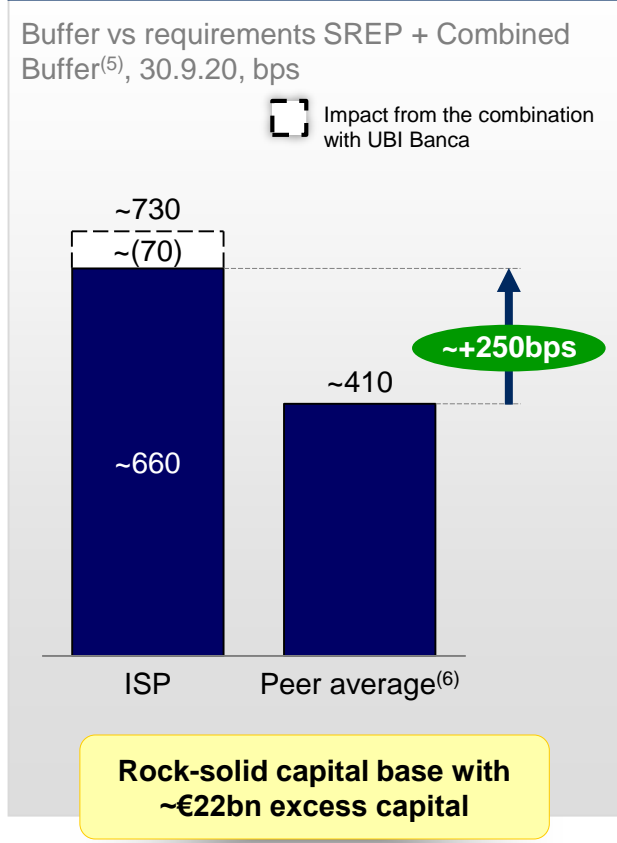
(1) Including the ~€0.9bn gross impact from the adoption of the new Definition of Default applied since November 2019 and excluding UBI Banca  
 (2) Including the ~€1bn gross impact from the adoption of the new Definition of Default applied since November 2019 and excluding UBI Banca  
 (3) Not considering the disposal to BPER Banca of a portion of branches and related assets and liabilities and not considering additional provisions to accelerate NPL deleveraging to be booked in Q4 using part of the negative goodwill  
 (4) Pro-forma fully loaded Basel 3 (30.9.20 financial statements considering the total absorption of DTA related to IFRS9 FTA, goodwill realignment/adjustments to loans/non-taxable public cash contribution of €1,285m covering the integration and rationalisation charges relating to the acquisition of the operations of the two former Venetian banks, the expected absorption of DTA on losses carried forward and arising from the disposal to BPER Banca of a portion of branches and related assets and liabilities and the expected distribution of 9M20 Net income of insurance companies)  
 (5) Excluding UBI Banca  
 (6) Excluding Corporate Centre and UBI Banca

# ... and Is Now Far Better Equipped than Peers to Tackle the Challenges Ahead

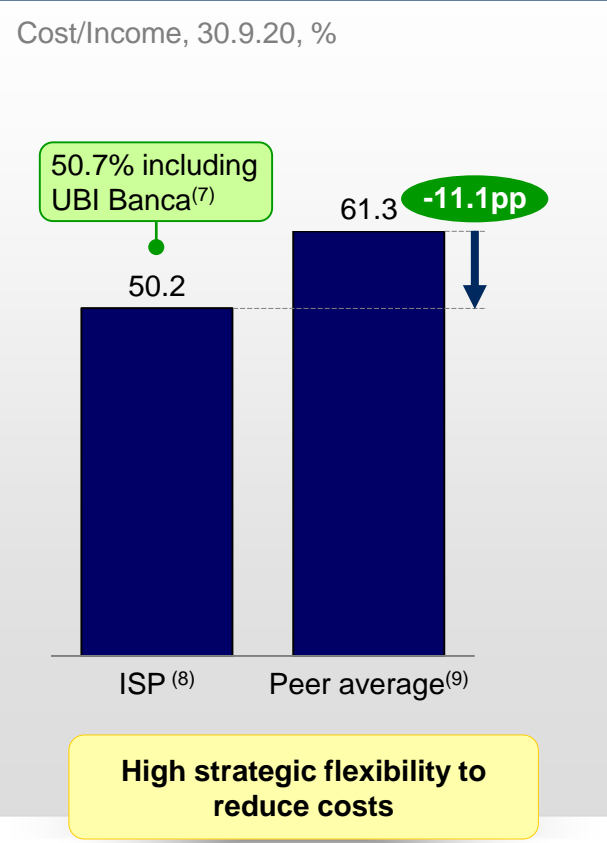
## Best-in-class risk profile



## Solid capital position



## High operating efficiency



Note: figures may not add up exactly due to rounding

(1) Total illiquid assets include Net NPL, Level 2 assets and Level 3 assets

(2) 58% including the effect of Real Estate and Art, Culture and Historical Heritage portfolio revaluation and excluding UBI Banca (61% including UBI Banca)

(3) Sample: BBVA, Barclays, Deutsche Bank, Credit Suisse, Nordea, HSBC, Santander, Standard Chartered and UBS (Fully Loaded CET1 and Net NPL 30.9.20 data); BNP Paribas and Lloyds Banking Group (Fully Loaded CET1 30.9.20 data and Net NPL 30.6.20 data); Commerzbank, Crédit Agricole Group, ING Group, Société Générale and UniCredit (Fully Loaded CET1 and Net NPL 30.6.20 data); Level 2 assets and Level 3 assets 30.6.20 data

(4) Including UBI Banca (6.9% excluding UBI Banca)

(5) Calculated as the difference between the Fully Loaded CET1 Ratio vs requirements SREP + Combined Buffer; only top European banks that have communicated their SREP requirement

(6) Sample: BBVA, BNP Paribas, Deutsche Bank, Nordea and Santander (30.9.20 data); Commerzbank, Crédit Agricole Group, ING Group, Société Générale and UniCredit (30.6.20 data). Source: Investors' Presentations, Press Releases, Conference Calls, Financial Statements

(7) Including UBI Banca for the period 5.8.20-30.9.20, not considering the disposal to BPER Banca of a portion of branches and related assets and liabilities

(8) Excluding UBI Banca


(9) Sample: Barclays, BBVA, BNP Paribas, Credit Suisse, Deutsche Bank, HSBC, Lloyds Banking Group, Nordea, Santander, Standard Chartered and UBS (30.9.20 data); Commerzbank, Crédit Agricole S.A., ING Group, Société Générale and UniCredit (30.6.20 data)

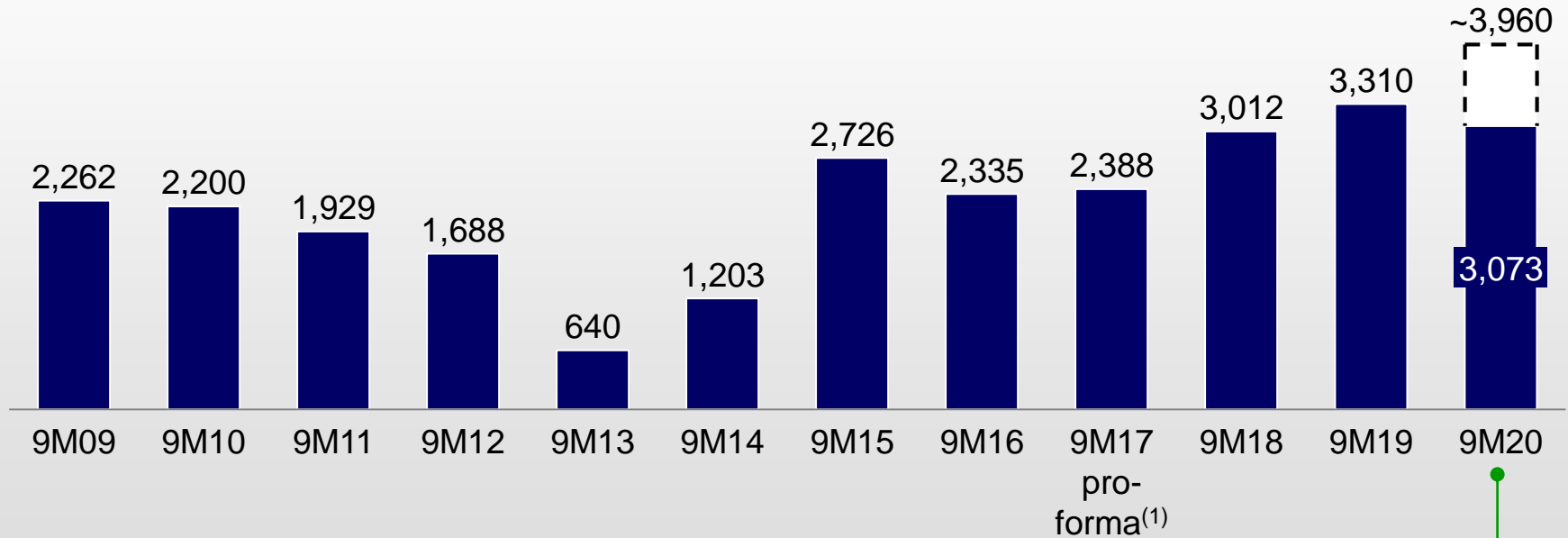


# ISP Delivered the Second-Best 9M Net Income of the Past Eleven Years

~€3bn minimum Net income target for 2020 already achieved

€ m

 Provisions for future COVID-19 impacts (€1,312m pre-tax)



€6.4bn stated Net income<sup>(2)</sup>

- (1) Management data including the contribution of the two former Venetian banks – excluding public cash contribution of €3.5bn to offset the impact of the acquisition of certain assets of the two former Venetian banks on ISP's capital ratios – and the Morval Group consolidation
- (2) Including the estimated negative goodwill arising from the combination with UBI Banca (net of the impact from the disposal to BPER Banca of a portion of branches and related assets and liabilities) and the two-month contribution of UBI Banca operations (for the period 5.8.20-30.9.20, not considering the disposal to BPER Banca of a portion of branches and related assets and liabilities)

# ISP Proactively Implemented a Complete Set of Responses to Mitigate the COVID-19 Impact

## ISP proactive response to COVID-19 across key areas

1

Care for ISP  
People and  
Clients



2

Continuous  
support to the  
real economy  
and society



3

Immediate  
business  
reaction



4

Ready to face the new environment leveraging ISP's  
competitive advantages



# 1 ISP Promptly Ensured Safe Working Conditions for Its People and Clients

NOT EXHAUSTIVE

## Main initiatives to ensure safe working conditions for ISP People and Clients

### ISP People



- **Remote working** enabled for **more than 63,000** ISP People<sup>(1)</sup>, with “digital coach” to support the switch to smart working and share best practices
- Agreements with trade unions for **extraordinary measures** to support **families** and **childcare** and to **compensate** for **COVID-19** work absences in the **variable performance bonus**<sup>(2)</sup> calculation
- **Digital learning** enabled for **all ISP People in Italy**
- **6 additional days** of paid leave for ISP People who work in the **branch network** or are unable to work **remotely**
- **589 people hired**<sup>(3)</sup> in 9M20, of which **167** joined ISP during the **lockdown**<sup>(4)</sup>
- **“Ascolto e Supporto”** project offering mental wellness support to all ISP People

### ISP Clients



- **~100% of branches opened** and **fully operational** (advisory and cash desk service by appointment only)
- **Business continuity ensured** by the online branch, Internet Banking, App and ATM/Cash machines (98% active)
- Activated **remote advisory service**, with **~20,000 Relationship Managers**
- **Free extension** of ISP health insurance policy coverage to include COVID-19

(1) As of 30.9.20, ~77,000 including UBI Banca

(2) *Premio Variabile di Risultato*

(3) Italian perimeter, 842 including UBI Banca

(4) From March to June 2<sup>nd</sup> 2020, 236 including UBI Banca

# 2 ISP Actively Committed to Supporting Healthcare Priorities and the Real Economy During the COVID-19 Emergency

NOT EXHAUSTIVE

## Main initiatives to provide active support to healthcare priorities and the real economy

### Voluntary donations



€100m

to strengthen the National Health System through the **Civil Protection Department** throughout Italy, and in particular in the most affected areas of Bergamo and Brescia. 16 hospitals and 2 COVID-19 Emergency Centres benefitted from the donation with the creation of 36 new hospital wards and 500 hospital beds mainly in Intensive and Sub-Intensive Care Units

€10m

to support families in financial and social difficulty due to the COVID-19 crisis, of which **€5m** donated to **Ricominciamo Insieme** project of the **Diocese of Bergamo** and **€5m** donated to the **Diocese of Brescia**

€6m

in donations from the **CEO (€1m) and top management's 2019 variable compensation**, to strengthen healthcare initiatives, with **additional voluntary donations** from **ISP People and Board of Directors**

€3.5m

donated through **ForFunding** – the ISP crowdfunding platform – to support **Civil Protection Department initiatives** related to the COVID-19 emergency

€1m

allocated from the **ISP Charity Fund** to boost **COVID-19 scientific research**

€600k

intervention by **Fondazione Intesa Sanpaolo Onlus** to support entities that have guaranteed **primary services** and **direct assistance** to vulnerable individuals

€350k

donated to **Associazione Nazionale Alpini** to accelerate the construction of a **field hospital** in Bergamo

### Lending support



€66bn<sup>(1)(2)</sup>

**suspension of existing mortgage and loan** installments for families and companies (1<sup>st</sup> in Italy to launch the initiative before the regulation came into force), of which **~€52bn for enterprises** and **~€14bn for households**

€50bn

in **credit made available to support companies and professionals** to protect jobs and manage payments during the emergency

€16bn<sup>(3)(4)</sup>

in **loans with a State guarantee**

€10bn

in new credit facilities to boost ~2,500 Italian industrial supplier value chains through the enhancement of the **Sviluppo Filiere** Program

€8bn<sup>(3)</sup>

in **loans with a guarantee from SACE** (1<sup>st</sup> in Italy to sign the collaboration protocol with SACE, providing immediate support to large corporates and SMEs under Liquidity Decree)

€80m

**Programma Rinascimento**, including impact loans to micro-enterprises and start-ups, for the **recovery and the re-shaping of their business models** for the post COVID-19 scenario, leveraging on growth and innovation projects boosting economic growth and social and territorial cohesion. Launched in Bergamo (€30m, in partnership with the Municipality) and in Florence (€50m, in partnership with CR Firenze Foundation)

**€125m (equal to 50%) of the ISP Fund for Impact will be used to reduce the socio-economic distress caused by COVID-19**

(1) Suspensions granted until mid-October (flows), including renewals

(2) ~€83bn including UBI Banca

(3) As of 16.10.20

(4) ~€19bn including UBI Banca

# 3 Business Continuity Ensured Thanks to Strong Digital Capabilities

## Strong value proposition on digital channels...

## ...enabled immediate business reaction

### Enhanced digital service



**Multichannel clients**

9M20

~10.1m<sup>(1)</sup>, +994k vs 9M19

**App users**

(4.6/5.0 rating on iOS<sup>(2)</sup> and 4.3/5.0 on Android<sup>(2)</sup>)

~6.2m<sup>(1)</sup>, +1,000k vs 9M19

**# of digital operations**

~84.4m, +26% vs 9M19

**# of digital sales<sup>(3)</sup>**

~1.3m, +199% vs 9M19

**# of digital payments<sup>(4)</sup>**

~13.7m, +131% vs 9M19

**Market Hub<sup>(5)</sup> orders**

(average per day)

~58k, +10% vs 9M19

### Flexible and secure remote work infrastructure



**Conference call/video conference**

(average usage per day)

~380k<sup>(6)</sup>, +190k vs September 2019

**Instant messaging**

(average usage per day)

~390k<sup>(6)</sup>, +90k vs September 2019

~96% of staff employees<sup>(7)</sup> enabled to work from home vs ~50% in 3Q19



**Ranked first among Italian corporates in the “Cyber Resilience amid a Global Pandemic” competition organised by AIPSA<sup>(7)</sup>**

(1) More than 12m multichannel clients and more than 7m clients using App when including UBI Banca, not considering the disposal to BPER Banca of a portion of branches and related assets and liabilities

(2) As of September 2020

(3) Commercial offer sent to the client (website or App) by Relationship manager or online branch, signed electronically by the clients, or self-service purchases

(4) Number of payments with digital wallet (e.g. Apple Pay, Samsung Pay, Google Pay)

(5) IMI C&B platform for corporate client operations

(6) Data referring to September 2020

(7) Governance centre Italian perimeter

(8) Italian Association of Corporate Security Professionals

# 4 ISP Can Leverage Its Competitive Advantages in the New Environment

## Key trends

Increased demand for health, wealth and business protection



Riskier environment



Client digitalisation



Digital way of working



Strengthened ESG importance



## ISP's competitive advantages

- Best-in-class European player in **Life insurance** and in **Wealth Management**
- **Strong positioning** in the protection business (**#2** Italian player in **health insurance** and **#3** in **non-motor retail** with RBM)
- Distinctive **proactive credit management capabilities** (Pulse)
- **Strategic partnerships** with leading NPL industrial players (Intrum, Prelios)
- **Among top 4 in Europe for mobile App functionalities<sup>(1)</sup>**, with scale for additional investments
- Already **strong digital proposition** with **more than 10m multichannel clients<sup>(2)</sup>**
- **Distinctive digital value proposition** for **SMEs, Mid and Large Corporates (CIB2B)**
- **Strategic partnership** with Nexi in payment systems
- Accelerated digitalisation with **remote working** enabled for **more than 63,000 ISP People<sup>(3)</sup>**
- Strong track record in rapid and effective **distribution model optimisation** (e.g., more than **1,000 branches rationalised** since 2018) and further branch reduction in light of:
  - Combination with UBI Banca
  - Banca 5<sup>®</sup>-SisalPay strategic partnership
  - ISP high-quality digital channels, to continue serving the majority of clients who have changed their habits during COVID-19
- The only Italian bank listed in the main **Sustainability Indexes<sup>(4)</sup>**
- **Ranked first** among peers by MSCI and CDP, two of the **top ESG international assessments**



**Awarded “Best Bank in Italy” in the Euromoney awards for Excellence 2020**

(1) Source: The Forrester Banking Wave™: European Mobile Apps, Q2 2019

(2) More than 12m multichannel clients when including UBI Banca, not considering the disposal to BPER Banca of a portion of branches and related assets and liabilities

(3) As of 30.9.20, ~77,000 including UBI Banca

(4) Including: Dow Jones Sustainability Indexes, CDP Climate Change A List 2018, 2019 Corporate Knights “Global 100 Most Sustainable Corporations in the World Index”

ISP Is Successfully Managing a Challenging Environment

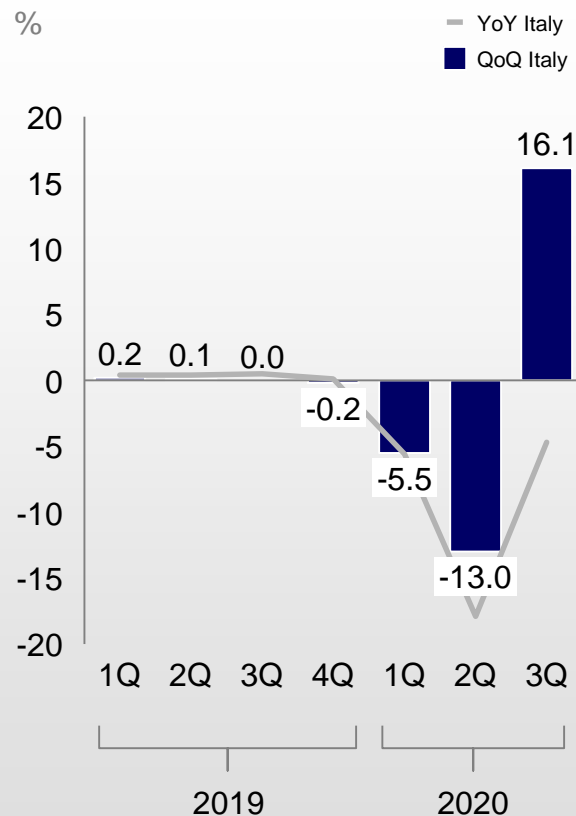
**9M20: Excellent Nine-Month Performance**

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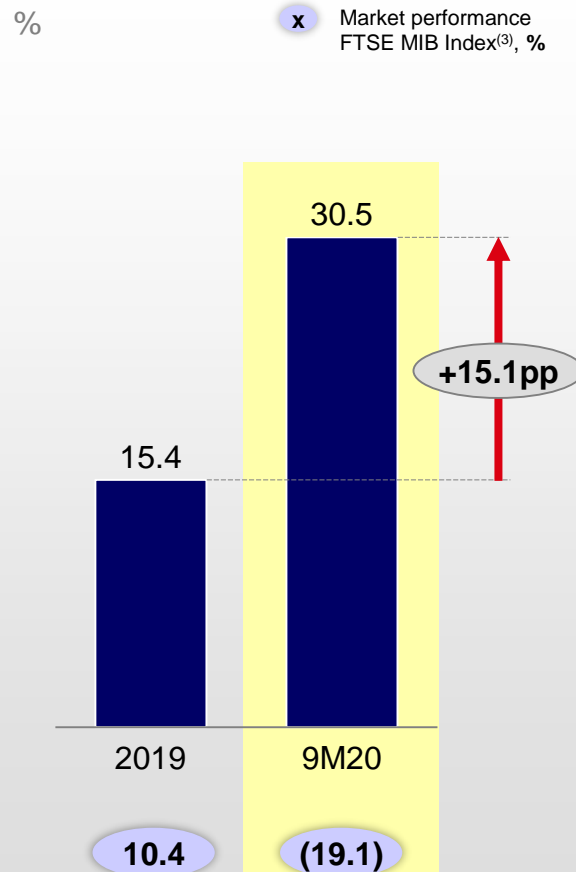
Final Remarks

# COVID-19 Outbreak Impacted the Real Economy and Financial Markets

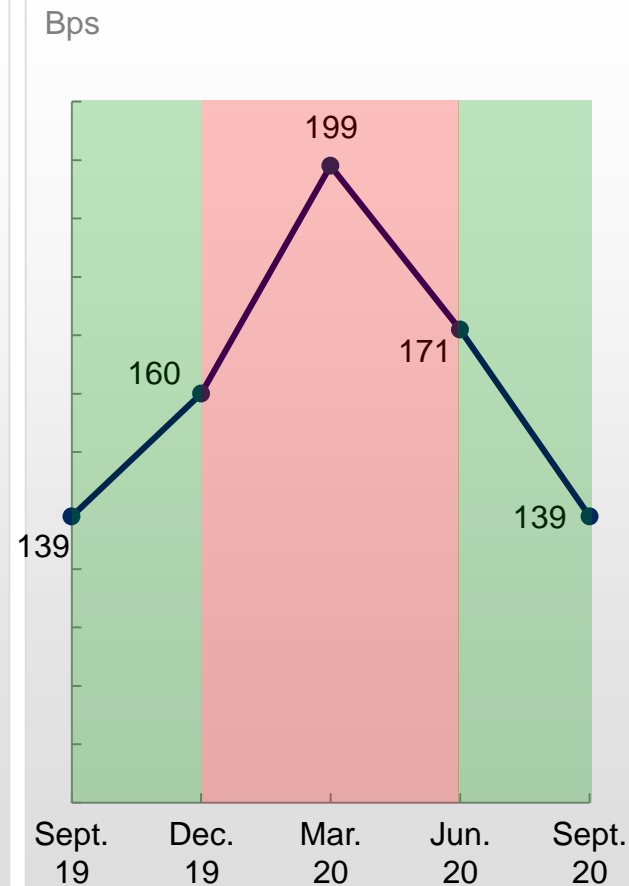
## Italian GDP YoY evolution<sup>(1)</sup>



## Market volatility<sup>(2)</sup>



## 10-year BTP-Bund spread<sup>(1)</sup>



**Countrywide lockdown from March 10<sup>th</sup> to June 3<sup>rd</sup><sup>(4)</sup>**

(1) Source: Bloomberg, ISTAT

(2) Chicago Board Options Exchange (CBOE) Volatility Index; period average; source: Bloomberg








(3) Market performance between 30.3.19 and 31.12.19 and between 31.12.19 and 30.9.20

(4) Lifting of all travel restrictions across the country








# 9M20 Highlights: ~€3bn Minimum Net Income Target for 2020 Already Achieved

## ■ Solid economic performance despite three months of a countrywide lockdown:

- ❑ **€3,073m Net income** (the second-best 9M Net income since 2008) excluding the effects of the combination with UBI Banca, €4bn excluding provisions for future COVID-19 impacts (~€3bn minimum Net income target for 2020 already achieved) 
- ❑ **€6,376m stated Net income**, including €3,264m of negative goodwill arising from the combination with UBI Banca<sup>(1)</sup> – to be used in Q4 to offset integration costs, improve efficiency and accelerate NPL deleveraging – and €39m two-month contribution of the operations of UBI Banca<sup>(2)</sup> 
- ❑ **Q3 Net income at €507m<sup>(3)</sup>**, ~€800m excluding provisions for future COVID-19 impacts 
- ❑ **Strong Q3 recovery in Net interest income and Commissions**, with acceleration in AuM Net inflows<sup>(4)</sup> (€3bn vs €2.2bn in Q2 and €0.5bn in Q1) 
- ❑ **Significant decrease in Operating costs** (-3.7% vs 9M19<sup>(4)(5)</sup> and -5.3% vs 3Q19<sup>(4)(5)</sup>) and **the lowest-ever Administrative costs** (-7.7% vs 9M19<sup>(4)(5)</sup> and -10.5% vs 3Q19<sup>(4)(5)</sup>) 
- ❑ **Annualised cost of risk down to 44bps<sup>(4)</sup>** (vs 53bps in FY19) excluding provisions for future COVID-19 impacts 
- ❑ **The lowest-ever 9M and quarterly Gross NPL inflow<sup>(6)</sup>**, coupled with **increased NPL coverage** (54.4%<sup>(4)</sup> vs 53.1% in H1) 

## ■ Best-in-class capital position and balance sheet further strengthened:

- ❑ **Common Equity ratio up at 15.2%<sup>(7)</sup>** (up at 15.9% excluding the negative impact from the combination with UBI Banca, ~+100bps in Q3), well above regulatory requirements (~+660bps<sup>(8)</sup>) 
- ❑ **€3.7bn NPL deleveraging since 30.9.19<sup>(6)</sup>** (€2.7bn in 9M<sup>(6)</sup> and €1bn in Q3<sup>(6)</sup>) 
- ❑ **The lowest NPL stock and NPL ratios since 2008** 
- ❑ **Best-in-class leverage ratio: 6.6%<sup>(9)</sup>** 
- ❑ **Strong liquidity position: LCR and NSFR well above 100%; more than €280bn in Liquid assets<sup>(10)</sup>** 

(1) Estimated, net of the impact from the disposal to BPER Banca of a portion of branches and related assets and liabilities. The effective determination of the negative goodwill will result from the outcome of the Purchase Price Allocation procedure envisaged by accounting principle IFRS3. Integration charges related to the combination with UBI Banca and additional provisions to accelerate deleveraging will be booked in Q4

(2) For the period 5.8.20-30.9.20, not considering the disposal to BPER Banca of a portion of branches and related assets and liabilities and after €48m (net of tax) of full-year contribution to the Deposit Guarantee Scheme

(3) Excluding the estimated negative goodwill arising from the combination with UBI Banca and the two-month contribution of the operations of UBI Banca

(4) Excluding UBI Banca

(5) Data restated for the full line-by-line deconsolidation of the acquiring activities related to the Nexi agreement and to take into account the effects on Operating costs of the Prelios agreement related to UTP servicing and the RBM Assicurazione Salute acquisition

(6) Excluding the impact from the adoption of the new Definition of Default applied since November 2019 and excluding UBI Banca

(7) Pro-forma fully loaded Basel 3 (30.9.20 financial statements considering the total absorption of DTA related to IFRS9 FTA, goodwill realignment/adjustments to loans/non-taxable public cash contribution of €1,285m covering the integration and rationalisation charges relating to the acquisition of the operations of the two former Venetian banks, the expected absorption of DTA on losses carried forward and arising from the disposal to BPER Banca of a portion of branches and related assets and liabilities and the expected distribution of 9M20 Net income of insurance companies)

(8) Calculated as the difference between the Fully Loaded CET1 Ratio vs requirements SREP + Combined Buffer

(9) Including UBI Banca (6.9% excluding UBI Banca)

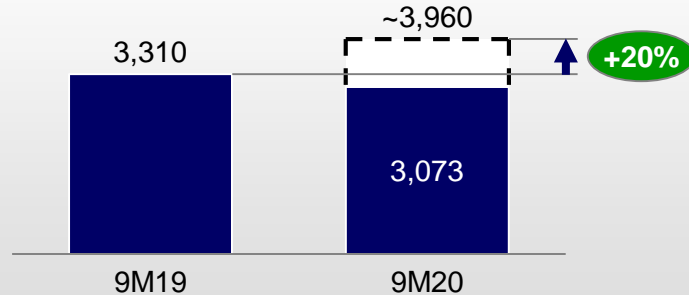
(10) Stock of own-account eligible assets (including assets used as collateral and excluding eligible assets received as collateral) and cash and deposits with Central Banks and including UBI Banca (€235bn excluding UBI Banca)

# 9M20: Strong Growth in Profitability and Balance Sheet Further Strengthened

## Net income

Excluding UBI Banca  
€ m

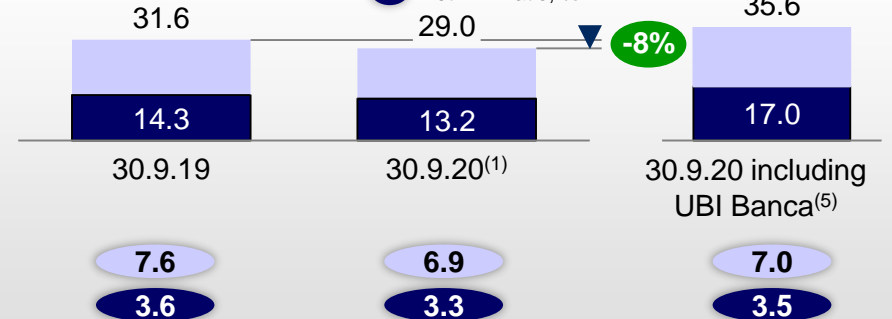
☐ Provisions for future COVID-19 impacts



## NPL stock

Excluding UBI Banca  
€ bn

■ Net NPL  
x Net NPL ratio, %  
x Gross NPL ratio, %

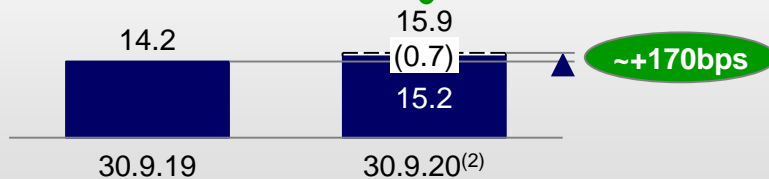


In Q4 additional LLPs to accelerate NPL deleveraging using part of negative goodwill

## ISP Fully Loaded CET1 Ratio

%  
☐ Impact from the combination with UBI Banca

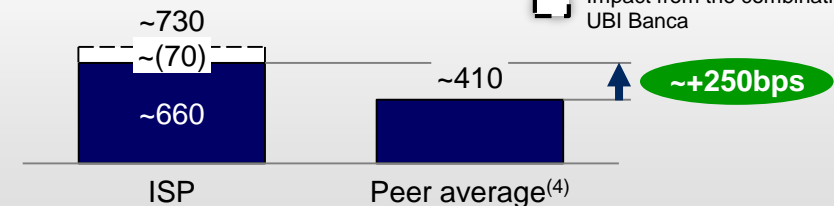
After €2.3bn deduction of accrued dividends, based on the 75% Business Plan payout ratio for 2020



## Excess capital

Pro-forma Fully Loaded CET1 Ratio Buffer vs requirements  
SREP + Combined Buffer<sup>(3)</sup>, 30.9.20, bps

