

1Q21 Results

**An Excellent Start to the Year
Merger with UBI Banca Successfully
Completed Enabling Additional Value
Creation**



**A Strong Bank for
a Digital World**

ISP Delivered an Excellent Start to the Year with €1.5bn Net Income...



**€1.5bn Net income (+32% vs 1Q20), the best quarter since 2008, and
€2.6bn Gross income (+22% vs 1Q20⁽¹⁾), the best quarter ever**

Strong acceleration of Operating income and Operating margin in Q1⁽²⁾ (+9% and +38% vs 4Q20⁽¹⁾)

Insurance income up 17% vs 4Q20⁽¹⁾, with non-motor P&C revenues up 27%

The best Q1 ever for Commissions (+9% vs 1Q20⁽¹⁾)

~€13bn growth in Customer financial assets in Q1 to fuel Wealth Management engine

Strong decrease in Operating costs (-2.6% vs 1Q20⁽¹⁾)

Annualised Cost of risk down to 35bps⁽²⁾ coupled with the lowest-ever Gross NPL inflow

**Lowest NPL stock and NPL ratios since 2007, with Gross NPL ratio at 4.4%
(3.5% according to EBA definition) and Net NPL ratio at 2.3%**

Common Equity ratio up at 15.7%⁽³⁾

Excellent performance despite multiple lockdowns and while successfully merging UBI Banca, firmly on track to deliver a Net income well above €3.5bn in 2021

(1) Data restated - where necessary and material - considering the changes in the scope of consolidation following the inclusion of UBI Banca and, on the basis of management accounts, the reallocation of the contribution of branches sold in 1Q21 and those to be sold in 2Q21 to Income (Loss) from discontinued operations

(2) Considering, on the basis of management accounts, the reallocation of the contribution of branches sold in 1Q21 and those to be sold in 2Q21 to Income (Loss) from discontinued operations

(3) Pro-forma fully loaded Basel 3 (31.3.21 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 DTA related to the combination with UBI Banca arising from PPA, integration charges and the disposal to BPER Banca of a portion of branches and related assets and liabilities and the expected distribution of 1Q21 Net income of insurance companies)

... and Is Ready to Succeed in the Future...

Common Equity ratio⁽¹⁾ well above regulatory requirements (~+710bps⁽²⁾) coupled with a strong liquidity position, with LCR and NSFR well above 100% and €302bn in Liquid assets

Over €6bn⁽³⁾ out of 2020 pre-tax profit allocated to succeed in the coming years and further strengthen the sustainability of our results

The lowest NPL stock and NPL ratios since 2007, with 2018-21 NPL deleveraging target exceeded one year ahead of plan

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

High operating efficiency with Cost/Income ratio at 46.5%⁽⁴⁾

Over €1bn yearly synergies from the combination with UBI Banca

Successful evolution towards a “light” distribution model, with ~1,100 branches rationalised since 2018 and significant room for further branch reduction

A Wealth Management and Protection company with €1.2 trillion in Customer financial assets

Strong digital proposition, with ~11.6m multichannel clients and ~7m clients using our Apps

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

(3) €2.2bn provisions for future COVID-19 impacts, €2.1bn additional provisions on UBI Banca NPL and Performing loans and €2bn integration charges

(4) Considering, on the basis of management accounts, the reallocation of the contribution of branches sold in 1Q21 and those to be sold in 2Q21 to Income (Loss) from discontinued operations

... and to Continue Delivering Best-In-Class Performance

Profitability

Net income well above €3.5bn in 2021

Dividend payout

- **75% total cash payout ratio⁽¹⁾⁽²⁾ (dividends and reserves distribution) for 2020 €3.5bn adjusted Net income⁽³⁾:**
 - €694m⁽⁴⁾ cash dividends to be paid in May 2021
 - Additional cash distribution from reserves to reach a total payout ratio of 75%⁽²⁾ possibly by 4Q21, subject to ECB approval
- **70% cash dividend payout ratio⁽¹⁾⁽²⁾ for 2021 Net income, partially distributed as interim dividend in 2021 (€1.1bn already accrued in Q1)**

Capital

Maintain a solid capital position with a minimum Common Equity ratio⁽⁵⁾ of 13% (12% fully phased-in)

The integration with UBI Banca adds significant value by delivering synergies above €1bn per year with no social costs

(1) Subject to ECB indications to be announced in respect of dividend policy after 30.9.21, the deadline for the recommendation of 15.12.20

(2) Envisaged in the 2018-21 Business Plan

(3) Excluding from 2020 stated Net income the items related to the combination with UBI Banca (effect of PPA – including negative goodwill – and integration charges) and the goodwill impairment related to the Banca dei Territori Division

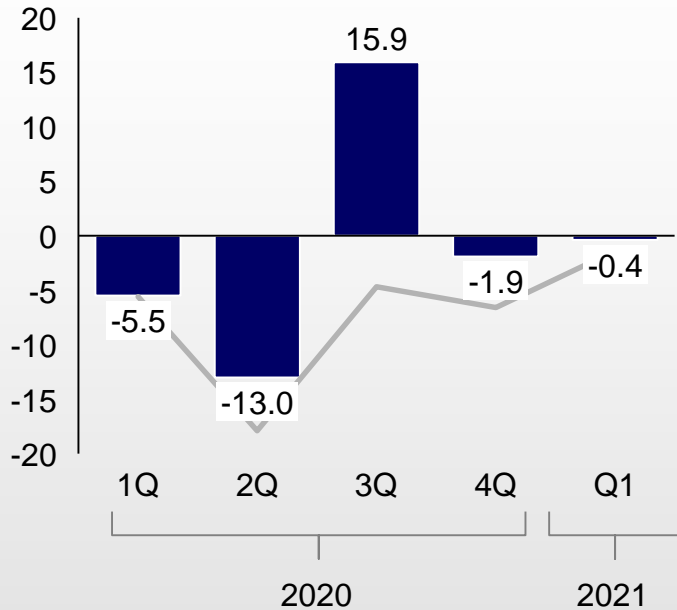
(4) The maximum distributable amount according to the ECB recommendation dated 15.12.20 on dividend policy in the aftermath of the COVID-19 pandemic

(5) 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 DTA related to the combination with UBI Banca arising from PPA, integration charges and the disposal to BPER Banca of a portion of branches and related assets and liabilities)

Q1 still Impacted by COVID-19, but Italian Fundamentals will Facilitate the Recovery

1Q21 still impacted by COVID-19 but GDP expected to strongly recover in 2021

Italian GDP YoY and QoQ evolution⁽¹⁾



- After multiple lockdowns in 2020 and 1Q21, restrictions due to COVID-19 are now easing and the vaccination campaign is gathering pace
- GDP is expected to grow by 3.9% in 2021⁽³⁾ and by 4.1% in 2022⁽³⁾, after the 8.9% contraction in 2020

The Italian economy is resilient thanks to strong fundamentals and can leverage on Government interventions and EU financial support

Households

- **Strong Italian household wealth** at €10.7tn, of which €4.4tn in financial assets
- **Low level of household debt**

Corporates

- **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 over 4pp over the past 5 years⁽²⁾

Banking system

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

Government Support

- Extensive **packages** worth more than **€200bn** in 2020-21
- **National Recovery and Resilience Plan⁽⁴⁾** providing Italy with more than **€200bn** in grants and loans, of which ~€27bn in 2021
 - **Mostly funded by EU financial support** (Next Generation EU)
 - **Strongly focused on investments and reforms to boost GDP growth**

ISP to provide more than €400bn in medium-long term lending to businesses and households in support of Italy's Recovery and Resilience Plan⁽⁴⁾

(1) Source: Bloomberg, ISTAT

(2) Monthly data at current prices from December 2015 to February 2021

(3) Source: Consensus Economics, as of mid-April 2021

(4) Piano Nazionale di Ripresa e Resilienza, presented to Consiglio dei Ministri on 23.4.21

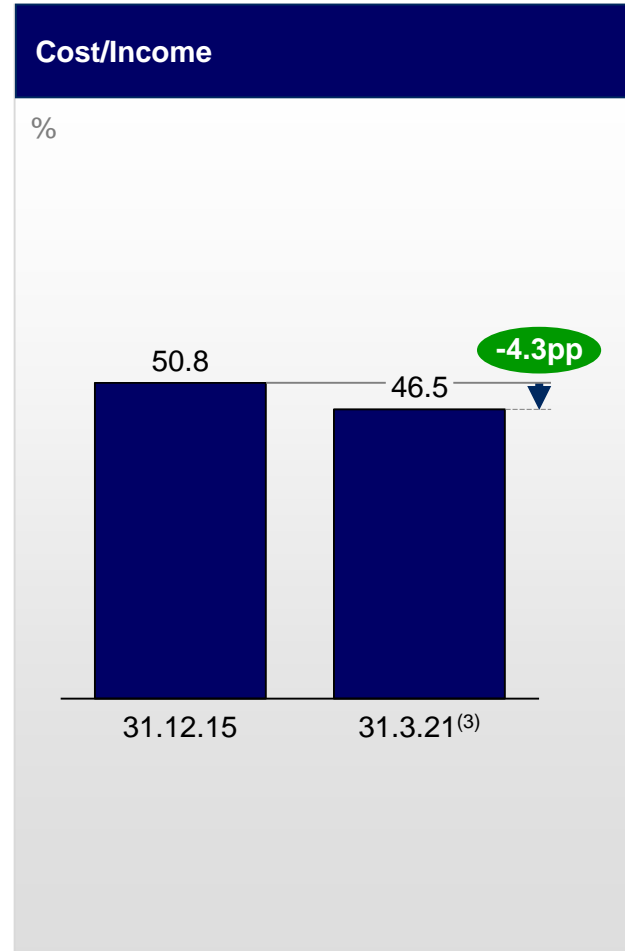
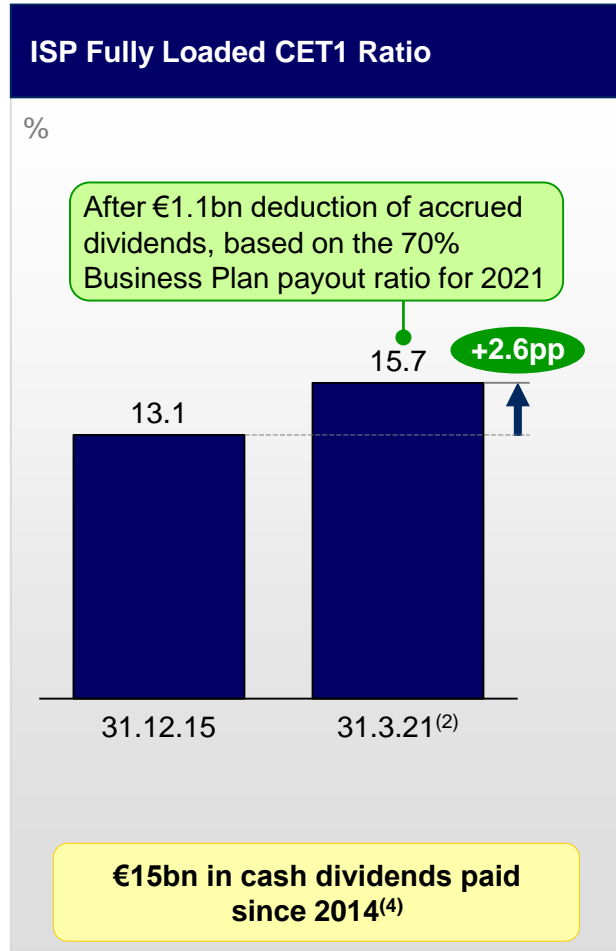
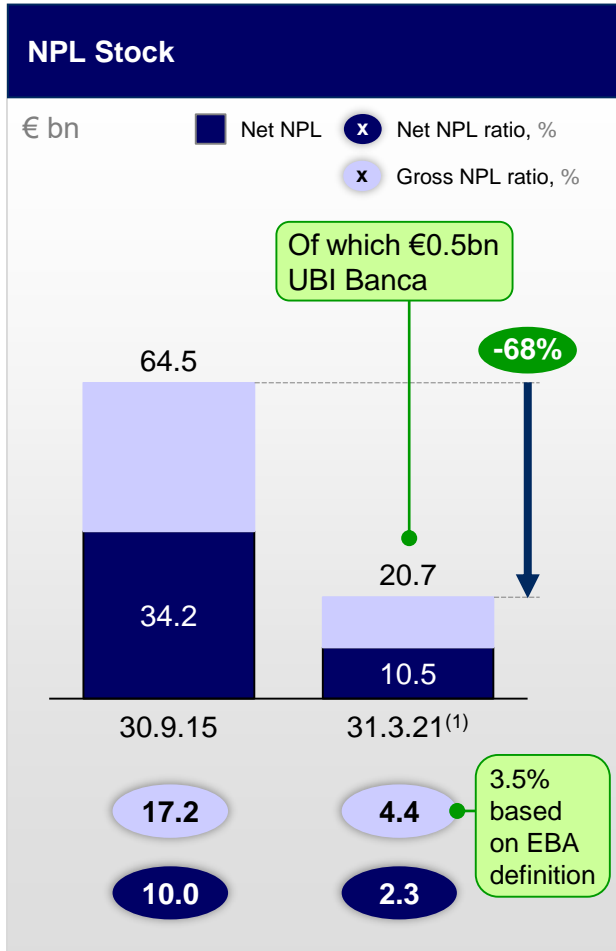
ISP Is Fully Equipped for a Challenging Environment

1Q21: An Excellent Start to the Year

Combination with UBI Banca

Final Remarks

In Recent Years, ISP Has Substantially Reduced NPL Stock, while Strengthening Capital and Improving Efficiency...



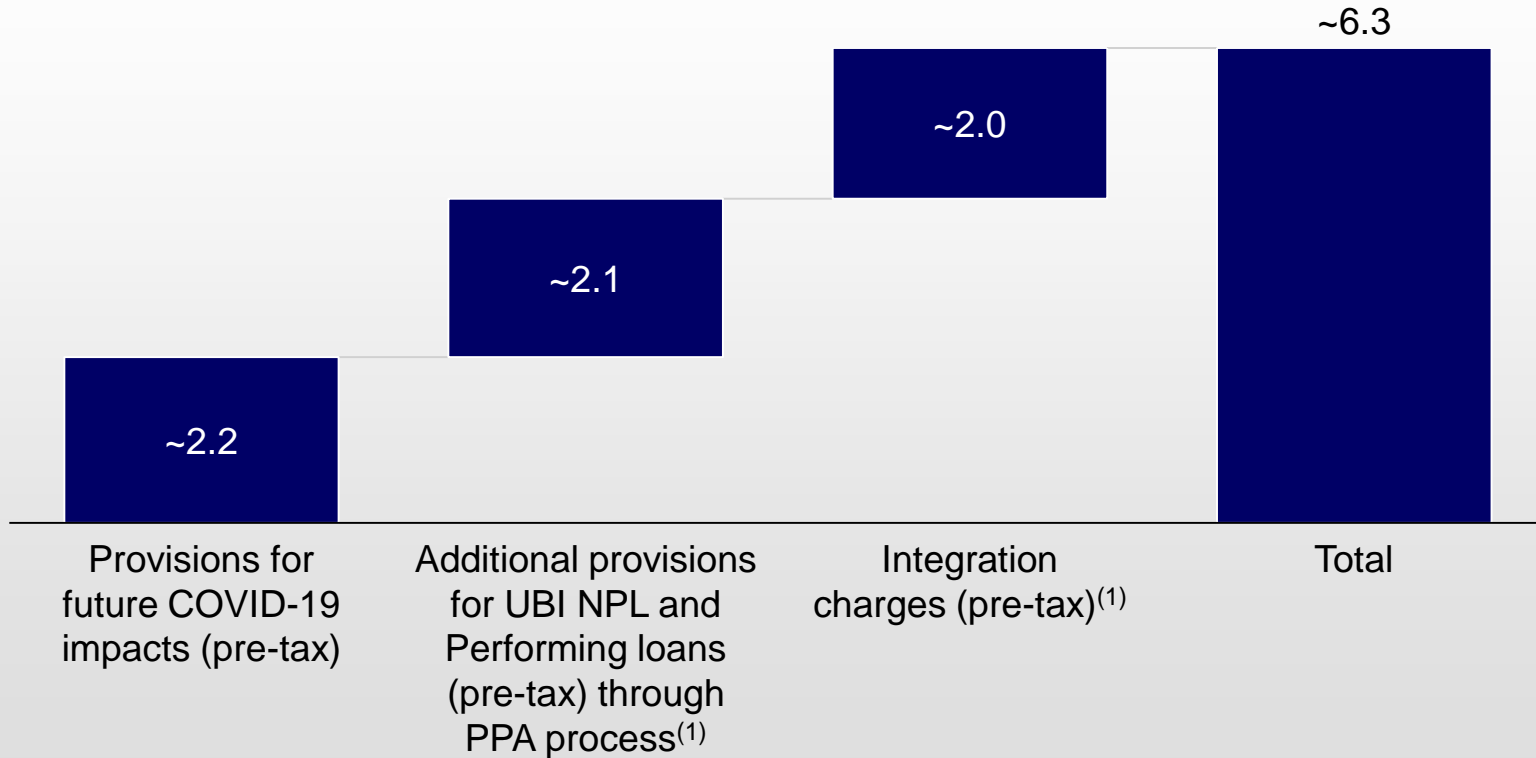
A very resilient business model, with 54% of Q1 Gross income⁽⁵⁾ from Wealth Management and Protection activities

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 (4) Including €0.7bn dividends to be paid in May 2021, the maximum distributable amount according to the ECB recommendation dated 15.12.20 on dividend policy in the aftermath of the COVID-19 epidemic
 (5) Excluding Corporate Centre

... Allocated Over €6bn in 2020 out of Pre-Tax Profit to Succeed the Coming Years...

FY20 pre-tax profit allocated to succeed in the coming years

€ bn



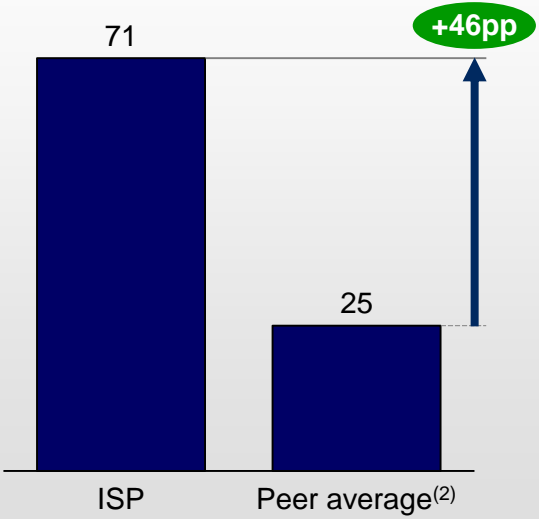
Over €6bn out of 2020 pre-tax profit allocated to succeed in the coming years and further strengthen the sustainability of our results

(1) Allocation of part of the negative goodwill arising from the combination with UBI Banca

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

Best-in-class risk profile

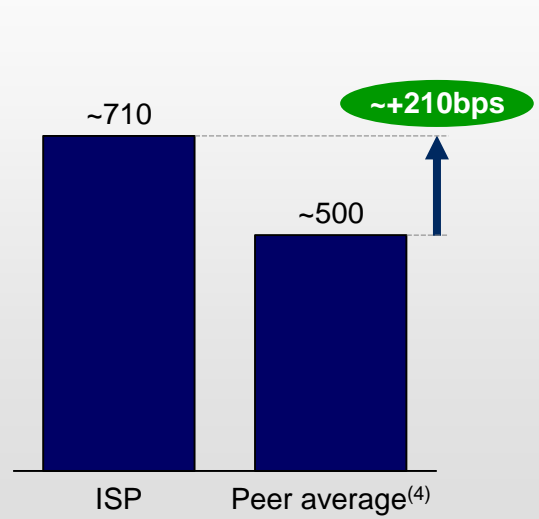
Fully Loaded CET1/Total illiquid assets⁽¹⁾, 31.3.21, %



Best-in-class leverage ratio: 7.2%

Solid capital position

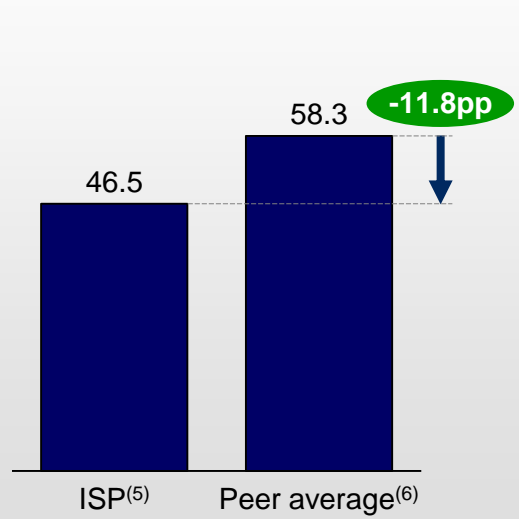
Buffer vs requirements SREP + Combined Buffer⁽³⁾, 31.3.21, bps



Rock-solid capital base with €22.7bn excess capital

High operating efficiency

Cost/Income, 31.3.21, %



High strategic flexibility to further reduce costs

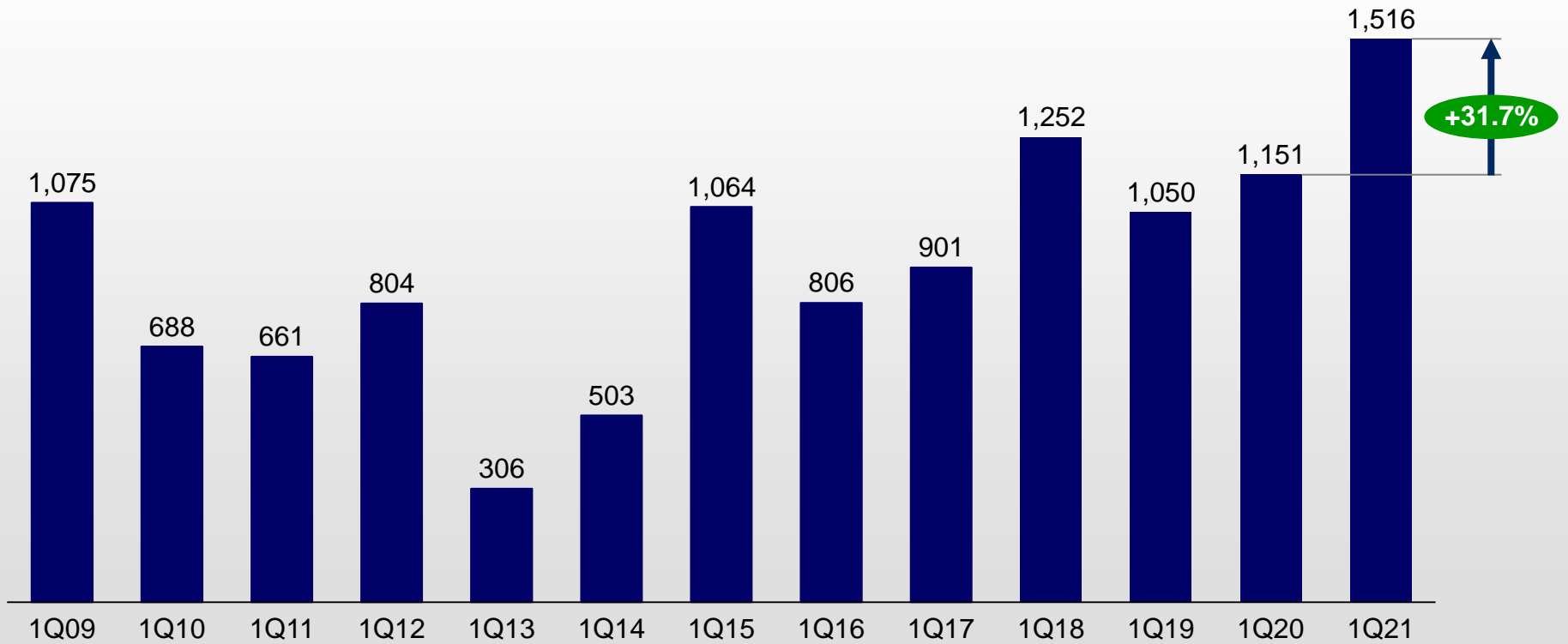
Note: figures may not add up exactly due to rounding

(1) Total illiquid assets include Net NPL, Level 2 assets and Level 3 assets
 (2) Sample: Barclays, BBVA, Deutsche Bank, HSBC, Lloyds Banking Group, Nordea, Santander, Standard Chartered and UBS (Net NPL 31.3.21 data); BNP Paribas, Commerzbank, Crédit Agricole Group, Credit Suisse, ING Group, Société Générale and UniCredit (Net NPL 31.12.20 data); Level 2 assets and Level 3 assets 31.12.20 data
 (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 (31.3.21 data); Commerzbank, Crédit Agricole Group, ING Group, Société Générale and UniCredit (31.12.20 data). Source: Investor Presentations, Press Releases, Conference Calls, Financial Statements
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The Best Quarterly Net Income of the Past Twelve Years

ISP delivered the highest quarterly Net income since 2008

€ m



Firmly on track to deliver a Net income well above €3.5bn in 2021

ISP Successfully Mitigated the COVID-19 Impact...

