PRESS RELEASE

INTESA SANPAOLO: CONSOLIDATED RESULTS AS AT 31 MARCH 2023

THE RESULTS FOR Q1 2023 CONFIRM THAT INTESA SANPAOLO IS ABLE TO GENERATE SUSTAINABLE PROFITABILITY EVEN IN COMPLEX CONTEXTS THANKS TO ITS WELL-DIVERSIFIED AND RESILIENT BUSINESS MODEL, WITH NET INCOME OF NEARLY €2 BILLION DRIVEN BY NET INTEREST INCOME.

THE SOLID PERFORMANCE OF INCOME STATEMENT AND BALANCE SHEET IN THE QUARTER TRANSLATED INTO SIGNIFICANT VALUE CREATION FOR ALL STAKEHOLDERS, ALSO GROUNDED IN THE GROUP'S STRONG ESG COMMITMENT: SPECIFICALLY, €1.4 BILLION DIVIDENDS ACCRUED, €1.4 BILLION TAXES GENERATED (AROUND €300 MILLION MORE THAN IN Q1 2022, DERIVING FROM THE NET INTEREST INCOME GROWTH), EXPANDING THE FOOD AND SHELTER PROGRAMME FOR PEOPLE IN NEED (AROUND 24.3 MILLION INTERVENTIONS IN THE PERIOD 2022 - Q1 2023), ENHANCING INITIATIVES TO FIGHT INEQUALITIES AND FAVOUR FINANCIAL, SOCIAL, EDUCATIONAL AND CULTURAL INCLUSION (€10.5 BILLION OF SOCIAL LENDING AND URBAN REGENERATION IN THE PERIOD 2022 - Q1 2023).

INTESA SANPAOLO CONTINUES TO OPERATE AS A GROWTH ACCELERATOR IN THE REAL ECONOMY IN ITALY: IN Q1 2023, MEDIUM/LONG-TERM NEW LENDING GRANTED BY THE GROUP TO ITALIAN HOUSEHOLDS AND BUSINESSES AMOUNTED TO AROUND €10 BILLION. IN Q1 2023, THE GROUP FACILITATED THE RETURN TO PERFORMING STATUS OF AROUND 900 COMPANIES, THUS SAFEGUARDING AROUND 4,500 JOBS. THIS BROUGHT THE TOTAL TO OVER 138,000 COMPANIES SINCE 2014, WITH AROUND 691,000 JOBS SAFEGUARDED OVER THE SAME PERIOD.

THE IMPLEMENTATION OF THE 2022-2025 BUSINESS PLAN IS PROCEEDING AT FULL SPEED, WITH THE KEY INDUSTRIAL INITIATIVES WELL UNDERWAY. THE BUSINESS PLAN FORMULA IS CONFIRMED, WITH A CLEAR AND STRONG UPSIDE FOR THE €6.5 BILLION NET INCOME TARGET IN 2025 DERIVING FROM THE INTEREST RATE INCREASE.

INTESA SANPAOLO IS FULLY EQUIPPED TO CONTINUE SUCCEEDING IN THE FUTURE GIVEN THE GROUP'S KEY STRENGTHS, NOTABLY RESILIENT PROFITABILITY, A SOLID CAPITAL POSITION, THE "ZERO-NPL" BANK STATUS AND HIGH FLEXIBILITY IN MANAGING OPERATING COSTS.

THE CAPITAL POSITION WAS SOLID AND WELL ABOVE REGULATORY REQUIREMENTS: FULLY LOADED COMMON EQUITY TIER 1 RATIO WAS 13.7% AFTER DEDUCTING FROM CAPITAL THE DIVIDENDS ACCRUED IN Q1 2023 AND NOT TAKING INTO ACCOUNT A BENEFIT OF AROUND 125 BASIS POINTS DERIVING FROM THE ABSORPTION OF DEFERRED TAX ASSETS (DTAs), OF WHICH AROUND 30 BASIS POINTS WITHIN THE Q2 2023 - 2025 HORIZON.

GROSS INCOME WAS UP 58% AND OPERATING MARGIN WAS UP 22% ON Q1 2022, WITH OPERATING INCOME UP 11.9% AND OPERATING COSTS RISING SLIGHTLY (UP 0.5%).

CREDIT QUALITY:
- **NPLs WERE DOWN 2.1% NET AND UP 1.2% GROSS ON YEAR-END 2022;**
- **NPL RATIO WAS 1.2% NET AND 2.4% GROSS, RESPECTIVELY 1% AND 2% ACCORDING TO THE EBA METHODOLOGY;**
- **ANNUALISED COST OF RISK IN Q1 2023 STOOD AT 17 BASIS POINTS.**

EXPOSURE TO RUSSIA HAS BEEN FURTHER REDUCED, DOWN BY AROUND 70% SINCE JUNE 2022 TO 0.2% OF THE GROUP'S TOTAL CUSTOMER LOANS.

- **NET INCOME OF €1,956M IN Q1 2023, COMPARED WITH €1,076M IN Q4 2022 AND €1,043M IN Q1 2022**

- **GROSS INCOME UP 58% ON Q1 2022**

- **OPERATING MARGIN UP 22% ON Q1 2022**

- **OPERATING INCOME UP 11.9% ON Q1 2022**

- **OPERATING COSTS RISING SLIGHTLY ON Q1 2022 (UP 0.5%)**

- **CREDIT QUALITY:**
  - **NPL STOCK DOWN 2.1% NET AND UP 1.2% GROSS ON YEAR-END 2022**
  - **NPL RATIO OF 1.2 NET AND 2.4% GROSS, RESPECTIVELY 1% AND 2% ACCCORDING TO THE EBA METHODOLOGY**
  - **ANNUALISED COST OF RISK IN Q1 2023 AT 17 BASIS POINTS (FROM 70 BASIS POINTS IN 2022, 30 BASIS POINTS WHEN EXCLUDING ADJUSTMENTS FOR THE EXPOSURE TO RUSSIA AND UKRAINE, FOR OVERLAYS AND TO FAVOUR DE-RISKING, NET OF THE PARTIAL RELEASE OF GENERIC PROVISIONS WHICH WERE SET ASIDE IN 2020 FOR FUTURE COVID-19 IMPACTS)**

- **A SOLID CAPITAL POSITION, WELL ABOVE REGULATORY REQUIREMENTS:**
  - **COMMON EQUITY TIER 1 RATIO AS AT 31 MARCH 2023, AFTER DEDUCTING FROM CAPITAL (°) €1.4BN OF DIVIDENDS ACCRUED IN Q1 2023: 13.7% FULLY LOADED (°°) WITHOUT TAKING INTO ACCOUNT THE BENEFIT OF AROUND 125 BASIS POINTS DERIVING FROM THE ABSORPTION OF DEFERRED TAX ASSETS (DTAs), OF WHICH AROUND 30 BASIS POINTS WITHIN THE Q2 2023 - 2025 HORIZON**

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(°) Deducting from capital also the coupons accrued on the Additional Tier 1 issues. The capital ratios of the last three quarters of 2022 already recorded the deduction of the total amount of the €3.4bn buyback – equivalent to the suspended 2019 dividend – which was approved by the Shareholders' Meeting and authorised by the ECB and executed for an initial amount of €1.7bn from 4 July 2022 to 11 October 2022 and for the remaining amount of €1.7bn from 13 February 2023 to 4 April 2023.

(°°) Estimated pro-forma fully loaded Common Equity Tier 1 ratio of 15%, taking into account the total absorption of deferred tax assets (DTAs) related to goodwill realignment, loan adjustments, the first time adoption of IFRS 9 and the non-taxable public cash contribution of €1,285m covering the integration and rationalisation charges relating to the acquisition of the Aggregate Set of Banca Popolare di Vicenza and Veneto Banca, as well as the expected absorption of DTAs on losses carried forward and DTAs related to the acquisition of UBI Banca and the agreement with the trade unions of November 2021, and the expected distribution on the Q1 2023 net income of insurance companies.

HIGHLIGHTS:

OPERATING INCOME:	Q1 2023	+6.9% +11.9%	TO €6,057M FROM €5,667M IN Q4 2022 FROM €5.411M IN Q1 2022
OPERATING COSTS:	Q1 2023	-19% +0.5%	TO €2,536M FROM €3,130M IN Q4 2022 FROM €2,524M IN Q1 2022
OPERATING MARGIN:	Q1 2023	+38.8% +22%	TO €3,521M FROM €2,537M IN Q4 2022 FROM €2,887M IN Q1 2022
GROSS INCOME:	Q1 2023	€3,363M	FROM €1,293M IN Q4 2022 FROM €2,129M IN Q1 2022
NET INCOME:	Q1 2023	€1,956M	FROM €1,076M IN Q4 2022 FROM €1,043M IN Q1 2022

CAPITAL RATIOS: COMMON EQUITY TIER 1 RATIO AFTER DIVIDENDS ACCRUED IN Q1 2023 (°): 13.7% FULLY LOADED (°°)

(°) Deducting from capital also the coupons accrued on the Additional Tier 1 issues. The capital ratios of the last three quarters of 2022 already recorded the deduction of the total amount of the €3.4bn buyback – equivalent to the suspended 2019 dividend – which was approved by the Shareholders' Meeting and authorised by the ECB and executed for an initial amount of €1.7bn from 4 July 2022 to 11 October 2022 and for the remaining amount of €1.7bn from 13 February 2023 to 4 April 2023.