☐ Impact from the combination with UBI Banca



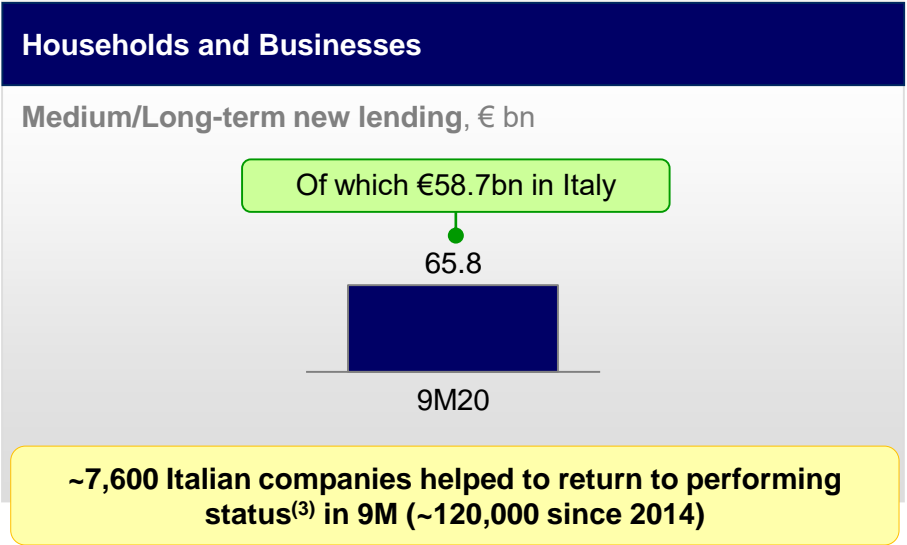
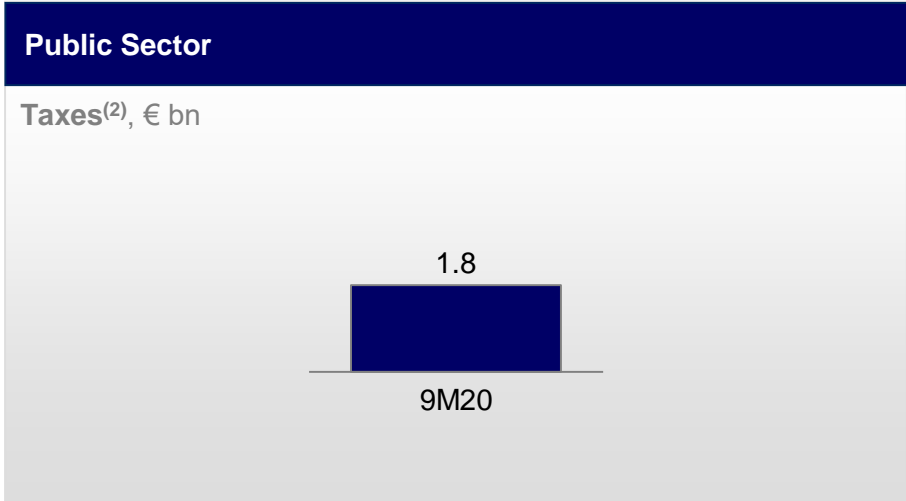
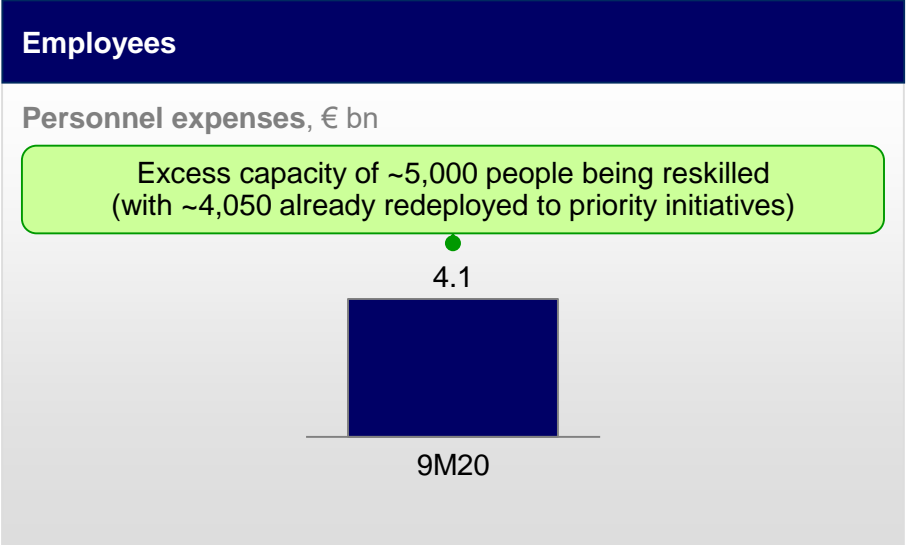
Q3 internal capital generation more than offsets the negative impact from the combination with UBI Banca

Note: figures may not add up exactly due to rounding

- (1) Including the impact from the adoption of the new Definition of Default applied since November 2019 and excluding UBI Banca
- (2) Pro-forma fully loaded Basel 3 (30.9.20 financial statements considering the total absorption of DTA related to IFRS9 FTA, goodwill realignment/adjustments to loans/non-taxable public cash contribution of €1,285m covering the integration and rationalisation charges relating to the acquisition of the operations of the two former Venetian banks, the expected absorption of DTA on losses carried forward and arising from the disposal to BPER Banca of a portion of branches and related assets and liabilities and the expected distribution of 9M20 Net income of insurance companies)
- (3) Calculated as the difference between the Fully Loaded CET1 Ratio vs requirements SREP + Combined Buffer; only top European banks that have communicated their SREP requirement
- (4) Sample: BBVA, BNP Paribas, Deutsche Bank, Nordea and Santander (30.9.20 data); Commerzbank, Crédit Agricole Group, ING Group, Société Générale and UniCredit (30.6.20 data). Source: Investors' Presentations, Press Releases, Conference Calls, Financial Statements
- (5) Not considering the disposal to BPER Banca of a portion of branches and related assets and liabilities and not considering the additional provisions to accelerate NPL deleveraging to be booked in Q4 using part of the negative goodwill

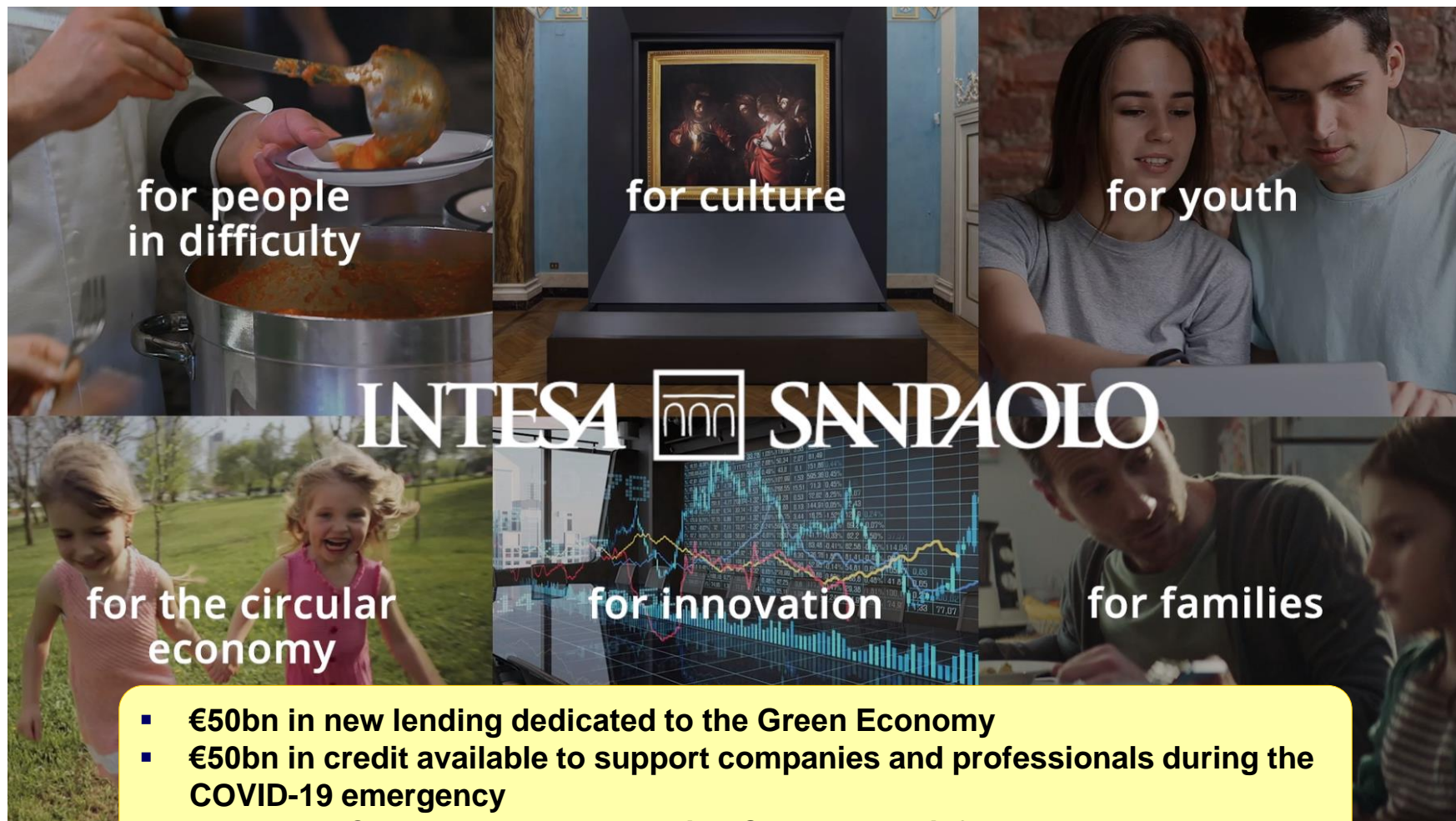
# Our Excellent Performance Creates Benefits for All Stakeholders

Excluding UBI Banca



(1) Excluding the Net income portion generated by the Negative Goodwill not allocated to integration costs and accelerated NPL deleveraging  
 (2) Direct and indirect  
 (3) Deriving from Non-performing loans outflow

# ISP as the Engine of Sustainable and Inclusive Growth...



- **€50bn in new lending dedicated to the Green Economy**
- **€50bn in credit available to support companies and professionals during the COVID-19 emergency**
- **More than €100m donated to provide COVID-19 relief**
- **€125m (equal to 50%) of the ISP Fund for Impact will be used to reduce socio-economic distress caused by COVID-19**

Note: excluding UBI Banca

Link to video: <https://group.intesasanpaolo.com/en/editorial-section/Intesa-Sanpaolo-The-driver-of-sustainable-and-inclusive-development>

# ... Delivering Tangible Results for Society

In 9M20 evaluated ~660 start-ups (~ 1,900 since 2018) in 3 acceleration programs (activities switched to online due to COVID-19) with 47 coached start-ups (~280 since 2018), introducing them to selected investors and ecosystem players (~5,500 to date)

€5bn Circular Economy credit Plafond: €1.5bn already disbursed (~€740m in 9M20)

Launched the first Sustainability Bond (in November 2019) focused on the Circular Economy (amount €750m)

**S-Loan** – In July 2020, ISP launched an innovative solution for SMEs to finance projects aimed at encouraging companies to improve their sustainability profile. The loans will have a reduced interest rate, subject to the annual monitoring of 2 ESG KPIs, which must be reported in the company's annual report. **ISP allocated a €2bn plafond for S-Loans as part of the €50bn dedicated to the Green Economy**

Initiatives to **reduce child poverty** and **support people in need** well ahead of Business Plan target, delivering since 2018:

- ~12.9 million meals
- ~857,000 dormitory beds
- ~191,000 medicine prescriptions
- ~134,000 articles of clothing

ISP's "Giovani e Lavoro" Program underway, in partnership with Generation, aimed at **training and introducing 5,000 young people to the Italian labour market over three years:**

- ~5,550 young people, aged 18-29, applied to the Program in 9M20 (~14,900 since 2019)
- ~1,020 students interviewed and ~450 students trained/in training through 20 courses in 9M20 (~3,000 students interviewed and ~1,200 students trained/in training since 2019)
- ~1,400 companies involved since the beginning of the Program

**~89,000 doctors and nurses participated in the Generation COVID-19 training on PPE, NIV and emergency management**

**P-Tech initiative**, in partnership with IBM, to train young professionals for new digital jobs; mentoring activities are continuing with 20 ISP mentors for 40 young professionals

**Supported families and business** affected by earthquakes and natural disasters **by forgiving mortgages or granting moratoria** of mortgages and subsidised loans (~130 moratoria in 9M20 for ~€650m in residual loans) and ~€127m in subsidised loans granted in 9M20 (~€461m since 2018)

**Ecobonus: ISP ready to buy tax credits** to support families, condominiums and businesses through modular and flexible financial solutions benefitting from the provisions of the "Decreto Rilancio" which raise the deduction to 110% for expenses related to energy efficiency and measures to reduce seismic risk

**Donated €100m** to strengthen the National Health System through the **Civil Protection Department** across Italy, and in particular in the most affected areas of Bergamo and Brescia. 16 hospitals and 2 COVID-19 Emergency Centres have benefitted from the donation with the creation of 36 new hospital wards and 500 hospital beds mainly in Intensive and Sub-Intensive Care Units

**€10m** to support families in financial and social difficulty due to the COVID-19 crisis, of which **€5m** donated to **Ricominciamo Insieme** project of the **Diocese of Bergamo** and **€5m** donated to the **Diocese of Brescia**

**€6m** in donations coming from the CEO (€1m) and top management's 2019 variable compensation, to strengthen healthcare initiatives, with **additional voluntary donations** coming from **ISP People and Board**

**€3.5m** donated through **ForFunding** – the ISP crowdfunding platform – to support **Civil Protection Department COVID initiatives**

**€1m** allocated from the **ISP Charity Fund** to boost **COVID-19 scientific research**

**€600k** intervention by the **Fondazione Intesa Sanpaolo Onlus** to support entities that have guaranteed **primary services and direct assistance** to vulnerable individuals

**€350k** donated to **ANA<sup>(1)</sup>** to accelerate the construction of a **field hospital** in Bergamo

**€66bn<sup>(2)(3)</sup>** **suspension of existing mortgage and loan** installments for families and companies (1<sup>st</sup> in Italy to launch the initiative before the regulation came into force), of which **~€52bn for enterprises and ~€14bn**

**€50bn in credit made available to support companies and professionals** aimed at protecting jobs and managing payments during the emergency

**€16bn<sup>(4)(5)</sup> in loans with a State guarantee<sup>(2)(4)</sup>**

**€10bn** in new credit facilities to boost ~2,500 Italian industrial supplier value chains through the enhancement of the **Sviluppo Filiere** Program

**€8bn<sup>(4)</sup> in loans with a guarantee from SACE** (1<sup>st</sup> in Italy to sign the collaboration protocol with SACE, providing immediate support to large corporates and SMEs under Liquidity Decree)

**€80m Programma Rinascimento**, including impact loans to micro-enterprises and start-ups, for the **recovery and to re-shape their business models** for the post COVID-19 era, leveraging on growth and innovation projects boosting economic growth and social and territorial cohesion. Launched in Bergamo (€30m, in partnership with the Municipality) and in Florence (€50m, in partnership with CR Firenze Foundation)

Start of the renovation of the new **Gallerie d'Italia in Naples** in the historical palazzo located in via Toledo (9,000 square meters), dedicated to ISP's art collections and to Caravaggio's masterpieces

Opening of "Liberty" exhibition in **Gallerie d'Italia in Naples**, where over 60 extraordinary artworks are exposed

Digital transformation of cultural and artistic content hosted by the Gallerie d'Italia. **Social campaign focusing** on images from the **Publifoto ISP Archives** has obtained **230,317 views**. Social campaign for the reopening of the Gallerie d'Italia in Vicenza targeted teens with 11m views

Gallerie d'Italia hosted the digital edition of the International Turin Book Fair (Salone del Libro): "**SalTo Notte**" which consisted of two digital events (Milan and Naples), with **114,075 views**

**Two other initiatives** announced in January 2020 to support **working mothers** in India and **people over 50** who have **lost their jobs** or have **difficulty accessing pension schemes**

**XME StudioStation** launched in August 2020: loans to families to support distance learning

**MAMMA@WORK**: a **highly subsidised loan** launched in July 2020 to balance motherhood and work in their children's early years of life

**"Per Merito"**, the first line of credit without collateral dedicated to university students residing in Italy, studying in Italy or abroad; €33m granted in 9M20 (€72m since beginning of 2019)

**ISP Fund for Impact** launched in 4Q18 (~€1.25bn lending capacity). The following initiatives are part of the Fund for Impact:

Note: excluding UBI Banca

(1) Associazione Nazionale Alpini

(2) Suspensions granted until mid-October (flows), including renewals

(3) ~€83bn including UBI Banca

(4) As of 16.10.20

(5) ~€19bn including UBI Banca

# ISP Leads in the Main Sustainability Indexes and Rankings

## Top ranking<sup>(1)</sup> for Sustainability

The **only Italian bank** listed in the Dow Jones Sustainability Indexes, in the CDP Climate A List 2019 and the 2020 Corporate Knights "Global 100 Most Sustainable Corporations in the World Index"

In 2020 ranking of Institutional Investor, ISP was Europe's best bank for **Investor Relations** and for **ESG aspects** (only Italian bank among the "Most honored companies")

Bloomberg	CDP	MSCI	ROBECOSAM	SUSTAINALYTICS
ISP (69)	ISP (A)	ISP (AAA)	ISP (100)	ISP (19.5)
SOCIETE GENERALE (61)	ING (A)	BBVA (AAA)	UBS (100)	Nordea (20.3)
BBVA (59)	BARCLAYS (A-)	GRUPE BPCE (3) (AAA)	BBVA (94)	ING (21.9)
LLOYDS BANK (59)	BBVA (A-)	SNP PARIBAS (AA)	CREDIT SUISSE (94)	COMMERZBANK (23.3)
UBS (58)	SNP PARIBAS (A-)	UBS (AA)	SNP PARIBAS (91)	ISP (24.3)
ING (57)	HSBC (A-)	SOCIETE GENERALE (AA)	SOCIETE GENERALE (90)	LLOYDS BANK (24.8)
CREDIT AGRICOLE (56)	LLOYDS BANK (A-)	SNP PARIBAS (AA)	ISP (88)	HSBC (25.1)
Santander (56)	UBS (A-)	ING (A)	BARCLAYS (79)	UniCredit (25.6)
CREDIT SUISSE (55)	GRUPE BPCE (3) (B)	CREDIT AGRICOLE (A)	UniCredit (77)	UBS (26.1)
SNP PARIBAS (54)	COMMERZBANK (B)	UniCredit (A)	BARCLAYS (74)	CREDIT AGRICOLE (27.8)
HSBC (54)	CREDIT SUISSE (B)	COMMERZBANK (A)	ING (71)	BBVA (28.7)
SNP PARIBAS (53)	Nordea (B)	Santander (BBB)	UniCredit (63)	BBVA (29.3)
ISP (53)	UniCredit (B)	CREDIT SUISSE (BBB)	GRUPE BPCE (3) (61)	SNP PARIBAS (30.0)
UniCredit (52)	CREDIT AGRICOLE (C)	LLOYDS BANK (BBB)	CREDIT AGRICOLE (60)	ISP (30.0)
GRUPE BPCE (3) (50)	ISP (C)	ISP (BBB)	LLOYDS BANK (51)	BARCLAYS (31.6)
BARCLAYS (49)	Santander (C)	HSBC (BBB)	COMMERZBANK (51)	CREDIT SUISSE (31.8)
COMMERZBANK (48)	SOCIETE GENERALE (C)	BARCLAYS (BBB)	HSBC (46)	Santander (32.0)
Nordea (44)	SNP PARIBAS (C)	Nordea (BBB)	Nordea (38)	SOCIETE GENERALE (32.7)



Member 2019/2020 **STOXX** ESG LEADERS INDICES (D)

Member 2019 **CDP** CLIMATE A LIST 2019

Member 2019 **CDP** SUPPLIER ENGAGEMENT LEADER

Member 2019 **EURONEXT** vigeqiris INDICES EUROPE 120

Member 2019 **EURONEXT** vigeqiris INDICES EUROZONE 120

Member of **Dow Jones Sustainability Indices**

In collaboration with **SAM** Sustainability Award Bronze Class 2020

**FTSE4Good**

Included in **ETHIBEL** SUSTAINABILITY INDEX EXCELLENCE Global

Included in **ETHIBEL** SUSTAINABILITY INDEX EXCELLENCE Europe

2020 **Bloomberg** Gender-Equality Index

2020 **GLOBAL100** Corporate Knights The Magazine for Clean Capitalism

**standard ethics**

**MSCI**

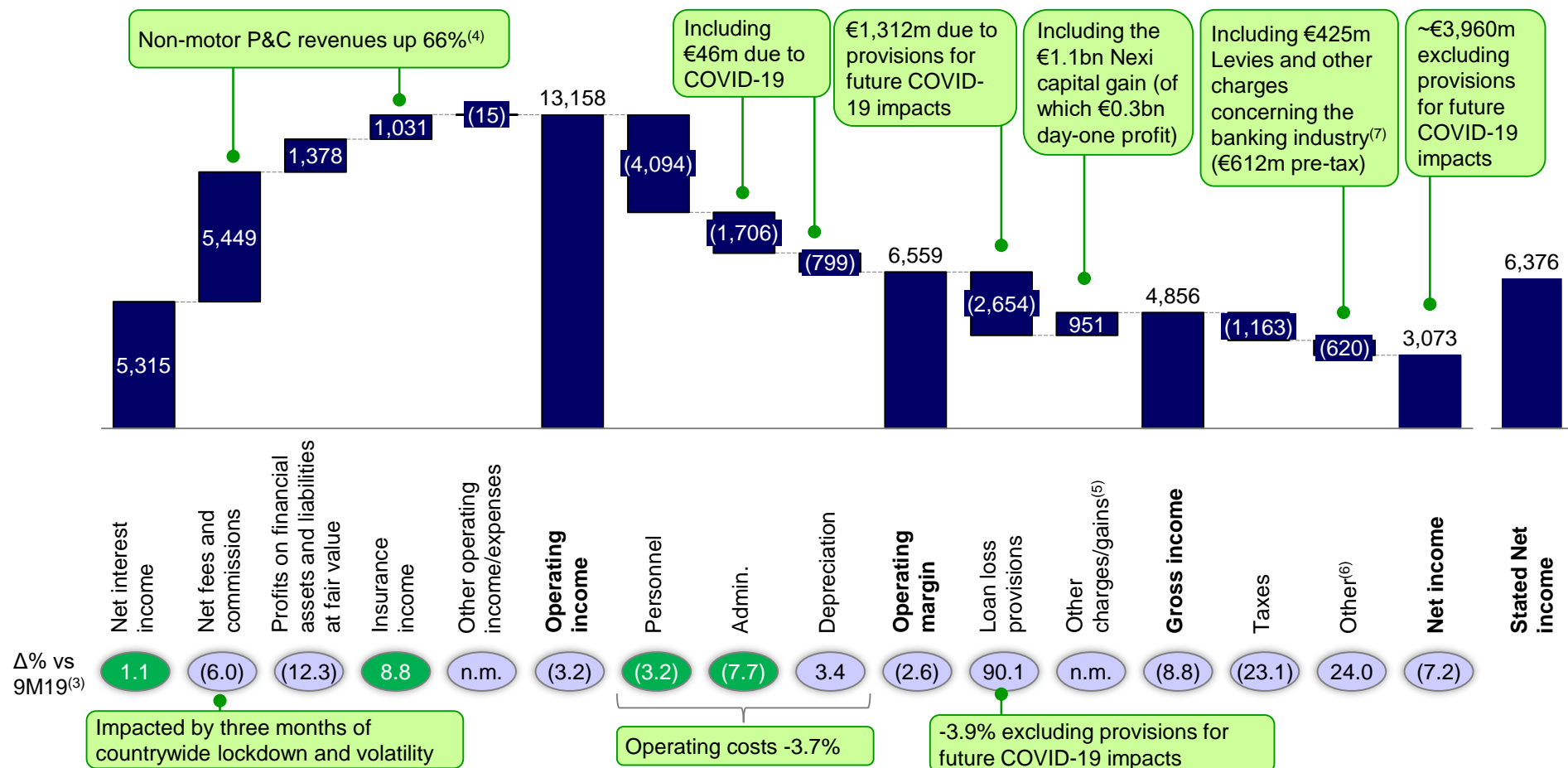
**SUSTAINALYTICS** a Morningstar company

**ECPI** Sense in sustainability

(1) ISP peer group  
 (2) Natixis  
 Sources: Bloomberg ESG Disclosure Score (Bloomberg as of 30.9.20), CDP Climate Change Score 2019 (<https://www.cdp.net/en/companies/companies-scores>); MSCI ESG Score 2019 (<https://www.msci.com/esg-ratings>) Data as of 14 10 20; Robeco SAM (Bloomberg as of 30.9.20); Sustainalytics score (<https://www.sustainalytics.com/>) ESG Risk Rating as of 20.10.20

# 9M: ~€3bn Minimum Net Income Target for 2020 Already Achieved

9M20 P&L (excluding negative goodwill<sup>(1)</sup> arising from combination with UBI Banca and the two-month contribution of the operations<sup>(2)</sup> of UBI Banca)  
€ m



Note: figures may not add up exactly due to rounding

(1) €3,264m estimated, net of the impact from the disposal to BPER Banca of a portion of branches and related assets and liabilities. The effective determination of the negative goodwill will result from the outcome of the Purchase Price Allocation procedure envisaged by accounting principle IFRS3

(2) €39m for the period 5.8.20-30.9.20, not considering the disposal to BPER Banca of a portion of branches and related assets and liabilities and after €48m (net of tax) of full-year contribution to the Deposit Guarantee Scheme

(3) Data restated for the full line-by-line deconsolidation of the acquiring activities related to the Nexi agreement and to take into account the effects on Operating costs of the Prelios agreement related to UTP servicing and the RBM Assicurazione Salute acquisition

(4) Excluding credit-linked products

(5) Net provisions and net impairment losses on other assets, Other income (expenses), Income (Loss) from discontinued operations

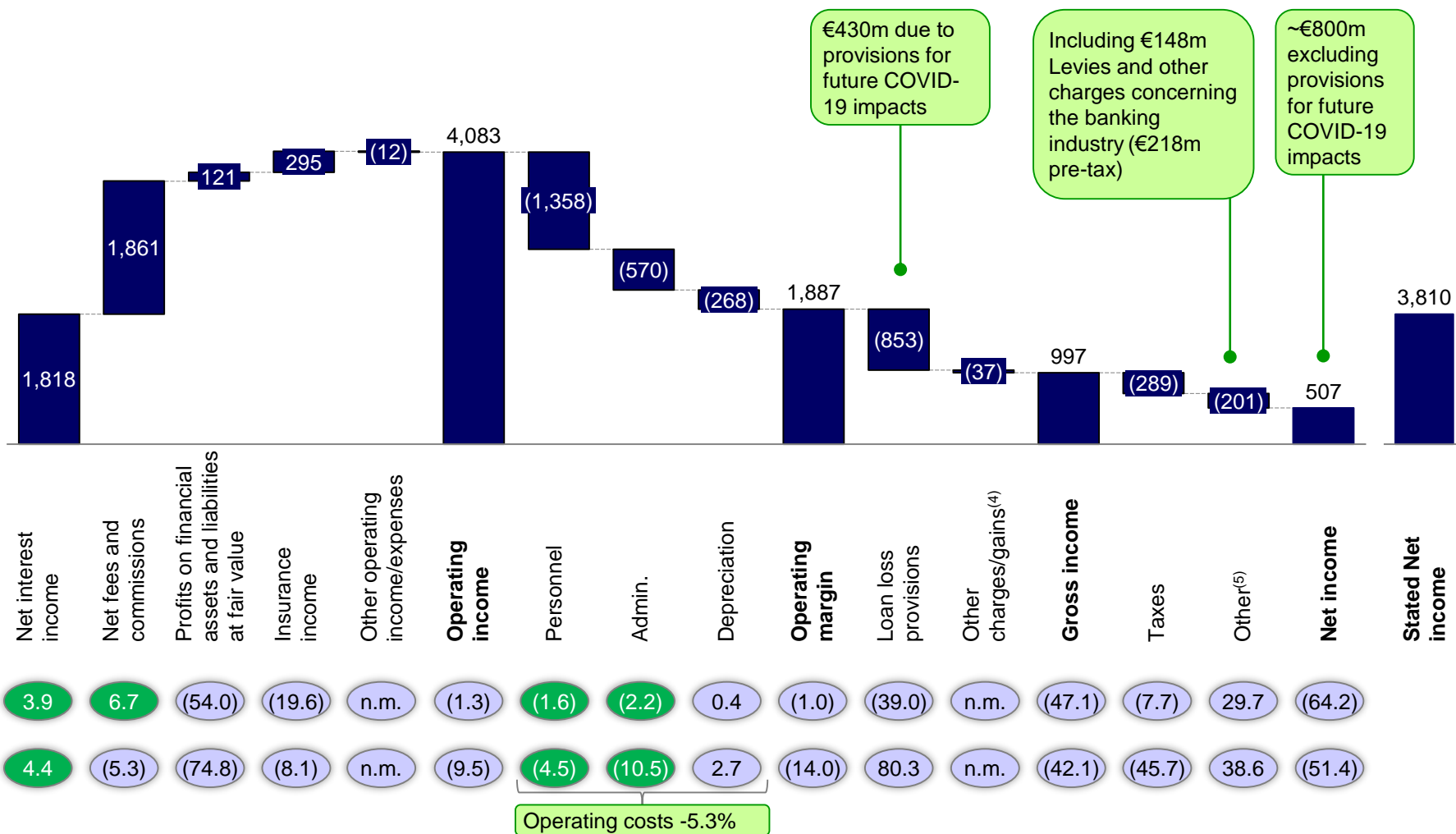
(6) Charges (net of tax) for integration and exit incentives, Effect of purchase price allocation (net of tax), Levies and other charges concerning the banking industry (net of tax), Impairment (net of tax) of goodwill and other intangible assets, Minority interests

(7) Including charges for the Resolution Fund: €254m pre-tax (€175m net of tax), charges for the Deposit Guarantee Scheme: €226m pre-tax (€155m net of tax) and €86m pre-tax (€58m net of tax) for the additional contribution to the National Resolution Fund

# Q3: Strong Recovery in Net Interest Income and Commissions

3Q20 P&L (excluding negative goodwill<sup>(1)</sup> arising from the combination with UBI Banca and the two-month contribution of the operations<sup>(2)</sup> of UBI Banca)

€ m



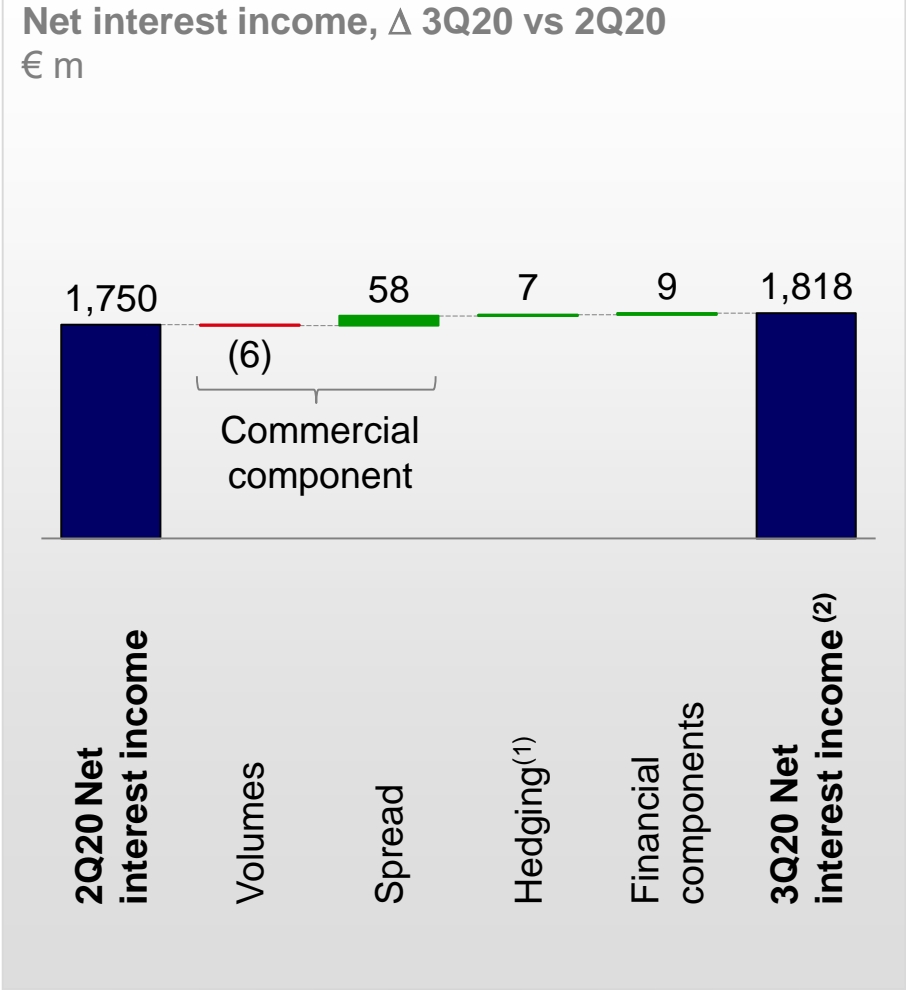
Note: figures may not add up exactly due to rounding

- €3,264m estimated, net of the impact from the disposal to BPER Banca of a portion of branches and related assets and liabilities. The effective determination of the negative goodwill will result from the outcome of the Purchase Price Allocation procedure envisaged by accounting principle IFRS3
- €39m for the period 5.8.20-30.9.20, not considering the disposal to BPER Banca of a portion of branches and related assets and liabilities and after €48m (net of tax) of full-year contribution to the Deposit Guarantee Scheme
- Data restated for the full line-by-line deconsolidation of the acquiring activities related to the Nexi agreement and to take into account the effects on Operating costs of the Prelios agreement related to UTP servicing and the RBM Assicurazione Salute acquisition
- Net provisions and net impairment losses on other assets, Other income (expenses), Income (Loss) from discontinued operations
- Charges (net of tax) for integration and exit incentives, Effect of purchase price allocation (net of tax), Levies and other charges concerning the banking industry (net of tax), Impairment (net of tax) of goodwill and other intangible assets, Minority interests