Care for ISP people and Clients

ISP people

- **Remote working** enabled for **~80,000** people, 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⁽¹⁾** calculation
- **Digital learning** enabled for **all ISP people in Italy**
- **6 additional days** of paid leave in 2020 for ISP people who work in the **branch network** or are unable to work **remotely**
- **~1,350 people hired⁽²⁾** since January 2020
- **“Ascolto e Supporto”** project offering mental wellness support to all ISP people



ISP Clients

- **~100% of branches open** and fully operational: advisory only by appointment and cash desk service by appointment only in the Italian areas with a higher level of COVID measures (red zones)
- **Business continuity ensured** by the online branch, Internet Banking, App and ATM/Cash machines (99% active)
- Activated **remote advisory service**, with **~26,000** Relationship Managers
- **Free extension** of ISP health insurance policy coverage to include COVID-19



Continuous support to the real economy and society

Voluntary donations

- **€100m** to the **National Health System** through the Civil Protection Department
- **€10m** to support **families in financial and social difficulty**
- **€6m** from CEO (€1m) and top management for **healthcare initiatives**, with additional voluntary donations from ISP people and Board of Directors
- **€3.5m** through ForFunding to **Civil Protection Department**
- **€1m** from ISP Charity Fund for **COVID-19 scientific research**
- **€600k** from *Fondazione Intesa Sanpaolo Onlus* for **vulnerable individuals**
- **€350k** to *Associazione Nazionale Alpini* for a field hospital in Bergamo



Lending support

- **€101bn⁽³⁾** **suspension of existing mortgage and loan installments** for families and companies
- **€50bn** in **credit made available to support companies and professionals** during the emergency
- **€28bn⁽⁴⁾** in **loans with a State guarantee**
- **€10bn** in new credit facilities to boost **~2,500 Italian industrial supplier value chains**
- **~€10bn⁽⁴⁾** in loans with a **SACE guarantee**
- **€80m** *Programma Rinascimento*, including impact loans to micro-enterprises and start-ups for recovery and re-shaping of their business model



€150m (equal to 50%) of the ISP Fund for Impact will be used to reduce the socio-economic distress caused by COVID-19

Strong value proposition on digital channels enabled immediate business reaction

1Q21⁽⁵⁾ vs 1Q20, including UBI Banca

Enhanced digital service	Multichannel clients	~11.6m, ~+1m
	App users (4.6/5.0 rating on iOS ⁽⁶⁾ and 4.5/5.0 on Android ⁽⁶⁾)	~7.1m, ~+1m
	# of digital operations	~39.4m, +25%
	# of digital sales⁽⁷⁾	~0.8m, +140%
Flexible and secure remote work infrastructure	# of digital payments⁽⁸⁾	~5.7m, +31%
	Market Hub⁽⁹⁾ orders (average per day)	~95k, +20%
	Conference call/ video conference (average usage per day)	~468k, +264k
	Instant messaging (average usage per day)	~515k, +140k

97% of staff employees⁽¹⁰⁾ enabled to work from home

(1) Premio Variabile di Risultato
(2) Italian perimeter including UBI Banca
(3) Suspensions granted until 31.3.21 (flows), including renewals, including UBI Banca considering the disposal of branches sold in Q1
(4) As of 31.3.21, including UBI Banca considering the disposal of branches sold in Q1
(5) Considering the disposal of branches sold in Q1
(6) As of 20.4.21
(7) Commercial offer sent to the client (website or App) by Relationship manager or online branch, signed electronically by the clients, or self-service purchases
(8) Number of payments with digital wallet (e.g., Apple Pay, Samsung Pay, Google Pay)
(9) ISP stand-alone, IMI C&IB platform for corporate client operations
(10) Governance centre Italian perimeter

... and Can Leverage Its Competitive Advantages in the New Environment

Key trends	ISP's competitive advantages
<p>Increased demand for health, wealth and business protection</p> 	<ul style="list-style-type: none"> ▪ Best-in-class European player in Life insurance and in Wealth Management ▪ Strong positioning in the protection business (#3 Italian player in non-motor retail)
<p>Riskier environment</p> 	<ul style="list-style-type: none"> ▪ Distinctive proactive credit management capabilities (Pulse) ▪ Strategic partnerships with leading NPL industrial players (Intrum, Prelios)
<p>Client digitalisation</p> 	<ul style="list-style-type: none"> ▪ Among top in Europe for mobile App functionalities⁽¹⁾ ▪ Already strong digital proposition with ~11.6m multichannel clients ▪ Distinctive digital value proposition for SMEs, Mid and Large Corporates (CIB2B) ▪ Strategic partnership with Nexi in payment systems
<p>Digital way of working</p> 	<ul style="list-style-type: none"> ▪ Accelerated digitalisation with remote working enabled for ~80,000 ISP Group people ▪ Strong track record in rapid and effective distribution model optimisation (e.g., ~1,100 branches rationalised since 2018) and further branch reduction in light of: <ul style="list-style-type: none"> – Combination with UBI Banca – Banca 5[®]-SisalPay strategic partnership (renamed “Mooney” from November 2020) – ISP high-quality digital channels, to continue serving the majority of clients who have changed their habits during COVID-19 emergency
<p>Strengthened ESG importance</p> 	<ul style="list-style-type: none"> ▪ The only Italian bank listed in the Dow Jones Sustainability Indices and the 2021 Corporate Knights “Global 100 Most Sustainable Corporations in the World Index” ▪ Ranked first among peers by MSCI, Sustainalytics and Bloomberg ESG Disclosure Score, three 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, 4Q20

ISP Is Fully Equipped for a Challenging Environment

1Q21: An Excellent Start to the Year

Combination with UBI Banca

Final Remarks

1Q21: Highlights

- **Excellent economic performance despite COVID-19 containment measures while successfully merging UBI Banca:**
 - **Best quarterly Net income since 2008 at €1,516m (+31.7% vs 1Q20)**
 - **Best quarter ever for Gross income (€2,630m, +22.2% vs 1Q20⁽¹⁾)**
 - **Operating income at €5,461m⁽²⁾ and Operating margin at €2,919m⁽²⁾ (+8.9% and +38.1% vs 4Q20⁽¹⁾)**
 - **The best Q1 ever for Commissions (+8.9% vs 1Q20⁽¹⁾)**
 - **Insurance income up 16.9% vs 4Q20⁽¹⁾ with non-motor P&C revenues at €98m (+27%), €125m including credit-linked products**
 - **Strong decrease in Operating costs (-2.6% vs 1Q20⁽¹⁾) with Administrative costs down 6.1%**
 - **Annualised Cost of risk down to 35bps⁽²⁾ (vs 48bps in FY20⁽¹⁾, excluding provisions for future COVID-19 impacts)**
 - **Lowest-ever Gross NPL inflow**
- **Best-in-class capital position and balance sheet further strengthened:**
 - **Common Equity ratio up at 15.7%⁽³⁾ (+30bps in Q1), well above regulatory requirements (~+710bps⁽⁴⁾)**
 - **Lowest NPL stock and NPL ratios since 2007, with Gross NPL ratio at 4.4% (3.5% according to EBA definition) and Net NPL ratio at 2.3%**
 - **Best-in-class leverage ratio: 7.2%**
 - **Strong liquidity position: LCR and NSFR well above 100%; €302bn in Liquid assets⁽⁵⁾**



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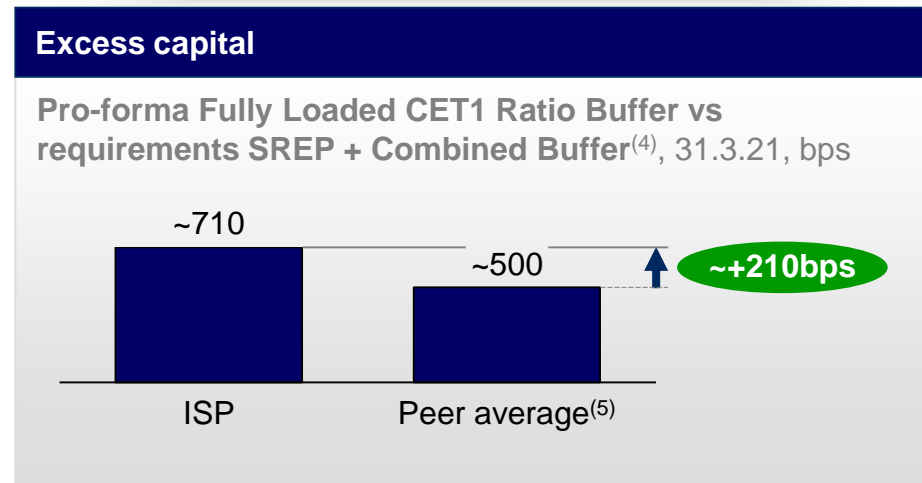
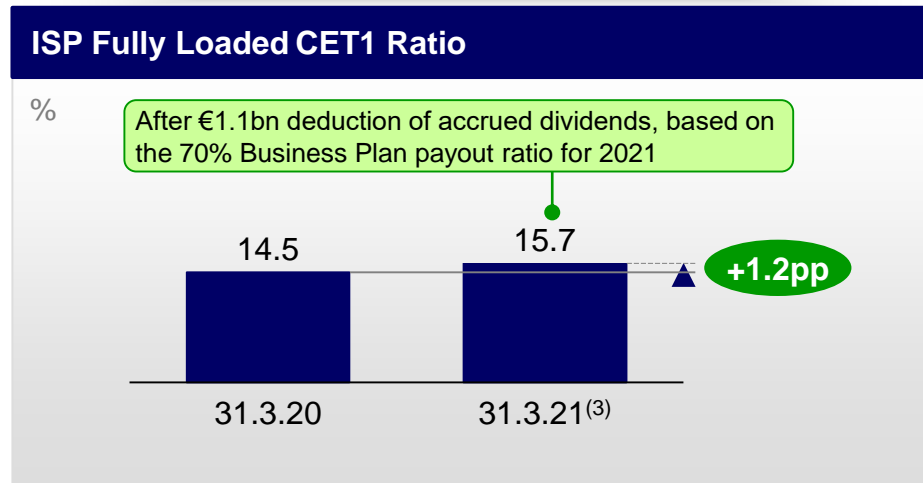
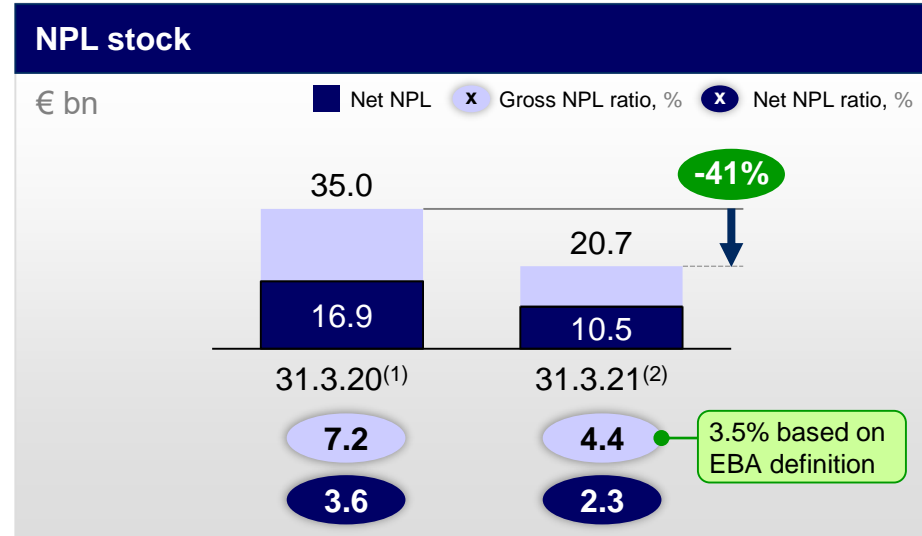
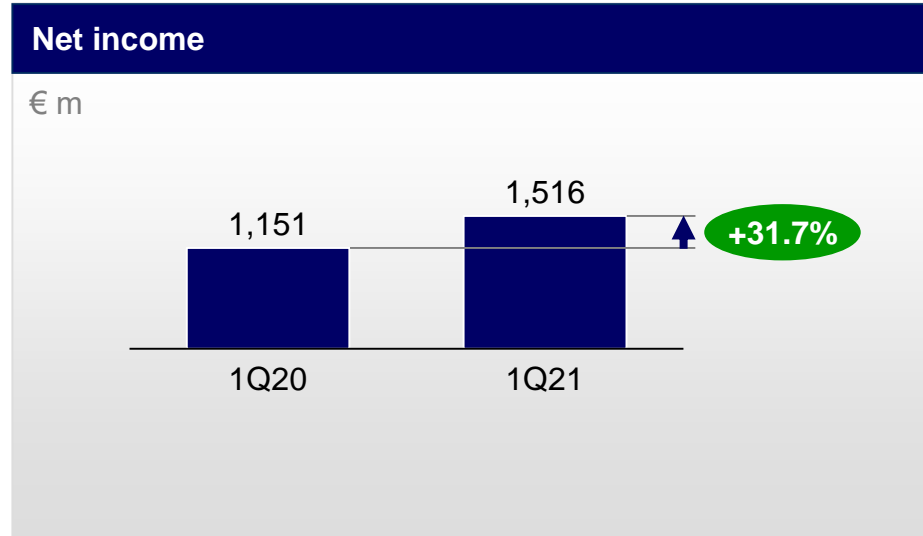
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(4) Calculated as the difference between the Fully Loaded CET1 Ratio vs requirements SREP + Combined Buffer

(5) 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

Q1: Strong Growth in Profitability and Balance Sheet Further Strengthened

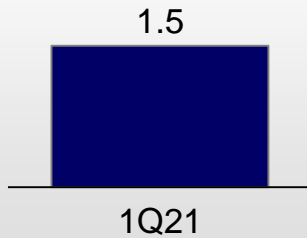


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Our Excellent Performance Creates Benefits for All Stakeholder

Shareholders

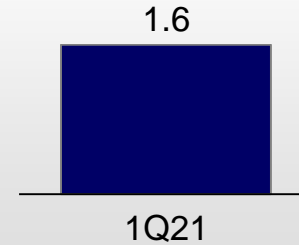
Net income, € bn



€1.1bn dividends already accrued in Q1

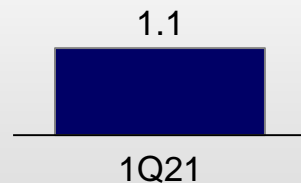
Employees

Personnel expenses, € bn



Public Sector

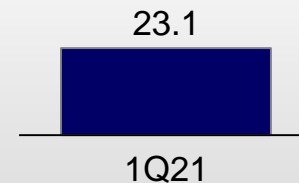
Taxes⁽¹⁾, € bn



Households and Businesses

Medium/Long-term new lending, € bn

Of which €20.9bn in Italy



~2,900 Italian companies helped to return to performing status⁽²⁾ in Q1 (~126,000 since 2014)

(1) Direct and indirect

(2) Deriving from Non-performing loans outflow

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

ISP as the engine of the real and social economies...



- €60bn 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
- €150m (equal to 50%) of the ISP Fund for Impact will be used to reduce socio-economic distress caused by COVID-19

... with a dedicated ESG/Climate Program (ISP4ESG) launched in 4Q19

Objectives

- Consolidating Group leadership around ESG/Climate topics
- Prioritising ESG/Climate themes most relevant for the Group

Governance

- Specific sessions of the **Executive Committee** that meets at least every 3 months to discuss ESG topics
- Dedicated **ESG Control Room**, including **17 Sustainability Managers** from all Divisions and Governance areas, to **support the Executive Committee** in defining priorities and new initiatives

Initiatives (selected highlights)

- Dedicated ESG advisory service and ESG-linked loans to SMEs
- ESG specialist coverage and product team supporting IMI C&IB Division Relationship Managers and clients
- Strong focus on Ethical/ESG funds (€17.7bn⁽¹⁾ managed by Eurizon)

... Delivering Tangible Results for Society

In 1Q21, evaluated ~175 start-ups (over 2,800 since 2018) in 2 acceleration programmes (activities switched online due to COVID-19) with 22 coached start-ups (over 410 since 2018), introducing them to selected investors and ecosystem players (~5,600 to date)

€6bn Circular Economy credit Plafond: ~€3.4bn already disbursed (~€1.2bn in 1Q21)

Green Bond issued in March 2021 for €1.25bn focused on green mortgages granted for the construction or the purchase of energy efficient properties (energy classification A and B); the order book exceeded €3.5bn

Two other Green Bonds issued in 2019 and 2017 for a total amount of €1.25bn (€750m Circular and €500m renewables and energy efficiency)

In July 2020, S-Loan launched – an innovative solution for SMEs to finance projects aimed at encouraging companies to improve their sustainability profile. The loans 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: ~€390m granted in 1Q21 (~€520m since the launch of the initiative)

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

- ~17.7 million meals
- ~1.1 million dormitory beds
- ~244,000 medicine prescriptions
- ~203,000 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:

- ~3,000 young people, aged 18-29, applied to the Program in 1Q21 (more than 18,000 since 2019)
- ~300 students interviewed and ~100 students trained/in training through 4 courses in 1Q21 (more than 3,800 students interviewed and more than 1,500 students trained/in training since 2019)
- ~1,500 companies involved since the beginning of the Program

~109,000 doctors and nurses participated in the Generation COVID-19 training on PPE, NIV and emergency management

P-Tech initiative, in partnership with IBM, aimed at training young professional in new digital skills: mentoring activities with 20 ISP "mentors" for 40 young professionals

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 3 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⁽¹⁾ to accelerate the construction of a field hospital in Bergamo

€101bn⁽²⁾ suspension of existing mortgage and loan installments for families and companies (1st in Italy to launch the initiative before the regulation came into force)

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

€28bn⁽³⁾ in loans with a State guarantee

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

~€10bn⁽³⁾ in loans with a guarantee from SACE (1st 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)

The Advanced "Management of Artistic-Cultural Heritage and Corporate Collections" Training Course, first edition of Gallerie d'Italia Academy, training program in heritage management addressed to young professionals, under the patronage of the Ministry of Culture. 900 applications, 36 students, more than 60 teachers

Digital promotion of Tiepolo exhibition (Gallerie d'Italia Milan). Tiepolo becomes a virtual tour and an innovative immersive experience. Sotto un unico cielo: 7 videos on Tiepolo's masterpieces in Veneto and Friuli regions. From 30 October 2020 to 31 March 2021, the digital initiatives dedicated to Tiepolo on Gallerie d'Italia, ISP and Progetto Cultura websites recorded a total of 133,000 page views

The international edition of National Geographic magazine published 2 images (among a selection of 54 photos of the year from 1.7 million photos worldwide) part of "The COVID-19 Visual Project", the permanent archive that collects projects of important photographers, created by Cortona On the Move in collaboration with ISP. 95,000 views on Gallerie d'Italia social media channels and on LinkedIn and Amplify ISP

(1) Associazione Nazionale Alpini
(2) Suspensions granted until 31.3.21 (flows), including renewals, including UBI Banca considering the disposal of branches sold in Q1
(3) As of 31.3.21, including UBI Banca considering the disposal of branches sold in Q1

MAMMA@WORK: a highly subsidised loan launched in July 2020 to balance motherhood and work in their children's early years of life (~€0.3m granted since the launch)

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

ISP Fund for Impact launched in 4Q18 (~€1.5bn lending capacity)

"Per Merito", the first line of credit without collateral dedicated to university students residing in Italy, studying in Italy or abroad; €16.3m granted in 1Q21 (~€107m since beginning of 2019)

MAMMA@WORK: a highly subsidised loan launched in July 2020 to balance motherhood and work in their children's early years of life (~€0.3m granted since the launch)

Two other initiatives 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 (~€0.4m granted in 1Q21; ~€1.6m granted since the launch)

ISP Leads in the Main Sustainability Indexes and Rankings

Top ranking⁽¹⁾ for Sustainability

The **only Italian bank** listed in the Dow Jones Sustainability Indices and the 2021 Corporate Knights "Global 100 Most Sustainable Corporations in the World Index". Ranked first among peers by Bloomberg (ESG Disclosure Score), MSCI and Sustainalytics

In 2020 ranking by 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	S&P Global	SUSTAINALYTICS
71	A	AAA	100	19.5
62	A	AAA	99	20.3
61	A-	AA	95	21.4
59	A-	AA	94	22.1
58	A-	AA	93	22.5
58	A-	AA	93	23.1
57	A-	AA	90	23.3
55	A-	AA	88	23.8
55	A-	AA	87	24.8
55	B	AA	82	25.0
54	B	A	70	25.6
54	B	A	67	25.7
54	B	A	62	27.1
54	B	A	62	27.8
54	B	A	60	28.7
47	C	BBB	57	30.0
46	C	BBB	54	30.0

STOXX Member 2020/2021 ESG Leaders Indices

EURONEXT INDICES EUROPE120

VE VIDEO FIRST

Member of Dow Jones Sustainability Indices Powered by the S&P Global CDA

SOLACTIVE German Index Engineering

REFINITIV TOP 100 COMPANY 2020 Diversity with the leader

Bloomberg Gender-Equality Index 2021

GLOBAL100 Corporate Knights The Magazine for Clean Capitalism

standard ethics

MSCI (D)

CDP DISCLOSURE INSIGHT ACTION

EURONEXT INDICES EUROZONE120

VE VIDEO FIRST

Sustainability Award Bronze Class 2021 S&P Global

FTSE4Good

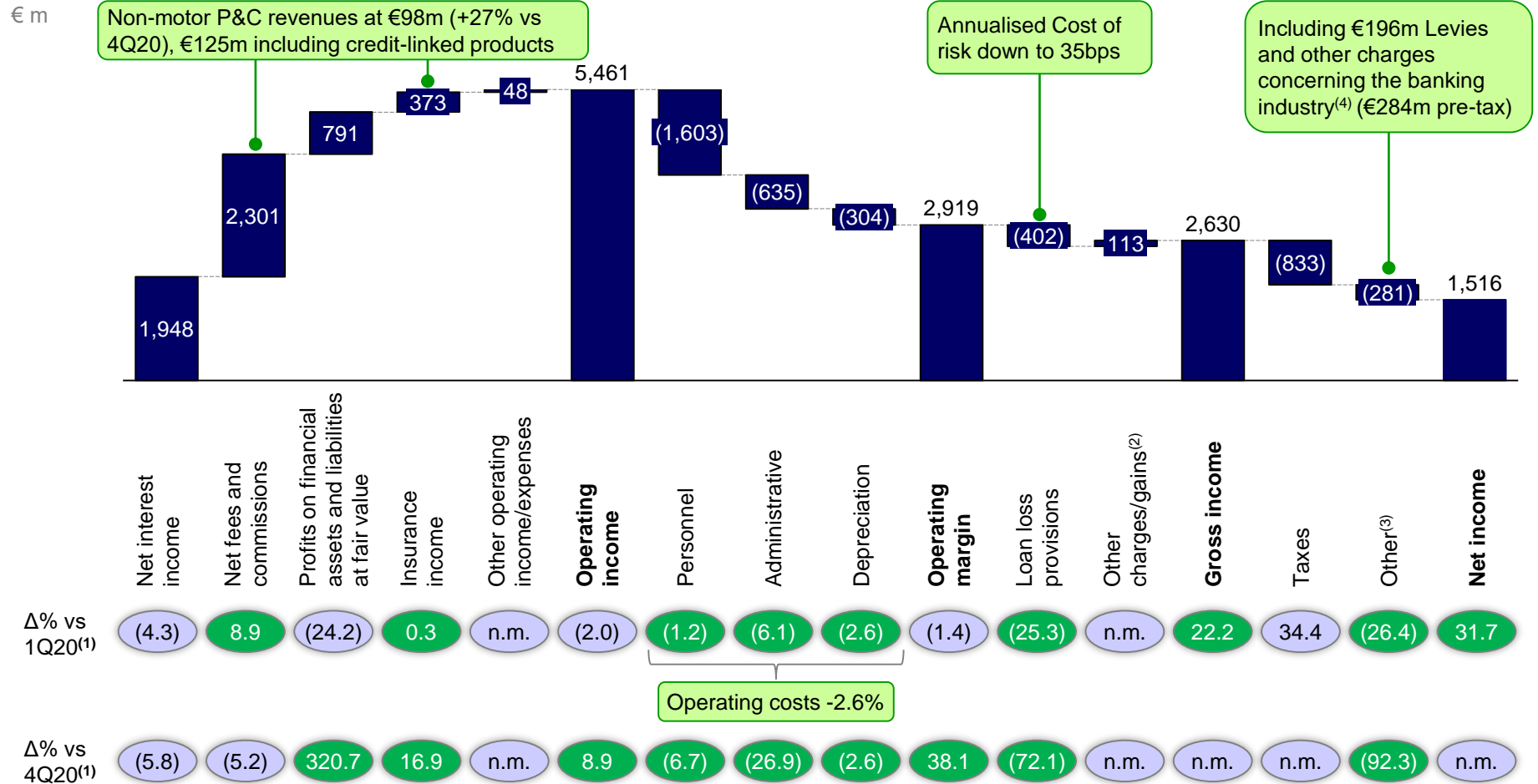
SUSTAINALYTICS a Morningstar company

ECPI Sense in sustainability

(1) ISP peer group
Sources: Bloomberg ESG Disclosure Score (Bloomberg as of 30.4.21), CDP Climate Change Score 2020 (<https://www.cdp.net/en/companies/companies-scores>); MSCI ESG Score (<https://www.msci.com/esg-ratings>) Data as of 30.4.21; S&P Global (Bloomberg as of 30.4.21); Sustainalytics score (<https://www.sustainalytics.com/>) ESG Risk Rating as of 30.4.21

€1.5bn Net Income, the Best Quarter Since 2008

1Q21 P&L (considering, on the basis of management accounts, the reallocation of the contribution of branches sold in Q1 and those to be sold in Q2 to Income (Loss) from discontinued operations)



Note: figures may not add up exactly due to rounding

(1) Data restated - where necessary and material - considering the changes in the scope of consolidation following the inclusion of UBI Banca and, on the basis of management accounts, the reallocation of the contribution of branches sold in 1Q21 and those to be sold in 2Q21 to Income (Loss) from discontinued operations