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Turin - Milan, 5 May 2023 – At its meeting today, the Board of Directors of Intesa Sanpaolo approved the consolidated interim statement as at 31 March 2023 (*) (**).

The results for the first quarter 2023 confirm that the Intesa Sanpaolo Group is able to generate sustainable profitability even in complex contexts thanks to its well-diversified and resilient business model, with net income of nearly €2bn driven by net interest income.

The solid performance of income statement and balance sheet in the quarter translated into significant value creation for all stakeholders, also grounded in the Group's strong ESG commitment: specifically, **€1.4bn dividends** accrued, **€1.4bn taxes** (°) generated and **increased by around €300m on Q1 2022** (°°) as a consequence of the net interest income growth which has driven the increase of around €900m in net income, **expanding the food and shelter programme for people in need** (around **24.3m interventions** in the period 2022 - Q1 2023), **enhancing initiatives to fight inequalities and favour financial, social, educational and cultural inclusion** (**€10.5bn of social lending and urban regeneration** in the period 2022 - Q1 2023).

Intesa Sanpaolo is fully equipped to continue operating successfully in the future given the Group's key strengths, notably resilient profitability, a solid capital position, the "zero-NPL" Bank status and high flexibility in managing operating costs.

The exposure to Russia (^) was further reduced and was down by around 70% (over €2.5bn) on end of June 2022 to 0.2% of the Group's total customer loans. Cross-border loans to Russia were largely performing and classified in Stage 2.

The formula of the 2022-2025 Business Plan is confirmed, with a clear and strong upside for the €6.5bn net income target in 2025 deriving from the interest rate increase. The implementation of the Plan is proceeding at full speed, with the key industrial initiatives well underway:

- **massive de-risking, slashing cost of risk**:
  - massive deleveraging, with a €4.5bn gross NPL stock reduction in 2022/Q1 2023, reducing the net NPL ratio to 1% (^^);
  - focus on modular approach and sectorial forward looking, factoring in macroeconomic scenario, and on proactive credit management;
  - focus on the action plan dedicated to the Banca dei Territori Division, with strong management of underlying cost of risk and NPL inflows from performing loans, and new solutions for new needs arising in the current scenario;
  - risk management capabilities enhanced: comprehensive and robust Risk Appetite Framework encompassing all the key risk dimensions of the Group;

(*) In accordance with Article 65-bis and Article 82-ter of the Issuers' Regulation, effective as of 2 January 2017, Intesa Sanpaolo opted for periodical disclosure, on a voluntary basis, of financial information as at 31 March and 30 September of each financial year, in addition to the annual report and the half-yearly report. This information consists of interim statements approved by the Board of Directors, basically providing continuity with the interim statements published in the past.

(**) Methodological note on the scope of consolidation on page 27.

(°) Direct and indirect taxes.

(°°) Entirely in direct taxes.

(^) On-balance credit exposure, both cross-border and at the Russian subsidiary Banca Intesa, net of guarantees by Export Credit Agencies and after adjustments. As at 31 March 2023, after adjustments, the on-balance cross-border credit exposure to Russia amounted to €0.97bn of which €0.93bn to customers, net of €0.8bn guarantees by Export Credit Agencies (off-balance of €0.2bn to customers and €0.1bn to banks, net of €0.5bn guarantees by ECA) and the on-balance credit exposure of the subsidiaries amounted to €0.9bn, of which €0.2bn to customers, for Banca Intesa in Russia and €0.09bn, to banks, for Pravex Bank in Ukraine (off-balance, to customers, of €0.1bn for the Russian subsidiary and €0.05bn for the Ukrainian subsidiary). The credit exposure to Russian counterparties currently included in the SDN lists of names to which sanctions apply amounted to €0.4bn.

(^^) In accordance with the EBA methodology.

- credit assessment capabilities further strengthened with the introduction of a Sectorial Framework which assesses the forward-looking profile of each economic sector on a quarterly basis across different countries. The sectorial view, approved by a specific management committee, feeds all the credit processes in order to prioritise credit decisions and action plans.
- cybersecurity anti-fraud protection extended to new products and services for retail customers, including the use of Artificial Intelligence; adoption of Open Source Intelligence solutions to empower Cyber Threat Intelligence capability;
- enhanced protection of both the remote access to company applications and the access to corporate workstations enabling multi-factor authentication, improving at the same time user experiences through frictionless processes;
- enhanced protection from cyber-attacks in terms of detection and recovery and improved internal awareness of cyber-attacks (phishing);
- set-up of the Anti Financial Crime Digital Hub (AFC Digital Hub), aimed at becoming a national and international centre open to other financial institutions and intermediaries in the system, with the goal of combating money laundering and terrorism through new technologies and Artificial Intelligence, based on a public-private collaboration model which enables the introduction of innovation (applied research) in business processes;
- set-up of the new Anti Financial Crime model based on an international platform and competence centres specialised in Transaction Monitoring and Know Your Customers;
- the Active Credit Portfolio Steering (ACPS) unit continued expanding the credit risk hedging schemes to optimise capital absorption. At the end of Q1 2023, the outstanding volume of synthetic securitisation transactions, included in the GARC Programme (Active Credit Risk Management), was equal to around €26bn.
- the ACPS unit also strengthened the capital efficiency initiatives and extended the scope of credit strategy application, shifting €20bn of new lending in 2022 and around €4.5bn in Q1 2023 to more sustainable economic sectors with the best risk/return profile and broadening the perimeter of alternative financial solutions for “high risk” clients;
- winner of the “Innovation of the Year” category in the ESG Securitisation Awards of Structured Credit Investor for applying proprietary ESG Scoring model to its risk transfer transactions;
- scale up of the Originate-to-Share business model, increasing the distribution capabilities to optimise the return on capital;

- **structural cost reduction enabled by technology**:
  - set-up of the new Digital Bank (Isybank) well underway; Delivery Unit “Domain Isy Tech” already operational with around 390 dedicated specialists; contract with Thought Machine finalised and technological masterplan defined; the Isybank offering structure and functionalities defined;
  - new head of Isybank, new head of Domain Isy Tech and new head of Sales & Marketing Digital Retail hired and operative;
  - the Isybank Family&Friends initiative launched with the involvement of Intesa Sanpaolo people and selected external “friends”;
  - the plan for the transfer of the business unit from Intesa Sanpaolo to Isybank defined;
  - insourcing of core capabilities in IT ongoing with around 750 people already hired;
  - AI Lab in Turin already operational (set-up of Centai Institute);
  - more than 660 branches closed since Q4 2021 in light of the launch of the new Digital Bank;
  - digital platform for analytical cost management up and running, with around 30 efficiency initiatives already identified;
  - tools implemented to support the negotiation and scouting activities of potential suppliers and the programme of procurement analytics started;

- rationalisation of real estate in Italy in progress, with a reduction of around 383,000 square meters since Q4 2021;
- around 3,250 voluntary exits in 2022 and Q1 2023;
- implementation of digital functions and services in Serbia and Hungary completed; ongoing implementation in Slovakia and go-live planned for Q2 2023 in Romania;
- “go live” of the new core banking system in Egypt and alignment of digital channels;
- ongoing activities to progressively release applications for the target platform in the remaining countries where the International Subsidiary Banks Division operates;
- Digital Process Transformation: processes identified and E2E transformation activities activated (specifically involving procurement processes, customer onboarding, hereditary succession process management, bank account closing process and control management processes). The E2E transformation activities will leverage both on Process Intelligent Automation (e.g. with Artificial Intelligence and/or Robotic Process Automation) and traditional reengineering methods.
- in line with SkyRocket plan, the new Cloud Region in Turin is fully operational (in addition to the Milan Cloud Region made available in June 2022) and will enable the Isybank launch with an entirely Italy-based infrastructure (disaster recovery included);
- the Intesa Sanpaolo Mobile App recognised by Forrester as the “Global Mobile Banking Apps Leader”, ranking first worldwide among all banking apps evaluated;