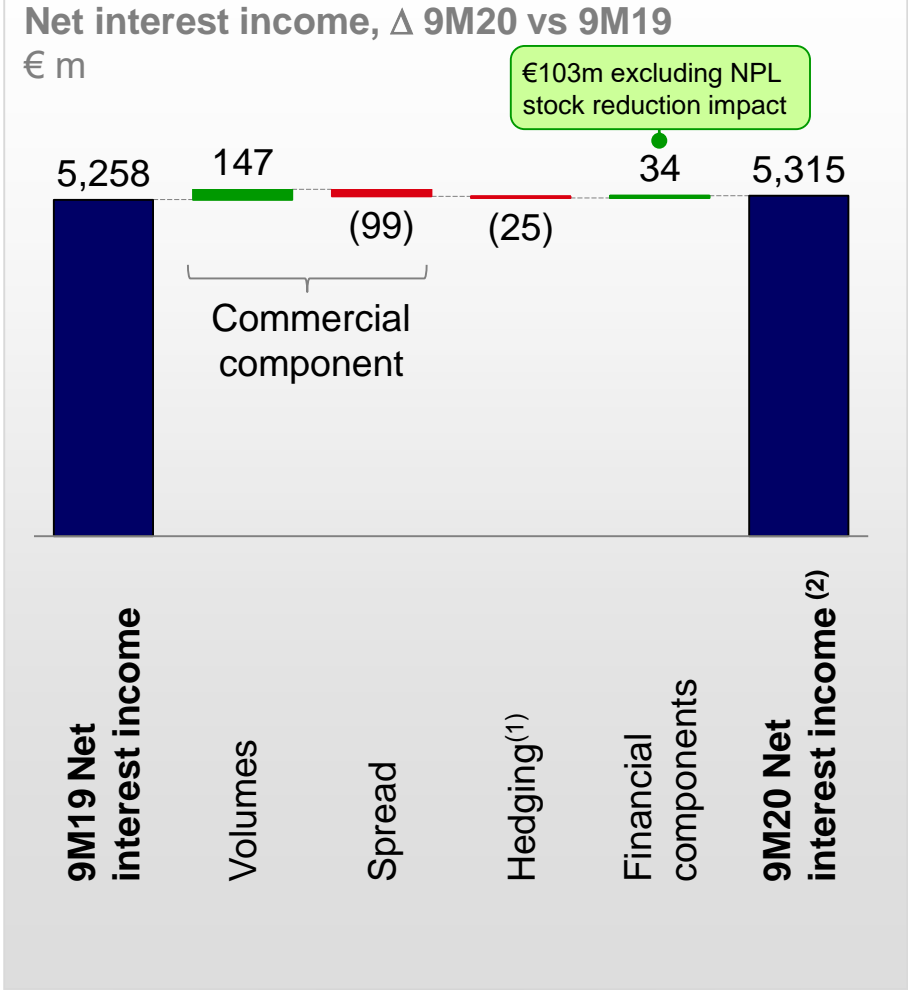


# Net Interest Income Growth on a Yearly and Quarterly Basis

## Quarterly comparison



## Yearly comparison

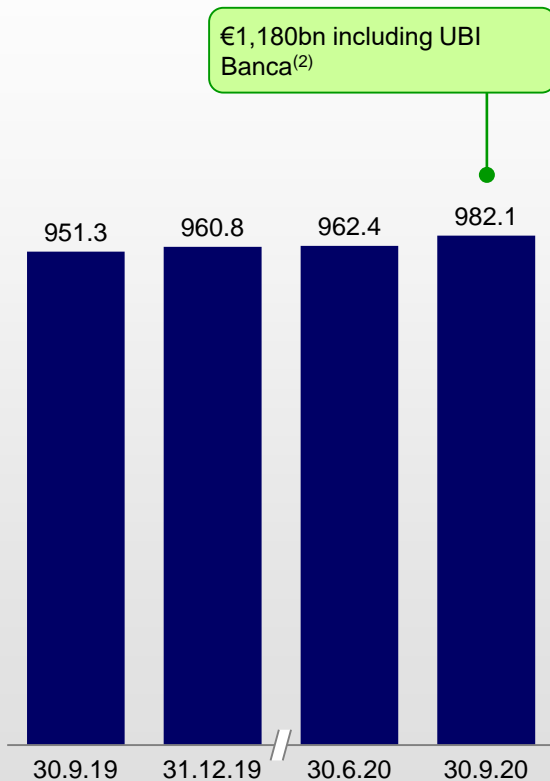


Note: figures may not add up exactly due to rounding  
 (1) ~€125m benefit from hedging on core deposits in 9M20, of which ~€45m in 3Q20  
 (2) Excluding the two-month contribution to the P&L of the operations of UBI Banca

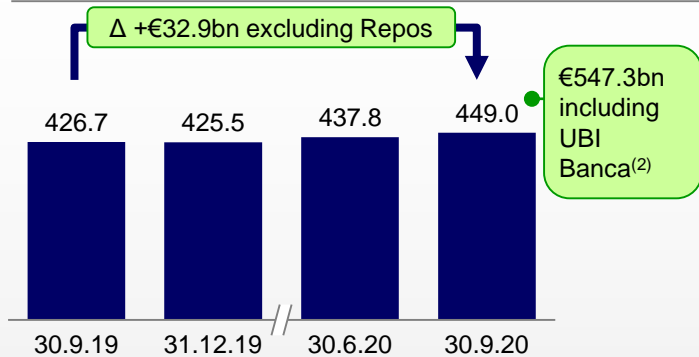
# €1 Trillion in Customer Financial Assets

## Customer financial assets<sup>(1)</sup>

Excluding UBI Banca  
€ bn

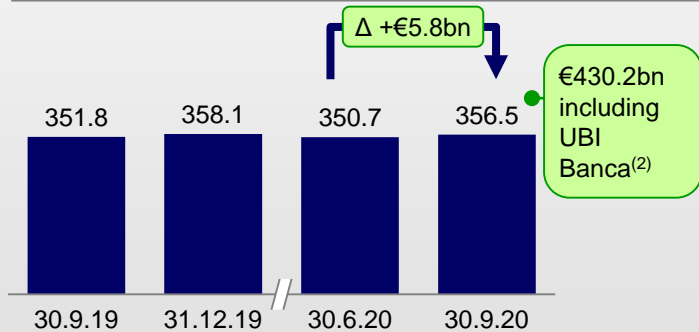


### Direct deposits



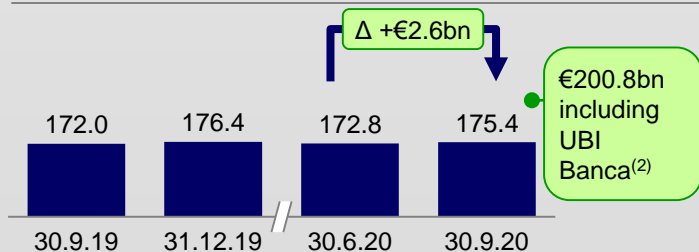
+€31bn in retail and corporate deposits in 9M (+€16bn in Q3)

### Assets under Management



- +€11.1bn of AuM Net inflow on a yearly basis (+€5.6bn in 9M, of which +€3bn in Q3)
- Decline vs 31.12.19 due to negative market performance

### Assets under Administration



Decline vs 31.12.19 due to negative market performance

f(x)

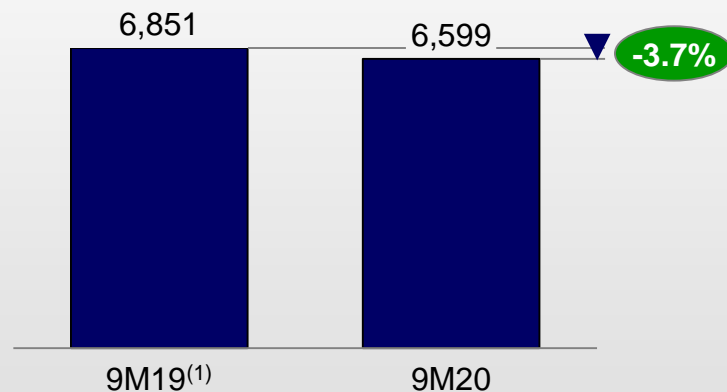
(1) Net of duplications between Direct Deposits and Indirect Customer Deposits  
 (2) Not considering the disposal to BPER Banca of a portion of branches and related assets and liabilities

# Continued Strong Reduction in Operating Costs while Investing for Growth

## Operating costs

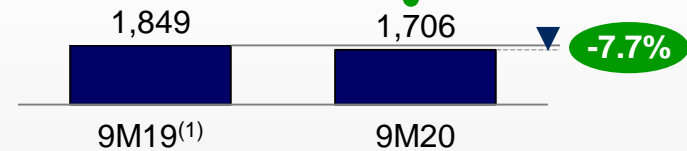
Excluding UBI Banca  
€ m

### Total Operating costs

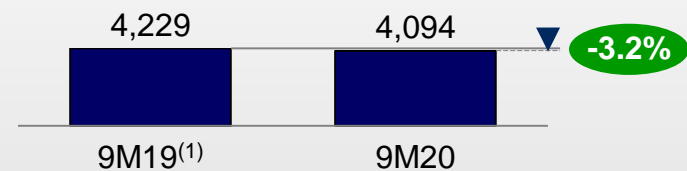


### Administrative costs

Lowest-ever Administrative costs

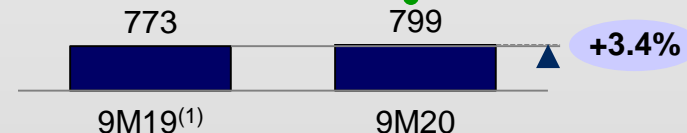


### Personnel costs



### Depreciation

Investing for growth (+5.8% on a yearly basis for IT, Digital, Protection), while rationalising real estate and others (-0.9%)



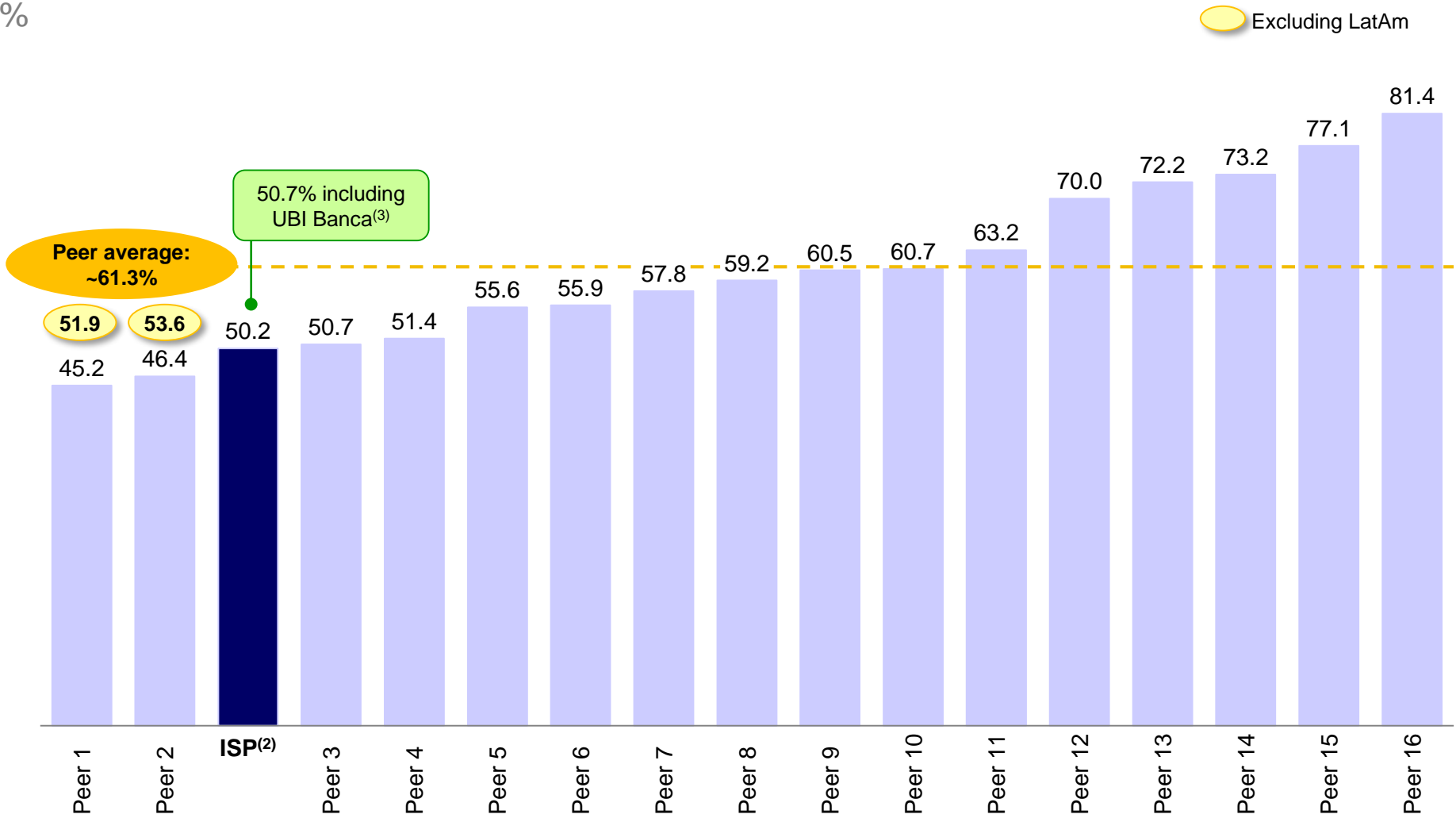
f(x)

- ISP maintains high strategic flexibility in managing costs
- ~3,000 headcount reduction on a yearly basis, of which 1,555 in Q3
- ~500 additional voluntary exits by June 2021 (of which ~100 by the end of 2020) already agreed with labour unions and fully provisioned (not including the agreement of at least 5,000 additional voluntary exits with up to 2,500 hires by 2023 signed on 29.9.20, related to the combination with UBI Banca)
- Further possible branch reduction in light of the Banca 5<sup>®</sup>-SisalPay strategic partnership and combination with UBI Banca

(1) Data restated for the full line-by-line deconsolidation of the acquiring activities related to the Nexi agreement and to take into account the effects on Operating costs of the Prelios agreement related to UTP servicing and the RBM Assicurazione Salute acquisition

# One of the Best Cost/Income Ratios in Europe

Cost/Income<sup>(1)</sup>  
%



(1) Sample: Barclays, BBVA, BNP Paribas, Credit Suisse, Deutsche Bank, HSBC, Lloyds Banking Group, Nordea, Santander, Standard Chartered and UBS (30.9.20 data); Commerzbank, Crédit Agricole S.A., ING Group, Société Générale and UniCredit (30.6.20 data)

(2) Excluding UBI Banca

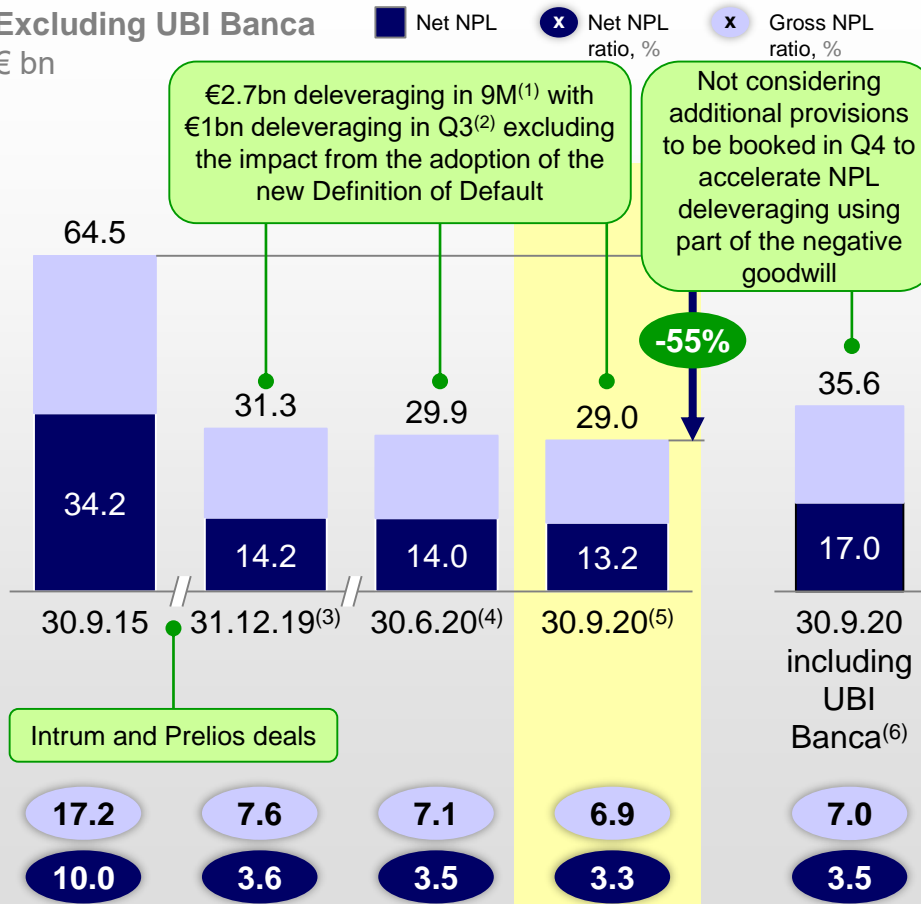
(3) Including UBI Banca for the period 5.8.20-30.9.20, not considering the disposal to BPER Banca of a portion of branches and related assets and liabilities

# Continuous Improvement in Asset Quality, with the Lowest NPL Stock since 2008, Together with the Lowest-ever 9M and Quarterly Gross NPL Inflow

## NPL stock

Excluding UBI Banca

€ bn

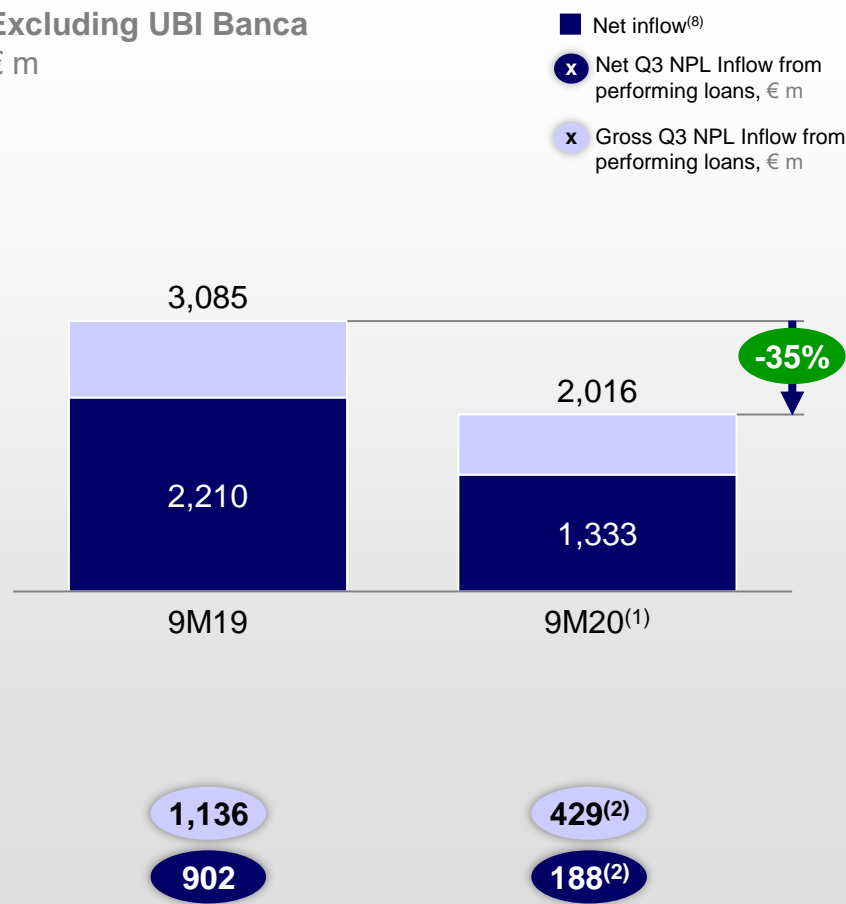


**20<sup>th</sup> quarter of continuous deleveraging at no cost to shareholders**

## Gross 9M NPL inflow<sup>(7)</sup> from performing loans

Excluding UBI Banca

€ m



**Lowest-ever 9M<sup>(1)</sup> and quarterly<sup>(2)</sup> Gross NPL Inflow**

(1) Excluding the ~€0.4bn gross impact in 9M from the adoption of the new Definition of Default applied since November 2019 and excluding UBI Banca

(2) Excluding the ~€0.1bn gross impact in Q3 from the adoption of the new Definition of Default applied since November 2019 and excluding UBI Banca

(3) Including the ~€0.6bn gross impact from the adoption of the new Definition of Default applied since November 2019 and excluding UBI Banca

(4) Including the ~€0.9bn gross impact from the adoption of the new Definition of Default applied since November 2019 and excluding UBI Banca

(5) Including the ~€1bn gross impact from the adoption of the new Definition of Default applied since November 2019 and excluding UBI Banca

(6) Not considering the disposal to BPER Banca of a portion of branches and related assets and liabilities and not considering additional provisions to be booked in Q4 using part of the negative goodwill

(7) Inflow to NPL (Bad Loans, Unlikely to Pay and Past Due) from performing loans. Excluding UBI Banca

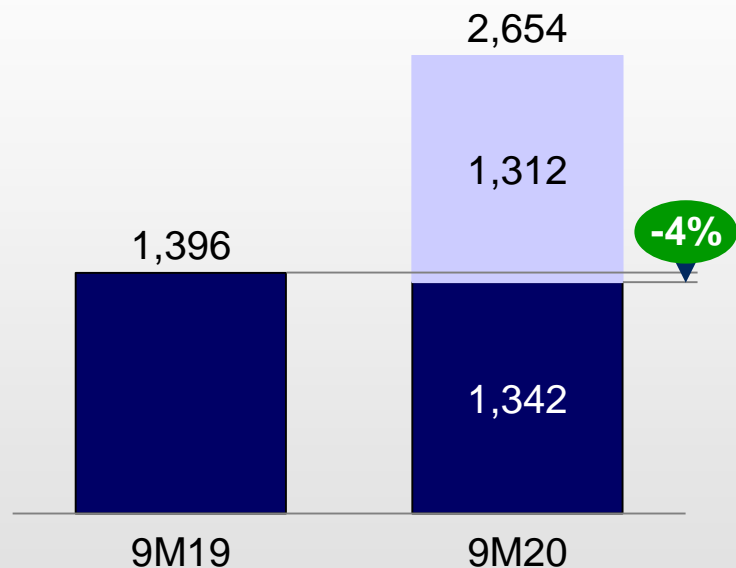
(8) Inflow to NPL (Bad Loans, Unlikely to Pay and Past Due) from performing loans minus outflow from NPL into performing loans. Excluding UBI Banca

# Loan Loss Provisions Down, Excluding €1.3bn Provisions for Future COVID-19 Impacts

## Loan loss provisions

Excluding UBI Banca  
€ m

Provisions for future COVID-19 impacts

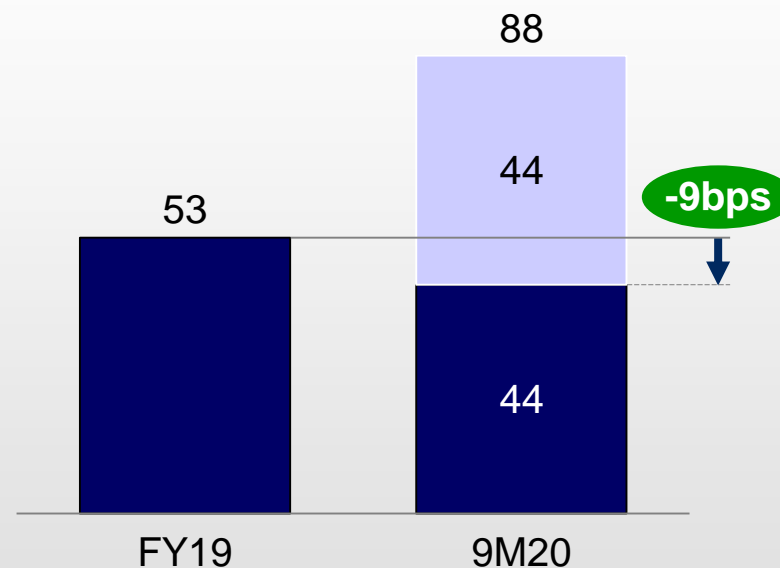


Loan loss provisions down 3.9%, excluding provisions for future COVID-19 impacts

## Cost of risk<sup>(1)</sup>

Excluding UBI Banca  
bps

Provisions for future COVID-19 impacts



Annualised cost of risk at 44bps (vs 53bps in FY19) excluding provisions for future COVID-19 impacts

(1) Annualised

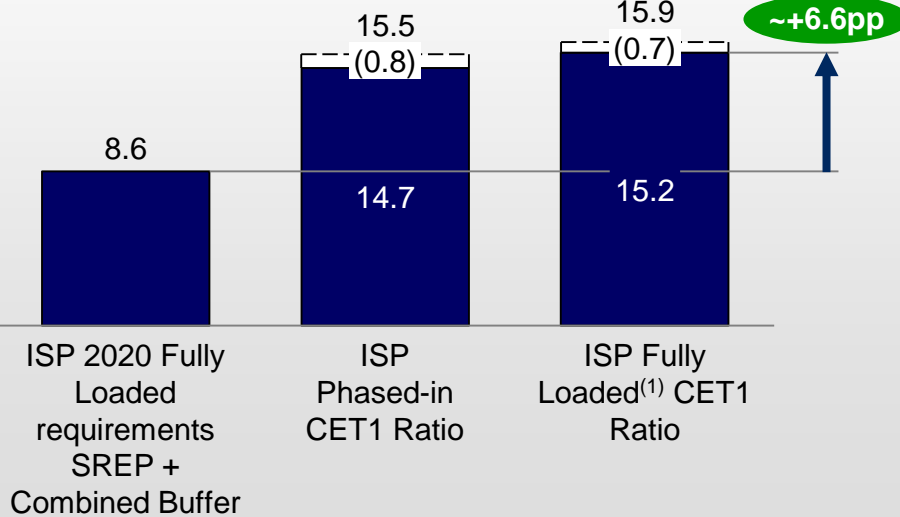
# Rock-Solid Capital Base even Higher, Well Above Regulatory Requirements

## ISP CET1 Ratios vs requirements SREP + Combined Buffer

30.9.20, %

☐ Impact from the combination with UBI Banca

After €2.3bn deduction of accrued dividends, based on the 75% Business Plan payout ratio for 2020

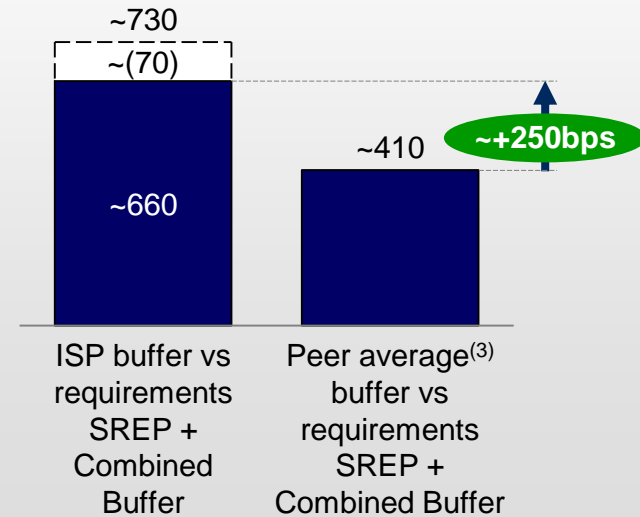


~+100bps in Q3 excluding the negative impact from the combination with UBI Banca

## Fully Loaded CET1 Ratio Buffer vs requirements SREP + Combined Buffer<sup>(2)</sup>

30.9.20, bps

☐ Impact from the combination with UBI Banca



~€22bn excess capital

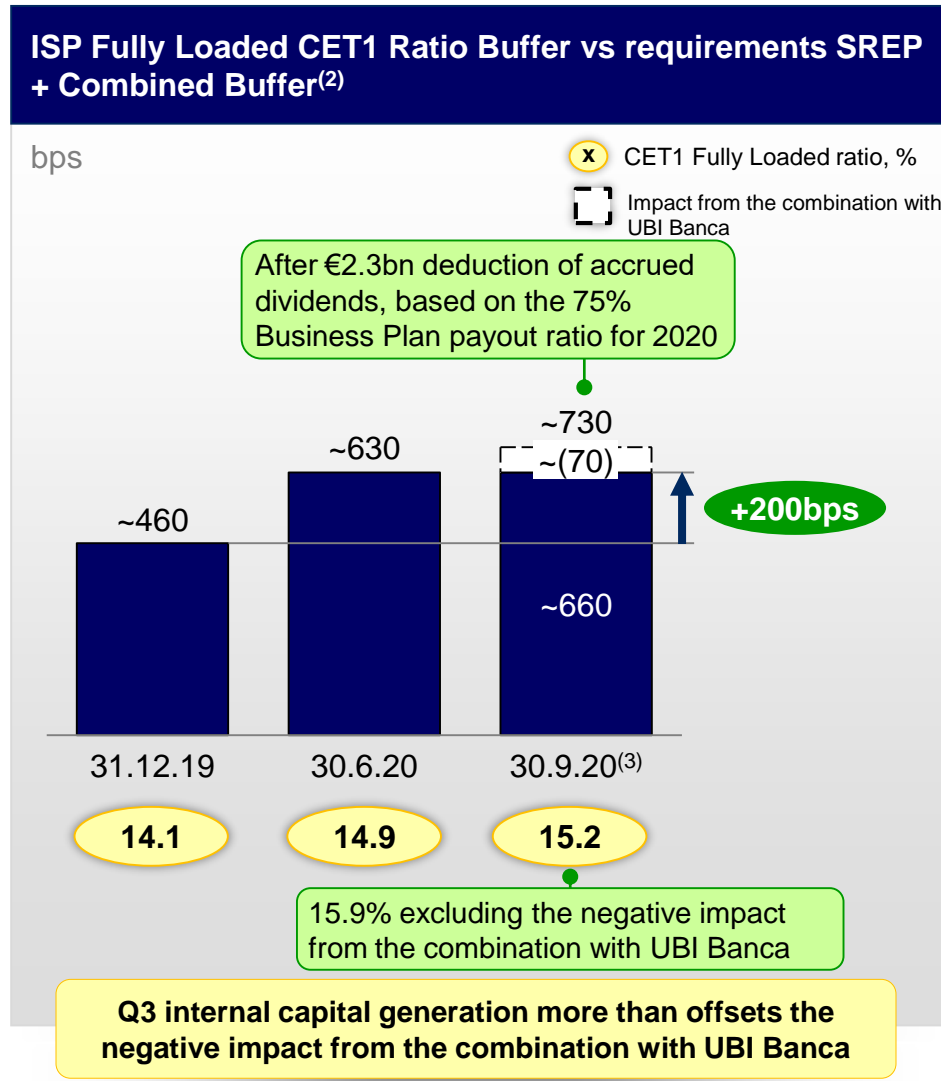
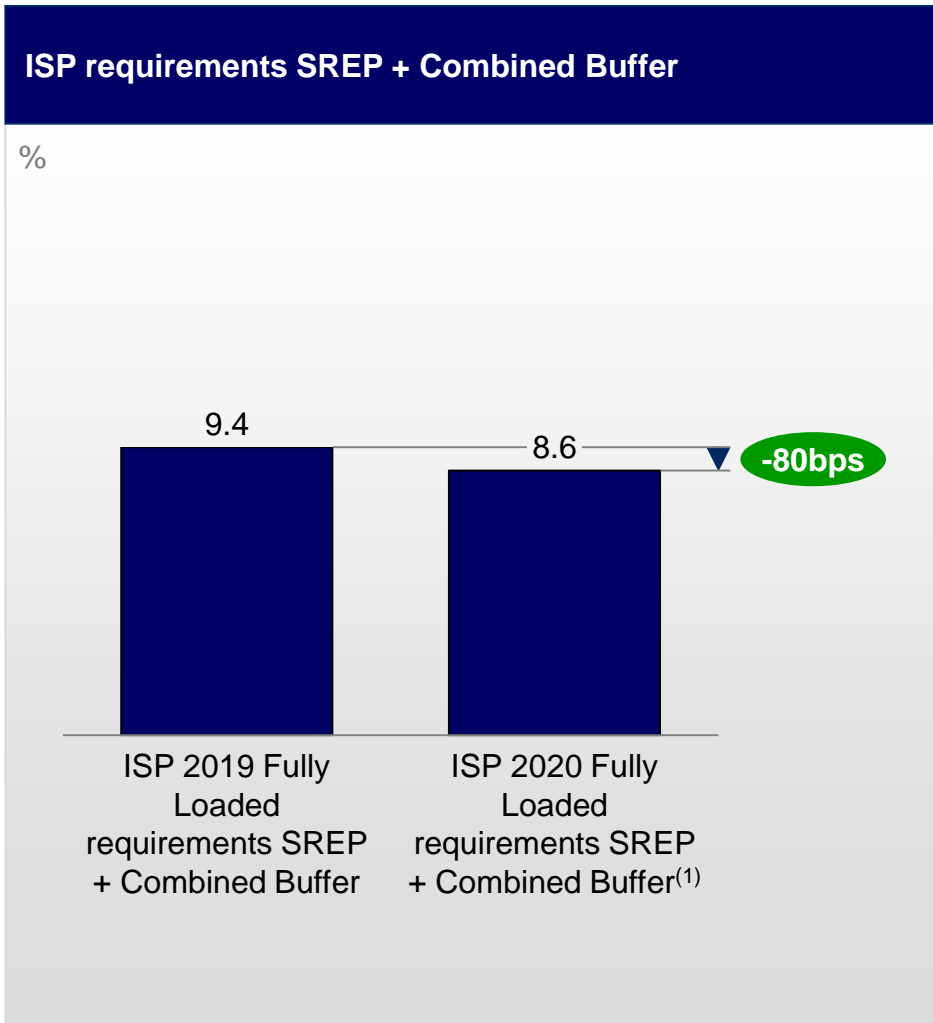
Note: figures may not add up exactly due to rounding