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

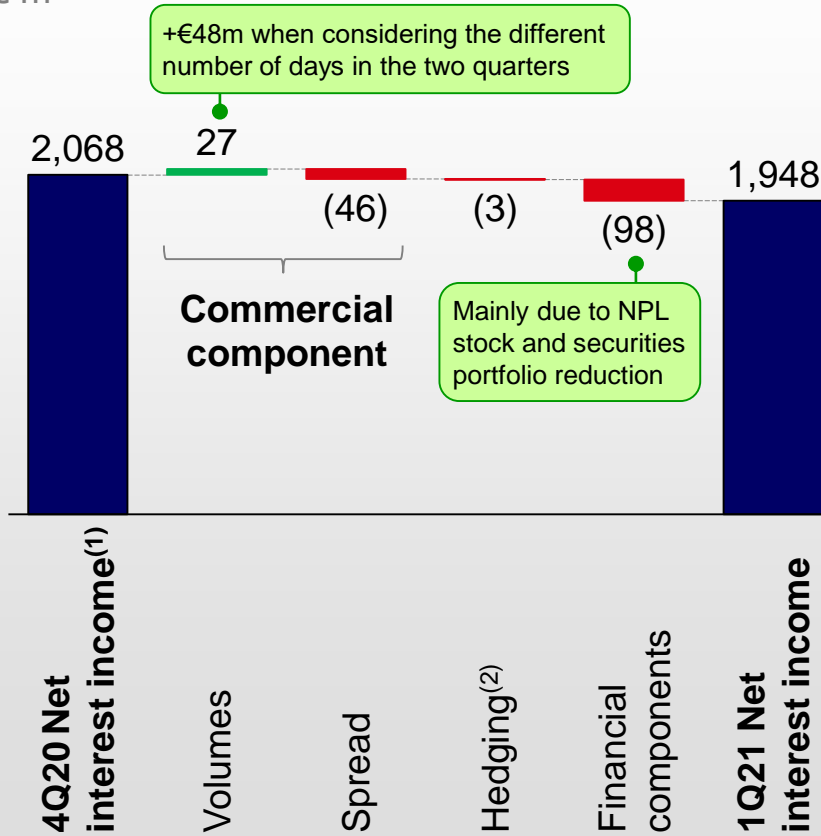
(3) Charges (net of tax) for integration and exit incentives, Effect of purchase price allocation (net of tax), Levies and other charges concerning the banking industry (net of tax), Impairment (net of tax) of goodwill and other intangible assets, Minority interests

(4) Including charges for the Resolution Fund: €272m pre-tax (€187m net of tax), our estimated commitment for the year

Net Interest Income: Yearly Growth in Commercial Component

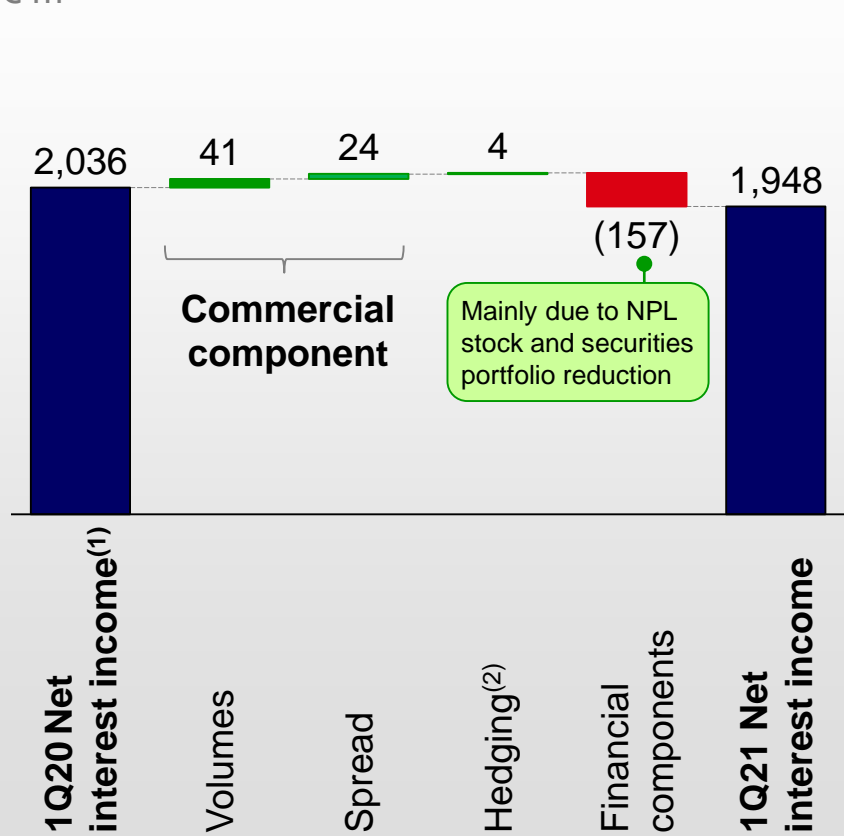
Quarterly comparison

Net interest income, Δ 1Q21 vs 4Q20
€ m



Yearly comparison

Net interest income, Δ 1Q21 vs 1Q20
€ m



Revenues managed in an integrated manner to create value

Note: figures may not add up exactly due to rounding

(1) Data restated - where necessary and material - considering the changes in the scope of consolidation following the inclusion of UBI Banca and, on the basis of management accounts, the reallocation of the contribution of branches sold in 1Q21 and those to be sold in 2Q21 to Income (Loss) from discontinued operations

(2) €54m benefit from hedging on core deposits in 1Q21

Best-ever Q1 for Commissions Despite Multiple Lockdowns

Net fees and commissions

€ m



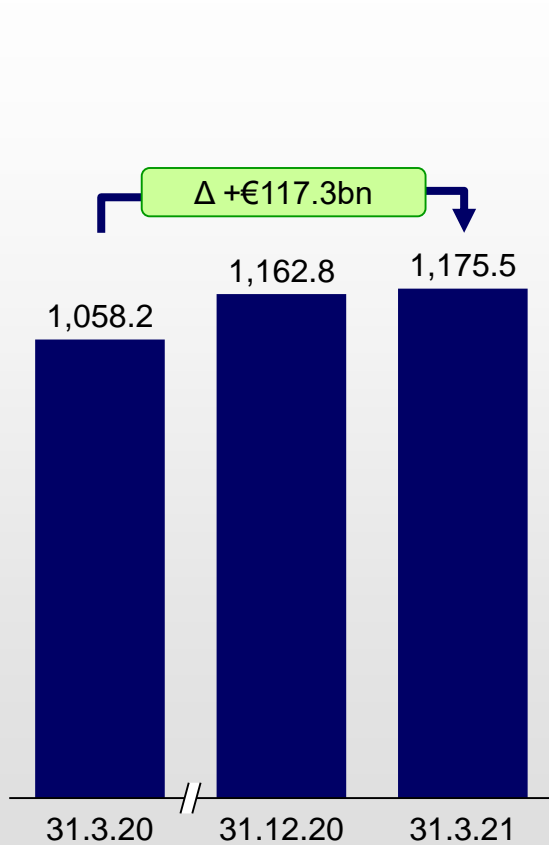
(1) Data restated - where necessary and material - considering the changes in the scope of consolidation following the inclusion of UBI Banca and, on the basis of management accounts, the reallocation of the contribution of branches sold in 1Q21 and those to be sold in 2Q21 to Income (Loss) from discontinued operations

(2) Including UBI Banca and considering the disposal of branches sold in 1Q21 and those to be sold in 2Q21

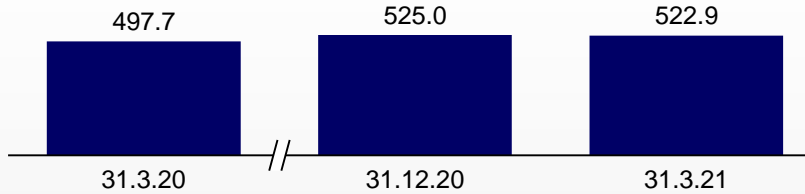
€1.2 Trillion in Customer Financial Assets

Customer financial assets⁽¹⁾⁽²⁾

€ bn

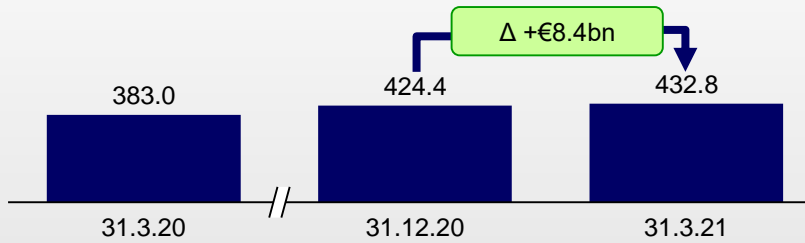


Direct deposits



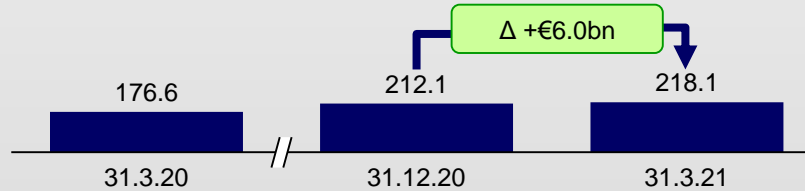
+€47.5bn in retail and corporate deposits on a yearly basis

Assets under Management

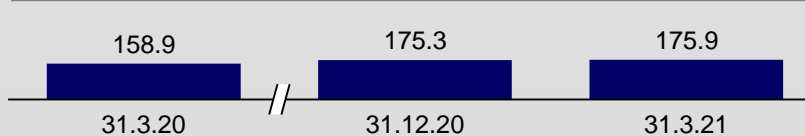


+€4bn of AuM Net inflow in Q1

Assets under Administration



Direct deposits from Insurance Business and Technical reserves



f(x)

Note: figures may not add up exactly due to rounding

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

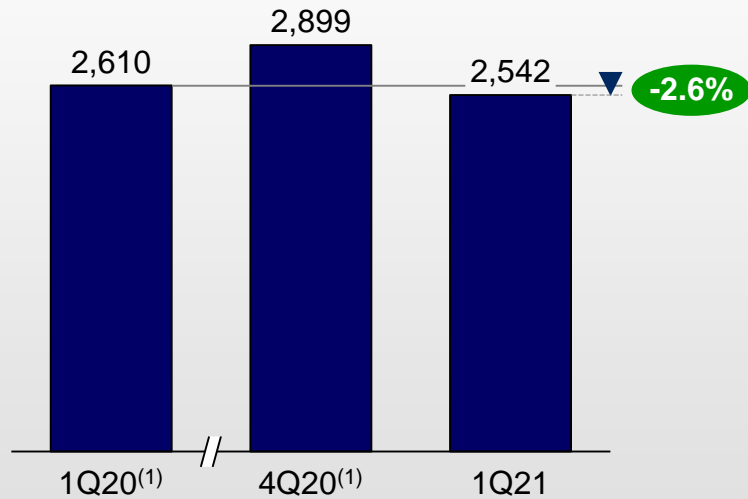
(2) Including UBI Banca and considering the disposal of branches sold in 1Q21 and those to be sold in 2Q21

Continued Strong Reduction in Operating Costs while Investing for Growth

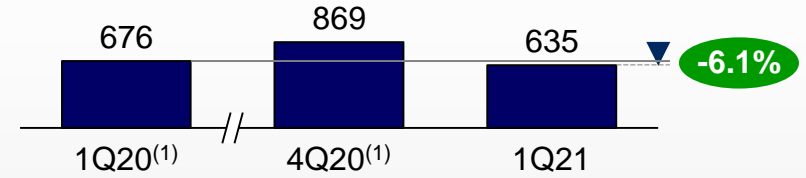
Operating costs

€ m

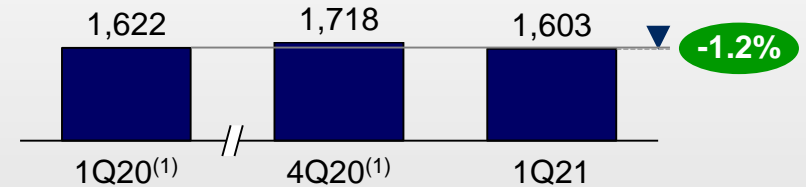
Total Operating costs



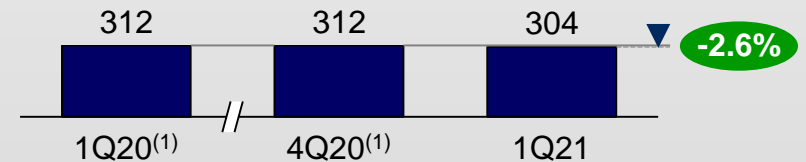
Administrative costs



Personnel costs



Depreciation



f(x)

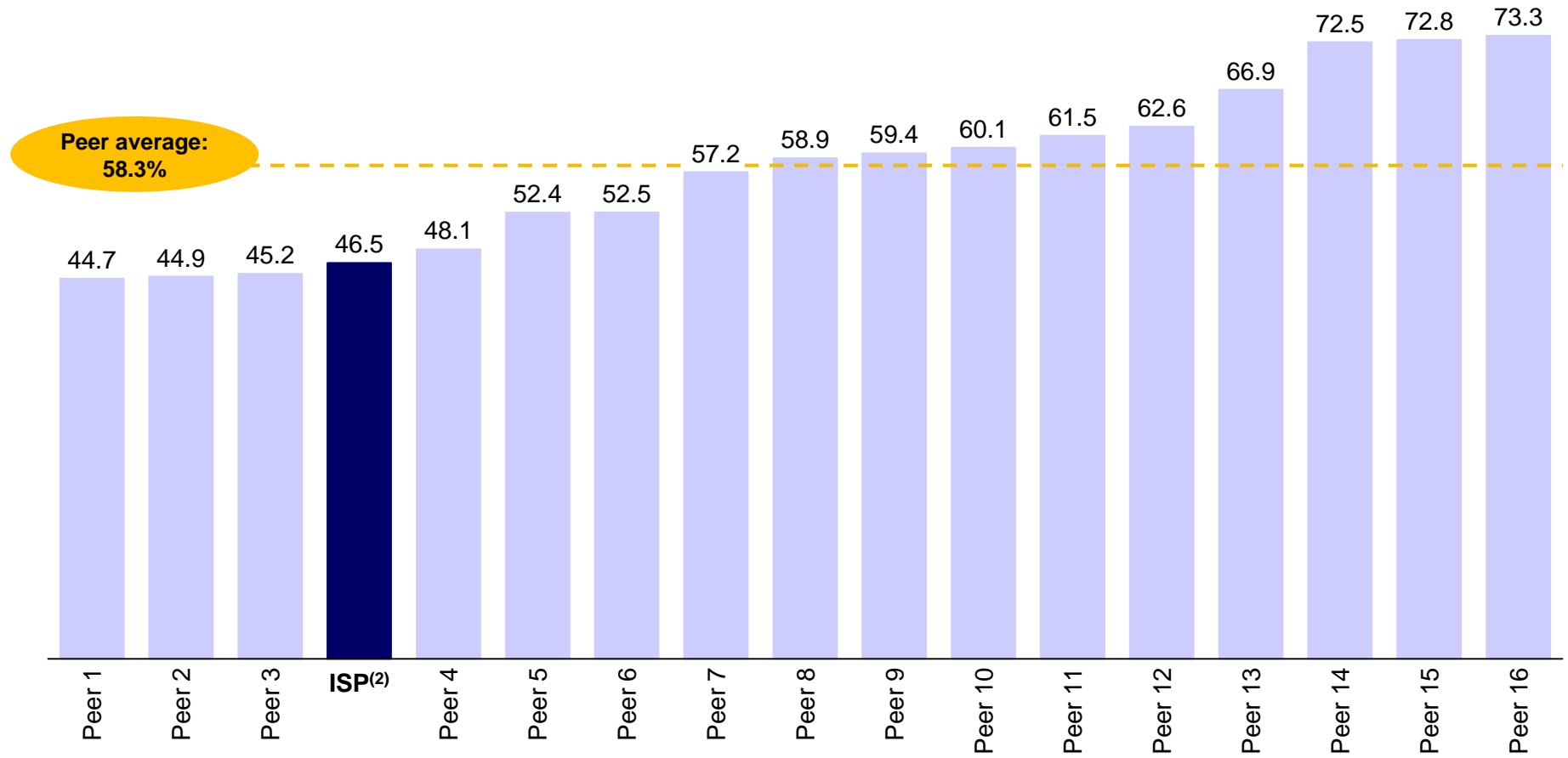
- ~3,200 headcount reduction on a yearly basis, of which ~780 in Q1
- Further ~7,200 voluntary exits by 2023 – of which 500 exited in Q1 – related to the combination with UBI Banca, already agreed with Labour Unions and already fully provisioned (with 3,500 hires by 1H24)
- Further branch reduction in light of Mooney⁽²⁾ and combination with UBI Banca

(1) Data restated - where necessary and material - considering the changes in the scope of consolidation following the inclusion of UBI Banca and, on the basis of management accounts, the reallocation of the contribution of branches sold in 1Q21 and those to be sold in 2Q21 to Income (Loss) from discontinued operations

(2) Banca 5[®]-SisalPay strategic partnership

One of the Best Cost/Income Ratios in Europe

Cost/Income⁽¹⁾
%



(1) Sample: Barclays, BBVA, BNP Paribas, Credit Suisse, Deutsche Bank, HSBC, Lloyds Banking Group, Nordea, Santander, Standard Chartered and UBS (31.3.21 data); Commerzbank, Crédit Agricole S.A., ING Group, Société Générale and UniCredit (31.12.20 data)

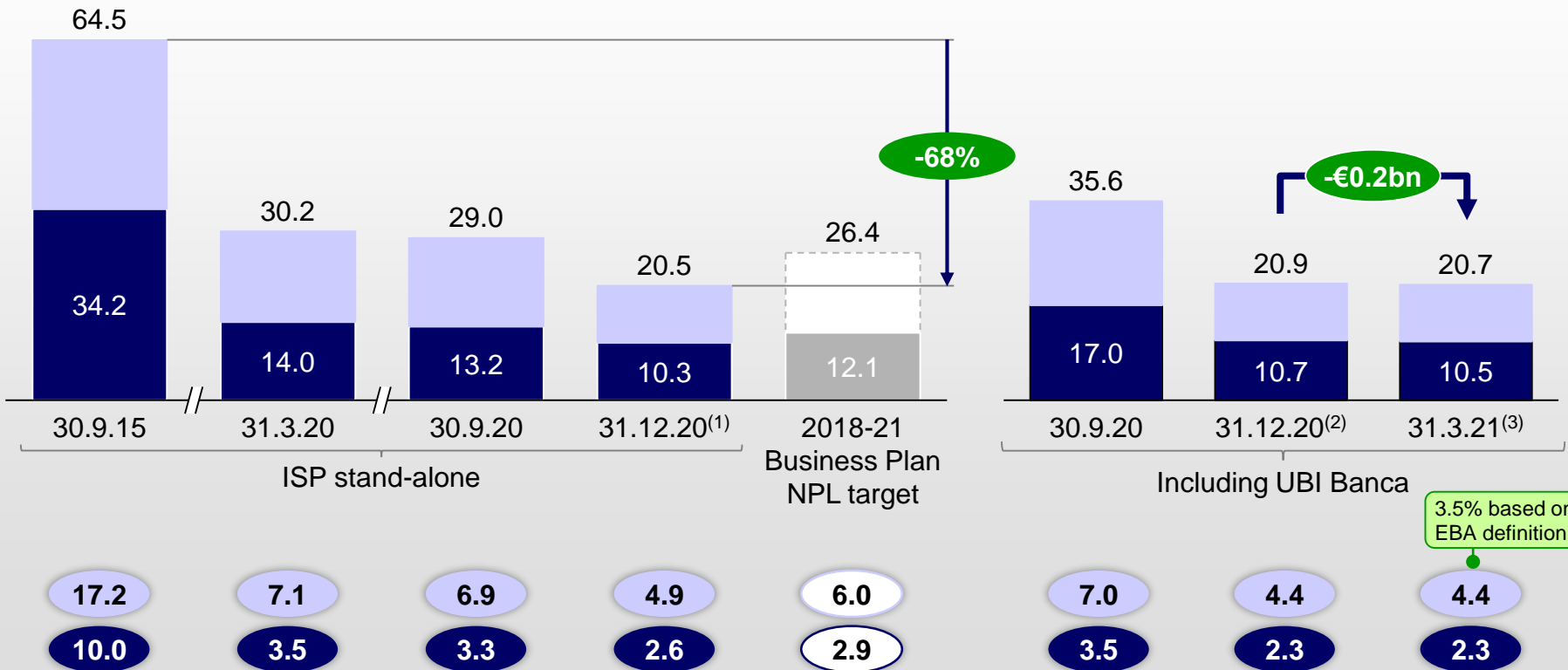
(2) Considering, on the basis of management accounts, the reallocation of the contribution of branches sold in 1Q21 and those to be sold in 2Q21 to Income (Loss) from discontinued operations

2018-21 NPL Deleveraging Target Exceeded by ~€6bn One Year Ahead of Plan

NPL stock

€ bn

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

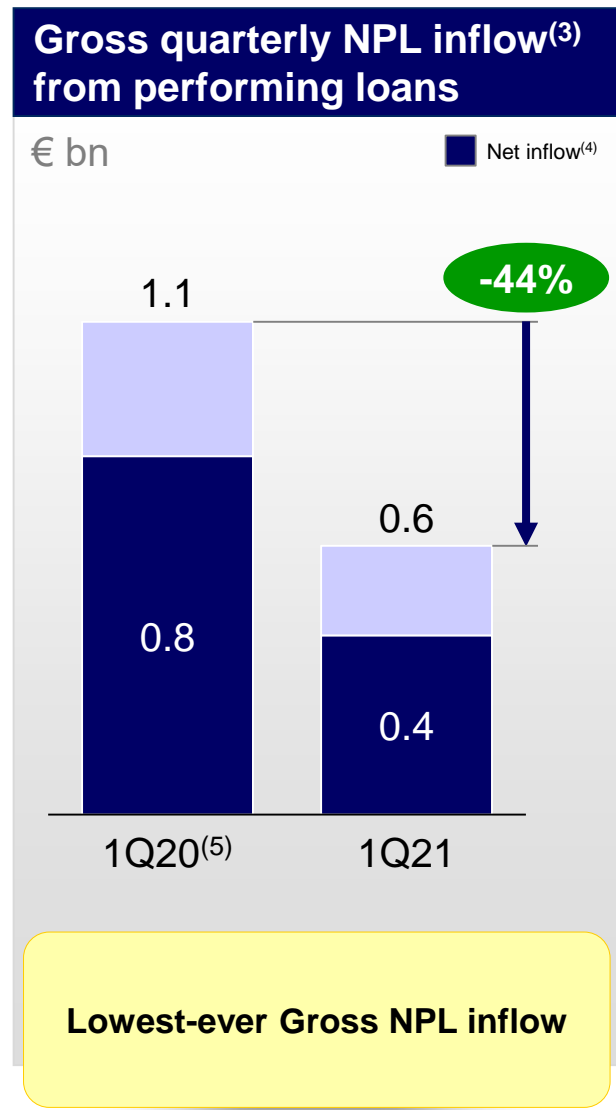
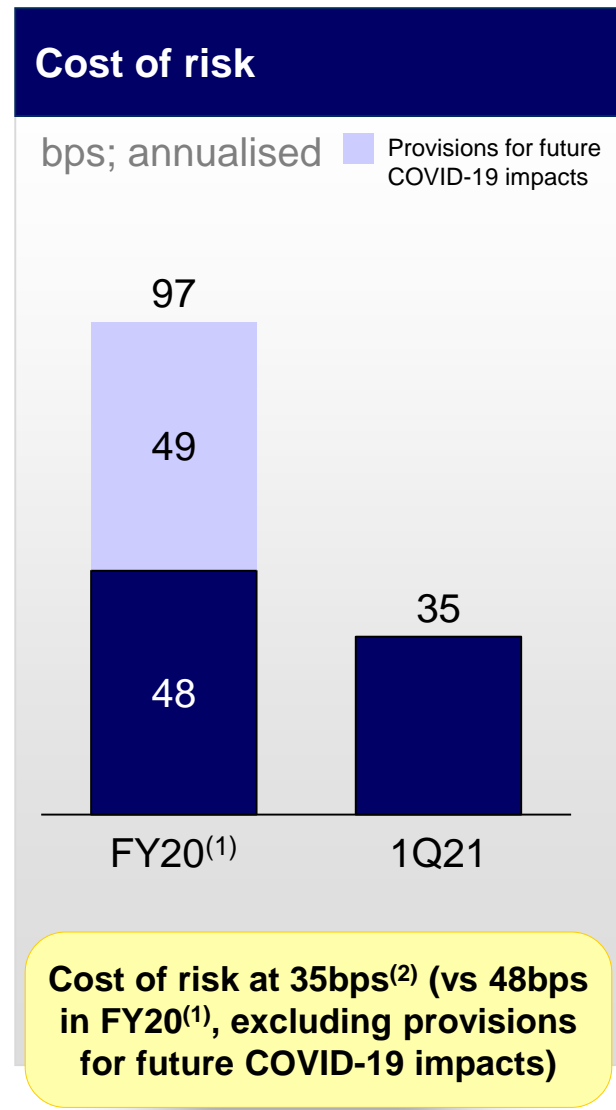
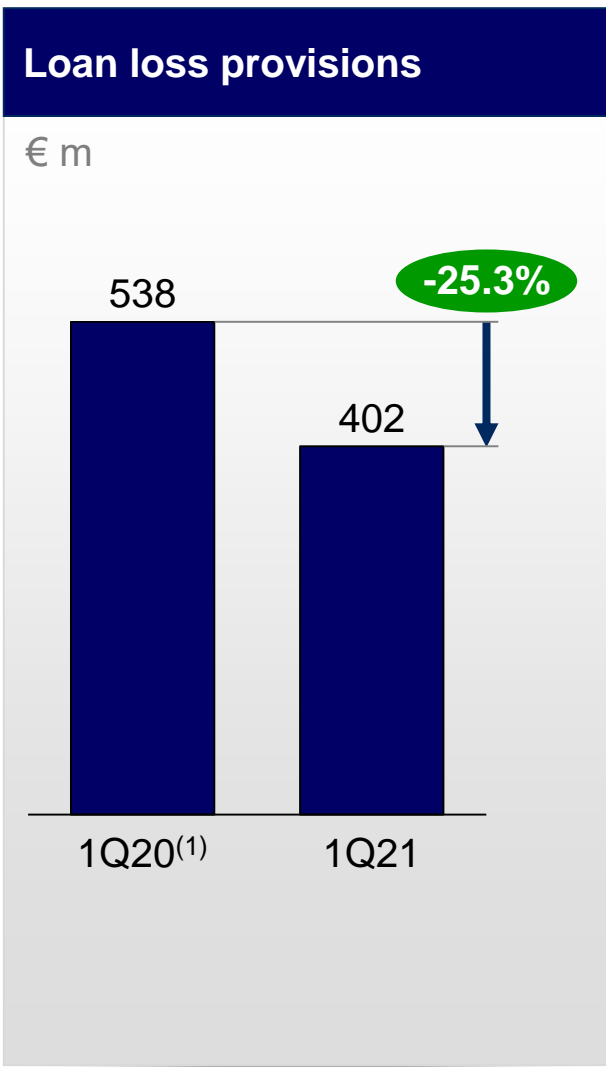