• **growth in commissions, driven by Wealth Management, Protection & Advisory**:
  - new dedicated service model for Exclusive clients fully implemented;
  - enhancement of the product offering (new AM/Insurance products) and further growth of the advanced advisory service “Valore Insieme” for Affluent and Exclusive clients: 15,000 new contracts and €4.7bn in Customer financial asset inflows in Q1 2023;
  - the first co-badge debit card in Italy launched in March 2023, dedicated to business customers, equipped with a dual circuit (BANCOMAT®, PagoBANCOMAT® and MasterCard or Visa) and Instant Issuing service that can be activated from the website and App;
  - introduction of new functionalities of Robo4Advisor by BlackRock to generate investment advice on selected products (funds, insurance products and certificates) to support relationship managers;
  - adoption of the BlackRock Aladdin Wealth and Aladdin Risk platforms for investment services: Aladdin Wealth module for the Banca dei Territori Division and Fideuram (first and second release), Aladdin Risk and Aladdin Enterprise module for Fideuram Asset Management and Fideuram Asset Management Ireland, for Eurizon Capital SA, Eurizon SLJ Capital, Eurizon Capital SGR, Eurizon Capital Asia Limited and Epsilon;
  - new features for UHNWI (Ultra High Net Worth Individuals) client advisory tools; strengthening of service model for family offices. On 1 April 2023, both the new “We Add” advanced advisory service for the Intesa Sanpaolo Private Banking network and the new Aladdin Robo4advisory functions for the Fideuram and IW networks were released. The integration of ESG principles into the current advisory models is progressively evolving. The process to define the new single divisional consultancy model has been launched, which will natively envisage the full integration of sustainability principles.
  - second closing of the alternative fund compliant with Art. 8 Fideuram Alternative Investments Sustainable Private Markets completed, and ongoing enrichment of the alternative funds offering from leading international players through partnerships with specialised platforms;
  - ongoing expansion of Fideuram Direct (Fideuram’s digital wealth management service for investing in managed products and trading on over 50 cash and derivative markets, with advanced services). After the launch of the new brand and services enabling clients to independently open accounts and subscribe to asset management products, the new remote advisory service (close to completion) will allow customers to build investment portfolios with the help of direct bankers operating remotely. Alpian, the first Swiss private digital Bank, is

fully operational as a mobile-only platform providing multi-currency, wealth management and financial advisory services with experienced consultants.

- on 1 January 2023 the merger of the two Private Banks in Luxembourg was completed, with the new Intesa Sanpaolo Wealth Management (ISWM) fully operational. Together with the Division’s Swiss Hub, ISWM will contribute to the growth of fee income abroad.
- Eurizon offering dedicated to captive and third-party distributors enriched and multiple new asset management and insurance products launched (e.g. dedicated offer for clients with excess liquidity, capital protection, protected mutual funds with predefined amount at maturity, PIR compliant mutual funds, thematic mutual funds, fixed income mutual funds); Eurizon acquired new traditional and private market mandates from institutional third parties;
- continued enhancement of ESG product offering for asset management and insurance, with a penetration of around 67% on Eurizon total assets under management;
- the new organisational set-up of the IMI Corporate & Investment Banking Division launched, with focus on strengthening client advisory activities and Originate-to-Share business;
- continued focus on origination activities in Italy and abroad, with acceleration of the Originate-to-Share model, also through the development of dedicated initiatives;
- the purchase of 26.2% of Intesa Sanpaolo RBM Salute shares was approved, bringing forward the exercise of the two call options, initially set for 2026 and 2029;
- InSalute Servizi, an Intesa Sanpaolo Insurance Division company, is becoming fully operational thanks to the contribution of a business unit by Blue Assistance (a Reale Group company), which includes a technological platform, a network of affiliated healthcare facilities, know-how and a team of specialised personnel. With this contribution, Blue Assistance has acquired a 35% stake in InSalute Servizi, with the remaining 65% stake held by Intesa Sanpaolo Vita.
- digital platform "IncentNow" launched to provide information to Italian companies and institutions on the opportunities offered by public tenders related to the National Recovery and Resilience Plan;
- webinars and workshops with clients launched, aimed at educating and sharing views on key topics (e.g. digital transition);
- commercial initiatives developed to support clients in different sectors (e.g. Energy, TMT, Infrastructure) to optimise the incorporation of European and Italian post-pandemic recovery plans;
- “go live” of Cardea, an innovative and digital platform for financial institutions;
- strengthening of the corporate digital platform (Inbiz) in the European Union with focus on Cash & Trade, leveraging the partnership approach with Fintechs;
- ongoing upgrade of Global Markets IT platforms (e.g. equity) and commercial activities launched to strengthen the equity business;
- an ESG value proposition initiative launched for the corporate and SME segments of the Group’s banks in Slovakia, Hungary, Croatia, Serbia and Egypt;
- ongoing development of synergies - in Global Markets, Structured Finance and Investment Banking - between the IMI Corporate & Investment Banking Division and the Group’s banks in Slovakia, the Czech Republic, Hungary and Croatia with a significant increase in business and pipeline since the start of the Business Plan;
- acceleration of ESG advisory to corporates to steer the energy transition through a scalable approach, with a focus on Energy, Infrastructure and Automotive & Industrials sectors, also through supply chain agreements with specialised partners;
- the Master Cooperation Agreement with a leading insurance group finalised to distribute bancassurance products in Slovakia, Croatia, Hungary, Serbia and Slovenia and the Local Distribution Agreements signed;
- launch of the factoring product “Confirming” in five additional markets: Slovakia, Serbia, Romania, Slovenia and Albania;

- a project between the International Subsidiary Banks Division (ISBD) and the Banca dei Territori Division launched to further enhance the cross-border business opportunities for mid-corporates operating in markets where foreign subsidiaries are present;
- a project between the International Subsidiary Banks Division (ISBD) and the Private Banking Division launched for the definition and implementation of a new Service model for High Net Worth Individuals (HNWI) of ISBD, specifically tailored for entrepreneurs with advanced asset management needs;

- **significant ESG commitment, with a world-class position in social impact and strong focus on climate** and reinforcement of the ESG governance, with the Risks Committee which in April 2022 became the Risks and Sustainability Committee with enhanced ESG responsibilities:
  - □ **unparalleled support to address social needs**:
    - **expanding food and shelter programme for people in need** to counter poverty by providing concrete aid throughout the Italian territory and abroad supporting the humanitarian emergency in Ukraine, with **around 24.3 million interventions** carried out in the period 2022 - Q1 2023, providing around 18.4 million meals, over 2.6 million beds, over 3 million medicine prescriptions and over 265,000 items of clothing;
    - **employability**:
      - ▫ "**Giovani e Lavoro**" programme aimed at **training and introducing more than 3,000 young people to the Italian labour market** over the 2022-2025 Business Plan horizon: in Q1 2023, over 3,200 students aged between 18 and 29 applied for the programme, over 650 students were interviewed and over 340 trained/in training through 13 courses (around 3,300 trained/in training since 2019) and around 2,300 companies involved since its inception in 2019; the preparatory activities for the third edition of the **Generation4Universities programme**, starting in May 2023, are underway;
      - ▫ the first and second editions of **"Digital Re-start"**, a Private Banking Division programme aimed at training and placing on the labour market **unemployed people aged between 40 and 50** through the financing of 75 scholarships for the Master in **Data Analysis**, ended in 2022 involving 50 participants, 29 of whom have been hired;
    - **inequalities and educational inclusion**:
      - ▫ **educational inclusion** programme: **partnerships strengthened with main Italian universities and schools**: in Q1 2023 around 250 schools and around 1,700 students were involved to promote educational inclusion, supporting merit and social mobility (around 1,300 schools involved in the period 2022 - Q1 2023);
      - ▫ in April 2023, a new programme was launched, "**Futura**", promoted by Save the Children, Forum *Disuguaglianze e Diversità* and Yolk, with the collaboration of Intesa Sanpaolo, against female educational poverty, educational failure and early school leaving. The pilot project will run for two years in three areas with socio-economic disadvantages and promote the growth and autonomy through personalised training courses for 300 girls and young women, including 50 young mothers.
    - **social housing**: the Group's ongoing initiatives in terms of housing units have been enhanced, also identifying some new partnerships with leading operators in the sector, to achieve the Business Plan targets (promotion of the development of 6-8 thousand units of social housing and student bed places);

- **strong focus on financial inclusion**:
  - **€1.2bn in social lending and urban regeneration** granted in Q1 2023 (€10.5bn in the period 2022 - Q1 2023, a target of €25bn cumulative flows announced in the Business Plan):
    - **lending to the third sector**: in Q1 2023, loans **granted** for a total of **€65m** supporting non-profit organisations (€404m in 2022 - Q1 2023);
    - **Fund for Impact**: in Q1 2023, **€14m made available** to support the needs of people and families to ensure wider and more sustainable access to credit, with dedicated programmes such as "**Per Merito**" (line of credit without collateral to be reimbursed in 30 years dedicated to university students, studying in Italy or abroad), "**MAMMA@WORK**" (loan to discourage new mothers from leaving work and support motherhood in children's early years of life), "**per Crescere**" (funds allocated to vulnerable families for the training and education of school-age children) "**per avere Cura**" (lending to support families taking care of non-self-sufficient people) and other solutions (e.g. "**Obiettivo Pensione**", "**per Esempio**", "**XME Studio Station**");
    - **lending for urban regeneration**: **in Q1 2023**, **around €262m** in new loans **committed** to support investments in **housing**, **services and sustainable infrastructure**, in addition to the most important urban regeneration initiatives underway in Italy;
- **continuous commitment to culture**:
  - **Gallerie d'Italia**, the four venues of Intesa Sanpaolo's museum in Milan, Naples, Turin and Vicenza, in Q1 2023:
    - almost **250,000 visitors** (free admission for people under 18);
    - in March the exhibition **Artemisia** (Naples) ended, receiving great success with the public and critics, to which an international study congress was dedicated in March;
    - inauguration of *Déplacé.e.s* (Turin), the first solo exhibition in Italy by French artist JR on the theme of social fragility, preceded by a public art performance attended by around 2,000 people, which, filmed by drones, has become an iconic image;
    - **1,438 educational workshops** for schools, attended by 33,733 students, and **160 courses designed for fragile audiences** counting 2,244 participants; all educational activities are free; **373 visits and activities for adults and families and 80 cultural initiatives** with 14,357 people participating;
    - TIME Magazine has included Naples in its World's Greatest Places 2023 list, mentioning the new Gallerie d'Italia as a place to visit;
  - **partnership**:
    - Intesa Sanpaolo is institutional partner of the **Bergamo Brescia Italian Capital of Culture 2023** event officially started in January, a programme of activities including initiatives related to *Progetto Cultura*;
    - as part of the **Turin International Book Fair**, the support for "Un Libro Tante Scuole" together with the Ministry of Education and Merit, a project involving **6,000 students** from all over Italy (1,060 of whom hosted for four lessons at Gallerie d'Italia);
  - **education and projects for young people to acquire professional competences in art and culture**: the third edition of the **Executive Course in Management of Cultural Heritage** of the Gallerie d'Italia Academy was launched in February, with the support of Fondazione Compagnia di San Paolo, Fondazione Cariplo, the Ministry of Culture - Foundation School of Cultural Heritage and Activities and Digit'Ed (30 students, 8 scholarship holders); projects with students of IED - European Institute of Design, IAAD - Institute of Applied Art and Design, and **Scuola Holden** are underway; the **Euploos Project** for the digitalisation of works from the Uffizi Galleries-Cabinet of Drawings and Prints continues;