(1) Pro-forma fully loaded Basel 3 (30.9.20 financial statements considering the total absorption of DTA related to IFRS9 FTA, goodwill realignment/adjustments to loans/non-taxable public cash contribution of €1,285m covering the integration and rationalisation charges relating to the acquisition of the operations of the two former Venetian banks, the expected absorption of DTA on losses carried forward and arising from the disposal to BPER Banca of a portion of branches and related assets and liabilities and the expected distribution of 9M20 Net income of insurance companies)

(2) Calculated as the difference between the Fully Loaded CET1 Ratio vs requirements SREP + Combined Buffer; only top European banks that have communicated their SREP requirement

(3) Sample: BBVA, BNP Paribas, Deutsche Bank, Nordea and Santander (30.9.20 data); Commerzbank, Crédit Agricole Group, ING Group, Société Générale and UniCredit (30.6.20 data). Source: Investors' Presentations, Press Releases, Conference Calls, Financial Statements

# Increased Capital Buffer vs Regulatory Requirements



Note: figures may not add up exactly due to rounding

(1) Taking into account the regulatory changes introduced by the ECB on 12.3.20, which require that the Pillar 2 requirement can be respected by partially using equity instruments other than CET1 and contextual revisions of the Countercyclical Capital Buffer by the competent national authorities in the various countries

(2) Calculated as the difference between the Fully Loaded CET1 Ratio vs requirements SREP + Combined Buffer

(3) Pro-forma fully loaded Basel 3 (30.9.20 financial statements considering the total absorption of DTA related to IFRS9 FTA, goodwill realignment/adjustments to loans/non-taxable public cash contribution of €1,285m covering the integration and rationalisation charges relating to the acquisition of the operations of the two former Venetian banks, the expected absorption of DTA on losses carried forward and arising from the disposal to BPER Banca of a portion of branches and related assets and liabilities and the expected distribution of 9M20 Net income of insurance companies)

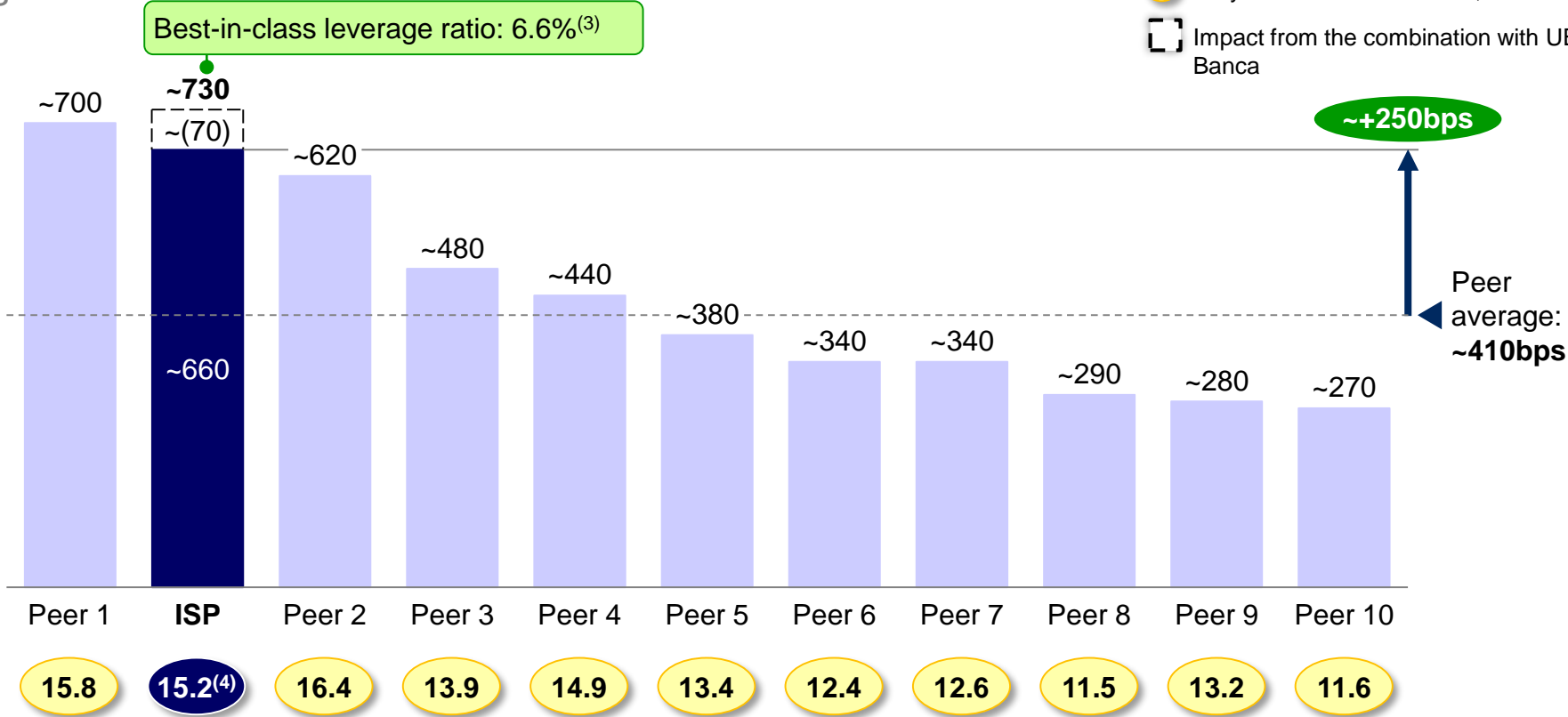


# Best-in-Class Excess Capital

## Fully Loaded CET1 Ratio Buffer vs requirements SREP + Combined Buffer<sup>(1)(2)</sup>

bps

● Fully Loaded CET1 Ratio<sup>(2)</sup>, %  
 □ Impact from the combination with UBI Banca



Note: figures may not add up exactly due to rounding

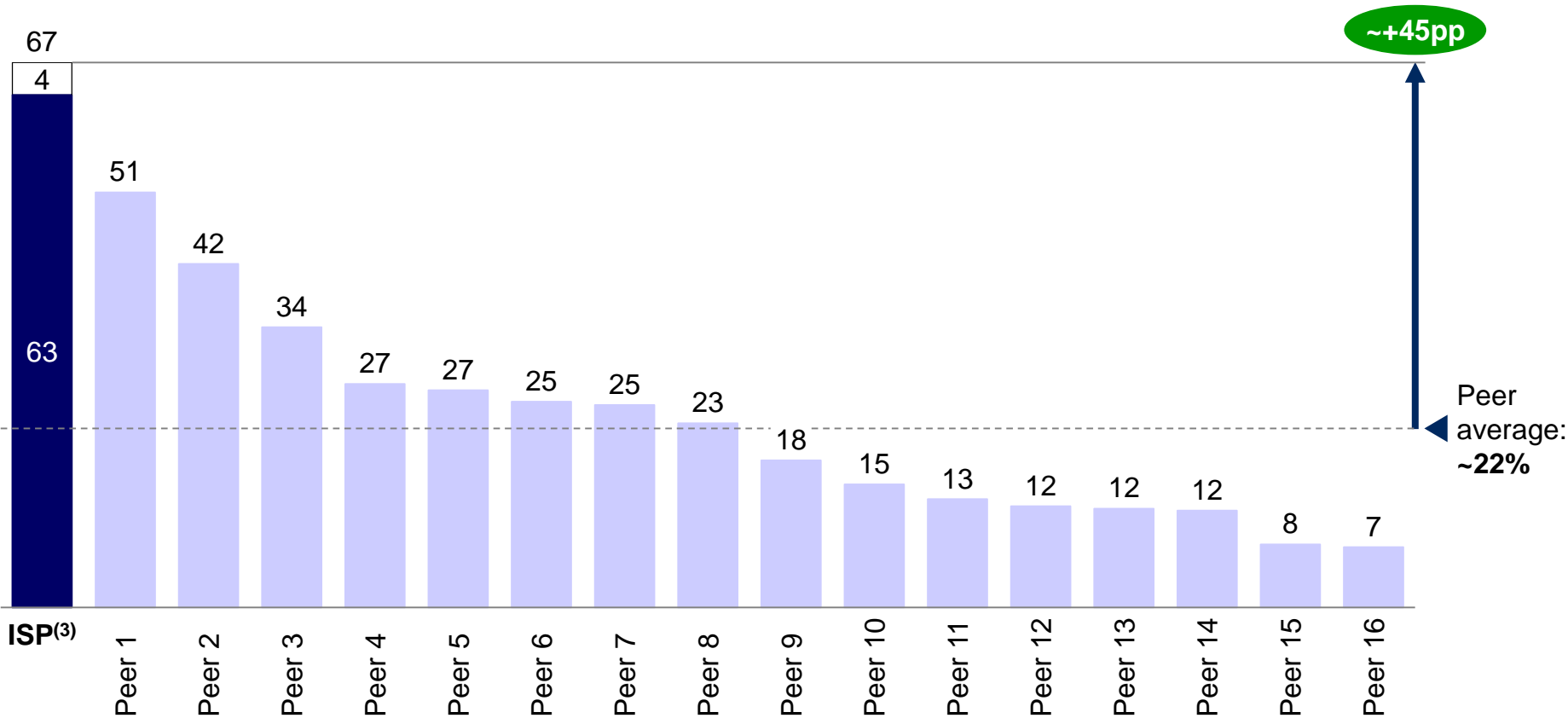
(1) Calculated as the difference between the Fully Loaded CET1 ratio vs requirements SREP + Combined Buffer; the Countercyclical Capital Buffer is estimated; only top European banks that have communicated their SREP requirement  
 (2) Sample: BBVA, BNP Paribas, Deutsche Bank, Nordea and Santander (30.9.20 data); Commerzbank, Crédit Agricole Group, ING Group, Société Générale and UniCredit (30.6.20 data). Source: Investors' Presentations, Press Releases, Conference Calls, Financial Statements  
 (3) Including UBI Banca (6.9% excluding UBI Banca)  
 (4) Pro-forma fully loaded Basel 3 (30.9.20 financial statements considering the total absorption of DTA related to IFRS9 FTA, goodwill realignment/adjustments to loans/non-taxable public cash contribution of €1,285m covering the integration and rationalisation charges relating to the acquisition of the operations of the two former Venetian banks, the expected absorption of DTA on losses carried forward and arising from the disposal to BPER Banca of a portion of branches and related assets and liabilities and the expected distribution of 9M20 Net income of insurance companies)

# Best-in-Class Risk Profile in Terms of Financial Illiquid Assets

Fully Loaded CET1<sup>(1)</sup>/Total financial illiquid assets<sup>(2)</sup>

%

□ Impact from the combination with UBI Banca



**More than €280bn in Liquid assets<sup>(4)</sup> with LCR and NSFR well above 100%**

(1) Fully Loaded CET1. Sample: Barclays, BBVA, BNP Paribas, Credit Suisse, Deutsche Bank, HSBC, Lloyds Banking Group, Nordea, Santander, Standard Chartered and UBS (30.9.20 data); Commerzbank, Crédit Agricole Group, ING Group, Société Générale and UniCredit (30.6.20 data)  
 (2) Total illiquid assets include Net NPL, Level 2 assets and Level 3 assets. Sample: BBVA, Barclays, Deutsche Bank, Credit Suisse, Nordea, HSBC, Santander, Standard Chartered and UBS (Net NPL 30.9.20 data); BNP Paribas, Commerzbank, Crédit Agricole Group, ING Group, Lloyds Banking Group, Société Générale and UniCredit (Net NPL 30.6.20 data); Level 2 assets and Level 3 assets 30.6.20 data  
 (3) 58% including the effect of Real Estate and Art, Culture and Historical Heritage portfolio revaluation and excluding UBI Banca (61% including UBI Banca)  
 (4) Stock of own-account eligible assets (including assets used as collateral and excluding eligible assets received as collateral) and cash and deposits with Central Banks and including UBI Banca (€235bn excluding UBI Banca)

# Reconciliation Between Net Income and Stated Net Income

€ m

P&L	Intesa Sanpaolo Group Q3 P&L			Intesa Sanpaolo Group 9M P&L	
	Stated <sup>(1)</sup>	UBI Banca contribution for the period 5.8.20-30.9.20	Excluding the operations of UBI Banca and negative goodwill <sup>(2)</sup>	Stated <sup>(1)</sup>	Excluding the operations of UBI Banca and negative goodwill <sup>(2)</sup>
Net interest income	2,099	281	1,818	5,596	5,315
Net fees and commissions	2,133	272	1,861	5,721	5,449
Profits on trading	126	5	121	1,383	1,378
Insurance income	298	3	295	1,034	1,031
Other operating income/expenses	2	14	(12)	(1)	(15)
<b>Operating income</b>	<b>4,658</b>	<b>575</b>	<b>4,083</b>	<b>13,733</b>	<b>13,158</b>
Personnel	(1,595)	(237)	(1,358)	(4,331)	(4,094)
Admin.	(658)	(88)	(570)	(1,794)	(1,706)
Depreciation	(303)	(35)	(268)	(834)	(799)
<b>Operating margin</b>	<b>2,102</b>	<b>215</b>	<b>1,887</b>	<b>6,774</b>	<b>6,559</b>
Loan loss provisions	(938)	(85)	(853)	(2,739)	(2,654)
Other charges/gains <sup>(3)</sup>	(44)	(7)	(37)	944	951
<b>Gross income</b>	<b>1,120</b>	<b>123</b>	<b>997</b>	<b>4,979</b>	<b>4,856</b>
Taxes	(320)	(31)	(289)	(1,194)	(1,163)
Other <sup>(4)</sup>	3,010	3,211	(201)	2,591	(620)
<b>Net income</b>	<b>3,810</b>	<b>3,303</b>	<b>507</b>	<b>6,376</b>	<b>3,073</b>

UBI Banca two-month contribution (€39m Net income) not representative of future profitability and impacted by €48m (net of tax) of full-year contribution to the Deposit Guarantee Scheme

- (1) Including the estimated negative goodwill arising from the combination with UBI Banca (€3,264m net of the impact from the disposal to BPER Banca of a portion of branches and related assets and liabilities) and the two-month contribution of UBI Banca operations (€39m Net income for the period 5.8.20-30.9.20, not considering the disposal to BPER Banca of a portion of branches and related assets and liabilities)
- (2) Excluding the estimated negative goodwill arising from the combination with UBI Banca (€3,264m net of the impact from the disposal to BPER Banca of a portion of branches and related assets and liabilities) and the two-month contribution of UBI Banca operations (€39m Net income for the period 5.8.20-30.9.20, not considering the disposal to BPER Banca of a portion of branches and related assets and liabilities)
- (3) Net provisions and net impairment losses on other assets, Other income (expenses), Income (Loss) from discontinued operations
- (4) Charges (net of tax) for integration and exit incentives, Effect of purchase price allocation (net of tax), Levies and other charges concerning the banking industry (net of tax), Impairment (net of tax) of goodwill and other intangible assets, Minority interests

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ISP Is Successfully Managing a Challenging Environment

9M20: Excellent Nine-Month Performance

**Combination with UBI Banca**

Final Remarks

# ISP Has Completed a Large Number of Key UBI Integration Activities

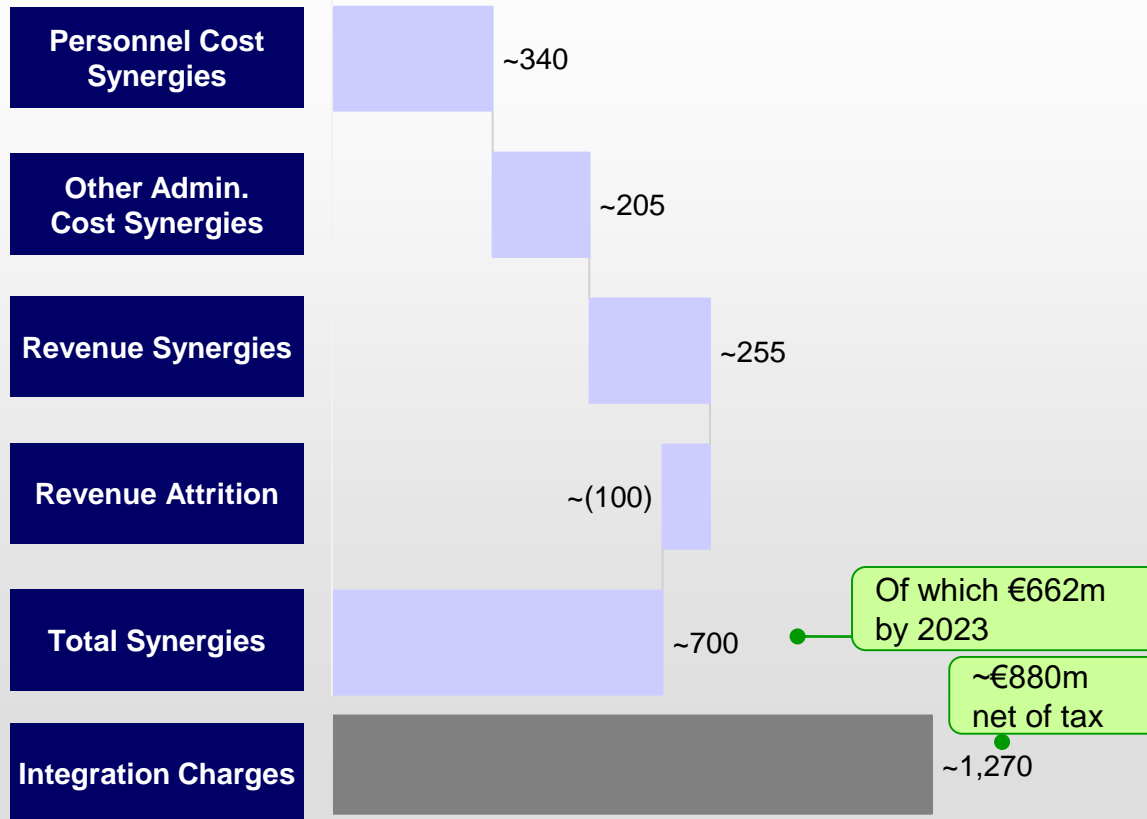
	Description	Delivered
<b>Governance and operational activities</b>	<ul style="list-style-type: none"> <li>Set up a <b>core team dedicated</b> to the integration</li> </ul>	
	<ul style="list-style-type: none"> <li>Appointed <b>UBI Banca's new Board of Directors</b></li> </ul>	
	<ul style="list-style-type: none"> <li>Signed <b>labour union agreement</b> (~3 months in advance) for at least 5,000 voluntary exits and up to 2,500 hires, with no social costs</li> </ul>	
	<ul style="list-style-type: none"> <li>Ongoing <b>HR interviews with UBI Banca management</b></li> </ul>	
	<ul style="list-style-type: none"> <li>Ongoing prioritisation of <b>gaps identified</b> between ISP and UBI Banca systems, for <b>ISP-UBI Banca integration</b></li> </ul>	
	<ul style="list-style-type: none"> <li>Ongoing prioritisation of <b>gaps identified</b> between UBI Banca and BPER systems, necessary for <b>branch disposal</b></li> </ul>	
	<ul style="list-style-type: none"> <li>Completed mapping of the <b>ESG/Impact initiatives of ISP and UBI Banca</b></li> </ul>	
	<ul style="list-style-type: none"> <li>Completed all the <b>mandatory activities</b> foreseen by the integration plan to date (365 activities as of 15.10.20)</li> </ul>	
	<ul style="list-style-type: none"> <li><b>Adoption</b> by UBI Banca of <b>ISP Group code</b></li> </ul>	
	<b>Business activities</b>	<ul style="list-style-type: none"> <li>Ongoing <b>integration of the commercial networks</b> (already launched joint commercial initiatives)</li> </ul>
<ul style="list-style-type: none"> <li><b>Alignment</b> of <b>ATM withdrawal fees</b></li> </ul>		
<ul style="list-style-type: none"> <li>Almost completed <b>alignment</b> of <b>credit policies</b> (e.g., by sector)</li> </ul>		
<ul style="list-style-type: none"> <li>Ongoing <b>alignment</b> of <b>pricing policies</b> of ISP and UBI Banca retail business</li> </ul>		
<ul style="list-style-type: none"> <li>Identified <b>solution for Pramerica product placement</b> in the network and identified <b>target and transitional commercial offer</b></li> </ul>		
<ul style="list-style-type: none"> <li>Completed <b>UBI Banca life, non-life and health</b> product catalog analysis, including <b>comparison</b> with <b>ISP</b> products</li> </ul>		

# ISP Outside-In Analysis Showed ~€700m of Expected Synergies by 2024...

## Pre-tax annual synergies

Outside-in synergies/integration charges estimates as stated in the Offer Document in June 2020

€ m



...which are now considered as a floor both on the revenue and cost side after initial joint analysis

## Key Considerations

- **No social impact.** All exits will be on a voluntary basis
- **At least ~5,000 expected voluntary exits<sup>(1)</sup>**
- **Hire one new young person for every two voluntary exits**
- **Enhance operational structure** both at headquarter and distribution network levels
- **Alignment of UBI Banca productivity and commercial proposition to ISP best practices**
- **Revenue synergies** benefitting from UBI Banca product factories integration
- **Integration charges** expensed in 2020 covered by part of the negative goodwill arising from the transaction

Strong acceleration in UBI Banca commercial performance in October

(1) Including ~1,000 applications for voluntary exits already received and under valuation by ISP

# ISP Fully Respected the Timing to Complete the Exchange Offer and Has Already Planned the Next Steps for the Integration of UBI Banca

NOT EXHAUSTIVE

		Delivered
17 February 2020	ISP's Notice pursuant to Art. 102	✓
25 June 2020	Approval of the Exchange Offer Document by CONSOB	✓
6 – 30 July 2020	Exchange Offer period	✓
5 August 2020	Settlement of the Exchange Offer	✓
29 September 2020	Agreement with labour unions for at least 5,000 voluntary exits and up to 2,500 new hires by 2023	✓
5 October 2020	Settlement of the Squeeze-out and delisting of UBI Banca	✓
15 October 2020	Appointment of a new Board of Directors for UBI Banca	✓
By December 2020	Definition of the carved-out perimeter subject to disposal	Next Steps
By December 2020	Additional Loan loss provisions to accelerate NPL deleveraging	
By February 2021	Disposal of branches and related assets and liabilities to BPER Banca	
By April 2021	Merger of UBI Banca into ISP and completion of IT integration	
By December 2021	Completion of integration of the two Groups and – wherever possible – integration of UBI Banca's Product Companies	
By December 2021	UBI Banca gross NPL disposal on highly-provisioned positions	

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ISP Is Successfully Managing a Challenging Environment

9M20: Excellent Nine-Month Performance

Combination with UBI Banca

**Final Remarks**



# ISP Is Fully Equipped to Succeed in this Challenging Environment

## ISP is fully equipped for this challenging environment:

- Best-in-class **excess capital**, low **leverage** and strong **liquidity**
- **€1,312m<sup>(1)</sup>** in additional **provisions** already booked in 9M to tackle future COVID-19 impacts
- **Low NPL stock**, with **robust coverage** at 54.4%<sup>(1)</sup>
- Well-diversified and resilient **business model**
- High **strategic flexibility in managing costs**, with Cost/Income ratio at 50.2%<sup>(1)</sup>

## ISP delivered excellent performance in 9M:

- **Second-best 9M Net income since 2008<sup>(1)</sup>** (~€3bn minimum Net income target for 2020 already achieved)
- **Strong recovery in Net interest income and Commissions** in Q3
- **Strong cost reduction**
- **Lowest-ever 9M and quarterly Gross NPL inflow**
- **Common Equity Ratio up ~+100bps in Q3** excluding the negative impact from the combination with UBI Banca

- **Continue delivering best-in-class profitability with:**
  - Minimum ~€3bn Net income in 2020 assuming cost of risk of ~90bps, without considering the combination with UBI Banca
  - Minimum ~€3.5bn Net income in 2021 assuming cost of risk of ~70bps, without considering the combination with UBI Banca
  - Minimum ~€5bn Net income starting in 2022, including the benefits from the combination with UBI Banca
- **Maintain a solid capital position** (minimum Common Equity<sup>(2)</sup> ratio of 13%, even when taking into account the potential cash distribution from reserves in light of the 2019 Net income allocated to reserves, subject to ECB approval)
- **Deliver payout ratio** of 75% in 2020 and 70% in 2021<sup>(3)</sup>
- On top of the cash dividend from 2020 Net income, ISP will seek ECB approval for a **cash distribution to shareholders** from **reserves** in 2021 in light of the 2019 Net income allocated to reserves in 2020

- **The combination with UBI Banca is well underway and adds significant value by improving asset quality and delivering synergies with no social costs, and with very low execution risk**
- **New Business Plan by the end of 2021, as soon as the macroeconomic scenario becomes clearer**

(1) Excluding UBI Banca

(2) Pro-forma fully loaded Basel 3 (considering the total absorption of DTA related to IFRS9 FTA, goodwill realignment/adjustments to loans/non-taxable public cash contribution of €1,285m covering the integration and rationalisation charges relating to the acquisition of the operations of the two former Venetian banks, the expected absorption of DTA on losses carried forward and arising from the disposal to BPER Banca of a portion of branches and related assets and liabilities relating to the combination with UBI Banca). CET1 ratio fully phased in >12%

(3) Without considering the combination with UBI Banca. The same payout ratios apply when considering the combination with UBI Banca, excluding from 2020 Net income the portion generated by the negative goodwill not allocated to integration costs and accelerated NPL deleveraging



# 9M20 Results

Detailed Information

# 9M20: Key P&L Figures

€ m

	Including UBI Banca <sup>(1)</sup>	Excluding UBI Banca
Operating income	13,733	13,158
Operating costs	(6,959)	(6,599)
Cost/Income ratio	50.7%	50.2%
Operating margin	6,774	6,559
Gross income (loss)	4,979	4,856
Net income	6,376	3,073
Net income excluding negative goodwill <sup>(2)</sup>	3,112	

(1) Including UBI Banca from 5.8.20, not considering the impact from the disposal to BPER Banca of a portion of branches and related assets and liabilities

(2) €3,264m estimated, net of the impact from the disposal to BPER Banca of a portion of branches and related assets and liabilities. The effective determination of the negative goodwill will result from the outcome of the Purchase Price Allocation procedure envisaged by accounting principle IFRS3. Integration charges related to the UBI Banca combination and additional provisions to accelerate NPL deleveraging to be booked in Q4

# 9M20: Key Balance Sheet Figures

€ m

	Including UBI Banca <sup>(1)</sup>	Excluding UBI Banca
Loans to Customers	489,148	403,901
Customer Financial Assets <sup>(2)</sup>	1,179,606	982,116
of which Direct Deposits from Banking Business	547,328	449,007
of which Direct Deposits from Insurance Business and Technical Reserves	169,690	167,099
of which Indirect Customer Deposits	631,026	531,857
- Assets under Management	430,230	356,481
- Assets under Administration	200,796	175,376
RWA	342,251	285,775

Note: figures may not add up exactly due to rounding

(1) Not considering the impact from the disposal to BPER Banca of a portion of branches and related assets and liabilities

(2) Net of duplications between Direct Deposits and Indirect Customer Deposits

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**Detailed Consolidated P&L Results**

Liquidity, Funding and Capital Base

Asset Quality

Divisional Results and Other Information

# 9M20 vs 9M19: €3.1bn Net Income, Second-Best 9M Result since 2008

€ m

	9M19	9M20		Δ%
	pro-forma <sup>(1)</sup> [ A ]	(including UBI Banca <sup>(2)</sup> ) [ B ]	(excluding UBI Banca) [ C ]	[ C ]/[ A ]
Net interest income	5,258	5,596	5,315	1.1
Net fee and commission income	5,796	5,721	5,449	(6.0)
Income from insurance business	948	1,034	1,031	8.8
Profits on financial assets and liabilities at fair value	1,572	1,383	1,378	(12.3)
Other operating income (expenses)	14	(1)	(15)	n.m.
<b>Operating income</b>	<b>13,588</b>	<b>13,733</b>	<b>13,158</b>	<b>(3.2)</b>
Personnel expenses	(4,229)	(4,331)	(4,094)	(3.2)
Other administrative expenses	(1,849)	(1,794)	(1,706)	(7.7)
Adjustments to property, equipment and intangible assets	(773)	(834)	(799)	3.4
<b>Operating costs</b>	<b>(6,851)</b>	<b>(6,959)</b>	<b>(6,599)</b>	<b>(3.7)</b>
<b>Operating margin</b>	<b>6,737</b>	<b>6,774</b>	<b>6,559</b>	<b>(2.6)</b>
Net adjustments to loans	(1,396)	(2,739)	(2,654) <sup>(3)</sup>	90.1
Net provisions and net impairment losses on other assets	(86)	(224)	(217)	152.3
Other income (expenses)	5	5	5	0.0
Income (Loss) from discontinued operations	63	1,163	1,163	n.m.
<b>Gross income (loss)</b>	<b>5,323</b>	<b>4,979</b>	<b>4,856</b>	<b>(8.8)</b>
Taxes on income	(1,513)	(1,194)	(1,163)	(23.1)
Charges (net of tax) for integration and exit incentives	(79)	(77)	(77)	(2.5)
Effect of purchase price allocation (net of tax)	(105)	3,187 <sup>(4)</sup>	(77)	(26.7)
Levies and other charges concerning the banking industry (net of tax)	(338)	(474)	(425) <sup>(5)</sup>	25.7
Impairment (net of tax) of goodwill and other intangible assets	0	0	0	n.m.
Minority interests	22	(45)	(41)	n.m.
<b>Net income</b>	<b>3,310</b>	<b>6,376</b>	<b>3,073</b>	<b>(7.2)</b>

(3.9)% excluding €1,312m in provisions for future COVID-19 impacts

Note: figures may not add up exactly due to rounding

(1) Data restated for the full line-by-line deconsolidation of the acquiring activities related to the Nexi agreement and to take into account the effects on Operating costs of the Prelios agreement related to UTP servicing and the RBM Assicurazione Salute acquisition

(2) Including UBI Banca from 5.8.20, not considering the impact from the disposal to BPER Banca of a portion of branches and related assets and liabilities

(3) Including €1,312m in provisions for future COVID-19 impacts

(4) Including €3,264m estimated negative goodwill, net of the impact from the disposal to BPER Banca of a portion of branches and related assets and liabilities. The effective determination of the negative goodwill will result from the outcome of the Purchase Price Allocation procedure envisaged by accounting principle IFRS3. Integration charges related to the UBI Banca combination and additional provisions to accelerate NPL deleveraging to be booked in Q4

(5) €612m pre-tax of which charges for the Resolution Fund: €254m pre-tax (€175m net of tax), charges for the Deposit Guarantee Scheme: €226m pre-tax (€155m net of tax) and €86m pre-tax (€58m net of tax) for the additional contribution to the National Resolution Fund

# Q3 vs Q2: Strong Recovery in Net Interest Income and Commissions

€ m

	2Q20	3Q20		Δ%
	[ A ]	(including UBI Banca <sup>(1)</sup> ) [ B ]	(excluding UBI Banca) [ C ]	[ C ]/[ A ]
Net interest income	1,750	2,099	1,818	3.9
Net fee and commission income	1,744	2,133	1,861	6.7
Income from insurance business	367	298	295	(19.6)
Profits on financial assets and liabilities at fair value	263	126	121	(54.0)
Other operating income (expenses)	12	2	(12)	n.m.
<b>Operating income</b>	<b>4,136</b>	<b>4,658</b>	<b>4,083</b>	<b>(1.3)</b>
Personnel expenses	(1,380)	(1,595)	(1,358)	(1.6)
Other administrative expenses	(583)	(658)	(570)	(2.2)
Adjustments to property, equipment and intangible assets	(267)	(303)	(268)	0.4
<b>Operating costs</b>	<b>(2,230)</b>	<b>(2,556)</b>	<b>(2,196)</b>	<b>(1.5)</b>
<b>Operating margin</b>	<b>1,906</b>	<b>2,102</b>	<b>1,887</b>	<b>(1.0)</b>
Net adjustments to loans	(1,398) <sup>(2)</sup>	(938)	(853) <sup>(3)</sup>	(39.0)
Net provisions and net impairment losses on other assets	262	(67)	(60)	n.m.
Other income (expenses)	(21)	23	23	n.m.
Income (Loss) from discontinued operations	1,134	0	0	(100.0)
<b>Gross income (loss)</b>	<b>1,883</b>	<b>1,120</b>	<b>997</b>	<b>(47.1)</b>
Taxes on income	(313)	(320)	(289)	(7.7)
Charges (net of tax) for integration and exit incentives	(35)	(27)	(27)	(22.9)
Effect of purchase price allocation (net of tax)	(24)	3,237 <sup>(4)</sup>	(27)	12.5
Levies and other charges concerning the banking industry (net of tax)	(86)	(197)	(148) <sup>(5)</sup>	72.1
Impairment (net of tax) of goodwill and other intangible assets	0	0	0	n.m.
Minority interests	(10)	(3)	1	n.m.
<b>Net income</b>	<b>1,415</b>	<b>3,810</b>	<b>507</b>	<b>(64.2)</b>