22nd quarter of continuous deleveraging

3.5% based on EBA definition

(1) Excluding €3.2bn Gross NPL (€0.5bn Net) booked in Discontinued operations
 (2) Excluding €5.4bn Gross NPL (€2.1bn Net) booked in Discontinued operations
 (3) Excluding €3.8bn Gross NPL (€1.1bn Net) booked in Discontinued operations

Strong Reduction in Loan Loss Provisions and Cost of Risk Coupled with Lowest-ever Gross NPL Inflow



(1) Data restated - where necessary and material - considering the changes in the scope of consolidation following the inclusion of UBI Banca and, on the basis of management accounts, the reallocation of the contribution of branches sold in 1Q21 and those to be sold in 2Q21 to Income (Loss) from discontinued operations

(2) Considering, on the basis of management accounts, the reallocation of the contribution of branches sold in 1Q21 and those to be sold in 2Q21 to Income (Loss) from discontinued operations

(3) Inflow to NPL (Bad Loans, Unlikely to Pay and Past Due) from performing loans

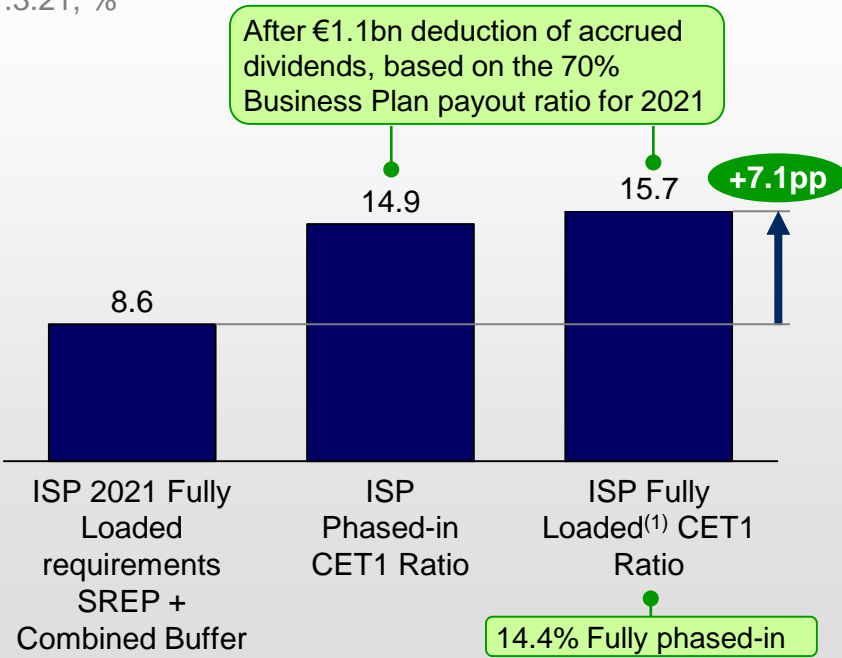
(4) Inflow to NPL (Bad Loans, Unlikely to Pay and Past Due) from performing loans minus outflow from NPL into performing loans

(5) Including UBI Banca and considering the disposal of branches sold in 1Q21 and those to be sold in 2Q21

Increased Rock-Solid Capital Base, Well Above Regulatory Requirements

ISP CET1 Ratios vs requirements SREP + Combined Buffer

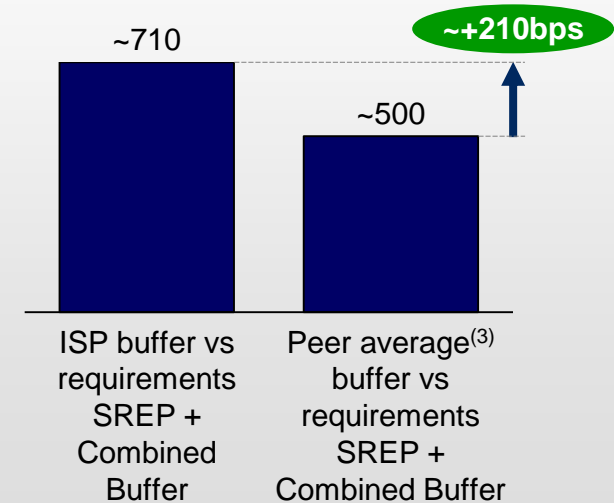
31.3.21, %



Fully Loaded(1) CET1 Ratio +30bps in Q1, +40bps Fully phased-in

Fully Loaded CET1 Ratio Buffer vs requirements SREP + Combined Buffer(2)

31.3.21, bps



€22.7bn excess capital

Note: figures may not add up exactly due to rounding

(1) Pro-forma fully loaded Basel 3 (31.3.21 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 DTA related to the combination with UBI Banca arising from PPA, integration charges and the disposal to BPER Banca of a portion of branches and related assets and liabilities and the expected distribution of 1Q21 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 (31.3.21 data); Commerzbank, Crédit Agricole Group, ING Group, Société Générale and UniCredit (31.12.20 data). Source: Investors' Presentations, Press Releases, Conference Calls, Financial Statements

Increased Capital Buffer vs Regulatory Requirements

ISP requirements SREP + Combined Buffer

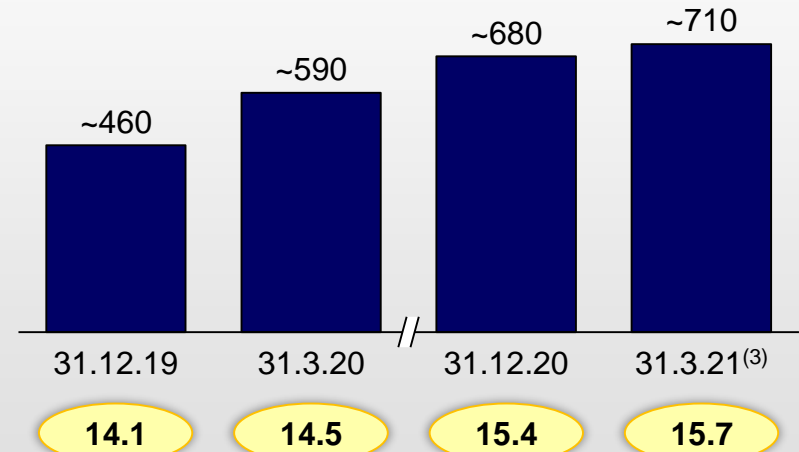
%



ISP Fully Loaded CET1 Ratio Buffer vs requirements SREP + Combined Buffer⁽²⁾

bps

x CET1 Fully Loaded ratio, %



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

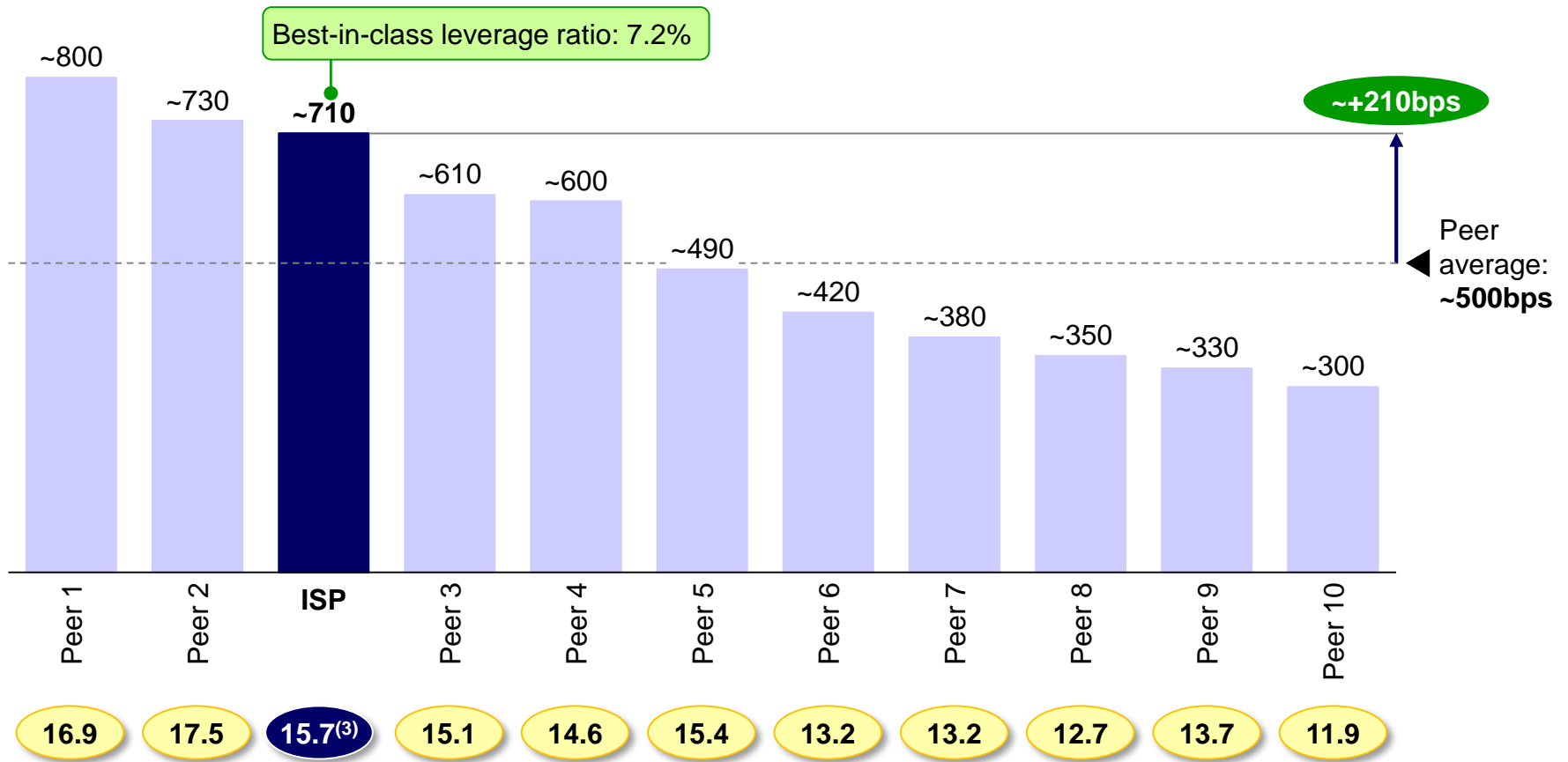
- (1) Taking into account the regulatory changes introduced by the ECB on 12.3.20, which require that the Pillar 2 requirement can be respected by partially using equity instruments other than CET1 and contextual revisions of the Countercyclical Capital Buffer by the competent national authorities in 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 (31.3.21 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 DTA related to the combination with UBI Banca arising from PPA, integration charges and the disposal to BPER Banca of a portion of branches and related assets and liabilities and the expected distribution of 1Q21 Net income of insurance companies)

Best-in-class Excess Capital in Europe

Fully Loaded CET1 Ratio Buffer vs requirements SREP + Combined Buffer⁽¹⁾⁽²⁾

bps

○ Fully Loaded CET1 Ratio⁽²⁾, %

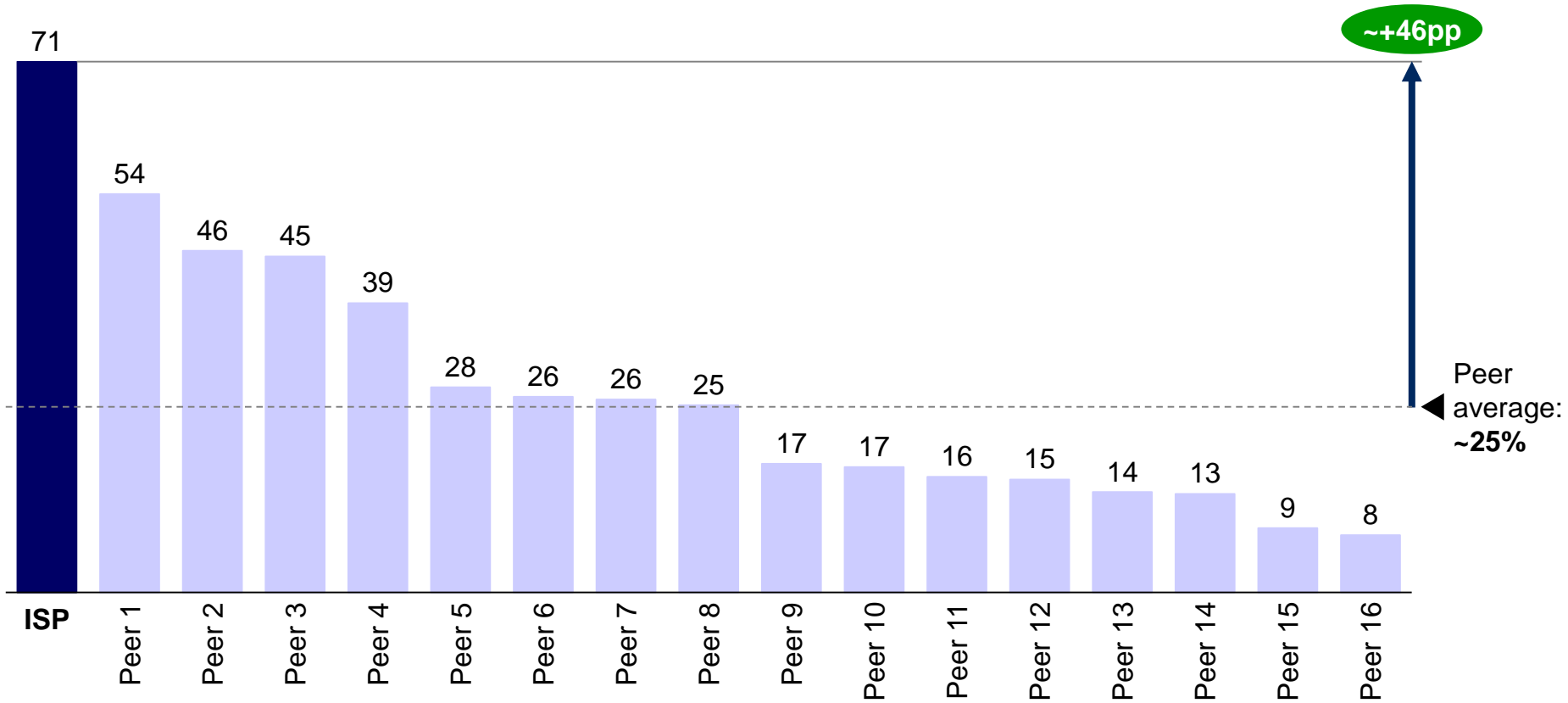


Note: figures may not add up exactly due to rounding

- (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 (31.3.21 data); Commerzbank, Crédit Agricole Group, ING Group, Société Générale and UniCredit (31.12.20 data). Source: Investors' Presentations, Press Releases, Conference Calls, Financial Statements
- (3) Pro-forma fully loaded Basel 3 (31.3.21 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 DTA related to the combination with UBI Banca arising from PPA, integration charges and the disposal to BPER Banca of a portion of branches and related assets and liabilities and the expected distribution of 1Q21 Net income of insurance companies)

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

Fully Loaded CET1⁽¹⁾/Total illiquid assets⁽²⁾
%



~€302bn in Liquid assets⁽³⁾ 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 (31.3.21 data); Commerzbank, Crédit Agricole Group, ING Group, Société Générale and UniCredit (31.12.20 data)
 (2) Total illiquid assets include Net NPL, Level 2 assets and Level 3 assets. Sample: Barclays, BBVA, Deutsche Bank, HSBC, Lloyds Banking Group, Nordea, Santander, Standard Chartered and UBS (Net NPL 31.3.21 data); BNP Paribas, Commerzbank, Crédit Agricole Group, Credit Suisse, ING Group, Société Générale and UniCredit (Net NPL 31.12.20 data); Level 2 assets and Level 3 assets 31.12.20 data
 (3) 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

ISP Is Fully Equipped for a Challenging Environment

1Q21: An Excellent Start to the Year

Combination with UBI Banca

Final Remarks

UBI Banca Merger Successfully Completed...

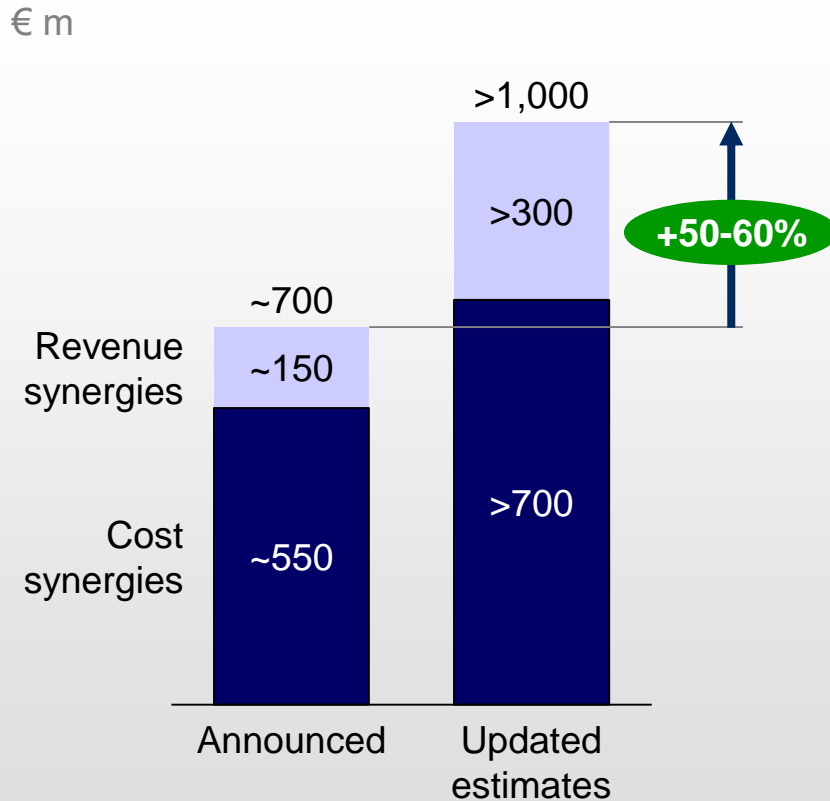
Our top performing delivery machine at work...		... granting full business continuity	
IT	<p>Merger of UBI Banca into ISP successfully completed with:</p> <ul style="list-style-type: none"> ▪ Migration of 587 UBI Banca branches⁽¹⁾ to BPER Banca on February 22nd (the largest-ever disposal of banking branches in Italy) ▪ Completion of IT integration on April 12th (one of the most extensive IT migrations in Italy involving ~1,000 branches) 	<p>Results one day after merger</p> <p>% of time with digital channels fully operational 100%</p> <hr style="border-top: 1px dashed #ccc;"/> <p># of unresolved anomalies blocking client operations 0</p>	<p># of migrated clients already active on digital channels (Internet Banking and App) >310k</p>
Clients	<p>~2.4m clients transferred to ISP, of which more than 1m multichannel clients (Internet Banking and App)</p> <p>~1.4m clients transferred to BPER Banca</p>	<p>% of branches fully operational 100%</p>	<p>% of ATMs operational 92%</p>
People	<ul style="list-style-type: none"> ▪ ~14,500 people onboarded ▪ ~5,100 people supported during the transfer to BPER Banca ▪ New organisational structure implemented 	<p>% of migrated clients already active on digital channels (Internet Banking and App) >310k</p> <p><small>~500k five days after merger</small></p>	<p>% of branches fully operational 100%</p> <p><small>100% five days after merger</small></p>
<p>Two large-scale migrations performed...</p>		<p>... with all ~1,000 former UBI Banca branches and digital channels up and running</p>	

(1) Including 132 outlets/sub-branches

... Enabling Additional Value Creation with Synergies Above €1bn per Year



Pre-tax annual synergies



Key considerations
























- **Overall synergies exceeding** initial estimates mainly due to:
 - **Revenues:** joint bottom-up analysis of **productivity and commercial performance** across all segments (e.g., product penetration)
 - **Costs:** improved efficiency mainly due to higher number of **voluntary exits** already agreed with labour unions and fully provisioned (~**7,200** vs 5,000 initially estimated)
- **Synergies timeline:**
 - **>80%** in **2023**
 - **100%** from **2024**

~€2bn⁽¹⁾ integration charges fully booked in 4Q20 and fully covered by the negative goodwill arising from the transaction

Potential additional benefits not included in the updated estimates (e.g., from repurchase of minority interests of product factories, investment banking products)

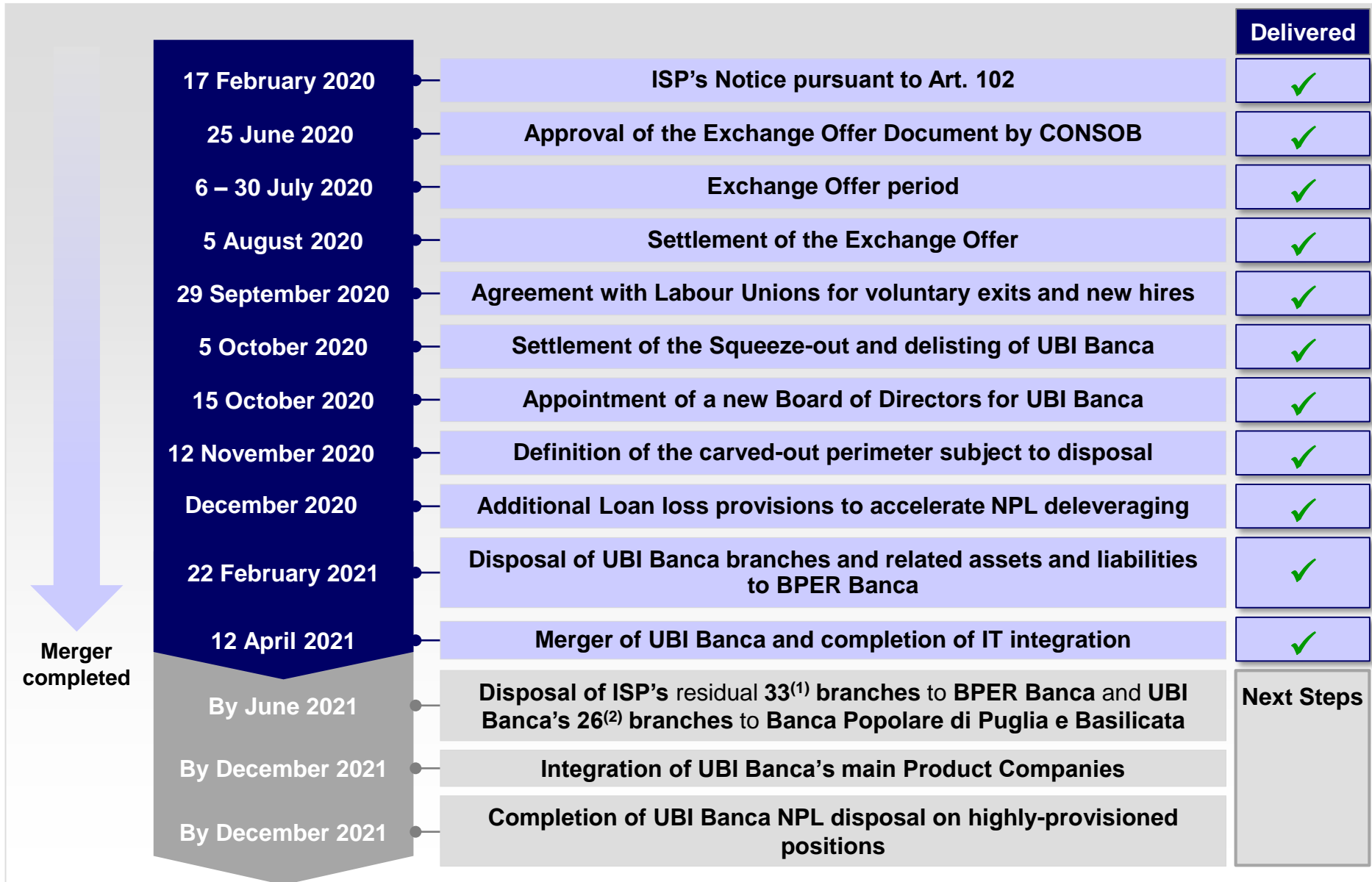
(1) Pre-tax, €1.4bn net of tax

Q1 Excellent Performance Delivered While Completing a Large Number of Key UBI Banca Integration Activities