□ **promoting innovation**:

- **innovation projects: 41 innovation projects released in Q1 2023 by Intesa Sanpaolo Innovation Center, for a total of 242 released since 2022** (around 800 innovation projects expected in the 2022-2025 Business Plan);
- **initiatives for start-up growth and the development of innovation ecosystems**:
  - ▫ **Turin**: acceleration in progress of the ten start-ups selected for the fourth class of the "**Torino Cities of the Future Accelerator**" programme managed by Techstars; since its start in 2019, 35 start-ups accelerated (11 Italian teams), over 50 proofs of concept and other contractual collaborations with local stakeholders, around €64m in capital raised and around 500 new resources hired after acceleration;
  - ▫ **Florence**: acceleration in progress of the six start-ups selected for the second class of the three-year "**Italian Lifestyle Acceleration Program**", managed by Nana Bianca; since launch in 2021, six Italian start-ups accelerated, over 30 proofs of concept and other contractual collaborations with local stakeholders, around €2m in capital raised;
  - ▫ **Naples**: selection process in progress of the start-ups for the second class (over 130 candidates, 96% Italian) of the three-year acceleration programme on Bioeconomy "**Terra Next**" started in 2022, with Cassa Depositi e Prestiti, Cariplo Factory, local corporate and scientific partners and the patronage of the Ministry of Environment and Energy Security; since 2022 eight start-ups accelerated;
  - ▫ **Venice**: call closed (350 candidates, 71% Italian) and acceleration started in early April of the ten start-ups of the first class of the three-year programme "**Argo**" (Hospitality and Tourism), sponsored by the Banca dei Territori Division and Intesa Sanpaolo Innovation Center, developed by Cassa Depositi e Prestiti, LVenture and with the collaboration of the Ministry of Tourism;
  - ▫ **In Action ESG Climate**, second edition of the initiative developed by the **Insurance Division** with the support of Intesa Sanpaolo Innovation Center, to promote the development of new solutions to combat climate change and support the green transition through technological innovation and development of new business models; in 2022, the first edition was concluded with a total amount of €500,000 awarded to the three best projects presented;
- **development of multi-disciplinary applied research projects**:
  - ▫ 12 projects in progress (eight in neuroscience field and four in Artificial Intelligence and robotics fields), of which one launched in Q1 2023;
  - ▫ in Q1 2023, patent obtained for an industrial invention in the field of artificial intelligence;
- **business transformation**: since 2022, 26 corporates involved in open innovation programmes, four of which involved in projects focused on Circular Economy transformation (two completed in 2022 and two in Q1 2023);
- **diffusion of innovation mindset/culture**: in Q1 2023, nine positioning and match-making events made; since 2022, 41 events with around 2,800 participants; in Q1 2023, two innovation reports on technologies and trends released (17 since 2022), and contribution to the drafting of the White Paper 2023 ***Valore Acqua per l'Italia*** with other partners;

- **Neva SGR** in Q1 2023 investments in start-ups of over €11m, around €66m since 2022. In 2022, Neva successfully completed the **€250m** fundraising for its "Fondo Neva First" (launched in 2020) and "Fondo Neva First Italia" (launched in 2021), and launched "Fondo Sviluppo Ecosistemi di Innovazione" aimed at supporting the development of innovation ecosystems, raising €15m with the first investment in Tech4Planet, a tech transfer initiative in collaboration with CDP, Politecnico Milano, Politecnico Torino and Politecnico Bari and the support of Circular Economy Lab.

□ **accelerating commitment to net-zero emissions**:
- following the Group's participation in the **NetZero Banking Alliance (NZBA),** the **Net Zero Asset Managers Initiative (NZAMI),** the **Net Zero Asset Owner Alliance (NZAOA)** and **the Net Zero Insurance Alliance (NZIA)**:
  - ▫ in February 2022, interim 2030 targets set for four high-emitting sectors (Oil & Gas, Power Generation, Automotive and Coal Mining - over 60% of financed emissions for Non-Financial Corporates in NZBA sectors as at 30 June 2021) were published in the 2022-2025 Business Plan; in April 2022, Intesa Sanpaolo's commitment to the SBTi validation was published on the SBTi website. The first annual reporting as at 31 December 2022 on the four sectors' absolute financed emissions shows a decrease of 60% compared with 2021 (see dedicated chapter in 2022 TCFD Report which also includes a high-level Transition Plan under the GFANZ - Glasgow Financial Alliance for Net-Zero - guidelines).
  - ▫ in October 2022, Eurizon Capital SGR, Fideuram Asset Management SGR, Fideuram Asset Management Ireland and the Intesa Sanpaolo Vita Insurance Group published their first interim targets;
- ongoing **active engagement** which includes:
  - ▫ participation in workgroups/workstreams of the **GFANZ, NZBA, NZAOA, NZIA, Institutional Investors' Group on Climate Change**, with contribution to relevant publications and dedicated case studies (inclusion of Intesa Sanpaolo targets in the first NZBA 2022 Progress Report, case studies on Intesa Sanpaolo target setting and Transition Finance, lead for the drafting of a white paper on Life & Health contribution to the net-zero transition, etc.);
  - ▫ in June 2022, Intesa Sanpaolo became an **investor signatory of CDP** (the non-profit organisation that provides companies and countries with a global system of climate change information);
  - ▫ in October 2022, Eurizon joined the **CDP Science-Based Targets Campaign**, promoting the environmental transparency of companies;
- in November 2022, Intesa Sanpaolo was the only Italian Bank which participated in the COP27 in Sharm El Sheik;
- new Group proposition in the voluntary carbon market designed, aimed at supporting clients in reducing gross CO_2 emissions, managing residual emissions and protecting and safeguarding forestland;

□ **supporting clients through the ESG/climate transition**:
- **around €35bn disbursed** in the period 2021 - Q1 2023, out of the €76bn in new lending available **for the green economy, circular economy and green transition** in relation to the 2021-2026 National Recovery and Resilience Plan;
- in Q1 2023, around **€0.3bn of Green Mortgages** (€2.9bn in the period 2022 - Q1 2023) out of the €12bn of new Green lending to individuals over the 2022-2025 Business Plan;