Note: figures may not add up exactly due to rounding

(1) Including UBI Banca from 5.8.20, not considering the impact from the disposal to BPER Banca of a portion of branches and related assets and liabilities

(2) Including €882m in provisions for future COVID-19 impacts

(3) Including €430m in provisions for future COVID-19 impacts

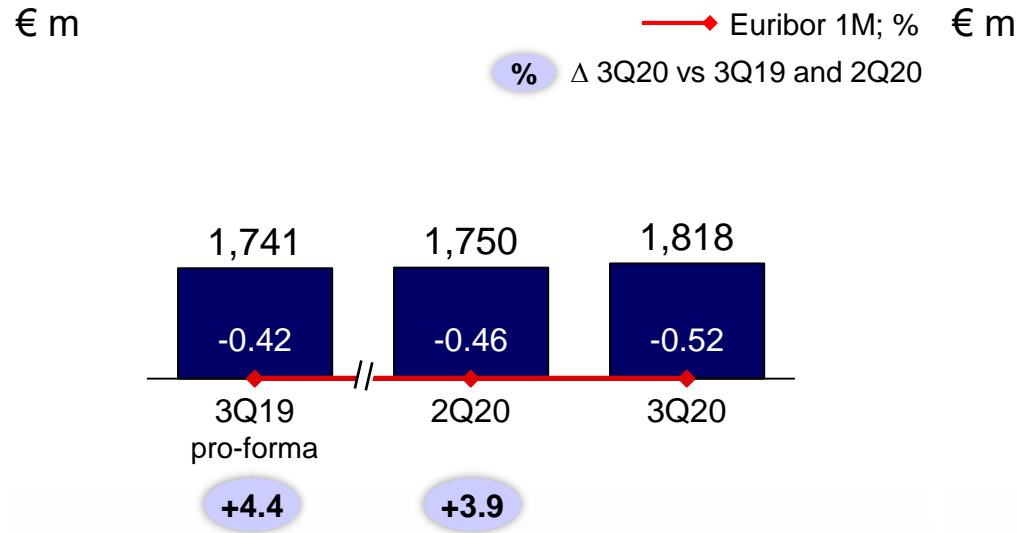
(4) Including €3,264m estimated negative goodwill, net of the impact from the disposal to BPER Banca of a portion of branches and related assets and liabilities. The effective determination of the negative goodwill will result from the outcome of the Purchase Price Allocation procedure envisaged by accounting principle IFRS3. Integration charges related to the UBI Banca combination and additional provisions to accelerate NPL deleveraging to be booked in Q4

(5) €218m pre-tax

# Net Interest Income: Yearly and Quarterly Growth Despite All-Time Low Interest Rates

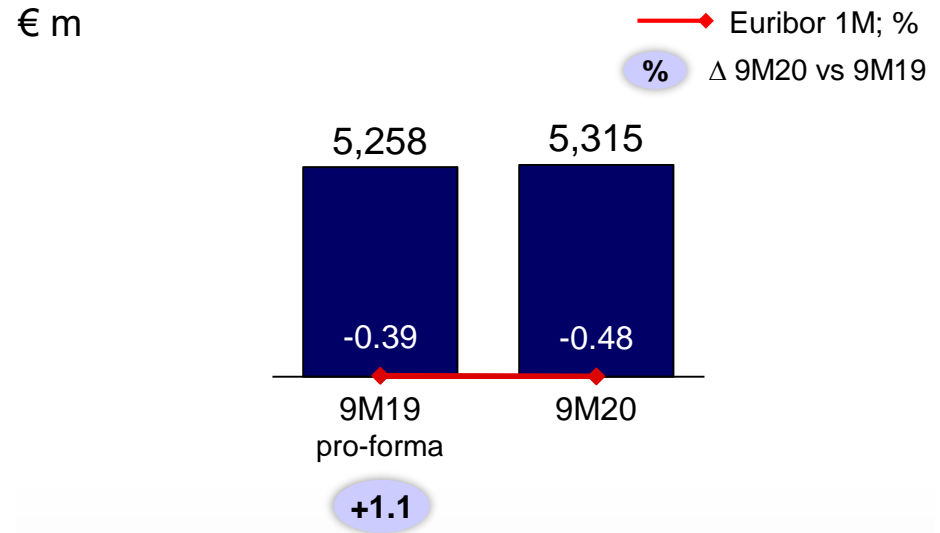
Data excluding UBI Banca

## Quarterly Analysis



- Strong growth vs 2Q20 (+3.9%) and vs 3Q19 (+4.4%) despite continued all-time low interest rates
- 3.1% growth in average Direct deposits from banking business vs Q2 (+7.2% vs 3Q19)
- 5.0% growth in average Performing loans to customers vs 3Q19

## Yearly Analysis



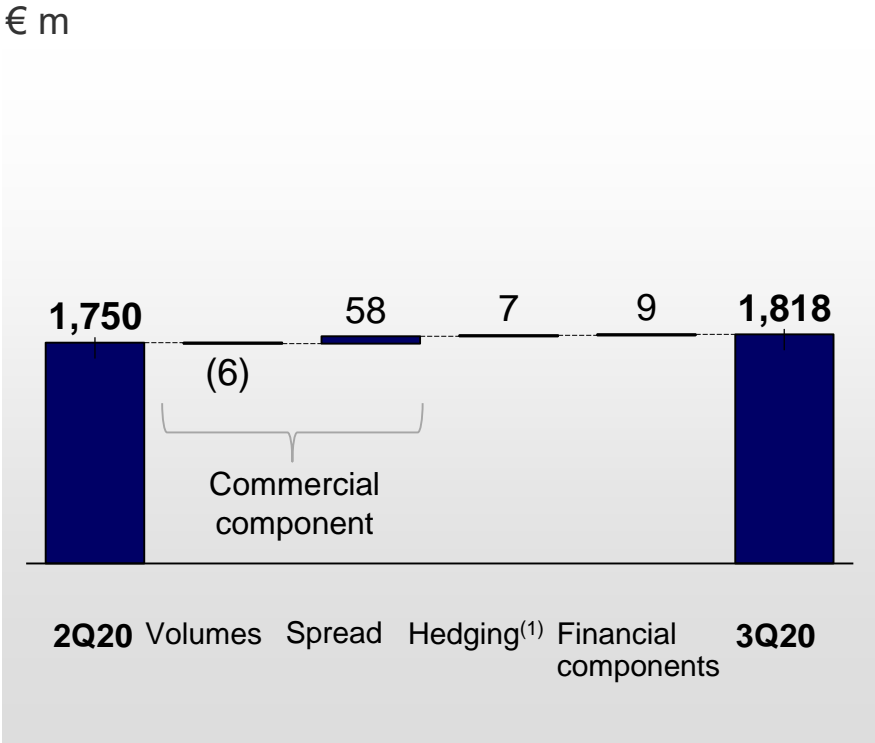
- Increase mainly due to the commercial component
- 4.9% growth in average Direct deposits from banking business
- 4.9% growth in average Performing loans to customers



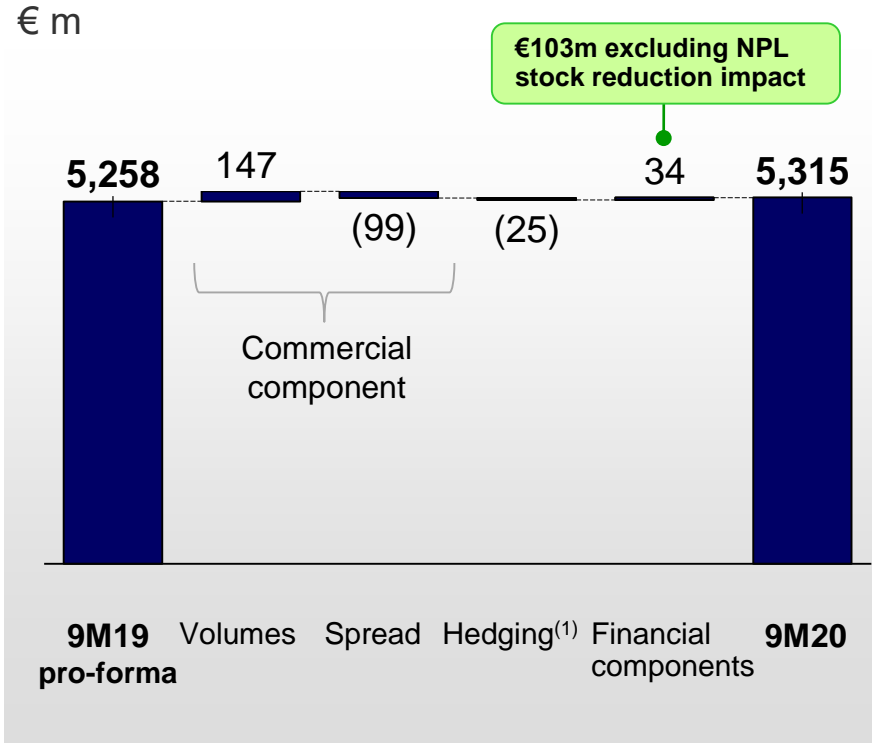
# Net Interest Income: Increase Mainly Due to Commercial Component Growth

Data excluding UBI Banca

## Quarterly Analysis



## Yearly Analysis



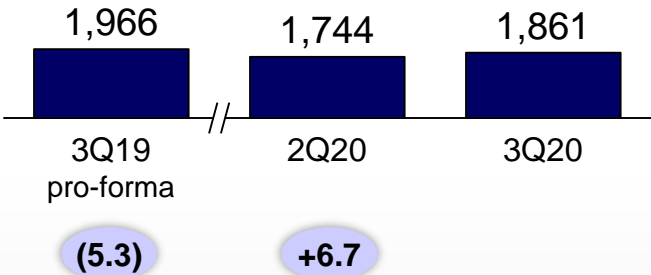
Note: figures may not add up exactly due to rounding  
 (1) ~€125m benefit from hedging on core deposits in 9M20, of which ~€45m in 3Q20

# Net Fee and Commission Income: Strong Increase vs Q2

Data excluding UBI Banca

## Quarterly Analysis

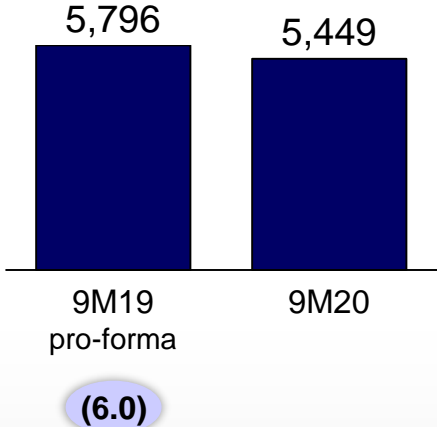
€ m %  $\Delta$  3Q20 vs 3Q19 and 2Q20



- Commissions from Commercial banking activities up 4.1% (+€21m) vs Q2
- Increase vs Q2 mainly due to the growth in commissions from Management, dealing and consultancy activities (+8.7%; +€93m)
- €3bn in AuM net inflows in 3Q20

## Yearly Analysis

€ m %  $\Delta$  9M20 vs 9M19



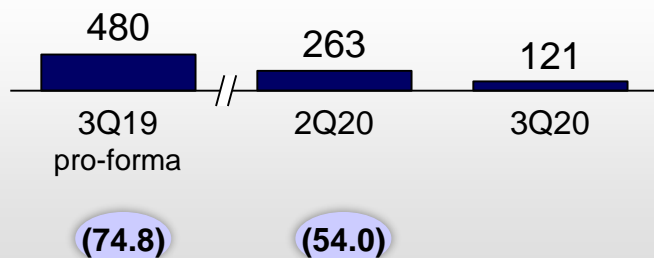
- 9M20 impacted by three months of countrywide lockdown and market volatility
- Commissions from Commercial banking activities down 7.6% (-€129m)
- Commissions from Management, dealing and consultancy activities down 3.3% (-€116m)

# Profits on Financial Assets and Liabilities at Fair Value: €1.4bn in 9M20

Data excluding UBI Banca

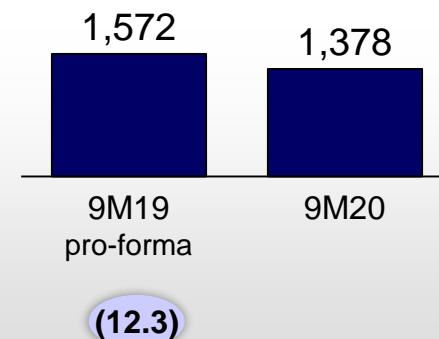
## Quarterly Analysis

€ m %  $\Delta$  3Q20 vs 3Q19 and 2Q20



## Yearly Analysis

€ m %  $\Delta$  9M20 vs 9M19



## Contributions by Activity

	3Q19 pro-forma	2Q20	3Q20	9M19 pro-forma	9M20
Customers	117	94	91	395	332
Capital markets	13	(85)	(212)	159	108
Trading and Treasury	345	242	235	989	957
Structured credit products	5	12	7	28	(19)

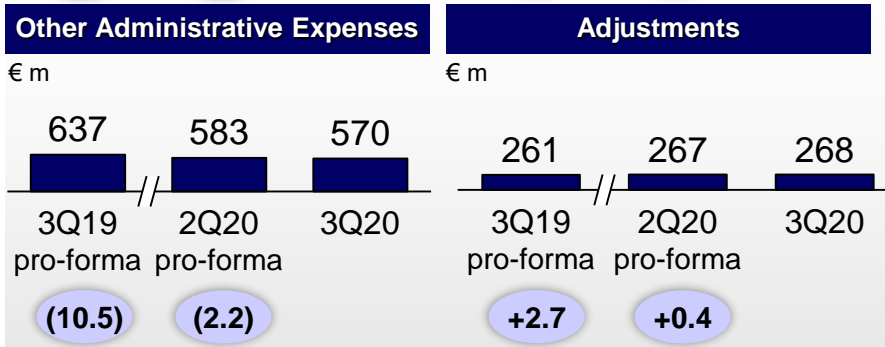
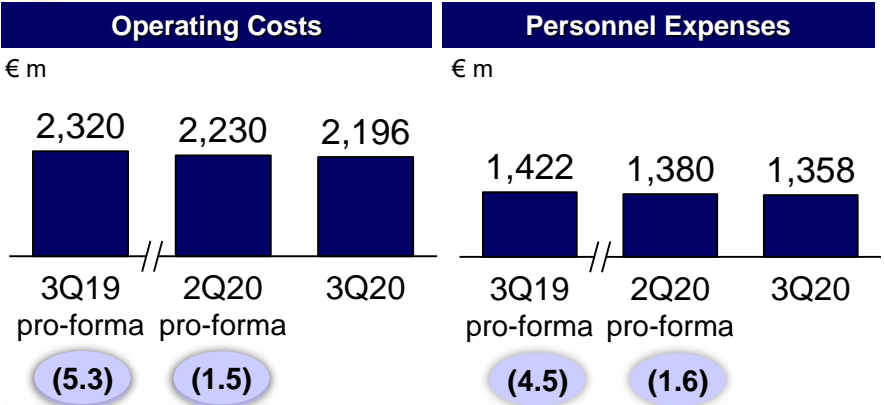
Note: figures may not add up exactly due to rounding

# Operating Costs: Further Significant Reduction while Investing for Growth

Data excluding UBI Banca

## Quarterly Analysis

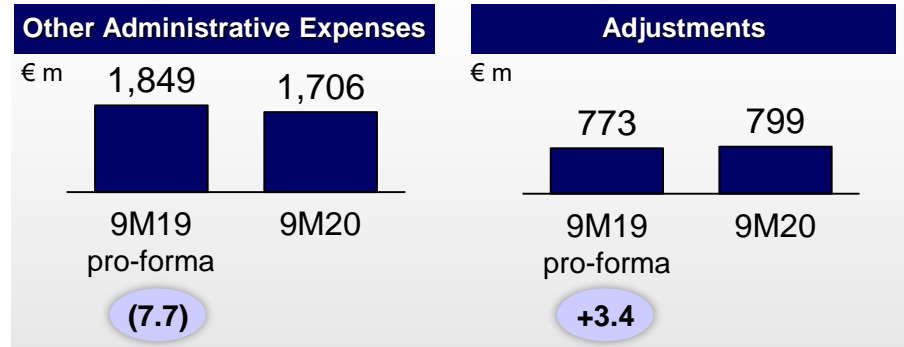
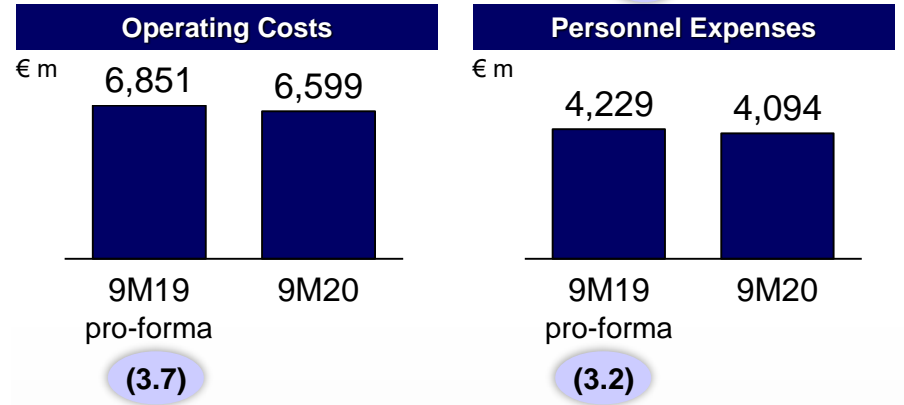
% Δ 3Q20 vs 3Q19 and 2Q20



- Lowest-ever Q3 Other administrative expenses with a double-digit decrease vs 3Q19
- 1,555 headcount reduction in Q3

## Yearly Analysis

% Δ 9M20 vs 9M19

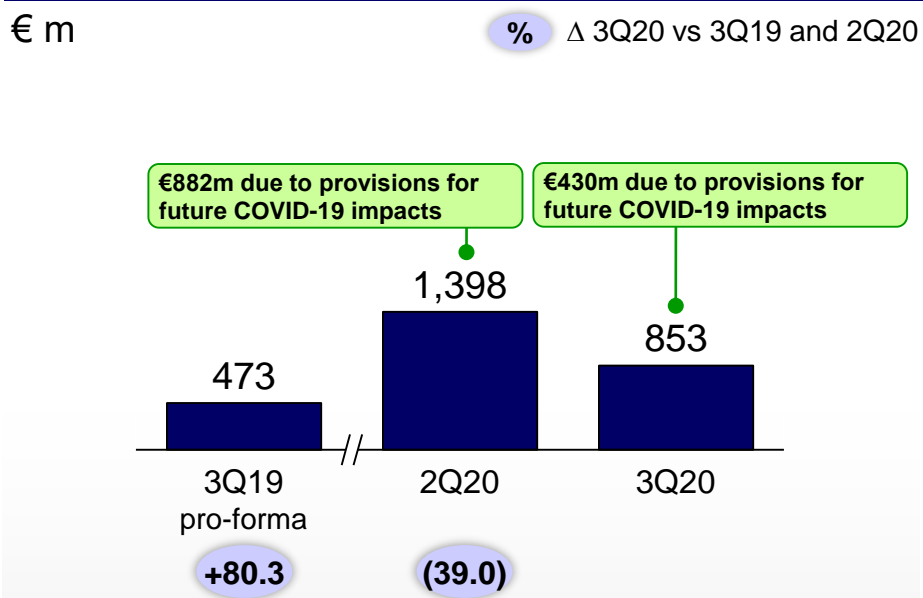


- Lowest-ever Other administrative expenses (-7.7%)
- Increase in Adjustments due to investments to trigger growth
- Cost/Income ratio at 50.2% (vs 51.8% in FY19 pro-forma)
- 3,007 headcount reduction

# Net Adjustments to Loans: Yearly Decline when Excluding Provisions for Future COVID-19 Impacts

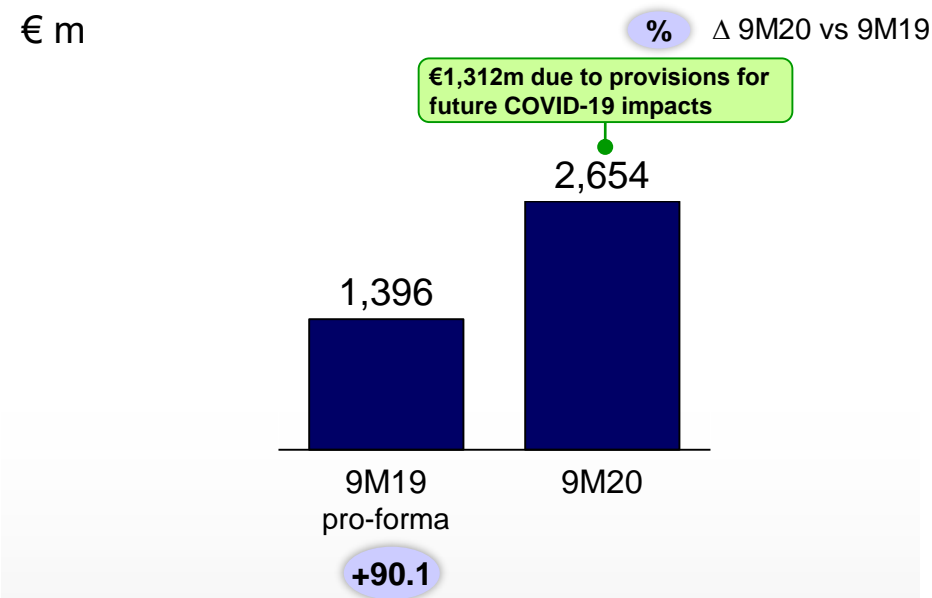
Data excluding UBI Banca

## Quarterly Analysis



- Twentieth consecutive quarterly reduction in gross NPL stock, at no cost to shareholders
- 3Q20, the lowest quarter ever for gross NPL inflow<sup>(1)</sup>
- €1bn<sup>(1)</sup> gross NPL deleveraging in Q3

## Yearly Analysis



- Down 3.9% when excluding provisions for future COVID-19 impacts
- Annualised cost of credit down to 44bps (vs 53bps in FY19) when excluding provisions for future COVID-19 impacts
- Lowest-ever 9M NPL inflow<sup>(1)</sup>
- €3.7bn<sup>(1)</sup> gross NPL deleveraging on a yearly basis (€36.5bn<sup>(1)</sup> since the peak of 30.9.15, of which €2.7bn<sup>(1)</sup> in 9M20)

(1) Excluding the impact from the adoption of the new Definition of Default (DoD) since November 2019 and UBI Banca

# Contents

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Detailed Consolidated P&L Results

**Liquidity, Funding and Capital Base**

Asset Quality

Divisional Results and Other Information

# Strong Growth in Customer Financial Assets

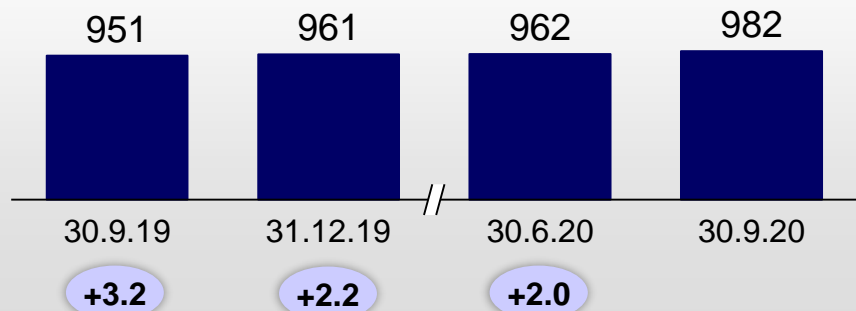
Data excluding UBI Banca

%  $\Delta$  30.9.20 vs 30.9.19, 31.12.19 and 30.6.20

## Customer Financial Assets<sup>(1)</sup>

€ bn

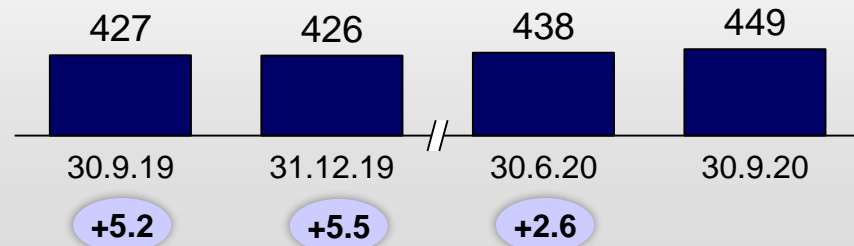
€1,180bn including UBI Banca<sup>(2)</sup>



## Direct Deposits from Banking Business

€ bn

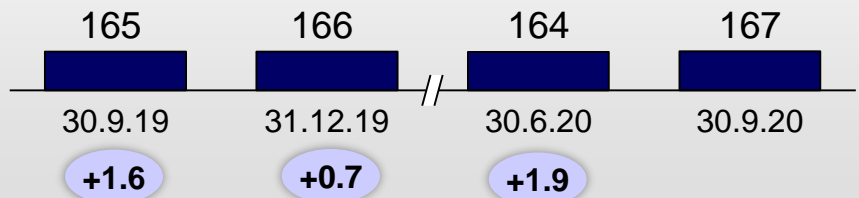
€547bn including UBI Banca<sup>(2)</sup>



## Direct Deposits from Insurance Business and Technical Reserves

€ bn

€170bn including UBI Banca<sup>(2)</sup>

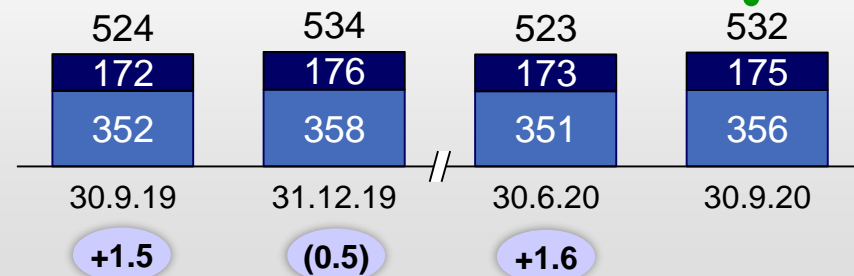


## Indirect Customer Deposits

€ bn

■ Assets under adm.  
■ Assets under mgt.

€631bn including UBI Banca<sup>(2)</sup>



■ €5.8bn increase in AuM in Q3

Note: figures may not add up exactly due to rounding

(1) Net of duplications between Direct Deposits and Indirect Customer Deposits

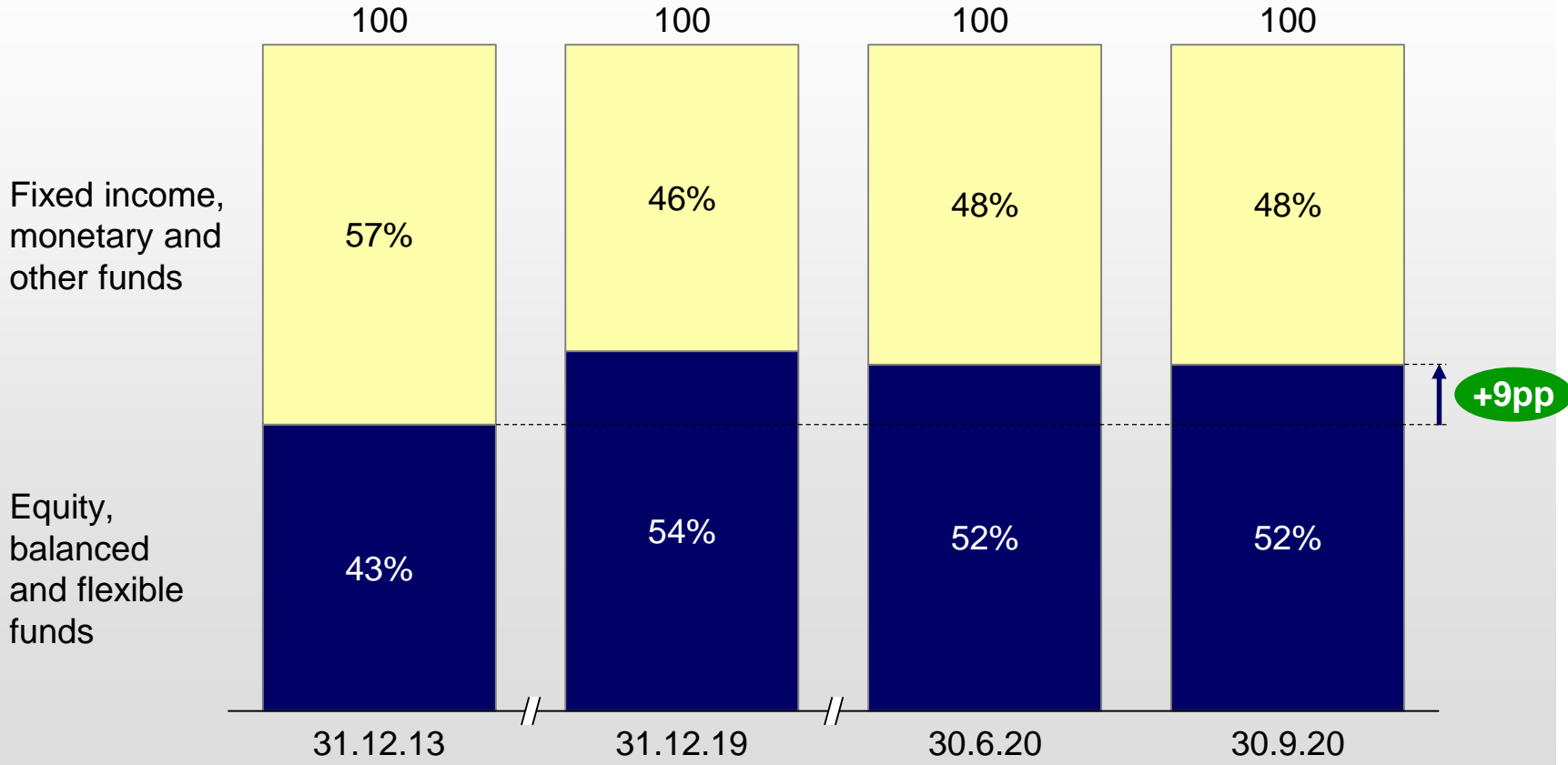
(2) Not considering the impact from the disposal to BPER Banca of a portion of branches and related assets and liabilities

# Mutual Funds Mix

Data excluding UBI Banca

## Mutual funds mix

%





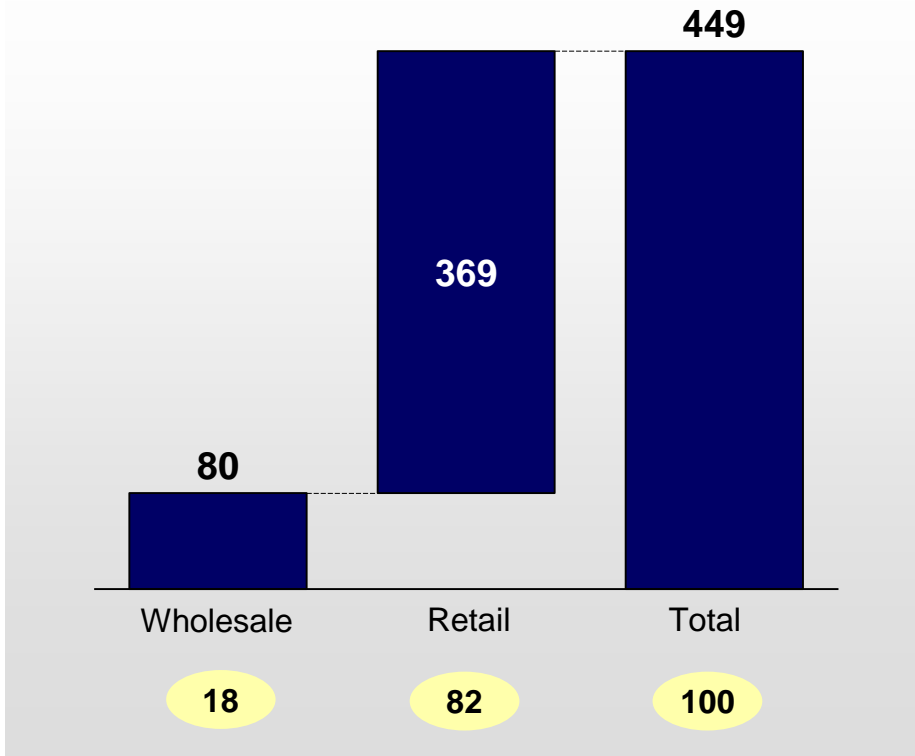
# Funding Mix

Data excluding UBI Banca

## Breakdown of Direct Deposits from Banking Business

€ bn; 30.9.20

**%** Percentage of total



	Wholesale	Retail
■ Current accounts and deposits	11	340
■ Repos and securities lending	1	-
■ Senior bonds	34	7 <sup>(1)</sup>
■ Covered bonds	12	-
■ Short-term institutional funding	12 <sup>(2)</sup>	-
■ Subordinated liabilities	7	3
		<b>Placed with Private Banking clients</b>
■ Other deposits	3	19 <sup>(3)</sup>