	Description	Delivered
Governance and operational activities	<ul style="list-style-type: none"> Set up a core team dedicated to the integration 	
	<ul style="list-style-type: none"> Signed labour union agreement (~3 months in advance) for at least 5,000 voluntary exits and up to 2,500 hires, with no social costs; Intesa Sanpaolo has accepted the total ~7,200 applications submitted, and consequently will hire 3,500 people by 1H24 to enable generational change 	
	<ul style="list-style-type: none"> Signed labour union agreements regarding the ~5,100 people who are part of the going concern transferred to BPER Banca and the ~150 people who are part of the going concern to be transferred to Banca Popolare di Puglia e Basilicata 	
	<ul style="list-style-type: none"> Signed labour union agreement regarding the harmonisation of compensation and benefits for all ISP and UBI Banca people on 14.4.21 	
	<ul style="list-style-type: none"> Completed HR interviews with all UBI Banca people and managerial roles assigned 	
	<ul style="list-style-type: none"> Successfully completed the disposal and the migration of UBI Banca branches to BPER Banca on 22.2.21 	
	<ul style="list-style-type: none"> Merger of UBI Banca and of UBI Top Private in Intesa Sanpaolo Private Banking and related IT integration successfully completed on 12.4.21 	
	<ul style="list-style-type: none"> Ongoing activities for the migration of 33⁽¹⁾ ISP branches to BPER Banca by June 2021 	
	<ul style="list-style-type: none"> Activities for the disposal and the migration of 26⁽²⁾ UBI Banca branches to Banca Popolare di Puglia e Basilicata by June 2021 almost completed 	
	<ul style="list-style-type: none"> Completed the mapping of the ESG/Impact initiatives of ISP and UBI Banca 	
	<ul style="list-style-type: none"> Completed all the mandatory activities foreseen by the integration plan to date (~1,450 activities as of 30.4.21) 	
	<ul style="list-style-type: none"> Completed the integration of all the governance areas (e.g. risk management, compliance, audit, finance, credit, IT, HR) 	
	<ul style="list-style-type: none"> Completed the closing for the repurchase of the third-party stakes in product factories related to Life and P&C insurance (Aviva Vita and Lombarda Vita) and Asset Management (Pramerica) 	
	<ul style="list-style-type: none"> Purchase of Cargeas (P&C insurance) signed 	
	Business activities	<ul style="list-style-type: none"> Designed and implemented the target commercial networks (retail, corporate and private)
<ul style="list-style-type: none"> Alignment of ATM withdrawal fees 		
<ul style="list-style-type: none"> Completed alignment of credit policies (e.g., by sector) 		
<ul style="list-style-type: none"> Integrated management of securities portfolio 		
<ul style="list-style-type: none"> Completed alignment of pricing policies 		
<ul style="list-style-type: none"> Identified the integration approach of retail product companies (UBI Leasing, UBI Factoring, Prestitalia) 		
<ul style="list-style-type: none"> Completed product catalog analysis, including comparison with ISP products 		
<ul style="list-style-type: none"> Completed transfer of IW Bank within Banca Fideuram - Intesa Sanpaolo Private Banking 		
<ul style="list-style-type: none"> Ongoing integration of Aviva Vita and Lombarda Vita into Intesa Sanpaolo Vita 		
<ul style="list-style-type: none"> Presented Eurizon/Pramerica integration project to the Supervisory Authorities and started merger process 		

(1) Including 2 outlets/sub-branches
(2) Including 9 outlets/sub-branches

Merger Successfully Completed on Schedule Thanks to Our Top Performing Delivery Machine



Merger completed

Delivered

Next Steps

(1) Including 2 outlets/subbranches
(2) Including 9 outlets/subbranches

ISP Is Fully Equipped for a Challenging Environment

1Q21: An Excellent Start to the Year

Combination with UBI Banca

Final Remarks

ISP Is Fully Equipped to Continue to Succeed in the Future

ISP delivered an excellent start to the year:

- **Best quarterly Net income since 2008** (€1.5bn)
- **Best quarter ever for Gross income**
- **Significant yearly growth in Commissions**
- **Strong cost reduction**
- **Lowest-ever Gross NPL inflow**
- **Further increase in Common Equity Ratio**

ISP is fully equipped to succeed in the future:

- **Best-in-class excess capital, low leverage and strong liquidity**
- **Over €6bn** out of 2020 pre-tax profit allocated to **further strengthen the sustainability of our results**
- **Low NPL stock**
- **High operating efficiency** (Cost/Income ratio at 46.5%⁽¹⁾) and **strategic flexibility in managing costs**
- **Over €1bn yearly synergies from the combination with UBI Banca**
- **Well-diversified and resilient business model**

- **Continue delivering best-in-class profitability with Net income well above €3.5bn in 2021**
- **Delivering best-in-class distribution to shareholders⁽²⁾ with**
 - A 75%⁽³⁾ total cash payout ratio (dividends and reserves distribution) for 2020 €3.5bn adjusted Net income⁽⁴⁾:
 - €694m⁽⁵⁾ cash dividends to be paid in May 2021
 - Additional cash distribution from reserves to reach a total payout ratio of 75%⁽³⁾ possibly by 4Q21, subject to ECB approval
 - 70%⁽³⁾ cash dividend payout ratio for 2021 Net income, partially distributed as interim dividend in 2021 (€1.1bn already accrued in Q1)
- **Maintain a solid capital position with a minimum Common Equity ratio⁽⁶⁾ of 13% (12% fully phased-in)**

- **€1.5bn Net income delivered in Q1 despite multiple lockdowns and while successfully merging UBI Banca**
- **Firmly on track to deliver a Net income well above €3.5bn in 2021**

(1) Considering, on the basis of management accounts, the reallocation of the contribution of branches sold in 1Q21 and those to be sold in 2Q21 to Income (Loss) from discontinued operations

(2) Subject to ECB indications to be announced in respect of dividend policy after 30.9.21, the deadline for the recommendation of 15.12.20

(3) Envisaged in the 2018-21 Business Plan

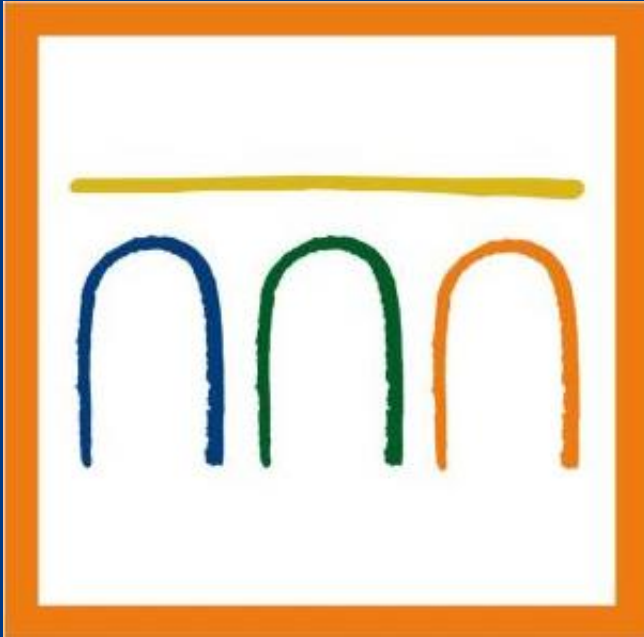
(4) Excluding from 2020 stated Net income the items related to the combination with UBI Banca (effect of PPA – including negative goodwill – and integration charges) and the goodwill impairment related to the Banca dei Territori Division

(5) The maximum distributable amount according to the ECB recommendation dated 15.12.20 on dividend policy in the aftermath of the COVID-19 epidemic

(6) 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 DTA related to the combination with UBI Banca arising from PPA, integration charges and the disposal to BPER Banca of a portion of branches and related assets and liabilities)

1Q21 Results

Detailed Information



1Q21: Key P&L Figures

€ m

	1Q21 stated ⁽¹⁾	1Q21 redetermined ⁽²⁾
Operating income	5,605	5,461
Operating costs	(2,613)	(2,542)
Cost/Income ratio	46.6%	46.5%
Operating margin	2,992	2,919
Gross income (loss)	2,649	2,630
Net income	1,516	1,516

(1) Including the contribution of branches sold in 1Q21 (to BPER Banca on February 22nd) and those to be sold in 2Q21

(2) Considering, on the basis of management accounts, the reallocation of the contribution of branches sold in 1Q21 and those to be sold in 2Q21 to Income (Loss) from discontinued operations

31.3.21: Key Balance Sheet Figures

€ m

31.3.21

Loans to Customers	463,286
Customer Financial Assets ⁽¹⁾	1,175,465
of which Direct Deposits from Banking Business	522,888
of which Direct Deposits from Insurance Business and Technical Reserves	175,906
of which Indirect Customer Deposits	650,872
- <i>Assets under Management</i>	432,766
- <i>Assets under Administration</i>	218,106
RWA ⁽²⁾	336,062
Total Assets⁽²⁾	1,000,628

Note: figures may not add up exactly due to rounding

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

(2) Including the contribution of branches to be sold in 2Q21

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1Q21 vs 1Q20: Net Income at €1.5bn, the Best Quarter since 2009

€ m

	1Q20	1Q21		Δ%
	restated ⁽¹⁾ [A]	stated ⁽²⁾ [B]	redetermined ⁽³⁾ [C]	[C]/[A]
Net interest income	2,036	2,009	1,948	(4.3)
Net fee and commission income	2,112	2,383	2,301	8.9
Income from insurance business	372	373	373	0.3
Profits on financial assets and liabilities at fair value	1,044	792	791	(24.2)
Other operating income (expenses)	6	48	48	700.0
Operating income	5,570	5,605	5,461	(2.0)
Personnel expenses	(1,622)	(1,661)	(1,603)	(1.2)
Other administrative expenses	(676)	(648)	(635)	(6.1)
Adjustments to property, equipment and intangible assets	(312)	(304)	(304)	(2.6)
Operating costs	(2,610)	(2,613)	(2,542)	(2.6)
Operating margin	2,960	2,992	2,919	(1.4)
Net adjustments to loans	(538)	(408)	(402)	(25.3)
Net provisions and net impairment losses on other assets	(428)	(133)	(133)	(68.9)
Other income (expenses)	10	198	198	n.m.
Income (Loss) from discontinued operations	149	0	48	(67.8)
Gross income (loss)	2,153	2,649	2,630	22.2
Taxes on income	(620)	(839)	(833)	34.4
Charges (net of tax) for integration and exit incentives	(15)	(52)	(52)	246.7
Effect of purchase price allocation (net of tax)	(26)	(16)	(16)	(38.5)
Levies and other charges concerning the banking industry (net of tax)	(206)	(209)	(196)	(4.9)
Impairment (net of tax) of goodwill and other intangible assets	0	0	0	n.m.
Minority interests	(135)	(17)	(17)	(87.4)
Net income	1,151	1,516	1,516	31.7

Note: figures may not add up exactly due to rounding

(1) Data restated - where necessary and material - considering the changes in the scope of consolidation following the inclusion of UBI Banca and, on the basis of management accounts, the reallocation of the contribution of branches sold in 1Q21 and those to be sold in 2Q21 to Income (Loss) from discontinued operations

(2) Including the contribution of branches sold in 1Q21 (to BPER Banca on February 22nd) and those to be sold in 2Q21

(3) Considering, on the basis of management accounts, the reallocation of the contribution of branches sold in 1Q21 and those to be sold in 2Q21 to Income (Loss) from discontinued operations

Q1 vs Q4: Strong Increase in Profitability

€ m

	4Q20	1Q21		Δ%
	restated ⁽¹⁾ [A]	stated ⁽²⁾ [B]	redetermined ⁽³⁾ [C]	[C]/[A]
Net interest income	2,068	2,009	1,948	(5.8)
Net fee and commission income	2,427	2,383	2,301	(5.2)
Income from insurance business	319	373	373	16.9
Profits on financial assets and liabilities at fair value	188	792	791	320.7
Other operating income (expenses)	11	48	48	336.4
Operating income	5,013	5,605	5,461	8.9
Personnel expenses	(1,718)	(1,661)	(1,603)	(6.7)
Other administrative expenses	(869)	(648)	(635)	(26.9)
Adjustments to property, equipment and intangible assets	(312)	(304)	(304)	(2.6)
Operating costs	(2,899)	(2,613)	(2,542)	(12.3)
Operating margin	2,114	2,992	2,919	38.1
Net adjustments to loans	(1,440)	(408)	(402)	(72.1)
Net provisions and net impairment losses on other assets	(122)	(133)	(133)	9.0
Other income (expenses)	59	198	198	235.6
Income (Loss) from discontinued operations	129	0	48	(62.8)
Gross income (loss)	740	2,649	2,630	255.4
Taxes on income	(166)	(839)	(833)	401.9
Charges (net of tax) for integration and exit incentives	(1,484)	(52)	(52)	(96.5)
Effect of purchase price allocation (net of tax)	(1,227)	(16)	(16)	(98.7)
Levies and other charges concerning the banking industry (net of tax)	(38)	(209)	(196)	415.8
Impairment (net of tax) of goodwill and other intangible assets	(912)	0	0	(100.0)
Minority interests	(12)	(17)	(17)	41.7
Net income	(3,099)	1,516	1,516	n.m.
Adjusted Net income excluding the accounting effect of the combination with UBI Banca and of the impairment of goodwill	393⁽⁴⁾	1,516	1,516	285.7

Note: figures may not add up exactly due to rounding

(1) Data restated - where necessary and material - considering the changes in the scope of consolidation following the inclusion of UBI Banca and, on the basis of management accounts, the reallocation of the contribution of branches sold in 1Q21 and those to be sold in 2Q21 to Income (Loss) from discontinued operations

(2) Including the contribution of branches sold in 1Q21 (to BPER Banca on February 22nd) and those to be sold in 2Q21

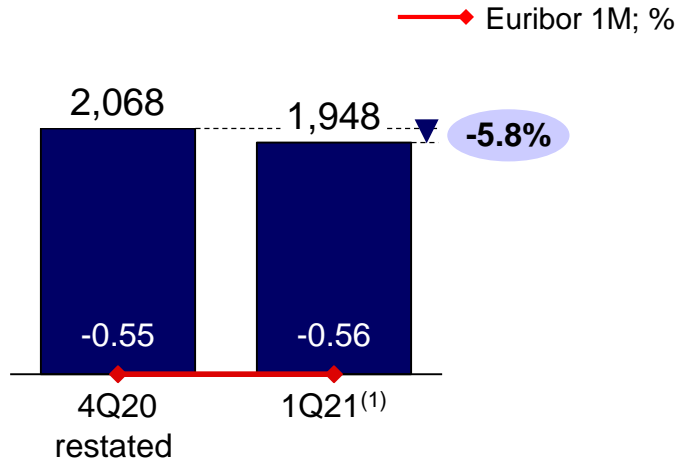
(3) Considering, on the basis of management accounts, the reallocation of the contribution of branches sold in 1Q21 and those to be sold in 2Q21 to Income (Loss) from discontinued operations

(4) Excluding the negative goodwill allocation and €912m impairment of goodwill related to the Banca dei Territori Division

Net Interest Income: Penalised by All-Time Low Interest Rates and a Reduction in Financial Components

Quarterly Analysis

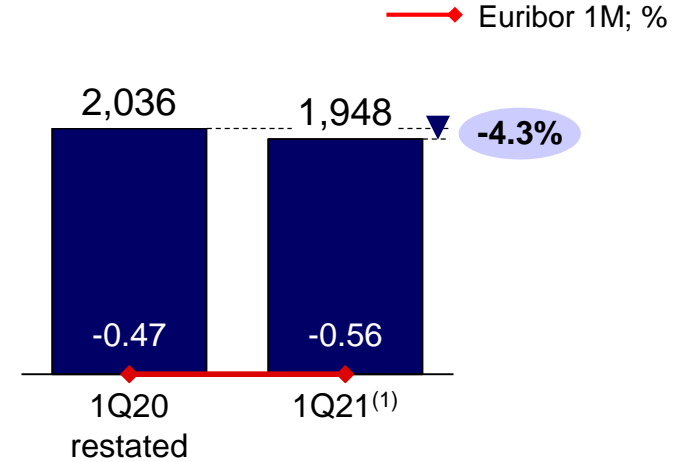
€ m



- 0.9% growth in average Direct deposits from banking business
- 1.2% growth in average Performing loans to customers

Yearly Analysis

€ m



- Increase in the commercial component
- 10.2% growth in average Direct deposits from banking business
- 3.0% growth in average Performing loans to customers

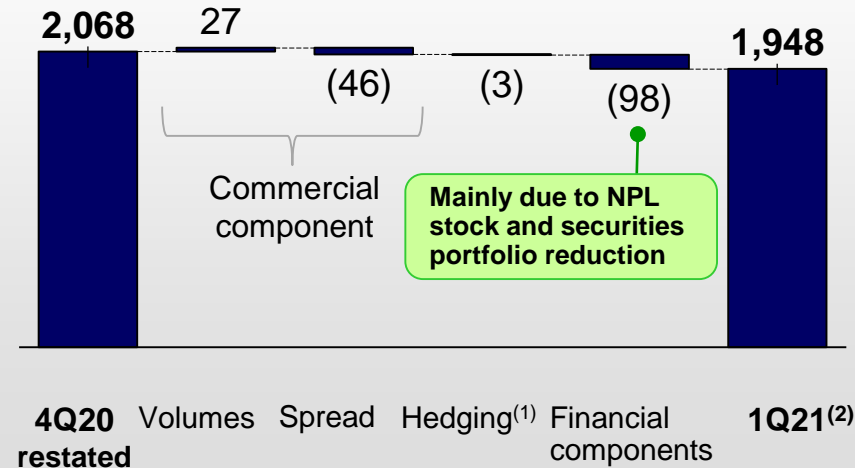
(1) Considering, on the basis of management accounts, the reallocation of the contribution of branches sold in 1Q21 and those to be sold in 2Q21 to Income (Loss) from discontinued operations

Net Interest Income: Yearly Growth in Commercial Component

Quarterly Analysis

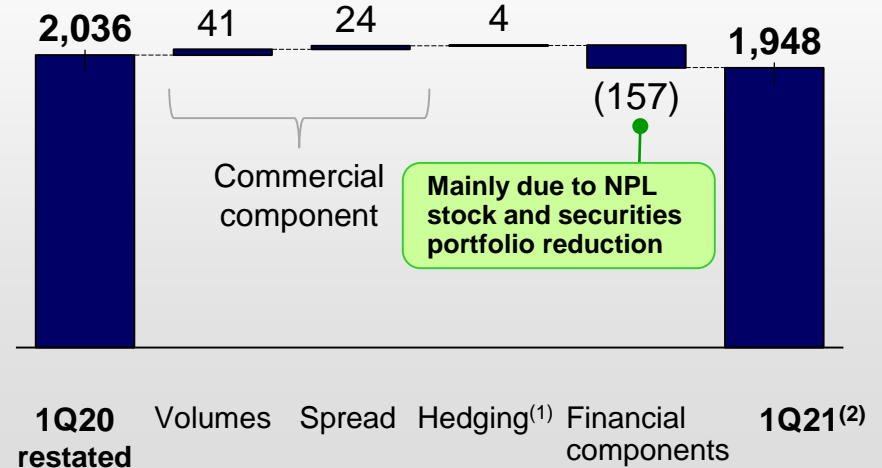
€ m

+€48m when considering the different number of days in the two quarters



Yearly Analysis

€ m



Note: figures may not add up exactly due to rounding

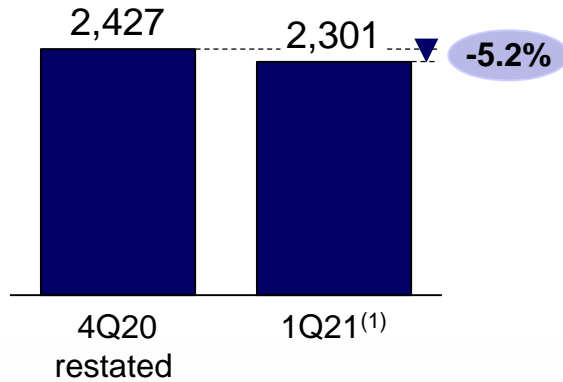
(1) €54m benefit from hedging on core deposits in 1Q21

(2) Considering, on the basis of management accounts, the reallocation of the contribution of branches sold in 1Q21 and those to be sold in 2Q21 to Income (Loss) from discontinued operations

Net Fee and Commission Income: Strong Increase vs 1Q20

Quarterly Analysis

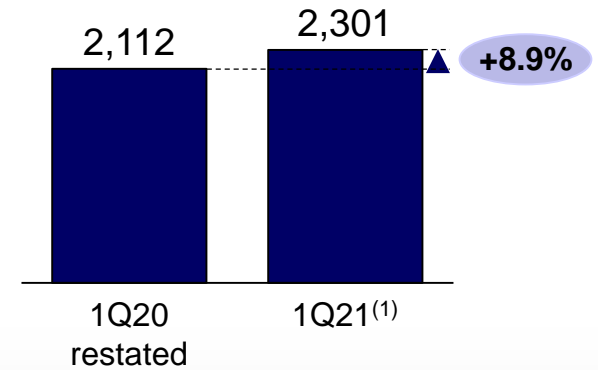
€ m



- Decrease due to the decline in performance fees and the year-end seasonality in Commercial banking activities
- €4bn in AuM net inflows in Q1⁽¹⁾

Yearly Analysis

€ m



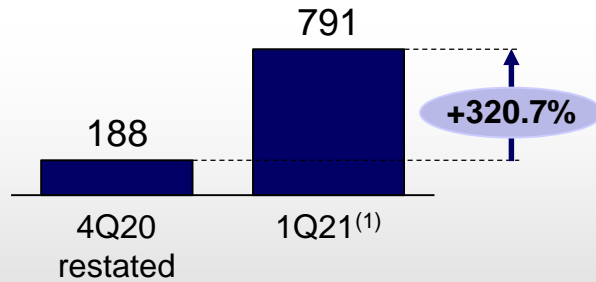
- 1Q21, the best-ever Q1 despite multiple lockdowns and while successfully merging UBI Banca
- Commissions from Management, dealing and consultancy activities up 12.6% (+€165m)

(1) Considering, on the basis of management accounts, the reallocation of the contribution of branches sold in 1Q21 and those to be sold in 2Q21 to Income (Loss) from discontinued operations

Profits on Financial Assets and Liabilities at Fair Value: Excellent Performance

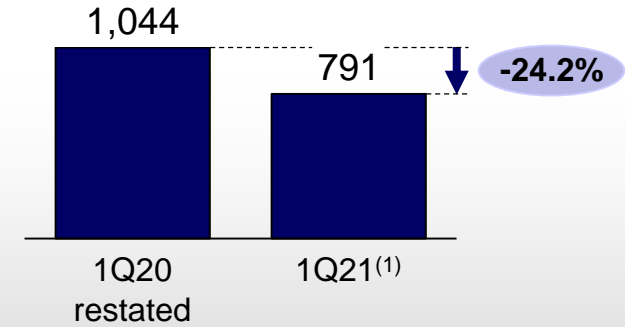
Quarterly Analysis

€ m



Yearly Analysis

€ m



- 1Q21, the second best quarter ever (1Q20 was the best quarter ever)

Contributions by Activity

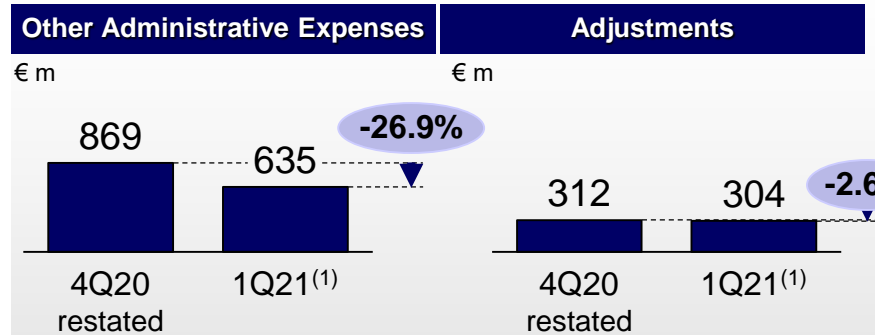
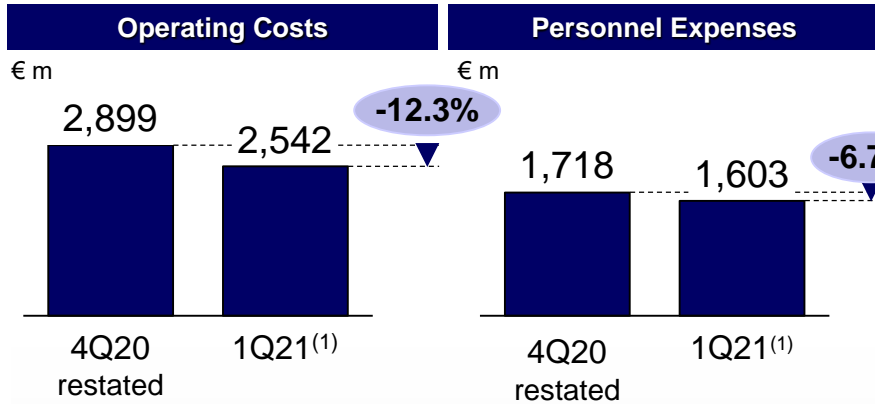
	1Q20 restated	4Q20 restated	1Q21 ⁽¹⁾
Customers	153	92	81
Capital markets	478	(90)	318
Trading and Treasury	451	170	387
Structured credit products	(38)	16	5

Note: figures may not add up exactly due to rounding

(1) Considering, on the basis of management accounts, the reallocation of the contribution of branches sold in 1Q21 and those to be sold in 2Q21 to Income (Loss) from discontinued operations