- **€8bn circular economy credit facility** announced in the 2022-2025 Business Plan: in Q1 2023, 92 projects assessed and validated for an amount of over €1.9bn, around €0.3bn granted for 28 transactions (out of which €0.1bn related to the green finance) and €0.9bn disbursed taking into account amounts previously granted (of which €0.8bn related to green finance). Overall, since 2022, 512 projects assessed and validated for an amount of over €11bn, 258 transactions for an amount of over €5bn granted (of which €2.7bn related to green finance) and €4bn disbursed; activities set out in the collaboration agreements with the Ellen MacArthur Foundation and Cariplo Factory on Circular Economy Lab in progress.
- the **first 11 ESG Laboratories** activated (in Venice, Padua, Brescia, Bergamo, Cuneo, Bari-Taranto, Rome, Naples-Palermo and Milan), a physical and virtual meeting point to support SMEs in approaching sustainability and evolution of advisory services offered by partners (e.g. Circularity, Nativa, CE Lab and others);
- continued success of the **S-Loan** product range dedicated to SMEs to finance projects aimed at improving their sustainability profile (five product lines: S-Loan ESG, S-Loan Diversity, S-Loan Climate Change, S-Loan Agribusiness and S-Loan Tourism), with around €0.4bn disbursed in Q1 2023 (around €3.9bn since launch in July 2020);
- **Digital Loans** (D-Loans) aimed at improving the digitalisation of companies, with €23m disbursed since launch in October 2021;
- **Suite Loans** aimed at incentivising investments in the redevelopment/improvement of hotel facilities and accommodation services: €10m disbursed since launch in December 2021;
- **the implementation of ESG/Climate evolution of the Non-Financial Corporate credit framework completed**, leveraging on EGS sectorial assessments and EGS sectorial strategy, EGS scoring at counterparty level and new guidelines on sustainable products; methodology of analysis defined for the transition plan of Oil & Gas customers and gradual extension to other priority sectors;
- ongoing projects to verify the alignment of existing portfolios (mortgages, bonds, non-financial corporate lending) to the EU taxonomy criteria for the purpose of steering the Green Asset Ratio;
- accelerated **ESG advisory to corporates** to steer the energy transition through a scalable approach, with a focus on Energy, Infrastructure and Automotive & Industrials sectors;
- an **ESG value proposition initiative** defined **for the corporate and SME segments of Group banks** in all the subsidiaries of the International Subsidiary Banks Division (excluding Moldova and Ukraine);
- enhancement of **ESG investment products** for asset management, with penetration increasing to 67% of total assets under management for Eurizon; increase in investment options (articles 8 and 9 of SFDR) underlying the insurance products available to customers to around 70% (end of 2022, compared with 48% in 2021);
- launch of two funds "Eurizon Step 50 Objective Net Zero" which invest in companies with targets for net zero greenhouse gas emissions by 2050;
- continuous commitment to Stewardship activities: in Q1 2023, Eurizon Capital SGR took part in 193 shareholders' meetings (of which 97% are issuers listed abroad) and 120 engagements (of which 30% on ESG issues);
- **Fideuram advisory model** revised to incorporate ESG principles in need-based financial planning and a comprehensive ESG certification training programme launched for financial advisors (over 13,000 hours delivered to around 700 participants in Q1 2023).

Intesa Sanpaolo is the **only Italian bank listed in the Dow Jones Sustainability Indices, in the CDP Climate A List 2022 and in the 2023 Corporate Knights "Global 100 Most Sustainable Corporations in the World Index"** and ranks **first among the banks of the peer group by** Sustainalytics and Bloomberg (ESG Disclosure Score) **international assessments**. Furthermore, Intesa Sanpaolo has been:

- included **for the sixth consecutive year in the Bloomberg Gender-Equality Index 2023**, **obtaining a score well above the average** of the global financial sector and of Italian companies;
- recognised **in the Refinitiv Global Diversity and Inclusion Index 2022** as the **first bank in Europe,** the **second worldwide, and** the **only one in Italy** among the **top 100 companies for diversity and inclusion**;
- the **first major Italian banking group to obtain the certification for gender parity "Prassi di Riferimento (PDR) 125:2022"** envisaged by the National Recovery and Resilience Plan, thanks to its commitment to diversity and inclusion;
- **among the first in Europe to receive the Gender Equality European & International Standard (GEEIS Diversity)**, the prestigious international certification assessing the commitment to diversity and inclusion;

- **Group's people are its most important asset**:
  - around 1,800 professionals hired since 2021;
  - around 2,500 people reskilled in 2022 and Q1 2023; since 2022, around 13.6m training hours delivered;
  - over 180 talented people have already completed their development path as part of the International Talent Program, which is still ongoing for around other 280 people: 10 new talented people were selected and hired from the external market, and started the Program in April 2023;
  - around 430 key people selected mostly among middle management for dedicated development and training initiatives;
  - a dedicated platform to foster employee well-being (physical, emotional, mental and social dimension) with video contents, podcasts, articles, tools and Apps. Digital and on-site initiatives and events and Employee Assistance Program (psychological support service).
  - the new long-term incentive plan implemented to support the Business Plan targets and foster individual entrepreneurship;
  - the creation of the new leading education player in Italy completed through the combination between Intesa Sanpaolo Formazione and Digit'Ed, a Nextalia Fund company;
  - new organisational framework closer to the needs of the Group's people, with greater flexibility in terms of daily work schedule, smart working and the introduction of a four-day working week on a voluntary basis with no change in remuneration;
  - 2023 diversity & inclusion goals defined and shared for every organisational unit, including the implementation of the new commitment related to gender equality access to senior leadership roles; monitoring of the 2023 goals launched for each Division and Governance Area; collaboration strengthened with ISPROUD, the first employee-based community within the Group, currently welcoming over 600 LGBTQ+ people and allies;
  - Intesa Sanpaolo has been recognised as Top Employer 2023 for the second consecutive year by Top Employers Institute and has received the Best Talent Acquisition Team prize in the 2023 LinkedIn Talent Awards;
  - in 2022, one-off contribution of around €80m to Intesa Sanpaolo people, excluding managers, to mitigate the impact of inflation.

In the first quarter of 2023, the Group recorded:

- **growth in net income to €1,956m** from €1,076m in Q4 2022 and €1,043m in Q1 2022;
- **growth in gross income** to €3,363m from €1,293m in Q4 2022 and €2,129m in Q1 2022 (up 58%);
- **growth in operating margin**, up 38.8% on Q4 2022 and 22% on Q1 2022;
- **growth in operating income**, up 6.9% on Q4 2022 and 11.9% on Q1 2022;
- **operating costs** down 19% on Q4 2022 and up 0.5% on Q1 2022;
- **high level of efficiency**, with a **cost/income of 41.9%** in Q1 2023, **a level among the best in the top tier European banks**;
- annualized **cost of risk** in Q1 2023 at **17bps** (from 70bps in 2022, 30bps when excluding adjustments for the exposure to Russia and Ukraine, for overlays and to favour de-risking, net of release from generic provisions set aside in 2020 for future COVID-19 impacts), with **overlays** of **€0.9bn in generic provisions still available**;
- **credit quality** (°):
  - **NPL stock** at end of March 2023 **decreased 2.1% net** and increased 1.2% gross on end of December 2022;
  - **NPL ratio** was **1.2% net** and 2.4% gross. According to the **EBA methodology**, **the NPL ratio** was **1% net** and 2% gross;
- **sizeable NPL coverage**:
  - **NPL cash coverage ratio of 50%** at end of March 2023, **with a cash coverage ratio of 70% for the bad loan component**;
  - **robust reserve buffer on performing loans**, amounting to 0.6% at end of March 2023;

(°) Suspension of payments at end of March 2023 amounted to around €40m (of which around 40% relating to businesses and around 60% to households), no material amount according to the EBA criteria. The amount of loans backed by a state guarantee was of around €30bn (around €5bn from SACE and around €25bn from SME Fund).

- **very solid capital position**, with capital ratios well above regulatory requirements. As at 31 March 2023, after deducting from capital (°) €1.4bn of dividends accrued in Q1 2023, the **fully loaded Common Equity Tier 1 ratio came in at 13.7%** (°°) **without taking into account the benefit of around 125bps from the DTA absorption, of which around 30bps within the Q2 2023 - 2025 horizon**. This compares with a SREP requirement, comprising Capital Conservation Buffer, O-SII Buffer and Countercyclical Capital Buffer (*), for 2023 equal to 8.93% (**). The first quarter recorded an impact of around 60bps from regulatory headwinds.
- **strong liquidity position and funding capability**, with **liquid assets of €272bn** and **high available unencumbered liquid assets of €166bn at end of March 2023. The Basel 3 requirements for the Liquidity Coverage Ratio (at 176%) and the Net Stable Funding Ratio (at 125%) have been comfortably complied with**. The refinancing operations with the ECB to optimise the cost of funding and support businesses in their investment amounted to around €76bn as at 31 March 2023 and consisted entirely of TLTROs III.
- **support provided to the real economy**, with around **€15bn of medium/long-term new lending** in Q1 2023. **Loans** amounting to around **€10bn were granted in Italy**, of which around **€9bn was granted to households and SMEs**. **In Q1 2023**, the Group facilitated the return from non-performing **to performing status** of around **900 companies thus safeguarding around 4,500 jobs**. This brought the total to over **138,000 companies since 2014**, **thus safeguarding around 691,000 jobs over the same period**.

(°) Deducting from capital also the coupons accrued on the Additional Tier 1 issues. The capital ratios of the last three quarters of 2022 already recorded the deduction of the total amount of the €3.4bn buyback – equivalent to the suspended 2019 dividend – which was approved by the Shareholders' Meeting and authorised by the ECB and executed for an initial amount of €1.7bn from 4 July 2022 to 11 October 2022 and for the remaining amount of €1.7bn from 13 February 2023 to 4 April 2023.

(°°) Estimated pro-forma fully loaded Common Equity Tier 1 ratio of 15%, taking into account the total absorption of deferred tax assets (DTAs) related to goodwill realignment, loan adjustments, the first time adoption of IFRS 9 and the non-taxable public cash contribution of €1,285m covering the integration and rationalisation charges relating to the acquisition of the Aggregate Set of Banca Popolare di Vicenza and Veneto Banca, as well as the expected absorption of DTAs on losses carried forward and DTAs related to the acquisition of UBI Banca and the agreement with the trade unions of November 2021, and the expected distribution on the Q1 2023 net income of insurance companies.