**Retail funding represents 82% of Direct deposits from banking business**

Note: figures may not add up exactly due to rounding  
 (1) 38% placed with Private Banking clients  
 (2) Certificates of deposit + Commercial papers  
 (3) Including Certificates

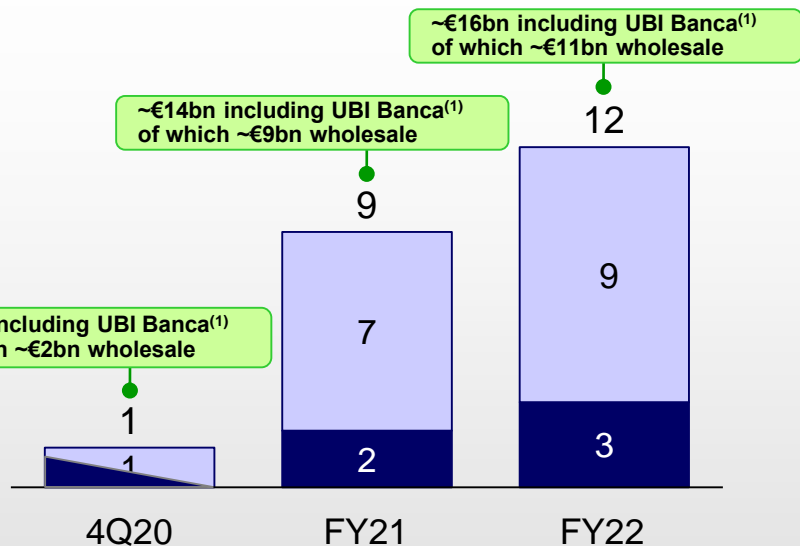
# Strong Funding Capability: Broad Access to International Markets

Data excluding UBI Banca

## 2020-2022 MLT Maturities

€ bn

Wholesale  
Retail



## ISP Main Wholesale Issues

### 2019

- €1bn covered bonds, JPY13.2bn (~€105m) senior unsecured, €3.5bn senior unsecured, CHF250m senior unsecured, \$2bn senior unsecured and €750m green bond placed. On average 94% demand from foreign investors; orderbooks average oversubscription ~2.4x
- February: €1bn covered bonds backed by residential mortgages
- March: second senior unsecured Tokyo Pro-Bond transaction for a total of JPY13.2bn (~€105m) split between 3y and 15y tranches
- June: €2.25bn dual tranche 5/10y senior unsecured issue
- September: inaugural CHF250m 5y senior unsecured issue and \$2bn triple-tranche senior unsecured issue split between \$750m 5y, \$750m 10y and \$500m 30y
- November: €1.25bn 7y senior unsecured issue and €750m 5y senior unsecured green bond focused on the Circular Economy, under the ISP Sustainability Bond Framework

### 2020

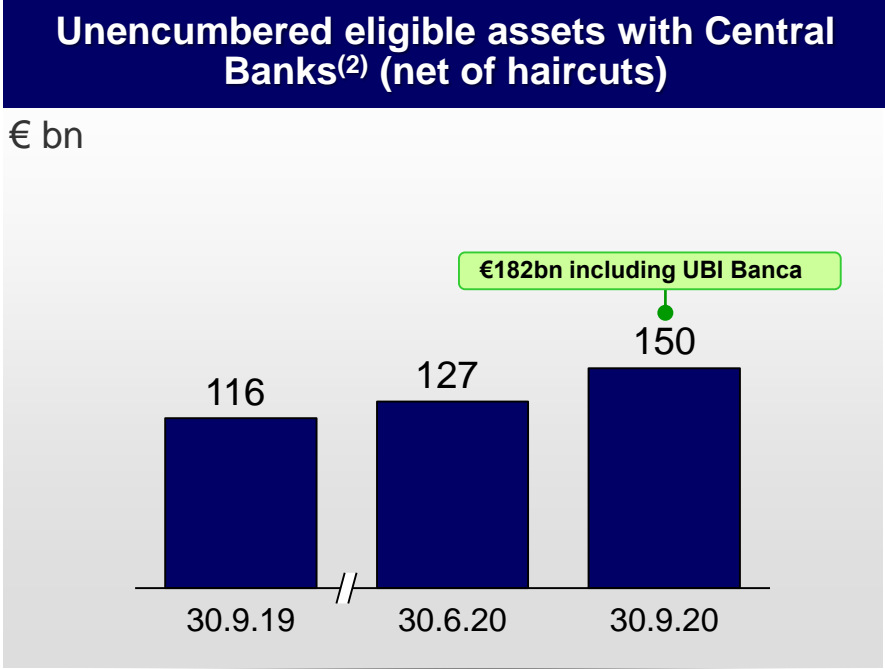
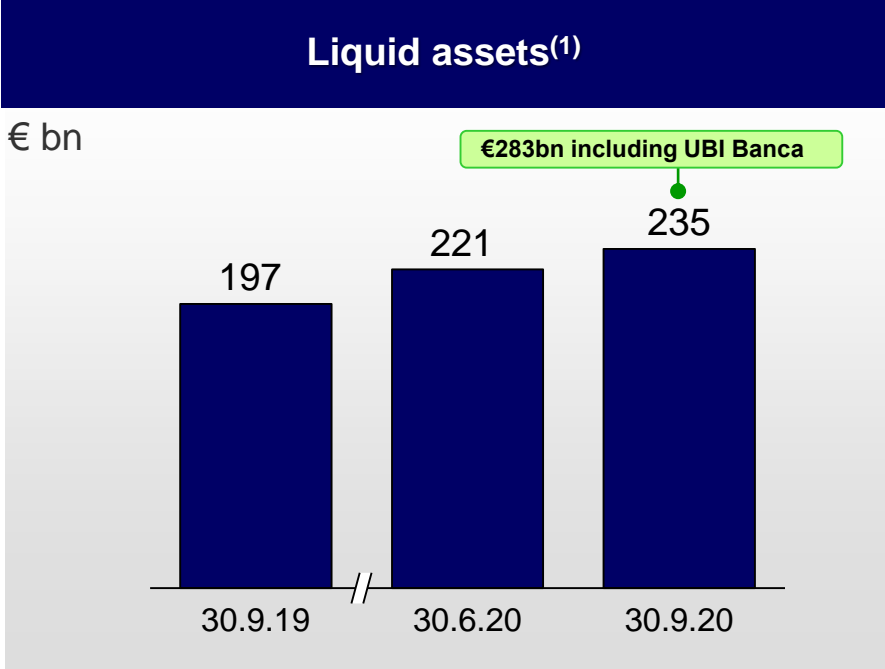
- GBP350m senior unsecured, €3bn AT1 and €1.25bn senior unsecured placed. On average 85% demand from foreign investors; orderbooks average oversubscription ~3.5x
- January: GBP350m 10y senior unsecured issue, first GBP transaction by an Italian bank since 2010
- February: €1.5bn dual-tranche 5/10y Additional Tier 1 issue, first ever dual-tranche AT1 in the Euro market
- May: €1.25bn 5y senior unsecured issue, first Italian bank transaction since the COVID-19 outbreak
- August: €1.5bn dual-tranche 7.5/11y Additional Tier 1 issue, second ISP issue of this kind this year

Note: figures may not add up exactly due to rounding

(1) Not considering the impact from the disposal to BPER Banca of a portion of branches and related assets and liabilities

# High Liquidity: LCR and NSFR Well Above Regulatory Requirements

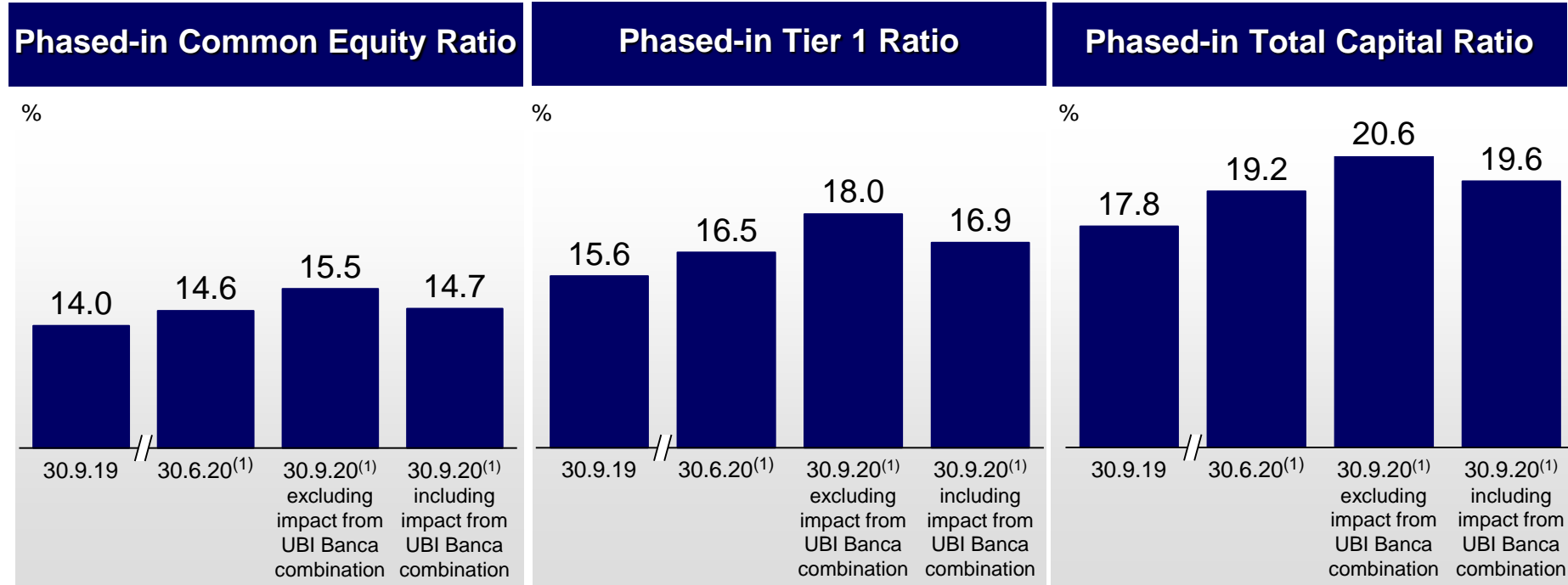
Data excluding UBI Banca



- **Refinancing operations with the ECB: €82.9bn (of which ISP: €70.9bn<sup>(3)</sup> and UBI Banca: €12bn<sup>(4)</sup>)**
- **Loan to Deposit ratio<sup>(5)</sup> at 90% (89% including UBI Banca<sup>(6)</sup>)**

(1) Stock of own-account eligible assets (including assets used as collateral and excluding eligible assets received as collateral) and cash & deposits with Central Banks  
 (2) Eligible assets freely available (excluding assets used as collateral and including eligible assets received as collateral) and cash & deposits with Central Banks  
 (3) Consisting entirely of TLTRO III, out of a maximum allowance of €90.2bn  
 (4) Consisting entirely of TLTRO III, out of a maximum allowance of €25.6bn, not considering the impact from the disposal to BPER Banca of a portion of branches and related assets and liabilities  
 (5) Loans to Customers/Direct Deposits from Banking Business  
 (6) Not considering the impact from the disposal to BPER Banca of a portion of branches and related assets and liabilities

# Solid and Increased Capital Base



- 15.2%<sup>(2)</sup> pro-forma fully loaded Common Equity ratio
- 6.6%<sup>(3)</sup> leverage ratio

(1) After the deduction of accrued dividends, assumed equal to 75% of the Net income for the period (excluding the portion generated by the negative goodwill), and coupons accrued on the Additional Tier 1 issues

(2) Pro-forma fully loaded Basel 3 (30.9.20 financial statements considering the total absorption of DTA related to IFRS9 FTA, goodwill realignment/adjustments to loans/non-taxable public cash contribution of €1,285m covering the integration and rationalisation charges relating to the acquisition of the operations of the two former Venetian banks, the expected absorption of DTA on losses carried forward and arising from the disposal to BPER Banca of a portion of branches and related assets and liabilities and the expected distribution of 9M20 Net income of insurance companies). 15.9% excluding the impact from UBI Banca combination

(3) Including UBI Banca, not considering the impact from the disposal to BPER Banca of a portion of branches and related assets and liabilities

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Detailed Consolidated P&L Results

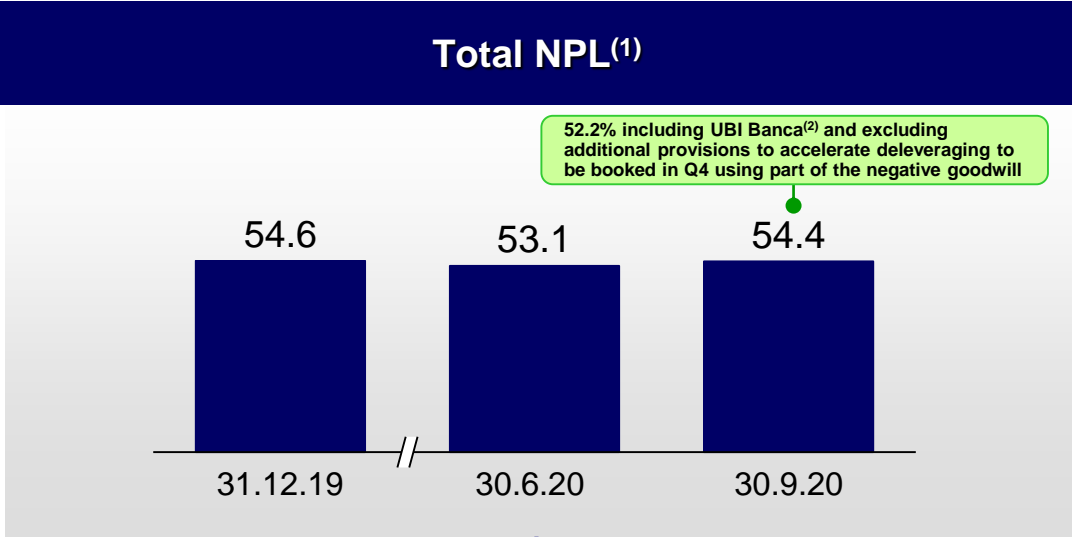
Liquidity, Funding and Capital Base

**Asset Quality**

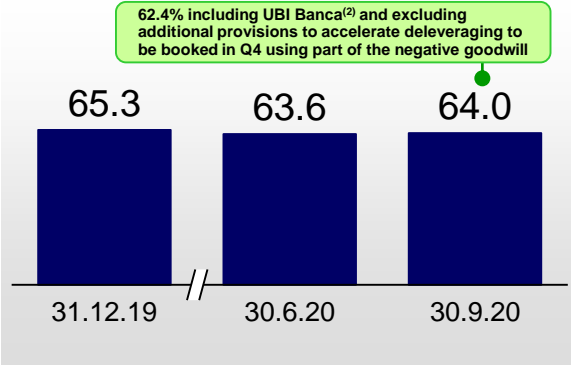
Divisional Results and Other Information

# Non-performing Loans: Sizeable Coverage

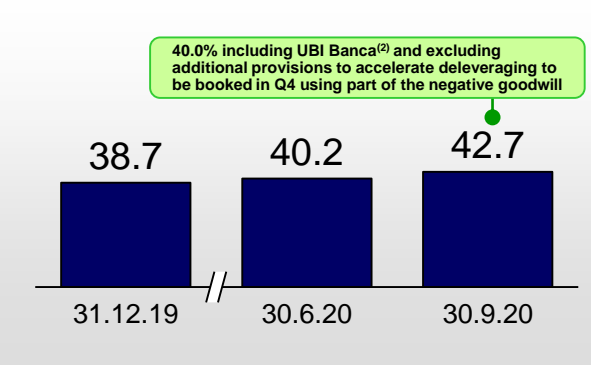
Data excluding UBI Banca  
Cash coverage; %



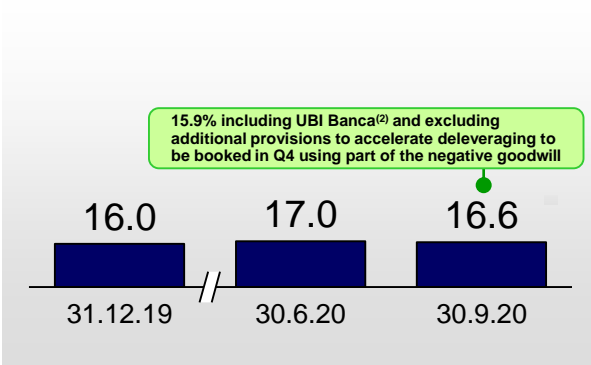
## Bad Loans



## Unlikely to Pay



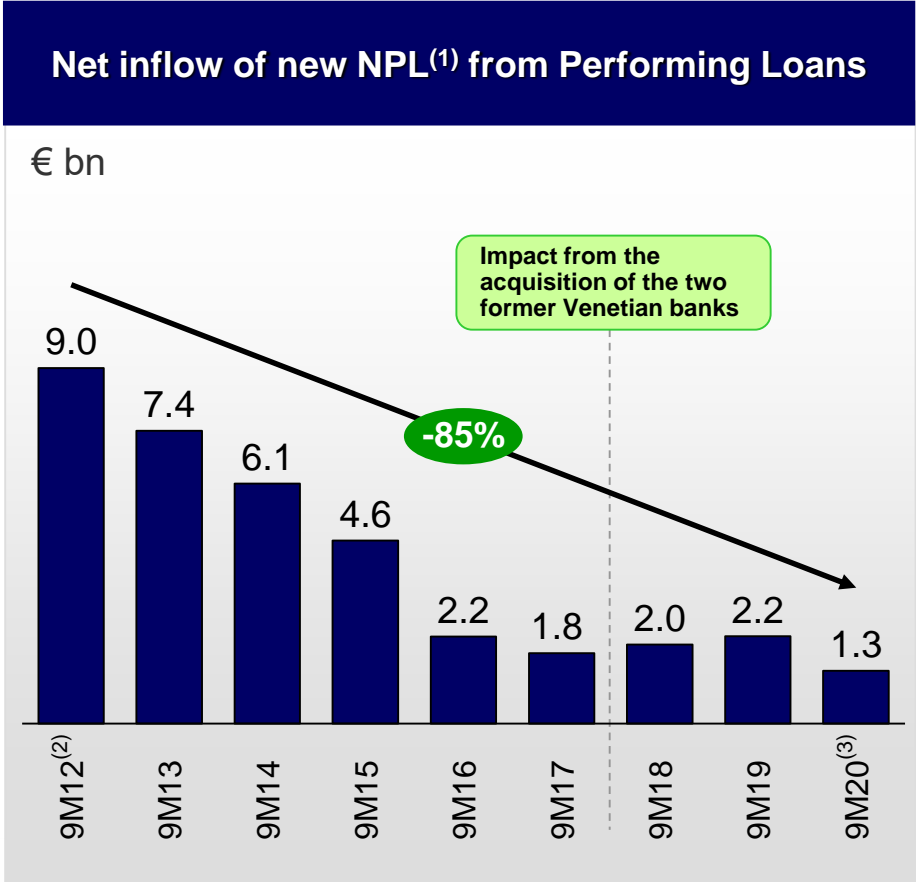
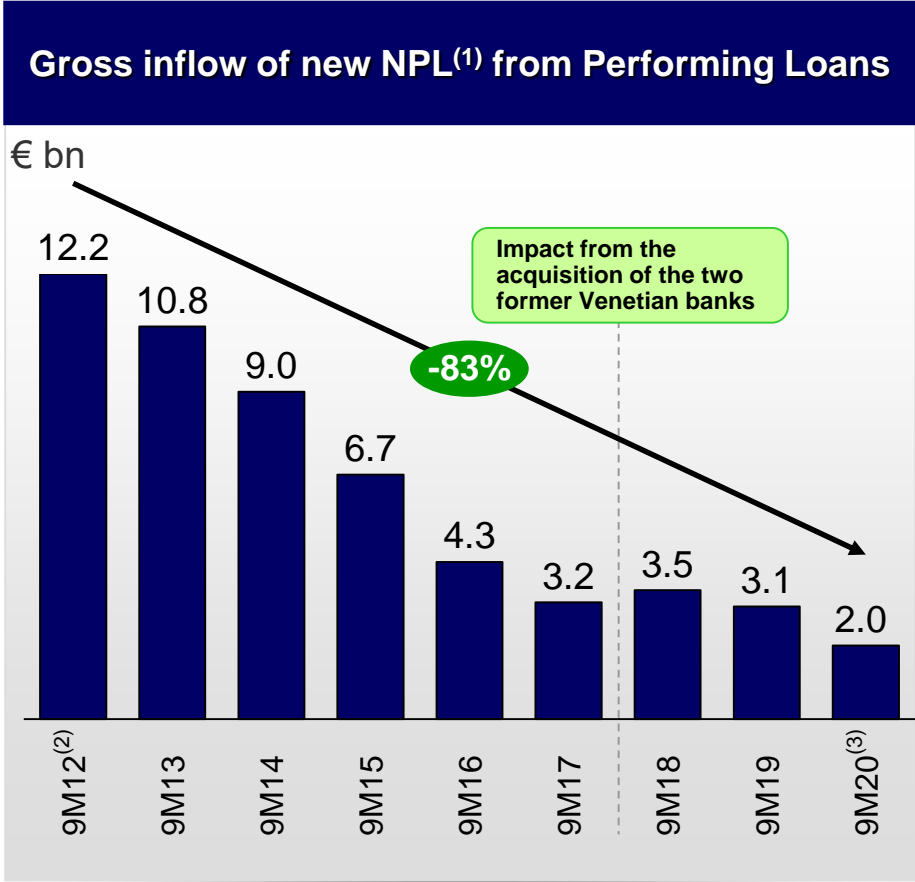
## Past Due



(1) Bad Loans (Sofferenze), Unlikely to pay (Inadempienze probabili) and Past Due (Scaduti e sconfinanti)  
 (2) Not considering the impact from the disposal to BPER Banca of a portion of branches and related assets and liabilities

# Non-performing Loans: Lowest-ever 9M Inflows

Data excluding UBI Banca



(1) Bad Loans (Sofferenze), Unlikely to pay (Inadempienze probabili) and Past Due (Scaduti e sconfinanti)

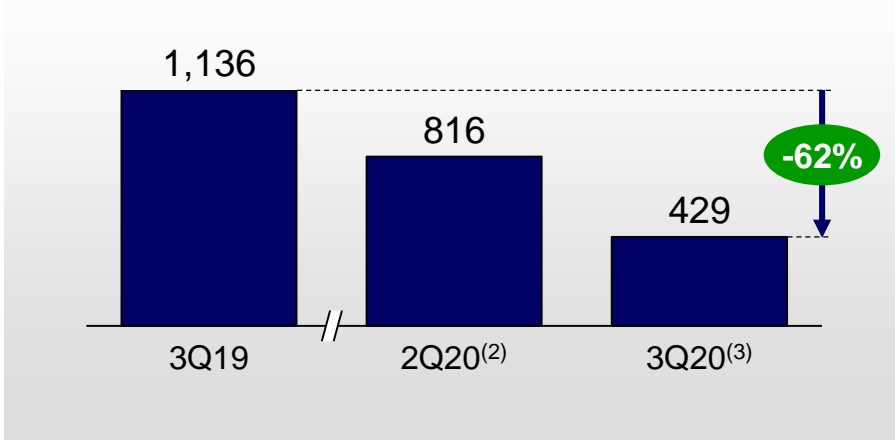
(2) 2012 figures recalculated to take into consideration the regulatory changes to Past Due classification criteria introduced by the Bank of Italy (90 days since 2012 vs 180 days up until 31.12.11)

(3) Excluding ~€0.4bn impact from the adoption of the new Definition of Default (DoD) since November 2019

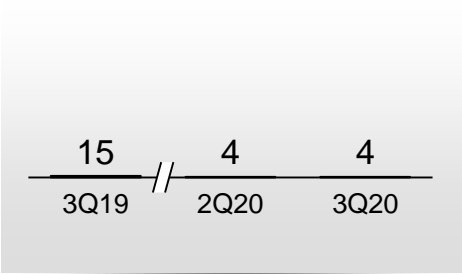
# Non-performing Loans: 3Q20, Lowest-ever Gross Inflow

Data excluding UBI Banca  
€ m

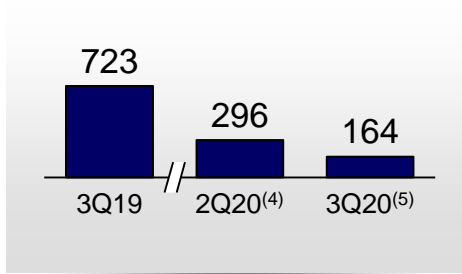
## Gross inflow of new NPL<sup>(1)</sup> from Performing Loans



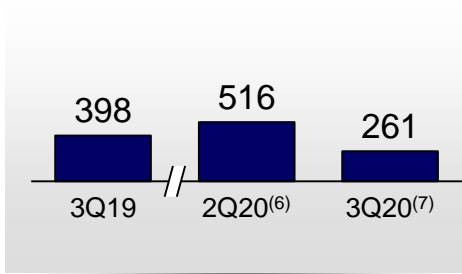
### Bad Loans



### Unlikely to Pay



### Past Due



Note: figures may not add up exactly due to rounding

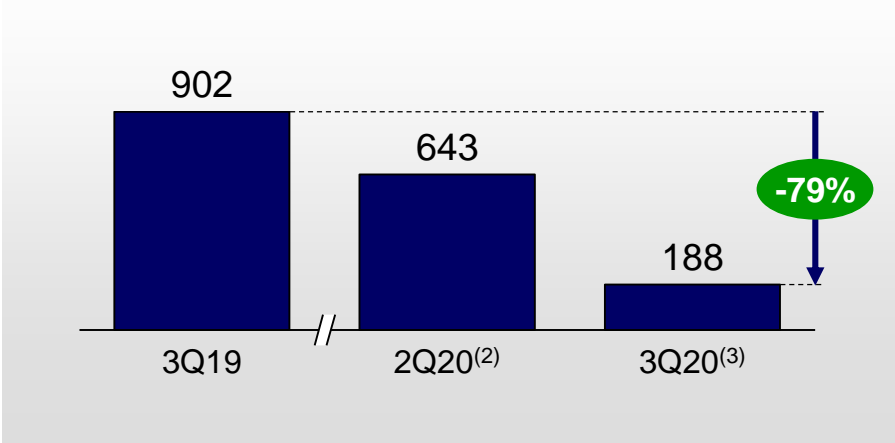
(1) Bad Loans (*Sofferenze*), Unlikely to pay (*Inadempienze probabili*) and Past Due (*Scaduti e sconfinanti*)  
 (2) Excluding €183m impact from the adoption of the new Definition of Default (DoD) since November 2019  
 (3) Excluding €77m impact from the adoption of the new Definition of Default (DoD) since November 2019  
 (4) Excluding €5m impact from the adoption of the new Definition of Default (DoD) since November 2019  
 (5) Excluding €3m impact from the adoption of the new Definition of Default (DoD) since November 2019  
 (6) Excluding €178m impact from the adoption of the new Definition of Default (DoD) since November 2019  
 (7) Excluding €74m impact from the adoption of the new Definition of Default (DoD) since November 2019



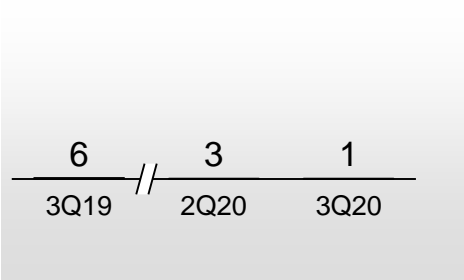
# Non-performing Loans: Strong Decrease in Net Inflow

Data excluding UBI Banca  
€ m

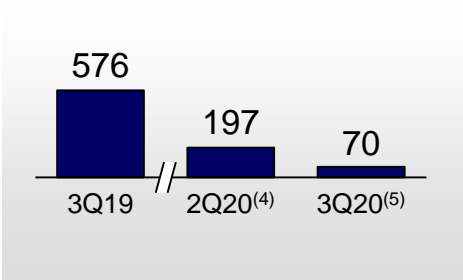
## Net inflow of new NPL<sup>(1)</sup> from Performing Loans



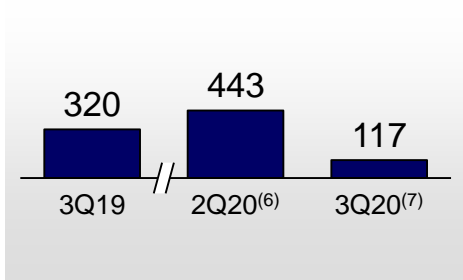
### Bad Loans



### Unlikely to Pay



### Past Due



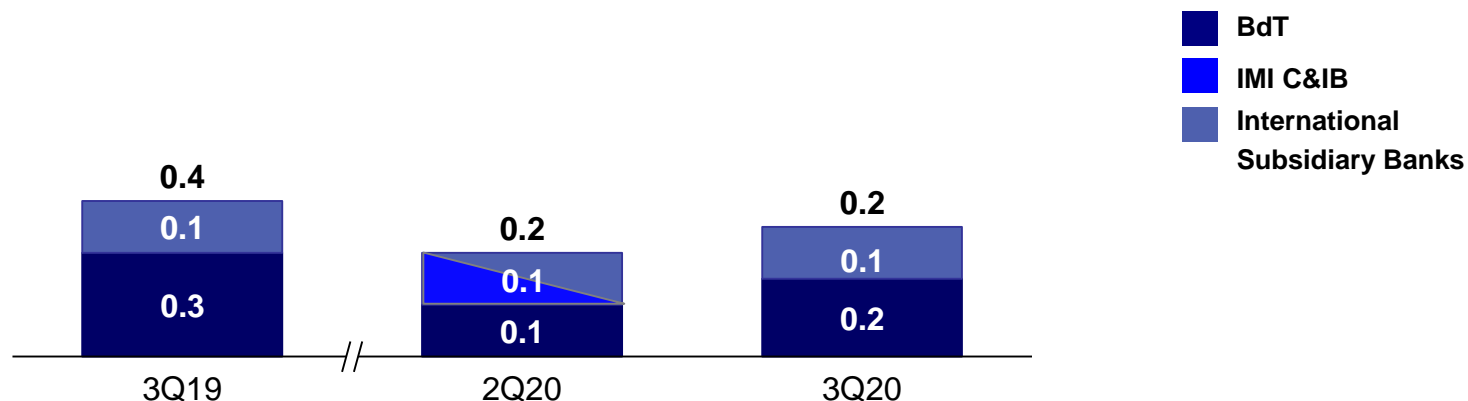
Note: figures may not add up exactly due to rounding

- (1) Bad Loans (*Sofferenze*), Unlikely to pay (*Inadempienze probabili*) and Past Due (*Scaduti e sconfinanti*)
- (2) Excluding €183m impact from the adoption of the new Definition of Default (DoD) since November 2019
- (3) Excluding €77m impact from the adoption of the new Definition of Default (DoD) since November 2019
- (4) Excluding €5m impact from the adoption of the new Definition of Default (DoD) since November 2019
- (5) Excluding €3m impact from the adoption of the new Definition of Default (DoD) since November 2019
- (6) Excluding €178m impact from the adoption of the new Definition of Default (DoD) since November 2019
- (7) Excluding €74m impact from the adoption of the new Definition of Default (DoD) since November 2019

# New Bad Loans: Strong Decrease in Gross Inflow vs 3Q19

€ bn; data excluding UBI Banca

Group new Bad Loans<sup>(1)</sup> gross inflow



BdT new Bad Loans<sup>(1)</sup> gross inflow

	3Q19	2Q20	3Q20
<b>Total</b>	<b>0.3</b>	<b>0.1</b>	<b>0.2</b>
Households	0.1	-	0.1
SMEs	0.2	0.1	0.1

IMI C&IB new Bad Loans<sup>(1)</sup> gross inflow

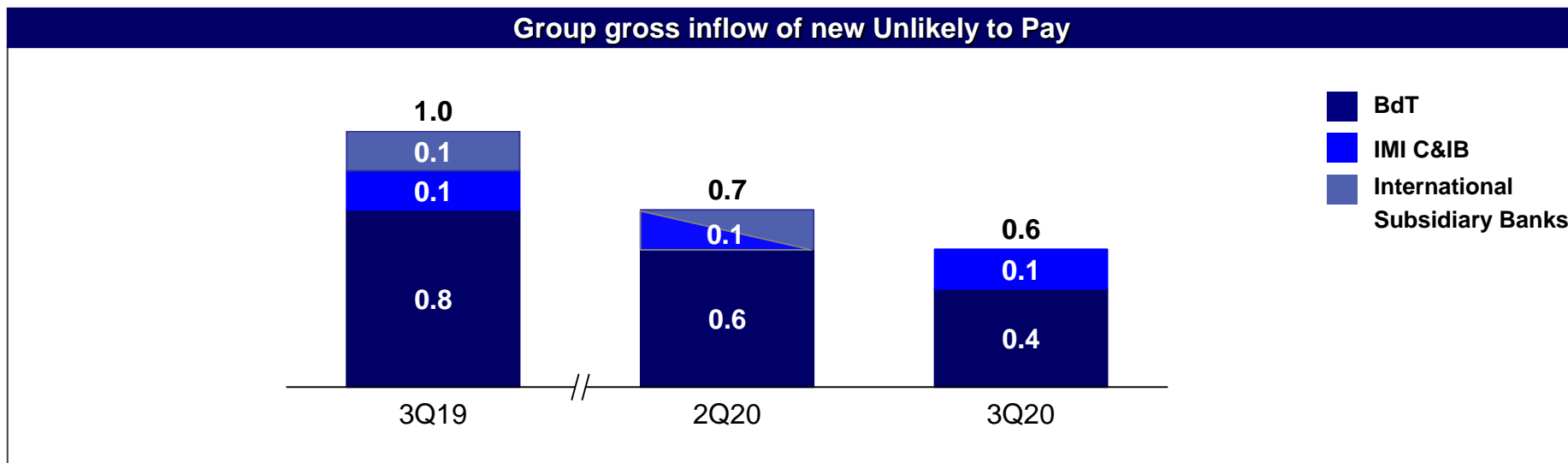
	3Q19	2Q20	3Q20
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>
Global Corporate	-	-	-
International	-	-	-
Financial Institutions	-	-	-