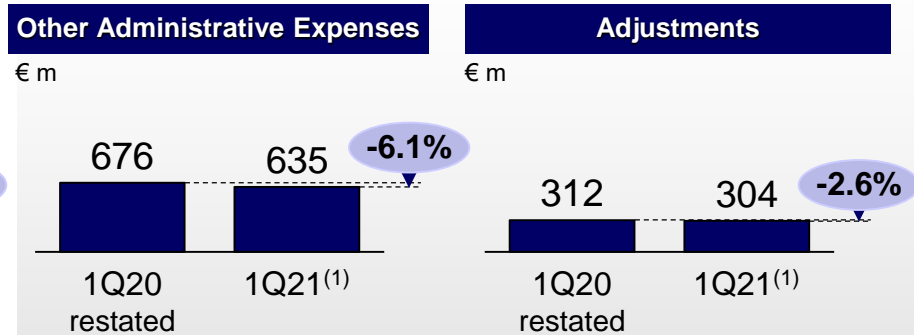
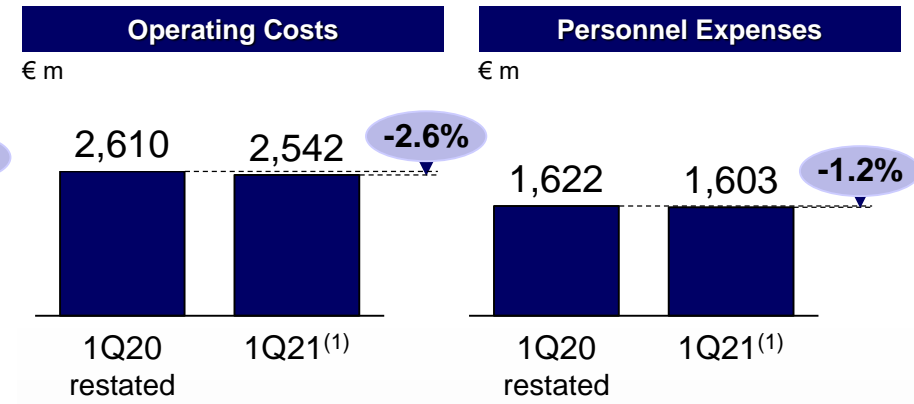
Operating Costs: Further Significant Reduction while Investing for Growth

Quarterly Analysis



- Strong decrease vs Q4, a quarter affected by seasonal year-end effect
- ~780⁽²⁾ headcount reduction in Q1

Yearly Analysis



- Strong reduction (-6.1%) in Other administrative expenses
- Cost/Income ratio down to 46.5%⁽¹⁾
- ~3,200⁽²⁾ headcount reduction

(1) Considering, on the basis of management accounts, the reallocation of the contribution of branches sold in 1Q21 and those to be sold in 2Q21 to Income (Loss) from discontinued operations

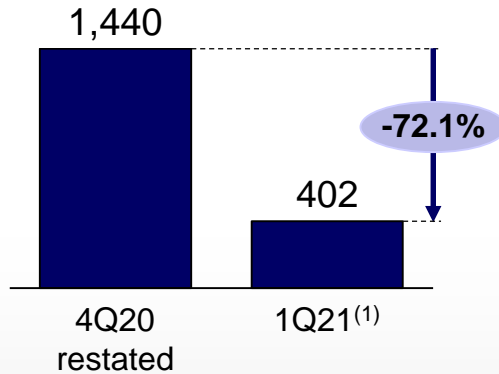
(2) Including UBI Banca and considering the disposal of branches sold in 1Q21 and those to be sold in 2Q21

Net Adjustments to Loans: Significant Reduction Coupled with Strong Decrease in NPL Stock and Inflows

Quarterly Analysis

€ m

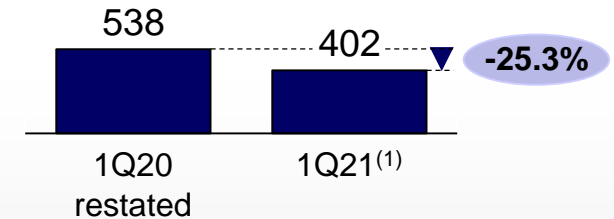
€852m due to provisions for future COVID-19 impacts



- Twenty-second consecutive quarterly reduction in gross NPL stock
- €0.2bn gross NPL reduction in Q1

Yearly Analysis

€ m



- Annualised cost of credit down to 35bps⁽¹⁾ (vs 48bps⁽²⁾ in FY20, when excluding provisions for future COVID-19 impacts)
- Lowest-ever gross NPL inflow
- €14.3bn⁽³⁾ gross NPL reduction on a yearly basis

(1) Considering, on the basis of management accounts, the reallocation of the contribution of branches sold in 1Q21 and those to be sold in 2Q21 to Income (Loss) from discontinued operations

(2) Data restated - where necessary and material - considering the changes in the scope of consolidation following the inclusion of UBI Banca and, on the basis of management accounts, the reallocation of the contribution of branches sold in 1Q21 and those to be sold in 2Q21 to Income (Loss) from discontinued operations

(3) Considering 31.3.20 data restated including UBI Banca and taking into account the disposal of branches sold in 1Q21 and those to be sold in 2Q21

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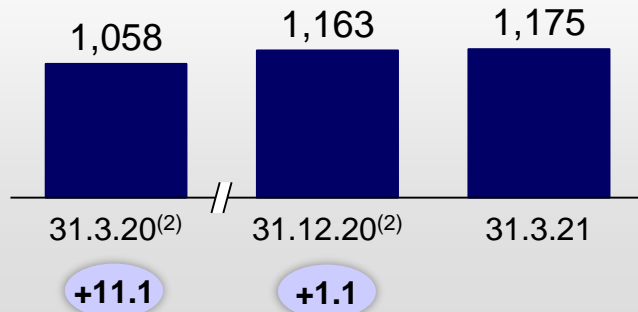
Divisional Results and Other Information

Strong Growth in Customer Financial Assets

% Δ 31.3.21 vs 31.3.20 and 31.12.20

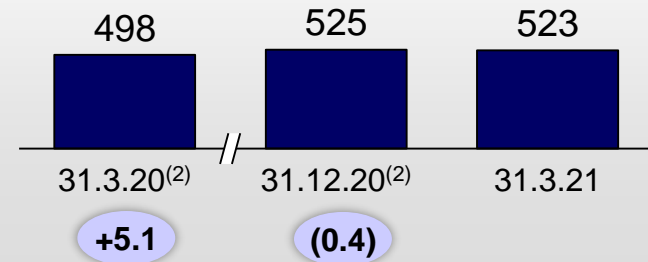
Customer Financial Assets⁽¹⁾

€ bn



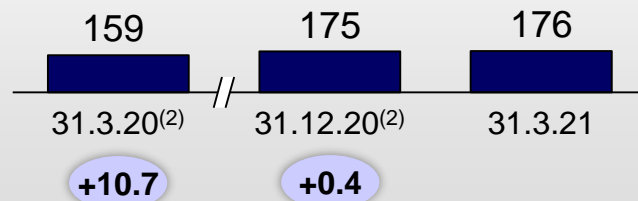
Direct Deposits from Banking Business

€ bn



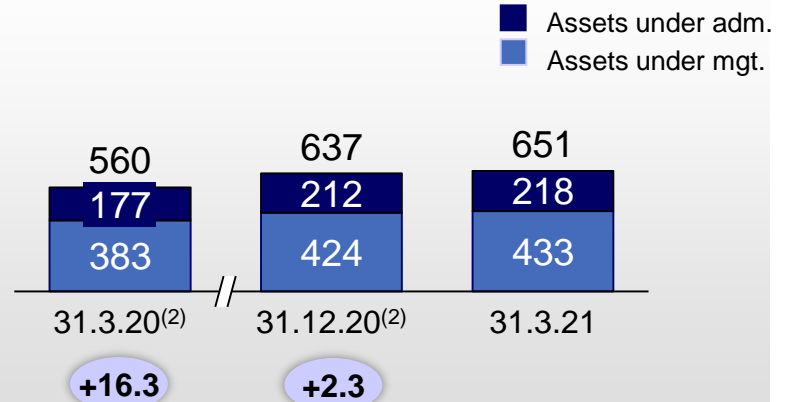
Direct Deposits from Insurance Business and Technical Reserves

€ bn



Indirect Customer Deposits

€ bn



■ €8.4bn increase in AuM in 1Q21

Note: figures may not add up exactly due to rounding

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

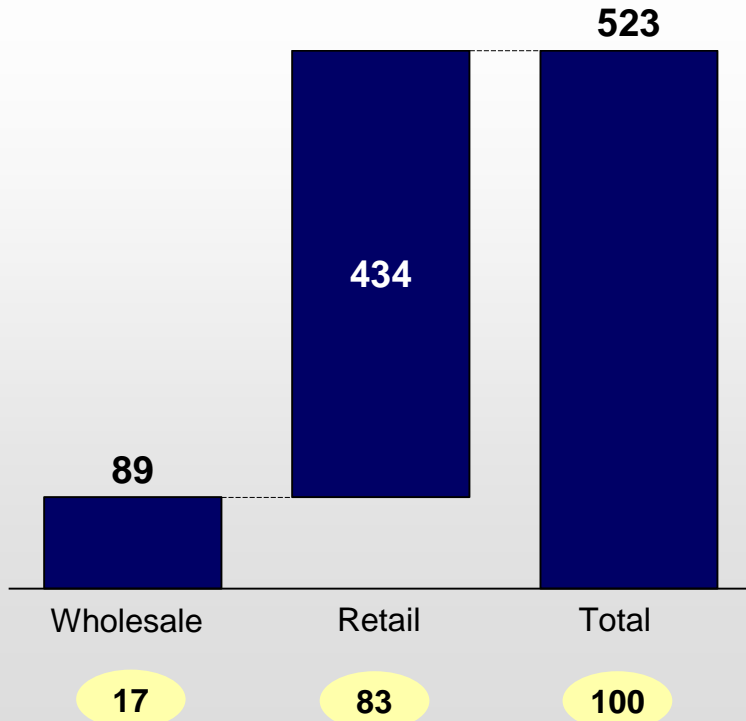
(2) Including UBI Banca and considering the disposal of branches sold in 1Q21 and those to be sold in 2Q21

Funding Mix

Breakdown of Direct Deposits from Banking Business

€ bn; 31.3.21

% Percentage of total



	Wholesale	Retail
■ Current accounts and deposits	9	400
■ Repos and securities lending	2	-
■ Senior bonds ⁽¹⁾	39	9
■ Covered bonds	18	-
■ Short-term institutional funding	10 ⁽²⁾	-
■ Subordinated liabilities	9	3
■ Other deposits	2	23 ⁽³⁾

Placed with Private Banking clients

Retail funding represents 83% of Direct deposits from banking business

Note: figures may not add up exactly due to rounding

(1) Including Senior non-preferred

(2) Certificates of deposit + Commercial papers

(3) Including Certificates

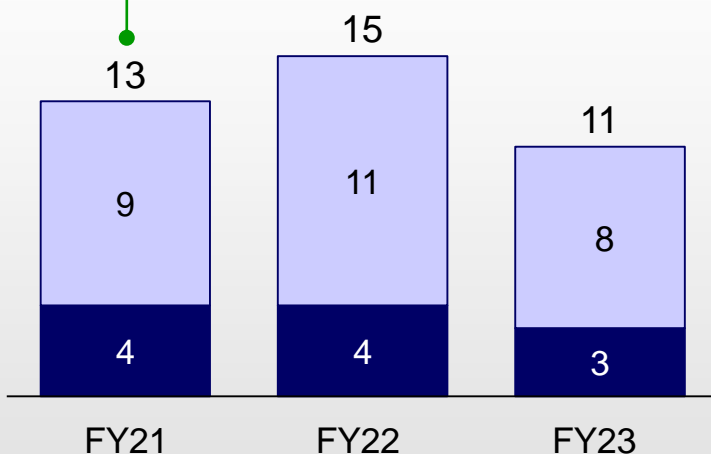
Strong Funding Capability: Broad Access to International Markets

2021-2023 MLT Maturities

€ bn

Wholesale
Retail

~€7bn of bonds expiring in the period 1.4.21 - 31.12.21, of which ~€4bn wholesale



Main Wholesale Issues

2019⁽¹⁾

- €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

2020⁽¹⁾

- 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 in 2020

2021⁽¹⁾

- €1.75bn dual-tranche 5/10y senior non-preferred and €1.25bn green bond placed. On average 87% demand from foreign investors; orderbooks average oversubscription ~2.3x
 - February: inaugural €1.75bn dual-tranche 5/10y senior non-preferred, the coupons represent the lowest-ever of any Italian SNP in their respective maturity buckets
 - March: €1.25bn 7y senior unsecured green bond, confirming ISP's aim of fostering its ESG profile and its role as a regular player in the green and sustainable bond market

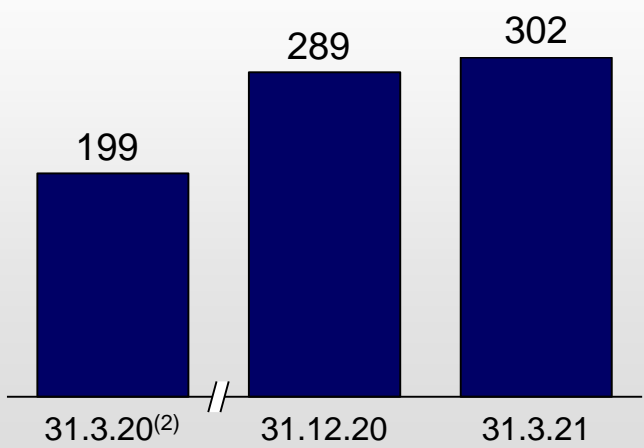
Note: figures may not add up exactly due to rounding

(1) ISP stand-alone

High Liquidity: LCR and NSFR Well Above Regulatory Requirements

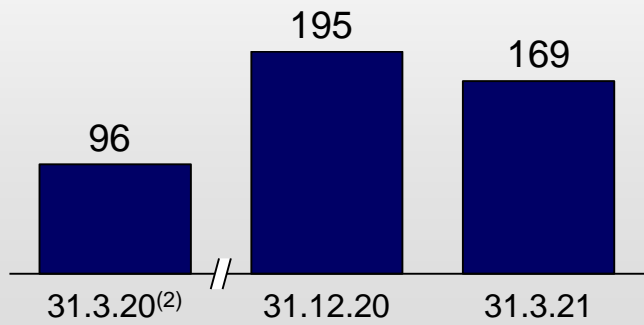
Liquid assets⁽¹⁾

€ bn



Unencumbered eligible assets with Central Banks⁽³⁾ (net of haircuts)

€ bn



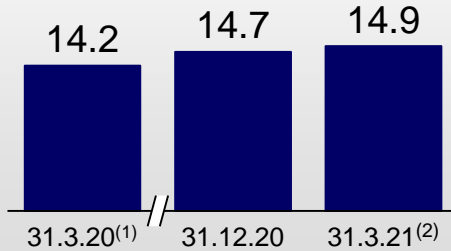
- Refinancing operations with the ECB: ~€119bn⁽⁴⁾ consisting entirely of TLTRO III, out of a maximum allowance of ~€133bn
- Loan to Deposit ratio⁽⁵⁾ at 89%

(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) ISP stand-alone
 (3) Eligible assets freely available (excluding assets used as collateral and including eligible assets received as collateral) and cash & deposits with Central Banks
 (4) €36bn borrowed in March (settlement date 27.3.21)
 (5) Loans to Customers/Direct Deposits from Banking Business

Solid and Increased Capital Base

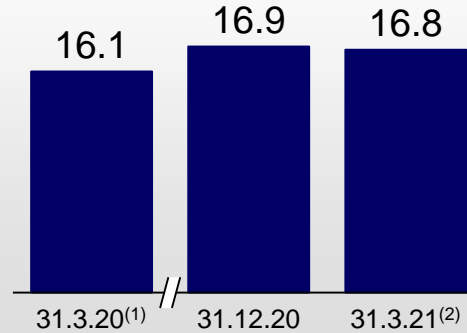
Phased-in Common Equity Ratio

%



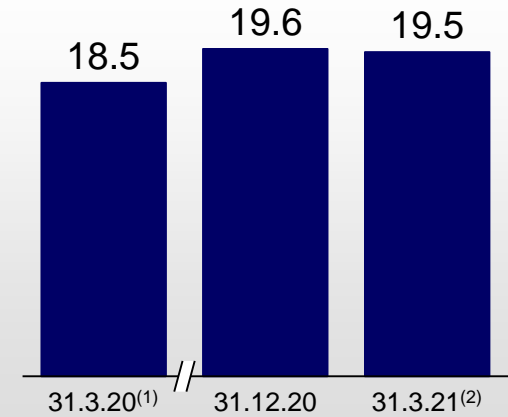
Phased-in Tier 1 Ratio

%



Phased-in Total Capital Ratio

%



- **15.7%⁽³⁾ pro-forma fully loaded Common Equity Tier 1 ratio (14.4% fully phased-in)**
- **7.2% leverage ratio**

(1) ISP stand-alone

(2) Considering the ECB recommendation dated 15.12.20 on dividend policy in the aftermath of the COVID-19 epidemic, the impact from IFRS9 FTA phasing-in (~20bps in 1Q21) and after the deduction of accrued dividends, assumed equal to 70% of the Net income for the period, and coupons accrued on the Additional Tier 1 issues

(3) Pro-forma fully loaded Basel 3 (31.3.21 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 DTA related to the combination with UBI Banca arising from PPA, integration charges and the disposal to BPER Banca of a portion of branches and related assets and liabilities and the expected distribution of 1Q21 Net income of insurance companies)

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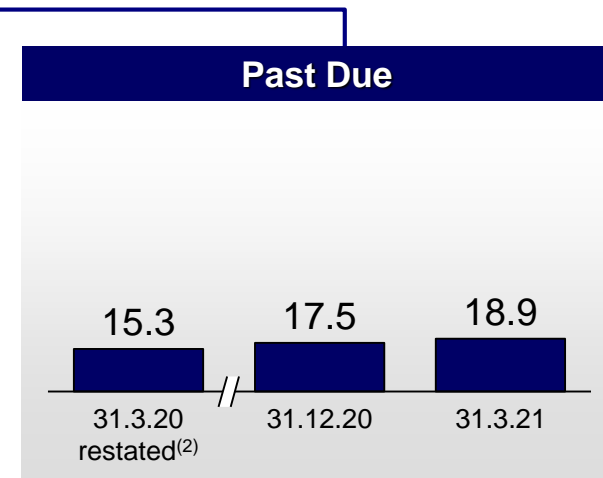
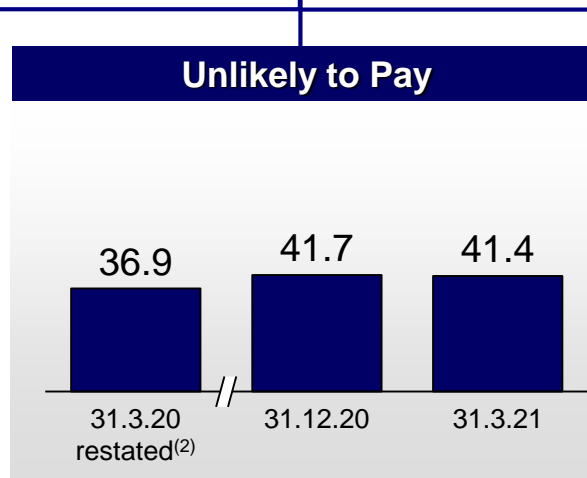
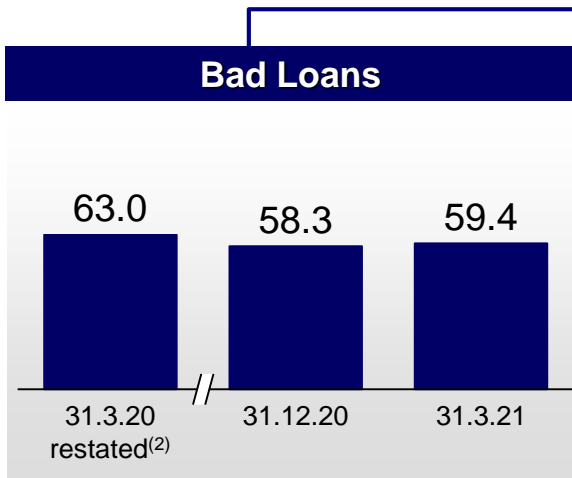
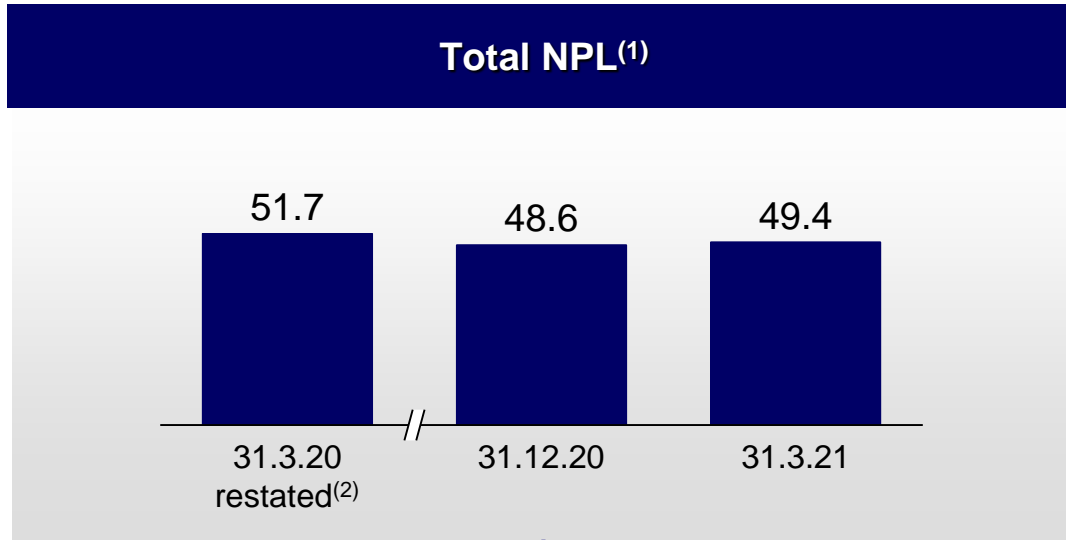
Liquidity, Funding and Capital Base

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Non-performing Loans: Sizeable and Increased Coverage in Q1 After Impressive Deleveraging

Cash coverage; %

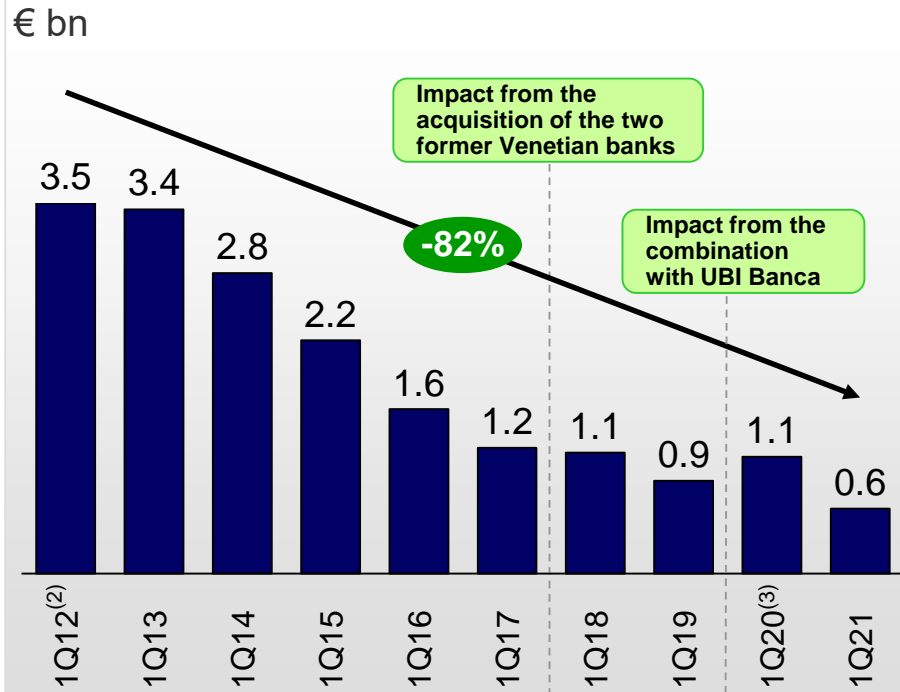


(1) Bad Loans (Sofferenze), Unlikely to pay (Inadempienze probabili) and Past Due (Scaduti e sconfinanti)

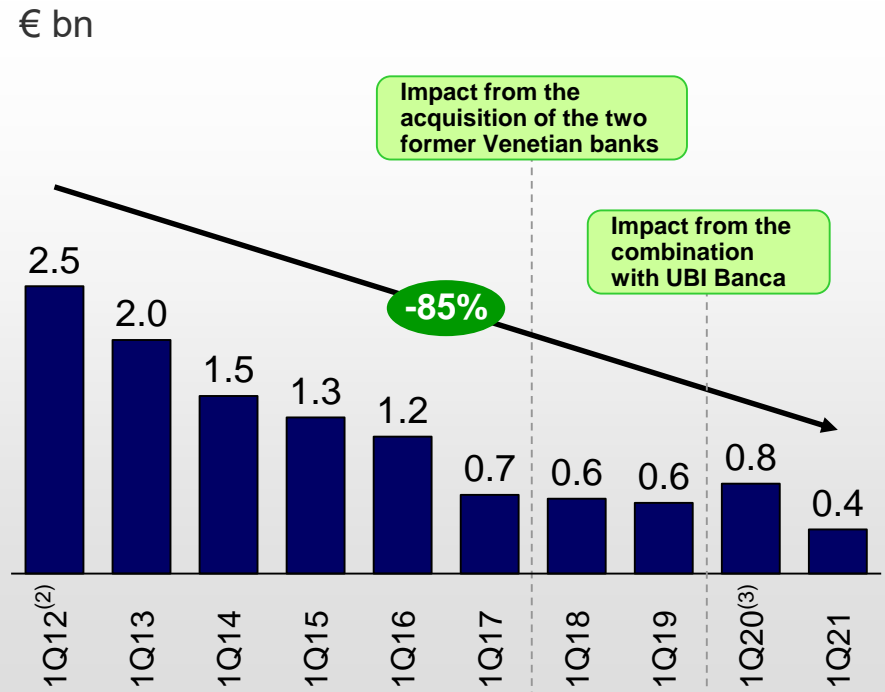
(2) Including UBI Banca and considering the disposal of branches sold in 1Q21 and those to be sold in 2Q21