(*) Countercyclical Capital Buffer calculated taking into account the exposure as at 31 March 2023 in the various countries where the Group has a presence, as well as the respective requirements set by the competent national authorities and relating to 2024, where available, or the most recent update of the reference period (requirement was set at zero per cent in Italy for H1 2023).

(**) Applying the regulatory change introduced by the ECB with effect from 12 March 2020, which establishes that the capital instruments not qualifying as Common Equity Tier 1 may be partially used to meet the Pillar 2 requirement.

The income statement for the first quarter of 2023

The consolidated income statement for Q1 2023 recorded **net interest income** of €3,254m, up 6.2% from €3,064m in Q4 2022 and 66.3% from €1,957m in Q1 2022.

Net fee and commission income amounted to €2,137m, down 3.8% from €2,222m in Q4 2022. Specifically, commissions on commercial banking activities were down 7.5% and commissions on management, dealing and consultancy activities were up 0.3%. The latter, which include portfolio management, distribution of insurance products, dealing and placement of securities, etc., recorded an increase of 37.7% in dealing and placement of securities and decreases of 8.4% in portfolio management (no performance fees were recorded in Q1 2023 versus €24m in Q4 2022) and 2.5% in distribution of insurance products. Net fee and commission income for Q1 2023 was down 6.6% from €2,289m in Q1 2022. Specifically, commissions on commercial banking activities were up 1.6% and those on management, dealing and consultancy activities were down 8%. The latter recorded an increase of 0.9% in dealing and placement of securities and decreases of 12.8% in portfolio management (performance fees contributed €8m in Q1 2022) and 1.7% in distribution of insurance products.

Income from insurance business amounted to €397m, compared with €395m in Q4 2022 and €392m in Q1 2022.

Profits on financial assets and liabilities at fair value recorded a positive balance of €262m, compared with the negative balance of €2m of Q4 2022. Contributions from customers showed a positive balance down from €91m to €89m, those from capital markets a positive balance of €65m versus a negative balance of €74m, those from trading and treasury a positive balance of €107m versus a negative balance of €2m and those from structured credit products a positive balance of €1m versus a negative balance of €17m. Profits of €262m for Q1 2023 compare with profits of €769m of Q1 2022 when contributions from customers amounted to €90m, those from capital markets were negative for €11m, those from trading and treasury amounted to €694m and those from structured credit products were negative for €4m.

Operating income amounted to €6,057m, up 6.9% from €5,667m in Q4 2022 and 11.9% from €5,411m in Q1 2022.

Operating costs amounted to €2,536m, down 19% from €3,130m in Q4 2022, attributable to decreases of 18.8% in personnel expenses, 25.5% in administrative expenses and 3.5% in adjustments. Operating costs for Q1 2023 were up 0.5% from €2,524m in Q1 2022, attributable to increases of 1.6% in administrative expenses and 5.7% in adjustments and a decrease of 1% in personnel expenses.

As a result, **operating margin** amounted to €3,521m, up 38.8% from €2,537m in Q4 2022 and up 22% from €2,887m in Q1 2022. The cost/income ratio was 41.9% in Q1 2023 versus 55.2% in Q4 2022 and 46.6% in Q1 2022.

Net adjustments to loans amounted to €189m (including recoveries of around €50m relating to the exposure to Russia and Ukraine), compared with €1,185m in Q4 2022 (including around €10m for the exposure to Russia and Ukraine, around €1bn as overlays and to favour de-risking, and around €0.2bn release of generic provisions set aside in 2020 for future COVID-19 impacts) and €702m in Q1 2022.

Net provisions and net impairment losses on other assets amounted to €70m (including €19m for the exposure to Russia and Ukraine), compared with €114m in Q4 2022 (including €59m for the exposure to Russia and Ukraine) and €52m in Q1 2022.

Other income amounted to €101m (including the capital gain of €116m deriving from the sale of the acquiring business in Croatia), compared with €55m in Q4 2022 and a negative result of €4m in Q1 2022.

Income (Loss) from discontinued operations was nil, the same as in Q4 2022 and Q1 2022.

Gross income amounted to €3,363m, compared with €1,293m in Q4 2022 and €2,129m in Q1 2022.

Consolidated net income amounted to €1,956m, after recording:
- taxes on income of €1,084m;
- charges (net of tax) for integration and exit incentives of €42m;
- negative effect of purchase price allocation (net of tax) of €46m;
- levies and other charges concerning the banking industry (net of tax) of €228m, deriving from the following pre-tax figures: charges of €330m in relation to the ordinary contribution to the resolution fund estimated for full-year 2023, €2m in relation to contributions to the deposit guarantee scheme concerning the international network and €6m in relation to levies incurred by international subsidiaries, and positive fair value differences of €8m regarding the *Atlante* fund. In Q4 2022, this caption amounted to €32m, deriving from pre-tax charges of €6m in relation to the resolution fund, €14m in relation to contributions to the Italian deposit guarantee scheme, €5m in relation to contributions to the deposit guarantee scheme concerning the international network, €6m in relation to levies incurred by international subsidiaries and €13m in relation to negative fair value differences regarding the *Atlante* fund. In Q1 2022, this caption amounted to €266m, deriving from pre-tax charges of €365m in relation to the ordinary contribution to the resolution fund estimated for full-year 2022, €6m in relation to contributions to the deposit guarantee scheme concerning the international network, €6m in relation to levies incurred by international subsidiaries and €7m in relation to negative fair value differences regarding the *Atlante* fund;
- minority interests of €7m.

Net income amounted to €1,956m in Q1 2023, compared with €1,076m in Q4 2022 and €1,043m in Q1 2022.

Balance sheet as at 31 March 2023

As regards the consolidated balance sheet figures, as at 31 March 2023 **loans to customers** amounted to €450bn, up 0.7% on year-end 2022 and down 4.1% on 31 March 2022 (down 0.1% on Q4 2022 and 3% on Q1 2022 when taking into account quarterly average volumes (*)). Total **non-performing loans** (bad, unlikely-to-pay, and past due) amounted - net of adjustments - to €5,379m, down 2.1% compared with €5,496m at year-end 2022. In detail, bad loans amounted to €1,159m compared with €1,131m at year-end 2022, with a bad loan to total loan ratio of 0.3% (0.3% at year-end 2022 as well), and a cash coverage ratio of 70% (69.2% at year-end 2022). Unlikely-to-pay loans decreased to €3,812m from €3,952m at year-end 2022. Past due loans decreased to €408m from €413m at year-end 2022.

Customer financial assets amounted to €1,233bn, up 0.9% on year-end 2022. Under customer financial assets, **direct deposits from banking business** amounted to €534bn, down 2% on year-end 2022 and 3.1% on 31 March 2022. **Direct deposits from insurance business** amounted to €175bn, up 1.1% on year-end 2022. Indirect customer deposits amounted to €695bn, up 3% on year-end 2022 and down 1.1% on 31 March 2022. **Assets under management** amounted to €435bn, up 1.1% on year-end 2022 and down 6% on 31 March 2022. As for bancassurance, in Q1 2023 the new business for life policies amounted to €4.5bn. Assets held under administration and in custody amounted to €260bn, up 6.2% on year-end 2022 and 8.6% on 31 March 2022.

Capital ratios as at 31 March 2023, fully loaded and deducting from capital (°) €1.4bn of dividends accrued in Q1 2023 were as follows:

- Common Equity Tier 1 ratio at 13.7% (13.5% at year-end 2022),
- Tier 1 ratio at 16.1% (16% at year-end 2022),
- total capital ratio at 19.5% (19% at year-end 2022).

* * *

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

(°) Deducting from capital also the coupons accrued on the Additional Tier 1 issues. The capital ratios of the last three quarters of 2022 already recorded the deduction of the total amount of the €3.4bn buyback – equivalent to the suspended 2019 dividend – which was approved by the Shareholders' Meeting and authorised by the ECB and executed for an initial amount of €1.7bn from 4 July 2022 to 11 October 2022 and for the remaining amount of €1.7bn from 13 February 2023 to 4 April 2023.

As a result of the strategic decisions taken, **Intesa Sanpaolo** has maintained its position as **one of the most solid international banking Groups**. In addition to the asset quality and level of capital ratios commented on above, the Group has continued to build on its key strengths: **robust liquidity** and **low leverage**.

Specifically, with regard to the components of the Group's **liquidity**:
- the high level of available unencumbered liquid assets (including eligible assets with Central Banks received as collateral and excluding eligible assets currently used as collateral) amounted to €166bn at end of March 2023;
- the high level of liquid assets (comprising available unencumbered liquid assets, excluding eligible assets received as collateral, and eligible assets currently used as collateral) amounted to €272bn at end of March 2023;
- liquidity indicators well above regulatory requirements: Liquidity Coverage Ratio at 176% and Net Stable Funding Ratio at 125%;
- refinancing operations with the ECB to optimise the cost of funding and support businesses in their investment amounted to around €76bn as at 31 March 2023 and consisted entirely of TLTROs III;
- the sources of funding were stable and well diversified, with retail funding representing 83% of direct deposits from banking business (including securities issued);
- medium/long-term wholesale funding was €5.7bn in Q1 2023 and included benchmark transactions of Tier 2 of €1bn, green senior non-preferred of €2.25bn and of £600m and senior preferred of €1.5bn (around 89% was placed with foreign investors).