Note: figures may not add up exactly due to rounding

(1) Sofferenze

# New Unlikely to Pay: Strong Decrease in Gross Inflow

€ bn; data excluding UBI Banca



## BdT gross inflow of new Unlikely to Pay

	3Q19	2Q20	3Q20
<b>Total</b>	<b>0.8</b>	<b>0.6</b>	<b>0.4</b>
Households	0.2	0.3	0.2
SMEs	0.6	0.3	0.2

## IMI C&IB gross inflow of new Unlikely to Pay

	3Q19	2Q20	3Q20
<b>Total</b>	<b>0.1</b>	<b>-</b>	<b>0.1</b>
Global Corporate	0.1	-	0.1
International	-	-	-
Financial Institutions	-	-	-

Note: figures may not add up exactly due to rounding

# Non-performing Loans: Twentieth Consecutive Quarterly Decline in Gross Stock

## Gross NPL

€ bn

	31.12.19	30.6.20	30.9.20 excluding UBI Banca	30.9.20 including UBI Banca <sup>(1)</sup>
Bad Loans	19.4	17.6	17.0	20.4
- of which forborne	2.7	2.3	2.3	3.2
Unlikely to pay	11.0	11.1	11.0	14.2
- of which forborne	4.4	4.3	4.3	6.3
Past Due	0.9	1.2	0.9	1.0
- of which forborne	0.1	0.1	0.1	0.1
<b>Total</b>	<b>31.3</b>	<b>29.9</b>	<b>29.0</b>	<b>35.6</b>

## Net NPL

€ bn

	31.12.19	30.6.20	30.9.20 excluding UBI Banca	30.9.20 including UBI Banca <sup>(1)</sup>
Bad Loans	6.7	6.4	6.1	7.7
- of which forborne	1.1	1.0	0.9	1.4
Unlikely to pay	6.7	6.6	6.3	8.5
- of which forborne	2.9	2.8	2.8	4.2
Past Due	0.7	1.0	0.7	0.8
- of which forborne	0.1	0.1	-	0.1
<b>Total</b>	<b>14.2</b>	<b>14.0</b>	<b>13.2</b>	<b>17.0</b>

Excluding additional provisions to accelerate deleveraging to be booked in Q4 using part of the negative goodwill

**€36.5bn<sup>(2)</sup> NPL deleveraging since the peak of 30.9.15 (€3.7bn<sup>(2)</sup> since 30.9.19, of which €2.7bn<sup>(2)</sup> in 9M), leading to the lowest NPL stock and NPL ratios since 2008**

Note: figures may not add up exactly due to rounding

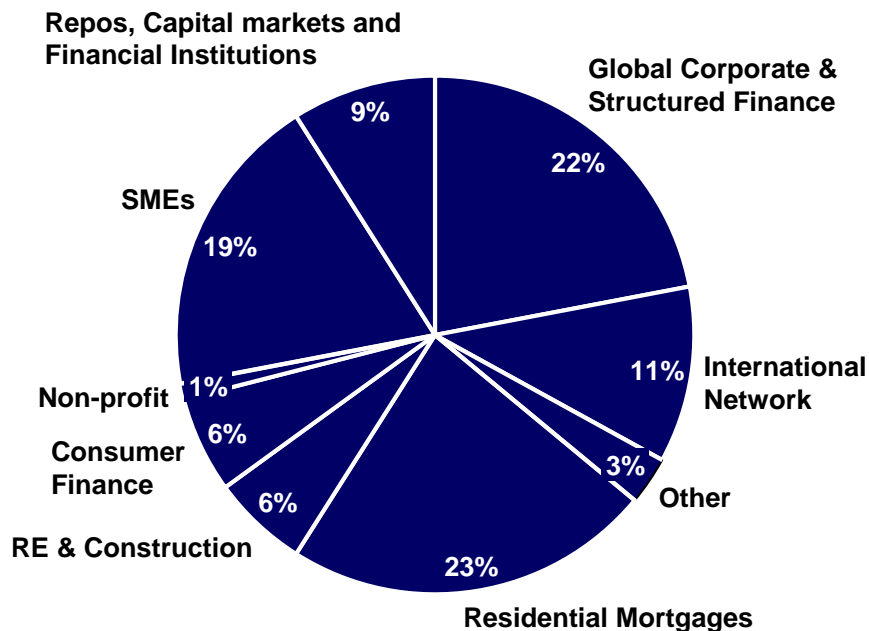
(1) Not considering the impact from the disposal to BPER Banca of a portion of branches and related assets and liabilities

(2) Excluding the impact from the adoption of the new Definition of Default (DoD) since November 2019 and UBI Banca

# Loans to Customers: A Well-diversified Portfolio

Data excluding UBI Banca

## Breakdown by business area (data as at 30.9.20)



### ■ Low risk profile of residential mortgage portfolio

- Instalment/available income ratio at 31%
- Average Loan-to-Value equal to 58%
- Original average maturity equal to ~23 years
- Residual average life equal to ~19 years

## Breakdown by economic business sector

	30.9.20
<b>Loans of the Italian banks and companies of the Group</b>	
Households	28.8%
Public Administration	1.8%
Financial companies	7.8%
Non-financial companies	35.7%
of which:	
SERVICES	7.3%
DISTRIBUTION	6.0%
REAL ESTATE	3.2%
CONSTRUCTION	2.0%
UTILITIES	1.9%
TRANSPORTATION MEANS	1.9%
METALS AND METAL PRODUCTS	1.8%
TRANSPORT	1.6%
AGRICULTURE	1.5%
FOOD AND DRINK	1.4%
MECHANICAL	1.2%
FASHION	1.1%
INTERMEDIATE INDUSTRIAL PRODUCTS	1.0%
ELECTROTECHNICAL AND ELECTRONIC	0.7%
HOLDING AND OTHER	0.4%
BASE AND INTERMEDIATE CHEMICALS	0.4%
MATERIALS FOR CONSTRUCTION	0.3%
INFRASTRUCTURE	0.3%
ENERGY AND EXTRACTION	0.3%
PHARMACEUTICAL	0.3%
FURNITURE	0.3%
PUBLISHING AND PRINTING	0.2%
NON-CLASSIFIED UNITS	0.2%
OTHER CONSUMPTION GOODS	0.2%
MASS CONSUMPTION GOODS	0.1%
WHITE GOODS	0.1%
<b>Rest of the world</b>	<b>11.1%</b>
<b>Loans of international banks and companies of the Group</b>	<b>11.6%</b>
<b>Non-performing loans</b>	<b>3.3%</b>
<b>TOTAL</b>	<b>100.0%</b>

# Moratoria Volumes: Enterprises Accounting for ~73%

Data excluding UBI Banca

Moratoria stock as at mid-October 2020			
Segments	# Clients (k)	Volumes (€ bn)	% of total net loan portfolio
Households	146	10	3%
Enterprises	95	27	7%
Total	241	37	9%
	327 including UBI Banca <sup>(1)</sup>	48 including UBI Banca <sup>(1)</sup>	10% including UBI Banca <sup>(1)</sup>

Note: figures may not add up exactly due to rounding

(1) Not considering the impact from the disposal to BPER Banca of a portion of branches and related assets and liabilities

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**Detailed Consolidated P&L Results**

**Liquidity, Funding and Capital Base**

**Asset Quality**

**Divisional Results and Other Information**

# Divisional Financial Highlights

Data as at 30.9.20, excluding UBI Banca

	Divisions							Total
	Banca dei Territori	IMI Corporate & Investment Banking	International Subsidiary Banks <sup>(1)</sup>	Private Banking <sup>(2)</sup>	Asset Management <sup>(3)</sup>	Insurance <sup>(4)</sup>	Corporate Centre / Others <sup>(5)</sup>	
<b>Operating Income (€ m)</b>	<b>5,991</b>	<b>3,456</b>	<b>1,413</b>	<b>1,435</b>	<b>549</b>	<b>956</b>	<b>(642)</b>	<b>13,158</b>
<b>Operating Margin (€ m)</b>	<b>2,279</b>	<b>2,658</b>	<b>690</b>	<b>992</b>	<b>439</b>	<b>786</b>	<b>(1,285)</b>	<b>6,559</b>
<b>Net Income (€ m)</b>	<b>253</b>	<b>1,538</b>	<b>378</b>	<b>643</b>	<b>326</b>	<b>473</b>	<b>(538)</b>	<b>3,073</b>
<b>Cost/Income (%)</b>	<b>62.0</b>	<b>23.1</b>	<b>51.2</b>	<b>30.9</b>	<b>20.0</b>	<b>17.8</b>	<b>n.m.</b>	<b>50.2</b>
<b>RWA (€ bn)</b>	<b>80.1</b>	<b>99.0</b>	<b>32.5</b>	<b>9.4</b>	<b>1.4</b>	<b>0.0</b>	<b>63.3</b>	<b>285.8</b>
<b>Direct Deposits from Banking Business (€ bn)</b>	<b>221.9</b>	<b>89.9</b>	<b>44.8</b>	<b>40.8</b>	<b>0.0</b>	<b>0.0</b>	<b>51.6</b>	<b>449.0</b>
<b>Loans to Customers (€ bn)</b>	<b>207.3</b>	<b>134.5</b>	<b>35.3</b>	<b>9.4</b>	<b>0.3</b>	<b>0.0</b>	<b>17.2</b>	<b>403.9</b>

Note: figures may not add up exactly due to rounding

(1) Excluding the Russian subsidiary Banca Intesa which is included in IMI C&IB

(2) Fideuram, Intesa Sanpaolo Private Banking, Intesa Sanpaolo Private Bank (Suisse) Morval, and Siref Fiduciaria

(3) Eurizon

(4) Fideuram Vita, Intesa Sanpaolo Assicura, Intesa Sanpaolo Life, Intesa Sanpaolo RBM Salute and Intesa Sanpaolo Vita

(5) Treasury Department, Central Structures and consolidation adjustments



# Banca dei Territori: 9M20 vs 9M19

€ m

	9M19 pro-forma <sup>(1)</sup>	9M20	Δ%
Net interest income	3,099	3,069	(1.0)
Net fee and commission income	3,111	2,860	(8.1)
Income from insurance business	2	0	(100.0)
Profits on financial assets and liabilities at fair value	61	71	16.4
Other operating income (expenses)	(3)	(9)	(200.0)
<b>Operating income</b>	<b>6,270</b>	<b>5,991</b>	<b>(4.4)</b>
Personnel expenses	(2,334)	(2,200)	(5.7)
Other administrative expenses	(1,553)	(1,509)	(2.8)
Adjustments to property, equipment and intangible assets	(6)	(3)	(50.0)
<b>Operating costs</b>	<b>(3,893)</b>	<b>(3,712)</b>	<b>(4.6)</b>
<b>Operating margin</b>	<b>2,377</b>	<b>2,279</b>	<b>(4.1)</b>
Net adjustments to loans	(1,093)	(1,877)	71.7
Net provisions and net impairment losses on other assets	(34)	(43)	26.5
Other income (expenses)	0	30	n.m.
Income (Loss) from discontinued operations	0	0	n.m.
<b>Gross income (loss)</b>	<b>1,250</b>	<b>389</b>	<b>(68.9)</b>
Taxes on income	(456)	(128)	(71.9)
Charges (net of tax) for integration and exit incentives	(15)	(8)	(46.7)
Effect of purchase price allocation (net of tax)	(1)	0	n.m.
Levies and other charges concerning the banking industry (net of tax)	0	0	n.m.
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Minority interests	0	0	n.m.
<b>Net income</b>	<b>778</b>	<b>253</b>	<b>(67.5)</b>

9M20 including  
€787m in provisions  
for future COVID-19  
impacts

Note: figures may not add up exactly due to rounding

(1) Data restated for the full line-by-line deconsolidation of the acquiring activities related to the Nexi agreement, the merger of Mediocredito Italiano into ISP, the attribution of the ex Capital Light data and some Operating costs from the Corporate Centre to the pertaining Divisions and to take into account the effects on Operating costs of the Prelios agreement related to UTP servicing

# Banca dei Territori: Q3 vs Q2

€ m

	2Q20	3Q20	Δ%
Net interest income	1,014	1,009	(0.5)
Net fee and commission income	887	983	10.8
Income from insurance business	(0)	(0)	(64.1)
Profits on financial assets and liabilities at fair value	21	31	48.2
Other operating income (expenses)	(1)	(7)	(400.2)
<b>Operating income</b>	<b>1,921</b>	<b>2,016</b>	<b>5.0</b>
Personnel expenses	(745)	(718)	(3.7)
Other administrative expenses	(502)	(509)	1.3
Adjustments to property, equipment and intangible assets	(1)	(1)	(13.1)
<b>Operating costs</b>	<b>(1,248)</b>	<b>(1,227)</b>	<b>(1.7)</b>
<b>Operating margin</b>	<b>672</b>	<b>789</b>	<b>17.3</b>
Net adjustments to loans	(997)	(514)	(48.5)
Net provisions and net impairment losses on other assets	(14)	(12)	(17.7)
Other income (expenses)	0	30	n.m.
Income (Loss) from discontinued operations	0	0	n.m.
<b>Gross income (loss)</b>	<b>(339)</b>	<b>293</b>	<b>n.m.</b>
Taxes on income	118	(94)	n.m.
Charges (net of tax) for integration and exit incentives	(2)	(4)	135.9
Effect of purchase price allocation (net of tax)	0	0	n.m.
Levies and other charges concerning the banking industry (net of tax)	0	0	n.m.
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Minority interests	0	0	n.m.
<b>Net income</b>	<b>(223)</b>	<b>195</b>	<b>n.m.</b>

Q3 including €202m in provisions for future COVID-19 impacts (€585m in Q2)

# IMI Corporate & Investment Banking: 9M20 vs 9M19

€ m

	9M19 pro-forma <sup>(1)</sup>	9M20	Δ%
Net interest income	1,380	1,600	15.9
Net fee and commission income	688	728	5.8
Income from insurance business	0	0	n.m.
Profits on financial assets and liabilities at fair value	1,036	1,120	8.1
Other operating income (expenses)	2	8	300.0
<b>Operating income</b>	<b>3,106</b>	<b>3,456</b>	<b>11.3</b>
Personnel expenses	(304)	(302)	(0.7)
Other administrative expenses	(508)	(480)	(5.5)
Adjustments to property, equipment and intangible assets	(17)	(16)	(5.9)
<b>Operating costs</b>	<b>(829)</b>	<b>(798)</b>	<b>(3.7)</b>
<b>Operating margin</b>	<b>2,277</b>	<b>2,658</b>	<b>16.7</b>
Net adjustments to loans	(177)	(308)	74.0
Net provisions and net impairment losses on other assets	(13)	(42)	223.1
Other income (expenses)	3	0	(100.0)
Income (Loss) from discontinued operations	0	0	n.m.
<b>Gross income (loss)</b>	<b>2,090</b>	<b>2,308</b>	<b>10.4</b>
Taxes on income	(677)	(760)	12.3
Charges (net of tax) for integration and exit incentives	(4)	(10)	150.0
Effect of purchase price allocation (net of tax)	0	0	n.m.
Levies and other charges concerning the banking industry (net of tax)	0	0	n.m.
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Minority interests	0	0	n.m.
<b>Net income</b>	<b>1,409</b>	<b>1,538</b>	<b>9.2</b>

9M20 including  
€267m in provisions  
for future COVID-19  
impacts

Note: figures may not add up exactly due to rounding

(1) Data restated for the merger of Mediocredito Italiano into ISP, the attribution of the ex Capital Light data and some Operating costs from the Corporate Centre to the pertaining Divisions and to take into account the effects on Operating costs of the Prelios agreement related to UTP servicing

# IMI Corporate & Investment Banking: Q3 vs Q2

€ m

	2Q20	3Q20	Δ%
Net interest income	533	570	6.9
Net fee and commission income	249	240	(3.6)
Income from insurance business	0	0	n.m.
Profits on financial assets and liabilities at fair value	172	51	(70.3)
Other operating income (expenses)	7	2	(76.6)
<b>Operating income</b>	<b>960</b>	<b>862</b>	<b>(10.2)</b>
Personnel expenses	(106)	(100)	(5.3)
Other administrative expenses	(156)	(161)	3.2
Adjustments to property, equipment and intangible assets	(6)	(5)	(21.0)
<b>Operating costs</b>	<b>(268)</b>	<b>(266)</b>	<b>(0.7)</b>
<b>Operating margin</b>	<b>693</b>	<b>597</b>	<b>(13.9)</b>
Net adjustments to loans	(232)	(72)	(69.2)
Net provisions and net impairment losses on other assets	(5)	(43)	785.5
Other income (expenses)	0	0	n.m.
Income (Loss) from discontinued operations	0	0	n.m.
<b>Gross income (loss)</b>	<b>456</b>	<b>482</b>	<b>5.8</b>
Taxes on income	(149)	(153)	2.8
Charges (net of tax) for integration and exit incentives	(3)	(5)	36.2
Effect of purchase price allocation (net of tax)	0	0	n.m.
Levies and other charges concerning the banking industry (net of tax)	0	0	n.m.
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Minority interests	0	0	n.m.
<b>Net income</b>	<b>303</b>	<b>324</b>	<b>6.9</b>

Q3 including €36m in provisions for future COVID-19 impacts (€231m in Q2)

Note: figures may not add up exactly due to rounding

# International Subsidiary Banks: 9M20 vs 9M19

€ m

	9M19	9M20	Δ%
Net interest income	1,030	981	(4.8)
Net fee and commission income	397	368	(7.3)
Income from insurance business	0	0	n.m.
Profits on financial assets and liabilities at fair value	85	89	4.7
Other operating income (expenses)	(27)	(25)	(7.4)
<b>Operating income</b>	<b>1,485</b>	<b>1,413</b>	<b>(4.8)</b>
Personnel expenses	(398)	(393)	(1.3)
Other administrative expenses	(246)	(248)	0.8
Adjustments to property, equipment and intangible assets	(78)	(82)	5.1
<b>Operating costs</b>	<b>(722)</b>	<b>(723)</b>	<b>0.1</b>
<b>Operating margin</b>	<b>763</b>	<b>690</b>	<b>(9.6)</b>
Net adjustments to loans	(36)	(173)	380.6
Net provisions and net impairment losses on other assets	0	(2)	n.m.
Other income (expenses)	5	6	20.0
Income (Loss) from discontinued operations	0	0	n.m.
<b>Gross income (loss)</b>	<b>732</b>	<b>521</b>	<b>(28.8)</b>
Taxes on income	(141)	(114)	(19.1)
Charges (net of tax) for integration and exit incentives	(27)	(29)	7.4
Effect of purchase price allocation (net of tax)	0	0	n.m.
Levies and other charges concerning the banking industry (net of tax)	0	0	n.m.
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Minority interests	0	0	n.m.
<b>Net income</b>	<b>564</b>	<b>378</b>	<b>(33.0)</b>

9M20 including  
€60m in provisions  
for future COVID-19  
impacts

Note: figures may not add up exactly due to rounding. Excluding the Russian subsidiary Banca Intesa which is included in IMI C&IB

# International Subsidiary Banks: Q3 vs Q2

€ m

	2Q20	3Q20	Δ%
Net interest income	322	328	2.0
Net fee and commission income	116	128	10.6
Income from insurance business	0	0	n.m.
Profits on financial assets and liabilities at fair value	44	27	(37.9)
Other operating income (expenses)	(11)	(9)	15.9
<b>Operating income</b>	<b>471</b>	<b>475</b>	<b>0.9</b>
Personnel expenses	(130)	(132)	1.4
Other administrative expenses	(85)	(83)	(2.4)
Adjustments to property, equipment and intangible assets	(27)	(28)	1.9
<b>Operating costs</b>	<b>(242)</b>	<b>(242)</b>	<b>0.1</b>
<b>Operating margin</b>	<b>229</b>	<b>233</b>	<b>1.6</b>
Net adjustments to loans	(103)	(48)	(53.4)
Net provisions and net impairment losses on other assets	14	(2)	n.m.
Other income (expenses)	0	0	(75.5)
Income (Loss) from discontinued operations	0	0	n.m.
<b>Gross income (loss)</b>	<b>141</b>	<b>183</b>	<b>30.0</b>
Taxes on income	(30)	(39)	31.1
Charges (net of tax) for integration and exit incentives	(9)	(11)	14.0
Effect of purchase price allocation (net of tax)	0	0	n.m.
Levies and other charges concerning the banking industry (net of tax)	(0)	0	n.m.
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Minority interests	0	0	n.m.
<b>Net income</b>	<b>102</b>	<b>133</b>	<b>31.2</b>

Q2 including €60m in provisions for future COVID-19 impacts

Note: figures may not add up exactly due to rounding. Excluding the Russian subsidiary Banca Intesa which is included in IMI C&IB

# Private Banking: 9M20 vs 9M19

€ m

	9M19	9M20	Δ%
Net interest income	132	154	16.7
Net fee and commission income	1,276	1,260	(1.3)
Income from insurance business	0	0	n.m.
Profits on financial assets and liabilities at fair value	33	16	(51.5)
Other operating income (expenses)	3	5	66.7
<b>Operating income</b>	<b>1,444</b>	<b>1,435</b>	<b>(0.6)</b>
Personnel expenses	(260)	(256)	(1.5)
Other administrative expenses	(147)	(144)	(2.0)
Adjustments to property, equipment and intangible assets	(42)	(43)	2.4
<b>Operating costs</b>	<b>(449)</b>	<b>(443)</b>	<b>(1.3)</b>
<b>Operating margin</b>	<b>995</b>	<b>992</b>	<b>(0.3)</b>
Net adjustments to loans	0	(15)	n.m.
Net provisions and net impairment losses on other assets	(38)	(34)	(10.5)
Other income (expenses)	9	6	(33.3)
Income (Loss) from discontinued operations	0	0	n.m.
<b>Gross income (loss)</b>	<b>966</b>	<b>949</b>	<b>(1.8)</b>
Taxes on income	(280)	(295)	5.4
Charges (net of tax) for integration and exit incentives	(14)	(11)	(21.4)
Effect of purchase price allocation (net of tax)	(1)	(1)	0.0
Levies and other charges concerning the banking industry (net of tax)	0	0	n.m.
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Minority interests	0	1	n.m.
<b>Net income</b>	<b>671</b>	<b>643</b>	<b>(4.2)</b>

9M20 including €6m in provisions for future COVID-19 impacts

Note: figures may not add up exactly due to rounding

# Private Banking: Q3 vs Q2

€ m

	2Q20	3Q20	Δ%
Net interest income	54	52	(3.5)
Net fee and commission income	414	420	1.5
Income from insurance business	0	0	n.m.
Profits on financial assets and liabilities at fair value	9	5	(44.9)
Other operating income (expenses)	1	3	107.1
<b>Operating income</b>	<b>478</b>	<b>479</b>	<b>0.4</b>
Personnel expenses	(87)	(91)	3.9
Other administrative expenses	(48)	(47)	(3.9)
Adjustments to property, equipment and intangible assets	(15)	(14)	(2.5)
<b>Operating costs</b>	<b>(150)</b>	<b>(151)</b>	<b>0.7</b>
<b>Operating margin</b>	<b>327</b>	<b>328</b>	<b>0.2</b>
Net adjustments to loans	(16)	4	n.m.
Net provisions and net impairment losses on other assets	(16)	(12)	(23.8)
Other income (expenses)	0	(1)	n.m.
Income (Loss) from discontinued operations	0	0	n.m.
<b>Gross income (loss)</b>	<b>296</b>	<b>319</b>	<b>7.8</b>
Taxes on income	(92)	(99)	7.8
Charges (net of tax) for integration and exit incentives	(3)	(4)	17.0
Effect of purchase price allocation (net of tax)	(0)	(0)	n.m.
Levies and other charges concerning the banking industry (net of tax)	0	0	n.m.
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Minority interests	0	0	0.0
<b>Net income</b>	<b>200</b>	<b>216</b>	<b>7.7</b>

Q2 including €6m in provisions for future COVID-19 impacts

Note: figures may not add up exactly due to rounding



# Asset Management: 9M20 vs 9M19

€ m

	9M19	9M20	Δ%
Net interest income	0	0	n.m.
Net fee and commission income	527	528	0.2
Income from insurance business	0	0	n.m.
Profits on financial assets and liabilities at fair value	5	(2)	n.m.
Other operating income (expenses)	26	23	(11.5)
<b>Operating income</b>	<b>558</b>	<b>549</b>	<b>(1.6)</b>
Personnel expenses	(55)	(57)	3.6
Other administrative expenses	(49)	(49)	0.0
Adjustments to property, equipment and intangible assets	(4)	(4)	0.0
<b>Operating costs</b>	<b>(108)</b>	<b>(110)</b>	<b>1.9</b>
<b>Operating margin</b>	<b>450</b>	<b>439</b>	<b>(2.4)</b>
Net adjustments to loans	0	0	n.m.
Net provisions and net impairment losses on other assets	0	0	n.m.
Other income (expenses)	0	0	n.m.
Income (Loss) from discontinued operations	0	0	n.m.
<b>Gross income (loss)</b>	<b>450</b>	<b>439</b>	<b>(2.4)</b>
Taxes on income	(106)	(112)	5.7
Charges (net of tax) for integration and exit incentives	0	0	n.m.
Effect of purchase price allocation (net of tax)	0	0	n.m.
Levies and other charges concerning the banking industry (net of tax)	0	0	n.m.
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Minority interests	0	(1)	n.m.
<b>Net income</b>	<b>344</b>	<b>326</b>	<b>(5.2)</b>

Note: figures may not add up exactly due to rounding

# Asset Management: Q3 vs Q2

€ m

	2Q20	3Q20	Δ%
Net interest income	(0)	(0)	4.8
Net fee and commission income	169	185	9.3
Income from insurance business	0	0	n.m.
Profits on financial assets and liabilities at fair value	8	2	(74.0)
Other operating income (expenses)	10	8	(24.1)
<b>Operating income</b>	<b>186</b>	<b>194</b>	<b>4.1</b>
Personnel expenses	(19)	(22)	14.4
Other administrative expenses	(16)	(16)	(2.0)
Adjustments to property, equipment and intangible assets	(1)	(1)	(0.9)
<b>Operating costs</b>	<b>(37)</b>	<b>(39)</b>	<b>6.6</b>
<b>Operating margin</b>	<b>150</b>	<b>155</b>	<b>3.5</b>
Net adjustments to loans	0	(0)	n.m.
Net provisions and net impairment losses on other assets	0	0	76.7
Other income (expenses)	0	0	n.m.
Income (Loss) from discontinued operations	0	0	n.m.
<b>Gross income (loss)</b>	<b>150</b>	<b>155</b>	<b>3.4</b>
Taxes on income	(38)	(40)	4.3
Charges (net of tax) for integration and exit incentives	(0)	(0)	0.0
Effect of purchase price allocation (net of tax)	0	0	n.m.
Levies and other charges concerning the banking industry (net of tax)	0	0	n.m.
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Minority interests	(0)	(0)	(16.0)
<b>Net income</b>	<b>111</b>	<b>115</b>	<b>3.1</b>

Note: figures may not add up exactly due to rounding

# Insurance: 9M20 vs 9M19

€ m

	9M19 pro-forma <sup>(1)</sup>	9M20	Δ%
Net interest income	0	0	n.m.
Net fee and commission income	0	1	n.m.
Income from insurance business	917	962	4.9
Profits on financial assets and liabilities at fair value	0	0	n.m.
Other operating income (expenses)	(8)	(7)	(12.5)
<b>Operating income</b>	<b>909</b>	<b>956</b>	<b>5.2</b>
Personnel expenses	(68)	(72)	5.9
Other administrative expenses	(85)	(87)	2.4
Adjustments to property, equipment and intangible assets	(8)	(11)	37.5
<b>Operating costs</b>	<b>(161)</b>	<b>(170)</b>	<b>5.6</b>
<b>Operating margin</b>	<b>748</b>	<b>786</b>	<b>5.1</b>
Net adjustments to loans	0	0	n.m.
Net provisions and net impairment losses on other assets	(1)	(16)	n.m.
Other income (expenses)	0	0	n.m.
Income (Loss) from discontinued operations	0	0	n.m.
<b>Gross income (loss)</b>	<b>747</b>	<b>770</b>	<b>3.1</b>
Taxes on income	(200)	(216)	8.0
Charges (net of tax) for integration and exit incentives	(1)	(11)	n.m.
Effect of purchase price allocation (net of tax)	(12)	(14)	16.7
Levies and other charges concerning the banking industry (net of tax)	0	0	n.m.
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Minority interests	(39)	(56)	43.6
<b>Net income</b>	<b>495</b>	<b>473</b>	<b>(4.4)</b>

Note: figures may not add up exactly due to rounding

(1) Data restated to take into account the effects of the RBM Assicurazione Salute acquisition

# Insurance: Q3 vs Q2

€ m

	2Q20	3Q20	Δ%
Net interest income	0	(0)	n.m.
Net fee and commission income	0	0	(2.1)
Income from insurance business	332	288	(13.2)
Profits on financial assets and liabilities at fair value	0	0	n.m.
Other operating income (expenses)	(2)	(3)	(22.6)
<b>Operating income</b>	<b>330</b>	<b>286</b>	<b>(13.4)</b>
Personnel expenses	(26)	(24)	(7.2)
Other administrative expenses	(30)	(33)	11.2
Adjustments to property, equipment and intangible assets	(4)	(4)	(1.1)
<b>Operating costs</b>	<b>(60)</b>	<b>(61)</b>	<b>2.4</b>
<b>Operating margin</b>	<b>270</b>	<b>224</b>	<b>(16.9)</b>
Net adjustments to loans	0	0	n.m.
Net provisions and net impairment losses on other assets	(2)	(7)	205.7
Other income (expenses)	0	0	n.m.
Income (Loss) from discontinued operations	0	0	n.m.
<b>Gross income (loss)</b>	<b>268</b>	<b>217</b>	<b>(18.9)</b>
Taxes on income	(73)	(61)	(16.6)
Charges (net of tax) for integration and exit incentives	(7)	(2)	(67.1)
Effect of purchase price allocation (net of tax)	(3)	(6)	57.5
Levies and other charges concerning the banking industry (net of tax)	0	0	n.m.
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Minority interests	(17)	(2)	(86.2)
<b>Net income</b>	<b>167</b>	<b>146</b>	<b>(12.7)</b>

Note: figures may not add up exactly due to rounding

# Quarterly P&L

Data excluding UBI Banca  
€ m

	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20
	pro-forma <sup>(1)</sup>				pro-forma <sup>(2)</sup>		
Net interest income	1,756	1,761	1,741	1,747	1,747	1,750	1,818
Net fee and commission income	1,865	1,965	1,966	2,166	1,844	1,744	1,861
Income from insurance business	323	304	321	320	369	367	295
Profits on financial assets and liabilities at fair value	458	634	480	356	994	263	121
Other operating income (expenses)	(1)	10	5	(10)	(15)	12	(12)
<b>Operating income</b>	<b>4,401</b>	<b>4,674</b>	<b>4,513</b>	<b>4,579</b>	<b>4,939</b>	<b>4,136</b>	<b>4,083</b>
Personnel expenses	(1,388)	(1,419)	(1,422)	(1,519)	(1,356)	(1,380)	(1,358)
Other administrative expenses	(587)	(625)	(637)	(752)	(553)	(583)	(570)
Adjustments to property, equipment and intangible assets	(260)	(252)	(261)	(285)	(264)	(267)	(268)
<b>Operating costs</b>	<b>(2,235)</b>	<b>(2,296)</b>	<b>(2,320)</b>	<b>(2,556)</b>	<b>(2,173)</b>	<b>(2,230)</b>	<b>(2,196)</b>
<b>Operating margin</b>	<b>2,166</b>	<b>2,378</b>	<b>2,193</b>	<b>2,023</b>	<b>2,766</b>	<b>1,906</b>	<b>1,887</b>
Net adjustments to loans	(369)	(554)	(473)	(693)	(403)	(1,398) <sup>(3)</sup>	(853) <sup>(5)</sup>
Net provisions and net impairment losses on other assets	(30)	(37)	(19)	(168)	(419)	262 <sup>(4)</sup>	(60)
Other income (expenses)	6	1	(2)	50	3	(21)	23
Income (Loss) from discontinued operations	19	22	22	25	29	1,134	0
<b>Gross income (loss)</b>	<b>1,792</b>	<b>1,810</b>	<b>1,721</b>	<b>1,237</b>	<b>1,976</b>	<b>1,883</b>	<b>997</b>
Taxes on income	(535)	(446)	(532)	(312)	(561)	(313)	(289)
Charges (net of tax) for integration and exit incentives	(22)	(30)	(27)	(27)	(15)	(35)	(27)
Effect of purchase price allocation (net of tax)	(40)	(28)	(37)	(12)	(26)	(24)	(27)
Levies and other charges concerning the banking industry (net of tax)	(146)	(96)	(96)	(22)	(191)	(86)	(148)
Impairment (net of tax) of goodwill and other intangible assets	0	0	0	0	0	0	0
Minority interests	1	6	15	8	(32)	(10)	1
<b>Net income</b>	<b>1,050</b>	<b>1,216</b>	<b>1,044</b>	<b>872</b>	<b>1,151</b>	<b>1,415</b>	<b>507</b>