Non-performing Loans: Lowest-ever Quarterly Gross Inflow

Gross inflow of new NPL⁽¹⁾ from Performing Loans



Net inflow of new NPL⁽¹⁾ from Performing Loans



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

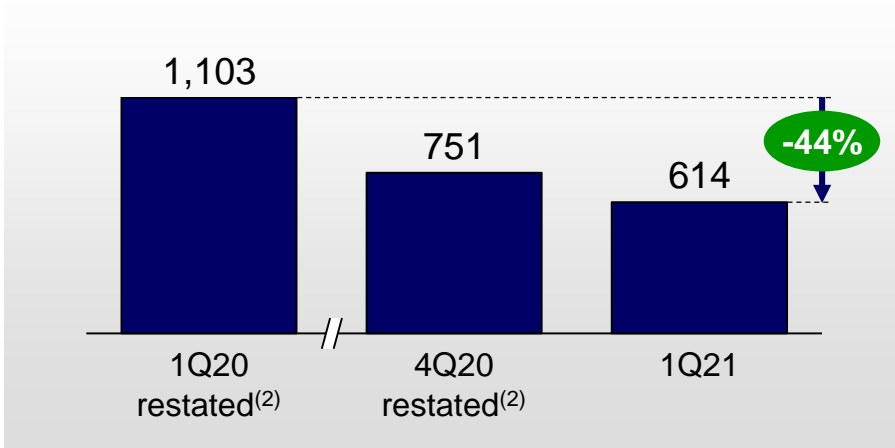
(2) 2012 figures recalculated to take into consideration the regulatory changes to Past Due classification criteria introduced by the Bank of Italy (90 days since 2012 vs 180 days up until 31.12.11)

(3) Including UBI Banca and considering the disposal of branches sold in 1Q21 and those to be sold in 2Q21

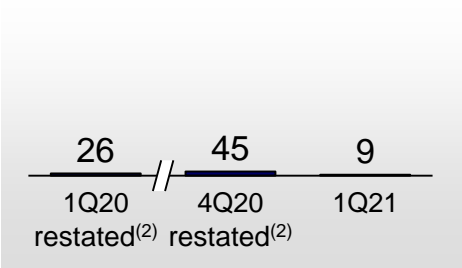
Non-performing Loans: 1Q21, Lowest-ever Gross Inflow

€ m

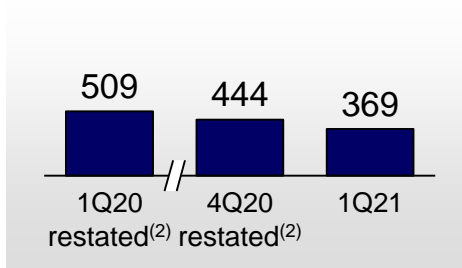
Gross inflow of new NPL⁽¹⁾ from Performing Loans



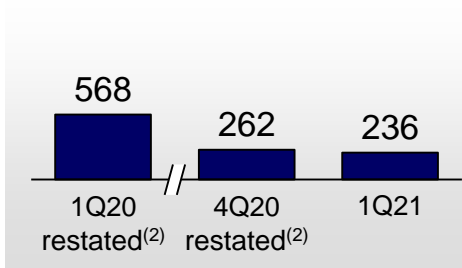
Bad Loans



Unlikely to Pay



Past Due



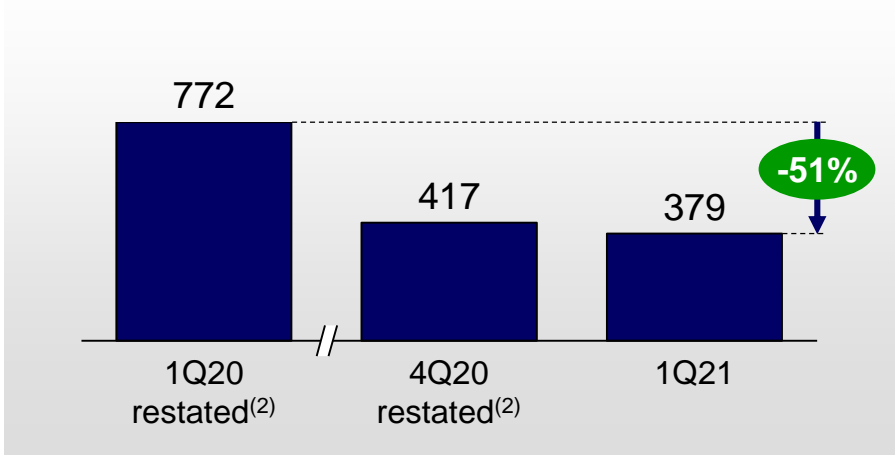
Note: figures may not add up exactly due to rounding

(1) Bad Loans (*Sofferenze*), Unlikely to pay (*Inadempienze probabili*) and Past Due (*Scaduti e sconfinanti*)
 (2) Including UBI Banca and considering the disposal of branches sold in 1Q21 and those to be sold in 2Q21

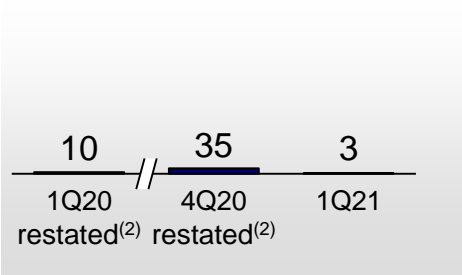
Non-performing Loans: Lowest-ever Q1 Net Inflow

€ m

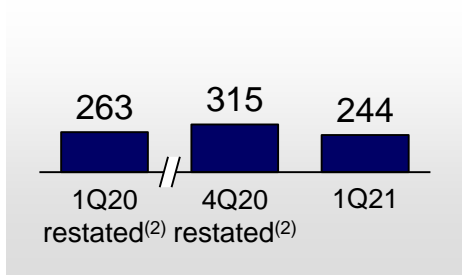
Net inflow of new NPL⁽¹⁾ from Performing Loans



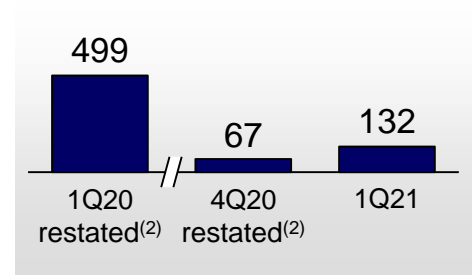
Bad Loans



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) Including UBI Banca and considering the disposal of branches sold in 1Q21 and those to be sold in 2Q21

Non-performing Loans: Lowest Stock and Ratios since 2007

x Gross NPL ratio, %

x Net NPL ratio, %

Gross NPL

Net NPL

€ bn	31.3.20 restated ⁽¹⁾	31.12.20 ⁽²⁾	31.3.21 ⁽³⁾
Bad Loans	20.8	9.6	9.8
- of which forborne	3.3	1.6	1.8
Unlikely to pay	13.2	10.7	10.4
- of which forborne	6.2	4.2	4.5
Past Due	1.0	0.6	0.5
- of which forborne	0.1	-	-
Total	35.0	20.9	20.7
	7.2	4.4	4.4

€ bn	31.3.20 restated ⁽¹⁾	31.12.20 ⁽⁴⁾	31.3.21 ⁽⁵⁾
Bad Loans	7.7	4.0	4.0
- of which forborne	1.5	0.7	0.8
Unlikely to pay	8.3	6.2	6.1
- of which forborne	4.2	2.8	3.0
Past Due	0.9	0.5	0.4
- of which forborne	0.1	-	-
Total	16.9	10.7	10.5
	3.6	2.3	2.3

Note: figures may not add up exactly due to rounding

(1) Including UBI Banca and considering the disposal of branches sold in 1Q21 and those to be sold in 2Q21

(2) Not including €5.4bn gross NPL booked in Discontinued operations

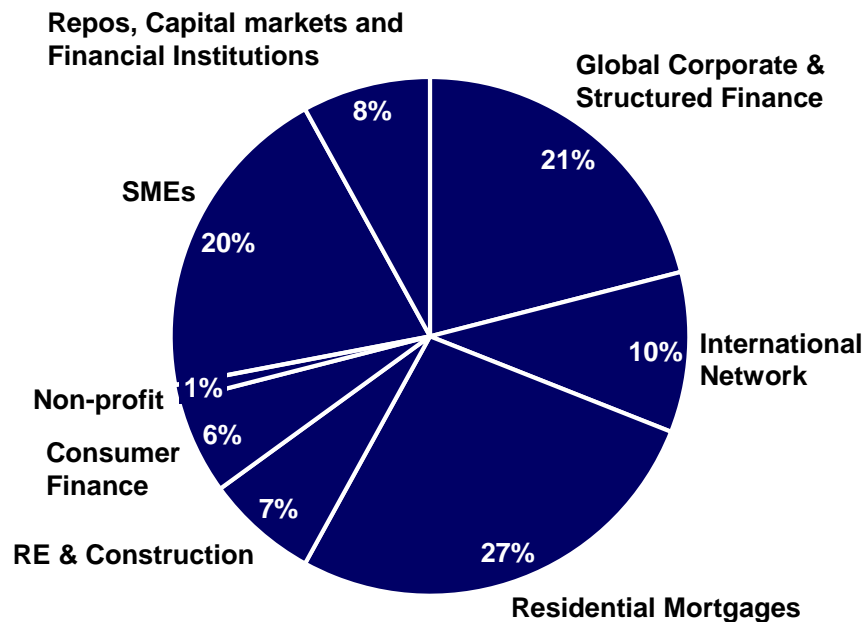
(3) Not including €3.8bn gross NPL booked in Discontinued operations

(4) Not including €2.1bn net NPL booked in Discontinued operations

(5) Not including €1.1bn net NPL booked in Discontinued operations

Loans to Customers: A Well-diversified Portfolio

Breakdown by business area (data as at 31.3.21)



■ Low risk profile of residential mortgage portfolio

- Instalment/available income ratio at 31%
- Average Loan-to-Value equal to 59%
- Original average maturity equal to ~23 years
- Residual average life equal to ~19 years

Breakdown by economic business sector

31.3.21	
Loans of the Italian banks and companies of the Group	
Households	31.6%
Public Administration	7.7%
Financial companies	4.4%
Non-financial companies	44.4%
<i>of which:</i>	
SERVICES	4.2%
UTILITIES	4.1%
TRANSPORTATION MEANS	3.5%
CONSTRUCTION AND MATERIALS FOR CONSTR.	3.4%
DISTRIBUTION	3.3%
REAL ESTATE	3.3%
TRANSPORT	2.5%
FOOD AND DRINK	2.4%
FASHION	2.3%
METALS AND METAL PRODUCTS	2.2%
ENERGY AND EXTRACTION	2.1%
AGRICULTURE	1.9%
INFRASTRUCTURE	1.7%
TOURISM	1.6%
CHEMICALS, RUBBER AND PLASTICS	1.3%
MECHANICAL	1.3%
PHARMACEUTICAL	0.8%
FURNITURE AND WHITE GOODS	0.8%
ELECTRICAL COMPONENTS AND EQUIPMENT	0.6%
MEDIA	0.5%
WOOD AND PAPER	0.5%
OTHER CONSUMPTION GOODS	0.2%
Loans of international banks and companies of the Group	9.8%
Non-performing loans	2.3%
TOTAL	100.0%

Moratoria Volumes: Enterprises Accounting for ~83%

Moratoria stock as at 31.3.21			
Segments	# Clients (k)	Volumes (€ bn)	% of total net loan portfolio
Households	54	5	1%
Enterprises	114	25	5%
Total	168	30 ⁽¹⁾	6%

€31bn expired moratoria with 1.5% default rate

Note: figures may not add up exactly due to rounding
 (1) €8.3bn according to EBA criteria

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Divisional Financial Highlights

Data as at 31.3.21

	Divisions								Total redetermined ⁽⁶⁾
	Banca dei Territori	IMI Corporate & Investment Banking	International Subsidiary Banks ⁽¹⁾	Private Banking ⁽²⁾	Asset Management ⁽³⁾	Insurance ⁽⁴⁾	UBI Banca	Corporate Centre / Others ⁽⁵⁾	
Operating Income (€ m)	1,894	1,266	468	526	254	354	604	95	5,461
Operating Margin (€ m)	687	1,012	230	382	220	303	190	(105)	2,919
Net Income (€ m)	233	638	121	389	161	213	136	(375)	1,516
Cost/Income (%)	63.7	20.1	50.9	27.4	13.4	14.4	68.5	n.m.	46.5
RWA (€ bn)	77.2	100.2	33.0	9.7	1.4	0.0	50.0	64.6	336.1
Direct Deposits from Banking Business (€ bn)	234.6	83.4	46.9	40.7	0.0	0.0	66.0	51.3	522.9
Loans to Customers (€ bn)	209.3	136.4	35.9	10.2	0.3	0.0	60.6	10.6	463.3

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

(6) Considering, on the basis of management accounts, the reallocation of the contribution of branches sold in 1Q21 and those to be sold in 2Q21 to Income (Loss) from discontinued operations

Banca dei Territori: 1Q21 vs 1Q20

€ m

	1Q20	1Q21	Δ%
Net interest income	905	834	(7.8)
Net fee and commission income	963	1,033	7.3
Income from insurance business	0	0	n.m.
Profits on financial assets and liabilities at fair value	18	24	33.3
Other operating income (expenses)	0	3	n.m.
Operating income	1,886	1,894	0.4
Personnel expenses	(733)	(711)	(3.0)
Other administrative expenses	(497)	(495)	(0.4)
Adjustments to property, equipment and intangible assets	(1)	(1)	0.0
Operating costs	(1,231)	(1,207)	(1.9)
Operating margin	655	687	4.9
Net adjustments to loans	(366)	(316)	(13.7)
Net provisions and net impairment losses on other assets	(17)	(17)	0.0
Other income (expenses)	0	0	n.m.
Income (Loss) from discontinued operations	0	0	n.m.
Gross income (loss)	272	354	30.1
Taxes on income	(94)	(117)	24.5
Charges (net of tax) for integration and exit incentives	(3)	(2)	(33.3)
Effect of purchase price allocation (net of tax)	0	(2)	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.
Net income	175	233	33.1

Note: figures may not add up exactly due to rounding

Banca dei Territori: Q1 vs Q4

€ m

	4Q20	1Q21	Δ%
Net interest income	868	834	(3.9)
Net fee and commission income	1,020	1,033	1.3
Income from insurance business	0	0	(100.0)
Profits on financial assets and liabilities at fair value	23	24	5.5
Other operating income (expenses)	2	3	68.7
Operating income	1,912	1,894	(1.0)
Personnel expenses	(750)	(711)	(5.1)
Other administrative expenses	(595)	(495)	(16.8)
Adjustments to property, equipment and intangible assets	(1)	(1)	3.1
Operating costs	(1,346)	(1,207)	(10.3)
Operating margin	566	687	21.3
Net adjustments to loans	(706)	(316)	(55.2)
Net provisions and net impairment losses on other assets	(31)	(17)	(44.3)
Other income (expenses)	(0)	0	(100.0)
Income (Loss) from discontinued operations	0	0	n.m.
Gross income (loss)	(170)	354	n.m.
Taxes on income	59	(117)	n.m.
Charges (net of tax) for integration and exit incentives	(8)	(2)	(75.4)
Effect of purchase price allocation (net of tax)	(7)	(2)	(69.2)
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	(912)	0	n.m.
Minority interests	0	0	n.m.
Net income	(1,038)	233	n.m.
Net income pre-goodwill impairment	(126)	233	n.m.

Q4 including €328m in provisions for future COVID-19 impacts

Note: figures may not add up exactly due to rounding

IMI Corporate & Investment Banking: 1Q21 vs 1Q20

€ m

	1Q20	1Q21	Δ%
Net interest income	411	472	14.8
Net fee and commission income	236	264	11.9
Income from insurance business	0	0	n.m.
Profits on financial assets and liabilities at fair value	897	529	(41.0)
Other operating income (expenses)	0	1	n.m.
Operating income	1,544	1,266	(18.0)
Personnel expenses	(95)	(100)	5.3
Other administrative expenses	(161)	(149)	(7.5)
Adjustments to property, equipment and intangible assets	(6)	(5)	(16.7)
Operating costs	(262)	(254)	(3.1)
Operating margin	1,282	1,012	(21.1)
Net adjustments to loans	(5)	(73)	n.m.
Net provisions and net impairment losses on other assets	7	(3)	n.m.
Other income (expenses)	0	0	n.m.
Income (Loss) from discontinued operations	0	0	n.m.
Gross income (loss)	1,284	936	(27.1)
Taxes on income	(429)	(293)	(31.7)
Charges (net of tax) for integration and exit incentives	(2)	(5)	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.
Net income	853	638	(25.2)

Note: figures may not add up exactly due to rounding

IMI Corporate & Investment Banking: Q1 vs Q4

€ m

	4Q20	1Q21	Δ%
Net interest income	467	472	1.1
Net fee and commission income	249	264	6.2
Income from insurance business	0	0	n.m.
Profits on financial assets and liabilities at fair value	87	529	507.5
Other operating income (expenses)	(0)	1	n.m.
Operating income	802	1,266	57.8
Personnel expenses	(121)	(100)	(17.4)
Other administrative expenses	(174)	(149)	(14.2)
Adjustments to property, equipment and intangible assets	(5)	(5)	1.8
Operating costs	(300)	(254)	(15.3)
Operating margin	503	1,012	101.3
Net adjustments to loans	(162)	(73)	(54.8)
Net provisions and net impairment losses on other assets	1	(3)	n.m.
Other income (expenses)	65	0	n.m.
Income (Loss) from discontinued operations	0	0	n.m.
Gross income (loss)	407	936	130.0
Taxes on income	(110)	(293)	166.5
Charges (net of tax) for integration and exit incentives	(9)	(5)	(45.1)
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.
Net income	288	638	121.7

Note: figures may not add up exactly due to rounding

International Subsidiary Banks: 1Q21 vs 1Q20

€ m

	1Q20	1Q21	Δ%
Net interest income	331	323	(2.4)
Net fee and commission income	123	122	(0.8)
Income from insurance business	0	0	n.m.
Profits on financial assets and liabilities at fair value	19	30	57.9
Other operating income (expenses)	(5)	(7)	40.0
Operating income	468	468	0.0
Personnel expenses	(131)	(130)	(0.8)
Other administrative expenses	(81)	(81)	0.0
Adjustments to property, equipment and intangible assets	(27)	(27)	0.0
Operating costs	(239)	(238)	(0.4)
Operating margin	229	230	0.4
Net adjustments to loans	(22)	(47)	113.6
Net provisions and net impairment losses on other assets	(14)	(6)	(57.1)
Other income (expenses)	5	1	(80.0)
Income (Loss) from discontinued operations	0	0	n.m.
Gross income (loss)	198	178	(10.1)
Taxes on income	(46)	(48)	4.3
Charges (net of tax) for integration and exit incentives	(9)	(9)	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	n.m.
Net income	143	121	(15.4)

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: Q1 vs Q4

€ m

	4Q20	1Q21	Δ%
Net interest income	329	323	(1.8)
Net fee and commission income	137	122	(11.2)
Income from insurance business	0	0	n.m.
Profits on financial assets and liabilities at fair value	41	30	(26.8)
Other operating income (expenses)	(13)	(7)	44.5
Operating income	495	468	(5.4)
Personnel expenses	(134)	(130)	(3.3)
Other administrative expenses	(96)	(81)	(15.3)
Adjustments to property, equipment and intangible assets	(28)	(27)	2.7
Operating costs	(258)	(238)	(7.7)
Operating margin	237	230	(2.9)
Net adjustments to loans	(74)	(47)	(36.3)
Net provisions and net impairment losses on other assets	(13)	(6)	(55.2)
Other income (expenses)	1	1	7.0
Income (Loss) from discontinued operations	0	0	n.m.
Gross income (loss)	151	178	18.0
Taxes on income	(26)	(48)	84.7
Charges (net of tax) for integration and exit incentives	(30)	(9)	(70.3)
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.
Net income	95	121	28.0

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: 1Q21 vs 1Q20

€ m

	1Q20	1Q21	Δ%
Net interest income	48	39	(18.8)
Net fee and commission income	427	466	9.1
Income from insurance business	0	0	n.m.
Profits on financial assets and liabilities at fair value	3	16	433.3
Other operating income (expenses)	0	5	n.m.
Operating income	478	526	10.0
Personnel expenses	(78)	(82)	5.1
Other administrative expenses	(49)	(47)	(4.1)
Adjustments to property, equipment and intangible assets	(14)	(15)	7.1
Operating costs	(141)	(144)	2.1
Operating margin	337	382	13.4
Net adjustments to loans	(3)	0	n.m.
Net provisions and net impairment losses on other assets	(6)	(6)	0.0
Other income (expenses)	6	194	n.m.
Income (Loss) from discontinued operations	0	0	n.m.
Gross income (loss)	334	570	70.7
Taxes on income	(103)	(177)	71.8
Charges (net of tax) for integration and exit incentives	(4)	(4)	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	n.m.
Net income	227	389	71.4

Note: figures may not add up exactly due to rounding

Private Banking: Q1 vs Q4

€ m

	4Q20	1Q21	Δ%
Net interest income	43	39	(8.2)
Net fee and commission income	454	466	2.7
Income from insurance business	0	0	n.m.
Profits on financial assets and liabilities at fair value	11	16	44.1
Other operating income (expenses)	2	5	177.8
Operating income	509	526	3.3
Personnel expenses	(91)	(82)	(9.9)
Other administrative expenses	(56)	(47)	(16.6)
Adjustments to property, equipment and intangible assets	(14)	(15)	4.7
Operating costs	(162)	(144)	(10.9)
Operating margin	348	382	9.9
Net adjustments to loans	3	0	(100.0)
Net provisions and net impairment losses on other assets	(9)	(6)	(31.0)
Other income (expenses)	(9)	194	n.m.
Income (Loss) from discontinued operations	0	0	n.m.
Gross income (loss)	333	570	71.3
Taxes on income	(83)	(177)	112.1
Charges (net of tax) for integration and exit incentives	(19)	(4)	(79.4)
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	1	0	(100.0)
Net income	230	389	69.0

Note: figures may not add up exactly due to rounding

Asset Management: 1Q21 vs 1Q20

€ m

	1Q20	1Q21	Δ%
Net interest income	0	0	n.m.
Net fee and commission income	174	239	37.4
Income from insurance business	0	0	n.m.
Profits on financial assets and liabilities at fair value	(12)	(1)	(91.7)
Other operating income (expenses)	6	16	166.7
Operating income	168	254	51.2
Personnel expenses	(16)	(18)	12.5
Other administrative expenses	(16)	(15)	(6.3)
Adjustments to property, equipment and intangible assets	(1)	(1)	0.0
Operating costs	(33)	(34)	3.0
Operating margin	135	220	63.0
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.
Gross income (loss)	135	220	63.0
Taxes on income	(35)	(59)	68.6
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	0	n.m.
Net income	100	161	61.0

Note: figures may not add up exactly due to rounding

Asset Management: Q1 vs Q4

€ m

	4Q20	1Q21	Δ%
Net interest income	(0)	0	n.m.
Net fee and commission income	307	239	(22.2)
Income from insurance business	0	0	n.m.
Profits on financial assets and liabilities at fair value	1	(1)	n.m.
Other operating income (expenses)	10	16	66.3
Operating income	318	254	(20.2)
Personnel expenses	(25)	(18)	(27.6)
Other administrative expenses	(21)	(15)	(27.2)
Adjustments to property, equipment and intangible assets	(1)	(1)	(28.7)
Operating costs	(47)	(34)	(27.5)
Operating margin	271	220	(18.9)
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.
Gross income (loss)	271	220	(18.9)
Taxes on income	(77)	(59)	(23.0)
Charges (net of tax) for integration and exit incentives	(2)	0	(100.0)
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.
Net income	192	161	(16.3)

Note: figures may not add up exactly due to rounding

Insurance: 1Q21 vs 1Q20

€ m

	1Q20	1Q21	Δ%
Net interest income	0	0	n.m.
Net fee and commission income	0	0	n.m.
Income from insurance business	342	357	4.4
Profits on financial assets and liabilities at fair value	0	0	n.m.
Other operating income (expenses)	(2)	(3)	50.0
Operating income	340	354	4.1
Personnel expenses	(21)	(25)	19.0
Other administrative expenses	(23)	(22)	(4.3)
Adjustments to property, equipment and intangible assets	(4)	(4)	0.0
Operating costs	(48)	(51)	6.3
Operating margin	292	303	3.8
Net adjustments to loans	0	0	n.m.
Net provisions and net impairment losses on other assets	(6)	(3)	(50.0)
Other income (expenses)	0	0	n.m.
Income (Loss) from discontinued operations	0	0	n.m.
Gross income (loss)	286	300	4.9
Taxes on income	(82)	(78)	(4.9)
Charges (net of tax) for integration and exit incentives	(2)	(1)	(50.0)
Effect of purchase price allocation (net of tax)	(5)	(5)	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	(37)	(3)	(91.9)
Net income	160	213	33.1

Note: figures may not add up exactly due to rounding

Insurance: Q1 vs Q4

€ m

	4Q20	1Q21	Δ%
Net interest income	(0)	0	n.m.
Net fee and commission income	0	0	n.m.
Income from insurance business	306	357	16.6
Profits on financial assets and liabilities at fair value	0	0	n.m.
Other operating income (expenses)	(6)	(3)	47.6
Operating income	301	354	17.6
Personnel expenses	(28)	(25)	(9.2)
Other administrative expenses	(39)	(22)	(44.1)
Adjustments to property, equipment and intangible assets	(4)	(4)	(9.1)
Operating costs	(71)	(51)	(28.5)
Operating margin	230	303	31.9
Net adjustments to loans	0	0	n.m.
Net provisions and net impairment losses on other assets	(1)	(3)	344.5
Other income (expenses)	0	0	n.m.
Income (Loss) from discontinued operations	0	0	n.m.
Gross income (loss)	229	300	31.0
Taxes on income	(4)	(78)	n.m.
Charges (net of tax) for integration and exit incentives	(5)	(1)	(80.8)
Effect of purchase price allocation (net of tax)	(10)	(5)	(50.0)
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	3	(3)	n.m.
Net income	212	213	0.4