The Group's **leverage ratio** as at 31 March 2023 (which includes exposures to the European Central Bank) was 5.7% fully loaded, best in class among major European banking groups.

* * *

As at 31 March 2023, the Intesa Sanpaolo Group's **operating structure** had a total network of 4,450 branches, consisting of 3,498 branches in Italy and 952 abroad, and employed 94,667 people.

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Breakdown of results by Business Area

The **Banca dei Territori** Division includes:
- Retail customers (individuals and enterprises with less complex financial needs);
- Exclusive customers (individuals with more complex financial needs);
- Enterprise customers (enterprises with more complex financial needs, generally Small and Medium Enterprises);
- customers that are non-profit organisations.

The division includes the “proximity bank” activities carried out - through Mooney, the partnership between the Bank’s subsidiary Isybank and the ENEL Group - by using alternative channels to bank branches and focused on instant banking and targeting categories of customers who rarely use banking products and services.

In the first quarter of 2023, the Banca dei Territori Division recorded:
- operating income of €2,785m, +21% versus €2,301m in Q4 2022, +27.6% versus €2,183m in Q1 2022, contributing approximately 46% of the consolidated operating income (40% in Q1 2022);
- operating costs of €1,503m, -14.4% versus €1,756m in Q4 2022, -1.9% versus €1,532m in Q1 2022;
- operating margin of €1,282m versus €545m in Q4 2022 and €651m in Q1 2022;
- a cost/income ratio of 54% versus 76.3% in Q4 2022 and 70.2% in Q1 2022;
- net provisions and adjustments of €216m versus €848m in Q4 2022 and net recoveries of €126m in Q1 2022;
- gross income of €1,066m versus -€303m in Q4 2022 and €777m in Q1 2022;
- net income of €695m versus -€249m in Q4 2022 and €516m in Q1 2022.

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

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

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

In the first quarter of 2023, the IMI Corporate & Investment Banking Division recorded:

- operating income of €972m, +11.2% versus €874m in Q4 2022, -29.8% versus €1,385m in Q1 2022, contributing approximately 16% of the consolidated operating income (26% in Q1 2022);
- operating costs of €334m, -15.9% versus €397m in Q4 2022, +4.7% versus €319m in Q1 2022;
- operating margin of €638m, +33.8% versus €477m in Q4 2022, -40.2% versus €1,066m in Q1 2022;
- a cost/income ratio of 34.4% versus 45.4% in Q4 2022 and 23% in Q1 2022;
- net provisions and adjustments of €48m versus €234m in Q4 2022 and €748m in Q1 2022;
- gross income of €590m versus €243m in Q4 2022 and €318m in Q1 2022;
- net income of €394m versus €136m in Q4 2022 and €162m in Q1 2022.

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

In the first quarter of 2023, the International Subsidiary Banks Division recorded:
- operating income of €665m, +9.4% versus €608m in Q4 2022, +33.3% versus €499m in Q1 2022, contributing approximately 11% of the consolidated operating income (9% in Q1 2022);
- operating costs of €268m, -15.2% versus €316m in Q4 2022, +4.7% versus €256m in Q1 2022;
- operating margin of €397m, +36% versus €292m in Q4 2022, +63.4% versus €243m in Q1 2022;
- a cost/income ratio of 40.3% versus 52% in Q4 2022 and 51.3% in Q1 2022;
- net provisions and adjustments of €4m versus €120m in Q4 2022 and €141m in Q1 2022;
- gross income of €513m versus €204m in Q4 2022 and €103m in Q1 2022;
- net income of €365m versus €152m in Q4 2022 and €35m in Q1 2022.

The **Private Banking** Division serves the top customer segment (Private and High Net Worth Individuals) through Fideuram and its subsidiaries Intesa Sanpaolo Private Banking, IW Private Investments, SIREF Fiduciaria, Intesa Sanpaolo Wealth Management, Reyl Intesa Sanpaolo, Fideuram - Intesa Sanpaolo Private Banking Asset Management and Fideuram Asset Management Ireland.

In the first quarter of 2023, the Private Banking Division recorded:
- operating income of €754m, +3.9% versus €726m in Q4 2022, +30.7% versus €577m in Q1 2022, contributing approximately 12% of the consolidated operating income (11% in Q1 2022);
- operating costs of €229m, -10.2% versus €255m in Q4 2022, +4.1% versus €220m in Q1 2022;
- operating margin of €525m, +11.5% versus €471m in Q4 2022, +47.1% versus €357m in Q1 2022;
- a cost/income ratio of 30.4% versus 35.1% in Q4 2022 and 38.1% in Q1 2022;
- net provisions and adjustments of €12m versus €14m in Q4 2022 and net recoveries of €5m in Q1 2022;
- gross income of €513m versus €457m in Q4 2022 and €362m in Q1 2022;
- net income of €343m versus €284m in Q4 2022 and €245m in Q1 2022.

The **Asset Management** Division develops asset management solutions targeted at the Group's customers, commercial networks outside the Group and the institutional clientele through Eurizon Capital. Eurizon Capital controls Eurizon Capital S.A., a Luxembourg asset management company dedicated to development on international markets, Epsilon SGR, a company specialising in structured products, Eurizon Asset Management Slovakia, which heads up Eurizon Asset Management Hungary and Eurizon Asset Management Croatia (the asset management hub in Eastern Europe), Eurizon Capital Real Asset SGR focused on alternative asset classes, Eurizon SLJ Capital LTD, an English asset management company focused on macroeconomic and currency strategies, Eurizon Capital Asia Limited and the 49% of the Chinese asset management company Penghua Fund Management.

In the first quarter of 2023, the Asset Management Division recorded:
- operating income of €235m, -1.3% versus €238m in Q4 2022, -7.1% versus €253m in Q1 2022, contributing approximately 4% of the consolidated operating income (5% in Q1 2022);
- operating costs of €52m, -25.7% versus €70m in Q4 2022, +6.1% versus €49m in Q1 2022;
- operating margin of €183m, +8.9% versus €168m in Q4 2022, -10.3% versus €204m in Q1 2022;
- a cost/income ratio of 22.1% versus 29.4% in Q4 2022 and 19.4% in Q1 2022;
- net provisions and adjustments of €2m versus no net provisions and adjustments in Q4 2022 and in Q1 2022;
- gross income of €181m versus €168m in Q4 2022 and €204m in Q1 2022;
- net income of €129m versus €115m in Q4 2022 and €145m in Q1 2022.

The **Insurance** Division develops insurance products tailored for the Group’s customers; the Division includes Intesa Sanpaolo Vita (which also controls Intesa Sanpaolo Assicura, Intesa Sanpaolo Life, Intesa Sanpaolo RBM Salute and Intesa Sanpaolo Insurance Agency) and Fideuram Vita.

In the first quarter of 2023, the Insurance Division recorded:
- operating income of €399m, +12.4% versus €355m in Q4 2022, +9.3% versus €365m in Q1 2022, contributing approximately 7% of the consolidated operating income (7% in Q1 2022 as well);
- operating costs of €83m, -28.4% versus €116m in Q4 2022, -1.2% versus €84m in Q1 2022;
- operating margin of €316m, +32.2% versus €239m in Q4 2022, +12.5% versus €281m in Q1 2022;
- a cost/income ratio of 20.8% versus 32.7% in Q4 2022 and 23% in Q1 2022;
- net recoveries of €2m versus €101m in Q4 2022 and no net provisions and adjustments in Q1 2022;
- gross income of €318m versus €348m in Q4 2022 and €281m in Q1 2022;
- net income of €210m versus €228m in Q4 2022 and €208m in Q1 2022.

Outlook

The formula of the 2022-2025 Business Plan is confirmed and the related industrial initiatives are well underway, with a clear and strong upside for the €6.5bn net income target in 2025 deriving from the interest rate increase.

For 2023, operating margin is expected to significantly increase, as a result of solid revenue growth driven by net interest income (2023 net interest income expected to exceed €13bn) coupled with a continuous focus on cost management, and net adjustments to loans are expected to strongly decrease, triggering net income growth to around €7bn.

A strong value distribution is envisaged:
- a cash payout ratio of 70% of the consolidated net income for each year of the Business Plan;
- any additional distribution to be evaluated on a yearly basis.

A solid capital position is envisaged, with the fully loaded Common Equity Tier 1 ratio – confirming the Basel 3/Basel 4 target of above 12% over the 2022-2025 Business Plan horizon – expected to stand in 2025 at around 14.5% pre Basel 4, around 14% post Basel 4 and around 15% post Basel 4 including the absorption of DTAs (the vast majority of which will be absorbed by 2028), taking into account the above-mentioned payout ratio envisaged for the years covered by the Business Plan and not considering any additional distribution.

* * *

For consistency purpose:

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

* * *

In order to present more complete information on the results generated in the first quarter 2023, the reclassified consolidated income statement and the reclassified consolidated balance sheet included in the interim statement approved by the Board of Directors are attached. Please note that the auditing firm is completing the activities for the issue of statement in accordance with art. 26 (2) of Regulation EU n. 575/2013 and with ECB Decision no. 2015/656.