Note: figures may not add up exactly due to rounding

(1) Data restated for the full line-by-line deconsolidation of the acquiring activities related to the Nexi agreement and to take into account the effects on Operating costs of the Prelios agreement related to UTP servicing and the RBM Assicurazione Salute acquisition

(2) Data restated to take into account the effects of the RBM Assicurazione Salute acquisition

(3) Including €882m in provisions for future COVID-19 impacts

(4) Including the write-back of ~€300m in provisions for future COVID-19 impacts booked in 1Q20

(5) Including €430m in provisions for future COVID-19 impacts

# Net Fee and Commission Income: Quarterly Development Breakdown

Data excluding UBI Banca

€ m

Net Fee and Commission Income							
	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20
	<b>pro-forma<sup>(1)</sup></b>						
Guarantees given / received	55	56	58	60	50	49	48
Collection and payment services	119	128	123	137	114	103	106
Current accounts	308	306	304	304	293	295	299
Credit and debit cards	74	80	89	82	63	68	83
<b>Commercial banking activities</b>	<b>556</b>	<b>570</b>	<b>574</b>	<b>583</b>	<b>520</b>	<b>515</b>	<b>536</b>
Dealing and placement of securities	180	195	190	199	185	168	185
Currency dealing	3	2	3	2	3	3	3
Portfolio management	542	561	571	697	550	516	548
Distribution of insurance products	326	361	363	391	344	333	364
Other	62	65	69	68	62	50	63
<b>Management, dealing and consultancy activities</b>	<b>1,113</b>	<b>1,184</b>	<b>1,196</b>	<b>1,357</b>	<b>1,144</b>	<b>1,070</b>	<b>1,163</b>
Other net fee and commission income	196	211	196	226	180	159	162
<b>Net fee and commission income</b>	<b>1,865</b>	<b>1,965</b>	<b>1,966</b>	<b>2,166</b>	<b>1,844</b>	<b>1,744</b>	<b>1,861</b>

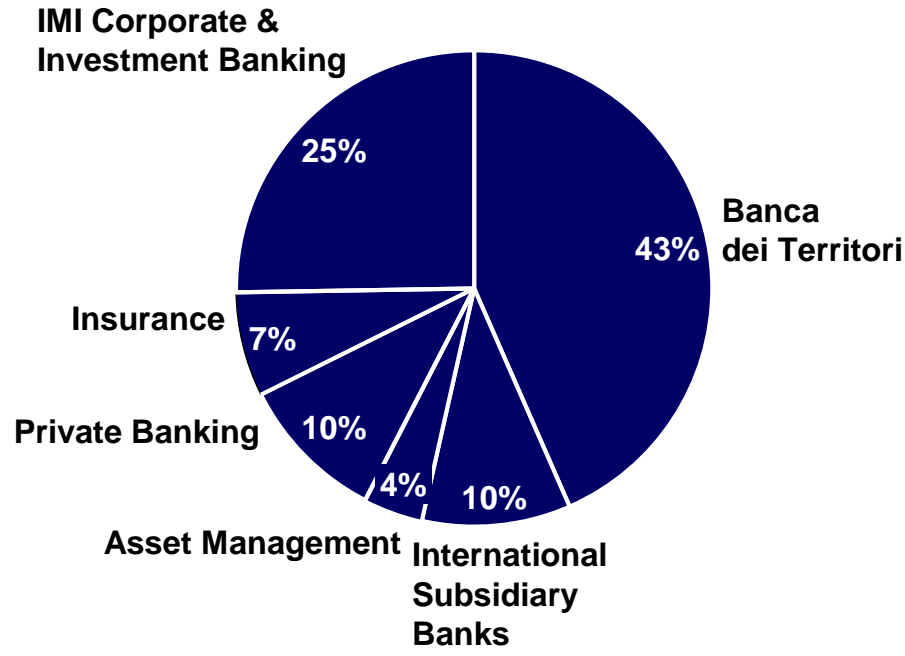
Note: figures may not add up exactly due to rounding

(1) Data restated for the full line-by-line deconsolidation of the acquiring activities related to the Nexi agreement

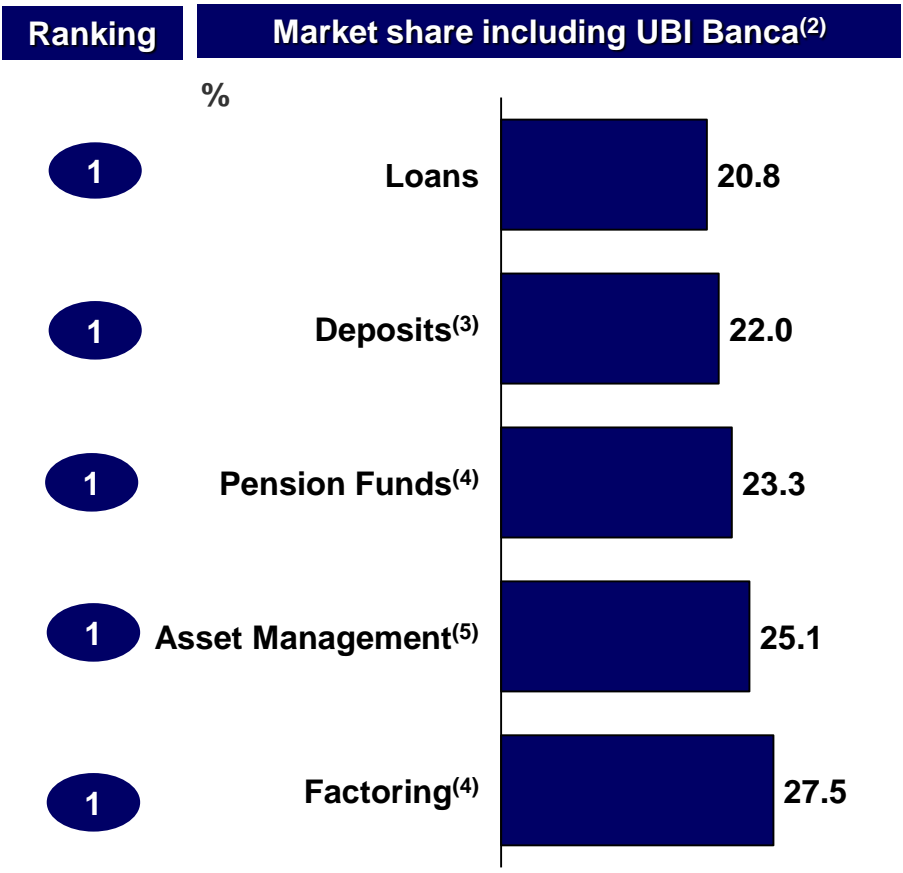
# Market Leadership in Italy

## 9M20 Operating Income Breakdown by business area<sup>(1)</sup>

Data excluding UBI Banca



## Leader in Italy



Note: figures may not add up exactly due to rounding

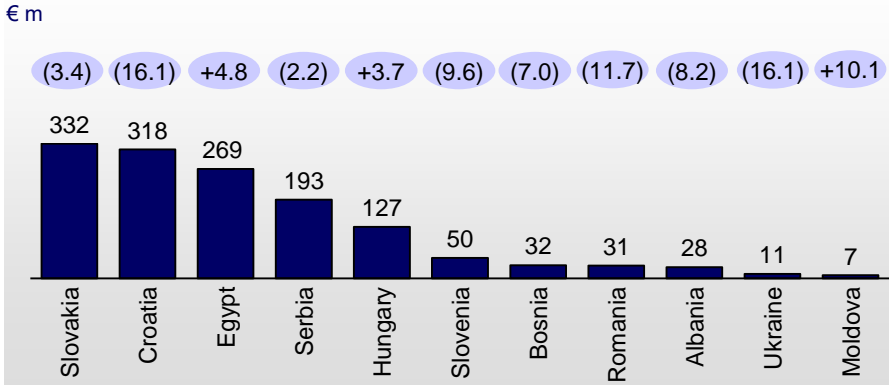
(1) Excluding Corporate Centre  
 (2) Data as at 30.9.20, considering the impact from the disposal to BPER Banca of a portion of branches and related assets and liabilities  
 (3) Including bonds  
 (4) Data as at 30.6.20  
 (5) Mutual funds; data as at 30.6.20

# International Subsidiary Banks: Key P&L Data by Country

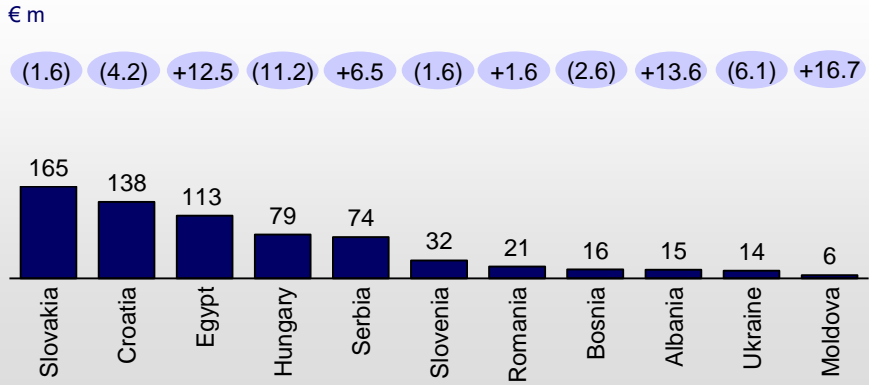
Data as at 30.9.20, excluding UBI Banca

(Δ% vs 9M19)

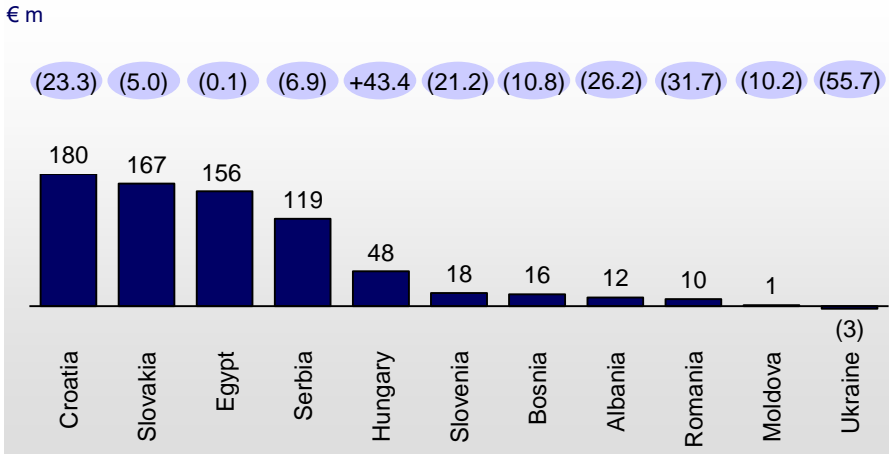
## Operating Income



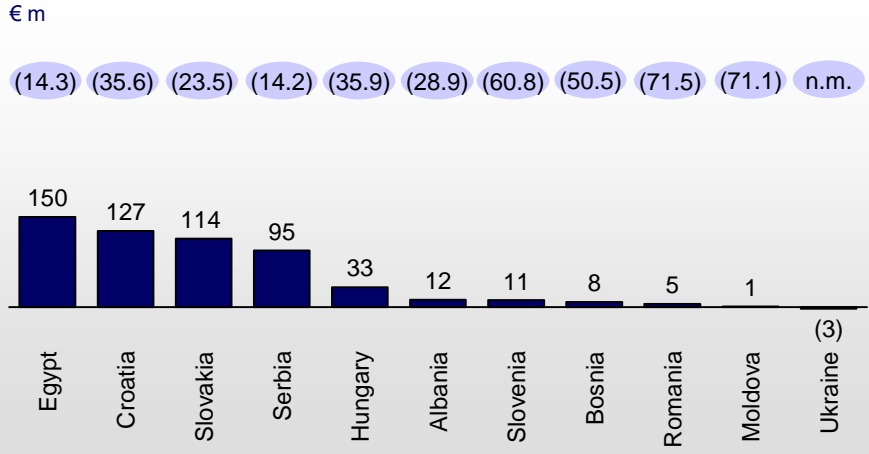
## Operating Costs



## Operating Margin



## Gross Income



Note: excluding the Russian subsidiary Banca Intesa which is included in IMI C&IB



# International Subsidiary Banks by Country: 8.7% of the Group's Total Loans

Data as at 30.9.20, excluding UBI Banca

										<b>Total CEE</b>		<b>Total</b>
Hungary	Slovakia	Slovenia	Croatia	Bosnia	Serbia	Albania	Romania	Moldova	Ukraine		Egypt	

<b>Oper. Income (€ m)</b>	127	332	50	318	32	193	28	31	7	11	1,129	269	1,398
<i>% of Group total</i>	<b>1.0%</b>	<b>2.5%</b>	<b>0.4%</b>	<b>2.4%</b>	<b>0.2%</b>	<b>1.5%</b>	<b>0.2%</b>	<b>0.2%</b>	<b>0.1%</b>	<b>0.1%</b>	<b>8.6%</b>	<b>2.0%</b>	<b>10.6%</b>
<b>Net income (€ m)</b>	9	54	6	85	6	67	8	4	1	(3)	237	106	343
<i>% of Group total</i>	<b>0.3%</b>	<b>1.7%</b>	<b>0.2%</b>	<b>2.8%</b>	<b>0.2%</b>	<b>2.2%</b>	<b>0.3%</b>	<b>0.1%</b>	<b>0.0%</b>	<b>n.m.</b>	<b>7.7%</b>	<b>3.5%</b>	<b>11.1%</b>
<b>Customer Deposits (€ bn)</b>	4.1	16.2	2.4	9.6	0.8	4.4	1.3	0.9	0.2	0.1	39.9	4.6	44.5
<i>% of Group total</i>	<b>0.9%</b>	<b>3.6%</b>	<b>0.5%</b>	<b>2.1%</b>	<b>0.2%</b>	<b>1.0%</b>	<b>0.3%</b>	<b>0.2%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>8.9%</b>	<b>1.0%</b>	<b>9.9%</b>
<b>Customer Loans (€ bn)</b>	3.1	15.0	1.9	7.1	0.8	3.7	0.4	0.8	0.1	0.1	32.8	2.5	35.3
<i>% of Group total</i>	<b>0.8%</b>	<b>3.7%</b>	<b>0.5%</b>	<b>1.8%</b>	<b>0.2%</b>	<b>0.9%</b>	<b>0.1%</b>	<b>0.2%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>8.1%</b>	<b>0.6%</b>	<b>8.7%</b>
<b>Total Assets (€ bn)</b>	6.0	18.8	2.9	12.4	1.2	6.0	1.5	1.3	0.2	0.2	50.5	5.7	56.2
<i>% of Group total</i>	<b>0.7%</b>	<b>2.2%</b>	<b>0.3%</b>	<b>1.4%</b>	<b>0.1%</b>	<b>0.7%</b>	<b>0.2%</b>	<b>0.2%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>5.8%</b>	<b>0.7%</b>	<b>6.5%</b>
<b>Book value (€ m)</b>	658	1,593	305	1,742	161	916	185	185	34	53	5,832	549	6,381
<i>- intangibles</i>	30	121	6	22	2	44	4	3	2	2	236	7	243

Note: figures may not add up exactly due to rounding. Excluding the Russian subsidiary Banca Intesa which is included in IMI C&IB

# International Subsidiary Banks by Country: Loan Breakdown and Coverage

Data as at 30.9.20, excluding UBI Banca

										<b>Total CEE</b>		<b>Total</b>
Hungary	Slovakia	Slovenia	Croatia	Bosnia	Serbia	Albania	Romania	Moldova	Ukraine		Egypt	

<b>Performing loans (€ bn)</b>	3.0	14.8	1.9	6.9	0.8	3.6	0.4	0.8	0.1	0.1	<b>32.2</b>	2.5	<b>34.7</b>
<b>of which:</b>													
<b>Retail local currency</b>	44%	61%	42%	33%	33%	23%	22%	12%	60%	26%	<b>46%</b>	56%	<b>47%</b>
<b>Retail foreign currency</b>	0%	0%	0%	19%	15%	29%	14%	18%	1%	1%	<b>8%</b>	0%	<b>8%</b>
<b>Corporate local currency</b>	24%	35%	58%	24%	11%	6%	15%	37%	16%	40%	<b>29%</b>	28%	<b>29%</b>
<b>Corporate foreign currency</b>	32%	4%	0%	24%	41%	42%	49%	33%	24%	32%	<b>17%</b>	15%	<b>17%</b>
<b>Bad loans<sup>(1)</sup> (€ m)</b>	14	107	1	52	5	18	4	13	1	0	<b>215</b>	1	<b>216</b>
<b>Unlikely to pay<sup>(2)</sup> (€ m)</b>	45	74	21	147	9	14	6	14	1	0	<b>331</b>	48	<b>379</b>
<b>Performing loans coverage</b>	1.5%	0.7%	1.0%	1.6%	2.1%	2.0%	1.4%	2.2%	4.1%	1.4%	<b>1.2%</b>	1.5%	<b>1.2%</b>
<b>Bad loans<sup>(1)</sup> coverage</b>	68%	62%	94%	79%	69%	71%	60%	57%	n.m.	n.m.	<b>70%</b>	97%	<b>71%</b>
<b>Unlikely to pay<sup>(2)</sup> coverage</b>	47%	44%	48%	42%	44%	50%	33%	36%	50%	n.m.	<b>44%</b>	45%	<b>44%</b>
<b>Annualised cost of credit<sup>(3)</sup> (bps)</b>	65	47	56	102	129	92	n.m.	69	65	178	<b>68</b>	32	<b>65</b>

Note: figures may not add up exactly due to rounding. Excluding the Russian subsidiary Banca Intesa which is included in IMI C&IB

(1) *Sofferenze*

(2) Including Past due

(3) Net adjustments to loans/Net customer loans

# Common Equity Ratio as at 30.9.20: from Phased-in to Pro-forma Fully Loaded

	~€ bn	~bps
<b>Direct-deduction relevant items</b>		
DTA on losses carried forward <sup>(1)</sup>	1.6	48
IFRS9 transitional adjustment	(2.1)	(61)
<b>Total</b>	<b>(0.5)</b>	<b>(13)</b>
<b>Cap relevant items<sup>(*)</sup>(2)</b>		
<b>Total</b>	<b>0.0</b>	<b>19</b>
(*) as a memo, constituents of deductions subject to cap:		
- Other DTA <sup>(3)</sup>	1.5	
- Investments in banking and financial companies	2.4	
<b>RWA from 100% weighted DTA<sup>(4)</sup></b>	<b>(10.0)</b>	<b>44</b>
<b>Total estimated impact</b>		<b>51</b>
<b>Pro-forma fully loaded Common Equity ratio</b>		<b>15.2%</b>

Note: figures may not add up exactly due to rounding

(1) Considering the expected absorption of DTA on losses carried forward (€1.8bn as at 30.9.20)

(2) Following the application of the Danish Compromise, insurance investments are risk weighted instead of being deducted from capital. In the amount of insurance investments, the expected distribution of 9M20 Net income of insurance companies is considered, which for the sake of simplicity is left included in the benefit allocated to this caption

(3) Other DTA: mostly related to provisions for risks and charges, considering the total absorption of DTA related to IFRS9 FTA (€1.3bn as at 30.9.20) and DTA related to the non-taxable public cash contribution of €1,285m covering the integration and rationalisation charges relating to the acquisition of operations of the two former Venetian banks (€0.3bn as at 30.9.20) and the sale of the going concern to BPER Banca due to the acquisition of UBI Banca (€0.4bn as at 30.9.20). DTA related to goodwill realignment and adjustments to loans are excluded due to their treatment as credits to tax authorities

(4) Considering the total absorption of DTA convertible into tax credit related to goodwill realignment (€6.2bn as at 30.9.20) and adjustments to loans (€3.8bn as at 30.9.20)

# Total Exposure<sup>(1)</sup> by Main Countries

Data excluding UBI Banca

€ m

	DEBT SECURITIES						LOANS
	Banking Business				Insurance Business <sup>(3)</sup>	Total	
	AC	FVTOCI	FVTPL <sup>(2)</sup>	Total			
<b>EU Countries</b>	<b>30,608</b>	<b>49,999</b>	<b>10,652</b>	<b>91,259</b>	<b>64,993</b>	<b>156,252</b>	<b>391,210</b>
Austria	135	135	-89	181	4	185	1,040
Belgium	820	1,368	37	2,225	153	2,378	1,170
Bulgaria			14	14	93	107	24
Croatia	55	1,196	171	1,422	169	1,591	7,109
Cyprus							238
Czech Republic	134			134		134	520
Denmark		8		8	17	25	119
Estonia							4
Finland		105	26	131	36	167	283
France	2,901	5,050	92	8,043	2,814	10,857	8,314
Germany	1,135	2,996	-106	4,025	894	4,919	10,710
Greece	25		26	51		51	128
Hungary	164	935	7	1,106	36	1,142	2,917
Ireland	483	1,112	321	1,916	61	1,977	320
Italy	19,742	20,624	10,185	50,551	55,316	105,867	310,069
Latvia							33
Lithuania			15	15		15	1
Luxembourg	120	403	144	667		667	5,375
Malta							24
The Netherlands	199	1,021	198	1,418	696	2,114	2,810
Poland	38	112	13	163	29	192	836
Portugal	117	507	148	772	7	779	160
Romania	56	308	-3	361	262	623	844
Slovakia		976	105	1,081		1,081	13,202
Slovenia	1	212	25	238		238	1,829
Spain	4,122	12,395	-772	15,745	2,862	18,607	2,721
Sweden		182	48	230	19	249	267
United Kingdom	361	354	47	762	1,525	2,287	20,143
<b>Albania</b>	<b>332</b>	<b>211</b>	<b>2</b>	<b>545</b>		<b>545</b>	<b>398</b>
<b>Egypt</b>		<b>1,735</b>	<b>2</b>	<b>1,737</b>	<b>56</b>	<b>1,793</b>	<b>2,784</b>
<b>Japan</b>		<b>1,967</b>	<b>723</b>	<b>2,690</b>	<b>90</b>	<b>2,780</b>	<b>725</b>
<b>Russia</b>		<b>90</b>	<b>6</b>	<b>96</b>	<b>46</b>	<b>142</b>	<b>5,345</b>
<b>Serbia</b>		<b>707</b>	<b>2</b>	<b>709</b>		<b>709</b>	<b>3,912</b>
<b>U.S.A.</b>	<b>1,405</b>	<b>5,901</b>	<b>158</b>	<b>7,464</b>	<b>2,719</b>	<b>10,183</b>	<b>6,136</b>
<b>Other Countries</b>	<b>1,084</b>	<b>4,160</b>	<b>385</b>	<b>5,629</b>	<b>2,971</b>	<b>8,600</b>	<b>20,998</b>
<b>Total</b>	<b>33,429</b>	<b>64,770</b>	<b>11,930</b>	<b>110,129</b>	<b>70,875</b>	<b>181,004</b>	<b>431,508</b>

€63.2bn including UBI Banca

€129.2bn including UBI Banca

Note: management accounts. Figures may not add up exactly due to rounding

(1) Exposure to sovereign risks (central and local governments), banks and other customers. Book Value of Debt Securities and Net Loans as at 30.9.20

(2) Taking into account cash short positions

(3) Excluding securities in which money is collected through insurance policies where the total risk is retained by the insured

# Exposure to Sovereign Risks<sup>(1)</sup> by Main Countries

Data excluding UBI Banca

€ m

	DEBT SECURITIES							LOANS
	Banking Business				Insurance Business <sup>(3)</sup>	Total	FVTOCI/AFS Reserve <sup>(4)</sup>	
	AC	FVTOCI	FVTPL <sup>(2)</sup>	Total				
<b>EU Countries</b>	<b>21,224</b>	<b>42,716</b>	<b>7,986</b>	<b>71,926</b>	<b>56,983</b>	<b>128,909</b>	<b>313</b>	<b>11,502</b>
Austria		44	-90	-46	2	-44		
Belgium	790	1,261	23	2,074	4	2,078	-11	
Bulgaria			14	14	62	76	1	
Croatia		1,196	171	1,367	158	1,525	4	1,211
Cyprus								
Czech Republic								
Denmark								
Estonia								
Finland		14	2	16	3	19		
France	2,565	3,504	-49	6,020	1,098	7,118	-43	4
Germany	515	2,191	-195	2,511	293	2,804	-14	
Greece			26	26		26		
Hungary	6	935	7	948	36	984	4	116
Ireland	139	493	-2	630	58	688	-2	
Italy	13,178	18,692	8,483	40,353	53,000	93,353	434	9,795
Latvia								33
Lithuania			15	15		15		
Luxembourg			3	3		3		
Malta								
The Netherlands	52	377	93	522	76	598	-1	
Poland	38	60	13	111	18	129	-1	
Portugal	85	490	113	688		688	-4	
Romania	56	308	-3	361	262	623	-8	7
Slovakia		947	105	1,052		1,052	6	91
Slovenia	1	204	25	230		230	1	196
Spain	3,799	11,977	-811	14,965	1,813	16,778	-53	49
Sweden		23	46	69		69		
United Kingdom			-3	-3	100	97		
<b>Albania</b>	<b>332</b>	<b>211</b>	<b>2</b>	<b>545</b>		<b>545</b>	<b>4</b>	<b>1</b>
<b>Egypt</b>		<b>1,735</b>	<b>2</b>	<b>1,737</b>	<b>56</b>	<b>1,793</b>	<b>-3</b>	<b>326</b>
<b>Japan</b>		<b>1,885</b>	<b>693</b>	<b>2,578</b>		<b>2,578</b>	<b>2</b>	
<b>Russia</b>		<b>90</b>	<b>6</b>	<b>96</b>		<b>96</b>	<b>-4</b>	
<b>Serbia</b>		<b>707</b>	<b>2</b>	<b>709</b>		<b>709</b>	<b>7</b>	<b>97</b>
<b>U.S.A.</b>	<b>921</b>	<b>4,723</b>	<b>-112</b>	<b>5,532</b>	<b>7</b>	<b>5,539</b>	<b>-49</b>	
<b>Other Countries</b>	<b>975</b>	<b>2,262</b>	<b>226</b>	<b>3,463</b>	<b>1,212</b>	<b>4,675</b>	<b>-66</b>	<b>4,946</b>
<b>Total</b>	<b>23,452</b>	<b>54,329</b>	<b>8,805</b>	<b>86,586</b>	<b>58,258</b>	<b>144,844</b>	<b>204</b>	<b>16,872</b>

**Banking Business Government bond  
duration: 6.2y  
Adjusted duration due to hedging: 1.1y**

**€51.9bn including UBI Banca  
Banking Business Government bond  
duration: 6y  
Adjusted duration due to hedging: 1.2y**

**€103.2bn including UBI Banca**

Note: management accounts. Figures may not add up exactly due to rounding

(1) Exposure to central and local governments. Book Value of Debt Securities and Net Loans as at 30.9.20

(2) Taking into account cash short positions

(3) Excluding securities in which money is collected through insurance policies where the total risk is retained by the insured

(4) Net of tax and allocation to insurance products under separate management

# Exposure to Banks by Main Countries<sup>(1)</sup>

Data excluding UBI Banca

€ m

	DEBT SECURITIES						LOANS
	Banking Business				Insurance Business <sup>(3)</sup>	Total	
	AC	FVTOCI	FVTPL <sup>(2)</sup>	Total			
<b>EU Countries</b>	<b>1,537</b>	<b>4,038</b>	<b>682</b>	<b>6,257</b>	<b>3,405</b>	<b>9,662</b>	<b>28,707</b>
Austria	125	46		171		171	243
Belgium		88	11	99	24	123	571
Bulgaria							1
Croatia	42			42		42	15
Cyprus							2
Czech Republic							67
Denmark		8		8		8	
Estonia							73
Finland		46	24	70		70	
France	249	1,058	12	1,319	987	2,306	6,730
Germany	18	546	72	636	38	674	8,222
Greece							112
Hungary	128			128		128	6
Ireland		38		38		38	18
Italy	792	976	414	2,182	1,258	3,440	5,288
Latvia							
Lithuania							
Luxembourg		195	93	288		288	615
Malta							
The Netherlands	53	291	16	360	208	568	299
Poland		52		52		52	24
Portugal		17		17		17	1
Romania							53
Slovakia		29		29		29	
Slovenia		8		8		8	4
Spain	130	345	9	484	374	858	484
Sweden		75		75	18	93	44
United Kingdom		220	31	251	498	749	5,835
<b>Albania</b>							<b>23</b>
<b>Egypt</b>							<b>64</b>
<b>Japan</b>		31	24	55	60	115	61
<b>Russia</b>							<b>70</b>
<b>Serbia</b>							<b>56</b>
<b>U.S.A.</b>		238	206	444	1,287	1,731	780
<b>Other Countries</b>	<b>30</b>	<b>1,309</b>	<b>118</b>	<b>1,457</b>	<b>643</b>	<b>2,100</b>	<b>4,064</b>
<b>Total</b>	<b>1,567</b>	<b>5,616</b>	<b>1,030</b>	<b>8,213</b>	<b>5,395</b>	<b>13,608</b>	<b>33,825</b>

€2.3bn including UBI Banca

€9bn including UBI Banca

Note: management accounts. Figures may not add up exactly due to rounding

(1) Book Value of Debt Securities and Net Loans as at 30.9.20

(2) Taking into account cash short positions

(3) Excluding securities in which money is collected through insurance policies where the total risk is retained by the insured

# Exposure to Other Customers by Main Countries<sup>(1)</sup>

Data excluding UBI Banca

€ m

	DEBT SECURITIES						LOANS
	Banking Business				Insurance Business <sup>(3)</sup>	Total	
	AC	FVTOCI	FVTPL <sup>(2)</sup>	Total			
<b>EU Countries</b>	<b>7,847</b>	<b>3,245</b>	<b>1,984</b>	<b>13,076</b>	<b>4,605</b>	<b>17,681</b>	<b>351,001</b>
Austria	10	45	1	56	2	58	797
Belgium	30	19	3	52	125	177	599
Bulgaria					31	31	23
Croatia	13			13	11	24	5,883
Cyprus							238
Czech Republic	134			134		134	518
Denmark					17	17	52
Estonia							4
Finland		45		45	33	78	210
France	87	488	129	704	729	1,433	1,580
Germany	602	259	17	878	563	1,441	2,488
Greece	25			25		25	16
Hungary	30			30		30	2,795
Ireland	344	581	323	1,248	3	1,251	302
Italy	5,772	956	1,288	8,016	1,058	9,074	294,986
Latvia							1
Lithuania							4,760
Luxembourg	120	208	48	376		376	24
Malta							2,511
The Netherlands	94	353	89	536	412	948	812
Poland					11	11	159
Portugal	32		35	67	7	74	784
Romania							13,111
Slovakia							1,629
Slovenia							2,188
Spain	193	73	30	296	675	971	223
Sweden		84	2	86	1	87	14,308
United Kingdom	361	134	19	514	927	1,441	<b>374</b>
<b>Albania</b>							<b>2,394</b>
<b>Egypt</b>		51	6	57	30	87	<b>664</b>
<b>Japan</b>					46	46	<b>5,275</b>
<b>Russia</b>							<b>3,759</b>
<b>Serbia</b>							<b>5,356</b>
<b>U.S.A.</b>	<b>484</b>	<b>940</b>	<b>64</b>	<b>1,488</b>	<b>1,425</b>	<b>2,913</b>	<b>11,988</b>
<b>Other Countries</b>	<b>79</b>	<b>589</b>	<b>41</b>	<b>709</b>	<b>1,116</b>	<b>1,825</b>	<b>380,811</b>
<b>Total</b>	<b>8,410</b>	<b>4,825</b>	<b>2,095</b>	<b>15,330</b>	<b>7,222</b>	<b>22,552</b>	

€9bn including UBI Banca

€17bn including UBI Banca

Note: management accounts. Figures may not add up exactly due to rounding

(1) Book Value of Debt Securities and Net Loans as at 30.9.20

(2) Taking into account cash short positions

(3) Excluding securities in which money is collected through insurance policies where the total risk is retained by the insured

# Disclaimer

**“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 presentation corresponds to the document results, books and accounting records”.**

\* \* \*

This presentation includes certain forward looking statements, projections, objectives and estimates reflecting the current views of the management of the Company with respect to 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 the Company’s future financial position and results of operations, strategy, plans, objectives, goals and targets and future developments in the markets where the Company 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 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 the Company as of the date hereof. The Company undertakes no obligation to update publicly or revise any forward-looking statement, 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 the Company or persons acting on its behalf are expressly qualified in their entirety by these cautionary statements.