Note: figures may not add up exactly due to rounding

Quarterly P&L

€ m

	1Q20	2Q20	3Q20	4Q20	1Q21 ⁽²⁾
	restated ⁽¹⁾				
Net interest income	2,036	2,033	2,125	2,068	1,948
Net fee and commission income	2,112	2,006	2,139	2,427	2,301
Income from insurance business	372	373	299	319	373
Profits on financial assets and liabilities at fair value	1,044	303	123	188	791
Other operating income (expenses)	6	35	2	11	48
Operating income	5,570	4,750	4,688	5,013	5,461
Personnel expenses	(1,622)	(1,639)	(1,626)	(1,718)	(1,603)
Other administrative expenses	(676)	(730)	(725)	(869)	(635)
Adjustments to property, equipment and intangible assets	(312)	(311)	(311)	(312)	(304)
Operating costs	(2,610)	(2,680)	(2,662)	(2,899)	(2,542)
Operating margin	2,960	2,070	2,026	2,114	2,919
Net adjustments to loans	(538)	(1,543)	(972)	(1,440)	(402)
Net provisions and net impairment losses on other assets	(428)	258	(65)	(122)	(133)
Other income (expenses)	10	(3)	22	59	198
Income (Loss) from discontinued operations	149	1,230	80	129	48
Gross income (loss)	2,153	2,012	1,091	740	2,630
Taxes on income	(620)	(348)	(312)	(166)	(833)
Charges (net of tax) for integration and exit incentives	(15)	(22)	(26)	(1,484)	(52)
Effect of purchase price allocation (net of tax)	(26)	(24)	3,237	(1,227)	(16)
Levies and other charges concerning the banking industry (net of tax)	(206)	(91)	(178)	(38)	(196)
Impairment (net of tax) of goodwill and other intangible assets	0	0	0	(912)	0
Minority interests	(135)	(112)	(2)	(12)	(17)
Net income	1,151	1,415	3,810	(3,099)	1,516

€546m and €393m respectively when excluding the accounting effect of the combination with UBI Banca and of the impairment of goodwill

Note: figures may not add up exactly due to rounding

(1) Data restated - where necessary and material - considering the changes in the scope of consolidation following the inclusion of UBI Banca and, on the basis of management accounts, the reallocation of the contribution of branches sold in 1Q21 and those to be sold in 2Q21 to Income (Loss) from discontinued operations

(2) Considering, on the basis of management accounts, the reallocation of the contribution of branches sold in 1Q21 and those to be sold in 2Q21 to Income (Loss) from discontinued operations

Net Fee and Commission Income: Quarterly Development Breakdown

€ m

Net Fee and Commission Income					
	1Q20	2Q20	3Q20	4Q20	1Q21 ⁽²⁾
	restated ⁽¹⁾				
Guarantees given / received	51	48	47	50	47
Collection and payment services	124	113	115	140	137
Current accounts	352	353	360	366	344
Credit and debit cards	65	73	85	89	61
Commercial banking activities	592	587	607	645	589
Dealing and placement of securities	195	165	190	227	292
Currency dealing	1	1	2	2	3
Portfolio management	658	644	682	836	727
Distribution of insurance products	388	365	396	418	406
Other	70	59	64	61	49
Management, dealing and consultancy activities	1,312	1,234	1,334	1,544	1,477
Other net fee and commission income	208	185	198	238	235
Net fee and commission income	2,112	2,006	2,139	2,427	2,301

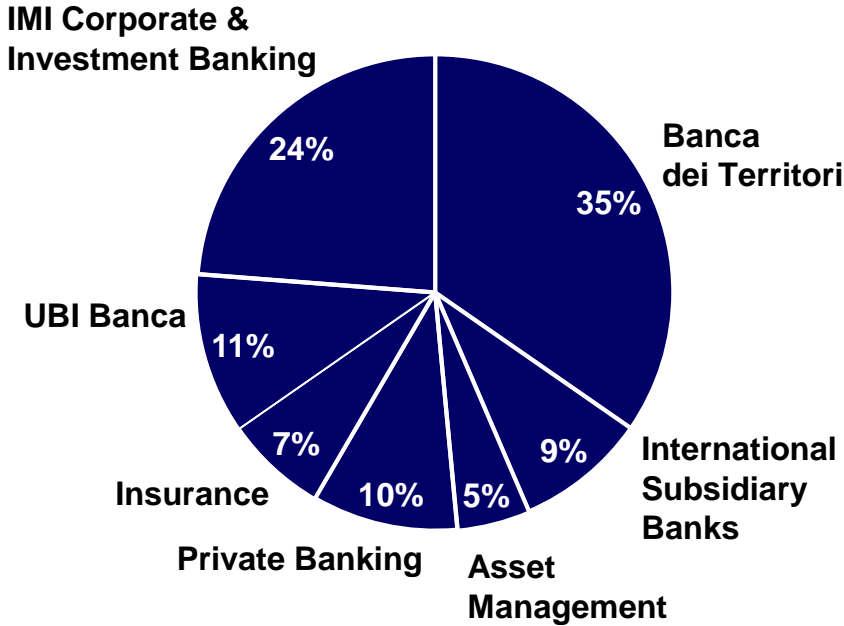
Note: figures may not add up exactly due to rounding

(1) Data restated - where necessary and material - considering the changes in the scope of consolidation following the inclusion of UBI Banca and, on the basis of management accounts, the reallocation of the contribution of branches sold in 1Q21 and those to be sold in 2Q21 to Income (Loss) from discontinued operations

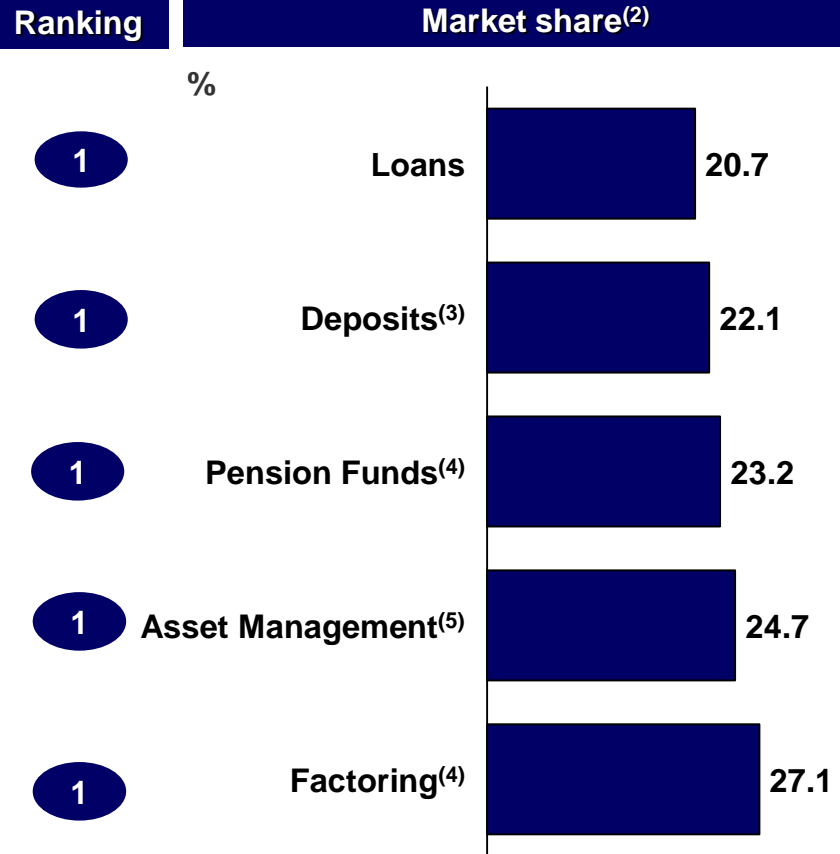
(2) Considering, on the basis of management accounts, the reallocation of the contribution of branches sold in 1Q21 and those to be sold in 2Q21 to Income (Loss) from discontinued operations

Market Leadership in Italy

1Q21 Operating Income Breakdown by business area⁽¹⁾



Leader in Italy



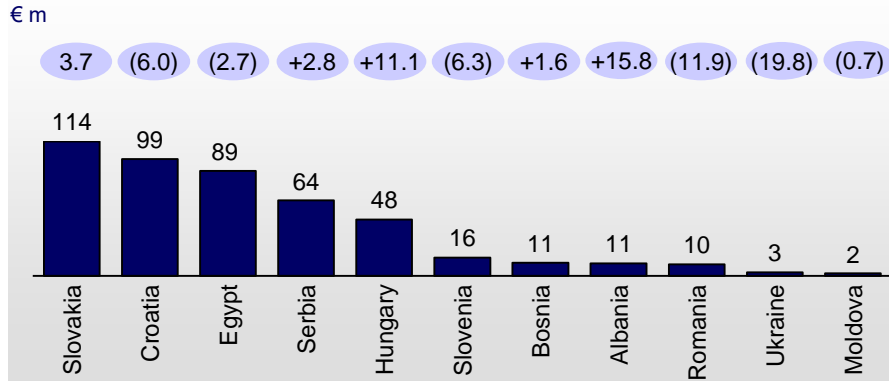
Note: figures may not add up exactly due to rounding
 (1) Excluding Corporate Centre
 (2) Data as at 31.3.21
 (3) Including bonds
 (4) Data as at 31.12.20
 (5) Mutual funds; data as at 31.12.20

International Subsidiary Banks: Key P&L Data by Country

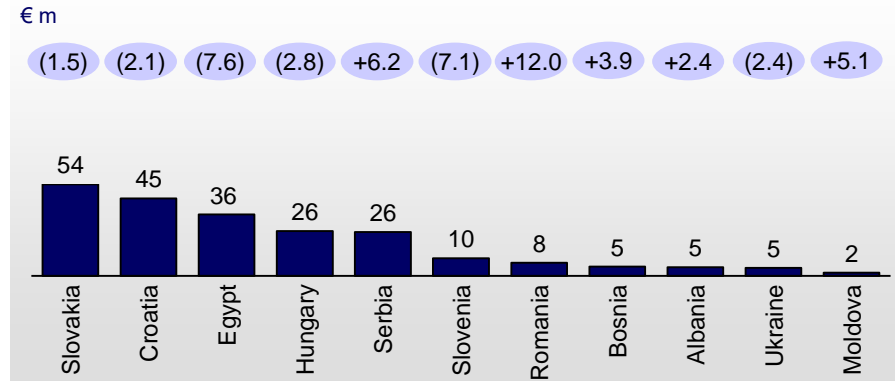
Data as at 31.3.21

(Δ% vs 1Q20)

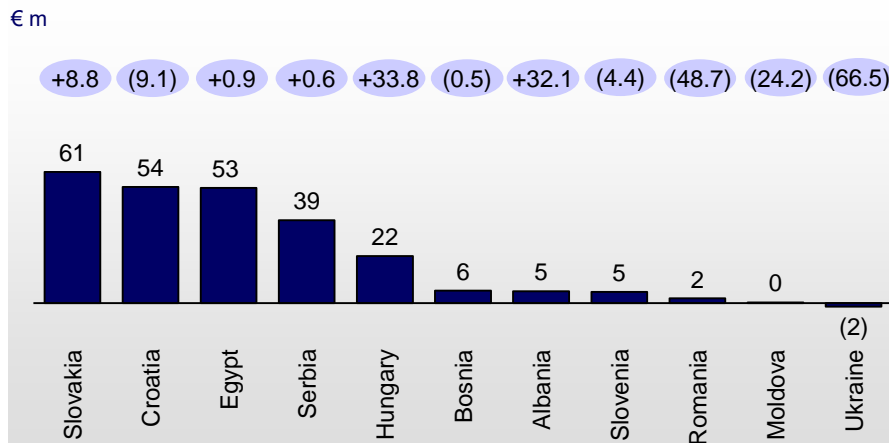
Operating Income



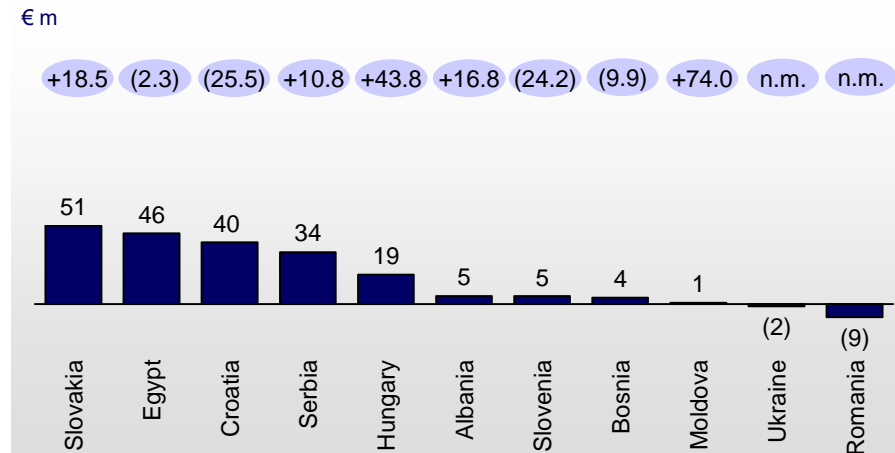
Operating Costs



Operating Margin







Gross Income



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

International Subsidiary Banks by Country: 8% of the Group's Total Loans

Data as at 31.3.21

											Total CEE		Total
	Hungary	Slovakia	Slovenia	Croatia	Bosnia	Serbia	Albania	Romania	Moldova	Ukraine		Egypt	
Oper. Income (€ m)	48	114	16	99	11	64	11	10	2	3	379	89	468
% of Group total	0.9%	2.1%	0.3%	1.8%	0.2%	1.2%	0.2%	0.2%	0.0%	0.1%	6.9%	1.6%	8.6%
Net income (€ m)	2	27	4	29	3	23	4	(10)	1	(2)	82	31	113
% of Group total	0.1%	1.8%	0.3%	1.9%	0.2%	1.5%	0.2%	n.m.	0.0%	n.m.	5.4%	2.1%	7.5%
Customer Deposits (€ bn)	4.7	16.8	2.6	9.8	0.8	4.6	1.3	1.0	0.1	0.2	42.0	4.7	46.7
% of Group total	0.9%	3.2%	0.5%	1.9%	0.2%	0.9%	0.3%	0.2%	0.0%	0.0%	8.0%	0.9%	8.9%
Customer Loans (€ bn)	3.2	15.1	1.9	7.2	0.8	3.7	0.4	0.9	0.1	0.1	33.4	2.6	35.9
% of Group total	0.7%	3.3%	0.4%	1.6%	0.2%	0.8%	0.1%	0.2%	0.0%	0.0%	7.2%	0.6%	7.8%
Total Assets (€ bn)	6.6	19.6	3.1	12.7	1.2	6.3	1.5	1.4	0.2	0.2	52.7	5.8	58.6
% of Group total	0.7%	2.0%	0.3%	1.3%	0.1%	0.6%	0.2%	0.1%	0.0%	0.0%	5.3%	0.6%	5.9%
Book value (€ m)	691	1,647	317	1,801	168	956	189	171	32	51	6,023	595	6,618
- intangibles	31	129	6	24	2	44	4	4	2	3	249	8	257

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 31.3.21

											Total CEE		Total
	Hungary	Slovakia	Slovenia	Croatia	Bosnia	Serbia	Albania	Romania	Moldova	Ukraine		Egypt	

Performing loans (€ bn)	3.1	15.0	1.9	7.0	0.8	3.7	0.4	0.9	0.1	0.1	32.8	2.5	35.3
of which:													
Retail local currency	46%	62%	42%	32%	33%	24%	21%	13%	54%	32%	46%	59%	47%
Retail foreign currency	0%	0%	0%	20%	14%	29%	14%	16%	0%	1%	8%	0%	8%
Corporate local currency	26%	34%	58%	23%	13%	6%	12%	44%	17%	40%	29%	29%	29%
Corporate foreign currency	28%	4%	0%	25%	40%	41%	53%	27%	28%	27%	17%	12%	17%
Bad loans⁽¹⁾ (€ m)	10	107	2	54	5	17	3	9	0	0	207	0	207
Unlikely to pay⁽²⁾ (€ m)	58	61	20	179	9	26	4	20	2	0	379	62	441
Performing loans coverage	1.5%	0.7%	1.1%	1.7%	2.0%	1.7%	1.5%	2.1%	3.9%	1.2%	1.2%	1.8%	1.2%
Bad loans⁽¹⁾ coverage	58%	63%	87%	73%	72%	72%	63%	50%	100%	n.m.	68%	100%	69%
Unlikely to pay⁽²⁾ coverage	41%	44%	47%	36%	36%	51%	50%	39%	0%	n.m.	40%	45%	41%
Annualised cost of credit⁽³⁾ (bps)	37	27	11	61	103	46	50	495	n.m.	n.m.	50	84	53

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 Tier 1 Ratio as at 31.3.21: from Phased-in to Pro-forma Fully Loaded



	~€ bn	~bps
Direct-deduction relevant items		
DTA on losses carried forward ⁽¹⁾	1.8	55
IFRS9 transitional adjustment	(1.5)	(44)
Total	0.3	11
Cap relevant items^{(*)(2)}		
Total	0.0	25
(*) as a memo, constituents of deductions subject to cap:		
- Other DTA ⁽³⁾	1.4	
- Investments in banking and financial companies	2.9	
RWA from 100% weighted DTA⁽⁴⁾	(9.8)	46
Total estimated impact		82
Pro-forma fully loaded Common Equity Tier 1 ratio		15.7%

Note: figures may not add up exactly due to rounding

(1) Considering the expected absorption of DTA on losses carried forward (€2.1bn as at 31.3.21)

(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 1Q21 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 (€1.2bn as at 31.3.21) 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 (€0.2bn as at 31.3.21) and DTA related to the acquisition of UBI Banca arising from PPA and integration charges (€1.2bn as at 31.3.21) and the sale of the going concern to BPER Banca (€0.2bn as at 31.3.21). 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 (€6.3bn as at 31.3.21) and adjustments to loans (€3.6bn as at 31.3.21)

Total Exposure⁽¹⁾ by Main Countries

€ m

	DEBT SECURITIES						LOANS
	Banking Business				Insurance Business ⁽³⁾	Total	
	AC	FVTOCI	FVTPL ⁽²⁾	Total			
EU Countries	39,159	41,935	8,107	89,201	66,348	155,549	423,998
Austria	188	166	-84	270	28	298	838
Belgium	839	2,282	366	3,487	118	3,605	1,018
Bulgaria			5	5	95	100	28
Croatia	68	1,063	169	1,300	173	1,473	7,277
Cyprus							32
Czech Republic	161			161		161	538
Denmark	33	20	1	54	21	75	62
Estonia							2
Finland	15	113	122	250	36	286	251
France	3,121	4,685	10	7,816	3,232	11,048	8,527
Germany	1,302	1,976	594	3,872	1,045	4,917	7,351
Greece	25		97	122		122	204
Hungary	180	928	15	1,123	43	1,166	2,898
Ireland	478	1,027	424	1,929	59	1,988	512
Italy	27,538	16,362	7,507	51,407	56,818	108,225	364,134
Latvia		15	3	18		18	30
Lithuania							1
Luxembourg	112	838	126	1,076	8	1,084	6,645
Malta							86
The Netherlands	278	857	139	1,274	715	1,989	2,037
Poland	51	130		181	33	214	953
Portugal	204	891	-155	940	56	996	156
Romania	66	306	7	379	297	676	982
Slovakia		479		479		479	13,516
Slovenia	1	253	10	264		264	1,835
Spain	4,475	9,367	-1,258	12,584	3,545	16,129	3,859
Sweden	24	177	9	210	26	236	226
Albania	207	342	5	554		554	440
Egypt		1,874	2	1,876	79	1,955	3,073
Japan	57	2,233	365	2,655	99	2,754	717
Russia		97		97	53	150	5,602
Serbia	2	663	5	670		670	3,974
United Kingdom	542	489	12	1,043	1,510	2,553	18,594
U.S.A.	2,297	4,746	139	7,182	2,719	9,901	7,026
Other Countries	1,456	5,306	218	6,980	3,133	10,113	22,818
Total	43,720	57,685	8,853	110,258	73,941	184,199	486,242

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 31.3.21

(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⁽¹⁾ by Main Countries

€ m

	DEBT SECURITIES							LOANS
	Banking Business				Insurance Business ⁽³⁾	Total	FVTOCI/AFS Reserve ⁽⁴⁾	
	AC	FVTOCI	FVTPL ⁽²⁾	Total				
EU Countries	26,910	33,974	5,424	66,308	59,523	125,831	619	11,719
Austria		88	-86	2	10	12		
Belgium	793	1,675	47	2,515	4	2,519	-9	
Bulgaria			5	5	63	68	1	
Croatia	11	1,063	169	1,243	162	1,405	3	1,231
Cyprus								
Czech Republic								
Denmark								
Estonia								
Finland		26	115	141	3	144		
France	2,568	3,196	-8	5,756	1,441	7,197	-23	4
Germany	514	1,129	534	2,177	414	2,591	-8	
Greece			97	97		97		
Hungary	23	912	15	950	43	993	10	109
Ireland	146	346	-28	464	56	520	1	
Italy	18,610	14,218	6,035	38,863	54,339	93,202	609	9,888
Latvia		15	3	18		18		30
Lithuania								
Luxembourg		147		147		147	-1	
Malta								
The Netherlands	52	242	7	301	75	376	-1	
Poland	51	61		112	18	130		
Portugal	84	874	-178	780	39	819	4	
Romania	66	306	7	379	293	672	-1	6
Slovakia		451		451		451	3	215
Slovenia	1	245	10	256		256	1	191
Spain	3,991	8,957	-1,328	11,620	2,563	14,183	30	45
Sweden		23	8	31		31		
Albania	207	342	5	554		554	2	1
Egypt		1,874	2	1,876	79	1,955	8	244
Japan		2,063	354	2,417		2,417	9	
Russia		97		97		97	-1	
Serbia	2	663	5	670		670	8	90
United Kingdom		137	-17	120	106	226	-5	
U.S.A.	1,317	3,749	-6	5,060	22	5,082	-173	
Other Countries	1,185	3,098	124	4,407	1,375	5,782	-64	5,041
Total	29,621	45,997	5,891	81,509	61,105	142,614	403	17,095

**Banking Business Government bond duration: 6.7y
Adjusted duration due to hedging: 0.7y**

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 31.3.21

(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⁽¹⁾

€ m

	DEBT SECURITIES						LOANS
	Banking Business				Insurance Business ⁽³⁾	Total	
	AC	FVTOCI	FVTPL ⁽²⁾	Total			
EU Countries	2,016	4,766	905	7,687	3,115	10,802	20,330
Austria	172	33	2	207	15	222	273
Belgium	11	598	318	927	31	958	394
Bulgaria							
Croatia	43			43		43	87
Cyprus							
Czech Republic							11
Denmark	20	8	1	29		29	51
Estonia							
Finland	9	30	7	46		46	49
France	287	821	-21	1,087	1,046	2,133	6,663
Germany	75	598	46	719	50	769	5,707
Greece							190
Hungary	126	16		142		142	22
Ireland		38		38		38	189
Italy	918	1,186	427	2,531	1,412	3,943	5,168
Latvia							
Lithuania							
Luxembourg		579	101	680		680	667
Malta							63
The Netherlands	101	309	-2	408	213	621	283
Poland		69		69		69	22
Portugal		17		17		17	1
Romania							53
Slovakia		28		28		28	
Slovenia		8		8		8	2
Spain	236	320	26	582	330	912	425
Sweden	18	108		126	18	144	10
Albania							26
Egypt							158
Japan	30	59	7	96	61	157	100
Russia							84
Serbia							91
United Kingdom	146	232	12	390	371	761	4,843
U.S.A.	299	478	71	848	1,309	2,157	795
Other Countries	74	1,768	79	1,921	632	2,553	5,185
Total	2,565	7,303	1,074	10,942	5,488	16,430	31,612

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

(1) Book Value of Debt Securities and Net Loans as at 31.3.21

(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⁽¹⁾

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	DEBT SECURITIES						LOANS
	Banking Business				Insurance Business ⁽³⁾	Total	
	AC	FVTOCI	FVTPL ⁽²⁾	Total			
EU Countries	10,233	3,195	1,778	15,206	3,710	18,916	391,949
Austria	16	45		61	3	64	565
Belgium	35	9	1	45	83	128	624
Bulgaria					32	32	28
Croatia	14			14	11	25	5,959
Cyprus							32
Czech Republic	161			161		161	527
Denmark	13	12		25	21	46	11
Estonia							2
Finland	6	57		63	33	96	202
France	266	668	39	973	745	1,718	1,860
Germany	713	249	14	976	581	1,557	1,644
Greece	25			25		25	14
Hungary	31			31		31	2,767
Ireland	332	643	452	1,427	3	1,430	323
Italy	8,010	958	1,045	10,013	1,067	11,080	349,078
Latvia							
Lithuania							1
Luxembourg	112	112	25	249	8	257	5,978
Malta							23
The Netherlands	125	306	134	565	427	992	1,754
Poland					15	15	931
Portugal	120		23	143	17	160	155
Romania					4	4	923
Slovakia							13,301
Slovenia							1,642
Spain	248	90	44	382	652	1,034	3,389
Sweden	6	46	1	53	8	61	216
Albania							413
Egypt							2,671
Japan	27	111	4	142	38	180	617
Russia					53	53	5,518
Serbia							3,793
United Kingdom	396	120	17	533	1,033	1,566	13,751
U.S.A.	681	519	74	1,274	1,388	2,662	6,231
Other Countries	197	440	15	652	1,126	1,778	12,592
Total	11,534	4,385	1,888	17,807	7,348	25,155	437,535

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

(1) Book Value of Debt Securities and Net Loans as at 31.3.21

(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.