* * *

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

* * *

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

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

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

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Intesa Sanpaolo Group

Reclassified consolidated statement of income

(millions of euro)

	31.03.2023	31.03.2022	Changes	
			amount	%
Net interest income	3,254	1,957	1,297	66.3
Net fee and commission income	2,137	2,289	-152	-6.6
Income from insurance business	397	392	5	1.3
Profits (Losses) on financial assets and liabilities designated at fair value	262	769	-507	-65.9
Other operating income (expenses)	7	4	3	75.0
Operating income	**6,057**	**5,411**	**646**	**11.9**
Personnel expenses	-1,560	-1,576	-16	-1.0
Administrative expenses	-644	-634	10	1.6
Adjustments to property, equipment and intangible assets	-332	-314	18	5.7
Operating costs	**-2,536**	**-2,524**	**12**	**0.5**
Operating margin	**3,521**	**2,887**	**634**	**22.0**
Net adjustments to loans	-189	-702	-513	-73.1
Other net provisions and net impairment losses on other assets	-70	-52	18	34.6
Other income (expenses)	101	-4	105	
Income (Loss) from discontinued operations	-	-	-	-
Gross income (loss)	**3,363**	**2,129**	**1,234**	**58.0**
Taxes on income	-1,084	-776	308	39.7
Charges (net of tax) for integration and exit incentives	-42	-16	26	
Effect of purchase price allocation (net of tax)	-46	-34	12	35.3
Levies and other charges concerning the banking industry (net of tax)	-228	-266	-38	-14.3
Impairment (net of tax) of goodwill and other intangible assets	-	-	-	-
Minority interests	-7	6	-13	
Net income (loss)	**1,956**	**1,043**	**913**	**87.5**

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

Intesa Sanpaolo Group

Quarterly development of the reclassified consolidated statement of income

(millions of euro)

	2023	2022			
	First quarter	Fourth quarter	Third quarter	Second quarter	First quarter
Net interest income	3,254	3,064	2,387	2,092	1,957
Net fee and commission income	2,137	2,222	2,153	2,255	2,289
Income from insurance business	397	395	439	449	392
Profits (Losses) on financial assets and liabilities designated at fair value	262	-2	51	560	769
Other operating income (expenses)	7	-12	-12	-12	4
Operating income	**6,057**	**5,667**	**5,018**	**5,344**	**5,411**
Personnel expenses	-1,560	-1,921	-1,632	-1,613	-1,576
Administrative expenses	-644	-865	-695	-718	-634
Adjustments to property, equipment and intangible assets	-332	-344	-313	-309	-314
Operating costs	**-2,536**	**-3,130**	**-2,640**	**-2,640**	**-2,524**
Operating margin	**3,521**	**2,537**	**2,378**	**2,704**	**2,887**
Net adjustments to loans	-189	-1,185	-496	-730	-702
Other net provisions and net impairment losses on other assets	-70	-114	-42	-62	-52
Other income (expenses)	101	55	4	147	-4
Income (Loss) from discontinued operations	-	-	-	-	-
Gross income (loss)	**3,363**	**1,293**	**1,844**	**2,059**	**2,129**
Taxes on income	-1,084	-45	-560	-699	-776
Charges (net of tax) for integration and exit incentives	-42	-78	-23	-23	-16
Effect of purchase price allocation (net of tax)	-46	-50	-32	-30	-34
Levies and other charges concerning the banking industry (net of tax)	-228	-32	-266	-12	-266
Impairment (net of tax) of goodwill and other intangible assets	-	-	-	-	-
Minority interests	-7	-12	-6	8	6
Net income (loss)	**1,956**	**1,076**	**957**	**1,303**	**1,043**

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

Intesa Sanpaolo Group

Reclassified consolidated balance sheet

(millions of euro)

Assets	**31.03.2023**	**31.12.2022**	**Changes**	
			amount	**%**
Cash and cash equivalents	77,700	112,924	-35,224	-31.2
Due from banks	30,468	31,273	-805	-2.6
Loans to customers	449,860	446,854	3,006	0.7
Loans to customers measured at amortised cost	*447,419*	*444,244*	*3,175*	*0.7*
Loans to customers designated at fair value through other comprehensive income and through profit or loss	*2,441*	*2,610*	*-169*	*-6.5*
Financial assets measured at amortised cost which do not constitute loans	58,744	52,690	6,054	11.5
Financial assets at fair value through profit or loss	45,988	46,546	-558	-1.2
Financial assets at fair value through other comprehensive income	53,314	48,008	5,306	11.1
Financial assets pertaining to insurance companies measured at amortised cost	3	3	-	-
Financial assets pertaining to insurance companies measured at fair value through profit or loss	103,096	103,052	44	-
Financial assets pertaining to insurance companies measured at fair value through other comprehensive income	72,562	69,792	2,770	4.0
Investments in associates and companies subject to joint control	2,395	2,013	382	19.0
Property, equipment and intangible assets	19,462	19,742	-280	-1.4
Assets owned	*17,995*	*18,248*	*-253*	*-1.4*
Rights of use acquired under leases	*1,467*	*1,494*	*-27*	*-1.8*
Tax assets	17,104	18,130	-1,026	-5.7
Non-current assets held for sale and discontinued operations	243	638	-395	-61.9
Other assets	24,236	22,922	1,314	5.7
Total Assets	**955,175**	**974,587**	**-19,412**	**-2.0**

Liabilities	**31.03.2023**	**31.12.2022**	**Changes**	
			amount	**%**
Due to banks at amortised cost	120,018	137,489	-17,471	-12.7
Due to customers at amortised cost and securities issued	515,369	528,795	-13,426	-2.5
Financial liabilities held for trading	45,681	46,512	-831	-1.8
Financial liabilities designated at fair value	10,893	8,795	2,098	23.9
Financial liabilities pertaining to insurance companies measured at amortised cost	2,275	2,522	-247	-9.8
Financial liabilities held for trading pertaining to insurance companies	111	171	-60	-35.1
Financial liabilities pertaining to insurance companies designated at fair value	54,099	54,212	-113	-0.2
Tax liabilities	1,964	2,021	-57	-2.8
Liabilities associated with non-current assets held for sale and discontinued operations	-	15	-15	
Other liabilities	17,716	9,399	8,317	88.5
of which lease payables	*1,292*	*1,321*	*-29*	*-2.2*
Insurance liabilities	119,815	117,575	2,240	1.9
Allowances for risks and charges	5,630	5,812	-182	-3.1
of which allowances for commitments and financial guarantees given	*673*	*711*	*-38*	*-5.3*
Share capital	10,369	10,369	-	-
Reserves	45,538	43,002	2,536	5.9
Valuation reserves	-1,794	-1,939	-145	-7.5
Valuation reserves pertaining to insurance companies	-420	-519	-99	-19.1
Interim dividend	-1,400	-1,400	-	-
Equity instruments	7,214	7,211	3	-
Minority interests	141	166	-25	-15.1
Net income (loss)	1,956	4,379	-2,423	-55.3
Total liabilities and shareholders' equity	**955,175**	**974,587**	**-19,412**	**-2.0**

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

Intesa Sanpaolo Group

Breakdown of financial highlights by business area

(millions of euro)

	Banca dei Territori	IMI Corporate & Investment Banking	International Subsidiary Banks	Private Banking	Asset Management	Insurance	Corporate Centre	Total
Operating income								
31.03.2023	2,785	972	665	754	235	399	247	6,057
31.03.2022	2,183	1,385	499	577	253	365	149	5,411
% change	27.6	-29.8	33.3	30.7	-7.1	9.3	65.8	11.9
Operating costs								
31.03.2023	-1,503	-334	-268	-229	-52	-83	-67	-2,536
31.03.2022	-1,532	-319	-256	-220	-49	-84	-64	-2,524
% change	-1.9	4.7	4.7	4.1	6.1	-1.2	4.7	0.5
Operating margin								
31.03.2023	1,282	638	397	525	183	316	180	3,521
31.03.2022	651	1,066	243	357	204	281	85	2,887
% change	96.9	-40.2	63.4	47.1	-10.3	12.5		22.0
Net income (loss)								
31.03.2023	695	394	365	343	129	210	-180	1,956
31.03.2022	516	162	35	245	145	208	-268	1,043
% change	34.7			40.0	-11.0	1.0	-32.8	87.5

(millions of euro)

	Banca dei Territori	IMI Corporate & Investment Banking	International Subsidiary Banks	Private Banking	Asset Management	Insurance	Corporate Centre	Total
Loans to customers								
31.03.2023	244,362	132,869	40,450	14,793	247	-	17,139	449,860
31.12.2022	247,913	129,791	40,212	15,104	282	-	13,552	446,854
% change	-1.4	2.4	0.6	-2.1	-12.4	-	26.5	0.7
Direct deposits from banking business								
31.03.2023	277,297	94,140	53,167	46,363	16	-	63,479	534,462
31.12.2022	291,089	94,785	54,364	50,447	26	-	54,675	545,386
% change	-4.7	-0.7	-2.2	-8.1	-38.5	-	16.1	-2.0

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